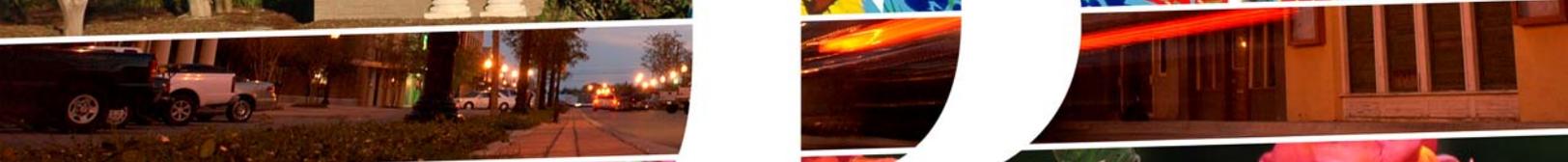


Comprehensive Annual FINANCIAL REPORT



Fiscal year ended September 30, 2008 *City of Bryan, Texas*



CITY OF BRYAN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2008**

Prepared by

**Fiscal Services Department
Charles Cryan, Chief Financial Officer**

CITY OF BRYAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2008

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CITY OF BRYAN
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THE CITY OF BRYAN

INTRODUCTORY
SECTION

CITY OF BRYAN, TEXAS



CITY OF BRYAN
"The Good Life, Texas Style."

March 25, 2009

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, 2008. 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. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

The Texas Local Government Code (§103.001) requires an annual audit of municipalities. The City has complied with this requirement, and the auditors' report has been included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has 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 any material misstatements.

Ingram, Wallis and Company P.C. has issued an unqualified opinion on the City of Bryan's financial statement for the year ended September 30, 2008. The independent auditors' report is located at the front of the financial section of this report.

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. 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 north 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 72,015.

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 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, enterprise funds and special revenue funds.

The City provides the full range of municipal services contemplated by statute or charter. This includes police, fire and emergency medical services, parks and recreational facilities, library services, street maintenance and construction, public improvements, general administrative services and 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.

CITY OF BRYAN, TEXAS

The City is also financially accountable for Bryan Commerce and Development which serves as an economic development entity for the City.

FACTORS AFFECTING FINANCIAL CONDITION

Bryan's economic outlook is positive. Bryan and neighboring College Station are Brazos County's and the surrounding seven-county region's economic center. Texas A&M University, with a student enrollment of more than 45,000 and roughly 12,000 full and part-time employees, ranks among the nation's largest individual campuses and dominates the Bryan-College Station area. 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. Employment opportunities also exist in the retail, professional service, and oil and gas industries. Historically, the Bryan-College Station area's unemployment rate has been the lowest in the state.

Major Initiatives

Construction of the Beck Street extension began in 2006 and will continue through 2009. The \$8 million project, first discussed more than 20 years ago, will allow easier travel for vehicles and pedestrians, while providing additional traffic options in the area of Jane Long Middle School and the Brazos County Industrial Park where it connects to Harvey Mitchell Parkway.

During FY 08 the City began purchasing tracts of land in Downtown in order to make larger tracts available for redevelopment. Additional streets, drainage and utility projects will continue for the next several years in the Downtown area. Meanwhile, building renovations continue to attract new businesses, residents and visitors to historic Downtown Bryan.

The Villa Maria underpass project, which allows Villa Maria Road to run beneath the Union Pacific Railroad tracks, was completed and the grand opening was held during FY 08. The Texas Department of Transportation project increases safety and allows free-flowing east/west traffic. This project is a major milestone, as it allows Bryan to provide emergency services support both east and west of what was once a major obstacle.

Texas A & M System chose a site on Bryan's west side as the location of a new health science center. The tax-exempt project is anticipated to include a biomedical research building and simulation center, a college of medicine, and potentially, a teaching hospital. Plans call for the Texas A & M System to spend \$130 million on construction at the site over the next five years. Construction of the first phase of the campus began during FY 08. The City granted Texas A&M a \$9 million land donation to draw the new health science campus to the City. Complementary private business is expected to emerge on City-owned property adjacent to the 200 acre campus.

Bryan Towne Center is a private-public partnership on the east side of Bryan. The Center is anchored by a Target store, which opened at the end of FY 08. That hub and the high quality of the development should help to bring additional retail development to the area.

Construction began on Fire Station 5 toward the end of 2007 and the station was staffed in February 2009. The station is on the west side of town and provides needed emergency services to that growing area of the City. The final 6 positions needed to staff the station and the new pumper truck were added in 2008.

CITY OF BRYAN, TEXAS

Long-term Financial Planning

The City developed and council approved a five year Capital Improvement Program (CIP). The planned issuance of approximately \$40 million in general obligation debt over the next five (5) years will finance completion of the justice center, provide for street improvements and extensions throughout the City, and provided for construction of fire station 5. The last 6 of the 18 fire fighters anticipated for the new station were included in the FY 2008 budget. The City's current general debt service is relatively flat over the next 13 years allowing for the City to issue debt based on growth outside of the various tax increment zones where capital commitments have been made. Future debt issues and operational expenses related to the new improvements will be funded with growth in revenues generated by increases in property valuations and improved efficiencies within City operations.

The water and wastewater systems will also continue their capital improvement programs with the issuance of approximately \$40 million in revenue bonds over the next five years. Replacement of under-sized and deteriorating water lines throughout the City, increasing the capacity of various water transmission lines from the well sites to pump stations, and a new water cooling tower are part of the planned water system improvements. An extensive program to eliminate infiltration and inflow (I & I) into the wastewater collection system, which began in 2006, is vital to maintaining acceptable flow levels at the existing treatment plants. Due to this program, it is likely construction of a new wastewater treatment plant will be delayed by two years, with planning and design beginning in 2009 and construction planned to begin in 2010. Water and sewer rates were increased for FY 2009. Rate increases will be necessary to fund the debt service associated with future system expansion and replacement.

The municipal electric system continued its transmission and distribution system expansion with the issuance of \$32,530,000 in revenue bonds for the City system and \$6,295,000 in revenue bonds for the Rural system in fiscal year 2008. A similar sized debt issue is anticipated for the City system in 2009.

Relevant Financial Policies

The City's fund balance/operating reserves position concept continues to be an important factor in policy decisions. The concept notes that the City will maintain an undesignated, unreserved fund balance in governmental funds (undesignated net assets in enterprise funds) to be used for unanticipated emergencies equal to 60 days of operating budget of all funds. For the debt service fund, only, the policy is to retain unreserved fund balance equal to 30 days of annual budget which is in line with arbitrage requirements of federal tax law. The funds available through this policy 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. Staff provides a quarterly report of investments for Council review. The City's investment practice is to buy securities and hold to maturity to avoid potential losses from a sale. During fiscal year 2008, the City complied with all aspects of the investment policy.

Awards and Acknowledgments

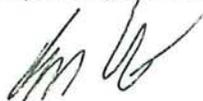
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bryan, Texas for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2007. In order to be awarded 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.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

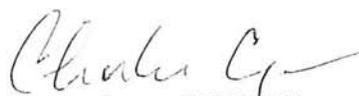
CITY OF BRYAN, TEXAS

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 whom this report would not be possible.

Respectfully submitted,



David Watkins
City Manager



Charles Cryan, CGFO 116
Chief Financial Officer

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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

PRINCIPAL OFFICIALS

GOVERNING BODY:

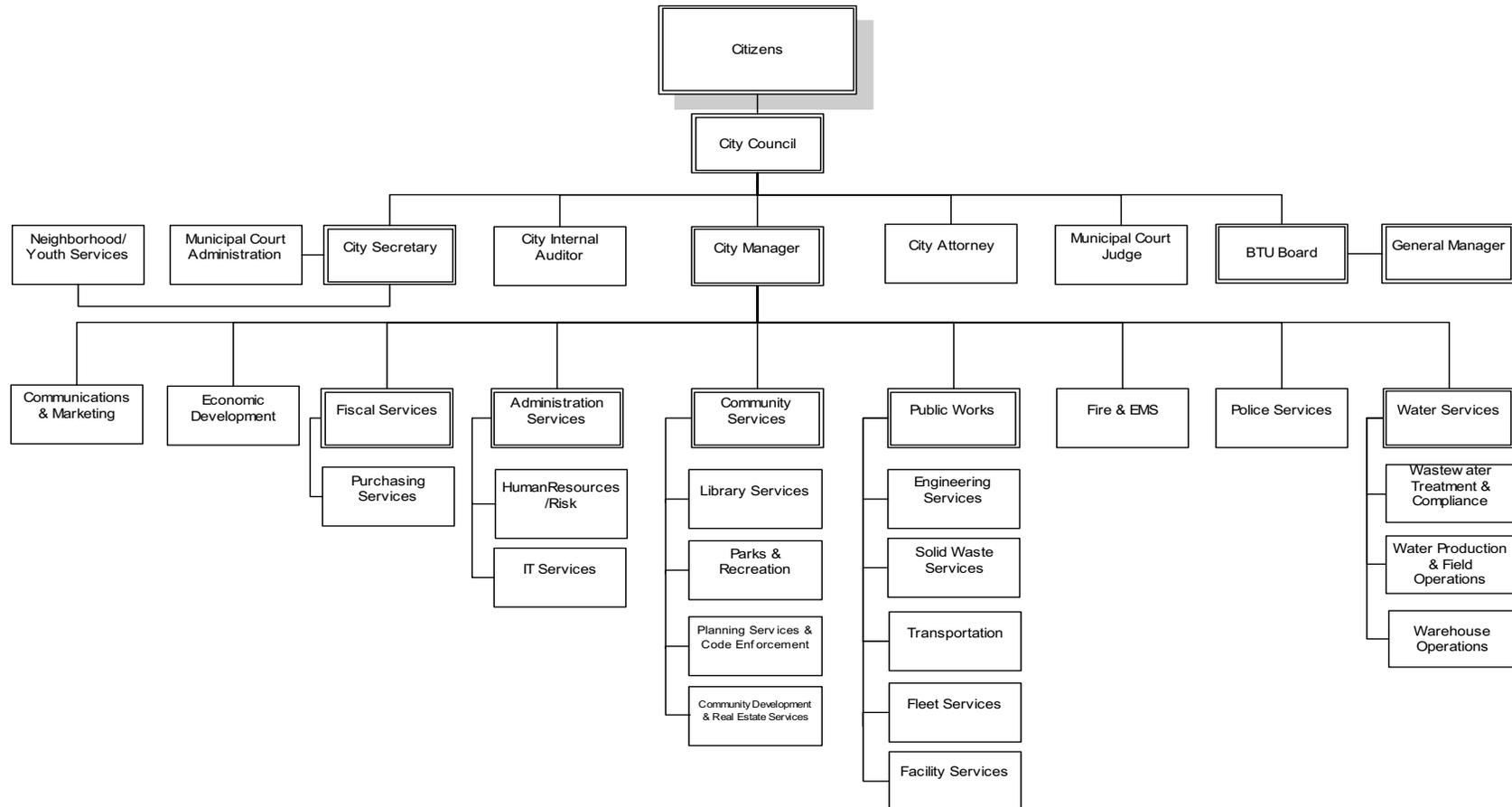
D. Mark Conlee	Mayor
Jason Bienski	Mayor Pro Tem
Al Saenz	City Council
Paul Madison, Sr.	City Council
Ann M. Horton	City Council
Ben Hardeman	City Council
Mike Southerland	City Council

OTHER PRINCIPAL OFFICIALS:

David Watkins	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
Charles Cryan	Chief Financial Officer
Dan Wilkerson	General Manager – Electric Utilities Services
Linda Huff	Public Works Director
Tyrone Morrow	Police Chief
Mike Donoho	Fire Chief



City of Bryan Organizational Chart





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THE CITY OF BRYAN

FINANCIAL
SECTION



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council of the
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 the City of Bryan, Texas (the "City"), as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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. which represents 100 percent of the assets, net assets and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bryan Business Council, Inc., is based 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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 as of September 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2009, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, schedule of funding progress – Texas Municipal Retirement System and budgetary comparison information on pages 3 through 15 and 73 through 75, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Bryan, Texas
March 24, 2009

Impron, Wallis & Company

CITY OF BRYAN, TEXAS
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2008
(Unaudited)

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, 2008. 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 \$445,029,920 (net assets)
- unrestricted net assets were \$87,598,178; these may be used to meet ongoing obligations to citizens and creditors
- total net assets increased by \$12,731,106
- governmental funds reported combined ending fund balances of \$40,252,484
 - a decrease of \$12,804,529 this reduction in net assets is due to the purchase of approximately \$4.7 million for land in the downtown redevelopment area; significant capital project activity that used approximately \$6.4 million of existing bond funds, and capital projects in various tax increment reinvestment zones
 - approximately 43.0% (\$17,313,534) is available for spending at the City's discretion (unreserved-undesignated fund balance)
- General Fund unreserved-undesignated fund balance was \$10,055,764 or 20.4% of total general fund expenditures
- Total debt increased by \$40,336,484 (18.0%)
 - \$11,090,000 in certificates of obligation were issued for street, fire station and other projects
 - \$38,825,000 in electric revenue bonds were issued, \$32,530,000 for the city portion of the electric utility and \$6,295,000 for the rural portion of the electric utility.
 - retired \$9,578,516 in outstanding debt

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 assets presents all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve, 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation 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-

CITY OF BRYAN, TEXAS
Management's Discussion and Analysis, continued
For the Fiscal Year Ended September 30, 2008
(Unaudited)

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 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 Utility 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.

The government-wide financial statements can be found on pages 18-20 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 maintains thirty-two (32) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds (2). Data from twelve (12) special revenue funds, nine (9) 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 22-25 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds, enterprise and internal service funds. The City's twelve (12) proprietary funds are used to report the same functions presented

CITY OF BRYAN, TEXAS
Management's Discussion and Analysis, continued
For the Fiscal Year Ended September 30, 2008
(Unaudited)

as business-type activities in the government-wide financial statements. The City uses eight (8) enterprise funds to account for its municipal electric, rural electric, water, wastewater, solid waste, qualified scheduling entity, 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 internal service funds to account for its warehouse operations, self insurance operations, employee benefits trust fund and equipment replacement fund. Because the services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 assets, the statement of revenues, expenses and changes in fund net assets, and the statement of cash flows for the municipal electric, rural electric, water and wastewater systems, all of which are considered major funds of the City. Data from four (4) 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 26-31 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 32 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-71 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 73-75 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 80-112 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Bryan, assets exceed liabilities by \$445,029,920 as of September 30, 2008.

The largest portion of the City's net assets \$290,236,232 or (65.2%) 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.

CITY OF BRYAN, TEXAS
Management's Discussion and Analysis, continued
For the Fiscal Year Ended September 30, 2008
(Unaudited)

City of Bryan's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 56,375,310	\$ 69,480,804	\$ 173,943,263	\$ 188,390,286	\$ 230,318,573	\$ 257,871,090
Capital assets	159,954,944	140,251,533	351,677,555	295,771,675	511,632,499	436,023,208
Total assets	<u>216,330,254</u>	<u>209,732,337</u>	<u>525,620,818</u>	<u>484,161,961</u>	<u>741,951,072</u>	<u>693,894,298</u>
Long-term liabilities outstanding	94,500,499	88,017,795	161,781,663	128,363,030	256,282,162	216,380,825
Other liabilities	14,016,008	13,647,661	26,622,982	31,566,998	40,638,990	45,214,659
Total liabilities	<u>108,516,507</u>	<u>101,665,456</u>	<u>188,404,645</u>	<u>159,930,028</u>	<u>296,921,152</u>	<u>261,595,484</u>
Net assets:						
Invested in capital assets, net						
of related debt	70,901,798	58,468,218	219,334,434	211,649,393	290,236,232	270,117,611
Restricted	23,344,871	27,981,851	43,850,639	51,830,123	67,195,510	79,811,974
Unrestricted	13,567,078	21,616,812	74,031,100	60,752,417	87,598,178	82,369,229
Total net assets	<u>\$ 107,813,747</u>	<u>\$ 108,066,881</u>	<u>\$ 337,216,173</u>	<u>\$ 324,231,933</u>	<u>\$ 445,029,920</u>	<u>\$ 432,298,814</u>

An additional portion of the City's net assets \$67,195,510 or (15.1%) represents resources that are subject to external restrictions on their usage. The remaining balance of unrestricted net assets, \$87,598,178 or (19.7%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Bryan was able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

All of the \$12,731,106 increase to \$445,029,920 in total net assets is due to increases in capital assets, retirement of debt, BVSWMA and unrestricted assets in the business-type activities. Governmental activities had a reduction of \$253,134 in net assets to \$107,813,747 which resulted from utilization of existing unrestricted assets for capital construction and acquisition of land for economic development from the general fund, various capital projects funds and special revenue funds. Business type activities increased net assets by \$12,984,240 to \$337,216,173.

The City's total unrestricted net assets increased by \$5,228,949 to \$87,598,178. The increase is due to the City's business type activities. All unrestricted net assets are available to fund future obligations of the City. Business-type activities increased unrestricted assets by \$13,278,683 to \$74,031,100. Governmental activities decreased unrestricted net assets by \$8,049,734 to \$13,567,078. The reduction is due primarily to utilization of existing assets for acquisition of land to be used for redevelopment in Bryan's downtown.

Governmental Activities. Total governmental activity revenues increased in FY 08 from FY 07 by \$2,472,996 or 4.6% to \$56,107,264. Retail activity increased in Bryan, as indicated by sales tax receipts that increased approximately \$1,041,215 or 7.7% to \$14,532,775 over the prior year. In addition to retail activity, ad valorem tax revenues increased by \$1,688,552 or 9.0% to \$20,514,234 from both new properties and increases in the value of existing properties. Fees, Fines and Charges for Services increased in FY 08 over FY 07 by \$1,009,051 or 33.2% to \$4,046,022. Net income for governmental funds was suppressed somewhat by investment earnings that were down in FY 08 by \$1,709,540 or -47.1% to \$1,919,790 due to a combination of reduction in cash available for investment and lower interest rates.

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Expenses for all governmental activities increased for FY 08 over FY 07 by approximately \$3,793,902 to \$61,981,365 in FY 08 from \$58,187,463 in FY 07. The City of Bryan's governmental financial net assets were reduced (see note 4 for physical assets of the governmental activities) by \$12,804,529 or 24.1%. The decrease is a result of decisions made by the Bryan City Council to acquire land (approximately \$4.7 million) for a downtown redevelopment project and capital project spending (approximately \$6.4 million) which depleted much of the earlier debt issuances for capital projects. The financial resources are no longer available, but there are assets such as roads, drainage facilities, parks and developable land that benefit the citizens.

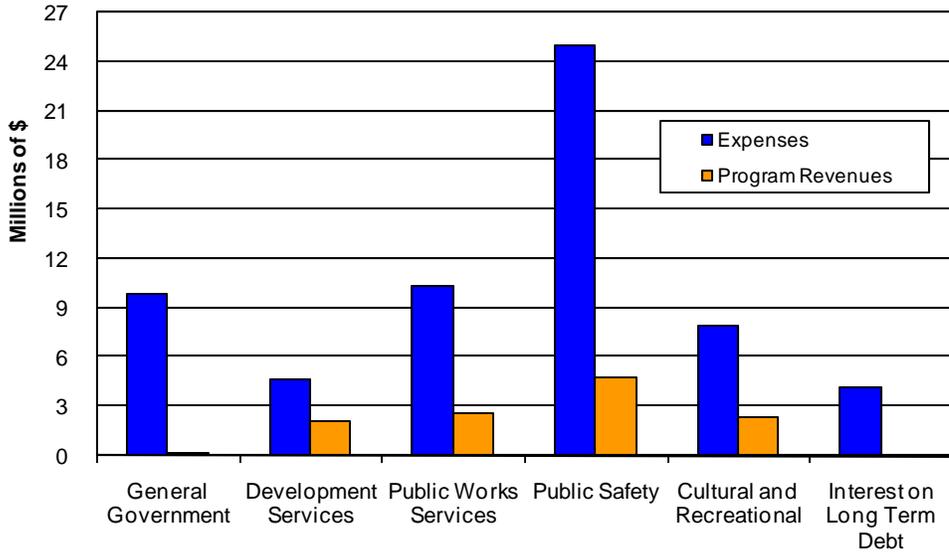
City of Bryan's Changes in Net Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:						
Program revenues:						
Charges for services	\$ 6,617,796	\$ 5,669,934	\$ 215,533,634	\$ 196,826,187	\$ 222,151,430	\$ 202,496,121
Operating grants and contributions	2,819,267	2,386,129	-	-	2,819,267	2,386,129
Capital grants and contributions	2,650,099	3,430,598	2,643,388	2,348,044	5,293,487	5,778,642
General revenues:						
Property taxes	20,494,898	18,859,376	-	-	20,494,898	18,859,376
Other taxes	17,084,408	15,901,893	-	-	17,084,408	15,901,893
Other	9,551,851	11,018,323	7,169,411	7,973,163	16,721,262	18,991,486
Total revenues	59,218,319	57,266,253	225,346,433	207,147,394	284,564,752	264,413,647
Expenses:						
General Government	9,816,634	9,236,358	-	-	9,816,634	9,236,358
Development Services	4,704,351	4,340,747	-	-	4,704,351	4,340,747
Public Works Services	10,336,466	10,511,166	-	-	10,336,466	10,511,166
Public Safety	25,001,597	22,022,243	-	-	25,001,597	22,022,243
Cultural and Recreational	7,915,398	8,015,013	-	-	7,915,398	8,015,013
Interest on long-term debt	4,206,919	4,061,936	-	-	4,206,919	4,061,936
City electric	-	-	151,358,522	135,258,317	151,358,522	135,258,317
Rural electric	-	-	27,632,138	23,150,766	27,632,138	23,150,766
Water	-	-	9,801,729	8,222,608	9,801,729	8,222,608
Wastewater	-	-	13,429,973	8,956,833	13,429,973	8,956,833
Other	-	-	7,629,919	15,886,390	7,629,919	15,886,390
Total expenses	61,981,365	58,187,463	209,852,281	191,474,914	271,833,646	249,662,377
Increase (decrease) in net assets before transfers	(2,763,046)	(921,210)	15,494,152	15,672,480	12,731,106	14,751,270
Transfers	2,509,912	(713,707)	(2,509,912)	713,707	-	-
Increase (decrease) in net assets	(253,134)	(1,634,917)	12,984,240	16,386,187	12,731,106	14,751,270
Net assets - October 1	108,066,881	109,701,798	324,231,933	307,845,746	432,298,814	417,547,544
Net assets - September 30	\$ 107,813,747	\$ 108,066,881	\$ 337,216,173	\$ 324,231,933	\$ 445,029,920	\$ 432,298,814

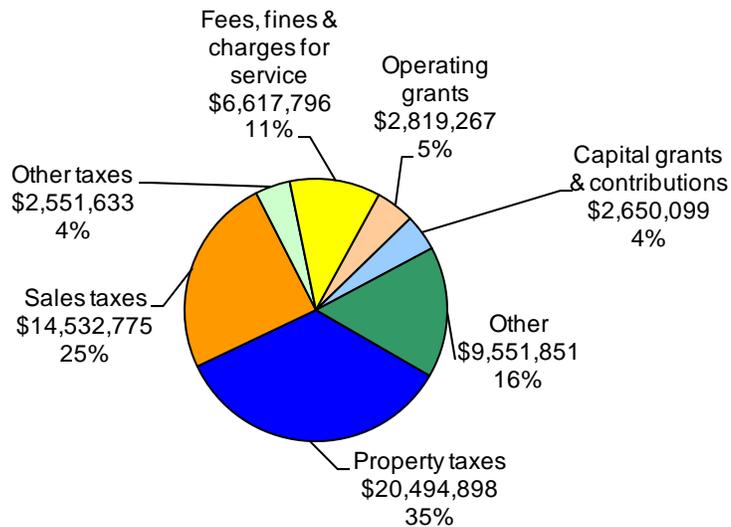
Governmental activity spending increases occurred in a number of functions. Public Safety (Police, Municipal Court, Fire and emergency medical services and emergency management) had the largest single increase \$2,979,354 or 13.5% to \$25,001,597. Additional expenses resulted from including municipal court in the public safety category for the first time in FY 08, salary and benefit increases in both police and fire services and the third year of additional staffing (six positions) for Fire Station 5. General Government and Administration (City Manager and executives, City Secretary, Council, City Attorney, Internal Auditor, Finance, Purchasing, Communications and Marketing, Information Technology, and Human Resources) expenses increased by \$580,276 or 6.3%. Increased spending was due to the addition of two new divisions (real estate services and communications and marketing) and a change in methodology in dealing with salaries in fleet and facility services. Capital outlay in the General Fund increased by \$1,188,706 to \$2,745,433 or 76.4%. Capital projects spending for the various tax increment reinvestment zones and general government capital projects totaled \$22,404,487 in FY 08 compared to FY 07, a reduction of \$2,763,199 or -11.3%. The reduction in spending resulted from the completion or near completion of some major projects in FY 07, such as the Justice Center. Also, large portions of older debt were expended for projects that had been delayed.

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Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



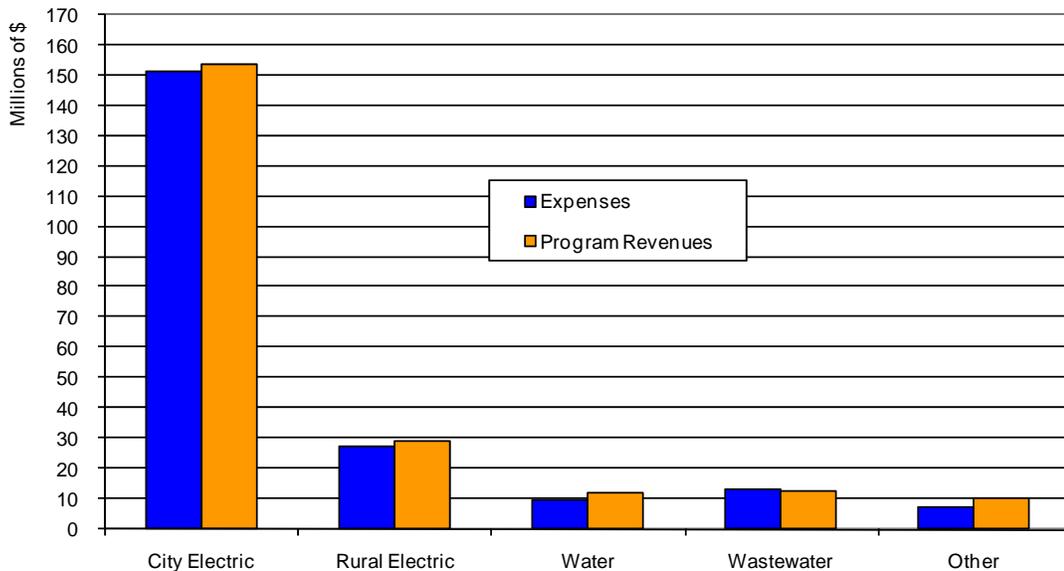
Business-type Activities. Business-type activities increased the City of Bryan's net assets by \$12,984,240 or 4.0% to \$337,216,173. It should be noted that the Electric Fund, Rural Electric Fund and BTU QSE Fund are included for information purposes and that the data is supplied by Bryan Texas Utilities management who is responsible for the accuracy of the data. Similarly, information related to the Brazos Valley Solid Waste Management Agency is provided by the City of College Station who is

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responsible for the accuracy of the data and for providing audited information. Key elements of the increase are as follows:

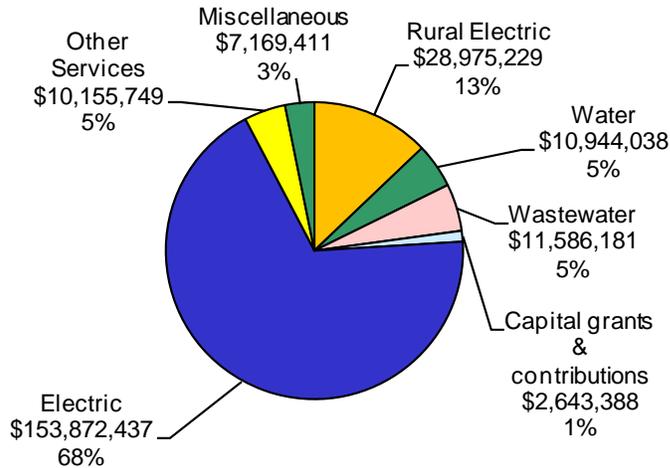
- Charges for services for business-type activities increased by \$18,707,447 or 9.5% to \$215,533,634, due to increases in fuel costs for electricity generation, increased sales of water and increased tonnage accepted at the landfill. Combined electric sales generated \$16,794,974 or 10.1% more revenue than in FY 07. The electric systems generated net income of \$2,782,654 as customer rates were established to maintain adequate debt service ratios and to allow for capital improvements to the distribution systems to be made from current earnings.
- Water system revenues increased with more normal weather in 2008 after a cool, wet year in 2007. Revenues increased by \$1,558,499 or 16.6% to \$10,944,038. An increase in net assets of \$2,092,826 was due in part to \$1,211,491 in contributed capital assets and reduced expenses for operations. Investment earnings were less than half of FY 07 and decreased by \$527,386 to \$499,508.
- Net assets of the Wastewater system at year end were reduced by \$1,171,098 or 2.4% over year end 2007. Contributed capital from developers of \$1,200,723 and operating gains were offset by recognition of the abandonment of certain assets that had been taken out of service. Wastewater service revenues which are not as dependent on weather conditions as water revenues, increased by \$228,783 or 2.0% from FY 07. Expenses were \$5,896,982, an increase from FY 07 of \$584,378 or 11.0%.

Expenses and Program Revenues - Business-type Activities



CITY OF BRYAN, TEXAS
 Management's Discussion and Analysis, continued
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Revenues by Source - Business-type Activities



Financial Analysis of the City's Funds

As earlier noted, 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.

The general fund is the primary governmental fund of the City of Bryan. The fund balance of the general fund decreased by \$5,076,502 during FY 08, compared to a decrease of \$4,774,237 in FY 07. The reduction was due to spending of reserved and dedicated fund balance for acquisition of land in downtown Bryan for redevelopment. Revenues of the fund increased \$2,667,313, while expenditures and transfers out increased \$4,068,931. Transfers in and out of the fund netted \$4,133,332 to offset operating expenditures. Key factors in both areas are as follows:

- Property tax revenues increased by \$1,377,032 or 10.6% to \$14,313,161 due to the 9.5% growth in the tax base and a shift between debt service and general fund.
- Sales tax revenue contributed an increase of \$1,041,215 or 7.7% to \$14,532,775 as retail activity continued to increase in FY 08.
- Franchise fees grew by \$91,882 or 4.8% in FY 08 from FY 07 due to increased customers.
- Charges for services increased \$1,009,051 or 33.2% to \$4,046,022. The majority of the increase is attributable to ambulance fees with an increase of approximately \$822,737, donations and sponsorships (Texas Reds) \$48,090, and golf fees which were up by approximately \$89,104.
- Expenditures totaling \$49,383,321 in the general fund were 17.2% (\$7,246,992) higher than FY 07. The increase is due in large part to greater spending for public safety of \$3,904,484, general government and administration of \$1,739,017, capital outlay of \$1,188,706 and public works services of \$995,137.

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- Transfers out decreased by \$3,178,061. In FY 07, funds were transferred to Bryan Commerce and Development to purchase land which was then granted to the Texas A&M University System for the Health Science Center. This reduced the funds available in FY 08, although the City of Bryan's focus continued to be on economic development. The FY 08 transfers are for downtown land acquisition and redevelopment.

The Debt Service fund ended the fiscal year with a total fund balance of \$1,194,757, all of which is reserved for the payment of debt principal and interest. The net increase in fund balance during FY 08 was \$317,246 or 36.1%. Tax revenues in the Debt Service fund decreased by \$60,187 or 1.2% to \$5,051,585 due to a reduction in the portion of the tax rate assigned to debt service. Interest earnings decreased by \$57,501 or 25.8% to \$165,433 due to reductions in interest rates. Debt service payments from the fund totaled \$7,186,588. The additional debt service is supported by transfers from TIRZ 8 and TIRZ 10 as well as the general fund in the amount of \$2,286,816.

The other governmental funds include the special revenue funds, capital project funds, and permanent funds. The total fund balance in the special revenue funds increased in FY 08 over FY 07 by \$175,079 to \$12,939,106. More discussion regarding these funds appears later in this discussion and analysis.

- The most significant source of the decrease is increased spending on capital projects both in the capital projects funds and the various tax increment reinvestment zones.
- The Community Development Fund provides programs and services to low and moderate income persons. The most significant expense is the \$1,360,544 spent on the various programs funded by grant funds. Community Development also remitted \$251,618 to the U.S. Department of Housing and Urban Development to repay a Section 108 loan with funds received in FY 08.
- The street improvements fund spent \$1,354,535 less than was brought in during FY 08 for residential street renovations. The fund balance was \$4,280,159. Total expenditures of the fund were \$2,056,801.
- The drainage improvements fund brought in \$132,436 more than was spent on drainage projects. Ending fund balance was \$2,302,011. The fund balance will be used for future drainage improvement projects.

Capital Projects Funds. The total expenditures from capital projects funds were \$15,253,151 reducing net capital project funding available by \$8,317,432. The net fund balance in the capital project funds included the issuance of \$11,090,000 from certificates of obligation plus investment earnings for a balance of \$12,175,196. A recap of the major capital projects underway during 2008 is included later in this discussion.

Permanent Funds. No significant expenditures were made from the permanent funds during FY 08. The fund balance for the various funds increased by a net of \$97,080 to \$1,600,680 primarily due to contributions to the cemetery fund and investment earnings.

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

Net assets of the city electric system increased \$1,200,334. Operating revenues increased by \$12,831,056 or 9.1% to \$154,535,438 which can be attributed to more normal weather conditions and higher fuel costs. The utility utilized \$13,327,081 from the system's rate stabilization restricted net assets. Unrestricted net assets of the electric system at the end of the year amounted to \$41,641,020, an increase of \$10,455,640 or 33.5%.

Net assets of the rural electric system at the end of the year amounted to \$37,859,926, an increase of \$1,582,320 or 4.4%. Both revenues and expenses were up in FY 08 versus FY 07 due to more normal

CITY OF BRYAN, TEXAS
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weather conditions and continued customer growth. Revenues were up \$3,983,602 or 15.9% to \$28,975,229. Operating expenses were up \$4,228,692 or 19.3% to \$26,118,134.

Net assets of the water system increased by \$2,092,826 or 5.2% to \$42,525,868. Weather conditions in FY 08 were more normal than in FY 07 affecting water sales and revenues. Both revenues and expenses were up in FY 08 versus FY 07. Revenues were up \$1,558,499 or 16.6% to \$10,944,038. Operating expenses were up \$1,206,858 or 25.3% to \$5,979,829.

Net assets of the wastewater system were down in FY08 versus FY 07 by \$1,171,098 or 2.4% to \$47,092,248. The reduction in net assets resulted from removing approximately \$3 million of lines and other facilities no longer in service. Revenues and expenses of wastewater systems are not affected as much by weather as certain other utility services. Revenues were slightly up for the wastewater system in FY 08 from FY 07 by \$228,783 or 2.0% to \$11,586,181. Operating expenses were up by \$584,378 or 11.0% to \$5,896,982.

General Fund Budgetary Highlights

Total general fund revenues increased to \$40,066,763 and were \$2,667,313 or 7.1% higher than in FY 07. Budget estimates exceeded actual revenues by \$5,199. A number of significant budgetary variances are notable. Actual sales taxes received for FY 08 were \$14,532,775 and were below the budget estimate by \$661,546 or 4.4%. Total ad valorem taxes received in FY 08 were \$14,313,161 and were less than the budget estimate by \$102,981 or 0.7%. Franchise taxes were \$214,572 or 11.9% over budget due to a change in the rate for natural gas franchise and higher than anticipated payments for cable television. Federal grants are not typically anticipated in the budget since grant approvals usually occur after the fiscal year begins, therefore they exceeded budget by \$197,067. Fines and court charges of \$1,911,324 were \$129,637 or 7.3% above the budget estimate despite a reduction in the number of tickets processed. Charges for services increased approximately \$637,422 or 18.7% over budget to \$4,046,022. Recreation accounted for a large portion with revenues exceeding budget in several areas. Golf fees totaling \$871,176 exceeded budget by \$103,876 or 13.5%. Donations/Sponsorships and Special event concessions exceeded budget estimates by \$77,743 and \$62,265 respectively. Ambulance collections came in at \$401,616 above budget estimates due to both increased ambulance calls and increases in fees adopted in September 2007. Investment yields were lower than anticipated due to reduced cash available for investments and lower market driven interest rates throughout the year.

The final amended budget General Fund expenditures exceeded the original budget by \$2,071,796 or 4.3%. A number of organizational changes and new initiatives began during FY 08. Most departments ended the year below their final appropriation amount. Actual expenditures for operations were approximately \$601,233 less than amended appropriations. The largest budget increase was for the newly created fleet replacement fund of \$1,334,206. Other significant budget increases that occurred in the operating portion of the General Fund were due to encumbrances in the Fire department of \$1,229,076 for a pumper truck for Station 5 (\$505,029), an emergency command vehicle (\$621,072) and an urban command vehicle (\$102,975). Only two departments exceeded their budget appropriations for FY 08, police and parks. Police exceeded its appropriation by approximately \$126,000 or 0.8%. The over expenditure is due to overtime related to the two storm events at year end, \$30,843; increased fuel costs exceeding budget by \$41,749; vehicle maintenance exceeding budget by \$29,647; electric utility expense exceeding budget by \$11,681; and communications costs that exceeded budget by \$12,144. The Parks Department's expenditures exceeded budget due in part to Texas Reds and in part to its heaviest workload falling in the last 4 months of the fiscal year. With so much of its workload and related expenditures occurring at the end of the fiscal year it is difficult to adjust spending or locate additional resources to offset cost overruns in a timely manner.

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Management's Discussion and Analysis, continued
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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, 2008 amounts to \$511,632,499 (net of accumulated depreciation), an increase of \$75,609,291 or 17.3%. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, street and drainage systems, and construction in progress.

Major capital events during the 2008 fiscal year included the following:

- Justice Center - \$6,164,976
- Bryan Town Center - \$3,541,688
- Beck Street Extension - \$1,339,436
- Traditions – \$2,232,613
- Downtown Rehab Phase 2 - \$1,916,024
- Fire Station 5 - \$1,695,528
- Nash Street – \$1,047,262
- Wellborn Road Pavement - \$844,503

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 10,736,346	\$ 10,735,833	\$ 14,354,621	\$ 8,964,329	\$ 25,090,967	\$ 19,700,162
Buildings	9,738,487	10,239,101	1,667,880	1,787,728	11,406,367	12,026,829
Equipment	11,289,951	10,069,374	4,191,661	3,806,698	15,481,612	13,876,072
Improvements	15,804,320	16,835,217	295,833,375	261,804,917	311,637,695	278,640,134
Infrastructure	65,745,720	63,925,053	-	-	65,745,720	63,925,053
Construction in Progress	46,640,120	28,446,955	35,630,018	19,408,003	82,270,138	47,854,958
Total	\$ 159,954,944	\$ 140,251,533	\$ 351,677,555	\$ 295,771,675	\$ 511,632,499	\$ 436,023,208

Additional information on the City's capital assets can be found in Note 4 to the financial statements on pages 44-45 of this report.

Long-term Debt. At the end of fiscal year 2008, the City of Bryan had total debt outstanding of \$264,758,940. Of this amount, \$98,368,941 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt is secured by specified revenue sources (i.e., revenue bonds).

CITY OF BRYAN, TEXAS
Management's Discussion and Analysis, continued
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**Outstanding Debt at Year End
Bonds and Notes Payable**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 19,652,088	\$ 20,084,754	\$ 17,912	\$ 35,247	\$ 19,670,000	\$ 20,120,001
Revenue bonds	-	-	166,390,000	133,015,000	166,390,000	133,015,000
Certificates of obligation	74,105,782	65,963,750	39,218	41,250	74,145,000	66,005,000
Notes	2,650,000	2,945,000	1,903,941	2,337,456	4,553,941	5,282,456
Total	\$ 96,407,870	\$ 88,993,504	\$ 168,351,071	\$ 135,428,953	\$ 264,758,941	\$ 224,422,457

During FY 08, the City's total debt increased by \$40,336,484 (18.0%). The City retired \$9,578,516 in outstanding principal and issued certificates of obligation in the amount of \$11,090,000. The City's electric and rural electric systems issued revenue bonds in the amounts of \$32,530,000 and \$6,295,000 respectively.

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

	Moody's <u>Investors Service</u>	Standard & Poor's
General Obligation Bonds	Aa3	AA
Certificates of Obligation	Aa3	AA
Revenue Bonds	A1	A

Additional information on the City's long-term debt can be found in Note 5 to the financial statements on pages 46-51 of this report.

Economic Factors and Next Year's Budgets and Rates

Continued growth in the area has allowed the City to maintain the 2008 property tax rate. Water and wastewater rates were increased in October 2008. Certified assessed property valuations increased 7.5% over the preceding year, resulting in increased property tax revenue of approximately \$1.7 million. General property taxes comprise approximately 26.4% of general fund estimated revenues and transfers in. Sales tax revenue was budgeted to increase 6.0% over the final 2008 estimate. Sales taxes in FY 08 came in below the budget estimate and sales tax receipts for the first three months of FY 09 are 6.6% higher than the same period in 2008. The 2008 general fund estimated revenues and transfers in are anticipated to increase by \$6,384,466 (12.5%) over the 2008 adopted budget. Local economic indicators point toward continued moderate growth. Throughout 2008, retail sales, automobile sales, home values and airline boardings increased in the Bryan-College Station area. The City is taking a cautiously optimistic view of the local economy in spite of the fact that the national and the Texas economies have shown signs of distress.

As a result of the anticipated increases in revenue, the City has included a 4% increase in budgeted payroll expenditures in the fiscal year 2009 budget. A net of 34.5 positions are added in the FY 09 budget. Some positions were created during FY 08 and recognized for the first time in the FY 09 budget. New positions for FY 09 include two in municipal court, eleven in police, one in fire, nine in transportation and drainage, two in communications and marketing and 9.5 in risk management. Total general fund expenditures and transfers out are budgeted to increase 13.0% in FY 09 over the FY 08 adopted budget.

CITY OF BRYAN, TEXAS
Management's Discussion and Analysis, continued
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The Water Fund has budgeted decreased operating expenditures in FY 09 over FY 08 of \$168,722 to \$4,965,368. Non-operating expenditures and transfers are projected to increase by \$1,170,164 from the FY 08 budget to \$6,923,844. Increases are due to spending on additional capital from current resources, increased rights-of-way payments to the General Fund, equipment replacement transfers, and general and administrative transfers. Revenues were estimated to be above the FY 08 budget amount by \$157,370 or 1.5% to \$10,424,330 based on increased sales. A rate increase was included for FY 09, but not anticipated in the budget since no council action had taken place. Actual revenues for FY 08 exceeded the budget estimate for FY 09. Unrestricted net assets of the fund were \$8,150,867 at the end of FY 08 and exceed the City's policy of 60 days of expenditures.

The Wastewater Fund has budgeted an increase in revenue of approximately \$5,460 or 0.05% to \$11,340,000. A new Wastewater rate had not been approved by Council at the time the budget was adopted; therefore it was not included in the revenue estimate. The Wastewater Fund continues to have a strong unrestricted net asset balance of \$11,667,316. That balance may be used to help the department fund capital requirements or other needs of the system without affecting rates. The unrestricted net asset balance exceeds the 60 day policy of the City for the fund. Operating expenditures in the fund are \$5,276,440 which is \$222,424 less than the FY 08 budget. Non-operating expenditures and transfers are projected to increase by \$929,218 or 16.9% to \$6,429,978. The increases are due to increases in spending on capital items from current resources, rights-of-way payments, and general and administrative transfers.

The Solid Waste Fund did not increase fees for FY 09. The projected revenues for the fund are \$7,630,040 and are slightly below the actual revenue received in FY 08. Budgeted operating expenditures are projected to be \$5,728,492, up by approximately \$138,708 or 2.5% from FY 08. Non-operating expenditures and transfers are projected to be \$3,296,590 up by \$1,513,499 from the FY 08 budget. The increase is due to equipment replacement transfers, rights-of-way payments and general and administrative transfers. The fund ended FY 08 with \$3,436,104 in unrestricted net assets. Those resources exceed the fund balance policy of 60 days.

Overall revenues for the electric system, as a whole, are projected to increase to \$179,827,044 an increase of \$32,440,217 or 22.0% in FY 09 from FY 08. The increase is due to passing higher fuel costs along to customers. The system anticipates moderate growth in sales from new customer growth. The fund ended FY 08 with unrestricted net assets of \$41,641,020 which exceeds the City's policy of 60 days of annual expenditures.

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, Attn: Chief Finance Officer, P.O. Box 1000, Bryan, Texas 77805-1000.



CITY OF BRYAN
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THE CITY OF BRYAN

FINANCIAL
STATEMENTS



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CITY OF BRYAN, TEXAS
Statement of Net Assets
As of September 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 32,958,253	\$ 24,582,425	\$ 57,540,678	\$ 521,677
Investments	20,721,778	7,936,399	28,658,177	-
Receivables:				
Accounts	3,812,283	22,332,950	26,145,233	1,608
Less allowance for uncollectible	(1,484,242)	(1,571,286)	(3,055,528)	-
Property taxes	1,201,800	-	1,201,800	-
Less allowance for uncollectible	(873,721)	-	(873,721)	-
Sales taxes	2,537,855	-	2,537,855	-
Assessments	124,147	-	124,147	-
Grants	135,698	122,831	258,529	-
Interest	228,937	286,754	515,691	-
Notes	58,412	-	58,412	441,000
Internal balances	(4,481,725)	4,481,725	-	-
Inventories	189,337	6,981,901	7,171,238	-
Unrecovered fuel cost	-	14,266,543	14,266,543	-
Prepaid purchased power option	-	12,950,000	12,950,000	-
Prepaid and other assets	20,300	213,140	233,440	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	55,091,652	55,091,652	-
Investments	-	13,019,158	13,019,158	-
Permanently restricted:				
Investments	633,838	-	633,838	-
Total current assets	<u>55,782,950</u>	<u>160,694,192</u>	<u>216,477,142</u>	<u>964,285</u>
Noncurrent assets:				
Unamortized bond issuance expense	592,360	1,752,885	2,345,245	-
Restricted assets:				
Investment in BVSWMA	-	11,496,186	11,496,186	-
Capital assets:				
Land	10,736,346	14,354,621	25,090,967	2,427,601
Buildings	19,928,679	2,575,756	22,504,435	194,499
Improvements other than buildings	29,839,774	470,582,861	500,422,635	119,512
Machinery and equipment	24,086,217	12,036,598	36,122,815	-
Infrastructure	116,790,850	-	116,790,850	-
Construction in progress	46,640,120	35,630,018	82,270,138	-
Less accumulated depreciation	(88,067,042)	(183,502,299)	(271,569,341)	(774,082)
Total capital assets	<u>159,954,944</u>	<u>351,677,555</u>	<u>511,632,499</u>	<u>1,967,530</u>
Total noncurrent assets	<u>160,547,304</u>	<u>364,926,626</u>	<u>525,473,930</u>	<u>1,967,530</u>
Total assets	<u>\$ 216,330,254</u>	<u>\$ 525,620,818</u>	<u>\$ 741,951,072</u>	<u>\$ 2,931,815</u>

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 2,743,907	\$ 11,167,480	\$ 13,911,387	\$ 1,995
Accrued liabilities and retainage	2,626,643	615,233	3,241,876	-
Claims	1,382,089	-	1,382,089	-
Accrued vacation and sick pay	2,127,445	588,453	2,715,898	-
Unearned revenue	-	637,744	637,744	-
Accrued interest	557,421	1,513	558,934	-
General obligation bonds	612,088	17,912	630,000	-
Certificates of obligation	3,492,969	2,031	3,495,000	-
Notes	330,000	1,898,974	2,228,974	47,194
Payable from restricted assets:				
Accounts payable	-	137,700	137,700	-
Accrued liabilities	-	398,792	398,792	-
Accrued interest	-	1,567,929	1,567,929	-
Revenue bonds	-	6,345,000	6,345,000	-
Customer deposits	143,446	3,244,221	3,387,667	-
Total current liabilities	14,016,008	26,622,982	40,638,990	49,189
Noncurrent liabilities:				
General obligation bonds	19,040,000	-	19,040,000	-
Certificates of obligation	70,612,813	37,187	70,650,000	-
Revenue bonds	-	160,045,000	160,045,000	-
Unamortized bond premiums (discounts) and deferred amount on refunding	(949,395)	137,570	(811,825)	-
Arbitrage rebate	-	100,280	100,280	-
Notes	2,320,000	4,967	2,324,967	138,162
Claims	555,183	-	555,183	-
Accrued liabilities	-	20,183	20,183	-
Accrued vacation and sick pay	2,898,411	346,827	3,245,238	-
Unearned revenue	23,487	1,089,649	1,113,136	-
Total noncurrent liabilities	94,500,499	161,781,663	256,282,162	138,162
Total liabilities	108,516,507	188,404,645	296,921,152	187,351
<u>Net Assets</u>				
Invested in capital assets, net of related debt	70,901,798	219,334,434	290,236,232	1,782,174
Restricted for:				
BVSWMA	-	11,496,186	11,496,186	-
Debt retirement	-	3,977,413	3,977,413	-
Debt service	637,336	1,498,758	2,136,094	-
Perpetual care:				
Expendable	963,342	-	963,342	-
Nonexpendable	633,838	-	633,838	-
Rate stabilization	-	20,541,787	20,541,787	-
Rate litigation	-	6,336,495	6,336,495	-
Other purposes	21,110,355	-	21,110,355	-
Unrestricted	13,567,078	74,031,100	87,598,178	962,290
Total net assets	\$ 107,813,747	\$ 337,216,173	\$ 445,029,920	\$ 2,744,464

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, 2008

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets			Component Unit Bryan Business Council, Inc.
		Fees, Fines and Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government and administration	\$ 9,816,634	\$ 143,601	\$ 33,187	\$ -	\$ (9,639,846)	\$ -	\$ (9,639,846)	\$ -
Development services	4,704,351	614,615	1,519,050	-	(2,570,686)	-	(2,570,686)	-
Public works services	10,336,466	-	-	2,650,099	(7,686,367)	-	(7,686,367)	-
Public safety	25,001,597	4,394,972	337,874	-	(20,268,751)	-	(20,268,751)	-
Cultural and recreational	7,915,398	1,464,608	929,156	-	(5,521,634)	-	(5,521,634)	-
Interest on long-term debt	4,206,919	-	-	-	(4,206,919)	-	(4,206,919)	-
Total governmental activities	61,981,365	6,617,796	2,819,267	2,650,099	(49,894,203)	-	(49,894,203)	-
Business-type activities:								
Electric	151,358,522	153,872,437	-	-	-	2,513,915	2,513,915	-
Rural electric	27,632,138	28,975,229	-	-	-	1,343,091	1,343,091	-
Water	9,801,729	10,944,038	-	1,442,665	-	2,584,974	2,584,974	-
Wastewater	13,429,973	11,586,181	-	1,200,723	-	(643,069)	(643,069)	-
Other	7,629,919	10,155,749	-	-	-	2,525,830	2,525,830	-
Total business-type activities	209,852,281	215,533,634	-	2,643,388	-	8,324,741	8,324,741	-
Total primary government	271,833,646	222,151,430	2,819,267	5,293,487	(49,894,203)	8,324,741	(41,569,462)	-
Component unit:								
Bryan Business Council, Inc.	\$ 269,283	\$ -	\$ 273,397	\$ -	-	-	-	4,114
General revenues:								
Property taxes					20,494,898	-	20,494,898	-
Sales taxes					14,532,775	-	14,532,775	-
Franchise taxes					2,012,872	-	2,012,872	-
Alcoholic beverage taxes					64,994	-	64,994	-
Bingo taxes					183,580	-	183,580	-
Hotel occupancy taxes					290,187	-	290,187	-
Transportation and drainage assessments					4,133,458	-	4,133,458	-
Unrestricted investment earnings					2,379,105	6,761,997	9,141,102	97,685
Miscellaneous					3,039,288	407,414	3,446,702	-
Transfers (net)					2,509,912	(2,509,912)	-	-
Total general revenues and transfers					49,641,069	4,659,499	54,300,568	97,685
Change in net assets					(253,134)	12,984,240	12,731,106	101,799
Net assets, October 1, 2007					108,066,881	324,231,933	432,298,814	2,642,665
Net assets, September 30, 2008					\$ 107,813,747	\$ 337,216,173	\$ 445,029,920	\$ 2,744,464

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



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CITY OF BRYAN, TEXAS
 Balance Sheet
 Governmental Funds
 As of September 30, 2008

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 6,507,462	\$ 708,941	\$ 17,356,962	\$ 24,573,365
Investments	4,208,857	460,006	11,262,320	15,931,183
Receivables:				
Accounts	2,842,553	-	911,357	3,753,910
Less allowance for uncollectible	(1,352,463)	-	(131,779)	(1,484,242)
Property taxes	900,865	300,935	-	1,201,800
Less allowance for uncollectible	(641,964)	(231,757)	-	(873,721)
Sales taxes	2,537,855	-	-	2,537,855
Assessments	124,147	-	-	124,147
Grants	86,970	-	48,728	135,698
Interest	45,489	4,922	120,491	170,902
Notes	38,155	-	20,257	58,412
Due from other funds	84,979	11	137,023	222,013
Prepaid and other assets	19,486	-	-	19,486
Total assets	<u>\$ 15,402,391</u>	<u>\$ 1,243,058</u>	<u>\$ 29,725,359</u>	<u>\$ 46,370,808</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 1,240,554	\$ -	\$ 1,247,859	\$ 2,488,413
Accrued liabilities	1,241,952	-	17,832	1,259,784
Retainage payable	-	-	1,282,838	1,282,838
Due to other funds	119,795	-	438,361	558,156
Customer deposits	143,446	-	-	143,446
Deferred revenue	313,899	48,301	23,487	385,687
Total liabilities	<u>3,059,646</u>	<u>48,301</u>	<u>3,010,377</u>	<u>6,118,324</u>
Fund balances:				
Reserved for:				
Encumbrances	1,058,045	-	9,486,889	10,544,934
Noncurrent notes receivable	38,155	-	-	38,155
Police activities	21,677	-	-	21,677
Court activities	325,271	-	296,899	622,170
Record preservation	37,369	-	-	37,369
Debt service	-	1,194,757	-	1,194,757
Capital improvements	-	-	9,846,050	9,846,050
Perpetual care	-	-	633,838	633,838
Unreserved - designated, reported in:				
General fund	806,464	-	-	806,464
Unreserved - undesignated, reported in:				
General fund	10,055,764	-	-	10,055,764
Special revenue funds	-	-	7,122,854	7,122,854
Permanent funds	-	-	963,342	963,342
Unreserved - undesignated (deficit), reported in:				
Special revenue funds	-	-	(957,906)	(957,906)
Capital project funds	-	-	(676,984)	(676,984)
Total fund balances	<u>12,342,745</u>	<u>1,194,757</u>	<u>26,714,982</u>	<u>40,252,484</u>
Total liabilities and fund balances	<u>\$ 15,402,391</u>	<u>\$ 1,243,058</u>	<u>\$ 29,725,359</u>	<u>\$ 46,370,808</u>

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 Assets
As of September 30, 2008

Total fund balances - governmental funds		\$ 40,252,484
Amounts reported for governmental activities in the statement of net assets 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 \$111,934.)		309,173,542
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		362,200
Internal service funds are used by management to charge the costs of risk management, employee health insurance benefits, central warehousing and vehicle replacement 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 assets. (Net of amount allocated to business-type activities of \$4,268,355 and net capital assets in the amount of \$111,934.)		7,644,745
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.		(612,088)
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	\$ 74,105,782	
Certificates of obligation payable	330,000	
Notes payable	555,183	
Deferred charges on debt	-	
Accrued vacation and sick leave (Net of internal service fund liability in the amount of \$48,766)	<u>(25,279)</u>	<u>(74,965,686)</u>
Net assets of governmental activities		<u><u>\$ 281,855,197</u></u>

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, 2008

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 14,313,161	\$ 5,051,585	\$ 1,149,288	\$ 20,514,034
Sales taxes	14,532,775	-	-	14,532,775
Franchise taxes	2,012,872	-	-	2,012,872
Alcoholic beverage taxes	64,994	-	-	64,994
Bingo taxes	183,580	-	-	183,580
Hotel occupancy taxes	-	-	290,187	290,187
Transportation and drainage assessments	-	-	4,133,458	4,133,458
Charges for services	4,046,022	-	-	4,046,022
Fines and court charges	1,911,324	-	45,835	1,957,159
Licenses and permits	614,615	-	-	614,615
Grants	1,322,338	-	1,496,929	2,819,267
Investment earnings	571,557	165,433	1,182,800	1,919,790
Oil and gas royalties	-	-	160,241	160,241
Other	493,525	-	2,364,745	2,858,270
Total revenues	40,066,763	5,217,018	10,823,483	56,107,264
Expenditures:				
Current:				
General government and administration	11,657,798	-	-	11,657,798
Development services	2,755,513	-	1,637,875	4,393,388
Public works services	3,830,670	-	2,591,378	6,422,048
Public safety	24,770,425	-	-	24,770,425
Cultural and recreational	6,550,671	-	207,745	6,758,416
Administrative reimbursement	(3,156,157)	-	-	(3,156,157)
Capital outlay	2,745,433	-	22,404,487	25,149,920
Arbitrage rebate	-	-	16,890	16,890
Debt service:				
Bond and principal retirement	145,000	3,380,634	150,000	3,675,634
Interest and fiscal charges	83,968	3,805,954	101,618	3,991,540
Debt issuance costs	-	-	79,500	79,500
Total expenditures	49,383,321	7,186,588	27,189,493	83,759,402
Excess of expenditures over revenues	(9,316,558)	(1,969,570)	(16,366,010)	(27,652,138)
Other financing sources (uses):				
Sales of capital assets	106,724	-	-	106,724
Transfers in	8,485,199	2,286,816	5,642,638	16,414,653
Transfers out	(4,351,867)	-	(8,411,901)	(12,763,768)
Long-term debt issued	-	-	11,090,000	11,090,000
Total other financing sources	4,240,056	2,286,816	8,320,737	14,847,609
Net change in fund balances	(5,076,502)	317,246	(8,045,273)	(12,804,529)
Fund balances, October 1, 2007	17,419,247	877,511	34,760,255	53,057,013
Fund balances, September 30, 2008	\$ 12,342,745	\$ 1,194,757	\$ 26,714,982	\$ 40,252,484

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, 2008

Net change in fund balances - total governmental funds \$ (12,804,529)

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. 25,149,920

The net effect of various transactions involving capital assets (i.e., sales and contributions) is to increase net assets. 2,331,495

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. (7,761,505)

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:

Issuance of certificates of obligation	\$ (11,090,000)	
Certificate of obligation deferred charges	79,500	
Debt principal repayments	<u>3,675,634</u>	(7,334,866)

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. (320,197)

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. (198,489)

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. 238,053

Some revenues reported in the governmental funds were earned in prior periods; and therefore, are not reported in the government-wide statement of activities. (266,760)

Internal service funds are used by management to charge the costs of risk management, employee health insurance benefits, central warehousing and equipment replacement 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 \$736,202). 713,744

Change in net assets of governmental activities. \$ (253,134)

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

CITY OF BRYAN, TEXAS
Statement of Net Assets
Proprietary Funds
As of September 30, 2008

	Business-type Activities - Enterprise Funds						Governmental
Assets	Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Current assets:							
Cash and cash equivalents	\$ 7,049,276	\$ 5,229,260	\$ 4,073,869	\$ 6,290,695	\$ 1,939,325	\$ 24,582,425	\$ 8,384,888
Investments	-	-	2,643,997	4,082,288	1,210,114	7,936,399	5,424,433
Accounts receivable	12,177,572	3,285,072	1,519,145	1,566,264	3,784,897	22,332,950	58,373
Less allowance for uncollectible	(889,645)	(194,066)	(145,286)	(182,105)	(160,184)	(1,571,286)	-
Grants	-	-	-	-	122,831	122,831	-
Interest receivable	170,745	-	48,061	55,256	12,692	286,754	58,035
Inventories	6,671,453	-	307,147	-	3,301	6,981,901	189,337
Due from other funds	17,877,659	-	144,397	134,533	424,703	18,581,292	122,773
Unrecovered fuel cost	11,169,465	3,097,078	-	-	-	14,266,543	-
Prepaid purchased power option	-	-	-	-	12,950,000	12,950,000	-
Prepaid and other assets	75,136	-	-	235	137,769	213,140	814
Restricted assets:							
Cash and cash equivalents	50,220,113	323,789	2,850,006	1,697,744	-	55,091,652	-
Investments	10,069,375	-	1,848,658	1,101,125	-	13,019,158	-
Total current assets	<u>114,591,149</u>	<u>11,741,133</u>	<u>13,289,994</u>	<u>14,746,035</u>	<u>20,425,448</u>	<u>174,793,759</u>	<u>14,238,653</u>
Noncurrent assets:							
Unamortized bond issuance expenses	728,827	227,662	465,933	329,757	706	1,752,885	-
Restricted assets:							
Investment in BVSWMA	-	-	-	-	11,496,186	11,496,186	-
Capital assets:							
Land	3,589,249	111,483	270,138	331,892	10,051,859	14,354,621	-
Buildings	-	-	34,033	20,931	2,520,792	2,575,756	23,420
Equipment	-	-	2,002,003	2,596,230	7,438,365	12,036,598	297,857
Improvements other than buildings	257,354,794	50,737,995	78,047,300	79,232,311	5,210,461	470,582,861	97,601
Construction in progress	19,319,237	1,970,885	10,244,783	4,095,113	-	35,630,018	-
Less accumulated depreciation	(112,925,640)	(16,588,678)	(21,450,816)	(24,612,709)	(7,924,456)	(183,502,299)	(306,944)
Total capital assets (net of accumulated depreciation)	<u>167,337,640</u>	<u>36,231,685</u>	<u>69,147,441</u>	<u>61,663,768</u>	<u>17,297,021</u>	<u>351,677,555</u>	<u>111,934</u>
Total noncurrent assets	<u>168,066,467</u>	<u>36,459,347</u>	<u>69,613,374</u>	<u>61,993,525</u>	<u>28,793,913</u>	<u>364,926,626</u>	<u>111,934</u>
Total assets	<u>\$ 282,657,616</u>	<u>\$ 48,200,480</u>	<u>\$ 82,903,368</u>	<u>\$ 76,739,560</u>	<u>\$ 49,219,361</u>	<u>\$ 539,720,385</u>	<u>\$ 14,350,587</u>

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	
<u>Liabilities</u>							
Current liabilities:							
Accounts payable	\$ 10,498,212	\$ 108,034	\$ 142,301	\$ 83,937	\$ 334,996	\$ 11,167,480	\$ 255,494
Accrued liabilities	172,313	100,172	54,569	75,088	213,091	615,233	10,723
Claims	-	-	-	-	-	-	1,382,089
Due to other funds	581,037	2,879,210	36,678	137	14,870,788	18,367,850	72
Unearned revenue	432,549	30,639	-	7,966	166,590	637,744	-
Accrued interest	-	-	-	-	1,513	1,513	-
General obligation bonds	543	-	339	2,543	14,487	17,912	-
Certificates of obligation	-	-	-	-	2,031	2,031	-
Notes	-	-	-	-	1,898,974	1,898,974	-
Accrued vacation and sick pay	202,303	38,438	126,715	84,913	136,084	588,453	29,864
Current liabilities payable from restricted assets:							
Accounts payable	-	-	6,678	131,022	-	137,700	-
Accrued liabilities	-	-	164,108	234,684	-	398,792	-
Accrued interest	695,691	67,675	461,949	342,614	-	1,567,929	-
Revenue bonds	2,530,000	90,000	1,963,773	1,761,227	-	6,345,000	-
Customer deposits	2,920,432	323,789	-	-	-	3,244,221	-
Total current liabilities	<u>18,033,080</u>	<u>3,637,957</u>	<u>2,957,110</u>	<u>2,724,131</u>	<u>17,638,554</u>	<u>44,990,832</u>	<u>1,678,242</u>
Noncurrent liabilities:							
Certificates of obligation	-	-	-	-	37,187	37,187	-
Revenue bonds	90,165,000	6,205,000	37,114,221	26,560,779	-	160,045,000	-
Unamortized bond premiums (discounts) and deferred amount on refunding	(363,923)	(59,069)	225,969	334,593	-	137,570	-
Arbitrage rebate	100,280	-	-	-	-	100,280	-
Notes	-	-	-	-	4,967	4,967	-
Claims	-	-	-	-	-	-	555,183
Unearned revenue	557,558	532,091	-	-	-	1,089,649	-
Accrued liabilities	20,183	-	-	-	-	20,183	73,298
Accrued vacation and sick pay	129,341	24,575	80,200	27,809	84,902	346,827	18,902
Total noncurrent liabilities	<u>90,608,439</u>	<u>6,702,597</u>	<u>37,420,390</u>	<u>26,923,181</u>	<u>127,056</u>	<u>161,781,663</u>	<u>647,383</u>
Total liabilities	<u>108,641,519</u>	<u>10,340,554</u>	<u>40,377,500</u>	<u>29,647,312</u>	<u>17,765,610</u>	<u>206,772,495</u>	<u>2,325,625</u>
<u>Net Assets</u>							
Invested in capital assets, net of related debt	101,025,247	34,173,796	33,825,653	34,969,657	15,340,081	219,334,434	111,934
Restricted for:							
BVSWMA	-	-	-	-	11,496,186	11,496,186	-
Debt retirement	3,977,413	-	-	-	-	3,977,413	-
Debt service	494,135	-	549,348	455,275	-	1,498,758	-
Rate stabilization	20,541,787	-	-	-	-	20,541,787	-
Rate litigation	6,336,495	-	-	-	-	6,336,495	-
Unrestricted	41,641,020	3,686,130	8,150,867	11,667,316	4,617,484	69,762,817	11,913,028
Total net assets	<u>\$ 174,016,097</u>	<u>\$ 37,859,926</u>	<u>\$ 42,525,868</u>	<u>\$ 47,092,248</u>	<u>\$ 31,453,751</u>	<u>332,947,890</u>	<u>\$ 12,024,962</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						4,268,283	
Net assets of business-type activities						<u>\$ 337,216,173</u>	

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 Assets
Proprietary Funds
For the Fiscal Year Ended September 30, 2008

	Business-type Activities - Enterprise Funds						Governmental Activities Internal Service Funds
	Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:							
Electrical system	\$ 153,872,437	\$ 28,975,229	\$ -	\$ -	\$ -	\$ 182,847,666	\$ -
Water system	-	-	10,944,038	-	-	10,944,038	-
Sewer system	-	-	-	11,586,181	-	11,586,181	-
Other	663,001	-	-	-	9,492,748	10,155,749	9,264,736
Total operating revenues	<u>154,535,438</u>	<u>28,975,229</u>	<u>10,944,038</u>	<u>11,586,181</u>	<u>9,492,748</u>	<u>215,533,634</u>	<u>9,264,736</u>
Operating expenses:							
Personnel services	7,756,239	397,065	1,882,573	2,205,348	3,637,611	15,878,836	341,521
Electric operations	126,303,167	25,089,708	-	-	261,149	151,654,024	-
Maintenance	2,111,231	442,393	884,300	635,056	354,320	4,427,300	1,315
Claims	-	-	-	-	-	-	6,152,886
Other services and charges	1,527,847	-	1,903,667	1,470,288	2,220,433	7,122,235	1,126,765
Other expenses	579,252	-	258,392	444,331	677,729	1,959,704	37,551
General and administrative	2,653,743	188,968	1,050,897	1,141,959	1,269,358	6,304,925	148,095
Administrative reimbursement	-	-	-	-	(127,796)	(127,796)	-
Total operating expenses before depreciation	<u>140,931,479</u>	<u>26,118,134</u>	<u>5,979,829</u>	<u>5,896,982</u>	<u>8,292,804</u>	<u>187,219,228</u>	<u>7,808,133</u>
Operating income before depreciation	13,603,959	2,857,095	4,964,209	5,689,199	1,199,944	28,314,406	1,456,603
Depreciation	6,330,258	1,411,649	1,936,436	2,174,520	870,575	12,723,438	34,800
Operating income	<u>7,273,701</u>	<u>1,445,446</u>	<u>3,027,773</u>	<u>3,514,679</u>	<u>329,369</u>	<u>15,590,968</u>	<u>1,421,803</u>
Nonoperating revenues (expenses):							
Investment earnings	2,522,016	239,229	499,508	520,313	132,753	3,913,819	459,315
Interest expense	(2,872,086)	(102,355)	(1,925,885)	(1,434,519)	(126,909)	(6,461,754)	-
Distributive share of BVSWMA net income	-	-	-	-	2,848,178	2,848,178	-
Other - net	-	-	(85,081)	(4,098,982)	407,414	(3,776,649)	709,801
Total nonoperating revenues (expenses)	<u>(350,070)</u>	<u>136,874</u>	<u>(1,511,458)</u>	<u>(5,013,188)</u>	<u>3,261,436</u>	<u>(3,476,406)</u>	<u>1,169,116</u>
Income (expenses) before contributions and transfers	6,923,631	1,582,320	1,516,315	(1,498,509)	3,590,805	12,114,562	2,590,919
Capital contributions	-	-	1,442,665	1,200,723	-	2,643,388	-
Transfers in	1,247,616	-	-	-	5,654,878	6,902,494	-
Transfers out	(6,970,913)	-	(866,154)	(873,312)	(702,027)	(9,412,406)	(1,140,973)
Change in net assets	<u>1,200,334</u>	<u>1,582,320</u>	<u>2,092,826</u>	<u>(1,171,098)</u>	<u>8,543,656</u>	<u>12,248,038</u>	<u>1,449,946</u>
Net assets, October 1, 2007	<u>172,815,763</u>	<u>36,277,606</u>	<u>40,433,042</u>	<u>48,263,346</u>	<u>22,910,095</u>		<u>10,575,016</u>
Net assets, September 30, 2008	<u>\$ 174,016,097</u>	<u>\$ 37,859,926</u>	<u>\$ 42,525,868</u>	<u>\$ 47,092,248</u>	<u>\$ 31,453,751</u>		<u>\$ 12,024,962</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(736,202)	
Change in net assets of business-type activities.						<u>\$ 11,511,836</u>	

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, 2008

	Business-type Activities - Enterprise Funds						Governmental
	Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Cash flows from operating activities:							
Receipts from customers and users	\$ 144,129,116	\$ 28,785,816	\$ 11,217,627	\$ 11,827,036	\$ 10,796,003	\$ 206,755,598	\$ 3,173,689
Receipts for interfund services provided	-	-	-	-	127,796	127,796	7,860,468
Payments to suppliers	(141,981,608)	(30,139,356)	(3,280,508)	(2,541,221)	(5,162,666)	(183,105,359)	(9,434,488)
Payments to employees	(7,763,305)	(371,362)	(1,826,748)	(2,156,281)	(3,694,134)	(15,811,830)	(340,467)
Receipts for miscellaneous revenues	-	-	36,199	63,818	205,701	305,718	709,801
Payments for interfund services used	-	-	(1,050,897)	(1,141,959)	(1,248,126)	(3,440,982)	(148,095)
Net cash provided (used) by operating activities	<u>(5,615,797)</u>	<u>(1,724,902)</u>	<u>5,095,673</u>	<u>6,051,393</u>	<u>1,024,574</u>	<u>4,830,941</u>	<u>1,820,908</u>
Cash flows from noncapital financing activities:							
Transfers in	1,247,616	-	-	-	5,654,878	6,902,494	-
Transfers out	(6,970,913)	-	(866,154)	(873,312)	(702,027)	(9,412,406)	(1,140,973)
Net cash provided (used) by noncapital financing activities	<u>(5,723,297)</u>	<u>-</u>	<u>(866,154)</u>	<u>(873,312)</u>	<u>4,952,851</u>	<u>(2,509,912)</u>	<u>(1,140,973)</u>
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(47,464,369)	(6,239,689)	(7,338,094)	(4,088,524)	(5,681,727)	(70,812,403)	(18,300)
Capital contributions	-	-	231,175	76,900	-	308,075	-
Revenue bond proceeds	32,497,372	6,003,666	-	-	-	38,501,038	-
Principal paid on general obligation bonds	(526)	-	(329)	(2,460)	(14,019)	(17,334)	-
Principal paid on certificates of obligation	-	-	-	-	(2,032)	(2,032)	-
Principal paid on revenue bonds	(1,895,000)	-	(1,879,205)	(1,675,795)	-	(5,450,000)	-
Principal paid on notes	-	-	-	-	(433,515)	(433,515)	-
Amortization of bond expense	-	4,602	-	-	-	4,602	-
Interest paid on bonds, contractual obligations, and notes	(2,518,960)	(34,680)	(1,937,907)	(1,458,329)	(142,084)	(6,091,960)	-
Net cash used by capital and related financing activities	<u>(19,381,483)</u>	<u>(266,101)</u>	<u>(10,924,360)</u>	<u>(7,148,208)</u>	<u>(6,273,377)</u>	<u>(43,993,529)</u>	<u>(18,300)</u>
Cash flows from investing activities:							
Purchase of investment securities	(23,068,523)	(3,021,048)	(8,046,593)	(8,559,919)	(1,870,685)	(44,566,768)	(8,385,498)
Sale of investment securities	47,550,000	8,013,946	9,953,952	8,695,470	1,825,925	76,039,293	7,571,344
Interest on investments	2,809,882	245,490	536,741	535,944	135,592	4,263,649	462,722
Net cash provided (used) by investing activities	<u>27,291,359</u>	<u>5,238,388</u>	<u>2,444,100</u>	<u>671,495</u>	<u>90,832</u>	<u>35,736,174</u>	<u>(351,432)</u>
Net increase (decrease) in cash and cash equivalents	(3,429,218)	3,247,385	(4,250,741)	(1,298,632)	(205,120)	(5,936,326)	310,203
Cash and cash equivalents, October 1, 2007	<u>60,698,607</u>	<u>2,305,664</u>	<u>11,174,616</u>	<u>9,287,071</u>	<u>2,144,445</u>	<u>85,610,403</u>	<u>8,074,685</u>
Cash and cash equivalents, September 30, 2008	<u>\$ 57,269,389</u>	<u>\$ 5,553,049</u>	<u>\$ 6,923,875</u>	<u>\$ 7,988,439</u>	<u>\$ 1,939,325</u>	<u>\$ 79,674,077</u>	<u>\$ 8,384,888</u>

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income to net cash provided by operating activities:							
Operating income	\$ 7,273,701	\$ 1,445,446	\$ 3,027,773	\$ 3,514,679	\$ 329,369	\$ 15,590,968	\$ 1,421,803
Adjustments to reconcile operating income to net cash provided (used) by operating activities							
Depreciation	6,330,258	1,411,649	1,936,436	2,174,520	870,575	12,723,438	34,800
Receipts for miscellaneous revenues	-	-	36,199	63,818	205,701	305,718	709,801
Change in assets and liabilities:							
Change in accounts receivable	(2,115,210)	(181,110)	(44,656)	(7,095)	1,046,222	(1,301,849)	(16,331)
Change in inventory	(832,636)	-	(11,520)	-	357	(843,799)	(37,568)
Change in due from other funds	(8,250,114)	-	318,245	247,950	(198,923)	(7,882,842)	(10,553)
Change in unrecovered fuel	(2,881,687)	(1,069,460)	-	-	-	(3,951,147)	-
Change in prepaid assets	64,802	-	-	96	(12,987,411)	(12,922,513)	(714)
Change in accounts payable	(4,589,916)	(128,645)	(276)	(27,191)	186,409	(4,559,619)	(32,573)
Change in accrued liabilities	91,571	42,260	(242,518)	158,611	(70,688)	(20,764)	76,597
Change in deferred credits	-	-	-	-	166,590	166,590	-
Change in customer deposits	(217,599)	(8,303)	-	-	920	(224,982)	-
Change in due to other funds	(658,502)	(3,262,442)	36,678	(92,811)	11,457,049	7,479,972	72
Change in claims payable	-	-	-	-	-	-	(322,181)
Change in unearned revenue	176,601	-	-	-	-	176,601	-
Change in accrued vacation and sick pay	(7,066)	25,703	39,312	18,816	18,404	95,169	(2,245)
Net cash provided (used) by operating activities	<u>\$ (5,615,797)</u>	<u>\$ (1,724,902)</u>	<u>\$ 5,095,673</u>	<u>\$ 6,051,393</u>	<u>\$ 1,024,574</u>	<u>\$ 4,830,941</u>	<u>\$ 1,820,908</u>

Noncash investing, capital and financing activities:

During this past year, the Enterprise Funds received \$2,335,314 noncash capital contributions from developers consisting of water and sewer infrastructure. The investment in BVSWMA increased \$2,848,178 as a result of their operations.

Reconciliation of total cash and cash equivalents:

Current assets - cash and cash equivalents	\$ 7,049,276	\$ 5,229,260	\$ 4,073,869	\$ 6,290,695	\$ 1,939,325	\$ 24,582,425	\$ 8,384,888
Restricted assets - cash and cash equivalents	50,220,113	323,789	2,850,006	1,697,744	-	55,091,652	-
Total cash and cash equivalents	<u>\$ 57,269,389</u>	<u>\$ 5,553,049</u>	<u>\$ 6,923,875</u>	<u>\$ 7,988,439</u>	<u>\$ 1,939,325</u>	<u>\$ 79,674,077</u>	<u>\$ 8,384,888</u>

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

CITY OF BRYAN, TEXAS
Statement of Fiduciary Net Assets
Payroll Fund
As of September 30, 2008

Assets

Cash and cash equivalents	\$	689,605
Accounts receivable		233,894
Total assets	\$	<u>923,499</u>

Liabilities

Accounts payable		923,499
Total liabilities	\$	<u>923,499</u>

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

THE CITY OF BRYAN

NOTES TO FINANCIAL
STATEMENTS

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements
September 30, 2008

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, 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

The BTU QSE Services, Inc. ("the QSE") was formed in anticipation 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 electric system. 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.

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.

Discretely presented component unit

The City has included the Bryan Business Council, Inc. (the "Council") in its financial statements as a discretely presented component unit, since the City is financially accountable for the entity. The Council, a non-profit corporation, was originally formed to market properties within the City owned Bryan Industrial Park. In addition, the Council 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 Council. The Council'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 Council. Financial statements may be obtained by contacting:

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

Cooperative Efforts

The City of Bryan entered into an interlocal agreement in 1990 with the City of College Station creating the Brazos Valley Solid Waste Management Agency ("BVSWMMA"). BVSWMMA was formed to combine landfill operations for the two cities. The agreement was subsequently amended in 2000 and 2003. Under the current BVSWMMA First Supplement to Joint Solid Waste Management Agreement, all real and personal property previously contributed by the Cities for use by BVSWMMA and all property acquired in the future for such purposes shall be held and owned by the Cities as tenants-in-common with each city having a one-half undivided interest. The City's one-half undivided interest in BVSWMMA is reported in the Solid Waste Fund. (See Note 11).

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

1. – (Continued)

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 to supply the cities' electric energy needs. The eight-member board of directors of TMPA includes two members appointed by the Bryan City Council.

TMPA's management is independent from all cities involved. The City has an ongoing financial interest in TMPA due to the City's guarantee of a portion of TMPA's debt. (See Note 10).

Government-wide and fund financial statements

The government-wide financial statements (the statement of net assets 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*.

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.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

1. – (Continued)

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.

Proprietary funds 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 Assets.

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 proprietary funds:

The *Electric Fund* 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, transmission system operations and maintenance, new construction, financing and related debt service. Administrative, billing and collection services are provided by the 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 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 electric fund under a contractual agreement.

Additionally, the City reports the following fund types:

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.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

1. – (Continued)

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 assets 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 assets. 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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

1. – (Continued)

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. 20, 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. Individual amendments were not material in relation to the original appropriations that were adopted.

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.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

1. – (Continued)

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.

All funds are recorded at fair value based upon quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Inventories

All inventories are valued at average cost which approximates market value. 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.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

1. – (Continued)

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

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 is 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 net income.

Compensated Absences

The City's policy in effect during Fiscal Year 2008 allows employees to earn vacation pay at rates of 10 to 20 days per year, with unlimited accumulation. Classified employees in the police and fire departments earn vacation at the rate of 15 days 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 are paid for any unused vacation.

City employees earn sick leave at a rate of 10 days per year and are permitted to accrue a maximum of 120 days. Classified employees in the police and fire departments earn sick pay at the rate of 15 days 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. Non-classified employees are paid for accumulated sick leave up to a maximum of 240 hours upon termination dependent upon leaving in good standing and being continuously employed for a minimum of twelve months in a regular position.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

1. – (Continued)

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 Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets, increased by unspent proceeds. Net assets are 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, 2008, the City adopted the following GASB pronouncements:

- GASB Statement No. 45 (“GASB 45”), *Accounting and Financial Reporting for Employers for Postemployment Benefits Other than Pensions*. This statement establishes standards for the measurement, recognition and display of other postemployment benefit expenditures and related liabilities, and note disclosures in the financial report. Disclosure requirements have been incorporated into Note 18 – Other Postemployment Benefits.
- GASB Statement 50, *Pension disclosures – an amendment of GASB Statements No. 25 and No. 27*. This statement establishes more extensive disclosure requirements for pension plans. Employer disclosure requirements have been incorporated into Note 9 – Retirement Plan. There was no additional impact to the financial statements as a result of this GASB statement.

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. and Franklin Bank were entirely covered by federal depository insurance or by collateral held by the City’s custodial banks (The Bank of New York and JPMorgan Chase Bank) in the City’s name. At year-end, the carrying amount of the City’s demand deposits was \$65,319,999 and the bank balance was \$67,391,404.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

2 – (Continued)

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. This policy further 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 of 1997 and the Texas Public Funds Collateral Act of 1989. These investments include the following:

- a. Obligations of the United States or its agencies and instrumentalities;
- b. Direct obligations of the State of Texas or its agencies;
- c. Other obligations, the principal and interest on which is unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or instrumentalities;
- d. Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent;
- e. Certificates of deposit issued by state and national banks domiciled in Texas that are secured by obligations qualified as acceptable collateral;
- f. Certificates of deposit issued by savings and loan associations domiciled in Texas that are secured by obligations qualified as acceptable collateral;
- g. Prime domestic bankers' acceptances;
- h. Commercial paper with a stated maturity of 270 days or less from the date of issuance that is rated not less than A-1, P-1 or its equivalent;
- i. Fully collateralized repurchase agreements having a defined termination date, 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 120 days or less;
- k. Public funds investment pools.
- l. Hedging contracts and related security insurance agreements in relation to BTU fuel and energy supplies to protect against loss due to price fluctuations.

The City's investment policy prohibits the substitution of collateral on repurchase agreements without prior approval of the City. Also, reverse repurchase agreements are prohibited by the policy.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

2. – (Continued)

At September 30, 2008, the fair market value of the City’s portfolio is as follows:

	<u>Fair Value</u>	<u>Percentage of Total</u>	<u>Wgt. Avg. Maturity</u>	<u>Credit Risk</u>
U. S. Agencies and Instrumentalities	\$ 42,311,175	28.77%	664	AAA
Investments in Government Pools	104,780,848	71.23%	(1)	AAAm
Total Investments	<u>\$ 147,092,023</u>	<u>100.00%</u>		

Credit ratings are assigned by Standard & Poors or Moody's Investor Service.

(1) On a weighted average basis, less than one day.

The City’s investment in government pools includes the deposits in TexPool and TexSTAR. “TexPool” is a local government investment pool created and managed by the Texas State Treasurer to invest funds on behalf of Texas political subdivisions. “TexSTAR” is a local government investment pool created and jointly managed by First Southwest Asset Management, Inc. and JPMorgan Chase Bank to invest funds on behalf of Texas political subdivisions. TexPool and TexSTAR operate on a \$1.00 net asset value basis and allow same day or next day redemptions and deposits. Interest is allocated daily based on portfolio earnings and participant account balances. The City’s investment in TexPool and TexSTAR is stated at cost, which approximates fair value. The fair value of the City’s investment is the same as the value of the pool shares. These pools are not managed by the City and the City does not possess securities that exist in either physical or book entry form.

Under the Texas Public Funds Investment Act, government investment pools must maintain an AAA or equivalent rating from at least one nationally recognized rating agency. TexPool and TexSTAR are currently rated AAAM by Standard and Poor’s.

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 \$100,000 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, 2008, all City deposits were insured or adequately collateralized.

Interest Rate Risk – As of September 30, 2008, 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;

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

2. – (Continued)

limiting investments in securities with high credit risk; and investing in securities with varying maturities. The City has established the following standards for the portfolio: at all times, at least ten (10) percent of the total portfolio shall be invested in securities maturing in 90 days or less; investments in any single money market fund shall never exceed ten (10) percent of the total assets of the money market fund; no more than 75% of the City's portfolio shall be invested in Federal Agencies and Instrumentalities; and no more than 50% of the portfolio shall be invested in certificates of deposit. At September 30, 2008, 30.29% of the City's portfolio was invested in U.S. Agencies and Instrumentalities including 50.19% in Federal Home Loan Bank securities, 48.66% in Federal National Mortgage Association securities, and 1.15% in Federal Home Loan Mortgage Corporation securities. In particular, 33.58% of the City's portfolio will mature in 90-days or less including all monies in government investment pools which are considered overnight investments.

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.

Taxes are due on October 1, and are delinquent after the following January 31. Tax liens are automatic and become enforceable as of January 1 of each year. Taxes become delinquent February 1 and are subject to interest and penalty charges. The tax rate to finance general governmental services including debt service was 63.64 cents per \$100 of assessed valuation for the year ended September 30, 2008. 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.

Brazos County bills and collects the property taxes of the City.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2008 follows:

	Balance October 1	Additions / Completions	Retirements / Adjustments	Balance September 30
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 10,735,833	\$ 513	\$ -	\$ 10,736,346
Construction in Progress	28,446,955	21,457,124	(3,263,959)	46,640,120
Total capital assets not being depreciated	<u>39,182,788</u>	<u>21,457,637</u>	<u>(3,263,959)</u>	<u>57,376,466</u>
Capital assets, being depreciated				
Buildings	19,931,969	-	(3,290)	19,928,679
Equipment	21,738,795	3,286,842	(939,420)	24,086,217
Improvements	30,199,128	423,743	(783,097)	29,839,774
Infrastructure	110,876,794	5,914,056	-	116,790,850
Total capital assets being depreciated	<u>182,746,686</u>	<u>9,624,641</u>	<u>(1,725,807)</u>	<u>190,645,520</u>
Less accumulated depreciation for:				
Buildings	(9,692,868)	(500,614)	3,290	(10,190,192)
Equipment	(11,669,421)	(1,993,903)	867,058	(12,796,266)
Improvements	(13,363,911)	(1,208,398)	536,855	(14,035,454)
Infrastructure	(46,951,741)	(4,093,389)	-	(51,045,130)
Total accumulated depreciation	<u>(81,677,941)</u>	<u>(7,796,304)</u>	<u>1,407,203</u>	<u>(88,067,042)</u>
Total capital assets, being depreciated, net	<u>101,068,745</u>	<u>1,828,337</u>	<u>(318,604)</u>	<u>102,578,478</u>
Governmental activities capital assets, net	<u>\$ 140,251,533</u>	<u>\$ 23,285,974</u>	<u>\$ (3,582,563)</u>	<u>\$ 159,954,944</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 8,964,329	\$ 5,390,292	\$ -	\$ 14,354,621
Construction In Progress	19,408,003	63,834,709	(47,612,694)	35,630,018
	<u>28,372,332</u>	<u>69,225,001</u>	<u>(47,612,694)</u>	<u>49,984,639</u>
Capital assets, being depreciated				
Buildings	2,570,756	5,000	-	2,575,756
Equipment	11,333,501	1,340,594	(637,497)	12,036,598
Improvements	432,162,007	49,756,653	(11,335,799)	470,582,861
Total capital assets being depreciated	<u>446,066,264</u>	<u>51,102,247</u>	<u>(11,973,296)</u>	<u>485,195,215</u>
Less accumulated depreciation for:				
Buildings	(783,028)	(124,848)	-	(907,876)
Equipment	(7,526,803)	(904,550)	586,416	(7,844,937)
Improvements	(170,357,090)	(11,694,040)	7,301,644	(174,749,486)
Total accumulated depreciation	<u>(178,666,921)</u>	<u>(12,723,438)</u>	<u>7,888,060</u>	<u>(183,502,299)</u>
Total capital assets, being depreciated, net	<u>267,399,343</u>	<u>38,378,809</u>	<u>(4,085,236)</u>	<u>301,692,916</u>
Business-type activities capital assets, net	<u>\$ 295,771,675</u>	<u>\$ 107,603,810</u>	<u>\$ (51,697,930)</u>	<u>\$ 351,677,555</u>

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

4. – (Continued)

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

Governmental activities:	
General government and administration	\$1,270,234
Development services	347,495
Public works services	4,364,376
Public safety	857,486
Cultural and recreational	956,713
Business-type activities:	
Electric	6,330,258
Rural Electric	1,411,649
Water	1,936,436
Wastewater	2,174,520
Other Enterprise Funds	870,575
	<u>\$20,519,742</u>

The City has active construction projects as of September 30, 2008. Total accumulated commitments for ongoing capital projects are composed of the following:

	<u>Committed</u>
Street improvements	\$ 4,575,543
Drainage improvements	519,979
Tax Increment Reinvestment Zone #8	
- public infrastructure improvements	1,283,911
Tax Increment Reinvestment Zone #10	
- public infrastructure improvements	129,528
Tax Increment Reinvestment Zone #19	
- public infrastructure improvements	716,324
Tax Increment Reinvestment Zone #21	
- public infrastructure improvements	12,000
Tax Increment Reinvestment Zone #22	
- public infrastructure improvements	468,328
Parks System	151,560
Justice Center	145,868
Public Safety	1,396,681
Water system improvements	173,914
Wastewater system improvements	506,513
Total	<u>\$ 10,080,148</u>

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

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, 2008:

	Beginning Balance	Issued	Matured/ Refunded	Ending Balance	Due within one year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 20,084,754	\$ -	\$ 432,666	\$ 19,652,088	\$ 612,088
Certificates of Obligation	65,963,750	11,090,000	2,947,968	74,105,782	3,492,969
Notes Payable	2,945,000	-	295,000	2,650,000	330,000
Total governmental fund types	<u>88,993,504</u>	<u>11,090,000</u>	<u>3,675,634</u>	<u>96,407,870</u>	<u>4,435,057</u>
<u>Business-type Activities:</u>					
General Obligation Bonds	35,247	-	17,335	17,912	17,912
Certificates of Obligation	41,250	-	2,032	39,218	2,031
Electric System Revenue Bonds	62,060,000	38,825,000	1,895,000	98,990,000	2,620,000
Water and Sewer System					
Revenue Bonds	70,955,000	-	3,555,000	67,400,000	3,725,000
Notes Payable	2,337,456	1,893,792	2,327,307	1,903,941	1,898,974
Total proprietary fund types	<u>135,428,953</u>	<u>40,718,792</u>	<u>7,796,674</u>	<u>168,351,071</u>	<u>8,263,917</u>
Total long-term debt	<u>\$ 224,422,457</u>	<u>\$ 51,808,792</u>	<u>\$ 11,472,308</u>	<u>\$ 264,758,941</u>	<u>\$ 12,698,974</u>

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

5. – (Continued)

Long-term debt at September 30, 2008 consists of bonds, certificates of obligation, and notes maturing serially and is summarized as follows:

<u>Issue</u>	<u>Interest Rates (%)</u>	<u>Series Matures</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
<u>General Obligation Bonds:</u>					
Refunding, Series 2001	3.20 - 4.00	2009	\$ 137,088	\$ 17,912	\$ 155,000
Refunding, Series 2005	4.00 - 5.00	2025	19,515,000	-	19,515,000
Total General Obligation Bonds			19,652,088	17,912	19,670,000
<u>Certificates of Obligation:</u>					
Combination Tax & Revenue, Series 1998	3.85 - 4.85	2018	570,000	-	570,000
Combination Tax & Surplus Utility System Revenue, Series 2000	4.35 - 5.50	2010	145,000	-	145,000
Combination Tax & Surplus Utility System Revenue, Series 2000A	4.50 - 6.00	2010	1,085,000	-	1,085,000
Combination Tax & Surplus Utility System Revenue, Series 2001	4.35 - 6.50	2021	1,215,782	39,218	1,255,000
Combination Tax & Surplus Waterworks & Sewer System Revenue, Series 2001A	4.10 - 6.00	2021	11,840,000	-	11,840,000
Combination Tax & Surplus Utility System Revenue, Series 2003	4.00 - 4.60	2024	8,700,000	-	8,700,000
Combination Tax & Revenue, Series 2004	2.50 - 4.75	2025	12,940,000	-	12,940,000
Combination Tax & Revenue, Series 2005	4.00 - 4.625	2026	15,040,000	-	15,040,000
Combination Tax & Revenue, Series 2007	4.00 - 4.25	2027	11,480,000	-	11,480,000
Combination Tax & Revenue, Series 2008	4.00 - 5.00	2028	11,090,000	-	11,090,000
Total Certificates of Obligation			74,105,782	39,218	74,145,000
<u>Revenue Bonds:</u>					
Electric System Refunding, Series 2001	4.00 - 5.00	2019	-	4,885,000	4,885,000
Water and Sewer System Refunding and Improvement, Series 2001	3.00 - 5.50	2022	-	20,780,000	20,780,000
Water and Sewer System Revenue, Series 2004	2.50 - 5.00	2030	-	4,615,000	4,615,000
Water and Sewer System Revenue, Series 2005	4.00 - 4.75	2031	-	6,170,000	6,170,000
Water and Sewer System Revenue, Series 2007	4.00 - 5.00	2032	-	35,835,000	35,835,000
Electric System Revenue, Series 2005	3.00 - 4.50	2025	-	11,950,000	11,950,000
Electric System Revenue, Series 2006	4.00 - 5.00	2031	-	11,745,000	11,745,000
Electric System Revenue, Series 2007	4.00 - 5.00	2032	-	31,585,000	31,585,000
Electric System Revenue, Series 2008	2.10 - 5.29	2033	-	32,530,000	32,530,000
Electric System Revenue Rural, Series 2008	2.22 - 4.92	2034	-	6,295,000	6,295,000
Total Revenue Bonds			-	166,390,000	166,390,000

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

5. – (Continued)

<u>Issue</u>	<u>Interest Rates (%)</u>	<u>Series Matures</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Notes Payable:					
Department of Housing & Urban Development Section 108 Loans	4.00 - 8.60	2009-2018	2,650,000	-	2,650,000
Bryan Commerce & Development Promissory Note	6.17	2008	-	1,893,792	1,893,792
Bryan Commerce & Development Vehicle Note	5.00	2010	-	10,149	10,149
Total Notes			2,650,000	1,903,941	4,553,941
Total long-term debt			\$ 96,407,870	\$ 168,351,071	\$ 264,758,941

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

General Obligation Bonds

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	612,088	918,067	17,912	358	1,548,425
2010	490,000	896,325	-	-	1,386,325
2011	1,175,000	876,725	-	-	2,051,725
2012	1,220,000	829,725	-	-	2,049,725
2013	1,270,000	780,925	-	-	2,050,925
2014-2018	6,765,000	2,931,875	-	-	9,696,875
2019-2023	5,800,000	1,336,075	-	-	7,136,075
2024-2028	2,320,000	169,575	-	-	2,489,575
Total	\$ 19,652,088	\$ 8,739,292	\$ 17,912	\$ 358	\$ 28,409,650

Certificates of Obligation

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	3,492,968	3,304,620	2,031	1,903	6,801,522
2010	3,432,656	3,094,277	2,344	1,812	6,531,089
2011	3,082,656	2,949,181	2,344	1,706	6,035,887
2012	3,512,344	2,821,337	2,656	1,601	6,337,938
2013	3,862,344	2,673,991	2,656	1,481	6,540,472
2014-2018	21,894,376	10,748,884	15,624	5,324	32,664,208
2019-2023	22,488,438	5,719,261	11,563	1,205	28,220,467
2024-2026	12,340,000	1,236,841	-	-	13,576,841
Total	\$ 74,105,782	\$ 32,548,392	\$ 39,218	\$ 15,032	\$ 106,708,424

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

5. – (Continued)

Revenue Bonds

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	-	-	6,345,000	7,503,484	13,848,484
2010	-	-	6,885,000	7,540,648	14,425,648
2011	-	-	7,220,000	7,218,723	14,438,723
2012	-	-	6,745,000	6,879,744	13,624,744
2013	-	-	7,020,000	6,593,645	13,613,645
2014-2018	-	-	37,590,000	28,135,790	65,725,790
2019-2023	-	-	37,820,000	18,896,401	56,716,401
2024-2028	-	-	29,195,000	10,875,683	40,070,683
2029-2033	-	-	27,170,000	3,684,258	30,854,258
2034	-	-	400,000	19,000	419,000
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,390,000</u>	<u>\$ 97,347,376</u>	<u>\$ 263,737,376</u>

Notes

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	330,000	168,837	1,898,974	89,025	2,486,836
2010	180,000	149,648	4,967	26	334,641
2011	200,000	138,740	-	-	338,740
2012	220,000	126,420	-	-	346,420
2013	230,000	112,648	-	-	342,648
2014-2018	1,490,000	307,746	-	-	1,797,746
Total	<u>\$ 2,650,000</u>	<u>\$ 1,004,039</u>	<u>\$ 1,903,941</u>	<u>\$ 89,051</u>	<u>\$ 5,647,031</u>

Total Long Term Debt

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	4,435,056	4,391,524	8,263,917	7,594,771	24,685,268
2010	4,102,656	4,140,250	6,892,311	7,542,486	22,677,703
2011	4,457,656	3,964,646	7,222,344	7,220,429	22,865,075
2012	4,952,344	3,777,482	6,747,656	6,881,345	22,358,827
2013	5,362,344	3,567,564	7,022,656	6,595,126	22,547,690
2014-2018	30,149,376	13,988,505	37,605,624	28,141,114	109,884,619
2019-2023	28,288,438	7,055,336	37,831,563	18,897,606	92,072,943
2024-2028	14,660,000	1,406,416	29,195,000	10,875,683	56,137,099
2029-2033	-	8,739,292	27,170,000	3,684,258	39,593,550
2034	-	32,548,392	400,000	19,000	32,967,392
Total	<u>\$ 96,407,870</u>	<u>\$ 83,579,407</u>	<u>\$ 168,351,071</u>	<u>\$ 97,451,818</u>	<u>\$ 445,790,166</u>

On July 8, 2008, the City issued \$11,090,000 in Combination Tax and Revenue Certificates of Obligation, Series 2008. After the payment of issuance costs, the proceeds will be used to pay the contractual obligations of the City incurred for construction of fire fighting facilities, driveway and parking facilities for the City's warehouse, street improvements and to pay the costs of professional services incurred for the issuance of the certificates.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

5. – (Continued)

On September 1, 2008, the City issued \$32,530,000 in Electric System Revenue Bonds, Series 2008. After the payment of issuance costs, the proceeds will be used to finance the construction of a new generating unit.

On April 15, 2008, the City's Rural Electric System issued Revenue Bonds totaling \$6,295,000. Proceeds of the 2008 bond issue are restricted to the construction of distribution facilities and to pay the issuance costs of the bonds.

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

	Governmental Activities	Business-type Activities	Total
Beginning balance	\$ 4,707,903	\$ 832,989	\$ 5,540,892
Plus additions	2,523,591	635,631	3,159,222
Less payments	(2,205,638)	(533,340)	(2,738,978)
Ending balance	<u>\$ 5,025,856</u>	<u>\$ 935,280</u>	<u>\$ 5,961,136</u>
Amount due in one year	\$ 2,127,445	\$ 588,453	\$ 2,715,898
Amount due in over one year	\$ 2,898,411	\$ 346,827	\$ 3,245,238

Certain outstanding bonds may be redeemed at par plus accrued interest prior to their maturities in accordance with provisions of the various bond orders.

The net revenues of the Electric System, Rural Electric System, 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 Electric System revenue bonds, 1.20 times the average annual debt service on all outstanding Rural Electric System 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 Systems 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 2001, 2005 and 2008 Bonds are satisfied with restricted funds. The reserve fund requirements for the City Electric System Series 2006 and Series 2007 bonds are satisfied with insurance policies, as are the Rural Electric System'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. 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 municipal electric light and power system ("Electric Fund") and its Rural Electric Division ("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.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

5. – (Continued)

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.

6. PRIOR-YEAR DEFEASANCE OF DEBT

In 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, 2008, the City had outstanding General Obligation bonds in the amount of \$37,885,000 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.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

8. RESERVATIONS/DESIGNATIONS OF FUND BALANCES AND NET ASSETS

Fund balances have been reserved or designated at September 30, 2008 as follows:

	<u>Reserved</u>	<u>Designated</u>
<u>Governmental Activities</u>		
General Fund:		
Reserved for encumbrances	\$ 1,058,045	\$ -
Reserved for noncurrent notes receivable	38,155	-
Reserved for court activities	325,271	-
Reserved for police activities	21,677	-
Reserved for record preservation	37,369	-
Designated for library	-	280,861
Designated for park use	-	286,866
Designated for golf course improvements	-	197,364
Designated for public information program	-	41,373
Debt Service Fund:		
Reserved for bond debt service	1,194,757	-
Nonmajor Governmental Funds:		
Reserved for capital improvements	9,846,050	-
Reserved for encumbrances	9,486,889	-
Reserved for court technology	296,899	-
Reserved for perpetual care	633,838	-
Total	<u>\$ 22,938,950</u>	<u>\$ 806,464</u>

Net assets have been restricted at September 30, 2008 as follows:

	<u>Business-Type Activities</u>				<u>Total</u>
	<u>Electric</u>	<u>Water</u>	<u>Waste Water</u>	<u>Other Enterprise</u>	
Restricted for:					
Rate Stabilization	\$ 20,541,787	\$ -	\$ -	\$ -	\$ 20,541,787
Bond Retirement	3,977,413	-	-	-	3,977,413
Debt Service	494,135	549,348	455,275	-	1,498,758
Rate Litigation	6,336,495	-	-	-	6,336,495
BVSWMA	-	-	-	11,496,186	11,496,186
Total	<u>\$ 31,349,830</u>	<u>\$ 549,348</u>	<u>\$ 455,275</u>	<u>\$ 11,496,186</u>	<u>\$ 43,850,639</u>

9. RETIREMENT PLAN

Plan Description

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), one of 827 currently administered by TMRS, an agent multiple-employer public employee retirement system.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

9. – (Continued)

Benefits

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.

Contributions

The contribution rate for the employees is 7%, and the City matching percent is currently 2 to 1, both as adopted by the governing body of the City. Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 30-year amortization period. The projected unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly.

Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2007 valuation is effective for rates beginning January 2009).

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

9. – (Continued)

Actuarial assumptions are as follows:

Actuarial valuation date	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>12/31/2007</u>
Actuarial cost method	Unit Credit	Unit Credit	Projected Unit Credit
Amortization method	-----Level Percentage of Payroll-----		
Remaining amortization period	25 years - open	25 years - open	30 years - closed
Asset valuation method	-----Amortized cost-----		
Actuarial assumptions:			
Investment rate of return	7.0%	7.0%	7.0%
Projected salary increases	0.0%	0.0%	Varies by age & service
Included inflation rate	3.5%	3.5%	3.0%
Cost-of-living adjustments	0.0%	0.0%	2.1% (3% CPI)
City-specific assumptions:			
Payroll growth assumption	5.0%	5.0%	3.0%
Withdrawal rates for Male/Female	Mid/Mid	Mid/Mid	Mid-High/Mid-High

Historical data is as follows:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation at September 30</u>
09/30/06	4,787,918	100.00%	-
09/30/07	4,791,580	100.00%	-
09/30/08	5,028,310	100.00%	-

The City of Bryan is one of 827 municipalities having their benefit plan administered by TMRS. Each of the 827 municipalities has an annual, individual actuarial valuation performed. All assumptions for the December 31, 2007 valuations are contained in the 2007 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153.

Additional supplementary three-year trend information may be found on page 73.

Future Funding Requirements

In early December 2007 the TMRS Board of Trustees met and adopted actuarial changes that include a change from the Unit Credit actuarial cost method to the Projected Unit Credit actuarial cost method for all TMRS city plans as well as a closed amortization period of 30 years. The effect of these changes will result in an increase in city contribution rates for most Texas cities. Cities will have the option to increase their contributions over an eight-year phase-in period. These changes are intended to help the TMRS system remain well-funded, to preserve members' benefits, and to give cities a more complete picture of the cost of benefits currently adopted. While the impact of TMRS changes is not presently known, the City's contribution rate is expected to increase significantly. Tentative estimates of the City's future contribution rate show an increase from 14.53% to 19.25%. Management believes that while these possible increases will present additional challenges to the City during the budget process the City will be able to make necessary changes to mitigate any adverse financial impact to the City.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

10. 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 pay TMPA’s operating and maintenance expenses and the Bond Fund, Reserve Fund and Contingency Fund requirements of the Revenue Bond Resolutions (“Resolutions”). In addition, the Cities are obligated to guarantee the payment of TMPA’s bonds (the “Debt Service Guarantee”).

As originally written in September 1976, the Contract was a requirements contract, which obligated the Cities, with certain exceptions, to purchase their wholesale electricity requirements from TMPA. On November 5, 1997, the Contract was amended. Under the amendment, the Contract was 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. Currently, those percentages are Bryan 21.7%; Denton 21.3%; Garland 47%; and Greenville 10%. The amendment confirmed the Cities’ obligations, explained above, to pay all costs of TMPA. The Debt Service Guarantee, contained in the Contract since September 1976, was not changed by the amendment. Concurrently with the execution of the amendment on November 5, 1997, a Travis County District Court validated the Contract as amended and confirmed the authority of TMPA to enter into the amendment.

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.

The TMPA’s Comprehensive Annual Financial Report for the year ended September 30, 2008 reported the following:

	2008
	(Amounts in Thousands)
Total Assets	\$ 1,198,095
Total Liabilities	1,162,286
Total Accumulated Excess Revenues	\$ 35,809
Change in Accumulated Excess Revenues for year ended September 30, 2008	\$ (1,621)

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

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

11. BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY

In May 1990, the City of Bryan and the City of College Station entered into an interlocal agreement to combine landfill operations and minimize solid waste management costs by creating the Brazos Valley Solid Waste Management Agency (BVSWMA). The Agreement was subsequently amended in 2000 and 2003. The agreement as currently amended, recognizes the approval of both city councils as required in matters related to BVSWMA's operating budget, "tipping fees," operations, land acquisitions and purchases that require either City Council's approval. The Agreement further states that all property then contributed or later acquired for use by BVSWMA be held by the cities as tenants in common. BVSWMA, composed of the two cities, is responsible for the day to day operations of the landfill. BVSWMA's day to day operations are handled by an Agency Operator chosen by the agreement of both Bryan and College Station. Day-to-day operations were initially entrusted to College Station and its employees, subject to the selection of a new Agency Operator, which would require the approval of both cities. All other matters are to be decided by the two city managers.

Under the current BVSWMA First Supplement to Joint Solid Waste Management Agreement all real and personal property previously contributed by the Cities for use by BVSWMA and all property acquired in the future for such purposes shall be held and owned by the Cities as tenants-in-common, with each City having a one-half undivided interest.

BVSWMA's audited annual financial statements for the year ended September 30, 2008 reported the following:

	2008
Total Assets	\$ 27,524,580
Total Liabilities	4,532,207
Total Net Assets	\$ 22,992,373
Change in net assets for the year ended September 30, 2008	\$ 5,696,357
Bryan's undivided 50% share of change in net assets for the year ended September 30, 2008	\$ 2,848,178

Audited financial statements for BVSWMA may be obtained by writing BVSWMA, P.O. Box 9973, College Station, TX 77842.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

12. INTERFUND BALANCES

Interfund receivable and payable balances at September 30, 2008 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Electric	\$ 46,626
	Nonmajor governmental funds	32,343
	Nonmajor enterprise funds	6,010
Nonmajor governmental funds	General	53,328
	Electric	48,151
	Water	35,544
Electric	Rural Electric	2,879,210
	QSE	14,864,758
	Nonmajor governmental funds	117,572
	General	15,890
	Internal service	72
	Wastewater	137
	Nonmajor enterprise funds	20
Water	Electric	144,397
Wastewater	Electric	130,959
	General	3,574
BCD	Nonmajor governmental funds	288,446
Nonmajor enterprise funds	Electric	88,120
	General	47,003
	Water	1,134
Debt Service Fund	Electric	11
Internal service funds	Electric	122,773
Total		<u>\$ 18,926,078</u>

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 assets for governmental funds and for proprietary funds.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

13. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2008 are as follows:

<u>Transfers Out</u>	<u>Transfers In</u>					<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Electric Fund</u>	<u>Nonmajor Enterprise Funds</u>	
General Fund	\$ -	\$ 251,005	\$ 36,957	\$ -	\$ 4,063,905	\$ 4,351,867
Nonmajor governmental funds	267,793	2,035,811	5,605,681	52,616	450,000	8,411,901
Electric Fund	6,970,913	-	-	-	-	6,970,913
Water Fund	436,154	-	-	430,000	-	866,154
Wastewater Fund	458,312	-	-	415,000	-	873,312
Nonmajor enterprise funds	352,027	-	-	350,000	-	702,027
Internal service fund	-	-	-	-	1,140,973	1,140,973
Total transfers out	<u>\$ 8,485,199</u>	<u>\$ 2,286,816</u>	<u>\$ 5,642,638</u>	<u>\$ 1,247,616</u>	<u>\$ 5,654,878</u>	<u>\$ 23,317,147</u>

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 Water, Wastewater and Solid Waste Funds to the Electric Fund as payment for billing and collection services provided;

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.

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

14. ADMINISTRATIVE ALLOCATIONS TO OTHER FUNDS

The General Fund provides general and administrative support services to the Electric Fund, Rural Electric Fund, Water Fund, Wastewater Fund, Solid Waste Fund and Insurance Fund. Cost of these services are allocated as follows:

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

14. – (Continued)

	General Fund	Solid Waste Fund
<u>Administrative costs allocated to:</u>		
General Fund	\$ -	\$ 49,886
Electric Fund	423,000	-
Water Fund	884,174	36,110
Wastewater Fund	918,793	41,800
Nonmajor enterprise fund (Solid Waste Fund)	839,544	-
Internal service fund (Insurance Fund)	137,501	-
	\$ 3,203,012	\$ 127,796

15. UNAVAILABLE AND UNEARNED REVENUE

The balance of unavailable and unearned revenues at September 30, 2008 consists of the following:

	Unavailable	Unearned	Totals
Delinquent property taxes receivable (General Fund)	\$ 177,701	\$ -	\$ 177,701
Delinquent property taxes receivable (Debt Service Fund)	48,301	-	48,301
Street and drainage assessments receivable (General Fund)	124,147	-	124,147
Other deferred revenues (General Fund)	12,051	-	12,051
Notes receivable (Nonmajor governmental funds)	-	20,257	20,257
Developer Aid-in-Construction			
Nonmajor governmental funds	-	3,230	3,230
Enterprise funds	-	1,727,393	1,727,393
Total	\$ 362,200	\$ 1,750,880	\$ 2,113,080

16. 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.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

16. – (Continued)

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; the assets of the Plan are not a reportable fund in the City's basic financial statements.

17. 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 \$125,000 and a maximum aggregate stop loss deductible of \$4,861,157 for the twelve month period which began January 1, 2008 and ends December 31, 2008. 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:

	2008	2007
Beginning balance unpaid claims	\$ 975,422	\$ 736,809
Incurred claims	5,664,099	7,011,970
Claim payments	(5,783,909)	(6,773,357)
Ending balance unpaid claims	\$ 855,612	\$ 975,422
Amounts due in one year	\$ 855,612	\$ 975,422

18. 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.

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.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

18. – (Continued)

Survivors of employees who die while actively employed are not eligible for retiree health coverage. However, surviving spouses and dependents of Texas law enforcement officers 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 earlier of: (1) the date the surviving spouse remarries; (2) the date the surviving spouse becomes eligible for group health insurance through another employer; or (3) 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 (1) reaches the age of 21 years; or (2) becomes eligible for group health insurance through another employer. Eligible survivors are entitled to purchase the continued coverage at the group rate for that coverage that exists at the time of payment.

Surviving 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, 2008, retirees paid \$370,493 in premiums and \$873,453 in claims were paid for post-retirement health care and administrative charges. As of September 30, 2008, the City has 28 retirees, 25 retirees and spouses, 10 retirees and families and 9 retirees and child(ren) participating in the health plan, out of the 284 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 are submitted. COBRA participants are reimbursed at the same levels as active employees. Participants paid premiums of \$17,998 and incurred claims and administrative expenses of \$113,394 in the year ended September 30, 2008. As of September 30, 2008 the City has 4 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.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

18. – (Continued)

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 first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2007 as required by GASB. The City's annual OPEB cost for the current year is as follows:

Annual required contribution	\$596,441
Interest on OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost (expense) end of year	\$596,411
Net estimated employer contributions	<u>\$502,960</u>
Increase in net OPEB obligation	\$93,481
Net OPEB obligation – as of beginning of the year	0
Net OPEB obligation (asset) – as of end of year	\$93,481

Funding status and funding progress

The funded status of the City's retiree health care plan, under GASB Statement No. 45 as of September 30, 2007 is as follows:

Actuarial Valuation Date as of September 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
2007	-	\$ 7,898,192	\$ 7,898,192	0%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$7,898,192 at September 30, 2007.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

18. – (Continued)

Actuarial methods and assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for 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:

Actuarial Methods and Assumptions:

Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of pay

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.

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.

On May 22, 2008, College Station issued a request for bid number 08-70 in its name alone, for the new BSWMA Twin Oaks Landfill, a contract worth approximately ten million dollars. In doing so, College Station failed to:

- 1) obtain the Bryan City Council's approval;
- 2) include Bryan as a party to the bid or proposed contract, with the power to enforce the contract;
- 3) require the bidder to warrant its work as to Bryan;
- 4) require that Bryan be named as an additional insured on any executed contract; or
- 5) include Bryan and BSWMA on Performance and Payments bonds.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

19. – (Continued)

Despite repeated requests by the City of Bryan, the City of College Station refused to amend its request for bids; and stated that it intended to issue similarly insufficient requests for bids in the future. Bryan filed suit against the City of College Station seeking temporary and permanent injunction and declaratory judgment seeking to enjoin the City of College Station from (1) unilaterally entering into a construction contract for the jointly owned Twin Oaks Landfill without Bryan's approval; (2) issuing any request for bids, proposal, or qualifications related to BVSWMMA without issuing them either in the name of BVSWMMA or in the names of Bryan and College Station, and with Bryan's approval, and (3) entering into any contract, purchase or expenditure on behalf of BVSWMMA with a value of \$50,000 or more.

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 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. Based upon the most recent actuarial study, the City has recorded a potential liability in the amount of \$1,081,660 for claims that have been incurred but not reported as of September 30, 2008. 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:

	<u>2008</u>	<u>2007</u>
Unpaid claims at beginning of fiscal year	\$ 1,284,032	\$ 1,353,622
Incurred claims	488,786	555,401
Claim payments	<u>(691,158)</u>	<u>(624,991)</u>
Total unpaid claims at end of fiscal year	<u>\$ 1,081,660</u>	<u>\$ 1,284,032</u>
Amounts due in one year	\$ 526,477	\$ 293,415

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

20. – (Continued)

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 and University Ranch Project

In fiscal year 2000, the City embarked on a major development program for the City's west side encompassing approximately 850 acres. The development includes a golf course and residential development.

In connection with the development program, the City created Bryan Commerce and Development, Incorporated ("Development Company"). The creation and use of the Development Company was essential since the Texas Local Government code limits the power and activities of local governments in respect to non-traditional government activities, specifically regarding the disposition of property.

Tax Increment Reinvestment Zone Ten ("TIRZ Ten") was created by the City to capture the tax increment created by the development. Any such increment is to be used to reimburse the City for public facilities costs and infrastructure in the development.

In addition, the City entered into various contracts for the purchase of land, development of the residential areas, development of the golf course, country club, and hotel and conference center as described in more detail below:

- (a) In November 1999, the City entered into an agreement with Jordan Community Properties, L.P. (a Texas limited partnership) ("Jordan") for development, marketing, and other services associated with the residential development and the golf course.

Jordan and Development Company formed Bryan/Jordan, L.P. a Texas limited partnership for the purpose of developing the residential development. The partnership interest is as follows:

1%	general partnership interest by Jordan Properties, Inc. or an affiliate thereof
55%	limited partnership interest by Jordan
44%	limited partnership interest by Development Company

Development Company will contribute land to the partnership.

For its service, Jordan was to receive a development fee of 8% of the net sale proceeds from residential lot sales. The balance of the net lot sale proceeds was to be distributed based upon the partnership interest. In certain circumstances, Jordan was also entitled to a brokerage fee and to acquire up to 15 acres of land in the project for "book value".

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 .

As of September 30, 2008 the City had incurred \$17,757,403 in expenditures for public infrastructure improvements and related costs, and had outstanding engineering and construction contracts in the amount of \$129,528.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

21. – (Continued)

- (b) Also in November 1999, the City entered into a Development and Purchase and Sale Agreement with Tradition Golf Club, Inc. ("Traditions") for the design and development of an 18 to 27 hole championship golf course designed by Jack Nicklaus Design Co. and country club facilities.

Under the agreement, the City would convey to Traditions approximately 220 acres of land in the project as an economic development grant and pay for major infrastructure costs.

On February 25, 2003, the City Council approved the assignment of certain rights and responsibilities related to the Traditions project golf course and residential development to Traditions Club by Melrose, LLC. ("Melrose"), a Texas limited liability company.

On March 6, 2003, Bryan Commerce and Development, Inc. conveyed 250.94 acres of land to Melrose for the purpose of constructing the golf course. Melrose has completed golf course construction with proceeds of a promissory note granted by Gold Bank of Oklahoma City, Oklahoma, which holds first lien position on the golf course property.

Through September 30, 2008, Bryan Commerce and Development, Inc. has conveyed 170.31 acres of land to Melrose for residential development. Two hundred thirty four residential lots had been sold with a gross sales price of \$25,286,215. After the payment of fees, commissions and closing costs, Bryan Commerce and Development, Inc. has received \$8,962,573 for its partnership distribution related to the project.

- (c) On September 12, 2000, the City entered into a development agreement with Campus Hotels, LLC (a Wisconsin limited liability company) ("Campus") for the development of a hotel and conference center.

Under this agreement, the City was to contribute approximately 25 acres of land in the project to Campus for the construction of a hotel, villas, and conference center. The City was to contribute \$2,400,000 towards the construction of the conference center. Upon completion of the conference center, Campus would dedicate the conference center to the City and the City would lease the conference center to Campus for \$1 per year.

The City's performance under the agreement was contingent upon Campus' completion of the hotel by the opening date of the golf course. On January 14, 2004, by letter, the City terminated the agreement with Campus Hotels, LLC for the development of a hotel and conference center as part of the Traditions and University Ranch Project.

- (d) On June 13, 2000 the City entered into an agreement with Development Company for the development of TIRZ Ten. Under the agreement, certain contractual obligations originally assumed by the City under the Jordan, Traditions and Campus agreements were assigned to Development Company. The City agreed to provide an \$8,500,000 grant for the purchase of approximately 800 acres of land to be used in the development.

As of September 30, 2008 the City has advanced to Development Company \$4,813,942 for the acquisition of land for the project. Development Company also entered into a loan agreement with Cashion Family Limited Partnership for the acquisition of 417.85 acres of land. The principal amount of the loan totals \$3,000,000 and is payable in seven annual installments of \$428,571 plus accrued interest at 5%. The total projected payout is \$3,598,056. As of September 30, 2008, this loan has been paid in full.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

21. – (Continued)

The estimated total commitment (exclusive of debt service on the certificates of obligation) as of September 30, 2008 is as follows:

Land and associated acquisition costs	\$	8,411,998
Infrastructure and related costs		<u>17,000,000</u>
	\$	<u>25,411,998</u>
To be financed as follows:		
Certificates of Obligation, Series 2000A	\$	17,000,000
Other lawfully available City funds		<u>8,411,998</u>
	\$	<u>25,411,998</u>

The Certificates of Obligation, Series 2000A which are general obligations of the City, were issued on October 26, 2000 and bear interest rates between 4.5% and 6.00%.

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. The City’s future Community Development Block Grant Funds are pledged for repayment of the indebtedness. As of September 30, 2008 the balance of the HUD Section 108 loan was \$2,485,000.

In addition to the HUD Section 108 loan, the City was obligated to The First National Bank of Bryan (“Bank”) to cure monetary defaults by LaSalle Hotel Ltd. In fiscal year 2001, Bryan Commerce and Development, Inc. (“BCD”) purchased the hotel under a Substitute Trustee’s Deed, Bill of Sale and assignment from the Bank for the sum of \$1,212,762. BCD entered into a real estate lien note with the City to fund the transaction.

BCD has contracted with Lane Hospitality to provide management, accounting and marketing services for the hotel.

In fiscal year 2008, the City funded the debt service on the HUD Section 108 loan in the amount of \$312,935.

22. ACCOUNTS RECEIVABLE

As of September 30, 2008, the receivables not expected to be collected within one year are notes and assessments receivable as follows:

	General Fund	Nonmajor Governmental Fund - Community Development Fund	Total
Notes receivable	\$ 38,155	\$ 20,257	\$ 58,412
Street and drainage assessments	124,147	-	124,147
	<u>\$ 162,302</u>	<u>\$ 20,257</u>	<u>\$ 182,559</u>

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

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, 2008:

	Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Total
Bond Retirement Reserve	\$ 3,977,413	\$ -	\$ -	\$ -	\$ 3,977,413
Bond Debt Service	494,135	-	1,011,297	797,889	2,303,321
Rate Litigation Reserve	6,336,495	-	-	-	6,336,495
Rate Stabilization Reserve	20,541,787	-	-	-	20,541,787
Customer Deposits Payable	2,920,432	323,789	-	-	3,244,221
Capital Debt Proceeds	26,019,226	-	3,687,367	2,000,980	31,707,573
	<u>\$ 60,289,488</u>	<u>\$ 323,789</u>	<u>\$ 4,698,664</u>	<u>\$ 2,798,869</u>	<u>\$ 68,110,810</u>

24. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended September 30, 2008 budgetary expenditures in excess of appropriations are reported as indicated below:

Governmental Funds	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - (Negative)
Tax Increment Zone # 21			
Total expenditures	\$ -	\$ 8,000	\$ (8,000)
Special Projects			
Total expenditures	-	194,401	(194,401)

Total expenditures in the Tax Increment Zone # 21 exceeded budget by \$8,000 due to professional fees incurred in fiscal year 2008 rather than in fiscal year 2009 as planned. Expenses will be appropriately budgeted in future years.

Total expenditures in the Special Projects Fund exceeded budget by \$194,401. Initial engineering and architectural fees for a new project were paid from this fund. Estimates will be revised in future years.

25. FUND DEFICITS

The Tax Increment Reinvestment Zone #19 fund, a Special Revenue Fund, has a deficit unreserved-undesignated fund balance as of September 30, 2008 in the amount of \$762,425 due to the award of a contract in the latter part of the year. The cost of construction will be covered by the proceeds of the City's 2007 bond issue.

The Tax Increment Reinvestment Zone #22 fund, a Special Revenue Fund, has a deficit unreserved-undesignated fund balance as of September 30, 2008 in the amount of \$123,850. A contract was awarded for the construction of streets and accompanying sewer lines. The cost of construction will be covered by the proceeds of the City's 2007 and 2008 bond issues.

As of September 30, 2008, the 2009 Certificates of Obligation Fund, a Capital Project Fund, has a deficit unreserved-undesignated fund balance of \$676,984 due to the purchase of equipment for the City's golf course. It is the City's intention to issue debt in fiscal year 2009.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

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, 2008, the City had created five Tax Increment Financing Zones:

Reinvestment Zone Number Eight – Park Hudson represents approximately 450 acres located on the east side of the City of Bryan and has a 20 year term. Brazos County and Bryan Independent School District have entered into interlocal agreements to participate in the TIFZ.

Reinvestment Zone Number Ten – Traditions and University Ranch is approximately 850 acres on the west side of the City and has a term of 25 years. Brazos County has agreed to participate in TIFZ 10 through 2015.

Reinvestment Zone Number Twenty-Two – Lauth Development is a retail development on the east side of the City of Bryan and has a 20 year term. Brazos County has agreed to participate in TIFZ 22 through 2022.

Reinvestment Zone Number Nineteen – Nash Street development consists of 122 acres within the corporate limits of the City of Bryan and has a term of 20 years.

Reinvestment Zone Number Twenty-One – This consists of approximately 250 acres in downtown Bryan and has a term of twenty years.

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

26. – (Continued)

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

<u>Zone/ Fiscal Year</u>	<u>Base Value</u>	<u>Net Taxable Value</u>	<u>Captured Value</u>	<u>Tax Rate Per \$100 Valuation</u>	<u>Captured Tax Revenue</u>
<u>Park Hudson</u>					
2008	\$ 35,803	\$ 122,186,000	\$ 122,150,197	\$ 0.6364	\$ 777,364
2007	35,803	99,221,800	99,185,997	0.6364	631,220
2006	35,803	84,581,080	84,545,277	0.6364	538,046
2005	35,803	61,082,989	61,047,186	0.6364	388,504
2004	35,803	49,998,094	49,962,291	0.6364	317,960
<u>Traditions</u>					
2008	637,640	81,855,365	81,217,725	0.6364	516,870
2007	637,640	66,843,855	66,206,215	0.6364	421,336
2006	637,640	40,005,365	39,367,725	0.6364	250,536
2005	637,640	4,076,325	3,438,685	0.6364	21,884
2004	637,640	653,963	16,323	0.6364	104
<u>Lauth Development</u>					
2008	2,213,289	8,388,060	6,349,970	0.6364	40,411
2007	2,213,289	8,992,060	6,778,771	0.6364	43,140
<u>Nash Street</u>					
2008	2,038,090	12,222,530	10,009,241	0.6364	63,699
2007	2,038,090	2,038,090	-	0.6364	-
<u>Downtown Bryan</u>					
2008	\$ 41,070,995	\$ 43,915,850	\$ 2,844,855	\$ 0.6364	\$ 18,105

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, 2008 the City had established abatement agreements with the following property owners:

CITY OF BRYAN, TEXAS
Notes to the Basic Financial Statements, Continued
September 30, 2008

27. – (Continued)

Property Owner	Date of Abatement	FY 2008 Appraised Values	FY 2008 Taxable Values	FY 2008 Abated Values	FY 2008 Taxes Levied	FY 2008 Taxes Abated
Betco	2000	\$ 327,530	\$ 300,399	\$ 27,131	\$ 1,912	\$ 173
Brydenpear Premiere LP	2006	5,552,000	1,702,924	3,849,076	10,837	24,496
Coca-Cola Enterprises	2003	5,336,918	4,235,681	1,101,237	26,955	7,008
Toyo Ink In'l	2008	2,303,926	925,776	1,378,150	5,892	8,771
Kent Moore	2004	7,046,305	3,526,258	3,520,047	22,441	22,401
Readfield Meats, Inc	2006	813,415	581,984	231,431	3,704	1,473
West Telemarketing	2006	943,300	565,980	377,320	3,602	2,401
Weatherford Artificial Lift	2008	22,214,065	4,880,205	17,333,860	31,057	110,312

28. FINANCIAL HEDGING

The 1999 Texas utility deregulation legislation, Senate Bill 7, contains provisions modifying the Public Finance Investment Act to allow municipal utilities the ability to purchase and sell energy-related financial instruments in order to hedge or mitigate the effect of market price fluctuations of natural gas, fuel oil and electric energy.

Bryan Texas Utilities (BTU) is the City's electric utility. On March 10, 2008, the BTU Board of Directors 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 BTU's risk exposures in order to stabilize pricing and costs for the benefit of BTU's customers.

BTU follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* for put and call option hedge instruments and accordingly records changes in the fair value of such investments to fuel expense on the Statement of Revenues, Expenses and Changes in Net Assets.

BTU follows GASB Technical Bulletin No. 2003-1, *Disclosure Requirements for Derivatives Not Reported at Fair Value* for swap hedge transactions. Accordingly, swap transactions are reported at cost on the Statement of Net Assets. At September 30, 2008 BTU had outstanding swaps hedging 480,000 MMBtu's of gas purchases, indexed to Houston Ship channel daily gas prices, covering the period from October 2008 to September 2009. The swaps transacted at no cost. As of September 30, 2008, the fair value of outstanding swap hedge instruments was (\$261,160). Fair value is determined based on the New York Mercantile Exchange (NYMEX) closing settlement prices at September 30, 2008, adjusted for the basis difference between Henry Hub and the Houston Ship Channel.

Swap contracts represent a financial obligation to buy or sell the underlying delivery point basis. 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.

The hedging contracts expose BTU to a minimal amount of credit risk. In the event of default or nonperformance by a hedge counterparty the operations of BTU could be materially affected. However, BTU ensures minimum credit standards for hedge transactions and does not anticipate the counterparties to fail to meet their obligations.



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THE CITY OF BRYAN

REQUIRED SUPPLEMENTARY
INFORMATION

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

Actuarial Valuation Date, December 31,	<u>2005</u>	<u>2006</u>	<u>2007</u>
Actuarial Value of Assets *	\$ 85,259,236	\$ 87,895,438	\$ 90,418,211
Actuarial Accrued Liability **	113,740,747	118,752,796	148,297,355
Percentage Funded	75.0%	74.0%	61.0%
Unfunded Actuarial Accrued Liability (UAAL)	28,481,511	30,857,358	57,879,144
Annual Covered Payroll	33,650,168	35,240,358	37,229,136
UAAL as a Percentage of Covered Payroll	84.6%	87.6%	155.5%

* 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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 14,416,142	\$ 14,416,142	\$ 14,313,161	\$ (102,981)
Sales	15,194,321	15,194,321	14,532,775	(661,546)
Franchise	1,798,300	1,798,300	2,012,872	214,572
Bingo	200,000	200,000	183,580	(16,420)
Alcoholic beverage	67,600	67,600	64,994	(2,606)
Charges for services:				
Ambulance charges	1,332,000	1,332,000	1,733,616	401,616
Recreational charges	1,168,900	1,168,900	1,411,706	242,806
Health and public safety	766,500	766,500	757,099	(9,401)
Miscellaneous charges	178,300	141,200	143,601	2,401
Fines and court charges:				
Municipal court	1,696,600	1,744,587	1,858,422	113,835
Library	-	37,100	52,902	15,802
Licenses and permits	601,000	601,000	614,615	13,615
Grants:				
Texas Attorney General	-	71,151	50,148	(21,003)
U.S. Department of Criminal Justice	-	90,659	90,659	-
Homeland Security	-	-	119,192	119,192
Contributions to Library - College Station	935,600	935,600	929,156	(6,444)
FEMA	-	-	77,875	77,875
Other	35,000	92,121	55,308	(36,813)
Investment earnings	973,800	973,800	571,557	(402,243)
Other	408,450	440,981	493,525	52,544
Total revenues	<u>39,772,513</u>	<u>40,071,962</u>	<u>40,066,763</u>	<u>(5,199)</u>
Expenditures:				
Current:				
General government and administration:				
Executive	1,552,708	1,716,606	1,578,082	138,524
City Secretary	1,102,670	1,107,259	878,879	228,380
Legal services	588,266	588,266	493,126	95,140
Payments to other agencies	1,133,544	1,322,556	2,393,991	(1,071,435)
Fiscal services	1,083,542	1,092,064	996,846	95,218
Computer services	2,047,081	2,091,602	2,028,221	63,381
Purchasing services	511,792	511,905	511,882	23
Human resources	600,056	612,056	600,154	11,902
Fleet services	623,567	565,454	515,008	50,446
Facility services	1,880,368	1,827,441	1,661,609	165,832
Total general government and administration	<u>11,123,594</u>	<u>11,435,209</u>	<u>11,657,798</u>	<u>(222,589)</u>
Development services:				
Planning	645,187	747,899	577,668	170,231
Engineering	1,410,637	1,326,029	1,197,134	128,895
Building	1,042,303	1,067,656	951,709	115,947
Special projects	103,487	28,957	29,002	(45)
Total development services	<u>3,201,614</u>	<u>3,170,541</u>	<u>2,755,513</u>	<u>415,028</u>
Public works services:				
Public Works Administration	176,675	523,506	459,271	64,235
Transportation services	3,117,306	3,615,034	3,371,399	243,635
Total public works services	<u>3,293,981</u>	<u>4,138,540</u>	<u>3,830,670</u>	<u>307,870</u>

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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety:				
Police services	13,591,693	13,802,886	14,028,654	(225,768)
Fire and emergency medical services	9,668,616	9,774,283	9,561,631	212,652
Emergency operations center	-	-	62,702	(62,702)
Municipal court	1,078,554	1,143,175	1,117,438	25,737
Total public safety	<u>24,338,863</u>	<u>24,720,344</u>	<u>24,770,425</u>	<u>(50,081)</u>
Cultural and recreational:				
Library services	1,294,559	1,298,090	1,267,378	30,712
College Station library services	829,823	887,207	848,188	39,019
Parks and recreation services	4,413,862	4,254,790	4,435,089	(180,299)
Municipal golf course	-	-	16	(16)
Total cultural and recreational	<u>6,538,244</u>	<u>6,440,087</u>	<u>6,550,671</u>	<u>(110,584)</u>
Administrative reimbursement	(2,413,000)	(3,026,688)	(3,156,157)	129,469.00
Capital outlay	1,600,494	2,877,553	2,745,433	132,120
Debt service-bond retirement	145,000	145,000	145,000	-
Interest and fiscal charges	83,968	83,968	83,968	-
Total expenditures	<u>47,912,758</u>	<u>49,984,554</u>	<u>49,383,321</u>	<u>601,233</u>
Excess of expenditures over revenues	(8,140,245)	(9,912,592)	(9,316,558)	596,034
Other financing sources (uses):				
Sale of capital assets	-	-	106,724	106,724
Transfers in	8,806,459	8,790,063	8,485,199	(304,864)
Transfers out	(578,037)	(6,330,241)	(4,351,867)	1,978,374
Total other financing sources	<u>8,228,422</u>	<u>2,459,822</u>	<u>4,240,056</u>	<u>1,780,234</u>
Net change in fund balance	88,177	(7,452,770)	(5,076,502)	2,376,268
Fund Balance, October 1, 2007	17,419,247	17,419,247	17,419,247	-
Fund Balance, September 30, 2008	<u>\$ 17,507,424</u>	<u>\$ 9,966,477</u>	<u>\$ 12,342,745</u>	<u>\$ 2,376,268</u>



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THE CITY OF BRYAN

SUPPLEMENTARY
INFORMATION

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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.

Oil and Gas Fund – To account for revenues derived from oil and gas bonuses and royalties received on various properties owned by the City. Use of these funds is primarily restricted to the purchase of capital assets and to street, park, drainage and public facilities maintenance and improvements. Funds received on Utility property and Rural Electric property are restricted for use in each of those respective funds.

Special Projects Fund – To account for litigation proceeds. The funds will be used for special construction projects.

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. 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 #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

Street Improvements Fund – To account for funds to be used for improving and constructing new streets within the City.

2001 Certificates of Obligation Fund – To account for entrance signs, water, wastewater, drainage, lighting, and landscaping improvements within Reinvestment Zone Number #8, the realignment of Pendleton Drive, parking improvements at Coulter Airport, and expenses related to the Justice Center.

2001A Certificates of Obligation Fund – To account for the acquisition of public safety communications equipment, vehicles, computer equipment and other equipment for use by police, fire and administrative departments, improvements to the aquatic center, improvements to Henderson, Haswell, Tanglewood and Tiffany Parks, improvements to the Carnegie Library parking lot, street, water and wastewater improvements on University Drive East, South College, 26th Street, and within the Downtown Business District.

2003 Certificates of Obligation Fund – To account for the construction of streets and acquisition of traffic signals, improvements to parks, the acquisition of HVAC equipment for municipal buildings, the acquisition of land and the costs of planning, design and preliminary site work for the construction of a Municipal Court and Police building.

2004 Certificates of Obligation Fund – To account for the acquisition of land, the costs of planning, design and site work, and the construction of a municipal court and police building (“justice center”), and the construction of improvements and extensions to the City’s water and wastewater systems.

2005 Certificates of Obligation Fund – To account for the construction of streets, sidewalks, drainage and traffic system improvements, and the related costs of the acquisition of land, planning and design.

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.

2009 Certificates of Obligation Fund – To account for the construction of streets, sidewalks, 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, 2008

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 8,138,309	\$ 8,251,947	\$ 966,706	\$ 17,356,962
Investments	5,280,662	5,354,396	627,262	11,262,320
Receivables:				
Accounts	726,000	185,357	-	911,357
Less allowance for uncollectible	(131,779)	-	-	(131,779)
Grants	48,728	-	-	48,728
Interest	56,495	57,284	6,712	120,491
Notes	20,257	-	-	20,257
Due from other funds	130,655	6,368	-	137,023
Total assets	<u>\$ 14,269,327</u>	<u>\$ 13,855,352</u>	<u>\$ 1,600,680</u>	<u>\$ 29,725,359</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 595,297	\$ 652,562	\$ -	\$ 1,247,859
Accrued liabilities	17,832	-	-	17,832
Retainages payable	255,244	1,027,594	-	1,282,838
Due to other funds	438,361	-	-	438,361
Unearned revenue	23,487	-	-	23,487
Total liabilities	<u>1,330,221</u>	<u>1,680,156</u>	<u>-</u>	<u>3,010,377</u>
Fund balances:				
Reserved for encumbrances	6,477,259	3,006,130	3,500	9,486,889
Reserved for perpetual care	-	-	633,838	633,838
Reserved for capital improvements	-	9,846,050	-	9,846,050
Reserved for court activities	296,899	-	-	296,899
Unreserved - undesignated	7,122,854	-	963,342	8,086,196
Unreserved - undesignated (deficit)	(957,906)	(676,984)	-	(1,634,890)
Total fund balances	<u>12,939,106</u>	<u>12,175,196</u>	<u>1,600,680</u>	<u>26,714,982</u>
Total liabilities and fund balances	<u>\$ 14,269,327</u>	<u>\$ 13,855,352</u>	<u>\$ 1,600,680</u>	<u>\$ 29,725,359</u>

CITY OF BRYAN, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
As of September 30, 2008

	Community Development Fund	Hotel and Motel Room Tax Fund	Oil and Gas Fund	Special Projects 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	\$ -	\$ 190,754	\$ 50,354	\$ 252,855	\$ 179,308	\$ 2,667,855	\$ 1,288,554	\$ 1,505,896	\$ 1,697,733	\$ -	\$ 7,771	\$ 297,229	\$ 8,138,309
Investments	-	123,774	32,673	164,069	116,347	1,731,077	836,097	977,122	1,101,598	-	5,043	192,862	5,280,662
Accounts receivable	-	27,904	82,306	-	-	441,081	116,543	-	58,166	-	-	-	726,000
Less allowance for uncollectibles	-	-	-	-	-	(105,476)	(26,303)	-	-	-	-	-	(131,779)
Grants receivable	48,728	-	-	-	-	-	-	-	-	-	-	-	48,728
Interest receivable	-	1,324	350	1,755	1,244	18,520	8,945	10,454	11,786	-	54	2,063	56,495
Notes receivable	20,257	-	-	-	-	-	-	-	-	-	-	-	20,257
Due from other funds	86	-	-	-	-	38,468	92,101	-	-	-	-	-	130,655
Total assets	<u>\$ 69,071</u>	<u>\$ 343,756</u>	<u>\$ 165,683</u>	<u>\$ 418,679</u>	<u>\$ 296,899</u>	<u>\$ 4,791,525</u>	<u>\$ 2,315,937</u>	<u>\$ 2,493,472</u>	<u>\$ 2,869,283</u>	<u>\$ -</u>	<u>\$ 12,868</u>	<u>\$ 492,154</u>	<u>\$ 14,269,327</u>
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	\$ 788	\$ -	\$ -	\$ 10,000	\$ -	\$ 446,193	\$ 1,418	\$ -	\$ 18,207	\$ -	\$ -	\$ 118,691	\$ 595,297
Accrued liabilities	12,403	-	-	-	-	-	-	-	-	5,429	-	-	17,832
Retainages payable	-	-	-	-	-	65,173	12,508	-	107,906	40,672	-	28,985	255,244
Due to other funds	32,393	-	117,522	-	-	-	-	-	288,446	-	-	-	438,361
Unearned revenue	23,487	-	-	-	-	-	-	-	-	-	-	-	23,487
Total liabilities	<u>69,071</u>	<u>-</u>	<u>117,522</u>	<u>10,000</u>	<u>-</u>	<u>511,366</u>	<u>13,926</u>	<u>-</u>	<u>414,559</u>	<u>46,101</u>	<u>-</u>	<u>147,676</u>	<u>1,330,221</u>
Fund balances:													
Reserved for encumbrances	71,631	9,430	-	2,608	-	3,263,520	519,979	1,283,911	129,528	716,324	12,000	468,328	6,477,259
Reserved for court activities	-	-	-	-	296,899	-	-	-	-	-	-	-	296,899
Unreserved - undesignated	-	334,326	48,161	406,071	-	1,016,639	1,782,032	1,209,561	2,325,196	-	868	-	7,122,854
Unreserved - undesignated (deficit)	(71,631)	-	-	-	-	-	-	-	-	(762,425)	-	(123,850)	(957,906)
Total fund balances	<u>-</u>	<u>343,756</u>	<u>48,161</u>	<u>408,679</u>	<u>296,899</u>	<u>4,280,159</u>	<u>2,302,011</u>	<u>2,493,472</u>	<u>2,454,724</u>	<u>(46,101)</u>	<u>12,868</u>	<u>344,478</u>	<u>12,939,106</u>
Total liabilities and fund balances	<u>\$ 69,071</u>	<u>\$ 343,756</u>	<u>\$ 165,683</u>	<u>\$ 418,679</u>	<u>\$ 296,899</u>	<u>\$ 4,791,525</u>	<u>\$ 2,315,937</u>	<u>\$ 2,493,472</u>	<u>\$ 2,869,283</u>	<u>\$ -</u>	<u>\$ 12,868</u>	<u>\$ 492,154</u>	<u>\$ 14,269,327</u>

CITY OF BRYAN, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds - Capital Project Funds
As of September 30, 2008

	Street Improvements Fund	2001 Certificates of Obligation Fund	2001A Certificates of Obligation Fund	2003 Certificates of Obligation Fund	2004 Certificates of Obligation Fund	2005 Certificates of Obligation Fund	2007 Certificates of Obligation Fund	2008 Certificates of Obligation Fund	2009 Certificates of Obligation Fund	Total
<u>Assets</u>										
Cash and cash equivalents	\$ 56,741	\$ -	\$ -	\$ 16,680	\$ 865,975	\$ 884,843	\$ 1,545,373	\$ 4,882,335	\$ -	\$ 8,251,947
Investments	36,817	-	-	10,823	561,900	574,144	1,002,738	3,167,974	-	5,354,396
Accounts receivable	-	-	-	-	-	-	-	185,357	-	185,357
Interest receivable	394	-	-	116	6,011	6,142	10,728	33,893	-	57,284
Due from other funds	6,368	-	-	-	-	-	-	-	-	6,368
Total assets	<u>\$ 100,320</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,619</u>	<u>\$ 1,433,886</u>	<u>\$ 1,465,129</u>	<u>\$ 2,558,839</u>	<u>\$ 8,269,559</u>	<u>\$ -</u>	<u>\$ 13,855,352</u>
<u>Liabilities and Fund Balances</u>										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ -	\$ 16,890	\$ 103,558	\$ 234	\$ 5,899	\$ 557	\$ 525,424	\$ 652,562
Retainages payable	-	-	-	-	678,675	57,375	210,139	81,405	-	1,027,594
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,890</u>	<u>782,233</u>	<u>57,609</u>	<u>216,038</u>	<u>81,962</u>	<u>525,424</u>	<u>1,680,156</u>
Fund balances:										
Reserved for encumbrances	-	-	-	10,624	21,179	647,859	285,411	1,889,497	151,560	3,006,130
Reserved for capital improvements	100,320	-	-	105	630,474	759,661	2,057,390	6,298,100	-	9,846,050
Unreserved - undesignated (deficit)	-	-	-	-	-	-	-	-	(676,984)	(676,984)
Total fund balances	<u>100,320</u>	<u>-</u>	<u>-</u>	<u>10,729</u>	<u>651,653</u>	<u>1,407,520</u>	<u>2,342,801</u>	<u>8,187,597</u>	<u>(525,424)</u>	<u>12,175,196</u>
Total liabilities and fund balances	<u>\$ 100,320</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,619</u>	<u>\$ 1,433,886</u>	<u>\$ 1,465,129</u>	<u>\$ 2,558,839</u>	<u>\$ 8,269,559</u>	<u>\$ -</u>	<u>\$ 13,855,352</u>

CITY OF BRYAN, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds - Permanent Funds
As of September 30, 2008

	Brandon Cemetery Fund	J.W. English Fund	Lucy B. Hervey Fund	Mills Trust Fund	Cemetery Fund	Myrtie Conway Astin Fund	F.L. Henderson Library Fund	Rountree Library Fund	Bade Trust Fund	Totals
<u>Assets</u>										
Cash and cash equivalents	\$ 1,483	\$ 5,309	\$ 8,436	\$ 532	\$ 907,376	\$ 35,015	\$ 3,716	\$ 4,330	\$ 509	\$ 966,706
Investments	963	3,444	5,474	346	588,764	22,720	2,411	2,810	330	627,262
Interest receivable	10	37	59	4	6,299	243	26	30	4	6,712
Total assets	<u>\$ 2,456</u>	<u>\$ 8,790</u>	<u>\$ 13,969</u>	<u>\$ 882</u>	<u>\$ 1,502,439</u>	<u>\$ 57,978</u>	<u>\$ 6,153</u>	<u>\$ 7,170</u>	<u>\$ 843</u>	<u>\$ 1,600,680</u>
<u>Fund Balances</u>										
Fund balances:										
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ 3,500
Reserved for perpetual care	1,399	5,000	1,500	500	611,194	4,950	2,085	6,710	500	633,838
Unreserved - undesignated	1,057	3,790	12,469	382	887,745	53,028	4,068	460	343	963,342
Total fund balances	<u>2,456</u>	<u>8,790</u>	<u>13,969</u>	<u>882</u>	<u>1,502,439</u>	<u>57,978</u>	<u>6,153</u>	<u>7,170</u>	<u>843</u>	<u>1,600,680</u>
Total liabilities and fund balances	<u>\$ 2,456</u>	<u>\$ 8,790</u>	<u>\$ 13,969</u>	<u>\$ 882</u>	<u>\$ 1,502,439</u>	<u>\$ 57,978</u>	<u>\$ 6,153</u>	<u>\$ 7,170</u>	<u>\$ 843</u>	<u>\$ 1,600,680</u>

CITY OF BRYAN, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2008

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Revenues:				
Property taxes	\$ 1,149,288	\$ -	\$ -	\$ 1,149,288
Hotel occupancy taxes	290,187	-	-	290,187
Transportation and drainage assessments	4,133,458	-	-	4,133,458
Grants	1,496,929	-	-	1,496,929
Fines and court charges	45,835	-	-	45,835
Investment earnings	514,788	611,522	56,490	1,182,800
Oil and gas royalties	160,241	-	-	160,241
Other	2,314,584	9,571	40,590	2,364,745
Total revenues	<u>10,105,310</u>	<u>621,093</u>	<u>97,080</u>	<u>10,823,483</u>
Expenditures:				
Current:				
Development services	1,637,875	-	-	1,637,875
Public works services	2,114,069	477,309	-	2,591,378
Cultural and recreational	207,745	-	-	207,745
Capital outlay	7,725,035	14,679,452	-	22,404,487
Arbitrage rebate	-	16,890	-	16,890
Debt service:				
Bond and principal retirement	150,000	-	-	150,000
Interest and fiscal charges	101,618	-	-	101,618
Debt issuance costs	-	79,500	-	79,500
Total expenditures	<u>11,936,342</u>	<u>15,253,151</u>	<u>-</u>	<u>27,189,493</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,831,032)</u>	<u>(14,632,058)</u>	<u>97,080</u>	<u>(16,366,010)</u>
Other financing sources (uses):				
Long-term debt issued	-	11,090,000	-	11,090,000
Transfers in	5,570,187	72,451	-	5,642,638
Transfers out	<u>(3,564,076)</u>	<u>(4,847,825)</u>	<u>-</u>	<u>(8,411,901)</u>
Total other financing sources	<u>2,006,111</u>	<u>6,314,626</u>	<u>-</u>	<u>8,320,737</u>
Net change in fund balances	175,079	(8,317,432)	97,080	(8,045,273)
Fund balances, October 1, 2007	<u>12,764,027</u>	<u>20,492,628</u>	<u>1,503,600</u>	<u>34,760,255</u>
Fund balances, September 30, 2008	<u>\$ 12,939,106</u>	<u>\$ 12,175,196</u>	<u>\$ 1,600,680</u>	<u>\$ 26,714,982</u>

CITY OF BRYAN, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue Funds
For the Fiscal Year Ended September 30, 2008

	Community Development Fund	Hotel and Motel Room Tax Fund	Oil and Gas Fund	Special Projects 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 672,005	\$ 413,600	\$ 42,852	\$ 20,831	\$ -	\$ 1,149,288
Hotel occupancy taxes	-	290,187	-	-	-	-	-	-	-	-	-	-	290,187
Transportation and drainage assessments	-	-	-	-	-	3,301,795	831,663	-	-	-	-	-	4,133,458
Grants	1,496,929	-	-	-	-	-	-	-	-	-	-	-	1,496,929
Fines and court charges	-	-	-	-	45,835	-	-	-	-	-	-	-	45,835
Investment earnings	-	9,527	18,121	36,387	9,760	136,157	81,974	68,603	153,774	154	37	294	514,788
Oil and gas royalties	-	-	160,241	-	-	-	-	-	-	-	-	-	160,241
Other	78,276	-	-	-	-	-	-	777,292	1,441,099	17,917	-	-	2,314,584
Total revenues	<u>1,575,205</u>	<u>299,714</u>	<u>178,362</u>	<u>36,387</u>	<u>55,595</u>	<u>3,437,952</u>	<u>913,637</u>	<u>1,517,900</u>	<u>2,008,473</u>	<u>60,923</u>	<u>20,868</u>	<u>294</u>	<u>10,105,310</u>
Expenditures:													
Current:													
Development services	1,360,544	-	-	194,401	-	-	-	-	45,474	-	8,000	29,456	1,637,875
Public works services	-	-	-	-	-	2,056,801	57,268	-	-	-	-	-	2,114,069
Cultural and recreational	-	207,745	-	-	-	-	-	-	-	-	-	-	207,745
Capital outlay	-	-	-	-	-	-	697,257	188,009	2,250,820	1,047,261	-	3,541,688	7,725,035
Debt service:													
Bond and principal retirement	150,000	-	-	-	-	-	-	-	-	-	-	-	150,000
Interest and fiscal charges	101,618	-	-	-	-	-	-	-	-	-	-	-	101,618
Total expenditures	<u>1,612,162</u>	<u>207,745</u>	<u>-</u>	<u>194,401</u>	<u>-</u>	<u>2,056,801</u>	<u>754,525</u>	<u>188,009</u>	<u>2,296,294</u>	<u>1,047,261</u>	<u>8,000</u>	<u>3,571,144</u>	<u>11,936,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,957)</u>	<u>91,969</u>	<u>178,362</u>	<u>(158,014)</u>	<u>55,595</u>	<u>1,381,151</u>	<u>159,112</u>	<u>1,329,891</u>	<u>(287,821)</u>	<u>(986,338)</u>	<u>12,868</u>	<u>(3,570,850)</u>	<u>(1,831,032)</u>
Other financing sources (uses):													
Transfers in	36,957	-	-	-	-	-	-	-	-	1,052,237	-	4,480,993	5,570,187
Transfers out	-	-	(528,634)	(487,000)	-	(26,616)	(26,676)	(312,107)	(1,841,343)	(112,000)	-	(229,700)	(3,564,076)
Total other financing sources (uses)	<u>36,957</u>	<u>-</u>	<u>(528,634)</u>	<u>(487,000)</u>	<u>-</u>	<u>(26,616)</u>	<u>(26,676)</u>	<u>(312,107)</u>	<u>(1,841,343)</u>	<u>940,237</u>	<u>-</u>	<u>4,251,293</u>	<u>2,006,111</u>
Net change in fund balances	-	91,969	(350,272)	(645,014)	55,595	1,354,535	132,436	1,017,784	(2,129,164)	(46,101)	12,868	680,443	175,079
Fund balances, October 1, 2007	-	251,787	398,433	1,053,693	241,304	2,925,624	2,169,575	1,475,688	4,583,888	-	-	(335,965)	12,764,027
Fund balances, September 30, 2008	<u>\$ -</u>	<u>\$ 343,756</u>	<u>\$ 48,161</u>	<u>\$ 408,679</u>	<u>\$ 296,899</u>	<u>\$ 4,280,159</u>	<u>\$ 2,302,011</u>	<u>\$ 2,493,472</u>	<u>\$ 2,454,724</u>	<u>\$ (46,101)</u>	<u>\$ 12,868</u>	<u>\$ 344,478</u>	<u>\$ 12,939,106</u>

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, 2008

	Street Improvements Fund	2001A Certificates of Obligation Fund	2001 Certificates of Obligation Fund	2003 Certificates of Obligation Fund	2004 Certificates of Obligation Fund	2005 Certificates of Obligation Fund	2007 Certificates of Obligation Fund	2008 Certificates of Obligation Fund	2009 Certificates of Obligation Fund	Total
Revenues:										
Investment earnings	\$ 51,505	\$ 4,105	\$ 1,142	\$ 4,916	\$ 49,765	\$ 184,819	\$ 273,997	\$ 41,273	\$ -	\$ 611,522
Other	9,571	-	-	-	-	-	-	-	-	9,571
Total revenues	<u>61,076</u>	<u>4,105</u>	<u>1,142</u>	<u>4,916</u>	<u>49,765</u>	<u>184,819</u>	<u>273,997</u>	<u>41,273</u>	<u>-</u>	<u>621,093</u>
Expenditures:										
Current:										
Public works services	-	-	-	-	(12,969)	-	-	281,778	208,500	477,309
Capital outlay	-	29,440	-	140,429	550,591	5,260,181	6,084,606	2,297,281	316,924	14,679,452
Arbitrage rebate	-	-	-	16,890	-	-	-	-	-	16,890
Debt issuance costs	-	-	-	-	-	-	-	79,500	-	79,500
Total expenditures	<u>-</u>	<u>29,440</u>	<u>-</u>	<u>157,319</u>	<u>537,622</u>	<u>5,260,181</u>	<u>6,084,606</u>	<u>2,658,559</u>	<u>525,424</u>	<u>15,253,151</u>
Excess (deficiency) of revenues over (under) expenditures	<u>61,076</u>	<u>(25,335)</u>	<u>1,142</u>	<u>(152,403)</u>	<u>(487,857)</u>	<u>(5,075,362)</u>	<u>(5,810,609)</u>	<u>(2,617,286)</u>	<u>(525,424)</u>	<u>(14,632,058)</u>
Other financing sources (uses):										
Long-term debt issued	-	-	-	-	-	-	-	11,090,000	-	11,090,000
Transfers in	-	-	-	16,890	55,561	-	-	-	-	72,451
Transfers out	-	(17,742)	(5,762)	(32,057)	(16,890)	(1,005,659)	(3,484,598)	(285,117)	-	(4,847,825)
Total other financing sources	<u>-</u>	<u>(17,742)</u>	<u>(5,762)</u>	<u>(15,167)</u>	<u>38,671</u>	<u>(1,005,659)</u>	<u>(3,484,598)</u>	<u>10,804,883</u>	<u>-</u>	<u>6,314,626</u>
Net change in fund balances	61,076	(43,077)	(4,620)	(167,570)	(449,186)	(6,081,021)	(9,295,207)	8,187,597	(525,424)	(8,317,432)
Fund balances, October 1, 2007	<u>39,244</u>	<u>43,077</u>	<u>4,620</u>	<u>178,299</u>	<u>1,100,839</u>	<u>7,488,541</u>	<u>11,638,008</u>	<u>-</u>	<u>-</u>	<u>20,492,628</u>
Fund balances, September 30, 2008	<u>\$ 100,320</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,729</u>	<u>\$ 651,653</u>	<u>\$ 1,407,520</u>	<u>\$ 2,342,801</u>	<u>\$ 8,187,597</u>	<u>\$ (525,424)</u>	<u>\$ 12,175,196</u>

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, 2008

	Brandon Cemetery Fund	J.W. English Fund	Lucy B. Hervey Fund	Mills Trust Fund	Cemetery Fund	Myrtie Conway Astin Fund	F.L. Henderson Library Fund	Rountree Library Fund	Bade Trust Fund	Totals
Revenues:										
Contributions	\$ -	\$ -	\$ -	\$ -	\$ 40,590	\$ -	\$ -	\$ -	\$ -	\$ 40,590
Investment earnings	88	315	500	32	52,974	2,074	220	257	30	56,490
Total revenues	<u>88</u>	<u>315</u>	<u>500</u>	<u>32</u>	<u>93,564</u>	<u>2,074</u>	<u>220</u>	<u>257</u>	<u>30</u>	<u>97,080</u>
Net change in fund balances	88	315	500	32	93,564	2,074	220	257	30	97,080
Fund balances, October 1, 2007	<u>2,368</u>	<u>8,475</u>	<u>13,469</u>	<u>850</u>	<u>1,408,875</u>	<u>55,904</u>	<u>5,933</u>	<u>6,913</u>	<u>813</u>	<u>1,503,600</u>
Fund balances, September 30, 2008	<u>\$ 2,456</u>	<u>\$ 8,790</u>	<u>\$ 13,969</u>	<u>\$ 882</u>	<u>\$ 1,502,439</u>	<u>\$ 57,978</u>	<u>\$ 6,153</u>	<u>\$ 7,170</u>	<u>\$ 843</u>	<u>\$ 1,600,680</u>

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, 2008

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 5,039,900	\$ 5,039,900	\$ 5,051,585	\$ 11,685
Investment earnings	200,000	200,000	165,433	(34,567)
Total revenues	<u>5,239,900</u>	<u>5,239,900</u>	<u>5,217,018</u>	<u>(22,882)</u>
Expenditures:				
Debt service:				
Bond and principal retirement	3,447,666	3,447,666	3,380,634	67,032
Interest and fiscal charges	3,872,679	3,872,679	3,805,954	66,725
Total expenditures	<u>7,320,345</u>	<u>7,320,345</u>	<u>7,186,588</u>	<u>133,757</u>
Excess of expenditures over revenues	(2,080,445)	(2,080,445)	(1,969,570)	110,875
Other financing sources:				
Transfers in	1,945,116	2,287,016	2,286,816	(200)
Total other financing sources	<u>1,945,116</u>	<u>2,287,016</u>	<u>2,286,816</u>	<u>(200)</u>
Net change in fund balance	(135,329)	206,571	317,246	110,675
Fund Balance, October 1, 2007	<u>877,511</u>	<u>877,511</u>	<u>877,511</u>	<u>-</u>
Fund Balance, September 30, 2008	<u>\$ 742,182</u>	<u>\$ 1,084,082</u>	<u>\$ 1,194,757</u>	<u>\$ 110,675</u>

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, 2008

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Grants	\$ 1,841,888	\$ 1,841,888	\$ 1,496,929	\$ (344,959)
Investment earnings	-	-	-	-
Other	38,800	38,800	78,276	39,476
Total revenues	<u>1,880,688</u>	<u>1,880,688</u>	<u>1,575,205</u>	<u>(305,483)</u>
Expenditures:				
Current:				
Development services	1,784,037	1,785,059	1,360,544	424,515
Debt service:				
Bond and principal retirement	150,000	150,000	150,000	-
Interest and fiscal charges	17,651	101,618	101,618	-
Total expenditures	<u>1,951,688</u>	<u>2,036,677</u>	<u>1,612,162</u>	<u>424,515</u>
Deficiency of revenues under expenditures	(71,000)	(155,989)	(36,957)	119,032
Other financing sources:				
Transfers in	<u>71,000</u>	<u>41,942</u>	<u>36,957</u>	<u>4,985</u>
Net change in fund balance	-	(114,047)	-	114,047
Fund balance, October 1, 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, September 30, 2008	<u><u>\$ -</u></u>	<u><u>\$ (114,047)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 114,047</u></u>

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, 2008

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Occupancy taxes	\$ 224,127	\$ 224,127	\$ 290,187	\$ 66,060
Investment earnings	7,745	7,745	9,527	1,782
Total revenues	<u>231,872</u>	<u>231,872</u>	<u>299,714</u>	<u>67,842</u>
Expenditures:				
Current:				
Cultural and recreational	163,886	185,886	207,745	(21,859)
Capital Outlay	40,000	182,000	-	182,000
Total expenditures	<u>203,886</u>	<u>367,886</u>	<u>207,745</u>	<u>160,141</u>
Net change in fund balance	27,986	(136,014)	91,969	227,983
Fund balance, October 1, 2007	<u>251,787</u>	<u>251,787</u>	<u>251,787</u>	<u>-</u>
Fund balance, September 30, 2008	<u><u>\$ 279,773</u></u>	<u><u>\$ 115,773</u></u>	<u><u>\$ 343,756</u></u>	<u><u>\$ 227,983</u></u>

CITY OF BRYAN, TEXAS
Oil and Gas Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2008

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment earnings	\$ 18,707	\$ 18,707	\$ 18,121	\$ (586)
Oil and gas royalties	60,000	60,000	160,241	100,241
Total revenues	<u>78,707</u>	<u>78,707</u>	<u>178,362</u>	<u>99,655</u>
Other financing uses:				
Transfers out	<u>(20,000)</u>	<u>(548,634)</u>	<u>(528,634)</u>	<u>20,000</u>
Net change in fund balance	58,707	(469,927)	(350,272)	119,655
Fund balance, October 1, 2007	<u>398,433</u>	<u>398,433</u>	<u>398,433</u>	<u>-</u>
Fund balance, September 30, 2008	<u><u>\$ 457,140</u></u>	<u><u>\$ (71,494)</u></u>	<u><u>\$ 48,161</u></u>	<u><u>\$ 119,655</u></u>

CITY OF BRYAN, TEXAS
Special Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended September 30, 2008

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment earnings	\$ 65,360	\$ 65,360	\$ 36,387	\$ (28,973)
Total revenues	<u>65,360</u>	<u>65,360</u>	<u>36,387</u>	<u>(28,973)</u>
Expenditures:				
Current:				
Development services	-	-	194,401	(194,401)
Excess of revenues over expenditures	65,360	65,360	(158,014)	(223,374)
Other financing uses:				
Transfers out	-	(487,000)	(487,000)	-
Net change in fund balance	65,360	(421,640)	(645,014)	(223,374)
Fund balance, October 1, 2007	<u>1,053,693</u>	<u>1,053,693</u>	<u>1,053,693</u>	<u>-</u>
Fund balance, September 30, 2008	<u>\$ 1,119,053</u>	<u>\$ 632,053</u>	<u>\$ 408,679</u>	<u>\$ (223,374)</u>

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, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and court charges	\$ 49,880	\$ 45,835	\$ (4,045)
Investment earnings	8,415	9,760	1,345
Total revenues	<u>58,295</u>	<u>55,595</u>	<u>(2,700)</u>
Expenditures:			
Current:			
General government and administration	194,000	-	194,000
Total expenditures	<u>194,000</u>	<u>-</u>	<u>194,000</u>
Net change in fund balance	(135,705)	55,595	191,300
Fund balance, October 1, 2007	<u>241,304</u>	<u>241,304</u>	<u>-</u>
Fund balance, September 30, 2008	<u>\$ 105,599</u>	<u>\$ 296,899</u>	<u>\$ 191,300</u>

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, 2008

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Transportation assessments	\$ 3,264,706	\$ 3,264,706	\$ 3,301,795	\$ 37,089
Investment earnings	141,817	141,817	136,157	(5,660)
Total revenues	<u>3,406,523</u>	<u>3,406,523</u>	<u>3,437,952</u>	<u>31,429</u>
Expenditures:				
Current:				
Public works services	<u>2,400,000</u>	<u>3,443,862</u>	<u>2,056,801</u>	<u>1,387,061</u>
Total expenditures	<u>2,400,000</u>	<u>3,443,862</u>	<u>2,056,801</u>	<u>1,387,061</u>
Excess (deficiency) of revenues over (under) expenditures	1,006,523	(37,339)	1,381,151	1,418,490
Other financing uses:				
Transfers out	<u>-</u>	<u>(42,092)</u>	<u>(26,616)</u>	<u>(15,476)</u>
Net change in fund balance	1,006,523	(79,431)	1,354,535	1,433,966
Fund balance, October 1, 2007	<u>2,925,624</u>	<u>2,925,624</u>	<u>2,925,624</u>	<u>-</u>
Fund balance, September 30, 2008	<u>\$ 3,932,147</u>	<u>\$ 2,846,193</u>	<u>\$ 4,280,159</u>	<u>\$ 1,433,966</u>

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, 2008

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Drainage assessments	\$ 844,365	\$ 844,365	\$ 831,663	\$ (12,702)
Investment earnings	51,877	51,877	81,974	30,097
Total revenues	<u>896,242</u>	<u>896,242</u>	<u>913,637</u>	<u>17,395</u>
Expenditures:				
Current:				
Public works services	700,000	918,690	57,268	861,422
Capital outlay	1,700,000	1,846,083	697,257	1,148,826
Total expenditures	<u>2,400,000</u>	<u>2,764,773</u>	<u>754,525</u>	<u>2,010,248</u>
Excess (deficiencies) of revenues over (under) expenditures	(1,503,758)	(1,868,531)	159,112	2,027,643
Other financing uses:				
Transfers out	<u>(26,000)</u>	<u>(10,523)</u>	<u>(26,676)</u>	<u>16,153</u>
Net change in fund balance	(1,529,758)	(1,879,054)	132,436	2,011,490
Fund balance, October 1, 2007	<u>2,169,575</u>	<u>2,169,575</u>	<u>2,169,575</u>	<u>-</u>
Fund balance, September 30, 2008	<u>\$ 639,817</u>	<u>\$ 290,521</u>	<u>\$ 2,302,011</u>	<u>\$ 2,011,490</u>

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, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Property taxes	\$ 624,907	\$ 672,005	\$ 47,098
Investment earnings	18,550	68,603	50,053
Other	720,867	777,292	56,425
Total revenues	<u>1,364,324</u>	<u>1,517,900</u>	<u>153,576</u>
Expenditures:			
Current:			
Development services	1,600,000	-	1,600,000
Capital outlay	-	188,009	(188,009)
Total expenditures	<u>1,600,000</u>	<u>188,009</u>	<u>1,411,991</u>
Excess of revenues over expenditures	(235,676)	1,329,891	1,565,567
Other financing uses:			
Transfers out	<u>(312,107)</u>	<u>(312,107)</u>	<u>-</u>
Net change in fund balance	(547,783)	1,017,784	1,565,567
Fund balance, October 1, 2007	<u>1,475,688</u>	<u>1,475,688</u>	<u>-</u>
Fund balance, September 30, 2008	<u>\$ 927,905</u>	<u>\$ 2,493,472</u>	<u>\$ 1,565,567</u>

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, 2008

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 417,123	\$ 417,123	\$ 413,600	\$ (3,523)
Investment earnings	107,707	107,707	153,774	46,067
Lot Sales	1,122,780	1,122,780	1,115,763	(7,017)
Other	254,857	254,857	325,336	70,479
Total revenues	<u>1,902,467</u>	<u>1,902,467</u>	<u>2,008,473</u>	<u>106,006</u>
Expenditures:				
Current:				
Development services	-	97,295	45,474	51,821
Capital outlay	2,723,000	2,723,000	2,250,820	472,180
Total expenditures	<u>2,723,000</u>	<u>2,820,295</u>	<u>2,296,294</u>	<u>524,001</u>
Excess of revenues over expenditures	(820,533)	(917,828)	(287,821)	630,007
Other financing uses:				
Transfers out	<u>(1,832,004)</u>	<u>(1,832,004)</u>	<u>(1,841,343)</u>	<u>(9,339)</u>
Net change in fund balance	(2,652,537)	(2,749,832)	(2,129,164)	620,668
Fund balance, October 1, 2007	<u>4,583,888</u>	<u>4,583,888</u>	<u>4,583,888</u>	<u>-</u>
Fund balance, September 30, 2008	<u>\$ 1,931,351</u>	<u>\$ 1,834,056</u>	<u>\$ 2,454,724</u>	<u>\$ 620,668</u>

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, 2008

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 42,709	\$ 42,709	\$ 42,852	\$ 143
Investment earnings	-	-	154	154
Other	22,741	22,741	17,917	(4,824)
Total revenues	<u>65,450</u>	<u>65,450</u>	<u>60,923</u>	<u>(4,527)</u>
Expenditures:				
Capital outlay	-	1,804,634	1,047,261	757,373
Total expenditures	<u>-</u>	<u>1,804,634</u>	<u>1,047,261</u>	<u>757,373</u>
Excess of revenues over expenditures	65,450	(1,739,184)	(986,338)	752,846
Other financing sources (uses)				
Transfers in	-	1,851,212	1,052,237	(798,975)
Transfers out	-	(112,200)	(112,000)	200
Total other financing sources	<u>-</u>	<u>1,739,012</u>	<u>940,237</u>	<u>(798,775)</u>
Net change in fund balance	65,450	(172)	(46,101)	(45,929)
Fund balance, October 1, 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, September 30, 2008	<u>\$ 65,450</u>	<u>\$ (172)</u>	<u>\$ (46,101)</u>	<u>\$ (45,929)</u>

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, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Property taxes	\$ -	\$ 20,831	\$ 20,831
Investment earnings	-	37	37
Total revenues	<u>-</u>	<u>20,868</u>	<u>20,868</u>
Expenditures:			
Current:			
Development services	-	8,000	(8,000)
Total expenditures	<u>-</u>	<u>8,000</u>	<u>(8,000)</u>
Excess of revenues over expenditures	-	12,868	12,868
Net change in fund balance	-	12,868	12,868
Fund balance, October 1, 2007	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, September 30, 2008	<u><u>\$ -</u></u>	<u><u>\$ 12,868</u></u>	<u><u>\$ 12,868</u></u>

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, 2008

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment earnings	\$ -	\$ -	\$ 294	\$ 294
Total revenues	<u>-</u>	<u>-</u>	<u>294</u>	<u>294</u>
Expenditures:				
Current:				
Development services	-	539,200	29,456	509,744
Capital outlay	-	5,973,951	3,541,688	2,432,263
Total expenditures	<u>-</u>	<u>6,513,151</u>	<u>3,571,144</u>	<u>2,942,007</u>
Deficiency of revenues under expenditures	-	(6,513,151)	(3,570,850)	2,942,301
Other financing sources (uses):				
Transfers in	-	4,663,048	4,480,993	182,055
Transfers out	-	(229,700)	(229,700)	-
Total other financing sources	<u>-</u>	<u>4,433,348</u>	<u>4,251,293</u>	<u>182,055</u>
Net change in fund balance	-	(2,079,803)	680,443	2,760,246
Fund balance, October 1, 2007	<u>(335,965)</u>	<u>(335,965)</u>	<u>(335,965)</u>	<u>-</u>
Fund balance, September 30, 2008	<u>\$ (335,965)</u>	<u>\$ (2,415,768)</u>	<u>\$ 344,478</u>	<u>\$ 2,760,246</u>

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.

BTU QSE Services – To account for the provision of qualified scheduling services of electrical generation to the City Electric system. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administrative, operations, maintenance, and billing and collection.

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 and the operations of the LaSalle Hotel are included in this fund.

CITY OF BRYAN, TEXAS
Combining Statement of Net Assets
Nonmajor Enterprise Funds
As of September 30, 2008

<u>Assets</u>	<u>Solid Waste Fund</u>	<u>Bryan Airport Fund</u>	<u>BTU QSE Services</u>	<u>Bryan Commerce & Development</u>	<u>Total</u>
Current assets:					
Cash and cash equivalents	\$ 1,798,550	\$ 66,420	\$ -	\$ 74,355	\$ 1,939,325
Investments	1,167,016	43,098	-	-	1,210,114
Accounts receivable	817,337	3,061	2,930,450	34,049	3,784,897
Less allowance for uncollectible	(160,184)	-	-	-	(160,184)
Grants receivable	122,831	-	-	-	122,831
Interest receivable	12,231	461	-	-	12,692
Inventories	-	-	-	3,301	3,301
Due from other funds	136,109	148	-	288,446	424,703
Prepaid purchased power option	-	-	12,950,000	-	12,950,000
Prepaid and other assets	-	-	68,000	69,769	137,769
Total current assets	<u>3,893,890</u>	<u>113,188</u>	<u>15,948,450</u>	<u>469,920</u>	<u>20,425,448</u>
Noncurrent assets:					
Unamortized bond issuance expenses	706	-	-	-	706
Restricted assets:					
Investment in BVSWMA	11,496,186	-	-	-	11,496,186
Capital assets:					
Land	-	654,671	-	9,397,188	10,051,859
Buildings	83,307	1,104,223	-	1,333,262	2,520,792
Equipment	7,199,251	-	-	239,114	7,438,365
Improvements other than buildings	24,378	2,516,927	2,669,156	-	5,210,461
Less accumulated depreciation	(4,377,929)	(1,654,624)	(1,286,318)	(605,585)	(7,924,456)
Total capital assets (net of accumulated depreciation)	<u>2,929,007</u>	<u>2,621,197</u>	<u>1,382,838</u>	<u>10,363,979</u>	<u>17,297,021</u>
Total noncurrent assets	<u>14,425,899</u>	<u>2,621,197</u>	<u>1,382,838</u>	<u>10,363,979</u>	<u>28,793,913</u>
Total assets	<u>\$ 18,319,789</u>	<u>\$ 2,734,385</u>	<u>\$ 17,331,288</u>	<u>\$ 10,833,899</u>	<u>\$ 49,219,361</u>

	Solid Waste Fund	Bryan Airport Fund	BTU QSE Services	Bryan Commerce & Development	Total
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	\$ 156,817	\$ 2,639	\$ 121,900	\$ 53,640	\$ 334,996
Accrued liabilities	118,090	-	28,231	66,770	213,091
Due to other funds	20	-	14,864,758	6,010	14,870,788
Unearned revenue	-	-	166,590	-	166,590
Accrued interest	-	238	-	1,275	1,513
General obligation bonds	14,487	-	-	-	14,487
Certificates of obligation	-	2,031	-	-	2,031
Notes	-	-	-	1,898,974	1,898,974
Accrued vacation and sick pay	111,544	-	17,798	6,742	136,084
Total current liabilities	<u>400,958</u>	<u>4,908</u>	<u>15,199,277</u>	<u>2,033,411</u>	<u>17,638,554</u>
Noncurrent liabilities:					
Certificates of obligation	-	37,187	-	-	37,187
Notes	-	-	-	4,967	4,967
Accrued vacation and sick pay	71,315	-	11,379	2,208	84,902
Total noncurrent liabilities	<u>71,315</u>	<u>37,187</u>	<u>11,379</u>	<u>7,175</u>	<u>127,056</u>
Total liabilities	<u>472,273</u>	<u>42,095</u>	<u>15,210,656</u>	<u>2,040,586</u>	<u>17,765,610</u>
<u>Net Assets</u>					
Invested in capital assets, net of related debt	2,915,226	2,581,979	1,382,838	8,460,038	15,340,081
Restricted for BVSWMA	11,496,186	-	-	-	11,496,186
Unrestricted	3,436,104	110,311	737,794	333,275	4,617,484
Total net assets	<u>\$ 17,847,516</u>	<u>\$ 2,692,290</u>	<u>\$ 2,120,632</u>	<u>\$ 8,793,313</u>	<u>\$ 31,453,751</u>

CITY OF BRYAN, TEXAS
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2008

	Solid Waste Fund	Bryan Airport Fund	BTU QSE Services	Bryan Commerce & Development	Total
Operating revenues:					
Other	\$ 7,402,611	\$ 32,861	\$ 1,213,273	\$ 844,003	\$ 9,492,748
Total operating revenues	<u>7,402,611</u>	<u>32,861</u>	<u>1,213,273</u>	<u>844,003</u>	<u>9,492,748</u>
Operating expenses:					
Personnel services	2,486,291	-	755,078	396,242	3,637,611
Electric operations	-	-	261,149	-	261,149
Maintenance	345,165	2,561	-	6,594	354,320
Other services and charges	1,787,622	22,967	-	409,844	2,220,433
Other expenses	602,338	-	-	75,391	677,729
General and administrative	1,248,126	-	21,232	-	1,269,358
Administrative reimbursement	(127,796)	-	-	-	(127,796)
Total operating expenses before depreciation	<u>6,341,746</u>	<u>25,528</u>	<u>1,037,459</u>	<u>888,071</u>	<u>8,292,804</u>
Operating income (loss) before depreciation	1,060,865	7,333	175,814	(44,068)	1,199,944
Depreciation	451,560	152,179	175,814	91,022	870,575
Operating income (loss)	<u>609,305</u>	<u>(144,846)</u>	<u>-</u>	<u>(135,090)</u>	<u>329,369</u>
Nonoperating revenues (expenses):					
Investment earnings	129,121	3,632	-	-	132,753
Interest expense	(2,667)	(2,007)	-	(122,235)	(126,909)
Distributive share of BVSWMA net income	2,848,178	-	-	-	2,848,178
Other - net	205,701	-	-	201,713	407,414
Total nonoperating revenues	<u>3,180,333</u>	<u>1,625</u>	<u>-</u>	<u>79,478</u>	<u>3,261,436</u>
Income (loss) before contributions and transfers	3,789,638	(143,221)	-	(55,612)	3,590,805
Transfers in	40,973	-	-	5,613,905	5,654,878
Transfers out	(702,027)	-	-	-	(702,027)
Change in net assets	<u>3,128,584</u>	<u>(143,221)</u>	<u>-</u>	<u>5,558,293</u>	<u>8,543,656</u>
Net assets, October 1, 2007	<u>14,718,932</u>	<u>2,835,511</u>	<u>2,120,632</u>	<u>3,235,020</u>	<u>22,910,095</u>
Net assets, September 30, 2008	<u>\$ 17,847,516</u>	<u>\$ 2,692,290</u>	<u>\$ 2,120,632</u>	<u>\$ 8,793,313</u>	<u>\$ 31,453,751</u>

CITY OF BRYAN, TEXAS
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2008

	Solid Waste Fund	Bryan Airport Fund	BTU QSE Services	Bryan Commerce & Development	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 7,387,592	\$ 39,638	\$ 2,524,137	\$ 844,636	\$ 10,796,003
Receipts for interfund services provided	127,796	-	-	-	127,796
Payments to suppliers	(2,667,620)	(26,659)	(1,668,059)	(800,328)	(5,162,666)
Payments to employees	(2,472,598)	-	(829,649)	(391,887)	(3,694,134)
Receipts for miscellaneous revenues	205,701	-	-	-	205,701
Payments for interfund services used	(1,248,126)	-	-	-	(1,248,126)
Net cash provided (used) by operating activities	<u>1,332,745</u>	<u>12,979</u>	<u>26,429</u>	<u>(347,579)</u>	<u>1,024,574</u>
Cash flows from noncapital financing activities:					
Transfers in	40,973	-	-	5,613,905	5,654,878
Transfers out	(702,027)	-	-	-	(702,027)
Net cash provided (used) by noncapital financing activities	<u>(661,054)</u>	<u>-</u>	<u>-</u>	<u>5,613,905</u>	<u>4,952,851</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(941,475)	17,080	(26,429)	(4,730,903)	(5,681,727)
Principal paid on general obligation bonds	(14,019)	-	-	-	(14,019)
Principal paid on certificates of obligation	-	(2,032)	-	-	(2,032)
Principal paid on notes	-	-	-	(433,515)	(433,515)
Interest paid on bonds, contractual obligations, and notes	(2,808)	(2,022)	-	(137,254)	(142,084)
Net cash provided (used) by capital and related financing activities	<u>(958,302)</u>	<u>13,026</u>	<u>(26,429)</u>	<u>(5,301,672)</u>	<u>(6,273,377)</u>
Cash flows from investing activities:					
Purchase of investment securities	(1,804,061)	(66,624)	-	-	(1,870,685)
Sale of investment securities	1,773,283	52,642	-	-	1,825,925
Interest on investments	132,033	3,559	-	-	135,592
Net cash provided (used) by investing activities	<u>101,255</u>	<u>(10,423)</u>	<u>-</u>	<u>-</u>	<u>90,832</u>
Net increase in cash and cash equivalents	(185,356)	15,582	-	(35,346)	(205,120)
Cash and cash equivalents, October 1, 2007	<u>1,983,906</u>	<u>50,838</u>	<u>-</u>	<u>109,701</u>	<u>2,144,445</u>
Cash and cash equivalents, September 30, 2008	<u>\$ 1,798,550</u>	<u>\$ 66,420</u>	<u>\$ -</u>	<u>\$ 74,355</u>	<u>\$ 1,939,325</u>

CITY OF BRYAN, TEXAS
Combining Statement of Cash Flows (continued)
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2008

	Solid Waste Fund	Bryan Airport Fund	BTU QSE Services	Bryan Commerce & Development	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 609,305	\$ (144,846)	\$ -	\$ (135,090)	\$ 329,369
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	451,560	152,179	175,814	91,022	870,575
Receipts for miscellaneous revenues	205,701	-	-	-	205,701
Change in assets and liabilities:					
Change in accounts receivable	(104,690)	6,925	1,144,274	(287)	1,046,222
Change in inventory	-	-	-	357	357
Change in due from other funds	89,671	(148)	-	(288,446)	(198,923)
Change in prepaid assets	3,481	-	(12,950,000)	(40,892)	(12,987,411)
Change in accounts payable	38,823	(1,131)	113,283	35,434	186,409
Change in accrued liabilities	25,201	-	(77,453)	(18,436)	(70,688)
Change in deferred credit	-	-	166,590	-	166,590
Change in customer deposits	-	-	-	920	920
Change in due to other funds	-	-	11,451,039	6,010	11,457,049
Change in accrued vacation and sick pay	13,693	-	2,882	1,829	18,404
Net cash provided (used) by operating activities	<u>\$ 1,332,745</u>	<u>\$ 12,979</u>	<u>\$ 26,429</u>	<u>\$ (347,579)</u>	<u>\$ 1,024,574</u>

Noncash investing, capital and financing activities

During this past year, the Enterprise Funds investment in BVSWMA increased \$2,848,178 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.

Equipment Replacement Fund – To account for funds accumulated by the City for the replacement of City vehicles and equipment, not budgeted in other funds.

CITY OF BRYAN, TEXAS
Internal Service Funds
Combining Statement of Net Assets
As of September 30, 2008

<u>Assets</u>	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Equipment Replacement Fund	Total
Current assets:					
Cash and cash equivalents	\$ 250,966	\$ 4,946,748	\$ 1,910,770	\$ 1,276,404	\$ 8,384,888
Investments	162,842	3,193,548	1,239,830	828,213	5,424,433
Accounts receivable	-	120	58,253	-	58,373
Interest receivable	1,742	34,167	13,265	8,861	58,035
Inventories	189,337	-	-	-	189,337
Due from other funds	317	11,874	110,582	-	122,773
Prepaid and other assets	-	814	-	-	814
Total current assets	605,204	8,187,271	3,332,700	2,113,478	14,238,653
Capital assets:					
Buildings	-	23,420	-	-	23,420
Equipment	-	297,857	-	-	297,857
Improvements other than buildings	68,029	29,572	-	-	97,601
Less accumulated depreciation	(34,588)	(272,356)	-	-	(306,944)
Total capital assets (net of accumulated depreciation)	33,441	78,493	-	-	111,934
Total assets	638,645	8,265,764	3,332,700	2,113,478	14,350,587
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	33,379	89,714	132,401	-	255,494
Claims payable	-	526,477	855,612	-	1,382,089
Due to other funds	-	72	-	-	72
Accrued liabilities	-	10,723	-	-	10,723
Accrued vacation and sick pay	-	29,864	-	-	29,864
Total current liabilities	33,379	656,850	988,013	-	1,678,242
Noncurrent liabilities:					
Claims payable	-	555,183	-	-	555,183
Accrued liabilities	-	-	73,298	-	73,298
Accrued vacation and sick pay	-	18,902	-	-	18,902
Total noncurrent liabilities	-	574,085	73,298	-	647,383
Total liabilities	33,379	1,230,935	1,061,311	-	2,325,625
<u>Net Assets</u>					
Invested in capital assets	33,441	78,493	-	-	111,934
Unrestricted	571,825	6,956,336	2,271,389	2,113,478	11,913,028
Total net assets	\$ 605,266	\$ 7,034,829	\$ 2,271,389	\$ 2,113,478	\$ 12,024,962

CITY OF BRYAN, TEXAS
Internal Service Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
For the Fiscal Year Ended September 30, 2008

	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Equipment Replacement Fund	Total
Operating revenues:					
Intragovernmental	\$ 71,157	\$ 1,345,260	\$ 4,413,324	\$ 2,112,215	\$ 7,941,956
Other	-	-	1,322,780	-	1,322,780
Total operating revenues	<u>71,157</u>	<u>1,345,260</u>	<u>5,736,104</u>	<u>2,112,215</u>	<u>9,264,736</u>
Operating expenses:					
Personnel services	-	341,521	-	-	341,521
Maintenance	-	1,315	-	-	1,315
Claims	-	488,786	5,664,100	-	6,152,886
Other services and charges	38,845	440,615	647,305	-	1,126,765
Other expenses	-	37,551	-	-	37,551
General and administrative	8,531	139,564	-	-	148,095
Total operating expenses before depreciation	<u>47,376</u>	<u>1,449,352</u>	<u>6,311,405</u>	<u>-</u>	<u>7,808,133</u>
Operating income (loss) before depreciation	23,781	(104,092)	(575,301)	2,112,215	1,456,603
Depreciation	3,402	31,398	-	-	34,800
Operating income (loss)	<u>20,379</u>	<u>(135,490)</u>	<u>(575,301)</u>	<u>2,112,215</u>	<u>1,421,803</u>
Nonoperating revenues:					
Investment earnings	13,334	332,286	112,432	1,263	459,315
Other	-	30,349	679,452	-	709,801
Total nonoperating revenues	<u>13,334</u>	<u>362,635</u>	<u>791,884</u>	<u>1,263</u>	<u>1,169,116</u>
Income before transfers	33,713	227,145	216,583	2,113,478	2,590,919
Transfers out	-	(1,140,973)	-	-	(1,140,973)
Change in net assets	33,713	(913,828)	216,583	2,113,478	1,449,946
Net assets, October 1, 2007	<u>571,553</u>	<u>7,948,657</u>	<u>2,054,806</u>	<u>-</u>	<u>10,575,016</u>
Net assets, September 30, 2008	<u>\$ 605,266</u>	<u>\$ 7,034,829</u>	<u>\$ 2,271,389</u>	<u>\$ 2,113,478</u>	<u>\$ 12,024,962</u>

CITY OF BRYAN, TEXAS
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2008

	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Equipment Replacement Fund	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 1,867,225	\$ -	\$ 1,306,464	\$ -	\$ 3,173,689
Receipts for interfund services provided	-	1,344,699	4,403,554	2,112,215	7,860,468
Payments to suppliers	(1,839,360)	(1,146,399)	(6,448,729)	-	(9,434,488)
Payments to employees	-	(340,467)	-	-	(340,467)
Receipts for miscellaneous revenues	-	30,349	679,452	-	709,801
Payments for interfund services used	(8,531)	(139,564)	-	-	(148,095)
Net cash provided (used) by operating activities	<u>19,334</u>	<u>(251,382)</u>	<u>(59,259)</u>	<u>2,112,215</u>	<u>1,820,908</u>
Cash flows from noncapital financing activities:					
Transfers out	-	(1,140,973)	-	-	(1,140,973)
Net cash used by noncapital activities	<u>-</u>	<u>(1,140,973)</u>	<u>-</u>	<u>-</u>	<u>(1,140,973)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	-	(18,300)	-	-	(18,300)
Net cash used by capital and related financing activities	<u>-</u>	<u>(18,300)</u>	<u>-</u>	<u>-</u>	<u>(18,300)</u>
Cash flows from investing activities:					
Purchase of investment securities	(251,734)	(4,936,827)	(1,916,623)	(1,280,314)	(8,385,498)
Sale of investment securities	227,650	5,087,475	1,804,118	452,101	7,571,344
Interest on investments	13,441	342,688	114,191	(7,598)	462,722
Net cash provided (used) by investing activities	<u>(10,643)</u>	<u>493,336</u>	<u>1,686</u>	<u>(835,811)</u>	<u>(351,432)</u>
Net increase in cash and cash equivalents	8,691	(917,319)	(57,573)	1,276,404	310,203
Cash and cash equivalents, October 1, 2007	<u>242,275</u>	<u>5,864,067</u>	<u>1,968,343</u>	<u>-</u>	<u>8,074,685</u>
Cash and cash equivalents, September 30, 2008	<u>\$ 250,966</u>	<u>\$ 4,946,748</u>	<u>\$ 1,910,770</u>	<u>\$ 1,276,404</u>	<u>\$ 8,384,888</u>
Operating income (loss)	\$ 20,379	\$ (135,490)	\$ (575,301)	\$ 2,112,215	\$ 1,421,803
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	3,402	31,398	-	-	34,800
Nonoperating revenue	-	30,349	679,452	-	709,801
Change in assets and liabilities:					
Change in accounts receivable	-	(15)	(16,316)	-	(16,331)
Change in inventory	(37,568)	-	-	-	(37,568)
Change in due from other funds	(237)	(546)	(9,770)	-	(10,553)
Change in prepaid assets	-	(714)	-	-	(714)
Change in accounts payable	33,358	24,882	(90,813)	-	(32,573)
Change in accrued liabilities	-	3,299	73,298	-	76,597
Change in due to other funds	-	72	-	-	72
Change in claims payable	-	(202,372)	(119,809)	-	(322,181)
Change in vacation and sick pay	-	(2,245)	-	-	(2,245)
Net cash provided (used) by operating activities	<u>\$ 19,334</u>	<u>\$ (251,382)</u>	<u>\$ (59,259)</u>	<u>\$ 2,112,215</u>	<u>\$ 1,820,908</u>

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, 2008

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
<u>Assets</u>				
Cash and cash equivalents	\$ 593,984	\$ 43,541,398	\$ 43,445,777	\$ 689,605
Accounts Receivable	212,058	235,127	213,291	233,894
 Total assets	 <u>806,042</u>	 <u>43,776,525</u>	 <u>43,659,068</u>	 <u>923,499</u>
 <u>Liabilities</u>				
Benefits and employment taxes payable	 <u>\$ 806,042</u>	 <u>\$ 43,563,233</u>	 <u>\$ 43,445,776</u>	 <u>\$ 923,499</u>

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, 2008 and 2007

	2008	2007
Governmental funds capital assets:		
Land	\$ 10,736,346	\$ 10,735,833
Buildings	19,905,260	19,908,550
Improvements other than buildings	29,742,174	30,119,827
Machinery and equipment	23,788,359	21,440,938
Infrastructure	116,790,849	110,876,794
Construction in Progress	46,640,120	28,446,955
	\$ 247,603,108	\$ 221,528,897
Investments in governmental funds capital assets by source:		
General Fund	\$ 68,225,577	\$ 66,435,808
Special Revenue Funds	8,275,013	8,276,495
Private Contributions	30,036,634	27,386,536
General Obligation bonds	41,767,698	41,070,441
Grants	6,624,032	6,647,328
Certificates of Obligation	92,674,154	71,712,289
	\$ 247,603,108	\$ 221,528,897

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 of Changes by Function and Activity
For the Fiscal Year Ended September 30, 2008

Function and Activity	Governmental Funds Capital Assets October 1, 2007	Additions	Deductions	Governmental Funds Capital Assets September 30, 2008
General Government:				
Executive	\$ 15,303,828	\$ 6,847	\$ 1,544	\$ 15,309,131
City Secretary	269,601	-	-	269,601
Legal services	47,571	-	-	47,571
Fiscal services	334,897	3,368	-	338,265
Computer services	6,468,940	280,737	-	6,749,677
Purchasing services	1,798,759	19,016	15,428	1,802,347
Human resources	45,818	-	-	45,818
Facility services	3,086,476	-	14,770	3,071,706
Fleet services	75,717	19,404	-	95,121
Total general government	<u>27,431,607</u>	<u>329,372</u>	<u>31,742</u>	<u>27,729,237</u>
Development services:				
Administration	623,262	-	-	623,262
Planning	31,500	-	-	31,500
Engineering	141,375	18,491	-	159,866
Inspections	87,136	71,376	9,818	148,694
Community Development	5,394,055	-	-	5,394,055
TIF infrastructure	81,902	18,207	-	100,109
Total development services	<u>6,359,230</u>	<u>108,074</u>	<u>9,818</u>	<u>6,457,486</u>
Public works:				
Administration	216,488	-	12,695	203,793
Environmental services	137,234	-	-	137,234
Transportation services	119,240,163	6,018,248	410,861	124,847,550
Total public works	<u>119,593,885</u>	<u>6,018,248</u>	<u>423,556</u>	<u>125,188,577</u>
Public safety:				
Police services	5,106,610	1,062,881	309,800	5,859,691
Fire and emergency medical services	7,518,846	1,310,807	12,465	8,817,188
Municipal court	2,086,134	13,925	1,223	2,098,836
Total public safety	<u>14,711,590</u>	<u>2,387,613</u>	<u>323,488</u>	<u>16,775,715</u>
Cultural and recreational:				
Administration	228,780	-	-	228,780
Library services	3,401,960	136,222	-	3,538,182
Parks and recreation services	21,354,890	627,325	937,204	21,045,011
Total cultural and recreational	<u>24,985,630</u>	<u>763,547</u>	<u>937,204</u>	<u>24,811,973</u>
Construction in Progress - Unclassified	<u>28,446,955</u>	<u>21,457,124</u>	<u>3,263,959</u>	<u>46,640,120</u>
Total governmental funds capital assets	<u>\$ 221,528,897</u>	<u>\$ 31,063,978</u>	<u>\$ 4,989,767</u>	<u>\$ 247,603,108</u>

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, 2008

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government:							
Executive	\$ 2,138,903	\$ 12,758,758	\$ 1,969	\$ 409,501	\$ -	\$ -	\$ 15,309,131
City Secretary	125,000	-	94,261	50,340	-	-	269,601
Legal services	-	-	42,640	4,931	-	-	47,571
Fiscal services	-	38,384	-	299,881	-	170	338,435
Computer services	-	60,768	33,279	6,655,630	-	-	6,749,677
Purchasing services	-	37,037	1,683,351	81,959	-	-	1,802,347
Human resources	-	-	9,991	35,827	-	-	45,818
Facility services	-	2,468,306	52,559	550,841	-	-	3,071,706
Fleet services	-	1,671	32,396	61,054	-	-	95,121
Total general government	<u>2,263,903</u>	<u>15,364,924</u>	<u>1,950,446</u>	<u>8,149,964</u>	<u>-</u>	<u>170</u>	<u>27,729,407</u>
Development services:							
Administration	35,156	1,260	-	586,846	-	-	623,262
Planning	-	29,062	-	2,438	-	-	31,500
Engineering	-	-	-	159,866	-	-	159,866
Inspections	-	-	-	148,694	-	-	148,694
Community Development	118,531	131,652	5,114,193	29,679	-	-	5,394,055
TIF infrastructure	81,902	-	18,207	-	-	-	100,109
Total development services	<u>235,589</u>	<u>161,974</u>	<u>5,132,400</u>	<u>927,523</u>	<u>-</u>	<u>-</u>	<u>6,457,486</u>
Public works:							
Administration	-	7,343	-	196,450	-	-	203,793
Environmental services	-	11,995	16,572	108,667	-	-	137,234
Transportation services	4,705,125	8,840	962,413	2,407,727	116,763,445	26,142,547	150,990,097
Total public works	<u>4,705,125</u>	<u>28,178</u>	<u>978,985</u>	<u>2,712,844</u>	<u>116,763,445</u>	<u>26,142,547</u>	<u>151,331,124</u>
Public safety:							
Police services	1,043,332	17,209	22,982	4,776,168	-	18,011,506	23,871,197
Fire and emergency medical services	-	3,320,199	12,780	5,484,209	-	1,874,021	10,691,209
Municipal court	1,819,216	-	106,675	172,945	-	-	2,098,836
Total public safety	<u>2,862,548</u>	<u>3,337,408</u>	<u>142,437</u>	<u>10,433,322</u>	<u>-</u>	<u>19,885,527</u>	<u>36,661,242</u>
Cultural and recreational:							
Administration	-	-	117,125	111,655	-	-	228,780
Library services	-	479,287	2,848,002	210,893	-	-	3,538,182
Parks and recreation services	669,181	533,489	18,572,779	1,242,158	27,404	611,876	21,656,887
Total cultural and recreational	<u>669,181</u>	<u>1,012,776</u>	<u>21,537,906</u>	<u>1,564,706</u>	<u>27,404</u>	<u>611,876</u>	<u>25,423,849</u>
Total governmental funds capital assets	<u>\$ 10,736,346</u>	<u>\$ 19,905,260</u>	<u>\$ 29,742,174</u>	<u>\$ 23,788,359</u>	<u>\$ 116,790,849</u>	<u>\$ 46,640,120</u>	<u>\$ 247,603,108</u>

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.

THE CITY OF BRYAN

STATISTICAL
SECTION

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 - 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 - These schedules contain information to help the reader assess one of the government's most significant local revenue sources, the property tax.

Debt Capacity - 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 - 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 - 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 Assets by Component
Last Seven Fiscal Years
(Accrual basis of accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities							
Invested in capital assets, net of related debt ⁽¹⁾	\$ 57,353,766	\$ 59,966,985	\$ 65,071,184	\$ 69,967,643	\$ 73,996,072	\$ 58,468,218	\$ 70,901,798
Restricted	9,356,862	8,744,262	12,411,981	9,408,853	2,363,876	27,981,851	23,344,871
Unrestricted	6,762,851	8,934,045	12,846,291	25,200,380	33,341,850	21,616,812	13,567,078
Total governmental activities net assets ⁽¹⁾	<u>73,473,479</u>	<u>77,645,292</u>	<u>90,329,456</u>	<u>104,576,876</u>	<u>109,701,798</u>	<u>108,066,881</u>	<u>107,813,747</u>
Business-type activities							
Invested in capital assets, net of related debt ⁽¹⁾	147,546,524	176,057,147	184,042,503	192,023,775	205,120,101	211,649,393	219,334,434
Restricted	53,127,201	53,985,790	48,397,500	48,742,062	50,081,595	51,830,123	43,850,639
Unrestricted	45,376,891	28,731,521	33,805,247	44,945,078	52,644,050	60,752,417	74,031,100
Total Business-type activities net assets ⁽¹⁾	<u>246,050,616</u>	<u>258,774,458</u>	<u>266,245,250</u>	<u>285,710,915</u>	<u>307,845,746</u>	<u>324,231,933</u>	<u>337,216,173</u>
Primary government							
Invested in capital assets, net of related debt ⁽¹⁾	204,900,290	236,024,132	249,113,687	261,991,418	279,116,173	270,117,611	290,236,232
Restricted	62,484,063	62,730,052	60,809,481	58,150,915	52,445,471	79,811,974	67,195,510
Unrestricted	52,139,742	37,665,566	46,651,538	70,145,458	85,985,900	82,369,229	87,598,178
Total primary government net assets ⁽¹⁾	<u>\$ 319,524,095</u>	<u>\$ 336,419,750</u>	<u>\$ 356,574,706</u>	<u>\$ 390,287,791</u>	<u>\$ 417,547,544</u>	<u>\$ 432,298,814</u>	<u>\$ 445,029,920</u>

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

Prior period adjustments reported in fiscal years 2003 and 2005 have 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
The Good Life, Texas Style.™

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses							
Governmental Activities:							
General government and administration	\$ 7,196,320 ⁽¹⁾	\$ 6,291,606 ⁽¹⁾	\$ 6,745,877	\$ 6,978,510	\$ 8,297,179	\$ 9,236,358	\$ 9,816,634
Development services	3,690,262 ⁽¹⁾	3,818,100 ⁽¹⁾	4,004,152 ⁽¹⁾	3,464,594	5,462,407	4,340,747	4,704,351
Public works services	5,242,872 ⁽¹⁾	4,810,494 ⁽¹⁾	5,312,221 ⁽¹⁾	7,887,261 ⁽¹⁾	9,669,822 ⁽¹⁾	10,511,166	10,336,466
Public Safety	16,526,383 ⁽¹⁾	17,263,595	17,808,452	18,764,003	20,642,551	22,022,243	25,001,597
Cultural and Recreational	5,347,148 ⁽¹⁾	5,324,307	5,099,170	6,144,441	8,012,157	8,015,013	7,915,398
Interest on long-term debt	3,141,894	4,224,824	3,977,230	3,791,538	3,867,959	4,061,936	4,206,919
Total governmental activities expenses	<u>41,144,879</u>	<u>41,732,926</u>	<u>42,947,102</u>	<u>47,030,347</u>	<u>55,952,075</u>	<u>58,187,463</u>	<u>61,981,365</u>
Business-type activities:							
Electric	84,227,608	86,030,612	106,532,985	187,892,006	170,643,465	135,258,317	151,358,522
Rural Electric	18,519,864	17,138,379	20,383,211	22,454,245	24,727,234	23,150,766	27,632,138
Water	6,748,950	7,718,702	7,894,538	7,788,777	8,196,725	8,222,608	9,801,729
Wastewater	8,634,604	8,938,220	9,154,681	9,193,987	8,930,397	8,956,833	13,429,973
Other	7,473,192	8,356,065 ⁽²⁾	7,134,688	6,292,314	6,241,268	15,886,390	7,629,919
Total business-type activities expenses	<u>125,604,218</u>	<u>128,181,978</u>	<u>151,100,103</u>	<u>233,621,329</u>	<u>218,739,089</u>	<u>191,474,914</u>	<u>209,852,281</u>
Total primary government expenses	<u>166,749,097</u>	<u>169,914,904</u>	<u>194,047,205</u>	<u>280,651,676</u>	<u>274,691,164</u>	<u>249,662,377</u>	<u>271,833,646</u>
Program Revenues							
Governmental activities:							
Fees, fines, and charges for services							
General government and administration	96,191	116,436	169,860	149,738	153,220	143,397	143,601
Development services	454,573	472,912	408,892	504,189	523,492	722,130	614,615
Public safety	2,821,362	2,294,597	2,946,667	2,963,856	3,586,722	3,534,273	4,394,972
Cultural and recreational	545,036	569,132	458,481	1,358,437	1,280,685	1,270,134	1,464,608
Operating grants and contributions	2,474,825	2,413,339	3,130,823	2,695,069	2,720,818	2,386,129	2,819,267
Capital grants and contributions	2,664,003	2,156,754	5,739,246	8,316,305	2,463,210	3,430,598	2,650,099
Total governmental activities program revenues	<u>9,055,990</u>	<u>8,023,170</u>	<u>12,853,969</u>	<u>15,987,594</u>	<u>10,728,147</u>	<u>11,486,661</u>	<u>12,087,162</u>
Business-type activities:							
Electric	97,642,197	99,224,399	112,809,451	197,251,336	181,408,666	141,061,065	153,872,437
Rural Electric	19,301,996	19,114,630	22,332,873	24,406,821	26,825,404	24,991,627	28,975,229
Water	7,015,053	7,916,358	8,232,182	9,853,319	10,832,129	9,385,539	10,944,038
Wastewater	9,267,154	9,937,103	9,865,054	10,604,267	11,384,558	11,357,398	11,586,181
Other Enterprise Funds	6,445,452	6,659,201	6,910,778	8,846,382	9,595,603	10,030,558	10,155,749
Operating grants and contributions	-	-	-	-	26,573	-	-
Capital grants and contributions	4,282,793	2,351,997	2,732,508	5,488,219	2,349,480	2,348,044	2,643,388
Total business-type activities program revenue	<u>143,954,645</u>	<u>145,203,688</u>	<u>162,882,846</u>	<u>256,450,344</u>	<u>242,422,413</u>	<u>199,174,231</u>	<u>218,177,022</u>
Total primary government program revenues	<u>153,010,635</u>	<u>153,226,858</u>	<u>175,736,815</u>	<u>272,437,938</u>	<u>253,150,560</u>	<u>210,660,892</u>	<u>230,264,184</u>
Net (expense)/revenue							
Governmental activities	(32,088,889)	(33,709,756)	(30,093,133)	(31,042,753)	(45,223,928)	(46,700,802)	(49,894,203)
Business-type activities	18,350,427	17,021,710	11,782,743	22,829,015	23,683,324	7,699,317	8,324,741
Total primary government net expense	<u>\$ (13,738,462)</u>	<u>\$ (16,688,046)</u>	<u>\$ (18,310,390)</u>	<u>\$ (8,213,738)</u>	<u>\$ (21,540,604)</u>	<u>\$ (39,001,485)</u>	<u>\$ (41,569,462)</u>

Table 2

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Revenue and Other Changes in Net Assets							
Governmental activities:							
Property taxes	\$ 13,026,798	\$ 13,856,059	\$ 14,992,594	\$ 16,160,905	\$ 17,183,813	\$ 18,859,376	\$ 20,494,898
Sales taxes	10,237,446	10,208,391	10,778,912	11,731,308	13,381,722	13,491,560	14,532,775
Franchise taxes	1,613,736	1,665,395	1,702,317	1,676,744	2,049,517	1,920,990	2,012,872
Alcoholic beverage taxes	79,567	69,061	64,849	63,401	66,073	62,031	64,994
Bingo taxes	58,263	55,613	87,087	127,792	158,365	178,377	183,580
Hotel occupancy taxes	218,616	205,481	226,849	221,482	219,711	248,935	290,187
Transportation and drainage fees	1,792,550	1,776,081	1,771,032	3,279,441	4,004,370	4,008,249	4,133,458
Unrestricted investment earnings	2,204,280	1,149,280	998,737	1,842,525	3,861,870	4,278,208	2,379,105
Miscellaneous	2,605,918 ⁽²⁾	1,515,886 ⁽²⁾	4,419,506	4,427,326	3,075,731	2,731,866	3,039,288
Transfers(net)	5,590,830 ⁽³⁾	7,380,322 ⁽³⁾	7,735,414 ⁽³⁾	5,759,249 ⁽³⁾	6,347,678 ⁽³⁾	(713,707)	2,509,912
Total governmental activities:	<u>37,428,004</u>	<u>37,881,569</u>	<u>42,777,297</u>	<u>45,290,173</u>	<u>50,348,850</u>	<u>45,065,885</u>	<u>49,641,069</u>
Business-type activities:							
Unrestricted investment earnings	4,842,506	2,937,174	1,224,364	2,149,084	4,673,940	7,299,354	6,761,997
Miscellaneous	224,011	145,280	2,199,099	246,815	125,245	673,809	407,414
Transfers(net)	(5,590,830) ⁽³⁾	(7,380,322) ⁽³⁾	(7,735,414) ⁽³⁾	(5,759,249) ⁽³⁾	(6,347,678) ⁽³⁾	713,707	(2,509,912)
Total business-type activities	<u>(524,313)</u>	<u>(4,297,868)</u>	<u>(4,311,951)</u>	<u>(3,363,350)</u>	<u>(1,548,493)</u>	<u>8,686,870</u>	<u>4,659,499</u>
Total primary government	<u>36,903,691</u>	<u>33,583,701</u>	<u>38,465,346</u>	<u>41,926,823</u>	<u>48,800,357</u>	<u>53,752,755</u>	<u>54,300,568</u>
Change in Net Assets							
Governmental activities	5,339,115	4,171,813	12,684,164	14,247,420	5,124,922	(1,634,917)	(253,134)
Business-type activities	17,826,114	12,723,842	7,470,792	19,465,665	22,134,831	16,386,187	12,984,240
Total primary government	<u>\$ 23,165,229</u>	<u>\$ 16,895,655</u>	<u>\$ 20,154,956</u>	<u>\$ 33,713,085</u>	<u>\$ 27,259,753</u>	<u>\$ 14,751,270</u>	<u>\$ 12,731,106</u>

⁽¹⁾ Adjusted to include depreciation expense on infrastructure not previously reported.

⁽²⁾ Adjusted to reclassify the gain/(loss) on disposition of assets previously reported as a reduction of General Revenue.

⁽³⁾ 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.

Table 3

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General fund							
Reserved	\$ 7,958,739	\$ 5,920,765	\$ 2,878,247	\$ 2,592,982	\$ 1,067,154	\$ 1,649,953	\$ 1,480,517
Unreserved	7,182,320	10,046,292	15,276,622	17,328,864	21,126,330	15,769,294	10,862,228
Total general fund	<u>15,141,059</u>	<u>15,967,057</u>	<u>18,154,869</u>	<u>19,921,846</u>	<u>22,193,484</u>	<u>17,419,247</u>	<u>12,342,745</u>
All other governmental funds							
Reserved	21,610,628	26,620,979	35,327,867	26,424,684	42,760,815	25,931,013	21,458,433
Unreserved, reported in:							
Special revenue funds	2,429,232	2,111,465	6,019,695	8,466,870	7,421,286	11,345,972	7,122,854
Capital projects funds	51,186	31,107	-	-	-	-	-
Permanent funds	979,709	884,356	899,021	760,081	834,770	907,750	963,342
Unreserved (deficit), reported in:							
Special revenue funds	-	-	-	-	(527,832) ⁽¹⁾	(2,546,969) ⁽³⁾	(957,906)
Capital projects funds	-	-	-	-	(5,334,147) ⁽²⁾	-	(676,984)
Total all other governmental funds	<u>\$ 25,070,755</u>	<u>\$ 29,647,907</u>	<u>\$ 42,246,583</u>	<u>\$ 35,651,635</u>	<u>\$ 45,154,892</u>	<u>\$ 35,637,766</u>	<u>\$ 27,909,739</u>

⁽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.

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

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Property taxes	\$ 11,001,749	\$ 11,293,980	\$ 12,569,021	\$ 13,404,328	\$ 13,854,355	\$ 14,988,695	\$ 16,181,224	\$ 17,191,224	\$ 18,825,482	\$ 20,514,034
Sales taxes	8,496,258	9,554,774	9,770,998	10,237,446	10,208,391	10,778,912	11,731,308	13,381,722	13,491,560	14,532,775
Franchise taxes	1,237,904	1,309,682	1,693,744	1,613,736	1,665,395	1,702,317	1,676,744	2,049,517	1,920,990	2,012,872
Alcoholic beverage taxes	53,934	57,250	55,871	79,567	69,061	64,849	63,401	66,073	62,031	64,994
Bingo taxes	64,602	65,555	66,294	58,263	55,613	87,087	127,792	158,365	178,377	183,580
Hotel occupancy taxes	209,990	202,851	218,055	218,616	205,481	226,849	221,482	219,711	248,935	290,187
Transportation and drainage fees	935,558	1,472,845	1,782,480	1,792,550	1,776,081	1,771,032	3,279,441	4,004,370	4,008,249	4,133,458
Charges for services	1,430,477	1,192,858	1,619,172	1,709,860	1,252,160	2,012,125	2,985,561	3,245,843	3,036,971	4,046,022
Fines and court charges	2,387,995	1,791,875	1,646,843	1,722,513	1,697,070	1,510,041	1,451,695	1,746,575	1,910,833	1,957,159
Licenses and permits	508,284	468,249	352,140	484,789	503,847	461,734	538,964	551,701	722,130	614,615
Grants	3,645,963	3,504,907	2,420,043	2,603,976	2,576,713	3,789,702	3,049,046	2,896,957	2,921,129	2,819,267
Investment earnings	1,328,920	1,058,530	2,648,285	1,867,684	1,000,950	868,986	1,546,218	3,308,817	3,629,330	1,919,790
Litigation proceeds	450,000	450,000	450,000	450,000	450,000	450,000	450,000	-	-	-
Oil and gas royalties	146,692	418,732	516,074	326,476	62,397	65,067	58,379	56,575	39,273	160,241
Other	3,656,866	2,622,141	1,704,780	2,237,697	1,307,961	4,289,581	3,714,747	2,937,216	2,638,978	2,858,270
Total revenues	35,555,192	35,464,229	37,513,800	38,807,501	36,685,475	43,066,977	47,076,002	51,814,666	53,634,268	56,107,264
Expenditures:										
Current:										
General government and administration	10,160,278	13,253,677	10,852,979	8,745,916	8,717,063	9,135,911	9,413,086	10,014,328	9,931,464	11,657,798
Development services	2,241,909	2,305,285	2,602,145	3,724,156	3,496,039	4,039,000	3,445,876	4,983,483	4,002,812	4,393,388
Public works services	2,769,313	3,795,957	4,843,791	5,888,456	2,800,950	3,017,572	5,403,527	6,278,000	6,284,553	6,422,048
Public safety	12,636,912	14,243,616	15,429,198	16,051,778	16,549,344	17,338,938	18,055,907	19,409,511	20,865,941	24,770,425
Cultural and recreational	5,398,468	6,033,379	6,077,106	4,521,426	4,373,729	4,147,065	5,195,631	6,311,086	6,784,658	6,758,416
Administrative reimbursement	(2,387,671)	(3,121,320)	(5,096,634)	(4,876,640)	(3,470,274)	(3,479,000)	(3,213,331)	(3,120,000)	(2,474,868)	(3,156,157)
Capital outlay	6,073,450	6,335,975	6,946,326	10,900,626	9,915,892	9,306,812	12,692,098	9,339,022	25,904,919	25,149,920
Arbitrage rebate	-	-	-	-	-	-	-	-	-	16,890
Debt Service:										
Bond and principal retirement	3,315,743	3,491,002	3,268,264	5,108,517	3,108,231	3,216,822	3,144,848	4,657,408	3,791,368	3,675,634
Interest and fiscal charges	1,050,006	1,052,135	2,136,473	2,733,698	3,716,795	3,984,805	4,145,333	3,394,080	3,874,186	3,991,540
Debt issuance cost	-	-	-	84,074	58,543	329,152	-	257,893	100,749	79,500
Advance refunding costs	-	-	-	-	-	-	-	184,551	-	-
Total expenditures	41,258,408	47,389,706	47,059,648	52,882,007	49,268,311	51,037,077	58,282,975	61,709,362	79,065,782	83,759,402
Excess of expenditures over revenues	(5,703,216)	(11,925,477)	(9,545,848)	(14,074,506)	(12,582,836)	(7,970,100)	(11,206,973)	(9,894,696)	(25,431,514)	(27,652,138)
Other financing sources (uses):										
Proceeds of long-term debt issued	-	3,650,000	17,000,000	15,940,000	10,000,000	14,730,000	-	15,295,000	12,000,000	11,090,000
Discount on long-term debt issued	-	-	(244,549)	-	-	-	-	-	(177,780)	-
Premium on long-term debt issued	-	-	-	956	-	102,164	-	-	-	-
Proceeds of refunding bonds issued	-	-	-	3,073,419	-	-	-	20,195,000	-	-
Payment to refunded bond escrow agent	-	-	-	(3,013,134)	-	-	-	(20,605,230)	-	-
Discount on refunding bonds	-	-	-	-	-	-	-	(186,406)	-	-
Premium on refunding bonds	-	-	-	-	-	-	-	588,916	-	-
Sales of capital assets	12,825	6,420	829,373	111,806	34,019	1,676	206,033	34,633	31,638	106,724
Transfers in	6,773,570	6,961,382	9,190,317	12,550,288	9,059,862	10,423,444	10,334,403	10,120,690	9,466,882	16,414,653
Transfers out	(415,258)	(1,017,830)	-	(6,225,264)	(1,107,895)	(2,500,696)	(4,161,434)	(3,773,012)	(10,180,589)	(12,763,768)
Total other financing sources	6,371,137	9,599,972	26,775,141	22,438,071	17,985,986	22,756,588	6,379,002	21,669,591	11,140,151	14,847,609
Net change in fund balances	\$ 667,921	\$ (2,325,505)	\$ 17,229,293	\$ 8,363,565	\$ 5,403,150	\$ 14,786,488	\$ (4,827,971)	\$ 11,774,895	\$ (14,291,363)	\$ (12,804,529)
Debt service as a percentage of noncapital expenditures	12.41%	11.07%	13.47%	18.88%	17.49%	18.05%	15.99%	16.22%	14.61%	13.22%

Table 5

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Bingo Tax	Hotel Occupancy Tax	Transportation & Drainage Assessments	Total
2002	\$ 13,026,798	\$ 10,237,446	\$ 1,613,736	\$ 79,567	\$ 58,263	\$ 218,616	\$ 1,792,550	\$ 27,026,976
2003	13,856,059	10,208,391	1,665,395	69,061	55,613	205,481	1,776,081	27,836,081
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
Change 2002-2008	57.33%	41.96%	24.73%	-18.32%	215.09%	32.74%	130.59%	54.34%

Prior period adjustments reported in fiscal years 2003 and 2005 have 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

Fiscal Year	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
	Residential Property	Commercial Property					
1999	\$ 1,059,645,530	\$ 354,009,764	\$ 342,434,022	\$ 77,632,295	\$ 1,678,457,021	0.6367	\$ 1,678,457,021
2000	1,098,457,162	387,066,382	365,733,864	94,646,379	1,756,611,029	0.6367	1,756,611,029
2001	1,222,453,630	420,486,784	400,786,129	115,170,520	1,928,556,023	0.6364	1,928,556,023
2002	1,317,875,104	449,217,900	416,198,470	111,348,219	2,071,943,255	0.6364	2,071,943,255
2003	1,383,333,173	455,485,989	416,872,587	106,874,543	2,148,817,206	0.6364	2,148,817,206
2004	1,553,291,352	488,193,813	403,655,246	125,650,587	2,319,489,824	0.6364	2,319,489,824
2005	1,656,490,794	534,189,438	447,160,877	132,991,260	2,504,849,849	0.6364	2,504,849,849
2006	1,736,772,236	594,918,674	465,014,609	122,382,611	2,674,322,908	0.6364	2,674,322,908
2007	1,896,663,886	645,573,634	520,200,774	134,081,526	2,928,356,768	0.6364	2,928,356,768
2008	\$ 2,111,197,008	\$ 689,685,451	\$ 549,482,738	\$ 145,912,296	\$ 3,204,452,901	0.6364	\$ 3,204,452,901

Source: Brazos County Appraisal District

Table 7

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

Fiscal Year	City of Bryan ⁽¹⁾			Brazos County ⁽²⁾			Bryan Independent School District ⁽³⁾			Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total BISD Millage	
1999	0.4007	0.2360	0.6367	0.3777	0.0397	0.4174	1.4580	0.1300	1.5880	2.6421
2000	0.4067	0.2300	0.6367	0.3736	0.0364	0.4100	1.4780	0.1370	1.6150	2.6617
2001	0.4368	0.1996	0.6364	0.3857	0.0343	0.4200	1.5000	0.1680	1.6680	2.7244
2002	0.4282	0.2082	0.6364	0.3857	0.0343	0.4200	1.5000	0.2120	1.7120	2.7684
2003	0.4416	0.1948	0.6364	0.3723	0.0423	0.4146	1.5000	0.1800	1.6800	2.7310
2004	0.4396	0.1968	0.6364	0.3839	0.0511	0.4350	1.5000	0.1700	1.6700	2.7414
2005	0.4485	0.1879	0.6364	0.4093	0.0632	0.4725	1.5000	0.2800	1.7800	2.8889
2006	0.4545	0.1819	0.6364	0.3949	0.0701	0.4650	1.3700	0.2600	1.6300	2.7314
2007	0.4545	0.1819	0.6364	0.3930	0.0620	0.4550	1.0400	0.2500	1.2900	2.3814
2008	0.4702	0.1662	0.6364	0.4030	0.0620	0.4650	1.0400	0.2500	1.2900	2.3914

⁽¹⁾ City of Bryan Budget Office

⁽²⁾ Brazos County

⁽³⁾ Bryan ISD

Table 8

**City of Bryan, Texas
Principal Property Taxpayers
As of December 31, 2008**

Taxpayer	2008			1999		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
General Telephone Company				\$ 38,618,010	1	2.30%
Verizon Communications Inc.	25,309,160	1	0.79%			
Campus Lodge Apts of Bryan, LP	24,635,940	2	0.77%			
Dowell Schlumberger Inc.	24,511,930	3	0.76%			
Wal-Mart Stores East Inc.	21,999,690	4	0.69%			
Southwest Signature Park	20,575,600	5	0.64%			
BJ Services Co. U.S.A.	17,731,480	6	0.55%			
ACC (Aggie Station) LP	16,925,900	7	0.53%			
Tejas Center, LTD	16,590,190	8	0.52%			
Wal-Mart Properties				16,346,990	2	0.97%
Adam Development Properties LP	15,875,030	9	0.50%			
Presidio Bryan Apts. LP	15,676,790	10	0.49%			
GGE LTD/G G Enterprises				15,372,120	3	0.92%
Redman Building Products/Alenco				14,810,016	4	0.88%
Norton Chemical Process Production Corporation				14,717,676	5	0.88%
Lowe's Home Centers Inc				12,629,930	6	0.75%
North American Packing				7,933,570	7	0.47%
TAU Enterprises				7,822,160	8	0.47%
Willow Bryan Apartments LP				7,643,755	9	0.46%
WHPHC Real Estate				7,000,000	10	0.42%
Totals	<u>\$ 199,831,710</u>		<u>6.24%</u>	<u>\$ 142,894,227</u>		<u>8.52%</u>

Source: Brazos County Appraisal District

Table 9

**City of Bryan
Property Tax Levies and Collections
Last Ten Fiscal Years**

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
1999	\$ 10,680,364	\$ 10,446,670	97.81%	\$ 215,993	\$ 10,662,663	99.83%
2000	11,184,342	10,837,264	96.90%	318,699	11,155,963	99.75%
2001	12,273,328	12,035,948	98.07%	201,879	12,237,827	99.71%
2002	13,185,857	12,898,436	97.82%	254,774	13,153,210	99.75%
2003	13,675,082	13,383,887	97.87%	244,442	13,628,329	99.66%
2004	14,761,233	14,540,232	98.50%	153,613	14,693,845	99.54%
2005	15,940,864	15,660,992	98.24%	183,036	15,844,028	99.39%
2006	17,019,391	16,662,978	97.91%	239,212	16,902,190	99.31%
2007	18,633,318	18,340,249	98.43%	115,492	18,455,741	99.05%
2008	20,392,539	20,021,117	98.18%	-	20,021,117	98.18%

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Type of Customer							
Residential	313,886,000	317,731,000	306,125,000	327,515,000	340,485,000	327,396,000	352,307,000
Commercial and Industrial	396,029,000	393,848,000	388,811,000	417,477,000	425,574,000	418,474,000	449,843,000
Public Authorities	27,980,000	28,123,000	28,781,000	31,600,000	29,506,000	27,442,000	31,234,000
Rural	248,067,000	254,887,000	265,554,000	292,454,000	289,158,000	292,087,000	322,095,000
Other Utilities	647,536,000	319,322,000	434,251,000	1,047,838,000	820,520,000	597,722,000	412,769,000
Interdepartmental	24,058,000	25,834,000	23,864,000	25,440,000	26,500,000	23,718,000	27,557,000
	<u>1,657,556,000</u>	<u>1,339,745,000</u>	<u>1,447,386,000</u>	<u>2,142,324,000</u>	<u>1,931,743,000</u>	<u>1,686,839,000</u>	<u>1,595,805,000</u>

Data prior to 2002 is unavailable.

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

Fiscal Year	Governmental Activities		Business-Type Activities					Total Primary Government	Per ^(a) Capita	Personal ^(b) Income
	General Obligation Bonds	Certificates of Obligation	Electric Revenue Bonds	Rural Electric Revenue Bonds	Water and Wastewater Revenue Bonds	General Obligation Bonds	Certificates of Obligation			
1999	\$ 1,428,473	\$ 17,574,983	\$ -	\$ 905,000	\$ 40,670,000	\$1,907,895	\$ 105,000	\$ 62,591,351	\$ 974	
2000	1,398,469	17,813,982	-	745,000	36,990,000	1,378,895	55,000	58,381,346	889	
2001	1,368,470	37,200,717	-	575,000	32,495,000	967,160	50,000	72,656,347	1,095	
2002	4,336,712	45,335,469	7,095,000	395,000	57,110,000	619,635	49,531	114,941,347	1,722	
2003	3,462,075	53,311,875	6,760,000	205,000	54,810,000	442,443	48,125	119,039,518	1,783	
2004	2,618,691	65,903,437	6,410,000	-	60,395,000	278,354	46,563	135,652,045	1,962	
2005	1,782,280	63,855,000	19,425,000	-	57,905,000	142,720	45,000	143,155,000	2,063	
2006	20,332,997	57,236,875	30,975,000	-	61,580,000	52,002	43,125	170,219,999	2,435	
2007	20,084,754	65,963,750	62,060,000	-	70,955,000	35,246	41,250	219,140,000	3,098	
2008	19,652,088	74,105,781	92,695,000	6,295,000	67,400,000	17,912	39,219	260,205,000	3,613	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^(a) See Table 21 for population data. These ratios are calculated using the information from the referenced schedule.

^(b) Information not available.

**City of Bryan, Texas
Legal Debt Margin Information
As of September 30, 2008**

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, 2008 is \$0.6364 per \$100 assessed valuation with assessed valuation being 100% of appraised values.

Table 14

City of Bryan, Texas
Ratios of Tax Supported Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Tax Supported Debt	Less: Amounts Available in Debt Service Fund	Net	Percentage of Estimated Actual Taxable Value of Property	Per^(a) Capita
1999	\$ 19,003,456	\$ 2,190,686	\$ 16,812,770	1.00%	262
2000	19,212,451	2,137,532	17,074,919	0.97%	260
2001	38,569,187	2,259,214	36,309,973	1.88%	547
2002	49,672,181	1,927,693	47,744,488	2.30%	715
2003	56,773,950	631,944	56,142,006	2.61%	841
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	93,757,869	1,194,757	92,563,112	2.89%	1,285

^(a) See Table 21 for population data.

City of Bryan, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City of Bryan direct debt*	\$ 93,120,534 ⁽¹⁾	100.00%	\$ 93,120,534
Debt repaid with property taxes: County ⁽²⁾	142,309,722	33.00%	46,962,208
Debt repaid with property taxes: School District ⁽³⁾	136,595,000	14.80%	20,216,060
Total estimated direct and overlapping funded debt			<u>\$ 160,298,802</u>

*Excludes General Obligation debt serviced by Electric Fund, Water Fund, Wastewater Fund, Solid Waste Fund and Airport Fund

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

⁽²⁾ Brazos County

⁽³⁾ Bryan Independent School District

**City of Bryan, Texas
Pledged Revenue Coverage
Last Seven Fiscal Years⁽¹⁾**

Electric Fund						
Fiscal Year	Gross Operating Revenue	Less: Operating Expenses	Interest Earnings	Net Revenue⁽²⁾ as Defined in Bond Ordinance	Average Annual Debt Service Requirement	Coverage⁽³⁾
2002	\$ 95,138,925	\$ 79,424,227	\$ 1,991,975	\$ 17,706,673 ^(a)	\$ 615,487	28.77
2003	97,851,160	79,045,476	686,532	19,492,216	593,186	32.86
2004	111,473,455	99,500,163	703,482	12,676,774	589,498	21.50
2005	197,320,398	180,028,512	1,244,622	18,536,508	1,413,308	13.12
2006	183,563,117	163,039,450	2,667,490	23,191,157	1,889,738	12.27
2007	141,704,382	125,904,710	3,895,267	19,694,939	4,047,908	4.87
2008	154,535,438	140,931,479	2,522,016	16,125,975	6,350,619	2.54

⁽¹⁾ In fiscal year 2002 the revenue pledge of the combined municipal electric, water and wastewater utilities was separated into a pledge of municipal electric revenues and a pledge of the combined water and wastewater revenues.

⁽²⁾ Net Revenue as defined in the bond Ordinance includes operating income before depreciation plus certain interest income as defined by the bond ordinance.

⁽³⁾ Required minimum coverage is 1.10 times average annual debt service requirement.

^(a) Fiscal year 2002 net revenue as defined in the bond ordinance and coverage ratio have been restated.

Table 17

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

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⁾
1999	16,500,016	16,145,311	169,616	524,321	217,385	2.41
2000	17,983,266	16,850,730	259,740	1,392,276	217,275	6.41
2001	20,869,141	19,618,171	299,832	1,550,802	217,065	7.14
2002	19,301,996	17,011,080 ^(a)	400,564	2,691,480	217,000	12.40 ^(c)
2003	19,114,630	16,179,841	54,676	2,989,465	218,325	13.69
2004	22,332,873	19,424,005	44,082	2,952,950	^(b)	^(b)
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		
2008	28,975,229	26,118,134	239,229	3,096,324	417,824	7.41 ^(d)

⁽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.

^(a) Fiscal year 2002 operating expenses before depreciation have been restated.

^(b) Outstanding debt of the Rural Electric system was retired in fiscal year 2004.

^(c) Fiscal year 2002 net revenue as defined in the bond ordinance and coverage ratio have been restated.

^(d) Bonds were issued in the amount of \$6,295,000 in fiscal year 2008.

**City of Bryan, Texas
Pledged Revenue Coverage
Last Seven Fiscal Years⁽¹⁾**

Water and Wastewater Funds						
Fiscal Year	Gross Operating and Other	Less: Operating Expenses	Interest Earnings	Net Revenue as Defined in Bond Ordinance⁽²⁾	Average Annual Debt Service Requirement	Coverage⁽³⁾
2002	\$ 16,282,207	\$ 10,480,770	\$ 1,514,241	\$ 7,315,678	\$ 4,489,821	1.63
2003	17,853,461	10,683,744	852,983	8,022,700	4,448,029	1.80
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	22,530,219	11,876,811	1,019,821	11,673,229	4,398,781	2.65
2008	22,530,219	11,876,811	1,019,821	11,673,229	3,944,851	2.96

⁽¹⁾ In fiscal year 2002 the revenue pledge of the combined municipal electric, water and wastewater utilities was separated into a pledge of municipal electric revenues and a pledge of the combined water and wastewater revenues.

⁽²⁾ Net Revenue as defined in the bond Ordinance includes operating income before depreciation plus certain interest income as defined by the bond ordinance.

⁽³⁾ Required minimum coverage is 1.25 times average annual debt service requirement.

**City of Bryan, Texas
Utility Funds ⁽¹⁾
Revenue Bond Coverage
Last Five Fiscal Years**

Fiscal Year	Net Revenue as Defined in Bond Ordinance ⁽²⁾	Average Annual Debt Service Requirement	Coverage
1998	\$ 22,016,289	\$ 2,407,344	9.15
1999	27,296,641	2,896,522	9.42
2000	32,204,807	2,709,721	11.88
2001	29,364,361	2,504,985	11.72
2002 ⁽³⁾			

⁽¹⁾ Includes Electric, Water, and Wastewater Funds.

⁽²⁾ Net Revenue as defined in the bond Ordinance includes operating income before depreciation plus certain interest income.

⁽³⁾ In fiscal year 2002 the revenue pledge of the combined municipal electric,

City of Bryan, Texas
Sales Tax by Category⁽¹⁾
Last Ten Calendar Years

Category:	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Communications and information	\$ 829,873	\$ 1,008,128	\$ 1,065,333	\$ 1,157,832	\$ 846,330	\$ 817,075	\$ 837,297	\$ 809,579	\$ 699,322	\$ 804,022
Home furnishings and appliances	293,254	328,992	329,191	336,063	337,526	437,818	437,244	472,573	458,752	392,899
Eating and drinking establishments	724,610	753,824	767,028	803,069	808,365	849,742	952,618	978,832	1,074,893	1,202,131
Department and retail stores	253,539	261,113	890,455	1,942,509	1,265,132	1,171,696	1,098,052	2,265,562	1,172,948	394,574
Oil and gas operations	(6,886)	10,166	144,342	78,339	145,318	182,643	499,341	989,910	483,382	739,345
Construction and building	534,400	581,145	369,961	512,827	578,263	762,661	659,770	805,337	1,030,817	1,013,741
Auto dealers and supplies	367,726	390,378	409,188	405,992	410,187	415,952	458,816	489,013	526,366	541,842
Printing/Publishers	15,933	49,510	22,454	47,259	58,622	36,423	46,898	61,655	62,523	55,930
Contractors	26,328	30,648	41,056	29,067	25,432	45,991	128,894	109,519	79,646	117,969
Manufacturing	284,307	355,514	358,869	362,226	429,351	466,167	511,573	488,312	780,537	627,914
Wholesalers	226,458	276,961	241,278	218,102	236,661	424,881	588,731	762,764	830,156	1,029,940
Food Stores	294,091	324,139	328,764	326,581	309,512	296,206	395,400	442,727	501,861	530,319
Other stores	865,808	1,035,515	960,023	1,011,651	1,066,459	1,223,561	1,210,767	1,348,408	1,861,118	2,825,398
Apparel	73,596	67,182	67,140	42,134	47,312	52,787	58,783	63,400	74,201	110,101
All other outlets	2,855	2,026	2,583	2,214	1,304	3,122	3,258	6,175	4,034	5,767
Financial services	42,431	37,435	69,924	49,202	65,818	54,226	37,882	29,914	41,613	42,252
Rentals and leasing	196,963	206,945	240,360	238,078	230,243	273,226	286,025	458,336	648,912	687,486
Professional services	415,113	470,148	475,683	478,881	417,688	431,285	417,913	406,126	521,846	446,664
Repair and maintenance	206,741	244,358	240,569	232,654	233,121	222,299	237,136	256,641	261,041	316,507
Hotels/Motels	-	1,005	946	1,217	1,112	1,272	1,501	4,194	1,904	3,733
Other products and equipment	191,781	227,142	207,190	241,093	147,875	149,614	142,987	139,817	60,721	79,815
Other	3,072,895	3,310,195	2,635,190	1,085,658	2,047,329	2,811,565	2,156,022	2,409,002	1,848,034	2,111,392
Total	\$ 8,911,816	\$ 9,972,469	\$ 9,867,527	\$ 9,602,648	\$ 9,708,960	\$ 11,130,212	\$ 11,166,908	\$ 13,797,796	\$ 13,024,627	\$ 14,079,741

⁽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**

Fiscal Year	Population ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾
1999	64,267	13,672	2.10%
2000	65,660	13,394	1.60%
2001	66,375	13,577	2.30%
2002	66,754	13,902	4.40%
2003	66,754	14,077	4.90%
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	4.10%
2008	72,015	14,700	4.10%

⁽¹⁾ Texas State Data Center

⁽²⁾ Bryan Independent School District

⁽³⁾ U.S. Census Bureau

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

2008	2000
Brazos County	Brazos County
Bryan ISD	Bryan ISD
City of Bryan	City of Bryan
City of College Station	City of College Station
College Station ISD	College Station ISD
Reynolds & Reynolds	Reliant Building Products Inc
Sanderson Farms Inc	Sanderson Farms Inc
St Joseph Hospital	St Joseph Hospital
Texas A&M University	Texas A&M University
Wal-Mart Associates Inc	Wal-Mart Associates Inc

Notes: Data includes principal employers in Brazos County. Employers are listed in alphabetical order and do not reflect any ranking. The TWC ranking and number of employee data is confidential. The TWC began tracking this data in 2000 therefore no earlier data is available.

Source: Texas Workforce Commission, Labor Market/Career Information Department

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

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government and Administration										
Executive Services	9	9	8	8	5	5	5	5	6	7
Public Information Office	-	-	-	-	2	2	2	3	3	3
Neighborhood and Youth Services	-	-	-	-	1	1	1	1	1	1
Economic Development	-	-	1	-	1	1	-	-	-	-
Internal Audit	-	-	-	-	-	-	1	1	1	1
City Secretary	5	5	6	6	6	6	6	6	7	7
Municipal Court	16	16	16	16	15	14	14	14	14	14
Legal Services	6	6	6	6	6	5	5	5	5	6
Fiscal Services	10	16	13	13	14	13	13	13	12	12
Information Technology	10	13	11	11	14	13	13	13	14	15
Special Projects	-	1	-	1	1	1	1	1	1	1
Purchasing Services	7	7	7	7	8	8	8	7	9	9
Fleet Services	13	13	11	11	-	-	11	12	11	11
Human Resources	5	6	5	5	6	5	5	5	5	5
Facility Services	26	25	25	25	32	44	27	27	24	24
Risk Management	5	5	5	5	5	6	6	6	6	6
Development Services										
Planning and Development	9	7	7	7	8	8	8	8	9	8
Engineering Services	16	19	15	15	15	14	17	17	17	18
Building Services	10	12	8	8	8	8	8	9	13	16
Community Development	12	9	9	10	7	7.4	7.4	7	8	8
Public Works Services										
Administration	10	11	9	9	1	-	-	-	1	1
Environmental services	-	30	30	30	-	-	-	-	-	-
Transportation	31	31	29	29	29	28	30	30	30	31
Public Safety										
Police Officers	107	108	113	113	113	113	116	118	119	123
Civilians	20	32	31	31	35	35	34	38	38	37
Firefighters/Emergency Medical Technicians	86	88	88	89	89	89	90	91	101	108
Civilians	3	2	2	1	2	2	2	2	2	4
Emergency Management Coordinator	-	-	-	-	1	-	-	-	-	1
Cultural and Recreation										
Library Services	20	20	20	20	20	19	19	19	19	19
College Station Library	16	16	16	16	16	16	16	16	16	16
Parks and Recreation	35	36	32	31	18	7	8	9	14	13
Water	37	39	38	38	48	39	40	40	36	35
Wastewater	52	40	40	40	52	53	53	53	44	43
Solid Waste	36	21	26	26	48	51	50	49	55	51
Electric Department-Municipal and Rural	187	187	187	187	203	203	203	203	195	203
Total	<u>799</u>	<u>830</u>	<u>814</u>	<u>814</u>	<u>829</u>	<u>816</u>	<u>819</u>	<u>828</u>	<u>836</u>	<u>857</u>

Source: City of Bryan Budget Office

Table 24

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

Function:	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Physical arrest	5,462	4,970	4,558	3,850	4,201	4,375	4,784	5,838	4,178	5,205
Traffic citations	18,170	16,180	15,366	17,464	16,147	14,932	12,986	17,640	13,097	15,512
Fire										
Number of Fire and EMS calls	6,333	6,563	6,682	7,198	7,281	7,398	7,884	8,016	8,359	8,352
Transportation										
Potholes repaired	n/a	4,000	6,500	3,200						
Culture and recreation										
New library patron registration	n/a	n/a	n/a	7,002	982	7,449	10,399	10,995	8,611	8,323
Library circulation of materials	n/a	n/a	n/a	681,396	695,433	731,924	664,444	726,762	804,617	840,601
Number of cooperative programs with Bryan ISD and College Station Parks and Recreation department	n/a	n/a	n/a	12	15	18	18	11	12	12
Pavilion rentals	n/a	n/a	n/a	1,005	780	843	855	824	849	956
Athletic field usage										
Travis Park (1 field)	n/a	n/a	n/a	206	229	237	216	208	n/a	n/a
Bryan Regional Athletic Complex (4 softball fields)	n/a	n/a	n/a	1,618	1,410	1,452	1,590	1,632	1,620	1,710
Bryan Regional Athletic Complex (9 soccer fields)	n/a	n/a	n/a	971	995	946	1,003	1,026	1,040	1,050
Neighborhood/Youth Services										
Neighborhood Associations registered	n/a	n/a	n/a	n/a	16	30	36	31	32	37
Youth receiving new adult mentors	n/a	n/a	n/a	n/a	60	80	100	n/a	143	57
Municipal Court										
Number of cases filed	19,867	19,153	17,755	n/a	17,109	15,193	15,000	15,613	17,199	16,190
Community Development										
Number of citizens provided homebuyers assistance	43	39	36	27	15	22	22	25	37	21
Number of households provided rehabilitation	20	20	27	36	20	41	41	1	-	4
Number of households provided minor rehabilitation	n/a	35	30	41						
Water										
Average consumption (gallons/day)	10,557,260	11,900,000	9,336,343	9,354,253	8,749,109	8,113,164	9,297,276	9,966,788	9,297,276	9,820,980
Number of new connections	n/a	n/a	n/a	340	346	376	326	414	286	319
Wastewater										
Average treatment flow (gallon/day)	7,078,083	6,739,000	7,614,000	7,334,132	7,684,230	7,564,486	7,437,896	7,004,600	7,437,896	7,397,260
Solid Waste										
Refuse collected (tons)	n/a	n/a	n/a	39,231	45,397	42,164	44,416	48,647	45,275	54,881

Sources: Various City Departments

Table 25

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

Function:	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of sworn personnel	107	108	113	113	113	113	116	118	121	124
Fire and emergency medical services:										
Number of stations	4	4	4	4	4	4	4	4	4	4
Number of personnel	86	88	88	89	89	89	90	91	112	114
Highways and streets:										
Lane miles of paved streets	n/a	n/a	n/a	637	640	643	646	649	660	660
Culture and recreation:										
Number of parks	35	37	38	45	45	45	45	45	45	35
Park acreage	n/a	n/a	n/a	587	587	587	587	587	587	587
Number of golf courses	1	1	1	1	1	1	1	1	1	1
Golf course acreage	128	128	128	128	128	128	128	128	128	104
Hike and bike trails - number of miles	n/a	n/a	n/a	5	5	5	5	5	18	22
Number of cemeteries	3	3	3	3	3	3	3	3	3	3
Cemetery acreage	97	97	97	97	97	97	97	97	97	70
Number of libraries	3	3	3	3	3	3	3	3	3	3
Library volumes	203,869	197,790	210,582	226,500	232,748	232,748	248,240	257,833	255,366	242,171
Water system:										
Miles of line	259	307	310	390	393	396	399	403	410	442
Number of connections	19,148	19,601	19,782	20,074	20,354	20,509	20,799	21,102	21,388	21,782
Number of wells	13	8	8	7	8	8	9	9	10	12
Maximum daily capacity (gallons)	24,300,000	24,300,000	24,300,000	24,300,000	28,000,000	28,000,000	32,000,000	32,000,000	36,000,000	36,000,000
Wastewater system:										
Miles of line	285	270	272	368	371	374	377	378	378	378
Number of connections	18,485	18,874	19,038	19,269	19,588	19,725	19,943	20,224	20,461	20,839
Number of treatment plants	3	3	3	3	3	3	3	3	3	3
Combined capacity (gallons per day)	11,150,000	13,350,000	13,350,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000
Electric system:										
Generating capacity (kW)	249,000	249,000	249,000	240,000	240,000	287,000	287,000	287,000	287,000	234,644
Reserve oil capacity (gallons)	4,700,000	4,700,000	4,700,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,670,000	4,670,000
Number of substations	7	7	7	9	9	9	9	9	9	9
Number of connections	27,395	28,047	28,560	31,082	32,206	32,264	33,189	33,702	34,678	46,169
Rural Electric system:										
Number of utility connections	10,437	10,947	11,341	11,936	12,352	13,171	13,519	13,978	14,416	14,513
Number of substations	8	10	10	10	10	10	12	12	11	12

Sources: Various City Departments