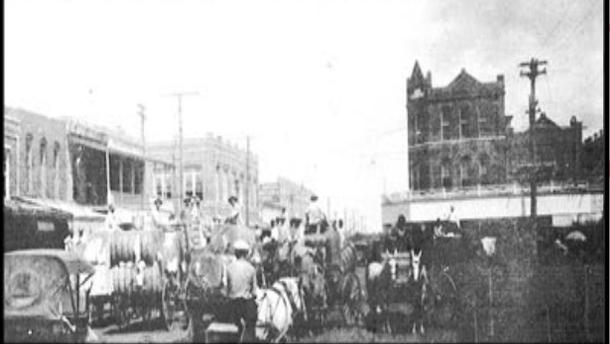
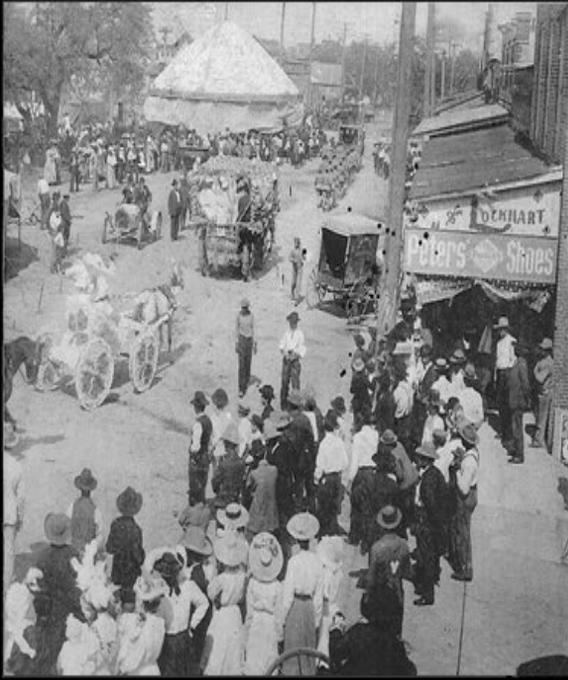


# Annual Comprehensive Financial Report

# City of Lockhart

Fiscal Year Ending September 30, 2022





*ANNUAL COMPREHENSIVE  
FINANCIAL REPORT*

of the

**City of Lockhart, Texas**

**For the Year Ended  
September 30, 2022**

**Prepared by**

Pam Larison  
Finance Director

Robert Eggimann  
Controller



# City of Lockhart, Texas

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***INTRODUCTORY SECTION***





March 21, 2023

Citizens of the City of Lockhart, Texas  
Honorable Mayor and City Council

The Texas Local Government Code states that a municipality shall have its records and accounts audited annually and shall have annual financial statements prepared based on the audit. The Code also states that the annual financial statements, including the auditor's opinion on the statements, shall be filed in the office of the municipal city secretary or clerk within 180 days after the last day of the municipality's fiscal year. The Annual Comprehensive Financial Report of the City of Lockhart, Texas (the City) for the year ended September 30, 2022, is hereby submitted to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed the anticipated benefits of providing the control, the objective is to provide sufficient, rather than absolute, assurance that the financial statements are free of any material misstatements.

BrooksWatson & Company, PLLC has issued an unmodified ("clean") opinion on the City of Lockhart financial statements for the year ended September 30, 2022. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this Letter of Transmittal and should be read in conjunction with it. We are pleased to report that the financial position of the City of Lockhart and its component units is strong.

### **Profile of the Government**

The City of Lockhart was founded in 1826 and officially incorporated as a city in 1852. Located in central Texas, Lockhart is 30 miles south of downtown Austin on U.S. Highway 183. It is 70 miles northeast of San Antonio and 156 miles west of Houston. According to the 2020 U.S. Census Bureau, the estimated population of the City of Lockhart is 14,379, and serves as the county seat of Caldwell County, Texas. Lockhart is a Home Rule Charter City and operates under the Council-Manager form of government. Lockhart is served by a seven-person city council. The elected body is made up of the mayor and two council members that are elected at large. The remaining four council members are elected from single-member districts. The length of office for all Council members and the Mayor are three-year terms. The City Council appoints the City Manager, the City Attorney, and the Municipal Court Judge. All other staff members work either directly or indirectly under the direction of the City Manager.

The Combined Financial Statements of the City include all governmental and business-type activities, organizations, and functions, for which the City exercises significant oversight responsibility. The criteria considered in determining governmental activities to be reported within the City's combined financial statements

are based upon and consistent with those set forth in GASB Statement No. 61, "The Financial Reporting Entity." Based on this criterion, the Lockhart Economic Development Corporation is included in this report.

The City provides a full range of municipal government services to more than 14,379 residents and numerous visitors annually. Municipal services provided include police and fire protection; crime prevention, enforcement, and adjudication; electric services; water production and distribution; wastewater collection and treatment; solid waste collection, curbside recycling and disposal; city code enforcement and building inspection; maintenance of streets; maintenance of park land and recreational facilities; library services; cemetery; airport; and economic development.

The annual budget of the City of Lockhart serves as the foundation for its financial plan and control. The budget is proposed by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, ordinances, and state law. The budget process begins each year with the development of priority issues established by Council during a Strategic Goals Workshop. Departments submit their annual departmental budget requests to the City Manager for review. A proposed budget is prepared for presentation to the City Council. The City Council reviews the budget in subsequent work sessions and a formal budget is prepared and made available to the public for review. Prior to official adoption of the budget by Council, any required public hearings on the proposed budget are held to allow for public input and any required notices are published in the City's newspaper of record.

The Council is required to adopt a final budget by no later than ten days before the close of the fiscal year. This annual budget serves as a foundation for the City's financial planning and control. The budget is prepared by fund, department, and category (e.g., salary and benefits). Department managers may transfer resources within their department as they see fit. Transfers between departments, however, need special approval from the City Manager and the Finance department. City Council approval is needed for transfers between funds or between capital projects.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Local Economy**

The City of Lockhart is the county seat for Caldwell County. With this designation comes commercial growth not typically seen for population of approximately 14,379 residents. Major industries located within the government's boundaries, or close proximately, include small and advanced manufacturing industries, information technology industries, retail and service industries, and agriculture. The school district has significant economic presence, employing in total more than 731 teachers, professionals, and support staff.

In 2020, the COVID-19 pandemic created an unprecedented situation for the City of Lockhart and for every municipality across the United States, but with it brought the passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and the American Rescue Plan Act (ARPA) of 2022. Through these federal programs, states received money to distribute to local governments.

The City of Lockhart received an allotment from CARES of \$763,895. After the final draw from the CARES Relief Program in 2021, the City of Lockhart was awarded federal grant money from the American Rescue Plan Act (ARPA). The total award was for \$3,501,959.00 to be used for further economic relief from the COVID-19 pandemic. The broad eligible uses for ARPA funds include COVID-related expenses (directly or indirectly), premium pay for essential workers, government service programs under certain circumstances, necessary improvements in water, sewer, or broadband infrastructure (whether related or not to COVID-19), and revenue

replacement. The City Council approved the spending of ARPA funds for the much needed improvements to water and sewer infrastructure and revenue replacement. Revenue replacement funds have been allocated towards multiple park improvements.

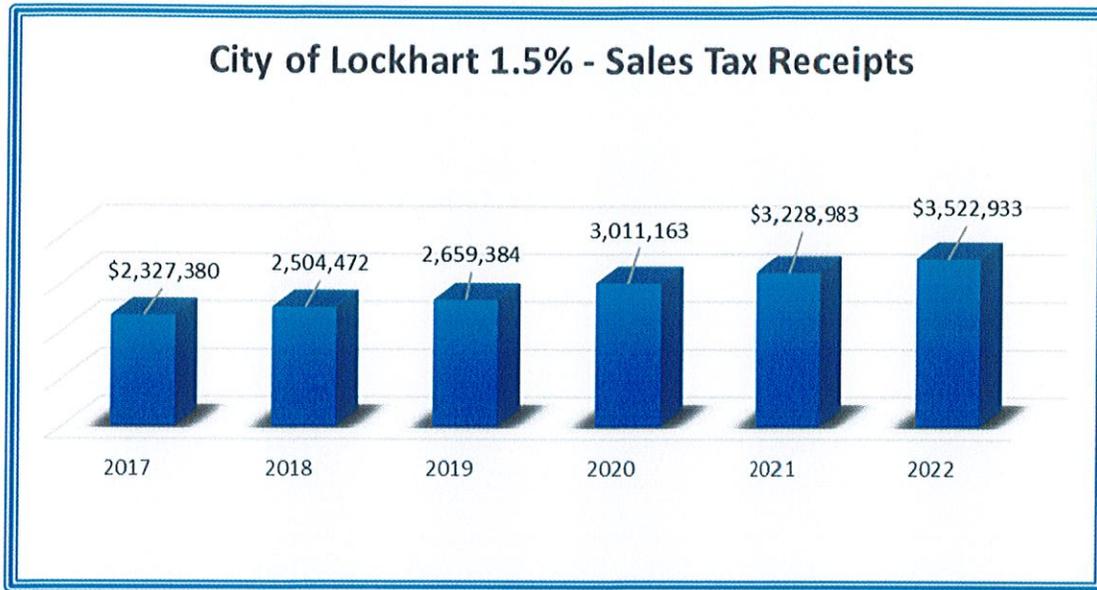
Due to the healthy economy, the City of Lockhart has a credit rating of AA- from Standard and Poor's as of March 2016. Over the past 10 years, the City has experienced significant economic growth and investment. The City is growing at a steady rate, increasing more than 9% over ten years. The growth of Austin and San Antonio metro areas is spreading toward Lockhart but at a slower pace than neighboring counties.

In 2020, the Lockhart Economic Development Corporation completed a Strategic Plan to assist in attracting businesses; helped Iron Ox, a robotic farming company to expand operations in Lockhart; established a new economic development office downtown; created the BIG Grant Program to improve downtown businesses and buildings and purchased property for a new 75-acre industrial/distribution park near SH 130. The SH 130 Industrial Park III began construction in 2021 and the Lockhart Economic Development Corporation sold its first ten acres to McElroy Metals.

The City of Lockhart's sound financial position is apparent because of its conservative budgeting practices, as evident from its strong fund balances. The City experienced growth in assessed valuation of property taxes and collection of 1.5% sales taxes from Fiscal Year 2016 through 2022 and continues to grow. (See charts below). Valuation of property continues to increase at a steady rate. This increase is attributable to construction of multiple subdivisions due to population growth and the increase in assessed values of current properties including new commercial growth.



The last five years the City of Lockhart has seen a significant increase in sales tax revenues due to new businesses and a healthy area economy. Sales tax revenues for 2022 have recorded all-time highs according to the City's revenue history.



### Long-term Financial Planning

The City Council approved a budget that maintained fund balance at 33% for Fiscal Year 2022. This is above the 25% minimum reserve required by the Fund Balance – Stabilization and Excess of Reserves Policy.

The overriding goal of the Fund Balance – Stabilization and Excess of Reserves Policy is to enable the City to achieve a long-term stable and positive financial condition. In order to accomplish this, procedures such as accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, expenditure control, and debt management are practiced.

The City recognizes that debt is usually a more expensive financing method. Alternative financing resources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives that equal or exceed the average life of the debt issue. Debt payments are structured to provide that capital assets funded by debt have a longer life than the debt associated with those assets. Regarding general obligation debt, the City has followed a policy of structuring new debt issue payment schedules to maintain declining debt payment structures to keep tax increases at a minimum and maintain a constant interest & sinking tax rate.

### Relevant Financial Policies

The City of Lockhart practices a comprehensive set of financial policies and procedures. Annually or as needed, the City Council approves its financial policies, and an extensive review and revisions are provided to the City Council and the City Manager from the Finance Department. Each year the City Council approves the Investment Policy, which is intended to protect City assets by identifying investment objectives, addressing the issues of investment risks versus rewards, and providing the framework for the establishment of controls, limitations, and responsibilities of City employees in the performance of their fiduciary responsibilities. In Fiscal Year 2022, a revised purchasing policy was approved to maintain a cost-effective purchasing system conforming to good management practice. The establishment and maintenance of an effective purchasing policy is possible only through a cooperative effort. This policy reaffirms the City of Lockhart's commitment to strengthen purchasing

and property controls to reasonably assure that assets are received and retained in the custody of the City of Lockhart.

### **Major Initiatives**

The City of Lockhart issued debt in 2022 by a Limited Tax Note Series for \$4,050,000. The purpose of the debt is 1) improvement to wastewater system lines, 2) acquiring and equipping a bucket truck, 3) public safety improvement including acquisition of a fire truck, and 4) street and sidewalk improvements.

The City of Lockhart Council placed a Strategic Goals Plan in action for Fiscal Year 2021-22, which focuses on 1) City facilities by beginning plan to replace/update City Hall; 2) Human Resources/Staffing by hiring Assistant City Manager and support staff and consider additional staffing needs; 4) Parks and Recreation – develop youth programs, consider new park activities and facilities, and update Parks and Open Space Master Plan; 4) Infrastructure – approve the historic downtown revitalization design and construction; 5) Modernization and Communication – new website design by including online forms, applications and mobile platform ease; and 6) Development & Quality of Life – consider sidewalk maintenance ordinance, more housing option incentives, and promote more family friendly events.

### **Financial Procedures and Internal Controls**

The City's accounting records for all governmental funds are maintained on the modified accrual basis of accounting. This method recognizes revenue when it is measurable and available and expenditures when goods and services are received. All proprietary funds are accounted for using the accrual basis of accounting; revenue is recognized when it is earned, and expenses are recognized when they are incurred. Management of the City is responsible for establishing and maintaining an internal control structure. This structure is designed to provide reasonable, but not absolute, assurance that: (1) City assets are protected from loss, theft or misuse; and (2) City financial records and data are accurate and reliable. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it, and that the evaluation of cost and benefits requires estimates and judgements by management.

### **Budgetary Controls**

Each year, on or before September 30<sup>th</sup>, the City Council adopts an annual operating budget for the ensuing fiscal year. The operating budget includes anticipated revenues and expenditures for the General Fund, Proprietary Funds, Special Revenue Funds, Debt Service Fund, Airport Fund, EMS Fund, and Lockhart Economic Development. The budget is a planning device that defines the type, quality, and quantity of City goods and services that will be provided to our citizens. The budget is also a control device that serves as a system of "checks" and "balances" between levels of City government. The budgetary system is designed to ensure that individual departments contain their expenditures within limitations set by the City management, and that City management contains expenditures for the entire City within limitations set by the City Council. After adoption, change to a department budget may be made using a line-item transfer, initiated by a department manager, and approved by the City Manager and Finance Director. Any changes to the budget outside of an individual department can only be made by City Council.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lockhart for its annual comprehensive financial

report for the fiscal year ended September 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our sincere appreciation to the City's employees for their dedication and commitment to the City. The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. Appreciation is expressed to the City employees throughout the organization, especially those responsible for the maintenance of records upon which this report is based. Acknowledgement is given to representatives of BrooksWatson & Company, PLLC for their assistance in producing the final product.

### **Other Acknowledgements**

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance and Administration Department.

We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the mayor and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Lockhart's finances.

Respectfully Submitted,



Steve Lewis, City Manager



Pam M. Larison, Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Lockhart  
Texas**

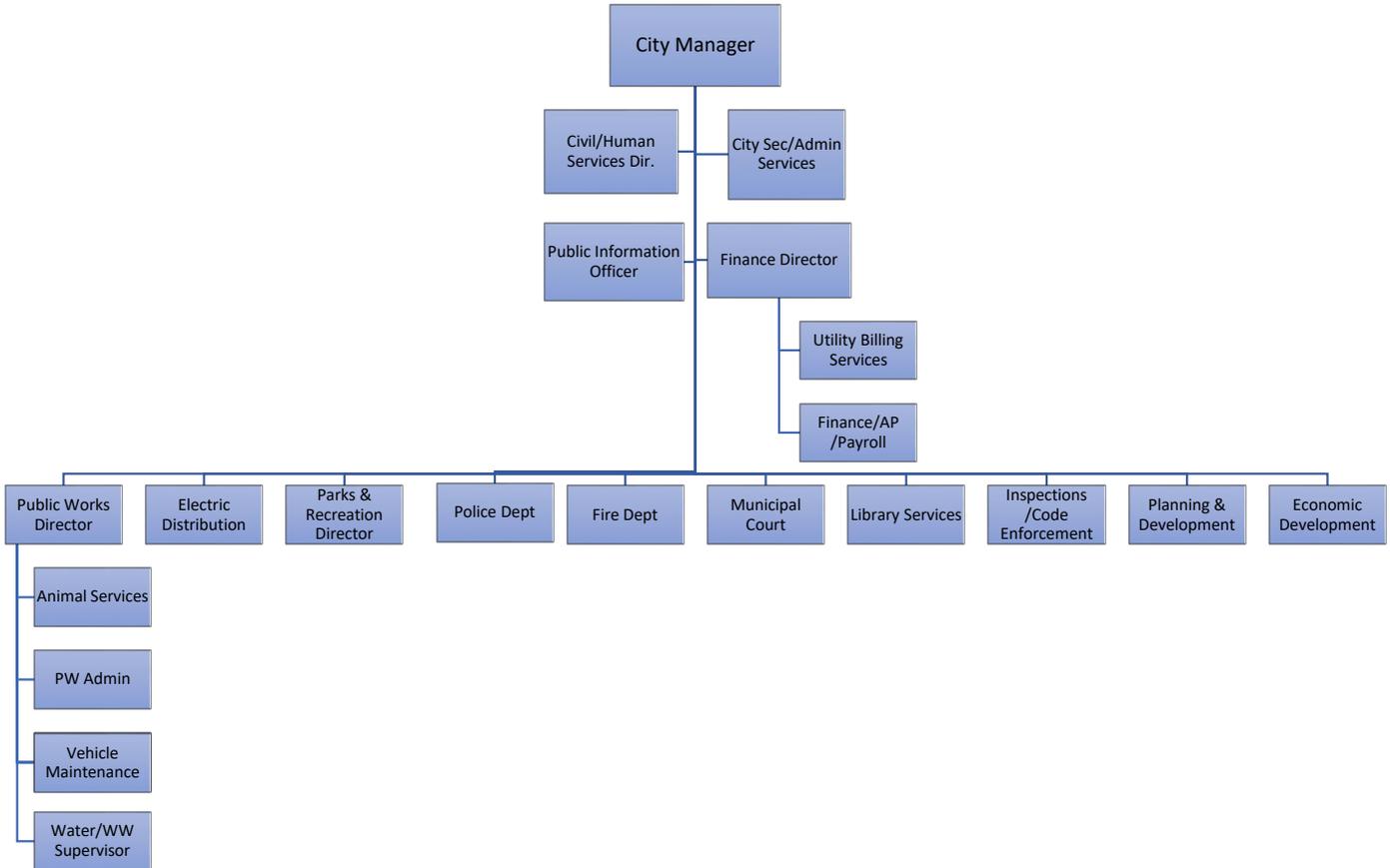
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# City of Lockhart Organizational Chart



**City of Lockhart, Texas**  
**ELECTED AND PRINCIPAL OFFICIALS**  
**September 30, 2022**

**City Council**

Lew White	Mayor
Angie Gonzales-Sanchez	At-Large
Juan Mendoza	District 1
David Bryant	District 2
Kara McGregor	District 3
Jeffry Michelson	District 4
Brad Westmoreland	At-Large

**Principal Officials**

Steve Lewis	City Manager
Pam Larison	Finance Director
Connie Constancio	City Secretary
Vacant as of yearend	Police Chief
Randy Jenkins	Fire Chief
Sean Kelley	Director of Public Works



***FINANCIAL SECTION***



***INDEPENDENT AUDITOR'S REPORT***

To the Honorable Mayor and  
Members of the City Council  
City of Lockhart, Texas:

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lockhart, Texas (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City'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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lockhart, Texas, as of September 30, 2022, 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Lockhart, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

The City's 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 City's ability to continue as a going concern for one year after the date that the financial statements are issued.

### *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 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, 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 City'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 City'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.

### *Emphasis of Matter*

As discussed in Note V.G. to the financial statements, due to the implementation of GASB Statement No. 87, *Leases*, the LEDC restated capital assets and long-term liabilities for component unit activities. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

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

This accompanying supplementary 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



Brooks Watson & Co.  
Certified Public Accountants  
Houston, Texas  
March 21, 2023



# City of Lockhart, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### September 30, 2022

As management of the City of Lockhart, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

#### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2022 by \$47,114,214. Of this amount, \$14,173,314 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3,167,677. The majority of the City's net position is invested in capital assets and restricted for specific purposes.
- The City's governmental funds reported combined ending fund balances of \$18,050,212 at September 30, 2022, an increase of \$4,302,864 from the prior fiscal year; this includes an increase of \$3,200,877 in the general fund and an increase of \$1,101,987 in the nonmajor governmental funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$10,143,227 or 85% of total general fund expenditures.

#### **Overview of the Financial Statements**

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

#### **Government-Wide Statements**

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

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

# City of Lockhart, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2022

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, culture and recreation, community development, public safety, and public works. The business-type activities of the City include electric, water, wastewater, sanitation, airport, and EMS operations.

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

The government-wide financial statements can be found on pages 28-33 of this report.

### **FUND FINANCIAL STATEMENTS**

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

#### **Governmental Funds**

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

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

# City of Lockhart, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2022

The City maintains twenty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, debt service, three capital projects, and various special revenue funds. A budgetary comparison statement has been provided for each governmental fund with an adopted budget to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 34-37 of this report.

### **Proprietary Funds**

The City's proprietary funds are all enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its utility, golf course, and storm water utility operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, and wastewater funds, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 38-47 of this report.

### **Component Units**

The City maintains the accounting and financial statements for one component unit. The Lockhart Economic Development Corporation is a discretely presented component unit, which is displayed on the government-wide financial statements.

### **Notes to Financial Statements**

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

The notes to the financial statements can be found on pages 53-98 of this report.

# City of Lockhart, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2022

### **Other Information**

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund, schedule of changes in the net pension liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System and schedule of changes in the OPEB liabilities. RSI can be found after the basic financial statements.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Lockhart, Texas, assets and deferred outflows exceeded liabilities and deferred inflows by \$47,114,214 as of September 30, 2022, in the primary government.

The largest portion of the City's net position, \$26,951,524 reflects its investments in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, construction in progress), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Lockhart, Texas's net position of \$5,989,376 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$14,173,314 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Lockhart, Texas is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**City of Lockhart, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2022**

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

	2022			2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and						
other assets	\$ 19,516,345	\$ 18,990,527	\$ 38,506,872	\$ 15,249,321	\$ 16,497,800	\$ 31,747,121
Capital assets, net	20,594,127	67,193,926	87,788,053	20,636,233	54,425,350	75,061,583
<b>Total Assets</b>	<u>40,110,472</u>	<u>86,184,453</u>	<u>126,294,925</u>	<u>35,885,554</u>	<u>70,923,150</u>	<u>106,808,704</u>
<b>Deferred Outflows of Resources</b>	<u>1,284,768</u>	<u>418,436</u>	<u>1,703,204</u>	<u>923,299</u>	<u>338,339</u>	<u>1,261,638</u>
Other liabilities	2,965,820	4,086,685	7,052,505	2,573,267	3,519,408	6,092,675
Long-term liabilities	14,208,500	57,292,569	71,501,069	14,169,384	42,920,839	57,090,223
<b>Total Liabilities</b>	<u>17,174,320</u>	<u>61,379,254</u>	<u>78,553,574</u>	<u>16,742,651</u>	<u>46,440,247</u>	<u>63,182,898</u>
<b>Deferred Inflows of Resources</b>	<u>1,848,364</u>	<u>481,977</u>	<u>2,330,341</u>	<u>735,928</u>	<u>204,979</u>	<u>940,907</u>
Net Position:						
Net investment in						
capital assets	11,546,567	15,404,957	26,951,524	11,816,033	15,721,677	27,537,710
Restricted	3,362,595	2,626,781	5,989,376	3,598,451	2,008,737	5,607,188
Unrestricted	7,463,394	6,709,920	14,173,314	3,915,790	6,885,849	10,801,639
<b>Total Net Position</b>	<u>\$ 22,372,556</u>	<u>\$ 24,741,658</u>	<u>\$ 47,114,214</u>	<u>\$ 19,330,274</u>	<u>\$ 24,616,263</u>	<u>\$ 43,946,537</u>

Current and other assets of the primary government increased by \$6,759,751 or 21% due to greater cash on hand resulting from current year operating surpluses and unspent debt funds as of yearend. Other liabilities of the primary government increased \$959,830 or 16% primarily as a result of an increase in the current portion of long-term debt obligations. Long-term liabilities for business-type activities increased by \$14,371,730 or 33% primarily due the issuance of contract revenue bonds with the Guadalupe-Blanco River Authority that occurred in the current year. Capital assets in business-type activities increased by \$12,768,576 or 19% primarily due to new infrastructure improvements during the year, as well as the capitalization of the Carrizo water supply project associated with the Guadalupe-Blanco River Authority.

**City of Lockhart, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2022**

**Statement of Activities:**

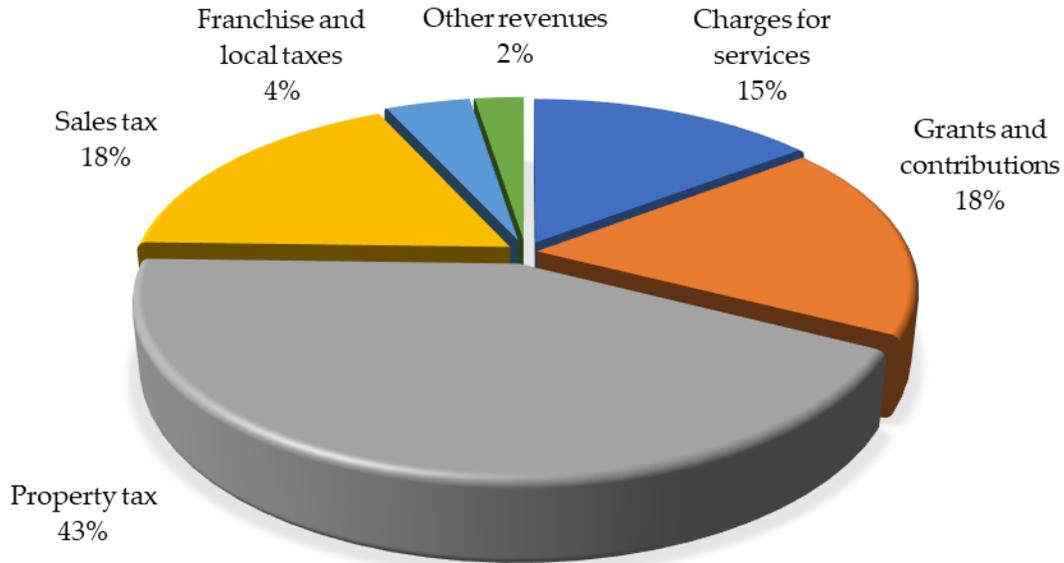
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2022			For the Year Ended September 30, 2021		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,976,561	\$ 23,034,726	\$ 25,011,287	\$ 1,756,277	\$ 21,059,834	\$ 22,816,111
Operating grants	2,205,060	-	2,205,060	2,485,671	-	2,485,671
Capital contributions	211,854	196,038	407,892	177,865	432,657	610,522
General revenues:						
Property tax	5,801,092	-	5,801,092	5,250,047	-	5,250,047
Sales tax	2,392,769	-	2,392,769	2,143,239	-	2,143,239
Franchise & local taxes	585,018	-	585,018	511,709	-	511,709
Investment income	125,718	114,001	239,719	20,739	21,947	42,686
Other revenues	213,151	149,689	362,840	102,830	199,136	301,966
<b>Total Revenues</b>	<b>13,511,223</b>	<b>23,494,454</b>	<b>37,005,677</b>	<b>12,448,377</b>	<b>21,713,574</b>	<b>34,161,951</b>
<b>Expenses</b>						
General government	1,967,143	-	1,967,143	1,931,497	-	1,931,497
Public safety	6,168,414	-	6,168,414	6,202,140	-	6,202,140
Public works	2,684,964	-	2,684,964	2,970,230	-	2,970,230
Health and welfare	23,439	-	23,439	26,352	-	26,352
Culture and recreation	1,215,110	-	1,215,110	1,189,072	-	1,189,072
Comm. development	905,103	-	905,103	683,483	-	683,483
Interest & fiscal chrgs.	390,198	1,544,855	1,935,053	371,174	1,235,626	1,606,800
Electric	-	9,953,109	9,953,109	-	11,329,072	11,329,072
Water	-	4,063,290	4,063,290	-	3,853,355	3,853,355
Wastewater	-	1,789,326	1,789,326	-	1,634,563	1,634,563
Nonmajor enterprise	-	3,133,049	3,133,049	-	3,174,868	3,174,868
<b>Total Expenses</b>	<b>13,354,371</b>	<b>20,483,629</b>	<b>33,838,000</b>	<b>13,373,948</b>	<b>21,227,484</b>	<b>34,601,432</b>
<b>Change in Net Position</b>						
<b>Before Transfers</b>	156,852	3,010,825	3,167,677	(925,571)	486,090	(439,481)
Transfers	2,885,430	(2,885,430)	-	2,991,137	(2,991,137)	-
<b>Total</b>	<b>2,885,430</b>	<b>(2,885,430)</b>	<b>-</b>	<b>2,991,137</b>	<b>(2,991,137)</b>	<b>-</b>
<b>Change in Net Position</b>	3,042,282	125,395	3,167,677	2,065,566	(2,505,047)	(439,481)
	19,330,274	24,616,263	43,946,537	17,264,708	27,121,310	44,386,018
Beginning Net Position						
<b>Ending Net Position</b>	<b>\$ 22,372,556</b>	<b>\$ 24,741,658</b>	<b>\$ 47,114,214</b>	<b>\$ 19,330,274</b>	<b>\$ 24,616,263</b>	<b>\$ 43,946,537</b>

**City of Lockhart, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2022**

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

**Governmental Activities - Revenues**

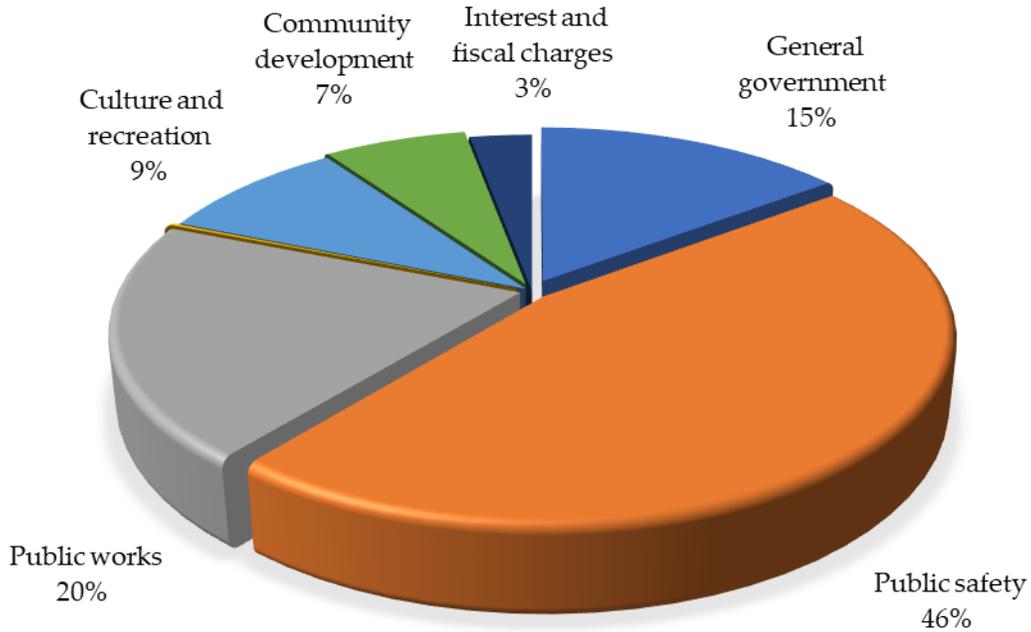


For the year ended September 30, 2022, revenues from governmental activities totaled \$13,511,223. Property tax, grants/contributions, and sales tax are the City's largest general revenue sources. Overall revenue increased \$1,062,846 or 9% from the prior year. Charges for services also increased by \$220,284 or 13% due to greater building permit revenue and park dedication fees in the current year. Property taxes increased by \$551,045 or 10% primarily due to greater appraised values and growth within the City. Sales taxes and franchise taxes increased by \$249,530 or 12% and \$73,309 or 14%, respectively due to economic growth fueled by local purchases. Investment income increased by \$104,979 primarily as a result of higher interest rates and greater interest-bearing accounts in the current year. Other revenue increased by \$110,321 or over 100% primarily due to nonrecurring losses on capital asset disposals recognized in the prior year. All other revenues remained relatively stable when compared to the previous year.

**City of Lockhart, Texas**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*  
September 30, 2022

This graph shows the governmental function expenses of the City:

**Governmental Activities - Expenses**



For the year ended September 30, 2022, expenses for governmental activities totaled \$13,354,371. This represents a slight decrease of \$19,577 from the prior year. The City's largest functional expense is public safety totaling \$6,168,414, which remained relatively consistent with the prior year. Public works expenses decreased by \$285,266 or 10% primarily due to nonrecurring street maintenance and repairs in the prior year. Community development increased by \$221,620 or 32% due to greater personnel costs and contract services resulting from increased building permit activity in the current year. All other governmental activities expenses remained relatively consistent with the prior year.

**City of Lockhart, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2022**

Business-type activities are shown comparing operating costs to revenues generated by related services.

**Business-Type Activities - Revenues and Expenses**



For the year ended September 30, 2022, charges for services by business-type activities totaled \$23,034,726. This represents an increase of \$1,974,892 or 9% from the previous year, which is a direct result of greater service rates in the current year and a growing customer base. Capital contributions decreased by \$236,619 as a result of nonrecurring developer contributions and impact fees received in the prior year.

Total business-type activity expenses decreased by \$743,855 or 4% to a total of \$20,483,629. Electric expenses totaled \$9,978,485, while water and wastewater operations totaled \$5,565,359 and \$1,805,990, respectively. There was a reduction in electric expenses by \$1,371,559, which is the primary driver of the overall decrease in business-type activities expenses. The decrease in electric expenses is directly related to the winter storm occurring in the prior year and the resulting decline in electricity demand and costs. Interest and fiscal charges increased by \$309,229 or 20% as a direct result of new GBRA revenue bond issuances in the current year.

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

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

# City of Lockhart, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2022

At September 30, 2022, the City's governmental funds reported combined fund balances of \$18,050,212, an increase of \$4,302,864 in comparison with the prior year. Approximately 55% of this amount, \$10,004,484, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, committed or restricted* to indicate that it is 1) not in spendable form \$57,433 2) committed for particular purposes \$311,949 or 3) restricted for particular purposes \$7,676,346.

As of the end of the year the general fund reflected a total fund balance of \$10,879,515. Of this, \$369,382 is considered not in spendable form, committed or restricted and \$10,143,227 is unassigned. General fund balance increased by \$3,200,877 during the current year as compared to a final budgeted decrease of \$1,246,437. The increased in fund balance was primarily a result of less than expected expenditures and greater than anticipated other financing sources, including new debt issuances, in the current year.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$10,143,227 is 85% of total general fund expenditures. Overall revenue in the general fund increased by \$698,429 when compared to the prior year. Property tax and sales tax showed the largest increase due to a growing City and local economy. General fund expenditures increase \$322,369 when compared to the prior year. The largest increase was in public safety of \$633,605 which was primarily due to greater personnel costs and new vehicle purchases in the current year.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the close of the fiscal year for all proprietary funds amounted to \$6,709,920, a decrease of \$175,929 from the previous year. Total investment in capital assets, net of related debt was \$15,404,957, and capital assets, net of depreciation totaled \$67,193,926.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted revenues of \$8,962,294 were less than actual revenues of \$9,245,783, resulting in a total positive revenue variance of \$283,489. All actual revenues were greater than the budgeted amounts, with the exception of property tax, intergovernmental, and fines and forfeitures. Total budgeted expenditures of \$13,716,563, were more than actual expenditures of \$11,951,842, resulting in a total positive expenditure variance of \$1,764,721. One significant change between the original and final budget included an increase for public safety of \$622,320 and was primarily due to the anticipated purchases of new police department vehicles.

### CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$20,594,127 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested \$67,193,926 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure.

**City of Lockhart, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**September 30, 2022**

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

- Roof replacement at the Lockhart Fire Station totaling \$26,647.
- Roof replacement at the Senior Citizen Tech Center totaling \$91,995.
- Street repairs totaling \$23,841.
- 2022 drainage projects for \$54,899.
- New construction work for downtown renovation totaling \$224,992.
- New construction on Maple Street for \$674,017.
- Commenced the TX130/FM2720 project for \$37,680.
- Extension on LK/30-LK-40 totaling \$442,075.
- Purchase of metal building for electric department for \$93,780.
- City Hall upgrades totaling \$29,761.
- Purchase of a new generator for \$37,460.
- Waterline extension project totaling \$173,802.
- Purchase of a 2022 Dodge Ram ambulance for \$246,794.
- Purchased a Stryker Power-Pro for \$27,247.
- Purchased a Stryker powerload lift for \$30,883.
- Addition of intangible water access associated with the Carrizo Groundwater Supply Project for \$14,485,000.

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

#### **LONG-TERM DEBT**

The City's outstanding bonds, tax notes, lease liabilities and certificates of obligation payable, net of all premiums, increased by \$16,605,372 from the prior year. The total bonds, leases and certificates of obligation payable at the close of the fiscal year was \$71,517,278, net of all premiums.

More detailed information about the City's long-term liabilities is presented in note IV.E to the financial statements.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The City of Lockhart has seen a steady growth in tax revenue over the last five years. Sales tax revenue has increased by 36.3% since 2017 and property tax valuation has increased by 53.2%. Even with the 36.3% increase, the City continues to forecast sales tax in a conservative position. The total sales tax payments received in 2022 fiscal year equaled \$2,392,769. The City anticipates continued increase for 2023.

Property valuations have increased due to new additions and property on the tax roll, along with the appraisal district reassessing valuations in 2021. The certified assessed taxable property valuations for the 2023 fiscal year (2022 tax roll) total \$1,072,343,556 with a tax rate of \$0.4504 per \$100 valuation for

**City of Lockhart, Texas**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*  
**September 30, 2022**

maintenance and operations and \$0.1502 per \$100 valuation for the interest and sinking fund. The total tax rate of \$0.6006.

The City's capital plan for 2022-20236 continues to focus on infrastructure upgrades and improvements to streets, the electric distribution system and water and wastewater lines.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Lockhart, Texas, Finance Department, 308 W. San Antonio Street, Lockhart, Texas 78644. This information can also be accessed on the City's website at [www.lockhart-tx.org](http://www.lockhart-tx.org).

## ***BASIC FINANCIAL STATEMENTS***

**City of Lockhart, Texas**  
**STATEMENT OF NET POSITION (Page 1 of 2)**  
**September 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 17,860,296	\$ 14,630,301	\$ 32,490,597
Receivables, net	1,115,633	4,225,534	5,341,167
Internal balances	482,983	(482,983)	-
Inventories	26,240	612,196	638,436
Prepaid and other assets	31,193	5,479	36,672
<b>Total Current Assets</b>	19,516,345	18,990,527	38,506,872
Noncurrent assets:			
Capital assets:			
Non-depreciable	1,858,617	583,604	2,442,221
Net depreciable capital assets	18,735,510	66,610,322	85,345,832
<b>Total Noncurrent Assets</b>	20,594,127	67,193,926	87,788,053
<b>Total Assets</b>	40,110,472	86,184,453	126,294,925
<b>Deferred Outflows of Resources</b>			
Pension outflows-TMRS	1,035,179	273,769	1,308,948
OPEB outflows-TMRS	70,621	19,629	90,250
OPEB outflows-retiree healthcare	14,875	9,902	24,777
Deferred charge on refunding	164,093	115,136	279,229
<b>Total Deferred Outflows of Resources</b>	1,284,768	418,436	1,703,204

**Component**  
**Unit**  
**Lockhart**  
**EDC**

\$ 3,546,470  
236,398  
-  
-  
686  
3,783,554

2,821,404  
2,139,252  
4,960,656  
8,744,210

26,440  
-  
-  
-  
26,440

**City of Lockhart, Texas**  
**STATEMENT OF NET POSITION (Page 2 of 2)**  
**September 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>Liabilities</u></b>			
Accounts payable	567,091	1,210,175	1,777,266
Accrued liabilities	400,659	181,048	581,707
Due to other governments	20,664	-	20,664
Customer deposits	-	561,010	561,010
Compensated absences, current	500,262	74,395	574,657
Accrued interest payable	71,955	582,512	654,467
Long-term debt due in one year	1,405,189	1,477,545	2,882,734
<b>Total Current Liabilities</b>	<b>2,965,820</b>	<b>4,086,685</b>	<b>7,052,505</b>
Noncurrent liabilities:			
Net pension liability	1,461,396	386,495	1,847,891
OPEB liability-TMRS	448,078	124,546	572,624
OPEB liability-Retiree healthcare	287,319	94,840	382,159
Compensated absences	55,585	8,266	63,851
Long-term debt due in more than one year	11,956,122	56,678,422	68,634,544
<b>Total Noncurrent Liabilities</b>	<b>14,208,500</b>	<b>57,292,569</b>	<b>71,501,069</b>
<b>Total Liabilities</b>	<b>17,174,320</b>	<b>61,379,254</b>	<b>78,553,574</b>
<b><u>Deferred Inflows of Resources</u></b>			
Pension inflows	1,779,216	470,542	2,249,758
OPEB inflows-TMRS	34,610	9,620	44,230
OPEB inflows-Retiree Healthcare	34,538	1,815	36,353
<b>Total Deferred Inflows of Resources</b>	<b>1,848,364</b>	<b>481,977</b>	<b>2,330,341</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	11,546,567	15,404,957	26,951,524
Restricted for:			
General government	436,359	-	436,359
Public safety	20,649	-	20,649
Municipal court	126,794	-	126,794
Tourism	130,191	-	130,191
Capital projects	2,648,602	2,626,781	5,275,383
Economic development	-	-	-
Unrestricted	7,463,394	6,709,920	14,173,314
<b>Total Net Position</b>	<b>\$ 22,372,556</b>	<b>\$ 24,741,658</b>	<b>\$ 47,114,214</b>

See Notes to Financial Statements.

<u>Component</u>
<u>Unit</u>
<u>Lockhart</u>
<u>EDC</u>
6,253
-
-
-
-
8,708
133,067
<u>148,028</u>
37,327
-
-
-
2,961,713
<u>2,999,040</u>
<u>3,147,068</u>
45,444
-
-
<u>45,444</u>
2,216,188
-
-
-
-
-
3,361,950
-
<u>\$ 5,578,138</u>

# City of Lockhart, Texas

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 1,967,143	\$ -	\$ 1,850,386	\$ -
Public safety	6,168,414	208,287	354,674	211,854
Public works	2,684,964	664,402	-	-
Health and welfare	23,439	-	-	-
Culture and recreation	1,215,110	251,869	-	-
Community development	905,103	852,003	-	-
Interest and fiscal charges	390,198	-	-	-
<b>Total Governmental Activities</b>	<b>13,354,371</b>	<b>1,976,561</b>	<b>2,205,060</b>	<b>211,854</b>
<b>Business-Type Activities</b>				
Electric	9,978,485	12,608,272	-	-
Water	5,565,359	4,132,398	-	179,228
Wastewater	1,805,990	2,880,275	-	-
* Nonmajor enterprise	3,133,795	3,413,781	-	16,810
<b>Total Business-Type Activities</b>	<b>20,483,629</b>	<b>23,034,726</b>	<b>-</b>	<b>196,038</b>
<b>Total Primary Government</b>	<b>\$ 33,838,000</b>	<b>\$ 25,011,287</b>	<b>\$ 2,205,060</b>	<b>\$ 407,892</b>
<b>Component Units</b>				
Lockhart EDC	709,997	-	2,431	-
<b>Total Component Units</b>	<b>\$ 709,997</b>	<b>\$ -</b>	<b>\$ 2,431</b>	<b>\$ -</b>

**General Revenues:**

- Taxes
  - Property taxes
  - Sales taxes
  - Franchise and local taxes
- Investment income
- Other revenues
- Transfers

**Total General Revenues and Transfers**

**Change in Net Position**

Beginning Net Position

**Ending Net Position**

See Notes to Financial Statements.

\* Includes sanitation, airport, and EMS activities

**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Lockhart EDC</b>
\$ (116,757)	\$ -	\$ (116,757)	\$ -
(5,393,599)	-	(5,393,599)	-
(2,020,562)	-	(2,020,562)	-
(23,439)	-	(23,439)	-
(963,241)	-	(963,241)	-
(53,100)	-	(53,100)	-
(390,198)	-	(390,198)	-
<u>(8,960,896)</u>	<u>-</u>	<u>(8,960,896)</u>	<u>-</u>
-	2,629,787	2,629,787	-
-	(1,253,733)	(1,253,733)	-
-	1,074,285	1,074,285	-
-	296,796	296,796	-
-	<u>2,747,135</u>	<u>2,747,135</u>	<u>-</u>
<u>(8,960,896)</u>	<u>2,747,135</u>	<u>(6,213,761)</u>	<u>-</u>
			<u>(707,566)</u>
			<u>(707,566)</u>
5,801,092	-	5,801,092	-
2,392,769	-	2,392,769	1,196,384
585,018	-	585,018	-
125,718	114,001	239,719	26,760
213,151	149,689	362,840	79,792
2,885,430	(2,885,430)	-	-
<u>12,003,178</u>	<u>(2,621,740)</u>	<u>9,381,438</u>	<u>1,302,937</u>
3,042,282	125,395	3,167,677	595,370
19,330,274	24,616,263	43,946,537	4,982,768
<u>\$ 22,372,556</u>	<u>\$ 24,741,658</u>	<u>\$ 47,114,214</u>	<u>\$ 5,578,138</u>

# City of Lockhart, Texas

## BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 10,415,556	\$ 7,444,740	\$ 17,860,296
Accounts receivable, net	893,069	222,564	1,115,633
Due from other funds	640,123	-	640,123
Inventories	26,240	-	26,240
Prepays	31,193	-	31,193
<b>Total Assets</b>	<b>\$ 12,006,181</b>	<b>\$ 7,667,304</b>	<b>\$ 19,673,485</b>
<b><u>Liabilities</u></b>			
Accounts payable	\$ 299,159	\$ 267,932	\$ 567,091
Accrued liabilities	400,659	-	400,659
Due to other governments	20,664	-	20,664
Due to other funds	-	157,140	157,140
<b>Total Liabilities</b>	<b>720,482</b>	<b>425,072</b>	<b>1,145,554</b>
<b><u>Deferred Inflows of Resources</u></b>			
Unavailable revenue - property taxes	339,149	63,056	402,205
Unavailable revenue-fines	43,270	8,479	51,749
Unavailable revenue - notes receivable	23,765	-	23,765
<b>Total Deferred Inflows of Resources</b>	<b>406,184</b>	<b>71,535</b>	<b>477,719</b>
<b><u>Fund Balances</u></b>			
Nonspendable:			
Inventories	26,240	-	26,240
Prepaid items	31,193	-	31,193
Committed for:			
Sidewalks	53,085	-	53,085
Industrial park	258,864	-	258,864
Restricted for:			
General government	366,906	69,453	436,359
Public safety	-	20,649	20,649
Municipal court	-	126,794	126,794
Tourism	-	130,191	130,191
Capital projects	-	6,962,353	6,962,353
Unassigned	10,143,227	(138,743)	10,004,484
<b>Total Fund Balances</b>	<b>10,879,515</b>	<b>7,170,697</b>	<b>18,050,212</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 12,006,181</b>	<b>\$ 7,667,304</b>	<b>\$ 19,673,485</b>

See Notes to Financial Statements.

# City of Lockhart, Texas

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

September 30, 2022

**Fund Balances - Total Governmental Funds** \$ 18,050,212

**Adjustments for the Statement of Net Position:**

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

Capital assets - non-depreciable	1,858,617
Capital assets - net depreciable	18,735,510

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

Property tax	402,205
Fines and fees	51,749
Other receivables	23,765

Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time

Pension inflows	(1,779,216)
OPEB inflows-TMRS	(34,610)
OPEB inflows-Retiree Healthcare	(34,538)

Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/ expenditures) until then

Pension outflows	1,035,179
OPEB outflows-TMRS	70,621
OPEB outflows-Retiree Healthcare	14,875
Deferred charge on refunding	164,093

Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.

Accrued interest	(71,955)
Deferred charges:	
Bond premium	(466,738)
Net pension liability	(1,461,396)
OPEB liability-TMRS	(448,078)
OPEB liability-Retiree healthcare	(287,319)
Compensated absences	(555,847)
Non-current liabilities due in one year	(1,405,189)
Non-current liabilities due in more than one year	(11,489,384)

**Net Position of Governmental Activities** \$ 22,372,556

See Notes to Financial Statements.

# City of Lockhart, Texas

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property tax	\$ 4,795,142	\$ 953,087	\$ 5,748,229
Sales tax	2,392,769	-	2,392,769
Franchise and local taxes	395,527	189,491	585,018
Fines and forfeitures	249,589	26,058	275,647
License and permits	422,933	429,070	852,003
Charges for services	251,869	664,402	916,271
Intergovernmental	428,420	1,950,814	2,379,234
Investment income	82,355	43,363	125,718
Other revenue	227,179	7,913	235,092
<b>Total Revenues</b>	9,245,783	4,264,198	13,509,981
<b>Expenditures</b>			
Current:			
General government	1,951,658	169,851	2,121,509
Public safety	6,498,281	271,086	6,769,367
Public works	1,256,222	6,893	1,263,115
Health and welfare	114,006	-	114,006
Culture and recreation	1,038,779	24	1,038,803
Community development	955,377	-	955,377
Debt Service:			
Principal	103,723	903,038	1,006,761
Interest and fiscal charges	8,576	384,894	393,470
Bond issuance costs	25,220	-	25,220
Capital outlay	-	1,057,780	1,057,780
<b>Total Expenditures</b>	11,951,842	2,793,566	14,745,408
<b>Revenues Over (Under) Expenditures</b>	(2,706,059)	1,470,632	(1,235,427)
<b>Other Financing Sources (Uses)</b>			
Bond issuance	2,330,000	-	2,330,000
Lease issuance	322,861	-	322,861
Transfers in	3,319,534	325,459	3,644,993
Transfers (out)	(65,459)	(694,104)	(759,563)
<b>Total Other Financing Sources (Uses)</b>	5,906,936	(368,645)	5,538,291
<b>Net Change in Fund Balances</b>	3,200,877	1,101,987	4,302,864
Beginning fund balances	7,678,638	6,068,710	13,747,348
<b>Ending Fund Balances</b>	\$ 10,879,515	\$ 7,170,697	\$ 18,050,212

See Notes to Financial Statements.

# City of Lockhart, 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, 2022**

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

Net changes in fund balances - total governmental funds	\$	4,302,864
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		2,189,333
Capital contributions from EDC		37,680
Depreciation expense		(2,269,119)

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

Property tax		52,863
Fines and fees		(67,360)
Other receivables		(21,941)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		28,094
Accrued interest		(9,577)
Pension expense		440,769
OPEB expense-TMRS		(35,789)
OPEB expense-retiree healthcare		2,496

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are 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.

Debt issuance		(2,330,000)
Lease issuance		(322,861)
Amortization of deferred charge on refunding		(23,442)
Amortization of premium		61,511
Principal payments		1,006,761

<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>3,042,282</b>
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See Notes to Financial Statements.

**City of Lockhart, Texas**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS (Page 1 of 2)**  
**September 30, 2022**

	<b>Business-Type Activities</b>		
	<b>Electric</b>	<b>Water</b>	<b>Wastewater</b>
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash and cash equivalents	\$ 2,630,374	\$ 5,934,635	\$ 4,794,424
Accounts receivable, net	2,179,870	629,324	397,896
Inventories	612,196	-	-
Prepaid items	3,260	647	647
<b>Total Current Assets</b>	<b>5,425,700</b>	<b>6,564,606</b>	<b>5,192,967</b>
 <b><u>Noncurrent Assets</u></b>			
Capital assets:			
Non-depreciable	8,894	241,312	140,828
Net depreciable capital assets	3,879,892	55,506,935	5,560,758
<b>Total Noncurrent Assets</b>	<b>3,888,786</b>	<b>55,748,247</b>	<b>5,701,586</b>
<b>Total Assets</b>	<b>9,314,486</b>	<b>62,312,853</b>	<b>10,894,553</b>
 <b><u>Deferred Outflows of Resources</u></b>			
Pension outflows-TMRS	172,932	38,951	38,170
OPEB outflows-TMRS	11,706	3,167	2,392
OPEB outflows-retiree healthcare	6,226	1,350	1,122
Deferred loss on refunding	-	99,811	15,325
<b>Total Deferred Outflows of Resources</b>	<b>190,864</b>	<b>143,279</b>	<b>57,009</b>

See Notes to Financial Statements.

**Business-Type Activities**

<b>Nonmajor</b>		
<b>Funds</b>		<b>Total</b>
\$ 1,270,868	\$	14,630,301
1,018,444		4,225,534
-		612,196
925		5,479
<u>2,290,237</u>		<u>19,473,510</u>
192,570		583,604
<u>1,662,737</u>		<u>66,610,322</u>
<u>1,855,307</u>		<u>67,193,926</u>
<u>4,145,544</u>		<u>86,667,436</u>
23,716		273,769
2,364		19,629
1,204		9,902
-		115,136
<u>27,284</u>		<u>418,436</u>

**City of Lockhart, Texas**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS (Page 2 of 2)**  
**September 30, 2022**

	Business-Type Activities		
	Electric	Water	Wastewater
<b><u>Liabilities</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts payable	\$ 811,280	\$ 183,596	\$ 94,682
Accrued liabilities	174,183	-	-
Customer deposits	413,352	142,608	-
Compensated absences, current	48,136	10,298	8,372
Lease liabilities, current	20,132	15,079	15,192
Long-term debt, current	279,313	1,004,356	119,747
Due to other funds	-	482,983	-
Accrued interest	6,155	565,039	11,318
<b>Total Current Liabilities</b>	1,752,551	2,403,959	249,311
<b><u>Noncurrent Liabilities</u></b>			
Compensated absences, noncurrent	5,348	1,144	930
Lease liabilities, noncurrent	29,607	22,178	22,343
Long-term debt, noncurrent	802,340	53,061,653	2,713,594
Net pension liability	244,138	54,989	53,887
OPEB liability-TMRS	74,269	20,099	15,175
OPEB liability-retiree healthcare	59,630	12,931	10,746
<b>Total Noncurrent Liabilities</b>	1,215,332	53,172,994	2,816,675
<b>Total Liabilities</b>	2,967,883	55,576,953	3,065,986
<b><u>Deferred Inflows of Resources</u></b>			
Pension inflows-TMRS	297,227	66,947	65,606
OPEB inflows-TMRS	5,737	1,552	1,172
OPEB inflows-retiree healthcare	1,141	247	206
<b>Total Deferred Inflows of Resources</b>	304,105	68,746	66,984
<b><u>Net Position</u></b>			
Net investment in capital assets	3,157,394	6,079,125	4,363,564
Restricted for:			
Capital projects	167,997	1,316,043	1,142,741
Unrestricted	2,907,971	(584,735)	2,312,287
<b>Total Net Position</b>	\$ 6,233,362	\$ 6,810,433	\$ 7,818,592

See Notes to Financial Statements.

**Business-Type Activities**

<b>Nonmajor Funds</b>	<b>Total</b>
\$ 120,617	\$ 1,210,175
6,865	181,048
5,050	561,010
7,590	74,395
23,726	74,129
-	1,403,416
-	482,983
-	582,512
<u>163,848</u>	<u>4,569,668</u>
843	8,266
26,707	100,835
-	56,577,587
33,481	386,495
15,003	124,546
11,533	94,840
<u>87,567</u>	<u>57,292,569</u>
<u>251,415</u>	<u>61,862,237</u>
40,762	470,542
1,159	9,620
221	1,815
<u>42,142</u>	<u>481,977</u>
1,804,874	15,404,957
-	2,626,781
2,074,397	6,709,920
<u>\$ 3,879,271</u>	<u>\$ 24,741,658</u>

# City of Lockhart, Texas

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2022

	Business-Type Activities		
	Electric	Water	Wastewater
<b><u>Operating Revenues</u></b>			
Charges for services	\$ 12,608,272	\$ 4,132,398	\$ 2,880,275
Other revenue	111,228	264	-
<b>Total Operating Revenues</b>	12,719,500	4,132,662	2,880,275
<b><u>Operating Expenses</u></b>			
Personnel services	1,317,733	285,573	314,098
Supplies	14,176	55,521	80,713
Maintenance and repairs	221,164	211,699	148,224
Contractual services	355,578	451,924	50,789
Power, water, and water treatment	7,493,896	956,129	866,241
Non-departmental	-	-	67,293
Miscellaneous	154,250	4,920	-
Depreciation and amortization	396,312	2,097,524	261,968
<b>Total Operating Expenses</b>	9,953,109	4,063,290	1,789,326
<b>Operating Income (Loss)</b>	2,766,391	69,372	1,090,949
<b><u>Nonoperating Revenues (Expenses)</u></b>			
Insurance recoveries	1,008	-	-
Investment earnings	18,282	50,406	32,021
Interest expense	(20,670)	(1,502,069)	(1,370)
Debt issuance costs	(4,706)	-	(15,294)
<b>Total Nonoperating Revenues (Expenses)</b>	(6,086)	(1,451,663)	15,357
<b>Income (Loss) Before Capital Contributions and Transfers</b>			
<b>Transfers</b>	2,760,305	(1,382,291)	1,106,306
<b><u>Capital Contributions and Transfers</u></b>			
Capital grants	-	179,228	-
Transfers in	-	534,474	-
Transfers (out)	(2,027,379)	(99,548)	(973,250)
<b>Total Capital Contributions and Transfers</b>	(2,027,379)	614,154	(973,250)
<b>Change in Net Position</b>	732,926	(768,137)	133,056
Beginning net position	5,500,436	7,578,570	7,685,536
<b>Ending Net Position</b>	\$ 6,233,362	\$ 6,810,433	\$ 7,818,592

See Notes to Financial Statements.

**Business-Type Activities**

<b>Nonmajor</b>		
<b>Funds</b>	<b>Total</b>	
\$ 3,413,781	\$ 23,034,726	
37,189	148,681	
<u>3,450,970</u>	<u>23,183,407</u>	
179,918	2,097,322	
1,302,622	1,453,032	
1,402,639	1,983,726	
79,979	938,270	
-	9,316,266	
-	67,293	
12,513	171,683	
155,378	2,911,182	
<u>3,133,049</u>	<u>18,938,774</u>	
317,921	4,244,633	
-	1,008	
13,292	114,001	
(746)	(1,524,855)	
-	(20,000)	
<u>12,546</u>	<u>(1,429,846)</u>	
330,467	2,814,787	
16,810	196,038	
-	534,474	
(319,727)	(3,419,904)	
<u>(302,917)</u>	<u>(2,689,392)</u>	
27,550	125,395	
<u>3,851,721</u>	<u>24,616,263</u>	
<u>\$ 3,879,271</u>	<u>\$ 24,741,658</u>	

**City of Lockhart, Texas**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (Page 1 of 2)**  
**For the Year Ended September 30, 2022**

	Business-Type Activities		
	Electric	Water	Wastewater
<b><u>Cash Flows from Operating Activities</u></b>			
Payments to employees	\$ (1,386,833)	\$ (320,884)	\$ (320,806)
Payments to suppliers	(8,235,773)	(1,239,263)	(1,229,714)
Receipts from customers	12,774,047	4,229,888	2,935,885
<b>Net Cash Provided (Used) by Operating Activities</b>	3,151,441	2,669,741	1,385,365
<b><u>Cash Flows from Noncapital Financing Activities</u></b>			
Transfers in	-	534,474	-
Transfers (out)	(2,027,379)	(99,548)	(973,250)
<b>Net Cash Provided (Used) by Noncapital Financing</b>	(2,027,379)	434,926	(973,250)
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>			
Acquisition and construction of capital assets	(565,615)	(285,439)	(11,572)
Capital grants	-	179,228	-
Insurance recoveries	1,008	-	-
Debt issuance	404,706	-	1,315,294
Principal paid on capital debt	(72,832)	(925,307)	(130,375)
Debt issuance costs	(4,706)	-	(15,294)
Interest paid on capital debt	(20,670)	(1,386,709)	(2,609)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	(258,109)	(2,418,227)	1,155,444
<b><u>Cash Flows from Investing Activities</u></b>			
Interest on investments	18,282	50,406	32,021
<b>Net Cash Provided by Investing Activities</b>	18,282	50,406	32,021
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	884,235	736,846	1,599,580
Beginning cash and cash equivalents	1,746,139	5,197,789	3,194,844
<b>Ending Cash and Cash Equivalents</b>	\$ 2,630,374	\$ 5,934,635	\$ 4,794,424

See Notes to Financial Statements.

**Business-Type Activities**

<b>Nonmajor</b>	
<b>Funds</b>	<b>Total</b>
\$ (217,651)	\$ (2,246,174)
(2,925,971)	(13,630,721)
3,377,198	23,317,018
<u>233,576</u>	<u>7,440,123</u>
-	534,474
(319,727)	(3,419,904)
<u>(319,727)</u>	<u>(2,885,430)</u>
(332,132)	(1,194,758)
16,810	196,038
-	1,008
-	1,720,000
(23,442)	(1,151,956)
-	(20,000)
<u>(746)</u>	<u>(1,410,734)</u>
<u>(339,510)</u>	<u>(1,860,402)</u>
13,292	114,001
<u>13,292</u>	<u>114,001</u>
(412,369)	2,808,292
<u>1,683,237</u>	<u>11,822,009</u>
<u>\$ 1,270,868</u>	<u>\$ 14,630,301</u>

**City of Lockhart, Texas**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (Page 2 of 2)**  
**For the Year Ended September 30, 2022**

	<b>Business-Type Activities</b>		
	<b>Electric</b>	<b>Water</b>	<b>Wastewater</b>
<b><u>Reconciliation of Operating Income (Loss)</u></b>			
<b><u>to Net Cash Provided (Used) by Operating Activities</u></b>			
Operating Income (Loss)	\$ 2,766,391	\$ 69,372	\$ 1,090,949
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	396,312	2,097,524	261,968
<b>Changes in Operating Assets and Liabilities:</b>			
<b>(Increase) Decrease in:</b>			
Accounts receivable	(90,022)	65,676	55,610
Inventory	(124,532)	-	-
Prepaid items	(107)	155	155
Deferred outflows:			
Pension	(69,559)	(10,921)	(17,016)
OPEB	2,231	605	455
<b>Increase (Decrease) in:</b>			
Accounts payable and accrued liabilities	127,930	(42,208)	(16,609)
Customer deposits	144,569	31,550	-
Compensated absences	(5,153)	(1,056)	453
Due to other funds	-	482,983	-
Deferred inflows:			
Pension	182,382	35,807	42,105
OPEB	(483)	(132)	(99)
Net pension liability	(182,700)	(60,746)	(33,460)
OPEB Liability	4,182	1,132	854
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 3,151,441</b>	<b>\$ 2,669,741</b>	<b>\$ 1,385,365</b>

**Schedule of Non-Cash Capital and Related  
Financing Activities**

GBRA debt and intangible	\$ -	\$ 14,485,000	\$ -
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See Notes to Financial Statements.

**Business-Type Activities**

<b>Business-Type Activities</b>	
<b>Nonmajor Funds</b>	<b>Total</b>
\$ 317,921	\$ 4,244,633
155,378	2,911,182
(73,847)	(42,583)
-	(124,532)
(506)	(303)
(2,791)	(100,287)
452	3,743
(127,712)	(58,599)
75	176,194
(735)	(6,491)
-	482,983
17,515	277,809
(97)	(811)
(52,922)	(329,828)
845	7,013
<u>\$ 233,576</u>	<u>\$ 7,440,123</u>

\$ - \$ 14,485,000

**City of Lockhart, Texas**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**September 30, 2022**

	<b>Private Purpose Trusts</b>	<b>Custodial Funds</b>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 557	\$ 32,810
Prepays	-	1,211
<b>Total Assets</b>	\$ 557	\$ 34,021
<b><u>Liabilities</u></b>		
Due to others	-	29,108
<b>Total Liabilities</b>	-	29,108
<b><u>Net Position</u></b>		
Restricted for various purposes:	\$ 557	\$ 4,913
<b>Total Net Position</b>	\$ 557	\$ 4,913

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Year Ended September 30, 2022**

	<b>Private Purpose Trusts</b>	<b>Custodial Funds</b>
<b><u>Additions</u></b>		
Investment income	\$ 5	\$ 207
Other revenue	-	4,943
<b>Total Additions</b>	5	5,150
<b><u>Deductions</u></b>		
General government	-	1,188
<b>Total Deductions</b>	-	1,188
<b>Net Change in Net Position</b>	5	3,962
Beginning Net Position	552	951
<b>Ending Net Position</b>	\$ 557	\$ 4,913

See Notes to Financial Statements.

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**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2022**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Lockhart, Texas (the “City”) is a municipal corporation operating under a home rule charter as authorized in Article XI, Section 5 of the Constitution of the State of Texas. The City operates under a Council-Manager form of government in which all powers of the City are vested in an elective council. The City Council consists of the mayor and six council members. The mayor and two council members are elected at large with the remaining council members elected by district. The City provides services related to the following: public safety, public works, sanitation, health and welfare, culture and recreation, economic development, planning and zoning, and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) applicable to government units. The following is a summary of the more significant accounting policies.

**A. Description of Government-Wide Financial Statements**

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

**B. Reporting Entity**

For financial reporting purposes, management has considered all potential component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability – The primary government is deemed to be financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

**City of Lockhart, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS, Continued*  
September 30, 2022

**Discretely Presented Component Unit**

Lockhart Economic Development Corporation (“LEDC”)

The LEDC is a nonprofit corporation that was incorporated under the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated, Article 5190.6 Section (a), to receive and account for the proceeds of a designated sales tax levied to benefit the economic development of Lockhart. Under the Act, the Board of Directors consists of seven members appointed by and who serve at the pleasure of the City Council of the City for two-year terms.

LEDC may enter into any project authorized by the Act including, but not limited to, such projects as promotion and development of new and expanded business enterprises, job training centers, infrastructure improvements, public safety, municipal buildings, civic centers, recreation facilities, and other related facilities.

The LEDC meets the criteria of a discretely presented component unit and is presented as a governmental fund type. Complete financial statements for the Lockhart Economic Development Corporation may be obtained at City Hall. No other organizations met the necessary criteria for inclusion as component units for the year ended September 30, 2022.

This component unit is discretely presented in the financial statements. Complete financial statements of the individual component unit can be obtained from Pam Larison, Finance Director, at 308 W. San Antonio St. Lockhart, TX 78644.

**C. Basis of Presentation - Government-Wide and Fund Financial Statements**

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

As discussed earlier, the government has one discretely presented component unit which is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government’s funds, including its fiduciary funds and blended component units. Separate statements for each fund category;

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

### **General Fund**

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, health and welfare, culture and recreation, and community development.

The government reports the following major enterprise funds:

### **Electric Fund**

The electric fund accounts for the activities of the City related to its provision of electricity. Activities of the fund include administration, operation and maintenance of the electric system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for electric debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

### **Water Fund**

The water fund is used to account for the establishment and maintenance of water facilities within the municipal boundaries of the City. Activities of the fund include administration, operation and maintenance of the water system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

### **Wastewater Fund**

The wastewater fund is used to account for the establishment and maintenance of sewage and drainage facilities within the municipal boundaries of the City. Activities of the fund include administration, operation and maintenance of the wastewater system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of,

**City of Lockhart, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS, Continued*  
September 30, 2022

long-term debt principal and interest for wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Additionally, the government reports the following fund types:

**Debt Service Funds**

The City accounts for the accumulation of financial resources for the payments of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance is restricted exclusively for debt service expenditures.

**Capital Project Funds**

The capital project funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**Special Revenue Funds**

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. As of September 30, 2022, the City is maintaining eighteen special revenue funds.

**Fiduciary Funds**

Private Purpose Trust Funds - These funds are used to account for resources legally held in trust for use by organizations that are separate from the City. All resources of these funds, including any earnings on invested resources, may be used to support the organizations' activities. There is no requirement that any portion of these resources be preserved as capital. These funds include the Glosserman Trust and Brock Cabin Trust fund.

Custodial Funds are custodial in nature and are used to account for the receipt, temporary investment, and remittance of resources to third parties. Because of the nature of these funds, they do not present results of operations or have a measurement focus. The custodial funds include the confiscated property, unclaimed property, and bicycle helmet funds.

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

**City of Lockhart, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS, Continued*  
September 30, 2022

business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

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

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

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

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary, pension and other postemployment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

### **E. Assets, Liabilities, Deferred Outflows/Inflows, and Fund Equity or Net Position**

#### **1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code.

In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools
- SEC registered, no load money market mutual funds

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

### **2. Fair Value**

The City has applied Governmental Accounting Standards Board (“GASB”) Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

### **3. Receivables and Interfund Transactions**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds” in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as “due to/from component unit/primary government.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

### **4. Inventories and Prepaid Items**

Inventory of the general fund and the electric fund consists of supplies held for the City's use and are carried at cost. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

### **5. Restricted Assets**

Certain proceeds of re classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants or other restrictions.

### **6. Capital Assets**

Capital assets, are tangible and intangible assets which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and rights to water access are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

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, donated works of art, and capital items received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

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.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

<b>Asset Description</b>	<b>Estimated Useful Life</b>
Building and improvements	10 to 50 years
Machinery and equipment	5 to 10 years
Public domain infrastructure	10 to 40 years
Utility system infrastructure	30 to 50 years
Intangible assets	15 to 40 years

### 7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement 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 government only has three items that qualify for reporting in this category. One example is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and

**City of Lockhart, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS, Continued*  
September 30, 2022

recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

**8. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable, pension and OPEB liabilities and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

The net pension liability is included within long term debt. This liability is valued using an actuarial model and represents the difference between the plan fiduciary net position and the net pension liability consistent with GASB statement no. 68. The portion of this liability presented as a current liability is based on actuarial calculations for estimated future payments of benefits and refunds over the twelve months following yearend.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

### 9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when 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.

### 10. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

In addition to providing pension benefits, the City provides medical benefits to eligible retirees and dependents with postemployment health care benefits through a single-employer postemployment healthcare plan (the "plan") administered by Texas Municipal League Multistate Intergovernmental Employee Benefits Pool. A separate audited financial report is not issued on the plan. In order for a City employee to be eligible for this benefit, he or she needs 20 years of service and/or attained the age of 60 with five years of service. Medical benefits are available with four coverage tiers depending on dependent status and continue until Medicare eligible. A Medicare supplement policy is available to Medicare eligible retirees with the retiree paying the full premium.

**City of Lockhart, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS, Continued*  
September 30, 2022

**11. Leases**

Lessee: The City and LEDC are lessees for noncancellable leases of building and equipment. The City and LEDC recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the full-accrual financial statements. The City and LEDC recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City and LEDC initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City and LEDC determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City and LEDC uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City and LEDC uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City and LEDC is reasonably certain to exercise.

The City and LEDC monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**12. Net Position Flow Assumption**

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

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

### 13. Fund Balance Flow Assumptions

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

### 14. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The City will maintain a minimum unassigned fund balance in its General Fund of 25 percent of the subsequent year's budgeted expenditures and outgoing transfers. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment. When fund balance falls below the 25 percent range, the City will replenish shortages/deficiencies. Should unassigned fund balance of the General Fund ever exceed the maximum 25 percent range, the City will consider such fund balance surpluses for one-time expenditures that are nonrecurring in nature and which will not require additional future expense outlays for maintenance, additional staffing or other recurring expenditures.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (Council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional

**City of Lockhart, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS, Continued*  
September 30, 2022

action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**15. 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**F. Revenues and Expenditures/Expenses**

**1. Program Revenues**

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

**2. Property Taxes**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property 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. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

**3. Compensated Absences**

Vested or accumulated vacation and sick pay that is expected to be liquidated with expendable available resources is reported as an expenditure and fund liability of the governmental fund that

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

will pay for it. Amounts of vested or accumulated vacation and sick pay that are not expected to be liquidated with expendable available financial resources are reported in the government wide financial statements. Vested or accumulated vacation and sick pay of the enterprise funds are recorded as an expense and liability of that fund as the benefits accrue to employees. The General Fund is the governmental fund that has typically been used in prior years to liquidate the liability for compensated absences.

#### 4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, three capital projects, various special revenue funds, and the enterprise funds. A budget was not adopted for the local municipal jury, the CARES Relief Act, the 2009 certificates of obligation, or the Maple Street park improvements funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the fund level. No funds can be transferred or added which affect the total fund expenditures without City Council approval. Appropriations lapse at the end of the year. One supplemental budget amendment was made during the year. All governmental funds with a legally adopted budget have been presented. The following funds exceeded appropriations at the level of control:

Hotel/Motel Tax	\$60,391
Radio System Maintenance	\$26,566

No other fund expenditures exceeded appropriations at the legal level of control.

#### A. Restricted Fund Balance

The City records restricted fund balance on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted fund balance for governmental funds was \$7,676,346, of which, \$126,794 is restricted by enabling legislation.

#### B. Deficit Fund Equity

As of September 30, 2022, three nonmajor governmental funds, the debt service, court technology, and radio system maintenance, reported deficit fund balances of \$104,477, \$4,425, and \$29,841, respectively. The deficits will be replenished through interfund transfers and future operating surpluses.

#### C. Public Funds Investment & Collateral Acts

State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2022, the market values of pledged securities and FDIC exceeded bank balances. In addition, the City is required to adopt certain standards as it relates to the investment and maintenance of public funds. The City was in compliance with the requirement Public Funds Investment Act and the Public Funds Collateral Act.

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Deposits - The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas Public Funds Investment Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the City's and the depository bank's agent bank. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of FDIC insurance. The City's deposits, as well as those of the City's component unit were fully insured or collateralized as required by the state statutes at September 30, 2022.

As of September 30, 2022, the primary government and component unit had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	\$ 35,620,010	0.07
Total value	\$ 35,620,010	
Portfolio weighted average maturity		0.07

Following the criteria for GASB Statement No. 79, Certain External Investment Pools and Pool Participants, TexPool and TexStar use amortized cost and Texas CLASS uses the fair value method to value portfolio assets. The pools operate in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2(a)(7) of the Investment Company Act of 1940 but is not registered with the SEC as an investment company. Instead, the regulatory oversight for the pool is the State of Texas. Investments in the pools are classified as cash and cash equivalents for reporting purposes.

*Interest rate risk:* In accordance with the City's investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio for investments in nonoperating funds to less than five years from the time of purchase. The weighted average maturity of investments of the City's operating funds cannot exceed one year from the time of purchase. The weighted average maturities of the investment pools did not exceed 60 days.

*Credit risk:* The City's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user. At year-end, the City was not exposed to concentration of credit risk. It

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

is LEDC policy to limit its investment to those that are authorized under the Texas Public Funds Investment Act. Additionally, any money market mutual funds or local government investment pools must be rated no lower than AAA by at least one nationally recognized rating service. As of September 30, 2022, the investment pools were rated AAAM by Standard and Poor's.

*Custodial credit risk – deposits:* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's and LEDC's investment policy requires that deposits at financial institutions be insured by the FDIC and/or collateralized by securities pledged to the City by the depository in an amount equal to at least 102% of the carrying value of deposits held. During the fiscal year and at year-end, all deposits held in the depository bank were fully collateralized. The City's deposits are therefore not subject to custodial credit risk at September 30, 2022.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

### **TexPool**

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. 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. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2022, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

### **TexSTAR**

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated AAAm by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

### Texas CLASS

MBIA is a participant of the Texas CLASS program. Texas CLASS has been established for governmental entities pursuant to the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Texas CLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator. The Board administers the affairs of the Trust and enters into contracts and agreements on behalf of the Trust in order to effectuate the terms of the Trust Agreement. It also selects consultants for Texas CLASS, including the Program Administrator and the Custodian. MBIA's Texas CLASS is rated AAA by Fitch. There were no limitations or restrictions on withdrawals.

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**B. Receivables**

The following comprise receivable balances of the primary government at year end:

	<b>Governmental Activities</b>		
	<b>General</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
	Property taxes	\$ 402,252	\$ 63,055
Sales tax	436,234	-	436,234
Other taxes	49,857	44,642	94,499
Fines and fees	420,407	83,576	503,983
Accounts	-	31,291	31,291
Other	201,244	-	201,244
Allowance	(616,925)	-	(616,925)
	\$ 893,069	\$ 222,564	\$ 1,115,633

	<b>Business-Type Activities</b>				<b>Total</b>
	<b>Electric</b>	<b>Water</b>	<b>Wastewater</b>	<b>Nonmajor</b>	
Accounts	\$ 2,350,208	\$ 671,369	\$ 427,206	\$ 312,581	\$ 3,761,364
EMS	-	-	-	4,404,835	4,404,835
Allowance	(170,338)	(42,045)	(29,310)	(3,698,972)	(3,940,665)
	\$ 2,179,870	\$ 629,324	\$ 397,896	\$ 1,018,444	\$ 4,225,534

The component unit receivables balance consisted entirely of sales tax.

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**C. Capital Assets**

A summary of changes in governmental activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 1,587,394	\$ -	\$ -	\$ 1,587,394
Construction in progress	421,490	937,691	(1,087,958)	271,223
Total capital assets not being depreciated	<u>2,008,884</u>	<u>937,691</u>	<u>(1,087,958)</u>	<u>1,858,617</u>
Capital assets, being depreciated:				
Machinery and equipment	7,687,550	757,249	(194,321)	8,250,478
Buildings and improvements	13,150,877	123,675	-	13,274,552
Infrastructure	77,768,483	85,537	1,087,958	78,941,978
Right to use assets	431,507	322,861	-	754,368
Total capital assets being depreciated	<u>99,038,417</u>	<u>1,289,322</u>	<u>893,637</u>	<u>101,221,376</u>
Less accumulated depreciation				
Machinery and equipment	6,179,769	424,795	(194,321)	6,410,243
Buildings and improvements	5,255,180	323,238	-	5,578,418
Infrastructure	68,906,606	1,372,932	-	70,279,538
Right to use assets	69,513	148,154	-	217,667
Total accumulated depreciation	<u>80,411,068</u>	<u>2,269,119</u>	<u>(194,321)</u>	<u>82,485,866</u>
Net capital assets being depreciated	18,627,349	(979,797)	1,087,958	18,735,510
<b>Total Capital Assets</b>	<u>\$ 20,636,233</u>	<u>\$ (42,106)</u>	<u>\$ -</u>	<u>\$ 20,594,127</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 226,243
Public safety	390,873
Public works	1,429,546
Health and welfare	9,178
Culture and recreation	213,279
<b>Total Governmental Activities Depreciation Expense</b>	<u>\$ 2,269,119</u>

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

A summary of changes in business-type activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 574,710	\$ -	\$ -	\$ 574,710
Construction in progress	366,000	442,074	(799,180)	8,894
Total capital assets not being depreciated	<u>940,710</u>	<u>442,074</u>	<u>(799,180)</u>	<u>583,604</u>
Capital assets, being depreciated:				
Machinery and equipment	7,642,244	334,096	-	7,976,340
Buildings and improvements	4,500,538	-	-	4,500,538
Infrastructure	44,802,298	418,588	799,180	46,020,066
Intangibles	32,775,000	14,485,000	-	47,260,000
Total capital assets being depreciated	<u>89,720,080</u>	<u>15,237,684</u>	<u>799,180</u>	<u>105,756,944</u>
Less accumulated depreciation				
Machinery and equipment	6,257,963	299,651	-	6,557,614
Buildings and improvements	3,204,347	41,684	-	3,246,031
Infrastructure	22,677,818	984,027	-	23,661,845
Intangibles	4,095,312	1,585,820	-	5,681,132
Total accumulated depreciation	<u>36,235,440</u>	<u>2,911,182</u>	<u>-</u>	<u>39,146,622</u>
Net capital assets being depreciated	<u>53,484,640</u>	<u>12,326,502</u>	<u>799,180</u>	<u>66,610,322</u>
<b>Total Capital Assets</b>	<u>\$ 54,425,350</u>	<u>\$ 12,768,576</u>	<u>\$ -</u>	<u>\$ 67,193,926</u>

Depreciation and amortization was charged to business-type activities as follows:

Electric	\$ 396,312
Water	2,097,524
Wastewater	261,968
EMS	77,817
Sanitation	22,609
Airport	54,952
<b>Total Business-type Activities Depreciation Expense</b>	<u>\$ 2,911,182</u>

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

A summary of changes in component unit (LEDC) capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 3,146,404	\$ -	\$ (325,000)	\$ 2,821,404
Construction in progress	380,917	1,257,344	(1,638,261)	-
Total capital assets not being depreciated	<u>3,527,321</u>	<u>1,257,344</u>	<u>(1,963,261)</u>	<u>2,821,404</u>
Capital assets, being depreciated:				
Buildings	612,000	-	1,638,261	2,250,261
Right to use assets	56,020	-	-	56,020
Total capital assets being depreciated	<u>668,020</u>	<u>-</u>	<u>1,638,261</u>	<u>2,306,281</u>
Less accumulated depreciation				
Buildings	122,400	28,623	-	151,023
Right to use assets	-	16,006	-	16,006
Total accumulated depreciation	<u>122,400</u>	<u>44,629</u>	<u>-</u>	<u>167,029</u>
Net capital assets being depreciated	545,620	(44,629)	1,638,261	2,139,252
<b>Total Capital Assets</b>	<u>\$ 4,072,941</u>	<u>\$ 1,212,715</u>	<u>\$ (325,000)</u>	<u>\$ 4,960,656</u>

Depreciation was charged to the following activities as follows:

Lockhart EDC	\$ 44,629
<b>Total Depreciation Expense</b>	<u>\$ 44,629</u>

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

### D. Long-term Debt

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2022. In general, the City uses the general fund to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds, notes and other payables:					
General Obligation Bonds	\$ 4,224,718	\$ -	\$ (538,848)	\$ 3,685,870	\$ 565,042
Certificates of Obligation	6,691,415	-	(364,190)	6,327,225	382,630
Tax notes	-	2,330,000	-	2,330,000	304,914
Less deferred amounts:					
For premiums	528,249	-	(61,511)	466,738	-
<b>Total Bonds Payable</b>	<u>11,444,382</u>	<u>2,330,000</u>	<u>(964,549)</u>	<u>12,809,833</u>	<u>1,252,586</u>
Lease liabilities	332,340	322,861	(103,723)	551,478	152,603
<b>Total Governmental Activities</b>	<u>\$ 11,776,722</u>	<u>\$ 2,652,861</u>	<u>\$ (1,068,272)</u>	<u>\$ 13,361,311</u>	<u>\$ 1,405,189</u>
				<u>\$ 11,956,122</u>	
<b>Long-term liabilities due in more than one year</b>					
<b>Business-Type Activities:</b>					
General Obligation Bonds	\$ 1,420,278	\$ -	\$ (181,152)	\$ 1,239,126	\$ 189,958
Certificates of Obligation	7,823,585	-	(425,810)	7,397,775	447,370
Tax Notes	-	1,720,000	-	1,720,000	225,086
Less deferred amounts:					
For premiums	339,249	-	(32,261)	306,988	-
<b>Total Bonds Payable</b>	<u>9,583,112</u>	<u>1,720,000</u>	<u>(639,223)</u>	<u>10,663,889</u>	<u>862,414</u>
Lease liabilities	248,249	-	(73,285)	174,964	74,129
Notes payable	2,368,823	-	(171,709)	2,197,114	176,002
GBRA Obligations	30,935,000	14,485,000	(300,000)	45,120,000	365,000
<b>Total Business-Type Activities</b>	<u>\$ 43,135,184</u>	<u>\$ 16,205,000</u>	<u>\$ (1,184,217)</u>	<u>\$ 58,155,967</u>	<u>\$ 1,477,545</u>
				<u>\$ 56,678,422</u>	
<b>Long-term liabilities due in more than one year</b>					
<b>Component Unit Activities (LEDC):</b>					
Notes payable	\$ 464,426	\$ -	\$ (355,996)	\$ 108,430	\$ 22,311
Lease liabilities	56,020	-	(14,670)	41,350	15,756
Revenue bonds	1,540,000	-	(95,000)	1,445,000	95,000
County obligation	1,500,000	-	-	1,500,000	-
<b>Total Component Unit Activities</b>	<u>\$ 3,560,446</u>	<u>\$ -</u>	<u>\$ (465,666)</u>	<u>\$ 3,094,780</u>	<u>\$ 133,067</u>
				<u>\$ 2,961,713</u>	
<b>Long-term liabilities due in more than one year</b>					

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

Long-term debt applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund. The general fund has typically been used to liquidate the liability for compensated absences for governmental activities. Leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset.

### Lockhart-Luling Water Delivery System

The Guadalupe-Blanco River Authority (GBRA) contracted with the City in 2002 to provide a reliable quantity of treated water through the Luling Water Treatment Plant. For the mutual benefit of the parties, GBRA, the City of Luling, and the City of Lockhart, Texas entered into an agreement that enabled GBRA to pump treated water from the Luling Water Treatment Plant to the Lockhart Treatment Plant ground storage reservoir through the water delivery system.

GBRA issued \$4,950,000 in Contract Revenue Refunding Bonds in fiscal year 2014 for the water delivery system. As of September 30, 2022, there was \$2,810,000 bonds outstanding.

### Carrizo Groundwater Supply Project

The Guadalupe-Blanco River Authority (GBRA) has contracted with the City to assist with the financing for the development of the Carrizo Groundwater Supply Project. This groundwater development project will generate 15,000 acre-feet per year of groundwater which will be distributed to three customers that have contracts with GBRA – New Braunfels Utilities, City of Lockhart, and Goforth Special Utility District. The City is responsible for its proportional share of the contract revenue and board participation loans associated with the financing of the project. As of September 30, 2022, there was \$42,310,000 of obligations outstanding.

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

Primary government long-term debt at year end was comprised of the following debt issues:

	<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
<b>General Obligation Bonds:</b>			
\$6,530,000 General Obligation Refunding Bond, Series 2016, due in annual installments through August 2028, interest at 3.6%	\$ 3,685,870	\$ 1,239,126	\$ 4,924,996
<b>Total General Obligation Bonds</b>	\$ 3,685,870	\$ 1,239,126	\$ 4,924,996
<b>Certificates of Obligation:</b>			
\$16,685,000 Certificates of Obligation, Series 2015, due in annual installments through August 2035 interest at 3.39%	\$ 6,327,225	\$ 7,397,775	\$ 13,725,000
<b>Total Certificates of Obligation</b>	\$ 6,327,225	\$ 7,397,775	\$ 13,725,000
<b>Notes Payable:</b>			
\$3,600,000 2013 State Infrastructure Bank Loan due in annual installments through June 2033, interest at 2.50%	\$ -	\$ 2,197,114	\$ 2,197,114
<b>Total Notes Payable</b>	\$ -	\$ 2,197,114	\$ 2,197,114
<b>Tax Notes:</b>			
\$4,050,000 Limited Tax Note, Series 2022, due in annual installments through 2029, interest at 2.61%	\$ 2,330,000	\$ 1,720,000	\$ 4,050,000
<b>Total Tax Notes</b>	\$ 2,330,000	\$ 1,720,000	\$ 4,050,000
<b>GBRA Obligations:</b>			
\$4,950,000 GBRA Revenue Bond, Series 2014, due in installments through 2030, interest at 3.45%	\$ -	\$ 2,810,000	\$ 2,810,000
\$7,095,000 2018 Board Participation Loan due in installments through 2053, interest at 4.24%	-	7,095,000	7,095,000
\$2,405,000 Contract Revenue Bond, Series 2018A, due in installments through 2048, interest at 3.96%	-	2,405,000	2,405,000
\$2,095,000 Contract Revenue Bond, Series 2018B, due in installments through 2048, interest at 3.23%	-	2,095,000	2,095,000
\$6,260,000 2019 Board Participation Loan due in installments through 2054, interest at 3.39%	-	6,260,000	6,260,000
\$1,720,000 Contract Revenue Bond, Series 2019, due in installments through 2049, interest at 2.47%	-	1,720,000	1,720,000
\$8,250,000 Contract Revenue Bond, Series 2020, due in installments through 2050, interest at 2.08%	-	8,250,000	8,250,000
\$14,485,000 Contract Revenue Bond, Series 2021, due in installments through 2050, interest at 2.75%	-	14,485,000	14,485,000
<b>Total GBRA Obligations</b>	\$ -	\$ 45,120,000	\$ 45,120,000

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

	<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
<b>Lease Liabilities:</b>			
\$121,741 lease payable to Stryker Sales Corporation, due in annual installments of \$17,392 through 2024, interest at 3.5%	\$ -	\$ 34,783	\$ 34,783
\$322,861 lease payable for building, due in monthly installments of \$5,315 to \$6,218 through 2027, interest at 2.61%	313,626	-	313,626
\$610,998 lease payable to Enterprise Fleet, due in monthly installments of \$13,106 through 2025, interest at 1.5%	237,852	140,181	378,033
<b>Total Lease Liabilities</b>	<b>\$ 551,478</b>	<b>\$ 174,964</b>	<b>\$ 726,442</b>
Premiums	466,738	306,988	773,726
<b>Total Debt</b>	<b>\$ 13,361,311</b>	<b>\$ 58,155,967</b>	<b>\$ 71,517,278</b>

The component unit long-term debt at year end was comprised of the following debt issues:

	<b>Lockhart EDC</b>
<b>Sales Tax Revenue Bonds:</b>	
\$1,645,000 Sales Tax Revenue Bond, Series 2020, due in semi-annual installments through August 2035, interest at 2.47%	\$ 1,445,000
<b>Total Sales Tax Revenue Bonds</b>	<b>\$ 1,445,000</b>
<b>County Obligations:</b>	
\$1,500,000 County Obligation, due in annual installments of \$500,000, starting in 2026 through 2028, interest at 0%	\$ 1,500,000
<b>Total County Obligations</b>	<b>\$ 1,500,000</b>
<b>Notes Payable:</b>	
\$425,000 207 Economic Development Note Payable due in quarterly installments through 2027 interest at 4.25%	\$ 108,430
<b>Total Notes Payable</b>	<b>\$ 108,430</b>
<b>Lease liabilities:</b>	
\$76,144 lease payable for building, due in monthly installments of \$1,245-\$1,470 through March 2025, interest at 2.61%	\$ 41,350
<b>Total Lease Liabilities</b>	<b>\$ 41,350</b>
<b>Total Debt</b>	<b>\$ 3,094,780</b>

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

The annual requirements to amortize the City's long-term activities debt issues outstanding at year end were as follows:

**Governmental Activities:**

Year ending September 30,	2015 Tax & Rev CO		2016 GO Refunding		2022 Tax Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 382,630	\$ 216,388	\$ 565,042	\$ 131,821	\$ 304,914	\$ 62,071
2024	396,460	201,082	572,526	119,108	316,420	48,725
2025	412,595	185,224	594,978	101,932	325,049	40,354
2026	433,340	164,594	624,914	78,133	333,679	31,758
2027	447,170	151,594	647,366	53,136	339,432	22,974
2028 - 2032	2,523,975	542,482	681,044	27,242	710,506	18,656
2033 - 2035	1,731,055	120,407	-	-	-	-
	<u>\$ 6,327,225</u>	<u>\$ 1,581,771</u>	<u>\$ 3,685,870</u>	<u>\$ 511,372</u>	<u>\$ 2,330,000</u>	<u>\$ 224,538</u>

Year ending September 30,	Lease Liabilities	
	Principal	Interest
2023	\$ 152,603	\$ 10,425
2024	158,148	7,449
2025	109,665	4,533
2026	69,623	2,597
2027	61,439	737
	<u>\$ 551,478</u>	<u>\$ 25,741</u>

The City entered into leases to finance the use of building and equipment. The property is classified as right to use asset with a total carrying value as of yearend for governmental activities of \$536,701.

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**Business-Type Activities:**

Year ending September 30,	2015 Tax & Rev CO		2016 GO Refunding		2022 Tax Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 447,370	\$ 253,000	\$ 189,958	\$ 44,316	\$ 225,086	\$ 45,820
2024	463,540	235,105	192,474	40,042	233,580	35,969
2025	482,405	216,563	200,022	34,268	239,951	29,789
2026	506,660	192,443	210,086	26,267	246,321	23,444
2027	522,830	177,243	217,634	17,864	250,568	16,959
2028 - 2032	2,951,025	634,268	228,952	9,158	524,494	13,773
2033 - 2035	2,023,945	140,780	-	-	-	-
	<u>\$ 7,397,775</u>	<u>\$ 1,849,403</u>	<u>\$ 1,239,126</u>	<u>171,915</u>	<u>\$ 1,720,000</u>	<u>\$ 165,754</u>

Year ending September 30,	State Infrastructure Loan		Lease Liabilities	
	Principal	Interest	Principal	Interest
2023	\$ 176,002	\$ 54,928	\$ 74,129	\$ 1,714
2024	180,402	50,528	74,986	857
2025	184,912	46,018	25,849	105
2026	189,535	41,395	-	-
2027	194,273	36,657	-	-
2028 - 2032	1,046,692	107,956	-	-
2033	225,299	5,632	-	-
	<u>\$ 2,197,114</u>	<u>\$ 343,113</u>	<u>\$ 174,964</u>	<u>\$ 2,675</u>

The City entered into leases to finance the use of equipment. The property is classified as right to use asset with a total carrying value as of yearend for business-type activities of \$192,097.

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

<u>Year ending September 30,</u>	<u>Guadelupa-Blanco River Authority</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 365,000	\$ 848,444	\$ 1,213,444
2024	1,175,000	937,851	1,677,851
2025	1,200,000	911,666	1,676,666
2026	1,220,000	895,790	1,680,790
2027	1,235,000	878,995	1,678,995
2028	1,260,000	861,122	1,681,122
2029	1,280,000	842,354	1,682,354
2030	1,300,000	822,396	1,677,396
2031	915,000	808,454	1,273,454
2032	935,000	800,093	1,280,093
2033	945,000	790,529	1,275,529
2034	965,000	780,100	1,280,100
2035	985,000	768,927	1,278,927
2036	1,005,000	757,095	1,282,095
2037	1,025,000	744,556	1,279,556
2038	1,050,000	731,466	1,281,466
2039	1,425,000	717,534	1,632,534
2040	1,790,000	689,419	1,959,419
2041	1,840,000	649,348	1,959,348
2042	1,900,000	606,460	1,966,460
2043	1,955,000	561,920	1,961,920
2044	2,010,000	515,983	1,955,983
2045	2,080,000	466,500	1,961,500
2046	2,145,000	414,674	1,959,674
2047	2,210,000	360,515	1,955,515
2048	2,285,000	304,560	1,959,560
2049	2,085,000	246,389	1,686,389
2050	2,065,000	196,882	1,596,882
2051	1,720,000	147,244	1,187,244
2052	1,085,000	106,130	1,191,130
2053	1,135,000	63,234	1,198,234
2054	530,000	18,338	548,338
	<u>\$ 45,120,000</u>	<u>\$ 19,244,962</u>	<u>\$ 49,879,962</u>

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**Lockhart Economic Development Corporation**

Year ending September 30,	Lease Liabilities		Note Payable	
	Principal	Interest	Principal	Interest
2023	\$ 15,756	\$ 894	\$ 22,311	\$ 4,234
2024	16,840	470	23,283	3,262
2025	8,754	67	24,315	2,230
2026	-	-	25,384	1,161
2027	-	-	13,137	166
	<u>\$ 41,350</u>	<u>\$ 1,431</u>	<u>\$ 108,430</u>	<u>\$ 11,053</u>

The LEDC entered into a lease to finance the use of a building. The property is classified as right to use asset with a total carrying value as of yearend for component unit activities of \$40,014.

Year ending September 30,	2020 Sales Tax and Revenue Bonds		2020 Caldwell County Obligation	
	Principal	Interest	Principal	Interest
2023	\$ 95,000	\$ 35,692	\$ -	\$ -
2024	100,000	33,345	-	-
2025	100,000	30,875	-	-
2026	100,000	28,405	500,000	-
2027	105,000	25,935	500,000	-
2028-2032	570,000	89,167	500,000	-
2033-2035	375,000	18,772	-	-
	<u>\$ 1,445,000</u>	<u>\$ 262,191</u>	<u>\$ 1,500,000</u>	<u>\$ -</u>

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**G. Other Long-term Liabilities**

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general fund and utility fund to liquidate compensated absences.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
<b>Governmental Activities:</b>					
Compensated absences	\$ 583,941	\$ 440,385	\$ (468,479)	\$ 555,847	\$ 500,262
<b>Total Governmental Activities</b>	<u>\$ 583,941</u>	<u>\$ 440,385</u>	<u>\$ (468,479)</u>	<u>\$ 555,847</u>	<u>\$ 500,262</u>
<b>Other long-term liabilities due in more than one year</b>				<u>\$ 55,585</u>	
<b>Business-Type Activities:</b>					
Compensated absences	\$ 89,152	\$ 86,169	\$ (92,660)	\$ 82,661	\$ 74,395
<b>Total Business-Type Activities</b>	<u>\$ 89,152</u>	<u>\$ 86,169</u>	<u>\$ (92,660)</u>	<u>\$ 82,661</u>	<u>\$ 74,395</u>
<b>Other long-term liabilities due in more than one year</b>				<u>\$ 8,266</u>	
<b>EDC Activities:</b>					
Compensated absences	\$ 4,206	\$ -	\$ (4,206)	\$ -	\$ -
<b>Total Business-Type Activities</b>	<u>\$ 4,206</u>	<u>\$ -</u>	<u>\$ (4,206)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other long-term liabilities due in more than one year</b>				<u>\$ -</u>	

**H. Deferred Charges on Refunding**

Deferred charges resulting from the issuance of series 2016 GO revenue refunding bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding certificates of obligation. Current year balances for governmental and business-type activities totaled \$164,093 and \$115,136, respectively. Current year amortization expense for governmental and business-type activities totaled \$23,442 and \$16,447, respectively.

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**I. Interfund Transactions**

The compositions of interfund advances to/from balances as of the year ended September 30, 2022 were as follows:

	<b>Due from:</b>	
<b>Due to:</b>	<b>General Fund</b>	<b>Total</b>
Water Fund	\$ 482,983	482,983
Nonmajor govt.	157,140	157,140
<b>Total</b>	<b>\$ 640,123</b>	<b>\$ 640,123</b>

Interfund receivables and payables relate to various amounts used to cover operational and capital expenditures. All balances are expected to be resolved in the subsequent year.

Transfers between the primary government during the 2022 year were as follows:

	<b>Transfers Out:</b>						
<b>Transfers In:</b>	<b>General</b>	<b>Electric</b>	<b>Water</b>	<b>Wastewater</b>	<b>Nonmajor governmental</b>	<b>Nonmajor enterprise</b>	<b>Total</b>
General	\$ -	\$ 2,027,379	\$ 99,548	\$ 382,463	\$ 490,417	\$ 319,727	\$ 3,319,534
Nonmajor govt	65,459	-	-	160,000	100,000	-	325,459
Water	-	-	-	430,787	103,687	-	534,474
<b>Total</b>	<b>\$ 65,459</b>	<b>\$ 2,027,379</b>	<b>\$ 99,548</b>	<b>\$ 973,250</b>	<b>\$ 694,104</b>	<b>\$ 319,727</b>	<b>\$ 4,179,467</b>

The LEDC transferred \$55,000 to the general fund during the year. In addition, the LEDC provided \$173,802 of capital contributions to the water fund during the year. Transfers between funds were primarily to support debt service requirements and operation of funds.

**V. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City participates in the Texas Municipal League Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool that retains the risk of loss beyond the City's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

### B. Contingent Liabilities

The City is involved in lawsuits with other parties from time to time. While the ultimate result of these matters cannot be predicted with certainty, the City does not expect them to have a materially adverse effect on the basic financial statements.

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

### C. Commitments

#### Water Purchase Commitment

The City has entered into an agreement with the Guadalupe-Blanco River Authority (GBRA) that obligates the City to purchase its water from GBRA through December 31, 2027.

### D. Pension Plans

#### Texas Municipal Retirement Systems

##### **Plan Description**

The City of Lockhart, Texas participates as one of 920 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

### Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

Plan provisions for the City were as follows:

	<u>Plan Year 2021</u>	<u>Plan Year 2020</u>
Employee deposit rate	6%	6%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI repeating	70% of CPI repeating

### Employees covered by benefit terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	88
Inactive employees entitled to but not yet receiving benefits	132
Active employees	142
<b>Total</b>	<b>362</b>

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

### Contributions

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

Employees for the City of Lockhart, Texas were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Lockhart, Texas were 12.47% and 12.33% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$946,174, and were equal to the required contributions.

### Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

### Actuarial assumptions:

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

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

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum 16 mortality rate is applied, for males and females respectively, to reflect the impairment for

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public/Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

### Discount Rate:

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

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. Of the total pension liability, \$1,847,891 is related to the primary government, and \$37,327 is attributable to discretely presented component unit.

### Changes in the Net Pension Liability:

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net</u>	<u>Total Net Pension</u>	<u>Primary Government</u>	<u>Component Units</u>
<b>Balance at 12/31/20</b>	\$ 37,698,879	\$ 34,334,280	\$ 3,364,599	\$ 3,293,269	\$ 71,330
Changes for the year:					
Service cost	1,005,010	-	1,005,010	985,141	19,869
Interest	2,527,075	-	2,527,075	2,477,115	49,960
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	850,154	-	850,154	833,346	16,808
Changes of assumptions	-	-	-	-	-
Contributions – employer	-	950,147	(950,147)	(931,363)	(18,784)
Contributions – employee	-	457,169	(457,169)	(448,131)	(9,038)
Net investment income	-	4,474,872	(4,474,872)	(4,386,404)	(88,468)
Benefit payments, including refunds of emp. contributions	(1,526,480)	(1,526,480)	-	-	-
Administrative expense	-	(20,710)	20,710	20,301	409
Other changes	-	142	(142)	4,617	(4,759)
Net changes	2,855,759	4,335,140	(1,479,381)	(1,445,378)	(34,003)
<b>Balance at 12/31/21</b>	<u>\$ 40,554,638</u>	<u>\$ 38,669,420</u>	<u>\$ 1,885,218</u>	<u>\$ 1,847,891</u>	<u>\$ 37,327</u>

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

#### Primary Government

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 7,623,575	\$ 1,847,891	\$ (2,848,065)

#### Component Unit

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 153,996	\$ 37,327	\$ (57,531)

#### Total

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 7,777,571	\$ 1,885,218	\$ (2,905,596)

### Pension Plan Fiduciary Net Position:

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

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

For the year ended September 30, 2022, the City recognized pension expense of \$336,169. Of this amount, \$329,513 is related to the primary government and \$6,656 is attributable to the discretely presented component unit.

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

At September 30, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
<b>Primary Government:</b>		
Difference between projected and actual investment earnings	\$ -	\$ (2,249,758)
Change in assumptions	9,994	-
Differences between expected and actual economic experience	642,692	-
Contributions subsequent to the measurement date	656,262	-
<b>Component Units:</b>		
Difference between projected and actual investment earnings	-	(45,444)
Change in assumptions	202	-
Differences between expected and actual economic experience	12,982	-
Contributions subsequent to the measurement date	13,256	-
<b>Total</b>	<u>\$ 1,335,388</u>	<u>\$ (2,295,202)</u>

The primary government and component units reported \$656,262 and \$13,256, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2023.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Primary	Discretely Presented	Total
	Government	Component Units	
2022	\$ (74,866)	\$ (1,512)	\$ (76,378)
2023	(675,605)	(13,647)	(689,252)
2024	(423,668)	(8,558)	(432,226)
2025	(422,933)	(8,543)	(431,476)
2026	-	-	-
Thereafter	-	-	-
	<u>\$ (1,597,072)</u>	<u>\$ (32,260)</u>	<u>\$ (1,629,332)</u>

**City of Lockhart, Texas**  
*NOTES TO THE FINANCIAL STATEMENTS, Continued*  
 September 30, 2022

**E. Other Postemployment Benefits**

**Supplemental Death Benefits Fund**

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an “other postemployment benefit,” or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn’t meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer’s yearly contributions for retirees.

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

**Employees covered by benefit terms**

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	59
Inactive employees entitled to but not yet receiving benefits	22
Active employees	142
<b>Total</b>	<b>223</b>

The City’s contributions to the TMRS SDBF for the years ended 2022 and 2021 were \$10,386 and \$9,355, respectively, which equaled the required contributions each year.

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

Schedule of Contribution Rates  
*(RETIREE-only portion of the rate)*

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2020	0.06%	0.06%	100.0%
2021	0.15%	0.15%	100.0%
2022	0.13%	0.13%	100.0%

**Total OPEB Liability**

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2021, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

**Actuarial assumptions:**

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

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%, including inflation per year
Discount rate	1.84%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**Discount Rate:**

The discount rate used to measure the Total OPEB Liability was 1.84%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the City, calculated using the discount rate of 1.84%, as well as what the City's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

1% Decrease (0.84%)	Current Single Rate Assumption 1.84%	1% Increase (2.84%)
\$ 693,960	\$ 572,624	\$ 477,577

**Changes in the Total OPEB Liability:**

	<b>Total OPEB Liability</b>
<b>Balance at 12/31/20</b>	\$ 540,373
Changes for the year:	
Service Cost	28,954
Interest	10,983
Difference between expected and actual experience	(13,022)
Changes of assumptions	16,765
Benefit payments	(11,429)
Net changes	32,251
<b>Balance at 12/31/21</b>	<b>\$ 572,624</b>

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$56,123.

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

At September 30, 2022, the City reported deferred outflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ (44,230)
Changes in assumptions and other inputs	83,191	-
Contributions subsequent to measurement date	7,059	-
<b>Total</b>	<b>\$ 90,250</b>	<b>\$ (44,230)</b>

The City reported \$7,059 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2023.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended December 31:</b>	
2022	\$ 11,272
2023	17,086
2024	9,768
2025	727
2026	108
Thereafter	-
	<b>\$ 38,961</b>

### **Retiree Health Benefit Plan**

In addition to providing pension benefits, the City provides medical benefits to eligible retirees and dependents with postemployment health care benefits through a single-employer postemployment healthcare plan (the "plan") administered by Texas Municipal League Multistate Intergovernmental Employee Benefits Pool. A separate audited financial report is not issued on the plan. In order for a City employee to be eligible for this benefit, he or she needs 20 years of service and/or attained the age of 60 with five years of service. Medical benefits are available with four coverage tiers depending on dependent status and continue until Medicare eligible. A Medicare supplement policy is available to Medicare eligible retirees with the retiree paying the full premium.

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

Eligible retirees pay the full contribution rate for pre-65 medical coverage. The amount of the contribution depends on years of service with the City at retirement. The plan was changed effective June 1, 2015 to provide payment of higher retiree contribution rates for future retirees. Employees hired on or after this date will pay the full retiree contribution rate equal to 195% of the active employee contribution rate. Retirees hired prior to this date will pay the active employee contribution rate for either 2, 5 or 10 years (or to age 65, if earlier) depending on the years of service retirement. All retirees on the effective date will continue to pay the active employee contribution rate.

At the September 30, 2022 valuation, the following represents the active employees and retirees that are eligible to participate in the plan:

### Employees covered by benefit terms

At the September 30, 2022 valuation date, the following employees were covered by the benefit terms:

<b>Status</b>	<b>Employee</b>	<b>Employee &amp; Spouse</b>
Inactive employees or beneficiaries currently receiving benefits	5	0
Active employees	44	10
<b>Total</b>	<b>49</b>	<b>10</b>

### Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.77%. The discount rate was based on the Bond Buyer GO Bond 20 Year Index rate as of September 30, 2022, date of the actuarial valuation.

### Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 4.77%, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.77%) or 1-percentage-point higher (5.77%) than the current rate:

<b>1% Decrease (3.77%)</b>	<b>Current Single Rate Assumption 4.77%</b>	<b>1% Increase (5.77%)</b>
\$ 412,464	\$ 382,159	\$ 354,665

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

Healthcare Cost Trend

1% Decrease (3.5%)	Current Healthcare Cost Trend (4.5%)	1% Increase (5.5%)
\$ 350,437	\$ 382,159	\$ 418,618

Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at 9/30/2021</b>	\$ 426,848
Changes for the year:	
Service Cost	13,045
Interest	9,628
Difference between expected and actual experience	38,165
Changes of assumptions	(81,547)
Benefit payments	(23,980)
Net changes	(44,689)
<b>Balance at 9/30/2022</b>	<b>\$ 382,159</b>

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$22,481.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 24,777	\$ -
Change in assumptions	-	(36,353)
<b>Total</b>	<b>\$ 24,777</b>	<b>\$ (36,353)</b>

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended September 30:</b>	
2023	\$ (192)
2024	(2,781)
2025	(6,833)
2026	(1,770)
2027	-
Thereafter	-
	\$ (11,576)

Funding Status and Funding Progress

Actuarial valuations of an ongoing program involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Program, assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The current valuation dated September 30, 2022 and measured as of September 30, 2022 uses the mortality table: RPH 2014 Total Table with Projection MP-2021 and turnover: rates varying based on genera, age, and select and ultimate at 9 years. Rates based on the TMRS actuarial assumptions from the 2017 retirement plan valuation report.

Actuarial Methods and Assumptions

There have been no substantive changes in the retiree plan since the last full valuation. Therefore, the interim-year projection study is based on the census information, benefit schedules and costs for the fiscal year 2020 actuarial valuation for the development of the GASB 75 disclosures related to OPEB benefits for the year ended September 30, 2022.

Projections of benefits for financial reporting purposes are based on the substantive program (the program as understood by the employer and the Program members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Program members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

# City of Lockhart, Texas

## NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

The following is a summary of the actuarial assumptions:

Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent-of-Payroll
Asset Valuation Method	N/A
Discount Rate	4.77%
Inflation Rate	2.5%
Salary Growth	3.5%
Healthcare Cost Trend Rate (Initial/Ultimate)	4.5% for medical

### F. Tax Abatement Disclosures

The City of Lockhart enters into tax abatement and rebate agreements with local businesses under the state local government code, title 12, subtitle A, chapter 380. Under the code, the governing body of a municipality may establish and provide for the administration of one or more programs, including programs for making loans or grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality. The City has tax abatement/rebate agreements with three entities as of September 30, 2022:

\$6,983 of real property and personal property taxes was rebated to a manufacturing company that commercializes fiber reactor technology to enhance and improve manufacturing environments by increasing the efficiency of existing refining operations utilizing two-phase chemistry.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. The City has chosen to disclose information about its tax abatement agreements individually. It established a quantitative threshold of 100% percent of the total dollar amount of taxes abated during the year.

**City of Lockhart, Texas**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**G. Restatement**

Due to the implementation of GASB Statement No. 87, *Leases*, the LEDC restated capital assets and long-term liabilities for component unit activities as follows:

	<b>Component Unit Activities</b>
Prior year ending net position, as reported	\$ 4,982,768
Adoption of GASB 87 (lessee) - right-to-use assets	56,020
Adoption of GASB 87 (lessee) - lease liabilities	(56,020)
Restated beginning net position	\$ 4,982,768

**H. New Accounting Pronouncements**

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 87, entitled *Leases*. Due to the implementation of GASB 87 in the current year, the City recorded right to use assets and lease liabilities.

**I. Subsequent Events**

There were no subsequent events through March 21, 2023, the date the financial statements were issued.

***REQUIRED SUPPLEMENTARY INFORMATION***

# City of Lockhart, Texas

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

### GENERAL FUND (Page 1 of 2)

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Property tax	\$ 4,917,565	\$ 4,917,565	\$ 4,795,142	\$ (122,423)
Sales tax	2,068,800	2,068,800	2,392,769	323,969
Franchise and local taxes	321,500	321,500	395,527	74,027
License and permits	293,500	293,500	422,933	129,433
Charges for services	82,300	82,300	251,869	169,569
Intergovernmental	894,069	894,069	428,420	(465,649)
Fines and forfeitures	275,500	275,500	249,589	(25,911)
Investment income	11,000	11,000	82,355	71,355
Other revenue	98,060	98,060	227,179	129,119
<b>Total Revenues</b>	<u>8,962,294</u>	<u>8,962,294</u>	<u>9,245,783</u>	<u>283,489</u>
<b><u>Expenditures</u></b>				
Current:				
General government	2,229,224	2,229,224	1,951,658	277,566
Public safety	6,263,125	6,885,445	6,498,281	387,164
Public works	2,421,075	2,421,075	1,256,222	1,164,853
Health and welfare	17,960	10,160	114,006	(103,846)
Culture and recreation	1,178,622	1,186,422	1,038,779	147,643
Community development	984,237	984,237	955,377	28,860
Debt Service:				
Principal	-	-	103,723	(103,723)
Interest and fiscal charges	-	-	8,576	(8,576)
Bond issuance cost	-	-	25,220	(25,220)
<b>Total Expenditures</b>	<u>13,094,243</u>	<u>13,716,563</u>	<u>11,951,842</u>	<u>1,764,721</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(4,131,949)</u>	<u>(4,754,269)</u>	<u>(2,706,059)</u>	<u>2,048,210</u>

# City of Lockhart, Texas

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

GENERAL FUND (Page 2 of 2)

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Bond issuance	\$ -	\$ -	\$ 2,330,000	\$ 2,330,000
Lease issuance	-	-	322,861	322,861
Transfers in	3,602,832	3,602,832	3,319,534	(283,298)
Transfers (out)	(65,000)	(65,000)	(65,459)	(459)
<b>Total Other Financing Sources (Uses)</b>	<u>3,537,832</u>	<u>3,537,832</u>	<u>5,906,936</u>	<u>2,369,104</u>
<b>Net Change in Fund Balance</b>	<u>\$ (594,117)</u>	<u>\$ (1,216,437)</u>	3,200,877	<u>\$ 4,417,314</u>
Beginning fund balance			<u>7,678,638</u>	
<b>Ending Fund Balance</b>			<u>\$ 10,879,515</u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

# City of Lockhart, Texas

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Total pension liability			
Service cost	\$ 1,005,010	\$ 961,008	\$ 908,475
Interest	2,527,075	2,392,058	2,267,377
Differences between expected and actual experience	850,154	193,047	(28,525)
Changes of assumptions	-	-	94,975
Benefit payments, including refunds of participant contributions	<u>(1,526,480)</u>	<u>(1,609,242)</u>	<u>(1,233,643)</u>
<b>Net change in total pension liability</b>	<u>2,855,759</u>	<u>1,936,871</u>	<u>2,008,659</u>
<b>Total pension liability - beginning</b>	<u>37,698,879</u>	<u>35,762,008</u>	<u>33,753,349</u>
<b>Total pension liability - ending (a)</b>	<u>40,554,638</u>	<u>37,698,879</u>	<u>35,762,008</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 950,147	\$ 933,321	\$ 884,655
Contributions - members	457,169	437,153	408,304
Net investment income	4,474,872	2,439,599	4,299,655
Benefit payments, including refunds of participant contributions	(1,526,480)	(1,609,242)	(1,233,643)
Administrative expenses	(20,710)	(15,791)	(24,299)
Other	<u>142</u>	<u>(616)</u>	<u>(730)</u>
<b>Net change in plan fiduciary net position</b>	<u>4,335,140</u>	<u>2,184,424</u>	<u>4,333,942</u>
<b>Plan fiduciary net position - beginning</b>	<u>34,334,280</u>	<u>32,149,856</u>	<u>27,815,914</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 38,669,420</u>	<u>\$ 34,334,280</u>	<u>\$ 32,149,856</u>
<b>Fund's net pension liability - ending (a) - (b)</b>	<u>\$ 1,885,218</u>	<u>\$ 3,364,599</u>	<u>\$ 3,612,152</u>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	 95.35%	 91.08%	 89.90%
<b>Covered payroll</b>	\$ 7,619,481	\$ 7,285,883	\$ 6,805,058
<b>Fund's pension liability as a percentage of covered payroll</b>	24.74%	46.18%	53.08%

**Notes to schedule:**

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u> <sup>1</sup>
\$	861,176	\$ 803,650	\$ 809,909	\$ 755,292	\$ 659,622
	2,158,275	2,050,665	1,924,544	1,840,606	1,759,695
	(144,312)	(95,374)	213,804	541,546	(275,265)
	-	-	-	143,888	-
	<u>(1,331,302)</u>	<u>(1,055,658)</u>	<u>(1,097,681)</u>	<u>(1,084,811)</u>	<u>(987,219)</u>
	<u>1,543,837</u>	<u>1,703,283</u>	<u>1,850,576</u>	<u>2,196,521</u>	<u>1,156,833</u>
	<u>32,209,512</u>	<u>30,506,229</u>	<u>28,655,653</u>	<u>26,459,132</u>	<u>25,302,299</u>
	<u>33,753,349</u>	<u>32,209,512</u>	<u>30,506,229</u>	<u>28,655,653</u>	<u>26,459,132</u>
\$	848,460	\$ 779,767	\$ 708,591	\$ 721,903	\$ 662,456
	385,314	358,239	358,731	352,824	321,581
	(862,453)	3,497,425	1,599,743	34,935	1,282,369
	(1,331,302)	(1,055,658)	(1,097,681)	(1,084,811)	(987,219)
	(16,669)	(18,124)	(18,076)	(21,283)	(13,388)
	(872)	(918)	(974)	(1,051)	(1,101)
	<u>(977,522)</u>	<u>3,560,731</u>	<u>1,550,334</u>	<u>2,517</u>	<u>1,264,698</u>
	<u>28,793,436</u>	<u>25,232,705</u>	<u>23,682,371</u>	<u>23,679,854</u>	<u>22,415,156</u>
\$	<u>27,815,914</u>	<u>\$ 28,793,436</u>	<u>\$ 25,232,705</u>	<u>\$ 23,682,371</u>	<u>\$ 23,679,854</u>
\$	<u>5,937,435</u>	<u>\$ 3,416,076</u>	<u>\$ 5,273,524</u>	<u>\$ 4,973,282</u>	<u>\$ 2,779,278</u>
	82.41%	89.39%	82.71%	82.64%	89.50%
\$	6,421,896	\$ 5,970,653	\$ 5,937,749	\$ 5,730,595	\$ 5,359,686
	92.46%	57.21%	88.81%	86.78%	51.86%

# City of Lockhart, Texas

## SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2022	9/30/2021	9/30/2020
Actuarially determined employer contributions	\$ 946,174	\$ 941,155	\$ 896,545
Contributions in relation to the actuarially determined contribution	\$ 946,174	\$ 941,155	\$ 896,545
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Annual covered payroll	\$ 7,648,561	\$ 7,490,384	\$ 6,972,445
Employer contributions as a percentage of covered payroll	12.37%	12.56%	12.86%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

### NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

**Valuation Date:**

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.  
Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

**Other Information:**

Notes There were no benefit changes during the year.

<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u> <sup>1</sup>
\$ 872,807	\$ 829,948	\$ 754,327	\$ 734,637	\$ 692,664
<u>\$ 872,807</u>	<u>\$ 829,948</u>	<u>\$ 754,327</u>	<u>\$ 734,637</u>	<u>\$ 692,664</u>
<u>\$ -</u>				
\$ 6,687,118	\$ 6,300,160	\$ 5,911,532	\$ 6,129,529	\$ 5,617,224
13.05%	13.17%	12.76%	11.99%	12.33%

# City of Lockhart, Texas

## SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended:

	<sup>1</sup> 12/31/2021	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Total OPEB liability				
Service cost	\$ 28,954	\$ 23,315	\$ 17,693	\$ 19,266
Interest	10,983	13,308	14,621	13,571
Differences between expected and actual experience	(13,022)	(36,363)	(18,892)	(17,158)
Changes of assumptions	16,765	70,035	77,468	(27,464)
Benefit payments	<u>(11,429)</u>	<u>(4,372)</u>	<u>(3,403)</u>	<u>(3,211)</u>
<b>Net changes</b>	<u>32,251</u>	<u>65,923</u>	<u>87,487</u>	<u>(14,996)</u>
<b>Total OPEB liability - beginning</b>	<u>540,373</u>	<u>474,450</u>	<u>386,963</u>	<u>401,959</u>
<b>Total OPEB liability - ending</b>	<sup>2</sup> <u><u>\$ 572,624</u></u>	<u><u>\$ 540,373</u></u>	<u><u>\$ 474,450</u></u>	<u><u>\$ 386,963</u></u>
 <b>Covered employee payroll</b>	 \$ 7,619,481	 \$ 7,285,883	 \$ 6,805,058	 \$ 6,421,896
<b>Fund's net position as a percentage of covered employee payroll</b>	7.52%	7.42%	6.97%	6.03%

**Notes to schedule:**

<sup>1</sup> This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

<sup>2</sup> No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

12/31/2017

\$	15,524
	13,276
	-
	31,482
	(3,582)
	<u>56,700</u>
	<u>345,259</u>
\$	<u><u>401,959</u></u>

\$ 5,970,653

6.73%

# City of Lockhart, Texas

## SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS RETIREE HEALTHCARE

Years Ended:

	<sup>1</sup>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>
Total OPEB liability					
Service cost	\$ \$	13,045	\$ \$ 13,045	\$ \$ 11,786	\$ \$ 11,786
Interest		9,628	9,754	15,971	15,460
Differences between expected and actual experience		38,165.0	-	(9,846)	-
Changes of assumptions		(81,547.0)	-	53,744	-
Benefit payments		(23,980)	(32,804)	(32,804)	(20,086)
<b>Net changes</b>		<u>(44,689)</u>	<u>(10,005)</u>	<u>38,851</u>	<u>7,160</u>
<b>Total OPEB liability - beginning</b>		<u>426,848</u>	<u>436,853</u>	<u>398,002</u>	<u>390,842</u>
<b>Total OPEB liability - ending</b>	<sup>2</sup> \$	<u><u>382,159</u></u>	\$ <u><u>426,848</u></u>	\$ <u><u>436,853</u></u>	<sup>2</sup> \$ <u><u>398,002</u></u>
 <b>Covered employee payroll</b>	\$	3,307,156	\$ 3,307,156	\$ 3,307,156	\$ 3,778,438
<b>Fund's net position as a percentage of covered employee payroll</b>		11.56%	12.91%	13.21%	10.53%

**Notes to schedule:**

<sup>1</sup> This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

<sup>2</sup> No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

9/30/2018

\$ 11,326  
15,641

-

-

(20,086)

6,881

383,961

<sup>2</sup> \$ 390,842

\$ 3,778,438

10.34%

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***COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES***

**City of Lockhart, Texas**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**September 30, 2022**

	<u>Debt</u> <u>Service Fund</u>	<u>Special</u> <u>Revenue</u> <u>Funds</u>	<u>Capital</u> <u>Project Funds</u>	<u>Total</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ -	\$ 5,367,146	\$ 2,077,594	\$ 7,444,740
Accounts receivable	63,055	159,509	-	222,564
<b>Total Assets</b>	<b>\$ 63,055</b>	<b>\$ 5,526,655</b>	<b>\$ 2,077,594</b>	<b>\$ 7,667,304</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ -	\$ 10,090	\$ 257,842	\$ 267,932
Due to other funds	104,476	52,664	-	157,140
<b>Total Liabilities</b>	<b>104,476</b>	<b>62,754</b>	<b>257,842</b>	<b>425,072</b>
<b><u>Deferred Inflows/Outflows</u></b>				
Unavailable revenue-tax	63,056	-	-	63,056
Unavailable revenue-fines	-	8,479	-	8,479
<b>Total Deferred Inflows</b>	<b>63,056</b>	<b>8,479</b>	<b>-</b>	<b>71,535</b>
<b><u>Fund Balances</u></b>				
Restricted for:				
General government	-	69,453	-	69,453
Public safety	-	20,649	-	20,649
Municipal court	-	126,794	-	126,794
Tourism	-	130,191	-	130,191
Capital projects	-	5,142,601	1,819,752	6,962,353
Unassigned	(104,477)	(34,266)	-	(138,743)
<b>Total Fund Balances</b>	<b>(104,477)</b>	<b>5,455,422</b>	<b>1,819,752</b>	<b>7,170,697</b>
<b>Total Liabilities, Deferred</b>				
<b>Inflows and Fund Balances</b>	<b>\$ 63,055</b>	<b>\$ 5,526,655</b>	<b>\$ 2,077,594</b>	<b>\$ 7,667,304</b>

See Notes to Financial Statements.

# City of Lockhart, Texas

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended September 30, 2022

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
<b><u>Revenues</u></b>				
Property tax	\$ 953,087	\$ -	\$ -	\$ 953,087
Hotel occupancy tax	-	189,491	-	189,491
Fines and forfeitures	-	26,058	-	26,058
License and permits	-	429,070	-	429,070
Charges for services	-	664,402	-	664,402
Intergovernmental	12,484	1,938,330	-	1,950,814
Other revenue	-	7,913	-	7,913
Investment income	3,566	20,223	19,574	43,363
<b>Total Revenues</b>	969,137	3,275,487	19,574	4,264,198
<b><u>Expenditures</u></b>				
General government	-	169,851	-	169,851
Public safety	-	271,086	-	271,086
Public works	-	6,893	-	6,893
Culture and recreation	-	24	-	24
Debt service:				
Principal	903,038	-	-	903,038
Interest	384,894	-	-	384,894
Capital outlay	-	7,205	1,050,575	1,057,780
<b>Total Expenditures</b>	1,287,932	455,059	1,050,575	2,793,566
<b>Revenues Over (Under)</b>				
<b>Expenditures</b>	(318,795)	2,820,428	(1,031,001)	1,470,632
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	260,000	65,459	-	325,459
Transfers (out)	-	(694,104)	-	(694,104)
<b>Total Other Financing Sources</b>	260,000	(628,645)	-	(368,645)
<b>(Uses)</b>				
<b>Net Change in Fund Balances</b>	(58,795)	2,191,783	(1,031,001)	1,101,987
Beginning fund balances	(45,682)	3,263,639	2,850,753	6,068,710
<b>Ending Fund Balances</b>	\$ (104,477)	\$ 5,455,422	\$ 1,819,752	\$ 7,170,697

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**COMBINING BALANCE SHEET (Page 1 of 2)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**September 30, 2022**

	<b>Radio Tower Equipment Replacement</b>	<b>Forfeited Property</b>	<b>Hotel/ Motel Tax</b>	<b>LEOSE Fund</b>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 3,921	\$ 9,680	\$ 99,628	\$ 10,969
Accounts receivable	-	-	44,642	-
<b>Total Assets</b>	<b>\$ 3,921</b>	<b>\$ 9,680</b>	<b>\$ 144,270</b>	<b>\$ 10,969</b>
 <b><u>Liabilities</u></b>				
Accounts payable and accrued liab.	\$ -	\$ -	\$ 6,500	\$ -
Due to other funds	-	-	7,579	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>14,079</b>	<b>-</b>
 <b><u>Deferred Inflows</u></b>				
Unavailable revenue-fines and fees	-	-	-	-
<b>Total Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
 <b><u>Fund Balances</u></b>				
Restricted for:				
General government	-	-	-	-
Public safety	-	9,680	-	10,969
Municipal court	-	-	-	-
Tourism	-	-	130,191	-
Capital projects	3,921	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>3,921</b>	<b>9,680</b>	<b>130,191</b>	<b>10,969</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 3,921</b>	<b>\$ 9,680</b>	<b>\$ 144,270</b>	<b>\$ 10,969</b>

See Notes to Financial Statements.

<u>Road Impact Fees #1</u>	<u>Road Impact Fees #2</u>	<u>Court Technology</u>	<u>Radio System Maintenance</u>	<u>Court Security</u>
\$ 896,983	\$ 774,583	\$ -	\$ -	\$ 12,897
-	-	1,708	-	1,947
<u>\$ 896,983</u>	<u>\$ 774,583</u>	<u>\$ 1,708</u>	<u>\$ -</u>	<u>\$ 14,844</u>
\$ -	\$ -	\$ 84	\$ -	\$ -
-	-	4,341	29,841	-
-	-	4,425	29,841	-
-	-	1,708	-	1,947
-	-	1,708	-	1,947
-	-	-	-	-
-	-	-	-	-
-	-	-	-	12,897
-	-	-	-	-
896,983	774,583	-	-	-
-	-	(4,425)	(29,841)	-
<u>896,983</u>	<u>774,583</u>	<u>(4,425)</u>	<u>(29,841)</u>	<u>12,897</u>
<u>\$ 896,983</u>	<u>\$ 774,583</u>	<u>\$ 1,708</u>	<u>\$ -</u>	<u>\$ 14,844</u>

**City of Lockhart, Texas**  
**COMBINING BALANCE SHEET (Page 2 of 2)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**September 30, 2022**

	<u>Child Safety</u>	<u>Court Efficiency</u>	<u>Juvenile Case Manager</u>	<u>Truancy Court</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 43,476	\$ 10,055	\$ 52,259	\$ 7,819
Accounts receivable	810	1,726	2,132	121
<b>Total Assets</b>	<b>\$ 44,286</b>	<b>\$ 11,781</b>	<b>\$ 54,391</b>	<b>\$ 7,940</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liab.	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Deferred Inflows</u></b>				
Unavailable revenue-fines and fees	810	1,726	2,132	121
<b>Total Deferred Inflows</b>	<b>810</b>	<b>1,726</b>	<b>2,132</b>	<b>121</b>
<b><u>Fund Balances</u></b>				
Restricted for:				
General government	-	-	-	-
Public safety	-	-	-	-
Municipal court	43,476	10,055	52,259	7,819
Tourism	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>43,476</b>	<b>10,055</b>	<b>52,259</b>	<b>7,819</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 44,286</b>	<b>\$ 11,781</b>	<b>\$ 54,391</b>	<b>\$ 7,940</b>

See Notes to Financial Statements.

<b>Local Municipal Jury</b>	<b>Cable Education</b>	<b>Transportation</b>	<b>Drainage</b>	<b>CARES Relief Act</b>	<b>Total Special Revenue Funds</b>
\$ 288	\$ 62,775	\$ 200,671	\$ 56,417	\$ 3,124,725	\$ 5,367,146
35	6,678	68,419	31,291	-	159,509
<u>\$ 323</u>	<u>\$ 69,453</u>	<u>\$ 269,090</u>	<u>\$ 87,708</u>	<u>\$ 3,124,725</u>	<u>\$ 5,526,655</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,506	\$ 10,090
-	-	-	10,903	-	52,664
-	-	-	10,903	3,506	62,754
35	-	-	-	-	8,479
<u>35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,479</u>
-	69,453	-	-	-	69,453
-	-	-	-	-	20,649
288	-	-	-	-	126,794
-	-	-	-	-	130,191
-	-	269,090	76,805	3,121,219	5,142,601
-	-	-	-	-	(34,266)
<u>288</u>	<u>69,453</u>	<u>269,090</u>	<u>76,805</u>	<u>3,121,219</u>	<u>5,455,422</u>
<u>\$ 323</u>	<u>\$ 69,453</u>	<u>\$ 269,090</u>	<u>\$ 87,708</u>	<u>\$ 3,124,725</u>	<u>\$ 5,526,655</u>

**City of Lockhart, Texas**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (Page 1 of 2)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended September 30, 2022**

	<u>Radio Tower Equipment Replacement</u>	<u>Forfeited Property</u>	<u>Hotel/ Motel Tax</u>	<u>LEOSE Fund</u>
<b>Revenues</b>				
Hotel occupancy tax	\$ -	\$ -	\$ 160,799	\$ -
Fines and forfeitures	-	424	-	-
License and permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	1,751
Investment income	38	86	1,122	99
Other revenue	-	-	7,913	-
<b>Total Revenues</b>	<u>38</u>	<u>510</u>	<u>169,834</u>	<u>1,850</u>
<b>Expenditures</b>				
General government	-	-	137,817	-
Public safety	1,487	-	-	705
Public works	-	-	-	-
Culture and recreation	-	-	24	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<u>1,487</u>	<u>-</u>	<u>137,841</u>	<u>705</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(1,449)</u>	<u>510</u>	<u>31,993</u>	<u>1,145</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(1,449)</u>	<u>510</u>	<u>31,993</u>	<u>1,145</u>
Beginning fund balances	5,370	9,170	98,198	9,824
<b>Ending Fund Balances</b>	<u>\$ 3,921</u>	<u>\$ 9,680</u>	<u>\$ 130,191</u>	<u>\$ 10,969</u>

See Notes to Financial Statements.

<u>Road Impact Fees #1</u>	<u>Road Impact Fees #2</u>	<u>Court Technology</u>	<u>Radio System Maintenance</u>	<u>Court Security</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	5,303	-	6,276
242,607	186,463	-	-	-
-	-	-	-	-
-	-	-	174,174	-
8,742	6,355	-	-	111
-	-	-	-	-
<u>251,349</u>	<u>192,818</u>	<u>5,303</u>	<u>174,174</u>	<u>6,387</u>
-	-	3,315	-	5,548
8,446	8,446	-	234,138	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>8,446</u>	<u>8,446</u>	<u>3,315</u>	<u>234,138</u>	<u>5,548</u>
<u>242,903</u>	<u>184,372</u>	<u>1,988</u>	<u>(59,964)</u>	<u>839</u>
-	-	-	65,459	-
-	-	-	-	-
-	-	-	65,459	-
<u>242,903</u>	<u>184,372</u>	<u>1,988</u>	<u>5,495</u>	<u>839</u>
<u>654,080</u>	<u>590,211</u>	<u>(6,413)</u>	<u>(35,336)</u>	<u>12,058</u>
<u>\$ 896,983</u>	<u>\$ 774,583</u>	<u>\$ (4,425)</u>	<u>\$ (29,841)</u>	<u>\$ 12,897</u>

# City of Lockhart, Texas

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Page 2 of 2) NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended September 30, 2022

	Child Safety	Court Efficiency	Juvenile Case Manager	Truancy Court
<b><u>Revenues</u></b>				
Franchise and local taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	1,656	5,215	6,684	379
License and permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	393	82	464	70
Other revenue	-	-	-	-
<b>Total Revenues</b>	2,049	5,297	7,148	449
<b><u>Expenditures</u></b>				
General government	-	-	-	-
Public safety	-	-	410	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	7,205	-	-
<b>Total Expenditures</b>	-	7,205	410	-
<b>Revenues Over (Under) Expenditures</b>	2,049	(1,908)	6,738	449
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
<b>Net Change in Fund Balances</b>	2,049	(1,908)	6,738	449
Beginning fund balances	41,427	11,963	45,521	7,370
<b>Ending Fund Balances</b>	\$ 43,476	\$ 10,055	\$ 52,259	\$ 7,819

See Notes to Financial Statements.

<b>Local Municipal Jury</b>	<b>Cable Education</b>	<b>Transportation</b>	<b>Drainage</b>	<b>CARES Relief Act</b>	<b>Total Special Revenue Funds</b>
\$ -	\$ 28,692	\$ -	\$ -	\$ -	\$ 189,491
121	-	-	-	-	26,058
-	-	-	-	-	429,070
-	-	456,506	207,896	-	664,402
-	-	-	-	1,762,405	1,938,330
-	772	1,584	305	-	20,223
-	-	-	-	-	7,913
<u>121</u>	<u>29,464</u>	<u>458,090</u>	<u>208,201</u>	<u>1,762,405</u>	<u>3,275,487</u>
-	23,171	-	-	-	169,851
-	-	-	-	17,454	271,086
-	-	2,923	3,970	-	6,893
-	-	-	-	-	24
-	-	-	-	-	7,205
<u>-</u>	<u>23,171</u>	<u>2,923</u>	<u>3,970</u>	<u>17,454</u>	<u>455,059</u>
<u>121</u>	<u>6,293</u>	<u>455,167</u>	<u>204,231</u>	<u>1,744,951</u>	<u>2,820,428</u>
-	-	-	-	-	65,459
-	-	(400,000)	(190,417)	(103,687)	(694,104)
<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>(190,417)</u>	<u>(103,687)</u>	<u>(628,645)</u>
121	6,293	55,167	13,814	1,641,264	2,191,783
167	63,160	213,923	62,991	1,479,955	3,263,639
<u>\$ 288</u>	<u>\$ 69,453</u>	<u>\$ 269,090</u>	<u>\$ 76,805</u>	<u>\$ 3,121,219</u>	<u>\$ 5,455,422</u>

**City of Lockhart, Texas**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**September 30, 2022**

	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2009 Certificates of Obligation
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 33,623	\$ 15,000	\$ -
<b>Total Assets</b>	\$ 33,623	\$ 15,000	\$ -
<b><u>Liabilities</u></b>			
Accounts payable	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	-	-	-
<b><u>Fund Balances</u></b>			
Restricted for:			
Capital projects	33,623	15,000	-
<b>Total Fund Balances</b>	33,623	15,000	-
<b>Total Liabilities and Fund Balances</b>	\$ 33,623	\$ 15,000	\$ -

See Notes to Financial Statements.

2015 Certificates of Obligation	Maple Street Park Improvements	Total
\$ 2,008,971	\$ 20,000	\$ 2,077,594
<u>\$ 2,008,971</u>	<u>\$ 20,000</u>	<u>\$ 2,077,594</u>
<u>\$ 257,842</u>	<u>\$ -</u>	<u>\$ 257,842</u>
257,842	-	257,842
<u>1,751,129</u>	<u>20,000</u>	<u>1,819,752</u>
<u>1,751,129</u>	<u>20,000</u>	<u>1,819,752</u>
<u>\$ 2,008,971</u>	<u>\$ 20,000</u>	<u>\$ 2,077,594</u>

# City of Lockhart, Texas

*COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECT FUNDS  
For the Year Ended September 30, 2022*

	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2009 Certificates of Obligation
<b><u>Revenues</u></b>			
Investment income	\$ 363	\$ -	\$ 169
<b>Total Revenues</b>	363	-	169
<b><u>Expenditures</u></b>			
Capital outlay	-	-	271,365
<b>Total Expenditures</b>	-	-	271,365
<b>Net Change in Fund Balances</b>	363	-	(271,196)
Beginning fund balances	33,260	15,000	271,196
<b>Ending Fund Balances</b>	\$ 33,623	\$ 15,000	\$ -

See Notes to Financial Statements.

<u>2015 Certificates of Obligation</u>	<u>Maple Street Park Improvements</u>	<u>Total</u>
\$ 19,042	\$ -	\$ 19,574
<u>19,042</u>	<u>-</u>	<u>19,574</u>
779,210	-	1,050,575
<u>779,210</u>	<u>-</u>	<u>1,050,575</u>
(760,168)	-	(1,031,001)
2,511,297	20,000	2,850,753
<u>\$ 1,751,129</u>	<u>\$ 20,000</u>	<u>\$ 1,819,752</u>

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**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**RADIO TOWER EQUIPMENT REPLACEMENT**  
**For the Year Ended September 30, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Investment income	\$ 120	\$ 38	\$ (82)
<b>Total Revenues</b>	<u>120</u>	<u>38</u>	<u>(82)</u>
<b><u>Expenditures</u></b>			
Public safety	9,885	1,487	8,398
<b>Total Expenditures</b>	<u>9,885</u>	<u>1,487</u>	<u>8,398</u>
<b>Net Change in Fund Balances</b>	<u>\$ (9,765)</u>	<u>(1,449)</u>	<u>\$ 8,316</u>
Beginning fund balances		5,370	
<b>Ending Fund Balances</b>		<u>\$ 3,921</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FORFEITED PROPERTY**  
**For the Year Ended September 30, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Fines and forfeitures	\$ 70	\$ 424	\$ 354
Investment income	-	86	86
<b>Total Revenues</b>	<u>70</u>	<u>510</u>	<u>440</u>
<b><u>Expenditures</u></b>			
General government	10,807	-	10,807
<b>Total Expenditures</b>	<u>10,807</u>	<u>-</u>	<u>10,807</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(10,737)</u>	<u>510</u>	<u>11,247</u>
<b>Net Change in Fund Balances</b>	<u>\$ (10,737)</u>	<u>510</u>	<u>\$ 11,247</u>
Beginning fund balances		<u>9,170</u>	
<b>Ending Fund Balances</b>		<u>\$ 9,680</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**HOTEL/MOTEL TAX**  
**For the Year Ended September 30, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Hotel occupancy tax	\$ 126,420	\$ 160,799	\$ 34,379
Other revenue	-	7,913	7,913
Investment income	-	1,122	1,122
<b>Total Revenues</b>	<u>126,420</u>	<u>169,834</u>	<u>43,414</u>
<b><u>Expenditures</u></b>			
General government	77,450	137,817	(60,367)
Culture and recreation	-	24	(24)
<b>Total Expenditures</b>	<u>77,450</u>	<u>137,841</u>	<u>(60,391) *</u>
<b>Net Change in Fund Balances</b>	<u>\$ 48,970</u>	31,993	<u>\$ (16,977)</u>
Beginning fund balances		<u>98,198</u>	
<b>Ending Fund Balances</b>		<u>\$ 130,191</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

\* Expenditures exceeded appropriations at the legal level of control.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD IMPACT FEES #1**  
**For the Year Ended September 30, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
License and permits	\$ 24,000	\$ 242,607	\$ 218,607
Investment income	-	8,742	8,742
<b>Total Revenues</b>	<u>24,000</u>	<u>251,349</u>	<u>227,349</u>
<b><u>Expenditures</u></b>			
General government	-	8,446	(8,446)
Capital outlay	666,532	-	666,532
<b>Total Expenditures</b>	<u>666,532</u>	<u>8,446</u>	<u>658,086</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(642,532)</u>	<u>242,903</u>	<u>885,435</u>
<b>Net Change in Fund Balances</b>	<u>\$ (642,532)</u>	<u>242,903</u>	<u>\$ 885,435</u>
Beginning fund balances		<u>654,080</u>	
<b>Ending Fund Balances</b>		<u>\$ 896,983</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD IMPACT FEES #2**  
**For the Year Ended September 30, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
License and permits	\$ 35,000	\$ 186,463	\$ 151,463
Investment income	-	6,355	6,355
<b>Total Revenues</b>	<u>35,000</u>	<u>192,818</u>	<u>157,818</u>
<b><u>Expenditures</u></b>			
Public safety	-	8,446	(8,446)
Capital outlay	285,977	-	285,977
<b>Total Expenditures</b>	<u>285,977</u>	<u>8,446</u>	<u>277,531</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(250,977)</u>	<u>184,372</u>	<u>435,349</u>
<b>Net Change in Fund Balances</b>	<u>\$ (250,977)</u>	<u>184,372</u>	<u>\$ 435,349</u>
Beginning fund balances		590,211	
<b>Ending Fund Balances</b>		<u>\$ 774,583</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**COURT TECHNOLOGY**  
**For the Year Ended September 30, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Fines and forfeitures	\$ 3,200	\$ 5,303	\$ 2,103
<b>Total Revenues</b>	<u>3,200</u>	<u>5,303</u>	<u>2,103</u>
<b><u>Expenditures</u></b>			
General government	11,389	3,315	8,074
<b>Total Expenditures</b>	<u>11,389</u>	<u>3,315</u>	<u>8,074</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(8,189)</u>	<u>1,988</u>	<u>10,177</u>
<b>Net Change in Fund Balances</b>	<u>\$ (8,189)</u>	<u>1,988</u>	<u>\$ 10,177</u>
Beginning fund balances		<u>(6,413)</u>	
<b>Ending Fund Balances</b>		<u>\$ (4,425)</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**RADIO SYSTEM MAINTENANCE**  
**For the Year Ended September 30, 2022**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Intergovernmental	\$ 185,440	\$ 174,174	\$ (11,266)
<b>Total Revenues</b>	185,440	174,174	(11,266)
<b><u>Expenditures</u></b>			
Public safety	207,572	234,138	(26,566)
<b>Total Expenditures</b>	207,572	234,138	(26,566) *
<b>Revenues Over (Under) Expenditures</b>	(22,132)	(59,964)	(37,832)
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers in	-	65,459	65,459
<b>Total Other Financing Sources (Uses)</b>	-	65,459	65,459
<b>Net Change in Fund Balances</b>	\$ (22,132)	5,495	\$ 27,627
Beginning fund balances		(35,336)	
<b>Ending Fund Balances</b>		\$ (29,841)	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

\* Expenditures exceeded appropriations at the legal level of control.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**COURT SECURITY**  
**For the Year Ended September 30, 2022**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Fines and forfeitures	\$ 100	\$ 6,276	\$ 6,176
Investment income	-	111	111
<b>Total Revenues</b>	100	6,387	6,287
<b><u>Expenditures</u></b>			
General government	11,393	5,548	5,845
<b>Total Expenditures</b>	11,393	5,548	5,845
<b>Revenues Over (Under) Expenditures</b>	(11,293)	839	12,132
<b>Net Change in Fund Balances</b>	\$ (11,293)	839	\$ 12,132
Beginning fund balances		12,058	
<b>Ending Fund Balances</b>		\$ 12,897	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**CHILD SAFETY**  
**For the Year Ended September 30, 2022**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Fines and forfeitures	\$ 320	\$ 1,656	\$ 1,336
Investment income	-	393	393
<b>Total Revenues</b>	320	2,049	1,729
 <b><u>Expenditures</u></b>			
General government	30,523	-	30,523
<b>Total Expenditures</b>	30,523	-	30,523
<b>Revenues Over (Under) Expenditures</b>	(30,203)	2,049	32,252
<b>Net Change in Fund Balances</b>	\$ (30,203)	2,049	\$ 32,252
Beginning fund balances		41,427	
<b>Ending Fund Balances</b>		\$ 43,476	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**COURT EFFICIENCY**  
**For the Year Ended September 30, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Fines and forfeitures	\$ 200	\$ 5,215	\$ 5,015
Investment income	-	82	82
<b>Total Revenues</b>	<u>200</u>	<u>5,297</u>	<u>5,097</u>
<b><u>Expenditures</u></b>			
Capital outlay	16,178	7,205	8,973
<b>Total Expenditures</b>	<u>16,178</u>	<u>7,205</u>	<u>8,973</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(15,978)</u>	<u>(1,908)</u>	<u>14,070</u>
<b>Net Change in Fund Balances</b>	<u>\$ (15,978)</u>	<u>(1,908)</u>	<u>\$ 14,070</u>
Beginning fund balances		<u>11,963</u>	
<b>Ending Fund Balances</b>		<u>\$ 10,055</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**JUVENILE CASE MANAGER**  
**For the Year Ended September 30, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Fines and forfeitures	\$ 1,200	\$ 6,684	\$ 5,484
Investment income	-	464	464
<b>Total Revenues</b>	<u>1,200</u>	<u>7,148</u>	<u>5,948</u>
<b><u>Expenditures</u></b>			
General government	39,620	-	39,620
Public safety	-	410	(410)
<b>Total Expenditures</b>	<u>39,620</u>	<u>410</u>	<u>39,210</u>
<b>Net Change in Fund Balances</b>	<u>\$ (38,420)</u>	6,738	<u>\$ 45,158</u>
Beginning fund balances		<u>45,521</u>	
<b>Ending Fund Balances</b>		<u>\$ 52,259</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**TRUANCY COURT**  
**For the Year Ended September 30, 2022**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Fines and forfeitures	\$ 325	\$ 379	\$ 54
Investment income	-	70	70
<b>Total Revenues</b>	325	449	124
 <b><u>Expenditures</u></b>			
General government	7,283	-	7,283
<b>Total Expenditures</b>	7,283	-	7,283
<b>Net Change in Fund Balances</b>	\$ (6,958)	449	\$ 7,407
Beginning fund balances		7,370	
<b>Ending Fund Balances</b>		\$ 7,819	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**CABLE EDUCATION**  
**For the Year Ended September 30, 2022**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Hotel occupancy tax	\$ 1,600	\$ 28,692	\$ 27,092
Investment income	-	772	772
<b>Total Revenues</b>	1,600	29,464	27,864
 <b><u>Expenditures</u></b>			
General government	61,373	23,171	38,202
<b>Total Expenditures</b>	61,373	23,171	38,202
<b>Revenues Over (Under) Expenditures</b>	(59,773)	6,293	66,066
<b>Net Change in Fund Balances</b>	\$ (59,773)	6,293	\$ 66,066
Beginning fund balances		63,160	
<b>Ending Fund Balances</b>		\$ 69,453	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**TRANSPORTATION**  
**For the Year Ended September 30, 2022**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Charges for services	\$ 360,000	\$ 456,506	\$ 96,506
Investment income	-	1,584	1,584
<b>Total Revenues</b>	360,000	458,090	98,090
 <b><u>Expenditures</u></b>			
Public works	130,333	2,923	127,410
<b>Total Expenditures</b>	130,333	2,923	127,410
<b>Revenues Over (Under) Expenditures</b>	229,667	455,167	225,500
 <b><u>Other Financing Sources (Uses)</u></b>			
Transfers (out)	(400,000)	(400,000)	-
<b>Total Other Financing Sources (Uses)</b>	(400,000)	(400,000)	-
<b>Net Change in Fund Balances</b>	\$ (170,333)	55,167	\$ 225,500
Beginning fund balances		213,923	
<b>Ending Fund Balances</b>		\$ 269,090	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**DRAINAGE**  
**For the Year Ended September 30, 2022**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Charges for services	\$ 180,000	\$ 207,896	\$ 27,896
Investment income	-	305	305
<b>Total Revenues</b>	180,000	208,201	28,201
 <b><u>Expenditures</u></b>			
Public works	69,803	3,970	65,833
<b>Total Expenditures</b>	69,803	3,970	65,833
<b>Revenues Over (Under) Expenditures</b>	110,197	204,231	94,034
 <b><u>Other Financing Sources (Uses)</u></b>			
Transfers (out)	(190,417)	(190,417)	-
<b>Total Other Financing Sources (Uses)</b>	(190,417)	(190,417)	-
<b>Net Change in Fund Balances</b>	\$ (80,220)	13,814	\$ 94,034
Beginning fund balances		62,991	
<b>Ending Fund Balances</b>		\$ 76,805	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**LEOSE**  
**For the Year Ended September 30, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Intergovernmental	\$ 1,000	\$ 1,751	\$ 751
Investment income	-	99	99
<b>Total Revenues</b>	<u>1,000</u>	<u>1,850</u>	<u>850</u>
<b><u>Expenditures</u></b>			
Public safety	11,512	705	10,807
<b>Total Expenditures</b>	<u>11,512</u>	<u>705</u>	<u>10,807</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(10,512)</u>	<u>1,145</u>	<u>11,657</u>
<b>Net Change in Fund Balances</b>	<u>\$ (10,512)</u>	<u>1,145</u>	<u>\$ 11,657</u>
Beginning fund balances		<u>9,824</u>	
<b>Ending Fund Balances</b>		<u>\$ 10,969</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**CLEARFORK SECTION 1 SIDEWALK**  
**For the Year Ended September 30, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Investment income	\$ 120	\$ 363	\$ 243
<b>Total Revenues</b>	<u>120</u>	<u>363</u>	<u>243</u>
<b><u>Expenditures</u></b>			
Capital outlay	33,326	-	33,326
<b>Total Expenditures</b>	<u>33,326</u>	<u>-</u>	<u>33,326</u>
<b>Net Change in Fund Balances</b>	<u>\$ (33,206)</u>	363	<u>\$ 33,569</u>
Beginning fund balances		33,260	
<b>Ending Fund Balances</b>		<u>\$ 33,623</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**MAPLE 2201 TRAIL PROJECT**  
**For the Year Ended September 30, 2022**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Expenditures</u></b>			
Capital outlay	15,000	-	15,000
<b>Total Expenditures</b>	15,000	-	15,000
<b>Net Change in Fund Balances</b>	\$ (15,000)	-	\$ 15,000
Beginning fund balances		15,000	
<b>Ending Fund Balances</b>		\$ 15,000	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**2015 CERTIFICATES OF OBLIGATION**  
**For the Year Ended September 30, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Investment income	\$ 8,000	\$ 19,042	\$ 11,042
<b>Total Revenues</b>	<u>8,000</u>	<u>19,042</u>	<u>11,042</u>
<b><u>Expenditures</u></b>			
Capital outlay	2,603,679	779,210	1,824,469
<b>Total Expenditures</b>	<u>2,603,679</u>	<u>779,210</u>	<u>1,824,469</u>
<b>Net Change in Fund Balances</b>	<u>\$ (2,595,679)</u>	<u>(760,168)</u>	<u>\$ 1,835,511</u>
Beginning fund balances		2,511,297	
<b>Ending Fund Balances</b>		<u>\$ 1,751,129</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

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***COMBINING NONMAJOR  
ENTERPRISE FUNDS***

**City of Lockhart, Texas**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (Page 1 of 2)**  
**September 30, 2022**

	<b>Business-Type Activities</b>		
	<b>Sanitation</b>	<b>Airport</b>	<b>EMS</b>
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash and cash equivalents	\$ 814,355	\$ 341,288	\$ 115,225
Accounts receivable, net	287,205	500	730,739
Prepaid items	925	-	-
<b>Total Current Assets</b>	<b>1,102,485</b>	<b>341,788</b>	<b>845,964</b>
<b><u>Noncurrent Assets</u></b>			
Capital assets:			
Non-depreciable	120,409	72,161	-
Net depreciable capital assets	78,642	1,220,490	363,605
<b>Total Noncurrent Assets</b>	<b>199,051</b>	<b>1,292,651</b>	<b>363,605</b>
<b>Total Assets</b>	<b>1,301,536</b>	<b>1,634,439</b>	<b>1,209,569</b>
<b><u>Deferred Outflows of Resources</u></b>			
Pension outflows-TMRS	23,716	-	-
OPEB outflows-TMRS	2,364	-	-
OPEB outflows-retiree healthcare	1,204	-	-
<b>Total Deferred Outflows of Resources</b>	<b>27,284</b>	<b>-</b>	<b>-</b>

See Notes to Financial Statements.

**Business-Type  
Activities**

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**Total**

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\$ 1,270,868  
1,018,444  
925  

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2,290,237  

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192,570  
1,662,737  

---

1,855,307  

---

4,145,544  

---

23,716  
2,364  
1,204  

---

27,284  

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**City of Lockhart, Texas**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (Page 2 of 2)**  
**September 30, 2022**

	<b>Business-Type Activities</b>		
	<b>Sanitation</b>	<b>Airport</b>	<b>EMS</b>
<b><u>Liabilities</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts payable	\$ 119,719	\$ 393	\$ 505
Accrued liabilities	6,220	645	-
Customer deposits	100	4,950	-
Compensated absences, current	6,632	958	-
Lease payable, current	6,334	-	17,392
<b>Total Current Liabilities</b>	<b>139,005</b>	<b>6,946</b>	<b>17,897</b>
<b><u>Noncurrent Liabilities</u></b>			
Compensated absences, noncurrent	737	106	-
Leases payable, noncurrent	9,316	-	17,391
Net pension liability	33,481	-	-
OPEB liability-TMRS	15,003	-	-
OPEB liability-Retiree healthcare	11,533	-	-
<b>Total Noncurrent Liabilities</b>	<b>70,070</b>	<b>106</b>	<b>17,391</b>
<b>Total Liabilities</b>	<b>209,075</b>	<b>7,052</b>	<b>35,288</b>
<b><u>Deferred Inflows of Resources</u></b>			
Pension inflows-TMRS	40,762	-	-
OPEB inflows-TMRS	1,159	-	-
OPEB inflows-retiree healthcare	221	-	-
<b>Total Deferred Inflows of Resources</b>	<b>42,142</b>	<b>-</b>	<b>-</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	183,401	1,292,651	328,822
Unrestricted	894,202	334,736	845,459
<b>Total Net Position</b>	<b>\$ 1,077,603</b>	<b>\$ 1,627,387</b>	<b>\$ 1,174,281</b>

See Notes to Financial Statements.

**Business-Type  
Activities**  
**Total**

\$	120,617
	6,865
	5,050
	7,590
	23,726
	<u>163,848</u>
	843
	26,707
	33,481
	15,003
	11,533
	<u>87,567</u>
	<u>251,415</u>
	40,762
	1,159
	221
	<u>42,142</u>
	1,804,874
	2,074,397
\$	<u><u>3,879,271</u></u>

# City of Lockhart, Texas

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2022

	Business-Type Activities		
	Sanitation	Airport	EMS
<b><u>Operating Revenues</u></b>			
Charges for services	\$ 1,906,522	\$ 92,532	\$ 1,414,727
Other revenue	30,483	-	6,706
<b>Total Operating Revenues</b>	1,937,005	92,532	1,421,433
<b><u>Operating Expenses</u></b>			
Personnel services	168,965	10,953	-
Supplies	8,251	-	1,294,371
Maintenance and repairs	1,393,568	8,968	103
Contractual services	13,667	18,270	48,042
Miscellaneous	7,758	-	4,755
Depreciation	22,609	54,952	77,817
<b>Total Operating Expenses</b>	1,614,818	93,143	1,425,088
<b>Operating Income (Loss)</b>	322,187	(611)	(3,655)
<b><u>Nonoperating Revenues (Expenses)</u></b>			
Investment earnings	7,940	2,914	2,438
Interest expense	(746)	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	7,194	2,914	2,438
<b>Income (Loss) Before Capital Contributions and Transfers</b>	329,381	2,303	(1,217)
<b><u>Capital Contributions and Transfers</u></b>			
Capital grants	3,489	13,321	-
Transfers (out)	(319,727)	-	-
<b>Total Capital Contributions and Transfers</b>	(316,238)	13,321	-
<b>Change in Net Position</b>	13,143	15,624	(1,217)
Beginning net position	1,064,460	1,611,763	1,175,498
<b>Ending Net Position</b>	\$ 1,077,603	\$ 1,627,387	\$ 1,174,281

See Notes to Financial Statements.

**Business-Type  
Activities**

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**Total**

---

\$	3,413,781
	37,189
	<hr/>
	3,450,970

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	179,918
	1,302,622
	1,402,639
	79,979
	12,513
	155,378
	<hr/>
	3,133,049

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	317,921
--	---------

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	13,292
	(746)
	<hr/>
	12,546

---

	330,467
--	---------

	16,810
	(319,727)
	<hr/>
	(302,917)

---

	27,550
--	--------

	3,851,721
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\$	3,879,271
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**City of Lockhart, Texas**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (Page 1 of 2)**  
**For the Year Ended September 30, 2022**

	<b>Business-Type Activities</b>		
	<b>Sanitation</b>	<b>Airport</b>	<b>EMS</b>
<b><u>Cash Flows from Operating Activities</u></b>			
Payments to employees	\$ (206,901)	\$ (10,750)	\$ -
Payments to suppliers	(1,418,957)	(28,990)	(1,478,024)
Receipts from customers	1,948,926	92,557	1,335,715
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>323,068</b>	<b>52,817</b>	<b>(142,309)</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>			
Transfers (out)	(319,727)	-	-
<b>Net Cash Provided (Used) by Noncapital Financing</b>	<b>(319,727)</b>	<b>-</b>	<b>-</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>			
Acquisition and construction of capital assets	-	(27,206)	(304,926)
Capital contributions	3,489	13,321	-
Principal paid on capital debt	(6,050)	-	(17,392)
Interest paid on capital debt	(746)	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(3,307)</b>	<b>(13,885)</b>	<b>(322,318)</b>
<b><u>Cash Flows from Investing Activities</u></b>			
Interest on investments	7,940	2,914	2,438
<b>Net Cash Provided by Investing Activities</b>	<b>7,940</b>	<b>2,914</b>	<b>2,438</b>
<b>Net Increase (Decrease) in Cash and Cash</b>	<b>7,974</b>	<b>41,846</b>	<b>(462,189)</b>
Beginning cash and cash equivalents	806,381	299,442	577,414
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 814,355</b>	<b>\$ 341,288</b>	<b>\$ 115,225</b>

See Notes to Financial Statements.

**Business-Type  
Activities**

**Total**

\$ (217,651)

(2,925,971)

3,377,198

233,576

(319,727)

(319,727)

(332,132)

16,810

(23,442)

(746)

(339,510)

13,292

13,292

(412,369)

1,683,237

\$ 1,270,868

**City of Lockhart, Texas**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (Page 2 of 2)**  
**For the Year Ended September 30, 2022**

	<b>Business-Type Activities</b>		
	<b>Sanitation</b>	<b>Airport</b>	<b>EMS</b>
<b><u>Reconciliation of Operating Income (Loss)</u></b>			
<b><u>to Net Cash Provided (Used) by Operating Activities</u></b>			
Operating Income (Loss)	\$ 322,187	\$ (611)	\$ (3,655)
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	22,609	54,952	77,817
<b>Changes in Operating Assets and Liabilities:</b>			
<b>(Increase) Decrease in:</b>			
Accounts receivable	11,871	-	(85,718)
Prepaid items	(506)	-	-
Deferred outflows:			
Pension	(2,791)	-	-
OPEB	452	-	-
<b>Increase (Decrease) in:</b>			
Accounts payable and accrued liabilities	4,793	(1,752)	(130,753)
Customer deposits	50	25	-
Compensated absences	(938)	203	-
Deferred inflows:			
Pension	17,515	-	-
OPEB	(97)	-	-
Net pension liability	(52,922)	-	-
OPEB liability	845	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 323,068</b>	<b>\$ 52,817</b>	<b>\$ (142,309)</b>

See Notes to Financial Statements.

**Business-Type  
Activities**

**Total**

\$ 317,921

155,378

(73,847)

(506)

(2,791)

452

(127,712)

75

(735)

17,515

(97)

(52,922)

845

**\$ 233,576**

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***COMBINING STATEMENTS  
FIDUCIARY FUNDS***

**City of Lockhart, Texas**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PRIVATE-PURPOSE TRUSTS**  
**September 30, 2022**

	Glosserman Trust	Brock Cabin Trust	Total
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 545	\$ 12	\$ 557
<b>Total Assets</b>	\$ 545	\$ 12	\$ 557
 <b><u>Net Position</u></b>			
Restricted for:			
Various purposes	545	12	557
<b>Total Net Position</b>	\$ 545	\$ 12	\$ 557

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE-PURPOSE TRUSTS**  
**For the Year Ended September 30, 2022**

	Glosserman Trust	Brock Cabin Trust	Total
<b><u>Additions</u></b>			
Investment income	\$ 5	\$ -	\$ 5
<b>Total Additions</b>	5	-	5
<b>Net Change in Net Position</b>	5	-	5
Beginning Net Position	540	12	552
<b>Ending Net Position</b>	\$ 545	\$ 12	\$ 557

See Notes to Financial Statements.

**City of Lockhart, Texas**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**September 30, 2022**

	<u>Confiscated Property</u>	<u>Unclaimed Property</u>	<u>Bicycle Helmet</u>	<u>Total</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 22,147	\$ 9,534	\$ 1,129	\$ 32,810
Prepays	-	1,211	-	1,211
<b>Total Assets</b>	<u>\$ 22,147</u>	<u>\$ 10,745</u>	<u>\$ 1,129</u>	<u>\$ 34,021</u>
<b><u>Liabilities</u></b>				
Due to other funds	17,447	10,544	1,117	29,108
<b>Total Liabilities</b>	<u>17,447</u>	<u>10,544</u>	<u>1,117</u>	<u>29,108</u>
<b><u>Net Position</u></b>				
Restricted for:				
Various purposes	4,700	201	12	4,913
<b>Total Net Position</b>	<u>\$ 4,700</u>	<u>\$ 201</u>	<u>\$ 12</u>	<u>\$ 4,913</u>

See Notes to Financial Statements.

# City of Lockhart, Texas

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

For the Year Ended September 30, 2022

	Confiscated Property	Unclaimed Property	Bicycle Helmet	Total
<b><u>Additions</u></b>				
Investment income	\$ 197	\$ -	\$ 10	\$ 207
Other revenue	4,939	4	-	4,943
<b>Total Additions</b>	5,136	4	10	5,150
<b><u>Deductions</u></b>				
General government	1,188	-	-	1,188
<b>Total Deductions</b>	1,188	-	-	1,188
<b>Net Change in Net Position</b>	3,948	4	10	3,962
Beginning Net Position	752	197	2	951
<b>Ending Net Position</b>	\$ 4,700	\$ 201	\$ 12	\$ 4,913

See Notes to Financial Statements.

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## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends	166
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	177
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	196
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	201
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	204
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

# City of Lockhart, Texas

## NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2013	2014	2015	2016
<b>Governmental activities</b>				
Net investment in capital assets	\$ 18,393,579	\$ 16,591,140	\$ 16,376,825	\$ 15,001,030
Restricted	1,162,143	2,123,629	1,211,989	1,093,907
Unrestricted	2,880,516	2,859,520	1,328,814	2,137,425
<b>Total governmental activities</b>	<b>22,436,238</b>	<b>21,574,289</b>	<b>18,917,628</b>	<b>18,232,362</b>
<b>net position</b>	<b>\$ 22,436,238</b>	<b>\$ 21,574,289</b>	<b>\$ 18,917,628</b>	<b>\$ 18,232,362</b>
 <b>Business-type activities</b>				
Net investment in capital assets	\$ 10,349,284	\$ 10,193,932	\$ 15,283,769	\$ 15,074,665
Restricted	3,449,423	2,924,473	1,023,082	1,071,089
Unrestricted	7,243,346	8,125,881	5,315,836	7,979,875
<b>Total business-type activities</b>	<b>21,042,053</b>	<b>21,244,286</b>	<b>21,622,687</b>	<b>24,125,629</b>
<b>net position</b>	<b>\$ 21,042,053</b>	<b>\$ 21,244,286</b>	<b>\$ 21,622,687</b>	<b>\$ 24,125,629</b>
 <b>Primary government</b>				
Net investment in capital assets	\$ 28,742,863	\$ 26,785,072	\$ 31,660,594	\$ 30,075,695
Restricted	4,611,566	5,048,102	2,235,071	2,164,996
Unrestricted	10,123,862	10,985,401	6,644,650	10,117,300
	<b>43,478,291</b>	<b>42,818,575</b>	<b>40,540,315</b>	<b>42,357,991</b>
	<b>\$ 43,478,291</b>	<b>\$ 42,818,575</b>	<b>\$ 40,540,315</b>	<b>\$ 42,357,991</b>

(1) Accrual basis of accounting

NOTES:

The City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The City implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 14,162,688	\$ 13,774,228	\$ 12,648,711	\$ 12,104,249	\$ 11,816,033	\$ 11,546,567
1,141,195	1,396,101	1,571,133	1,603,237	3,598,451	3,362,595
<u>1,886,148</u>	<u>1,823,314</u>	<u>1,972,882</u>	<u>3,557,222</u>	<u>3,915,790</u>	<u>7,463,394</u>
<u><u>\$ 17,190,031</u></u>	<u><u>\$ 16,993,643</u></u>	<u><u>\$ 16,192,726</u></u>	<u><u>\$ 17,264,708</u></u>	<u><u>\$ 19,330,274</u></u>	<u><u>\$ 22,372,556</u></u>
\$ 16,507,663	\$ 16,961,238	\$ 17,492,757	\$ 16,579,735	\$ 15,721,677	\$ 15,404,957
1,163,687	1,421,535	1,661,480	2,034,582	2,008,737	2,626,781
<u>7,489,601</u>	<u>8,791,362</u>	<u>9,434,557</u>	<u>8,506,993</u>	<u>6,885,849</u>	<u>6,709,920</u>
<u><u>\$ 25,160,951</u></u>	<u><u>\$ 27,174,135</u></u>	<u><u>\$ 28,588,794</u></u>	<u><u>\$ 27,121,310</u></u>	<u><u>\$ 24,616,263</u></u>	<u><u>\$ 24,741,658</u></u>
\$ 30,670,351	\$ 30,735,466	\$ 30,141,468	\$ 28,683,984	\$ 27,537,710	\$ 26,951,524
2,304,882	2,817,636	3,232,613	3,637,819	5,607,188	5,989,376
<u>9,375,749</u>	<u>10,614,676</u>	<u>11,407,439</u>	<u>12,064,215</u>	<u>10,801,639</u>	<u>14,173,314</u>
<u><u>\$ 42,350,982</u></u>	<u><u>\$ 44,167,778</u></u>	<u><u>\$ 44,781,520</u></u>	<u><u>\$ 44,386,018</u></u>	<u><u>\$ 43,946,537</u></u>	<u><u>\$ 47,114,214</u></u>

# City of Lockhart, Texas

## CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2013	2014	2015	2016
<b>Governmental activities</b>				
Expenses				
General government	\$ 1,952,419	\$ 2,096,530	\$ 2,476,203	\$ 1,879,383
Public safety	5,550,020	5,584,295	5,626,336	5,230,470
Public works	2,509,328	2,507,776	2,448,572	2,586,206
Health and welfare	26,528	6,091	13,489	17,068
Community development	-	-	-	-
Culture and recreation	783,053	771,470	964,757	933,135
Interest on long-term debt	416,095	383,683	612,529	621,121
<b>Total governmental activities expenses</b>	<b>11,237,443</b>	<b>11,349,845</b>	<b>12,141,886</b>	<b>11,267,383</b>
Program revenues				
Charges for services				
General government	517,628	608,232	1,131,977	191,100
Public safety	1,180,320	1,362,136	1,531,653	330,826
Public works	-	-	-	723,832
Health and welfare	-	-	-	-
Culture and recreation	32,437	27,773	28,878	33,926
Community development	-	-	-	-
Operating grants and contributions	935,161	432,581	391,200	615,542
Capital grants and contributions	157,320	103,808	-	-
<b>Total program revenues</b>	<b>2,822,866</b>	<b>2,534,530</b>	<b>3,083,708</b>	<b>1,895,226</b>
<b>Total governmental activities net program expense</b>	<b>\$ (8,414,577)</b>	<b>\$ (8,815,315)</b>	<b>\$ (9,058,178)</b>	<b>\$ (9,372,157)</b>
<b>General Revenues and Other Changes in Net Position</b>				
Taxes				
Property taxes, general	2,843,226	2,933,089	2,975,409	3,016,649
Property taxes, debt service	538,316	555,028	561,588	687,845
Sales taxes	1,296,151	1,381,748	1,484,020	1,478,065
Franchise taxes	308,180	319,982	325,911	316,353
Other taxes	81,614	93,825	106,712	132,234
Unrestricted investment earnings	22,967	18,355	23,881	59,851
Gain on sale of capital assets	-	-	-	-
Miscellaneous	162,186	505,461	493,852	239,590
Transfers	2,588,969	2,595,561	2,356,889	2,448,575
<b>Total general revenues and other changes net position</b>	<b>7,841,609</b>	<b>8,403,049</b>	<b>8,328,262</b>	<b>8,379,162</b>
<b>Total governmental activities change in net position</b>	<b>\$ (572,968)</b>	<b>\$ (412,266)</b>	<b>\$ (729,916)</b>	<b>\$ (992,995)</b>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 2,083,166	\$ 2,045,364	\$ 2,232,343	\$ 2,455,580	\$ 1,931,497	\$ 1,967,143
5,086,371	5,401,024	5,799,256	5,703,143	6,202,140	6,168,414
2,644,292	3,084,192	3,552,691	3,153,763	2,970,230	2,684,964
22,137	16,326	18,250	144,615	26,352	23,439
-	-	-	-	1,189,072	905,103
1,006,038	1,077,697	1,041,842	1,052,444	683,483	1,215,110
459,629	441,769	415,242	391,300	371,174	390,198
<u>11,301,633</u>	<u>12,066,372</u>	<u>13,059,624</u>	<u>12,900,845</u>	<u>13,373,948</u>	<u>13,354,371</u>
181,313	223,254	601,870	730,384	-	-
334,769	1,005,749	295,192	355,773	366,887	208,287
549,097	423,575	291,604	358,837	649,986	664,402
-	-	-	-	-	-
32,699	37,991	29,589	8,943	88,883	251,869
-	-	-	-	650,521	852,003
202,393	566,039	579,539	1,037,366	2,485,671	2,205,060
-	278,000	96,263	257,055	177,865	211,854
<u>1,300,271</u>	<u>2,534,608</u>	<u>1,894,057</u>	<u>2,748,358</u>	<u>4,419,813</u>	<u>4,393,475</u>
<u>\$ (10,001,362)</u>	<u>\$ (9,531,764)</u>	<u>\$ (11,165,567)</u>	<u>\$ (10,152,487)</u>	<u>\$ (8,954,135)</u>	<u>\$ (8,960,896)</u>
3,217,538	3,620,758	3,914,885	4,276,918	4,555,926	4,848,005
692,161	704,442	697,336	714,253	694,121	953,087
1,549,695	1,650,931	1,767,048	1,992,939	2,143,239	2,392,769
312,433	357,278	360,589	349,849	398,205	395,527
96,529	106,756	111,841	102,063	113,504	189,491
99,353	190,320	283,700	119,746	20,739	125,718
-	-	-	-	2,110	-
289,291	192,281	184,509	233,319	100,720	213,151
2,896,410	3,094,654	3,044,742	3,145,528	2,991,137	2,885,430
<u>9,153,410</u>	<u>9,917,420</u>	<u>10,364,650</u>	<u>10,934,615</u>	<u>11,019,701</u>	<u>12,003,178</u>
<u>\$ (847,952)</u>	<u>\$ 385,656</u>	<u>\$ (800,917)</u>	<u>\$ 782,128</u>	<u>\$ 2,065,566</u>	<u>\$ 3,042,282</u>

# City of Lockhart, Texas

## CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2013	2014	2015	2016
<b>Business-type activities</b>				
Expenses				
Electric	\$ 8,722,855	\$ 9,725,877	\$ 9,753,464	\$ 8,664,234
Water	2,874,616	2,685,091	3,258,446	3,257,979
Wastewater	1,836,078	1,936,142	1,849,338	2,089,407
EMS	-	-	-	1,230,254
Sanitation	1,090,003	1,077,505	1,166,275	1,215,636
Airport	76,188	79,443	82,646	69,911
<b>Total business-type expenses</b>	<u>14,599,740</u>	<u>15,504,058</u>	<u>16,110,169</u>	<u>16,527,421</u>
Program revenues				
Charges for services				
Electric	10,388,956	11,521,734	12,039,498	10,974,720
Water	3,050,522	3,100,358	3,090,312	3,100,239
Wastewater	2,108,828	2,188,454	2,195,102	2,265,298
EMS	-	-	-	2,007,847
Sanitation	1,349,400	1,332,323	1,402,428	1,464,121
Airport	67,799	69,035	68,520	68,927
Operating grants and contributions	34,606	-	11,821	-
Capital grants and contributions	942,271	37,035	-	1,042,796
<b>Total business-type program revenues</b>	<u>17,942,382</u>	<u>18,248,939</u>	<u>18,807,681</u>	<u>20,923,948</u>
<b>Total business-type activities net program expense</b>	<u>\$ 3,342,642</u>	<u>\$ 2,744,881</u>	<u>\$ 2,697,512</u>	<u>\$ 4,396,527</u>
General revenues and other changes in net position				
Impact fees	37,846	218,458	255,462	263,817
Unrestricted investment earnings	15,294	14,881	21,733	61,357
Miscellaneous	-	-	6,858	-
Transfers	(2,588,969)	(2,595,561)	(2,356,889)	(2,448,575)
Total general revenues and other changes in net position	<u>(2,535,829)</u>	<u>(2,362,222)</u>	<u>(2,072,836)</u>	<u>(2,123,401)</u>
<b>Total business-type activities change in net position</b>	<u>\$ 806,813</u>	<u>\$ 382,659</u>	<u>\$ 624,676</u>	<u>\$ 2,273,126</u>
<b>Total primary government change in net position</b>	<u>\$ 233,845</u>	<u>\$ (29,607)</u>	<u>\$ (105,240)</u>	<u>\$ 1,280,131</u>

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	8,722,211	\$ 9,132,038	\$ 9,242,068	\$ 8,564,816	\$ 11,350,044	\$ 9,978,485
	3,545,084	3,428,101	3,224,639	3,908,621	5,066,674	5,565,359
	1,824,111	1,281,066	1,370,942	1,444,482	1,635,537	1,805,990
	1,289,014	1,334,506	1,383,128	1,407,549	1,408,385	1,425,088
	1,345,466	1,461,111	1,553,603	1,592,412	1,690,298	1,615,564
	76,438	100,130	78,258	80,607	76,546	93,143
	<u>16,802,324</u>	<u>16,736,952</u>	<u>16,852,638</u>	<u>16,998,487</u>	<u>21,227,484</u>	<u>20,483,629</u>
	11,444,388	12,238,369	12,193,929	11,039,153	11,560,085	12,608,272
	3,287,603	3,336,689	3,267,558	3,555,391	3,758,322	4,132,398
	2,578,386	2,339,875	2,278,003	2,277,346	2,478,077	2,880,275
	1,354,810	1,438,174	978,097	1,071,931	1,136,903	1,414,727
	1,593,359	1,708,812	1,872,719	1,981,863	2,040,494	1,906,522
	71,489	71,433	89,059	82,809	85,953	92,532
	7,016	24,925	68,272	44,680	-	-
	195,261	-	-	23,750	432,657	196,038
	<u>20,532,312</u>	<u>21,158,277</u>	<u>20,747,637</u>	<u>20,076,923</u>	<u>21,492,491</u>	<u>23,230,764</u>
\$	<u>3,729,988</u>	<u>\$ 4,421,325</u>	<u>\$ 3,894,999</u>	<u>\$ 3,078,436</u>	<u>\$ 265,007</u>	<u>\$ 2,747,135</u>
	83,585	244,561	195,808	296,093	-	-
	118,159	236,101	368,594	164,183	21,947	114,001
	-	23,598	-	8,552	199,136	149,689
	<u>(2,896,410)</u>	<u>(3,094,654)</u>	<u>(3,044,742)</u>	<u>(3,145,528)</u>	<u>(2,991,137)</u>	<u>(2,885,430)</u>
	<u>(2,694,666)</u>	<u>(2,590,394)</u>	<u>(2,480,340)</u>	<u>(2,676,700)</u>	<u>(2,770,054)</u>	<u>(2,621,740)</u>
\$	<u>1,035,322</u>	<u>\$ 1,830,931</u>	<u>\$ 1,414,659</u>	<u>\$ 401,736</u>	<u>\$ (2,505,047)</u>	<u>\$ 125,395</u>
\$	<u>187,370</u>	<u>\$ 2,216,587</u>	<u>\$ 613,742</u>	<u>\$ 1,183,864</u>	<u>\$ (439,481)</u>	<u>\$ 3,167,677</u>

**City of Lockhart, Texas**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years (Unaudited)**  
**(modified accrual basis of accounting)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable				
Prepaid items	\$ 20,452	\$ 19,116	\$ 23,103	\$ 15,728
Inventory	32,669	19,327	14,578	13,699
Restricted	92,510	166,141	91,955	-
Committed	745,659	742,680	602,435	604,252
Unassigned	2,456,454	2,655,076	3,196,967	3,423,228
Total general fund	<u>\$ 3,347,744</u>	<u>\$ 3,602,340</u>	<u>\$ 3,929,038</u>	<u>\$ 4,056,907</u>
All Other Governmental Funds				
Nonspendable				
Prepaid items	\$ -	\$ 10,373	\$ 2,673	\$ 4,512
Restricted				
Retirement of long-term debt	515,468	429,226	362,919	278,089
Special revenue funds	590,589	690,237	757,115	-
General government	-	-	-	627,417
Tourism	-	-	-	8,248
Municipal court	-	-	-	-
Public safety	-	-	-	180,153
Public works	-	-	-	-
Various capital projects	2,122,420	838,025	8,386,106	6,792,536
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 3,228,477</u>	<u>\$ 1,967,861</u>	<u>\$ 9,508,813</u>	<u>\$ 7,890,955</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 23,642	\$ 37,870	\$ 30,627	\$ 27,327	\$ 610,955	\$ 31,193
11,272	11,563	13,572	9,350	17,718	26,240
-	-	-	-	234,613	366,906
609,054	553,877	574,446	308,539	309,050	311,949
3,897,547	4,451,131	5,103,853	6,673,086	6,506,302	10,143,227
<u>\$ 4,541,515</u>	<u>\$ 5,054,441</u>	<u>\$ 5,722,498</u>	<u>\$ 7,018,302</u>	<u>\$ 7,678,638</u>	<u>\$ 10,879,515</u>
\$ 680	\$ 2,765	\$ -	\$ -	\$ -	\$ -
285,621	240,674	203,016	115,835	-	-
-	-	-	-	-	-
664,319	35,067	46,502	59,773	63,160	69,453
8,485	2,721	6,637	64,016	98,198	130,191
-	-	-	-	118,506	126,794
206,068	227,044	206,600	179,496	18,994	20,649
-	903,976	1,073,692	1,063,841	-	-
5,160,201	4,531,457	3,437,195	2,914,631	5,857,283	6,962,353
-	-	(3,523)	(323,955)	(87,431)	(138,743)
<u>\$ 6,325,374</u>	<u>\$ 5,943,704</u>	<u>\$ 4,970,119</u>	<u>\$ 4,073,637</u>	<u>\$ 6,068,710</u>	<u>\$ 7,170,697</u>

# City of Lockhart, Texas

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

**Last Ten Fiscal Years (Unaudited)**  
**(modified accrual basis of accounting)**

	2013	2014	2015	2016
<b>Revenues</b>				
Property taxes	\$ 3,381,542	\$ 3,488,117	\$ 3,531,590	\$ 3,757,254
Sales and other taxes	1,697,976	1,795,555	1,916,643	1,921,425
Franchise and local taxes				
Fines, fees and forfeitures	1,099,975	824,213	1,021,043	1,115,233
Licenses and permits	63,152	147,923	288,438	173,641
Charges for services	812,579	1,103,401	1,383,027	-
Intergovernmental and grants	544,888	381,406	391,200	184,438
Investment	23,005	18,355	23,881	59,851
Miscellaneous	739,044	502,274	493,852	550,390
<b>Total revenues</b>	<b>8,362,161</b>	<b>8,261,244</b>	<b>9,049,674</b>	<b>7,762,232</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	1,947,463	1,955,191	1,946,091	1,853,485
Public safety	5,425,960	5,639,925	5,767,328	4,680,022
Public works	974,409	1,006,216	930,794	1,069,441
Health and welfare	26,176	5,739	11,970	12,138
Culture and recreation	782,139	737,113	880,443	834,815
Community development	-	-	-	-
Capital outlay	1,088,877	1,334,223	665,475	1,589,287
<b>Debt service</b>				
Principal retirement	945,374	795,796	358,092	855,322
Interest and fiscal charges	420,448	388,222	825,385	566,342
Paying agent and issue costs	400	400	132,458	151,889
<b>Total expenditures</b>	<b>11,611,246</b>	<b>11,862,825</b>	<b>11,518,036</b>	<b>11,612,741</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,249,085)</b>	<b>(3,601,581)</b>	<b>(2,468,362)</b>	<b>(3,850,509)</b>
<b>Other financing sources (uses)</b>				
Debt issued	-	-	7,700,735	4,887,402
Premium on issuance of bonds	-	-	278,388	593,157
Payment to escrow	-	-	-	(5,455,484)
Gain on sale of capital assets	-	-	-	-
Transfers in	3,393,219	3,143,246	2,958,448	3,451,810
Transfers out	(804,250)	(547,685)	(601,559)	(1,003,235)
<b>Total other financing sources (uses)</b>	<b>2,588,969</b>	<b>2,595,561</b>	<b>10,336,012</b>	<b>2,473,650</b>
<b>Change in fund balances</b>	<b>\$ (660,116)</b>	<b>\$ (1,006,020)</b>	<b>\$ 7,867,650</b>	<b>\$ (1,376,859)</b>
<b>Debt service as a percentage of noncapital expenditures</b>				
	13.58%	11.90%	10.91%	14.68%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 3,971,301	\$ 4,352,825	\$ 4,676,453	\$ 5,028,375	\$ 5,274,506	\$ 5,748,229
1,990,221	2,114,965	2,239,478	2,444,852	2,143,239	2,392,769
				511,709	585,018
927,273	1,227,557	1,127,998	1,190,406	414,578	275,647
125,761	192,622	142,721	243,196	650,521	852,003
-	-	2,200	2,200	738,869	916,271
202,393	458,624	554,354	866,355	3,061,756	2,379,234
99,353	190,320	283,700	119,746	20,739	125,718
288,003	323,296	275,443	223,199	186,781	235,092
<u>7,604,305</u>	<u>8,860,209</u>	<u>9,302,347</u>	<u>10,118,329</u>	<u>13,002,698</u>	<u>13,509,981</u>
1,847,858	1,933,687	2,107,937	2,333,952	1,777,924	2,121,509
4,751,069	5,212,519	5,631,506	5,579,302	6,052,616	6,066,612
1,168,180	1,727,405	1,601,001	1,948,586	1,571,151	913,011
17,207	11,396	13,320	139,685	20,539	35,312
890,047	949,731	912,739	1,150,716	1,022,863	1,038,803
-	-	-	-	707,075	955,377
1,818,019	828,872	1,238,106	551,827	1,442,886	2,189,333
587,160	601,470	690,799	727,163	797,305	1,006,761
500,948	483,207	456,409	432,504	413,447	393,470
1,200	1,000	800	800	-	25,220
<u>11,581,688</u>	<u>11,749,287</u>	<u>12,652,617</u>	<u>12,864,535</u>	<u>13,805,806</u>	<u>14,745,408</u>
<u>(3,977,383)</u>	<u>(2,889,078)</u>	<u>(3,350,270)</u>	<u>(2,746,206)</u>	<u>(803,108)</u>	<u>(1,235,427)</u>
-	-	-	-	383,923	2,652,861
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	251,942	-
3,440,098	3,688,600	3,796,267	4,360,894	3,793,615	3,644,993
(543,688)	(593,946)	(751,525)	(1,215,366)	(802,478)	(759,563)
<u>2,896,410</u>	<u>3,094,654</u>	<u>3,044,742</u>	<u>3,145,528</u>	<u>3,627,002</u>	<u>5,538,291</u>
<u>\$ (1,080,973)</u>	<u>\$ 205,576</u>	<u>\$ (305,528)</u>	<u>\$ 399,322</u>	<u>\$ 2,823,894</u>	<u>\$ 4,302,864</u>

11.64%

10.42%

10.23%

10.14%

9.78%

10.51%

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**City of Lockhart, Texas**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**Last Ten fiscal years**

<b>Fiscal Year</b>	<b>Ad Valorem</b>	<b>Penalty and Interest</b>	<b>Sales</b>	<b>Franchise</b>	<b>Hotel/Motel</b>	<b>Other</b>	<b>Total</b>
2013	\$ 3,333,978	\$ 47,564	\$ 1,293,019	\$ 308,180	\$ 81,614	\$ 15,163	\$ 5,079,518
2014	3,441,616	46,232	1,381,748	319,982	83,831	10,263	5,283,672
2015	3,487,044	44,546	1,479,056	325,911	100,522	11,154	5,448,233
2016	3,704,494	43,744	1,478,065	339,459	90,542	22,375	5,678,679
2017	3,909,699	58,868	1,549,695	336,068	87,766	19,426	5,961,522
2018	4,304,798	48,027	1,650,931	357,278	82,180	24,576	6,467,790
2019	4,620,916	55,537	1,767,048	360,589	87,078	24,763	6,915,931
2020	4,959,883	68,493	1,992,939	349,849	78,696	23,367	7,473,227
2021	5,214,552	59,954	2,143,239	335,952	101,455	34,957	7,890,109
2022	5,702,530	45,699	2,392,769	379,331	160,799	44,888	8,726,016

**City of Lockhart, Texas**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE**  
**Last Ten fiscal years**

Fiscal Year	Tax Roll	Real Property				Minerals	Less: Tax Exempt Real Property	Total Taxable Assessed Value Before Freeze
		Residential Property	Non-Residential Property	Personal Property				
2013	2012	\$ 416,425,765	\$ 129,671,339	\$ 46,217,410	\$ 14,400	\$ 114,848,768	\$ 477,480,146	
2014	2013	427,236,194	131,330,390	53,978,110	14,400	118,025,207	494,533,887	
2015	2014	449,920,448	132,450,610	53,836,070	5,040	139,636,140	496,576,028	
2016	2015	469,313,930	135,525,093	55,579,530	7,091	141,581,487	518,844,157	
2017	2016	482,454,757	141,155,970	53,621,290	7,091	144,119,120	533,119,988	
2018	2017	544,551,915	189,973,297	54,203,240	11,626	178,676,169	610,063,909	
2019	2018	574,119,621	214,527,344	57,249,280	10,524	175,188,050	670,718,719	
2020	2019	553,623,275	326,454,397	58,419,990	10,732	206,639,213	731,869,181	
2021	2020	500,446,323	515,158,254	59,064,726	21,096	227,088,388	847,602,011	
2022	2021	511,111,983	616,467,277	65,657,280	17,930	245,069,989	948,184,481	

NOTE: Property in the City is reassessed annually. The City assesses property at 100% of actual taxable value for all types of real and personal property. Tax rates are per \$100 of assessed value.

SOURCE: Caldwell County Appraisal District

<b>Total Freeze Taxable</b>	<b>Freeze Adjusted Taxable</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Tax Levy Before Freeze Ceiling</b>	<b>Freeze Ceiling</b>	<b>Estimated Tax Levy Including Freeze Ceiling</b>	<b>Assessed Value as a Percentage of Actual Value</b>
\$ (64,845,430)	\$ 412,634,716	\$ 0.7227	\$ 2,982,111	\$ 394,028	\$ 3,376,139	100.00%
(68,854,298)	425,679,589	0.7227	3,076,386	431,018	3,507,404	100.00%
(74,867,624)	421,708,404	0.7227	3,047,687	480,236	3,527,923	100.00%
(73,449,458)	445,394,699	0.7333	3,266,079	466,371	3,732,450	100.00%
(82,590,348)	450,529,640	0.7333	3,303,734	536,304	3,840,038	100.00%
(99,921,193)	510,142,716	0.7260	3,703,636	604,104	4,307,740	100.00%
(102,926,905)	567,791,814	0.7107	4,035,296	593,298	4,628,594	100.00%
(118,099,443)	613,769,738	0.6842	4,199,413	839,333	5,038,746	100.00%
(141,846,213)	705,755,798	0.63540	4,484,372	700,459	5,184,831	100.00%
(160,899,077)	787,285,404	0.63540	5,002,411	763,355	5,765,766	100.00%

**City of Lockhart, Texas**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**PER \$100 OF ASSESSED VALUE**  
**Last Ten tax years**

City Direct Rates				Overlapping Rates					
Tax Year	Debt Service	General Fund	Total	Lockhart ISD	Plum Creek Underground Water	Plum Creek Conservation District	Caldwell County	Farm to Market Rd	Total
2013	0.1150	0.6078	0.7228	1.1882	0.0200	0.0200	0.6908	0.0001	1.9191
2014	0.1150	0.6077	0.7227	1.1868	0.0210	0.0210	0.6907	0.0001	1.9196
2015	0.1150	0.6077	0.7227	1.1795	0.0220	0.0220	0.6906	0.0001	1.9142
2016	0.1150	0.6077	0.7227	1.4291	0.0220	0.0220	0.6905	0.0001	2.1637
2017	0.1366	0.5967	0.7333	1.3305	0.0215	0.0225	0.7174	0.0001	2.0920
2018	0.1300	0.6033	0.7333	1.3324	0.0215	0.0230	0.7752	0.0001	2.1522
2019	0.1183	0.6077	0.7260	1.3324	0.0214	0.0232	0.7752	0.0001	2.1523
2020	0.1076	0.6031	0.7107	1.3324	0.0214	0.0232	0.7752	0.0001	2.1523
2021	0.0980	0.5862	0.6842	1.2624	0.0207	0.0225	0.7430	0.0001	2.0487
2022	0.0833	0.5521	0.6354	1.1297	0.0208	0.0205	0.6718	0.0001	1.8429

SOURCE: Caldwell County Tax Office

**City of Lockhart, Texas**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**Current Year and Nine Years Ago (Unaudited)**

2022		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Wal-Mart Stores Texas	\$ 10,773,590	0.86%
Economy Realty, LTD	10,227,905	0.82%
Stanton XT VRH Holdings	10,213,068	0.82%
H.E.B. Grocery	9,717,930	0.78%
LCRA Transmission Group	7,216,740	0.58%
KB Home Lone Star LP	7,195,000	0.58%
Lockhart DMA Housing LLC	6,868,140	0.55%
Lockhart Village Partners	6,799,747	0.55%
Wal-Mart Properties, Inc.	6,774,260	0.54%
Green Acres Housing LLC	4,957,583	0.40%
	<b>\$ 80,743,963</b>	<b>6.48%</b>

2012*		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Dormae Products, Inc.	\$ 4,532,380	0.95%
Lockhart DMA Housing LLC	3,936,238	0.83%
LCRA Transmission Svc. Corp	3,834,820	0.80%
H.E.B. Grocery	3,672,380	0.77%
Wal-Mart Properties, Inc.	3,247,970	0.68%
Economy Realty	2,854,670	0.60%
Tri-State Facilities Lockhart, LLC	2,787,830	0.58%
First Lockhart National Bank	2,414,950	0.51%
Fred W. Hoskins	2,156,490	0.45%
Hazelett Drilling	2,150,000	0.45%
	<b>\$ 31,587,728</b>	<b>6.62%</b>

SOURCE: Municipal Advisory Council (MAC)

\* 2013 information was not available. 2012 comparative information has been presented.

**City of Lockhart, Texas**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten fiscal years**

Fiscal Year	Taxes Levied for the Fiscal Year			Collections within the Fiscal Year of the Levy	
	(Original Levy)	Adjustments	Total Adjusted Levy	Amount	Percentage of Levy
2013	\$ 3,358,263	\$ (12,722)	\$ 3,345,541	\$ 3,254,196	97.27%
2014	3,441,841	(11,181)	3,430,660	3,350,075	97.65%
2015	3,511,080	(3,381)	3,507,699	3,412,941	97.30%
2016	3,712,656	(4,330)	3,708,326	3,620,368	97.63%
2017	3,896,845	(18,278)	3,878,567	3,798,713	97.94%
2018	4,295,180	38,534	4,333,714	4,226,010	97.51%
2019	4,608,371	(7,833)	4,600,538	4,515,714	98.16%
2020	5,013,498	(10,968)	5,002,530	4,881,568	97.58%
2021	5,196,719	7,716	5,204,435	5,094,484	97.89%
2022	5,752,038	(4,250)	5,747,788	5,620,206	97.78%

NOTES: Collections do not include penalty and interest.

The information above is presented to illustrate the City's ability to collect the amount it levies for a fiscal yer, rather than provide a detailed breakdown of the revenue recognized in a fiscal year.

SOURCE: Caldwell County Tax Office

Collections in Subsequent Years	Total Collections to Date		Uncollected Balance
	Amount	Percentage of Levy	
\$ 82,453	\$ 3,336,649	99.73%	\$ 8,892
70,069	3,420,144	99.69%	10,516
80,980	3,493,921	99.61%	13,778
73,929	3,694,297	99.62%	14,029
61,693	3,860,406	99.53%	18,161
86,388	4,312,398	99.51%	21,316
55,767	4,571,481	99.37%	29,057
66,958	4,948,526	98.92%	54,004
24,937	5,119,421	98.37%	85,014
-	5,620,206	97.78%	127,582

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**City of Lockhart, Texas**  
**ELECTRIC PURCHASED AND CONSUMED**  
**Last Ten fiscal years**

Fiscal Year	KWH Electric Purchased	KWH Electric Consumed	KWH Electric Unbilled	Average Percent Unbilled	Total Direct Rate Electric	
					Base Rate	Usage Rate
2013	\$ 108,361,349	\$ 98,539,092	\$ 9,822,257	9%	10.82	0.0202
2014	111,416,750	103,167,845	8,248,905	7%	10.82	0.0202
2015	113,918,033	104,171,535	9,746,498	9%	10.82	0.0202
2016	112,447,919	101,868,831	10,579,088	9%	11.32	0.0190
2017	114,910,305	104,995,443	9,914,862	9%	22.20	0.0190
2018	122,944,319	114,446,577	8,497,742	7%	22.60	0.0216
2019	122,837,459	114,115,638	8,721,821	7%	23.10	0.0216
2020	120,845,231	112,276,873	8,568,358	7%	23.10	0.0216
2021	115,850,641	107,243,944	8,606,697	7%	23.10	0.0216
2022	124,320,000	111,940,848	12,379,152	10%	23.10	0.0216

NOTE: Full detail of rate information can be found on schedule titled "Electric Rates".

# City of Lockhart, Texas

## *ELECTRIC RATES*

Last Ten fiscal years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Electric Rates (per KWH)</b>					
<b>Base Rate</b>	\$ 10.82	\$ 10.82	\$ 10.82	\$ 11.32	\$ 22.20
<b>Electric Usage Rate</b>					
<b>0 - 1,200 kwh</b>	0.02020	0.02020	0.02020	0.01896	0.01896
<b>1,201 +</b>	0.02910	0.02910	0.02910	0.03250	0.03250
<b>+ all kwh</b>	-	-	-	0.00225	0.00225

NOTE: Increases in electric rates are approved by the City Council.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 22.60	\$ 23.10	\$ 23.10	\$ 23.10	\$ 23.10
0.02156	0.02156	0.02156	0.02156	0.02156
0.03510	0.03510	0.03510	0.03510	0.03510
0.00225	0.00225	0.00225	0.00225	0.00225

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**City of Lockhart, Texas**  
**TEN LARGEST ELECTRIC CUSTOMERS**  
**Current Year and Nine Years Ago**

2022

Customer	Type of Business	12-Month Electric Consumption per kWh	Percent of Total Billed
MTC/Lockhart Correctional Facility	Private Public Safety	3,636,720	3.25%
H.E.B. Stores	Retail	2,552,000	2.28%
Pure Castings	Retail	1,744,500	1.56%
Apple, Inc.	Manufacturer	1,188,500	1.06%
Lockhart High School - S. Medina	Public School	1,176,000	1.05%
G.B.R.A.	Service	1,175,160	1.05%
Livingood Feeds	Retail	1,056,000	0.94%
Lockhart High School - Center St.	Public School	1,030,500	0.92%
Bluebonnet Elementary	Public School	1,005,300	0.90%
Dormae/Serta Products	Production	777,600	0.69%

2012

Customer	Type of Business	12-Month Electric Consumption per kWh	Percent of Total Billed
H.E.B. Stores	Retail	2,574,900	2.56%
Dormae/Serta Products	Production	1,423,800	1.41%
Caldwell County Jail	Government	1,401,000	1.39%
G.B.R.A.	Service	1,213,800	1.21%
Livingood Feeds	Retail	1,149,300	1.14%
Lockhart High School	Public School	1,033,200	1.03%
Pinnacle Health	Healthcare	999,840	0.99%
Henderson Controls	Retail	828,000	0.82%
Bluebonnet Elementary	Public School	654,300	0.65%
Kinlock, LLC DBA McDonalds	Service	590,040	0.59%

Source: City records.

\* 2013 information was not available. 2012 comparative information has been presented.

# City of Lockhart, Texas

## WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED

Last Ten fiscal years

<u>Fiscal Year</u>	<u>Gallons of Water Produced</u>	<u>Gallons of Water Consumed</u>	<u>Gallons of Water Unbilled</u>	<u>Average Percent Unbilled</u>	<u>Gallons of Wastewater Treated</u>
2013	546	465	81	15%	398
2014	534	478	56	11%	414
2015	522	476	46	9%	482
2016	545	461	84	15%	487
2017	544	466	77	14%	451
2018	575	481	95	16%	399
2019	526	460	66	13%	367
2020	553	452	101	18%	373
2021	473	449	24	5%	412
2022	520	506	14	3%	381

NOTES: Water and sewer usage rates shown are for 2,001-6,000 gallon usage range.  
Gallons produced and consumed are represented in million gallons.  
Full detail of rate information can be found on schedule titled "Water and Sewer Rates".

**Total Direct Rate**

<b>Water</b>		<b>Sewer</b>	
<b>Base Rate</b>	<b>Usage Rate</b>	<b>Base Rate</b>	<b>Usage Rate</b>
22.10	3.90	15.51	4.67
22.10	3.90	15.51	4.67
22.10	3.90	15.51	4.67
22.10	3.90	15.51	4.67
22.10	3.90	15.51	4.67
22.60	4.50	15.51	4.67
23.10	4.80	15.51	4.67
23.60	4.80	15.51	4.67
23.60	4.80	15.51	4.67
23.60	4.80	15.51	4.67

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**City of Lockhart, Texas**  
**TEN LARGEST WATER CUSTOMERS**  
**Current Year and Nine Years Ago (Unaudited)**

2022

Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
MTC/Lockhart Correctional Facility	Private Public Safety	48,702	10.24%
Caldwell County Jail	Government	3,781	0.79%
City of Lockhart Airport	Government	3,510	0.74%
Federal Housing - Landing	Government	4,696	0.99%
Wal-Mart Store	Retail	3,622	0.76%
Brite & Shiny Carwash	Retail	3,711	0.78%
Meadow Park Village	Housing	2,600	0.55%
Diversicare Corp. of America	Healthcare	3,048	0.64%
Tx Lo Silent MHP	Housing	6,474	1.36%
Arco Murray Construction	Construction	4,189	0.88%

2013

Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
Caldwell County Jail	Government	7,931	4.78%
Lockhart High School Track	Public School	6,437	3.88%
Lockhart ISD	Public School	4,811	2.90%
Pinnacle Health Facility	Healthcare	4,765	2.87%
Diversicare Corporation	Healthcare	2,026	1.22%
Federal Housing - Landing	Government	1,879	1.13%
JAADI Corporation	Hospitality	1,689	1.02%
G&G Laundromat	Service	1,612	0.97%
TXI Operations, LP	Service	1,555	0.94%
Brite & Shiny Carwash	Service	1,523	0.92%

# City of Lockhart, Texas

## WATER AND SEWER RATES

### Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Water Rates (per 2,000 gallons)					
Base Rate	\$ 22.10	\$ 22.10	\$ 22.10	\$ 22.10	\$ 22.10
Water Usage Rate					
2,001-6,000	3.90	3.90	3.90	3.90	3.90
6,001-8,000	4.15	4.15	4.15	4.15	4.15
8,001-10,000	4.40	4.40	4.40	4.40	4.40
>10,001	5.15	5.15	5.15	5.15	5.15
Sewer Rates (per 2,000 gallons)					
Base Rate	15.51	15.51	15.51	15.51	15.51
Sewer Usage Rate					
>2,000	4.67	4.67	4.67	4.67	4.67

NOTES: Increases in water and sewer are approved by the City Council.

Sewer consumption rates for residential customers are based on the average of the last three-month period of December, January, and February that preceded the billing date.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 22.60	\$ 23.10	\$ 23.60	23.60	23.60
4.50	4.80	4.80	4.80	4.80
4.75	5.05	5.05	5.05	5.05
5.00	5.30	5.30	5.30	5.30
5.75	6.05	6.05	6.05	6.05
15.51	15.51	15.51	15.51	15.51
4.67	4.67	4.67	4.67	4.67

**City of Lockhart, Texas**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-type Activities	
	Certificates of Obligation	General Obligation Bonds	Tax Notes	Lease Liabilities	Plus: Issuance Premiums	Certificates of Obligation	General Obligation Bonds
2013	\$ 7,889,937	\$ 1,382,225	\$ -	\$ -	\$ -	\$ 250,061	\$ 3,927,775
2014	7,539,595	936,771	-	-	-	180,404	3,253,229
2015	14,875,686	476,031	-	-	278,388	9,089,313	2,553,969
2016	9,381,395	4,887,402	-	-	835,806	9,073,608	1,877,593
2017	8,794,235	4,887,052	-	-	774,293	8,850,765	1,762,948
2018	8,192,765	4,887,052	-	-	712,782	8,607,235	1,642,948
2019	7,707,775	4,681,243	-	-	651,271	8,352,225	1,573,757
2020	7,208,875	4,452,980	-	-	589,760	8,091,125	1,497,018
2021	6,691,415	4,224,718	-	332,340	528,249	7,823,585	1,420,278
2022	6,327,225	3,685,870	2,330,000	551,478	466,738	7,397,775	1,239,126

NOTE: Details regarding the City's outstanding debt can be found in the notes to financial statements.

**Business-type Activities**

<b>Lease Liabilities</b>	<b>State Infrastructure Loan</b>	<b>Contractual Obligations</b>	<b>Tax Notes</b>	<b>Plus: Issuance Premiums</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
\$ 1,766,382	\$ 3,600,000	\$ -	\$ -	\$ 2,036	\$ 18,818,416	4.7%	1,483
1,420,920	3,459,070	3,400,000	-	1,018	20,191,007	5.1%	1,591
1,045,473	3,314,617	3,400,000	-	324,792	35,358,269	8.9%	2,787
643,534	3,166,553	3,400,000	-	500,572	33,766,463	8.4%	2,661
219,939	3,014,787	3,400,000	-	468,308	32,172,327	7.7%	2,535
104,350	2,859,227	3,400,000	-	436,047	30,842,406	6.7%	2,215
86,958	2,699,779	14,995,000	-	403,786	41,151,794	9.0%	2,955
69,566	2,536,344	22,975,000	-	371,510	47,792,178	16.3%	3,432
248,249	2,368,823	30,935,000	-	339,249	54,911,906	15.2%	3,819
174,964	2,197,114	45,120,000	1,720,000	306,988	71,517,278	18.3%	4,974

**City of Lockhart, Texas**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding				Debt Service Monies Available	Net Bonded Debt	
	Certificates of Obligation	General Obligation Bonds	Tax Notes	Plus: Issuance Premiums			Total
2013	\$ 7,889,937	\$ 1,382,225	\$ -	\$ -	\$ 9,272,162	\$ 515,468	\$ 8,756,694
2014	7,539,595	936,771	-	-	8,476,366	429,226	8,047,140
2015	14,875,686	476,031	-	-	15,351,717	362,919	14,988,798
2016	9,381,395	4,887,402	-	-	14,268,797	278,089	13,990,708
2017	8,794,235	4,887,052	-	-	13,681,287	285,621	13,395,666
2018	8,192,765	4,887,052	-	-	13,079,817	240,674	12,839,143
2019	7,707,775	4,681,243	-	-	12,389,018	203,016	12,186,002
2020	7,208,875	4,452,980	-	-	11,661,855	115,835	11,546,020
2021	6,691,415	4,224,718	-	332,340	11,248,473	-	11,248,473
2022	6,327,225	3,685,870	2,330,000	551,478	10,564,573	-	10,564,573

NOTE: Details regarding the City's outstanding debt can be found in the notes to financial statements.

<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
1.77%	690
1.62%	634
2.89%	1,181
2.62%	1,103
2.20%	1,056
2.10%	922
1.82%	875
1.58%	829
1.33%	782
1.11%	735

# City of Lockhart, Texas

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2022 (Unaudited)

	Gross Debt Outstanding		Percentage Applicable to City	Amount Applicable to City
	Date	Amount		
Direct Debt:				
City of Lockhart	9/30/2022	\$ 13,361,311	100.00%	\$ 13,361,311
Overlapping Debt:				
Caldwell County	9/30/2021 *	17,585,000	30.08%	5,289,568
Lockhart Independent School District	6/30/2022	70,940,521	45.25%	32,100,586
Total Overlapping Debt		88,525,521		37,390,154
Total		\$ 101,886,832		\$ 50,751,465

NOTES: There is no legal debt limit for the City. Texas municipalities are not bound by any direct constitutional or statutory maximums as to the amount of obligation bonds which may be issued; however, all local bonds must be submitted to and approved by the State Attorney General. It is the established practice of the Attorney General not to approve a prospective bond issue if it will result in a tax levy for general bonded debt of over \$1.00 for cities under 5,000 population, or \$1.50 for cities over 5,000 population.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each government's total taxable value.

SOURCE: Municipal Advisory Council of Texas

\* 9/30/2022 not available.

**City of Lockhart, Texas**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years (Unaudited)**

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2013	12,689	398,637,624	31,416	5,130	5.3%
2014	12,689	398,637,624	31,416	5,366	4.2%
2015	12,689	398,637,624	31,416	5,393	4.0%
2016	12,689	404,131,961	31,849	5,699	4.0%
2017	12,689	417,328,521	32,889	5,910	3.4%
2018	13,924	457,946,436	32,889	6,120	3.4%
2019	13,924	457,946,436	32,889	6,160	3.2%
2020	13,924	292,974,884	21,041	6,160	3.2%
2021	14,379	360,711,594	25,086	6,167	6.0%
2022	14,379	391,137,558	27,202	6,465	6.5%

NOTES: The unemployment rates are a twelve month average from October through September for Caldwell County.

Decrease in personal income in fiscal year 2020 is due to the coronavirus pandemic.

- SOURCES: (1) Population based on U.S. Census Bureau  
(2) U.S. Department of Commerce, Bureau of Economic Analysis (for Caldwell County)  
(3) Lockhart Independent School District  
(4) U.S. Department of Labor - Bureau of Labor (for Caldwell County)

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# City of Lockhart, Texas

## PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2022

Employer	Employees	Percentage of Total City Employment
Lockhart ISD	661	3.47%
Serta/Dormae Products	174	0.90%
The GEO Group, Inc.	159	0.83%
Pegasus	151	0.79%
H E Butt Grocery	147	0.77%
City of Lockhart	143	0.75%
Wal-Mart	117	0.61%
Golden Age Home	110	0.58%
Chisolm Trail Rehab Center	76	0.40%
Livengood Feed	64	0.34%
	<u>1,802</u>	<u>9.46%</u>

2012\*

Employer	Employees	Percentage of Total City Employment
Lockhart ISD	655	3.30%
Walmart	266	1.34%
H E Butt Grocery	180	0.91%
Serta/Dormae Products	177	0.89%
MTC (Lockhart Correctional)	168	0.85%
City of Lockhart	132	0.67%
Pegasus Schools	130	0.66%
Chisolm Trail Nursing	75	0.38%
Parkview Nursing	64	0.32%
Student Transportation	64	0.32%
	<u>1,911</u>	<u>9.63%</u>

SOURCE: Municipal Advisory Council of Texas

\* 2013 information was not available. 2012 comparative information has been presented.

# City of Lockhart, Texas

## FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017
General government					
City manager	3.0	3.0	3.0	4.0	4.0
City secretary	1.0	1.0	1.0	1.0	1.0
Finance	5.0	5.0	5.0	5.0	5.0
Municipal court	5.0	5.0	5.0	5.0	4.0
Library	9.0	9.0	9.0	10.0	9.0
Parks and recreation	7.0	6.0	7.0	7.0	7.0
Code enforcement	3.0	2.0	2.0	3.0	3.0
Planning and development	3.0	4.0	4.0	4.0	4.0
Public safety					
Police	26.0	25.0	25.0	25.0	28.0
Communications	11.0	10.0	8.0	9.0	9.0
Fire	19.0	19.0	16.0	18.0	15.0
Public works					
Public works	3.0	3.0	3.0	3.0	3.0
Animal control	6.0	6.0	5.0	8.0	8.0
Garage	3.0	3.0	3.0	3.0	3.0
Streets	12.0	10.0	14.0	13.0	12.0
Electric					
Utility billing	6.0	6.0	6.0	6.0	5.0
Utility distribution	8.0	7.0	9.0	9.0	9.0
Water/wastewater					
Water operations	6.0	6.0	5.0	5.0	5.0
Sewer operations	1.0	2.0	2.0	3.0	3.0
Sanitation					
Operations	2.0	1.0	1.0	2.0	2.0
Recycle					
Economic Development	2.0	1.0	2.0	1.0	2.0
EMS	-	-	-	-	-
<b>Total</b>	<b>141</b>	<b>134</b>	<b>135</b>	<b>144</b>	<b>141</b>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
5.0	5.0	5.0	4.0	4.0
1.0	1.0	1.0	1.0	1.0
4.0	5.0	5.0	5.0	5.0
4.0	4.0	4.0	4.0	3.0
9.0	9.0	9.0	6.0	6.0
7.0	8.0	8.0	8.0	9.0
3.0	3.0	3.0	3.0	3.0
4.0	4.0	4.0	4.0	4.0
30.0	29.0	27.0	29.0	31.0
10.0	9.0	9.0	10.0	10.0
14.0	14.0	13.0	13.0	15.0
2.0	2.0	2.0	2.0	2.0
8.0	7.0	6.0	6.0	7.0
3.0	3.0	3.0	4.0	4.0
12.0	12.0	12.0	12.0	12.0
6.0	6.0	6.0	6.0	6.0
8.0	9.0	9.0	9.0	10.0
5.0	6.0	6.0	6.0	5.0
4.0	3.0	3.0	4.0	4.0
2.0	2.0	2.0	2.0	2.0
			1.0	1.0
2.0	2.0	2.0	2.0	2.0
-	-	-	-	-
<u>143</u>	<u>143</u>	<u>139</u>	<u>141</u>	<u>146</u>

**City of Lockhart, Texas**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

Function/Program	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government				
Building permits issued	345	681	604	647
Building inspections conducted	1,934	2,433	1,784	1,613
Public safety				
Police				
Physical arrests	652	417	398	628
Traffic violations	3,396	3,372	1,701	2,149
Fire				
Fire calls	1,918	2,111	1,564	1,386
Public works				
Streets (miles)	65	65	65	65
Culture and recreation				
Parks and recreation				
Park rental	114	106	75	91
Swimming pool				
Single admissions	7,624	5,304	7,529	8,554
Party rentals	49	47	35	50
Electric				
New connections	10	18	7	9
Average daily consumption (kwh)	269,970	282,652	285,401	279,093
Water and wastewater				
Water				
New connections/taps	21	149	62	139
Average daily consumption	1.27 mgd	1.31 mgd	1.30 mgd	1.26 mgd
Peak daily consumption	2.220 mgd	2.360 mgd	2.192 mgd	2.075 mgd
Wastewater				
Average daily sewage treatment	1.09 mgd	1.13 mgd	1.32 mgd	1.34 mgd
EMS				
Ambulance loads	2,670	2,772	2,867	2,989

NOTES: \* EMS Ambulance loads not available 2011-2012; EMS was operated by Seton Health Care

Increase in building permits issued in 2020 due to new subdivisions and apartments.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
495	444	542	839	1,339	2,296
1,716	2,179	2,282	1,703	2,845	4,959
596	934	862	451	469	455
3,251	5,708	6,281	4,041	4,480	4,091
1,501	1,356	1,406	1,361	1,388	1,652
65	65	66	100	124.5	124.5
107	73	85	32	58	85
8,289	6,883	6,596	-	8,279	8,973
34	32	33	-	30	46
11	18	23	49	125	616
287,659	313,552	312,646	307,607	297,326	306,687
56	78	61	50	111	144
1.18 mgd	1.32 mgd	1.26 mgd	1.305 mgd	1.296 mgd	1.425 mgd
2.118 mgd	2.263 mgd	2.160 mgd	2.200 mgd	2.500 mgd	2.100 mgd
1.24 mgd	1.09 mgd	1.00 mgd	1.02 mgd	1.13 mgd	1.04 mgd
3,106	3,207	3,199	3,188	3,479	3,350

**City of Lockhart, Texas**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

	2013	2014	2015	2016
<b>Function/Program</b>				
Public safety				
Police				
Stations	1	1	1	1
Patrol units	22	22	22	22
Fire stations	1	1	1	1
Highways and streets				
Streets (miles)	64.7	64.7	64.7	64.7
Streetlights	1,810	1,824	1,825	1,838
School zone flashers	2	2	2	2
Culture and recreation				
Acreage	115	115	115	115
Parks	10	10	10	10
Baseball/softball diamonds	6	6	6	6
Soccer fields	8	8	8	8
Swimming pools	1	1	1	1
Electric				
Electric lines (miles)	76	77	77	77
Number of distribution stations	1	1	2	2
Capacity sold (MwH)	98,539	103,168	104,172	101,869
Water and wastewater				
Water				
Water mains (miles)	87.1	87.4	87.4	87.4
Fire hydrants	640	650	660	675
Storage capacity	1.05 mgd	1.05 mgd	1.05 mgd	1.05 mgd
Wastewater				
Sanitary sewers (miles)	76	76	76	76
Storm sewers (miles)	0	0	0	0
Treatment capacity	2.6 mgd	2.6 mgd	2.6 mgd	2.6 mgd

2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
26	28	29	26	31	31
1	1	2	2	2	2
65.2	65.2	65.9	100.0	124.5	124.5
1,838	1,844	1,856	1,856	1,856	1,872
2	2	2	2	2	2
115	115	115	115	115	115
10	10	10	10	10	10
6	6	6	6	6	6
8	8	8	8	8	8
1	1	1	1	1	1
77	80	80	80	82	82
2	2	2	2	2	2
104,995	114,447	114,116	112,276	107,243	111,941
92.1	92.1	93.7	100.0	100.5	100.5
685	700	729	721	721	721
1.05 mgd	1.05 mgd	1.05 mgd	1.05 mgd	1.55 mgd	1.55 mgd
76	78	79	80.6	80.8	80.8
0	0	0	0	0	0
2.6 mgd					