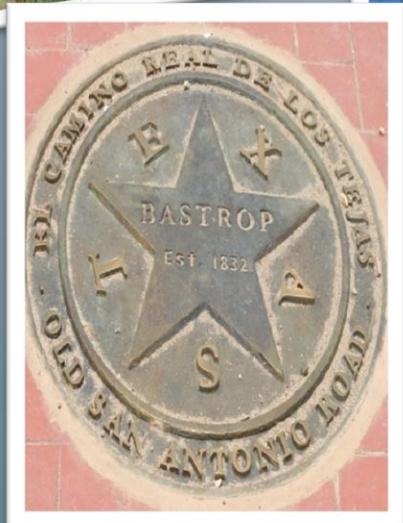




# Comprehensive Annual Financial Report For Fiscal Year Ending September 30, 2012

## CITY OF BASTROP, TEXAS



**City of Bastrop, Texas**  
**Comprehensive Annual Financial Report**  
For the Year Ended September 30, 2012

**Prepared by the  
Finance Department**

Karla Stovall, CPM, Chief Financial Officer  
Tracy Waldron, Assistant Finance Director

<b>City Council</b>	<b>Expiration of Term</b>
Terry Orr, Mayor	May 2014
Joe Beal, Mayor Pro Tempore	May 2015
Willie DeLaRosa, Councilmember	May 2015
Ken Kesselus, Councilmember	May 2013
Kay Garcia McAnally, Councilmember	May 2014
Dock Jackson, Councilmember	May 2013

**City Manager**  
Mike Talbot



CITY OF BASTROP, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

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CITY OF BASTROP, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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## INTRODUCTORY SECTION



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

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January 30, 2013

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

The Department of Finance for the City of Bastrop respectfully submits the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2012. 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.

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 is reported 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 Singleton, Clark & Company, PC Certified Public Accountants as required by the City Charter and Financial Management Policies adopted by City Council. This Comprehensive Annual Financial Report has been prepared based upon those audited records. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2012 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 and significant estimates made by management and evaluating the overall financial statement presentation.

The independent auditor concluded based upon the audit that there was a reasonable basis for rendering an unqualified opinion that the City financial statements for the fiscal year ended September 30, 2012 are fairly presented in conformity with GAAP. The independent auditors report is presented within the financial section of this report. GAAP requires that management provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is designed to complement and should be read in conjunction.

## **PROFILE OF BASTROP**

The City of Bastrop is nestled on the Colorado River and located at the juncture of TX Highways 71, 21 and 95, just 30 minutes from Austin, 90 minutes from San Antonio and less than 2 hours from Houston. Although it has only 7,600 residents, the City serves as the county seat of Bastrop County. The City has developed into a commercial center which daily serves up to an estimated \$150,000 business persons, shoppers, and visitors per a recent retail study.

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

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

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

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

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

## 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 7,600 residents. The City’s stable growth continues despite the national economy or wildfire.

A recent wildfire in September 2011 located within the County of Bastrop and in proximity to the City resulted in a significant impact upon our economy. The wildfire burned 1,645 homes in the county of which 67 were in the city limits. As is common following natural disasters of this scale, it is estimated sales tax receipts will increase over prior year receipts as the community rebuilds. Sales Taxes reported a 17% increase over the previous year. Building Permits also reported a sizable increase of 32.43% over the previous year. To provide perspective, Sales Taxes represented 38% of the total general fund budgeted revenues.

The chart below identifies the City’s assessed valuation of property taxes and collected sales tax from fiscal year 2008 through 2012. Existing assessed valuations remained mainly constant or showed a slight increase. The effects upon the Ad Valorem Tax base will occur in Fiscal Year 2013 as reappraisals of properties would have occurred in January of 2012. Sales Tax Revenue for Fiscal 2012 far exceeded its budgeted 4% increase. Furthermore our sound financial position is apparent even with the growth pressures because of our conservative budgeting practices, as evidenced by healthy fund balance numbers.

Fiscal Year	Ad Valorem Taxes Assessed Valuation	% Change	GF Sales Tax Receipts	% Change
2008	\$ 483,362,902	8.11%	\$ 2,371,361	9.24%
2009	\$ 548,419,690	13.46%	\$ 2,508,969	5.80%
2010	\$ 567,446,564	3.47%	\$ 2,606,584	3.89%
2011	\$ 607,077,994	7.00%	\$ 2,722,333	4.26%
2012	\$ 627,256,816	3.32%	\$ 3,194,452	17.34%

Commercial development is attracted to the City as is evidenced by the opening of new establishments during FY2012 which include TJ Maxx, Subway at Highway 95, Shuggs BBQ, Sierra Classic Homes, and CAPPS Medical office. The City also issued 60 single family residential unit permits between October 2011 and September 2012.

### **Long-term Financial Planning**

General fund fiscal 2012 budgeted expenditures equal a 25 percent reserved fund balance or 90 days and falls within the financial management policy guidelines set by the City Council in the Financial Management Policies. The City Council plans to continue using this fund balance target to protect the City's creditworthiness as well as its financial position from unforeseeable emergencies.

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

Recognizing that debt is usually a more expensive financing method, alternative financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives that equal or exceed the average life of the debt issue. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases. Debt payments are structured to provide that capital assets funded by debt have a longer life than the debt associated with those assets. Regarding general obligation debt, the City has followed a policy of structuring new debt issue payment schedules to maintain declining debt payment structures to keep tax increases at a minimum.

### **Relevant Financial Policies**

During Fiscal Year 2012, the City Council approved a comprehensive Fund Balance Policy to adhere to the requirements from the Government Accounting Standards Board (GASB) Statement No. 54 and adjusting reserve requirements in the General Fund to the level suggested by the bond rating agencies.

### **Major Initiatives**

During Fiscal year 2012, the City issued a General Obligation Refunding and Improvement Bond, Series 2012 in the amount of \$2,015,000. Proceeds from sale of the Bonds will be used (1) to refund certain outstanding obligations of the city, and; (2) issue the remaining \$350,000 in aggregate principle amount of the bonds authorized in Proposition 4 of the Bond Election for purchasing land for and construction of a municipal parking facility and for certain costs of issuance for the bonds.

The City also issued Combination Tax and Revenue Certificates of Obligation, Series 2012 in the amount of \$4,300,000. The intention of the issue is to provide for costs incurred from (1) constructing, equipping and improving the City's water and wastewater system; (2) acquiring and purchasing vehicles; (3) acquiring and purchasing an incinerator; and (4) the payment of professional services in connection therewith including legal, fiscal and engineering fees and issuance costs.

### **Awards and Acknowledgements**

The Government Finance Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2011. 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 preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. Acknowledgement is also given to representatives of Singleton, Clark & Company, PC Certified Public Accountants for their dedicated assistance in producing this report.

Special acknowledgement is given to the City Manager, Mayor and the members of the City Council for their leadership and support of sound fiscal management.

Respectfully submitted,

*Karla Stovall*

Karla Stovall, CPM  
Chief Financial Officer



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**City of Bastrop, Texas**

Principal Officials

September 30, 2012

**City Council**

Terry Orr, Mayor

Joe Beal, Mayor Pro Tempore

Willie DeLaRosa

Ken Kesselus

Kay Garcia McAnally

Dock Jackson

**City Manager**

Mike Talbot

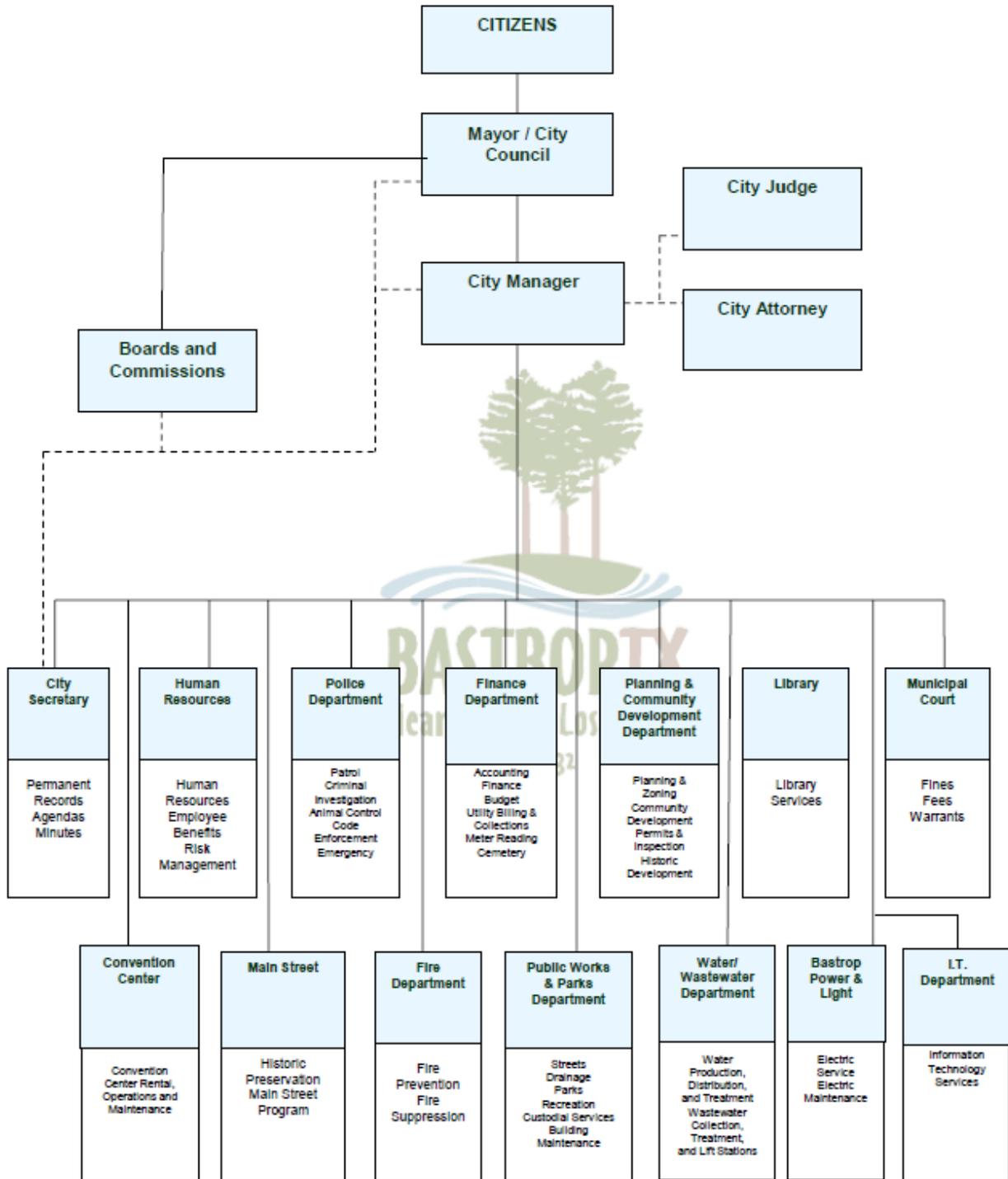
**Chief Financial Officer**

Karla Stovall, CPM



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# City of Bastrop Organizational Chart





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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bastrop  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Moynell*

President

*Jeffrey R. Emer*

Executive Director



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## FINANCIAL SECTION



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## **Independent Auditors' Report**

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

We have audited the accompanying financial statements of the governmental activities, the proprietary activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the City of Bastrop, Texas, (the City) as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's administrators. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the proprietary activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the City of Bastrop, Texas, as of September 30, 2012, and the respective changes in financial position and cash flows, and the respective budgetary comparison for the General Fund, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis section on pages 3-11 of this report is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Bastrop, Texas, financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, debt service budgetary comparison information, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and debt service budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "Singleton, Clark & Company, PC". The signature is written in black ink on a light-colored background.

Singleton, Clark & Company, PC  
Austin, Texas

January 30, 2013



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## **CITY OF BASTROP, TEXAS**

Management's Discussion and Analysis  
For the Year Ended September 30, 2012

February 4, 2013

As management of the City of Bastrop, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2012. We encourage readers to consider the information presented here, in conjunction, with additional information that we have furnished in our letter of transmittal, which can be found in the first part of this report.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the fiscal year ended September 30, 2012, by \$37,688,197 (net assets). Of this amount, \$6,536,583 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$6,425,205. The increase is attributable to increases in revenues, particularly in operating grants and contributions, service transfers, ad valorem taxes, and sales taxes, accompanied by only a small reduction in expenditures. The increase is also inclusive of a restatement of net assets in the amount of \$1,475,898 as a result of a debt reallocation between the City and the Bastrop Economic Development Corporation.
- The City's governmental funds reported combined ending fund balances of \$11,665,772 an increase of \$2,645,739 in comparison to the previous year.
- The unassigned portion of the General Fund fund balance at the end of the year was \$2,831,699 or 34.2% of total General Fund expenditures.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

## CITY OF BASTROP, TEXAS

Management's Discussion and Analysis  
For the Year Ended September 30, 2012

Two statements, the Condensed Statement of Net Assets and the Changes in Net Assets, are utilized to provide this financial overview. The Condensed Statement of Net Assets presents information on all of the City's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Changes in Net Assets table presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both of the government-wide statements distinguish between governmental activities and business-type activities.

Governmental activities basically account for those activities supported by taxes and intergovernmental revenues. On the other hand, business-type activities are basically supported by user fees and charges. Most City services are reported in governmental activities while business-type activities are reported in the Enterprise Fund.

The government-wide statements include not only the City but also a discrete component unit, the Bastrop Economic Development Corporation (BEDC). Although legally separate, BEDC is financially accountable to the City.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and

## CITY OF BASTROP, TEXAS

### Management's Discussion and Analysis For the Year Ended September 30, 2012

the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eighteen 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 Governmental Funds. The General Fund column includes a separate operating fund titled Designated Funds. All Capital Projects Funds are combined for a single, aggregated presentation. Data from the other non-major funds are also combined and reported in a single column. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

*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/wastewater utility, electric utility, and non-major enterprise fund operations. Proprietary funds financial statements provide the same type of information as the governmental funds financial statements, only in more detail.

**Notes to the financial statements:** The notes provide additional information that is essential to gain a full understanding of the data provided in the financial statements.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found after the notes to the financial statements.

### GOVERNMENT – WIDE FINANCIAL ANALYSIS

At the end of fiscal year 2012, the City's net assets (assets exceeding liabilities) totaled \$37,688,197. This analysis focuses on the Condensed Statement of Net Assets (Table 1) and Changes in Net Assets (Table 2).

**Net Assets:** The largest portion of the City's net assets, \$23,778,038 or 63.09% reflects its investment in capital assets (land, buildings, improvements other than buildings, machinery and equipment, construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## CITY OF BASTROP, TEXAS

### Management's Discussion and Analysis For the Year Ended September 30, 2012

An additional portion of the City's net assets, \$7,373,576 or 19.56% represents resources that are subject to external restrictions on how they may be used. The unrestricted net assets of \$6,536,583 or 17.34% may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2012, the City has positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Table 1

CITY OF BASTROP Condensed Statement of Net Assets (in thousands)						
	Governmental Activities		Business- type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>ASSETS</b>						
Current and other assets	\$ 15,874	\$ 11,251	\$ 8,993	\$ 6,495	\$ 24,867	\$ 17,746
Capital assets	31,613	28,903	20,169	18,571	51,782	47,474
<b>Total assets</b>	<b>\$ 47,487</b>	<b>\$ 40,154</b>	<b>\$ 29,162</b>	<b>\$ 25,066</b>	<b>\$ 76,649</b>	<b>\$ 65,220</b>
<b>LIABILITIES</b>						
Current liabilities	\$ 1,421	\$ 1,025	\$ 1,090	\$ 489	\$ 2,511	\$ 1,514
Noncurrent liabilities	28,981	29,596	7,469	2,847	36,450	32,443
<b>Total liabilities</b>	<b>30,402</b>	<b>30,621</b>	<b>8,559</b>	<b>3,336</b>	<b>38,961</b>	<b>33,957</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	10,566	5,875	13,212	16,135	23,778	22,010
Restricted	7,373	6,047	-	-	7,373	6,047
Unrestricted	(854)	(2,389)	7,391	5,595	6,537	3,206
<b>Total Net Assets</b>	<b>\$ 17,085</b>	<b>\$ 9,533</b>	<b>\$ 20,603</b>	<b>\$ 21,730</b>	<b>\$ 37,688</b>	<b>\$ 31,263</b>

**Changes in Net Assets:** The net assets of the City increased by \$6,425,205 for the fiscal year ended September 30, 2012, net of a positive restatement of beginning net assets in the amount of \$1,475,898. This net assets restatement is more fully described in Note L to the financial statements.

**Governmental Activities:** Governmental activities net assets increased by \$7,552,581. Net assets invested in capital assets, net of related debt increased by \$5,875,370 partly due to issuance of additional debt and expenditure of debt proceeds for acquisition and construction of capital assets. The significant increase in both of these categories however is primarily the result of a reallocation of long-term debt from governmental activities to proprietary activities. This debt reallocation is more fully described in Note L to the financial statements. Restricted net assets increased \$1,326,903 primarily due to an increase in funds restricted for economic development and capital projects.

## CITY OF BASTROP, TEXAS

### Management's Discussion and Analysis For the Year Ended September 30, 2012

*Business-type Activities:* Net assets from business-type activities decreased by \$1,266,074 from the prior year, net of a negative restatement of beginning net assets of \$(4,742,871). The increase of noncurrent liabilities related to the debt reallocation described at Note L to the financial statements was primarily responsible for this decrease in net assets.

Table 2

CITY OF BASTROP Changes in Net Assets (in thousands)						
	Governmental Activities		Business- type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>REVENUE</b>						
Program revenues:						
Charges for services	\$ 1,650	\$ 1,659	\$ 11,899	\$ 10,508	\$ 13,549	\$ 12,167
Operating grants, contributions	200	393	-	-	200	393
Capital grants, contributions	3,405	174	-	-	3,405	174
General revenues:						
Property taxes	3,947	3,558	-	-	3,947	3,558
Sales taxes	5,763	5,235	-	-	5,763	5,235
Franchise taxes	431	405	-	-	431	405
Other taxes, penalties, interest	72	59	-	-	72	59
Grants and contributions not rest.	-	99	-	-	-	99
Investment earnings	87	32	15	15	102	47
Miscellaneous revenue	945	339	3	-	948	339
<b>Total revenue</b>	<b>16,500</b>	<b>11,953</b>	<b>11,917</b>	<b>10,523</b>	<b>28,417</b>	<b>22,476</b>
<b>EXPENSES</b>						
General government	3,532	2,985	-	-	3,532	2,985
Public safety	2,871	2,725	-	-	2,871	2,725
Development services	5,739	4,639	-	-	5,739	4,639
Community services	758	696	-	-	758	696
Water/wastewater	-	-	3,175	3,062	3,175	3,062
Bastrop Power & Light	-	-	6,198	5,871	6,198	5,871
Other non-major proprietary	-	-	129	19	129	19
Interest on debt	1,066	1,378	-	-	1,066	1,378
<b>Total expenses</b>	<b>13,966</b>	<b>12,423</b>	<b>9,502</b>	<b>8,952</b>	<b>23,468</b>	<b>21,375</b>
Change in net assets before transfers	2,534	(470)	2,415	1,571	4,949	1,101
Transfers	(1,201)	929	1,201	(929)	-	-
Increase in net assets	1,333	459	3,616	642	4,949	1,101
Net assets, beginning	9,533	4,183	21,730	25,979	31,263	30,162
Restatement of net assets	6,219	4,891	(4,743)	(4,891)	1,476	-
<b>Net assets, ending</b>	<b>\$ 17,085</b>	<b>\$ 9,533</b>	<b>\$ 20,603</b>	<b>\$ 21,730</b>	<b>\$ 37,688</b>	<b>\$ 31,263</b>

## CITY OF BASTROP, TEXAS

Management's Discussion and Analysis  
For the Year Ended September 30, 2012

### FINANCIAL ANALYSIS

**Governmental funds:** As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$11,665,772. 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, the fund balance was \$3,294,416. The fund balance included unassigned funds of \$2,831,699 or 85.95%, and funds committed for specific purposes of \$428,522 or 13.0% of the total fund balance.

The General Obligation Debt Service Fund had an increase of \$11,230 in fund balance. These funds are specifically reserved for the payment of debt service. The Hotel/ Motel Tax Fund decreased \$418,238 due to the expenditures made on capital projects. The Certificates of Obligation, Series 2012 fund reported an ending fund balance of \$2,844,396. This issuance is discussed in more depth within the debt administration section on page 10. Other governmental funds' combined fund balances decreased \$1,026,584.

**Proprietary funds:** The City's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net assets of the Water/ Wastewater Fund at the end of the year amounted to \$2,191,238. Unrestricted net assets of the electric utility, Bastrop Power and Light Fund at the end of the year amounted to \$3,929,946. Non-major Enterprise Funds included \$1,269,827 of unrestricted net assets.

**General Fund Budgetary Highlights:** General Fund budgeted revenue in FY2012 of \$8,051,848 represented a 3.66 % increase over the previous year. The budget was amended through the year to increase the adopted budget \$182,767 or 2.27% to \$8,234,615. Taxes and penalties comprise the majority of the budgeted General Fund revenues, \$5,349,378 or 64.96%. Intergovernmental Revenue represents \$1,449,930 or 17.60% and Transfers in from Other Funds represent \$728,080 or 8.84% of the total budgeted revenues for FY2012. All three of these categories identify 91.41% of total budgeted revenues.

In FY2012 the adopted General Fund expenditure budget of \$8,049,090 identified a decrease of \$150,097 from the 2011 budget. Each year the City performs a mid-year review of the budget. If the City Manager determines that funds are available certain amendments are proposed to the City Council for their review and approval. Expenditures were amended throughout the year with the majority occurring during mid-year reviews. These amendments increased General Fund appropriations by \$728,957 or 9.1% to \$8,778,047.

# CITY OF BASTROP, TEXAS

Management's Discussion and Analysis  
For the Year Ended September 30, 2012

## CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2012, amounts to \$51,782,553 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and construction in progress. The total increase in the City's investment in capital assets for the current year was 9.0%. Readers desiring more detailed information regarding capital assets should reference pages 30, 38, and 39 in the Notes to the Financial Statements.

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

- Constructing, acquiring and equipping City Hall, including constructing, improving and extending utilities and parking facilities totaling \$3.2 million.
- Improvements and upgrading to the Fisherman's Park Boat Ramp, totaling \$354,000.
- Constructing, acquiring and equipping Water Wastewater Infrastructure Projects totaling, \$2.5 million.
- Improvements and upgrading to the City's electrical system identified as the east feeder, totaling \$1.2 million.

Table 3

CITY OF BASTROP  
Summary of Capital Assets  
(in thousands)

	Governmental Activities		Business- type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 3,722	\$ 3,611	\$ 1,500	\$ 832	\$ 5,222	\$ 4,443
Buildings and improvements	10,695	3,760	92	97	10,787	3,857
Machinery and equipment	1,740	502	448	398	2,188	900
Improvements other than buildings	15,358	11,723	16,312	12,964	31,670	24,687
Construction in progress	99	9,307	1,817	4,280	1,916	13,587
Capital assets, net of	\$ 31,614	\$ 28,903	\$ 20,169	\$ 18,571	\$ 51,783	\$ 47,474

# CITY OF BASTROP, TEXAS

Management's Discussion and Analysis  
For the Year Ended September 30, 2012

## DEBT ADMINISTRATION

The City issued during the fiscal year Combination Tax and Revenue Certificates of Obligation, Series 2012 in the amount of \$4,300,000. The issue provides (1) constructing, equipping and improving the City's water and wastewater system; (2) acquiring and purchasing vehicles; (3) acquiring and purchasing an incinerator; and (4) the payment of professional services in connection therewith including legal, fiscal and engineering fees and issuance costs. The City also issued \$2,015,000 General Obligation Refunding and Improvement Bonds, Series 2012. Proceeds from this sale of the Bonds will be used (1) to refund certain outstanding obligations of the city, and; (2) issue the remaining \$350,000 in aggregate principle amount of the bonds authorized in Proposition 4 of the Bond Election. Readers desiring more detailed information regarding Long-term Debt should reference pages 40 and 41 within the Notes to the Financial Statements.

Table 4

CITY OF BASTROP  
Summary of Long-Term Debt  
(in thousands)

	Governmental Activities		Business- type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 26,099	\$ 26,943	\$ 6,855	\$ 2,435	\$ 32,954	\$ 29,378
Notes payable	688	972	102	-	790	972
Compensated absences	152	518	44	134	196	652
Other post-employment benefits	2,042	1,163	468	277	2,510	1,440
Totals	\$ 28,981	\$ 29,596	\$ 7,469	\$ 2,846	\$ 36,450	\$ 32,442

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City has experienced stable growth during the preceding fiscal years due to its proximity to Austin and stable business climate. For Fiscal Year 2012, the pressures of growth continue and the community rebuilds from the Bastrop County Complex Fire of September 2011. The wildfire burned 1,645 homes in the county of which 67 were in the city limits. As is common following natural disasters of this scale, it is estimated sales tax receipts will increase over prior year receipts as the community rebuilds.

The General Fund (M&O) tax rate of \$0.3504/\$100 and the Debt Service Fund (I&S) tax rate of \$.2336/\$100 combine to establish the City's overall property tax rate of \$0.5840 per \$100. The City's property tax rate increased \$0.03 cents in FY2011 from \$0.554 to \$0.584. The debt service payments for Fiscal Year 2012-2013 are \$1,594,139 (\$0.2336/\$100) or 40% of the overall tax rate necessary to generate funds to service the bonded indebtedness of the City of Bastrop. Property taxes of \$2,391,208 (\$0.3504/\$100) support the General Fund operations of

## **CITY OF BASTROP, TEXAS**

Management's Discussion and Analysis  
For the Year Ended September 30, 2012

the City, which represents 60% of the revenue collected from property taxes. Property Tax Fund operations in Fiscal Year 2012-2013.

In FY2013, General Fund revenues and expenditures are budgeted to increase by 1.55% and 1.44%, respectively, over FY2012 budgeted revenues and expenditures. This will provide a 25% estimated fund balance at FY2013 year-end as required by the Financial Management policies adopted by City Council.

Water Wastewater Fund operations for Fiscal Year 2012-2013 has budgeted revenue of \$3,934,970, while expenditures are budgeted at \$3,409,840. The difference will roll into fund balance. Revenues can be identified into three categories: Water Sales \$2,266,920 or 57.61% of the total revenue; Wastewater Revenue \$1,534,550 or 39.00% of the total revenue; and Other/Penalties/Interest Income \$133,500, or 3.39% of the total revenue.

Total budgeted expenditures for the Water Wastewater Fund for Fiscal Year 2012-2013 are \$3,409,840, which is an increase of \$233,967 from the budgeted expenditures of \$3,175,873 for Fiscal Year 2011-2012. Departmental Budgets were lean while still providing normal and expected services.

The Electric Fund, "Bastrop Power and Light" budgeted revenue for Fiscal Year 2012-2013 is \$7,148,000. Electric revenues consist of the sale of electricity to the City's residential, commercial and industrial customers, in addition to penalty and interest charges, electric sales based upon the current rate structure, and miscellaneous charges for electric services.

Total budgeted expenditures for the Electric Fund for the purchase of electricity and provision of electric services to the City's residential, commercial and industrial customers is \$7,049,488.

The long range planning efforts will provide a road map for future revenues and expenditures, ensuring progress toward important long-range goals of the community and maintain the quality of life Bastrop residents have come to expect. The City is committed to the delivery of excellent service today and we are prepared to effectively deliver the same service tomorrow.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, at PO Box 427, Bastrop, Texas 78602.



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**GOVERNMENT-WIDE STATEMENTS**



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CITY OF BASTROP  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Bastrop Economic Dev. Corporation
<b>ASSETS</b>				
Cash and Cash Equivalents	\$12,207,004	\$ 7,413,054	\$19,620,058	\$ 1,890,220
Receivables, net	2,868,614	1,122,360	3,990,974	262,094
Inventories	49,356	331,638	380,994	-
Prepaid Items	34,645	81,384	116,029	270
Net Pension Asset	183,543	44,922	228,465	7,560
Capitalized Debt Issuance Costs	530,170	-	530,170	-
Capital Assets:				
Land	3,722,154	1,499,948	5,222,102	885,276
Buildings, net	10,695,119	91,739	10,786,858	710,598
Infrastructure, net	15,357,765	16,312,451	31,670,216	1,301,547
Machinery and Equipment, net	1,739,702	448,442	2,188,144	934
Construction in Progress	98,707	1,816,526	1,915,233	219,467
Total Assets	<u>\$47,486,779</u>	<u>\$29,162,464</u>	<u>\$76,649,243</u>	<u>\$ 5,277,966</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,039,440	\$ 633,587	\$ 1,673,027	\$ 77,869
Wages, Salaries, and Withholdings Payable	169,768	45,708	215,476	6,704
Accrued Interest Payable	170,763	156,468	327,231	36,102
Due to Others	-	231,570	231,570	-
Other Current Liabilities	41,016	22,932	63,948	31,080
Noncurrent Liabilities:				
Due Within One Year	1,542,520	423,983	1,966,503	300,066
Due in More Than One Year	27,438,010	7,045,281	34,483,291	2,539,404
Total Liabilities	<u>30,401,517</u>	<u>8,559,529</u>	<u>38,961,046</u>	<u>2,991,225</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	10,566,114	13,211,924	23,778,038	570,897
Restricted for:				
Cemetery - Nonexpendable	383,649	-	383,649	-
Cemetery - Expendable	208,717	-	208,717	-
Debt Service	834,578	-	834,578	-
Economic Development	2,029,631	-	2,029,631	150,000
Public Improvement District	70,507	-	70,507	-
Capital Projects	3,846,494	-	3,846,494	-
Unrestricted Net Assets	(854,428)	7,391,011	6,536,583	1,565,844
Total Net Assets	<u>\$17,085,262</u>	<u>\$20,602,935</u>	<u>\$37,688,197</u>	<u>\$ 2,286,741</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BASTROP  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
General Government	\$ 3,531,927	\$ 1,048,810	\$ -	\$ -
Public Safety	2,556,183	230,014	145,261	-
Fire Protection	235,961	-	-	-
Public Works	1,983,502	69,011	-	-
Health and Welfare	78,982	-	-	-
Culture and Recreation	758,069	53,205	45,146	91,617
Building & Development	3,755,058	249,243	9,600	3,313,301
Debt Service - Interest	1,065,553	-	-	-
Total Governmental Activities:	13,965,235	1,650,283	200,007	3,404,918
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Water/Wastewater Fund	3,174,942	3,610,941	-	-
Bastrop Power & Light	6,198,430	7,395,021	-	-
Other Non-Major Proprietary Activities	129,198	893,389	-	-
Total Business-Type Activities:	9,502,570	11,899,351	-	-
<b>TOTAL PRIMARY GOVERNMENT:</b>	<b>23,467,805</b>	<b>13,549,634</b>	<b>200,007</b>	<b>3,404,918</b>
<b>Component Unit:</b>				
Bastrop Economic Development Corp.	3,279,403	-	-	-
<b>TOTAL COMPONENT UNITS:</b>	<b>\$ 3,279,403</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

General Revenues:

Taxes:

Property Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Sales Taxes

Selective Sales and Use Tax

Franchise Fees

Penalty and Interest

Miscellaneous Revenue

Investment Earnings

Insurance Recovery

Gain on Sale of Assets

Transfers In (Out)

Total General Revenues, Special Items, and Transfers

Change in Net Assets

Net Assets -- Beginning

Restatement of Net Assets

Net Assets -- Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Bastrop Economic Dev. Corporation
\$ (2,483,117)	\$ -	\$ (2,483,117)	\$ -
(2,180,908)	-	(2,180,908)	-
(235,961)	-	(235,961)	-
(1,914,491)	-	(1,914,491)	-
(78,982)	-	(78,982)	-
(568,101)	-	(568,101)	-
(182,914)	-	(182,914)	-
(1,065,553)	-	(1,065,553)	-
<u>(8,710,027)</u>	<u>-</u>	<u>(8,710,027)</u>	<u>-</u>
-	435,999	435,999	-
-	1,196,591	1,196,591	-
-	764,191	764,191	-
<u>-</u>	<u>2,396,781</u>	<u>2,396,781</u>	<u>-</u>
<u>(8,710,027)</u>	<u>2,396,781</u>	<u>(6,313,246)</u>	<u>-</u>
-	-	-	(3,279,403)
-	-	-	(3,279,403)
2,177,710	-	2,177,710	-
1,769,609	-	1,769,609	-
3,194,452	-	3,194,452	1,596,986
2,568,635	-	2,568,635	-
431,129	-	431,129	-
72,164	-	72,164	-
892,755	-	892,755	93,812
86,562	14,066	100,628	7,059
44,774	-	44,774	-
7,344	3,353	10,697	-
(1,201,295)	1,201,295	-	-
<u>10,043,839</u>	<u>1,218,714</u>	<u>11,262,553</u>	<u>1,697,857</u>
1,333,812	3,615,495	4,949,307	(1,581,546)
9,532,681	21,730,311	31,262,992	5,344,185
<u>6,218,769</u>	<u>(4,742,871)</u>	<u>1,475,898</u>	<u>(1,475,898)</u>
<u>\$ 17,085,262</u>	<u>\$ 20,602,935</u>	<u>\$ 37,688,197</u>	<u>\$ 2,286,741</u>



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FUND BASIS STATEMENTS

CITY OF BASTROP  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012

	General Fund	Hotel/Motel Tax Fund	Debt Service Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,725,159	\$ 1,824,827	\$ 743,352
Taxes Receivable	93,416	-	108,092
Allowance for Uncollectible Taxes (Credit)	(4,671)	-	(5,306)
Receivables, net	206,052	205,284	-
Due from Other Funds	3,750	-	2,095
Inventories	49,356	-	-
Prepaid Items	34,195	-	-
Total Assets	<u>\$ 4,107,257</u>	<u>\$ 2,030,111</u>	<u>\$ 848,233</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 559,638	\$ 480	\$ 1,000
Salaries, Wages, and Benefits Payable	160,285	-	-
Due to Other Funds	-	-	4,315
Due to Others	-	-	-
Deferred Revenues	88,745	-	100,814
Other Current Liabilities	4,173	-	10,311
Total Liabilities	<u>812,841</u>	<u>480</u>	<u>116,440</u>
<b>Fund Balances:</b>			
Nonspendable	34,195	-	-
<b>Restricted For:</b>			
Cemetery	-	-	-
Debt Service	-	-	731,793
Capital Projects	-	-	-
Public Improvement District	-	-	-
Economic Development	-	2,029,631	-
<b>Committed For:</b>			
Specific Purposes	428,522	-	-
<b>Assigned For:</b>			
Specific Purposes	-	-	-
Unassigned Fund Balance	2,831,699	-	-
Total Fund Balances	<u>3,294,416</u>	<u>2,029,631</u>	<u>731,793</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 4,107,257</u></u>	<u><u>\$ 2,030,111</u></u>	<u><u>\$ 848,233</u></u>

The notes to the financial statements are an integral part of this statement

Certificates of Oblig. 2012	Other Funds	Total Governmental Funds
\$ 3,009,934	\$ 2,903,734	\$ 12,207,006
-	1,662	203,170
-	(83)	(10,060)
-	221,996	633,332
4,315	-	10,160
-	-	49,356
-	5,805	40,000
<u>\$ 3,014,249</u>	<u>\$ 3,133,114</u>	<u>\$ 13,132,964</u>
\$ 110,673	\$ 310,027	\$ 981,818
-	8,660	168,945
-	5,845	10,160
-	29,227	29,227
-	1,579	191,138
59,180	12,240	85,904
<u>169,853</u>	<u>367,578</u>	<u>1,467,192</u>
-	-	34,195
-	592,366	592,366
-	-	731,793
2,844,396	1,002,098	3,846,494
-	68,928	68,928
-	-	2,029,631
-	-	428,522
-	1,102,144	1,102,144
-	-	2,831,699
<u>2,844,396</u>	<u>2,765,536</u>	<u>11,665,772</u>
<u>\$ 3,014,249</u>	<u>\$ 3,133,114</u>	<u>\$ 13,132,964</u>



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CITY OF BASTROP  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2012

<b>Total Fund Balances - Governmental Funds</b>	\$ 11,665,772
Capital assets used in governmental fund activities are not financial resources and, therefore, are not reported in governmental funds. The net effect of adding beginning of the year amounts of \$34,874,510 for capital assets and \$5,971,829 of related accumulated depreciation was an increase in net assets.	28,902,681
Capital outlay transactions are expenditures in governmental funds but are capitalized as assets on the Statement of Net Assets. The net effect of capitalizing current expenditures for capital outlays during the year was an increase in net assets.	3,910,830
Since capital assets are not reported in governmental funds, related depreciation expense is also not reported. The net effect of recording depreciation expense to the Statement of Net Assets is a decrease in net assets.	(1,200,064)
Long-term debt issued by governmental activities is not a current financial liability and therefore not reported in governmental funds. The net effect of recording the beginning of the year value for all long-term debt outstanding is a decrease in net assets.	(28,433,420)
Long-term debt issued is treated as an inflow of financial resources in the fund statements and not reported as a liability. During the year the City issued general obligation and refunding bonds. The net effect of reclassifying bonds issued and premiums received of \$6,775,848 and funds paid for refunding requirements of \$1,560,000 against liabilities on the Statement of Net Assets resulted in a decrease in net assets of \$5,215,848.	(5,215,848)
Long-term debt payments are expenditures in the governmental funds but are treated as reductions of long-term debt on the Statement of Net Assets. The effect of reducing long-term debt for debt payments made during the year is an increase in net assets.	1,920,120
Long-term receivables related to governmental activities are not current financial resources and therefore are not reported in the governmental funds. The effect of recording the beginning of the year value for all long-term receivables is an increase in net assets.	613,643
Property taxes are recognized as revenue in the governmental funds when collected but recognized on the Statement of Activities in the year levied. The effect of recognizing uncollected property taxes in the governmental funds of \$133,253 from prior years and \$57,885 from the current year resulted in an increase in net assets.	191,139
Accrued interest related to governmental fund activities is not due and payable in the current period and, therefore, not reported in the governmental funds. The effect of recording accrued interest to the Statement of Net Assets is a decrease in net assets.	(160,452)
Costs incurred from the issuance of long-term debt are recognized as expenditures in the fund statements, but are deferred in the government-wide statements. The effect of recording the beginning deferred bond issuance costs of \$369,400 to the Statement of Net Assets, capitalizing new debt issue costs of \$199,882, and currently amortizing \$39,112 is an increase in net assets.	530,170
Other Post Employment Benefits (OPEB) costs are recognized as expenditures when paid in the fund statements but when incurred in the government-wide statements. The effect of recording the estimated accrued liability for OPEB is a decrease in net assets.	(2,041,621)
Net pension obligations or assets are not recognized in the fund statements. The effect of recognizing the net pension asset of the City is an increase in net assets.	183,543
As a result of a reallocation of long-term debt to proprietary activities from governmental activities, net assets of governmental activities were increased. This amount is further detailed in Note L to the financial statements.	6,218,769
<b>Net Assets of Governmental Activities</b>	\$ 17,085,262

The notes to the financial statements are an integral part of this statement.

CITY OF BASTROP  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General Fund	Hotel/Motel Tax Fund	Debt Service Fund
<b>REVENUES:</b>			
Taxes:			
Property Taxes	\$ 2,174,210	\$ -	\$ 1,800,591
General Sales and Use Taxes	3,194,452	-	-
Selective Sales and Use Taxes	37,864	2,238,580	-
Franchise Fees	431,129	-	-
Penalty and Interest on Taxes	47,382	-	24,592
Licenses and Permits	135,408	-	-
Intergovernmental Revenue and Grants	1,625,928	-	-
Charges for Services	36,239	-	-
Fines	293,876	-	-
Investment Earnings	6,377	3,524	3,109
Contributions/Donations Private Sources	17,339	-	-
Other Revenue	667,180	-	105,653
Total Revenues	<u>8,667,384</u>	<u>2,242,104</u>	<u>1,933,945</u>
<b>EXPENDITURES:</b>			
Current:			
General Government	2,659,338	-	-
Public Safety	2,493,586	-	-
Fire Protection	212,193	-	-
Public Works	1,741,902	-	-
Health and Welfare	71,026	-	-
Culture and Recreation	642,728	-	-
Building and Development	462,339	1,136,662	35,808
Debt Service:			
Long-Term Debt Principal	-	-	1,475,438
Long-Term Debt Interest	-	-	916,802
Issuance Costs and Fiscal Agent Fees	-	-	80,794
Capital Outlay	-	500,000	-
Total Expenditures	<u>8,283,112</u>	<u>1,636,662</u>	<u>2,508,842</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>384,272</u>	<u>605,442</u>	<u>(574,897)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	798,545	-	501,098
Transfers Out	-	(1,023,680)	(350,000)
Refunding Bonds Issued	-	-	2,015,000
Premium on Issuance of Refunding Bonds	-	-	152,704
Payment to Refunding Bonds Escrow Agent	-	-	(1,732,675)
Capital Related Bonds Issued	-	-	-
Premium on Issuance of Capital Related Bonds	-	-	-
Sale of Real and Personal Property	7,344	-	-
Insurance Proceeds	44,774	-	-
Total Other Financing Sources (Uses)	<u>850,663</u>	<u>(1,023,680)</u>	<u>586,127</u>
Net Change in Fund Balances	1,234,935	(418,238)	11,230
Fund Balance - October 1 (Beginning)	2,059,481	2,447,869	720,563
Fund Balance - September 30 (Ending)	<u>\$ 3,294,416</u>	<u>\$ 2,029,631</u>	<u>\$ 731,793</u>

The notes to the financial statements are an integral part of this statement.

Certificates of Oblig. 2012	Other Funds	Total Governmental Funds
\$ -	\$ 292,191	\$ 4,266,992
-	-	3,194,452
-	-	2,276,444
-	-	431,129
-	190	72,164
-	-	135,408
-	-	1,625,928
-	242,111	278,350
-	-	293,876
4,204	9,101	26,315
-	1,032,109	1,049,448
-	302,350	1,075,183
<u>4,204</u>	<u>1,878,052</u>	<u>14,725,689</u>
-	-	2,659,338
-	-	2,493,586
-	-	212,193
-	66,795	1,808,697
-	-	71,026
-	7,887	650,615
-	1,183,488	2,818,297
-	45,000	1,520,438
-	42,764	959,566
121,780	205	202,779
99,924	1,977,487	2,577,411
<u>221,704</u>	<u>3,323,626</u>	<u>15,973,946</u>
<u>(217,500)</u>	<u>(1,445,574)</u>	<u>(1,248,257)</u>
-	1,373,680	2,673,323
(1,546,248)	(954,690)	(3,874,618)
-	-	2,015,000
-	-	152,704
-	-	(1,732,675)
4,300,000	-	4,300,000
308,144	-	308,144
-	-	7,344
-	-	44,774
<u>3,061,896</u>	<u>418,990</u>	<u>3,893,996</u>
<u>2,844,396</u>	<u>(1,026,584)</u>	<u>2,645,739</u>
<u>-</u>	<u>3,792,120</u>	<u>9,020,033</u>
<u>\$ 2,844,396</u>	<u>\$ 2,765,536</u>	<u>\$ 11,665,772</u>



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CITY OF BASTROP  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$ 2,645,739
Capital outlay transactions are expenditures in governmental funds but are capitalized as assets on the Statement of Net Assets. The effect of capitalizing current expenditures for capital outlays during the year was an increase in the change in net assets.	3,910,830
Since capital assets are not reported in governmental funds, related depreciation expense is also not reported. The effect of recording depreciation expense to the Statement of Net Assets is a decrease in the change in net assets.	(1,200,064)
Long-term debt payments are expenditures in the governmental funds but are treated as reductions of long-term debt on the Statement of Net Assets. The effect of reducing long-term debt is an increase in the change in net assets.	1,885,968
Long-term debt issued is treated as an inflow of financial resources in the fund statements and not reported as a liability. During the year the City issued general obligation and refunding bonds. The net effect of reclassifying bonds issued and premiums received of \$6,775,848 and funds paid for refunding requirements of \$1,560,000 against liabilities on the Statement of Net Assets resulted in a decrease in the change in net assets of \$5,215,848.	(5,215,848)
Long-term receivables related to governmental activities are not current financial resources and therefore are not reported in the governmental funds. The effect of reclassify the receipts on these receivables against the long-term receivable was a decrease in net assets.	(13,973)
Property taxes are recognized as revenue in the governmental funds when collected but recognized on the Statement of Activities in the year levied. The effect of reclassifying both uncollected property taxes as of year end and the current year collection of taxes levied in prior years to reflect recognition in the year levied resulted in an increase in the change in net assets.	(27,483)
The costs incurred from the issuance of long-term debt are recognized as expenditures in the fund statements, but are deferred and amortized in the government-wide statements. The effect of amortizing the deferred bond costs resulted in a decrease in the change in net assets.	199,882
Premiums on the issuance of long-term debt are reported as other financing sources in the fund statements but as increases in long-term debt in the government-wide statements and amortized over the life of the issued bonds. The effect of amortizing premiums on long-term debt is an increase in the change in net assets.	(4,961)
Other Post Employment Benefits (OPEB) costs are recognized as expenditures when paid in the fund statements but when incurred in the government-wide statements. The effect of recording the estimated change in the accrued liability for OPEB is a decrease in the change in net assets.	(878,786)
Accrued interest related to governmental fund activities is not due and payable in the current period and, therefore, not reported in the governmental funds. The effect of recording the change in accrued interest to the Statement of Net Assets is an increase in the change in net assets.	32,508
<b>Change in Net Assets of Governmental Activities</b>	<b>\$ 1,333,812</b>

The notes to the financial statements are an integral part of this statement.



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CITY OF BASTROP  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts (GAAP BASIS)	
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 2,096,433	\$ 2,124,553	\$ 2,174,210	\$ 49,657
General Sales and Use Taxes	2,785,120	2,785,120	3,194,452	409,332
Selective Sales and Use Tax	30,000	30,000	37,864	7,864
Franchise Tax	385,000	385,000	431,129	46,129
Penalty and Interest on Taxes	24,705	24,705	47,382	22,677
Licenses and Permits	111,000	113,500	135,408	21,908
Intergovernmental Revenue & Grants	1,379,510	1,449,930	1,625,928	175,998
Charges for Services	53,850	55,850	36,239	(19,611)
Fines	362,850	362,850	293,876	(68,974)
Investment Earnings	14,500	14,500	6,377	(8,123)
Contr./Donations Private Sources	-	17,335	17,339	4
Other Revenue	78,300	133,348	667,180	533,832
Total Revenues	<u>7,321,268</u>	<u>7,496,691</u>	<u>8,667,384</u>	<u>1,170,693</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	2,787,176	2,772,912	2,659,338	113,574
Public Safety	2,187,342	2,590,943	2,493,586	97,357
Fire Protection	164,065	226,403	212,193	14,210
Public Works	1,782,507	2,008,297	1,741,902	266,395
Health and Welfare	71,050	71,050	71,026	24
Culture and Recreation	600,234	642,954	642,728	226
Building and Development	456,716	465,488	462,339	3,149
Total Expenditures	<u>8,049,090</u>	<u>8,778,047</u>	<u>8,283,112</u>	<u>494,935</u>
Excess (Deficiency) Revenue Over (Under) Expenditures	<u>(727,822)</u>	<u>(1,281,356)</u>	<u>384,272</u>	<u>1,665,628</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	2,500	9,844	7,344	(2,500)
Transfer In	728,080	728,080	798,545	70,465
Other Resources	-	-	44,774	44,774
Total Other Financing Sources (Uses)	<u>730,580</u>	<u>737,924</u>	<u>850,663</u>	<u>112,739</u>
Net Change in Fund Balances	2,758	(543,432)	1,234,935	1,778,367
Fund Balance - Oct 1 (Beginning)	2,059,481	2,059,481	2,059,481	-
Fund Balance - Sept 30 (Ending)	<u>\$ 2,062,239</u>	<u>\$ 1,516,049</u>	<u>\$ 3,294,416</u>	<u>\$ 1,778,367</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BASTROP  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2012

	Business-Type Activities - Enterprise Funds			
	Water/ Wastewater Fund	Bastrop Power & Light Fund	Nonmajor Enterprise Funds	Total Proprietary Funds
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 2,134,947	\$ 4,007,929	\$ 1,270,178	\$ 7,413,054
Accounts Receivable, net	325,303	797,057	-	1,122,360
Inventories	162,641	168,997	-	331,638
Prepaid Items	79,998	1,386	-	81,384
Net Pension Asset	26,166	18,756	-	44,922
Total Current Assets	<u>2,729,055</u>	<u>4,994,125</u>	<u>1,270,178</u>	<u>8,993,358</u>
<b>Noncurrent Assets:</b>				
Capital Assets:				
Land	1,483,000	16,948	-	1,499,948
Buildings	110,874	73,934	-	184,808
Infrastructure	19,214,072	4,400,450	-	23,614,522
Machinery and Equipment	1,177,741	1,018,808	-	2,196,549
Construction in Progress	1,001,116	815,410	-	1,816,526
Accumulated Depreciation	(6,310,681)	(2,832,566)	-	(9,143,247)
Total Noncurrent Assets	<u>16,676,122</u>	<u>3,492,984</u>	<u>-</u>	<u>20,169,106</u>
Total Assets	<u>\$ 19,405,177</u>	<u>\$ 8,487,109</u>	<u>\$ 1,270,178</u>	<u>\$ 29,162,464</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 65,565	\$ 567,671	\$ 351	\$ 633,587
Salaries, Wages, & Benefits Payable	22,303	23,405	-	45,708
Due to Others	56,830	174,740	-	231,570
Accrued Interest Payable	87,914	68,554	-	156,468
Other Current Liabilities	10,700	12,232	-	22,932
Compensated Absences - Current	4,765	3,953	-	8,718
Current Portion of Long-Term Debt	354,425	60,840	-	415,265
Total Current Liabilities	<u>602,502</u>	<u>911,395</u>	<u>351</u>	<u>1,514,248</u>
<b>NonCurrent Liabilities:</b>				
Compensated Absences	19,059	15,810	-	34,869
Other Post-employment Benefits	270,681	197,814	-	468,495
Revenue Bonds Payable	5,377,507	1,164,410	-	6,541,917
Total Noncurrent Liabilities	<u>5,667,247</u>	<u>1,378,034</u>	<u>-</u>	<u>7,045,281</u>
Total Liabilities	<u>6,269,749</u>	<u>2,289,429</u>	<u>351</u>	<u>8,559,529</u>
<b>NET ASSETS</b>				
Investments Capital Assets, Net of Debt	10,944,190	2,267,734	-	13,211,924
Unrestricted Net Assets	2,191,238	3,929,946	1,269,827	7,391,011
Total Net Assets	<u>\$ 13,135,428</u>	<u>\$ 6,197,680</u>	<u>\$ 1,269,827</u>	<u>\$ 20,602,935</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BASTROP  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Business-Type Activities - Enterprise Funds			
	Water/ Wastewater Fund	Bastrop Power & Light Fund	Nonmajor Enterprise Funds	Total Proprietary Funds
<b>OPERATING REVENUES:</b>				
Charges for Water Services	\$ 3,363,995	\$ -	\$ 161,195	\$ 3,525,190
Charges for Sewerage Service	110,483	-	82,194	192,677
Charges for Electricity Service	-	6,693,084	-	6,693,084
Prop. Fund Charges for Services-Other	5,173	468,340	650,000	1,123,513
Fines	51,333	90,106	-	141,439
Other Revenue	79,957	143,491	-	223,448
Total Operating Revenue	<u>3,610,941</u>	<u>7,395,021</u>	<u>893,389</u>	<u>11,899,351</u>
<b>OPERATING EXPENSES:</b>				
Personnel Services - Salaries and Wages	505,972	353,935	-	859,907
Personnel Services - Employee Benefits	324,169	233,671	-	557,840
Purchased Prof. & Technical Services	162,017	41,606	350	203,973
Purchased Property Services	485,493	4,537,280	-	5,022,773
Other Operating Expenses	661,885	847,664	128,848	1,638,397
Supplies	297,471	-	-	297,471
Depreciation	502,271	82,425	-	584,696
Bond Issuance Costs	6,641	-	-	6,641
Total Operating Expenses	<u>2,945,919</u>	<u>6,096,581</u>	<u>129,198</u>	<u>9,171,698</u>
Operating Income (Loss)	<u>665,022</u>	<u>1,298,440</u>	<u>764,191</u>	<u>2,727,653</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment Earnings	3,681	8,063	2,322	14,066
Interest Expense - Non-Operating	(229,023)	(101,849)	-	(330,872)
Gain on Sale of Assets	383	2,970	-	3,353
Total Non-Operating Revenues(Expenses)	<u>(224,959)</u>	<u>(90,816)</u>	<u>2,322</u>	<u>(313,453)</u>
Income Before Transfers	440,063	1,207,624	766,513	2,414,200
Transfers In	1,760,083	478,939	110,000	2,349,022
Transfers Out	(361,517)	(613,500)	(172,710)	(1,147,727)
Change in Net Assets	1,838,629	1,073,063	703,803	3,615,495
Total Net Assets-Oct (Beginning)	14,800,900	6,363,387	566,024	21,730,311
Prior Period Adjustment	(3,504,101)	(1,238,770)	-	(4,742,871)
Total Net Assets-Sept 30 (Ending)	<u>\$13,135,428</u>	<u>\$ 6,197,680</u>	<u>\$ 1,269,827</u>	<u>\$20,602,935</u>

The notes to the financial statements are an integral part of this statement.



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CITY OF BASTROP  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Business-Type Activities - Enterprise Funds			
	Water/ Wastewater Fund	Bastrop Power & Light Fund	Nonmajor Enterprise Funds	Total Governmental Funds
<b><u>Cash Flows from Operating Activities:</u></b>				
Cash Received from User Charges	\$ 3,613,557	\$ 7,267,652	\$ 893,390	\$ 11,774,599
Cash Payments to Employees for Services	(760,091)	(557,320)	-	(1,317,411)
Cash Payments for Purchased Services	(647,510)	(5,426,550)	-	(6,074,060)
Cash Payments for Suppliers	(357,902)	-	-	(357,902)
Cash Payments for Other Operating Expenses	(657,986)	660,364	(128,848)	(126,470)
Net Cash Provided (Used) by Operating Activities	1,190,068	1,944,146	764,542	3,898,756
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>				
Operating Transfers In from Other Funds	1,760,083	478,939	110,000	2,349,022
Operating Transfers Out to Other Funds	(361,517)	(613,500)	(172,710)	(1,147,727)
Net Cash Provided (Used) by Non-Capital Financing Activities	1,398,566	(134,561)	(62,710)	1,201,295
<b><u>Cash Flows from Capital &amp; Related Financing Activities:</u></b>				
Acquisition of Capital Assets	(1,322,747)	(860,445)	-	(2,183,192)
Payments on Long-Term Debt	(207,407)	(13,520)	-	(220,927)
Interest Expense	(153,697)	(33,295)	-	(186,992)
Proceeds from Sales of Capital Assets	383	2,971	-	3,354
Net Cash Provided (Used) by Capital & Related Financing Activities	(1,683,468)	(904,289)	-	(2,587,757)
<b><u>Cash Flows from Investing Activities:</u></b>				
Interest and Dividends on Investments	3,681	8,062	2,322	14,065
Net Increase in Cash & Cash Equivalents	908,847	913,358	704,154	2,526,359
Cash & Cash Equivalents - Beginning of Year	1,226,100	3,094,571	566,024	4,886,695
Cash & Cash Equivalents - End of Year	\$ 2,134,947	\$ 4,007,929	\$ 1,270,178	\$ 7,413,054
<b><u>Reconciliation of Operating Income to Net Cash</u></b>				
<b><u>Provided (Used) by Operating Activities:</u></b>				
Operating Income:	\$ 665,022	\$ 1,159,742	\$ 764,191	\$ 2,588,955
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:				
Depreciation	502,271	82,425	-	584,696
Decrease (Increase) in Receivables	2,616	11,329	-	13,945
Decrease (Increase) in Inventories	10,966	(1,405)	-	9,561
Decrease (Increase) in Prepaid Expenses	6,335	(1,086)	-	5,249
Increase (Decrease) in Accounts Payable	(77,732)	655,545	351	578,164
Increase (Decrease) in Salaries and Wages Payable	70,050	30,286	-	100,336
Increase (Decrease) in Other Liabilities	10,540	7,310	-	17,850
Net Cash Provided (Used) by Operating Activities	\$ 1,190,068	\$ 1,944,146	\$ 764,542	\$ 3,898,756

The notes to the financial statements are an integral part of this statement.



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CITY OF BASTROP  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2012

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	Agency Funds
<hr/>	
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 622,897
Total Assets	<u>\$ 622,897</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 305,417
Due to Others	317,480
Total Liabilities	<u>\$ 622,897</u>

The notes to the financial statements are an integral part of this statement.



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NOTES TO THE FINANCIAL STATEMENTS



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CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

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

For financial reporting purposes, in conformance with generally accepted accounting principles, the City’s financial statements include all funds, account groups, agencies, boards, commissions and other organizations over which the Council is financially accountable. In addition, component units which may be included are organizations for which the nature and the significance of their operational or financial relationship with the City is such that exclusion would cause the City’s financial statements to be misleading or incomplete.

Based upon the foregoing criteria, the following entities have been included in this report:

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

The Hunters Crossing Local Government Corporation (hereafter “the Corporation”) was established to administer the service plan of the Hunters Crossing Public Improvement District (hereafter “the PID”). The PID was established on September 11, 2001 by resolution of the Bastrop City Council. That resolution was later amended on November 11, 2003. The purpose for creation of the PID was to provide for the construction of certain public improvements and a mechanism for the payment of the costs of such construction and the costs of operation and maintenance of such improvements through the levy of assessments against owners of respective parcels in the PID. Because the Corporation was created solely to assist the City of Bastrop in its administration of the PID, and the City has complete control over the Corporation, this entity has been reported as a blended component unit of the City.

Bastrop EDC does not issue separate financial statements. Financial statements for Hunter’s Crossing Local Government Corporation or general information about either of these entities can be obtained by contacting the City of Bastrop Finance Department.

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. These statements report information on all of the City's governmental and proprietary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, permits, licenses and donations. *Business-type activities* include operations that rely to a significant extent on fees and charges for support. *Fiduciary activities* are not reported in the government-wide financial statements since they do not support the primary government.

The Statement of Activities demonstrates how other people or entities that participate in programs the City operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the City. The "grants and contributions" column includes amounts paid by organizations outside the City to help meet the operational or capital requirements of a given function. If a revenue is not a program revenue, it is a general revenue used to support all of the City's functions. Taxes are always general revenues.

Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Assets and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Assets. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Assets as internal balances and on the Statement of Activities as interfund transfers.

The fund statements provide reports on the financial condition and results of operations for three fund categories; governmental funds, proprietary funds, and fiduciary funds. The City considers some governmental funds and proprietary funds major and reports their financial condition and results of operations in a separate column. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund's ongoing operations. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they are susceptible to accrual (i.e., when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible in the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current period. Expenditures are recognized in the period incurred, with the exception of unmatured interest and principal on long-term debt, which is recognized when due.

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

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the City to refund all or part of the unused amount.

The Proprietary Fund Types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The City applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Assets. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. FUND ACCOUNTING**

Basis of Accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate fiscal and accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts recording cash and other financial resources together with all related liabilities and residual equities or balances and changes therein. They are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

The City reports the following major governmental funds:

1. **General Fund** – The General Fund is the primary operating fund of the City. It accounts for all financial resources except those required to be accounted for in another fund.
2. **Hotel/Motel Tax Fund** – The City utilizes this fund to account for Hotel/Motel Tax proceeds and expenditures.
3. **Debt Service Fund** - The City accounts for resources accumulated and payments made for principal and interest on long-term obligation debt of governmental funds in a debt service fund.
4. **Capital Projects Fund/Certificates of Obligation 2012** – This capital projects fund is used to account for costs related to several building and infrastructure improvements projects of the City which have been financed through the issuance of Certificates of Obligation, Series 2012.

The City reports the following major enterprise funds:

1. **Water/Wastewater Fund** – The City accounts for water and wastewater services provided to customers in the Water/Wastewater Fund.
2. **Bastrop Power & Light Fund** – The City accounts for electricity services provided to customers in the Electric Fund.

Additionally, the City reports the following non-major fund types:

Governmental Funds:

1. **Special Revenue Funds** – The City accounts for resources restricted to, or committed for, specific purposes by the City or outside grantors in a special revenue fund in order to have more transparent accountability.
2. **Agency Fund** – The City acts in a fiduciary capacity for funds held in escrow by planning for building/development projects.

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. ACCRUED COMPENSATED ABSENCES**

The City has recorded the value of earned but unused compensated absences (vacation and sick time) from its governmental activities and proprietary activities by employees as an accrued liability in the respective Statements of Net Assets. The annual budgets of the operating funds provide funding for these benefits as they become payable and costs are expensed as the liability is liquidated. There was a balance of \$517,581 in accrued compensated absences related to governmental activities and \$134,372 related to proprietary activities at September 30, 2012.

**F. PROPERTY TAXES**

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The City levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll of January 1, 2011, upon which the levy for the 2011-2012 fiscal year was based, was \$627,256,816. Taxes are delinquent if not paid by February 1<sup>st</sup> of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended September 30, 2012, to finance General Fund and Debt Service Fund operations were \$0.3203 and \$.2637, respectively, for a total tax rate of \$.5840 per \$100 valuation. The total tax levy for the General Fund and Debt Service Fund for the 2011-2012 fiscal year was \$3,774,158. Tax collections, including collections of prior year delinquent balances, for the year ended September 30, 2012, were 1.045% of the year end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes.

**G. CAPITAL ASSETS**

Fixed assets, which include land, buildings and improvements, furniture and equipment, and infrastructure, are reported in the government-wide financial statements. Fixed assets are recorded at cost where historical records are available and at estimated original cost where no historical records exist. Buildings and improvements, infrastructure, and furniture and equipment are capitalized if the individual cost for the item is in excess of \$5,000. The cost of normal maintenance and repairs that do not add to the value of the assets lives are not capitalized.

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. CAPITAL ASSETS (Continued)**

Major capital outlay for fixed assets and improvements are capitalized as projects are constructed. For debt-financed fixed assets, interest incurred during the construction phase is reflected in the capitalization value of the asset constructed, net of interest earned on the invested proceeds over the same period. Fixed assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Contributed capital assets are valued at their estimated fair market value at the date of contribution.

Fixed assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The range of lives used for depreciation purposes for each fixed assets class is as follows:

Building and improvements	25 years
Furniture and fixtures	7-10 years
Computers and equipment	3-5 years
Vehicles	3-5 years
Infrastructure (street, sidewalks, etc.)	10-50 years

**H. ESTIMATES**

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

**I. INVENTORY AND PREPAID ITEMS**

Inventories in all funds are valued at the lower of cost or market. The costs of inventories are recorded as expenditures or expenses when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to the future accounting period (prepaid expenditures) are recognized as expenditures when utilized.

**J. FUND BALANCE CLASSIFICATION**

Fund balances for governmental funds are reported in classifications that demonstrate the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those fund can be spent. The governmental fund type classifications are as follows:

Nonspendable: The portion of fund balance that cannot be spent because it is either (a) not in spendable form, such as inventories and prepaid items, or (b) legally or contractually required to be maintained.

Restricted: The portion of fund balance that is restricted to specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitution provisions or enabling legislation.

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. FUND BALANCE (Continued)**

Committed: The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of a majority vote by the City Council.

Assigned: The portion of fund balance that is constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned: The portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes.

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.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGET**

During budget preparations each year, department and division leaders of the City submit requests for appropriations to the City Manager so that a budget may be prepared. The budget is prepared by fund, department, and activity, and includes information on the past year, current year budget and requested appropriations for the next fiscal year.

Before August 31, the proposed budget is presented to the City Council for review. The City Council holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the City Council. Management may not amend the budget without Council approval. Expenditures may not legally exceed budget appropriations at the department level. Budgets are adopted for the General Fund, Debt Service Fund, and the proprietary funds, and are prepared on a basis consistent with generally accepted accounting principles.

**III. DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

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

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

CITY OF BASTROP, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. DEPOSITS AND INVESTMENTS (Continued)**

At September 30, 2012, the carrying amount of the City’s cash and cash equivalents (cash, certificates of deposit, money market, and local government investment pools) was \$22,133,175 and the bank balance was \$22,438,862.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

All of the City’s investments were invested in the State Treasurer’s local government investment pool (TexPool) at September 30, 2012 and have been included within Cash and Cash Equivalents on the financial statements.

	Fair Value	Weighted Average Maturity Years	Credit Risk
TexPool	\$ 19,862,021	0.00	AAAm
	\$ 19,862,021		
Portfolio weighted average maturity		0.00	

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

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. DEPOSITS AND INVESTMENTS (Continued)**

**Policies, Governing Deposits and Investments**

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

Custodial Credit Risk – Deposits: This is the risk that in the event of bank failure, the City’s deposits may not be returned to it. The City was not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, 2012 were covered by depository insurance or by pledged collateral held by the City’s agent bank in the City’s name.

Custodial Credit Risk – Investments: 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. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

Other Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk, investment policies of the City’s investment pools allow the portfolio’s investment manager to only invest in obligations of the U.S. Government, its agencies; repurchase agreements; and no-load AAAM money market mutual funds registered with the SEC.

**B. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

Receivables at September 30, 2012 consist of the following:

	Property Taxes (net)	Other Receivables (net)	Due From Others	Total Receivables
<b>Governmental Activities:</b>				
General Fund	\$ 88,745	\$ 206,052	\$ -	\$ 298,547
Hotel/Motel Tax Fund	-	205,284	-	205,284
Debt Service Fund	102,786	-	-	104,881
Non-major Governmental Funds	1,579	221,996	-	221,996
Total	<u>\$ 193,110</u>	<u>\$ 633,332</u>	<u>\$ -</u>	<u>\$ 835,023</u>
<b>Proprietary Activities:</b>				
Water/Wastewater Fund	\$ -	\$ 325,303	\$ -	\$ 325,303
Bastrop Power & Light Fund	-	797,057	-	797,057
Total	<u>\$ -</u>	<u>\$1,122,360</u>	<u>\$ -</u>	<u>\$1,122,360</u>

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**B. DISAGGREGATION OF RECEIVABLES AND PAYABLES (Continued)**

Payables at September 30, 2012 consist of the following:

	Accounts Payable	Salaries, Wages, and Benefits	Due to Others	Accrued Interest Payable	Deferred Revenues	Other Current Liabilities	Total
Governmental Activities:							
General Fund	\$ 559,638	\$ 160,285	\$ -	\$ -	\$ 88,745	\$ 4,173	\$ 812,841
Hotel/Motel Tax Fund	480	-	-	-	-	-	480
Debt Service Fund	1,000	-	-	-	100,814	10,311	112,125
Certificates of Obligation-2012	110,673	-	-	-	-	59,180	169,853
Non-Major Governmental Funds	310,027	8,660	29,227	-	1,579	12,240	361,733
<b>Total Governmental Activities</b>	<b>\$ 981,818</b>	<b>\$ 168,945</b>	<b>\$ 29,227</b>	<b>\$ -</b>	<b>\$ 191,138</b>	<b>\$ 85,904</b>	<b>\$ 1,457,032</b>
Proprietary Activities:							
Water/Wastewater Fund	\$ 65,565	\$ 22,303	\$ 56,830	\$ 87,914	\$ -	\$ 10,700	\$ 243,312
Bastrop Power & Light	567,671	23,405	174,740	68,554	-	12,232	846,602
Non-Major Proprietary Funds	351	-	-	-	-	-	351
<b>Total Proprietary Activities</b>	<b>\$ 633,587</b>	<b>\$ 45,708</b>	<b>\$ 231,570</b>	<b>\$ 156,468</b>	<b>\$ -</b>	<b>\$ 22,932</b>	<b>\$ 1,090,265</b>

**C. DELINQUENT TAXES RECEIVABLE**

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

**D. COMMITTED FUND BALANCE – GENERAL FUND**

The City has recorded fund balance commitments for specific purposes on the Governmental Funds Balance Sheet in the amount of \$428,522 which is detailed as follows:

Purpose	Amount
Streets	\$ 158,800
Municipal Court	64,371
Police Department	186,872
Parks	2,525
Library	544
Public Information	15,410
<b>Total Committed Fund Balance</b>	<b>\$ 428,522</b>

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**E. INTERFUND BALANCES AND TRANSFERS**

The primary purpose of interfund transfers is to provide funding for operations, debt service, and capital projects. Interfund transfers for the year ended September 30, 2012, are as follows:

	Transfers Out	Transfers In
<b>Governmental Funds</b>		
General Fund		
Bastrop Power & Light	\$ -	\$ 613,500
Non-Major Governmental Funds	-	185,045
Total General Fund	-	798,545
Hotel/Motel Tax Fund		
Non-Major Governmental Funds	1,023,680	-
Total Hotel/Motel Tax Fund	1,023,680	-
Debt Service Fund		
Water/Wastewater Fund	-	34,550
Non-Major Governmental Funds	350,000	293,838
Non-Major Proprietary Funds		172,710
Total Debt Service Fund	350,000	501,098
Certificates of Obligation - 2012		
Water/Wastewater Fund	1,546,248	-
Total Certificates of Obligation - 2010	1,546,248	-
Non-Major Governmental Funds		
General Fund	185,045	-
Hotel/Motel Tax Fund	-	1,023,680
Debt Service Fund	290,706	350,000
Bastrop Power & Light	478,939	-
Total Non-Major Governmental Funds	954,690	1,373,680
<b>Total Governmental Funds</b>	<b>\$ 3,874,618</b>	<b>\$ 2,673,323</b>

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**E. INTERFUND TRANSFERS (Continued)**

	Transfers Out	Transfers In
<b>Proprietary Funds</b>		
Water/Wastewater Fund		
Certificates of Obligation - 2012	\$ -	\$ 1,546,248
Debt Service Fund	251,517	213,835
Non-Major Proprietary Funds	110,000	-
Total Water/Wastewater Fund	361,517	1,760,083
Bastrop Power & Light		
General Fund	613,500	-
Non-Major Governmental Funds	-	478,939
Total Bastrop Power & Light Fund	613,500	478,939
Non-Major Proprietary Funds		
Debt Service Fund	172,710	-
Water/Wastewater Fund	-	110,000
Total Non-Major Proprietary Funds	172,710	110,000
<b>Total Proprietary Funds</b>	<b>\$ 1,147,727</b>	<b>\$ 2,349,022</b>

Interfund balances arise when funds are temporarily borrowed between funds, or when funds have been received by one fund on-behalf of another and repayment or movement of the funds has not yet occurred. Interfund balances as of year end are as follows:

Fund	Due From	Due To
General Fund		
Non-Major Governmental Funds	\$ 3,750	\$ -
Total General Fund	3,750	-
Debt Service Fund		
Capital Projects Fund	2,095	4,315
Total Debt Service Fund	2,095	4,315
Capital Projects Fund		
Debt Service Fund	4,315	2,095
Total Capital Projects Fund	4,315	2,095
Non-Major Governmental Funds		
General Fund	-	3,750
Total Special Revenue Funds	-	3,750
<b>Grand Total</b>	<b>\$ 10,160</b>	<b>\$ 10,160</b>

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**F. CAPITAL ASSETS**

Capital asset activity for the governmental activities was as follows:

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 3,611,371	\$ 110,783	\$ -	\$ -	\$ 3,722,154
Construction in progress	9,306,115	-	(9,207,408)	-	98,707
Total capital assets, not being depreciated	12,917,486	110,783	(9,207,408)	-	3,820,861
Capital assets, being depreciated:					
Buildings	5,692,666	7,244,215	-	-	12,936,881
Infrastructure	13,268,172	4,086,310	-	-	17,354,482
Machinery and equipment	2,996,186	1,676,930	(534,615)	279,719	4,418,220
Total capital assets being depreciated	21,957,024	13,007,455	(534,615)	279,719	34,709,583
Less accumulated depreciation for:					
Buildings	(1,932,341)	(309,421)	-	-	(2,241,762)
Infrastructure	(1,544,885)	(451,832)	-	-	(1,996,717)
Machinery and equipment	(2,494,603)	(438,811)	534,615	(279,719)	(2,678,518)
Total accumulated depreciation	(5,971,829)	(1,200,064)	534,615	(279,719)	(6,916,997)
Total capital assets, being depreciated, net	15,985,195	11,807,391	-	-	27,792,586
Governmental activities capital assets, net	\$ 28,902,681	\$ 11,918,174	\$ (9,207,408)	\$ -	\$ 31,613,447

Depreciation expense was charged to the governmental activities as follows:

Function	Allocated Depreciation
General Government	\$ 297,877
Public Safety	279,310
Fire Protection	23,768
Public Works	202,595
Health	7,956
Culture and Recreation	72,876
Building and Development	315,682
Total	\$ 1,200,064

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**F. CAPITAL ASSETS (Continued)**

Capital asset activity for the proprietary activities and component units was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 832,113	\$ 667,835	\$ -	\$ 1,499,948
Construction in progress	4,279,851	(2,463,325)	-	1,816,526
Total capital assets, not being depreciated	5,111,964	(1,795,490)	-	3,316,474
Capital assets, being depreciated:				
Buildings	184,808	-	-	184,808
Infrastructure	19,774,403	3,840,118	-	23,614,521
Machinery and equipment	2,114,471	138,562	(56,485)	2,196,548
Total capital assets being depreciated	22,073,682	3,978,680	(56,485)	25,995,877
Less accumulated depreciation for:				
Buildings	(87,821)	(5,248)	-	(93,069)
Infrastructure	(6,810,500)	(491,570)	-	(7,302,070)
Machinery and Equipment	(1,716,713)	(87,878)	56,485	(1,748,106)
Total accumulated depreciation	(8,615,034)	(584,696)	56,485	(9,143,245)
Total capital assets, being depreciated, net	13,458,648	3,393,984	-	16,852,632
Proprietary activities capital assets, net	\$ 18,570,612	\$ 1,598,494	\$ -	\$ 20,169,106
<b>Component Units:</b>				
Capital assets, not being depreciated:				
Land	\$ 885,276	\$ -	\$ -	\$ 885,276
Construction in progress	2,090,771	106,193	(1,977,497)	219,467
Total capital assets, not being depreciated	2,976,047	106,193	(1,977,497)	1,104,743
Capital assets, being depreciated:				
Buildings	971,665	-	-	971,665
Infrastructure	2,253,154	-	-	2,253,154
Machinery and equipment	12,081	-	-	12,081
Total capital assets being depreciated	3,236,900	-	-	3,236,900
Less accumulated depreciation for:				
Buildings	(241,633)	(19,434)	-	(261,067)
Infrastructure	(854,303)	(97,304)	-	(951,607)
Machinery and Equipment	(9,561)	(1,586)	-	(11,147)
Total accumulated depreciation	(1,105,497)	(118,324)	-	(1,223,821)
Total capital assets, being depreciated, net	2,131,403	(118,324)	-	2,013,079
Component unit capital assets, net	\$ 5,107,450	\$ (12,131)	\$ (1,977,497)	\$ 3,117,822

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. LONG-TERM DEBT**

Long-term debt for the governmental activities is as follows:

Description	Amounts Original Issue	Amounts Outstanding 10/01/11	Additions	Deletions	Adjustments	Amounts Outstanding 9/30/2012	Due in One Year
<b>Governmental Activities:</b>							
<b>Bonds Payable</b>							
Gen. Oblig. Bonds, Series 2002	\$ 2,495,000	\$ 125,000	\$ -	\$ (125,000)	\$ -	\$ -	\$ -
Gen. Oblig. Bonds, Series 2004	2,685,000	2,070,000	-	(1,680,000)	-	390,000	125,000
Gen. Oblig. Bonds, Series 2005	2,445,000	1,955,000	-	(110,000)	-	1,845,000	115,000
Gen. Oblig. Bonds, Series 2006	345,000	295,000	-	(15,000)	-	280,000	15,000
Certificates of Obligation, Series 2006 (31.4%)	725,000	425,000	-	(6,280)	(291,550)	127,170	6,280
Gen. Oblig. Bonds, Series 2007	1,220,000	1,085,000	-	(50,000)	-	1,035,000	50,000
Gen. Oblig. Bonds, Series 2007 (11.42%)	2,320,000	2,060,000	-	(95,000)	(1,740,597)	224,403	10,849
Gen. Oblig. Bonds, Series 2008	1,195,000	1,105,000	-	(45,000)	-	1,060,000	50,000
Gen. Oblig. Bonds, Series 2008	2,110,000	2,085,000	-	(20,000)	-	2,065,000	85,000
Premium on Gen. Oblig. Bonds, Series 2008	55,050	46,793	-	(2,753)	-	44,040	-
Comb. Tax & Rev., Cert. of Oblig., Series 2008A (58.69%)	4,025,000	3,865,000	-	(67,494)	(1,596,631)	2,200,875	88,035
Prem. Comb. Tax & Rev. Cert. of Oblig., Srs 2008A	66,753	56,740	-	(3,338)	-	53,402	-
Combination Tax & Rev., Cert. of Oblig., Series 2010 (83.10%)	7,400,000	7,330,000	-	(66,480)	(1,238,770)	6,024,750	299,160
Limited Tax Refunding Bonds, Series 2011 (9.37%)	239,872	-	-	(14,992)	226,754	211,762	14,992
Gen. Oblig. Ref. Bonds, Series 2011	4,260,000	4,260,000	-	(635,000)	-	3,625,000	410,000
Premium on Gen. Oblig. Ref. Bonds, Series 2011	179,468	179,468	-	(16,315)	-	163,153	-
Gen. Oblig. Ref. & Improvement Bonds, Series 2012	24,808	-	2,015,000	(15,000)	-	2,000,000	25,000
Premium on Gen. Oblig. Ref. & Imp. Bonds, Series 2012	152,704	-	152,704	(11,746)	-	140,958	-
Combination Tax & Rev., Cert. of Oblig., Series 2012	4,300,000	-	4,300,000	-	-	4,300,000	100,000
Premium on Comb. Tax & Rev. Cert. of Oblig., Srs 2012	308,144	-	308,144	-	-	308,144	-
<b>Total Bonds Payable</b>		<b>26,943,001</b>	<b>6,775,848</b>	<b>(2,979,398)</b>	<b>(4,640,794)</b>	<b>26,098,657</b>	<b>1,394,316</b>
Limited Tax Notes, Series 2006	215,000	70,000	-	(35,000)	-	35,000	35,000
Limited Tax Notes, Series 2008 (41.67%)	660,000	260,000	-	(85,000)	(102,077)	72,923	35,420
Note Payable - Texas Dept. of Econ. Dev.	500,000	189,584	-	(25,000)	-	164,584	25,000
Note Payable - First National Bank	183,420	15,224	-	(15,224)	-	-	-
Note Payable - Texas Capital Fund	447,351	438,031	-	(22,369)	-	415,662	22,368
Compensated Absences	n/a	517,581	-	(365,498)	-	152,083	30,416
Other post-employment benefits		1,162,835	878,786	-	-	2,041,621	-
<b>Governmental Activities Long-term Liabilities</b>		<b>\$ 29,596,256</b>	<b>\$ 7,654,634</b>	<b>\$(3,527,489)</b>	<b>\$(4,742,871)</b>	<b>\$ 28,980,530</b>	<b>\$ 1,542,520</b>



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CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. LONG-TERM DEBT (Continued)**

Employment related liabilities and capital leases attributable to the governmental activities will be liquidated primarily by the General Fund.

During the year, the City issued \$2,015,000 of General Obligation Refunding and Improvement Bonds, Series 2012, for a defeasance of \$1,560,000 of the future principal payments on the General Obligation Bonds, Series 2004, and to provide \$455,000 in new financing for capital improvements and issuance costs. The refunding portion of the transaction was undertaken to obtain a more favorable average interest rate and as a result reduce total future debt service payments. The transaction resulted in a decrease in total future debt service payments related to the refunded bonds of \$141,845, and a net present value savings of \$127,993.

Long-term debt activity for the proprietary activities is as follows:

Description	Amounts Original Issue	Amounts Outstanding 10/1/2010	Additions	Deletions	Adjustments	Amounts Outstanding 9/30/2011	Due in One Year
<b>Business-Type Activities</b>							
<b>Bonds Payable</b>							
Certificates of Obligation, Series 2006 (68.6%)	\$ 497,350	\$ -	\$ -	\$ (13,720)	\$ 291,550	\$ 277,830	\$ 13,720
Certificates of Obligation, Series 2007 (88.58%)	2,055,056	-	-	-	1,740,597	1,740,597	84,151
Combination Tax & Rev., Cert. of Oblig., Srs. 2008A (41.31%)	1,662,728	-	-	(47,508)	1,596,632	1,549,124	61,965
Limited Tax Refunding Bonds, Series 2010	2,560,000	2,420,000	-	(145,008)	(226,754)	2,048,238	145,008
Premium on Limited Tax Ref. Bonds, Series 2010	16,410	15,238	-	(1,173)	-	14,065	-
Combination Tax & Rev., Cert. of Oblig., Srs. 2010 (16.9%)	1,250,600	-	-	(13,520)	1,238,770	1,225,250	60,840
<b>Total Bonds Payable</b>		<u>2,435,238</u>	<u>-</u>	<u>(220,929)</u>	<u>4,640,795</u>	<u>6,855,104</u>	<u>365,684</u>
Limited Tax Notes, Series 2008 (58.33%)		-	-	-	102,078	102,078	49,581
Compensated absences		134,372	-	(90,784)	-	43,588	8,718
Other post-employment benefits		277,213	191,281	-	-	468,494	-
<b>Proprietary Activities Long-term Liabilities</b>		<u>\$ 2,846,823</u>	<u>\$ 191,281</u>	<u>\$ (311,713)</u>	<u>\$ 4,742,873</u>	<u>\$ 7,469,264</u>	<u>\$ 423,983</u>



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CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. LONG-TERM DEBT (Continued)**

Long-term debt activity for the component unit Bastrop Economic Development Corporation is as follows:

	Amounts	Amounts					Amounts	
	Original Issue	Outstanding 10/1/2010	Additions	Deletions	Adjustments	Outstanding 9/30/2011	Due in One Year	
<b>Component Unit</b>								
Sales Tax & Revenue Ref. Bonds, Series 2006	2,005,000	\$ 1,280,000	\$ -	\$ (195,000)	\$ -	\$ 1,085,000	\$ 200,000	
<b>Total Bonds Payable</b>		<u>1,280,000</u>	<u>-</u>	<u>(195,000)</u>	<u>-</u>	<u>1,085,000</u>	<u>200,000</u>	
Note Payable -City of Bastrop	500,000	187,500	-	(25,000)	-	162,500	25,000	
Note Payable - First National Bank	98,524	50,763	-	(7,490)	-	43,273	5,801	
Note Payable - First National Bank	2,376	1,224	-	(189)	-	1,035	139	
Due to City of Bastrop - 12.5% Cert. of Oblig., Series 2008A		-	-	(13,973)	469,598	455,625	18,225	
Due to City of Bastrop - 13.88% Cert. of Oblig., Series 2010		-	-	-	1,006,300	1,006,300	49,968	
Compensated absences		6,718	-	(2,053)	-	4,665	933	
Other post-employment benefits		46,728	34,344	-	-	81,072	-	
<b>Total Component Unit Long-Term Debt</b>		<u>\$ 1,572,933</u>	<u>\$ 34,344</u>	<u>\$ (243,705)</u>	<u>\$ 1,475,898</u>	<u>\$ 2,839,470</u>	<u>\$ 300,066</u>	

The following is a summary of the City's governmental activities long-term debt at September 30, 2012:

\$2,685,000 Series 2004 General Obligation Bonds, due in semi-annual installments through 2024; interest at 3.50-4.80%	390,000
\$2,445,000 Series 2005 General Obligation Bonds, due in semi-annual installments through 2025; interest at 3.67%	1,845,000
\$345,000 Series 2006 General Obligation Bonds, due in semi-annual installments through 2026; interest at 4.24%	280,000
\$227,650 Series 2006 Certificates of Obligation, due in semi-annual installments through 2026; interest at 4.19% (31.4% of total issue of \$725,000)	127,170

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. LONG-TERM DEBT (Continued)**

The following is a summary of the City's governmental activities long-term debt at September 30, 2012: (continued)

\$1,220,000 Series 2007 General Obligation Bonds, due in semi-annual installments through 2027; interest at 4.08%	1,035,000
\$264,944 Series 2007 Combination Tax and Revenue Certificates of Obligation, due in semi-annual installments through 2027; interest at 4.04% (11.42% of total issue of \$2,320,000)	224,403
\$1,195,000 Series 2008 Certificates of Obligation, due in semi-annual installments through 2028; interest at 3.87%	1,060,000
\$2,110,000 Series 2008 General Obligation Bonds, due in semi-annual installments through 2028; interest at 4.60%	2,109,040
\$2,429,026 Series 2008A Combination Tax & Revenue Certificates of Obligation, due in semi-annual installments through 2028; interest at 4.20-5.00% (58.69% total issue of \$4,025,000)	2,254,277
\$6,149,400 Series 2010 Combination Tax & Revenue Certificates of Obligation, due in semi-annual installments through 2029; interest at 3.50-4.25% (83.1% total issue of \$7,400,000)	6,024,750
\$239,872 Series 2010 Limited Tax Refunding Bonds; due in annual installments through 2024, interest at 2.0%-4.0%	211,762
\$4,260,000 Series 2011 General Obligation Refunding Bonds, due in semi-annual installments through 2022; interest at 2.0-4.0%	3,788,153
\$2,015,000 Series 2012 General Obligation Refunding and Improvement Bonds, due in semi-annual installments through 2024; interest at 2.0-3.0%	2,140,958
\$4,300,000 Series 2012 General Obligation Bonds, due in semi-annual installments through 2032; interest at 2.0-4.0%	4,608,144
\$215,000 2006 Limited Tax Notes; due in semi-annual installments through 2026; interest at 4.26%	35,000
\$275,022 2008 Limited Tax Notes; due in semi-annual installments through 2014; interest at 3.06% (41.67% of total issue of \$660,000)	72,923
\$500,000 Note Payable to Texas Department of Economic Development; due in monthly installments through 2019; interest at 0.00%	164,584
\$447,351 Note Payable to Texas Capital Fund; due in monthly installments through 2031; interest at 0.00%	415,662
Compensated Absences - To be liquidated through General Fund resources	152,083
Other Post-Employment Benefits - To be liquidated through General Fund resources	2,041,621
	\$ 28,980,530

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. LONG-TERM DEBT (Continued)**

The following is a summary of the City's proprietary and component unit activities long-term debt at September 30, 2012:

Proprietary Activities

\$497,350 Series 2006 Certificates of Obligation, due in semi-annual installments through 2026; interest at 4.19% (68.6% of total issue of \$725,000)	\$ 277,830
\$2,055,056 Series 2007 Combination Tax and Revenue Certificates of Obligation, due in semi-annual installments through 2027; interest at 4.04% (88.58% of total issue of \$2,320,000)	1,740,597
\$1,662,728 Series 2008A Combination Tax & Revenue Certificates of Obligation, due in semi-annual installments through 2028; interest at 4.20-5.00% (41.31% total issue of \$4,025,000)	1,549,124
\$1,250,000 Series 2010 Combination Tax & Revenue Certificates of Obligation, due in semi-annual installments through 2029; interest at 3.50-4.25% (16.9% total issue of \$7,400,000)	1,225,250
\$2,320,128 Series 2010 Limited Tax Refunding Bonds; due in annual installments through 2024, interest at 2.0-4.0% (90.63% of total issue of \$2,560,000)	2,062,303
\$275,022 2008 Limited Tax Notes; due in semi-annual installments through 2014; interest at 3.06% (58.33% of total issue of \$660,000)	102,078
Compensated Absences - To be liquidated through Proprietary Fund resources	43,588
Other Post-Employment Benefits - To be liquidated through Proprietary Fund	468,494
	\$ 7,469,264

Component Unit Activities

\$2,005,000 Series 2006 Sales Tax & Revenue Refunding Bonds, due in annual installments through 2020, interest at 4.61%	\$ 1,085,000
\$500,000 Note Payable to the City of Bastrop; due in annual installments through 2019; interest at 0.00%	162,500
\$98,524 Note Payable to First National Bank, due in monthly installments through 2019; interest at 5.39%	43,273
\$2,376 Note Payable to First National Bank, due in monthly installments through 2019; interest at 5.39%	1,035
Due to City of Bastrop - 12.5% Certificates of Obligation, Series 2008A	455,625
Due to City of Bastrop - 13.88% Certificates of Obligation, Series 2010	1,006,300
Compensated Absences - To be liquidated through Component Unit resources	4,665
Other Post-Employment Benefit - To be liquidated through Component Unit resources	81,072
	\$ 2,839,470

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. LONG-TERM DEBT (Continued)**

Future debt service requirements for governmental activities are as follows:

Year Ended September 30,	Bonds Payable			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 1,394,316	\$ 965,083	\$ 2,359,399	\$ 117,787	\$ 2,977	\$ 120,764
2014	1,386,315	861,508	2,247,823	84,870	1,148	86,018
2015	1,399,843	817,427	2,217,270	47,367	-	47,367
2016	1,447,504	771,975	2,219,479	47,367	-	47,367
2017	1,533,967	726,295	2,260,262	47,367	-	47,367
2018-2022	8,372,720	2,821,016	11,193,736	151,422	-	151,422
2023-2027	7,006,706	1,336,805	8,343,511	111,838	-	111,838
2028-2032	2,847,589	247,282	3,094,871	80,151	-	80,151
	<u>\$25,388,960</u>	<u>\$ 8,547,391</u>	<u>\$33,936,351</u>	<u>\$ 688,169</u>	<u>\$ 4,125</u>	<u>\$ 692,294</u>

Future debt service requirements for proprietary activities are as follows:

Year Ended September 30,	Bonds Payable			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 365,684	\$ 263,982	\$ 629,666	\$ 49,581	\$ 3,124	\$ 52,705
2014	368,686	251,718	620,404	52,497	1,606	54,103
2015	385,157	238,632	623,789	-	-	-
2016	392,497	224,929	617,426	-	-	-
2017	411,034	210,144	621,178	-	-	-
2018-2022	2,347,280	805,187	3,152,467	-	-	-
2023-2027	2,228,295	321,155	2,549,450	-	-	-
2028-2029	342,406	19,587	361,993	-	-	-
	<u>\$ 6,841,039</u>	<u>\$ 2,335,334</u>	<u>\$ 9,176,373</u>	<u>\$ 102,078</u>	<u>\$ 4,730</u>	<u>\$ 106,808</u>

Future debt service requirements for component units are as follows:

Year Ended September 30,	Bonds Payable			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 200,000	\$ 50,019	\$ 250,019	\$ 99,133	\$ 61,515	\$ 160,648
2014	215,000	40,799	255,799	89,572	58,527	148,099
2015	220,000	30,887	250,887	93,910	55,848	149,758
2016	235,000	20,745	255,745	95,573	52,996	148,569
2017	50,000	9,912	59,912	100,561	50,062	150,623
2018-2022	165,000	15,213	180,213	450,696	204,332	655,028
2023-2027	-	-	-	532,111	114,012	646,123
2028-2029	-	-	-	207,177	12,569	219,746
	<u>\$ 1,085,000</u>	<u>\$ 167,575</u>	<u>\$ 1,252,575</u>	<u>\$ 1,668,733</u>	<u>\$ 609,861</u>	<u>\$ 2,278,594</u>

CITY OF BASTROP, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**H. TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN DESCRIPTION**

Plan Description

The City provides pension benefits for all of its eligible employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide, Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at [www.TMRS.com](http://www.TMRS.com)

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:

	Plan Year 2011	Plan Year 2012
Employee deposit rate	6%	6%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/25	60/5, 0/25
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior services contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credit and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**H. TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN DESCRIPTION (Continued)**

The annual pension cost and net pension obligation/(asset) are as follows:

1.	Annual Required Contribution (ARC)	\$ 452,167
2.	Interest on Net Pension Obligation	-
3.	Adjustment to the ARC	-
4.	Annual Pension Cost (APC)	452,167
5.	Contributions Made	(452,167)
6.	Increase (decrease) in net pension obligation	-
7.	Net Pension Obligation/(Asset), beginning of year	(236,025)
8.	Net Pension Obligation/(Asset), end of year	\$ (236,025)

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation/(Asset)
2010	\$ 401,248	\$ 502,177	125%	\$ (187,276)
2011	456,788	505,537	111%	(236,025)
2012	452,167	452,167	100%	(236,025)

The required contribution rates for fiscal year 2012 were determined as part of the December 2009 and 2010 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2011, also follows:

Valuation Date	12/31/2009	12/31/2010	12/31/2011
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level % of payroll	Level % of payroll	Level % of payroll
GASB 25 Equivalent Single Amortization period	28.3 years; closed period	27.1 years; closed period	27.1 years; closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset valuation method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return *	7.5%	7.0%	7.0%
Projected salary increases *	varies by age and service	varies by age and service	varies by age and service
* Includes Inflation at Cost-of-living adjustments	3.0%	3.0%	3.0%
	2.1%	2.1%	2.1%

CITY OF BASTROP, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**H. TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN DESCRIPTION (Continued)**

The funded status as of December 31, 2011, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(c)	(d)	(e)	(f)
			(a) / (b)	(b) - (a)		(d) / (e)
12/31/2011	\$ 8,124,527	\$ 9,958,983	81.6%	\$ 1,834,456	\$ 4,737,617	38.7%

(1) Actuarial valuation performed under the original fund structure

(2) Actuarial valuation performed under the new fund structure

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

**I. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

Plan Description

The City provides paid health insurance coverage for all retirees equal to the coverage being provided to current employees. Members are eligible to retire at age 60 with 5 years of service or at any age with 25 years of service.

Funding Policy

The City currently funds the plan on a pay-as-you-go (PAYGO) system whereby annual employer contributions each year are equal to the benefits that are paid on behalf of the retirees.

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Annual OPEB Cost

The City's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2009 as required by GASB Statement No. 45.

The annual OPEB cost for the fiscal year ending September 30, 2012 is as follows:

	2012	2011	2010
Annual required contribution	\$ 1,206,057	\$ 872,436	\$ 847,025
Interest on OPEB obligation	66,904	32,244	-
Actuarial adjustment	(61,987)	(29,874)	-
Annual OPEB cost	<u>1,210,974</u>	<u>874,806</u>	<u>847,025</u>
Net estimated employer contributions	(106,564)	(104,564)	(130,490)
Increase in net OPEB obligation	1,104,410	770,242	716,535
Net OPEB obligation - as of beginning of the year	<u>1,486,777</u>	<u>716,535</u>	<u>-</u>
Net OPEB obligation - as of end of the year	<u>\$ 2,591,187</u>	<u>\$ 1,486,777</u>	<u>\$ 716,535</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2012 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
September 30, 2010	\$ 847,025	\$ 130,490	15.4%	\$ 716,535
September 30, 2011	\$ 874,806	\$ 104,564	12.0%	\$ 1,486,777
September 30, 2012	\$ 1,210,974	\$ 106,564	8.8%	\$ 2,591,187

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Funding Status and Funding Progress

The funded status of the City’s retiree health care plan, under GASB Statement No. 45 as of the most recent actuarial valuation dated December 31, 2011 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	Ratio of UAAL to Annual Covered Payroll
	(a)	(b)	(b) - (a)	(a) / (b)	(d)	(b-a)/d
12/31/2009	\$ -	6,261,851	6,261,851	0%	\$ 4,211,922	149%
12/31/2011	-	9,781,417	9,781,417	0%	4,737,617	206%

Under the reporting parameters, the City’s retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$9,781,417 as of December 31, 2011. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 206%. The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information regarding plan assets versus the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City’s retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

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

Actuarial Methods and Assumptions	
Inflation rate	3.00% per annum
Investment rate of return	4.50% , net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year, open amortization
Salary growth	3.00% per annum
Healthcare cost trend rate	Initial rate of 8.5% declining to an ultimate rate of 4.50% after 8 years

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**J. 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; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and through the Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool ("Pool") is considered a self-sustaining risk pool that provides coverage for its members. The City's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the City. The Pool's liability is limited to the coverage that the City elects as stated in the Pool's Declarations of Coverage for that fund year. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City's financial statements. Settled claims have not exceeded insurance coverage limits for the past three years.

**K. COMMITMENT AND CONTINGENCIES**

A public entity risk pool is a cooperative group of governmental entities joining together to finance an exposure, liability or risk. The City participates in the Texas Municipal League Risk Pool, a risk-sharing pool, for property, liability, and worker's compensation, wherein member cities pool risks and funds and share in the costs of losses. Claims against the City are expected to be paid by that public entity risk pool. Should the City become insolvent, or otherwise unable to pay claims, the City may have to pay the claims. There were no significant reductions in insurance coverage or insurance settlements exceeding insurance coverage during each of the past three years.

CITY OF BASTROP, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

**L. PRIOR PERIOD ADJUSTMENTS**

In recent years, the City obtained financing for several capital projects by issuing long-term debt in the form of both general obligation debt and revenue bonds. In most cases, these bond issues provided funds that benefitted a mix of projects related to governmental activities, proprietary activities, and the discretely presented component unit of the City. As such, the repayment of these bond issues will be made with contributions from each of these sources.

Analysis of these bonds indicated that for financial accounting and reporting purposes they had been recorded as debt of governmental or proprietary activities based on the type of debt issue (general obligation debt or revenue bonds) rather than how the debt was expected to be repaid. The City has determined that a more appropriate accounting treatment for these bonds is to record them as long-term debt of governmental or proprietary activities in accordance with how they will be repaid. Therefore, the long-term debt related to these issues was reallocated as of the beginning of fiscal year 2011/2012. Long-term debt expected to be repaid by the discretely presented component unit has been recorded as a note receivable/payable between the City and the discretely presented component unit.

The effects of this reallocation are summarized below.

Reallocated Long-Term Debt	Governmental Activities	Proprietary Activities		Comp. Unit
		Water/WW Fund	Electric Fund	Bastrop EDC
Certificates of Obligation, Series 2006	\$ (291,550)	\$ 291,550	\$ -	\$ -
Certificates of Obligation, Series 2007	(1,740,597)	1,740,597	-	-
Comb. Tax & Rev., Cert. of Oblig. 2008A	(2,066,229)	1,596,631	-	469,598
Comb. Tax & Rev., Cert. of Oblig. 2010	(2,245,070)	-	1,238,770	1,006,300
Limited Tax Refunding Bonds, Series 2010	226,755	(226,755)	-	-
Limited Tax Notes, Series 2008	(102,078)	102,078	-	-
(Increase)/Decrease to Beginning Net Assets	\$ (6,218,769)	\$ 3,504,101	\$ 1,238,770	\$ 1,475,898

Also during the year, prior period adjustments were made in offsetting amounts between two governmental funds of the City in order to more accurately classify City cemetery assets. These adjustments had no effect on the overall governmental fund balance.

	Fairview Cemetery Fund	Fairview Cemetery Fund-Perm.
Fund Balance as previously stated at September 30, 2011	\$ 52,342	\$ 547,699
Reclassification of certain Fairview Cemetery funds to properly state permanent and operating fund portions	185,267	(185,267)
Fund Balance as restated at September 30, 2011	\$ 237,609	\$ 362,432



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REQUIRED SUPPLEMENTARY INFORMATION



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CITY OF BASTROP, TEXAS  
SCHEDULES OF FUNDING PROGRESS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress – Texas Municipal Retirement System Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(c)	(d)	(e)	(f)
			(a) / (b)	(a) - (b)		(d) / (e)
12/31/2009	4,607,917	6,777,032	68.0%	2,169,115	4,211,922	51.5%
12/31/2010	7,149,061	8,907,934	80.3%	1,758,873	4,284,550	41.1%
12/31/2011	8,124,527	9,958,983	81.6%	1,834,456	4,737,617	38.7%

Schedule of Funding Progress – City of Bastrop Retiree Health Care Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	Ratio of UAAL to Annual Covered Payroll
	(a)	(b)	(b) - (a)	(a) / (b)	(d)	(b-a)/d
12/31/2009	\$ -	6,261,851	6,261,851	0%	\$ 4,211,922	149%
12/31/2011	-	9,781,417	9,781,417	0%	4,737,617	206%



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

CITY OF BASTROP  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2012

	Bastrop Convention Center	Library Board Fund	Hunter's Crossing PID Fund	Fairview Cemetery Fund	Fairview Cemetery Fund - Perm.
<b>ASSETS</b>					
Cash and Cash Equivalents	\$1,023,232	\$ 6,751	\$ 68,485	\$ 210,176	\$ 383,649
Taxes Receivable	-	-	1,662	-	-
Allowance for Uncoll. Taxes	-	-	(83)	-	-
Receivables (Net)	-	-	3,812	-	-
Prepaid Items	450	-	-	-	-
<b>Total Assets</b>	<b>\$1,023,682</b>	<b>\$ 6,751</b>	<b>\$ 73,876</b>	<b>\$ 210,176</b>	<b>\$ 383,649</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 16,812	\$ 88	\$ 3,369	\$ 155	\$ -
Wages and Salaries Payable	4,972	-	-	1,304	-
Due to Other Funds	-	-	-	-	-
Due to Others	29,227	-	-	-	-
Deferred Revenues	-	-	1,579	-	-
Other Current Liabilities	824	-	-	-	-
<b>Total Liabilities</b>	<b>51,835</b>	<b>88</b>	<b>4,948</b>	<b>1,459</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
<b>Restricted For:</b>					
Cemetery	-	-	-	208,717	383,649
Public Improvement Dist.	-	-	68,928	-	-
Capital Projects	-	-	-	-	-
<b>Assigned For:</b>					
Specific Purposes	971,847	6,663	-	-	-
<b>Total Fund Balances</b>	<b>971,847</b>	<b>6,663</b>	<b>68,928</b>	<b>208,717</b>	<b>383,649</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$1,023,682</b>	<b>\$ 6,751</b>	<b>\$ 73,876</b>	<b>\$ 210,176</b>	<b>\$ 383,649</b>

Main Street Project Fund	Nonmajor Special Rev Funds	Park/Trail Dedication Fund	Gen. Oblig. Bonds 2005 Fund	Gen. Oblig. Bonds 2007 Fund	Bond Project City Hall-2008 Fund	Certificates of Oblig. 2008A	Certificates of Oblig. Series 2010
\$ 189,921	\$1,882,214	\$ 110,475	\$ 168,019	\$ 6,061	\$ -	\$ -	\$ 657,827
-	1,662	-	-	-	-	-	-
-	(83)	-	-	-	-	-	-
2,100	5,912	-	-	-	-	-	-
-	450	-	-	5,355	-	-	-
<u>\$ 192,021</u>	<u>\$1,890,155</u>	<u>\$ 110,475</u>	<u>\$ 168,019</u>	<u>\$ 11,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 657,827</u>
\$ 66,003	\$ 86,427	\$ -	\$ -	-	\$ -	\$ -	49,961
2,384	8,660	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	29,227	-	-	-	-	-	-
-	1,579	-	-	-	-	-	-
-	824	-	-	11,416	-	-	-
<u>68,387</u>	<u>126,717</u>	<u>-</u>	<u>-</u>	<u>11,416</u>	<u>-</u>	<u>-</u>	<u>49,961</u>
-	-	-	-	-	-	-	-
-	592,366	-	-	-	-	-	-
-	68,928	-	-	-	-	-	-
-	-	110,475	168,019	-	-	-	607,866
123,634	1,102,144	-	-	-	-	-	-
<u>123,634</u>	<u>1,763,438</u>	<u>110,475</u>	<u>168,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>607,866</u>
<u>\$ 192,021</u>	<u>\$1,890,155</u>	<u>\$ 110,475</u>	<u>\$ 168,019</u>	<u>\$ 11,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 657,827</u>

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CITY OF BASTROP  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012

	Gen. Oblig. Ref. & Imp. Bonds Srs.2012	Grant Fund	HUD Special Project Fund	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 79,136	\$ 1	\$ 1	\$1,021,520	\$2,903,734
Taxes Receivable	-	-	-	-	1,662
Allowance for Uncoll. Taxes	-	-	-	-	(83)
Receivables (Net)	-	216,084	-	216,084	221,996
Prepaid Items	-	-	-	5,355.00	5,805
<b>Total Assets</b>	<b>\$ 79,136</b>	<b>\$ 216,085</b>	<b>\$ 1</b>	<b>\$1,242,959</b>	<b>\$3,133,114</b>
<b>LIABILITIES &amp; FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ -	\$ 173,638	\$ 1	\$ 223,600	\$ 310,027
Wages and Salaries Payable	-	-	-	-	8,660
Due to Other Funds	2,095	3,750	-	5,845	5,845
Due to Others	-	-	-	-	29,227
Deferred Revenues	-	-	-	-	1,579
Other Current Liabilities	-	-	-	11,416	12,240
<b>Total Liabilities</b>	<b>2,095</b>	<b>177,388</b>	<b>1</b>	<b>240,861</b>	<b>367,578</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted For:					
Cemetery	-	-	-	-	592,366
Public Improvement Dist.	-	-	-	-	68,928
Capital Projects	77,041	38,697	-	1,002,098	1,002,098
Assigned For:					
Specific Purposes	-	-	-	-	1,102,144
<b>Total Fund Balances</b>	<b>77,041</b>	<b>38,697</b>	<b>-</b>	<b>1,002,098</b>	<b>2,765,536</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 79,136</b>	<b>\$ 216,085</b>	<b>\$ 1</b>	<b>\$1,242,959</b>	<b>\$3,133,114</b>

CITY OF BASTROP  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Bastrop Convention Center	Library Board Fund	Hunter's Crossing PID Fund	Fairview Cemetery Fund	Fairview Cemetery Fund - Perm.
<b>REVENUES:</b>					
Taxes:					
Property Tax	\$ -	\$ -	\$ 292,191	\$ -	\$ -
Penalty and Interest on Taxes	-	-	190	-	-
Charges for Services	221,711	-	-	-	20,400
Investment Earnings	2,099	19	232	2,479	621
Contributions & Donations	-	4,021	-	125	-
Other Revenue	7	-	-	35,299	196
<b>Total Revenues</b>	<b>223,817</b>	<b>4,040</b>	<b>292,613</b>	<b>37,903</b>	<b>21,217</b>
<b>EXPENDITURES:</b>					
Current:					
Public Works	-	-	-	66,795	-
Culture and Recreation	-	7,887	-	-	-
Building and Development	642,216	-	243,712	-	-
Debt Service:					
Long-Term Debt Principal	45,000	-	-	-	-
Long-Term Debt Interest	42,764	-	-	-	-
Debt Fees	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<b>729,980</b>	<b>7,887</b>	<b>243,712</b>	<b>66,795</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(506,163)	(3,847)	48,901	(28,892)	21,217
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	948,680	-	-	-	-
Transfers Out (Use)	(290,706)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>657,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	151,811	(3,847)	48,901	(28,892)	21,217
Fund Balance - October 1 (Beginning)	820,036	10,510	20,027	52,342	547,699
Prior Period Adjustment	-	-	-	185,267	(185,267)
<b>Fund Balance - September 30 (Ending)</b>	<b>\$ 971,847</b>	<b>\$ 6,663</b>	<b>\$ 68,928</b>	<b>\$ 208,717</b>	<b>\$ 383,649</b>

Main Street Project Fund	Nonmajor Special Rev. Funds	Park/Trail Dedication Fund	Gen. Oblig. Bonds 2005 Fund	Gen. Oblig. Bonds 2007 Fund	Bond Project City Hall-2008 Fund	Certificate of Oblig 2008A	Certificates of Oblig. Series 2010
\$ -	\$ 292,191	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	190	-	-	-	-	-	-
-	242,111	-	-	-	-	-	-
405	5,855	233	386	189	8	4	2,359
49,600	53,746	-	-	-	-	-	-
2,100	37,602	-	264,748	-	-	-	-
52,105	631,695	233	265,134	189	8	4	2,359
-	66,795	-	-	-	-	-	-
-	7,887	-	-	-	-	-	-
207,102	1,093,030	-	-	-	-	-	90,458
-	45,000	-	-	-	-	-	-
-	42,764	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	189,838	544	9,794	587,792
207,102	1,255,476	-	-	189,838	544	9,794	678,250
(154,997)	(623,781)	233	265,134	(189,649)	(536)	(9,790)	(675,891)
75,000	1,023,680	-	-	-	-	-	-
-	(290,706)	-	(183,090)	-	-	-	(457,926)
75,000	732,974	-	(183,090)	-	-	-	(457,926)
(79,997)	109,193	233	82,044	(189,649)	(536)	(9,790)	(1,133,817)
203,631	1,654,245	110,242	85,975	189,649	536	9,790	1,741,683
-	-	-	-	-	-	-	-
\$ 123,634	\$1,763,438	\$ 110,475	\$ 168,019	\$ -	\$ -	\$ -	\$ 607,866

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CITY OF BASTROP  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Gen. Oblig. Ref. Bonds Series 2012	Grant Fund	HUD Special Project Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>REVENUES:</b>					
Taxes:					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ 292,191
Penalty and Interest on Taxes	-	-	-	-	190
Charges for Services	-	-	-	-	242,111
Investment Earnings	67	-	-	3,246	9,101
Contributions & Donations	-	978,363	-	978,363	1,032,109
Other Revenue	-	-	-	264,748	302,350
Total Revenues	67	978,363	-	1,246,357	1,878,052
<b>EXPENDITURES:</b>					
Current:					
Public Works	-	-	-	-	66,795
Culture and Recreation	-	-	-	-	7,887
Building and Development	-	-	-	90,458	1,183,488
Debt Service:					
Long-Term Debt Principal	-	-	-	-	45,000
Long-Term Debt Interest	-	-	-	-	42,764
Debt Fees	205	-	-	205	205
Capital Outlay	272,821	916,698	-	1,977,487	1,977,487
Total Expenditures	273,026	916,698	-	2,068,150	3,323,626
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	(272,959)	61,665	-	(821,793)	(1,445,574)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	350,000	-	-	350,000	1,373,680
Transfers Out (Use)	-	(22,968)	-	(663,984)	(954,690)
Total Other Financing Sources (Uses)	350,000	(22,968)	-	(313,984)	418,990
Net Change in Fund Balance	77,041	38,697	-	(1,135,777)	(1,026,584)
Fund Balance - October 1 (Beginning)	-	-	-	2,137,875	3,792,120
Prior Period Adjustment	-	-	-	-	-
Fund Balance - September 30 (Ending)	\$ 77,041	\$ 38,697	\$ -	\$ 1,002,098	\$ 2,765,536



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CITY OF BASTROP  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – DEBT SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts (GAAP BASIS)	Final Budget
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 1,725,879	\$ 1,725,879	\$ 1,800,591	\$ 74,712
Penalty and Interest on Taxes	20,850	20,850	24,592	3,742
Investment Earnings	3,100	3,100	3,109	9
Other Revenue	-	-	105,653	105,653
Total Revenues	<u>1,749,829</u>	<u>1,749,829</u>	<u>1,933,945</u>	<u>184,116</u>
<b>EXPENDITURES:</b>				
Current:				
Building and Development	39,000	39,000	35,808	3,192
Debt Service:				
Long-Term Debt Principal	1,475,452	1,475,452	1,475,438	14
Long-Term Debt Interest	899,433	917,433	916,802	631
Issuance Costs and Fiscal Agent Fees	48,000	80,795	80,794	1
Total Expenditures	<u>2,461,885</u>	<u>2,512,680</u>	<u>2,508,842</u>	<u>3,838</u>
Excess (Deficiency) Revenue Over (Under) Expenditures	<u>(712,056)</u>	<u>(762,851)</u>	<u>(574,897)</u>	<u>187,954</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Refunding and Imp. Bonds Issued	-	2,015,000	2,015,000	-
Premium/Discount on Issuance of Bonds	-	152,704	152,704	-
Refunding of Bonds	-	(1,732,675)	(1,732,675)	-
Transfers In	575,340	575,340	501,098	(74,242)
Transfers Out	-	(350,000)	(350,000)	-
Total Other Financing Sources (Uses)	<u>575,340</u>	<u>660,369</u>	<u>586,127</u>	<u>(74,242)</u>
Net Change in Fund Balances	(136,716)	(102,482)	11,230	113,712
Fund Balance - Oct 1 (Beginning)	720,563	720,563	720,563	-
Fund Balance - Sept 30 (Ending)	<u>\$ 583,847</u>	<u>\$ 618,081</u>	<u>\$ 731,793</u>	<u>\$ 113,712</u>

CITY OF BASTROP  
 COMBINING SCHEDULE OF NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 SEPTEMBER 30, 2012

	Community Impact Fee Fund	Accelerated Recovery Fee Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 572,778	\$ 697,400	\$ 1,270,178
Total Current Assets	<u>572,778</u>	<u>697,400</u>	<u>1,270,178</u>
Total Assets	<u>\$ 572,778</u>	<u>\$ 697,400</u>	<u>\$ 1,270,178</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	\$ 351	\$ -	\$ 351
Total Liabilities	<u>351</u>	<u>-</u>	<u>351</u>
<b>NET ASSETS</b>			
Unrestricted Net Assets	<u>572,427</u>	<u>697,400</u>	<u>1,269,827</u>
Total Net Assets	<u>\$ 572,427</u>	<u>\$ 697,400</u>	<u>\$ 1,269,827</u>

CITY OF BASTROP  
 COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Community Impact Fee Fund	Accelerated Recovery Fee Fund	Total Nonmajor Enterprise Rev Funds
<b>OPERATING REVENUES:</b>			
Charges for Water Service	\$ 125,845	\$ 35,350	\$ 161,195
Charges for Sewerage Service	-	82,194	82,194
Other Charges for Services	-	650,000	650,000
Total Operating Revenues	125,845	767,544	893,389
<b>OPERATING EXPENSES:</b>			
Purchased Professional & Technical Services	350	-	350
Other Operating Expenses	-	128,848	128,848
Total Operating Expenses	350	128,848	129,198
Operating Income (Loss)	125,495	638,696	764,191
<b>NON-OPERATING REVENUE (EXPENSE):</b>			
Investment Earnings	1,096	1,226	2,322
Total Non-operating Revenue (Expense)	1,096	1,226	2,322
Income (Loss) Before Transfers	126,591	639,922	766,513
Non-Operating Transfer In	-	110,000	110,000
Transfer Out	-	(172,710)	(172,710)
Change in Net Assets	126,591	577,212	703,803
Total Net Assets-Oct 1 (Beginning)	445,836	120,188	566,024
Total Net Assets-Sept 30 (Ending)	\$ 572,427	\$ 697,400	\$ 1,269,827



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CITY OF BASTROP, TEXAS  
 COMBINING SCHEDULE OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Community Impact Fee Fund	Accelerated Recovery Fee Fund	Total Nonmajor Enterprise Funds
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from User Charges	\$ 125,846	\$ 767,544	\$ 893,390
Cash Payments for Other Operating Expenses	-	(128,848)	(128,848)
Net Cash Provided (Used) by Operating Activities	<u>125,846</u>	<u>638,696</u>	<u>764,542</u>
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>			
Operating Transfers In from Other Funds	-	110,000	110,000
Operating Transfers Out to Other Funds	-	(172,710)	(172,710)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>-</u>	<u>(62,710)</u>	<u>(62,710)</u>
<b><u>Cash Flows from Investing Activities:</u></b>			
Interest and Dividends on Investments	<u>1,096</u>	<u>1,226</u>	<u>2,322</u>
Net Increase in Cash and Cash Equivalents	126,942	577,212	704,154
Cash & Cash Equivalents - Beginning of Year	445,836	120,188	566,024
Prior Period Adjustment	-	-	-
Cash & Cash Equivalents - End of Year	<u>\$ 572,778</u>	<u>\$ 697,400</u>	<u>\$ 1,270,178</u>
<b><u>Reconciliation of Operating Income to Net Cash</u></b>			
<b><u>Provided by Operating Activities:</u></b>			
Operating Income:	\$ 125,495	\$ 638,696	\$ 764,191
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:			
Increase (Decrease) in Accounts Payable	<u>351</u>	<u>-</u>	<u>351</u>
Net Cash Provided (Used) for Operating Activities	<u>\$ 125,846</u>	<u>\$ 638,696</u>	<u>\$ 764,542</u>



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**STATISTICAL SECTION  
(UNAUDITED)**



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# CITY OF BASTROP, TEXAS

## STATISTICAL SECTION (UNAUDITED)

*This is part of the City of Bastrop's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.*

### **Contents**

### **Table #'s**

#### **Financial Trends**

**1-5**

These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity**

**6-12**

These tables contain information to help the reader assess the City's two most significant local revenue sources, the property and sales taxes.

#### **Debt Capacity**

**13-16**

These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

#### **Economic and Demographic Information**

**17-18**

These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

#### **Operating Information**

**19-21**

These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.

#### **Sources:**

Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

**CITY OF BASTROP, TEXAS  
NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2004	2005	2006	2007
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$ (334,163)	\$ 1,103,205	\$ 2,167,796	\$ 439,746
Restricted	3,662,778	2,969,120	3,238,650	4,087,610
Unrestricted	773,731	1,956,459	2,467,845	3,320,445
<b>Total Governmental Activities Net Assets</b>	<b>4,102,346</b>	<b>6,028,784</b>	<b>7,874,291</b>	<b>7,847,801</b>
<b>Business-type Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$ 7,517,051	\$ 7,878,931	\$ 8,786,065	\$ 9,586,381
Restricted	2,187,818	2,875,310	3,626,113	3,476,113
Unrestricted	2,754,864	2,076,100	2,124,885	5,277,302
<b>Total Business-type Activities Net Assets</b>	<b>12,459,733</b>	<b>12,830,341</b>	<b>14,537,063</b>	<b>18,339,796</b>
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt	\$ 7,182,888	\$ 8,982,136	\$ 10,953,861	\$ 10,026,127
Restricted	5,850,596	5,844,430	6,864,763	7,563,723
Unrestricted	3,528,595	4,032,559	4,592,730	8,597,747
<b>Total Primary Government Net Assets</b>	<b>16,562,079</b>	<b>18,859,125</b>	<b>22,411,354</b>	<b>26,187,597</b>

**Note: Ten years of information is not available. The City did not implement GASB 34 until fiscal year 2004.**

**TABLE 1**

Fiscal Year				
2008	2009	2010	2011	2012
\$ 1,437,927	\$ 2,155,157	\$ (4,960,857)	\$ 5,875,370	\$ 10,566,114
2,363,723	986,735	9,380,765	6,046,673	7,373,576
4,276,758	4,033,594	(236,597)	(2,389,362)	(854,428)
<u>8,078,408</u>	<u>7,175,486</u>	<u>4,183,311</u>	<u>9,532,681</u>	<u>17,085,262</u>
\$ 4,850,207	\$ 16,335,785	19,320,722	16,135,372	13,211,924
3,476,113	-	-	-	-
12,960,782	5,767,731	6,658,219	5,594,939	7,391,011
<u>21,287,102</u>	<u>22,103,516</u>	<u>25,978,941</u>	<u>21,730,311</u>	<u>20,602,935</u>
\$ 6,288,134	\$ 18,490,942	14,359,865	22,010,742	23,778,038
5,839,836	986,735	9,380,765	6,046,673	7,373,576
17,237,540	9,801,325	6,421,622	3,205,577	6,536,583
<u>29,365,510</u>	<u>29,279,002</u>	<u>30,162,252</u>	<u>31,262,992</u>	<u>37,688,197</u>

**CITY OF BASTROP, TEXAS**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST NINE FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2004	2005	2006	2007
Expenses				
Governmental Activities:				
General Government	\$ 2,066,693	\$ 2,058,056	\$ 2,706,820	\$ 3,970,038
Public Safety	1,256,910	1,346,209	1,438,822	1,603,169
Highways and Streets	1,301,190	1,229,656	1,138,460	1,329,794
Health	76,654	71,026	71,027	71,027
Conservation and Development	316,804	-	-	-
Cemetery	-	-	-	-
Interest on Long-Term Debt	569,432	678,258	603,976	620,935
Depreciation	-	381,954	273,362	523,803
Total Gov. Activities Expenses	<u>5,587,683</u>	<u>5,765,159</u>	<u>6,232,467</u>	<u>8,118,766</u>
Business-type Activities				
Water/ Wastewater Utility	\$ 2,164,120	\$ 1,936,309	\$ 1,961,082	\$ 2,226,170
Electric Utility	3,990,147	4,177,324	5,150,081	4,567,889
Other Nonmajor	-	-	190	25,166
Total Business-type Act. Expenses	<u>6,154,267</u>	<u>6,113,633</u>	<u>7,111,353</u>	<u>6,819,225</u>
Total Primary Gov. Expenses	<u>\$ 11,741,950</u>	<u>\$ 11,878,792</u>	<u>\$ 13,343,820</u>	<u>\$ 14,937,991</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 53,838	\$ 72,756	\$ 57,761	\$ 21,075
Public safety	186,189	190,784	246,568	319,321
Public Works	-	-	-	-
Health	-	-	-	-
Operating Grants and Contributions	829,881	776,857	1,093,585	1,170,248
Capital Grants and Contributions	-	-	-	-
Total Gov. Activities Program Revenues	<u>1,069,908</u>	<u>1,040,397</u>	<u>1,397,914</u>	<u>1,510,644</u>
Business-type Activities:				
Charges for Services:				
Water/ Wastewater Utility	\$ 1,901,192	\$ 2,240,708	\$ 2,442,952	\$ 2,209,693
Electric Utility	4,480,131	4,742,202	5,967,713	5,473,645
Other Nonmajor	-	-	-	-
Total Business-type Act. Prog. Revenues	<u>6,381,323</u>	<u>6,982,910</u>	<u>8,410,665</u>	<u>7,683,338</u>
Total Primary Gov. Prog. Revenues	<u>7,451,231</u>	<u>8,023,307</u>	<u>9,808,579</u>	<u>9,193,982</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (4,517,775)	\$ (4,724,762)	\$ (4,834,553)	\$ (6,608,122)
Business-type Activities	227,056	869,277	1,299,312	864,113
Total Primary Government Net Expense	<u>(4,290,719)</u>	<u>(3,855,485)</u>	<u>(3,535,241)</u>	<u>(5,744,009)</u>

**Note: Ten years of information is not available. The City did not implement GASB 34 until fiscal year 2004.**

**TABLE 2**

Fiscal Year				
2008	2009	2010	2011	2012
\$ 4,607,153	\$ 5,150,600	\$ 6,394,947	\$ 6,295,882	\$ 8,045,054
1,816,490	2,356,890	2,464,313	2,648,635	2,792,144
1,411,904	1,567,019	1,773,439	1,997,802	1,983,502
71,026	79,169	76,812	75,991	78,982
-	-	-	-	-
-	15,816	-	-	-
738,485	810,338	986,607	1,403,348	1,065,553
480,223	-	-	-	-
<u>9,125,281</u>	<u>9,979,831</u>	<u>11,696,118</u>	<u>12,421,658</u>	<u>13,965,235</u>
\$ 2,443,594	\$ 2,654,152	\$ 2,790,906	\$ 3,061,719	\$ 3,174,942
5,437,279	6,049,776	5,727,753	5,871,322	6,198,430
83,312	3,619	67,305	19,207	129,198
<u>7,964,185</u>	<u>8,707,547</u>	<u>8,585,964</u>	<u>8,952,248</u>	<u>9,502,570</u>
<u>\$ 17,089,466</u>	<u>\$ 18,687,378</u>	<u>\$ 20,282,082</u>	<u>\$ 21,373,906</u>	<u>\$ 23,467,805</u>
\$ 40,943	\$ 1,087,944	\$ 1,255,484	\$ 1,318,457	\$ 1,351,258
422,094	295,240	256,551	275,307	230,014
-	-	-	65,615	69,011
-	27,932	-	-	-
854,313	91,918	249,725	393,095	200,007
-	577,643	-	173,903	3,404,918
<u>1,317,350</u>	<u>2,080,677</u>	<u>1,761,760</u>	<u>2,226,377</u>	<u>5,255,208</u>
\$ 2,764,742	\$ 3,111,828	\$ 3,071,126	\$ 3,445,382	\$ 3,610,941
6,231,334	7,071,534	6,771,854	6,966,650	7,395,021
-	295,177	195,354	96,354	893,389
<u>8,996,076</u>	<u>10,478,539</u>	<u>10,038,334</u>	<u>10,508,386</u>	<u>11,899,351</u>
<u>10,313,426</u>	<u>12,559,216</u>	<u>11,800,094</u>	<u>12,734,763</u>	<u>17,154,559</u>
\$ (7,807,931)	\$ (7,899,154)	\$ (9,934,358)	\$ (10,195,281)	\$ (8,710,027)
1,031,891	1,770,992	1,452,370	1,556,138	2,396,781
<u>(6,776,040)</u>	<u>(6,128,162)</u>	<u>(8,481,988)</u>	<u>(8,639,143)</u>	<u>(6,313,246)</u>

**CITY OF BASTROP, TEXAS  
GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS  
LAST NINE FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2004	2005	2006	2007
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (4,517,775)	\$ (4,724,762)	\$ (4,834,553)	\$ (6,608,122)
Business-type Activities	(492,263)	161,283	739,891	382,799
Total Primary Government Net Expense	(5,010,038)	(4,563,479)	(4,094,662)	(6,225,323)
<b>Governmental Revenues and Other Changes in Net Assets</b>				
Governmental Activities:				
Taxes				
Property Taxes	1,621,921	2,131,451	2,327,827	2,846,719
Sales Taxes	1,750,107	1,806,297	2,023,820	2,170,754
Franchise Fees	246,776	267,733	295,488	294,684
Other Taxes	194,473	216,364	654,821	1,837,439
Penalty and Interest	41,205	54,303	47,267	61,700
Grants and Contributions Not Rest.	78,841	-	-	-
Miscellaneous Revenue	1,129,994	1,253,132	653,367	645,063
Investment Earnings	104,518	150,622	300,993	392,083
Special Item - Resource	-	-	-	-
Special Item (Use)	-	-	-	-
Transfers In (Out)	681,564	853,314	376,477	(1,666,810)
Total Governmental Activities	5,849,399	6,733,216	6,680,060	6,581,632
Business-type Activities:				
Sales Taxes	-	-	1,110,377	1,085,214
Miscellaneous Revenue	915,879	927,986	-	298,016
Investment Earnings	66,536	134,657	232,931	369,894
Transfers In (Out)	(681,564)	(853,314)	(376,477)	1,666,810
Total Business-type Activities	300,851	209,329	966,831	3,419,934
Total Primary Government	\$ 6,150,250	\$ 6,942,545	\$ 7,646,891	\$ 10,001,566
<b>Change in Net Assets</b>				
Governmental Activities	\$ 1,331,624	\$ 2,008,454	\$ 1,845,507	\$ (26,490)
Business-type Activities	(191,412)	370,612	1,706,722	3,802,733
Total Primary Government	\$ 1,140,212	\$ 2,379,066	\$ 3,552,229	\$ 3,776,243

**Note: Ten years of information is not available. The City did not implement GASB 34 until fiscal :**

**TABLE 3**

Fiscal Year				
2008	2009	2010	2011	2012
\$ (7,807,931)	\$ (7,899,154)	\$ (9,934,358)	\$ (10,195,282)	\$ (8,710,027)
293,518	1,626,056	1,452,370	1,556,138	2,396,781
(7,514,413)	(6,273,098)	(8,481,988)	(8,639,144)	(6,313,246)
2,842,170	3,182,745	3,362,419	3,557,551	3,947,319
2,371,361	2,508,969	2,606,584	2,722,333	3,194,452
350,299	365,838	375,077	404,582	431,129
2,119,224	2,202,096	2,172,473	2,512,219	2,568,635
66,304	63,574	73,518	58,562	72,164
-	91,076	122,691	98,733	-
693,273	135,334	511,770	296,242	892,755
266,109	97,964	76,892	31,639	86,562
-	47,821	37,782	40,431	44,774
-	4,423	4,065	3,179	7,344
(670,202)	(1,431,720)	(2,401,089)	928,594	(1,201,295)
8,038,538	7,268,120	6,942,182	10,654,065	10,043,839
1,185,502	-	-	-	-
505,558	230,872	-	-	3,353
292,526	68,051	21,968	14,412	14,066
670,202	1,251,118	2,401,088	(928,594)	1,201,295
2,653,788	1,550,041	2,423,056	(914,182)	1,218,714
\$ 10,692,326	\$ 8,818,161	\$ 9,365,238	\$ 9,739,883	\$ 11,262,553
\$ 230,607	\$ (631,034)	\$ (2,992,176)	\$ 458,783	\$ 1,333,812
2,947,306	3,176,097	3,875,426	641,956	3,615,495
\$ 3,177,913	\$ 2,545,063	\$ 883,250	\$ 1,100,739	\$ 4,949,307

**CITY OF BASTROP, TEXAS**  
**FUND BALANCE OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2003	2004	2005	2006
<b>General Fund</b>				
Restricted	\$ -	\$ 66,687	\$ 63,959	\$ 73,028
Unrestricted	1,132,060	957,362	1,480,793	1,557,114
<b>Total General Fund</b>	<b>\$ 1,132,060</b>	<b>\$ 1,024,049</b>	<b>\$ 1,544,752</b>	<b>\$ 1,630,142</b>
 <b>All Other Governmental Funds</b>				
Restricted, Reported in:				
Capital Projects Funds	\$ 1,778,056	\$ 3,382,800	\$ 2,346,918	\$ 2,369,074
Debt Service Fund	-	-	253,019	469,859
Other Restricted	613,186	190,933	-	-
Unrestricted, Reported in:				
Special Revenue Funds	804,138	112,220	618,299	1,031,658
<b>Total All Other Governmental Funds</b>	<b>\$ 3,195,380</b>	<b>\$ 3,685,953</b>	<b>\$ 3,218,236</b>	<b>\$ 3,870,591</b>

**TABLE 4**

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 76,039	\$ 77,637	\$ -	\$ -	\$ -	\$ -
2,048,836	2,277,834	2,187,883	2,515,443	2,059,480	3,294,416
<u>\$ 2,124,875</u>	<u>\$ 2,355,471</u>	<u>\$ 2,187,883</u>	<u>\$ 2,515,443</u>	<u>\$ 2,059,480</u>	<u>\$ 3,294,416</u>
\$ 2,613,207	\$ -	\$ -	\$ -	\$ -	\$ -
1,006,310	986,734	-	-	-	-
-	-	5,604,401	9,380,765	5,926,375	7,269,212
1,555,496	3,168,641	2,412,513	167,536	1,034,177	1,102,144
<u>\$ 5,175,013</u>	<u>\$ 4,155,375</u>	<u>\$ 8,016,914</u>	<u>\$ 9,548,301</u>	<u>\$ 6,960,552</u>	<u>\$ 8,371,356</u>

**CITY OF BASTROP, TEXAS**  
**FUND BALANCE OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2003	2004	2005	2006
<b>Revenues</b>				
Ad valorem taxes	\$ 1,481,755	\$ 1,646,411	\$ 2,085,093	\$ 2,313,000
Sales taxes	1,695,536	1,750,107	1,806,297	2,071,087
Franchise fees	243,074	246,776	267,733	295,488
Other Taxes	164,146	194,473	216,364	654,823
Licenses and permits	207,748	193,058	244,255	220,954
Intergovernmental	1,149,156	829,881	1,184,579	1,163,671
Service fees	-	69,920	102,890	57,761
Fines and penalties	161,652	170,107	190,784	246,568
Interest income	124,357	104,518	150,623	300,993
Miscellaneous income	522,585	1,015,777	516,357	364,415
<b>Total Revenues</b>	<b>5,750,009</b>	<b>6,221,028</b>	<b>6,764,975</b>	<b>7,688,760</b>
<b>Expenditures</b>				
General Government	1,081,263	1,661,727	2,060,116	2,690,940
Public Safety	1,338,340	1,164,624	1,324,954	1,432,584
Urban development	344,600	364,569	71,026	71,027
Public Works	865,111	1,205,653	1,230,479	1,132,222
Community Service	505,593	-	-	-
Capital Outlay	4,729,944	3,169,528	2,126,856	3,092,448
Debt Service				
Principal	872,372	492,329	596,099	738,211
Interest and fiscal charges		417,686	590,773	624,056
Bond issuance costs	-	151,116	-	-
<b>Total Expenditures</b>	<b>9,737,223</b>	<b>8,627,232</b>	<b>8,000,303</b>	<b>9,781,488</b>
Excess of Revenues				
Over (Under) Expenditures	(3,987,214)	(2,406,204)	(1,235,328)	(2,092,728)
<b>Other Financing Sources (Uses)</b>				
Transfers In	3,485,460	3,781,593	1,045,215	979,165
Transfers Out	(3,361,133)	(3,100,029)	(191,901)	(602,688)
Issuance of long-term debt	42,382	2,685,000	435,000	2,453,996
Premium or discount on bonds issued	-	-	-	-
Other resources	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Sale of capital assets	1,521	-	-	-
<b>Total Other Financing</b>				
Sources (Uses)	168,230	3,366,564	1,288,314	2,830,473
<b>Net Change in Fund Balances</b>	<b>(3,818,984)</b>	<b>960,360</b>	<b>52,986</b>	<b>737,745</b>
Debt Service as a Percentage of Noncapital Expenditures	21.1%	24.1%	25%	25.6%

**TABLE 5**

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 2,904,316	\$ 2,908,474	\$ 3,326,158	\$ 3,668,631	\$ 3,859,531	\$ 4,266,992
2,170,754	2,371,361	2,508,969	2,606,584	2,722,333	3,194,452
294,684	350,299	365,838	375,077	404,582	431,129
1,837,439	2,119,224	2,202,096	1,970,512	2,247,985	2,276,444
242,043	235,490	150,664	104,149	97,305	135,408
1,230,269	854,313	1,614,689	1,231,197	1,691,978	1,625,928
21,075	40,943	72,172	70,418	90,526	278,350
319,321	422,094	323,673	324,465	346,568	366,040
392,084	266,109	97,964	76,854	31,640	26,315
371,146	457,763	145,889	667,249	394,975	2,124,631
9,783,131	10,026,070	10,808,112	11,095,136	11,887,423	14,725,689
3,961,515	4,594,555	1,805,523	2,233,336	2,591,833	2,659,338
1,599,829	1,804,708	2,470,393	2,196,265	2,433,848	2,776,805
71,027	71,027	2,074,168	3,035,287	2,430,328	2,818,297
1,326,446	1,420,520	1,505,497	1,640,182	2,355,876	1,808,697
-	-	560,947	555,892	609,360	650,615
2,700,721	2,230,134	836,126	2,155,806	3,470,556	2,577,411
897,461	1,129,328	1,066,729	1,457,967	1,519,243	1,520,438
585,168	749,638	954,646	913,096	1,336,096	959,566
-	-	181,008	89,113	138,005	202,779
11,142,167	11,999,910	11,455,037	14,276,944	16,885,145	15,973,946
(1,359,036)	(1,973,840)	(646,925)	(3,181,808)	(4,997,722)	(1,248,257)
2,009,370	1,338,208	1,218,690	1,127,753	2,657,927	2,673,323
(3,676,179)	(2,008,410)	(2,650,410)	(3,528,663)	(1,729,333)	(3,874,618)
4,825,000	1,855,000	6,135,000	7,400,000	4,260,000	6,315,000
-	-	121,803	-	179,469	460,848
-	-	47,821	37,782	40,431	44,774
-	-	-	-	(4,300,560)	(1,732,675)
-	-	4,423	4,065	3,179	7,344
3,158,191	1,184,798	4,877,327	5,040,937	1,111,113	3,893,996
1,799,155	(789,042)	4,230,402	1,859,129	(3,886,609)	2,645,739
21.3%	23.8%	17.6%	20.8%	21.5%	22.2%



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**CITY OF BASTROP, TEXAS  
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS (UNAUDITED)**

**TABLE 6**

<u>Fiscal Year</u>	<u>Ad Valorem Taxes</u>	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Total</u>
2003	1,481,755	1,695,536	243,074	3,420,365
2004	1,646,411	1,750,107	246,776	3,643,294
2005	2,085,093	1,806,297	267,733	4,159,123
2006	2,313,000	2,071,087	295,488	4,679,575
2007	2,904,316	2,170,754	294,684	5,369,754
2008	2,908,474	2,371,361	350,299	5,630,134
2009	3,182,745	2,508,969	365,838	6,057,552
2010	3,326,419	2,606,584	375,077	6,308,080
2011	3,800,968	2,722,333	404,582	6,927,883
2012	4,266,993	3,194,452	431,129	7,892,573
Percent Change 2003-2012	\$ 2,785,238 119.4%	\$ 1,498,916 173.9%	\$ 188,055 199.5%	\$ 4,472,208 141.1%

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

Fiscal Year	Tax Year	Real Property	Personal Property	Less Exempt Property	Less Other (1)
2003	2002	343,949,989	48,049,418	(59,179,425)	(12,263,732)
2004	2003	406,434,378	54,184,997	(66,240,121)	(15,653,045)
2005	2004	433,516,029	55,363,950	(68,452,695)	(15,207,526)
2006	2005	467,903,215	66,190,272	(85,281,715)	(51,859,246)
2007	2006	534,005,461	67,961,872	(95,264,326)	(59,591,491)
2008	2007	574,267,963	74,825,034	(103,636,206)	(62,093,889)
2009	2008	642,672,510	92,109,942	(110,409,715)	(75,953,047)
2010	2009	683,627,607	83,978,203	(117,951,584)	(82,207,662)
2011	2010	749,216,172	82,203,043	(135,123,943)	(89,217,278)
2012	2011	779,056,911	81,672,766	(146,849,465)	(86,623,396)

Source: Central Appraisal District of Bastrop County certified roll

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

**TABLE 7**

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
320,556,250	0.4570	320,556,250	100.00%
378,726,209	0.4282	378,726,209	100.00%
405,219,758	0.5011	405,219,758	100.00%
396,952,526	0.5277	396,952,526	100.00%
447,111,516	0.5835	447,111,516	100.00%
483,362,902	0.5350	483,362,902	100.00%
548,419,690	0.5540	548,419,690	100.00%
567,446,564	0.5540	567,446,564	100.00%
607,077,994	0.0554	607,077,994	100.00%
627,256,816	0.0584	627,256,816	100.00%



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

**TABLE 8**

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
2003	0.2043	0.2527	0.4570	1.6080	0.6061	\$ -
2004	0.1992	0.2290	0.4282	1.6430	0.6061	\$ -
2005	0.2050	0.2961	0.5011	1.7420	0.6334	\$ 226.00
2006	0.1902	0.3375	0.5277	1.7280	0.6383	\$ 226.00
2007	0.1834	0.4001	0.5835	1.6221	0.6283	\$ 226.00
2008	0.1952	0.3398	0.5350	1.5010	0.6192	\$ 226.00
2009	0.1992	0.3548	0.5540	1.4810	0.6192	\$ 238.00
2010	0.2292	0.3248	0.5540	1.4810	0.6192	\$ 271.00
2011	0.2889	0.2651	0.5540	1.4810	0.6192	\$ 289.52
2012	0.3203	0.2637	0.5840	1.4810	0.6175	\$ 308.16

(1) Source: City of Bastrop Budget

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

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

Taxpayer	2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bastrop Retail Partners	\$ 18,659,608	1	2.97%
Walmart	\$ 15,662,922	2	2.50%
The Home Depot	\$ 10,395,573	3	1.66%
METS Properties LP	\$ 9,555,000	4	1.52%
H E Butt Grocery Company	\$ 8,777,034	5	1.40%
Covert Chevrolet	\$ 8,336,228	6	1.33%
Six Walnut Ridge Apartments	\$ 8,250,000	7	1.32%
Lowe's Home Centers Inc	\$ 6,800,000	8	1.08%
First National Bank of Bastrop	\$ 6,270,000	9	1.00%
Soft Hotels LLC	\$ 5,422,397	10	0.86%
Total	\$ 98,128,762		15.64%

(1) Source: Central Appraisal District of Bastrop County

**TABLE 9**

---

2002		
<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
\$ 11,509,315	2	3.59%
\$ -		
\$ 5,384,312	3	1.68%
\$ 11,875,984	1	3.70%
\$ 2,092,449	10	0.65%
<hr/> <u>\$ 30,862,060</u>		<hr/> <u>9.63%</u>

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

**TABLE 10**

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	1,473,961	1,403,218	95.20%	39,966	1,443,184	97.91%
2004	1,576,302	1,558,316	98.86%	17,138	1,575,454	99.95%
2005	2,039,296	1,958,417	96.03%	58,447	2,016,864	98.90%
2006	2,301,006	2,216,887	96.34%	69,415	2,286,303	99.36%
2007	2,819,407	2,749,328	97.51%	51,566	2,800,895	99.34%
2008	2,800,288	2,736,004	97.70%	69,955	2,805,959	100.20%
2009	3,278,876	3,185,516	97.15%	71,310	3,256,826	99.33%
2010	3,404,859	3,327,953	97.74%	42,411	3,370,364	98.99%
2011	3,609,482	3,517,945	97.46%	43,787	3,561,732	98.68%
2012	3,774,158	3,863,585	102.37%	-	3,863,585	102.37%

Source: Tax-Assessor/Collector Annual Report

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

**TABLE 11**

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<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Bastrop Economic Development Corporation</u>	<u>Bastrop County</u>
2003	1.50%	0.50%	0.50%
2004	1.50%	0.50%	0.50%
2005	1.50%	0.50%	0.50%
2006	1.50%	0.50%	0.50%
2007	1.50%	0.50%	0.50%
2008	1.50%	0.50%	0.50%
2009	1.50%	0.50%	0.50%
2010	1.50%	0.50%	0.50%
2011	1.50%	0.50%	0.50%
2012	1.50%	0.50%	0.50%

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

Fiscal Year	General Bonded Debt			Business-type Activities	
	General			Tax & Revenue	
	Obligation Bonds	Tax Notes	Certificates of Obligation	Refunding Bonds	Certificates of Obligations
2003	\$ 12,633,829	\$ -	\$ -	\$ -	\$ -
2004	\$ 16,067,307	\$ -	\$ -	\$ -	\$ -
2005	\$ 18,474,826	\$ -	\$ -	\$ -	\$ -
2006	\$ 17,294,410	\$ 244,986	\$ -	\$ -	\$ -
2007	\$ 18,301,929	\$ 210,028	\$ 4,392,476	\$ -	\$ -
2008	\$ 16,921,679	\$ 901,817	\$ 4,167,729	\$ -	\$ 1,772,530
2009	\$ 19,169,975	\$ 631,741	\$ 3,871,132	\$ 604,482	\$ 7,190,976
2010	\$ 17,797,138	\$ 473,072	\$ 1,848,435	\$ 570,344	\$ 17,887,129
2011	\$ 15,710,244	\$ 349,047	\$ 1,939,055	\$ 529,930	\$ 16,998,811
2012	\$ 14,430,240	\$ 218,856	\$ 11,435,550	\$ 6,496,527	\$ 6,634,755

Fiscal Year	Total Primary Government	Total All Government	Population	Per Capita Income (1)	Personal Income
2003	\$ 12,633,829	\$ 12,633,829	5,901	\$ 20,982	\$ 123,814,782
2004	\$ 16,067,307	\$ 16,067,307	6,088	\$ 21,542	\$ 131,147,696
2005	\$ 18,474,826	\$ 18,495,880	6,275	\$ 22,102	\$ 138,690,050
2006	\$ 17,539,396	\$ 20,181,037	6,462	\$ 22,662	\$ 146,441,844
2007	\$ 22,904,433	\$ 25,423,644	6,649	\$ 23,222	\$ 154,403,078
2008	\$ 23,763,755	\$ 26,026,918	6,836	\$ 23,782	\$ 162,573,752
2009	\$ 31,468,306	\$ 36,774,670	7,023	\$ 24,337	\$ 170,918,751
2010	\$ 38,576,118	\$ 44,983,475	7,218	\$ 26,527	\$ 191,471,886
2011	\$ 35,527,087	\$ 41,407,363	7,306	\$ 28,507	\$ 208,272,142
2012	\$ 39,215,928	\$ 44,584,162	7,394	\$ 29,077	\$ 214,995,338

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

**TABLE 12**

Other Governmental Activities Debt		
Certificate of Obligations	General Obligation Bonds	Tax & Revenue Refunding Bonds
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
\$ -	\$ -	\$ 21,054
\$ -	\$ -	\$ 2,641,641
\$ -	\$ -	\$ 2,519,211
\$ -	\$ -	\$ 2,263,163
\$ 758,027	\$ 2,538,615	\$ 2,009,722
\$ 2,252,990	\$ 2,395,249	\$ 1,759,118
\$ 2,148,171	\$ 2,225,523	\$ 1,506,582
\$ 2,062,847	\$ 2,052,813	\$ 1,252,574

**Percentage of Outstanding Debt**

Percentage of Outstanding Debt to Personal Income	Outstanding Debt Per Capita
0.00%	\$ 2,140.96
0.00%	\$ 2,639.18
0.02%	\$ 2,944.20
1.80%	\$ 2,714.24
1.63%	\$ 3,444.79
1.39%	\$ 3,476.27
1.18%	\$ 4,480.75
0.92%	\$ 5,344.43
0.72%	\$ 4,862.73
0.58%	\$ 5,303.75

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

**TABLE 13**

Fiscal Year	General Bonded Debt Outstanding				Percentage Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Tax Notes	Certificates of Obligation	Total		
2003	\$ 12,633,829	\$ -	\$ -	\$ 12,633,829	3.94%	\$ 2,141
2004	\$ 16,067,307	\$ -	\$ -	\$ 16,067,307	4.24%	\$ 2,639
2005	\$ 18,474,826	\$ -	\$ -	\$ 18,474,826	4.56%	\$ 2,944
2006	\$ 17,294,410	\$ 244,986	\$ -	\$ 17,539,396	4.42%	\$ 2,714
2007	\$ 18,301,929	\$ 210,028	\$ 4,392,476	\$ 22,904,433	5.12%	\$ 3,445
2008	\$ 16,921,679	\$ 901,817	\$ 4,167,729	\$ 21,991,225	4.55%	\$ 3,217
2009	\$ 19,169,975	\$ 631,741	\$ 3,871,132	\$ 23,672,848	4.32%	\$ 3,371
2010	\$ 17,797,138	\$ 473,072	\$ 1,848,435	\$ 20,118,645	3.55%	\$ 2,787
2011	\$ 15,710,244	\$ 349,047	\$ 1,939,055	\$ 17,998,346	2.96%	\$ 2,464
2012	\$ 14,430,240	\$ 218,856	\$ 11,435,550	\$ 26,084,646	4.16%	\$ 3,528

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

**TABLE 14**

Taxing Jurisdiction	Total Tax Supported Debt	Estimated % Applicable	City's Overlapping Tax Supported Debt as of 09/30/2012	Subtotals
City of Bastrop	\$ 12,495,626 (1)	100.00%	\$ 12,495,626	
Total Direct Debt				\$ 12,495,626
Bastrop County	\$ 37,955,000	16.26%	\$ 6,171,483	
Bastrop Independent School District	\$ 177,723,590	24.59%	\$ 43,702,231	
Total Indirect Debt				\$ 49,873,714
Total Direct and Overlapping Tax Supported Debt				\$ 62,369,340
Ratio of Direct and Overlapping Bonded Debt to Taxable Assessed Valuation				9.94%
Per Capita Direct and Overlapping Debt				\$ 8,316

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

(1) Excludes self-supporting and ad valorem tax debt.

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

	2003	2004	2005	2006
Assessed Valuation	\$320,556,250	\$378,726,209	\$405,219,758	\$396,952,526
Limit on Amount Designated for Debt Service:				
\$1.50 per \$100 assessed valuation	x 1.5	x 1.5	x 1.5	x 1.5
Legal Annual Maximum Debt Payment	\$ 4,808,344	\$ 5,680,893	\$ 6,078,296	\$ 5,954,288
Actual Amount Expended for General Obligation Debt Service During the Fiscal Year	775,117	798,316	1,161,872	1,292,267
Legal Debt Margin for Annual Debt Service Requirements	\$ 4,033,227	\$ 4,882,577	\$ 4,916,424	\$ 4,662,021
Total Net Debt Applicable to the Limit As a percentage of Debt Limit	16.12%	14.05%	19.12%	21.70%

Source: Central Appraisal District of Bastrop County  
Audited Financial Statements of the City of Bastrop

**TABLE 15**

2007	2008	2009	2010	2011	2012
\$447,111,516	\$483,362,902	\$548,419,690	\$567,446,564	\$607,077,994	\$627,256,816
x 1.5					
\$ 6,706,673	\$ 7,250,444	\$ 8,226,295	\$ 8,511,698	\$ 9,106,170	\$ 9,408,852
1,476,257	1,878,966	2,039,796	1,900,868	1,871,190	2,508,842
\$ 5,230,416	\$ 5,371,478	\$ 6,186,499	\$ 6,610,830	\$ 7,234,980	\$ 6,900,010
22.01%	25.92%	24.80%	22.33%	20.55%	26.66%



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

**TABLE 16**

<u>Fiscal Year</u>	<u>Gross Revenue (1)</u>	<u>Less: Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements- Principal + Interest</u>	<u>Revenue Bond Coverage</u>
2003	1,637,112	1,353,415	283,697	317,313	0.894
2004	1,940,287	1,663,648	276,639	314,725	0.879
2005	2,259,182	1,527,537	731,645	332,764	2.199
2006	2,502,526	1,563,948	938,578	300,788	3.120
2007	2,288,916	1,810,031	478,885	41,187	11.627
2008	2,842,989	2,027,077	815,912	243,666	3.348
2009	3,236,870	2,033,125	1,203,745	389,082	3.094
2010	3,071,126	2,603,978	467,148	438,917	1.064
2011	3,445,382	2,524,850	920,532	497,170	1.852
2012	3,610,941	2,443,648	1,167,293	361,106	3.233

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

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

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

	2003	2004	2005	2006
Population (1)	5,901	6,088	6,275	6,462
Median Household Income (1)	\$ 44,138	\$ 46,101	\$ 48,064	\$ 50,027
Per Capita Income (1)	\$ 20,982	\$ 21,542	\$ 22,102	\$ 22,662
Median Age	36.3	36.3	33.4	33.4
Education Level in Years of Schooling (at 18 years and over) (2)				
Less than high school graduate	653	653	653	653
High school graduate (or equivalent)	1259	1259	1259	1259
Some college, no degree	1002	1144	1427	1427
Associate degree or higher	146	150	155	155
Bachelor's degree or higher	623	668	700	715
Graduate degree or higher	430	430	430	430
School Enrollment (3)	4,975	4,975	4,503	4,577
Unemployment Rate (4)	6.8%	5.3%	4.9%	4.4%

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

**(2) US Census Bureau - American Community Survey 5 yr. Est. 2007-2011**

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

**Commission website**

**([www.twc.state.tx.us](http://www.twc.state.tx.us)). Bastrop County rate only one available.**

**TABLE 17**

2007	2008	2009	2010	2011	2012
6,649	6,836	7,023	7,218	7,306	7,394
\$ 51,990	\$ 53,953	\$ 55,919	\$ 56,003	\$ 56,083	\$ 57,205
\$ 23,222	\$ 23,782	\$ 24,337	\$ 26,527	\$ 28,507	\$ 29,077
33.4	33.4	33.4	33.4	33.4	33.6
670	670	670	670	670	670
1291	1291	1291	1291	1291	1291
1626	1626	1626	1626	1626	1626
190	190	190	190	190	190
717	717	717	717	717	717
459	459	459	459	459	459
4,597	4,658	4,825	4,825	4,344	3,949
4.2%	5.4%	8.1%	7.8%	8.6%	7.8%



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

**TABLE 18**

Employer	2012			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Bastrop ISD	1,230	1	11.90%	1,089	1	10.18%
Hyatt Regency Lost Pines	735	2	7.11%			
Bastrop County	483	3	4.67%	347	3	3.24%
Walmart	400	4	3.87%	405	2	3.79%
MD Anderson	386	5	3.73%	300	4	2.80%
Bastrop FCI	284	6	2.75%	270	5	2.52%
HEB Food Stores	280	7	2.71%	250	6	2.34%
Bluebonnet Electric Co-op	147	8	1.42%			
Lowe's	138	9	1.34%			
LCRA	126	10	1.22%			
City of Bastrop				84	10	0.79%
Covert Chevrolet				93	8	0.87%
Colovista Country Club				92	9	0.86%
Bio-crest/ Stratagene				125	7	1.17%
<b>Total</b>	<b>4,209</b>		<b>40.73%</b>	<b>3,055</b>		<b>28.56%</b>

Source: Bastrop Chamber of Commerce

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

Function/Program	Full-Time Equivalent Employees as of Year End			
	2003	2004	2005	2006
<b>General Government</b>				
City Manager's Office	2.00	2.00	2.00	2.00
City Secretary	1.00	1.00	1.00	1.00
Finance	4.00	4.00	4.00	4.00
Utility Billing	4.00	4.00	6.00	6.00
Human Resources	1.00	1.00	1.00	1.00
Information Technology	0.00	0.00	0.00	0.00
Municipal Court	3.50	4.00	4.00	4.00
Building Maintenance	2.00	2.00	2.50	3.00
<b>Police Department</b>				
Officers	18.00	18.00	19.00	20.00
Civilian	2.50	2.50	2.50	2.50
Code Enforcement	0.00	0.00	0.00	0.00
Animal Control	1.00	1.00	1.00	1.00
<b>Development Services</b>				
Planning	3.00	3.00	3.00	4.00
Building Inspections	1.00	1.00	1.00	1.00
<b>Public Works</b>				
Administration	2.00	2.00	2.00	2.00
Streets	9.00	10.00	10.00	10.00
Other	1.00	1.00	1.00	1.00
<b>Community Services</b>				
Parks Department	4.00	7.00	8.00	9.00
Library	5.90	6.93	6.93	8.30
<b>Proprietary Funds</b>				
Water/ Wastewater	11.00	13.00	13.00	13.00
Electric	8.00	9.00	9.00	9.00
<b>Other Funds</b>				
Convention Center	0.00	0.00	0.00	0.00
Economic Development Corp.	2.00	2.00	2.00	2.00
Fairview Cemetery	0.00	0.00	0.00	0.00
Main Street	0.00	0.00	0.00	0.00
<b>Total</b>	<b>85.90</b>	<b>94.43</b>	<b>98.93</b>	<b>103.80</b>

**TABLE 19**

Full-Time Equivalent Employees as of Year End					
2007	2008	2009	2010	2011	2012
2.00	2.00	2.00	2.00	2.60	2.60
1.00	1.00	1.00	1.00	1.00	1.00
4.00	4.00	4.00	4.00	4.30	4.30
5.00	7.00	7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.10	1.00	1.00
0.00	0.00	0.00	1.00	1.00	1.00
4.00	4.50	4.50	4.50	5.50	5.50
3.00	3.00	3.00	3.00	4.00	4.00
20.00	20.00	20.00	20.00	20.00	20.00
2.50	2.50	2.50	2.50	2.50	2.50
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
4.00	4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.20	2.20
10.00	10.00	10.00	10.00	10.00	10.00
0.00	0.00	1.40	0.40	0.00	0.00
9.00	9.00	9.60	9.60	11.00	11.00
8.30	8.30	8.30	8.80	9.80	9.80
12.00	12.00	12.00	12.00	13.00	13.00
8.00	9.00	9.00	9.00	9.00	9.00
0.00	0.00	0.00	0.00	4.00	4.20
2.00	2.00	2.00	2.00	2.00	2.00
0.00	0.00	0.00	0.00	0.50	0.50
1.00	1.00	1.00	1.00	1.00	1.00
<u>101.80</u>	<u>105.30</u>	<u>107.30</u>	<u>107.90</u>	<u>118.40</u>	<u>118.60</u>

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

Function/Program	2003	2004	2005	2006
<b>General Government</b>				
Building Permits Issued	263	224	264	265
Building Permits Value (thousands)	\$ 24,746,962	\$ 11,321,612	\$ 33,295,000	\$ 23,321,074
<b>Police</b>				
Physical Arrests	837	860	798	848
Violations Issued	4,791	6,613	6,361	5,404
Accident Investigations	422	357	367	373
<b>Fire</b>				
Incident Volume	359	374	404	720
Priority Calls Answered	192	199	197	324
<b>Court</b>				
Cases Filed	-	-	-	-
Warrants Issued	-	-	-	-
<b>Public Works</b>				
Paved Streets (miles)	48	48	49	49
Open Drainage Ditches (miles)	52	52	52	52
Storm Sewer Lines (miles)	63	63	65	65
Number of Street Signs	1,375	1,380	1,380	1,380
<b>Parks and Recreation</b>				
Pavillion Rentals	30	30	86	86
New Trees Planted	135	135	313	313
Special Events	16	16	16	16
<b>Library</b>				
Volumes in Collection	32,116	35,198	37,455	39,180
Total Circulation	135,992	132,986	128,211	115,172
Story Time & Program Attendance	6,073	6,078	5,170	4,743
<b>Water</b>				
Number of Connections	2,268	2,464	2,479	2,639
Line Leaks and Breaks	150	150	150	91
<b>Wastewater</b>				
Millions of gallons treated	230.312	251.151	257.197	248.057
Sewer Stops	100	96	100	113

**TABLE 20**

2007	2008	2009	2010	2011	2012
219	207	91	128	101	89
\$ 18,507,556	\$ 25,820,447	\$ 22,822,734	\$ 16,408,290	\$ 11,051,550	\$ 12,406,364
813	700	537	941	829	834
4,671	5,963	6,491	3,955	3,643	3,678
352	271	487	253	304	383
613	843	826	717	980	1,040
300	450	433	336	430	475
-	-	-	2,968	2,375	1,829
-	-	-	1,261	1,398	892
49	49	50	52	53	53
52	52	52	52	50	50
65	65	66	66	67	67
1,380	1,380	1,400	1,425	1,425	1,425
					-
86	86	85	90	95	95
313	313	150	120	75	75
16	16	18	22	18	22
43,714	46,451	49,699	50,093	50,211	53,025
156,116	171,360	192,700	205,177	193,529	160,000
7,978	9,989	10,024	10,446	12,979	13,000
2,689	2,689	2,762	2,770	2,825	2,889
148	148	222	206	210	69
243.266	222.171	235.284	210.239	229.61	312.842
94	94	80	90	92	45

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

Function/Program	2002	2003	2004	2005	2006
Police Stations	1	1	1	1	1
Fire Stations	1	1	2	2	2
Bastrop Public Library	1	1	1	1	1
Other Public Works					
Paved Streets (miles)	48	48	48	49	49
Open Drainage Ditches (miles)	52	52	52	52	52
Storm Sewer Lines (miles)	63	63	63	65	65
Parks and Recreation					
Acreage (maintained)	87	87	89	89	89
Right of Ways	52	52	52	52	52
Playgrounds	2	2	3	3	3
Basketball Courts	3	3	3	3	3
Ball Fields	7	7	7	7	7
Water					
Treated Water Produced (millions of g	419.029	445.108	400.119	397.012	459.607
Number of service connections	2,198	2,268	2,464	2,479	2,639
Wastewater					
Wastewater Treated (millions of gallo	215.1673	230.312	251.151	257.197	248.057
Number of Wastewater Customers	1,933	2,003	2,141	2,247	2,392
Number of Lift Stations	11	13	15	15	15

**TABLE 21**

2007	2008	2009	2010	2011	2012
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
49	49	50	52	53	53
52	52	52	52	50	50
65	65	66	66	67	67
89	89	120	120	120	120
52	52	52	54	55	55
3	3	4	4	4	4
3	3	4	4	4	4
7	7	7	7	7	7
469.258	490.050	495.344	445.269	454.174	476.704
2,689	2,689	2,762	2,770	2,825	2,889
243.266	222.171	235.284	283.709	300.719	312.842
2,409	2,404	2,448	2,502	2,540	2,564
15	15	18	18	18	18



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# GOVERNMENTAL AUDITING STANDARDS REPORT



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9442 Capital of Texas Hwy. N. | Plaza One, Suite 500  
Austin, Texas 78759 | Phone (512) 310-5600 | www.singletonclark.co

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

**Independent Auditors' Report**

Honorable Mayor and City Council Members  
City of Bastrop, Texas  
1311 Chestnut Street  
Bastrop, Texas 78602

Honorable Mayor and City Council Members:

We have audited the financial statements of the governmental activities, the proprietary activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the City of Bastrop, Texas (“the City”) as of and for the year ended September 30, 2012, which collectively comprise the City’s basic financial statements and have issued our report thereon dated January 30, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the City Council, the audit committee, and the administration, and is not intended to be used and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Singleton, Clark & Company, PC". The signature is written in black ink on a light-colored background.

Singleton, Clark & Company, PC  
Cedar Park, Texas

January 30, 2013