

CITY OF LAMPASAS, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019



SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

CITY OF LAMPASAS, TEXAS
 ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

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FINANCIAL SECTION

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Independent Auditor's Report

Honorable Mayor, Members of the City Council, and Citizens of the
City of Lampasas, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the City of Lampasas, Texas (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the City as of September 30, 2019; and, the respective changes in financial position, where applicable cash flows thereof, and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section which precedes the basic financial statements and the pension and other post-employment benefits liabilities related schedules following the notes section be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on this information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

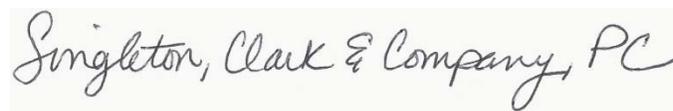
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Singleton, Clark & Company, PC
Cedar Park, Texas

January 31, 2020

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CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

As management of the City of Lampasas, Texas ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- At the end of the current fiscal year, the City's governmental activities (full accrual presentation) net position decreased by \$813,724 as a result of this year's current operations to end at \$1,289,669 (including a prior period adjustment of \$23,693). The assets of the business-type activities of the City exceeded its liabilities at the close of the most recent fiscal year by \$20,913,622 as a result of this year's current operations.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$6,722,418, a decrease of \$1,503,459 in comparison with the prior year. At the end of the current fiscal year, the General Fund had \$2,771,028 in spendable fund balance which represents approximately 28% of the General Fund's expenditures for the fiscal year.
- At the end of the current fiscal year, the city's proprietary funds reported total ending net position of \$20,913,622. The majority of ending proprietary net position related to the Electric Fund and the Water/Wastewater Fund which ended at \$7,388,268 and \$10,775,621 after the year's increases of \$94,143 and \$520,127, respectively.
- The City's component unit ended the year with a net position balance of \$1,245,019 after the year's increase of \$93,650.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of the City include a water/wastewater utility operation, electric operation, aviation operation, golf course operation and an economic development operation.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate economic development corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 17-19 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data from the other fifteen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-27 of this report.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Proprietary Funds. The City has the option of maintaining two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its electric utility operations, water/wastewater utility operations, economic development operations, aviation operations and its golf course operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a City's functions. The City is not currently utilizing an internal service fund. Because the services provided by internal service funds predominantly benefit governmental rather than business-type functions, they are usually included within *governmental activities* in the government-wide financial statements. The City does not currently operate any internal service funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric utility and water/wastewater utility which are considered major proprietary funds. Data from the economic development, aviation, and golf course operations of the City are combined into a single aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report. Conversely, when internal service funds are utilized, they are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 28-31 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City currently does not maintain any fiduciary funds.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 35-61 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's participation in the Texas Municipal Retirement System employee pension program and the other post-employment benefit program for its employees. Required supplementary information can be found on pages 64-75 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and proprietary funds are presented immediately following the required supplementary information on pensions and other post-employment benefits.

Combining and individual fund statements and schedules can be found on pages 80-91 of this report.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities for governmental activities by \$1,289,669 and for business-type activities by \$20,913,622 at the close of the most recent fiscal year.

City of Lampasas, Texas's Net Position

	Governmental Activities 2019	Governmental Activities 2018	Change	Business- Type Activities 2019	Business- Type Activities 2018	Change
ASSETS	\$ 8,293,823	\$ 9,768,143	\$ (1,474,320)	\$ 10,077,945	\$ 9,271,787	\$ 806,158
Capital assets	11,187,149	10,300,700	886,449	16,871,069	16,742,573	128,496
Deferred outflows	2,437,706	1,406,147	1,031,559	687,559	396,607	290,952
Total assets and deferred outflows	<u>\$ 21,918,678</u>	<u>\$ 21,474,990</u>	<u>\$ 443,688</u>	<u>\$ 27,636,573</u>	<u>\$ 26,410,967</u>	<u>\$ 1,225,606</u>
LIABILITIES	\$ 966,795	\$ 978,758	\$ (11,963)	\$ 1,815,928	\$ 1,325,190	\$ 490,738
Long-term liabilities	18,898,122	17,575,247	1,322,875	4,691,511	4,434,669	256,842
Deferred inflows	764,092	841,285	(77,193)	215,512	237,285	(21,773)
Total liabilities and deferred inflows	<u>20,629,009</u>	<u>19,395,290</u>	<u>1,233,719</u>	<u>6,722,951</u>	<u>5,997,144</u>	<u>725,807</u>
NET POSITION						
Net investment in capital assets	1,717,386	2,179,077	(461,691)	14,436,658	14,080,058	356,600
Restricted	2,410,140	2,263,448	146,692	2,686,288	2,534,131	152,157
Unrestricted	(2,837,857)	(2,362,825)	(475,032)	3,790,676	3,799,634	(8,958)
Total net position	<u>\$ 1,289,669</u>	<u>\$ 2,079,700</u>	<u>\$ (790,031)</u>	<u>\$ 20,913,622</u>	<u>\$ 20,413,823</u>	<u>\$ 499,799</u>

By far, the largest portion of the City's net position, approximately 73% or \$16,154,044, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, about 23% or \$5,096,428, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$952,819 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, for the government as a whole. However, the City reported a deficit balance in the unrestricted net position for its governmental activities in the amount of (\$2,837,857). This balance was negative in the prior year also and relates primarily to the City's restricted net position as well as the recording of pension and OPEB amounts.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Governmental Activities. During the current fiscal year, net position for governmental activities decreased by \$813,724 from the prior fiscal year as a result of current activities. Net position for governmental activities ended at \$1,289,669. Additionally, the City recorded a prior period adjustment related to a Police Seizures Fund deposit not recorded properly in prior year amounting to \$23,693.

City of Lampasas, Texas Changes in Net Position

	Governmental Activities 2019	Governmental Activities 2018	Change	Business- Type Activities 2019	Business- Type Activities 2018	Change
REVENUES						
Program Revenues:						
Charges for services	\$ 2,001,266	\$ 1,592,452	\$ 408,814	\$ 16,952,681	\$ 17,117,376	\$ (164,695)
Operating grants & contributions	44,271	144,548	(100,277)	-	-	-
General Revenues:						
Property taxes	1,689,257	1,629,080	60,177	-	-	-
Other taxes	1,580,877	1,499,393	81,484	-	-	-
Grants and contributions not restricted to specific programs	899,556	933,625	(34,069)	-	-	-
Other	1,901,225	1,927,937	(26,712)	362,128	178,690	183,438
Total revenue	8,116,452	7,727,035	389,417	17,314,809	17,296,066	18,743
EXPENSES						
General government	3,311,913	3,091,738	220,175	-	-	-
Public safety	4,286,779	4,055,064	231,715	-	-	-
Highways and streets	725,560	659,773	65,787	-	-	-
Sanitation	1,204,509	1,181,898	22,611	-	-	-
Health and welfare	193,716	163,533	30,183	-	-	-
Culture and recreation	1,259,968	1,020,517	239,451	-	-	-
Conservation	103,002	127,687	(24,685)	-	-	-
Interest on long-term debt	347,615	394,441	(46,826)	-	-	-
Electric Fund	-	-	-	8,519,945	8,434,875	85,070
Water/Wastewater Fund	-	-	-	4,801,323	4,702,689	98,634
Nonmajor Enterprise Funds	-	-	-	990,856	966,962	23,894
Total expenses	11,433,062	10,694,651	738,411	14,312,124	14,104,526	207,598
Increase (decrease) in net position before transfers	(3,316,610)	(2,967,616)	(348,994)	3,002,685	3,191,540	(188,855)
Transfers	2,502,886	1,568,972	933,914	(2,502,886)	(1,568,972)	(933,914)
Increase (decrease) in net position	(813,724)	(1,398,644)	584,920	499,799	1,622,568	(1,122,769)
Net position - beginning	2,079,700	3,478,344	(1,398,644)	20,413,823	18,791,255	1,622,568
Prior period adjustment	23,693	-	23,693	-	-	-
Net position - ending	\$ 1,289,669	\$ 2,079,700	\$ (790,031)	\$ 20,913,622	\$ 20,413,823	\$ 499,799

Business-type Activities. For the City's business-type activities, the results of the current fiscal year caused overall net position to increase by \$499,799. Net position for business-type activities ended at \$20,913,622.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

At September 30, 2019, the City's governmental funds reported combined fund balances of \$6,722,419, a decrease of \$1,503,459 in comparison with the prior year. Approximately 14% of this amount, \$923,805 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form \$202,868, 2) restricted for particular purposes \$3,748,522, 3) committed for particular purposes \$1,783,405, or 4) assigned for particular purposes \$63,818.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$923,806, while total fund balance increased to \$2,799,214. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 9% of total General Fund expenditures, while total fund balance represents approximately 28% of that same amount. The fund balance of the City's General Fund increased by \$100,001 during the current fiscal year. The increase in the fund balance of the General Fund was attributable to a transfer from the City's proprietary fund to the General Fund.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Electric Fund at the end of the year was \$3,662,270, and the total increase in net position for the Electric Fund was \$94,143. Unrestricted net position of the Water/Wastewater Fund was \$0, and the total increase in the net position was \$520,127.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. Generally, the movement of the appropriations between departments was *not* significant.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$11,187,149 and \$16,871,069 net of accumulated depreciation, respectively. This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and the water treatment plant.

City of Lampasas, Texas Capital Assets

	Governmental Activities 2019	Governmental Activities 2018	Change
Land	\$ 1,214,431	\$ 1,214,431	\$ -
Buildings	13,879,262.00	13,309,089.00	570,173
Furniture and equipment	4,455,567.00	4,282,535.00	173,032
Construction in progress	1,924,298	949,900	974,398
Total	<u>21,473,558</u>	<u>19,755,955</u>	<u>1,717,603</u>
Less accumulated depreciation	<u>(10,286,409)</u>	<u>(9,455,255)</u>	<u>(831,154)</u>
Capital assets, net of depreciation	<u>\$ 11,187,149</u>	<u>\$ 10,300,700</u>	<u>\$ 886,449</u>
	Business-type Activities 2019	Business-type Activities 2018	Change
Land	\$ 983,061	\$ 983,061	\$ -
Buildings	5,058,261.00	5,048,261.00	10,000
Furniture and equipment	5,407,432.00	5,197,101.00	210,331
Construction in progress	1,189,759	2,158,709	(968,950)
Infrastructure	26,424,530	24,403,195	2,021,335
Total	<u>39,063,043</u>	<u>37,790,327</u>	<u>1,272,716</u>
Less accumulated depreciation	<u>(22,191,974)</u>	<u>(21,047,754)</u>	<u>(1,144,220)</u>
Capital assets, net of depreciation	<u>\$ 16,871,069</u>	<u>\$ 16,742,573</u>	<u>\$ 128,496</u>

Additional information on the City's capital assets can be found in Note III.D on pages 44-45 of this report.

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CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$10,826,052 and \$2,434,042 related to governmental activities and business-type activities, respectively. The remainder of the City's long-term obligations is comprised of compensated absences.

City of Lampasas, Texas Outstanding Debt

	Governmental Activities 2019	Governmental Activities 2018	Change
General obligation bonds	\$ 10,826,052	\$ 11,205,231	\$ (379,179)
Compensated absences	393,107	382,733	10,374
Total	<u>\$ 11,219,159</u>	<u>\$ 11,587,964</u>	<u>\$ (368,805)</u>

	Business-type Activities 2019	Business-type Activities 2018	Change
General obligation bonds	\$ 2,434,042	\$ 2,662,515	\$ (228,473)
Compensated absences	91,608	83,434	8,174
Total	<u>\$ 2,525,650</u>	<u>\$ 2,745,949</u>	<u>\$ (220,299)</u>

The City's total debt decreased primarily due to scheduled payments of long term debts during the year. Additional information on the City's long-term debt can be found in Note III.I on pages 55-57 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the City and were considered in developing the 2019-2020 fiscal year budget:

- * Sales Tax continued growth and stability
- * City Council election
- * City's diversified portfolio
- * Increase in Insurance Rates
- * Growth through Economic Development

The adopted budget for the City's General Fund for fiscal year 2019-2020 was approximately \$10.7 million which reflects an approximate increase of \$694,000 from the fiscal year 2018-2019 General Fund adopted budget. The proposed tax rates to finance General Fund and Debt Service Fund operations were \$0.309420 and \$0.085798, respectively, for a total tax rate of \$0.395218 per \$100 valuation.

Requests for Information

This financial report is designed to provide a general overview of the finances of the City of Lampasas, Texas for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance, 312 E. Third Street, Lampasas, Texas, 76550, or by calling (512) 556-3641.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF LAMPASAS, TEXAS
STATEMENT OF NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Lampasas EDC
ASSETS				
Cash and cash equivalents	\$ 5,262,684	\$ 4,906,125	\$ 10,168,809	\$ 950,886
Investments - current	1,665,239	2,808,222	4,473,461	-
Taxes receivable - delinquent	89,207	-	89,207	-
Allowance for uncollectible taxes	(8,919)	-	(8,919)	-
Accounts receivable, net	805,284	1,483,483	2,288,767	-
Notes receivable, net	-	254,233	254,233	-
Internal balances	452,143	6,094	458,237	-
Inventories	11,248	501,288	512,536	-
Prepaid items	16,937	118,500	135,437	-
Capital assets, not being depreciated:				
Land	1,214,431	983,061	2,197,492	923,350
Construction in progress	1,924,298	1,189,759	3,114,057	-
Capital assets, being depreciated:				
Buildings and improvements	13,879,262	5,058,261	18,937,523	17,975
Machinery, equipment, and vehicles	4,455,567	5,400,410	9,855,977	-
Infrastructure	-	26,431,552	26,431,552	802,266
Accumulated depreciation	(10,286,409)	(22,191,974)	(32,478,383)	(112,129)
Total assets	19,480,972	26,949,014	46,429,986	2,582,348
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	2,234,928	630,365	2,865,293	-
Deferred outflows - OPEB	202,778	57,194	259,972	-
Total deferred outflows of resources	2,437,706	687,559	3,125,265	-
LIABILITIES				
Accounts payable	655,855	764,688	1,420,543	172
Accrued salaries and benefits	116,739	23,521	140,260	-
Accrued liabilities	-	3,570	3,570	-
Retainage payable	42,933	-	42,933	-
Intergovernmental payable	-	29,399	29,399	-
Due to other funds	6,094	452,143	458,237	-
Accrued interest payable	50,152	10,465	60,617	3,398
Other current liabilities	95,022	11,492	106,514	-
Customer deposits	-	520,650	520,650	-
Noncurrent liabilities:				
Due within one year	480,000	110,000	590,000	105,879
Due in more than one year:				
Bonds payable - due within one year	9,680,000	2,265,000	11,945,000	1,227,880
Unamortized premium on bonds	666,052	59,042	725,094	-
Net pension obligation	4,574,266	1,290,177	5,864,443	-
Other post-employment benefits	2,856,928	805,800	3,662,728	-
OPEB supplemental death benefits	247,769	69,884	317,653	-
Compensated absences payable	393,107	91,608	484,715	-
Total liabilities	19,864,917	6,507,439	26,372,356	1,337,329
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	625,097	176,309	801,406	-
Deferred inflows - OPEB	138,995	39,203	178,198	-
Total deferred inflows of resources	764,092	215,512	979,604	-
NET POSITION				
Net investment in capital assets	1,717,386	14,436,658	16,154,044	-
Restricted for operations & maintenance	-	2,686,288	2,686,288	-
Restricted for debt service	256,225	-	256,225	-
Restricted for capital projects	559,492	-	559,492	-
Restricted for other specific purposes	1,594,423	-	1,594,423	-
Restricted for Lampasas EDC	-	-	-	1,245,019
Unrestricted	(2,837,857)	3,790,676	952,819	-
Total net position	\$ 1,289,669	\$ 20,913,622	\$ 22,203,291	\$ 1,245,019

The notes to the financial statements are an integral part of this statement.

CITY OF LAMPASAS, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs:	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 3,311,913	\$ 30,402	\$ 3,420
Public safety			
Police	2,743,292	334,405	31,564
Fire	1,543,487	-	-
Highways and streets	725,560	310,030	-
Sanitation	1,204,509	1,165,517	-
Health and welfare	193,716	-	-
Culture and recreation			
Swimming pools	177,722	149,659	-
Golf courses	-	-	-
Parks	822,480	-	-
Libraries	259,766	11,253	1,287
Econ. Development and assistance	103,002	-	8,000
Interest and bank fees	347,615	-	-
Total governmental activities:	<u>11,433,062</u>	<u>2,001,266</u>	<u>44,271</u>
Business-type activities:			
Electric Fund	8,519,945	11,474,139	-
Water/Wastewater Fund	4,801,323	4,878,211	-
Nonmajor enterprise funds	990,856	600,331	-
Total business-type activities:	<u>14,312,124</u>	<u>16,952,681</u>	<u>-</u>
Total primary government	<u>\$ 25,745,186</u>	<u>\$ 18,953,947</u>	<u>\$ 44,271</u>
Component units:			
Lampasas Economic Development Corporation	\$ 235,157	\$ -	\$ -
	<u>\$ 235,157</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

- Property taxes
- Sales taxes
- Hotel/motel taxes
- Franchise taxes
- Investment earnings
- Intergovernmental revenue
- Miscellaneous
- Sale of capital assets

Transfers

Total general revenues, special item and transfers

Change in net position

Net position - beginning
Prior period adjustment
Net position - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activites	Total	Lampasas EDC
\$ (3,278,091)	\$ -	\$ (3,278,091)	\$ -
(2,377,323)	-	(2,377,323)	-
(1,543,487)	-	(1,543,487)	-
(415,530)	-	(415,530)	-
(38,992)	-	(38,992)	-
(193,716)	-	(193,716)	-
(28,063)	-	(28,063)	-
-	-	-	-
(822,480)	-	(822,480)	-
(247,226)	-	(247,226)	-
(95,002)	-	(95,002)	-
(347,615)	-	(347,615)	-
<u>(9,387,525)</u>	<u>-</u>	<u>(9,387,525)</u>	<u>-</u>
-	2,954,194	2,954,194	-
-	76,888	76,888	-
-	(390,525)	(390,525)	-
<u>-</u>	<u>2,640,557</u>	<u>2,640,557</u>	<u>-</u>
<u>(9,387,525)</u>	<u>2,640,557</u>	<u>(6,746,968)</u>	<u>-</u>
			<u>(235,157)</u>
			<u>(235,157)</u>
1,689,257	-	1,689,257	-
1,580,877	-	1,580,877	315,229
161,446	-	161,446	-
899,556	-	899,556	-
125,348	139,742	265,090	13,578
1,404,736	12,761	1,417,497	-
208,245	209,625	417,870	-
1,450	-	1,450	-
2,502,886	(2,502,886)	-	-
<u>8,573,801</u>	<u>(2,140,758)</u>	<u>6,433,043</u>	<u>328,807</u>
(813,724)	499,799	(313,925)	93,650
<u>2,079,700</u>	<u>20,413,823</u>	<u>22,493,523</u>	<u>1,151,369</u>
<u>23,693</u>	<u>-</u>	<u>23,693</u>	<u>-</u>
<u>\$ 1,289,669</u>	<u>\$ 20,913,622</u>	<u>\$ 22,203,291</u>	<u>\$ 1,245,019</u>

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FUND FINANCIAL STATEMENTS

CITY OF LAMPASAS, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,965,274	\$ 2,297,410	\$ 5,262,684
Investments - current	309,093	1,356,146	1,665,239
Taxes receivable - delinquent	69,312	19,895	89,207
Allowance for uncollectible delinquent taxes	(6,931)	(1,988)	(8,919)
Accounts receivable	223,907	40,136	264,043
Allowance for uncollectible accounts receivable	(33,232)	-	(33,232)
Due from other funds	49,405	452,143	501,548
Inventories	11,248	-	11,248
Prepaid items	16,937	-	16,937
Total assets	<u>\$ 3,605,013</u>	<u>\$ 4,163,742</u>	<u>\$ 7,768,755</u>
LIABILITIES			
Accounts payable	\$ 544,194	\$ 111,661	\$ 655,855
Accrued salaries and benefits	113,731	3,008	116,739
Retainage payable	-	42,933	42,933
Due to other funds	-	55,499	55,499
Other current liabilities	85,493	9,529	95,022
Total liabilities	<u>743,418</u>	<u>222,630</u>	<u>966,048</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	62,381	17,907	80,288
Total deferred inflows of resources	<u>62,381</u>	<u>17,907</u>	<u>80,288</u>
FUND BALANCES			
Nonspendable:			
Inventories	11,248	-	11,248
Prepays	16,937	-	16,937
Endowments	-	174,683	174,683
Restricted:			
Debt service	-	238,318	238,318
Capital Projects	-	1,915,781	1,915,781
Other specific purposes	-	1,594,423	1,594,423
Committed:			
Working capital	1,783,405	-	1,783,405
Assigned:			
Comprehensive plan	9,084	-	9,084
580 complex	52,984	-	52,984
Park improvements	1,750	-	1,750
Unassigned	923,806	-	923,806
Total fund balances	<u>2,799,214</u>	<u>3,923,205</u>	<u>6,722,419</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,605,013</u>	<u>\$ 4,163,742</u>	<u>\$ 7,768,755</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAMPASAS, TEXAS
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance of all governmental funds	\$	6,722,419
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$	21,473,558
Less: accumulated depreciation	<u>(10,286,409)</u>	11,187,149
<p>Other long-term assets, such as uncollected property taxes, are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.</p>		
		80,288
<p>Uncollected municipal court fines are not available resources; therefore, are not reported in the funds.</p>		
		574,473
<p>Long-term liabilities, including bonds payable, pension liabilities, and other post employment benefits, are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Bonds payable	(10,160,000)	
Plus: Issuance premium	(666,052)	
Net pension liability, including pension def. inflows & outflows	(2,964,435)	
Other post-employment benefit obligations	(2,787,926)	
OPEB - supplemental death benefit	(252,988)	
Compensated absences	(393,107)	
Accrued interest payable	<u>(50,152)</u>	<u>(17,274,660)</u>
Net position of governmental activities	\$	<u><u>1,289,669</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAMPASAS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 1,317,007	\$ 376,799	\$ 1,693,806
Sales taxes	1,580,877	-	1,580,877
Hotel/motel taxes	-	161,446	161,446
Franchise taxes	899,556	-	899,556
Licenses and permits	76,570	-	76,570
Intergovernmental revenues	1,301,243	103,493	1,404,736
Charges for services	1,661,891	4,970	1,666,861
Fines	322,759	10,635	333,394
Investment earnings	38,848	86,500	125,348
Grants and contributions	34,676	9,595	44,271
Miscellaneous revenue	53,832	28,364	82,196
Total revenues	7,287,259	781,802	8,069,061
EXPENDITURES			
Current:			
General government	2,629,580	245,895	2,875,475
Public safety			
Police	2,420,750	18,456	2,439,206
Fire	1,377,629	-	1,377,629
Highways and streets	638,264	-	638,264
Sanitation	1,107,678	-	1,107,678
Health and welfare	166,193	-	166,193
Culture and recreation			
Swimming pools	163,435	-	163,435
Parks	537,562	9,627	547,189
Libraries	238,883	-	238,883
Economic dev. and assistance	-	94,722	94,722
Debt service:			
Bond principal	-	340,000	340,000
Interest - bonds	-	405,670	405,670
Interest - other debt	-	2,070	2,070
Capital outlay	552,328	1,177,593	1,729,921
Total expenditures	9,832,302	2,294,033	12,126,335
Excess (deficiency) of revenues over expenditures	(2,545,043)	(1,512,231)	(4,057,274)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,749,582	539,088	3,288,670
Transfers out	(155,467)	(630,317)	(785,784)
Sale of general capital assets	1,450	-	1,450
Insurance recoveries	49,479	-	49,479
Total other financing sources (uses)	2,645,044	(91,229)	2,553,815
Net change in fund balance	100,001	(1,603,460)	(1,503,459)
Fund balance - beginning	2,699,213	5,502,972	8,202,185
Prior period adjustment	-	23,693	23,693
Fund balance - ending	\$ 2,799,214	\$ 3,923,205	\$ 6,722,419

The notes to the financial statements are an integral part of this statement.

CITY OF LAMPASAS, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances for total governmental funds \$ (1,503,459)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Expenditure for capitalized assets	\$ 1,729,921	
Less: current year depreciation	<u>(843,472)</u>	886,449

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,011

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayment of general obligation debt	340,000	
Premium amortization	39,179	
Accrued interest	20,946	
Increase in compensated absences	<u>(10,374)</u>	389,751

Other changes in long term assets, such as property taxes, are not available to pay for current period expenditures, and, therefore, are reported as unavailable revenue in the funds. (4,549)

The net effect of various transactions involving the City's net pension liability and the net OPEB liability is to decrease net position. (582,927)

Change in net position for governmental activities \$ (813,724)

The notes to the financial statements are an integral part of this statement.

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CITY OF LAMPASAS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 1,322,100	\$ 1,317,007	\$ 1,317,007	\$ -
Sales taxes	1,487,000	1,580,877	1,580,877	-
Franchise taxes	880,000	899,556	899,556	-
Licenses and permits	64,650	76,570	76,570	-
Intergovernmental revenues	1,314,735	1,303,869	1,301,243	(2,626)
Charges for services	1,608,200	1,627,799	1,661,891	34,092
Fines	355,600	340,083	322,759	(17,324)
Investment earnings	15,000	38,848	38,848	-
Rents and royalties	13,850	4,365	-	(4,365)
Contributions and donations, private sources	8,300	32,050	34,676	2,626
Miscellaneous revenue	169,547	66,234	53,832	(12,402)
Total revenues	<u>7,238,982</u>	<u>7,287,258</u>	<u>7,287,259</u>	<u>1</u>
EXPENDITURES				
Current:				
General government	2,759,743	2,786,900	2,629,580	157,320
Public safety				
Police	2,491,678	2,420,852	2,420,750	102
Fire	1,344,726	1,378,144	1,377,629	515
Highways and streets	614,913	644,640	638,264	6,376
Sanitation	1,102,100	1,107,679	1,107,678	1
Health and welfare	191,447	166,220	166,193	27
Culture and recreation				
Swimming pools	163,619	163,470	163,435	35
Parks	601,268	559,606	537,562	22,044
Libraries	246,746	238,890	238,883	7
Capital outlay	505,170	552,411	552,328	83
Total Expenditures	<u>10,021,410</u>	<u>10,018,812</u>	<u>9,832,302</u>	<u>186,510</u>
Excess (deficiency) of revenues over expenditures	<u>(2,782,428)</u>	<u>(2,731,554)</u>	<u>(2,545,043)</u>	<u>186,511</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,927,798	2,645,081	2,749,582	104,501
Transfers out	(152,870)	(155,467)	(155,467)	-
Sale of general capital assets	7,500	1,450	1,450	-
Insurance recoveries	-	49,479	49,479	-
Total other financing sources (uses)	<u>2,782,428</u>	<u>2,540,543</u>	<u>2,645,044</u>	<u>104,501</u>
Net change in fund balances	-	(191,011)	100,001	291,012
Fund balance - beginning	2,699,213	2,699,213	2,699,213	-
Fund balance - ending	<u>\$ 2,699,213</u>	<u>\$ 2,508,202</u>	<u>\$ 2,799,214</u>	<u>\$ 291,012</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAMPASAS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	Business-Type Activities			
	Electric Fund	Water/WW Fund	Total Non-major Funds	Total Proprietary Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 3,832,706	\$ 743,806	\$ 329,613	\$ 4,906,125
Investments - current	1,911,874	854,842	41,506	2,808,222
Accounts receivable, net	1,076,528	392,860	14,095	1,483,483
Notes receivable, net	-	-	254,233	254,233
Due from other funds	-	-	6,094	6,094
Inventories	294,586	173,313	33,389	501,288
Prepaid items	-	118,500	-	118,500
Total current assets	<u>7,115,694</u>	<u>2,283,321</u>	<u>678,930</u>	<u>10,077,945</u>
Noncurrent Assets:				
Land	56,812	69,965	856,284	983,061
Infrastructure	2,744,680	23,686,872	-	26,431,552
Buildings	553,157	839,242	3,665,862	5,058,261
Furnishings and equipment	2,985,658	2,133,443	281,309	5,400,410
Accumulated depreciation	(4,601,512)	(15,289,835)	(2,300,627)	(22,191,974)
Construction/development in progress	-	1,071,259	118,500	1,189,759
Total noncurrent assets	<u>1,738,795</u>	<u>12,510,946</u>	<u>2,621,328</u>	<u>16,871,069</u>
Total assets	<u>8,854,489</u>	<u>14,794,267</u>	<u>3,300,258</u>	<u>26,949,014</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	208,112	243,529	178,724	630,365
Deferred outflows - OPEB	18,511	22,736	15,947	57,194
Total deferred outflows of resources	<u>226,623</u>	<u>266,265</u>	<u>194,671</u>	<u>687,559</u>
LIABILITIES				
Current liabilities:				
Accounts payable	479,049	258,021	27,618	764,688
Accrued salaries payable	11,505	3,182	8,834	23,521
Accrued liabilities	-	-	3,570	3,570
Intergovernmental payable	29,399	-	-	29,399
Due to other funds	-	452,143	-	452,143
Accrued interest payable	-	10,465	-	10,465
Bonds and notes payable - current	-	110,000	-	110,000
Other current liabilities	-	11,492	-	11,492
Customer deposits	344,049	176,601	-	520,650
Total current liabilities	<u>864,002</u>	<u>1,021,904</u>	<u>40,022</u>	<u>1,925,928</u>
Noncurrent Liabilities:				
Bonds payable	-	2,265,000	-	2,265,000
Unamortized premium on bonds	-	59,042	-	59,042
Net pension obligation	430,232	489,606	370,339	1,290,177
Other post-employment benefits	268,089	306,192	231,519	805,800
OPEB supplemental death benefits	22,618	27,786	19,480	69,884
Compensated absences payable	38,075	29,877	23,656	91,608
Total noncurrent liabilities	<u>759,014</u>	<u>3,177,503</u>	<u>644,994</u>	<u>4,581,511</u>
Total liabilities	<u>1,623,016</u>	<u>4,199,407</u>	<u>685,016</u>	<u>6,507,439</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	57,150	69,777	49,382	176,309
Deferred inflows - OPEB	12,678	15,727	10,798	39,203
Total deferred inflows of resources	<u>69,828</u>	<u>85,504</u>	<u>60,180</u>	<u>215,512</u>
NET POSITION				
Net investment in capital assets	1,738,795	10,076,536	2,621,327	14,436,658
Restricted for operations and maintenance	1,987,203	699,085	-	2,686,288
Unrestricted	3,662,270	-	128,406	3,790,676
Total net position	<u>\$ 7,388,268</u>	<u>\$ 10,775,621</u>	<u>\$ 2,749,733</u>	<u>\$ 20,913,622</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAMPASAS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities			Total Proprietary Funds
	Electric Fund	Water/WW Fund	Total Non-major Funds	
REVENUES				
Operating revenues:				
Charges for services:				
Water sales	\$ -	\$ 4,878,211	\$ -	\$ 4,878,211
Electricity sales	11,474,139	-	-	11,474,139
Other charges for services	-	-	600,331	600,331
Miscellaneous revenue	33,454	125,137	51,034	209,625
Total operating revenues	<u>11,507,593</u>	<u>5,003,348</u>	<u>651,365</u>	<u>17,162,306</u>
EXPENSES				
Operating expenses:				
Personnel services	611,608	776,389	519,463	1,907,460
Purchased prof. and technical services	42,715	1,236,066	20,898	1,299,679
Purchased property services	122,903	161,786	33,233	317,922
Other purchased services	568,590	124,375	88,918	781,883
Materials and supplies	6,173,429	215,329	149,760	6,538,518
Other operating expenses	871,815	1,289,939	70,718	2,232,472
Depreciation	128,885	912,519	107,866	1,149,270
Total operating expenses	<u>8,519,945</u>	<u>4,716,403</u>	<u>990,856</u>	<u>14,227,204</u>
Operating income (loss)	2,987,648	286,945	(339,491)	2,935,102
Nonoperating revenues (expenses)				
Grants and contributions	-	-	12,761	12,761
Investment earnings	98,152	30,587	11,003	139,742
Interest expense	-	(84,920)	-	(84,920)
Total nonoperating revenues (expenses)	<u>98,152</u>	<u>(54,333)</u>	<u>23,764</u>	<u>67,583</u>
Income before transfers in (out)	3,085,800	232,612	(315,727)	3,002,685
Transfers in	-	626,978	261,863	888,841
Transfers out	(2,991,657)	(339,463)	(60,607)	(3,391,727)
Change in net position	94,143	520,127	(114,471)	499,799
Net position-beginning	7,294,125	10,255,494	2,864,204	20,413,823
Net position-ending	<u>\$ 7,388,268</u>	<u>\$ 10,775,621</u>	<u>\$ 2,749,733</u>	<u>\$ 20,913,622</u>

The notes to the financial statements are an integral part of this statement.

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CITY OF LAMPASAS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities			
	Electric Fund	Water/ WW Fund	Total Non-major Funds	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 11,455,479	\$ 4,819,632	\$ 594,835	\$ 16,869,946
Other receipts	33,454	125,137	49,633	208,224
Payments to suppliers and service providers	(7,750,064)	(2,945,516)	(353,779)	(11,049,359)
Payments to employees for salaries and benefits	(552,641)	(708,301)	(469,393)	(1,730,335)
Payments to other funds for services provided	-	361,497	-	361,497
Net cash provided by (used for) operating activities	<u>3,186,228</u>	<u>1,652,449</u>	<u>(178,704)</u>	<u>4,659,973</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	626,978	261,863	888,841
Transfers to other funds	(2,991,657)	(339,463)	(60,607)	(3,391,727)
Net cash provided by (used for) capital and financing activities	<u>(2,991,657)</u>	<u>287,515</u>	<u>201,256</u>	<u>(2,502,886)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	-	-	12,761	12,761
Acquisition and construction of capital assets	(187,062)	(1,053,790)	(38,319)	(1,279,171)
Principal paid on capital debt	-	(228,473)	-	(228,473)
Interest paid on capital debt	-	(84,920)	-	(84,920)
Proceeds from notes receivable issued	-	-	15,836	15,836
Proceeds from sale of assets	-	1,405	-	1,405
Net cash provided by (used for) capital and related financing activities	<u>(187,062)</u>	<u>(1,365,778)</u>	<u>(9,722)</u>	<u>(1,562,562)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	-	(19,537)	(948)	(20,485)
Proceeds from sale of investments	133,850	-	-	133,850
Interest on investments	98,152	30,587	11,003	139,742
Net cash provided by investing activities	<u>232,002</u>	<u>11,050</u>	<u>10,055</u>	<u>253,107</u>
Net increase (decrease) in cash and cash equivalents	<u>239,511</u>	<u>585,236</u>	<u>22,885</u>	<u>847,632</u>
Cash and cash equivalents-beginning	<u>3,593,195</u>	<u>158,570</u>	<u>306,728</u>	<u>4,058,493</u>
Cash and cash equivalents-ending	<u>\$ 3,832,706</u>	<u>\$ 743,806</u>	<u>\$ 329,613</u>	<u>\$ 4,906,125</u>
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:				
Operating income (loss)	<u>2,987,648</u>	<u>286,945</u>	<u>(339,491)</u>	<u>2,935,102</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	128,885	912,519	107,866	1,149,270
(Increase) decrease in accounts receivable	(18,660)	(58,579)	(6,897)	(84,136)
(Decrease) Increase in due to other funds	-	361,497	-	361,497
(Increase) decrease in inventories	36,537	(43,789)	7,411	159
(Increase) decrease in prepaid items	-	(3,750)	-	(3,750)
(Decrease) increase in deposits payable	7,268	4,186	-	11,454
(Decrease) increase in accounts payable	(14,740)	139,069	1,616	125,945
(Decrease) increase in accrued liabilities	2,945	(13,737)	2,311	(8,481)
(Decrease) increase in compensated absences	2,850	2,130	3,194	8,174
(Decrease) increase in intergovernmental payable	323	-	-	323
(Increase) decrease in deferred outflow of resources - pension	(95,407)	(118,353)	(81,258)	(295,018)
(Increase) decrease in deferred outflow of resources - OPEB	1,018	1,262	868	3,148
(Increase) decrease in net pension obligation	151,296	187,682	128,859	467,837
(Increase) decrease in net OPEB obligation	3,009	3,733	2,562	9,304
(Decrease) increase in deferred inflow of resources - pension	(19,719)	(24,462)	(16,795)	(60,976)
(Decrease) increase in deferred inflow of resources - OPEB	12,678	15,727	10,798	39,203
Total adjustments	<u>198,283</u>	<u>1,365,135</u>	<u>160,535</u>	<u>1,723,953</u>
Net cash provided by (used for) operating activities	<u>\$ 3,185,931</u>	<u>\$ 1,652,080</u>	<u>\$ (178,956)</u>	<u>\$ 4,659,055</u>

The notes to the financial statements are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

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CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

I. Summary of significant accounting policies

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting entity

The City of Lampasas, Texas (the “City”) is a municipal corporation governed by an elected mayor and six-member governing council (the “Council”). The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely presented component units

The Lampasas Economic Development Corporation (the “Lampasas EDC”) was established in 1998 after the citizens of Lampasas voted to pass a \$.0025 sales tax dedicated to economic development. The Lampasas EDC’s primary purpose is to assist in bringing meaningful and rewarding employment opportunities to citizens in the area through funding assistance provided to businesses to relocate or expand in Lampasas. A separate governing board oversees the Lampasas EDC which is appointed by the Council and consists of individuals from the community and related governmental entities in the area. The City’s employees manage the operations of the Lampasas EDC.

The Lampasas EDC has been reported as a discretely presented component unit because the governing board is not identical to the governing body of the City and the Lampasas EDC does not solely serve the City. A copy of the Lampasas EDC financial report may be obtained by contacting the City of Lampasas Finance Department.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those accounted for in another fund.

The City reports the following major enterprise funds:

The *Electric Fund* accounts for the electricity services provided to customers and the related costs of operations to provide those services.

The *Water/Wastewater Fund* accounts for water and wastewater services provided to customers and the related costs of operations to provide those services.

Additionally, the City reports the following fund types:

Special revenue funds account for resources restricted, committed, or assigned for specific purposes by the City or outside grantors in order for transparent accountability.

The *Debt Service Fund* accounts for resources accumulated and payments made for principal and interest on long-term obligation debt of governmental funds.

Capital project funds account for the proceeds from long term debt financing or other revenues and expenditures related to the City's capital projects.

Enterprise funds account for services provided to customers and related costs of operations. The City reported three non-major enterprise funds which are the *G/F Economic Development Fund*, the *Aviation Fund*, and the *Golf Course Fund*.

A Permanent Fund accounts for an endowment, the principal of which may not be expended and where the income may only be used for a specific purpose. The City reports a permanent *Cemetery Fund*.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds or advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

F. Budgetary information

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, and the proprietary funds. Capital projects funds are appropriated on a project-length basis. Other special revenue funds and the permanent fund do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

2. Excess of expenditures over appropriations

For the year ended September 30, 2019, expenditures did not exceed appropriations within any line item of the appropriated budgets for the General Fund and the Debt Service Fund.

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for positions in Local Government Investment Pools (TexPool and TexStar) when applicable. In accordance with state law, these investment pools operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The pools are subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

CITY OF LAMPASAS, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and utility operations repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. For infrastructure assets the same estimated minimum useful life is used (in excess of one year), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	10-40
Machinery and equipment	5-20
Vehicles	5-10
Improvements	10-40
Infrastructure	10-50

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

6. *Net position flow assumption*

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. *Fund balance flow assumptions*

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

8. *Fund balance policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The council has by resolution authorized the City Manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and expenditures/expenses

1. *Program revenues*

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

2. *Property taxes*

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The City levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll of January 1, 2018, upon which the levy for the 2018-2019 fiscal year was based, was \$420,360,289. Taxes are delinquent if not paid by February 1st of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended September 30, 2019, to finance General Fund and Debt Service Fund operations were \$.307071 and \$.088147, respectively, for a total tax rate of \$.395218 per \$100 valuation. The total tax levy for the General Fund and Debt Service Fund for the 2018-2019 fiscal year was \$1,661,340. Tax collections, including collections of prior year delinquent balances, for the year ended September 30, 2019, were 98% of the year end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes.

3. *Compensated absences*

Vacation

City policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave

Accumulated sick leave lapses when employees leave the employment of the City and, upon separation from service, no monetary obligation exists. However, employees having twenty or more years of service with the City upon separation are eligible to receive a portion of their accumulated sick leave balance based on a separation pay calculation.

Compensatory Time Off

The City grants non-exempt employees compensatory time (comp time) in lieu of compensation for hours worked in excess of 40 hours a week, or other permissible work schedule based on position. Employees may accrue comp time off at one and one-half times the number of overtime hours worked, up to specified limits.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

4. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water/Wastewater Fund and Electric Fund are charges to customers for sales and services. The Water/Wastewater fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. Stewardship, compliance and accountability

A. Violations of legal or contractual provisions

No violations of legal or contractual provisions were noted during the current year.

B. Deficit fund equity

For the year ended September 30, 2019, there were no funds reported with deficit fund equity.

III. Detailed notes on all activities and funds

A. Cash deposits with financial institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for credit risk. As of September 30, 2019, the City's bank balance was \$11,224,588 which was not exposed to custodial credit risk because it was insured or collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the government's name.

B. Investments

The TexPool and TexStar Investment Pools (Pools) operate in accordance with state law, which requires it to meet all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. See note I.G.2, *Investments*, for a discussion of how the shares in the Pool are valued. The Pools have a credit rating of AAAM from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. The Pools invest in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state. The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

CITY OF LAMPASAS, TEXAS
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As of September 30, 2019, the government had the following investments:

Investment Type	Maturity Time in Years			
	Less than 1	1-5	6-10	More Than 10
TexPool Investment Pool	\$2,860,178	\$ -	\$ -	\$ -
TexStar Investment Pool	1,613,283	-	-	-
Total investments	<u>\$4,473,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Interest rate risk. In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than ten months.

Credit risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the government’s policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2019, the City’s investment in the TexPool and TexSTAR investment pool was rated AAAM by Standard & Poor’s.

Concentration of credit risk. The City’s investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the City’s total investments. This restriction however does not apply to government investment pools due to the low risk nature of this type of investment.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

C. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is a detail of receivables for the major and nonmajor funds of the proprietary funds of the government, including the applicable allowances for uncollectible accounts:

Proprietary Funds:

Receivables	Electric Fund	Water/ Wastewater Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
Accounts receivable	\$ 1,096,603	\$ 405,361	\$ 14,095	\$ 1,516,059
Notes receivable	-	-	254,233	254,233
Gross receivables	1,096,603	405,361	268,328	1,770,292
Less: Allowance for uncollectibles	(20,075)	(12,501)	-	(32,576)
Net receivables	<u>\$ 1,076,528</u>	<u>\$ 392,860</u>	<u>\$ 268,328</u>	<u>\$ 1,737,716</u>

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

D. Capital Assets

Capital assets activity for the year ended September 30, 2019, was as follows:

Governmental Activities:

	Balance 10/1/18	Increases	Decreases	Adjustments	Balance 9/30/19
Capital assets, not being depreciated:					
Land	\$ 1,214,431	\$ -	\$ -	\$ -	\$ 1,214,431
Construction in progress	949,900	1,151,833	-	(177,435)	1,924,298
Total capital assets, not being depreciated	<u>2,164,331</u>	<u>1,151,833</u>	<u>-</u>	<u>(177,435)</u>	<u>3,138,729</u>
Capital assets, being depreciated:					
Buildings and improvements	13,309,089	392,738	-	177,435	13,879,262
Machinery, equipment, and vehicles	4,282,535	185,350	(12,318)	-	4,455,567
Total capital assets, being depreciated	<u>17,591,624</u>	<u>578,088</u>	<u>(12,318)</u>	<u>177,435</u>	<u>18,334,829</u>
Less accumulated depreciation for:					
Buildings and improvements	(6,036,860)	(545,190)	-	-	(6,582,050)
Machinery, equipment, and vehicles	(3,418,395)	(298,282)	12,318	-	(3,704,359)
Total accumulated depreciation	<u>(9,455,255)</u>	<u>(843,472)</u>	<u>12,318</u>	<u>-</u>	<u>(10,286,409)</u>
Total capital assets being depreciated, net	8,136,369	(265,384)	-	177,435	8,048,420
Governmental activities capital assets, net	<u>\$ 10,300,700</u>	<u>\$ 886,449</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,187,149</u>

Depreciation expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental activities:

General government	\$ 251,371
Public safety	333,662
Highways and streets	55,796
Sanitation	96,831
Health and welfare	14,528
Culture and recreation	91,284
Total depreciation expense - governmental activities	<u>\$ 843,472</u>

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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Business-Type Activities:

	Balance 10/1/18	Increases	Decreases	Adjustments	Balance 9/30/19
Capital assets, not being depreciated:					
Land	\$ 983,061	\$ -	\$ -	\$ -	\$ 983,061
Construction in progress	2,158,709	559,579	-	(1,528,529)	1,189,759
Total capital assets, not being depreciated	3,141,770	559,579	-	(1,528,529)	2,172,820
Capital assets, being depreciated:					
Buildings and improvements	5,048,261	10,000	-	-	5,058,261
Machinery, equipment, and vehicles	5,197,101	215,381	(5,050)	-	5,407,432
Infrastructure	24,403,195	492,806	-	1,528,529	26,424,530
Total capital assets, being depreciated	34,648,557	718,187	(5,050)	1,528,529	36,890,223
Less accumulated depreciation for:					
Buildings and improvements	(3,040,573)	(124,527)	-	-	(3,165,100)
Machinery, equipment, and vehicles	(4,750,314)	(138,385)	5,050	-	(4,883,649)
Infrastructure	(13,256,867)	(886,358)	-	-	(14,143,225)
Total accumulated depreciation	(21,047,754)	(1,149,270)	5,050	-	(22,191,974)
Total capital assets being depreciated, net	13,600,803	(431,083)	-	1,528,529	14,698,249
Business-type activities capital assets, net	\$ 16,742,573	\$ 128,496	\$ -	\$ -	\$ 16,871,069

E. Defined Benefit Pension Plan

Plan Description

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

CITY OF LAMPASAS, TEXAS
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Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Plan Provisions

Employee Deposit Rate	7%
Municipal Current Matching Ratio	2:1

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	65
Inactive employees entitled to but not yet receiving benefits	66
Active employees	116
	247
	247

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.82% and 15.24% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019 were \$834,497 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the actuarial assumptions in the following page:

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Inflation	2.5% per year
Overall payroll growth	3% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the City, rates are multiplied by a factor of 93.0%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs to TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	100%	

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Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2017	\$ 25,069,330	\$ 21,331,419	\$ 3,737,911
Changes for the year:			
Service cost	887,924	-	887,924
Interest	1,690,141	-	1,690,141
Change of benefit terms	-	-	-
Difference between expected and actual experience	68,456	-	68,456
Changes of assumptions	-	-	-
Contributions - employer	-	795,285	(795,285)
Contributions - employee	-	377,021	(377,021)
Net investment income	-	(639,323)	639,323
Benefit payments, incl. refunds of employee contr.	(948,346)	(948,346)	-
Administrative expense	-	(12,349)	12,349
Other changes	-	(645)	645
Net changes	<u>1,698,175</u>	<u>(428,357)</u>	<u>2,126,532</u>
Balance at December 31, 2018	<u>\$ 26,767,505</u>	<u>\$ 20,903,062</u>	<u>\$ 5,864,443</u>

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 5.75% or 1-percentage-point higher 7.75% than the current rate:

	1% Decrease in Discount Rate 5.75%	Current Discount Rate 6.75%	1% Increase in Discount Rate 7.75%
City's net pension liability	\$ 10,132,934	\$ 5,864,443	\$ 2,416,481

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tMrs.com.

CITY OF LAMPASAS, TEXAS
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019 the City recognized pension expense of \$396,535.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	\$ 1,892,811	\$ -
Differences between expected and actual economic experience	336,662	798,470
Difference in assumption changes	-	2,937
Contributions subsequent to the measurement date	635,819	-
Total	<u>\$ 2,865,292</u>	<u>\$ 801,407</u>

Deferred outflows of resources related to pensions in the amount of \$635,819 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended Dec 31st:	Net Deferred Outflows (Inflows) of Resources
2019	\$ 515,506
2020	270,668
2021	219,830
2022	422,062
2023	-
Thereafter	-
Total	<u>\$ 1,428,066</u>

F. Other Post-Employment Benefit (OPEB) Obligations

Benefits Provided

The City of Lampasas provides for the continuation of health insurance by covering the cost of premium for the retiree only for the Scott & White Consumer Choice 30 Plan (or cheaper plan), comparable to that which is provided for regular employees, for those employees eligible to retire under TMRS with a minimum of twenty (20) years of service with the City of Lampasas and who comply with and meet the following additional requirements as listed under Items 1 through 3.

1. The employee, at the time of submittal for retirement, must elect to maintain health insurance under the City of Lampasas' group health insurance policy for self and, if the retiree so chooses, any covered dependents at the time of retirement. The retiree will not be allowed to elect health insurance coverage under the City of Lampasas' group health insurance policy after retirement.

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2. If a retiree, at any time during retirement, elects to cancel his/her or dependent coverage under the City of Lampasas' group health insurance policy, the retiree's and/or his/her dependents' group health insurance coverage will cease. When this occurs, the retiree's and/or his/her dependents', as applicable, will not be allowed to participate in the City of Lampasas' group health insurance policy from the date of the cancellation forward.

3. The retiree, with a minimum of five (5) years but less than twenty (20) years, is responsible for making timely payments to the City of Lampasas if the retiree has elected to participate in retiree health insurance coverage provided for in this section of the policies. For retirees with a minimum of twenty (20) years with the City of Lampasas, the City will cover the cost of premium for the Scott & White Consumer Choice 30 Plan (or cheaper plan) for the retiree only. The retiree is responsible for the cost difference of the Scott & White HMO Plan (or more expensive plan). The retiree is also responsible for the cost of covering any dependents.

The City Council may change the policy at any time through Council action. At the age of 65, or as soon as the retiree qualifies for coverage under Medicare, the retiree will no longer be covered under the City of Lampasas' medical insurance policies and will need to find substitute coverage with a Medicare supplemental insurance policy.

Employees Covered by Benefit Terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	-
Active employees	105
	111
	111

Contributions

The City is not currently making contributions to the OPEB plan other than monthly benefit payments related to retirees.

Plan Assets

At the December 31, 2018 valuation and measurement date, there are no assets accumulated in trust.

Actuarial Assumptions

The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5%-10.5% including inflation
Discount rate	3.71% as of December 31, 2018

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Schedule of Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2017	\$ 3,605,544	\$ -	\$ 3,605,544
Changes for the year:			
Service cost	210,828	-	210,828
Interest	120,951	-	120,951
Change of benefit terms	-	-	-
Difference between expected and actual experience	3,869	-	3,869
Changes of assumptions	(164,766)	-	(164,766)
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, incl. refunds of employee contr.	(113,698)	-	(113,698)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	<u>57,184</u>	<u>-</u>	<u>57,184</u>
Balance at December 31, 2018	<u>\$ 3,662,728</u>	<u>\$ -</u>	<u>\$ 3,662,728</u>

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 3.71%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.71% or 1-percentage-point higher 4.71% than the current rate:

	1% Decrease in Discount Rate 2.71%	Current Discount Rate 3.71%	1% Increase in Discount Rate 4.71%
City's net OPEB liability	\$ 377,297	\$ 317,653	\$ 270,622

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the city recognized OPEB expense of \$170,661.

CITY OF LAMPASAS, TEXAS
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At September 30, 2019, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,442	\$ -
Difference in assumption changes	150,817	146,583
Contributions subsequent to the measurement date	80,788	-
Total	\$ 235,047	\$ 146,583

Deferred outflows of resources related to OPEB amounting to \$80,788 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB SDBF liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Year Ended Sep 30th:	Net Deferred Outflows (Inflows) of Resources
2020	\$ 3,602
2021	3,602
2022	3,602
2023	3,602
2024	3,602
Thereafter	(10,334)
Total	\$ 7,676

G. Other Post-Employment Benefit (OPEB) Obligations – Supplemental Death Benefit Fund (SDBF)

Benefits Provided

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an other post-employment benefit, or OPEB.

CITY OF LAMPASAS, TEXAS
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Employees Covered by Benefit Terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	9
Active employees	116
Total	179

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years September 30, 2018 and 2019 were \$9,649 and \$10,340 respectively, which equaled the required contributions each year.

Plan Assets

At the December 31, 2018 valuation and measurement date, there are no assets accumulated in trust.

Actuarial Assumptions

The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5%-10.5% including inflation per year
Discount rate	3.31% based on Fidelity Index's 20-year Municipal GO AA Index
Retirees' share of benefit costs	\$0

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Schedule of Changes in the Total OPEB SDBF Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2017	\$ 332,550	\$ -	\$ 332,550
Changes for the year:			
Service cost	14,425	-	14,425
Interest	11,202	-	11,202
Change of benefit terms	-	-	-
Difference between expected and actual exp.	(15,743)	-	(15,743)
Changes of assumptions	(22,110)	-	(22,110)
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, incl. refunds of emp. contr.	(2,671)	-	(2,671)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	(14,897)	-	(14,897)
Balance at December 31, 2018	\$ 317,653	\$ -	\$ 317,653

Sensitivity of the net OPEB SDBF liability to changes in the discount rate

The following presents the net OPEB SDBF liability of the City, calculated using the discount rate of 3.71%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.71% or 1-percentage-point higher 4.71% than the current rate:

	1% Decrease in Discount Rate 2.71%	Current Discount Rate 3.71%	1% Increase in Discount Rate 4.71%
City's net OPEB SDBF liability	\$ 377,297	\$ 317,653	\$ 270,622

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB SDBF

For the year ended September 30, 2019, the city recognized OPEB SDBF expense of \$15,732.

At September 30, 2019, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB SDBF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 16,997	\$ 30,146
Changes in actuarial assumptions	-	1,470
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	7,927	-
Total	\$ 24,924	\$ 31,616

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Deferred outflows of resources related to OPEB SDBF amounting to \$7,927 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB SDBF liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB SDBF will be recognized in OPEB SDBF expense as follows:

Year Ended Dec 31:	OPEB SDBF Expense Amount
2019	\$ (2,061)
2020	(2,061)
2021	(2,061)
2022	(2,061)
2023	(5,944)
Thereafter	(431)
Total	\$ (14,619)

H. Risk Management

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

I. Long-Term Liabilities

General Obligation Bonds

The City issues general obligation bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and certificates of obligation have been issued for both governmental and business-type activities. These long-term debt instruments are direct obligations and pledge the full faith and credit of the City. General obligation bonds and certificates of obligation generally are issued with repayment scheduled to occur as equal amounts of principal maturing each year with maturities that range from 5 to 25 years.

Details of long-term debt obligations outstanding at September 30, 2019 are as follows:

Governmental Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/19
Bonds Payable					
Certificate of Obligation, Series 2007	2007	\$ 6,000,000	4.19%	2031	\$ 3,335,000
Certificate of Obligation, Series 2011	2011	2,010,000	3.0-4.5%	2036	1,470,000
Certificate of Obligation, Series 2016	2016	5,355,000	2.0-4.0%	2036	5,355,000
Total Bonds Payable					\$ 10,160,000

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Business-type Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/19
General Obligation Bonds:					
General Obligation Refunding Bonds, Series 2012	2012	\$ 3,525,000	2.0-4.0%	2036	\$ 2,375,000
Total General Obligation Bonds					\$ 2,375,000

Changes in long-term liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2019 are as follows:

Governmental Activities:

Description	Balance 10/1/18	Additions	Deletions	Balance 9/30/19	Due in One Year
Bonds payable					
Certificates of obligation	\$10,500,000	\$ -	\$ (340,000)	\$10,160,000	\$ 480,000
Premium	705,231	-	(39,179)	666,052	-
Total bonds payable	11,205,231	-	(379,179)	10,826,052	480,000
Other long-term debt					
Compensated absences	382,733	10,374	-	393,107	-
Total other long-term debt	382,733	10,374	-	393,107	-
Govt. activities long-term liabilities	\$11,587,964	\$ 10,374	\$ (379,179)	\$11,219,159	\$ 480,000

Business-type Activities:

Description	Balance 10/1/18	Additions	Deletions	Balance 9/30/19	Due in One Year
Bonds payable					
Cert. Of Obligation & GO bonds	\$ 2,600,000	\$ -	\$ (225,000)	\$ 2,375,000	\$ 110,000
Premium	62,515	-	(3,473)	59,042	-
Total bonds payable	2,662,515	-	(228,473)	2,434,042	110,000
Other long-term debt					
Compensated absences	83,434	8,174	-	91,608	-
Total other long-term debt	83,434	8,174	-	91,608	-
Total long-term liabilities	\$ 2,745,949	\$ 8,174	\$ (228,473)	\$ 2,525,650	\$ 110,000

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

The debt service requirements for the City's bonds are shown as follows.

Governmental Activities:

Year Ended September 30,	Governmental Activities	
	Bonds Payable	
	Principal	Interest
2020	\$ 480,000	\$ 392,495
2021	500,000	373,239
2022	465,000	353,150
2023	485,000	336,657
2024	500,000	319,580
2025-2029	2,800,000	1,301,730
2030-2034	3,380,000	733,119
2035-2036	1,550,000	95,225
Totals	\$ 10,160,000	\$ 3,905,195

Business-type Activities:

Year Ended September 30,	Business-Type Activities	
	Bonds Payable	
	Principal	Interest
2020	\$ 110,000	\$ 81,900
2021	110,000	79,150
2022	115,000	75,775
2023	115,000	72,325
2024	120,000	68,800
2025-2029	660,000	285,850
2030-2034	785,000	153,100
2035-2036	360,000	14,600
Totals	\$ 2,375,000	\$ 831,500

J. Interfund Receivables and Payables

The interfund receivables and payables as of September 30, 2019 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	\$ 49,405.00
Capital Projects Fund	Enterprise Fund	452,143.00
Enterprise Fund	Capital Projects Fund	6,094.00
Total		\$ 507,642.00

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

K. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2019 is as follows:

	<u>Transfer in to:</u>				
	<u>Governmental Funds</u>		<u>Enterprise Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor gov. funds</u>	<u>Water/ WW Fund</u>	<u>Nonmajor prop. funds</u>	
Transfer out from:					
General Fund	\$ -	\$ 103,493	\$ -	\$ 51,974	\$ 155,467
Capital Projects Fund	-	-	626,978	-	626,978
Nonmajor gov. funds	-	7,840	-	-	7,840
Electric Fund	2,688,012	93,756	209,889	-	2,991,657
Water/WW Fund	-	339,463	-	-	339,463
Nonmajor prop. funds	53,730	6,877	-	-	60,607
LEDC component unit	-	-	-	49,633	49,633
Total	<u>\$2,741,742</u>	<u>\$ 551,429</u>	<u>\$ 836,867</u>	<u>\$ 101,607</u>	<u>\$4,231,645</u>

During the year, recurring transfers are used to 1) move revenues from a fund with collection authority to another fund with related expenditure requirements, 2) move General Fund resources to provide subsidies to other funds as needs arise, and 3) move resources from the Electric Fund to the General Fund to subsidize governmental activities, 4) move CPF, Certificate of Obligation, Series 2016 funds to Water/Wastewater Fund for capital projects.

L. Discretely Presented Component Unit

Lampasas Economic Development Corporation (the “Lampasas EDC”)

Capital assets activity for the Lampasas EDC for the year ended September 30, 2019 was as shown on the following page:

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Component Units

	Balance 10/1/18	Increases	Decreases	Balance 9/30/19
Capital assets, not being depreciated:				
Land	\$ 923,350	\$ -	\$ -	\$ 923,350
Total capital assets, not being depreciated	923,350	-	-	923,350
Capital assets, being depreciated:				
Buildings and improvements	17,975	-	-	17,975
Infrastructure	802,266	-	-	802,266
Total capital assets, being depreciated	820,241	-	-	820,241
Less accumulated depreciation for:				
Buildings and improvements	(12,586)	(1,797)	-	(14,383)
Infrastructure	(69,667)	(28,079)	-	(97,746)
Total accumulated depreciation	(82,253)	(29,876)	-	(112,129)
Total capital assets being depreciated, net	737,988	(29,876)	-	708,112
Business-type activities capital assets, net	\$ 1,661,338	\$ (29,876)	\$ -	\$ 1,631,462

Details of long-term debt obligations outstanding for the Lampasas EDC at September 30, 2019 are as follows:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/19
Taxable Sales Tax Revenue Bonds, Series 2004	2004	\$ 1,100,000	4.95%	2019	\$ 324,479
Lampasas EDC Note Payable 2015	2015	1,345,000	3.35%	2030	1,009,280
Total					<u>\$ 1,333,759</u>

Long-term debt activity for the Lampasas EDC for the year ended September 30, 2019 was as follows:

Description	Balance 10/1/18	Additions	Deletions	Balance 9/30/19	Due in One Year
Taxable sales tax revenue bonds	\$ 347,563	\$ -	\$ (23,084)	\$ 324,479	\$ 24,234
Note payable 2015	1,088,299	-	(79,019)	1,009,280	81,645
Total long-term liabilities	\$ 1,435,862	\$ -	\$ (102,103)	\$ 1,333,759	\$ 105,879

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CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

M. Contingencies

As of year-end and through the date of the report, various claims and lawsuits are pending against the City. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City’s legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

N. Subsequent Events

On October 24, 2019, the City issued \$1,395,000 General Obligation Refunding Bonds, Series 2019, to pay off the outstanding balance on the City’s Certificates of Obligation, Series 2011.

O. Prior period adjustment

The City made a prior period adjustment amounting to \$23,693 in the Police Seizures Fund to record prior year pole rental which was not recorded in the prior year. The effect of this prior period adjustment on the overall net position of the city as well as on the fund balance of the Police Seizures Fund is as follows:

	Governmental Activities
Net position as previously stated at September 30, 2018	\$ 2,079,700
Effect of prior period adjustment on Police Seizures Fund for recording pole rental	23,693
Net position as restated at September 30, 2018	\$ 2,103,393
	Police Seizures Fund
Fund balance as previously stated at September 30, 2018	\$ -
Effect of prior period adjustment on Police Seizures Fund for recording pole rental	23,693
Fund balance as restated at September 30, 2018	\$ 23,693

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAMPASAS, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Measurement Year				
	2014	2015	2016	2017	2018
A. Total pension liability					
1. Service cost	\$ 677,167	\$ 770,772	\$ 849,924	\$ 862,764	\$ 887,924
2. Interest (on the Total Pension Liability)	1,299,682	1,402,049	1,461,093	1,562,900	1,690,141
3. Changes of benefit terms	-	-	-	-	-
4. Difference between expected and actual experience	41,340	129,577	74,287	449,529	68,456
5. Changes of assumptions	-	(46,453)	-	-	-
6. Benefit payments, including refunds of employee contr.	(557,066)	(648,128)	(709,824)	(1,057,114)	(948,346)
7. Net change in total pension liability	\$ 1,461,123	\$ 1,607,817	\$ 1,675,480	\$ 1,818,079	\$ 1,698,175
8. Total pension liability - beginning	18,506,831	19,967,954	21,575,771	23,251,251	25,069,330
9. Total pension liability - ending	<u>\$ 19,967,954</u>	<u>\$ 21,575,771</u>	<u>\$ 23,251,251</u>	<u>\$ 25,069,330</u>	<u>\$ 26,767,505</u>
B. Plan fiduciary net position					
1. Contributions - employer	\$ 694,494	\$ 702,185	\$ 729,485	\$ 768,456	\$ 795,284
2. Contributions - employee	326,986	338,887	371,393	362,723	377,021
3. Net investment income	881,447	24,708	1,159,150	2,590,489	(639,323)
4. Benefit payments, including refunds of employee contr.	(557,066)	(648,128)	(709,824)	(1,057,114)	(948,346)
5. Administrative expense	(9,202)	(15,048)	(13,086)	(13,418)	(12,349)
6. Other	(757)	(743)	(705)	(680)	(645)
7. Net change in plan fiduciary net position	\$ 1,335,902	\$ 401,861	\$ 1,536,413	\$ 2,650,456	\$ (428,358)
8. Plan fiduciary net position - beginning	15,406,789	16,742,691	17,144,552	18,680,964	21,331,420
9. Plan fiduciary net position - ending	<u>\$ 16,742,691</u>	<u>\$ 17,144,552</u>	<u>\$ 18,680,965</u>	<u>\$ 21,331,420</u>	<u>\$ 20,903,062</u>
C. Net pension liability [A.9 - B.9]	\$ 3,225,263	\$ 4,431,219	\$ 4,570,286	\$ 3,737,910	\$ 5,864,443
D. Plan fiduciary net position as a % of the total pension liability [B.9/A.9]	83.85%	79.46%	80.34%	85.09%	78.09%
E. Covered-employee payroll	\$ 4,589,171	\$ 4,811,308	\$ 5,110,789	\$ 5,181,764	\$ 5,342,504
F. Net position as a percentage of covered employee payroll [C/ E]	70.28%	92.10%	89.42%	72.14%	109.77%

CITY OF LAMPASAS, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
NET PENSION LIABILITY
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Fiscal Year				
	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 704,715	\$ 748,756	\$ 775,929	\$ 783,943	\$ 834,497
Contributions in relation to the actuarially determined contribution	704,715	748,756	775,929	783,943	834,497
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$4,737,449	\$5,182,317	\$5,226,251	\$5,288,893	\$5,512,650
Contributions as a percentage of covered employee payroll	14.88%	14.45%	14.85%	14.82%	15.14%

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CITY OF LAMPASAS, TEXAS
 NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET PENSION LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	27 years
Asset valuation method	10 Year smoothed market; 15% soft corridor
Inflation	2.50% per year
Salary increases	3.50% to 10.50%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes There were no benefit changes during the year.

CITY OF LAMPASAS, TEXAS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Measurement Year 2017	Measurement Year 2018
A. Total OPEB liability		
1. Service cost	\$ 183,563	\$ 210,828
2. Interest on Total OPEB Liability	123,535	120,951
3. Changes of benefit terms	-	-
4. Difference between expected and actual experience	-	3,869
5. Changes of assumptions	193,533	(164,766)
6. Benefit payments	(91,376)	(113,698)
7. Net changes	\$ 409,255	\$ 57,184
8. Total OPEB Liability - beginning of the year	3,196,289	3,605,544
9. Total OPEB Liability - end of the year	<u>\$ 3,605,544</u>	<u>\$ 3,662,728</u>
E. Covered-employee payroll	\$ 5,181,764	\$ 5,501,859
F. Total OPEB Liability as a Percentage of Covered Payroll	69.58%	66.57%

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Fiscal Year	
	2018	2019
Actuarially Determined Contribution	\$ 46,068	\$ 57,476
Contributions in relation to the actuarially determined contribution	(46,068)	(57,476)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered employee payroll	\$ 5,288,893	\$ 5,512,650
Contributions as a percentage of covered employee payroll	0.87%	1.04%

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CITY OF LAMPASAS, TEXAS
 NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

Valuation Date: December 31, 2017

Methods and Assumptions:

Actuarial Cost Method Individual Entry-Age

Discount Rate 3.71% as of December 31, 2018

Inflation 2.50%

Salary Increases 3.50% to 10.50%, including inflation

Demographic Assumptions Based on the experience study covering four year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System (TMRS).

Mortality For healthy retirees, the gender-distinct RP2000 Combined Mortality Table with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.

Health Care Trend Rates Initial rate of 7.20% declining to an ultimate rate of 5.00% after 11 years. Ultimate trend rate includes a 0.75% adjustment for excise tax.

Participation Rates 100% for retirees with over 20 years of City service at retirement;
 20% for retirees with over 5 years but less than 20 years of City service;
 0% for retirees with less than 5 years of City service.

Other Information:

Notes The discount rate changed from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

CITY OF LAMPASAS, TEXAS
SCHEDULE OF CHANGES IN NET OPEB SDBF LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Measurement Year	
	2017	2018
A. Total OPEB liability		
1. Service cost	\$ 12,436	\$ 14,425
2. Interest (on the Total OPEB Liability)	11,010	11,202
3. Changes of benefit terms	-	-
4. Difference between expected and actual experience	-	(15,743)
5. Changes of assumptions	25,349	(22,110)
6. Benefit payments, including refunds of employee contributions	(2,591)	(2,671)
7. Net change in total OPEB liability	\$ 46,204	\$ (14,897)
8. Total OPEB liability - beginning	286,346	332,550
9. Total OPEB liability - ending	<u>\$ 332,550</u>	<u>\$ 317,653</u>
E. Covered-employee payroll	\$ 5,181,764	\$ 5,342,504
F. Net position as a percentage of covered employee payroll [C / E]	6.42%	5.95%

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB SDBF LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Fiscal Year	
	2018	2019
Actuarially Determined Contribution	\$ 9,649	\$ 10,340
Contributions in relation to the actuarially determined contribution	9,649	(10,340)
Contribution deficiency (excess)	\$ -	\$ -
Covered employee payroll	\$ 5,288,893	\$ 5,342,504
Contributions as a percentage of covered employee payroll	0.18%	0.19%

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CITY OF LAMPASAS, TEXAS
 NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB SDBF LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

Valuation Date: December 31, 2017

Methods and Assumptions:

Inflation 2.5%

Salary Increases 3.50% to 10.5% including inflation

Discount Rate* 3.71%

Retiree' share of benefit-related costs \$0

Administrative expenses All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

Mortality rates - service retirees RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Mortality rates - disabled retirees RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

* The discount rate was based on the Fidelity Index's "20 year Municipal GA AA Index" rate as of December 31, 2018.

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Tracy Guthrie Memorial Fund – to account for donation received for library operations.

Police Seizures Fund – to account for the receipt and disbursement of funds related to police seizures.

Municipal Court Technology Fund – to account for the special assessment revenue and related disbursements for the improvement of municipal court technology.

Library Board Fund – to account for the application of any gifts and donations received for the benefit of the library.

Court Security Fund – to account for the special assessment revenue and related disbursements for court security improvements.

Hotel/Motel Tax Fund – to account for the receipt and disbursement of funds received by the City from the assessment of hotel and motel occupancy tax.

Employee Benefit Accrual Fund – to account for the resources restricted for the payment of long-term employee benefit obligations.

Animal Shelter Fund – to account for the receipt and disbursement of funds related to the operation of the City’s animal shelter.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not the original endowment investment body, may be used for specific purposes.

Cemetery Fund – to account for an endowment, the principal of which may not be expended and where the income may only be used for the benefit of City cemeteries.

Debt Service Fund

Debt Service Fund – to account for the accumulation of resources that are restricted for the payment of principal and interest on long-term obligations of City funds.

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Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

CDBG Grant Fund – to account for the receipt and disbursement of funds received for developing a viable community by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low and moderate income persons.

Key Avenue Fund – to account for the receipt and disbursement of funds received for special improvements related to Key Avenue.

Capital Projects Fund (CPF), Certificates of Obligation, Series 2011 – to account for the acquisition and construction of the City's major capital facilities purchased from the resources obtained from the certificate of obligation bonds issued.

Airport Hangar Project Fund – to account for the receipt and disbursement of funds received for improvements related to the airport hangar improvement project.

CPF Certificate of Obligation, Series 2016 is a capital projects fund. It was formed to record the proceeds from the issuance of the Certificate of Obligation, Series 2016 during the year and to account for current, and future, expenditures related to the authorized projects for which the debt was issued.

CITY OF LAMPASAS, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds			
	Tracy Guthrie Memorial Fund	Police Seizures Fund	Municipal Court	
			Technology Fund	Library Board Fund
ASSETS				
Cash and cash equivalents	\$ 101,447	\$ 19,601	\$ 5,639	\$ 5,460
Investments - current	-	-	-	-
Taxes receivable - delinquent	-	-	-	-
Allowance for uncoll. taxes	-	-	-	-
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 101,447</u>	<u>\$ 19,601</u>	<u>\$ 5,639</u>	<u>\$ 5,460</u>
LIABILITIES				
Accounts payable	\$ -	\$ 499	\$ 300	\$ -
Compensated absences payable	-	-	-	-
Retainage payable	-	-	-	-
Due to other funds	-	-	-	-
Other current liabilities	-	9,529	-	-
Total liabilities	<u>-</u>	<u>10,028</u>	<u>300</u>	<u>-</u>
DEF. INFLOWS OF RESOURCES				
Deferred inflows - unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Endowments	-	-	-	-
Restricted for:				
Debt service	-	-	-	-
Capital Projects	-	-	-	-
Other specific purposes	101,447	9,573	5,339	5,460
Total Fund balances	<u>101,447</u>	<u>9,573</u>	<u>5,339</u>	<u>5,460</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 101,447</u>	<u>\$ 19,601</u>	<u>\$ 5,639</u>	<u>\$ 5,460</u>

Special Revenue Funds				Permanent Fund	Debt Service Fund
Court Security Fund	Hotel/Motel Tax Fund	Employee Benefit Accrual Fund	Animal Shelter Fund	Cemetery Fund	Debt Service Fund
\$ 6,308	\$ 1,412,780	\$ 6,795	\$ 15,237	\$ 68,272	\$ 90,285
-	3,547	-	-	106,411	148,033
-	-	-	-	-	19,895
-	-	-	-	-	(1,988)
-	11,319	-	25,817	-	-
-	-	-	-	-	-
<u>\$ 6,308</u>	<u>\$ 1,427,646</u>	<u>\$ 6,795</u>	<u>\$ 41,054</u>	<u>\$ 174,683</u>	<u>\$ 256,225</u>
\$ 562	\$ 1,155	\$ -	\$ 4,474	\$ -	\$ -
-	-	-	3,008	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>562</u>	<u>1,155</u>	<u>-</u>	<u>7,482</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	17,907
-	-	-	-	-	17,907
-	-	-	-	174,683	-
-	-	-	-	-	238,318
-	-	-	-	-	-
5,746	1,426,491	6,795	33,572	-	-
<u>5,746</u>	<u>1,426,491</u>	<u>6,795</u>	<u>33,572</u>	<u>174,683</u>	<u>238,318</u>
<u>\$ 6,308</u>	<u>\$ 1,427,646</u>	<u>\$ 6,795</u>	<u>\$ 41,054</u>	<u>\$ 174,683</u>	<u>\$ 256,225</u>

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CITY OF LAMPASAS, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Capital Projects Funds				CPF, Cert. of Obligation, Series 2016	CPF, Cert. of Obligation, Series 2016	Total Non-Major Governmental Funds
	CDBG Grant Fund	Key Avenue Fund	CPF, Cert. of Obligation, Series 2011	Airport Hangar Fund			
ASSETS	\$ -	\$ 424,798	\$ 132,253	\$ 8,535	\$ -	\$ -	\$ 2,297,410
Cash and cash equivalents	-	-	-	-	1,098,155	-	1,356,146
Investments - current	-	-	-	-	-	-	19,895
Taxes receivable - delinquent	-	-	-	-	-	-	(1,988)
Allowance for uncoll. taxes	3,000	-	-	-	-	-	40,136
Accounts receivable	-	-	-	-	452,143	-	452,143
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>\$ 3,000</u>	<u>\$ 424,798</u>	<u>\$ 132,253</u>	<u>\$ 8,535</u>	<u>\$ 1,550,298</u>	<u>\$ -</u>	<u>\$ 4,163,742</u>
LIABILITIES	\$ 3,000	\$ -	\$ -	\$ -	\$ 101,671	\$ -	\$ 111,661
Accounts payable	-	-	-	-	-	-	3,008
Compensated absences payable	-	-	-	-	42,933	-	42,933
Retainage payable	-	-	-	6,094	49,405	-	55,499
Due to other funds	-	-	-	-	-	-	9,529
Other current liabilities	-	-	-	-	-	-	-
Total liabilities	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>6,094</u>	<u>194,009</u>	<u>-</u>	<u>222,630</u>
DEF. INFLOWS OF RESOURCES	-	-	-	-	-	-	17,907
Deferred inflows - unavailable revenues	-	-	-	-	-	-	17,907
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,907</u>
FUND BALANCES (DEFICITS)							
Nonspendable:							
Endowments	-	-	-	-	-	-	174,683
Restricted for:							
Debt service	-	-	-	-	-	-	238,318
Capital Projects	-	424,798	132,253	2,441	1,356,289	-	1,915,781
Other specific purposes	-	-	-	-	-	-	1,594,423
Total Fund balances	<u>-</u>	<u>424,798</u>	<u>132,253</u>	<u>2,441</u>	<u>1,356,289</u>	<u>-</u>	<u>3,923,205</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,000</u>	<u>\$ 424,798</u>	<u>\$ 132,253</u>	<u>\$ 8,535</u>	<u>\$ 1,550,298</u>	<u>\$ -</u>	<u>\$ 4,163,742</u>

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds			
	Tracy Guthrie Memorial Fund	Police Seizures Fund	Municipal Court Technology Fund	Library Board Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Hotel/motel taxes	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines	-	-	6,254	-
Investment earnings	1,015	142	32	-
Grants and contributions	-	-	-	1,595
Miscellaneous revenue	-	8,695	-	6,944
Total revenues	<u>1,015</u>	<u>8,837</u>	<u>6,286</u>	<u>8,539</u>
EXPENDITURES				
Current:				
General government	-	-	8,415	-
Public safety				
Police	-	18,456	-	-
Culture and recreation				
Libraries	-	-	-	9,627
Economic development and assistance	-	-	-	-
Debt service:				
Bond principal	-	-	-	-
Interest - bonds	-	-	-	-
Interest - other debt	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>18,456</u>	<u>8,415</u>	<u>9,627</u>
Excess (deficiency) of revenues over expenditures	<u>1,015</u>	<u>(9,619)</u>	<u>(2,129)</u>	<u>(1,088)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	(4,501)	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(4,501)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,015	(14,120)	(2,129)	(1,088)
Fund balance - beginning	100,432	-	7,468	6,548
Prior period adjustment	-	23,693	-	-
Fund balance - ending	<u>\$ 101,447</u>	<u>\$ 9,573</u>	<u>\$ 5,339</u>	<u>\$ 5,460</u>

Special Revenue Funds				Permanent Fund	Debt Service Fund
Court Security Fund	Hotel/Motel Tax Fund	Employee Benefit Accrual Fund	Animal Shelter Fund	Cemetery Fund	Debt Service Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 376,799
-	161,446	-	-	-	-
-	-	-	103,493	-	-
-	-	-	4,970	-	-
4,381	-	-	-	-	-
180	19,622	75	58	3,401	4,894
-	-	-	-	-	-
-	-	-	12,725	-	-
4,561	181,068	75	121,246	3,401	381,693
27,952	-	-	209,528	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	86,722	-	-	-	-
-	-	-	-	-	340,000
-	-	-	-	-	405,670
-	-	-	-	-	2,070
-	-	-	25,760	-	-
27,952	86,722	-	235,288	-	747,740
(23,391)	94,346	75	(114,042)	3,401	(366,047)
-	-	-	114,042	-	429,547
-	-	-	-	(3,339)	-
-	-	-	114,042	(3,339)	429,547
(23,391)	94,346	75	-	62	63,500
29,137	1,332,145	6,720	33,572	174,621	174,818
-	-	-	-	-	-
\$ 5,746	\$ 1,426,491	\$ 6,795	\$ 33,572	\$ 174,683	\$ 238,318

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CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Capital Project Funds					Total Non-Major Governmental Funds
	CDBG Grant Fund	Key Avenue Fund	CPF, Cert. of Obligation, Series 2011	Airport Hangar Fund	CPF, Cert. of Obligation, Series 2016	
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 376,799
Hotel/motel taxes	-	-	-	-	-	161,446
Intergovernmental revenues	-	-	-	-	-	103,493
Charges for services	-	-	-	-	-	4,970
Fines	-	-	-	-	-	10,635
Investment earnings	-	4,249	1,255	85	51,492	86,500
Grants and contributions	8,000	-	-	-	-	9,595
Miscellaneous revenue	-	-	-	-	-	28,364
Total revenues	8,000	4,249	1,255	85	51,492	781,802
EXPENDITURES						
Current:						
General government	-	-	-	-	-	245,895
Public safety						-
Police	-	-	-	-	-	18,456
Culture and recreation						-
Libraries	-	-	-	-	-	9,627
Economic development and assistance	8,000	-	-	-	-	94,722
Debt service:						-
Bond principal	-	-	-	-	-	340,000
Interest - bonds	-	-	-	-	-	405,670
Interest - other debt	-	-	-	-	-	2,070
Capital outlay	-	-	-	-	1,151,833	1,177,593
Total expenditures	8,000	-	-	-	1,151,833	2,294,033
Excess (deficiency) of revenues over expenditures	-	4,249	1,255	85	(1,100,341)	(1,512,231)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	539,088
Transfers out	-	-	-	-	(626,978)	(630,317)
Total other financing sources (uses)	-	-	-	-	(626,978)	(91,229)
Net change in fund balance	-	4,249	1,255	85	(1,727,319)	(1,603,460)
Fund balance - beginning	-	420,549	130,998	2,356	3,083,608	5,502,972
Prior period adjustment	-	-	-	-	-	23,693
Fund balance - ending	\$ -	\$ 424,798	\$ 132,253	\$ 2,441	\$ 1,356,289	\$ 3,923,205

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Nonmajor Enterprise Funds			Total Non-Major Enterprise Funds
	G/F Economic Development Fund	Aviation Fund	Golf Course Fund	
	Fund	Fund	Fund	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 88,385	\$ 201,376	\$ 39,852	\$ 329,613
Investments - current	2,507	38,688	311	41,506
Accounts receivable, net	-	13,507	588	14,095
Notes receivable	254,233	-	-	254,233
Due from other funds	-	6,094	-	6,094
Inventories	-	13,787	19,602	33,389
Total current assets	<u>345,125</u>	<u>273,452</u>	<u>60,353</u>	<u>678,930</u>
Noncurrent Assets:				
Land	373,962	141,292	341,030	856,284
Buildings	-	1,772,710	1,893,152	3,665,862
Furnishings and equipment	-	58,587	222,722	281,309
Accumulated depreciation	-	(922,045)	(1,378,582)	(2,300,627)
Construction/development in progress	-	118,500	-	118,500
Total noncurrent assets	<u>373,962</u>	<u>1,169,044</u>	<u>1,078,322</u>	<u>2,621,328</u>
Total assets	<u>719,087</u>	<u>1,442,496</u>	<u>1,138,675</u>	<u>3,300,258</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pensiom	38,819	-	139,905	178,724
Deferred outflows - OPEB	3,372	-	12,575	15,947
Total deferred outflows of resources	<u>42,191</u>	<u>-</u>	<u>152,480</u>	<u>194,671</u>
LIABILITIES				
Current liabilities:				
Accounts payable	8,711	2,323	16,584	27,618
Accrued payroll liabilities	1,950	-	6,884	8,834
Accrued liabilities	-	-	3,570	3,570
Total current liabilities	<u>10,661</u>	<u>2,323</u>	<u>27,038</u>	<u>40,022</u>
Noncurrent Liabilities:				
Net pension obligation	80,953	-	289,386	370,339
Other post-employment benefits	50,205	-	181,314	231,519
OPEB - supplemental death benefits	4,122	-	15,358	19,480
Compensated absences payable	-	-	23,656	23,656
Total noncurrent liabilities	<u>135,280</u>	<u>-</u>	<u>509,714</u>	<u>644,994</u>
Total liabilities	<u>145,941</u>	<u>2,323</u>	<u>536,752</u>	<u>685,016</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	10,402	-	38,980	49,382
Deferred inflows - OPEB	2,327	-	8,471	10,798
Total deferred inflows of resources	<u>12,729</u>	<u>-</u>	<u>47,451</u>	<u>60,180</u>
NET POSITION				
Net investment in capital assets	373,962	1,169,043	1,078,322	2,621,327
Unrestricted	228,646	271,130	(371,370)	128,406
Total net position	<u>\$ 602,608</u>	<u>\$ 1,440,173</u>	<u>\$ 706,952</u>	<u>\$ 2,749,733</u>

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Nonmajor Enterprise Funds			Total Non-Major Enterprise Funds
	G/F Economic Development Fund	Aviation Fund	Golf Course Fund	
Operating revenues:				
Charges for services:				
Other charges for services	\$ -	\$ 121,649	\$ 478,682	\$ 600,331
Miscellaneous revenue	49,633	1,227	174	51,034
Total operating revenues	<u>49,633</u>	<u>122,876</u>	<u>478,856</u>	<u>651,365</u>
Operating expenses:				
Personnel services	109,026	-	410,437	519,463
Purchased prof. and tech. services	7,565	2,252	11,081	20,898
Purchased property services	-	7,709	25,524	33,233
Other purchased services	-	-	88,918	88,918
Materials and supplies	-	50,559	99,201	149,760
Other operating expenses	-	16,873	53,845	70,718
Depreciation	-	61,015	46,851	107,866
Total operating expenses	<u>116,591</u>	<u>138,408</u>	<u>735,857</u>	<u>990,856</u>
Operating income (loss)	(66,958)	(15,532)	(257,001)	(339,491)
Nonoperating revenues (expenses)				
Grants and contributions	-	12,761	-	12,761
Investment earnings	7,805	3,191	7	11,003
Total nonoperating revenues (expenses)	<u>7,805</u>	<u>15,952</u>	<u>7</u>	<u>23,764</u>
Income before transfers in (out)	(59,153)	420	(256,994)	(315,727)
Transfers in	49,394	-	212,469	261,863
Transfers out	-	(60,607)	-	(60,607)
Change in net position	(9,759)	(60,187)	(44,525)	(114,471)
Net position-beginning	612,367	1,500,360	751,477	2,864,204
Net position-ending	<u>\$ 602,608</u>	<u>\$ 1,440,173</u>	<u>\$ 706,952</u>	<u>\$ 2,749,733</u>

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CITY OF LAMPASAS, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Nonmajor Enterprise Funds			Total Non-Major Enterprise Funds
	G/F Economic Development Fund	Aviation Fund	Golf Course Fund	
	CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ -	\$ 117,187	\$ 477,648	\$ 594,835
Other receipts	49,633	-	-	49,633
Payments to suppliers and service providers	(8)	(77,559)	(276,212)	(353,779)
Payments to employees for salaries and benefits	(98,958)	-	(370,435)	(469,393)
Net cash provided by (used for) operating activities	<u>(49,333)</u>	<u>39,628</u>	<u>(168,999)</u>	<u>(178,704)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	49,394	-	212,469	261,863
Transfers to other funds	-	(60,607)	-	(60,607)
Net cash provided by (used for) capital and related financing activities	<u>49,394</u>	<u>(60,607)</u>	<u>212,469</u>	<u>201,256</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	-	(38,319)	(38,319)
Capital grants	-	12,761	-	12,761
Proceeds from notes receivable issued	15,836	-	-	15,836
Net cash provided by (used for) capital and related financing activities	<u>15,836</u>	<u>12,761</u>	<u>(38,319)</u>	<u>(9,722)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(57)	(884)	(7)	(948)
Interest on investments	7,805	3,191	7	11,003
Net cash provided by investing activities	<u>7,748</u>	<u>2,307</u>	<u>-</u>	<u>10,055</u>
Net increase (decrease) in cash and cash equivalents	23,645	(5,911)	5,151	22,885
Cash and cash equivalents-beginning	64,740	207,287	34,701	306,728
Cash and cash equivalents-ending	<u>\$ 88,385</u>	<u>\$ 201,376</u>	<u>\$ 39,852</u>	<u>\$ 329,613</u>
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:				
Operating income (loss)	(66,958)	(15,532)	(257,001)	(339,491)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	-	61,015	46,851	107,866
(Increase) decrease in accounts receivable	-	(5,689)	(1,208)	(6,897)
(Increase) decrease in inventories	-	(1,395)	8,806	7,411
(Decrease) increase in accounts payable	7,557	1,235	(7,176)	1,616
(Decrease) increase in accrued liabilities	308	(6)	2,009	2,311
(Decrease) increase in compensated absences	-	-	3,194	3,194
(Increase) decrease in deferred outflow of resources - pensio	(17,513)	-	(63,745)	(81,258)
(Increase) decrease in deferred outflow of resources - OPEB	242	-	878	868
(Increase) decrease in net pension obligation	27,772	-	101,087	128,859
(Increase) decrease in net OPEB obligation	552	-	2,010	2,562
(Decrease) increase in deferred inflow of resources - pension	(3,620)	-	(13,175)	(16,795)
(Decrease) increase in deferred inflow of resources - OPEB	2,327	-	8,471	10,798
Total adjustments	<u>17,625</u>	<u>55,160</u>	<u>88,002</u>	<u>160,787</u>
Net cash provided by (used for) operating activities	<u>\$ (49,333)</u>	<u>\$ 39,628</u>	<u>\$ (168,999)</u>	<u>\$ (178,704)</u>

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CITY OF LAMPASAS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 325,124	\$ 325,124	\$ 376,799	\$ 51,675
Investment earnings	1,200	1,200	4,896	3,696
Total revenues	<u>326,324</u>	<u>326,324</u>	<u>381,695</u>	<u>55,371</u>
EXPENDITURES				
Current:				
Debt service:				
Bond principal	340,000	340,000	340,000	-
Interest - bonds	405,670	405,670	405,670	-
Interest - other debt	501	501	2,070	(1,569)
Total Expenditures	<u>746,171</u>	<u>746,171</u>	<u>747,740</u>	<u>(1,569)</u>
Excess (deficiency) of revenues over expenditures	<u>(419,847)</u>	<u>(419,847)</u>	<u>(366,045)</u>	<u>53,802</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	429,547	429,547	429,547	-
Total Other Financing Sources (Uses)	<u>429,547</u>	<u>429,547</u>	<u>429,547</u>	<u>-</u>
Net Change in Fund Balances	9,700	9,700	63,502	53,802
Fund balance - beginning	174,818	174,818	174,818	-
Fund balance - ending	<u>\$ 184,518</u>	<u>\$ 184,518</u>	<u>\$ 238,320</u>	<u>\$ 53,802</u>

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OTHER SUPPLEMENTARY INFORMATION SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Honorable Mayor, Members of the City Council, and Citizens of the
City of Lampasas, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the City of Lampasas, Texas ("the City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 31, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Item 2019-001.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink on a light yellow background. The signature reads "Singleton, Clark & Company, PC" in a cursive script.

Singleton, Clark & Company, PC
Cedar Park, Texas

January 31, 2020

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CITY OF LAMPASAS, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

FEDERAL AWARDS

Under the guidelines of federal Uniform Guidance, a Single Audit was not required due to expenditures of federal awards being less than \$750,000.

SECTION II – FINANCIAL STATEMENT FINDINGS

Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

2019-001 Pledged Collateral

Criteria The City should maintain sufficient pledged collateral in addition to FDIC coverage at all times.

Condition Found: During March 2019, the City’s highest combined cash balance was \$5,338,408. The combined amount of pledged securities and FDIC coverage during this month was \$4,953,840. As a result, the City was under collateralized by \$385,000.

Cause: The City received greater than anticipated tax revenue in March 2019 and the City’s pledged collateral was not increased.

Effect: The effect is noncompliance with the Public Funds Investment Act requirement to have all cash balances fully collateralized at all times during the year.

Recommendation: The City should closely monitor its cash balances and amount of pledged collateral throughout the year and increase as needed to maintain sufficient coverage.

Contact Person: Yvonne Moreno, Finance Director

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CITY OF LAMPASAS, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the year ended September 30, 2018.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Findings Related to Federal Awards Which are Required to be Reported in Accordance with federal Uniform Guidance:

Not applicable.

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CITY OF LAMPASAS, TEXAS
312 East Third Street
Lampasas, Texas 76550-2820
Phone (512) 556-6831 Fax (512) 556-2074

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Current Year Audit Findings:

2019-001 Pledged Securities

Corrective Action Planned:

The City will closely monitor its cash balances and related pledged collateral amounts throughout the year to ensure that the City's cash is fully collateralized.

Anticipated Completion Date: FY2020

Contact Person: Yvonne Moreno, Finance Director

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STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Pages
Financial Trends	108-117
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	119-125
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	126-130
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	

**CITY OF LAMPASAS, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 1,581,000	\$ 436,000	\$ 771,128	\$ 1,950,175
Restricted	4,154,000	5,647,000	5,532,880	2,914,531
Unrestricted	1,052,000	1,001,000	1,232,515	3,041,824
Total Governmental Activities Net Position	\$ 6,787,000	\$ 7,084,000	\$ 7,536,523	\$ 7,906,530
Business-type Activities				
Invested in Capital Assets, Net of Related Debt	\$ 11,143,000	\$ 10,840,000	\$ 10,572,965	\$10,564,759
Restricted	5,797,000	5,393,000	5,156,820	4,486,820
Unrestricted	2,037,000	3,549,000	4,380,601	5,425,742
Total Business-type Activities Net Position	\$ 18,977,000	\$ 19,782,000	\$ 20,110,386	\$20,477,321
Primary Government				
Invested in Capital Assets, Net of Related Debt	\$ 12,724,000	\$ 11,276,000	\$ 11,344,093	\$12,514,934
Restricted	9,951,000	11,040,000	10,689,700	7,401,351
Unrestricted	3,089,000	4,550,000	5,613,116	8,467,566
Total Primary Government Net Position	\$ 25,764,000	\$ 26,866,000	\$ 27,646,909	\$28,383,851

TABLE 1

2014	2015	2016	2017	2018	2019
\$ 2,418,796	\$ 3,180,867	\$ 3,706,170	\$ 3,500,963	\$ 2,179,077	\$ 1,717,386
2,369,001	2,833,708	2,325,877	2,375,022	2,263,448	2,410,140
2,986,307	(1,806,130)	(1,440,083)	(1,715,766)	(2,362,825)	(2,837,858)
<u>\$ 7,774,104</u>	<u>\$ 4,208,445</u>	<u>\$ 4,591,964</u>	<u>\$ 4,160,219</u>	<u>\$ 2,079,700</u>	<u>\$ 1,289,668</u>
\$ 12,288,611	\$ 13,025,534	\$ 12,759,887	\$ 12,947,023	\$ 14,080,058	\$ 14,436,658
4,490,449	2,867,877	2,726,401	2,507,667	2,534,131	2,686,288
4,141,523	3,393,861	3,670,864	3,528,888	3,799,634	3,790,676
<u>\$ 20,920,583</u>	<u>\$ 19,287,272</u>	<u>\$ 19,157,152</u>	<u>\$ 18,983,578</u>	<u>\$ 20,413,823</u>	<u>\$ 20,913,622</u>
\$ 14,707,407	\$ 16,206,401	\$ 16,466,057	\$ 16,447,986	\$ 16,259,135	\$ 16,154,044
6,859,450	5,701,585	5,052,278	4,882,689	4,797,579	5,096,428
7,127,830	1,587,731	2,230,781	1,813,122	1,436,809	952,818
<u>\$ 28,694,687</u>	<u>\$ 23,495,717</u>	<u>\$ 23,749,116</u>	<u>\$ 23,143,797</u>	<u>\$ 22,493,523</u>	<u>\$ 22,203,290</u>

CITY OF LAMPASAS, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

CITY OF LAMPASAS, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental Activities:				
General Government	\$ 2,664,000	\$ 2,751,000	\$ 2,144,309	\$ 2,022,456
Public Safety	2,618,000	2,079,000	2,801,991	2,955,907
Highways and Streets	1,093,000	1,976,000	618,732	671,618
Sanitation	-	-	970,308	1,051,846
Health and Welfare	-	-	114,582	118,503
Conservation	-	-	53,398	44,954
Culture and Recreation	966,000	1,008,000	1,084,794	964,600
Interest on Long-Term Debt	262,000	259,000	301,895	279,734
Total Gov. Activities Expenses	<u>7,603,000</u>	<u>8,073,000</u>	<u>8,090,009</u>	<u>8,109,618</u>
Business-type Activities				
Water/Wastewater	13,277,000	13,297,000	3,617,208	3,783,437
Electric Fund	-	-	8,906,129	8,500,187
Other Nonmajor Enterprise Funds	-	-	756,692	732,341
Total Business-type Act. Expenses	<u>13,277,000</u>	<u>13,297,000</u>	<u>13,280,029</u>	<u>13,015,965</u>
Total Primary Gov. Expenses	<u>\$20,880,000</u>	<u>\$21,370,000</u>	<u>\$21,370,038</u>	<u>\$21,125,583</u>
Program Revenues				
Governmental Activities:				
General Government:				
Charges for Service	\$ 2,796,000	\$ 2,757,000	\$ 3,222,279	\$ 2,285,216
Operating Grants and Contributions	1,330,000	204,000	84,047	502,432
Total Gov. Activities Program Revenues	<u>4,126,000</u>	<u>2,961,000</u>	<u>3,306,326</u>	<u>2,787,648</u>
Business-type Activities:				
Program Revenue:				
Charges for Services:	14,859,000	15,627,000	15,059,288	14,773,779
Operating Grants & Contributions	-	-	-	-
Total Business-type Act. Prog. Revenues	<u>14,859,000</u>	<u>15,627,000</u>	<u>15,059,288</u>	<u>14,773,779</u>
Total Primary Gov. Prog. Revenues	<u>\$18,985,000</u>	<u>\$18,588,000</u>	<u>\$18,365,614</u>	<u>\$17,561,427</u>
Net (Expense)/Revenue				
Governmental Activities	(3,477,000)	(5,112,000)	(4,783,683)	(5,321,970)
Business-type Activities	1,582,000	2,330,000	1,779,259	1,757,814
Total Primary Government Net Expense	<u>\$ (1,895,000)</u>	<u>\$ (2,782,000)</u>	<u>\$ (3,004,424)</u>	<u>\$ (3,564,156)</u>

TABLE 2

	2014	2015	2016	2017	2018	2019
\$	2,223,490	\$ 2,291,288	\$ 2,696,527	\$ 2,718,288	\$ 3,091,738	\$ 3,311,913
	3,186,403	3,407,906	3,493,501	3,895,816	4,055,064	4,286,779
	699,633	660,402	620,679	840,382	659,773	725,560
	1,058,171	1,126,129	1,195,220	1,170,846	1,181,898	1,204,509
	128,549	139,303	133,720	153,870	163,533	193,716
	48,646	56,512	92,752	52,356	127,687	103,002
	1,008,322	1,133,436	1,067,490	1,087,984	1,020,517	1,259,968
	268,213	255,130	241,563	371,013	394,441	347,615
	<u>8,621,427</u>	<u>9,070,106</u>	<u>9,541,452</u>	<u>10,290,555</u>	<u>10,694,651</u>	<u>11,433,062</u>
	4,269,573	4,443,566	4,651,178	4,913,717	4,702,689	8,519,945
	9,193,037	9,649,508	8,258,476	8,198,601	8,434,875	4,801,323
	808,386	927,302	872,931	928,702	966,962	990,856
	<u>14,270,996</u>	<u>15,020,376</u>	<u>13,782,585</u>	<u>14,041,020</u>	<u>14,104,526</u>	<u>14,312,124</u>
\$	<u>22,892,423</u>	<u>\$ 24,090,482</u>	<u>\$ 23,324,037</u>	<u>\$ 24,331,575</u>	<u>\$ 24,799,177</u>	<u>\$ 25,745,186</u>
\$	1,395,338	\$ 1,548,820	\$ 1,582,065	\$ 1,589,036	\$ 1,592,452	\$ 1,632,769
	641,953	344,801	137,834	196,818	144,548	141,718
	<u>2,037,291</u>	<u>1,893,621</u>	<u>1,719,899</u>	<u>1,785,854</u>	<u>1,737,000</u>	<u>1,774,487</u>
	15,160,953	15,900,317	15,854,405	15,820,487	17,117,376	16,952,681
	-	-	-	5,498	-	-
	<u>15,160,953</u>	<u>15,900,317</u>	<u>15,854,405</u>	<u>15,825,985</u>	<u>17,117,376</u>	<u>16,952,681</u>
\$	<u>17,198,244</u>	<u>\$ 17,793,938</u>	<u>\$ 17,574,304</u>	<u>\$ 17,611,839</u>	<u>\$ 18,854,376</u>	<u>\$ 18,727,168</u>
	(6,584,136)	(7,176,485)	(7,821,553)	(8,504,701)	(8,957,651)	(9,658,575)
	889,957	879,941	2,071,820	1,784,965	3,012,850	2,640,557
\$	<u>(5,694,179)</u>	<u>\$ (6,296,544)</u>	<u>\$ (5,749,733)</u>	<u>\$ (6,719,736)</u>	<u>\$ (5,944,801)</u>	<u>\$ (7,018,018)</u>

CITY OF LAMPASAS, TEXAS
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

**CITY OF LAMPASAS, TEXAS
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
Net (Expense)/Revenue				
Governmental Activities	\$ (3,476,287)	\$ (5,113,105)	\$ (4,783,683)	\$ (5,321,970)
Business-type Activities	1,582,369	2,330,265	1,779,259	1,760,287
Total Primary Government Net Expense	<u>(1,893,918)</u>	<u>(2,782,840)</u>	<u>(3,004,424)</u>	<u>(3,561,683)</u>
Governmental Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes				
Property Taxes	1,226,081	1,272,469	1,345,349	1,381,515
Sales Taxes	1,146,768	1,163,562	1,192,491	1,154,769
Franchise Fees	914,549	943,413	905,082	898,937
Hotel/Motel Taxes	-	-	-	84,026
Penalty and Interest	27,830	24,932	21,452	-
Contributions and Donations	36,636	133,583	18,478	23,192
Intergovernmental Revenue	-	-	-	-
Miscellaneous Revenue	98,054	311,693	239,662	732,562
Investment Earnings	16,840	13,961	17,380	14,831
Gain/loss on sale of capital assets				
Total Governmental Activities	<u>3,466,758</u>	<u>3,863,613</u>	<u>3,739,894</u>	<u>4,289,832</u>
Business-type Activities:				
Miscellaneous Revenue	81,970	-	32,838	166,546
Intergovernmental Revenue	-	-	-	-
Investment Earnings	23,765	21,816	11,343	24,606
Total Business-type Activities	<u>105,735</u>	<u>21,816</u>	<u>44,181</u>	<u>191,152</u>
Total Primary Government	<u>3,572,493</u>	<u>3,885,429</u>	<u>3,784,075</u>	<u>4,480,984</u>
Transfers In (Out)	28,690	-	-	-
Change in Net Position				
Governmental Activities	(9,529)	(1,249,492)	(1,043,789)	(1,032,138)
Business-type Activities	1,688,104	2,352,081	1,823,440	1,951,439
Total Primary Government	<u>\$ 1,678,575</u>	<u>\$ 1,102,589</u>	<u>\$ 779,651</u>	<u>\$ 919,301</u>

TABLE 3

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ (6,584,136)	\$ (7,176,485)	\$ (7,821,553)	\$ (8,504,701)	\$ (8,957,651)	\$ (9,658,575)
889,857	879,941	2,071,820	1,784,965	3,012,850	2,640,557
(5,694,279)	(6,296,544)	(5,749,733)	(6,719,736)	(5,944,801)	(7,018,018)
1,410,139	1,453,654	1,498,205	1,558,898	1,629,080	1,689,257
1,234,608	1,339,222	1,436,371	1,486,812	1,499,393	1,580,877
931,165	955,286	930,989	913,565	933,625	899,556
87,550	74,297	76,192	135,879	145,974	161,446
-	-	-	-	-	-
11,515	7,880	9,044	5,864	15,861	33,645
-	-	-	-	1,237,903	1,265,644
2,172,833	2,483,834	1,925,773	1,777,383	1,592,346	584,741
8,955	13,439	14,915	77,400	132,353	125,348
	(110,791)	-	-	41,403	1,450
5,856,765	6,216,821	5,891,489	5,955,801	7,227,938	6,341,964
46,063	23,310	77,856	109,876	82,355	209,625
-	-	-	-	-	12,761
24,613	28,639	33,787	48,740	96,335	139,742
70,676	51,949	111,643	158,616	178,690	362,128
5,927,441	6,268,770	6,003,132	6,114,417	7,406,628	6,704,092
77,574	50,936	-	-	-	-
(727,371)	(959,664)	(1,930,064)	(2,548,900)	(1,729,713)	(3,316,611)
960,533	931,890	2,183,463	1,943,581	3,191,540	3,002,685
\$ 233,162	\$ (27,774)	\$ 253,399	\$ (605,319)	\$ 1,461,827	\$ (313,926)

CITY OF LAMPASAS, TEXAS
 FUND BALANCE OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

**CITY OF LAMPASAS, TEXAS
 FUND BALANCE OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
NonSpendable	\$ 12,026	\$ 9,337	\$ 15,491	\$ 22,923
Restricted, Committed, or Assigned	1,763,872	1,794,537	1,833,004	1,832,914
Unassigned	565,089	652,384	620,340	764,355
Total General Fund	\$ 2,340,987	\$ 2,456,258	\$ 2,468,835	\$ 2,620,192
All Other Governmental Funds				
Restricted for:				
Capital Projects Funds	958,219	923,404	2,247,640	1,370,948
Debt Service Fund	149,983	159,699	164,426	168,856
Endowments	174,558	174,558	174,558	174,558
Other Specific Purpose	1,115,263	1,106,426	1,115,260	1,185,449
Total All Other Governmental Funds	\$ 2,398,023	\$ 2,364,087	\$ 3,701,884	\$ 2,899,811

TABLE 4

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 58,743	\$ 51,191	\$ 27,990	\$ 29,599	\$ 30,685	\$ 28,185
1,832,480	1,834,048	1,835,013	1,836,963	1,841,218	1,847,223
653,146	139,451	387,299	483,661	827,310	923,805
<u>\$ 2,544,369</u>	<u>\$ 2,024,690</u>	<u>\$ 2,250,302</u>	<u>\$ 2,350,223</u>	<u>\$ 2,699,213</u>	<u>\$ 2,799,213</u>
\$ 774,455	\$ 155,838	\$ 650,889	\$ 5,717,801	\$ 3,637,511	\$ 1,915,781
171,040	1,212,323	218,011	119,636	174,818	238,318
174,558	174,558	174,558	174,558	174,621	174,683
1,233,232	1,275,243	1,262,407	1,476,118	1,516,022	1,594,423
<u>\$ 2,353,285</u>	<u>\$ 2,817,962</u>	<u>\$ 2,305,865</u>	<u>\$ 7,488,113</u>	<u>\$ 5,502,972</u>	<u>\$ 3,923,205</u>

CITY OF LAMPASAS, TEXAS
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

**CITY OF LAMPASAS, TEXAS
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Ad valorem taxes	\$ 1,250,663	\$ 1,289,325	\$ 1,370,826	\$ 1,378,807
Sales taxes	1,146,768	1,163,562	1,192,491	1,154,769
Hotel/Motel taxes	-	-	-	84,026
Franchise fees	914,549	943,413	905,082	898,937
Licenses and permits	34,457	24,375	28,008	44,153
Intergovernmental	1,330,451	322,430	84,047	502,432
Service fees	2,526,354	2,714,482	2,272,053	2,285,216
Fines and penalties	20,969	21,929	419,173	334,368
Special Assessments	191,252	192,363	192,380	204,360
Interest income	16,840	13,961	17,381	14,831
Rents and Royalties	22,867	26,456	23,234	22,416
Contributions and Donations	19,360	15,202	18,478	23,192
Miscellaneous income	98,054	303,374	254,041	114,582
Total Revenues	7,572,584	7,030,872	6,777,194	7,062,089
Expenditures				
General Government	818,242	1,254,843	937,126	1,868,743
Public Safety Police/Fire	2,582,849	2,524,663	2,637,477	2,786,442
Highway and Streets	1,103,306	1,077,476	1,061,416	851,924
Sanitation	872,352	892,840	893,502	963,066
Health and Welfare	104,104	109,455	268,051	108,501
Culture and Recreation	3,022,908	993,284	968,055	879,508
Conservation	43,462	45,973	57,219	41,160
Capital Outlay/Misc	902,309	1,512,149	980,164	1,146,256
Debt Service				
Principal	395,709	382,229	333,825	335,000
Interest and fiscal charges	256,959	241,656	293,359	282,983
Bond issuance costs	-	-	125	-
Total Expenditures	10,102,200	9,034,568	8,430,319	9,263,583
Excess of Revenues				
Over (Under) Expenditures	(2,529,616)	(2,003,696)	(1,653,125)	(2,201,494)
Other Financing Sources (Uses)				
Transfers In	4,324,266	1,745,203	1,979,951	1,811,287
Transfers Out	(3,560,614)	(197,129)	(485,118)	(273,192)
Issuance of long-term debt	-	2,036,036	-	12,683
Premium or discount on bonds issued	-	-	-	-
Other resources	-	-	-	-
Sale of capital assets	3,690	2,942	6,645	-
Total Other Financing Sources (Uses)	767,342	3,587,052	1,501,478	1,550,778
Net Change in Fund Balances	\$ (1,762,274)	\$ 1,583,356	\$ (151,647)	\$ (650,716)
Debt Service as a Percentage of Noncapital Expenditures	12.1%	10.9%	11.3%	9.6%

CITY OF LAMPASAS, TEXAS
 CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

TABLE 5

		Fiscal Year									
		2014	2015	2016	2017	2018	2019				
\$	1,405,387	\$	1,452,783	\$	1,482,248	\$	1,566,730	\$	1,622,486	\$	1,693,806
	1,234,608		1,339,222		1,436,371		1,486,812		1,499,393		1,580,877
	87,550		74,297		76,192		135,879		145,974		161,446
	931,165		955,286		930,989		913,565		933,625		899,556
	45,981		55,735		60,420		50,667		57,323		76,570
	1,994,914		1,997,911		1,355,669		1,331,057		1,335,939		1,407,362
	1,395,338		1,548,820		1,582,065		1,589,036		1,592,452		1,632,769
	329,222		358,403		379,819		359,859		325,105		350,718
	9,414		8,029		7,801		6,739		5,767		-
	8,955		13,439		14,915		77,400		132,353		125,348
	8,570		7,900		7,070		9,351		11,656		4,365
	11,515		7,880		9,044		111,548		62,373		33,645
	169,744		387,539		106,803		128,287		109,404		102,598
	<u>7,632,363</u>		<u>8,207,244</u>		<u>7,449,406</u>		<u>7,766,930</u>		<u>7,833,850</u>		<u>8,069,060</u>
	2,053,956		2,098,606		2,455,291		2,435,509		2,600,290		2,875,475
	2,938,563		3,133,478		3,307,491		3,473,689		3,715,247		3,816,835
	644,611		609,260		601,244		758,902		603,275		638,264
	980,334		1,045,238		1,110,857		1,081,870		1,086,672		1,107,678
	119,093		128,207		125,835		137,322		141,900		166,193
	930,538		1,052,019		1,041,199		976,762		932,687		949,507
	45,068		52,453		86,205		48,377		117,399		94,722
	734,396		1,139,048		747,874		1,252,119		1,246,223		1,729,921
	360,000		365,000		380,000		245,000		245,000		340,000
	270,701		257,644		244,159		386,124		414,885		405,670
	250		250		250		450		650		2,070
	<u>9,077,510</u>		<u>9,881,203</u>		<u>10,100,405</u>		<u>10,796,124</u>		<u>11,104,228</u>		<u>12,126,335</u>
	<u>(1,445,147)</u>		<u>(1,673,959)</u>		<u>(2,650,999)</u>		<u>(3,029,194)</u>		<u>(3,270,378)</u>		<u>(4,057,275)</u>
	1,931,071		2,307,289		2,997,201		2,572,192		3,159,275		3,288,670
	(1,336,126)		(637,820)		(683,618)		(455,037)		(1,590,303)		(785,784)
	-		-		-		5,355,000		-		-
	-		-		-		762,760		-		-
	10,759		13,118		44,501		60,937		23,852		49,479
	217,094		3,867		6,430		15,511		41,403		1,450
	<u>822,798</u>		<u>1,686,454</u>		<u>2,364,514</u>		<u>8,311,363</u>		<u>1,634,227</u>		<u>2,553,815</u>
\$	<u>(622,349)</u>	\$	<u>12,495</u>	\$	<u>(286,485)</u>	\$	<u>5,282,169</u>	\$	<u>(1,636,151)</u>	\$	<u>(1,503,460)</u>
	9.5%		9.0%		8.4%		8.1%		8.2%		8.8%

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CITY OF LAMPASAS, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

**CITY OF LAMPASAS, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 6

Fiscal Year	Ad Valorem Taxes	Sales Taxes	Franchise Taxes	Total
2010	\$ 1,289,325	\$ 1,163,562	\$ 943,413	\$ 3,396,300
2011	1,370,826	1,192,491	905,082	3,468,399
2012	1,378,807	1,154,769	898,937	3,432,513
2013	1,405,387	1,234,608	931,165	3,571,160
2014	1,452,783	1,339,222	955,286	3,747,291
2015	1,482,248	1,436,371	930,989	3,849,608
2016	1,566,730	1,486,812	913,565	3,967,107
2017	1,622,486	1,499,393	933,625	4,055,504
2018	1,693,806	1,580,877	899,556	4,174,239
2019	1,693,806	1,580,877	899,556	4,174,239
10-year \$ Change	\$ 404,481	\$ 417,315	\$ (43,857)	\$ 777,939
10-year % Change	418.8%	378.8%	-2051.1%	536.6%

CITY OF LAMPASAS, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

CITY OF LAMPASAS, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Tax Year	Real Property	Personal Property	Less Exempt Property
2010	2009	\$ 78,618,530	\$ 288,702,750	\$ (35,913,417)
2011	2010	79,019,370	289,690,060	(35,851,120)
2012	2011	77,443,550	310,439,970	(35,353,687)
2013	2012	78,436,600	301,810,400	(35,164,450)
2014	2013	82,466,610	308,761,460	(37,463,750)
2015	2014	79,659,155	320,799,539	(37,099,540)
2016	2015	85,565,235	330,282,892	(50,340,765)
2017	2016	89,878,302	360,637,509	(43,147,770)
2018	2017	89,822,910	369,507,060	(63,566,080)
2019	2018	92,548,780	382,107,140	(48,995,670)

Source: Lampasas Central Appraisal District

TABLE 7

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
\$ 331,407,863	0.3900	\$ 318,511,133	96.11%
332,858,310	0.4000	318,522,890	95.69%
352,529,833	0.3952	340,983,388	96.72%
345,082,550	0.3952	344,754,618	99.90%
353,764,320	0.3952	353,119,544	99.82%
363,359,154	0.3952	364,615,688	100.35%
363,359,154	0.3952	365,152,900	100.49%
407,368,041	0.3952	378,621,000	92.94%
395,763,890	0.3952	393,000,000	99.30%
425,660,250	0.3952	426,625,963	100.23%

CITY OF LAMPASAS, TEXAS
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND TEN YEARS AGO (UNAUDITED)

**CITY OF LAMPASAS, TEXAS
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND TEN YEARS AGO (UNAUDITED)**

Taxpayer	2019		Percentage of Total City Taxable Assessed Value
	Taxable Assessed Value	Rank	
Windsor Quality Foods	\$ 28,290,190	1	6.73%
Wal-mart Real Estate	7,693,780	2	1.83%
Benny Boyd Ltd DBA Benny	5,262,960	3	1.25%
Oil States Industries	5,007,590	4	1.19%
Hoffpaur James Lee	4,137,350	5	0.98%
City of Lampasas	3,799,150	6	0.90%
Patel Sanjay B and Devang C	3,162,690	7	0.75%
Oil States Industries	2,777,890	8	0.66%
Prestwick Lampasas LLC	2,564,680	9	0.61%
Big Diamond Inc	2,534,310	10	0.60%
Total	\$ 65,230,590		15.52%

(1) Source: Lampasas Central Appraisal District

TABLE 8

Taxpayer	2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Windsor Quality Foods	\$ 10,739,230	1	3.37%
Windsor Quality Foods	10,291,360	2	3.23%
Wal-mart Real Estate	8,232,280	3	2.58%
Windsor Quality Foods	2,819,850	4	0.89%
City of Lampasas	2,722,340	5	0.85%
Diya & Mansi LLC	2,370,820	6	0.74%
Benny Boyd Ltd DBA Benny	2,259,880	7	0.71%
Oil States Industries	2,145,330	8	0.67%
Oil States Industries	2,057,950	9	0.65%
Southwestern Bell Telephone Co.	1,926,370	10	0.60%
Total	<u>\$ 45,565,410</u>		<u>14.31%</u>

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CITY OF LAMPASAS, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)

**CITY OF LAMPASAS, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 9

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy ¹
2010	\$ 1,230,637	\$ 1,196,684	97.24%	\$ 31,842	\$ 1,228,526	99.83%
2011	1,271,572	1,232,818	96.95%	33,435	1,266,253	99.58%
2012	1,347,628	1,318,085	97.81%	22,443	1,340,528	99.47%
2013	1,357,361	1,332,308	98.15%	11,210	1,343,518	98.98%
2014	1,392,610	1,366,605	98.13%	11,372	1,377,977	98.95%
2015	1,441,027	1,412,184	98.00%	12,789	1,424,973	98.89%
2016	1,479,052	1,437,252	97.17%	16,853	1,454,105	98.31%
2017	1,528,124	1,498,010	98.03%	35,076	1,533,086	100.32%
2018	1,606,700	1,576,228	98.10%	25,971	1,602,199	99.72%
2019	1,661,340	1,627,440	97.96%	32,014	1,659,454	99.89%

Source: Lampasas Central Appraisal District

CITY OF LAMPASAS, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)

**CITY OF LAMPASAS, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	General Bonded Debt			Business-type Activities	
	General	Tax	Certificates of	Tax & Revenue	
	Obligation Bonds	Notes	Obligation	Refunding Bonds	Certificates of Obligations
2010	\$ -	\$ 355,000	\$ 5,360,000	\$ 3,242,000	\$ 1,480,000
2011	-	240,000	7,161,036	3,174,000	1,315,000
2012	-	120,000	6,979,995	-	4,348,353
2013	-	-	6,763,954	-	4,089,880
2014	-	-	6,402,913	-	3,826,407
2015	-	-	6,036,872	-	3,547,934
2016	-	-	5,655,829	-	3,259,461
2017	-	-	11,489,410	-	2,965,988
2018	-	-	11,205,231	-	2,662,515
2019	-	-	10,826,052	-	2,434,042

Fiscal Year	Total Primary Government	Total All Government	Population	Per Capita Income (1)	Personal Income
2010	\$ 10,437,000	\$ 10,437,000	7,465	\$ 869	\$ 6,487,085
2011	11,890,036	11,890,036	7,465	832	6,210,880
2012	11,448,348	11,448,348	6,681	790	5,277,990
2013	10,853,834	10,853,834	6,681	833	5,565,273
2014	10,229,320	10,229,320	6,695	1,084	7,257,380
2015	9,584,806	9,584,806	6,695	1,036	6,936,020
2016	8,915,290	8,915,290	7,223	985	7,114,655
2017	14,455,398	14,455,398	7,687	1,611	12,383,757
2018	13,867,746	13,867,746	7,826	1,722	13,478,329
2019	13,260,094	13,260,094	7,909	1,878	14,849,807

(1) Information from 2000 census, 2010 census and modified by City staff estimates.

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CITY OF LAMPASAS, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (UNAUDITED)

CITY OF LAMPASAS, TEXAS **TABLE 11**
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	General Bonded Debt Outstanding				Percentage Actual Taxable Property Value	Per Capita
	General Obligation Bonds	Tax Notes	Certificates of Obligation	Total		
2010	\$ -	\$ 355,000	\$ 5,360,000	\$ 5,715,000	1.72%	\$ 426
2011	-	240,000	7,161,036	7,401,036	2.22%	552
2012	-	120,000	6,979,995	7,099,995	2.01%	529
2013	-	-	6,763,954	6,763,954	1.96%	504
2014	-	-	6,402,913	6,402,913	1.81%	478
2015	-	-	6,036,872	6,036,872	1.66%	450
2016	-	-	5,655,829	5,655,829	1.56%	305
2017	-	-	11,489,410	11,489,410	2.82%	620
2018	-	-	11,205,231	11,205,231	2.83%	605
2019	-	-	10,826,052	10,826,052	2.54%	584

CITY OF LAMPASAS, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

**CITY OF LAMPASAS, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Assessed Valuation	\$331,407,863	\$332,858,310	\$352,529,833	\$345,082,550
Limit on Amount Designated for Debt Service:				
\$1.50 per \$100 assessed valuation	x 1.5	x 1.5	x 1.5	x 1.5
Legal Annual Maximum Debt Payment	<u>\$ 4,971,118</u>	<u>\$ 4,992,875</u>	<u>\$ 5,287,947</u>	<u>\$ 5,176,238</u>
Actual Amount Expended for General Obligation Debt Service During the Fiscal Year	<u>623,885</u>	<u>627,309</u>	<u>617,983</u>	<u>630,951</u>
Legal Debt Margin for Annual Debt Service Requirements	<u>\$ 4,347,233</u>	<u>\$ 4,365,566</u>	<u>\$ 4,669,964</u>	<u>\$ 4,545,287</u>
Total Net Debt Applicable to the Limit As a percentage of Debt Limit	12.55%	12.56%	11.69%	12.19%

Source: Lampasas Central Appraisal District
Audited Financial Statements of the City of Lampasas

TABLE 12

2014	2015	2016	2016	2018	2019
\$ 345,082,550	\$ 364,615,608	\$ 364,615,608	\$ 374,237,084	\$ 406,535,167	\$ 420,360,289
x 1.5	x 1.5	1.5	1.5	1.5	1.5
\$ 5,176,238	\$ 5,469,234	\$ 5,469,234	\$ 5,613,556	\$ 6,098,028	\$ 6,305,404
630,951	622,894	1,016,698	669,516	587,652	607,652
\$ 4,545,287	\$ 4,846,340	\$ 4,452,536	\$ 4,944,040	\$ 5,510,376	\$ 5,697,752
12.19%	11.39%	18.59%	11.93%	9.64%	9.64%