



**CITY OF BASTROP, TEXAS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2018**

Prepared by the  
Finance Department



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**CITY OF BASTROP, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 2018**

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# **INTRODUCTORY SECTION**

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**City of Bastrop**  
**1311 Chestnut Street**  
**PO Box 427**  
**Bastrop, Texas 78602**

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February 26, 2019

Honorable Mayor and City Council,  
And the Citizens of the City of Bastrop, Texas

The City of Bastrop Finance Department respectfully submits the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. Provided herein is a complete set of financial statements in conformity with generally accepted accounting principles GAAP and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

The purpose of this report is to provide council, management, staff, the public and other interested parties with detailed information regarding the City's financial condition. State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2018.

This report consists of management's representations concerning the finances of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reports in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

To provide a reasonable basis for making the representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City assets from loss, theft or misuse and to compile sufficient, reliable information for the preparation of the City financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

The City financial records have been audited by Pattillo, Brown & Hill, L.L.P. Certified Public Accountants as required by the City Charter and Financial Management Policies adopted by City Council. This Comprehensive Annual Financial Report has been prepared based upon those audited records. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2018 are free of

material misstatement. This independent audit involved examining, on a test-basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, significant estimates made by management and evaluating the overall financial statement presentation.

Pattillo, Brown & Hill, L.L.P. Certified Public Accountants have stated that the 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 Bastrop, Texas, for the fiscal year ended September 30, 2018. The independent auditor's report is located at the front of the financial section. 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. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF BASTROP**

The City of Bastrop is nestled on the Colorado River and located at the junction of TX Highways 71, 21 and 95, just 30 minutes from Austin, 90 minutes from San Antonio and less than 2 hours from Houston. It currently occupies 11 square miles and serves a population of approximately 8,911. The City of Bastrop serves as the county seat of Bastrop County. The City has developed into a commercial center which daily serves up to an estimated 25,000 business persons, shoppers, and visitors.

Bastrop, Texas is known as the most historic small town in Texas. A frontier settlement founded by Stephen F. Austin in 1832 and incorporated in 1837. The City is the second-oldest incorporated town in Texas and was considered an alternate capital of the Republic. The City is situated along El Camino Real National Historic Trail and boasts more than 130 renovated historic homes and sites, designated on the *National Register of Historic Places* by the Texas Historical Commission.

The City operates under a council-manager form of government. The City Council is comprised of a Mayor and five council members. All members are elected at-large on a staggered and non-partisan basis. They are responsible to enact local legislation, provide policy and annually adopt the operating budget. They appoint the City Manager, City Attorney, Judge of the Municipal Court and members of various boards and commissions. The City Manager under the oversight of the City Council is responsible for the proper administration of the operations of the City.

The City provides a full range of municipal services including general government, public safety, public works, parks and recreation, planning and development, code enforcement, animal services, and water, sewer and electric utilities. Sanitation services are provided by the City but are privately contracted.

The Bastrop Economic Development Corporation (BEDC) is included in the financial statements as a discrete component unit. Its purpose is to aid, promote and further economic development within the City. The BEDC is funded with sales tax revenues and is discussed more fully in the notes to the financial statements.

The annual budget of the City 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 City Council at their City Council Retreat. 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.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Local Economy**

The City of Bastrop is identified as the county seat for Bastrop County. With this designation comes commercial growth not typically seen for a population of approximately 8,911 residents. Major industries located within the government's boundaries, or close proximity, include small industries, retail stores, several financial institutions, restaurants and insurance companies. The school district has significant economic presence, employing in total more than 1,400 teachers, professionals, and support staff.

Although unemployment rates have reduced nationwide over the last two years, the City of Bastrop continues to experience unemployment rates consistently lower than national averages. The unemployment rate in Bastrop was 3.2% for September 2018.

Due to its healthy local economy, the City of Bastrop has a credit rating of AA from Standard and Poor's as of August 2018. Over the past ten years, the City has experienced significant economic growth and investment. Commercial development was active in 2014 as evidenced by the addition of Academy Sports store, Chick-fil-a, Southside BBQ restaurant, renovation and expansion of the HEB grocery store, and an additional retail strip center. This growth continued in 2015 with a new strip center added in Burleson Crossing including three additional retail stores (Hobby Lobby, Five Below, Ulta). The new strip center by Walmart (Fred Loya Insurance, The UPS store, Papa John's). In 2016, another strip center in Burleson Crossing was completed (Garcia's Restaurant, Wing Stop, etc.) and another strip center by Walmart (Mama Fu's, Sally's Beauty Supply, etc.). In 2016, the City approved final plats for Pecan Park to start residential construction, adding much needed homes. The City issued 77 building permits with a permit value of \$16,142,863 in FY16. In 2017, Pecan Park continued to expand with several additional residential sections opening. The Spring Street Dental, Lost Pines Art Center and Pacific Dental all opened for business. The City issued 117 building permits with a permit value of

\$17,782,113. This increased even more in 2018, with 164 permits being issued at a permit value of \$17,531,410. These permits included two new apartment complexes with approximately 325 units.

Our sound financial position is apparent even with the growth pressures because of our conservative budgeting practices, as evidenced by healthy fund balance numbers. The City experienced growth in assessed valuation of property taxes and collection of sales tax from fiscal year 2011 through 2018 as identified in the chart below. Existing assessed valuations have continued to represent a slight increase. This increase could be attributable to the build out of Hunter’s Crossing subdivision and an increase in assessed values of current properties including new commercial growth over the past several years. The Sales Tax Revenue for Fiscal 2017 was slightly below budget and did not reflect the higher % increase the City had been experiencing in previous years. The City consistently shows an increase in sales tax revenue even when other areas of the state do not.

Fiscal Year	Ad Valorem Taxes	%	General Fund	%
	Certified Assessed Valuation	Change	Sales Tax Receipts	Change
2011	\$ 607,077,994	7.00%	\$ 2,722,333	4.26%
2012	\$ 627,256,816	3.32%	\$ 3,194,452	17.34%
2013	\$ 635,808,461	1.36%	\$ 3,322,116	3.99%
2014	\$ 670,721,248	5.49%	\$ 3,544,649	6.70%
2015	\$ 737,922,965	10.02%	\$ 4,016,828	13.3%
2016	\$ 782,928,050	6.09%	\$ 4,313,718	7.39%
2017	\$ 825,822,058	5.47%	\$ 4,437,843	2.87%
2018	\$ 863,072,067	4.51%	\$ 4,828,513	8.80%

### Long-term Financial Planning

The City Council approved a budget that held fund balance at 27% for Fiscal Year 2018. This is still above our 25% reserve required by the Financial Management Policy.

The overriding goal of the Financial Management Policy and Comprehensive Fund Balance Policy are to enable the City to achieve a long-term stable and positive financial condition while conducting its operations consistent with the Council-Manager form of government established in the City Charter. The scope of the policies spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, expenditure control, and debt management.

Recognizing that debt is usually a more expensive financing method, alternative financing sources 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. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases. 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.

### **Relevant Financial Policies**

The City of Bastrop, Texas has adopted a comprehensive set of financial policies. Annually or as needed, the City Council approves their financial policies and extensive review and revisions are provided to 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 2018, the City approved a revised Purchasing Policy with the intent to maintain a cost-effective purchasing system conforming to good management practices. The establishment and maintenance of a good purchasing system is possible only through cooperative effort. This Policy reaffirms the City of Bastrop's commitment to strengthen purchasing and property controls to reasonably assure that assets are received and retained in the custody of the City of Bastrop.

### **Major Initiatives**

There was one issuance of debt in FY2018. The Certificate of Obligation, Series 2018 in the amount of \$4,605,000 was issued on September 20, 2018. The proceeds from the sale of the Bonds will be used for the purpose of funding the first two years of a street maintenance program, matching grant funds for several drainage projects, improvements to the Old Iron Bridge, and improvements to the Main Street sidewalks and streets.

### **Awards and Acknowledgements**

The Governmental Finance Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2017. This was the sixth consecutive year that the City achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A certificate of achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Treasurers' Organization of Texas awarded the City with a Certification of Investment Policy for developing an investment policy that meets the requirements of the Public Funds Investment Act and the standards for prudent public investing established by the Government Treasurers' Organization of Texas. This certificate is for a two-year period ending September 30, 2018.

The State Comptroller of Public Accounts awarded the City the Traditional Finances Star and the Debt Obligations Star for transparency on the City's website. These certificates are valid for a period of one year.

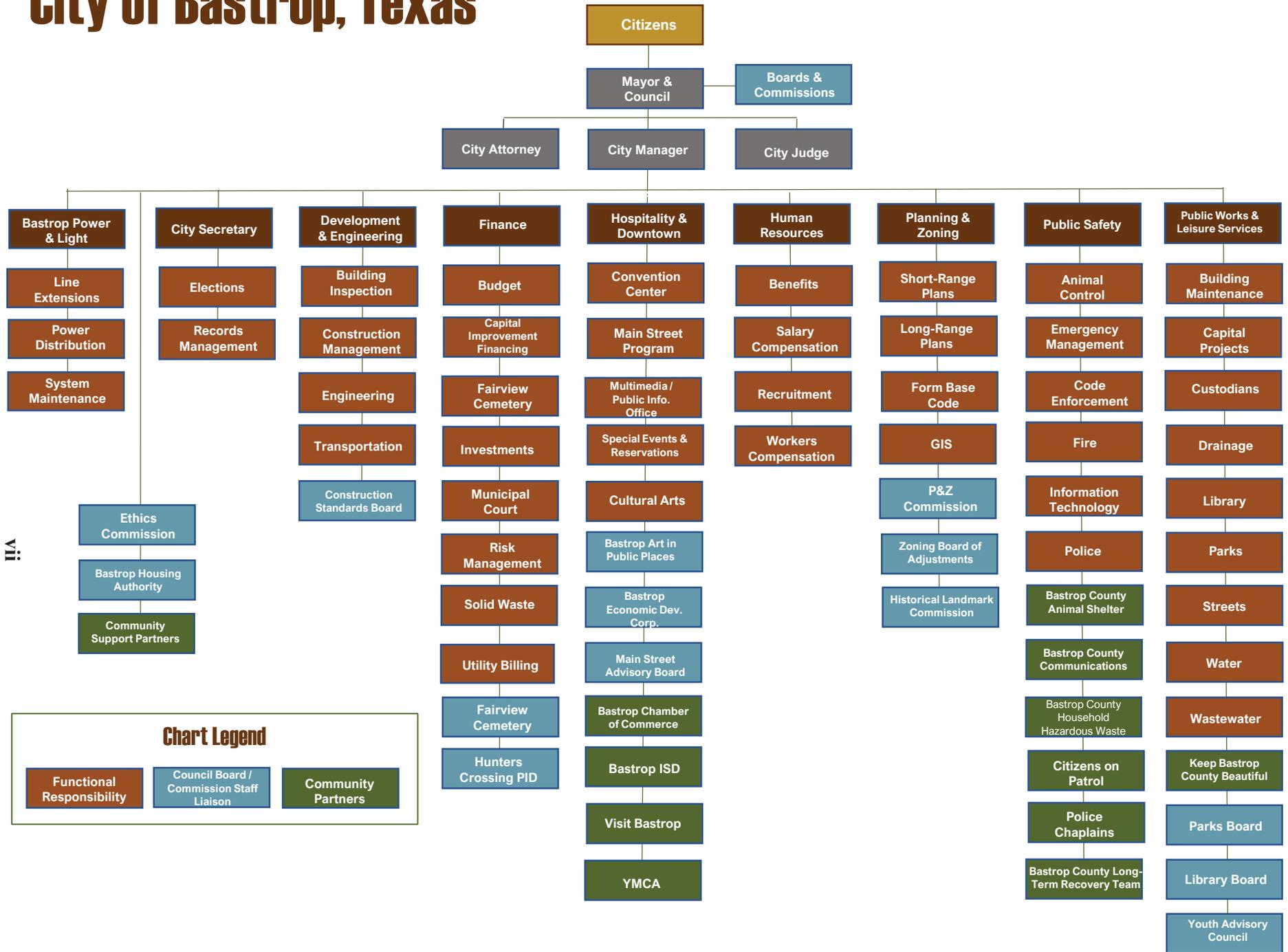
The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the City Manager, Mayor and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Bastrop, Texas's finances.

Respectfully submitted,

*Tracy Waldron*

Tracy Waldron  
Chief Financial Officer

# City of Bastrop, Texas



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## Chart Legend

Functional Responsibility

Council Board / Commission Staff Liaison

Community Partners

# **CITY OF BASTROP, TEXAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED  
SEPTEMBER 30, 2018

Prepared by the  
Finance Department

Tracy Waldron, Chief Financial Officer

<b>City Council</b>	<b>Expiration of Term</b>
Connie Schroeder, Mayor	May 2020
Lyle Nelson, Mayor Pro-Tem	May 2020
Drusilla Rogers, Council Member	May 2021
Willie Lewis "Bill" Peterson, Council Member	May 2019
Bill Ennis, Council Member	May 2021
Deborah Jones, Council Member	May 2019

**City Manager**  
Lynda Humble



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Bastrop  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO

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# **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor  
and City Council of the  
City of Bastrop, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements 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 Bastrop, Texas, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### *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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bastrop, Texas, as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in the notes to the financial statements, in fiscal year 2018 the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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, the budgetary comparison information, and pension and other post-employment benefit information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2019, on our consideration of the City of Bastrop, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bastrop, Texas' internal control over financial reporting and compliance.

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

Waco, Texas  
February 26, 2019

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**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

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## Management's Discussion and Analysis

As management of the City of Bastrop, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Bastrop for the fiscal year ended September 30, 2018. 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 in the introductory section of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City of Bastrop exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$56,634,076 (net position). Of this amount, \$36,581,588 (64.6%) is net investment in capital assets. The amount of net position restricted for a specific purpose is \$7,075,642 (12.5%). The remaining \$12,976,846 (22.9%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies. The City's total net position increased by \$3,392,387 from fiscal year 2017.
- The City's net pension liability and total OPEB liability at year end are \$2.4 million and \$900 thousand, respectively.
- As of the close of the current fiscal year, the City of Bastrop's governmental funds reported combined ending fund balances of \$15,066,965, an increase of \$4,839,098 in comparison with the prior year. Within this total, \$9,866,758 (65.5%) is restricted by specific legal requirements, \$3,523,967 (23.4%) is unassigned fund balance, and \$1,237,444 (8.2%) has been committed and assigned to specific types of expenditures.
- The unassigned portion of the General Fund fund balance at the end of the year was \$3,619,188. This includes the 25% of the General Fund expenditures which is required to be held in General Fund balance per the City Council approved Financial Management Policies. The remainder represents funds that may be utilized for unforeseen needs or emergencies which City Council allocates for a specific purpose.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Bastrop's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Bastrop’s finances in a manner similar to private-sector business. The statement of net position presents information on all of the City’s assets, liabilities and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position combines and consolidates governmental and business-type funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. In order to assess the overall health or financial condition of the City, other non-financial factors should also be taken into consideration. These include changes in the City’s property tax base and the condition of the City’s infrastructure (i.e., roads, drainage improvements, storm and sewer lines, etc.).

The statement of activities presents information showing how the government’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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the statement of net position and the statement of activities, the City is divided into three (3) categories.

- 1) Governmental activities account for those activities supported by taxes and intergovernmental revenues. Basic services are provided including police, fire, municipal court, public works, library, parks, recreation, human resources, Information Technology, and finance.
- 2) Business-type activities are supported by user fees and charges. The City’s Water and Wastewater system and electrical system are reported here.
- 3) The government-wide statements include not only the City but also a discrete component unit, the Bastrop Economic Development Corporation (BEDC). Although legally separate, BEDC is financially accountable to the City.

The government-wide financial statements can be found on pages 12 – 15 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 of Bastrop uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds utilized by state and local governments 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 evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Bastrop maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Debt Service Fund, the Hotel/motel Tax Fund and the Combination Revenue/Tax Bond, Series 2018 which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided in this report to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 – 21 of this report.

**Proprietary Funds.** Proprietary funds can be further classified into two different types of funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Bastrop uses enterprise funds to account for its water/wastewater utility, electric utility, and non-major enterprise fund operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Bastrop's various functions. The City of Bastrop intends to use its internal service fund to account for vehicle and equipment replacement. This fund has just been established and the minimal activity for the year has been included with the *governmental activities* in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 22 – 26.

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

The basic fiduciary fund financial statements can be found on page 27 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to 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 28 – 65 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Bastrop’s General and Hotel/Motel Tax Funds, Schedule of Revenues, Expenditures and Changes in Fund Balance with a comparative display of budget to actual. This required supplementary information can be found on page 66 – 68 of this report. Required supplementary information of pension and other post employee benefit funding progress are included on pages 69 – 72.

## Government-Wide Financial Analysis

At the end of fiscal year 2018, the City’s net position (assets and deferred outflows of resources in excess of liabilities and deferred inflows of resources) totaled \$56,634,076. This analysis focuses on the net position (Table 1) and changes in net position (Table 2). The largest portion of the City’s net position, \$36,581,588 (64.6%) reflects its investment in capital assets (land, buildings, infrastructure, machinery and equipment, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The second largest portion of the City’s net position, \$12,976,846 (22.9%) reflects the unrestricted net position which may be used to meet the government’s ongoing obligations to citizens and creditors. An additional portion of the City’s net position, \$7,075,642 (12.5%) represents resources that are subject to external restrictions on how they may be used.

As of September 30, 2018, the City has positive balances in all three 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 BASTROP’S NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 21,776,432	\$ 17,107,376	\$ 14,738,086	\$ 16,064,580	\$ 36,514,518	\$ 33,171,956
Capital assets	35,154,317	34,765,365	33,172,359	31,484,687	68,326,676	66,250,052
Total assets	<u>56,930,749</u>	<u>51,872,741</u>	<u>47,910,445</u>	<u>47,549,267</u>	<u>104,841,194</u>	<u>99,422,008</u>
Total deferred outflows of resources	<u>1,481,099</u>	<u>1,863,540</u>	<u>176,927</u>	<u>238,257</u>	<u>1,658,026</u>	<u>2,101,797</u>
Current liabilities	1,090,919	1,316,117	1,221,121	1,272,819	2,312,040	2,588,936
Long-term liabilities	28,459,382	25,831,818	18,578,900	19,784,485	47,038,282	45,616,303
Total liabilities	<u>29,550,301</u>	<u>27,147,935</u>	<u>19,800,021</u>	<u>21,057,304</u>	<u>49,350,322</u>	<u>48,205,239</u>
Total deferred inflows of resources	<u>359,126</u>	<u>13,548</u>	<u>155,696</u>	<u>63,329</u>	<u>514,822</u>	<u>76,877</u>
Net position:						
Net investment in capital assets	19,769,501	14,539,682	16,812,087	16,164,723	36,581,588	30,704,405
Restricted	4,343,291	7,742,134	2,732,351	2,016,705	7,075,642	9,758,839
Unrestricted	<u>4,389,629</u>	<u>4,292,982</u>	<u>8,587,217</u>	<u>8,485,463</u>	<u>12,976,846</u>	<u>12,778,445</u>
Total net position	<u>\$ 28,502,421</u>	<u>\$ 26,574,798</u>	<u>\$ 28,131,655</u>	<u>\$ 26,666,891</u>	<u>\$ 56,634,076</u>	<u>\$ 53,241,689</u>

**Governmental Activities:** Governmental activities net position increased by \$1,927,623, key elements are provided in the next page in Table 2. Program and general revenues for fiscal year 2018 are recorded at \$17,802,803 in comparison to \$16,123,258 in fiscal year 2017, recognizing a 10.4% increase. Total expenses for Governmental activities for fiscal year 2018 were \$16,737,616 in comparison to \$15,690,794 in fiscal year 2017 recognizing a 6.7% increase.

**Business-Type Activities:** Revenues of the City’s business-type activities were \$13,654,604 for the fiscal year ended September 30, 2018. Revenues increased approximately \$426,055 (3.22%) as compared to the prior fiscal year. Expenses for the City’s business-type activities increased \$502,224 (4.74%).

### CITY OF BASTROP’S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 2,064,461	\$ 1,636,155	\$ 13,024,175	\$ 12,932,639	\$ 15,088,636	\$ 14,568,794
Operating grants and contributions	150,396	237,019	-	12,032	150,396	249,051
Capital contributions	1,306,839	1,063,268	90,214	-	1,397,053	1,063,268
<b>General revenues:</b>						
Property taxes	5,758,745	5,374,085	-	-	5,758,745	5,374,085
Other taxes	8,122,470	7,581,855	-	-	8,122,470	7,581,855
Interest income	190,986	131,122	204,426	130,344	395,412	261,466
Other income	208,906	99,754	335,789	153,534	544,695	253,288
<b>Total revenues</b>	<b>17,802,803</b>	<b>16,123,258</b>	<b>13,654,604</b>	<b>13,228,549</b>	<b>31,457,407</b>	<b>29,351,807</b>
<b>Expenses:</b>						
General government	5,042,504	4,790,876	-	-	5,042,504	4,790,876
Public safety	3,995,531	4,169,672	-	-	3,995,531	4,169,672
Developmental services	919,670	692,326	-	-	919,670	692,326
Community services	2,015,727	1,880,293	-	-	2,015,727	1,880,293
Economic development	3,910,783	3,350,167	-	-	3,910,783	3,350,167
Interest on long-term d	853,401	807,460	-	-	853,401	807,460
Water/wastewater servi	-	-	4,747,676	4,487,471	4,747,676	4,487,471
Bastrop Power & Light	-	-	6,351,799	6,104,456	6,351,799	6,104,456
Other non-major	-	-	-	5,324	-	5,324
<b>Total expenses</b>	<b>16,737,616</b>	<b>15,690,794</b>	<b>11,099,475</b>	<b>10,597,251</b>	<b>27,837,091</b>	<b>26,288,045</b>
<b>Increases in net position</b>						
before transfers	1,065,187	432,464	2,555,129	2,631,298	3,620,316	3,063,762
Transfers	1,042,299	748,152	( 1,042,299)	( 748,152)	-	-
<b>Change in net position</b>	<b>2,107,486</b>	<b>1,180,616</b>	<b>1,512,830</b>	<b>1,883,146</b>	<b>3,620,316</b>	<b>3,063,762</b>
Net position, beginning	26,574,798	25,311,387	26,666,891	24,611,963	53,241,689	49,923,350
Prior period adjustment	( 179,863)	82,795	( 48,066)	171,782	( 227,929)	254,577
<b>Net position, ending</b>	<b>\$ 28,502,421</b>	<b>\$ 26,574,798</b>	<b>\$ 28,131,655</b>	<b>\$ 26,666,891</b>	<b>\$ 56,634,076</b>	<b>\$ 53,241,689</b>

## Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance. The analysis includes both governmental funds and proprietary funds.

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

The General Fund is the chief operating fund of the City of Bastrop. At the end of the current fiscal year, the fund balance was \$3,889,742. With the exception of a small amount of fund balance shown as non-spendable, the fund balance essentially includes only unassigned funds of \$3,619,188 and assigned funds of \$217,328. The Debt Service Fund had an increase of \$252,581 in fund balance, therefore at the end of the fiscal year the fund balance was \$315,398. These funds are specifically restricted for the payment of debt service. The Hotel/Motel Tax fund balance for the current year was \$2,446,392. This fund recognized a decrease from last year of \$182,650 due to an increase in economic development expenditures. Combination Revenue and Tax Bond, Series 2018 was issued in fiscal year 2018 and the resources and expenditures are reported in a major capital projects fund.

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

The net position of the water/wastewater fund at the end of the year amounted to \$19,414,989. The net position of the electric utility, Bastrop Power and Light fund at the end of the year amounted to \$7,268,610. Non-major enterprise funds amounted to \$1,448,056. Total proprietary funds net position for the year ended is \$28,131,655.

### General Fund Budgetary Highlights

For the FY 2018 budget, the City adopted a tax rate of \$0.5640 per \$100 assessed valuation. The FY 2018 General Fund budgeted revenue of \$9,912,819 represented a 35.8% increase over the previous year's budgeted amount. The FY 2018 budget was amended through the year to decrease the adopted budget to \$10,068,894. Taxes and penalties comprise the majority of the budgeted General Fund revenues, \$8,374,723 (83.2%). Intergovernmental revenue contributed \$98,427 (1.0%) and transfers from other funds represent \$816,711 (8.1%) of the total budgeted revenues for FY 2018. All three of these categories identify 92.3% of total budgeted revenues.

The adopted General Fund expenditure budget of \$11,100,030. Each year the City performs a mid-year review of the budget. If the City Manager determines that funds are available, certain amendments are proposed to the City Council for their review and approval. Expenditures were amended throughout the year with the majority occurring during mid-year reviews. These amendments increased General Fund appropriations by \$466,403 (4.2%) to \$11,566,433. The City approved several departmental budget capital requests in fiscal year 2018 to include park equipment and building improvement to the Library.

## Capital Assets and Debt Administration

**Capital Assets.** The City of Bastrop’s investment in total capital assets for its governmental and business-type activities as of September 30, 2018 amounts to \$68,326,676, (net of accumulated depreciation). Investment in capital assets related to governmental activities \$35,154,317 includes land, buildings and improvements, infrastructure, machinery and equipment, and construction in progress. The total increase in the City’s investment in capital assets for the current year was 3.1%.

### CITY OF BASTROP’S CAPITAL ASSETS (Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 4,865,264	\$ 5,098,868	\$ 1,541,613	\$ 1,541,613	\$ 6,406,877	\$ 6,640,481
Water rights	-	-	2,933,621	2,933,621	2,933,621	2,933,621
Construction in progress	24,875	399,424	2,423,448	2,068,345	2,448,323	2,467,769
Buildings and improvements	15,332,127	13,806,378	498,366	498,366	15,830,493	14,304,744
Infrastructure and systems	22,021,615	21,860,606	36,690,157	34,294,085	58,711,772	56,154,691
Machinery and equipment	7,678,472	6,771,413	2,721,641	2,767,509	10,400,113	9,538,922
Less: accumulated depreciation	( 14,768,036)	( 13,171,324)	( 13,636,487)	( 12,618,852)	( 28,404,523)	( 25,790,176)
Total capital assets	\$ <u>35,154,317</u>	\$ <u>34,765,365</u>	\$ <u>33,172,359</u>	\$ <u>31,484,687</u>	\$ <u>68,326,676</u>	\$ <u>66,250,052</u>

Additional information on the City of Bastrop’s capital assets can be found in Note III of the notes to the financial statements.

**Long-Term Debt.** During the fiscal year 2018, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2018 in the amount of \$4,605,000.

### CITY OF BASTROP’S OUTSTANDING DEBT AT YEAR-END

General Obligation Bonds, Certificates of Obligation, Revenue Bonds, and Other Long-term Payables

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 25,395,258	\$ 22,220,898	\$ 17,325,057	\$ 18,435,374	\$ 42,720,315	\$ 40,656,272
Notes payable	294,179	341,547	420,000	420,000	714,179	761,547
Compensated absences	219,587	223,099	58,044	64,499	277,631	287,598
Total	\$ <u>25,909,024</u>	\$ <u>22,785,544</u>	\$ <u>17,803,101</u>	\$ <u>18,919,873</u>	\$ <u>43,712,125</u>	\$ <u>41,705,417</u>

Additional information on the City of Bastrop’s long-term debt can be found in Note III of the notes to the financial statements.

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

The City experiences steady commercial growth as it is identified within Bastrop County as the county seat and its desirable location between Houston and Austin. The City's population is about 8,911 within the city limits; however, it is estimated the City's retail market services in excess of 198,000 visitors. Due to its healthy local economy, the City has maintained a credit rating of AA from S&P Global Ratings at our last bond issue in August 2018. The annual operating budget for fiscal year 2019 reflects a variety of community issues, planning initiatives, economic development opportunities, and street and drainage projects. The Council held budget and planning sessions to provide an opportunity for the City Council to pass along their input and guidance in developing the FY 2019 budget. The City adopted a fiscally responsible balance budget on September 25, 2018.

Total General Fund revenue for fiscal year 2019 is \$10,698,184. The fiscal year 2019 General Fund's major revenue source for the City is Sales Tax at a budgeted \$4,864,390. Ad Valorem Tax Revenue (property taxes) is a close second with an annual budget of \$3,533,514. The Sales Tax and Ad Valorem Taxes comprise 78% of the revenues received by the General Fund for operations. The General Fund (M&O) tax rate of \$0.3691/\$100 and the Debt Service Fund (I&S) tax rate of \$0.1949/\$100 combine to establish the City's overall property tax rate of \$0.564 per \$100. The City has maintained this constant tax rate for the fifth year in a row. The debt service payments for FY 2019 are \$1,927,235 or 34.56 percent of the overall tax rate necessary to generate funds to service the bonded indebtedness of the City of Bastrop. Property taxes of \$3,533,514 support the General Fund operations of the City, which represents 65.44 percent of the revenue collection. The FY2019 budget will provide for the 25% required fund balance at year-end as required by the Financial Management policy adopted by City Council.

Water and Wastewater Fund operations for FY 2019 has budgeted revenue of \$5,707,190, which expenses are budgeted at \$5,564,384. This budget is leaving the fund balance at 37%, well over the 35% required by the Financial Management policy adopted by City Council.

Electric Fund revenues consist of the sale of electricity to the City's customers within its service area, fees assessed for extension services, and pole attachment fee. Total budgeted expenses for the Electric Fund for the purchase of electricity and operations of the department is \$8,192,778.

The Comprehensive Plan that was adopted by City Council in FY 2017 was used to set budgetary priorities. The plan gives the City Council long range goals that will ensure progress towards improving the community and maintaining the quality of life Bastrop residents have come to expect. The City is committed to the delivery of excellent service today and we are prepared to effectively deliver the same service tomorrow.

## **Requests for Information**

This financial report is designed to provide a general overview of the City of Bastrop'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 Finance Department, P.O. Box 427, Bastrop, Texas 78602.

**BASIC  
FINANCIAL STATEMENTS**

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**CITY OF BASTROP, TEXAS**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bastrop EDC
<b>ASSETS</b>				
Cash and investments	\$ 15,660,717	\$ 9,331,194	\$ 24,991,911	\$ 5,889,856
Taxes receivable, net	1,046,374	-	1,046,374	388,361
Accounts receivable	520,774	1,006,703	1,527,477	-
Due from component unit	180,896	-	180,896	-
Due from other governments	1,020,372	-	1,020,372	-
Internal balances	( 144,914)	144,914	-	-
Inventories	18,920	372,875	391,795	-
Prepaid items	34,306	-	34,306	49,800
Cash and investments-restricted	-	3,522,400	3,522,400	-
Notes receivable	3,438,987	360,000	3,798,987	22,370
Capital assets, net:				
Non-depreciable	4,890,139	6,898,682	11,788,821	1,436,578
Depreciable	30,264,178	26,273,677	56,537,855	523,298
Total assets	<u>56,930,749</u>	<u>47,910,445</u>	<u>104,841,194</u>	<u>8,310,263</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	611,296	163,365	774,661	26,934
Total OPEB liability-TMRS supplement	15,419	4,121	19,540	679
Total OPEB liability-retiree health	19,251	9,441	28,692	1,702
Deferred loss on refunding	835,133	-	835,133	-
Total deferred outflows of resources	<u>1,481,099</u>	<u>176,927</u>	<u>1,658,026</u>	<u>29,315</u>
<b>LIABILITIES</b>				
Accounts payable	822,429	674,664	1,497,093	28,533
Accrued liabilities	236,385	131,628	368,013	24,684
Due to primary government	-	-	-	180,896
Retainage payable	-	42,197	42,197	-
Customer deposits	30,303	223,527	253,830	-
Unearned revenue	-	135,926	135,926	27,600
Other liabilities	1,802	13,179	14,981	-
Noncurrent liabilities:				
Due within one year:				
Long-term debt	1,884,372	1,093,106	2,977,478	316,038
Total OPEB liability-TMRS supplement	1,083	289	1,372	48
Total OPEB liability-retiree health	13,184	3,141	16,325	562
Due in more than one year:				
Long-term debt	24,024,652	16,709,995	40,734,647	4,558,475
Net pension liability	1,911,703	510,890	2,422,593	84,229
Total OPEB liability-TMRS supplement	215,351	57,551	272,902	9,488
Total OPEB liability-retiree health	409,037	203,928	612,965	36,768
Total liabilities	<u>29,550,301</u>	<u>19,800,021</u>	<u>49,350,322</u>	<u>5,267,321</u>

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

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**CITY OF BASTROP, TEXAS**  
**STATEMENT OF NET POSITION**  
**(Continued)**  
**SEPTEMBER 30, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bastrop EDC
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow related to pensions	337,346	90,534	427,880	14,877
Deferred inflows related to OPEB-retiree health	21,780	10,682	32,462	1,926
Deferred gain on refunding	-	54,480	54,480	-
Total deferred inflows of resources	<u>359,126</u>	<u>155,696</u>	<u>514,822</u>	<u>16,803</u>
<b>NET POSITION</b>				
Net investment in capital assets	19,769,501	16,812,087	36,581,588	599,876
Restricted for:				
Cemetery:				
Nonexpendable	385,570	-	385,570	-
Expendable	212,163	-	212,163	-
Public improvement district	104,040	-	104,040	-
Traffic safety	628,336	-	628,336	-
Culture and recreation	170,836	-	170,836	-
Economic development	2,446,392	-	2,446,392	73,644
PEG channels	63,132	-	63,132	-
Debt service	332,822	1,284,295	1,617,117	-
Capital improvements	-	1,448,056	1,448,056	-
Unrestricted	<u>4,389,629</u>	<u>8,587,217</u>	<u>12,976,846</u>	<u>2,381,934</u>
Total net position	<u>\$ 28,502,421</u>	<u>\$ 28,131,655</u>	<u>\$ 56,634,076</u>	<u>\$ 3,055,454</u>

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

**CITY OF BASTROP, TEXAS**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental activities:				
General government	\$ 5,042,504	\$ 1,676,873	\$ 83,902	\$ -
Public safety	3,995,531	95,706	-	-
Developmental services	919,670	-	-	-
Community services	2,015,727	125,125	66,494	-
Economic development services	3,910,783	166,757	-	1,306,839
Interest	853,401	-	-	-
Total governmental activities	<u>16,737,616</u>	<u>2,064,461</u>	<u>150,396</u>	<u>1,306,839</u>
Business-type activities:				
Water/wastewater	4,747,676	5,100,581	-	90,214
Bastrop power and light	6,351,799	7,171,253	-	-
Other	-	752,341	-	-
Total business-type activities	<u>11,099,475</u>	<u>13,024,175</u>	<u>-</u>	<u>90,214</u>
Total primary government	<u>27,837,091</u>	<u>15,088,636</u>	<u>150,396</u>	<u>1,397,053</u>
<b>Component Unit:</b>				
Bastrop Economic Development Corp.	<u>1,517,716</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total component unit	<u>\$ 1,517,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:  
 Property taxes  
 Sales taxes  
 Hotel/motel taxes  
 Franchise taxes  
 Investment earnings  
 Miscellaneous  
 Gain on sale of assets  
 Transfers  
 Total general revenues and transfers  
 Change in net position  
 Net position - beginning  
 Prior period adjustment  
 Net position - ending

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Bastrop EDC
\$( 3,281,729)	\$ -	\$( 3,281,729)	\$ -
( 3,899,825)	-	( 3,899,825)	-
( 919,670)	-	( 919,670)	-
( 1,824,108)	-	( 1,824,108)	-
( 2,437,187)	-	( 2,437,187)	-
( 853,401)	-	( 853,401)	-
<u>( 13,215,920)</u>	<u>-</u>	<u>( 13,215,920)</u>	<u>-</u>
-	443,119	443,119	-
-	819,454	819,454	-
<u>-</u>	<u>752,341</u>	<u>752,341</u>	<u>-</u>
<u>-</u>	<u>2,014,914</u>	<u>2,014,914</u>	<u>-</u>
<u>( 13,215,920)</u>	<u>2,014,914</u>	<u>( 11,201,006)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>( 1,517,716)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>( 1,517,716)</u>
5,758,745	-	5,758,745	-
4,815,099	-	4,815,099	2,413,866
2,844,403	-	2,844,403	-
462,968	-	462,968	-
190,986	204,426	395,412	77,664
159,287	335,789	495,076	133,367
49,619	-	49,619	-
<u>1,042,299</u>	<u>( 1,042,299)</u>	<u>-</u>	<u>-</u>
<u>15,323,406</u>	<u>( 502,084)</u>	<u>14,821,322</u>	<u>2,624,897</u>
<u>2,107,486</u>	<u>1,512,830</u>	<u>3,620,316</u>	<u>1,107,181</u>
26,574,798	26,666,891	53,241,689	1,989,207
<u>( 179,863)</u>	<u>( 48,066)</u>	<u>( 227,929)</u>	<u>( 40,934)</u>
<u>\$ 28,502,421</u>	<u>\$ 28,131,655</u>	<u>\$ 56,634,076</u>	<u>\$ 3,055,454</u>

**CITY OF BASTROP, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2018**

	General Fund	Debt Service Fund	Hotel/Motel Tax Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and investments	\$ 3,338,162	\$ 315,398	\$ 2,215,703
Taxes receivable, net	923,315	121,387	-
Accounts receivable, net	282,390	-	232,764
Due from other funds	328,680	-	-
Due from component unit	180,896	-	-
Due from other governments	747,180	-	-
Inventories	18,920	-	-
Prepaid items	34,306	-	-
Total assets	<u>5,853,849</u>	<u>436,785</u>	<u>2,448,467</u>
<b>LIABILITIES</b>			
Accounts payable	728,230	-	2,075
Accrued liabilities	123,422	-	-
Due to other funds	-	-	-
Other current liabilities	1,802	-	-
Customer deposits	4,800	-	-
Advances from other funds	144,914	-	-
Total liabilities	<u>1,003,168</u>	<u>-</u>	<u>2,075</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	894,886	121,387	-
Unavailable revenue - court fines	66,053	-	-
Total deferred inflows of resources	<u>960,939</u>	<u>121,387</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	18,920	-	-
Endowment	-	-	-
Prepaid items	34,306	-	-
Restricted for:			
Cemetery	-	-	-
Capital projects	-	-	-
Traffic safety	-	-	-
Culture and recreation	-	-	-
Economic development	-	-	2,446,392
PEG channels	-	-	-
Debt service	-	315,398	-
Committed for:			
Economic development	-	-	-
Arena	-	-	-
Assigned for:			
Park equipment	198,328	-	-
Library improvements	19,000	-	-
Unassigned	3,619,188	-	-
Total fund balances	<u>3,889,742</u>	<u>315,398</u>	<u>2,446,392</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,853,849</u>	<u>\$ 436,785</u>	<u>\$ 2,448,467</u>

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

Combination Revenue/ Tax Bond, 2018	Total Nonmajor Funds	Total Governmental Funds
\$ 4,705,988	\$ 3,988,308	\$ 14,563,559
-	1,672	1,046,374
-	5,620	520,774
-	-	328,680
-	-	180,896
-	273,192	1,020,372
-	-	18,920
-	-	34,306
<u>4,705,988</u>	<u>4,268,792</u>	<u>17,713,881</u>
-	92,124	822,429
-	9,000	132,422
-	328,680	328,680
-	-	1,802
-	25,503	30,303
-	-	144,914
<u>-</u>	<u>455,307</u>	<u>1,460,550</u>
-	104,040	1,120,313
-	-	66,053
<u>-</u>	<u>104,040</u>	<u>1,186,366</u>
-	-	18,920
-	385,570	385,570
-	-	34,306
-	212,163	212,163
4,705,988	1,324,513	6,030,501
-	628,336	628,336
-	170,836	170,836
-	-	2,446,392
-	63,132	63,132
-	-	315,398
-	912,785	912,785
-	107,331	107,331
-	-	198,328
-	-	19,000
-	( 95,221)	3,523,967
<u>4,705,988</u>	<u>3,709,445</u>	<u>15,066,965</u>
<u>\$ 4,705,988</u>	<u>\$ 4,268,792</u>	<u>\$ 17,713,881</u>

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## CITY OF BASTROP, TEXAS

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

SEPTEMBER 30, 2018

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

Total fund balances - governmental funds	\$ 15,066,965
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	34,133,135
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Long-term liabilities (net pension liability, compensated absences, and bonds) are not due and payable in the current period and therefore are not reported in the funds. Also, the premium on issuance of bonds and deferred resource outflows related to the net pension liability are not reported in the funds. A summary of these items are as follows:

Long-term liabilities:

Bonds payable	( 24,313,393)
Bond issuance premium	( 1,081,865)
Deferred loss on refunding	835,133
Notes payable	( 294,179)
Net pension liability	( 1,911,703)
Deferred resources related to pensions	273,950
Compensated absences	( 219,587)
Total OPEB liability	( 638,655)
Deferred resources related to OPEBs	12,890
Accrued interest payable	( 103,963)

The internal service fund will be used by management to charge the cost of vehicle and equipment replacement to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	2,118,340
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Uncollected property taxes and court fines are not available to pay for current period expenditures and are reported as deferred inflows in the funds.	1,186,366
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Long-term receivables related to economic development are not available to pay for current period expenditures and therefore are not reported in the funds.	<u>3,438,987</u>
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Net position of governmental activities	<u>\$ 28,502,421</u>
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**CITY OF BASTROP, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	General Fund	Debt Service Fund	Hotel/Motel Tax Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Property taxes	\$ 3,363,901	\$ 1,834,774	\$ -
Sales taxes	4,889,377	-	-
Hotel/motel taxes	-	-	2,844,403
Franchise taxes	440,077	-	-
Licenses and permits	752,253	-	-
Intergovernmental	97,747	-	-
Charges for services	555,631	-	-
Fines and forfeitures	289,002	-	-
Contributions and donations	2,061	243,600	-
Investments earnings	62,775	11,216	35,366
Miscellaneous	185,204	-	-
Total revenues	<u>10,638,028</u>	<u>2,089,590</u>	<u>2,879,769</u>
<b>EXPENDITURES</b>			
Current:			
General government	4,353,027	-	-
Public safety	3,833,393	-	-
Development services	901,494	-	-
Community services	1,709,468	-	-
Economic development	-	-	1,870,774
Debt service:			
Principal	-	1,550,274	-
Interest and other	-	802,101	-
Capital outlay	481,328	-	-
Total expenditures	<u>11,278,710</u>	<u>2,352,375</u>	<u>1,870,774</u>
Excess (deficiency) of revenue over expenditures	<u>( 640,682)</u>	<u>( 262,785)</u>	<u>1,008,995</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	816,662	515,366	-
Transfers out	( 37,500)	-	( 1,191,645)
Insurance recoveries	2,243	-	-
Issuance of bonds	-	-	-
Premium from bond issuance	-	-	-
Sale of general capital assets	376	-	-
Total other financing sources (uses)	<u>781,781</u>	<u>515,366</u>	<u>( 1,191,645)</u>
Net change in fund balance	<u>141,099</u>	<u>252,581</u>	<u>( 182,650)</u>
Fund balance - beginning	<u>3,748,643</u>	<u>62,817</u>	<u>2,629,042</u>
Fund balance - ending	<u>\$ 3,889,742</u>	<u>\$ 315,398</u>	<u>\$ 2,446,392</u>

<u>Combination Revenue/ Tax Bond, 2018</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 377,025	\$ 5,575,700
-	-	4,889,377
-	-	2,844,403
-	22,891	462,968
-	400	752,653
-	1,179,132	1,276,879
-	338,675	894,306
-	28,577	317,579
-	152,974	398,635
5,988	58,994	174,339
-	<u>20,592</u>	<u>205,796</u>
<u>5,988</u>	<u>2,179,260</u>	<u>17,792,635</u>
-	-	4,353,027
-	70,805	3,904,198
-	-	901,494
-	175,034	1,884,502
-	1,585,035	3,455,809
-	-	1,550,274
118,370	-	920,471
-	<u>1,253,478</u>	<u>1,734,806</u>
<u>118,370</u>	<u>3,084,352</u>	<u>18,704,581</u>
<u>( 112,382)</u>	<u>( 905,092)</u>	<u>( 911,946)</u>
-	836,706	2,168,734
-	( 34,790)	( 1,263,935)
-	25,256	27,499
4,605,000	-	4,605,000
213,370	-	213,370
-	-	<u>376</u>
<u>4,818,370</u>	<u>827,172</u>	<u>5,751,044</u>
<u>4,705,988</u>	<u>( 77,920)</u>	<u>4,839,098</u>
-	<u>3,787,365</u>	<u>10,227,867</u>
<u>\$ 4,705,988</u>	<u>\$ 3,709,445</u>	<u>\$ 15,066,965</u>

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**CITY OF BASTROP, 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, 2018**

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

Net change in fund balances - total governmental funds:	\$ 4,283,467
<p>Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.</p>	
Capital outlay	1,786,985
Depreciation expense	( 1,499,442)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>	
	( 256,290)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Debt issued or incurred:	
Bonds	( 4,605,000)
Premium on bonds	( 213,370)
Repayment of principal of long-term debt	1,550,274
Amortization of deferred loss on bond refunding	( 79,334)
Amortization of premium on bond issuance	141,104
<p>Certain pension and OPEB expenditures are not expended in the government-wide financial statements and recorded as deferred resource outflows. This item relates to contributions made after the measurement date. Additionally, a portion of the City's unrecognized deferred resource outflows and inflows related to the pension and OPEB liability were amortized.</p>	
	27,094
<p>Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	3,512
<p>The internal service fund will be used by management to charge the cost of vehicle and equipment replacement to individual funds. The net revenue of the internal service funds is reported within the governmental activities.</p>	
	471,866
<p>Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.</p>	
	5,300
<p>Amounts collected in the current year for notes receivable.</p>	
	( 164,865)
<p>Revenues from property taxes and court fines are not available to pay for current period expenditures, and therefore, are not reported in the funds.</p>	
	<u>100,554</u>
Change in net position - statement of activities	<u>\$ 1,551,855</u>

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

**CITY OF BASTROP, TEXAS**

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

**SEPTEMBER 30, 2018**

	Business-Type Activities				Governmental
	Bastrop		Total	Total	Internal
	Water/ Wastewater Fund	Power & Light Fund	Non-major Enterprise Funds	Enterprise Funds	Service Fund
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 4,918,843	\$ 4,412,351	\$ -	\$ 9,331,194	\$ 1,097,158
Accounts receivable, net	431,821	574,882	-	1,006,703	-
Inventories	189,937	182,938	-	372,875	-
Cash and cash equivalents-restricted	<u>1,867,822</u>	<u>194,072</u>	<u>1,460,506</u>	<u>3,522,400</u>	<u>-</u>
Total current assets	<u>7,408,423</u>	<u>5,364,243</u>	<u>1,460,506</u>	<u>14,233,172</u>	<u>1,097,158</u>
Noncurrent assets:					
Advances to other funds	-	144,914	-	144,914	-
Note receivable	360,000	-	-	360,000	-
Capital assets, net:					
Non-depreciable	6,786,656	112,026	-	6,898,682	-
Depreciable	<u>21,761,425</u>	<u>4,512,252</u>	<u>-</u>	<u>26,273,677</u>	<u>1,021,182</u>
Total noncurrent assets	<u>28,908,081</u>	<u>4,769,192</u>	<u>-</u>	<u>33,677,273</u>	<u>1,021,182</u>
Total assets	<u>36,316,504</u>	<u>10,133,435</u>	<u>1,460,506</u>	<u>47,910,445</u>	<u>2,118,340</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	98,516	64,849	-	163,365	-
Deferred outflows related to OPEB-TMRS supplement	2,485	1,636	-	4,121	-
Deferred outflows related to OPEB-retiree health	<u>5,917</u>	<u>3,524</u>	<u>-</u>	<u>9,441</u>	<u>-</u>
Total deferred outflows of resources	<u>106,918</u>	<u>70,009</u>	<u>-</u>	<u>176,927</u>	<u>-</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	264,366	397,848	12,450	674,664	-
Accrued liabilities	103,344	28,284	-	131,628	-
Retainage payable	42,197	-	-	42,197	-
Customer deposits	61,992	161,535	-	223,527	-
Unearned revenue	-	135,926	-	135,926	-
Other current liabilities	160	13,019	-	13,179	-
Compensated absences	5,241	6,368	-	11,609	-
Bonds and notes payable	979,452	102,045	-	1,081,497	-
Total OPEB liability-TMRS supplement	174	115	-	289	-
Total OPEB liability-retiree health	<u>1,873</u>	<u>1,268</u>	<u>-</u>	<u>3,141</u>	<u>-</u>
Total current liabilities	<u>1,458,799</u>	<u>846,408</u>	<u>12,450</u>	<u>2,317,657</u>	<u>-</u>

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

**CITY OF BASTROP, TEXAS**

**STATEMENT OF NET POSITION  
(CONTINUED)  
PROPRIETARY FUNDS**

**SEPTEMBER 30, 2018**

	Business-Type Activities			Governmental	
	Bastrop		Total	Activities	
	Water/ Wastewater Fund	Power & Light Fund	Non-major Enterprise Funds	Total Enterprise Funds	
				Internal Service Fund	
<b>LIABILITIES (continued)</b>					
Noncurrent liabilities:					
Compensated absences	\$ 20,963	\$ 25,472	\$ -	\$ 46,435	\$ -
Bonds and notes payable	14,942,081	1,721,479	-	16,663,560	-
Net pension liability	308,088	202,802	-	510,890	-
Total OPEB liability-TMRS supplement	34,706	22,845	-	57,551	-
Total OPEB liability-retiree health	127,906	76,022	-	203,928	-
Total noncurrent liabilities	15,433,744	2,048,620	-	17,482,364	-
Total liabilities	16,892,543	2,895,028	12,450	19,800,021	-
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	54,715	35,819	-	90,534	-
Deferred inflows related to OPEB-retiree health	6,695	3,987	-	10,682	-
Deferred gain on bond refunding	54,480	-	-	54,480	-
Total deferred inflows of resources	115,890	39,806	-	155,696	-
<b>NET POSITION</b>					
Net investment in capital assets	13,672,347	3,139,740	-	16,812,087	1,021,182
Restricted for:					
Debt service	1,284,295	-	-	1,284,295	-
Capital improvements	-	-	1,448,056	1,448,056	-
Unrestricted	4,458,347	4,128,870	-	8,587,217	1,097,158
Total net position	\$ 19,414,989	\$ 7,268,610	\$ 1,448,056	\$ 28,131,655	\$ 2,118,340

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**CITY OF BASTROP, TEXAS**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Business-Type Activities				Governmental
	Water/ Wastewater Fund	Bastrop Power & Light Fund	Total Non-major Enterprise Funds	Total Enterprise Funds	Activities
					Internal Service Fund
Operating revenues:					
Charges for services	\$ 5,100,581	\$ 7,171,253	\$ 752,341	\$ 13,024,175	\$ 403,871
Miscellaneous	15,228	320,561	-	335,789	-
Total operating revenues	<u>5,115,809</u>	<u>7,491,814</u>	<u>752,341</u>	<u>13,359,964</u>	<u>403,871</u>
Operating expenses:					
Personnel services	1,109,554	692,214	-	1,801,768	-
Supplies and maintenance	2,020,331	561,199	-	2,581,530	-
Services and other	263,968	4,842,176	-	5,106,144	-
Deprecation	860,569	202,934	-	1,063,503	127,182
Total operating expenses	<u>4,254,422</u>	<u>6,298,523</u>	<u>-</u>	<u>10,552,945</u>	<u>127,182</u>
Operating income (loss)	<u>861,387</u>	<u>1,193,291</u>	<u>752,341</u>	<u>2,807,019</u>	<u>276,689</u>
Nonoperating revenues (expenses):					
Investment earnings	109,107	67,533	27,786	204,426	16,647
Gain on disposal of capital assets	-	-	-	-	41,030
Interest expense	( 493,254)	( 53,276)	-	( 546,530)	-
Total nonoperating revenues (expenses)	<u>( 384,147)</u>	<u>14,257</u>	<u>27,786</u>	<u>( 342,104)</u>	<u>57,677</u>
Income before contributions and transfers	<u>477,240</u>	<u>1,207,548</u>	<u>780,127</u>	<u>2,464,915</u>	<u>334,366</u>
Capital contributions	90,214	-	-	90,214	-
Transfers in	917,290	-	-	917,290	137,500
Transfers out	-	( 1,066,950)	( 892,639)	( 1,959,589)	-
Change in net position	<u>1,484,744</u>	<u>140,598</u>	<u>( 112,512)</u>	<u>1,512,830</u>	<u>471,866</u>
Net position- beginning	17,959,231	7,147,092	1,560,568	26,666,891	1,646,474
Prior period adjustment	( 28,986)	( 19,080)	-	( 48,066)	-
Net position- ending	<u>\$ 19,414,989</u>	<u>\$ 7,268,610</u>	<u>\$ 1,448,056</u>	<u>\$ 28,131,655</u>	<u>\$ 2,118,340</u>

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

**CITY OF BASTROP, TEXAS**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Business-Type Activities			Governmental Activities	
	Water/ Wastewater Fund	Bastrop Power & Light Fund	Total Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 5,129,129	\$ 7,695,583	\$ 1,219,516	\$ 14,044,228	\$ -
Receipts from interfund charges	-	-	-	-	403,871
Payments to suppliers and service providers	( 2,431,725)	( 5,599,927)	-	( 8,031,652)	-
Payments to employees for salaries and benefits	( 1,107,182)	( 676,590)	-	( 1,783,772)	-
Net cash provided by operating activities	<u>1,590,222</u>	<u>1,419,066</u>	<u>1,219,516</u>	<u>4,228,804</u>	<u>403,871</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash received from other governments	-	12,032	-	12,032	-
Transfers in from other funds	917,290	-	-	917,290	137,500
Transfers out to other funds	-	( 1,066,950)	( 880,189)	( 1,947,139)	-
Net cash provided (used) by noncapital noncapital financing activities	<u>917,290</u>	<u>( 1,054,918)</u>	<u>( 880,189)</u>	<u>( 1,017,817)</u>	<u>137,500</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	( 2,369,819)	( 209,625)	-	( 2,579,444)	( 484,881)
Proceeds from disposal of capital assets	-	-	-	-	41,030
Payments on long-term debt	( 971,787)	( 97,940)	-	( 1,069,727)	-
Interest paid on capital debt	( 531,778)	( 60,790)	-	( 592,568)	-
Net cash used by capital and related financing activities	<u>( 3,873,384)</u>	<u>( 368,355)</u>	<u>-</u>	<u>( 4,241,739)</u>	<u>( 443,851)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	<u>109,107</u>	<u>67,533</u>	<u>27,786</u>	<u>204,426</u>	<u>16,647</u>
Net cash provided by investing activities	<u>109,107</u>	<u>67,533</u>	<u>27,786</u>	<u>204,426</u>	<u>16,647</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>( 1,256,765)</u>	<u>63,326</u>	<u>367,113</u>	<u>( 826,326)</u>	<u>114,167</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>8,043,430</u>	<u>4,543,097</u>	<u>1,093,393</u>	<u>13,679,920</u>	<u>982,991</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 6,786,665</u>	<u>\$ 4,606,423</u>	<u>\$ 1,460,506</u>	<u>\$ 12,853,594</u>	<u>\$ 1,097,158</u>

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

**CITY OF BASTROP, TEXAS**

**STATEMENT OF CASH FLOWS  
(CONTINUED)  
PROPRIETARY FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Business-Type Activities				Governmental
	Water/ Wastewater Fund	Bastrop	Total	Total Enterprise Funds	Activities
		Power & Light Fund	Non-major Enterprise Funds		Internal Service Fund
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income	\$ 861,387	\$ 1,193,291	\$ 752,341	\$ 2,807,019	\$ 276,689
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	860,569	202,934	-	1,063,503	127,182
(Increase) decrease in accounts receivable	8,105	48,463	467,175	523,743	-
(Increase) decrease in inventories	23,839	24,943	-	48,782	-
(Increase) decrease in prepaid items	525	-	-	525	-
(Increase) decrease in deferred outflows-pensions	49,455	25,437	-	74,892	-
(Increase) decrease in deferred outflows-OPEB	( 8,402)	( 5,160)	-	( 13,562)	-
Increase (decrease) in accounts payable	( 171,790)	( 77,610)	-	( 249,400)	-
Increase (decrease) in accrued liabilities	3,775	( 145,475)	-	( 141,700)	-
Increase (decrease) in unearned revenue	-	135,926	-	135,926	-
Increase (decrease) in customer deposits	5,215	19,380	-	24,595	-
Increase (decrease) in deferred inflows-pension	52,603	34,530	-	87,133	-
Increase (decrease) in deferred inflows-OPEB	6,695	3,987	-	10,682	-
Increase (decrease) in OPEB obligation	21,606	13,974	-	35,580	-
Increase (decrease) in net pension liability	( 115,440)	( 57,019)	-	( 172,459)	-
Increase (decrease) in compensated absences	( 7,920)	1,465	-	( 6,455)	-
Net cash provided by operating activities	\$ <u>1,590,222</u>	\$ <u>1,419,066</u>	\$ <u>1,219,516</u>	\$ <u>4,228,804</u>	\$ <u>403,871</u>

**SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES**

Contributions of capital assets	\$ 89,629	\$ -	\$ -	\$ 89,629	\$ -
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**CITY OF BASTROP, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2018**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 349,227
Total assets	<u>\$ 349,227</u>
<b>LIABILITIES</b>	
Due to others	\$ 349,227
Total liabilities	<u>\$ 349,227</u>

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

# CITY OF BASTROP, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Description of Government-wide Financial Statements

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

#### B. Reporting Entity

The City of Bastrop, Texas (the City) was incorporated under the provisions of the State of Texas. The City operates as a Council-Manager government. With few exceptions, all powers of the city are vested in an elective Council, which enacts legislation, adopts budgets, determines policies, and appoints the City Attorney and the Municipal Court Judge. The Council also appoints the City Manager, who executes the laws and administers the government of the City. The City provides the following services to its citizens: public safety, street maintenance, sanitation services, recreation programs, municipal court, community development, public improvements, water, sewer and electrical services, and general administrative services.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

**Blended component unit.** The Hunters Crossing Local Government Corporation (hereafter “the corporation”) was established to administer the service plan of the Hunters Crossing Public Improvement District (hereafter “the PID”). The PID was established on September 11, 2001 by resolution of the Bastrop 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’s 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 entity is reported as a blended component unit of the City. Separate financial statements for Hunter’s Crossing Local Government Corporation can be obtained from the City of Bastrop Finance Department.

**Discretely presented component unit.** The Bastrop Economic Development Corporation (hereafter “Bastrop EDC”) was established in 1995, after the citizens of Bastrop voted to pass a one-half cent sales tax dedicated to economic development. Bastrop’s EDC’s primary purpose is to assist in bringing meaningful and rewarding employment opportunities to citizens in the area through funding assistance provided to businesses to relocate or expand in Bastrop. A separate governing board oversees Bastrop EDC, which is appointed by the Bastrop City Council, and consists of individuals from the community and related governmental entities in the area. City of Bastrop employees also manage the operations of Bastrop EDC. Bastrop EDC has been reported as a discretely presented component unit because the governing board is not identical to the governing body of the City, Bastrop EDC does not solely serve the City of Bastrop, and the City of Bastrop has the ability to impose its will on Bastrop EDC. Separate financial statements for Bastrop EDC can be obtained from the City of Bastrop Finance Department.

### **C. Basis of Presentation - Government-wide Financial Statements**

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

As discussed earlier, the City has a discretely presented component unit. Bastrop EDC 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; however, interfund services that are provided and used are not eliminated. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

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

The fund financial statements provide information about the City's funds, including its fiduciary fund and blended component unit. Separate financial statements for each fund category – governmental, proprietary and fiduciary – 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 City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It is utilized to account for all financial resources, except those required to be accounted for in other funds.

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

The **Hotel/Motel Fund** is used to account for the receipt and expenditure of funds received by the City from the assessment of hotel and motel occupancy tax.

The **Combination Revenue/Tax Bond, Series 2018 Fund** is used to account for the receipt of bond funds in relation to this specific bond issue and application of the funds in accordance with stated requirements.

The City reports the following major enterprise funds:

The **Water/Wastewater Fund** is utilized to account for the financial activities related to the provision of water and wastewater services to residents of the government.

The **Bastrop Power & Light Fund** is utilized to account for the financial activities related to the provision of electricity services to residents of the government.

Additionally, the City reports the following fund types:

The **Internal Service Fund** has been established by the City to account for activities related to vehicle and equipment replacement services provided to other departments within the City on a cost-reimbursement basis.

The **Agency Fund** accounts for the receipt, temporary investment, and remittance of funds held in a fiduciary capacity for others.

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as 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 in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

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

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

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

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

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

Proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has not measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

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

### **Cash, Cash Equivalents, and Investments**

The City maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end.

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

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Obligations of the United States or its agencies and instruments;
- Obligations of State of Texas or its agencies and instrumentalities; and
- Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities.

### **Fairview Cemetery Permanent Fund**

The City is permanent trustee for the perpetual care trust fund that is used to support the maintenance, repair and care of all places in the cemetery. Net appreciation on investments can be spent for this purpose as authorized by the Council. The City classifies the amount that can be authorized for expenditure by the Council as restricted expendable net position, and the policy for authorizing and spending investment income is the total-return policy.

### Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and utility operations minor equipment and repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

### Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and utility systems), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year.

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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

<u>Assets</u>	<u>Years</u>
Buildings	20 - 30
Machinery and equipment	5 - 20
Vehicles	5 - 10
Improvements	10 - 20
Infrastructure	50
Water distribution	50

## Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in 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.

## Other Post-Employment Benefits.

*Supplemental Death Benefit.* For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, City specific information about its total TMRS SDBF liability and additions to/deductions from the City's total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

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

## Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred losses on bond refunding – A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions related to the pension and OPEB plans – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in expected and actual pension and experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. These separate financial statements element, deferred inflows or resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category.

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual pension and OPEB experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Deferred gains on bond refunding – A deferred gain 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.
- The governmental funds report unavailable revenues from three sources: property taxes, municipal court fines and notes receivable. These amounts are reported as deferred inflows of resources and are recognized as an inflow of resources in the period that the amounts become available.

#### Net Position Assumption

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

## Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) 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 as flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned fund balance.

## Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council has by ordinance authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

## **G. Revenues and Expenditures/Expenses**

### 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.

## Property Taxes

The City levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll on January 1, 2017, upon which the levy for the current fiscal year was based, was \$863,072,067. Taxes are delinquent if not paid by February 1<sup>st</sup> of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the current fiscal year, to finance general fund and debt service fund operations were \$.3643 and \$.1997, respectively, for a total tax rate of \$.564 per \$100 valuation. The total tax levy for the General Fund and Debt Service Fund for the current fiscal year was \$5,117,211.

## Compensated Absences

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

*Sick Leave.* Accumulated sick leave lapses when employees leave the employment of the government and, upon separation from service, no obligation exists.

## Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water/Wastewater and Bastrop Power and Light funds are charges to customers for sales and services. The Water/Wastewater Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds 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.

## Use of Estimates

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

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

As of September 30, 2018, the Hunter's Crossing Permanent Improvement Development Fund has a deficit fund balance of \$95,221. The deficit fund balance is expected to be funded with future property tax revenues.

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

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

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

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

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

Obligations of the United States of America, its agencies and instrumentalities;

Certificates of deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the law of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit insurance or its successor or secured by obligations in a manner and amount provided by law for deposits for the City.

Money market mutual funds that are 1) registered and regulated by the Securities and Exchange commission, 2) have a dollar weighted average stated maturity of 90 days or less, 4) rated AAA by at least one nationally recognized rating service, and 4) seek to maintain a net position value of \$1 per share;

Local government investment pools, which 1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and 3) are authorized by resolution or ordinance by the Council.

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

The Texas Term Local Government Investment (“TexasTerm”) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexasTerm was created in 1981 by contract among its participating governmental units and is governed by a board of directors. PFM Fund Distributors and PFM Asset Management (PFM) act as co-administrators, providing investment management services, participant services, and marketing, respectively. PFM provides custodial, transfer agency, fund accounting, and depository services.

The Cooperative Liquid Assets Securities System – Texas (“CLASS”) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Chapter 2256, Texas Government Code. CLASS is created under an Amended and Restated Trust Agreement, dated as of May 1, 2001 (the “Agreement”) among certain Texas governmental entities investing in the pool (the “Participants”), Municipal Investors Services Corporation (“MBIA-MISC”) as program administrator, and Wells Fargo as custodian. CLASS is not SEC-registered and is not subject to regulation by the State of Texas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the “Board”), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with MBIA-MISC to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained by contacting MBIA Asset Management at 815-A Brazos Street, Suite 345, Austin, Texas 78701-9996 or by calling (800) 707-6242.

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

The City categorizes its fair value measurements within a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

As of September 30, 2018, the City had the following investments measured at fair value or net asset value per share:

	Reported Value	Fair Value Measurement Using	% of Total	Weighted Average Maturity (Days)	Rating
<b>Primary government</b>					
Local Government Investment Pools:					
TexPool	\$ 1,816,543	N/A	5.46%	28	AAAm
Texas CLASS	5,011,630	N/A	15.05%	78	AAAm
Texas Term	6,559,087	N/A	19.70%	87	AAAm
Total investment pools	<u>13,387,260</u>				
Brokered certificates of deposit (1)	11,279,575	Level 2	33.88%	3	AA+
US Government Bonds (2)	3,484,410	Level 2	10.46%	20	AA+
	<u>14,763,985</u>				
Total primary government	<u>28,151,245</u>				
<b>Component unit</b>					
Local Government Investment Pools:					
TexPool	3,138,186	N/A	9.42%	28	AAAm
Texas CLASS	2,007,978	N/A	6.03%	78	AAAm
Total investment pools	<u>5,146,164</u>				
Total component unit	<u>5,146,164</u>				
Total reporting entity	<u>\$ 33,297,409</u>				

The following pricing models were used to value securities:

- (1) Present value of expected future cash flow model.
- (2) Option-adjusted discounted cash flow model or documented trade history in exact security.

In compliance with the Public Funds Investments Act, the City has adopted a deposit and investment policy. That policy addresses the following risks.

*Interest Rate Risk* – Investments are exposed to interest rate risk if changes in market interest rates will adversely affect the fair value of an investment. The City’s policy is to invest in securities maturing less than two years from the date of purchase, and the portfolio will have a weighted average maturity of 365 days or less. The City’s investments included investment pools and, therefore, were not exposed to interest rate risk as of year-end.

*Credit Risk* – State statute requires that investments in Local Government Investment Pools be rated AAA or the equivalent by a nationally recognized credit rating agency. The investment pools and US Government Bonds were rated by Standards & Poor’s.

*Custodial Credit Risk* – 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. State statutes require that all deposits in financial institutions be 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 fair value of not less than the principal amount of deposits. At year-end, the City’s entire deposit balance was collateralized with securities held by the pledging financial institution or covered by FDIC insurance.

As of year-end, the City held restricted cash and investments for the following purposes.

Business-type activities:	
Community impact fees	\$ 1,372,088
Accelerated recovery fee	88,418
Capital improvements-bond funds	527,591
XS Ranch well mitigation	250,008
Debt service	<u>1,284,295</u>
	<u>\$ 3,522,400</u>

**B. Receivables**

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

	General Fund	Debt Service Fund	Hotel/Motel Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:					
Property taxes	\$ 158,243	\$ 127,775	\$ -	\$ 1,760	\$ 287,778
Sales tax	772,984	-	-	-	772,984
Franchise taxes	55,510	-	-	-	55,510
Hotel/Motel taxes	-	-	232,764	-	232,764
Accounts receivable	160,826	-	-	5,620	166,446
Court fines and fees	<u>660,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>660,535</u>
Gross receivables	1,808,098	127,775	232,764	7,380	2,176,017
Less: allowance for uncollectibles	<u>( 602,393)</u>	<u>( 6,388)</u>	<u>-</u>	<u>( 88)</u>	<u>( 608,869)</u>
Net receivables	<u>\$ 1,205,705</u>	<u>\$ 121,387</u>	<u>\$ 232,764</u>	<u>\$ 7,292</u>	<u>\$ 1,567,148</u>

Revenues of the Water/Wastewater and Bastrop Power and Light Funds, enterprise funds, are reported net of uncollectible amounts. The uncollectible amounts related to the Water/Wastewater and Bastrop Power and Light Funds are \$5,064 and \$19,922, respectively.

### C. Capital Assets

Capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,098,868	\$ 3,400	\$( 237,004)	\$ 4,865,264
Construction in progress	<u>399,424</u>	<u>24,876</u>	<u>( 399,425)</u>	<u>24,875</u>
Total assets not being depreciated	<u>5,498,292</u>	<u>28,276</u>	<u>( 636,429)</u>	<u>4,890,139</u>
Capital assets, being depreciated:				
Buildings and improvements	13,806,378	1,525,749	-	15,332,127
Machinery, equipment, vehicles	6,771,413	956,257	( 49,198)	7,678,472
Infrastructure	<u>21,860,606</u>	<u>161,009</u>	<u>-</u>	<u>22,021,615</u>
Total capital assets being depreciated	<u>42,438,397</u>	<u>2,643,015</u>	<u>( 49,198)</u>	<u>45,032,214</u>
Less accumulated depreciation:				
Buildings and improvements	( 3,810,195)	( 326,091)	-	( 4,136,286)
Machinery, equipment, vehicles	( 4,118,642)	( 626,491)	29,372	( 4,715,761)
Infrastructure	<u>( 5,242,487)</u>	<u>( 673,502)</u>	<u>-</u>	<u>( 5,915,989)</u>
Total accumulated depreciation	<u>( 13,171,324)</u>	<u>( 1,626,084)</u>	<u>29,372</u>	<u>( 14,768,036)</u>
Total capital assets being depreciated, net	<u>29,267,073</u>	<u>1,016,931</u>	<u>( 19,826)</u>	<u>30,264,178</u>
Governmental activities capital assets, net	<u>\$ 34,765,365</u>	<u>\$ 1,045,207</u>	<u>\$( 656,255)</u>	<u>\$ 35,154,317</u>

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

Governmental activities:	
General government	\$ 892,411
Public safety	229,125
Development services	18,902
Community services	140,061
Economic development	218,943
Capital assets held by the City's internal service fund are charged to the various functions based on their usage of the assets.	<u>126,642</u>
Total depreciation expense - governmental activities	<u>\$ 1,626,084</u>

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,541,613	\$ -	\$ -	\$ 1,541,613
Water rights	2,933,621	-	-	2,933,621
Construction in progress	<u>2,068,345</u>	<u>370,703</u>	<u>( 15,600)</u>	<u>2,423,448</u>
Total assets not being depreciated	<u>6,543,579</u>	<u>370,703</u>	<u>( 15,600)</u>	<u>6,898,682</u>
Capital assets, being depreciated:				
Buildings and improvements	498,366	-	-	498,366
Machinery, equipment and vehicles	2,767,509	-	( 45,868)	2,721,641
Infrastructure	<u>34,294,085</u>	<u>2,396,072</u>	<u>-</u>	<u>36,690,157</u>
Total capital assets being depreciated	<u>37,559,960</u>	<u>2,396,072</u>	<u>( 45,868)</u>	<u>39,910,164</u>
Less accumulated depreciation:				
Buildings and improvements	( 186,927)	( 21,248)	-	( 208,175)
Machinery, equipment and vehicles	( 1,704,969)	( 209,857)	45,868	( 1,868,958)
Infrastructure	<u>( 10,726,956)</u>	<u>( 832,398)</u>	<u>-</u>	<u>( 11,559,354)</u>
Total accumulated depreciation	<u>( 12,618,852)</u>	<u>( 1,063,503)</u>	<u>45,868</u>	<u>( 13,636,487)</u>
Total capital assets being depreciated, net	<u>24,941,108</u>	<u>1,332,569</u>	<u>-</u>	<u>26,273,677</u>
Business-type activities capital assets, net	<u>\$ 31,484,687</u>	<u>\$ 1,703,272</u>	<u>\$ ( 15,600)</u>	<u>\$ 33,172,359</u>

#### **D. Defined Benefit Pension Plan**

**Plan Descriptions.** The City participates as one of 883 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 agency 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 Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tMrs.org](http://www.tMrs.org).

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

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment

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.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee's accumulated contributions.

Beginning in 2004, the City granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 2004, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate	6%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	25 years to any age, 5 years at age 60 and above
Updated Service Credit	100% repeating
Annuity increase to retirees	70% of CPI repeating

***Employees covered by benefit terms***

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	52
Inactive employees entitled to but not yet receiving benefits	52
Active employees	<u>127</u>
	<u><u>231</u></u>

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

Employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 11.57% and 11.36% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018, were \$811,103, and were equal to the required contributions.

**Net Pension Liability.** The City's Net Pension Liability (NPL) was measured as of December 31, 2017, 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, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality 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.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. 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 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
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 expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

### ***Changes in the Net Pension Liability***

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2016	\$ 17,043,475	\$ 13,750,145	\$ 3,293,330
Changes for the year:			
Service cost	949,690	-	949,690
Interest	1,162,037	-	1,162,037
Difference between expected and actual experience	151,268	-	151,268
Contributions - employer	-	759,882	( 759,882)
Contributions - employee	-	394,062	( 394,062)
Net investment income	-	1,905,936	( 1,905,936)
Benefit payments, including refunds of employee contributions	( 605,903)	( 605,903)	-
Administrative expense	-	( 9,876)	9,876
Other changes	-	( 501)	501
Net changes	<u>1,657,092</u>	<u>2,443,600</u>	<u>( 786,508)</u>
Balance at 12/31/2017	<u>\$ 18,700,567</u>	<u>\$ 16,193,745</u>	<u>\$ 2,506,822</u>

### ***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%) of 1-percentage-higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 5,486,668	\$ 2,506,822	\$ 97,240

### ***Pension Plan Fiduciary Net Position***

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

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

For the year ended September 30, 2018, the City recognized pension expense of \$883,255. At September 30, 2018, the City reported deferred outflows and inflows of related to pensions from the following sources:

**Primary Government:**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 139,165	\$ 11,937
Changes in actuarial assumptions	36,481	-
Difference between projected and actual investment earnings	-	415,943
Contributions subsequent to the measurement date	<u>599,015</u>	<u>-</u>
Total	<u>\$ 774,661</u>	<u>\$ 427,880</u>

**Discretely Presented Component Unit:**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 4,839	\$ 415
Changes in actuarial assumptions	1,268	-
Difference between projected and actual investment earnings	-	14,462
Contributions subsequent to the measurement date	<u>20,827</u>	<u>-</u>
Total	<u>\$ 26,934</u>	<u>\$ 14,877</u>

\$599,015 and \$20,827 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

**Primary Government:**

For the Year Ended September 30,	
2019	\$ 78,171
2020	5,757
2021	( 156,736)
2022	<u>( 179,426)</u>
Total	<u>\$ ( 252,234)</u>

**Discretely Presented Component Unit:**

For the Year Ended September 30,	
2019	\$ 2,718
2020	200
2021	( 5,449)
2022	( 6,239)
Total	<u><u>\$ ( 8,770)</u></u>

**E. Defined Other Post-Employment Benefits (OPEB) – Retiree Health Plan**

**Plan Description.** The City offers its retired employees health insurance benefits through a single-employer defined benefit OPEB plan, under City policy. This plan is administered by the City and it has the authority to establish and amend the benefit terms and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Benefits and Contributions.** Effective June 1, 2016, retirees who are at least 58 years old at retirement and have at least 25 or more years of service with the City are eligible for City paid health coverage until they reach 65 or become eligible for Medicare. The City pays the premium for the eligible retired members, otherwise the retired employee pays a premium. Dependents of the retired employee are not eligible for any City contribution but may be eligible to continue coverage under the City’s group health insurance plan in accordance with COBRA. Additionally, eligible retirees receive \$2,000 life insurance fully paid by the City. The City’s contributions to the OPEB for the year ended September 30, 2018, were \$16,887, which equal benefit payments for retirees.

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

Inactive employees or beneficiaries currently receiving benefits	3
Active employees	<u>120</u>
Total	<u><u>123</u></u>

***Actuarial Methods and Assumptions***

Significant methods and assumptions were as follows:

Measurement date	September 30, 2018
Inflation	2.50% per annum
Salary increases	2.75% average which includes inflation
Discount rate	3.75% per annum, which includes inflation
Healthcare cost trend rates	5.7% initial medical trend rate for pre-65 retirees decreasing to an ultimate rate of 3.81% in the year 2073

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities.

A Single Discount Rate of 3.75% was used to measure the total OPEB liability. This Single Discount Rate was based on the municipal bond rates as of the measurement date. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of September 30, 2018.

***Changes in Total OPEB Liability***

The City and Discretely Presented Component Unit's total OPEB liability of \$629,290 and \$37,330, respectively, was measured as of September 30, 2017 and was determined by an actuarial valuation as of September 30, 2018.

	Total OPEB Liability
Balance 9/30/2017	\$ 637,172
Changes for the year:	
Service cost	26,393
Interest	24,601
Difference between expected and actual experience	( 40,119)
Changes of assumptions	35,460
Contributions - employer	( 16,887)
Net changes	29,448
Balance at 9/30/2018	\$ 666,620

Assumption Changes. Since the prior valuation, the mortality improvement scale was updated from MP-2016 to the MP-2018 table. Also, the per capita claims costs and trend were updated to reflect recent experience.

***Discount Rate Sensitivity Analysis***

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.75%) in measuring the total OPEB liability.

	Discount Rate Sensitivity		
	1% Decrease in Discount Rate (2.75%)	Discount Rate (3.75%)	1% Increase in Discount Rate (4.75%)
Total OPEB Liability	\$ 716,961	\$ 666,620	\$ 588,953

***Healthcare Cost Trend Rate Sensitivity Analysis***

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

<b>Healthcare Cost Trend Rate</b>	1% Decrease in Trend Rate (7%)	Trend Rate (8%)	1% Increase in Trend Rate (9%)
Total OPEB Liability	\$ 590,808	\$ 666,620	\$ 757,962

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

For the year ended September 30, 2018, the City and Discretely Presented Component Unit recognized OPEB expense of \$47,511 and \$2,818, respectively. At September 30, 2018, the City reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

**Primary Government:**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 32,462
Changes in actuarial assumptions	28,692	-
Totals	<u>\$ 28,692</u>	<u>\$ 32,462</u>

**Discretely Presented Component Unit:**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,926
Changes in actuarial assumptions	1,702	-
Totals	<u>\$ 1,702</u>	<u>\$ 1,926</u>

The deferred outflows and inflows of resources related to the OPEB will be recognized in OPEB expense as follows:

**Primary Government:**

For the Year Ended <u>September 30,</u>	
2019	\$( 628)
2020	( 628)
2021	( 628)
2022	( 628)
2023	( 628)
Thereafter	( 630)

**Discretely Presented Component Unit:**

For the Year Ended <u>September 30,</u>	
2019	\$( 37)
2020	( 37)
2021	( 37)
2022	( 37)
2023	( 37)
Thereafter	( 39)

**F. Defined Other Post-Employment Benefits (OPEB) – TMRS Supplemental Death Benefits Fund**

**Plan Description.** The City voluntarily participates in a single-employer other postemployment benefit (OPEB) plan administered by TMRS. The Plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the City’s pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

**Benefits Provided.** The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and 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.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. 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). The death benefit for retirees is considered an other employment benefit and is a fixed amount of \$7,500.

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

Inactive employees or beneficiaries currently receiving benefits	39
Inactive employees entitled to but not yet receiving benefits	15
Active employees	<u>127</u>
Total	<u><u>181</u></u>

**Contributions.** The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.16% for 2018 and 0.17% for 2017, of which 0.02% and 0.02%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. 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 prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the years ended September 30, 2018 and 2017 were \$1,420 and \$1,268, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

***Total OPEB Liability***

The City's total OPEB liability of \$283,810 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions.** The Total OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50% per annum
Discount rate	3.31%
Actuarial cost method	Entry Age Normal Method
Projected salary increases	3.50% to 10.5% including inflation

Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are wholly accounted for under the provisions of 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 male 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 became disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 3.31% was used to measure the total OPEB liability. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2017.

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.31%) in measuring the Total OPEB Liability.

	<u>1% Decrease in Discount Rate (2.31%)</u>	<u>Discount Rate (3.31%)</u>	<u>1% Increase in Discount Rate (4.31%)</u>
Total OPEB Liability	\$ 343,728	\$ 283,810	\$ 237,344

***Changes in the Total OPEB Liability***

	<u>Total OPEB Liability</u>
Balance at 12/31/2016	\$ 236,838
Changes for the year:	
Service cost	15,762
Interest	9,226
Changes of assumptions and other inputs	23,298
Benefit payments	<u>( 1,314)</u>
Net changes	<u>46,972</u>
Balance at 12/31/2017	<u>\$ 283,810</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.78% to 3.3%.

***OPEB Expense, and Deferred Outflows of Resources Related to OPEB.*** For the year ended September 30, 2018, the City and Discretely Presented Component Unit recognized OPEB expense of \$28,176 and \$980, respectively. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

At September 30, 2018, the City reported deferred outflows of resources related to other post-employment benefits from the following sources:

**Primary Government:**

	<u>Deferred Outflows of Resources</u>
Changes in actuarial assumptions	\$ 18,488
Contributions subsequent to the measurement date	<u>1,052</u>
Totals	<u>\$ 19,540</u>

**Discretely Presented Component Unit:**

	<u>Deferred Outflows of Resources</u>
Changes in actuarial assumptions	\$ 642
Contributions subsequent to the measurement date	<u>37</u>
Totals	<u>\$ 679</u>

\$1,052 and \$37 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2019. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Primary Government:**

	<u>For the Year Ended September 30,</u>
2019	\$ 4,028
2020	4,028
2021	4,028
2022	4,028
2023	2,376

**Discretely Presented Component Unit:**

	<u>For the Year Ended September 30,</u>
2019	\$ 140
2020	140
2021	140
2022	140
2023	82

## **G. Commitments – Construction**

The City has active construction projects as of year-end, and had the following commitments with contractors at year end are as follows:

City of Bastrop - Projects	Spent to Date	Remaining Commitment
City Hall Remodel-Architect	\$ -	\$ 60,000
Elevated Storage Tank - Engineering	339,406	78,250
Air Switch & Reconstruction from Haysel to MLK	-	35,000
Rebuild 3,300 Ft. of line West of Water & Pecan St.	-	54,400
Rebuild 1,900 Ft. of line along Hill St. from Cedar to Spring St	-	46,000
Generators at Central and Gills Branch Lift Stations	-	184,169
WWTP#3 and Collector Lines - Engineering	-	6,059,329
XS Water Line & Water Plant-Engineering	-	830,000
XS Well J & Monitoring Wells	516,737	20,680
Sidewalks Pine to Spring-Engineering	10,371	63,000
	<u>\$ 866,514</u>	<u>\$ 7,430,828</u>
Economic Development Corporation - Projects	Spent to Date	Remaining Commitment
Technology Dr. Extension & Pond-Engineering	\$ 116,657	\$ 17,843
Downtown Loop Sidewalk Plans, Permitting & Constr. Oversight-Engineering	47,060	7,440
Agnus/Home Depot Way Extension-Engineering	328,249	251
	<u>\$ 491,966</u>	<u>\$ 25,534</u>

## **H. Tax Abatements**

The City and Bastrop Economic Development Corporation (BEDC) enter into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. This program refunds property and sales taxes as authorized under Chapter 380 and 501 of the Texas Local Government Code.

In January 2012, BEDC entered into an agreement with a developer to rebate ½ cent of sales tax. Commitments made by the developer include providing a community kiosk, complying with building codes, and maintaining the property in good order and condition. The maximum amount to be rebated is \$700,000 over ten years. As of year-end \$503,267 was rebated, including \$94,593 in the current fiscal year.

The City and BEDC entered into an agreement with a developer in August 2007 to rebate 1 ½ cents of sales tax. The City also agreed to rebate 50% of the incremental increase in property taxes since 2007. Commitments made by the developer include building a project based on guidelines in the agreement, complying with building codes, and maintaining the property in good order and condition. The maximum amount to be rebated by the City and BEDC is \$7,370,694 over fifteen years. As of year-end \$5,659,212 was rebated, including \$960,301 in the current fiscal year.

In April 2012, the City entered into an agreement with a developer to rebate 75% of sales tax and 75% of the incremental increase in property taxes since 2012. Commitments made by the developer include complying with building codes and maintaining the property in good order and condition. The maximum amount to be rebated by the City is \$250,000 over seven years. As of year-end \$250,000 was rebated. The \$250,000 included a \$50,000 water line relocation cost provided by the City.

**I. Encumbrances**

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations. At September 30, 2018, the City had the following encumbrances at year-end that were re-appropriated in the subsequent year’s budget.

General Fund	\$ 25,247
Water/Wastewater Fund	\$ 15,000
Internal Service Fund	\$ 8,000
Bastrop Economic Development Corporation	\$ 878,466

**J. Risk Management**

The City is exposed to various risks of loss related to theft or damage of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the City’s participation in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP), a public entity risk pool for the benefit of governmental units located within the state. The Pool is considered a self-sustaining risk pool that provides coverage for its members. The City’s contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the government. The Pool’s liability is limited to the coverage that the City elects as stated in the Pool’s Declarations of Coverage for that fund year. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City’s financial statements. Settled claims have not exceeded insurance coverage limits for the past three years.

## K. Long-term Liabilities

### General Obligation Bonds

The City issues general obligation bonds, certificates of obligation, and tax and revenue bonds to provide funds for the acquisition and construction of major capital facilities and improvement projects. Long-term debt of this nature has been issued for both governmental and business-type activities. These debt instruments are direct obligations and pledge the full faith and credit of the City. General obligation bonds and certificates of obligation generally are issued with repayment scheduled to occur as equal amounts of principal maturing each year with maturities that range from 3 to 30 years.

The City issues maintenance tax notes or obtains regular notes payable financing arrangements from banks to provide funds for the acquisition of equipment or minor capital projects. Tax notes and regular notes payable are direct obligations and pledge the full faith and credit of the government. These debt instructions are generally repaid in equal installments of principal and interest over a period of 3 to 10 years.

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions/ Reclassifications	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligations	\$ 12,473,054	\$ -	\$( 992,335)	\$ 11,480,719	\$ 1,087,803
Certificates of obligation	8,785,613	4,605,000	( 557,939)	12,832,674	715,700
Issuance premium	<u>962,231</u>	<u>213,370</u>	<u>( 93,736)</u>	<u>1,081,865</u>	<u>-</u>
Total bonds payable	<u>22,220,898</u>	<u>4,818,370</u>	<u>( 1,644,010)</u>	<u>25,395,258</u>	<u>1,803,503</u>
Notes payable	341,547	-	( 47,368)	294,179	36,952
Compensated absences	<u>223,099</u>	<u>902,930</u>	<u>( 906,442)</u>	<u>219,587</u>	<u>43,917</u>
Governmental activities long-term liabilities	<u>\$ 22,785,544</u>	<u>\$ 5,721,300</u>	<u>\$( 2,597,820)</u>	<u>\$ 25,909,024</u>	<u>\$ 1,884,372</u>

For compensated absences, the General Fund normally liquidates 95 percent of the liability, the Convention Center fund normally liquidates 4%, and the remaining 1% is liquidated by other governmental funds. The General Fund primarily liquidates compensated absences. The City receives funds from local businesses and repays the notes payable.

	Beginning Balance	Additions	Reductions/ Reclassifications	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Bonds payable:					
General obligation bonds	\$ 2,981,944	\$ -	\$( 247,666)	\$ 2,734,278	\$ 252,197
Certificates of obligation	14,889,387	-	( 762,061)	14,127,326	769,300
Issuance premium	<u>564,043</u>	<u>-</u>	<u>( 40,590)</u>	<u>523,453</u>	<u>-</u>
Total bonds payable	<u>18,435,374</u>	<u>-</u>	<u>( 1,050,317)</u>	<u>17,385,057</u>	<u>1,021,497</u>
Notes payable	420,000	-	( 60,000)	360,000	60,000
Compensated absences	<u>64,499</u>	<u>47,469</u>	<u>( 53,924)</u>	<u>58,044</u>	<u>11,609</u>
Business-type activities long-term liabilities	<u>\$ 18,919,873</u>	<u>\$ 47,469</u>	<u>\$( 1,164,241)</u>	<u>\$ 17,803,101</u>	<u>\$ 1,093,106</u>

Details of long-term debt obligations outstanding at September 30, 2018 are as follows:

**Governmental Activities:**

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/2018
<b>Bonds Payable:</b>					
General Obligation Bonds, Series 2005	2005	\$ 2,445,000	3.67%	2025	\$ 1,100,000
General Obligation Bonds, Series 2006	2006	345,000	4.24%	2026	180,000
Certificates of Obligation, Series 2006 (31.4%)	2006	227,650	4.19%	2026	81,640
General Obligation Bonds, Series 2007	2007	1,220,000	4.08%	2027	695,000
Certificates of Obligation, Series 2007 (11.42%)	2007	264,944	4.04%	2027	150,744
Certificates of Obligation, Series 2010 (83.1%)	2010	6,149,400	3.50-4.25%	2029	1,321,290
General Obligation Limited Tax Ref. Bonds, Series 2010	2010	239,872	2.0-4.0%	2024	115,719
General Obligation Refunding Bonds, Series 2011	2011	4,260,000	2.0-4.0%	2022	1,375,000
General Obligation Refunding and Imp. Bonds, Series 2012	2012	2,015,000	2.0-3.0%	2024	1,350,000
Comb. Tax & Rev. Cert. of Oblig., Series 2013 (67.2%)	2013	7,392,000	3.0-4.25%	2033	6,674,000
General Obligation Refunding Bonds, Series 2014	2014	1,695,558	2.0-4.0%	2031	2,225,000
General Obligation Refunding Bonds, Series 2016	2016	2,525,000	2.0-4.0%	2028	1,330,000
General Obligation Refunding Bonds, Series 2017	2017	3,135,000	3.0-4.0%	2029	3,110,000
Comb. Tax & Rev. Cert. of Oblig., Series 2018	2018	4,605,000	3.75-4.0%	2038	<u>4,605,000</u>
Total Bonds Payable					<u>\$ 24,313,393</u>
<b>Notes Payable:</b>					
Note Payable - Texas Department of Economic Development 1999	1999	\$ 500,000	0.0%	2019	\$ 14,584
Note Payable - Texas Capital Fund - Art Foundry	2011	447,351	0.0%	2031	<u>279,595</u>
Total notes payable					<u>\$ 294,179</u>

**Business-Type Activities**

Type	Sale Date	Original Borrowing	Interest		Outstanding 9/30/2018
			Rates to Maturity	Final Maturity	
<b>Bonds Payable:</b>					
Certificates of Obligation, Series 2006 (68.6%)	2006	\$ 497,350	4.19%	2026	\$ 178,360
Certificates of Obligation, Series 2007 (88.58%)	2007	2,055,056	4.04%	2027	1,169,256
General Obligation Limited Tax Ref. Bonds, Series 2010 (90.63%)	2010	2,320,128	2.0-4.0%	2024	1,119,278
Comb. Tax & Rev. Cert. of Oblig., Series 2010 (16.9%)	2010	1,250,600	3.50-4.25%	2029	268,710
Comb. Tax & Rev. Cert. of Oblig., Series 2012	2012	4,200,000	2.0-4.0%	2032	3,340,000
Combination Tax & Rev. Cert. of Oblig., Series 2013 (32.8%)	2013	3,608,000	3.0-4.25%	2033	3,256,000
Combination Tax & Rev. Cert. of Oblig., Series 2014 (31.4%)	2014	7,000,000	2.0-3.5%	2034	5,915,000
General Obligation Refunding Bonds, Series 2016 (42.0%)	2016	2,525,000	2.0-4.0%	2028	1,005,000
General Obligation Refunding Bonds, Series 2017 (12.7%)	2017	3,745,000	2.0-3.5%	2029	<u>610,000</u>
Total Bonds Payable					<u>\$ 16,861,604</u>
<b>Notes Payable:</b>					
Note payable - Ingram Note	2014	\$ 600,000	0.00%	2024	<u>\$ 360,000</u>
Total note payable					<u>\$ 360,000</u>

**Bonds**

The City issued \$4,605,000 in combination tax and revenue certificates of obligation, series 2018. The bonds have interest rates ranging from 3.0% to 4.0%. The certificates will be used for constructing and improving the City’s streets, drainage, sidewalks, right-of-way and bridge repair. Additionally, the funds will be used for legal, fiscal and engineering cost for projects.

The debt service requirements for the government’s bonds, loans, and notes are as follows:

**Governmental Activities:**

Year Ended September 30,	Governmental Activities				Totals	
	Bonds Payable		Notes Payable		Principal	Interest
	Principal	Interest	Principal	Interest		
2019	\$ 1,803,503	\$ 887,536	\$ 36,952	\$ -	\$ 1,840,455	\$ 887,536
2020	1,855,697	849,043	22,368	-	1,878,065	849,043
2021	1,964,752	782,134	22,368	-	1,987,120	782,134
2022	2,027,035	708,462	22,368	-	2,049,403	708,462
2023	1,887,694	631,150	22,368	-	1,910,062	631,150
2024-2028	7,879,712	2,194,577	111,840	-	7,991,552	2,194,577
2029-2033	5,605,000	832,749	55,915	-	5,660,915	832,749
2034-2038	<u>1,290,000</u>	<u>143,913</u>	<u>-</u>	<u>-</u>	<u>1,290,000</u>	<u>143,913</u>
Totals	<u>\$ 24,313,393</u>	<u>\$ 7,029,564</u>	<u>\$ 294,179</u>	<u>\$ -</u>	<u>\$ 24,607,572</u>	<u>\$ 7,029,564</u>

**Business-type Activities**

Year Ended September 30,	Business-Type Activities				Totals	
	Bonds Payable		Notes Payable		Principal	Interest
	Principal	Interest	Principal	Interest		
2019	\$ 1,021,497	\$ 564,801	\$ 60,000	\$ -	\$ 1,081,497	\$ 564,801
2020	1,064,303	534,424	60,000	-	1,124,303	534,424
2021	1,100,248	502,606	60,000	-	1,160,248	502,606
2022	1,197,965	468,283	60,000	-	1,257,965	468,283
2023	1,242,306	430,312	60,000	-	1,302,306	430,312
2024-2028	5,920,289	1,557,924	60,000	-	5,980,289	1,557,924
2029-2033	4,850,000	612,198	-	-	4,850,000	612,198
2034	464,996	16,275	-	-	464,996	16,275
Totals	\$ 16,861,604	\$ 4,686,823	\$ 360,000	\$ -	\$ 17,221,604	\$ 4,686,823

**L. Interfund Balances**

The composition of interfund balances as of September 30, 2018 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Hunters Crossing PID (nonmajor governmental)	\$ 67,905
General Fund	Grants Fund (nonmajor governmental)	260,775
Total		\$ 328,680

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts also include balance of working capital loans made to nonmajor governmental funds which the General Fund expects to collect in the subsequent year.

**M. Advances from/ to other funds**

Receivable Fund	Payable Fund	Amount
Bastrop Power & Light	General Fund	\$ 144,914
Total		\$ 144,914

The amount payable to the Bastrop Power & Light fund relates to a loan for RMS System. An annual payment for \$42,000 will be made by the General Fund in subsequent years.

## N. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2018 is as follows:

	Transfers in:					Totals
	Governmental Funds			Proprietary Funds		
	General Fund	Debt Service	Nonmajor Gov. Funds	Water/Wastewater	Internal Service	
Transfers out:						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 37,500	\$ 37,500
Hotel/Motel Tax	-	515,366	676,279	-	-	1,191,645
Nonmajor -						
Governmental	2,412	-	7,727	24,651	-	34,790
Bastrop Power & Light	557,750	-	-	409,200	100,000	1,066,950
Nonmajor Enterprise	256,500	-	152,700	483,439	-	892,639
Totals	<u>\$ 816,662</u>	<u>\$ 515,366</u>	<u>\$ 836,706</u>	<u>\$ 917,290</u>	<u>\$ 137,500</u>	<u>\$ 3,223,524</u>

During the year, recurring transfers are used to 1) move revenues from a fund with collection authority to another fund with related expenditure requirements, 2) move General Fund resources to provide subsidies to other funds as needs arise, 3) move resources from proprietary funds to governmental funds to subsidize governmental activities as budgeted, and 4) move resources for the start-up of the City's vehicle and equipment replacement program reported in an internal service fund.

**O. Discretely Presented Component Unit – Bastrop Economic Development Corporation (Bastrop EDC)**

Capital assets activity for Bastrop EDC for the year ended September 30, 2018 was as follows:

**Component Unit - Bastrop Economic Development Corporation**

	Balance 10/1/2017	Increases	Decreases	Balance 9/30/2018
Capital assets, not being depreciated:				
Land	\$ 844,671	\$ -	\$ -	\$ 844,671
Construction in progress	<u>135,723</u>	<u>456,184</u>	<u>-</u>	<u>591,907</u>
Total capital assets, not being depreciated	<u>980,394</u>	<u>456,184</u>	<u>-</u>	<u>1,436,578</u>
Capital assets, being depreciated:				
Buildings and improvements	895,379	-	( 49,786)	845,593
Machinery, equipment, and vehicles	<u>8,301</u>	<u>-</u>	<u>-</u>	<u>8,301</u>
Total capital assets, being depreciated	<u>903,680</u>	<u>-</u>	<u>( 49,786)</u>	<u>853,894</u>
Less accumulated depreciation for:				
Buildings and improvements	( 325,984)	( 16,213)	16,859	( 325,338)
Machinery, equipment, and vehicles	<u>( 3,598)</u>	<u>( 1,660)</u>	<u>-</u>	<u>( 5,258)</u>
Total accumulated depreciation	<u>( 329,582)</u>	<u>( 17,873)</u>	<u>16,859</u>	<u>( 330,596)</u>
Total capital assets being depreciated, net	<u>574,098</u>	<u>( 17,873)</u>	<u>( 32,927)</u>	<u>523,298</u>
Component unit capital assets, net	<u>\$ 1,554,492</u>	<u>\$ 438,311</u>	<u>\$( 32,927)</u>	<u>\$ 1,959,876</u>

Details of long-term debt obligations outstanding for Bastrop EDC at September 30, 2018 are as follows:

**Component Unit- Bastrop Economic Development**

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/2018
Bonds Payable:					
Sales Tax and Revenue Refunding Bonds, Series 2006	2006	\$ 2,005,000	4.61%	2020	\$ 110,000
Sales Tax and Revenue Bonds, Series 2018	2018	\$ 1,250,000	3.39%	2033	<u>1,250,000</u>
Total Bonds Payable					<u>\$ 1,360,000</u>
Notes Payable:					
City of Bastrop	1999	\$ 500,000	0.00%	2019	\$ 12,500
City of Bastrop	2014	600,000	0.00%	2024	<u>360,000</u>
Total Notes Payable					<u>\$ 372,500</u>
Due to City of Bastrop:					
13.88% of Cert. of Oblig., Series 2010	2010	\$ 1,027,120	3.5-4.25%	2022	\$ 220,692
24.2% Cert. of Oblig., Series 2013	2013	2,662,000	3.0-4.25%	2033	2,405,000
13.4% General Oblig. Refunding, Series 2017	2017	500,000	3-4%	2029	<u>500,000</u>
Total Due to City of Bastrop					<u>\$ 3,125,692</u>

Long-term debt activity for Bastrop EDC for the year ended September 30, 2018 was as follows:

Description	Balance			Balance 9/30/2018	Due in One Year
	10/1/2017	Additions	Deletions		
General obligation bonds	\$ 165,000	\$ 1,250,000	\$ ( 55,000)	\$ 1,360,000	\$ 115,000
Notes payable	457,501	-	( 85,001)	372,500	72,500
Due to City of Bastrop - bonds	3,243,190	-	( 117,498)	3,125,692	125,274
Compensated absences	<u>15,653</u>	<u>13,313</u>	<u>( 12,645)</u>	<u>16,321</u>	<u>3,264</u>
Total Component Unit	<u>\$ 3,881,344</u>	<u>\$ 1,263,313</u>	<u>\$ ( 270,144)</u>	<u>\$ 4,874,513</u>	<u>\$ 316,038</u>

## Bonds

The Bastrop Economic Development Corporation issued \$1,250,000 in sales tax and revenue bonds, series 2018. The bonds have an interest rate of 3.39%. The bond will be used for various construction projects.

The debt service requirements for Bastrop EDC bonds and notes payable are as follows:

Year Ended September 30,	Bastrop EDC					
	Bonds Payable		Notes Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 240,274	\$ 176,149	\$ 72,500	\$ -	\$ 312,774	\$ 176,149
2020	253,968	160,458	60,000	-	313,968	160,458
2021	207,990	150,639	60,000	-	267,990	150,639
2022	256,460	142,969	60,000	-	316,460	142,969
2023	265,000	133,371	60,000	-	325,000	133,371
2024-2028	1,566,000	515,654	60,000	-	1,626,000	515,654
2029-2033	<u>1,696,000</u>	<u>197,672</u>	<u>-</u>	<u>-</u>	<u>1,696,000</u>	<u>197,672</u>
Totals	<u>\$ 4,485,692</u>	<u>\$ 1,476,912</u>	<u>\$ 372,500</u>	<u>\$ -</u>	<u>\$ 4,858,192</u>	<u>\$ 1,476,912</u>

## P. Contingencies

The government participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

The City was not involved in litigation as of year-end that in the opinion of City's legal counsel would have a material adverse effect on the financial condition of the City.

## **Q. Future Financial Reporting Requirements**

Significant new accounting standards not yet implemented by the City include the following.

Statement No. 84, *Fiduciary Activities* – This statement establishes criteria for identifying fiduciary activities of governments and for identifying fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement will become effective for the City in fiscal year 2020.

Statement No. 87, *Leases* – This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. This statement will become effective for the City in fiscal year 2021.

## **R. Prior Period Adjustment**

During fiscal year 2018, the City adopted GASB Statement No. 75, *Accounting and Reporting for Post-Employment Benefits Other Than Pensions*. With GASB 75, the City must assume its Total OPEB Liability. Adoption of GASB 75 required a prior period adjustment to report the effect of the standard retroactively. As such, beginning net position was restated by \$179,832 for governmental activities, \$48,066 for business-type activities, and \$7,925 for the discretely presented component unit.

In the prior year, capital assets were overstated by \$33,009. As a result, net position was restated at the beginning of the year for the discretely presented component unit.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**CITY OF BASTROP, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 3,326,107	\$ 3,326,107	\$ 3,363,901	\$ 37,794
Sales taxes	4,519,816	4,569,816	4,889,377	319,561
Franchise taxes	478,800	478,800	440,077	( 38,723)
Licenses and permits	513,500	613,500	752,253	138,753
Intergovernmental	92,352	98,427	97,747	( 680)
Charges for service	537,244	537,244	555,631	18,387
Fines	331,000	331,000	289,002	( 41,998)
Investment earnings	40,500	40,500	62,775	22,275
Contributions and donations	3,500	3,500	2,061	( 1,439)
Miscellaneous	70,000	70,000	185,204	115,204
Total revenues	<u>9,912,819</u>	<u>10,068,894</u>	<u>10,638,028</u>	<u>569,134</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative	41,470	41,470	38,344	3,126
Organizational	199,660	302,205	297,505	4,700
City Manager	362,125	362,125	362,642	( 517)
City Secretary	138,196	138,196	136,020	2,176
Finance	1,277,836	1,255,161	1,252,232	2,929
Human resources	194,788	194,788	195,759	( 971)
Information technology	461,522	470,522	465,526	4,996
Public works	1,327,943	1,331,494	1,325,568	5,926
Building maintenance	262,633	290,033	279,431	10,602
Public safety:				
Police	3,017,079	3,058,737	2,988,878	69,859
Fire	540,865	540,865	528,617	12,248
Municipal court	335,842	335,842	315,898	19,944
Development services:				
Planning	795,101	895,101	901,494	( 6,393)
Community services:				
Recreation	128,701	128,701	121,951	6,750
Parks	1,010,810	923,007	864,920	58,087
Library	723,459	723,459	722,597	862
Capital outlay	<u>282,000</u>	<u>574,727</u>	<u>481,328</u>	<u>93,399</u>
Total expenditures	<u>11,100,030</u>	<u>11,566,433</u>	<u>11,278,710</u>	<u>287,723</u>
Excess (deficiency) of revenues over expenditures	( 1,187,211)	( 1,497,539)	( 640,682)	856,857
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	816,711	816,711	816,662	( 49)
Transfers out	( 37,500)	( 37,500)	( 37,500)	-
Insurance recoveries	-	-	2,243	2,243
Sale of general capital assets	-	-	376	376
Total other financing sources (uses)	<u>779,211</u>	<u>779,211</u>	<u>781,781</u>	<u>2,570</u>
Net change in fund balances	( 408,000)	( 718,328)	141,099	859,427
Fund balance- beginning	<u>3,748,643</u>	<u>3,748,643</u>	<u>3,748,643</u>	<u>-</u>
Fund balance- ending	<u>\$ 3,340,643</u>	<u>\$ 3,030,315</u>	<u>\$ 3,889,742</u>	<u>\$ 859,427</u>

**CITY OF BASTROP, TEXAS**

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

**HOTEL/MOTEL TAX FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Hotel/motel taxes	\$ 2,875,000	\$ 2,875,000	\$ 2,844,403	\$ ( 30,597)
Investment earnings	<u>7,000</u>	<u>7,000</u>	<u>35,366</u>	<u>28,366</u>
Total revenues	<u>2,882,000</u>	<u>2,882,000</u>	<u>2,879,769</u>	<u>( 2,231)</u>
<b>EXPENDITURES</b>				
Current:				
Economic development:				
Donations	695,000	695,000	379,012	315,988
Bastrop marketing corporation	1,441,000	1,441,000	1,441,000	-
Special events	<u>60,835</u>	<u>60,835</u>	<u>50,762</u>	<u>10,073</u>
Total expenditures	<u>2,196,835</u>	<u>2,196,835</u>	<u>1,870,774</u>	<u>326,061</u>
Excess (deficiency) of revenues over expenditures	<u>685,165</u>	<u>685,165</u>	<u>1,008,995</u>	<u>323,830</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>( 1,172,895)</u>	<u>( 1,172,895)</u>	<u>( 1,191,645)</u>	<u>( 18,750)</u>
Total other financing sources (uses)	<u>( 1,172,895)</u>	<u>( 1,172,895)</u>	<u>( 1,191,645)</u>	<u>( 18,750)</u>
Net change in fund balance	<u>( 487,730)</u>	<u>( 487,730)</u>	<u>( 182,650)</u>	<u>305,080</u>
Fund balance - beginning	<u>2,629,042</u>	<u>2,629,042</u>	<u>2,629,042</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,141,312</u>	<u>\$ 2,141,312</u>	<u>\$ 2,446,392</u>	<u>\$ 305,080</u>

**CITY OF BASTROP, TEXAS**  
**NOTES TO BUDGETARY INFORMATION**  
**SEPTEMBER 30, 2018**

**Budgetary Basis of Accounting**

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

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

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

Expenditures exceeded appropriations in the General Fund in the city manager, human resources and planning departments, by \$517, \$971 and \$6,393, respectively.

# CITY OF BASTROP, TEXAS

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Measurement Date December 31,	2014	2015	2016	2017
<b>A. Total pension liability</b>				
Service Cost	\$ 647,254	\$ 765,716	\$ 877,585	\$ 949,690
Interest (on the Total Pension Liability)	906,043	992,085	1,065,490	1,162,037
Difference between expected and actual experience	19,757	93,002	( 22,910)	151,268
Changes of assumptions	-	134,544	-	-
Benefit payments, including refunds of employee contributions	( 394,341)	( 411,888)	( 445,883)	( 605,903)
Net change in total pension liability	1,178,713	1,573,459	1,474,282	1,657,092
Total pension liability - beginning	<u>12,817,021</u>	<u>13,995,734</u>	<u>15,569,193</u>	<u>17,043,475</u>
Total pension liability - ending (a)	<u>\$ 13,995,734</u>	<u>\$ 15,569,193</u>	<u>\$ 17,043,475</u>	<u>\$ 18,700,567</u>
<b>B. Plan fiduciary net position</b>				
Contributions - employer	\$ 497,753	\$ 584,017	\$ 656,980	\$ 759,882
Contributions - employee	313,054	327,229	362,639	394,062
Net investment income	618,954	17,476	834,607	1,905,936
Benefit payments, including refunds of employee contributions	( 394,341)	( 411,888)	( 445,883)	( 605,903)
Administrative expense	( 6,461)	( 10,647)	( 9,427)	( 9,876)
Other	( 531)	( 526)	( 508)	( 501)
Net change in plan fiduciary net position	1,028,428	505,661	1,398,408	2,443,600
Plan fiduciary net position - beginning	<u>10,817,648</u>	<u>11,846,076</u>	<u>12,351,737</u>	<u>13,750,145</u>
Plan fiduciary net position - ending (b)	<u>\$ 11,846,076</u>	<u>\$ 12,351,737</u>	<u>\$ 13,750,145</u>	<u>\$ 16,193,745</u>
<b>C. Net pension liability - ending (a) - (b)</b>	<u>\$ 2,149,658</u>	<u>\$ 3,217,456</u>	<u>\$ 3,293,330</u>	<u>\$ 2,506,822</u>
<b>D. Plan fiduciary net position as a percentage of total pension liability</b>	84.64%	79.33%	80.68%	86.59%
<b>E. Covered payroll</b>	\$ 5,217,564	\$ 5,453,817	\$ 6,043,976	\$ 6,567,702
<b>F. Net position liability as a percentage of covered payroll</b>	41.20%	58.99%	54.49%	38.17%

Note: GASB Statement No. 68 requires 10 years of data to be provided in this schedule. As of September 30, 2018, only 4 years are included and additional years will be added in the future as the information becomes available.

# CITY OF BASTROP, TEXAS

## SCHEDULE OF PENSION CONTRIBUTIONS

### FOR THE YEAR ENDED SEPTEMBER 30, 2018

Fiscal Year Ended September 30,	2014	2015	2016	2017	2018
Actuarial determined contribution	\$ 494,007	\$ 551,472	\$ 668,216	\$ 723,434	\$ 811,103
Contributions in relation to the actuarially determined contribution	<u>494,007</u>	<u>551,472</u>	<u>668,216</u>	<u>723,434</u>	<u>811,103</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,140,859	\$ 5,317,314	\$ 6,170,226	\$ 6,340,147	\$ 7,098,873
Contributions as a percentage of covered payroll	9.61%	10.37%	10.83%	11.41%	11.43%

Note: GASB Statement No. 68 requires 10 years of data to be provided in this schedule. As of September 30, 2018, only 5 years are included and additional years will be added in the future as the information becomes available.

#### NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS

**Valuation Date** 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	28 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.5% 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 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis of with scale BB.

**Other Information** There were no benefit changes during the year.

**CITY OF BASTROP, TEXAS**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
POSTEMPLOYMENT RETIREE HEALTH CARE**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<b>Measurement Date September 30,</b>	<b><u>2018</u></b>
<b>A. Total OPEB liability</b>	
Service Cost	\$ 26,393
Interest (on the Total OPEB Liability)	24,601
Difference between expected and actual experience	( 40,119)
Changes of assumptions and other inputs	35,460
Contributions - employer	<u>( 16,887)</u>
Net change in Total OPEB liability	<u>29,448</u>
Total OPEB liability - beginning	<u>637,172</u>
Total OPEB liability - ending (a)	<u>\$ 666,620</u>
<b>B. Covered-employee payroll</b>	<b>\$ 7,098,873</b>
<b>C. Total OPEB liability as a percentage of covered-employee payroll</b>	<b>9.39%</b>

**Notes to Schedule:**

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

**CITY OF BASTROP, TEXAS**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
AND RELATED RATIOS**

**TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<b>Measurement Date December 31,</b>	<b><u>2017</u></b>
<b>A. Total OPEB liability</b>	
Service Cost	\$ 15,762
Interest (on the Total OPEB Liability)	9,226
Changes of assumptions and other inputs	23,298
Benefit payments, including refunds of employee contributions	<u>( 1,314)</u>
Net change in Total OPEB liability	<u>46,972</u>
Total OPEB liability - beginning	<u>236,838</u>
Total OPEB liability - ending (a)	<u>\$ 283,810</u>
<b>B. Covered-employee payroll</b>	\$ 6,567,702
<b>C. Total OPEB liability as a percentage of covered-employee payroll</b>	4.32%

**Notes to Schedule:**

- No assets are accumulated in a trust for the supplemental death benefits plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- Included in the changes of assumptions was a reduction to the discount rate from 3.81% to 3.31%.

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**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

## NONMAJOR SPECIAL REVENUE FUNDS

*Special Revenue Funds* are used to account for specific revenues that are legally restricted or committed to expenditure for particular purposes.

*Designated* – This fund is used to account for the receipt and expenditure of funds restricted for a particular purpose by an outside entity.

*Bastrop Convention Center* – This fund is used to account for the operating activities and maintenance of the Bastrop Convention Center.

*Main Street Project* – This fund is used to account for the receipt and disbursement of funds received for the benefit of the Main Street improvement project.

*Bastrop Art in Public Places* – This fund is used to account for the receipt and disbursement of funds received for the benefit of the city art initiative.

*Library Board* – This fund is used to account for the application of any gifts and donations received for the benefit of the library.

*Fairview Cemetery* – This fund was established for the receipt and reimbursement of funds received for the benefit of City cemeteries.

*Hunters Crossing PID* – This fund is used to account for the general operating activities of the Hunters Crossing Public Improvement District, a blended component unit of the city.

*Arena* – This fund is used to account for committed resources for the City's Arena, and disbursements of funds.

## PERMANENT FUND

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

*Fairview Cemetery Permanent Fund* - This fund is used to account for an endowment whose earnings are restricted to expenditures for the benefit of city cemeteries.

## NONMAJOR CAPITAL PROJECTS FUNDS

*Capital Projects Funds* are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

*Park/Trail Dedication Fund* – This fund is used to account for the receipt and disbursement of funds received for special improvement projects related to city parks and trails.

*Combination Revenue/Tax Bond, Series 2013* – This fund is used to account for the receipt of bond funds received in relation to this specific bond issue and application of the funds in accordance with stated requirements.

*Grants Fund* – This fund is used to account for grants received related to capital projects and the application of the funds in accordance with stated requirements.

### **NONMAJOR PROPRIETARY FUNDS**

***Community Impact Fees*** - This fund is used to account for receipt of new development fees to help fund and pay for the construction or needed expansion of off-site capital improvements.

***Accelerated Recovery Fees*** - This fund is used to account for receipt of new development fees in the Hunters Crossing subdivision to help pay for construction costs or needed expansion of capital improvements.

**CITY OF BASTROP, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2018**

	Special Revenue Funds			
	Designated Fund	Bastrop Convention Center	Main Street Project	Bastrop Art in Public Places
<b>ASSETS</b>				
Cash and cash equivalents	\$ 690,715	\$ 985,488	\$ -	\$ 145,276
Taxes receivable, net	-	-	-	-
Due from other governments	-	-	-	-
Accounts receivable	5,620	-	-	-
Total assets	<u>696,335</u>	<u>985,488</u>	<u>-</u>	<u>145,276</u>
<b>LIABILITIES</b>				
Accounts payable	4,867	38,930	-	5,065
Accrued liabilities	-	8,270	-	-
Due to other funds	-	-	-	-
Customer deposits	-	25,503	-	-
Total liabilities	<u>4,867</u>	<u>72,703</u>	<u>-</u>	<u>5,065</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Endowment	-	-	-	-
Restricted for:				
Cemetery	-	-	-	-
Capital projects	-	-	-	-
Traffic safety	628,336	-	-	-
Culture and recreation	-	-	-	140,211
PEG channels	63,132	-	-	-
Committed for:				
Economic development	-	912,785	-	-
Arena	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>691,468</u>	<u>912,785</u>	<u>-</u>	<u>140,211</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 696,335</u>	<u>\$ 985,488</u>	<u>\$ -</u>	<u>\$ 145,276</u>

Special Revenue Funds				Permanent Fund	Capital Project Funds
Library Board	Fairview Cemetery	Hunters Crossing PID	Arena	Fairview Cemetery	Park/Trail Dedication
\$ 31,903	\$ 214,217	\$ -	\$ 107,533	\$ 385,570	\$ 108,115
-	-	1,672	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>31,903</u>	<u>214,217</u>	<u>1,672</u>	<u>107,533</u>	<u>385,570</u>	<u>108,115</u>
1,278	1,324	27,314	202	-	9
-	730	-	-	-	-
-	-	67,905	-	-	-
-	-	-	-	-	-
<u>1,278</u>	<u>2,054</u>	<u>95,219</u>	<u>202</u>	<u>-</u>	<u>9</u>
-	-	1,674	-	-	102,366
-	-	1,674	-	-	102,366
-	-	-	-	385,570	-
-	212,163	-	-	-	-
-	-	-	-	-	5,740
-	-	-	-	-	-
30,625	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	107,331	-	-
-	-	( 95,221)	-	-	-
<u>30,625</u>	<u>212,163</u>	<u>( 95,221)</u>	<u>107,331</u>	<u>385,570</u>	<u>5,740</u>
<u>\$ 31,903</u>	<u>\$ 214,217</u>	<u>\$ 1,672</u>	<u>\$ 107,533</u>	<u>\$ 385,570</u>	<u>\$ 108,115</u>

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**CITY OF BASTROP, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2018**

	Capital Project Funds		
	Combination Revenue/ Tax Bond Series 2013	Grants Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,319,491	\$ -	\$ 3,988,308
Taxes receivable, net	-	-	1,672
Due from other governments	-	273,192	273,192
Accounts receivable	-	-	5,620
Total assets	1,319,491	273,192	4,268,792
<b>LIABILITIES</b>			
Accounts payable	718	12,417	92,124
Accrued liabilities	-	-	9,000
Due to other funds	-	260,775	328,680
Customer deposits	-	-	25,503
Total liabilities	718	273,192	455,307
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	104,040
Total deferred inflows of resources	-	-	104,040
<b>FUND BALANCES</b>			
Nonspendable:			
Endowment	-	-	385,570
Restricted for:			
Cemetery	-	-	212,163
Capital projects	1,318,773	-	1,324,513
Traffic safety	-	-	628,336
Culture and recreation	-	-	170,836
PEG channels	-	-	63,132
Committed for:			
Economic development	-	-	912,785
Arena	-	-	107,331
Unassigned	-	-	( 95,221)
Total fund balances	1,318,773	-	3,709,445
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,319,491	\$ 273,192	\$ 4,268,792

**CITY OF BASTROP, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Funds			
	Designated Fund	Bastrop Convention Center	Main Street Project	Bastrop Art in Public Places
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise taxes	22,891	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	1,901	30,408	-	-
Charges for services	-	213,950	-	-
Fines and forfeitures	28,577	-	-	-
Investment earnings	10,463	14,562	-	2,039
Contributions and donations	21,924	100,200	-	-
Miscellaneous	20,592	-	-	-
Total revenues	<u>106,348</u>	<u>359,120</u>	<u>-</u>	<u>2,039</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	70,805	-	-	-
Community services	1,316	-	-	-
Economic development	-	1,024,099	-	41,084
Capital outlay	21,800	-	-	-
Total expenditures	<u>93,921</u>	<u>1,024,099</u>	<u>-</u>	<u>41,084</u>
Excess (deficiency) of revenues over expenditures	<u>12,427</u>	<u>( 664,979)</u>	<u>-</u>	<u>( 39,045)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	753,938	3,380	75,041
Transfers out	-	( 3,380)	-	-
Insurance recoveries	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>750,558</u>	<u>3,380</u>	<u>75,041</u>
Net change in fund balances	<u>12,427</u>	<u>85,579</u>	<u>3,380</u>	<u>35,996</u>
Fund balances - beginning	679,041	827,206	( 3,380)	104,215
Fund balances - ending	<u>\$ 691,468</u>	<u>\$ 912,785</u>	<u>\$ -</u>	<u>\$ 140,211</u>

Special Revenue Funds				Permanent Fund	Capital Project Funds
Library Board	Fairview Cemetery	Hunters Crossing PID	Arena	Fairview Cemetery	Park/Trail Dedication
\$ -	\$ -	\$ 377,025	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	400	-	-
-	-	-	-	-	-
-	124,725	-	-	-	-
-	-	-	-	-	-
482	2,628	891	1,656	5,145	554
30,850	-	-	-	-	-
-	-	-	-	-	-
<u>31,332</u>	<u>127,353</u>	<u>377,916</u>	<u>2,056</u>	<u>5,145</u>	<u>554</u>
-	-	-	-	-	-
19,975	105,076	-	7,580	-	-
-	-	517,599	-	-	-
-	10,880	-	23,056	-	-
<u>19,975</u>	<u>115,956</u>	<u>517,599</u>	<u>30,636</u>	<u>-</u>	<u>-</u>
<u>11,357</u>	<u>11,397</u>	<u>( 139,683)</u>	<u>( 28,580)</u>	<u>5,145</u>	<u>554</u>
-	4,347	-	-	-	-
( 2,412)	-	-	-	( 4,347)	-
-	-	-	25,256	-	-
<u>( 2,412)</u>	<u>4,347</u>	<u>-</u>	<u>25,256</u>	<u>( 4,347)</u>	<u>-</u>
<u>8,945</u>	<u>15,744</u>	<u>( 139,683)</u>	<u>( 3,324)</u>	<u>798</u>	<u>554</u>
<u>21,680</u>	<u>196,419</u>	<u>44,462</u>	<u>110,655</u>	<u>384,772</u>	<u>5,186</u>
<u>\$ 30,625</u>	<u>\$ 212,163</u>	<u>\$( 95,221)</u>	<u>\$ 107,331</u>	<u>\$ 385,570</u>	<u>\$ 5,740</u>

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**CITY OF BASTROP, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Capital Project Funds		
	Combination Revenue/ Tax Bond Series 2013	Grants	Total Non-Major Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ 377,025
Franchise taxes	-	-	22,891
Licenses and permits	-	-	400
Intergovernmental	-	1,146,823	1,179,132
Charges for services	-	-	338,675
Fines and forfeitures	-	-	28,577
Investment earnings	20,574	-	58,994
Contributions and donations	-	-	152,974
Miscellaneous	-	-	20,592
Total revenues	20,574	1,146,823	2,179,260
<b>EXPENDITURES</b>			
Current:			
Public safety	-	-	70,805
Community services	-	41,087	175,034
Economic development	2,253	-	1,585,035
Capital outlay	116,657	1,081,085	1,253,478
Total expenditures	118,910	1,122,172	3,084,352
Excess (deficiency) of revenues over expenditures	( 98,336)	24,651	( 905,092)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	836,706
Transfers out	-	( 24,651)	( 34,790)
Insurance recoveries	-	-	25,256
Total other financing sources (uses)	-	( 24,651)	827,172
Net change in fund balances	( 98,336)	-	( 77,920)
Fund balances - beginning	1,417,109	-	3,787,365
Fund balances - ending	\$ 1,318,773	\$ -	\$ 3,709,445

**CITY OF BASTROP, TEXAS**

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

**DEBT SERVICE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property taxes	\$ 1,816,397	\$ 1,827,397	\$ 1,834,774	\$ 7,377
Contributions and donations	-	-	-	-
Investment earnings	<u>9,500</u>	<u>9,500</u>	<u>11,216</u>	<u>1,716</u>
Total revenues	<u>1,825,897</u>	<u>1,836,897</u>	<u>1,845,990</u>	<u>9,093</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	1,550,274	1,550,274	1,550,274	-
Interest and other	<u>804,001</u>	<u>815,001</u>	<u>802,101</u>	<u>12,900</u>
Total expenditures	<u>2,354,275</u>	<u>2,365,275</u>	<u>2,352,375</u>	<u>12,900</u>
Excess (deficiency) of revenues over expenditures	<u>( 528,378)</u>	<u>( 528,378)</u>	<u>( 506,385)</u>	<u>21,993</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>496,616</u>	<u>496,616</u>	<u>515,366</u>	<u>18,750</u>
Total other financing sources (uses)	<u>496,616</u>	<u>496,616</u>	<u>515,366</u>	<u>18,750</u>
Net change in fund balance	<u>( 31,762)</u>	<u>( 31,762)</u>	<u>8,981</u>	<u>40,743</u>
Fund balance- beginning	<u>62,817</u>	<u>62,817</u>	<u>62,817</u>	<u>-</u>
Fund balance- ending	<u>\$ 31,055</u>	<u>\$ 31,055</u>	<u>\$ 71,798</u>	<u>\$ 40,743</u>

**CITY OF BASTROP, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2018**

	Nonmajor Enterprise Funds		Total Non-Major Enterprise Funds
	Community Impact Fee Fund	Accelerated Recovery Fee Fund	
<b>ASSETS</b>			
Cash and cash equivalents-restricted	\$ 1,372,088	\$ 88,418	\$ 1,460,506
Total assets	1,372,088	88,418	1,460,506
<b>LIABILITIES</b>			
Accounts payable	12,450	-	12,450
Total liabilities	12,450	-	12,450
<b>NET POSITION</b>			
Restricted for capital improvements	1,359,638	88,418	1,448,056
Total net position	\$ 1,359,638	\$ 88,418	\$ 1,448,056

**CITY OF BASTROP, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

**NONMAJOR ENTERPRISE FUNDS**

**FOR THE YEAR END SEPTEMBER 30, 2018**

	Nonmajor Enterprise Funds		Total Non-Major Enterprise Funds
	Community Impact Fee Fund	Accelerated Recovery Fee Fund	
Operating revenues:			
Charges for services	\$ 752,341	\$ -	\$ 752,341
Total operating revenues	752,341	-	752,341
Operating expenses:	-	-	-
Operating income	752,341	-	752,341
Nonoperating revenues			
Investment earnings	24,633	3,153	27,786
Total nonoperating revenues	24,633	3,153	27,786
Income before transfers	776,974	3,153	780,127
Transfers out	( 720,021)	( 172,618)	( 892,639)
Change in net position	56,953	( 169,465)	( 112,512)
Net position- beginning	1,302,685	257,883	1,560,568
Net position- ending	\$ 1,359,638	\$ 88,418	\$ 1,448,056

**CITY OF BASTROP, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Nonmajor Enterprise Funds		Total
	Community Impact Fee Fund	Accelerated Recovery Fee Fund	Non-Major Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,219,516	\$ -	\$ 1,219,516
Net cash provided by operating activities	<u>1,219,516</u>	<u>-</u>	<u>1,219,516</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers out to other funds	( 707,571)	( 172,618)	( 880,189)
Net cash used by noncapital noncapital financing activities	<u>( 707,571)</u>	<u>( 172,618)</u>	<u>( 880,189)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	<u>24,633</u>	<u>3,153</u>	<u>27,786</u>
Net cash provided by investing activities	<u>24,633</u>	<u>3,153</u>	<u>27,786</u>
Net increase (decrease) in cash and cash equivalents	<u>536,578</u>	<u>( 169,465)</u>	<u>367,113</u>
Cash and cash equivalents - beginning	<u>835,510</u>	<u>257,883</u>	<u>1,093,393</u>
Cash and cash equivalents - ending	<u>1,372,088</u>	<u>88,418</u>	<u>1,460,506</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	752,341	-	752,341
Adjustments to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in accounts receivable	<u>467,175</u>	<u>-</u>	<u>467,175</u>
Net cash provided by operating activities	<u>\$ 1,219,516</u>	<u>\$ -</u>	<u>\$ 1,219,516</u>

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# **STATISTICAL SECTION**

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# STATISTICAL SECTION

## (Unaudited)

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	83 – 91
<b>Revenue Capacity</b> These schedules contain trend information to help the reader assess the factors affecting the City's ability to generate its electric utility, sales tax and property tax revenues.	92 – 98
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.	99 – 104
<b>Economic and Demographic Indicators</b> These schedules contain economic and demographic information to help the reader understand the environment within which the City's financial activities take place.	105 – 107
<b>Operating Information</b> These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	108 – 110

**CITY OF BASTROP, TEXAS**

**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS**

	Fiscal Year			
	2009	2010	2011	2012
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 2,155,157	\$( 4,960,857)	\$ 5,875,370	\$ 10,566,114
Restricted	986,735	9,380,765	6,046,673	7,373,576
Unrestricted	<u>4,033,594</u>	<u>( 236,597)</u>	<u>( 2,389,362)</u>	<u>( 854,428)</u>
Total governmental activities net position	<u>\$ 7,175,486</u>	<u>\$ 4,183,311</u>	<u>\$ 9,532,681</u>	<u>\$ 17,085,262</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 16,335,785	\$ 19,320,722	\$ 16,135,372	\$ 13,211,924
Restricted	-	-	-	-
Unrestricted	<u>5,767,731</u>	<u>6,658,219</u>	<u>5,594,939</u>	<u>7,391,011</u>
Total business-type activities net position	<u>\$ 22,103,516</u>	<u>\$ 25,978,941</u>	<u>\$ 21,730,311</u>	<u>\$ 20,602,935</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 18,490,942	\$ 14,359,865	\$ 22,010,742	\$ 23,778,038
Restricted	986,735	9,380,765	6,046,673	7,373,576
Unrestricted	<u>9,801,325</u>	<u>6,421,622</u>	<u>3,205,577</u>	<u>6,536,583</u>
Total primary government net position	<u>\$ 29,279,002</u>	<u>\$ 30,162,252</u>	<u>\$ 31,262,992</u>	<u>\$ 37,688,197</u>

TABLE 1

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 11,429,156	\$ 9,963,117	\$ 11,651,156	\$ 11,918,463	\$ 14,539,682	\$ 19,769,501
4,910,969	9,159,680	8,756,852	8,066,547	7,742,134	4,343,291
<u>2,499,071</u>	<u>2,209,515</u>	<u>5,446,370</u>	<u>5,326,377</u>	<u>4,292,982</u>	<u>4,389,629</u>
<u>\$ 18,839,196</u>	<u>\$ 21,332,312</u>	<u>\$ 25,854,378</u>	<u>\$ 25,311,387</u>	<u>\$ 26,574,798</u>	<u>\$ 28,502,421</u>
\$ 11,738,002	\$ 12,316,742	\$ 13,333,175	\$ 15,553,195	\$ 16,164,723	\$ 16,812,087
2,660,151	669,651	838,596	931,191	2,016,705	2,732,351
<u>5,210,587</u>	<u>8,546,144</u>	<u>8,571,980</u>	<u>8,127,577</u>	<u>8,485,463</u>	<u>8,587,217</u>
<u>\$ 19,608,740</u>	<u>\$ 21,532,537</u>	<u>\$ 22,743,751</u>	<u>\$ 24,611,963</u>	<u>\$ 26,666,891</u>	<u>\$ 28,131,655</u>
\$ 23,167,158	\$ 22,279,859	\$ 24,984,331	\$ 27,471,658	\$ 30,704,405	\$ 36,581,588
7,571,120	9,829,331	9,595,448	8,997,738	9,758,839	7,075,642
<u>7,709,658</u>	<u>10,755,659</u>	<u>14,018,350</u>	<u>13,453,954</u>	<u>12,778,445</u>	<u>12,976,846</u>
<u>\$ 38,447,936</u>	<u>\$ 42,864,849</u>	<u>\$ 48,598,129</u>	<u>\$ 49,923,350</u>	<u>\$ 53,241,689</u>	<u>\$ 56,634,076</u>

# CITY OF BASTROP, TEXAS

## CHANGES IN NET POSITION

### LAST TEN FISCAL YEARS

	Fiscal Year			
	2009	2010	2011	2012
<b>EXPENSES</b>				
Governmental activities:				
General government	\$ 5,150,600	\$ 6,394,947	\$ 6,295,882	\$ 8,045,054
Public safety	2,356,890	2,464,313	2,648,635	2,792,144
Developmental services	-	-	-	-
Community development	1,567,019	1,773,439	1,997,802	1,983,502
Health	79,169	76,812	75,991	78,982
Economic development & assistance	-	-	-	-
Cemetery	15,816	-	-	-
Interest on long-term debt	810,338	986,607	1,403,348	1,065,553
Depreciation	-	-	-	-
Total governmental activities expenses	<u>9,979,831</u>	<u>11,696,118</u>	<u>12,421,658</u>	<u>13,965,235</u>
Business-type activities:				
Water and wastewater utilities	2,654,152	2,790,906	3,061,719	3,174,942
Electric utility	6,049,776	5,727,753	5,871,322	6,198,430
Other nonmajor	3,619	67,305	19,207	129,198
Total business-type activities expenses	<u>8,707,547</u>	<u>8,585,964</u>	<u>8,952,248</u>	<u>9,502,570</u>
Total primary government program expenses	<u>\$ 18,687,378</u>	<u>\$ 20,282,082</u>	<u>\$ 21,373,906</u>	<u>\$ 23,467,805</u>
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,087,944	\$ 1,255,484	\$ 1,318,457	\$ 1,351,258
Public safety	295,240	256,551	275,307	230,014
Community services	-	-	65,615	69,011
Health	27,932	-	-	-
Economic development & assistance	-	-	-	-
Operating grants and contributions	91,918	249,725	393,095	200,007
Capital grants and contributions	577,643	-	173,903	3,404,918
Total governmental activities program revenues	<u>2,080,677</u>	<u>1,761,760</u>	<u>2,226,377</u>	<u>5,255,208</u>
Business-type activities:				
Charges for services:				
Water and wastewater utilities	3,111,828	3,071,126	3,445,382	3,610,941
Electric utility	7,071,534	6,771,854	6,966,650	7,395,021
Other nonmajor	295,177	195,354	96,354	893,389
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>10,478,539</u>	<u>10,038,334</u>	<u>10,508,386</u>	<u>11,899,351</u>
Total primary government program revenues	<u>\$ 12,559,216</u>	<u>\$ 11,800,094</u>	<u>\$ 12,734,763</u>	<u>\$ 17,154,559</u>
<b>NET (EXPENSE) REVENUES</b>				
Governmental activities	\$( 7,899,154)	\$( 9,934,358)	\$( 10,195,281)	\$( 8,710,027)
Business-type activities	<u>1,770,992</u>	<u>1,452,370</u>	<u>1,556,138</u>	<u>2,396,781</u>
Total primary government net expense	<u>\$( 6,128,162)</u>	<u>\$( 8,481,988)</u>	<u>\$( 8,639,143)</u>	<u>\$( 6,313,246)</u>

TABLE 2

		Fiscal Year					
		2013	2014	2015	2016	2017	2018
\$	3,714,276	\$ 2,823,226	\$ 3,000,666	\$ 4,461,447	\$ 4,790,876	\$ 5,042,504	
	3,784,611	3,744,040	3,589,294	4,342,768	4,169,672	3,995,531	
	-	-	711,905	923,089	692,326	919,670	
	3,071,077	3,214,589	3,207,923	2,914,278	1,880,293	2,015,727	
	-	-	-	-	-	-	
	2,865,227	4,067,024	2,976,087	2,497,292	3,350,167	3,910,783	
	-	-	-	-	-	-	
	680,369	1,008,265	1,030,527	926,159	807,460	853,401	
	-	-	-	-	-	-	
	<u>14,115,560</u>	<u>14,857,144</u>	<u>14,516,402</u>	<u>16,065,033</u>	<u>15,690,794</u>	<u>16,737,616</u>	
	3,748,334	3,694,129	3,882,671	3,960,331	4,487,471	4,747,676	
	6,188,383	6,673,346	6,861,785	6,184,527	6,104,456	6,351,799	
	620,614	683,574	47,028	36,186	5,324	-	
	<u>10,557,331</u>	<u>11,051,049</u>	<u>10,791,484</u>	<u>10,181,044</u>	<u>10,597,251</u>	<u>11,099,475</u>	
\$	<u>24,672,891</u>	<u>25,908,193</u>	<u>25,307,886</u>	<u>26,246,077</u>	<u>26,288,045</u>	<u>27,837,091</u>	
\$	1,437,935	\$ 413,374	\$ 1,035,377	\$ 1,061,694	\$ 1,371,930	\$ 1,676,873	
	1,067,556	925,131	932,848	266,292	31,697	95,706	
	293,186	86,472	36,480	66,705	87,616	125,125	
	-	-	-	-	-	-	
	133,686	130,920	137,891	153,125	144,912	166,757	
	130,520	390,712	428,497	278,349	237,019	150,396	
	408,312	2,988,454	1,878,711	629,416	1,063,268	1,306,839	
	<u>3,471,195</u>	<u>4,935,063</u>	<u>4,449,804</u>	<u>2,455,581</u>	<u>2,936,442</u>	<u>3,521,696</u>	
	3,851,172	3,960,434	4,288,849	4,654,955	4,983,380	5,100,581	
	6,854,109	7,304,225	7,415,588	6,446,305	6,903,151	7,171,253	
	789,918	893,112	261,102	336,791	1,046,108	752,341	
	-	-	-	-	12,032	-	
	-	600,000	47,889	-	-	90,214	
	<u>11,495,199</u>	<u>12,757,771</u>	<u>12,013,428</u>	<u>11,438,051</u>	<u>12,944,671</u>	<u>13,114,389</u>	
\$	<u>14,966,394</u>	<u>17,692,834</u>	<u>16,463,232</u>	<u>13,893,632</u>	<u>15,881,113</u>	<u>16,636,085</u>	
\$	( 10,644,365)	\$ ( 9,922,081)	\$ ( 10,066,598)	\$ ( 13,609,452)	\$ ( 12,754,352)	\$ ( 13,215,920)	
	937,868	1,706,722	1,221,944	1,257,007	2,347,420	2,014,914	
\$	<u>( 9,706,497)</u>	<u>( 8,215,359)</u>	<u>( 8,844,654)</u>	<u>( 12,352,445)</u>	<u>( 10,406,932)</u>	<u>( 11,201,006)</u>	

# CITY OF BASTROP, TEXAS

## GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

### LAST TEN FISCAL YEARS

	Fiscal Year			
	2009	2010	2011	2012
<b>NET EXPENSES</b>				
Governmental activities:	\$( 7,899,154)	\$( 9,934,358)	\$( 10,195,282)	\$( 8,710,027)
Business-type activities:	<u>1,626,056</u>	<u>1,452,370</u>	<u>1,556,138</u>	<u>2,396,781</u>
Total primary government net expense	<u>\$( 6,273,098)</u>	<u>\$( 8,481,988)</u>	<u>\$( 8,639,144)</u>	<u>\$( 6,313,246)</u>
<b>GENERAL REVENUES AND OTHER</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 3,182,745	\$ 3,362,419	\$ 3,557,551	\$ 3,947,319
Sales taxes	2,508,969	2,606,584	2,722,333	3,194,452
Franchise taxes	365,838	375,077	404,582	431,129
Other taxes	2,202,096	2,172,473	2,512,219	2,568,635
Penalty and interest	63,574	73,518	58,562	72,164
Grants and contributions not rest.	91,076	122,691	98,733	-
Miscellaneous revenue	135,334	511,770	296,242	892,755
Gain on sale of assets	-	-	-	-
Investment earnings	97,964	76,892	31,639	86,562
Special item - resource	47,821	37,782	40,431	44,774
Special item (use)	4,423	4,065	3,179	7,344
Transfers in (out)	<u>( 1,431,720)</u>	<u>( 2,401,089)</u>	<u>928,594</u>	<u>( 1,201,295)</u>
Total governmental activities general revenues and other	<u>7,268,120</u>	<u>6,942,182</u>	<u>10,654,065</u>	<u>10,043,839</u>
Business-type activities:				
Sales taxes	-	-	-	-
Miscellaneous revenue	230,872	-	-	3,353
Investment earnings	68,051	21,968	14,412	14,066
Special item (use)	-	-	-	-
Transfers in (out)	<u>1,251,118</u>	<u>2,401,088</u>	<u>( 928,594)</u>	<u>1,201,295</u>
Total business-type activities general revenues and other	<u>1,550,041</u>	<u>2,423,056</u>	<u>( 914,182)</u>	<u>1,218,714</u>
Total primary government general revenues	<u>\$ 8,818,161</u>	<u>\$ 9,365,238</u>	<u>\$ 9,739,883</u>	<u>\$ 11,262,553</u>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$( 631,034)	\$( 2,992,176)	\$ 458,783	\$ 1,333,812
Business-type activities	<u>3,176,097</u>	<u>3,875,426</u>	<u>641,956</u>	<u>3,615,495</u>
Total primary government	<u>\$ 2,545,063</u>	<u>\$ 883,250</u>	<u>\$ 1,100,739</u>	<u>\$ 4,949,307</u>

TABLE 3

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$( 10,644,365)	\$( 9,922,081)	\$( 10,066,598)	\$( 13,609,452)	\$( 12,754,352)	\$( 13,215,920)
<u>937,868</u>	<u>1,706,722</u>	<u>1,221,944</u>	<u>1,263,408</u>	<u>2,347,420</u>	<u>2,014,914</u>
<u>\$( 9,706,497)</u>	<u>\$( 8,215,359)</u>	<u>\$( 8,844,654)</u>	<u>\$( 12,346,044)</u>	<u>\$( 10,406,932)</u>	<u>\$( 11,201,006)</u>
\$ 4,294,978	\$ 4,619,684	\$ 4,806,931	\$ 5,671,902	\$ 5,374,085	\$ 5,758,745
3,352,264	3,538,097	4,021,662	4,325,273	4,430,848	4,815,099
412,730	454,377	486,694	495,709	464,908	462,968
2,501,546	2,737,816	2,850,062	2,777,935	2,686,099	2,844,403
-	-	-	-	-	-
205,651	-	-	-	-	-
126,303	64,532	46,176	79,626	84,484	159,287
-	-	-	-	15,270	49,619
20,427	18,787	19,380	74,232	131,122	190,986
-	-	-	-	-	-
( 9,537)	-	3,330,054	-	-	-
<u>( 2,469,672)</u>	<u>439,179</u>	<u>500,248</u>	<u>( 358,216)</u>	<u>748,152</u>	<u>1,042,299</u>
<u>8,434,690</u>	<u>11,872,472</u>	<u>16,061,207</u>	<u>13,066,461</u>	<u>13,934,968</u>	<u>15,323,406</u>
-	-	-	-	-	-
98,600	52,672	150,808	181,324	153,534	335,789
11,910	9,064	14,490	65,264	130,344	204,426
-	-	627,566	-	-	-
<u>2,469,672</u>	<u>( 439,179)</u>	<u>( 500,248)</u>	<u>358,216</u>	<u>( 748,152)</u>	<u>( 1,042,299)</u>
<u>2,580,182</u>	<u>( 377,443)</u>	<u>292,616</u>	<u>604,804</u>	<u>( 464,274)</u>	<u>( 502,084)</u>
<u>\$ 11,014,872</u>	<u>\$ 11,495,029</u>	<u>\$ 16,353,823</u>	<u>\$ 13,671,265</u>	<u>\$ 13,470,694</u>	<u>\$ 14,821,322</u>
\$( 2,209,675)	\$ 1,950,391	\$ 5,994,609	\$( 542,991)	\$ 1,180,616	\$ 2,107,486
<u>3,518,050</u>	<u>1,329,279</u>	<u>1,514,560</u>	<u>1,868,212</u>	<u>1,883,146</u>	<u>1,512,830</u>
<u>\$ 1,308,375</u>	<u>\$ 3,279,670</u>	<u>\$ 7,509,169</u>	<u>\$ 1,325,221</u>	<u>\$ 3,063,762</u>	<u>\$ 3,620,316</u>

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TABLE 4

CITY OF BASTROP, TEXAS

FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ 45,362	\$ 56,011	\$ 136,887	\$ 82,553	\$ 28,273	\$ 53,226
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	89,868	217,328	217,328
Unassigned	<u>2,187,883</u>	<u>2,515,443</u>	<u>2,059,480</u>	<u>3,294,416</u>	<u>3,530,544</u>	<u>4,707,026</u>	<u>5,365,120</u>	<u>3,661,166</u>	<u>3,503,042</u>	<u>3,619,188</u>
Total general fund	<u>\$ 2,187,883</u>	<u>\$ 2,515,443</u>	<u>\$ 2,059,480</u>	<u>\$ 3,294,416</u>	<u>\$ 3,575,906</u>	<u>\$ 4,763,037</u>	<u>\$ 5,502,007</u>	<u>\$ 3,833,587</u>	<u>\$ 3,748,643</u>	<u>\$ 3,889,742</u>
All other governmental funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 512	\$ 83,913	\$ 383,789	\$ 385,956	\$ 385,570
Restricted for:										
Capital projects	-	-	-	-	755,047	5,297,045	4,019,033	2,369,536	1,422,295	6,030,501
Debt service	-	-	-	-	707,322	736,729	804,205	230,749	62,817	315,398
Other restricted	5,604,401	9,380,765	5,926,375	7,269,212	-	57,463	19,959	24,026	39,315	63,132
Cemetery	-	-	-	-	607,655	648,832	558,234	186,500	196,419	212,163
Public improvement district	-	-	-	-	87,098	161,579	187,892	132,794	44,462	-
Traffic safety	-	-	-	-	639,090	621,945	631,613	639,377	639,726	628,336
Culture & recreation	-	-	-	-	114,949	121,182	46,708	124,559	125,895	170,836
Economic development	-	-	-	-	1,905,557	2,148,817	2,015,834	2,265,766	2,629,042	2,446,392
Committed for:										
Economic development	-	-	-	-	1,038,897	1,044,994	1,077,854	1,225,851	827,206	912,785
Arena	-	-	-	-	-	-	-	24,167	110,655	107,331
Unassigned	<u>2,412,513</u>	<u>167,536</u>	<u>1,034,177</u>	<u>1,102,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 4,564)</u>	<u>( 95,221)</u>
Total all other governmental funds	<u>\$ 8,016,914</u>	<u>\$ 9,548,301</u>	<u>\$ 6,960,552</u>	<u>\$ 8,371,356</u>	<u>\$ 5,855,615</u>	<u>\$ 10,839,098</u>	<u>\$ 9,445,245</u>	<u>\$ 7,607,114</u>	<u>\$ 6,479,224</u>	<u>\$ 11,177,223</u>

**CITY OF BASTROP, TEXAS**

**CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>REVENUES</b>										
Property taxes	\$ 3,326,158	\$ 3,668,631	\$ 3,859,531	\$ 4,266,992	\$ 4,243,734	\$ 4,536,737	\$ 4,741,831	\$ 4,998,616	\$ 5,266,699	\$ 5,575,700
Sales taxes	2,508,969	2,606,584	2,722,333	3,194,452	3,352,264	3,538,097	4,021,662	4,371,880	4,492,652	4,889,377
Hotel/motel taxes	2,202,096	1,970,512	2,247,985	2,276,444	2,501,546	2,737,816	2,850,062	2,777,935	2,686,099	2,844,403
Franchise taxes	365,838	375,077	404,582	431,129	412,730	454,377	486,694	495,709	464,908	462,968
Licenses and permits	150,664	104,149	97,305	135,408	143,768	153,841	213,904	187,729	247,174	752,653
Intergovernmental	1,614,689	1,231,197	1,691,978	1,625,928	1,960,454	531,182	728,094	656,385	1,037,098	1,276,879
Service fees	72,172	70,418	90,526	278,350	269,570	263,304	709,339	745,419	754,803	894,306
Fines and forfeitures	323,673	324,465	346,568	366,040	1,080,535	1,144,202	653,730	563,971	362,397	317,579
Investments earnings	97,964	76,854	31,640	26,315	20,427	18,788	19,380	70,100	119,133	174,339
Miscellaneous	145,889	667,249	394,975	2,124,631	197,675	348,371	443,233	530,322	880,451	604,431
Total revenues	<u>10,808,112</u>	<u>11,095,136</u>	<u>11,887,423</u>	<u>14,725,689</u>	<u>14,182,703</u>	<u>13,726,715</u>	<u>14,867,929</u>	<u>15,398,066</u>	<u>16,311,414</u>	<u>17,792,635</u>
<b>EXPENDITURES</b>										
Current:										
General government	1,805,523	2,233,336	2,591,833	2,659,338	2,587,881	1,498,735	2,695,518	4,195,350	3,764,359	4,353,027
Public safety	2,470,393	2,196,265	2,433,848	2,776,805	3,218,590	3,424,029	3,349,118	3,558,802	3,698,141	3,904,198
Development services	2,074,168	3,035,287	2,430,328	2,818,297	614,744	670,992	708,518	896,180	666,775	901,494
Public works	1,505,497	1,640,182	2,355,876	1,808,697	-	-	-	-	-	-
Community service	560,947	555,892	609,360	650,615	2,456,957	2,370,344	2,464,526	2,096,550	1,673,443	1,884,502
Economic development	-	-	-	-	2,512,066	3,846,172	2,743,266	2,266,449	3,145,692	3,455,809
Capital outlay	836,126	2,155,806	3,470,556	2,577,411	424,088	2,304,424	1,700,223	1,180,847	2,281,828	1,734,806
Debt service:										
Principal	1,066,729	1,457,967	1,519,243	1,520,438	1,422,705	1,326,185	1,439,775	1,815,125	1,872,455	1,550,274
Interest and other	1,135,654	1,002,209	1,474,101	1,162,345	721,877	1,111,724	1,068,183	973,859	947,412	920,471
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	325,000	-	-
Total expenditures	<u>11,455,037</u>	<u>14,276,944</u>	<u>16,885,145</u>	<u>15,973,946</u>	<u>13,958,908</u>	<u>16,552,605</u>	<u>16,169,127</u>	<u>17,308,162</u>	<u>18,050,105</u>	<u>18,704,581</u>

**CITY OF BASTROP, TEXAS**

**CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
(Continued)  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ ( 646,925)</u>	<u>\$ ( 3,181,808)</u>	<u>\$ ( 4,997,722)</u>	<u>\$ ( 1,248,257)</u>	<u>\$ 223,795</u>	<u>\$ ( 2,825,890)</u>	<u>\$ ( 1,301,198)</u>	<u>\$ ( 1,910,096)</u>	<u>\$ ( 1,738,691)</u>	<u>\$ ( 911,946)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	1,218,690	1,127,753	2,657,927	2,673,323	2,426,820	2,387,025	2,856,260	2,554,732	1,976,999	2,168,734
Transfers out	( 2,650,410)	( 3,528,663)	( 1,729,333)	( 3,874,618)	( 4,896,492)	( 1,947,846)	( 2,356,012)	( 4,182,948)	( 1,341,347)	( 1,263,935)
Issuance of long-term debt	6,135,000	7,400,000	4,260,000	6,315,000	-	7,392,000	1,695,558	1,440,000	3,135,000	4,605,000
Premium of long-term debt	121,803	-	179,469	460,848	-	127,985	185,830	116,968	427,340	213,370
Other resources	47,821	37,782	40,431	44,774	-	475,000	-	-	-	-
Payments to refunded bond escrow agent	-	-	( 4,300,560)	( 1,732,675)	-	-	( 1,819,234)	( 1,505,285)	( 3,692,139)	-
Insurance recoveries	-	-	-	-	-	-	-	51,757	20,000	27,499
Capital contribution	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	<u>4,423</u>	<u>4,065</u>	<u>3,179</u>	<u>7,344</u>	<u>11,626</u>	<u>19,615</u>	<u>-</u>	<u>12,234</u>	<u>4</u>	<u>376</u>
Total other financing sources (uses)	<u>4,877,327</u>	<u>5,040,937</u>	<u>1,111,113</u>	<u>3,893,996</u>	<u>( 2,458,046)</u>	<u>8,453,779</u>	<u>562,402</u>	<u>( 1,512,542)</u>	<u>525,857</u>	<u>5,751,044</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 4,230,402</u>	<u>\$ 1,859,129</u>	<u>\$ ( 3,886,609)</u>	<u>\$ 2,645,739</u>	<u>\$ ( 2,234,251)</u>	<u>\$ 5,627,889</u>	<u>\$ ( 738,796)</u>	<u>\$ ( 3,422,638)</u>	<u>\$ ( 1,212,834)</u>	<u>\$ 4,839,098</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	18.7%	19.4%	21.1%	18.2%	15.8%	17.1%	17.2%	17.3%	17.9%	14.6%

**CITY OF BASTROP, TEXAS**  
**TAXABLE SALES BY CATEGORY**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

Function/Program	Fiscal Year			
	2009	2010	2011	2012
Agriculture/Forestry/Fishing/Hunting	\$ -	\$ 38,325	\$ 49,454	\$ 51,436
Construction	772,931	548,569	2,529,176	612,692
Manufacturing	519,926	502,894	609,479	1,113,311
Wholesale trade	2,064,535	1,537,429	1,532,664	1,897,020
Retail trade	171,365,676	182,220,911	191,434,598	227,250,051
Transportation/warehousing	-	-	-	5,480
Information	1,162,003	1,435,657	1,451,985	1,886,983
Finance/insurance	1,117,241	1,251,733	1,277,053	1,334,575
Professional/scientific/technical	604,404	566,407	619,830	688,357
Real estate/rental/leasing	2,449,809	1,993,012	1,240,362	1,006,683
Admin/support/Waste Mgmt/Remediation Srvs	459,068	415,289	377,390	536,628
Educational Services	8,029	6,502	7,479	5,424
Health Care/Social Assistance	16,296	84,316	108,373	265,225
Arts/Entertainment/Recreation	925,762	884,721	868,901	819,934
Accommodation/Food Services	34,293,028	35,011,335	37,095,419	41,461,897
Other Services (except Public Admin)	4,872,634	4,787,520	5,338,783	5,448,774
Public Administration	-	-	1,361,039	2,728,196
<b>Total</b>	<b>\$ 220,631,342</b>	<b>\$ 231,284,620</b>	<b>\$ 245,901,985</b>	<b>\$ 287,112,666</b>
City Direct Sales Tax Rate	1%	1%	1%	1%

Source: Texas Comptroller

(1) Only information for 3 quarters is available

**TABLE 6**

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 49,046	\$ 52,808	\$ 52,920	\$ 45,195	\$ 26,709	\$ 9,784
733,996	813,098	761,185	1,086,071	1,276,755	1,123,881
567,873	1,038,367	1,205,357	750,211	2,195,084	3,556,812
2,180,790	2,151,794	1,822,898	2,153,299	3,242,142	2,413,784
231,643,120	238,982,499	277,256,866	297,431,573	305,663,642	243,187,471
58,825	64,042	42,575	54,272	44,023	17,747
2,268,905	5,165,014	6,285,357	6,069,450	6,121,756	5,337,927
1,430,714	1,441,582	1,499,365	1,583,797	1,759,048	1,418,569
939,161	586,683	600,935	707,937	594,742	423,710
1,062,877	894,945	1,284,457	1,342,905	1,314,416	822,501
608,223	546,942	552,963	603,347	653,077	452,291
11,445	33,522	24,482	92,677	38,465	38,106
146,756	134,592	155,984	180,685	137,808	122,134
817,189	660,179	487,662	748,173	977,423	838,236
46,836,570	51,668,983	60,429,758	65,489,245	66,899,175	52,897,018
5,089,936	5,622,266	6,609,898	7,480,169	7,607,821	5,643,552
2,959,497	2,987,696	3,160,468	2,954,206	2,947,905	2,282,175
<u>\$ 297,404,923</u>	<u>\$ 312,845,012</u>	<u>\$ 362,233,130</u>	<u>\$ 388,773,212</u>	<u>\$ 401,499,991</u>	<u>\$ 320,585,698</u>
1%	1%	1%	1%	1%	1%

TABLE 7

**CITY OF BASTROP, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Tax Year	Real Property	Personal Property	Less Exempt Property	Less Other (1)	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2009	2008	\$ 642,672,510	\$ 92,109,942	\$( 110,409,715)	\$( 75,953,047)	\$ 548,419,690	\$ 0.5540	\$ 548,419,690	100.00%
2010	2009	683,627,607	83,978,203	( 117,951,584)	( 82,207,662)	567,446,564	0.5540	567,446,564	100.00%
2011	2010	749,216,172	82,203,043	( 135,123,943)	( 89,217,278)	607,077,994	0.0554	607,077,994	100.00%
2012	2011	779,056,911	81,672,766	( 146,849,465)	( 86,623,396)	627,256,816	0.0584	627,256,816	100.00%
2013	2012	792,557,307	89,185,540	( 147,350,585)	( 98,583,801)	635,808,461	0.0584	635,808,461	100.00%
2014	2013	816,067,208	101,281,545	( 143,609,524)	( 103,017,981)	670,721,248	0.0584	670,721,248	100.00%
2015	2014	863,574,836	110,674,924	( 150,322,357)	( 86,004,438)	737,922,965	0.5640	737,922,965	100.00%
2016	2015	929,201,260	121,017,621	( 158,570,133)	( 108,720,698)	782,928,050	0.5640	782,928,050	100.00%
2017	2016	976,858,517	127,021,941	( 157,738,191)	( 120,320,209)	825,822,058	0.5640	825,822,058	100.00%
2018	2017	1,026,626,754	133,469,154	( 169,209,339)	( 127,814,502)	863,072,067	0.5640	863,072,067	100.00%

Source: Central Appraisal District of Bastrop County certified roll

(1) Other includes Homestead Cap Adjustment, Productivity Loss, Exemptions, 065 Freeze/Transfer and DP Freeze.

TABLE 8

**CITY OF BASTROP, TEXAS**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	City Direct Rates			Overlapping Rates		Other
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Bastrop Independent School District	Bastrop County/ County Road	Hunter's Crossing PID Fixed \$ amount
2009	\$ 0.1992	\$ 0.3548	\$ 0.5540	\$ 1.4810	\$ 0.6192	\$ 226.00
2010	0.2292	0.3248	0.5540	1.4810	0.6192	238.00
2011	0.2889	0.2651	0.5540	1.4810	0.6192	271.00
2012	0.3203	0.2637	0.5840	1.4810	0.6175	289.52
2013	0.3504	0.2336	0.5840	1.4810	0.6314	308.16
2014	0.3638	0.2202	0.5840	1.4610	0.6290	324.16
2015	0.3598	0.2042	0.5640	1.4410	0.6290	324.16
2016	0.3596	0.2044	0.5640	1.4410	0.6190	324.16
2017	0.3640	0.2000	0.5640	1.4410	0.5990	342.16
2018	0.3643	0.1997	0.5640	1.4410	0.5897	361.16

(1) Source: City of Bastrop Budget, County and BISSD websites

(2) Basis for property tax rate is per \$100 of taxable valuation.

**TABLE 9**

**CITY OF BASTROP, TEXAS  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bastrop Retail Partners	\$ 30,614,163	1	3.71%	\$ -	-	-
Covert Chevrolet	15,254,386	2	1.85%	10,278,339	2	2.13%
The Lodge at Lost Pines LP	14,868,620	3	1.80%	-	-	-
Bastrop Walnut Ridge Apartments	12,464,156	4	1.51%	-	-	-
Walmart Real Estate Bus Trust	10,243,733	5	1.24%	12,871,616	1	2.66%
Buc-ee's LTD	10,135,376	6	1.23%	-	-	-
H E Butt Grocery Company	10,075,470	7	1.22%	9,100,000	4	1.88%
Time Warner Cable Texas LLC	7,815,923	8	0.95%	-	-	-
Lowe's Home Center Inc.	7,617,320	9	0.92%	-	-	-
First National Bank of Bastrop	7,195,729	10	0.87%	6,072,052	10	1.26%
<b>Total</b>	<b>\$ 126,284,876</b>		<b>15.30%</b>	<b>\$ 38,322,007</b>		<b>7.93%</b>

(1) Source: Central Appraisal District of Bastrop County

**TABLE 10**

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

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 3,278,876	\$ 3,185,516	97.15%	\$ 78,663	\$ 3,264,179	99.55%
2010	3,404,859	3,327,953	97.74%	54,119	3,382,072	99.33%
2011	3,609,482	3,517,945	97.46%	69,562	3,587,507	99.39%
2012	3,915,501	3,863,585	98.67%	34,308	3,897,893	99.55%
2013	3,977,570	3,928,876	98.78%	36,617	3,965,493	99.70%
2014	4,192,486	4,147,083	98.92%	32,165	4,179,248	99.68%
2015	4,356,620	4,321,311	99.19%	10,292	4,331,603	99.43%
2016	4,704,126	4,683,239	99.56%	20,671	4,703,910	100.00%
2017	5,001,944	4,889,591	97.75%	27,342	4,916,933	98.30%
2018	5,271,488	5,221,755	99.06%	-	5,221,755	99.06%

Source: Tax-Assessor/Collector Annual Report

1. Due to variances allowed by Bastrop County Appraisal District the total Collections to Date exceed the Original Taxes Levied

**TABLE 11**

**CITY OF BASTROP, TEXAS  
DIRECT AND OVERLAPPING SALES TAX REVENUE  
LAST TEN FISCAL YEARS (UNAUDITED)**

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Bastrop Economic Development Corporation</u>	<u>Bastrop County</u>	<u>State of Texas</u>
2009	1.00%	0.50%	0.50%	6.25%
2010	1.00%	0.50%	0.50%	6.25%
2011	1.00%	0.50%	0.50%	6.25%
2012	1.00%	0.50%	0.50%	6.25%
2013	1.00%	0.50%	0.50%	6.25%
2014	1.00%	0.50%	0.50%	6.25%
2015	1.00%	0.50%	0.50%	6.25%
2016	1.00%	0.50%	0.50%	6.25%
2017	1.00%	0.50%	0.50%	6.25%
2018	1.00%	0.50%	0.50%	6.25%

Source: Texas Comptroller

**TABLE 12**

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

Fiscal Year	General Bonded Debt			Business-type Activities		Total Primary Government	Population	Per Capita Income (1)	Personal Income
	General Obligation Bonds	Tax Notes	Certificates of Obligation	General Obligation Bonds	Certificates of Obligations				
2009	\$ 19,169,975	\$ 631,741	\$ 3,871,132	\$ 3,143,097	\$ 7,190,976	\$ 34,006,921	\$ 7,023	24,337	\$ 170,918,751
2010	17,797,138	473,072	1,848,435	2,965,593	17,887,129	40,971,367	7,218	26,527	191,471,886
2011	15,710,244	349,047	1,939,055	2,755,453	16,998,811	37,752,610	7,306	28,507	208,272,142
2012	14,430,240	218,856	11,435,550	4,862,938	10,321,157	41,268,741	7,394	29,077	214,995,338
2013	13,197,037	92,754	10,723,722	4,499,232	9,768,175	38,280,920	7,483	29,658	221,930,814
2014	12,218,133	-	22,663,741	4,132,955	24,096,343	63,111,172	7,649	26,883	205,628,067
2015	13,495,677	-	19,327,660	4,599,140	22,114,323	59,536,800	7,900	30,383	240,025,700
2016	10,787,319	-	13,010,913	2,621,276	16,763,677	43,183,185	8,600	30,991	266,519,676
2017	13,332,897	-	8,888,001	3,141,477	15,293,897	40,656,272	8,911	31,610	281,676,710
2018	12,253,225	-	13,142,033	2,879,463	14,505,594	42,780,315	9,159	32,242	295,304,478

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

TABLE 13

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

Fiscal Year	Governmental Activities			Business-type Activities		Total	Percentage Actual Taxable Property Value (a)	Per Capita (b)
	General Obligation Bonds	Tax Notes	Certificates of Obligation	General Obligation Bonds	Certificates of Obligations			
2009	\$ 19,169,975	\$ 631,741	\$ 3,871,132	\$ 3,143,097	\$ 7,190,976	\$ 34,006,921	6.20%	\$ 4,975
2010	17,797,138	473,072	1,848,435	2,965,593	17,887,129	40,971,367	7.22%	5,676
2011	15,710,244	349,047	1,939,055	2,755,453	16,998,811	37,752,610	6.22%	5,167
2012	14,430,240	218,856	11,435,550	4,862,938	10,321,157	41,268,741	6.58%	5,581
2013	13,197,037	92,754	10,723,722	4,499,232	9,768,175	38,280,920	6.02%	5,116
2014	12,218,133	-	22,663,741	4,132,955	24,096,343	63,111,172	9.41%	8,251
2015	13,495,677	-	19,327,660	4,599,140	22,114,323	59,536,800	8.07%	7,536
2016	10,787,319	-	13,010,913	2,621,276	16,763,677	43,183,185	5.52%	5,466
2017	13,332,897	-	8,888,001	3,141,477	15,293,897	40,656,272	4.92%	5,146
2018	12,253,225	-	13,142,033	2,879,463	14,505,594	42,780,315	4.96%	4,950

(a) See Table 7 for Taxable Property Value

(b) See Table 12 for Per Capita

**TABLE 14**

**CITY OF BASTROP, TEXAS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
(UNAUDITED)**

<u>Taxing Jurisdiction</u>	<u>Total Direct Debt</u>	<u>Estimated % Applicable</u>	<u>City's Overlapping Tax Supported Debt as of 09/30/2018</u>	<u>Subtotals</u>
City of Bastrop	\$ 25,395,258	(1) 100.00%	\$ 25,395,258	
Total Direct Debt				\$ 25,395,258
Bastrop County	48,140,000	16.41%	7,899,774	
Bastrop Independent School District	155,232,903	24.69%	38,327,004	
Total Indirect Debt				<u>46,226,778</u>
Total Direct and Overlapping Tax Supported Debt				\$ 71,622,036
Ratio of Direct and Overlapping Bonded Debt to Taxable Assessed Valuation (a)				8.51%
Per Capita Direct and Overlapping Debt (b)				\$ 8,503

Source : Texas Municipal Reports published by the Municipal Advisory Council of Texas  
 (1) Excludes self-supporting ad valorem tax debt  
 (a) See Table 7 for Taxable Property Value  
 (b) See Table 12 for Per Capita

**CITY OF BASTROP, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2009	2010	2011	2012
Assessed Valuation	\$ 548,419,690	\$ 567,446,564	\$ 607,077,994	\$ 627,256,816
Limit on Amount Designated for Debt Service:				
\$1.50 per \$100 assessed valuation	<u>x      1.5</u>	<u>x      1.5</u>	<u>x      1.5</u>	<u>x      1.5</u>
Legal Annual Maximum Debt Payment	\$ <u>8,226,295</u>	\$ <u>8,511,698</u>	\$ <u>9,106,170</u>	\$ <u>9,408,852</u>
Actual Amount Expended for General Obligation Debt Service During the Fiscal Year	<u>2,039,796</u>	<u>1,900,868</u>	<u>1,871,190</u>	<u>2,508,842</u>
Legal Debt Margin for Annual Debt Service Requirements	\$ <u>6,186,499</u>	\$ <u>6,610,830</u>	\$ <u>7,234,980</u>	\$ <u>6,900,010</u>
Total Net Debt Applicable to the Limit				
As a percentage of Debt Limit	24.80%	22.33%	20.55%	26.66%

Source: Central Appraisal District of Bastrop County  
Audited Financial Statements of the City of Bastrop  
BCAD - Assessment Roll Grand Totals Report

**TABLE 15**

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 635,808,461	\$ 670,721,248	\$ 737,922,965	\$ 782,928,050	\$ 825,822,058	\$ 863,072,067
<u>x 1.5</u>	<u>x 1.5</u>	<u>x 1.5</u>	<u>x 1.5</u>	<u>x 1.5</u>	<u>x 1.5</u>
<u>\$ 9,537,127</u>	<u>\$ 10,060,819</u>	<u>\$ 11,068,844</u>	<u>\$ 11,743,921</u>	<u>\$ 12,387,331</u>	<u>\$ 12,946,081</u>
<u>2,147,495</u>	<u>2,437,909</u>	<u>2,277,309</u>	<u>2,244,952</u>	<u>2,700,160</u>	<u>2,337,664</u>
<u>\$ 7,389,632</u>	<u>\$ 7,622,910</u>	<u>\$ 8,791,535</u>	<u>\$ 9,498,969</u>	<u>\$ 9,687,171</u>	<u>\$ 10,608,418</u>
22.52%	24.23%	20.57%	19.12%	21.80%	18.06%

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TABLE 16

**CITY OF BASTROP, TEXAS  
 PLEDGED-REVENUE COVERAGE  
 LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Water Revenue Bonds				
	Gross Revenue (1)	Less: Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements Principle & Interest	Revenue Bond Coverage
2008	\$ 2,842,989	\$ 2,027,077	\$ 815,912	\$ 243,666	3.348
2009	3,236,870	2,033,125	1,203,745	389,082	3.094
2010	3,071,126	2,603,978	467,148	438,917	1.064
2011	3,445,382	2,524,850	920,532	563,808	1.633
2012	3,610,941	2,443,648	1,167,293	571,497	2.043
2013	3,986,051	2,818,231	1,167,820	759,350	1.538
2014	3,971,117	2,469,599	1,501,518	928,595	1.617
2015	4,353,611	2,513,833	1,839,778	1,475,046	1.247
2016	4,703,546	3,347,215	1,356,331	1,424,776	0.952
2017	5,496,713	3,076,631	2,420,082	1,425,350	1.698
2018	5,314,545	3,393,853	1,920,692	1,440,212	1.334

(1) Water and Wastewater Fund operating and non-operating revenues.

(2) Water and Wastewater Fund operating expenses, less depreciation expense.

**CITY OF BASTROP, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2009	2010	2011	2012
Population (1)	6,836	7,218	7,306	7,394
Median Household Income (1)	\$ 48,486	\$ 48,486	\$ 48,486	\$ 48,486
Per Capita Income (1)	25,839	25,839	25,839	25,839
Median Age	33.4	33.4	33.4	33.6
Education Level in Years of Schooling (at 18 years and over) (2)				
Less than high school graduate	670	670	670	670
High school graduate (or equivalent)	1,291	1,291	1,291	1,291
Some college, no degree	1,626	1,626	1,626	1,626
Associate degree or higher	190	190	190	190
Bachelor's degree or higher	717	717	717	717
Graduate degree or higher	459	459	459	459
School Enrollment (3)	4,825	4,825	4,344	3,949
Unemployment Rate (4)	8.1%	7.8%	8.6%	7.8%

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

(2) US Census Bureau - American Community Survey 2015  
 BEDC Community Profile

(3) Bastrop Independent School District - Only Schools located within City limits  
 not all enrolled live within the City limits

(4) Unemployment rates from TWC website ([www.twc.state.tx.us](http://www.twc.state.tx.us)). Bastrop County rate only one available.

**TABLE 17**

Fiscal Year						
2013	2014	2015	2016	2017	2018	
7,483	7,557	7,900	8,600	8,911	9,159	
\$ 48,486	\$ 49,456	\$ 52,886	\$ 53,889	\$ 48,178	\$ 63,936	
26,356	26,356	28,930	29,509	31,610	32,242	
36.9	36.9	38.9	38.7	36.0	40.5	
800	800	987	881	781	979	
1,285	1,285	1,410	1,479	1,680	1,654	
1,570	1,570	1,273	1,462	1,358	1,771	
261	261	378	387	413	398	
571	571	679	679	843	802	
421	421	302	325	296	497	
3,764	3,663	3,942	4,123	4,114	4,690	
6.4%	4.2%	3.8%	3.4%	2.9%	3.1%	

TABLE 18

**CITY OF BASTROP, TEXAS**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Bastrop ISD	1,427	1	3.98%	1,162	1	3.55%
Hyatt Regency Lost Pines Resort	650	2	1.81%	600	2	1.83%
Bastrop County	464	3	1.29%	469	3	1.43%
MD Anderson Cancer Center	439	4	1.22%	420	5	1.28%
HEB Food Stores	408	5	1.14%	268	4	0.82%
Walmart	311	6	0.87%	434	4	1.33%
Agilent/Stratagene	306	7	0.85%	120	9	0.37%
Bastrop FCI	276	8	0.77%	284	6	0.87%
Buc-ee's	169	9	0.47%	-	-	-
Bluebonnet Electric Co-op	168	10	0.47%	86	11	0.26%
Southside Market & BBQ	146	11	0.41%	-	-	-
City of Bastrop	144	12	0.40%	106	10	0.32%
Lowe's	128	13	0.36%	-	-	-
First National Bank	127	14	0.35%	130	8	0.40%
Total	<u>5,163</u>		<u>14.39%</u>	<u>4,079</u>		<u>12.47%</u>
Total County Employment	35,884			32,713		

Source: Texas Workforce Commission, EDC Website, Chamber newsletter

TABLE 19

**CITY OF BASTROP, TEXAS**  
**FULL-TIME EQUIVALENT EMPLOYERS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
City Manager's Office	2.00	2.00	2.60	2.60	2.63	2.63	2.63	2.63	2.63	2.63
City Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	4.00	4.00	4.30	4.30	4.30	4.45	4.45	4.45	5.00	5.00
Utility Billing	7.00	7.00	7.00	7.00	7.00	7.00	7.00	5.00	4.00	4.00
Human Resources	1.00	1.10	1.00	1.00	1.00	1.10	1.10	1.50	1.63	1.63
Information Technology	-	1.00	1.00	1.00	1.00	1.00	1.63	2.00	1.50	2.00
Filming/ Broadcasting	-	-	-	-	-	-	-	-	0.50	1.00
Municipal Court	4.50	4.50	5.50	5.50	5.50	5.50	5.50	4.50	4.50	4.50
Building Maintenance	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Police Department										
Officers	20.00	20.00	20.00	20.00	20.00	20.00	22.00	22.00	22.00	22.00
Civilian	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Code Enforcement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50
Animal Control	1.00	1.00	1.00	1.00	1.00	1.00	-	0.50	0.50	0.50
Fire Department										
Chief	-	-	-	-	-	-	-	1.00	1.00	1.00
Firefighters-PT	-	-	-	-	-	-	-	-	-	4.00
Development Services										
Planning	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Building Inspections	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50
Public Works										
Administration	2.00	2.00	2.20	2.20	2.00	1.00	1.00	1.00	1.00	2.00
Streets	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	9.25	10.00
Other	1.40	0.40	-	-	-	-	-	-	-	-
Community Services										
Parks Department	9.60	9.60	11.00	11.00	11.00	11.00	11.00	11.00	12.95	12.95
Library	8.30	8.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.95
Proprietary Funds										
Water/ Wastewater	12.00	12.00	13.00	13.00	13.00	12.50	12.50	12.50	17.00	18.50
Electric	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Other Funds										
Convention Center	-	-	4.00	4.20	4.20	4.20	5.50	4.50	4.50	4.00
Economic Development Corp.	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.50	3.50	4.00
Fairview Cemetery	-	-	0.50	0.50	0.50	1.50	1.50	1.00	1.00	1.00
Main Street	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
<b>Total</b>	<b>107.30</b>	<b>107.90</b>	<b>118.40</b>	<b>118.60</b>	<b>119.43</b>	<b>119.18</b>	<b>122.10</b>	<b>120.88</b>	<b>126.26</b>	<b>136.16</b>

**TABLE 20**

**CITY OF BASTROP, TEXAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS (UNAUDITED)**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Government</b>										
Building Permits Issued	91	128	101	139	141	158	157	100	117	164
Building Permits Value (thousands)	\$ 22,822,734	\$ 16,408,290	\$ 11,051,550	\$ 15,305,041	\$ 16,984,537	\$ 21,690,642	\$ 17,654,706	\$ 16,076,498	\$ 17,782,113	\$ 17,531,410
<b>Police</b>										
Physical Arrests	537	941	829	834	769	816	700	781	547	539
Violations Issued	6,491	3,955	3,643	3,678	3,606	4,125	4,000	4,869	3,116	2,662
Accident Investigations	487	253	304	383	316	448	450	552	528	434
<b>Fire</b>										
Incident Volume	826	717	980	1,040	1,125	1,150	1,140	921	676	759
Priority Calls Answered	433	336	430	325	398	450	530	444	213	260
<b>Court</b>										
Cases Filed	-	2,968	2,375	2,006	1,990	2,012	1,679	3,155	2,336	2,236
Warrants Issued	-	1,261	1,398	1,097	924	1,063	802	1,673	2,277	1,044
<b>Public Works</b>										
Paved Streets (miles)	50	52	53	53	54	55	56	56	56	59
Open Drainage Ditches (miles)	52	52	50	50	50	50	50	50	50	50
Storm Sewer Lines (miles)	66	66	67	67	67	67	67	67	67	67
Number of Street Signs	1,400	1,425	1,425	1,425	1,425	1,425	1,435	1,435	1,435	1,435
<b>Parks and Recreation</b>										
Pavilion Rentals	85	90	95	95	96	96	96	51	60	66
New Trees Planted	150	120	75	75	50	50	50	7	3	20
Special Events	18	22	18	22	24	56	56	57	49	46
<b>Library</b>										
Volumes in Collection	49,699	50,093	50,211	50,504	50,157	50,765	52,132	53,566	54,322	53,459
Total Circulation	192,700	205,177	193,529	163,577	165,667	167,324	162,900	152,111	145,827	142,956
Story Time & Program Attendance	10,024	10,446	12,979	12,562	13,161	13,500	12,000	11,748	14,349	13,633
<b>Water</b>										
Treated Water Prod (in millions of gal)	490.050	495.344	445.269	454.174	476.704	486.706	495.797	481.745	515.216	542.252
Line Leaks and Breaks	222	206	210	69	254	259	118	133	111	142
<b>Wastewater</b>										
Millions of gallons treated	235.284	210.239	229.610	312.842	319.099	325.480	325.737	350.635	343.872	352.574
Sewer Stops	80	90	92	45	176	180	53	55	54	52

TABLE 21

**CITY OF BASTROP, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Bastrop Public Library	1	1	1	1	1	1	1	1	1	1
Other Public Works										
Paved Streets (miles)	50	52	53	53	54	55	56	56	56	59
Open Drainage Ditches (miles)	52	52	50	50	50	50	50	50	50	50
Storm Sewer Lines (miles)	66	66	67	67	67	67	67	67	67	67
Parks and Recreation										
Acreage (maintained)	120	120	120	120	120	120	120	120	123	123
Right of Ways	52	54	55	55	55	55	55	55	55	55
Playgrounds	4	4	4	4	4	4	4	4	4	5
Basketball Courts	4	4	4	4	6	6	4	4	4	4
Ball Fields	7	7	7	7	7	7	7	7	7	7
Sand Volleyball	1	1	1	1	1	1	1	1	1	1
Water										
Number of service connections	2,762	2,770	2,825	2,889	2,960	3,029	3,091	3,140	3,306	3,393
Wastewater										
Number of service connections	2,448	2,502	2,540	2,564	2,625	2,678	2,754	2,781	2,941	3,006
Number of Lift Stations	18	18	18	18	18	18	18	18	18	19

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