

**CITY OF BASTROP, TEXAS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2015**



**CITY OF BASTROP, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED**  
**SEPTEMBER 30, 2015**

**CITY COUNCIL**

Kenneth W. Kesselus – Mayor  
Willie DeLaRosa – Mayor Pro-Tem  
Dock Jackson  
Gary Schiff  
Kay Garcia McAnally  
Kelly Gilleland

**CITY MANAGER**

Mike Talbot

**CHIEF FINANCIAL OFFICER**

Tracy Waldron

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**FOR THE YEAR ENDED SEPTEMBER 2015**

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# **INTRODUCTORY SECTION**

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



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February 17, 2016

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

The City of Bastrop Finance Department respectfully submits the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2015. Provided herein is a complete set of financial statements in conformity with generally accepted accounting principles GAAP and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

The purpose of this report is to provide council, management, staff, the public and other interested parties with detailed information regarding the City's financial condition. State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2015.

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

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

The City financial records have been audited by Pattillo, Brown & Hill, L.L.P. Certified Public Accountants as required by the City Charter and Financial Management Policies adopted by City Council. This Comprehensive Annual Financial Report has been prepared based upon those audited records. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2015 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.

Pattillo, Brown & Hill, L.L.P. Certified Public Accountants have issued an unmodified (“clean”) opinion on the City of Bastrop, Texas’s financial statements for the fiscal year ended September 30, 2015. The independent auditor’s report is located at the front of the financial section. Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF BASTROP**

The City of Bastrop is nestled on the Colorado River and located at the junction of TX Highways 71, 21 and 95, just 30 minutes from Austin, 90 minutes from San Antonio and less than 2 hours from Houston. It currently occupies 11 square miles and serves a population of 7,900. The City of Bastrop serves as the county seat of Bastrop County. The City has developed into a commercial center which daily serves up to an estimated 25,000 business persons, shoppers, and visitors.

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

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

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

The Bastrop Economic Development Corporation (BEDC) is included in the financial statements as a discrete component unit. Its purpose is to aid, promote and further economic development

within the City. The BEDC is funded with sales tax revenues and is discussed more fully in the notes to the financial statements.

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Local Economy**

The City of Bastrop is identified as the county seat for Bastrop County. With this designation comes commercial growth not typically seen for a population of approximately 7,900 residents. Major industries located within the government's boundaries or in close proximity include small industries, retail stores, several financial institutions, restaurants and insurance companies. The school district has significant economic presence, employing in total more than 1,350 teachers, professionals, and support staff.

Because of its location in a region with a varied economic base, unemployment had been relatively stable until the effect of the current recession was felt during the current year. During the past ten years, the unemployment rate rose from an initial low of 4.9 percent in 2005 to a decade high of 8.6 percent in 2011 and reducing to 3.8 percent for the current year of 2015. Although unemployment rates have reduced nationwide over the last two years, the City of Bastrop continues to experience unemployment rates consistently lower than national averages.

Due to its healthy local economy, the City of Bastrop has maintained a credit rating of AA- from Fitch Ratings and achieved an upgrade of two notches from Standard and Poor's to AA in 2013. Over the past ten years, the City has experienced significant economic growth and investment. Commercial development is attracted to the City as is evidenced commercial development in 2014 with the addition of Academy Sports store, Chick-fil-a, Southside BBQ restaurant, renovation and expansion of the HEB grocery store, and an additional retail strip center. This growth continued in 2015 with a new strip center added in Burleson Crossing including three additional retail stores (Hobby Lobby, Five Below, Ulta). The new strip center by Walmart (Fred Loya Insurance, The UPS store). The City issued 157 building permits with a permit value of \$17,654,706 in FY15.

Our sound financial position is apparent even with the growth pressures because of our conservative budgeting practices, as evidenced by healthy fund balance numbers. The City experienced growth in assessed valuation of property taxes and collection of sales tax from fiscal year 2010 through 2015 as identified in the chart below. Existing assessed valuations have continued to represent a slight increase. This increase could be attributable to the build out of Hunter’s Crossing subdivision and an increase in assessed values of current properties including new commercial growth over the past several years. The wildfire was located within the County of Bastrop and in proximity to the City which resulted in a significant Sales Tax impact upon our economy. The wildfire burned 1,645 homes in the county of which 67 were in the city limits. As is common following natural disasters of this scale, it is estimated sales tax receipts will increase over prior year receipts as the community rebuilds. The City of Bastrop had been experiencing significant commercial growth prior to the fire. The effects upon the Ad Valorem Tax base occurred in Fiscal Year 2013 as reappraisals of properties would have occurred in January of 2012 as evidenced below. The Sales Tax Revenue for Fiscal 2012 far exceeded its budgeted 4% increase and in Fiscal 2013 the revenue percentage increase was reduced but still outperformed the anticipated budget of \$2,952,100. In Fiscal Year 2015, the City remained conservative from a budget standpoint only budgeting \$3,508,000 and continued to safely exceed budgeted projections. The steady growth of the commercial area in addition to the City Councils conservative budgeting practices have kept the City finances insulated from a sharp pullback after the recovery.

Fiscal Year	Ad Valorem Taxes	%	General Fund	%
	Certified Assessed Valuation	Change	Sales Tax Receipts	Change
2010	\$ 567,446,564	3.45%	\$ 2,606,584	3.89%
2011	\$ 607,077,994	7.00%	\$ 2,722,333	4.26%
2012	\$ 627,256,816	3.32%	\$ 3,194,452	17.34%
2013	\$ 635,808,461	1.36%	\$ 3,322,116	3.99%
2014	\$ 670,721,248	5.49%	\$ 3,544,649	6.70%
2015	\$ 737,922,965	10.02%	\$ 3,961,135	11.75%

### Long-term Financial Planning

General fund Fiscal 2015 budgeted expenditures exceed the 25 percent reserved fund balance and are in excess of the 90 days requirement identified within the financial management policy guidelines set by the City Council in the Financial Management Policies. The City Council held fund balance at 29% for Fiscal Year 2015 to protect the City’s creditworthiness as well as its financial position from unforeseeable emergencies.

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

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

### **Relevant Financial Policies**

The City of Bastrop, Texas has adopted a comprehensive set of financial policies. Annually the City Council approves their financial policies and extensive review and revisions are provided to City Council and the City Manager from the Finance Department. In Fiscal Year 2013, the City Council approved a revised Investment Policy, as amended, it will further protect City Assets by identifying investment objectives, addressing the issues of investment risks versus rewards, and providing the framework for the establishment of controls, limitations and responsibilities of City employees in the performance of their fiduciary responsibilities. In Fiscal Year 2014, the City approved a revised Purchasing Policy with the intent to maintain a cost effective purchasing system conforming to good management practices. The establishment and maintenance of a good purchasing system is possible only through cooperative effort. This Policy reaffirms the City of Bastrop's commitment to strengthen purchasing and property controls to reasonably assure that assets are received and retained in the custody of the City of Bastrop.

### **Major Initiatives**

There was one issuances of debt in FY2015. The General Obligation Refunding, Series 2014 in the amount of \$2,275,000 was issued on 10/15/2014. The proceeds from the sale of the Bonds will be used for the purpose of refunding certain maturities of the City's outstanding obligations to restructure its outstanding debt, recognizing a savings in interest expense and paying the costs of issuing the Bonds.

### **Awards and Acknowledgements**

The Governmental Finance Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014. This was the fourth consecutive year that the City achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

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

The Government Treasurers' Organization of Texas awarded the City with a Certification of Investment Policy for developing an investment policy that meets the requirements of the Public Funds Investment Act and the standards for prudent public investing established by the Government Treasurers' Organization of Texas. This certificate is for a two year period ending August 31, 2016.

The State Comptroller of Public Accounts awarded the City with the 2015 Platinum Leadership Circle Award for transparency on the City's website. This certificate is valid for a period of one year. This is the fourth year in a row that the City has received a transparency award from the Comptroller's office.

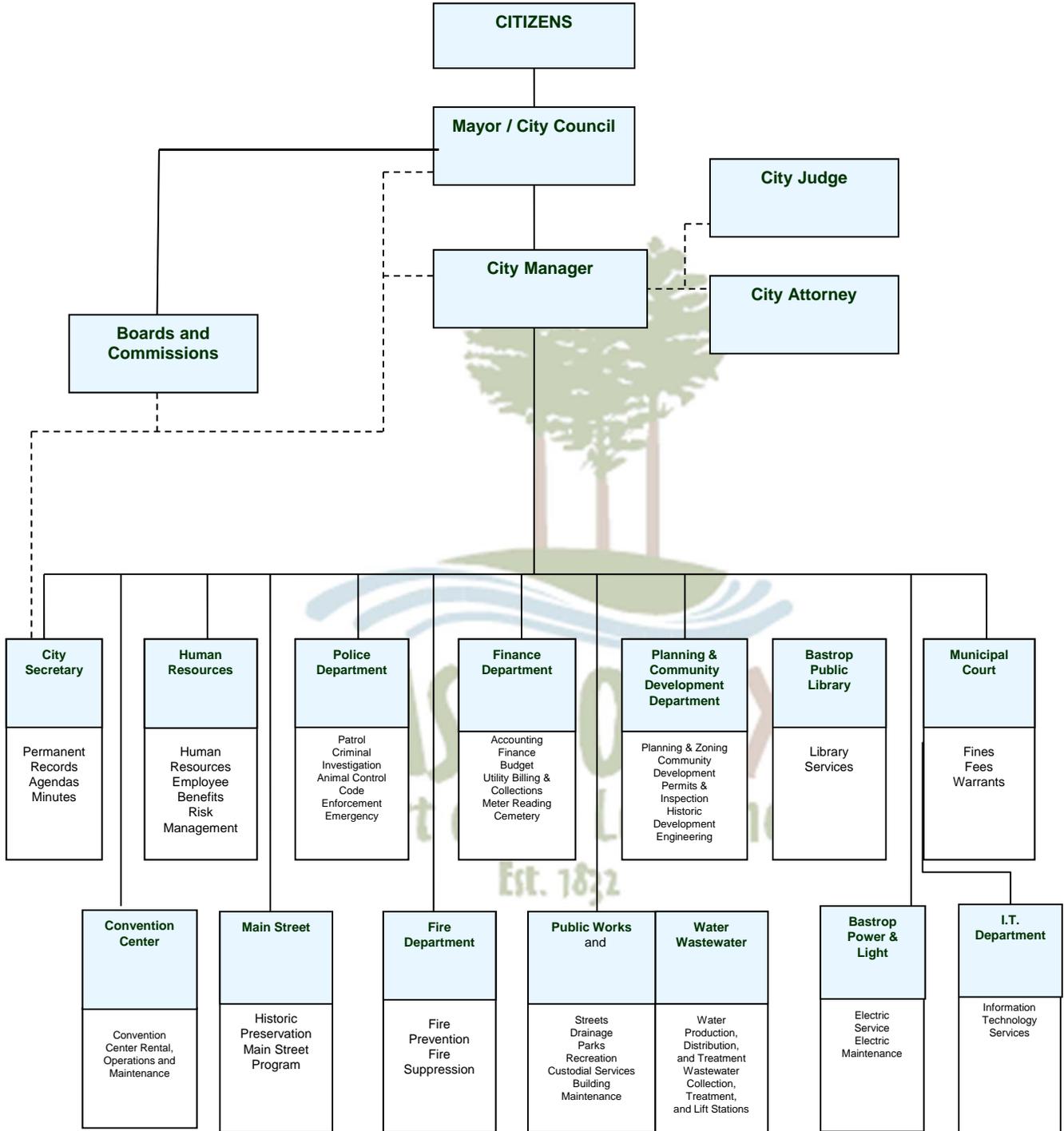
The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the City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

Respectfully submitted,

*Tracy Waldron*

Tracy Waldron  
Chief Financial Officer

# City of Bastrop Organizational Chart



# **CITY OF BASTROP, TEXAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED  
SEPTEMBER 30, 2015

Prepared by the  
Finance Department

Tracy Waldron, Chief Financial Officer  
Afton Figueroa, Assistant Finance Director

<b>City Council</b>	<b>Expiration of Term</b>
Kenneth W. Kesselus, Mayor	May 2017
Gary Schiff, Council Member	May 2018
Willie DeLaRosa, Mayor Pro-Tem	May 2018
Dock Jackson, Council Member	May 2016
Kay Garcia McAnally, Council Member	May 2017
Kelly Gilleland, Council Member	May 2016

**City Manager**  
Mike Talbot



Government Finance Officers Association

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

Presented to

**City of Bastrop  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**



Executive Director/CEO

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# **FINANCIAL SECTION**

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PATILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bastrop, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bastrop, Texas, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As discussed in Note I to the financial statements, in 2015 the City adopted new accounting guidance, Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Governmental Accounting Standards (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, schedule of funding progress, schedule of changes in net pension liability and related ratios, and schedule of contributions on pages 4 through 11 and 55 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2016, on our consideration of the City of Bastrop, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bastrop, Texas' internal control over financial reporting and compliance.

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

Waco, Texas  
February 17, 2016

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**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

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## Management's Discussion and Analysis

As management of the City of Bastrop, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Bastrop for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City of Bastrop exceeded its liabilities at the close of the most recent fiscal year by \$48,598,129 (net position). Of this amount, \$24,984,331 (51.4%) is net investment in capital assets. The amount of net position restricted for a specific purpose is \$9,595,448 (19.7%). The remaining \$14,018,350 (28.8%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies. The City's total net position increased by \$5,733,280 from fiscal year 2014.
- As of the close of the current fiscal year, the City of Bastrop's governmental funds reported combined ending fund balances of \$14,863,339, an increase of \$738,796 in comparison with the prior year. Within this total, \$8,283,478 (55.7%) is restricted by specific legal requirements, \$5,365,120 (36.1%) is unassigned fund balance, and \$1,077,854 (7.3%) has been committed and assigned to specific types of expenditures.
- The unassigned portion of the General Fund fund balance at the end of the year was \$5,365,120. This includes the 25% of the General Fund expenditures which is required to be held in General Fund balance per the City Council approved Financial Management Policies. The remainder represents funds that may be utilized for unforeseen needs or emergencies which City Council allocates for a specific purpose.

### Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 12 – 14 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Bastrop uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds utilized by state and local governments can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Bastrop maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the general debt service fund, the hotel/motel tax fund and the Series 2013 Combination Revenue/ Tax Bond fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 15 – 20 of this report.

**Proprietary Funds.** Proprietary funds can be further classified into two different types of funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Bastrop uses enterprise funds to account for its water/wastewater utility, electric utility, and non-major enterprise fund operations. Proprietary fund financial statements provide the same type of information as the governmental fund financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 21-23.

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

The basic fiduciary fund financial statements can be found on page 24 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 – 54 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Bastrop’s General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance with a comparative display of budget to actual. This required supplementary information can be found on page 55 of this report. Required supplementary information of pension and other post employee benefit funding progress are also included on pages 58 – 60.

## **Government-Wide Financial Analysis**

At the end of fiscal year 2015, the City’s net position (assets and deferred outflows in excess of liabilities) totaled \$48,598,129. This analysis focuses on the net position (Table 1) and changes in net position (Table 2). The largest portion of the City’s net position, \$24,984,331 (51.4%) reflects its investment in capital assets (land, buildings, infrastructure, machinery and equipment, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The second largest portion of the City’s net position, \$14,018,350 (28.8%) reflects the unrestricted net position which may be used to meet the government’s ongoing obligations to citizens and creditors. An additional portion of the City’s net position, \$9,595,448 (19.7%) represents resources that are subject to external restrictions on how they may be used.

As of September 30, 2015, the City has positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

## CITY OF BASTROP'S NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 21,939,970	\$ 22,341,292	\$ 16,606,404	\$ 20,007,867	\$ 38,546,374	\$ 42,349,159
Capital assets	<u>33,633,572</u>	<u>32,157,910</u>	<u>28,847,024</u>	<u>26,089,848</u>	<u>62,480,596</u>	<u>58,247,758</u>
Total assets	<u>55,573,542</u>	<u>54,499,202</u>	<u>45,453,428</u>	<u>46,097,715</u>	<u>101,026,970</u>	<u>100,596,917</u>
Total deferred outflows of resources	<u>660,577</u>	<u>-</u>	<u>158,582</u>	<u>-</u>	<u>819,159</u>	<u>-</u>
Current liabilities	1,923,168	1,836,300	1,242,008	1,800,340	3,165,176	3,636,640
Long-term liabilities	<u>28,456,573</u>	<u>31,330,590</u>	<u>21,626,251</u>	<u>22,764,838</u>	<u>50,082,824</u>	<u>54,095,428</u>
Total liabilities	<u>30,379,741</u>	<u>33,166,890</u>	<u>22,868,259</u>	<u>24,565,178</u>	<u>53,248,000</u>	<u>57,732,068</u>
Net position:						
Net investment in capital assets	11,651,156	9,963,117	13,333,175	12,316,742	24,984,331	22,279,859
Restricted	8,756,852	9,159,680	838,596	669,651	9,595,448	9,829,331
Unrestricted	<u>5,446,370</u>	<u>2,209,515</u>	<u>8,571,980</u>	<u>8,546,144</u>	<u>14,018,350</u>	<u>10,755,659</u>
Total net position	<u>\$ 25,854,378</u>	<u>\$ 21,332,312</u>	<u>\$ 22,743,751</u>	<u>\$ 21,532,537</u>	<u>\$ 48,598,129</u>	<u>\$ 42,864,849</u>

**Governmental Activities:** Governmental activities net position increased by \$4,522,066, key elements are provided in the next page in Table 2. Program and general revenues for fiscal year 2015 are recorded at \$16,680,709 in comparison to \$16,368,356 in fiscal year 2014, recognizing a 1.9% increase. Total expenses for Governmental activities for fiscal year 2015 were \$14,516,402 in comparison to \$14,857,144 in fiscal year 2014 recognizing a 2.3% decrease.

**Business-Type Activities:** Revenues of the City's business-type activities were \$12,178,726 for the fiscal year ended September 30, 2015. Revenues decreased approximately \$640,781 (5.00%) as compared to the prior fiscal year. Expenses for the City's business-type activities decreased \$259,565 (2.35%).

## CITY OF BASTROP'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 2,142,596	\$ 1,555,897	\$ 11,965,539	\$ 12,157,771	\$ 14,108,135	\$ 13,713,668
Operating grants and contributions	428,497	390,712	-	-	428,497	390,712
Capital contributions	1,878,711	2,988,454	47,889	600,000	1,926,600	3,588,454
General revenues:						
Property taxes	4,806,931	4,619,684	-	-	4,806,931	4,619,684
Other taxes	7,358,418	6,730,290	-	-	7,358,418	6,730,290
Interest income	19,380	18,787	14,490	9,064	33,870	27,851
Other income	46,176	64,532	150,808	52,672	196,984	117,204
Total revenues	<u>16,680,709</u>	<u>16,368,356</u>	<u>12,178,726</u>	<u>12,819,507</u>	<u>28,859,435</u>	<u>29,187,863</u>
Expenses:						
General government	3,000,666	2,028,943	-	-	3,000,666	2,028,943
Public safety	3,589,294	3,744,040	-	-	3,589,294	3,744,040
Developmental services	711,905	794,283	-	-	711,905	794,283
Community services	3,207,923	3,214,589	-	-	3,207,923	3,214,589
Economic development	2,976,087	4,055,935	-	-	2,976,087	4,055,935
Interest on long-term debt	1,030,527	1,019,354	-	-	1,030,527	1,019,354
Water/wastewater services	-	-	3,882,671	3,694,129	3,882,671	3,694,129
Bastrop Power & Light	-	-	6,861,785	6,673,346	6,861,785	6,673,346
Other non-major	-	-	47,028	683,574	47,028	683,574
Total expenses	<u>14,516,402</u>	<u>14,857,144</u>	<u>10,791,484</u>	<u>11,051,049</u>	<u>25,307,886</u>	<u>25,908,193</u>
Increases in net position						
before transfers and special item	2,164,307	1,511,212	1,387,242	1,768,458	3,551,549	3,279,670
Transfers	500,248	439,179	( 500,248)	( 439,179)	-	-
Special item	<u>3,330,054</u>	<u>-</u>	<u>627,566</u>	<u>-</u>	<u>3,957,620</u>	<u>-</u>
Change in net position	5,994,609	1,950,391	1,514,560	1,329,279	7,509,169	3,279,670
Net position, beginning	21,332,312	18,839,196	21,532,537	19,608,740	42,864,849	38,447,936
Prior period adjustment	<u>( 1,472,543)</u>	<u>542,725</u>	<u>( 303,346)</u>	<u>594,518</u>	<u>( 1,775,889)</u>	<u>1,137,243</u>
Net position, ending	<u>\$ 25,854,378</u>	<u>\$ 21,332,312</u>	<u>\$ 22,743,751</u>	<u>\$ 21,532,537</u>	<u>\$ 48,598,129</u>	<u>\$ 42,864,849</u>

### Financial Analysis of the City's Funds

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

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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 chief operating fund of the City of Bastrop. At the end of the current fiscal year, the fund balance was \$5,418,094. With the exception of a small amount of fund balance shown as non-spendable, the fund balance essentially includes only unassigned funds of \$5,365,120 and no funds were committed or restricted for specific purposes. The general obligation debt service fund had an increase of \$67,476 in fund balance, therefore at the end of the fiscal year the fund balance was \$804,205. These funds are specifically restricted for the payment of debt service. The Hotel/Motel Tax fund balance for the current year was \$2,015,834. This fund recognized a decrease from last year of \$132,983 due to Council awarding additional funds to organizations out of excess fiscal year 2014. The Combo Revenue/Tax Bond Series 2013 fund balance for the current year was \$3,815,857. This fund recognized a decrease from last year of \$974,116 due to the spending of bond proceeds.

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

The net position of the water/wastewater fund at the end of the year amounted to \$14,133,932. The net position of the electric utility, Bastrop Power and Light fund at the end of the year amounted to \$7,182,000. Non-major enterprise funds amounted to \$1,427,819. Total proprietary funds net position for the year ended is \$22,743,751.

### **General Fund Budgetary Highlights**

For the FY 2015 budget, the City adopted a tax rate of \$0.5640 per \$100 assessed valuation. This represented a tax rate decrease from FY 2014. The FY 2015 General fund budgeted revenue of \$7,297,450 represented a 5.5% increase over the previous year's budgeted amount. The FY 2015 budget was amended through the year to increase the adopted budget to \$8,073,867. Taxes and penalties comprise the majority of the budgeted general fund revenues, \$6,769,670 (83.8%). Intergovernmental revenue contributed \$499,010 (6.2%) and transfers from other funds represent \$1,108,080 (13.7%) of the total budgeted revenues for FY 2015. All three of these categories identify 103.8% of total budgeted revenues.

The adopted general fund expenditure budget of \$9,937,090. 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 \$1,360,874 (13.7%) to \$11,297,964. The City approved many departmental budget capital requests in FY2015 to include IT upgrades \$41,995, the Police Patrol vehicles \$169,500, Fire Station 1 improvements \$50,000, Street Improvements \$155,000 and Planning Form Base codes and Comprehensive plan \$330,000.

### **Capital Assets and Debt Administration**

**Capital Assets.** The City of Bastrop's investment in total capital assets for its governmental and business-type activities as of September 30, 2015 amounts to \$62,480,596, (net of accumulated depreciation). Investment in capital assets related to governmental activities \$33,633,572 includes land, buildings and improvements, infrastructure, machinery and equipment, and construction in progress. The total increase in the City's investment in capital assets for the current year was 7.3%.

**CITY OF BASTROP'S CAPITAL ASSETS**  
**(Net of Accumulated Depreciation)**

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 4,359,014	\$ 3,976,560	\$ 1,541,614	\$ 1,555,631	\$ 5,900,628	\$ 5,532,191
Water rights	-	-	2,933,620	2,933,620	2,933,620	2,933,620
Construction in progress	121,448	557,049	1,610,172	884,212	1,731,620	1,441,261
Buildings and improvements	13,110,687	13,064,686	477,386	477,386	13,588,073	13,542,072
Infrastructure and system	20,615,528	17,972,136	29,739,688	27,095,239	50,355,216	45,067,375
Machinery and equipment	5,790,949	5,562,002	2,590,293	2,547,232	8,381,242	8,109,234
Less: accumulated depreciation	( 10,364,054)	( 8,974,523)	( 10,045,749)	( 9,403,472)	( 20,409,803)	( 18,377,995)
Total capital assets	\$ <u>33,633,572</u>	\$ <u>32,157,910</u>	\$ <u>28,847,024</u>	\$ <u>26,089,848</u>	\$ <u>62,480,596</u>	\$ <u>58,247,758</u>

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

**Long-Term Debt.** During FY2015, the City issued a General Obligation Refunding Bond, Series 2014 in the amount of \$2,275,000.

**CITY OF BASTROP'S OUTSTANDING DEBT AT YEAR-END**

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

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 25,248,671	\$ 26,375,164	\$ 20,482,824	\$ 21,289,629	\$ 45,731,495	\$ 47,664,793
Notes payable	819,821	960,513	540,000	600,000	1,359,821	1,560,513
Comensated absences	210,117	210,921	32,635	32,190	242,752	243,111
Net pension liability	1,724,026	-	355,338	-	2,079,364	-
Net OPEB obligation	<u>453,938</u>	<u>3,783,992</u>	<u>215,454</u>	<u>843,019</u>	<u>669,392</u>	<u>4,627,011</u>
Total	\$ <u>28,456,573</u>	\$ <u>31,330,590</u>	\$ <u>21,626,251</u>	\$ <u>22,764,838</u>	\$ <u>50,082,824</u>	\$ <u>54,095,428</u>

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

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

The City experiences steady commercial growth as it is identified within Bastrop County as the county seat and its desirable location between Houston and Austin. Due to its healthy local economy, the City has maintained a credit rating of AA- from Fitch Ratings. The annual operating budget for fiscal year 2016 reflects a variety of community issues, planning initiatives, economic development opportunities, and street and drainage projects. The Council held 3 budget and planning sessions to provide an opportunity for the City Council to pass along their input and guidance in developing the FY2016 budget. The City adopted a fiscally responsible balanced budget on September 22, 2015.

The General Fund revenue for fiscal year 2016 is \$10,252,797. The fiscal year 2016 General Fund's major revenue source is the City Sales Tax at a budgeted \$3,996,190. Ad Valorem tax revenue (property tax) is a close second with an annual budget of \$2,956,945. The Sales Tax and Ad Valorem taxes comprise 67.8% of the revenues received by the General Fund for operations. The General Fund (M&O) tax rate of \$0.3596/\$100 and the Debt Service Fund (I&S) rate of \$0.2044/\$100 combine to establish the City's overall property tax rate of \$0.5640/\$100. The City's property tax rate stayed the same from FY2015 to FY2016. The Debt Service payments for FY2016 are \$1,689,003 or 36.2% of the overall tax rate necessary to generate funds to service the bonded indebtedness of the City of Bastrop. Property tax of \$2,973,695 support the General Fund operations of the City, which represent 63.8% of the revenue collected from property taxes. General Fund expenditures total \$11,966,627 and include the funding for operations in addition to \$1,733,750 one-time expenditures for various departments being funded out of excess fund balance from FY2014. The FY2016 budget will provide for the 25% required fund balance at year-end as required by the Financial Management policy adopted by City Council.

Water Wastewater Fund operations for FY2016 has budgeted revenue of \$4,258,480, and expenses budgeted at \$4,315,474. This budget is consuming \$56,994 of identified excess fund balance leaving the Funds fund balance well over the 35% required by the Financial Management policy adopted by City Council.

Electric Fund revenues consist of the sale of electricity to the City's customers within its service area, fees assessed for extension of services, and pole attachment fees. Total budgeted expenses for the Electric Fund for the purchase of electricity and operations of the department is \$7,851,474.

The Comprehensive Plan that was started in FY2015 will conclude during FY2016 with a report that will be presented to Council for acceptance. The plan will give the City Council long range goals that will ensure progress toward improving the community and maintaining the quality of life Bastrop residents have come to expect. The City is committed to the delivery of excellent service today and we are prepared to effectively deliver the same service tomorrow.

### **Requests for Information**

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

**BASIC  
FINANCIAL STATEMENTS**

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**CITY OF BASTROP, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bastrop EDC
<b>ASSETS</b>				
Cash and investments	\$ 15,350,317	\$ 14,245,283	\$ 29,595,600	\$ 3,267,413
Taxes receivable, net	905,883	-	905,883	331,077
Accounts receivable	1,028,954	1,510,185	2,539,139	582
Due from component unit	36,737	-	36,737	-
Due from other governments	212,631	-	212,631	-
Inventories	22,279	310,936	333,215	-
Prepaid items	48,605	-	48,605	1,700
Notes receivable	4,334,564	540,000	4,874,564	144,071
Capital assets, net:				
Non-depreciable	4,480,462	6,085,406	10,565,868	853,441
Depreciable	29,153,110	22,761,618	51,914,728	1,653,211
Total assets	<u>55,573,542</u>	<u>45,453,428</u>	<u>101,026,970</u>	<u>6,251,495</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow related to pensions	473,658	97,626	571,284	19,313
Deferred charge on refunding	186,919	60,956	247,875	-
Total deferred outflows of resources	<u>660,577</u>	<u>158,582</u>	<u>819,159</u>	<u>19,313</u>
<b>LIABILITIES</b>				
Accounts payable	1,324,584	841,997	2,166,581	-
Accrued liabilities	407,837	170,907	578,744	36,990
Due to primary government	-	-	-	36,737
Retainage payable	98,201	-	98,201	-
Customer deposits	39,373	216,747	256,120	-
Unearned revenue	51,068	-	51,068	69,000
Other liabilities	2,105	12,357	14,462	-
Noncurrent liabilities:				
Due within one year	1,611,755	1,022,344	2,634,099	463,246
Due in more than one year	26,844,818	20,603,907	47,448,725	4,634,836
Total liabilities	<u>30,379,741</u>	<u>22,868,259</u>	<u>53,248,000</u>	<u>5,240,809</u>
<b>NET POSITION</b>				
Net investment in capital assets	11,651,156	13,333,175	24,984,331	2,054,166
Restricted for:				
Cemetery:				
Nonexpendable	66,003	-	66,003	-
Expendable	558,234	-	558,234	-
Capital projects	119,876	-	119,876	-
Public improvement district	190,367	-	190,367	-
Traffic safety	631,613	-	631,613	-
Culture and recreation	46,708	-	46,708	-
Economic development	2,015,834	-	2,015,834	93,344
PEG channels	19,959	-	19,959	-
Debt service	5,108,258	-	5,108,258	-
Capital improvements	-	838,596	838,596	-
Unrestricted	5,446,370	8,571,980	14,018,350	( 1,117,511)
Total net position	<u>\$ 25,854,378</u>	<u>\$ 22,743,751</u>	<u>\$ 48,598,129</u>	<u>\$ 1,029,999</u>

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

**CITY OF BASTROP, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental activities:				
General government	\$ 3,000,666	\$ 1,035,377	\$ 376,477	\$ 183,000
Public safety	3,589,294	932,848	-	-
Developmental services	711,905	-	-	-
Community services	3,207,923	36,480	52,020	48,767
Economic development services	2,976,087	137,891	-	1,646,944
Interest	1,030,527	-	-	-
Total governmental activities	<u>14,516,402</u>	<u>2,142,596</u>	<u>428,497</u>	<u>1,878,711</u>
Business-type activities:				
Water/wastewater	3,882,671	4,288,849	-	47,889
Bastrop power and light	6,861,785	7,415,588	-	-
Other	47,028	261,102	-	-
Total business-type activities	<u>10,791,484</u>	<u>11,965,539</u>	<u>-</u>	<u>47,889</u>
Total primary government	<u>25,307,886</u>	<u>14,108,135</u>	<u>428,497</u>	<u>1,926,600</u>
<b>Component Unit:</b>				
Bastrop Economic Development Corp.	<u>2,888,482</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total component unit	<u>\$ 2,888,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Hotel/motel taxes				
Franchise taxes				
Investment earnings				
Miscellaneous				
Gain on sale of assets				
Transfers				
Special item				
Total general revenues, transfers and special item				
Change in net position				
Net position - beginning				
Prior period adjustment				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Bastrop EDC
\$( 1,405,812)	\$ -	\$( 1,405,812)	\$ -
( 2,656,446)	-	( 2,656,446)	-
( 711,905)	-	( 711,905)	-
( 3,070,656)	-	( 3,070,656)	-
( 1,191,252)	-	( 1,191,252)	-
( 1,030,527)	-	( 1,030,527)	-
<u>( 10,066,598)</u>	<u>-</u>	<u>( 10,066,598)</u>	<u>-</u>
-	454,067	454,067	-
-	553,803	553,803	-
-	214,074	214,074	-
<u>-</u>	<u>1,221,944</u>	<u>1,221,944</u>	<u>-</u>
<u>( 10,066,598)</u>	<u>1,221,944</u>	<u>( 8,844,654)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>( 2,888,482)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>( 2,888,482)</u>
4,806,931	-	4,806,931	-
4,021,662	-	4,021,662	2,004,872
2,850,062	-	2,850,062	-
486,694	-	486,694	-
19,380	14,490	33,870	3,987
46,176	150,227	196,403	7,465
-	581	581	150,114
500,248	( 500,248)	-	-
<u>3,330,054</u>	<u>627,566</u>	<u>3,957,620</u>	<u>113,807</u>
16,061,207	292,616	16,353,823	2,280,245
<u>5,994,609</u>	<u>1,514,560</u>	<u>7,509,169</u>	<u>( 608,237)</u>
21,332,312	21,532,537	42,864,849	1,698,160
<u>( 1,472,543)</u>	<u>( 303,346)</u>	<u>( 1,775,889)</u>	<u>( 59,924)</u>
<u>\$ 25,854,378</u>	<u>\$ 22,743,751</u>	<u>\$ 48,598,129</u>	<u>\$ 1,029,999</u>

**CITY OF BASTROP, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2015**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash and investments	\$ 5,200,648	\$ 809,440
Taxes receivable, net	781,913	121,495
Accounts receivable, net	767,527	-
Due from other funds	-	-
Due from component unit	36,737	-
Due from other governments	106,458	-
Inventories	22,279	-
Prepaid items	30,695	-
Notes receivable	348,781	3,985,783
Total assets	7,295,038	4,916,718
<b>LIABILITIES</b>		
Accounts payable	433,448	3,225
Accrued liabilities	237,662	-
Retainage payable	-	-
Due to other funds	3,163	-
Other current liabilities	2,105	-
Customer deposits	4,850	-
Unearned revenue	-	-
Total liabilities	681,228	3,225
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	213,305	123,505
Unavailable revenue - court fines	633,630	-
Unavailable revenue - notes receivable	348,781	3,985,783
Total deferred inflows of resources	1,195,716	4,109,288
<b>FUND BALANCES</b>		
Nonspendable:		
Inventories	22,279	-
Endowment	-	-
Prepaid items	30,695	-
Restricted for:		
Cemetery	-	-
Capital projects	-	-
Public improvement district	-	-
Traffic safety	-	-
Culture and recreation	-	-
Economic development	-	-
PEG channels	-	-
Debt service	-	804,205
Committed for:		
Economic development	-	-
Unassigned	5,365,120	-
Total fund balances	5,418,094	804,205
Total liabilities, deferred inflows of resources and fund balances	\$ 7,295,038	\$ 4,916,718

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

Hotel/Motel Tax Fund	Combination Revenue/ Tax Bond Series 2013	Total Nonmajor Funds	Total Governmental Funds
\$ 2,014,517	\$ 4,190,215	\$ 3,135,497	\$ 15,350,317
-	-	2,475	905,883
240,273	15,000	6,154	1,028,954
-	-	3,163	3,163
-	-	-	36,737
-	-	106,173	212,631
-	-	-	22,279
-	-	17,910	48,605
-	-	-	4,334,564
<u>2,254,790</u>	<u>4,205,215</u>	<u>3,271,372</u>	<u>21,943,133</u>
238,956	314,645	334,310	1,324,584
-	-	16,159	253,821
-	74,713	23,488	98,201
-	-	-	3,163
-	-	-	2,105
-	-	34,523	39,373
-	-	51,068	51,068
<u>238,956</u>	<u>389,358</u>	<u>459,548</u>	<u>1,772,315</u>
-	-	2,475	339,285
-	-	-	633,630
-	-	-	4,334,564
<u>-</u>	<u>-</u>	<u>2,475</u>	<u>5,307,479</u>
-	-	-	22,279
-	-	66,003	66,003
-	-	17,910	48,605
-	-	558,234	558,234
-	3,815,857	203,176	4,019,033
-	-	187,892	187,892
-	-	631,613	631,613
-	-	46,708	46,708
2,015,834	-	-	2,015,834
-	-	19,959	19,959
-	-	-	804,205
-	-	1,077,854	1,077,854
-	-	-	5,365,120
<u>2,015,834</u>	<u>3,815,857</u>	<u>2,809,349</u>	<u>14,863,339</u>
<u>\$ 2,254,790</u>	<u>\$ 4,205,215</u>	<u>\$ 3,271,372</u>	<u>\$ 21,943,133</u>

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**CITY OF BASTROP, TEXAS**

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

**SEPTEMBER 30, 2015**

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

Total fund balances - governmental funds \$ 14,863,339

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. 33,633,572

Long-term liabilities (net pension liability, compensated absences, and bonds) are not due and payable in the current period and therefore are not reported in the funds. Also, the premium on issuance of bonds and deferred resource outflows related to the net pension liability are not reported in the funds. A summary of these items are as follows:

Long-term liabilities:

Bonds payable	( 24,659,489)	
Bond issuance premium	( 589,182)	
Deferred loss on refunding	186,919	
Notes payable	( 819,821)	
Net pension liability	( 1,724,026)	
Deferred resources related to pensions	473,658	
Compensated absences	( 210,117)	
Other post employment benefit obligations	( 453,938)	
Accrued interest payable	( 154,016)	
		( 27,950,012)

Uncollected property taxes and court fines are not available to pay for current period expenditures and are reported as deferred inflows in the funds. 972,915

Long-term receivables related to economic development are not available to pay for current period expenditures and therefore are not reported in the funds. 4,334,564

Net position of governmental activities \$ 25,854,378

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

**CITY OF BASTROP, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	General Fund	Debt Service Fund
<b>REVENUES</b>		
Property taxes	\$ 2,823,579	\$ 1,578,285
Sales taxes	4,021,662	-
Hotel/motel taxes	-	-
Franchise taxes	466,699	-
Licenses and permits	211,969	-
Intergovernmental	361,228	-
Charges for services	536,903	-
Fines and forfeitures	286,505	-
Contributions and donations	1,545	283,874
Investments earnings	5,217	1,219
Miscellaneous	69,606	-
Total revenues	8,784,913	1,863,378
<b>EXPENDITURES</b>		
Current:		
General government	2,695,518	-
Public safety	3,017,717	-
Development services	708,518	-
Community services	2,256,263	-
Economic development	-	-
Debt service:		
Principal	24,230	1,415,545
Interest and other	-	1,068,183
Capital outlay	420,739	-
Total expenditures	9,122,985	2,483,728
Excess (deficiency) of revenue over expenditures	( 338,072)	( 620,350)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	993,129	625,672
Transfers out	-	-
Issuance of refunding bonds	-	1,695,558
Payment to bond refunding escrow agent	-	( 1,819,234)
Premium from bond issuance	-	185,830
Total other financing sources (uses)	993,129	687,826
Net change in fund balance	655,057	67,476
Fund balance - beginning	4,763,037	736,729
Fund balance - ending	\$ 5,418,094	\$ 804,205

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

<u>Hotel/Motel Tax Fund</u>	<u>Combination Revenue/ Tax Bond Series 2013</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 339,967	\$ 4,741,831
-	-	-	4,021,662
2,850,062	-	-	2,850,062
-	-	19,995	486,694
-	-	1,935	213,904
-	-	366,866	728,094
-	-	172,436	709,339
-	-	367,225	653,730
-	-	87,408	372,827
1,905	5,021	6,018	19,380
153	-	647	70,406
<u>2,852,120</u>	<u>5,021</u>	<u>1,362,497</u>	<u>14,867,929</u>
-	-	-	2,695,518
-	-	331,401	3,349,118
-	-	-	708,518
-	-	208,263	2,464,526
1,501,065	45,629	1,196,572	2,743,266
-	-	-	1,439,775
-	-	-	1,068,183
-	933,508	345,976	1,700,223
<u>1,501,065</u>	<u>979,137</u>	<u>2,082,212</u>	<u>16,169,127</u>
<u>1,351,055</u>	<u>( 974,116)</u>	<u>( 719,715)</u>	<u>( 1,301,198)</u>
-	-	1,237,459	2,856,260
( 1,484,038)	-	( 871,974)	( 2,356,012)
-	-	-	1,695,558
-	-	-	( 1,819,234)
-	-	-	185,830
<u>( 1,484,038)</u>	<u>-</u>	<u>365,485</u>	<u>562,402</u>
( 132,983)	( 974,116)	( 354,230)	( 738,796)
<u>2,148,817</u>	<u>4,789,973</u>	<u>3,163,579</u>	<u>15,602,135</u>
<u>\$ 2,015,834</u>	<u>\$ 3,815,857</u>	<u>\$ 2,809,349</u>	<u>\$ 14,863,339</u>

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**CITY OF BASTROP, TEXAS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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

Net change in fund balances - total governmental funds:	\$( 738,796)
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	1,496,840
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	( 21,178)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued or incurred:	
Refunding bonds	( 1,695,558)
Premium on bonds	( 185,830)
Payment to escrow agent	1,819,234
Repayment of principal of long-term debt	1,439,775
Amortization of premium of bond issuance	<u>76,483</u>
	1,454,104

Certain pension expenditures are not expended in the government-wide financial statements and recorded as deferred resource outflows. This item relates to contributions made after the measurement date. Additionally, a portion of the City's unrecognized deferred resource outflows and inflows related to the pension liability were amortized.	31,054
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Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated balances liability	804
Net OPEB obligation	<u>3,330,054</u>
	3,330,858

Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.	( 38,827)
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Revenues from property taxes, court fines and notes receivable are not available to pay for current period expenditures, and therefore, are not reported in the funds.	<u>480,554</u>
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Change in net position - statement of activities	<u>\$ 5,994,609</u>
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**The accompanying notes are an integral part of these financial statements.**

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**CITY OF BASTROP, TEXAS**

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

**SEPTEMBER 30, 2015**

	Business-Type Activities			Total Proprietary Funds
	Water/ Wastewater Fund	Bastrop Power & Light Fund	Total Non-major Enterprise Funds	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 8,219,211	\$ 4,596,273	\$ 1,429,799	\$ 14,245,283
Accounts receivable, net	549,907	960,278	-	1,510,185
Inventories	123,594	187,342	-	310,936
Total current assets	<u>8,892,712</u>	<u>5,743,893</u>	<u>1,429,799</u>	<u>16,066,404</u>
Noncurrent assets:				
Note receivable	540,000	-	-	540,000
Capital assets, net:				
Non-depreciable	6,068,458	16,948	-	6,085,406
Depreciable	18,266,553	4,495,065	-	22,761,618
Total noncurrent assets	<u>24,875,011</u>	<u>4,512,013</u>	<u>-</u>	<u>29,387,024</u>
Total assets	<u>33,767,723</u>	<u>10,255,906</u>	<u>1,429,799</u>	<u>45,453,428</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow related to pensions	53,745	43,881	-	97,626
Deferred charge on refunding	60,956	-	-	60,956
Total deferred outflows of resources	<u>114,701</u>	<u>43,881</u>	<u>-</u>	<u>158,582</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	258,278	581,739	1,980	841,997
Accrued liabilities	129,698	41,209	-	170,907
Customer deposits	57,222	159,525	-	216,747
Other current liabilities	160	12,197	-	12,357
Compensated absences	3,144	3,383	-	6,527
Bonds and notes payable	924,397	91,420	-	1,015,817
Total current liabilities	<u>1,372,899</u>	<u>889,473</u>	<u>1,980</u>	<u>2,264,352</u>
Noncurrent liabilities:				
Bonds and notes payable	18,032,428	1,974,579	-	20,007,007
Net pension liability	195,619	159,719	-	355,338
Net OPEB obligation	134,970	80,484	-	215,454
Compensated absences	12,576	13,532	-	26,108
Total noncurrent liabilities	<u>18,375,593</u>	<u>2,228,314</u>	<u>-</u>	<u>20,603,907</u>
Total liabilities	<u>19,748,492</u>	<u>3,117,787</u>	<u>1,980</u>	<u>22,868,259</u>
<b>NET POSITION</b>				
Net investment in capital assets	8,817,923	4,515,252	-	13,333,175
Restricted for:				
Capital improvements	-	-	838,596	838,596
Unrestricted	5,316,009	2,666,748	589,223	8,571,980
Total net position	<u>\$ 14,133,932</u>	<u>\$ 7,182,000</u>	<u>\$ 1,427,819</u>	<u>\$ 22,743,751</u>

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

**CITY OF BASTROP**

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

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Business-Type Activities			Total Proprietary Funds
	Water/ Wastewater Fund	Bastrop Power & Light Fund	Total Non-major Enterprise Funds	
Operating revenues:				
Charges for services	\$ 4,288,849	\$ 7,415,588	\$ 261,102	\$ 11,965,539
Miscellaneous	3,700	146,527	-	150,227
Total operating revenues	<u>4,292,549</u>	<u>7,562,115</u>	<u>261,102</u>	<u>12,115,766</u>
Operating expenses:				
Personnel services	697,630	532,417	-	1,230,047
Supplies and maintenance	1,694,037	437,938	43,340	2,175,315
Services and other	154,814	5,679,137	3,688	5,837,639
Depreciation	597,796	140,246	-	738,042
Total operating expenses	<u>3,144,277</u>	<u>6,789,738</u>	<u>47,028</u>	<u>9,981,043</u>
Operating income (loss)	1,148,272	772,377	214,074	2,134,723
Nonoperating revenues (expenses):				
Investment earnings	8,732	4,204	1,554	14,490
Gain (loss) on disposal of capital assets	( 125,552)	581	-	( 124,971)
Interest expense	( 612,842)	( 72,047)	-	( 684,889)
Total nonoperating revenues (expenses)	<u>( 729,662)</u>	<u>( 67,262)</u>	<u>1,554</u>	<u>( 795,370)</u>
Income before capital contributions, transfers and special item	418,610	705,115	215,628	1,339,353
Capital contributions	47,889	-	-	47,889
Transfers in	562,258	59,256	-	621,514
Transfers out	-	( 755,049)	( 366,713)	( 1,121,762)
Special item	338,484	289,082	-	627,566
Change in net position	1,367,241	298,404	( 151,085)	1,514,560
Net position- beginning	12,933,027	7,020,606	1,578,904	21,532,537
Prior period adjustment	( 166,336)	( 137,010)	-	( 303,346)
Net position- ending	<u>\$ 14,133,932</u>	<u>\$ 7,182,000</u>	<u>\$ 1,427,819</u>	<u>\$ 22,743,751</u>

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

**CITY OF BASTROP, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR END SEPTEMBER 30, 2015**

	Business-Type Activities			
	Water/ Wastewater Fund	Bastrop Power & Light Fund	Total Non-major Enterprise Funds	Total Proprietary Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 4,288,965	\$ 7,851,264	\$ 259,394	\$ 12,399,623
Payments to suppliers and service providers	( 2,361,348)	( 6,145,442)	( 49,260)	( 8,556,050)
Payments to employees for salaries and benefits	( 731,025)	( 533,114)	-	( 1,264,139)
Net cash provided by operating activities	<u>1,196,592</u>	<u>1,172,708</u>	<u>210,134</u>	<u>2,579,434</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in from other funds	562,258	59,256	-	621,514
Transfers out to other funds	-	( 755,049)	( 172,326)	( 927,375)
Net cash provided (used) by noncapital noncapital financing activities	<u>562,258</u>	<u>( 695,793)</u>	<u>( 172,326)</u>	<u>( 305,861)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	( 2,841,330)	( 695,110)	-	( 3,536,440)
Payments on long-term debt	( 834,692)	( 86,225)	-	( 920,917)
Interest paid on capital debt	( 623,568)	( 73,165)	-	( 696,733)
Net cash used by capital and related financing activities	<u>( 4,299,590)</u>	<u>( 854,500)</u>	<u>-</u>	<u>( 5,154,090)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	8,732	4,204	1,554	14,490
Net cash provided by investing activities	<u>8,732</u>	<u>4,204</u>	<u>1,554</u>	<u>14,490</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	( 2,532,008)	( 373,381)	39,362	( 2,866,027)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>				
	<u>10,741,678</u>	<u>4,955,055</u>	<u>1,582,844</u>	<u>17,279,577</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>				
	<u>8,209,670</u>	<u>4,581,674</u>	<u>1,622,206</u>	<u>14,413,550</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	1,148,272	772,377	214,074	2,134,723
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	597,796	140,246	-	738,042
(Increase) decrease in accounts receivable	( 839)	297,778	-	296,939
(Increase) decrease in inventories	( 37,991)	( 33,468)	-	( 71,459)
(Increase) decrease in prepaid items	7	1,593	-	1,600
(Increase) decrease in deferred outflow-pensions	( 48,745)	( 14,043)	-	( 62,788)
Increase (decrease) in accounts payable	( 474,513)	2,961	( 3,940)	( 475,492)
Increase (decrease) in accrued liabilities	1,156	2,799	-	3,955
Increase (decrease) in customer deposits	( 2,745)	( 8,629)	-	( 11,374)
Increase (decrease) in net pension liability	13,676	11,166	-	24,842
Increase (decrease) in compensated absences	518	( 72)	-	446
Net cash provided by operating activities	<u>\$ 1,196,592</u>	<u>\$ 1,172,708</u>	<u>\$ 210,134</u>	<u>\$ 2,579,434</u>
<b>NONCASH CAPITAL AND FINANCING ACTIVITIES</b>				
Payment to escrow agent for defeasance of bonds	\$ 618,641	\$ -	\$ -	\$ -

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

**CITY OF BASTROP**

**STATEMENT OF FIDUCIARY NET POSITION**

**FIDUCIARY FUNDS**

**SEPTEMBER 30, 2015**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 446,180
Total assets	<u>\$ 446,180</u>
<b>LIABILITIES</b>	
Due to others	\$ 446,180
Total liabilities	<u>\$ 446,180</u>

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

# CITY OF BASTROP, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### 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.

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

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

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

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

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

As discussed earlier, the City has a discretely presented component unit. Bastrop EDC is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements; however interfund services that are provided and used are not eliminated. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

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

The fund financial statements provide information about the City’s funds, including its fiduciary fund and blended component unit. Separate financial statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

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

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

The **Combination Revenue/Tax Bond Series 2013 Fund** is used to account for the acquisition and construction of major improvement projects of the City which have been financed through issuance of long-term debt or other sources that are restricted or committed for the respective project.

The City reports the following major enterprise funds:

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

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

Additionally, the City reports the following fund type:

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

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

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

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

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

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

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

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

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

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

##### Cash, and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

##### Investments

Investments for the government are reported as fair value (generally based on quoted market prices) except for position in local government investment pools when applicable. In accordance with state law, local government investment pools operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as 2a7-like pools and are reported at the net asset value per share (with approximate fair value) even though it is calculated using the amortized cost method. The pools are subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

### Inventories and prepaid items

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

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

### Capital Assets

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

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

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

### Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

### Deferred Outflows/Inflows of Resources

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

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows or resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, municipal court fines and notes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

### Net Position Assumption

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

## Fund Balance Flow Assumptions

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

## Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council has by ordinance authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

### Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

## Property Taxes

The City levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll of January 1, 2014, upon which the levy for the current fiscal year was based, was \$737,922,965. Taxes are delinquent if not paid by February 1<sup>st</sup> of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the current fiscal year, to finance general fund and debt service fund operations were \$.3598 and \$.2042, respectively, for a total tax rate of \$.564 per \$100 valuation. The total tax levy for the general fund and debt service fund for the current fiscal year was \$4,356,620.

## Compensated Absences

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

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

## Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water/Wastewater and Bastrop Power and Light funds are charges to customers for sales and services. The Water/Wastewater Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## Use of Estimates

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

Special Item

The City amended its retiree medical policy effective, June 1, 2015. Benefits are no longer provided after Medicare eligibility and retirees are required to be at least 58 years old at retirement and have at least 25 years of service with the City in order to be eligible for City paid health insurance coverage. This change decreased the City’s net other postemployment benefit obligation, which was reported as a special item.

Prior Period Adjustments

The GASB has issued Statement No. 68, “Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27,” which became effective for fiscal year 2015. This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer’s financial statements for any actuarially unfunded portion of pension benefits earned to date.

The implementation of Statement No. 68 resulted restatement of beginning net position for the elimination of the previously reported net pension asset, the recording of the beginning net pension liability and the beginning deferred outflow for contributions made after the measurement date. Prospectively applying these changes results in decreased beginning net position as of October 1, 2014, as follows.

	Fund Level				
	Government-wide Statement of Activities			Statement of Revenues, Expenses and Changes in Net Position-Proprietary Funds	
	Primary Government		Component Unit		
	Governmental Activities	Business-type Activities	Bastrop EDC	Water/ Wastewater	Bastrop Power & Light
Net position at September 30, 2014, as previously reported	\$ 21,332,312	\$ 21,532,537	\$ 1,698,160	\$ 12,933,027	\$ 7,020,606
Elimination of net pension asset as of September 30, 2014	( 191,121)	( 39,233)	( 7,677)	( 20,938)	( 18,295)
Recording of net pension liability as of September 30, 2014	( 1,603,497)	( 330,496)	( 65,379)	( 181,943)	( 148,553)
Deferral for pension contributions made after the measurement date	<u>322,075</u>	<u>66,383</u>	<u>13,132</u>	<u>36,545</u>	<u>29,838</u>
Net position at September 30, 2014, as restated	<u>\$ 19,859,769</u>	<u>\$ 21,229,191</u>	<u>\$ 1,638,236</u>	<u>\$ 12,766,691</u>	<u>\$ 6,883,596</u>

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

**A. 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 placed approved pledged securities for safekeeping and trust with the City’s agent bank in an amount sufficient to protect government 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.

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 or 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, 94) 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.

As of September 30, 2015, the City had the following investments:

<u>Description</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Rating</u>
Local Government Investment			
TexPool	\$ 30,717,763	40	AAAm

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, 2015 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.

*Credit Risk:* Safety of principal is the primary objective of the City’s investment policy. To address this objective the City tries to mitigate credit risk (or default risk) by limiting its investments to only those investments that have been issued one of the top ratings by a nationally recognized credit rating agency. As of September 30, 2015, the City’s investment in TexPool were rated AAAm by Standard & Poor’s and the U. S. Government Securities were rated AAA by Moody.

*Concentration of Credit Risk:* There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The 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; purchase agreements; and no-loan AAAm money market mutual funds registered with the SEC.

**B. Receivables**

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

	General Fund	Debt Service Fund	Hotel/Motel Tax Fund	Combination Revenue/Tax Bond 2013	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:						
Property taxes	\$ 132,598	\$ 127,997	\$ -	\$ -	\$ 2,605	\$ 263,200
Sales tax	656,084	-	-	-	-	656,084
Franchise taxes	70,862	-	-	-	-	70,862
Hotel/Motel taxes	-	-	240,273	-	-	240,273
Accounts receivable	63,035	-	-	15,000	6,154	84,189
Court fines	<u>1,301,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,301,476</u>
Gross receivables	2,224,055	127,997	240,273	15,000	8,759	2,616,084
Less: allowance for uncollectibles	<u>( 674,615)</u>	<u>( 6,502)</u>	<u>-</u>	<u>-</u>	<u>( 130)</u>	<u>( 681,247)</u>
Net receivables	<u>\$ 1,549,440</u>	<u>\$ 121,495</u>	<u>\$ 240,273</u>	<u>\$ 15,000</u>	<u>\$ 8,629</u>	<u>\$ 1,934,837</u>

Revenues of the Water/Wastewater and Bastrop Power and Light Funds, enterprise funds, are reported net of uncollectible amounts. The uncollectible amounts related to the Water/Wastewater and Bastrop Power and Light Funds are \$5,065 and \$19,921, respectively.

### C. Capital Assets

Capital asset activity for the year ended September 30, 2015, was as follows:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,976,560	\$ 382,454	\$ -	\$ 4,359,014
Construction in progress	<u>557,049</u>	<u>110,843</u>	<u>( 546,444)</u>	<u>121,448</u>
Total assets not being depreciated	<u>4,533,609</u>	<u>493,297</u>	<u>( 546,444)</u>	<u>4,480,462</u>
Capital assets, being depreciated:				
Buildings and improvements	13,064,686	46,001	-	13,110,687
Machinery, equipment, vehicles	5,562,002	306,176	( 77,229)	5,790,949
Infrastructure	<u>17,972,136</u>	<u>2,096,948</u>	<u>546,444</u>	<u>20,615,528</u>
Total capital assets being depreciated	<u>36,598,824</u>	<u>2,449,125</u>	<u>469,215</u>	<u>39,517,164</u>
Less accumulated depreciation:				
Buildings and improvements	( 2,882,885)	( 297,732)	-	( 3,180,617)
Machinery, equipment, vehicles	( 3,124,876)	( 561,197)	56,051	( 3,630,022)
Infrastructure	<u>( 2,966,762)</u>	<u>( 586,653)</u>	<u>-</u>	<u>( 3,553,415)</u>
Total accumulated depreciation	<u>( 8,974,523)</u>	<u>( 1,445,582)</u>	<u>56,051</u>	<u>( 10,364,054)</u>
Total capital assets being depreciated, net	<u>27,624,301</u>	<u>1,003,543</u>	<u>525,266</u>	<u>29,153,110</u>
Governmental activities capital assets, net	<u>\$ 32,157,910</u>	<u>\$ 1,496,840</u>	<u>\$( 21,178)</u>	<u>\$ 33,633,572</u>

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

Governmental activities:	
General government	\$ 272,652
Public safety	224,964
Development services	2,324
Community services	733,469
Economic development	<u>212,173</u>
Total depreciation expense - governmental activities	<u>\$ 1,445,582</u>

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,555,631	\$ -	\$( 14,018)	\$ 1,541,613
Water rights	2,933,620	-	-	2,933,620
Construction in progress	884,214	1,485,440	( 759,481)	1,610,173
Total assets not being depreciated	<u>5,373,465</u>	<u>1,485,440</u>	<u>( 773,499)</u>	<u>6,085,406</u>
Capital assets, being depreciated:				
Buildings and improvements	477,386	-	-	477,386
Machinery, equipment and vehicles	1,722,238	936,692	( 68,636)	2,590,294
Infrastructure	27,920,232	1,981,677	( 162,221)	29,739,688
Total capital assets being depreciated	<u>30,119,856</u>	<u>2,918,369</u>	<u>( 230,857)</u>	<u>32,807,368</u>
Less accumulated depreciation:				
Buildings and improvements	( 126,153)	( 20,200)	-	( 146,353)
Machinery, equipment and vehicles	( 1,352,192)	( 144,643)	65,546	( 1,431,289)
Infrastructure	( 7,925,129)	( 570,107)	27,128	( 8,468,108)
Total accumulated depreciation	<u>( 9,403,474)</u>	<u>( 734,950)</u>	<u>92,674</u>	<u>( 10,045,750)</u>
Total capital assets being depreciated, net	<u>20,716,382</u>	<u>2,183,419</u>	<u>( 138,183)</u>	<u>22,761,618</u>
Business-type activities capital assets, net	<u>\$ 26,089,847</u>	<u>\$ 3,668,859</u>	<u>\$( 911,682)</u>	<u>\$ 28,847,024</u>

#### **D. Defined Benefit Pension Policies**

**Plan Descriptions.** The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.org](http://www.tmr.org).

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

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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

Beginning in 1993, the City granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 1993, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

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

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

***Employees covered by benefit terms***

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	39
Inactive employees entitled to but not yet receiving benefits	48
Active employees	<u>109</u>
	<u><u>196</u></u>

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

Employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 9.7% and 10.86% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015, were \$551,472, and were equal to the required contributions.

**Net Pension Liability.** The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

***Actuarial assumptions:***

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering the 2009 through 2011, and the dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

### ***Discount Rate***

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2013	\$ 12,817,021	\$ 10,817,648	\$ 1,999,373
Changes for the year:			
Service cost	647,254	-	647,254
Interest	906,043	-	906,043
Difference between expected and actual experience	19,757	-	19,757
Contributions - employer	-	497,753	( 497,753)
Contributions - employee	-	313,054	( 313,054)
Net investment income	-	618,954	( 618,954)
Benefit payments, including refunds of employee contributions	( 394,341)	( 394,341)	-
Administrative expense	-	( 6,461)	6,461
Other changes	-	( 531)	531
Net changes	<u>1,178,713</u>	<u>1,028,428</u>	<u>150,285</u>
Balance at 12/31/2014	<u>\$ 13,995,734</u>	<u>\$ 11,846,076</u>	<u>\$ 2,149,658</u>

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) of 1-percentage-higher (8.0%) than the current rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's net pension liability	\$ 4,463,946	\$ 2,149,658	\$ 289,568

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

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

**Pension Expense and Deferred Outflows of Resources Related to Pensions.** For the year ended September 30, 2015, the City recognized pension expense of \$522,099.

At September 30, 2015, the City reported deferred outflows of related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual economic experience	\$ 110,625
Difference between projected and actual investment earnings	15,314
Contributions subsequent to the measurement date	<u>464,658</u>
Total	<u>\$ 590,597</u>

\$464,658 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year Ended September 30,</u>	
2016	\$ 32,099
2017	32,099
2018	32,099
2019	29,642

### **Subsequent Event**

Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be a large as originally projected. While the actual impact on the City's valuation for December 31, 2015 is not known the City does expect some downward pressure on its funded status and upward pressure on its 2017 actuarially determined contribution (ADC) due to this change.

## **E. Other Postemployment Benefits (OPEB) Obligations**

### **Supplemental Death Benefits**

#### Plan Description

The City also participates in the cost sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

#### Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the fiscal year ended 2013, 2014 and 2015 are \$7,300, \$8,088, and \$8,118 respectively, which equaled the required contributions each year.

### **Retiree Health Plan**

#### Plan Description

Effective June 1, 2015, retirees who are at least 58 years old at retirement and have at least 25 years of service with the City are eligible for City paid health coverage until they reach 65 or become eligible for Medicare. The City pays the premium for the retired member. Dependents of the retired employee are not eligible for any City contribution, but may be eligible to continue coverage under the City's group health insurance plan in accordance with COBRA. The policy change was applied retroactively to the retirees who had coverage as of June 1, 2015.

#### Funding Policy

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

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined. The ARC represents an amount that is projected to recognize the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The City had an OPEB actuarial valuation performed as of December 31, 2014. The City's annual OPEB cost for the current fiscal year, is as follows:

Annual required contribution	\$ 850,454
Interest on OPEB obligation	37,577
Adjustment to ARC (1)	( 4,779,258)
Annual OPEB cost	( 3,891,227)
Net employer contributions	( 180,200)
Decrease in net OPEB obligation	( 4,071,427)
Net OPEB obligation, beginning of year	<u>4,779,258</u>
Net OPEB obligation, end of year	<u>\$ 707,831</u>

(1) A one-year amortization period was used in the development of the fiscal year-end 2015 annual required contribution in order to adjust the NOO to better reflect the City's actuarial accrued liability. This is a one-time adjustment.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current fiscal year, and two previous fiscal years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
9/30/2013	\$ 1,250,810	\$ 147,321	11.8%	\$ 3,694,677
9/30/2014	1,291,726	207,146	16.0%	4,779,257
9/30/2015	( 3,891,227)	180,200	( 4.6%)	707,831

#### Funded Status and Funding Progress

The funded status of the City's retiree health care plan, as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2014 (1)	\$ -	\$ 835,055	\$ 835,055	0%	\$ 5,217,564	16.0%

(1) The City amended its retiree medical policy so that benefits are no longer provided after Medicare eligibility and retirees are required to be at least 58 years old at retirement and have at least 25 years of service with the City to be eligible for City paid coverage. The actuarial cost method was changed from the projected unit credit method to the individual entry age normal cost

## Actuarial Methods and Assumptions

The actuarial cost method determines OPEB expense by assigning portions of the present value of projected benefits to various years with the general goal of accruing the cost of benefits over the working lifetime of the employees. The individual entry-age actuarial cost method was used in the valuation. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The entry age normal method then provides for a systematic funding for these anticipated payments. The yearly annual required contribution is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

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

Inflation rate	3.00% per year
Investment rate of return	4.50%, net of investment expenses
Actuarial cost method	Individual entry-age
Amortization method	Level as a percentage of payroll
Amortization period	30-year, open amortization
Payroll growth	3.00% per year
Healthcare cost trend rate	Initial rate of 7.25% declining to an ultimate rate of 5.50% 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 benefits.

## **F. Commitments - Construction**

The City has active construction projects as of year-end. The City's commitments with contractors at year end are as follows:

<u>Projects</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Street Improvements (Austin, Buttonwood, Juniper, Oak, Persimmon, Pea Jay Cove, Church)	\$ 54,705	\$ 230,104
Alley D Infrastructure/Parking Improvement	242,091	448,328
Water Improvement Willow Plant-Membrane Filtration Project	102,697	296,037
Phase 1 Improvement of Business Park	1,129,646	623,067
Main Street Sidewalk/Street Replacement	3,885	797,810
Extension to Hasler/Agnes St.	-	335,188
Gillsbranch Lift station Rehab/Force Main to WWTP	100,000	1,052,684
	<u>\$ 1,633,024</u>	<u>\$ 3,783,218</u>

## **G. Commitments - Economic Development Agreements**

The City entered into an economic development agreement dated January 2012, with a developer to provide certain economic development incentives to the developer in recognition of the economic benefits to the City. The agreement requires the City to rebate to the developer ½ cent of the sales tax collected by the Bastrop Economic Development Corporation, and the developer has to achieve and maintain certain benchmarks. The maximum amount to be rebated by the City from sales tax revenues generated by the development is \$700,000 over ten years. The total rebates paid to date as of September 30, 2015, was \$222,742.

In addition, the City entered into an economic development agreement dated August 2007, with a developer to provide certain economic development incentives to the developer in recognition of the economic benefits to the City. The agreement requires the City to rebate to the developer 1 ½ cents of the City and Bastrop Economic Development Corporation's sales taxes generated by the development that are above the agreed upon equalizer amount. Also, the City has agreed to pay 50% of the increase in ad valorem tax revenues from the 2007 base year to the developer each year. The maximum amount to be rebated by the City from sales tax and ad valorem tax revenues generated by the development is \$7,370,694 over fifteen years. The total rebates paid to date as of September 30, 2015, was \$3,028,725.

The City entered into an economic development agreement dated April 2012, with a developer to provide certain economic development incentives to the developer in recognition of the economic benefits to the City and to reimburse the developer for water lines. The agreement requires the City to rebate to the developer 75% of the City's sales taxes generated by the development, and the developer has to achieve and maintain certain benchmarks. Also, the City has agreed to pay 75% of the revenue generated to the City in ad valorem taxes on the appraised value of the new improvements. The maximum amount to be rebated by the City from sales tax and ad valorem tax revenues generated by the development is \$250,000 over seven years. The total rebates paid to date as of September 30, 2015, was \$139,057.

## H. Risk Management

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

## I. Long-term Liabilities

### General Obligation Bonds

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

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

Long-term liability activity for the year ended September 30, 2015, was as follows:

	Beginning		Ending		Due Within
	Balance	Additions	Reductions	Balance	One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligations	\$ 9,741,309	\$ 1,695,558	\$( 800,929)	\$ 10,635,938	\$ 830,929
Certificates of obligation	16,179,020	-	( 2,155,469)	14,023,551	598,255
Issuance premium	454,834	185,830	( 51,482)	589,182	-
Total bonds payable	<u>26,375,163</u>	<u>1,881,388</u>	<u>( 3,007,880)</u>	<u>25,248,671</u>	<u>1,429,184</u>
Notes payable	960,513	-	( 140,692)	819,821	140,548
Compensated absences	210,921	214,655	( 215,459)	210,117	42,023
Net pension liability	191,121	1,724,026	( 191,121)	1,724,026	-
Net OPEB obligation	<u>3,783,992</u>	<u>-</u>	<u>( 3,330,054)</u>	<u>453,938</u>	<u>-</u>
Governmental activities					
long-term liabilities	<u>\$ 31,521,710</u>	<u>\$ 3,820,069</u>	<u>\$( 6,885,206)</u>	<u>\$ 28,456,573</u>	<u>\$ 1,611,755</u>

For compensated absences, the general fund normally liquidates 95 percent of the liability, the Convention Center fund normally liquidates 4%, and the remaining 1% is liquidated by other governmental funds. Liquidation of the net pension liability and net other postemployment benefit obligation is expected to occur at percentages approximating those for liquidation of the compensated absences liability.

	Beginning			Ending	
	Balance	Additions	Reductions	Balance	Due Within One Year
<b>Business-type activities:</b>					
Bonds payable:					
General obligation bonds	\$ 1,753,689	\$ 579,442	\$( 154,071)	\$ 2,179,060	\$ 154,071
Certificates of obligation	19,040,979	-	( 1,264,531)	17,776,448	801,746
Issuance premium	<u>494,961</u>	<u>63,506</u>	<u>( 31,151)</u>	<u>527,316</u>	<u>-</u>
Total bonds payable	<u>21,289,629</u>	<u>642,948</u>	<u>( 1,449,753)</u>	<u>20,482,824</u>	<u>955,817</u>
Notes payable	600,000	-	( 60,000)	540,000	60,000
Compensated absences	32,190	35,077	( 34,632)	32,635	6,527
Net pension liability	39,233	355,338	( 39,233)	355,338	
Net OPEB obligation	<u>843,019</u>	<u>-</u>	<u>( 627,565)</u>	<u>215,454</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 22,804,071</u>	<u>\$ 1,033,363</u>	<u>\$( 2,211,183)</u>	<u>\$ 21,626,251</u>	<u>\$ 1,022,344</u>

Details of long-term debt obligations outstanding at September 30, 2015 are as follows:

**Governmental Activities:**

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/2015
<b>Bonds Payable:</b>					
General Obligation Bonds, Series 2005	2005	\$ 2,445,000	3.67%	2025	\$ 1,490,000
General Obligation Bonds, Series 2006	2006	345,000	4.24%	2026	235,000
Certificates of Obligation, Series 2006 (31.4%)	2006	227,650	4.19%	2026	105,190
General Obligation Bonds, Series 2007	2007	1,220,000	4.08%	2027	875,000
Certificates of Obligation, Series 2007 (11.42%)	2007	264,944	4.04%	2027	190,143
Certificates of Obligation, Series 2008	2008	1,195,000	3.87%	2028	80,000
General Obligation Bonds, Series 2008	2008	2,110,000	4.60%	2028	1,795,000
Comb. Tax & Rev. Cert. of Oblig., Series 2008A (58.69%)	2008	2,362,273	4.20-5.0%	2028	1,126,848
Certificates of Obligation, Series 2010 (83.1% of issue)	2010	6,149,400	3.50-4.25%	2029	5,243,610
General Obligation Limited Tax Ref. Bonds, Series 2010 (9.37%)	2010	239,872	2.0-4.0%	2024	165,380
General Obligation Refunding Bonds, Series 2011	2011	4,260,000	2.0-4.0%	2022	2,455,000
General Obligation Refunding and Imp. Bonds, Series 2012	2012	2,015,000	2.0-3.0%	2024	1,925,000
Comb. Tax & Rev. Cert. of Oblig., Series 2013 (67.2%)	2013	7,392,000	3.0-4.25%	2033	7,277,760
General Obligation Refunding Bonds, Series 2014 (74.53%)	2014	1,695,558	2.0-4.0%	2031	<u>1,695,558</u>
Total Bonds Payable					<u>\$ 24,659,489</u>
<b>Notes Payable:</b>					
Note Payable - Texas Department of Economic Development	1999	\$ 500,000	0.0%	2019	\$ 89,584
Note Payable - Texas Capital Fund - Art Foundry	2011	447,351	0.0%	2031	346,699
Note Payable FNB (Loan #50018)	2014	475,000	1.9%	2019	<u>383,538</u>
Total notes payable					<u>\$ 819,821</u>

## Business-Type Activities

Type	Sale Date	Original Borrowing	Interest		Outstanding 9/30/2015
			Rates to Maturity	Final Maturity	
<b>Bonds Payable:</b>					
Certificates of Obligation, Series 2006 (68.6%)	2006	\$ 497,350	4.19%	2026	\$ 229,810
Certificates of Obligation, Series 2007 (88.58%)	2007	2,055,056	4.04%	2027	1,474,857
Comb. Tax & Rev. Cert. of Oblig., Series 2008A (41.31%)	2010	1,662,728	4.20-5.0%	2028	793,150
General Obligation Limited Tax Ref. Bonds, Series 2010 (90.63%)	2010	2,320,128	2.0-4.0%	2024	1,599,618
Comb. Tax & Rev. Cert. of Oblig., Series 2010 (16.9%)	2010	1,250,600	3.50-4.25%	2029	1,066,390
Comb. Tax & Rev. Cert. of Oblig., Series 2012	2012	4,200,000	2.0-4.0%	2032	3,905,000
Combination Tax & Rev. Cert. of Oblig., Series 2013 (32.8%)	2013	3,608,000	3.0-4.25%	2033	3,552,240
Combination Tax & Rev. Cert. of Oblig., Series 2014	2014	7,000,000	2.0-3.5%	2034	6,755,000
General Obligation Refunding Bonds, Series 2014 (25.47%)	2014	579,443	2.0-4.0%	2031	579,443
Total Bonds Payable					<u>\$ 19,955,508</u>
<b>Notes Payable:</b>					
Note payable - Ingram Note	2014	\$ 600,000	0.00%	2024	\$ 540,000
Total note payable					<u>\$ 540,000</u>

## Advance Refunding

The City issued \$2,275,000 in general obligation refunding bonds with interest rates ranging from 3.0% to 4.25%. These bonds refunded a portion of the Certificates of Obligation, Series 2008, and the Combination Tax and Revenue Certificates of Obligation, Series 2008A, which had interest rates ranging from 4.20% to 5.00%. The net proceeds of \$2,437,875 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Certificates of Obligation, Series 2008, and the Combination Tax and Revenue Certificates of Obligation, Series 2008A, are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$247,875. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The City advance refunded the Certificates of Obligation, Series 2008, and the Combination Tax and Revenue Certificates of Obligation, Series 2008A, to reduce its total debt service payments over 13 years by \$52,811 and a present value loss of \$18,402.

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

**Governmental Activities:**

Year Ended September 30,	Governmental Activities					
	Bonds Payable		Notes Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,429,184	\$ 927,318	\$ 140,548	\$ 7,307	\$ 1,569,732	\$ 934,625
2017	1,503,847	880,729	142,336	5,517	1,646,183	886,246
2018	1,574,401	832,016	142,280	3,712	1,716,681	835,728
2019	1,629,725	780,518	135,565	1,874	1,765,290	782,392
2020	1,677,509	723,777	22,368	-	1,699,877	723,777
2021-2025	8,303,197	2,658,652	111,838	-	8,415,035	2,658,652
2026-2030	6,329,344	1,184,963	111,838	-	6,441,182	1,184,963
2031-2034	<u>2,212,282</u>	<u>175,876</u>	<u>13,048</u>	<u>-</u>	<u>2,225,330</u>	<u>175,876</u>
Totals	<u>\$ 24,659,489</u>	<u>\$ 8,163,849</u>	<u>\$ 819,821</u>	<u>\$ 18,410</u>	<u>\$ 25,479,310</u>	<u>\$ 8,182,259</u>

**Business-type Activities**

Year Ended September 30,	Business-Type Activities					
	Bonds Payable		Notes Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 955,817	\$ 663,588	\$ 60,000	\$ -	\$ 1,015,817	\$ 663,588
2017	966,154	636,503	60,000	-	1,026,154	636,503
2018	985,592	608,921	60,000	-	1,045,592	608,921
2019	1,015,275	582,056	60,000	-	1,075,275	582,056
2020	1,052,492	550,937	60,000	-	1,112,492	550,937
2021-2025	5,936,803	2,215,239	240,000	-	6,176,803	2,215,239
2026-2030	5,640,657	1,223,773	-	-	5,640,657	1,223,773
2031-2035	<u>3,402,718</u>	<u>276,936</u>	<u>-</u>	<u>-</u>	<u>3,402,718</u>	<u>276,936</u>
Totals	<u>\$ 19,955,508</u>	<u>\$ 6,757,953</u>	<u>\$ 540,000</u>	<u>\$ -</u>	<u>\$ 20,495,508</u>	<u>\$ 6,757,953</u>

**J. Interfund Balances**

The composition of interfund balances as of September 30, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
Grants Fund	General Fund	\$ 3,163

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

**K. Interfund Transfers**

The composition of interfund transfers for the year ended September 30, 2015 is as follows:

	Transfers in:					Totals
	Governmental Funds			Enterprise Funds		
	General Fund	Debt Service	Nonmajor Gov. Funds	Water/Wastewater	Bastrop Power & Light	
Transfers out:						
Hotel/Motel Tax	\$ 246,580	\$ 503,273	\$ 734,185	\$ -	\$ -	\$ 1,484,038
Nonmajor -						
Governmental	-	122,399	503,274	195,545	50,756	871,974
Bastrop Power & Light	746,549	-	-	-	8,500	755,049
Nonmajor Enterprise	-	-	-	366,713	-	366,713
Totals	<u>\$ 993,129</u>	<u>\$ 625,672</u>	<u>\$ 1,237,459</u>	<u>\$ 562,258</u>	<u>\$ 59,256</u>	<u>\$ 3,477,774</u>

During the year, recurring transfers are used to 1) move revenues from a fund with collection authority to another fund with related expenditure requirements, 2) move general fund resources to provide subsidies to other funds as needs arise, and 3) move resources from proprietary funds to governmental funds to subsidize governmental activities as budgeted.

## L. Discretely Presented Component Unit

### Bastrop Economic Development Corporation (Bastrop EDC)

Capital assets activity for Bastrop EDC for the year ended September 30, 2015 was as follows:

#### Component Unit - Bastrop Economic Development Corporation

	Balance			Balance
	9/30/2014	Increases	Decreases	9/30/2015
Capital assets, not being depreciated:				
Land	\$ 933,059	\$ 23,673	\$ ( 108,531)	\$ 848,201
Construction in progress	<u>1,217,390</u>	<u>2,966</u>	<u>( 1,215,116)</u>	<u>5,240</u>
Total capital assets, not being depreciated	<u>2,150,449</u>	<u>26,639</u>	<u>( 1,323,647)</u>	<u>853,441</u>
Capital assets, being depreciated:				
Buildings and improvements	971,666	-	-	971,666
Infrastructure	2,253,147	-	-	2,253,147
Machinery, equipment, and vehicles	<u>6,506</u>	<u>8,300</u>	<u>( 6,505)</u>	<u>8,301</u>
Total capital assets, being depreciated	<u>3,231,319</u>	<u>8,300</u>	<u>( 6,505)</u>	<u>3,233,114</u>
Less accumulated depreciation for:				
Buildings and improvements	( 298,186)	( 18,559)	-	( 316,745)
Infrastructure	( 1,159,122)	( 103,758)	-	( 1,262,880)
Machinery, equipment, and vehicles	<u>( 6,506)</u>	<u>( 277)</u>	<u>6,505</u>	<u>( 278)</u>
Total accumulated depreciation	<u>( 1,463,814)</u>	<u>( 122,594)</u>	<u>6,505</u>	<u>( 1,579,903)</u>
Total capital assets being depreciated, net	<u>1,767,505</u>	<u>( 114,294)</u>	<u>-</u>	<u>1,653,211</u>
Component unit capital assets, net	<u>\$ 3,917,954</u>	<u>\$ ( 87,655)</u>	<u>\$ ( 1,323,647)</u>	<u>\$ 2,506,652</u>

Details of long-term debt obligations outstanding for Bastrop EDC at September 30, 2015 are as follows:

**Component Unit- Bastrop Economic Development**

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/2015
<b>Bonds Payable:</b>					
Sales Tax and Revenue Refunding Bonds, Series 2006	2006	\$ 2,005,000	4.61%	2020	\$ 450,000
Total Bonds Payable					<u>\$ 450,000</u>
<b>Notes Payable:</b>					
City of Bastrop	1999	\$ 500,000	0.00%	2019	\$ 87,500
First National Bank	1999	98,524	5.39%	2016	2,485
City of Bastrop	2014	600,000	0.00%	2024	540,000
Total Notes Payable					<u>\$ 629,985</u>
<b>Other:</b>					
Due to City of Bastrop-12.5% of Cert. of Oblig., Series 2008A	2008	\$ 503,125	4.20-5.0%	2028	\$ 233,280
Due to City of Bastrop-13.88% of Cert. of Oblig., Series 2010	2010	1,027,120	3.5-4.25%	2029	875,828
Due to City of Bastrop-24.2% Cert. of Oblig., Series 2013	2013	2,662,000	3.0-4.25%	2033	2,620,860
Due to City of Bastrop-7.49% General Oblig. Ref., Series 2014	2014	171,333	2.0-4.0%	2031	171,333
Total Other					<u>\$ 3,901,301</u>

Long-term debt activity for Bastrop EDC for the year ended September 30, 2015 was as follows:

Description	Balance 9/30/2014	Additions	Deletions	Balance 9/30/2015	Due in One Year
General obligation bonds	\$ 670,000	\$ -	\$ 220,000	\$ 450,000	\$ 235,000
Notes payable	723,544	-	93,559	629,985	87,486
Due to City of Bastrop - bonds	3,997,428	171,333	267,460	3,901,301	139,827
Compensated absences	9,372	6,007	7,315	8,064	933
Net pension liability	7,677	70,293	7,677	70,293	-
Net OPEB obligation	152,246	-	113,807	38,439	-
Total Component Unit	<u>\$ 5,560,267</u>	<u>\$ 247,633</u>	<u>\$ 709,818</u>	<u>\$ 5,098,082</u>	<u>\$ 463,246</u>

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

Year Ended September 30,	Bastrop EDC					
	Bonds Payable		Notes Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 374,827	\$ 172,257	\$ 87,485	\$ 16	\$ 462,312	\$ 151,528
2017	188,375	156,593	85,000	-	273,375	156,593
2018	189,391	149,449	85,000	-	274,391	149,449
2019	202,108	142,533	72,500	-	274,608	142,533
2020	206,437	134,485	60,000	-	266,437	134,485
2021-2025	1,070,960	558,909	240,000	-	1,310,960	558,909
2026-2030	1,387,373	319,975	-	-	1,387,373	319,975
2031-2034	731,830	60,705	-	-	731,830	60,705
Totals	<u>\$ 4,351,301</u>	<u>\$ 1,694,906</u>	<u>\$ 629,985</u>	<u>\$ 16</u>	<u>\$ 4,981,286</u>	<u>\$ 1,674,177</u>

**M. Contingencies**

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

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

**N. Future Financial Reporting Requirements**

The GASB has issued the following statement which will become effective in future years.

Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” – This statement changes the focus of accounting of postemployment benefits other than pensions from whether the entity is responsible for funding the benefits over time to a point-in-time liability that is reflected on the employer’s financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the City in fiscal year 2018.

Statement No. 77, “*Tax Abatement Disclosures*” – This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. This statement will become effective for the City in fiscal year 2017.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**CITY OF BASTROP, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 2,841,670	\$ 2,841,670	\$ 2,823,579	\$( 18,091)
Sales taxes	3,450,000	3,528,000	4,021,662	493,662
Franchise taxes	400,000	400,000	466,699	66,699
Licenses and permits	94,000	94,000	211,969	117,969
Intergovernmental	239,080	499,010	361,228	( 137,782)
Charges for service	46,600	466,600	536,903	70,303
Fines	196,100	204,900	286,505	81,605
Investment earnings	5,000	5,000	5,217	217
Contributions and donations	-	718	1,545	827
Miscellaneous	25,000	33,969	69,606	35,637
Total revenues	<u>7,297,450</u>	<u>8,073,867</u>	<u>8,784,913</u>	<u>711,046</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative	50,240	50,240	8,132	42,108
Organizational	1,296,780	1,776,095	1,704,309	71,786
City Manager	318,400	341,553	177,066	164,487
City Secretary	125,435	127,014	52,421	74,593
Finance	868,845	1,323,496	611,769	711,727
Human resources	119,765	123,315	60,405	62,910
Information technology	266,950	286,057	81,416	204,641
Public safety:				
Police	2,511,275	2,593,680	2,443,194	150,486
Fire	266,090	220,589	184,798	35,791
Municipal court	367,870	402,005	389,725	12,280
Development services:				
Planning	868,790	880,304	708,518	171,786
Community services:				
Public works	906,225	932,843	826,094	106,749
Recreation	42,500	42,500	40,049	2,451
Parks	707,560	727,527	623,898	103,629
Building maintenance	175,810	179,604	117,352	62,252
Library	655,280	672,584	648,870	23,714
Debt service:				
Principal	-	-	24,230	( 24,230)
Capital outlay	364,275	618,558	420,739	197,819
Total expenditures	<u>9,912,090</u>	<u>11,297,964</u>	<u>9,122,985</u>	<u>2,174,979</u>
Excess (deficiency) of revenues over expenditures	<u>( 2,614,640)</u>	<u>( 3,224,097)</u>	<u>( 338,072)</u>	<u>2,886,025</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	861,500	1,108,080	993,129	114,951
Total other financing sources (uses)	<u>861,500</u>	<u>1,108,080</u>	<u>993,129</u>	<u>114,951</u>
Net change in fund balances	<u>( 1,753,140)</u>	<u>( 2,116,017)</u>	<u>655,057</u>	<u>3,000,976</u>
Fund balance- beginning	4,763,037	4,763,037	4,763,037	-
Fund balance- ending	<u>\$ 3,009,897</u>	<u>\$ 2,647,020</u>	<u>\$ 5,418,094</u>	<u>\$ 3,000,976</u>

**CITY OF BASTROP, TEXAS**

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

**HOTEL/MOTEL TAX FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Hotel/motel taxes	\$ 2,643,500	\$ 2,793,500	\$ 2,850,062	\$ 56,562
Investment earnings	3,500	3,500	1,905	( 1,595)
Miscellaneous	3,500	3,500	153	( 3,347)
Total revenues	2,650,500	2,800,500	2,852,120	51,620
<b>EXPENDITURES</b>				
Current:				
Economic development:				
Donations	300,000	435,610	434,499	1,111
Bastrop marketing corporation	914,529	1,064,529	1,040,390	24,139
Special events	45,000	45,000	26,176	18,824
Total expenditures	1,259,529	1,545,139	1,501,065	44,074
Excess (deficiency) of revenues over expenditures	1,390,971	1,255,361	1,351,055	95,694
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	( 1,236,459)	( 1,484,038)	( 1,484,038)	-
Total other financing sources (uses)	( 1,236,459)	( 1,484,038)	( 1,484,038)	-
Net change in fund balance	154,512	( 228,677)	( 132,983)	95,694
Fund balance - beginning	2,148,817	2,148,817	2,148,817	-
Fund balance - ending	\$ 2,303,329	\$ 1,920,140	\$ 2,015,834	\$ 95,694

**CITY OF BASTROP, TEXAS**  
**NOTES TO BUDGETARY INFORMATION**  
**SEPTEMBER 30, 2015**

**Budgetary Basis of Accounting**

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

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

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

**CITY OF BASTROP, TEXAS**

**SCHEDULE OF FUNDING PROGRESS  
RETIREE HEALTH CARE PLAN**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	Funding Ratio (3) (1)/(2)	Unfunded AAL (UAAL) (4)	Covered Payroll (5)	UAAL as a Percentage of Covered Payroll (6)
12/31/2009	\$ -	\$ 6,261,851	0.0%	\$ 6,261,851	\$ 4,284,550	146.1%
12/31/2011	-	9,781,417	0.0%	9,781,417	4,737,617	206.5%
12/31/2014 (1)	-	835,055	0.0%	835,055	5,217,564	16.0%

(1) The City amended its retiree medical policy so that benefits are no longer provided after Medicare eligibility and retirees are required to be at least 58 years old at retirement and have at least 25 years of service with the City to be eligible for City paid coverage. The actuarial cost method was changed from the projected unit credit method to the individual entry age normal cost method.

# CITY OF BASTROP, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2015

<b>Plan Year</b>	<b><u>2014</u></b>
<b>A. Total pension liability</b>	
Service Cost	\$ 647,254
Interest (on the Total Pension Liability)	906,043
Difference between expected and actual experience	19,757
Benefit payments, including refunds of employee contributions	( 394,341)
Net change in total pension liability	1,178,713
Total pension liability - beginning	<u>12,817,021</u>
Total pension liability - ending (a)	<u>\$ 13,995,734</u>
<b>B. Plan fiduciary net position</b>	
Contributions - employer	\$ 497,753
Contributions - employee	313,054
Net investment income	618,954
Benefit payments, including refunds of employee contributions	( 394,341)
Administrative expense	( 6,461)
Other	( 531)
Net change in plan fiduciary net position	1,028,428
Plan fiduciary net position - beginning	<u>10,817,648</u>
Plan fiduciary net position - ending (b)	<u>\$ 11,846,076</u>
<b>C. Net pension liability - ending (a) - (b)</b>	<u>\$ 2,149,658</u>
<b>D. Plan fiduciary net position as a percentage of total pension liability</b>	84.64%
<b>E. Covered employee payroll</b>	\$ 5,217,564
<b>F. Net position liability as a percentage of covered employee payroll</b>	41.20%

**CITY OF BASTROP, TEXAS**

**SCHEDULE OF CONTRIBUTIONS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>
Actuarial determined contribution	\$ 494,007	\$ 559,590
Contributions in relation to the actuarially determined contribution	<u>494,007</u>	<u>559,590</u>
Contribution deficiency (excess)	-	-
Covered employee payroll	5,140,859	5,317,314
Contributions as a percentage of covered employee payroll	9.61%	10.52%

**NOTES TO SCHEDULE OF CONTRIBUTIONS**

**Valuation Date** Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis of with BB.

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

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

## NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

## CAPITAL PROJECTS FUNDS

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

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

***General Obligation Bonds, Series 2005*** – This fund is used to account for the receipt of bond funds received in relation to this specific bond issue and application of the funds in accordance with stated requirements.

***Certificates of Obligation, Series 2010*** – This fund is used to account for the receipt of bond funds received in relation to this specific bond issue and application of the funds in accordance with stated requirements.

***General Obligation & Refunding Bonds, Series 2012*** – This fund is used to account for the receipt of bond funds received in relation to this specific bond issue and application of the funds in accordance with stated requirements.

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

### **PERMANENT FUND**

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

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

### **NONMAJOR PROPRIETARY FUNDS**

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

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

**CITY OF BASTROP, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2015**

	Special Revenue Funds				
	Designated Fund	Bastrop Convention Center	Main Street Project	Bastrop Art in Public Places	Library Board
<b>ASSETS</b>					
Cash and cash equivalents	\$ 885,968	\$ 1,164,692	\$ 7,219	\$ 23,283	\$ 10,545
Taxes receivable, net	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Accounts receivable	4,056	150	1,948	-	-
Prepaid items	-	17,910	-	-	-
Total assets	890,024	1,182,752	9,167	23,283	10,545
<b>LIABILITIES</b>					
Accounts payable	226,694	41,869	4,396	-	384
Accrued liabilities	-	10,596	3,265	-	-
Retainage payable	-	-	-	-	-
Customer deposits	-	34,523	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	226,694	86,988	7,661	-	384
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
<b>FUND BALANCES</b>					
Nonspendable:					
Endowment	-	-	-	-	-
Prepaid items	-	17,910	-	-	-
Restricted for:					
Cemetery	-	-	-	-	-
Capital projects	-	-	-	-	-
Public improvement district	-	-	-	-	-
Traffic safety	631,613	-	-	-	-
Culture and recreation	11,758	-	1,506	23,283	10,161
PEG channels	19,959	-	-	-	-
Committed for:					
Economic development	-	1,077,854	-	-	-
Total fund balances	663,330	1,095,764	1,506	23,283	10,161
Total liabilities, deferred inflows of resources, and fund balances	\$ 890,024	\$ 1,182,752	\$ 9,167	\$ 23,283	\$ 10,545

Special Revenue Funds		Permanent Fund	Capital Project Funds		
Fairview Cemetery	Hunters Crossing PID	Fairview Cemetery	Park/Trail Dedication	GO Bond Series 2005	CO Series 2010
\$ 243,644	\$ 213,321	\$ 383,649	\$ 119,876	\$ -	\$ 83,300
-	2,475	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>243,644</u>	<u>215,796</u>	<u>383,649</u>	<u>119,876</u>	<u>-</u>	<u>83,300</u>
758	1,941	-	-	-	-
2,298	-	-	-	-	-
-	23,488	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,056</u>	<u>25,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	2,475	-	-	-	-
<u>-</u>	<u>2,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	66,003	-	-	-
-	-	-	-	-	-
240,588	-	317,646	-	-	-
-	-	-	119,876	-	83,300
-	187,892	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>240,588</u>	<u>187,892</u>	<u>383,649</u>	<u>119,876</u>	<u>-</u>	<u>83,300</u>
<u>\$ 243,644</u>	<u>\$ 215,796</u>	<u>\$ 383,649</u>	<u>\$ 119,876</u>	<u>\$ -</u>	<u>\$ 83,300</u>

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**CITY OF BASTROP, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2015**

	Capital Projects Funds		Total
	GO Bonds	Grants	Non-Major
	Series 2012	Fund	Governmental
			Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 3,135,497
Taxes receivable	-	-	2,475
Due from other funds	-	3,163	3,163
Due from other governments	-	106,173	106,173
Accounts receivable	-	-	6,154
Prepaid items	-	-	17,910
Total assets	-	109,336	3,271,372
<b>LIABILITIES</b>			
Accounts payable	-	58,268	334,310
Accrued liabilities	-	-	16,159
Retainage payable	-	-	23,488
Customer deposits	-	-	34,523
Unearned revenue	-	51,068	51,068
Total assets	-	109,336	459,548
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	2,475
Total deferred inflows of resources	-	-	2,475
<b>FUND BALANCES</b>			
Nonspendable:			
Endowment	-	-	66,003
Prepaid items	-	-	17,910
Restricted for:			
Cemetery	-	-	558,234
Capital projects	-	-	203,176
Public improvement district	-	-	187,892
Traffic safety	-	-	631,613
Culture and recreation	-	-	46,708
PEG channels	-	-	19,959
Committed for:			
Economic development	-	-	1,077,854
Total fund balances	-	-	2,809,349
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 109,336	\$ 3,271,372

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Special Revenue Funds				
	Designated Fund	Bastrop Convention Center	Main Street Project	Bastrop Art in Public Places	Library Board
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise taxes	19,995	-	-	-	-
Licenses and permits	-	1,935	-	-	-
Intergovernmental	1,795	-	-	-	-
Charges for services	-	135,956	-	-	-
Fines and forfeitures	367,225	-	-	-	-
Investment earnings	873	1,140	21	-	11
Contributions and donations	35,998	-	48,767	-	2,643
Miscellaneous	-	-	647	-	-
Total revenues	<u>425,886</u>	<u>139,031</u>	<u>49,435</u>	<u>-</u>	<u>2,654</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	312,256	-	-	-	-
Community services	25,122	-	-	-	2,457
Economic development	-	686,900	166,868	28,872	-
Capital outlay	<u>152,672</u>	<u>19,499</u>	<u>-</u>	<u>45,000</u>	<u>-</u>
Total expenditures	<u>490,050</u>	<u>706,399</u>	<u>166,868</u>	<u>73,872</u>	<u>2,457</u>
Excess (deficiency) of revenues over expenditures	( 64,164)	( 567,368)	( 117,433)	( 73,872)	197
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	1,121,300	75,000	41,159	-
Transfers out	<u>-</u>	<u>( 503,274)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>618,026</u>	<u>75,000</u>	<u>41,159</u>	<u>-</u>
Net change in fund balances	( 64,164)	50,658	( 42,433)	( 32,713)	197
Fund balances - beginning	<u>727,494</u>	<u>1,045,106</u>	<u>43,939</u>	<u>55,996</u>	<u>9,964</u>
Fund balances - ending	<u>\$ 663,330</u>	<u>\$ 1,095,764</u>	<u>\$ 1,506</u>	<u>\$ 23,283</u>	<u>\$ 10,161</u>

Special Revenue Funds		Permanent Fund	Capital Project Funds		
Fairview Cemetery	Hunters Crossing PID	Fairview Cemetery	Park/Trail Dedication	GO Bond Series 2005	CO Series 2010
\$ -	\$ 339,967	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
36,480	-	-	-	-	-
-	-	-	-	-	-
3,315	278	-	118	155	99
-	-	-	-	-	-
-	-	-	-	-	-
<u>39,795</u>	<u>340,245</u>	<u>-</u>	<u>118</u>	<u>155</u>	<u>99</u>
-	-	-	-	-	-
64,390	-	-	-	-	-
-	313,932	-	-	-	-
-	-	-	-	35,565	-
<u>64,390</u>	<u>313,932</u>	<u>-</u>	<u>-</u>	<u>35,565</u>	<u>-</u>
( 24,595)	26,313	-	118	( 35,410)	99
-	-	-	-	-	-
-	-	-	-	( 122,399)	( 50,756)
-	-	-	-	( 122,399)	( 50,756)
( 24,595)	26,313	-	118	( 157,809)	( 50,657)
<u>265,183</u>	<u>161,579</u>	<u>383,649</u>	<u>119,758</u>	<u>157,809</u>	<u>133,957</u>
<u>\$ 240,588</u>	<u>\$ 187,892</u>	<u>\$ 383,649</u>	<u>\$ 119,876</u>	<u>\$ -</u>	<u>\$ 83,300</u>

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Capital Projects Funds		Total Non-Major Governmental Funds
	GO Bonds Series 2012	Grants	
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ 339,967
Franchise taxes	-	-	19,995
Licenses and permits	-	-	1,935
Intergovernmental revenues	-	365,071	366,866
Charges for services	-	-	172,436
Fines and forfeitures	-	-	367,225
Investment earnings	8	-	6,018
Contributions and donations	-	-	87,408
Miscellaneous	-	-	647
Total Revenue	8	365,071	1,362,497
<b>EXPENDITURES</b>			
Current:			
Public safety	-	19,145	331,401
Community services	-	116,294	208,263
Economic development	-	-	1,196,572
Capital outlay	59,153	34,087	345,976
Total expenditures	59,153	169,526	2,082,212
Excess (deficiency) of revenues over expenditures	( 59,145)	195,545	( 719,715)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	1,237,459
Transfers out	-	(195,545)	( 871,974)
Total other financing sources (uses)	-	(195,545)	365,485
Net change in fund balances	( 59,145)	-	( 354,230)
Fund balances - beginning	59,145	-	3,163,579
Fund balances - ending	\$ -	\$ -	\$ 2,809,349

**CITY OF BASTROP, TEXAS**

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

**DEBT SERVICE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property taxes	\$ 1,610,570	\$ 1,610,570	\$ 1,578,285	\$( 32,285)
Investment earnings	1,918	1,918	1,219	( 699)
Contributions and donations	-	-	283,874	283,874
Total revenues	<u>1,612,488</u>	<u>1,612,488</u>	<u>1,863,378</u>	<u>250,890</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	1,235,648	1,339,888	1,415,545	75,657
Interest and other	<u>989,727</u>	<u>1,142,448</u>	<u>1,068,183</u>	<u>( 74,265)</u>
Total expenditures	<u>2,225,375</u>	<u>2,482,336</u>	<u>2,483,728</u>	<u>1,392</u>
Excess (deficiency) of revenues over expenditures	<u>( 612,887)</u>	<u>( 869,848)</u>	<u>( 620,350)</u>	<u>249,498</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	551,025	551,025	625,672	74,647
Issuance of bonds	-	-	1,695,558	1,695,558
Payment to bond refunding escrow agent	-	( 1,819,234)	( 1,819,234)	-
Premium from bond issuance	<u>-</u>	<u>-</u>	<u>185,830</u>	<u>185,830</u>
Total other financing sources (uses)	<u>551,025</u>	<u>( 1,268,209)</u>	<u>687,826</u>	<u>1,956,035</u>
Net change in fund balance	<u>( 61,862)</u>	<u>( 2,138,057)</u>	<u>67,476</u>	<u>2,205,533</u>
Fund balance- beginning	<u>736,729</u>	<u>736,729</u>	<u>736,729</u>	<u>-</u>
Fund balance- ending	<u>\$ 674,867</u>	<u>\$( 1,401,328)</u>	<u>\$ 804,205</u>	<u>\$ 2,205,533</u>

**CITY OF BASTROP, TEXAS**

**COMBINING STATEMENT OF NET POSITION**

**NONMAJOR ENTERPRISE FUNDS**

**SEPTEMBER 30, 2015**

	Nonmajor Enterprise Funds		Total Non-Major Enterprise Funds
	Community Impact Fee Fund	Accelerated Recovery Fee Fund	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 840,576	\$ 589,223	\$ 1,429,799
Accounts receivable, net	-	-	-
Total assets	840,576	589,223	1,429,799
 <b>LIABILITIES</b>			
Accounts payable	1,980	-	1,980
Total liabilities	1,980	-	1,980
 <b>NET POSITION</b>			
Restricted for capital improvements	838,596	-	838,596
Unrestricted	-	589,223	589,223
Total net position	\$ 838,596	\$ 589,223	\$ 1,427,819

**CITY OF BASTROP, TEXAS**

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

**NONMAJOR ENTERPRISE FUNDS**

**FOR THE YEAR END SEPTEMBER 30, 2015**

	Nonmajor Enterprise Funds		Total Non-Major Enterprise Funds
	Community Impact Fee Fund	Accelerated Recovery Fee Fund	
Operating revenues:			
Charges for services	\$ 145,706	\$ 115,396	\$ 261,102
Total operating revenues	145,706	115,396	261,102
Operating expenses:			
Supplies and maintenance	-	43,340	43,340
Services and other	3,688	-	3,688
Total operating expenses	3,688	43,340	47,028
Operating income (loss)	142,018	72,056	214,074
Nonoperating revenues (expenses)			
Investment earnings	795	759	1,554
Total nonoperating revenues (expenses)	795	759	1,554
Income before transfers	142,813	72,815	215,628
Transfers out	( 194,387)	( 172,326)	( 366,713)
Change in net position	( 51,574)	( 99,511)	( 151,085)
Net position- beginning	890,170	688,734	1,578,904
Net position- ending	\$ 838,596	\$ 589,223	\$ 1,427,819

**CITY OF BASTROP, TEXAS**

**COMBINING STATEMENT OF CASH FLOWS**

**NONMAJOR ENTERPRISE FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Nonmajor Enterprise Funds		Total
	Community Impact Fee Fund	Accelerated Recovery Fee Fund	Non-Major Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 143,998	\$ 115,396	\$ 259,394
Payments to suppliers and service providers	( 1,980)	( 47,280)	( 49,260)
Net cash provided by operating activities	142,018	68,116	210,134
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers out to other funds	-	( 172,326)	( 172,326)
Net cash used by noncapital noncapital financing activities	-	( 172,326)	( 172,326)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	795	759	1,554
Net cash provided by investing activities	795	759	1,554
Net increase (decrease) in cash and cash equivalents	142,813	( 103,451)	39,362
Cash and cash equivalents-beginning	890,170	692,674	1,582,844
Cash and cash equivalents-ending	1,032,983	589,223	1,622,206
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	142,018	72,056	214,074
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Increase (decrease) in accounts payable	-	( 3,940)	( 3,940)
Net cash provided by (used for) operating activities	\$ 142,018	\$ 68,116	\$ 210,134

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# **STATISTICAL SECTION**

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# STATISTICAL SECTION

## (Unaudited)

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	71 – 79
<b>Revenue Capacity</b> These schedules contain trend information to help the reader assess the factors affecting the City's ability to generate its electric utility, sales tax and property tax revenues.	80 – 86
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.	87 – 92
<b>Economic and Demographic Indicators</b> These schedules contain economic and demographic information to help the reader understand the environment within which the City's financial activities take place.	93 – 95
<b>Operating Information</b> These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	96 – 98

# CITY OF BASTROP, TEXAS

## NET POSITION BY COMPONENT

### LAST TEN FISCAL YEARS

	Fiscal Year			
	2006	2007	2008	2009
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 2,167,796	\$ 439,746	\$ 1,437,927	\$ 2,155,157
Restricted	3,238,650	4,087,610	2,363,723	986,735
Unrestricted	<u>2,467,845</u>	<u>3,320,445</u>	<u>4,276,758</u>	<u>4,033,594</u>
Total governmental activities net position	<u>\$ 7,874,291</u>	<u>\$ 7,847,801</u>	<u>\$ 8,078,408</u>	<u>\$ 7,175,486</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 8,786,065	\$ 9,586,381	\$ 4,850,207	\$ 16,335,785
Restricted	3,626,113	3,476,113	3,476,113	-
Unrestricted	<u>2,124,885</u>	<u>5,277,302</u>	<u>12,960,782</u>	<u>5,767,731</u>
Total business-type activities net position	<u>\$ 14,537,063</u>	<u>\$ 18,339,796</u>	<u>\$ 21,287,102</u>	<u>\$ 22,103,516</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 10,953,861	\$ 10,026,127	\$ 6,288,134	\$ 18,490,942
Restricted	6,864,763	7,563,723	5,839,836	986,735
Unrestricted	<u>4,592,730</u>	<u>8,597,747</u>	<u>17,237,540</u>	<u>9,801,325</u>
Total primary government net position	<u>\$ 22,411,354</u>	<u>\$ 26,187,597</u>	<u>\$ 29,365,510</u>	<u>\$ 29,279,002</u>

**TABLE 1**

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$( 4,960,857)	\$ 5,875,370	\$ 10,566,114	\$ 11,429,156	\$ 9,963,117	\$ 11,651,156
9,380,765	6,046,673	7,373,576	4,910,969	9,159,680	8,756,852
<u>( 236,597)</u>	<u>( 2,389,362)</u>	<u>( 854,428)</u>	<u>2,499,071</u>	<u>2,209,515</u>	<u>5,446,370</u>
<u>\$ 4,183,311</u>	<u>\$ 9,532,681</u>	<u>\$ 17,085,262</u>	<u>\$ 18,839,196</u>	<u>\$ 21,332,312</u>	<u>\$ 25,854,378</u>
\$ 19,320,722	\$ 16,135,372	\$ 13,211,924	\$ 11,738,002	\$ 12,316,742	\$ 13,333,175
-	-	-	2,660,151	669,651	838,596
<u>6,658,219</u>	<u>5,594,939</u>	<u>7,391,011</u>	<u>5,210,587</u>	<u>8,546,144</u>	<u>8,571,980</u>
<u>\$ 25,978,941</u>	<u>\$ 21,730,311</u>	<u>\$ 20,602,935</u>	<u>\$ 19,608,740</u>	<u>\$ 21,532,537</u>	<u>\$ 22,743,751</u>
\$ 14,359,865	\$ 22,010,742	\$ 23,778,038	\$ 23,167,158	\$ 22,279,859	\$ 24,984,331
9,380,765	6,046,673	7,373,576	7,571,120	9,829,331	9,595,448
<u>6,421,622</u>	<u>3,205,577</u>	<u>6,536,583</u>	<u>7,709,658</u>	<u>10,755,659</u>	<u>14,018,350</u>
<u>\$ 30,162,252</u>	<u>\$ 31,262,992</u>	<u>\$ 37,688,197</u>	<u>\$ 38,447,936</u>	<u>\$ 42,864,849</u>	<u>\$ 48,598,129</u>

# CITY OF BASTROP, TEXAS

## CHANGES IN NET POSITION

### LAST TEN FISCAL YEARS

	Fiscal Year			
	2006	2007	2008	2009
<b>EXPENSES</b>				
Governmental activities:				
General government	\$ 2,706,820	\$ 3,970,038	\$ 4,607,153	\$ 5,150,600
Public safety	1,438,822	1,603,169	1,816,490	2,356,890
Developmental services	-	-	-	-
Community development	1,138,460	1,329,794	1,411,904	1,567,019
Health	71,027	71,027	71,026	79,169
Economic development & assistance	-	-	-	-
Cemetery	-	-	-	15,816
Interest on long-term debt	603,946	620,935	738,485	810,338
Depreciation	273,362	523,803	480,223	-
Total governmental activities expenses	<u>6,232,437</u>	<u>8,118,766</u>	<u>9,125,281</u>	<u>9,979,831</u>
Business-type activities:				
Water and wastewater utilities	1,961,082	2,226,170	2,443,594	2,654,152
Electric utility	5,150,081	4,567,889	5,437,279	6,049,776
Other nonmajor	190	25,166	83,312	3,619
Total business-type activities expenses	<u>7,111,353</u>	<u>6,819,225</u>	<u>7,964,185</u>	<u>8,707,547</u>
Total primary government program expenses	<u>\$ 13,343,790</u>	<u>\$ 14,937,991</u>	<u>\$ 17,089,466</u>	<u>\$ 18,687,378</u>
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services:				
General government	\$ 57,761	\$ 21,075	\$ 40,943	\$ 1,087,944
Public safety	246,568	319,321	422,094	295,240
Community services	-	-	-	-
Health	-	-	-	27,932
Economic development & assistance	-	-	-	-
Operating grants and contributions	1,093,585	1,170,248	854,313	91,918
Capital grants and contributions	-	-	-	577,643
Total governmental activities program revenues	<u>1,397,914</u>	<u>1,510,644</u>	<u>1,317,350</u>	<u>2,080,677</u>
Business-type activities:				
Charges for services:				
Water and wastewater utilities	2,442,952	2,209,693	2,764,742	3,111,828
Electric utility	5,967,713	5,473,645	6,231,334	7,071,534
Other nonmajor	-	-	-	295,177
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>8,410,665</u>	<u>7,683,338</u>	<u>8,996,076</u>	<u>10,478,539</u>
Total primary government program revenues	<u>\$ 9,808,579</u>	<u>\$ 9,193,982</u>	<u>\$ 10,313,426</u>	<u>\$ 12,559,216</u>
<b>NET (EXPENSE) REVENUES</b>				
Governmental activities	\$( 4,834,523)	\$( 6,608,122)	\$( 7,807,931)	\$( 7,899,154)
Business-type activities	<u>1,299,312</u>	<u>864,113</u>	<u>1,031,891</u>	<u>1,770,992</u>
Total primary government net expense	<u>\$( 3,535,211)</u>	<u>\$( 5,744,009)</u>	<u>\$( 6,776,040)</u>	<u>\$( 6,128,162)</u>

**TABLE 2**

		Fiscal Year									
		2010	2011	2012	2013	2014	2015				
\$	6,394,947	\$	6,295,882	\$	8,045,054	\$	3,714,276	\$	2,823,226	\$	3,000,666
	2,464,313		2,648,635		2,792,144		3,784,611		3,744,040		3,589,294
	-		-		-		-		-		711,905
	1,773,439		1,997,802		1,983,502		3,071,077		3,214,589		3,207,923
	76,812		75,991		78,982		-		-		-
	-		-		-		2,865,227		4,067,024		2,976,087
	-		-		-		-		-		-
	986,607		1,403,348		1,065,553		680,369		1,008,265		1,030,527
	-		-		-		-		-		-
	<u>11,696,118</u>		<u>12,421,658</u>		<u>13,965,235</u>		<u>14,115,560</u>		<u>14,857,144</u>		<u>14,516,402</u>
	2,790,906		3,061,719		3,174,942		3,748,334		3,694,129		3,882,671
	5,727,753		5,871,322		6,198,430		6,188,383		6,673,346		6,861,785
	67,305		19,207		129,198		620,614		683,574		47,028
	<u>8,585,964</u>		<u>8,952,248</u>		<u>9,502,570</u>		<u>10,557,331</u>		<u>11,051,049</u>		<u>10,791,484</u>
\$	<u>20,282,082</u>	\$	<u>21,373,906</u>	\$	<u>23,467,805</u>	\$	<u>24,672,891</u>	\$	<u>25,908,193</u>	\$	<u>25,307,886</u>
\$	1,255,484	\$	1,318,457	\$	1,351,258	\$	1,437,935	\$	413,374	\$	1,035,377
	256,551		275,307		230,014		1,067,556		925,131		932,848
	-		65,615		69,011		293,186		86,472		36,480
	-		-		-		-		-		-
	-		-		-		133,686		130,920		137,891
	249,725		393,095		200,007		130,520		390,712		428,497
	-		173,903		3,404,918		408,312		2,988,454		1,878,711
	<u>1,761,760</u>		<u>2,226,377</u>		<u>5,255,208</u>		<u>3,471,195</u>		<u>4,935,063</u>		<u>4,449,804</u>
	3,071,126		3,445,382		3,610,941		3,851,172		3,960,434		4,288,849
	6,771,854		6,966,650		7,395,021		6,854,109		7,304,225		7,415,588
	195,354		96,354		893,389		789,918		893,112		261,102
	-		-		-		-		600,000		47,889
	<u>10,038,334</u>		<u>10,508,386</u>		<u>11,899,351</u>		<u>11,495,199</u>		<u>12,757,771</u>		<u>12,013,428</u>
\$	<u>11,800,094</u>	\$	<u>12,734,763</u>	\$	<u>17,154,559</u>	\$	<u>14,966,394</u>	\$	<u>17,692,834</u>	\$	<u>16,463,232</u>
\$	( 9,934,358)	\$	( 10,195,281)	\$	( 8,710,027)	\$	( 10,644,365)	\$	( 9,922,081)	\$	( 10,066,598)
	<u>1,452,370</u>		<u>1,556,138</u>		<u>2,396,781</u>		<u>937,868</u>		<u>1,706,722</u>		<u>1,221,944</u>
\$	<u>( 8,481,988)</u>	\$	<u>( 8,639,143)</u>	\$	<u>( 6,313,246)</u>	\$	<u>( 9,706,497)</u>	\$	<u>( 8,215,359)</u>	\$	<u>( 8,844,654)</u>

## CITY OF BASTROP, TEXAS

### GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

#### LAST TEN FISCAL YEARS

	Fiscal Year			
	2006	2007	2008	2009
<b>NET EXPENSES</b>				
Governmental activities:	\$( 4,834,553)	\$( 6,608,122)	\$( 7,807,931)	\$( 7,899,154)
Business-type activities:	<u>739,891</u>	<u>382,799</u>	<u>293,518</u>	<u>1,626,056</u>
Total primary government net expense	<u><u>\$( 4,094,662)</u></u>	<u><u>\$( 6,225,323)</u></u>	<u><u>\$( 7,514,413)</u></u>	<u><u>\$( 6,273,098)</u></u>
<b>GENERAL REVENUES AND OTHER</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 2,327,827	\$ 2,846,719	\$ 2,842,170	\$ 3,182,745
Sales taxes	2,023,820	2,170,754	2,371,361	2,508,969
Franchise taxes	295,488	294,684	350,299	365,838
Other taxes	654,821	1,837,439	2,119,224	2,202,096
Penalty and interest	47,267	61,700	66,304	63,574
Grants and contributions not rest.	-	-	-	91,076
Miscellaneous revenue	653,367	645,063	693,273	135,334
Investment earnings	300,993	392,083	266,109	97,964
Special item - resource	-	-	-	47,821
Special item (use)	-	-	-	4,423
Transfers in (out)	<u>376,477</u>	<u>( 1,666,810)</u>	<u>( 670,202)</u>	<u>( 1,431,720)</u>
Total governmental activities general revenues and other	<u>6,680,060</u>	<u>6,581,632</u>	<u>8,038,538</u>	<u>7,268,120</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
Special item (use)	-	-	-	-
Transfers in (out)	<u>( 376,477)</u>	<u>1,666,810</u>	<u>670,202</u>	<u>1,251,118</u>
Total business-type activities general revenues and other	<u>966,831</u>	<u>3,419,934</u>	<u>2,653,788</u>	<u>1,550,041</u>
Total primary government general revenues	<u><u>\$ 7,646,891</u></u>	<u><u>\$ 10,001,566</u></u>	<u><u>\$ 10,692,326</u></u>	<u><u>\$ 8,818,161</u></u>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 1,845,507	\$( 26,490)	\$ 230,607	\$( 631,034)
Business-type activities	<u>1,706,722</u>	<u>3,802,733</u>	<u>2,947,306</u>	<u>3,176,097</u>
Total primary government	<u><u>\$ 3,552,229</u></u>	<u><u>\$ 3,776,243</u></u>	<u><u>\$ 3,177,913</u></u>	<u><u>\$ 2,545,063</u></u>

TABLE 3

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$( 9,934,358)	\$( 10,195,282)	\$( 8,710,027)	\$( 10,644,365)	\$( 9,922,081)	\$( 10,066,598)
<u>1,452,370</u>	<u>1,556,138</u>	<u>2,396,781</u>	<u>937,868</u>	<u>1,706,722</u>	<u>1,221,944</u>
<u>\$( 8,481,988)</u>	<u>\$( 8,639,144)</u>	<u>\$( 6,313,246)</u>	<u>\$( 9,706,497)</u>	<u>\$( 8,215,359)</u>	<u>\$( 8,844,654)</u>
\$ 3,362,419	\$ 3,557,551	\$ 3,947,319	\$ 4,294,978	\$ 4,619,684	\$ 4,806,931
2,606,584	2,722,333	3,194,452	3,352,264	3,538,097	4,021,662
375,077	404,582	431,129	412,730	454,377	486,694
2,172,473	2,512,219	2,568,635	2,501,546	2,737,816	2,850,062
73,518	58,562	72,164	-	-	-
122,691	98,733	-	205,651	-	-
511,770	296,242	892,755	126,303	64,532	46,176
76,892	31,639	86,562	20,427	18,787	19,380
37,782	40,431	44,774	-	-	-
4,065	3,179	7,344	( 9,537)	-	3,330,054
<u>( 2,401,089)</u>	<u>928,594</u>	<u>( 1,201,295)</u>	<u>( 2,469,672)</u>	<u>439,179</u>	<u>500,248</u>
<u>6,942,182</u>	<u>10,654,065</u>	<u>10,043,839</u>	<u>8,434,690</u>	<u>11,872,472</u>	<u>16,061,207</u>
-	-	-	-	-	-
-	-	3,353	98,600	52,672	150,808
21,968	14,412	14,066	11,910	9,064	14,490
-	-	-	-	-	627,566
<u>2,401,088</u>	<u>( 928,594)</u>	<u>1,201,295</u>	<u>2,469,672</u>	<u>( 439,179)</u>	<u>( 500,248)</u>
<u>2,423,056</u>	<u>( 914,182)</u>	<u>1,218,714</u>	<u>2,580,182</u>	<u>( 377,443)</u>	<u>292,616</u>
<u>\$ 9,365,238</u>	<u>\$ 9,739,883</u>	<u>\$ 11,262,553</u>	<u>\$ 11,014,872</u>	<u>\$ 11,495,029</u>	<u>\$ 16,353,823</u>
\$( 2,992,176)	\$ 458,783	\$ 1,333,812	\$( 2,209,675)	\$ 1,950,391	\$ 5,994,609
<u>3,875,426</u>	<u>641,956</u>	<u>3,615,495</u>	<u>3,518,050</u>	<u>1,329,279</u>	<u>1,514,560</u>
<u>\$ 883,250</u>	<u>\$ 1,100,739</u>	<u>\$ 4,949,307</u>	<u>\$ 1,308,375</u>	<u>\$ 3,279,670</u>	<u>\$ 7,509,169</u>

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TABLE 4

CITY OF BASTROP, TEXAS

FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,362	\$ 56,011	\$ 136,887
Restricted	73,028	76,039	77,637	-	-	-	-	-	-	-
Unassigned	<u>1,557,114</u>	<u>2,048,836</u>	<u>2,277,834</u>	<u>2,187,883</u>	<u>2,515,443</u>	<u>2,059,480</u>	<u>3,294,416</u>	<u>3,530,544</u>	<u>4,707,026</u>	<u>5,365,120</u>
Total general fund	<u>\$ 1,630,142</u>	<u>\$ 2,124,875</u>	<u>\$ 2,355,471</u>	<u>\$ 2,187,883</u>	<u>\$ 2,515,443</u>	<u>\$ 2,059,480</u>	<u>\$ 3,294,416</u>	<u>\$ 3,575,906</u>	<u>\$ 4,763,037</u>	<u>\$ 5,502,007</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 512	\$ 83,913
Restricted for:										
Capital projects	2,369,074	2,613,207	-	-	-	-	-	755,047	5,297,045	4,019,033
Debt service	469,859	1,006,310	986,734	-	-	-	-	707,322	736,729	804,205
Other restricted	-	-	-	5,604,401	9,380,765	5,926,375	7,269,212	-	57,463	19,959
Cemetery	-	-	-	-	-	-	-	607,655	648,832	558,234
Public improvement district	-	-	-	-	-	-	-	87,098	161,579	187,892
Traffic safety	-	-	-	-	-	-	-	639,090	621,945	631,613
Culture & recreation	-	-	-	-	-	-	-	114,949	121,182	46,708
Economic development	-	-	-	-	-	-	-	1,905,557	2,148,817	2,015,834
Committed for:										
Economic development	-	-	-	-	-	-	-	1,038,897	1,044,994	1,077,854
Unassigned	<u>1,031,658</u>	<u>1,555,496</u>	<u>3,168,641</u>	<u>2,412,513</u>	<u>167,536</u>	<u>1,034,177</u>	<u>1,102,144</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 3,870,591</u>	<u>\$ 5,175,013</u>	<u>\$ 4,155,375</u>	<u>\$ 8,016,914</u>	<u>\$ 9,548,301</u>	<u>\$ 6,960,552</u>	<u>\$ 8,371,356</u>	<u>\$ 5,855,615</u>	<u>\$ 10,839,098</u>	<u>\$ 9,445,245</u>

**CITY OF BASTROP, TEXAS**

**CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>REVENUES</b>										
Property taxes	\$ 2,313,000	\$ 2,904,316	\$ 2,908,474	\$ 3,326,158	\$ 3,668,631	\$ 3,859,531	\$ 4,266,992	\$ 4,243,734	\$ 4,536,737	\$ 4,741,831
Sales taxes	2,071,087	2,170,754	2,371,361	2,508,969	2,606,584	2,722,333	3,194,452	3,352,264	3,538,097	4,021,662
Hotel/motel taxes	654,823	1,837,439	2,119,224	2,202,096	1,970,512	2,247,985	2,276,444	2,501,546	2,737,816	2,850,062
Franchise taxes	295,488	294,684	350,299	365,838	375,077	404,582	431,129	412,730	454,377	486,694
Licenses and permits	220,954	242,043	235,490	150,664	104,149	97,305	135,408	143,768	153,841	213,904
Intergovernmental	1,163,671	1,230,269	854,313	1,614,689	1,231,197	1,691,978	1,625,928	1,960,454	531,182	728,094
Service fees	57,761	21,075	40,943	72,172	70,418	90,526	278,350	269,570	263,304	709,339
Fines and forfeitures	246,568	319,321	422,094	323,673	324,465	346,568	366,040	1,080,535	1,144,202	653,730
Investments earnings	300,993	392,084	266,109	97,964	76,854	31,640	26,315	20,427	18,788	19,380
Miscellaneous	364,415	371,146	457,763	145,889	667,249	394,975	2,124,631	197,675	348,371	443,233
Total revenues	<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>	<u>11,887,423</u>	<u>14,725,689</u>	<u>14,182,703</u>	<u>13,726,715</u>	<u>14,867,929</u>
<b>EXPENDITURES</b>										
Current:										
General government	2,690,940	3,961,515	4,594,555	1,805,523	2,233,336	2,591,833	2,659,338	2,587,881	1,498,735	2,695,518
Public safety	1,432,584	1,599,829	1,804,708	2,470,393	2,196,265	2,433,848	2,776,805	3,218,590	3,424,029	3,349,118
Development services	71,027	71,027	71,027	2,074,168	3,035,287	2,430,328	2,818,297	614,744	670,992	708,518
Public works	1,132,222	1,326,446	1,420,520	1,505,497	1,640,182	2,355,876	1,808,697	-	-	-
Community service	-	-	-	560,947	555,892	609,360	650,615	2,456,957	2,370,344	2,464,526
Economic development	-	-	-	-	-	-	-	2,512,066	3,846,172	2,743,266
Capital outlay	3,092,448	2,700,721	2,230,134	836,126	2,155,806	3,470,556	2,577,411	424,088	2,304,424	1,700,223
Debt service:										
Principal	738,211	897,461	1,129,328	1,066,729	1,457,967	1,519,243	1,520,438	1,422,705	1,326,185	1,439,775
Interest and other	<u>624,056</u>	<u>585,168</u>	<u>749,638</u>	<u>1,135,654</u>	<u>1,002,209</u>	<u>1,474,101</u>	<u>1,162,345</u>	<u>721,877</u>	<u>1,111,724</u>	<u>1,068,183</u>
Total expenditures	<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>16,885,145</u>	<u>15,973,946</u>	<u>13,958,908</u>	<u>16,552,605</u>	<u>16,169,127</u>

**CITY OF BASTROP, TEXAS**

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ ( 2,092,728)	\$ ( 1,359,036)	\$ ( 1,973,840)	\$ ( 646,925)	\$ ( 3,181,808)	\$ ( 4,997,722)	\$ ( 1,248,257)	\$ 223,795	\$ ( 2,825,890)	\$ ( 1,301,198)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	979,165	2,009,370	1,338,208	1,218,690	1,127,753	2,657,927	2,673,323	2,426,820	2,387,025	2,856,260
Transfers out	( 602,688)	( 3,676,179)	( 2,008,410)	( 2,650,410)	( 3,528,663)	( 1,729,333)	( 3,874,618)	( 4,896,492)	( 1,947,846)	( 2,356,012)
Issuance of long-term debt	2,453,996	4,825,000	1,855,000	6,135,000	7,400,000	4,260,000	6,315,000	-	7,392,000	1,695,558
Premium of long-term debt	-	-	-	121,803	-	179,469	460,848	-	127,985	185,830
Other resources	-	-	-	47,821	37,782	40,431	44,774	-	475,000	-
Payments to refunded bond escrow agent	-	-	-	-	-	( 4,300,560)	( 1,732,675)	-	-	( 1,819,234)
Sale of capital assets	-	-	-	4,423	4,065	3,179	7,344	11,626	19,615	-
Total other financing sources (uses)	2,830,473	3,158,191	1,184,798	4,877,327	5,040,937	1,111,113	3,893,996	( 2,458,046)	8,453,779	562,402
<b>NET CHANGE IN FUND BALANCES</b>	\$ 737,745	\$ 1,799,155	\$ ( 789,042)	\$ 4,230,402	\$ 1,859,129	\$ ( 3,886,609)	\$ 2,645,739	\$ ( 2,234,251)	\$ 5,627,889	\$ ( 738,796)
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	20.4%	17.6%	19.2%	18.7%	19.4%	21.1%	18.2%	15.8%	17.1%	17.2%

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

Function/Program	Fiscal Year			
	2006	2007	2008	2009
Agriculture/Forestry/Fishing/Hunting	\$ -	\$ -	\$ -	
Construction	3,776,242	3,674,373	12,047,220	8,236,836
Manufacturing	10,159,192	9,573,723	9,664,901	10,419,043
Wholesale trade	11,596,232	12,956,953	13,007,651	13,463,810
Retail trade	387,055,471	541,977,556	482,577,572	534,898,478
Transportation/warehousing	-	9,784	4,151	
Information	444,305	468,181	656,160	1,162,003
Finance/insurance	2,192,366	2,424,479	2,216,496	2,510,381
Professional/scientific/technical	5,602,308	4,688,019	3,561,551	3,411,946
Real estate/rental/leasing	2,758,985	2,274,462	1,170,637	2,696,429
Admin/support/Waste Mgmt/Remediation Srvs	2,342,233	2,087,040	1,143,321	1,100,703
Educational Services	-	29,915	27,809	134,894
Health Care/Social Assistance	1,389,268	1,472,357	2,026,050	720,055
Arts/Entertainment/Recreation	636,776	648,866	1,038,623	1,050,925
Accomodation/Food Services	28,298,335	32,705,314	34,844,143	35,303,919
Other Services (except Public Admin)	8,953,765	9,901,274	18,866,676	12,688,870
Public Administration	980,647	1,098,060	1,041,228	-
Other	-	-	-	-
<b>Total</b>	<b>\$ 466,186,125</b>	<b>\$ 625,990,356</b>	<b>\$ 583,894,189</b>	<b>\$ 627,798,292</b>
City Direct Sales Tax Rate	1%	1%	1%	1%

Source: Texas Comptroller

(1) Only information for 3 quarters is available

**TABLE 6**

Fiscal Year					
2010	2011	2012	2013	2014	2015 (1)
\$ 38,325	\$ 133,013	\$ 51,436	\$ 159,138	\$ 162,275	\$ 146,116
10,259,916	14,588,878	16,770,684	13,420,633	16,703,514	8,009,242
6,173,685	11,728,772	10,684,395	11,501,653	4,917,149	10,880,743
13,813,788	13,301,631	15,494,937	16,389,216	22,446,153	18,653,870
576,351,429	528,379,581	580,669,484	611,176,697	626,880,656	520,545,670
		9,812	60,077	68,342	30,047
1,435,657	1,451,985	1,886,983	2,268,905	5,165,014	4,789,327
2,739,052	3,085,262	3,375,656	3,258,078	3,099,879	1,606,369
4,170,751	5,949,308	6,480,529	7,505,164	6,188,495	3,144,800
2,227,036	1,419,902	1,014,388	1,067,246	897,565	984,817
993,775	745,842	822,786	907,739	1,058,199	915,547
206,664	197,276	203,804	1,424,766	1,808,294	691,217
3,091,268	2,247,975	5,214,962	4,977,471	5,862,897	6,240,629
1,012,229	1,050,304	1,152,030	1,316,855	824,887	474,634
36,633,286	38,953,749	44,482,734	51,577,824	57,592,889	51,703,507
10,578,904	11,145,617	12,212,689	12,114,760	13,856,100	11,222,007
-	2,969,937	5,990,342	5,671,881	6,015,689	4,439,340
-	-	-	-	-	-
<u>\$ 669,725,765</u>	<u>\$ 637,349,032</u>	<u>\$ 706,517,651</u>	<u>\$ 744,798,103</u>	<u>\$ 773,547,997</u>	<u>\$ 644,477,882</u>
1%	1%	1%	1%	1%	1%

TABLE 7

## CITY OF BASTROP, TEXAS

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

## LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Tax Year	Real Property	Personal Property	Less Exempt Property	Less Other (1)	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2001	2000	\$ 283,468,883	\$ 42,318,646	\$( 58,869,445)	\$( 17,724,468)	\$ 249,193,616	0.3832	\$ 249,193,616	100.00%
2002	2001	309,960,777	44,108,423	( 60,030,817)	( 16,973,521)	277,064,862	0.4307	277,064,862	100.00%
2003	2002	343,949,989	48,049,418	( 59,179,425)	( 12,263,732)	320,556,250	0.4570	320,556,250	100.00%
2005	2004	433,516,029	55,363,950	( 68,452,695)	( 15,207,526)	405,219,758	0.5011	405,219,758	100.00%
2006	2005	467,903,215	66,190,272	( 85,281,715)	( 51,859,246)	396,952,526	0.5277	396,952,526	100.00%
2007	2006	534,005,461	67,961,872	( 95,264,326)	( 59,591,491)	447,111,516	0.5835	447,111,516	100.00%
2008	2007	574,267,963	74,825,034	( 103,636,206)	( 62,093,889)	483,362,902	0.5350	483,362,902	100.00%
2009	2008	642,672,510	92,109,942	( 110,409,715)	( 75,953,047)	548,419,690	0.5540	548,419,690	100.00%
2010	2009	683,627,607	83,978,203	( 117,951,584)	( 82,207,662)	567,446,564	0.5540	567,446,564	100.00%
2011	2010	749,216,172	82,203,043	( 135,123,943)	( 89,217,278)	607,077,994	0.0554	607,077,994	100.00%
2012	2011	779,056,911	81,672,766	( 146,849,465)	( 86,623,396)	627,256,816	0.0584	627,256,816	100.00%
2013	2012	792,557,307	89,185,540	( 147,350,585)	( 98,583,801)	635,808,461	0.0584	635,808,461	100.00%
2014	2013	816,067,208	101,281,545	( 143,609,524)	( 103,017,981)	670,721,248	0.0584	670,721,248	100.00%
2015	2014	863,574,836	110,674,924	( 150,322,357)	( 86,004,438)	737,922,965	0.5640	737,922,965	100.00%

Source: Central Appraisal District of Bastrop County certified roll

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

TABLE 8

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

Fiscal Year	City Direct Rates			Overlapping Rates		Other
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Bastrop Independent School District	Bastrop County/County Road	Hunter's Crossing PID Fixed \$ amount
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	226.00
2010	0.2292	0.3248	0.5540	1.4810	0.6192	238.00
2011	0.2889	0.2651	0.5540	1.4810	0.6192	271.00
2012	0.3203	0.2637	0.5840	1.4810	0.6175	289.52
2013	0.3504	0.2336	0.5840	1.4810	0.6314	308.16
2014	0.3638	0.2202	0.5840	1.4610	0.6290	324.16
2015	0.3598	0.2042	0.5640	1.441	0.6190	324.16

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

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

TABLE 9

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

Taxpayer	2015			2006		
	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	\$ 20,859,872	1	3.11%	\$ -		
H E Butt Grocery Company	11,816,274	2	1.76%	4,505,710	1	1.11%
Bastrop Walnut Ridge Apartments	11,400,000	3	1.70%	-		-
Covert Chevrolet	10,980,742	4	1.64%	12,485,475	3	3.08%
The Lodge at Lost Pines LP	10,565,640	5	1.58%	-		-
Walmart Real Estate Bus Trust	10,399,652	6	1.55%	13,155,458		-
The Home Depot	10,011,714	7	1.49%	11,081,806	4	2.73%
Buc-ee's LTD	8,811,530	8	1.31%	-	2	-
Walmart	8,129,198	9	1.21%	6,655,458		-
Soft Hotels LLC	7,067,706	10	1.05%	-		-
Total	<u>\$ 110,042,328</u>		<u>16.41%</u>	<u>\$ 47,883,907</u>		<u>6.93%</u>

(1) Source: Central Appraisal District of Bastrop County

**TABLE 10**

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

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy 1
2006	\$ 2,301,006	\$ 2,216,887	96.34%	\$ 72,370	\$ 2,289,258	99.49%
2007	2,819,407	2,749,328	97.51%	54,466	2,803,795	99.45%
2008	2,800,288	2,736,004	97.70%	74,695	2,810,699	100.37%
2009	3,278,876	3,185,516	97.15%	75,202	3,260,718	99.45%
2010	3,404,859	3,327,953	97.74%	50,507	3,378,460	99.22%
2011	3,609,482	3,517,945	97.46%	63,261	3,581,206	99.22%
2012	3,915,501	3,863,585	98.67%	26,789	3,890,374	99.36%
2013	3,977,570	3,928,876	98.78%	26,795	3,955,671	99.45%
2014	4,192,486	4,147,083	98.92%	21,148	4,168,231	99.42%
2015	4,356,620	4,321,311	99.19%	-	4,321,311	99.19%

Source: Tax-Assessor/Collector Annual Report

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

**TABLE 11**

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

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Bastrop Economic Development Corporation</u>	<u>Bastrop County</u>	<u>State of Texas</u>
2006	1.00%	0.50%	0.50%	6.25%
2007	1.00%	0.50%	0.50%	6.25%
2008	1.00%	0.50%	0.50%	6.25%
2009	1.00%	0.50%	0.50%	6.25%
2010	1.00%	0.50%	0.50%	6.25%
2011	1.00%	0.50%	0.50%	6.25%
2012	1.00%	0.50%	0.50%	6.25%
2013	1.00%	0.50%	0.50%	6.25%
2014	1.00%	0.50%	0.50%	6.25%
2015	1.00%	0.50%	0.50%	6.25%

Source: Texas Comptroller

TABLE 12

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

Fiscal Year	General Bonded Debt			Business-type Activities			Component Unit		Total All Government	Total All Government	Population	Per Capita Income (1)	Personal Income
	General	Tax	Certificates of	Tax & Revenue	Certificates of	Certificate of	Tax & Revenue	Total					
	Obligation	Notes	Obligation	Refunding Bonds	Obligations	Obligations	Refunding Bonds	Primary Government					
2006	\$ 17,294,410	\$ 244,986	\$ -	\$ -	\$ -	\$ -	\$ 2,641,641	\$ 17,539,396	\$ 20,181,037	6,462	\$ 22,662	\$ 146,441,844	
2007	18,301,929	210,028	4,392,476	-	-	-	2,519,211	22,904,433	25,423,644	6,649	23,222	154,403,078	
2008	16,921,679	901,817	4,167,729	-	1,772,530	-	2,263,163	23,763,755	26,026,918	6,836	23,782	162,573,752	
2009	19,169,975	631,741	3,871,132	3,143,097	7,190,976	758,027	2,009,722	34,006,921	36,774,670	7,023	24,337	170,918,751	
2010	17,797,138	473,072	1,848,435	2,965,593	17,887,129	2,252,990	1,759,118	40,971,367	44,983,475	7,218	26,527	191,471,886	
2011	15,710,244	349,047	1,939,055	2,755,453	16,998,811	2,148,171	1,506,582	37,752,610	41,407,363	7,306	28,507	208,272,142	
2012	14,430,240	218,856	11,435,550	4,862,938	10,321,157	2,062,847	1,252,574	41,268,741	44,584,162	7,394	29,077	214,995,338	
2013	13,197,037	92,754	10,723,722	4,499,232	9,768,175	1,935,494	1,002,555	38,280,920	41,218,969	7,483	29,658	221,930,814	
2014	12,218,133	-	22,663,741	4,132,955	24,096,343	5,791,882	746,757	63,111,172	69,649,811	7,649	26,883	205,628,067	
2015	13,495,677	-	19,327,660	4,599,140	22,114,323	5,549,401	495,870	59,536,800	65,582,071	7,900	30,383	240,025,700	

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

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

Fiscal Year	General Bonded Debt Outstanding				Percentage Actual Taxable Property Value (a)	Per Capita (b)
	General Obligation Bonds	Tax Notes	Certificates of Obligation	Total		
2006	\$ 17,294,410	\$ 244,986	\$ -	\$ 17,539,396	4.42%	\$ 2,795
2007	18,301,929	210,028	4,392,476	22,904,433	5.12%	3,544
2008	16,921,679	901,817	4,167,729	21,991,225	4.55%	3,307
2009	19,169,975	631,741	3,871,132	23,672,848	4.32%	3,463
2010	17,797,138	473,072	1,848,435	20,118,645	3.55%	2,787
2011	15,710,244	349,047	1,939,055	17,998,346	2.96%	2,464
2012	14,430,240	218,856	11,435,550	26,084,646	4.16%	3,528
2013	13,197,037	92,754	10,723,722	24,013,513	3.78%	3,209
2014	12,218,133	-	22,663,741	34,881,874	5.20%	4,560
2015	13,495,677	-	19,327,660	32,823,337	4.45%	4,155

(a) See Table 7 for Taxable Property Value

(b) See Table 12 for Per Capita

**TABLE 14**

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

Taxing Jurisdiction	Total Direct Debt	Estimated % Applicable	City's Overlapping Tax Supported Debt as of 09/30/2015	Subtotals
City of Bastrop	\$ 15,483,859	100.00%	\$ 15,483,859	
Total Direct Debt				\$ 15,483,859
Bastrop County	38,215,000	15.26%	5,831,609	
Bastrop Independent School District	167,694,089	25.38%	42,560,760	
Total Indirect Debt				48,392,369
Total Direct and Overlapping Tax Supported Debt				63,876,228
Ratio of Direct and Overlapping Bonded Debt to Taxable Assessed Valuation (a)				7.45%
Per Capita Direct and Overlapping Debt (b)				\$ 8,086

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

(a) See Table 7 for Taxable Property Value

(b) See Table 12 for Per Capita

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

	Fiscal Year			
	2006	2007	2008	2009
Assessed Valuation	\$ 396,952,526	\$ 447,111,516	\$ 483,362,902	\$ 548,419,690
Limit on Amount Designated for Debt Service:				
\$1.50 per \$100 assessed valuation	x 1.5	x 1.5	x 1.5	x 1.5
Legal Annual Maximum Debt Payment	<u>\$ 5,954,288</u>	<u>\$ 6,706,673</u>	<u>\$ 7,250,444</u>	<u>\$ 8,226,295</u>
Actual Amount Expended for General Obligation Debt Service During the Fiscal Year	<u>1,292,267</u>	<u>1,476,257</u>	<u>1,878,966</u>	<u>2,039,796</u>
Legal Debt Margin for Annual Debt Service Requirements	<u>\$ 4,662,021</u>	<u>\$ 5,230,416</u>	<u>\$ 5,371,478</u>	<u>\$ 6,186,499</u>
Total Net Debt Applicable to the Limit				
As a percentage of Debt Limit	21.70%	22.01%	25.92%	24.80%

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

**TABLE 15**

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 567,446,564	\$ 607,077,994	\$ 627,256,816	\$ 635,808,461	\$ 670,721,248	\$ 737,922,965
<u>x 1.5</u>	<u>x 1.5</u>				
\$ <u>8,511,698</u>	\$ <u>9,106,170</u>	\$ <u>9,408,852</u>	\$ <u>9,537,127</u>	\$ <u>10,060,819</u>	\$ <u>11,068,844</u>
<u>1,900,868</u>	<u>1,871,190</u>	<u>2,508,842</u>	<u>2,147,495</u>	<u>2,437,909</u>	<u>2,277,309</u>
\$ <u>6,610,830</u>	\$ <u>7,234,980</u>	\$ <u>6,900,010</u>	\$ <u>7,389,632</u>	\$ <u>7,622,910</u>	\$ <u>8,791,535</u>
22.33%	20.55%	26.66%	22.52%	24.23%	20.57%

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

Fiscal Year	Water Revenue Bonds					Revenue Bond Coverage
	Gross Revenue (1)	Less: Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements Principle & Interest		
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	160,634		2.981
2008	2,842,989	2,027,077	815,912	243,666		3.348
2009	3,236,870	2,033,125	1,203,745	389,082		3.094
2010	3,071,126	2,603,978	467,148	438,917		1.064
2011	3,445,382	2,524,850	920,532	563,808		1.633
2012	3,610,941	2,443,648	1,167,293	571,497		2.043
2013	3,986,051	2,818,231	1,167,820	759,350		1.538
2014	3,971,117	2,469,599	1,501,518	928,595		1.617
2015	4,353,611	2,513,833	1,839,778	1,475,046		1.247

(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)**

	2005	2006	2007	2008	2009
Population (1)	6,088	6,275	6,462	6,649	6,836
Median Household Income (1)	\$ 46,101	\$ 48,064	\$ 48,064	\$ 48,064	\$ 48,486
Per Capita Income (1)	21,542	22,102	22,662	23,222	25,839
Median Age	33.4	33.4	33.4	33.4	33.4
Education Level in Years of Schooling (at 18 years and over) (2)					
Less than high school graduate	653	653	670	670	670
High school graduate (or equivalent)	1,259	1,259	1,291	1,291	1,291
Some college, no degree	1,427	1,427	1,626	1,626	1,626
Associate degree or higher	155	155	190	190	190
Bachelor's degree or higher	700	715	717	717	717
Graduate degree or higher	430	430	459	459	459
School Enrollment (3)	4,503	4,577	4,597	4,658	4,825
Unemployment Rate (4)	4.9%	4.4%	4.2%	5.4%	8.1%

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

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

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

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

**TABLE 17**

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
7,218	7,306	7,394	7,483	7,557	7,900
\$ 48,486	\$ 48,486	\$ 48,486	\$ 48,486	\$ 49,456	\$ 52,886
25,839	25,839	25,839	26,356	26,356	30,383
33.4	33.4	33.6	36.9	36.9	38.9
670	670	670	800	800	987
1,291	1,291	1,291	1,285	1,285	1,410
1,626	1,626	1,626	1,570	1,570	1,273
190	190	190	261	261	378
717	717	717	571	571	679
459	459	459	421	421	302
4,825	4,344	3,949	3,764	3,663	3,942
7.8%	8.6%	7.8%	6.4%	4.2%	3.8%

TABLE 18

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

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Bastrop ISD	1,383	1	3.80%	1,130	1	4.69%
Hyatt Regency Lost Pines Resort	749	2	2.06%	-		
Bastrop County	446	3	1.23%	409	3	1.70%
MD Anderson Cancer Center	430	4	1.18%	255	5	1.06%
Walmart	356	5	0.98%	415	2	1.72%
Bastrop FCI	284	6	0.78%	294	4	1.22%
HEB Food Stores	270	7	0.74%	125	6	0.52%
Griffin Industries	200	8	0.55%	62	7	0.26%
Buc-ee's	195	9	0.54%	-		
Agilent/Stratagene	149	10	0.41%	-		
Bluebonnet Electric Co-op	145	11	0.40%	-		
Lowe's	138	12	0.38%	-		
Academy	120	13	0.33%	-		
Total	<u>4,865</u>		<u>13.37%</u>	<u>2,690</u>		<u>11.17%</u>
Total County Employment	36,401			24,089		

Source: Texas Workforce Commission

**TABLE 19**

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Government</b>										
City Manager's Office	2.00	2.00	2.00	2.00	2.00	2.60	2.60	2.63	2.63	2.63
City Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	4.00	4.00	4.00	4.00	4.00	4.30	4.30	4.30	4.45	4.45
Utility Billing	6.00	5.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Human Resources	1.00	1.00	1.00	1.00	1.10	1.00	1.00	1.00	1.10	1.10
Information Technology	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.63
Municipal Court	4.00	4.00	4.50	4.50	4.50	5.50	5.50	5.50	5.50	5.50
Building Maintenance	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
<b>Police Department</b>										
Officers	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	22.00
Civilian	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Code Enforcement	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Animal Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
<b>Fire Department</b>										
Chief	-	-	-	-	-	-	-	-	-	-
<b>Development Services</b>										
Planning	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Building Inspections	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Public Works</b>										
Administration	2.00	2.00	2.00	2.00	2.00	2.20	2.20	2.00	1.00	1.00
Streets	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Other	1.00	-	-	1.40	0.40	-	-	-	-	-
<b>Community Services</b>										
Parks Department	9.00	9.00	9.00	9.60	9.60	11.00	11.00	11.00	11.00	11.00
Library	8.30	8.30	8.30	8.30	8.80	9.80	9.80	9.80	9.80	9.80
<b>Proprietary Funds</b>										
Water/ Wastewater	13.00	12.00	12.00	12.00	12.00	13.00	13.00	13.00	12.50	12.50
Electric	9.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
<b>Other Funds</b>										
Convention Center	-	-	-	-	-	4.00	4.20	4.20	4.20	5.50
Economic Development Corp.	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Fairview Cemetery	-	-	-	-	-	0.50	0.50	0.50	1.50	1.50
Main Street	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Total</b>	<b>103.80</b>	<b>101.80</b>	<b>105.30</b>	<b>107.30</b>	<b>107.90</b>	<b>118.40</b>	<b>118.60</b>	<b>119.43</b>	<b>119.18</b>	<b>122.10</b>

**TABLE 20**

**CITY OF BASTROP, TEXAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM**

**LAST TEN FISCAL YEARS (UNAUDITED)**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Government</b>										
Building Permits Issued	265	219	207	91	128	101	139	141	158	157
Building Permits Value (thousands) \$	23,321,074	\$ 18,507,556	\$ 25,820,447	\$ 22,822,734	\$ 16,408,290	\$ 11,051,550	\$ 15,305,041	\$ 16,984,537	\$ 21,690,642	\$ 17,654,706
<b>Police</b>										
Physical Arrests	848	813	700	537	941	829	834	769	816	700
Violations Issued	5,404	4,671	5,963	6,491	3,955	3,643	3,678	3,606	4,125	4,000
Accident Investigations	373	352	271	487	253	304	383	316	448	450
<b>Fire</b>										
Incident Volume	720	613	843	826	717	980	1,040	1,125	1,150	1,140
Priority Calls Answered	324	300	450	433	336	430	325	398	450	530
<b>Court</b>										
Cases Filed	-	-	-	-	2,968	2,375	2,006	1,990	2,012	1,679
Warrants Issued	-	-	-	-	1,261	1,398	1,097	924	1,063	802
<b>Public Works</b>										
Paved Streets (miles)	49	49	49	50	52	53	53	54	55	56
Open Drainage Ditches (miles)	52	52	52	52	52	50	50	50	50	50
Storm Sewer Lines (miles)	65	65	65	66	66	67	67	67	67	67
Number of Street Signs	1,380	1,380	1,380	1,400	1,425	1,425	1,425	1,425	1,425	1,435
<b>Parks and Recreation</b>										
Pavillion Rentals	86	86	86	85	90	95	95	96	96	96
New Trees Planted	313	313	313	150	120	75	75	50	50	50
Special Events	16	16	16	18	22	18	22	24	56	56
<b>Library</b>										
Volumes in Collection	39,180	43,714	46,451	49,699	50,093	50,211	50,504	50,157	50,765	52,132
Total Circulation	115,172	156,116	171,360	192,700	205,177	193,529	163,577	165,667	167,324	162,900
Story Time & Program Attendance	4,743	7,978	9,989	10,024	10,446	12,979	12,562	13,161	13,500	12,000
<b>Water</b>										
Number of Connections	2,639	2,689	2,689	2,762	2,770	2,825	2,889	2,970	3,029	3,029
Line Leaks and Breaks	91	148	148	222	206	210	69	254	259	118
<b>Wastewater</b>										
Millions of gallons treated	248.057	243.266	222.171	235.284	210.239	229.610	312.842	319.009	325.480	325.480
Sewer Stops	113	94	94	80	90	92	45	176	180	53

TABLE 21

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Bastrop Public Library	1	1	1	1	1	1	1	1	1	1
Other Public Works										
Paved Streets (miles)	49	49	49	50	52	53	53	54	55	56
Open Drainage Ditches (miles)	52	52	52	52	52	50	50	50	50	50
Storm Sewer Lines (miles)	65	65	65	66	66	67	67	67	67	67
Parks and Recreation										
Acreage (maintained)	89	89	89	120	120	120	120	120	120	120
Right of Ways	52	52	52	52	54	55	55	55	55	55
Playgrounds	3	3	3	4	4	4	4	4	4	4
Basketball Courts	3	3	3	4	4	4	4	6	6	4
Ball Fields	7	7	7	7	7	7	7	7	7	7
Sand Volleyball				1	1	1	1	1	1	1
Water										
Treated Water Produced (millions of gallons)	459.607	469.258	490.050	495.344	445.269	454.174	476.704	486.706	495.797	495.797
Number of service connections	2,639	2,689	2,689	2,762	2,770	2,825	2,889	2,960	3,029	3,091
Wastewater										
Wastewater Treated (millions of gallons)	248.057	243.266	222.171	235.284	283.709	300.719	312.842	319.099	325.480	325.740
Number of Wastewater Customers	2,392	2,409	2,404	2,448	2,502	2,540	2,564	2,625	2,678	2,754
Number of Lift Stations	15	15	15	18	18	18	18	18	18	18

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# **COMPLIANCE SECTION**

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PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' 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**

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bastrop, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise City of Bastrop, Texas' basic financial statements, and have issued our report thereon February 17, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Bastrop, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Bastrop, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Bastrop, Texas' internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Bastrop, Texas' financial statements are free from 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas  
February 17, 2016