

CITY OF LAMPASAS, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2016



SINGLETON, CLARK  
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

CITY OF LAMPASAS, TEXAS  
 ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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**FINANCIAL SECTION**

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Independent Auditor's Report

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of City of Lampasas, Texas (the "City") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the City as of September 30, 2016, 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.

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## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Singleton, Clark & Company, PC*

Singleton, Clark & Company, PC  
Cedar Park, Texas

January 20, 2017

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## Management's Discussion and Analysis

As management of the City of Lampasas, Texas ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

### Financial Highlights

- The assets of the governmental activities of the City exceeded its liabilities at the close of the most recent fiscal year by \$4,591,964 (*net position*).
- The assets of the business-type activities of the City exceeded its liabilities at the close of the most recent fiscal year by \$19,157,152 (*net position*).
- The City's overall total net position increased by \$253,399 as a result of current year activities.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$4,556,167, a decrease of \$286,485 in comparison with the prior year.
- At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$2,222,312, or approximately 24% of total General Fund regular operating expenditures.

### Overview of the Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 12-14 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 15-19 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric utility, water/wastewater utility, economic development, aviation, and golf course operations of the City. Conversely, when internal service funds are utilized, they are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

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

The City currently does not maintain any fiduciary funds.

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

The notes to the financial statements can be found on pages 23- 49 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's participation in the Texas Municipal Retirement System pension program for its employees. Required supplementary information can be found on page 50-52 of this report.

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

Combining and individual fund statements and schedules can be found on pages 53-61 of this report.

## Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$23,749,116 at the close of the most recent fiscal year.

### City of Lampasas, Texas's Net Position

	Governmental Activities 2016	Governmental Activities 2015	Change	Business- Type Activities 2016	Business- Type Activities 2015	Change
Current & other assets	\$ 5,911,965	\$ 6,803,350	\$ (891,385)	\$ 8,944,381	\$ 9,952,666	\$ (1,008,285)
Capital assets	9,361,999	9,217,739	144,260	16,019,350	16,573,468	(554,118)
Deferred outflows	1,325,571	536,163	789,408	373,879	155,660	218,219
Total assets and deferred outflows	<u>\$ 16,599,535</u>	<u>\$ 16,557,252</u>	<u>\$ 42,283</u>	<u>\$ 25,337,610</u>	<u>\$ 26,681,794</u>	<u>\$ (1,344,184)</u>
Current liabilities	\$ 473,779	\$ 1,216,746	\$ (742,967)	\$ 1,294,390	\$ 2,379,143	\$ (1,084,753)
Long-term liabilities	11,506,045	11,132,061	373,984	4,878,243	5,015,379	(137,136)
Deferred inflows	27,747	-	27,747	7,825	-	7,825
Total liabilities and deferred inflows	<u>12,007,571</u>	<u>12,348,807</u>	<u>(341,236)</u>	<u>6,180,458</u>	<u>7,394,522</u>	<u>(1,214,064)</u>
Net Position						
Net investment in capital assets	3,706,170	3,180,867	525,303	12,759,887	13,025,534	(265,647)
Restricted	2,325,877	2,833,708	(507,831)	2,726,401	2,867,877	(141,476)
Unrestricted	(1,440,083)	(1,806,130)	366,047	3,670,864	3,393,861	277,003
Total net position	<u>\$ 4,591,964</u>	<u>\$ 4,208,445</u>	<u>\$ 383,519</u>	<u>\$ 19,157,152</u>	<u>\$ 19,287,272</u>	<u>\$ (130,120)</u>

By far, the largest portion of the City's net position (69%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (21%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,230,781 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, for the government as a whole. However, the City reported a negative balance in the unrestricted net position for its governmental activities in the amount of \$(1,440,083). This negative net unrestricted net position amount is primarily the result of recording for the liabilities related to the City's pension and other post-employment benefits programs.

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased by \$383,519 from the prior fiscal year as a result of current activities. Net position for governmental activities ended at \$4,591,964.

**City of Lampasas, Texas Changes in Net Position**

	Governmental Activities 2016	Governmental Activities 2015	Change	Business- Type Activities 2016	Business- Type Activities 2015	Change
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 1,582,065	\$ 1,548,820	\$ 33,245	\$ 15,854,405	\$ 15,900,317	\$ (45,912)
Operating grants & contributions	137,834	344,801	(206,967)	-	-	-
<b>General Revenues:</b>						
Property taxes	1,498,205	1,453,654	44,551	-	-	-
Other taxes	1,436,371	2,368,805	(932,434)	-	-	-
Grants and contributions not restricted to specific programs	930,989	7,880	923,109	-	-	-
Other	2,025,924	2,392,482	(366,558)	111,643	96,885	14,758
<b>Total revenue</b>	<b>7,611,388</b>	<b>8,116,442</b>	<b>(505,054)</b>	<b>15,966,048</b>	<b>15,997,202</b>	<b>(31,154)</b>
<b>Expenses:</b>						
General government	2,696,527	2,291,288	405,239	-	-	-
Public safety	3,493,501	3,407,906	85,595	-	-	-
Highways and streets	620,679	660,402	(39,723)	-	-	-
Sanitation	1,195,220	1,126,129	69,091	-	-	-
Health and Welfare	133,720	139,303	-	-	-	-
Culture and recreation	1,067,490	1,133,436	(65,946)	-	-	-
Conservation	92,752	56,512	-	-	-	-
Interest on long-term debt	241,563	255,130	(13,567)	-	-	-
Electric Fund	-	-	-	8,258,476	9,649,508	(1,391,032)
Water/Wastewater Fund	-	-	-	4,651,178	4,443,566	207,612
Nonmajor Enterprise funds	-	-	-	872,931	927,302	-
<b>Total expenses</b>	<b>9,541,452</b>	<b>9,070,106</b>	<b>471,346</b>	<b>13,782,585</b>	<b>15,020,376</b>	<b>(1,237,791)</b>
<b>Increase (decrease) in net position before transfers</b>	<b>(1,930,064)</b>	<b>(953,664)</b>	<b>(976,400)</b>	<b>2,183,463</b>	<b>976,826</b>	<b>1,206,637</b>
<b>Transfers</b>	<b>2,313,583</b>	<b>1,663,469</b>	<b>650,114</b>	<b>(2,313,583)</b>	<b>(1,663,469)</b>	<b>(650,114)</b>
<b>Increase (decrease) in net position</b>	<b>383,519</b>	<b>709,805</b>	<b>(326,286)</b>	<b>(130,120)</b>	<b>(686,643)</b>	<b>556,523</b>
<b>Net position - beginning</b>	<b>4,208,445</b>	<b>3,498,640</b>	<b>709,805</b>	<b>19,287,272</b>	<b>19,973,915</b>	<b>(686,643)</b>
<b>Net position - ending</b>	<b>\$ 4,591,964</b>	<b>\$ 4,208,445</b>	<b>\$ 383,519</b>	<b>\$ 19,157,152</b>	<b>\$ 19,287,272</b>	<b>\$ (130,120)</b>

**Business-type Activities.** For the City's business-type activities, the results for the current fiscal year caused overall net position to decrease by \$130,120. The decrease can be attributed primarily to a transfer out to the governmental funds amounting to \$2,313,583. The income before transfers, however, increased in the current year by 1,200,637. A major part of the increase can be attributed to the lower rates for electricity purchases made due to change in the suppliers for electricity and due to a one time rebate received from LCRA (Lower Colorado River Authority). Net position for business-type activities ended at 19,157,152.

## Financial Analysis of Governmental Funds

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

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

At September 30, 2016, the City's governmental funds reported combined fund balances of \$4,556,167, a decrease of \$286,485 in comparison with the prior year. Approximately 9% of this amount (\$387,299) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$27,990), 2) legally required to be maintained intact (\$-0-), 3) restricted for particular purposes (\$2,305,865), 4) committed for particular purposes (\$1,783,405), or 5) assigned for particular purposes (\$51,608).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$387,299, while total fund balance increased to \$2,250,302. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 4 percent of total General Fund expenditures, while total fund balance represents approximately 25 percent of that same amount.

The fund balance of the City's General Fund increased by \$225,612 during the current fiscal year. The increase in the fund balance of the General Fund was attributable to transfer from the City's proprietary fund to the general fund.

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

Unrestricted net position of the Electric Fund at the end of the year was \$3,257,439 and for the Water/Wastewater Fund was \$175,240. The total increase in net position for the Electric Fund was \$79,966 and the total decrease in the net position for the Water/Wastewater Fund was \$141,331. The increase for the Electric Fund reflects minor variations between actual and budgeted amounts for revenues and expenses. The decrease for the Water/Wastewater Fund is the result of higher than anticipated operating costs during the year.

### General Fund Budgetary Highlights

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

## 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, 2016, amounts to \$25,381,349 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and the water treatment plant. The total decrease in capital assets for the current fiscal year was approximately 1.6%.

### City of Lampasas, Texas Capital Assets

	Governmental Activities 2016	Governmental Activities 2015	Change
Land	\$ 1,214,431	\$ 1,219,741	\$ (5,310)
Buildings	12,286,739	11,789,701	497,038
Furniture and Equipment	4,049,309	3,772,450	276,859
Total	17,550,479	16,781,892	768,587
Less Accumulated Depreciation	(8,188,480)	(7,564,153)	(624,327)
Capital assets, net of depreciation	\$ 9,361,999	\$ 9,217,739	\$ 144,260

  

	Business-type Activities 2016	Business-type Activities 2015	Change
Land	\$ 983,061	\$ 983,061	\$ -
Buildings	5,025,684	4,984,459	41,225
Furniture and Equipment	4,922,113	4,912,713	9,400
Construction in Progress	10,000	351,716	(341,716)
Infrastructure	23,900,994	23,166,793	734,201
Total	34,841,852	34,398,742	443,110
Less Accumulated Depreciation	(18,822,502)	(17,825,274)	(997,228)
Capital assets, net of depreciation	\$ 16,019,350	\$ 16,573,468	\$ (554,118)

Additional information on the City's capital assets can be found in Note IV.D on pages 35-36 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$8,915,290. The remainder of the City's long-term obligations is comprised of compensated absences, post employment benefits and net pension liabilities.

**City of Lampasas, Texas Outstanding Debt**

	Governmental Activities 2016	Governmental Activities 2015	Change
General Obligation Bonds	\$ 5,655,829	\$ 6,036,872	\$ (381,043)
Compensated Absences	359,282	290,419	68,863
Post-employment Benefits	2,034,582	2,305,191	(270,609)
Net Pension Liability	3,456,352	2,499,579	956,773
Total	<u>\$ 11,506,045</u>	<u>\$ 11,132,061</u>	<u>\$ 373,984</u>
	Business-type Activities 2016	Business-type Activities 2015	Change
General Obligation Bonds	\$ 3,259,461	\$ 3,547,934	\$ (288,473)
Compensated Absences	70,058	72,513	(2,455)
Post-employment Benefits	573,855	669,248	(95,393)
Net Pension Liability	974,868	725,684	249,184
Total	<u>\$ 4,878,242</u>	<u>\$ 5,015,379</u>	<u>\$ (137,137)</u>

The City's total debt increased by \$236,847 (1.5 percent) during the current fiscal year. The reason for the increase was the increase in the net pension liability during the year.

Additional information on the City's long-term debt can be found in Note IV.J on pages 44-46 of this report.

**Economic Factors and Next Year's Budgets and Rates**

The following economic factors currently affect the City and were considered in developing the 2016-2017 fiscal year budget:

- \* Sales Tax continued growth and stability
- \* Federal reserve raising interest rates
- \* City Council election
- \* Texas Legislative Session
- \* City's diversified portfolio
- \* 2016 CO issue to address infrastructure and city facilities
- \* Addition to number of retirees receiving insurance benefit
- \* Retirement and insurance rates expected to increase
- \* Stable Wholesale electric market due to stable fuel pricing and competition
- \* Annexation of 282 acres providing additional tax base

**Requests for Information**

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

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF LAMPASAS, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Lampasas EDC
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,249,764	\$ 3,892,025	\$ 8,141,789	\$ 957,747
Investments - current	541,885	2,998,536	3,540,421	-
Taxes receivable - delinquent	95,638	-	95,638	-
Allowance for uncollectible taxes	(10,910)	-	(10,910)	-
Accounts receivable, net	1,013,692	1,176,539	2,190,231	100
Notes receivable, net	-	304,461	304,461	-
Internal balances	(6,094)	6,094	-	-
Inventories	11,053	458,726	469,779	-
Prepaid items	16,937	108,000	124,937	-
Capital assets, not being depreciated:				
Land	1,214,431	983,061	2,197,492	887,350
Construction in progress	-	10,000	10,000	-
Capital assets, being depreciated:				
Buildings and improvements	12,286,739	5,025,684	17,312,423	17,975
Machinery, equipment, and vehicles	4,049,309	4,922,113	8,971,422	-
Infrastructure	-	23,900,994	23,900,994	771,917
Accumulated depreciation	(8,188,480)	(18,822,502)	(27,010,982)	(22,499)
Total assets	15,273,964	24,963,731	40,237,695	2,612,590
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources	1,325,571	373,879	1,699,450	-
Total deferred outflows of resources	1,325,571	373,879	1,699,450	-
<b>LIABILITIES</b>				
Accounts payable	269,554	745,945	1,015,499	119
Accrued salaries and benefits	88,529	16,283	104,812	-
Accrued liabilities	-	3,692	3,692	-
Intergovernmental payable	-	20,971	20,971	-
Accrued interest payable	29,395	13,353	42,748	4,161
Other current liabilities	86,301	8,849	95,150	-
Customer deposits	-	485,297	485,297	-
Noncurrent liabilities:				
Due within one year	245,000	290,000	535,000	-
Due in more than one year	11,261,045	4,588,243	15,849,288	1,629,285
Total liabilities	11,979,824	6,172,633	18,152,457	1,633,565
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	27,747	7,825	35,572	-
Total deferred inflows of resources	27,747	7,825	35,572	-
<b>NET POSITION</b>				
Net investment in capital assets	3,706,170	12,759,887	16,466,057	-
Restricted for debt service	238,023	-	238,023	-
Restricted for capital projects	650,889	-	650,889	-
Restricted for endowments	174,558	-	174,558	-
Restricted for other specific purposes	1,262,407	-	1,262,407	-
Restricted for operations & maintenance	-	2,726,401	2,726,401	-
Unrestricted	(1,440,083)	3,670,864	2,230,781	979,025
Total net position	\$ 4,591,964	\$ 19,157,152	\$ 23,749,116	\$ 979,025

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, 2016

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental activities:				
General government	\$ 2,696,527	\$ 15,938	\$ 18,942	\$ -
Public safety	3,493,501	-	117,796	-
Highways and streets	620,679	285,883	-	-
Sanitation	1,195,220	1,172,030	-	-
Health and welfare	133,720	31,699	-	-
Culture and recreation	1,067,490	76,515	1,096	-
Conservation	92,752	-	-	-
Interest and bank fees	241,563	-	-	-
Total governmental activities:	<u>9,541,452</u>	<u>1,582,065</u>	<u>137,834</u>	<u>-</u>
Business-type activities:				
Electric fund	8,258,476	10,802,018	-	-
Water/Wastewater fund	4,651,178	4,471,237	-	-
Nonmajor enterprise funds	872,931	581,150	-	-
Total business-type activities:	<u>13,782,585</u>	<u>15,854,405</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 23,324,037</u>	<u>\$ 17,436,470</u>	<u>\$ 137,834</u>	<u>\$ -</u>
Component units:				
Lampasas economic development corporation	\$ 269,353	\$ -	\$ -	\$ -
	<u>\$ 269,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

- Property taxes
- Sales taxes
- Hotel/motel taxes
- Franchise taxes
- Contributions and donations
- Special assessments
- Investment earnings
- Intergovernmental revenue
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Lampasas EDC
\$ (2,661,647)	\$ -	\$ (2,661,647)	\$ -
(3,375,705)	-	(3,375,705)	-
(334,796)	-	(334,796)	-
(23,190)	-	(23,190)	-
(102,021)	-	(102,021)	-
(989,879)	-	(989,879)	-
(92,752)	-	(92,752)	-
(241,563)	-	(241,563)	-
<u>(7,821,553)</u>	<u>-</u>	<u>(7,821,553)</u>	<u>-</u>
-	2,543,542	2,543,542	-
-	(179,941)	(179,941)	-
-	(291,781)	(291,781)	-
<u>-</u>	<u>2,071,820</u>	<u>2,071,820</u>	<u>-</u>
<u>(7,821,553)</u>	<u>2,071,820</u>	<u>(5,749,733)</u>	<u>-</u>
			<u>(269,353)</u>
			<u>(269,353)</u>
1,498,205	-	1,498,205	-
1,436,371	-	1,436,371	-
76,192	-	76,192	-
930,989	-	930,989	-
9,044	-	9,044	-
7,801	-	7,801	-
14,915	33,787	48,702	4,614
1,217,835	-	1,217,835	-
700,137	77,856	777,993	288,297
2,313,583	(2,313,583)	-	-
<u>8,205,072</u>	<u>(2,201,940)</u>	<u>6,003,132</u>	<u>292,911</u>
383,519	(130,120)	253,399	23,558
4,208,445	19,287,272	23,495,717	955,467
<u>\$ 4,591,964</u>	<u>\$ 19,157,152</u>	<u>\$ 23,749,116</u>	<u>\$ 979,025</u>

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CITY OF LAMPASAS, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016

	General Fund	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,188,059	\$ 2,061,705	\$ 4,249,764
Investments - current	295,338	246,547	541,885
Taxes receivable - delinquent	73,402	22,236	95,638
Allowance for uncollectible delinquent taxes	(8,686)	(2,224)	(10,910)
Accounts receivable	192,357	27,881	220,238
Allowance for uncollectible accounts receivable	(31,886)	-	(31,886)
Due from other funds	11,784	-	11,784
Inventories	11,053	-	11,053
Prepaid items	16,937	-	16,937
Total assets	<u>\$ 2,748,358</u>	<u>\$ 2,356,145</u>	<u>\$ 5,104,503</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 260,336	\$ 9,218	\$ 269,554
Accrued salaries and benefits	86,687	1,842	88,529
Due to other funds	-	17,878	17,878
Other current liabilities	84,971	1,330	86,301
Total liabilities	<u>431,994</u>	<u>30,268</u>	<u>462,262</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	66,062	20,012	86,074
Total deferred inflows of resources	<u>66,062</u>	<u>20,012</u>	<u>86,074</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	11,053	-	11,053
Prepays	16,937	-	16,937
Restricted:			
Debt service	-	218,011	218,011
Capital projects	-	650,889	650,889
Endowments	-	174,558	174,558
Other specific purposes	-	1,262,407	1,262,407
Committed for:			
Working Capital	1,783,405	-	1,783,405
Assigned:			
Comprehensive plan	9,084	-	9,084
580 complex	40,774	-	40,774
Park improvements	1,750	-	1,750
Unassigned	387,299	-	387,299
Total fund balances	<u>2,250,302</u>	<u>2,305,865</u>	<u>4,556,167</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 2,748,358</u>	<u>\$ 2,356,145</u>	<u>\$ 5,104,503</u>

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

CITY OF LAMPASAS, TEXAS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2016

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

Total fund balance of all governmental funds	\$ 4,556,167
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	9,361,999
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.	86,074
Uncollected municipal court fines are not available resources, and therefore, are not reported in the funds.	825,340
Long-term liabilities, including bonds payable, pension liabilities, and other post employment benefits, are not due and payable in the current period and, therefore, are not reported in the funds.	(10,237,616)
Net position of governmental activities	<u>\$ 4,591,964</u>

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

CITY OF LAMPASAS, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016

	General Fund	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 1,101,181	\$ 381,067	\$ 1,482,248
Sales taxes	1,436,371	-	1,436,371
Hotel/motel taxes	-	76,192	76,192
Franchise taxes	930,989	-	930,989
Licenses and permits	60,420	-	60,420
Intergovernmental revenues	1,273,763	81,906	1,355,669
Charges for services	1,574,574	7,491	1,582,065
Fines	374,484	5,335	379,819
Special assessments	-	7,801	7,801
Investment earnings	8,457	6,458	14,915
Rents and royalties	7,070	-	7,070
Grants and contributions	6,425	2,619	9,044
Miscellaneous revenue	36,041	70,762	106,803
Total revenues	<u>6,809,775</u>	<u>639,631</u>	<u>7,449,406</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,282,821	172,470	2,455,291
Public safety			
Police	2,220,027	48,419	2,268,446
Fire	1,039,045	-	1,039,045
Highways and streets	601,244	-	601,244
Sanitation	1,110,857	-	1,110,857
Health and welfare	125,835	-	125,835
Culture and recreation			
Swimming pools	163,461	-	163,461
Parks	645,748	4,789	650,537
Libraries	227,201	-	227,201
Conservation	-	86,205	86,205
Debt service:			
Bond principal	-	380,000	380,000
Interest - bonds	-	244,159	244,159
Interest - other debt	-	250	250
Capital outlay	747,874	-	747,874
Total expenditures	<u>9,164,113</u>	<u>936,292</u>	<u>10,100,405</u>
Excess (deficiency) of revenues over expenditures	<u>(2,354,338)</u>	<u>(296,661)</u>	<u>(2,650,999)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,617,834	379,367	2,997,201
Transfers out	(88,815)	(594,803)	(683,618)
Sale of general capital assets	6,430	-	6,430
Insurance recoveries	44,501	-	44,501
Total other financing sources (uses)	<u>2,579,950</u>	<u>(215,436)</u>	<u>2,364,514</u>
Net change in fund balance	225,612	(512,097)	(286,485)
Fund balance - beginning	2,024,690	2,817,962	4,842,652
Fund balance - ending	<u>\$ 2,250,302</u>	<u>\$ 2,305,865</u>	<u>\$ 4,556,167</u>

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

CITY OF LAMPASAS, TEXAS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

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

Net change in fund balances for total governmental funds	\$ (286,485)
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.	169,473
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	120,307
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase (decrease) net assets.	(25,213)
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.	584,592
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.	15,957
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(195,112)
Change in net position for governmental activities	\$ 383,519

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

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CITY OF LAMPASAS, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 1,148,851	1,101,181	\$ 1,101,181	\$ -
Sales taxes	1,274,500	1,434,184	1,436,371	2,187
Franchise taxes	924,000	901,381	930,989	29,608
Licenses and permits	63,900	56,389	60,420	4,031
Intergovernmental revenues	1,238,475	1,245,745	1,273,763	28,018
Charges for services	1,511,700	1,509,550	1,574,574	65,024
Fines	417,500	330,856	374,484	43,628
Investment earnings	10,000	10,000	8,457	(1,543)
Rents and royalties	10,150	7,100	7,070	(30)
Contributions and donations, private sources	9,060	4,100	6,425	2,325
Miscellaneous revenue	694,554	201,151	36,041	(165,110)
<b>Total revenues</b>	<b>7,302,690</b>	<b>6,801,637</b>	<b>6,809,775</b>	<b>8,138</b>
<b>EXPENDITURES</b>				
Current:				
General government	1,897,638	2,317,235	2,282,821	34,414
Public safety				
Police	2,089,372	2,281,687	2,220,027	61,660
Fire	1,000,296	1,057,188	1,039,045	18,143
Highways and streets	604,280	619,531	601,244	18,287
Sanitation	1,020,000	1,110,860	1,110,857	3
Health and welfare	123,179	128,751	125,835	2,916
Culture and recreation				
Swimming pools	144,627	169,278	163,461	5,817
Parks	635,671	660,156	645,748	14,408
Libraries	212,311	228,891	227,201	1,690
Capital outlay	1,234,437	749,535	747,874	1,661
<b>Total Expenditures</b>	<b>8,961,811</b>	<b>9,323,112</b>	<b>9,164,113</b>	<b>158,999</b>
Excess (deficiency) of revenues over expenditures	(1,659,121)	(2,521,475)	(2,354,338)	167,137
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,649,121	2,667,734	2,617,834	(49,900)
Transfers out	-	(139,000)	(88,815)	50,185
Sale of general capital assets	-	10,000	6,430	(3,570)
Insurance recoveries	10,000	7,500	44,501	37,001
<b>Total other financing sources (uses)</b>	<b>1,659,121</b>	<b>2,546,234</b>	<b>2,579,950</b>	<b>33,716</b>
Net change in fund balances	-	24,759	225,612	200,853
Fund balance - beginning	2,024,690	2,024,690	2,024,690	-
Fund balance - ending	\$ 2,024,690	\$ 2,049,449	\$ 2,250,302	\$ 200,853

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

CITY OF LAMPASAS, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-Type Activities			Total Proprietary Funds
	Electric Fund	Water/Waste- Water Fund	Total Non- Major Funds	
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 2,270,626	\$ 1,386,241	\$ 235,158	\$ 3,892,025
Investments - current	2,141,948	816,922	39,666	2,998,536
Accounts receivable, net	895,952	273,901	6,686	1,176,539
Notes receivable, net	-	-	304,461	304,461
Due from other funds	985,594	-	6,094	991,688
Inventories	303,070	124,097	31,559	458,726
Prepaid items	-	108,000	-	108,000
Total current assets	<u>6,597,190</u>	<u>2,709,161</u>	<u>623,624</u>	<u>9,929,975</u>
Noncurrent Assets:				
Land	56,812	69,965	856,284	983,061
Infrastructure	2,660,095	21,240,899	-	23,900,994
Buildings	553,157	839,243	3,633,284	5,025,684
Furnishings and equipment	2,641,618	2,048,505	231,990	4,922,113
Accumulated depreciation	(4,265,242)	(12,655,928)	(1,901,332)	(18,822,502)
Construction/development in progress	-	10,000	-	10,000
Total noncurrent assets	<u>1,646,440</u>	<u>11,552,684</u>	<u>2,820,226</u>	<u>16,019,350</u>
Total assets	<u>8,243,630</u>	<u>14,261,845</u>	<u>3,443,850</u>	<u>25,949,325</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plan items	<u>125,759</u>	<u>139,355</u>	<u>108,765</u>	<u>373,879</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	574,944	158,598	12,403	745,945
Accrued salaries payable	8,274	1,633	6,376	16,283
Accrued liabilities	-	-	3,692	3,692
Intergovernmental payable	20,971	-	-	20,971
Due to other funds	-	985,594	-	985,594
Accrued interest payable	-	13,353	-	13,353
Other current liabilities	-	8,849	-	8,849
Customer deposits	319,396	165,901	-	485,297
Total current liabilities	<u>923,585</u>	<u>1,333,928</u>	<u>22,471</u>	<u>2,279,984</u>
Noncurrent Liabilities:				
Bonds payable - due in more than one year	-	2,900,000	-	2,900,000
Bonds payable - due within one year	-	290,000	-	290,000
Unamortized premium on bonds	-	69,461	-	69,461
Net pension obligation	327,911	363,360	283,598	974,869
Other noncurrent liabilities	224,179	233,875	185,859	643,913
Total noncurrent liabilities	<u>552,090</u>	<u>3,856,696</u>	<u>469,457</u>	<u>4,878,243</u>
Total liabilities	<u>1,475,675</u>	<u>5,190,624</u>	<u>491,928</u>	<u>7,158,227</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plan items	<u>2,632</u>	<u>2,917</u>	<u>2,276</u>	<u>7,825</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,646,440	8,293,221	2,820,226	12,759,887
Restricted for operations and maintenance	1,987,203	739,198	-	2,726,401
Unrestricted	3,257,439	175,240	238,185	3,670,864
Total net position	<u>\$ 6,891,082</u>	<u>\$ 9,207,659</u>	<u>\$ 3,058,411</u>	<u>\$ 19,157,152</u>

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

CITY OF LAMPASAS, TEXAS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-Type Activities			Total Proprietary Funds
	Electric Fund	Water/Waste- Water Fund	Total Non-major Funds	
<b>Operating revenues:</b>				
<b>Charges for services:</b>				
Water sales	\$ -	\$ 4,471,237	\$ -	\$ 4,471,237
Electricity sales	10,802,018	-	-	10,802,018
Other charges for services	-	-	581,150	581,150
Miscellaneous revenue	21,627	4,000	46,229	71,856
<b>Total operating revenues</b>	<b>10,823,645</b>	<b>4,475,237</b>	<b>627,379</b>	<b>15,926,261</b>
<b>Operating expenses:</b>				
Personnel services	507,215	551,089	434,542	1,492,846
Purchased prof. and technical services	30,550	1,544,151	13,948	1,588,649
Purchased property services	100,355	164,146	34,870	299,371
Other purchased services	556,071	93,416	62,066	711,553
Materials and supplies	6,081,239	169,967	136,106	6,387,312
Other operating expenses	870,785	1,292,475	34,196	2,197,456
Depreciation	112,261	727,764	157,203	997,228
<b>Total operating expenses</b>	<b>8,258,476</b>	<b>4,543,008</b>	<b>872,931</b>	<b>13,674,415</b>
<b>Operating income (loss)</b>	<b>2,565,169</b>	<b>(67,771)</b>	<b>(245,552)</b>	<b>2,251,846</b>
<b>Nonoperating revenues (expenses)</b>				
Intergovernmental	-	-	6,000	6,000
Investment earnings	19,714	7,391	6,682	33,787
Interest expense	-	(108,170)	-	(108,170)
<b>Total nonoperating revenues (expenses)</b>	<b>19,714</b>	<b>(100,779)</b>	<b>12,682</b>	<b>(68,383)</b>
<b>Income before transfers in (out)</b>	<b>2,584,883</b>	<b>(168,550)</b>	<b>(232,870)</b>	<b>2,183,463</b>
Transfers in	332,550	255,278	171,826	759,654
Transfers out	(2,837,467)	(228,059)	(7,711)	(3,073,237)
<b>Change in net position</b>	<b>79,966</b>	<b>(141,331)</b>	<b>(68,755)</b>	<b>(130,120)</b>
Net position-beginning	6,811,116	9,348,990	3,127,166	19,287,272
<b>Net position-ending</b>	<b>\$ 6,891,082</b>	<b>\$ 9,207,659</b>	<b>\$ 3,058,411</b>	<b>\$ 19,157,152</b>

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

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CITY OF LAMPASAS, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-Type Activities			Total Proprietary Funds
	Electric Fund	Water/Waste- water Fund	Total Non-major Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 10,963,845	\$ 4,442,340	584,820	15,991,005
Other receipts	-	4,000	45,901	49,901
Payments to suppliers and service providers	(7,757,484)	(3,423,455)	(280,646)	(11,461,585)
Payments to employees for salaries and benefits	(547,533)	(597,624)	(474,117)	(1,619,274)
Payments to other funds for services provided	(229,918)	\$ 229,918	-	-
Net cash provided by (used for) operating activities	<u>2,428,910</u>	<u>655,179</u>	<u>(124,042)</u>	<u>2,960,047</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	(2,504,917)	27,219	164,115	(2,313,583)
Net cash provided by (used for) capital and financing activities	<u>(2,504,917)</u>	<u>27,219</u>	<u>164,115</u>	<u>(2,313,583)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(88,812)	(319,649)	(34,650)	(443,111)
Principal paid on capital debt	-	(288,473)	-	(288,473)
Interest paid on capital debt	-	(108,170)	-	(108,170)
Net pension obligation	89,241	82,762	77,181	249,184
Deferred Outflow of Resources	(74,564)	(79,167)	(64,488)	(218,219)
Deferred Inflow of Resources	2,632	2,917	2,276	7,825
Notes receivable	-	-	14,472	14,472
Net cash provided by (used for) capital and related financing activities	<u>(71,503)</u>	<u>(709,780)</u>	<u>(5,209)</u>	<u>(786,492)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of investments	(5,474)	(2,352)	(106)	(7,932)
Proceeds from sale of investments	-	-	(7)	(7)
Intergovernmental	(7,574)	-	6,000	(1,574)
Interest on investments	19,714	7,391	6,682	33,787
Net cash provided by investing activities	<u>6,666</u>	<u>5,039</u>	<u>12,569</u>	<u>24,274</u>
Net increase (decrease) in cash and cash equivalents	(140,844)	(22,343)	47,433	(115,754)
Cash and cash equivalents-beginning	2,411,470	1,408,584	187,725	4,007,779
Cash and cash equivalents-ending	<u>\$ 2,270,626</u>	<u>\$ 1,386,241</u>	<u>\$ 235,158</u>	<u>3,892,025</u>
<b>Reconciliation of operating income (loss) to net cash provided (used for) operating activities:</b>				
Operating income (loss)	2,565,169	(67,771)	(245,552)	2,251,846
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	112,261	727,764	157,203	997,228
(Increase) decrease in accounts receivable	92,415	(28,897)	3,342	66,860
(Increase) decrease in due from other funds	(229,918)	229,918	-	-
(Increase) decrease in inventories	36,452	19,291	9,971	65,714
(Increase) decrease in prepaid items	-	(2,250)	-	(2,250)
(Decrease) increase in accounts payable	(118,484)	(166,937)	(10,823)	(296,244)
(Decrease) increase in accrued liabilities	(12,402)	(3,202)	(11,584)	(27,188)
(Decrease) increase in compensated absences	(252,095)	(277,208)	(26,599)	(555,902)
(Decrease) increase in other non current liabilities	224,179	233,875	-	458,054
(Decrease) increase in Customer Deposits	11,333	3,665	-	14,998
(Decrease) increase in other current liabilities	-	(11,825)	-	(11,825)
(Decrease) increase in accrued interest	-	(1,244)	-	(1,244)
Total adjustments	<u>(136,259)</u>	<u>722,950</u>	<u>121,510</u>	<u>708,201</u>
Net cash provided by (used for) operating activities	<u>\$ 2,428,910</u>	<u>\$ 655,179</u>	<u>\$ (124,042)</u>	<u>\$ 2,960,047</u>

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

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CITY OF LAMPASAS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

**I. Summary of significant accounting policies**

**A. Description of government-wide financial statements**

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

**B. Reporting entity**

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

**Discretely presented component units**

The Lampasas Economic Development Corporation (Lampasas EDC) was established in 1998, after the citizens of Lampasas voted to pass a .25 cent sales tax dedicated to economic development. 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 Lampasas EDC, which is appointed by the Lampasas City Council, and consists of individuals from the community and related governmental entities in the area. City of Lampasas employees also manage the operations of Lampasas EDC. 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 Lampasas EDC does not solely serve the City of Lampasas. A copy of the Lampasas EDC financial report may be obtained by contacting the City of Lampasas Finance Department.

**C. Basis of presentation – government-wide financial statements**

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

CITY OF LAMPASAS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

**D. Basis of presentation – fund financial statements**

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

The City reports the following major governmental fund:

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

The City reports the following major enterprise funds:

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

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

Additionally, the City reports the following fund types:

*Special Revenue Funds* account for resources restricted, committed, or assigned for specific purposes by the City or outside grantors in order to have more transparent accountability.

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

*Capital Projects Funds* account for the proceeds from long term debt financing and revenues and expenditures related to the authorized capital asset acquisitions.

*Enterprise Funds* account for services provided to customers and related costs of operations. The City reported three non-major enterprise funds which are the economic development fund, the aviation fund, and the golf course fund.

The *Permanent Fund* accounts for endowments that are permanently restricted for a specific purpose. The City reports a permanent cemetery fund.

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

CITY OF LAMPASAS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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

**E. Measurement focus and basis of accounting**

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

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

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

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

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

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

CITY OF LAMPASAS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

**F. Budgetary information**

***1. Budgetary basis of accounting***

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

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

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

***2. Excess of expenditures over appropriations***

For the year ended September 30, 2016, expenditures did not exceeded appropriations within any line items of the appropriated budgets.

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

***1. Cash and cash equivalents***

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

***2. Investments***

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

CITY OF LAMPASAS, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

**3. Inventories and prepaid items**

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

**4. Capital assets**

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

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

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

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

**5. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The statement of net position reported one deferred inflow of resources related to a lease revenue agreement. *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, 2016

***6. Net position flow assumption***

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

***7. Fund balance flow assumptions***

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

***8. Fund balance policies***

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

CITY OF LAMPASAS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

**H. Revenues and expenditures/expenses**

***1. Program revenues***

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

***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, 2015, upon which the levy for the 2015-2016 fiscal year was based, was \$374,237,084. 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, 2016, to finance General Fund and Debt Service Fund operations were \$.293382 and \$.101836, respectively, for a total tax rate of \$.395218 per \$100 valuation. The total tax levy for the General Fund and Debt Service Fund for the 2015-2016 fiscal year was \$1,479,052. Tax collections, including collections of prior year delinquent balances, for the year ended September 30, 2016, were 98% of the year end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes.

***3. Compensated absences***

**Vacation**

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

**Sick Leave**

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

CITY OF LAMPASAS, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

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.

**II. Reconciliation of government-wide and fund financial statements**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Items shown in summary form on that reconciliation are provided in detail below.

One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this amount are as follows:

**Detail of Capital Asset Reconciling Items:**

Capital assets not being depreciated:	
Land	\$ 1,214,431
Capital assets, being depreciated	
Buildings and improvements	12,286,739
Machinery, equipment, and vehicles	4,049,309
Accumulated depreciation	(8,188,480)
	<hr/>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 9,361,999</u>

CITY OF LAMPASAS, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, pension liabilities, other post employment benefits are not due and payable in the current period and therefore are not reported in the funds.” The details of this amount are as follows:

**Detail of Long-Term Debt Reconciling Items:**

Bonds payable	\$ (5,635,000)
Plus: Issuance premium	(20,829)
Compensated absences	(359,282)
Net pension liability, including pension def. inflows & outflows	(2,158,528)
Other postemployment benefit obligations	(2,034,582)
Accrued interest payable	(29,395)
	_____
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (10,237,616)

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. Items shown in summary form on that reconciliation are provided in detail below.

One element of that reconciliation explains that “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.” The details of this amount are as follows:

**Detail of Capital Outlay and Depreciation Expense Items:**

Capital outlay	\$ 832,323
Depreciation expense	(662,850)
	_____
Net adjustment to increase <i>net changes in fund balance - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 169,473

CITY OF LAMPASAS, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.” The details of this amount are as follows:

**Detail of Other Various Miscellaneous Transactions Involving Capital Assets:**

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	\$ (25,213)
Net adjustment to increase <i>net changes in governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ (25,213)

Another element of that reconciliation states that “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 of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this amount are as shown below:

**Detail of Long-Term Debt Revenue/Expense Items:**

Principal repayments:	
General obligation debt	\$ 380,000
Premium amortization	1,043
Decrease in other post-employment liability	270,609
Increase in compensated absences	(68,863)
Adjustments to long term debt balances:	
Accrued interest	1,803
Net adjustment to decrease <i>changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 584,592

**III. Stewardship, compliance and accountability**

**A. Violations of legal or contractual provisions**

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

**B. Deficit fund equity**

For the year ended September 30, 2016, there were no funds reported with deficit fund equity.

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 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

**IV. Detailed notes on all activities and funds**

**A. Cash deposits with financial institutions**

*Custodial credit risk-deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for credit risk. As of September 30, 2016, the City's bank balance was \$9,425,423 which was not exposed to custodial credit risk because it was insured or collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the government's name.

**B. Investments**

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

As of September 30, 2016, 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	\$1,825,294	\$ -	\$ -	\$ -
TexStar Investment Pool	1,715,126	-	-	-
Total Investments	<u>\$3,540,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

*Credit risk.* State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2016, the City's investment in the Texpool and TexSTAR investment pool was rated AAAM by Standard & Poor's.

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

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

**C. Receivables**

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

**Governmental Funds:**

Receivables	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes	\$ 73,402	\$ 22,236	\$ 95,638
Accounts receivable	192,357	27,881	220,238
Gross receivables	265,759	50,117	315,876
Less: Allowance for uncollectibles	(40,572)	(2,224)	(42,796)
Net receivables	\$ 225,187	\$ 47,893	\$ 273,080

**Proprietary Funds:**

Receivables	Electric Fund	Water/ Wastewater Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
Accounts receivable	\$ 916,027	\$ 286,402	\$ 6,686	\$ 1,209,115
Notes Receivable	-	-	304,461	304,461
Gross receivables	916,027	286,402	311,147	1,513,576
Less: Allowance for uncollectibles	(20,075)	(12,501)	-	(32,576)
Net receivables	\$ 895,952	\$ 273,901	\$ 311,147	\$ 1,481,000

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**D. Capital Assets**

Capital assets activity for the year ended September 30, 2016, was as follows:

**Governmental Activities:**

	Balance 10/1/15	Increases	Decreases	Balance 9/30/16
<b>Capital assets, not being depreciated:</b>				
Land	\$ 1,219,741	\$ -	\$ (5,310)	\$ 1,214,431
<b>Total capital assets, not being depreciated</b>	<b>1,219,741</b>	<b>-</b>	<b>(5,310)</b>	<b>1,214,431</b>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	11,789,701	497,038	-	12,286,739
Machinery, equipment, and vehicles	3,772,450	335,285	(58,426)	4,049,309
<b>Total capital assets, being depreciated</b>	<b>15,562,151</b>	<b>832,323</b>	<b>(58,426)</b>	<b>16,336,048</b>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	(4,509,333)	(478,108)	-	(4,987,441)
Machinery, equipment, and vehicles	(3,054,820)	(184,742)	38,523	(3,201,039)
<b>Total accumulated depreciation</b>	<b>(7,564,153)</b>	<b>(662,850)</b>	<b>38,523</b>	<b>(8,188,480)</b>
<b>Total capital assets being depreciated, net</b>	<b>7,997,998</b>	<b>169,473</b>	<b>(19,903)</b>	<b>8,147,568</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 9,217,739</b>	<b>\$ 169,473</b>	<b>\$ (25,213)</b>	<b>\$ 9,361,999</b>

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

**Governmental activities:**

General government	\$ 186,466
Public safety	251,184
Highways and streets	45,661
Sanitation	84,363
Health & welfare	9,556
Culture and recreation	85,620
<b>Total depreciation expense - governmental activities</b>	<b>\$ 662,850</b>

CITY OF LAMPASAS, TEXAS  
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**Business-Type Activities:**

	Balance 10/1/15	Increases	Decreases	Adjustments	Balance 9/30/16
<b>Capital assets, not being depreciated:</b>					
Land	\$ 983,061	\$ -	\$ -	\$ -	\$ 983,061
Construction-in-progress	351,716	70,247	-	(411,963)	10,000
<b>Total capital assets, not being depreciated</b>	<b>1,334,777</b>	<b>70,247</b>	<b>-</b>	<b>(411,963)</b>	<b>993,061</b>
<b>Capital assets, being depreciated:</b>					
Buildings and improvements	4,984,459	34,651	-	6,574	5,025,684
Machinery, equipment, and vehicles	4,912,713	9,400	-	-	4,922,113
Infrastructure	23,166,793	328,812	-	405,389	23,900,994
<b>Total capital assets, being depreciated</b>	<b>33,063,965</b>	<b>372,863</b>	<b>-</b>	<b>411,963</b>	<b>33,848,791</b>
<b>Less accumulated depreciation for:</b>					
Buildings and improvements	(2,545,032)	(169,892)	-	-	(2,714,924)
Machinery, equipment, and vehicles	(4,258,355)	(147,543)	-	-	(4,405,898)
Infrastructure	(11,021,887)	(679,793)	-	-	(11,701,680)
<b>Total accumulated depreciation</b>	<b>(17,825,274)</b>	<b>(997,228)</b>	<b>-</b>	<b>-</b>	<b>(18,822,502)</b>
<b>Total capital assets being depreciated, net</b>	<b>15,238,691</b>	<b>(624,365)</b>	<b>-</b>	<b>411,963</b>	<b>15,026,289</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 16,573,468</b>	<b>\$(554,118)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$16,019,350</b>

**E. Accrued liabilities**

Accrued liabilities reported by governmental and proprietary funds at September 30, 2016, were as follows:

**Governmental Funds:**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Salaries and benefits	\$ 86,687	\$ 1,842	\$ 88,529
Other	84,971	1,330	86,301
<b>Total accrued liabilities</b>	<b>\$ 171,658</b>	<b>\$ 3,172</b>	<b>\$ 174,830</b>

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Proprietary Funds:

	Electric Fund	Water/ Wastewater Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
Accrued liabilities	\$ -	\$ -	\$ 3,692	\$ 3,692
Intergovernmental payable	20,971	-	-	20,971
Accrued interest payable	-	13,353	-	13,353
Other	-	8,849	-	8,849
<b>Total accrued liabilities</b>	<b>\$ 20,971</b>	<b>\$ 22,202</b>	<b>\$ 3,692</b>	<b>\$ 46,865</b>

**F. Defined Benefit Pension Plan**

*Plan Description*

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.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 benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

*Plan Provisions*

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

CITY OF LAMPASAS, TEXAS  
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**F. Defined Benefit Pension Plans (continued)**

*Employees covered by benefit terms*

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	64
Active employees	114
	232
	232

*Contributions*

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.74% and 14.34% in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the year ended September 30, 2016, were \$748,756, and were equal to the required contributions.

*Net Pension Liability*

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, 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, 2015 actuarial valuation was determined using the following actuarial assumptions:

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

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

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**F. Defined Benefit Pension Plans (continued)**

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	<u>100%</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 employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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**F. Defined Benefit Pension Plans (continued)**

*Changes in Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2014	\$ 19,967,954	\$ 16,742,691	\$ 3,225,263
Changes for the year:			
Service cost	770,772	-	770,772
Interest	1,402,049	-	1,402,049
Difference between expected and actual exp.	129,577	-	129,577
Changes of assumptions	(46,453)	-	(46,453)
Contributions - employer	-	702,185	(702,185)
Contributions - employee	-	338,887	(338,887)
Net investment income	-	24,708	(24,708)
Benefit payments, including refunds of emp. contr.	(648,128)	(648,128)	-
Administrative expense	-	(15,048)	15,048
Other changes	-	(743)	743
Net changes	1,607,817	401,861	1,205,956
Balance at 12/31/2015	\$ 21,575,771	\$ 17,144,552	\$ 4,431,219

*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%)	Discount Rate 6.75%	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 7,884,438	\$ 4,431,220	\$ 1,644,537

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

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

For the year ended September 30, 2016 the City recognized pension expense of \$936,088.

CITY OF LAMPASAS, TEXAS  
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**F. Defined Benefit Pension Plans (continued)**

At September 30, 2016, 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 expected and actual economic experience	\$ 121,459	\$ -
Changes in actuarial assumptions	-	35,574
Difference between projected and actual investment earnings	1,036,040	-
Contributions subsequent to the measurement date	541,951	-
Total	\$ 1,699,450	\$ 35,574

Deferred outflows of resources related to pensions in the amount of \$541,951 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended Dec 31:	Pension Expense Amount
2016	\$ 297,885
2017	297,885
2018	291,443
2019	234,712
Total	\$ 1,121,925

**G. Post Employment Benefits Other Than Pension Benefits**

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.

CITY OF LAMPASAS, TEXAS  
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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.

*Funded Status*

The funded status of the City's retiree health care plan, under GASB Statement No. 75 as of December 31, 2015 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Annual Covered Payroll (d)	Ratio of UAAL to Annual Covered Payroll (b-a)/(d)
12/31/2015	\$ -	\$ 2,608,438	\$ 2,608,438	0%	\$4,811,308	54%

Under the reporting parameters, the City's retiree health care plan is 0.0% funded with the actuarial accrued liability exceeding the actuarial assets by \$2,608,438 at December 31, 2015. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 54%.

*Actuarial methods and assumptions*

The Projected Unit Credit Cost Method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial cost method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

CITY OF LAMPASAS, TEXAS  
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Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the City's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

*Actuarial Methods and Assumptions*

Inflation Rate	2.50% per annum
Investment rate of return	4.00%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year, open amortization
Payroll Growth	3.00% per annum
Medical Trend	Initial rate of 7.30% declining to an ultimate rate of 4.75% after 12 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**H. Risk management**

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

**I. Lease obligations**

*1. Operating lease*

The City leased a John Deere mower to provide for operation needs for the Golf Course fund. The total costs for the lease was \$7,805 for the year ended September 30, 2016.

The future minimum lease payments for this lease as of September 30, 2016, were as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>
2017	\$ 7,805
2018	7,805
2019	<u>5,203</u>
Present value of minimum lease payments	<u>\$ 20,813</u>

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**J. Long-Term Liabilities**

General Obligation Bonds

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

Details of long-term debt obligations outstanding at September 30, 2016 are as follows:

Governmental Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/16
<b>Bonds Payable</b>					
Certificate of Obligation, Series 2007	2007	\$ 6,000,000	4.19%	2031	\$ 3,985,000
Certificate of Obligation, Series 2011	2011	2,010,000	3.0-4.5%	2036	1,650,000
Total Bonds Payable					<u>\$ 5,635,000</u>

Business-type Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/16
<b>General Obligation Bonds:</b>					
Comb. Tax & rev. Cert. of Oblig., Series 2006	2006	\$ 1,020,000	4.30%	2019	\$ 345,000
General Obligation of Ref. Bonds, Series 2012	2012	3,525,000	2.0-4.0%	2036	2,845,000
Total General Obligation Bonds					<u>\$ 3,190,000</u>

CITY OF LAMPASAS, TEXAS  
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Changes in long-term liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2016 are as follows:

**Governmental Activities:**

Description	Balance 10/1/15	Additions	Deletions	Balance 9/30/16	Due in One Year
<b>Bonds Payable</b>					
Certificates of obligation	\$ 6,015,000	\$ -	\$ (380,000)	\$ 5,635,000	\$ 245,000
Premium	21,872	-	(1,043)	20,829	-
<b>Total bonds payable</b>	<b>6,036,872</b>	<b>-</b>	<b>(381,043)</b>	<b>5,655,829</b>	<b>245,000</b>
<b>Other Long-Term Debt</b>					
Compensated absences	290,419	68,863	-	359,282	-
Other Post-employment benefits	2,305,191	-	(270,609)	2,034,582	-
Net pension liability	2,499,579	956,773	-	3,456,352	-
<b>Total Other Long-Term Debt</b>	<b>5,095,189</b>	<b>1,025,636</b>	<b>(270,609)</b>	<b>5,850,216</b>	<b>-</b>
<b>Governmental activities long-term liabilities</b>	<b>\$ 11,132,061</b>	<b>\$ 1,025,636</b>	<b>\$ (651,652)</b>	<b>\$ 11,506,045</b>	<b>\$ 245,000</b>

**Business-type Activities:**

Description	Balance 10/1/15	Additions	Deletions	Balance 9/30/16	Due in One Year
<b>Bonds Payable</b>					
Certificates of obligation	\$ 3,475,000	\$ -	\$ (285,000)	\$ 3,190,000	\$ 290,000
Premium	72,934	-	(3,473)	69,461	-
<b>Total bonds payable</b>	<b>3,547,934</b>	<b>-</b>	<b>(288,473)</b>	<b>3,259,461</b>	<b>290,000</b>
<b>Other Long-Term Debt</b>					
Compensated absences	72,513	-	(2,455)	70,058	-
Other Post-employment benefits	669,248	-	(95,393)	573,855	-
Net pension liability	725,684	249,184	-	974,868	-
<b>Total Other Long-Term Debt</b>	<b>1,467,445</b>	<b>249,184</b>	<b>(97,848)</b>	<b>1,618,781</b>	<b>-</b>
<b>Total long-term liabilities</b>	<b>\$ 5,015,379</b>	<b>\$ 249,184</b>	<b>\$ (386,321)</b>	<b>\$ 4,878,242</b>	<b>\$ 290,000</b>

CITY OF LAMPASAS, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

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

Governmental Activities:

Year Ended September 30,	Bonds Payable	
	Principal	Interest
2017	\$ 245,000	\$ 230,050
2018	245,000	220,835
2019	340,000	211,621
2020	480,000	198,445
2021	500,000	179,189
2022-2026	1,890,000	647,591
2027-2031	1,435,000	294,870
2032--2036	500,000	69,750
<b>Totals</b>	<b>\$ 5,635,000</b>	<b>\$ 2,052,351</b>

Business-type Activities:

Year Ended September 30,	Business-Type Activities Bonds Payable	
	Principal	Interest
2017	\$ 290,000	\$ 104,504
2018	300,000	96,420
2019	225,000	88,886
2020	110,000	81,900
2021	110,000	79,150
2022-2026	605,000	343,325
2027-2031	700,000	239,325
2032-2035	850,000	87,800
<b>Totals</b>	<b>\$ 3,190,000</b>	<b>\$ 1,121,310</b>

**K. Interfund receivables and payables**

The interfund receivables and payables as of September 30, 2016 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Non Major Special Revenue Fund	\$ 11,784
Electric Fund	Water/Wastewater Fund	985,594
Non Major Enterprise Fund	Non Major Special Revenue Fund	6,094
<b>Total</b>		<b>\$ 1,003,472</b>

CITY OF LAMPASAS, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

**L. Interfund transfers**

The composition of interfund transfers for the year ended September 30, 2016 is as follows:

	<u>Transfer in to:</u>					Total
	Governmental Funds		Enterprise Funds			
	General Fund	Nonmajor gov. funds	Electric Fund	Water Waste- Water Fund	Nonmajor prop. funds	
<b>Transfer out from:</b>						
General fund	\$ -	\$ 60,662	\$ -	\$ -	\$ 28,154	\$ 88,816
Nonmajor gov. funds	6,975	-	332,550	255,278	-	594,803
Electric fund	2,560,859	132,935	-	-	143,672	2,837,466
Water/Wastewater Fun	50,000	178,059	-	-	-	228,059
Nonmajor prop. Funds	-	7,711	-	-	-	7,711
<b>Total</b>	<u>\$2,617,834</u>	<u>\$ 379,367</u>	<u>\$ 332,550</u>	<u>\$ 255,278</u>	<u>\$ 171,826</u>	<u>\$3,756,855</u>

During the year, recurring transfers are used to 1) move revenues from a fund with collection authority to another fund with related expenditure requirements, 2) move General Fund resources to provide subsidies to other funds as needs arise, and 3) move resources from the Electric Fund to the General Fund to subsidize governmental activities.

**M. Discretely presented component unit**

Lampasas Economic Development Corporation (LEDC)

Capital assets activity for Lampasas EDC for the year ended September 30, 2016 was as shown on the following page:

CITY OF LAMPASAS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

**Component Units**

	Balance 10/1/15	Increases	Decreases	Balance 9/30/16
<b>Capital assets, not being depreciated:</b>				
Land	\$ 923,785	\$ -	\$ (36,435)	\$ 887,350
<b>Total capital assets, not being depreciated</b>	<b>923,785</b>	<b>-</b>	<b>(36,435)</b>	<b>887,350</b>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	17,975	-	-	17,975
Infrastructure	-	771,917	-	771,917
<b>Total capital assets, being depreciated</b>	<b>17,975</b>	<b>771,917</b>	<b>-</b>	<b>789,892</b>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	(7,192)	(1,798)	-	(8,990)
Infrastructure	-	(13,509)	-	(13,509)
<b>Total accumulated depreciation</b>	<b>(7,192)</b>	<b>(15,307)</b>	<b>-</b>	<b>(22,499)</b>
<b>Total capital assets being depreciated, net</b>	<b>10,783</b>	<b>756,610</b>	<b>-</b>	<b>767,393</b>
<b>Total component unit capital assets, net</b>	<b>\$ 934,568</b>	<b>\$ 756,610</b>	<b>\$ (36,435)</b>	<b>\$ 1,654,743</b>

Details of long-term debt obligations outstanding for Lampasas EDC at September 30, 2016 are as follows:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/16
<b>General Obligation Bonds:</b>					
Taxable Sales Tax Revenue Bonds, Series 2004	2004	\$ 1,100,000	4.95%	2019	\$ 390,466
LEDC note payable 2015	2015	1,345,000	3.35%	2030	1,238,818
<b>Total</b>					<b>\$ 1,629,284</b>

Long-term debt activity for Lampasas EDC for the year ended September 30, 2016 was as follows:

Description	Balance 10/1/15	Additions	Deletions	Balance 9/30/16	Due in One Year
<b>Bonds Payable</b>					
General obligation bonds	\$ 410,395	\$ -	\$ (19,929)	\$ 390,466	\$ 20,927
LEDC Note payable 2015	1,310,310	-	(71,492)	1,238,818	73,966
<b>Total bonds payable</b>	<b>1,720,705</b>	<b>-</b>	<b>(91,421)</b>	<b>1,629,284</b>	<b>94,893</b>
<b>Total long-term liabilities</b>	<b>\$ 1,720,705</b>	<b>\$ -</b>	<b>\$ (91,421)</b>	<b>\$ 1,629,284</b>	<b>\$ 94,893</b>

CITY OF LAMPASAS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

**N. Contingencies**

The City had no significant contingencies to disclose as of September 30, 2016.

**O. Subsequent events**

The City issued a Combination Tax & Revenue Certificates of Obligation, Series 2016, amounting to \$5,355,000 with a closing date of October 25, 2016 to fund a variety of capital related projects.

**P. Litigation**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

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**CITY OF LAMPASAS, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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

CITY OF LAMPASAS, TEXAS  
 SCHEDULE OF CONTRIBUTIONS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>2015</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 704,715	\$ 748,756
Contributions in relation to the actuarially determined contribution	<u>704,715</u>	<u>748,756</u>
Contribution deficiency (excess)	\$ -	\$ -
Covered employee payroll	\$ 4,589,171	\$ 4,811,308
Contributions as a percentage of covered employee payroll	15.36%	15.56%

CITY OF LAMPASAS, TEXAS  
NOTES TO SCHEDULE OF CONTRIBUTIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

**Valuation Date:**

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	30 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5% per year
Salary Increases	3.50% to 10.5%, including inflation
Investment Rate of Return	6.75%, compounded annually, including inflation
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

**Other Information:**

Notes There were no benefit changes during the year.

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## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

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

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

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

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

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

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

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

### **Permanent Funds**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

**Cemetery Fund** – to account for the receipt and disbursement of funds received for the benefit of city cemeteries.

### **Debt Service Fund**

The debt service fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of City funds.

**Debt Service Fund** – to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest, and related costs.

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## **Capital Projects Funds**

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

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

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

**Certificates of Obligation, Series 2011 Fund** – to account for the acquisition and construction of the City's major capital facilities purchased from the resources obtained from the certificate of obligation bonds issued in prior years.

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

CITY OF LAMPASAS, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<b>Special Revenue Funds</b>			
	Municipal Court			
	Police Seizures Fund	Technology Fund	Library Board Fund	Court Security Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,797	\$ 12,228	\$ 6,396	\$ 20,932
Investments - current	-	-	-	-
Taxes receivable - delinquent	-	-	-	-
Allowance for uncoll. taxes	-	-	-	-
Accounts receivable	-	-	-	-
<b>Total assets</b>	<b>\$ 9,797</b>	<b>\$ 12,228</b>	<b>\$ 6,396</b>	<b>\$ 20,932</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 498	\$ 60	\$ -	\$ -
Compensated absences payable	-	-	-	-
Due to other funds	-	-	-	-
Other current liabilities	1,330	-	-	-
<b>Total liabilities</b>	<b>1,828</b>	<b>60</b>	<b>-</b>	<b>-</b>
<b>DEF. INFLOWS OF RESOURCES</b>				
Deferred inflows of resources	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Endowments	-	-	-	-
Other specific purposes	7,969	12,168	6,396	20,932
<b>Total Fund balances</b>	<b>7,969</b>	<b>12,168</b>	<b>6,396</b>	<b>20,932</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 9,797</b>	<b>\$ 12,228</b>	<b>\$ 6,396</b>	<b>\$ 20,932</b>

Special Revenue Funds			Permanent Fund	Debt Service Fund	Capital Projects Funds
Hotel/Motel Tax Fund	Employee Benefit Accrual Fund	Animal Shelter Fund	Cemetery Fund	Debt Service Fund	CDBG Grant Fund
\$ 1,189,996	\$ 19,138	\$ (3,177)	\$ 72,868	\$ 76,544	\$ -
3,390	-	-	101,690	141,467	-
-	-	-	-	22,236	-
-	-	-	-	(2,224)	-
6,636	-	21,245	-	-	-
<b>\$ 1,200,022</b>	<b>\$ 19,138</b>	<b>\$ 18,068</b>	<b>\$ 174,558</b>	<b>\$ 238,023</b>	<b>\$ -</b>
\$ 5,633	\$ -	\$ 3,027	\$ -	\$ -	\$ -
-	-	1,842	-	-	-
-	-	11,784	-	-	-
-	-	-	-	-	-
5,633	-	16,653	-	-	-
-	-	-	-	20,012	-
-	-	-	-	20,012	-
-	-	-	-	218,011	-
-	-	-	-	-	-
-	-	-	174,558	-	-
1,194,389	19,138	1,415	-	-	-
1,194,389	19,138	1,415	174,558	218,011	-
<b>\$ 1,200,022</b>	<b>\$ 19,138</b>	<b>\$ 18,068</b>	<b>\$ 174,558</b>	<b>\$ 238,023</b>	<b>\$ -</b>

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	Capital Projects Funds			Total Non-Major Governmental Funds
	Key Avenue Fund	Certificates of Obligation Series 2011	Airport Hangar Fund	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 482,145	\$ 166,434	\$ 8,404	\$ 2,061,705
Investments - current	-	-	-	246,547
Taxes receivable - delinquent	-	-	-	22,236
Allowance for uncoll. taxes	-	-	-	(2,224)
Accounts receivable	-	-	-	27,881
Total assets	<u>\$ 482,145</u>	<u>\$ 166,434</u>	<u>\$ 8,404</u>	<u>\$ 2,356,145</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 9,218
Compensated absences payable	-	-	-	1,842
Due to other funds	-	-	6,094	17,878
Other current liabilities	-	-	-	1,330
Total liabilities	<u>-</u>	<u>-</u>	<u>6,094</u>	<u>30,268</u>
<b>DEF. INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	20,012
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,012</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted for:				
Debt service	-	-	-	218,011
Capital projects	482,145	166,434	2,310	650,889
Endowments	-	-	-	174,558
Other specific purposes	-	-	-	1,262,407
Total Fund balances	<u>482,145</u>	<u>166,434</u>	<u>2,310</u>	<u>2,305,865</u>
Total liabilities, def. inflows, and fund balances	<u>\$ 482,145</u>	<u>\$ 166,434</u>	<u>\$ 8,404</u>	<u>\$ 2,356,145</u>

CITY OF LAMPASAS, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue Funds			
	Municipal			
	Police Seizures Fund	Court Technology Fund	Library Board Fund	Court Security Fund
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Hotel/motel taxes	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines	-	-	-	5,335
Special assessments	-	7,801	-	-
Investment earnings	21	15	-	30
Contributions from private sources	-	-	2,619	-
Miscellaneous revenue	34,612	-	4,217	-
Total revenues	34,633	7,816	6,836	5,365
<b>EXPENDITURES</b>				
Current:				
General government	-	8,331	-	1,236
Public safety				
Police	48,419	-	-	-
Culture and recreation				
Libraries	-	-	4,789	-
Economic development and assistance	-	-	-	-
Debt service:				
Bond principal	-	-	-	-
Interest - bonds	-	-	-	-
Interest - other debt	-	-	-	-
Total expenditures	48,419	8,331	4,789	1,236
Excess (deficiency) of revenues over expenditures	(13,786)	(515)	2,047	4,129
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(13,786)	(515)	2,047	4,129
Fund balance - beginning	21,755	12,683	4,349	16,803
Fund balance - ending	\$ 7,969	\$ 12,168	\$ 6,396	\$ 20,932

Special Revenue Funds			Permanent Fund	Debt Service Fund	Capital Projects Funds
Hotel/Motel Tax Fund	Employee Benefit Accrual Fund	Animal Shelter Fund	Cemetery Fund	Debt Service Fund	CDBG Grant Fund
\$ -	\$ -	\$ -	\$ -	\$ 381,067	\$ -
76,192	-	-	-	-	-
-	-	81,906	-	-	-
-	-	7,491	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,349	43	-	475	683	-
-	-	-	-	-	-
-	-	12,990	-	-	18,943
<u>79,541</u>	<u>43</u>	<u>102,387</u>	<u>475</u>	<u>381,750</u>	<u>18,943</u>
-	-	162,903	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
78,705	-	-	-	-	7,500
-	-	-	-	380,000	-
-	-	-	-	244,159	-
-	-	-	-	250	-
<u>78,705</u>	<u>-</u>	<u>162,903</u>	<u>-</u>	<u>624,409</u>	<u>7,500</u>
836	43	(60,516)	475	(242,659)	11,443
-	-	61,426	-	304,832	13,109
-	(6,500)	-	(475)	-	(60,247)
-	(6,500)	61,426	(475)	304,832	(47,138)
836	(6,457)	910	-	62,173	(35,695)
1,193,553	25,595	505	174,558	155,838	35,695
<u>\$ 1,194,389</u>	<u>\$ 19,138</u>	<u>\$ 1,415</u>	<u>\$ 174,558</u>	<u>\$ 218,011</u>	<u>\$ -</u>

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	<b>Capital Projects Funds</b>			<b>Total</b>
	<b>Key Avenue Fund</b>	<b>Certificates of Obligation Series 2011</b>	<b>Airport Hangar Fund</b>	<b>Non-Major Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 381,067
Hotel/motel taxes	-	-	-	76,192
Intergovernmental revenues	-	-	-	81,906
Charges for services	-	-	-	7,491
Fines	-	-	-	5,335
Special assessments	-	-	-	7,801
Investment earnings	1,550	278	14	6,458
Contributions from private sources	-	-	-	2,619
Miscellaneous revenue	-	-	-	70,762
<b>Total revenues</b>	<b>1,550</b>	<b>278</b>	<b>14</b>	<b>639,631</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	172,470
Public safety				
Police	-	-	-	48,419
Culture and recreation				
Libraries	-	-	-	4,789
Economic development and assistance	-	-	-	86,205
Debt service:				
Bond principal	-	-	-	380,000
Interest - bonds	-	-	-	244,159
Interest - other debt	-	-	-	250
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>936,292</b>
<b>Excess (deficiency) of revenues over exp.</b>	<b>1,550</b>	<b>278</b>	<b>14</b>	<b>(296,661)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	379,367
Transfers out	(517,581)	(10,000)	-	(594,803)
<b>Total other financing sources (uses)</b>	<b>(517,581)</b>	<b>(10,000)</b>	<b>-</b>	<b>(215,436)</b>
<b>Net change in fund balance</b>	<b>(516,031)</b>	<b>(9,722)</b>	<b>14</b>	<b>(512,097)</b>
Fund balance - beginning	998,176	176,156	2,296	2,817,962
Fund balance - ending	\$ 482,145	\$ 166,434	\$ 2,310	\$ 2,305,865

CITY OF LAMPASAS, TEXAS  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Nonmajor Enterprise Funds			Total Non-Major Enterprise Funds
	G/F Economic Development Fund	Aviation Fund	Golf Course Fund	
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 30,834	\$ 186,348	\$ 17,976	\$ 235,158
Investments - current	2,396	36,972	298	39,666
Accounts receivable, net	-	6,682	4	6,686
Notes receivable	304,461	-	-	304,461
Due from other funds	-	6,094	-	6,094
Inventories	-	2,758	28,801	31,559
Total current assets	<u>337,691</u>	<u>238,854</u>	<u>47,079</u>	<u>623,624</u>
Noncurrent Assets:				
Land	373,962	141,292	341,030	856,284
Buildings	-	1,288,259	379,899	1,668,158
Improvements other than buildings	-	484,450	1,480,676	1,965,126
Furnishings and equipment	-	58,587	173,403	231,990
Accumulated depreciation	-	(732,782)	(1,168,550)	(1,901,332)
Total noncurrent assets	<u>373,962</u>	<u>1,239,806</u>	<u>1,206,458</u>	<u>2,820,226</u>
Total assets	<u>711,653</u>	<u>1,478,660</u>	<u>1,253,537</u>	<u>3,443,850</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plan items	<u>23,792</u>	<u>-</u>	<u>84,973</u>	<u>108,765</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,776	1,211	9,416	12,403
Accrued salaries and benefits	1,450	-	4,926	6,376
Accrued liabilities	-	-	3,692	3,692
Total current liabilities	<u>3,226</u>	<u>1,211</u>	<u>18,034</u>	<u>22,471</u>
Noncurrent Liabilities:				
Net pension obligation	62,037	-	221,561	283,598
Other noncurrent liabilities	36,518	-	149,341	185,859
Total noncurrent liabilities	<u>98,555</u>	<u>-</u>	<u>370,902</u>	<u>469,457</u>
Total liabilities	<u>101,781</u>	<u>1,211</u>	<u>388,936</u>	<u>491,928</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plan items	<u>497</u>	<u>-</u>	<u>1,779</u>	<u>2,276</u>
<b>NET POSITION</b>				
Net investment in capital assets	373,962	1,239,806	1,206,458	2,820,226
Unrestricted	259,205	237,643	(258,663)	238,185
Total net position	<u>\$ 633,167</u>	<u>\$ 1,477,449</u>	<u>\$ 947,795</u>	<u>\$ 3,058,411</u>

CITY OF LAMPASAS, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Nonmajor Enterprise Funds</u>			Total Non-Major Enterprise Funds
	G/F Economic Development Fund	Aviation Fund	Golf Course Fund	
Operating revenues:				
Charges for services:				
Other charges for services	\$ -	\$ 107,909	\$ 473,241	\$ 581,150
Miscellaneous revenue	45,901	60	268	46,229
Total operating revenues	<u>45,901</u>	<u>107,969</u>	<u>473,509</u>	<u>627,379</u>
Operating expenses:				
Personnel services	90,692	-	343,850	434,542
Purchased prof. and tech. services	1,266	1,914	10,768	13,948
Purchased property services	-	9,937	24,933	34,870
Other purchased services	-	50	62,016	62,066
Materials and supplies	-	39,540	96,566	136,106
Other operating expenses	-	13,345	20,851	34,196
Depreciation	-	64,676	92,527	157,203
Total operating expenses	<u>91,958</u>	<u>129,462</u>	<u>651,511</u>	<u>872,931</u>
Operating income (loss)	(46,057)	(21,493)	(178,002)	(245,552)
Nonoperating revenues (expenses)				
Intergovernmental	-	6,000	-	6,000
Investment earnings	6,309	372	1	6,682
Total nonoperating revenues (expenses)	<u>6,309</u>	<u>6,372</u>	<u>1</u>	<u>12,682</u>
Income before transfers in (out)	(39,748)	(15,121)	(178,001)	(232,870)
Transfers in	42,310	-	129,516	171,826
Transfers out	-	(7,711)	-	(7,711)
Change in net position	2,562	(22,832)	(48,485)	(68,755)
Net position-beginning	630,605	1,500,281	996,280	3,127,166
Net position-ending	<u>\$ 633,167</u>	<u>\$ 1,477,449</u>	<u>\$ 947,795</u>	<u>\$ 3,058,411</u>

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**CITY OF LAMPASAS, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>Nonmajor Enterprise Funds</b>			<b>Total Non-Major Enterprise Funds</b>
	<b>G/F Economic Development Fund</b>	<b>Aviation Fund</b>	<b>Golf Course Fund</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ -	\$ 108,296	\$ 476,524	\$ 584,820
Other receipts	45,901	-	-	45,901
Payments to suppliers and service providers	(618)	(67,301)	(212,727)	(280,646)
Payments to employees for salaries and benefits	(98,386)	-	(375,731)	(474,117)
Net cash provided by (used for) operating activities	<u>(53,103)</u>	<u>40,995</u>	<u>(111,934)</u>	<u>(124,042)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	42,310	(7,711)	129,516	164,115
Net cash provided by (used for) capital and financing activities	<u>42,310</u>	<u>(7,711)</u>	<u>129,516</u>	<u>164,115</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	-	(34,650)	(34,650)
Net pension obligation	16,883	-	60,298	77,181
Deferred Outflow of Resources	(14,106)	-	(50,382)	(64,488)
Deferred Inflow of Resources	497	-	1,779	2,276
Notes receivable	14,472	-	-	14,472
Net cash provided by (used for) capital and related financing activities	<u>17,746</u>	<u>-</u>	<u>(22,955)</u>	<u>(5,209)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of investments	-	(106)	-	(106)
Proceeds from sale of investments	(7)	-	-	(7)
Intergovernmental	-	6,000	-	6,000
Interest on investments	6,309	373	-	6,682
Net cash provided by investing activities	<u>6,302</u>	<u>6,267</u>	<u>-</u>	<u>12,569</u>
Net increase (decrease) in cash and cash equivalents	13,255	39,551	(5,373)	47,433
Cash and cash equivalents-beginning	17,579	146,797	23,349	187,725
Cash and cash equivalents-ending	<u>\$ 30,834</u>	<u>\$ 186,348</u>	<u>\$ 17,976</u>	<u>\$ 235,158</u>
<b>Reconciliation of operating income (loss) to net cash provided (used for) operating activities:</b>				
Operating income (loss)	(46,057)	(21,493)	(178,002)	(245,552)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	-	64,676	92,527	157,203
(Increase) decrease in accounts receivable	-	327	3,015	3,342
(Increase) decrease in inventories	-	6,037	3,934	9,971
(Decrease) increase in compensated absences	(5,124)	-	(21,475)	(26,599)
(Decrease) increase in accounts payable	648	(8,552)	(2,919)	(10,823)
(Decrease) increase in Accrued Salaries	1,450	-	(10,406)	(8,956)
(Decrease) increase in accrued liabilities	(4,020)	-	1,392	(2,628)
Total adjustments	<u>(7,046)</u>	<u>62,488</u>	<u>66,068</u>	<u>121,510</u>
Net cash provided by (used for) operating activities	<u>\$ (53,103)</u>	<u>\$ 40,995</u>	<u>\$ (111,934)</u>	<u>\$ (124,042)</u>

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**OTHER SUPPLEMENTARY INFORMATION SECTION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the City of Lampasas, Texas ("the City"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 20, 2017.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

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**Purpose of this Report**

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

*Singleton, Clark & Company, PC*

Singleton, Clark & Company, PC  
Cedar Park, Texas

January 20, 2017

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CITY OF LAMPASAS, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  Yes  No

**FEDERAL AWARDS**

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

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

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

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the year ended September 30, 2016.

Prior year financial statement findings as required to be restated with current status:

2015-001                      Budget Overages

Criteria:                      Each year the City Council adopts an appropriations budget which limits expenditure amounts within specific line items that can be made by the City departments.

Condition Found:              As of year-end, actual expenditures exceeded appropriations in the General Fund in the General Government function by \$6,008, in the Police and Fire lines of the Public Safety function by \$26,413 and \$1,004 respectively, in the Health and Welfare function by \$5,028, and in the Parks and Libraries lines of the Culture and Recreation function by \$40,005 and \$4,090 respectively.

Cause:                          The City did not amend the budget for expenditure overages at year end for these line items.

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

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CITY OF LAMPASAS, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Recommendation: We recommend the City closely monitor expenditures and amend the appropriations budget as required

Current Status: The City closely monitored expenditures and made budget amendments To the effect that there were no budget overages.

Contact Person: Yvonne Moreno, Finance Director.

**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, 2016 and 2015.

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# STATISTICAL SECTION

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

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b>	<b>66-75</b>
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>76-81</b>
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	<b>82-86</b>
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

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

	Fiscal Year			
	2007	2008	2009	2010
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$ 1,093,000	\$ 1,616,000	\$ 747,000	\$ 1,581,000
Restricted	3,560,000	4,185,000	4,599,000	4,154,000
Unrestricted	1,851,000	1,032,000	777,000	1,052,000
<b>Total Governmental Activities Net Position</b>	<b>\$ 6,504,000</b>	<b>\$ 6,833,000</b>	<b>\$ 6,123,000</b>	<b>\$ 6,787,000</b>
<b>Business-type Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$ 5,981,000	\$ 7,347,000	\$ 9,812,000	\$ 11,143,000
Restricted	5,199,000	5,302,000	5,797,000	5,797,000
Unrestricted	2,805,000	2,604,000	2,325,000	2,037,000
<b>Total Business-type Activities Net Position</b>	<b>\$ 13,985,000</b>	<b>\$ 15,253,000</b>	<b>\$ 17,934,000</b>	<b>\$ 18,977,000</b>
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt	\$ 7,074,000	\$ 8,963,000	\$ 10,559,000	\$ 12,724,000
Restricted	8,759,000	9,487,000	10,396,000	9,951,000
Unrestricted	4,656,000	3,636,000	3,102,000	3,089,000
<b>Total Primary Government Net Position</b>	<b>\$ 20,489,000</b>	<b>\$ 22,086,000</b>	<b>\$ 24,057,000</b>	<b>\$ 25,764,000</b>

**TABLE 1**

2011	2012	2013	2014	2015	2016
\$ 436,000	\$ 771,128	\$ 1,950,175	\$ 2,418,796	\$ 3,180,867	\$ 3,706,170
5,647,000	5,532,880	2,914,531	2,369,001	2,833,708	2,325,877
1,001,000	1,232,515	3,041,824	2,986,307	(1,806,130)	(1,440,083)
<u>\$ 7,084,000</u>	<u>\$ 7,536,523</u>	<u>\$ 7,906,530</u>	<u>\$ 7,774,104</u>	<u>\$ 4,208,445</u>	<u>\$ 4,591,964</u>
\$ 10,840,000	\$ 10,572,965	\$ 10,564,759	\$ 12,288,611	\$ 13,025,534	\$ 12,759,887
5,393,000	5,156,820	4,486,820	4,490,449	2,867,877	2,726,401
3,549,000	4,380,601	5,425,742	4,141,523	3,393,861	3,670,864
<u>\$ 19,782,000</u>	<u>\$ 20,110,386</u>	<u>\$ 20,477,321</u>	<u>\$ 20,920,583</u>	<u>\$ 19,287,272</u>	<u>\$ 19,157,152</u>
\$ 11,276,000	\$ 11,344,093	\$ 12,514,934	\$ 14,707,407	\$ 16,206,401	\$ 16,466,057
11,040,000	10,689,700	7,401,351	6,859,450	5,701,585	5,052,278
4,550,000	5,613,116	8,467,566	7,127,830	1,587,731	2,230,781
<u>\$ 26,866,000</u>	<u>\$ 27,646,909</u>	<u>\$ 28,383,851</u>	<u>\$ 28,694,687</u>	<u>\$ 23,495,717</u>	<u>\$ 23,749,116</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			
	2007	2008	2009	2010
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government	\$ 2,328,000	\$ 2,164,000	\$ 2,324,000	\$ 2,664,000
Public Safety	2,122,000	2,335,000	2,669,000	2,618,000
Highways and Streets	745,000	970,000	1,021,000	1,093,000
Sanitation	-	-	-	-
Health and Welfare	-	-	-	-
Economic Development & Assistance	-	-	-	-
Culture and Recreation	864,000	948,000	1,015,000	966,000
Interest on Long-Term Debt	33,000	285,000	274,000	262,000
<b>Total Gov. Activities Expenses</b>	<b>6,092,000</b>	<b>6,702,000</b>	<b>7,303,000</b>	<b>7,603,000</b>
<b>Business-type Activities</b>				
Water/Wastewater	10,948,000	12,751,000	14,184,000	13,277,000
Electric Fund	-	-	-	-
Other Nonmajor Enterprise Funds	-	-	-	-
<b>Total Business-type Act. Expenses</b>	<b>10,948,000</b>	<b>12,751,000</b>	<b>14,184,000</b>	<b>13,277,000</b>
<b>Total Primary Gov. Expenses</b>	<b>\$ 17,040,000</b>	<b>\$ 19,453,000</b>	<b>\$ 21,487,000</b>	<b>\$ 20,880,000</b>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
General Government:				
Charges for Service	\$ 1,879,000	\$ 2,265,000	\$ 2,519,000	\$ 2,796,000
Operating Grants and Contributions	302,000	96,000	907,000	1,330,000
<b>Total Gov. Activities Program Revenues</b>	<b>2,181,000</b>	<b>2,361,000</b>	<b>3,426,000</b>	<b>4,126,000</b>
<b>Business-type Activities:</b>				
Program Revenue:				
Charges for Services:	12,967,000	14,151,000	15,006,000	14,859,000
<b>Total Business-type Act. Prog. Revenues</b>	<b>12,967,000</b>	<b>14,151,000</b>	<b>15,006,000</b>	<b>14,859,000</b>
<b>Total Primary Gov. Prog. Revenues</b>	<b>\$ 15,148,000</b>	<b>\$ 16,512,000</b>	<b>\$ 18,432,000</b>	<b>\$ 18,985,000</b>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(3,911,000)	(4,341,000)	(3,877,000)	(3,477,000)
Business-type Activities	2,019,000	1,400,000	822,000	1,582,000
<b>Total Primary Government Net Expense</b>	<b>\$ (1,892,000)</b>	<b>\$ (2,941,000)</b>	<b>\$ (3,055,000)</b>	<b>\$ (1,895,000)</b>

TABLE 2

2011	2012	2013	2014	2015	2016
\$ 2,751,000	\$ 2,144,309	\$ 2,022,456	\$ 2,223,490	\$ 2,291,288	\$ 2,696,527
2,079,000	2,801,991	2,955,907	3,186,403	3,407,906	3,493,501
1,976,000	618,732	671,618	699,633	660,402	620,679
-	970,308	1,051,846	1,058,171	1,126,129	1,195,220
-	114,582	118,503	128,549	139,303	133,720
-	53,398	44,954	48,646	56,512	92,752
1,008,000	1,084,794	964,600	1,008,322	1,133,436	1,067,490
259,000	301,895	279,734	268,213	255,130	241,563
<u>8,073,000</u>	<u>8,090,009</u>	<u>8,109,618</u>	<u>8,621,427</u>	<u>9,070,106</u>	<u>9,541,452</u>
13,297,000	3,617,208	3,783,437	4,269,573	4,443,566	4,651,178
-	8,906,129	8,500,187	9,193,037	9,649,508	8,258,476
-	756,692	732,341	808,386	927,302	872,931
<u>13,297,000</u>	<u>13,280,029</u>	<u>13,015,965</u>	<u>14,270,996</u>	<u>15,020,376</u>	<u>13,782,585</u>
<u>\$ 21,370,000</u>	<u>\$ 21,370,038</u>	<u>\$ 21,125,583</u>	<u>\$ 22,892,423</u>	<u>\$ 24,090,482</u>	<u>\$ 23,324,037</u>
\$ 2,757,000	\$ 3,222,279	\$ 2,285,216	\$ 1,395,338	\$ 1,548,820	\$ 1,582,065
204,000	84,047	502,432	641,953	344,801	137,834
<u>2,961,000</u>	<u>3,306,326</u>	<u>2,787,648</u>	<u>2,037,291</u>	<u>1,893,621</u>	<u>1,719,899</u>
15,627,000	15,059,288	14,773,779	15,160,953	15,900,317	15,854,405
15,627,000	15,059,288	14,773,779	15,160,953	15,900,317	15,854,405
<u>\$ 18,588,000</u>	<u>\$ 18,365,614</u>	<u>\$ 17,561,427</u>	<u>\$ 17,198,244</u>	<u>\$ 17,793,938</u>	<u>\$ 17,574,304</u>
(5,112,000)	(4,783,683)	(5,321,970)	(6,584,136)	(7,176,485)	(7,821,553)
2,330,000	1,779,259	1,757,814	889,957	879,941	2,071,820
<u>\$ (2,782,000)</u>	<u>\$ (3,004,424)</u>	<u>\$ (3,564,156)</u>	<u>\$ (5,694,179)</u>	<u>\$ (6,296,544)</u>	<u>\$ (5,749,733)</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			
	2007	2008	2009	2010
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (3,912,102)	\$ (4,340,520)	\$ (3,877,337)	\$ (3,476,287)
Business-type Activities	2,018,901	1,399,755	821,902	1,582,369
Total Primary Government Net Expense	<u>(1,893,201)</u>	<u>(2,940,765)</u>	<u>(3,055,435)</u>	<u>(1,893,918)</u>
<b>Governmental Revenues and Other Changes in Net Assets</b>				
Governmental Activities:				
Taxes				
Property Taxes	989,191	1,084,192	1,209,306	1,226,081
Sales Taxes	1,021,154	1,161,632	1,142,555	1,146,768
Franchise Fees	458,737	842,124	957,880	914,549
Hotel/Motel Taxes	-	-	-	-
Penalty and Interest	13,976	15,840	17,887	27,830
Contributions and Donations	54,991	62,641	52,367	36,636
Miscellaneous Revenue	299,297	420,165	543,857	98,054
Investment Earnings	304,347	278,734	61,410	16,840
Gain/loss on sale of capital assets				
Total Governmental Activities	<u>3,141,693</u>	<u>3,865,328</u>	<u>3,985,262</u>	<u>3,466,758</u>
Business-type Activities:				
Miscellaneous Revenue	396,176	405,079	824,818	81,970
Investment Earnings	395,647	271,018	69,518	23,765
Total Business-type Activities	<u>791,823</u>	<u>676,097</u>	<u>894,336</u>	<u>105,735</u>
Total Primary Government	<u>3,933,516</u>	<u>4,541,425</u>	<u>4,879,598</u>	<u>3,572,493</u>
Transfers In (Out)	1	26,462	20,341	28,690
<b>Change in Net Position</b>				
Governmental Activities	(770,409)	(475,192)	107,925	(9,529)
Business-type Activities	2,810,724	2,075,852	1,716,238	1,688,104
Total Primary Government	<u>\$ 2,040,315</u>	<u>\$ 1,600,660</u>	<u>\$ 1,824,163</u>	<u>\$ 1,678,575</u>

TABLE 3

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ (5,113,105)	\$ (4,783,683)	\$ (5,321,970)	\$ (6,584,136)	\$ (7,176,485)	\$ (7,821,553)
2,330,265	1,779,259	1,760,287	889,857	879,941	2,071,820
(2,782,840)	(3,004,424)	(3,561,683)	(5,694,279)	(6,296,544)	(5,749,733)
1,272,469	1,345,349	1,381,515	1,410,139	1,453,654	1,498,205
1,163,562	1,192,491	1,154,769	1,234,608	1,339,222	1,436,371
943,413	905,082	898,937	931,165	955,286	930,989
-	-	84,026	87,550	74,297	76,192
24,932	21,452	-	-	-	-
133,583	18,478	23,192	11,515	7,880	9,044
311,693	239,662	732,562	2,172,833	2,483,834	1,925,773
13,961	17,380	14,831	8,955	13,439	14,915
				(110,791)	-
3,863,613	3,739,894	4,289,832	5,856,765	6,216,821	5,891,489
-	32,838	166,546	46,063	23,310	77,856
21,816	11,343	24,606	24,613	28,639	33,787
21,816	44,181	191,152	70,676	51,949	111,643
3,885,429	3,784,075	4,480,984	5,927,441	6,268,770	6,003,132
-	-	-	77,574	50,936	-
(1,249,492)	(1,043,789)	(1,032,138)	(727,371)	(959,664)	(1,930,064)
2,352,081	1,823,440	1,951,439	960,533	931,890	2,183,463
\$ 1,102,589	\$ 779,651	\$ 919,301	\$ 233,162	\$ 23,162	\$ 253,399

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			
	2007	2008	2009	2010
<b>General Fund</b>				
NonSpendable	\$ 15,474	\$ 18,681	\$ 15,077	\$ 12,026
Restricted, Committed, or Assigned	1,482,285	1,578,691	1,808,453	1,763,872
Unassigned	258,398	507,769	283,119	565,089
<b>Total General Fund</b>	<b>\$ 1,756,157</b>	<b>\$ 2,105,141</b>	<b>\$ 2,106,649</b>	<b>\$ 2,340,987</b>
<b>All Other Governmental Funds</b>				
<b>Restricted for:</b>				
Capital Projects Funds	\$ 6,151,251	\$ 5,028,129	\$ 3,043,255	958,219
Debt Service Fund	162,861	148,373	148,050	149,983
Endowments	174,559	174,559	174,558	174,558
Other Specific Purpose	935,286	1,039,943	1,028,771	1,115,263
<b>Total All Other Governmental Funds</b>	<b>\$ 7,423,957</b>	<b>\$ 6,391,004</b>	<b>\$ 4,394,634</b>	<b>\$ 2,398,023</b>

**TABLE 4**

Fiscal Year						
2011	2012	2013	2014	2015	2016	
\$ 9,337	\$ 15,491	\$ 22,923	\$ 58,743	\$ 51,191	\$ 27,990	
1,794,537	1,833,004	1,832,914	1,832,480	1,834,048	1,835,013	
652,384	620,340	764,355	653,146	139,451	387,299	
<u>\$ 2,446,921</u>	<u>\$ 2,468,835</u>	<u>\$ 2,620,192</u>	<u>\$ 2,544,369</u>	<u>\$ 2,024,690</u>	<u>\$ 2,250,302</u>	
923,404	2,247,640	1,370,948	\$ 774,455	\$ 155,838	\$ 650,889	
159,699	164,426	168,856	171,040	1,212,323	218,011	
174,558	174,558	174,558	174,558	174,558	174,558	
1,106,426	1,115,260	1,185,449	1,233,232	1,275,243	1,262,407	
<u>\$ 2,364,087</u>	<u>\$ 3,701,884</u>	<u>\$ 2,899,811</u>	<u>\$ 2,353,285</u>	<u>\$ 2,817,962</u>	<u>\$ 2,305,865</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			
	2007	2008	2009	2010
<b>Revenues</b>				
Ad valorem taxes	\$ 997,299	\$ 1,096,156	\$ 1,096,156	\$ 1,250,663
Sales taxes	1,021,154	1,161,632	1,161,632	1,146,768
Hotel/Motel taxes	-	-	-	-
Franchise fees	458,737	842,124	842,124	914,549
Licenses and permits	8,803	26,314	26,314	34,457
Intergovernmental	330,978	138,991	138,991	1,330,451
Service fees	1,845,865	2,019,152	2,019,152	2,526,354
Fines and penalties	14,385	13,614	13,614	20,969
Special Assessments	-	191,114	191,114	191,252
Interest income	304,347	278,734	278,734	16,840
Rents and Royalties	12,683	15,607	15,607	22,867
Contributions and Donations	25,990	19,769	19,769	19,360
Miscellaneous income	296,135	129,361	129,361	98,054
<b>Total Revenues</b>	<b>5,316,376</b>	<b>5,932,568</b>	<b>5,932,568</b>	<b>7,572,584</b>
<b>Expenditures</b>				
General Government	583,707	594,000	594,000	818,242
Public Safety Police/Fire	2,060,912	2,246,220	2,246,220	2,582,849
Highway and Streets	944,240	971,995	971,995	1,103,306
Sanitation	754,956	818,507	818,507	872,352
Health and Welfare	151,732	163,785	163,785	104,104
Culture and Recreation	668,011	738,148	738,148	3,022,908
Conservation	-	-	-	43,462
Capital Outlay/Misc	1,054,307	1,309,426	1,309,426	902,309
Debt Service				
Principal	265,763	300,000	300,000	395,709
Interest and fiscal charges	103,953	279,197	279,197	256,959
Bond issuance costs	1,000	-	-	-
<b>Total Expenditures</b>	<b>6,588,581</b>	<b>7,421,278</b>	<b>7,421,278</b>	<b>10,102,200</b>
Excess of Revenues				
Over (Under) Expenditures	(1,272,205)	(1,488,710)	(1,488,710)	(2,529,616)
<b>Other Financing Sources (Uses)</b>				
Transfers In	3,499,101	2,331,148	2,331,148	4,324,266
Transfers Out	(2,183,197)	(1,552,868)	(1,552,868)	(3,560,614)
Issuance of long-term debt	6,000,000	-	-	-
Premium or discount on bonds issued				
Other resources	-	19,457	19,457	-
Payment to refunded bond escrow agent	-	-	-	-
Sale of capital assets	-	7,005	7,005	3,690
<b>Total Other Financing</b>	<b>7,315,904</b>	<b>804,742</b>	<b>804,742</b>	<b>767,342</b>
Sources (Uses)	7,315,904	804,742	804,742	767,342
<b>Net Change in Fund Balances</b>	<b>\$ 6,043,699</b>	<b>\$ (683,968)</b>	<b>\$ (683,968)</b>	<b>\$ (1,762,274)</b>
Debt Service as a Percentage of Noncapital Expenditures	8.5%	12.5%	12.5%	12.1%

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

**TABLE 5**

		Fiscal Year									
		2011	2012	2013	2014	2015	2016				
\$	1,289,325	\$	1,370,826	\$	1,378,807	\$	1,405,387	\$	1,452,783	\$	1,482,248
	1,163,562		1,192,491		1,154,769		1,234,608		1,339,222		1,436,371
	-		-		84,026		87,550		74,297		76,192
	943,413		905,082		898,937		931,165		955,286		930,989
	24,375		28,008		44,153		45,981		55,735		60,420
	322,430		84,047		502,432		1,994,914		1,997,911		1,355,669
	2,714,482		2,272,053		2,285,216		1,395,338		1,548,820		1,582,065
	21,929		419,173		334,368		329,222		358,403		379,819
	192,363		192,380		204,360		9,414		8,029		7,801
	13,961		17,381		14,831		8,955		13,439		14,915
	26,456		23,234		22,416		8,570		7,900		7,070
	15,202		18,478		23,192		11,515		7,880		9,044
	303,374		254,041		114,582		169,744		387,539		106,803
	<u>7,030,872</u>		<u>6,777,194</u>		<u>7,062,089</u>		<u>7,632,363</u>		<u>8,207,244</u>		<u>7,449,406</u>
	1,254,843		937,126		1,868,743		2,053,956		2,098,606		2,455,291
	2,524,663		2,637,477		2,786,442		2,938,563		3,133,478		3,307,491
	1,077,476		1,061,416		851,924		644,611		609,260		601,244
	892,840		893,502		963,066		980,334		1,045,238		1,110,857
	109,455		268,051		108,501		119,093		128,207		125,835
	993,284		968,055		879,508		930,538		1,052,019		1,041,199
	45,973		57,219		41,160		45,068		52,453		86,205
	1,512,149		980,164		1,146,256		734,396		1,139,048		747,874
	382,229		333,825		335,000		360,000		365,000		380,000
	241,656		293,359		282,983		270,701		257,644		244,159
	-		125		-		250		250		250
	<u>9,034,568</u>		<u>8,430,319</u>		<u>9,263,583</u>		<u>9,077,510</u>		<u>9,881,203</u>		<u>10,100,405</u>
	<u>(2,003,696)</u>		<u>(1,653,125)</u>		<u>(2,201,494)</u>		<u>(1,445,147)</u>		<u>(1,673,959)</u>		<u>(2,650,999)</u>
	1,745,203		1,979,951		1,811,287		1,931,071		2,307,289		2,997,201
	(197,129)		(485,118)		(273,192)		(1,336,126)		(637,820)		(683,618)
	2,036,036		-		12,683		-		-		-
	-		-		-		10,759		13,118		44,501
	-		-		-		-		-		-
	2,942		6,645		-		217,094		3,867		6,430
	<u>3,587,052</u>		<u>1,501,478</u>		<u>1,550,778</u>		<u>822,798</u>		<u>1,686,454</u>		<u>2,364,514</u>
\$	<u>1,583,356</u>	\$	<u>(151,647)</u>	\$	<u>(650,716)</u>	\$	<u>(622,349)</u>	\$	<u>12,495</u>	\$	<u>(286,485)</u>
	10.9%		11.3%		9.6%		9.5%		9.0%		8.4%

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

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

**TABLE 6**

Fiscal Year	Ad Valorem Taxes	Sales Taxes	Franchise Taxes	Total
2007	\$ 997,299	\$ 1,021,154	\$ 458,737	\$ 2,477,190
2008	1,096,156	1,161,632	842,124	3,099,912
2009	1,096,156	1,161,632	842,124	3,099,912
2010	1,250,663	1,146,768	914,549	3,311,980
2011	1,289,325	1,163,562	943,413	3,396,300
2012	1,370,826	1,192,491	905,082	3,468,399
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
10-year \$ Change	\$ 484,949	\$ 415,217	\$ 472,252	\$ 1,372,418
10-year % Change	305.7%	345.9%	197.1%	280.5%

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
2007	2006	49,444,840	232,872,810	(13,977,740)
2008	2007	73,277,100	263,905,000	(38,186,620)
2009	2008	73,656,060	284,963,120	(35,735,980)
2010	2009	78,618,530	288,702,750	(35,913,417)
2011	2010	79,019,370	289,690,060	(35,851,120)
2012	2011	77,443,550	310,439,970	(35,353,687)
2013	2012	78,436,600	301,810,400	(35,164,450)
2014	2013	82,466,610	308,761,460	(37,463,750)
2015	2014	79,659,155	320,799,539	(37,099,540)
2016	2015	85,565,235	330,282,892	(50,340,765)

Source: Lampasas Central Appraisal District

**TABLE 7**

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
268,339,910	0.3737	266,225,047	99.21%
298,995,480	0.3772	288,116,673	96.36%
322,883,200	0.3900	316,570,041	98.04%
331,407,863	0.3900	318,511,133	96.11%
332,858,310	0.4000	318,522,890	95.69%
352,529,833	0.3952	340,983,388	96.72%
345,082,550	0.3952	344,754,618	99.90%
353,764,320	0.3952	353,119,544	99.82%
363,359,154	0.3952	364,615,688	100.00%
365,507,362	0.3952	365,152,900	99.90%

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	2016		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Windsor Quality Foods	\$ 26,637,520	1	7.31%
Wal-mart Real Estate	8,695,420	2	2.38%
Benny Boyd Ltd DBA Benny	2,892,620	3	0.79%
Hoffpauir James Lee	4,614,970	4	1.27%
Oil States Industries	2,490,440	5	0.68%
Diya and Mansi LLC	2,382,200	6	0.65%
H E Butt Grocery Company	2,184,390	7	0.60%
Patel Sanjay B and Devang C	2,164,430	8	0.59%
Hoffpauir Jim Inc	2,059,470	9	0.56%
Big Diamond Inc	2,034,470	10	0.56%
<b>Total</b>	<b>\$ 56,155,930</b>		<b>15.40%</b>

(1) Source: Lampasas Central Appraisal District

**TABLE 8**

<u>Taxpayer</u>	2007		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Windsor Quality Foods	\$ 7,506,200	1	3.37%
Windsor Quality Foods	2,313,440	2	1.04%
Wal-mart Real Estate	8,610,860	3	3.87%
Southwestern Bell Telephone Co.	2,841,200	4	1.28%
Benny Boyd Ltd DBA Benny	2,756,780	5	1.24%
Windsor Quality Foods	2,330,210	6	1.05%
Oil States Industries	1,913,140	7	0.86%
Oil States Industries	1,805,100	8	0.81%
Plaza Development, LLC	1,760,250	9	0.79%
Tex Wood Associates LP	1,749,580	10	0.79%
Total	<u>\$ 33,586,760</u>		<u>15.08%</u>

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

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

**TABLE 9**

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy <sup>1</sup>
2007	990,306	969,190	97.87%	18,916	988,106	99.78%
2008	1,084,783	1,060,748	97.78%	21,630	1,082,378	99.78%
2009	1,213,384	1,180,267	97.27%	31,006	1,211,273	99.83%
2010	1,230,637	1,196,684	97.24%	28,634	1,225,318	99.57%
2011	1,271,572	1,232,818	96.95%	31,654	1,264,472	99.44%
2012	1,347,628	1,318,085	97.81%	15,700	1,333,785	98.97%
2013	1,357,361	1,332,308	98.15%	10,420	1,342,728	98.92%
2014	1,392,610	1,366,605	98.13%	9,951	1,376,556	98.85%
2015	1,441,027	1,412,184	98.00%	8,408	1,420,592	98.58%
2016	1,479,052	1,437,252	97.17%	-	1,437,252	97.17%

Source: Lampasas Central Appraisal District

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

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

Fiscal Year	General Bonded Debt			Business-type Activities	
	General Obligation Bonds	Tax Notes	Certificates of Obligation	Tax & Revenue Refunding Bonds	Certificates of Obligations
2007	-	595,000	6,066,000	3,429,000	1,939,000
2008	-	570,000	5,791,000	3,369,000	1,799,000
2009	-	465,000	5,580,000	3,307,000	1,645,000
2010	-	355,000	5,360,000	3,242,000	1,480,000
2011	-	240,000	7,161,036	3,174,000	1,315,000
2012	-	120,000	6,979,995	-	4,348,353
2013	-	-	6,763,954	-	4,089,880
2014	-	-	6,402,913	-	3,826,407
2015	-	-	6,036,872	-	3,547,934
2016	-	-	5,655,829	-	3,259,461

  

Fiscal Year	Total Primary Government	Total All Government	Population	Per Capita Income (1)	Personal Income
2007	12,029,000	12,029,000	7,465	57	425,505
2008	11,529,000	11,529,000	7,465	107	798,755
2009	10,997,000	10,997,000	7,465	869	6,487,085
2010	10,437,000	10,437,000	7,465	832	6,210,880
2011	11,890,036	11,890,036	6,681	790	5,277,990
2012	11,448,348	11,448,348	6,681	833	5,565,273
2013	10,853,834	10,853,834	6,695	1,084	7,257,380
2014	10,229,320	10,229,320	6,695	1,036	6,936,020
2015	9,584,806	9,584,806	7,223	985	7,114,655
2016	8,915,290	8,915,290	7,687	1,611	12,383,757

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

TABLE 10

Other Governmental Activities Debt		
Certificate of Obligations	General Obligation Bonds	Tax & Revenue Refunding Bonds
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

Percentage of Outstanding Debt	
Percentage of Outstanding Debt to Personal Income	Outstanding Debt Per Capita
2826.99%	1,611
1443.37%	1,544
169.52%	1,473
168.04%	1,398
225.28%	1,780
205.71%	1,714
149.56%	1,621
147.48%	1,528
134.72%	1,327
71.99%	1,160

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

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

**TABLE 11**

Fiscal Year	General Bonded Debt Outstanding				Percentage Actual Taxable Property Value	Per Capita
	General Obligation Bonds	Tax Notes	Certificates of Obligation	Total		
2007	\$ -	\$ 595,000	\$ 6,066,000	\$ 6,066,000	2.26%	\$ 452
2008	-	570,000	5,791,000	6,361,000	2.13%	474
2009	-	465,000	5,580,000	6,045,000	1.87%	451
2010	-	355,000	5,360,000	5,715,000	1.72%	426
2011	-	240,000	7,161,036	7,401,036	2.22%	552
2012	-	120,000	6,979,995	7,099,995	2.01%	529
2013	-	-	6,763,954	6,763,954	1.96%	504
2014	-	-	6,402,913	6,402,913	1.81%	346
2015	-	-	6,036,872	6,036,872	1.66%	326
2016	-	-	5,655,829	5,655,829	1.55%	305

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)**

	2007	2008	2009	2010
Assessed Valuation	\$268,339,910	\$298,995,480	\$322,883,200	\$331,407,863
Limit on Amount Designated for Debt Service:				
\$1.50 per \$100 assessed valuation	x 1.5	x 1.5	x 1.5	x 1.5
Legal Annual Maximum Debt Payment	\$ 4,025,099	\$ 4,484,932	\$ 4,843,248	\$ 4,971,118
Actual Amount Expended for General Obligation Debt Service During the Fiscal Year	579,197	581,330	652,668	623,885
Legal Debt Margin for Annual Debt Service Requirements	\$ 3,445,902	\$ 3,903,602	\$ 4,190,580	\$ 4,347,233
Total Net Debt Applicable to the Limit As a percentage of Debt Limit	14.39%	12.96%	13.48%	12.55%

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

**TABLE 12**

2011	2012	2013	2013	2015	2016
\$332,858,310	\$352,529,833	\$345,082,550	\$345,082,550	\$364,615,608	\$ 374,237,084
x 1.5	x 1.5	x 1.5	x 1.5	1.5	1.5
\$ 4,992,875	\$ 5,287,947	\$ 5,176,238	\$ 5,176,238	\$ 5,469,234	\$ 5,613,556
627,309	617,983	630,951	630,951	1,016,698	669,516
\$ 4,365,566	\$ 4,669,964	\$ 4,545,287	\$ 4,545,287	\$ 4,452,536	\$ 4,944,040
12.56%	11.69%	12.19%	12.19%	18.59%	11.93%