City of Bryan, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2013

CITY OF BRYAN

CITY OF BRYAN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2013

Prepared by

Fiscal Services Department
Joe Hegwood, Chief Financial Officer

CITY OF BRYAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2013

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CITY OF BRYAN

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CITY OF BRYAN, TEXAS

March 26, 2014

Honorable Mayor, Members of the City Council,
City Manager, and Citizens of the
City of Bryan, Texas

We are pleased to submit the Comprehensive Annual Financial Report for the City of Bryan (the "City") for the fiscal year ended September 30, 2013. The purpose of this report is to provide the Council, management, staff, the public, and other interested parties with detailed information reflecting the City's financial condition. The Texas Local Government Code (§103.001) requires an annual audit of municipalities. The City has complied with this requirement and the auditors' report is included.

The City's independent auditor, Weaver and Tidwell, L.L.P., has issued an unqualified opinion on the City of Bryan's financial statement for the year ended September 30, 2013. An unqualified opinion represents the highest level of audit assurance issuable for financial statements. The independent auditors' report is located at the front of the financial section of this report.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, which is based upon a comprehensive framework of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Bryan, incorporated in 1871, is located in east central Texas approximately 100 miles northwest of Houston and approximately 90 miles east of Austin in an area referred to as the Brazos Valley. Bryan serves as the county seat for Brazos County. The City and the City of College Station to the south, which share common borders, are home to the Texas A&M University System. The City encompasses approximately 43.7 square miles and has an estimated population of 78,061.

The City is a home rule city operating under the council-manager form of government. Policy making and legislative authority are vested in the City Council, which is comprised of the mayor and six other members. Five of the council members are elected by district. The mayor and one council member are elected at-large. The city manager is appointed by the City Council and is responsible for the daily management of the City.

The City Council enacts the budget through passage of an appropriation ordinance prior to the start of each fiscal year. The budget serves as the foundation for the City's financial planning and control. Annual budgets are prepared for all governmental funds including the general fund, debt service fund, and special revenue funds.

CITY OF BRYAN, TEXAS

The City provides the full range of municipal services contemplated by statute or charter. These services include police, fire and emergency medical services, parks and recreational facilities and programs, library services, street maintenance and construction, public improvements, general administrative services, electrical, water, sewer and solid waste systems. Internal services of the City accounted for on a cost reimbursement basis are general warehouse operations, risk management services, and employee health and disability insurance programs. The City also is financially accountable for Bryan Commerce and Development, Inc. (BCD), a local government corporation and the economic development arm of the City of Bryan.

FACTORS AFFECTING FINANCIAL CONDITION

Bryan continued on its rebound from the economic downturn of several years ago, faring better than many local governments in the nation. Bryan and neighboring College Station are the economic center of the region comprised of Brazos County and the surrounding seven counties. Texas A&M University, with a student enrollment of more than 50,000 and over 20,000 full and part-time employees, ranks among the nation's largest individual campuses and dominates the Bryan-College Station area. Additionally, Blinn College, a two year academic institution, has a campus in Bryan with a student enrollment of over 12,000. While not immune from factors that affect the state and national economies, the area is somewhat insulated due to the concentration of stable or growing employment sectors: government, higher education and health care. Seven of the top ten employers in the area fall into these classifications.

Historically, the Bryan-College Station area's unemployment rate has been among the lowest in the state and that trend continues. As of September 2013 the unemployment rate for the Bryan-College Station area was 4.9% compared to 6.2% state-wide.

MAJOR INITIATIVES

In April 2013, the City, as a partner with Brazos County in the Bryan and Brazos County Economic Development Foundation signed a development agreement with Axis Pipe & Tube bringing to the Texas Triangle Park a steel pipe and tubular products manufacturing facility with a value of $120 million. When completed in late 2014, the facility will employ at least 285 full time employees and will be the largest manufacturing operation in the Brazos County. Texas Triangle Park is a master-planned, rail served industrial park located in the extra territorial jurisdiction (ETJ) outside of Bryan. The addition of Axis Pipe and Tube to Texas Triangle Park is expected to be a catalyst for future growth and significant economic benefit to the region.

The City continued to focus on the development of infrastructure for the Research Valley BioCorridor with the award of two construction contracts in 2013: one to build a regional lift station and expansion of the gravity sewer system and a second to extend HSC Parkway to Hwy 47. Both projects made significant progress during construction in 2013 and should be completed in early 2014. Another project with significance is the construction of an overpass at the intersection of Hwy 47 and HSC Parkway. This overpass was completed in 2013 and will help with traffic mobility for the region.

The Research Valley BioCorridor had its beginning in 2011 when the Cities of Bryan and College Station adopted an inter-local agreement (ILA) for its creation. The purpose of the BioCorridor is to attract bio-related industries that develop life-changing medical technologies, build tax base, and attract high-paying jobs and investment to the Cities. The ILA outlines a number of ways the Cities will work together to create and manage an environment conducive for development and growth of the BioCorridor. The agreement applies to four tracts of land totaling approximately 196 acres owned by Bryan Commerce and Development,

of which approximately 147 acres are located in College Station.

Some highlights of the agreement include:

- Joint construction and cost-sharing of HSC Parkway, the major roadway within the BioCorridor
- Creation of joint development standards
- Ad valorem revenue sharing on real and personal properties
- Sewer service to be provided by Bryan; Water service to be provided by College Station
- A swap of exclusive sewer service territories that enables each city to more effectively provide service due to terrain and proximity to existing sewer systems

In June 2012, Texas A&M received a contract to develop one of three U.S. Department of Health and Human Services National Centers for Innovation in Advanced Development and Manufacturing. Under the Centers for Innovation in Advanced Development and Manufacturing contract, Texas A&M University System will be responsible for developing and procuring medical countermeasures that address the public health and medical consequences of chemical, biological, radiological and nuclear incidents, pandemic influenza and emerging infectious diseases. The $285.6 million contract includes an initial investment of $176.6 million from the U.S. government with the remainder cost-shared by commercial and academic proposal partners. The build-out of the Research Valley BioCorridor is expected to provide a major economic boost to Bryan and College Station as well as Brazos County and the region for many years to come.

In the spring of 2013, the Thompson Creek Wastewater Treatment Plant was completed at a cost of approximately $17,000,000. This new plant site replaces the City's aging Turkey Creek Wastewater Treatment Plant. The site also is the location of a new electric sub-station owned by the City's electric utility. The wastewater plant construction contract was approved by the City Council in 2011 and construction began June 2011.

During 2013, Bryan Texas Utilities (BTU), the City's electric utility, continued the construction of major transmission substations and high voltage lines in the south and western portions of Brazos County. This series of projects totaling over $42,000,000 is intended to increase energy reliability to customers and aid in future growth of the area. The first phase of construction was completed in the fall of 2013 with the final phases to be completed in 2015.

LONG-TERM FINANCIAL PLANNING

The City has developed and City Council has approved a five-year Capital Improvement Program (CIP). This five year CIP is a plan for both long-term and short-term capital needs. Debt payments are structured so that capital assets funded by debt have a longer life than the debt associated with those assets. The City employs an objective, analytical approach to determine whether new debt can be assumed each year.

Currently, the City has adopted a conservative stance towards the issuance of debt while the economy recovers. As such, the City deferred the issuance of general obligation debt related to new general fund construction in 2012 and 2013. The City did issue $27.7 million in general obligation refunding bonds in July 2013, which enabled the retirement of higher interest debt at a savings of over $2.4 million. Necessary capital projects are funded through available cash, previously unspent bond funds and, when possible, using sources such as the City's Street Improvements Fund. Future debt issues and operational expenses related to improvements will be funded with growth in revenues generated by increases in property valuations and improved efficiencies within City operations. The electric, water, and wastewater systems will continue their

CITY OF BRYAN, TEXAS

RELEVANT FINANCIAL POLICIES

The City's fund balance/operating reserves policies continue to be an important factor in planning decisions. The City has specific reserves policies for its major funds based on fund risks. The policies state that the City will maintain an unassigned fund balance equal to 60 days of operating budget for the general fund and most other funds and up to 90 days of reserves in the City electric fund to be used for unanticipated emergencies. The funds available through these policies will assist the City in avoiding cash flow interruptions, generate investment income, reduce the need for short term borrowing, and assist in maintaining an investment-grade debt rating.

The City of Bryan invests funds prudently and has adopted an investment policy, which is reviewed annually by the City Council as prescribed by law. The City Council has appointed an Investment Committee charged with monitoring staff adherence to the investment policy and providing investment advice. Staff provides a quarterly report of investments for Investment Committee review. The City's investment practice is to buy securities and hold to maturity to avoid potential losses from a sale. During Fiscal Year 2013, the City complied with all aspects of the investment policy.

AWARDS AND ACKNOWLEDGMENTS

In 2014, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for last years' Comprehensive Annual Financial Report (CAFR). To be awarded a Certificate of Achievement a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. City staff believes the current CAFR continues to meet the Certificate of Achievement requirements and it will be submitted to the GFOA to determine eligibility for another certificate. The City also received awards for its annual budget document and investment policy during the last year. In March 2013, the City was awarded the Distinguished Budget Presentation Award from the GFOA and in September 2013, the City was awarded the Government Treasurers Organization of Texas' Certificate of Distinction for its investment policy.

The preparation of this report is made possible by the dedicated services of the entire staff of the Fiscal Services Department and our independent auditors. We express sincere appreciation to all employees who contributed to its preparation. We also appreciate the leadership and support of the Mayor and City Council without which this report would not be possible.

Respectfully submitted,

Kean Register
City Manager

Joe Hegwood
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bryan

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

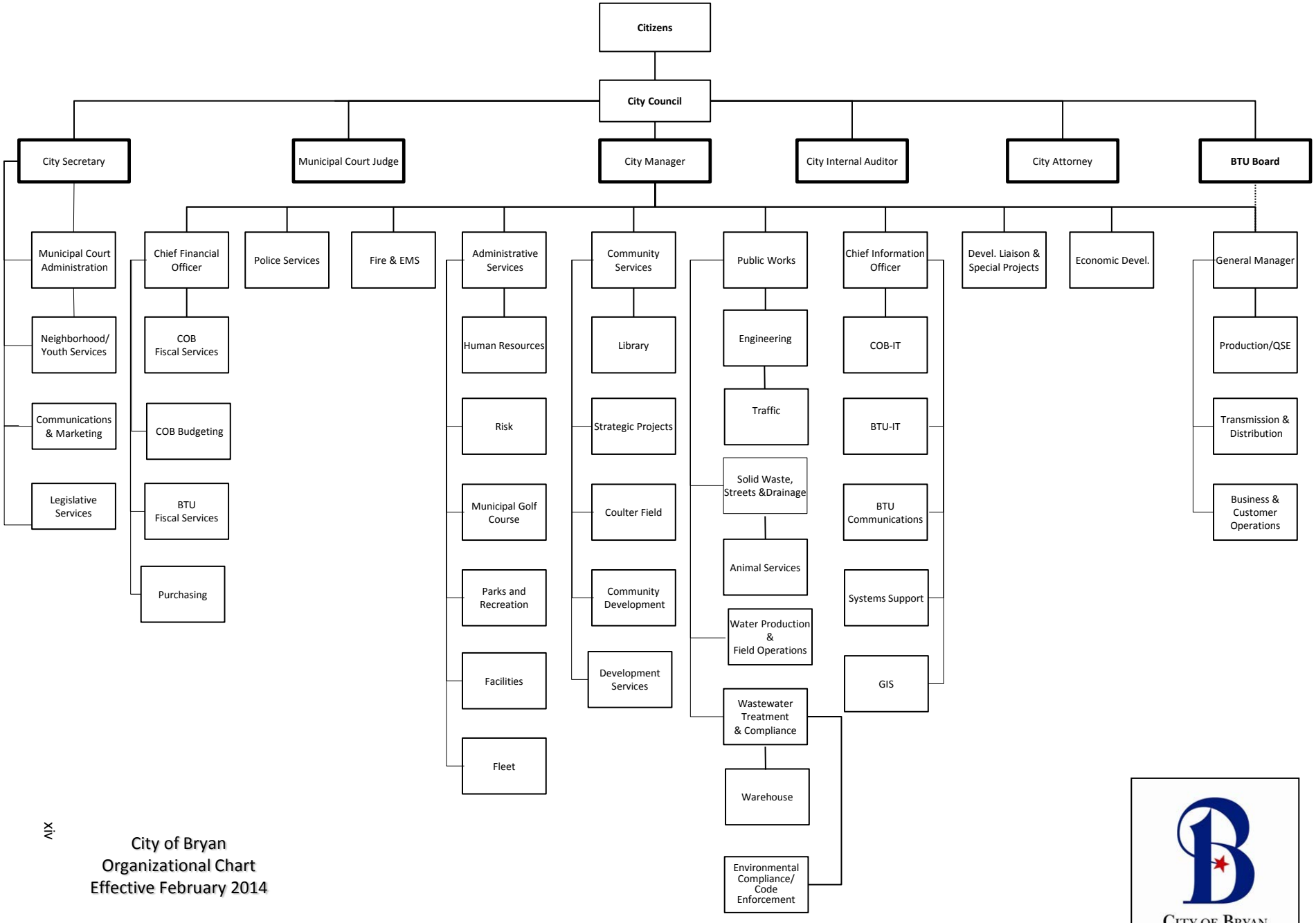
PRINCIPAL OFFICIALS

GOVERNING BODY:

Jason P. Bienski	Mayor
Ann Horton	Mayor Pro Tem
Richard M. Cortez, Sr.	City Council
Paul Madison, Sr.	City Council
Chuck Konderla	City Council
Art Hughes	City Council
Greg Owens	City Council

OTHER PRINCIPAL OFFICIALS:

Kean Register	City Manager
Hugh Walker	Deputy City Manager – Support Services
Joseph Dunn	Deputy City Manager – Community Services
Janis Hampton	City Attorney
Mary Lynne Stratta	City Secretary
Joe Hegwood	Chief Financial Officer
Gary Miller	General Manager – Electric Utilities Services
Jayson Barfknecht	Public Works Director
Eric Buske	Police Chief
Randy McGregor	Fire Chief



City of Bryan
Organizational Chart
Effective February 2014

CITY OF BRYAN

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Bryan, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Bryan, Texas (the City) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bryan Business Council, Inc., a discretely presented component unit of the City. Those statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Bryan Business Council, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Bryan Business Council, Inc. were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bryan, Texas, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Funding Progress – Texas Municipal Retirement System and Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund pages 3 through 18 and 89 through 91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

To the Honorable Mayor and
Members of the City Council
City of Bryan, Texas

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
March 24, 2014

CITY OF BRYAN

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As management of the City of Bryan, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2013. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found on pages vi - ix of this report.

Financial Highlights

- assets exceed liabilities by $487,616,025 (net position)
- unrestricted net position was $94,175,274; these may be used to meet ongoing obligations to citizens and creditors
- total net position increased by $12,201,927
- governmental funds reported combined ending fund balances of $47,921,538
    - an increase of $5,681,119 in fund balances is due primarily to cost containment measures implemented by the City
    - approximately $18,505,338 or 38.6% is available for spending at the City's discretion (unassigned fund balance)
- General Fund unassigned fund balance was $18,505,338 or 34.5% of total general fund expenditures
- Total debt decreased by $18,833,792 or 4.8%
    - $27,685,000 in general obligation bonds was issued along with $5,600,000 in combination tax and revenue certificates. These issues were used to refund portions of outstanding bonds.
    - $52,118,792 in outstanding debt was retired.

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve, to some extent, as an indicator of whether the City's financial position is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, development services, public works (streets and drainage), public safety, and cultural and recreational. The business-type activities of the City include electric generation, distribution and transmission, water supply and distribution, wastewater collection and treatment, solid waste collection and a general purpose airport.

The government-wide financial statements include not only the City itself (known as the "primary government"), but also Bryan Business Council, Inc., a legally separate economic development corporation, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Bryan Texas Utilities' qualified scheduling entity (BTU QSE Services, Inc.) and Bryan Commerce and Development Inc. are also legally separate functions, but for all practical purposes operate as departments of the City of Bryan, and therefore have been included as an integral part of the primary government. For reporting purposes, BTU QSE Services, Inc. is combined with the City Electric System.

The government-wide financial statements can be found on pages 22-24 of this report.

Fund Financial Statements. The financial statements are prepared on the basis of funds. A fund is a self balancing grouping of related accounts that is used to report and maintain control over resources that have been segregated for specific activities or objectives. The City of Bryan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal and local policy requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing activities. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City currently maintains twenty-four (24) individual governmental funds. Two additional capital project fund are included in the financial statements, but were closed during the fiscal year. Information

is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Debt Service Fund, both of which are considered to be major funds (2). Data from twelve (12) special revenue funds, one (1), capital project funds, and nine (9) permanent funds have been combined into one single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Bryan adopts an annual appropriation budget for its General Fund, Debt Service Fund and special revenue funds. Individual fund budgetary comparison schedules are provided elsewhere in this report.

The basic governmental fund financial statements can be found on pages 26-29 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds, enterprise and internal service funds, and adopts an annual appropriation budget for each The City's ten (10) proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses seven (7) enterprise funds to account for its city electric, rural electric, water, wastewater, solid waste, economic development corporation and airport. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses three (3) internal service funds to account for its warehouse operations, self-insurance operations and employee benefits trust fund.

Proprietary funds provide the same types of information as the government-wide financial statements. The proprietary fund financial statements provide separate information in the Proprietary Fund Statement of Net Position, the Statement of Revenues, Expenses and Changes in Fund Net Position, and the Statement of Cash Flows for the city electric, rural electric, water and wastewater systems, all of which are considered major funds of the City. Data from three (3) non-major enterprise funds have been combined into one single, aggregated presentation in the proprietary fund financial statements. All internal service funds are also combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the aggregated proprietary funds and the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 30-35 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 36 of this report.

Notes to the Financial Statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-90 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees, and a budgetary comparison schedule for the General Fund to demonstrate compliance with the budget. Required supplementary information can be found on pages 91-93 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds and internal service funds are presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 98-134 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Bryan, assets exceed liabilities by $487,616,025 as of September 30, 2013.

The largest portion of the City's net position $338,070,602 or 69.3% reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources. An additional portion of the City's net assets $55,370,149 or 11.4% represents resources that are subject to external restrictions on their usage. The remaining balance of unrestricted net assets, $94,175,274 or 19.3% may be used to meet the government's ongoing obligations to citizens and creditors. At the end of FY13, the City of Bryan was able to report positive balances in all three categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	$ 61,436,104	$ 55,209,411	$ 214,621,004	$ 262,485,974	$ 276,057,108	$ 317,695,385
Capital assets	163,257,521	170,324,491	487,435,051	450,301,805	650,692,572	620,626,296
Total assets	224,693,625	225,533,902	702,056,055	712,787,779	926,749,680	938,321,681
Deferred outflows	$ -	$ -	$ 21,104,372	$ 22,348,549	$ 21,104,372	$ 22,348,549
Long-term liabilities	94,101,406	100,896,735	289,969,043	302,432,622	384,070,449	403,329,357
Other liabilities	18,013,134	18,281,171	58,154,444	63,645,604	76,167,578	81,926,775
Total liabilities	112,114,540	119,177,906	348,123,487	366,078,226	460,238,027	485,256,132
Net position:						
Net investment in capital assets	74,520,118	73,821,014	263,550,484	248,552,828	338,070,602	322,373,842
Restricted	18,624,433	24,404,041	36,745,716	34,775,027	55,370,149	59,179,068
Unrestricted	19,434,534	8,130,941	74,740,740	85,730,247	94,175,274	93,861,188
Total net position	$ 112,579,085	$ 106,355,996	$ 375,036,940	$ 369,058,102	$ 487,616,025	$ 475,414,098

The $12,201,927 increase to $487,616,025 in total net position is due to increases in the business-type activities as well as governmental activities. The net position of the business type activities increased $5,978,838 due primarily to the excess of operating revenues over expenses in the Water, Wastewater and Solid Waste funds. The net position of the governmental activities increased by $6,223,089 primarily as a result of transfers from business-type activities.

An increase of $314,086 to $94,175,274 in the City's total unrestricted net position is due to the City's change in the treatment of encumbrances. In 2012, encumbrances in the amount of $3,506,648 were reported as restricted. In 2013, encumbrances in the amount of $7,026,634 were reported as unrestricted. The additional increase in net position for governmental activities is due to the increase in transfers from business-type activities. A decrease of $10,989,507 in the unrestricted net position for the business-type activities to a balance of $74,740,740 is attributable to the increase in the net investment in capital assets for business type activities. The unrestricted net position of the Governmental Activities increased by $11,303,593 to $19,434,534 as described above.

City of Bryan's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	$ 7,604,050	$ 6,329,426	$ 227,081,881	$ 214,505,099	$ 234,685,931	$ 220,834,525
Operating grants and contributions	2,840,902	2,732,746	101,495	540,202	2,942,397	3,272,948
Capital grants and contributions	1,891,869	3,232,203	1,757,250	1,173,074	3,649,119	4,405,277
General revenues:						
Property taxes	24,723,667	24,075,833	-	-	24,723,667	24,075,833
Other taxes	19,134,051	17,575,465	-	-	19,134,051	17,575,465
Other	12,663,041	8,036,343	3,658,786	1,290,417	16,321,827	9,326,760
Total revenues	68,857,580	61,982,016	232,599,412	217,508,792	301,456,992	279,490,808
Expenses:						
General Government	12,725,727	12,567,217	-	-	12,725,727	12,567,217
Development Services	5,324,990	4,946,473	-	-	5,324,990	4,946,473
Public Works Services	12,764,623	15,169,531	-	-	12,764,623	15,169,531
Public Safety	32,133,857	24,346,634	-	-	32,133,857	24,346,634
Cultural and Recreational	8,175,136	8,242,037	-	-	8,175,136	8,242,037
Interest on long-term debt	4,264,522	4,560,746	-	-	4,264,522	4,560,746
City electric	-	-	157,381,300	133,361,842	157,381,300	133,361,842
Rural electric	-	-	29,583,733	28,603,608	29,583,733	28,603,608
Water	-	-	9,974,403	11,202,934	9,974,403	11,202,934
Wastewater	-	-	9,848,759	10,966,690	9,848,759	10,966,690
Other	-	-	7,949,095	12,195,441	7,949,095	12,195,441
Total expenses	75,388,855	69,832,638	214,737,290	196,330,516	290,126,145	266,163,154
Increase (decrease) in net assets before transfers and special items	(6,531,275)	(7,850,622)	17,862,122	21,178,276	11,330,847	13,327,654
Special items - Gain on sale of capital assets	-	-	871,080	(6,894,344)	871,080	(6,894,344)
Transfers	12,754,364	5,973,524	(12,754,364)	(5,973,524)	-	-
Increase (decrease) in net position	6,223,089	(1,877,098)	5,978,838	8,310,408	12,201,927	6,433,310
Net position - October 1	106,355,996	108,233,094	369,058,102	360,747,694	475,414,098	468,980,788
Net position - September 30	$ 112,579,085	$ 106,355,996	$ 375,036,940	$ 369,058,102	$ 487,616,025	$ 475,414,098

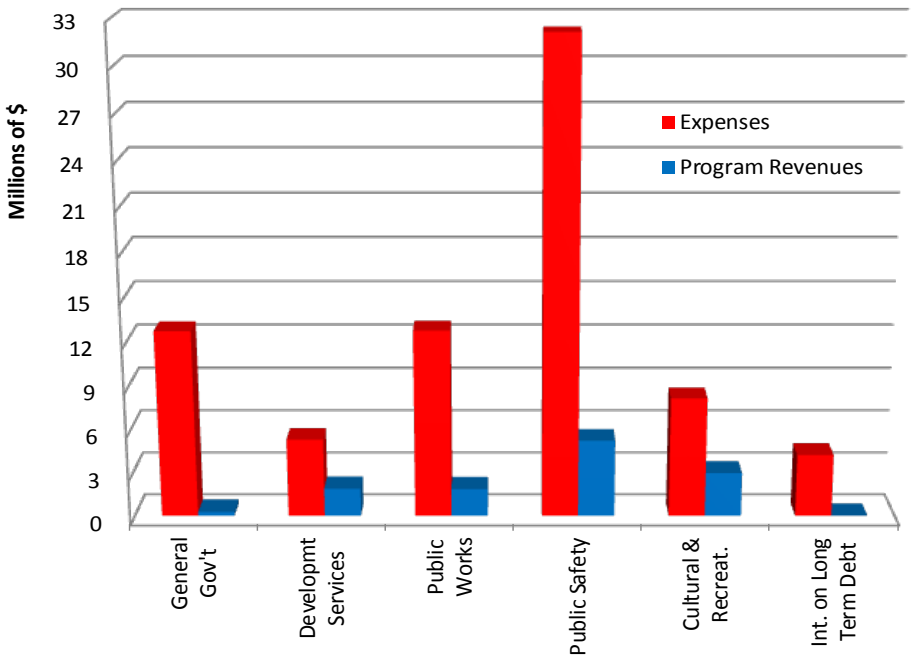
Governmental Activities. Total governmental activity revenues increased in FY13 from FY12 by $6,875,564 or 11.1% to $68,857,580. Several factors contributed to this increase in FY13. Traditions land sales as well as other sales of land accounted for approximately $2,601,023 in "Other" revenue in 2013. Additionally, $1,177,713 was received due to stop-loss insurance payments. Property taxes and sales taxes increased by $647,834 and $1,169,988 (included in "other taxes" above) respectively.

Governmental activities also benefit from transfers from business-type activities. Net transfers from business-type activities increased by $6,780,840 from FY12 to FY13. Transfers in for governmental activities increased from $11,674,181 to $14,770,840 as a result of the sale of the La Salle Hotel and land sales for Traditions. These funds of approximately $4,900,000 were transferred from the economic development corporation fund to the general fund. This was the result of a total of approximately 43 acres being sold in the Traditions subdivision and the final sale of the La Salle Hotel and all of its assets. Transfers out of governmental activities increased as compared to FY12 by $523,879.

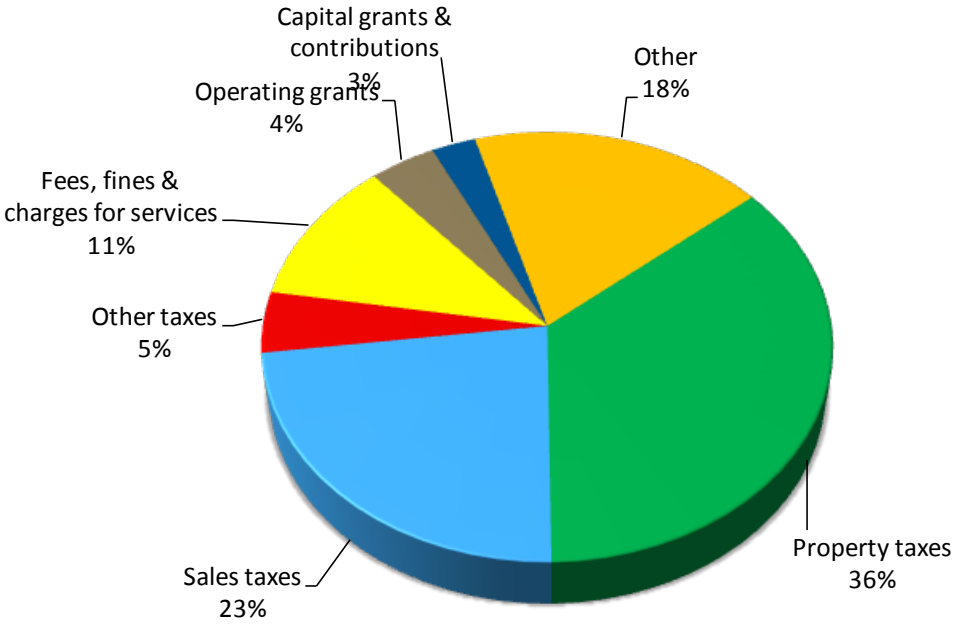
The Government Wide presentation of expenses attempts to consolidate all revenues and expenses on a basis similar to a private business. This presentation removes capital spending and principal payments (see note 4 for capital assets of the governmental activities) and allocates expenses of internal service activities to all related parties. Governmental activities expenses increased in FY13 as compared to FY12 by $5,556,217 to $75,388,855. The major changes in this category were:

- Public safety expenses increased $7,787,223 in FY13 when compared to FY12 due to a decrease of approximately $6,300,000 in FY12 based on the distribution of expenses from the closure of the equipment replacement funds. Depreciation for the Public Safety funds in FY13 was $2,047,375 compared to $2,048,454 in FY12. Personnel costs increased $1,665,888 or 6.9% in FY13.
- Public Works expenses decreased by $2,404,908 or 15.9%. This decrease is attributable to reduced maintenance costs in streets and drainage.

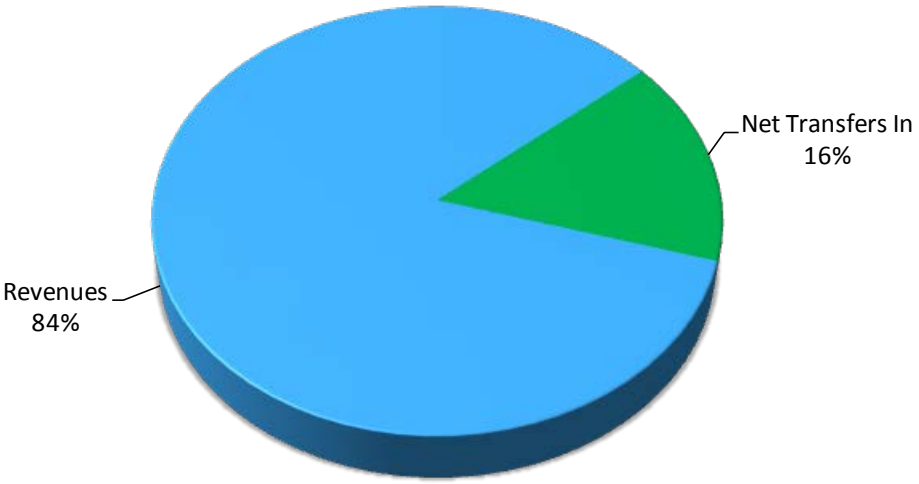
Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



All Governmental Resources

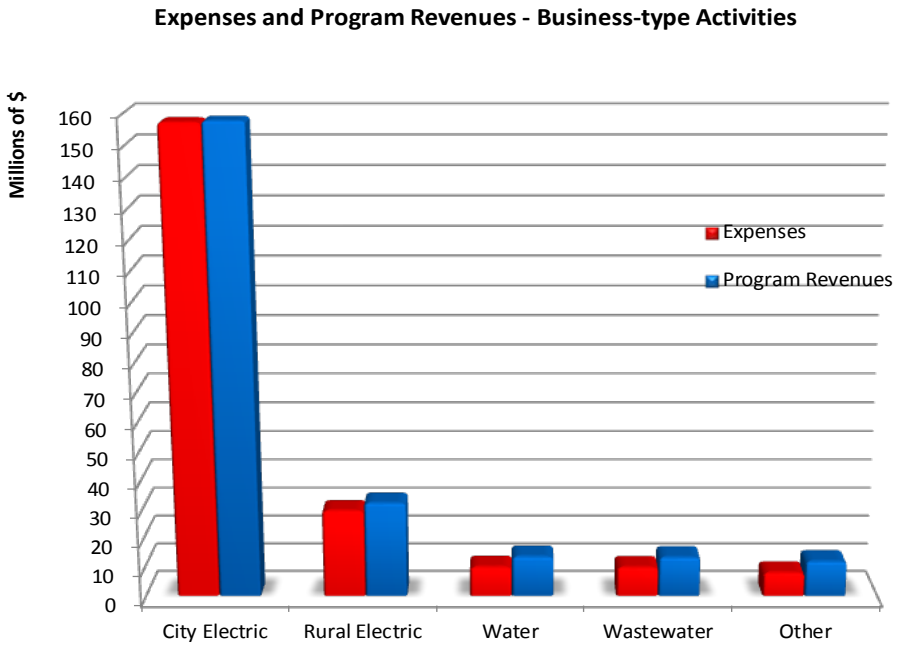


Business-type Activities. Business-type activities increased the City of Bryan's net assets by $5,978,838 or 1.6% to $375,036,940. Charges for services for business-type activities increased $12,576,782 or 5.9% to $227,081,881, while expenses increased $18,406,774 to $214,737,290. Key elements of the variances are as follows:

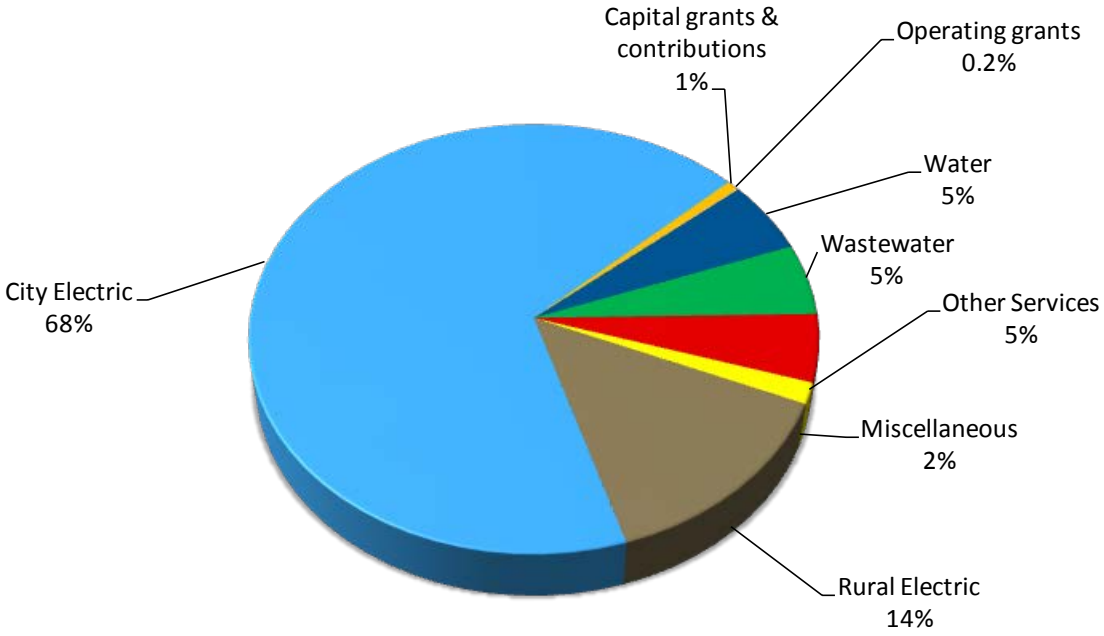
- For the City and Rural Electric Systems, combined operating revenues for FY13 and FY12 were $190,115,092 and $177,486,755 respectively, an increase of 7.1%. The increase in revenues for City and Rural Electric are primarily due to increased base rates and customer growth during FY13. A retail rate increase applicable to City System customers was implemented and effective October 1, 2012. The new rates reflected a 13.0% increase in base rates which was almost entirely offset by a reduction in fuel rates. Likewise, the Rural System implemented new electric rates for its retail customers. The new Rural System retail rates reflected a 10.1% increase in base rates which was almost entirely offset by a reduction in fuel rates. Combined City and Rural Electric operating expenses for FY13 and FY12 were $186,965,033 and $161,965,451, respectively, an increase of 15.4% primarily due to higher energy costs caused by higher demand rates charged by the Texas Municipal Power Agency (TMPA). Net position for the years ended September 30, 2013 and 2012 were $223,708,119 and $224,656,985, respectively, of which $50,068,504 and $56,957,857 were available to meet the City and Rural Electric System's ongoing obligations.

- Water system revenues showed a slight decrease in FY13 of $155,537 or 1.2% to $12,723,839 due to a dip in water usage resulting from higher annual rainfall in FY13. An increase in net position of $4,103,838 was due to revenues exceeding expenses. Notable revenues for FY13 include $855,579 in capital assets contributed by developers, and $950,532 in miscellaneous income which included $835,849 in federal grants. Operating expenses were $9,974,403, a decrease from FY12 of $1,228,531 or 11.0%. This decrease was due to moderate reductions in almost every expense category.

- Net position of the Wastewater system at year end increased by $3,339,267 or 5.7% over FY12. The increase can be attributed to revenues exceeding expenses. Revenues to note are contributed capital from developers of $901,671, and operating gains for the year. Wastewater service revenues decreased by $643,216 or 4.9% when compared to FY12. Operating expenses were $9,848,759, a decrease from FY12 of $1,117,931 or 10.2%. Moderate decreases were seen in general and administrative expenses, interest expense, and maintenance.



Revenues by Source - Business-Type Activities



Financial Analysis of the City's Funds

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

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

General Fund. The General Fund is the primary governmental fund of the City of Bryan. The fund balance of the General Fund increased by $6,318,080 during FY13 compared to an increase of $2,932,518 in FY12. Revenues of the fund increased $4,961,821, while expenditures increased $5,434,439 and transfers out decreased by $2,491,300. Transfers in and out of the fund netted $14,374,723 and offset both the excess of expenditures over revenues and transfers out. Key factors in both areas are as follows:

- Property tax revenues increased by $950,045 or 6.1% to $16,437,819. Increases in taxable property values more than offset a reduction in the tax rate which was lowered by 0.5% to $0.633308 per $100 valuation.
- Sales tax revenue increased by $1,169,988 or 7.9% to $15,984,919 due to improved retail activity.
- Franchise fees had a slight increase of $145,140 or 7.4% in FY13 from FY12.
- Charges for services increased by $1,352,976 or 35.2% to $5,199,125.
- Expenditures totaling $53,640,598 in the General Fund were 11.3% or $5,443,439 higher than in FY12. The outstanding HUD loan balance of $1,720,000 associated with the La Salle Hotel was retired in FY13.

Debt Service Fund. The Debt Service Fund ended the fiscal year with a total fund balance of $5,876,433, compared to $5,945,264 at the end of FY12. All of the fund balance is restricted for the payment of debt. The net decrease in fund balance is due to debt payments in FY13. The Debt Service Fund is subject to arbitrage calculation. Tax revenues in the Debt Service Fund increased by $463,622 or 6.9% to $7,215,022. Interest earnings decreased by $8,022 or 31.7% to $17,285 due to lower interest rates during the fiscal year. Debt service payments from the fund totaled $10,297,218 with debt issuance costs totaling $421,506. The additional debt service is supported by transfers from TIRZ 8, TIRZ 10, TIRZ 19, TIRZ 22 and the General Fund in the amount of $2,545,911.

Other Governmental Funds. The Other Governmental Funds include the Special Revenue Funds, Capital Project Funds, and Permanent Funds. The total fund balance in Other Governmental Funds decreased in FY13 over FY12 by $568,130 to $19,584,209.

Special Revenue Funds. The net change in fund balance dropped from $1,856,078 in FY12 to $470,751 in FY13 as TIRZ#8 was closed and the fund balance was transferred to the General Fund.

- Capital outlay expenditures decreased in the Special Revenue funds, from $1,250,085 in FY12 to $278,756 in FY13. This $971,329 decrease was primarily due to reduced spending in the Drainage Improvement Fund, as scheduled projects were completed and other projects have not yet begun.
- The Community Development Fund provides programs and services to low and moderate income persons. The most significant expense is $1,501,704 spent on the various programs funded by grants.
- The Street Improvement Fund spent $2,768,047 on street projects, $774,034 less than was spent during FY12 for neighborhood street renovations. The fund balance was $12,515,747 including $1,935,397 in encumbrances for projects at year end.
- The Drainage Improvement Fund expended $454,387, which was $461,726 less than income in FY13. Ending fund balance was $1,164,533. There was $133,196 encumbered for additional projects at year end.

Capital Projects Funds. The total expenditures from Capital Projects Funds were $1,733,158. The net fund balance in the Capital Project Funds for all capital projects funds decreased by $1,084,846 to $2,512,231. All of the fund balance is either available for capital projects or encumbered for capital projects.

Permanent Funds. No expenditures were made from the Permanent Funds during FY13. The fund balance for the various funds increased by $45,965 to $1,855,601 due to contributions of $38,935 and investment earnings of $7,030.

Proprietary Funds. The City of Bryan's Proprietary Funds provide information similar to what is found in the government-wide financial statements.

Net position of the City Electric System decreased $3,669,929, primarily due to higher energy related costs. Operating revenues increased by $5,784,238 or 3.8% to $159,639,928. This increase is primarily due to increased base rates and customer growth during the fiscal year. Unrestricted net position of the City Electric System at the end of the year amounted to $43,740,952, a decrease of $6,953,135 or 13.7%. Net position of the Rural Electric System at the end of the year was $47,186,157, an increase of $2,721,063 or 6.1%. Both revenues and expenses increased in FY13 versus FY12 in the Rural System. Operating revenues increased $761,533 or 2.4% to $32,257,374, due to higher increased base rates and customer growth. Operating expenses increased $967,991 or 3.4% to $29,218,723, also due to retail customer base increases.

The Water System net position increased $4,103,838 or 7.7% to $57,522,588 due to excess of revenues over expenditures. Revenues were $12,723,839 for FY13 and were $155,537 or 1.2% less than FY12. Expenses decreased by $786,747 or 11.9% to $5,798,421. Capital contributions for FY13 were $855,579 compared to $879,823 in FY12.

Net position of the Wastewater System increased in FY13 versus FY12 by $3,339,267 or 5.7% to $62,032,404. Revenues decreased in FY13 as compared to FY12 by $643,216 or 4.9% to $12,429,017. Operating expenses decreased by $152,227 or 2.5% to $5,927,169. Capital contributions from developers totaled $901,671 compared to $293,251 in FY12.

General Fund Budgetary Highlights

Total General Fund revenues for FY13 were $45,570,840 and were $3,558,560 or 8.5% more than budgeted. A number of budgetary variances are notable:

- Property taxes were $59,975 or .4% more than budgeted.
- Sales taxes were $986,419 or 6.6% more than budget.
- Recreational charges were $535,721 or 35.3% more than budget estimates.
- Revenue from the City's ambulance service was over budget by $477,206 or 31.8%.
- Municipal Court fines and charges were $155,225 or 8.0% less than budget.
- Health and public safety revenues were $151,444 or 14.4% under budget.
- Other revenues which includes miscellaneous revenue was $1,582,381 over budget. This is due primarily to Traditions land and lot sales totaling over $890,000
- Investment earnings were $12,813 or 12.8% under budget due to lower interest rates.

Total General Fund operating expenditures for the year totaled $53,640,598 and were $1,200,715 or 2.2% less than budget. All departments were encouraged to manage spending and conserve money wherever possible. As a result, many of the General Fund departments ended the year below their final appropriation amount. Some of the more significant variances are:

- The Executive department was under budget by $199,211 or 11.4% due to savings in utility costs, consultants, training, and festivals and events.
- The Fleet department was under budget by $111,892 or 15.0% due to unfilled positions and lower maintenance costs.
- The Facilities department was under budget by $158,328 or 9.0% primarily due to savings in maintenance costs.
- The Parks and Recreation department was under budget by $500,124 or 10.9%, due primarily to savings in custodial maintenance and other services.
- The Fiscal Services department was under budget by $92,571 or 7.0% due to an unfilled management position.
- The Drainage Department was $289,056 or 14.7% under budget due primarily to unfilled positions.
- The City Secretary department was under budget by $108,412 or 11.4% due to savings in office supplies, maintenance, and election expenses.

Capital Asset and Debt Administration

Capital Assets. The City of Bryan's investment in capital assets for its governmental and business-type activities as of September 30, 2013 was $650,692,572 (net of accumulated depreciation), an increase of $30,006,276 or 4.8%. This investment in capital assets includes land, park facilities, buildings and system improvements, machinery and equipment, street and drainage systems, and construction in progress.

Major capital projects completed during FY13 included the following:

City of Bryan's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	$ 11,543,421	$ 11,570,401	$ 16,527,518	$ 15,478,192	$ 28,070,939	$ 27,048,593
Buildings	27,876,172	28,926,155	1,004,730	1,950,459	28,880,902	30,876,614
Equipment	8,513,634	10,607,355	4,629,466	4,667,851	13,143,100	15,275,206
Improvements	11,528,089	12,361,402	411,252,511	378,078,249	422,780,600	390,439,651
Infrastructure	96,880,555	99,038,529	-	-	96,880,555	99,038,529
Construction in Progress	6,915,650	7,820,649	54,020,826	50,127,054	60,936,476	57,947,703
Total	$ 163,257,521	$ 170,324,491	$ 487,435,051	$ 450,301,805	$ 650,692,572	$ 620,626,296

Additional information on the City's capital assets can be found in Note 4 to the financial statements on pages 54-55 of this report.

Long-term Debt. At the end of fiscal year 2013, the City of Bryan had total debt outstanding of $370,005,000. Of this amount, $111,200,000 (general obligation bonds and certificates of obligation) comprises debt backed by the full faith and credit of the City. Notes payable are secured by property or the full faith and credit of the City. The remainder of the City's debt is secured by specified revenue sources (revenue bonds).

Outstanding Debt at Year End
Bonds and Notes Payable

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	$ 44,696,646	$ 25,525,000	$ 6,293,354	$ -	$ 50,990,000	$ 25,525,000
Revenue bonds	-	-	258,805,000	279,300,000	258,805,000	279,300,000
Certificates of obligation	45,970,000	70,655,156	14,240,000	9,744,844	60,210,000	80,400,000
Notes	-	1,720,000	-	1,893,792	-	3,613,792
Total	$ 90,666,646	$ 97,900,156	$ 279,338,354	$ 290,938,636	$ 370,005,000	$ 388,838,792

During FY13, the City's total debt decreased by $18,833,792 or 4.8%. The City retired or refunded $52,118,792 in outstanding principal. The City issued new debt totaling $33,285,000.

The City's General Obligation, Certificates of Obligation and Revenue bond ratings are listed below.

	Moody's Investors Service	Standard & Poor's
General Obligation Bonds	Aa2	AA
Certificates of Obligation	Aa2	AA
Revenue Bonds - Waterworks and Sewer	Aa2	A+
Revenue Bonds - City Electric	A1	A+
Revenue Bonds - Rural Electric	A2	A+

Additional information on the City's long-term debt can be found in Note 5 to the financial statements on pages 56-60 of this report.

Economic Factors and Next Year's Budgets and Rates

Although the City of Bryan felt the effects of the economic downturn in recent years, the City has been sheltered to some degree by the presence of Texas A & M University, the health industry and other key economic contributors. Continued growth in the area has allowed the City to lower the property tax rate for FY14 from $0.633308 per $100 of property valuation to the effective tax rate of $0.62999. This reduction was possible as a result of increases in property values and higher sales tax revenues as the economy continues to improve. Also, staff continues its efforts to hold the line on costs. Ad valorem property taxes comprised approximately 30% of General Fund revenues. FY14 sales tax revenue was budgeted to increase 3.0% when compared to the FY13 projections. Thus far in FY14, actual tax receipts are significantly higher than budget. Actual sales tax receipts for the first three (3) months of FY14 are $346,861 or 9.1% higher than the same period in 2013 and are $319,243 more than budgeted projections. With local economic indicators showing noted improvements the City is taking a cautiously optimistic view of the local economy, but has taken steps to economize where possible.

Revenues for the entire electric system are projected to be $205,426,362, which is an increase of $20,433,218 or 11.0% in FY14 versus FY13 budget. This projected increase is due to higher base revenues from retail sales driven by customer growth and also to the expected increase in state mandated regulatory charges Regulatory charges are increasing due to the completion of approximately $6.0 billion in transmission lines moving energy from wind generators in North and West Texas to the major metropolitan areas of the state. The Texas Public Utility Commission has mandated that all electric users with the Electric Reliability Council of Texas (ERCOT) fund the projects. FY13 budgeted electric operating expenses are projected to be $161,539,931, which is an increase of $5,164,129 or 3.3% from the FY13 budget. This increase is driven by higher TMPA capacity costs.

The Water Fund has budgeted a slight increase in operating expenditures for FY14 compared to the FY13 budget of $180,610 or 0.8% to $6,794,437. FY14 budgeted operating revenues exceed the FY13 budget amount by $353,000 or 2.9% to $12,422,900 based on increased sales.

The Wastewater Fund budget for FY14 shows operating revenues of $12,657,400, which is $57,000 or 0.5% more than the FY13 budget. Budgeted operating expenditures for FY14 are $6,897,551 which is $364,986 or 5.6% more than the FY13 budget.

The Solid Waste Fund budget for FY14 shows operating revenues of $7,540,250. This is $18,423 or 2.4% more than the FY13 budget. The FY14 budgeted operating expenditures are projected to be $5,089,706, which is a decrease of $1,317,675 or 20.6% from the FY13 budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Bryan's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Bryan, Fiscal Services Department, Attention: Chief Finance Officer, P.O. Box 1000, Bryan, Texas 77805-1000 or visit our website at http://www.bryantx.gov.

CITY OF BRYAN

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CITY OF BRYAN, TEXAS
Statement of Net Position
As of September 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
Assets				
Current assets:				
Cash and cash equivalents	$ 33,381,766	$ 54,245,150	$ 87,626,916	$ 431,086
Investments	13,619,825	6,449,997	20,069,822	-
Receivables:				
Accounts	4,734,975	24,431,928	29,166,903	-
Less allowance for uncollectible	(2,319,136)	(1,783,881)	(4,103,017)	-
Property taxes	1,166,339	-	1,166,339	-
Less allowance for uncollectible	(975,002)	-	(975,002)	-
Sales taxes	2,871,084	-	2,871,084	-
Grants	192,578	273,719	466,297	-
Interest	19,744	82,304	102,048	-
Notes	424,299	-	424,299	146,917
Internal balances	(52,928)	52,928	-	-
Inventories	273,626	5,693,966	5,967,592	-
Unrecovered fuel cost	-	-	-	-
Prepaid energy costs	-	8,300,717	8,300,717	-
Prepaid and other assets	45,494	1,892,907	1,938,401	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	27,697,570	27,697,570	-
Investments	-	33,158,027	33,158,027	-
Permanently restricted:				
Investments	816,427	-	816,427	-
Total current assets	54,199,091	160,495,332	214,694,423	578,003
Noncurrent assets:				
Receivables:				
Assessments	115,862	-	115,862	-
Notes	5,047,835	-	5,047,835	488,865
Unamortized bond issuance expense	597,117	4,179,143	4,776,260	-
Prepaid energy costs	-	37,328,408	37,328,408	-
Restricted assets:				
Investment in BVSWMA	-	12,618,121	12,618,121	-
Investment in Economic Development Foundation	1,476,199	-	1,476,199	-
Capital assets:				
Land	11,543,421	16,527,518	28,070,939	1,521,329
Buildings	42,752,179	1,764,506	44,516,685	-
Improvements other than buildings	31,734,478	649,041,735	680,776,213	315,243
Machinery and equipment	29,081,867	13,514,593	42,596,460	-
Infrastructure	175,499,864	-	175,499,864	-
Construction in progress	6,915,650	54,020,826	60,936,476	-
Less accumulated depreciation	(134,269,938)	(247,434,127)	(381,704,065)	(120,032)
Total capital assets	163,257,521	487,435,051	650,692,572	1,716,540
Total noncurrent assets	170,494,534	541,560,723	712,055,257	2,205,405
Total assets	$ 224,693,625	$ 702,056,055	$ 926,749,680	$ 2,783,408
Deferred outflows				
Accumulated decrease in fair value of of hedging derivatives	$ -	$ 21,104,372	$ 21,104,372	$ -

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
Liabilities				
Current liabilities:				
Accounts payable	$ 2,082,507	$ 12,624,677	$ 14,707,184	$ 2,336
Accrued liabilities and retainage	4,127,948	2,060,978	6,188,926	-
Over recovered fuel	-	12,990,974	12,990,974	-
Claims	1,451,213	-	1,451,213	-
Accrued vacation and sick pay	2,241,430	399,129	2,640,559	-
Unearned revenue	932,853	-	932,853	-
Unamortized gain on refunded debt		191,814	191,814	
Accrued interest	-	89	89	-
General obligation bonds	2,935,871	184,129	3,120,000	-
Certificates of obligation	3,655,000	1,315,000	4,970,000	-
Notes	-		-	46,909
Payable from restricted assets:				
Derivative financial instruments	-	5,263,229	5,263,229	-
Accrued liabilities	-	896,166	896,166	-
Accrued interest	433,944	2,973,237	3,407,181	-
Revenue bonds	-	14,550,000	14,550,000	-
Customer deposits	152,368	4,705,022	4,857,390	-
Total current liabilities	18,013,134	58,154,444	76,167,578	49,245
Noncurrent liabilities:				
General obligation bonds	40,636,367	6,109,226	46,745,593	-
Certificates of obligation	42,107,282	12,925,000	55,032,282	-
Revenue bonds	-	244,255,000	244,255,000	-
Unamortized bond premiums (discounts)			-	
and deferred amount on refunding	-	8,103,245	8,103,245	-
Unamortized gain on refunded debt	-	-	-	-
Notes	-	4,539	4,539	187,891
Claims	890,095	-	890,095	-
Derivative financial instruments	-	15,841,143	15,841,143	-
Net pension obligation	5,101,668	1,720,622	6,822,290	-
Other post employment benefits (OPEB)	1,736,141	408,370	2,144,511	-
Accrued vacation and sick pay	3,629,853	601,898	4,231,751	-
Total noncurrent liabilities	94,101,406	289,969,043	384,070,449	187,891
Total liabilities	112,114,540	348,123,487	460,238,027	237,136
Net Position				
Net investment in capital assets	74,520,118	263,550,484	338,070,602	1,481,740
Restricted for:				
BVSWMA, Inc.	-	12,618,121	12,618,121	-
Economic Development Foundation	1,476,199	-	1,476,199	
Debt retirement	-	11,558,189	11,558,189	-
Debt service	5,442,490	7,209,370	12,651,860	-
Perpetual care:				
Expendable	1,039,174	-	1,039,174	-
Nonexpendable	816,427	-	816,427	-
Rate stabilization	-	1,681,017	1,681,017	-
Collateral deposits	-	3,679,019	3,679,019	-
Noncurrent notes receivable	5,163,697	-	5,163,697	-
Police activities	99,097	-	99,097	-
Court activities	566,670	-	566,670	-
Record preservation	74,342	-	74,342	-
Capital improvements	2,512,231	-	2,512,231	-
TIRZ Development	552,909	-	552,909	-
Other purposes	881,197	-	881,197	-
Unrestricted	19,434,534	74,740,740	94,175,274	1,064,532
Total net position	$ 112,579,085	$ 375,036,940	$ 487,616,025	$ 2,546,272

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

CITY OF BRYAN, TEXAS
Statement of Activities
For the Fiscal Year Ended September 30, 2013

Functions/Programs	Expenses	Program Revenues: Fees, Fines and Charges for Service	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Bryan Business Council, Inc.
Primary government:								
Governmental activities:								
General government and administration	$ 12,725,727	$ 269,503	$ -	$ -	$ (12,456,224)	$ -	$ (12,456,224)	$ -
Development services	5,324,990	565,539	1,346,451	-	(3,413,000)	-	(3,413,000)	-
Public works services	12,764,623	-	-	1,891,869	(10,872,754)	-	(10,872,754)	-
Public safety	32,133,857	4,717,287	540,728	-	(26,875,842)	-	(26,875,842)	-
Cultural and recreational	8,175,136	2,051,721	953,723	-	(5,169,692)	-	(5,169,692)	-
Interest on long-term debt	4,264,522	-	-	-	(4,264,522)	-	(4,264,522)	-
Total governmental activities	75,388,855	7,604,050	2,840,902	1,891,869	(63,052,034)	-	(63,052,034)	-
Business-type activities:								
Electric	157,381,300	157,857,718	-	-	-	476,418	476,418	-
Rural electric	29,583,733	32,257,374	-	-	-	2,673,641	2,673,641	-
Water	9,974,403	12,723,839	-	855,579	-	3,605,015	3,605,015	-
Wastewater	9,848,759	12,429,017	-	901,671	-	3,481,929	3,481,929	-
Other	7,949,095	11,813,933	101,495	-	-	3,966,330	3,966,330	-
Total business-type activities	214,737,290	227,081,881	101,495	1,757,250	-	14,203,333	14,203,333	-
Total primary government	290,126,145	234,685,931	2,942,397	3,649,119	(63,052,034)	14,203,333	(48,848,701)	-
Component unit:								
Bryan Business Council, Inc.	$ 334,598	$ -	$ 2,400	$ -	$ -	$ -	$ -	$ (332,198)
General revenues:								
Property taxes					24,723,667	-	24,723,667	-
Sales taxes					15,984,919	-	15,984,919	-
Franchise taxes					2,108,521	-	2,108,521	-
Alcoholic beverage taxes					85,789	-	85,789	-
Bingo taxes					234,105	-	234,105	-
Hotel occupancy taxes					720,717	-	720,717	-
Transportation and drainage assessments					6,302,953	-	6,302,953	-
Unrestricted investment earnings					206,083	969,402	1,175,485	76,950
Miscellaneous					6,154,005	2,689,384	8,843,389	-
Special items - Gain on sale of capital assets					-	871,080	871,080	-
Transfers (net)					12,754,364	(12,754,364)	-	-
Total general revenues and transfers					69,275,123	(8,224,498)	61,050,625	76,950
Change in net position					6,223,089	5,978,838	12,201,927	(255,248)
Net position, October 1, 2012					106,355,996	369,058,102	475,414,098	2,801,520
Net position, September 30, 2013					$ 112,579,085	$ 375,036,940	$ 487,616,025	$ 2,546,272

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

CITY OF BRYAN

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CITY OF BRYAN, TEXAS

Balance Sheet
Governmental Funds
As of September 30, 2013

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 14,831,638	$ 902,083	$ 13,670,570	$ 29,404,291
Investments	6,423,458	391,242	5,929,067	12,743,767
Receivables:		-		
Accounts	3,825,878	4,285	814,472	4,644,635
Less allowance for uncollectible	(2,082,028)	-	(237,108)	(2,319,136)
Property taxes	818,856	347,483	-	1,166,339
Less allowance for uncollectible	(686,636)	(288,366)	-	(975,002)
Sales taxes	2,871,084	-	-	2,871,084
Assessments	115,862	-	-	115,862
Grants	13,120	-	179,458	192,578
Interest	8,831	537	8,113	17,481
Notes	17,134	5,455,000	-	5,472,134
Due from other funds	26,072	-	203,558	229,630
Prepaid and other assets	41,097	-	3,282	44,379
Total assets	$ 26,224,366	$ 6,812,264	$ 20,571,412	$ 53,608,042
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 1,130,069	$ -	$ 732,697	$ 1,862,766
Accrued liabilities	2,172,047	-	30,313	2,202,360
Retainage payable	-	-	159,217	159,217
Due to other funds	89,752	20,685	2,123	112,560
Customer deposits	152,368	-	-	152,368
Unearned revenue	219,234	915,146	62,853	1,197,233
Total liabilities	3,763,470	935,831	987,203	5,686,504
Fund balances:				
Nonspendable	75,907	-	819,709	895,616
Restricted	636,118	5,876,433	5,084,221	11,596,772
Committed	2,268,582	-	13,680,279	15,948,861
Assigned	974,951	-	-	974,951
Unassigned	18,505,338	-	-	18,505,338
Total fund balances	22,460,896	5,876,433	19,584,209	47,921,538
Total liabilities and fund balances	$ 26,224,366	$ 6,812,264	$ 20,571,412	$ 53,608,042

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

CITY OF BRYAN, TEXAS
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
As of September 30, 2013

Total fund balances - governmental funds		$ 47,921,538
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. (Includes net capital assets of the Internal service funds in the amount of $88,506.)		163,257,521
Other long-term assets are not available to pay for current-period expenditures and, therefore, are recorded as unearned in the funds.		264,318
The City's equity in the Economic Development Foundation is included in the Statement of Net Position but is not included at the fund level		1,476,199
Internal service funds are used by management to charge the costs of risk management, employee health insurance benefits and central warehousing to individual funds. The assets and liabilities of the internal service funds related to governmental activities are included in the governmental activities in the statement of net position. (Net of amount allocated to business-type activities of $309,236 and net capital assets in the amount of $88,506).		1,475,916
Interest payable on long-term debt does not require current financial resources, and therefore, is not reported as a liability in governmental funds balance sheet.		(433,944)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. These items are detailed below:		
General obligation bonds payable	$ 44,696,646	
Certificates of obligation payable	45,970,000	
Deferred charges on debt	(1,929,243)	
Net Pension Obligation	5,101,668	
Other Post Employment Benefits	1,736,141	
Accrued vacation and sick leave (Net of internal service fund liability in the amount of $64,027)	5,807,251	(101,382,463)
Net position of governmental activities		$ 112,579,085

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

CITY OF BRYAN, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2013

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 16,437,819	$ 7,215,022	$ 1,127,585	$ 24,780,426
Sales taxes	15,984,919	-	-	15,984,919
Franchise taxes	2,108,521	-	-	2,108,521
Alcoholic beverage taxes	85,789	-	-	85,789
Bingo taxes	234,105	-	-	234,105
Hotel occupancy taxes	-	-	720,717	720,717
Transportation and drainage assessments	-	-	6,302,953	6,302,953
Charges for services	5,199,125	-	-	5,199,125
Fines and court charges	1,794,775	-	44,611	1,839,386
Licenses and permits	565,539	-	-	565,539
Grants	1,028,040	-	1,823,591	2,851,631
Investment earnings	87,187	17,285	76,469	180,941
Other	2,045,021	444,436	1,011,205	3,500,662
Total revenues	45,570,840	7,676,743	11,107,131	64,354,714
Expenditures:				
Current:				
General government and administration	13,191,380	-	2,200	13,193,580
Development services	3,008,425	-	1,529,431	4,537,856
Public works services	3,315,275	-	2,955,880	6,271,155
Public safety	28,586,540	-	462,143	29,048,683
Cultural and recreational	6,341,182	-	557,644	6,898,826
Administrative reimbursement	(3,425,498)	-	-	(3,425,498)
Capital outlay	790,647	-	2,001,690	2,792,337
Debt service:				
Bond and principal retirement	1,720,000	6,212,739	-	7,932,739
Interest and fiscal charges	112,647	4,084,479	-	4,197,126
Advance refunding costs	-	-	-	-
Debt issuance costs	-	421,506	-	421,506
Total expenditures	53,640,598	10,718,724	7,508,988	71,868,310
Excess (deficiencies)of expenditures over (under) revenues	(8,069,758)	(3,041,981)	3,598,143	(7,513,596)
Other financing sources (uses):				
Sales of capital assets	13,115	-	-	13,115
Transfers in	17,485,413	2,545,911	3,447,579	23,478,903
Transfers out	(3,110,690)	-	(7,613,852)	(10,724,542)
Long-term debt issued	-	-	-	-
Discount on long-term debt issued	-	-	-	-
Refunding bonds issued	-	21,391,646	-	21,391,646
Premium on refunding bonds	-	417,193	-	417,193
Premium on long-term debt issued	-	-	-	-
Payment to refunded bond escrow agent	-	(21,381,600)	-	(21,381,600)
				-
Total other financing sources (uses)	14,387,838	2,973,150	(4,166,273)	13,194,715
Net change in fund balances	6,318,080	(68,831)	(568,130)	5,681,119
Fund balances, October 1, 2012	16,142,816	5,945,264	20,152,339	42,240,419
Fund balances, September 30, 2013	$ 22,460,896	$ 5,876,433	$ 19,584,209	$ 47,921,538

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

CITY OF BRYAN, TEXAS
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2013

Net change in fund balances - total governmental funds		$ 5,681,119
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		2,792,337
The City's investment in the Economic Development Foundation is reported at the government-wide level but not at the fund level.		1,476,199
The net effect of various transactions involving capital assets (i.e., sales and contributions) is to increase net assets.		1,679,726
Depreciation expense on capital assets reported in the government-wide statement of activities does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(11,528,507)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items is detailed below:		
General obligation refunding bonds issued	$ (21,391,646)	
Payment to refunded bond escrow agent	21,381,600	
Refunding bond deferred charges	8,598	
Debt principal repayments	7,932,739	7,931,291
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds.		(991,549)
Accrued interest expense on long-term debt is reported in the government-wide statement of activities, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds.		93,536
Some property taxes will not be collected for several months after the city's fiscal year end, and are not considered "available" revenues in the governmental funds.		148,518
Some revenues reported in the governmental funds were earned in prior periods; and therefore, are not reported in the government-wide statement of activities.		(205,846)
Internal service funds are used by management to charge the costs of risk management, employee health insurance benefits and central warehousing to individual funds. The net revenue of the internal service funds related to governmental activities is reported with governmental activities (net of amount allocated to business-type activities of ($1,115,275).		(853,735)
Change in net position of governmental activities.		$ 6,223,089

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

CITY OF BRYAN, TEXAS
Statement of Net Position
Proprietary Funds
As of September 30, 2013

	Business-type Activities - Enterprise Funds						
	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Assets							
Current assets:							
Cash and cash equivalents	$ 33,827,726	$ 5,547,343	$ 4,141,968	$ 7,994,794	$ 2,733,319	$ 54,245,150	$ 3,977,475
Investments	-	-	1,797,045	3,467,617	1,185,335	6,449,997	1,692,543
Accounts receivable	16,199,105	3,692,430	2,046,590	1,828,227	665,576	24,431,928	90,340
Less allowance for uncollectible	(985,171)	(157,860)	(191,942)	(218,610)	(230,298)	(1,783,881)	-
Grants receivable	-	-	271,177	-	2,542	273,719	-
Interest receivable	71,634	-	3,776	5,268	1,626	82,304	2,262
Inventories	5,285,811	-	368,619	-	39,536	5,693,966	273,626
Due from other funds	2,728,794	-	428,201	275,493	190,572	3,623,060	139,237
Prepaid energy costs	8,300,717	-	-	-	-	8,300,717	-
Prepaid and other assets	1,890,547	-	486	881	993	1,892,907	1,115
Restricted assets:							
Cash and cash equivalents	16,521,852	6,758,928	2,571,418	1,845,372	-	27,697,570	-
Investments	28,828,678	3,000,187	956,120	373,042	-	33,158,027	-
Total current assets	112,669,693	18,841,028	12,393,458	15,572,084	4,589,201	164,065,464	6,176,598
Noncurrent assets:							
Unamortized bond issuance expenses	2,575,749	485,836	473,879	643,679	-	4,179,143	-
Deferred cash flow hedges - Unrealized loss on derivatives	-	-	-	-	-	-	-
Prepaid energy costs	37,328,408	-	-	-	-	37,328,408	-
Restricted assets:							
Investment in BVSWMA	-	-	-	-	12,618,121	12,618,121	-
Capital assets:						-	
Land	5,847,896	111,483	571,812	377,644	9,618,683	16,527,518	-
Buildings	-	-	66,620	444,493	1,253,393	1,764,506	23,419
Equipment	-	-	1,994,039	3,542,879	7,977,675	13,514,593	263,953
Improvements other than buildings	384,925,905	65,902,413	100,997,862	93,690,469	3,525,086	649,041,735	127,992
Construction in progress	13,857,623	6,581,700	10,393,460	23,182,083	5,960	54,020,826	-
Less accumulated depreciation	(148,689,400)	(23,418,853)	(32,288,182)	(35,883,203)	(7,154,489)	(247,434,127)	(326,858)
Total capital assets (net of accumulated depreciation)	255,942,024	49,176,743	81,735,611	85,354,365	15,226,308	487,435,051	88,506
Total noncurrent assets	295,846,181	49,662,579	82,209,490	85,998,044	27,844,429	541,560,723	88,506
Total assets	$ 408,515,874	$ 68,503,607	$ 94,602,948	$ 101,570,128	$ 32,433,630	$ 705,626,187	$ 6,265,104
Deferred outflows							
Accumulated decrease in fair value of hedging derivatives	$ 21,104,372	$ -	$ -	$ -	$ -	$ 21,104,372	$ -

	Business-type Activities - Enterprise Funds						
	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Liabilities							
Current liabilities:							
Accounts payable	$ 11,269,613	$ 263,600	$ 178,324	$ 308,479	$ 604,661	$ 12,624,677	$ 219,740
Accrued liabilities	1,068,263	79,393	93,499	112,844	167,110	1,521,109	-
Over recovered fuel	9,571,297	3,419,677	-	-	-	12,990,974	-
Claims payable	-	-	-	-	-	-	1,451,213
Due to other funds	1,194,111	2,669,756	-	-	15,500	3,879,367	-
Accrued interest	-	-	-	-	89	89	-
Other current liabilities	472,916	58,988	-	7,966	-	539,870	30,230
Unamortized gain on refunded debt	191,814	-	-	-	-	191,814	-
Accrued vacation and sick pay	225,553	-	67,919	53,090	52,567	399,129	39,696
Current liabilities payable from restricted assets:							
Derivative financial instruments	5,263,229	-	-	-	-	5,263,229	-
Accrued liabilities	-	-	480,876	415,290	-	896,166	-
Accrued interest	2,239,135	102,675	345,909	285,518	-	2,973,237	-
Revenue bonds	10,555,000	460,000	1,871,284	1,663,716	-	14,550,000	-
Certificates of obligation	-	215,000	529,448	570,552	-	1,315,000	-
General obligation bonds	-	-	126,141	57,154	834	184,129	-
Customer deposits	3,822,800	874,902	-	-	7,320	4,705,022	-
Total current liabilities	45,873,731	8,143,991	3,693,400	3,474,609	848,081	62,033,811	1,740,879
Noncurrent liabilities:							
Revenue bonds	181,480,000	7,620,000	25,309,360	29,845,640	-	244,255,000	-
Certificates of obligation	-	5,385,000	3,629,122	3,910,878	-	12,925,000	-
General obligation bonds	-	-	4,185,244	1,896,300	27,682	6,109,226	-
Notes	-	-	-	-	4,539	4,539	-
Unamortized bond premiums (discounts) and deferred amount on refunding	7,468,067	168,459	147,589	319,901	(771)	8,103,245	-
Claims payable	-	-	-	-	-	-	890,095
Derivative financial instruments	15,841,143	-	-	-	-	15,841,143	-
Net pension obligation	1,720,622	-	-	-	-	1,720,622	-
Other post employment benefits (OPEB)	408,370	-	-	-	-	408,370	1,736,141
Accrued vacation and sick pay	306,351	-	115,645	90,396	89,506	601,898	24,331
Total noncurrent liabilities	207,224,553	13,173,459	33,386,960	36,063,115	120,956	289,969,043	2,650,567
Total liabilities	253,098,284	21,317,450	37,080,360	39,537,724	969,037	352,002,854	4,391,446
Net Position							
Net investment in capital assets	113,224,035	40,408,674	46,891,445	47,832,306	15,194,024	263,550,484	88,506
Restricted for:							
BVSWMA	-	-	-	-	12,618,121	12,618,121	-
Debt retirement	11,558,189	-	-	-	-	11,558,189	-
Debt service	2,638,750	449,931	2,701,486	1,419,203	-	7,209,370	-
Rate stabilization	1,681,017	-	-	-	-	1,681,017	-
Collateral deposits	3,679,019	-	-	-	-	3,679,019	-
Unrestricted	43,740,952	6,327,552	7,929,657	12,780,895	3,652,448	74,431,504	1,785,152
Total net position	$ 176,521,962	$ 47,186,157	$ 57,522,588	$ 62,032,404	$ 31,464,593	$ 374,727,704	$ 1,873,658
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						309,236	
Net position of business-type activities						$ 375,036,940	

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

CITY OF BRYAN, TEXAS
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds						
	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Activities Internal Service Funds
Operating revenues:							
Electrical system	$ 157,857,718	$ 32,257,374	$ -	$ -	$ -	$ 190,115,092	$ -
Water system	-	-	12,723,839	-	-	12,723,839	-
Sewer system	-	-	-	12,429,017	-	12,429,017	-
Other	1,782,210	-	-	-	10,031,723	11,813,933	9,141,670
Total operating revenues	159,639,928	32,257,374	12,723,839	12,429,017	10,031,723	227,081,881	9,141,670
Operating expenses:							
Personnel services	9,510,841	369,362	2,078,272	2,390,873	2,507,533	16,856,881	649,057
Electric operations	110,850,745	26,117,623	-	-	-	136,968,368	-
Maintenance	4,217,296	573,662	555,912	816,958	362,511	6,526,339	7,742
Claims	-	-	-	-	-	-	9,582,622
Other services and charges	681,569	-	2,547,187	1,235,794	1,676,413	6,140,963	2,232,362
Other expenses	1,546,062	-	222,117	398,398	985,207	3,151,784	25,796
General and administrative	2,049,223	170,563	394,933	1,085,146	1,058,390	4,758,255	-
Total operating expenses before depreciation and amortization	128,855,736	27,231,210	5,798,421	5,927,169	6,590,054	174,402,590	12,497,579
Operating income (loss) before depreciation and amortization	30,784,192	5,026,164	6,925,418	6,501,848	3,441,669	52,679,291	(3,355,909)
Depreciation and amortization	19,277,293	1,987,513	2,493,702	2,541,484	1,094,772	27,394,764	10,525
Operating income (loss)	11,506,899	3,038,651	4,431,716	3,960,364	2,346,897	25,284,527	(3,366,434)
Nonoperating revenues (expenses):							
Investment earnings	407,921	47,422	41,295	50,547	17,493	564,678	25,141
Interest expense	(8,603,813)	(365,010)	(1,552,593)	(1,248,787)	(1,661)	(11,771,864)	-
Debt service	-	-	-	-	(52,799)	(52,799)	-
Grants	-	-	-	-	101,495	101,495	-
Distributive share of BVSWMA net income	-	-	-	-	404,723	404,723	-
Other - net	1,344,820	-	950,532	237,914	156,118	2,689,384	1,372,342
Total nonoperating revenues (expenses)	(6,851,072)	(317,588)	(560,766)	(960,326)	625,369	(8,064,383)	1,397,483
Income (loss) before contributions, transfers and special items	4,655,827	2,721,063	3,870,950	3,000,038	2,972,266	17,220,144	(1,968,951)
Special items - gain on sale of capital assets	871,080	-	-	-	-	871,080	-
Capital contributions	-	-	855,579	901,671	-	1,757,250	-
Transfers in		-	-	49,216	2,004,279	2,053,495	-
Transfers out	(9,196,836)	-	(622,691)	(611,658)	(4,376,671)	(14,807,856)	-
Change in net position	(3,669,929)	2,721,063	4,103,838	3,339,267	599,874	7,094,113	(1,968,951)
Net position, October 1, 2012	180,191,891	44,465,094	53,418,750	58,693,137	30,864,719		3,842,609
Net position, September 30, 2013	$ 176,521,962	$ 47,186,157	$ 57,522,588	$ 62,032,404	$ 31,464,593		$ 1,873,658
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(1,115,275)	
Change in net position of business-type activities.						$ 5,978,838	

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

CITY OF BRYAN

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CITY OF BRYAN, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds						
	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Cash flows from operating activities:							
Receipts from customers and users	$ 158,473,572	$ 32,251,061	$ 12,145,299	$ 12,938,578	$ 10,136,741	$ 225,945,251	$ 4,579,239
Receipts for interfund services provided	-	-	-	-	-	-	6,836,725
Payments to suppliers	(121,550,593)	(26,307,428)	(3,334,292)	(3,413,992)	(3,584,752)	(158,191,057)	(13,278,524)
Payments to employees	(9,296,950)	(389,412)	(2,089,065)	(2,348,272)	(2,477,610)	(16,601,309)	(644,235)
Receipts for miscellaneous revenues		-	950,532	237,914	245,854	1,434,300	1,373,445
Payments for interfund services used	-	-	(394,933)	(1,085,146)	-	(1,480,079)	-
Net cash provided (used) by operating activities	27,626,029	5,554,221	7,277,541	6,329,082	4,320,233	51,107,106	(1,133,350)
Cash flows from noncapital financing activities:							
Transfers in	1,344,820	-	-	49,216	2,004,279	3,398,315	-
Transfers out	(9,196,836)	-	(622,691)	(611,658)	(4,376,671)	(14,807,856)	-
Net cash (used) by noncapital financing activities	(7,852,016)	-	(622,691)	(562,442)	(2,372,392)	(11,409,541)	-
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(37,563,560)	(6,415,953)	(6,105,389)	(6,473,403)	(2,174,733)	(58,733,038)	-
Grant proceeds	-	-	-	-	11,172	11,172	-
Revenue bond proceeds	-	5,652,871	-	-	-	5,652,871	-
Amortization of debt expense	-	-	-	-	(11,039)	(11,039)	-
Principal paid on certificates of obligation	-	-	(517,415)	(557,585)	(1,328)	(1,076,328)	-
Principal paid on revenue bonds	(10,575,000)	(445,000)	(1,871,284)	(1,605,767)	-	(14,497,051)	-
Payment to escrow agent for debt refunding	-	-	-	-	-	-	-
Interest paid on bonds, contractual obligations, and notes	(9,336,825)	(392,387)	(1,552,593)	(1,248,787)	(59,396)	(12,589,988)	-
Net cash (used) by capital and related financing activities	(57,475,385)	(1,600,469)	(10,046,681)	(9,885,542)	(2,235,324)	(81,243,401)	-
Cash flows from investing activities:							
Purchase of investment securities	(13,135,915)	-	(1,756,132)	(2,449,800)	(755,380)	(18,097,227)	(1,079,606)
Sale of investment securities	44,005,996	-	4,882,183	6,608,633	1,413,166	56,909,978	2,545,922
Collateral deposits to counterparties	650,000	-	-	-	-	650,000	-
Interest on investments	549,839	42,459	41,295	50,547	18,578	702,718	27,404
Net cash provided (used) by investing activities	32,069,920	42,459	3,167,346	4,209,380	676,364	40,165,469	1,493,720
Net increase (decrease) in cash and cash equivalents	(5,631,452)	3,996,211	(224,485)	90,478	388,881	(1,380,367)	360,370
Cash and cash equivalents, October 1, 2012	55,981,030	8,310,060	6,937,871	9,749,688	2,344,438	83,323,087	3,617,105
Cash and cash equivalents, September 30, 2013	$ 50,349,578	$ 12,306,271	$ 6,713,386	$ 9,840,166	$ 2,733,319	$ 81,942,720	$ 3,977,475

	Business-type Activities - Enterprise Funds						
	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	$ 11,506,899	$ 3,038,651	$ 4,431,716	$ 3,960,364	$ 2,346,897	$ 25,284,527	$ (3,366,434)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities							
Depreciation and amortization	19,277,293	1,987,513	2,493,702	2,541,484	1,094,772	27,394,764	10,525
Bad debts	272,787	38,598	-	-	-	311,385	-
Receipts for miscellaneous revenues	-	-	950,532	237,914	257,611	1,446,057	1,372,342
Change in assets and liabilities:							
Change in accounts receivable	(1,232,674)	(104,151)	(201,937)	(270,297)	147,496	(1,661,563)	275,794
Change in inventory	(260,322)	-	(13,881)	-	23,911	(250,292)	(43,591)
Change in due from other funds	828,337	-	(105,426)	779,858	-	1,502,769	(6,735)
Change in over(un)recovered fuel	(1,453,165)	(686,965)	-	-	-	(2,140,130)	-
Change in other assets	(1,272,926)	-	20,714	11,149	36,991	(1,204,072)	240,525
Change in grants receivable	-	-	(271,177)	-	-	(271,177)	-
Change in accounts payable	(475,642)	(65,694)	(304,775)	(816,769)	431,008	(1,231,872)	(61,633)
Change in accrued liabilities	118,906	(20,050)	287,188	(143,243)	(45,017)	197,784	409,237
Change in other	-	-	-	-	88,397	88,397	-
Change in customer deposits	66,318	97,838	-	-	(66,389)	97,767	-
Change in due to other funds	155,234	1,268,481	-	-	(11,647)	1,412,068	-
Change in claims payable	-	-	-	-	-	-	33,912
Change in accrued vacation and sick pay	-	-	(9,115)	28,622	16,203	35,710	2,708
Change in post employee benefits	94,984	-	-	-	-	94,984	-
Net cash provided (used) by operating activities	$ 27,626,029	$ 5,554,221	$ 7,277,541	$ 6,329,082	$ 4,320,233	$ 51,107,106	$ (1,133,350)
Reconciliation of total cash and cash equivalents:							
Current assets - cash and cash equivalents	$ 33,827,726	$ 5,547,343	$ 4,141,968	$ 7,994,794	$ 2,733,319	$ 54,245,150	$ 3,977,475
Restricted assets - cash and cash equivalents	16,521,852	6,758,928	2,571,418	1,845,372	-	27,697,570	-
Total cash and cash equivalents	$ 50,349,578	$ 12,306,271	$ 6,713,386	$ 9,840,166	$ 2,733,319	$ 81,942,720	$ 3,977,475

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

CITY OF BRYAN, TEXAS

Statement of Fiduciary Net Position

Payroll Fund

As of September 30, 2013

Assets		
Cash and cash equivalents	$	786,700
Accounts receivable		331,714
Total assets	$	1,118,414
Liabilities		
Accounts payable	$	1,118,414
Total liabilities	$	1,118,414

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Bryan, Texas (the "City") is a municipal corporation which operates under a Council-Manager form of government. The accompanying financial statements present the City and its component units, which are entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. A discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended component units

BTU QSE Services, Inc. ("QSE") was created as a result of deregulation of the electric market within the state of Texas. The QSE exists to perform qualified scheduling services of electrical generation for the City of Bryan City Electric Fund. The QSE is a separate legal entity, whose primary purpose is to provide a service to the City. The QSE is reported as an enterprise fund and is combined with City Electric Fund.

Bryan Commerce and Development Incorporated ("BCD") was created to assist and act on behalf of the City in promoting, developing, encouraging, and maintaining employment, commerce, economic development, and public facility development in the City. The Bryan City Council serves as the Board of Directors of BCD. Since the elected officials of the City are financially accountable for BCD and the primary purpose of BCD is to provide a service to the City, BCD is considered a blended component unit. BCD is reported as an enterprise fund.

Condensed Statement of Net Position
at September 30, 2013

	QSE	BCD
Current assets	$ 4,565,833	$ 1,807
Capital assets, net	616,773	8,964,013
Total assets	5,182,606	8,965,820
Current liabilities	473,328	-
Due to other funds	2,588,646	-
Total liabilities	3,061,974	-
Net Position:		
Net investment in capital assets	616,773	8,964,013
Restricted	-	-
Unrestricted	1,503,859	1,807
Total net position	$ 2,120,632	$ 8,965,820

Condensed Statements of Revnues, Expenses, and Changes in Net Position
for Fiscal Year 2013

	QSE	BCD
Operating revenues	$ 1,378,404	$ 2,098,923
Operating expenses:		
Personnel expenses	884,506	-
Electric operations	272,215	-
Other services and charges	-	22,366
General and administrative	11,344	-
Depreciation and amortization	210,339	22,913
Total operating expenses	1,378,404	45,279
Operating gain (loss)	-	2,053,644
Total nonoperating revenues (expenses)	-	(40,111)
Income (loss) before contributions and transfers	-	2,013,533
Net transfers	-	(1,722,072)
Change in net position	-	291,461
Net position, beginning of period	2,120,632	8,674,359
Net position, end of period	$ 2,120,632	$ 8,965,820

Condenses Statement of Cash Flows
for Fiscal Year 2013

	QSE	BCD
Net cash provided (used) by;		
Operating activities	$ -	$ 2,071,345
Noncapital financing activities	-	(1,722,072)
Capital and related financing activities	-	(619,960)
Investing activities	-	10,995
Net change in cash and cash equivalents	-	(259,692)
Balance, beginning of period	-	260,952
Balance, end of period	$ -	$ 1,260

Discretely presented component unit

The City has included the Bryan Business Council, Inc. ("BBC") in its financial statements as a discretely presented component unit, since the City is financially accountable for the entity. The BBC, a non-profit corporation, was originally formed to market properties within the City owned Bryan Industrial Park. In addition, the BBC currently serves as an economic development arm of the City, and as such, provides a financial benefit to the City. The City provides coverage for the board of directors under the City's officer and employee liability plan and provides office space and limited administrative support to the BBC. The BBC's board of directors is appointed by and serves at the discretion of the Bryan City Council. The Bryan City Council also directs the work plan and objectives of the BBC. Financial statements may be obtained by contacting:

The Bryan Business Council, Inc.
P. O. Box 1000
Bryan, Texas 77805

Cooperative Efforts

In January 2010, the City of Bryan entered into an Interlocal Cooperation Agreement with the City of College Station to create a local government corporation under Subchapter D of Chapter 431, Texas Transportation Code, to be known as the Brazos Valley Solid Waste Management Agency, Inc. The purpose of this Corporation is to finance, construct, own, manage and operate the existing and future municipal solid waste landfill facilities on behalf of the two cities. The City's one-half undivided interest in BVSWMA is reported in the Solid Waste Fund (see Note 14).

The City's financial statements do not include the Texas Municipal Power Agency ("TMPA"). TMPA, a separate municipal corporation, is a joint venture entered into by the Texas cities of Bryan, Garland, Denton and Greenville, for the purpose of obtaining the economic advantages of jointly financing, constructing and operating electric generating units and transmission grid to supply the

cities' electric energy needs. The eight-member board of directors of TMPA includes two members appointed by the Bryan City Council. The City has an ongoing financial interest in TMPA due to the City's guarantee of a portion of TMPA's debt (see Note 13).

In 2009, the City of Bryan and Brazos County entered into an agreement to create the City of Bryan and Brazos County Economic Development Foundation Inc. ("BBCEDF"), a local government corporation formed under Subchapter D of Chapter 431 of the Texas Transportation Code. The BBCEDF was created to promote, develop, encourage and maintain employment, commerce, and economic development in the City and the County (see Note 21).

Government-wide and fund financial statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

In fund financial statements (the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances, the Proprietary Funds Statement of Net Position and Statement of Revenues, Expenditures, and Changes in Net Position and the Fiduciary Fund Statement of Fiduciary Net Position), the City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate financial statements are presented for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column in the appropriate governmental fund and proprietary fund statements.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The Debt Service Fund accounts for the financial resources accumulated for the payment of principal, interest and related costs on long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

Other Governmental Funds is a summarization of all the non-major governmental funds, including Special Revenue, Capital Project and Permanent funds. The purpose and source of revenue for each Special Revenue fund is:

- Grant Fund – The source of funds is grants awarded to the City. The use of these funds is restricted by the terms of each grant.
- Community Development Fund – The source of funds is federal grants awarded to the City and use of the grant money is restricted by the terms of the grants. Primarily, the Community Development fund provides programs and services to low and moderate income persons.
- Hotel and Motel Room Tax Fund – The source of funds is the hotel occupancy tax. The use of these funds is restricted by the tax code of the State of Texas.
- Sidewalks Fund – This fund was established by City of Bryan Ordinance to track money from developers and property owners for the construction and maintenance of sidewalks.
- Court Technology Fund – This fund was established by City Ordinance and the source of funds is a $4.00 fee for each case that comes before the City's Municipal Court. These funds are restricted to technology necessary for the Court's operations.
- Street Improvement Fund – Per the City of Bryan Code of Ordinances, a transportation user fee was established in order to provide a properly maintained road system. That fee is the source of revenue for this fund. The use of these funds is restricted to the purposes of planning, constructing, operating, monitoring and maintaining the transportation system of the City.
- Drainage Improvement Fund – The drainage fee was established by the City of Bryan Code of Ordinances and is the source of funds for this fund. These funds can only be used for the City's drainage system.
- Tax Increment Financing Zone #8 – The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIFZ. The use of these funds is restricted to the geographical area within this zone. During FY 2013, this TIFZ was closed and the TIFZ property was transferred back to the normal tax roll. Excess funds were appropriately disbursed among the participating entities.

- Tax Increment Financing Zone #10 - The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIFZ. The use of these funds is restricted to the geographical area within this zone.
- Tax Increment Financing Zone #19 - The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIFZ. The use of these funds is restricted to the geographical area within this zone.
- Tax Increment Financing Zone #21 - The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIFZ. The use of these funds is restricted to the geographical area within this zone.
- Tax Increment Financing Zone #22 - The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIFZ. The use of these funds is restricted to the geographical area within this zone.

Proprietary funds include enterprise and internal service funds and are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are a determination of net income, financial position and cash flow. All assets and liabilities are included in the Statement of Net Position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. At fiscal year end, the City accrues estimated unbilled revenues (excluding fuel expense) for electric, water and wastewater customers.

The City reports the following major enterprise funds:

The City Electric Fund (Bryan Texas Utilities or BTU) accounts for the activities necessary to provide electric services to the residents of the City. These activities include administration, electric generation, distribution, transmission system operations and maintenance, new construction, financing and related debt service, and billing and collection.

The Rural Electric Fund accounts for the activities necessary to provide electric services to its customers living outside the City and within its service area. These activities include electric distribution, operations and maintenance, new construction, financing and related debt service. Administrative, billing and collection services are provided by the City Electric Fund.

The Water Fund accounts for the activities necessary to provide water services to the residents of the City. These activities include administrative services, water production and distribution system operations and maintenance, new construction, financing and related debt service. Billing and collection services are provided by the City Electric Fund under a contractual agreement.

The Wastewater Fund accounts for the activities necessary to provide wastewater collection and treatment services to the residents of the City. These activities include administrative services, wastewater system operations and maintenance, new construction, financing and related debt service. Billing and collection services are provided by the City Electric Fund under a contractual agreement.

Other Enterprise Funds is a summarization of all of the non-major enterprise funds.

Internal service funds account for the City's central warehouse function; administration of self-funded health insurance provided to City employees; and, the City's risk management activities, including general liability and workers' compensation claims and associated administrative expenses on a cost reimbursement basis.

Additionally, a fiduciary fund accounts for the City's payroll funds. Each of the other funds contributes its respective share of personnel costs to the Payroll Fund. Employee wages, associated employment taxes and employee benefits are paid from the fund. This fund is excluded from the government-wide Statement of Net Position and Statement of Activities since the assets are not available to support the City's own programs.

Measurement focus, basis of accounting, and financial statement presentation

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The government-wide financial statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The operating statements present increases (revenues) and decreases (expenses) in net total assets. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes available if they are collected within sixty (60) days of the end of the current fiscal period. A one hundred twenty (120) day availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, investment income and intergovernmental revenues. Sales taxes collected and held by the State at year end on behalf of the City are also recognized as revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been

met. All other revenue items are considered to be measurable and available when cash is received by the City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are payments-in-lieu-of taxes, payments for use of rights-of-way, and other charges between the City's electric, water, wastewater functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes. Likewise, internally dedicated resources are reported as general revenues rather than as program revenues.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (where applicable). Pursuant to GASB Statement No. 62, the City has elected to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued on or before November 30, 1989 to the extent they do not conflict with or contradict GASB pronouncements. Governments have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

Budgetary Control

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds and the permanent funds. Capital project fund expenditures are effectively controlled through bond indenture provisions. Permanent funds are controlled by the trust agreements which established the funds. All unexpended appropriations lapse at fiscal year end.

The City Charter establishes the City's fiscal year as the twelve-month period beginning October 1. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

The City's departments submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year. Prior to September 1, the City Manager submits to the City Council a proposed operating budget of estimated expenditures and revenues.

Upon receipt of the budget estimate the City Council publishes notice of and conducts public hearings on the proposed budget to obtain citizen comment. Prior to October 1, the budget is legally enacted through passage of the Appropriations Ordinance.

The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the fund level.

Budgeted amounts are as originally adopted, or as amended in accordance with the annual appropriations ordinance.

Encumbrance accounting is employed in governmental funds. Encumbrances (purchase orders and contracts) outstanding at fiscal year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored in the subsequent year.

Cash and Investments

Cash for all funds, including restricted cash, but excluding fiduciary fund cash, is pooled into common accounts in order to maximize investment opportunities. Each fund participating in the pools has an equity interest therein. Investment earnings on these monies are allocated based upon relative equity at month end. An individual fund's pooled cash and investments are available upon demand. Negative balances incurred in pooled cash at fiscal year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

Marketable securities with an original maturity of three months or less are considered to be cash equivalents.

Investments of all funds are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

Inventories

All inventories are valued at average cost. Inventories owned by the Enterprise and Internal Service Funds are accounted for using the consumption method (an expense is recorded when the inventory item is used).

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Interfund Receivables and Payables

Short-term amounts owed between funds are classified as "Due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of both Governmental and Proprietary Funds.

The City allocates to the proprietary funds a percentage of indirect costs incurred to provide general and administrative support services to those funds that are paid through the General Fund.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for the proprietary funds.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. To the extent the construction is performed by the City, the cost includes payroll and related costs and certain general and administrative expenses. Interest is not capitalized in these accounts because interest is recovered concurrently in the proprietary fund rate structure. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized have an original cost of $5,000 or more and three or more years of useful life.

Depreciation has been calculated on each class of depreciable property using the straight-line method over the following estimated service lives:

	Estimated Service Lives
Buildings & improvements	15 - 40 years
Water and wastewater systems	40 years
Electric system	20 - 30 years
Electric generating and related equipment	20 - 40 years
Improvements other than buildings	5 - 40 years
Machinery and equipment	3 - 10 years
Library books	15 years
Software	3 years
Streets	20 years
Sidewalks	20 years
Traffic signals	20 years
Storm drains	35 years
Bridges and culverts	40 years
Works of art and historical treasures	Determined on individual basis

Minimum Fund Balance Policy

The City has set financial guidelines regarding the retention of General Fund fund balances and reserves, to ensure that adequate funds are available to cover daily operating expenditures and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund minimum fund balance of 60 days of annual operating expense totals.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Bond Issuance Expenses

Bond issuance expenses are amortized on a straight-line basis over the period of the related maturities, which approximates the interest method.

Fuel Recovery

The City's electric funds are allowed to recover fuel and purchased power costs through fuel charges to its electric customers. The City defers and accrues any under/over recovered fuel and purchased power costs in excess of the fuel charges until such costs are reflected in billings to customers. This fuel recovery allows for the pass-through of fuel costs to customers and has no impact on the change in net position.

Compensated Absences

The City's policy in effect during Fiscal Year 2013 allows employees to earn vacation leave at rates of 10 to 20 days (80 to 160 hours) per year with unlimited accumulation. Classified employees in the police and fire departments earn vacation at the rate of 15 days (120 hours) per year in accordance with Texas Local Government Code, Chapter 143, until the employee reaches 15 years employment at which time the rate of accrual becomes the same rate as that for other City employees. Upon termination, employees with a minimum of one year employment, who leave in good standing, are paid for unused vacation time up to a maximum of two times the employee's annual accrual rate.

City employees earn sick leave at a rate of 10 days (80 hours) per year and are permitted to accrue a maximum of 120 days (960 hours). Classified employees in the police and fire departments earn sick pay at the rate of 15 days (120 hours) per year in accordance with Texas Local Government Code, Chapter 143, with unlimited accumulation. Upon termination, classified police and fire department employees are paid for any unused sick leave up to a maximum of 90 days (720 hours or 1080 hours for shift firefighters). Non-classified employees are paid for accumulated sick leave up to a maximum of 240 hours upon termination, if they have a minimum of 480 hours accrued, dependent upon leaving in good standing and being continuously employed for a minimum of twelve months in a regular position.

The City accrues vacation and sick pay when the liability is incurred. Amounts related to governmental fund types are reported in the government-wide financial statements. The liabilities of the governmental fund types are typically liquidated by the General fund and Community Development fund. All amounts related to proprietary fund types are recorded within those funds.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Implementation of New Accounting Principles

For the fiscal year ended September 30, 2013, the City adopted:

GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Agreements. This statement addresses reporting related to service concession arrangements (SCA's), which are a type of public-private or public-public partnership. The City does not engage in any SCA's, and as such, there was no impact on the City's financial statements as a result of this implementation.

GASB Statement No. 61, The Financial Reporting Entity Omnibus. This statement amends GASB Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units

within the financial statements of governmental entities. Other than a change in footnote presentation, there was no impact on the City's financial statements as a result of this implementation.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* incorporates guidance that previously could only be found in certain FASB and American Institute of Certified Public Accountants ("AICPA") pronouncements issued prior to November 30, 1989. There was no impact to the City's financial statements as a result of the implementation of this guidance.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* establishes guidance for reporting these elements in the statement of financial position and lays out two presentation formats that may be used. It specifies that the statement of net position should report the residual amount as net position rather than net assets. Other than a change in presentation, there was no impact to the City's financial statements from implementation of this guidance.

The following guidance issued by GASB is effective for FY 2014, or FY 2015, and is expected to be applicable to the City:

GASB Statement No. 65*, Items Previously Reported as Assets and Liabilities,* establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Additionally, this Statement provides reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources. The City expects that adoption of this Statement will result in the reclassification of certain items previously reported as assets or liabilities and could potentially impact certain financial ratios, such as the debt to net position ratio. Adoption of this Statement is required for the City in FY 2014.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, amends the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of GASB Statement No. 50, *Pension Disclosures*, as they relate to governmental employers that account for pensions that are provided through trusts, or equivalent arrangements. Employers are required to report the difference between the actuarial total pension liability and the pension plan's fiduciary net position as the net pension liability on the statement of net position. Previously, a liability was recognized only to the extent that contributions made to the plan were exceeded by the actuarially calculated contributions. The City is currently assessing the significance that adoption of this Statement will have on its financial statements. Adoption of this Statement is required for the City by FY 2015.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, establishes accounting and financial reporting guidance related to government combinations and disposals of government operations. The term *government combinations* refers to a variety of

transactions and may be mergers, acquisitions, or transfers of operations. This standard sets forth definitions of each of these transaction types and sets forth the specific accounting and reporting treatment to be given for each. The Statement also provides accounting and reporting guidance for disposals of government operations that have been sold or transferred. The requirements of this Statement will be applied prospectively, beginning in the period of adoption. The effect of this guidance on the City will be limited to its impact on recognition of potential combination and disposal transactions into which the City may enter in the future. Adoption of this Statement is required for the City by FY 2015.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantee Transactions,* issued in April 2013, provides accounting and disclosure guidance for transactions in which a government has extended or received a financial guarantee without directly receiving equal-value consideration in exchange. This guidance requires a government that has extended or received a nonexchange financial guarantee to recognize a liability in certain circumstances involving the likelihood or actuality of payments being made on those guarantees. Adoption of this Statement is required for the City in FY 2014.

2. DEPOSITS AND INVESTMENTS

Deposits

State statutes require that all deposits in financial institutions be fully collateralized with depository insurance or by U.S. Government obligations or its agencies and instrumentalities; or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. At year-end, the City's demand deposits at Citibank, N.A. were entirely covered by federal depository insurance or by collateral held by the City's custodial banks (The Bank of New York) in the City's name. At September 30, the amount of the City's demand deposits was $47,271,103. BTU's demand deposits were $59,649,854 and the bank balance was $107,300,337.

Investments

The City's investment program is guided by State statutes, by various City ordinances and by the City's investment policy which amplifies those guidelines and prescribes how the City will operate its investment program in accordance with applicable laws and regulations.

The City's policy, which was adopted by the City Council in October 2012, for the fiscal year ending September 30, 2013, sets forth (1) the basic principles governing the investment of City funds; (2) the objectives of the City's investment program; and (3) the authority, responsibilities, limitations, documentation and requirements to be used in the administration and operation of the City's investment program.

Investments authorized by the investment policy are those approved by the revised State of Texas Public Funds Investment Act, Chapter 2256. These investments include the following:

a. Direct obligations of the United States or its agencies and instrumentalities;

b. Debentures or discount notes issued by, guaranteed by, or for which the credit of any Federal Agencies and Instrumentalities is pledged for payment;

c. Direct obligations of the State of Texas or its agencies;

d. Bonds or other obligations, the principal and interest on which is guaranteed by the full faith and credit of the United States;

e. Certificates of deposit issued by state and national banks within the state of Texas that are secured by obligations qualified as acceptable collateral;

f. Certificates of deposit issued by savings and loan associations within the state of Texas that are secured by obligations qualified as acceptable collateral;

g. Bankers Acceptances eligible for discounting with the Federal Reserve maturing within 90 days;

h. Commercial paper with a stated maturity of 180 days or less from the date of issuance that is rated not less than A-1, P-1, F-1 or its equivalent;

i. Fully collateralized repurchase agreements having a defined termination date of 90 days or less, secured by qualified obligations, pledged with a third party, and placed through a primary government securities dealer as defined by the Federal Reserve, or a bank domiciled in Texas;

j. Money-market mutual funds that are SEC registered no-load funds with dollar-weighted average portfolio maturity of 90 days or less;

k. The City utilizes local government investment pools rated no lower than AAA or AAA-m from at least one nationally recognized rating agency;

l. Hedging contracts and related security insurance agreements in relation to fuel oil, natural gas, coal, nuclear fuel, and electric energy to protect against loss due to price fluctuations;

m. Reverse repurchase agreements are allowed only if the term does not exceed 90 days after delivery, and money received is used to acquire additional authorized investments with a maturity date not to exceed the expiration date stated in the agreement.

The City's investment policy prohibits the substitution of collateral on repurchase agreements without prior approval of the City.

At September 30, 2013, the fair market value of the City's portfolio is as follows:

		Fair Value	Percentage of Total	Wgt. Avg. Maturity	Credit Risk
U. S. Agencies and Instrumentalities	$	44,362,582	26.07%	572 days	AAA
U. S. Treasuries		6,002,813	3.53%		
Collateral Deposits		3,679,019	2.16%		
Investments in Government Pools		9,190,091	5.40%		AAAm
Demand Deposits		106,920,957	62.84%		
Total Investments and deposits	$	170,155,462	100.00%		

Investments of all funds are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

The revenue bond ordinances require disclosure of the investments held by the reserve fund. Sufficient investments exist in the pool to adequately meet reserve fund requirements. A detailed list of those securities is available in the office of the Chief Financial Officer.

Custodial Risk – City deposits in excess of the $250,000 amount covered by the Federal Depository Insurance Corporation ("FDIC") must be secured by authorized securities with a market value equal to or greater than 105% of the total deposits. At September 30, 2013, all City deposits were insured or adequately collateralized.

Interest Rate Risk – The City minimized the risk associated with the decline in market value of securities due to rising interest rates (interest rate risk) by maintaining a ("buy and hold") strategy whereby investment securities are purchased with the intent to hold the securities in the portfolio until maturity. Additionally, the City's Investment Policy limits the weighted average maturity of all securities and Certificates of Deposit in the City's portfolio to no more than three years at any given time. The City's investment strategy acts to reduce interest rate risk through investing funds to meet cash flow requirements; monitoring the credit ratings of portfolio investments to assure compliance with the Investment Policy and the Texas Public Funds Investment Act; and investing in a diversified portfolio of assets including obligations of the United States and its agencies and instrumentalities, money market mutual funds, and government investment pools.

Credit Risk and Concentration of Credit Risk – In compliance with the City's Investment Policy and the Texas Public Funds Investment Act, the City managed credit risk through portfolio diversification by limiting investments to avoid over concentration in securities from a specific issuer; limiting investments in securities with high credit risk; and investing in securities with varying maturities. At September 30, 2013, the City had investments in Federal Home Loan Board securities that comprised 13.7% of total investable funds. No other single investment category exceeded 10% of investable funds.

Foreign Currency Risk – By virtue of the City's Investment Policy and the Texas Public Funds Investment Act, the City is not exposed to foreign currency risk because the City is not authorized to

maintain deposits or investments denominated in a foreign currency.

3. PROPERTY TAXES

Property tax is levied each October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the City. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the City Council.

Taxpayers have from October 1 of the tax year to January 31 of the following year to pay the full amount of taxes without penalty or interest. Taxes become delinquent on February 1st. Any unpaid balance will accrue penalty and interest.

Taxpayers may elect a split payment option by paying half of the tax amount by November 30 of the tax year. The remaining half may be paid without penalty or interest any time on or before June 30 of the following year.

Taxpayers who were 65 years of age or older on January 1, and have filed an application for exemption may pay the taxes on their homestead in four equal installments. Quarterly payments are due January 31, March 31, May 31, and July 31.

Delinquent taxes are subject to interest and penalty charges. The tax rate to finance general governmental services including debt service was 63.3308 cents per $100 of assessed valuation for the year ended September 30, 2013. Under provisions adopted by the City, the maximum tax rate is limited to $1.50 per $100 of assessed valuation.

The Brazos County Appraisal District ("Appraisal District") is responsible for the recording and appraisal of property for all taxing units in the County. The Appraisal District is required to assess property at 100% of its appraised value. Real property must be reappraised at least every three years. The City may, at its own expense, require annual reviews by the Appraisal District through various appeals and, if necessary, legal action. Under this system, if the rate, excluding tax rates for bonds and other contractual obligations adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

The Appraisal District bills and collects the property taxes of the City.

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013 follows:

	Balance October 1	Additions / Completions	Retirements / Adjustments	Balance September 30
Governmental activities:				
Capital assets not being depreciated				
Land	$ 11,570,401	$ 17,743	$ (44,723)	$ 11,543,421
Construction in Progress	7,820,649	2,011,210	(2,916,209)	6,915,650
Total capital assets not being depreciated	19,391,050	2,028,953	(2,960,934)	18,459,071
Capital assets, being depreciated				
Buildings	42,752,179	-	-	42,752,179
Equipment	28,646,908	583,604	(148,645)	29,081,867
Improvements	31,293,153	441,325	-	31,734,478
Infrastructure	171,120,753	4,379,111	-	175,499,864
Total capital assets being depreciated	273,812,993	5,404,040	(148,645)	279,068,388
Less accumulated depreciation for:				
Buildings	(13,826,024)	(1,049,983)	-	(14,876,007)
Equipment	(18,039,553)	(2,677,325)	148,645	(20,568,233)
Improvements	(18,931,751)	(1,274,638)	-	(20,206,389)
Infrastructure	(72,082,224)	(6,537,085)	-	(78,619,309)
Total accumulated depreciation	(122,879,552)	(11,539,031)	148,645	(134,269,938)
Total capital assets, being depreciated, net	150,933,441	(6,134,991)	-	144,798,450
Governmental activities capital assets, net	$ 170,324,491	$ (4,106,042)	$ (2,960,930)	$ 163,257,521
Business-type activities:				
Capital assets not being depreciated				
Land	$ 15,478,192	$ 1,431,411	$ (382,085)	$ 16,527,518
Construction In Progress	50,127,054	52,999,883	(49,106,111)	54,020,826
Total capital assets not being depreciated	65,605,246	54,431,294	(49,488,195)	70,548,344
Capital assets, being depreciated				
Buildings	3,392,115	6,092	(1,633,701)	1,764,506
Equipment	12,948,959	1,510,413	(944,779)	13,514,593
Improvements	598,707,515	50,891,500	(557,280)	649,041,735
Total capital assets being depreciated	615,048,589	52,408,005	(3,135,760)	664,320,834
Less accumulated depreciation for:				
Buildings	(1,441,656)	(105,177)	787,057	(759,776)
Equipment	(8,281,108)	(1,313,304)	709,285	(8,885,127)
Improvements	(220,629,267)	(17,675,562)	515,605	(237,789,224)
Total accumulated depreciation	(230,352,030)	(19,094,043)	2,011,947	(247,434,127)
Total capital assets, being depreciated, net	384,696,559	33,313,961	(1,123,813)	416,886,707
Business-type activities capital assets, net	$ 450,301,805	$ 87,745,255	$ (50,612,008)	$ 487,435,051

Depreciation expense was charged as direct expense to programs of the primary government as follows:

Governmental activities:	
General government and administration	$ 1,365,849
Development services	736,175
Public works services	6,308,780
Public safety	2,047,375
Cultural and recreational	1,080,852
Total depreciation expense - Governmental activities	$ 11,539,031
Business-type activities:	
City Electric	$ 10,976,573
Rural Electric	1,987,513
Water	2,493,702
Wastewater	2,541,484
Other Enterprise Funds	1,094,772
Total depreciation expense - Business-type activities	$ 19,094,043

The City has active construction projects as of September 30, 2013. Total accumulated commitments for ongoing capital projects are composed of the following:

	Committed
Street improvements	$ 5,758,610
Drainage improvements	133,196
Tax Increment Reinvestment Zone #22 - public infrastructure improvements	4,774
Water system improvements	271,639
Wastewater system improvements	143,554
Total	$ 6,311,773

5. LONG-TERM DEBT

The following is a summary of long-term debt transactions (except vacation and sick pay and claims and judgments) for the year ended September 30, 2013:

	Beginning Balance	Issued	Matured/ Refunded	Ending Balance	Due within one year
Governmental Activities:					
General Obligation Bonds	$ 25,525,000	$ 21,391,646	$ 2,220,000	$ 44,696,646	$ 2,935,871
Certificates of Obligation	70,655,156	-	24,685,156	45,970,000	3,655,000
Notes Payable	1,720,000	-	1,720,000	-	-
Total governmental fund types	97,900,156	21,391,646	28,625,156	90,666,646	6,590,871
Business-type Activities:					
Water, Sewer & Airport Systems:					
General Obligation Bonds	-	6,293,354	-	6,293,354	184,129
Certificates of Obligation	9,744,844	-	1,104,844	8,640,000	1,100,000
Revenue Bonds	68,165,000	-	9,475,000	58,690,000	3,535,000
Electric System :					
Certificates of Obligation	-	5,600,000	-	5,600,000	215,000
Revenue Bonds	211,135,000	-	11,020,000	200,115,000	11,015,000
Notes Payable	1,893,792	-	1,893,792	-	-
Total proprietary fund types	290,938,636	11,893,354	23,493,636	279,338,354	16,049,129
Total long-term debt	$ 388,838,792	$ 33,285,000	$ 52,118,792	$ 370,005,000	$22,640,000

In FY 2013, the City paid off all its outstanding notes payable. On July 15, 2013, the City paid off the Department of Housing and Urban Development Section 108 Loan in the amount of $1,720,000 from the proceeds of the sale of the LaSalle Hotel (See Note 21). On September 9, 2013, the City paid off the remaining note payable to Compass Bank in the amount of $1,893,792.

Long-term debt at September 30, 2013 consists of bonds and certificates of obligation maturing serially and is summarized as follows:

Issue	Interest Rates (%)	Series Matures	First Callable Date	Governmental	Business-type	Total
General Obligation Bonds:						
Refunding, Series 2005	4.00 - 5.00	2025	08/15/16	$ 14,885,000	$ -	$ 14,885,000
Refunding, Series 2010	2.00 - 4.00	2021	None	8,420,000	-	8,420,000
Refunding, Series 2013	2.00 - 3.50	2026	08/15/23	21,391,646	6,293,354	27,685,000
Total General Obligation Bonds				44,696,646	6,293,354	50,990,000
Certificates of Obligation:						
Combination Tax & Revenue, Series 2004	2.50 - 4.75	2025	08/15/14	755,000	-	755,000
Combination Tax & Revenue, Series 2005	4.00 - 5.00	2026	08/15/14	7,525,000	-	7,525,000
Combination Tax & Revenue, Series 2007	4.00 - 4.25	2026	08/15/16	9,995,000	-	9,995,000
Combination Tax & Revenue, Series 2008	4.00 - 5.00	2028	08/15/18	8,785,000	-	8,785,000
Combination Tax & Revenue, Series 2009	3.00 - 5.00	2029	08/15/19	7,090,000	-	7,090,000
Combination Tax & Revenue, Series 2010	2.00 - 4.38	2030	08/15/20	11,820,000	-	11,820,000
Combination Tax & Revenue Refunding, Series 2011	2.00 - 4.00	2022	None	-	8,640,000	8,640,000
Combination Tax & Revenue, Series 2013	3.00 - 4.00	2033	08/15/23	-	5,600,000	5,600,000
Total Certificates of Obligation				45,970,000	14,240,000	60,210,000
Revenue Bonds:						
Water and Sewer System Revenue, Series 2004	2.50 - 5.00	2030	07/01/14	-	250,000	250,000
Water and Sewer System Revenue, Series 2005	4.00 - 4.75	2031	07/01/14	-	2,435,000	2,435,000
Water and Sewer System Revenue, Series 2007	4.00 - 5.00	2032	07/01/17	-	30,490,000	30,490,000
Water and Sewer System Revenue, Series 2009A	2.00 - 4.64	2029	07/01/19	-	4,845,000	4,845,000
Sewer System Revenue, Series 2009B	0.15 - 2.60	2019	None	-	800,000	800,000
Water Revenue, Series 2010A	2.00 - 4.25	2030	07/01/20	-	4,585,000	4,585,000
Sewer System Revenue, Series 2011	0.00 - 2.70	2030	None		15,285,000	15,285,000
Electric System Revenue City, Series 2005	4.00 - 4.50	2025	07/01/15	-	9,225,000	9,225,000
Electric System Revenue City, Series 2006	4.00 - 5.00	2031	07/01/16	-	10,070,000	10,070,000
Electric System Revenue City, Series 2007	4.25 - 5.25	2032	07/01/17	-	27,535,000	27,535,000
Electric System Revenue City, Series 2008	4.00 - 5.25	2033	07/01/17	-	28,750,000	28,750,000
Electric System Revenue Rural, Series 2008	3.50 - 4.75	2034	07/01/17	-	5,575,000	5,575,000
Electric System Revenue City, Series 2009	4.00 - 5.00	2034	07/01/17	-	22,410,000	22,410,000
Electric System Revenue City, Series 2010	3.00 - 5.00	2019	07/01/17	-	32,365,000	32,365,000
Electric System Revenue Rural, Series 2011	3.00 - 5.00	2021	None	-	2,505,000	2,505,000
Electric System Revenue City, Series 2012	3.13 - 5.00	2037	07/01/22	-	61,680,000	61,680,000
Total Revenue Bonds				$ -	$ 258,805,000	$ 258,805,000
Total long-term debt				$ 90,666,646	$ 279,338,354	$ 370,005,000

Debt service requirements to maturity for all bonds, certificates of obligation, contractual obligations and notes payable are summarized as follows:

General Obligation Bonds

	Governmental Activities		Business-type Activities		
Year	Principal	Interest	Principal	Interest	Total
2014	$ 2,935,871	$ 1,545,725	$ 184,129	$ 157,704	$ 4,823,429
2015	4,248,295	1,456,043	546,705	156,694	6,407,737
2016	4,380,339	1,334,627	554,661	145,761	6,415,388
2017	4,226,700	1,192,571	568,300	134,667	6,122,238
2018	4,365,334	1,049,687	579,666	123,301	6,117,988
2019-2023	18,681,232	3,013,825	2,818,768	414,862	24,928,687
2024-2028	5,858,875	337,787	1,041,125	49,487	7,287,274
Total	$ 44,696,646	$ 9,930,265	$ 6,293,354	$ 1,182,476	$ 62,102,741

Certificates of Obligation

	Governmental Activities		Business-type Activities		
Year	Principal	Interest	Principal	Interest	Total
2014	$ 3,655,000	$ 1,925,823	$ 1,315,000	$ 501,431	$ 7,397,254
2015	2,530,000	1,780,023	1,175,000	465,553	5,950,576
2016	2,515,000	1,676,461	1,210,000	430,303	5,831,764
2017	2,550,000	1,584,711	1,250,000	394,003	5,778,714
2018	2,650,000	1,483,830	1,215,000	346,253	5,695,083
2019-2023	15,025,000	5,663,682	4,810,000	1,134,562	26,633,244
2024-2028	14,985,000	2,269,778	1,460,000	548,934	19,263,712
2029-2033	2,060,000	115,883	1,805,000	233,150	4,214,033
Total	$ 45,970,000	$ 16,500,191	$ 14,240,000	$ 4,054,189	$ 80,764,380

Revenue Bonds

	Governmental Activities		Business-type Activities		
Year	Principal	Interest	Principal	Interest	Total
2014	$ -	$ -	$ 14,550,000	$ 11,431,683	$ 25,981,683
2015	-	-	15,555,000	10,873,433	26,428,433
2016	-	-	16,035,000	10,173,158	26,208,158
2017	-	-	15,490,000	9,497,035	24,987,035
2018	-	-	11,190,000	8,780,213	19,970,213
2019-2023	-	-	76,975,000	32,709,074	109,684,074
2024-2028	-	-	49,945,000	20,546,160	70,491,160
2029-2033	-	-	47,080,000	8,718,130	55,798,130
2034-2038	-	-	11,985,000	1,148,000	13,133,000
Total	$ -	$ -	$ 258,805,000	$ 113,876,886	$ 372,681,886

Total Long Term Debt

	Governmental Activities		Business-type Activities		
Year	Principal	Interest	Principal	Interest	Total
2014	$ 6,590,871	$ 3,471,548	$ 16,049,129	$ 12,090,818	$ 38,202,366
2015	6,778,295	3,236,066	17,276,705	11,495,680	38,786,746
2016	6,895,339	3,011,088	17,799,661	10,749,222	38,455,310
2017	6,776,700	2,777,282	17,308,300	10,025,705	36,887,987
2018	7,015,334	2,533,517	12,984,666	9,249,767	31,783,284
2019-2023	33,706,232	8,677,507	84,603,768	34,258,498	161,246,005
2024-2028	20,843,875	2,607,565	52,446,125	21,144,581	97,042,146
2029-2033	2,060,000	115,883	48,885,000	8,951,280	60,012,163
2034-2038	-	-	11,985,000	1,148,000	13,133,000
Total	$ 90,666,646	$ 26,430,456	$ 279,338,354	$ 119,113,551	$ 515,549,007

On July 15, 2013, the City issued general obligation refunding bonds totaling $27,685,000. These bonds mature serially from August 15, 2014 through August 15, 2026 with coupon rates ranging from 2.0% to 3.5%. After the payment of issuance costs, the proceeds from the sale of the 2013 general obligation bonds are restricted to refunding portions of the City's outstanding debt and thus lowering the overall debt service requirements of the City. Proceeds from the sale of the bonds were used to refund a total of $26,780,000, which includes $20,720,000 of combination tax and revenue certificates of obligation and $6,060,000 of Water and Sewer Revenue Bonds. This represents an economic gain of $2,435,587 and a net present value benefit savings of $2,064,520.

Also on July 15, 2013, the Rural Electric Fund issued combination tax and revenue certificates of obligation totaling $5,600,000. The Bonds mature serially from August 15, 2014 through August 15, 2033 with coupon rates ranging from 3.0% to 4.25%. The proceeds from the sale of the 2013 Bonds are restricted to the acquisition, construction, replacement and repair of substations, feeders and other distribution improvements to the City's rural electric system, and to pay the costs of issuing the obligations.

The net revenues of the City Electric Fund, Rural Electric Fund, Water and Wastewater Systems are pledged for the payment of each funds' respective revenue bonds. Net revenues, as defined by the various revenue bond ordinances, include substantially all of the revenues and expenses of each respective system other than certain interest income and expense and depreciation and amortization. These bond ordinances further require that the net revenues as defined equal at least 1.10 times the average annual debt service on all outstanding City Electric Fund revenue bonds, 1.20 times the average annual debt service on all outstanding Rural Electric Fund revenue bonds and 1.25 times the average annual debt service on all outstanding Water and Wastewater System revenue bonds.

Under the terms of the bond covenants, City Electric and Rural Electric Funds are required to maintain minimum reserve fund requirements equal to approximately one year of debt service requirements. The reserve fund requirements may be satisfied by cash, letter of credit or an insurance policy. The reserve fund requirements for the Series 2005, 2008, 2009, 2010, 2011 and 2012 Bonds are satisfied with restricted funds. The reserve fund requirements for the City Electric

Fund Series 2006 and Series 2007 bonds are satisfied with insurance policies, as are the Rural Electric Fund's Series 2008 bonds.

The ordinance authorizing the Waterworks and Sewer System revenue bonds stipulates that the City will deposit certain amounts into a reserve fund for the purpose of retiring the last of the bonds as they become due or to pay principal of and interest on the outstanding bonds if necessary. The ordinance also allows the City to replace or substitute a credit facility for cash or investments on deposit in the reserve fund. For the Series 2001, 2004, 2005 and 2007 bonds, the City has exercised the option to replace the reserve fund requirement with a surety bond.

The City reserves the right at any time to merge its City Electric Fund and its Rural Electric Fund into a single operating electric utility system. The merger of the Rural Electric Division would not have an adverse impact on the bondholders.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. As provided for by the bond ordinances, this amount has been recorded as a liability in the Proprietary funds for the benefit of the federal government and will be paid as required by applicable regulations.

Changes in the accrual for unpaid vacation and sick pay are detailed below:

	Year Ended September 30, 2013		
	Governmental Activities	Business-type Activities	Total
Beginning balance	$ 5,730,612	$ 875,846	$ 6,606,458
Plus additions	2,326,520	717,644	3,044,164
Less payments	(2,185,849)	(592,463)	(2,778,312)
Ending balance	$ 5,871,283	$ 1,001,027	$ 6,872,310
Amount due in one year	$ 2,241,430	$ 399,129	$ 2,640,559
Amount due in over one year	$ 3,629,853	$ 601,898	$ 4,231,751

6. PRIOR-YEAR DEFEASANCE OF DEBT

In FY 2013 and prior years, the City defeased certain outstanding general obligation bonds, certificates of obligation and revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

As of September 30, 2013, the City had outstanding General Obligation bonds and Certificates of Obligation totaling $31,015,000 which were considered defeased.

7. BONDS AVAILABLE FOR SALE

Authorized general obligation bonds available for future issue are as follows:

	Year Authorized	Unissued Amount
Streets	1984	$ 8,225,000
Parks and Recreation Facilities	1984	1,775,000
Railroad Grade Separation	1984	2,850,000
Sanitary Landfill	1984	200,000
Total		$ 13,050,000

During the fiscal year 1984, the City Council voted to comply with the option provided by state law that does not require voter approval on revenue bonds prior to issuance.

8. NATURE AND PURPOSE OF CLASSIFICATION OF FUND EQUITY

The fund balance classifications for Governmental Funds are:

- Nonspendable – includes fund balance amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.

- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation.

- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through the adoption of an ordinance by the City Council. In order for fund balance to be committed, the City Council must adopt an ordinance stating the purpose for which the fund balance is committed. These committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (adoption of an ordinance) it employed to previously commit these amounts.

- Assigned – includes fund balance amounts that are self-imposed by the City to be used for a particular purpose. Fund balance can be assigned by the City Manager, the Chief Financial Officer or their designee. This authority was delegated to the City Manager and the Chief Financial Officer by formal resolution of the City Council.

- Unassigned – includes the residual positive fund balance within the general fund which has not been classified within the other above mentioned categories.

When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted fund balance first, then unrestricted fund balance. Similarly, committed fund balances are reduced first followed by assigned amounts and then unassigned amounts when

expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications are available.

The City's classification of fund balances is as follows at September 30, 2013:

	General Fund	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Nonspendable:						
Permanent Funds Corpus	$ -	$ -	$ -	$ -	$ 816,427	$ 816,427
Other Purposes	75,907	-	3,282	-	-	79,189
Restricted for:						
Debt Service	-	5,876,433	-	-	-	5,876,433
Grants	147,382	-	24,180	-	-	171,562
Hotel/Motel	-	-	653,604	-	-	653,604
Municipal Court	270,275	-	296,395	-	-	566,670
TIRZ Development	-	-	552,909	-	-	552,909
Capital Projects	-	-	-	2,512,231		2,512,231
Cemeteries	-	-	-	-	1,035,463	1,035,463
Libraries	-	-	-	-	3,711	3,711
Police	99,097	-	-	-	-	99,097
Record Preservation	74,342	-	-	-	-	74,342
Other Purposes	45,022	-	5,728	-	-	50,750
Committed to:						
Parks	967,185	-	-	-	-	967,185
Libraries	187,657	-	-	-	-	187,657
Streets	-	-	12,515,747	-	-	12,515,747
Drainage	-	-	1,164,532	-	-	1,164,532
Severance Reserve	1,113,740	-	-	-	-	1,113,740
Assigned to:						
Encumbrances	974,951	-	-	-	-	974,951
Unassigned	18,505,338	-	-	-	-	18,505,338
Total fund balances	$22,460,896	$5,876,433	$15,216,377	$ 2,512,231	$1,855,601	$47,921,538

Net position has been restricted at September 30, 2013 as follows:

	Business-Type Activities				
Restricted for:	Electric	Water	Waste Water	Other Enterprise	Total
Rate Stabilization	$ 1,681,017	$ -	$ -	$ -	$ 1,681,017
Debt Retirement	11,558,189	-	-	-	11,558,189
Debt Service	3,088,681	2,701,486	1,419,203	-	7,209,370
Collateral Deposits	3,679,019	-	-	-	3,679,019
BVSWMA	-	-	-	12,618,121	12,618,121
Total	$ 20,006,906	$ 2,701,486	$ 1,419,203	$ 12,618,121	$ 36,745,716

9. RETIREMENT PLAN

Plan Description

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

The City of Bryan is one of 849 municipalities having their benefit plan administered by TMRS. Each of the 849 municipalities has an annual, individual actuarial valuation performed. TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at www.TMRS.com.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percentage had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Plan provisions for the City were as follows:

	Plan Year 2012	Plan Year 2013
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
COLA Increase (to retirees)	70% of CPI Repeating	50% of CPI Repeating

In 2012, the City reduced future retiree annual Cost-of-Living Adjustments (COLAs) to 50% of the Consumer Price Index (CPI) effective January 1, 2013.

Contributions

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

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

Annual Required Contribution (ARC)	$	7,819,598
Interest on Net Pension Obligation		459,745
Adjustment to the ARC		(403,922)
Annual Pension Cost (APC)		7,875,420
Contributions Made		(7,620,909)
Increase (decrease) in net pension obligation		254,511
Net Pension Obligation/(Asset), beginning of year		6,567,779
Net Pension Obligation/(Asset), end of year	$	6,822,290

The net pension obligation is included in noncurrent liabilities on the accompanying Statement of Net Position.

Historical data is as follows:

Fiscal Year	Annual Pension Cost (APC)	Annual Contribution	Percentage of APC Contributed	Net Pension Obligation at September 30
09/30/11	8,939,677	7,066,633	79.05%	5,556,778
09/30/12	8,414,382	7,403,380	87.99%	6,567,779
09/30/13	7,875,420	7,620,909	96.77%	6,822,290

The required contribution rates for FY 2013 were determined as part of the December 31, 2011 actuarial valuation. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

Valuation date	12/31/2010	12/31/2011	12/31/2012
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	27.2 years; closed period	26.3 years; closed period	25.3 years; closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset valuation method	10-year Smoothed	10-year Smoothed	10-year Smoothed
Actuarial assumptions:			
Investment rate of return	7.0%	7.0%	7.0%
Projected salary increases	Varies by age & service	Varies by age & service	Varies by age & service
Included inflation rate	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	1.5%	1.5%

Funding Status and Funding Progress

The funded status as of December 31, 2012, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	Funded Ratio (3) (1) / (2)	Unfunded AAL (UAAL) (4) (2) - (1)	Covered Payroll (5)	UAAL as a Percentage of Covered Payroll (6) (4) / (5)
12/31/2012	$ 196,237,254	$237,584,626	82.6%	$41,347,372	$45,272,820	91.3%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

10. EMPLOYEE BENEFITS

The City established the Employee Benefits Trust Fund effective October 1, 1986, covering health benefits for eligible employees. At that time the Council approved a formal trust agreement establishing the Fund. Employee premium costs are shared by the City and the employee, while dependent coverage is paid by the employee. The City's contract with its third party administrator and reinsurer sets a stop loss level per participant in the amount of $150,000 and a maximum aggregate stop loss deductible of $6,590,118 for the twelve month period which began January 1, 2013 and ends December 31, 2013. There were no significant reductions in insurance coverage in the current year from coverage in the prior year, nor have there been any settlements that have exceeded insurance coverage for each of the past three fiscal years.

The following schedule represents the changes in claims liabilities for the year:

	FY 2013	FY 2012
Beginning balance unpaid claims	$ 1,014,384	$ 950,491
Incurred claims	7,336,575	7,897,565
Claim payments	(7,339,971)	(7,833,672)
Ending balance unpaid claims	$ 1,010,988	$ 1,014,384
Amounts due in one year	$ 1,010,988	$ 1,014,384

11. OTHER POST-EMPLOYMENT BENEFITS

Effective January 1, 1991, by action of the City Council, the City began offering post-retirement health care benefits to employees. Effective January 1, 1993, retiree spouses were granted eligibility for benefits. Dependents were granted eligibility effective January 1, 1994. This plan is a single employer defined benefit other post-employment benefit plan. A separate, audited GAAP-basis post-employment benefit plan report is not available.

To qualify for healthcare an employee must be at least 60 years of age and have five years of TMRS service credit or have at least 20 years of service credit. In order to be eligible, employees must elect to retire at time of separation, must elect in writing to continue health benefits coverage at the time of separation, and must pay the appropriate premium. Coverage can continue for life.

Employees terminating before normal retirement conditions are not eligible for retiree health coverage. Employees who retire under a disability retirement are not eligible for retiree health coverage.

Eligible retirees may continue health insurance benefits for eligible spouses and dependents covered at the time of retirement. A dependent not covered under the plan at this time is not eligible for coverage. If the retiree elects to continue coverage for any dependent and on any subsequent date elects to discontinue coverage, the dependent is no longer eligible for coverage.

Survivors of employees who die while actively employed are not eligible for retiree health coverage. However, surviving spouses and dependents of Texas public officers (as defined by Texas Government Code, Chapter 615) killed in the line of duty are entitled to purchase continued health insurance benefits. The surviving spouse is entitled to continue to purchase health insurance coverage until the date the surviving spouse becomes eligible for federal Medicare benefits. Surviving dependent minor children are entitled to continue health insurance coverage until the dependent reaches the age of 18 years or a later date to the extent required by state or federal law. A surviving dependent who is not a minor child is entitled to continue health insurance coverage until the earlier of: (1) the date the dependent becomes eligible for group health insurance through another employer or (2) the date the dependent becomes eligible for federal Medicare benefits. Eligible survivors are entitled to purchase the continued coverage at the group rate for that coverage that exists at the time of payment.

Surviving covered spouses and dependents of deceased retired employees may continue health care coverage for up to 36 months through COBRA.

Once the retiree or spouse is enrolled in Medicare, the City's plan becomes the secondary payer. Retiree is responsible for payment of any Medicare premiums. The City does not provide any cash payment in lieu of electing the City's health care plan. Retirees who do not elect to continue coverage at time of separation are not eligible to opt back in.

The City does not offer life insurance coverage for retirees or their dependents. Employees who retire are eligible to convert their group life insurance coverage to a Whole Life Policy without accidental death and dismemberment until the employee reaches age 100 or a Group Term Life with AD&D until the employee reaches age 70.

The City's health care plan includes medical, dental, and prescription coverage. Retiree health plan coverage is the same as coverage provided to active City employees in accordance with the terms and conditions of the current City of Bryan Health Plan. The City also offers a fully insured optional vision plan that retirees and their dependents may purchase. The City reserves the right to modify premium amounts, to modify eligibility requirements and to modify or discontinue retiree health benefits.

In the year ended September 30, 2013, retirees paid $494,732 in premiums and $979,635 in claims were paid for post-retirement health care and administrative charges. As of September 30, 2013, the City has 42 retirees, 31 retirees and spouses, 11 retirees and families and 5 retirees and child(ren) participating in the health plan, out of the 372 employees eligible to participate upon retirement. Expenses are recognized as retirees submit claims.

The City also provides health benefits as required by the Federal Government under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). COBRA requires employers that sponsor group health plans to provide continuation of group coverage to employees and their dependents under certain circumstances where coverage would otherwise end. Terminated employees who qualify under COBRA pay premium costs for themselves and dependents.

Expenses are recognized as claims when submitted. COBRA participants are reimbursed at the same levels as active employees. Participants paid premiums of $39,111 and incurred claims and administrative expenses of $68,185 in the year ended September 30, 2013. As of September 30, 2013, the City has 2 COBRA participants.

Future year estimated claims for all health plan participants are actuarially determined by the reinsurer. All assets of the Employee Benefits Trust Fund are available for future claim payments for health plan participants.

Prior to January 1, 2010, all retirees electing health plan coverage received a health premium subsidy averaging 40%. Beginning January 1, 2010, the City implemented new eligibility requirements for subsidized retiree premiums. The new eligibility requirements require retirees to meet the 'Rule of 80' (sum of age plus years of service at retirement must equal to at least 80), in

order to receive the subsidized retiree premium. Retirees not meeting the 'Rule of 80' may still elect the City's retiree health plan coverage, but will not receive a subsidy.

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 45, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other than Pensions*, which establishes standards for the measurement, recognition and display of other postemployment benefit expenditures and related liabilities, and note disclosures in the financial report. Basically, public-sector employers must accrue the cost of other postemployment benefits (OPEB) over the active service life of benefiting employees. This statement was effective for the City for the fiscal year ending September 30, 2008.

Funding Policy and Annual OPEB Cost

The City's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City had its most recent OPEB valuation performed as of December 31, 2011, as required by GASB. The City's annual OPEB cost for the current year and prior two years is as follows:

	FY 2013	FY 2012	FY 2011
Annual required contribution (ARC)	$ 975,990	$ 947,563	$ 733,190
Interest on OPEB obligation	73,122	43,381	17,653
Adjustment to ARC	(44,631)	(40,192)	(9,977)
Annual OPEB cost	1,004,481	950,752	740,866
Contributions made	(484,903)	(289,840)	(169,126)
Increase (decrease) in net OPEB obligation	519,578	660,912	571,740
Net OPEB obligation, beginning of year	1,624,933	964,021	392,281
Net OPEB obligation, end of year	$ 2,144,511	$ 1,624,933	$ 964,021

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year ending September 30, 2013, and the preceding two fiscal years were as follows:

Fiscal Year	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
2011	$ 740,866	$ 169,126	22.8%	$ 964,021
2012	$ 950,752	$ 289,840	30.5%	$ 1,624,933
2013	$ 1,004,481	$ 484,903	48.3%	$ 2,144,511

Funding status and funding progress

The City had actuarial valuations performed as of December 31, 2011, December 31, 2009, and May 31, 2008. The funded status of the City's retiree health care plan, under GASB Statement No. 45, is as follows:

	FY 2013	FY 2012	FY 2011
Actuarial value of plan assets	$ -	$ -	$ -
Actuarial accrued liability (AAL)	11,860,133	11,860,133	7,694,907
Unfunded AAL	(11,860,133)	(11,860,133)	(7,694,907)
Funded Ratio	-	-	-
Covered Payroll	$46,141,173	$ 44,294,557	$44,610,716
UAAL as a % of Covered Payroll	26%	27%	17%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by $11,860,133 at December 31, 2011.

Actuarial methods and assumptions

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

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

Inflation rate	-	3.00% per annum
Investment rate of return	-	4.50%, net of expenses
Actuarial cost method	-	Projected Unit Credit Cost Method
Amortization method	-	Level as a percentage of employee payroll
Amortization period	-	30-year, open amortization
Payroll growth	-	3.00% per annum
Healthcare cost trend rate	-	Initial rate of 8.50% declining to an ultimate rate of 4.50% after 8 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides 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.

12. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, as amended, is available to all employees, and permits them to defer a portion of their salary until future years. The plan funds are not available to employees until termination, retirement, death, or emergency.

All amounts of compensation deferred under the plan (until paid or made available to the employee or other beneficiary) were placed in trust for the exclusive benefit of the participants and the beneficiaries. This is in accordance with changes made to Section 457 of the Internal Revenue Code. Since the City is no longer the Plan Administrator or the trustee, the assets of the Plan are no longer a reportable fund in the City's basic financial statements.

Similar to the Section 457, the City of Bryan also offers its employees the Retiree Health Savings (RHS) Plan. The plan allows employees to make pre-tax contributions from their salary or accrued leave time to fund medical expenses for employees and their family on a tax-free basis during retirement. Once an employee elects to participate, this cannot ever be changed or revoked unless there is employment separation.

Like the Section 457, all amounts of compensation deferred under the plan (until paid or made available to the employee or other beneficiary) were placed in trust for the exclusive benefit of the participants and the beneficiaries. The City is not the Plan Administrator or the trustee; therefore, the assets of the Plan are not a reportable fund in the City's basic financial statements.

13. TEXAS MUNICIPAL POWER AGENCY

The Texas Municipal Power Agency ("TMPA") was created in July 1975 by concurrent ordinances of the Texas cities of Bryan, Denton, Garland, and Greenville ("Cities") pursuant to Acts 1995 64th Leg. Ch. 143, sec 1 (the "Act"). Under the provisions of the Act, TMPA is a separate municipal corporation. TMPA is exempt from federal income tax under section 115 of the Internal Revenue code.

In September 1976, TMPA entered into identical Power Sales Contracts (the "Contract") with each of the Cities for the purpose of obtaining the economic advantages of jointly financing, constructing and operating large electric generating units and related facilities to supply the Cities' future energy needs. Under the Contract, the Cities are required to pay, for the benefits received or to be received

by them from such activities, an amount sufficient to recover TMPA's operating and maintenance expenses and the Bond Fund, Reserve Fund and Contingency Fund requirements of the Revenue Bond Resolutions. In addition, the Cities are obligated to guarantee the payment of TMPA's bonds and commercial paper. At September 30, 2013, the City's portion of outstanding TMPA bonds and commercial paper was approximately $161.8 million.

As originally written in 1976, the Contract was a requirements contract, which obligated the Cities, with certain exceptions, to purchase their wholesale electriCity requirements from TMPA. In 1997, the Contract was amended and converted from a requirements contract to a take-or-pay contract, under which each City is obligated to take or pay for a specified percentage of electriCity from TMPA's generating facility. Those percentages are Bryan 21.7%; Denton 21.3%; Garland 47%; and Greenville 10%. The amendment confirmed the Cities' obligations to pay all costs of TMPA.

TMPA operates the Gibbons Creek Steam Electric Station ("Gibbons Creek"), a coal-fired generating plant located in Grimes County, Texas with a net generating capability of 462 MW. The plant began commercial operation October 1, 1983.

Under the current debt structure, all generation debt will be paid off by September 1, 2018, causing the Power Sales Contract to expire on that same date. Thereafter, all remaining debt will be transmission debt, payable solely from transmission system revenues. TMPA and the Cities are developing a plan in relation to the ownership, operational, and contractual issues associated with TMPA following September 1, 2018.

During the year ended September 30, 2013, the City Electric System paid TMPA $49,159,878 for power purchases and related activity under the contract. As of September 30, 2013 the City Electric System had payables to TMPA amounting to $1,521,436.

The TMPA's Comprehensive Annual Financial Report for the year ended September 30, 2013 reported the following:

	FY 2013
Total Assets	$ 1,078,086,000
Total Liabilities	1,022,973,000
Total Accumulated Net Position	$ 55,113,000
Change in Accumulated Net Position for year ended September 30, 2013	$ 3,255,000

TMPA's audited financial statements may be obtained by writing TMPA, P.O. Box 7000, Bryan, TX 77805.

14. BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY

In 2010, the City Councils of Bryan and College Station approved, through an interlocal agreement, the creation of a local government corporation, BVSWMA, Inc., which currently owns and manages landfill operations for both Cities. The expectation was that a combined landfill operation will minimize solid waste management costs for both Cities. BVSWMA, Inc. superseded a previous agreement established in 1990 which combined landfill operations under the then newly created Brazos Valley Solid Waste Management Agency (BVSWMA). The powers of BVSWMA, Inc. are vested in a seven member Board of Directors, consisting of appointees from each City Council.

The Bylaws for BVSWMA, Inc., establish powers that include the issuance of debt, acquisition of land and equipment, the hiring of a general manager and staff to maintain and operate the facilities and the establishment of tipping fees. BVSWMA, Inc., revenues are derived from tipping fees paid by landfill customers that include the Cities of Bryan and College Station, other unaffiliated businesses and the general public.

BVSWMA, Inc. owns two landfill sites. The initial landfill site known as Rock Prairie Landfill, located in College Station, was closed in 2011 as it reached operating capacity. The Twin Oaks Landfill, located in Grimes County, was opened in 2011 and has an expected capacity of over 50 years.

The City of Bryan and the City of College Station each recognize a 50% ownership in BVSWMA, Inc. The City of Bryan's 50% ownership is reflected in the Solid Waste Fund.

BVSWMA's audited annual financial statements for the year ended September 30, 2013 reported the following:

	FY 2013
Total Assets	$ 38,962,875
Total Liabilities	13,726,634
Total Net Position	$ 25,236,241
Change in net position for the year ended September 30, 2013	$ 809,447
Bryan's undivided 50% share of change in net position for the year ended September 30, 2013	$ 404,723

Audited financial statements for BVSWMA, Inc. may be obtained from:

BVSWMA, Inc.
2690 Hwy. 30
Anderson, TX 77830

15. INTERFUND BALANCES

Interfund receivable and payable balances at September 30, 2013 are as follows:

Receivable Fund	Payable Fund	Amount
General	City Electric	$ 23,949
General	Grant	2,123
Special Revenue	General	46,214
	Debt Service	20,685
Nonmajor governmental funds	City Electric	136,659
City Electric	Rural	2,669,756
	General	43,538
	Nonmajor Enterprise	15,500
Water	City Electric	428,201
Wastewater	City Electric	275,493
Nonmajor enterprise funds	City Electric	190,572
Internal service funds	City Electric	139,237
Total		$3,991,927

Interfund receivable and payable balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur; transactions are recorded in the accounting system; and payments between funds are made. The interfund balances presented agree with the sum of interfund balances in the statements of net position for governmental funds and for proprietary funds.

16. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2013 are as follows:

	Transfers Out						
Transfers In	General Fund	Nonmajor Governmental Funds	City Electric Fund	Water Fund	Wastewater Fund	Nonmajor Enterprise Funds	Total
General Fund	$ -	$ 2,720,424	$ 9,196,836	$ 622,691	$ 611,658	$ 4,333,804	$ 17,485,413
Debt Service	360,209	2,179,851	-	-	-	5,851	2,545,911
Nonmajor governmental funds	734,002	2,713,577	-	-	-	-	3,447,579
Wastewater Fund	12,200	-	-	-	-	37,016	49,216
Nonmajor enterprise funds	- 2,004,279	- -	- -	- -	- -	- -	2,004,279
Total transfers out	$ 3,110,690	$ 7,613,852	$ 9,196,836	$ 622,691	$ 611,658	$ 4,376,671	$ 25,532,398

Transfers are primarily used to move funds from:

- The proprietary funds to the General Fund for use of City owned rights-of-way and as payments in lieu of property taxes
- The proprietary funds to the Debt Service Fund as payments in lieu of property taxes
- The Capital Project Funds to the Water and Wastewater Funds as incidental utility system improvements made relative to street and drainage capital improvement projects
- The Tax Increment Reinvestment Zone Funds to the Debt Service Fund and Bryan Commerce and Development, Inc. for debt service payments as they become due
- Funds that are no longer needed and are closed by transferring all balances to other appropriate funds

The sum of all transfers presented agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements.

17. ADMINISTRATIVE ALLOCATIONS TO OTHER FUNDS

The General Fund provides general and administrative support services to the City Electric Fund, Rural Electric Fund, Water Fund, Wastewater Fund, Solid Waste Fund, Insurance Fund, TIRZ funds, Special Projects Fund, Employee Benefits Fund and the Oil and Gas Fund. Costs of these services are allocated as follows:

	General Fund
Administrative costs allocated to:	
City Electric Fund	$ 630,954
Water Fund	737,345
Wastewater Fund	727,446
Nonmajor Enterprise Fund (Solid Waste Fund)	653,912
Internal Service Fund (Insurance Fund)	225,426
Street Improvement	174,450
Drainage Fund	59,500
Employee Benefits Fund	137,620
Warehouse Fund	78,845
	$ 3,425,498

18. UNAVAILABLE AND UNEARNED REVENUE

The balance of unavailable and unearned revenues at September 30, 2013 consists of the following:

	Unavailable	Unearned	Totals
Delinquent property taxes receivable (General Fund)	$ 103,372	$ -	$ 103,372
Delinquent property taxes receivable (Debt Service Fund)	45,146	-	45,146
Street and drainage assessments receivable (General Fund)	115,862	-	115,862
Notes receivable (Debt Service fund)	-	870,000	870,000
Nonmajor governmental funds	-	62,853	62,853
Total	$ 264,380	$ 932,853	$ 1,197,233

19. LITIGATION

There are several lawsuits pending in which the City is involved. In the event of an unfavorable outcome in any suit, in management's opinion, a claim against the City would be covered by insurance or funds available in the Insurance Fund and would not materially affect the financial statements of the City.

20. RISK MANAGEMENT

In fiscal year 1989, the City decided not to purchase commercial liability insurance. At that time, the City management believed that it was more economical to manage liability risks internally and set aside assets for the payment of claims in an internal service fund. The "Insurance Fund" was established to service all claims for risk of losses relating to general liability and workers' compensation.

In fiscal year 1994, the City purchased excess liability insurance to reduce its exposure to catastrophic losses. Liability insurance providing a $5,000,000 limit per occurrence/$10,000,000 aggregate limit with a $250,000 self-insured retention for claims was purchased with coverage effective October 1, 2000. Since its inception in 1989, the City's annual contributions to the Insurance Fund have exceeded claims paid. There were no significant reductions in insurance coverage in the current year from coverage in the prior year, nor have there been any settlements that have exceeded insurance coverage for each of the past three fiscal years.

All funds of the City participate in the Insurance Fund. The costs of providing claims servicing and claims payment are allocated by charging each fund a "premium" based upon a percentage of the respective fund's estimated current-year payroll and expenses and management's estimate of projected current costs. These charges consider exposure and recent trends in actual claims experience of the City as a whole and make provision for catastrophic losses.

The Insurance Fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The City has recorded a potential liability in the amount of $1,330,320 for claims that have been incurred but not reported as of September 30, 2013. Because actual claims liabilities depend on such complex factors as changes in legal doctrines and damage awards, the process used in computing liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

The schedule below represents the changes in estimated claims liabilities:

	2013	2012
Unpaid claims at beginning of fiscal year	$ 1,293,012	$ 1,790,629
Incurred claims	57,895	(541,936)
Claim payments	(20,587)	44,319
Total unpaid claims at end of fiscal year	$ 1,330,320	$ 1,293,012
Amounts due in one year	$ 366,854	$ 544,767

Texas law limits recovery, under legislatively defined governmental functions, to $500,000 per occurrence. Claims proceeding from proprietary functions are not limited.

21. COMMITMENTS AND CONTINGENCIES

Traditions Development

In 1999, the City embarked on a major development program for the City's west side encompassing approximately 850 acres. The City identified the land for possible development, located in Brazos County east of Highway 47 and south of Villa Maria Road. The City believed that a legitimate public interest would be served by purchasing this land and that economic development would be stimulated by developing this land into a first class resort, golf course, and planned community known as the Bryan Resort Project (subsequently known as the Traditions Development).

As a result, the City and Jordan Community Properties, L.P. entered into a Master Economic Development Agreement (MEDA) on November 2, 1999. One of the provisions of the MEDA was for the City to create a local government corporation to aid the City in completion of certain provisions in the MEDA. The local government corporation created was Bryan Commerce and Development, Incorporated (BCDI). BCDI purchased the land, identified by the City, for development. The City agreed to provide public infrastructure improvements including all major arterial streets, all major utilities including electrical, gas, water, sewer, telephone, cable, drainage structures, water delivery systems, street lighting, landscaping of median entryways, all signage for the project, traffic signals, entryway structures, and lighting necessary for the project.

The partnership between BCDI and Jordan Community Properties, L.P. was named Bryan/Jordan L.P. (subsequently known as Bryan/Traditions, L.P.). Bryan/Jordan L.P. was formed as a limited partnership, on October 26, 2000, under the laws of the State of Texas. The partners in Bryan/Jordan L.P. were CFJ Properties, Inc., a Texas corporation and the general partner, BCDI, a Texas local government corporation, a limited partner, and Jordan Community Properties, L.P., a Texas limited partnership and a limited partner. The partnership interest was as follows: 1%, 55% and 44% for Jordan Properties, Inc. or an affiliate thereof, Jordan L.P. and BCDI, respectively.

The purpose of Bryan/Jordan L.P. was to develop a portion of the land, purchased by BCDI, into a planned community, including a residential community and a commercial development. This

community would become known as Traditions. In order for Bryan/Jordan L.P. to develop the land, BCDI would periodically contribute portions of the land, as a partnership contribution, to Bryan/Jordan, L.P. by a special warranty deed.

Several changes to the original partnership agreement have taken place since October 26, 2000. The following is a history of the changes that have occurred.

On February 24, 2004, the partnership agreement was amended to reflect the change in names of certain partners. CFJ Properties, Inc. was now known as Rosemel Properties, Inc. and Jordan Community Properties, L.P. was now known as Melrose Community Properties, L.P. In addition, the name of the partnership was changed from Bryan/Jordan, L.P. to Bryan/Traditions, L.P.

On February 25, 2009, the partnership agreement, was amended and restated (Amendment) to reflect certain changes. Traditions Acquisition Partnership, GP, LLC, a Texas limited liability company, acquired the general partnership interest originally owned by CFJ Properties, Inc. and subsequently known as Rosemel Properties, Inc. Traditions Acquisition Partnership GP, a Texas limited partnership, acquired the limited partnership interest originally owned by Jordan Community Properties, Inc. subsequently known as Melrose Community Properties, L.P. Concurrent with the Amendment, Traditions Acquisition Partnership, L.P. agreed to acquire a group of loans payable from Bryan/Traditions, L.P. and payable to M&I Bank, relating to the Melrose entities, with a balance at the closing date was $1,840,432. Traditions Acquisition Partnership, L.P. executed a release, that released the guarantors from their respective obligations for the loan from M&I Bank to Bryan/Traditions, L.P. In consideration for Traditions Acquisition Partnership, L.P.'s contribution, the Amendment specified the deeding of 34 existing lots, within the Traditions Development, from Bryan/Traditions, L.P. to Traditions Acquisition Partnership.

Other special provisions of the Amendment include:

- Provided that if Traditions Acquisition Partnership completed the club house according to the Amendment, then Traditions Acquisition Partnership was to receive the first $150,000 of the net sales proceeds of each of the next 20 lots developed by Bryan/Traditions, L.P. Traditions Acquisition Partnership completed the club house on March 1, 2011.
- BCDI agrees to provide funding for the construction of a future bridge, roadways or other infrastructure as future development occurs.

Except as noted above, the partnership interest is: 1%, 55% and 44% for Traditions Acquisition Partnership, GP, LLC, Traditions Acquisition Partnership GP and BCDI, respectively, on lot sales and 25% and 75% for Traditions Acquisition Partnership GP and BCDI, respectively, on larger parcel sales.

The Traditions Development includes a Jack Nicklaus designed golf course and an 800 acre high end housing development. At September 30, 2013, BCDI holds approximately 345 acres under the Agreement that remain to be developed. The Partnership is expected to stay operational until all Partnership property is sold. There is no debt outstanding related to land held by BCDI in the

Traditions development. The City anticipates that the proceeds from BCDI's portion of future land sales will exceed the cost of future City infrastructure required by the Traditions Development.

In FY 2013, Bryan/Traditions, L.P., recorded sales of approximately 43 acres. The BCDI partnership interest of $2,244,186 was transferred to the General Fund during FY 2013.

In 2000, the City approved an Ordinance creating Tax Increment Reinvestment Zone Ten (TIRZ Ten). TIRZ Ten, which includes most of the Traditions Development, funds public infrastructure improvements as further described in Note 26.

Brazos County Economic Development Foundation Inc.

In 2009, the City of Bryan and Brazos County entered into an agreement to create the City of Bryan and Brazos County Economic Development Foundation Inc. ("BBCEDF"), a local government corporation formed under Subchapter D of Chapter 431 of the Texas Transportation Code. The BBCEDF was created to promote, develop, encourage and maintain employment, commerce, and economic development in the City and the County. In April 2013, the BBCEDF entered into an Economic Development Agreement (EDA) with Kuadrum Pipe and Tube, Inc. (Kuadrum). Per the terms of the EDA, the BBCEDF and the City sold approximately 160 and 23 acres, respectively, to Kuadrum to build a manufacturing facility. In addition, the BBCEDF will provide $7,150,000 in development credits, the County will provide tax abatement and the City will provide a non-annexation agreement. Kuadrum is also required to meet certain criteria including, among other items, purchasing additional land, achieving a particular taxable valuation and employing a minimum number of full-time employees. If Kuadrum fails to meet its obligations under the EDA, the BBCEDF may terminate the EDA and tender a demand of $1,500,000. The City of Bryan's 50% ownership is reflected on the Statement of Net Position as Investment in Economic Development Foundation.

Research Valley BioCorridor

In December 2011, the Cities of Bryan and College Station (the Cities) adopted an inter-local agreement (ILA) for the development of the Research Valley BioCorridor. The purpose of the BioCorridor is to attract bio-related industries that develop life-changing medical technologies, build tax base, and attract high-paying jobs and investment to the Cities. The ILA outlines a number of ways the Cities will work together to create and manage an environment conducive for development and growth of the BioCorridor. The agreement applies to four tracts of land totaling approximately 196 acres owned by Bryan Commerce and Development, of which, approximately 147 acres are located in College Station.

The agreement provides for the joint construction and cost-sharing of HSC Parkway, the major roadway within the BioCorridor, creation of joint development standards, ad valorem revenue sharing on real and personal properties, sewer service to be provided by Bryan; Water service to be provided by College Station and a swap of exclusive sewer service territories that enables each City to more effectively provide service due to terrain and proximity to existing sewer systems.

Through September 30, 2013, The City of Bryan has expended $1,495,873 on roadways under the agreement. Ad valorem taxes to be shared under the agreement are based on the lower of the Cities of Bryan and College Station's O&M tax rates, subject to a minimum rate of $0.24 per $100 valuation, and will be split on a 50/50 basis. Tax revenue sharing will begin in the first full calendar year following the date of issuance of a certificate of occupancy for a company located in the BioCorridor. The first certificate of occupancy is expected to occur in 2014.

LaSalle Hotel

In 1997, The City entered into an agreement with LaSalle Hotel Ltd ("LaSalle") for the renovation of the historic LaSalle Hotel ("the hotel") in downtown Bryan. As part of the agreement, the City borrowed $3,200,000 from the U.S. Department of Housing and Urban Development ("HUD") under a Section 108 loan, and subsequently loaned the funds to LaSalle. On July 11, 2013, the City sold the hotel for $2,310,939 and paid off the outstanding HUD loan.

Bryan Texas Utilities (BTU)

BTU purchase and construction commitments approximate $212.5 million at September 30, 2013. This amount primarily includes provisions for future fuel and energy purchases.

On October 14, 2010, BTU entered into a 15 year renewable energy power purchase agreement with Penascal II Wind Power, LLC, a subsidiary of Iberdrola Renewables. Under the agreement, which extends from January 1, 2011 to December 31, 2025, BTU will purchase the output from wind turbines representing 30MW of generating capacity from Iberdrola Renewables' existing Penascal II Wind Project in Kenedy County, Texas.

On April 30, 2010, BTU entered into a 25 year renewable energy power purchase agreement with Fotowatio Renewable Ventures (FVR). FVR owns and operates a photovoltaic solar power plant in Presidio County, Texas. Under the agreement, which extends from 2013 to 2037, BTU will purchase the output from the 10MW facility.

On November 16, 2007, BTU entered into a 10 year purchased power agreement with a subsidiary of Shell Energy North America (U.S.), L.P. The agreement, which extends from January 1, 2008 to December 31, 2017, allows BTU to schedule up to 50MW of energy on a day-ahead basis. Under the agreement, BTU must make specified minimum monthly non-fuel payments which are included in the $212.5 million of purchase and construction commitments.

On August 29, 2007, BTU entered into a 10 year fixed price purchased power agreement with Credit Suisse Energy, L.L.C. (Credit Suisse) to supply energy to a wholesale customer under a corresponding 10 year fixed price full requirements sale agreement extending from January 1, 2008 to December 31, 2017. This agreement was transferred by Credit Suisse to J.P. Morgan Ventures Energy Corporations in January 2012.

22. ACCOUNTS RECEIVABLE

As of September 30, 2013, the receivables not expected to be collected within one year are notes and assessments receivable as follows:

	General Fund	Debt Service Fund	Total
Notes receivable	$ 17,134	$ 5,030,701	$ 5,047,835
Street and drainage assessments	115,862	-	$ 115,862
	$ 132,996	$ 5,030,701	$ 5,163,697

23. RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

Below is a reconciliation of the various restricted cash, cash equivalents and investments reported as of September 30, 2013:

	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Total
Bond Retirement Reserve	$ 11,558,189	$ 311,042	$ -	$ -	$ 11,869,231
Bond Debt Service	4,877,884	241,563	3,047,395	1,704,721	9,871,563
Rate Stabilization Reserve	1,681,017				1,681,017
Customer Deposits Payable	3,822,800	874,902			4,697,702
Over-Recovered Fuel Expense	9,571,297	3,419,677			12,990,974
Collateral Deposits	3,679,019				3,679,019
Capital Debt Proceeds	10,160,324	4,911,931	480,143	513,693	16,066,091
	$ 45,350,530	$ 9,759,115	$ 3,527,538	$ 2,218,414	$ 60,855,597

24. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended September 30, 2013 budgetary expenditures in excess of appropriations are reported as indicated below:

Governmental Funds	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - (Negative)
Debt Service Fund			
Total expenditures	$ 10,536,174	$ 10,718,724	$ (182,550)
Grant Fund			
Total expenditures	262,759	453,164	(190,405)
Court Technology Fund			
Total expenditures	29,800	36,979	(7,179)
Tax Increment Zone #10			
Total expenditures	25,000	27,200	(2,200)

Total expenditures in the Debt Service Fund exceeded budget by $182,550 due to the cost associated with the issuance of refunding bonds. The refunding bonds produce a net interest cost saving over their life.

For the fiscal year ended September 30, 2013, the Grant fund exceeded budget by $190,405 due to expenditures of grant funds for police equipment made late in the year. The department had grant revenue available to cover the expenditures.

Total expenditures in the Court Technology Fund exceeded budget by $7,179 due to necessary equipment maintenance late in the fiscal year.

Total expenditures in the Tax Increment Zone #10 exceeded budget by $2,200 due to land surveying that was not budgeted.

25. FUND DEFICITS

No fund deficits at September 30, 2013.

26. TAX INCREMENT FINANCING ZONES

Chapter 311 of the Texas Tax Code allows for the creation of Tax Increment Financing Zones ("TIFZ"). TIFZ are statutory tools available to municipalities in Texas to promote development or redevelopment in an area that would not occur in the foreseeable future solely through private investment. TIFZ are also a means to allow a community to enhance their ability to attract economic development or to allow businesses currently located within their area to expand. Once

a City has designated a TIFZ, the governing bodies of the county and school district may choose to participate.

When a TIFZ is formed, a base value for the property located within the TIFZ is established. At the date of creation the appraised value is normally accepted as the base value. As the property within the TIFZ develops, property taxes are collected based upon appreciated appraised values at the rate established annually by the participating entities. Each participant in the TIFZ remits the amount of taxes attributable to the increase in the appraised values to the Tax Increment Financing Zone to be used to fund the project plan. Project plans normally include the creation of infrastructure such as roads, street improvements, water and sewer systems, lighting, landscaping, etc. A TIFZ can be terminated either on the date designated in the ordinance creating the zone, or the date on which all project costs, tax increment debt and associated interest have been paid.

As of September 30, 2013, the City had four active Tax Increment Financing Zones:

Tax Increment Reinvestment Zone #10: In 2000, the City approved an ordinance creating a TIRZ known as "Reinvestment Zone Number Ten, City of Bryan, Texas" ("Zone Ten"). Zone Ten encompasses a portion of the west side of the City in the area known as Traditions. The development includes a Jack Nicklaus designed golf course and an 800-acre high end housing development. Through the fiscal year ended September 30, 2013, the City estimates that it has funded $22.0 million in public infrastructure improvements and associated costs within Zone Ten. Combination Tax and Surplus Utility System Revenue Certificates of Obligation, Series 2000A, in the aggregate principal amount of $17,000,000 were issued by the City to provide funds to commence certain of the public infrastructure improvement. In 2005, the Series 2000A bonds were refunded through the City's issuance of $13,696,712 of General Obligation refunding bonds. The current outstanding debt balance is $10,095,348 with debt service payments through 2025. The City contributes all of its incremental tax revenues to Zone Ten. Brazos County has agreed to allow 100% of its maintenance and operations rate to be diverted to Zone Ten through 2016. Incremental ad valorem property taxes provided approximately 84% the debt service payments in FY 2013.

Tax Increment Reinvestment Zone #19: In 2005, the City approved an ordinance creating a TIRZ known as "Reinvestment Zone Number Nineteen, City of Bryan, Texas" ("Zone Nineteen"). The development consists of 122 acres in the central portion of the City of Bryan in the vicinity of Nash Street. Through the fiscal year ended September 2013, the City estimates that it has funded $1.8 million in public infrastructure improvements and associated costs within Zone Nineteen. Tax and Revenue Certificates of Obligation, Series 2005, in the aggregate principal amount of $1,747,642 were issued by the City to provide funds to commence certain of the public infrastructure improvements within Zone Nineteen. Subsequently, in 2007, the City issued Tax and Revenue Certificates of Obligation, Series 2007, in the aggregate principal amount of $200,000 for TIRZ Nineteen projects. The current outstanding debt balance is $1,589,971 with debt service payments through 2026. The City contributes all of its incremental tax revenues to Zone Nineteen. Brazos County has agreed to allow 100% of its maintenance and operations rate to be diverted to Zone Nineteen through 2013. Incremental ad valorem property taxes provided approximately 98% of debt service payments in FY 2013.

Tax Increment Reinvestment Zone #21: In 2006, the City approved an ordinance creating a TIRZ known as "Reinvestment Zone Number Twenty-One, City of Bryan, Texas" ("Zone Twenty-One"). Zone Twenty-One is located in Downtown Bryan and was created to support the re-development of the Downtown district. Through the fiscal year ended September 2013, the City estimates that it has funded $0.2 million in public infrastructure improvements and associated costs within Zone Twenty-One.

Tax Increment Reinvestment Zone #22: In 2007, the City approved an ordinance creating a TIRZ known as "Reinvestment Zone Number Twenty-Two, City of Bryan, Texas" ("Zone Twenty-Two"). Zone Twenty-Two is a retail development on the east side of the City of Bryan in the vicinity of Bryan Towne Center. Through the fiscal year ended September 2013, the City estimates that it has funded $5.2 million in public infrastructure improvements and associated costs within Zone Twenty-Two. Tax and Revenue Certificates of Obligation, Series 2007, in the aggregate principal amount of $3,721,414 were issued by the City to provide funds to commence certain of the public infrastructure improvements within Zone Twenty-Two, Subsequently, in 2008, the City issued Tax and Revenue Certificates of Obligation, Series 2008, in the aggregate principal amount of $287,914 for TIRZ Twenty-Two projects. In September 2013, bond funds of $1,481,500 were assigned to Zone Twenty-Two from Tax and Revenue Certificates of Obligation, Series 2010. The current outstanding debt balance is $4,894,040 with debt service payments through 2030. The City contributes all of its incremental tax revenues to Zone Twenty-Two. Brazos County has agreed to allow 100% of its maintenance and operations rate to be diverted to Zone Twenty-Two through 2027. Incremental ad valorem property taxes provided 91% of the debt service payments in FY 2013.

The following schedule is a nine year history of relevant data with regard to these TIFZ:

Zone/ Fiscal Year	Base Value	Net Taxable Value	Captured Value	Tax Rate Per $100 Valuation	Captured Tax Revenue
# 10					
2013	637,640	115,128,526	114,490,886	0.633308	725,080
2012	637,640	99,472,976	98,835,336	0.6364	628,988
2011	637,640	92,479,156	91,841,516	0.6364	584,479
2010	637,640	86,173,404	85,535,764	0.6364	544,350
2009	637,640	81,855,365	81,217,725	0.6364	516,870
2008	637,640	66,843,855	66,206,215	0.6364	421,336
2007	637,640	40,005,365	39,367,725	0.6364	250,536
2006	637,640	4,076,325	3,438,685	0.6364	21,884
2005	637,640	653,963	16,323	0.6364	104
# 19					
2013	2,464,400	24,662,080	22,197,680	0.633308	140,580
2012	2,464,400	25,047,040	22,582,640	0.6364	143,716
2011	2,038,090	27,353,460	25,315,370	0.6364	161,107
2010	2,038,090	29,254,110	27,216,020	0.6364	173,203
2009	2,038,090	8,388,060	6,349,970	0.6364	40,411
2008	2,038,090	2,038,090	-	0.6364	-
					-
# 21					
2013	2,213,289	19,743,440	17,530,151	0.633308	111,020
2012	2,213,289	18,121,071	15,907,782	0.6364	101,237
2011	2,213,289	16,096,206	13,882,917	0.6364	88,351
2010	2,213,289	15,255,274	13,041,985	0.6364	82,999
2009	2,213,289	12,222,530	10,009,241	0.6364	63,699
2008	2,213,289	8,992,060	6,778,771	0.6364	43,140
2007	2,213,289	-	-	0.6364	-
# 22					
2013	41,070,995	53,611,658	12,540,663	0.633308	79,421
2012	41,070,995	52,889,681	11,818,686	0.6364	75,214
2011	41,070,995	52,504,534	11,443,539	0.6364	72,827
2010	41,070,995	51,057,085	9,986,090	0.6364	63,551
2009	41,070,995	43,915,850	2,844,855	0.6364	18,105
2008	41,070,995	-	-	0.6364	-

27. TAX ABATEMENTS

Chapter 312 of the Texas Tax Code authorizes the City to provide property tax abatements for limited time periods to encourage development or expansion of property. The terms of each agreement are limited by the guidelines and criteria established by the City Council. At September 30, 2013 the City had established abatement agreements with the following property owners:

Property Owner	Date of Abatement	FY 2013 Appraised Values	FY 2013 Taxable Values	FY 2013 Abated Values	FY 2013 Taxes Levied	FY 2013 Taxes Abated
Brydenpear Premiere LP	2005-2014	$ 5,792,600	$ 4,070,816	$ 1,721,784	$ 25,781	$ 10,904
Caliber Bioterepeutics LLC	2010-2020	31,503,530	470,840	31,032,690	2,982	196,533
Toyo Ink In'l	2008-2015	20,022,650	9,343,114	10,679,536	59,171	67,634
Kent Moore	2004-2013	5,241,780	4,718,223	523,557	29,881	3,316
Kent Moore	2008-2016	4,448,360	2,242,660	2,205,700	14,203	13,969
North American Packaging	2008-2013	8,499,560	7,872,148	627,412	49,855	3,973
Penncro Associates	2011-2014	316,250	158,880	157,370	1,006	997

28. FINANCIAL HEDGING

On March 10, 2008, the City modified BTU's Energy Risk Policy to allow for the purchase and sale of certain financial instruments defined as hedge instruments. The essential goal of the Energy Risk Policy is to provide a framework for the operation of a fuel and energy purchasing and hedging program to better manage risk exposures in order to stabilize pricing and costs for the benefit of the City's customers.

For the fiscal year ended September 30, 2010, the City implemented GASB Statement No. 53 – *Accounting and Financial Reporting for Derivative Instruments* ("GASB 53"), which addresses the recognition, measurement, and disclosures related to derivative instruments. The City utilizes natural gas commodity swaps and options to hedge its exposure to fluctuating fuel prices. Since these derivatives are entered into for risk mitigation purposes, the instruments are considered potential hedging derivative instruments under GASB 53.

In accordance with the requirements of GASB 53, the City Electric Fund reports all fuel hedges on the Statement of Net Position at fair value. The fair value of option contracts are determined using New York Mercantile Exchange ("NYMEX") or Houston Ship Channel ("HSC") closing settlement prices as appropriate to the instrument. For swap transactions, the value is calculated as the difference between the closing futures price at the end of the reporting period, and the futures price at the time the positions were established, less applicable commissions.

The City evaluated all potential hedging derivative instruments for effectiveness as of September 30, 2013, and determined the derivatives to be effective in substantially offsetting the changes in cash flows of the hedgeable items. The City's hedgeable items are expected HSC natural gas purchases to

serve budgeted load. The City projects total natural gas needs as part of a 10-year forecast. This forecast is the basis for the procurement amount of the hedgeable item. The City's potential hedging derivatives are NYMEX and HSC indexed commodity swaps and options. These derivatives act as cash flow hedges.

The City utilized regression analysis to test effectiveness of its NYMEX hedges. Testing was based on the extent of correlation between historical NYMEX index and HSC natural gas prices for the prompt months of January 2003 to September 2013. The correlation coefficient of (0.8404) exceeds the minimum standard established by GASB 53 and indicates a strong linear relationship between the NYMEX and HSC prices. The calculated R^2 value of 0.9541 indicates that the changes in cash flows of the hedge substantially offset the changes in cash flows of the hedgeable item. The City Electric Fund also utilizes HSC indexed gas commodity swaps to hedge its open exposure after a NYMEX-based swap contract month settles. The City Electric Fund entered into Platts Gas Daily daily swaps to hedge this exposure. These HSC indexed swaps are hedging the physical purchases of natural gas also based on the HSC index and are effective cash flow hedges under the consistent critical terms method as defined by GASB 53. The swap is for the purchase of virtually the same quantity of the hedgeable item, has zero fair value at inception, and the reference rate of the swap and the hedgeable item are the same (HSC index).

For the fiscal year ended September 30, 2013, the total fair value of outstanding hedging derivative instruments was a net liability of $21,104,372. The fair value of those instruments maturing within one year are reported on the Statement of Net Position in current liabilities as derivative financial instruments and were $5,263,229 at September 30, 2013. The fair value of those instruments with maturities exceeding one year are reported on the Statement of Net Position in noncurrent liabilities as derivative financial instruments and were $15,841,143 at September 30, 2013.

Hedge accounting treatment outlined in GASB 53 and GASB 63 requires changes in the fair value of derivative instruments deemed effective in offsetting changes in cash flows of hedged items be reported as deferred (inflows) outflows of resources on the Statement of Net Position. During the fiscal year ended September 30, 2013, the fair value of the City Electric Fund's hedging derivative instruments - the option collars, NYMEX-based commodity swaps, and HSC-based commodity swaps - increased by $271,575 and $972,602, respectively. The City Electric Fund did not have option collars at September 30, 2013. The $1,244,177 total increase in fair value of the City Electric Fund's hedging derivative instruments during the fiscal year ended September 30, 2013, is reported in the Statement of Net Position as current and non-current deferred cash outflows. The deferred outflows are reported until respective contract expirations occur in conjunction with hedged expected physical fuel purchases. When fuel purchase transactions occur, the deferred balance associated with the expired fuel hedging contract is recorded as an adjustment to fuel expense. At September 30, 2013, the current deferred outflows related to hedging derivatives were $5,263,229. These amounts are reported on the Statement of Net Position as current assets. The noncurrent deferred outflows related to hedging derivatives were $15,841,143 at September 30, 2013. These amounts are reported on the Statement of Net Position as noncurrent assets.

The following information details the City Electric Fund's hedging derivative instruments as of September 30, 2013:

Type	Terms	Volume Hedged (MMBtu)	Effective Dates	Maturity Dates	Reference Index	Fair Value
Commodity Swaps	BTU pays prices of $4.78 - 6.49	10,943,000	Oct 2013 - Dec 2018	Oct 2013 - Dec 2018	NYMEX	$ (21,104,372)
		10,943,000				$ (21,104,372)

The City receives a premium for those options it sells and creates an obligation to honor the contract terms if those options are exercised by the purchasing counterparty. Fuel swap contracts represent a financial obligation to buy or sell the underlying settlement point price. If held to expiration, as is BTU's policy, the financial difference determined by mark-to-market valuation must be settled on a cash basis.

Credit Risk – The City's hedging derivative instruments generate exposure to a certain amount of risk that could give rise to financial loss. Since current hedges have a net liability position, the City is not exposed to counterparty credit risk. However, it is the City's policy to require full collateralization of the fair value of derivative instruments in assets positions should the counterparty's credit ratings fall below investment grade.

Basis Risk – The City is exposed to basis risk because the expected gas purchases being hedged will settle based on a pricing point (HSC) different than the pricing point of the hedge transactions (NYMEX). For September 2013, prompt month prices were $3.567/MMBtu and $3.626/MMBtu, for NYMEX and HSC, respectively.

Termination Risk - Exposure to termination risk occurs because the City or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. The City's fuel hedges are exchange-traded instruments, and consequently, termination risk is mitigated by the rules and guidelines established by NYMEX, which is governed by the Commodity Futures Trade Commission.

29. SUBSEQUENT EVENTS

On October 1, 2013, BTU implemented a new electric rate design for the City Electric System and Rural Electric System retail customers. The new rate structure separates a regulatory charge from base electric rates. Beginning in October, base electric rates decreased by the same amount of the new regulatory charge, resulting in no overall initial rate impact. This separate rate structure allows for BTU to more easily adjust the new regulatory charge rate to collect for increased costs associated with large statewide transmission construction projects billed through the Texas Public Utility Commission's Transmission Cost of Service Rates and for other fees assessed by regulatory bodies.

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CITY OF BRYAN, TEXAS
Required Supplementary Information
Schedule of Funding Progress
Texas Municipal Retirement Sytem
Last Three Fiscal Years

Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)** (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
12/31/2010	167,407,171	226,635,273	74%	59,228,102	44,486,837	133.1%
12/31/2011	181,556,932	239,737,958	76%	58,181,026	44,508,267	130.7%
12/31/2012	196,237,254	237,584,626	83%	41,347,372	45,272,820	91.3%

* Assets are stated at cost as of December 31 of the preceding year.

** As of December 31 of the preceding year, the date of the actuarial valuation.

CITY OF BRYAN, TEXAS
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts			Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues:				
Taxes:				
Property	$ 16,377,844	$ 16,377,844	$ 16,437,819	$ 59,975
Sales	14,998,500	14,998,500	15,984,919	986,419
Franchise	2,042,982	2,042,982	2,108,521	65,539
Bingo	210,250	210,250	234,105	23,855
Alcoholic beverage	62,000	62,000	85,789	23,789
Charges for services:				
Ambulance charges	1,500,000	1,500,000	1,977,206	477,206
Recreational charges	1,516,000	1,516,000	2,051,721	535,721
Health and public safety	1,052,139	1,052,139	900,695	(151,444)
Miscellaneous charges	178,350	178,350	269,503	91,153
Fines and court charges:				
Municipal court	1,950,000	1,950,000	1,794,775	(155,225)
Licenses and permits	584,755	584,755	565,539	(19,216)
Grants:				
Texas Attorney General	-	-	-	-
U.S. Department of Criminal Justice	-	-	12,371	12,371
Texas Department of Transportation	-	-	35,828	35,828
Contributions to Library - College Station	945,820	945,820	945,820	-
FEMA	-	-	(8,551)	(8,551)
Other	31,000	31,000	42,572	11,572
Investment earnings	100,000	100,000	87,187	(12,813)
Other	462,640	462,640	2,045,021	1,582,381
Total revenues	42,012,280	42,012,280	45,570,840	3,558,560
Expenditures:				
Current:				
General government and administration:				
Executive	1,631,641	1,747,309	1,548,098	199,211
City Secretary	954,934	954,934	846,522	108,412
Legal services	683,047	683,047	591,729	91,318
Payments to other agencies	2,966,006	3,426,315	3,767,539	(341,224)
Fiscal services	1,328,008	1,328,008	1,235,437	92,571
Information technology	2,353,052	2,498,936	2,390,723	108,213
Human resources	565,885	565,885	581,920	(16,035)
Fleet services	743,593	743,593	631,701	111,892
Facility services	1,739,394	1,756,039	1,597,711	158,328
Total general government and administration	12,965,560	13,704,066	13,191,380	512,686
Development services:				
Planning	1,799,671	1,829,671	1,741,080	88,591
Engineering	1,241,350	1,241,350	1,205,930	35,420
Special Projects	59,982	59,982	61,415	(1,433)
Total development services	3,101,003	3,131,003	3,008,425	122,578
Public works services:				
Public Works Call Center	-	-	-	-
Drainage and Streets	1,971,329	1,971,329	1,682,273	289,056
Traffic Operations	1,670,880	1,687,660	1,633,002	54,658
Total public works services	3,642,209	3,658,989	3,315,275	343,714

continued

CITY OF BRYAN, TEXAS
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual (continued)
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Public safety:				
Police services	14,801,388	14,849,078	15,287,272	(438,194)
Fire and emergency medical services	11,159,671	11,233,349	11,434,473	(201,124)
Animal Center	697,598	697,598	612,492	85,106
Municipal court	1,359,931	1,359,931	1,252,303	107,628
Total public safety	28,018,588	28,139,956	28,586,540	(446,584)
Cultural and recreational:				
Library services	2,191,226	2,191,226	2,248,292	(57,066)
Parks and recreation services	4,291,531	4,593,014	4,092,890	500,124
Total cultural and recreational	6,482,757	6,784,240	6,341,182	443,058
Administrative reimbursement	(3,336,120)	(3,336,120)	(3,425,498)	89,378
Capital outlay	818,266	926,501	790,647	135,854
Debt service-bond retirement	384,450	1,706,258	1,720,000	(13,742)
Interest and fiscal charges	126,420	126,420	112,647	13,773
Total expenditures	52,203,133	54,841,313	53,640,598	1,200,715
Excess (deficiency) of expenditures over (under) revenues	(10,190,853)	(12,829,033)	(8,069,758)	4,759,275
Other financing sources (uses):				
Sale of capital assets	1,500,000	1,500,000	13,115	(1,486,885)
Transfers in	11,138,574	16,913,774	17,485,413	571,639
Transfers out	(507,479)	(3,099,924)	(3,110,690)	(10,766)
Total other financing sources (uses)	12,131,095	15,313,850	14,387,838	(926,012)
Net change in fund balance	1,940,242	2,484,817	6,318,080	3,833,263
Fund Balance, October 1, 2012	16,142,816	16,142,816	16,142,816	-
Fund Balance, September 30, 2013	$ 18,083,058	$ 18,627,633	$ 22,460,896	$ 3,833,263

CITY OF BRYAN

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Supplemental Information

- Non-Major Governmental Funds
    - Special Revenue Funds
    - Capital Project Funds
    - Permanent Funds
- Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual
    - Debt Service Fund
    - Grant Fund
    - Community Development Fund
    - Hotel/Motel Tax Fund
    - Sidewalks Fund
    - Court Technology Fund
    - Street Improvement Fund
    - Drainage Improvement Fund
    - TIRZ #8-22
- Non-Major Enterprise Funds
- Internal Service Funds
- Agency Funds
- Capital Assets used in the Operation of Governmental Funds

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Grant Fund – To account for the receipt and expenditure of grant revenues for all governmental funds other than the Community Development Fund.

Community Development Fund – To account for Federal grant revenues provided through the Department of Housing and Urban Development for the development of environmental and economic opportunities, principally for persons of low and moderate income.

Hotel and Motel Room Tax Fund – To account for the receipt and expenditure of funds received by the City from the assessment of hotel and motel occupancy tax. Usage of funds is restricted to construction and maintenance of convention and civic facilities, and the promotion of tourism and the arts within the City of Bryan.

Sidewalks Fund – To account for funds received from developers and property owners for the construction and maintenance of sidewalks. Money received will be refunded to the remitter, if not used within 10 years.

Court Technology Fund – To account for revenues derived from a portion of court fees dedicated to use for technology improvements for Municipal Court functions.

Street Improvement Fund – To account for revenue derived from a fee assessed on utility bills for the purpose of street improvements.

Drainage Improvement Fund – To account for revenue derived from a fee assessed on utility bills for the purpose of drainage improvements.

Tax Increment Reinvestment Zone #8 Fund – To account for revenues derived from captured assessed valuation in, and bond proceeds for, the Park Hudson Tax Increment Reinvestment Zone. Bond proceeds are used for street, water and sewer improvements in the zone. All projects have been completed within this zone and a resolution was passed to close the TIRZ. The balance in this fund has been returned to the participating entities.

Tax Increment Reinvestment Zone #10 Fund – To account for revenues derived from captured assessed valuation in, and bond proceeds for, the Traditions Tax Increment Reinvestment Zone. Bond proceeds are used for various public improvements within the zone. The taxes from the captured assessed valuation will be used to retire the debt and handle other operating expenses within the zone.

Tax Increment Reinvestment Zone #19 Fund – To account for revenues derived from captured assessed valuation in, and bond proceeds for, the Villa Maria-FM 158 Corridor Tax Increment Reinvestment Zone. Bond proceeds are used for various public improvements within the zone. The taxes from the captured assessed valuation will be used to retire the debt and handle other operating expenses within the zone.

Tax Increment Reinvestment Zone #21 Fund – To account for revenues derived from captured assessed valuation in, and bond proceeds for, the Downtown Bryan Tax Increment Reinvestment Zone. Bond proceeds are used for various public improvements within the zone. The taxes from the captured assessed valuation will be used to retire the debt and handle other operating expenses within the zone.

Tax Increment Reinvestment Zone #22 Fund – To account for revenues derived from captured assessed valuation in, and bond proceeds for the Lauth Development Tax Increment Reinvestment Zone. Bond proceeds are used for various public improvements within the zone. The taxes from the captured assessed valuation will be used to retire the debt and handle other operating expenses within the zone.

Capital Project Funds

2007 Certificates of Obligation Fund – To account for the construction of streets, sidewalks, drainage and traffic system improvements.

2008 Certificates of Obligation Fund – To account for the site acquisition and construction of fire fighting facilities, improvements to driveway and parking facilities for the City's warehouse, the construction of streets, sidewalks, lighting, drainage and traffic system improvements.

2010 Certificates of Obligation Fund – To account for the construction of streets, sidewalks, lighting, soundwalls, landscaping, acquiring rights-of-way, restoring historic structures, equipping property and facilities for a solid waste disposal system, drainage and traffic system improvements.

Permanent Funds

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

Relating to Bryan cemeteries:

- Myrtie Conway Astin
- Bade Trust
- Brandon Cemetery
- J. W. English
- Lucy B. Hervey
- Mills Trust
- Cemetery

Relating to Bryan libraries:

- F. L. Henderson Library
- Rountree Library

CITY OF BRYAN, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2013

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Assets				
Cash and cash equivalents	$ 10,284,490	$ 2,092,352	$ 1,293,728	$ 13,670,570
Investments	4,460,489	907,474	561,104	5,929,067
Receivables:				
Accounts	651,265	163,207	-	814,472
Less allowance for uncollectible	(237,108)	-	-	(237,108)
Grants	67,550	111,908	-	179,458
Interest	6,099	1,245	769	8,113
Due from other funds	203,558	-	-	203,558
Prepaid and other assets	3,282	-	-	3,282
Total assets	$ 15,439,625	3,276,186	$ 1,855,601	$ 20,571,412
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 33,101	$ 699,596	$ -	$ 732,697
Accrued liabilities	30,313	-	-	30,313
Retainage payable	94,858	64,359	-	159,217
Due to other funds	2,123	-	-	2,123
Unearned revenue	62,853	-	-	62,853
Total liabilities	223,248	763,955	-	987,203
Fund balances:				
Nonspendable	3,282	-	816,427	819,709
Restricted	1,532,816	2,512,231	1,039,174	5,084,221
Committed	13,680,279	-	-	13,680,279
Total fund balances	15,216,377	2,512,231	1,855,601	19,584,209
Total liabilities and fund balances	$ 15,439,625	$ 3,276,186	$ 1,855,601	$ 20,571,412

CITY OF BRYAN, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
As of September 30, 2013

	Grant Fund	Community Development Fund	Hotel and Motel Room Tax Fund	Sidewalks Fund	Court Technology Fund	Street Improvement Fund	Drainage Improvement Fund	Tax Increment Reinvestment Zone #8 Fund	Tax Increment Reinvestment Zone #10 Fund	Tax Increment Reinvestment Zone #19 Fund	Tax Increment Reinvestment Zone #21 Fund	Tax Increment Reinvestment Zone #22 Fund	Total
Assets													
Cash and cash equivalents	$ -	$ 1,695	$ 412,006	$ 44,473	$ 206,647	$ 8,507,438	$ 784,156	$ -	$ 32,446	$ 2,247	$ 115,481	$ 177,901	$ 10,284,490
Investments	-	735	178,691	19,288	89,625	3,689,763	340,097	-	14,072	975	50,085	77,158	4,460,489
Accounts receivable	-	40	74,607	-	-	480,905	80,244	-	-	-	-	15,469	651,265
Less allowance for uncollectibles	-	-	-	-	-	(203,201)	(33,907)	-	-	-	-	-	(237,108)
Grants receivable	41,708	25,842	-	-	-	-	-	-	-	-	-	-	67,550
Interest receivable	-	1	245	26	123	5,062	466	-	-	1	69	106	6,099
Prepaid and other assets	-	3,282	-	-	-	-	-	-	-	-	-	-	3,282
Due from other funds	-	-	-	-	-	117,116	19,543	-	-	-	-	66,899	203,558
Total assets	$ 41,708	$ 31,595	$ 665,549	$ 63,787	$ 296,395	$ 12,597,083	$ 1,190,599	$ -	$ 46,518	$ 3,223	$ 165,635	$ 337,533	$ 15,439,625
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	$ 4,381	$ 4,180	$ 11,945	$ -	$ -	$ 12,433	$ 162	$ -	$ -	$ -	$ -	$ -	$ 33,101
Accrued liabilities	11,024	19,289	-	-	-	-	-	-	-	-	-	-	30,313
Retainage payable	-	50	-	-	-	68,903	25,905	-	-	-	-	-	94,858
Due to other funds	2,123	-	-	-	-	-	-	-	-	-	-	-	2,123
Unearned revenue	-	-	-	62,853	-	-	-	-	-	-	-	-	62,853
Total liabilities	17,528	23,519	11,945	62,853	-	81,336	26,067	-	-	-	-	-	223,248
Fund balances:													
Nonspendable	-	3,282	-	-	-	-	-	-	-	-	-	-	3,282
Restricted:													
Grants	24,180	-	-	-	-	-	-	-	-	-	-	-	24,180
Hotel/Motel	-	-	653,604	-	-	-	-	-	-	-	-	-	653,604
Municipal Court	-	-	-	-	296,395	-	-	-	-	-	-	-	296,395
TIRZ Development	-	-	-	-	-	-	-	-	46,518	3,223	165,635	337,533	552,909
Other Purposes	-	4,794	-	934	-	-	-	-	-	-	-	-	5,728
Committed:													
Streets	-	-	-	-	-	12,515,747	-	-	-	-	-	-	12,515,747
Drainage	-	-	-	-	-	-	1,164,532	-	-	-	-	-	1,164,532
Total fund balances	24,180	8,076	653,604	934	296,395	12,515,747	1,164,532	-	46,518	3,223	165,635	337,533	15,216,377
Total liabilities and fund balances	$ 41,708	$ 31,595	$ 665,549	$ 63,787	$ 296,395	$ 12,597,083	$ 1,190,599	$ -	$ 46,518	$ 3,223	$ 165,635	$ 337,533	$ 15,439,625

CITY OF BRYAN, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds - Capital Project Funds
As of September 30, 2013

	2007 Certificates of Obligation Fund	2008 Certificates of Obligation Fund	2010 Certificates of Obligation Fund	Total
Assets				
Cash and cash equivalents	$ -	$ -	$ 2,092,352	$ 2,092,352
Investments	-	-	907,474	907,474
Accounts receivable	-	-	163,207	163,207
Grants receivable	-	-	111,908	111,908
Interest receivable	-	-	1,245	1,245
Due from other funds	-	-	-	-
Total assets	$ -	$ -	$ 3,276,186	$ 3,276,186
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ -	$ -	$ 699,596	$ 699,596
Retainage payable	-	-	64,359	64,359
Due to other funds	-	-	-	-
Total liabilities	-	-	763,955	763,955
Fund balances:				
Restricted to capital projects	-	-	2,512,231	2,512,231
Total fund balances	-	-	2,512,231	2,512,231
Total liabilities and fund balances	$ -	$ -	$ 3,276,186	$ 3,276,186

CITY OF BRYAN, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds - Permanent Funds
As of September 30, 2013

	Brandon Cemetery Fund	J.W. English Cemetery Fund	L.B. Hervey Cemetery Fund	Mills Trust Cemetery Fund	Cemetery Fund	M.C. Astin Cemetery Fund	F.L. Henderson Library Fund	Rountree Library Fund	Bade Trust Cemetery Fund	Totals
Assets										
Cash and cash equivalents	$ 1,787	$ 6,394	$ 10,161	$ 641	$ 1,223,239	$ 42,174	$ 3,504	$ 5,215	$ 613	$ 1,293,728
Investments	775	2,773	4,407	278	530,532	18,292	1,519	2,262	266	561,104
Interest receivable	1	4	6	-	728	25	2	3	-	769
Total assets	$ 2,563	$ 9,171	$ 14,574	$ 919	$ 1,754,499	$ 60,491	$ 5,025	$ 7,480	$ 879	$ 1,855,601
Fund Balances										
Nonspendable - Permanent Funds Corpus	$ 1,399	$ 5,000	$ 1,500	$ 500	$ 793,784	$ 4,950	$ 2,085	$ 6,709	$ 500	$ 816,427
Restricted:										
Cemeteries	1,164	4,171	13,074	419	960,715	55,541	-	-	379	1,035,463
Libraries	-	-	-	-	-	-	2,940	771	-	3,711
Total fund balances	2,563	9,171	14,574	919	1,754,499	60,491	5,025	7,480	879	1,855,601
Total liabilities and fund balances	$ 2,563	$ 9,171	$ 14,574	$ 919	$ 1,754,499	$ 60,491	$ 5,025	$ 7,480	$ 879	$ 1,855,601

CITY OF BRYAN, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2013

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Revenues:				
Property taxes	$ 1,127,585	$ -	$ -	$ 1,127,585
Hotel occupancy taxes	720,717	-	-	720,717
Transportation and drainage assessments	6,302,953	-	-	6,302,953
Fines and court charges	44,611	-	-	44,611
Grants	1,823,591	-	-	1,823,591
Investment earnings	53,307	16,132	7,030	76,469
Other	783,005	189,265	38,935	1,011,205
Total revenues	10,855,769	205,397	45,965	11,107,131
Expenditures:				
Current:				
General government and administration	2,200	-	-	2,200
Development services	1,529,431	-	-	1,529,431
Public works services	2,945,656	10,224	-	2,955,880
Public safety	462,143	-	-	462,143
Cultural and recreational	557,644	-	-	557,644
Capital outlay	278,756	1,722,934	-	2,001,690
Debt service:				
Bond and principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Total expenditures	5,775,830	1,733,158	-	7,508,988
Excess (deficiency) of revenues over (under) expenditures	5,079,939	(1,527,761)	45,965	3,598,143
Other financing sources (uses):				
Transfers in	290,978	3,156,601	-	3,447,579
Transfers out	(4,900,166)	(2,713,686)	-	(7,613,852)
Total other financing sources (uses)	(4,609,188)	442,915	-	(4,166,273)
Net change in fund balances	470,751	(1,084,846)	45,965	(568,130)
Fund balances, October 1, 2012	14,745,626	3,597,077	1,809,636	20,152,339
Fund balances, September 30, 2013	$ 15,216,377	$ 2,512,231	$ 1,855,601	$ 19,584,209

CITY OF BRYAN, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue Funds
As of September 30, 2013

	Grant Fund	Community Development Fund	Hotel and Motel Room Tax Fund	Sidewalks Fund	Court Technology Fund	Street Improvement Fund	Drainage Improvement Fund	Tax Increment Reinvestment Zone #8 Fund	Tax Increment Reinvestment Zone #10 Fund	Tax Increment Reinvestment Zone #19 Fund	Tax Increment Reinvestment Zone #21 Fund	Tax Increment Reinvestment Zone #22 Fund	Total
Revenues:													
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 720,395	$ 108,750	$ 77,508	$ 220,932	$ 1,127,585
Hotel occupancy taxes	-	-	720,717	-	-	-	-	-	-	-	-	-	720,717
Transportation and drainage assessments	-	-	-	-	-	5,401,590	901,363	-	-	-	-	-	6,302,953
Grants	466,411	1,346,451	-	-	-	-	10,729	-	-	-	-	-	1,823,591
Fines and court charges	-	-	-	-	44,611	-	-	-	-	-	-	-	44,611
Investment earnings	70	-	2,348	234	1,041	42,374	4,021	-	1,729	225	608	657	53,307
Other	-	163,433	-	-	-	-	-	-	452,104	52,984	-	114,484	783,005
Total revenues	466,481	1,509,884	723,065	234	45,652	5,443,964	916,113	-	1,174,228	161,959	78,116	336,073	10,855,769
Expenditures:													
Current:													
General government and administration	-	-	-	-	-	-	-	-	2,200	-	-	-	2,200
Development services	-	1,501,704	-	-	-	-	-	-	25,000	-	-	2,727	1,529,431
Public works services	-	-	-	-	-	2,768,047	177,609	-	-	-	-	-	2,945,656
Public safety	425,164	-	-	-	36,979	-	-	-	-	-	-	-	462,143
Cultural and recreational	28,000	-	529,644	-	-	-	-	-	-	-	-	-	557,644
Capital outlay	-	-	-	-	-	-	276,779	-	-	-	-	1,977	278,756
Debt service:													
Bond and principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	453,164	1,501,704	529,644	-	36,979	2,768,047	454,387	-	27,200	-	-	4,704	5,775,830
Excess (deficiency) of revenues over (under) expenditures	13,317	8,180	193,421	234	8,673	2,675,917	461,726	-	1,147,028	161,959	78,116	331,369	5,079,939
Other financing sources (uses):													
Transfers in	-	-	-	-	-	-	-	-	289,000	-	-	1,978	290,978
Transfers out	-	-	(150,000)	-	-	(257,357)	-	(2,570,313)	(1,390,984)	(164,065)	-	(367,447)	(4,900,166)
Total other financing sources (uses)	-	-	(150,000)	-	-	(257,357)	-	(2,570,313)	(1,101,984)	(164,065)	-	(365,469)	(4,609,188)
Net change in fund balances	13,317	8,180	43,421	234	8,673	2,418,560	461,726	(2,570,313)	45,044	(2,106)	78,116	(34,100)	470,751
Fund balances, October 1, 2012	10,863	(104)	610,183	700	287,722	10,097,187	702,807	2,570,313	1,474	5,329	87,519	371,633	14,745,626
Fund balances, September 30, 2013	$ 24,180	$ 8,076	$ 653,604	$ 934	$ 296,395	$ 12,515,747	$ 1,164,533	$ -	$ 46,518	$ 3,223	$ 165,635	$ 337,533	$ 15,216,377

CITY OF BRYAN, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Capital Project Funds
For the Fiscal Year Ended September 30, 2013

	2007 Certificates of Obligation Fund	2008 Certificates of Obligation Fund	2010 Certificates of Obligation Fund	Total
Revenues:				
Investment earnings	$ -	$ -	$ 16,132	$ 16,132
Other	-	-	189,265	189,265
Total revenues	-	-	205,397	205,397
Expenditures:				
Current:				
Public works services	-	-	10,224	10,224
Capital outlay	-	-	1,722,934	1,722,934
Total expenditures	-	-	1,733,158	1,733,158
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,527,761)	(1,527,761)
Other financing sources (uses):				
Transfers in	-	-	3,156,601	3,156,601
Transfers out	(731,050)	(440,785)	(1,541,851)	(2,713,686)
Total other financing sources (uses)	(731,050)	(440,785)	1,614,750	442,915
Net change in fund balances	(731,050)	(440,785)	86,989	(1,084,846)
Fund balances, October 1, 2012	731,050	440,785	2,425,242	3,597,077
Fund balances, September 30, 2013	$ -	$ -	$ 2,512,231	$ 2,512,231

CITY OF BRYAN, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Permanent Funds
For the Fiscal Year Ended September 30, 2013

	Brandon Cemetery Fund	J.W. English Cemetery Fund	L.B. Hervey Cemetery Fund	Mills Trust Cemetery Fund	Cemetery Fund	M.C. Astin Cemetery Fund	F.L. Henderson Library Fund	Rountree Library Fund	Bade Trust Cemetery Fund	Totals
Revenues:										
Contributions	$ -	$ -	$ -	$ -	$ 38,935	$ -	$ -	$ -	$ -	$ 38,935
Investment earnings	10	35	55	3	6,646	230	19	29	3	7,030
Total revenues	10	35	55	3	45,581	230	19	29	3	45,965
Expenditures:										
General government and administration	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	10	35	55	3	45,581	230	19	29	3	45,965
Fund balances, October 1, 2012	2,553	9,136	14,519	916	1,708,918	60,261	5,006	7,451	876	1,809,636
Fund balances, September 30, 2013	$ 2,563	$ 9,171	$ 14,574	$ 919	$ 1,754,499	$ 60,491	$ 5,025	$ 7,480	$ 879	$ 1,855,601

CITY OF BRYAN, TEXAS
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Property taxes	$ 7,221,565	$ 7,215,022	$ (6,543)
Investment earnings	35,000	17,286	(17,714)
Other	654,436	444,436	(210,000)
Total revenues	7,911,001	7,676,744	(234,257)
Expenditures:			
Debt service:			
Bond and principal retirement	6,306,563	6,212,739	93,824
Interest and fiscal charges	4,229,611	4,084,479	145,132
Debt issuance costs	-	421,506	(421,506)
Total expenditures	10,536,174	10,718,724	(182,550)
Excess of expenditures over revenues	(2,625,173)	(3,041,980)	(416,807)
Other financing sources:			
Transfers in	2,708,228	2,545,911	(162,317)
Refunding bonds issued	-	21,391,646	21,391,646
Premium on refunding bonds	-	417,193	417,193
Payment to refunded bond escrow agent	-	(21,381,600)	(21,381,600)
Total other financing sources	2,708,228	2,973,150	264,922
Net change in fund balance	83,055	(68,830)	(68,830)
Fund Balance, October 1, 2012	5,945,264	5,945,264	-
Fund Balance, September 30, 2013	$ 6,028,319	$ 5,876,434	$ (68,830)

CITY OF BRYAN, TEXAS
Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Grant - Federal	$ 262,759	$ 398,372	$ 135,613
Grant - State	-	40,039	40,039
Grant - Other	-	28,000	28,000
Investment earnings	10	70	60
Total revenues	262,769	466,481	203,712
Expenditures:			
Current:			
Public safety	262,759	425,164	(162,405)
Cultural and recreational	-	28,000	(28,000)
Total expenditures	262,759	453,164	(190,405)
Excess of revenues over expenditures	10	13,317	13,307
Net change in fund balance	10	13,317	13,307
Fund balances, October 1, 2012	10,863	10,863	-
Fund balances, September 30, 2013	$ 10,873	$ 24,180	$ 13,307

CITY OF BRYAN, TEXAS
Community Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Grants	$ 2,349,368	$ 2,349,368	$ 1,346,451	$ (1,002,917)
Other	62,500	62,500	163,433	100,933
Total revenues	2,411,868	2,411,868	1,509,884	(901,984)
Expenditures:				
Current:				
Development services	2,411,868	2,443,659	1,501,704	941,955
Total expenditures	2,411,868	2,443,659	1,501,704	941,955
Net change in fund balance	-	(31,791)	8,180	39,971
Fund balances, October 1, 2012	(104)	(104)	(104)	-
Fund balances, September 30, 2013	$ (104)	$ (31,895)	$ 8,076	$ 39,971

CITY OF BRYAN, TEXAS
Hotel and Motel Room Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Occupancy taxes	$ 486,466	$ 486,466	$ 720,717	$ 234,251
Investment earnings	3,000	3,000	2,348	(652)
Total revenues	489,466	489,466	723,065	233,599
Expenditures:				
Current:				
Cultural and recreational	586,600	812,600	529,644	282,956
Total expenditures	586,600	812,600	529,644	282,956
Other financing uses:				
Transfers out	-	(150,000)	(150,000)	-
Net change in fund balance	(97,134)	(473,134)	43,421	516,555
Fund balances, October 1, 2012	610,183	610,183	610,183	-
Fund balances, September 30, 2013	$ 513,049	$ 137,049	$ 653,604	$ 516,555

CITY OF BRYAN, TEXAS
Sidewalks Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Original Budgeted Amounts	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment earnings	$ -	$ -	$ 234	$ 234
Total revenues	-	-	234	234
Net change in fund balance	-	-	234	234
Fund balances, October 1, 2012	700	700	700	-
Fund balances, September 30, 2013	$ 700	$ 700	$ 934	$ 234

CITY OF BRYAN, TEXAS
Court Technology Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Technology fee	$ 45,600	$ 44,611	$ (989)
Investment earnings - Interest income	3,500	1,041	(2,459)
Total revenues	49,100	45,652	(3,448)
Expenditures:			
Current:			
Public safety	29,800	36,979	(7,179)
Total expenditures	29,800	36,979	(7,179)
Net change in fund balance	19,300	8,673	(10,627)
Fund balances, October 1, 2012	287,722	287,722	-
Fund balances, September 30, 2013	$ 307,022	$ 296,395	$ (10,627)

CITY OF BRYAN, TEXAS
Street Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Transportation assessments	$ 5,280,625	$ 5,280,625	$ 5,401,590	$ 120,965
Investment earnings	43,000	43,000	42,374	(626)
Total revenues	5,323,625	5,323,625	5,443,964	120,339
Expenditures:				
Current:				
Public works services	6,181,988	8,351,642	2,768,047	5,583,595
Total expenditures	6,181,988	8,351,642	2,768,047	5,583,595
Excess (deficiency) of revenues over (under) expenditures	(858,363)	(3,028,017)	2,675,917	5,703,934
Other financing sources (uses)				
Transfers out	(430,646)	(430,646)	(257,357)	173,289
Total other financing sources (uses)	(430,646)	(430,646)	(257,357)	173,289
Net change in fund balance	(1,289,009)	(3,458,663)	2,418,560	5,877,223
Fund balances, October 1, 2012	10,097,187	10,097,187	10,097,187	-
Fund balances, September 30, 2013	$ 8,808,178	$ 6,638,524	$ 12,515,747	$ 5,877,223

CITY OF BRYAN, TEXAS
Drainage Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Drainage assessments	$ 895,000	$ 895,000	$ 901,363	$ 6,363
Grants	-	-	10,729	10,729
Investment earnings	4,300	4,300	4,021	(279)
Total revenues	899,300	899,300	916,113	16,813
Expenditures:				
Current:				
Public works services	509,500	940,108	177,609	762,499
Capital outlay	-	-	276,779	(276,779)
Total expenditures	509,500	940,108	454,388	762,499
Excess (deficiencies) of revenues over (under) expenditures	389,800	(40,808)	461,725	502,533
Other financing uses:				
Transfers out	(50,000)	(50,000)	-	50,000
Net change in fund balance	339,800	(90,808)	461,725	552,533
Fund balances, October 1, 2012	702,807	702,807	702,807	-
Fund balances, September 30, 2013	$ 1,042,607	$ 611,999	$ 1,164,532	$ 552,533

CITY OF BRYAN, TEXAS
Tax Increment Reinvestment Zone #8 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	$ -	$ -	$ -	$ -
Investment earnings	12,000	12,000	-	(12,000)
Other	-		-	-
Total revenues	12,000	12,000	-	(12,000)
Expenditures:				
Current:				
Development services	-	415,530	-	415,530
Total expenditures	-	415,530	-	415,530
Excess (deficiency) of revenues over (under) expenditures	12,000	(403,530)	-	403,530
Other financing uses:				
Transfers out	(195,756)	(2,156,423)	(2,570,313)	(413,890)
Net change in fund balance	(183,756)	(2,559,953)	(2,570,313)	(10,360)
Fund balances, October 1, 2012	2,570,313	2,570,313	2,570,313	-
Fund balances, September 30, 2013	$ 2,386,557	$ 10,360	-	$ (10,360)

CITY OF BRYAN, TEXAS
Tax Increment Reinvestment Zone #10 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Property taxes	$ 720,733	$ 720,395	$ (338)
Investment earnings	100	1,729	1,629
Other	448,513	452,104	3,591
Total revenues	1,169,346	1,174,228	4,882
Expenditures:			
Current:			
General government and administration	25,000	2,200	22,800
Development services	-	25,000	(25,000)
Total expenditures	25,000	27,200	(2,200)
Excess of revenues over expenditures	1,144,346	1,147,028	2,682
Other financing sources (uses):			
Transfers in	214,000	289,000	75,000
Transfers out	(1,390,984)	(1,390,984)	-
Total other financing sources (uses)	(1,176,984)	(1,101,984)	75,000
Net change in fund balance	(32,638)	45,044	77,682
Fund balances, October 1, 2012	1,474	1,474	-
Fund balances, September 30, 2013	$ (31,164)	$ 46,518	$ 77,682

CITY OF BRYAN, TEXAS
Tax Increment Reinvestment Zone #19 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Property taxes	$ 108,586	$ 108,750	$ 164
Investment earnings	-	225	225
Other	52,594	52,984	390
Total revenues	161,180	161,959	779
Excess of revenues over expenditures	161,180	161,959	779
Other financing sources (uses)			
Transfers in	5,000	-	(5,000)
Transfers out	(164,066)	(164,065)	1
Total other financing sources (uses)	(159,066)	(164,065)	(4,999)
Net change in fund balance	2,114	(2,106)	(4,220)
Fund balances, October 1, 2012	5,329	5,329	-
Fund balances, September 30, 2013	$ 7,443	$ 3,223	$ (4,220)

CITY OF BRYAN, TEXAS
Tax Increment Reinvestment Zone #21 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Property taxes	$ 79,296	$ 77,508	$ (1,788)
Investment earnings	100	608	508
Other	-	-	-
Total revenues	79,396	78,116	(1,280)
Excess of revenues over expenditures	79,396	78,116	(1,280)
Net change in fund balance	79,396	78,116	(1,280)
Fund balances, October 1, 2012	87,519	87,519	-
Fund balances, September 30, 2013	$ 166,915	$ 165,635	$ (1,280)

CITY OF BRYAN, TEXAS
Tax Increment Reinvestment Zone #22 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Property taxes	$ 140,578	$ 220,932	$ 80,354
Investment earnings	100	657	557
Other	153,056	114,484	(38,572)
Total revenues	293,734	336,073	42,339
Expenditures:			
Current:			
Development services	25,000	2,727	22,273
Capital outlay	-	1,977	(1,977)
Total expenditures	25,000	4,704	20,296
Excess of revenues over expenditures	268,734	331,369	62,635
Other financing sources (uses):			
Transfers in	163,000	1,978	161,022
Bond proceeds	1,217,946	-	1,217,946
Transfers out	(408,915)	(367,447)	41,468
Total other financing sources (uses)	972,031	(365,469)	1,420,436
Net change in fund balance	1,240,765	(34,100)	(1,274,865)
Fund balances, October 1, 2012	371,633	371,633	-
Fund balances, September 30, 2013	$ 1,612,398	$ 337,533	$ (1,274,865)

COMBINING FINANCIAL STATEMENTS

NONMAJOR ENTERPRISE FUNDS

Solid Waste Fund – To account for the provision of residential and commercial garbage collection and the City's interest in the Brazos Valley Solid Waste Management Agency's landfill operations. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administrative, operations, maintenance, new construction, financing and related debt services, and billing and collection.

Bryan Airport Fund – To account for the revenues received and the expenses incurred by the City in the operation of Bryan's Coulter Airfield.

Bryan Commerce and Development – To account for economic development activities and public facility development by the City. The activities related to the acquisition of property for development are included in this fund.

CITY OF BRYAN, TEXAS

Combining Statement of Net Position
Nonmajor Enterprise Funds
As of September 30, 2013

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 2,668,129	$ 63,930	$ 1,260	$ 2,733,319
Investments	1,157,151	27,638	546	1,185,335
Accounts receivable	645,913	19,663	-	665,576
Less allowance for uncollectible	(230,298)	-	-	(230,298)
Grants receivable	-	2,542	-	2,542
Interest receivable	1,587	38	1	1,626
Inventories	-	39,536	-	39,536
Due from other funds	190,572	-	-	190,572
Prepaid and other assets	675	318	-	993
Total current assets	4,433,729	153,665	1,807	4,589,201
Noncurrent assets:				
Restricted assets:				
Investment in BVSWMA	12,618,121	-	-	12,618,121
Capital assets:				
Land	-	654,670	8,964,013	9,618,683
Buildings	81,400	1,171,993	-	1,253,393
Equipment	7,977,675	-	-	7,977,675
Improvements other than buildings	349,562	3,175,524	-	3,525,086
Construction in progress	-	5,960	-	5,960
Less accumulated depreciation	(4,631,530)	(2,522,959)	-	(7,154,489)
Total capital assets (net of accumulated depreciation)	3,777,107	2,485,188	8,964,013	15,226,308
Total noncurrent assets	16,395,228	2,485,188	8,964,013	27,844,429
Total assets	$ 20,828,957	$ 2,638,853	$ 8,965,820	$ 32,433,630

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
Liabilities				
Current liabilities:				
Accounts payable	$ 603,035	$ 1,626	$ -	$ 604,661
Accrued liabilities	162,039	5,071	-	167,110
Due to other funds	15,500	-	-	15,500
Accrued interest	-	89	-	89
Certificates of obligation	-	-	-	-
Notes	-	-	-	-
Accrued vacation and sick pay	52,348	219	-	52,567
Current liabilities payable from restricted assets:			-	
Customer deposits	-	7,320	-	7,320
General obligation bonds - current portion	-	834	-	834
Total current liabilities	832,922	15,159	-	848,081
Noncurrent liabilities:				
General obligation bonds	-	27,682	-	27,682
Unamortized bond premiums (discounts) and deferred amount on refunding	-	(771)	-	(771)
Notes	-	4,539	-	4,539
Accrued vacation and sick pay	89,133	373	-	89,506
Total noncurrent liabilities	89,133	31,823	-	120,956
Total liabilities	922,055	46,982	-	969,037
Net Position				
Net investment in capital assets	3,777,107	2,452,904	8,964,013	15,194,024
Restricted for BVSWMA	12,618,121	-	-	12,618,121
Unrestricted	3,511,674	138,967	1,807	3,652,448
Total net position	$ 19,906,902	$ 2,591,871	$ 8,965,820	$ 31,464,593

CITY OF BRYAN, TEXAS

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2013

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
Operating revenues:				
Other	$ 7,389,840	$ 542,960	$ 2,098,923	$ 10,031,723
Total operating revenues	7,389,840	542,960	2,098,923	10,031,723
Operating expenses:				
Personnel services	2,394,903	112,630	-	2,507,533
Maintenance	357,957	4,554	-	362,511
Other services and charges	1,575,371	78,676	22,366	1,676,413
Other expenses	688,750	296,457	-	985,207
General and administrative	1,058,390	-	-	1,058,390
Total operating expenses before depreciation	6,075,371	492,317	22,366	6,590,054
Operating income (loss) before depreciation	1,314,469	50,643	2,076,557	3,441,669
Depreciation	889,508	182,351	22,913	1,094,772
Operating income (loss)	424,961	(131,708)	2,053,644	2,346,897
Nonoperating revenues (expenses):				
Investment earnings	16,038	524	931	17,493
Interest expense	-	(1,661)	-	(1,661)
Debt service	-	-	(52,799)	(52,799)
Amortization	-	-	-	-
Grants	-	101,495	-	101,495
Distributive share of BVSWMA net income	404,723	-	-	404,723
Other - net	144,361	-	11,757	156,118
Total nonoperating revenues (expenses)	565,122	100,358	(40,111)	625,369
Income (loss) before contributions and transfers	990,083	(31,350)	2,013,533	2,972,266
Transfers in	55,969	-	1,948,310	2,004,279
Transfers out	(706,289)	-	(3,670,382)	(4,376,671)
Change in net position	339,763	(31,350)	291,461	599,874
Net position, October 1, 2012	19,567,139	2,623,221	8,674,359	30,864,719
Net position, September 30, 2013	$ 19,906,902	$ 2,591,871	$ 8,965,820	$ 31,464,593

CITY OF BRYAN, TEXAS

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2013

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
Cash flows from operating activities:				
Receipts from customers and users	$ 7,508,890	$ 556,506	$ 2,071,345	$ 10,136,741
Payments to suppliers	(3,202,779)	(381,973)	-	(3,584,752)
Payments to employees	(2,365,673)	(111,937)	-	(2,477,610)
Receipts for miscellaneous revenues	144,361	101,493	-	245,854
Net cash provided by operating activities	2,084,799	164,089	2,071,345	4,320,233
Cash flows from noncapital financing activities:				
Transfers in	55,969	-	1,948,310	2,004,279
Transfers out	(706,289)	-	(3,670,382)	(4,376,671)
Net cash used by noncapital financing activities	(650,320)	-	(1,722,072)	(2,372,392)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,376,455)	(247,117)	(551,161)	(2,174,733)
Grants	-	11,172	-	11,172
Amortization of debt expense	-	-	(11,039)	(11,039)
Principal paid on certificates of obligation	-	(1,328)	-	(1,328)
Interest paid on bonds, contractual obligations, and notes	-	(1,636)	(57,760)	(59,396)
Net cash used by capital and related financing activities	(1,376,455)	(238,909)	(619,960)	(2,235,324)
Cash flows from investing activities:				
Purchase of investment securities	(738,100)	(17,629)	349	(755,380)
Sale of investment securities	1,335,410	67,456	10,300	1,413,166
Interest on investments	17,607	625	346	18,578
Net cash provided by investing activities	614,917	50,452	10,995	676,364
Net increase (decrease) in cash and cash equivalents	672,941	(24,368)	(259,692)	388,881
Cash and cash equivalents, October 1, 2012	1,995,188	88,298	260,952	2,344,438
Cash and cash equivalents, September 30, 2013	$ 2,668,129	$ 63,930	$ 1,260	$ 2,733,319

CITY OF BRYAN, TEXAS
Combining Statement of Cash Flows (continued)
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2013

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 424,961	$ (131,708)	$ 2,053,644	$ 2,346,897
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	889,508	182,351	22,913	1,094,772
Receipts for miscellaneous revenues	144,361	101,493	11,757	257,611
Change in assets and liabilities:				
Change in accounts receivable	119,050	(6,378)	34,824	147,496
Change in deferred credits	-	-	-	-
Change in inventory	-	20,094	3,817	23,911
Change in due from other funds	-	-	-	-
Change in prepaid assets	3,802	989	32,200	36,991
Change in accounts payable	479,392	(3,469)	(44,915)	431,008
Change in accrued liabilities	6,142	910	(52,069)	(45,017)
Change in other	-	-	88,397	88,397
Change in customer deposits	-	(170)	(66,219)	(66,389)
Change in due to other funds	(11,647)	-	-	(11,647)
Change in accrued vacation and sick pay	29,230	(23)	(13,004)	16,203
Net cash provided by operating activities	$ 2,084,799	$ 164,089	$ 2,071,345	$ 4,320,233

Noncash investing, capital and financing activities
During this past year, the Enterprise Funds investment in BVSWMA increased $404,723 as a result of their operations.

COMBINING FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

Warehouse Fund – To account for the operation of the City's warehouse function (excluding electric inventory).

Insurance Fund – To account for funds accumulated by the City to cover general liability and workers' compensation claims and associated administrative expenses.

Employee Benefit Trust Fund – To account for the administration of health insurance for City employees. Resources are contributed by the City for employee health coverage and by the employee for optional dependent coverage.

CITY OF BRYAN, TEXAS
Internal Service Funds
Combining Statement of Net Position
As of September 30, 2013

Assets	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Total
Current assets:				
Cash and cash equivalents	$ 99,600	$ 2,698,914	$ 1,178,961	$ 3,977,475
Investments	43,198	1,138,018	511,327	1,692,543
Accounts receivable	59	48,844	41,437	90,340
Interest receivable	-	1,561	701	2,262
Inventories	273,626	-	-	273,626
Due from other funds	233	10,672	128,332	139,237
Prepaid and other assets	-	1,115	-	1,115
Total current assets	416,716	3,899,124	1,860,758	6,176,598
Noncurrent assets:				
Capital assets:				
Buildings	-	23,419	-	23,419
Equipment	27,390	236,563	-	263,953
Improvements other than buildings	98,420	29,572	-	127,992
Less accumulated depreciation	(62,313)	(264,545)	-	(326,858)
Total capital assets (net of accumulated depreciation)	63,497	25,009	-	88,506
Total assets	$ 480,213	$ 3,924,133	$ 1,860,758	$ 6,265,104
Liabilities				
Current liabilities:				
Accounts payable	$ 17,310	$ 36,560	$ 165,870	$ 219,740
Claims payable	-	440,225	1,010,988	1,451,213
Accrued liabilities	9,921	20,309	-	30,230
Accrued vacation and sick pay	3,063	36,633	-	39,696
Total current liabilities	30,294	533,727	1,176,858	1,740,879
Noncurrent liabilities:				
Claims payable	-	890,095	-	890,095
Accrued liabilities	-	-	1,736,141	1,736,141
Accrued vacation and sick pay	1,878	22,453	-	24,331
Total noncurrent liabilities	1,878	912,548	1,736,141	2,650,567
Total liabilities	32,172	1,446,275	2,912,999	4,391,446
Net Position				
Net investment in capital assets	63,497	25,009	-	88,506
Unrestricted	384,544	2,452,849	(1,052,241)	1,785,152
Total net position	$ 448,041	$ 2,477,858	$ (1,052,241)	$ 1,873,658

CITY OF BRYAN, TEXAS
Internal Service Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended September 30, 2013

	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Total
Operating revenues:				
Intragovernmental	$ 73,832	$ 1,481,874	$ 5,407,481	$ 6,963,187
Other	360	-	2,178,123	2,178,483
Total operating revenues	74,192	1,481,874	7,585,604	9,141,670
Operating expenses:				
Personnel services	209,779	439,278	-	649,057
Maintenance	1,622	6,120	-	7,742
Claims	-	1,843,423	7,739,199	9,582,622
Other services and charges	87,716	1,001,192	1,143,454	2,232,362
Other expenses	10,041	15,755	-	25,796
Total operating expenses before depreciation	309,158	3,305,768	8,882,653	12,497,579
Operating loss before depreciation	(234,966)	(1,823,894)	(1,297,049)	(3,355,909)
Depreciation	7,660	2,865	-	10,525
Operating loss	(242,626)	(1,826,759)	(1,297,049)	(3,366,434)
Nonoperating revenues:				
Investment earnings	949	15,219	8,973	25,141
Other	-	1,177,713	194,629	1,372,342
Total nonoperating revenues	949	1,192,932	203,602	1,397,483
Loss before transfers	(241,677)	(633,827)	(1,093,447)	(1,968,951)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net position	(241,677)	(633,827)	(1,093,447)	(1,968,951)
Net position, October 1, 2012	689,718	3,111,685	41,206	3,842,609
Net position, September 30, 2013	$ 448,041	$ 2,477,858	$ (1,052,241)	$ 1,873,658

CITY OF BRYAN, TEXAS
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2013

	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	$ 2,079,604	$ -	$ 2,499,635	$ 4,579,239
Receipts for interfund services provided	-	1,437,342	5,399,383	6,836,725
Payments to suppliers	(2,131,905)	(2,590,074)	(8,556,545)	(13,278,524)
Payments to employees	(210,674)	(433,561)	-	(644,235)
Receipts for miscellaneous revenues	-	1,177,713	195,732	1,373,445
Payments for interfund services used	-	-	-	-
Net cash (used) by operating activities	(262,975)	(408,580)	(461,795)	(1,133,350)
Cash flows from investing activities:				
Purchase of investment securities	(27,555)	(725,896)	(326,155)	(1,079,606)
Sale of investment securities	173,646	1,554,660	817,616	2,545,922
Interest on investments	1,231	17,200	8,973	27,404
Net cash provided by investing activities	147,323	845,964	500,434	1,493,720
Net increase (decrease) in cash and cash equivalents	(115,652)	437,384	38,639	360,371
Cash and cash equivalents, October 1, 2012	215,253	2,261,530	1,140,322	3,617,105
Cash and cash equivalents, September 30, 2013	$ 99,601	$ 2,698,914	$ 1,178,961	$ 3,977,476
Operating (loss)	$ (242,626)	$ (1,826,759)	$ (1,297,049)	(3,366,434)
Adjustments to reconcile operating (loss)				-
to net cash (used) by operating activities:				-
Depreciation	7,660	2,865	-	10,525
Nonoperating revenue	-	1,177,713	194,629	1,372,342
Change in assets and liabilities:				
Change in accounts receivable	-	(45,718)	321,512	275,794
Change in inventory	(43,591)	-	-	(43,591)
Change in due from other funds	177	1,186	(8,098)	(6,735)
Change in prepaid assets	9	240,516	-	240,525
Change in accounts payable	16,291	(1,408)	(76,516)	(61,633)
Change in accrued liabilities	(163)	2,277	407,123	409,237
Change in due to other funds	-	-	-	-
Change in claims payable	-	37,308	(3,396)	33,912
Change in vacation and sick pay	(732)	3,440	-	2,708
Net cash (used) by operating activities	$ (262,975)	$ (408,580)	$ (461,795)	$ (1,133,350)

AGENCY FUND

Payroll Fund – To account for the City's payroll funds. Employee wages, associated employment taxes and employee benefits are paid from the fund. This fund is excluded from the government-wide statement of net assets and statement of activities since the assets are not available to support the City's own programs.

CITY OF BRYAN, TEXAS

Schedule of Changes in Assets and Liabilities - Agency Fund

Payroll Fund

For the Fiscal Year Ended September 30, 2013

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
Assets				
Cash and cash equivalents	$ 671,711	$ 62,507,958	$ 62,392,969	$ 786,700
Accounts Receivable	314,452	1,165,487	1,148,225	331,714
Total assets	$ 986,163	$ 63,673,445	$ 63,541,194	$ 1,118,414
Liabilities				
Benefits and employment taxes payable	$ 986,163	$ 30,689,802	$ 30,822,053	$ 1,118,414

CAPITAL ASSETS

USED IN THE OPERATION

OF GOVERNMENTAL FUNDS

CITY OF BRYAN, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
September 30, 2013 and 2012

	2013	2012
Governmental funds capital assets:		
Land	$ 11,543,422	$ 11,570,401
Buildings	42,728,759	42,728,759
Improvements other than buildings	31,606,485	31,165,162
Equipment	28,817,914	28,382,954
Infrastructure	175,499,864	171,120,753
Construction in Progress	6,915,651	7,820,649
	$ 297,112,095	$ 292,788,678
Investments in governmental funds capital assets by source:		
General Fund	$ 82,740,141	$ 82,003,988
Special Revenue Funds	8,126,350	8,126,350
Private Contributions	37,349,749	35,468,609
General Obligation bonds	42,229,658	42,229,657
Grants	6,611,770	6,611,770
Certificates of Obligation	120,054,427	118,348,304
	$ 297,112,095	$ 292,788,678

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF BRYAN, TEXAS

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity
For the Fiscal Year Ended September 30, 2013

Function and Activity	Governmental Funds Capital Assets October 1, 2012	Reclassifications	Additions	Deductions	Governmental Funds Capital Assets September 30, 2013
General Government:					
Executive	$ 16,809,823	$ -	$ -	$ -	$ 16,809,823
City Secretary	264,858	-	-	-	264,858
Legal services	41,126	-	-	-	41,126
Fiscal services	324,712	-	-	-	324,712
Computer services	7,800,462	-	225,292	-	8,025,754
Purchasing services	1,773,249	-	-	-	1,773,249
Human resources	44,862	-	-	-	44,862
Facility services	3,300,904	-	-	-	3,300,904
Fleet services	70,619	-	-	-	70,619
Total general government	30,430,615	-	225,292	-	30,655,907
Development services:					
Administration	599,956	-	-	-	599,956
Planning	70,070	-	-	-	70,070
Engineering	165,525	-	-	-	165,525
Inspections	119,143	-	-	-	119,143
Community Development	5,360,216	-	-	-	5,360,216
TIF infrastructure	10,327,899	-	-	44,722	10,283,177
Total development services	16,642,809	-	-	44,722	16,598,087
Public works:					
Environmental services	28,567	-	-	-	28,567
Transportation services	169,972,850	-	4,396,854	15,565	174,354,139
Total public works	170,001,417	-	4,396,854	15,565	174,382,706
Public safety:					
Police services	24,632,284	-	303,559	82,106	24,853,737
Fire and emergency medical services	14,358,285	-	40,965	50,973	14,348,276
Municipal court	2,211,826	-	-	-	2,211,825
Total public safety	41,202,395	-	344,524	133,079	41,413,838
Cultural and recreational:					
Administration	143,955	-	-	-	143,955
Library services	4,129,414	-	135,604	-	4,265,018
Parks and recreation services	22,417,426	-	319,508	-	22,736,934
Total cultural and recreational	26,690,795	-	455,112	-	27,145,907
Construction in Progress - Unclassified	7,820,649	156,692	2,011,210	2,759,516	6,915,651
Total governmental funds capital assets	$ 292,788,680	$ 156,692	$ 7,432,992	$ 2,952,882	$ 297,112,095

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF BRYAN, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
As of September 30, 2013

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government:							
Executive	$ 2,138,903	$ 14,534,543	$ -	$ 286,378	$ -	$ -	$ 16,959,824
City Secretary	125,000	-	94,261	45,597	-	-	264,858
Legal services	-	-	41,126	-	-	-	41,126
Fiscal services	-	38,384	-	286,326	-	-	324,710
Computer services	-	60,768	33,279	7,931,707	-	-	8,025,754
Purchasing services	-	37,037	1,679,680	56,533	-	-	1,773,250
Human resources	-	-	9,991	34,871	-	-	44,862
Facility services	-	2,318,306	118,187	714,411	-	-	3,150,904
Fleet services	-	1,671	32,396	36,552	-	-	70,619
Total general government	2,263,903	16,990,709	2,008,920	9,392,375	-	-	30,655,907
Development services:							
Administration	35,156	1,260	-	563,539	-	-	599,955
Planning	-	29,062	-	41,008	-	-	70,070
Engineering	4,556	7,343	-	153,627	-	-	165,526
Inspections	-	-	-	119,143	-	-	119,143
Community Development	118,531	131,652	5,083,367	26,666	-	-	5,360,216
TIF infrastructure	81,902		58,449		10,142,825	685,519	10,968,695
Total development services	240,145	169,317	5,141,816	903,983	10,142,825	685,519	17,283,605
Public works:							
Environmental services	-	11,995	16,572	-	-	-	28,567
Transportation services	5,197,718	8,840	957,554	2,860,392	165,329,635	6,196,643	180,550,782
Total public works	5,197,718	20,835	974,126	2,860,392	165,329,635	6,196,643	180,579,349
Public safety:							
Police services	1,043,332	18,189,593	22,982	5,597,830	-	-	24,853,737
Fire and emergency medical services	-	6,345,530	12,780	7,989,966	-	10,342	14,358,618
Municipal court	1,819,216	-	106,675	285,934	-	-	2,211,825
Total public safety	2,862,548	24,535,123	142,437	13,873,730	-	10,342	41,424,180
Cultural and recreational:							
Administration	-	-	107,924	36,031	-	-	143,955
Library services	-	479,287	3,509,216	276,515	-	23,147	4,288,165
Parks and recreation services	979,108	533,488	19,722,046	1,474,888	27,404	-	22,736,934
Total cultural and recreational	979,108	1,012,775	23,339,186	1,787,434	27,404	23,147	27,169,054
Total governmental funds capital assets	$ 11,543,422	$ 42,728,759	$ 31,606,485	$ 28,817,914	$ 175,499,864	$ 6,915,651	$ 297,112,095

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position

STATISTICAL SECTION

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

Contents

Financial Trends (Tables 1-4) - These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity (Tables 5 – 15) - These schedules contain information to help the reader assess one of the government's most significant local revenue sources, the property tax.

Debt Capacity (Tables 16 - 22) - These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information (Tables 23 – 25) - These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information (Tables 26 -28) - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

City of Bryan, Texas
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

Table 1

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets [1]	$ 65,071,184	$ 69,967,643	$ 73,996,072	$ 58,468,218	$ 70,901,798	$ 72,148,854	$ 63,909,781	$ 73,325,895	$ 73,821,014	$ 74,520,118
Restricted	12,411,981	9,408,853	2,363,876	27,981,851	23,344,871	23,432,166	30,938,682	24,782,392	24,404,041	18,624,433
Unrestricted	12,846,291	25,200,380	33,341,850	21,616,812	13,567,078	6,457,676	7,301,794	10,124,807	8,130,941	19,434,534
Total governmental activities net position [1]	90,329,456	104,576,876	109,701,798	108,066,881	107,813,747	102,038,696	102,150,257	108,233,094	106,355,996	112,579,085
Business-type activities										
Net investment in capital assets [1]	184,042,503	192,023,775	205,120,101	211,649,393	219,334,434	232,484,352	241,866,068	252,740,085	248,552,828	263,550,484
Restricted	48,397,500	48,742,062	50,081,595	51,830,123	43,850,639	39,595,645	36,217,006	29,510,223	34,775,027	36,745,716
Unrestricted	33,805,247	44,945,078	52,644,050	60,752,417	74,031,100	79,737,961	75,781,601	78,497,386	85,730,247	74,740,740
Total Business-type activities net position [1]	266,245,250	285,710,915	307,845,746	324,231,933	337,216,173	351,817,958	353,864,675	360,747,694	369,058,102	375,036,940
Primary government										
Net investment in capital assets [1]	249,113,687	261,991,418	279,116,173	270,117,611	290,236,232	304,633,206	305,775,849	326,065,980	322,373,842	338,070,602
Restricted	60,809,481	58,150,915	52,445,471	79,811,974	67,195,510	63,027,811	67,155,688	54,292,615	59,179,068	55,370,149
Unrestricted	46,651,538	70,145,458	85,985,900	82,369,229	87,598,178	86,195,637	83,083,395	88,622,193	93,861,188	94,175,274
Total primary government net position [1]	$ 356,574,706	$ 390,287,791	$ 417,547,544	$ 432,298,814	$ 445,029,920	$ 453,856,654	$ 456,014,932	$ 468,980,788	$ 475,414,098	$ 487,616,025

[1] All amounts have been adjusted to include infrastructure in place prior to fiscal year 2002.

Prior period adjustments reported in fiscal year 2005 has been reflected in the applicable year.

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

City of Bryan, Texas
Change in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

Table 2

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
General government and administration	$ 6,745,877	$ 6,978,510	$ 8,297,179	$ 9,236,358	$ 9,816,634	$ 14,552,308	$ 11,861,977	$ 11,694,539	$ 12,567,217	$ 12,725,727
Development services	4,004,152 (1)	3,464,594	5,462,407	4,340,747	4,704,351	4,488,613	5,514,292	5,451,223	4,946,473	5,324,990
Public works services	5,312,221 (1)	7,887,261 (1)	9,669,822 (1)	10,511,166	10,336,466	18,315,196	14,603,264	14,091,910	15,169,531	12,764,623
Public Safety	17,808,452	18,764,003	20,642,551	22,022,243	25,001,597	24,055,956	28,098,561	21,693,251	24,346,634	32,133,857
Cultural and Recreational	5,099,170	6,144,441	8,012,157	8,015,013	7,915,398	8,829,886	8,585,698	7,666,774	8,242,037	8,175,136
Interest on long-term debt	3,977,230	3,791,538	3,867,959	4,061,936	4,206,919	4,742,776	4,392,590	4,982,815	4,560,746	4,264,522
Total governmental activities expenses	42,947,102	47,030,347	55,952,075	58,187,463	61,981,365	74,984,735	73,056,382	65,580,512	69,832,638	75,388,855
Business-type activities:										
Electric	106,532,985	187,892,006	170,643,465	135,258,317	151,358,522	140,629,222	132,804,674	142,323,465	133,361,843	157,381,300
Rural Electric	20,383,211	22,454,245	24,727,234	23,150,766	27,632,138	29,712,906	27,993,444	29,664,911	28,603,608	29,583,733
Water	7,894,538	7,788,777	8,196,725	8,222,608	9,801,729	9,290,685	10,380,604	10,868,241	11,202,934	9,974,403
Wastewater	9,154,681	9,193,987	8,930,397	8,956,833	13,429,973	11,002,685	9,880,856	10,658,709	10,966,690	9,848,759
Other	7,134,688	6,292,314	6,241,268	15,886,390	7,629,919	3,848,988	9,813,006	15,215,556	12,195,441	7,949,095
Total business-type activities expenses	151,100,103	233,621,329	218,739,089	191,474,914	209,852,281	194,484,486	190,872,584	208,730,882	196,330,516	214,737,290
Total primary government expenses	194,047,205	280,651,676	274,691,164	249,662,377	271,833,646	269,469,221	263,928,966	274,311,394	266,163,154	290,126,145
Program Revenues										
Governmental activities:										
General government and administration	169,860	149,738	153,220	143,397	143,601	137,148	166,198	147,025	126,499	269,503
Development services	408,892	504,189	523,492	722,130	614,615	587,732	572,570	492,175	592,784	565,539
Public safety	2,946,667	2,963,856	3,586,722	3,534,273	4,394,972	4,824,117	4,639,041	4,385,470	4,028,727	4,717,287
Cultural and recreational	458,481	1,358,437	1,280,685	1,270,134	1,464,608	1,912,083	1,634,222	1,355,274	1,581,416	2,051,721
Operating grants and contributions	3,130,823	2,695,069	2,720,818	2,386,129	2,819,267	2,382,961	2,640,566	2,607,994	2,732,746	2,840,902
Capital grants and contributions	5,739,246	8,316,305	2,463,210	3,430,598	2,650,099	3,528,100	4,476,022	2,657,466	3,232,203	1,891,869
Total governmental activities program revenues	12,853,969	15,987,594	10,728,147	11,486,661	12,087,162	13,372,141	14,128,619	11,645,404	12,294,375	12,336,821
Business-type activities:										
Electric	112,809,451	197,251,336	181,408,666	141,061,065	153,872,437	147,926,009	134,670,691	151,634,735	145,990,914	157,857,718
Rural Electric	22,332,873	24,406,821	26,825,404	24,991,627	28,975,229	30,996,152	30,133,488	31,851,185	31,495,841	32,257,374
Water	8,232,182	9,853,319	10,832,129	9,385,539	10,944,038	12,216,438	11,529,217	14,281,996	12,879,376	12,723,839
Wastewater	9,865,054	10,604,267	11,384,558	11,357,398	11,586,181	12,017,013	12,369,599	13,112,105	13,072,233	12,429,017
Other Enterprise Funds	6,910,778	8,846,382	9,595,603	10,030,558	10,155,749	10,181,590	10,736,815	10,840,430	11,066,735	11,813,933
Operating grants and contributions	-	-	26,573	-	-	658,470	25,033	2,615,369	540,202	101,495
Capital grants and contributions	2,732,508	5,488,219	2,349,480	2,348,044	2,643,388	1,594,030	1,932,153	979,666	1,173,074	1,757,250
Total business-type activities program revenue	162,882,846	256,450,344	242,422,413	199,174,231	218,177,022	215,589,702	201,396,996	225,315,486	216,218,375	228,940,626
Total primary government program revenues	175,736,815	272,437,938	253,150,560	210,660,892	230,264,184	228,961,843	215,525,615	236,960,890	228,512,750	241,277,447
Net (expense)/revenue										
Governmental activities	(30,093,133)	(31,042,753)	(45,223,928)	(46,700,802)	(49,894,203)	(61,612,594)	(58,927,763)	(53,935,108)	(57,538,263)	(63,052,034)
Business-type activities	11,782,743	22,829,015	23,683,324	7,699,317	8,324,741	21,105,216	10,524,412	16,584,604	19,887,859	14,203,333
Total primary government net expense	$ (18,310,390)	$ (8,213,738)	$ (21,540,604)	$ (39,001,485)	$ (41,569,462)	$ (40,507,378)	$ (48,403,351)	$ (37,350,504)	$ (37,650,404)	$ (48,848,701)
General Revenue and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 14,992,594	$ 16,160,905	$ 17,183,813	$ 18,859,376	$ 20,494,898	$ 21,950,012	$ 22,967,025	$ 23,043,249	$ 24,075,833	$ 24,723,667
Sales taxes	10,778,912	11,731,308	13,381,722	13,491,560	14,532,775	14,140,838	14,608,410	14,301,017	14,814,931	15,984,919
Franchise taxes	1,702,317	1,676,744	2,049,517	1,920,990	2,012,872	2,000,294	2,071,337	2,062,766	1,963,381	2,108,521
Alcoholic beverage taxes	64,849	63,401	66,073	62,031	64,994	72,777	79,573	93,042	75,460	85,789
Bingo taxes	87,087	127,792	158,365	178,377	183,580	195,970	204,009	210,255	217,615	234,105
Hotel occupancy taxes	226,849	221,482	219,711	248,935	290,187	321,859	411,190	454,217	504,078	720,717
Transportation and drainage fees	1,771,032	3,279,441	4,004,370	4,008,249	4,133,458	4,343,987	6,129,574	6,179,135	6,324,068	6,302,953
Unrestricted investment earnings	998,737	1,842,525	3,861,870	4,278,208	2,379,105	1,084,060	578,261	251,107	278,636	206,083

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Miscellaneous	4,419,506	4,427,326	3,075,731	2,731,866	3,039,288	1,886,157	2,298,503	2,538,373	1,433,639	6,154,005
Transfers(net)	7,735,414 [2]	5,759,249 [2]	6,347,678 [2]	(713,707)	2,509,912	9,841,589	9,691,442	10,884,784	5,973,524	12,754,364
Total governmental activities:	42,777,297	45,290,173	50,348,850	45,065,885	49,641,069	55,837,543	59,039,324	60,017,945	55,661,165	69,275,123
Business-type activities:										
Unrestricted investment earnings	1,224,364	2,149,084	4,673,940	7,299,354	6,761,997	3,062,620	992,215	719,221	(84,846)	969,402
Miscellaneous	2,199,099	246,815	125,245	673,809	407,414	275,538	221,532	463,978	1,375,263	2,689,384
Special items - Gain on sale of capital assets								-	(6,894,344)	871,080
Transfers(net)	(7,735,414) [2]	(5,759,249) [2]	(6,347,678) [2]	713,707	(2,509,912)	(9,841,589)	(9,691,442)	(10,884,784)	(5,973,524)	(12,754,364)
Total business-type activities	(4,311,951)	(3,363,350)	(1,548,493)	8,686,870	4,659,499	(6,503,431)	(8,477,695)	(9,701,585)	(11,577,451)	(8,224,498)
Total primary government	38,465,346	41,926,823	48,800,357	53,752,755	54,300,568	49,334,112	50,561,629	50,316,360	44,083,714	61,050,625
Change in Net Position										
Governmental activities	12,684,164	14,247,420	5,124,922	(1,634,917)	(253,134)	(5,775,051)	111,561	6,082,837	(1,877,098)	6,223,089
Business-type activities	7,470,792	19,465,665	22,134,831	16,386,187	12,984,240	14,601,785	2,046,717	6,883,019	8,310,408	5,978,835
Total primary government	$ 20,154,956	$ 33,713,085	$ 27,259,753	$ 14,751,270	$ 12,731,106	$ 8,826,734	$ 2,158,278	$ 12,965,856	$ 6,433,310	$ 12,201,924

[1] Adjusted to include depreciation expense on infrastructure not previously reported.

[2] Adjusted to reflect the transfer of assets from governmental activities to business-type activities.

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

City of Bryan, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

Table 3

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Reserved	$ 2,878,247	$ 2,592,982	$ 1,067,154	$ 1,649,953	$ 1,480,517	$ 1,669,624	$ 2,753,840	$ -	$ -	$ -
Unreserved	15,276,622	17,328,864	21,126,330	15,769,294	10,862,228	8,961,908	9,087,877	-	-	-
Nonspendable	-	-	-	-	-	-	-	21,206	241,366	75,907
Restricted	-	-	-	-	-	-	-	542,028	657,786	636,118
Committed	-	-	-	-	-	-	-	823,479	2,328,965	2,268,582
Assigned	-	-	-	-	-	-	-	460,921	193,524	974,951
Unassigned	-	-	-	-	-	-	-	11,362,664	12,721,175	18,505,338
Total general fund	18,154,869	19,921,846	22,193,484	17,419,247	12,342,745	10,631,532	11,841,717	13,210,298	16,142,816	22,460,896
All other governmental funds										
Reserved	$ 35,327,867	$ 26,424,684	$ 42,760,815	$ 25,931,013	$ 21,458,433	$ 22,061,912	$ 27,804,909	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	6,019,695	8,466,870	7,421,286	11,345,972	7,122,854	7,048,799	6,560,002	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Permanent funds	899,021	760,081	834,770	907,750	963,342	995,329	1,011,046	-	-	-
Unreserved (deficit), reported in:										
Special revenue funds	-	-	(527,832) [1]	(2,546,969) [3]	(957,906) [4]	-	-	-	-	-
Capital projects funds	-	-	(5,334,147) [2]	-	(676,984) [5]	-	(870,667)	-	-	-
Nonspendable:										
Permanent funds and other	-	-	-	-	-	-	-	746,351	777,742	819,709
Restricted:										
Capital Project Funds	-	-	-	-	-	-	-	7,832,036	3,597,077	2,512,231
Debt Service Fund	-	-	-	-	-	-	-	6,219,331	5,945,264	5,876,433
Permanent Funds:										
Cemeteries	-	-	-	-	-	-	-	1,019,007	1,028,230	1,035,463
Libraries	-	-	-	-	-	-	-	3,599	3,664	3,711
Special Revenue Funds:										
Grants	-	-	-	-	-	-	-	4,348	10,863	24,180
Hotel/Motel	-	-	-	-	-	-	-	538,869	610,183	653,604
Municipal Court	-	-	-	-	-	-	-	261,573	287,722	296,395
TIRZ Development	-	-	-	-	-	-	-	3,364,672	3,036,268	552,909
Other Purposes	-	-	-	-	-	-	-	473	-	5,728
Committed:										
Streets	-	-	-	-	-	-	-	7,696,726	10,097,187	12,515,747
Drainage	-	-	-	-	-	-	-	1,032,851	702,807	1,164,532
Other Purposes	-	-	-	-	-	-	-	-	700	-
Unassigned:										
Special Revenue Funds	-	-	-	-	-	-	-	(9,964)	(104)	
Total all other governmental funds	$ 42,246,583	$ 35,651,635	$ 45,154,892	$ 35,637,766	$ 27,909,739	$ 30,106,040	$ 34,505,290	$ 28,709,872	$ 26,097,603	$ 25,460,642
Total governmental funds	$ 60,401,452	$ 55,573,481	$ 67,348,376	$ 53,057,013	$ 40,252,484	$ 40,737,572	$ 46,347,007	$ 41,920,170	$ 42,240,419	$ 47,921,538

[1] Fiscal year 2007 revenue will offset the deficit fund balance in the Special Revenue funds.
[2] The fiscal year 2006 deficit in the Capital Project funds will be offset by the issuance of debt in fiscal year 2007.
[3] The fiscal year 2007 deficit in the Special Revenue funds will be offset by the 2007 bond issue.
[4] The fiscal year 2008 deficit in the Special Revenue funds will be offset by the 2007 and 2008 bond issues.
[5] The fiscal year 2008 deficit in the Capital Project funds will be offset by the issuance of debt in fiscal year 2009.

City of Bryan, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

Table 4

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Property taxes	$ 14,988,695	$ 16,181,224	$ 17,191,224	$ 18,825,482	$ 20,514,034	$ 21,838,216	$ 22,926,564	$ 23,152,233	$ 24,151,882	$ 24,780,426
Sales taxes	10,778,912	11,731,308	13,381,722	13,491,560	14,532,775	14,140,838	14,608,410	14,301,017	14,814,931	15,984,919
Franchise taxes	1,702,317	1,676,744	2,049,517	1,920,990	2,012,872	2,000,294	2,071,337	2,062,766	1,963,381	2,108,521
Alcoholic beverage taxes	64,849	63,401	66,073	62,031	64,994	72,777	79,573	93,042	75,460	85,789
Bingo taxes	87,087	127,792	158,365	178,377	183,580	195,970	204,009	210,255	217,615	234,105
Hotel occupancy taxes	226,849	221,482	219,711	248,935	290,187	321,859	411,190	454,217	504,078	720,717
Transportation and drainage fees	1,771,032	3,279,441	4,004,370	4,008,249	4,133,458	4,343,987	6,129,574	6,179,135	6,324,068	6,302,953
Charges for services	2,012,125	2,985,561	3,245,843	3,036,971	4,046,022	5,087,265	4,528,548	3,946,937	3,846,149	5,199,125
Fines and court charges	1,510,041	1,451,695	1,746,575	1,910,833	1,957,159	1,786,083	1,910,913	1,940,832	1,890,493	1,839,386
Licenses and permits	461,734	538,964	551,701	722,130	614,615	587,732	572,570	492,175	592,784	565,539
Grants	3,789,702	3,049,046	2,896,957	2,921,129	2,819,267	2,847,291	3,155,205	4,026,214	2,979,350	2,851,631
Investment earnings	868,986	1,546,218	3,308,817	3,629,330	1,919,790	849,630	469,682	195,201	240,139	180,942
Litigation proceeds	450,000	450,000	-	-	-	-	-	-	-	-
Oil and gas royalties	65,067	58,379	56,575	39,273	160,241	67,688	50,701	-	-	-
Other	4,289,581	3,714,747	2,937,216	2,638,978	2,858,270	1,798,072	2,214,159	2,475,134	1,423,481	3,500,662
Total revenues	43,066,977	47,076,002	51,814,666	53,634,268	56,107,264	55,937,702	59,332,435	59,529,158	59,023,811	64,354,714
Expenditures:										
Current:										
General government and administration	9,135,911	9,413,086	10,014,328	9,931,464	11,657,798	12,935,217	12,904,403	12,510,372	12,000,933	13,193,580
	4,039,000	3,445,876	4,983,483	4,002,812	4,393,388	4,371,598	5,281,777	4,619,644	4,168,041	4,537,856
Public works services	3,017,572	5,403,527	6,278,000	6,284,553	6,422,048	9,217,923	9,872,213	7,598,470	7,577,027	6,271,155
Public safety	17,338,938	18,055,907	19,409,511	20,865,941	24,770,425	26,805,639	27,027,735	28,006,326	27,017,326	29,048,683
Cultural and recreational	4,147,065	5,195,631	6,311,086	6,784,658	6,758,416	7,033,174	6,928,973	6,016,407	6,441,801	6,898,826
Administrative reimbursement	(3,479,000)	(3,213,331)	(3,120,000)	(2,474,868)	(3,156,157)	(3,765,735)	(3,990,430)	(3,610,977)	(3,515,703)	(3,425,498)
Capital outlay	9,306,812	12,692,098	9,339,022	25,904,919	25,149,920	8,808,509	11,074,235	9,780,078	4,548,182	2,792,337
Arbitrage rebate	-	-	-	-	16,890	-	-	-	-	-
Debt Service:										
Bond and principal retirement	3,216,822	3,144,848	4,657,408	3,791,368	3,675,634	4,435,057	4,602,656	5,717,656	6,702,344	7,932,739
Interest and fiscal charges	3,984,805	4,145,333	3,394,080	3,874,186	3,991,540	4,401,185	4,392,941	4,903,129	4,445,497	4,197,126
Debt issuance cost	329,152	-	257,893	100,749	79,500	54,170	70,134	(25,000)	-	421,506
Advance refunding costs	-	-	184,551	-	-	-	95,768	-	-	-
Total expenditures	51,037,077	58,282,975	61,709,362	79,065,782	83,759,402	74,296,737	78,260,405	75,516,105	69,385,448	71,868,310
Excess of expenditures over revenues	(7,970,100)	(11,206,973)	(9,894,696)	(25,431,514)	(27,652,138)	(18,359,035)	(18,927,970)	(15,986,947)	(10,361,637)	(7,513,596)
Other financing sources (uses):										
Proceeds of long-term debt issued	14,730,000	-	15,295,000	12,000,000	11,090,000	8,730,000	13,790,000	-	-	-
Discount on long-term debt issued	-	-	-	(177,780)	-	-	-	-	-	-
Premium on long-term debt issued	102,164	-	-	-	-	79,084	77,859	-	-	-
Proceeds of refunding bonds issued	-	-	20,195,000	-	-	-	10,635,000	-	-	21,391,646
Payment to refunded bond escrow agent	-	-	(20,605,230)	-	-	-	(10,838,398)	-	-	(21,381,600)
Discount on refunding bonds	-	-	(186,406)	-	-	-	-	-	-	-
Premium on refunding bonds	-	-	588,916	-	-	-	250,488	-	-	417,193
Sales of capital assets	1,676	206,033	34,633	31,638	106,724	193,450	143,309	213,342	47,265	13,115
Transfers in	10,423,444	10,334,403	10,120,690	9,466,882	16,414,653	13,590,024	19,432,819	16,706,761	16,968,347	23,478,903
Transfers out	(2,500,696)	(4,161,434)	(3,773,012)	(10,180,589)	(12,763,768)	(3,748,435)	(8,953,672)	(5,359,993)	(6,333,726)	(10,724,542)
Total other financing sources	22,756,588	6,379,002	21,669,591	11,140,151	14,847,609	18,844,123	24,537,405	11,560,110	10,681,886	13,194,715
Net change in fund balances	$ 14,786,488	$ (4,827,971)	$ 11,774,895	$ (14,291,363)	$ (12,804,529)	$ 485,088	$ 5,609,435	$ (4,426,837)	$ 320,249	$ 5,681,119
Debt service as a percentage of noncapital expenditures	17.26%	15.99%	15.37%	14.42%	13.08%	13.49%	13.39%	16.16%	17.19%	17.56%

City of Bryan, Texas
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(Accrual basis of accounting)

Table 5

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Bingo Tax	Hotel Occupancy Tax	Transportation & Drainage Assessments	Total
2004	$ 14,992,594	$ 10,778,912	$ 1,702,317	$ 64,849	$ 87,087	$ 226,849	$ 1,771,032	$ 29,623,640
2005	16,160,905	11,731,308	1,676,744	63,401	127,792	221,482	3,279,441	33,261,073
2006	17,183,813	13,381,722	2,049,517	66,073	158,365	219,711	4,004,370	37,063,571
2007	18,859,376	13,491,560	1,920,990	62,031	178,377	248,935	4,008,249	38,769,518
2008	20,494,898	14,532,775	2,012,872	64,994	183,580	290,187	4,133,458	41,712,764
2009	21,950,012	14,140,838	2,000,294	72,777	195,970	321,859	4,343,987	43,025,737
2010	22,967,025	14,608,410	2,071,337	79,573	204,009	411,190	6,129,574	46,471,118
2011	23,043,249	14,301,017	2,062,766	93,042	210,255	454,217	6,179,135	46,343,681
2012	24,075,833	14,814,931	1,963,381	75,460	217,615	504,078	6,324,068	47,975,366
2013	24,723,667	15,984,919	2,108,521	85,789	234,105	720,717	6,302,953	50,160,671
Change 2004-2013	64.91%	48.30%	23.86%	32.29%	168.82%	217.71%	255.89%	69.33%

Prior period adjustments reported in fiscal year 2005 has been reflected in the applicable year.
The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

City of Bryan, Texas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 6

Fiscal Year	Real Property: Residential Property	Real Property: Commercial Property	Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2004	$ 1,553,291,352	$ 488,193,813	$ 403,655,246	$ 125,650,587	$ 2,319,489,824	0.636400	$ 2,319,489,824
2005	1,656,490,794	534,189,438	447,160,877	132,991,260	2,504,849,849	0.636400	2,504,849,849
2006	1,736,772,236	594,918,674	465,014,609	122,382,611	2,674,322,908	0.636400	2,674,322,908
2007	1,896,663,886	645,573,634	520,200,774	134,081,526	2,928,356,768	0.636400	2,928,356,768
2008	2,111,197,008	689,685,451	549,482,738	145,912,296	3,204,452,901	0.636400	3,204,452,901
2009	2,309,187,521	700,438,344	606,628,578	171,569,861	3,444,684,582	0.636400	3,444,684,582
2010	2,396,959,888	821,791,294	578,407,922	186,366,590	3,610,792,514	0.636400	3,610,792,514
2011	2,494,852,214	819,568,329	506,894,980	195,386,859	3,625,928,664	0.636400	3,625,928,664
2012	2,608,513,429	860,709,755	529,139,441	214,635,480	3,783,727,145	0.636400	3,783,727,145
2013	2,661,055,047	895,028,798	586,784,032	247,525,695	3,895,342,182	0.633308	3,895,342,182

Source: Brazos County Appraisal District

City of Bryan, Texas
Property Tax Rates and Ratios
Direct and Overlapping Governments
Last Ten Fiscal Years

Table 7

				Overlapping Rates								
	City of Bryan(1)			Brazos County(2)			Bryan Independent School District (3)					
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total BISD Millage	Subtotal Direct Rates	Subtotal Overlapping Rates	Total Direct & Overlapping Rates
2004	0.4396	0.1968	0.636400	0.3839	0.0511	0.4350	1.5000	0.1700	1.6700	0.636400	2.1050	2.7414
2005	0.4485	0.1879	0.636400	0.4093	0.0632	0.4725	1.5000	0.2800	1.7800	0.636400	2.2525	2.8889
2006	0.4545	0.1819	0.636400	0.3949	0.0701	0.4650	1.3700	0.2600	1.6300	0.636400	2.0950	2.7314
2007	0.4545	0.1819	0.636400	0.3930	0.0620	0.4550	1.0400	0.2500	1.2900	0.636400	1.7450	2.3814
2008	0.4702	0.1662	0.636400	0.4030	0.0620	0.4650	1.0400	0.2500	1.2900	0.636400	1.7550	2.3914
2009	0.4595	0.1769	0.636400	0.3987	0.0813	0.4800	1.0400	0.2500	1.2900	0.636400	1.7700	2.4064
2010	0.4595	0.1769	0.636400	0.4012	0.0844	0.4856	1.0400	0.2500	1.2900	0.636400	1.7756	2.4120
2011	0.4354	0.2010	0.636400	0.4037	0.0813	0.4850	1.0400	0.2500	1.2900	0.636400	1.7750	2.4114
2012	0.4406	0.1958	0.636400	0.4037	0.0813	0.4850	1.0400	0.2500	1.2900	0.636400	1.7750	2.4114
2013	0.4375	0.1958	0.633308	0.4071	0.0779	0.4850	1.0400	0.2500	1.2900	0.633308	1.7750	2.4083

(1) City of Bryan Budget Office
(2) Brazos County
(3) Bryan ISD

City of Bryan, Texas
Principal Property Taxpayers
As of December 31, 2013

Table 8

	2013			2004		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Sanderson Farms Inc	$ 40,949,273	1	1.05%			
Waves Z Islander of Bryan LLC	33,707,800	2	0.87%			
Reveille Ranch Wellborn LTD	27,891,210	3	0.72%			
Baker Hughes Inc #175010500	23,860,694	4	0.61%			
Bryan Senior Investors	22,785,000	5	0.58%			
Wal-Mart Real Estate	21,411,840	6	0.55%	18,943,120	4	0.76%
Texas A&M University - Ground Lease	20,710,280	7	0.53%			
SW Meadows Point LP	20,254,790	8	0.52%			
KC Presidio Apartments LLC	19,047,480	9	0.49%			
Tejas Center LTD	18,102,420	10	0.46%			
Adam Development Properties LP				33,209,840	1	1.33%
Verizon Communications				32,333,960	2	1.29%
Campus Lodge of Bryan LTD				19,285,330	3	0.77%
Brazos Valley Physicians Hospital				17,238,650	5	0.69%
Signature Park LP				16,671,514	6	0.67%
GGE/G G Enterprises				14,614,770	7	0.58%
Dowell Schlimberger Inc				13,876,625	8	0.55%
TAU Enterprises/St Joseph Hospital				13,843,960	9	0.55%
Lowe's Home Centers, Inc.				13,337,470	10	0.53%
Totals	$ 248,720,787		6.39%	$ 193,355,239		7.72%

Source: Brazos County Appraisal District

City of Bryan, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
As of December 31, 2013

Table 9

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	14,760,794	14,540,232	98.51%	195,143	14,735,375	99.83%
2005	15,940,864	15,660,992	98.24%	236,852	15,897,844	99.73%
2006	17,019,389	16,662,978	97.91%	316,953	16,979,931	99.77%
2007	18,633,318	18,340,249	98.43%	244,697	18,584,946	99.74%
2008	20,432,087	20,021,117	97.99%	345,398	20,366,515	99.68%
2009	21,759,324	21,271,466	97.76%	418,403	21,689,869	99.68%
2010	22,802,844	22,314,031	97.86%	391,407	22,705,438	99.57%
2011	22,810,074	22,410,029	98.25%	239,582	22,649,611	99.30%
2012	23,800,130	23,386,311	98.26%	213,101	23,599,412	99.16%
2013	24,418,567	24,091,210	98.66%	-	24,091,210	98.66%

City of Bryan, Texas
Top Ten Electric Customers
For Fiscal Year Ended September 30, 2013 Table 10

Customer	Type of Industry	Electric Usage kWh	Rank	Percentage of Top Ten Electric Users
Sanderson Farms Inc	Corporation	40,021,344	1	17.61%
BISD	Education	32,944,721	2	14.49%
St Joseph Regional Health Center	Medical	31,027,516	3	13.65%
City of Bryan	Local Government	24,924,713	4	10.96%
B Way Corporation	Corporation	24,016,800	5	10.57%
TAMU	Education	21,413,611	6	9.42%
Blinn College	Education	15,847,688	7	6.97%
New Alenco Window LTD	Manufacturing	12,669,342	8	5.57%
City of College Station	Local Government	12,595,060	9	5.54%
Wal Mart	Corporation	11,860,540	10	5.22%
Total		227,321,335		100.00%

City of Bryan, Texas
Electricity Sold by Type of Customer
Last Ten Fiscal Years
(in kilowatt hours)

Table 11

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City Electric										
Type of Customer										
Residential	306,125,000	327,515,000	340,485,000	327,396,000	352,307,000	347,764,000	368,227,000	385,921,000	365,255,000	356,559,000
Commercial and Industrial	388,811,000	417,477,000	425,574,000	418,474,000	449,843,000	443,745,000	459,371,000	482,341,000	486,908,000	506,994,000
Public Authorities	28,781,000	31,600,000	29,506,000	27,442,000	31,234,000	36,080,000	35,679,000	36,412,000	35,429,000	4,462,000
Rural	265,554,000	292,454,000	289,158,000	292,087,000	322,095,000	332,879,000	355,849,000	376,858,000	379,278,000	375,671,000
Other Utilities	434,251,000	1,047,838,000	820,520,000	597,722,000	412,769,000	424,131,000	271,289,000	442,068,000	546,265,000	608,077,000
Interdepartmental	23,864,000	25,440,000	26,500,000	23,718,000	27,557,000	31,246,000	31,591,000	34,833,000	32,634,000	34,753,000
	1,447,386,000	2,142,324,000	1,931,743,000	1,686,839,000	1,595,805,000	1,615,845,000	1,522,006,000	1,758,433,000	1,845,769,000	1,886,516,000
Rural Electric										
Type of Customer										
Residential	172,968,000	187,337,000	195,183,000	196,074,000	208,258,000	211,585,000	242,057,000	249,574,000	236,568,000	244,371,000
Commercial and Industrial	73,203,000	79,618,000	83,731,000	79,691,000	91,880,000	95,303,000	95,123,000	108,507,000	103,231,000	108,457,000
	246,171,000	266,955,000	278,914,000	275,765,000	300,138,000	306,888,000	337,180,000	358,081,000	339,799,000	352,828,000

City of Bryan, Texas
Electric Rates at September 30, 2013
Last Ten Fiscal Years

Table 12

	2004			2005			2006			2007			2008		
	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh
City Electric System															
Residential Winter (Nov-Apr)	$ 8.15	$ -	$ 0.0800	$ 8.15	$ -	$ 0.0800	$ 8.15	$ -	$ 0.0800	$ 8.15	$ -	$ 0.0752	$ 8.15	$ -	$ 0.0902
Residential Summer (May-Oct)	8.15	-	0.0900	8.15	-	0.0900	8.15	-	0.0900	8.15	-	0.0852	8.15	-	0.1002
Small Commercial	9.83	-	0.0844	9.83	-	0.0844	9.83	-	0.0844	9.83	-	0.0792	9.83	-	0.0942
General Service Commercial	20.00	6.35	0.0650	20.00	6.35	0.0650	20.00	6.35	0.0650	20.00	6.35	0.0590	20.00	6.35	0.0730
Large Industrial	-	13.70	0.0453	-	13.70	0.0453	-	13.70	0.0453	-	11.70	0.0453	-	11.70	0.0603
Bryan Public Scholls	30.00	-	0.0915	30.00	-	0.0915	30.00	-	0.0915	30.00	-	0.0855	30.00	-	0.1005
Interdepartmental	30.00	-	0.0931	30.00	-	0.0931	30.00	-	0.0931	30.00	-	0.0871	30.00	-	0.1021
Rural Electric Division	-	7.13	0.0568	-	7.13	0.0568	-	7.13	0.0568	-	6.30	0.0530	-	6.30	0.0690
Rural Electric System															
Residential Winter (Nov-Apr)	8.15	-	0.0810	8.15	-	0.0810	8.15	-	0.0810	8.15	-	0.0761	8.15	-	0.0891
Residential Summer (May-Oct)	8.15	-	0.0910	8.15	-	0.0910	8.15	-	0.0910	8.15	-	0.0861	8.15	-	0.1091
Small Commercial	9.83	-	0.0890	9.83	-	0.0890	9.83	-	0.0890	9.83	-	0.0822	9.83	-	0.0952
General Service Commercial	20.00	7.21	0.0658	20.00	7.21	0.0658	20.00	7.21	0.0658	20.00	7.21	0.0610	20.00	7.21	0.0740
Public/Private Schools	30.00	-	0.0980	30.00	-	0.0980	30.00	-	0.0980	30.00	-	0.0920	30.00	-	0.1050

	2009			2010			2011			2012			2013		
	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh
City Electric System															
Residential Winter (Nov-Apr)	$ 8.15	$ -	$ 0.0782	$ 8.15	$ -	$ 0.0782	$ 8.15	$ -	$ 0.0782	$ 8.88	$ -	$ 0.0786	$ 10.28	$ -	$ 0.0800
Residential Summer (May-Oct)	8.15	-	0.0882	8.15	-	0.0882	8.15	-	0.0882	8.88	-	0.0895	10.28	-	0.0926
Small Commercial	9.83	-	0.0822	9.83	-	0.0822	9.83	-	0.0822	11.16	-	0.0848	13.82	-	0.0909
General Service Commercial	20.00	6.35	0.0620	20.00	6.35	0.0620	20.00	6.35	0.0620	22.12	7.03	0.0612	26.34	8.37	0.0606
Large Industrial	-	11.70	0.0483	-	11.70	0.0483	-	11.70	0.0483	200.00	11.88	0.0454	400.00	12.30	0.0407
Bryan Public Scholls	30.00	-	0.0885	30.00	-	0.0885	30.00	-	0.0885	33.18	-	0.0905	39.52	-	0.0955
Interdepartmental	30.00	-	0.0901	30.00	-	0.0901	30.00	-	0.0901	30.00	-	0.0871	30.00	-	0.0821
Rural Electric Division	-	6.30	0.0560	-	6.30	0.0560	-	6.30	0.0560	-	6.59	0.0710	-	7.16	0.5010
Rural Electric System															
Residential Winter (Nov-Apr)	8.15	-	0.0766	8.15	-	0.0766	8.15	-	0.0766	8.85	-	0.0766	9.61	-	0.0749
Residential Summer (May-Oct)	8.15	-	0.0866	8.15	-	0.0866	8.15	-	0.0866	8.85	-	0.0903	9.61	-	0.0872
Small Commercial	9.83	-	0.0827	9.83	-	0.0827	9.83	-	0.0827	11.37	-	0.0862	13.16	-	0.0887
General Service Commercial	20.00	7.21	0.0615	20.00	7.21	0.0615	20.00	7.21	0.0615	19.62	7.21	0.0581	19.25	6.93	0.0527
Public/Private Schools	30.00	-	0.0925	30.00	-	0.0925	30.00	-	0.0925	31.47	-	0.0920	33.01	-	0.0896

City of Bryan, Texas
Top Ten Water Customers
For Fiscal Year Ended September 30, 2013

Table 13

Customer	Type of Industry	Water Usage Gallons	Rank	Percentage of Total Water Usage
BISD	Public School	113,575,300	1	2.99%
City of Bryan	Local Government	108,730,600	2	2.86%
St. Joseph Hospital	Health Care Facility	71,122,600	3	1.87%
Wellborn Special Utility District	Utility District	66,090,000	4	1.74%
Brazos County	County Government	46,466,300	5	1.22%
Oakwood/Country Village	Mobile Home Park	39,863,500	6	1.05%
Federal Prison Camp	Correctional Facility	32,986,000	7	0.87%
TDCJ - Hamilton Unit	Correctional Facility	31,483,500	8	0.83%
Reveille Ranch	Apartments	23,893,500	9	0.63%
Housing Authority of Bryan	Housing	23,190,100	10	0.61%
Total		557,401,400		14.66%
Total gallons of water sold		3,801,392,400		

City of Bryan, Texas
Top Ten Sewer Customers
For Fiscal Year Ended September 30, 2013 Table 14

Customer	Type of Industry	Sewer Usage Gallons	Rank	Percentage of Total Gallons of Sewer Treated
St. Joseph Hospital	Health Care Facility	62,055,300	1	2.62%
Oakwood/Country Village	MHP	39,863,500	2	1.68%
BISD	Public School	36,344,000	3	1.53%
Federal Prison Camp	Correctional Facility	32,747,000	4	1.38%
Brazos County	County Government	31,727,500	5	1.34%
TDCJ - Hamilton Unit	Correctional Facility	31,483,500	6	1.33%
City of Bryan	Local Government	28,269,900	7	0.74%
New Alenco Window LTD	Manufacturing	20,753,200	8	0.87%
Housing Authority of Bryan	Housing	20,690,700	9	0.87%
A&M Buena Vista Apts LLC	Manufacturing	20,611,800	10	0.87%
Total		324,546,400		13.23%
Total gallons of sewer treated		2,372,404,000		

City of Bryan, Texas
Water and Sewer Rates
As of September 30, 2013 Table 15

Monthly Water Rates

Customer Class	Monthly Customer Charge	Volume Charge per 1000 gallons
Residential	$ 8.31	$ 2.76
Commercial/Industrial	13.74	2.38
Bryan Public Schools	13.74	2.38
Interdepartmental	13.74	2.38
Special Contracts	13.74	4.05
Bulk Sales	n/a	11.08

Monthly Sewer Rates

Customer Class	Monthly Customer Charge	Volume Charge per 1000 gallons
Non Commercial	$ 7.88	$ 4.03
Commercial/Industrial	7.88	3.80

City of Bryan
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 16

	Governmental Activities			Business-Type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Notes	Utility Revenue Bonds	General Obligation Bonds	Certificates of Obligation	Notes	Total Primary Government	Per(a) Capita
2004	$ 2,618,691	$ 65,903,437	$ 4,045,000	$ 66,805,000	$ 278,354	$ 46,563	$ 1,720,470	$ 141,417,515	$ 2,002
2005	1,782,280	63,855,000	3,785,000	77,330,000	142,720	45,000	1,309,579	148,249,579	1,904
2006	20,332,997	57,236,875	3,215,000	92,555,000	52,002	43,125	876,919	174,311,918	2,132
2007	20,084,754	65,963,750	2,945,000	133,015,000	35,247	41,250	2,337,456	224,422,457	2,435
2008	19,652,088	74,105,782	2,650,000	166,390,000	17,912	39,218	1,903,941	264,758,941	2,802
2009	19,040,000	79,342,813	2,320,000	166,995,001	-	37,188	1,898,778	269,633,780	2,877
2010	29,005,000	79,175,156	2,140,000	248,310,000	-	34,844	1,893,792	360,558,792	3,391
2011	27,680,000	74,982,500	1,940,000	245,570,000	-	10,817,500	1,893,792	362,883,792	3,450
2012	25,525,000	70,655,156	1,720,000	279,300,000	-	9,744,844	1,893,792	388,838,792	3,134
2013	44,696,646	45,970,000	-	258,805,000	6,293,354	14,240,000	-	370,005,000	2,926

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Personal income data for the City of Bryan is not available
(a) See Table 24 for population data. These ratios are calculated using the information from the referenced schedule.

City of Bryan, Texas
Legal Debt Margin Information
As of September 30, 2013 Table 17

As a Home Rule City, the City of Bryan is not limited by law in the amount of debt that may be issued. The City's charter (Section 12) states:

> "The city council of the city shall have the power, and is hereby authorized to levy, assess and collect not to exceed one dollar and fifty cents ($1.50) on each one hundred dollars ($100) assessed valuation of all real and personal property within the city limits of the city not exempt from taxation by the constitution and laws of the State of Texas."

Article II, Section 5 of the State of Texas Constitution states in part:

> …but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city."

The tax rate at September 30, 2013 is $0.633308 per $100 assessed valuation with assessed valuation being 100% of appraised values.

City of Bryan, Texas
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 18

Fiscal Year	Tax Supported Debt	Less Debt Service Cash Funds	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per(a) Capita
2004	68,522,128	676,021	67,846,107	2.93%	981
2005	65,637,280	742,870	64,894,410	2.59%	935
2006	77,569,872	932,641	76,637,231	2.87%	1,096
2007	86,048,504	877,511	85,170,993	2.91%	1,204
2008	93,757,870	1,194,757	92,563,113	2.89%	1,285
2009	98,382,813	1,053,059	97,329,754	2.83%	1,345
2010	108,180,156	1,508,402	106,671,754	2.95%	1,400
2011	102,662,500	6,219,331	96,443,169	2.66%	1,260
2012	96,180,156	5,945,264	90,234,892	2.38%	1,167
2013	90,666,646	5,876,433	84,790,213	2.18%	1,086

(a) See Table 23 for population data.

City of Bryan, Texas
Direct and Overlapping Governmental Activities Debt
Last Ten Fiscal Years

Table 19

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Bryan Independent School District	$ 146,000,000	70.68%	$ 103,188,695
Brazos County	84,185,000	32.26%	27,158,575
Subtotal, overlapping debt			$ 130,347,271
City of Bryan direct debt*	84,790,213 [(1)]	100.00%	84,790,213
			$ 215,137,484

*Excludes self supporting debt related to business type activities.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Bryan. This process recognizes, that when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

[(1)] General Obligation debt outstanding less amount available in Debt Service Fund

City of Bryan, Texas

Pledged Revenue Coverage[1]

Last Ten Fiscal Years

Table 20

	City Electric Fund					
Fiscal Year	Gross Operating Revenue	Less: Operating Expenses	Interest Earnings	Net Revenue [2] Available for Debt Service	Average Annual Debt Service Requirement	Coverage [3]
2004	115,665,480	100,663,667	703,482	15,705,295	710,454	22.11
2005	199,635,537	181,285,659	1,244,602	19,594,480	1,016,194	19.28
2006	184,493,117	163,039,450	2,667,490	23,191,157	3,987,212	5.82
2007	144,289,607	127,100,116	3,895,267	19,868,758	6,100,700	3.26
2008	156,996,327	140,918,938	2,522,016	18,599,405	4,417,023	4.21
2009	150,824,637	128,204,221	1,378,874	23,999,290	10,712,800	2.24
2010	137,929,447	114,145,447	365,336	24,149,336	8,926,329	2.71
2011	154,851,433	117,869,352	369,563	37,351,644	12,378,923	3.02
2012	155,453,210	112,143,156	369,937	43,679,991	12,117,100	3.60
2013	160,984,748	128,855,736	407,921	32,536,933	11,791,899	2.76

[1] Effective 2012, BTU Transmission revenue and costs billed through the ERCOT Transmission Matrix were grossed up, increasing total revenues and expenses, but having no impact on net available for debt service.

[2] Net Revenue as defined in the bond Ordinance includes operating income before depreciation and amortization plus certain interest income.

[3] Required minimum coverage is 1.10 times annual debt service requirement.

City of Bryan, Texas
Pledged Revenue Coverage
Last Ten Fiscal Years

Table 21

Rural Electric Fund						
Fiscal Year	Gross Operating and Other	Less: Operating Expenses	Interest Earnings	Net Revenue[1] as Defined in Bond Ordinance	Average Annual Debt Service Requirement	Coverage[2]
2004	22,332,873	19,424,005	44,082	2,952,950	-	-
2005	24,406,821	21,468,000	149,142	3,087,963	-	-
2006	26,825,404	23,628,753	399,295	3,595,946	-	-
2007	24,991,627	21,889,442	383,439	3,485,624	402,349	8.66
2008	28,975,229	26,118,134	239,229	3,096,324	34,680	89.28
2009	30,996,152	27,889,698	56,851	3,163,305	402,349	7.86
2010	30,133,488	26,083,010	43,002	4,093,480	567,339	7.22
2011	31,851,185	27,624,793	53,347	4,279,739	424,578	10.08
2012	31,495,841	26,348,351	82,333	5,229,823	565,365	9.25
2013	32,257,374	27,231,210	47,422	5,073,588	555,382	9.14

[1] Net Revenue as defined in the bond Ordinance includes operating income before depreciation plus certain interest income.

[2] Required minimum coverage is 1.20 times annual debt service requirement.

City of Bryan, Texas
Pledged Revenue Coverage
Last Ten Fiscal Years

Table 22

	Water and Wastewater Funds					
Fiscal Year	Gross Operating and Other	Less: Operating Expenses	Interest Earnings	Net Revenue as Defined in Bond Ordinance[1]	Average Annual Debt Service Requirement	Coverage[2]
2004	$ 18,097,236	$ 11,237,317	$ 456,060	$ 7,315,979	$ 3,583,647	2.04
2005	20,457,586	10,888,453	715,405	10,284,538	3,501,709	2.94
2006	22,216,687	10,533,140	1,155,149	12,838,696	3,705,217	3.47
2007	20,742,937	10,085,575	1,827,111	12,484,473	4,398,781	2.84
2008	22,530,219	11,876,811	1,019,821	11,673,229	3,944,851	2.96
2009	24,233,451	12,917,477	511,956	11,827,930	4,057,131	2.92
2010	23,898,816	12,987,893	218,946	11,129,869	4,803,510	2.32
2011	27,394,101	12,367,172	239,262	15,266,191	5,279,891	2.89
2012	25,951,609	12,664,564	170,563	13,457,608	4,598,484	2.93
2013	25,152,856	11,725,590	91,842	13,519,108	4,105,963	3.29

[1] Net Revenue as defined in the bond Ordinance includes operating income before depreciation plus certain interest income.

[2] Required minimum coverage is 1.25 times average annual debt service requirement.

City of Bryan, Texas
Sales Tax by Category[1]
Last Ten Calendar Years

Table 23

Category:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Communications and information	$ 817,075	$ 837,297	$ 809,579	$ 699,322	$ 804,022	$ 975,054	$ 1,073,901	$ 999,938	$ 1,122,368	$ 1,146,495
Home furnishings and appliances	437,818	437,244	472,573	458,752	392,899	411,290	414,247	405,991	414,871	383,795
Eating and drinking establishments	849,742	952,618	978,832	1,074,893	1,202,131	1,273,763	1,348,927	1,397,466	1,473,779	1,453,187
Department and retail stores	1,171,696	1,098,052	2,265,562	1,172,948	394,574	1,411,043	646,320	683,216	762,097	757,696
Oil and gas operations	182,643	499,341	989,910	483,382	739,345	465,054	457,378	244,732	96,821	130,639
Construction and building	762,661	659,770	805,337	1,030,817	1,013,741	380,446	641,427	496,984	183,079	202,861
Auto dealers and supplies	415,952	458,816	489,013	526,366	541,842	518,952	506,107	526,788	604,063	657,617
Printing/Publishers	36,423	46,898	61,655	62,523	55,930	60,045	62,385	74,499	78,050	81,592
Contractors	45,991	128,894	109,519	79,646	117,969	102,428	233,051	166,857	96,107	170,312
Manufacturing	466,167	511,573	488,312	780,537	627,914	479,757	659,853	404,338	477,069	389,218
Wholesalers	464,286	629,705	805,308	830,156	1,029,940	913,467	808,256	1,035,272	1,040,901	942,114
Food Stores	296,206	395,400	442,727	501,861	530,319	578,078	574,453	576,909	656,980	590,592
Other stores	1,223,561	1,210,767	1,348,408	1,861,118	2,825,398	3,095,127	3,300,348	3,000,558	3,108,023	3,156,217
Apparel	52,787	58,783	63,400	74,201	110,101	137,787	157,434	173,774	189,569	197,411
All other outlets	3,122	3,258	6,175	4,034	5,767	8,561	7,147	6,522	9,220	9,949
Financial services	54,226	37,882	29,914	41,613	42,252	42,012	87,646	115,873	129,935	120,050
Rentals and leasing	273,226	286,025	458,336	648,912	687,486	501,611	379,943	519,721	528,027	449,878
Professional services	431,285	417,913	406,126	521,846	446,664	475,821	492,995	542,964	563,031	527,801
Repair and maintenance	222,299	237,136	256,641	261,041	316,507	249,669	299,983	354,236	429,320	273,518
Hotels/Motels	1,272	1,501	4,194	1,904	3,733	23,338	5,351	(261)	10,001	21,824
Other products and equipment	149,614	142,987	139,817	60,721	79,815	5,962	17,491	48,381	43,322	71,858
Other	2,811,565	2,156,022	2,409,002	1,848,034	2,111,392	1,107,023	1,950,649	1,935,112	1,945,432	2,498,185
Total	$ 11,169,617	$ 11,207,881	$ 13,840,340	$ 13,024,627	$ 14,079,741	$ 13,216,288	$ 14,125,292	$ 13,709,871	$ 13,962,066	$ 14,232,808

[1] Values reported in this schedule are based on a calendar year basis. The City's sales tax revenue is reported on a fiscal year basis.

Source: Texas Comptroller of Public Accounts

City of Bryan, Texas
Demographic & Economic Statistics
Last Ten Fiscal Years

Table 24

Fiscal Year	Population [1]	School Enrollment [2]	Personal Income [3]	Per Capita Personal Income [3]	Unemployment Rate [1]
2004	69,146	14,172			4.50%
2005	69,396	14,568			4.00%
2006	69,903	14,738			4.10%
2007	70,744	14,700	5,568,000,000	27,436	4.10%
2008	72,015	14,700	5,836,000,000	28,176	4.20%
2009	72,357	15,000	5,905,000,000	27,818	6.50%
2010	76,201	15,800		28,839	6.20%
2011	76,541	15,800		29,753	5.50%
2012	77,321	15,609		30,664	5.70%
2013	78,061	15,621		31,788	4.90%

[1] U.S. Census Bureau and www.factfinder2.census.gov

[2] Bryan Independent School District

[3] Bureau of Economic Analysis; www.bea.gov; www.stlouisfed.org (FRED) Fed Reserve Bank of St Louis and totals represent Bryan and College Station statistics combined.

City of Bryan, Texas
Principal Employers
Current Year and Ten Years Ago

Table 25

2013	2004
Alenco Holding Corp	Brazos County Government
Brazos County	Bryan Independent School District
Bryan Independent School District	City of Bryan
City of Bryan	City of College Station
Knife River	College Station Independent School District
Ply Gem Windows	Reliant Building Products, Inc.
Reynolds & Reynolds	Sanderson Farms
Sanderson Farms	St. Joseph Regional Hospital
St. Joseph Regional Hospital	Texas A&M University System
Wal Mart	Wal-Mart

Notes: 2004 data includes principal employers in Brazos County. 2013 data includes principal employers for the city of Bryan, Texas only. Employers are listed in alphabetical order and do not reflect any ranking. The Texas Workforce Commission ranking and number of employee data is confidential.

Source: Texas Workforce Commission, Labor Market/Career Information Department. InfoGroup data on Tracer website. http://socrates.cdr.state.tx.us/iSocrates/Employers/SearchNaics.asp

City of Bryan, Texas
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Table 26

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government and Administration										
Executive Services	5	5	5	6	7	6	6	5	5	6
Communications & Marketing	2	2	3	3	3	5	5	5	3	4
Neighborhood and Youth Services	1	1	1	1	1	1	1	1	1	-
Economic Development	1	-	-	-	-	-	-	-	-	-
Internal Audit	-	1	1	1	1	1	1	1	1	1
City Secretary	6	6	6	7	7	7	7	7	6	6
Legal Services	5	5	5	5	6	6	6	6	5	4
Fiscal Services	13	13	13	12	12	13	12	12	12	12
Information Technology	13	13	13	14	15	15	15	15	15	16
Special Projects	1	1	1	1	1	3	0.25	0.25	0.25	-
Purchasing Services	5	5	4	5	5	5	2	2	2	2
Warehouse	3	3	3	4	4	4	4	4	4	4
Fleet Services	-	11	12	11	11	11	11	12	9	9
Human Resources	5	5	5	5	5	5.5	5	5	6	5
Facility Services	44	27	27	24	24	23	23	23	16	16
Risk Management	6	6	6	6	6	5	6	6	6	6
Development Services										
Planning and Development	8	8	8	9	8	8	8	8	8	10
Engineering Services	14	17	17	17	18	17	16	19	13	12
	8	8	9	13	16	16	16	17	14	9
Community Development	7.4	7.4	7	8	8	6.5	5.75	5.75	5.75	6
Public Works Services										
Administration	-	-	-	1	1	3	5	-	-	-
Call Center	-	-	-	-	-	5	5	5	5	5
Environmental Services	-	-	-	-	-	-	-	-	-	-
Transportation & Drainage	28	30	30	30	31	31	29	29	18	16
Traffic Services	-	-	-	-	-	9	9	10	10	9
Public Safety										
Police Officers	113	116	118	119	123	124	124	124	138	136
Civilians	35	34	38	38	37	47	47	47	39	35
Firefighters/Emergency Medical Technicians	89	90	91	101	108	108	108	108	107	108
Civilians	2	2	2	2	4	5	5	5	4	6
Emergency Management Coordinator	-	-	-	-	1	1	1	1	1	1
Bryan Animal Center	-	-	-	-	-	-	-	-	-	8
Municipal Court	14	14	14	14	14	16	16	16	15	16
Cultural and Recreation										
Library Services	19	19	19	19	19	20	19	19	24	21
College Station Library	16	16	16	16	16	15	16	16	19	18
Parks and Recreation	7	8	9	14	13	14	19	18	28	22
Water	39	40	40	36	35	35.8	35.55	36.55	34.50	32
Wastewater	53	53	53	44	43	44.2	44.45	44.45	31.50	40
Solid Waste	51	50	49	55	51	46	46	47	44	37
Airport	-	-	-	-	-	-	-	2	1	1
Electric Department-Municipal and Rural	203	203	203	195	203	181	187	189	165	171
Total	816	819	828	836	857	862.5	866	871	816	810

City of Bryan, Texas
Operating Indicators by Function
Last Ten Fiscal Years

Table 27

Function:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Physical arrest	4,375	4,784	5,838	4,178	5,205	5,030	5,744	5,063	4,826	5,525
Traffic citations	14,932	12,986	17,640	13,097	15,512	15,325	12,752	12,400	11,663	11,118
Fire										
Number of Fire and EMS calls	7,398	7,884	8,016	8,359	8,352	8,923	8,871	9,150	9,188	9,250
Transportation										
Potholes repaired	n/a	n/a	4,000	6,500	3,200	n/a	3,133	3,225	225	208
HMAC (Hot Mix Aspaltic Concrete) placed (tons)	n/a	n/a	n/a	n/a	n/a	2,853	2,476	1,258	1,978	1,455
In-house concrete poured (cubic yards)	n/a	n/a	n/a	n/a	n/a	1,080	162	584	485	723
Culture and recreation										
New library patron registration	7,449	10,399	10,995	8,611	8,323	9,014	9,573	8,419	7,259	3,806
Library circulation of materials	731,924	664,444	726,762	804,617	840,601	785,243	421,354	411,113	784,421	797,577
Number of cooperative programs with Bryan ISD and College Station Parks and Recreation department	18	18	11	12	12	12	12	10	13	16
Pavilion rentals	843	855	824	849	956	876	888	743	913	993
Athletic field usage										
Travis Park (1 field)	237	216	208	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bryan Regional Athletic Complex (4 softball fields)	1,452	1,590	1,632	1,620	1,710	1,740	1,825	1,910	1,920	2,432
Bryan Regional Athletic Complex (9 soccer fields)	946	1,003	1,026	1,040	1,050	1,105	1,284	1,192	1,105	1,070
Neighborhood/Youth Services										
Neighborhood Associations registered	30	36	31	32	37	38	40	41	41	41
	80	100	n/a	143	57	125	115	125	137	95
Municipal Court										
Number of cases filed	15,193	15,000	15,613	17,199	16,190	15,490	14,728	18,147	17,832	16,821
Community Development										
Number of citizens provided homebuyers assistance	22	22	25	37	21	28	26	17	17	18
Number of households provided rehabilitation	41	41	1	-	4	3	3	5	1	3
Number of households provided minor rehabilitation	n/a	n/a	35	30	41	33	29	41	41	43
Water										
Number of new connections	376	326	414	286	319	245	183	180	151	173
Maximum daily capacity (gallons)	28,000,000	32,000,000	32,000,000	36,000,000	36,000,000	36,000,000	37,700,000	37,700,000	37,708,000	37,708,000
Daily average usage (gallons)	8,113,164	9,297,276	9,966,788	8,123,886	9,794,146	10,422,973	9,403,642	11,981,855	10,572,675	10,414,774
Peak daily usage (gallons)	20,680,000	24,741,000	24,104,000	13,710,000	23,115,000	22,186,000	20,893,000	24,620,000	21,521,000	23,281,000
Total usage (gallons)	2,969,418,100	3,393,505,900	3,637,877,700	2,965,218,600	3,584,657,700	3,804,385,300	3,432,329,400	4,373,377,200	3,869,598,900	3,801,392,400
Wastewater										
Combined capacity (gallons per day)	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	14,000,000
Daily average usage (gallons)	7,564,486	7,437,896	7,004,600	7,798,565	6,969,882	6,392,433	7,127,600	6,525,488	6,995,218	6,499,737
Peak daily usage (gallons)	230,716,833	226,326,008	213,056,583	237,206,367	211,878,917	194,436,500	216,797,833	198,483,583	213,354,158	197,700,333
Total usage (gallons)	2,768,602,000	2,714,832,100	2,556,679,000	2,846,476,400	2,542,547,000	2,333,238,000	2,601,574,000	2,381,803,000	2,560,249,000	2,372,404,000
Solid Waste										
Refuse collected (tons)	42,164	44,416	48,647	45,275	54,881	52,443	56,800	56,120	55,819	55,520

Sources: Various City Departments

City of Bryan, Texas
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table 28

Function:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of sworn personnel	113	116	118	121	124	124	137	136	137	136
Fire and emergency medical services:										
Number of stations	4	4	4	4	4	5	5	5	5	5
Number of personnel	89	90	91	112	114	108	114	114	110	115
Highways and streets:										
Lane miles of paved streets	643	646	649	660	660	738	738	738	738	752
Culture and recreation:										
Number of parks	45	45	45	45	35	42	42	42	42	52
Park acreage	587	587	587	587	587	611	611	611	611	678
Number of golf courses	1	1	1	1	1	1	1	1	1	1
Golf course acreage	128	128	128	128	104	104	104	104	104	104
Hike and bike trails - number of miles	5	5	5	18	22	23	23	23	23	23
Number of cemeteries	3	3	3	3	3	3	3	3	3	3
Cemetery acreage	97	97	97	97	70	70	70	70	70	70
Number of libraries	3	3	3	3	3	3	3	3	3	3
Library volumes	232,748	248,240	257,833	255,366	242,171	245,810	128,798	147,090	237,557	233,237
Water system:										
Miles of line	396	399	403	410	442	453	453	459	472	469
Number of connections	20,509	20,799	21,102	21,388	21,782	21,587	21,770	21,804	21,913	22,147
	8	9	9	10	12	12	12	12	12	12
Wastewater system:										
Miles of line	374	377	378	378	378	380	380	382	387	393
Number of connections	19,725	19,943	20,224	20,461	20,839	21,113	21,378	21,460	21,539	21,761
Number of treatment plants	3	3	3	3	3	3	3	3	3	3
Electric system:										
Generating capacity (MW)	287,000	287,000	287,000	287,000	234,644	296,000	336,000	337,000	337,000	337,000
Reserve oil capacity (gallons)	4,900,000	4,900,000	4,900,000	4,670,000	4,670,000	4,670,000	4,170,000	3,120,000	3,120,000	3,120,000
Number of substations	9	9	9	9	9	9	10	11	11	11
Number of connections	32,264	33,189	33,702	34,678	46,169	47,268	48,014	48,616	33,160	33,920
Rural Electric system:										
Number of utility connections	13,171	13,519	13,978	14,416	14,513	15,116	15,593	16,033	16,882	17,556
Number of substations	10	12	12	11	12	12	12	13	13	15

Sources: Various City Departments

CONTINUING FINANCIAL DISCLOSURE TABLES
(UNAUDITED)

The Continuing Financial Disclosure Tables present various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. This financial information is provided to the Municipal Securities Rulemaking Board (MSRB) annually via the Electronic Municipal Market Access (EMMA) system.

TYPE OF DEBT	TABLE SERIES
General Obligation Bonds	GO-1 – GO-13
Waterworks and Sewer System Revenue Bonds	RW-1 – RW-10
City Electric System Revenue Bonds	REC-1 – REC-7
Rural Electric Systme Revenue Bonds	RER-1 – RER-6

City of Bryan, Texas
Valuation, Exemptions and General Obligation Debt
As of September 30, 2013 TABLE GO-1

2012/2013 Market Valuation Established by Brazos County Appraisal District (Excluding totally exempt property)		$ 4,142,803,843
Less Exemptions/Reductions at 100% Market Value		
Over 65 or Disabled Exemptions	$ 53,862,954	
Homestead Cap Adjustment	7,687,265	
Disabled Veterans Exemptions	11,719,735	
Agricultural Land Use Reductions	78,424,013	
Pollution Control	3,619,805	
Prorated Exempt Property	208,289	
Freeport Exemptions	44,291,543	
Tax Abatement Reductions	47,648,057	247,461,661
2012/2013 Net Taxable Valuation		$ 3,895,342,182
General Obligation Debt Payable from Ad Valorem Taxes (as of 9/30/13)		$ 111,200,000
Less : Self Supporting Debt		$ 45,404,138
Net General Obligation Debt Payable from Ad Valorem Taxes		$ 65,795,862
General Obligation Interest and Sinking Fund as of 9/30/2013		$ 5,876,434
Ratio Net General Obligation Tax Debt to Taxable Assessed Valuation		1.69%

2013 Estimated Population - 78,061
Per Capita Taxable Assessed Valuation - $49,901
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - $843

City of Bryan, Texas
Taxable Assessed Valuations by Category
As of September 30, 2013

Table GO-2

	2013		2012		2011		2010		2009	
Category	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	$ 2,035,277,991	49.09%	$ 2,008,808,285	50.24%	$ 2,003,007,954	52.41%	$ 1,840,011,818	48.45%	$ 1,782,449,123	49.29%
Real, Residential, Multi-Family	421,407,065	10.17%	405,749,972	10.15%	386,493,919	10.11%	361,972,890	9.53%	347,329,789	9.60%
Real, Vacant Lots/Tracts	85,878,322	2.07%	81,232,842	2.03%	85,197,103	2.23%	87,590,232	2.31%	82,447,129	2.28%
Real, Acerage (Land Only)	113,860,982	2.75%	105,851,362	2.65%	100,768,588	2.64%	100,023,228	2.63%	90,280,620	2.50%
Real, Farm and Ranch Improvements	7,372,974	0.18%	7,165,254	0.18%	6,919,466	0.18%	7,683,314	0.20%	6,680,860	0.18%
Real, Commercial and Industrial	841,981,424	20.31%	800,398,222	20.02%	674,091,709	17.64%	769,090,579	20.25%	700,438,344	19.37%
Real, Oil, Gas and Other Mineral Reserves	9,930,584	0.24%	11,742,793	0.29%	11,844,810	0.31%	7,207,975	0.19%	9,250,583	0.26%
Real and Tangible Personal, Utilities	43,116,790	1.04%	48,568,740	1.21%	46,390,110	1.21%	45,492,740	1.20%	48,942,177	1.35%
Tangible Personal, Business	531,395,980	12.82%	475,954,991	11.90%	456,187,890	11.94%	527,143,602	13.88%	497,213,604	13.75%
Tangible Personal, Other	15,359,270	0.37%	15,509,640	0.39%	15,455,330	0.40%	15,664,250	0.41%	16,270,754	0.45%
Real, Inventory and Special Inventory	40,028,782	0.97%	37,674,810	0.94%	35,251,760	0.92%	35,600,070	0.94%	34,951,460	0.97%
Total Appraised Value before Exemptions	$ 4,145,610,164	100.00%	$ 3,998,656,911	100.00%	$ 3,821,608,639	100.00%	$ 3,797,480,698	100.00%	$ 3,616,254,443	100.00%
Less: Total Exemptions/Reductions	250,267,982		214,929,766		195,679,975		186,688,184		171,569,861	
Taxable Assessed Value	$ 3,895,342,182		$ 3,783,727,145		$ 3,625,928,664		$ 3,610,792,514		$ 3,444,684,582	

NOTE: Valuations shown are certified taxable assessed values reported by the Brazos County Appraisal District to the State Comptroller of Public Accounts Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updateds records.

City of Bryan, Texas
Valuation and General Obligation Debt History
As of September 30, 2013

Table GO-3

Fiscal Year Ended 9-30	Estimated Population	Taxable Assessed Valuation[1]	Taxable Assessed Valuation Per Capita	G.O. Tax Debt Outstanding at End of Year[2]	Ratio of G.O. Tax Debt to Taxable Assessed Valuation	G.O. Tax Debt Per Capita
2009	73,972	3,444,684,582	46,567	98,420,000	2.86%	1,331
2010	76,201	3,610,792,514	47,385	108,215,000	3.00%	1,420
2011	76,541	3,625,928,664	47,372	113,480,000	3.13%	1,483
2012	77,321	3,783,727,145	48,935	105,925,000	2.80%	1,370
2013	78,061	3,895,342,182	49,901	111,200,000	2.85%	1,425

[1] As reported by the Brazos County Appraisal District on City's annual State Property Tax Reports; subject to change during the ensuing year.

[2] Excludes self-supporting General Obligation Debt. See Table GO-1 - Valuation, Exemptions and General Obligation Debt.

City of Bryan, Texas
Tax Rate, Levy and Collection History
As of September 30, 2013

Table GO-4

Fiscal Year Ended 9/30	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2009	0.636400	0.4595	0.176900	21,759,324	97.76%	99.68%
2010	0.636400	0.4595	0.176900	22,802,844	97.86%	99.57%
2011	0.636400	0.4354	0.201000	22,810,074	98.25%	99.30%
2012	0.636400	0.4406	0.195800	23,800,130	98.26%	99.16%
2013	0.633308	0.4375	0.195808	24,418,567	98.66%	99.66%

City of Bryan, Texas
Ten Largest Taxpayers
As of December 13, 2013

Table GO-5

Name of Taxpayer	Nature of Property	2012/2013 Assessed Valuation	% of Total Taxable Assessed Valuation
Sanderson Farms Inc	Food Processing	$ 40,949,273	1.05%
Waves Z Islander of Bryan LLC	Student Housing	33,707,800	0.87%
Reveille Ranch Wellborn LTD	Student Housing	27,891,210	0.72%
Baker Hughes Inc #175010500	Oil Well Supply	23,860,694	0.61%
Bryan Senior Investors	Multi-Use Development	22,785,000	0.58%
Wal-Mart Real Estate	Retail Stores	21,411,840	0.55%
Texas A&M University - Ground Lease	Multi-Use Development	20,710,280	0.53%
SW Meadows Point LP	Apartments	20,254,790	0.52%
KC Presidio Apartments LLC	Apartments	19,047,480	0.49%
Tejas Center LTD	Retail Stores	18,102,420	0.46%
		$ 248,720,787	6.39%

City of Bryan, Texas
Debt Information - General Obligation - Debt Service Requirements*
As of September 30, 2013

Table GO-6

	DEBT SERVICE REQUIREMENTS - General Obligation Debt			Less Self Supporting Debt			Total Debt Service		
Fiscal Year Ended	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2014	$ 8,090,000	$ 4,130,683	$ 12,220,683	$ 3,835,071	$ 1,626,486	$ 5,461,558	$ 4,254,929	$ 2,504,197	$ 6,759,125
2015	8,500,000	3,858,313	12,358,313	3,559,545	1,956,971	5,516,516	4,940,455	1,901,342	6,841,797
2016	8,660,000	3,587,152	12,247,152	3,688,732	1,530,045	5,218,777	4,971,268	2,057,107	7,028,375
2017	8,595,000	3,305,952	11,900,952	3,598,888	1,392,824	4,991,712	4,996,112	1,913,128	6,909,240
2018	8,810,000	3,003,071	11,813,071	3,424,427	1,236,736	4,661,163	5,385,573	1,766,335	7,151,908
2019	8,645,000	2,693,521	11,338,521	3,349,843	1,105,173	4,455,016	5,295,157	1,588,348	6,883,505
2020	8,855,000	2,384,325	11,239,325	3,366,265	973,584	4,339,849	5,488,735	1,410,741	6,899,476
2021	8,780,000	2,043,633	10,823,633	3,218,445	834,970	4,053,415	5,561,555	1,208,664	6,770,218
2022	7,840,000	1,702,645	9,542,645	3,293,471	699,857	3,993,328	4,546,529	1,002,788	5,549,317
2023	7,215,000	1,402,808	8,617,808	2,493,338	565,600	3,058,938	4,721,662	837,208	5,558,870
2024	7,485,000	1,128,159	8,613,159	2,591,983	463,398	3,055,381	4,893,017	664,761	5,557,778
2025	6,560,000	843,831	7,403,831	2,415,806	358,910	2,774,715	4,144,194	484,921	4,629,116
2026	4,335,000	570,513	4,905,518	1,984,220	251,206	2,235,426	2,350,780	319,312	2,670,092
2027	2,430,000	384,798	2,814,798	964,004	193,809	1,157,813	1,465,996	190,989	1,656,985
2028	2,535,000	278,682	2,813,682	1,002,668	153,260	1,155,928	1,532,332	125,422	1,657,754
2029	1,835,000	166,420	2,001,420	1,025,339	110,870	1,136,209	809,661	55,550	865,211
2030	900,000	85,901	985,901	462,093	66,742	528,835	437,907	19,159	457,066
2031	360,000	47,388	407,383	360,000	47,388	407,388	-	-	-
2032	375,000	32,538	407,538	375,000	32,538	407,538	-	-	-
2033	395,000	16,788	411,788	395,000	16,788	411,788	-	-	-
	$ 111,200,000	$ 31,667,121	$ 142,867,121	$ 45,404,138	$ 13,617,154	$ 59,021,292	$ 65,795,862	$ 18,049,972	$ 83,845,834

*Includes all General Obligation Bonds (CO's and GO's)

City of Bryan, Texas
Interest and Sinking Fund Budget Projection
As of September 30, 2013

Table GO-7

Estimated Debt Service Requirements, Fiscal Year Ending 9-30-14		$ 10,804,864 [1]
Interest and Sinking Fund, 09-30-13	$ 5,876,434	
2013 Interest and Sinking Fund Tax Levy Collection	7,484,416	
Budget Transfers[1]	3,215,952	
Estimated Investment and Other Income	35,000	16,611,802
Estimated Balance, 9-30-14		$ 5,806,938

[1] Fiscal Year 2014 Budget Projection

City of Bryan, Texas

Computation of Self-Supporting Debt[1]

As of September 30, 2013 — Table GO-8

Net System Revenue, FYE 9-30-13	$ 51,129,631
Less: System Revenue Bond Requirements, FYE 09-30-13	25,981,683
Balance Available for Other Purposes	$ 25,147,948
Self Supporting System General Obligation Bond Requirements, FYE 09-30-13	5,461,558
Percentage of System General Obligation Bonds Self Supporting	100%

[1] Self Supporting debt is primarily supported by revenues from Water and Sewer system, City Electric, Rural Electric, TIRZs, BVWSMA, and Brazos County.

City of Bryan, Texas
Authorized but Unissued General Obligation Bonds
As of September 30, 2013

Table GO-9

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
Streets	1-24-84	$ 14,525,000	$ 6,300,000	$ 0	$ 8,225,000
Parks and Recreation	1-24-84	7,100,000	5,325,000	0	1,775,000
Railroad Grade Separation	1-24-84	3,200,000	350,000	0	2,850,000
Sanitary Landfill	1-24-84	1,000,000	800,000	0	200,000
		$ 25,825,000	$ 12,775,000	$ 0	$ 13,050,000

City of Bryan, Texas
Other Obligations
As of September 30, 2013 Table GO-10

The City has no Other Obligations outstanding as of September 30, 2013.

City of Bryan, Texas
General Fund Revenues and Expenditure History (modified accrual basis)
As of September 30, 2013

Table GO-11

	Fiscal Year Ended September 30				
	2013	2012	2011	2010	2009
Revenues					
Taxes	$ 34,851,153	$ 32,559,161	$ 32,010,429	$ 32,475,943	$ 31,336,189
Licenses and Permits	565,539	592,784	492,175	572,570	587,732
Grants	1,028,040	1,343,300	1,757,380	1,716,817	1,609,300
Charges for Services	5,199,125	3,846,149	3,946,937	4,528,548	5,087,265
Investment Earnings	87,187	90,991	63,440	98,971	251,537
Fines and Forfietures	1,794,775	1,844,317	1,895,018	1,866,467	1,742,965
Miscellaneous	2,045,021	332,317	459,082	536,138	417,444
Total Revenues	$ 45,570,840	$ 40,609,019	$ 40,624,461	$ 41,795,454	$ 41,032,432
Expenditures					
General Government	$ 13,191,380	$ 12,202,961	$ 12,648,419	$ 12,904,642	$ 12,924,169
Reimbursed Administrative Expenses	(3,425,498)	(3,515,703)	(3,610,977)	(3,990,430)	(3,765,735)
Public Safety	28,586,540	26,654,066	27,264,064	27,027,735	26,805,639
Development Services	3,008,425	2,808,838	3,145,030	3,206,411	3,059,454
Public Works	3,315,274	3,548,490	3,998,453	4,410,872	4,763,185
Cultural and Recreational	6,341,182	6,005,805	5,752,575	6,538,184	6,773,882
Interest and Fiscal Charges	1,832,647	126,420	138,740	149,648	79,741
Capital Outlay	790,647	375,282	1,967,510	963,376	1,609,198
Total Expenditures	$ 53,640,597	$ 48,206,159	$ 51,303,814	$ 51,210,438	$ 52,249,533
Excess (Deficit) Revenues Over (Under) Expenditures	$ (8,069,757)	$ (7,597,140)	$ (10,679,353)	$ (9,414,984)	$ (11,217,101)
Operating Transfers In	17,485,413	11,101,783	12,226,379	10,915,998	9,826,451
Operating Transfers Out	(3,110,691)	(619,390)	(391,787)	(434,138)	(514,013)
Sale of Capital Assets	13,115	47,265	213,342	143,309	193,450
Total Other	$ 14,387,837	$ 10,529,658	$ 12,047,934	$ 10,625,169	$ 9,505,888
Net Increase (Decrease)	$ 6,318,080	$ 2,932,518	$ 1,368,581	$ 1,210,185	$ (1,711,213)
Beginning Fund Balance	16,142,816	13,210,298	11,841,717	10,631,532	12,342,745
Ending Fund Balance	$ 22,460,896	$ 16,142,816	$ 13,210,298	$ 11,841,717	$ 10,631,532

City of Bryan, Texas
Changes in Net Position
As of September 30, 2013

Table GO-11A

	Government Activities				
	2013	2012	2011	2010	2009
Revenues					
Program Revenues					
Charges for Services	$ 7,604,050	$ 6,329,426	$ 6,379,944	$ 7,012,031	$ 7,461,080
Operating Grant and Contributions	2,840,902	2,732,746	2,607,994	2,640,566	2,382,961
Capital Grants and Contributions	1,891,869	3,232,203	2,657,466	4,476,022	3,528,100
General Revenues					
Property Taxes	24,723,667	24,075,833	23,043,249	22,967,025	21,950,012
Other Taxes	19,134,052	17,575,465	17,121,297	17,374,519	16,731,738
Other	12,663,041	8,036,343	8,968,615	9,006,338	7,314,204
Total Revenues	$ 68,857,581	$ 61,982,016	$ 60,778,565	$ 63,476,501	$ 59,368,095
Expenditures					
General Government and Administration	$ 12,725,727	$ 12,567,217	$ 11,694,539	$ 11,861,977	$ 14,552,308
Development Services	5,324,990	4,946,473	5,451,223	5,514,292	4,488,613
Public Works Services	12,764,623	15,169,531	14,091,910	14,603,264	18,315,196
Public Safety	32,133,857	24,346,634	21,693,251	28,098,561	24,055,956
Culture and Recreation	8,175,136	8,242,037	7,666,774	8,585,698	8,829,886
Interest on Long Term Debt	4,264,522	4,560,746	4,982,815	4,392,590	4,742,776
Total Expenditures	$ 75,388,855	$ 69,832,638	$ 65,580,512	$ 73,056,382	$ 74,984,735
Increase in Net Position Before Transfers	$ (6,531,274)	$ (7,850,622)	$ (4,801,947)	$ (9,579,881)	$ (15,616,640)
Transfers	12,754,364	5,973,524	10,884,784	9,691,442	9,841,589
Increase in Net Position After Transfers	$ 6,223,090	$ (1,877,098)	$ 6,082,837	$ 111,561	$ (5,775,051)
Net Position - October 1	106,355,996	108,233,094	102,150,257	102,038,696	107,813,747
Net Position - September 30	$ 112,579,086	$ 106,355,996	$ 108,233,094	$ 102,150,257	$ 102,038,696

City of Bryan, Texas
Municipal Sales Tax History
As of September 30, 2013 Table GO-12

The City has adopted the Municipal Sales and Use Tax Act, V.T.C.A., Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Certificates. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. In addition, the Tax Code provides certain cities the option of assessing a maximum one-half percent (1/2%) sales tax on retail sales of taxable items for the purpose of reducing its ad valorem, taxes, if approved by a majority of the voters in a local option election. If the additional tax is approved and levied, the ad valorem property tax levy must be reduced by the estimated amount of the sales tax revenues to be generated in the current year.

Subject to the approval of a majority of the voters in a local option election, state law also provides certain cities the option of assessing a sales and use tax for a variety of other purposes, including economic and industrial development, municipal street maintenance and repair, and sports and community venues.

State law limits the maximum aggregate sales and use tax rate in any are to 8 1/4%. Accordingly, the collection of local sales and use taxes in the area of the City (including sales and use taxes levied by the City) is limited to no more than 2% (when combined with the State sales and use tax rate of 1/4%).

In addition to the one percent (1%) local sales and use tax referred to above, voters of the City approved an additional sales and use tax of one-half of one percent (1/2 of1%) for property tax reductions effective October 1, 1990. The following table sets forth the City's historical collections of sales and uses taxes.

Fiscal Year Ended 9/30	Tax Collected	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2009	$ 14,140,838	64.99%	$ 0.4136	$ 195.43
2010	14,608,410	64.06%	0.4077	191.71
2011	14,301,017	62.70%	0.3990	186.84
2012	14,814,931	62.30%	0.3965	191.60
2013	15,984,919	65.46%	0.4146	204.77

City of Bryan, Texas

Current Investments and Cash Deposits[1]
As of September 30, 2013 Table GO-13

As of September 30, 2013 the following percentages of the City's investable funds were invested in the following investment categories.

Type of Investment		Book Value	Percentage
Demand Deposits	$	47,271,103	62.47%
Coupon Agencies		22,215,549	29.36%
Government Pools		6,184,095	8.17%
Total Investable Funds	$	75,670,747	100.00%

[1]This Table excludes City Electric and Rural Electric investments

City of Bryan, Texas
Historical Water Consumption (Gallons)
Last Five Fiscal Years

Table RW-1

Fisal Year Ended 9/30	Daily Average Usage	Peak Daily Usage	Total Usage
2009	10,422,973	22,186,000	3,804,385,300
2010	9,403,642	20,893,000	3,432,329,400
2011	11,981,855	24,620,000	4,373,377,200
2012	10,572,675	21,521,000	3,869,598,900
2013	10,414,774	23,281,000	3,801,392,400

City of Bryan, Texas

Ten Largest Water and Sewer Customers (Based on Gallons of Water Consumed)

For Fiscal Year Ended September 30, 2013 — Table RW-2

Customer	Type of Industry	Water Usage	% of Total Water Usage
City of Bryan	Local Government	147,332,900	3.37%
BISD	Public School	129,127,200	2.95%
St. Joseph Hospital	Health Care Facility	75,439,900	1.72%
Brushy Water Supply	Utility District	64,268,000	1.47%
Brazos County	County Government	48,291,900	1.10%
Oakwood/Country Village	Mobile Home Park	39,179,800	0.90%
TDCJ - Hamilton Unit	Correctional Facility	32,955,700	0.75%
Federal Prison Camp	Correctional Facility	30,916,200	0.71%
Reveille Ranch	Apartments	27,358,500	0.63%
Housing Authority of Bryan	Housing	25,878,200	0.59%
		620,748,300	14.19%

City of Bryan, Texas
Monthly Water Rates
Effective September 30, 2013 Table RW-3

Water Class	Customer Charge Per Month	Volume Charge Per 1,000 Gallons
Residential	$8.31	$2.76
Commercial/Industrial	13.74	2.38
Bryan Public Schools	13.74	2.38
Interdepartmental	13.74	2.38
Special Contracts	13.74	4.05
Bulk Sales	N/A	11.08 (per 500 gallons)

City of Bryan, Texas
Wastewater Usage (Gallons)
Last Five Fiscal Years

Table RW-4

Fiscal Year Ended 9/30	Daily Average	Monthly Average	Total Usage	Total Fiscal Year End Revenues
2009	6,392,433	194,436,500	2,333,238,000	$ 11,698,931
2010	7,127,600	216,797,833	2,601,574,000	$ 11,951,662
2011	6,525,488	198,483,583	2,381,803,000	$ 12,478,220
2012	6,995,218	213,354,158	2,560,249,900	$ 12,469,568
2013	6,499,737	197,700,333	2,372,404,000	$ 11,793,584

City of Bryan, Texas
Monthly Sewer Rates
Effective September 30, 2013 Table RW-5

Wastewater Class	Customer Charge Per Month	Volume Charge Per 1,000 Gallons
Non Commercial	$7.88	$4.03
Commercial/Industrial	7.88	3.80

City of Bryan, Texas

Debt Information - Waterworks and Sewer System Debt Service Requirements*

As of September 30, 2013 Table RW-6

Fiscal Year Ended	Principal	Interest	Total	% of Principal Retired
2014	$ 3,535,000	$ 2,156,520	$ 5,691,520	
2015	3,350,000	2,034,583	5,384,583	
2016	3,385,000	1,910,358	5,295,358	
2017	3,525,000	1,778,610	5,303,610	
2018	3,755,000	1,636,869	5,391,869	29.90%
2019	3,995,000	1,491,575	5,486,575	
2020	4,240,000	1,365,718	5,605,718	
2021	4,420,000	1,216,654	5,636,654	
2022	4,595,000	1,055,529	5,650,529	
2023	2,420,000	882,567	3,302,567	33.52%
2024	2,370,000	811,355	3,181,355	
2025	2,525,000	738,135	3,263,135	
2026	2,920,000	649,997	3,569,997	
2027	3,005,000	542,528	3,547,528	
2028	3,025,000	430,035	3,455,035	23.59%
2029	3,115,000	313,001	3,428,001	
2030	2,585,000	189,793	2,774,793	
2031	1,155,000	85,775	1,240,775	
2032	770,000	33,688	803,688	12.99%
	$ 58,690,000	$ 19,323,290	$ 78,013,290	100.00%

*Includes all Revenue Bonds

City of Bryan, Texas
Waterworks and Sewer System Condensed Statement of Operations
As of September 30, 2013 Table RW-8

	Fiscal Year				
	2013	**2012**	**2011**	**2010**	**2009**
Revenues					
Waterworks	$ 12,723,839	$ 12,879,376	$ 14,281,996	$ 11,529,217	$ 12,216,438
Sewer System	12,429,017	13,072,233	13,112,105	12,369,599	12,017,013
Interest Income	91,842	170,563	239,262	218,946	511,956
Total Revenues	25,244,698	26,122,172	27,633,363	24,117,762	24,745,407
Expenses:					
Waterworks	5,798,421	6,585,168	6,235,774	6,552,580	6,417,105
Sewer System	5,927,169	6,079,396	6,131,398	6,435,313	6,500,372
Total Expenses	11,725,590	12,664,564	12,367,172	12,987,893	12,917,477
Net Available for Debt Service	$ 13,519,108	$ 13,457,608	$ 15,266,191	$ 11,129,869	$ 11,827,930
Water Connections	22,171	21,913	21,804	21,770	21,587
Sewer Connectins	21,770	21,539	21,460	21,378	21,113

City of Bryan, Texas
Waterworks and Sewer System Coverage and Fund Balances
As of September 30, 2013 — Table RW-9

Average Annual Principal and Interest Requirment, 2014-2032	$ 4,105,963
Coverage of Average Requirements by 9-30-2013 Net available for debt service	3.29 Times
Maximum Principal and Interest Requirements, 2014	$ 5,691,520
Coverage of Maximum Requirements by 9-30-13 Net available for debt service	2.38 Times
Waterworks and Sewer System Revenue Bonds (September 31, 2013)	$ 58,690,000
Interest and Sinking Fund (September 31, 2013)	$ 4,120,689
Reserve Fund (September 31, 2013)	(1)

(1) As permitted by the Prior Lien Bond Ordinance, the Reserve Fund is currently funded by two surety policies issued by Financial Security Assurance in the aggregate amount of $5,833,600, a surety policy issued by MBIA Insurance Corporation in the amount of $438,713, and a surety policy issued by Financial Guaranty Insurance Company in the amount of $2,848,495 for the reserve fund requirement. The surety guarantee amount of each surety bond is reduced as bonds of the correlating series are paid and retired.

City of Bryan, Texas

Current Investments and Cash Deposits[1]
As of September 30, 2013 Table RW-10

As of September 30, 2013 the following percentages of the City's investable funds were invested in the following investment categories.

Type of Investment	Book Value	Percentage
Demand Deposits	$ 47,164,108	62.46%
Coupon Agencies	22,168,514	29.36%
Government Pools	6,184,095	8.19%
Total Investable Funds	$ 75,516,717	100.00%

City of Bryan, Texas
Electric Rates
As of September 30, 2013

Table REC-1

	Customer Charge Per Month	Demand Per kW	Energy Charge Per kWh	Fuel Charge Per kWh (1)
City Class				
Residential Winter (Nov. - Apr)	$ 10.28	$ -	$ 0.0470	$ 0.0330
Residential Summer (May - Oct.)	10.28	-	0.0596	0.0330
Small Commercial	13.82	-	0.0579	0.0330
General Service Commercial	26.34	8.37	0.0276	0.0330
Large Industrial	400.00	12.30	0.0077	0.0330
Bryan Public/Private Schools	39.52	-	0.0625	0.0330
Interdepartmental	30.00	-	0.0491	0.0330
Rural Electric Division	-	7.16	0.0171	0.0330
Rural Class				
Residential Winter (Nov. - Apr)	$ 9.61	$ -	0.0414	0.0335
Residential Summer (May - Oct.)	9.61	-	0.0537	0.0335
Small Commercial	13.16	-	0.0552	0.0335
General Service Commercial	19.25	6.93	0.0192	0.0335
Public/Private Schools	33.01	-	0.0561	0.0335

(1) Fuel Charges are subject to change.

City of Bryan, Texas
Energy Sales by Types of Customers - City Electric
As of September 30, 2013 Table REC-2

	2013		2012		2011	
Type of Customer	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold
Residential	356,559,000	18.90%	365,255,000	19.79%	385,921,000	21.95%
Commercial & Industrial	506,994,000	26.87%	486,908,000	26.38%	482,341,000	27.43%
Public Authorities[1]	4,462,000	0.24%	35,429,000	1.92%	36,412,000	2.07%
Rural Electric Division	375,671,000	19.91%	379,278,000	20.55%	376,858,000	21.43%
Other Utilities	608,077,000	32.23%	546,265,000	29.60%	442,068,000	25.14%
Interdepartmental	34,753,000	1.84%	32,634,000	1.77%	34,833,000	1.98%
Total	1,886,516,000	100.00%	1,845,769,000	100.00%	1,758,433,000	100.00%

	2010		2009		2008	
Type of Customer	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold
Residential	368,227,000	24.19%	347,764,000	21.52%	352,307,000	22.08%
Commercial & Industrial	459,371,000	30.18%	443,745,000	27.46%	449,843,000	28.19%
Public Authorities	35,679,000	2.34%	36,080,000	2.23%	31,234,000	1.96%
Rural Electric Division	355,849,000	23.38%	332,879,000	20.60%	322,095,000	20.18%
Other Utilities	271,289,000	17.82%	424,131,000	26.25%	412,769,000	25.87%
Interdepartmental	31,591,000	2.08%	31,246,000	1.93%	27,557,000	1.73%
Total	1,522,006,000	100.00%	1,615,845,000	100.00%	1,595,805,000	100.00%

[1] Public schools were reclassed from "Public Authority" to "Commercial and Industrial" in 2013.

City of Bryan, Texas

Electric System Revenue Debt Service Requirements - City Electric

As of September 30, 2013 Table REC-3

Fiscal Year Ended	Principal	Interest	Total	% of Principal Retired
2014	$ 10,555,000	$ 8,956,538	$ 19,511,538	
2015	11,730,000	8,532,050	20,262,050	
2016	12,165,000	7,968,200	20,133,200	
2017	11,470,000	7,437,800	18,907,800	
2018	6,920,000	6,877,942	13,797,942	27.52%
2019	27,775,000	6,586,463	34,361,463	
2020	6,615,000	5,245,888	11,860,888	
2021	6,920,000	4,935,313	11,855,313	
2022	7,260,000	4,607,069	11,867,069	
2023	6,605,000	4,276,613	10,881,613	28.73%
2024	6,895,000	3,984,244	10,879,244	
2025	7,205,000	3,675,506	10,880,506	
2026	6,550,000	3,329,456	9,879,456	
2027	6,865,000	3,009,863	9,874,863	
2028	7,200,000	2,672,825	9,872,825	18.08%
2029	7,555,000	2,319,325	9,874,325	
2030	7,935,000	1,946,131	9,881,131	
2031	8,325,000	1,550,781	9,875,781	
2032	7,900,000	1,154,144	9,054,144	
2033	6,005,000	775,419	6,780,419	19.64%
2034	3,965,000	492,100	4,457,100	
2035	2,440,000	314,325	2,754,325	
2036	2,540,000	213,675	2,753,675	
2037	2,640,000	108,900	2,748,900	6.03%
	$ 192,035,000	$ 90,970,570	$ 283,005,570	100.00%

City of Bryan, Texas
Authorized but Unissued Revenue Bonds
As of September 30, 2013 Table REC-4

The City has no voted but unissued electric revenue bonds, and pursuant to State law, the City is not required to obtain the approval of voters to issue its Electric System revenue bonds.

City of Bryan, Texas
Condensed Statement of City Electric System Operations
As of September 30, 2013 Table REC-5

	Fiscal Year				
	2013	**2012**	**2011**	**2010**	**2009**
Revenues					
Electric System and Other Revenue [1]	160,984,748	155,453,210	154,851,433	137,929,447	150,824,637
Investment Income	407,921	369,937	369,563	365,336	1,378,874
Total Revenues	161,392,669	155,823,147	155,220,996	138,294,783	152,203,511
City Electric System Expenses [1]	128,855,736	112,143,156	117,869,352	114,145,447	128,204,221
NET AVAILABLE FOR DEBT SERVICE	32,536,933	43,679,991	37,351,644	24,149,336	23,999,290
BTU - City Electric Customers	33,920	33,160	32,583	32,421	32,152

[1] Effective 2012, BTU Transmission revenue and costs billed through the ERCOT Transmission Matrix were grossed up, increasing total revenues and expenses, but having no impact on net available for debt service.
City Electric expenses exclude depreciation and amortization.

City of Bryan, Texas
City Electric Coverage and Fund Balances
As of September 30, 2013 — Table REC-6

Average Annual Principal and Interest Requirment, 2014-2032	$ 11,791,899
Coverage of Average Requirements by 9-30-2013 Net available for debt service	2.76 Times
Maximum Principal and Interest Requirements, 2019	$ 34,361,463
Coverage of Maximum Requirements by 9-30-13 Net available for debt service[1]	.95 Times
Electric System Revenue Bonds, 9-31-2013	$ 192,035,000
Interest and Sinking Fund (September 31, 2013)	$ 4,877,885
Reserve Fund (September 31, 2013)	$ 11,558,189

[1] The City will treat the principal payment due July 1, 2019 as Balloon Debt for the coverage calculation per the definition of Annual Debt Service Requirements in the Board Ordinance. Based on revenue projections (which reflect a substantial reduction in the amount of the City's contract payment to TMPA for the Fiscal Year 2019), the City expects that Net Revenues of the Electric System will be sufficient to pay the projected actual maximum annual debt service of $34,361,463 in 2019.

City of Bryan, Texas
Current Investments and Cash Deposits - BTU City Electric
As of September 30, 2013 Table REC-7

As of September 30, 2013 the following percentages of BTU's City Electric investable funds were invested in the following categories.

Type of Investment	Market Value	Percentage
Demand Deposits	$ 47,343,582	59.79%
Investment in Governmental Pool	3,005,996	3.80%
Collateral deposits with counterparties	3,679,019	4.65%
Investment in agency securities	19,146,846	24.18%
Investments in treasury securities	6,002,813	7.58%
Totals	$ 79,178,256	100%

City of Bryan, Texas
Electric Rates
As of September 30, 2013 Table RER-1

	Customer Charge Per Month	Demand Per kW	Energy Charge Per kWh	Fuel Charge Per kWh (1)
City Class				
Residential Winter (Nov. - Apr)	$ 10.28	$ -	$ 0.0470	$ 0.0330
Residential Summer (May - Oct.)	10.28	-	0.0596	0.0330
Small Commercial	13.82	-	0.0579	0.0330
General Service Commercial	26.34	8.37	0.0276	0.0330
Large Industrial	400.00	12.30	0.0077	0.0330
Bryan Public/Private Schools	39.52	-	0.0625	0.0330
Interdepartmental	30.00	-	0.0491	0.0330
Rural Electric Division	-	7.16	0.0171	0.0330
Rural Class				
Residential Winter (Nov. - Apr)	$ 9.61	$ -	0.0414	0.0335
Residential Summer (May - Oct.)	9.61	-	0.0537	0.0335
Small Commercial	13.16	-	0.0552	0.0335
General Service Commercial	19.25	6.93	0.0192	0.0335
Public/Private Schools	33.01	-	0.0561	0.0335

(1) Fuel Charges are subject to change.

City of Bryan, Texas

Energy Sales by Types of Customers - BTU Rural

As of September 30, 2013 Table RER-2

	2013		2012		2011	
Type of Customer	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold
Residential	244,371,000	69.26%	236,568,000	69.62%	249,574,000	69.70%
Commercial	108,457,000	30.74%	103,231,000	30.38%	108,507,000	30.30%
Total	352,828,000	100.00%	339,799,000	100.00%	358,081,000	100.00%

	2010		2009		2008	
Type of Customer	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold
Residential	242,057,000	71.79%	211,585,000	68.95%	208,258,000	69.39%
Commercial	95,123,000	28.21%	95,303,000	31.05%	91,880,000	30.61%
Total	337,180,000	100.00%	306,888,000	100.00%	300,138,000	100.00%

City of Bryan, Texas
Rural Electric System Revenue Debt Service Requirements
As of September 30, 2013 Table RER-3

Fiscal Year Ending	Principal	Interest	Total	% of Principal Retired
2014	$ 460,000	$ 318,624	$ 778,624	
2015	475,000	306,800	781,800	
2016	485,000	294,600	779,600	
2017	495,000	280,625	775,625	
2018	515,000	265,400	780,400	30.07%
2019	530,000	247,950	777,950	
2020	550,000	230,000	780,000	
2021	570,000	208,000	778,000	
2022	235,000	184,863	419,863	
2023	245,000	174,875	419,875	26.36%
2024	255,000	164,156	419,156	
2025	265,000	153,000	418,000	
2026	275,000	141,075	416,075	
2027	290,000	128,700	418,700	
2028	300,000	115,288	415,288	17.14%
2029	315,000	101,413	416,413	
2030	330,000	86,450	416,450	
2031	345,000	70,775	415,775	
2032	365,000	54,388	419,388	
2033	380,000	37,050	417,050	21.47%
2034	400,000	19,000	419,000	4.95%
	$ 8,080,000	$ 3,583,032	$ 11,663,032	100.000%

City of Bryan, Texas
Condensed Statement of Rural Electric System Operations
As of September 30, 2013 Table RER-4

	Fiscal Year				
	2013	**2012**	**2011**	**2010**	**2009**
Revenues					
Rural Electric System	32,257,374	31,495,841	31,851,185	30,133,488	30,996,152
Investment Income	47,422	82,333	53,347	43,002	56,851
Total Revenues	32,304,796	31,578,174	31,904,532	30,176,490	31,053,003
Rural Electric System Expenses [1]	27,231,209	26,348,351	27,624,793	26,083,010	27,889,698
NET AVAILABLE FOR DEBT SERVICE	5,073,587	5,229,823	4,279,739	4,093,480	3,163,305
Rural Electric Customers	17,556	16,881	16,033	15,593	15,116

[1] Excludes Depreciation

City of Bryan, Texas
Rural Electric Coverage and Fund Balances
As of September 30, 2013 — Table RER-5

Average Annual Principal and Interest Requirment, 2014-2032	$ 555,382
Coverage of Average Requirements by 9-30-2013 Net available for debt service	9.14 Times
Maximum Principal and Interest Requirements, 2015	$ 781,800
Coverage of Maximum Requirements by 9-30-13 Net available debt service	6.49 Times
Rural Electric System Revenue Bonds Outstanding, 9-31-2013	$ 8,080,000
Interest and Sinking Fund (September 31, 2013)	$ 241,563
Reserve Fund (September 31, 2013)	$ 311,042

City of Bryan, Texas
Current Investments and Cash Deposits - Rural Electric
As of September 30, 2013 Table RER-6

As of September 30, 2013 the following percentages of BTU's Rural Electric investable funds were invested in the following investment categories.

Type of Investment	Book Value	Percentage
Demand Deposits	$ 12,306,271	80%
Agency Securities	3,000,187	20%
Totals	$ 15,306,458	100%

CITY OF BRYAN

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