

*ANNUAL FINANCIAL REPORT*

of the

**HUNTERS CROSSING  
LOCAL GOVERNMENT  
CORPORATION**

**A BLENDED COMPONENT UNIT OF  
THE CITY OF BASTROP, TEXAS**

**For the Year Ended  
September 30, 2019**

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**HUNTERS CROSSING**  
**LOCAL GOVERNMENT CORPORATION**  
A BLENDED COMPONENT UNIT OF THE CITY OF BASTROP, TEXAS  
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September 30, 2019

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## ***INTRODUCTORY SECTION***

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**HUNTERS CROSSING**  
**LOCAL GOVERNMENT CORPORATION**  
A BLENDED COMPONENT UNIT OF THE CITY OF BASTROP, TEXAS  
**BOARD OF DIRECTORS**  
September 30, 2019

<i>President</i>	Lynda Humble (through January 2020) Trey Job (beginning February 2020)
<i>Vice President</i>	Rick Womble
<i>Secretary</i>	Tabitha Pucek
<i>Board Member</i>	Drusilla Rogers
<i>Board Member</i>	Stephanie White
<i>Board Member</i>	Michelle Dodson
<i>Board Member</i>	Lyle Nelson

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***FINANCIAL SECTION***

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## ***INDEPENDENT AUDITORS' REPORT***

To the Board of Directors of the  
Hunters Crossing Local Government Corporation  
City of Bastrop, Texas:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Hunters Crossing Local Government Corporation (the "Corporation"), a blended component unit of the City of Bastrop, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Corporation as of September 30, 2019, 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information, identified as Required Supplementary Information on the table of contents, 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 Corporation's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
March 25, 2020

***MANAGEMENT'S DISCUSSION  
AND ANALYSIS***

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**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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

The Statement of Activities presents information showing how the Corporation's net position changed during the most recent 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 using the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities present one class of activity for the Corporation:

1. *Governmental Activities* – The Corporation's basic services are reported here including economic development and intergovernmental projects with the City of Bastrop (the "City"). Property assessment fees finances most of these activities.

The government-wide financial statements can be found after the MD&A.

## **FUND FINANCIAL STATEMENTS**

Funds may be considered as operating companies of the parent corporation, which is the Corporation. They are usually segregated for specific activities or objectives. The Corporation uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The one category of Corporation funds is governmental.

### **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 year. Such information may be useful in evaluating the Corporation'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 Corporation's near-term financing decisions.

The Corporation maintains one individual governmental fund. 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 always considered to be a major fund for reporting purposes.

The Corporation adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for this fund to demonstrate compliance with this budget.



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**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2019

**Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

**Other Information**

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund. RSI can be found after the notes to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Over time, net position may serve as a useful indicator of the Corporation's financial position. For the Corporation, assets exceed liabilities by \$391,597 as of year end.

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Current and other assets	\$ 431,315	\$ 1,672	\$ 429,643
<b>Total Assets</b>	<u>431,315</u>	<u>1,672</u>	<u>429,643</u>
Liabilities	39,718	95,219	(55,501)
<b>Total Liabilities</b>	<u>39,718</u>	<u>95,219</u>	<u>(55,501)</u>
<b>Net Position:</b>			
Restricted	391,597	(93,547)	485,144
<b>Total Net Position</b>	<u>\$ 391,597</u>	<u>\$ (93,547)</u>	<u>485,144</u>

Current assets for the year increased by 257% compared to the prior year. This increase was the result of an increase in sales tax revenues compared to the prior year. Current liabilities decreased by 58%. This decrease was largely the result of a decrease in the reimbursements due to developers. Net position of the Corporation increased \$485,144 compared to the prior year.

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**Statement of Activities:**

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

	<u>2019</u>	<u>2018</u>	<u>Change</u>
<b>Revenues</b>			
Property assessment fees:			
Maintenance and operations	\$ 142,652	\$ 81,142	\$ 61,510
Capital	433,567	294,878	138,689
Penalties and interest	541	679	(138)
Investment income	5,888	891	4,997
<b>Total Revenues</b>	<u>582,648</u>	<u>377,590</u>	<u>205,058</u>
<b>Expenses</b>			
Maintenance and operations	-	83,864	(83,864)
Developer reimbursements	-	323,500	(323,500)
Professional services	97,504	109,975	(12,471)
Depreciation	-	260	(260)
<b>Total Expenses</b>	<u>97,504</u>	<u>517,599</u>	<u>(420,095)</u>
<b>Change in Net Position</b>	485,144	(140,009)	625,153
Beginning net position	<u>(93,547)</u>	<u>46,462</u>	<u>(140,009)</u>
<b>Ending Net Position</b>	<u>\$ 391,597</u>	<u>\$ (93,547)</u>	<u>\$ 485,144</u>

Expenses related to economic development for the year decreased by 81% in comparison to the prior year. This decrease is due mainly to a decrease in developer reimbursements. Revenues increased by 54% due to increased property tax revenue within the City.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Corporation budgeted for a \$460,628 increase in fund balance but actually realized an increase of \$484,546. This is primarily due to a positive budget variance for property assessment fee revenues of \$3,814 and for investment income of \$4,888. The Corporation also had a positive budget variance for economic development expenditures for \$15,216.

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

The Corporation's principal source of revenue is a property assessment fee based on square footage for commercial property and a flat rate for single member residences. The budgeted property assessment fees revenue for the 2019-2020 fiscal year is \$820,403. The Corporation adopted a total expense budget of \$1,056,148 for fiscal year 2019-2020.

**CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Corporation's finances. Questions concerning this report or requests for additional financial information should be directed to the Hunters Crossing Local Government Corporation's Staff Liaison, Tracy Waldron, Chief Financial Officer, at 512-332-8820.

***BASIC FINANCIAL STATEMENTS***

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# HUNTERS CROSSING LOCAL GOVERNMENT CORPORATION

A Blended Component Unit of the City of Bastrop, Texas

## STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

September 30, 2019

	Governmental Fund Balance Sheet General	Adjustments	Statement of Net Position
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 276,997	\$ -	\$ 276,997
Accounts receivable	154,318	-	154,318
<b>Total Assets</b>	<b>\$ 431,315</b>	<b>-</b>	<b>\$ 431,315</b>
<b><u>Liabilities</u></b>			
Accounts payable and accrued liabilities	\$ 39,718	-	39,718
<b>Total Liabilities</b>	<b>39,718</b>	<b>-</b>	<b>39,718</b>
<b><u>Deferred Inflows of Resources</u></b>			
Deferred inflows - unavailable revenue	2,272	(2,272)	-
<b>Total Deferred Inflows of Resources</b>	<b>2,272</b>	<b>(2,272)</b>	<b>-</b>
<b><u>Fund Balance</u></b>			
Restricted for:			
Economic Development	389,325	(389,325)	-
<b>Total Fund Balance</b>	<b>389,325</b>	<b>(389,325)</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balance</b>	<b>\$ 431,315</b>		
<b><u>Net Position</u></b>			
Restricted for:			
Economic Development		(391,597)	391,597
<b>Total Net Position</b>		<b>\$ 391,597</b>	<b>\$ 391,597</b>

See Notes to Financial Statements.

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**HUNTERS CROSSING**  
**LOCAL GOVERNMENT CORPORATION**  
A Blended Component Unit of the City of Bastrop, Texas  
**STATEMENT OF ACTIVITIES AND**  
**GOVERNMENTAL FUND STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
For the Year Ended September 30, 2019

	<b>Governmental Fund Changes in Fund Balance</b>		<b>Statement of</b>
	<b>General</b>	<b>Adjustments</b>	<b>Activities</b>
	<u>General</u>	<u>Adjustments</u>	<u>Activities</u>
<b>Expenditures/Expenses</b>			
<b>Governmental Activities</b>			
Economic development	\$ 97,504	\$ -	\$ 97,504
<b>Total Expenditures/Expenses</b>	<u>97,504</u>	<u>-</u>	<u>97,504</u>
<b>Program Revenues</b>			
<b>Property assessment fees</b>			
Maintenance and operations	142,054	598	142,652
Capital	433,567	-	433,567
Penalties and interest	541	-	541
Investment income	5,888	-	5,888
<b>Total Revenues</b>	<u>582,050</u>	<u>598</u>	<u>582,648</u>
<b>Excess of revenues over expenditures/     Net Change in Net Position</b>	484,546	598	485,144
Beginning fund balance/net position	<u>(95,221)</u>	<u>1,674</u>	<u>(93,547)</u>
<b>Ending Fund Balance/Net Position</b>	<u>\$ 389,325</u>	<u>\$ 2,272</u>	<u>\$ 391,597</u>

See Notes to Financial Statements.

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**NOTES TO FINANCIAL STATEMENTS**  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Hunters Crossing Local Government Corporation (the “Corporation”) was established to administer the service plan of the Hunters Crossing Public Improvement District (PID). The PID was established on September 11, 2001 by resolution of the City of Bastrop’s (the “City”) City Council. That resolution was later amended on November 11, 2003. The purpose for creation of the PID was to provide for the construction of certain public improvements and a mechanism for the payment of the costs of such construction and the costs of such improvements through the levy of assessments against owners of respective parcels in the PID. The assessment and bond issuance authorizations are approved by the City Council and the City is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. The Corporation is reported as a blended component unit of the City as of September 30, 2019. Separate financial statements for the Corporation can be obtained from the City’s Finance Department.

The Corporation was organized, created, and established pursuant to the provisions of Subchapter D, Chapter 431, Texas Transportation Code as it now or may hereafter be amended, and the authorities cited therein, which authorizes the Corporation to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes for its creation.

The accompanying financial statements of the Corporation are prepared in conformity with generally accepted accounting principles for governmental entities as prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Corporation’s significant accounting policies are described on the following pages.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the Corporation is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the Corporation’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The City is the primary government that exercises significant influence over the Corporation. Significant influence or accountability is based primarily on operational or financial relationships with the City. Due to the nature of the relationship between the City and the Corporation, the Corporation has been included as a component unit of the City for financial statement purposes.

The Corporation is managed by a board of directors, consisting of seven directors who serve staggered terms of four years, with two or three directors’ terms expiring June 1 of each odd-numbered year.

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*NOTES TO FINANCIAL STATEMENTS (Continued)*  
For the Year Ended September 30, 2019

**B. 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 activities of the Corporation. Governmental activities are normally supported by taxes and intergovernmental revenues.

**C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for the governmental fund.

**D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the Corporation's fund. Separate statements for each fund category, governmental, are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Corporation reports the following governmental fund:

The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal source of revenue is property taxes collected by the City to be used by the Corporation for expenditures on economic development. The general fund is always considered a major fund for reporting purposes.

**E. Measurement Focus and Basis of Accounting**

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 Corporation 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.

Property assessment fees are 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

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requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end).

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

**1. Cash and Cash Equivalents**

The Corporation's cash and cash equivalents are considered to be cash on hand, and demand deposits.

**2. Receivables and Payables**

Transactions between the City and the Corporation outstanding at the end of the year are classified as "due to/from component unit/primary government."

**3. Capital Assets**

The Corporation has no capital assets. Capital assets are purchased through a contribution for joint capital projects with the City and are recorded and depreciated on the City's financial statements.

**4. Net Position Flow Assumption**

Sometimes the Corporation 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Corporation's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**5. Fund Balance Flow Assumptions**

Sometimes the Corporation 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 Corporation'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.

**6. Fund Balance Policies**

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

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Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Corporation's highest level of decision-making authority. The Board is the highest level of decision-making authority for the Corporation 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 Corporation for specific purposes but do not meet the criteria to be classified as committed. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

#### **7. Estimates**

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

## **II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgetary Information**

The Corporation's Board adopts an annual budget that sets forth in detail all anticipated revenues and expenses. The annual budget is prepared using the modified accrual basis of accounting. Encumbrance accounting is not utilized.

The Corporation follows these procedures in establishing the budgetary date reflected in the financial statements. The Corporation President submits to the Corporate Board a proposed budget. The Board holds a public hearing on the budget submitted, and all interested persons are given an opportunity to be heard for or against any item or the amount of any item contained therein.

After the conclusion of the public hearing, the Board may insert new items or may increase or decrease the items of the budget, except items in the proposed expenditures fixed by law, but where it increases the total proposed expenditures, it also provides for an increase in the total anticipated revenue Property Assessment. The budget is adopted by a majority vote of the members of the entire Board.

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The budget must be adopted no later than the 30<sup>th</sup> of September. The Corporation President may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications or line items. Therefore, expenditures should not exceed appropriations at the “line item” level. The Board may from time to time amend the budget as needed through formal budget amendments. Unencumbered appropriations lapse at year-end. An annual budget is prepared for the General Fund.

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**A. Deposits**

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Corporation’s deposits may not be returned to it. As of year end, the Corporation’s bank balance was completely insured by FDIC and pledged securities.

**IV. OTHER INFORMATION**

**A. Risk Management**

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the past three years.

**B. Contingent Liabilities**

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

**C. Commitment to Developer**

The Corporation has an agreement with a developer to reimburse the developer based on the capital portion of assessment fees collected by the Corporation through 2027. The maximum amount that the Corporation could reimburse the developer is \$11,961,260. The developer has been reimbursed \$2,205,098 as of September 30, 2019.

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**D. Significant Legal Provisions of the Legislative Act Creating the Corporation**

As discussed in note I.A., the Corporation has been established pursuant to an act of the Texas State Legislature (the “Act”). Significant legal provisions of this Act are summarized below;

**1. Corporation Boundaries**

The Act provides specifically for boundaries of the Corporation, which includes the City.

**2. City of Bastrop City Council**

The Act provides that the Mayor and City Council of the City are to appoint the Board. The Directors are to serve staggered four-year terms. Additionally, the City Council must approve the issuance of any bonded indebtedness for each improvement project and the imposition of a sales tax.

**3. General and Specific Powers of the Corporation**

The Act provides general powers to the Corporation subject to general laws and regulations of the State applicable to conservation and reclamation Corporations created under Article XVI, Section 59 of the Texas Constitution; road districts and road utility districts created pursuant to Article III, Section 52, of the Texas Constitution; and Section 4B of the Development Corporation Act of 1979 (Article 5190.6, Vernon’s Texas Civil Statutes).

Additional specific powers and duties are provided for in the Act, which include the financing of improvement projects and/or services for the benefit of the City. Eminent domain powers are specifically prohibited by the Act. Improvement projects and/or services may be financed in whole or in part by the issuance of bonds.

The Act provides for the method by which the Corporation must petition, provide notice, and hold public hearings prior to the financing of the improvement projects and/or services through assessments.

The Act also provides for the issuance of voter-approved bonded indebtedness to finance improvement projects and/or services. Specific guidelines in the Act provide for the repayment of bonds that might be issued, as well as the use of bond proceeds, available security that can be pledged in issuing the bonds, and refunding capabilities for outstanding bonds.

***REQUIRED SUPPLEMENTARY INFORMATION***





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**HUNTERS CROSSING**  
**LOCAL GOVERNMENT CORPORATION**  
A Blended Component Unit of the City of Bastrop, Texas  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
For the Year Ended September 30, 2019

	<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 assessment fees:				
Maintenance and operations	\$ 99,143	\$ 140,975	\$ 142,054	\$ 1,079
Capital	339,673	430,523	433,567	3,044
Penalties and interest	850	850	541	(309)
Investment income	1,000	1,000	5,888	4,888
<b>Total Revenues</b>	<u>440,666</u>	<u>573,348</u>	<u>582,050</u>	<u>8,702</u>
<b><u>Expenditures</u></b>				
Economic development	<u>112,720</u>	<u>112,720</u>	<u>97,504</u>	<u>15,216</u>
<b>Total Expenditures</b>	<u>112,720</u>	<u>112,720</u>	<u>97,504</u>	<u>15,216</u>
<b>Change in Fund Balance</b>	<u>\$ 327,946</u>	<u>\$ 460,628</u>	484,546	<u>\$ 23,918</u>
Beginning fund balance			<u>(95,221)</u>	
<b>Ending Fund Balance</b>			<u>\$ 389,325</u>	

Notes to Required Supplementary Information:

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



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