

BASTROP COUNTY, TEXAS

Comprehensive Annual Financial Report

**For the Year Ended
September 30, 2011**

Prepared by:
County Auditor's Office

THIS PAGE LEFT BLANK INTENTIONALLY

BASTROP COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
SEPTEMBER 30, 2011

	<u>Page Number</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - iii
Organizational Chart.....	iv
List of Elected and Appointed Officials	v
 FINANCIAL SECTION	
Independent Auditors' Report.....	1 – 2
Management's Discussion and Analysis	3 – 9
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	10
Statement of Activities.....	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12 – 13
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Assets	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	15 – 16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17

(continued)

BASTROP COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**TABLE OF CONTENTS
(Continued)
SEPTEMBER 30, 2011**

	<u>Page Number</u>
FINANCIAL SECTION (Continued)	
Fund Financial Statements (Continued)	
Statement of Fiduciary Net Assets.....	18
Notes to Financial Statements.....	19 – 43
Required Supplementary Information	
Schedule of Funding Progress for Employee Retirement System.....	44
Schedule of Funding Progress for Other Postemployment Benefits	45
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund.....	46
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Road and Bridge Fund	47
Notes to Required Supplementary Information	48
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	49 – 52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	53 – 56
Combining Balance Sheet – Road and Bridge Funds	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Road and Bridge Funds	58

(continued)

BASTROP COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**TABLE OF CONTENTS
(Continued)
SEPTEMBER 30, 2011**

**Page
Number**

FINANCIAL SECTION (Continued)

Combining and Individual Fund
Statements and Schedules: (Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund.....	59
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Certificates of Obligation 2010.....	60
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Mediation Services Fund	61
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – DA Hot Checks Fund.....	62
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – DA Special Account Fund	63
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Road District #3 Fund.....	64
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Houston Toad Fund.....	65
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Law Library Fund	66

(continued)

BASTROP COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**TABLE OF CONTENTS
(Continued)
SEPTEMBER 30, 2011**

	<u>Table</u>	<u>Page Number</u>
FINANCIAL SECTION (Continued)		
Combining and Individual Fund Statements and Schedules: (Continued)		
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – DA Law Enforcement Fund.....		67
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Elections Administration Fund		68
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Certificate of Obligation 2006		69
Combining Statement of Changes in Assets and Liabilities – All Agency Funds		70 – 71
STATISTICAL SECTION		
Net Assets by Component.....	1	72 – 73
Changes in Net Assets	2	74 – 77
Fund Balances – Governmental Funds	3	78 – 79
Changes in Fund Balances – Governmental Funds	4	80 – 83
Assessed Value and Estimated Actual Value of Taxable Property	5	84
Direct and Overlapping Property Tax Rate (Per \$100 Assessed Value)	6	85 – 86

(continued)

BASTROP COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**TABLE OF CONTENTS
(Continued)
SEPTEMBER 30, 2011**

	<u>Table</u>	<u>Page Number</u>
STATISTICAL SECTION (Continued)		
Ten Largest Taxpayers.....	7	87
Property Tax Levies and Collections.....	8	88
Ratios of Outstanding Debt by Type	9	89
Ratios of Net General Bonded Debt Outstanding.....	10	90
Direct and Overlapping Governmental Activities Debt.....	11	91
Legal Debt Margin Information.....	12	92 – 93
Demographic and Economic Statistics	13	94
Principal Employers.....	14	95
Fulltime Employees by Function.....	15	96 – 97
Operating Indicators by Function/Program	16	98 – 101
Capital Assets and Infrastructure Statistics by Function/Program	17	102
COMPLIANCE SECTION		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		103 – 104

THIS PAGE LEFT BLANK INTENTIONALLY

INTRODUCTORY SECTION

THIS PAGE LEFT BLANK INTENTIONALLY



BASTROP COUNTY AUDITOR'S OFFICE

804 PECAN STREET, BASTROP, TEXAS 78602 • TEL: (512)332-7222 • FAX: (512)332-7272

April 18, 2012

Honorable District Judges of Bastrop County and
Honorable Members of the Bastrop County Commissioners Court

The County Auditor's office proudly presents the Comprehensive Annual Financial Report (CAFR) of Bastrop County, Texas for the fiscal year ended September 30, 2011. This report is submitted in compliance with Section 114.025 of the *Texas Local Government Code*.

This report consists of management's representations concerning the finances of Bastrop County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the County has established a comprehensive internal control framework that is designed both to protect county assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the basic financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the basic financial statements will be free from material misstatement. Responsibility for internal controls is shared by the Commissioners Court, which is the governing body of the County, the County Auditor, who is appointed by the District Judges, and the County Treasurer. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Bastrop County's basic financial statements have been audited by Pattillo, Brown and Hill, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County, for the fiscal year ended September 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used; and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of this report. Bastrop County was not mandated to report a Single Audit in this fiscal year. A Single Audit is designed to meet the special needs of federal grantor agencies. Generally accepted accounting principles require a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The introduction includes this transmittal letter, the County's organizational chart and a list of principal officials. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Bastrop County's MD&A can be found immediately following the report of the independent auditors in the Financial Section of this report. The financial section also includes government-wide financial statements, fund financial statement, notes, required supplementary information and the combining and individual fund financial statements and schedules in addition to the report of the independent auditors on the financial statements and schedules. The statistical section of this report includes selected financial and demographic information in accordance with GASB Statement No. 44. This information is generally presented on a multi-year basis.

PROFILE OF BASTROP COUNTY

Established in 1832 as part of Stephen F. Austin's "Little Colony," Bastrop is the second oldest incorporated city in Texas and is also the county seat of Bastrop County. The town is at the junction of state highways 71, 21 and 95. The surrounding counties include Travis, Lee, Fayette, and Caldwell. Bastrop has ready access to the cultural and educational opportunities offered in nearby Austin – *Texas State Capital*, as well as vocational experiences that come from our picturesque setting along the Colorado River in the piney woods. Our central location puts Bastrop within a short drive of major colleges and universities. The County encompasses an area of 895 square miles. According to the recently released 2010 Census, the estimated population for the County was 74,171.

The County is a public corporation and a political subdivision of the State of Texas. The Commissioners Court, which is composed of four Commissioners and the County Judge, is the general governing body of the County in accordance with Article 5 Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term. The Commissioners Court sets the tax rate, establishes policies for County operations, approves contracts for the County and develops and adopts the County budget within the resources as estimated by the County Judge as assisted by the County Auditor. The Commissioners Court is also responsible for developing policies and orders, approving financial commitments and appointing various department heads. The management and leadership provided by members of the Commissioners Court and the elected and appointed officials of other key County offices is crucial to the success of the County in financial management and growth.

The County Auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County and "examining, auditing and approving" all disbursements from County funds prior to their submission to the Commissioners Court for approval. The county auditor is appointed by the council of district judges.

The County provides many services not ordinarily provided by any other entity of government and provides additional services in cooperation with other local government units. The County provides the following services as authorized by the statutes of the State of Texas: general government (e.g., tax collection), judicial (e.g., courts, juries, district attorney, etc.), public safety (e.g., sheriff, jail, etc.), roads and highways, voting operations, recording functions relating to property and vital statistics and health and welfare (e.g., assistance to indigents).

The annual budget serves as the foundation for the County's planning and control. Budget hearings are posted accordingly with the final budget approved by the Commissioners Court in September. Unencumbered appropriations lapse at fiscal year-end. Most appropriated budgets are prepared by fund, function, department and category. Capital expenditures are approved on a line item basis. Budget to actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

An understanding of the financial condition of Bastrop County is enhanced through a perspective of the environment in which the County operates.

Local Economy – Within the past few years, substantial growth has continued in Bastrop County. Although growth has been seen throughout the County, it has occurred primarily in the central to west side of the County. Bastrop County's population has increased by 28.5 percent over the last decade, according to data released by the Census Bureau. Bastrop County is projected to be in the top five fastest growing counties in Texas during this decade. New housing and commercial development is a reality, while preservation of our historical areas and environment is top priority.

During 2011, Bastrop County continued to experience growth in retail and commercial developments as well as residential. Bastrop County has seen the City of Bastrop continue to grow within the Burleson Crossing Retail Development site. Ross Dress for Less, Double Dave's, Mattress Firm and Great Clips are a few of the recent stores opened within this development. Also opened in this area is the A+ credit union. Bastrop has seen its second Walgreens store under construction. While Elgin prepares for the upcoming Austin Community College to complete phase one of six phases on a 98 acre plot near the county line. Elgin has also had the new Chevrolet dealership open on highway 290. Smithville continues to work forward on the completion of the Veterans Memorial Park.

As an instrument to continue to stimulate the local economy, Bastrop County supported and passed a Hotel Occupancy Tax (HOT). The chambers of commerce from all three cities played an intricate part of this process. The utilization of this tax is dictated by State law and defined in the Texas Tax code. Every expenditure must directly enhance and promote tourism and the convention and hotel industry.

Bastrop County has been impacted by drought conditions since 2009. The drought situation continued on through 2011. In September of 2011, drought conditions, the humidity level, and high winds, provided a perfect storm for wildfires. Thus, the Bastrop County Complex fire occurred over the Labor Day weekend. The effects of this disaster have proven to be astronomical as well as devastating. At September 30, 2011 the fire was still burning. Suppression and containment was the primary focus. Fires were not a hundred percent contained until October of 2011. The fire was the most destructive wildfire in Texas history. The fires destroyed 34,000 acres of the Lost Pines and 1,702 structures. More than 3,000 residents were displaced and countless livestock and wildlife killed. Two county residents lost their lives in the fire. The County will be managing the aftermath for years to come.

Long-term Financial Planning – The Commissioners Court continues to be active in economic development to ensure and promote continued growth throughout the County. Bastrop County has a Capital Improvement Plan that has been approved in Commissioners Court. This plan is updated regularly. It is a five year plan consisting of multiple projects. The projects include road construction, heavy equipment, communication/technology upgrades, buildings and land. The long-term effect of the current economic growth and development will be to provide sufficient resources to fund County operations while mitigating the overall tax burden on county taxpayers.

Initiatives – During 2011, the County entered into an agreement with the Seton Healthcare program. The program is known as the Patient Prescription Assistance Program (PPAP). PPAP is designed to provide the citizens of Bastrop County, who qualify, access to prescribed medications at no cost. Bastrop County residents may qualify for additional prescription assistance in conjunction with Bastrop County's Indigent Health Care Program's prescription assistance program.

AWARDS AND ACKNOWLEDGEMENTS

Bastrop County applied for the Texas State Comptroller Leadership Circle award. In 2011 Bastrop County was awarded the Leadership Circle Silver Award. This award is in recognition of leadership in the movement for financial transparency. This certificate of achievement is valid for a one year period.

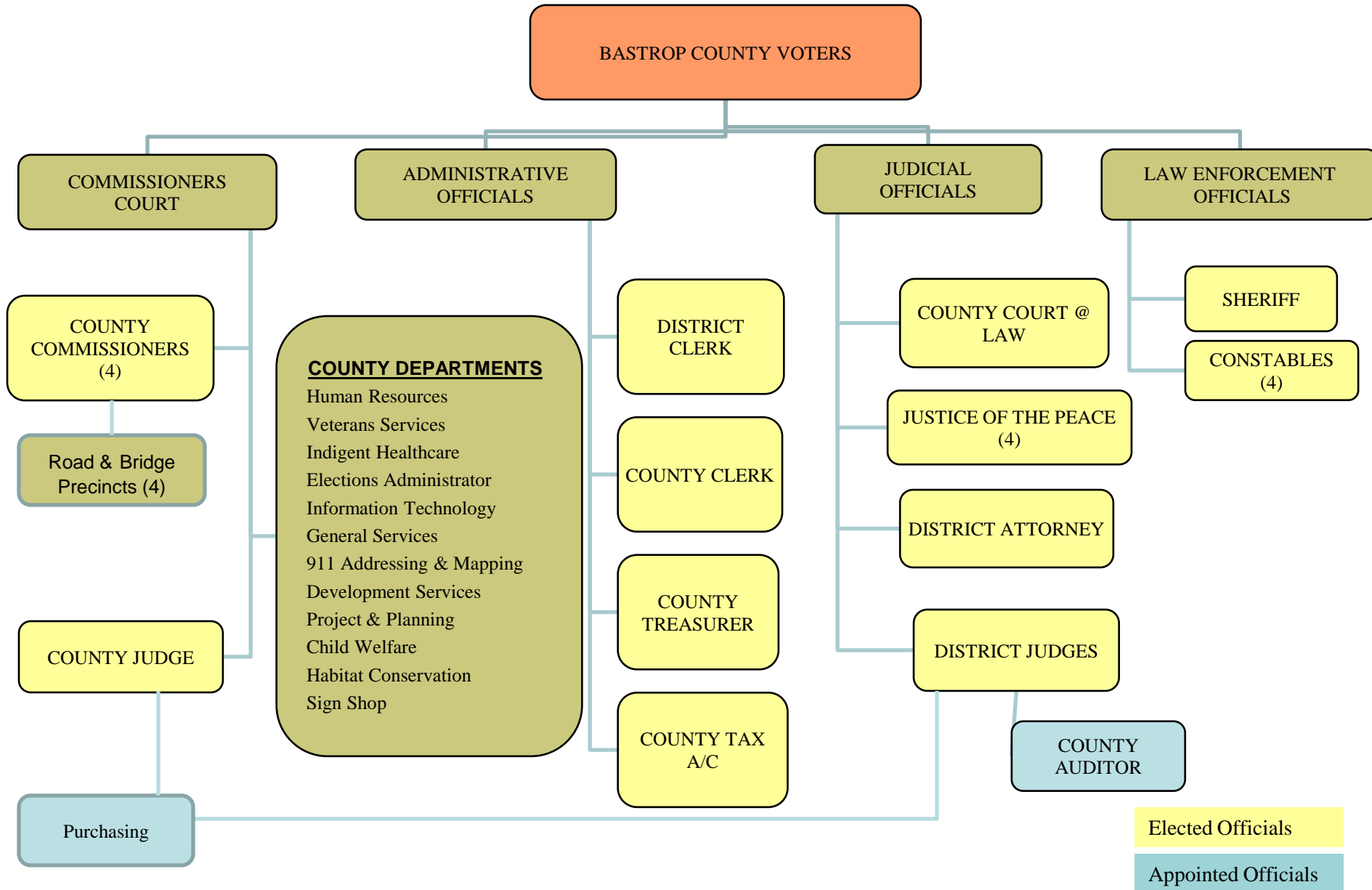
I would like to express my appreciation to the staff of the County Auditor's office for their continuing diligence and dedication to the ever-changing responsibilities of the office. In addition to my office staff, I would also like to thank the rest of the financial team of Bastrop County; the County Treasurer's office, the Purchasing Agent's department, and Human Resources. I would also like to thank the District Judges and the Commissioners Court of Bastrop County for their leadership and support during the past year.

Sincerely,



Lisa Smith, CIO
County Auditor

BASTROP COUNTY Organizational Chart As of 9/30/11



BASTROP COUNTY, TEXAS

DIRECTORY OF OFFICIALS

September 30, 2011

Title	Name
Judge, 335 th Judicial District Court	Reva Towslee Corbett
Judge, 21 st Judicial District Court	Terry Flenniken
Judge, 423 rd Judicial District Court	Chris Duggan
County Judge	Ronnie McDonald
County Auditor	Lisa Smith
Commissioner, Precinct 1	Willie Piña
Commissioner, Precinct 2	Clara Beckett
Commissioner, Precinct 3	John Klaus
Commissioner, Precinct 4	Vivian Dildy
County Court-At-Law	Benton Eskew
District Attorney	Bryan Goertz
Justice of the Peace, Precinct 1	Donna Van Gilder
Justice of the Peace, Precinct 2	Raymah Davis
Justice of the Peace, Precinct 3	Katherine Hanna
Justice of the Peace, Precinct 4	Larry Dunne
County Sheriff	Terry Pickering
District Clerk	Sarah Loucks
County Clerk	Rose Pietsch
County Treasurer	Laurie Ingram
County Tax Assessor/Collector	Linda Harmon
Constable, Precinct 1	Dan Hall
Constable, Precinct 2	August Meduna, Jr.
Constable, Precinct 3	Matt Henderson
Constable, Precinct 4	Roy Pruneda

THIS PAGE LEFT BLANK INTENTIONALLY

FINANCIAL SECTION

THIS PAGE LEFT BLANK INTENTIONALLY

INDEPENDENT AUDITORS' REPORT

To the Honorable Judge and Members
of Commissioners' Court
Bastrop County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bastrop County, Texas, (the "County") as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bastrop County, Texas' management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2012, on our consideration of Bastrop County, Texas' internal control over financial reporting and 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 of financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of funding progress, and budgetary comparison information on pages 3 through 9 and 44 through 48 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining and individual fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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.

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

April 18, 2012

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

THIS PAGE LEFT BLANK INTENTIONALLY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Bastrop County, Texas (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended September 30, 2011. We encourage readers to consider the information in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the fiscal year ended September 30, 2011, by \$35,070,222 (net assets). Of this amount, \$2,224,064 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors, \$6,634,856 is restricted for specific purposes (restricted net assets) and \$26,211,302 is invested in capital assets net of related debt.
- The County's total net assets decreased by \$1,195,220 from current operations. This decrease is primarily related to the budgeted deficit for the year and shortfalls in budgeted revenue amounts.
- The County's governmental funds reported combined ending fund balances of \$15,844,850, a decrease of \$3,589,773 in comparison to the previous year. This decrease is primarily the result of the expenditures of the Series 2010 Certificates of Obligation proceeds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unused vacation leave). The governmental activities of the County include general government, public safety, health, sanitation, welfare, road and bridge, culture and recreation and conservation and development.

Road District #3, although a legally separate entity, functions for all practical purposes as a function of the County, and therefore, has been included as an integral part of the primary government.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental 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 the 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 County'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 County maintains 22 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, road and bridge funds, debt service fund, and certificates of obligation fund, these funds are considered to be major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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 County's own programs.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension and other benefits to its employees. The County adopts an annual appropriated budget for its general fund and road and bridge funds. A budgetary comparison schedule has been provided for the general fund and road and bridge funds to demonstrate compliance with the budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$35,070,222 at the close of the most recent fiscal year.

By far the largest portion of the County's net assets (74.7%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (18.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$2,224,064) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets. The same held true for the prior fiscal year.

There was an increase of \$1,766,669 in restricted net assets. This increase is primarily related to the County accumulating additional restricted resources for road and bridge and debt service payments.

The County's net assets decreased by \$1,195,220 during the current fiscal year. This decrease is primarily related to the budgeted deficit for the year and shortfalls in budgeted revenue amounts.

BASTROP COUNTY'S NET ASSETS

	Governmental Activities		Change
	2011	2010	
Current and other assets	\$ 21,437,787	\$ 25,087,431	\$(3,649,644)
Capital assets	61,795,914	60,608,768	1,187,146
Total assets	<u>83,233,701</u>	<u>85,696,199</u>	<u>(2,462,498)</u>
Other liabilities	1,619,144	1,521,413	97,731
Long-term liabilities	46,544,335	47,569,519	(1,025,184)
Total liabilities	<u>48,163,479</u>	<u>49,090,932</u>	<u>(927,453)</u>
Net assets:			
Invested in capital assets, net of related debt	26,211,302	26,179,927	31,375
Restricted	6,634,856	4,868,187	1,766,669
Unrestricted	<u>2,224,064</u>	<u>5,557,153</u>	<u>(3,333,089)</u>
Total net assets	<u>\$ 35,070,222</u>	<u>\$ 36,605,267</u>	<u>\$(1,535,045)</u>

Governmental activities decreased the County's net assets by \$1,195,220. The key element of this decrease is a result of shortfalls in budgeted revenues. Even though revenues exceeded prior year revenues in almost every category, except for capital grants and contributions and miscellaneous, revenues were less than expectations. Additionally, the County made an effort to reduce expenses as demonstrated below. As a result of increased revenues and the County's effort to reduce expenses, the change in net assets improved significantly as compared to the prior year (\$2,664,932).

BASTROP COUNTY, TEXAS' CHANGES IN NET ASSETS

	Governmental Activities		Change
	2011	2010	
Revenues:			
Program revenues:			
Charges for services	\$ 9,561,437	\$ 8,450,667	\$ 1,110,770
Operating grants and contributions	1,824,328	748,859	1,075,469
Capital grants and contributions	168,475	848,054	(679,579)
General revenues:			
Property taxes	26,153,333	25,425,306	728,027
Other taxes	2,474,679	2,395,793	78,886
Miscellaneous	95,207	862,068	(766,861)
Investment earnings	139,216	130,972	8,244
Gain on sale of assets	114,815	-	114,815
Total revenues	40,531,490	38,861,719	1,669,771
Expenses:			
General government	13,355,800	13,598,880	(243,080)
Public safety	17,561,091	17,807,721	(246,630)
Health, sanitation and welfare	2,243,355	2,764,505	(521,150)
Road and bridge	6,533,650	6,777,093	(243,443)
Culture and recreation	220,520	169,616	50,904
Conservation and development	94,367	98,622	(4,255)
Interest and other	1,717,927	1,505,434	212,493
Total expenses	41,726,710	42,721,871	(995,161)
Change in net assets	(1,195,220)	(3,860,152)	2,664,932
Net assets, beginning	36,605,267	40,093,362	(3,488,095)
Prior period adjustment	(339,825)	372,057	(711,882)
Net assets, ending	\$ 35,070,222	\$ 36,605,267	\$(1,535,045)

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year the County's governmental funds reported a combined fund balance of \$15,844,850 a decrease of \$3,929,598 in comparison with the prior year. Approximately 17.9% or \$2,840,422 constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is either nonspendable or restricted to indicate that it is not available for new spending because it has already been committed or restricted for a specific purpose.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,840,422, while total fund balance reached \$3,948,292. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9.6% of total General Fund expenditures, while total fund balance represents 13.3% of that same amount.

The fund balance of the County's General Fund decreased by \$450,998 during the current year. This decrease is primarily related to the budgeted deficit for the year and shortfalls in budgeted revenue amounts.

The Road and Bridge Funds have a total fund balance of \$3,555,518, all of which is restricted for road and bridge. The net increase in fund balance during the current year in the Road and Bridge Funds was \$382,068. Revenues in the Road and Bridge Funds were consistent with the prior year and expenditures were approximately \$200 thousand less than the prior year. During the current year the County made an effort to decrease expenditures, as a result the Road and Bridge fund balance increased.

The Debt Service Fund has a total fund balance of \$1,223,657, all of which is restricted for debt service payments. The net increase in fund balance during the current year in the Debt Service Fund was \$179,299. Revenues in the Debt Service Fund increased by approximately \$900 thousand, this increase is primarily related to an increase of 1.68% of assessed property tax values, and a debt service tax increase of \$.0206 per \$100 of assessed property tax values. Expenditures increased in the Debt Service Fund by approximately \$730 thousand as compared to the prior year. This increase is related to the County beginning to make debt service payments on the 2010 Certificates of Obligation in the current year. The increase in revenues coupled with the increase in expenditures resulted in the Debt Service Fund increasing its fund balance position.

The 2010 Certificates of Obligation Fund has a total fund balance of \$5,716,219, all of which is restricted for capital projects. The net decrease in fund balance during the current year in the 2010 Certificates of Obligation Fund was \$3,636,810. This decrease is primarily the result of the County expending proceeds from the Certificates of Obligations on various capital projects. See a more detail discussion of the projects in the capital asset section.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original expenditure budget and the final amended budget of the General Fund resulted in an increase of \$145,100 in appropriations.

During the year, actual revenues were less than budgetary estimates by \$1,056,449. Actual expenditures were less than budgetary estimates by \$371,230. The net effect of under-realization of revenue and under-utilization of appropriations resulted in a negative variance of \$685,219.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At the end of the current fiscal year, the County had \$61,795,914 (net of accumulated depreciation) invested in a broad range of capital assets, including land, infrastructure, buildings, and machinery and equipment. The total increase in the County's investment in capital assets for the current fiscal year was 2%.

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

- A variety of road construction projects within the County costs \$2.2 million
- Various vehicles and equipment were purchased in the current year in the amount of \$1million. These purchases included a motor grader in the amount of \$200 thousand.
- \$225 thousand of land for the communications tower.
- The Law Enforcement Center upgraded its security system for \$315 thousand.

BASTROP COUNTY'S CAPITAL ASSETS

	Governmental Activities		Change
	2011	2010	
Land	\$ 4,925,256	\$ 4,670,349	\$ 254,907
Infrastructure	39,790,742	39,790,742	-
Buildings and improvements	34,622,120	33,567,173	1,054,947
Machinery and equipment	16,327,448	15,739,088	588,360
Construction in progress	<u>3,040,477</u>	<u>1,299,276</u>	<u>1,741,201</u>
	98,706,043	95,066,628	3,639,415
Less accumulated depreciation	<u>(36,910,129)</u>	<u>(34,457,860)</u>	<u>(2,452,269)</u>
Total capital assets	<u>\$ 61,795,914</u>	<u>\$ 60,608,768</u>	<u>\$ 1,187,146</u>

More detailed information about the County's capital assets can be found in the notes to the financial statements.

Long-term Debt

At year-end, the County had outstanding bonds, leases, compensated absences payable, and OPEB Obligation of \$46,525,714, a net decrease of \$1,043,805, or 2%. The key factors in the decrease are the debt service payments on the principal amount of bonds payable in the amount of \$2,210,000, coupled with the increase of the OPEB obligation in the amount of \$1,402,839.

BASTROP COUNTY'S LONG-TERM DEBT AT YEAR-END

	Governmental Activities		Change
	2011	2010	
Bonds payable	\$ 40,815,000	\$ 43,025,000	\$(2,210,000)
Bonds issuance premium	251,345	288,587	(37,242)
Capital leases	291,471	468,283	(176,812)
Compensated absences	548,874	571,464	(22,590)
OPEB obligation	4,619,024	3,216,185	1,402,839
Total long-term debt	\$ 46,525,714	\$ 47,569,519	\$(1,043,805)

More detailed information about the County's long-term liabilities can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Commissioners' Court adopted the County's budget for the fiscal year ended September 30, 2012, on September 26, 2011. The budget was adopted based on estimated balances that would be available at the end of fiscal year 2011 and estimated revenues to be received in fiscal year 2012. During the current fiscal year, unassigned fund balance in the General Fund decreased to \$2,840,422. For the County's General Fund, the 2012 budget did not utilize resources from these funds.

The 2011 property tax rate was \$0.6175/\$100 valuation. As a result of a 1.79% increase in taxable value, the County expects tax revenue collected during fiscal year 2012 to increase 1.60% over projected collections for fiscal year 2011. Additionally, the County's budget anticipates all other sources of revenue will remain at approximately the same levels as fiscal year 2011.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional information, contact the Bastrop County Auditor, Attention: Lisa Smith, 804 Pecan, Bastrop, Texas, 78602.

THIS PAGE LEFT BLANK INTENTIONALLY

**BASIC
FINANCIAL STATEMENTS**

THIS PAGE LEFT BLANK INTENTIONALLY

BASTROP COUNTY, TEXAS

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 15,578,336
Taxes receivable, net	3,839,315
Receivables, net	1,385,189
Due from other governments	95,494
Prepaid items	170,353
Deferred charges	369,100
Capital assets:	
Non-depreciable	7,965,733
Depreciable, net	<u>53,830,181</u>
Total assets	<u>83,233,701</u>
LIABILITIES	
Accounts payable	822,391
Accrued liabilities	389,359
Accrued interest	407,394
Noncurrent liabilities:	
Due within one year	2,868,517
Due in more than one year	<u>43,675,818</u>
Total liabilities	<u>48,163,479</u>
NET ASSETS	
Invested in capital assets, net of related debt	26,211,302
Restricted for:	
Road and bridge	3,562,825
Debt service	816,263
Public safety	790,843
Conservation and development	557,501
Elections administration	151,996
Records management and preservation	519,860
Law enforcement education	55,987
Court technology	179,581
Unrestricted	<u>2,224,064</u>
Total net assets	<u>\$ 35,070,222</u>

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

THIS PAGE LEFT BLANK INTENTIONALLY

BASTROP COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 13,355,800	\$ 4,249,148	\$ 1,064,360	\$ 60,470	\$(7,981,822)
Public safety	17,561,091	3,395,177	269,127	108,005	(13,788,782)
Health, sanitation and welfare	2,243,355	63,146	204,106	-	(1,976,103)
Road and bridge	6,533,650	1,482,366	-	-	(5,051,284)
Culture and recreation	220,520	-	286,735	-	66,215
Conservation and development	94,367	371,600	-	-	277,233
Interest and other	1,717,927	-	-	-	(1,717,927)
Total governmental activities	41,726,710	9,561,437	1,824,328	168,475	(30,172,470)
General revenues:					
Taxes:					
Property, levied for general purposes					16,979,447
Property, levied for debt service					4,087,548
Property, levied for roads and bridges					5,086,338
Sales					2,381,190
Mixed beverage					93,489
Investment earnings					139,216
Miscellaneous					95,207
Gain on sale of assets					114,815
Total general revenues					28,977,250
Change in net assets					(1,195,220)
Net assets, beginning					36,605,267
Prior period adjustment					(339,825)
Net assets, beginning, restated					36,265,442
Net assets, ending					\$ 35,070,222

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

BASTROP COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2011

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>
ASSETS			
Cash and investments	\$ 3,464,375	\$ 3,674,126	\$ 1,214,832
Taxes receivable, net	2,660,339	664,394	492,272
Receivables, net	1,374,690	6,151	-
Due from other funds	-	-	-
Due from other governments	83,656	-	-
Prepaid items	<u>125,455</u>	<u>500</u>	<u>-</u>
Total assets	<u>\$ 7,708,515</u>	<u>\$ 4,345,171</u>	<u>\$ 1,707,104</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 570,910	\$ 87,961	\$ -
Accrued liabilities	334,333	50,074	-
Due to other funds	100	-	-
Deferred revenues	<u>2,854,880</u>	<u>651,618</u>	<u>483,447</u>
Total liabilities	<u>3,760,223</u>	<u>789,653</u>	<u>483,447</u>
Fund balances:			
Nonspendable - prepaid items	125,455	500	-
Restricted for:			
Road and bridge	-	3,555,018	-
Debt service	-	-	1,223,657
Capital projects	-	-	-
Public safety	226,987	-	-
Conservation and development	-	-	-
Elections administration	-	-	-
Records management and preservation	519,860	-	-
Law enforcement education	55,987	-	-
Court technology	179,581	-	-
Unassigned	<u>2,840,422</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>3,948,292</u>	<u>3,555,518</u>	<u>1,223,657</u>
Total liabilities and fund balances	<u>\$ 7,708,515</u>	<u>\$ 4,345,171</u>	<u>\$ 1,707,104</u>

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

<u>Certificates of Obligation 2010</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 5,839,585	\$ 1,385,418	\$ 15,578,336
-	22,310	3,839,315
-	4,348	1,385,189
-	100	100
-	11,838	95,494
-	44,398	170,353
\$ 5,839,585	\$ 1,468,412	\$ 21,068,787
\$ 123,366	\$ 40,154	\$ 822,391
-	4,952	389,359
-	-	100
-	22,142	4,012,087
123,366	67,248	5,223,937
-	44,398	170,353
-	7,807	3,562,825
-	-	1,223,657
5,716,219	75,606	5,791,825
-	563,856	790,843
-	557,501	557,501
-	151,996	151,996
-	-	519,860
-	-	55,987
-	-	179,581
-	-	2,840,422
5,716,219	1,401,164	15,844,850
\$ 5,839,585	\$ 1,468,412	\$ 21,068,787

THIS PAGE LEFT BLANK INTENTIONALLY

BASTROP COUNTY, TEXES

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

SEPTEMBER 30, 2011

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

Total fund balances - governmental funds balance sheet	\$ 15,844,850
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	61,795,914
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Property taxes	3,332,516
Adjudicated fines	679,571
Long-term liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.	
Certificates of obligation	(40,815,000)
Premium on bonds	(269,966)
Capital leases	(291,471)
Net OPEB obligation	(4,619,024)
Compensated absences	(548,874)
Costs of issuance long-term debt	369,100
Interest payable on long-term debt	(<u>407,394</u>)
Net assets of governmental activities - statement of net assets	\$ <u><u>35,070,222</u></u>

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

BASTROP COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	General	Road and Bridge	Debt Service
REVENUES			
Taxes:			
Property	\$ 16,925,062	\$ 5,013,744	4,076,690
Sales	2,381,190	-	-
Mixed beverage	93,489	-	-
Licenses and permits	476,927	1,124,470	-
Intergovernmental	1,035,971	-	-
Charges for services	6,264,497	353,521	-
Fines and forfeitures	1,095,646	-	-
Investment earnings	37,397	35,102	23,427
Contributions	340,100	-	-
Other	92,830	2,377	-
Total revenues	28,743,109	6,529,214	4,100,117
EXPENDITURES			
Current:			
General government	11,385,833	-	-
Public safety	15,404,276	-	-
Health, sanitation and welfare	1,961,355	-	-
Road and bridge	-	5,881,525	-
Culture and recreation	202,751	-	-
Conservation and development	83,767	-	-
Debt service:			
Principal	123,249	53,563	2,175,000
Interest and other	48,549	1,048	1,745,818
Capital outlay	368,548	211,010	-
Total expenditures	29,578,328	6,147,146	3,920,818
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(835,219)	382,068	179,299
OTHER FINANCING SOURCES (USES)			
Transfers in	236,551	-	-
Transfers out	-	-	-
Sale of capital assets	147,670	-	-
Total other financing sources and uses	384,221	-	-
NET CHANGE IN FUND BALANCES	(450,998)	382,068	179,299
FUND BALANCES, BEGINNING, RESTATED	4,874,726	3,213,855	1,044,358
PRIOR PERIOD ADJUSTMENT	(475,436)	(40,405)	-
FUND BALANCES, BEGINNING, RESTATED	4,399,290	3,173,450	1,044,358
FUND BALANCES, ENDING	\$ 3,948,292	\$ 3,555,518	\$ 1,223,657

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

Certificates of Obligation 2010	Other Governmental	Total Governmental Funds
\$ -	\$ 39,966	\$ 26,055,462
-	-	2,381,190
-	-	93,489
-	-	1,601,397
-	89,337	1,125,308
-	465,906	7,083,924
-	5,845	1,101,491
31,853	11,437	139,216
-	286,785	626,885
-	-	95,207
<u>31,853</u>	<u>899,276</u>	<u>40,303,569</u>
2,750	566,112	11,954,695
-	2,873	15,407,149
-	-	1,961,355
-	585	5,882,110
-	-	202,751
-	-	83,767
-	35,000	2,386,812
-	10,250	1,805,665
<u>3,665,913</u>	<u>111,237</u>	<u>4,356,708</u>
<u>3,668,663</u>	<u>726,057</u>	<u>44,041,012</u>
(3,636,810)	<u>173,219</u>	(3,737,443)
-	5,000	241,551
-	(241,551)	(241,551)
-	-	147,670
-	(236,551)	<u>147,670</u>
(3,636,810)	(63,332)	(3,589,773)
9,353,029	1,288,480	19,774,448
-	<u>176,016</u>	(339,825)
<u>9,353,029</u>	<u>1,464,496</u>	<u>19,434,623</u>
<u>\$ 5,716,219</u>	<u>\$ 1,401,164</u>	<u>\$ 15,844,850</u>

THIS PAGE LEFT BLANK INTENTIONALLY

BASTROP COUNTY, 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, 2011

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

Net change in fund balances - total governmental funds:	\$(3,589,773)
<p>Governmental funds report capital outlays as expenditures. However, in the governmental activities statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>	
Capital outlay	4,356,709
Depreciation	(3,155,116)
<p>Governmental funds report proceeds from the sale of assets as revenue. However, in the governmental activities statement of activities, the cost of the assets disposed is offset against the proceeds to report gain or loss on the disposition of assets.</p>	
	(14,447)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Property taxes	97,871
Adjudicated fines	15,235
<p>The issuance of long-term debt (e.g., bonds, leases, tax notes) 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 assets. Also, governmental funds report the effect of issuance costs, premiums, 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 related items.</p>	
Principal payments on long-term debt	2,386,812
<p>Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	22,590
Amortization of long-term debt issuance costs	(31,106)
Amortization of premium on long-term debt	18,621
Interest on long-term debt	100,223
Net OPEB obligation	(1,402,839)
Change in net assets of governmental activities	\$(<u>1,195,220</u>)

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

THIS PAGE LEFT BLANK INTENTIONALLY

BASTROP COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ <u>2,398,970</u>
Total assets	\$ <u><u>2,398,970</u></u>
LIABILITIES	
Due to others	\$ <u>2,398,970</u>
Total liabilities	\$ <u><u>2,398,970</u></u>

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

THIS PAGE LEFT BLANK INTENTIONALLY

BASTROP COUNTY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to the accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in Governmental Accounting and Financial Reporting Standards. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

A. Reporting Entity

A financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the elected officials of the County are financially accountable, or the relationship to the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are in substance, part of the County's operations and so data from these units are combined with data of the County.

Bastrop County, Texas ("the County") was incorporated under the provisions of the State of Texas in 1836. The County operates as a County Judge/Commissioners' Court type of government as provided for by state statute. The County provides the following services to its citizens: public safety (law enforcement and detention, fire and ambulance), public transportation (highways and streets), sanitation, health and welfare (indigent health care), conservation and development and general administration services.

The Bastrop County Road District No. 3 was organized in 1986 for the improvement of road and infrastructure in a certain geographical area of the County, financed by Unlimited Tax Road Bonds to be paid by special assessment taxes in the area served. The Road District's Board of Directors consists of the Commissioners' Court of Bastrop County. The activity of the Road District is accounted for as a blended component unit of Bastrop County, Texas.

Complete financial statements for the individual component unit may be obtained at the Bastrop County Auditor's office.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the County's nonfiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, fines and fees, grants and other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the County operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the County. The "operating grants and contributions" column includes amounts paid by organizations outside the County to help meet the operational or capital requirements of a given function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statement. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column. The combined amounts for nonmajor governmental funds are reflected in a single column in the fund balance sheet and statement of revenues, expenditures, and changes in fund balances. Detailed statements for nonmajor funds are presented within combining fund statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Property taxes, sales taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports fiduciary funds in the form of agency funds. These funds account for monies held on behalf of other entities. Fiduciary fund financial statements include a Statement of Net Assets. The County's fiduciary funds represent agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are accounted for on the accrual basis of accounting. Accordingly, all assets and liabilities are included on the Statement of Net Assets. Because the assets are held in an agent capacity and are not available to support County programs, these funds are not included in the government-wide statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The County has the following major governmental funds:

General Fund – Is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund fund balance is available for any purpose, provided it is expended or transferred in accordance with the legally adopted budget of the County.

Road and Bridge Fund – The County uses four separate road and bridge Special Revenue Funds to account for the road and bridge activities of each precinct of the County. For external reporting purposes, these four funds are combined into one Road and Bridge Fund which is then reported as a major fund in the financial statements.

Debt Service Fund – The County accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a Debt Service Interest and Sinking Fund.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Certificates of Obligation, Series 2010 Fund – The County issued Certificates of Obligation, Series 2010 during fiscal year 2010 to pay for planned capital projects. The received fund and related capital projects are accounted for in the Certificates of Obligation, Series 2010 Capital Projects Fund.

Additionally, the County reports the following fund types:

Agency Funds – The County accounts for resources held for others in a custodial capacity in Agency Funds.

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt instruments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to 90 days.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to" or "due from" other funds. Interfund activity reflected in "due to" or "due from" other funds is eliminated in the government-wide statements.

Property taxes are levied based on taxable value at the prior January 1 and become due on October 1 of the year in which assessed. Taxes are due and payable, without penalty or interest, from October 1 of the year in which levied until January 31 of the following year. Accordingly, receivables and revenues for property taxes are reflected in the government-wide statements based on the full accrual method of accounting. Property tax receivables for the prior year's levy are shown net of an allowance for uncollectible amounts.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

Receivables and Payables (Continued)

The appraisal of property within the County is the responsibility of the countywide Bastrop Central Appraisal District. The Appraisal District is required under the Property Tax Code to assess all property within the Appraisal District on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of property within the Appraisal District must be reviewed at least every five years. The County may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the County continues to set tax rates on County property.

However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations and adjusted for new improvements, exceeds the rate for the previous year by more than 8 percent, qualified voters of the County may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the tax rate of the previous year.

Due from other governments include amounts due from grantor agencies for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met. Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Receivables are shown net of an allowance for uncollectibles.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

Capital Assets

Capital assets include land, infrastructure, buildings, machinery and equipment and construction in progress are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	40
Buildings and improvements	39
Machinery and equipment	3 - 30

Long-term Liabilities

In the government-wide financial statements and the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

Compensated Absences

The County allows all full-time regular employees to accrue eight (8) hours sick leave per month. All part-time regular employees to accrue four (4) hours sick leave per month. Upon retirement or termination, employees are paid for accrued sick leave based on the table below. All employees are allowed to accumulate unused vacation time. See the charts below for detailed information. Upon retirement or termination, the employee is paid for accumulated, unpaid vacation at their then current rate of pay. All vacation and sick pay benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee retirement or termination.

Up to five (5) years	Not eligible for payout
Five (5) years up to ten (10) years	Eligible for forty-five (45) hours payout
Ten (10) years up to fifteen (15) years	Eligible for ninety (90) hours payout
Fifteen (15) years up to twenty (20) years	Eligible for one-hundred thirty-five (135) hours payout
Twenty (20) years or greater	Eligible for one-hundred eighty (180) hours payout

Full-time Employee Vacation Leave Accrual Table

<u>Years of Service</u>	<u>Hours Per Month</u>	<u>Maximum Accrual</u>
0 - 3 Years	7 Hours	126 Hours
+3 - 5 Years	8 Hours	144 Hours
+5 - 8 Years	9 Hours	162 Hours
8+ Years	10 Hours	180 Hours

Part-time Employee Vacation Leave Accrual Table

<u>Years of Service</u>	<u>Hours Per Month</u>	<u>Maximum Accrual</u>
0 - 3 Years	3.5 Hours	63 Hours
+3 - 5 Years	4.0 Hours	72 Hours
+5 - 8 Years	4.5 Hours	81 Hours
8+ Years	5.0 Hours	90 Hours

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Estimates

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

II. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments

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

The County's investments at September 30, 2011, were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ 6,158,204	44
Texas Term	1,255,911	53.5
Texas Class	<u>1,139,239</u>	30
Total	<u>\$ 8,553,354</u>	

Local government investment pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Local government investment pools use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool.

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Legal and Contractual Provisions Governing Deposits and Investments (Continued)

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool, the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAAM by Standard & Poor's. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as the office of the Comptroller of Public Accounts for review. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

The TexasTERM Local Government Investment Pool was organized under a common investment contract on September 18, 2000. An elected Advisory Board is responsible for the overall management of the Pool, including formation and implementation of its investment and operating policies. The Pool is a non-taxable investment fund established for local governments in Texas under the provisions of the Texas Interlocal Cooperation Act. The Pool offers two investment portfolios including TexasTERM and TexasDAILY. TexasTERM portfolio and TexasDAILY portfolio are rated AAAs and AAAM, respectively by Standard & Poor's and are overseen by the TexasTERM and Advisory Board. Texas TERM uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in the Pool is the same as the value of the Pool shares.

The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was created as an investment pool for its participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. The County participates in this external investment pool for state and local governments to maintain the liquidity of its funds and to maximize yield in accordance with Public Funds Investment Act (the "Act"), Section 2256.01, et seq., Texas Government Code. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate, Cutwater Investor Services Corp. as Program Administrator, and Wells Fargo Bank Texas, NA as Custodian. The Board of Trustees has appointed an Advisory Board composed of participants and other persons who do not have a business relationship with the Trust and are qualified to advise the Trust. The Advisory Board provides advice to the Board of Trustees and the Program Administrator about the investment policy and investment strategy of the trust and about other matters as requested by the Board of Trustees and the Program Administrator. Texas CLASS uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in the Pool is the same as the value of the Pool shares.

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Policies Governing Deposits and Investments

In compliance with the Public Funds Investment Act, the County 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 County’s deposits may not be returned to it. The County was not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, 2011, was covered by depository insurance or by pledged collateral held by the County’s agent bank in the County’s name.

Custodial Credit Risk: Investments: This is the risk that, in the event of the failure of the counterparty, the County 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; therefore, positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

Other Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk, TexPool’s investment policy allows the portfolio’s investment manager to only invest in obligations of the U. S. Government, its agencies; repurchase agreements; and no-load AAAM money market mutual funds registered with the SEC. As of September 30, 2011, TexPool’s investment credit quality rating was AAAM (Standard & Poor’s) and LOGIC’s investment credit quality rating was AAAM (Standard & Poor’s).

B. Receivables

Receivables at year-end for the government’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Total</u>
Taxes	\$ 2,727,617	\$ 684,547	\$ 507,224	\$ 22,995	\$ 3,942,383
Court fines	2,718,283	-	-	-	2,718,283
Miscellaneous	<u>695,119</u>	<u>6,151</u>	<u>-</u>	<u>4,348</u>	<u>705,618</u>
	<u>6,141,019</u>	<u>690,698</u>	<u>507,224</u>	<u>27,343</u>	<u>7,366,284</u>
Less: allowance for uncollectibles	<u>(2,105,990)</u>	<u>(20,153)</u>	<u>(14,952)</u>	<u>(685)</u>	<u>(2,141,780)</u>
	<u>(2,105,990)</u>	<u>(20,153)</u>	<u>(14,952)</u>	<u>(685)</u>	<u>(2,141,780)</u>
Total	<u>\$ 4,035,029</u>	<u>\$ 670,545</u>	<u>\$ 492,272</u>	<u>\$ 26,658</u>	<u>\$ 5,224,504</u>

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables (Continued)

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
General fund	
Delinquent property taxes	\$ 2,175,309
Court fines	<u>679,571</u>
Total general fund	<u>2,854,880</u>
Road and bridge	
Delinquent property taxes	<u>651,618</u>
Total road and bridge fund	<u>651,618</u>
Debt service fund	
Delinquent property taxes	<u>483,447</u>
Total debt fund	<u>483,447</u>
Other governmental funds	
Delinquent property taxes	<u>22,142</u>
Total other governmental funds	<u>22,142</u>
Total governmental funds	<u>\$ 4,012,087</u>

C. Interfund Balances and Activity

The composition of interfund balances as of September 30, 2011, was as follows:

<u>Due to</u>	<u>Due from</u>	<u>Totals</u>
General	Nonmajor	\$ <u>100</u>
Totals		<u>\$ 100</u>

The interfund balance between the General Fund and nonmajor governmental funds resulted from the time lag between the dates that payments between funds were made.

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

C. Interfund Balances and Activity (Continued)

Interfund activity for the year ended September 30, 2011, was as follows:

	<u>Transfer In</u>		<u>Totals</u>
	<u>General</u>	<u>Other Governmental</u>	
Transfer out:			
Other governmental	\$ <u>236,551</u>	\$ <u>5,000</u>	\$ <u>241,551</u>
Totals	\$ <u><u>236,551</u></u>	\$ <u><u>5,000</u></u>	\$ <u><u>241,551</u></u>

The County funded certain parks and development expenditures in the General Fund with resources in a nonmajor governmental fund.

D. Capital Assets

Capital asset activity for the year ended September 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers/ Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,670,349	\$ 254,907	\$ -	\$ 4,925,256
Construction in progress	<u>1,299,276</u>	<u>2,608,666</u>	<u>(867,465)</u>	<u>3,040,477</u>
Total assets not being depreciated	<u>5,969,625</u>	<u>2,863,573</u>	<u>(867,465)</u>	<u>7,965,733</u>
Capital assets, being depreciated:				
Infrastructure	39,790,742	-	-	39,790,742
Buildings and improvements	33,567,173	551,795	503,152	34,622,120
Machinery and equipment	<u>15,739,088</u>	<u>941,341</u>	<u>(352,981)</u>	<u>16,327,448</u>
Total capital assets being depreciated	<u>89,097,003</u>	<u>1,493,136</u>	<u>150,171</u>	<u>90,740,310</u>
Less accumulated depreciation:				
Infrastructure	(15,327,014)	(942,111)	-	(16,269,125)
Buildings and improvements	(9,143,743)	(806,074)	-	(9,949,817)
Machinery and equipment	<u>(9,987,103)</u>	<u>(1,406,931)</u>	<u>702,847</u>	<u>(10,691,187)</u>
Total accumulated depreciation	<u>(34,457,860)</u>	<u>(3,155,116)</u>	<u>702,847</u>	<u>(36,910,129)</u>
Total capital assets being depreciated, net	<u>54,639,143</u>	<u>(1,661,980)</u>	<u>853,018</u>	<u>53,830,181</u>
Governmental activities capital assets, net	<u>\$ 60,608,768</u>	<u>\$ 1,201,593</u>	<u>\$ (14,447)</u>	<u>\$ 61,795,914</u>

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Depreciation expense was charged to functions of the County as follows:

Governmental activities:	
General government	\$ 1,056,648
Public safety	1,356,700
Health, sanitation and welfare	235,056
Road and bridge	486,519
Culture and recreation	13,567
Conservation and development	<u>6,626</u>
 Total depreciation expense - governmental activities	 <u>\$ 3,155,116</u>

E. Long-term Debt

The County issues bonds to provide funds for the acquisition and construction of major capital facilities, and refund certain bonds in order to take advantage of lower interest rates. Bonds and capital leases payable as of September 30, 2011, were as follows:

<u>Issue Description</u>	<u>Original Balance</u>	<u>Interest Rate</u>	<u>Issue and Maturity Date</u>	<u>Outstanding Balance</u>
Bonds:				
1987 Unlimited Tax Road Bonds	\$ 400,000	9.00-10.00%	1987-2024	\$ 85,000
2002A Certificates of Obligation	7,270,000	4.25-5.00%	2002-2023	5,890,000
2002B Certificates of Obligation	1,525,000	4.25-5.50%	2002-2016	1,210,000
2003 Combination Tax and Revenue Certificates of Obligation	5,800,000	3.00-4.00%	2003-2023	4,545,000
2005 Combination Tax and Revenue Certificates of Obligation	9,500,000	4.00-4.5%	2008-2025	7,985,000
2006 Combination Tax and Revenue Certificates of Obligation	9,500,000	4.00-4.75%	2007-2024	7,370,000
2009 Limited Tax Refunding Bonds	3,830,000	2.00-4.00%	2010-2019	3,245,000
2010 Combination Tax and Revenue	10,810,000	2.00-3.25%	2011-2030	<u>10,485,000</u>
Total bonds payable				<u>\$ 40,815,000</u>
Capital lease:				
Panasonic lease	414,720	11.7%	2009-2013	<u>291,471</u>
Total capital lease				<u>\$ 291,471</u>

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt (Continued)

Annual debt service requirements to maturity for bonds are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,575,000	\$ 1,630,388	\$ 4,205,388
2013	2,875,000	1,532,412	4,407,412
2014	2,975,000	1,423,496	4,398,496
2015	3,020,000	1,317,046	4,337,046
2016	2,450,000	1,205,852	3,655,852
2017-2021	13,195,000	5,047,546	18,242,546
2022-2026	10,840,000	1,791,436	12,631,436
2027-2030	<u>2,885,000</u>	<u>298,648</u>	<u>3,183,648</u>
Total	<u>\$ 40,815,000</u>	<u>\$ 14,246,824</u>	<u>\$ 55,061,824</u>

Debt service requirements for the capital leases payable are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 137,677	\$ 34,121	\$ 171,798
2013	<u>153,794</u>	<u>18,004</u>	<u>171,798</u>
Total	<u>\$ 291,471</u>	<u>\$ 52,125</u>	<u>\$ 343,596</u>

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and equipment	\$ 207,208
Less: accumulated depreciation	<u>(82,883)</u>
Balance	<u>\$ 124,325</u>

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt (Continued)

Long-term activity for the year ended September 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds	\$ 43,025,000	\$ -	\$ 2,210,000	\$ 40,815,000	\$ 2,575,000
Premium on bonds	288,586	-	18,620	269,966	18,621
Capital leases	468,283	-	176,812	291,471	137,677
Compensated absences	571,464	938,050	960,640	548,874	137,219
OPEB obligation	<u>3,216,185</u>	<u>1,796,743</u>	<u>393,904</u>	<u>4,619,024</u>	<u>-</u>
Total long-term debt	<u>\$ 47,569,518</u>	<u>\$ 2,734,793</u>	<u>\$ 3,759,976</u>	<u>\$ 46,544,335</u>	<u>\$ 2,868,517</u>

Compensated absences and OPEB obligation are typically funded with the General and Road and Bridge Funds.

In prior years, the County defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the County's financial statements. At September 30, 2011, the County didn't have bonds considered defeased and outstanding.

III. OTHER INFORMATION

A. Retirement Plan

The County provides pension, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 618 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report ("CAFR") on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034 or online at www.tcdrs.org.

The plan provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS (the "TCDRS Act"). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

(continued)

III. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the County within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The County has elected the annually determined contribution rate ("ADCR") plan provision of the TCDRS Act. The Plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The County's contribution is based on the actuarially determined rate of 10.09% for the months of the accounting year in 2011 and 9.88% for the months of the accounting year in 2010.

The contribution rate payable by the employee members for calendar years 2011 and 2010 is the rate of 7%, as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2009 and December 31, 2010, the basis for determining the contribution rates for calendar years 2010 and 2011. The December 31, 2010 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial Valuation Date	12/31/08	12/31/09	12/31/10
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period	20	20	20
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value
Actuarial Assumptions:			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.3%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

(continued)

III. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Annual Pension Cost (Continued)

**Trend Information for the
Retirement Plan for the Employees of Bastrop County**

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/09	\$ 1,417,161	100%	\$ -
09/30/10	1,842,929	100%	-
09/30/11	1,751,537	100%	-

Funded Status and Funding Progress

The funded status as of December 31, 2010, is presented as follows:

Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	\$ 40,429,581	\$ 46,567,054	\$ 6,137,473	86.82%	\$ 19,074,031	32.18%

¹The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

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

(continued)

III. OTHER INFORMATION (Continued)

B. Other Post Employment Benefits

Plan Description

The County sponsors a Retiree Health Insurance Benefits Plan (the “Plan”). The Plan provides these other post employment benefits (“OPEB”) for eligible employees through a single-employer defined benefit plan. Employees who meet the following criteria will qualify for health insurance benefits on County-sponsored plans, as described below. The County will pay premiums for the retiree only; any dependent premiums shall be paid by the retiree. Qualifying retirees (and dependents, if applicable) will be required to switch to the County-sponsored post-Medicare health insurance plan when they reach Medicare eligibility; in addition, they may be required to enroll in specific Medicare plans (such as Parts A and B) in order to participate.

Eligibility:

In order to be eligible for health insurance benefits, an employee must:

- Be eligible for retirement under TCDRS (see Note G – Employee Retirement System);
- Have served at least 8 continuous years as a regular, non-temporary employee of Bastrop County;
- Elect to participate in the insurance benefit within 30 days of retirement; and
- Begin drawing their TCDRS retirement annuity immediately after retiring from Bastrop County.

Retiree health insurance benefits are based on a retiree’s hire date, retirement date, and/or years of service at Bastrop County, as follows:

- Retirees who were already retired as of August 8, 2010, or employees who were retirement eligible and retire on or before September 30, 2011, shall have group health and dental benefits paid 100% by Bastrop County.
- The benefit schedule shown in “Plan A” below applies to Bastrop County employees who:
 1. Were actively employed in a regular, non-temporary position as of September 30, 2010; and
 2. Did not retire on or before September 30, 2011.

(continued)

III. OTHER INFORMATION (Continued)

B. Other Post Employment Benefits (Continued)

Plan Description (Continued)

Eligibility: (Continued)

Plan A		
Years of Service* at Retirement	% of Premium Paid by County	
	Pre-Medicare	Post-Medicare
less than 8	0%	0%
8 to < 12	50%	50%
12 to < 16	60%	60%
16 to < 20	70%	70%
20 to < 24	80%	80%
over 24	100%	100%

* Years of Service at Bastrop County – employees must have a minimum of 8 continuous years to qualify for retiree health benefits.

Plan B		
Years of Service* at Retirement	% of Premium Paid by County	
	Pre-Medicare	Post-Medicare
less than 8	0	0%
8 to < 12	0	0%
12 to < 16	0	0%
16 to < 20	50%	0%
20 to < 24	75%	0%
over 24	100%	0%

* Years of Service at Bastrop County – employees must have a minimum of 8 continuous years to qualify for retiree health benefits.

Other Provisions

At the time of retirement, any optional insurance offered to retirees (such as Dental and Life) may be selected. Premiums will be paid by the retiree. Optional insurance is only offered at the time of retirement.

(continued)

III. OTHER INFORMATION (Continued)

B. Other Post Employment Benefits (Continued)

Other Provisions (Continued)

Retiree's dependents may be enrolled in the County-sponsored Health Insurance Plan, subject to the following provisions and policies:

- The spouse/dependent must have been enrolled in a County health insurance plan since the retiree's effective date of retirement, at a minimum;
- Medicare eligibility must be age-based in order to enroll in the Medicare Supplement Plan – being eligible for Medicare under other provisions, such as disability, does not qualify per TAC policy, and;
- All dependent coverage premiums are paid by the retiree.

Retirees and their dependent(s), if applicable, may remain on the Group Health Plan (GHP) until they are Medicare-eligible, at which time they will be transferred to the Medicare Supplement Plan (MSP). If a retiree's covered dependents(s) is(are) not Medicare-eligible as of the date the retiree becomes Medicare-eligible, such dependent(s) will be allowed to remain on the GHP until he/she becomes Medicare-eligible.

A retiree's spouse may enroll in the MSP (as long as the retiree is covered on a County health plan), when the spouse becomes Medicare-eligible (age based). Premiums for health coverage are based on age, and prescription drug coverage is based on the federal amount charged for Medicare Part-D. Existing coverage for a retiree's spouse may be continued, at his/her expense, when the retiree dies.

Funding Policy

The Commissioners' Court, as the governing body of the County, approves Other Postemployment Benefits ("OPEB") on a year-to-year basis during the annual budget process and has not created a constitutionally valid obligation for OPEB beyond fiscal year 2011. While retirees have statutory authority to purchase continuing health care on the County employee health care plan, the County is under no legal obligation to pay or otherwise subsidize retiree premiums. To be eligible for this benefit in years where the benefit is provided one must be a County retiree.

(continued)

III. OTHER INFORMATION (Continued)

B. Other Post Employment Benefits (Continued)

Annual OPEB Cost

The County's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The annual OPEB cost for the three most recent fiscal years is as follows:

	<u>2009</u>	<u>2010*</u>	<u>2011</u>
Annual required contribution	\$ 2,190,684	\$ 1,637,743	\$ 1,786,104
Interest on OPEB obligation	-	86,472	144,728
Adjustment to ARC	-	(80,115)	(134,089)
Annual OPEB cost (expense) end of year	<u>2,190,684</u>	<u>1,644,100</u>	<u>1,796,743</u>
Net estimated employer contributions	(269,095)	(349,504)	(393,904)
Increase in net OPEB obligation	1,921,589	1,294,596	1,402,839
Net OPEB obligation - as of beginning of year	<u>-</u>	<u>1,921,589</u>	<u>3,216,185</u>
Net OPEB obligation - as of end of year	<u>\$ 1,921,589</u>	<u>\$ 3,216,185</u>	<u>\$ 4,619,024</u>

* The cost for fiscal year ending September 30, 2010, reflects plan changes which were approved and communicated during the reporting year.

**Schedule of Funding Progress for the Retirement Plan
For the Employees of Bastrop County**

The funding status of the County's retiree health care plan as of December 31, 2010, the most recent actuarial valuation completed, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2010	\$ -	\$ 13,837,752	\$ 13,837,752	-	\$ 19,074,031	72.55%

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

(continued)

III. OTHER INFORMATION (Continued)

B. Other Post Employment Benefits (Continued)

Actuarial Methods and Assumptions

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

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

Actuarial Methods and Assumptions

Inflation rate	3.00% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Salary growth	3.00% per annum
Health care cost trend rate	Initial rate of 9.0% declining to an ultimate rate of 4.50% after 9 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County'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 multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(continued)

III. OTHER INFORMATION (Continued)

C. Contingencies

The County has contingent liabilities with respect to pending claims and litigation that, in the opinion of the County, are not material and the possibility of an unfavorable outcome is remote. The ultimate effect, if any, that such litigation may have on the future financial position of the County, is not presently determinable.

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. A contingent liability was not established because potential reimbursements are considered immaterial.

D. Commitments

The wildfires that occurred in Bastrop County in September 2011 were devastating. Over 34,000 acres of woodland burned in the Lost Pines area of the County. Seventy-five percent of that acreage is privately owned with the remainder being in Bastrop State Park and public rights-of-way. 1,702 structures were destroyed by the fire, making it the most destructive single wildfire in Texas history. After being largely contained in late September, the fire was finally declared controlled in October 2011. The financial long term impact on the County will be managed by Bastrop County's management team and has not been determined at this time. This collaborated effort by the County and other governmental agencies will be an ongoing process over the next several years.

E. Risk Management

The County is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; and omissions; and natural disasters for which it carries commercial insurance. The County uses various commercial carriers to insure against these risks. Settled claims did not exceed the coverage for any of the past three fiscal years.

F. Change in Accounting Principles

For fiscal year 2011, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the County reclassifying fund balances of its governmental funds.

(continued)

III. OTHER INFORMATION (Continued)

F. Change in Accounting Principles (Continued)

The implementation of GASB Statement No. 54 had the following effect on fund balances as they were previously reported:

	<u>General</u>	<u>Other Governmental</u>
Beginning fund balance	\$ 4,751,922	\$ 1,411,284
Reclassification of funds	<u>122,804</u>	<u>(122,804)</u>
Beginning fund balance, restated	<u>\$ 4,874,726</u>	<u>\$ 1,288,480</u>

G. Prior Period Adjustments

In the current year, management became aware of an understatement of certain payroll related liabilities. Therefore, beginning General, and Road and Bridge fund balances were reduced by \$475,436 and \$40,405, respectively, as of the beginning of fiscal year 2011. Additionally, management determined that two non-major special revenue funds were reported as agency funds in prior years. As a result of this reclassification, the County increased beginning other governmental fund balance by \$176,016 as of the beginning of fiscal year 2011. As a result of the items above, beginning governmental net assets were reduced by \$339,825.

THIS PAGE LEFT BLANK INTENTIONALLY

**REQUIRED
SUPPLEMENTARY INFORMATION**

THIS PAGE LEFT BLANK INTENTIONALLY

BASTROP COUNTY, TEXAS

SCHEDULE OF FUNDING PROGRESS FOR EMPLOYEE RETIREMENT SYSTEM FOR THE YEAR ENDED SEPTEMBER 30, 2011

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/08	\$ 31,524,483	\$ 36,402,698	\$ 4,878,215	86.60%	\$ 16,389,600	29.76%
12/31/09	36,372,173	41,315,835	4,943,662	88.03%	17,696,569	27.94%
12/31/10	40,429,581	46,567,054	6,137,473	86.82%	19,074,031	32.18%

BASTROP COUNTY, TEXAS

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/08	\$ -	\$ 14,907,155	\$ 14,907,155	- %	\$ 16,389,600	90.95%
12/31/10	-	13,837,752	13,837,752	- %	19,074,031	72.55%

BASTROP COUNTY, TEXAS

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

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 17,168,041	\$ 17,003,691	\$ 16,925,062	\$(78,629)
Sales	2,555,959	2,555,959	2,381,190	(174,769)
Mixed beverage	100,000	100,000	93,489	(6,511)
Licenses and permits	472,500	562,000	476,927	(85,073)
Intergovernmental	1,110,275	1,179,075	1,035,971	(143,104)
Charges for services	6,099,385	6,190,535	6,264,497	73,962
Fines and forfeitures	890,000	890,000	1,095,646	205,646
Investment earnings	72,000	72,000	37,397	(34,603)
Contributions	355,000	355,000	340,100	(14,900)
Other	<u>831,298</u>	<u>891,298</u>	<u>92,830</u>	<u>(798,468)</u>
Total revenues	<u>29,654,458</u>	<u>29,799,558</u>	<u>28,743,109</u>	<u>(1,056,449)</u>
EXPENDITURES				
Current:				
General government	11,575,721	11,667,321	11,385,833	281,488
Public safety	15,733,546	15,599,946	15,404,276	195,670
Health, sanitation, and welfare	2,141,140	2,016,140	1,961,355	54,785
Culture and recreation	182,881	172,981	202,751	(29,770)
Conservation and development	76,500	76,500	83,767	(7,267)
Debt service:				
Principal	-	123,500	123,249	251
Interest and other	-	48,500	48,549	(49)
Capital outlay	<u>244,670</u>	<u>244,670</u>	<u>368,548</u>	<u>(123,878)</u>
Total expenditures	<u>29,954,458</u>	<u>29,949,558</u>	<u>29,578,328</u>	<u>371,230</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(300,000)</u>	<u>(150,000)</u>	<u>(835,219)</u>	<u>(685,219)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	236,551	236,551
Proceeds from sale of assets	<u>300,000</u>	<u>150,000</u>	<u>147,670</u>	<u>(2,330)</u>
Total other financing sources (uses)	<u>300,000</u>	<u>150,000</u>	<u>384,221</u>	<u>234,221</u>
NET CHANGE IN FUND BALANCES	-	-	(450,998)	(450,998)
FUND BALANCES, BEGINNING, RESTATED	4,874,726	4,874,726	4,874,726	-
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>(475,436)</u>	<u>(475,436)</u>
FUND BALANCES, BEGINNING, RESTATED	<u>4,874,726</u>	<u>4,874,726</u>	<u>4,399,290</u>	<u>(475,436)</u>
FUND BALANCES, ENDING	<u>\$ 4,874,726</u>	<u>\$ 4,874,726</u>	<u>\$ 3,948,292</u>	<u>\$(926,434)</u>

BASTROP COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 5,019,000	\$ 5,019,000	\$ 5,013,744	\$(5,256)
Licenses and permits	1,280,000	1,280,000	1,124,470	(155,530)
Charges for services	189,348	245,348	353,521	108,173
Investment earnings	32,000	32,000	35,102	3,102
Other	<u>15,000</u>	<u>90,000</u>	<u>2,377</u>	<u>(87,623)</u>
Total revenues	<u>6,535,348</u>	<u>6,666,348</u>	<u>6,529,214</u>	<u>(137,134)</u>
EXPENDITURES				
Current:				
Road and bridge	6,069,534	6,200,534	5,881,525	319,009
Debt service:				
Principal	72,814	72,814	53,563	19,251
Interest and other	-	-	1,048	(1,048)
Capital outlay	<u>393,000</u>	<u>393,000</u>	<u>211,010</u>	<u>181,990</u>
Total expenditures	<u>6,535,348</u>	<u>6,666,348</u>	<u>6,147,146</u>	<u>519,202</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>382,068</u>	<u>382,068</u>
FUND BALANCES, BEGINNING	3,213,855	3,213,855	3,213,855	-
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>(40,405)</u>	<u>(40,405)</u>
FUND BALANCES, BEGINNING, RESTATED	<u>3,213,855</u>	<u>3,213,855</u>	<u>3,173,450</u>	<u>(40,405)</u>
FUND BALANCES, ENDING	<u>\$ 3,213,855</u>	<u>\$ 3,213,855</u>	<u>\$ 3,555,518</u>	<u>\$ 341,663</u>

BASTROP COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2011

1. BUDGETARY INFORMATION

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- The County Judge, as budget officer, with the assistance of the County Auditor, prepares a budget to cover all proposed expenditures for the succeeding year and delivers the proposed budget, including the general revenue sharing budget, to Commissioners' Court, which makes any necessary modifications.
- The Commissioners' Court holds budget sessions with each department head.
- The Commissioners' Court holds budget hearings for the public.
- The Commissioners' Court formally adopts the budget in an open court meeting.
- The adopted budget becomes the authorization for all legal expenditures for the County for the fiscal year. Appropriations lapse at the end of the fiscal year.

The formally adopted budget may be legally amended by commissioners in accordance with Article 689A-11 or 689A-20 of Vernon's Annotate Civil Statutes.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the Special Paving and Bridge, Fire Management Assistance Grant, Public Assistance Grant, Parks and Community Development, Inmate Commissary, and Sheriff's Forfeiture Funds.

An appropriations resolution (the appropriated budget) to control the level of expenditures must be legally enacted on or about September 1. The County maintains its legal level of budgetary control at the function level. Amendments to the 2011 budget were approved by the Commissioners' Court as provided by law.

Unencumbered appropriations lapse at year-end and revert to the respective funds from which they were originally appropriated, thus becoming available for future appropriation.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2011, expenditures exceeded appropriations in the following functions:

General fund:	
Culture and recreation	\$ 29,770
Conservation and development	7,267
Capital outlay	123,878

These over expenditures were funded by expenditures in other departments being under budget.

THIS PAGE LEFT BLANK INTENTIONALLY

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Special Paving and Bridge Fund – These funds are used to account for revenues and expenditures relating to the construction and maintenance of roads and bridges within the County. Revenues are derived primarily from ad valorem taxes, vehicle registration fees, and State Lateral Road Distribution Funds.

Fire Management Assistance Grant Fund – This fund was established to track all expenditures relating to the suppression of the Bastrop Complex Wildfires. These funds are restricted for this purpose only.

Public Assistance Grant - This fund was established to track all revenue and expenditures relating to the debris removal and associated costs recovery due to the Bastrop Complex Wildfires. These funds are restricted for this purpose only.

Parks and Community Development Fund – This fund was established to be utilized for County Parks and Community Development.

Mediation Services Fund – This fund is used to account for revenues and expenditures relating to the establishment of Dispute Resolution Services. Revenue is derived from a charge that is assessed on civil cases filed in County and District Court.

District Attorney Hot Check Fund – This fund is used to account for revenues and expenditures relating to the fee collected for hot checks pursuant to Texas Code of Criminal Procedures Article 102.007. The expenditure of these funds is at the sole discretion of the District Attorney.

District Attorney Special Fund – This fund is used to account for the State Prosecutor Apportionment allocation funds paid through the District Courts.

Road District #3Fund – This fund was established for the improvement of roads and infrastructure in the Stony Point subdivision. This obligation for the debt will pay off in 2012.

Houston Toad Fund – This fund is used to account for revenues and expenditures that are restricted to the preservation of the Houston Toad.

Law Library Fund - This fund is used to account for revenues and expenditures relating to the establishment and maintenance of a law library. Revenue is derived from a charge that is assessed on civil cases filed in County and District Court.

District Attorney Law Enforcement Fund – This fund is used to account for money and property forfeited to the District Attorney’s office under Chapter 59 of the *Texas Code of Criminal Procedure*.

Elections Administration Fund – This fund is used to account for surplus from election service contracts. The expenditure of these funds is governed by the Texas Election Code 31.003.

Inmate Commissary Fund – This fund is used to account for jail commissary profits.

Sheriff’s Forfeiture Fund – This fund accounts for revenues and expenditures for state and federal forfeiture funds. These funds are governed by state and federal forfeiture laws.

CAPITAL PROJECTS FUND

The ***Certificates of Obligation 2006 Fund*** - is used to account for planned capital projects inclusive of upgrades in technology.

BASTROP COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2011

	Special Revenue Funds		
	Special Paving and Bridge	Fire Management Assistance Grant	Public Assistance Grant
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Taxes receivable, net	-	-	-
Receivables, net	-	-	-
Due from other funds	-	-	-
Due from other governments	-	11,638	200
Prepaid items	-	-	-
Total assets	\$ -	\$ 11,638	\$ 200
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 11,638	\$ -
Accrued liabilities	-	-	200
Deferred revenues	-	-	-
Total liabilities	-	11,638	200
Fund balances:			
Nonspendable - prepaid items	-	-	-
Restricted for:			
Road and bridge	-	-	-
Capital projects	-	-	-
Public safety	-	-	-
Conservation and development	-	-	-
Elections administration	-	-	-
Unassigned	-	-	-
Total fund balances	-	-	-
Total liabilities and fund balances	\$ -	\$ 11,638	\$ 200

Special Revenue Funds

Parks and Community Development	Mediation Services	District Attorney Hot Check	District Attorney Special	Road District #3	Houston Toad
\$ -	\$ 67,978	\$ 133,967	\$ 1,023	\$ 7,639	\$ 443,733
-	-	-	-	22,310	-
-	106	1,291	2,650	-	-
-	100	-	-	-	-
-	-	-	-	-	-
-	-	-	-	44,398	-
<u>\$ -</u>	<u>\$ 68,184</u>	<u>\$ 135,258</u>	<u>\$ 3,673</u>	<u>\$ 74,347</u>	<u>\$ 443,733</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	22,142	-
-	-	-	-	22,142	-
-	-	-	-	44,398	-
-	-	-	-	7,807	-
-	-	-	-	-	-
-	68,184	135,258	3,673	-	-
-	-	-	-	-	443,733
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>68,184</u>	<u>135,258</u>	<u>3,673</u>	<u>52,205</u>	<u>443,733</u>
<u>\$ -</u>	<u>\$ 68,184</u>	<u>\$ 135,258</u>	<u>\$ 3,673</u>	<u>\$ 74,347</u>	<u>\$ 443,733</u>

(continued)

BASTROP COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2011

	Special Revenue Funds		
	Law Library	District Attorney Law Enforcement	Elections Administration
ASSETS			
Cash and investments	\$ 118,233	\$ 168,901	\$ 151,996
Taxes receivable, net	-	-	-
Receivables, net	301	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Prepaid items	-	-	-
Total assets	\$ 118,534	\$ 168,901	\$ 151,996
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,766	\$ -	\$ -
Accrued liabilities	-	-	-
Deferred revenues	-	-	-
Total liabilities	4,766	-	-
Fund balances:			
Nonspendable - prepaid items	-	-	-
Restricted for:			
Road and bridge	-	-	-
Capital projects	-	-	-
Public safety	-	168,901	-
Conservation and development	113,768	-	-
Elections administration	-	-	151,996
Unassigned	-	-	-
Total fund balances	113,768	168,901	151,996
Total liabilities and fund balances	\$ 118,534	\$ 168,901	\$ 151,996

<u>Special Revenue Funds</u>		<u>Total Nonmajor Special Revenue</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Inmate Commissary</u>	<u>Sheriff's Forfeiture</u>		<u>Certificates of Obligation 2006</u>		
\$ 111,279	\$ 76,561	\$ 1,281,310	\$ 104,108	\$ 104,108	\$ 1,385,418
-	-	22,310	-	-	22,310
-	-	4,348	-	-	4,348
-	-	100	-	-	100
-	-	11,838	-	-	11,838
-	-	44,398	-	-	44,398
<u>\$ 111,279</u>	<u>\$ 76,561</u>	<u>\$ 1,364,304</u>	<u>\$ 104,108</u>	<u>\$ 104,108</u>	<u>\$ 1,468,412</u>
\$ -	\$ -	\$ 16,404	\$ 23,750	\$ 23,750	\$ 40,154
-	-	200	4,752	4,752	4,952
-	-	22,142	-	-	22,142
-	-	38,746	28,502	28,502	67,248
-	-	44,398	-	-	44,398
-	-	7,807	-	-	7,807
-	-	-	75,606	75,606	75,606
111,279	76,561	563,856	-	-	563,856
-	-	557,501	-	-	557,501
-	-	151,996	-	-	151,996
-	-	-	-	-	-
<u>111,279</u>	<u>76,561</u>	<u>1,325,558</u>	<u>75,606</u>	<u>75,606</u>	<u>1,401,164</u>
<u>\$ 111,279</u>	<u>\$ 76,561</u>	<u>\$ 1,364,304</u>	<u>\$ 104,108</u>	<u>\$ 104,108</u>	<u>\$ 1,468,412</u>

BASTROP COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTMEBER 30, 2011

	Special Revenue Funds		
	Special Paving and Bridge	Fire Management Assistance Grant	Public Assistance Grant
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	-	11,638	200
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Contributions	-	-	-
Total revenues	<u>-</u>	<u>11,638</u>	<u>200</u>
EXPENDITURES			
Current:			
General government	-	11,638	200
Public safety	-	-	-
Road and bridge	-	-	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>11,638</u>	<u>200</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(2,416)	-	-
Total other financing sources (uses)	<u>(2,416)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(2,416)</u>	<u>-</u>	<u>-</u>
FUND BALANCE, BEGINNING	2,416	-	-
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, BEGINNING, RESTATED	<u>2,416</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

Parks and Community Development	Mediation Services	District Attorney Hot Check	District Attorney Special	Road District #3	Houston Toad
\$ -	\$ -	\$ -	\$ -	\$ 39,966	\$ -
-	-	-	-	-	-
-	13,773	20,285	24,755	-	15,206
-	-	-	-	-	-
-	636	932	-	383	2,969
-	-	-	-	-	286,735
<u>-</u>	<u>14,409</u>	<u>21,217</u>	<u>24,755</u>	<u>40,349</u>	<u>304,910</u>
-	7,288	29,860	34,420	-	-
-	-	1,873	-	-	-
-	-	-	-	585	-
-	-	-	-	35,000	-
-	-	-	-	10,250	-
-	-	-	-	-	-
<u>-</u>	<u>7,288</u>	<u>31,733</u>	<u>34,420</u>	<u>45,835</u>	<u>-</u>
<u>-</u>	<u>7,121</u>	<u>(10,516)</u>	<u>(9,665)</u>	<u>(5,486)</u>	<u>304,910</u>
-	-	-	5,000	-	-
<u>(234,135)</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(234,135)</u>	<u>-</u>	<u>(5,000)</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
<u>(234,135)</u>	<u>7,121</u>	<u>(15,516)</u>	<u>(4,665)</u>	<u>(5,486)</u>	<u>304,910</u>
234,135	61,063	150,774	8,338	57,691	138,823
-	-	-	-	-	-
<u>234,135</u>	<u>61,063</u>	<u>150,774</u>	<u>8,338</u>	<u>57,691</u>	<u>138,823</u>
<u>\$ -</u>	<u>\$ 68,184</u>	<u>\$ 135,258</u>	<u>\$ 3,673</u>	<u>\$ 52,205</u>	<u>\$ 443,733</u>

(continued)

BASTROP COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTMEBER 30, 2011

	Special Revenue Funds		
	Law Library	District Attorney Law Enforcement	Elections Administration
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	44,042	-	103,612
Fines and forfeitures	-	5,845	-
Investment earnings	1,182	1,673	1,828
Contributions	50	-	-
Total revenues	<u>45,274</u>	<u>7,518</u>	<u>105,440</u>
EXPENDITURES			
Current:			
General government	47,868	-	123,823
Public safety	-	1,000	-
Road and bridge	-	-	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>47,868</u>	<u>1,000</u>	<u>123,823</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,594)</u>	<u>6,518</u>	<u>(18,383)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(2,594)</u>	<u>6,518</u>	<u>(18,383)</u>
FUND BALANCE, BEGINNING	116,362	162,383	170,379
PRIOR PERIOD ADJUSTMENT	-	-	-
FUND BALANCE, BEGINNING, RESTATED	<u>116,362</u>	<u>162,383</u>	<u>170,379</u>
FUND BALANCE, ENDING	<u>\$ 113,768</u>	<u>\$ 168,901</u>	<u>\$ 151,996</u>

<u>Special Revenue Funds</u>			<u>Capital Projects</u>		
<u>Inmate Commissary</u>	<u>Sheriff's Forfeiture</u>	<u>Total Nonmajor Special Revenue</u>	<u>Certificates of Obligation 2006</u>	<u>Total Nonmajor Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 39,966	\$ -	\$ -	\$ 39,966
-	77,499	89,337	-	-	89,337
244,233	-	465,906	-	-	465,906
-	-	5,845	-	-	5,845
1,107	-	10,710	727	727	11,437
-	-	286,785	-	-	286,785
<u>245,340</u>	<u>77,499</u>	<u>898,549</u>	<u>727</u>	<u>727</u>	<u>899,276</u>
246,581	64,434	566,112	-	-	566,112
-	-	2,873	-	-	2,873
-	-	585	-	-	585
-	-	35,000	-	-	35,000
-	-	10,250	-	-	10,250
-	-	-	111,237	111,237	111,237
<u>246,581</u>	<u>64,434</u>	<u>614,820</u>	<u>111,237</u>	<u>111,237</u>	<u>726,057</u>
(1,241)	13,065	283,729	(110,510)	(110,510)	173,219
-	-	5,000	-	-	5,000
-	-	(241,551)	-	-	(241,551)
-	-	(236,551)	-	-	(236,551)
(1,241)	13,065	47,178	(110,510)	(110,510)	(63,332)
-	-	1,102,364	186,116	186,116	1,288,480
<u>112,520</u>	<u>63,496</u>	<u>176,016</u>	<u>-</u>	<u>-</u>	<u>176,016</u>
<u>112,520</u>	<u>63,496</u>	<u>1,278,380</u>	<u>186,116</u>	<u>186,116</u>	<u>1,464,496</u>
<u>\$ 111,279</u>	<u>\$ 76,561</u>	<u>\$ 1,325,558</u>	<u>\$ 75,606</u>	<u>\$ 75,606</u>	<u>\$ 1,401,164</u>

BASTROP COUNTY, TEXAS

COMBINING BALANCE SHEET

ROAD AND BRIDGE FUNDS

SEPTEMBER 30, 2011

	<u>Road and Bridge Precinct 1</u>	<u>Road and Bridge Precinct 2</u>	<u>Road and Bridge Precinct 3</u>	<u>Road and Bridge Precinct 4</u>	<u>Total Road and Bridge</u>
ASSETS					
Cash and investments	\$ 660,128	\$ 575,905	\$ 771,156	\$ 1,666,937	\$ 3,674,126
Taxes receivable, net	126,232	219,347	179,314	139,501	664,394
Receivables, net	6,151	-	-	-	6,151
Prepaid items	<u>-</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>
Total assets	<u>\$ 792,511</u>	<u>\$ 795,752</u>	<u>\$ 950,470</u>	<u>\$ 1,806,438</u>	<u>\$ 4,345,171</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 16,812	\$ 30,544	\$ 30,533	\$ 10,072	\$ 87,961
Accrued liabilities	13,030	11,337	12,964	12,743	50,074
Deferred revenues	<u>123,807</u>	<u>215,034</u>	<u>175,937</u>	<u>136,840</u>	<u>651,618</u>
Total liabilities	<u>153,649</u>	<u>256,915</u>	<u>219,434</u>	<u>159,655</u>	<u>789,653</u>
Fund balances:					
Nonspendable-prepaid items	-	500	-	-	500
Restricted-road and bridge	<u>638,862</u>	<u>538,337</u>	<u>731,036</u>	<u>1,646,783</u>	<u>3,555,018</u>
Total fund balances	<u>638,862</u>	<u>538,837</u>	<u>731,036</u>	<u>1,646,783</u>	<u>3,555,518</u>
Total liabilities and fund balances	<u>\$ 792,511</u>	<u>\$ 795,752</u>	<u>\$ 950,470</u>	<u>\$ 1,806,438</u>	<u>\$ 4,345,171</u>

BASTROP COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

ROAD AND BRIDGE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Road and Bridge Precinct 1	Road and Bridge Precinct 2	Road and Bridge Precinct 3	Road and Bridge Precinct 4	Total Road and Bridge
REVENUES					
Property taxes	\$ 951,811	\$ 1,691,972	\$ 1,325,381	\$ 1,044,580	\$ 5,013,744
Licenses and permits	280,786	281,880	280,999	280,805	1,124,470
Charges for services	203,114	62,196	44,957	43,254	353,521
Investment earnings	6,122	7,804	7,868	13,308	35,102
Other	485	822	568	502	2,377
Total revenues	1,442,318	2,044,674	1,659,773	1,382,449	6,529,214
EXPENDITURES					
Current:					
Road and bridge	1,236,406	1,780,636	1,510,310	1,354,173	5,881,525
Debt service:					
Principal	53,563	-	-	-	53,563
Interest and other	1,048	-	-	-	1,048
Capital outlay	49,960	3,810	153,430	3,810	211,010
Total expenditures	1,340,977	1,784,446	1,663,740	1,357,983	6,147,146
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	101,341	260,228	(3,967)	24,466	382,068
FUND BALANCE, BEGINNING	549,739	287,685	744,416	1,632,015	3,213,855
PRIOR PERIOD ADJUSTMENT	(12,218)	(9,076)	(9,413)	(9,698)	(40,405)
FUND BALANCES, BEGINNING, RESTATED	537,521	278,609	735,003	1,622,317	3,173,450
FUND BALANCES, ENDING	\$ 638,862	\$ 538,837	\$ 731,036	\$ 1,646,783	\$ 3,555,518

BASTROP COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 3,949,185	\$ 3,949,185	\$ 4,076,690	\$ 127,505
Investment earnings	<u>15,000</u>	<u>15,000</u>	<u>23,427</u>	<u>8,427</u>
Total revenues	<u>3,964,185</u>	<u>3,964,185</u>	<u>4,100,117</u>	<u>135,932</u>
EXPENDITURES				
Debt service:				
Principal	2,175,000	2,175,000	2,175,000	-
Interest and other	<u>1,789,185</u>	<u>1,789,185</u>	<u>1,745,818</u>	<u>43,367</u>
Total expenditures	<u>3,964,185</u>	<u>3,964,185</u>	<u>3,920,818</u>	<u>43,367</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	179,299	179,299
FUND BALANCES, BEGINNING	<u>1,044,358</u>	<u>1,044,358</u>	<u>1,044,358</u>	-
FUND BALANCES, ENDING	<u>\$ 1,044,358</u>	<u>\$ 1,044,358</u>	<u>\$ 1,223,657</u>	<u>\$ 179,299</u>

BASTROP COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CERTIFICATES OF OBLIGATION 2010
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 10,000	\$ 10,000	\$ 31,853	\$ 21,853
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>31,853</u>	<u>21,853</u>
EXPENDITURES				
Current:				
General government	-	-	2,750	(2,750)
Capital outlay	<u>10,600,000</u>	<u>10,600,000</u>	<u>3,665,913</u>	<u>6,934,087</u>
Total expenditures	<u>10,600,000</u>	<u>10,600,000</u>	<u>3,665,913</u>	<u>6,934,087</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(10,590,000)	(10,590,000)	(3,634,060)	6,955,940
FUND BALANCES, BEGINNING	<u>9,353,029</u>	<u>9,353,029</u>	<u>9,353,029</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$(1,236,971)</u>	<u>\$(1,236,971)</u>	<u>\$ 5,718,969</u>	<u>\$ 6,955,940</u>

BASTROP COUNTY, TEXAS

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

MEDIATION SERVICES FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 11,200	\$ 11,200	\$ 13,773	\$ 2,573
Investment earnings	400	400	636	236
Other	9,500	9,500	-	(9,500)
Total revenues	<u>21,100</u>	<u>21,100</u>	<u>14,409</u>	<u>(6,691)</u>
EXPENDITURES				
Current:				
General government	<u>21,100</u>	<u>21,100</u>	<u>7,288</u>	<u>13,812</u>
Total expenditures	<u>21,100</u>	<u>21,100</u>	<u>7,288</u>	<u>13,812</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	7,121	7,121
FUND BALANCES, BEGINNING	<u>61,063</u>	<u>61,063</u>	<u>61,063</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 61,063</u>	<u>\$ 61,063</u>	<u>\$ 68,184</u>	<u>\$ 7,121</u>

BASTROP COUNTY, TEXAS

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

DISTRICT ATTORNEY HOT CHECKS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 25,000	\$ 25,000	\$ 20,285	\$(4,715)
Investment earnings	250	250	932	682
Other	<u>-</u>	<u>11,000</u>	<u>-</u>	<u>(11,000)</u>
Total revenues	<u>25,250</u>	<u>36,250</u>	<u>21,217</u>	<u>(15,033)</u>
EXPENDITURES				
Current:				
General government	24,750	35,750	29,860	5,890
Public safety	<u>500</u>	<u>500</u>	<u>1,873</u>	<u>(1,373)</u>
Total expenditures	<u>25,250</u>	<u>36,250</u>	<u>31,733</u>	<u>4,517</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(10,516)</u>	<u>(10,516)</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>(15,516)</u>	<u>(15,516)</u>
FUND BALANCES, BEGINNING	<u>150,774</u>	<u>150,774</u>	<u>150,774</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 150,774</u>	<u>\$ 150,774</u>	<u>\$ 135,258</u>	<u>\$(15,516)</u>

BASTROP COUNTY, TEXAS

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

DISTRICT ATTORNEY SPECIAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 37,000	\$ 32,000	\$ 24,755	\$(7,245)
Other	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total revenues	<u>37,000</u>	<u>37,000</u>	<u>24,755</u>	<u>(12,245)</u>
EXPENDITURES				
Current:				
General government	<u>37,000</u>	<u>42,000</u>	<u>34,420</u>	<u>7,580</u>
Total expenditures	<u>37,000</u>	<u>42,000</u>	<u>34,420</u>	<u>7,580</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(5,000)</u>	<u>(9,665)</u>	<u>(4,665)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>(4,665)</u>	<u>(4,665)</u>
FUND BALANCES, BEGINNING	<u>8,338</u>	<u>8,338</u>	<u>8,338</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 8,338</u>	<u>\$ 8,338</u>	<u>\$ 3,673</u>	<u>\$(4,665)</u>

BASTROP COUNTY, TEXAS

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

ROAD DISTRICT #3 FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 46,000	\$ 46,000	\$ 39,966	\$(6,034)
Investment earnings	-	-	383	383
Other	-	6,000	-	(6,000)
Total revenues	<u>46,000</u>	<u>52,000</u>	<u>40,349</u>	<u>(11,651)</u>
EXPENDITURES				
Current:				
Road and bridge	750	750	585	165
Debt service:				
Principal	35,000	41,000	35,000	6,000
Interest and other	10,250	10,250	10,250	-
Total expenditures	<u>46,000</u>	<u>52,000</u>	<u>45,835</u>	<u>6,165</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(5,486)	(5,486)
FUND BALANCES, BEGINNING	<u>57,691</u>	<u>57,691</u>	<u>57,691</u>	-
FUND BALANCES, ENDING	<u>\$ 57,691</u>	<u>\$ 57,691</u>	<u>\$ 52,205</u>	<u>\$(5,486)</u>

BASTROP COUNTY, TEXAS

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

HOUSTON TOAD FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 13,000	\$ 13,000	\$ 15,206	\$ 2,206
Investment earnings	1,000	1,000	2,969	1,969
Contributions	<u>1,000</u>	<u>287,735</u>	<u>286,735</u>	<u>(1,000)</u>
Total revenues	<u>15,000</u>	<u>301,735</u>	<u>304,910</u>	<u>3,175</u>
EXPENDITURES				
Current:				
General government	<u>15,000</u>	<u>301,735</u>	<u>-</u>	<u>301,735</u>
Total expenditures	<u>15,000</u>	<u>301,735</u>	<u>-</u>	<u>301,735</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	304,910	304,910
FUND BALANCES, BEGINNING	<u>138,823</u>	<u>138,823</u>	<u>138,823</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 138,823</u>	<u>\$ 138,823</u>	<u>\$ 443,733</u>	<u>\$ 304,910</u>

BASTROP COUNTY, TEXAS

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

LAW LIBRARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 38,500	\$ 38,500	\$ 44,042	\$ 5,542
Investment earnings	1,000	1,000	1,182	182
Contributions	-	-	50	50
Other	-	2,000	-	(2,000)
Total revenues	<u>39,500</u>	<u>41,500</u>	<u>45,274</u>	<u>3,774</u>
EXPENDITURES				
Current:				
General government	<u>39,500</u>	<u>41,500</u>	<u>47,868</u>	<u>(6,368)</u>
Total expenditures	<u>39,500</u>	<u>41,500</u>	<u>47,868</u>	<u>(6,368)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(2,594)	(2,594)
FUND BALANCES, BEGINNING	<u>116,362</u>	<u>116,362</u>	<u>116,362</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 116,362</u>	<u>\$ 116,362</u>	<u>\$ 113,768</u>	<u>\$(2,594)</u>

BASTROP COUNTY, TEXAS

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

DISTRICT ATTORNEY LAW ENFORCEMENT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 5,845	\$ 845
Investment earnings	<u>1,200</u>	<u>1,200</u>	<u>1,673</u>	<u>473</u>
Total revenues	<u>6,200</u>	<u>6,200</u>	<u>7,518</u>	<u>1,318</u>
 EXPENDITURES				
Current:				
Public safety	<u>6,200</u>	<u>6,200</u>	<u>1,000</u>	<u>5,200</u>
Total expenditures	<u>6,200</u>	<u>6,200</u>	<u>1,000</u>	<u>5,200</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	6,518	6,518
 FUND BALANCES, BEGINNING	<u>162,383</u>	<u>162,383</u>	<u>162,383</u>	-
 FUND BALANCES, ENDING	<u>\$ 162,383</u>	<u>\$ 162,383</u>	<u>\$ 168,901</u>	<u>\$ 6,518</u>

BASTROP COUNTY, TEXAS

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

ELECTIONS ADMINISTRATION FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 50,000	\$ 104,000	\$ 103,612	\$(388)
Investment earnings	1,000	1,000	1,828	828
Other	<u>-</u>	<u>19,000</u>	<u>-</u>	<u>(19,000)</u>
Total revenues	<u>51,000</u>	<u>124,000</u>	<u>105,440</u>	<u>(18,560)</u>
EXPENDITURES				
Current:				
General government	<u>51,000</u>	<u>124,000</u>	<u>123,823</u>	<u>177</u>
Total expenditures	<u>51,000</u>	<u>124,000</u>	<u>123,823</u>	<u>177</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(18,383)	(18,383)
FUND BALANCES, BEGINNING	<u>170,379</u>	<u>170,379</u>	<u>170,379</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 170,379</u>	<u>\$ 170,379</u>	<u>\$ 151,996</u>	<u>\$(18,383)</u>

BASTROP COUNTY, TEXAS

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

CERTIFICATE OF OBLIGATION 2006

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 1,000	\$ 1,000	\$ 727	\$(273)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>727</u>	<u>(273)</u>
EXPENDITURES				
Capital outlay	<u>200,000</u>	<u>200,000</u>	<u>111,237</u>	<u>88,763</u>
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>111,237</u>	<u>88,763</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(199,000)	(199,000)	(110,510)	88,490
FUND BALANCES, BEGINNING	<u>186,116</u>	<u>186,116</u>	<u>186,116</u>	<u>-</u>
FUND BALANCES, ENDING	<u><u>\$(12,884)</u></u>	<u><u>\$(12,884)</u></u>	<u><u>\$ 75,606</u></u>	<u><u>\$ 88,490</u></u>

AGENCY FUNDS

Agency Funds are used to account for assets held by the County as an agent for individual private organizations and other governments. The following are the County's Fiduciary Funds:

County Clerk Fund – This fund is used to account for monies held on behalf of individuals in accordance with court ordered decrees by the County Court.

District Clerk Fund – This fund is used to account for monies held on behalf of individuals in accordance with court ordered decrees by the District Court.

Tax Assessor and Collector Fund – This fund is used to record tax collections which are deposited intact pending audit and distribution to the state and other taxing authorities.

District Attorney Fund – This fund is used to account for monies held on behalf of individuals collected by the District Attorney's Office.

Sheriff Fund – This fund is used to account for monies held on behalf of individuals collected by the Sheriff's Office.

Other Fund – This fund is used for state fees collected through civil and criminal cases, and funds held on behalf of the Juvenile Boot Camp.

BASTROP COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
<u>COUNTY CLERK</u>				
Assets:				
Cash and investments	\$ 582,133	\$ 323,167	\$ 484,861	\$ 420,439
Total assets	<u>\$ 582,133</u>	<u>\$ 323,167</u>	<u>\$ 484,861</u>	<u>\$ 420,439</u>
Liabilities:				
Due to others	\$ 582,133	\$ 323,167	\$ 484,861	\$ 420,439
Total liabilities	<u>\$ 582,133</u>	<u>\$ 323,167</u>	<u>\$ 484,861</u>	<u>\$ 420,439</u>
<u>DISTRICT CLERK</u>				
Assets:				
Cash and investments	\$ 1,388,382	\$ 1,047,202	\$ 1,732,850	\$ 702,734
Total assets	<u>\$ 1,388,382</u>	<u>\$ 1,047,202</u>	<u>\$ 1,732,850</u>	<u>\$ 702,734</u>
Liabilities:				
Due to others	\$ 1,388,382	\$ 1,047,202	\$ 1,732,850	\$ 702,734
Total liabilities	<u>\$ 1,388,382</u>	<u>\$ 1,047,202</u>	<u>\$ 1,732,850</u>	<u>\$ 702,734</u>
<u>TAX ASSESSOR AND COLLECTOR</u>				
Assets:				
Cash and investments	\$ 1,178,572	\$ 125,192,004	\$ 125,712,175	\$ 658,401
Total assets	<u>\$ 1,178,572</u>	<u>\$ 125,192,004</u>	<u>\$ 125,712,175</u>	<u>\$ 658,401</u>
Liabilities:				
Due to others	\$ 1,178,572	\$ 125,192,004	\$ 125,712,175	\$ 658,401
Total liabilities	<u>\$ 1,178,572</u>	<u>\$ 125,192,004</u>	<u>\$ 125,712,175</u>	<u>\$ 658,401</u>

(continued)

BASTROP COUNTY, TEXAS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL AGENCY FUNDS**

(Continued)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>DISTRICT ATTORNEY</u>				
Assets:				
Cash and investments	\$ 206,695	\$ 254,906	\$ 269,827	\$ 191,774
Total assets	<u>\$ 206,695</u>	<u>\$ 254,906</u>	<u>\$ 269,827</u>	<u>\$ 191,774</u>
Liabilities:				
Due to others	<u>206,695</u>	<u>254,906</u>	<u>269,827</u>	<u>191,774</u>
Total liabilities	<u>\$ 206,695</u>	<u>\$ 254,906</u>	<u>\$ 269,827</u>	<u>\$ 191,774</u>
<u>SHERIFF</u>				
Assets:				
Cash and investments	\$ 270,854	\$ 909,471	\$ 1,158,306	22,019
Total assets	<u>\$ 270,854</u>	<u>\$ 909,471</u>	<u>\$ 1,158,306</u>	<u>\$ 22,019</u>
Liabilities:				
Due to others	\$ 270,854	\$ 909,471	\$ 1,158,306	22,019
Total liabilities	<u>\$ 270,854</u>	<u>\$ 909,471</u>	<u>\$ 1,158,306</u>	<u>\$ 22,019</u>
<u>OTHER</u>				
Assets:				
Cash and investments	264,908	1,370,943	1,232,249	403,602
Total assets	<u>\$ 264,908</u>	<u>\$ 1,370,943</u>	<u>\$ 1,232,249</u>	<u>\$ 403,602</u>
Liabilities:				
Due to others	<u>264,908</u>	<u>1,370,943</u>	<u>1,232,249</u>	<u>403,602</u>
Total liabilities	<u>\$ 264,908</u>	<u>\$ 1,370,943</u>	<u>\$ 1,232,249</u>	<u>\$ 403,602</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets:				
Cash and investments	\$ 3,891,544	\$ 129,097,693	\$ 130,590,268	\$ 2,398,969
Total assets	<u>\$ 3,891,544</u>	<u>\$ 129,097,693</u>	<u>\$ 130,590,268</u>	<u>\$ 2,398,969</u>
Liabilities:				
Due to others	<u>3,891,544</u>	<u>129,097,693</u>	<u>130,590,268</u>	<u>2,398,969</u>
Total liabilities	<u>\$ 3,891,544</u>	<u>\$ 129,097,693</u>	<u>\$ 130,590,268</u>	<u>\$ 2,398,969</u>

THIS PAGE LEFT BLANK INTENTIONALLY

STATISTICAL SECTION

(Unaudited)

This part of Bastrop County, 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 County's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	72
Revenue Capacity These schedules contain trend information to help the reader assess the factors affecting the County's ability to generate its property taxes.	84
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future	89
Demographic and Economic Information These schedules offer economic and demographic information indicators to help the reader understand the environment within the County's financial activities take place and to help make comparisons over time and with other governments.	94
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	98
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

BASTROP COUNTY, TEXAS

NET ASSETS BY COMPONENT

LAST NINE FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:			
Invested in capital assets, net of related debt	\$ 26,211,302	\$ 26,179,927	\$ 23,019,206
Restricted	6,634,856	4,868,187	1,055,688
Unrestricted	<u>2,224,064</u>	<u>5,557,153</u>	<u>16,018,468</u>
Total governmental activities net assets	<u>\$ 35,070,222</u>	<u>\$ 36,605,267</u>	<u>\$ 40,093,362</u>
Primary government:			
Invested in capital assets, net of related debt	\$ 26,211,302	\$ 16,826,898	\$ 23,019,206
Restricted	6,634,856	14,221,216	1,055,688
Unrestricted	<u>2,224,064</u>	<u>5,557,153</u>	<u>16,018,468</u>
Total primary government net assets	<u>\$ 35,070,222</u>	<u>\$ 36,605,267</u>	<u>\$ 40,093,362</u>

Source: Bastrop County financial records.

Note: Ten years of information is not available. The County did not implement GASB 34 until fiscal year 2003.

TABLE 1

Fiscal Year					
<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 22,161,335	\$ 19,128,232	\$(7,350,912)	\$(4,323,195)	\$ 26,244,858	\$ 20,099,567
4,816,180	9,254,129	15,876,990	10,564,935	2,522,134	633,878
<u>17,103,013</u>	<u>15,584,330</u>	<u>12,929,666</u>	<u>11,197,923</u>	<u>(15,002,631)</u>	<u>(7,656,817)</u>
<u>\$ 44,080,528</u>	<u>\$ 43,966,691</u>	<u>\$ 21,455,744</u>	<u>\$ 17,439,663</u>	<u>\$ 13,764,361</u>	<u>\$ 13,076,628</u>
\$ 22,161,335	\$ 19,128,232	\$(7,350,912)	\$(4,323,195)	\$ 26,244,858	\$ 20,099,567
4,816,180	9,254,129	15,876,990	10,564,935	2,522,134	633,878
<u>17,103,013</u>	<u>15,584,330</u>	<u>12,929,666</u>	<u>11,197,923</u>	<u>(15,002,631)</u>	<u>(7,656,817)</u>
<u>\$ 44,080,528</u>	<u>\$ 43,966,691</u>	<u>\$ 21,455,744</u>	<u>\$ 17,439,663</u>	<u>\$ 13,764,361</u>	<u>\$ 13,076,628</u>

BASTROP COUNTY, TEXAS

CHANGES IN NET ASSETS

LAST NINE FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year		
	2011	2010	2009
EXPENSES			
Governmental activities:			
General government	\$ 13,355,800	\$ 13,532,825	\$ 14,237,180
Public safety	17,561,091	17,807,721	17,175,363
Health, sanitation and welfare	2,243,355	2,764,505	3,217,253
Road and bridge	6,533,650	6,777,093	6,494,843
Culture and recreation	220,520	169,616	265,252
Conservation and development	94,367	98,622	79,983
Interest on long-term debt	1,717,927	1,505,434	1,577,121
Total expenses	41,726,710	42,655,816	43,046,995
PROGRAM REVENUES			
Governmental activities:			
Charges for services:			
General government	\$ 4,249,148	\$ 4,428,811	\$ 4,682,346
Public safety	3,395,177	3,577,209	3,698,515
Health, sanitation and welfare	63,146	-	477,746
Road and bridge	1,482,366	-	-
Conservation and development	371,600	444,647	-
Operating grants and contributions	1,824,328	748,859	528,014
Capital grants and contributions	168,475	848,054	-
Total governmental activities program revenues	11,554,240	10,047,580	9,386,621
NET (EXPENSE) REVENUES			
Governmental activities	\$(30,172,470)	\$(32,608,236)	\$(33,660,374)
Total primary government net expense	(30,172,470)	(32,608,236)	(33,660,374)

TABLE 2

		Fiscal Year									
		2008	2007	2006	2005	2004	2003				
\$	11,588,677	\$	10,164,104	\$	9,807,445	\$	8,802,907	\$	6,586,738	\$	8,117,207
	13,665,685		11,016,747		10,965,495		10,379,906		14,188,457		10,996,000
	2,771,797		3,380,984		2,208,481		2,083,392		1,946,220		2,008,765
	5,741,714		6,487,412		4,561,735		4,699,390		4,359,233		4,094,373
	1,118,488		165,722		135,603		125,489		64,967		59,591
					50,701		45,724		118,296		180,773
	<u>1,664,524</u>		<u>1,776,799</u>		<u>1,551,214</u>		<u>1,063,447</u>		<u>1,174,150</u>		<u>1,434,513</u>
	<u>36,550,885</u>		<u>32,991,768</u>		<u>29,280,674</u>		<u>27,200,255</u>		<u>28,438,061</u>		<u>26,891,222</u>
\$	5,341,853	\$	5,047,090	\$	5,028,183	\$	3,777,356	\$	1,992,442	\$	1,866,394
	2,510,652		1,028,307		792,837		1,077,121		1,042,201		2,153,907
	513,548		452,189		272,372		968,481		30,653		400,333
	-		1,214,285		1,533,106		-		41,952		1,382,522
	-		-		-		-		-		-
	593,757		549,051		909,128		594,446		610,280		1,747,406
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
	<u>8,959,810</u>		<u>8,290,922</u>		<u>8,535,626</u>		<u>6,417,404</u>		<u>3,717,528</u>		<u>7,550,562</u>
\$	<u>(27,591,075)</u>	\$	<u>(24,700,846)</u>	\$	<u>(20,745,048)</u>	\$	<u>(20,782,851)</u>	\$	<u>(24,720,533)</u>	\$	<u>(19,340,660)</u>
	<u>(27,591,075)</u>		<u>(24,700,846)</u>		<u>(20,745,048)</u>		<u>(20,782,851)</u>		<u>(24,720,533)</u>		<u>(19,340,660)</u>

(continued)

BASTROP COUNTY, TEXAS

CHANGES IN NET ASSETS (Continued) LAST NINE FISCAL YEARS (Accrual Basis of Accounting) (Unaudited)

	Fiscal Year		
	2011	2010	2009
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS			
Governmental activities:			
Taxes			
Property	\$ 26,153,333	\$ 25,425,306	\$ 24,485,846
Other	2,474,679	2,395,793	2,421,650
Other grants and contributions	-	-	639,086
Investment earnings	139,216	130,972	204,810
Miscellaneous	95,207	862,068	2,229,789
Transfer In (out)	-	-	-
Gain on sale of capital assets	<u>114,815</u>	<u>(66,055)</u>	<u>129,573</u>
Total governmental activities	<u>28,977,250</u>	<u>28,748,084</u>	<u>30,110,754</u>
 Total primary government	 <u>28,977,250</u>	 <u>28,748,084</u>	 <u>30,110,754</u>
 CHANGE IN NET ASSETS			
Governmental activities	<u>(1,195,220)</u>	<u>(3,860,152)</u>	<u>(3,549,620)</u>
 Total primary government	 <u>\$(1,195,220)</u>	 <u>\$(3,860,152)</u>	 <u>\$(3,549,620)</u>
 Prior period adjustment/			
Change in accounting principle	<u>\$(339,825)</u>	<u>\$ 372,057</u>	<u>\$(437,546)</u>

Source: Bastrop County financial records

Note: Ten years of information is not available. The County did not implement GASB 34 until fiscal year 2003.

TABLE 2

Fiscal Year					
2008	2007	2006	2005	2004	2003
\$ 22,922,910	\$ 22,097,524	\$ 21,265,006	\$ 20,078,373	\$ 20,069,219	\$ 16,926,469
2,430,554	2,338,898	2,122,570	1,828,221	102,906	1,626,970
1,202,002	-	-	-	-	440,145
741,368	1,674,759	1,165,077	547,491	449,845	540,946
1,302,133	413,535	166,695	2,104,412	2,568,200	1,286,124
-	-	-	-	2,659,766	-
<u>105,945</u>	<u>(65,517)</u>	<u>125,691</u>	<u>(59,490)</u>	<u>-</u>	<u>-</u>
<u>28,704,912</u>	<u>26,459,199</u>	<u>24,845,039</u>	<u>24,499,007</u>	<u>25,849,936</u>	<u>20,820,654</u>
<u>28,704,912</u>	<u>26,459,199</u>	<u>24,845,039</u>	<u>24,499,007</u>	<u>25,849,936</u>	<u>20,820,654</u>
<u>1,113,837</u>	<u>1,758,353</u>	<u>4,099,991</u>	<u>3,716,156</u>	<u>1,129,403</u>	<u>1,479,994</u>
<u>\$ 1,113,837</u>	<u>\$ 1,758,353</u>	<u>\$ 4,099,991</u>	<u>\$ 3,716,156</u>	<u>\$ 1,129,403</u>	<u>\$ 1,479,994</u>
<u>\$ -</u>	<u>\$ 19,752,594</u>	<u>\$ (152,411)</u>	<u>\$ (32,797)</u>	<u>\$ -</u>	<u>\$ -</u>

BASTROP COUNTY, TEXAS

FUND BALANCES GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2011	2010	2009
General fund			
Reserved for specific purpose	\$ -	\$ 609,974	\$ 592,440
Reserved for encumbrances	-	-	-
Unreserved, undesignated	-	4,141,948	7,294,149
Nonspendable	125,455	-	-
Restricted for:			
Public safety	226,987	-	-
Records management and preservation	519,860	-	-
Law enforcement education	55,987	-	-
Court technology	179,581	-	-
Unassigned	2,840,422	-	-
Total general fund	\$ 3,948,292	\$ 4,751,922	\$ 7,886,589
All other governmental funds			
Reserved for:			
Debt service	\$ -	\$ 1,044,358	\$ 1,046,458
Capital projects fund	-	9,353,029	463,248
Roads and bridges	-	3,213,855	-
Unreserved, reported in:			
Special revenue funds	-	1,411,284	4,612,136
Nonspendable	44,898	-	-
Restricted for:			
Road and bridge	3,562,825	-	-
Debt service	1,223,657	-	-
Capital projects	5,791,825	-	-
Public safety	563,856	-	-
Conservation and development	557,501	-	-
Elections administration	151,996	-	-
Unassigned	-	-	-
Total all other governmental funds	\$ 11,896,558	\$ 15,022,526	\$ 6,121,842

Source: Bastrop County financial records

Note: The County implemented GASB 54 in fiscal year 2011.

TABLE 3

							Fiscal Year
2008	2007	2006	2005	2004	2003	2002	
\$ 992,877	\$ 515,005	\$ 481,240	\$ 436,173	\$ -	\$ -	\$ -	
-	-	2,571	2,571	-	-	-	
9,712,359	9,581,224	7,644,711	6,289,491	4,637,832	4,571,327	3,751,110	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>\$ 10,705,236</u>	<u>\$ 10,096,229</u>	<u>\$ 8,128,522</u>	<u>\$ 6,728,235</u>	<u>\$ 4,637,832</u>	<u>\$ 4,571,327</u>	<u>\$ 3,751,110</u>	
\$ 1,136,419	\$ 1,343,625	\$ 1,115,641	\$ 836,696	\$ 762,200	\$ 633,878	\$ 442,165	
2,686,884	6,395,499	14,227,538	9,307,594	1,759,934	8,817,374	7,670,334	
-	-	-	-	-	-	-	
4,253,204	3,810,136	3,035,879	2,540,571	2,348,822	1,968,500	1,176,196	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>\$ 8,076,507</u>	<u>\$ 11,549,260</u>	<u>\$ 18,379,058</u>	<u>\$ 12,684,861</u>	<u>\$ 4,870,956</u>	<u>\$ 11,419,752</u>	<u>\$ 9,288,695</u>	

BASTROP COUNTY, TEXAS

CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2011	2010	2009
REVENUES			
Taxes	\$ 28,530,141	\$ 27,699,019	\$ 27,022,378
Intergovernmental	1,125,308	1,304,830	805,339
Licenses and permits	1,601,397	1,646,843	1,733,183
Charges for services	7,083,924	5,797,311	6,815,237
Fines and forfeitures	1,101,491	991,896	1,150,776
Investment earnings	139,216	130,970	204,810
Contributions	626,885	374,474	361,761
Other	95,207	826,696	1,347,679
Total revenues	<u>40,303,569</u>	<u>38,772,039</u>	<u>39,441,163</u>
EXPENDITURES			
Current			
General government	11,954,695	13,462,502	12,610,384
Public safety	15,407,149	16,352,898	15,551,933
Health, sanitation and welfare	1,961,355	2,336,722	2,859,611
Road and bridge	5,882,110	6,064,556	6,555,352
Culture and recreation	202,751	169,204	200,842
Conservation and development	83,767	83,295	70,403
Debt service			
Principal	2,386,812	2,092,353	2,161,406
Interest and other	1,805,665	1,569,443	1,686,300
Capital outlay	4,356,708	1,898,298	2,621,075
Total expenditures	<u>44,041,012</u>	<u>44,029,271</u>	<u>44,317,306</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,737,443)</u>	<u>(5,257,232)</u>	<u>(4,876,143)</u>

TABLE 4

Fiscal Year						
2008	2007	2006	2005	2004	2003	2002
\$ 25,580,278	\$ 24,444,896	\$ 23,227,095	\$ 21,604,957	\$ 19,662,824	\$ 18,672,762	\$ 15,432,286
1,353,972	549,051	909,277	503,734	72,389	1,747,405	663,496
1,837,051	1,676,943	1,822,244	1,790,073	1,958,602	1,585,399	1,469,872
5,465,892	3,957,987	3,501,362	3,777,356	3,065,296	2,403,657	2,373,029
1,123,981	1,173,791	1,169,314	1,080,065	49,452	1,814,100	1,489,762
741,468	1,674,759	1,165,077	547,492	449,845	540,946	242,981
441,787	313,546	420,915	505,228	537,891	440,145	505,018
812,621	1,050,655	879,209	975,606	1,692,168	1,230,825	1,194,003
<u>37,357,050</u>	<u>34,841,628</u>	<u>33,094,493</u>	<u>30,784,511</u>	<u>27,488,467</u>	<u>28,435,239</u>	<u>23,370,447</u>
10,956,894	9,105,605	9,386,118	8,569,239	6,244,840	6,121,223	6,248,788
12,573,328	10,308,861	10,354,764	9,702,882	13,521,503	10,143,794	8,891,782
2,503,665	3,042,419	2,075,121	1,987,046	1,916,647	1,950,219	1,327,658
6,014,211	6,493,044	5,356,247	5,298,075	4,154,319	3,906,271	4,216,888
1,004,688	166,937	135,603	125,489	-	-	-
5,602	-	39,888	37,912	112,735	105,910	-
1,926,878	1,838,054	2,192,722	1,545,000	2,055,084	6,503,546	2,266,576
1,656,807	1,754,966	1,508,836	1,059,278	1,137,070	-	-
3,873,672	7,018,235	5,127,603	2,118,652	4,976,632	7,431,449	2,717,513
<u>40,515,745</u>	<u>39,728,121</u>	<u>36,176,902</u>	<u>30,443,573</u>	<u>34,118,830</u>	<u>36,162,412</u>	<u>25,669,205</u>
(3,158,695)	(4,886,493)	(3,082,409)	340,938	(6,630,363)	(7,727,173)	(2,298,758)

(continued)

BASTROP COUNTY, TEXAS

**CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(Continued)
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)**

	Fiscal Year		
	2011	2010	2009
OTHER FINANCING SOURCES (USES)			
Transfer in	\$ 241,551	\$ -	\$ -
Transfer out	(241,551)	-	-
Sale of capital assets	147,670	-	-
Capital leases	-	-	-
Capital-related debt issued	-	10,810,000	3,830,000
Premium/discount on issuance of bonds	-	176,472	63,867
Insurance proceeds	-	-	-
Other resources	-	414,720	441,511
Other uses	-	-	(3,795,000)
Total other financing sources (uses)	<u>147,670</u>	<u>11,401,192</u>	<u>540,378</u>
NET CHANGE IN FUND BALANCES	<u>(3,589,773)</u>	<u>6,143,960</u>	<u>(4,335,765)</u>
FUND BALANCE-BEGINNING	19,774,448	14,008,431	18,781,743
PRIOR PERIOD ADJUSTMENT	<u>(339,825)</u>	<u>(377,943)</u>	<u>(437,546)</u>
FUND BALANCE-ENDING	<u>\$ 15,844,850</u>	<u>\$ 19,774,448</u>	<u>\$ 14,008,432</u>
DEBT SERVICES (PRINCIPAL AND INTEREST) AS PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>10.56%</u>	<u>9.52%</u>	<u>10.17%</u>

Source: Bastrop County financial records

TABLE 4

Fiscal Year						
2008	2007	2006	2005	2004	2003	2002
\$ -	\$ 20,608	\$ -	\$ -	\$ 2,663,948	\$ 3,945,818	\$ 795,849
-	(20,608)	-	-	(2,663,948)	(3,945,818)	(795,849)
105,945	24,402	348,700	-	-	-	-
189,004	-	191,002	96,167	148,076	1,010,707	9,250,000
-	-	9,500,000	9,500,000	-	9,535,300	-
-	-	79,815	-	-	-	-
-	-	57,376	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>294,949</u>	<u>24,402</u>	<u>10,176,893</u>	<u>9,596,167</u>	<u>148,076</u>	<u>10,546,007</u>	<u>9,250,000</u>
(2,863,746)	(4,862,091)	7,094,484	9,937,105	(6,482,287)	2,818,834	6,951,242
21,645,489	26,507,580	19,413,096	9,508,788	15,991,075	13,172,245	6,088,563
-	-	-	(32,797)	-	-	132,440
<u>\$ 18,781,743</u>	<u>\$ 21,645,489</u>	<u>\$ 26,507,580</u>	<u>\$ 19,413,096</u>	<u>\$ 9,508,788</u>	<u>\$ 15,991,079</u>	<u>\$ 13,172,245</u>
<u>10.84%</u>	<u>12.34%</u>	<u>13.54%</u>	<u>10.13%</u>	<u>12.30%</u>	<u>29.26%</u>	<u>10.96%</u>

THIS PAGE LEFT BLANK INTENTIONALLY

BASTROP COUNTY, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Real Property			Personal Property	Total Taxable Assessed Value ^a	Total Direct Tax Rate
	Residential Property	Commercial Property	Other Property			
2011	\$ 2,343,720,439	\$ 777,262,635	\$ 611,465,889	\$ 475,134,820	\$ 4,278,331,097	0.6192
2010	2,338,218,512	733,665,295	500,590,660	457,923,695	4,207,583,783	0.6192
2009	2,270,657,845	682,565,652	442,069,065	461,067,088	4,068,989,047	0.6192
2008	2,183,667,980	629,452,576	337,403,709	466,244,082	3,923,664,164	0.6192
2007	2,015,553,076	578,928,063	401,984,596	447,006,804	3,647,834,026	0.6283
2006	1,916,938,891	507,563,488	359,138,520	441,167,313	3,434,028,650	0.6383
2005	1,804,186,822	466,585,366	296,137,408	425,042,279	3,225,850,381	0.6334
2004	1,702,764,062	430,658,993	381,971,373	413,988,653	3,060,850,023	0.6061
2003	NA	NA	NA	NA	NA	0.6061
2002	NA	NA	NA	NA	NA	0.5850

Source: Bastrop County Appraisal District

Notes:

- a - Property is assessed at actual value; therefore, the assessed values are equal to actual value.
- b - Tax rates are per \$100 of assessed value.

NA - Not available

BASTROP COUNTY, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATE (PER \$ 100 ASSESSED VALUE)

LAST TEN FISCAL YEARS

(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
County direct rates				
General	\$ 0.4018	\$ 0.4139	\$ 0.4044	\$ 0.4076
Debt service	0.0974	0.0768	0.0883	0.0856
Road and bridge	0.1200	0.1285	0.1265	0.1260
Total direct rate	0.6192	0.6192	0.6192	0.6192
Cities				
Bastrop	0.5540	0.5540	0.5540	0.5350
Elgin	0.7776	0.7588	0.7588	0.7300
Smithville	0.4785	0.4785	0.4785	0.4635
School Districts				
Bastrop ISD	1.4810	1.4810	1.4810	1.5010
Elgin ISD	1.5400	1.4500	1.4800	1.4400
Smithville ISD	1.2500	1.2500	1.2540	1.2802
McDade ISD	1.1099	1.1022	1.1026	1.1405
Other				
Bastrop County WCID#3	0.5000	0.5000	0.5000	0.8000
Bastrop County WCID#3D	0.5000	0.5000	-	-
Bastrop County Rd. Dist #3	0.2908	0.2721	0.3207	0.3126
ESD#1	0.0900	0.0850	0.0850	0.0850
ESD #2	0.0994	0.0997	0.1000	0.1000
BTCESD#1	0.1000	0.0972	0.1000	0.1000
Colony MUD #1E	1.0000	1.0000	1.0000	1.0000
Colony MUD #1F	1.0000	1.0000	1.0000	-

Source:

Bastrop County Tax Assessor

Note:

Overlapping rates are those of other governments that apply to property owners within Bastrop County. Not all overlapping rates apply to all County property owners. For example, although the total Direct Rate for Bastrop County applies to all County property owners, a specific City's tax rate applies only to those taxpayers whose property is located within the City's geographic boundaries.

TABLE 6

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 0.4036	\$ 0.4080	\$ 0.4364	\$ 0.4037	\$ 0.4098	\$ 0.3951
0.0997	0.1073	0.0812	0.0879	0.0828	0.0790
<u>0.1250</u>	<u>0.1230</u>	<u>0.1158</u>	<u>0.1145</u>	<u>0.1135</u>	<u>0.1109</u>
0.6283	0.6383	0.6334	0.6061	0.6061	0.5850
0.5835	0.5277	0.5011	0.4282	0.4570	0.4307
0.7148	0.6866	0.6941	0.6903	0.7272	0.7041
0.4496	0.4496	0.4396	0.4296	0.4225	0.3507
1.6220	1.7280	1.7420	1.6430	1.6080	1.5267
1.6500	1.8500	1.8200	1.7300	1.5892	1.5891
1.6183	1.7850	1.7700	1.7150	1.7177	1.7787
1.4439	1.5775	1.5710	1.5600	1.5238	1.5000
0.8000	0.8000	0.7500	0.7500	0.7500	0.6670
-	-	-	-	-	-
0.3187	0.2893	0.3168	0.3391	0.6190	0.5926
0.0850	0.0850	0.0850	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

BASTROP COUNTY, TEXAS

TEN LARGEST TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

Taxpayer	2011			2002		
	Taxable Assessed Value ^a	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Bastrop Energy Partners, L.P.	\$ 128,869,662	1	30.11%	\$ 145,919,420	1	37.02%
Gentex Power Corp.	123,497,780	2	28.85%	-		- %
LCRA Transmission Services Corp	34,752,223	3	8.12%	16,180,210	4	4.10%
Bluebonnet Electric Coop, Inc.	23,902,432	4	5.58%	12,573,219	5	3.19%
Union Pacific Railroad	23,160,126	5	5.41%	10,973,781	8	2.78%
Griffin Industries, Inc.	21,251,569	6	4.97%	8,056,690	10	2.04%
Sandow Power Company L.L.C.	20,092,393	7	4.69%	-		- %
ACME Brick Co.	18,004,798	8	4.21%	8,194,360	9	2.08%
Flint Hills Resources Corpus Christi L.L.C.	17,597,250	9	4.11%	11,480,530	7	2.91%
Bastrop Retail Partners L.P.	16,892,157	10	3.95%	-		- %
Calpine Corp	-		- %	136,620,720	2	34.66%
Southwestern Bell Telephone Co.	-		- %	32,233,620	3	8.18%
Covert Buick	-		- %	11,958,740	6	3.03%
Total	\$ 428,020,390		100.00%	\$ 394,191,290		62.98%

Source: Bastrop Central Appraisal District

BASTROP COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Tax Levy as of Fiscal Year End ^a	Collected within the Fiscal Year of the Levy			Total Collections to Date	
		Amount	Percentage of Levy	Subsequent Collections	Amount	Percentage of Levy
2011	\$ 26,167,579	\$ 24,740,789	99.05%	\$ -	\$ 24,740,789	94.55%
2010	25,315,770	23,921,547	95.99%	411,783	24,333,330	96.12%
2009	24,647,848	23,038,889	96.75%	669,406	23,708,295	96.19%
2008	23,382,717	21,524,613	95.76%	698,186	22,222,799	95.04%
2007	21,878,700	20,436,935	96.67%	789,137	21,226,072	97.02%
2006	20,422,685	19,457,916	94.90%	872,650	20,330,566	99.55%
2005	19,381,706	18,176,847	93.78%	979,942	19,156,789	98.84%
2004	17,719,668	16,427,180	95.17%	1,049,786	17,476,966	98.63%
2003	16,468,305	15,349,248	94.39%	1,027,090	16,376,338	99.44%
2002	13,514,049	12,451,903	93.52%	1,003,079	13,454,982	99.56%

Source: Bastrop County Tax Assessor/Collector

Note: Tax levies consider supplemental value changes during the initial fiscal year.

BASTROP COUNTY, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Governmental Activities ^a		Total Long-term Debt	Percentage of Personal Income ^b	Per Capita ^b
	Certificates of Obligation	Capital Leases			
2011	\$ 40,815,000	\$ 291,471	\$ 41,106,471	N/A	\$ 548.71
2010	42,905,000	468,283	43,373,283	N/A	584.77
2009	33,885,000	-	33,885,000	1.70%	461.68
2008	35,915,000	-	35,915,000	1.78%	491.41
2007	37,755,000	-	37,755,000	1.96%	523.04
2006	39,400,000	-	39,400,000	2.21%	559.86
2005	31,465,000	-	31,465,000	1.87%	457.55
2004	23,740,000	910,307	24,650,307	1.55%	364.87
2003	25,125,000	1,375,235	26,500,235	1.80%	400.61
2002	20,590,000	847,351	21,437,351	1.52%	336.15

Source: Bastrop County financial records

Notes: a - Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(Does not include Bastrop County Rd. Dist #3 Unlimited Tax Road Bonds)

b - See Table 13 for personal income and population data.

BASTROP COUNTY, TEXAS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING^a

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	<u>General Bonded Debt Outstanding</u>		Less: Amounts Available for Debt Service	Net General Bonded Debt	Percentage of Actual Taxable Property Value ^b	Per Capita ^c
	<u>Certificates of Obligation</u>	<u>Total</u>				
2011	\$ 40,815,000	\$ 40,815,000	\$ 1,223,657	\$ 39,506,343	0.94%	\$ 527.35
2010	42,905,000	42,905,000	1,044,358	41,860,642	1.04%	564.38
2009	33,885,000	33,885,000	1,046,458	32,838,542	0.85%	447.42
2008	35,915,000	35,915,000	1,136,419	34,778,581	0.96%	475.86
2007	37,755,000	37,755,000	1,343,625	36,411,375	1.06%	504.42
2006	39,400,000	39,400,000	1,115,641	38,284,359	1.19%	544.01
2005	31,465,000	31,465,000	836,696	30,628,304	1.02%	445.38
2004	23,740,000	23,740,000	762,200	22,977,800	0.78%	340.11
2003	25,125,000	25,125,000	633,878	24,491,122	0.90%	370.24
2002	20,590,000	20,590,000	442,165	20,147,835	0.87%	315.93

Source: Bastrop County financial records

Notes: a - Details regarding the County's outstanding debt can be found in the notes to the financial statements.

b - See Table 5 for property value data.

c - See Table 13 for population data.

BASTROP COUNTY, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2011

(Unaudited)

Taxing Jurisdiction	Percentage Overlapping Bastrop County	Outstanding Tax Supported Gross Debt	Subtotals
County-wide			
Bastrop County	100.00%	\$ 40,275,000	
Total direct debt	100.00%		\$ 40,275,000
Cities			
Bastrop	100.00%	31,101,000	
Elgin	84.10%	15,299,000	
Smithville	100.00%	<u>8,235,000</u>	
Total Cities		54,635,000	
School District			
Bastrop ISD	100.00%	181,500,880	
Smithville ISD	97.37%	13,574,991	
Elgin ISD	73.66%	78,437,694	
McDade ISD	100.00%	1,195,000	
Lexington ISD	0.39%	<u>2,931,766</u>	
Total School Districts		277,640,331	
Other			
Bastrop County MUD #1	100.00%	1,855,000	
Bastrop County Road Dist #3	100.00%	<u>120,000</u>	
Total Other		1,975,000	
Total indirect debt	100.00%		<u>334,250,331</u>
Total direct and overlapping debt			<u>\$ 374,525,331</u>

Source: Texas Municipal Reports published by the Municipal Advisory Council of Texas
The County has not independently verified the accuracy or completeness of this information.

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the taxing entity's taxable value that is within the County's boundaries and dividing it by the taxing entity's total taxable assessed value.

BASTROP COUNTY, TEXAS

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
Assessed value of real property	\$ 3,732,448,963	\$ 3,572,474,467	\$ 3,395,292,562	\$ 3,150,524,265
Debt limit rate	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
Debt limit	<u>186,622,448</u>	<u>178,623,723</u>	<u>169,764,628</u>	<u>157,526,213</u>
Debt applicable to limit:				
Total bonded debt	40,815,000	42,905,000	33,885,000	35,915,000
Less: amount set aside for repayment	<u>1,223,657</u>	<u>1,044,358</u>	<u>1,046,458</u>	<u>1,136,419</u>
Total net debt applicable to limit	<u>39,591,343</u>	<u>41,860,642</u>	<u>32,838,542</u>	<u>34,778,581</u>
Legal debt margin	<u>\$ 147,031,105</u>	<u>\$ 136,763,081</u>	<u>\$ 136,926,086</u>	<u>\$ 122,747,632</u>
Total net debt applicable to the limit as a percentage of debt limit	21.21%	23.44%	19.34%	22.08%

Source: Bastrop County financial records

Under Legislative provision, any county, any political subdivision of a county, any number of adjoining counties, or any political subdivision of the state, or any defined district now or hereafter to be described and defined within the State of Texas, and which may or may not include towns, villages, or municipal corporations, upon a vote of two-thirds majority of the resident property taxpayers voting thereon who are qualified electors of such district or territory to be affected thereby, in addition to all other debts, any issue bonds or otherwise lend its credit in any amount not to exceed one-fourth of the assessed valuation of the real property of such district or territory, except that the total bonded indebtedness of any city or town shall never exceed the limits imposed by other provisions of this Constitution, and levy and collect taxes to pay the interest thereon and provide a sinking fund for the redemption thereof.

TABLE 12

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 2,996,465,735	\$ 2,783,640,899	\$ 2,566,909,596	\$ 2,515,394,428	\$ 2,717,093,763	\$ 2,328,086,351
<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>149,823,287</u>	<u>139,182,045</u>	<u>128,345,480</u>	<u>125,769,721</u>	<u>135,854,688</u>	<u>116,404,318</u>
37,755,000	39,400,000	31,465,000	23,740,000	25,125,000	20,590,000
<u>1,343,625</u>	<u>1,115,641</u>	<u>836,696</u>	<u>762,200</u>	<u>633,878</u>	<u>442,165</u>
<u>36,411,375</u>	<u>38,284,359</u>	<u>30,628,304</u>	<u>22,977,800</u>	<u>24,491,122</u>	<u>20,147,835</u>
<u>\$ 113,411,912</u>	<u>\$ 100,897,686</u>	<u>\$ 97,717,176</u>	<u>\$ 102,791,921</u>	<u>\$ 111,363,566</u>	<u>\$ 96,256,483</u>
24.30%	27.51%	23.86%	18.27%	18.03%	17.31%

BASTROP COUNTY, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

(Unaudited)

Calendar Year	Estimated Population ^a	County				State of Texas	United States
		Personal Income (thousands of dollars) ^a	Per Capita Personal Income ^a	School Enrollment ^b	Unemployment Rate ^c	Per Capita Personal Income ^a	Per Capita Personal Income ^a
2011	74,915	N/A	N/A	15,132	7.0%	N/A	N/A
2010	74,171	N/A	N/A	14,700	7.1%	N/A	N/A
2009	73,395	\$ 1,987,757	\$ 27,083	14,609	6.9%	\$ 38,546	\$ 39,626
2008	73,085	2,021,897	27,665	14,269	4.4%	37,774	40,208
2007	72,184	1,923,270	26,644	13,886	3.7%	37,187	38,611
2006	70,375	1,784,217	25,353	13,045	4.2%	35,058	36,629
2005	68,769	1,686,697	24,527	11,801	4.5%	33,160	34,685
2004	67,559	1,587,637	23,500	12,163	5.1%	30,887	33,072
2003	66,149	1,468,574	22,201	10,126	6.0%	29,340	31,466
2002	63,774	1,406,663	22,057	11,161	5.9%	28,793	30,795

Sources: a - Texas Workforce Commission , U. S Census Bureau , Bureau of Economic Analysis

b - Texas Education Agency

c - U. S. Department of Commerce, Bureau of Economic Analysis

Note: Certain of above data have been left blank as the information is not available to Bastrop County at this time.

BASTROP COUNTY, TEXAS

PRINCIPAL EMPLOYERS

SEPTEMBER 30, 2011

(Unaudited)

Employer	Nature of Business	2011	
		Employees	Percentage of Total County Employment ^a
Bastrop Independent School District	School district	1,230	8.89%
Hyatt Regency Lost Pines Resort	Resort hotel, spa, golf course	735	5.31%
Elgin Independent School District	School district	664	4.80%
Bastrop County	Government	483	3.49%
HEB Food Store	Grocery retail	407	2.94%
Walmart	Retail store	400	2.89%
UT Science Park	Cancer research center	386	2.79%
Bastrop FCI	Federal correctional institution	284	2.05%
Acme Brick Company	Brick	162	1.17%
Bluebonnet Electric Coop.	Utility	147	1.06%
Agilent Technologies	Biotechnology	120	0.87%
City of Bastrop	Government	115	0.83%
Elgin-Butler Brick	Brick	81	0.59%
Hanson Brick Co.	Brick	80	0.58%
City of Elgin	Government	67	0.48%
Syncro Vac, Inc.	Gas products	59	0.43%
Southside Market & BBQ	Food products and management	64	0.46%
Elgin Bank	Financial services	43	0.31%
Elgin Veterinary Hospital	Veterinary services	34	0.25%
Meyer's Sausage Company	Food products and management	25	0.18%
Elgin Cotton Oil Mill	Cottseeded products	20	0.14%
Total		<u>4,376</u>	<u>40.51%</u>

Source: Bastrop & Elgin Chamber of Commerce

Notes: Information for 2002 is not available.

a - September 30, 2011, total employment per Texas Workforce Commission

BASTROP COUNTY, TEXAS

FULLTIME EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	Fiscal Year				
	2011	2010	2009	2008	2007
General government					
Elected/appointed officials	7	7	7	7	7
Clerical	67	67	65	64	57
Building maintenance	6	7	6	5	5
Environmental	15	16	18	17	18
Judicial					
Judges/justices of the peace	5	5	5	5	5
Assistant prosecutors	8	8	8	8	6
Paraprofessionals	13	13	13	12	8
Clerical	12	12	12	12	13
Public safety					
County sheriff	1	1	1	1	1
Constables	4	4	4	4	4
Patrol/CID/CPD	76	74	69	64	59
Correction officers	96	95	95	89	63
Medical	12	13	10	10	8
Kitch/Maint	9	9	9	9	6
Clerical	31	32	32	31	29
Health and welfare					
Indigent health care	4	4	4	3	3
Roads and highways					
County commissioners	4	4	4	4	4
Road employees	47	52	53	53	58
Clerical	1	1	1	1	1
Total	<u>418</u>	<u>424</u>	<u>416</u>	<u>399</u>	<u>355</u>

Source: County Human Resources Department

TABLE 15

Fiscal Year				
<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
7	7	7	7	7
53	53	48	50	44
5	5	3	3	3
12	15	14	13	13
5	5	5	5	5
6	6	5	5	5
8	8	8	8	7
13	13	13	11	11
1	1	1	1	1
4	4	4	4	4
55	51	51	52	31
61	61	61	61	61
7	7	7	7	7
5	5	5	5	5
33	32	32	31	27
3	3	3	3	3
4	4	4	4	4
58	57	53	52	50
<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u>341</u>	<u>338</u>	<u>325</u>	<u>316</u>	<u>289</u>

BASTROP COUNTY, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	Fiscal Year			
	2011	2010	2009	2008
General government				
Treasurer's office				
Accounts payable checks issued	7,587	8,699	8,476	6,920
Payroll checks issued	12,320	12,940	11,718	10,533
Cash receipts issued	5,798	5,185	5,492	4,500
County clerk				
Marriage licenses issued	444	421	397	432
Declarations of informal marriage	53	42	38	24
Birth certificates issued	834	742	305	304
Death certificates issued	804	1506	2291	3285
Tax office				
Title transactions	13,371	12,177	12,175	14,726
Registration transactions	74,549	72,852	72,243	70,894
Elections administration				
Number of registered voters	39,002	40,208	NA	40,631
Judicial				
District court				
Civil cases filed	1384	1146	1183	943
Civil cases disposed	1501	970	934	870
Criminal cases filed	576	533	592	712
Criminal cases disposed	533	520	724	726
County court				
Civil cases filed	884	829	823	969
Civil cases disposed	849	782	800	918
Criminal cases filed	1068	1361	1696	1508
Criminal cases disposed	1292	1514	1710	1492
Juvenile cases filed	104	102	111	115
Juvenile cases disposed	122	86	123	123
Justices of the peace				
Civil cases filed	531	562	678	848
Civil cases disposed	356	343	479	587
Criminal cases filed	16029	10872	13001	9337
Criminal cases disposed	13232	9875	11216	9327

TABLE 16

Fiscal Year					
2007	2006	2005	2004	2003	2002
7,060	6,575	6,459	5,900	5,200	4,357
10,440	10,121	10,200	10,436	10,700	10,450
4,236	3,011	3,073	2,703	2,577	2,502
428	429	425	409	439	424
16	29	19	18	11	21
336	316	343	392	432	400
3130	3071	2363	1734	1586	1694
14,448	13,183	14,368	13,583	N/A	16,127
67,127	63,582	61,714	58,427	57,835	57,749
37,838	39,008	NA	38,047	38,047	34,958
906	807	854	879	892	687
690	791	625	584	935	491
743	770	846	680	690	565
748	836	637	711	657	509
1117	1166	1123	952	947	978
971	1061	941	887	906	699
1688	1840	1876	1645	1945	1532
1667	1717	1575	1767	2009	1534
124	150	150	139	175	177
135	148	142	203	172	159
621	577	533	565	558	586
524	431	393	385	404	411
11501	12302	13945	16094	15878	11297
11073	10578	11221	13186	11539	8097

(continued)

BASTROP COUNTY, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM (Continued) LAST TEN FISCAL YEARS (Unaudited)

Function/Program	Fiscal Year			
	2011	2010	2009	2008
Public safety				
County jail				
Detention officers	96	95	95	89
Total persons jailed	3,791	3,773	3,664	3,300
Average prisoner days	329	327	313	255
County sheriff				
Arrests - BCSO	1872	1867	1822	1520
Health and welfare				
Number of pauper burial/cremation	25	14	21	17
Indigent health care				
Applications approved for assistance	302	251	196	184

Source: Various County Departments

NA - Not available

TABLE 16

Fiscal Year					
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
63	61	61	61	61	61
3,056	3,151	3,219	3,217	3,588	3,139
187	199	185	180	195	190
1413	1316	1325	1356	1396	1316
21	17	12	9	1	N/A
191	174	164	122	96	110

BASTROP COUNTY, TEXAS

CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS
BY FUNCTION/PROGRAMLAST TEN FISCAL YEARS
(Unaudited)

Function/Program	Fiscal Year								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government									
Courthouse	1	1	1	1	1	1	1	1	1
Courthouse Annex	1	1	1	1	1	1	-	-	-
Touchscreen voting machines	49	49	49	49	49	49	-	-	-
Vote tabulator machine	1	1	1	1	1	1	-	-	-
Public safety									
Justice center	1	1	1	1	1	1	1	1	1
Sheriff's vehicles	89	85	80	62	52	46	56	57	66
Roads and highways									
County maintenance facilities	4	4	4	4	4	4	4	4	4
Miles of road	942	915	912	912	924	911	898	886	NA
Miles of road - paved	620	583	526	526	-	-	-	-	-
Miles of road - unpaved	322	333	386	386	-	-	-	-	-
Bridges	80	80	80	80	80	80	79	78	74

Sources:

County Auditor - Capital Asset Listing
 Sheriff's Office
 Texas Department of Transportation
 County Commissioners

COMPLIANCE SECTION

**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 Judge and Members
of Commissioners' Court
Bastrop County, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bastrop County, Texas (the "County") as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 18, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of management, Commissioners' Court, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

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

April 18, 2012