



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024



CITY OF BASTROP, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended September 30, 2024

Officials Issuing Report:

Judy Sandroussi
Finance Director

CITY OF BASTROP, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended September 30, 2024

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INTRODUCTORY SECTION



City of Bastrop
1311 Chestnut Street
Bastrop, Texas 78602

September 19, 2025

The Honorable Mayor, Members of City Council, and Citizens of the City of Bastrop

Dear Honorable Mayor, Members of City Council, and Citizens of Bastrop:

Section 103.003 of the Local Government Code requires that municipalities have their financial records audited annually and produce an annual financial statement based on the audit. The City of Bastrop's Finance Department respectfully submits the Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. This report is published to fulfill that requirement.

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, 2024.

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 Crowe LLP Certified Public Accountants as required by the City Charter and Financial Management Policies adopted by City Council. This Annual Comprehensive Financial Report has been prepared based on 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, 2024, 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.

Crowe LLP 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, 2024. 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 11,327. 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 businesspersons, shoppers, and visitors.

Bastrop, Texas is known as the most historic small town in Texas. Bastrop was 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.

PROFILE OF THE GOVERNMENT

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. 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 final 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.

The City Manager must submit a proposed annual budget to the City Council at least 60 days prior to the beginning of the fiscal year (October 1st), and the City Council is required to adopt a final budget no later than the end of the fiscal year (September 30th). This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund and department (e.g., General Fund - Police Department). All funds are included in this submission and appropriated annually.

PROFILE OF EDUCATION

Area students are served by Bastrop Independent School District, which has an enrollment of over 13,000, and is projected to have approximately 20,000 in the district by 2033. One of the largest geographically in the state of Texas, Bastrop ISD's boundary covers an area of nearly 450 square miles and includes the communities of Bastrop, Cedar Creek, Red Rock, Rockne, Paige, and vast rural areas of Bastrop County. Area private and charter schools include Calvary Episcopal School serving children from Pre-K through 6 grade, Good Shepherd Lutheran School offering a faith-based education up to 4th grade, Founders Classical Academy and Compass Rose Harvest serving K through 12th grade.

Six colleges and universities are within an hour's drive of Bastrop: Austin Community College, University of Texas, St. Edward's University, Concordia University, Texas A&M, and Texas State University.

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 11,300 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 1,383 teachers, professionals, and support staff.

As part of a greater metro area of more than 2 million people, Bastrop has experienced tremendous economic growth and is poised for future growth and development. Major area employers include Bastrop Independent School District, Hyatt Regency Lost Pines Resort, Bastrop County, Bluebonnet Electric Co-op, Walmart, Bastrop Federal Correction Institute, and H.E.B. Food Stores.

Over the past ten years, the City has experienced significant economic growth and investment. Commercial development has been active since 2014 as evidenced by the increase in the tax base. The Burleson Crossing shopping center has continued to add additional retail centers with commercial business. Piney Creek Bend and Pecan Park are neighborhoods in Bastrop, Texas that continue to construct additional single-family housing. Homebuilder Lennar started a new home construction in fiscal year 2022 named Bastrop Grove and the growth continued in FY2023.

Bastrop saw major growth in fiscal year 2024. The Boring Company (TBC) opened its Hyperloop Plaza to the Bastrop community in late November 2023. The Plaza includes The Boring Company Bodega, Prufrock Pub, and His & Hers Salon. The Boring Company Bodega is just part of the company's Hyperloop Plaza, which promises to offer fun services to the community in Bastrop. The Bodega sells some snacks to the people living near Bastrop, including farm-fresh foods and something TBC calls "future-fancy" goods.

Roscoe Bank awarded the Bastrop Economic Development Corporation \$20,000, the second of five annual donations to be made in as many years totaling \$100,000. The money was presented by Rick Womble, Roscoe Bank Bastrop branch president, at the BEDC board meeting November 13.

A new apartment complex broke ground east of Cedar Creek High School at 691 Union Chapel Road, Cedar Creek. Named Woodview Apartments, it is located close to scenic trails and natural wonders of Bastrop State Park. Construction was expected to be completed in early 2025. Plans for the 291-unit multifamily affordable housing complex include a fitness center, dog park and swimming pool. In March 2020, The Texas Housing Foundation contracted the property located 10 miles from Bastrop and 13 miles from the Austin-Bergstrom International Airport. A groundbreaking ceremony was held at the property December 20, 2023.

Here is a brief summary of additional new developments that occurred in fiscal year 2024:

- **Valverde Residential Community:** Valverde is a D.R. Horton Inc. residential community on 399 acres north of State Highway 71. The development plans for approximately 1,400 single-family homes and 250 multifamily units. The project is projected to be valued at \$557 million upon completion.
- **Acutronic USA Inc.:** In October 2023, Acutronic USA Inc. received approval for over \$1 million in incentives to establish Texas' first jet engine manufacturing facility in Bastrop. The plant will occupy about ten acres in the Bastrop Business and Industrial Park, involving a \$4 million investment and the creation of at least 50 full-time jobs within five years.
- **Bastrop 552 Film Studio:** In October 2023, Line 204 Studios announced updated plans for Bastrop 552, a 546-acre film studio project east of Austin. The first phase includes six 20,000-square-foot studios, two 10,000-square-foot sound stages, a 50,000-square-foot warehouse, and a 52,000-square-foot office space.
- **Everhome Suites Hotel:** Plans were announced for a new Everhome Suites Hotel on Agness Street behind Ascension Seton Bastrop Hospital. The four-story, nearly 58,000-square-foot hotel will feature 114 guest rooms with full kitchens, spa-style bathrooms, and large closets.
- **Alta Blakey Residential Development:** Wood Partners and SCOA Real Estate Partners broke ground on Alta Blakey, a 342-unit apartment community southeast of Austin. The development offers one, two, and three-bedroom floorplans, with amenities including a resort-style pool, outdoor grilling stations, fitness center, and business center.
- **Bastrop Wastewater Treatment Plant No. 3:** A new wastewater treatment facility began operations on May 8, 2024, serving residents west of the Colorado River. This project supports the growing population and industrial needs, including Elon Musk-affiliated facilities (The Boring Company, SpaceX's Starlink, and X).

Our sound financial position is made possible in part by our conservative budgeting practices, as evidenced by our healthy fund balance numbers. Existing assessed valuations have continued to represent an increase. This increase is attributable to the rapid single and multi-family residential unit growth and an increase in assessed values of current properties including new commercial growth over the past several years. The City consistently shows an increase in Sales Tax revenue even when other areas of the state do not. This was no different for FY2024, where the actual revenue exceeded the prior year revenue by 3.11%. The City growth in Certified Assessed Valuation of Property Taxes and collection of Sales Taxes from fiscal year 2012 through 2024 is identified in the table below - the percentages compare current year versus the prior year:

Fiscal Year	Ad Valorem Taxes Certified		General Fund	
	Assessed Valuation	% Change	Sales Tax Receipts	% Change
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	13.32%
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%
2019	\$ 897,823,408	4.03%	\$ 5,087,945	5.37%
2020	\$ 967,932,907	7.81%	\$ 5,471,298	7.53%
2021	\$ 967,902,273	0.00%	\$ 6,636,458	21.30%
2022	\$1,094,737,605	13.10%	\$ 7,549,355	13.75%
2023	\$1,229,805,444	12.34%	\$ 8,169,033	8.20%
2024	\$1,876,702,297	52.60%	\$ 8,423,360	3.11%

Construction Permits

Fiscal year 2024 continued to be a year of planning and preparing for future construction. Permits have been pulled for both residential and commercial development that will begin in FY2024. During FY2024 the Development Services Department issued 268 building permits. This is up from 168 building permits issued in FY2023. This is the breakout of building permits for FY2024:

New Residential Permits	242
New Commercial Permits	<u>26</u>
Total	<u><u>268</u></u>

The county continues to grow just outside the city limits in The Colony, West Bastrop Village, Adelton Master Plan Community and Valverde subdivisions. These developments will benefit the city with additional sales tax revenue and utility revenue.

Tourism

At the crossroads of history and the highway, you'll find Bastrop. For miles around, there's nothing but rolling hills and plains until a green thicket rises over the Central Texas horizon. The Lost Pines Forest is a 13-mile stretch of over 6,000 acres of loblolly pine trees with a unique characteristic: it grows over 100 miles from the East Texas Piney Woods that are its genetic match. The scenic Colorado River runs through Bastrop. Making the city a perfect place to visit.

For more than 70 years, tourists have visited Bastrop State Park to enjoy its history and marvel at the Lost Pines. Through devastation and restoration, the park has continued to be a staple stop for visitors and locals to bask in the wild beauty of nature. The Bastrop State Park offers a variety of activities and amenities that are great for the entire family to enjoy or even just yourself. You can camp, picnic, swim, ride bikes, hike, fish, geocache, take in a nature program, and look for wildlife.

Bastrop's downtown district attracts tourists from all over the world. Bastrop retains its historic charm: charming brick storefronts line the streets, artisans and artists display their handcrafted wares, and local chefs' crisp chicken-fried steak and catfish to perfection. Local bands are a staple on weekends. No matter what you're in the mood for, downtown Bastrop has everything to offer. From engaging history, charming shops, and sophisticated restaurants, downtown Bastrop is a remarkable retreat from the everyday. There is something for everyone downtown.

The Bastrop County Museum and Visitor Center is located downtown in an old fire and police station from the 1930s. The museum offers opportunities to learn about one of the most historic towns in Texas. Here you can observe all kinds of artifacts and exhibits that tell the story of Bastrop's beginnings, participate in a scavenger hunt designed for youngsters of all ages, and get detailed information about all that Bastrop has to offer.

Bastrop boasts over 100 landmarks on the National Register of Historic Places. Visitors to Bastrop can visit and enjoy Bastrop's history.

The Bastrop Opera House proudly presents live theater rivaling many large town operations. Their vast schedule of performances includes dinner theater, musicals, plays, tributes, and are the perfect experience for families.

Other nearby attractions include three gold courses, two state parks, a nature preserve, Lake Bastrop, and the world-renowned Hyatt Regency Lost Pines Resort, which draws many tourists from all over the world who were previously unaware of this charming town.

In addition to all the places to explore, annually Bastrop plays host to numerous events, such as the Big Bang, Homecoming & Rodeo, Veteran's Day Car Show, Corvette Invasion, Bastrop Music Festival, Juneteenth Celebration, and Lost Pines Christmas, which includes a lighted parade, river of lights, and historic home tours.

Employment

The unemployment rate in Bastrop increased from 3.3% in September 2019 prior to the pandemic to a high of 13% in September 2020. Although unemployment rates increased during fiscal year 2020 due to the unprecedented coronavirus pandemic, the City of Bastrop continued to experience unemployment rates consistently lower than the state average. At the end of September 2024, the unemployment rate went up slightly to 3.6% over the prior year rate of 3.4%.

Long-term Financial Planning

The current comprehensive plan was adopted by City Council on November 22, 2016. This document is used as a planning tool and provide priorities based on City Council's focus areas. The current plan was to fund an update in FY2022. This update has been carried over to FY2024.

During the last two years, the City staff has developed ten-year maintenance schedules for building maintenance, parks, and replacement of equipment in all departments. These schedules will be used in future budget planning to provide the total amounts needed to maintain city assets and infrastructure so that this can be included in the annual.

The City does maintain five-year financial forecasts for all the major funds including General Fund, Utility Funds, Debt Service Fund, BEDC Fund, and the Hotel/Motel Tax Fund.

The General Fund is projected to be structurally balanced for each of the next five years, which means recurring revenues exceed recurring expenses for each of those years. The General Fund is also projected to meet the 25% fund balance reserve requirement for each of those years.

Relevant Financial Policies

The City of Bastrop, Texas has adopted a comprehensive set of financial policies. Annually the Finance Department reviews and provides suggested revisions to the City Manager. Each year the City Manager brings to the City Council all financial policies for review and approval as part of the budget process. These policies are as follows:

- Financial Management Policy – The overriding goal of the Financial Management Policy is the 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 watchwords of the city's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.
- Investment Policy – The purpose of this policy is to set forth specific investment policy and strategic guidelines for the City of Bastrop to achieve the goals of safety, liquidity, yield, and public trust for all investment activity.
- Purchasing Policy – It is the policy of the City of Bastrop that all purchasing shall be conducted strictly based on economic and business merit. This policy is intended to promote the best interest of the citizens of the City of Bastrop.

Major Initiatives

The FY 2023 – FY 2024 budget process started with citizen engagement meetings to receive community input on the budget. These meetings were in-person. The budget focus was on employee retention, and street maintenance.

The theme of the FY 2023 – FY 2024 budget was to improve our standing as an employer of choice, which means we ensure the competitiveness of the compensation package, aggressively recruit towards a diverse candidate pool, and are thoughtful about how we use in-house vs. contracted resources.

The budget also put emphasis on streets and drainage. This budget increases total staff in the streets and drainage division by two (2) additional full-time positions. The street maintenance amount of \$800,000 was moved into the General Fund operating expenditures and is being funded by recurring revenue. In FY 2023, this amount was funded out of one-time funds (excess fund balance). It was decided that this street maintenance expense should be supported by recurring revenue since it is a recurring expense. The City was able to absorb this amount in the operating expenses due to the 380-reimbursement agreement with Bastrop Retailers (Burleson Crossing) ending in FY 2023, which totaled approximately \$800k a year. Continuing with street rehabilitation, there are several bond funds that have, in total, \$5.6M allocated to street rehabilitation.

There was one issuance of debt in September 2024. The issuance of a Combination Tax and Revenue Certificate of Obligation Bond for \$36,325,000. This bond issuance is being used for constructing, improving, designing, acquiring, including acquiring land, easements, and right of way, and equipping the City's water and wastewater system and payment of professional services in connection with legal, engineering, architectural and discal fees and the costs of issuing the certificates.

Bond Ratings

In August 2024, Standard and Poor's affirmed the City's bond rating of AA citing economic growth, strong reserve levels and liquidity supported by a strong framework of financial management with regular budget monitoring, and utilization of planning tools as justification for the rating. Also in August 2024, Fitch upgraded the City of Bastrop's rating from 'AA-' to 'AA' citing ample level of budgetary flexibility and assumed maintenance of unrestricted General Fund reserves at least equal to 7.5% of spending.

Awards and Acknowledgements

Awards

The Governmental Finance Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bastrop for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. This was the 12th consecutive year that the City achieved this prestigious award. To be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR 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 June 30, 2024.

The GFOA awarded the Distinguished Budget Presentation Award to the City of Bastrop for its annual budget document for the fiscal year beginning October 1, 2024. To qualify for the award, the government's budget document must be judged to be proficient as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgments

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, as well as the various City departments who contributed to this too. Credit also is due to the City Manager, Mayor, and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

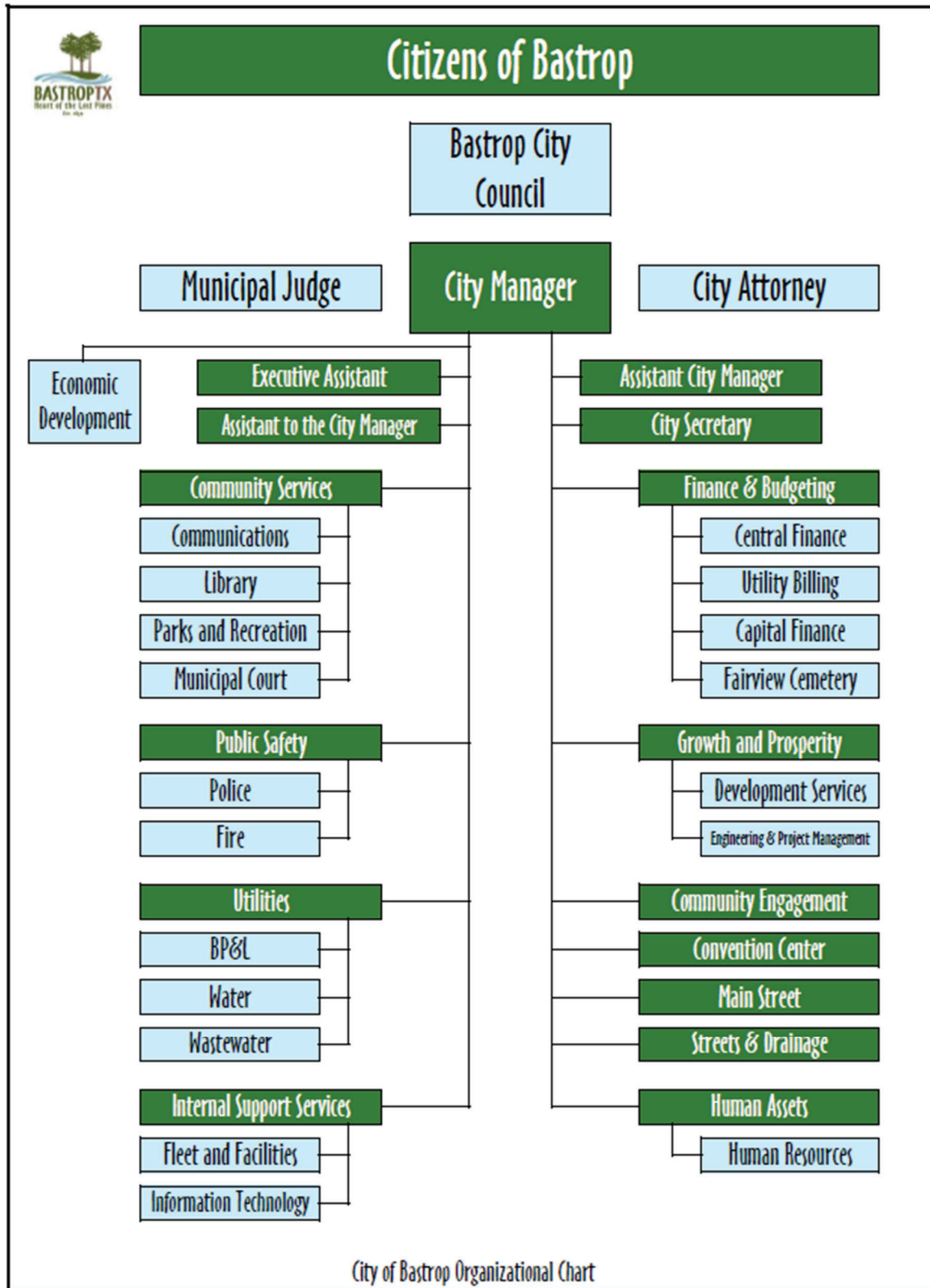
A handwritten signature in blue ink, appearing to read 'Sylvia Carrillo-Trevino', with a stylized, flowing script.

Sylvia Carrillo-Trevino, ICMA-CM, CPM
City Manager

A handwritten signature in black ink, appearing to read 'Judy Sandroussi', with a cursive script.

Judy Sandroussi
Finance Director

CITY OF BASTROP, TEXAS
ORGANIZATIONAL CHART
September 30, 2024





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bastrop
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF BASTROP, TEXAS
PRINCIPAL OFFICIALS
For year ended September 30, 2024

City Officials

Ishmael Harris

John Kirkland

Perry Lowe

Cynthia Meyer

Kevin Plunkett

Kerri Fossler

Key Staff

Sylvia Carrillo

Andres Rosales

Andres Rosales

Vicki Steffanic

Michael Muscarello

Judy Sandroussi

Tanya Cantrell

Elective Position

Mayor

Mayor Pro-Tem, Council Member, Place 5

Council Member, Place 1

Council Member, Place 2

Council Member, Place 3

Council Member, Place 4

Position

City Manager

Assistant City Manager

Interim Fire Chief

Police Chief

City Secretary

Finance Director

Human Resources Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

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

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 (the "City") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 as of September 30, 2024, 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.

Basis for Opinions

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

Responsibility of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we,

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment benefits liability and related ratios, and schedules of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

(Continued)

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in black ink that reads "Crowe LLP". The signature is stylized, with the "C" being large and looping, and the "LLP" being written in a more straightforward, blocky style.

Crowe LLP

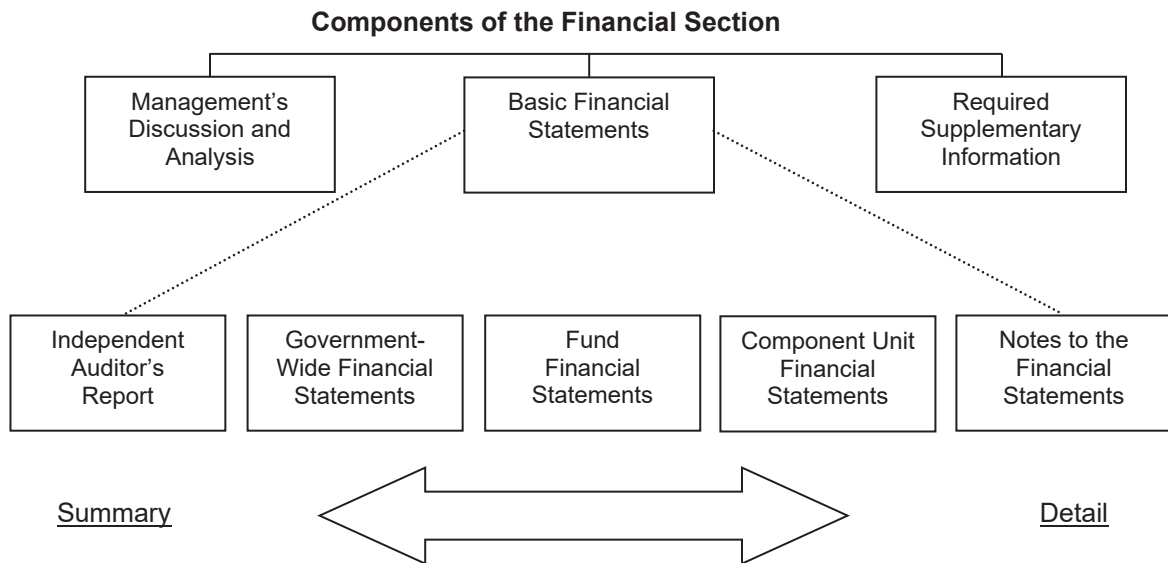
Houston, Texas
September 29, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF BASTROP, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Bastrop, Texas (the "City") for the year ending September 30, 2024. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

(Continued)

CITY OF BASTROP, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including general government, public safety (police and fire protection), community services, and economic development. Interest payments on the City's debt are also reported here. Property tax, sales tax, hotel/motel tax, and franchise fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water and wastewater services, electrical utility, and community impact fees.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate component unit, the Bastrop Economic Development Corporation (BEDC) for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The public improvement district (PID), although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government.

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

(Continued)

CITY OF BASTROP, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The City maintains 20 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, debt service fund, hotel/motel tax fund, and the 2023 bond fund which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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, debt service fund, and the hotel/motel tax fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater system, electrical utility, and community impact fees. The proprietary fund financial statements provide separate information for the water and wastewater, electrical utility, and community impact fees. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses an internal service fund to account for its vehicle and equipment replacement. The internal service fund had been included within governmental activities in the government-wide financial statements.

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve overtime as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows by \$100,296,987 as of September 30, 2024. The largest portion of the City's net position, 62%, reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

CITY OF BASTROP, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 43,201,089	\$ 41,143,322	\$ 41,575,919	\$ 38,652,779	\$ 84,777,008	\$ 79,796,101
Noncurrent assets	2,350,983	2,600,211	-	60,000	2,350,983	2,660,211
Capital assets, net	<u>53,579,122</u>	<u>50,383,130</u>	<u>145,438,112</u>	<u>114,578,795</u>	<u>199,017,234</u>	<u>164,961,925</u>
Total assets	<u>99,131,194</u>	<u>94,126,663</u>	<u>187,014,031</u>	<u>153,291,574</u>	<u>286,145,225</u>	<u>247,418,237</u>
Deferred outflow s on resources	<u>1,869,919</u>	<u>2,862,559</u>	<u>300,901</u>	<u>442,942</u>	<u>2,170,820</u>	<u>3,305,501</u>
Liabilities due within one year	8,935,840	9,395,927	12,537,979	14,177,939	21,473,819	23,573,866
Long-term liabilities	<u>35,370,318</u>	<u>37,786,211</u>	<u>130,117,274</u>	<u>94,852,055</u>	<u>165,487,592</u>	<u>132,638,266</u>
Total liabilities	<u>44,306,158</u>	<u>47,182,138</u>	<u>142,655,253</u>	<u>109,029,994</u>	<u>186,961,411</u>	<u>156,212,132</u>
Deferred inflow s on resources	<u>824,020</u>	<u>249,890</u>	<u>233,627</u>	<u>165,459</u>	<u>1,057,647</u>	<u>415,349</u>
Net position						
Net investment in capital assets	34,049,122	30,293,731	28,557,693	39,768,566	62,606,815	70,062,297
Restricted	23,734,192	5,718,681	252,482	1,623,093	23,986,674	7,341,774
Unrestricted	<u>(1,912,379)</u>	<u>13,544,782</u>	<u>15,615,877</u>	<u>3,147,404</u>	<u>13,703,498</u>	<u>16,692,186</u>
Total net position	<u>\$ 55,870,935</u>	<u>\$ 49,557,194</u>	<u>\$ 44,426,052</u>	<u>\$ 44,539,063</u>	<u>\$ 100,296,987</u>	<u>\$ 94,096,257</u>

A portion of the City's net position, \$23,986,674, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$13,703,498 or 14%, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$6,200,730 during the current fiscal year, an increase of 7% in comparison to the prior year. Total assets increase by \$38,726,988 due to an increase in capital assets due to business-type construction in progress water and sewer projects. Total deferred outflows of resources decreased by \$1,134,681 from the prior year due to the net difference between projected and actual investment earnings on pension plan liabilities. Liabilities due within one year decreased \$2,100,047 due to the decrease in payables related to various capital projects. Long-term liabilities experienced an increase by \$32,849,326 primarily as a result of the new debt issuance and an increase in the pension liability. Total deferred inflows of resources increased by \$642,298 mainly due to the change in deferred inflows from changes in actuarial assumptions.

(Continued)

CITY OF BASTROP, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Statement of Activities

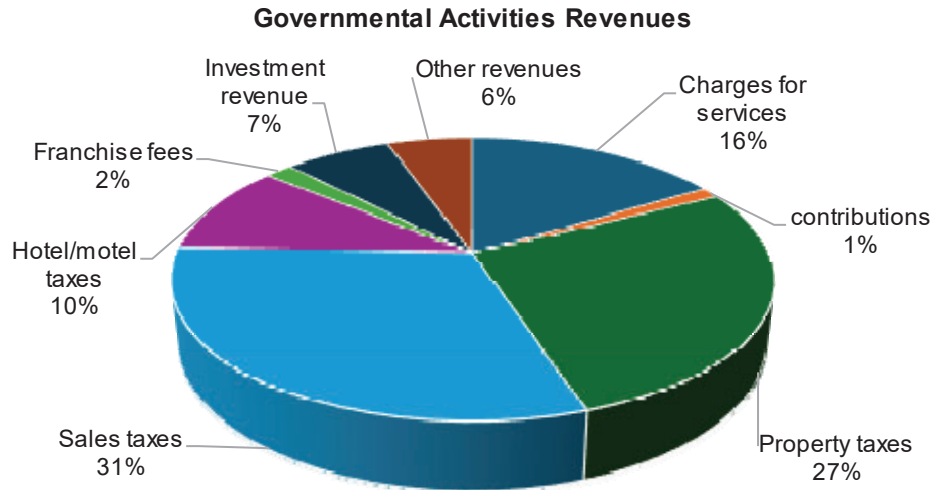
The following table provides a summary of the City's changes in net position:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program revenues						
Charges for services	\$ 5,634,274	\$ 5,296,661	\$ 19,128,498	\$ 18,862,215	\$ 24,762,772	\$ 24,158,876
Operating grants and contributions	426,547	1,556,048	-	-	426,547	1,556,048
General revenues						
Property taxes	9,304,146	8,518,748	-	-	9,304,146	8,518,748
Sales taxes	10,579,414	8,279,421	-	-	10,579,414	8,279,421
Hotel/motel taxes	3,533,130	3,473,118	-	-	3,533,130	3,473,118
Franchise fees	608,766	524,510	-	-	608,766	524,510
Investment revenue	2,342,004	235,940	1,578,277	1,057,334	3,920,281	1,293,274
Gain on sale of assets	173,285	163,450	-	-	173,285	163,450
Other revenues	1,872,375	390,483	187,231	358,731	2,059,606	749,214
Total revenues	<u>34,473,941</u>	<u>28,438,379</u>	<u>20,894,006</u>	<u>20,278,280</u>	<u>55,367,947</u>	<u>48,716,659</u>
Expenses						
General government	11,831,859	10,348,122	-	-	11,831,859	10,348,122
Public safety	7,241,062	6,630,998	-	-	7,241,062	6,630,998
Development services	2,770,506	1,655,952	-	-	2,770,506	1,655,952
Community services	3,725,550	3,344,032	-	-	3,725,550	3,344,032
Economic development	3,356,720	4,074,802	-	-	3,356,720	4,074,802
Interest and fiscal agent fees	1,028,426	1,277,970	-	-	1,028,426	1,277,970
Water and wastewater	-	-	10,618,391	9,570,017	10,618,391	9,570,017
Bastrop Power and Light	-	-	7,430,447	7,519,261	7,430,447	7,519,261
Community impact fees	-	-	1,164,256	16,845	1,164,256	16,845
Total expenses	<u>29,954,123</u>	<u>27,331,876</u>	<u>19,213,094</u>	<u>17,106,123</u>	<u>49,167,217</u>	<u>44,437,999</u>
Increase in net position before transfers	<u>4,519,818</u>	<u>1,106,503</u>	<u>1,680,912</u>	<u>3,172,157</u>	<u>6,200,730</u>	<u>4,278,660</u>
Transfers in (out)	<u>1,793,923</u>	<u>900,000</u>	<u>(1,793,923)</u>	<u>(900,000)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>6,313,741</u>	<u>2,006,503</u>	<u>(113,011)</u>	<u>2,272,157</u>	<u>6,200,730</u>	<u>4,278,660</u>
Net position - beginning of year	<u>49,557,194</u>	<u>47,550,691</u>	<u>44,539,063</u>	<u>42,266,906</u>	<u>94,096,257</u>	<u>89,817,597</u>
Net position - end of year	<u>\$ 55,870,935</u>	<u>\$ 49,557,194</u>	<u>\$ 44,426,052</u>	<u>\$ 44,539,063</u>	<u>\$ 100,296,987</u>	<u>\$ 94,096,257</u>

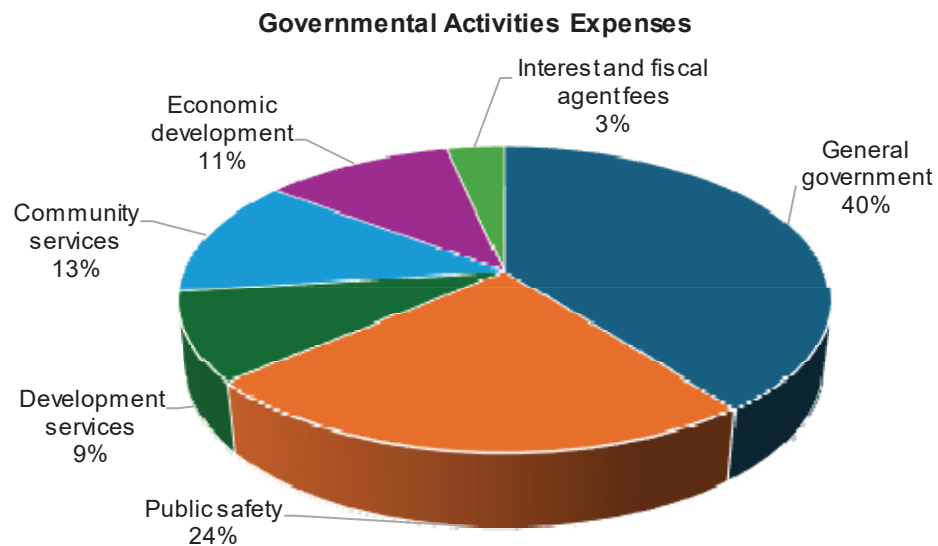
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CITY OF BASTROP, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

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



For the year ended September 30, 2024, revenues from governmental activities totaled \$34,473,941. Property taxes and sales taxes payments are the City's largest revenue sources at \$19,883,560 or 58% of total revenues. Total revenues increased by \$6,035,562 from last year due to an increase in sales taxes related to an increase in economic activity within the City, an increase investment revenue due to favorable interest rate environment for the City's investments.



For the year ended September 30, 2024, expenses for governmental activities totaled \$29,954,123. Overall governmental expenses increased by \$2,622,247 due to increases in development services related to additional positions and related salaries and benefits for those positions.

(Continued)

CITY OF BASTROP, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Business-type activities change in net position was \$1,680,912 before transfers out of \$1,793,923. Revenues increased \$615,726 compared to the prior year due to an increase in charges for services related to increase in water and wastewater revenue and an increase in investment revenue related to interest earnings on investments. The business-type activities expenses also increased by \$2,106,971 which was primarily due to increases in maintenance expense as well as increases in costs of sales.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The City's governmental funds reflect a combined fund balance of \$33,661,926. Of this, \$709,661 is nonspendable, \$23,595,080 is restricted for various purposes, and \$40,724 is assigned for various projects. The remaining balance of \$9,316,461 is unassigned as of September 30, 2024.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$7,138,266, while total fund balance reached \$7,331,737. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Total ending fund balance represents 37% of total general fund expenditures. The general fund demonstrated an overall decrease of \$1,787,700, primarily related to an increase capital outlay and public safety expenditures and a decrease in licenses and permits in the current year.

The debt service fund has a total fund balance of \$821,292, all of which is restricted for the payment of debt service. The net increase in fund balance during the year was \$239,960. This increase was primarily due to property tax revenues exceeding principal and interest payments on long-term debt.

The hotel/motel tax fund has a total fund balance of \$3,865,753, all of which is restricted for economic development. The net increase in fund balance during the year was \$457,297. This increase was primarily related to more hotel/motel tax revenues exceeding economic development expenditures.

The 2023 bond fund has a total fund balance of \$12,861,956, all of which is restricted for capital projects. The net decrease in fund balance during the year was \$393,362. This decrease was primarily related to more capital outlay expenditures than investment interest earned during the year.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned decrease in budgeted fund balance in the amount of \$2,607,618 in the general fund while realizing an actual net decrease in general fund balance of \$1,787,700 resulting in a positive variance of \$673,700 from budgeted as amended over actual. Actual general fund revenues were more than amended budgeted revenues by \$746,809 due to more other revenue, investment revenue and franchise taxes than anticipated. Actual expenditures were less than budgeted amounts by \$73,109 for the fiscal year primarily related to positive variances in the development services and community services departments.

(Continued)

CAPITAL ASSETS

At the end of the current fiscal year, the City's governmental and business-type activities had invested \$199,017,234 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$34,055,309. More detailed information about the City's capital assets is presented in Note 3 to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total notes, bonds, certificates of obligation, and leases outstanding related to its governmental activities of \$32,403,296 and business-type activities of \$126,981,491. More detailed information about the City's long-term liabilities is presented in Note 3 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City of Bastrop, as the county seat of Bastrop County, serves as a hub of commercial activity that surpasses what might typically be expected for a population of approximately 11,300 residents. The city's strategic designation has spurred growth in several sectors. Key industries located within Bastrop's city limits - or in close proximity - include small manufacturing operations, retail establishments, financial institutions, restaurants, and insurance providers. The Bastrop Independent School District (BISD) also plays a significant economic role in the community. The district is one of the largest employers in the area, with a workforce of more than 1,383 teachers, professionals, and support staff. Located within a greater metropolitan area of over 2 million residents, the City of Bastrop has experienced significant economic growth and is well-positioned for continued expansion and development. Its strategic location and growing infrastructure make it an attractive destination for both businesses and residents. Major employers in the area include the Bastrop Independent School District, Hyatt Regency Lost Pines Resort and Spa, Bastrop County, Bluebonnet Electric Cooperative, Walmart, Bastrop Federal Correctional Institution, and H-E-B Grocery Stores. These organizations contribute to a diverse local economy and provide stable employment opportunities across a range of sectors.

In August 2024, both Standard & Poor's and Fitch Ratings recognized the City of Bastrop's sound financial management and economic growth through favorable bond rating actions. Standard & Poor's affirmed the City's AA rating, citing robust economic growth, strong reserve levels, high liquidity, and a well-established financial management framework. This includes consistent budget monitoring and the strategic use of planning tools. In the same month, Fitch Ratings upgraded the City's bond rating from 'AA-' to 'AA', noting Bastrop's ample budgetary flexibility and the expectation that the City will maintain unrestricted General Fund reserves at or above 7.5% of spending. These ratings reflect the City's commitment to long-term financial stability and prudent fiscal governance.

The theme of the FY 2025 budget is centered on strengthening Bastrop's position as an employer of choice. This goal is supported by initiatives that improve the competitiveness of the City's compensation package, promote diversity through targeted recruitment, and carefully balance the use of in-house versus contracted resources. Despite these efforts, recruitment and retention remain ongoing challenges. At the time of budget adoption, the City had 12 vacant positions, primarily due to employees leaving for more competitive opportunities.

CITY OF BASTROP, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

To address these challenges, the FY 2025 budget includes several key workforce-related enhancements:

- A 3.3% Cost of Living Adjustment (COLA) and a 2.5% merit (STEP) increase for eligible employees.
- A shift from a 25-year to a 20-year retirement plan under the Texas Municipal Retirement System (TMRS), aligning Bastrop with neighboring cities to enhance recruitment and retention.
- Continuation of increased employer retirement contributions, building on the FY 2024 increase to 14%, and the FY 2023 one-time lump-sum payment that moved the City closer to a plan change from 6% to 7% employee contributions with a 2:1 City match.

Public safety remains a top priority in the FY 2025 budget, with the addition of two new police officer positions to support community safety and meet growing service demands.

Infrastructure investment also remains a core focus. In a significant shift, voters approved a reallocation of sales tax revenue, reducing the 1/2-cent sales tax allocated to the Bastrop Economic Development Corporation (BEDC) to 1/8th of a cent and dedicating the remaining 3/8ths of a cent to street maintenance. This change provides \$3.3 million in new revenue annually, exclusively for the upkeep and improvement of existing streets and drainage systems.

In preparation for the FY 2025 budget, the City Council conducted a series of budget and planning sessions to ensure elected officials had the opportunity to provide input and strategic guidance. This collaborative process helped shape the City's financial priorities and align the budget with long-term goals. The process culminated in the adoption of a fiscally responsible budget on September 17, 2024, which preserved unappropriated fund balances above the required reserve levels - reinforcing Bastrop's commitment to prudent financial stewardship.

The development of the FY 2025 General Fund budget and long-term fiscal forecast is based on a set of strategic financial assumptions that support structural balance, maintain reserve requirements, and ensure long-term sustainability across all major funds.

General Fund

The City of Bastrop is proposing \$17,773,380 of revenue in FY 2025, which represents a 4.6% increase over the FY2024 projected amount of \$16,987,032 and 5.7% over the FY 2024 budgeted amount. Budgeted operating expenditures (less transfers and lump sum payments) are proposed to increase by 4.8% to \$17,572,764 (transfers add an additional \$710,000 but these are from one-time funds available) in FY 2025. Property Tax budgeted revenues are increasing by \$432,609 with \$260,865 of this reflected in the General Fund. The remaining \$171,744 is reflected in the General Fund Debt Service Fund. Of the total increase, \$313,517 or 72% is the result of properties being added to the tax base as the result of new development. Of the total property tax revenue increase, \$119,092 or 28% is the result of the increase of appraisals on property that existed on the tax rolls prior to tax year 2024. The City anticipates the Ad Valorem tax roll to grow over the next few years based on the current development activity. Some new developments over the next several years include Pecan Park commercial, Bastrop Groves residential and commercial, Burleson Crossing East, ValVerde residential, and Pearl River mixed use development. There are many other infill projects that are being discussed which are anticipated in future tax rolls. The City takes a conservative approach when projecting Ad Valorem tax by using the "lower value" provided by Bastrop Central Appraisal District, of the properties that are still classified as "under review" by the Appraisal Review Board at the time of certification.

(Continued)

CITY OF BASTROP, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The Operations and Maintenance (O&M) tax rate remains unchanged at \$0.3032. State law defines a "No-New-Revenue (NNR) rate" as the rate that would generate no new revenue from the existing tax base. State law limits the amount of new revenue from appraisal to increase to 3.5% without voter approval. The voter approval O&M rate is \$0.3157. This FY 2025 budget is based on an O&M tax rate of \$0.3032 which is .27% below the NNR O&M tax rate. The Interest and Sinking rate has not changed from the FY 2025 rate of \$0.1962. The proposed budget includes the issuance of debt of approximately \$15M for bridge improvements.

Sales Tax revenue in the City of Bastrop is made up of 0.125% going to Bastrop Economic Development Corporation, a Type B Economic Development Corporation, .375% going to the Street Maintenance Fund and the remaining 1% to the City of Bastrop. Sales Tax revenue trends inform a projected FY 2025 sales tax revenue of \$9,050,000, or a modest 3.5% increase over FY 2024 budget. The assumption behind this conservative projection is informed by the year-over-year amounts we see trending down and the lack of new commercial business coming online in FY 2025. The City has set the sales tax projections conservatively as this revenue source could be subject to volatility, though this has not been the pattern in Bastrop. Any excess sales tax revenue each year flows into the fund balance and is used for one-time expenditures.

Additional items to mention regarding General Fund:

- Compensation Adjustments:
 - A 3.3% city-wide pay scale adjustment is included in FY 2025.
 - An additional 2.5% merit (STEP) increase is awarded on employee anniversaries.
 - Future years are projected with a flat 3.5% annual increase in total compensation costs.
- Retirement Contributions:
 - FY 2025 includes significant steps toward transitioning to a 20-year retirement plan under the Texas Municipal Retirement System (TMRS).
 - No additional retirement plan changes are projected in future years.
- Health Insurance:
 - No major increase in FY 2025.
 - A planned 12% increase is assumed for FY 2026.

The General Fund is projected to be structurally balanced for each of the next five years, meaning recurring revenues exceed recurring expenses annually. The General Fund is also forecast to meet the 25% fund balance reserve requirement consistently over the five-year period.

Debt Service Fund

- A \$15 million bond issue is forecast for FY 2024, specifically to fund the Old Iron Bridge rehabilitation project. This issuance is planned within existing debt capacity, requiring no tax rate increase.

(Continued)

CITY OF BASTROP, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Water/Wastewater Fund

- Projected FY 2025 Revenue is \$9.6M, an increase of 7.9% from FY 2024 Budgeted amount.
- Projected FY 2025 Expenses of \$9.6M, an increase of 0.5% from FY 2024 Budgeted amount.
- The fund remains structurally balanced, despite recent reductions in fund balance due to significant cash-funded capital projects in FY 2023 and FY 2024.
- A base water rate increase of \$5 is proposed for FY 2025, aligned with a long-term debt and rate model established over five years ago.

Bastrop Power & Light Fund

- Projected FY2025 Revenue is \$9.5M, an increase of 6.9% from FY 2024 Budgeted amount.
- Projected FY 2025 Expenses of \$9.3M, an increase of 4.5% from FY 2024 Budgeted amount.
- Forecasted to remain structurally balanced over the next five years.
- The goal to reduce the General Fund transfer was not met in FY 2025; instead, the transfer amount increased by \$50,000 to \$650,000.
- The fund continues to exceed the 35% reserve balance requirement.

Hotel Occupancy Tax (HOT) Fund

- Reflects additional expenses to improve staff support for the Convention Center and other tourism-related operations and maintenance.
- A reduction in Visit Bastrop's allocation from 50% to 35% of HOT revenues was implemented.
 - This adjustment has helped balance the HOT fund while still providing funding to community assets as requested in FY 2025.

The Comprehensive Plan, originally adopted by City Council in FY 2017, continues to guide the City's strategic and budgetary priorities. The FY 2025 budget includes funding to update this foundational plan, ensuring that it remains responsive to current community needs and future growth. The Comprehensive Plan provides City Council with a framework of long-range goals designed to promote sustainable development, enhance quality of life, and maintain the unique character that Bastrop residents value. The City remains firmly committed to delivering excellent service today—and is actively planning to ensure that the same high level of service can be sustained in the future.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Judy Sandroussi, Finance Director, P.O. Box 427, Bastrop, Texas 78602.

BASIC FINANCIAL STATEMENTS

CITY OF BASTROP, TEXAS
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government			Component Unit
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>	Bastrop Economic <u>Development</u>
ASSETS				
Cash and equity in pooled cash/ investments	\$ 39,385,855	\$ 11,826,935	\$ 51,212,790	\$ 13,692,184
Receivables, net	2,828,934	1,627,117	4,456,051	159,184
Lease receivable	-	-	-	170,422
Due from BEDC	45,775	-	45,775	-
Due from other governments	744,554	-	744,554	-
Prepays and other assets	187,690	1,798	189,488	14,080
Inventories	8,281	703,227	711,508	-
Restricted assets				
Temporarily restricted cash/cash equivalents	-	27,416,842	27,416,842	-
	<u>43,201,089</u>	<u>41,575,919</u>	<u>84,777,008</u>	<u>14,035,870</u>
 Note receivable	 2,350,983	 -	 2,350,983	 8,815
Capital assets:				
Nondepreciable capital assets	9,508,434	104,724,717	114,233,151	416,323
Depreciable/amortizable capital assets, nets	<u>44,070,688</u>	<u>40,713,395</u>	<u>84,784,083</u>	<u>-</u>
	<u>53,579,122</u>	<u>145,438,112</u>	<u>199,017,234</u>	<u>416,323</u>
 Total assets	 <u>99,131,194</u>	 <u>187,014,031</u>	 <u>286,145,225</u>	 <u>14,461,008</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows - pension	1,390,893	288,152	1,679,045	98,453
Deferred outflows - OPEB (TMRS)	38,258	9,767	48,025	1,720
Deferred outflows - OPEB (health)	35,956	2,982	38,938	10,112
Deferred loss on refunding	<u>404,812</u>	<u>-</u>	<u>404,812</u>	<u>44,839</u>
Total deferred outflows of resources	<u>1,869,919</u>	<u>300,901</u>	<u>2,170,820</u>	<u>155,124</u>

(Continued)

CITY OF BASTROP, TEXAS
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Bastrop Economic Development
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,751,657	\$ 7,702,715	\$ 10,454,372	\$ 309,610
Accrued bond interest	374,578	1,450,967	1,825,545	15,752
Due to primary government	-	-	-	45,775
Unearned revenue	2,288,071	110,227	2,398,298	-
Customer deposits	113,379	67,600	180,979	-
Noncurrent liabilities				
Portion due within one year				
Compensated absences	335,712	120,469	456,181	10,548
Leases payable	420,281	-	420,281	-
Bonds and notes payable	2,616,630	3,080,738	5,697,368	240,000
OPEB liability - health	26,673	3,951	30,624	1,926
OPEB liability - TMRS	8,859	1,312	10,171	639
Portion due in more than one year				
Compensated absences	37,301	13,385	50,686	1,172
Leases payable	723,522	-	723,522	-
Bonds and notes payable, net	30,508,588	129,385,875	159,894,463	1,960,000
Net pension liability	3,405,555	488,284	3,893,839	283,274
OPEB liability - health	428,182	135,585	563,767	23,165
OPEB liability - TMRS	267,170	94,145	361,315	6,161
Total liabilities	<u>44,306,158</u>	<u>142,655,253</u>	<u>186,961,411</u>	<u>2,898,022</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	-	124,603	124,603	-
Deferred inflows - leases	-	-	-	159,063
Deferred inflows - pension	485,894	71,969	557,863	35,077
Deferred inflows - OPEB (TMRS)	112,824	7,947	120,771	11,505
Deferred inflows - OPEB (Health)	225,302	29,108	254,410	16,136
Total deferred inflows of resources	<u>824,020</u>	<u>233,627</u>	<u>1,057,647</u>	<u>221,781</u>
NET POSITION				
Net investment in capital assets	34,049,122	28,557,693	62,606,815	416,323
Restricted for				
Nonexpendable perpetual care cemetery	513,690	-	513,690	-
Expendable				
Debt service	446,714	-	446,714	-
Cemetery	28,293	-	28,293	-
Public safety	51,639	-	51,639	-
Parks	89,494	-	89,494	-
Traffic safety	382,912	-	382,912	-
PEG fees	178,369	-	178,369	-
Economic development	3,999,947	-	3,999,947	759,477
Capital projects	17,896,132	252,482	18,148,614	-
Grants	147,002	-	147,002	-
Unrestricted	<u>(1,912,379)</u>	<u>15,615,877</u>	<u>13,703,498</u>	<u>10,320,529</u>
Total net position	<u>\$ 55,870,935</u>	<u>\$ 44,426,052</u>	<u>\$ 100,296,987</u>	<u>\$ 11,496,329</u>

See notes to financial statements.

CITY OF BASTROP, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2024

				Net Revenue (Expense) and			
				Changes in Net Position			Component
				Primary Government			Unit
							Bastrop
							Economic
							Development
Functions/Programs	Expenses	Charges for	Operating	Government	Business-Type	Total	
		Services	Grants and	Activities	Activities		
			Contributions				
Primary Government							
Governmental activities							
General administration	\$ 11,831,859	\$ 1,953,469	\$ -	\$ (9,878,390)	\$ -	\$ (9,878,390)	\$ -
Public safety	7,241,062	435,310	426,547	(6,379,205)	-	(6,379,205)	-
Development services	2,770,506	2,856,024	-	85,518	-	85,518	-
Community services	3,725,550	85,850	-	(3,639,700)	-	(3,639,700)	-
Economic development	3,356,720	303,621	-	(3,053,099)	-	(3,053,099)	-
Interest	1,028,426	-	-	(1,028,426)	-	(1,028,426)	-
Total governmental activities	29,954,123	5,634,274	426,547	(23,893,302)	-	(23,893,302)	-
Business-type activities							
Water and wastewater	10,618,391	8,564,576	-	-	(2,053,815)	(2,053,815)	-
Bastrop Power and Light	7,430,447	8,690,793	-	-	1,260,346	1,260,346	-
Community impact fees	1,164,256	1,873,129	-	-	708,873	708,873	-
Total business-type activities	19,213,094	19,128,498	-	-	(84,596)	(84,596)	-
Total primary government	\$ 49,167,217	\$ 24,762,772	\$ 426,547	(23,893,302)	(84,596)	(23,977,898)	-
Component Unit							
Bastrop Economic Development Corporation							
	\$ 3,497,852	\$ -	\$ -	-	-	-	(3,497,852)
General revenues							
Property taxes				9,304,146	-	9,304,146	-
Sales taxes				10,579,414	-	10,579,414	2,097,444
Hotel/motel taxes				3,533,130	-	3,533,130	-
Franchise fees (gross)				608,766	-	608,766	-
Investment revenue				2,342,004	1,578,277	3,920,281	657,014
Other revenues				1,872,375	187,231	2,059,606	104,910
Gain on sale of capital assets				173,285	-	173,285	1,082,471
Transfers				1,793,923	(1,793,923)	-	-
Total general revenues and transfers				30,207,043	(28,415)	30,178,628	3,941,839
Change in net position				6,313,741	(113,011)	6,200,730	443,987
Beginning net position				49,557,194	44,539,063	94,096,257	11,052,342
Ending net position				\$ 55,870,935	\$ 44,426,052	\$ 100,296,987	\$ 11,496,329

See notes to financial statements.

CITY OF BASTROP, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
As of September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Hotel/Motel Tax</u>	<u>2023 Bond</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and equity in pooled cash and investments	\$ 6,513,451	\$ 822,098	\$ 3,692,007	\$ 13,062,409	\$ 12,209,459	\$ 36,299,424
Receivables, net	1,829,546	168,333	291,403	-	539,652	2,828,934
Due from component unit	45,775	-	-	-	-	45,775
Due from other governments	744,554	-	-	-	-	744,554
Prepaid items	185,190	-	2,500	-	-	187,690
Inventory	8,281	-	-	-	-	8,281
Total assets	<u>\$ 9,326,797</u>	<u>\$ 990,431</u>	<u>\$ 3,985,910</u>	<u>\$ 13,062,409</u>	<u>\$ 12,749,111</u>	<u>\$ 40,114,658</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 936,739	\$ 806	\$ 71,183	\$ 200,453	\$ 1,517,823	\$ 2,727,004
Deposits payable	-	-	48,974	-	64,405	113,379
Unearned revenue	-	-	-	-	2,288,071	2,288,071
Total liabilities	<u>936,739</u>	<u>806</u>	<u>120,157</u>	<u>200,453</u>	<u>3,870,299</u>	<u>5,128,454</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	<u>1,058,321</u>	<u>168,333</u>	<u>-</u>	<u>-</u>	<u>97,624</u>	<u>1,324,278</u>
FUND BALANCES						
Nonspendable:						
Inventories	8,281	-	-	-	-	8,281
Prepaid items	185,190	-	2,500	-	-	187,690
Perpetual care	-	-	-	-	513,690	513,690
Restricted for:						
Debt service	-	821,292	-	-	-	821,292
Cemetery	-	-	-	-	28,293	28,293
Public safety	-	-	-	-	51,639	51,639
Parks	-	-	-	-	89,494	89,494
Traffic safety	-	-	-	-	382,912	382,912
PEG files	-	-	-	-	178,369	178,369
Economic development	-	-	3,863,253	-	136,694	3,999,947
Capital projects	-	-	-	12,861,956	5,034,176	17,896,132
Grants	-	-	-	-	147,002	147,002
Assigned to:						
Library	-	-	-	-	40,724	40,724
Unassigned	<u>7,138,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,178,195</u>	<u>9,316,461</u>
Total fund balances	<u>7,331,737</u>	<u>821,292</u>	<u>3,865,753</u>	<u>12,861,956</u>	<u>8,781,188</u>	<u>33,661,926</u>
Total liabilities, deferred inflow s of resources, and fund balances	<u>\$ 9,326,797</u>	<u>\$ 990,431</u>	<u>\$ 3,985,910</u>	<u>\$ 13,062,409</u>	<u>\$ 12,749,111</u>	<u>\$ 40,114,658</u>

See notes to financial statements.

CITY OF BASTROP, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
September 30, 2024

Total fund balances for governmental funds	\$ 33,661,926
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.	
Capital assets - nondepreciable	9,508,434
Capital assets - net depreciable/amortizable	39,938,685
Long-term receivables related to economic development are not available to pay for current period expenditures and, therefore, are not reported in the funds.	2,350,983
Long-term liabilities and deferred outflows and deferred inflows related to pensions and other postemployment benefits (OPEB) are not due and payable in the current period, and therefore, are not reported in the funds.	
Net pension liability	(3,405,555)
Total OPEB liability - OPEB (health)	(454,855)
Total OPEB liability - OPEB (TMRS)	(276,029)
Deferred outflows - pensions	1,390,893
Deferred outflows - OPEB (health)	35,956
Deferred outflows - OPEB (TMRS)	38,258
Deferred inflows - pensions	(485,894)
Deferred inflows - OPEB (health)	(225,302)
Deferred inflows - OPEB (TMRS)	(112,824)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	
Property taxes	1,324,278
The internal service fund is used by management to charge the costs of certain capital assets and maintenance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.	
Cash and equity in pooled cash and investments	3,086,431
Net depreciable/amortizable capital assets	4,132,003
Accounts payable and accrued liabilities	(24,653)
Lease payable	(1,130,000)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Lease payable	(13,803)
Accrued interest payable	(374,578)
Compensated absences	(373,013)
Bonds payable (net of deferred charges)	(33,125,218)
Deferred loss on refunding	404,812
Net position of governmental activities	<u>\$ 55,870,935</u>

See notes to financial statements.

CITY OF BASTROP, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	General	Debt Service	Hotel/Motel Tax	Formerly Major Fund Hunters Crossing PID	Formerly Major Fund American Recovery	Formerly Major Fund 2022 Bond	2023 Bond	Nonmajor Governmental	Total Governmental Funds
Revenues									
Property taxes	\$ 5,327,030	\$ 3,386,066	\$ -	-	-	-	\$ -	\$ 576,783	\$ 9,289,879
Sales taxes	8,538,075	-	-	-	-	-	-	2,041,339	10,579,414
Hotel/motel taxes	-	-	3,533,130	-	-	-	-	-	3,533,130
Franchise fees	592,776	-	-	-	-	-	-	15,990	608,766
Licenses and permits	8,613	-	1,752	-	-	-	-	-	10,365
Fines and forfeitures	356,789	-	-	-	-	-	-	78,521	435,310
Charges for services	1,030,476	-	301,869	-	-	-	-	2,933,261	4,265,606
Intergovernmental	49,749	-	59,320	-	-	-	-	317,478	426,547
Investment revenue	427,966	115,183	145,501	-	-	-	1,206,846	549,648	2,445,144
Other revenue	890,633	275,227	62,804	-	-	-	-	636,354	1,865,018
Total revenues	17,222,107	3,776,476	4,104,376	-	-	-	1,206,846	7,149,374	33,459,179
Expenditures									
Current									
General government	8,570,906	-	-	-	-	-	-	-	8,570,906
Public safety	6,474,419	-	-	-	-	-	-	104,352	6,578,771
Development services	496,197	-	-	-	-	-	-	1,590,081	2,086,278
Community services	2,767,427	-	-	-	-	-	-	334,944	3,102,371
Economic development	-	-	2,837,652	-	-	-	1,600,208	497,163	3,334,815
Capital outlay	1,254,568	-	-	-	-	-	-	1,761,187	4,615,963
Debt service									
Principal	-	2,787,040	-	-	-	-	-	18,839	2,805,879
Interest and fiscal charges	-	1,174,016	-	-	-	-	-	228	1,174,244
Total expenditures	19,563,517	3,961,056	2,837,652	-	-	-	1,600,208	4,306,794	32,269,227
Excess (deficiency) of revenues over (under) expenditures	(2,341,410)	(184,580)	1,266,724	-	-	-	(393,362)	2,842,580	1,189,952

(Continued)

CITY OF BASTROP, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	General	Debt Service	Hotel/Motel Tax	Formerly Major Fund Hunters Crossing PID	Formerly Major Fund American Recovery	Formerly Major Fund 2022 Bond	2023 Bond	Nonmajor Governmental	Total Governmental Funds
Other financing sources (uses)									
Proceeds from sale of capital assets	\$ -	\$ -	\$ -				\$ -	\$ 64,095	\$ 64,095
Transfers in	2,206,710	518,000	-				-	838,000	3,562,710
Transfers (out)	(1,653,000)	(93,460)	(809,427)				-	(77,900)	(2,633,787)
Total other financing sources (uses)	553,710	424,540	(809,427)					824,195	993,018
Net change in fund balances	(1,787,700)	239,960	457,297				(393,362)	3,666,775	2,182,970
Fund balances, October 1, 2023 as previously presented	9,119,437	581,332	3,408,456	\$ 113,893	\$ 32,634	\$ 2,121,071	13,255,318	2,846,815	31,478,956
Change within financial reporting entity (major to nonmajor fund)	-	-	-	(113,893)	(32,634)	(2,121,071)	-	2,267,598	-
Fund balances, September 31, 2024, as adjusted	9,119,437	581,332	3,408,456	-	-	-	13,255,318	5,114,413	31,478,956
Ending fund balances	\$ 7,331,737	\$ 821,292	\$ 3,865,753				\$ 12,861,956	\$ 8,781,188	\$ 33,661,926

See notes to financial statements.

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, 2024

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

Net changes in fund balances - total governmental funds	\$ 2,182,970
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.	
Capital outlay additions, net of disposals	4,967,645
Depreciation/amortization expense	(2,571,325)
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.	
Principal payments	2,787,040
Accrued interest	11,830
Principal paid on leases	18,839
Amortization of deferred amounts	(33,651)
Amortization of premiums on long-term debt	197,372
Compensated absences	(2,472)
Deferred outflows - pensions	(917,450)
Deferred outflows - health OPEB	(27,070)
Deferred outflows - TMRS OPEB	(14,469)
Deferred inflows - pension	(485,894)
Deferred inflows - health OPEB	(118,658)
Deferred inflows - TMRS OPEB	30,422
Net pension liability	(570,149)
OPEB liability - health	141,776
OPEB liability - TMRS	(21,800)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	14,267
Revenue that provides current financial resources only is not reported on Statement of Activities.	
Net Position - this amount reflects note receivable principal received.	(249,228)
An internal service fund is used by management to charge the cost of certain capital assets and maintenance to individual funds. The net revenue (expense) is reported with governmental activities.	973,746
Change in net position of governmental activities	\$ 6,313,741

See notes to financial statements.

CITY OF BASTROP, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Business-Type Activities				Governmental Activities
	Water and Wastewater	Bastrop Power & Light	Community Impact Fee	Total	Internal Service
ASSETS					
Current assets					
Cash and equity in pooled cash and investments	\$ 2,159,890	\$ 5,663,404	\$ 4,003,641	\$ 11,826,935	\$ 3,086,431
Accounts receivable (net of allowance for uncollectable)	837,765	721,638	67,714	1,627,117	-
Due from other funds	20,000	-	-	20,000	-
Inventory	300,145	403,082	-	703,227	-
Prepaid items	-	1,798	-	1,798	-
Restricted cash and equity in pooled cash and investments	27,416,842	-	-	27,416,842	-
Total current assets	30,734,642	6,789,922	4,071,355	41,595,919	3,086,431
Noncurrent assets					
Capital assets:					
Nondepreciable	104,707,769	16,948	-	104,724,717	-
Depreciable/amortizeable	36,523,258	4,190,137	-	40,713,395	4,132,003
Total capital assets (net)	141,231,027	4,207,085	-	145,438,112	4,132,003
Total noncurrent assets	141,231,027	4,207,085	-	145,438,112	4,132,003
Total assets	171,965,669	10,997,007	4,071,355	187,034,031	7,218,434
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow s - pensions	206,897	81,255	-	288,152	-
Deferred outflow s - TMRS OPEB	8,339	1,428	-	9,767	-
Deferred outflow s - health OPEB	1,659	1,323	-	2,982	-
Total deferred inflow s of resources	216,895	84,006	-	300,901	-

(Continued)

CITY OF BASTROP, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Business-Type Activities				Governmental Activities
	Water and Wastewater	Bastrop Power & Light	Community Impact Fee	Total	Internal Service
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	\$ 6,935,513	\$ 767,202	\$ -	\$ 7,702,715	\$ 24,653
Lease payable	-	-	-	-	1,130,000
Accrued interest payable	1,439,474	11,493	-	1,450,967	-
Due to other funds	-	-	20,000	20,000	-
Unearned revenue	-	42,513	67,714	110,227	-
Customer deposits	67,600	-	-	67,600	-
Compensated absences	71,356	49,113	-	120,469	-
Bonds payable - current	2,944,988	135,750	-	3,080,738	-
OPEB liability - health	808	3,143	-	3,951	-
OPEB liability - TMRS	268	1,044	-	1,312	-
Total current liabilities	11,460,007	1,010,258	87,714	12,557,979	1,154,653
Noncurrent liabilities					
Compensated absences	7,928	5,457	-	13,385	-
Bonds payable, net of deferred charges	128,426,479	959,396	-	129,385,875	-
Net pension liability	168,332	319,952	-	488,284	-
OPEB liability - health	95,810	39,775	-	135,585	-
OPEB liability - TMRS	62,528	31,617	-	94,145	-
Total noncurrent liabilities	128,761,077	1,356,197	-	130,117,274	-
Total liabilities	140,221,084	2,366,455	87,714	142,675,253	1,154,653
DEFERRED INFLOWS OF RESOURCES					
Deferred gain on refunding	124,603	-	-	124,603	-
Deferred inflows - pensions	14,725	57,244	-	71,969	-
Deferred inflows - TMRS OPEB	3,018	4,929	-	7,947	-
Deferred inflows - health OPEB	5,771	23,337	-	29,108	-
Total deferred inflows of resources	148,117	85,510	-	233,627	-
NET POSITION					
Net investment in capital assets	25,445,754	3,111,939	-	28,557,693	3,002,003
Restricted for					
Capital improvements	252,482	-	-	252,482	-
Unrestricted	6,115,127	5,517,109	3,983,641	15,615,877	3,061,778
Total net position	\$ 31,813,363	\$ 8,629,048	\$ 3,983,641	\$ 44,426,052	\$ 6,063,781

See notes to financial statements.

CITY OF BASTROP, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Business-Type Activities				Governmental Activities
	Water and Wastewater	Bastrop Power & Light	Community Impact Fee	Total	Internal Service
Operating revenues					
Charges for services	\$ 8,564,576	\$ 8,690,793	\$ 1,873,129	\$ 19,128,498	\$ 922,993
Other revenue	-	187,231	-	187,231	7,357
Total operating revenues	<u>8,564,576</u>	<u>8,878,024</u>	<u>1,873,129</u>	<u>19,315,729</u>	<u>930,350</u>
Operating expenses					
Personel services	1,888,643	1,268,927	-	3,157,570	-
Supplies and maintenance	3,137,202	372,071	1,164,203	4,673,476	77,872
Service and other	395,238	5,551,187	53	5,946,478	-
Depreciation/amortization	1,388,695	195,498	-	1,584,193	969,277
Total operating expenses	<u>6,809,778</u>	<u>7,387,683</u>	<u>1,164,256</u>	<u>15,361,717</u>	<u>1,047,149</u>
Operating income (loss)	<u>1,754,798</u>	<u>1,490,341</u>	<u>708,873</u>	<u>3,954,012</u>	<u>(116,799)</u>
Nonoperating revenues					
Gain on sale of capital assets	-	-	-	-	109,190
Investment revenue	1,099,570	241,929	236,778	1,578,277	146,088
Interest and fiscal agent fees	(3,808,613)	(42,764)	-	(3,851,377)	(29,733)
Total nonoperating revenues	<u>(2,709,043)</u>	<u>199,165</u>	<u>236,778</u>	<u>(2,273,100)</u>	<u>225,545</u>
Income (loss) before transfers	<u>(954,245)</u>	<u>1,689,506</u>	<u>945,651</u>	<u>1,680,912</u>	<u>108,746</u>
Transfers					
Transfers in	2,283,860	-	-	2,283,860	865,000
Transfers (out)	(837,989)	(1,124,294)	(2,115,500)	(4,077,783)	-
Total transfers	<u>1,445,871</u>	<u>(1,124,294)</u>	<u>(2,115,500)</u>	<u>(1,793,923)</u>	<u>865,000</u>
Change in net position	<u>491,626</u>	<u>565,212</u>	<u>(1,169,849)</u>	<u>(113,011)</u>	<u>973,746</u>
Beginning net position	<u>31,321,737</u>	<u>8,063,836</u>	<u>5,153,490</u>	<u>44,539,063</u>	<u>5,090,035</u>
Ending net position	<u>\$ 31,813,363</u>	<u>\$ 8,629,048</u>	<u>\$ 3,983,641</u>	<u>\$ 44,426,052</u>	<u>\$ 6,063,781</u>

See notes to financial statements.

CITY OF BASTROP, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Business-Type Activities				Governmental Activities
	Water and Wastewater	Bastrop Power & Light	Community Impact Fee	Total	Internal Service
Cash flows from operating activities					
Receipts from customers and users	\$ 8,614,219	\$ 9,033,224	\$ 1,805,415	\$ 19,452,858	\$ -
Receipts from interfund services provided	-	-	-	-	930,350
Payments to suppliers	(6,281,162)	(5,795,666)	(1,236,772)	(13,313,600)	(109,361)
Payments to employees	(1,818,698)	(1,024,840)	-	(2,843,538)	-
Net cash provided by operating activities	514,359	2,212,718	568,643	3,295,720	820,989
Cash flows from noncapital financing activities					
Transfers from other funds	2,283,860	-	-	2,283,860	865,000
Transfer to other funds	(837,989)	(1,124,294)	(2,115,500)	(4,077,783)	-
Net cash provided by noncapital financing activities	1,445,871	(1,124,294)	(2,115,500)	(1,793,923)	865,000
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	(32,518,148)	(74,638)	-	(32,592,786)	(1,312,218)
Proceeds from issuance of bonds	38,441,490	-	-	38,441,490	-
Interest and fiscal agent fees paid	(3,808,613)	(42,764)	-	(3,851,377)	(29,733)
Principal paid on capital debt	(2,072,500)	(150,850)	-	(2,223,350)	(362,183)
Proceeds from the sale of capital assets	-	-	-	-	109,190
Net cash provided (used) by capital and related financing activities	42,229	(268,252)	-	(226,023)	(1,594,944)
Cash flows from investing activities					
Note payments	60,000	-	-	60,000	-
Interest on investments	1,099,570	241,929	236,778	1,578,277	146,088
Net cash provided by investing activities	1,159,570	241,929	236,778	1,638,277	146,088
Net Increase in cash and cash equivalents	3,162,029	1,062,101	(1,310,079)	2,914,051	237,133
Beginning cash and cash equivalents	26,414,703	4,601,303	5,313,720	36,329,726	2,849,298
Ending cash and cash equivalents	\$ 29,576,732	\$ 5,663,404	\$ 4,003,641	\$ 39,243,777	\$ 3,086,431
Ending cash and cash equivalents					
Unrestricted cash and equity in pooled cash and investments	\$ 2,159,890	\$ 5,663,404	\$ 4,003,641	\$ 11,826,935	\$ 3,086,431
Restricted cash and equity in pooled cash investments	27,416,842	-	-	27,416,842	-
	\$ 29,576,732	\$ 5,663,404	\$ 4,003,641	\$ 39,243,777	\$ 3,086,431

(Continued)

CITY OF BASTROP, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Business-Type Activities				Governmental Activities
	Water and Wastewater	Bastrop Power & Light	Community Impact Fee	Total	Internal Service
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 1,754,798	\$ 1,490,341	\$ 708,873	\$ 3,954,012	\$ (116,799)
Adjustments to reconcile operating income to net cash provided (used in) by operating activities:					
Depreciation/amortization	1,388,695	195,498	-	1,584,193	969,277
Changes in operating assets and liabilities					
(Increase) decrease in assets					
Accounts receivable	(10,357)	155,200	(67,714)	77,129	-
Notes receivable	60,000	-	-	60,000	-
Advances/due to/from funds	128,330	-	-	128,330	-
Inventories	(81,885)	(2,535)	-	(84,420)	-
Prepaid items	-	(1,798)	-	(1,798)	-
Deferred outflows of resources	29,061	112,980	-	142,041	-
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	(2,859,745)	131,925	(72,516)	(2,800,336)	(100,393)
Lease payable	(3,022)	-	-	(3,022)	68,904
Customer deposits	67,600	-	-	67,600	-
Compensated absences	26,712	10,433	-	37,145	-
Deferred inflows of resources	529	67,639	-	68,168	-
Net pension liability	17,278	67,170	-	84,448	-
Total OPEB liability - health	(4,296)	(16,703)	-	(20,999)	-
Total OPEB liability - TMRS	661	2,568	-	3,229	-
Net cash provided by (used in) operating activities	<u>\$ 514,359</u>	<u>\$ 2,212,718</u>	<u>\$ 568,643</u>	<u>\$ 3,295,720</u>	<u>\$ 820,989</u>
Noncash investing, capital, and financing activities					
Purchase of capital assets on accounts	\$ 6,251,167	\$ -	\$ -	\$ 6,251,167	\$ -
Right-to-use assets from lease	\$ -	\$ -	\$ -	\$ -	\$ 456,731

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The City of Bastrop, Texas (the “City”) was incorporated on December 18, 1837 and adopted the “Home Rule Charter” on May 7, 2002, pursuant to the laws of the State of Texas (the “State”), which provide for a Council-Manager form of government.

The City Council is the principal legislative body of the City. 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 Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget. The City provides the following services: public safety; street maintenance; sanitation services; recreation programs; municipal court; community development; public improvements; water; sewer and electrical services; and general administrative services.

The City is an independent political subdivision of the State governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. 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. No other entities, organizations, or functions have been included as part of the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

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

Blended Component Units

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

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Unit

Bastrop Economic Development Corporation: The Bastrop Economic Development Corporation (BEDC) was established in 1995, after the citizens of the City voted to pass a one-half cent sales tax dedicated to economic development.

The BEDC'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 the BEDC, which is appointed by the City Council, and consists of individuals from the community and related governmental entities in the area. City employees also manage the operations of the BEDC. The BEDC has been reported as a discretely presented component unit because the governing board is not identical to the governing body of the City, the BEDC does not solely serve the City, and the City has the ability to impose its will on the BEDC. Separate financial statements for the BEDC can be obtained from the City's Finance Department.

Government-Wide Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

Basis of Presentation - Government-Wide Financial Statements: While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service fund, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

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

Basis of Presentation - Fund Financial Statements: The fund financial statements provide information about the City's funds, including its blended component unit. Separate statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following governmental funds:

General Fund: The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales taxes, hotel/motel tax, and franchise fees. Expenditures include general government, public safety, community services, development services, and economic development. The general fund is always considered a major fund for reporting purposes.

Debt Service Fund: The *debt service fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds: The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. All of the special revenue funds are considered nonmajor funds for reporting purposes, with the exceptions of the hotel/motel tax fund which is considered a major fund.

Capital Projects Funds: The *capital projects funds* are used to account for the expenditures of resources accumulated from grants, sale of bonds, and related interest earnings for capital improvement projects. All of the capital projects funds are considered nonmajor funds for reporting purposes, with the exception of the 2023 bond fund which is considered a major fund.

Permanent Funds: The *permanent funds* are governmental funds that are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. The Fairview Cemetery fund is considered a nonmajor fund for reporting purposes. 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.

The City reports the following enterprise funds:

Enterprise Funds: The *enterprise funds* are used to account for the operations that provide water and wastewater services, electrical utility services, and community impact fees. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges.

The *water and wastewater fund* is utilized to account for the financial activities related to the provision of water and wastewater services to residents of the City.

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

The *community impact fee fund* is utilized to account for the financial activities related to the impact fees generated as part of development.

Additionally, the City reports the following fund type:

Internal Service Fund: The *Internal service fund* accounts for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The internal service fund is used for the replacement of vehicles and equipment.

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 and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance:

Cash and Cash Equivalents: The City maintains pooled cash and investment accounts. Each fund whose monies are deposited in the pooled cash and investment accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and equity in pooled cash and investments."

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments: Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

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

- Obligations of the U.S. the State, or their agencies and instruments
- Money market mutual funds that meet certain criteria
- Statewide investment pools
- Certificates of deposit that meet certain criteria

Inventories and Prepaid Items: Inventories are recorded in the general and enterprise funds, and are stated at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The consumption method is used to recognize expenditures.

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

Restricted Assets: Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements. Restricted assets of the enterprise fund are restricted by bond covenants for repayment of debt and to finance construction projects.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with the construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings	20 to 50 years
Improvements	4 to 50 years
Equipment	4 to 10 years
Water and sewer system	20 to 30 years
Infrastructure	40 to 50 years

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

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- Deferred charges on refunding result from the difference in the carrying value of refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Compensated Employee Absences: It is the City's policy to permit employees to accumulate earned but unused vacation and compensatory time. The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations. Accumulated sick leave lapses when employees leave the employment of the government and, upon separation from service, no obligation exists. The general fund is responsible for liquidating the liability related to governmental activities.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

Leases

Lessee - The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible, right-to-use lease asset (the "lease asset") in the government-wide financial statements.

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

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lessor - The BEDC is a lessor for a noncancellable lease of a building. The BEDC recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the BEDC initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the BEDC determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The BEDC uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The BEDC monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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

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

Fund Balance Policies: Fund balances of governmental funds are 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).

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The 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 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.

By resolution, the Council has also authorized the City Manager and Finance Director as the officials authorized to assign fund balance to a specific purpose as approved by the City's fund balance policy. Assignments of fund balance by the City Manager and/or the Finance Director do not require formal action by the City Council.

The City strives to maintain an unassigned fund balance of not less than 25 percent for the budgeted operational expenditures in all City funds, with the exception of proprietary funds, which the target is 35 percent. The purpose of the unassigned balance is to alleviate significant unanticipated budget shortfalls and to ensure the orderly provisions of services to citizens. Should unassigned fund balance fall below the goal or have a deficiency, the City will seek to reduce expenditures prior to increasing revenues to replenish fund balance within a reasonable timeframe.

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

Pensions: For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' 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. Investments are reported at fair value. The general fund is responsible for liquidating the liability related to governmental activities.

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefits: Supplemental Death Benefits. The City participates in a defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. 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. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

Retiree Health Insurance. For purposes of measuring the total OPEB liability, 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.

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. Taxes are delinquent if not paid by February 1 of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

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 enterprise and internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles, except the capital projects funds, which adopt project-length budgets. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the charter in the approved budget is the department level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended September 30, 2024.

Expenditures in Excess of Appropriations: For the year ended September 30, 2024, expenditures exceeded appropriations at the following legal level of control:

General fund	
General government	
City council	\$ 1,891
Organizational	27,039
City manager	25,580
City secretary	7,615
Finance	47,209
Human resources	4,537
Information technology	22,447
Fleet and facilities	13,206
Public works	11,798
Public safety	
Police	96,701
Municipal court	14,237
Community services	
Library	12,779
Capital outlay	7,806
Hotel/Motel tax fund	
Rodeo arena	5,787
Debt service fund	
Debt service	
Interest and fiscal agent fees	52,659
Fairview cemetery fund	
Community services	2,293
Capital outlay	1,769
Grants fund	
Community services	126,152
Hunters Crossing PID fund	
Economic development	8,044
Development services fund	
Debt service	
Principal	18,839
Interest and fiscal agent fees	228

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Deposits and Investments: At September 30, 2024, the carrying amount of the City's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$92,321,816 and the bank balance was \$94,669,210. The City's cash deposits at September 30, 2024, were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

Chapter 2256 of the Texas Government Code, the Public Funds Investment Act (the "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, which excludes certain investment instruments allowed under the Act. 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.

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

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. The City's investment policy requires that investment pools must be rated no lower than 'AAA' or 'AAA-m'. Bankers' acceptances must be issued in the United States and carry a rating of 'A1'/P1' as provided by two of the top nationally recognized rating agencies. As of September 30, 2024, the City's investments in investment pools were rated 'AAAm' by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency. More specifically, the U.S. agency securities held by the City as of September 30, 2024 include a variety of bonds and discount notes issued by the Federal Home Loan Bank, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation. These investments were rated not less than 'Aa1' by Moody's and Standard & Poor's.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2024, market values were entirely secured by FDIC insurance and pledged securities.

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

(Continued)

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

TexPool - TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool "AAAm." As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

Texas Term - 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. PFM provides custodial, transfer agency, fund accounting, and depository services.

Texas CLASS - The Texas Cooperative Liquid Assets Securities System Trust – Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State. 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 Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS' website at www.texasclass.com.

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. GASB Statement No. 72, Fair Value Measurement and Application, provides a framework for measuring fair value establishing 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.

Fair value is measured in a manner consistent with one of the three approaches: market approach, cost approach, and the income approach. The valuation methodology used is based upon whichever technique is the most appropriate and provides the best representation of fair value for that particular asset or liability. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or groups of assets and liabilities. The cost approach reflects the amount that would be required to replace the present service capacity of an asset. The income approach converts future amounts, such as cash flows, to a single current (discounted) amount.

Details regarding investment by type are as follows:

<u>Investment Type</u>	<u>Reported Value</u>	<u>Weighted Average Maturity in Years</u>	<u>Fair Value Measurement Using</u>	<u>% of Total</u>	<u>Rating</u>
City					
Certificates of Deposit	\$ 14,842,210	0.86	Level 2	23%	AA+
U.S. Bonds	594,520	0.32	Level 2	1%	Aaa
Municipal Bonds	1,438,016	1.08	Level 2	2%	AA-/Aa1
TexPool	127,501	0.08	n/a	0%	AAAm
Texas CLASS	8,898,627	0.10	n/a	14%	AAAm
TexasTerm	37,821,621	0.10	n/a	59%	AAAmmf
	<u>\$ 63,722,495</u>	0.34		<u>100%</u>	
BEDC					
Certificates of Deposit	\$ 2,753,000	0.86	Level 2	23%	AA+
TexPool	1,326,972	0.08	n/a	11%	AAAm
Texas CLASS	7,848,010	0.10	n/a	66%	AAAm
	<u>\$ 11,927,982</u>	0.27		<u>100%</u>	

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Receivables: The following comprise receivable balances at year end:

	Discrete Component Unit	Governmental Funds				
	Bastrop Economic Development	General	Debt Service	Hotel/Motel Tax	Nonmajor	Total
Property taxes	\$ -	\$ 272,751	\$ 177,192	\$ -	\$ 3,988	\$ 453,931
Sales taxes	159,184	1,274,044	-	-	424,638	1,698,682
Hotel/motel tax	-	-	-	291,403	-	291,403
Intergovernmental	-	-	-	-	111,225	111,225
Other receivables	-	19,562	-	-	-	19,562
Court fines and fees	-	733,211	-	-	-	733,211
Less allowance	-	(470,022)	(8,859)	-	(199)	(479,080)
Total	<u>\$ 159,184</u>	<u>\$ 1,829,546</u>	<u>\$ 168,333</u>	<u>\$ 291,403</u>	<u>\$ 539,652</u>	<u>\$ 2,828,934</u>

	Proprietary Funds			
	Water and Sewer	Bastrop Power & Light	Community Impact Fee	Total Enterprise Funds
Accounts receivable	\$ 842,830	\$ 741,559	\$ 67,714	\$ 1,652,103
Less allowance	(5,065)	(19,921)	-	(24,986)
Total	<u>\$ 837,765</u>	<u>\$ 721,638</u>	<u>\$ 67,714</u>	<u>\$ 1,627,117</u>

Lease Receivable: On October 1, 2022, the BEDC entered into a 149-month lease as lessor for the use of Land Lease - Communications Tower Site. As of September 30, 2024, the value of the lease receivable is \$170,422. The lessee is required to make monthly fixed payments of \$1,323. The lease has an interest rate of 1.755%. The value of the deferred inflow of resources as of September 30, 2024 was \$159,063. The lease revenue for fiscal year 2024 was \$17,259. The lessee has 2 extension options, each for 60 months. The City had a termination period of 1 month as of the lease commencement.

The future payments the receivable and deferred inflow of resources are as follows:

	Lease Receivable			Amortization of
Fiscal Year	Lease Receipts			Deferred Inflows
	Principal	Interest	Total	
2025	\$ 15,383	\$ 2,868	\$ 18,251	\$ 16,812
2026	15,655	2,595	18,250	16,812
2027	15,932	2,318	18,250	16,812
2028	16,214	2,037	18,251	16,812
2029	18,105	1,743	19,848	16,812
2030-2034	89,133	3,564	92,697	75,003
	<u>\$ 170,422</u>	<u>\$ 15,125</u>	<u>\$ 185,547</u>	<u>\$ 159,063</u>

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets: The following is a summary of changes in capital assets for governmental activities for the year:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
<u>Governmental activities</u>				
Capital assets not being depreciated				
Land	\$ 5,176,940	\$ 1,241,811	\$ (5,625)	\$ 6,413,126
Construction in progress	3,753,412	1,849,674	(2,507,778)	3,095,308
Total capital assets not being depreciated	<u>8,930,352</u>	<u>3,091,485</u>	<u>(2,513,403)</u>	<u>9,508,434</u>
Other capital assets				
Buildings	15,319,101	103,447	(144,910)	15,277,638
Land Infrastructure	882,288	-	-	882,288
Improvements other than buildings	35,252,092	3,904,044	-	39,156,136
Right-to-use assets - equipment	1,398,835	456,731	(63,295)	1,792,271
Machinery and equipment	12,737,567	1,453,614	(133,644)	14,057,537
Total other capital assets	<u>65,589,883</u>	<u>5,917,836</u>	<u>(341,849)</u>	<u>71,165,870</u>
Less accumulated depreciation for				
Buildings	(5,566,746)	(336,067)	69,666	(5,833,147)
Land Infrastructure	(131,200)	(36,400)	-	(167,600)
Improvements other than buildings	(11,060,682)	(1,898,515)	-	(12,959,197)
Right-to-use assets - equipment	(308,305)	(387,225)	54,885	(640,645)
Machinery and equipment	(7,070,172)	(629,356)	204,935	(7,494,593)
Total accumulated depreciation	<u>(24,137,105)</u>	<u>(3,287,563)</u>	<u>329,486</u>	<u>(27,095,182)</u>
Other capital assets, net	<u>41,452,778</u>	<u>2,630,273</u>	<u>(12,363)</u>	<u>44,070,688</u>
Governmental activities capital assets, net	<u>\$ 50,383,130</u>	<u>\$ 5,721,758</u>	<u>\$ (2,525,766)</u>	<u>53,579,122</u>
				14,662,511
				(328,301)
				404,812
				<u>(34,269,022)</u>
				<u>\$ 34,049,122</u>

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation/amortization was charged to governmental functions as follows:

General government	\$ 1,507,820
Public safety	372,376
Development services	21,905
Community services	394,280
Economic development	21,905
Internal service fund	969,277
	<u>3,287,563</u>
Total governmental activities depreciation expense	<u>\$ 3,287,563</u>

The following is a summary of changes in capital assets for business-type activities for the year end:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
<u>Business-type activities</u>				
Capital assets not being depreciated				
Land	\$ 4,769,618	\$ -	\$ -	\$ 4,769,618
Water rights	3,933,620	-	-	3,933,620
Construction in progress	<u>74,786,766</u>	<u>33,283,278</u>	<u>(12,048,565)</u>	<u>96,021,479</u>
Total capital assets not being depreciated	<u>83,490,004</u>	<u>33,283,278</u>	<u>(12,048,565)</u>	<u>104,724,717</u>
Other capital assets				
Machinery and equipment	2,889,626	203,122	(109,565)	2,983,183
Right-to-use assets	12,001	-	(12,001)	-
Buildings	498,366	241,062	-	739,428
Infrastructure	<u>47,344,968</u>	<u>10,764,613</u>	<u>-</u>	<u>58,109,581</u>
Total other capital assets	<u>50,744,961</u>	<u>11,208,797</u>	<u>(121,566)</u>	<u>61,832,192</u>
Less accumulated depreciation for				
Machinery and equipment	(2,614,654)	(330,119)	109,565	(2,835,208)
Right-to-use assets	(8,230)	(3,771)	12,001	-
Buildings	(314,417)	(22,274)	-	(336,691)
Infrastructure	<u>(16,718,869)</u>	<u>(1,228,029)</u>	<u>-</u>	<u>(17,946,898)</u>
Total accumulated depreciation	<u>(19,656,170)</u>	<u>(1,584,193)</u>	<u>121,566</u>	<u>(21,118,797)</u>
Other capital assets, net	<u>31,088,791</u>	<u>9,624,604</u>	<u>-</u>	<u>40,713,395</u>
Business-type activities capital assets, net	<u>\$ 114,578,795</u>	<u>\$ 42,907,882</u>	<u>\$ (12,048,565)</u>	<u>145,438,112</u>
				21,961,965
				(6,251,167)
				(124,603)
				<u>(132,466,614)</u>
Net investment in capital assets				<u>\$ 28,557,693</u>

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation/amortization was charged to business-type functions as follows:

Water and wastewater	\$ 1,388,695
Power and light	<u>195,498</u>
Total business-type activities depreciation expense	<u>\$ 1,584,193</u>

The following is a summary of changes in capital assets for the BEDC for the year end:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
BEDC				
Capital assets not being depreciated				
Land	\$ 416,323	\$ -	\$ -	\$ 416,323
Construction in progress	<u>935,217</u>	<u>-</u>	<u>(935,217)</u>	<u>-</u>
Total capital assets not being depreciated	<u>1,351,540</u>	<u>-</u>	<u>(935,217)</u>	<u>416,323</u>
Other capital assets				
Machinery and equipment	<u>8,301</u>	<u>-</u>	<u>-</u>	<u>8,301</u>
Total other capital assets	<u>8,301</u>	<u>-</u>	<u>-</u>	<u>8,301</u>
Less accumulated depreciation for				
Machinery and equipment	<u>(8,301)</u>	<u>-</u>	<u>-</u>	<u>(8,301)</u>
Total accumulated depreciation	<u>(8,301)</u>	<u>-</u>	<u>-</u>	<u>(8,301)</u>
Other capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BEDC capital assets, net	<u>\$ 1,351,540</u>	<u>\$ -</u>	<u>\$ (935,217)</u>	<u>416,323</u>
Net investment in capital assets				<u>\$ 416,323</u>

The BEDC balance in construction in progress was related to a project that was determined not to move forward in the current year and was therefore written off.

Long-Term Debt: 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.

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The following is a summary of changes in the City's long-term liabilities for the year end:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Ending Balances</u>	<u>Amounts Due Within One Year</u>
<u>Governmental activities</u>					
Bonds, notes, and other payables					
General obligation bonds	\$ 10,750,000	\$ -	\$ (1,355,000)	\$ 9,395,000 *	\$ 1,165,000
Certificates of obligation	21,120,000	-	(790,000)	20,330,000 *	815,000
Direct borrow ings/private placement					
Certificates of obligation	106,629	-	(28,120)	78,509 *	29,262
General obligation bonds	1,896,552	-	(591,552)	1,305,000 *	585,000
Notes payable	173,351	-	(22,368)	150,983 *	22,368
Leases payable	<u>1,101,977</u>	<u>422,849</u>	<u>(381,022)</u>	<u>1,143,804 *</u>	<u>420,281</u>
Total bonds, notes, and other payables	<u>35,148,509</u>	<u>422,849</u>	<u>(3,168,062)</u>	<u>32,403,296</u>	<u>3,036,911</u>
Deferred amounts					
For issuance discounts/premiums	2,063,098	-	(197,372)	1,865,726 *	-
Other liabilities					
Compensated absences	370,541	330,024	(327,552)	373,013	335,712
Net pension liability	2,835,406	570,149	-	3,405,555	-
OPEB liability - health	596,631	-	(141,776)	454,855	26,673
OPEB liability - TMRS	<u>254,229</u>	<u>21,800</u>	<u>-</u>	<u>276,029</u>	<u>8,859</u>
Total governmental activities	<u>\$ 41,268,414</u>	<u>\$ 1,344,822</u>	<u>\$ (3,834,762)</u>	<u>\$ 38,778,474</u>	<u>\$ 3,408,155</u>
Long-term debt due in more than one year				<u>\$ 35,370,319</u>	
*Debt associated w ith governmental activities capital assets				<u>\$ 34,269,022</u>	

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balances	Additions	(Reductions)	Ending Balances	Amounts Due Within One Year
<u>Business-type activities</u>					
Bonds, notes, and other payables					
General obligation bonds	\$ 7,790,000	\$ -	\$ (605,000)	\$ 7,185,000 *	\$ 650,000
Certificates of obligation	63,005,000	36,320,000	(845,000)	98,480,000 *	1,895,000
Direct borrowings/private placement					
Certificates of obligation	643,371	-	(156,880)	486,491 *	165,738
General obligation bonds	208,448	-	(208,448)	- *	-
Notes payable	60,000	-	(60,000)	- *	-
Revenue bonds	21,175,000	-	(345,000)	20,830,000 *	370,000
Leases payable	3,022	-	(3,022)	- *	-
Total bonds, notes, and other payables	<u>92,884,841</u>	<u>36,320,000</u>	<u>(2,223,350)</u>	<u>126,981,491</u>	<u>3,080,738</u>
Deferred amounts					
For issuance discounts/premiums	3,532,434	2,121,490	(168,801)	5,485,123 *	-
Other liabilities					
Compensated absences	92,582	101,417	(60,145)	133,854	120,469
Net pension liability	403,836	84,448	-	488,284	-
OPEB liability - health	153,889	-	(14,353)	139,536	3,951
OPEB liability - TMRS	91,147	4,310	-	95,457	1,312
Total business-type activities	<u>\$ 97,158,729</u>	<u>\$ 38,631,665</u>	<u>\$ (2,466,649)</u>	<u>\$ 133,323,745</u>	<u>\$ 3,206,470</u>
Long-term debt due in more than one year				<u>\$ 130,117,275</u>	
*Debt associated with business-type activities capital assets				<u>\$ 132,466,614</u>	

	Beginning Balances	Additions	(Reductions)	Ending Balances	Amounts Due Within One Year
<u>BEDC</u>					
Notes payable					
Direct borrowings/private placement					
Notes payable	\$ 60,000	\$ -	\$ (60,000)	\$ -	\$ -
Note to City	<u>2,425,000</u>	<u>-</u>	<u>(225,000)</u>	<u>2,200,000</u>	<u>240,000</u>
Total notes payable	<u>2,485,000</u>	<u>-</u>	<u>(285,000)</u>	<u>2,200,000</u>	<u>240,000</u>
Other liabilities					
Compensated absences	15,165	7,076	(10,521)	11,720	10,548
Net pension liability	242,115	41,159	-	283,274	-
OPEB liability - health	35,326	-	(10,235)	25,091	1,926
OPEB liability - TMRS	5,226	1,574	-	6,800	639
Total business-type activities	<u>\$ 2,782,832</u>	<u>\$ 49,809</u>	<u>\$ (305,756)</u>	<u>\$ 2,526,885</u>	<u>\$ 253,113</u>
Long-term debt due in more than one year				<u>\$ 2,273,772</u>	

Long-term liabilities of the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The general fund liquidates the governmental activities portion of the compensated absences liability, the net pension liability, and the OPEB liabilities.

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Long-term debt at year end was comprised of the following debt issues:

<u>Description</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance</u>
Governmental activities			
Bonds Payable			
Gen. Oblig. Bonds, Series 2005	3.67%	\$ 2,445,000	\$ 175,000
Gen. Oblig. Bonds, Series 2006	4.24%	\$ 345,000	50,000
Certificates of Oblig., Series 2006 (31.4%)	4.19%	\$ 227,650	21,980
Gen. Oblig. Bonds, Series 2007	4.08%	\$ 1,220,000	260,000
Certificates of Obligation, Series 2007 (11.42%)	4.04%	\$ 264,944	56,529
GO Refunding, Series 2014 (74.53%)	2.00- 4.00%	\$ 1,695,558	1,510,000
GO Refunding, Series 2016 (58%)	2.00- 4.00%	\$ 1,440,000	590,000
GO Refunding, Series 2017 (83%)	2.00- 4.00%	\$ 3,745,000	2,230,000
Combination Tax & Rev., Cert. of Oblig., Series 2018	3.75 - 4.00%	\$ 4,605,000	3,155,000
Limited Tax Note, Series 2019	1.78%	\$ 465,000	180,000
Combination Tax & Rev., Cert. of Oblig, Series 2020	2.00- 4.00%	\$ 2,615,000	1,840,000
Limited Tax Note, Series 2020	1.21%	\$ 1,000,000	640,000
Certificates of Oblig., Series 2021	2.00 - 5.00%	\$ 580,000	490,000
Gen. Oblig. Refunding Bonds, Series 2021A	0.30% - 2.18%	\$ 5,650,000	5,065,000
Combination Tax & Rev., Cert. of Oblig, Series 2022	3.00-4.00%	\$ 3,235,000	2,710,000
Combination Tax & Rev., Cert. of Oblig, Series 2023	4.00-5.00%	\$ 12,135,000	12,135,000
Total bonds payable			<u>31,108,509</u>
Notes payable			
Notes Payable - Texas Capital Fund - Art Foundry	0.00%	\$ 447,351	<u>150,983</u>
Total governmental activities			<u>\$ 31,259,492</u>
Business-type activities			
Bonds Payable			
Certificates of Oblig., Series 2006 (68.6%)	4.19%	\$ 497,350	\$ 48,020
Certificates of Oblig., Series 2007 (88.58%)	4.04%	\$ 2,055,056	438,471
Combination Tax & Rev., Cert. of Oblig., Series 2014	2.00 - 3.50%	\$ 5,985,000	2,255,000
GO Refunding., Series 2016 (42%)	2.00 - 4.00%	\$ 1,085,000	460,000
GO Refunding, Series 2017 (12.7%)	2.00 - 3.50%	\$ 610,000	455,000
Utility System Revenue Bonds, Series 2019	2.00 - 4.00%	\$ 1,900,000	1,555,000
Utility System Revenue Bonds, Series 2020	2.00 - 5.00%	\$ 20,065,000	19,275,000
Certificates of Obligation, Series 2021	2.00 -5.00%	\$ 33,990,000	32,995,000
Gen. Oblig. Refunding Bonds, Series 2021	2.00 - 4.00%	\$ 2,780,000	1,905,000
Gen. Oblig. Refunding Bonds, Series 2021A	0.30 - 2.18%	\$ 4,410,000	4,365,000
Combination Tax & Rev., Cert. of Oblig, Series 2023	4.00-5.00%	\$ 26,910,000	26,910,000
Combination Tax & Rev., Cert. of Oblig, Series 2024	4.00-5.00%	\$ 36,320,000	36,320,000
Total bonds payable			<u>126,981,491</u>
Total business-type activities			<u>\$ 126,981,491</u>

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

<u>Description</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance</u>
BEDC			
Notes to City			
Due to City of Bastrop - 13.4% GO Refunding, Series 2017	0.00%		\$ 375,000
Due to City of Bastrop - 31.93% GO Refunding, Series 2021A	0.00%		1,825,000
Total notes payable			<u>2,200,000</u>
Total BEDC			<u>\$ 2,200,000</u>

The annual requirements to amortize bond and notes outstanding at year end were as follows:

Governmental Activities:

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>			<u>Certificates of Obligation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,165,000	\$ 258,492	\$ 1,423,492	\$ 815,000	\$ 824,738	\$ 1,639,738
2026	1,185,000	227,912	1,412,912	1,040,000	800,338	1,840,338
2027	1,260,000	195,542	1,455,542	1,385,000	761,288	2,146,288
2028	1,340,000	157,642	1,497,642	1,440,000	703,388	2,143,388
2029	1,145,000	117,085	1,262,085	1,500,000	647,188	2,147,188
2030-2034	3,300,000	178,349	3,478,349	6,045,000	2,394,400	8,439,400
2035-2039	-	-	-	5,190,000	1,215,763	6,405,763
2040-2042	-	-	-	2,915,000	236,200	3,151,200
Total	<u>\$ 9,395,000</u>	<u>\$ 1,135,022</u>	<u>\$ 10,530,022</u>	<u>\$ 20,330,000</u>	<u>\$ 7,583,303</u>	<u>\$ 27,913,303</u>

<u>Fiscal Year</u>	<u>Direct Borrowings/Private Placements</u>								
	<u>General Obligation Bonds</u>			<u>Certificates of Obligation</u>			<u>Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 585,000	\$ 25,668	\$ 610,668	\$ 29,262	\$ 2,754	\$ 32,016	\$ 22,368	\$ -	\$ 22,368
2026	415,000	12,864	427,864	29,833	1,445	31,278	22,368	-	22,368
2027	305,000	4,444	309,444	19,414	392	19,806	22,368	-	22,368
2028	-	-	-	-	-	-	22,368	-	22,368
2029	-	-	-	-	-	-	22,368	-	22,368
2030-2031	-	-	-	-	-	-	39,143	-	39,143
Total	<u>\$ 1,305,000</u>	<u>\$ 42,976</u>	<u>\$ 1,347,976</u>	<u>\$ 78,509</u>	<u>\$ 4,591</u>	<u>\$ 83,100</u>	<u>\$ 150,983</u>	<u>\$ -</u>	<u>\$ 150,983</u>

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Business-type Activities:

Fiscal Year	General Obligation Bonds			Certificates of Obligation			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 650,000	\$ 180,353	\$ 830,353	\$ 1,895,000	\$ 3,472,346	\$ 5,367,346	\$ 370,000	\$ 614,313	\$ 984,313
2026	665,000	167,298	832,298	1,725,000	3,638,557	5,363,557	380,000	596,613	976,613
2027	685,000	153,353	838,353	2,100,000	3,559,507	5,659,507	420,000	578,413	998,413
2028	740,000	136,828	876,828	2,200,000	3,461,905	5,661,905	565,000	558,263	1,123,263
2029	640,000	114,043	754,043	2,330,000	3,362,657	5,692,657	685,000	530,863	1,215,863
2030-2034	3,805,000	264,573	4,069,573	12,285,000	15,212,281	27,497,281	3,815,000	2,269,913	6,084,913
2035-2039	-	-	-	15,860,000	12,370,269	28,230,269	4,390,000	1,725,363	6,115,363
2040-2044	-	-	-	21,130,000	9,210,936	30,340,936	4,245,000	1,186,425	5,431,425
2045-2049	-	-	-	28,590,000	4,915,680	33,505,680	4,900,000	535,825	5,435,825
2050-2053	-	-	-	10,365,000	693,058	11,058,058	1,060,000	26,500	1,086,500
Total	\$ 7,185,000	\$ 1,016,448	\$ 8,201,448	\$ 98,480,000	\$ 59,897,196	\$ 158,377,196	\$ 20,830,000	\$ 8,622,491	\$ 29,452,491

Fiscal Year	Direct Borrowings/Private Placements Certificates of Obligation		
	Principal	Interest	Total
2025	\$ 165,738	\$ 16,685	\$ 182,423
2026	170,167	9,647	179,814
2027	150,586	3,042	153,628
Total	\$ 486,491	\$ 29,374	\$ 515,865

BEDC:

Fiscal Year	Direct Borrowings/Private Placements Notes Payable		
	Principal	Interest	Total
2025	\$ 240,000	\$ 46,747	\$ 286,747
2026	240,000	42,417	282,417
2027	255,000	37,747	292,747
2028	280,000	32,046	312,046
2029	290,000	25,547	315,547
2030-2033	895,000	47,657	942,657
Total	\$ 2,200,000	\$ 232,161	\$ 2,432,161

New Debt: On September 26, 2024 the City issued the Combination Tax and Revenue Certificates of Obligation, Series 2024 (the "Certificates") for use in constructing, improving, designing, acquiring, and equipping the City's water and wastewater system. The principal on the Certificates totaled \$36,320,000 and carry an interest rate of 4.00% to 5.00%. The certificates will mature in August of 2049.

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Federal Arbitrage: The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

Lease Liability: The City is a lessee to various lease agreements for copiers and office equipment, as well as vehicles. During the current year, the City entered into 7 new vehicle lease agreements for the internal service fund with terms from 48 to 60 month and an initial lease payable and right-to-use asset amount of \$422,849. As of September 30, 2024, the value of the lease liability was 1,143,803. The leases have principal and interest payments ranging from \$187 to \$25,760 and interest rates that range from 0.529% to 3.511%. The value of the right-to-use assets as of the end of the current fiscal year was \$1,792,271 and had accumulated amortization of \$640,645.

The future principal and interest payments on the lease liabilities as of September 30, 2024, are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 420,281	\$ 24,679	\$ 444,960
2026	413,814	13,724	427,538
2027	206,995	5,086	212,081
2028	80,449	1,374	81,823
2029	22,265	198	22,463
Total	<u>\$ 1,143,804</u>	<u>\$ 45,061</u>	<u>\$ 1,188,865</u>

Interfund Transactions: The composition of interfund balances as of year end is as follows:

<u>Due from</u>	<u>Due To</u>	<u>Amounts</u>
Water and wastewater	Community impact	<u>\$ 20,000</u>

Amounts recorded as due to/from are considered to be temporary loans and will generally be repaid during the following year.

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amounts</u>
General	Bastrop Power & Light	\$ 1,124,294
General	Hotel/motel tax	291,427
General	Water and wastewater	787,989
General	Nonmajor	3,000
Debt service	Hotel/motel tax	518,000
Nonmajor	General	838,000
Water and wastewater	Nonmajor	74,900
Water and wastewater	Community impact	2,115,500
Water and wastewater	Debt service	93,460
Internal service	General	815,000
Internal service	Water and wastewater	50,000
		<u>\$ 6,711,570</u>

Amounts transferred between funds relate to the following activities:

- Transfers to the general fund were made by the Bastrop power and light fund, hotel/motel tax fund, water and wastewater fund, and the nonmajor funds as contributions to the general fund for various governmental expenditures.
- Transfer to the debt service fund were annual transfers for debt service-related expenditures.
- The general fund transferred \$838,000 to nonmajor funds for current and future capital outlay.
- Transfer to the water and wastewater fund were annual funding transfers from the community impact fund and the debt service fund.
- Transfer to the internal service fund were made by the general fund and the water and wastewater fund as annual funding for various projects.

NOTE 4 - OTHER INFORMATION

Risk Management: The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

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

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

Construction and other Significant Commitments: Construction in progress and remaining commitments under related construction contracts for governmental activities and BEDC at year end are as follows:

<u>Business-Type Activities</u>	<u>Spent To Date</u>	<u>Remaining Commitment</u>
WWTP#3 and Collector Lines - Engineering	\$ 5,015,183	\$ 801,105
WWTP#3 Construction	26,242,444	126,556
SWPP - FM 969 Off-Site WWL	1,469,438	1,750,423
XS Water Line and Water Plant-Engineering	5,978,072	525,853
XS Water Line and Water Plant-Construction	56,449,523	12,328,531
Total Business-Type Activities	<u>\$ 95,154,660</u>	<u>\$ 15,532,468</u>
 <u>BEDC</u>	 <u>Spent To Date</u>	 <u>Remaining Commitment</u>
Jackson Street Extension	<u>\$ 444,684</u>	<u>\$ 1,175,316</u>

Pension Plan:

Texas Municipal Retirement System

Plan Description: The City and the BEDC participates as one of 934 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the "TMRS Act") as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the "Board"); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmr.com.

All eligible employees of the City and the BEDC 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 member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	2024	2023
Employee deposit rate	6.00%	6.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	10	10
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees Covered by Benefit Terms: At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>City</u>	<u>BEDC</u>
Inactive employees or beneficiaries currently receiving benefits	68	4
Inactive employees entitled to but not yet receiving benefits	121	8
Active employees	152	10
Total	<u>341</u>	<u>22</u>

Contributions: Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City-matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.51% and 13.59% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2024 were \$1,139,392, which were less than the required contributions.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The TPL in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale MP-2021 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, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for annuity purchase rates is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global public equity	35.0%	6.7%
Core fixed income	6.0%	4.7%
Non-core fixed income	20.0%	8.0%
Other public and private markets	12.0%	8.0%
Real estate	12.0%	7.6%
Hedge funds	5.0%	6.4%
Private equity	<u>10.0%</u>	11.6%
Total	<u>100.0%</u>	

Discount Rate: The discount rate used to measure the TPL 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 TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Changes in the NPL:

	City		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
<u>Changes for the year</u>			
Service cost	\$ 1,735,092	\$ -	\$ 1,735,092
Interest	2,030,779	-	2,030,779
Change in benefit terms	2,086,957	-	2,086,957
Difference between expected and actual experience	(581,889)	-	(581,889)
Change in assumptions	(210,373)	-	(210,373)
Contributions - employer	-	1,071,989	(1,071,989)
Contributions - employee	-	525,193	(525,193)
Net investment income	-	2,826,831	(2,826,831)
Benefit payments, including refunds of employee contributions	(962,520)	(962,520)	-
Administrative expense	-	(17,919)	17,919
Other changes	-	(125)	125
Net changes	4,098,046	3,443,449	654,597
Balance at December 31, 2022	27,621,945	24,382,703	3,239,242
Balance at December 31, 2023	<u>\$ 31,719,991</u>	<u>\$ 27,826,152</u>	<u>\$ 3,893,839</u>

	BEDC		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
<u>Changes for the year</u>			
Service cost	\$ 109,096	\$ -	\$ 109,096
Interest	127,689	-	127,689
Change of benefit terms	131,221	-	131,221
Difference between expected and actual experience	(36,587)	-	(36,587)
Change in assumptions	(13,228)	-	(13,228)
Contributions - employer	-	67,403	(67,403)
Contributions - employee	-	33,022	(33,022)
Net investment income	-	177,742	(177,742)
Benefit payments, including refunds of employee contributions	(60,520)	(60,520)	-
Administrative expense	-	(1,127)	1,127
Other changes	-	(8)	8
Net changes	257,671	216,512	41,159
Balance at December 31, 2022	1,726,611	1,484,496	242,115
Balance at December 31, 2023	<u>\$ 1,984,282</u>	<u>\$ 1,701,008</u>	<u>\$ 283,274</u>

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Sensitivity of the NPL to Changes in the Discount Rate: The following presents the NPL of the City and the BEDC, calculated using the discount rate of 6.75%, as well as what the City's and BEDC's NPL would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net position liability	\$ 8,822,112	\$ 3,893,839	\$ (93,679)
BEDC's net position liability	<u>641,802</u>	<u>283,274</u>	<u>(6,812)</u>
Net pension liability	<u>\$ 9,463,914</u>	<u>\$ 4,177,113</u>	<u>\$ (100,491)</u>

Pension Plan Fiduciary Net Position: Detailed information about the TMRS's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by participating City. That report may be obtained at www.tmr.com.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions: For the fiscal year ended September 30, 2024, the City and the BEDC recognized net pension expense of \$3,716,404.

At September 30, 2024, the City and the BEDC reported deferred outflows of resources related to pensions from the following sources:

	City	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 134,412	\$ 409,731
Changes in actuarial assumptions	-	148,132
Net difference between projected and actual investment earnings	487,818	-
Contributions subsequent to the measurement date	<u>1,056,815</u>	<u>-</u>
	<u>\$ 1,679,045</u>	<u>\$ 557,863</u>
	BEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 7,881	\$ 25,763
Changes in actuarial assumptions	-	9,314
Net difference between projected and actual investment earnings	28,604	-
Contributions subsequent to the measurement date	<u>61,968</u>	<u>-</u>
	<u>\$ 98,453</u>	<u>\$ 35,077</u>

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

\$1,056,815 for the City and \$61,968 for the BEDC reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2025.

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

Fiscal Year Ended <u>September 30</u>	Pension Expense	
	<u>City</u>	<u>BEDC</u>
2025	\$ 15,866	\$ 347
2026	(49,887)	(1,091)
2027	344,704	7,540
2028	(246,316)	(5,388)
	<u>\$ 64,367</u>	<u>\$ 1,408</u>

Other Postemployment Benefits

TMRS – Supplemental Death Benefits

Plan Description: The City and the BEDC participate in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

Benefits: 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 OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Participation in the SDBF as of December 31, 2023 is summarized below:

	<u>City</u>	<u>BEDC</u>
Inactive employees or beneficiaries currently receiving benefits	53	3
Inactive employees entitled to, but not yet receiving, benefits	28	2
Active employees	<u>152</u>	<u>10</u>
 Total	 <u>233</u>	 <u>15</u>

Total OPEB Liability: The City's and the BEDC's total OPEB liability of \$378,286 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.85% including inflation
Discount rate	3.77%
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent MP-2021 (with intermediate convergence).
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale MP-2021 (with intermediate convergence) to account for future mortality improvements subject to the floor.

*The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period December 31, 2022.

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Changes in the Total OPEB Liability:

	Total OPEB Liability	
	<u>City</u>	<u>BEDC</u>
<u>Changes for the year</u>		
Service cost	\$ 17,290	\$ 1,087
Interest	13,544	852
Difference between expected and actual experience	(10,039)	(631)
Changes of assumptions	14,404	906
Benefit payments*	(10,171)	(639)
Net changes	<u>25,028</u>	<u>1,575</u>
Beginning balance	<u>346,457</u>	<u>5,226</u>
Ending balance	<u>\$ 371,485</u>	<u>\$ 6,801</u>

The discount rate decreased from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the City and the BEDC, as well as what the City's and BEDC's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount <u>Rate (2.77%)</u>	Discount Rate <u>(3.77%)</u>	1% Increase in Discount <u>Rate (4.77%)</u>
City's portion	\$ 438,198	\$ 371,485	\$ 307,167
BEDC's portion	<u>16,358</u>	<u>6,801</u>	<u>11,466</u>
Total OPEB liability	<u>\$ 454,556</u>	<u>\$ 378,286</u>	<u>\$ 318,633</u>

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the year ended September 30, 2024, the City and the BEDC recognized OPEB expense of \$17,205. The City and the BEDC reported deferred outflows/inflows of resources related to OPEB from the following sources:

	City	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 37,105	\$ 106,396
Differences between expected and actual economic experience	4,435	14,375
Contributions subsequent to the measurement date	6,485	-
	<u>\$ 48,025</u>	<u>\$ 120,771</u>
	BEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 1,329	\$ 10,136
Differences between expected and actual economic experience	159	1,369
Contributions subsequent to the measurement date	232	-
	<u>\$ 1,720</u>	<u>\$ 11,505</u>

\$6,485 for the City and \$232 for BEDC 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 of total OPEB liability for the fiscal year ending September 30, 2025.

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

Fiscal Year Ended September 30	OPEB Expense	
	City	BEDC
2025	\$ (17,127)	\$ (2,165)
2026	(29,268)	(3,700)
2027	(31,586)	(3,993)
2028	(1,250)	(159)
	<u>\$ (79,231)</u>	<u>\$ (10,017)</u>

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Postemployment Healthcare Plan

Plan Description: The City offers its retired employees health insurance benefits through a single-employer defined benefit OPEB plan (the "Program"), under City policy. The program 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 75.

Benefits and Contributions: As of 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 at retirement are eligible for fully-subsidized retiree only health coverage until the retiree reaches age 65 or, if earlier, becomes eligible for Medicare. Dependent coverage is available, but the cost for dependent coverage must be paid for by the member and the duration of coverage are subject to the current COBRRRA provisions in place. 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 the Consolidated Budget Reconciliation Act. Additionally, eligible retirees receive \$2,000 life insurance fully paid by the City. The City's contributions to the Program for the year ended September 30, 2024 were \$32,550, which equal benefit payments for retirees. A separate, audited GAAP basis OPEB plan report is not available for this Program.

Participation in the Program as of September 30, 2024 is summarized below:

	<u>City</u>	<u>BEDC</u>
Inactive employees or beneficiaries currently receiving benefits	1	-
Inactive employees entitled to, but not yet receiving, benefits	-	-
Active employees	119	7
	<u>120</u>	<u>7</u>
Total	<u>120</u>	<u>7</u>

Actuarial Assumptions and Other Inputs: Significant methods and assumptions were as follows:

Inflation	2.50%
Salary increases	2.75% average, which includes inflation
Discount rate	4.06% per annum, which includes inflation
Healthcare cost trend rates	6.51% initial 2024 medical trend rate for pre-65 retirees decreasing to an ultimate rate of 4.14% in the year 2041
Mortality rates-service retirees	Mortality rates were updated and are based upon the sex distinct headcount weighted PUB 2010 tables recently released by the Society of Actuaries with generational mortality improvement scale MP-2021

Projections of health benefits are based on the Program 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.

Since the prior fiscal year, the discount rate was updated from 4.87% to 4.06% based upon yields of 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Changes in the Total OPEB Liability: The City's and BEDC's total OPEB liability was measured as of September 30, 2024 and was determined by an actuarial valuation as of October 1, 2023.

	Total OPEB Liability	
	City	BEDC
<u>Changes for the year</u>		
Service cost	\$ 28,697	\$ 1,804
Interest	27,602	1,736
Changes of assumptions	(192,214)	(12,086)
Difference between expected and actual experience	3,764	237
Benefit payments	(30,624)	(1,926)
Net changes	(162,775)	(10,235)
Beginning balance	757,166	35,326
Ending balance	<u>\$ 594,391</u>	<u>\$ 25,091</u>

Sensitivity of Total OPEB Liability to the Discount Rate: Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the Program's total OPEB liability, calculated using a discount rate of 4.06%, as well as what the Program's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	Discount Rate Sensitivity		
	1% Decrease Rate (3.06%)	Discount Rate (4.06%)	1% Increase Rate (5.06%)
City's portion	\$ 673,462	\$ 594,391	\$ 525,329
BEDC's portion	28,429	25,091	22,176
Total OPEB liability	<u>\$ 701,891</u>	<u>\$ 619,482</u>	<u>\$ 547,505</u>

Sensitivity of the Total OPEB Liability to the Healthcare Costs Trend Rate Assumption: Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the Program's total OPEB liability, calculated using the assumed trend rates, as well as what the Program's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher.

	Healthcare Cost Trend Sensitivity		
	1% Decrease	Discount Rate	1% Increase
City's portion	\$ 509,342	\$ 594,391	\$ 697,474
BEDC's portion	21,501	25,091	29,442
Total OPEB liability	<u>\$ 530,843</u>	<u>\$ 619,482</u>	<u>\$ 726,916</u>

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the year ended September 30, 2024, the City and the BEDC recognized OPEB expense of \$29,584. The City and the BEDC reported deferred outflows/inflows of resources related to OPEB from the following sources:

	City	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 20,435	\$ 47,444
Differences between expected and actual economic experience	18,503	206,966
	<u>\$ 38,938</u>	<u>\$ 254,410</u>
	BEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 5,307	\$ 3,009
Differences between expected and actual economic experience	4,805	13,127
	<u>\$ 10,112</u>	<u>\$ 16,136</u>

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

Fiscal Year Ended September 30	OPEB Expense	
	City	BEDC
2025	\$ (28,781)	\$ (805)
2026	(30,343)	(848)
2027	(51,754)	(1,447)
2028	(47,880)	(1,339)
2029	(28,877)	(807)
Thereafter	(27,837)	(778)
	<u>\$ (215,472)</u>	<u>\$ (6,024)</u>

The aggregate amount of OPEB expenses for the City's and BEDC's two OPEB plans for fiscal year 2024 was \$46,789.

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Deferred Compensation Plan: The City offers its employees a deferred compensation plan (the “Plan”) created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Plan’s trust arrangements are established to protect deferred compensation amounts of employees under the Plan from any other use than intended under the Plan (eventual payment to employees deferring the compensation) in accordance with federal tax laws. Amounts of compensation deferred by employees under Plan provisions are disbursed monthly by the City to Nationwide, a third-party administrator. The third-party administrator handles all funds in the Plan and makes investment decisions and disburses funds to employees in accordance with Plan provisions.

Chapter 380 Economic Development Agreement: Chapter 380 of the Texas Local Government Code, *Miscellaneous Provisions Relating to Municipal Planning and Development*, provides the authority to the governing body of a municipality to establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the municipality.

PRC 01 Bastrop, LLC: In June 2024, the City of Bastrop entered into a Chapter 380 Economic Development Agreement with PRC 01 Bastrop, LLC for the Sendero development project. The purpose of the agreement is to incentivize commercial development, public infrastructure improvements, and the dedication of a public park. The City agreed to rebate a portion of revenues generated by the project, including 80% of the incremental increase in ad valorem taxes above the 2022 base, 100% of sales tax revenues, and 100% of hotel occupancy taxes, for a period of up to six years. The maximum reimbursement under the agreement is \$6,440,617, plus a rollback tax reimbursement of \$440,617. During fiscal year 2024, no payments were made under this agreement. As of year-end, the City has not incurred any liability as the effective dates for revenue sharing had not yet been reached.

Commitments and Contingencies of Component Units: On June 12, 2024, the BEDC, sold approximately 13.84 acres in the Bastrop Business and Industrial Park to Acutronic Real Estate Inc. for \$1,089,000. As part of the transaction, BEDC retained an exclusive repurchase option, allowing BEDC to reacquire the property at the original purchase price plus closing costs and \$10,000 should the purchaser fail to meet specified project development requirements. The repurchase right is exercisable for a period of sixty (60) days following the purchaser’s failure to meet project development requirements, currently scheduled for completion by December 31, 2025. A Memorandum of Repurchase Option was filed in the Bastrop County property records to secure BEDC’s rights. BEDC has not recognized an asset related to this option. The option represents a contingent right that may impact the City’s financial reporting if exercised.

Subsequent Event

New Debt: In April 2025, the City issued \$12,303,000 in special assessment revenue bonds, Series 2025 (the “Bonds”). The Bonds were issued for the purpose of (1) reimburse a portion of the actual costs of the public improvements benefiting Valverde Public Improvement District Improvement Area #1, (2) paying capitalized interest, (3) funding a debt service reserve, (4) funding the initial deposit to the administrative fund for the payment of the initial annual collection costs, and (5) paying the costs of the issuance of the Bonds. The Bonds have an interest rate ranging from 4.25-5.625 percent and mature in annual installments on September 1 in the years 2030 through 2055. Mandatory sinking fund redemptions apply to the 2030, 2035, 2045 and 2055 term bonds.

(Continued)

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Chapter 380 Economic Development Agreement:

BEBD Frontage Road, LLC: On April 22, 2025, the City of Bastrop entered into a Chapter 380 Economic Development Agreement with BEBD Frontage Road, LLC for the Burleson Crossing East Project. The project involves the development of approximately 19 acres of retail and commercial space and includes the construction of roadway improvements along Highway 71 necessary for access and traffic management. As part of the agreement, the City committed to provide economic development payments not to exceed \$600,000, tied to the Developer's successful completion of project milestones and the Highway 71 Frontage Road improvements. The project is expected to generate approximately 300 jobs, an estimated \$30 million in new taxable value (equating to roughly \$525,000 in additional annual ad valorem taxes), and approximately \$900,000 in annual sales tax revenues once fully built out. Because the agreement was executed after September 30, 2024, no financial impact is reflected in the City's fiscal year 2024 financial statements.

Interlocal Agreement with BEDC: In April 2025, the City entered into an interlocal agreement with BEDC to provide financing for infrastructure improvements associated with the Burleson Crossing East Retail Development. BEDC agreed to grant a loan to the City in the amount of \$600,000 with a 4% interest rate with payments beginning in 2026 and ending in 2033.

Performance Agreement with BEDC: After fiscal year end, the BEDC exercised provisions of its previously approved Economic Development Performance Agreement with Moca Ventures Nebraska, LLC to repurchase approximately 26.5 acres in the Bastrop Business and Industrial Park from the developer for \$900,000.

NOTE 5 – CHANGE WITHIN REPORTING ENTITY

The Hunters Crossing PID, American Recovery, and 2022 Bond governmental funds were presented as major funds in the prior year and are considered nonmajor governmental funds in the current year.

	Reporting Units Affected by Adjustments to Beginning Balances			
	Funds			
	Hunters Crossing PID	American Recovery	2022 Bond	Nonmajor Governmental
Beginning fund balance, previously presented	\$ 113,893	\$ 32,634	\$ 2,121,071	\$ 2,846,815
Change within financial reporting entity	(113,893)	(32,634)	(2,121,071)	2,267,598
Beginning fund balance, as adjusted	\$ -	\$ -	\$ -	\$ 5,114,413

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BASTROP, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 5,269,515	\$ 5,269,515	\$ 5,327,030	\$ 57,515
Sales taxes	8,859,830	8,859,830	8,538,075	(321,755)
Franchise fees	482,000	482,000	592,776	110,776
Licenses and permits	2,000	2,000	8,613	6,613
Fines and forfeitures	304,800	342,815	356,789	13,974
Charges for services	958,250	958,250	1,030,476	72,226
Intergovernmental	42,304	42,304	49,749	7,445
Investment revenue	253,000	298,250	427,966	129,716
Other revenue	41,965	220,334	890,633	670,299
Total revenues	<u>16,213,664</u>	<u>16,475,298</u>	<u>17,222,107</u>	<u>746,809</u>
Expenditures				
Current				
General government				
City council	46,803	46,803	48,694	(1,891) *
Organizational	1,086,479	1,365,404	1,392,443	(27,039) *
City manager	657,348	716,966	742,546	(25,580) *
City secretary	316,594	316,594	324,209	(7,615) *
Finance	1,962,613	2,070,613	2,117,822	(47,209) *
Human resources	409,831	409,831	414,368	(4,537) *
Information technology	722,042	792,042	814,489	(22,447) *
Fleet and facilities	-	519,627	532,833	(13,206) *
Public works	2,740,036	2,171,704	2,183,502	(11,798) *
Total general administration	<u>7,941,746</u>	<u>8,409,584</u>	<u>8,570,906</u>	<u>(161,322)</u>
Public safety				
Police	4,565,859	4,460,459	4,557,160	(96,701) *
Fire	1,685,059	1,534,879	1,485,599	49,280
Municipal court	379,408	417,423	431,660	(14,237) *
Total public safety	<u>6,630,326</u>	<u>6,412,761</u>	<u>6,474,419</u>	<u>(61,658)</u>
Development services				
Planning	45,000	45,000	2,388	42,612
Engineering and development	348,814	580,131	493,809	86,322
Total development services	<u>393,814</u>	<u>625,131</u>	<u>496,197</u>	<u>128,934</u>

(Continued)

CITY OF BASTROP, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Community services				
Library	\$ 884,571	\$ 830,540	\$ 843,319	\$ (12,779) *
Community engagement	1,025,237	1,046,437	1,044,727	1,710
Parks	940,486	1,065,411	879,381	186,030
Total community services	<u>2,850,294</u>	<u>2,942,388</u>	<u>2,767,427</u>	<u>174,961</u>
Capital outlay	<u>-</u>	<u>1,246,762</u>	<u>1,254,568</u>	<u>(7,806) *</u>
Total expenditures	<u>17,816,180</u>	<u>19,636,626</u>	<u>19,563,517</u>	<u>73,109</u>
Deficiency of revenues over expenditures	<u>(1,602,516)</u>	<u>(3,161,328)</u>	<u>(2,341,410)</u>	<u>673,700</u>
Other financing sources (uses)				
Transfers in	2,287,210	2,287,210	2,206,710	(80,500)
Transfers (out)	<u>(1,733,500)</u>	<u>(1,733,500)</u>	<u>(1,653,000)</u>	<u>80,500</u>
Total other financing (uses)	<u>553,710</u>	<u>553,710</u>	<u>553,710</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,048,806)</u>	<u>\$ (2,607,618)</u>	<u>(1,787,700)</u>	<u>\$ 673,700</u>
Beginning fund balance			<u>9,119,437</u>	
Ending fund balance			<u>\$ 7,331,737</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. *Expenditures exceeded appropriations at the legal level of control.

CITY OF BASTROP, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – HOTEL/MOTEL TAX FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Hotel/motel taxes	\$ 4,000,000	\$ 3,250,000	\$ 3,533,130	\$ 283,130
Licenses and permits	2,000	2,000	1,752	(248)
Intergovernmental	61,040	36,040	59,320	23,280
Charges for services	293,500	293,500	301,869	8,369
Investment revenue	85,000	85,000	145,501	60,501
Other revenue	-	40,000	62,804	22,804
Total revenues	<u>4,441,540</u>	<u>3,706,540</u>	<u>4,104,376</u>	<u>397,836</u>
Expenditures				
Current				
Hotel tax expense	2,442,574	2,349,317	1,931,420	417,897
Hospitality and downtown	1,239,416	1,008,746	815,410	193,336
Cultural arts commission	55,500	95,500	81,739	13,761
Rodeo arena	3,296	3,296	9,083	(5,787) *
Total expenditures	<u>3,740,786</u>	<u>3,456,859</u>	<u>2,837,652</u>	<u>619,207</u>
Excess of revenues over expenditures	<u>700,754</u>	<u>249,681</u>	<u>1,266,724</u>	<u>1,017,043</u>
Other financing sources (uses)				
Transfers (out)	<u>(518,000)</u>	<u>(809,427)</u>	<u>(809,427)</u>	<u>-</u>
Total other financing sources (uses)	<u>(518,000)</u>	<u>(809,427)</u>	<u>(809,427)</u>	<u>-</u>
Net change in fund balance	<u>\$ 182,754</u>	<u>\$ (559,746)</u>	<u>457,297</u>	<u>\$ 1,017,043</u>
Beginning fund balance			<u>3,408,456</u>	
Ending fund balance			<u>\$ 3,865,753</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. *Expenditures exceeded appropriations at the legal level of control.

CITY OF BASTROP, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the year ended September 30, 2024

	Measurement Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability										
Service cost	\$ 647,254	\$ 765,716	\$ 877,585	\$ 949,690	\$ 1,049,555	\$ 1,155,868	\$ 1,179,784	\$ 1,191,083	\$ 1,333,997	\$ 1,844,188
Interest (on the total pension liability)	906,043	992,085	1,065,490	1,162,037	1,278,572	1,396,174	1,527,512	1,660,808	1,830,612	2,158,468
Changes of benefit terms including substantively automatic status	-	-	-	-	-	-	-	-	-	2,218,178
Difference between expected and actual experience	19,757	93,002	(22,910)	151,268	95,980	121,723	81,944	398,167	130,609	(618,476)
Changes of assumptions	-	134,544	-	-	-	125,555	-	-	-	(223,601)
Benefit payments, including refunds of employee contributions	(394,341)	(411,888)	(445,883)	(605,903)	(567,072)	(902,940)	(828,129)	(812,138)	(799,675)	(1,023,040)
Net change in total pension liability	1,178,713	1,573,459	1,474,282	1,657,092	1,857,035	1,896,380	1,961,111	2,437,920	2,495,543	4,355,717
Total pension liability - beginning	12,817,021	13,995,734	15,569,193	17,043,475	18,700,567	20,557,602	22,453,982	24,415,093	26,853,013	29,348,556
Total pension liability	\$ 13,995,734	\$ 15,569,193	\$ 17,043,475	\$ 18,700,567	\$ 20,557,602	\$ 22,453,982	\$ 24,415,093	\$ 26,853,013	\$ 29,348,556	\$ 33,704,273
Plan fiduciary net position										
Contributions - employer	\$ 497,753	\$ 584,017	\$ 656,980	\$ 759,882	\$ 819,985	\$ 908,840	\$ 913,656	\$ 951,374	\$ 3,080,416	\$ 1,139,392
Contributions - employee	313,054	327,229	362,639	394,062	433,104	479,613	485,555	497,667	554,677	558,215
Net investment income	618,954	17,476	834,607	1,905,936	(485,318)	2,535,671	1,472,775	2,795,773	(1,816,077)	3,004,573
Benefit payments, including refunds of employee contributions	(394,341)	(411,888)	(445,883)	(605,903)	(567,072)	(902,940)	(828,129)	(812,138)	(799,675)	(1,023,040)
Administrative expense	(6,461)	(10,647)	(9,427)	(9,876)	(9,375)	(14,313)	(9,524)	(12,923)	(15,694)	(19,046)
Other	(531)	(526)	(508)	(501)	(489)	(430)	(370)	87	18,728	(133)
Net change in plan fiduciary net position	1,028,428	505,661	1,398,408	2,443,600	190,835	3,006,441	2,033,963	3,419,840	1,022,375	3,659,961
Plan fiduciary net pension - beginning	10,817,648	11,846,076	12,351,737	13,750,145	16,193,745	16,384,580	19,391,021	21,424,984	24,844,824	25,867,199
Plan fiduciary net pension	\$ 11,846,076	\$ 12,351,737	\$ 13,750,145	\$ 16,193,745	\$ 16,384,580	\$ 19,391,021	\$ 21,424,984	\$ 24,844,824	\$ 25,867,199	\$ 29,527,160
Net pension liability	\$ 2,149,658	\$ 3,217,456	\$ 3,293,330	\$ 2,506,822	\$ 4,173,022	\$ 3,062,961	\$ 2,990,109	\$ 2,008,189	\$ 3,481,357	\$ 4,177,113
Plan fiduciary net position as a percentage of total pension liability	84.64%	79.33%	80.68%	86.59%	79.70%	86.36%	87.75%	95.52%	88.14%	87.61%
Covered payroll	\$ 5,217,564	\$ 5,453,817	\$ 6,043,976	\$ 6,567,702	\$ 7,218,398	\$ 7,993,556	\$ 8,086,254	\$ 8,294,447	\$ 9,244,608	\$ 10,810,014
Net pension liability as a percentage of covered payroll	41.20%	58.99%	54.49%	38.17%	57.81%	38.32%	36.98%	24.21%	37.66%	38.64%

CITY OF BASTROP, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
POSTEMPLOYMENT HEALTH CARE PLAN
For the year ended September 30, 2024

	Measurement Year*						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total OPEB liability							
Service cost	\$ 26,393	\$ 26,899	\$ 34,707	\$ 45,082	\$ 46,247	\$ 30,341	\$ 30,501
Interest (on the total OPEB liability)	24,601	25,690	29,126	19,727	20,192	37,165	29,338
Difference between expected and actual experience	(40,119)	-	81,583	-	(78,714)	-	(204,300)
Changes of assumptions	35,460	11,200	72,503	(27,876)	(58,033)	(7,478)	4,001
Contributions - employer**	(16,887)	(16,887)	(32,447)	(44,499)	(55,992)	(32,664)	(32,550)
Net change in total OPEB liability	29,448	46,902	185,472	(7,566)	(126,300)	27,364	(173,010)
Total OPEB liability - beginning	637,172	666,620	713,522	898,994	891,428	765,128	792,492
Total OPEB liability - ending	<u>\$ 666,620</u>	<u>\$ 713,522</u>	<u>\$ 898,994</u>	<u>\$ 891,428</u>	<u>\$ 765,128</u>	<u>\$ 792,492</u>	<u>\$ 619,482</u>
Covered employee payroll	\$ 7,098,873	\$ 7,881,883	\$ 7,607,892	\$ 7,721,338	\$ 8,291,656	\$ 10,100,688	\$ 10,739,920
Total OPEB liability as a percentage of covered payroll	9.39%	9.05%	11.82%	11.54%	9.23%	7.85%	5.77%

*Only seven years of information is currently available. The City will build this schedule over the next three-year period.

Notes to Required Supplementary Information:

1. Changes of assumptions: Since the prior valuation, the discount rate was decreased from 4.87% to 4.06%.
2. Other Information: No assets are accumulated in a trust that meets the criteria of GASB Statement No. 75 to pay related benefits for the pension/OPEB plan.

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, 2024

	Measurement Year*						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB liability							
Service cost	\$ 15,762	\$ 19,490	\$ 19,984	\$ 25,876	\$ 29,031	\$ 35,130	\$ 18,377
Interest (on the total OPEB liability)	9,226	9,693	10,836	10,553	9,542	9,448	14,396
Difference between expected and actual experience	-	(6,885)	(4,139)	(5,172)	(14,030)	7,596	(10,670)
Changes of assumptions	23,298	(21,387)	64,459	65,057	15,788	(192,697)	15,310
Benefit payments**	(1,314)	(1,444)	(2,398)	(2,426)	(6,636)	(7,396)	(10,810)
Net change in total OPEB liability	46,972	(533)	88,742	93,888	33,695	(147,919)	26,603
Total OPEB liability - beginning	236,838	283,810	283,277	372,019	465,907	499,602	351,683
Total OPEB liability - ending	<u>\$ 283,810</u>	<u>\$ 283,277</u>	<u>\$ 372,019</u>	<u>\$ 465,907</u>	<u>\$ 499,602</u>	<u>\$ 351,683</u>	<u>\$ 378,286</u>
Covered employee payroll	\$ 6,340,147	\$ 7,098,873	\$ 7,881,883	\$ 7,847,955	\$ 8,107,068	\$ 9,244,608	\$ 10,810,014
Total OPEB liability as a percentage of covered payroll	4.48%	3.99%	4.72%	5.94%	6.16%	3.80%	3.50%

*Only seven years of information is currently available. The City will build this schedule over the next three-year period.

**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Notes to Required Supplementary Information:

1. Changes in Assumptions: Changes in assumptions reflect a change in the discount rate from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023.
2. Changes in Benefits: There were no changes in benefit terms that affected measurement of the total OPEB liability during the measurement period.
3. There are no assets accumulated in a trust that meets the criteria of GAS codification P22.101 or P52.101.

CITY OF BASTROP, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS) - PENSION
For the year ended September 30, 2024

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 551,472	\$ 668,216	\$ 723,434	\$ 811,103	\$ 895,993	\$ 901,479	\$ 926,269	\$ 1,005,812	\$ 1,278,371	\$ 1,488,834
Contributions in relation to the actuarially determined contribution	551,472	668,216	723,434	811,103	895,993	901,479	926,269	1,005,812	3,080,416	1,139,392
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,802,045)	\$ 349,442
Covered payroll	\$ 5,317,314	\$ 6,170,226	\$ 6,340,147	\$ 7,098,873	\$ 7,881,883	\$ 7,847,955	\$ 8,107,068	\$ 8,803,029	\$ 9,244,608	\$ 10,810,014
Contributions as a percentage of covered payroll	10.37%	10.83%	11.41%	11.43%	11.37%	11.49%	11.43%	11.43%	33.32%	10.54%

Notes to Required Supplementary Information:

- 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:

<p>Actuarial cost method</p> <p>Amortization method</p> <p>Remaining amortization period</p> <p>Asset valuation method</p> <p>Inflation</p> <p>Salary increases</p> <p>Investment rate of return</p> <p>Retirement age</p> <p>Mortality</p>	<p>Entry age normal</p> <p>Level percentage of payroll, closed</p> <p>22 years (longest amortization ladder)</p> <p>10 year smoothed market; 12.00% soft corridor</p> <p>2.50%</p> <p>3.60% to 11.85% including inflation</p> <p>6.75%</p> <p>Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.</p> <p>Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent with Scale MP-2021 (with immediate convergence).</p> <p>Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).</p>
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- Other Information: Increased employee contribution rate from 6.00% to 7.00%. Increased statutory max to 13.50% due to plan changes.

COMBINING STATEMENTS AND SCHEDULES

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, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 3,390,341	\$ 3,390,341	\$ 3,386,066	\$ (4,275)
Investment revenue	75,000	75,000	115,183	40,183
Other revenue	<u>275,227</u>	<u>275,227</u>	<u>275,227</u>	<u>-</u>
Total revenues	<u>3,740,568</u>	<u>3,740,568</u>	<u>3,776,476</u>	<u>35,908</u>
Expenditures				
Debt service:				
Principal	3,624,954	3,624,954	2,787,040	837,914
Interest and fiscal agent fees	<u>1,121,357</u>	<u>1,121,357</u>	<u>1,174,016</u>	<u>(52,659) *</u>
Total expenditures	<u>4,746,311</u>	<u>4,746,311</u>	<u>3,961,056</u>	<u>785,255</u>
Deficiency of revenues over expenditures	<u>(1,005,743)</u>	<u>(1,005,743)</u>	<u>(184,580)</u>	<u>821,163</u>
Other financing sources (uses)				
Transfers in	592,900	592,900	518,000	(74,900)
Transfers (out)	<u>-</u>	<u>-</u>	<u>(93,460)</u>	<u>(93,460)</u>
Total other financing sources (uses)	<u>592,900</u>	<u>592,900</u>	<u>424,540</u>	<u>(168,360)</u>
Net change in fund balance	<u>\$ (412,843)</u>	<u>\$ (412,843)</u>	<u>239,960</u>	<u>\$ 652,803</u>
Beginning fund balance			<u>581,332</u>	
Ending fund balance			<u>\$ 821,292</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. *Expenditures exceeded appropriations at the legal level of control.

CITY OF BASTROP, TEXAS
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS
September 30, 2024

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted, committed, or assigned to expenditures 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.

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 cemetery.

Grants: This fund is used to account for grants received from local, state, and federal agencies for capital projects and the application of the funds in accordance with stated requirements.

Hunters Crossing PID: This fund collects the assessments approved by the City Council and paid for by the property owners within the District. The assessments fund the expenses associated with maintaining the assets of the District and reimbursing the developer annually from the capital portion of the assessment.

American Recovery: This fund is used to account for revenues and expenditures related to the American Recovery grant.

Development Services: This fund is used to facilitate growth so that the community's development and future are sustainable.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for specific revenues that are legally restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Park Dedication: This fund is used to account for the receipt and disbursement of funds received for special improvement projects related to City parks and trails.

2022 Bond: 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.

General CIP Projects: This fund is used to account for various capital projects ongoing within the City.

2020 Limited Tax Note: This fund is used to account for the receipt of tax notes received in relation to this specific bond issue and application of the funds in accordance with stated requirements.

Future Construction Escrow: This fund was established to track deposits from developers and related expenses.

Combination Revenue 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.

(Continued)

CITY OF BASTROP, TEXAS
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS
September 30, 2024

CAPITAL PROJECTS FUNDS (Continued)

Combination Revenue Bond Series 2018: 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.

Street Maintenance: This fund is used to account for the receipt of monies designated for street maintenance.

PERMANENT FUND

The Permanent Fund is used to account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Fairview Cemetery: This fund is used to account for an endowment whose earnings are restricted to expenditures for the benefit of Fairview Cemetery.

CITY OF BASTROP, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of September 30, 2024

	Special Revenue Funds					
	Designated	Library Board	Fairview Cemetery	Grants	Formerly Major Hunters Crossing PID	Formerly Major American Recovery
ASSETS						
Cash and equity in pooled cash equivalents	\$ 686,355	\$ 43,189	\$ 58,240	\$ -	\$ 146,627	\$ 2,415,139
Receivables, net	16,441	-	-	94,784	3,789	-
Total assets	<u>\$ 702,796</u>	<u>\$ 43,189</u>	<u>\$ 58,240</u>	<u>\$ 94,784</u>	<u>\$ 150,416</u>	<u>\$ 2,415,139</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 382	\$ 2,465	\$ 29,947	\$ 74,850	\$ 9,933	\$ -
Deposits payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	2,288,071
Total liabilities	<u>382</u>	<u>2,465</u>	<u>29,947</u>	<u>74,850</u>	<u>9,933</u>	<u>2,288,071</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	3,789	-
FUND BALANCES						
Nonspendable:						
Cemetery perpetual care	-	-	-	-	-	-
Restricted:						
Cemetery	-	-	28,293	-	-	-
Public safety	51,639	-	-	-	-	-
Parks	89,494	-	-	-	-	-
Traffic safety	382,912	-	-	-	-	-
PEG channels	178,369	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital projects	-	-	-	-	136,694	-
Grants	-	-	-	-	-	-
Assigned to:				19,934	-	127,068
Library	-	40,724	-	-	-	-
Unassigned:						
Capital projects	-	-	-	-	-	-
Total fund balances	<u>702,414</u>	<u>40,724</u>	<u>28,293</u>	<u>19,934</u>	<u>136,694</u>	<u>127,068</u>
Total liabilities, deferred inflow s of resources, and fund balances	<u>\$ 702,796</u>	<u>\$ 43,189</u>	<u>\$ 58,240</u>	<u>\$ 94,784</u>	<u>\$ 150,416</u>	<u>\$ 2,415,139</u>

(Continued)

CITY OF BASTROP, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of September 30, 2024

	Capital Projects Funds					
	Spec. Rev. Funds		Formerly Major	General CIP	2020 Limited	Future
	Development Services	Park Dedication	2022 Bond	Projects	Tax Note	Construction Escrow
ASSETS						
Cash and equity in pooled cash equivalents	\$ 1,377,004	\$ 14,604	\$ 2,336,177	\$ 48,983	\$ -	\$ 1,080,214
Receivables, net	-	-	-	-	-	-
Total assets	\$ 1,377,004	\$ 14,604	\$ 2,336,177	\$ 48,983	\$ -	\$ 1,080,214
LIABILITIES						
Accounts payable and accrued liabilities	\$ 73,993	\$ -	\$ -	\$ 127,734	\$ -	\$ 1,080,214
Deposits payable	64,405	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	138,398	-	-	127,734	-	1,080,214
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	93,835	-	-	-	-
FUND BALANCES						
Nonspendable:						
Cemetery perpetual care	-	-	-	-	-	-
Restricted:						
Cemetery	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Parks	-	-	-	-	-	-
Traffic safety	-	-	-	-	-	-
PEG channels	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital projects	1,238,606	-	-	-	-	-
Grants	-	-	-	-	-	-
Assigned to:						
Library	-	-	-	-	-	-
Unassigned:						
Capital projects	-	(79,231)	2,336,177	(78,751)	-	-
Total fund balances	1,238,606	(79,231)	2,336,177	(78,751)	-	-
Total liabilities, deferred inflow s of resources, and fund balances	\$ 1,377,004	\$ 14,604	\$ 2,336,177	\$ 48,983	\$ -	\$ 1,080,214

(Continued)

CITY OF BASTROP, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of September 30, 2024

	Capital Projects Funds				Permanent Fund	Total Nonmajor Governmental Funds
	Combination Revenue Bond Series 2013	Combination Revenue Bond Series 2018	Street Maintenance	Fairview Cemetery		
ASSETS						
Cash and equity in pooled cash equivalents	\$ 838	\$ 460,322	\$ 3,028,077	\$ 513,690	\$	\$ 12,209,459
Receivables, net	-	-	424,638	-	-	539,652
Total assets	<u>\$ 838</u>	<u>\$ 460,322</u>	<u>\$ 3,452,715</u>	<u>\$ 513,690</u>		<u>\$ 12,749,111</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ 114,605	\$ 3,700	\$ -	\$	\$ 1,517,823
Deposits payable	-	-	-	-	-	64,405
Unearned revenue	-	-	-	-	-	2,288,071
Total liabilities	<u>-</u>	<u>114,605</u>	<u>3,700</u>	<u>-</u>		<u>3,870,299</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	97,624
FUND BALANCES						
Nonspendable:						
Cemetery perpetual care	-	-	-	513,690		513,690
Restricted:						
Cemetery	-	-	-	-	-	28,293
Public safety	-	-	-	-	-	51,639
Parks	-	-	-	-	-	89,494
Traffic safety	-	-	-	-	-	382,912
PEG channels	-	-	-	-	-	178,369
Economic development	-	-	-	-	-	136,694
Capital projects	838	345,717	3,449,015	-	-	5,034,176
Grants	-	-	-	-	-	147,002
Assigned to:						
Library	-	-	-	-	-	40,724
Unassigned:						
Capital projects	-	-	-	-	-	2,178,195
Total fund balances	<u>838</u>	<u>345,717</u>	<u>3,449,015</u>	<u>513,690</u>		<u>8,781,188</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 838</u>	<u>\$ 460,322</u>	<u>\$ 3,452,715</u>	<u>\$ 513,690</u>		<u>\$ 12,749,111</u>

CITY OF BASTROP, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2024

	Special Revenue Funds					
	<u>Designated</u>	<u>Library Board</u>	<u>Fairview Cemetery</u>	<u>Grants</u>	<u>Formerly Major Hunters Crossing PID</u>	<u>Formerly Major American Recovery</u>
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 576,783	\$ -
Sales taxes	-	-	-	-	-	-
Franchise fees	15,990	-	-	-	-	-
Fines and forfeitures	78,521	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Intergovernmental	2,829	-	85,850	314,649	-	-
Investment revenue	32,627	2,020	3,813	-	18,081	112,553
Miscellaneous revenue	33,254	20,400	106,410	-	-	-
Total revenues	163,221	22,420	196,073	314,649	594,864	112,553
Expenditures						
Current						
Public safety	104,352	-	-	-	-	-
Community services	-	17,056	191,736	126,152	-	-
Economic development	-	-	-	-	497,163	-
Capital outlay	-	-	101,769	168,563	-	18,119
Debt service	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest and fiscal agent fees	-	-	-	-	-	-
Total expenditures	104,352	17,056	293,505	294,715	497,163	18,119
Excess (deficiency) of revenues over (under) expenditures	58,869	5,364	(97,432)	19,934	97,701	94,434
Other financing sources (uses)						
Proceeds from sale of capital asset	-	-	-	-	-	-
Transfers in	-	-	38,000	-	-	-
Transfers (out)	-	(3,000)	-	-	(74,900)	-
Total other financing sources (uses)	-	(3,000)	38,000	-	(74,900)	-
Net change in fund balance	58,869	2,364	(59,432)	19,934	22,801	94,434
Fund balances, October 1, 2023 as previously presented	643,545	38,360	87,725	-	-	-
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	113,893	32,634
Fund balances, September 30, 2024 as adjusted	643,545	38,360	87,725	-	113,893	32,634
Ending fund balance	\$ 702,414	\$ 40,724	\$ 28,293	\$ 19,934	\$ 136,694	\$ 127,068

(Continued)

CITY OF BASTROP, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2024

	Spec. Rev. Funds	Capital Projects Funds				
		Development Services	Park Dedication	Formerly Major		Future Construction Escrow
				2022 Bond	General CIP Projects	2020 Limited Tax Note
Revenues						
Property taxes	\$ -	\$ -	-	\$ -	-	\$ -
Sales taxes	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Charges for services	2,847,411	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Investment revenue	343	671	-	218,156	4,142	-
Miscellaneous revenue	-	1,365	-	-	452,165	-
Total revenues	2,847,754	2,036	-	218,156	456,307	4,648
Expenditures						
Current						
Public safety	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Economic development	1,590,081	-	-	-	-	-
Capital outlay	-	-	-	3,050	741,190	57,813
Debt service						
Principal	18,839	-	-	-	-	-
Interest and fiscal agent fees	228	-	-	-	-	-
Total expenditures	1,609,148	-	-	3,050	741,190	57,813
Excess (deficiency) of revenues over (under) expenditures	1,238,606	2,036	-	215,106	(284,883)	(53,165)
Other financing sources (uses)						
Proceeds from sale of capital asset	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	1,238,606	2,036	-	215,106	(284,883)	(53,165)
Fund balances, October 1, 2023 as previously presented	-	(81,267)	-	-	206,132	53,165
Change within financial reporting entity (major to nonmajor fund)	-	-	-	2,121,071	-	-
Fund balances, September 30, 2024 as adjusted	-	(81,267)	-	2,121,071	206,132	53,165
Ending fund balance	\$ 1,238,606	\$ (79,231)	\$ (79,231)	\$ 2,336,177	\$ (78,751)	\$ -

(Continued)

CITY OF BASTROP, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2024

	Capital Projects Funds			Permanent Fund		Total Nonmajor Governmental Funds
	Combination Revenue Bond Series 2013	Combination Revenue Bond Series 2018	Street Maintenance	Fairview Cemetery		
Revenues						
Property taxes	\$ -	\$ -	\$ -	-	\$	576,783
Sales taxes	-	-	2,041,339	-	-	2,041,339
Franchise fees	-	-	-	-	-	15,990
Fines and forfeitures	-	-	-	-	-	78,521
Charges for services	-	-	-	-	-	2,933,261
Intergovernmental	-	-	-	-	-	317,478
Investment revenue	80	55,556	79,888	17,070	-	549,648
Miscellaneous revenue	-	-	-	22,760	-	636,354
Total revenues	80	55,556	2,121,227	39,830	-	7,149,374
Expenditures						
Current						
Public safety	-	-	-	-	-	104,352
Community services	-	-	-	-	-	334,944
Economic development	-	-	-	-	-	2,087,244
Capital outlay	-	270,733	399,950	-	-	1,761,187
Debt service	-	-	-	-	-	-
Principal	-	-	-	-	-	18,839
Interest and fiscal agent fees	-	-	-	-	-	228
Total expenditures	-	270,733	399,950	-	-	4,306,794
Excess (deficiency) of revenues over (under) expenditures	80	(215,177)	1,721,277	39,830	-	2,842,580
Other financing sources (uses)						
Proceeds from sale of capital asset	-	-	64,095	-	-	64,095
Transfers in	-	-	800,000	-	-	838,000
Transfers (out)	-	-	-	-	-	(77,900)
Total other financing sources (uses)	-	-	864,095	-	-	824,195
Net change in fund balance	80	(215,177)	2,585,372	39,830	-	3,666,775
Fund balances, October 1, 2023 as previously presented	758	560,894	863,643	473,860	-	2,846,815
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-	2,267,598
Fund balances, September 30, 2024 as adjusted	758	560,894	863,643	473,860	-	5,114,413
Ending fund balance	838	345,717	3,449,015	513,690	\$	8,781,188

CITY OF BASTROP, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - DESIGNATED FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Franchise fees	\$ 24,500	\$ 24,500	\$ 15,990	\$ (8,510)
Fines and forfeitures	14,000	39,000	78,521	39,521
Intergovernmental	1,700	1,700	2,829	1,129
Investment revenue	20,000	20,000	32,627	12,627
Miscellaneous revenue	24,910	24,910	33,254	8,344
Total revenues	<u>85,110</u>	<u>110,110</u>	<u>163,221</u>	<u>53,111</u>
Expenditures				
Current				
Public safety	108,800	145,500	104,352	41,148
Capital outlay	<u>290,000</u>	<u>284,700</u>	-	<u>284,700</u>
Total expenditures	<u>398,800</u>	<u>430,200</u>	<u>104,352</u>	<u>325,848</u>
Excess of revenues over expenditures	<u>(313,690)</u>	<u>(320,090)</u>	<u>58,869</u>	<u>378,959</u>
Net change in fund balance	<u>\$ (313,690)</u>	<u>\$ (320,090)</u>	<u>58,869</u>	<u>\$ 378,959</u>
Beginning fund balance			<u>643,545</u>	
Ending fund balance			<u>\$ 702,414</u>	

CITY OF BASTROP, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY BOARD FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment revenue	\$ 1,000	\$ 1,000	\$ 2,020	\$ 1,020
Other revenue	<u>20,000</u>	<u>20,000</u>	<u>20,400</u>	<u>400</u>
Total revenues	<u>21,000</u>	<u>21,000</u>	<u>22,420</u>	<u>1,420</u>
Expenditures				
Current				
Library board fund	<u>14,500</u>	<u>21,100</u>	<u>17,056</u>	<u>4,044</u>
Total expenditures	<u>14,500</u>	<u>21,100</u>	<u>17,056</u>	<u>4,044</u>
Excess of revenues over expenditures	<u>6,500</u>	<u>(100)</u>	<u>5,364</u>	<u>5,464</u>
Other financing sources (uses)				
Transfers (out)	<u>(3,000)</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 3,500</u>	<u>\$ (3,100)</u>	<u>2,364</u>	<u>\$ 5,464</u>
Beginning fund balance			<u>38,360</u>	
Ending fund balance			<u>\$ 40,724</u>	

CITY OF BASTROP, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - FAIRVIEW CEMETERY FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 68,700	\$ 68,700	\$ 85,850	\$ 17,150
Investment revenue	3,500	3,500	3,813	313
Other revenue	53,200	93,400	106,410	13,010
Total revenues	<u>125,400</u>	<u>165,600</u>	<u>196,073</u>	<u>30,473</u>
Expenditures				
Current				
Community services	149,243	189,443	191,736	(2,293) *
Capital outlay	100,000	100,000	101,769	(1,769) *
Total expenditures	<u>249,243</u>	<u>289,443</u>	<u>293,505</u>	<u>(4,062)</u>
Deficiency of revenues over expenditures	<u>(123,843)</u>	<u>(123,843)</u>	<u>(97,432)</u>	<u>26,411</u>
Other financing sources (uses)				
Transfers in	<u>38,000</u>	<u>38,000</u>	<u>38,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (85,843)</u>	<u>\$ (85,843)</u>	<u>(59,432)</u>	<u>\$ 26,411</u>
Beginning fund balance			<u>87,725</u>	
Ending fund balance			<u>\$ 28,293</u>	

CITY OF BASTROP, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GRANTS FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 3,865,330	\$ 3,865,330	\$ 314,649	\$ (3,550,681)
Total revenues	<u>3,865,330</u>	<u>3,865,330</u>	<u>314,649</u>	<u>(3,550,681)</u>
Expenditures				
Current				
Community services	-	-	126,152	(126,152) *
Capital outlay	<u>3,865,330</u>	<u>3,865,330</u>	<u>168,563</u>	<u>3,696,767</u>
Total expenditures	<u>3,865,330</u>	<u>3,865,330</u>	<u>294,715</u>	<u>3,570,615</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>19,934</u>	<u>19,934</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>19,934</u>	<u>\$ 19,934</u>
Beginning fund balance			<u>-</u>	
Ending fund balance			<u>\$ 19,934</u>	

CITY OF BASTROP, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - HUNTERS CROSSING PID FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 574,279	\$ 574,279	\$ 576,783	\$ 2,504
Investment revenue	7,000	12,000	18,081	6,081
Total revenues	<u>581,279</u>	<u>586,279</u>	<u>594,864</u>	<u>8,585</u>
Expenditures				
Current				
Economic development	484,119	489,119	497,163	(8,044) *
Total expenditures	<u>484,119</u>	<u>489,119</u>	<u>497,163</u>	<u>(8,044)</u>
Excess of revenues over expenditures	<u>97,160</u>	<u>97,160</u>	<u>97,701</u>	<u>541</u>
Other financing sources (uses)				
Transfers (out)	<u>(74,900)</u>	<u>(74,900)</u>	<u>(74,900)</u>	<u>-</u>
Total other financing sources (uses)	<u>(74,900)</u>	<u>(74,900)</u>	<u>(74,900)</u>	<u>-</u>
Net change in fund balance	<u>\$ 22,260</u>	<u>\$ 22,260</u>	<u>22,801</u>	<u>\$ 541</u>
Beginning fund balance			<u>113,893</u>	
Ending fund balance			<u>\$ 136,694</u>	

CITY OF BASTROP, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - AMERICAN RECOVERY FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment revenue	\$ 35,000	\$ 35,000	\$ 112,553	\$ 77,553
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>112,553</u>	<u>77,553</u>
Expenditures				
Current				
Capital outlay	<u>2,388,071</u>	<u>2,388,071</u>	<u>18,119</u>	<u>2,369,952</u>
Total expenditures	<u>2,388,071</u>	<u>2,388,071</u>	<u>18,119</u>	<u>2,369,952</u>
Excess of revenues over expenditures	<u>(2,353,071)</u>	<u>(2,353,071)</u>	<u>94,434</u>	<u>2,447,505</u>
Net change in fund balance	<u>\$ (2,353,071)</u>	<u>\$ (2,353,071)</u>	94,434	<u>\$ 2,447,505</u>
Beginning fund balance			<u>32,634</u>	
Ending fund balance			<u>\$ 127,068</u>	

CITY OF BASTROP, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - DEVELOPMENT SERVICES FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 2,476,000	\$ 2,476,000	\$ 2,847,411	\$ 371,411
Investment revenue	-	-	343	343
Total revenues	<u>2,476,000</u>	<u>2,476,000</u>	<u>2,847,754</u>	<u>371,754</u>
Expenditures				
Current				
Development services				
Customer service	426,660	390,865	368,329	22,536
Building inspection	562,328	652,728	490,887	161,841
Planning	711,000	876,548	730,865	145,683
Debt service				
Principal	-	-	18,839	(18,839) *
Interest and fiscal agent fees	-	-	228	(228) *
Total expenditures	<u>1,699,988</u>	<u>1,920,141</u>	<u>1,609,148</u>	<u>310,993</u>
Excess of revenues over expenditures	<u>776,012</u>	<u>555,859</u>	<u>1,238,606</u>	<u>682,747</u>
Net change in fund balance	<u>\$ 776,012</u>	<u>\$ 555,859</u>	<u>1,238,606</u>	<u>\$ 682,747</u>
Beginning fund balance			-	
Ending fund balance			<u>\$ 1,238,606</u>	

STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the government's overall financial health.

Contents	Table #'s
<u>Financial Trends</u> : These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	1-5
<u>Revenue Capacity</u> : These schedules contain information to help the reader assess the government's two most significant local revenue sources, property and sales taxes.	6-12
<u>Debt Capacity</u> : These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	13-18
<u>Demographic and Economic Information</u> : These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	19-21
<u>Operating Information</u>	22-23
<u>Water and Wastewater Operating Information</u> : These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	24-29
<u>Sources</u> : Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports from the relevant year.	

CITY OF BASTROP, TEXAS
NET POSITION BY COMPONENT
Last Ten Years
(Accrual Basis of Accounting)

TABLE 1

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets										
Restricted	\$ 11,651,156	\$ 11,918,463	\$ 14,539,682	\$ 19,769,501	\$ 19,816,206	\$ 23,307,166	\$ 26,402,818	\$ 24,237,136	\$ 30,293,731	\$ 34,049,122
Unrestricted	8,756,852	8,066,547	7,742,134	4,343,291	4,626,827	4,209,536	7,051,453	10,531,380	5,718,681	23,734,192
	5,446,370	5,326,377	4,292,982	4,389,629	6,668,824	7,099,987	8,111,553	12,782,175	13,544,782	(1,912,379)
Total governmental activities net position	\$ 25,854,378	\$ 25,311,387	\$ 26,574,798	\$ 28,502,421	\$ 31,111,857	\$ 34,616,689	\$ 41,565,824	\$ 47,550,691	\$ 49,557,194	\$ 55,870,935
Business-type activities										
Net investment in capital assets										
Restricted	\$ 13,333,175	\$ 15,553,195	\$ 16,164,723	\$ 16,812,087	\$ 18,773,085	\$ 23,850,300	\$ 21,231,879	\$ 29,979,245	\$ 39,768,566	\$ 28,557,693
Unrestricted	838,596	931,191	2,016,705	2,732,351	1,572,344	3,255,790	1,719,170	2,047,133	1,623,093	252,482
	8,571,980	8,127,577	8,485,463	8,587,217	10,510,188	7,196,057	15,079,870	10,240,528	3,147,404	15,615,877
Total business-type activities net position	\$ 22,743,751	\$ 24,611,963	\$ 26,666,891	\$ 28,131,655	\$ 30,855,617	\$ 34,302,147	\$ 38,030,919	\$ 42,266,906	\$ 44,539,063	\$ 44,426,052
Primary government										
Net investment in capital assets										
Restricted	\$ 24,984,331	\$ 27,471,658	\$ 30,704,405	\$ 36,581,588	\$ 38,589,291	\$ 47,157,466	\$ 47,634,697	\$ 54,216,381	\$ 70,062,297	\$ 62,606,815
Unrestricted	9,595,448	8,997,738	9,758,839	7,075,642	6,199,171	7,465,326	8,770,623	12,578,513	7,341,774	23,986,674
	14,018,350	13,453,954	12,778,445	12,976,846	17,179,012	14,296,044	23,191,423	23,022,703	16,692,186	13,703,498
Total primary government net position	\$ 48,598,129	\$ 49,923,350	\$ 53,241,689	\$ 56,634,076	\$ 61,967,474	\$ 68,918,836	\$ 79,596,743	\$ 89,817,597	\$ 94,096,257	\$ 100,296,987

CITY OF BASTROP, TEXAS
CHANGES IN NET POSITION
Last Ten Years
(Accrual Basis of Accounting)

TABLE 2

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Expenses										
Governmental activities										
General government	\$ 3,000,666	\$ 4,461,447	\$ 4,790,876	\$ 5,042,504	\$ 6,020,455	\$ 4,802,825	\$ 6,113,937	\$ 7,042,717	\$ 10,348,122	\$ 11,831,859
Public safety	3,589,294	4,342,768	4,169,672	3,995,531	4,706,904	3,754,875	4,109,909	5,486,688	6,630,998	7,241,062
Developmental services	711,905	923,089	692,326	919,670	1,360,305	708,088	1,021,712	1,472,240	1,655,952	2,770,506
Community development	3,207,923	2,914,278	1,880,293	2,015,727	1,852,431	1,059,379	1,460,441	3,133,636	3,344,032	3,725,550
Economic development	2,976,087	2,497,292	3,350,167	3,910,783	3,212,115	6,963,722	1,958,899	2,869,568	4,074,802	3,356,720
Interest on long-term debt	1,030,527	926,159	807,460	853,401	911,431	966,319	991,031	584,014	1,277,970	1,028,426
Total governmental activities expe	<u>14,516,402</u>	<u>16,065,033</u>	<u>15,690,794</u>	<u>16,737,616</u>	<u>18,063,641</u>	<u>18,255,208</u>	<u>15,655,929</u>	<u>20,588,863</u>	<u>27,331,876</u>	<u>29,954,123</u>
Business-type activities										
Water and wastewater utilities	3,882,671	3,960,331	4,487,471	4,747,676	5,356,350	5,197,452	6,750,882	6,905,760	9,570,017	10,618,391
Electric utility	6,861,785	6,184,527	6,104,456	6,351,799	6,138,706	5,609,727	6,984,325	6,539,224	7,519,261	7,430,447
Community impact fee	47,028	36,186	5,324	-	18,484	7,185	-	10,003	16,845	1,164,256
Total business-type activities expenses	<u>10,791,484</u>	<u>10,181,044</u>	<u>10,597,251</u>	<u>11,099,475</u>	<u>11,513,540</u>	<u>10,814,364</u>	<u>13,735,207</u>	<u>13,454,987</u>	<u>17,106,123</u>	<u>19,213,094</u>
Total primary government expenses	<u>\$ 25,307,886</u>	<u>\$ 26,246,077</u>	<u>\$ 26,288,045</u>	<u>\$ 27,837,091</u>	<u>\$ 29,577,181</u>	<u>\$ 29,069,572</u>	<u>\$ 29,391,136</u>	<u>\$ 34,043,850</u>	<u>\$ 44,437,999</u>	<u>\$ 49,167,217</u>

(Continued)

CITY OF BASTROP, TEXAS
CHANGES IN NET POSITION
Last Ten Years
(Accrual Basis of Accounting)

TABLE 2

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 413,374	\$ 1,035,377	\$ 1,061,694	\$ 1,371,930	\$ 1,676,873	\$ 591,191	\$ 652,181	\$ 1,354,684	\$ 1,617,853	\$ 1,953,469
Public safety	925,131	932,848	266,292	31,697	95,706	289,954	294,024	321,524	364,001	435,310
Development services	-	-	-	-	-	1,202,430	2,089,278	2,103,192	2,902,068	2,856,024
Community services	86,472	36,480	66,705	87,616	125,125	111,651	108,635	95,030	82,000	85,850
Economic development	130,920	137,891	153,125	144,912	166,757	108,435	164,229	250,306	330,739	303,621
Operating grants and contributions	390,712	428,497	278,349	237,019	150,396	1,744,570	311,029	901,693	1,556,048	426,547
Capital gains and contribalutions	2,988,454	1,878,711	629,416	1,063,268	1,306,839	-	867,426	-	-	-
Total governmental activities										
program revenues	4,935,063	4,449,804	2,455,581	2,936,442	3,521,696	4,048,231	4,486,802	5,026,429	6,852,709	6,060,821
Business-type activities										
Charges for services										
Water and w astew ater utilities	3,960,434	4,288,849	4,654,955	4,983,380	5,100,581	6,150,299	6,948,671	7,917,126	8,152,035	8,564,576
Electric utility	7,304,225	7,415,588	6,446,305	6,903,151	7,171,253	6,383,347	7,175,002	8,108,610	8,386,663	8,690,793
Community impact fee	893,112	261,102	336,791	1,046,108	752,341	1,252,892	3,343,579	2,462,826	2,323,517	1,873,129
Capital grants and contributions	600,000	47,889	-	12,032	90,214	903,907	516,120	-	-	-
Total business-type activities										
program revenues	12,757,771	12,013,428	11,438,051	12,944,671	13,114,389	14,690,445	17,983,372	18,488,562	18,862,215	19,128,498
Total primary government										
program revenues	\$ 17,692,834	\$ 16,463,232	\$ 13,893,632	\$ 15,881,113	\$ 16,636,085	\$ 18,738,676	\$ 22,470,174	\$ 23,514,991	\$ 25,714,924	\$ 25,189,319
Net revenue/(expense)										
Governmental activities	\$ (9,581,339)	\$ (11,615,229)	\$ (13,235,213)	\$ (13,801,174)	\$ (14,541,945)	\$ (14,206,977)	\$ (11,169,127)	\$ (15,562,434)	\$ (20,479,167)	\$ (23,893,302)
Business-type activities	1,966,287	1,832,384	840,800	1,845,196	1,600,849	3,876,081	4,248,165	5,033,575	1,756,092	(84,596)
Total primary government net										
(expense)	\$ (7,615,052)	\$ (9,782,845)	\$ (12,394,413)	\$ (11,955,978)	\$ (12,941,096)	\$ (10,330,896)	\$ (6,920,962)	\$ (10,528,859)	\$ (18,723,075)	\$ (23,977,898)

CITY OF BASTROP, TEXAS
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
Last Ten Years
(Accrual Basis of Accounting)

TABLE 3

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 4,806,931	\$ 5,671,902	\$ 5,374,085	\$ 5,758,745	\$ 6,061,380	\$ 8,849,258	\$ 7,901,603	\$ 8,557,164	\$ 8,518,748	\$ 9,304,146
Sales taxes	4,021,662	4,325,273	4,430,848	4,815,099	5,155,893	5,528,824	6,716,864	7,657,554	8,279,421	10,579,414
Hotel taxes	2,850,062	2,777,935	2,686,099	2,844,403	2,829,049	1,673,609	2,029,978	3,233,136	3,473,118	3,533,130
Franchise fees	486,694	495,709	464,908	462,968	486,716	484,574	461,495	494,036	524,510	608,766
Investment earnings	19,380	74,232	131,122	190,986	414,108	277,206	184,294	172,485	235,940	2,342,004
Other revenue	46,176	79,626	99,754	208,906	293,716	272,921	171,279	488,512	390,483	1,872,375
Special item - resource (use)	3,330,054	-	-	-	-	-	-	-	-	-
Gain on sale of assets	-	-	-	-	-	-	-	-	163,450	173,285
Transfers in (out)	500,248	(358,216)	748,152	1,042,299	1,256,323	625,417	652,750	944,413	900,000	1,793,923
Total governmental activities	16,061,207	13,066,461	13,934,968	15,323,406	16,497,185	17,711,809	18,118,263	21,547,300	22,485,670	30,207,043
Business-type activities										
Other revenue	150,808	181,324	153,534	335,789	-	-	-	-	358,731	187,231
Investment earnings	14,490	65,264	130,344	204,426	291,045	195,866	133,357	146,825	1,057,334	1,578,277
Special item - resource	627,566	-	-	-	-	-	-	-	-	-
Transfers in (out)	(500,248)	358,216	(748,152)	(1,042,299)	(1,256,323)	(625,417)	(652,750)	(944,413)	(900,000)	(1,793,923)
Total business -type activities	292,616	604,804	(464,274)	(502,084)	(965,278)	(429,551)	(519,393)	(797,588)	516,065	(28,415)
Total primary government	\$ 16,353,823	\$ 13,671,265	\$ 13,470,694	\$ 14,821,322	\$ 15,531,907	\$ 17,282,258	\$ 17,598,870	\$ 20,749,712	\$ 23,001,735	\$ 30,178,628
Change in Net Position										
Governmental activities	\$ 6,479,868	\$ 1,451,232	\$ 699,755	\$ 1,522,232	\$ 1,955,240	\$ 3,504,832	\$ 6,949,136	\$ 5,984,866	\$ 2,006,503	\$ 6,313,741
Business-type activities	2,258,903	2,437,188	376,526	1,343,112	635,571	3,446,530	3,728,772	4,235,987	2,272,157	(113,011)
Total primary government	\$ 8,738,771	\$ 3,888,420	\$ 1,076,281	\$ 2,865,344	\$ 2,590,811	\$ 6,951,362	\$ 10,677,908	\$ 10,220,853	\$ 4,278,660	\$ 6,200,730

CITY OF BASTROP, TEXAS
FUND BALANCES - GOVERNMENTAL FUND
Last Ten Years
(Modified Accrual Basis of Accounting)

TABLE 4

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable	\$ 136,887	\$ 82,553	\$ 28,273	\$ 53,226	\$ 109,044	\$ 1,302,667	\$ 118,031	\$ 176,579	\$ 198,771	\$ 193,471
Committed	-	89,868	217,328	217,328	-	-	-	-	-	-
Unassigned	5,365,120	3,661,166	3,503,042	3,619,188	3,071,646	4,227,180	7,059,129	7,964,926	8,920,666	7,138,266
Total general fund	\$ 5,502,007	\$ 3,833,587	\$ 3,748,643	\$ 3,889,742	\$ 3,180,690	\$ 5,529,847	\$ 7,177,160	\$ 8,141,505	\$ 9,119,437	\$ 7,331,737
All other governmental funds										
Nonspendable	\$ 83,913	\$ 383,789	\$ 385,956	\$ 385,570	\$ 383,649	\$ 386,814	\$ 417,084	\$ 441,542	\$ 473,860	\$ 516,190
Restricted for:										
Debt service	804,205	230,749	62,817	315,398	258,520	298,232	187,794	430,532	581,332	821,292
Cemetery	558,234	186,500	196,419	212,163	102,111	104,947	123,108	116,148	87,725	28,293
Traffic/public safety	631,613	639,377	639,726	628,336	648,296	464,505	421,158	511,664	544,981	51,639
Economic development	2,015,834	2,265,766	2,629,042	2,446,392	3,849,730	2,896,369	2,910,758	3,726,620	3,522,349	136,694
Capital projects	4,019,033	2,369,536	1,422,295	6,030,501	6,609,865	2,761,251	2,843,898	5,206,310	17,060,981	17,896,132
Other restricted	19,959	24,026	39,315	63,132	32,817	58,669	63,997	68,564	131,198	650,775
Public improvement district	187,892	132,794	44,462	-	-	-	-	-	-	-
Culture and recreation	46,708	124,559	125,895	170,836	-	-	-	-	-	-
Committed for:										
Economic development	1,077,854	1,225,851	827,206	912,785	44,617	66,842	75,001	63,750	38,360	40,724
Arena	-	24,167	110,655	107,331	-	-	-	-	-	-
Unassigned	-	-	(4,564)	(95,221)	-	-	-	(83,054)	(81,267)	2,178,195
Total all other governmental funds	\$ 9,445,245	\$ 7,607,114	\$ 6,479,224	\$ 11,177,223	\$ 11,929,605	\$ 7,037,629	\$ 7,042,798	\$ 10,482,076	\$ 22,359,519	\$ 22,319,934

CITY OF BASTROP, TEXAS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Years
(Modified Accrual Basis of Accounting)

TABLE 5

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property taxes	\$ 4,741,831	\$ 4,998,616	\$ 5,266,699	\$ 5,575,700	\$ 6,039,361	\$ 8,837,302	\$ 6,729,125	\$ 7,413,519	\$ 8,499,634	\$ 9,289,879
Sales taxes	4,021,662	4,371,880	4,492,652	4,889,377	5,155,893	5,528,824	6,716,864	7,657,554	8,279,421	10,579,414
Hotel/motel taxes	2,850,062	2,777,935	2,686,099	2,844,403	2,829,049	1,673,609	2,029,978	3,233,136	3,473,118	3,533,130
Franchise fees	486,694	495,709	464,908	462,968	486,716	484,574	461,495	494,036	524,510	608,766
Licenses, permits, and fees	213,904	187,729	247,174	752,653	565,692	1,202,430	2,089,278	2,103,192	2,902,068	10,365
Fines and forfeitures	653,730	563,971	362,397	317,579	332,825	289,954	294,024	321,524	364,001	435,310
Charges for services	709,339	745,419	754,803	894,306	951,881	811,277	925,045	1,206,615	1,363,724	4,265,606
Intergovernmental	728,094	656,385	1,037,098	1,276,879	490,013	1,744,570	311,029	901,693	1,556,048	426,547
Investment earnings	19,380	70,100	119,133	174,339	380,670	249,518	170,338	151,208	663,177	2,445,144
Other revenue	443,233	530,322	880,451	604,431	358,356	413,318	1,008,292	466,709	2,076,453	1,865,018
Total revenues	14,867,929	15,398,066	16,311,414	17,792,635	17,590,456	21,235,376	20,735,468	23,949,186	29,702,154	33,459,179
Expenditures										
General government	2,695,518	4,195,350	3,764,359	4,353,027	5,416,871	5,273,179	5,788,926	5,828,565	7,202,101	8,570,906
Public safety	3,349,118	3,558,802	3,698,141	3,904,198	4,161,972	4,400,877	4,572,645	5,134,107	5,957,402	6,578,771
Development services	708,518	896,180	666,775	901,494	1,226,915	756,000	1,191,584	1,571,147	1,956,433	2,086,278
Community service	2,464,526	2,096,550	1,673,443	1,884,502	1,636,255	1,083,637	1,319,164	2,985,549	3,133,574	3,102,371
Economic development	2,743,266	2,266,449	3,145,692	3,455,809	2,933,449	7,013,045	2,318,510	2,904,548	4,262,050	3,334,815
Capital outlay	1,700,223	1,180,847	2,281,828	1,734,806	898,513	6,851,734	2,162,420	1,528,829	3,825,984	4,615,963
Debt service:										
Principal	1,439,775	1,815,125	1,872,455	1,550,274	1,803,503	1,870,697	2,124,415	2,330,692	2,765,315	2,805,879
Interest and fees	1,068,183	973,859	947,412	920,471	913,172	991,512	896,529	785,861	1,083,402	1,174,244
Payments to refunded bond escrow age	-	325,000	-	-	23,330	-	-	-	-	-
Total expenditures	16,169,127	17,308,162	18,050,105	18,704,581	19,013,980	28,240,681	20,374,193	23,069,298	30,186,261	32,269,227
Excess (deficiency) of revenues over (under) expenditures	(1,301,198)	(1,910,096)	(1,738,691)	(911,946)	(1,423,524)	(7,005,305)	361,275	879,888	(484,107)	1,189,952

(Continued)

CITY OF BASTROP, TEXAS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Years
(Modified Accrual Basis of Accounting)

TABLE 5

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other financing sources (uses)										
Transfers in	\$ 2,856,260	\$ 2,554,732	\$ 1,976,999	\$ 2,168,734	\$ 3,073,422	\$ 1,783,130	\$ 2,807,135	\$ 1,517,304	\$ 2,407,901	\$ 3,562,710
Transfers out	(2,356,012)	(4,182,948)	(1,341,347)	(1,263,935)	(2,071,568)	(1,232,713)	(2,231,824)	(1,639,818)	(2,261,524)	(2,633,787)
Issuance of long-term debt	1,695,558	1,440,000	3,135,000	4,605,000	465,000	4,061,497	8,055,000	3,235,000	12,135,000	-
Premium on long-term debt	185,830	116,968	427,340	213,370	-	-	74,677	441,249	972,779	-
Other resources	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	(1,819,234)	(1,505,285)	(3,692,139)	-	-	(1,401,769)	(6,415,415)	-	-	-
Insurance recoveries	-	51,757	20,000	27,499	-	-	-	-	-	-
Sale of capital assets	-	12,234	4	376	-	-	-	-	55,326	64,095
Total other financing sources (uses)	562,402	(1,512,542)	525,857	5,751,044	1,466,854	3,210,145	2,289,573	3,553,735	13,309,482	993,018
Net change in fund balances	\$ (738,796)	\$ (3,422,638)	\$ (1,212,834)	\$ 4,839,098	\$ 43,330	\$ (3,795,160)	\$ 2,650,848	\$ 4,433,623	\$ 12,825,375	\$ 2,182,970
Debt service as a percentage of noncapital expenditures	20.62%	18.65%	21.78%	17.10%	19.86%	17.80%	23.74%	17.37%	16.57%	17.07%

CITY OF BASTROP, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Years

TABLE 6

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Real Property	\$ 863,574,836	\$ 929,201,260	\$ 976,858,517	\$ 1,026,626,754	\$ 1,102,079,762	\$ 1,200,060,085	\$ 1,250,713,427	\$ 1,322,942,741	\$ 1,951,299,437	\$ 2,176,080,278
Personal Property	110,674,924	121,017,621	127,021,941	133,469,154	130,498,163	145,399,959	131,924,208	112,371,446	134,842,445	156,044,922
Less: Tax exempt property	(150,322,357)	(158,570,133)	(157,738,191)	(169,209,339)	(184,097,781)	(195,770,950)	(213,007,620)	(236,120,571)	(309,241,428)	(318,207,234)
Less: Other ⁽¹⁾	(86,004,438)	(108,720,698)	(120,320,209)	(127,814,502)	(145,244,415)	(167,318,367)	(172,079,358)	(187,067,186)	(341,438,974)	(137,215,669)
Total taxable assessed value ⁽²⁾	\$ 737,922,965	\$ 782,928,050	\$ 825,822,058	\$ 863,072,067	\$ 903,235,729	\$ 982,370,727	\$ 997,550,657	\$ 1,012,126,430	\$ 1,435,461,480	\$ 1,876,702,297
Taxable assessed value as a percentage of estimated actual value	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Estimated actual taxable value	\$ 737,922,965	\$ 782,928,050	\$ 825,822,058	\$ 863,072,067	\$ 903,235,729	\$ 982,370,727	\$ 997,550,657	\$ 1,012,126,430	\$ 1,435,461,480	\$ 1,876,702,297
Total direct tax rate	\$ 0.5640	\$ 0.5640	\$ 0.5640	\$ 0.5640	\$ 0.5640	\$ 0.5640	\$ 0.5794	\$ 0.5794	\$ 0.5128	\$ 0.4994

Source: Tax department and inspection records of the City.

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

(2) Property is assessed at actual value, therefore, the assessed values are equal to actual value.
 Tax rates are per \$100 of assessed value.

CITY OF BASTROP, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

TABLE 7

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City by fund:										
Operating	\$ 0.3598	\$ 0.3596	\$ 0.3640	\$ 0.3643	\$ 0.3691	\$ 0.3691	\$ 0.3845	\$ 0.3740	\$ 0.3166	\$ 0.3032
Debt service	0.2042	0.2044	0.2000	0.1997	0.1949	0.1949	0.1949	0.2054	0.1962	0.1962
Total direct rates	0.5640	0.5640	0.5640	0.5640	0.5640	0.5640	0.5794	0.5794	0.5128	0.4994
Bastrop Independent School District	1.4410	1.4410	1.4410	1.4410	1.4410	1.3700	1.3210	1.2730	1.2552	1.0702
Bastrop County/County Road	0.6290	0.6190	0.5990	0.5897	0.5799	0.5699	0.5599	0.5220	0.4046	0.3935
Total direct and overlapping rates ⁽¹⁾	\$ 2.6340	\$ 2.6240	\$ 2.6040	\$ 2.5947	\$ 2.5849	\$ 2.5039	\$ 2.4603	\$ 2.3744	\$ 2.1726	\$ 1.9631
Other: Hunter's Crossing PID fixed amount	\$ 324.16	\$ 324.16	\$ 342.16	\$ 361.16	\$ 381.16	\$ 403.16	\$ 403.16	\$ 415.00	\$ 415.00	\$ 415.00

Tax rates per \$100 of assessed valuation

Source: City of Bastrop Budget and County and Bisd websites

(1) Overlapping rates are those of local and county governments that apply within the City of Bastrop.

CITY OF BASTROP, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

TABLE 8

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Tax Levy	\$ 4,356,620	\$ 4,704,126	\$ 5,001,944	\$ 5,271,488	\$ 5,525,922	\$ 5,904,603	\$ 6,258,897	\$ 6,899,086	\$ 7,881,444	\$ 8,659,066
Current tax collected	\$ 4,321,311	\$ 4,683,239	\$ 4,889,591	\$ 5,221,755	\$ 5,462,580	\$ 5,832,000	\$ 6,238,241	\$ 6,850,718	\$ 7,831,848	\$ 8,558,054
Percentage of current tax collections	99.19%	99.56%	97.75%	99.06%	98.85%	98.77%	99.67%	99.30%	99.37%	98.83%
Delinquent tax collections	\$ 11,371	\$ 20,270	\$ 32,412	\$ 24,599	\$ 31,956	\$ 41,368	\$ 38,304	\$ 41,532	\$ 38,461	\$ 10,553
Total tax collections	\$ 4,332,682	\$ 4,703,509	\$ 4,922,003	\$ 5,246,354	\$ 5,494,536	\$ 5,873,368	\$ 6,276,545	\$ 6,892,250	\$ 7,870,309	\$ 8,568,607
Total collections as a percentage of current levy	99.45%	99.99%	98.40%	99.52%	99.43%	99.47%	100.28%	99.90%	99.86%	98.96%

Source: Tax-Assessor/Collector Annual Report

CITY OF BASTROP, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Years

TABLE 9

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	
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	
2019	\$ 0.3691	\$ 0.1949	\$ 0.5640	\$ 1.4410	\$ 0.5799	\$ 381.16	
2020	\$ 0.3691	\$ 0.1949	\$ 0.5640	\$ 1.3700	\$ 0.5699	\$ 403.16	
2021	\$ 0.3845	\$ 0.1949	\$ 0.5794	\$ 1.3210	\$ 0.5599	\$ 403.16	
2022	\$ 0.3740	\$ 0.2054	\$ 0.5794	\$ 1.2730	\$ 0.5220	\$ 415.00	
2023	\$ 0.3166	\$ 0.1962	\$ 0.5128	\$ 1.2552	\$ 0.4046	\$ 415.00	
2024	\$ 0.3032	\$ 0.1962	\$ 0.4994	\$ 1.0702	\$ 0.3935	\$ 415.00	

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

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

CITY OF BASTROP, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

TABLE 10

	2024			2015		
	Taxable Assessed <u>Value</u>	<u>Rank</u>	% of Taxable Assessed <u>Value</u>	Taxable Assessed <u>Value</u>	<u>Rank</u>	% of Taxable Assessed <u>Value</u>
Property taxpayer						
BCSC, LLC	\$ 42,029,752	1	2.24%	\$ -		0.00%
The Village at Hunters Crossing LLC	33,322,100	2	1.78%	-		0.00%
Bastrop Walnut Ridge Apartments	24,900,700	3	1.33%	11,400,000	3	1.70%
The Lodge at Lost Pines LP	24,476,125	4	1.30%	10,565,640	5	1.58%
Covert Chevrolet	16,397,389	5	0.87%	10,980,742	4	1.64%
Buc-ee's LTD	13,813,791	6	0.74%	8,811,530	8	1.31%
Sonepar	13,295,277	7	0.71%	-		0.00%
Walmart Real Estate Bus Trust	9,700,000	8	0.52%	10,399,652	6	1.55%
Bastrop Storage LP	8,528,166	9	0.45%	-		0.00%
H E Butt Grocery Company	<u>8,700,000</u>	10	0.46%	<u>11,816,274</u>	2	1.76%
Total	\$ 195,163,300		<u>10.40%</u>	\$ 63,973,838		<u>9.54%</u>

Source: Central Appraisal District of Bastrop County

CITY OF BASTROP, TEXAS
TAXABLE SALES BY CATEGORY
Last Ten Fiscal Years

TABLE 11

Funtion/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021 (1)	2022	2023	2024
Agriculture, forestry, fishing, hunting	\$ 52,920	\$ 45,195	\$ 26,709	\$ 9,784	\$ -	\$ 209	\$ 14,375	\$ -	\$ 1,247	\$ -
Construction	761,185	1,086,071	1,276,755	1,434,533	1,450,287	1,055,362	416,794	700,089	2,539,875	2,196,628
Manufacturing	1,205,357	750,211	2,195,084	4,946,984	4,360,401	3,278,448	1,871,983	2,688,699	1,335,815	727,147
Wholesale trade	1,822,898	2,153,299	3,242,142	3,280,963	4,023,171	9,512,810	6,786,357	9,031,205	28,494,872	21,953,945
Retail trade	277,256,866	297,431,573	305,663,642	321,199,539	344,974,059	365,278,841	204,175,864	234,769,859	498,045,579	498,065,131
Transportation/warehousing	42,575	54,272	44,023	17,747	5,130	-	-	-	28,268	5,975
Information	6,285,357	6,069,450	6,121,756	6,762,369	6,345,451	6,405,555	3,466,631	4,694,009	8,825,988	8,511,683
Finance/insurance	1,499,365	1,583,797	1,759,048	1,785,962	1,900,445	2,073,919	929,703	952,888	3,162,005	2,334,306
Professional/scientific/technical	600,935	707,937	594,742	537,783	615,556	680,796	347,696	397,437	706,241	699,715
Real estate/rental/leasing	1,284,457	1,342,905	1,314,416	1,191,412	1,370,578	1,369,852	733,414	585,679	1,040,746	944,704
Admin/support/w aste mgmt/remediation srvs	552,963	603,347	653,077	608,736	682,392	673,607	603,990	979,817	1,741,125	2,550,738
Educational Services	24,482	92,677	38,465	81,573	144,907	80,689	60,634	61,194	88,081	77,002
Health care/social assistance	155,984	180,685	137,808	155,674	126,948	96,587	50,572	72,904	104,935	84,738
Arts/entertainment/recreation	487,662	748,173	977,423	1,104,683	1,166,187	957,103	543,725	1,155,256	2,703,885	4,095,578
Accommodation/food services	60,429,758	65,489,245	66,899,175	71,666,231	81,170,156	77,057,244	41,971,636	51,186,120	119,801,505	126,931,976
Other services (except public admin)	6,609,898	7,480,169	7,607,821	7,398,503	9,117,452	8,212,760	4,494,029	4,836,654	11,862,606	13,793,876
Public administration	3,160,468	2,954,206	2,947,905	3,264,103	3,218,214	2,675,098	1,251,587	1,395,255	3,659,355	4,002,499
Total	\$ 362,233,130	\$ 388,773,212	\$ 401,499,991	\$ 425,446,579	\$ 460,671,334	\$ 479,408,880	\$ 267,718,990	\$ 313,507,065	\$ 684,142,128	\$ 686,975,641
City direct sales tax rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

(1) Only two quarters are available.
Source: Texas Comptroller

CITY OF BASTROP, TEXAS
DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Years

TABLE 12

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
City direct rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Bastrop Economic Development Corporation	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Bastrop County	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
State of Texas	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Source: Texas Comptroller										

CITY OF BASTROP, TEXAS
GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

TABLE 13

	Fiscal Year									
	2015*	2016	2017	2018	2019	2020	2021	2022	2023	2024
Primary Government										
Governmental Activities:										
General obligation bonds	\$ 13,495,677	\$ 10,787,319	\$ 13,332,897	\$ 11,991,573	\$ 10,756,360	\$ 10,551,784	\$ 14,846,662	\$ 13,150,660	\$ 11,868,507	\$ 10,647,203
Tax notes	-	-	-	-	465,000	450,000	1,435,000	1,335,000	1,115,000	820,000
Notes payable	819,821	388,915	341,547	294,179	257,227	240,451	218,083	195,715	173,351	150,983
Certificates of obligation	19,327,660	13,010,913	8,888,001	13,391,935	12,720,659	13,876,074	8,304,704	11,263,108	22,952,772	21,507,032
Lease payable	-	-	-	-	-	-	-	405,696	1,101,977	1,143,804
Subtotal	33,643,158	24,187,147	22,562,445	25,677,687	24,199,246	25,118,309	24,804,449	26,350,179	37,211,607	34,269,022
Business-type activities:										
General obligation bonds	4,599,140	2,621,276	3,141,477	2,817,685	2,563,704	2,512,123	9,693,595	9,015,621	8,342,159	7,484,162
Notes payable	540,000	480,000	420,000	360,000	1,100,000	840,000	580,000	320,000	60,000	-
Revenue bonds	-	-	-	-	1,962,196	22,981,860	22,899,752	22,818,212	22,439,072	22,044,930
Certificates of obligation	22,114,323	16,763,677	15,293,897	14,863,511	13,793,774	13,008,258	40,367,536	39,566,350	65,573,022	102,937,522
Leases payable	-	-	-	-	-	-	-	7,527	3,022	-
Subtotal	27,253,463	19,864,953	18,855,374	18,041,196	19,419,674	39,342,241	73,540,883	71,727,710	96,417,275	132,466,614
Total primary government	\$ 60,896,621	\$ 44,052,100	\$ 41,417,819	\$ 43,718,883	\$ 43,618,920	\$ 64,460,550	\$ 98,345,332	\$ 98,077,889	\$ 133,628,882	\$ 166,735,636
Personal income	\$ 240,025,700	\$ 266,519,676	\$ 281,676,710	\$ 295,304,478	\$ 344,404,620	\$ 377,529,540	\$ 271,160,280	\$ 359,033,940	\$ 431,235,249	\$ 459,241,888
Debt as percentage of personal income	25.37%	16.53%	14.70%	14.80%	12.67%	17.07%	36.27%	27.32%	30.99%	36.31%
Population	7,900	8,600	8,911	9,159	9,420	9,154	9,242	11,060	11,189	11,327
Debt per capita	\$ 7,708	\$ 5,122	\$ 4,648	\$ 4,773	\$ 4,630	\$ 70,412	\$ 10,641	\$ 8,868	\$ 11,943	\$ 14,720

*Allocation of premium was not available for these years.
Source: Bureau of Economic Analysis

CITY OF BASTROP, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2024

TABLE 14

	<u>Net Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable ⁽¹⁾</u>	<u>Estimated Share of Overlapping Debt</u>
Governmental unit			
Debt repaid with property taxes			
Bastrop County	\$ 73,859,000	12.57%	\$ 9,284,076
Bastrop Independent School District	479,920,084	18.82%	<u>90,320,960</u>
Subtotal, overlapping de bt			99,605,036
City direct debt	\$ 34,269,022		<u>34,269,022</u>
Total direct and overlapping debt			<u>\$ 133,874,058</u>
Ratio of Direct and Overlapping Bonded Debt to Taxable Assessed Valuation			12.44%
Per Capita Direct and Overlapping Debt			\$ 20,092

Source: Texas Municipal Reports published by the Municipal Advisory Council of Texas

⁽¹⁾ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government taxable assessed value that is within the City's boundaries and dividing it by the City's total taxable assessed value.

CITY OF BASTROP, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Years

TABLE 15

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assessed valuation	\$ 737,922,965	\$ 782,928,050	\$ 825,822,058	\$ 863,072,067	\$ 903,235,729	\$ 997,550,657	\$ 967,902,273	\$ 1,012,126,430	\$ 1,435,461,480	\$ 1,876,702,297
Limit on amount designated for debt service: \$1.50 per \$100 assessed valuation	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Legal annual maximum debt payment	\$ 11,068,844	\$ 11,743,921	\$ 12,387,331	\$ 12,946,081	\$ 13,548,536	\$ 14,963,260	\$ 14,518,534	\$ 15,181,896	\$ 21,531,922	\$ 28,150,534
Actual amount expended for general obligation debt service during the fiscal year	\$ 2,277,309	\$ 2,244,952	\$ 2,700,160	\$ 2,337,664	\$ 2,690,968	\$ 2,739,833	\$ 2,499,622	\$ 3,857,368	\$ 3,148,000	\$ 3,457,642
Legal debt margin for annual debt service requirements	\$ 8,791,535	\$ 9,498,969	\$ 9,687,171	\$ 10,608,417	\$ 10,857,568	\$ 12,223,427	\$ 12,018,912	\$ 11,324,528	\$ 18,383,922	\$ 24,692,892
Total net debt applicable to the limit as a percentage of debt limit	20.57%	19.12%	21.80%	18.06%	19.86%	18.31%	17.22%	25.41%	14.62%	12.28%
Source: Central Appraisal District of Bastrop County Audited Financial Statements of the City of Bastrop BCAD - Assessment Roll Grand Totals Report										

CITY OF BASTROP, TEXAS
INTEREST AND SINKING FUND BUDGET PROJECTION
September 30, 2024

TABLE 16

Estimated general obligation debt service requirements		\$	4,746,311
2024 Interest and Sinking Fund Tax Levey @99%	\$	3,386,066	
Fiscal Year 2024 Interest and Sinking Fund Balance		581,332	
Less: Self-Supporting Ad Valorem Tax Debt		<u>930,000</u>	
			<u>4,897,398</u>
Estimated fund balance, fiscal year ending September 30, 2024		\$	<u><u>151,087</u></u>

CITY OF BASTROP, TEXAS
 AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS
 September 30, 2024

TABLE 17

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Amount Issued</u>	<u>Amount Being Issued</u>	<u>Unissued Balance</u>
Park	9/13/2003	\$ 545,000	\$ 320,000	\$ -	\$ 225,000
Street	9/13/2003	5,595,000	4,210,000	-	1,385,000
Parking	9/13/2003	350,000	-	-	350,000
Total		<u>\$ 6,490,000</u>	<u>\$ 4,530,000</u>	<u>\$ -</u>	<u>\$ 1,960,000</u>

CITY OF BASTROP, TEXAS
PLEDGED-REVENUE COVERAGE
Last Ten Years

TABLE 18

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gross revenues ⁽¹⁾	\$ 4,353,611	\$ 4,703,546	\$ 5,496,713	\$ 5,277,917	\$ 5,625,296	\$ 7,205,400	\$ 8,384,892	\$ 8,232,444	\$ 9,348,804	\$ 10,815,634
Operating expenses ⁽²⁾	2,513,833	3,347,215	3,076,631	3,343,534	2,876,846	5,010,965	5,828,077	3,902,042	5,365,729	5,885,877
Net revenues available for debt service	\$ 1,839,778	\$ 1,356,331	\$ 2,420,082	\$ 1,934,383	\$ 2,748,450	\$ 2,194,435	\$ 2,556,815	\$ 4,330,402	\$ 3,983,075	\$ 4,929,757
Debt service requirements ⁽³⁾										
Principal and Interest	\$ 1,475,046	\$ 1,424,776	\$ 1,425,350	\$ 1,440,212	\$ 1,441,890	\$ 1,553,967	\$ 2,166,968	\$ 3,151,197	\$ 4,348,346	\$ 4,808,663
Coverage	1.247	0.952	1.698	1.343	1.906	1.412	1.000	1.374	0.916	1.025

(1) Water and Wastewater Fund operating and nonoperating revenues (includes impact fees collected and applied to debt service)

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

(3) Includes all debt pledged by water and wastewater rates

CITY OF BASTROP, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Years

TABLE 19

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Population ⁽¹⁾	7,900	8,600	8,911	9,159	9,420	9,154	9,242	11,060	11,189	11,327
Median household income ⁽¹⁾	\$ 52,886	\$ 53,889	\$ 48,178	\$ 63,936	\$ 63,936	\$ 60,883	\$ 56,425	\$ 68,591	\$ 59,087	\$ 76,508
Per capita personal income ⁽⁴⁾	\$ 28,930	\$ 29,509	\$ 31,610	\$ 32,242	\$ 36,561	\$ 38,289	\$ 29,340	\$ 34,410	\$ 38,541	\$ 40,544
Median age ⁽¹⁾	38.90	38.70	36.00	40.50	41.00	38.98	36.10	36.00	35.60	41.09
Education Level (18 and over) ⁽²⁾										
Less than high school graduate	987	881	781	979	979	680	406	680	920	1,299
High school graduate (or equivalent)	1,410	1,479	1,680	1,654	1,654	1,770	1,410	1,601	2,237	3,157
Some college, no degree	1,273	1,462	1,358	1,771	1,771	1,881	1,679	1,134	1,290	1,406
Associate degree or higher	378	387	413	398	398	429	361	374	473	559
Bachelor's degree or higher	679	679	843	802	802	1,169	1,290	1,521	1,606	1,707
Graduate degree or higher	302	325	296	497	497	794	614	530	645	683
School enrollment ⁽³⁾	3,942	4,123	4,114	4,690	4,809	4,850	4,965	5,796	6,222	4,381
Unemployment ⁽³⁾	3.80%	3.40%	2.90%	3.10%	3.30%	13.00%	3.80%	3.20%	3.40%	3.60%
Data sources:										
(1) Information from 2000 census, 2010 census, 2020 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 as not all enrolled live within the City limits										
(4) Unemployment rates from TWC website (www.twc.state.tx.us). Bastrop County rate only one available.										

CITY OF BASTROP, TEXAS
PRINCIPAL EMPLOYERS
Current and Nine Years Ago

TABLE 20

Employer	Fiscal Year					
	2024			2015		
	Employees	Rank	Total County Employment (%)	Employees	Rank	Total County Employment (%)
Bastrop ISD	1,073	1	2.91%	1,383	1	3.80%
Bastrop County	800	2	2.17%	446	3	1.23%
Bluebonnet Electric Co-op	424	3	1.15%	145	11	0.40%
MD Anderson Cancer Center	353	4	0.96%	430	4	1.18%
Walmart	541	5	1.47%	356	5	0.98%
Home Depot	200	6	0.54%	N/A	-	N/A
Ascension Seton	298	7	0.81%	N/A	-	N/A
HEB Food Stores	136	8	0.37%	270	7	0.74%
Hyatt	443	9	1.20%	749	2	2.06%
Marketing Members LLC	130	10	0.35%	N/A	-	N/A
Total	<u>4,398</u>		<u>11.93%</u>	<u>3,779</u>		<u>10.39%</u>
Total county employment	36,919			36,401		

Source: Texas Workforce Commission, EDC Website, Chamber newsletter

CITY OF BASTROP, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Years

TABLE 21

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
City Manager's Office	2.63	2.63	2.63	2.63	4.25	4.25	4.25	2.00	3.00	3.00
City Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.00	2.00	2.00
Finance	4.45	4.45	5.00	5.00	4.00	4.00	4.00	4.00	5.00	5.00
Utility Billing	7.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Human Resources	1.10	1.50	1.63	1.63	1.63	1.75	1.75	1.88	2.88	2.88
Information Technology	1.00	2.00	1.50	2.00	2.00	2.00	2.00	2.00	3.00	4.00
Multi-Media	-	-	0.50	1.00	2.63	2.58	2.33	3.48	3.00	3.00
Municipal Court	5.50	4.50	4.50	4.50	4.50	3.25	3.25	3.25	3.25	3.25
Building Maintenance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	7.00	8.00	-
Fleet & Facilities	-	-	-	-	-	-	-	-	-	10.00
Engineering	-	-	-	-	-	-	-	-	-	4.50
Police Department										
Officers	22.00	22.00	22.00	22.00	24.00	24.00	24.00	26.00	22.00	28.00
Civilian	2.50	2.50	2.50	2.50	3.00	3.00	3.00	3.00	5.00	6.00
Code Enforcement	1.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	-
Animal Control	-	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	-
Fire Department										
Chief and Admin	-	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	3.00
Firefighters-PT	-	-	-	4.00	6.30	6.30	6.00	7.00	8.00	9.00
Development Services										
Planning	5.00	5.00	5.00	5.00	6.00	5.50	4.50	5.00	10.00	11.00
Building Inspections	1.00	1.00	1.00	1.50	2.50	3.00	3.00	3.00	3.00	4.00
Code Enforcement	-	-	-	-	-	-	-	-	-	0.50
Animal Control	-	-	-	-	-	-	-	-	-	0.50
Public Works										
Administration	1.00	1.00	1.00	2.00	2.00	3.50	3.40	2.40	2.50	2.50
Streets	10.00	10.00	9.25	10.00	10.00	10.00	12.00	12.00	14.00	15.00
Community Services										
Parks Department	11.00	11.00	12.95	12.95	12.95	12.06	9.19	9.19	10.00	8.19
Recreation	-	-	-	-	-	-	1.00	2.50	2.50	3.00
Library	9.80	9.80	9.80	9.95	9.95	9.95	10.00	9.63	9.63	9.63
Proprietary Funds										
Water/Wastewater	12.50	12.50	17.00	18.50	18.75	18.75	17.60	19.10	23.00	23.00
Electric	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00	9.00
Other Funds										
Convention Center	5.50	4.50	4.50	4.00	4.83	4.90	4.00	-	-	4.45
Special Events and Reservations	-	-	-	-	0.77	0.77	1.00	2.00	2.00	0.75
Economic Development Corporation	2.00	3.50	3.50	4.00	4.00	4.00	4.00	5.00	1.00	1.00
Fairview Cemetery	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Main Street	1.00	1.00	1.00	2.00	2.25	1.60	1.00	1.00	1.00	1.00
Total	121.48	120.88	126.26	136.16	147.31	147.16	143.02	150.43	161.76	182.15

CITY OF BASTROP, TEXAS
OPERATING INDICATORS BY FUNCTION
Last Ten Years

TABLE 22

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
Building permits issued	157	100	117	164	83	178	510	266	168	85
Building permits value (thousands)	\$ 5,001	\$ 4,647	\$ 4,103	\$ 5,127	\$ 7,325	\$ 41,740	\$ 101,359	\$ 44,549	\$ 22,964	\$ 21,120
Police										
Physical arrests	700	781	547	539	593	501	337	381	458	609
Violations issued	4,000	4,869	3,116	2,662	3,474	3,747	1,623	2,656	2,506	4,466
Accident investigations	450	552	528	434	426	363	438	440	358 *	419
Fire										
Incident volume	1,140	921	676	759	1,112	900	-	1,229	1,264	1,564
Priority calls answered	530	444	213	260	1,017	687	1,247	1,034	1,199	1,387
Court										
Cases filed	1,679	3,155	2,336	2,236	2,159	2,186	1,908	2,219	2,993	3,213
Warrants issued	802	1,673	2,277	1,044	688	619	465	519	996	1,437
Public Works										
Paved streets (miles)	56	56	56	59	59	59	59	59	59	77
Open drainage ditches (miles)	50	50	50	50	50	50	50	50	50	50
Storm sewer lines (miles)	67	67	67	67	67	67	67	67	78	78
Number of street signs	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435
Parks and Recreation										
Pavilion rentals	96	51	60	66	88	21	47	113	97	102
New trees planted	50	7	3	20	15	7	6	6	7	12
Special events	56	57	49	46	31	10	18	22	37	42
Library										
Volumes in collection	52,132	53,566	54,322	53,459	52,014	49,637	41,247	50,784	108,095	121,317
Total circulation	162,900	152,111	145,827	142,956	145,444	67,896	102,059	132,019	118,311	141,496
Story time and program attendance	12,000	11,748	14,349	13,633	13,603	6,160	4,681	8,813	6,257	13,205
Water										
Treated water produced (millions of gallons)	495,797	481,745	515,216	542,252	569,897	624,736	621,203	631,889	653,970	650,285
Line leaks and breaks	118	133	111	142	85	78	179	95	153	214
Wastewater										
Millions of gallons treated	325,737	350,635	343,872	352,574	378,132	411,194	441,811	479,587	479,587	524,434
Sewer stops	53	55	54	52	81	43	55	55	55	49

*This information was corrected for an error correction.

CITY OF BASTROP, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Years

TABLE 23

Function/Program	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	1	1
Bastrop Public Library	1	1	1	1	1	1	1	1	1	1
Other Public Works										
Paved Streets (miles)	56	56	56	59	59	59	59	59	70	77
Open Drainage Ditches (miles)	50	50	50	50	50	50	50	50	50	50
Storm Sewer Lines (miles)	67	67	67	67	67	67	67	67	78	78
Parks and Recreation										
Acreage (maintained)	120	120	123	123	123	130	130	130	130	130
Right of Ways	55	55	55	55	55	55	55	55	55	55
Playgrounds	4	4	4	5	5	7	7	7	7	7
Basketball Courts	4	4	4	4	4	4	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	2
Water										
Number of service connections	3,091	3,140	3,306	3,393	3,469	3,644	3,997	4,255	4,419	4,569
Wastewater										
Number of service connections	2,754	2,781	2,941	3,006	3,029	3,192	3,535	3,784	3,960	4,066
Number of Lift Stations	18	18	18	19	21	21	21	20	22	22

Source: Various City departments

CITY OF BASTROP, TEXAS
WATER USAGE (Millions of Gallons)
Last Ten Years

TABLE 24

<u>Fiscal Year End</u>	<u>Peak Day Usage (MGD)</u>	<u>Average Day Usage (MG)</u>	<u>Total Usage (Acre Feet)</u>
2015	2.323	1.272	1.426
2016	2.314	1.322	1.482
2017	2.817	1.411	1.581
2018	2.546	1.485	1.664
2019	2.468	1.561	1.748
2020	2.821	1.711	1.917
2021	3.279	1.702	1.906
2022	2.721	1.729	1.939
2023	2.930	1.789	2.007
2024	2.567	1.781	1.995

Source: City of Bastrop

CITY OF BASTROP, TEXAS
TEN LARGEST WATER CUSTOMERS
September 30, 2024

TABLE 25

<u>Customer</u>	<u>Revenue</u>	<u>% of Total Annual Revenue</u>
City of Bastrop	\$ 203,450	4.92%
Bastrop Independent School District	87,456	2.12%
Bastrop County	81,583	1.97%
Walnut Ridge Apartments	61,471	1.49%
The Preserve at Hunter's Crossing Apartments	45,908	1.11%
Rapid Express Carwash	45,292	1.10%
Buc-ee's	44,421	1.07%
Hunters Crossing Apartments	40,728	0.99%
Lodge at Lost Pines Apartments	38,465	0.93%
Lennar Homes	36,581	0.89%
	<u>\$ 685,355</u>	<u>16.59%</u>

% of Total Annual Revenue is based on water utility billing only of \$4,133,394.

Source: City of Bastrop Utility Customer Service

CITY OF BASTROP, TEXAS
MONTHLY AND VOLUMETRIC WATER RATES
September 30, 2024

TABLE 26

Residential and Commercial - Inside City Limits

3/4" or smaller	\$	32.72
1" Meter	\$	54.53
1 1/2" Meter	\$	106.50
2" Meter	\$	168.59
3" Meter	\$	316.10
4" Meter	\$	503.96
6" Meter	\$	1,038.19

Plus charges per 1,000 gallons usage

1-3,000 gal.	\$	2.85
3,001-5,000 gal.	\$	3.04
5,001-10,000 gal.	\$	3.22
10,001-20,000 gal.	\$	3.42
20,001-50,000 gal.	\$	3.69
over 50,001	\$	3.87

Residential and Commercial - Outside City Limits

3/4" or smaller	\$	49.09
1" Meter	\$	81.79
1 1/2" Meter	\$	159.75
2" Meter	\$	252.89
3" Meter	\$	474.15
4" Meter	\$	862.44
6" Meter	\$	1,557.29

Plus charges per 1,000 gallons usage

1-3,000 gal.	\$	4.12
3,001-5,000 gal.	\$	4.42
5,001-10,000 gal.	\$	4.70
10,001-20,000 gal.	\$	4.98
20,001-50,000 gal.	\$	5.39
over 50,001	\$	5.66

Wholesale Water

Monthly Fixed Charge

Source Cost	\$45,000 per MGD
(subscribed capacity)	
Transmission Cost	\$4,977.71 per MGD
(subscribed capacity)	
Customer Charge	\$1.75 per wholesale meter

Plus charges per 1,000 gallons usage

Volumetric Charge	\$	2.24
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Source: City of Bastrop

Note: Rates effective November 1, 2023

CITY OF BASTROP, TEXAS
WASTEWATER FLOW (Millions of Gallons)
Last Ten Years

TABLE 27

Average Daily Wastewater Flow	
<u>Fiscal Year</u>	<u>Gallons</u>
2015	0.936
2016	0.952
2017	0.941
2018	0.965
2019	1.035
2020	1.123
2021	1.242
2022	1.211
2023	1.313
2024	1.304

Source: City of Bastrop

CITY OF BASTROP, TEXAS
TEN LARGEST WASTEWATER CUSTOMERS
September 30, 2024

TABLE 28

<u>Customer</u>	<u>Revenue</u>	<u>% of Total Annual Revenue</u>
Bastrop County WCID #2	\$ 187,884	4.48%
Walnut Ridge Apartments	138,456	3.30%
Hunters Crossing Apartments	115,391	2.75%
Lodge at Lost Pines Apartments	102,078	2.43%
The Preserve at Hunters Crossing	96,412	2.30%
The Arbors of Bastrop	57,365	1.37%
Bastrop Housing Authority	54,440	1.30%
Bastrop County	51,759	1.23%
Bastrop Independent School District	45,092	1.07%
Riverwood Commons	43,426	1.03%
	<u>\$ 892,303</u>	<u>21.26%</u>

% of Total Annual Revenue is based on water utility billing only of \$4,197,433.

Source: City of Bastrop Utility Customer Service

CITY OF BASTROP, TEXAS
MONTHLY AND VOLUMETRIC WASTEWATER RATES
September 30, 2024

TABLE 29

Residential, Multifamily, and Commercial - Inside City Limits

Minimum Charge	\$	46.97
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Plus charges per 1,000 gallons usage

1-5,000 gal.	\$	2.45
5,001-10,000 gal.	\$	2.77
10,001-20,000 gal.	\$	2.95
20,001-50,000 gal.	\$	3.18
over 50,001	\$	3.47

Wholesale Water

Monthly Fixed	\$	1.75
---------------	----	------

Customer charge per wholesale meter

Plus charges per 1,000 gallons usage:

Volumetric Charge	\$	5.18
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Source: City of Bastrop

Note: Rates effective November 1, 2022