

BASTROP COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2009**

Singleton, Moore & Company, LLP
Certified Public Accountants

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**BASTROP COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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UNQUALIFIED OPINION ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED
SUPPLEMENTARY INFORMATION AND OTHER SUPPLEMENTARY INFORMATION

Independent Auditors' Report

Honorable Judge and Members
of the Commissioners Court of
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 (the "County"), as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bastrop County, Texas, as of September 30, 2009, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2010, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Budgetary Comparison Statements are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining statements and supplementary information listed in the table of contents listed are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Singleton, Moore & Company, LLP

Singleton, Moore & Company, LLP
Cedar Park, Texas

April 9, 2010

**BASTROP COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

In this section of the Annual Financial and Compliance Report, we, the managers of Bastrop County, Texas (the "County"), discuss and analyze the County's financial performance for the fiscal year ended September 30, 2009. Please read it in conjunction with the Independent Auditor's Report on page 1, and the County's financial statements, which begin on page 8.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Assets and Statement of Activities. These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short-term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The fiduciary statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the County.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure of County financial information presented in the government-wide statements or the fund financial statements.

The combining statements for non-major funds contain even more information about the County's individual funds.

Reporting the County as a Whole

The Statement of Net Assets and the Statement of Activities

The analysis of the County's overall financial condition and operations begins on page 8. The primary purpose here is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Assets includes all of the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

**BASTROP COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided by outside parties who share the costs of some programs (charges for services and grants and contributions) and revenues provided by the taxpayers or other unrestricted sources (general revenues). All the County's assets are reported whether they served the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the County's net assets and changes in them. The County's net assets provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating.

To fully assess the overall health of the County, however, you should consider non-financial factors as well, such as changes in the County's property tax base and the condition of the County's facilities.

In the Statement of Net Assets and the Statement of Activities, we report the following types of activities:

- Governmental activities – All of the County's basic services are reported here. Property and sales taxes and state and federal grants finance most of these activities.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the County as a whole. Laws and contracts required the County to establish some funds, such as grants. The County's administration establishes other funds to help it control and manage money for particular purposes. The County reports the following types of funds:

- Governmental funds – All of the County's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

**BASTROP COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

The County as Trustee

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, for money held on behalf of others. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets on page 14. We exclude these resources from the County's other financial statements because the County cannot use these assets to finance its operations. The County is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net assets and changes in net assets of the County's governmental activities.

- Net assets of the County's governmental activities decreased by \$3,987,166 from \$44,080,528 to \$40,093,362. This decrease includes a recorded prior period adjustment in the amount of \$437,546.
- Governmental activity expenditures increased by \$6,496,109.
- Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, were \$16,018,468 at September 30, 2009.

**Table A-1
Summary of Net Assets**

	Governmental Activities		
	2009	2008	Change
Assets			
Current and Other Assets	\$ 18,996,548	\$ 23,858,062	\$ (4,861,514)
Capital and Non-Current Assets	<u>59,123,776</u>	<u>58,513,181</u>	<u>610,595</u>
Total Assets	<u>78,120,324</u>	<u>82,371,243</u>	<u>(4,250,919)</u>
Liabilities			
Current Liabilities	1,392,423	1,938,869	(546,446)
Long-Term Liabilities	<u>36,634,539</u>	<u>36,351,846</u>	<u>282,693</u>
Total Liabilities	<u>38,026,962</u>	<u>38,290,715</u>	<u>(263,753)</u>
Net Assets			
Invested in Capital Assets, net of related debt	23,019,206	22,161,335	857,871
Restricted	1,055,688	4,816,180	(3,760,492)
Unrestricted	<u>16,018,468</u>	<u>17,103,013</u>	<u>(1,084,545)</u>
Total Net Assets	<u>\$ 40,093,362</u>	<u>\$ 44,080,528</u>	<u>\$ (3,987,166)</u>

**BASTROP COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**Table A-2
Summary of Changes in Net Assets**

	Governmental Activities		
	2009	2008	Change
Revenues			
Program Revenues:			
Charges for Services	\$ 8,858,607	\$ 8,366,053	\$ 492,554
Operating Grants and Contributions	528,014	593,757	(65,743)
General Revenues:			
Maintenance and Operations Taxes	20,427,757	19,303,546	1,124,211
Debt Service Taxes	3,494,691	3,138,803	355,888
Other Taxes	2,421,650	2,430,554	(8,904)
Other Grants and Contributions	639,086	1,202,002	(562,916)
Penalty and Interest	563,398	480,561	82,837
Miscellaneous Revenue	2,229,789	1,302,133	927,656
Investment Earnings	204,810	741,368	(536,558)
Total Revenues	<u>39,367,801</u>	<u>37,558,777</u>	<u>1,809,024</u>
Expenses			
General Government	14,237,179	11,588,677	2,648,502
Public Safety	17,175,363	13,665,685	3,509,678
Health and Welfare	3,217,253	2,771,797	445,456
Highways and Streets	6,494,843	5,741,714	753,129
Culture and Recreation	345,235	1,118,488	(773,253)
Bond Interest and Issuance Costs	<u>1,577,121</u>	<u>1,664,524</u>	<u>(87,403)</u>
Total Expenses	<u>43,046,994</u>	<u>36,550,885</u>	<u>6,496,109</u>
Gain on disposal of Assets	129,573	105,945	23,628
Change in Net Assets	<u>(3,549,619)</u>	<u>1,113,837</u>	<u>(2,435,782)</u>
Beginning Net Assets	44,080,528	42,966,691	1,113,837
Prior Period Adjustment	<u>(437,546)</u>	<u>-</u>	<u>(437,546)</u>
Ending Net Assets	<u>\$ 40,093,362</u>	<u>\$ 44,080,528</u>	<u>\$ 4,074,928</u>

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$14,008,431 which is \$4,773,312 less than last year's total of \$18,781,743. This decrease was primarily the result of budgeted cash on hand (fund balance) of \$1,975,000, continued expenditures on capital projects during the year, and a prior period adjustment of \$437,546.

**BASTROP COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009, the County had approximately \$59.1 million invested in a broad range of capital assets, including land, infrastructure, buildings, and machinery and equipment.

**Table A-3
Capital Assets**

	Governmental Activities	
	2009	2008
Land	\$ 4,670,349	\$ 4,670,349
Infrastructure	39,790,742	38,982,981
Buildings	31,707,006	30,125,428
Machinery and Equipment	14,833,381	13,152,022
Construction in Progress	-	837,274
Total	<u>91,001,478</u>	<u>87,768,054</u>
Less Accumulated Depreciation	<u>(31,877,702)</u>	<u>(29,254,873)</u>
Total, net of Accumulated Depr.	<u>\$59,123,776</u>	<u>\$58,513,181</u>

Long-term Debt

At year-end, the County had outstanding bonds, leases, compensated absence payable, and OPEB Obligation of approximately \$36.6 million, a net decrease of approximately \$149,000, or .4%. More detailed information about the County's long-term liabilities is presented in the notes to the financial statements.

**Table A-4
Long-Term Debt**

	Governmental Activities	
	2009	2008
Bonds Payable	\$ 34,035,000	\$ 36,095,000
Bonds Issuance Premium	121,912	67,842
Capital Leases Payable	122,598	189,004
Compensated Absences	433,429	432,225
OPEB Obligation	1,921,600	-
Total	<u>\$ 36,634,539</u>	<u>\$ 36,784,071</u>

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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.

GOVERNMENT-WIDE STATEMENTS

BASTROP COUNTY, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

EXHIBIT A-1

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 6,039,958
Investments - Current	6,868,046
Receivables (net of allowance for uncollectibles)	5,532,549
Internal Balances	114,627
Due from Others	1,749
Prepaid Items	160,525
Deferred Charges	279,094
Capital Assets:	
Land	4,670,349
Infrastructure, net	25,405,839
Buildings, net	23,323,056
Machinery and Equipment, net	5,724,532
Total Assets	78,120,324
LIABILITIES	
Accounts Payable	909,740
Intergovernmental Payable	41,967
Accrued Interest Payable	440,716
Noncurrent Liabilities	
Due Within One Year	1,889,035
Due in More Than One Year	34,745,504
Total Liabilities	38,026,962
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	23,019,206
Restricted for Other Purposes	1,055,688
Unrestricted Net Assets	16,018,468
Total Net Assets	\$ 40,093,362

The notes to the Financial Statements are an integral part of this statement.

BASTROP COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT B-1

Net (Expense)
Revenue and
Changes in Net
Assets

Primary Gov.
Governmental
Activities

Primary Government:

GOVERNMENTAL ACTIVITIES:

	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
General Government	\$ 14,237,179	\$ 4,682,346	\$ 169,537	\$ (9,385,296)
Public Safety	17,175,363	3,698,515	358,477	(13,118,371)
Health and Sanitation	3,217,253	477,746	-	(2,739,507)
Road and Bridge	6,494,843	-	-	(6,494,843)
Recreation	265,252	-	-	(265,252)
Conservation and Development	79,983	-	-	(79,983)
Bond Interest	1,553,626	-	-	(1,553,626)
Issuance Costs	23,495	-	-	(23,495)

TOTAL PRIMARY GOVERNMENT:

	\$ 43,046,994	\$ 8,858,607	\$ 528,014	(33,660,373)
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General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	20,427,757
Property Taxes, Levied for Debt Service	3,494,691
Sales Taxes	2,327,084
Selective Sales and Use Tax	94,566
Penalty and Interest	563,398
Grants and Contributions Not Restricted	639,086
Miscellaneous Revenue	2,229,789
Investment Earnings	204,810
Gain on Disposal of Assets	129,573

Total General Revenues and Transfers	30,110,754
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Change in Net Assets	(3,549,619)
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Net Assets--Beginning	44,080,527
Prior Period Adjustment	(437,546)
Net Assets--Ending	\$ 40,093,362

The notes to the Financial Statements are an integral part of this statement.

FUND BASIS STATEMENTS

BASTROP COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	General Fund	Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,416,070	\$ 1,046,449	\$ 3,577,439	\$ 6,039,958
Investments - Current	5,421,003	314	1,446,729	6,868,046
Taxes Receivable	2,519,002	469,109	661,876	3,649,987
Allowance for Uncollectible Taxes (credit)	(63,648)	(13,770)	(23,472)	(100,891)
Receivables (Net)	1,088,428	-	140,227	1,228,655
Intergovernmental Receivables	90,463	-	-	90,463
Due from Other Funds	547,684	-	18,330	566,014
Due from Others	-	-	1,749	1,749
Prepaid Items	104,821	-	55,704	160,525
Total Assets	\$ 11,123,823	\$ 1,502,102	\$ 5,878,582	\$ 18,504,506
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 889,268	\$ -	\$ -	\$ 889,268
Payroll Liabilities	7,796	-	-	7,796
381 Agreements Payable	10,516	-	-	10,516
Intergovernmental Payable	41,967	-	-	41,967
Due to Other Funds	275,646	-	175,741	451,387
Due to Others	-	-	2,160	2,160
Accrued Interest Payable	-	10,405	-	10,405
Deferred Revenues	2,012,041	445,239	625,296	3,082,576
Total Liabilities	3,237,234	455,644	803,197	4,496,075
Fund Balances:				
Reserved For:				
Capital Projects	-	-	463,248	463,248
Specific Purpose	592,440	-	-	592,440
Unreserved and Undesignated:				
Reported in the General Fund	7,294,149	1,046,458	-	8,340,607
Reported in the Special Revenue Fund	-	-	4,612,136	4,612,136
Total Fund Balances	7,886,589	1,046,458	5,075,384	14,008,431
Total Liabilities and Fund Balances	\$ 11,123,823	\$ 1,502,102	\$ 5,878,581	\$ 18,504,506

The notes to the Financial Statements are an integral part of this statement.

BASTROP COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2009

Total Fund Balances - Governmental Funds	\$	14,008,432
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$87,768,054 and the accumulated depreciation was \$29,254,873. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net assets.		22,229,177
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2009 capital outlays and debt principal payments is to increase (decrease) net assets.		3,699,973
The 2009 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(3,160,819)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net assets.		3,316,599
Net Assets of Governmental Activities	<u>\$</u>	<u>40,093,362</u>

The notes to the Financial Statements are an integral part of this statement.

BASTROP COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General Fund	Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
Taxes:				
Property Taxes	\$ 15,762,978	\$ 3,430,274	\$ 4,895,420	\$ 24,088,672
Less: Obligations Under 381 Prop. Tax Agreements	(39,431)	-	(11,911)	(51,342)
General Sales and Use Taxes	2,365,259	-	-	2,365,259
Less: Obligations Under 381 Sales Tax Agreements	(38,175)	-	-	(38,175)
Selective Sales and Use Tax	94,566	-	-	94,566
Penalty and Interest on Taxes	369,299	82,114	111,985	563,398
Licenses and Permits	523,478	-	1,209,705	1,733,183
Intergovernmental Revenue and Grants	696,491	-	108,848	805,339
Charges for Services	5,468,346	-	1,346,891	6,815,237
Fines	1,110,130	-	39,533	1,149,663
Forfeits	-	-	1,113	1,113
Investment Earnings	109,292	27,176	68,342	204,810
Contributions & Donations from Private Sources	361,761	-	-	361,761
Other Revenue	735,877	-	611,801	1,347,678
Total Revenues	<u>27,519,871</u>	<u>3,539,564</u>	<u>8,381,727</u>	<u>39,441,163</u>
EXPENDITURES:				
Current:				
General Government	12,508,932	-	101,452	12,610,384
Public Safety	14,314,245	-	1,237,688	15,551,933
Health, Sanitation and Welfare	2,859,611	-	-	2,859,611
Road and Bridge	-	-	6,555,352	6,555,352
Culture and Recreation:				
Recreation	163,292	-	37,550	200,842
Conservation and Development	70,403	-	-	70,403
Debt Service:				
Bond Principal	-	2,065,000	96,406	2,161,406
Bond Interest	-	1,566,852	22,908	1,589,760
Issuance Costs	-	96,540	-	96,540
Capital Outlay:				
Capital Outlay	-	-	2,621,075	2,621,075
Total Expenditures	<u>29,916,483</u>	<u>3,728,392</u>	<u>10,672,431</u>	<u>44,317,306</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,396,612)</u>	<u>(188,828)</u>	<u>(2,290,704)</u>	<u>(4,876,143)</u>
OTHER FINANCING SOURCES (USES):				
Capital-related Debt Issued (Regular Bonds)	-	3,830,000	-	3,830,000
Premium or Discount on Issuance of Bonds	-	63,867	-	63,867
Other Resources	15,511	-	426,000	441,511
Other (Uses)	-	(3,795,000)	-	(3,795,000)
Total Other Financing Sources (Uses)	<u>15,511</u>	<u>98,867</u>	<u>426,000</u>	<u>540,378</u>
Net Change in Fund Balances	(2,381,101)	(89,961)	(1,864,704)	(4,335,765)
Fund Balance - October 1 (Beginning)	10,705,236	1,136,419	6,940,088	18,781,743
Prior Period Adjustment	(437,546)	-	-	(437,546)
Fund Balance - September 30 (Ending)	<u>\$ 7,886,589</u>	<u>\$ 1,046,458</u>	<u>\$ 5,075,384</u>	<u>\$ 14,008,432</u>

The notes to the Financial Statements are an integral part of this statement.

BASTROP COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

Total Net Change in Fund Balances - Governmental Funds	\$	(4,335,765)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2009 capital outlays and debt principal payments is to increase (decrease) net assets.		3,993,990
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.		(3,160,819)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net assets.		(47,024)
Change in Net Assets of Governmental Activities	\$	(3,549,619)

The notes to the Financial Statements are an integral part of this statement.

BASTROP COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2009

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 2,768,823
Investments - Current	368,362
Total Assets	<u>\$ 3,137,185</u>
LIABILITIES	
Accounts Payable	\$ 21,713
Intergovernmental Payable	870,286
Due to Other Funds	114,626
Due to Others	2,058,209
Other Current Liabilities	72,351
Total Liabilities	<u>\$ 3,137,185</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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.

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

Based on the foregoing criteria, the following entity has been included in this report.

Bastrop County Road District No. 3 – 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 in a special revenue fund of Bastrop County.

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. Business-type activities include operations that rely to a significant extent on fees and charges for support. The County has no business-type activities.

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. If a revenue is not a program revenue, it is a general revenue used to support all of the County’s functions. Taxes are always general revenues.

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

Interfund activities between governmental funds and proprietary funds appear as due to/from on the governmental fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/from on the Government-Wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for two fund categories — governmental, and fiduciary. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column.

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

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

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

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues from local sources consist primarily of property taxes. Property tax revenues are recognized under the “susceptible to accrual” concept, that is, when they are both measurable and available. The County considers them “available” if they will be collected within 60 days of the end of the fiscal year.

Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

The County applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements.

D. FUND ACCOUNTING

The County reports the following major governmental funds:

General Fund

The General Fund is the County's primary operating fund. It accounts for all financial resources 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.

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 fund.

Additionally, the County reports the following fund types:

Non-Major Governmental Funds:

Special Revenue Funds

The County accounts for resources restricted to, or designated for, specific purposes by the County or a grantor in a special revenue fund. Most Federal and State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Capital Projects Funds

The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Fiduciary Funds:

Agency Funds

The County accounts for resources held for others in a custodial capacity in agency funds.

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

E. OTHER ACCOUNTING POLICIES

1. Revenue from investments, including governmental external investment pools, is based upon fair values. 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 ninety days. Investments consist of certificates of deposits (over 90 days) and funds invested in a State-managed investment pool and are stated at fair value.

2. 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.

3. 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.

Buildings, and machinery and equipment of the County are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	40
Buildings and Improvements	39
Machinery and Equipment	3-30

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

4. 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 all of their accrued sick leave. 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.

Sick Leave Accrual Table	
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		
Years of Service	Hours Per Month	Maximum Accrual
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		
Years of Service	Hours Per Month	Maximum Accrual
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

5. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.
6. When the County incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

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.

At September 30, 2009, the carrying amount of the County’s deposits (cash, interest-bearing savings accounts, and certificates of deposit included in temporary investments) was \$9,177,144 and the bank balance was \$10,388,012.

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, (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, (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, 2009 were as follows:

	Book Value		Bank Value
TexPool	\$ 4,481,349	\$	4,481,349
Texas Term	1,251,981		1,251,981
MBIA (Class)	1,134,717		1,134,717
Total Investments	\$ 6,868,047	\$	6,868,047

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.

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

TexPool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Texas Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In Addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is comprised equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool. TexPool uses amortized cost to report net assets and share prices since that amount approximates fair value. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Padgett Stratemann & Co., LLP, 515 Congress Avenue, Suite 1212, Austin, Texas 78701 performs the annual audit. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

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 AAf and AAAM, respectively by Standard and Poor's and are overseen by the TexasTERM and Advisory Board. The TexasTERM Local Government Investment Pool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Ernst & Young, LLP, Two Commerce Square, 2001 Market Street, Philadelphia, PA 19103 performs the annual audit. The 2009 annual report is available for review.

MBIA Municipal Investors Service Corp. (MBIA-MISC), an affiliate of the MBIA Insurance Corp. is registered with the SEC. The District participates in the Cooperative Liquid Assets Securities System (CLASS) external investment pools (the Pool) for state and local governments, which conform to the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Custodial services are provided by Wells Fargo Bank, Texas. The Pool is subject to an annual review by an independent auditor consistent with the Public Funds Investment Act. Price Waterhouse Coopers, Denver, Colorado, performs the annual audit. The annual report is available at <http://texasclass.com>.

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, 2009 were 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 District 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.

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

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, 2009, TexPool's investment credit quality rating was AAAM (Standard & Poor's) and LOGIC's investment credit quality rating was AAAM (Standard & Poor's).

B. PROPERTY TAXES

Taxes are levied on October 1 and become delinquent on February 1. Property taxes attach as liens on property, as of January 1

The assessed value for the tax roll as of January 1, 2008, upon which the FY 2008/2009 levy was based was \$3,856,359,650. The County also levies a Farm-to-Market and Lateral Road Tax (FMLR) and a tax upon property within Bastrop County Road District No. 3. The assessed value for the FMLR tax at January 1, 2008, was \$3,804,159,683. The assessed value for the Bastrop County Road District No. 3 was \$13,369,639. The total tax levies on October 1, 2008, were \$19,000,284 (allocated \$15,595,118 to the General Fund and \$3,405,165 to the Debt Service Fund), \$4,812,262 for FMLR taxes, and \$42,709 for Bastrop County Road District No. 3 taxes, respectively.

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.

C. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at September 30, 2009, were as follows:

	Receivables (Net)	Property and Sales Taxes	Due From Other Governments	Due From Other Funds	Due From Others	Total Receivables
Governmental Activities:						
General Fund	\$ 1,088,428	\$ 2,456,731	\$ 90,463	\$ 547,684	\$ -	\$ 4,183,306
Debt Service	-	455,339	-	-	-	455,339
Non-Major Governmental Funds	140,227	638,797	-	18,330	1,749	799,103
Total – Governmental Activities	\$ 1,228,655	\$ 3,550,867	\$ 90,463	\$ 566,014	\$ 1,749	\$ 5,437,748
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

Payables at September 30, 2009, were as follows:

	Accounts Payable	Wages Payable	Intergovernmental Payable	Due to Other Funds	Due to Others	Accrued Interest Payable	Total
Governmental Activities:							
General Fund	\$ 899,784	\$ 7,796	\$ 41,967	\$ 275,646	\$ -	\$ -	\$ 1,225,193
Debt Service	-	-	-	-	-	10,405	10,405
Non-Major Governmental Funds	-	-	-	175,741	2,160	-	177,901
Total – Governmental Activities	\$ 899,784	\$ 7,796	\$ 41,967	\$ 451,387	\$ 2,160	\$ 10,405	\$ 1,413,499
Amounts not scheduled for payment during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

D. INTERFUND BALANCES AND ACTIVITY

	<u>Due From</u>	<u>Due To</u>
General Fund		
Payroll Clearing Fund	\$ 225,709	\$ -
Non-Major Governmental Funds	300,626	63,282
Total General Fund	<u>526,335</u>	<u>63,282</u>
Payroll Clearing Fund		
General Fund	21,350	204,698
Non-Major Governmental Funds	-	8,849
Agency Funds	-	566
Total Payroll Clearing Fund	<u>21,350</u>	<u>214,113</u>
Non-Major Gov. Funds		
General Fund	18,329	173,993
Non-Major Governmental Funds	-	-
Total Non-Major Gov. Funds	<u>18,329</u>	<u>173,993</u>
Agency Funds		
General Fund	-	3,582
Non-Major Governmental Funds	-	111,044
Total Agency Funds	<u>-</u>	<u>114,626</u>
Totals	<u>\$ 566,014</u>	<u>\$ 566,014</u>

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

E. CAPITAL ASSET ACTIVITY

Capital asset activity for the County for the year ended September 30, 2009 was as follows:

	Balance October 1, 2008	Additions	Retirements	Balance September 30, 2009
Governmental Activities:				
Non-depreciable Assets				
Land	\$ 4,670,349	\$ -	\$ -	\$ 4,670,349
Construction in Progress	837,274	35,564	(872,838)	-
Total Non-depreciable Assets	<u>5,507,623</u>	<u>35,564</u>	<u>(872,838)</u>	<u>4,670,349</u>
Depreciable Assets:				
Infrastructure	38,982,981	807,761	-	39,790,742
Buildings	30,125,428	1,581,578	-	31,707,006
Machinery and Equipment	13,152,022	2,531,287	(849,928)	14,833,381
Total Depreciable Assets	<u>82,260,431</u>	<u>4,920,626</u>	<u>(849,928)</u>	<u>86,331,129</u>
Totals at Historic Cost	<u>87,768,054</u>	<u>4,956,190</u>	<u>(1,722,766)</u>	<u>91,001,478</u>
Less Accumulated Depreciation:				
Infrastructure	(13,442,792)	(942,111)	-	(14,384,903)
Buildings and Improvements	(7,652,622)	(731,328)	-	(8,383,950)
Machinery and Equipment	(8,159,459)	(1,487,380)	(537,990)	(9,108,849)
Total Accumulated Depreciation	<u>(29,254,873)</u>	<u>(3,160,819)</u>	<u>(537,990)</u>	<u>(31,877,702)</u>
Capital Assets, Net	<u>\$ 58,513,181</u>	<u>\$ 1,795,371</u>	<u>\$ (2,260,756)</u>	<u>\$ 59,123,776</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 1,053,123
Road & Bridge	547,453
Public Safety	1,298,778
Culture & Recreation	16,772
Health & Welfare	238,813
Conservation	5,880
	<u>\$ 3,160,819</u>

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

F. BONDS AND CAPITAL LEASES PAYABLE

Current requirements for indebtedness of the County are accounted for in the Debt Service Fund.

The following is a summary of long-term debt as of September 30, 2009:

<u>Issue Description</u>	<u>Original Balance</u>	<u>Interest Rate Range %</u>	<u>Maturity Dates</u>	<u>Outstanding Balance</u>
Bonds				
1987 Unlimited Tax Road Bonds	\$ 400,000	9.00-10.00%	1987-2024	\$ 150,000
2002A Certificates of Obligation	7,270,000	4.25-5.00%	2002-2023	6,555,000
2002B Certificates of Obligation	1,525,000	4.25-5.50%	2002-2016	1,345,000
2003 Combination Tax & Revenue Certificates of Obligation	5,800,000	3.00-4.00%	2003-2023	5,020,000
2003 Limited Tax Refunding Bonds	3,680,000	3.50%	2008-2025	170,000
2005 Combination Tax & Revenue Certificates of Obligation	9,500,000	4.00-4.5%	2008-2025	8,775,000
2006 Combination Tax & Revenue Certificates of Obligation	9,500,000	4.00-4.75%	2007-2024	8,190,000
2009 Limited Tax Refunding Bonds	3,830,000	2.00-4.00%	2010-2019	3,830,000
Total Bonds Payable				<u><u>\$ 34,035,000</u></u>

Debt service requirements for the bonds are as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2010	\$ 1,820,000	\$ 1,301,338	\$ 3,121,338
2011	1,885,000	1,232,308	3,117,308
2012	2,170,000	1,164,350	3,334,350
2013	2,460,000	1,085,623	3,545,623
2014	2,550,000	996,408	3,546,408
2015-2019	11,240,000	3,815,948	15,055,948
2020-2024	10,185,000	1,706,676	11,891,676
2025	1,725,000	98,500	1,823,500
	<u>\$ 34,035,000</u>	<u>\$ 11,401,151</u>	<u>\$ 45,436,151</u>

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

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

Governmental Activities			
Year Ended	Total		
September 30,	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2010	69,035	3,780	72,815
2011	<u>53,563</u>	<u>1,048</u>	<u>54,611</u>
Totals	<u>\$ 122,598</u>	<u>\$ 4,828</u>	<u>\$ 127,426</u>

A summary of changes in long-term debt for the year ended September 30, 2009 is as follows:

	Beginning Balance 10/1/2008	Additions	Retirements	Ending Balance 9/30/2009	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 36,095,000	\$ 3,830,000	\$ 5,890,000	\$ 34,035,000	\$ 1,820,000
Capital Leases Payable	189,004	-	66,406	122,598	69,035
Total Bonds, Notes and Leases Payable	36,284,004	3,830,000	5,956,406	34,157,598	1,889,035
Issuance Premium on 2006					
Certificates of Obligation	67,842		3,991	63,851	
Issuance Premium on 2009	-	63,867	5,806	58,061	
Limited Tax Refunding Bonds					
Compensated Absences	432,224	1,205	-	433,429	
OPEB Obligation	-	1,921,600	-	1,921,600	
Totals	\$ 36,784,070	\$ 3,895,072	\$ 5,966,203	\$ 36,634,539	\$ 1,889,035

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

G. EMPLOYEE RETIREMENT SYSTEMS

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 586 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 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 (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.

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 9.23% for the months of the accounting year in 2008 and 9.07% for the months of the accounting year in 2009.

The contribution rate payable by the employee members for the calendar year 2009 is the rate of 7.0% as adopted by the Commissioners' Court. This rate is not actuarially determined and is one of the rates that can be adopted in accordance with the TCDRS Act. However, the plan of benefits adopted by the employer at the time of plan inception or when benefit increases were adopted was limited by statute to what the actuary determined could be adequately financed by the commitment of the employer to contribute the same amount as the employees. The statute specified that the actuary's determination be based on a maximum period for amortizing the unfunded pension benefit obligation of 20 years.

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

Annual Pension Cost

For the County's accounting year ending September 30, 2009, the annual pension cost for the TCDRS plan for its employees was \$1,417,161 and the actual contributions were \$1,417,161. The County's total payroll for the fiscal year ending September 30, 2009 was \$15,847,886, and the County's contributions were based on a covered payroll of \$15,554,737. Employer and employee contributions for the year were made as required and are detailed below. Employee contributions may include the purchase of credits for military or legislative service or the buyback of previously forfeited service credit. There were not related-party transactions.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2006, and December 31, 2007, the basis for determining the contribution rate for calendar years 2008 and 2009. The December 31, 2008 actuarial valuation is the most recent valuation.

Actuarial Information

Actuarial Valuation Date	12/31/2006	12/31/07	12/31/08
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 in Years	15	15	20
Asset Valuation Method	SAF: 10-yr. smoothed val. ESF: Fund value	SAF: 10-yr. smoothed val. ESF: Fund value	SAF: 10-yr. smoothed val. ESF: Fund value
Assumptions:			
Investment Return	8.00%	8.00%	8.00%
Projected Salary Increases	5.30%	5.30%	5.30%
Inflation	3.50%	3.50%	3.50%
Cost of Living Adjustments	0.00%	0.00%	0.00%

Trend Information

For the Retirement Plan for the Employees of Bastrop County, Texas

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2007	\$ 1,075,959	100%	\$ -
9/20/2008	1,457,635	100%	-
9/30/2009	1,417,161	100%	-

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

H. OTHER POST EMPLOYMENT BENEFITS

Plan Description

In addition to the retirement system described in Note G stated above, the County also sponsors a retiree health care plan (the "Plan"). The Plan provides other post employment benefits (OPEB) for eligible employees through a single-employer defined benefit plan. The information provided is the result of the most recent actuarial valuation with a measurement date of December 31, 2008.

Plan Participants

Permanent Part-Time (20 hrs/wk) and Full-Time employees of the County are eligible to participate in the benefits programs after 90 days/3 months of service. Retirees with at least 8 years of service at Bastrop County are also included, as described below.

Insurance Benefits:

- *Group Health* – County pays 100% of employee or retiree premium and 0% of dependent premiums. Plan includes prescription drug coverage. The plan is a Blue Cross, Blue Shield PPO plan.
- *Dental* – County pays 100% of employee premium and 0% of retiree and dependent premiums. The plan allows a choice between a PPO option and a 'choose your own provider' option.
- *Vision* – 100% paid by employee; retirees are not eligible for vision care benefit.
- *Life* – County provides \$10,000 coverage for employees. Employees may purchase additional insurance for themselves and dependents. Retirees have the option of purchasing coverage of \$4,000 (for retiree only, no dependents).

There are no separate "classes" of employees or retirees (Union, Law Enforcement etc.)

Retirement Eligibility

Eligibility for retirement through the Texas District & County Retirement System (TCDRS) is as follows:

- At age 60 with 8 years of service
- At any age with 30 years of service
- Rule of 75

There is no option for continuation of benefits (other than COBRA) for employees who leave the County under any circumstance other than retirement through TCDRS.

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

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 2009. While retirees have statutory authority to purchase continuing healthcare on the County employee healthcare 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. As of September 30, 2009, there were 45 retirees; however based on the County's Substantive Plan only 39 retirees qualified for the fiscal year 2009 plan.

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 parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008 as required by GASB. The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current and the preceding two years is as follows:

	September 30,		
	2007	2008	2009
Annual required contribution	n/a	n/a	\$ 2,190,684
Interest on OPEB obligation	n/a	n/a	-
Adjustment to ARC	n/a	n/a	-
Annual OPEB cost (expense)end of year	n/a	n/a	2,190,684
Net estimated employer contributions	n/a	n/a	(269,095)
Increase in net OPEB obligation	n/a	n/a	1,921,589
Net OPEB obligation - as of beginning of year	n/a	n/a	-
Net OPEB obligation (asset) - as of end of year	n/a	n/a	\$ 1,921,589
Percentage contributed:	n/a	n/a	12.28%

Note: Bastrop County implemented GASB No. 45 reporting standards for the 2009 fiscal year.

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

Funding Status and Funding Progress

The funding status of the County's retiree health care plan, under GASB Statement No. 45 as of December 31, 2008 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL UAAL (b-a)	Funded Ratio (a/b)
12/31/2008	\$ -	\$ 14,907,155	\$ 14,907,155	0%

Under the reporting parameters, the County's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$14,907,155 at December 31, 2008.

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 for financial reporting purposes are based on the County's Substantive Plan as defined by Chapter 2264 and include the types of benefits that the Commissioner's Court has approved for the fiscal year. Bastrop County's Substantive Plan is the plan approved by the Commissioner's Court according to the laws and Constitution of the State of Texas. 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:

Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of payroll
Growth Rate	3.0% per annum

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.

BASTROP COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

I. 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 received significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of management, such disallowed claims, if any, will not have a material effect on any financial statements of the individual fund types included herein or on the overall financial position of the County as of September 30, 2009.

J. 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.

K. PRIOR PERIOD ADJUSTMENT

General Fund – Accounts Payable

In previous fiscal years the Bastrop County general ledger was reconciled to the Accounts Payable Open Item Report. However, during FY2009, this accounts payable report was determined to contain set up errors that caused it to be inaccurate. To correct these issues as of 10/1/08, a prior period adjustment to the net assets of the General fund has been recorded as follows:

	<u>General Fund</u>
Net Assets Previously Stated 9/30/08	\$ 10,705,236
Prior Period Adjustment to adjust General Fund Accounts Payable to the corrected Open Item Report Detail	<u>(437,546)</u>
Net Assets as Restated at 9/30/08	<u><u>\$ 10,267,690</u></u>

BASTROP COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM TREND DATA
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREMENT PLAN
FOR THE EMPLOYEES OF THE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL UAAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll c	UAAL as a Percentage of covered Payroll ((b-a)/c)
12/31/2006	28,207,470	30,432,760	2,225,290	92.69%	13,034,513	17.07%
12/31/2007	30,789,277	32,743,895	1,954,619	94.03%	13,771,337	14.19%
12/31/2008	31,524,483	36,400,770	4,876,287	86.60%	16,389,600	29.75%

BASTROP COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT G-2

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 15,715,000	\$ 15,675,000	\$ 15,762,978	\$ 87,978
Less: Obligations Under 381 Prop. Tax Agreements	-	-	(39,431)	(39,431)
General Sales and Use Taxes	2,700,000	2,700,000	2,365,259	(334,741)
Less: Obligations Under 381 Sales Tax Agreements	-	-	(38,175)	(38,175)
Selective Sales and Use Tax	80,000	80,000	94,566	14,566
Penalty and Interest on Taxes	400,000	400,000	369,299	(30,701)
Licenses and Permits	591,130	629,500	523,478	(106,022)
Intergovernmental Revenue and Grants	1,728,922	1,875,582	696,491	(1,179,091)
Charges for Services	5,400,180	5,577,650	5,468,346	(109,304)
Fines	1,143,000	1,041,500	1,110,130	68,630
Forfeits	10,000	10,000	-	(10,000)
Investment Earnings	350,000	350,000	109,292	(240,708)
Contributions & Donations from Private Sources	256,100	236,100	361,761	125,661
Other Revenue	860,000	1,124,340	735,877	(388,463)
Total Revenues	<u>29,234,332</u>	<u>29,699,672</u>	<u>27,519,871</u>	<u>(2,179,801)</u>
EXPENDITURES:				
Current:				
General Government	13,508,446	14,011,988	12,508,932	1,503,056
Public Safety	14,024,395	14,479,395	14,314,245	165,150
Health, Sanitation and Welfare	2,766,597	2,944,897	2,859,611	85,286
Culture and Recreation:				
Recreation	175,254	165,254	163,292	1,962
Conservation and Development	84,640	73,140	70,403	2,737
Total Expenditures	<u>30,559,332</u>	<u>31,674,674</u>	<u>29,916,483</u>	<u>1,758,191</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,325,000)</u>	<u>(1,975,002)</u>	<u>(2,396,612)</u>	<u>(421,610)</u>
OTHER FINANCING SOURCES (USES):				
Other Resources	-	-	15,511	15,511
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>15,511</u>	<u>15,511</u>
Net Change in Fund Balances	(1,325,000)	(1,975,002)	(2,381,101)	(406,099)
Fund Balance - October 1 (Beginning)	10,705,236	10,705,236	10,705,236	-
Prior Period Adjustment	-	-	(437,546)	(437,546)
Fund Balance - September 30 (Ending)	<u>\$ 9,380,236</u>	<u>\$ 8,730,234</u>	<u>\$ 7,886,589</u>	<u>\$ (843,645)</u>

BASTROP COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SINKING AND INTEREST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT G-3

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Taxes:				
Property Taxes	\$ 3,491,156	\$ 3,491,156	\$ 3,430,274	\$ (60,882)
Less: Obligations Under 381 Prop. Tax	3,491,156	3,491,156	3,430,274	(60,882)
Penalty and Interest on Taxes	88,000	88,000	82,114	(5,886)
Investment Earnings	50,000	50,000	27,176	(22,824)
Total Revenues	<u>7,120,312</u>	<u>7,120,312</u>	<u>6,969,838</u>	<u>(150,474)</u>
EXPENDITURES:				
Current:				
Debt Service:				
Bond Principal	2,073,000	2,073,000	2,065,000	8,000
Bond Interest	1,556,156	1,556,156	1,566,852	(10,696)
Issuance Costs	-	-	96,540	(96,540)
Total Expenditures	<u>3,629,156</u>	<u>3,629,156</u>	<u>3,728,392</u>	<u>(99,236)</u>
Excess of Revenues Over Expenditures	<u>3,491,156</u>	<u>3,491,156</u>	<u>3,241,446</u>	<u>(249,710)</u>
OTHER FINANCING SOURCES (USES):				
Capital-related Debt Issued (Regular Bonds)	-	-	3,830,000	3,830,000
Premium or Discount on Issuance of Bonds	-	-	63,867	63,867
Other (Uses)	-	-	(3,795,000)	(3,795,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>98,867</u>	<u>98,867</u>
Change in Fund Balance	3,491,156	3,491,156	3,340,313	(150,843)
Fund Balance - October 1 (Beginning)	<u>1,343,625</u>	<u>1,136,419</u>	<u>1,136,419</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 4,834,781</u>	<u>\$ 4,627,575</u>	<u>\$ 4,476,732</u>	<u>\$ (150,843)</u>

The accompanying notes are an integral part of this statement.

BASTROP COUNTY, TEXAS BUDGETARY DATA NOTES

A. GENERAL BUDGET POLICIES

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.

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 department level. Amendments to the 2009 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.

B. ENCUMBRANCES

As part of formal budgetary control over governmental funds, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budget basis in order to reserve that portion of the applicable appropriation. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balance for subsequent year expenditures for the governmental funds.

C. BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts and disbursements.

**BASTROP COUNTY, TEXAS
BUDGETARY DATA NOTES**

The major differences between the budget basis and the GAAP basis are:

- Revenues are recorded when received (budget) as opposed to when susceptible to accrual (GAAP).
- Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when susceptible to accrual (GAAP).
- Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to reservation of fund balance (GAAP).
- As budgetary/GAAP basis differences were immaterial; the Budgetary Comparison Schedule – General Fund is presented on the GAAP basis.

COMBINING SCHEDULES

BASTROP COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2009

	221 Road & Bridge Pct. 1	222 Road & Bridge Pct. 2	223 Road & Bridge Pct. 3	224 Road & Bridge Pct. 4
ASSETS				
Cash and Cash Equivalents	\$ 216,638	\$ 226,928	\$ 353,437	\$ 1,055,782
Investments - Current	230,448	63,752	230,074	577,799
Taxes Receivable	121,462	210,961	172,604	134,248
Allowance for Uncollectible Taxes (credit)	(3,644)	(6,329)	(5,178)	(4,027)
Receivables (Net)	23,398	22,484	22,711	22,453
Due from Other Funds	-	-	4,266	-
Due from Others	-	-	-	-
Prepaid Items	18,204	-	-	-
Total Assets	<u>\$ 606,506</u>	<u>\$ 517,796</u>	<u>\$ 777,914</u>	<u>\$ 1,786,255</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to Other Funds	\$ 12,877	\$ 39,940	\$ -	\$ 1,789
Due to Others	-	-	-	-
Deferred Revenues	116,084	199,962	163,725	127,219
Total Liabilities	<u>128,961</u>	<u>239,902</u>	<u>163,725</u>	<u>129,008</u>
Fund Balances:				
Reserved For:				
Capital Projects	-	-	-	-
Unreserved and Undesignated:				
Reported in the Special Revenue Fund	477,545	277,894	614,189	1,657,247
Total Fund Balances	<u>477,545</u>	<u>277,894</u>	<u>614,189</u>	<u>1,657,247</u>
Total Liabilities and Fund Balances	<u>\$ 606,506</u>	<u>\$ 517,796</u>	<u>\$ 777,914</u>	<u>\$ 1,786,255</u>

The notes to the Financial Statements are an integral part of this statement.

225 Special Paving & Bridge Fund	250 Parks and Community Development	335 Mediation Services Fund	350 DA Hot Check Fund	351 DA Special Account	450 Road District #3 Fund	475 Houston Toad Fund	480 Boot Camp Fund
\$ 2,416	\$ 273,884	\$ 53,523	\$ 146,100	\$ 4,477	\$ 20,770	\$ 118,898	\$ 107,714
-	-	-	-	-	-	-	-
-	-	-	-	-	22,601	-	-
-	-	-	-	-	(4,294)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	14,064
-	-	-	1,749	-	-	-	-
-	-	-	-	-	37,500	-	-
<u>\$ 2,416</u>	<u>\$ 273,884</u>	<u>\$ 53,523</u>	<u>\$ 147,849</u>	<u>\$ 4,477</u>	<u>\$ 76,577</u>	<u>\$ 118,898</u>	<u>\$ 121,778</u>
\$ -	\$ 39,749	\$ -	\$ 1,749	\$ 11,483	\$ 38,822	\$ 1,350	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	18,307	-	-
-	39,749	-	1,749	11,483	57,129	1,350	-
-	-	-	-	-	-	-	-
2,416	234,135	53,523	146,100	(7,006)	19,448	117,548	121,778
2,416	234,135	53,523	146,100	(7,006)	19,448	117,548	121,778
<u>\$ 2,416</u>	<u>\$ 273,884</u>	<u>\$ 53,523</u>	<u>\$ 147,849</u>	<u>\$ 4,477</u>	<u>\$ 76,577</u>	<u>\$ 118,898</u>	<u>\$ 121,778</u>

BASTROP COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2009

	500 Law Library Fund	550 Criminal Justice Planning	606 DA Law Enforcement Fund	609 Sheriff's Inmate Telephone
ASSETS				
Cash and Cash Equivalents	\$ 116,005	\$ 207,500	\$ 160,451	\$ 252,721
Investments - Current	-	-	-	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables (Net)	-	49,181	-	-
Due from Other Funds	-	-	-	-
Due from Others	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>\$ 116,005</u>	<u>\$ 256,681</u>	<u>\$ 160,451</u>	<u>\$ 252,721</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to Other Funds	\$ 1,435	\$ 516	\$ 21	\$ 15,408
Due to Others	-	-	-	-
Deferred Revenues	-	-	-	-
Total Liabilities	<u>1,435</u>	<u>516</u>	<u>21</u>	<u>15,408</u>
Fund Balances:				
Reserved For:				
Capital Projects	-	-	-	-
Unreserved and Undesignated:				
Reported in the Special Revenue Fund	<u>114,570</u>	<u>256,165</u>	<u>160,430</u>	<u>237,313</u>
Total Fund Balances	<u>114,570</u>	<u>256,165</u>	<u>160,430</u>	<u>237,313</u>
Total Liabilities and Fund Balances	<u>\$ 116,005</u>	<u>\$ 256,681</u>	<u>\$ 160,451</u>	<u>\$ 252,721</u>

The notes to the Financial Statements are an integral part of this statement.

629 Elections Admin. Fund	Total Nonmajor Special Revenue Funds	305 Certificates of Obligation 2002B	306 Tax Notes 2002	308 Certificates of Obligation 2005	309 Certificates of Obligation 2006	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 128,841	\$ 3,446,085	\$ 328	\$ 23	\$ -	\$ 131,003	\$ 131,354	\$ 3,577,439
-	1,102,073	-	-	-	344,656	344,656	1,446,729
-	661,876	-	-	-	-	-	661,876
-	(23,472)	-	-	-	-	-	(23,472)
-	140,227	-	-	-	-	-	140,227
-	18,330	-	-	-	-	-	18,330
-	1,749	-	-	-	-	-	1,749
-	55,704	-	-	-	-	-	55,704
<u>\$ 128,841</u>	<u>\$ 5,402,572</u>	<u>\$ 328</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 475,659</u>	<u>\$ 476,010</u>	<u>\$ 5,878,582</u>
\$ -	\$ 165,139	\$ -	\$ -	\$ -	\$ 10,602	\$ 10,602	\$ 175,741
-	-	-	-	-	2,160	2,160	2,160
-	625,296	-	-	-	-	-	625,296
-	790,435	-	-	-	12,762	12,762	803,197
-	-	328	23	-	462,897	463,248	463,248
128,841	4,612,136	-	-	-	-	-	4,612,136
128,841	4,612,136	328	23	-	462,897	463,248	5,075,384
<u>\$ 128,841</u>	<u>\$ 5,402,571</u>	<u>\$ 328</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 475,659</u>	<u>\$ 476,010</u>	<u>\$ 5,878,581</u>

BASTROP COUNTY, TEXAS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

	221 Road & Bridge Pct. 1	222 Road & Bridge Pct. 2	223 Road & Bridge Pct. 3	224 Road & Bridge Pct. 4
REVENUES:				
Taxes:				
Property Taxes	\$ 927,474	\$ 1,614,929	\$ 1,278,374	\$ 1,027,141
Less: Obligations Under 381 Prop. Tax	(2,280)	(3,966)	(3,142)	(2,523)
Penalty and Interest on Taxes	21,277	36,955	30,236	23,517
Licenses and Permits	300,615	299,905	296,895	299,905
Intergovernmental Revenue and Grants	27,212	27,212	27,212	27,212
Charges for Services	-	-	-	-
Fines	-	-	-	-
Forfeits	-	-	-	-
Investment Earnings	6,459	5,238	8,501	17,318
Other Revenue	42,436	18,790	21,677	35,907
Total Revenues	<u>1,323,193</u>	<u>1,999,063</u>	<u>1,659,753</u>	<u>1,428,477</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Road and Bridge	1,309,036	1,950,789	1,554,172	1,740,797
Culture and Recreation:				
Recreation	-	-	-	-
Debt Service:				
Bond Principal	66,406	-	-	-
Bond Interest	6,408	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,381,850</u>	<u>1,950,789</u>	<u>1,554,172</u>	<u>1,740,797</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(58,657)</u>	<u>48,274</u>	<u>105,581</u>	<u>(312,320)</u>
OTHER FINANCING SOURCES (USES):				
Other Resources	-	19,500	-	406,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>19,500</u>	<u>-</u>	<u>406,500</u>
Net Change in Fund Balance	(58,657)	67,774	105,581	94,180
Fund Balance - October 1 (Beginning)	<u>536,202</u>	<u>210,120</u>	<u>508,608</u>	<u>1,563,067</u>
Fund Balance - September 30 (Ending)	<u>\$ 477,545</u>	<u>\$ 277,894</u>	<u>\$ 614,189</u>	<u>\$ 1,657,247</u>

The notes to the Financial Statements are an integral part of this statement.

225 Special Paving & Bridge Fund	250 Parks and Community Development	335 Mediation Services Fund	350 DA Hot Check Fund	351 DA Special Account	450 Road District #3 Fund	475 Houston Toad Fund	480 Boot Camp Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,502	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	13,738	26,892	22,967	-	-	197,877
-	-	-	-	-	-	-	-
-	-	501	280	-	374	1,208	762
-	-	-	-	-	-	8,821	-
-	-	14,239	27,172	22,967	47,876	10,029	198,639
-	-	6,309	12,942	41,963	-	-	-
-	-	-	-	-	-	-	187,948
-	-	-	-	-	558	-	-
-	37,550	-	-	-	-	-	-
-	-	-	-	-	30,000	-	-
-	-	-	-	-	16,500	-	-
-	-	-	-	-	-	-	-
-	37,550	6,309	12,942	41,963	47,058	-	187,948
-	(37,550)	7,930	14,230	(18,996)	818	10,029	10,691
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(37,550)	7,930	14,230	(18,996)	818	10,029	10,691
2,416	271,685	45,593	131,870	11,990	18,630	107,519	111,087
\$ 2,416	\$ 234,135	\$ 53,523	\$ 146,100	\$ (7,006)	\$ 19,448	\$ 117,548	\$ 121,778

BASTROP COUNTY, TEXAS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

	500 Law Library Fund	550 Criminal Justice Planning	606 DA Law Enforcement Fund	609 Sheriff's Inmate Telephone
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Less: Obligations Under 381 Prop. Tax	-	-	-	-
Penalty and Interest on Taxes	-	-	-	-
Licenses and Permits	-	12,385	-	-
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	828,925	-	234,054
Fines	-	39,533	-	-
Forfeits	-	-	1,113	-
Investment Earnings	1,239	1,873	1,676	1,840
Other Revenue	38,682	67,988	-	-
Total Revenues	<u>39,921</u>	<u>950,704</u>	<u>2,789</u>	<u>235,894</u>
EXPENDITURES:				
Current:				
General Government	40,238	-	-	-
Public Safety	-	958,340	32	91,368
Road and Bridge	-	-	-	-
Culture and Recreation:				
Recreation	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>40,238</u>	<u>958,340</u>	<u>32</u>	<u>91,368</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(317)</u>	<u>(7,636)</u>	<u>2,757</u>	<u>144,526</u>
OTHER FINANCING SOURCES (USES):				
Other Resources	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(317)	(7,636)	2,757	144,526
Fund Balance - October 1 (Beginning)	<u>114,887</u>	<u>263,801</u>	<u>157,673</u>	<u>92,787</u>
Fund Balance - September 30 (Ending)	<u>\$ 114,570</u>	<u>\$ 256,165</u>	<u>\$ 160,430</u>	<u>\$ 237,313</u>

The notes to the Financial Statements are an integral part of this statement.

629 Elections Admin. Fund	Total Nonmajor Special Revenue Funds	305 Certificates of Obligation 2002B	306 Tax Notes 2002	308 Certificates of Obligation 2005	309 Certificates of Obligation 2006	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ 4,895,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,895,420
-	(11,911)	-	-	-	-	-	(11,911)
-	111,985	-	-	-	-	-	111,985
-	1,209,705	-	-	-	-	-	1,209,705
-	108,848	-	-	-	-	-	108,848
22,438	1,346,891	-	-	-	-	-	1,346,891
-	39,533	-	-	-	-	-	39,533
-	1,113	-	-	-	-	-	1,113
1,134	48,403	4	-	17	19,918	19,939	68,342
-	234,301	-	-	-	377,500	377,500	611,801
<u>23,572</u>	<u>7,984,288</u>	<u>4</u>	<u>-</u>	<u>17</u>	<u>397,418</u>	<u>397,439</u>	<u>8,381,727</u>
-	101,452	-	-	-	-	-	101,452
-	1,237,688	-	-	-	-	-	1,237,688
-	6,555,352	-	-	-	-	-	6,555,352
-	37,550	-	-	-	-	-	37,550
-	96,406	-	-	-	-	-	96,406
-	22,908	-	-	-	-	-	22,908
-	-	-	-	4,922	2,616,153	2,621,075	2,621,075
-	8,051,356	-	-	4,922	2,616,153	2,621,075	10,672,431
<u>23,572</u>	<u>(67,068)</u>	<u>4</u>	<u>-</u>	<u>(4,905)</u>	<u>(2,218,735)</u>	<u>(2,223,636)</u>	<u>(2,290,704)</u>
-	426,000	-	-	-	-	-	426,000
-	426,000	-	-	-	-	-	426,000
23,572	358,932	4	-	(4,905)	(2,218,735)	(2,223,636)	(1,864,704)
<u>105,269</u>	<u>4,253,204</u>	<u>324</u>	<u>23</u>	<u>4,905</u>	<u>2,681,632</u>	<u>2,686,884</u>	<u>6,940,088</u>
<u>\$ 128,841</u>	<u>\$ 4,612,136</u>	<u>\$ 328</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 462,897</u>	<u>\$ 463,248</u>	<u>\$ 5,075,384</u>

SUPPLEMENTARY INFORMATION

BASTROP COUNTY, TEXAS
SCHEDULE OF GOVERNMENTAL REVENUES BY SOURCE - GENERAL FUND
LAST FIVE FISCAL YEARS
(Unaudited)

Fiscal Year	Taxes	Charges/Fees for Services	Inter- Governmental	Fines & Forfeits	Interest	Miscellaneous	Totals
2005	\$ 15,449,380	\$ 3,384,140	\$ 442,722	\$ 1,036,401	\$ 232,466	\$ 901,772	\$ 21,446,881
2006	15,679,245	2,630,985	800,039	1,087,579	477,070	1,328,076	22,002,994
2007	16,578,181	3,496,666	439,667	1,114,177	769,601	1,144,836	23,543,128
2008	17,680,546	4,799,446	752,364	1,032,407	366,325	920,255	25,551,343
2009	18,514,496	5,991,824	696,491	1,110,130	109,292	1,097,638	27,519,871

BASTROP COUNTY, TEXAS
SCHEDULE OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST FIVE FISCAL YEARS
(Unaudited)

Fiscal Year	Principal	Interest	Debt Service	Total General Expenditures	Ratio of Total Debt Service to General Expenditures
2005	\$ 1,525,000	\$ 1,033,278	\$ 2,558,278	\$ 19,356,485	13.22%
2006	1,815,000	1,482,193	3,297,193	20,656,427	15.96%
2007	1,670,000	1,724,046	3,394,046	21,575,421	15.73%
2008	1,865,000	1,655,018	3,520,018	25,048,281	14.05%
2009	2,095,000	1,580,684	3,675,684	29,916,483	12.29%

BASTROP COUNTY, TEXAS
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
LAST FIVE FISCAL YEARS
(Unaudited)

Fiscal Year	Assessed Value	Bonded Debt	Less: Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value
2005	\$ 2,991,951,875	\$ 31,465,000	\$ 836,696	\$ 30,628,304	1.02%
2006	3,224,808,212	39,630,000	1,115,641	38,514,359	1.19%
2007	3,443,472,539	37,755,000	1,343,625	36,411,375	1.06%
2008	3,616,768,347	35,915,000	1,136,419	34,778,581	0.96%
2009	3,856,359,650	33,885,000	1,046,458	32,838,542	0.85%

Note: Debt financed and paid for in the Bastrop County Road District No. 3 Special Revenue Fund is not included in the above figures.

**BASTROP COUNTY, TEXAS
VALUATION, EXEMPTIONS AND
DEBT OBLIGATIONS
SEPTEMBER 30, 2009
(Unaudited)**

2008 Taxable Assessed Valuation (100% of estimated market value)	<u><u>\$ 3,856,359,650</u></u>
County Funded Debt Payable from Ad Valorem Taxes (as of 9/30/09):	
Certificates of Obligation - 2002A	6,555,000
Certificates of Obligation - 2002B	1,345,000
Certificates of Obligation - 2003	5,020,000
Limited Tax Refunding Bonds - 2003	170,000
Certificates of Obligation - 2005	8,775,000
Certificates of Obligation - 2006	8,190,000
Limited Tax Refunding Bonds - 2009	3,830,000
Funded Debt Payable from Ad Valorem Taxes	<u><u>\$ 33,885,000</u></u>
Interest and Sinking Fund (as of 9/30/09)	<u><u>\$ 1,046,458</u></u>
Ratio of Funded Debt to Taxable Assessed Valuation	<u><u>0.88%</u></u>

Note: Debt financed and paid for in the Bastrop County Road District No.3 Special Revenue Fund is not included in the above figures.

**BASTROP COUNTY, TEXAS
VALUATION AND FUNDED
DEBT HISTORY
SEPTEMBER 30, 2009
(Unaudited)**

2009 Estimated Population - 74,876
Per Capita Assessed Valuation - \$50,100
Per Capita Funded Debt - \$481
Land Area - 890 Square Miles

Fiscal Year Ended 9/30	Taxable Assessed Valuation	* Funded Debt Outstanding at End of Year	Ratio Funded Debt to Taxable Assessed Valuation
1990	\$ 989,006,882	\$ 8,540,000	0.86%
1991	932,958,441	8,330,000	0.89%
1992	951,792,471	8,050,000	0.85%
1993	914,983,108	9,255,000	1.01%
1994	922,867,695	8,785,000	0.95%
1995	1,012,333,193	8,335,000	0.82%
1996	1,071,100,804	7,850,000	0.73%
1997	1,290,007,525	7,750,000	0.60%
1998	1,439,225,538	7,140,000	0.50%
1999	1,530,344,447	14,650,000	0.96%
2000	1,692,712,600	13,700,000	0.81%
2001	1,934,033,379	12,245,000	0.63%
2002	2,328,086,351	20,590,000	0.88%
2003	2,717,093,763	25,125,000	0.92%
2004	2,929,383,081	23,740,000	0.81%
2005	2,991,951,875	31,465,000	1.05%
2006	3,224,808,212	39,400,000	1.22%
2007	3,443,472,539	37,755,000	1.10%
2008	3,616,768,347	35,915,000	0.99%
2009	3,856,359,650	33,885,000	0.88%

*Does not include Bastrop County Road District #3 Unlimited Tax Road Bonds in the amount of \$150,000.

**BASTROP COUNTY, TEXAS
TAX RATE, LEVY AND
COLLECTION HISTORY
SEPTEMBER 30, 2009
(Unaudited)**

Fiscal Year Ended 9/30	Tax Rate	Road and Bridge	General Fund	Interest and Sinking Fund	Tax Levy (1)	% Current Collections	% Total Collections
1990	0.4340	0.1182	0.2364	0.0794	\$ 3,123,284	89.71%	99.21%
1991	0.5186	0.1370	0.2746	0.1070	3,560,169	87.99%	99.40%
1992	0.5186	0.1376	0.2936	0.0874	3,626,329	90.39%	98.05%
1993	0.5367	0.1434	0.3060	0.0873	3,598,629	91.20%	99.85%
1994	0.5817	0.1370	0.3574	0.0873	4,103,993	90.85%	96.99%
1995	0.5809	0.1481	0.3508	0.0820	4,381,378	92.86%	98.93%
1996	0.6042	0.1414	0.3750	0.0878	4,957,055	95.33%	101.20%
1997	0.5734	0.1259	0.3783	0.0692	5,772,784	92.84%	98.71%
1998	0.5900	0.1200	0.4102	0.0698	6,764,360	93.55%	99.00%
1999	0.5817	0.1150	0.4161	0.0506	7,121,344	93.08%	105.71%
2000	0.6441	0.1216	0.4161	0.1064	8,865,303	94.48%	100.00%
2001	0.5990	0.1110	0.4018	0.0862	11,317,388	94.21%	100.00%
2002	0.5850	0.1109	0.3951	0.0790	13,314,049	94.15%	100.00%
2003	0.6061	0.1135	0.4098	0.0828	16,261,624	93.79%	100.91%
2004	0.6061	0.1145	0.4037	0.0879	17,261,513	92.98%	96.79%
2005	0.6334	0.1158	0.4364	0.0812	15,869,982	93.73%	98.98%
2006	0.6383	0.1230	0.4080	0.1073	20,502,571	95.16%	99.91%
2007	0.6283	0.1250	0.4036	0.0997	21,140,762	96.85%	101.65%
2008	0.6192	0.1260	0.4076	0.0856	22,478,414	96.05%	100.52%
2009	0.6219	0.1260	0.4076	0.0883	23,812,546	96.74%	100.91%

(1) Does not include the Bastrop County Road District No. 3 Levy

**BASTROP COUNTY, TEXAS
NINE LARGEST TAXPAYERS
SEPTEMBER 30, 2009**

Name of Taxpayer	Nature of Property	2009 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Gentex Power Corp.	Electric Utility	\$ 117,387,950	3.24%
Bastrop Energy Partners, LP	Electric Utility	85,487,457	2.36%
LCRA Transmission Services Corp.	Electric Transmission	29,094,920	0.80%
Acme Brick Co.	Brick Manufacturer	26,848,109	0.74%
Flint Hills Resources	Commercial	22,655,860	0.63%
Bluebonnet Electric Coop., Inc.	Electric Utility	20,039,033	0.55%
Hanson Brick	Brick Manufacturer	17,859,150	0.49%
AT&T Mobility	Telephone Utility	39,332,920	1.09%
Union Pacific	Railroad	16,400,768	0.45%
		\$ 375,106,167	10.35%

BASTROP COUNTY, TEXAS
ESTIMATED DIRECT AND OVERLAPPING DEBT STATEMENT
SEPTEMBER 30, 2009
(Unaudited)

Other taxing units that have boundaries which overlap the County have outstanding debt paid from ad valorem taxes levied on property within the County. These taxing units are independent of the County and may incur borrowing to finance their expenditures. The following statement of direct and estimated overlapping ad valorem bonds was developed from information contained in the "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the County, the County has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional bonds since the dates stated below, and such entities may have programs requiring the future issuance of substantial amounts of additional bonds, the amounts of which cannot be determined. The following table reflects the estimated share of overlapping funded debt of these various taxing bodies.

Political Subdivision	Outstanding		Estimated % Overlapping	Amount Overlapping
	Tax Supported Gross Debt	As of		
Bastrop County Road District #3	\$ 150,000	9/30/09	100.00%	\$ 150,000
Bastrop County MUD #1	1,960,000	9/30/09	100.00%	1,960,000
Bastrop, City of	18,540,049	9/30/09	100.00%	18,540,049
Elgin, City of	12,562,266	9/30/09	83.11%	10,440,499
Bastrop ISD	143,592,892	9/30/09	100.00%	143,592,892
McDade ISD	1,235,000	9/30/09	100.00%	1,235,000
Elgin ISD	79,614,754	9/30/09	73.51%	58,524,806
Lexington ISD	2,954,133	9/30/09	0.38%	11,226
Smithville, City of	3,520,493	9/30/09	100.00%	3,520,493
Smithville ISD	13,860,092	9/30/09	98.76%	13,688,227
				251,663,192
Bastrop County	33,885,000	9/30/09	100.00%	33,885,000
Total Direct and Overlapping Debt				\$ 285,548,192
Ratio of Direct and Overlapping Funded Debt to 2009 Taxable Assessed Valuation				7.40%
Per Capita Overlapping Funded Debt				\$ 3,996

BASTROP COUNTY, TEXAS
GENERAL FUND COMPARATIVE STATEMENT OF
REVENUES AND EXPENDITURES
SEPTEMBER 30, 2009
(UNAUDITED)

	Fiscal Year Ended September 30,				
	2009	2008	2007	2006	2005
Total Fund Balance at Beginning of Year	\$ 10,705,236	\$ 10,096,229	\$ 7,644,711	\$ 6,289,491	\$ 4,637,839
<u>Revenues</u>					
Taxes	18,514,496	17,680,546	16,578,181	15,679,245	15,449,380
Intergovernmental	696,491	752,364	439,667	800,039	442,722
Charges for Services	5,991,824	4,799,446	3,496,666	2,630,985	3,384,140
Fines and Forfeits	1,110,130	1,032,407	1,114,177	1,087,579	1,034,604
Miscellaneous	1,206,930	1,392,525	1,914,437	1,805,146	1,136,035
Total Revenues	<u>27,519,871</u>	<u>25,657,288</u>	<u>23,543,128</u>	<u>22,002,994</u>	<u>21,446,881</u>
<u>Expenditures</u>					
General Government	12,508,932	10,848,221	9,031,383	9,311,162	8,490,087
Public Safety	14,314,245	11,547,336	9,354,474	9,131,541	8,753,861
Conservation	70,403.00	-	-	-	-
Health and Welfare	2,859,611	2,503,665	3,042,419	2,075,121	1,987,048
Culture and Recreation	163,292	149,061	147,145	-	-
Miscellaneous	-	-	-	135,603	125,489
Total Expenditures	<u>29,916,483</u>	<u>25,048,281</u>	<u>21,575,421</u>	<u>20,653,427</u>	<u>19,356,485</u>
Excess (Deficit) Revenues Over Expenditures	<u>(2,396,612)</u>	<u>609,007</u>	<u>1,967,707</u>	<u>1,349,567</u>	<u>2,090,396</u>
Other Resources	15,511	-	-	-	-
Prior Period Adjustments	<u>(437,546)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue and Fund Balance at End of Year	<u>\$ 7,886,589</u>	<u>\$ 10,705,236</u>	<u>\$ 9,612,418</u>	<u>\$ 7,639,058</u>	<u>\$ 6,728,235</u>

Fiscal Year Ended September 30,

	2004	2003	2002	2001	2000
Total Undesignated Fund Balance at Beginning of Year	\$ 4,571,319	\$ 3,783,314	\$ 3,670,261	\$ 3,214,415	\$ 2,201,995
<u>Revenues</u>					
Taxes	13,723,745	13,127,786	10,912,798	9,290,054	8,526,248
Intergovernmental	476,593	1,070,055	894,075	904,227	584,564
Charges for Services	2,455,060	2,606,534	2,343,059	3,101,860	3,253,308
Fines and Forfeits	1,010,952	1,779,440	1,489,762	689,381	582,676
Miscellaneous	974,236	368,943	153,194	759,177	1,201,733
Total Revenues	<u>18,640,586</u>	<u>18,952,758</u>	<u>15,792,888</u>	<u>14,744,699</u>	<u>14,148,529</u>
<u>Expenditures</u>					
General Government	6,123,990	6,688,420	5,830,863	6,999,771	5,203,428
Public Safety	10,066,846	9,411,425	8,351,299	6,158,491	6,495,433
Conservation	110,235	105,910	-	-	151,616
Health and Welfare	1,916,647	1,592,153	1,199,731	994,560	1,023,853
Culture and Recreation	-	-	-	-	-
Miscellaneous	430,583	350,171	402,359	199,822	261,779
Total Expenditures	<u>18,648,301</u>	<u>18,148,079</u>	<u>15,784,252</u>	<u>14,352,644</u>	<u>13,136,109</u>
Excess (Deficit) Revenues Over Expenditures	<u>(7,715)</u>	<u>804,679</u>	<u>8,636</u>	<u>392,055</u>	<u>1,012,420</u>
Interfund Transfers	74,228	(16,666)	169,610	63,791	-
Prior Period Adjustments	-	-	(97,397)	-	-
Total Revenue and Fund Balance at End of Year	<u>\$ 4,637,832</u>	<u>\$ 4,571,327</u>	<u>\$ 3,751,110</u>	<u>\$ 3,670,261</u>	<u>\$ 3,214,415</u>

OTHER INFORMATION REQUIRED BY GAO



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

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

We have audited the financial statements of Bastrop County , Texas (the "County") as of and for the year ended September 30, 2009, and have issued our report thereon dated April 9, 2010. 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purposed described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 Bastrop County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 test disclosed certain instances of noncompliance that are required to be reported under *Government Auditing Standards* and which have been reported in a separate letter dated April 9, 2010.

This report is intended for the information and use of the Commissioners' Court, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Singleton, Moore & Company, LLP

Singleton, Moore & Company, LLP
Cedar Park, Texas

April 9, 2010