

CITY OF LAMPASAS, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021



SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

CITY OF LAMPASAS, TEXAS
 ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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FINANCIAL SECTION

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Independent Auditor's Report

To the Honorable Mayor and Members of the City Council of
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, and the aggregate remaining fund information of City of Lampasas, Texas (the "City") as of and for the year ended September 30, 2021, 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 statements 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, and the aggregate remaining fund information of the City as of September 30, 2021, 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 preceding the basic financial statements and the pension and other post-employment benefit related schedules following the notes to the financials 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 the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

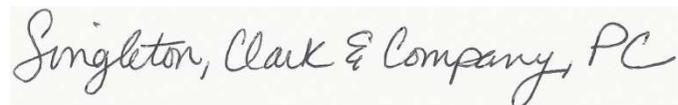
Other Information

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 financial statements and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and supplemental 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 financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2022 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

February 18, 2022

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CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Management's Discussion and Analysis

The Management's Discussion and Analysis section of the City of Lampasas, Texas's (hereafter the "City") Annual Financial Report offers readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. Please read it in conjunction with the independent auditor's report beginning on page 1 of this report and the City's basic 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 \$1,259,704 as a result of this year's current operations to end at \$665,029.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,813,002, an increase of \$169,056 in comparison with the prior year. At the end of the current fiscal year, the General Fund had \$3,863,945 in spendable fund balance which represents approximately 35% 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 \$21,672,339. The majority of ending proprietary net position is related to the Electric Fund and the Water/Wastewater Fund which ended at \$6,163,160 and \$13,010,828 after the year's decrease of \$2,050,713 and increase of \$2,243,498, respectively.
- The City's component unit ended the year with a net position balance of \$1,607,160 after the year's increase of \$335,920.

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: government-wide financial statements, fund financial statements, and the notes to financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements.

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 between assets and liabilities 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, 2021

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 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 City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds as applicable.

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 fifteen 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 and the Coronavirus State and Local Fiscal Recover Fund which are considered to be a major funds. Data from the other thirteen 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, 2021

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 enterprise funds 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.

Basis of Reporting. The government-wide statements and the fund-level proprietary statements are reported using the full accrual basis of accounting. The governmental funds are reported using the modified accrual basis of accounting.

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 35-57 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 progress in funding its obligation to provide pension and OPEB benefits to its employees. 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. Required supplementary information can be found on pages 60-77 of this report.

Combining and individual fund statements and schedules can be found on pages 82-95 of this report.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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 and deferred outflows of resources exceeded liabilities and deferred inflows for governmental activities and business-type activities by \$665,029 and \$21,672,339, respectively at the close of the most recent fiscal year.

**Condensed Statement of Net Position
As of September 30**

	Governmental Activities 2021	Governmental Activities 2020	Change	Business- Type Activities 2021	Business- Type Activities 2020	Change
ASSETS	\$ 8,887,622	\$ 7,761,038	\$ 1,126,584	\$ 9,544,322	\$ 11,037,042	\$ (1,492,720)
Capital assets	11,218,490	10,799,571	418,919	16,273,138	16,900,030	(626,892)
Deferred outflows	1,952,654	1,907,394	45,260	583,262	566,688	16,574
Total assets and deferred outflows	\$ 22,058,766	\$ 20,468,003	\$ 1,590,763	\$ 26,400,722	\$ 28,503,760	\$ (2,103,038)
LIABILITIES	\$ 1,578,994	\$ 615,813	\$ 963,181	\$ 1,388,393	\$ 1,339,955	\$ 48,438
Long-term liabilities	17,998,792	16,085,179	1,913,613	2,797,563	5,009,632	(2,212,069)
Deferred inflows	1,815,951	1,842,278	(26,327)	542,427	548,386	(5,959)
Total liabilities and deferred inflows	21,393,737	18,543,270	2,850,467	4,728,383	6,897,973	(2,169,590)
NET POSITION						
Net investment in capital assets	10,796	1,247,698	(1,236,902)	15,508,138	13,799,461	1,708,677
Restricted	2,755,941	3,047,630	(291,689)	2,726,401	2,726,401	-
Unrestricted	(2,101,708)	(2,370,595)	268,887	3,437,800	5,079,925	(1,642,125)
Total net position	\$ 665,029	\$ 1,924,733	\$ (1,259,704)	\$ 21,672,339	\$ 21,605,787	\$ 66,552

By far, the largest portion of the City's net position (69.5%) or \$15,518,934, 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 (24.5%) or \$5,482,342, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,336,092 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 (\$2,101,708). 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, 2021

Governmental Activities. During the current fiscal year, net position for governmental activities decreased by \$1,259,704 from the prior fiscal year as a result of current activities. Net position for governmental activities ended at \$665,029.

Business-type Activities. For the City's business-type activities, the results of the current fiscal year caused overall net position to increase by \$66,552. Net position for business-type activities ended at \$21,672,339.

**Condensed Statement of Activities
For the Years Ended September 30**

	Governmental Activities 2021	Governmental Activities 2020	Change	Business- Type Activities 2021	Business- Type Activities 2020	Change
REVENUES						
Program Revenues:						
Charges for services	\$ 1,789,477	\$ 1,685,356	\$ 104,121	\$ 17,152,858	\$ 17,221,695	\$ (68,837)
Operating grants & contributions	153,375	337,828	(184,453)	14,113	-	14,113
General Revenues:						
Property taxes	1,833,632	1,774,622	59,010	-	-	-
Other taxes	2,126,143	1,756,563	369,580	-	-	-
Grants and contributions not restricted to specific programs	906,870	915,067	(8,197)	-	-	-
Other	2,112,667	2,195,721	(83,054)	335,761	418,738	(82,977)
Total revenue	8,922,164	8,665,157	257,007	17,502,732	17,640,433	(137,701)
EXPENSES						
General government	2,996,573	2,834,371	162,202	-	-	-
Public safety	4,456,054	4,209,622	246,432	-	-	-
Highways and streets	782,181	724,613	57,568	-	-	-
Sanitation	1,281,536	1,227,845	53,691	-	-	-
Health and welfare	205,096	197,523	7,573	-	-	-
Culture and recreation	1,394,633	1,203,844	190,789	-	-	-
Conservation	121,909	95,939	25,970	-	-	-
Interest on long-term debt	352,957	322,755	30,202	-	-	-
Golf Course Fund	-	-	-	732,604	714,021	18,583
Electric Fund	-	-	-	10,275,414	7,926,244	2,349,170
Water/Wastewater Fund	-	-	-	4,830,686	4,917,388	(86,702)
Nonmajor Enterprise Funds	-	-	-	239,280	419,044	(179,764)
Total expenses	11,590,939	10,816,512	774,427	16,077,984	13,976,697	2,101,287
Increase (decrease) in net position before transfers	(2,668,775)	(2,151,355)	(517,420)	1,424,748	3,663,736	(2,238,988)
Transfers	1,409,071	2,791,356	(1,382,285)	(1,358,196)	(2,791,356)	1,433,160
Increase (decrease) in net position	(1,259,704)	640,001	(1,899,705)	66,552	872,380	(805,828)
Net position - beginning	1,924,733	1,289,669	635,064	21,605,787	20,913,622	692,165
Prior period adjustment	-	(4,937)	4,937	-	(180,215)	180,215
Net position - ending	\$ 665,029	\$ 1,924,733	\$ (1,259,704)	\$ 21,672,339	\$ 21,605,787	\$ 66,552

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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, 2021, the City's governmental funds reported combined fund balances of \$6,813,002, an increase of \$169,056 in comparison with the prior year. Approximately 29% of this amount, \$2,006,157 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 \$208,205, 2) restricted for particular purposes \$2,740,852, 3) committed for particular purposes \$1,783,405, or 4) assigned for particular purposes \$74,383.

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 \$2,006,157, while total fund balance increased to \$3,897,437. 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 18% of total General Fund expenditures, while total fund balance represents approximately 35% of that same amount. The fund balance of the City's General Fund increased by \$458,577 during the current fiscal year. The increase in the fund balance of the General Fund was the result of the City recognizing less than originally anticipated expenditures, primarily as it relates to the Fire Department and Capital Outlay.

The City's Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Fund, a major fund for the year ended September 30, 2021, reported \$988,914 in unavailable revenues related to federal grant funds the City received during the year and intends to expend on allowable projects in the following fiscal year. In addition, the fund reported an ending fund balance of \$408.

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 \$2,730,030, and the total decrease in net position for the Electric Fund was \$2,050,713. Unrestricted net position of the Water/Wastewater Fund was \$625,160, and the total increase in the net position was \$2,243,498.

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. However, there was a need to make an amendment to reallocate appropriations among departments when it became clearer how much the City would require for Capital Outlay during the year. Generally, the movement of the appropriations between departments was *not* otherwise significant.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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, 2021, amounts to \$11,218,490 and \$16,273,138 (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.

Capital Assets, Net of Accumulated Depreciation

	Governmental Activities 2021	Governmental Activities 2020	Change	Business- type Activities 2021	Business- type Activities 2020	Change
Land	\$ 1,187,931	\$ 1,214,431	\$ (26,500)	\$ 983,061	\$ 983,061	\$ -
Construction in progress	-	213,846	(213,846)	145,000	118,500	26,500
Buildings	16,710,405	15,942,424	767,981	6,195,569	6,170,921	24,648
Furniture and equipment	5,356,411	4,579,008	777,403	6,004,317	5,504,923	499,394
Infrastructure	-	-	-	27,494,881	27,479,572	15,309
Total	23,254,747	21,949,709	1,305,038	40,822,828	40,256,977	565,851
Less accumulated depreciation	(12,036,257)	(11,150,138)	(886,119)	(24,549,690)	(23,356,947)	(1,192,743)
Capital assets, net of depreciation	\$ 11,218,490	\$ 10,799,571	\$ 418,919	\$ 16,273,138	\$ 16,900,030	\$ (626,892)

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

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$11,207,694 and \$765,000 related to governmental activities and business-type activities, respectively. The remainder of the City's long-term obligations is comprised of compensated absences.

Outstanding Debt

	Governmental Activities 2021	Governmental Activities 2020	Change	Business- type Activities 2021	Business- type Activities 2020	Change
Cert. Of Obligation & GO bonds	\$ 11,207,694	\$ 9,551,873	\$ 1,655,821	\$ 765,000	\$ 3,100,569	\$ (2,335,569)
Compensated absences	321,215	340,960	(19,745)	99,999	106,969	(6,970)
Total	\$ 11,528,909	\$ 9,892,833	\$ 1,636,076	\$ 864,999	\$ 3,207,538	\$ (2,342,539)

The City issued general obligation bonds in the governmental activities to refinance previously outstanding general obligation bonds reported in the business activities. This refinancing was done to take advantage of favorable interest rates. The result is expected to be a decrease in future debt service payments of \$404,515. Additional information on the City's long-term debt can be found in Note III.I on pages 53-55 of this report.

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CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Economic Factors and Next Year's Budgets and Rates

The City considered many factors when setting the fiscal year 2022 budget. The City's General Fund budget for fiscal year 2022 includes expenditures of approximately \$12 million which is a decrease of approximately \$175 thousand from fiscal year 2021 total originally-adopted expenditures. The city decreased the tax rate for 2021-2022 to \$0.2723 for the General Fund and to \$0.0647 for the Interest and Sinking Fund. The overall total tax rate decreased to \$0.337 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) 556-6831.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF LAMPASAS, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Lampasas EDC
ASSETS				
Cash and cash equivalents	\$ 6,966,967	\$ 4,863,433	\$ 11,830,400	\$ 1,156,615
Investments - current	717,303	2,834,508	3,551,811	-
Taxes receivable - delinquent	77,347	-	77,347	-
Allowance for uncollectible taxes	(7,734)	-	(7,734)	-
Accounts receivable, net	654,198	1,324,695	1,978,893	-
Notes receivable, net	-	218,067	218,067	-
Internal balances	446,049	(446,049)	-	-
Inventories	16,555	438,418	454,973	-
Prepaid items	-	311,250	311,250	-
Other assets	16,937	-	16,937	-
Capital assets, not being depreciated:				
Land	1,187,931	983,061	2,170,992	923,350
Construction in progress	-	145,000	145,000	-
Capital assets, being depreciated:				
Buildings and improvements	16,710,405	6,195,569	22,905,974	17,975
Machinery, equipment, and vehicles	5,356,411	6,004,317	11,360,728	-
Infrastructure	-	27,494,881	27,494,881	802,266
Accumulated depreciation	(12,036,257)	(24,549,690)	(36,585,947)	(171,876)
Total assets	20,106,112	25,817,460	45,923,572	2,728,330
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	1,388,315	414,691	1,803,006	-
Deferred outflows - OPEB	564,339	168,571	732,910	-
Total deferred outflows of resources	1,952,654	583,262	2,535,916	-
LIABILITIES				
Accounts payable	342,480	761,556	1,104,036	341
Accrued salaries and benefits	166,224	33,226	199,450	-
Intergovernmental payable	-	30,481	30,481	-
Accrued interest payable	43,458	1,662	45,120	2,890
Other current liabilities	37,918	21,557	59,475	-
Customer deposits	-	539,911	539,911	-
Unavailable revenue	988,914	-	988,914	-
Noncurrent liabilities:				
Due within one year	575,000	50,000	625,000	113,859
Due in more than one year:	10,045,000	715,000	10,760,000	1,004,080
Bonds payable				
Unamortized premium on bonds	587,694	-	587,694	-
Net pension obligation	3,001,511	896,556	3,898,067	-
Other post-employment benefits	3,111,057	929,277	4,040,334	-
OPEB supplemental death benefits	357,315	106,731	464,046	-
Compensated absences payable	321,215	99,999	421,214	-
Total liabilities	19,577,786	4,185,956	23,763,742	1,121,170
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	1,295,235	386,890	1,682,125	-
Deferred inflows - OPEB	520,716	155,537	676,253	-
Total deferred inflows of resources	1,815,951	542,427	2,358,378	-
NET POSITION				
Net investment in capital assets	10,796	15,508,138	15,518,934	-
Restricted for operations & maintenance	-	2,726,401	2,726,401	-
Restricted for debt service	332,234	-	332,234	-
Restricted for capital projects	704,547	-	704,547	-
Restricted for other specific purposes	1,719,160	-	1,719,160	-
Restricted for Lampasas EDC	-	-	-	1,607,160
Unrestricted	(2,101,708)	3,437,800	1,336,092	-
Total net position	\$ 665,029	\$ 21,672,339	\$ 22,337,368	\$ 1,607,160

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, 2021

Functions/Programs:	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 2,996,573	\$ 51,791	\$ 108,481
Public safety			
Police	2,903,404	6,790	3,618
Fire	1,552,650	-	-
Highways and streets	782,181	322,454	-
Sanitation	1,281,536	1,272,159	-
Health and welfare	205,096	59,229	-
Culture and recreation			
Swimming pools	169,217	58,515	-
Parks	945,598	4,475	-
Libraries	279,818	14,064	41,276
Economic development and assistance	121,909	-	-
Interest and bank fees	352,957	-	-
Total governmental activities:	<u>11,590,939</u>	<u>1,789,477</u>	<u>153,375</u>
Business-type activities:			
Golf Course Fund	732,604	592,254	-
Electric Fund	10,275,414	11,675,481	-
Water/Wastewater Fund	4,830,686	4,800,345	-
Nonmajor enterprise funds	239,280	84,778	14,113
Total business-type activities:	<u>16,077,984</u>	<u>17,152,858</u>	<u>14,113</u>
Total primary government	<u>\$ 27,668,923</u>	<u>\$ 18,942,335</u>	<u>\$ 167,488</u>
Component units:			
Lampasas Economic Development Corporation	\$ 139,852	\$ -	\$ -
	<u>\$ 139,852</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:			
Property taxes			
Sales taxes			
Hotel/motel taxes			
Franchise taxes			
Investment earnings			
Intergovernmental revenue			
Miscellaneous			
Transfers			
Total general revenues and transfers			
Change in net position			
Net position - beginning			
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
\$ (2,836,301)	\$ -	\$ (2,836,301)	\$ -
(2,892,996)	-	(2,892,996)	-
(1,552,650)	-	(1,552,650)	-
(459,727)	-	(459,727)	-
(9,377)	-	(9,377)	-
(145,867)	-	(145,867)	-
(110,702)	-	(110,702)	-
(941,123)	-	(941,123)	-
(224,478)	-	(224,478)	-
(121,909)	-	(121,909)	-
(352,957)	-	(352,957)	-
<u>(9,648,087)</u>	<u>-</u>	<u>(9,648,087)</u>	<u>-</u>
-	(140,350)	(140,350)	-
-	1,400,067	1,400,067	-
-	(30,341)	(30,341)	-
-	(140,389)	(140,389)	-
-	1,088,987	1,088,987	-
<u>(9,648,087)</u>	<u>1,088,987</u>	<u>(8,559,100)</u>	<u>-</u>
			<u>(139,852)</u>
			<u>(139,852)</u>
1,833,632	-	1,833,632	-
2,126,143	-	2,126,143	524,532
202,204	-	202,204	-
906,870	-	906,870	-
7,853	24,551	32,404	2,115
1,399,928	-	1,399,928	-
502,682	311,210	813,892	-
1,409,071	(1,358,196)	50,875	(50,875)
<u>8,388,383</u>	<u>(1,022,435)</u>	<u>7,365,948</u>	<u>475,772</u>
(1,259,704)	66,552	(1,193,152)	335,920
1,924,733	21,605,787	23,530,520	1,271,240
<u>\$ 665,029</u>	<u>\$ 21,672,339</u>	<u>\$ 22,337,368</u>	<u>\$ 1,607,160</u>

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FUND BASIS FINANCIAL STATEMENTS

CITY OF LAMPASAS, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund	Coronavirus State and Local Fiscal Recovery Funds	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,859,936	\$ 989,322	\$ 2,117,709	\$ 6,966,967
Investments - current	312,064	-	405,239	717,303
Taxes receivable - delinquent	60,582	-	16,765	77,347
Allowance for uncollectible delinquent taxes	(6,058)	-	(1,676)	(7,734)
Accounts receivable	205,627	-	11,257	216,884
Allowance for uncollectible accts receivable	(32,157)	-	-	(32,157)
Due from other funds	7,142	-	452,143	459,285
Inventories	16,555	-	-	16,555
Other assets	16,937	-	-	16,937
Total assets	<u>\$ 4,440,628</u>	<u>\$ 989,322</u>	<u>\$ 3,001,437</u>	<u>\$ 8,431,387</u>
LIABILITIES				
Accounts payable	\$ 288,808	\$ -	\$ 53,672	\$ 342,480
Accrued salaries and benefits	161,977	-	4,247	166,224
Due to other funds	-	-	13,236	13,236
Other current liabilities	37,882	-	36	37,918
Unavailable revenue	-	988,914	-	988,914
Total liabilities	<u>488,667</u>	<u>988,914</u>	<u>71,191</u>	<u>1,548,772</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	54,524	-	15,089	69,613
Total deferred inflows of resources	<u>54,524</u>	<u>-</u>	<u>15,089</u>	<u>69,613</u>
FUND BALANCES				
Nonspendable:				
Inventories	16,555	-	-	16,555
Other assets	16,937	-	-	16,937
Endowments	-	-	174,713	174,713
Restricted:				
Debt service	-	-	317,145	317,145
Capital Projects	-	-	704,547	704,547
Other specific purposes	-	408	1,718,752	1,719,160
Committed:				
Working capital	1,783,405	-	-	1,783,405
Assigned:				
Comprehensive plan	9,084	-	-	9,084
580 complex	63,549	-	-	63,549
Park improvements	1,750	-	-	1,750
Unassigned	2,006,157	-	-	2,006,157
Total fund balances	<u>3,897,437</u>	<u>408</u>	<u>2,915,157</u>	<u>6,813,002</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 4,440,628</u>	<u>\$ 989,322</u>	<u>\$ 3,001,437</u>	<u>\$ 8,431,387</u>

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

CITY OF LAMPASAS, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

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

Total fund balance of all governmental funds	\$	6,813,002
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$	23,254,747
Less: accumulated depreciation	<u>(12,036,257)</u>	11,218,490
<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>		
		69,613
<p>Uncollected municipal court fines are not available resources; therefore, are not reported in the funds.</p>		
		469,471
<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	(10,620,000)	
Plus: Issuance premium	(587,694)	
Net pension liability, including pension def. inflows & outflows	(2,908,431)	
Other post-employment benefit obligations	(3,122,238)	
OPEB - supplemental death benefit	(302,511)	
Compensated absences	(321,215)	
Accrued interest payable	<u>(43,458)</u>	<u>(17,905,547)</u>
Net position of governmental activities	\$	<u><u>665,029</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, 2021

	General Fund	Coronavirus State and Local Fiscal Recovery Funds	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 1,464,769	\$ -	\$ 378,308	\$ 1,843,077
Sales taxes	2,126,143	-	-	2,126,143
Hotel/motel taxes	-	-	202,204	202,204
Franchise taxes	906,870	-	-	906,870
Licenses and permits	75,076	-	-	75,076
Intergovernmental revenues	1,327,542	-	72,386	1,399,928
Charges for services	1,750,142	-	10,187	1,760,329
Fines	223,003	-	7,795	230,798
Investment earnings	2,925	408	4,520	7,853
Rents and royalties	29,148	-	-	29,148
Grants and contributions	110,979	-	42,396	153,375
Miscellaneous revenue	74,226	-	36,245	110,471
Total revenues	8,090,823	408	754,041	8,845,272
EXPENDITURES				
Current:				
General government	2,458,739	-	240,126	2,698,865
Public safety		-		
Police	2,572,384	-	19,201	2,591,585
Fire	1,391,160	-	-	1,391,160
Highways and streets	716,995	-	-	716,995
Sanitation	1,174,734	-	-	1,174,734
Health and welfare	188,003	-	-	188,003
Culture and recreation		-		
Swimming pools	155,115	-	-	155,115
Parks	828,367	-	7,500	835,867
Libraries	249,334	-	7,164	256,498
Economic development and assistance	-	-	121,909	121,909
Debt service:				
Bond principal	-	-	505,000	505,000
Interest - bonds	-	-	352,128	352,128
Other debt service costs	-	-	38,615	38,615
Capital outlay	1,366,465	-	-	1,366,465
Total expenditures	11,101,296	-	1,291,643	12,392,939
Excess (deficiency) of revenues over expenditures	(3,010,473)	408	(537,602)	(3,547,667)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,464,762	-	205,190	3,669,952
Transfers out	(103,364)	-	(2,157,517)	(2,260,881)
Sale of general capital assets	28,905	-	-	28,905
Insurance recoveries	78,747	-	-	78,747
Refunding bonds issued	-	-	2,200,000	2,200,000
Total other financing sources (uses)	3,469,050	-	247,673	3,716,723
Net change in fund balance	458,577	408	(289,929)	169,056
Fund balance - beginning	3,438,860	-	3,205,086	6,643,946
Fund balance - ending	\$ 3,897,437	\$ 408	\$ 2,915,157	\$ 6,813,002

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

CITY OF LAMPASAS, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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

Net change in fund balances for total governmental funds \$ 169,056

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	\$ 1,366,466	
Less: current year depreciation	(921,047)	445,419

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 5,185

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase (decrease) net assets. (26,500)

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	505,000	
Bonds refunded, Net	(2,200,000)	
Premium amortization	39,179	
Accrued interest	(1,393)	
Decrease in compensated absences	19,745	(1,637,469)

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. (9,445)

The net effect of various transactions involving the City's net pension liability and the net OPEB liability is to decrease net position. (205,950)

Change in net position for governmental activities \$ (1,259,704)

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, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 1,387,000	\$ 1,387,000	\$ 1,464,769	\$ 77,769
Sales taxes	1,562,000	1,562,000	2,126,143	564,143
Franchise taxes	910,600	910,600	906,870	(3,730)
Licenses and permits	64,900	64,900	75,076	10,176
Intergovernmental revenues	1,319,775	1,319,775	1,327,542	7,767
Charges for services	1,758,500	1,758,500	1,750,142	(8,358)
Fines	263,550	263,550	223,003	(40,547)
Investment earnings	20,000	20,000	2,925	(17,075)
Rents and royalties	15,000	15,000	29,148	14,148
Grants and contributions	5,426	5,426	110,979	105,553
Miscellaneous revenue	917,944	917,944	74,226	(843,718)
Total revenues	<u>8,224,695</u>	<u>8,224,695</u>	<u>8,090,823</u>	<u>(133,872)</u>
EXPENDITURES				
Current:				
General government	2,511,291	2,636,285	2,458,739	177,546
Public safety				
Police	2,643,685	2,654,000	2,572,384	81,616
Fire	1,818,095	1,844,926	1,391,160	453,766
Highways and streets	668,044	805,555	716,995	88,560
Sanitation	1,130,000	1,174,740	1,174,734	6
Health and welfare	212,794	196,535	188,003	8,532
Culture and recreation				
Swimming pools	183,881	174,856	155,115	19,741
Parks	908,275	869,867	828,367	41,500
Libraries	257,112	261,528	249,334	12,194
Capital outlay	1,746,219	1,454,024	1,366,465	87,559
Total Expenditures	<u>12,079,396</u>	<u>12,072,316</u>	<u>11,101,296</u>	<u>971,020</u>
Excess (deficiency) of revenues over expenditures	<u>(3,854,701)</u>	<u>(3,847,621)</u>	<u>(3,010,473)</u>	<u>837,148</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,949,986	3,949,986	3,464,762	(485,224)
Transfers out	(96,285)	(103,365)	(103,364)	1
Sale of general capital assets	1,000	1,000	28,905	27,905
Insurance recoveries	-	-	78,747	78,747
Total other financing sources (uses)	<u>3,854,701</u>	<u>3,847,621</u>	<u>3,469,050</u>	<u>(378,571)</u>
Net change in fund balances	-	-	458,577	458,577
Fund balance - beginning	<u>3,438,860</u>	<u>3,438,860</u>	<u>3,438,860</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,438,860</u>	<u>\$ 3,438,860</u>	<u>\$ 3,897,437</u>	<u>\$ 458,577</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, 2021

	Business-Type Activities				
	Golf Course		Water/WW	Total	Total
	Fund		Fund	Non-major	Proprietary
		Electric Fund	Fund	Funds	Funds
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 44,829	\$ 3,145,593	\$ 1,341,847	\$ 331,164	\$ 4,863,433
Investments - current	315	1,929,542	863,060	41,591	2,834,508
Accounts receivable, net	-	1,006,668	297,453	20,574	1,324,695
Notes receivable, net	-	-	-	218,067	218,067
Due from other funds	-	-	-	6,094	6,094
Inventories	16,364	282,345	132,546	7,163	438,418
Prepaid items	-	-	311,250	-	311,250
Total current assets	<u>61,508</u>	<u>6,364,148</u>	<u>2,946,156</u>	<u>624,653</u>	<u>9,996,465</u>
Noncurrent Assets:					
Land	341,030	56,812	69,965	515,254	983,061
Infrastructure	-	2,806,556	24,688,325	-	27,494,881
Buildings	1,900,925	570,032	1,951,902	1,772,710	6,195,569
Furnishings and equipment	222,722	2,985,658	2,737,350	58,587	6,004,317
Accumulated depreciation	(1,472,513)	(4,873,131)	(17,162,572)	(1,041,474)	(24,549,690)
Construction/development in progress	-	-	26,500	118,500	145,000
Total noncurrent assets	<u>992,164</u>	<u>1,545,927</u>	<u>12,311,470</u>	<u>1,423,577</u>	<u>16,273,138</u>
Total assets	<u>1,053,672</u>	<u>7,910,075</u>	<u>15,257,626</u>	<u>2,048,230</u>	<u>26,269,603</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - pension	97,501	133,497	157,391	26,302	414,691
Deferred outflows - OPEB	32,932	59,273	66,348	10,018	168,571
Total deferred outflows of resources	<u>130,433</u>	<u>192,770</u>	<u>223,739</u>	<u>36,320</u>	<u>583,262</u>
LIABILITIES					
Current liabilities:					
Accounts payable	11,596	568,414	172,173	9,373	761,556
Accrued salaries payable	10,193	17,363	2,835	2,835	33,226
Intergovernmental payable	-	30,481	-	-	30,481
Due to other funds	-	-	452,143	-	452,143
Accrued interest payable	-	-	1,662	-	1,662
Bonds and notes payable - current	-	20,000	30,000	-	50,000
Other current liabilities	4,054	-	17,503	-	21,557
Customer deposits	-	357,623	182,288	-	539,911
Total current liabilities	<u>25,843</u>	<u>993,881</u>	<u>858,604</u>	<u>12,208</u>	<u>1,890,536</u>
Noncurrent Liabilities:					
Bonds payable	-	80,000	635,000	-	715,000
Net pension obligation	208,101	299,690	330,196	58,569	896,556
Other post-employment benefits	202,819	313,211	355,950	57,297	929,277
OPEB supplemental death benefits	23,294	35,973	40,883	6,581	106,731
Compensated absences payable	25,704	39,188	31,807	3,300	99,999
Total noncurrent liabilities	<u>459,918</u>	<u>768,062</u>	<u>1,393,836</u>	<u>125,747</u>	<u>2,747,563</u>
Total liabilities	<u>485,761</u>	<u>1,761,943</u>	<u>2,252,440</u>	<u>137,955</u>	<u>4,638,099</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pension	85,901	122,017	157,001	21,971	386,890
Deferred inflows - OPEB	29,409	55,725	61,096	9,307	155,537
Total deferred inflows of resources	<u>115,310</u>	<u>177,742</u>	<u>218,097</u>	<u>31,278</u>	<u>542,427</u>
NET POSITION					
Net investment in capital assets	992,164	1,445,927	11,646,470	1,423,577	15,508,138
Restricted for operations and maintenance	-	1,987,203	739,198	-	2,726,401
Unrestricted	(409,130)	2,730,030	625,160	491,740	3,437,800
Total net position	<u>\$ 583,034</u>	<u>\$ 6,163,160</u>	<u>\$ 13,010,828</u>	<u>\$ 1,915,317</u>	<u>\$ 21,672,339</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, 2021

	Business-Type Activities				
	Golf Course Fund	Electric Fund	Water/WW Fund	Total Non-major Funds	Total Proprietary Funds
REVENUES					
Operating revenues:					
Charges for services:					
Water sales	\$ -	\$ -	\$ 4,800,345	\$ -	\$ 4,800,345
Electricity sales	-	11,675,481	-	-	11,675,481
Other charges for services	592,254	-	-	84,778	677,032
Miscellaneous revenue	2,613	86,773	221,463	361	311,210
Total operating revenues	<u>594,867</u>	<u>11,762,254</u>	<u>5,021,808</u>	<u>85,139</u>	<u>17,464,068</u>
EXPENSES					
Operating expenses:					
Personnel services	410,616	682,962	811,524	108,236	2,013,338
Purchased prof. and technical services	16,225	41,832	1,423,605	1,554	1,483,216
Purchased property services	29,515	139,627	199,651	8,405	377,198
Other purchased services	91,288	552,929	123,349	-	767,566
Materials and supplies	110,319	7,873,250	261,263	16,874	8,261,706
Other operating expenses	26,753	835,703	1,068,213	43,996	1,974,665
Depreciation	47,888	147,155	937,485	60,215	1,192,743
Total operating expenses	<u>732,604</u>	<u>10,273,458</u>	<u>4,825,090</u>	<u>239,280</u>	<u>16,070,432</u>
Operating income (loss)	<u>(137,737)</u>	<u>1,488,796</u>	<u>196,718</u>	<u>(154,141)</u>	<u>1,393,636</u>
Nonoperating revenues (expenses)					
Grants and contributions	-	-	-	14,113	14,113
Investment earnings	4	14,883	3,906	5,758	24,551
Interest expense	-	(1,956)	(5,596)	-	(7,552)
Total nonoperating revenues (expenses)	<u>4</u>	<u>12,927</u>	<u>(1,690)</u>	<u>19,871</u>	<u>31,112</u>
Income before transfers in (out)	<u>(137,733)</u>	<u>1,501,723</u>	<u>195,028</u>	<u>(134,270)</u>	<u>1,424,748</u>
Transfers in	78,190	-	2,172,606	112,703	2,363,499
Transfers out	-	(3,552,436)	(124,136)	(45,123)	(3,721,695)
Total transfers in (out)	<u>78,190</u>	<u>(3,552,436)</u>	<u>2,048,470</u>	<u>67,580</u>	<u>(1,358,196)</u>
Change in net position	<u>(59,543)</u>	<u>(2,050,713)</u>	<u>2,243,498</u>	<u>(66,690)</u>	<u>66,552</u>
Net position-beginning	642,577	8,213,873	10,767,330	1,982,007	21,605,787
Net position-ending	<u>\$ 583,034</u>	<u>\$ 6,163,160</u>	<u>\$ 13,010,828</u>	<u>\$ 1,915,317</u>	<u>\$ 21,672,339</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
SEPTEMBER 30, 2021

	Business-Type Activities				
	Golf Course Fund	Electric Fund	Water/WW Fund	Total Non-major Funds	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 592,254	\$ 11,562,809	\$ 4,816,097	\$ 79,649	\$ 17,050,809
Other receipts	2,613	86,773	221,463	361	311,210
Payments to suppliers and service providers	(271,615)	(9,434,890)	(3,250,305)	(60,171)	(13,016,981)
Payments to employees for salaries and benefits	(391,631)	(642,284)	(780,299)	(103,204)	(1,917,418)
Net cash provided by (used for) operating activities	<u>(68,379)</u>	<u>1,572,408</u>	<u>1,006,956</u>	<u>(83,365)</u>	<u>2,427,620</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	78,190	-	2,172,606	112,703	2,363,499
Transfers to other funds	-	(3,552,436)	(124,136)	(45,123)	(3,721,695)
Net cash provided by (used for) noncapital financing activities	<u>78,190</u>	<u>(3,552,436)</u>	<u>2,048,470</u>	<u>67,580</u>	<u>(1,358,196)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital grants	-	-	-	14,113	14,113
Acquisition and construction of capital assets	(7,773)	(41,873)	(516,205)	-	(565,851)
Principal paid on capital debt	-	-	(2,335,569)	-	(2,335,569)
Interest paid on capital debt	-	(1,956)	(5,596)	-	(7,552)
Proceeds from notes receivable issued	-	-	-	18,353	18,353
Net cash provided by (used for) capital and related financing activities	<u>(7,773)</u>	<u>(43,829)</u>	<u>(2,857,370)</u>	<u>32,466</u>	<u>(2,876,506)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investments	(1)	(764)	(428)	-	(1,193)
Interest on investments	4	14,883	3,906	5,738	24,531
Net cash provided by investing activities	<u>3</u>	<u>14,119</u>	<u>3,478</u>	<u>5,738</u>	<u>23,338</u>
Net increase (decrease) in cash and cash equivalents	<u>2,041</u>	<u>(2,009,738)</u>	<u>201,534</u>	<u>22,419</u>	<u>(1,783,744)</u>
Cash and cash equivalents-beginning	42,788	5,155,331	1,140,313	308,745	6,647,177
Cash and cash equivalents-ending	<u>\$ 44,829</u>	<u>\$ 3,145,593</u>	<u>\$ 1,341,847</u>	<u>\$ 331,164</u>	<u>\$ 4,863,433</u>
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:					
Operating income (loss)	\$ (137,737)	\$ 1,488,796	\$ 196,718	\$ (154,141)	\$ 1,393,636
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	47,888	147,155	937,485	60,215	1,192,743
(Increase) decrease in accounts receivable	-	(112,672)	15,752	(5,129)	(102,049)
(Increase) decrease in inventories	4,508	(22,243)	(1,385)	5,755	(13,365)
(Increase) decrease in prepaid items	-	-	(192,750)	-	(192,750)
(Decrease) increase in accounts payable	(2,023)	20,417	17,246	4,903	40,543
(Decrease) increase in other current liabilities	1,908	1,877	(9,117)	285	(5,047)
(Decrease) increase in intergovernmental payable	-	3,015	-	-	3,015
(Decrease) increase in deposits payable	-	7,262	2,665	-	9,927
(Decrease) increase in compensated absences	(2,351)	(1,138)	(1,753)	(1,728)	(6,970)
(Increase) decrease in deferred outflow of resources - pension	15,008	30,852	32,517	5,002	83,379
(Increase) decrease in deferred outflow of resources - OPEB	(17,992)	(36,983)	(38,981)	(5,997)	(99,953)
(Increase) decrease in net pension obligation	(1,502)	(3,089)	(3,256)	(501)	(8,348)
(Increase) decrease in net OPEB obligation	24,987	51,363	54,139	8,329	138,818
(Decrease) increase in deferred inflow of resources - pension	(22,029)	(45,280)	(47,728)	(7,343)	(122,380)
(Decrease) increase in deferred inflow of resources - OPEB	20,956	43,076	45,404	6,985	116,421
Total adjustments	<u>69,358</u>	<u>83,612</u>	<u>810,238</u>	<u>70,776</u>	<u>1,033,984</u>
Net cash provided by (used for) operating activities	<u>\$ (68,379)</u>	<u>\$ 1,572,408</u>	<u>\$ 1,006,956</u>	<u>\$ (83,365)</u>	<u>\$ 2,427,620</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, 2021

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.

A. 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 unit

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.

B. 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 government’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.

C. Fund Financial Statements

The fund financial statements provide information about the government’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.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

The government 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 government 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.

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.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

D. 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 government 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, pension and other postemployment benefit trust, 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.

E. 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.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

The appropriated budget is prepared by fund and department. The government'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, 2021, expenditures did not exceed appropriations within any line-item of the appropriated budgets for the General Fund. In regards to the Debt Service Fund, expenditures did exceed appropriations in the Interest – Bonds, Other Debt Service Costs, and Transfers Out line-items by \$7,860, \$38,115, and \$1,724,509, respectively, all of which were related to the recording of the City's refunding bond issuance.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and cash equivalents

The government'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 government are reported at fair value (generally based on quoted market prices) except for positions in Local Government Investment Pools (TexPool, TexStar, etc) 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.

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.

CITY OF LAMPASAS, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

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.

6. Net position flow assumption

Sometimes the government 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 government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

7. Fund balance flow assumptions

Sometimes the government 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 government'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 government 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 government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government 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 government 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.

G. 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.

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, 2020, upon which the levy for the 2020-2021 fiscal year was based, was \$456,539,495. 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.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

The tax rates assessed for the year ended September 30, 2021, to finance General Fund and Debt Service Fund operations were \$0.31423 and \$0.080988, respectively, for a total tax rate of \$0.395218 per \$100 valuation. The total tax levy for the General Fund and Debt Service Fund for the 2020-2021 fiscal year was \$1,804,326. Tax collections, including collections of prior year delinquent balances, for the year ended September 30, 2021, 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.

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.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

II. Stewardship, Compliance and Accountability

A. Violations of Legal or Contractual Provisions

Note I.E.2, on the *Excess of expenditures over appropriations*, describes a budgetary violation that occurred for the year ended September 30, 2021.

B. Deficit Fund Equity

For the year ended September 30, 2021 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 custodial credit risk. As of September 30, 2021, the government’s bank balance was \$13,184,842 which was not exposed to custodial credit risk because it was insured or collateralized with securities held by the pledging 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.F.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.

As of September 30, 2021, 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	\$1,923,729	\$ -	\$ -	\$ -
TexStar Investment Pool	1,628,082	-	-	-
Total investments	<u>\$3,551,811</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.

CITY OF LAMPASAS, TEXAS
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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, 2021, the City’s investments in TexPool and TexSTAR investment pool were rated AAAM by Standard & Poor’s.

Concentration of credit risk. The government’s investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the government’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 government 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

Below is a detail of receivables for the major and nonmajor funds of the City including the applicable allowances for uncollectible accounts:

Governmental Funds

	General	Nonmajor	Total
Receivables	Fund	Governmental	Governmental
	Fund	Funds	Funds
Property taxes	\$ 60,582	\$ 16,765	\$ 77,347
Accounts receivable	205,627	11,257	216,884
Gross receivables	266,209	28,022	294,231
Less: Allowance for uncollectible delinquent taxes	(6,058)	(1,676)	(7,734)
Less: Allowance for uncollectibles	(32,157)	-	(32,157)
Net receivables	\$ 227,994	\$ 26,346	\$ 254,340

Proprietary Funds

	Electric	Water/	Nonmajor	Total
Receivables	Fund	Wastewater	Proprietary	Proprietary
	Fund	Fund	Funds	Funds
Accounts receivable	\$ 1,148,534	\$ 368,377	\$ 20,574	\$ 1,537,485
Notes receivable	-	-	218,067	218,067
Gross receivables	1,148,534	368,377	238,641	1,755,552
Less: Allowance for uncollectibles	(141,866)	(70,924)	-	(212,790)
Net receivables	\$ 1,006,668	\$ 297,453	\$ 238,641	\$ 1,542,762

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

D. Capital Assets

Capital assets activity for the year ended September 30, 2021, was as follows:

Governmental Activities:

	Balance 10/1/20	Increases	Decreases	Adjustments	Balance 9/30/21
Capital assets, not being depreciated:					
Land	\$ 1,214,431	\$ -	\$ (26,500)	\$ -	\$ 1,187,931
Construction in progress	213,846	479,936	-	(693,782)	-
Total capital assets, not being depreciated	1,428,277	479,936	(26,500)	(693,782)	1,187,931
Capital assets, being depreciated:					
Buildings and improvements	15,942,424	74,199	-	693,782	16,710,405
Machinery, equipment, and vehicles	4,579,008	812,331	(34,928)	-	5,356,411
Total capital assets, being depreciated	20,521,432	886,530	(34,928)	693,782	22,066,816
Less accumulated depreciation for:					
Buildings and improvements	(7,200,699)	(644,337)	-	-	(7,845,036)
Machinery, equipment, and vehicles	(3,949,439)	(276,710)	34,928	-	(4,191,221)
Total accumulated depreciation	(11,150,138)	(921,047)	34,928	-	(12,036,257)
Total capital assets being depreciated, net	9,371,294	(34,517)	-	693,782	10,030,559
Governmental activities capital assets, net	\$ 10,799,571	\$ 445,419	\$ (26,500)	\$ -	\$ 11,218,490

Business-Type Activities:

	Balance 10/1/20	Increases	Decreases	Adjustments	Balance 9/30/21
Capital assets, not being depreciated:					
Land	\$ 983,061	\$ -	\$ -	\$ -	\$ 983,061
Construction in progress	118,500	26,500	-	-	145,000
Total capital assets, not being depreciated	1,101,561	26,500	-	-	1,128,061
Capital assets, being depreciated:					
Buildings and improvements	6,170,921	24,648	-	-	6,195,569
Machinery, equipment, and vehicles	5,504,923	499,394	-	-	6,004,317
Infrastructure	27,479,572	15,309	-	-	27,494,881
Total capital assets, being depreciated	39,155,416	539,351	-	-	39,694,767
Less accumulated depreciation for:					
Buildings and improvements	(3,304,329)	(154,358)	-	-	(3,458,687)
Machinery, equipment, and vehicles	(5,017,971)	(168,503)	-	-	(5,186,474)
Infrastructure	(15,034,647)	(869,882)	-	-	(15,904,529)
Total accumulated depreciation	(23,356,947)	(1,192,743)	-	-	(24,549,690)
Total capital assets being depreciated, net	15,798,469	(653,392)	-	-	15,145,077
Business-type activities capital assets, net	\$ 16,900,030	\$ (626,892)	\$ -	\$ -	\$ 16,273,138

CITY OF LAMPASAS, TEXAS
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Depreciation expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental activities:	
General government	\$ 245,371
Public safety	362,096
Highways and streets	65,186
Sanitation	106,802
Health and welfare	17,093
Culture and recreation	124,499
Total depreciation expense - governmental activities	\$ 921,047

E. Defined Benefit Pension Plan

Plan Description

The City participates as one of 886 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at www.tmr.com.

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

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 Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

Plan Provisions

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

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	68
Inactive employees entitled to but not yet receiving benefits	64
Active employees	120
	252

CITY OF LAMPASAS, TEXAS
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Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, 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 city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Lampasas were 15.55% and 15.54% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021 were \$914,513, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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 of TMRS.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	<u>100.0%</u>	

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 Member 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 Members. 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.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2019	\$ 28,369,026	\$ 24,434,660	\$ 3,934,366
Changes for the year:			
Service cost	1,007,531	-	1,007,531
Interest	1,919,550	-	1,919,550
Change of benefit terms	-	-	-
Difference between expected and actual experience	267,522	-	267,522
Changes of assumptions	-	-	-
Contributions - employer	-	949,444	(949,444)
Contributions - employee	-	438,154	(438,154)
Net investment income	-	1,855,774	(1,855,774)
Benefit payments, incl. refunds of employee contr.	(870,031)	(870,031)	-
Administrative expense	-	(12,002)	12,002
Other changes	-	(468)	468
Net changes	<u>2,324,572</u>	<u>2,360,871</u>	<u>(36,299)</u>
Balance at December 31, 2020	<u>\$ 30,693,598</u>	<u>\$ 26,795,531</u>	<u>\$ 3,898,067</u>

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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	\$ 8,690,727	\$ 3,898,067	\$ 6,544

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 at www.tmrs.com.

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

For the year ended September 30, 2021, the city recognized pension expense of (\$205,877).

At September 30, 2021, 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	\$ 831,677	\$ 1,524,868
Differences between expected and actual economic experience	280,842	157,257
Difference in assumption changes	42,075	-
Contributions subsequent to the measurement date	648,412	-
Total	\$ 1,803,006	\$ 1,682,125

\$648,412 reported as deferred outflows of resources related to pensions 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31st:	Net Deferred Outflows (Inflows) of Resources
2021	\$ (171,863)
2022	30,369
2023	(361,077)
2024	(24,960)
2025	-
Thereafter	-
Total	\$ (527,531)

CITY OF LAMPASAS, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

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.
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, 2020 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	111
	117
	117

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, 2020 valuation and measurement date, there are no assets accumulated in trust.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Actuarial Assumptions

The Total OPEB Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5%-11.5% including inflation
Discount rate	2.00% as of December 31, 2020

Schedule of Changes in the Total OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2019	\$ 3,489,249	\$ -	\$ 3,489,249
Changes for the year:			
Service cost	211,879	-	211,879
Interest	98,043	-	98,043
Change of benefit terms	-	-	-
Difference between expected and actual experience	(11,029)	-	(11,029)
Changes of assumptions	312,167	-	312,167
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, incl. refunds of employee contr.	(59,975)	-	(59,975)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	<u>551,085</u>	<u>-</u>	<u>551,085</u>
Balance at December 31, 2020	<u>\$ 4,040,334</u>	<u>\$ -</u>	<u>\$ 4,040,334</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 2.00%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower 1.00% or one-percentage point higher 3.00% than the current rate:

	1% Decrease in Discount Rate 1.00%	Current Discount Rate Assumption 2.00%	1% Increase in Discount Rate 3.00%
City's net OPEB liability	\$ 4,496,443	\$ 4,040,334	\$ 3,629,557

Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumptions

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
City's net OPEB liability	\$ 3,450,684	\$ 4,040,334	\$ 4,761,278

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

For the year ended September 30, 2021, the city recognized OPEB expense of \$473,897.

CITY OF LAMPASAS, TEXAS
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At September 30, 2021, 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	\$ 2,588	\$ 525,844
Difference in assumption changes	573,975	110,217
Contributions subsequent to the measurement date	44,981	-
Total	\$ 621,544	\$ 636,061

Deferred outflows of resources related to OPEB amounting to \$44,981 resulting from contributions subsequent to the measurement date were recognized as a reduction of the net OPEB liability for the year ended September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30th:	Net Deferred Outflows (Inflows) of Resources
2022	\$ (13,563)
2023	(13,563)
2024	(13,563)
2025	(13,563)
2026	(13,563)
Thereafter	8,317
Total	\$ (59,498)

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.

Employees Covered by Benefit Terms

At the December 31, 2020 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	120
Total	183

CITY OF LAMPASAS, TEXAS
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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, 2020 and 2021 were \$11,096 and \$15,106 respectively, which equaled the required contributions each year.

Plan Assets

At the December 31, 2020 valuation and measurement date, there are no assets accumulated in trust.

Actuarial Assumptions

The Total OPEB Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	3.50%-11.50% including inflation per year
Discount rate	2.00% based on Fidelity Index's 20-year Municipal GO AA Index
Retirees' share of benefit costs	\$0

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, 2019	\$ 397,346	\$ -	\$ 397,346
Changes for the year:			
Service cost	20,866	-	20,866
Interest	11,165	-	11,165
Change of benefit terms	-	-	-
Difference between expected and actual exp.	(21,021)	-	(21,021)
Changes of assumptions	59,267	-	59,267
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, incl. refunds of emp. contr.	(3,577)	-	(3,577)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	66,700	-	66,700
Balance at December 31, 2020	\$ 464,046	\$ -	\$ 464,046

CITY OF LAMPASAS, TEXAS
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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 2.00%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower 1.00% or one-percentage point higher 3.00% than the current rate:

	1% Decrease in Discount Rate 1.00%	Current Discount Rate 2.00%	1% Increase in Discount Rate 3.00%
City's net OPEB SDBF liability	\$ 560,945	\$ 464,046	\$ 387,181

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

For the year ended September 30, 2021, the city recognized OPEB SDBF expense of \$45,867.

At September 30, 2021, 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	\$ -	\$ 29,011
Changes in actuarial assumptions	99,683	11,181
Contributions subsequent to the measurement date	11,683	-
Total	\$ 111,366	\$ 40,192

Deferred outflows of resources related to OPEB SDBF amounting to \$11,683 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB SDBF will be recognized in OPEB SDBF expense as follows:

Measurement Year Ended Dec 31st:	Net Deferred Outflows (Inflows) of Resources
2021	\$ 13,905
2022	13,905
2023	10,022
2024	15,535
2025	6,124
Thereafter	-
Total	\$ 59,491

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.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Details of long-term debt obligations outstanding at September 30, 2021 are as follows:

Governmental Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/21
Bonds Payable					
Certificate of Obligation, Series 2007	2007	\$ 6,000,000	4.19%	2031	\$ 2,485,000
Certificate of Obligation, Series 2016	2016	5,355,000	2.0-4.0%	2036	5,355,000
General Obligation Refunding Bonds, Series 2019	2019	590,000	1.956%	2031	580,000
General Obligation Refunding Bonds, Series 2020	2020	2,200,000	1.413%	2036	2,200,000
Total Bonds Payable					<u>\$ 10,620,000</u>

Business-type Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/21
General Obligation Bonds:					
General Obligation Refunding Bonds, Series 2019	2019	\$ 805,000	1.956%	2034	\$ 765,000
Total General Obligation Bonds					<u>\$ 765,000</u>

Changes in long-term liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2021 are as follows:

Governmental Activities

Description	Balance 10/1/20	Additions	Deletions	Adjustments	Balance 9/30/21	Due in One Year
Bonds payable						
Cert. Of Obligation & GO bonds	\$ 8,925,000	\$2,200,000	\$ (505,000)	\$ -	\$10,620,000	\$ 575,000
Premium	626,873	-	(39,179)	-	587,694	-
Total bonds payable	<u>9,551,873</u>	<u>2,200,000</u>	<u>(544,179)</u>	<u>-</u>	<u>11,207,694</u>	<u>575,000</u>
Other long-term debt						
Compensated absences	340,960	-	(19,745)	-	321,215	-
Total other long-term debt	<u>340,960</u>	<u>-</u>	<u>(19,745)</u>	<u>-</u>	<u>321,215</u>	<u>-</u>
Total long-term liabilities	<u>\$ 9,892,833</u>	<u>\$2,200,000</u>	<u>\$ (563,924)</u>	<u>\$ -</u>	<u>\$11,528,909</u>	<u>\$ 575,000</u>

Business-type Activities

Description	Balance 10/1/20	Additions	Deletions	Adjustments	Balance 9/30/21	Due in One Year
Bonds payable						
Cert. Of Obligation & GO bonds	\$ 3,045,000	\$ -	\$ (125,000)	\$(2,155,000)	\$ 765,000	\$ 50,000
Premium	55,569	-	(3,473)	(52,096)	-	-
Total bonds payable	<u>3,100,569</u>	<u>-</u>	<u>(128,473)</u>	<u>(2,207,096)</u>	<u>765,000</u>	<u>50,000</u>
Other long-term debt						
Compensated absences	106,969	-	(6,970)	-	99,999	-
Total other long-term debt	<u>106,969</u>	<u>-</u>	<u>(6,970)</u>	<u>-</u>	<u>99,999</u>	<u>-</u>
Total long-term liabilities	<u>\$ 3,207,538</u>	<u>\$ -</u>	<u>\$ (135,443)</u>	<u>\$(2,207,096)</u>	<u>\$ 864,999</u>	<u>\$ 50,000</u>

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

During the year the City issued \$2,200,000 of General Obligation Refunding Bonds, Series 2020. These funds were used for a current refunding of \$2,155,000 of General Obligation Refunding Bonds, Series 2012. The refunding was undertaken to obtain a more favorable average interest rate and as a result reduce overall future debt service payments. The transaction resulted in a decrease in total future debt service payments related to the refunding bonds of \$404,515 and a net present value savings of \$353,820.

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

Year Ended September 30,	Governmental Activities		Year Ended September 30,	Business-Type Activities	
	Bonds Payable			Bonds Payable	
	Principal	Interest		Principal	Interest
2022	\$ 575,000	\$ 338,810	2022	\$ 50,000	\$ 14,474
2023	595,000	321,776	2023	50,000	13,496
2024	610,000	304,284	2024	45,000	12,567
2025	635,000	285,457	2025	45,000	11,687
2026	655,000	265,311	2026	50,000	10,758
2027-2031	3,615,000	1,012,788	2027-2031	215,000	42,103
2032-2036	3,935,000	415,596	2032-2034	310,000	9,195
Totals	\$ 10,620,000	\$ 2,944,022	Totals	\$ 765,000	\$ 114,280

J. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2021 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	\$ 1,730
General Fund	Special Revenue Fund	5,412
Capital Projects Fund	Water/WW Fund	452,143
Enterprise Fund	Capital Projects Fund	6,094
		<u>\$ 465,379</u>

K. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2021 is as follows:

	Transfer in to:					Total
	Governmental Funds		Enterprise Funds			
Transfer out from:	General Fund	Nonmajor gov. funds	Golf Course Fund	Water/ WW Fund	Nonmajor prop. funds	
General Fund	\$ -	\$ 103,364	\$ -	\$ -	\$ -	\$ 103,364
Nonmajor gov. funds	220	-	-	2,157,297	-	2,157,517
Electric Fund	3,317,052	95,366	78,190	-	61,828	3,552,436
Water/WW Fund	124,136	-	-	-	-	124,136
Nonmajor prop. funds	23,354	6,460	-	15,309	-	45,123
LEDC component unit	-	-	-	-	50,875	50,875
Total	<u>\$ 3,464,762</u>	<u>\$ 205,190</u>	<u>\$ 78,190</u>	<u>\$ 2,172,606</u>	<u>\$ 112,703</u>	<u>\$ 6,033,451</u>

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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, 2021 is as follows:

Component Unit

	Balance 10/1/20	Increases	Decreases	Balance 9/30/21
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	(16,180)	(1,795)	-	(17,975)
Infrastructure	(125,825)	(28,076)	-	(153,901)
Total accumulated depreciation	(142,005)	(29,871)	-	(171,876)
Total capital assets being depreciated, net	678,236	(29,871)	-	648,365
Business-type activities capital assets, net	\$ 1,601,586	\$ (29,871)	\$ -	\$ 1,571,715

Details of long-term debt obligations outstanding for the Lampasas EDC at September 30, 2021 are as follows:

Component Unit

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/21
Taxable Sales Tax Revenue Bonds, Series 2004	2004	\$ 1,100,000	4.95%	2019	\$ 274,771
Lampasas EDC Note Payable 2015	2015	1,345,000	3.35%	2030	843,168
Total					<u>\$ 1,117,939</u>

Long-term debt activity for the Lampasas EDC for the year ended September 30, 2021 was as follows:

Component Unit

Description	Balance 10/1/20	Additions	Deletions	Adjustments	Balance 9/30/21	Due in One Year
Bonds Payable						
Revenue bonds	\$ 300,223	\$ -	\$ (25,452)	\$ -	\$ 274,771	\$ 26,690
Total long-term liabilities	300,223	-	(25,452)	-	274,771	26,690
Other long-term debt						
Notes payable	927,635	-	(84,467)	-	843,168	87,169
Total long-term liabilities	\$ 1,227,858	\$ -	\$ (109,919)	\$ -	\$ 1,117,939	\$ 113,859

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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

As of the issuance date of this report, there were no subsequent events that met the requirements for disclosure.

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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, 2021

	Measurement Year		
	2014	2015	2016
A. Total pension liability			
1. Service cost	\$ 677,167	\$ 770,772	\$ 849,924
2. Interest (on the Total Pension Liability)	1,299,682	1,402,049	1,461,093
3. Changes in benefit terms	-	-	-
4. Difference between expected and actual experience	41,340	129,577	74,287
5. Changes in assumptions	-	(46,453)	-
6. Benefit payments, including refunds of employee contr.	(557,066)	(648,128)	(709,824)
7. Net change in total pension liability	\$ 1,461,123	\$ 1,607,817	\$ 1,675,480
8. Total pension liability - beginning	18,506,831	19,967,954	21,575,771
9. Total pension liability - ending	\$ 19,967,954	\$ 21,575,771	\$ 23,251,251
B. Plan fiduciary net position			
1. Contributions - employer	\$ 694,494	\$ 702,185	\$ 729,485
2. Contributions - employee	326,986	338,887	371,393
3. Net investment income	881,447	24,708	1,159,150
4. Benefit payments, including refunds of employee contr.	(557,066)	(648,128)	(709,824)
5. Administrative expense	(9,202)	(15,048)	(13,086)
6. Other	(757)	(743)	(705)
7. Net change in plan fiduciary net position	\$ 1,335,902	\$ 401,861	\$ 1,536,413
8. Plan fiduciary net position - beginning	15,406,789	16,742,691	17,144,552
9. Plan fiduciary net position - ending	\$ 16,742,691	\$ 17,144,552	\$ 18,680,965
C. Net pension liability [A.9 - B.9]	\$ 3,225,263	\$ 4,431,219	\$ 4,570,286
D. Plan fiduciary net position as a % of the total pension liability [B.9/A.9]	83.85%	79.46%	80.34%
E. Covered-employee payroll	\$ 4,589,171	\$ 4,811,308	\$ 5,110,789
F. Net position as a percentage of covered employee payroll [C / E]	70.28%	92.10%	89.42%

Measurement Year			
2017	2018	2019	2020
\$ 862,764	\$ 887,924	\$ 922,024	\$ 1,007,531
1,562,900	1,690,141	1,807,038	1,919,550
-	-	-	-
449,529	68,456	(289,963)	267,522
-	-	77,581	-
(1,057,114)	(948,346)	(915,159)	(870,031)
\$ 1,818,079	\$ 1,698,175	\$ 1,601,521	\$ 2,324,572
23,251,251	25,069,330	26,767,505	28,369,026
\$ 25,069,330	\$ 26,767,505	\$ 28,369,026	\$ 30,693,598
\$ 768,456	\$ 795,284	\$ 843,943	\$ 949,444
362,723	377,021	387,638	438,154
2,590,489	(639,323)	3,233,984	1,855,774
(1,057,114)	(948,346)	(915,159)	(870,031)
(13,418)	(12,349)	(18,260)	(12,002)
(680)	(645)	(548)	(468)
\$ 2,650,456	\$ (428,358)	\$ 3,531,598	\$ 2,360,871
18,680,964	21,331,420	20,903,062	24,434,660
\$ 21,331,420	\$ 20,903,062	\$ 24,434,660	\$ 26,795,531
\$ 3,737,910	\$ 5,864,443	\$ 3,934,366	\$ 3,898,067
85.09%	78.09%	86.13%	87.30%
\$ 5,181,764	\$ 5,342,504	\$ 5,537,681	\$ 5,961,720
72.14%	109.77%	71.05%	65.38%

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET PENSION LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Fiscal Year		
	2015	2016	2017
Actuarially Determined Contribution	\$ 704,715	\$ 748,756	\$ 775,929
Contributions in relation to the actuarially determined contribution	<u>(704,715)</u>	<u>(748,756)</u>	<u>(775,929)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 4,737,449	\$ 5,182,317	\$ 5,226,251
Contributions as a percentage of covered employee payroll	14.88%	14.45%	14.85%

Fiscal Year

2018	2019	2020	2021
\$ 783,943	\$ 834,497	\$ 869,070	\$ 914,513
(783,943)	(834,497)	(869,070)	(914,513)
\$ -	\$ -	\$ -	\$ -
\$ 5,288,893	\$ 5,512,650	\$ 5,616,100	\$ 5,883,797
14.82%	15.14%	-15.47%	-15.54%

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CITY OF LAMPASAS, TEXAS
 NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET PENSION LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

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	25 years
Asset valuation method	10 Year smoothed market; 12% soft corridor
Inflation	2.50% per year
Salary increases	3.50% to 11.50%, 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 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee tables used for females. The rates are projected on a fully generational basis with scale UMP.

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, 2021

	Measurement Year		
	2017	2018	2019
A. Total OPEB liability			
1. Service cost	\$ 183,563	\$ 210,828	\$ 206,800
2. Interest on Total OPEB Liability	123,535	120,951	138,086
3. Changes of benefit terms	-	-	-
4. Difference between expected and actual experience	-	3,869	(680,017)
5. Changes of assumptions	193,533	(164,766)	249,900
6. Benefit payments	(91,376)	(113,698)	(88,248)
7. Net changes	\$ 409,255	\$ 57,184	\$ (173,479)
8. Total OPEB Liability - beginning of the year	3,196,289	3,605,544	3,662,728
9. Total OPEB Liability - end of the year	<u>\$ 3,605,544</u>	<u>\$ 3,662,728</u>	<u>\$ 3,489,249</u>
E. Covered-employee payroll	\$ 5,181,764	\$ 5,501,859	\$ 5,666,915
F. Total OPEB Liability as a Percentage of Covered Payroll	69.58%	66.57%	61.57%

Measurement Year
2020

\$	211,879
	98,043
	-
	(11,029)
	312,167
	(59,975)
\$	551,085
	3,489,249
\$	4,040,334
<hr/> <hr/>	
\$	5,911,094
	68.35%

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Fiscal Year		
	2018	2019	2020
Actuarially Determined Contribution	\$ 46,068	\$ 57,476	\$ 39,774
Contributions in relation to the actuarially determined contribution	(46,068)	(57,476)	(39,774)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
 Covered employee payroll	 \$ 5,288,893	 \$ 5,512,650	 \$ 5,616,100
 Contributions as a percentage of covered employee payroll	 0.87%	 1.04%	 0.71%

Fiscal Year
2021

\$ 38,088

(38,088)

\$ -

\$ 5,883,797

0.65%

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CITY OF LAMPASAS, TEXAS
 NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Valuation Date: December 31, 2019

Methods and Assumptions:

Actuarial Cost Method Individual Entry-Age

Discount Rate 2.00% as of December 31, 2020

Inflation 2.50%

Salary Increases 3.50% to 11.50%, including inflation

Demographic Assumptions Based on the experience study covering four year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS). For the OPEB valuation, the standard TMRS retirement rates were adjusted to reflect the impact of the City's retiree medical plan design.

Mortality For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.

Health Care Trend Rates Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years.

Participation Rates 100% for retirees with at least 20 years of City service at retirement;
 20% for retirees with at least 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 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

CITY OF LAMPASAS, TEXAS
SCHEDULE OF CHANGES IN NET OPEB-SDBF LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Measurement Year		
	2017	2018	2019
A. Total OPEB liability			
1. Service cost	\$ 12,436	\$ 14,425	\$ 13,844
2. Interest (on the Total OPEB-SDBF Liability)	11,010	11,202	11,980
3. Changes of benefit terms	-	-	-
4. Difference between expected and actual experience	-	(15,743)	(5,376)
5. Changes of assumptions	25,349	(22,110)	62,568
6. Benefit payments, including refunds of employee contributions	(2,591)	(2,671)	(3,323)
7. Net change in total OPEB-SDBF liability	\$ 46,204	\$ (14,897)	\$ 79,693
8. Total OPEB-SDBF liability - beginning	286,346	332,550	317,653
9. Total OPEB-SDBF liability - ending	<u>\$ 332,550</u>	<u>\$ 317,653</u>	<u>\$ 397,346</u>
 B. Covered-employee payroll	 \$ 5,181,764	 \$ 5,342,504	 \$ 5,537,681
 C. Net position as a percentage of covered employee payroll [6.42%	 5.95%	 7.18%

Measurement Year
2020

\$	20,866
	11,165
	-
	(21,021)
	59,267
	(3,577)
\$	66,700
	397,346
\$	464,046
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\$	5,961,720
	7.78%

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB-SDBF LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Fiscal Year		
	2018	2019	2020
Actuarially Determined Contribution	\$ 9,649	\$ 10,340	\$ 11,096
Contributions in relation to the actuarially determined contribution	<u>(9,649)</u>	<u>(10,340)</u>	<u>(11,096)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 5,288,893	\$ 5,342,504	\$ 5,537,681
Contributions as a percentage of covered employee payroll	0.18%	0.19%	0.20%

Fiscal Year
2021

\$ 15,106

(15,106)

\$ -

\$ 5,883,797

0.26%

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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, 2021

Summary of Actuarial Assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount Rate*	2.00%
Retirees' 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	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate was based on the Fidelity Index's "20 year Municipal GO AA Index" rate as of December 31, 2020.

Note: The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to 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.

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

CITY OF LAMPASAS, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	Special Revenue Funds		
	Tracy Guthrie Memorial Fund	Police Seizures Fund	Municipal Court Technology Fund
ASSETS			
Cash and cash equivalents	\$ 91,915	\$ 12,428	\$ 12,277
Investments - current	-	-	-
Taxes receivable - delinquent	-	-	-
Allowance for uncoll. taxes	-	-	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 91,915</u>	<u>\$ 12,428</u>	<u>\$ 12,277</u>
LIABILITIES			
Accounts payable	\$ 28,000	\$ -	\$ -
Compensated absences payable	-	-	-
Due to other funds	-	-	-
Other current liabilities	-	36	-
Total liabilities	<u>28,000</u>	<u>36</u>	<u>-</u>
DEF. INFLOWS OF RESOURCES			
Deferred inflows - unavailable revenues	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable:			
Endowments	-	-	-
Restricted for:			
Debt service	-	-	-
Capital projects	-	-	-
Other specific purposes	63,915	12,392	12,277
Total Fund balances	<u>63,915</u>	<u>12,392</u>	<u>12,277</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 91,915</u>	<u>\$ 12,428</u>	<u>\$ 12,277</u>

Special Revenue Funds

Library Board Fund	Court Security Fund	Hotel/Motel Tax Fund	Employee Benefit Accrual Fund
\$ 6,555	\$ 13,436	\$ 1,563,449	\$ 6,834
-	-	3,582	-
-	-	-	-
-	-	-	-
-	-	10,948	-
-	-	-	-
<u>\$ 6,555</u>	<u>\$ 13,436</u>	<u>\$ 1,577,979</u>	<u>\$ 6,834</u>
\$ -	\$ 1,072	\$ 21,163	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>1,072</u>	<u>21,163</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
6,555	12,364	1,556,816	6,834
<u>6,555</u>	<u>12,364</u>	<u>1,556,816</u>	<u>6,834</u>
<u>\$ 6,555</u>	<u>\$ 13,436</u>	<u>\$ 1,577,979</u>	<u>\$ 6,834</u>

CITY OF LAMPASAS, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	Special Revenue Fund	Permanent Fund	Debt Service Fund
	Animal Shelter Fund	Cemetery Fund	Debt Service Fund
ASSETS			
Cash and cash equivalents	\$ 54,974	\$ 72,691	\$ 167,688
Investments - current	-	107,434	149,457
Taxes receivable - delinquent	-	-	16,765
Allowance for uncoll. taxes	-	-	(1,676)
Accounts receivable	309	-	-
Due from other funds	-	-	-
Total assets	\$ 55,283	\$ 180,125	\$ 332,234
LIABILITIES			
Accounts payable	\$ 3,437	\$ -	\$ -
Compensated absences payable	4,247	-	-
Due to other funds	-	5,412	-
Other current liabilities	-	-	-
Total liabilities	7,684	5,412	-
DEF. INFLOWS OF RESOURCES			
Deferred inflows - unavailable revenues	-	-	15,089
Total deferred inflows of resources	-	-	15,089
FUND BALANCES (DEFICITS)			
Nonspendable:			
Endowments	-	174,713	-
Restricted for:			
Debt service	-	-	317,145
Capital projects	-	-	-
Other specific purposes	47,599	-	-
Total Fund balances	47,599	174,713	317,145
Total liabilities, deferred inflows, and fund balances	\$ 55,283	\$ 180,125	\$ 332,234

Capital Projects Funds				
Key Avenue Fund	Airport Hangar Fund	Cert. of Obligation Series 2016	Total Non-Major Governmental Funds	
\$ 106,878	\$ 8,584	\$ -	\$ 2,117,709	
-	-	144,766	405,239	
-	-	-	16,765	
-	-	-	(1,676)	
-	-	-	11,257	
-	-	452,143	452,143	
<u>\$ 106,878</u>	<u>\$ 8,584</u>	<u>\$ 596,909</u>	<u>\$ 3,001,437</u>	
\$ -	\$ -	\$ -	\$ 53,672	
-	-	-	4,247	
-	6,094	1,730	13,236	
-	-	-	36	
-	6,094	1,730	71,191	
-	-	-	15,089	
-	-	-	15,089	
-	-	-	174,713	
-	-	-	317,145	
106,878	2,490	595,179	704,547	
-	-	-	1,718,752	
<u>106,878</u>	<u>2,490</u>	<u>595,179</u>	<u>2,915,157</u>	
<u>\$ 106,878</u>	<u>\$ 8,584</u>	<u>\$ 596,909</u>	<u>\$ 3,001,437</u>	

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds		
	Tracy Guthrie Memorial Fund	Police Seizures Fund	Municipal Court Technology Fund
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Hotel/motel taxes	-	-	-
Intergovernmental revenues	-	-	-
Charges for services	-	-	-
Fines	-	-	3,758
Investment earnings	222	29	22
Grants and contributions	40,000	-	-
Miscellaneous revenue	-	23,737	-
Total revenues	40,222	23,766	3,780
EXPENDITURES			
Current:			
General government	28,000	-	-
Public safety			
Police	-	19,201	-
Culture and recreation			
Parks	-	-	-
Libraries	-	-	-
Economic development and assistance	-	-	-
Debt service:			
Bond principal	-	-	-
Interest - bonds	-	-	-
Issuance Costs	-	-	-
Total expenditures	28,000	19,201	-
Excess (deficiency) of revenues over expenditures	12,222	4,565	3,780
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Refunding bonds issued	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	12,222	4,565	3,780
Fund balance - beginning	51,693	7,827	8,497
Fund balance - ending	\$ 63,915	\$ 12,392	\$ 12,277

Special Revenue Funds			
Library Board Fund	Court Security Fund	Hotel/Motel Tax Fund	Employee Benefit Accrual Fund
\$ -	\$ -	\$ -	\$ -
-	-	202,204	-
-	-	-	-
3,411	-	-	-
-	4,037	-	-
-	30	2,544	18
2,396	-	-	-
200	-	-	-
<u>6,007</u>	<u>4,067</u>	<u>204,748</u>	<u>18</u>
-	1,072	-	-
-	-	-	-
-	-	-	-
7,164	-	-	-
-	-	121,909	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>7,164</u>	<u>1,072</u>	<u>121,909</u>	<u>-</u>
(1,157)	2,995	82,839	18
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>(1,157)</u>	<u>2,995</u>	<u>82,839</u>	<u>18</u>
<u>7,712</u>	<u>9,369</u>	<u>1,473,977</u>	<u>6,816</u>
<u>\$ 6,555</u>	<u>\$ 12,364</u>	<u>\$ 1,556,816</u>	<u>\$ 6,834</u>

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Special Revenue Fund</u>	<u>Permanent Fund</u>	<u>Debt Service Fund</u>
	<u>Animal Shelter Fund</u>	<u>Cemetery Fund</u>	<u>Debt Service Fund</u>
REVENUES			
Property taxes	\$ -	\$ -	\$ 378,308
Hotel/motel taxes	-	-	-
Intergovernmental revenues	72,386	-	-
Charges for services	6,776	-	-
Fines	-	-	-
Investment earnings	-	234	642
Grants and contributions	-	-	-
Miscellaneous revenue	12,158	-	150
Total revenues	<u>91,320</u>	<u>234</u>	<u>379,100</u>
EXPENDITURES			
Current:			
General government	211,054	-	-
Public safety			
Police	-	-	-
Culture and recreation			
Parks	-	-	-
Libraries	-	-	-
Economic development and assistance	-	-	-
Debt service:			
Bond principal	-	-	505,000
Interest - bonds	-	-	352,128
Issuance Costs	-	-	38,615
Total expenditures	<u>211,054</u>	<u>-</u>	<u>895,743</u>
Excess (deficiency) of revenues over expenditures	<u>(119,734)</u>	<u>234</u>	<u>(516,643)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	119,735	-	85,455
Transfers out	-	(220)	(1,724,509)
Refunding bonds issued	-	-	2,200,000
Total other financing sources (uses)	<u>119,735</u>	<u>(220)</u>	<u>560,946</u>
Net change in fund balance	1	14	44,303
Fund balance - beginning	47,598	174,699	272,842
Fund balance - ending	<u>\$ 47,599</u>	<u>\$ 174,713</u>	<u>\$ 317,145</u>

Capital Project Funds				Total Non-Major Governmental Funds
Key Avenue Fund	Airport Hangar Fund	Cert. of Obligation Series 2016		
\$ -	\$ -	\$ -	\$	378,308
-	-	-		202,204
-	-	-		72,386
-	-	-		10,187
-	-	-		7,795
276	22	481		4,520
-	-	-		42,396
-	-	-		36,245
276	22	481		754,041
-	-	-		240,126
-	-	-		19,201
-	-	7,500		7,500
-	-	-		7,164
-	-	-		121,909
-	-	-		505,000
-	-	-		352,128
-	-	-		38,615
-	-	7,500		1,291,643
276	22	(7,019)		(537,602)
-	-	-		205,190
-	-	(432,788)		(2,157,517)
-	-	-		2,200,000
-	-	(432,788)		247,673
276	22	(439,807)		(289,929)
106,602	2,468	1,034,986		3,205,086
\$ 106,878	\$ 2,490	\$ 595,179	\$	2,915,157

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 SEPTEMBER 30, 2021

	Nonmajor Enterprise Funds		Total
	G/F Economic Development Fund	Aviation Fund	Non-Major Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 116,281	\$ 214,883	\$ 331,164
Investments - current	2,531	39,060	41,591
Accounts receivable, net	-	20,574	20,574
Notes receivable	218,067	-	218,067
Due from other funds	-	6,094	6,094
Inventories	-	7,163	7,163
Total current assets	<u>336,879</u>	<u>287,774</u>	<u>624,653</u>
Noncurrent Assets:			
Land	373,962	141,292	515,254
Buildings	-	1,772,710	1,772,710
Furnishings and equipment	-	58,587	58,587
Accumulated depreciation	-	(1,041,474)	(1,041,474)
Construction/development in progress	-	118,500	118,500
Total noncurrent assets	<u>373,962</u>	<u>1,049,615</u>	<u>1,423,577</u>
Total assets	<u>710,841</u>	<u>1,337,389</u>	<u>2,048,230</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	26,302	-	26,302
Deferred outflows - OPEB	10,018	-	10,018
Total deferred outflows of resources	<u>36,320</u>	<u>-</u>	<u>36,320</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,308	8,065	9,373
Accrued payroll liabilities	2,835	-	2,835
Total current liabilities	<u>4,143</u>	<u>8,065</u>	<u>12,208</u>
Noncurrent Liabilities:			
Net pension obligation	58,569	-	58,569
Other post-employment benefits	57,297	-	57,297
OPEB - supplemental death benefits	6,581	-	6,581
Compensated absences payable	3,300	-	3,300
Total noncurrent liabilities	<u>125,747</u>	<u>-</u>	<u>125,747</u>
Total liabilities	<u>129,890</u>	<u>8,065</u>	<u>137,955</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension	21,971	-	21,971
Deferred inflows - OPEB	9,307	-	9,307
Total deferred inflows of resources	<u>31,278</u>	<u>-</u>	<u>31,278</u>
NET POSITION			
Net investment in capital assets	373,962	1,049,615	1,423,577
Unrestricted	212,031	279,709	491,740
Total net position	<u>\$ 585,993</u>	<u>\$ 1,329,324</u>	<u>\$ 1,915,317</u>

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Nonmajor Enterprise Funds</u>		Total
	G/F Economic Development Fund	Aviation Fund	Non-Major Enterprise Funds
	<u>Fund</u>	<u>Aviation Fund</u>	<u>Funds</u>
Operating revenues:			
Other charges for services	\$ -	\$ 84,778	\$ 84,778
Miscellaneous revenue	-	361	361
Total operating revenues	<u>-</u>	<u>85,139</u>	<u>85,139</u>
Operating expenses:			
Personnel services	108,236	-	108,236
Purchased professional and technical services	785	769	1,554
Purchased property services	-	8,405	8,405
Materials and supplies	-	16,874	16,874
Other operating expenses	-	43,996	43,996
Depreciation	-	60,215	60,215
Total operating expenses	<u>109,021</u>	<u>130,259</u>	<u>239,280</u>
Operating income (loss)	<u>(109,021)</u>	<u>(45,120)</u>	<u>(154,141)</u>
Nonoperating revenues (expenses)			
Grants and contributions	-	14,113	14,113
Investment earnings	5,151	607	5,758
Total nonoperating revenues (expenses)	<u>5,151</u>	<u>14,720</u>	<u>19,871</u>
Income before transfers in (out)	<u>(103,870)</u>	<u>(30,400)</u>	<u>(134,270)</u>
Transfers in	112,703	-	112,703
Transfers out	(15,309)	(29,814)	(45,123)
Change in net position	<u>(6,476)</u>	<u>(60,214)</u>	<u>(66,690)</u>
Net position-beginning	592,469	1,389,538	1,982,007
Net position-ending	<u>\$ 585,993</u>	<u>\$ 1,329,324</u>	<u>\$ 1,915,317</u>

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CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Nonmajor Enterprise Funds		Total
	G/F Economic Development Fund	Aviation Fund	Non-Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ -	\$ 79,649	\$ 79,649
Other receipts	-	361	361
Payments to suppliers and service providers	(741)	(59,430)	(60,171)
Payments to employees for salaries and benefits	(103,204)	-	(103,204)
Net cash provided by (used for) operating activities	<u>(103,945)</u>	<u>20,580</u>	<u>(83,365)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	112,703	-	112,703
Transfers to other funds	(15,309)	(29,814)	(45,123)
Net cash provided by (used for) noncapital financing activities	<u>97,394</u>	<u>(29,814)</u>	<u>67,580</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital grants	-	14,113	14,113
Proceeds from notes receivable issued	18,353	-	18,353
Net cash provided by (used for) capital and related financing activities	<u>18,353</u>	<u>14,113</u>	<u>32,466</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	5,150	588	5,738
Net cash provided by investing activities	<u>5,150</u>	<u>588</u>	<u>5,738</u>
Net increase (decrease) in cash and cash equivalents	16,952	5,467	22,419
Cash and cash equivalents-beginning	99,329	209,416	308,745
Cash and cash equivalents-ending	<u>\$ 116,281</u>	<u>\$ 214,883</u>	<u>\$ 331,164</u>
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:			
Operating income (loss)	<u>\$ (109,021)</u>	<u>\$ (45,120)</u>	<u>\$ (154,141)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	-	60,215	60,215
(Increase) decrease in accounts receivable	-	(5,129)	(5,129)
(Increase) decrease in inventories	-	5,755	5,755
(Decrease) increase in accounts payable	44	4,859	4,903
(Decrease) increase in accrued liabilities	285	-	285
(Decrease) increase in compensated absences	(1,728)	-	(1,728)
(Increase) decrease in deferred outflow of resources - pension	5,002	-	5,002
(Increase) decrease in deferred outflow of resources - OPEB	(5,997)	-	(5,997)
(Increase) decrease in net pension obligation	(501)	-	(501)
(Increase) decrease in net OPEB obligation	8,329	-	8,329
(Decrease) increase in deferred inflow of resources - pension	(7,343)	-	(7,343)
(Decrease) increase in deferred inflow of resources - OPEB	6,985	-	6,985
Total adjustments	<u>5,076</u>	<u>65,700</u>	<u>70,776</u>
Net cash provided by (used for) operating activities	<u>\$ (103,945)</u>	<u>\$ 20,580</u>	<u>\$ (83,365)</u>

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CITY OF LAMPASAS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 323,500	\$ 323,500	\$ 378,308	\$ 54,808
Investment earnings	2,000	2,000	642	(1,358)
Miscellaneous revenues	-	-	150	150
Total revenues	<u>325,500</u>	<u>325,500</u>	<u>379,100</u>	<u>53,600</u>
EXPENDITURES				
Current:				
Debt service:				
Bond principal	520,000	520,000	505,000	15,000
Interest - bonds	344,268	344,268	352,128	(7,860)
Other debt service costs	500	500	38,615	(38,115)
Total Expenditures	<u>864,768</u>	<u>864,768</u>	<u>895,743</u>	<u>(30,975)</u>
Excess (deficiency) of revenues over expenditures	<u>(539,268)</u>	<u>(539,268)</u>	<u>(516,643)</u>	<u>22,625</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	552,841	552,841	85,455	(467,386)
Transfers out	-	-	(1,724,509)	(1,724,509)
Refunding bonds issued	-	-	2,200,000	2,200,000
Total Other Financing Sources (Uses)	<u>552,841</u>	<u>552,841</u>	<u>560,946</u>	<u>8,105</u>
Net Change in Fund Balances	<u>13,573</u>	<u>13,573</u>	<u>44,303</u>	<u>30,730</u>
Fund balance - beginning	<u>272,842</u>	<u>272,842</u>	<u>272,842</u>	<u>-</u>
Fund balance - ending	<u>\$ 286,415</u>	<u>\$ 286,415</u>	<u>\$ 317,145</u>	<u>\$ 30,730</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

To the 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, and the aggregate remaining fund information of City of Lampasas, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Lampasas, Texas's basic financial statements, and have issued our report thereon dated .

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lampasas, Texas'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 of Lampasas, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lampasas, Texas'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.

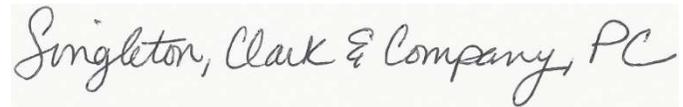
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lampasas, Texas'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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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 beige background. The signature reads "Singleton, Clark & Company, PC" in a cursive, professional script.

Singleton, Clark & Company, PC
Cedar Park, Texas

February 18, 2022

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CITY OF LAMPASAS, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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

SECTION II – FINANCIAL STATEMENT FINDINGS

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

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the years ended September 30, 2021 and 2020.

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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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	106-115
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	117-123
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	124-129
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
(accrual basis of accounting)

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

	Fiscal Year			
	2012	2013	2014	2015
Governmental Activities				
Invested in Capital Assets,				
Net of Related Debt	\$ 771,128	\$ 1,950,175	\$ 2,418,796	\$ 3,180,867
Restricted	5,532,880	2,914,531	2,369,001	2,833,708
Unrestricted	1,232,515	3,041,824	2,986,307	(1,806,130)
Total Governmental Activities Net Position	<u>\$ 7,536,523</u>	<u>\$ 7,906,530</u>	<u>\$ 7,774,104</u>	<u>\$ 4,208,445</u>
Business-type Activities				
Invested in Capital Assets,				
Net of Related Debt	\$ 10,572,965	\$ 10,564,759	\$ 12,288,611	\$13,025,534
Restricted	5,156,820	4,486,820	4,490,449	2,867,877
Unrestricted	4,380,601	5,425,742	4,141,523	3,393,861
Total Business-type Activities Net Position	<u>\$ 20,110,386</u>	<u>\$ 20,477,321</u>	<u>\$ 20,920,583</u>	<u>\$19,287,272</u>
Primary Government				
Invested in Capital Assets,				
Net of Related Debt	\$ 11,344,093	\$ 12,514,934	\$ 14,707,407	\$16,206,401
Restricted	10,689,700	7,401,351	6,859,450	5,701,585
Unrestricted	5,613,116	8,467,566	7,127,830	1,587,731
Total Primary Government Net Position	<u>\$ 27,646,909</u>	<u>\$ 28,383,851</u>	<u>\$ 28,694,687</u>	<u>\$23,495,717</u>

TABLE 1

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 3,706,170	\$ 3,500,963	\$ 2,179,077	\$ 1,717,386	\$ 1,247,698	\$ 10,796
2,325,877	2,375,022	2,263,448	2,410,140	3,047,630	2,755,941
(1,440,083)	(1,715,766)	(2,362,825)	(2,837,858)	(2,370,595)	(2,101,708)
<u>\$ 4,591,964</u>	<u>\$ 4,160,219</u>	<u>\$ 2,079,700</u>	<u>\$ 1,289,668</u>	<u>\$ 1,924,733</u>	<u>\$ 665,029</u>
\$ 12,759,887	\$ 12,947,023	\$ 14,080,058	\$ 14,436,658	\$ 13,799,461	\$ 15,508,138
2,726,401	2,507,667	2,534,131	2,686,288	2,726,401	2,726,401
3,670,864	3,528,888	3,799,634	3,790,676	5,079,925	3,437,800
<u>\$ 19,157,152</u>	<u>\$ 18,983,578</u>	<u>\$ 20,413,823</u>	<u>\$ 20,913,622</u>	<u>\$ 21,605,787</u>	<u>\$ 21,672,339</u>
\$ 16,466,057	\$ 16,447,986	\$ 16,259,135	\$ 16,154,044	\$ 15,047,159	\$ 15,518,934
5,052,278	4,882,689	4,797,579	5,096,428	5,774,031	5,482,342
2,230,781	1,813,122	1,436,809	952,818	2,709,330	1,336,092
<u>\$ 23,749,116</u>	<u>\$ 23,143,797</u>	<u>\$ 22,493,523</u>	<u>\$ 22,203,290</u>	<u>\$ 23,530,520</u>	<u>\$ 22,337,368</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			
	2012	2013	2014	2015
Expenses				
Governmental Activities:				
General Government	\$ 2,144,309	\$ 2,022,456	\$ 2,223,490	\$ 2,291,288
Public Safety	2,801,991	2,955,907	3,186,403	3,407,906
Highways and Streets	618,732	671,618	699,633	660,402
Sanitation	970,308	1,051,846	1,058,171	1,126,129
Health and Welfare	114,582	118,503	128,549	139,303
Conservation	53,398	44,954	48,646	56,512
Culture and Recreation	1,084,794	964,600	1,008,322	1,133,436
Interest on Long-Term Debt	301,895	279,734	268,213	255,130
Total Gov. Activities Expenses	<u>8,090,009</u>	<u>8,109,618</u>	<u>8,621,427</u>	<u>9,070,106</u>
Business-type Activities				
Water/Wastewater	3,617,208	3,783,437	4,269,573	4,443,566
Electric Fund	8,906,129	8,500,187	9,193,037	9,649,508
Golf Course Fund	-	-	-	-
Other Nonmajor Enterprise Funds	756,692	732,341	808,386	927,302
Total Business-type Act. Expenses	<u>13,280,029</u>	<u>13,015,965</u>	<u>14,270,996</u>	<u>15,020,376</u>
Total Primary Gov. Expenses	<u>\$21,370,038</u>	<u>\$21,125,583</u>	<u>\$22,892,423</u>	<u>\$24,090,482</u>
Program Revenues				
Governmental Activities:				
General Government:				
Charges for Service	\$ 3,222,279	\$ 2,285,216	\$ 1,395,338	\$ 1,548,820
Operating Grants and Contributions	84,047	502,432	641,953	344,801
Total Gov. Activities Program Revenues	<u>3,306,326</u>	<u>2,787,648</u>	<u>2,037,291</u>	<u>1,893,621</u>
Business-type Activities:				
Program Revenue:				
Charges for Services:	15,059,288	14,773,779	15,160,953	15,900,317
Operating Grants & Contributions	-	-	-	-
Total Business-type Act. Prog. Revenues	<u>15,059,288</u>	<u>14,773,779</u>	<u>15,160,953</u>	<u>15,900,317</u>
Total Primary Gov. Prog. Revenues	<u>\$18,365,614</u>	<u>\$17,561,427</u>	<u>\$17,198,244</u>	<u>\$17,793,938</u>
Net (Expense)/Revenue				
Governmental Activities	(4,783,683)	(5,321,970)	(6,584,136)	(7,176,485)
Business-type Activities	1,779,259	1,757,814	889,957	879,941
Total Primary Government Net Expense	<u>\$ (3,004,424)</u>	<u>\$ (3,564,156)</u>	<u>\$ (5,694,179)</u>	<u>\$ (6,296,544)</u>

TABLE 2

	2016	2017	2018	2019	2020	2021
\$	2,696,527	\$ 2,718,288	\$ 3,091,738	\$ 3,311,913	\$ 2,834,371	\$ 2,996,573
	3,493,501	3,895,816	4,055,064	4,286,779	4,209,622	4,456,054
	620,679	840,382	659,773	725,560	724,613	782,181
	1,195,220	1,170,846	1,181,898	1,204,509	1,227,845	1,281,536
	133,720	153,870	163,533	193,716	197,523	205,096
	92,752	52,356	127,687	103,002	95,939	121,909
	1,067,490	1,087,984	1,020,517	1,259,968	1,203,844	1,394,633
	241,563	371,013	394,441	347,615	322,755	352,957
	<u>9,541,452</u>	<u>10,290,555</u>	<u>10,694,651</u>	<u>11,433,062</u>	<u>10,816,512</u>	<u>11,590,939</u>
	4,651,178	4,913,717	4,702,689	4,801,323	4,917,388	4,830,686
	8,258,476	8,198,601	8,434,875	8,519,945	7,926,244	10,275,414
	-	-	-	-	-	732,604
	872,931	928,702	966,962	990,856	1,133,065	239,280
	<u>13,782,585</u>	<u>14,041,020</u>	<u>14,104,526</u>	<u>14,312,124</u>	<u>13,976,697</u>	<u>16,077,984</u>
\$	<u>23,324,037</u>	<u>\$ 24,331,575</u>	<u>\$ 24,799,177</u>	<u>\$ 25,745,186</u>	<u>\$ 24,793,209</u>	<u>\$ 27,668,923</u>
\$	1,582,065	\$ 1,589,036	\$ 1,592,452	\$ 2,001,266	\$ 1,685,356	\$ 1,789,477
	137,834	196,818	144,548	44,271	337,828	153,375
	<u>1,719,899</u>	<u>1,785,854</u>	<u>1,737,000</u>	<u>2,045,537</u>	<u>2,023,184</u>	<u>1,942,852</u>
	15,854,405	15,820,487	17,117,376	16,952,681	17,221,695	17,152,858
	-	5,498	-	-	-	14,113
	<u>15,854,405</u>	<u>15,825,985</u>	<u>17,117,376</u>	<u>16,952,681</u>	<u>17,221,695</u>	<u>17,166,971</u>
\$	<u>17,574,304</u>	<u>\$ 17,611,839</u>	<u>\$ 18,854,376</u>	<u>\$ 18,998,218</u>	<u>\$ 19,244,879</u>	<u>\$ 19,109,823</u>
	(7,821,553)	(8,504,701)	(8,957,651)	(9,387,525)	(8,793,328)	(9,648,087)
	2,071,820	1,784,965	3,012,850	2,640,557	3,244,998	1,088,987
\$	<u>(5,749,733)</u>	<u>\$ (6,719,736)</u>	<u>\$ (5,944,801)</u>	<u>\$ (6,746,968)</u>	<u>\$ (5,548,330)</u>	<u>\$ (8,559,100)</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			
	2012	2013	2014	2015
Net (Expense)/Revenue				
Governmental Activities	\$ (4,783,683)	\$ (5,321,970)	\$ (6,584,136)	\$ (7,176,485)
Business-type Activities	1,779,259	1,757,814	889,957	879,941
Total Primary Government Net Expense	<u>(3,004,424)</u>	<u>(3,564,156)</u>	<u>(5,694,179)</u>	<u>(6,296,544)</u>
Governmental Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes				
Property Taxes	1,345,349	1,381,515	1,410,139	1,453,654
Sales Taxes	1,192,491	1,154,769	1,234,608	1,339,222
Franchise Fees	905,082	898,937	931,165	955,286
Hotel/Motel Taxes	-	84,026	87,550	74,297
Penalty and Interest	21,452	-	-	-
Contributions and Donations	18,478	23,192	11,515	7,880
Intergovernmental Revenue	-	-	-	-
Miscellaneous Revenue	239,662	732,562	2,172,833	2,483,834
Investment Earnings	17,380	14,831	8,955	13,439
Gain/loss on sale of capital assets	-	-	-	(110,791)
Total Governmental Activities	<u>3,739,894</u>	<u>4,289,832</u>	<u>5,856,765</u>	<u>6,216,821</u>
Business-type Activities:				
Miscellaneous Revenue	32,838	166,546	46,063	23,310
Intergovernmental Revenue	-	-	-	-
Investment Earnings	11,343	24,606	24,613	28,639
Total Business-type Activities	<u>44,181</u>	<u>191,152</u>	<u>70,676</u>	<u>51,949</u>
Total Primary Government	<u>3,784,075</u>	<u>4,480,984</u>	<u>5,927,441</u>	<u>6,268,770</u>
Transfers In (Out)	-	-	-	77,574
Change in Net Position				
Governmental Activities	(1,043,789)	(1,032,138)	(727,371)	(959,664)
Business-type Activities	1,823,440	1,948,966	960,633	931,890
Total Primary Government	<u>\$ 779,651</u>	<u>\$ 916,828</u>	<u>\$ 233,262</u>	<u>\$ 49,800</u>

TABLE 3

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ (7,821,553)	\$ (8,504,701)	\$ (8,957,651)	\$ (9,387,525)	\$ (8,793,328)	\$ (9,648,087)
2,071,820	1,784,965	3,012,850	2,640,557	3,244,998	1,088,987
(5,749,733)	(6,719,736)	(5,944,801)	(6,746,968)	(5,548,330)	(8,559,100)
1,498,205	1,558,898	1,629,080	1,689,257	1,774,622	1,833,632
1,436,371	1,486,812	1,499,393	1,580,877	1,756,563	2,126,143
930,989	913,565	933,625	899,556	915,067	906,870
76,192	135,879	145,974	161,446	131,886	202,204
-	-	-	-	-	-
9,044	5,864	15,861	33,645	4,825	-
-	-	1,237,903	1,265,644	1,685,426	1,399,928
1,925,773	1,777,383	1,592,346	584,741	336,423	502,682
14,915	77,400	132,353	125,348	37,161	7,853
-	-	41,403	1,450	-	-
5,891,489	5,955,801	7,227,938	6,341,964	6,641,973	6,979,312
77,856	109,876	82,355	209,625	283,045	311,210
-	-	-	12,761	5,627	-
33,787	48,740	96,335	139,742	130,066	24,551
111,643	158,616	178,690	362,128	418,738	335,761
6,003,132	6,114,417	7,406,628	6,704,092	7,060,711	7,315,073
50,936	-	-	-	-	50,875
(1,930,064)	(2,548,900)	(1,729,713)	(3,045,561)	(2,151,355)	(2,668,775)
2,183,463	1,943,581	3,191,540	3,002,685	3,663,736	1,424,748
\$ 304,335	\$ (605,319)	\$ 1,461,827	\$ (42,876)	\$ 1,512,381	\$ (1,193,152)

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			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 15,491	\$ 22,923	\$ 58,743	\$ 51,191
Restricted, Committed, or Assigned	1,833,004	1,832,914	1,832,480	1,834,048
Unassigned	620,340	764,355	653,146	139,451
Total General Fund	\$ 2,468,835	\$ 2,620,192	\$ 2,544,369	\$ 2,024,690
All Other Governmental Funds				
Restricted for:				
Capital Projects Funds	\$ 2,247,640	\$ 1,370,948	\$ 774,455	\$ 155,838
Debt Service Fund	164,426	168,856	171,040	1,212,323
Endowments	174,558	174,558	174,558	174,558
Other Specific Purpose	1,115,260	1,185,449	1,233,232	1,275,243
Total All Other Governmental Funds	\$ 3,701,884	\$ 2,899,811	\$ 2,353,285	\$ 2,817,962

TABLE 4

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 27,990	\$ 29,599	\$ 30,685	\$ 28,185	\$ 26,009	\$ 33,492
1,835,013	1,836,963	1,841,218	1,847,223	1,853,313	1,857,788
387,299	483,661	827,310	923,805	1,559,538	2,006,157
<u>\$ 2,250,302</u>	<u>\$ 2,350,223</u>	<u>\$ 2,699,213</u>	<u>\$ 2,799,213</u>	<u>\$ 3,438,860</u>	<u>\$ 3,897,437</u>
\$ 650,889	\$ 5,717,801	\$ 3,637,511	\$ 1,915,781	\$ 1,144,056	\$ 704,547
218,011	119,636	174,818	238,318	272,842	317,145
174,558	174,558	174,621	174,683	174,699	174,713
1,262,407	1,476,118	1,516,022	1,594,423	1,613,489	1,718,752
<u>\$ 2,305,865</u>	<u>\$ 7,488,113</u>	<u>\$ 5,502,972</u>	<u>\$ 3,923,205</u>	<u>\$ 3,205,086</u>	<u>\$ 2,915,157</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			
	2012	2013	2014	2015
Revenues				
Ad valorem taxes	\$ 1,370,826	\$ 1,378,807	\$ 1,405,387	\$ 1,452,783
Sales taxes	1,192,491	1,154,769	1,234,608	1,339,222
Hotel/Motel taxes	-	84,026	87,550	74,297
Franchise fees	905,082	898,937	931,165	955,286
Licenses and permits	28,008	44,153	45,981	55,735
Intergovernmental	84,047	502,432	1,994,914	1,997,911
Service fees	2,272,053	2,285,216	1,395,338	1,548,820
Fines and penalties	419,173	334,368	329,222	358,403
Special Assessments	192,380	204,360	9,414	8,029
Interest income	17,381	14,831	8,955	13,439
Rents and Royalties	23,234	22,416	8,570	7,900
Grants and Contributions	18,478	23,192	11,515	7,880
Miscellaneous income	254,041	114,582	169,744	387,539
Total Revenues	6,777,194	7,062,089	7,632,363	8,207,244
Expenditures				
General Government	937,126	1,868,743	2,053,956	2,098,606
Public Safety Police/Fire	2,637,477	2,786,442	2,938,563	3,133,478
Highway and Streets	1,061,416	851,924	644,611	609,260
Sanitation	893,502	963,066	980,334	1,045,238
Health and Welfare	268,051	108,501	119,093	128,207
Culture and Recreation	968,055	879,508	930,538	1,052,019
Conservation	57,219	41,160	45,068	52,453
Capital Outlay/Misc	980,164	1,146,256	734,396	1,139,048
Debt Service				
Principal	333,825	335,000	360,000	365,000
Interest and fiscal charges	293,359	282,983	270,701	257,644
Bond issuance costs	125	-	250	250
Total Expenditures	8,430,319	9,263,583	9,077,510	9,881,203
Excess of Revenues				
Over (Under) Expenditures	(1,653,125)	(2,201,494)	(1,445,147)	(1,673,959)
Other Financing Sources (Uses)				
Transfers In	1,979,951	1,811,287	1,931,071	2,307,289
Transfers Out	(485,118)	(273,192)	(1,336,126)	(637,820)
Issuance of long-term debt	-	12,683	-	-
Premium or discount on bonds issued	-	-	-	-
Other resources	-	-	10,759	13,118
Payment to refunded bond escrow agent	-	-	-	-
Sale of capital assets	6,645	-	217,094	3,867
Total Other Financing				
Sources (Uses)	1,501,478	1,550,778	822,798	1,686,454
Net Change in Fund Balances	\$ (151,647)	\$ (650,716)	\$ (622,349)	\$ 12,495
Debt Service as a Percentage of Noncapital Expenditures	11.3%	9.6%	9.5%	9.0%

TABLE 5

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1,482,248	\$ 1,566,730	\$ 1,622,486	\$ 1,693,806	\$ 1,775,852	\$ 1,843,077
1,436,371	1,486,812	1,499,393	1,580,877	1,756,563	2,126,143
76,192	135,879	145,974	161,446	131,886	202,204
930,989	913,565	933,625	899,556	915,067	906,870
60,420	50,667	57,323	76,570	101,246	75,076
1,355,669	1,331,057	1,335,939	1,407,362	1,685,426	1,399,928
1,582,065	1,589,036	1,592,452	1,632,769	1,685,356	1,760,329
379,819	359,859	325,105	350,718	237,111	230,798
7,801	6,739	5,767	-	-	-
14,915	77,400	132,353	125,348	37,161	7,853
7,070	9,351	11,656	4,365	4,825	29,148
9,044	111,548	62,373	33,645	342,653	153,375
106,803	128,287	109,404	102,598	84,434	110,471
<u>7,449,406</u>	<u>7,766,930</u>	<u>7,833,850</u>	<u>8,069,060</u>	<u>8,757,580</u>	<u>8,845,272</u>
2,455,291	2,435,509	2,600,290	2,875,475	2,601,151	2,698,865
3,307,491	3,473,689	3,715,247	3,816,835	3,790,124	3,982,745
601,244	758,902	603,275	638,264	662,590	716,995
1,110,857	1,081,870	1,086,672	1,107,678	1,122,748	1,174,734
125,835	137,322	141,900	166,193	180,616	188,003
1,041,199	976,762	932,687	949,507	1,078,613	1,247,480
86,205	48,377	117,399	94,722	95,939	121,909
747,874	1,252,119	1,246,223	1,729,921	504,664	1,366,465
380,000	245,000	245,000	340,000	485,000	505,000
244,159	386,124	414,885	405,670	346,298	352,128
250	450	650	2,070	12,936	38,615
<u>10,100,405</u>	<u>10,796,124</u>	<u>11,104,228</u>	<u>12,126,335</u>	<u>10,880,679</u>	<u>12,392,939</u>
<u>(2,650,999)</u>	<u>(3,029,194)</u>	<u>(3,270,378)</u>	<u>(4,057,275)</u>	<u>(2,123,099)</u>	<u>(3,547,667)</u>
2,997,201	2,572,192	3,159,275	3,288,670	3,807,021	3,669,952
(683,618)	(455,037)	(1,590,303)	(785,784)	(1,015,665)	(2,260,881)
-	5,355,000	-	-	590,000	2,200,000
-	762,760	-	-	-	-
44,501	60,937	23,852	49,479	18,144	78,747
-	-	-	-	(1,350,787)	-
6,430	15,511	41,403	1,450	850	28,905
<u>2,364,514</u>	<u>8,311,363</u>	<u>1,634,227</u>	<u>2,553,815</u>	<u>2,049,563</u>	<u>3,716,723</u>
<u>\$ (286,485)</u>	<u>\$ 5,282,169</u>	<u>\$ (1,636,151)</u>	<u>\$ (1,503,460)</u>	<u>\$ (73,536)</u>	<u>\$ 169,056</u>
8.4%	8.1%	8.2%	8.8%	10.2%	10.0%

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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
2012	\$ 1,370,826	\$ 1,192,491	\$ 905,082	\$ 3,432,513
2013	1,378,807	1,154,769	898,937	3,571,160
2014	1,405,387	1,234,608	931,165	3,747,291
2015	1,452,783	1,339,222	955,286	3,849,608
2016	1,482,248	1,436,371	930,989	3,967,107
2017	1,566,730	1,486,812	913,565	4,055,504
2018	1,622,486	1,499,393	933,625	4,174,239
2019	1,693,806	1,580,877	899,556	4,174,239
2020	1,775,852	1,756,563	915,067	4,447,482
2021	1,833,632	2,126,143	906,870	4,866,645
10-year \$ Change	\$ 462,806	\$ 933,652	\$ 1,788	\$ 1,434,132
10-year % Change	33.8%	78.3%	0.2%	41.8%

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
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)
2020	2019	107,065,060	399,166,010	(43,566,190)
2021	2020	108,006,120	411,333,550	(44,806,100)

TABLE 7

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
\$ 345,082,550	0.395218	\$ 340,983,388	98.81%
353,764,320	0.395218	344,754,618	97.45%
363,359,154	0.395218	353,119,544	97.18%
365,507,362	0.395218	364,615,688	99.76%
363,359,154	0.395218	365,152,900	100.49%
407,368,041	0.395218	378,621,000	92.94%
395,763,890	0.395218	393,000,000	99.30%
425,660,250	0.395218	426,625,963	100.23%
462,664,880	0.395218	439,307,890	94.95%
474,533,570	0.395218	436,253,420	91.93%

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	2021		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Windsor Quality Foods	\$ 29,720,718	1	6.26%
Walmart Real Estate Business Trust	8,040,640	2	1.69%
Benny Boyd Limited dba Benny Boyd C	5,379,640	3	1.13%
Patel Sanjay B and Devang C	5,319,640	4	1.12%
Hoffpaur James Lee	4,531,570	5	0.95%
Oil States Industries Inc	3,449,980	6	0.73%
Armory Storage LLC	2,975,810	7	0.63%
Prestwick Lampasas I LP	2,948,780	8	0.62%
Oil States Industries Inc	2,801,781	9	0.59%
Atmos Energy/Mid Tex Distribution	2,474,614	10	0.52%
Total	\$ 67,643,173		14.25%

TABLE 8

Taxpayer	2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Windsor Quality Foods	\$ 25,702,020	1	7.45%
Walmart Real Estate Business Trust	8,274,230	2	2.40%
Benny Boyd Limited DBA Benny Boyd C	3,418,040	3	0.99%
Diya and Mansi LLC	2,370,820	4	0.69%
Oil States Industries Inc	2,220,270	5	0.64%
Oil States Industries Inc	2,057,950	6	0.60%
B Boyd LandCo LLC	1,884,370	7	0.55%
H E Butt Grocery Company	1,700,720	8	0.49%
Texas Fifteen Property LLC	1,647,760	9	0.48%
First Texas Bank	1,639,910	10	0.48%
Total	\$ 50,916,090		14.75%

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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
2012	\$ 1,347,628	\$ 1,318,085	97.81%	\$ 21,956	\$ 1,340,041	99.44%
2013	1,357,361	1,332,308	98.15%	22,724	1,355,032	99.83%
2014	1,392,610	1,366,605	98.13%	22,721	1,389,326	99.76%
2015	1,441,027	1,412,184	98.00%	25,124	1,437,308	99.74%
2016	1,479,052	1,437,252	97.17%	37,328	1,474,580	99.70%
2017	1,528,124	1,498,010	98.03%	25,668	1,523,678	99.71%
2018	1,606,700	1,576,228	98.10%	22,890	1,599,118	99.53%
2019	1,661,340	1,627,440	97.96%	24,141	1,651,581	99.41%
2020	1,748,889	1,725,033	98.64%	11,936	1,736,969	99.32%
2021	1,804,326	1,774,150	98.33%	-	1,774,150	98.33%

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 Obligation Bonds	Tax Notes	Certificates of Obligation	General Obligation Bonds	Certificates of Obligations
2012	\$ -	\$ 120,000	\$ 6,979,995	\$ -	\$ 4,348,353
2013	-	-	6,763,954	-	4,089,880
2014	-	-	6,402,913	-	3,826,407.00
2015	-	-	6,036,872	-	3,547,934.00
2016	-	-	5,655,829	-	3,259,461.00
2017	-	-	11,489,410	-	2,965,988
2018	-	-	11,205,231	-	2,662,515
2019	-	-	10,826,052	-	2,434,042
2020	585,000	-	8,966,873	780,000	2,320,569
2021	2,780,000	-	8,427,694	765,000	-

Measurement Year	Total Primary Government	Total All Government	Population	Per Capita Income	Personal Income
2011	\$ 11,448,348	\$ 11,448,348	6,818	\$ 17,229	\$ 117,467,322
2012	10,853,834	10,853,834	6,797	16,474	111,973,778
2013	10,229,320	10,229,320	6,822	18,313	124,931,286
2014	9,584,806	11,315,116	6,885	19,334	133,114,590
2015	8,915,290	10,544,591	7,096	20,326	144,233,296
2016	14,455,398	15,989,809	7,238	20,667	149,587,746
2017	13,867,746	15,303,754	7,413	22,457	166,473,741
2018	13,260,094	14,594,016	7,611	22,531	171,483,441
2019	12,652,442	13,880,300	7,760	24,333	188,824,080
2020	11,972,694	13,090,633	7,869	25,978	204,420,882

TABLE 10

<u>Other Governmental Activities Debt</u>	
<u>Notes Payable</u>	<u>Sales Tax Revenue Bonds</u>
\$ -	\$ -
-	-
-	-
1,310,310	420,000
1,238,838	390,463
1,164,872	369,539
1,088,445	347,563
1,009,436	324,486
927,635	300,223
843,168	274,771
<u>Percentage of Outstanding Debt</u>	
<u>Percentage of Outstanding Debt to Personal Income</u>	<u>Outstanding Debt Per Capita</u>
9.75%	\$ 1,679
9.69%	1,597
8.19%	1,499
8.50%	1,392
7.31%	1,256
10.69%	1,997
9.19%	1,871
8.51%	1,742
7.35%	1,630
6.40%	1,522

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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		
2012	\$ -	\$ 120,000	\$ 6,979,995	\$ 7,099,995	2.06%	\$ 529
2013	-	-	6,763,954	6,763,954	1.91%	504
2014	-	-	6,402,913	6,402,913	1.76%	478
2015	-	-	6,036,872	6,036,872	1.65%	450
2016	-	-	5,655,829	5,655,829	1.56%	422
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
2020	585,000	-	8,966,873	9,551,873	2.06%	515
2021	2,780,000	-	8,427,694	11,207,694	2.36%	605

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed Valuation	\$340,983,388	\$344,754,618	\$353,119,544	\$ 364,615,688
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>\$ 5,287,947</u>	<u>\$ 5,176,238</u>	<u>\$ 5,176,238</u>	<u>\$ 5,469,235</u>
Actual Amount Expended for General Obligation Debt Service During the Fiscal Year	<u>627,309</u>	<u>617,983</u>	<u>630,951</u>	<u>622,894</u>
Legal Debt Margin for Annual Debt Service Requirements	<u><u>\$ 4,669,964</u></u>	<u><u>\$ 4,545,287</u></u>	<u><u>\$ 4,545,287</u></u>	<u><u>\$ 4,846,341</u></u>
Total Net Debt Applicable to the Limit As a percentage of Debt Limit	11.69%	12.19%	12.19%	11.39%

TABLE 12

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>\$ 374,237,084</u>	<u>\$ 386,653,467</u>	<u>\$ 406,535,167</u>	<u>\$ 420,360,289</u>	<u>\$ 442,512,395</u>	<u>\$ 456,539,495</u>
1.5	1.5	1.5	1.5	1.5	1.5
<u>\$ 5,613,556</u>	<u>\$ 5,799,802</u>	<u>\$ 6,098,028</u>	<u>\$ 6,305,404</u>	<u>\$ 6,637,686</u>	<u>\$ 6,848,092</u>
<u>624,409</u>	<u>631,574</u>	<u>660,535</u>	<u>747,740</u>	<u>844,234</u>	<u>895,743</u>
<u>\$ 4,989,147</u>	<u>\$ 5,168,228</u>	<u>\$ 5,437,493</u>	<u>\$ 5,557,664</u>	<u>\$ 5,793,452</u>	<u>\$ 5,952,349</u>
11.12%	10.89%	10.83%	11.86%	12.72%	13.08%