

**LAMPASAS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2023**



**LAMPASAS COUNTY, TEXAS**

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable County Judge  
and Commissioners' Court of Lampasas County  
Lampasas, Texas

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lampasas County, Texas (the "County") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lampasas County, Texas, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

#### OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston  
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## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

## ***Required Supplementary Information***

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



**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2024, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 County’s internal control over financial reporting and compliance.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
May 28, 2024

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**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial Report, we, the management of Lampasas County, Texas (the "County") discuss and analyze the County's financial performance for the fiscal year ended September 30, 2023.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources as of September 30, 2023, by \$23,541,082.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$15,256,738. Of this total amount, 66% or \$10,062,864 is available for spending at the government's discretion (unassigned and assigned fund balance). Fund balance of \$4,508,323 is restricted for capital projects and other purposes specified by third parties.
- As of September 30, 2023, fund balance for the General Fund was \$10,215,286.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of the County as a whole and present a long-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short-term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The fiduciary statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the County.

The Notes to Basic Financial Statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining schedules for nonmajor governmental funds and fiduciary funds contain even more information about the County's individual funds.

**The Statement of Net Position and the Statement of Activities** – The analysis of the County's overall financial condition and operations begin on page 9. This shows whether the County's financial condition is better or worse as a result of the year's activities. The Statement of Net Position includes all of the County's assets, deferred outflows of resources, and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided by outside parties who share the costs of some programs and revenues provided by the taxpayers or other unrestricted sources (general revenues). All of the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the County's net position and changes in them. The County's net position (the difference between assets, deferred outflows of resources, and liabilities) provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider nonfinancial factors as well, such as changes in the County's property tax base and the condition of the County's facilities.

In the Statement of Net Position and the Statement of Activities, we report the following type of activities:

- Governmental activities – All of the County’s basic services are reported here. Property and sales taxes and state and federal grants finance most of these activities.

## **REPORTING THE COUNTY’S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements** – The fund financial statements begin on page 11 and provide detailed information about the most significant funds, but not the County as a whole. Laws and contracts require the County to establish some funds to separately account for restricted resources. The County’s administration establishes other funds to help it control and manage money for particular purposes (capital projects). The County reports the following fund types:

- **Governmental Funds** – All of the County’s basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County’s general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation schedules following each of the fund financial statements.

## **THE COUNTY AS TRUSTEE**

**Reporting the County’s Fiduciary Responsibilities** – The County is the trustee, or fiduciary, for money on behalf of others. All of the County’s fiduciary activities are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on page 17 and 18. We exclude these resources from the County’s other financial statements because the County cannot use these assets to finance its operations. The County is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the County’s governmental activities.

The County’s net position was \$23,541,082 at September 30, 2023. The largest portion of the County’s net position of \$10,192,623 reflects its investments in capital assets (e.g. land, buildings, machinery and equipment, infrastructure), less accumulated depreciation and any related outstanding debt. An additional portion of the County’s net position of \$3,462,507 represent resources that are subject to restrictions on how they may be used for records management, road and bridge, judicial and public safety. The remaining balance of unrestricted net position of \$9,885,952 may be used to meet the County’s ongoing obligations to citizens and creditors. The net position increased by \$2,941,201 or 12% primarily as the result of an increase in revenue due to property and sales tax.

**(Table I)**  
**LAMPASAS COUNTY'S NET POSITION**

	Governmental Activities	
	2023	2022
Current and other assets	\$ 19,017,740	\$ 18,947,295
Capital assets	<u>25,996,260</u>	<u>26,324,352</u>
Total assets	<u>45,014,000</u>	<u>45,271,647</u>
 Total deferred outflows of resources	 <u>1,318,077</u>	 <u>1,184,772</u>
Current liabilities	3,014,173	4,174,671
Noncurrent liabilities	<u>19,476,017</u>	<u>18,099,819</u>
Total liabilities	<u>22,490,190</u>	<u>22,274,490</u>
 Total deferred inflows of resources	 <u>300,805</u>	 <u>3,582,048</u>
 Net position:		
Net investment		
in capital assets	10,192,623	9,439,484
Restricted	3,462,507	3,105,900
Unrestricted	<u>9,885,952</u>	<u>8,054,497</u>
 Total net position	 <u>\$ 23,541,082</u>	 <u>\$ 20,599,881</u>

**(Table II)**  
**LAMPASAS COUNTY'S CHANGES IN NET POSITION**

	Governmental Activities	
	2023	2022
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 2,789,687	\$ 2,464,171
Operating grants and contributions	1,435,642	1,056,107
General revenues:		
Property taxes	11,328,593	11,225,351
Sales taxes	1,461,390	1,408,483
Other	<u>742,061</u>	<u>(270,761)</u>
Total revenues	<u>17,757,373</u>	<u>15,883,351</u>
 <b>EXPENSES</b>		
General government	3,407,990	2,922,149
Judicial	999,320	820,837
Public safety	6,937,279	5,864,931
Conservation and development	128,796	707,033
Road and bridge	2,798,851	2,687,945
Interest on long-term debt	<u>543,936</u>	<u>574,086</u>
Total expenses	<u>14,816,172</u>	<u>13,576,981</u>
 <b>CHANGE IN NET POSITION</b>	 <u>2,941,201</u>	 <u>2,306,370</u>
 <b>NET POSITION, BEGINNING</b>	 <u>20,599,881</u>	 <u>18,293,511</u>
 <b>NET POSITION, ENDING</b>	 <u>\$ 23,541,082</u>	 <u>\$ 20,599,881</u>

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As the County completed the year, its governmental funds reported a combined fund balance of \$15,256,738, which is an \$2,362,822 increase from last year's combined ending fund balance of \$12,893,916. Included in this year's total change in fund balance is an increase of \$1,863,147 in the General Fund balance due to an increase in property tax revenue, sales tax revenue, and intergovernmental revenue. Expenditures increased overall in the General Fund by \$704,511 compared to the prior year.

The Road and Bridge Fund had an increase in fund balance of \$278,263. The increase was primarily the result of the increase in property tax revenue.

The Debt Service fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest. On September 30, 2023, the fund had a total balance of \$399,924. The increase in this fund balance was due to the increase in the property tax revenue.

The Construction Fund is used to account for financial resources dedicated for the acquisition or construction of major capital facilities. Expenditures for construction projects include the jail and law enforcement center and resulted in an increase in fund balance of \$48,858.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The County revised the General Fund budget during the year for increases in estimated revenues and expenditures. Actual revenues were more than final budgeted amounts by \$1,195,845, and actual expenditures were less than final budgeted amounts by \$737,911.

**CAPITAL ASSETS**

At the end of 2023, the County had \$25,996,260 invested in capital assets, including land, buildings, machinery and equipment, and infrastructure. More detailed information about the County's capital assets is presented in the notes to the basic financial statements.

Major capital asset events during the current fiscal year include the following:

- Machinery and equipment purchases

**(Table III)  
LAMPASAS COUNTY'S CAPITAL ASSETS**

	Governmental Activities	
	2023	2022
Land	\$ 1,397,393	\$ 1,397,393
Buildings	29,323,969	28,773,969
Machinery and equipment	8,750,607	8,178,086
Infrastructure	2,714,781	2,714,781
Less: accumulated depreciation	<u>(16,190,490)</u>	<u>(14,739,877)</u>
Total	<u>\$ 25,996,260</u>	<u>\$ 26,324,352</u>

## DEBT ADMINISTRATION

At the end of the current fiscal year, Lampasas County had \$19,476,017 in long-term liabilities outstanding versus \$18,099,819 in the prior year with the decrease related to bonds and tax notes. Other obligations include accrued vacation pay and other post-employment benefits. More detailed information about the County's long-term liabilities is presented in the notes to the basic financial statements.

**(Table IV)**  
**LAMPASAS COUNTY'S DEBT**

	2023	2022
Bonds and tax notes	\$ 15,580,000	\$ 16,380,000
Premium	1,140,994	1,236,450
Finance purchases	183,680	321,281
Compensated absences	109,078	104,936
Net pension liability	2,382,895	-
Total other post-employment benefits liability	<u>79,370</u>	<u>57,152</u>
Total	<u>\$ 19,476,017</u>	<u>\$ 18,099,819</u>

## ECONOMIC FACTORS

The Commissioners Court adopted the County's budget for the fiscal year ending September 30, 2024, on September 6, 2023. The budget was adopted based on estimated balances that would be available at the end of fiscal year 2023 and estimated revenues to be received in fiscal year 2024. During the current fiscal year, unassigned fund balance in the General Fund increased to \$8,285,379. For the County's General Fund, the 2024 budget did not utilize resources from these funds.

The 2023 property tax rate was \$0.5145/ 100 valuation. As a result of a 11.52% decrease in assessed value, the County expects tax revenue collected during the 2024 to increase 17.04% over collections for fiscal year 2023. Additionally, the County's budget anticipates all other sources of revenue will remain at approximately the same levels as fiscal year 2023.

## CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need any additional information, contact Lampasas County Auditor, Attention: Tragina Tallant, P. O. Box 231, Lampasas, Texas 76550.



**BASIC  
FINANCIAL STATEMENTS**

**LAMPASAS COUNTY, TEXAS**

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 17,685,228
Receivables, net of allowance:	
Property taxes	451,547
Sales taxes	253,423
Intergovernmental	51,533
Fines	418,516
Other	45
Due from fiduciary funds	62,664
Prepays	94,784
Capital assets:	
Nondepreciable	1,397,393
Depreciable, net of accumulated depreciation	<u>24,598,867</u>
Total assets	<u>45,014,000</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred loss on bond refunding	684
Deferred outflow of resources for pensions	1,276,245
Deferred outflow of resources for OPEB	<u>41,148</u>
Total deferred outflows of resources	<u>1,318,077</u>
<b>LIABILITIES</b>	
Accounts payable	409,206
Accrued liabilities	111,439
Unearned revenue	2,414,259
Interest payable	79,269
Noncurrent liabilities:	
Due within one year	
Long-term debt	927,906
Due in more than one year	
Long-term debt	16,085,846
Total net pension liability	2,382,895
Total OPEB liability - retiree health	<u>79,370</u>
Total liabilities	<u>22,490,190</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflow of resources related to pensions	129,060
Deferred inflow of resources related to OPEB	<u>171,745</u>
Total deferred inflows of resources	<u>300,805</u>
<b>NET POSITION</b>	
Net investment in capital assets	10,192,623
Restricted for:	
Records management	843,645
Road and bridge	1,875,620
Debt service	375,828
Other purposes	367,414
Unrestricted	<u>9,885,952</u>
Total net position	<u>\$ 23,541,082</u>

The accompanying notes are an integral part of these financial statements.

**LAMPASAS COUNTY, TEXAS**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				<u>Primary Government</u>
				Governmental Activities
Governmental activities:				
General government	\$ 3,407,990	\$ 1,010,725	\$ 1,030,416	\$ (1,366,849)
Judicial	999,320	324,879	81,975	(592,466)
Public safety	6,937,279	782,763	323,251	(5,831,265)
Conservation and development	128,796	-	-	(128,796)
Road and bridge	2,798,851	671,320	-	(2,127,531)
Interest on long-term debt	<u>543,936</u>	<u>-</u>	<u>-</u>	<u>(543,936)</u>
Total governmental activities	<u>\$ 14,816,172</u>	<u>\$ 2,789,687</u>	<u>\$ 1,435,642</u>	<u>(10,590,843)</u>
General revenues:				
Taxes:				
Property				11,328,593
Sales				1,461,390
Other				30,641
Investment income				660,002
Gain on sale of capital assets				5,119
Miscellaneous				<u>46,299</u>
Total general revenues				<u>13,532,044</u>
Change in net position				2,941,201
Net position, beginning				<u>20,599,881</u>
Net position, ending				<u>\$ 23,541,082</u>

The accompanying notes are an integral part of these financial statements.

**LAMPASAS COUNTY, TEXAS**

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	<u>General</u>	<u>Coronavirus State and Local Fiscal Recovery</u>	<u>Road and Bridge</u>
<b>ASSETS</b>			
Cash and investments	\$ 12,400,271	\$ 996,884	\$ 1,512,440
Receivables, net of allowance:			
Property taxes	306,883	-	87,002
Sales taxes	253,423	-	-
Fines	418,516	-	-
Other	-	-	-
Due from other governments	51,533	-	-
Due from other funds	65,560	2,004,349	57,325
Prepays	94,784	-	-
	<u>13,590,970</u>	<u>3,001,233</u>	<u>1,656,767</u>
<b>LIABILITIES</b>			
Accounts payable	283,959	5,147	4,751
Accrued liabilities	85,597	-	21,688
Unearned revenue	-	2,385,319	-
Due to other funds	2,310,233	-	-
	<u>2,679,789</u>	<u>2,390,466</u>	<u>26,439</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes - unavailable	277,379	-	78,633
Court fines - unavailable	418,516	-	-
	<u>695,895</u>	<u>-</u>	<u>78,633</u>
<b>FUND BALANCES</b>			
Nonspendable - prepaids	94,784	-	-
Restricted for:			
Records management	-	-	-
Judicial	-	-	-
Public safety	-	20,000	-
Road and bridge	-	-	1,551,695
Capital projects	-	-	-
Debt service	-	-	-
Committed for COVID-19 recovery	-	590,767	-
Unassigned	10,120,502	-	-
	<u>10,215,286</u>	<u>610,767</u>	<u>1,551,695</u>
Total fund balances	<u>10,215,286</u>	<u>610,767</u>	<u>1,551,695</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>13,590,970</u>	\$ <u>3,001,233</u>	\$ <u>1,656,767</u>

The accompanying notes are an integral part of these financial statements.

Debt Service	Construction	Other Governmental	Total Governmental
\$ 393,832	\$ 1,110,542	\$ 1,271,259	\$ 17,685,228
57,662	-	-	451,547
-	-	-	253,423
-	-	-	418,516
-	-	45	45
-	-	-	51,533
-	-	248,799	2,376,033
-	-	-	94,784
<u>451,494</u>	<u>1,110,542</u>	<u>1,520,103</u>	<u>21,331,109</u>
-	8,079	107,270	409,206
-	-	4,154	111,439
-	-	28,940	2,414,259
-	2,110	1,026	2,313,369
-	10,189	141,390	5,248,273
51,570	-	-	407,582
-	-	-	418,516
<u>51,570</u>	-	-	<u>826,098</u>
-	-	-	94,784
-	-	843,645	843,645
-	-	137,075	137,075
-	-	210,339	230,339
-	-	245,292	1,796,987
-	1,100,353	-	1,100,353
399,924	-	-	399,924
-	-	-	590,767
-	-	(57,638)	10,062,864
<u>399,924</u>	<u>1,100,353</u>	<u>1,378,713</u>	<u>15,256,738</u>
<u>\$ 451,494</u>	<u>\$ 1,110,542</u>	<u>\$ 1,520,103</u>	<u>\$ 21,331,109</u>

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**LAMPASAS COUNTY, TEXAS**

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

Total fund balance, governmental funds \$ 15,256,738

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 25,996,260

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.

Property taxes	407,582	
Court fines	<u>418,516</u>	
		826,098

Included in long-term items are the Net Pension Asset and the Total OPEB Liability. The statement of net position reports those assets and liabilities as well as deferred inflows and outflows of resources related to pensions and OPEB.

Long-term liabilities:

Bonds payable	(15,580,000)	
Premium	(1,140,994)	
Financed purchases	(183,680)	
Net pension liability	(2,382,895)	
Deferred resources related to pensions	1,147,185	
Total other post-employment benefits liability	(79,370)	
OPEB related deferred inflows	(130,597)	
Deferred resources related to loss on refunding	684	
Compensated absences	(109,078)	
Accrued interest payable	<u>(79,269)</u>	
		<u>(18,538,014)</u>

Net position of governmental activities in the Statement of Net Position \$ 23,541,082

**LAMPASAS COUNTY, TEXAS**

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General	Coronavirus State and Local Fiscal Recovery	Road and Bridge
<b>REVENUES</b>			
Property taxes	\$ 7,556,158	\$ -	\$ 2,238,397
Sales tax	1,461,390	-	-
Mixed beverage tax	30,641	-	-
Licenses and permits	428,107	-	594,372
Intergovernmental	494,565	1,030,066	-
Charges for services	744,825	-	-
Fines and forfeitures	255,151	-	-
Investment income (loss)	350,140	97,916	84,302
Miscellaneous	<u>253,720</u>	<u>-</u>	<u>77,842</u>
Total revenues	<u>11,574,697</u>	<u>1,127,982</u>	<u>2,994,913</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,590,870	373,044	-
Judicial	984,572	-	-
Public safety	5,395,742	-	-
Conservation and development	127,884	-	-
Road and bridge	-	-	2,370,270
Capital outlay	97,030	643,581	188,390
Debt service:			
Principal	14,024	-	123,577
Interest and other charges	<u>1,136</u>	<u>-</u>	<u>8,393</u>
Total expenditures	<u>9,211,258</u>	<u>1,016,625</u>	<u>2,690,630</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,363,439</u>	<u>111,357</u>	<u>304,283</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of general capital assets	1,802	-	3,317
Transfers in	64,337	-	-
Transfers out	<u>(566,431)</u>	<u>-</u>	<u>(29,337)</u>
Total other financing sources (uses)	<u>(500,292)</u>	<u>-</u>	<u>(26,020)</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,863,147	111,357	278,263
<b>FUND BALANCES, BEGINNING</b>	<u>8,352,139</u>	<u>499,410</u>	<u>1,273,432</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 10,215,286</u>	<u>\$ 610,767</u>	<u>\$ 1,551,695</u>



Debt Service	Construction	Other Governmental	Total Governmental
\$ 1,546,530	\$ -	\$ -	\$ 11,341,085
-	-	-	1,461,390
-	-	-	30,641
-	-	5,452	1,027,931
-	-	179,103	1,703,734
-	-	131,612	876,437
-	-	55,956	311,107
24,672	49,182	53,790	660,002
-	-	1,105	332,667
<u>1,571,202</u>	<u>49,182</u>	<u>427,018</u>	<u>17,744,994</u>
-	-	311,254	3,275,168
-	-	3,691	988,263
-	-	688,166	6,083,908
-	-	-	127,884
-	-	-	2,370,270
-	324	29,018	958,343
800,000	-	-	937,601
636,325	-	-	645,854
<u>1,436,325</u>	<u>324</u>	<u>1,032,129</u>	<u>15,387,291</u>
<u>134,877</u>	<u>48,858</u>	<u>(605,111)</u>	<u>2,357,703</u>
-	-	-	5,119
-	-	566,431	630,768
-	-	(35,000)	(630,768)
-	-	531,431	5,119
134,877	48,858	(73,680)	2,362,822
<u>265,047</u>	<u>1,051,495</u>	<u>1,452,393</u>	<u>12,893,916</u>
<u>\$ 399,924</u>	<u>\$ 1,100,353</u>	<u>\$ 1,378,713</u>	<u>\$ 15,256,738</u>

The accompanying notes are an integral part of these financial statements.

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**LAMPASAS COUNTY, TEXAS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances - total governmental funds		\$ 2,362,822
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Government 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.</p>		
	(328,092)	
<p>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.</p>		
Amortization of premium	94,772	
Repayment of principal of long-term debt	937,601	
		1,032,373
<p>Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.</p>		
		7,146
<p>Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences	(4,142)	
Total OPEB liability	<u>(14,454)</u>	
		(18,596)
<p>Certain pension expenditures are not expended in the government-wide financial statements and recorded as deferred resource outflows. This item relates to contributions made after the measurement date. Additionally, a portion of the County's unrecognized deferred resource outflows and inflows related to the pension liability were amortized.</p>		
		(121,712)
<p>Revenues from property taxes, court fines, grants and notes receivable are not available to pay for current period expenditures, and therefore, are not reported in the funds.</p>		
		<u>7,260</u>
Change in net position of governmental activities		<u>\$ 2,941,201</u>

**LAMPASAS COUNTY, TEXAS**

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

SEPTEMBER 30, 2023

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 3,185,433
Due from other funds	<u>3,697</u>
Total assets	<u>3,189,130</u>
<b>LIABILITIES</b>	
Due to other funds	66,361
Due to others	<u>2,468,261</u>
Total liabilities	<u>2,534,622</u>
<b>NET POSITION</b>	
Restricted for individuals, organizations and other governments	<u>654,508</u>
Total net position	<u>\$ 654,508</u>

**LAMPASAS COUNTY, TEXAS**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Individuals	\$ 773,069
Interest	7,012
Property tax collections for local governments	8,145,949
From other governments	90,855
Miscellaneous	<u>2,236,602</u>
Total additions	<u>11,253,487</u>
<b>DEDUCTIONS</b>	
Cash bonds released by judgements	92,803
Payments to other governments	1,736,803
Payments to state	7,351,790
Payments to other entities	1,149,412
Payments to individuals	<u>789,099</u>
Total deductions	<u>11,119,907</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	<u>133,580</u>
<b>NET POSITION, BEGINNING</b>	<u>520,928</u>
<b>NET POSITION, ENDING</b>	\$ <u>654,508</u>

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# LAMPASAS COUNTY, TEXAS

## NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The authority of county governments and their specific functions and responsibilities are created by and dependent upon laws and legal regulations of the Texas State Constitution and Vernon's Annotated Civic Statutes ("VACS"). Lampasas County, Texas (the "County") operates under a County Judge/Commissioners' Court type of government as provided by state statute. The financial and reporting policies of the County conform to generally accepted accounting principles ("GAAP") applicable to state and local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB").

#### A. Reporting Entity

The Commissioners' Court has governance responsibilities over all activities related to Lampasas County, Texas. The County receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities; however, the County is not included in any other governmental as defined by Governmental Accounting Standards Board. There are no component units (other governmental entities) over which the County exercises significant controls or has oversight responsibility.

The County provides the following services to its citizens: public safety (law enforcement and detention, fire and ambulance), public transportation (roads and bridges), health and welfare (indigent health care and indigent legal fees), judicial and legal, election functions, and general and financial administrative services.

#### B. Government-wide and Fund 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 County's nonfiduciary activities. Governmental activities, which are supported primarily by taxes, fines and fees, grants and other intergovernmental revenues are reported as governmental activities.

The statement of activities presents a comparison between expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Program revenues include: a) fees, fines and charges paid by the recipients of goods or services offered by the program; and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Interfund activities between governmental funds appear as due to/due from on the governmental fund balance sheet and as other resources and other uses on the governmental fund statement of revenues, expenditures, and changes in fund balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide statement of activities.

The fund financial statements provide reports on the financial condition and results of operations for two fund categories – governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column.

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide fund statements use the economic resources measurement focus and the accrual basis of accounting, as do the fiduciary fund financial statements. 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.

Governmental fund financial statements use 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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Exceptions to this general rule include unmatured principal and interest on general long-term obligations which are recognized when due. This exception is in conformity with generally accepted accounting principles.

Property taxes, sales taxes, and fines 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. Licenses and permits, forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are both measurable and available.

Intergovernmental revenues are recorded on a basis applicable to the legal and contractual requirements of the individual grant programs. If funds must be expended on the specific purpose or project before any amounts will be paid to the County, revenues are recognized as the expenditures are incurred. If funds are virtually unrestricted and irrevocable, except for failure to comply with required compliance requirements, revenues are recognized when received or susceptible to accrual. Federal and state grants awarded on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other federal reimbursable-type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The County reports the following major governmental funds:

**General Fund** – The General Fund is the County's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose, provided it is expended or transferred in accordance with the legally adopted budget of the County.

**Coronavirus State and Local Fiscal Recovery** – The Coronavirus State and Local Fiscal Recovery Fund is used to track all revenue and expenditures relating to funding in response to the COVID-19 global pandemic.

**Road and Bridge Fund** – The Road and Bridge Fund is a Special Revenue Fund that is used to account for resources used by the County in connection with providing transportation services to its citizens.

**Debt Service Fund** – The Debt Service Fund accounts for the accumulation of resources and payment of general obligation bond and principal and interest from governmental resources.

**Construction Fund** – The Construction Fund accounts for the construction of capital projects.



Additionally, the County reports the following fund type:

**Custodial Funds** – The County collects resources for others and then it is disbursed to the appropriate group or held in a custodial capacity. These resources include funds for individuals in accordance with court decrees by the State of Texas, other taxing entities within the County, and the County and District Clerk.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance**

***1. Deposits and Investments***

The County's cash and investments are considered to be cash on hand, demand deposits, and investment pools.

Investments for the County are reported at fair value, except for the position in investment pools. The County's investments in Pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under a written investment policy (the "Investment Policy") that primarily emphasizes safety of principal, availability of liquidity to meet the City's obligations and market rate of return. The Investment Policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain investment instruments allowed under Chapter 2256 of the Texas Government Code.

The County's deposits and investments are invested pursuant to the Investment Policy. The Investment Policy includes a list of authorized investment instruments and a maximum allowable stated maturity of any individual investment. In addition, it includes an "Investment Strategy" that specifically addresses limitations on instruments, diversification, and maturity scheduling.

The County is authorized to invest in the following investment instruments provided that they meet the guidelines of the Investment Policy:

1. Obligations of the United States of America, its agencies and instrumentalities;
2. Certificates of deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the law of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit insurance or its successor or secured by obligations in a manner and amount provided by law for deposits for the County;
3. Money market mutual funds that are 1) registered and regulated by the Securities and Exchange commission, 2) have a dollar weighted average stated maturity of 90 days or less, 4) rated AAA by at least one nationally recognized rating service, and 4) seek to maintain a net position value of \$1 per share;
4. Local government investment pools, which 1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and 3) are authorized by resolution or ordinance by the Commissioners Board.

The County participates in TexPool, which is a local government investment pool, established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller oversees TexPool, with Federated Investors managing the daily operations of the pool under a contract with the State Comptroller. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the Investment Policy and management fee structure.

**2. Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectible. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectible.

Ad valorem property taxes attach as enforceable liens as of January 1. Taxes are levied prior to September 30, payable on October 1, and are delinquent on February 1. The majority of the County's property tax collections occur during December and early January each year. To the extent that it is considered available to finance current expenditures, property tax revenue is recognized in the governmental funds in the fiscal year for which it is levied.

**3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures when purchased.

**4. Capital Assets**

Capital assets, which include land, buildings, machinery and equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, machinery and equipment, and infrastructure of the County are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	32
Machinery and equipment	5-7
Infrastructure	10-20

**5. Compensated Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**6. Long-term Debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

## **7. 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 statements element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category:

- Deferred loss on debt refunding – A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions related to the pension and OPEB plan – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

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 or resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has four types of items that qualify for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Changes in actuarial assumptions related to the pension and OPEB plan – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in expected and actual pension and OPEB plan experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

## **8. Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by the County's highest level of decision-making authority (Commissioners Court resolution). These amounts cannot be used for any other purpose unless the Commissioners Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned: This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners Court.
- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds

## **9. Net Position**

Net position represents the difference between assets, deferred outflows (inflows) of resources, and liabilities. Net position investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

## **10. Deficit Fund Equity**

As of September 30, 2023, Elections and Juvenile Probation funds had a negative fund balance of \$33,447 and \$24,191, respectively. The fund deficit is the result of revenues falling short of the levels expected when the budget was approved. The year-end deficit will be made up by providing supplemental funding from the General Fund by the County.

## **11. Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

## **12. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **13. Other Post-Employment Benefits**

*Retiree Health Plan.* For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the County for benefits due and payable that are not reimbursed by plan assets. Information regarding the County's total OPEB liability is obtained from a report prepared by a consulting actuary.

## **II. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES**

### **A. Deposits and Investments**

#### **Legal and Contractual Provisions Governing Deposits and Investments**

The funds of the County must be deposited and invested under the terms of a contract, the contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the County's agent bank in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

The Public Funds Investment Act (Government Code Chapter 2256) (the "Act") contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: safety of principal and liquidity, portfolio diversification, allowable investments, acceptable risk levels, expected rates of return, maximum allowable stated maturity of portfolio investments, maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, investment staff quality and capabilities, and bid solicitation preferences for certificates of deposit.

Statutes authorize the County to invest in: obligations of the U. S. Treasury, certain U. S. agencies, and the State of Texas, certificates of deposit, certain municipal securities, money market savings accounts, repurchase agreements, bankers' acceptances, mutual funds, investment pools, guaranteed investment contracts, and common trust funds.

#### **Policies Governing Deposits and Investments**

In compliance with the Act, the County has adopted a deposit and investment policy. That policy addresses the following risks:

***Custodial Credit Risk – Deposits:*** This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, 2023, were covered by depository insurance or by pledged collateral held by the County's agent bank in the County's name.

***Custodial Credit Risk – Investments:*** This is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus, positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

TexPool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs other than quoted market prices for similar assets; and Level 3 inputs are significant unobservable inputs. As of September 30, 2023, the County held the following fair value measurements:

	<b>Fair Value Measurement</b>			Weighted
	<u>9/30/2023</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	Average Maturity (Days)
<b>Investments measured at net asset value per share:</b>				
Investment pools:				
TexPool	\$ 6,135,344	\$ -	\$ -	26
<b>Investments by fair value:</b>				
Government bonds, treasury securities, and CDs	<u>10,188,070</u>	<u>2,371,505</u>	<u>7,816,565</u>	480
<b>Total reporting entity</b>	<u>\$ 16,323,414</u>	<u>\$ 2,371,505</u>	<u>\$ 7,816,565</u>	310

The County's fair value investments totaling \$16,323,414 were valued using the present value of expected future cash flow model. The County anticipates holding its certificates of deposits reported at fair value until maturity, which would result in all of the investment and interest being received by the County upon maturity.

## **B. Property Taxes**

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Legislation was passed in 1979 and amended in 1981 by the Texas Legislature that affects the methods of property assessment and tax collection in the County. This legislation, with certain exceptions, exempts intangible personal property, household goods and family-owned automobiles from taxation. In addition, this legislation creates a "Property Tax Code" and provides, among other things, for the establishment of County-wide appraisal districts and for the State Property Tax board which commenced operation in January 1980.

As of October 1, 1981, the appraisal of property within the County was the responsibility of the Lampasas County Appraisal District (the "Appraisal District"). The Appraisal District is required under the Property Tax Code to assess all property within the Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. Beginning January 1, 1984, the value of property within the Appraisal District must be reappraised every three years. The County may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the County continues to set tax rates on County property.

However, if the effective tax rates for bonds and other contractual obligations and adjusted for new improvements exceeds the rate for the previous year by more than 8%, qualified voters of the County may petition for an election to determine whether to limit the tax rate to no more than 8% above the effective tax rate of the previous year.

Through a contractual arrangement with the County, the Appraisal District is responsible for the collection of taxes. The Appraisal District is governed by a Board of Directors elected by the governing bodies of the taxing entities within the District. The Board of Directors appoints a Chief Appraiser to act as Chief Administrator of the Appraisal District and an Appraisal Review Board to equalize appraised values.

The County is permitted by Article 8, Section 9 of the State of Texas Constitution to levy taxes up to \$0.80 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. A practical limitation on taxes levied for debt service is \$1.50 per \$100 of assessed valuation as established by the Attorney General of the State of Texas. The adopted tax rate for the fiscal year ended September 30, 2023, was \$.3874 per \$100 valuation for maintenance and operations, \$.1141 per \$100 valuation for road and bridge, and \$.08 per \$100 valuation for debt service.

The County's taxes on real property are a lien against such property until paid. The County may foreclose real property upon which it has a lien for unpaid taxes. Although the County makes little effort to collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title on property.

**C. Interfund Balances and Activity**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds." Interfund receivables and payables at September 30, 2023, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Coronavirus state and local fiscal recovery	General fund	\$ 2,004,349
Road and bridge	General fund	57,325
General Fund	Construction	2,110
General Fund	Nonmajor governmental funds	1,026
Nonmajor governmental funds	General fund	248,559
Nonmajor governmental funds	Fiduciary funds	240
General Fund	Fiduciary funds	<u>62,424</u>
	Total	<u>\$ 2,376,033</u>

Interfund receivable balances for the General Fund are created for administrative purposes in disbursing payments to outside sources. Interfund balances are also created by short-term deficiencies in cash position in various funds. The General Fund owes other funds for road and bridge, county records management, county clerk records management, and other expenditures. It is anticipated that the balances will be repaid in one year or less. Similar transactions such as this also exist between the primary government and the agency funds.

Interfund activity at September 30, 2023, consisted of the following to supplement fund resources, and other miscellaneous transfers to supplement fund resources:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General fund	Road and bridge	\$ 29,337
General fund	Nonmajor governmental funds	35,000
Nonmajor governmental funds	General fund	<u>566,431</u>
Total		<u>\$ 630,768</u>

Interfund transfers to the General Fund from other funds are for operating and administrative allocations. Transfers from the General Fund were used to cover election and juvenile probation expenditures that are not expected to be reimbursed.

**D. Receivables and Allowance for Uncollectible Accounts**

Receivables as of year-end for the governmental activities, individual major governmental funds and other governmental funds, including the applicable allowances for uncollectible accounts, were as follows:

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Total</u>
Property taxes receivable	\$ 418,330	\$ 118,598	\$ 78,603	\$ -	\$ 615,531
Sales taxes	253,423	-	-	-	253,423
Court fines receivable	2,294,770	-	-	-	2,294,770
Other	-	-	-	45	45
Less: allowance for uncollectibles	<u>(1,987,701)</u>	<u>(31,596)</u>	<u>(20,941)</u>	<u>-</u>	<u>(2,040,238)</u>
Net accounts receivable	<u>\$ 978,822</u>	<u>\$ 87,002</u>	<u>\$ 57,662</u>	<u>\$ 45</u>	<u>\$ 1,123,531</u>

## E. Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,397,393	\$ -	\$ -	\$ 1,397,393
Total assets not being depreciated	<u>1,397,393</u>	<u>-</u>	<u>-</u>	<u>1,397,393</u>
Capital assets, being depreciated:				
Buildings	28,773,969	550,000	-	29,323,969
Machinery and equipment	8,178,086	608,921	(36,400)	8,750,607
Infrastructure	<u>2,714,781</u>	<u>-</u>	<u>-</u>	<u>2,714,781</u>
Total capital assets being depreciated	<u>39,666,836</u>	<u>1,158,921</u>	<u>(36,400)</u>	<u>40,789,357</u>
Less accumulated depreciation:				
Buildings	(6,434,744)	(931,399)	-	(7,366,143)
Machinery and equipment	(7,027,353)	(302,206)	36,400	(7,293,159)
Infrastructure	<u>(1,277,780)</u>	<u>(253,408)</u>	<u>-</u>	<u>(1,531,188)</u>
Total accumulated depreciation	<u>(14,739,877)</u>	<u>(1,487,013)</u>	<u>36,400</u>	<u>(16,190,490)</u>
Total capital assets being depreciated, net	<u>24,926,959</u>	<u>(328,092)</u>	<u>-</u>	<u>24,598,867</u>
Governmental activities capital assets, net	<u>\$ 26,324,352</u>	<u>\$ (328,092)</u>	<u>\$ -</u>	<u>\$ 25,996,260</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 299,124
Public safety	786,882
Road and bridge	<u>401,007</u>
Total depreciation expense - governmental activities	<u>\$ 1,487,013</u>

## F. Long-term Liabilities

Finance purchases obligations consist of the following at September 30, 2023:

	Total Outstanding
Finance purchase for the purchase of a vehicle. Payments are due in annual installments of \$15,160, including interest at 3.900%. Final maturity October 2023.	14,581
Finance purchase to a finance company for the purchase of 1 Tractor and 1 Reclaimer. Payments are due in annual installments of \$35,640, including interest at 2.59%. Final maturity December 2025.	68,572
Finance purchase to a finance company for the purchase of a wheel loader. Payments are due in annual installments of \$35,281, including interest at 2.59%. Final maturity December 2025.	<u>100,530</u>
Total finance purchase obligations	<u>\$ 183,683</u>



The County's direct borrowings are secured with equipment as collateral. The future minimum finance purchase obligations and the net present value of these minimum payments as of September 30, 2023 were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	81,070	5,011	86,081
2025	68,232	2,689	70,921
2026	<u>34,381</u>	<u>901</u>	<u>35,282</u>
Total	<u>183,683</u>	<u>8,601</u>	<u>192,284</u>

In the event of default, the outstanding principal balance of the note shall accrue interest at a rate per annum equal to eighteen percent until the note is paid in full. The lender is also entitled, at its option, to declare the then principal and accrued interest immediately due.

Bonds consist of the following at September 30, 2023:

	<u>Total Outstanding</u>
\$3,015,000 Limited Tax Refunding Bonds, Series 2016, used for the purpose of providing funds to refund the Limited Tax Refunding Bonds, Series 2011 and to pay issuance costs associated with the bonds. The bonds are payable from the proceeds of an ad valorem tax levied upon all taxable property within the County's taxing authority. The bonds bear interest at 2.00 - 3.00% per annum through February 15, 2024. Principal payments begin February 15, 2017 and are payable in annual installments of \$250,000 to \$585,000 through February 15, 2021.	\$ 275,000
\$8,685,000 Limited Tax General Obligation Bonds, Series 2017, used for the purpose of (1) constructing, improving and equipping a County jail facility including the acquisition of any necessary sites; (2) constructing, improving and equipping a County sheriff's office, including the acquisition of any necessary sites and (3) professional services including fiscal, engineering, architectural and legal fees and other such costs incurred in connection therewith including the costs of issuing the Bonds. The bonds are payable from the proceeds of an ad valorem tax levied upon all taxable property within the County's taxing authority. The bonds bear interest at 2.00 - 4.00% per annum through August 15, 2031. Principal payments begin February 15, 2018 and are payable in annual installments of \$80,000 to \$565,000 through February 15, 2031.	7,615,000
\$8,740,000 Limited Tax General Obligation Bonds, Series 2018, used for the purpose of (1) constructing, improving and equipping a County jail facility including the acquisition of any necessary sites; (2) constructing, improving and equipping a County sheriff's office, including the acquisition of any necessary sites and (3) professional services including fiscal, engineering, architectural and legal fees and other such costs incurred in connection therewith including the costs of issuing the Bonds. The bonds are payable from the proceeds of an ad valorem tax levied upon all taxable property within the County's taxing authority. The bonds bear interest at 4.00% per annum through February 15, 2038. Principal payments begin February 15, 2020 and are payable in annual installments of \$100,000 to \$1,400,000 through February 15, 2038.	<u>7,690,000</u>
Total	<u>\$ 15,580,000</u>

The following table summarizes the annual debt service requirements of the outstanding bonds at September 30, 2023, to maturity:

Year Ending September 30,	Governmental Activities		Total
	Principal	Interest	
2024	825,000	605,325	1,430,325
2025	805,000	574,100	1,379,100
2026	830,000	541,400	1,371,400
2027	860,000	507,600	1,367,600
2028	900,000	472,400	1,372,400
2029-2033	5,095,000	1,778,700	6,873,700
2034-2038	<u>6,265,000</u>	<u>649,500</u>	<u>6,914,500</u>
Total	<u>\$ 15,580,000</u>	<u>\$ 5,129,025</u>	<u>\$ 20,709,025</u>

### Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended September 30, 2023, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds	\$ 16,380,000	\$ -	\$ 800,000	\$ 15,580,000	\$ 825,000
Premium on bonds	1,236,450	-	95,456	1,140,994	-
Finance purchases	321,283	-	137,600	183,683	81,070
Compensated absences	<u>104,936</u>	<u>115,974</u>	<u>111,732</u>	<u>109,178</u>	<u>21,836</u>
Total long-term liabilities	<u>\$ 18,042,669</u>	<u>\$ 115,974</u>	<u>\$ 1,144,788</u>	<u>\$ 17,013,855</u>	<u>\$ 927,906</u>

If the County were to default on any bonds, any registered owner of the obligations is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the County to make a payment.

Compensated absences are generally liquidated by the General Fund.

### III. OTHER INFORMATION

#### A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which it carries commercial insurance. The County uses various commercial carriers to insure against these risks. Settled claims did not exceed the coverage for any of the past three fiscal years.

#### B. Employee Health Insurance

During the year ended September 30, 2023, employees of the County were covered by a health insurance plan (the "Health Plan") through Blue Cross Blue Shield. The County paid premiums of \$869 per month per employee to the Health Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. The County pays a portion of dependent health insurance. The Health Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The total cost to the County for employee health insurance during the year ended September 30, 2023, was \$1,206,855.

**C. Other Postemployment Benefits (OPEB)**

**Retiree Health Plan**

Plan Description

Employees can maintain coverage in the County "Health Plan" at the same level at retirement by paying 100% of the premium. Coverage is offered until the retiree reaches Medicare eligibility. Spouses can have coverage by paying 100% of the premium for the same period as the retiree. The "Health Plan" only includes medical care and does not cover dental or vision. The plan is a single-employer plan and is administered through Blue Cross Blue Shield. No separate audited financial statements are available.

Retirees are eligible to participate in the plan at the earliest of the following:

- Age 60 with 8 years of service
- 75 points (combined age + service)
- 20 years of service

The number of employees currently covered by the benefit terms is as follows:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	-
Active Plan Members	<u>92</u>
Total	<u><u>92</u></u>

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	October 1, 2022
Actuarial Cost Method	Entry Age Normal (Level %)
Discount Rate	4.09%
Salary Increases	3.00%
Demographic Assumptions	Based on the Texas County and District Retirement System (TCDRS) Experience Study Report dated November 19, 2021
Mortality	TCDRS Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study. These Rates are Improved Generationally using 110% of the MP-2014 Ultimate Scale and Weighted Based on the TCDRS Experience Study
Participation rates	Coverage election at retirement is assumed at the following rates:  TCDRS <span style="float: right;">20%</span>
	If an employee has waived medical coverage, it is assumed they will elect coverage in the retiree medical plan at 1/3 the rate of active employees currently with coverage. Of those employees assumed to elect coverage in retirement, 11% are assumed to elect spousal coverage. Female spouses are assumed to be 3 years younger than male spouses.

Health care cost trend rates:

Period	Medical
FY 22 to FY 23	5.90%
FY 23 to FY 24	6.00%
FY 24 to FY 25	5.50%
FY 25 to FY 26	5.50%
FY 26 to FY 27	5.00%
Ultimate	5.00%

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its 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.

A Single Discount Rate of 4.09% was used to measure the total OPEB liability. This Single Discount Rate was based on the Municipal Bond Rates as of the measurement date. The Municipal Bond Rate assumption is based on The Bond Buyer 20-Bond GO Index. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

Changes in the Total OPEB Liability

The County's total OPEB liability of \$79,370 was measured as of September 30, 2023 and was determined by an actuarial valuation as of October 1, 2022.

	<u>Total OPEB Liability</u>
Balance at 10/01/2022	\$ 57,152
Changes for the year:	
Service cost	21,427
Interest on the total OPEB liability	2,276
Changes in assumptions and other inputs	(427)
Benefit payments	<u>(1,058)</u>
Net changes	<u>22,218</u>
Balance at 9/30/2023	<u>\$ 79,370</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 4.02% to 4.09%.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.09%) in measuring the total OPEB liability.

	<u>1% Decrease in Discount Rate (3.09%)</u>	<u>Current Discount Rate (4.09%)</u>	<u>1% Increase in Discount Rate (5.09%)</u>
County's total OPEB liability	\$ 85,629	\$ 79,370	\$ 73,483

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
County's total OPEB liability	\$ 67,934	\$ 79,370	\$ 93,054

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

For the year ended September 30, 2023, the County recognized OPEB expense of \$5,421. At September 30, 2023, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 122,904
Changes in actuarial assumptions	<u>24,760</u>	<u>22,364</u>
Total	<u>\$ 24,760</u>	<u>\$ 145,268</u>

Amounts reported as deferred outflow and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2024	\$ (18,280)
2025	(18,280)
2026	(18,280)
2027	(18,280)
2028	(18,280)
Thereafter	(29,108)

**D. Defined Benefit Pension Plan**

**Plan Description.** The County participates in a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (“TCDRS”). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent, multiple-employer, public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tcdrs.org](http://www.tcdrs.org).

All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

**Benefits Provided.** TCDRS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCDRS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. By law, employee accounts earn 7% interest. At retirement, death or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

***Employees covered by benefit terms***

At the December 31, 2022, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	103
Inactive employees entitled to but not yet receiving benefits	84
Active employees	<u>100</u>
	<u>287</u>

**Contributions.** The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer’s governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer’s plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the County was 16.24% in calendar years 2021 and 2022, respectively. The County’s contributions to TCDRS for the year ended September 30, 2023, were \$828,042, and were equal to the required contributions.

**Net Pension Liability.** The County’s Net Pension Liability (NPL) was measured as of December 31, 2022, 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, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

All actuarial assumptions that determined the total pension liability as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 68.

*Long-term Expected Rate of Return.* The long-term expected rate of return on pension plan investments is 7.50%. The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. The application of the investment return assumptions was changed for purposes of determining plan liabilities at the March 2022 meeting. All plan liabilities are now valued using an 7.6% discount rate.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2023 information for a 10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a long-term time horizon; the most recent analysis was performed in 2023. The target allocation and best estimates of geometric real rates return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation <sup>(1)</sup></b>	<b>Geometric Real Rate of Return <sup>(2)</sup></b>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
International Equities - Developed Markets	MSCI World Ex USA (net)	5.00%	4.95%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(3)</sup>	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(5)</sup>	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

<sup>(1)</sup> Target asset allocation adopted at the March 2023 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.3%, per Cliffwater's 2023 capital market assumptions

<sup>(3)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

### **Discount Rate**

The discount rate used to measure the Total Pension Liability was 7.6%. 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 period of projected benefit payments to determine the Total Pension Liability.

### **Sensitivity Analysis**

The following presents the net pension liability of the County, calculated using the discount rate of 7.6%, as well as what the County's net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.6%) or 1-percentage-higher (8.6%) than the current rate:

	1% Decrease 6.6%	Current Discount Rate 7.6%	1% Increase 8.6%
Total pension liability	\$ 31,493,326	\$ 27,979,050	\$ 25,034,273
Fiduciary net position	<u>25,596,155</u>	<u>25,596,155</u>	<u>25,596,155</u>
Net pension liability / (asset)	<u>\$ 5,897,171</u>	<u>\$ 2,382,895</u>	<u>\$ (561,882)</u>

**Changes in the Net Pension Liability/ (Asset)**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2021	\$ 26,492,541	\$ 27,638,826	\$ (1,146,285)
Changes for the year:			
Service cost	736,033	-	736,033
Interest on total pension liability <sup>(1)</sup>	2,012,190	-	2,012,190
Effect of economic/demographic gains or losses	271,146	-	271,146
Refund of contributions	(56,164)	(56,164)	-
Benefit payments	(1,476,696)	(1,476,696)	-
Administrative expenses	-	(15,000)	15,000
Member contributions	-	338,845	(338,845)
Net investment income	-	(1,585,445)	1,585,445
Employer contributions	-	786,120	(786,120)
Other <sup>(2)</sup>	-	(34,331)	34,331
Balance at 12/31/2022	<u>\$ 27,979,050</u>	<u>\$ 25,596,155</u>	<u>\$ 2,382,895</u>

<sup>(1)</sup> Reflects the change in the liability due to the time value of money.

TCDRS does not charge fees or interest.

<sup>(2)</sup> Relates to allocation of system-wide items.

**Pension Plan Fiduciary Net Position**

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

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

For the year ended September 30, 2023, the County recognized pension expense of \$949,750. On September 30, 2023, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 180,764	\$ 89,705
Changes in actuarial assumptions	-	39,355
Difference between projected and actual investment earnings	464,498	-
Contributions subsequent to the measurement date	<u>630,984</u>	<u>-</u>
Total	<u>\$ 1,276,246</u>	<u>\$ 129,060</u>



\$630,984, reported as deferred outflows of resources related to pension 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, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

For the Year Ended September 30,		
2024	\$	(368,000)
2025		71,850
2026		78,564
2027		733,788

**E. New Accounting Principles**

Significant new accounting standard not yet implemented by the County includes the following.

GASB Statement No. 99, *Omnibus 2022* – The objective of this Statement is to correct practice issues identified during implementation and application of certain GASB Statements and financial reporting for financial guarantees. There are various effective dates 1.) upon issuance 2.) fiscal years beginning after June 15, 2022 and 3.) fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62* – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

GASB Statement No. 102, *Certain Risk Disclosures* - This Statement requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. Concentrations and constraints may limit a government’s ability to acquire resources or control spending. The requirements of Statement No. 102 are effective for fiscal years beginning after June 15, 2024, and the impact has not yet been determined.

The Government Accounting Standards Board (GASB) has amended the existing standards regarding capitalization thresholds for assets. The amended guidance for the capitalization threshold comes from GASB Implementation Guide 2021-1, Question 5.1. Capitalization policies adopted by governments include many considerations such as finding an appropriate balance between ensuring that all significant capital assets, collectively, are capitalized and minimizing the cost of recordkeeping for capital assets. A government should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. Computers, classroom furniture and library books are examples of asset types that may not meet a capitalization policy on an individual basis yet could be significantly collectively. In this example, if the \$150,000 aggregate amount (100 computers costing \$1,500 each) is significant, the government should capitalize the computers. The amended guidance is effective for reporting periods beginning after June 15, 2023, and the impact has yet to be determined.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

**LAMPASAS COUNTY, TEXAS**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 7,883,540	\$ 7,883,540	\$ 7,556,158	\$ (327,382)
Sales tax	952,000	952,000	1,461,390	509,390
Mixed beverage tax	-	-	30,641	30,641
Licenses and permits	477,350	477,350	428,107	(49,243)
Intergovernmental	181,342	181,342	494,565	313,223
Charges for services	584,150	584,150	744,825	160,675
Fines and forfeitures	203,300	203,300	255,151	51,851
Investment income	50,170	50,170	350,140	299,970
Miscellaneous	47,000	47,000	253,720	206,720
Total revenues	<u>10,378,852</u>	<u>10,378,852</u>	<u>11,574,697</u>	<u>1,195,845</u>
<b>EXPENDITURES</b>				
County judge	465,744	465,744	389,736	76,008
County auditor	691,934	691,934	443,786	248,148
County treasurer	202,855	202,855	202,851	4
County tax assessor	506,054	506,054	505,747	307
County clerk	311,689	311,689	255,657	56,032
District clerk	302,217	302,217	302,026	191
County sheriff	4,711,501	4,711,501	4,581,554	129,947
County/district attorney	371,123	371,123	361,350	9,773
Non-departmental	898,012	898,012	793,093	104,919
Constables	71,786	71,786	48,724	23,062
Fire department	399,003	399,003	338,839	60,164
Justices of the peace	561,034	561,034	536,789	24,245
County extension office	130,599	130,599	127,884	2,715
Adult probation	3,600	3,600	2,026	1,574
Judicial	322,018	322,018	321,196	822
Total expenditures	<u>9,949,169</u>	<u>9,949,169</u>	<u>9,211,258</u>	<u>737,911</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>429,683</u>	<u>429,683</u>	<u>2,363,439</u>	<u>1,933,756</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	26,000	26,000	1,802	(24,198)
Transfers in	64,337	64,337	64,337	-
Transfers out	(521,820)	(521,820)	(566,431)	(44,611)
Total other financing sources (uses)	<u>(431,483)</u>	<u>(431,483)</u>	<u>(500,292)</u>	<u>(68,809)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,800)	(1,800)	1,863,147	1,864,947
<b>FUND BALANCE, BEGINNING</b>	<u>8,352,139</u>	<u>8,352,139</u>	<u>8,352,139</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 8,350,339</u>	<u>\$ 8,350,339</u>	<u>\$ 10,215,286</u>	<u>\$ 1,864,947</u>

**LAMPASAS COUNTY, TEXAS**

ROAD AND BRIDGE FUND

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 2,340,793	\$ 2,340,793	\$ 2,238,397	\$ (102,396)
Licenses and permits	568,000	568,000	594,372	26,372
Interest	3,000	3,000	84,302	81,302
Miscellaneous	78,369	78,369	77,842	(527)
Total revenues	<u>2,990,162</u>	<u>2,990,162</u>	<u>2,994,913</u>	<u>4,751</u>
<b>EXPENDITURES</b>				
Current:				
Road and bridge	2,797,368	2,797,368	2,370,270	427,098
Capital outlay	32,287	32,287	188,390	(156,103)
Debt service:				
Principal	123,577	123,577	123,577	-
Interest and other charges	8,393	8,393	8,393	-
Total expenditures	<u>2,961,625</u>	<u>2,961,625</u>	<u>2,690,630</u>	<u>270,995</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>28,537</u>	<u>28,537</u>	<u>304,283</u>	<u>275,746</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	800	800	3,317	2,517
Transfers out	(29,337)	(29,337)	(29,337)	-
Total other financing sources (uses)	<u>(28,537)</u>	<u>(28,537)</u>	<u>(26,020)</u>	<u>2,517</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	278,263	278,263
<b>FUND BALANCE, BEGINNING</b>	<u>1,273,432</u>	<u>1,273,432</u>	<u>1,273,432</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,273,432</u>	<u>\$ 1,273,432</u>	<u>\$ 1,551,695</u>	<u>\$ 278,263</u>

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## LAMPASAS COUNTY, TEXAS

### NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

SEPTEMBER 30, 2023

#### A. BUDGETARY DATA

The County follows these procedures in establishing the budgetary data reflected in the Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund and Road and Bridge Fund:

1. The County Judge, as budget officer, with the assistance of the County Auditor, prepares a budget to cover all proposed expenditures and the means of financing them for the succeeding year, and delivers the proposed budget to Commissioners' Court.
2. The County Auditor holds budget sessions with each department head.
3. The Commissioners' Court holds budget hearings for the public at which all interested persons' comments concerning the budget are heard.
4. The Commissioners' Court formally adopts the budget in the open court meeting.
5. The adopted budget becomes the authorization for all legal expenditures for the County for the fiscal year. Appropriations lapse at the end of the fiscal year.
6. The formally adopted budget may legally be amended by Commissioners in accordance with Article 689A-11 or 689A-20 of Vernon's Annotated Civil Statutes.
7. Annual budgets are legally adopted for the General Fund, the Road and Bridge Fund, the Debt Service Fund, the Coronavirus State and Local Fiscal Recovery Fund, and the Juvenile Probation Fund. The budgets are adopted on a basis consistent with generally accepted accounting principles.
8. An appropriate resolution (the appropriated budget) to control the level of expenditures must be legally enacted on or about October 1. The County maintains its legal level of budgetary control at the department level. Amendments to the 2023 budget were approved by the Commissioners' Court as provided by law.
9. Unencumbered appropriation balances lapse at year-end and revert to the respective funds from which they were originally appropriated, thus becoming available for future appropriation.

**LAMPASAS COUNTY, TEXAS**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/ (ASSET)  
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

<b>Measurement Date December 31,</b>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>
<b>Total Pension Liability</b>				
Service cost	\$ 736,033	\$ 713,398	\$ 654,099	\$ 603,967
Interest total pension liability	2,012,190	1,949,237	1,854,466	1,753,922
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	-	(118,068)	1,324,366	-
Effect of economic/demographic (gains) or losses	271,146	(269,111)	242,182	175,842
Benefit payments/refunds of contributions	<u>(1,532,860)</u>	<u>(1,408,937)</u>	<u>(1,352,917)</u>	<u>(1,332,643)</u>
Net change in total pension liability	1,486,509	866,519	2,722,196	1,201,088
Total pension liability - beginning	<u>26,492,541</u>	<u>25,626,022</u>	<u>22,903,826</u>	<u>21,702,738</u>
Total pension liability - ending (a)	<u>\$ 27,979,050</u>	<u>\$ 26,492,541</u>	<u>\$ 25,626,022</u>	<u>\$ 22,903,826</u>
<b>Plan Fiduciary Net Position</b>				
Employer contributions	\$ 786,120	\$ 746,894	\$ 708,810	\$ 685,809
Member contributions	338,845	326,768	310,145	300,042
Investment income net of investment expenses	(1,585,445)	5,009,614	2,184,902	3,036,967
Benefit payments refunds of contributions	(1,532,860)	(1,408,937)	(1,352,917)	(1,332,643)
Administrative expenses	(15,000)	(14,953)	(16,817)	(16,122)
Other	<u>(34,331)</u>	<u>(3,169)</u>	<u>(7,786)</u>	<u>(8,926)</u>
Net change in plan fiduciary net position	(2,042,671)	4,656,217	1,826,337	2,665,127
Plan fiduciary net position - beginning	<u>27,638,826</u>	<u>22,982,609</u>	<u>21,156,272</u>	<u>18,491,145</u>
Plan fiduciary net position - ending (b)	<u>\$ 25,596,155</u>	<u>\$ 27,638,826</u>	<u>\$ 22,982,609</u>	<u>\$ 21,156,272</u>
Net pension liability/ (asset) - ending (a) - (b)	<u>\$ 2,382,895</u>	<u>\$ (1,146,285)</u>	<u>\$ 2,643,413</u>	<u>\$ 1,747,554</u>
Fiduciary net position as a percentage of total pension liability	91.48%	104.33%	89.68%	92.37%
Pensionable covered payroll	\$ 4,840,645	\$ 4,720,989	\$ 4,430,638	\$ 4,286,310
Net pension liability as a percentage of covered payroll	49.23%	-24.28%	59.66%	40.77%

Note: This schedule is required to have 10 years of information.



<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 656,535	\$ 628,465	\$ 674,548	\$ 628,861	\$ 601,878
1,661,415	1,563,823	1,454,959	1,402,333	1,376,603
-	-	-	(2,159,297)	-
-	174,478	-	289,667	-
78,738	(110,585)	(57,519)	459,782	116,435
<u>(1,076,476)</u>	<u>(1,082,231)</u>	<u>(971,439)</u>	<u>(852,155)</u>	<u>(894,769)</u>
1,320,212	1,173,950	1,100,549	(230,809)	1,200,147
<u>20,382,526</u>	<u>19,208,576</u>	<u>18,108,027</u>	<u>18,338,836</u>	<u>17,138,689</u>
<u>\$ 21,702,738</u>	<u>\$ 20,382,526</u>	<u>\$ 19,208,576</u>	<u>\$ 18,108,027</u>	<u>\$ 18,338,836</u>
\$ 712,760	\$ 675,561	\$ 637,605	\$ 645,132	\$ 740,102
311,832	295,558	278,952	282,245	318,002
(352,877)	2,423,076	1,145,125	(135,946)	969,505
(1,076,476)	(1,082,231)	(971,439)	(852,155)	(894,769)
(14,852)	(12,576)	(12,438)	(11,134)	(11,485)
<u>353</u>	<u>(1,607)</u>	<u>89,732</u>	<u>40,487</u>	<u>21,336</u>
(419,260)	2,297,781	1,167,537	(31,371)	1,142,691
<u>18,910,405</u>	<u>16,612,624</u>	<u>15,445,088</u>	<u>15,476,459</u>	<u>14,333,768</u>
<u>\$ 18,491,145</u>	<u>\$ 18,910,405</u>	<u>\$ 16,612,625</u>	<u>\$ 15,445,088</u>	<u>\$ 15,476,459</u>
<u>\$ 3,211,593</u>	<u>\$ 1,472,121</u>	<u>\$ 2,595,951</u>	<u>\$ 2,662,939</u>	<u>\$ 2,862,377</u>
85.20%	92.78%	86.49%	85.29%	84.39%
\$ 4,454,747	\$ 4,222,255	\$ 3,985,033	\$ 4,032,076	\$ 3,875,638
72.09%	34.87%	65.14%	66.04%	73.86%

**LAMPASAS COUNTY, TEXAS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<b><u>Fiscal Year Ended September 30,</u></b>	<b><u>Actuarially Determined Contribution</u></b>	<b><u>Actual Employer Contribution</u></b>	<b><u>Contribution Deficiency (Excess)</u></b>	<b><u>Pensionable Covered Payroll</u></b>	<b><u>Actual Contribution as a % of Covered Payroll</u></b>
2014	\$ 617,576	\$ 617,576	\$ -	\$ 3,859,853	16.0%
2015	742,530	742,530	-	3,890,813	19.1%
2016	628,864	628,864	-	3,930,397	16.0%
2017	661,425	661,425	-	4,133,904	16.0%
2018	708,143	708,143	-	4,425,895	16.0%
2019	691,963	691,963	-	4,324,767	16.0%
2020	708,812	708,812	-	4,430,072	16.0%
2021	755,358	755,358	-	4,720,989	16.0%
2022	777,161	777,161	-	4,802,856	16.2%
2023	828,042	828,042	-	5,098,781	16.2%

Note: This schedule is required to have 10 years of information.

**LAMPASAS COUNTY, TEXAS**

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b><u>Methods and assumptions used to determine contributions rates:</u></b>	
<b>Actuarial Cost Method</b>	Entry age
<b>Amortization Method</b>	Level percentage of payroll, closed
<b>Remaining Amortization Period</b>	15.3 years (based on contribution rate calculated in 12/31/2022 valuation)
<b>Asset Valuation Method</b>	5-year smoothed fair value
<b>Inflation</b>	2.50%
<b>Salary Increases</b>	Varies by age and service. 4.7% average over career including inflation.
<b>Investment Rate of Return</b>	7.50%, net of administrative and investment expenses, including inflation.
<b>Retirement Age</b>	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
<b>Mortality</b>	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
<b>Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions</b>	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
<b>Changes in Plan Provisions Reflected in the Schedule of Employer Contributions</b>	2015: Employer contributions reflect that a 50% CPI COLA was adopted. 2016: No changes in plan provisions. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018-2022: No changes in plan provisions were reflected in the Schedule.

**LAMPASAS COUNTY, TEXAS**

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
RETIREE HEALTH CARE BENEFIT PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Measurement Date September 30,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>						
Service Cost	\$ 21,427	\$ 43,080	\$ 42,592	\$ 11,174	\$ 10,312	\$ 10,840
Interest on the total OPEB liability	2,276	3,213	2,216	3,619	4,313	3,697
Changes between expected and actual experience	-	(107,241)	-	(67,071)	-	-
Changes of assumptions and other inputs	(427)	(22,560)	(647)	18,065	22,001	(6,722)
Benefit payments	<u>(1,058)</u>	<u>(3,033)</u>	<u>(1,510)</u>	<u>(1,384)</u>	<u>(6,598)</u>	<u>(5,509)</u>
Net change in total OPEB liability	<u>22,218</u>	<u>(86,541)</u>	<u>42,651</u>	<u>(35,597)</u>	<u>30,028</u>	<u>2,306</u>
Total OPEB liability - beginning	<u>57,152</u>	<u>143,693</u>	<u>101,042</u>	<u>136,639</u>	<u>106,611</u>	<u>104,305</u>
Total OPEB liability - ending	<u>\$ 79,370</u>	<u>\$ 57,152</u>	<u>\$ 143,693</u>	<u>\$ 101,042</u>	<u>\$ 136,639</u>	<u>\$ 106,611</u>
<b>Covered-employee payroll</b>	\$4,480,801	\$4,350,292	\$4,223,584	\$3,975,828	\$4,411,626	\$4,476,849
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	1.77%	1.31%	3.40%	2.54%	3.10%	2.38%

**Notes to Schedule:**

- No assets are accumulated in a trust for the retiree health care plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- This schedule is required to have 10 years of information, but the information prior to 2018 is not available.
- Included in the changes of assumptions was a change to the discount rate.

**COMBINING  
FUND STATEMENTS**

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## **NONMAJOR GOVERNMENTAL FUNDS**

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are as follows:

***Farm to Market and Lateral Road Fund***

***Law Library Fund***

***Dog Ordinance Fund***

***Elections Fund***

***Juvenile Probation Fund***

***Chapter 59 Fund***

***Courthouse Security Fund***

***County Records Management Fund***

***Pretrial Intervention***

***County Clerk Records Management***

***District Clerk Records Management***

**LAMPASAS COUNTY, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Special Revenue				
	Farm to Market and Lateral Road	Law Library	Dog Ordinance	Elections	Juvenile Probation
<b>ASSETS</b>					
Cash and investments	\$ 200,377	\$ 94,914	\$ 31,181	\$ 774	\$ 129
Other receivable	-	-	-	-	45
Due from other funds	<u>44,915</u>	<u>49</u>	<u>-</u>	<u>-</u>	<u>2,853</u>
Total assets	<u>245,292</u>	<u>94,963</u>	<u>31,181</u>	<u>774</u>	<u>3,027</u>
<b>LIABILITIES</b>					
Accounts payable	-	535	-	2,729	24,590
Accrued liabilities	-	-	-	1,526	2,628
Unearned revenue	-	-	-	28,940	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,026</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>535</u>	<u>-</u>	<u>34,221</u>	<u>27,218</u>
<b>FUND BALANCES</b>					
Restricted for:					
Records management	-	-	-	-	-
Judicial	-	94,428	-	-	-
Public safety	-	-	31,181	-	-
Road and bridge	245,292	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,447)</u>	<u>(24,191)</u>
Total fund balances	<u>245,292</u>	<u>94,428</u>	<u>31,181</u>	<u>(33,447)</u>	<u>(24,191)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 245,292</u>	<u>\$ 94,963</u>	<u>\$ 31,181</u>	<u>\$ 774</u>	<u>\$ 3,027</u>



Special Revenue

<u>Chapter 59</u>	<u>Courthouse Security</u>	<u>County Records Management</u>	<u>PreTrial Intervention</u>	<u>County Clerk Records Management</u>	<u>District Clerk Records Management</u>	<u>Total Nonmajor Governmental</u>
\$ 126,459	\$ 131,820	\$ 249,445	\$ 34,857	\$ 393,513	\$ 7,790	\$ 1,271,259
-	-	-	-	-	-	45
-	295	-	-	200,687	-	248,799
<u>126,459</u>	<u>132,115</u>	<u>249,445</u>	<u>34,857</u>	<u>594,200</u>	<u>7,790</u>	<u>1,520,103</u>
79,416	-	-	-	-	-	107,270
-	-	-	-	-	-	4,154
-	-	-	-	-	-	28,940
-	-	-	-	-	-	1,026
<u>79,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,390</u>
-	-	249,445	-	594,200	-	843,645
-	-	-	34,857	-	7,790	137,075
47,043	132,115	-	-	-	-	210,339
-	-	-	-	-	-	245,292
-	-	-	-	-	-	(57,638)
<u>47,043</u>	<u>132,115</u>	<u>249,445</u>	<u>34,857</u>	<u>594,200</u>	<u>7,790</u>	<u>1,378,713</u>
<u>\$ 126,459</u>	<u>\$ 132,115</u>	<u>\$ 249,445</u>	<u>\$ 34,857</u>	<u>\$ 594,200</u>	<u>\$ 7,790</u>	<u>\$ 1,520,103</u>

**LAMPASAS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue				
	Farm to Market and Lateral Road	Law Library	Dog Ordinance	Elections	Juvenile Probation
<b>REVENUES</b>					
Licenses and permits	\$ -	\$ -	\$ 5,452	\$ -	\$ -
Intergovernmental	-	-	-	350	178,753
Charges for services	-	18,888	-	19,339	3,954
Fines and forfeitures	-	-	-	-	-
Interest	9,938	3,175	2,788	68	292
Miscellaneous	-	-	-	-	-
Total revenues	<u>9,938</u>	<u>22,063</u>	<u>8,240</u>	<u>19,757</u>	<u>182,999</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	179,114	-
Judicial	-	3,691	-	-	-
Public safety	-	-	47,878	-	603,021
Capital outlay	<u>29,018</u>	-	-	-	-
Total expenditures	<u>29,018</u>	<u>3,691</u>	<u>47,878</u>	<u>179,114</u>	<u>603,021</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(19,080)</u>	<u>18,372</u>	<u>(39,638)</u>	<u>(159,357)</u>	<u>(420,022)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	163,131	403,300
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,131</u>	<u>403,300</u>
<b>NET CHANGE IN FUND BALANCES</b>	(19,080)	18,372	(39,638)	3,774	(16,722)
<b>FUND BALANCES, BEGINNING</b>	<u>264,372</u>	<u>76,056</u>	<u>70,819</u>	<u>(37,221)</u>	<u>(7,469)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 245,292</u>	<u>\$ 94,428</u>	<u>\$ 31,181</u>	<u>\$ (33,447)</u>	<u>\$ (24,191)</u>

Special Revenue

Chapter 59	Courthouse Security	County Records Management	PreTrial Intervention	County Clerk Records Management	District Clerk Records Management	Total Nonmajor Governmental
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,452
-	-	-	-	-	-	179,103
-	18,823	17,098	25,845	26,263	1,402	131,612
55,956	-	-	-	-	-	55,956
4,737	4,484	6,642	1,628	20,038	-	53,790
-	-	1,105	-	-	-	1,105
<u>60,693</u>	<u>23,307</u>	<u>24,845</u>	<u>27,473</u>	<u>46,301</u>	<u>1,402</u>	<u>427,018</u>
-	26,016	-	-	106,124	-	311,254
-	-	-	-	-	-	3,691
37,267	-	-	-	-	-	688,166
-	-	-	-	-	-	29,018
<u>37,267</u>	<u>26,016</u>	<u>-</u>	<u>-</u>	<u>106,124</u>	<u>-</u>	<u>1,032,129</u>
<u>23,426</u>	<u>(2,709)</u>	<u>24,845</u>	<u>27,473</u>	<u>(59,823)</u>	<u>1,402</u>	<u>(605,111)</u>
-	-	-	-	-	-	566,431
-	-	-	(35,000)	-	-	(35,000)
-	-	-	(35,000)	-	-	531,431
23,426	(2,709)	24,845	(7,527)	(59,823)	1,402	(73,680)
<u>23,617</u>	<u>134,824</u>	<u>224,600</u>	<u>42,384</u>	<u>654,023</u>	<u>6,388</u>	<u>1,452,393</u>
\$ <u>47,043</u>	\$ <u>132,115</u>	\$ <u>249,445</u>	\$ <u>34,857</u>	\$ <u>594,200</u>	\$ <u>7,790</u>	\$ <u>1,378,713</u>

**LAMPASAS COUNTY, TEXAS**

COMBINING STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2023

	Custodial Funds					
	State Court Cost	Children's Trust	Adult Probation	Justices of the Peace	County Clerk	District Clerk Fee Account
<b>ASSETS</b>						
Cash and investments	\$ 79,440	\$ 1,965	\$ 17,907	\$ 37,600	\$ 278,018	\$ 2,463,251
Due from other funds	<u>-</u>	<u>-</u>	<u>3,697</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>79,440</u>	<u>1,965</u>	<u>21,604</u>	<u>37,600</u>	<u>278,018</u>	<u>2,463,251</u>
<b>LIABILITIES</b>						
Due to other funds	64,474	1,887	-	-	-	-
Due to others	<u>14,966</u>	<u>78</u>	<u>21,604</u>	<u>4,617</u>	<u>55,577</u>	<u>2,254,866</u>
Total liabilities	<u>79,440</u>	<u>1,965</u>	<u>21,604</u>	<u>4,617</u>	<u>55,577</u>	<u>2,254,866</u>
<b>NET POSITION</b>						
Restricted for individuals, organizations and other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,983</u>	<u>222,441</u>	<u>208,385</u>
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,983</u>	<u>\$ 222,441</u>	<u>\$ 208,385</u>

Custodial Funds

Sheriff's Office Commissary	Sheriff's Office Surplus	Tax Assessor	County Attorney Hot Check	Collection Department	Totals
\$ 69,637	\$ 26,396	\$ 116,553	\$ 7,445	\$ 87,221	\$ 3,185,433
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,697</u>
<u>69,637</u>	<u>26,396</u>	<u>116,553</u>	<u>7,445</u>	<u>87,221</u>	<u>3,189,130</u>
-	-	-	-	-	66,361
<u>-</u>	<u>-</u>	<u>116,553</u>	<u>-</u>	<u>-</u>	<u>2,468,261</u>
<u>-</u>	<u>-</u>	<u>116,553</u>	<u>-</u>	<u>-</u>	<u>2,534,622</u>
<u>69,637</u>	<u>26,396</u>	<u>-</u>	<u>7,445</u>	<u>87,221</u>	<u>654,508</u>
\$ <u>69,637</u>	\$ <u>26,396</u>	\$ <u>-</u>	\$ <u>7,445</u>	\$ <u>87,221</u>	\$ <u>654,508</u>

**LAMPASAS COUNTY, TEXAS**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Custodial Funds				
	State Court Cost	Children's Trust	Adult Probation	Justices of the Peace	County Clerk
<b>ADDITIONS</b>					
Individuals	\$ 264,284	\$ 6,169	\$ 420,443	\$ -	\$ -
Interest	1,840	877	1,054	-	812
Property tax collections for local government	-	-	-	-	-
From other governments	-	-	-	-	-
Miscellaneous	-	-	-	338,469	93,558
Total additions	<u>266,124</u>	<u>7,046</u>	<u>421,497</u>	<u>338,469</u>	<u>94,370</u>
<b>DEDUCTIONS</b>					
Cash bonds released by judgements	-	-	-	-	-
Payments to other governments	28,584	2,209	398,304	347,428	9,271
Payments to state	237,540	4,771	23,193	-	-
Payments to other entities	-	66	-	379	14,335
Payments to individuals	-	-	-	-	64,018
Total deductions	<u>266,124</u>	<u>7,046</u>	<u>421,497</u>	<u>347,807</u>	<u>87,624</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	-	-	-	(9,338)	6,746
<b>NET POSITION, BEGINNING</b>	-	-	-	42,321	215,695
<b>NET POSITION, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,983</u>	<u>\$ 222,441</u>

Custodial Funds

District Clerk Fee Account	Sheriff's Office Commissary	Sheriff's Office Surplus	Tax Assessor	County Attorney Hot Check	Collection Department	Totals
\$ -	\$ -	\$ -	\$ -	\$ 2,328	\$ 79,845	\$ 773,069
-	-	-	-	-	2,429	7,012
-	-	-	8,145,949	-	-	8,145,949
-	90,855	-	-	-	-	90,855
<u>1,804,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,236,602</u>
<u>1,804,575</u>	<u>90,855</u>	<u>-</u>	<u>8,145,949</u>	<u>2,328</u>	<u>82,274</u>	<u>11,253,487</u>
92,803	-	-	-	-	-	92,803
880,763	261	-	-	-	69,983	1,736,803
325	1,526	3,016	7,081,419	-	-	7,351,790
9,864	45,427	14,811	1,064,530	-	-	1,149,412
<u>706,877</u>	<u>14,370</u>	<u>1,380</u>	<u>-</u>	<u>2,104</u>	<u>350</u>	<u>789,099</u>
<u>1,690,632</u>	<u>61,584</u>	<u>19,207</u>	<u>8,145,949</u>	<u>2,104</u>	<u>70,333</u>	<u>11,119,907</u>
113,943	29,271	(19,207)	-	224	11,941	133,580
<u>94,442</u>	<u>40,366</u>	<u>45,603</u>	<u>-</u>	<u>7,221</u>	<u>75,280</u>	<u>520,928</u>
<u>\$ 208,385</u>	<u>\$ 69,637</u>	<u>\$ 26,396</u>	<u>\$ -</u>	<u>\$ 7,445</u>	<u>\$ 87,221</u>	<u>\$ 654,508</u>

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