

CITY OF LAMPASAS, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022



SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

CITY OF LAMPASAS, TEXAS
 ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	26
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	29
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	31
Statement of Net Position – Proprietary Funds	32
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds	36
Notes to the Financial Statements	41
Required Supplementary Information:	
Schedule of Changes in Net Pension Liability and Related Ratios	68
Schedule of Employer Contributions – Net Pension Liability	70
Notes to the Schedule of Employer Contributions – Net Pension Liability	73
Schedule of Changes in Net OPEB Liability and Related Ratios	74
Schedule of Employer Contributions – Net OPEB Liability	76
Notes to the Schedule of Employer Contributions – Net OPEB Liability	79
Schedule of Changes in Net OPEB SDBF Liability and Related Ratios	80
Schedule of Employer Contributions – Net OPEB SDBF Liability	82
Notes to the Schedule of Employer Contributions – Net OPEB SDBF Liability	85

CITY OF LAMPASAS, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS
(Continued)

Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds ·····	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds ·····	94
Combining Statement of Net Position – Nonmajor Proprietary Funds ·····	98
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Proprietary Funds ·····	99
Combining Statement of Cash Flows – Nonmajor Proprietary Funds ·····	101
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund ·····	103
Other Supplementary Information:	
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 <i>Government Auditing Standards</i> ·····	107
Independent Auditor’s Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance and Report on the Schedule of Expenditures of Federal Awards ·····	111
Schedule of Expenditures of Federal Awards ·····	115
Notes to the Schedule of Expenditures of Federal Awards ·····	117
Schedule of Findings and Questioned Costs ·····	119
Corrective Action Plan ·····	123
STATISTICAL SECTION	
Financial Trends:	
Net Position by Component ·····	126
Expenses, Program Revenues, and Net (Expense)/Revenue ·····	128
General Revenues, and Total Change in Net Position ·····	130
Fund Balance of Governmental Funds ·····	132
Changes in Fund Balance of Governmental Funds ·····	134
Revenue Capacity:	
Tax Revenues by Source, Governmental Funds ·····	137
Assessed Value and Estimated Actual Value of Taxable Property ·····	138
Principal Property Taxpayers ·····	140
Property Tax Levies and Collections ·····	143
Debt Capacity:	
Ratios of Outstanding Debt by Type ·····	144
Ratios of General Bonded Debt Outstanding ·····	147
Legal Debt Margin Information ·····	148

FINANCIAL SECTION

THIS PAGE LEFT BLANK INTENTIONALLY



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Lampasas, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise City of Lampasas, Texas's basic financial statements as listed in the table of contents.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Lampasas, Texas, as of September 30, 2022, and the respective changes in financial position, and, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Lampasas, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Lampasas, Texas's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Lampasas, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Lampasas, Texas's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section which precedes the basic financial statements and the pension and other post-employment benefits liabilities related schedules following the notes to the financial statements be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Lampasas, Texas's basic financial statements. The accompanying combining schedules of non-major governmental funds, and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedules of non-major governmental funds and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

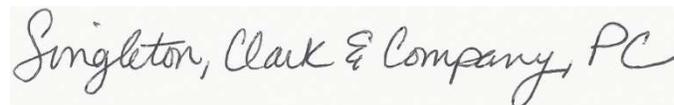
Other Information

Management is responsible for the other information included in the annual report. 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. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2023 on our consideration of City of Lampasas, Texas'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 solely 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 the effectiveness of City of Lampasas, Texas's 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 City of Lampasas, Texas's internal control over financial reporting and compliance.



Singleton, Clark & Company, PC
Cedar Park, Texas

March 10, 2023

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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, 2022. 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

- The City’s net position for governmental activities increased by \$2,213,955 as a result of this year’s current operations, to end at \$2,877,986.
- The City’s General Fund reported a fund balance increase of \$157,565 for the year, to end at \$4,055,002. The total governmental funds of the City reported an overall fund balance increase of \$6,359,076, to end at \$13,172,078.
- The City’s net position for business-type activities decreased by \$739,754 as a result of this year’s current operations. The City’s two largest proprietary funds, the Electric Fund, and the Water/Wastewater Fund reported net position decreases of \$99,709 and \$609,504, respectively, to end at \$6,063,451 and \$12,418,216, respectively.
- The City’s component unit reported a net position increase of \$232,168 for the year, to end at \$1,839,328.

Overview of the Financial Section

The Financial Section is the most substantial part of this Annual Financial and Compliance Report. It consists of the independent auditor’s report, management’s discussion and analysis (this section), a set of basic financial statements with required note disclosures, and finally, required supplementary information and other supporting statements and schedules as applicable.

Independent Auditor’s Report

State law requires the City’s financial statements to be audited by an independent certified public accountant each year. The primary purpose of the annual audit is for the auditor to express an opinion as to whether the financial statements of the City appear to be free from material misstatement. The audit is required to be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The City received an *Unmodified* opinion on its financial statements this year.

Management’s Discussion and Analysis

The Management’s Discussion and Analysis (MD&A) section of the report is intended to introduce the financial statements and to provide discussion and analysis regarding the financial performance of the City during the year. The MD&A is written by management of the City and provides for a less formal presentation of the financial activities of the City than is found within the basic financial statements themselves.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Basic Financial Statements

The Basic Financial Statements consist of a series of financial statements and required note disclosures. These statements include government-wide financial statements which present the City in a consolidated and long-term manner using full-accrual accounting similar to that of a business enterprise, and fund financial statements which present a more detailed view of the City using a more short-term view and traditional modified-accrual governmental accounting. These financial statements are followed with detailed notes which provide narrative explanations and additional data for full disclosure of information.

Required Supplementary Information

The previously discussed Management's Discussion and Analysis section is considered to be required supplementary information, however, the governmental reporting framework requires that it be presented before the financial statements. When applicable, additional required supplementary information must follow the financial statements. Within this financial report, the City presents required schedules related to its participation in the Texas Municipal Retirement System and retiree healthcare plans.

Combining and Individual Fund Statements and Schedules

The combining statements provide detailed information about the City's nonmajor funds. While the primary financial statements present the nonmajor funds in a consolidated manner, the combining statements list all of the nonmajor funds separately, each in its own column. In addition, this section also includes budget to actual information for the City's General Fund and Debt Service Fund.

Overview of the Federal Awards Section

Report on Internal Controls and Compliance

In accordance with *Government Auditing Standards*, the auditor is required to consider the internal controls the City has in place over financial reporting and whether any noncompliance with rules, laws, and regulations was noted during the audit. This report describes the scope of the testing of internal control and compliance, however, it does not provide an opinion on the effectiveness of internal control or on compliance.

Report on Compliance and Internal Control for Each Major Program

Because the City expended more than \$750,000 in federal grant awards, an additional independent auditor's report on compliance and internal control over the City's major federal grant programs was required. This report provides an opinion by the independent audit firm that the City complied, in all material respects, with the requirements applicable to the federal grants received and expended.

Schedule of Expenditures of Federal Awards

The Schedule of Expenditures of Federal Awards (SEFA) provides a detailed listing of the federal grant awards received by the City during the year. This listing includes federal grant names, identification numbers, and amounts expended.

Schedule of Findings and Questioned Costs

The Schedule of Findings and Questioned Costs provides an overall summary of auditor results, including identification of the type of opinion on the financial statements, whether any significant deficiencies or material weaknesses in internal controls were observed by the audit firm, and whether any material noncompliance was noted. This schedule also lists information related to the audit of the City's major federal programs and lists any audit findings reported by the audit firm for the year.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

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).

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.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements follow the government-wide statements and provide detailed information about the most significant funds of the City, not the City as a whole. Laws and regulations require the City to establish separate funds, such as for grants received from the state and federal government, money received from bond issues for capital projects, or for money raised specifically for debt service purposes, in order to clearly display financial accountability for use of these 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.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 all major funds. Data from the remaining 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 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. 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 governmentwide financial statements. The City is not currently utilizing an internal service fund.

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 proprietary funds which are considered major. Data from the remaining proprietary funds 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.

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

Notes to the Financial Statements

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

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.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Government-wide Financial Analysis

The following analysis focuses on the net position (Table I) and changes in net position (Table II) of the City's governmental activities.

Net position of the City's governmental activities increased from \$664,031 to \$2,877,986. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was (\$1,754,391) at September 30, 2022. As the City's governmental financial statements are converted to produce government-wide financial statements, the City's current year Certificates of Obligation issuance, which was the primary reason for the City's overall governmental fund balance increase, is removed from the statement of activities and is reported as a long-term liability on the statement of net position. As of year-end, the City had not yet utilized the proceeds of that debt issuance and therefore, it had no real effect on the City's governmental activities net position as the City's current assets balance offset the increase in long-term liabilities. However, the City's other ongoing construction projects and capital asset additions did positively affect the City's change in net position as expenditures for capitalized assets outpaced current year depreciation expense in the governmental activities by \$1,718,131.

Table I
City of Lampasas, Texas
Net Position

	(Restated)		(Restated)			
	Governmental	Governmental	Change	Business-	Business-	
	Activities	Activities		Type	Type	
	2022	2021	Change	Activities	Activities	Change
	2022	2021	Change	2022	2021	Change
Current & Other Assets	\$ 15,661,493	\$ 8,887,622	\$ 6,773,871	\$ 9,820,779	\$ 9,544,322	\$ 276,457
Capital Assets	12,997,248	11,279,117	1,718,131	15,593,152	16,696,862	(1,103,710)
Total Assets	28,658,741	20,166,739	8,492,002	25,413,931	26,241,184	(827,253)
Deferred Outflows Of Resources	\$ 1,580,641	\$ 1,952,654	\$ (372,013)	\$ 472,140	\$ 583,262	\$ (111,122)
Current Liabilities	\$ 2,044,113	\$ 1,578,994	\$ 465,119	\$ 1,525,567	\$ 1,388,393	\$ 137,174
Long-Term Liabilities	22,598,140	18,060,417	4,537,723	2,628,555	3,234,135	(605,580)
Total Liabilities	24,642,253	19,639,411	5,002,842	4,154,122	4,622,528	(468,406)
Deferred Inflows Of Resources	2,719,143	1,815,951	903,192	812,212	542,427	269,785
Net Position:						
Net Investment In Capital Assets	2,217,502	9,798	2,207,704	14,526,027	15,495,290	(969,263)
Restricted	2,414,875	2,755,941	(341,066)	2,726,401	2,726,401	-
Unrestricted	(1,754,391)	(2,101,708)	347,317	3,667,309	3,437,800	229,509
Total Net Position	\$ 2,877,986	\$ 664,031	\$ 2,213,955	\$ 20,919,737	\$ 21,659,491	\$ (739,754)

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Governmental Activities. During the year, the City reported a restatement in the amount of (\$998) and an increase in net position from operations for governmental activities of \$2,213,955, to end at \$2,877,986.

Business-Type Activities. During the year, the City reported a net restatement in the amount of (\$12,848) and a decrease in net position from operations for business-type activities of \$739,754, to end at \$20,919,737.

Table II
City of Lampasas, Texas
Changes in Net Position

	(Restated)		(Restated)			
	Governmental	Governmental		Business-	Business-	
	Activities	Activities	Change	Type	Type	Change
	2022	2021		Activities	Activities	
	2022	2021		2022	2021	Change
REVENUES						
Program Revenues:						
Charges For Services	\$ 1,982,811	\$ 1,789,477	\$ 193,334	\$ 18,764,096	\$ 17,152,858	\$ 1,611,238
Operating Grants & Contributions	47,204	153,375	(106,171)	-	14,113	(14,113)
Capital Grants And Contributions	1,177,836	-	1,177,836	-	-	-
General Revenues:						
Property Taxes	1,804,806	1,833,632	(28,826)	-	-	-
Other Taxes	3,556,813	2,126,143	1,430,670	-	-	-
Miscellaneous	1,915,979	3,019,537	(1,103,558)	299,794	335,761	(35,967)
Total Revenue	10,485,449	8,922,164	1,563,285	19,063,890	17,502,732	1,561,158
Expenses						
General Government	2,843,581	2,997,571	(153,990)	-	-	-
Public Safety	4,271,681	4,456,054	(184,373)	-	-	-
Highways And Streets	672,130	782,181	(110,051)	-	-	-
Sanitation	1,389,801	1,281,536	108,265	-	-	-
Health And Welfare	222,463	205,096	17,367	-	-	-
Culture And Recreation	1,524,156	1,394,633	129,523	-	-	-
Conservation	176,590	121,909	54,681	-	-	-
Interest On Long-Term Debt	519,696	352,957	166,739	-	-	-
Golf Course Fund	-	-	-	764,446	762,344	2,102
Electric Fund	-	-	-	9,863,603	10,275,414	(411,811)
Water/Wastewater Fund	-	-	-	5,607,720	4,813,794	793,926
Nonmajor Enterprise Funds	-	-	-	269,478	239,280	30,198
Total Expenses	11,620,098	11,591,937	28,161	16,505,247	16,090,832	414,415
Increase (Decrease) In Net Position						
Before Transfers	(1,134,649)	(2,669,773)	1,535,124	2,558,643	1,411,900	1,146,743
Transfers	3,348,604	1,409,071	1,939,533	(3,298,397)	(1,358,196)	(1,940,201)
Increase (Decrease) In Net Position	2,213,955	(1,260,702)	3,474,657	(739,754)	53,704	(793,458)
Net Position - Beginning	664,031	1,924,733	(1,260,702)	21,659,491	21,605,787	53,704
Net Position - Ending	\$ 2,877,986	\$ 664,031	\$ 2,213,955	\$ 20,919,737	\$ 21,659,491	\$ (739,754)

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Financial Analysis of Governmental Funds

As the City completed this annual period, the General Fund reported an ending fund balance of \$4,055,002 which is \$157,565 greater than last year's ending balance of \$3,897,437. This increase in fund balance is the result of both greater than originally anticipated total revenues, particularly in relation to Sales Taxes and Charges for Services as well as less than originally anticipated expenditures related to General Government and Public Safety.

The City's Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Fund, a major fund for the year ended September 30, 2022, reported \$896,651 in expenditures related to federal awards and a fund balance increase of \$5,353, to end at \$5,761. The ending fund balance in this fund relates to interest earned on the advanced deposits made by the granting agency both in the previous and current fiscal years.

The City's Capital Projects Fund - Certificates of Obligation, Series 2022, a major fund for the year ended September 30, 2022, reported an initial ending fund balance of \$6,540,486. This balance represents the unspent proceeds related to the issuance of the Certificates of Obligation, plus interest made on those deposits, net of related issuance costs. The purpose of this capital related debt issuance is to fund various projects including improvements to the City's parks and public safety facilities as well as water/wastewater infrastructure.

The City's other governmental funds reported combined ending fund balances of \$2,570,829. This combined balance is \$344,328 less than last year's ending balance of \$2,915,157.

Over the course of the year, the City Council generally revises the City's budget based on financial updates provided by management. These amendments involve moving funds from functions that did not need all the resources originally appropriated to them to functions with resource needs, or to budget for new revenues or new estimated costs. The budget amendments made to the Police, Highways and Streets, Sanitation, and Swimming Pools Functions during the year were considered significant.

Financial Analysis of Proprietary Funds

The City's Golf Course Fund, a major fund for the year ended September 30, 2022 reported an ending net position of \$494,519. The Golf Course Fund reported a negative restatement of net position in the amount of \$29,740 related to the City's recognition of Governmental Accounting Standards Board (GASB) Statement No. 87 - Leases and a decrease in net position of \$58,775 related to the fund's current year operations.

The City's Electric Fund, a major fund for the year ended September 30, 2022 reported an ending net position of \$6,063,451, which is \$99,709 less than last year's ending balance of \$6,163,160. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$2,743,576 at September 30, 2022.

The City's Water/Wastewater Fund, a major fund for the year ended September 30, 2022 reported an ending net position of \$12,418,216. The Water/Wastewater Fund reported a positive restatement of net position in the amount of \$16,892 related to the City's recognition of Governmental Accounting Standards Board (GASB) Statement No. 87 - Leases and a decrease in net position of \$609,504 related to the fund's current year operations. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$739,156 at September 30, 2022.

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

The City's other proprietary funds reported combined ending net position of \$1,943,551, This combined balance is \$28,234 greater than last year's ending balance of \$1,915,317.

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, 2022, amounts to \$12,997,248 and \$15,593,152 (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.

	(Restated)		Change	(Restated)		Change
	Governmental	Governmental		Business-	Business-	
	Activities	Activities		Type	Type	
	2022	2021		2022	2021	
Land	\$ 1,187,931	\$ 1,187,931	\$ -	\$ 983,061	\$ 983,061	\$ -
Construction In Progress	1,274,789	-	1,274,789	147,169	145,000	2,169
Buildings And Improvements	17,889,325	16,710,405	1,178,920	6,321,842	6,195,569	126,273
Machinery, Equipment, And Vehicles	5,341,958	5,356,411	(14,453)	6,043,007	6,004,317	38,690
Infrastructure	-	-	-	27,494,881	27,494,881	-
Right To Use Leased Assets	72,640	72,640	-	522,382	522,382	-
Total	25,766,643	23,327,387	2,439,256	41,512,342	41,345,210	167,132
Less Accumulated Depreciation	(12,769,395)	(12,048,270)	(721,125)	(25,919,190)	(24,648,348)	(1,270,842)
Capital Assets, Net Of Depreciation	\$ 12,997,248	\$ 11,279,117	\$ 1,718,131	\$ 15,593,152	\$ 16,696,862	\$ (1,103,710)

Long-term Debt

At year-end, the City had \$17,320,232 in governmental activities bonds and right to use leased assets payable versus \$11,269,319 last year. In addition, at year-end, the City had \$1,067,125 in business-type activities bonds and right to use leased assets payable versus \$1,201,572 last year. The increase in governmental activities outstanding debt is attributable to the City's issuance of Series 2022, Certificates of Obligation in the amount of \$6,425,000 and \$253,576 related premium.

	(Restated)		Change	(Restated)		Change
	Governmental	Governmental		Business-	Business-	
	Activities	Activities		Type	Type	
	2022	2021		2022	2021	
General Obligation & Refunding Bonds	\$ 2,610,000	\$ 2,780,000	\$ (170,000)	\$ 715,000	\$ 765,000	(50,000)
Certificates Of Obligation	13,860,000	7,840,000	6,020,000	-	-	-
Premium	802,091	587,694	214,397	-	-	-
Right To Use Leased Assets Payable	48,141	61,625	(13,484)	352,125	436,572	(84,447)
Total	\$ 17,320,232	\$ 11,269,319	\$ 6,050,913	\$ 1,067,125	\$ 1,201,572	\$ (134,447)

CITY OF LAMPASAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Economic Factors and Next Year's Budgets and Rates

The City considered many factors when setting the fiscal year 2023 budget. The City's General Fund budget for fiscal year 2023 includes expenditures of approximately \$13.6 million which represents an increase of approximately \$1.7 million from fiscal year 2022 total originally-adopted expenditures. The city decreased the maintenance and operations tax rate for 2022 - 2023 to \$0.2465 and increased the interest and sinking tax rate to \$0.0691. The overall total tax rate decreased from \$0.3370 to \$0.3156 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.

THIS PAGE LEFT BLANK INTENTIONALLY

GOVERNMENT-WIDE FINANCIAL STATEMENTS

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Lampasas EDC
ASSETS				
Cash and Cash Equivalents	\$ 5,967,162	\$ 1,799,404	\$ 7,766,566	\$ 1,998,823
Investments - Current	3,516,718	11,415,461	14,932,179	-
Taxes Receivable - Delinquent	73,813	-	73,813	-
Allowance For Uncollectible Taxes	(7,384)	-	(7,384)	-
Accounts Receivable, Net	677,840	1,089,876	1,767,716	-
Notes Receivable, Net	-	197,705	197,705	-
Internal Balances	5,394,181	(5,394,181)	-	-
Inventories	22,226	382,514	404,740	-
Prepaid Items	-	330,000	330,000	-
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	1,274,789	147,169	1,421,958	1,744,663
Capital Assets, Being Depreciated:				
Buildings And Improvements	17,889,325	6,321,842	24,211,167	17,975
Machinery, Equipment, And Vehicles	5,341,958	6,043,007	11,384,965	-
Infrastructure	-	27,494,881	27,494,881	802,266
Right To Use Leased Asset	72,640	522,382	595,022	-
Accumulated Depreciation	(12,769,395)	(25,919,190)	(38,688,585)	(199,955)
Total Assets	<u>28,658,741</u>	<u>25,413,931</u>	<u>54,072,672</u>	<u>5,287,122</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows - Pension	1,047,824	312,986	1,360,810	-
Deferred Outflows - OPEB	532,817	159,154	691,971	-
Total Deferred Outflows Of Resources	<u>1,580,641</u>	<u>472,140</u>	<u>2,052,781</u>	<u>-</u>
LIABILITIES				
Accounts Payable	580,352	886,134	1,466,486	798,427
Accrued Salaries And Benefits	211,709	38,490	250,199	-
Retainage Payable	44,131	-	44,131	87,066
Intergovernmental Payable	-	28,710	28,710	-
Accrued Interest Payable	86,605	1,587	88,192	4,420
Other Current Liabilities	36,230	29,036	65,266	-
Customer Deposits	-	541,610	541,610	-
Unavailable Revenue	1,085,086	-	1,085,086	-
Noncurrent Liabilities:				
Due Within One Year	728,289	138,510	866,799	116,947
Due In More Than One Year:	15,789,852	928,615	16,718,467	2,440,934
Unamortized Premium On Bonds	802,091	-	802,091	-
Net Pension Obligation	1,733,627	517,837	2,251,464	-
Other Post-Employment Benefits	2,804,787	837,794	3,642,581	-
OPEB Supplemental Death Benefits	365,644	109,218	474,862	-
Compensated Absences Payable	373,850	96,581	470,431	-
Total Liabilities	<u>24,642,253</u>	<u>4,154,122</u>	<u>28,796,375</u>	<u>3,447,794</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Pension	1,766,247	527,580	2,293,827	-
Deferred Inflows - OPEB	952,896	284,632	1,237,528	-
Total Deferred Inflows Of Resources	<u>2,719,143</u>	<u>812,212</u>	<u>3,531,355</u>	<u>-</u>
NET POSITION				
Net Investment In Capital Assets	2,217,502	14,526,027	16,743,529	730,418
Restricted For Operations & Maintenance	-	2,726,401	2,726,401	-
Restricted For Debt Service	300,040	-	300,040	-
Restricted For Capital Projects	555,733	-	555,733	-
Restricted For Other Specific Purposes	1,559,102	-	1,559,102	-
Restricted For Lampasas EDC	-	-	-	1,108,910
Unrestricted	(1,754,391)	3,667,309	1,912,918	-
Total Net Position	<u>\$ 2,877,986</u>	<u>\$ 20,919,737</u>	<u>\$ 23,797,723</u>	<u>\$ 1,839,328</u>

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, 2022

Functions/Programs:	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General Government	\$ 2,843,581	\$ 70,743	\$ 42,057
Public Safety			
Police	2,733,214	8,327	4,411
Fire	1,538,467	-	-
Highways And Streets	672,130	325,543	-
Sanitation	1,389,801	1,400,042	-
Health And Welfare	222,463	61,782	-
Culture And Recreation			
Swimming Pools	172,150	93,792	-
Parks	1,027,479	3,475	-
Libraries	324,527	19,107	736
Economic Development And Assistance	176,590	-	-
Other Debt Service Fees & Issuance Costs	519,696	-	-
Total Governmental Activities:	<u>11,620,098</u>	<u>1,982,811</u>	<u>47,204</u>
Business-type activities:			
Golf Course Fund	764,446	643,523	-
Electric Fund	9,863,603	12,863,094	-
Water/Wastewater Fund	5,607,720	5,104,581	-
Nonmajor Enterprise Funds	269,478	152,898	-
Total Business-Type Activities:	<u>16,505,247</u>	<u>18,764,096</u>	<u>-</u>
Total Primary Government	<u>\$ 28,125,345</u>	<u>\$ 20,746,907</u>	<u>\$ 47,204</u>
Component units:			
Lampasas Economic Development Corporation	\$ 192,238	\$ -	\$ -
	<u>\$ 192,238</u>	<u>\$ -</u>	<u>\$ -</u>
General Revenues:			
Property Taxes			
Sales Taxes			
Mixed Beverage Taxes			
Hotel/Motel Taxes			
Franchise Taxes			
Investment Earnings			
Intergovernmental Revenue			
Miscellaneous			
Transfers			
Total General Revenues And Transfers			
Change In Net Position			
Net Position - Beginning (As Restated)			
Net Position - Ending			

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position			
Capital	Primary Government			Component Unit	
Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Lampasas EDC	
\$ 281,185	\$ (2,449,596)	\$ -	\$ (2,449,596)	\$ -	
-	(2,720,476)	-	(2,720,476)	-	
-	(1,538,467)	-	(1,538,467)	-	
-	(346,587)	-	(346,587)	-	
-	10,241	-	10,241	-	
-	(160,681)	-	(160,681)	-	
-	(78,358)	-	(78,358)	-	
-	(1,024,004)	-	(1,024,004)	-	
-	(304,684)	-	(304,684)	-	
896,651	720,061	-	720,061	-	
-	(519,696)	-	(519,696)	-	
<u>1,177,836</u>	<u>(8,412,247)</u>	<u>-</u>	<u>(8,412,247)</u>	<u>-</u>	
-	-	(120,923)	(120,923)	-	
-	-	2,999,491	2,999,491	-	
-	-	(503,139)	(503,139)	-	
-	-	(116,580)	(116,580)	-	
-	-	2,258,849	2,258,849	-	
<u>\$ 1,177,836</u>	<u>(8,412,247)</u>	<u>2,258,849</u>	<u>(6,153,398)</u>	<u>-</u>	
<u>\$ -</u>				<u>(192,238)</u>	
<u>\$ -</u>				<u>(192,238)</u>	
	1,804,806	-	1,804,806	-	
	2,334,374	-	2,334,374	468,875	
	16,155	-	16,155	-	
	223,651	-	223,651	-	
	982,633	-	982,633	-	
	63,258	47,279	110,537	5,738	
	1,424,168	-	1,424,168	-	
	428,553	252,515	681,068	-	
	3,348,604	(3,298,397)	50,207	(50,207)	
	<u>10,626,202</u>	<u>(2,998,603)</u>	<u>7,627,599</u>	<u>424,406</u>	
	2,213,955	(739,754)	1,474,201	232,168	
	664,031	21,659,491	22,323,522	1,607,160	
<u>\$</u>	<u>2,877,986</u>	<u>\$ 20,919,737</u>	<u>\$ 23,797,723</u>	<u>\$ 1,839,328</u>	

THIS PAGE LEFT BLANK INTENTIONALLY

FUND BASIS FINANCIAL STATEMENTS

CITY OF LAMPASAS, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General Fund	Coronavirus State and Local Fiscal Recovery Funds	Capital Projects Fund Certificates of Obligation, Series 2022
ASSETS			
Cash and Cash Equivalents	\$ 2,313,699	\$ 1,242,984	\$ 1,587,890
Investments - Current	2,138,170	-	-
Taxes Receivable - Delinquent	58,287	-	-
Allowance For Uncollectible Delinquent Taxes	(5,831)	-	-
Accounts Receivable	256,919	-	-
Allowance For Uncollectible Accts Receivable	(93,702)	-	-
Due From Other Funds	7,142	-	4,952,596
Inventories	22,226	-	-
Other Assets	16,937	-	-
Total Assets	\$ 4,713,847	\$ 1,242,984	\$ 6,540,486
LIABILITIES			
Accounts Payable	\$ 364,614	\$ 108,006	\$ -
Accrued Salaries And Benefits	206,761	-	-
Retainage Payable	-	44,131	-
Due To Other Funds	-	-	-
Other Current Liabilities	35,014	-	-
Unavailable Revenue	-	1,085,086	-
Total Liabilities	606,389	1,237,223	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue-Property Taxes	52,456	-	-
Total Deferred Inflows Of Resources	52,456	-	-
FUND BALANCES			
Nonspendable:			
Inventories	22,226	-	-
Other Assets	16,937	-	-
Endowments	-	-	-
Restricted:			
Debt Service	-	-	-
Capital Projects	-	-	6,540,486
Other Specific Purposes	-	5,761	-
Committed:			
Working Capital	1,783,405	-	-
Assigned:			
Fire Engine Purchase	800,000	-	-
Unassigned	1,432,434	-	-
Total Fund Balances	4,055,002	5,761	6,540,486
Total Liabilities, Deferred Inflows, And Fund Balances	\$ 4,713,847	\$ 1,242,984	\$ 6,540,486

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

Total Nonmajor Funds	Total Governmental Funds
\$ 822,589	\$ 5,967,162
1,378,548	3,516,718
15,526	73,813
(1,553)	(7,384)
49,145	306,064
-	(93,702)
452,143	5,411,881
-	22,226
-	16,937
<u>\$ 2,716,398</u>	<u>\$ 15,213,715</u>
\$ 107,732	\$ 580,352
4,948	211,709
-	44,131
17,700	17,700
1,216	36,230
-	1,085,086
<u>131,596</u>	<u>1,975,208</u>
13,973	66,429
<u>13,973</u>	<u>66,429</u>
-	22,226
-	16,937
175,688	175,688
286,067	286,067
555,733	7,096,219
1,553,341	1,559,102
-	1,783,405
-	800,000
-	1,432,434
<u>2,570,829</u>	<u>13,172,078</u>
<u>\$ 2,716,398</u>	<u>\$ 15,213,715</u>

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Amounts Reported For Governmental Activities In The Statement Of Net Position Are Different Because:

Total Fund Balance Of All Governmental Funds		\$	13,172,078
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>			
Governmental Capital Assets		\$	25,766,643
Less: Accumulated Depreciation			(12,769,395)
			12,997,248
<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>			
			66,432
<p>Uncollected municipal court fines are not available resources; therefore, are not reported in the funds.</p>			
			465,478
<p>Long-term liabilities, including bonds & right to use leased assets 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			(16,470,000)
Plus: Issuance Premium			(802,091)
Right To Use Leased Assets Payable			(48,141)
Net Pension Liability, Including Pension Def. Inflows & Outflows			(2,452,050)
Other Post-Employment Benefit Obligations			(3,590,513)
Compensated Absences			(373,850)
Accrued Interest Payable			(86,605)
			(23,823,250)
Net Position Of Governmental Activities		\$	2,877,986

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, 2022

	General Fund	Coronavirus State and Local Fiscal Recovery Funds	Capital Projects Fund Certificates of Obligation, Series 2022
REVENUES			
Property Taxes	\$ 1,459,985	\$ -	\$ -
Sales Taxes	2,334,374	-	-
Mixed Beverage Taxes	16,155	-	-
Hotel/Motel Taxes	-	-	-
Franchise Taxes	982,633	-	-
Licenses And Permits	67,750	-	-
Intergovernmental Revenues	1,317,078	-	-
Charges For Services	1,931,074	-	-
Fines	211,518	-	-
Investment Earnings	10,853	5,353	36,022
Rents And Royalties	40,838	-	-
Grants And Contributions	7,197	896,651	-
Miscellaneous Revenue	5,763	-	-
Total Revenues	8,385,218	902,004	36,022
EXPENDITURES			
Current:			
General Government	2,456,475	12,339	-
Public Safety			
Police	2,641,694	-	-
Fire	1,475,932	-	-
Highways And Streets	610,340	-	-
Sanitation	1,276,508	-	-
Health And Welfare	204,328	-	-
Culture And Recreation			
Swimming Pools	158,117	-	-
Parks	897,017	-	-
Libraries	267,798	-	-
Economic Development And Assistance	-	-	-
Debt Service:			
Principal	13,484	-	-
Interest	2,485	-	-
Other Debt Service Fees & Issuance Costs	-	-	174,112
Capital Outlay	1,142,509	884,312	-
Total Expenditures	11,146,687	896,651	174,112
Excess (Deficiency) Of Revenues Over Expenditures	(2,761,469)	5,353	(138,090)
OTHER FINANCING SOURCES (USES)			
Transfers In	2,924,973	-	-
Transfers Out	(107,090)	-	-
Sale Of General Capital Assets	50,852	-	-
Insurance Recoveries	50,299	-	-
Certificates Of Obligation Issued	-	-	6,678,576
Total Other Financing Sources (Uses)	2,919,034	-	6,678,576
Net Change In Fund Balance	157,565	5,353	6,540,486
Fund Balance - Beginning	3,897,437	408	-
Fund Balance - Ending	\$ 4,055,002	\$ 5,761	\$ 6,540,486

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

Total Nonmajor Funds		Total Governmental Funds	
\$	348,004	\$	1,807,989
	-		2,334,374
	-		16,155
	223,651		223,651
	-		982,633
	-		67,750
	107,090		1,424,168
	10,899		1,941,973
	7,772		219,290
	11,030		63,258
	-		40,838
	321,192		1,225,040
	38,592		44,355
	<u>1,068,230</u>		<u>10,391,474</u>
	219,471		2,688,285
	16,329		2,658,023
	-		1,475,932
	7,000		617,340
	-		1,276,508
	-		204,328
	-		158,117
	-		897,017
	8,569		276,367
	162,195		162,195
	575,000		588,484
	338,731		341,216
	400		174,512
	615,584		2,642,405
	<u>1,943,279</u>		<u>14,160,729</u>
	<u>(875,049)</u>		<u>(3,769,255)</u>
	639,141		3,564,114
	(108,420)		(215,510)
	-		50,852
	-		50,299
	-		6,678,576
	<u>530,721</u>		<u>10,128,331</u>
	(344,328)		6,359,076
	2,915,157		6,813,002
\$	<u>2,570,829</u>	\$	<u>13,172,078</u>

THIS PAGE LEFT BLANK INTENTIONALLY

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, 2022

Amounts Reported For Governmental Activities In The Statement Of Activities Are Different Because:

Net Change In Fund Balances For Total Governmental Funds \$ 6,359,076

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	\$ 2,642,405	
Less: Current Year Depreciation	<u>(924,274)</u>	1,718,131

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (3,993)

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	588,484	
Certificates Of Obligation Issued	(6,678,576)	
Premium Amortization	39,179	
Accrued Interest	(43,147)	
Decrease In Compensated Absences	<u>(52,635)</u>	(6,146,695)

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. (3,183)

The net effect of various transactions involving the City's Net Pension Liability and the Net OPEB Liability is to decrease net position. 290,619

Change In Net Position For Governmental Activities \$ 2,213,955

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

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 1,438,000	\$ 1,438,000	\$ 1,459,985	\$ 21,985
Sales Taxes	1,925,000	1,925,000	2,334,374	(60,626)
Mixed Beverage Taxes	12,000	12,000	16,155	4,155
Franchise Taxes	920,000	920,000	982,633	62,633
Licenses And Permits	66,210	66,210	67,750	(5,625)
Intergovernmental Revenues	1,807,725	1,807,725	1,317,078	(7,697)
Charges For Services	1,737,065	1,737,065	1,931,074	198,074
Fines	282,350	282,350	211,518	(50,582)
Investment Earnings	4,000	4,000	10,853	6,853
Rents And Royalties	13,985	13,985	40,838	10,203
Grants And Contributions	5,430	5,430	7,197	1,767
Miscellaneous Revenue	14,325	14,325	5,763	(8,562)
Total Revenues	<u>8,212,640</u>	<u>8,212,640</u>	<u>8,385,218</u>	<u>172,578</u>
EXPENDITURES				
Current:				
General Government	2,689,352	2,638,563	2,456,475	182,088
Public Safety				
Police	2,866,850	2,631,242	2,641,694	(10,452)
Fire	1,895,451	1,902,053	1,475,932	426,121
Highways And Streets	637,120	672,373	610,340	62,033
Sanitation	1,160,000	1,276,575	1,276,508	67
Health And Welfare	210,969	208,785	204,328	4,457
Culture And Recreation				
Swimming Pools	332,200	158,117	158,117	-
Parks	892,487	894,557	897,017	(2,460)
Libraries	262,644	267,798	267,798	-
Debt Service				
Bond Principal	-	-	13,484	(13,484)
Interest - Bonds	-	-	2,485	(2,485)
Capital Outlay	950,000	1,236,200	1,142,509	93,691
Total Expenditures	<u>11,897,073</u>	<u>11,886,263</u>	<u>11,146,687</u>	<u>739,576</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(3,684,433)</u>	<u>(3,673,623)</u>	<u>(2,761,469)</u>	<u>912,154</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,773,218	3,773,218	2,924,973	(848,245)
Transfers Out	(96,285)	(107,095)	(107,090)	5
Sale Of General Capital Assets	-	-	50,852	50,852
Insurance Recoveries	7,500	7,500	50,299	42,799
Total Other Financing Sources (Uses)	<u>3,684,433</u>	<u>3,673,623</u>	<u>2,919,034</u>	<u>(754,589)</u>
Net Change In Fund Balances	-	-	157,565	157,565
Fund Balance - Beginning	3,897,437	3,897,437	3,897,437	-
Fund Balance - Ending	<u>\$ 3,897,437</u>	<u>\$ 3,897,437</u>	<u>\$ 4,055,002</u>	<u>\$ 157,565</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, 2022

	Business-Type Activities		
	Golf Course Fund	Electric Fund	Water/Wastewater Fund
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 39,425	\$ 401,114	\$ 921,507
Investments - Current	317	9,942,254	1,431,006
Accounts Receivable, Net	-	829,982	254,553
Notes Receivable, Net	-	-	-
Due From Other Funds	-	-	-
Inventories	21,509	185,220	161,418
Prepaid Items	-	-	330,000
Total Current Assets	<u>61,251</u>	<u>11,358,570</u>	<u>3,098,484</u>
Noncurrent Assets:			
Land	341,029	99,149	27,630
Infrastructure	-	2,737,657	24,757,224
Buildings	1,908,698	570,032	1,951,900
Furnishings And Equipment	222,722	3,012,217	2,749,482
Right To Use Leased Assets	257,205	-	265,177
Accumulated Depreciation	(1,698,650)	(5,006,383)	(18,110,516)
Construction In Progress	-	-	147,169
Total Noncurrent Assets	<u>1,031,004</u>	<u>1,412,672</u>	<u>11,788,066</u>
Total Assets	<u>1,092,255</u>	<u>12,771,242</u>	<u>14,886,550</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension	77,160	97,900	116,709
Deferred Outflows - OPEB	31,049	55,977	62,580
Total Deferred Outflows Of Resources	<u>108,209</u>	<u>153,877</u>	<u>179,289</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	16,133	634,298	231,573
Accrued Salaries Payable	11,839	20,152	3,086
Intergovernmental Payable	-	28,710	-
Due To Other Funds	-	4,948,132	452,143
Accrued Interest Payable	-	-	1,587
Current Portion Of Long-Term Debt	51,626	20,000	66,884
Other Current Liabilities	4,006	-	25,030
Customer Deposits	-	359,076	182,534
Total Current Liabilities	<u>83,604</u>	<u>6,010,368</u>	<u>962,837</u>
Noncurrent Liabilities:			
Bonds Payable	-	60,000	605,000
Right To Use Leased Assets Payable	87,295	-	176,320
Net Pension Obligation	132,357	167,138	178,709
Other Post-Employment Benefits	186,469	279,810	317,547
OPEB Supplemental Death Benefits	21,844	38,225	43,688
Compensated Absences Payable	25,108	33,960	37,513
Total Noncurrent Liabilities	<u>453,073</u>	<u>579,133</u>	<u>1,358,777</u>
Total Liabilities	<u>536,677</u>	<u>6,589,501</u>	<u>2,321,614</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pension	114,039	171,259	213,276
Deferred Inflows - OPEB	55,229	100,908	112,733
Total Deferred Inflows Of Resources	<u>169,268</u>	<u>272,167</u>	<u>326,009</u>
NET POSITION			
Net Investment In Capital Assets	892,083	1,332,672	10,939,862
Restricted For Operations And Maintenance	-	1,987,203	739,198
Unrestricted	(397,564)	2,743,576	739,156
Total Net Position	<u>\$ 494,519</u>	<u>\$ 6,063,451</u>	<u>\$ 12,418,216</u>

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

Business-Type Activities

Total Non-major Funds		Total Proprietary Funds	
\$	437,358	\$	1,799,404
	41,884		11,415,461
	5,341		1,089,876
	197,705		197,705
	6,094		6,094
	14,367		382,514
	-		330,000
	<u>702,749</u>		<u>15,221,054</u>
	515,253		983,061
	-		27,494,881
	1,891,212		6,321,842
	58,586		6,043,007
	-		522,382
	(1,103,641)		(25,919,190)
	-		147,169
	<u>1,361,410</u>		<u>15,593,152</u>
	<u>2,064,159</u>		<u>30,814,206</u>
	21,217		312,986
	9,548		159,154
	<u>30,765</u>		<u>472,140</u>
	4,130		886,134
	3,413		38,490
	-		28,710
	-		5,400,275
	-		1,587
	-		138,510
	-		29,036
	-		541,610
	<u>7,543</u>		<u>7,064,352</u>
	-		665,000
	-		263,615
	39,633		517,837
	53,968		837,794
	5,461		109,218
	-		96,581
	<u>99,062</u>		<u>2,490,045</u>
	<u>106,605</u>		<u>9,554,397</u>
	29,006		527,580
	15,762		284,632
	<u>44,768</u>		<u>812,212</u>
	1,361,410		14,526,027
	-		2,726,401
	582,141		3,667,309
\$	<u>1,943,551</u>	\$	<u>20,919,737</u>

CITY OF LAMPASAS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities		
	Golf Course Fund	Electric Fund	Water/Wastewater Fund
REVENUES			
Operating Revenues:			
Charges For Services:			
Water Sales	\$ -	\$ -	\$ 5,104,581
Electricity Sales	-	12,863,094	-
Other Charges For Services	643,523	-	-
Miscellaneous Revenue	247	46,085	156,338
Total Operating Revenues	<u>643,770</u>	<u>12,909,179</u>	<u>5,260,919</u>
EXPENSES			
Operating Expenses:			
Personnel Services	390,638	694,622	806,582
Purchased Prof. And Technical Services	18,741	218,827	2,030,340
Purchased Property Services	32,494	148,265	194,795
Other Purchased Services	37,056	552,838	124,470
Materials And Supplies	124,213	6,950,433	333,311
Other Operating Expenses	29,837	1,163,605	1,149,766
Depreciation	127,480	133,253	947,942
Total Operating Expenses	<u>760,459</u>	<u>9,861,843</u>	<u>5,587,206</u>
Operating Income (Loss)	<u>(116,689)</u>	<u>3,047,336</u>	<u>(326,287)</u>
Nonoperating Revenues (Expenses)			
Investment Earnings	2	28,805	12,666
Interest Expense	(3,987)	(1,760)	(20,514)
Total Nonoperating Revenues (Expenses)	<u>(3,985)</u>	<u>27,045</u>	<u>(7,848)</u>
Income Before Transfers In (Out)	<u>(120,674)</u>	<u>3,074,381</u>	<u>(334,135)</u>
Transfers In	61,899	-	231,614
Transfers Out	-	(3,174,090)	(506,983)
Total Transfers In (Out)	<u>61,899</u>	<u>(3,174,090)</u>	<u>(275,369)</u>
Change In Net Position	<u>(58,775)</u>	<u>(99,709)</u>	<u>(609,504)</u>
Net Position-Beginning (As Restated)	<u>553,294</u>	<u>6,163,160</u>	<u>13,027,720</u>
Net Position-Ending	<u>\$ 494,519</u>	<u>\$ 6,063,451</u>	<u>\$ 12,418,216</u>

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

Business-Type Activities

Total Non-major Funds	Total Proprietary Funds
\$ -	\$ 5,104,581
-	12,863,094
152,898	796,421
49,845	252,515
<u>202,743</u>	<u>19,016,611</u>
102,380	1,994,222
5,821	2,273,729
9,567	385,121
-	714,364
78,530	7,486,487
11,013	2,354,221
62,167	1,270,842
<u>269,478</u>	<u>16,478,986</u>
<u>(66,735)</u>	<u>2,537,625</u>
5,806	47,279
-	(26,261)
<u>5,806</u>	<u>21,018</u>
<u>(60,929)</u>	<u>2,558,643</u>
100,414	393,927
<u>(11,251)</u>	<u>(3,692,324)</u>
89,163	(3,298,397)
28,234	(739,754)
1,915,317	21,659,491
<u>\$ 1,943,551</u>	<u>\$ 20,919,737</u>

CITY OF LAMPASAS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business-Type Activities		
	Golf Course		Water/WW
	Fund	Electric Fund	Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers	\$ 643,523	\$ 13,039,780	\$ 5,147,481
Other Receipts	247	46,085	156,338
Payments To Suppliers And Service Providers	(242,949)	(3,923,145)	(3,820,658)
Payments To Employees For Salaries And Benefits	(406,998)	(727,444)	(827,896)
Net Cash Provided By (Used For) Operating Activities	(6,177)	8,435,276	655,265
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers From Other Funds	61,899	-	231,614
Transfers To Other Funds	-	(3,174,090)	(506,983)
Net Cash Provided By (Used For) Noncapital Financing	61,899	(3,174,090)	(275,369)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition And Construction Of Capital Assets	(7,773)	2	(159,361)
Principal Paid On Capital Debt	(49,366)	(20,000)	(65,081)
Interest Paid On Capital Debt	(3,987)	(1,760)	(20,514)
Receipts From Notes Receivable Issued	-	-	-
Net Cash Provided By (Used For) Capital And Related Financing Activities	(61,126)	(21,758)	(244,956)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases Of Investments	(2)	(8,012,712)	(567,946)
Interest On Investments	2	28,805	12,666
Net Cash Provided By Investing Activities	-	(7,983,907)	(555,280)
Net Increase (Decrease) In Cash And Cash Equivalents	(5,404)	(2,744,479)	(420,340)
Cash and Cash Equivalents-Beginning	44,829	3,145,593	1,341,847
Cash and Cash Equivalents-Ending	\$ 39,425	\$ 401,114	\$ 921,507
Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used For) Operating Activities:			
Operating Income (Loss)	\$ (116,689)	\$ 3,047,336	\$ (326,287)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities:			
Depreciation Expense	127,480	133,253	947,942
(Increase) Decrease In Accounts Receivable	-	176,686	42,900
(Increase) Decrease In Inventories	(5,145)	97,125	(28,872)
(Increase) Decrease In Prepaid Items	-	-	(18,750)
(Decrease) Increase In Accounts Payable	4,537	65,884	59,400
(Decrease) Increase In Other Current Liabilities	1,598	2,789	7,703
(Decrease) Increase In Intergovernmental Payable	-	(1,771)	-
(Decrease) Increase In Due To Other Funds	-	4,948,132	-
(Decrease) Increase In Deposits Payable	-	1,453	246
(Decrease) Increase In Compensated Absences	(596)	(5,228)	5,706
(Increase) Decrease In Deferred Outflow Of Resources - Pension	20,341	35,597	40,682
(Increase) Decrease In Deferred Outflow Of Resources - OPEB	1,883	3,296	3,768
(Increase) Decrease In Net Pension Obligation	(75,744)	(132,552)	(151,487)
(Increase) Decrease In Net OPEB Obligation	(17,800)	(31,149)	(35,598)
(Decrease) Increase In Deferred Inflow Of Resources - Pension	28,138	49,242	56,275
(Increase) Decrease In Deferred Outflow Of Resources - OPEB	25,820	45,183	51,637
Total Adjustments	110,512	5,387,940	981,552
Net Cash Provided By (Used For) Operating Activities	\$ (6,177)	\$ 8,435,276	\$ 655,265

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

Business-Type Activities

<u>Total Non- major Funds</u>	<u>Total Proprietary</u>
\$ 168,131	\$ 18,998,915
49,845	252,515
(117,378)	(8,104,130)
(109,442)	(2,071,780)
(8,844)	9,075,520
100,414	393,927
(11,251)	(3,692,324)
89,163	(3,298,397)
-	(167,132)
-	(134,447)
-	(26,261)
20,362	20,362
20,362	(307,478)
-	(8,580,660)
5,513	46,986
5,513	(8,533,674)
106,194	(3,064,029)
331,164	4,863,433
\$ 437,358	\$ 1,799,404
\$ (66,735)	\$ 2,537,625
62,167	1,270,842
15,233	234,819
(7,204)	55,904
-	(18,750)
(5,243)	124,578
578	12,668
-	(1,771)
-	4,948,132
-	1,699
(3,300)	(3,418)
5,085	101,705
470	9,417
(18,936)	(378,719)
(4,449)	(88,996)
7,035	140,690
6,455	129,095
57,891	6,537,895
\$ (8,844)	\$ 9,075,520

THIS PAGE LEFT BLANK INTENTIONALLY

NOTES TO THE FINANCIAL STATEMENTS

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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, 2022

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 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Fund, a major special revenue fund, is used to account for the receipt and disbursement of funds restricted for the purpose of this federal program.

The Capital Projects Fund - Certificates of Obligation, Series 2022 is used to account for the construction expenditures financed by the City's related debt issuance. This fund is budgeted on a project basis rather than annually.

The City reports the following major enterprise funds:

The Golf Course Fund accounts for the golf course charges for services provided to customers and related costs of operations to provide those services.

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.

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.

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 (other) 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 two non-major enterprise funds which are the G/F Economic Development Fund and the Aviation 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.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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.

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

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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.

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, 2022, expenditures exceeded appropriations in the General Fund in the Police, Parks, and Debt Service Functions by \$10,452, \$2,460, and \$15,969, respectively. In addition, expenditures exceeded appropriations in the Debt Service Fund by \$100,479.

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.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

3. Inventories and prepaid items

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

4. Capital assets

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

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

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

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

5. Deferred outflows/inflows of resources

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

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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.

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.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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, 2021, upon which the levy for the 2021-2022 fiscal year was based, was \$529,641,246. Taxes are delinquent if not paid by February 1st of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended September 30, 2022, to finance General Fund and Debt Service Fund operations were \$0.2723 and \$0.0647, respectively, for a total tax rate of \$0.3370 per \$100 valuation. The total tax levy for the General Fund and Debt Service Fund for the 2021-2022 fiscal year was \$1,784,891. Tax collections, including collections of prior year delinquent balances, for the year ended September 30, 2022, were 99% 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, 2022

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, 2022.

B. Deficit Fund Equity

For the year ended September 30, 2022 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, 2022, the government’s bank balance was \$9,814,898 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.

In addition, the City had investments in money market accounts, brokered sweep accounts and custody holdings.

As of September 30, 2022, 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	\$ 1,894,249	\$ -	\$ -	\$ -
Texstar Investment Pool	1,638,672	-	-	-
Money Market Accounts	248,555	-	-	-
Brokered Sweep Accounts	3,150,703	-	-	-
Custody Holdings	2,000,000	6,000,000	-	-
Total investments	<u>\$ 8,932,179</u>	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

Credit risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2022, the City's investments in TexPool and TexSTAR investment pools and were rated AAAM by Standard & Poor's and the City's investments in custody holdings were rated AAA by Moody'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	\$ 58,287	\$ 15,526	\$ 73,813
Accounts Receivable	256,919	49,145	306,064
Gross Receivables	315,206	64,671	379,877
Less: Allowance For Uncollectible			
Delinquent Taxes	(5,831)	(1,553)	(7,384)
Less: Allowance For Uncollectibles	(93,702)	-	(93,702)
Net Receivables	\$ 215,673	\$ 63,118	\$ 278,791

Proprietary Funds

	Electric	Water/ Wastewater	Nonmajor	Total
Receivables	Fund	Fund	Proprietary	Proprietary
	Fund	Fund	Funds	Funds
Accounts Receivable	\$ 1,050,992	\$ 351,711	\$ 5,341	\$ 1,408,044
Notes Receivable	-	-	197,705	197,705
Gross Receivables	1,050,992	351,711	203,046	1,605,749
Less: Allowance For Uncollectibles	(221,010)	(97,158)	-	(318,168)
Net Receivables	\$ 829,982	\$ 254,553	\$ 203,046	\$ 1,287,581

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

D. Capital Assets

Capital assets activity for the year ended September 30, 2022, was as follows:

Governmental Activities:	(Restated)				Balance 9/30/22
	Balance 10/1/21	Increases	Decreases	Adjustments	
Capital Assets, Not Being Depreciated:					
Land	\$ 1,187,931	\$ -	\$ -	\$ -	\$ 1,187,931
Construction In Progress	-	1,274,789	-	-	1,274,789
Total Capital Assets, Not Being Depreciated	<u>1,187,931</u>	<u>1,274,789</u>	<u>-</u>	<u>-</u>	<u>2,462,720</u>
Capital Assets, Being Depreciated:					
Buildings And Improvements	16,710,405	1,178,920	-	-	17,889,325
Machinery, Equipment, And Vehicles	5,356,411	188,696	(203,149)	-	5,341,958
Right To Use Leased Assets	72,640	-	-	-	72,640
Total Capital Assets, Being Depreciated	<u>22,139,456</u>	<u>1,367,616</u>	<u>(203,149)</u>	<u>-</u>	<u>23,303,923</u>
Less Accumulated Depreciation For:					
Buildings And Improvements	(7,845,036)	(662,806)	-	-	(8,507,842)
Machinery, Equipment, And Vehicles	(4,191,221)	(246,940)	203,149	-	(4,235,012)
Right To Use Leased Assets	(12,013)	(14,528)	-	-	(26,541)
Total Accumulated Depreciation	<u>(12,048,270)</u>	<u>(924,274)</u>	<u>203,149</u>	<u>-</u>	<u>(12,769,395)</u>
Total Capital Assets Being Depreciated, Net	<u>10,091,186</u>	<u>443,342</u>	<u>-</u>	<u>-</u>	<u>10,534,528</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,279,117</u>	<u>\$ 1,718,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,997,248</u>
Business-Type Activities:	(Restated)				Balance 9/30/22
	Balance 10/1/21	Increases	Decreases	Adjustments	
Capital Assets, Not Being Depreciated:					
Land	\$ 983,061	\$ -	\$ -	\$ -	\$ 983,061
Construction In Progress	145,000	120,669	-	(118,500)	147,169
Total Capital Assets, Not Being Depreciated	<u>1,128,061</u>	<u>120,669</u>	<u>-</u>	<u>(118,500)</u>	<u>1,130,230</u>
Capital Assets, Being Depreciated:					
Buildings And Improvements	6,195,569	7,773	-	118,500	6,321,842
Machinery, Equipment, And Vehicles	6,004,317	38,690	-	-	6,043,007
Infrastructure	27,494,881	-	-	-	27,494,881
Right To Use Leased Assets	522,382	-	-	-	522,382
Total Capital Assets, Being Depreciated	<u>40,217,149</u>	<u>46,463</u>	<u>-</u>	<u>118,500</u>	<u>40,382,112</u>
Less Accumulated Depreciation For:					
Buildings And Improvements	(3,458,687)	(156,630)	-	-	(3,615,317)
Machinery, Equipment, And Vehicles	(5,186,474)	(201,177)	-	-	(5,387,651)
Infrastructure	(15,904,529)	(780,726)	-	-	(16,685,255)
Right To Use Leased Assets	(98,658)	(132,309)	-	-	(230,967)
Total Accumulated Depreciation	<u>(24,648,348)</u>	<u>(1,270,842)</u>	<u>-</u>	<u>-</u>	<u>(25,919,190)</u>
Total Capital Assets Being Depreciated, Net	<u>15,568,801</u>	<u>(1,224,379)</u>	<u>-</u>	<u>118,500</u>	<u>14,462,922</u>
Business-Type Activities Capital Assets, Net	<u>\$ 16,696,862</u>	<u>\$ (1,103,710)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,593,152</u>

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

Governmental Activities:

General Government	\$	238,591
Public Safety		366,897
Highways And Streets		54,790
Sanitation		113,293
Health And Welfare		18,135
Culture And Recreation		132,568
Total Depreciation Expense - Governmental Activities	\$	924,274

E. Long-term Debt

Long-term debt obligations at September 30, 2022 consisted of the following:

Governmental Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/22
Bonds Payable					
Certificate Of Obligation, Series 2007	2007	\$ 6,000,000	4.19%	2031	\$ 2,195,000
Certificate Of Obligation, Series 2016	2016	5,355,000	2.0-4.0%	2036	5,240,000
General Obligation Refunding Bonds, Series 2019	2019	590,000	1.956%	2031	545,000
General Obligation Refunding Bonds, Series 2020	2020	2,200,000	1.413%	2036	2,065,000
Certificate Of Obligation, Series 2022	2022	6,425,000	3.0-5.0%	2042	6,425,000
Total Bonds Payable					\$ 16,470,000
Right to Use Leased Assets Payable:					
City Hall Copier					\$ 27,316
Library Copier					9,352
Police Department Copier					11,316
Court Copier					157
Total Right To Use Leased Assets Payable					\$ 48,141

Business-Type Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/22
General Obligation Bonds:					
General Obligation Refunding Bonds, Series 2019	2019	\$ 805,000	1.956%	2034	\$ 715,000
Total General Obligation Bonds					\$ 715,000
Right to Use Leased Assets Payable:					
Golf Course Fairway Mower					\$ 21,402
Golf Carts (Fleet)					117,519
Backhoe Loader					111,992
Excavator					101,212
Total Notes Payable					\$ 352,125

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

The following is a summary of changes in long-term liabilities for the year ended September 30, 2022:

Governmental Activities		(Restated)					
Description	Balance 10/1/21	Additions	Deletions	Adjustments	Balance 9/30/22	Due in One Year	
Bonds Payable							
Gen. Obligation Refunding Bonds	\$ 2,780,000	\$ -	\$ (170,000)	\$ -	\$ 2,610,000	\$ -	
Certificates Of Obligation	7,840,000	6,425,000	(405,000)	-	13,860,000	715,000	
Premium	587,694	253,576	(39,179)	-	802,091	-	
Total Bonds Payable	11,207,694	6,678,576	(614,179)	-	17,272,091	715,000	
Other Long-Term Debt							
RTU Leased Assets Payable	61,625	-	(13,484)	-	48,141	13,289	
Total Other Long-Term Debt	61,625	-	(13,484)	-	48,141	13,289	
Total Long-Term Liabilities	\$11,269,319	\$6,678,576	\$ (627,663)	\$ -	\$17,320,232	\$ 728,289	
Business-Type Activities		(Restated)					
Description	Balance 10/1/21	Additions	Deletions	Adjustments	Balance 9/30/22	Due in One Year	
Bonds Payable							
Gen. Obligation Refunding Bonds	\$ 765,000	\$ -	\$ (50,000)	\$ -	\$ 715,000	\$ 50,000	
Total Bonds Payable	765,000	-	(50,000)	-	715,000	50,000	
Other Long-Term Debt							
RTU Leased Assets Payable	436,572	-	(84,447)	-	352,125	88,510	
Total Other Long-Term Debt	436,572	-	(84,447)	-	352,125	88,510	
Total Long-Term Liabilities	\$ 1,201,572	\$ -	\$ (134,447)	\$ -	\$ 1,067,125	\$ 138,510	

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. During the year, the City issued \$6,425,000 Certificates of Obligation, Series 2022; for the purpose of funding improvements to the City's parks and public safety facilities as well as water/wastewater infrastructure.

The debt service requirements to maturity for the City's bonds payable as of September 30, 2022 are as follows:

Year Ended September 30,	Bonds Payable					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 715,000	\$ 620,757	\$ 1,335,757	\$ 50,000	\$ 13,496	\$ 63,496
2024	780,000	539,614	1,319,614	45,000	12,567	57,567
2025	810,000	512,287	1,322,287	45,000	11,687	56,687
2026	840,000	483,391	1,323,391	50,000	10,758	60,758
2027	925,000	452,973	1,377,973	30,000	9,976	39,976
2028-2032	5,000,000	1,758,457	6,758,457	285,000	37,213	322,213
2033-2037	4,825,000	871,562	5,696,562	210,000	4,109	214,109
2038-2042	2,575,000	263,950	2,838,950	-	-	-
Totals	\$ 16,470,000	\$ 5,502,991	\$ 21,972,991	\$ 715,000	\$ 99,806	\$ 814,806

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

The debt service requirement for right to use leased assets payable as of September 30, 2022 are as follows:

Year Ended September 30,	Right to Use Leased Assets Payable					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 13,289	\$ 1,890	\$ 15,179	\$ 88,510	\$ 7,799	\$ 96,309
2024	13,735	1,286	15,021	126,075	4,243	130,318
2025	14,368	653	15,021	40,774	2,182	42,956
2026	6,148	161	6,309	96,766	312	97,078
2027	601	5	606	-	-	-
Totals	\$ 48,141	\$ 3,995	\$ 52,136	\$ 352,125	\$ 14,536	\$ 366,661

F. Defined Benefit Pension Plan

Plan Description

The City participates as one of 892 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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees Or Beneficiaries Currently Receiving Benefits	69
Inactive Employees Entitled To But Not Yet Receiving Benefits	61
Active Employees	115
	245

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 15.54% and 15.75% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022 were \$963,340, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, 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, 2021 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
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2020	\$ 30,693,598	\$ 26,795,531	\$ 3,898,067
Changes For The Year:			
Service Cost	992,440	-	992,440
Interest	2,068,998	-	2,068,998
Change Of Benefit Terms	-	-	-
Difference Between Expected And Actual Experience	89,327	-	89,327
Changes Of Assumptions	-	-	-
Contributions - Employer	-	908,275	(908,275)
Contributions - Employee	-	409,133	(409,133)
Net Investment Income	-	3,496,012	(3,496,012)
Benefit Payments, Incl. Refunds Of Employee Contr.	(1,076,004)	(1,076,004)	-
Administrative Expense	-	(16,163)	16,163
Other Changes	-	111	(111)
Net changes	<u>2,074,761</u>	<u>3,721,364</u>	<u>(1,646,603)</u>
Balance At December 31, 2021	<u>\$ 32,768,359</u>	<u>\$ 30,516,895</u>	<u>\$ 2,251,464</u>

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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	\$ 7,291,440	\$ 2,251,464	\$ (1,844,036)

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.tmr.com.

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

For the year ended September 30, 2022, the city recognized pension expense of (\$592,707).

At September 30, 2022, 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	\$ 415,838	\$ 2,202,923
Differences Between Expected And Actual Economic Experience	217,173	90,904
Difference In Assumption Changes	24,322	-
Contributions Subsequent To The Measurement Date	703,477	-
Total	\$ 1,360,810	\$ 2,293,827

\$703,477 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, 2022. 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
2022	\$ (286,792)
2023	(678,238)
2024	(342,121)
2025	(329,343)
2026	-
Thereafter	-
Total	\$ (1,636,494)

CITY OF LAMPASAS, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

G. 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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefits	5
Inactive Employees Entitled To But Not Yet Receiving Benefits	-
Active Employees	107
	112
	112

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, 2021 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, 2022

Actuarial Assumptions

The Total OPEB Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5%-11.5% including inflation
Discount rate	1.84% as of December 31, 2021

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, 2020	\$ 4,040,334	\$ -	\$ 4,040,334
Changes For The Year:			
Service Cost	252,415	-	252,415
Interest	82,745	-	82,745
Change Of Benefit Terms	-	-	-
Difference Between Expected And Actual Experience	(736,786)	-	(736,786)
Changes Of Assumptions	62,426	-	62,426
Contributions - Employer	-	-	-
Contributions - Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments, Incl. Refunds Of Employee Contr.	(58,553)	-	(58,553)
Administrative Expense	-	-	-
Other Changes	-	-	-
Net changes	<u>(397,753)</u>	<u>-</u>	<u>(397,753)</u>
Balance At December 31, 2021	<u>\$ 3,642,581</u>	<u>\$ -</u>	<u>\$ 3,642,581</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 1.84%, 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 0.84% or one-percentage point higher 2.84% than the current rate:

	1% Decrease in Discount Rate 0.84%	Current Discount Rate Assumption 1.84%	1% Increase in Discount Rate 2.84%
City's Net OPEB Liability	\$ 4,055,925	\$ 3,642,581	\$ 3,269,498

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	\$ 3,126,648	\$ 3,642,581	\$ 4,271,291

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

For the year ended September 30, 2022, the city recognized OPEB expense of \$180,473.

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

At September 30, 2022, 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	\$ 2,161	\$ 1,094,844
Difference In Assumption Changes	541,808	92,034
Contributions Subsequent To The Measurement Date	50,166	-
Total	\$ 594,135	\$ 1,186,878

Deferred outflows of resources related to OPEB amounting to \$50,166 resulting from contributions subsequent to the measurement date were recognized as a reduction of the net OPEB liability for the year ended September 30, 2022. 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
2023	\$ (90,949)
2024	(90,949)
2025	(90,949)
2026	(90,949)
2027	(110,996)
Thereafter	(168,117)
Total	\$ (642,909)

H. 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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees Or Beneficiaries Currently Receiving Benefits	53
Inactive Employees Entitled To But Not Yet Receiving Benefits	12
Active Employees	115
Total	180

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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, 2022 and 2021 were \$15,849 and \$15,106 respectively, which equaled the required contributions each year.

Plan Assets

At the December 31, 2021 valuation and measurement date, there are no assets accumulated in trust.

Actuarial Assumptions

The Total OPEB Liability in the December 31, 2021 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	1.84% 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, 2020	\$ 464,046	\$ -	\$ 464,046
Changes For The Year:			
Service Cost	23,379	-	23,379
Interest	9,410	-	9,410
Change Of Benefit Terms	-	-	-
Difference Between Expected And Actual Exp.	(25,322)	-	(25,322)
Changes Of Assumptions	13,870	-	13,870
Contributions - Employer	-	-	-
Contributions - Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments, Incl. Refunds Of Emp. Contr.	(10,521)	-	(10,521)
Administrative Expense	-	-	-
Other Changes	-	-	-
Net Changes	10,816	-	10,816
Balance at December 31, 2021	\$ 474,862	\$ -	\$ 474,862

CITY OF LAMPASAS, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 1.84%, 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 0.84% or one-percentage point higher 2.84% than the current rate:

	1% Decrease in Discount Rate 0.84%	Current Discount Rate 1.84%	1% Increase in Discount Rate 2.84%
City's Net OPEB SDBF Liability	\$ 574,644	\$ 474,862	\$ 395,732

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

For the year ended September 30, 2022, the city recognized OPEB SDBF expense of \$34,802.

At September 30, 2022, 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	\$ -	\$ 43,112
Changes In Actuarial Assumptions	86,670	7,538
Contributions Subsequent To The Measurement Date	11,166	-
Total	\$ 97,836	\$ 50,650

Deferred outflows of resources related to OPEB SDBF amounting to \$11,166 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, 2022. 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	\$ 12,019
2022	8,136
2023	13,649
2024	4,238
2025	(1,886)
Thereafter	(136)
Total	\$ 36,020

I. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Permanent Fund	\$ 5,412
General Fund	Capital Projects Fund	1,730
Aviation Fund	Capital Projects Fund	6,094
Capital Projects Fund	Debt Service Fund	4,464
Capital Projects Fund	Electric Fund	4,948,132
Capital Projects Fund	Water/Wastewater Fund	452,143
		\$ 5,417,975

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

J. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2022 is as follows:

	Transfers In:					Total
	Governmental Funds		Enterprise Funds			
	General Fund	Nonmajor Gov. Funds	Golf Course Fund	Water/ WW Fund	Nonmajor Prop. Funds	
Transfers Out:						
General Fund	\$ -	\$ 107,090	\$ -	\$ -	\$ -	\$ 107,090
Nonmajor Gov. Funds	756	-	-	107,664	-	108,420
Electric Fund	2,924,217	13,817	61,899	123,950	50,207	3,174,090
Water/WW Fund	-	506,983	-	-	-	506,983
Nonmajor Prop. Funds	-	11,251	-	-	-	11,251
LEDC Component Unit	-	-	-	-	50,207	50,207
Total	\$ 2,924,973	\$ 639,141	\$ 61,899	\$ 231,614	\$ 100,414	\$ 3,958,041

K. Discretely Presented Component Unit

Lampasas Economic Development Corporation (the “Lampasas EDC”)

Capital assets activity for the Lampasas EDC for the year ended September 30, 2022 is as follows:

Component Unit

	Balance 10/1/21	Increases	Decreases	Balance 9/30/22
Capital assets, not being depreciated:				
Land	\$ 923,350	\$ -	\$ -	\$ 923,350
Construction in progress	-	1,744,663	-	1,744,663
Total capital assets, not being depreciated	923,350	1,744,663	-	2,668,013
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	(17,975)	-	-	(17,975)
Infrastructure	(153,901)	(28,079)	-	(181,980)
Total accumulated depreciation	(171,876)	(28,079)	-	(199,955)
Total capital assets being depreciated, net	648,365	(28,079)	-	620,286
Business-type activities capital assets, net	\$ 1,571,715	\$ 1,716,584	\$ -	\$ 3,288,299

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Details of long-term debt obligations outstanding for the Lampasas EDC at September 30, 2022 are as follows:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/22
Taxable Sales Tax Revenue Bonds, Series 2004	2004	\$ 1,100,000	4.95%	2019	\$ 248,081
Note Payable 2015	2015	1,345,000	3.35%	2030	809,800
Note Payable 2022	2022	1,500,000	3.20%	2042	1,500,000
Total					<u>\$ 2,557,881</u>

Long-term debt activity for the Lampasas EDC for the year ended September 30, 2022 was as follows:

Component Unit

Description	Balance 10/1/21	Additions	Deletions	Adjustments	Balance 9/30/22	Due in One Year
Bonds Payable						
Revenue Bonds	\$ 274,771	\$ -	\$ (26,690)	\$ -	\$ 248,081	\$ 28,062
Total Long-Term Liabilities	274,771	-	(26,690)	-	248,081	28,062
Other Long-Term Debt						
Notes Payable	843,168	1,500,000	(33,368)	-	2,309,800	88,885
Total Other Long-Term Debt	843,168	1,500,000	(33,368)	-	2,309,800	88,885
Total Long-Term Liabilities	\$ 1,117,939	\$ 1,500,000	\$ (60,058)	\$ -	\$ 2,557,881	\$ 116,947

During the year, the Lampasas EDC issued a \$1,500,000 note payable for the purpose of funding a new business park.

The debt service requirements to maturity for the Lampasas EDC's bonds and notes payable as of September 30, 2022 are as follows:

Year Ended	Component Unit					
	Bonds Payable			Notes Payable		
September 30,	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 28,062	\$ 11,938	\$ 40,000	\$ 88,885	\$ 75,435	\$ 164,320
2024	29,469	10,531	40,000	91,643	72,677	164,320
2025	30,946	9,054	40,000	94,899	69,421	164,320
2026	32,497	7,503	40,000	98,060	66,260	164,320
2027	34,124	5,876	40,000	101,327	62,993	164,320
2028-2032	92,983	7,015	99,998	559,247	262,344	821,591
2033-2037	-	-	-	659,052	162,539	821,591
2038-2042	-	-	-	616,687	50,470	667,157
Totals	<u>\$ 248,081</u>	<u>\$ 51,917</u>	<u>\$ 299,998</u>	<u>\$ 2,309,800</u>	<u>\$ 822,139</u>	<u>\$ 3,131,939</u>

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

L. 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.

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.

O. Restatement of Net Position

During the year, the City implemented Governmental Accounting Standards Board Statement No. 87 - Leases (GASB 87). The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

	Governmental Activities	Business-Type Activities	
		Golf Fund	Water/WW Fund
Net Position As Previously Stated At September 30, 2021	\$ 665,029	\$ 583,034	\$ 13,010,828
Effect Of Implementing GASB Statement No. 87	(998)	(29,740)	16,892
Net Position As Restated At September 30, 2021	<u>\$ 664,031</u>	<u>\$ 553,294</u>	<u>\$ 13,027,720</u>

THIS PAGE LEFT BLANK INTENTIONALLY

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAMPASAS, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Measurement Year		
	2014	2015	2016
A.			
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	<u>\$ 19,967,954</u>	<u>\$ 21,575,771</u>	<u>\$ 23,251,251</u>
B.			
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	<u>\$ 16,742,691</u>	<u>\$ 17,144,552</u>	<u>\$ 18,680,965</u>
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	2021
\$ 862,764	\$ 887,924	\$ 922,024	\$ 1,007,531	\$ 992,440
1,562,900	1,690,141	1,807,038	1,919,550	2,068,998
-	-	-	-	-
449,529	68,456	(289,963)	267,522	89,327
-	-	77,581	-	-
(1,057,114)	(948,346)	(915,159)	(870,031)	(1,076,004)
\$ 1,818,079	\$ 1,698,175	\$ 1,601,521	\$ 2,324,572	\$ 2,074,761
23,251,251	25,069,330	26,767,505	28,369,026	30,693,598
\$ 25,069,330	\$ 26,767,505	\$ 28,369,026	\$ 30,693,598	\$ 32,768,359
\$ 768,456	\$ 795,284	\$ 843,943	\$ 949,444	\$ 908,275
362,723	377,021	387,638	438,154	409,133
2,590,489	(639,323)	3,233,984	1,855,774	3,496,012
(1,057,114)	(948,346)	(915,159)	(870,031)	(1,076,004)
(13,418)	(12,349)	(18,260)	(12,002)	(16,163)
(680)	(645)	(548)	(468)	111
\$ 2,650,456	\$ (428,358)	\$ 3,531,598	\$ 2,360,871	\$ 3,721,364
18,680,964	21,331,420	20,903,062	24,434,660	26,795,531
\$ 21,331,420	\$ 20,903,062	\$ 24,434,660	\$ 26,795,531	\$ 30,516,895
\$ 3,737,910	\$ 5,864,443	\$ 3,934,366	\$ 3,898,067	\$ 2,251,464
85.09%	78.09%	86.13%	87.30%	93.13%
\$ 5,181,764	\$ 5,342,504	\$ 5,537,681	\$ 5,961,720	\$ 5,844,758
72.14%	109.77%	71.05%	65.38%	38.52%

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET PENSION LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Fiscal Year		
	2015	2016	2017
Actuarially Determined Contribution	\$ 704,715	\$ 748,756	\$ 775,929
Contributions In Relation To The Actuarially Determined Contribution	(704,715)	(748,756)	(775,929)
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	2022
\$ 783,943	\$ 834,497	\$ 869,070	\$ 914,513	\$ 963,340
(783,943)	(834,497)	(869,070)	(914,513)	(963,340)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 5,288,893	\$ 5,512,650	\$ 5,616,100	\$ 5,883,797	\$ 6,138,739
14.82%	15.14%	-15.47%	-15.54%	-15.69%

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
 NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET PENSION LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

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	24 Years (longest amortization ladder)
Asset valuation method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
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, 2022

	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	\$ 3,605,544	\$ 3,662,728	\$ 3,489,249
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	2021		
\$ 211,879	\$ 252,415		
98,043	82,745		
-	-		
(11,029)	(736,786)		
312,167	62,426		
(59,975)	(58,553)		
\$ 551,085	\$ (397,753)		
3,489,249	4,040,334		
\$ 4,040,334	\$ 3,642,581		
\$ 5,911,094	\$ 5,844,758		
68.35%	62.32%		

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	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	2022
\$ 38,088	\$ 48,270
(38,088)	(48,270)
<u>\$ -</u>	<u>\$ -</u>
\$ 5,883,797	\$ 6,138,739
0.65%	0.79%

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
 NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

Valuation Date: December 31, 2021

Methods and Assumptions:

Actuarial Cost Method Individual Entry-Age

Discount Rate 1.84% as of December 31, 2021

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 13 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 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021.

CITY OF LAMPASAS, TEXAS
SCHEDULE OF CHANGES IN NET OPEB-SDBF LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Measurement Year		
	2017	2018	2019
A. Total OPEB-SDBF 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	\$ 332,550	\$ 317,653	\$ 397,346
 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	2021
\$ 20,866	\$ 23,379
11,165	9,410
-	-
(21,021)	(25,322)
59,267	13,870
(3,577)	(10,521)
\$ 66,700	\$ 10,816
397,346	464,046
\$ 464,046	\$ 474,862
\$ 5,961,720	\$ 5,844,758
7.78%	8.12%

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB-SDBF LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Fiscal Year		
	2018	2019	2020
Actuarially Determined Contribution	\$ 9,649	\$ 10,340	\$ 11,096
Contributions In Relation To The Actuarially Determined Contribut:	(9,649)	(10,340)	(11,096)
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	2022
\$ 15,106	\$ 15,849
<u>(15,106)</u>	<u>(15,849)</u>
\$ -	\$ -
\$ 5,883,797	\$ 5,844,758
0.26%	0.27%

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
 NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
 NET OPEB-SDBF LIABILITY
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

Summary of Actuarial Assumptions :

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount Rate*	1.84%
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, 2021.*

Note: The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

THIS PAGE LEFT BLANK INTENTIONALLY

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.

CDBG Grant Fund – to account for the receipt and disbursement of funds restricted for the purpose of this federal program.

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.

THIS PAGE LEFT BLANK INTENTIONALLY

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.

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.

Certificates of Obligation Series 2016 Fund – to account for the receipt and disbursement of funds received for improvements related to the various projects assigned to this fund.

CITY OF LAMPASAS, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

	Special Revenue Funds		
	Tracy Guthrie Memorial Fund	Police Seizures Fund	Municipal Court Technology Fund
ASSETS			
Cash And Cash Equivalents	\$ 99,626	\$ 23,708	\$ 14,405
Investments - Current	-	-	-
Taxes Receivable - Delinquent	-	-	-
Allowance For Uncoll. Taxes	-	-	-
Accounts Receivable	-	-	-
Due From Other Funds	-	-	-
Total Assets	\$ 99,626	\$ 23,708	\$ 14,405
LIABILITIES			
Accounts Payable	\$ -	\$ 839	\$ 38
Compensated Absences Payable	-	-	-
Due To Other Funds	-	-	-
Other Current Liabilities	-	1,216	-
Total Liabilities	-	2,055	38
DEF. INFLOWS OF RESOURCES			
Deferred Inflows - Unavailable Revenues	-	-	-
Total Deferred Inflows Of Resources	-	-	-
FUND BALANCES (DEFICITS)			
Nonspendable:			
Endowments	-	-	-
Restricted For:			
Debt Service	-	-	-
Capital Projects	-	-	-
Other Specific Purposes	99,626	21,653	14,367
Total Fund Balances	99,626	21,653	14,367
Total Liabilities, Deferred Inflows, And Fund Balances	\$ 99,626	\$ 23,708	\$ 14,405

Special Revenue Funds					
Library Board Fund	Court Security Fund	Hotel/Motel Tax Fund	Employee Benefit Accrual Fund	CDBG Grant Fund	
\$ 8,261	\$ 16,617	\$ 355,357	\$ 6,884	\$	97
-	-	1,017,083	-	-	-
-	-	-	-	-	-
-	-	17,810	-	-	31,335
-	-	-	-	-	-
<u>\$ 8,261</u>	<u>\$ 16,617</u>	<u>\$ 1,390,250</u>	<u>\$ 6,884</u>	<u>\$</u>	<u>31,432</u>
-	-	67,157	-	-	31,335
-	-	-	-	-	-
-	-	-	-	-	-
-	-	67,157	-	-	31,335
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,261	16,617	1,323,093	6,884	-	97
<u>8,261</u>	<u>16,617</u>	<u>1,323,093</u>	<u>6,884</u>	<u>-</u>	<u>97</u>
<u>\$ 8,261</u>	<u>\$ 16,617</u>	<u>\$ 1,390,250</u>	<u>\$ 6,884</u>	<u>\$</u>	<u>31,432</u>

CITY OF LAMPASAS, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

	Special Revenue Fund	Permanent Fund	Debt Service Fund
	Animal Shelter Fund	Cemetery Fund	Debt Service Fund
ASSETS			
Cash And Cash Equivalents	\$ 76,054	\$ 72,911	\$ 140,022
Investments - Current	-	108,190	150,508
Taxes Receivable - Delinquent	-	-	15,526
Allowance For Uncoll. Taxes	-	-	(1,553)
Accounts Receivable	-	-	-
Due From Other Funds	-	-	-
Total Assets	\$ 76,054	\$ 181,101	\$ 304,503
LIABILITIES			
Accounts Payable	\$ 8,363	\$ -	\$ -
Compensated Absences Payable	4,948	-	-
Due To Other Funds	-	5,413	4,463
Other Current Liabilities	-	-	-
Total Liabilities	13,311	5,413	4,463
DEF. INFLOWS OF RESOURCES			
Deferred Inflows - Unavailable Revenues	-	-	13,973
Total Deferred Inflows Of Resources	-	-	13,973
FUND BALANCES (DEFICITS)			
Nonspendable:			
Endowments	-	175,688	-
Restricted For:			
Debt Service	-	-	286,067
Capital Projects	-	-	-
Other Specific Purposes	62,743	-	-
Total Fund Balances	62,743	175,688	286,067
Total Liabilities, Deferred Inflows, And Fund Balances	\$ 76,054	\$ 181,101	\$ 304,503

Capital Projects Funds					Total
Key Avenue Fund	Airport Hangar Fund	Cert. of Obligation Series 2016			Non-Major Governmental Funds
\$ -	\$ 8,647	\$ -	\$ -	\$ -	822,589
-	-	-	102,767	-	1,378,548
-	-	-	-	-	15,526
-	-	-	-	-	(1,553)
-	-	-	-	-	49,145
-	-	452,143	-	-	452,143
<u>\$ -</u>	<u>\$ 8,647</u>	<u>\$ 554,910</u>			<u>\$ 2,716,398</u>
\$ -	\$ -	\$ -	\$ -	\$ -	107,732
-	-	-	-	-	4,948
-	6,094	-	1,730	-	17,700
-	-	-	-	-	1,216
-	6,094	-	1,730	-	131,596
-	-	-	-	-	13,973
-	-	-	-	-	13,973
-	-	-	-	-	175,688
-	-	-	-	-	286,067
-	2,553	-	553,180	-	555,733
-	-	-	-	-	1,553,341
-	2,553	-	553,180	-	2,570,829
<u>\$ -</u>	<u>\$ 8,647</u>	<u>\$ 554,910</u>			<u>\$ 2,716,398</u>

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	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	-	-	3,632
Investment Earnings	711	176	85
Grants And Contributions	35,000	-	-
Miscellaneous Revenue	-	25,414	-
Total Revenues	35,711	25,590	3,717
EXPENDITURES			
Current:			
General Government	-	-	1,627
Public Safety			
Police	-	16,329	-
Highways And Streets	-	-	-
Culture And Recreation			
Libraries	-	-	-
Economic Development And Assistance	-	-	-
Debt Service:			
Bond Principal	-	-	-
Interest - Bonds	-	-	-
Issuance Costs	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	16,329	1,627
Excess (Deficiency) Of Revenues			
Over Expenditures	35,711	9,261	2,090
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change In Fund Balance	35,711	9,261	2,090
Fund Balance - Beginning	63,915	12,392	12,277
Fund Balance - Ending	\$ 99,626	\$ 21,653	\$ 14,367

Special Revenue Funds					
Library Board Fund	Court Security Fund	Hotel/Motel Tax Fund	Employee Benefit Accrual Fund	CDBG Grant Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	223,651	-	-	-
-	-	-	-	-	-
5,097	-	1	-	-	-
-	4,140	-	-	-	-
-	113	3,360	50	-	97
5,007	-	-	-	-	281,185
171	-	-	-	-	-
10,275	4,253	227,012	50	-	281,282
-	-	-	-	-	-
-	-	-	-	-	7,000
-	-	-	-	-	-
8,569	-	-	-	-	-
-	-	162,195	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	298,540	-	-	274,185
8,569	-	460,735	-	-	281,185
1,706	4,253	(233,723)	50	-	97
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,706	4,253	(233,723)	50	-	97
6,555	12,364	1,556,816	6,834	-	-
\$ 8,261	\$ 16,617	\$ 1,323,093	\$ 6,884	\$ 97	\$ 97

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Fund	Permanent Fund	Debt Service Fund
	<u>Animal Shelter Fund</u>	<u>Cemetery Fund</u>	<u>Debt Service Fund</u>
REVENUES			
Property Taxes	\$ -	\$ -	\$ 348,004
Hotel/Motel Taxes	-	-	-
Intergovernmental Revenues	107,090	-	-
Charges For Services	5,801	-	-
Fines	-	-	-
Investment Earnings	-	1,731	2,998
Grants And Contributions	-	-	-
Miscellaneous Revenue	13,007	-	-
Total Revenues	<u>125,898</u>	<u>1,731</u>	<u>351,002</u>
EXPENDITURES			
Current:			
General Government	217,844	-	-
Public Safety			
Police	-	-	-
Highways And Streets	-	-	-
Culture And Recreation			
Libraries	-	-	-
Economic Development And Assistance	-	-	-
Debt Service:			
Bond Principal	-	-	575,000
Interest - Bonds	-	-	338,731
Issuance Costs	-	-	400
Capital Outlay	-	-	-
Total Expenditures	<u>217,844</u>	<u>-</u>	<u>914,131</u>
Excess (Deficiency) Of Revenues			
Over Expenditures	<u>(91,946)</u>	<u>1,731</u>	<u>(563,129)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	107,090	-	532,051
Transfers Out	-	(756)	-
Total Other Financing Sources (Uses)	<u>107,090</u>	<u>(756)</u>	<u>532,051</u>
Net Change In Fund Balance	15,144	975	(31,078)
Fund Balance - Beginning	47,599	174,713	317,145
Fund Balance - Ending	<u>\$ 62,743</u>	<u>\$ 175,688</u>	<u>\$ 286,067</u>

Capital Project Funds				Total Non-Major Governmental Funds
Key Avenue Fund	Airport Hangar Fund	Cert. of Obligation Series 2016		
\$ -	\$ -	\$ -	\$	348,004
-	-	-	-	223,651
-	-	-	-	107,090
-	-	-	-	10,899
-	-	-	-	7,772
786	63	860		11,030
-	-	-	-	321,192
-	-	-	-	38,592
786	63	860		1,068,230
-	-	-	-	219,471
-	-	-	-	16,329
-	-	-	-	7,000
-	-	-	-	8,569
-	-	-	-	162,195
-	-	-	-	575,000
-	-	-	-	338,731
-	-	-	-	400
-	-	42,859		615,584
-	-	42,859		1,943,279
786	63	(41,999)		(875,049)
-	-	-	-	639,141
(107,664)	-	-	-	(108,420)
(107,664)	-	-	-	530,721
(106,878)	63	(41,999)		(344,328)
106,878	2,490	595,179		2,915,157
\$ -	\$ 2,553	\$ 553,180	\$	2,570,829

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 SEPTEMBER 30, 2022

	Non-Major Enterprise Funds		Total Non-Major Enterprise Funds
	G/F Economic Development Fund	Aviation Fund	
ASSETS			
Current Assets:			
Cash And Cash Equivalents	\$ 130,295	\$ 307,063	\$ 437,358
Investments - Current	2,549	39,335	41,884
Accounts Receivable, Net	-	5,341	5,341
Notes Receivable	197,705	-	197,705
Due From Other Funds	-	6,094	6,094
Inventories	-	14,367	14,367
Total Current Assets	<u>330,549</u>	<u>372,200</u>	<u>702,749</u>
Noncurrent Assets:			
Land	373,962	141,291	515,253
Buildings	-	1,891,212	1,891,212
Furnishings And Equipment	-	58,586	58,586
Accumulated Depreciation	-	(1,103,641)	(1,103,641)
Total Noncurrent Assets	<u>373,962</u>	<u>987,448</u>	<u>1,361,410</u>
Total Assets	<u>704,511</u>	<u>1,359,648</u>	<u>2,064,159</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension	21,217	-	21,217
Deferred Outflows - OPEB	9,548	-	9,548
Total Deferred Outflows Of Resources	<u>30,765</u>	<u>-</u>	<u>30,765</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,429	2,701	4,130
Accrued Payroll Liabilities	3,413	-	3,413
Total Current Liabilities	<u>4,842</u>	<u>2,701</u>	<u>7,543</u>
Noncurrent Liabilities:			
Net Pension Obligation	39,633	-	39,633
Other Post-Employment Benefits	53,968	-	53,968
OPEB - Supplemental Death Benefits	5,461	-	5,461
Total Noncurrent Liabilities	<u>99,062</u>	<u>-</u>	<u>99,062</u>
Total Liabilities	<u>103,904</u>	<u>2,701</u>	<u>106,605</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pension	29,006	-	29,006
Deferred Inflows - OPEB	15,762	-	15,762
Total Deferred Inflows Of Resources	<u>44,768</u>	<u>-</u>	<u>44,768</u>
NET POSITION			
Net Investment In Capital Assets	373,962	987,448	1,361,410
Unrestricted	212,642	369,499	582,141
Total Net Position	<u>\$ 586,604</u>	<u>\$ 1,356,947</u>	<u>\$ 1,943,551</u>

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Non-Major Enterprise Funds</u>		Total
	G/F Economic Development Fund	Aviation Fund	Non-Major Enterprise Funds
Operating Revenues:			
Other Charges For Services	\$ -	\$ 152,898	\$ 152,898
Miscellaneous Revenue	-	49,845	49,845
Total Operating Revenues	<u>-</u>	<u>202,743</u>	<u>202,743</u>
Operating Expenses:			
Personnel Services	102,380	-	102,380
Purchased Professional And Technical Services	812	5,009	5,821
Purchased Property Services	-	9,567	9,567
Materials And Supplies	-	78,530	78,530
Other Operating Expenses	-	11,013	11,013
Depreciation	-	62,167	62,167
Total Operating Expenses	<u>103,192</u>	<u>166,286</u>	<u>269,478</u>
Operating Income (Loss)	<u>(103,192)</u>	<u>36,457</u>	<u>(66,735)</u>
Nonoperating Revenues (Expenses)			
Investment Earnings	3,389	2,417	5,806
Total Nonoperating Revenues (Expenses)	<u>3,389</u>	<u>2,417</u>	<u>5,806</u>
Income Before Transfers In (Out)	<u>(99,803)</u>	<u>38,874</u>	<u>(60,929)</u>
Transfers In	100,414	-	100,414
Transfers Out	-	(11,251)	(11,251)
Total Transfers In (Out)	<u>100,414</u>	<u>(11,251)</u>	<u>89,163</u>
Change In Net Position	611	27,623	28,234
Net Position-Beginning	585,993	1,329,324	1,915,317
Net Position-Ending	<u>\$ 586,604</u>	<u>\$ 1,356,947</u>	<u>\$ 1,943,551</u>

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Non-Major Enterprise Funds</u>		Total
	G/F Economic Development Fund	Aviation Fund	Non-Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers	\$ -	\$ 168,131	\$ 168,131
Other Receipts	-	49,845	49,845
Payments To Suppliers And Service Providers	(691)	(116,687)	(117,378)
Payments To Employees For Salaries And Benefits	(109,442)	-	(109,442)
Net Cash Provided By (Used For) Operating Activities	<u>(110,133)</u>	<u>101,289</u>	<u>(8,844)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers From Other Funds	100,414	-	100,414
Transfers To Other Funds	-	(11,251)	(11,251)
Net Cash Provided By (Used For) Noncapital Financing Activities	<u>100,414</u>	<u>(11,251)</u>	<u>89,163</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Receipts From Notes Receivable Issued	20,362	-	20,362
Net Cash Provided By (Used For) Capital And Related Financing Activities	<u>20,362</u>	<u>-</u>	<u>20,362</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest On Investments	3,371	2,142	5,513
Net Cash Provided By Investing Activities	<u>3,371</u>	<u>2,142</u>	<u>5,513</u>
Net Increase (Decrease) In Cash And Cash Equivalents	14,014	92,180	106,194
Cash and Cash Equivalents-Beginning	116,281	214,883	331,164
Cash and Cash Equivalents-Ending	<u>\$ 130,295</u>	<u>\$ 307,063</u>	<u>\$ 437,358</u>
Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used For) Operating Activities:			
Operating Income (Loss)	\$ (103,192)	\$ 36,457	\$ (66,735)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities:			
Depreciation Expense	-	62,167	62,167
(Increase) Decrease In Accounts Receivable	-	15,233	15,233
(Increase) Decrease In Inventories	-	(7,204)	(7,204)
(Decrease) Increase In Accounts Payable	121	(5,364)	(5,243)
(Decrease) Increase In Accrued Liabilities	578	-	578
(Decrease) Increase In Compensated Absences	(3,300)	-	(3,300)
(Increase) Decrease In Deferred Outflow Of Resources - Pension	5,085	-	5,085
(Increase) Decrease In Deferred Outflow Of Resources - OPEB	470	-	470
(Increase) Decrease In Net Pension Obligation	(18,936)	-	(18,936)
(Increase) Decrease In Net OPEB Obligation	(4,449)	-	(4,449)
(Decrease) Increase In Deferred Inflow Of Resources - Pension	7,035	-	7,035
(Decrease) Increase In Deferred Inflow Of Resources - OPEB	6,455	-	6,455
Total Adjustments	<u>(6,941)</u>	<u>64,832</u>	<u>57,891</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (110,133)</u>	<u>\$ 101,289</u>	<u>\$ (8,844)</u>

THIS PAGE LEFT BLANK INTENTIONALLY

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, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 291,141	\$ 291,141	\$ 348,004	\$ 56,863
Investment Earnings	600	600	2,998	2,398
Total Revenues	<u>291,741</u>	<u>291,741</u>	<u>351,002</u>	<u>59,261</u>
EXPENDITURES				
Current:				
Debt Service				
Bond Principal	490,000	490,000	575,000	(85,000)
Interest - Bonds	323,152	323,152	338,731	(15,579)
Other Debt Service Costs	500	500	400	100
Total Expenditures	<u>813,652</u>	<u>813,652</u>	<u>914,131</u>	<u>(100,479)</u>
Excess (Deficiency) Of Revenues				
Over Expenditures	<u>(521,911)</u>	<u>(521,911)</u>	<u>(563,129)</u>	<u>(41,218)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	532,012	532,012	532,051	39
Total Other Financing Sources (Uses)	<u>532,012</u>	<u>532,012</u>	<u>532,051</u>	<u>39</u>
Net Change In Fund Balances	10,101	10,101	(31,078)	(41,179)
Fund Balance - Beginning	317,145	317,145	317,145	-
Fund Balance - Ending	<u>\$ 327,246</u>	<u>\$ 327,246</u>	<u>\$ 286,067</u>	<u>\$ (41,179)</u>

THIS PAGE LEFT BLANK INTENTIONALLY

OTHER SUPPLEMENTARY INFORMATION SECTION

THIS PAGE LEFT BLANK INTENTIONALLY



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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Lampasas, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise City of Lampasas, Texas's basic financial statements and have issued our report thereon dated March 10, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Lampasas, Texas's internal control over financial reporting (internal control) as a basis for designing 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 City of Lampasas, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a 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 a 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

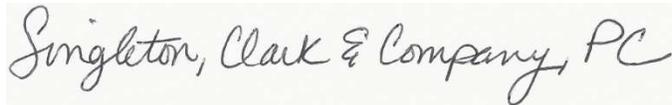
THIS PAGE LEFT BLANK INTENTIONALLY

City of Lampasas, Texas's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Lampasas, Texas's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Lampasas, Texas's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 cursive script that reads "Singleton, Clark & Company, PC". The signature is written in black ink on a light-colored background.

Singleton, Clark & Company, PC
Cedar Park, Texas

March 10, 2023

THIS PAGE LEFT BLANK INTENTIONALLY



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Lampasas, Texas's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Lampasas, Texas's major federal programs for the year ended September 30, 2022. City of Lampasas, Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Lampasas, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Lampasas, Texas and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Lampasas, Texas's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Lampasas, Texas's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Lampasas, Texas's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Lampasas, Texas's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Lampasas, Texas's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Lampasas, Texas's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Lampasas, Texas's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by *Uniform Guidance*

We have audited the financial statements of City of Lampasas, Texas as of and for the year ended September 30, 2022, and have issued our report thereon dated March 10, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Singleton, Clark & Company, PC

Singleton, Clark & Company, PC
Cedar Park, Texas

March 10, 2023

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal ALN Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<u>Passed through Texas Department of Agriculture</u>			
Community Development Block Grant (CDBG)	14.228	B-20-DC-48-0001	\$ 281,185
Total Passed through Texas Department of Agriculture			<u>281,185</u>
TOTAL US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>281,185</u>
U.S. DEPARTMENT OF JUSTICE			
<u>Direct Award</u>			
Bulletproof Vest Partnership Program	16.607	N/A	2,530
TOTAL US DEPARTMENT OF JUSTICE			<u>2,530</u>
U.S. DEPARTMENT OF THE TREASURY			
<u>Passed through Texas Department of Emergency Management</u>			
COVID-19, Coronavirus State and Local Fiscal Recovery Funds	21.027	1505-0271	896,651
Total Passed through Texas Department of Emergency Management			<u>896,651</u>
TOTAL US DEPARTMENT OF THE TREASURY			<u>896,651</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES			
<u>Passed through Texas State Library and Archives Commission</u>			
Interlibrary Loan Lending Reimbursement Program	45.310	LS-249990-OLS-21	736
Total Passed through Texas State Library and Archives Commission			<u>736</u>
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			<u>736</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,181,102</u>

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal awards expenditures of City of Lampasas, Texas (the “City”) under programs of the federal government for the year ended September 30, 2022. The information in the accompanying Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, change in net position, or cash flows of the City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The expenditures reported on the Schedule are presented using the modified-accrual basis of accounting. Under the modified-accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

Relationship to Basic Financial Statements - Expenditures of federal awards are reported in the City’s basic financial statements in the special revenue funds.

Relationship to Federal Financial Reports - Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports in all significant respects.

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

FEDERAL AWARDS

Internal control over major programs:

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

Type of auditor’s report issued on compliance for major programs:

Coronavirus State and Local Fiscal Recovery Funds	Unmodified
---------------------------------------------------	------------

Any audit findings disclosed that are required to be reported in accordance with the federal Uniform Guidance? Yes No

Identification of major programs:

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF LAMPASAS, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

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

2022-001 Excess Expenditures Over Appropriations (Budgetary Compliance)

Criteria: Each year the City Council adopts legal appropriations budgets for the General Fund and the Debt Service Fund. These functional-level appropriations are considered expenditure limits set by law.

Condition Found: For the year ended September 30, 2022, expenditures exceeded appropriations in the Debt Service Fund by \$100,479.

Cause: The City issued Series 2020 Refunding Bonds in fiscal year 2021 which refunded bonds that were previously secured by and payable from proprietary fund revenues. In fiscal year 2022, the first principal payment was paid on the Series 2020 bonds and recorded in the City’s Water / Wastewater Fund as the refunded bonds had been previously. However, the Series 2020 bonds were issued in the City’s Debt Service Fund as they were secured by and payable from the levy and collection of a continuing direct annual ad valorem tax levied by the City. Therefore an audit adjustment was required to reclassify the current year’s payment on the refunding bonds from the Water / Wastewater Fund to the Debt Service Fund which caused a budgetary overage for the year ended September 30, 2022.

Effect: The effect of this condition is technical noncompliance with the legally adopted budget.

Recommendation: We recommend the City more closely monitor expenditures in relation to the Council-approved budget and amend the budget as necessary.

Contact Person: Yvonne Moreno, Director of Finance

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

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:

No findings or questioned costs required to be reported in accordance with federal Uniform Guidance for the years ended September 30, 2022 and September 30, 2021.

THIS PAGE LEFT BLANK INTENTIONALLY



312 EAST THIRD STREET
LAMPASAS, TEXAS • 76550-2820
PHONE: (512) 556-6831
FAX: (512) 556-8083
WWW.CITYOFLAMPASAS.COM

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2022

2022-001 Excess Expenditures Over Appropriations (Budgetary Compliance)

Corrective Action Planned:

The City's management will review expenditures in relation to classification more thoroughly to ensure the related budget appropriations are accurate going forward.

Anticipated Completion Date: September 30, 2023

Contact Person(s): Yvonne Moreno, Director of Finance

THIS PAGE LEFT BLANK INTENTIONALLY

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	126-135
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	137-143
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	144-149
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			
	2013	2014	2015	2016
Governmental Activities				
Invested in Capital Assets,				
Net of Related Debt	\$ 1,950,175	\$ 2,418,796	\$ 3,180,867	\$ 3,706,170
Restricted	2,914,531	2,369,001	2,833,708	2,325,877
Unrestricted	3,041,824	2,986,307	(1,806,130)	(1,440,083)
Total Governmental Activities Net Position	<u>\$ 7,906,530</u>	<u>\$ 7,774,104</u>	<u>\$ 4,208,445</u>	<u>\$ 4,591,964</u>
Business-type Activities				
Invested in Capital Assets,				
Net of Related Debt	\$ 10,564,759	\$ 12,288,611	\$ 13,025,534	\$12,759,887
Restricted	4,486,820	4,490,449	2,867,877	2,726,401
Unrestricted	5,425,742	4,141,523	3,393,861	3,670,864
Total Business-type Activities Net Position	<u>\$ 20,477,321</u>	<u>\$ 20,920,583</u>	<u>\$ 19,287,272</u>	<u>\$19,157,152</u>
Primary Government				
Invested in Capital Assets,				
Net of Related Debt	\$ 12,514,934	\$ 14,707,407	\$ 16,206,401	\$16,466,057
Restricted	7,401,351	6,859,450	5,701,585	5,052,278
Unrestricted	8,467,566	7,127,830	1,587,731	2,230,781
Total Primary Government Net Position	<u>\$ 28,383,851</u>	<u>\$ 28,694,687</u>	<u>\$ 23,495,717</u>	<u>\$23,749,116</u>

TABLE 1

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 3,500,963	\$ 2,179,077	\$ 1,717,386	\$ 1,247,698	\$ 9,798	\$ 2,217,502
2,375,022	2,263,448	2,410,140	3,047,630	2,755,941	2,414,875
(1,715,766)	(2,362,825)	(2,837,858)	(2,370,595)	(2,101,708)	(1,754,391)
<u>\$ 4,160,219</u>	<u>\$ 2,079,700</u>	<u>\$ 1,289,668</u>	<u>\$ 1,924,733</u>	<u>\$ 664,031</u>	<u>\$ 2,877,986</u>
\$ 12,947,023	\$ 14,080,058	\$ 14,436,658	\$ 13,799,461	\$ 15,495,290	\$ 14,526,027
2,507,667	2,534,131	2,686,288	2,726,401	2,726,401	2,726,401
3,528,888	3,799,634	3,790,676	5,079,925	3,437,800	3,667,309
<u>\$ 18,983,578</u>	<u>\$ 20,413,823</u>	<u>\$ 20,913,622</u>	<u>\$ 21,605,787</u>	<u>\$ 21,659,491</u>	<u>\$ 20,919,737</u>
\$ 16,447,986	\$ 16,259,135	\$ 16,154,044	\$ 15,047,159	\$ 15,505,088	\$ 16,743,529
4,882,689	4,797,579	5,096,428	5,774,031	5,482,342	5,141,276
1,813,122	1,436,809	952,818	2,709,330	1,336,092	1,912,918
<u>\$ 23,143,797</u>	<u>\$ 22,493,523</u>	<u>\$ 22,203,290</u>	<u>\$ 23,530,520</u>	<u>\$ 22,323,522</u>	<u>\$ 23,797,723</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			
	2013	2014	2015	2016
Expenses				
Governmental Activities:				
General Government	\$ 2,022,456	\$ 2,223,490	\$ 2,291,288	\$ 2,696,527
Public Safety	2,955,907	3,186,403	3,407,906	3,493,501
Highways and Streets	671,618	699,633	660,402	620,679
Sanitation	1,051,846	1,058,171	1,126,129	1,195,220
Health and Welfare	118,503	128,549	139,303	133,720
Economic development and assistance	44,954	48,646	56,512	92,752
Culture and Recreation	964,600	1,008,322	1,133,436	1,067,490
Interest on Long-Term Debt	279,734	268,213	255,130	241,563
Total Gov. Activities Expenses	8,109,618	8,621,427	9,070,106	9,541,452
Business-type Activities				
Water/Wastewater	3,783,437	4,269,573	4,443,566	4,651,178
Electric Fund	8,500,187	9,193,037	9,649,508	8,258,476
Golf Course Fund	-	-	-	-
Other Nonmajor Enterprise Funds	732,341	808,386	927,302	872,931
Total Business-type Act. Expenses	13,015,965	14,270,996	15,020,376	13,782,585
Total Primary Gov. Expenses	\$ 21,125,583	\$ 22,892,423	\$ 24,090,482	\$ 23,324,037
Program Revenues				
Governmental Activities:				
General Government:				
Charges for Service	\$ 2,285,216	\$ 1,395,338	\$ 1,548,820	\$ 1,582,065
Grants and Contributions	502,432	641,953	344,801	137,834
Total Gov. Activities Program Revenues	2,787,648	2,037,291	1,893,621	1,719,899
Business-type Activities:				
Program Revenue:				
Charges for Services:	14,773,779	15,160,953	15,900,317	15,854,405
Operating Grants & Contributions	-	-	-	-
Total Business-type Act. Prog. Revenues	14,773,779	15,160,953	15,900,317	15,854,405
Total Primary Gov. Prog. Revenues	\$ 17,561,427	\$ 17,198,244	\$ 17,793,938	\$ 17,574,304
Net (Expense)/Revenue				
Governmental Activities	(5,321,970)	(6,584,136)	(7,176,485)	(7,821,553)
Business-type Activities	1,757,814	889,957	879,941	2,071,820
Total Primary Government Net Expense	\$ (3,564,156)	\$ (5,694,179)	\$ (6,296,544)	\$ (5,749,733)

TABLE 2

	2017	2018	2019	2020	2021	2022
\$	2,718,288	\$ 3,091,738	\$ 3,311,913	\$ 2,834,371	\$ 2,996,573	\$ 2,843,581
	3,895,816	4,055,064	4,286,779	4,209,622	4,456,054	4,271,681
	840,382	659,773	725,560	724,613	782,181	672,130
	1,170,846	1,181,898	1,204,509	1,227,845	1,281,536	1,389,801
	153,870	163,533	193,716	197,523	205,096	222,463
	52,356	127,687	103,002	95,939	121,909	176,590
	1,087,984	1,020,517	1,259,968	1,203,844	1,394,633	1,524,156
	371,013	394,441	347,615	322,755	352,957	519,696
	<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>	<u>11,620,098</u>
	4,913,717	4,702,689	4,801,323	4,917,388	4,830,686	5,607,720
	8,198,601	8,434,875	8,519,945	7,926,244	10,275,414	9,863,603
	-	-	-	-	732,604	764,446
	928,702	966,962	990,856	1,133,065	239,280	269,478
	<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>16,505,247</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>	<u>28,125,345</u>
\$	1,589,036	\$ 1,592,452	\$ 2,001,266	\$ 1,685,356	\$ 1,789,477	\$ 1,982,811
	196,818	144,548	44,271	337,828	153,375	1,225,040
	<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>	<u>3,207,851</u>
	15,820,487	17,117,376	16,952,681	17,221,695	17,152,858	18,764,096
	5,498	-	-	-	14,113	-
	<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>18,764,096</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>	<u>21,971,947</u>
	(8,504,701)	(8,957,651)	(9,387,525)	(8,793,328)	(9,648,087)	(8,412,247)
	1,784,965	3,012,850	2,640,557	3,244,998	1,088,987	2,258,849
\$	<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>	<u>(6,153,398)</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			
	2013	2014	2015	2016
Net (Expense)/Revenue				
Governmental Activities	\$ (5,321,970)	\$ (6,584,136)	\$ (7,176,485)	\$ (7,821,553)
Business-type Activities	1,757,814	889,957	879,941	2,071,820
Total Primary Government Net Expense	<u>(3,564,156)</u>	<u>(5,694,179)</u>	<u>(6,296,544)</u>	<u>(5,749,733)</u>
Governmental Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes				
Property Taxes	1,381,515	1,410,139	1,453,654	1,498,205
Sales Taxes	1,154,769	1,234,608	1,339,222	1,436,371
Franchise Fees	898,937	931,165	955,286	930,989
Hotel/Motel Taxes	84,026	87,550	74,297	76,192
Contributions and Donations	23,192	11,515	7,880	9,044
Intergovernmental Revenue	-	-	-	-
Miscellaneous Revenue	732,562	2,172,833	2,483,834	1,925,773
Investment Earnings	14,831	8,955	13,439	14,915
Gain/loss on sale of capital assets	-	-	(110,791)	-
Total Governmental Activities	<u>4,289,832</u>	<u>5,856,765</u>	<u>6,216,821</u>	<u>5,891,489</u>
Business-type Activities:				
Miscellaneous Revenue	166,546	46,063	23,310	77,856
Intergovernmental Revenue	-	-	-	-
Investment Earnings	24,606	24,613	28,639	33,787
Total Business-type Activities	<u>191,152</u>	<u>70,676</u>	<u>51,949</u>	<u>111,643</u>
Total Primary Government	<u>4,480,984</u>	<u>5,927,441</u>	<u>6,268,770</u>	<u>6,003,132</u>
Transfers In (Out)	-	-	77,574	50,936
Change in Net Position				
Governmental Activities	(1,032,138)	(727,371)	(959,664)	(1,930,064)
Business-type Activities	1,948,966	960,633	931,890	2,183,463
Total Primary Government	<u>\$ 916,828</u>	<u>\$ 233,262</u>	<u>\$ 49,800</u>	<u>\$ 304,335</u>

TABLE 3

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (8,504,701)	\$ (8,957,651)	\$ (9,387,525)	\$ (8,793,328)	\$ (9,648,087)	\$ (8,412,247)
1,784,965	3,012,850	2,640,557	3,244,998	1,088,987	2,258,849
(6,719,736)	(5,944,801)	(6,746,968)	(5,548,330)	(8,559,100)	(6,153,398)
1,558,898	1,629,080	1,689,257	1,774,622	1,833,632	1,804,806
1,486,812	1,499,393	1,580,877	1,756,563	2,126,143	2,350,529
913,565	933,625	899,556	915,067	906,870	982,633
135,879	145,974	161,446	131,886	202,204	223,651
5,864	15,861	33,645	4,825	-	-
-	1,237,903	1,265,644	1,685,426	1,399,928	1,424,168
1,777,383	1,592,346	584,741	336,423	502,682	428,553
77,400	132,353	125,348	37,161	7,853	63,258
-	41,403	1,450	-	-	-
5,955,801	7,227,938	6,341,964	6,641,973	6,979,312	7,277,598
109,876	82,355	209,625	283,045	311,210	252,515
-	-	12,761	5,627	-	-
48,740	96,335	139,742	130,066	24,551	47,279
158,616	178,690	362,128	418,738	335,761	299,794
6,114,417	7,406,628	6,704,092	7,060,711	7,315,073	7,577,392
-	-	-	-	50,875	50,207
(2,548,900)	(1,729,713)	(3,045,561)	(2,151,355)	(2,668,775)	(1,134,649)
1,943,581	3,191,540	3,002,685	3,663,736	1,424,748	2,558,643
\$ (605,319)	\$ 1,461,827	\$ (42,876)	\$ 1,512,381	\$ (1,193,152)	\$ 1,474,201

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			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 22,923	\$ 58,743	\$ 51,191	\$ 27,990
Restricted, Committed, or Assigned	1,832,914	1,832,480	1,834,048	1,835,013
Unassigned	764,355	653,146	139,451	387,299
Total General Fund	\$ 2,620,192	\$ 2,544,369	\$ 2,024,690	\$ 2,250,302
All Other Governmental Funds				
Restricted for:				
Capital Projects Funds	\$ 1,370,948	\$ 774,455	\$ 155,838	\$ 650,889
Debt Service Fund	168,856	171,040	1,212,323	218,011
Endowments	174,558	174,558	174,558	174,558
Other Specific Purpose	1,185,449	1,233,232	1,275,243	1,262,407
Total All Other Governmental Funds	\$ 2,899,811	\$ 2,353,285	\$ 2,817,962	\$ 2,305,865

TABLE 4

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 29,599	\$ 30,685	\$ 28,185	\$ 26,009	\$ 33,492	\$ 39,163
1,836,963	1,841,218	1,847,223	1,853,313	1,857,788	2,583,405
483,661	827,310	923,805	1,559,538	2,006,157	1,432,434
<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>	<u>\$ 4,055,002</u>
\$ 5,717,801	\$ 3,637,511	\$ 1,915,781	\$ 1,144,056	\$ 704,547	\$ 7,096,219
119,636	174,818	238,318	272,842	317,145	286,067
174,558	174,621	174,683	174,699	174,713	175,688
1,476,118	1,516,022	1,594,423	1,613,489	1,718,752	1,559,102
<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>	<u>\$ 9,117,076</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			
	2013	2014	2015	2016
Revenues				
Ad valorem taxes	\$ 1,378,807	\$ 1,405,387	\$ 1,452,783	\$ 1,482,248
Sales taxes	1,154,769	1,234,608	1,339,222	1,436,371
Hotel/Motel taxes	84,026	87,550	74,297	76,192
Franchise fees	898,937	931,165	955,286	930,989
Licenses and permits	44,153	45,981	55,735	60,420
Intergovernmental	502,432	1,994,914	1,997,911	1,355,669
Service fees	2,285,216	1,395,338	1,548,820	1,582,065
Fines and penalties	334,368	329,222	358,403	379,819
Special Assessments	204,360	9,414	8,029	7,801
Interest income	14,831	8,955	13,439	14,915
Rents and Royalties	22,416	8,570	7,900	7,070
Grants and Contributions	23,192	11,515	7,880	9,044
Miscellaneous income	114,582	169,744	387,539	106,803
Total Revenues	7,062,089	7,632,363	8,207,244	7,449,406
Expenditures				
General Government	1,868,743	2,053,956	2,098,606	2,455,291
Public Safety Police/Fire	2,786,442	2,938,563	3,133,478	3,307,491
Highway and Streets	851,924	644,611	609,260	601,244
Sanitation	963,066	980,334	1,045,238	1,110,857
Health and Welfare	108,501	119,093	128,207	125,835
Culture and Recreation	879,508	930,538	1,052,019	1,041,199
Economic development and assistance	41,160	45,068	52,453	86,205
Capital Outlay/Misc	1,146,256	734,396	1,139,048	747,874
Debt Service				
Principal	335,000	360,000	365,000	380,000
Interest and fiscal charges	282,983	270,701	257,644	244,159
Bond issuance costs	-	250	250	250
Total Expenditures	9,263,583	9,077,510	9,881,203	10,100,405
Excess of Revenues Over (Under) Expenditures	(2,201,494)	(1,445,147)	(1,673,959)	(2,650,999)
Other Financing Sources (Uses)				
Transfers In	1,811,287	1,931,071	2,307,289	2,997,201
Transfers Out	(273,192)	(1,336,126)	(637,820)	(683,618)
Issuance of long-term debt	12,683	-	-	-
Premium or discount on bonds issued	-	-	-	-
Other resources	-	10,759	13,118	44,501
Payment to refunded bond escrow agent	-	-	-	-
Sale of capital assets	-	217,094	3,867	6,430
Total Other Financing Sources (Uses)	1,550,778	822,798	1,686,454	2,364,514
Net Change in Fund Balances	\$ (650,716)	\$ (622,349)	\$ 12,495	\$ (286,485)
Debt Service as a Percentage of Noncapital Expenditures	9.6%	9.5%	9.0%	8.4%

TABLE 5

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 1,566,730	\$ 1,622,486	\$ 1,693,806	\$ 1,775,852	\$ 1,843,077	\$ 1,807,989
1,486,812	1,499,393	1,580,877	1,756,563	2,126,143	2,350,529
135,879	145,974	161,446	131,886	202,204	223,651
913,565	933,625	899,556	915,067	906,870	982,633
50,667	57,323	76,570	101,246	75,076	67,750
1,331,057	1,335,939	1,407,362	1,685,426	1,399,928	1,424,168
1,589,036	1,592,452	1,632,769	1,685,356	1,760,329	1,941,973
359,859	325,105	350,718	237,111	230,798	219,290
6,739	5,767	-	-	-	-
77,400	132,353	125,348	37,161	7,853	63,258
9,351	11,656	4,365	4,825	29,148	40,838
111,548	62,373	33,645	342,653	153,375	1,225,040
128,287	109,404	102,598	84,434	110,471	44,355
<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>	<u>10,391,474</u>
2,435,509	2,600,290	2,875,475	2,601,151	2,698,865	2,688,285
3,473,689	3,715,247	3,816,835	3,790,124	3,982,745	4,133,955
758,902	603,275	638,264	662,590	716,995	617,340
1,081,870	1,086,672	1,107,678	1,122,748	1,174,734	1,276,508
137,322	141,900	166,193	180,616	188,003	204,328
976,762	932,687	949,507	1,078,613	1,247,480	1,331,501
48,377	117,399	94,722	95,939	121,909	162,195
1,252,119	1,246,223	1,729,921	504,664	1,366,465	2,642,405
245,000	245,000	340,000	485,000	505,000	588,484
386,124	414,885	405,670	346,298	352,128	341,216
450	650	2,070	12,936	38,615	174,512
<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>14,160,729</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>	<u>(3,769,255)</u>
2,572,192	3,159,275	3,288,670	3,807,021	3,669,952	3,564,114
(455,037)	(1,590,303)	(785,784)	(1,015,665)	(2,260,881)	(215,510)
5,355,000	-	-	590,000	2,200,000	6,425,000
762,760	-	-	-	-	253,576
60,937	23,852	49,479	18,144	78,747	50,299
-	-	-	(1,350,787)	-	-
15,511	41,403	1,450	850	28,905	50,852
<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>10,128,331</u>
<u>\$ 5,282,169</u>	<u>\$ (1,636,151)</u>	<u>\$ (1,503,460)</u>	<u>\$ (73,536)</u>	<u>\$ 169,056</u>	<u>\$ 6,359,076</u>
8.1%	8.2%	8.8%	10.2%	10.0%	10.7%

THIS PAGE LEFT BLANK INTENTIONALLY

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
2013	\$ 1,378,807	\$ 1,154,769	\$ 898,937	\$ 3,432,513
2014	1,405,387	1,234,608	931,165	3,571,160
2015	1,452,783	1,339,222	955,286	3,747,291
2016	1,482,248	1,436,371	930,989	3,849,608
2017	1,566,730	1,486,812	913,565	3,967,107
2018	1,622,486	1,499,393	933,625	4,055,504
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
2022	1,804,806	2,350,529	982,633	5,137,968
10-year \$ Change	\$ 425,999	\$ 1,195,760	\$ 83,696	\$ 1,705,455
10-year % Change	30.9%	103.5%	9.3%	49.7%

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
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	90,091,706	360,331,383	(18,480,560)
2019	2018	92,410,299	375,625,702	(19,465,226)
2020	2019	101,903,750	399,166,010	(20,945,940)
2021	2020	102,932,510	411,333,550	(44,806,100)
2022	2021	124,582,790	512,188,119	(95,780,789)

TABLE 7

Total Taxable Assessed Value	Total Direct Tax Rate
345,082,550	0.395218
353,764,320	0.395218
363,359,154	0.395218
365,507,362	0.395218
407,368,041	0.395218
431,942,529	0.395218
448,570,775	0.395218
480,123,820	0.395218
469,459,960	0.395218
540,990,120	0.337000

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	2022		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Windsor Quality Foods	\$ 33,732,793	1	6.24%
Benny Boyd Limited dba Benny Boyd C	6,271,780	2	1.16%
Walmart Real Estate Business Trust	5,591,480	3	1.03%
Hoffpauir James Lee	5,481,240	4	1.01%
Patel Sanjay B and Devang C	5,243,500	5	0.97%
Armory Storage LLC	4,161,050	6	0.77%
Lampasas 2 Investment LLC	3,500,000	7	0.65%
Oil States Industries Inc	3,235,540	8	0.60%
Prestwick Lampasas I LP	3,021,460	9	0.56%
Atmos Energy/Mid Tex Distribution	2,943,995	10	0.54%
Total	\$ 73,182,838		13.53%

TABLE 8

Taxpayer	2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Windsor Quality Foods	\$ 24,431,340	1	7.08%
Walmart Real Estate Business Trust	8,399,350	2	2.43%
Benny Boyd Limited DBA Benny Boyd C	3,936,660	3	1.14%
Oil States Industries Inc	2,645,440	4	0.77%
Diya and Mansi LLC	2,370,820	5	0.69%
Hoffpauir James Lee	2,283,710	6	0.66%
Oil States Industries Inc	2,247,630	7	0.65%
B Boyd LandCo LLC	1,943,490	8	0.56%
Custom Molded Products	1,935,550	9	0.56%
H E Butt Grocery Company	1,900,010	10	0.55%
Total	\$ 52,094,000		15.10%

THIS PAGE LEFT BLANK INTENTIONALLY

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
2013	1,357,361	1,332,308	98.15%	17,036	1,349,344	99.41%
2014	1,392,610	1,366,605	98.13%	23,778	1,390,383	99.84%
2015	1,441,027	1,412,184	98.00%	26,099	1,438,283	99.81%
2016	1,479,052	1,437,252	97.17%	38,623	1,475,875	99.79%
2017	1,528,124	1,498,010	98.03%	26,251	1,524,261	99.75%
2018	1,606,700	1,576,228	98.10%	24,790	1,601,018	99.65%
2019	1,661,340	1,627,440	97.96%	26,564	1,654,004	99.56%
2020	1,748,889	1,725,033	98.64%	15,918	1,740,951	99.55%
2021	1,804,326	1,774,150	98.33%	19,449	1,793,599	99.41%
2022	1,784,891	1,762,789	98.76%	-	1,762,789	98.76%

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

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

Fiscal Year	General Bonded Debt			Business-type Activities	
	General	Tax	Certificates of	General	Certificates of
	Obligation	Notes	Obligation	Obligation	Obligations
	Bonds			Bonds	
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	-
2022	2,610,000	-	14,662,091	715,000	-

Measurement Year	Total Primary Government	Total All Government	Population	Per Capita Income	Personal Income
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
2021	17,987,091	17,987,091	7,517	30,462	228,982,854

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>
9.69%	\$ 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
7.86%	2,393

THIS PAGE LEFT BLANK INTENTIONALLY

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		
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
2022	2,610,000	-	14,662,091	17,272,091	3.19%	932

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed Valuation	\$345,082,550	\$353,764,320	\$363,359,154	\$ 365,507,362
Limit on Amount Designated for Debt Service:				
\$1.50 per \$100 assessed valuation	x 1.5	x 1.5	x 1.5	1.5
Legal Annual Maximum Debt Payment	<u>\$ 5,176,238</u>	<u>\$ 5,306,465</u>	<u>\$ 5,450,387</u>	<u>\$ 5,482,610</u>
Actual Amount Expended for General Obligation Debt Service During the Fiscal Year	<u>617,983</u>	<u>630,951</u>	<u>622,894</u>	<u>624,409</u>
Legal Debt Margin for Annual Debt Service Requirements	<u><u>\$ 4,558,255</u></u>	<u><u>\$ 4,675,514</u></u>	<u><u>\$ 4,827,493</u></u>	<u><u>\$ 4,858,201</u></u>
Total Net Debt Applicable to the Limit As a percentage of Debt Limit	11.94%	11.89%	11.43%	11.39%

TABLE 12

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>\$ 407,368,041</u>	<u>\$ 431,942,529</u>	<u>\$ 448,570,775</u>	<u>\$ 480,123,820</u>	<u>\$ 469,459,960</u>	<u>\$ 540,990,120</u>
1.5	1.5	1.5	1.5	1.5	1.5
<u>\$ 6,110,521</u>	<u>\$ 6,479,138</u>	<u>\$ 6,728,562</u>	<u>\$ 7,201,857</u>	<u>\$ 7,041,899</u>	<u>\$ 8,114,852</u>
<u>631,574</u>	<u>660,535</u>	<u>747,740</u>	<u>844,234</u>	<u>895,743</u>	<u>1,104,212</u>
<u>\$ 5,478,947</u>	<u>\$ 5,818,603</u>	<u>\$ 5,980,822</u>	<u>\$ 6,357,623</u>	<u>\$ 6,146,156</u>	<u>\$ 7,010,640</u>
10.34%	10.19%	11.11%	11.72%	12.72%	13.61%