



Comprehensive Annual Financial Report For Fiscal Year Ending September 30, 2010

CITY OF BASTROP, TEXAS



City of Bastrop, Texas
Comprehensive Annual Financial Report
For the Year Ended September 30, 2010

**Prepared by the
Finance Department**

Karla Stovall, CPM, Finance Director
Tracy Board, Assistant Director

<u>City Council</u>	<u>Expiration of Term</u>
Terry Orr, Mayor	May 2012
Joe Beal, Mayor Pro Tempore	May 2012
Julie Hart, Councilmember	May 2012
Ken Kesselus, Councilmember	May 2011
Kay Garcia McAnally, Councilmember	May 2011
W.L. "Bill" Peterson, Councilmember	May 2011

City Manager
Mike Talbot

CITY OF BASTROP, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

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INTRODUCTORY SECTION



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March 15, 2011

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, 2010. 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. Responsibility for the accuracy of the data and completeness and fairness of the presentation in this report, including all disclosures rests with 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, 2010 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, 2010 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 7,200 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 164,000 business persons, shoppers, and visitors.

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

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

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

The Bastrop Economic Development Corporation, BEDC is included in the financial statements as a discrete component unit. Its purpose is to aid, promote and further economic development within the City. The BEDC is primarily 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 a budget message from the City Manager highlighting the objectives to be used in developing departmental budgets. The departmental budgets are then reviewed by the City Manager and 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, a public hearing on the proposed budget is held to allow for public input.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Fast paced commercial growth is currently one of the identifying characteristics of the City. The local economy has been sending a mixed picture. Monthly sales tax collections have been stronger in Bastrop than many of the other cities in the area. The City issued fifteen single new-family home permits with a valuation of \$2,861,175 and twenty-four commercial permits at a value of \$10,815,500. However, Bastrop’s unemployment rate continues to be consistent with that of the State of Texas.

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 7,200 residents. The City’s growth continues despite the national economy experiencing a downturn in Sales and Ad Valorem taxes.

The level of activity within the City can be identified within the construction in progress reports. Projects in progress in 2008 included Burleson Crossing and Hunter’s Crossing retail centers. In addition to Walnut Ridge Apartments Phase 1 & 2, Lost Pines Cancer Care, Regency Nursing Home, Lowes, Carl’s Jr., and Best Western. Construction in progress reports continued in 2009 and added IBC Bank, Deep in the Heart Foundry expansion, Providence Funeral Home, Childer’s Retail Center, Hampton Inn & Suites, Comfort Suites, Best Buy, PETCO, Specs, Frontier Bank, Classic Bank and CVS. For 2010, projects in process included the Bastrop Convention Center and Exhibit Hall, Castle Dental, Good Shepherd Lutheran, Staples, Walgreens, Wright Distribution Warehouse Exp., A+ Credit Union and Panda Express.

The chart below identifies the City’s assessed valuation of property taxes and collected sales tax from fiscal year 2007 through 2010. Existing assessed valuations remained mainly constant or showed a slight increase. The majority of the increase in assessed valuation stemmed from new property added to the tax roll.

Fiscal Year	Ad Valorem Taxes Assessed Valuation	% Change	Sales Tax Receipts	% Change
2007	\$ 447,111,516	12.64%	\$ 2,170,754	7.26%
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%

Accomplishments recognized by the City in FY2009-2010 include: Completed XS Ranch Agreement, and commenced working with Forestar Development Company on revising and updating the “Public Improvement District” documents associate with the Hunter’s Crossing subdivision. Staff completed the Walnut Ridge Apartments Phase II, Lakeside Hospital Phase II and annexation of “pocket properties within the city limits. Continued to update and nearing completion of the Land Use and Thoroughfare Plan in the “City’s Comprehensive Plan.”

The City put into operation an alluvial well at Bob Bryant Park. Continued comprehensive work with K. Friese & Associates (an engineering firm) to identify new, potential “Water Well Sites” in the area west of the Colorado River, which, if identified and developed, would provide additional water supply for the west side of the City. The City has taken steps to improve the water and wastewater services by reviewing and updating new water and wastewater rates effective January 2009 and a capital improvement program designed to replace the City’s aging water infrastructure.

The City completed the Chestnut Street Improvements Project funded by BEDC. The City provided reconstruction of electric services within Bastrop State Park and began replacing the East Feeder Primary Electric Line of the City’s Electric System. The City started construction of Convention Center and Exhibit Hall and of City Hall both funded through General Obligation and Contractual Obligation bonds.

Long-term Financial Planning

General fund FY2010 budgeted expenditures identifies 26.31 percent of unreserved, undesignated fund balance or 96 days of working capital 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 is 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

In addition to the general fund balance financial policy mentioned above, the City also strives to maintain a positive unrestricted net assets position in the City's water/wastewater and electric funds to provide sufficient reserves for emergencies and revenue shortfalls. In addition, the minimum working capital shall be 35 percent of annual revenues. The working capital percentages identified within the Fy2010 budgeted expenditures, for the water/wastewater and electric funds were 87.8% and 44.7%, respectively.

Major Initiatives

On January 15, 2010, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2010 for public purpose of paying contractual obligations incurred or to be incurred for: (1) costs related to constructing, acquiring and equipping City Hall, including constructing, improving and extending utilities and parking facilities; (2) constructing, acquiring and equipping the City of Bastrop convention/ civic center, including constructing, improving and extending utilities and parking facilities; (3) constructing improvements to Chestnut Street, including sidewalk improvements, utility relocation, bench installations, and medallion installations; (4) improving and extending the City's water and wastewater system; (5) constructing improvements and upgrading the City's electric system; (6) acquiring and purchasing vehicles and equipment for the City public works, police and animal services departments; and (7) the payment of professional services in connection therewith including legal, fiscal and engineering fees and the costs of issuing the certificates of obligation.

Awards and Acknowledgements

We believe our report conforms to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for a 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
Finance Director



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City of Bastrop, Texas

Principal Officials

September 30, 2010

City Council

Terry Orr, Mayor

Joe Beal, Mayor Pro Tempore

Julie Hart

Ken Kesselus

Kay Garcia McAnally

W.L. "Bill" Peterson

City Manager

Mike Talbot

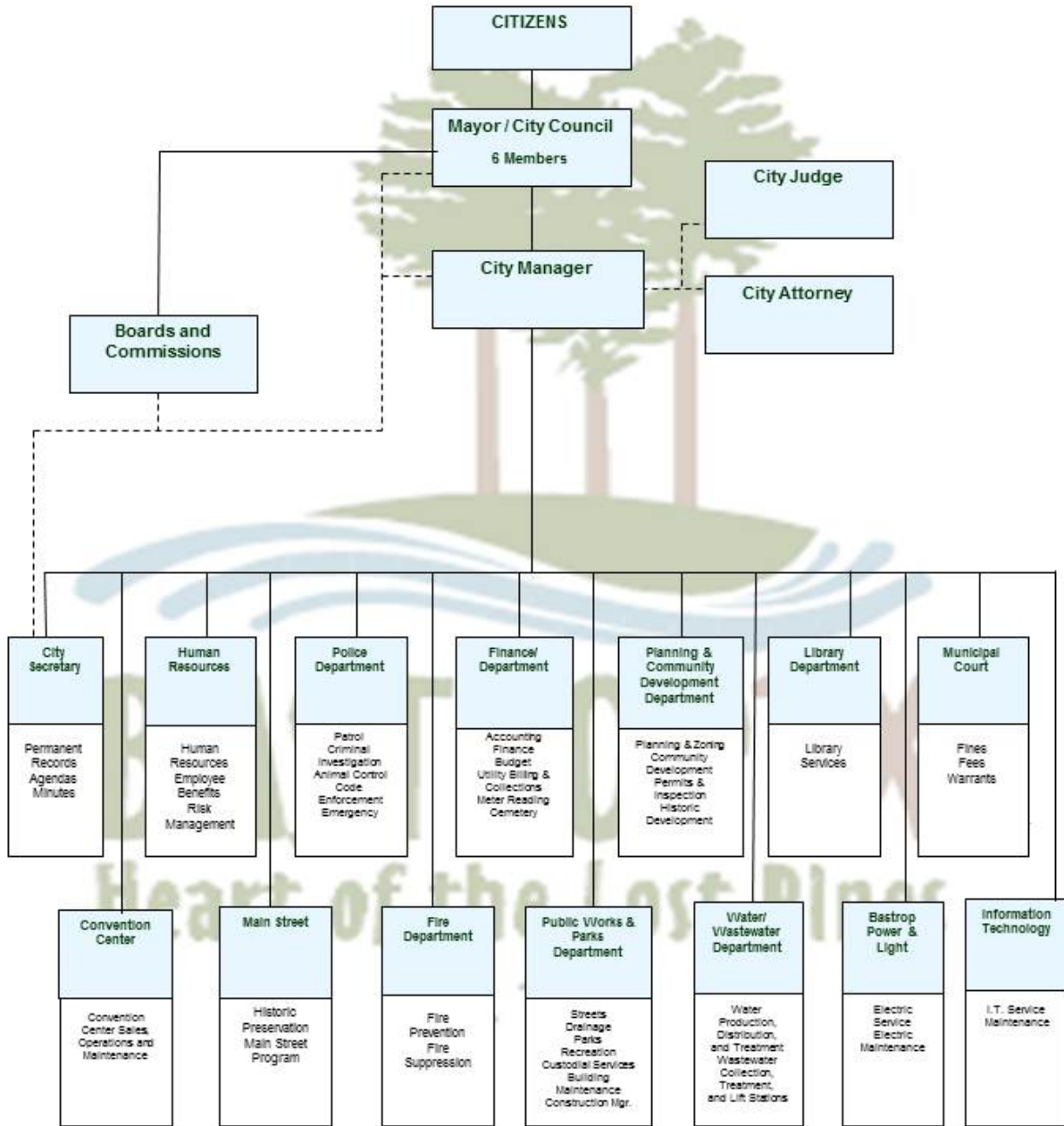
Director of Finance

Karla Stovall, CPM



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City of Bastrop Organizational Chart





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FINANCIAL SECTION



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SINGLETON, CLARK
& COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS

930 S. Bell Blvd., Suite 105 Cedar Park, Texas 78613
Phone (512) 310-5600 Fax (512) 310-5689

Independent Auditors' Report

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

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, 2010, 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, 2010, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

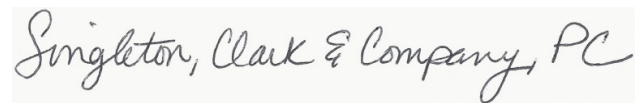
In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants, and other matters. 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 Government 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, 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 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
Cedar Park, Texas

February 25, 2011



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CITY OF BASTROP, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2010

March 15, 2011

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, 2010. 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, 2010, by \$30,162,252 (net assets). Of this amount, \$8,920,622 (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 \$883,249. 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 City's governmental funds reported combined ending fund balances of \$12,063,744 an increase of \$1,858,947 in comparison to the previous year.
- The unreserved portion of the General Fund fund balance at the end of the year was \$2,515,443 or 35.62% 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, 2010

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

CITY OF BASTROP, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2010

The City maintains seventeen individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the General Obligation Debt Service Fund. 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 2010, the City's net assets (assets exceeding liabilities) totaled \$30,162,252. 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, \$11,860,865 or 39.32%, 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.

An additional portion of the City's net assets, \$9,380,765, or 31.10% represents resources that are subject to external restrictions on how they may be used. The unrestricted net assets of \$8,920,622 or 29.58% may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF BASTROP, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2010

As of September 30, 2010, 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	
	2009	2010	2009	2010	2009	2010
ASSETS						
Current and other assets	\$ 11,753	\$ 14,356	\$ 8,048	\$ 7,089	\$ 19,801	\$ 21,445
Capital assets	19,807	21,359	18,138	22,118	37,945	43,477
Total assets	31,560	35,715	26,186	29,207	57,746	64,922
LIABILITIES						
Current liabilities	1,477	1,694	1,613	384	3,090	2,078
Noncurrent liabilities	22,908	29,838	2,470	2,843	25,378	32,681
Total liabilities	24,385	31,532	4,083	3,227	28,468	34,759
NET ASSETS						
Invested in capital assets, net of related debt	2,155	(7,460)	16,336	19,321	18,491	11,861
Restricted	987	9,381	-	-	987	9,381
Unrestricted	4,034	2,262	5,767	6,658	9,801	8,920
Total Net Assets	\$ 7,175	\$ 4,183	\$ 22,103	\$ 25,979	\$ 29,279	\$ 30,162

Changes in Net Assets: The net assets of the City increased by \$883,249 for the fiscal year ended September 30, 2010.

Governmental Activities: Governmental activities net assets decreased by \$2,992,176. Net assets invested in capital assets, net of related debt decreased by \$9,615,014 primarily due to issuance of additional debt and expenditure of debt proceeds for acquisition and construction of capital assets. Restricted net assets increased \$8,394,030 primarily due to an increase in funds restricted for debt service, economic development, and capital projects. Unrestricted net assets decreased by \$1,771,191 primarily due to reclassification of unrestricted net assets to restricted net assets.

CITY OF BASTROP, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2010

Business-type Activities: Net assets from business-type activities increased by \$3,875,425 from the prior year. The increase utility revenues resulting from the growth of our customer base was primarily responsible for this increase in net assets.

Table 2

CITY OF BASTROP						
Changes in Net Assets						
(in thousands)						
	Governmental		Business- type		Total	
	2009	2010	2009	2010	2009	2010
REVENUE						
Program Revenues:						
Charges for service	\$ 1,411	\$ 1,512	\$ 10,479	\$ 10,038	\$11,890	\$11,550
Operating grants, contr.	670	250	-	-	670	250
General revenues:						
Property taxes	3,183	3,362	-	-	3,183	3,362
Sales taxes	4,711	4,779	-	-	4,711	4,779
Franchise taxes	366	375	-	-	366	375
Penalties and Interest	64	73	-	-	64	73
Grants, contrib. not res.	91	123	-	-	91	123
Investment earnings	98	77	68	22	166	99
Miscellaneous revenue	135	554	231	-	365	554
Transfer in (out)	(1,379)	(2,401)	1,251	2,401	(128)	-
Total Revenue	9,349	8,704	12,029	12,461	21,378	21,165
EXPENSES						
General Government	2,319	2,533	-	-	2,319	2,533
Public Safety	2,436	2,541	-	-	2,436	2,541
Development Services	3,773	4,988	-	-	3,773	4,988
Community Services	641	647	-	-	641	647
Water/ Wastewater	-	-	2,653	2,791	2,653	2,791
Bastrop Power & Light	-	-	6,050	5,728	6,050	5,728
Other non-major prop.	-	-	149	67	149	67
Interest on debt	811	968	-	-	811	968
Issuance costs	-	19	-	-	-	19
Total Expenses	9,980	11,696	8,852	8,586	18,832	20,282
Changes in Net Assets	(631)	(2,992)	3,177	3,875	2,546	883
Prior period adjustment	(272)	-	658	-	386	-
Net Assets October 1,	8,078	7,175	18,269	22,104	26,349	29,279
Net Assets September 30,	\$ 7,175	\$ 4,183	\$ 22,104	\$ 25,979	\$ 29,279	\$ 30,162

CITY OF BASTROP, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2010

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds: As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$12,063,744. 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, unreserved fund balance was \$2,515,443. The fund balance included unreserved / undesignated funds of \$2,218,529 or 88.20%, and unreserved/ designated for specific purpose of \$296,914 or 11.80% of the total unreserved fund balance.

The General Obligation Debt Service Fund had a decrease of \$97,721 in fund balance. These funds are specifically reserved for the payment of debt service. The Hotel/ Motel Tax Fund increased \$572,832 due to the expenditures made on capital projects. Other governmental funds' combined fund balances increased \$1,056,276.

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 \$1,931,732. Unrestricted net assets of the electric utility, Bastrop Power and Light Fund at the end of the year amounted to \$3,326,463. Non-major Enterprise Funds included \$1,400,024 of unrestricted net assets.

General Fund Budgetary Highlights: General Fund budgeted revenue in FY2010 of \$7,342,330 represented a 9.03 % increase over the previous year. The budget was amended through the year to increase the adopted budget \$148,282 or 2.01% to \$7,490,612. Taxes and penalties comprise the majority of the budgeted General Fund revenues, \$4,585,218 or 61.21%. Intergovernmental Revenue represents \$1,153,089 or 15.39% and Transfers in from Other Funds represent \$996,186 or 13.29% of the total budgeted revenues for FY2010. All three of these categories identify 89.89% of total budgeted revenues.

In FY2010 the adopted General Fund expenditure budget of \$7,332,313 identified an increased of \$178,353 over the 2009 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 \$171,165 or 2.33% to \$7,503,478.

CITY OF BASTROP, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2010

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2010, amounts to \$43,476,390 (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 14.6%.

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.
- Constructing, acquiring and equipping the City of Bastrop convention center and exhibit hall including constructing, improving and extending utilities and parking facilities totaling \$5.8 million.
- Constructing improvements to Chestnut Street, including sidewalk improvements, utility relocation, bench installations, and medallion installations totaling \$1.5 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		Business- type		Total	
	Activities		Activities			
	2009	2010	2009	2010	2009	2010
Land	\$ 2,790	\$ 2,797	\$ 1,614	\$ 1,613	\$ 4,404	\$ 4,411
Buildings and improvements	3,948	3,816	111	189	4,059	4,004
Machinery and equipment	553	579	437	428	990	1,007
Improvements other than buildings	12,139	11,874	12,596	12,915	24,735	24,789
Construction in progress	377	2,293	3,380	6,972	3,757	9,265
Capital assets, net of	<u>\$ 19,807</u>	<u>\$ 21,359</u>	<u>\$ 18,138</u>	<u>\$ 22,117</u>	<u>\$ 37,945</u>	<u>\$ 43,476</u>

CITY OF BASTROP, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2010

DEBT ADMINISTRATION

The City issued during the fiscal year \$2,560,000 Limited Tax Refunding General Obligation Bonds, in addition to \$7,400,000 Combination Tax and Revenue Certificates of Obligation.

Reviews during the fiscal year by Standard and Poor's yielded a rating on the City's Combination Tax and Revenue Certificates of Obligation, Series 2010, "A+" and rated on the City's Limited Tax Refunding General Obligation Bonds, Series 2010, "AAA/A+".

Table 4

CITY OF BASTROP						
Summary of Long-term Debt						
(in thousands)						
	Governmental		Business- type		Total	
	Activities		Activities			
	2009	2010	2009	2010	2009	2010
General obligation bonds	\$ 21,886	\$ 28,055	\$ 2,595	\$ 2,576	\$ 24,481	\$ 30,631
Notes payable	1,022	764	-	-	1,022	764
Compensated absences	429	464	112	128	541	592
Other post-employment benefits	-	555	-	138	-	693
Totals	\$ 23,337	\$ 29,838	\$ 2,707	\$ 2,842	\$ 26,044	\$ 32,680

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

As the local and state economy presents a picture of uncertainty, it is these economic indicators that must be taken into consideration in planning for the future, and accordingly for the city to take a conservative approach in the development of the annual operating budget. It is the city's intent to develop a balanced budget that will continue to ensure the same scope and level of City services and functions expected by the citizens of Bastrop.

The General Fund (M&O) tax rate of \$0.2889/\$100 and the Debt Service Fund (I&S) tax rate of \$.2651/\$100 combine to establish the City's overall property tax rate of \$0.5540 per \$100. The City's property tax rate has remained constant since 2008-2009, approximately three years. The debt service payments for Fiscal Year 2010-2011 are \$1,823,706.00 (\$0.2651/\$100) or 47.85% of the overall tax rate necessary to generate funds to service the bonded indebtedness of the City of Bastrop. Property taxes of \$1,987,592 (\$0.2889/\$100) support the General Fund operations of the City, which represents 52.15% of the revenue collected from property taxes. Property Tax revenue generates 26% for the General Fund operations in Fiscal Year 2010-2011.

In FY2011, General Fund revenues and expenditures are budgeted to increase by 5.02% and 11.09%, respectively, over FY2010 projected revenues and expenditures. This will provide a 25% estimated fund balance at FY2011 year-end as required by the Financial Management policies adopted by City Council.

CITY OF BASTROP, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2010

Water Wastewater Fund operations for Fiscal Year 2010-2011 has budgeted revenue of \$3,290,000.00, while expenditures are budgeted at \$2,856,824.00. The difference will roll into fund balance. Revenues can be identified into three categories: Water Sales \$1,912,500.00 or 58.13% of the total revenue; Wastewater Revenue \$1,290,300.00 or 39.22% of the total revenue; and other/Interest Income \$87,200.00, or 2.65% of the total revenue.

Total budgeted expenditures for the Water Wastewater Fund for Fiscal Year 2010-2011 are \$2,856,824, which is an increase of \$138,000.00 from the projected expenditures of \$2,718,824.00 for Fiscal Year 2009-2010. Departmental Budgets were lean while still providing normal and expected services.

The Electric Fund, "Bastrop Power and Light" budgeted revenue for Fiscal Year 2010-2011 is \$7,406,950.00. 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 \$7,383,950.

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, 2010

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Bastrop Economic Dev. Corporation
ASSETS				
Cash and Cash Equivalents	\$ 12,586,766	\$ 5,675,691	\$ 18,262,457	\$ 1,994,047
Receivables, net	1,294,807	1,002,807	2,297,614	339,033
Inventories	37,623	280,367	317,990	-
Prepaid Items	27,741	88,057	115,798	25,868
Net Pension Asset	145,065	42,211	187,276	-
Capitalized Debt Issuance Costs	264,186	-	264,186	-
Capital Assets:				
Land	2,797,468	1,613,514	4,410,982	885,276
Buildings, net	3,815,693	188,727	4,004,420	971,667
Infrastructure, net	11,874,139	12,914,938	24,789,077	1,265,978
Machinery and Equipment, net	578,686	428,051	1,006,737	12,081
Construction in Progress	2,292,938	6,972,236	9,265,174	1,489,773
Total Assets	<u>35,715,112</u>	<u>29,206,599</u>	<u>64,921,711</u>	<u>6,983,723</u>
LIABILITIES				
Accounts Payable	929,410	68,465	997,875	42,425
Wages, Salaries, and Withholdings Payable	121,249	39,870	161,119	4,814
Accrued Interest Payable	222,859	17,402	240,261	8,442
Due to Others	-	259,383	259,383	-
Other Current Liabilities	420,231	-	420,231	30,918
Noncurrent Liabilities:				
Due Within One Year	1,715,914	185,794	1,901,708	229,625
Due in More Than One Year	28,122,138	2,656,744	30,778,882	1,576,305
Total Liabilities	<u>31,531,801</u>	<u>3,227,658</u>	<u>34,759,459</u>	<u>1,892,529</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	(7,459,857)	19,320,722	11,860,865	2,818,845
Restricted for:				
Cemetery	530,640	-	530,640	-
Debt Service	922,060	-	922,060	-
Economic Development	2,307,516	-	2,307,516	150,000
Capital Projects	5,620,549	-	5,620,549	-
Unrestricted Net Assets	2,262,403	6,658,219	8,920,622	2,122,349
Total Net Assets	<u>\$ 4,183,311</u>	<u>\$25,978,941</u>	<u>\$30,162,252</u>	<u>\$ 5,091,194</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, 2010

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 2,533,461	\$ 1,033,965	\$ -	\$ -
Public Safety	2,282,574	256,551	156,324	-
Fire Protection	181,739	-	-	-
Public Works	1,773,439	64,227	-	-
Health and Welfare	76,812	-	-	-
Culture and Recreation	647,178	55,144	93,401	-
Building & Development	3,214,308	102,148	-	-
Bond Interest	968,110	-	-	-
Issuance Costs	18,497	-	-	-
Total Governmental Activities:	11,696,118	1,512,035	249,725	-
BUSINESS-TYPE ACTIVITIES:				
Water/Wastewater Fund	2,790,906	3,071,126	-	-
Bastrop Light & Power	5,727,753	6,771,854	-	-
Other Non-Major Proprietary Activities	67,305	195,354	-	-
Total Business-Type Activities:	8,585,964	10,038,334	-	-
TOTAL PRIMARY GOVERNMENT:	20,282,082	11,550,369	249,725	-
Component Unit:				
Bastrop Economic Development Corp.	1,227,476	-	-	1,147,114
TOTAL COMPONENT UNITS:	\$ 1,227,476	\$ -	\$ -	\$ 1,147,114

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 Taxes

Penalty and Interest

Grants and Contributions Not Restricted

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

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
\$ (1,499,496)	\$ -	\$ (1,499,496)	\$ -
(1,869,699)	-	(1,869,699)	-
(181,739)	-	(181,739)	-
(1,709,212)	-	(1,709,212)	-
(76,812)	-	(76,812)	-
(498,633)	-	(498,633)	-
(3,112,160)	-	(3,112,160)	-
(968,110)	-	(968,110)	-
(18,497)	-	(18,497)	-
<u>(9,934,358)</u>	<u>-</u>	<u>(9,934,358)</u>	<u>-</u>
-	280,220	280,220	-
-	1,044,101	1,044,101	-
-	128,049	128,049	-
-	1,452,370	1,452,370	-
<u>(9,934,358)</u>	<u>1,452,370</u>	<u>(8,481,988)</u>	<u>-</u>
-	-	-	(80,362)
-	-	-	(80,362)
1,392,514	-	1,392,514	-
1,969,905	-	1,969,905	-
2,606,584	-	2,606,584	1,307,160
2,172,473	-	2,172,473	-
375,077	-	375,077	-
73,518	-	73,518	-
122,691	-	122,691	-
511,770	-	511,770	12,781
76,892	21,967	98,859	10,682
37,782	-	37,782	-
4,065	-	4,065	-
<u>(2,401,089)</u>	<u>2,401,089</u>	<u>-</u>	<u>-</u>
<u>6,942,182</u>	<u>2,423,056</u>	<u>9,365,238</u>	<u>1,330,623</u>
<u>(2,992,176)</u>	<u>3,875,426</u>	<u>883,250</u>	<u>1,250,261</u>
<u>7,175,487</u>	<u>22,103,515</u>	<u>29,279,002</u>	<u>3,840,933</u>
<u>\$ 4,183,311</u>	<u>\$ 25,978,941</u>	<u>\$ 30,162,252</u>	<u>\$ 5,091,194</u>



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FUND BASIS STATEMENTS

CITY OF BASTROP
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	General Fund	Hotel/Motel Tax Fund	Debt Service Fund
ASSETS			
Cash and Cash Equivalents	\$ 2,595,719	\$ 1,630,817	\$ 922,360
Taxes Receivable	82,119	-	126,002
Allowance for Uncollectible Taxes (Credit)	(4,106)	-	(6,300)
Receivables, net	69,113	313,395	-
Due from Other Funds	87,527	-	-
Due from Others	-	500,000	-
Inventories	37,623	-	-
Prepaid Items	27,319	-	-
Total Assets	<u>\$ 2,895,314</u>	<u>\$ 2,444,212</u>	<u>\$ 1,042,062</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 179,323	\$ 136,696	\$ 300
Salaries, Wages, and Benefits Payable	119,438	-	-
Due to Other Funds	-	-	-
Deferred Revenues	78,013	-	119,702
Other Current Liabilities	3,097	-	-
Total Liabilities	<u>379,871</u>	<u>136,696</u>	<u>120,002</u>
Fund Balances:			
Reserved For:			
Cemetery	-	-	-
Debt Service	-	-	922,060
Capital Projects	-	-	-
Economic Development	-	2,307,516	-
Unreserved Designated For:			
Specific Purposes	296,914	-	-
Unreserved and Undesignated:			
Reported in the General Fund	<u>2,218,529</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>2,515,443</u>	<u>2,307,516</u>	<u>922,060</u>
Total Liabilities and Fund Balances	<u>\$ 2,895,314</u>	<u>\$ 2,444,212</u>	<u>\$ 1,042,062</u>

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

Bond Project City Hall 2008	Certificates of Oblig. 2010	Other Funds	Total Governmental Funds
\$ 806,256	\$ 5,412,986	\$ 1,218,625	\$ 12,586,763
-	-	-	208,121
-	-	-	(10,406)
-	-	-	382,508
-	-	-	87,527
-	-	-	500,000
-	-	-	37,623
-	-	422	27,741
<u>\$ 806,256</u>	<u>\$ 5,412,986</u>	<u>\$ 1,219,047</u>	<u>\$ 13,819,877</u>
\$ 356,261	\$ 422,220	\$ 251,745	\$ 1,346,545
-	-	1,811	121,249
-	-	87,527	87,527
-	-	-	197,715
-	-	-	3,097
<u>356,261</u>	<u>422,220</u>	<u>341,083</u>	<u>1,756,133</u>
-	-	530,640	530,640
-	-	-	922,060
449,995	4,990,766	179,788	5,620,549
-	-	-	2,307,516
-	-	167,536	464,450
-	-	-	2,218,529
<u>449,995</u>	<u>4,990,766</u>	<u>877,964</u>	<u>12,063,744</u>
<u>\$ 806,256</u>	<u>\$ 5,412,986</u>	<u>\$ 1,219,047</u>	<u>\$ 13,819,877</u>



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CITY OF BASTROP
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2010

Total Fund Balances - Governmental Funds	\$ 12,063,744
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$24,641,547 and the accumulated depreciation was \$4,834,136. In addition, current year capital outlays are expenditures in the fund financial statements, but should be shown as increases in capital assets in the government-wide financial statements. The effect of these differences in accounting for capital assets in the government-wide financial statements is an increase in net assets.	22,052,537
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the fund basis financial statements. In addition, long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as reductions in long-term debt in the government-wide financial statements. The net effect of these differences is an increase (decrease) net assets in the government-wide financial statements.	(29,437,076)
Depreciation expense is not recorded at the fund basis financial statements level since the underlying assets being depreciated are not present. At the government-wide financial statement level, depreciation expense and related accumulated depreciation is recorded. The net effect of the current year's depreciation is to decrease net assets.	(693,613)
Uncollected property taxes are not recorded as revenue at the fund basis financial statements level since these funds are not yet available for spending. At the government-wide financial statement level, uncollected property taxes are recorded as earned revenue in the year levied. The effect of this difference in accounting is an increase in net assets.	197,719
Net Assets of Governmental Activities	\$ 4,183,311

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, 2010

	General Fund	Hotel/Motel Tax Fund	Debt Service Fund
REVENUES:			
Taxes:			
Property Taxes	\$ 1,402,655	\$ -	\$ 1,990,497
General Sales and Use Taxes	2,606,584	-	-
Selective Sales and Use Taxes	34,763	1,935,749	-
Franchise Tax	375,077	-	-
Penalty and Interest on Taxes	41,511	-	30,929
Licenses and Permits	104,149	-	-
Intergovernmental Revenue and Grants	1,211,450	-	-
Charges for Services	54,418	-	-
Fines	324,465	-	-
Investment Earnings	9,370	4,635	11,664
Contributions/Donations Private Sources	70,025	-	-
Other Revenue	437,957	-	29,453
Total Revenues	6,672,424	1,940,384	2,062,543
EXPENDITURES:			
Current:			
General Government	2,233,336	-	-
Public Safety	1,957,191	-	-
Fire Protection	168,048	-	-
Public Works	1,607,955	-	-
Health and Welfare	71,026	-	-
Culture and Recreation	551,605	-	-
Building and Development	472,550	1,009,511	27,256
Debt Service:			
Bond Principal	-	-	1,457,967
Bond Interest	-	-	913,096
Issuance Costs and Fiscal Agent Fees	-	-	3,503
Capital Outlay	-	-	-
Total Expenditures	7,061,711	1,009,511	2,401,822
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(389,287)	930,873	(339,279)
OTHER FINANCING SOURCES (USES):			
Capital-related Debt Issued (Reg Bonds)	-	-	-
Sale of Real and Personal Property	4,065	-	-
Transfers In	675,000	-	323,483
Insurance Proceeds	37,782	-	-
Transfers Out	-	(358,041)	(81,925)
Total Other Financing Sources (Uses)	716,847	(358,041)	241,558
Net Change in Fund Balances	327,560	572,832	(97,721)
Fund Balance - October 1 (Beginning)	2,187,883	1,734,684	1,019,781
Fund Balance - September 30 (Ending)	\$ 2,515,443	\$ 2,307,516	\$ 922,060

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

Bond Project City Hall 2008	Certificate of Oblig. 2010	Other Funds	Total Governmental Funds
\$ -	\$ -	\$ 201,960	\$ 3,595,112
-	-	-	2,606,584
-	-	-	1,970,512
-	-	-	375,077
-	-	1,079	73,519
-	-	-	104,149
-	-	19,747	1,231,197
-	-	16,000	70,418
-	-	-	324,465
5,537	32,970	12,678	76,854
-	-	52,667	122,692
3,060	-	74,087	544,557
<u>8,597</u>	<u>32,970</u>	<u>378,218</u>	<u>11,095,136</u>
-	-	-	2,233,336
-	-	-	1,957,191
-	-	-	168,048
-	-	41,314	1,649,269
-	-	-	71,026
-	-	4,287	555,892
-	1,147,114	378,856	3,035,287
-	-	-	1,457,967
-	-	-	913,096
-	85,610	-	89,113
<u>1,658,896</u>	<u>439,180</u>	<u>48,643</u>	<u>2,146,719</u>
<u>1,658,896</u>	<u>1,671,904</u>	<u>473,100</u>	<u>14,276,944</u>
<u>(1,650,299)</u>	<u>(1,638,934)</u>	<u>(94,882)</u>	<u>(3,181,808)</u>
-	7,400,000	-	7,400,000
-	-	-	4,065
-	-	129,090	1,127,573
-	-	-	37,782
-	(770,300)	(2,318,397)	(3,528,663)
-	<u>6,629,700</u>	<u>(2,189,307)</u>	<u>5,040,757</u>
(1,650,299)	4,990,766	(2,284,189)	1,858,949
2,100,294	-	3,162,153	10,204,795
<u>\$ 449,995</u>	<u>\$ 4,990,766</u>	<u>\$ 877,964</u>	<u>\$ 12,063,744</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, 2010

Total Net Change in Fund Balances - Governmental Funds \$ 1,858,949

Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2010 capital outlays is to increase (decrease) net assets. 2,245,126

Long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as reductions in long-term debt in the government-wide financial statements. In addition, issues of long-term debt are shown as revenue in the fund basis financial statements but as an increase of liabilities in the government-wide financial statements. The net effect of these accounting differences is to increase (decrease) net assets. (6,371,908)

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets. (693,613)

Uncollected property taxes are not recorded as revenue at the fund basis financial statements level since these funds are not yet available for spending. At the government-wide financial statement level, uncollected property taxes are recorded as earned revenue in the year levied. The effect of this difference in accounting is an increase in net assets. (30,730)

Change in Net Assets of Governmental Activities \$ (2,992,176)

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



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CITY OF BASTROP
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts (GAAP BASIS)	
REVENUES:				
Taxes:				
Property Taxes	\$ 1,466,320	\$ 1,466,320	\$ 1,402,655	\$ (63,665)
General Sales and Use Taxes	2,676,938	2,676,938	2,606,584	(70,354)
Selective Sales and Use Tax	28,000	28,000	34,763	6,763
Franchise Tax	385,000	385,000	375,077	(9,923)
Penalty and Interest on Taxes	28,960	28,960	41,511	12,551
Licenses and Permits	135,000	135,000	104,149	(30,851)
Intergovernmental Revenue and Grants	1,452,112	1,474,275	1,211,450	(262,825)
Charges for Services	45,000	45,000	54,418	9,418
Fines	330,000	347,000	324,465	(22,535)
Investment Earnings	30,000	30,000	9,370	(20,630)
Contributions/Donations from Private Sources	-	-	70,025	70,025
Other Revenue	47,500	156,619	437,957	281,338
Total Revenues	<u>6,624,830</u>	<u>6,773,112</u>	<u>6,672,424</u>	<u>(100,688)</u>
EXPENDITURES:				
Current:				
General Government	2,269,052	2,369,890	2,233,336	136,554
Public Safety	2,021,300	2,018,388	1,957,191	61,197
Fire Protection	161,877	170,646	168,048	2,598
Public Works	1,772,829	1,788,839	1,607,955	180,884
Health and Welfare	75,000	75,000	71,026	3,974
Culture and Recreation	552,754	597,626	551,605	46,021
Building and Development	479,501	483,089	472,550	10,539
Total Expenditures	<u>7,332,313</u>	<u>7,503,478</u>	<u>7,061,711</u>	<u>441,767</u>
Excess (Deficiency) Revenue Over (Under) Expenditures	<u>(707,483)</u>	<u>(730,366)</u>	<u>(389,287)</u>	<u>341,079</u>
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	2,500	2,500	4,065	1,565
Transfer In	675,000	675,000	675,000	-
Other Resources	40,000	40,000	37,782	(2,218)
Transfers Out (Use)	-	-	-	-
Total Other Financing Sources (Uses)	<u>717,500</u>	<u>717,500</u>	<u>716,847</u>	<u>(653)</u>
Net Change in Fund Balances	<u>10,017</u>	<u>(12,866)</u>	<u>327,560</u>	<u>340,426</u>
Fund Balance - October 1 (Beginning)	<u>2,187,883</u>	<u>2,187,883</u>	<u>2,187,883</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 2,197,900</u>	<u>\$ 2,175,017</u>	<u>\$ 2,515,443</u>	<u>\$ 340,426</u>

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

CITY OF BASTROP
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

	Business-Type Activities - Enterprise Funds			
	Water/ Wastewater Fund	Bastrop Power & Light Fund	Nonmajor Enterprise Funds	Total Proprietary Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,557,366	\$ 2,716,327	\$ 1,401,998	\$ 5,675,691
Accounts Receivable, net	282,931	719,876	-	1,002,807
Inventories	139,751	140,616	-	280,367
Prepaid Items	114,112	15,471	685	130,268
Total Current Assets	<u>2,094,160</u>	<u>3,592,290</u>	<u>1,402,683</u>	<u>7,089,133</u>
Noncurrent Assets:				
Capital Assets:				
Land	782,664	16,948	813,902	1,613,514
Buildings	110,874	73,934	121,312	306,120
Infrastructure	15,960,442	3,330,437	-	19,290,879
Machinery and Equipment	1,058,178	1,017,195	-	2,075,373
Construction in Progress	3,177,743	649,297	3,145,196	6,972,236
Accumulated Depreciation	<u>(5,388,406)</u>	<u>(2,719,532)</u>	<u>(32,718)</u>	<u>(8,140,656)</u>
Total Noncurrent Assets	<u>15,701,495</u>	<u>2,368,279</u>	<u>4,047,692</u>	<u>22,117,466</u>
Total Assets	<u>\$ 17,795,655</u>	<u>\$ 5,960,569</u>	<u>\$ 5,450,375</u>	<u>\$ 29,206,599</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 42,255	\$ 25,725	\$ 485	\$ 68,465
Salaries, Wages, and Benefits Payable	20,720	16,976	2,174	39,870
Due to Others	59,055	200,328	-	259,383
Accrued Interest Payable	17,402	-	-	17,402
Compensated Absences - Current	14,936	17,032	-	31,968
Other Post-Employment Benefits - Current	8,060	5,766	-	13,826
Revenue Bonds Payable - Current	<u>140,000</u>	<u>-</u>	<u>-</u>	<u>140,000</u>
Total Current Liabilities	<u>302,428</u>	<u>265,827</u>	<u>2,659</u>	<u>570,914</u>
NonCurrent Liabilities:				
Compensated Absences	44,807	51,094	-	95,901
Other Post-employment Benefits	72,537	51,896	-	124,433
Revenue Bonds Payable	<u>2,436,410</u>	<u>-</u>	<u>-</u>	<u>2,436,410</u>
Total Noncurrent Liabilities	<u>2,553,754</u>	<u>102,990</u>	<u>-</u>	<u>2,656,744</u>
Total Liabilities	<u>2,856,182</u>	<u>368,817</u>	<u>2,659</u>	<u>3,227,658</u>
NET ASSETS				
Investments in Capital Assets, Net of Debt	13,007,741	2,265,289	4,047,692	19,320,722
Unrestricted Net Assets	<u>1,931,732</u>	<u>3,326,463</u>	<u>1,400,024</u>	<u>6,658,219</u>
Total Net Assets	<u>\$ 14,939,473</u>	<u>\$ 5,591,752</u>	<u>\$ 5,447,716</u>	<u>\$ 25,978,941</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, 2010

	Business-Type Activities - Enterprise Funds			
	Water/ Wastewater Fund	Bastrop Power & Light Fund	Nonmajor Enterprise Funds	Total Proprietary Funds
OPERATING REVENUES:				
Charges for Water Services	\$ 2,848,156	\$ -	\$ 133,178	\$ 2,981,334
Charges for Sewerage Service	82,305	-	62,176	144,481
Charges for Electricity Service	-	6,464,080	-	6,464,080
Prop. Fund Charges for Services-Other	13,810	200,182	-	213,992
Fines	49,096	98,588	-	147,684
Other Revenue	77,759	9,004	-	86,763
Total Operating Revenue	3,071,126	6,771,854	195,354	10,038,334
OPERATING EXPENSES:				
Personnel Services - Salaries and Wages	505,340	345,741	10,421	861,502
Personnel Services - Employee Benefits	273,564	175,798	3,222	452,584
Purchased Pro. & Technical Services	567,284	7,733	33,600	608,617
Purchased Property Services	378,710	4,432,006	-	4,810,716
Other Operating Expenses	152,468	704,889	5,186	862,543
Supplies	279,189	-	2,085	281,274
Depreciation	440,782	61,586	12,791	515,159
Bond Issuance Costs	6,641	-	-	6,641
Total Operating Expenses	2,603,978	5,727,753	67,305	8,399,036
Operating Income (Loss)	467,148	1,044,101	128,049	1,639,298
NON-OPERATING REVENUES (EXPENSES):				
Investment Earnings	6,541	10,675	4,752	21,968
Interest Expense - Non-Operating	(186,928)	-	-	(186,928)
Total Non-Operating Revenues(Expenses)	(180,387)	10,675	4,752	(164,960)
Income Before Transfers	286,761	1,054,776	132,801	1,474,338
Transfers In	1,162,255	523,866	3,351,029	5,037,150
Transfers Out	(1,066,397)	(1,184,000)	(385,665)	(2,636,062)
Change in Net Assets	382,619	394,642	3,098,165	3,875,426
Total Net Assets-October (Beginning)	14,556,854	5,197,110	2,349,551	22,103,515
Total Net Assets-September 30 (Ending)	\$ 14,939,473	\$ 5,591,752	\$ 5,447,716	\$ 25,978,941

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, 2010

	Business-Type Activities - Enterprise Funds			
	Water/ Wastewater Fund	Bastrop Power & Light Fund	Nonmajor Enterprise Funds	Total Governmental Funds
<u>Cash Flows from Operating Activities:</u>				
Cash Received from User Charges	\$ 3,060,927	\$ 6,797,921	\$ 195,352	\$ 10,054,200
Cash Payments to Employees for Services	(715,299)	(453,654)	(11,469)	(1,180,422)
Cash Payments for Purchased Services	(945,994)	(4,439,739)	(33,258)	(5,418,991)
Cash Payments for Suppliers	(805,088)	-	(5,728)	(810,816)
Cash Payments for Other Operating Expenses	(230,689)	(1,150,716)	(2,085)	(1,383,490)
Net Cash Provided (Used) by Operating Activities	<u>363,857</u>	<u>753,812</u>	<u>142,812</u>	<u>1,260,481</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>				
Transfers From (To) Other Funds	95,858	(660,134)	2,965,364	2,401,088
Payments on Long-Term Debt	(18,590)	-	-	(18,590)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>77,268</u>	<u>(660,134)</u>	<u>2,965,364</u>	<u>2,382,498</u>
<u>Cash Flows from Capital & Related Financing Activities:</u>				
Acquisition of Capital Assets	(947,656)	(622,783)	(3,010,908)	(4,581,347)
Interest Expense	(188,719)	-	-	(188,719)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(1,136,375)</u>	<u>(622,783)</u>	<u>(3,010,908)</u>	<u>(4,770,066)</u>
<u>Cash Flows from Investing Activities:</u>				
Interest and Dividends on Investments	6,541	10,675	4,753	21,969
Net Increase in Cash & Cash Equivalents	(688,709)	(518,430)	102,021	(1,105,118)
Cash & Cash Equivalents - Beginning of Year	2,246,075	3,234,757	1,299,977	6,780,809
Cash & Cash Equivalents - End of Year	<u>\$ 1,557,366</u>	<u>\$ 2,716,327</u>	<u>\$ 1,401,998</u>	<u>\$ 5,675,691</u>
<u>Reconciliation of Operating Income to Net Cash</u>				
<u>Provided (Used) by Operating Activities:</u>				
Operating Income:	\$ 446,083	\$ 1,044,101	\$ 128,047	\$ 1,618,231
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:				
Depreciation	440,782	61,586	12,791	515,159
Decrease (Increase) in Receivables	(10,199)	26,067	-	15,868
Decrease (Increase) in Inventories	2,240	(39,132)	-	(36,892)
Decrease (Increase) in Prepaid Expenses	(84,840)	(11,044)	(685)	(96,569)
Increase (Decrease) in Accounts Payable	(443,299)	(78,317)	485	(521,131)
Increase (Decrease) in Salaries and Wages Payable	84,670	67,885	2,174	154,729
Increase (Decrease) in Other Liabilities	(71,580)	(317,334)	-	(388,914)
Net Cash Provided (Used) by Operating Activities	<u>\$ 363,857</u>	<u>\$ 753,812</u>	<u>\$ 142,812</u>	<u>\$ 1,260,481</u>

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, 2010

	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 397,195
Total Assets	<u>\$ 397,195</u>
LIABILITIES	
Due to Others	\$ 397,195
Total Liabilities	<u>\$ 397,195</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, 2010

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 entity has been included in this report:

The Bastrop Economic Development Corporation (“the BEDC”) – Although the BEDC is legally separate from the City, the BEDC is reported as if it were part of the primary government because the City serves in an administrative capacity for the BEDC, and the BEDC provides services almost exclusively for the benefit of the primary government. The BEDC is authorized to act on behalf of the City in order to encourage the promotion and development of community, commercial, industrial and manufacturing enterprises within the area. The BEDC is discretely presented as a component unit of the City of Bastrop. It is reported in a separate column to emphasize that it is legally separate from the primary government.

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.

CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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, although the City currently has no 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.

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.

CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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.

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/Bond Project City Hall 2008** – This capital projects fund is used to account for costs related to the construction of the new City Hall building.
5. **Capital Projects Fund/Certificates of Obligation 2010** – This capital projects fund is used to account for costs related to several building and infrastructure improvements projects of the City.

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.

CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. FUND ACCOUNTING (Continued)

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

Governmental Funds:

1. **Special Revenue Funds** – The City accounts for resources restricted to, or designated 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 donated to the Bastrop Historical Society and Museum for renovation of the old Bastrop City Hall building.

E. ACCRUED COMPENSATED ABSENCES

The City has recorded the value of earned but unused compensated absences (vacation and sick time) from its governmental fund activities by employees as an accrued liability in the Statement 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 \$464,240 in accrued compensated absences at September 30, 2010 related to the City's governmental fund activities.

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, 2009, upon which the levy for the 2009-2010 fiscal year was based, was \$620,826,162. Taxes are delinquent if not paid by February 1st 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, 2010, to finance General Fund and Debt Service Fund operations were \$0.2292 and \$.3248, respectively, for a total tax rate of \$.5540 per \$100 valuation. The total tax levy for the General Fund and Debt Service Fund for the 2009-2010 fiscal year was \$3,398,500. Tax collections, including collections of prior year delinquent balances, for the year ended September 30, 2010, were 99.9% 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, 2010

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.

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.

CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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.

At September 30, 2010, the carrying amount of the City’s cash and cash equivalents (cash, certificates of deposit, money market, and local government investment pools) was \$20,653,699 and the bank balance was \$19,955,590.

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 in a temporary investment pool at September 30, 2010 and have been included within Cash and Cash Equivalents on the financial statements.

	Fair Value	Weighted Average Maturity Years	Credit Risk
TexPool	\$ 18,525,577	0.00	AAAm
	\$ 18,525,577		
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 a 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, 2010

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, 2010 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, 2010 consist of the following:

	Property Taxes (net)	Other Receivables (net)	Due From Other Funds	Due From Others	Total Receivables
Governmental Activities:					
General Fund	\$ 78,013	\$ 69,113	\$ 87,527	\$ -	\$ 234,653
Hotel/Motel Tax Fund	-	313,395	-	500,000	813,395
Debt Service Fund	119,702	-	-	-	119,702
Total	<u>\$ 197,715</u>	<u>\$ 382,508</u>	<u>\$ 87,527</u>	<u>\$ 500,000</u>	<u>\$1,167,750</u>
Proprietary Activities:					
Water/Wastewater Fund	\$ -	\$ 282,931	\$ -	\$ -	\$ 282,931
Bastrop Power & Light Fund	-	719,876	-	-	719,876
Non-Major Proprietary Funds	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 1,002,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,002,807</u>

CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

B. DISAGGREGATION OF RECEIVABLES AND PAYABLES (Continued)

Payables at September 30, 2010 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	\$ 179,323	\$ 119,438	\$ -	\$ -	\$ 78,013	\$ 3,097	\$ 379,871
Hotel/Motel Tax Fund	136,696	-	-	-	-	-	136,696
Debt Service Fund	300	-	-	-	119,702	-	120,002
Bond Project City Hall-2008	356,261	-	-	-	-	-	356,261
Certificates of Obligation-2010	422,220	-	-	-	-	-	422,220
Non-Major Governmental Funds	251,745	1,811	-	-	-	422	253,978
Total Governmental Activities	<u>\$ 1,346,545</u>	<u>\$ 121,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 197,715</u>	<u>\$ 3,519</u>	<u>\$ 1,669,028</u>
Proprietary Activities:							
Water/Wastewater Fund	\$ 42,255	\$ 20,720	\$ 59,055	\$ 17,402	\$ -	\$ -	\$ 139,432
Bastrop Power & Light	25,725	16,976	200,328	-	-	-	243,029
Non-Major Proprietary Funds	485	2,174	-	-	-	-	2,659
Total Proprietary Activities	<u>\$ 68,465</u>	<u>\$ 39,870</u>	<u>\$ 259,383</u>	<u>\$ 17,402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 385,120</u>

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. DESIGNATED FUND BALANCE – GENERAL FUND

The City has recorded fund balance designated for specific purposes on the Governmental Funds Balance Sheet in the amount of \$296,914 which is detailed as follows:

Purpose	Amount
Streets	\$ 158,800
Municipal Court	61,008
Police Department	14,046
Parks	61,726
Library	1,334
Total Designated Fund Balance	<u>\$ 296,914</u>

CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

E. INTERFUND TRANSFERS

Operating transfers are transactions of cash or other assets between funds that are intended to be permanent, or not repaid, and serve the financing needs of the receiving fund. During the year, several interfund transfers were made. A summary of transfer activity is shown below:

	Transfers Out	Transfers In
Governmental Funds		
General Fund		
Bastrop Power & Light	\$ -	\$ 675,000
Total General Fund	-	675,000
Hotel/Motel Tax Fund		
Non-Major Governmental Funds	85,576	-
Non-Major Proprietary Funds	272,465	-
Total Hotel/Motel Tax Fund	358,041	-
Debt Service Fund		
Certificates of Obligation - 2010	-	19,407
Water/Wastewater Fund	38,984	100,140
Non-Major Governmental Funds	42,941	-
Non-Major Proprietary Funds	-	203,936
Total Debt Service Fund	81,925	323,483
Certificates of Obligation - 2008		
Non-Major Proprietary Funds	2,283,883	-
Total Certificates of Obligation - 2008	2,283,883	-
Certificates of Obligation - 2010		
Debt Service Fund	19,407	-
Bastrop Power & Light	23,866	-
Non-Major Proprietary Funds	727,027	-
Total Certificates of Obligation - 2010	770,300	-
Non-Major Governmental Funds		
Hotel/Motel Tax Fund	-	85,576
Bastrop Power & Light	-	9,000
Non-Major Governmental Funds	34,514	34,514
Total Non-Major Governmental Funds	34,514	129,090
Total Governmental Funds	\$ 3,528,663	\$ 1,127,573

CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. INTERFUND TRANSFERS (Continued)

Proprietary Funds

Water/Wastewater Fund		
Debt Service Fund	\$ 100,140	\$ 38,984
Water/Wastewater Fund	898,602	898,602
Non-Major Proprietary Funds	67,655	181,729
Total Water/Wastewater Fund	<u>1,066,397</u>	<u>1,119,315</u>
Bastrop Power & Light		
General Fund	675,000	
Certificates of Obligation - 2010		23,866
Bastrop Power & Light	500,000	500,000
Non-Major Governmental Funds	9,000	
Total Bastrop Power & Light Fund	<u>1,184,000</u>	<u>523,866</u>
Non-Major Proprietary Funds		
Hotel/Motel Tax Fund		272,465
Debt Service Fund	203,936	42,941
Certificates of Obligation - 2008		2,283,883
Certificates of Obligation - 2010		727,027
Water/Wastewater Fund	181,729	67,655
Total Non-Major Proprietary Funds	<u>385,665</u>	<u>3,393,971</u>
Total Proprietary Funds	<u><u>\$ 2,636,062</u></u>	<u><u>\$ 5,037,152</u></u>

CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

F. DUE FROM AND DUE TO OTHER FUNDS

Amounts due from and due to other funds as of September 30, 2010 were as follows:

Fund	Due From	Due To
General Fund		
Non-Major Governmental Funds	\$ 87,527	\$ -
Total General Fund	<u>87,527</u>	<u>-</u>
Non-Major Governmental Funds		
General Fund	-	87,527
Total Special Revenue Funds	<u>-</u>	<u>87,527</u>
Grand Total	<u>\$ 87,527</u>	<u>\$ 87,527</u>

G. CAPITAL ASSETS

Capital asset activity for the governmental activities was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 2,790,019	\$ 7,449	\$ -	\$ 2,797,468
Construction in progress	376,862	1,920,439	(4,363)	2,292,938
Total capital assets, not being depreciated	<u>3,166,881</u>	<u>1,927,888</u>	<u>(4,363)</u>	<u>5,090,406</u>
Capital assets, being depreciated:				
Buildings	5,571,354	-	-	5,571,354
Infrastructure	13,024,926	62,183	-	13,087,109
Machinery and equipment	2,878,386	259,419	(116,731)	3,021,074
Total capital assets being depreciated	<u>21,474,666</u>	<u>321,602</u>	<u>(116,731)</u>	<u>21,679,537</u>
Less accumulated depreciation for:				
Buildings	(1,623,313)	(132,348)	-	(1,755,661)
Infrastructure	(885,792)	(327,178)	-	(1,212,970)
Machinery and equipment	(2,325,031)	(234,088)	116,731	(2,442,388)
Total accumulated depreciation	<u>(4,834,136)</u>	<u>(693,614)</u>	<u>116,731</u>	<u>(5,411,019)</u>
Total capital assets, being depreciated, net	<u>16,640,530</u>	<u>(372,012)</u>	<u>-</u>	<u>16,268,518</u>
Governmental activities capital assets, net	<u>\$ 19,807,411</u>	<u>\$ 1,555,876</u>	<u>\$ (4,363)</u>	<u>\$ 21,358,924</u>

Depreciation expense was charged to the governmental activities as follows:

Function	Allocated Depreciation
General Government	\$ 181,947
Public Safety	159,450
Fire Protection	13,691
Public Works	133,624
Health	5,786
Culture and Recreation	45,288
Building and Development	153,828
Total	<u>\$ 693,614</u>

CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

G. CAPITAL ASSETS (Continued)

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

Business-Type Activities

Capital assets, not being depreciated:

Land	\$ 1,613,516	\$ -	\$ -	\$ 1,613,516
Construction in progress	3,380,397	4,153,241	(561,404)	6,972,234
Total capital assets, not being depreciated	<u>4,993,913</u>	<u>4,153,241</u>	<u>(561,404)</u>	<u>8,585,750</u>

Capital assets, being depreciated:

Buildings	268,028	38,092	-	306,120
Infrastructure	18,488,297	802,584	-	19,290,881
Machinery and equipment	2,013,559	61,814	-	2,075,373
Total capital assets being depreciated	<u>20,769,884</u>	<u>902,490</u>	<u>-</u>	<u>21,672,374</u>

Less accumulated depreciation for:

Buildings	(101,630)	(15,763)	-	(117,393)
Infrastructure	(5,946,905)	(429,037)	-	(6,375,942)
Machinery and Equipment	(1,576,962)	(70,360)	-	(1,647,322)
Total accumulated depreciation	<u>(7,625,497)</u>	<u>(515,160)</u>	<u>-</u>	<u>(8,140,657)</u>

Total capital assets, being depreciated, net

	<u>13,144,387</u>	<u>387,330</u>	<u>-</u>	<u>13,531,717</u>
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Proprietary activities capital assets, net

	<u>\$ 18,138,300</u>	<u>\$ 4,540,571</u>	<u>\$ (561,404)</u>	<u>\$ 22,117,467</u>
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Component Units:

Capital assets, not being depreciated:

Land	\$ 885,276	\$ -	\$ -	\$ 885,276
Construction in progress	236,331	1,253,447	-	1,489,778
Total capital assets, not being depreciated	<u>1,121,607</u>	<u>1,253,447</u>	<u>-</u>	<u>2,375,054</u>

Capital assets, being depreciated:

Buildings	971,666	-	-	971,666
Infrastructure	2,326,032	-	(72,885)	2,253,147
Machinery and equipment	39,582	-	(27,500)	12,082
Total capital assets being depreciated	<u>3,337,280</u>	<u>-</u>	<u>(100,385)</u>	<u>3,236,895</u>

Less accumulated depreciation for:

Buildings	(202,767)	(19,433)	-	(222,200)
Infrastructure	(732,580)	(97,304)	72,885	(756,999)
Machinery and Equipment	(33,889)	(1,586)	27,500	(7,975)
Total accumulated depreciation	<u>(969,236)</u>	<u>(118,323)</u>	<u>100,385</u>	<u>(987,174)</u>

Total capital assets, being depreciated, net

	<u>2,368,044</u>	<u>(118,323)</u>	<u>-</u>	<u>2,249,721</u>
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Component unit capital assets, net

	<u>\$ 3,489,651</u>	<u>\$ 1,135,124</u>	<u>\$ -</u>	<u>\$ 4,624,775</u>
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CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

H. LONG-TERM DEBT

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

Description	Interest Rate Payable	Amounts Original Issue	Amounts Outstanding 10/1/2009	Additions	Deletions	Amounts Outstanding 9/30/2010	Due in One Year
Governmental Activities:							
Bonds Payable							
Gen. Oblig. Bonds, Series 1997	4.50-6.50%	\$ 3,700,000	\$ 1,045,000	\$ -	\$ 330,000	\$ 715,000	\$ 345,000
Gen. Oblig. Bonds, Series 1999	4.00-6.00%	950,000	405,000	-	75,000	330,000	75,000
Gen. Oblig. Bonds, Series 2001	3.50-4.95%	3,000,000	2,245,000	-	140,000	2,105,000	145,000
Gen. Oblig. Bonds, Series 2002	3.75-4.75%	2,495,000	2,005,000	-	115,000	1,890,000	120,000
Gen. Oblig. Bonds, Series 2004	3.50-4.80%	2,685,000	2,305,000	-	115,000	2,190,000	120,000
Gen. Oblig. Bonds, Series 2005	3.67%	2,445,000	2,160,000	-	100,000	2,060,000	105,000
Gen. Oblig. Bonds, Series 2006	4.24%	345,000	325,000	-	15,000	310,000	15,000
Gen. Oblig. Bonds, Series 2006	4.19%	725,000	540,000	-	95,000	445,000	20,000
Gen. Oblig. Bonds, Series 2007	4.08%	1,220,000	1,175,000	-	45,000	1,130,000	45,000
Gen. Oblig. Bonds, Series 2007	4.04%	2,320,000	2,235,000	-	85,000	2,150,000	90,000
Gen. Oblig. Bonds, Series 2008	3.87%	1,195,000	1,195,000	-	45,000	1,150,000	45,000
Gen. Oblig. Bonds, Series 2008	4.60%	2,110,000	2,110,000	-	10,000	2,100,000	15,000
Premium on Gen. Oblig. Bonds, Series 2008		55,050	52,298	-	2,753	49,545	---
Comb. Tax & Rev., Cert. of Oblig., Series 2008A	4.20-5.00%	4,025,000	4,025,000	-	55,000	3,970,000	105,000
Prem. Comb. Tax & Rev. Cert. of Oblig., Srs 2008A		66,753	63,415	-	3,338	60,077	---
Combination Tax & Rev., Cert. of Oblig., Series 2010	3.50-4.25%	7,400,000	-	7,400,000	-	7,400,000	70,000
Total Bonds Payable			<u>21,885,713</u>	<u>7,400,000</u>	<u>1,231,091</u>	<u>28,054,622</u>	<u>1,315,000</u>
Limited Tax Notes, Series 2006	4.26%	215,000	130,000	-	30,000	100,000	30,000
Limited Tax Notes, Series 2008	3.06%	660,000	450,000	-	110,000	340,000	80,000
Note Payable - Texas Dept. of Econ. Dev.	0.00%	500,000	239,584	-	25,000	214,584	25,000
Limited Tax Notes	4.75%	435,000	130,000	-	65,000	65,000	65,000
Note Payable - First National Bank	4.75%	183,420	72,580	-	28,005	44,575	29,351
Compensated Absences	n/a	n/a	428,693	35,548	-	464,241	116,060
Other post-employment benefits			-	555,030	-	555,030	55,503
Governmental Activities Long-term Liabilities			<u>\$23,336,570</u>	<u>\$ 7,990,578</u>	<u>\$ 1,489,096</u>	<u>\$29,838,052</u>	<u>\$1,715,914</u>

The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund.



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CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM DEBT (Continued)

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

Description	Interest Rate Payable	Amounts Original Issue	Amounts Outstanding 10/1/2009	Additions	Deletions	Amounts Outstanding 9/30/2010	Due in One Year
Business-Type Activities							
Bonds Payable							
Combination Tax & Rev., Cert. of Oblig, Series 2003	4.75%	\$ 3,025,000	\$ 2,595,000	\$ -	\$ 2,595,000	\$ -	\$ -
Limited Tax Refunding Bonds, Series 2010	2.0-4.0%	2,560,000	-	2,560,000	-	2,560,000	140,000
Premium on Limited Tax Refunding Bonds, Series 2010		16,410	-	16,410	-	16,410	---
Total Bonds Payable			<u>2,595,000</u>	<u>2,576,410</u>	<u>2,595,000</u>	<u>2,576,410</u>	<u>140,000</u>
Compensated absences			112,366	15,503	-	127,869	31,967
Other post-employment benefits			-	138,259	-	138,259	13,826
Proprietary Activities Long-term Liabilities			<u>\$ 2,707,366</u>	<u>\$ 2,730,172</u>	<u>\$ 2,595,000</u>	<u>\$ 2,842,538</u>	<u>\$ 185,793</u>
Component Unit							
Sales Tax & Revenue Ref. Bonds, Series 2006	4.61%	2,005,000	\$ 1,640,000	\$ -	\$ 175,000	\$ 1,465,000	\$ 185,000
Total Bonds Payable			<u>1,640,000</u>	<u>-</u>	<u>175,000</u>	<u>1,465,000</u>	<u>185,000</u>
Note Payable -City of Bastrop	0.00%	500,000	237,500	-	25,000	212,500	25,000
Note Payable - First National Bank	5.39%	98,524	60,910	-	4,937	55,973	5,210
Note Payable - First National Bank	5.39%	2,376	1,467	-	118	1,349	125
Compensated absences			46,106	1,755	-	47,861	11,965
Other post-employment benefits			-	23,246	-	23,246	2,325
Total Component Unit Long-Term Debt			<u>\$ 1,985,983</u>	<u>\$ 25,001</u>	<u>\$ 205,055</u>	<u>\$ 1,805,929</u>	<u>\$ 229,625</u>

During the year, the City issued \$2,560,000 of Limited Tax Refunding Bonds, Series 2010 for a current refunding of the remaining \$2,470,000 of Combination Tax & Revenue Certificates of Obligation, Series 2003. The refunding was undertaken to obtain a more favorable average interest rate and as a result reduce total future debt service payments. The transaction resulted in an increase in future total debt service payments of \$45,042 but an economic gain of \$111,162.

CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM DEBT (Continued)

The following is a summary of the City's governmental activities long-term debt at September 30, 2010:

\$3,700,000 Series 1997 General Obligation Bonds, due in semi-annual installments through 2012; interest at 4.50 - 6.50%	\$ 715,000
\$950,000 Series 1999 General Obligation Bonds, due in semi-annual installments through 2014; interest at 4.00%-6.00%	330,000
\$3,000,000 Series 2001 General Obligation Bonds, due in semi-annual installments through 2021; interest at 3.50-4.95%	2,105,000
\$2,495,000 Series 2002 General Obligation Bonds, due in semi-annual installments through 2024; interest at 3.75-4.75%	1,890,000
\$2,685,000 Series 2004 General Obligation Bonds, due in semi-annual installments through 2024; interest at 3.50-4.80%	2,190,000
\$2,445,000 Series 2005 General Obligation Bonds, due in semi-annual installments through 2025; interest at 3.67%	2,060,000
\$345,000 Series 2006 General Obligation Bonds, due in semi-annual installments through 2026; interest at 4.24%	310,000
\$725,000 Series 2006 Certificates of Obligation, due in semi-annual installments through 2026; interest at 4.19%	445,000
\$1,220,000 Series 2007 General Obligation Bonds, due in semi-annual installments through 2027; interest at 4.08%	1,130,000
\$2,320,000 Series 2007 Combination Tax and Revenue Certificates of Obligation, due in semi-annual installments through 2027; interest at 4.04%	2,150,000
\$1,195,000 Series 2008 Certificates of Obligation, due in semi-annual installments through 2028; interest at 3.87%	1,150,000
\$2,110,000 Series 2008 General Obligation Bonds, due in semi-annual installments through 2028; interest at 4.60%	2,149,545
\$4,025,000 Series 2008A Combination Tax & Revenue Certificates of Obligation, due in semi-annual installments through 2028; interest at 4.20-5.00%	4,030,077
\$7,400,000 Series 2010 Combination Tax & Revenue Certificates of Obligation, due in semi-annual installments through 2029; interest at 3.50-4.25%	7,400,000
\$215,000 2006 Limited Tax Notes; due in semi-annual installments through 2026; interest at 4.26%	100,000
\$660,000 2008 Limited Tax Notes; due in semi-annual installments through 2014; interest at 3.06%	340,000
\$500,000 Note Payable to Texas Department of Economic Development; due in monthly installments through 2019; interest at 0.00%	214,584
\$435,000 2009 Limited Tax Notes, due in semi-annual installments through 2011; interest at 4.75%	65,000
\$183,420 Note Payable to First National Bank; due in monthly installments through 2012; interest at	44,575
Compensated Absences - To be liquidated through General Fund resources	464,241
Other Post-Employment Benefits - To be liquidated through General Fund resources	555,030
	\$ 29,838,052

CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

H. LONG-TERM DEBT (Continued)

The following is a summary of the City's proprietary and component unit activities long-term debt at September 30, 2010:

Proprietary Activities

\$2,560,000 Series 2010 Limited Tax Refunding Bonds; due in annual installments through 2024, interest at 2.0-4.0%	\$ 2,576,410
Compensated Absences - To be liquidated through Proprietary Fund resources	127,869
Other Post-Employment Benefits - To be liquidated through Proprietary Fund resources	138,259
	\$ 2,842,538

Component Unit Activities

\$2,005,000 Series 2006 Sales Tax & Revenue Refunding Bonds, due in annual installments through 2020, interest at 4.61%	\$ 1,465,000
\$500,000 Note Payable to the City of Bastrop; due in annual installments through 2019; interest at 0.00%	212,500
\$98,524 Note Payable to First National Bank, due in monthly installments through 2019; interest at 5.39%	55,973
\$2,376 Note Payable to First National Bank, due in monthly installments through 2019; interest at 5.39%	1,349
Compensated Absences - To be liquidated through Component Unit resources	47,861
Other Post-Employment Benefit - To be liquidated through Component Unit resources	23,246
	\$ 1,805,929

Future debt service requirements for governmental activities are as follows:

Year Ended September 30,	Bonds Payable			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 1,315,000	\$ 1,323,388	\$ 2,638,388	\$ 229,351	\$ 18,886	\$ 248,237
2012	1,400,000	1,113,925	2,513,925	160,223	10,556	170,779
2013	1,440,000	1,052,763	2,492,763	145,000	6,101	151,101
2014	1,420,000	993,751	2,413,751	115,000	2,754	117,754
2015	1,400,000	934,568	2,334,568	25,000	-	25,000
2016-2020	8,010,000	3,734,767	11,744,767	89,584	-	89,584
2021-2025	8,360,000	1,952,255	10,312,255	-	-	-
2026-2029	4,600,000	428,655	5,028,655	-	-	-
	\$27,945,000	\$ 11,534,072	\$39,479,072	\$ 764,158	\$ 38,297	\$ 802,455



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CITY OF BASTROP, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM DEBT (Continued)

Future debt service requirements for proprietary activities are as follows:

Year Ended September 30,	Bonds Payable		
	Principal	Interest	Total
2011	\$ 140,000	\$ 91,866	\$ 231,866
2012	160,000	75,943	235,943
2013	160,000	72,743	232,743
2014	165,000	69,543	234,543
2015	170,000	65,418	235,418
2016-2020	915,000	252,413	1,167,413
2021-2024	850,000	84,273	934,273
	<u>\$ 2,560,000</u>	<u>\$ 712,199</u>	<u>\$ 3,272,199</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
2011	\$ 185,000	\$ 67,537	\$ 252,537	\$ 30,335	\$ 2,960	\$ 33,295
2012	195,000	59,008	254,008	30,622	2,672	33,294
2013	200,000	50,019	250,019	30,940	2,354	33,294
2014	215,000	40,799	255,799	31,268	2,026	33,294
2015	220,000	30,887	250,887	146,657	4,559	151,216
2016-2020	450,000	45,870	495,870	-	-	-
	<u>\$ 1,465,000</u>	<u>\$ 294,120</u>	<u>\$ 1,759,120</u>	<u>\$ 269,822</u>	<u>\$ 14,571</u>	<u>\$ 284,393</u>

CITY OF BASTROP, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2010

I. 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 in writing to TMRS, P.O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at 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 2009	Plan Year 2010
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, 2010

I. TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN DESCRIPTION (Continued)

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

1.	Annual Required Contribution (ARC)	\$ 412,996
2.	Interest on Net Pension Obligation	(6,476)
3.	Adjustment to the ARC	(5,272)
4.	Annual Pension Cost (APC)	401,248
5.	Contributions Made	(502,177)
6.	Increase (decrease) in net pension obligation	(100,929)
7.	Net Pension Obligation/(Asset), beginning of year	(86,347)
8.	Net Pension Obligation/(Asset), end of year	\$ (187,276)

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation/(Asset)
2008	\$ 278,363	\$ 278,363	100%	\$ -
2009	\$ 351,915	\$ 438,261	125%	\$ (86,347)
2010	\$ 401,248	\$ 501,177	125%	\$ (99,929)

The required contribution rates for fiscal year 2010 were determined as part of the December 2007 and 2008 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2009, also follows:

Valuation Date	12/31/2007	12/31/2008	12/31/2009
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	30 years; closed period	30 years; closed period	30 years; closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset valuation method	Amortized cost	Amortized cost	Amortized cost
Actuarial Assumptions:			
Investment Rate of Return *	7.0%	7.5%	7.5%
Projected salary increases *	varies by age and service	varies by age and service	varies by age and service
* Includes Inflation at	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	2.1%	2.1%

CITY OF BASTROP, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN DESCRIPTION (Continued)

The funded status as of December 31, 2009, 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
	(1)	(2)	(3)	(4)	(5)	(6)
			(1) / (2)	(2) - (1)		(4) / (5)
12/31/2009	\$ 4,607,917	\$ 6,777,032	68.0%	\$ 2,169,115	\$ 4,211,922	51.5%

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.

J. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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.

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 parameter 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.

J. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The annual OPEB cost for the fiscal year ending September 30, 2010 is as follows:

Annual required contribution	\$ 847,025
Interest on OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost (expense) end of year	847,025
Net estimated employer contributions	<u>(130,490)</u>
Increase in net OPEB obligation	716,535
Net OPEB obligation - as of beginning of the year	-
Net OPEB obligation - as of end of the year	<u><u>\$ 716,535</u></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 2010September 30, 2010 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

Funding Status and Funding Progress

The funded status of the City’s retiree health care plan, under GASB Statement No. 45 as of December 31, 2009 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
	(1)	(2)	(3)	(4)	(5)	(6)
			(1) / (2)	(2) - (1)		(4) / (5)
12/31/2009	\$ -	\$ 6,261,851	-	\$ 6,261,851	\$ 4,211,922	149%

Under the reporting parameters, the City’s retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$6,261,851 at December 31, 2009.

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.



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III. DETAILED NOTES ON ALL FUNDS (Continued)

J. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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 9.0% declining to an ultimate rate of 4.50% after 9 years

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.

K. 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.

L. 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.



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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, 2010

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
	(1)	(2)	(3)	(4)	(5)	(6)
			(1) / (2)	(2) - (1)		(4) / (5)
12/31/2007	\$3,489,528	\$ 5,080,139	68.7%	1,590,611	\$3,444,978	46.2%
12/31/2008	3,817,789	5,728,888	66.6%	1,911,099	3,896,057	49.1%
12/31/2009	4,607,917	6,777,032	68.0%	2,169,115	4,211,922	51.5%

Schedule of Funding Progress – City of Bastrop Retiree Health Care 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
	(1)	(2)	(3)	(4)	(5)	(6)
			(1) / (2)	(2) - (1)		(4) / (5)
12/31/2009	\$ -	\$ 6,261,851	-	\$ 6,261,851	\$ 4,211,922	149%



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COMBINING SCHEDULES

CITY OF BASTROP
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2010

	Library Board Fund	Hunter's Crossing PID Fund	Fairview Cemetery Fund	Fairview Cemetery Fund - Perm.
ASSETS				
Cash and Cash Equivalents	\$ 15,017	\$ -	\$ 54,099	\$ 530,640
Prepaid Items	422	-	-	-
Total Assets	<u>\$ 15,439</u>	<u>\$ -</u>	<u>\$ 54,099</u>	<u>\$ 530,640</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 18	\$ 4,956	\$ 360	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	12,175	-	-
Total Liabilities	<u>18</u>	<u>17,131</u>	<u>360</u>	<u>-</u>
Fund Balances:				
Reserved For:				
Cemetery	-	-	-	530,640
Capital Projects	-	-	-	-
Unreserved Designated For:				
Specific Purposes	15,421	(17,131)	53,739	-
Total Fund Balances	<u>15,421</u>	<u>(17,131)</u>	<u>53,739</u>	<u>530,640</u>
Total Liabilities and Fund Balances	<u>\$ 15,439</u>	<u>\$ -</u>	<u>\$ 54,099</u>	<u>\$ 530,640</u>

(Continued)

Main Street Project Fund	Nonmajor Special Rev Funds	Park/Trail Dedication Fund	Gen. Oblig. Bonds 2005 Fund	Gen. Oblig. Bonds 2007 Fund	Texas Capital 2006 Fund	Certificate of Oblig. 2008A
\$ 121,475	\$ 721,231	\$ 109,962	\$ 101,545	\$ -	\$ -	\$ 285,885
-	422	-	-	-	-	-
<u>\$ 121,475</u>	<u>\$ 721,653</u>	<u>\$ 109,962</u>	<u>\$ 101,545</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,885</u>
\$ 4,157	\$ 9,491	\$ -	\$ -	\$ -	\$ 18,353	\$ 223,899
1,811	1,811	-	-	-	-	-
-	12,175	-	-	75,351	1	-
<u>5,968</u>	<u>23,477</u>	<u>-</u>	<u>-</u>	<u>75,351</u>	<u>18,354</u>	<u>223,899</u>
-	530,640	-	-	-	-	-
-	-	109,962	101,545	(75,351)	(18,354)	61,986
<u>115,507</u>	<u>167,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>115,507</u>	<u>698,176</u>	<u>109,962</u>	<u>101,545</u>	<u>(75,351)</u>	<u>(18,354)</u>	<u>61,986</u>
<u>\$ 121,475</u>	<u>\$ 721,653</u>	<u>\$ 109,962</u>	<u>\$ 101,545</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,885</u>



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CITY OF BASTROP
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2010

	TX CDBG #728031 Fund	HUD Special Project Fund	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1	\$ 1	\$ 497,394	\$ 1,218,625
Prepaid Items	-	-	-	422
Total Assets	<u>\$ 1</u>	<u>\$ 1</u>	<u>497,394</u>	<u>\$ 1,219,047</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1	\$ 1	\$ 242,254	\$ 251,745
Wages and Salaries Payable	-	-	-	1,811
Due to Other Funds	-	-	75,352	87,527
Total Liabilities	<u>1</u>	<u>1</u>	<u>317,606</u>	<u>341,083</u>
Fund Balances:				
Reserved For:				
Cemetery	-	-	-	530,640
Capital Projects	-	-	179,788	179,788
Unreserved Designated For:				
Specific Purposes	-	-	-	167,536
Total Fund Balances	<u>-</u>	<u>-</u>	<u>179,788</u>	<u>877,964</u>
Total Liabilities and Fund Balances	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 497,394</u>	<u>\$ 1,219,047</u>

CITY OF BASTROP
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Library Board Fund	Hunter's Crossing PID Fund	Fairview Cemetary Fund	Fairview Cemetary Fund - Perm.
REVENUES:				
Taxes:				
Property Tax	\$ -	\$ 201,960	\$ -	\$ -
Penalty and Interest on Taxes	-	1,079	-	-
Intergovernmental Revenue & Grants	-	-	-	-
Charges for Services	-	-	-	16,000
Investment Earnings	49	599	5,266	985
Contributions & Donations	11,906	-	-	-
Other Revenue	-	-	39,207	530
Total Revenues	<u>11,955</u>	<u>203,638</u>	<u>44,473</u>	<u>17,515</u>
EXPENDITURES:				
Current:				
Public Works	-	-	41,314	-
Culture and Recreation	4,287	-	-	-
Building and Development	-	233,994	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>4,287</u>	<u>233,994</u>	<u>41,314</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,668</u>	<u>(30,356)</u>	<u>3,159</u>	<u>17,515</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	9,000	34,514
Transfers Out (Use)	-	-	(34,514)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(25,514)</u>	<u>34,514</u>
Net Change in Fund Balance	7,668	(30,356)	(22,355)	52,029
Fund Balance - October 1 (Beginning)	<u>7,753</u>	<u>13,225</u>	<u>76,094</u>	<u>478,611</u>
Fund Balance - September 30 (Ending)	<u>\$ 15,421</u>	<u>\$ (17,131)</u>	<u>\$ 53,739</u>	<u>\$ 530,640</u>

(Continued)

Main Street Project Fund	Nonmajor Special Rev. Funds	Park/Trail Dedication Fund	Gen. Oblig. Bonds 2005 Fund	Gen. Oblig. Bonds 2007 Fund	Texas Capital 2006 Fund	Certificate of Oblig 2008A
\$ -	\$ 201,960	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,079	-	-	-	-	-
-	-	-	-	-	19,747	-
-	16,000	-	-	-	-	-
357	7,256	377	366	-	-	4,679
40,761	52,667	-	-	-	-	-
31,530	71,267	-	-	-	-	2,820
<u>72,648</u>	<u>350,229</u>	<u>377</u>	<u>366</u>	<u>-</u>	<u>19,747</u>	<u>7,499</u>
-	41,314	-	-	-	-	-
-	4,287	-	-	-	-	-
144,862	378,856	-	-	-	-	-
-	-	-	10,543	-	38,100	-
<u>144,862</u>	<u>424,457</u>	<u>-</u>	<u>10,543</u>	<u>-</u>	<u>38,100</u>	<u>-</u>
<u>(72,214)</u>	<u>(74,228)</u>	<u>377</u>	<u>(10,177)</u>	<u>-</u>	<u>(18,353)</u>	<u>7,499</u>
85,576	129,090	-	-	-	-	-
-	(34,514)	-	-	-	-	(2,283,883)
<u>85,576</u>	<u>94,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,283,883)</u>
13,362	20,348	377	(10,177)	-	(18,353)	(2,276,384)
<u>102,145</u>	<u>677,828</u>	<u>109,585</u>	<u>111,722</u>	<u>(75,351)</u>	<u>(1)</u>	<u>2,338,370</u>
<u>\$ 115,507</u>	<u>\$ 698,176</u>	<u>\$ 109,962</u>	<u>\$ 101,545</u>	<u>\$ (75,351)</u>	<u>\$ (18,354)</u>	<u>\$ 61,986</u>



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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, 2010

	TX CDBG #728031 Fund	HUD Special Project Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES:				
Taxes:				
Property Tax	\$ -	\$ -	\$ -	\$ 201,960
Penalty and Interest on Taxes	-	-	-	1,079
Intergovernmental Revenue & Grants	-	-	19,747	19,747
Charges for Services	-	-	-	16,000
Investment Earnings	-	-	5,422	12,678
Contributions & Donations	-	-	-	52,667
Other Revenue	-	-	2,820	74,087
Total Revenues	<u>-</u>	<u>-</u>	<u>27,989</u>	<u>378,218</u>
EXPENDITURES:				
Current:				
Public Works	-	-	-	41,314
Culture and Recreation	-	-	-	4,287
Building and Development	-	-	-	378,856
Capital Outlay	-	-	48,643	48,643
Total Expenditures	<u>-</u>	<u>-</u>	<u>48,643</u>	<u>473,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(20,654)</u>	<u>(94,882)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	129,090
Transfers Out (Use)	-	-	(2,283,883)	(2,318,397)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,283,883)</u>	<u>(2,189,307)</u>
Net Change in Fund Balance	-	-	(2,304,537)	(2,284,189)
Fund Balance - October 1 (Beginning)	-	-	2,484,325	3,162,153
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,788</u>	<u>\$ 877,964</u>

CITY OF BASTROP
 COMBINING SCHEDULE OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 SEPTEMBER 30, 2010

	Community Impact Fee Fund	Accelerated Recovery Fee Fund	Bastrop Convention Center	Total Nonmajor Enterprise Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 432,964	\$ 124,507	\$ 844,527	\$ 1,401,998
Prepaid Items	-	-	685	685
Total Current Assets	<u>432,964</u>	<u>124,507</u>	<u>845,212</u>	<u>1,402,683</u>
Noncurrent Assets:				
Capital Assets:				
Land	-	-	813,902	813,902
Buildings	-	-	121,312	121,312
Construction in Progress	-	-	3,145,196	3,145,196
Accumulated Depreciation-Buildings	-	-	(32,718)	(32,718)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>4,047,692</u>	<u>4,047,692</u>
Total Assets	<u>\$ 432,964</u>	<u>\$ 124,507</u>	<u>\$ 4,892,904</u>	<u>\$ 5,450,375</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 342	\$ -	\$ 143	\$ 485
Wages, Salaries and Withholdings Payable	-	-	2,174	2,174
Total Liabilities	<u>342</u>	<u>-</u>	<u>2,317</u>	<u>2,659</u>
NET ASSETS				
Invested in Capital Assets, Net of Debt	-	-	4,047,692	4,047,692
Unrestricted Net Assets	<u>432,622</u>	<u>124,507</u>	<u>842,895</u>	<u>1,400,024</u>
Total Net Assets	<u>\$ 432,622</u>	<u>\$ 124,507</u>	<u>\$ 4,890,587</u>	<u>\$ 5,447,716</u>

CITY OF BASTROP
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 SEPTEMBER 30, 2010

	Community Impact Fee Fund	Accelerated Recovery Fee Fund	Bastrop Convention Center	Total Nonmajor Enterprise Rev Funds
OPERATING REVENUES:				
Charges for Water Service	\$ 113,496	\$ 19,682	\$ -	\$ 133,178
Charges for Sewerage Service	-	62,176	-	62,176
Total Operating Revenues	<u>113,496</u>	<u>81,858</u>	<u>-</u>	<u>195,354</u>
OPERATING EXPENSES:				
Personnel Services - Salaries and Wages	-	-	10,421	10,421
Personnel Services - Employee Benefits	-	-	3,222	3,222
Purchased Professional & Technical Services	33,464	-	136	33,600
Other Operating Expenses	-	-	5,186	5,186
Supplies	-	-	2,085	2,085
Depreciation	-	-	12,791	12,791
Total Operating Expenses	<u>33,464</u>	<u>-</u>	<u>33,841</u>	<u>67,305</u>
Operating Income (Loss)	<u>80,032</u>	<u>81,858</u>	<u>(33,841)</u>	<u>128,049</u>
NON-OPERATING REVENUE (EXPENSE):				
Investment Earnings	<u>1,322</u>	<u>499</u>	<u>2,931</u>	<u>4,752</u>
Total Non-operating Revenue (Expense)	<u>1,322</u>	<u>499</u>	<u>2,931</u>	<u>4,752</u>
Income (Loss) Before Transfers	<u>81,354</u>	<u>82,357</u>	<u>(30,910)</u>	<u>132,801</u>
Non-Operating Transfer In	-	67,655	3,283,374	3,351,029
Transfer Out	-	(181,729)	(203,936)	(385,665)
Change in Net Assets	<u>81,354</u>	<u>(31,717)</u>	<u>3,048,528</u>	<u>3,098,165</u>
Total Net Assets-Oct 1 (Beginning)	<u>351,268</u>	<u>156,224</u>	<u>1,842,059</u>	<u>2,349,551</u>
Total Net Assets-Sept 30 (Ending)	<u>\$ 432,622</u>	<u>\$ 124,507</u>	<u>\$ 4,890,587</u>	<u>\$ 5,447,716</u>



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CITY OF BASTROP, TEXAS
 COMBINING SCHEDULE OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Community Impact Fee Fund	Accelerated Recovery Fee Fund	Bastrop Convention Center	Total Nonmajor Enterprise Rev Funds
OPERATING REVENUES:				
Charges for Water Service	\$ 113,496	\$ 19,682	\$ -	\$ 133,178
Charges for Sewerage Service	-	62,176	-	62,176
Total Operating Revenues	<u>113,496</u>	<u>81,858</u>	<u>-</u>	<u>195,354</u>
OPERATING EXPENSES:				
Personnel Services - Salaries and Wages	-	-	10,421	10,421
Personnel Services - Employee Benefits	-	-	3,222	3,222
Purchased Professional & Technical Services	33,464	-	136	33,600
Other Operating Expenses	-	-	5,186	5,186
Supplies	-	-	2,085	2,085
Depreciation	-	-	12,791	12,791
Total Operating Expenses	<u>33,464</u>	<u>-</u>	<u>33,841</u>	<u>67,305</u>
Operating Income (Loss)	<u>80,032</u>	<u>81,858</u>	<u>(33,841)</u>	<u>128,049</u>
NON-OPERATING REVENUE (EXPENSE):				
Investment Earnings	<u>1,322</u>	<u>499</u>	<u>2,931</u>	<u>4,752</u>
Total Non-operating Revenue (Expense)	<u>1,322</u>	<u>499</u>	<u>2,931</u>	<u>4,752</u>
Income (Loss) Before Transfers	<u>81,354</u>	<u>82,357</u>	<u>(30,910)</u>	<u>132,801</u>
Non-Operating Transfer In	-	67,655	3,283,374	3,351,029
Transfer Out	-	(181,729)	(203,936)	(385,665)
Change in Net Assets	<u>81,354</u>	<u>(31,717)</u>	<u>3,048,528</u>	<u>3,098,165</u>
Total Net Assets-Oct 1 (Beginning)	<u>351,268</u>	<u>156,224</u>	<u>1,842,059</u>	<u>2,349,551</u>
Total Net Assets-Sept 30 (Ending)	<u>\$ 432,622</u>	<u>\$ 124,507</u>	<u>\$ 4,890,587</u>	<u>\$ 5,447,716</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.

<u>Contents</u>	<u>Table #'s</u>
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1-5
Revenue Capacity These tables contain information to help the reader assess the City's two most significant local revenue sources, the property and sales taxes.	6-12
Debt Capacity 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.	13-16
Economic and Demographic Information These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	17-18
Operating Information 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.	19-21

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

TABLE 1

	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 2,167,796	\$ 439,746	\$ 1,437,927	\$ 2,155,157	\$ (7,459,857)
Restricted	3,238,650	4,087,610	2,363,723	986,735	9,380,765
Unrestricted	2,467,845	3,320,445	4,276,758	4,033,594	2,262,403
Total Gov. Activities Net Assets	\$ 7,874,291	\$ 7,847,801	\$ 8,078,408	\$ 7,175,486	4,183,311
Business-type Activities					
Invested in Capital Assets, Net of Related Debt	\$ 8,786,065	\$ 9,586,381	\$ 4,850,207	\$ 16,335,785	19,320,722
Restricted	3,626,113	3,476,113	3,476,113	-	-
Unrestricted	2,124,885	5,277,302	12,960,782	5,767,731	6,658,219
Total Bus.-Type Act. Net Assets	\$ 14,537,063	\$ 18,339,796	\$ 21,287,102	\$ 22,103,516	25,978,941
Primary Government					
Invested in Capital Assets, Net of Related Debt	\$ 10,953,861	\$ 10,026,127	\$ 6,288,134	\$ 18,490,942	11,860,865
Restricted	6,864,763	7,563,723	5,839,836	986,735	9,380,765
Unrestricted	4,592,730	8,597,747	17,237,540	9,801,325	8,920,622
Total Primary Gov. Net Assets	\$ 22,411,354	\$ 26,187,597	\$ 29,365,510	\$ 29,279,002	30,162,252

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

TABLE 2

	Fiscal Year				
	2006	2007	2008	2009	2010
Expenses					
Governmental Activities:					
General Government	\$ 2,706,820	\$ 3,970,038	\$ 4,607,153	\$ 5,150,600	\$ 6,394,947
Public Safety	1,438,822	1,603,169	1,816,490	2,356,890	2,464,313
Public Works	1,138,460	1,329,794	1,411,904	1,567,019	1,773,439
Health	71,027	71,027	71,026	79,169	76,812
Cemetery	-	-	-	15,816	-
Interest on Long-Term Debt	603,976	620,935	738,485	810,338	986,607
Depreciation	273,362	523,803	480,223	-	-
Total Governmental Activities Expenses	6,232,467	8,118,766	9,125,281	9,979,831	11,696,118
Business-type Activities					
Water/ Wastewater Utility	\$ 1,961,082	\$ 2,226,170	\$ 2,443,594	\$ 2,654,152	\$ 2,790,906
Electric Utility	5,150,081	4,567,889	5,437,279	6,049,776	5,727,753
BEDC	559,421	481,314	738,373	144,936	-
Other Nonmajor	190	25,166	83,312	3,619	67,305
Total Business-type Activities Expenses	7,670,774	7,300,539	8,702,558	8,852,483	8,585,964
Total Primary Government Expenses	\$ 13,903,241	\$ 15,419,305	\$ 17,827,839	\$ 18,832,314	\$ 20,282,082
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 57,761	\$ 21,075	\$ 40,943	\$ 1,087,944	\$ 1,255,484
Public safety	246,568	319,321	422,094	295,240	256,551
Health	-	-	-	27,932	-
Operating Grants and Contributions	1,093,585	1,170,248	854,313	91,918	249,725
Capital Grants and Contributions	-	-	-	577,643	-
Total Gov. Activities Program Revenues	1,397,914	1,510,644	1,317,350	2,080,677	1,761,760
Business-type Activities:					
Charges for Services:					
Water/ Wastewater Utility	\$ 2,442,952	\$ 2,209,693	\$ 2,764,742	\$ 3,111,828	\$ 3,071,126
Electric Utility	5,967,713	5,473,645	6,231,334	7,071,534	6,771,854
Community Impact Fee Fund	-	-	-	295,177	-
Other	-	-	-	-	195,354
Total Bus.-Type Act. Program Revenues	8,410,665	7,683,338	8,996,076	10,478,539	10,038,334
Total Primary Gov. Programs Revenues	9,808,579	9,193,982	10,313,426	12,559,216	11,800,094
Net (Expense)/Revenue					
Governmental Activities	\$ (4,834,553)	\$ (6,608,122)	\$ (7,807,931)	\$ (7,899,154)	\$ (9,934,358)
Business-type Activities	739,891	382,799	293,518	1,626,056	1,452,370
Total Primary Government Net Expense	\$ (4,094,662)	\$ (6,225,323)	\$ (7,514,413)	\$ (6,273,098)	\$ (8,481,988)



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

TABLE 3

	Fiscal Year				
	2006	2007	2008	2009	2010
Net (Expense)/Revenue					
Governmental Activities	\$ (4,834,553)	\$ (6,608,122)	\$ (7,807,931)	\$ (7,899,154)	\$ (9,934,358)
Business-type Activities	739,891	382,799	293,518	1,626,056	1,452,370
Total Primary Gov. Net Expense	<u>(4,094,662)</u>	<u>(6,225,323)</u>	<u>(7,514,413)</u>	<u>(6,273,098)</u>	<u>(8,481,988)</u>
Governmental Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes					
Property Taxes	2,327,827	2,846,719	2,842,170	3,182,745	3,362,419
Sales Taxes	2,023,820	2,170,754	2,371,361	2,508,969	2,606,584
Franchise Taxes	295,488	294,684	350,299	365,838	375,077
Other Taxes	654,821	1,837,439	2,119,224	2,202,096	2,172,473
Penalty and Interest	47,267	61,700	66,304	63,574	73,518
Grants/Contributions Not Rest.	-	-	-	91,076	122,691
Miscellaneous Revenue	653,367	645,063	693,273	135,334	511,770
Investment Earnings	300,993	392,083	266,109	97,964	76,892
Special Item - Resource	-	-	-	47,821	37,782
Special Item (Use)	-	-	-	4,423	4,065
Transfers In (Out)	376,477	(1,666,810)	(670,202)	(1,431,720)	(2,401,089)
Total Governmental Activities	<u>6,680,060</u>	<u>6,581,632</u>	<u>8,038,538</u>	<u>7,268,120</u>	<u>6,942,182</u>
Business-type Activities:					
Sales Taxes	1,110,377	1,085,214	1,185,502	-	-
Miscellaneous Revenue	-	298,016	505,558	230,872	-
Investment Earnings	232,931	369,894	292,526	68,051	21,968
Transfers In (Out)	(376,477)	1,666,810	670,202	1,251,118	2,401,088
Total Business-type Activities	<u>966,831</u>	<u>3,419,934</u>	<u>2,653,788</u>	<u>1,550,041</u>	<u>2,423,056</u>
Total Primary Government	\$ 7,646,891	\$ 10,001,566	\$ 10,692,326	\$ 8,818,161	\$ 9,365,238
Change in Net Assets					
Governmental Activities	\$ 1,845,507	\$ (26,490)	\$ 230,607	\$ (631,034)	\$ (2,992,176)
Business-type Activities	1,706,722	3,802,733	2,947,306	3,176,097	3,875,426
Total Primary Government	<u>\$ 3,552,229</u>	<u>\$ 3,776,243</u>	<u>\$ 3,177,913</u>	<u>\$ 2,545,063</u>	<u>\$ 883,250</u>

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

	Fiscal Year			
	2001	2002	2003	2004
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ 66,687
Unreserved	1,623,360	1,188,925	1,132,060	957,362
Total General Fund	\$ 1,623,360	\$ 1,188,925	\$ 1,132,060	\$ 1,024,049
All Other Governmental Funds				
Reserved	\$ 756,469	\$ 871,853	\$ 613,186	\$ 190,933
Unreserved, Reported in:				
Special Revenue Funds	364,780	935,191	804,138	112,220
Capital Projects Funds	3,254,981	5,184,876	1,778,056	3,382,800
Debt Service Fund				
Total All Other Governmental Funds	\$ 4,376,230	\$ 6,991,920	\$ 3,195,380	\$ 3,685,953

TABLE 4

Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ 63,959	\$ 73,028	\$ 76,039	\$ 77,637	\$ -	\$ -
1,480,793	1,557,114	2,048,836	2,277,834	2,187,883	2,515,443
\$ 1,544,752	\$ 1,630,142	\$ 2,124,875	\$ 2,355,471	\$ 2,187,883	\$ 2,515,443
\$ -	\$ -	\$ -	\$ -	\$ 5,604,401	\$ 9,380,765
618,299	1,031,658	1,555,496	3,168,641	2,412,513	167,536
2,346,918	2,369,074	2,613,207	-	-	-
253,019	469,859	1,006,310	986,734	-	-
\$ 3,218,236	\$ 3,870,591	\$ 5,175,013	\$ 4,155,375	\$ 8,016,914	\$ 9,548,301

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

	Fiscal Year			
	2001	2002	2003	2004
Revenues				
Ad valorem taxes	\$ 970,108	\$ 1,222,299	\$ 1,481,755	\$ 1,646,411
Sales taxes	1,455,295	1,504,567	1,695,536	1,750,107
Franchise fees	172,628	215,270	243,074	246,776
Other Taxes	190,909	167,420	164,146	194,473
Licenses and permits	190,934	156,100	207,748	193,058
Intergovernmental	837,084	730,489	1,149,156	829,881
Service fees	-	-	-	69,920
Fines and penalties	168,077	184,889	161,652	170,107
Interest income	265,824	157,253	124,357	104,518
Miscellaneous income	474,359	616,902	522,585	1,015,777
Total Revenues	4,725,218	4,955,189	5,750,009	6,221,028
Expenditures				
General Government	1,202,564	1,145,366	1,081,263	1,661,727
Public Safety	1,307,165	1,341,646	1,338,340	1,164,624
Urban development	335,034	320,233	344,600	364,569
Public Works	799,975	799,544	865,111	1,205,653
Community Service	436,805	628,422	505,593	-
Capital Outlay	2,171,200	919,109	4,729,944	3,169,528
Debt Service				
Principal	479,441	727,716	872,372	492,329
Interest and fiscal charges	-	-	-	417,686
Bond issuance costs	-	-	-	151,116
Total Expenditures	6,732,184	5,882,036	9,737,223	8,627,232
Excess of Revenues				
Over (Under) Expenditures	(2,006,966)	(926,847)	(3,987,214)	(2,406,204)
Other Financing Sources (Uses)				
Transfers In	1,178,480	731,968	3,485,460	3,781,593
Transfers Out	(822,072)	(315,821)	(3,361,133)	(3,100,029)
Issuance of long-term debt	3,080,000	2,563,343	42,382	2,685,000
Premium or discount on bonds issued	-	-	-	-
Other resources	-	-	-	-
Sale of capital assets	-	61	1,521	-
Total Other Financing	3,436,408	2,979,551	168,230	3,366,564
Sources (Uses)	3,436,408	2,979,551	168,230	3,366,564
Net Change in Fund Balances	1,429,442	2,052,704	(3,818,984)	960,360
Debt Service as a Percentage				
of Noncapital Expenditures	11.7%	17.2%	21.1%	24.1%

TABLE 5

Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ 2,085,093	\$ 2,313,000	\$ 2,904,316	\$ 2,908,474	\$ 3,326,158	\$ 3,668,631
1,806,297	2,071,087	2,170,754	2,371,361	2,508,969	2,606,584
267,733	295,488	294,684	350,299	365,838	375,077
216,364	654,823	1,837,439	2,119,224	2,202,096	1,970,512
244,255	220,954	242,043	235,490	150,664	104,149
1,184,579	1,163,671	1,230,269	854,313	1,614,689	1,231,197
102,890	57,761	21,075	40,943	72,172	70,418
190,784	246,568	319,321	422,094	323,673	324,465
150,623	300,993	392,084	266,109	97,964	76,854
516,357	364,415	371,146	457,763	145,889	667,249
<u>6,764,975</u>	<u>7,688,760</u>	<u>9,783,131</u>	<u>10,026,070</u>	<u>10,808,112</u>	<u>11,095,136</u>
2,060,116	2,690,940	3,961,515	4,594,555	1,805,523	2,233,336
1,324,954	1,432,584	1,599,829	1,804,708	2,470,393	2,196,265
71,026	71,027	71,027	71,027	2,074,168	3,035,287
1,230,479	1,132,222	1,326,446	1,420,520	1,505,497	1,640,182
-	-	-	-	560,947	555,892
2,126,856	3,092,448	2,700,721	2,230,134	836,126	2,155,806
596,099	738,211	897,461	1,129,328	1,066,729	1,457,967
590,773	624,056	585,168	749,638	954,646	913,096
-	-	-	-	181,008	89,113
<u>8,000,303</u>	<u>9,781,488</u>	<u>11,142,167</u>	<u>11,999,910</u>	<u>11,455,037</u>	<u>14,276,944</u>
<u>(1,235,328)</u>	<u>(2,092,728)</u>	<u>(1,359,036)</u>	<u>(1,973,840)</u>	<u>(646,925)</u>	<u>(3,181,808)</u>
1,045,215	979,165	2,009,370	1,338,208	1,218,690	1,127,753
(191,901)	(602,688)	(3,676,179)	(2,008,410)	(2,650,410)	(3,528,663)
435,000	2,453,996	4,825,000	1,855,000	6,135,000	7,400,000
-	-	-	-	121,803	-
-	-	-	-	47,821	37,782
-	-	-	-	4,423	4,065
<u>1,288,314</u>	<u>2,830,473</u>	<u>3,158,191</u>	<u>1,184,798</u>	<u>4,877,327</u>	<u>5,040,937</u>
<u>52,986</u>	<u>737,745</u>	<u>1,799,155</u>	<u>(789,042)</u>	<u>4,230,402</u>	<u>1,859,129</u>
25%	25.6%	21.3%	23.8%	17.6%	20.8%



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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>
2001	970,108	1,455,295	172,628	2,598,031
2002	1,222,299	1,504,567	215,270	2,942,136
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
Change 2001-2010	\$ 2,356,311	\$ 1,151,289	\$ 202,449	\$ 3,710,049
Percent Change	141.2%	226.4%	185.3%	170.0%

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

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Less Exempt Property</u>	<u>Less Other (1)</u>
2001	2000	\$ 283,468,883	\$ 42,318,646	\$ (58,869,445)	\$ (17,724,468)
2002	2001	309,960,777	44,108,423	(60,030,817)	(16,973,521)
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)

Source: Central Appraisal District of Bastrop County

(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
249,193,616	0.3832	\$ 249,193,616	100.00%
277,064,862	0.4307	277,064,862	100.00%
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%

**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
2001	0.2016	0.1816	0.3832	1.5269	0.5990	\$ -
2002	0.1954	0.2353	0.4307	1.5269	0.5850	\$ -
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

(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)**

TABLE 9

Taxpayer	2010			2000		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bastrop Retail Partners	\$ 14,527,631	1	2.56%			
Walmart	12,704,175	2	2.24%	\$ 12,704,175	2	5.10%
The Home Depot	10,649,688	3	1.88%			
H E Butt Grocery Company	9,460,824	4	1.67%	9,460,824	3	3.80%
METS Properties LP	9,100,000	5	1.60%			
Six Walnut Ridge Apartments	8,043,275	6	1.42%			
Lowe's Home Centers Inc	7,727,382	7	1.36%			
Covert Chevrolet	7,297,794	8	1.29%	7,297,794	1	2.93%
First National Bank of Bastrop	6,072,052	9	1.07%	6,072,052	9	2.44%
Lowes Home Center Inc	5,882,565	10	1.04%			
Total	\$ 91,465,386		16.12%	\$ 35,534,845		14.26%

(1) Source: Central Appraisal District of Bastrop County

**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
2001	\$ 929,011	\$ 916,609	98.67%	\$ 5,662	922,271	99.27%
2002	1,192,845	1,163,649	97.55%	15,470	1,179,119	98.85%
2003	1,473,961	1,403,218	95.20%	39,555	1,442,773	97.88%
2004	1,576,302	1,558,316	98.86%	16,877	1,575,192	99.93%
2005	2,039,296	1,958,417	96.03%	57,389	2,015,806	98.85%
2006	2,301,006	2,216,887	96.34%	67,585	2,284,473	99.28%
2007	2,819,407	2,749,328	97.51%	47,678	2,797,006	99.21%
2008	2,800,288	2,736,004	97.70%	60,941	2,796,945	99.88%
2009	3,278,876	3,185,516	97.15%	44,138	3,229,654	98.50%
2010	3,404,859	3,327,953	97.74%	-	3,327,953	97.74%

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

TABLE 11

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Bastrop Economic Development Corporation</u>	<u>Bastrop County</u>
2001	1.50%	0.50%	0.50%
2002	1.50%	0.50%	0.50%
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%

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

Fiscal Year	General Bonded Debt		
	General Obligation Bonds	Tax Notes	Certificates of Obligation
2001	\$ 453,010	\$ -	\$ -
2002	\$ 652,108	\$ -	\$ -
2003	\$ 722,564	\$ -	\$ -
2004	\$ 795,814	\$ -	\$ -
2005	\$ 1,045,026	\$ 84,559	\$ 22,317
2006	\$ 1,180,416	\$ 143,897	\$ 14,938
2007	\$ 1,313,743	\$ 141,047	\$ 21,124
2008	\$ 1,380,250	\$ 184,370	\$ 67,778
2009	\$ 1,540,800	\$ 190,249	\$ 80,611
2010	\$ 1,653,081	\$ 188,775	\$ 79,395

Fiscal Year	Other Governmental Activities Debt		
	Certificate of Obligations	Tax Revenue Bonds	Total Primary Government
2001	\$ -	\$ -	\$ 1,014,002
2002	\$ -	\$ -	\$ 1,216,052
2003	\$ -	\$ -	\$ 1,284,565
2004	\$ -	\$ -	\$ 1,354,571
2005	\$ 174,346	\$ -	\$ 1,906,932
2006	\$ 116,699	\$ -	\$ 2,126,588
2007	\$ 119,490	\$ -	\$ 1,765,671
2008	\$ 144,067	\$ -	\$ 2,317,319
2009	\$ 178,407	\$ -	\$ 2,811,332
2010	\$ 181,728	\$ -	\$ 3,043,006

TABLE 12

Business-type Activities				
Tax & Revenue Refunding Bonds	Water Revenue Bonds	Certificates of Obligations	Tax Notes	
\$ 239,063	\$ 316,403	\$ -	\$ -	
\$ 239,188	\$ 319,043	\$ -	\$ -	
\$ 238,788	\$ 317,313	\$ -	\$ -	
\$ 237,944	\$ 314,725	\$ -	\$ -	
\$ 241,644	\$ 291,250	\$ 41,514	\$ -	
\$ 363,389	\$ 273,000	\$ 27,788	\$ -	
\$ 122,431	\$ -	\$ 41,187	\$ -	
\$ 256,048	\$ -	\$ 209,685	\$ 68,286	
\$ 253,441	\$ -	\$ 492,655	\$ 68,147	
\$ 250,604	\$ -	\$ 610,010	\$ 72,195	

Percentage of Outstanding Debt				
Population	Per Capita Income	Personal Income	Percentage of Outstanding Debt to Personal Income	Outstanding Debt Per Capita
5,527	\$ 19,862	\$ 109,777,274	0.92%	\$ 183.46
5,714	\$ 20,422	\$ 116,691,308	1.04%	\$ 212.82
5,901	\$ 20,982	\$ 123,814,782	1.04%	\$ 217.69
6,088	\$ 21,542	\$ 131,147,696	1.03%	\$ 222.50
6,275	\$ 22,102	\$ 138,690,050	1.37%	\$ 303.89
6,462	\$ 22,662	\$ 146,441,844	1.45%	\$ 329.09
6,649	\$ 23,222	\$ 154,403,078	1.14%	\$ 265.55
6,836	\$ 23,782	\$ 162,573,752	1.43%	\$ 338.99
7,023	\$ 24,337	\$ 170,918,751	1.64%	\$ 400.30
7,218	\$ 24,897	\$ 179,706,546	1.69%	\$ 421.59

**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	Certificates of Obligation	Total		
2001	\$ 10,519,950	\$ -	\$ 10,519,950	4.22%	\$ 1,903
2002	13,406,393	-	\$ 13,406,393	4.84%	\$ 2,346
2003	12,633,829	-	\$ 12,633,829	3.94%	\$ 2,141
2004	16,067,307	418,825	\$ 16,486,132	4.35%	\$ 2,708
2005	18,480,826	396,468	\$ 18,877,294	4.66%	\$ 3,008
2006	17,294,410	381,530	\$ 17,675,940	4.45%	\$ 2,735
2007	18,301,929	4,758,711	\$ 23,060,640	5.16%	\$ 3,468
2008	16,921,680	4,515,562	\$ 21,437,241	4.44%	\$ 3,136
2009	18,845,020	\$ 4,196,088	\$ 23,041,108	4.20%	\$ 3,281
2010	17,605,604	2,039,969	\$ 19,645,573	3.46%	\$ 2,722

**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 09/30/2010
Bastrop County	\$ 42,905,000	15.41%	\$ 6,611,661
Bastrop Independent School District	\$ 183,085,880	23.55%	\$ 43,116,725
City of Bastrop	\$ 17,630,000 (1)	100.00%	\$ 17,630,000
Total Direct and Overlapping Tax Supported Debt			\$ 67,358,385
Ratio of Direct and Overlapping Bonded Debt to Taxable Assessed Valuation			2.71%
Per Capita Direct and Overlapping Debt			\$ 1,417

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

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Assessed Valuation	\$249,193,616	\$277,064,862	\$320,556,250	\$378,726,209
Limit on Amount Designated for Debt Service: \$1.50 per \$100				
Times	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
Legal Annual Maximum Debt Payment	<u>\$ 3,737,904</u>	<u>\$ 4,155,973</u>	<u>\$ 4,808,344</u>	<u>\$ 5,680,893</u>
Actual Amount Expended for General Obligation Debt Service During the Fiscal Year	<u>454,441</u>	<u>654,360</u>	<u>775,117</u>	<u>798,316</u>
Legal Debt Margin for Annual Debt Service Requirements	<u><u>\$ 3,283,463</u></u>	<u><u>\$ 3,501,613</u></u>	<u><u>\$ 4,033,227</u></u>	<u><u>\$ 4,882,577</u></u>
Total Net Debt Applicable to the Limit As a percentage of Debt Limit	12.16%	15.75%	16.12%	14.05%

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

TABLE 15

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>\$ 405,219,758</u>	<u>\$ 396,952,526</u>	<u>\$ 447,111,516</u>	<u>\$ 483,362,902</u>	<u>\$ 548,419,690</u>	<u>\$ 567,446,564</u>
<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
<u>\$ 6,078,296</u>	<u>\$ 5,954,288</u>	<u>\$ 6,706,673</u>	<u>\$ 7,250,444</u>	<u>\$ 8,226,295</u>	<u>\$ 8,511,698</u>
<u>1,161,872</u>	<u>1,292,267</u>	<u>1,476,257</u>	<u>1,878,966</u>	<u>2,039,796</u>	<u>2,401,822</u>
<u>\$ 4,916,424</u>	<u>\$ 4,662,021</u>	<u>\$ 5,230,416</u>	<u>\$ 5,371,478</u>	<u>\$ 6,186,499</u>	<u>\$ 6,109,876</u>
19.12%	21.70%	22.01%	25.92%	24.80%	28.22%



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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>
2001	1,468,182	1,135,435	332,747	316,403	1.052
2002	1,593,100	1,188,672	404,428	319,043	1.268
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

(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)**

	2001	2002	2003	2004
Population (1)	5,527	5,714	5,901	6,088
Median Household Income (1)	\$ 40,212	\$ 42,175	\$ 44,138	\$ 46,101
Per Capita Income (1)	\$ 19,862	\$ 20,422	\$ 20,982	\$ 21,542
Median Age	36.3	36.3	36.3	36.3
Education Level in Years of Schooling (at 18 years and over) (2)				
Less than high school graduate	696	685	674	663
High school graduate (or equivalent)	1259	1282	1305	1327
Some college, no degree	860	1002	1144	1286
Associate degree or higher	137	141	146	150
Bachelor's degree or higher	533	581	629	677
Graduate degree or higher	430	444	458	472
School Enrollment (2)	1,291	1,459	1,627	1,795
Unemployment Rate (3)	5.0%	6.3%	6.8%	5.3%

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

(2) Us Census 2000 information and estimates for 2005-2010,

(3) Unemployment rates from the Texas Workforce Commission website (www.twc.state.tx.us). Bastrop County rate only one available.

TABLE 17

2005	2006	2007	2008	2009	2010
6,275	6,462	6,649	6,836	7,023	7,218
\$ 48,064	\$ 50,027	\$ 51,990	\$ 53,953	\$ 55,919	\$ 57,882
\$ 22,102	\$ 22,662	\$ 23,222	\$ 23,782	\$ 24,337	\$ 24,897
33.4	33.4	33.4	33.4	33.4	33.4
653	653	653	653	653	653
1350	1350	1350	1350	1350	1350
1427	1427	1427	1427	1427	1427
155	155	155	155	155	155
725	725	725	725	725	725
487	487	487	487	487	487
1,830	1,865	1,900	1,935	1,965	2,000
4.9%	4.4%	4.2%	5.4%	8.1%	7.8%



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

TABLE 18

Employer	2010			2001 (2)		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total City Employment
Bastrop ISD	1,230	1	8.67%	-	-	-
Hyatt Regency Lost Pines	735	2	5.18%	-	-	-
Bastrop County	483	3	3.41%	-	-	-
Walmart	400	4	2.82%	-	-	-
MD Anderson	386	5	2.72%	-	-	-
Bastrop FCI	284	6	2.00%	-	-	-
HEB Food Stores	280	7	1.97%	-	-	-
Bluebonnet Electric Co-op	147	8	1.04%	-	-	-
Agilent Technologies	120	9	0.85%	-	-	-
City of Bastrop	115	10	0.81%	-	-	-
Total	4,180		29.48%	-		-

Source: Bastrop County figures from Texas Workforce Commission
 Information not available for 2001

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

Full-Time Equivalent Employees as of Year End				
Function/Program	2001	2002	2003	2004
General Government				
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	4.00	4.00
Human Resources	1.00	1.00	1.00	1.00
Information Technology	0.00	0.00	0.00	0.00
Municipal Court	4.00	3.50	3.50	4.00
Building Maintenance	2.00	2.00	2.00	2.00
Police Department				
Officers	17.00	17.00	18.00	18.00
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
Development Services				
Planning	3.00	3.00	3.00	3.00
Building Inspections	1.00	1.00	1.00	1.00
Public Works				
Administration	2.00	2.00	2.00	2.00
Streets	8.00	9.00	9.00	10.00
Other	1.00	1.00	1.00	1.00
Community Services				
Parks Department	4.00	4.00	4.00	7.00
Library	5.50	5.75	5.90	6.93
Proprietary Funds				
Water/ Wastewater	9.00	9.00	11.00	13.00
Electric	8.00	8.00	8.00	9.00
Special Revenue Funds				
Main Street	0.00	0.00	0.00	0.00
Economic Development Corp.	2.00	2.00	2.00	2.00
Total	82.00	82.75	85.90	94.43

TABLE 19

2005	2006	2007	2008	2009	2010
2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
4.00	4.00	4.00	4.00	4.00	4.00
6.00	6.00	5.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00	1.00
4.00	4.00	4.00	5.50	5.50	5.50
2.50	3.00	3.00	3.00	3.00	3.00
19.00	20.00	20.00	20.00	20.00	20.00
2.50	2.50	2.50	2.50	2.50	2.50
0.00	0.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
3.00	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	2.00	2.00
10.00	10.00	10.00	10.00	10.00	10.00
1.00	1.00	0.00	0.00	1.00	1.00
8.00	9.00	9.00	9.00	9.00	9.00
6.93	8.30	8.30	8.30	8.30	8.30
13.00	13.00	12.00	12.00	12.00	12.00
9.00	9.00	8.00	9.00	9.00	9.00
0.00	0.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
98.93	103.80	101.80	106.30	107.30	108.30

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

Function/Program	2001	2002	2003	2004
General Government				
Building Permits Issued	275	273	263	224
Building Permits Value (thousands)	\$ 20,993,603	\$ 18,052,773	\$ 24,746,962	\$ 11,321,612
Police				
Physical Arrests	547	831	837	860
Violations Issued	3,338	4,919	4,791	6,613
Accident Investigations	422	425	422	357
Fire				
Incident Volume	na	313	359	374
Priority Calls Answered	na	176	192	199
Public Works				
Paved Streets (miles)	48	48	48	48
Open Drainage Ditches (miles)	52	52	52	52
Storm Sewer Lines (miles)	63	63	63	63
Number of Street Signs	1,375	1,375	1,375	1,380
Parks and Recreation				
Pavillion Rentals	25	30	30	30
New Trees Planted	100	135	135	135
Special Events	16	16	16	16
Library				
Volumes in Collection	31,000	31,074	32,116	35,198
Total Circulation	140,000	140,119	135,992	132,986
Story Time & Program Assistance	na	4,156	6,073	6,078
Water				
Number of Connections	na	2,198	2,268	2,464
Line Leaks and Breaks	na	132	150	150
Wastewater				
Millions of gallons treated	na	215.1673	230.312	251.151
Sewer Stops	na	70	100	96

TABLE 20

2005	2006	2007	2008	2009	2010
264	265	219	207	169	116
\$ 33,295,000	\$ 23,321,074	\$ 18,507,556	\$ 25,820,447	\$ 29,395,261	\$ 17,453,580
798	848	813	700	788	920
6,361	5,404	4,671	5,963	6,414	6,861
367	373	352	271	246	265
404	720	613	843	826	850
197	324	300	450	433	400
49	49	49	49	50	52
52	52	52	52	52	52
65	65	65	65	66	66
1,380	1,380	1,380	1,380	1,400	1,425
86	86	86	86	85	90
313	313	313	313	150	120
16	16	16	16	18	22
37,455	39,180	43,714	46,451	49,699	50,093
128,211	115,172	156,116	171,360	192,700	205,000
5,170	4,743	7,978	9,989	10,024	10,200
2,479	2,639	2,689	2,689	2,762	2,770
150	91	148	148	222	206
257.197	248.057	260.812	260.812	246.367	250.92
100	113	94	94	80	90

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

Function/Program	2001	2002	2003	2004
Police Stations	1	1	1	1
Fire Stations	1	1	1	2
Bastrop Public Library	1	1	1	1
Other Public Works				
Paved Streets (miles)	48	48	48	48
Open Drainage Ditches (miles)	52	52	52	52
Storm Sewer Lines (miles)	63	63	63	63
Parks and Recreation				
Acreage (maintained)	87	87	87	89
Right of Ways	52	52	52	52
Playgrounds	2	2	2	3
Basketball Courts	3	3	3	3
Water				
Treated Water Produced (millions of gallons)	na	419.029	445.108	400.119
Number of service connections	na	2,198	2,268	2,464
Wastewater				
Wastewater Treated (millions of gallons)	na	215.1673	230.312	251.151
Number of Wastewater Customers	na	1,933	2,003	2,141
Number of Lift Stations	11	11	13	15

TABLE 21

2005	2006	2007	2008	2009	2010
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
49	49	49	49	50	52
52	52	52	52	52	52
65	65	65	65	66	66
89	89	89	89	120	120
52	52	52	52	52	52
3	3	3	3	4	4
3	3	3	3	4	4
397.012	459.607	469.258	484.392	495.344	445.269
2,479	2,639	2,689	2,689	2,762	2,770
257.197	248.057	243.266	260.812	246.367	250.92
2,247	2,392	2,409	2,404	2,448	2,452
15	15	15	15	18	18



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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, and the aggregate remaining fund information of the City of Bastrop, Texas ("the City") as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 25, 2011.

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.

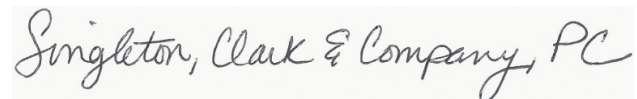


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Compliance and Other Matters

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

February 25, 2011