

CITY OF BRYAN
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COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2009
CITY OF BRYAN, TEXAS

CITY OF BRYAN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

Prepared by

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

CITY OF BRYAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2009

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Transmittal Letter	vi
GFOA Certificate of Achievement	x
Principal Officials	xi
Organizational Chart	xii
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	18
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet - Governmental Funds	22
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	24
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Net Assets - Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	28
Statement of Cash Flows - Proprietary Funds	30
Fiduciary Fund:	
Statement of Fiduciary Net Assets - Payroll Fund	32
Notes to the Basic Financial Statements	33

CITY OF BRYAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2009

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information:	
Schedule of Funding Progress - Texas Municipal Retirement System	77
General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	78
Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	88
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual:	
Debt Service Fund	92
Special Revenue Funds:	
Community Development Fund	93
Hotel and Motel Room Tax Fund	94
Oil and Gas Fund	95
Special Projects Fund	96
Court Technology Fund	97
Street Improvement Fund	98
Drainage Improvement Fund	99
Tax Increment Reinvestment Zone #8 Fund	100
Tax Increment Reinvestment Zone #10 Fund	101
Tax Increment Reinvestment Zone #19 Fund	102
Tax Increment Reinvestment Zone #21 Fund	103
Tax Increment Reinvestment Zone #22 Fund	104

CITY OF BRYAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2009

TABLE OF CONTENTS

		<u>Page</u>
Combining Statement of Net Assets - Nonmajor Enterprise Funds		106
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Nonmajor Enterprise Funds		108
Combining Statement of Cash Flows - Nonmajor Enterprise Funds		109
Internal Service Funds:		
Combining Statement of Net Assets		112
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets		113
Combining Statement of Cash Flows		114
Agency Fund:		
Schedule of Changes in Assets and Liabilities - Payroll Fund		116
Capital Assets Used in the Operation of Governmental Funds:		
Comparative Schedules by Source		118
Schedule of Changes by Function and Activity		119
Schedule by Function and Activity		120
<u>STATISTICAL SECTION</u>		<u>Table</u>
Net Assets by Component	1	122
Change in Net Assets	2	124
Fund Balances of Governmental Funds	3	126
Changes in Fund Balances of Governmental Funds	4	127
Governmental Activities Tax Revenues By Source	5	128
Assessed Value and Estimated Actual Value of Taxable Property	6	129
Property Tax Rates and Ratios - Direct and Overlapping Governments	7	130
Principal Property Taxpayers	8	131

CITY OF BRYAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2009

TABLE OF CONTENTS

	<u>Table</u>	<u>Page</u>
Property Tax Levies and Collections	9	132
Electricity Sold by Type of Customer	10	133
Electric Rates	11	134
Ratios of Outstanding Debt by Type	12	135
Legal Debt Margin Information	13	136
Ratios of Tax Supported Debt Outstanding	14	137
Direct and Overlapping Governmental Activities Debt	15	138
Pledged Revenue Coverage - Electric Fund	16	139
Pledged Revenue Coverage - Rural Electric Fund	17	140
Pledged Revenue Coverage - Water and Wastewater Funds	18	141
Utility Funds - Revenue Bond Coverage	19	142
Sales Tax by Category	20	143
Demographic and Economic Statistics	21	144
Principal Employers	22	145
Full Time Equivalent City Government Employees by Function	23	146
Operating Indicators by Function	24	147
Capital Asset Statistics by Function	25	148



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CITY OF BRYAN, TEXAS



CITY OF BRYAN
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March 9, 2010

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, 2009. 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.

Weaver L.L.P. has issued an unqualified opinion on the City of Bryan's financial statement for the year ended September 30, 2009. 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 72,357.

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.

CITY OF BRYAN, TEXAS

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. 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 48,000 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, which began in 2006, was completed in FY 09. The \$8 million project, first discussed more than 20 years ago, allows 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.

The City's new Justice Center was completed in FY 09. The \$18 million structure provides needed space for the Police Department and Municipal Court.

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.

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 four 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.

Construction began on Fire Station 5 toward the end of 2007 and was completed in FY 09. 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.

CITY OF BRYAN, TEXAS

BTU completed construction of Dansby 3, a 50MW gas turbine generator located in Brazos County, Texas. The unit, powered by a General Electric LM6000, was synchronized to the ERCOT grid on January 19, 2010 and is expected to commence commercial operations in the near future.

Long-term Financial Planning

The City has developed and council has approved a five year Capital Improvement Program (CIP). Over the next five (5) years approximately \$8 million in general obligation debt will be issued each year to provide for public infrastructure improvements throughout the City. The City's current general debt service is relatively flat over the next 12 years allowing 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 will issue \$75,000,000 of refunding bonds in FY 10. The debt proceeds will be used to refund a portion of Texas Municipal Power Authority (TMPA) outstanding debt pursuant to a Global compromise and Settlement Agreement effective December 17, 2009; pay for the City of Bryan's portion of a scrubber at TMPA's Gibbons Creek Plant; pay issuance costs; and provide funding of debt service reserve.

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 2009, the City complied with all aspects of the investment policy.

CITY OF BRYAN, TEXAS

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, 2008. 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.

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

Respectfully submitted,



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, 2008

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.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

PRINCIPAL OFFICIALS

GOVERNING BODY:

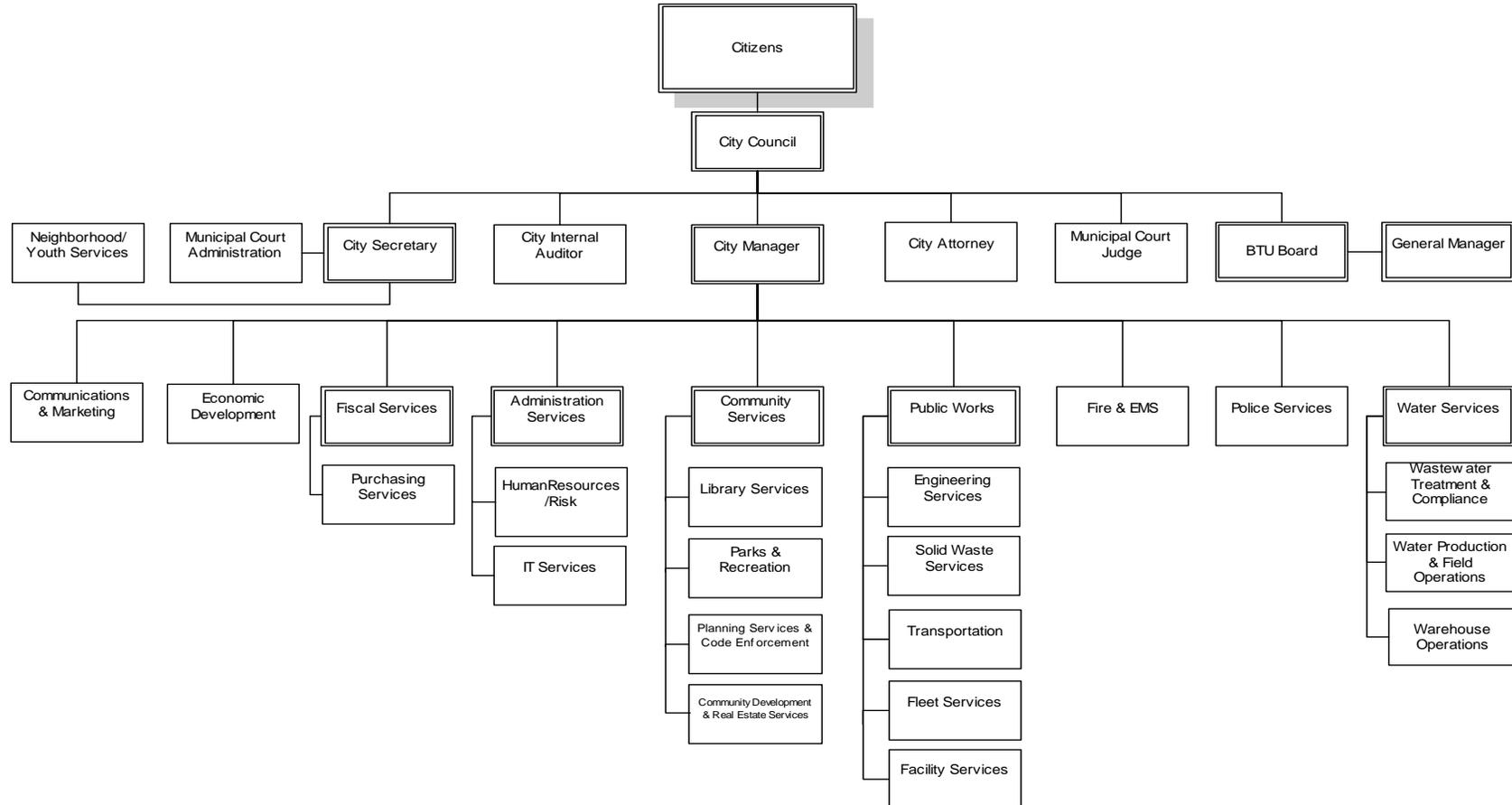
D. Mark Conlee	Mayor
Jason Bienski	Mayor Pro Tem
Al Saenz	City Council
Paul Madison, Sr.	City Council
Ann M. Horton	City Council
Art Hughes	City Council
Mike Southerland	City Council

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
Eric Buske	Police Chief
Mike Donoho	Fire Chief



City of Bryan Organizational Chart





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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Bryan, Texas (the City) as of and for the year ended September 30, 2009 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 City Business Council, Inc. which represents 100 percent of the assets, net assets and revenues of the discretely presented component unit. Those financial statements are audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Bryan Business Council, Inc., is based 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. The financial statements of the Bryan Business Council, Inc. were not audited in accordance with *Government Auditing Standards*. 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 of Bryan, Texas, as of September 30, 2009, 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.

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

Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2010, 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 (on pages 3 through 16), the Schedule of Funding Progress – Texas Municipal Retirement System (on page 77) and the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (on pages 78 through 79) 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 and the other auditors 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, combining and individual fund financial statements and other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and other supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
March 2, 2010

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2009
(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, 2009. 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 \$453,856,654 (net assets)
- unrestricted net assets were \$86,195,637; these may be used to meet ongoing obligations to citizens and creditors
- total net assets increased by \$8,826,734
- governmental funds reported combined ending fund balances of \$40,737,572
 - an increase of \$485,088 in fund balances is due to debt issuance for capital projects in excess of the capital spending on projects during the year.
 - approximately \$15,990,906 or 39.3% is available for spending at the City's discretion (unreserved-undesignated fund balance)
- General Fund unreserved-undesignated fund balance was \$7,946,778 or 15.2% of total general fund expenditures
- Total debt increased by \$4,874,839 (1.8%)
 - \$8,730,000 in certificates of obligation were issued for street, golf course equipment, and other projects
 - \$6,950,000 in water and wastewater utility revenue bonds were issued for various water and sewer line extensions and replacements, SCADA equipments, and other projects
 - retired \$10,800,000 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

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2009
(Unaudited)

reported in this statement may be for items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

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

The government-wide financial statements include not only the City itself (known as the "primary government"), but also 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,

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2009
(Unaudited)

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 thirteen (13) proprietary funds are used to report the same functions presented 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 five (5) internal service funds to account for its warehouse operations, self insurance operations, employee benefits trust fund, equipment replacement fund and facility maintenance 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 33-76 of this report.

City of Bryan, Texas

Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2009
 (Unaudited)

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 77-79 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 84-116 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 \$453,856,654 as of September 30, 2009.

The largest portion of the City's net assets \$304,649,692 or (67.1%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources. An additional portion of the City's net assets \$63,550,776 or (14.0%) represents resources that are subject to external restrictions on their usage. The remaining balance of unrestricted net assets, \$85,656,654 or (18.9%) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the FY 09, the City of Bryan was able to report positive balances in all three categories of net assets, for the government as a whole, as well as for its separate governmental and business-type activities.

City of Bryan's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 49,196,318	\$ 56,375,310	\$ 156,574,833	\$ 173,943,263	\$ 205,771,151	\$ 230,318,573
Capital assets	166,205,864	159,954,944	384,191,960	351,677,555	550,397,824	511,632,499
Total assets	215,402,182	216,330,254	540,766,793	525,620,818	756,168,975	741,951,072
Long-term liabilities outstanding	99,304,655	94,500,499	161,237,190	161,781,663	260,541,845	256,282,162
Other liabilities	14,058,831	14,016,008	27,711,645	26,622,982	41,770,476	40,638,990
Total liabilities	113,363,486	108,516,507	188,948,835	188,404,645	302,312,321	296,921,152
Net assets:						
Invested in capital assets, net						
of related debt	72,148,854	70,901,798	232,484,352	219,334,434	304,633,206	290,236,232
Restricted	23,432,166	23,344,871	39,595,645	43,850,639	63,027,811	67,195,510
Unrestricted	6,457,676	13,567,078	79,737,961	74,031,100	86,195,637	87,598,178
Total net assets	\$ 102,038,696	\$ 107,813,747	\$ 351,817,958	\$ 337,216,173	\$ 453,856,654	\$ 445,029,920

All of the \$8,826,734 increase to \$453,856,654 in total net assets is due to increases in capital assets, retirement of debt, BSWMA and unrestricted assets in the business-type activities. Governmental

City of Bryan, Texas

Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2009
 (Unaudited)

activities had a reduction of \$5,775,051 in net assets to \$102,038,696 which resulted from utilization of existing unrestricted assets for capital construction and road and drainage maintenance projects, from the general fund, various capital projects funds and special revenue funds. Business type activities increased net assets by \$14,601,785 to \$351,817,958.

The City's total unrestricted net assets decreased by \$1,941,992 to \$85,656,186. The decrease is due to the City's governmental activities. All unrestricted net assets are available to fund future obligations of the City. Governmental activities decreased unrestricted net assets by \$7,648,852 to \$5,918,226. The reduction is due primarily to utilization of existing assets for capital projects and street and drainage maintenance projects. Business-type activities increased unrestricted assets by \$5,706,860 to \$79,737,960.

City of Bryan's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 7,461,080	\$ 6,617,796	\$ 213,337,202	\$ 215,533,634	\$ 220,798,282	\$ 222,151,430
Operating grants and contributions	2,382,961	2,819,267	658,470	-	3,041,431	2,819,267
Capital grants and contributions	3,528,100	2,650,099	1,594,030	2,643,388	5,122,130	5,293,487
General revenues:						
Property taxes	21,950,012	20,494,898	-	-	21,950,012	20,494,898
Other taxes	16,731,738	17,084,408	-	-	16,731,738	17,084,408
Other	7,314,204	9,551,851	3,338,158	7,169,411	10,652,362	16,721,262
Total revenues	59,368,095	59,218,319	218,927,860	225,346,433	278,295,955	284,564,752
Expenses:						
General Government	14,552,308	9,816,634	-	-	14,552,308	9,816,634
Development Services	4,488,613	4,704,351	-	-	4,488,613	4,704,351
Public Works Services	18,315,196	10,336,466	-	-	18,315,196	10,336,466
Public Safety	24,055,956	25,001,597	-	-	24,055,956	25,001,597
Cultural and Recreational	8,829,886	7,915,398	-	-	8,829,886	7,915,398
Interest on long-term debt	4,742,776	4,206,919	-	-	4,742,776	4,206,919
City electric	-	-	140,629,222	151,358,522	140,629,222	151,358,522
Rural electric	-	-	29,712,906	27,632,138	29,712,906	27,632,138
Water	-	-	9,290,685	9,801,729	9,290,685	9,801,729
Wastewater	-	-	11,002,685	13,429,973	11,002,685	13,429,973
Other	-	-	3,848,988	7,629,919	3,848,988	7,629,919
Total expenses	74,984,735	61,981,365	194,484,486	209,852,281	269,469,221	271,833,646
Increase in net assets before transfers	(15,616,640)	(2,763,046)	24,443,374	15,494,152	8,826,734	12,731,106
Transfers	9,841,589	2,509,912	(9,841,589)	(2,509,912)	-	-
Increase in net assets	(5,775,051)	(253,134)	14,601,785	12,984,240	8,826,734	12,731,106
Net assets - October 1	107,813,747	108,066,881	337,216,173	324,231,933	445,029,920	432,298,814
Net assets - September 30	\$ 102,038,696	\$ 107,813,747	\$ 351,817,958	\$ 337,216,173	\$ 453,856,654	\$ 445,029,920

Governmental Activities. Total governmental activity revenues increased in FY 09 from FY 08 by \$149,776 or 0.3% to \$59,368,095. Sales taxes are included in "other taxes". Retail activity slowed in Bryan during FY 09 as indicated by sales tax receipts that decreased approximately \$391,937 or 2.7% to \$14,140,838 from the prior year. Ad valorem tax revenues, on the other hand, increased by \$1,455,114 or 7.1% to \$21,950,012. The gain in ad valorem revenues is due to new properties added to the tax rolls in the form of new construction and increases in the value of existing properties. Fees, Fines and Charges for Services increased in FY 09 from FY 08 by \$843,284 or 12.7% to \$7,461,080. Other revenue was down in 2009 from 2008 by \$2,237,647 or 23.4% and is the main reason that governmental revenues were down in FY 09 versus FY 08. The main component contributing to other revenues being down is Traditions lot sales. In the past, the City received a portion of the sales price of each lot sold. During 2009, two events occurred that stopped that process, at least temporarily. First, the former

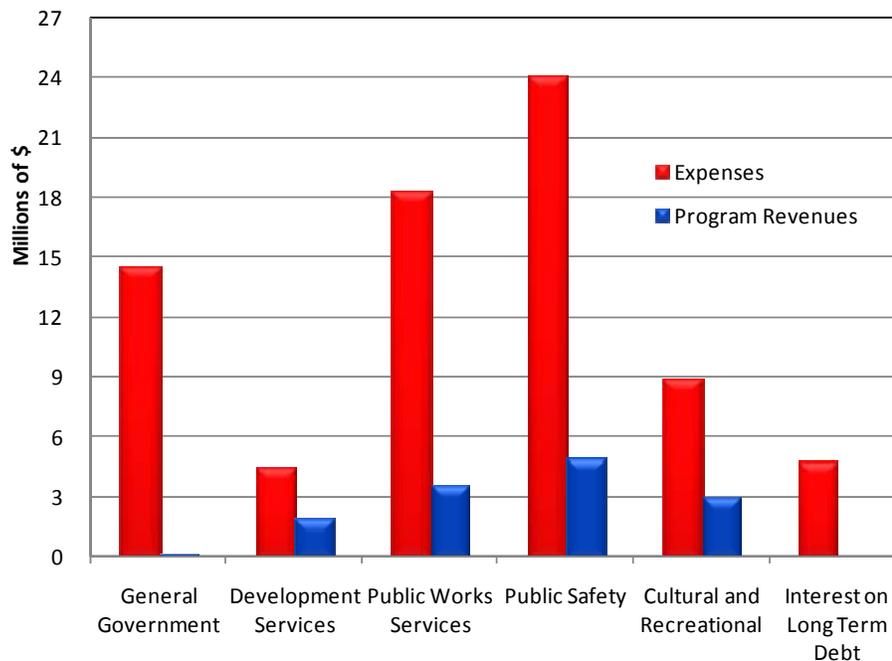
City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2009
(Unaudited)

developer had major financial problems and went out of business. Second, the City was able to partner with a new developer, Traditions Acquisition Partnership (TAP), and as a part of the agreement, TAP will retain all of the revenue for the first 55 lots sold.

The Government Wide presentation of expenses attempts to consolidate all revenues and expenses on a basis similar to a private business. This presentation removes capital spending and principal payments (see note 4 for physical assets of the governmental activities) and allocates expenses of internal service activities to all related parties. As a result governmental activities expenses increased for FY 09 from FY 08 by approximately \$13,003,370 to \$74,984,735. General government expense increased by \$4,735,674 due in large part to allocations of internal service fund expenses, addition of \$1,297,225 for Brazos County Emergency Communication District as an outside agency expense, and accrual of \$1,587,104 for net pension obligation. Likewise Public works expenses increased significantly by \$7,978,730. The increase is due to allocations of fleet replacement of \$3,106,976, additional operating costs added for FY 08 and increased road and drainage maintenance. The reduction in expenses for public safety is due primarily to moving expense for dispatch services to outside agency funding. Cultural and recreational services expenses increased primarily due to taking over operation and management of the City's golf course at the beginning of FY 09. The increase was offset by increased revenues paid to the City by the users of the golf course.

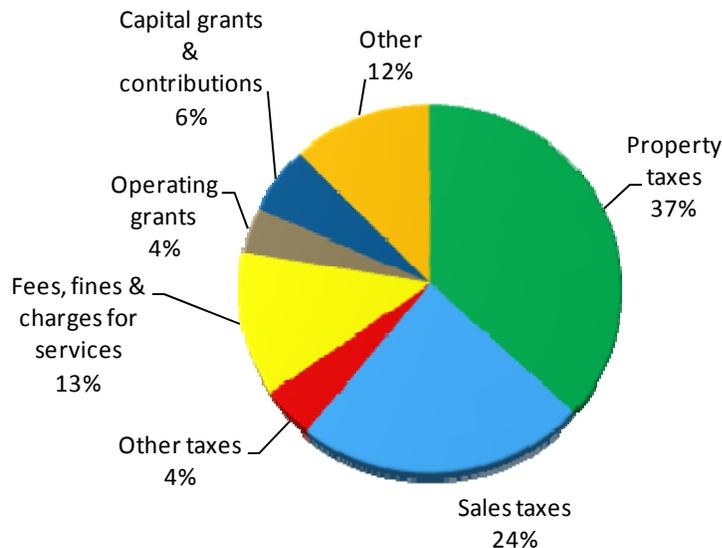
Expenses and Program Revenues - Governmental Activities



City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2009
(Unaudited)

Revenues by Source - Governmental Activities

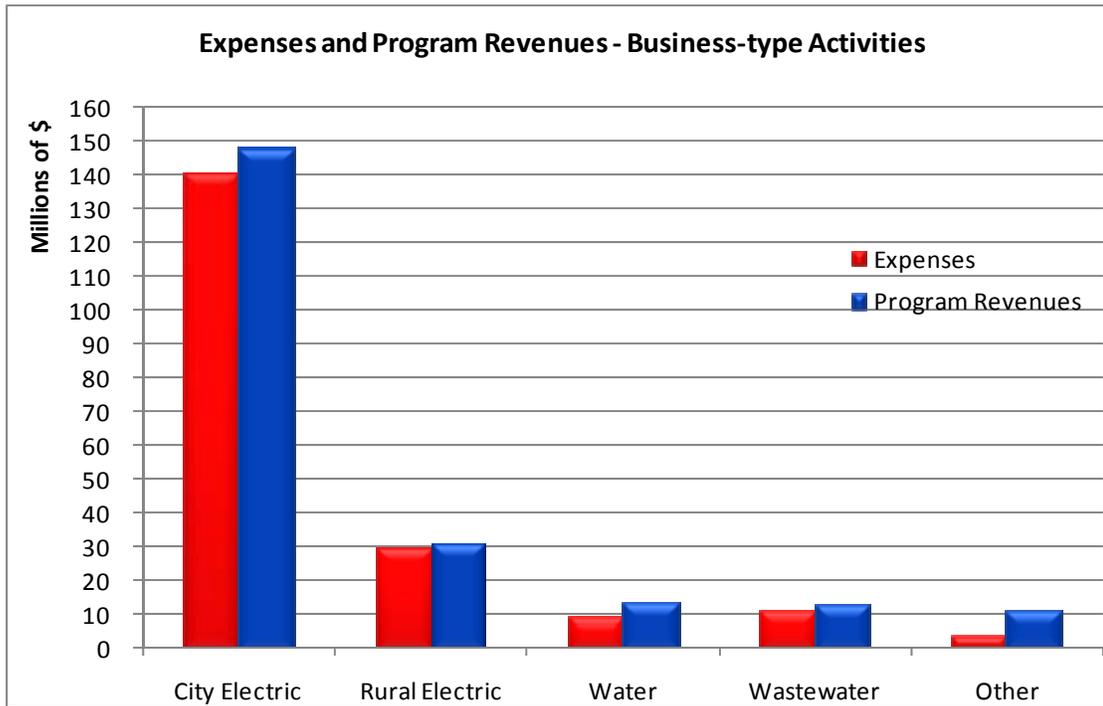


Business-type Activities. Business-type activities increased the City of Bryan's net assets by \$14,601,785 or 4.3% to \$351,817,958. It should be noted that the City Electric, Rural Electric and QSE Funds are included for information purposes and that the data is supplied by Bryan Texas Utilities management; they are 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; they are responsible for the accuracy of the data and for providing audited information. Key elements of the increase are as follows:

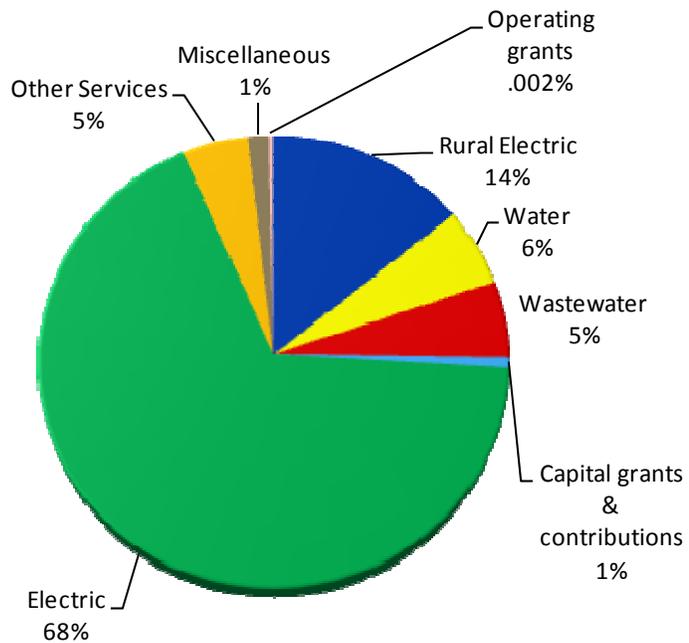
- Charges for services for business-type activities decreased by \$2,196,432 or 1.0% to \$213,337,202. This is due to decreases in fuel costs for electric generation, reduced sales of electricity and decreased tonnage accepted at the landfill. Combined electric sales generated \$3,925,505 or 2.1% less revenue than in FY 08. The electric systems net assets increased by \$3,745,109 or 1.8% 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 by \$1,272,400 or 11.6% to \$12,216,438 due to a long, hot, and dry summer. An increase in net assets of \$2,269,119 was due in part to \$969,867 in capital assets contributed by developers. Investment earnings were about half of FY 08 and decreased by \$255,140 to \$244,368. Operating expenses were \$6,417,105, an increase from FY 08 of \$437,276 or 7.3%.
- Net assets of the Wastewater system at year end were increased by \$1,993,614 or 4.2% over year end 2008. The increase can be attributed to contributed capital from developers of \$624,163 and operating gains. Wastewater service revenues which are not as dependent on weather conditions as water revenues, increased by \$430,832 or 3.7% from FY 08. Expenses were \$6,500,372, an increase from FY 08 of \$603,390 or 10.2%.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2009
(Unaudited)



Revenues by Source - Business-type Activities



City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2009
(Unaudited)

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 general fund fund balance decreased by \$1,711,213 during FY 09, compared to a decrease of \$5,076,502 in FY 08. The reduction was due to expenditures that exceeded revenues and transfers in. Revenues of the fund increased \$965,669 while expenditures and transfers out increased \$2,866,212. Transfers in and out of the fund netted \$9,312,438 but did not completely offset operating expenditures and transfers out. Key factors in both areas are as follows:

- Property tax revenues increased by \$613,149 or 4.3% to \$14,926,310 due to the 4.0% growth in the tax base.
- Sales tax revenue decreased by \$391,937 or 2.7% to \$14,140,838 as retail activity slowed in FY 09 as a result of the national, state and local economic conditions.
- Franchise fees shrunk by \$12,578 or 0.6% in FY 09 from FY 08 due to a combination of reduced fuel costs for natural gas customers and reductions in the numbers of telephone landlines in homes and businesses.
- Charges for services increased \$1,041,243 or 25.7% to \$5,087,265. The majority of the increase is attributable to golf fees as the City took over operation and management of the municipal golf course.
- Expenditures totaling \$52,249,533 in the general fund were 5.8% (\$2,866,212) higher than FY 08. The increase is due in large part to greater spending for public safety of \$2,035,214, general government and administration of \$1,101,371, and public works services of \$932,515.
- Transfers out decreased by \$3,837,854. In FY 08, funds were transferred to Bryan Commerce and Development to purchase land in the City's downtown north area for economic development of this important area.

The Debt Service fund ended the fiscal year with a total fund balance of \$1,053,059, all of which is reserved for the payment of debt principal and interest. The net decrease in fund balance during FY 09 was \$141,698 or 11.9%. The debt service fund is subject to arbitrage calculation. Therefore, the policy for fund balance for the debt service fund is to retain at least one month of average annual spending, and the fund exceeded that at year end. Tax revenues in the Debt Service fund increased by \$579,158 or 11.5% to \$5,630,743 due to property value increases and transferring \$0.0107 per \$100 tax rate from the General Fund to the Debt Service fund to continue funding the City's capital improvement program. Interest earnings decreased by \$63,435 or 38.3% to \$101,998 due to reductions in interest rates. Debt service payments from the fund totaled \$8,337,405. The additional debt service is supported by transfers from TIRZ 8, TIRZ 10 and TIRZ 22 as well as the general fund in the amount of \$2,462,966.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2009
(Unaudited)

The Other Governmental Funds include the Special Revenue Funds, Capital Project Funds, and Permanent Funds. The total fund balance in Other Governmental Funds increased in FY 09 over FY 08 by \$2,337,999 to \$29,052,981. More discussion regarding these funds appears later in this discussion and analysis.

- Overall spending decreased in Other Governmental Funds due to the completion of the Justice Center in FY 08 and Fire Station 5 early in FY 09. Capital project expenditures in these funds decreased from \$22,404,487 to \$7,199,311.
- The Community Development Fund provides programs and services to low and moderate income persons. The most significant expense is the \$1,038,262 spent on the various programs funded by grant funds. Community Development also remitted \$254,096 to the U.S. Department of Housing and Urban Development to repay a Section 108 loan with funds received in FY 09.
- The Street Improvement Fund spent \$2,572,627 on street projects, \$990,440 less than was brought in during FY 09 for neighborhood street renovations. The fund balance was \$5,355,097. At year end, there was \$4,270,232 encumbered for additional projects at year end. The unreserved-undesignated balance at year end was 1,084,865 which is available for future projects.
- The Drainage Improvement Fund expended \$1,240,758 which was \$337,051 more than income in FY 09. Ending fund balance was \$1,937,204. There was \$456,577 encumbered for additional projects at year end. The remaining unencumbered-undesignated balance at year end was \$1,480,627 which will be used for future drainage improvement projects.

Capital Projects Funds. The total expenditures from Capital Projects Funds were \$5,649,541. The City issued an additional \$8,730,000 in certificates of obligation for capital projects and golf equipment in 2009. The net fund balance in the Capital Project Funds for all capital projects funds increased by \$2,423,076 to \$14,598,272. All of the fund balance is either available for capital projects or encumbered for capital projects.

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 \$74,649 to \$1,675,329 primarily due to contributions to the cemetery funds 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 \$2,405,012. Operating revenues decreased by \$6,245,868 or 4.0% to \$148,289,570 which can be attributed to lower fuel costs and recession related reductions in sales. The utility utilized \$5,608,507 from the system's rate stabilization restricted net assets. Unrestricted net assets of the electric system at the end of the year amounted to \$40,534,232, a decrease of \$1,106,788 or 2.7%.

Net assets of the rural electric system at the end of the year amounted to \$39,200,023, an increase of \$1,340,097 or 3.5%. Both revenues and expenses were up in FY 09 versus FY 08 due to more normal

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2009
(Unaudited)

weather conditions and continued customer growth. Revenues were up \$2,020,923 or 7.0% to \$30,996,152. Operating expenses were up \$1,771,564 or 6.8% to \$27,889,698.

The water system increased net assets by \$2,269,119 or 5.3% to \$44,794,987 due in to increased revenues and contributions of capital assets from developers. Weather conditions in FY 09 were very hot and dry contributing to increased water sales and revenues. Both revenues and expenses were up in FY 09 versus FY 08. Revenues were up \$1,272,400 or 11.6% to \$12,216,438. Operating expenses were up \$437,276 or 7.3% to \$6,417,105.

Net assets of the wastewater system were up in FY09 versus FY 08 by \$1,993,614 or 4.2% to \$49,085,862. Revenues and expenses of wastewater systems are not affected as much by weather as water and electricity services. Revenues were slightly up for the wastewater system in FY 09 from FY 08 by \$430,832 or 3.7% to \$12,017,013. Operating expenses were up by \$603,390 or 10.2% to \$6,500,372.

General Fund Budgetary Highlights

Total General Fund revenues increased to \$41,032,432 and were \$965,669 or 2.4% higher than in FY 08. Actual revenues were below the final budget estimates by \$1,029,454 or 2.4%. A number of significant budgetary variances are notable. Actual sales taxes received for FY 09 were \$14,140,838 and were below the budget estimate by \$1,629,162 or 10.3%. Total ad valorem taxes received in the General Fund FY 09 were \$14,926,310 and were less than the budget estimate by \$219,335 or 1.5%. Franchise taxes were \$117,738 or 5.5% under budget due to lower gas costs for gas customers and reductions in telephone franchise as more homes and businesses move away from landlines. Federal and state grants received by the City in FY 09 exceeded revised estimates by \$550,164. Fines and court charges of \$1,701,325 were \$276,735 or 14.0% below the budget estimate as a result of fewer tickets processed. Charges for services increased approximately \$980,461 or 23.9% over budget to \$5,087,265. Ambulance charges and golf fees accounted for a large portion of the increase over budget. Golf fees totaling \$1,017,754 exceeded budget by \$51,246 or 5.3%. Parkland dedications were \$207,906 for the year, \$197,806 over the budget estimate. Special event concessions brought in \$187,469 and were \$117,469 over estimates. Ambulance collections came in at \$612,055 over the estimate at \$1,957,375 due to increased ambulance calls. 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 \$1,299,776 or 2.5%. Most departments ended the year below their final appropriation amount. Actual expenditures for operations were approximately \$2,064,812 less than amended appropriations. Three departments exceeded their budget appropriations for FY 09, police, fire and parks. Police exceeded its appropriation by approximately \$730,961 or 5.2%. The majority of the over expenditure is attributable to personnel expense where the department was over by \$520,266. In addition vehicle maintenance was over by \$33,369 and electric utility expense was over by \$33,941 due to having to pay for electricity in the old police station until all materials and evidence had been removed after moving to the new Justice Center. The Fire department's expenditures exceeded the budget appropriations by \$323,419, which was due almost entirely to personnel expense that exceeded budget by \$308,050. The Parks Department's expenditures exceeded budget by \$330,427 due in part to Texas Reds and in part to the hot dry year. Personnel expense associated with pools, Texas Reds, golf course as well as other functions of the department were over by \$178,182; supplies and commodities were up for chemicals; office supplies

City of Bryan, Texas

Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2009
 (Unaudited)

and service pins and trophies by \$50,120; and utilities were up a combined \$166,284 mostly due to water and wastewater fees. With so much of the parks department workload and related expenditures occurring during the summer and 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.

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, 2009 amounts to \$550,397,824 (net of accumulated depreciation), an increase of \$38,765,325 or 7.6%. 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 projects completed during the 2009 fiscal year included the following:

- Beck Street extension (Water, sewer, streets and drainage) - \$8,003,554
- Traditions contract 8 (water, sewer, streets, sidewalk, and drainage) - \$2,030,758
- Still Creek Sewer Ph 2 (water, sewer, and streets) - \$1,858,927
- Downtown Rehab Phase 2 (water, sewer, streets, sidewalk and miscellaneous)- \$7,746,255
- Bryan Town Center (water, sewer, streets sidewalk, and drainage) - \$2,719,494
- Coulter Street rehab – \$1,141,977
- Wilhelm Street - \$1,351,558
- Nash Street extension (water, sewer, streets and drainage) - \$1,466,243

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 11,079,720	\$ 10,736,346	\$ 14,847,675	\$ 14,354,621	\$ 25,927,395	\$ 25,090,967
Buildings	30,376,126	9,738,487	1,551,156	1,667,880	31,927,282	11,406,367
Equipment	13,404,571	11,289,951	4,157,572	4,191,661	17,562,143	15,481,612
Improvements	15,083,926	15,804,320	300,258,240	295,833,375	315,342,166	311,637,695
Infrastructure	74,689,437	65,745,720	-	-	74,689,437	65,745,720
Construction in Progress	21,572,084	46,640,120	63,377,317	35,630,018	84,949,401	82,270,138
Total	\$ 166,205,864	\$ 159,954,944	\$ 384,191,960	\$ 351,677,555	\$ 550,397,824	\$ 511,632,499

Additional information on the City's capital assets can be found in Note 4 to the financial statements on pages 45-46 of this report.

Long-term Debt. At the end of fiscal year 2009, the City of Bryan had total debt outstanding of \$269,633,780. Of this amount, \$98,420,001 (general obligation bonds and certificates of obligation) comprises debt backed by the full faith and credit of the City. Notes payable are secured by property or the full faith and credit of the City. The remainder of the City's debt is secured by specified revenue sources (revenue bonds).

City of Bryan, Texas

Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2009
 (Unaudited)

Outstanding Debt at Year End Bonds and Notes Payable

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 19,040,000	\$ 19,652,088	\$ -	\$ 17,912	\$ 19,040,000	\$ 19,670,000
Revenue bonds	-	-	166,995,001	166,390,000	166,995,001	166,390,000
Certificates of obligation	79,342,813	74,105,782	37,188	39,218	79,380,001	74,145,000
Notes	2,320,000	2,650,000	1,898,778	1,903,941	4,218,778	4,553,941
Total	<u>\$ 100,702,813</u>	<u>\$ 96,407,870</u>	<u>\$ 168,930,967</u>	<u>\$ 168,351,071</u>	<u>\$ 269,633,780</u>	<u>\$ 264,758,941</u>

During FY 09, the City's total debt increased by \$4,874,839 (1.8%). The City retired \$10,799,998 in outstanding principal and issued certificates of obligation in the amount of \$8,730,000. The City's water and wastewater systems issued \$6,950,000 in utility revenue bonds.

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

	Moody's Investors Service	Standard & Poor's
General Obligation Bonds	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 47-52 of this report.

Economic Factors and Next Year's Budgets and Rates

Continued growth in the area has allowed the City to maintain the 2009 property tax rate. Water and wastewater rates were increased in October 2009. Certified assessed property valuations increased by \$148,418,225 or 4.8% over the preceding year, resulting in increased property tax revenue of approximately \$1,055,529 million or 4.8% to \$15,746,426. Ad valorem property taxes comprised approximately 37.6% of general fund revenues. Sales tax revenue was budgeted to increase 2.5% over the final 2009 estimate. Sales taxes in FY 09 came in below the revised budget estimate by \$1,629,162 or 1.05%. Sales tax receipts for the first two (2) months of FY 10 are \$326,097 or 8.6% lower than the same period in 2009. The 2009 general fund estimated revenues were anticipated to increase by \$356,223 (0.9%) over the 2009 adopted budget. Local economic indicators are mixed and do not provide a clear indication of whether the local economy will grow. During the last half of FY 2009, retail activity was below the same period a year earlier. 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 a continued optimism, the City has included a 3% merit increase in budgeted payroll expenditures in the fiscal year 2010 budget. A net of 8.5 positions are reduced in the FY 10 budget from FY 09. Total general fund expenditures and transfers out are budgeted to decrease from FY 09 original budget by \$95,117 or 0.2% in FY 10 from the FY 09 adopted budget.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2009
(Unaudited)

The Water Fund has budgeted increased operating expenditures in FY 10 over FY 09 of \$281,340 or 5.7% to \$5,246,708. Non-operating expenditures and transfers are projected to decrease by \$39,267 or 0.6% from the FY 09 budget to \$6,812,845. Increases are due primarily to merit pay and retirement benefits. Revenues were estimated to be above the FY 09 budget amount by \$825,000 or 8.0% to \$11,201,600 based on increased sales and rate changes. A rate increase was included for FY 09. Actual revenues for FY 09 exceeded the budget estimate for FY 10 due primarily to a long drought and a very hot summer. Unrestricted net assets of the fund increased by \$1,023,070 or 12.6% to \$9,173,937 at the end of FY 09 and exceed the City's policy of 60 days of expenditures.

The Wastewater Fund budget for FY 10 increased revenue by \$945,000 or 8.6% to \$11,950,000. Council approved an increased Wastewater rate prior to the adoption of the budget. The Wastewater Fund continues to have a strong unrestricted net asset balance of \$11,718,131. 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 included in the FY 10 budget are \$5,534,969 which is \$258,529 or 4.9% above the FY 09 budget. Non-operating expenditures and transfers are projected to increase by \$996,531 or 15.6% to \$7,378,339. The increases are due to increases in spending on capital items from current resources, equipment replacement transfers and additional bond sales expense related to issuance of debt for the Still Creek Wastewater Treatment Plant planned to begin construction in FY 2010.

The Solid Waste Fund did not increase fees for FY 10. The projected revenues for the fund are \$7,585,304 and are slightly less than the actual revenue received in FY 09. The operating budget expenditures are projected to be \$5,964,845, up by approximately \$236,353 or 4.1% from FY 09. Non-operating expenditures and transfers are projected to be \$2,286,994 down by \$929,596 from the FY 09 original budget. The decrease is due to a capital project to repave the Municipal Service Center during 2009. The fund ended FY 09 with unrestricted net assets of \$2,983,829 which is down from FY 08 by \$452,275 or 13.2%. Those resources exceed the fund balance policy of 60 days.

Overall revenues for the electric system, as a whole, are projected to decrease to \$146,568,985 a decrease of \$33,258,059 or 22.7% in FY 10 from FY 09. The decrease is due to passing lower fuel costs along to customers. The system anticipates moderate growth in sales from new customer growth. The fund ended FY 09 with unrestricted net assets of \$44,680,137 a decrease of \$647,013 or 1.4%. The net unrestricted net assets exceed 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, Attention: Chief Finance Officer, P.O. Box 1000, Bryan, Texas 77805-1000.



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CITY OF BRYAN, TEXAS
Statement of Net Assets
As of September 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 32,336,310	\$ 35,021,013	\$ 67,357,323	\$ 326,942
Investments	19,551,728	11,706,535	31,258,263	-
Receivables:				
Accounts	3,673,763	20,203,644	23,877,407	-
Less allowance for uncollectible	(1,034,172)	(1,741,417)	(2,775,589)	-
Property taxes	1,231,462	-	1,231,462	-
Less allowance for uncollectible	(837,886)	-	(837,886)	-
Sales taxes	2,200,851	-	2,200,851	-
Assessments	123,473	-	123,473	-
Grants	163,149	11,864	175,013	-
Interest	108,278	183,353	291,631	-
Notes	178,039	-	178,039	76,746
Internal balances	(10,097,797)	10,097,797	-	-
Inventories	197,987	5,183,337	5,381,324	-
Prepaid purchased power option	-	11,550,000	11,550,000	-
Prepaid and other assets	16,486	199,655	216,141	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	8,543,489	8,543,489	-
Investments	-	40,682,066	40,682,066	-
Permanently restricted:				
Investments	676,500	-	676,500	-
Total current assets	<u>48,488,171</u>	<u>141,641,336</u>	<u>190,129,507</u>	<u>403,688</u>
Noncurrent assets:				
Notes receivable	-	-	-	517,009
Unamortized bond issuance expense	597,844	2,356,583	2,954,427	-
Other post employment benefits	110,303	25,105	135,408	-
Restricted assets:				
Investment in BVSWMMA	-	12,551,809	12,551,809	-
Capital assets:				
Land	11,079,720	14,847,675	25,927,395	1,705,352
Buildings	41,109,834	2,584,123	43,693,957	194,499
Improvements other than buildings	30,342,608	487,870,178	518,212,786	119,512
Machinery and equipment	26,467,775	11,791,832	38,259,607	-
Infrastructure	130,165,026	-	130,165,026	-
Construction in progress	21,572,084	63,377,317	84,949,401	-
Less accumulated depreciation	(94,531,183)	(196,279,165)	(290,810,348)	(65,460)
Total capital assets	<u>166,205,864</u>	<u>384,191,960</u>	<u>550,397,824</u>	<u>1,953,903</u>
Total noncurrent assets	<u>166,914,011</u>	<u>399,125,457</u>	<u>566,039,468</u>	<u>2,470,912</u>
Total assets	<u>\$ 215,402,182</u>	<u>\$ 540,766,793</u>	<u>\$ 756,168,975</u>	<u>\$ 2,874,600</u>

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 1,586,075	\$ 9,380,994	\$ 10,967,069	\$ 3,299
Accrued liabilities and retainage	2,744,113	588,598	3,332,711	-
Over recovered fuel	-	1,926,461	1,926,461	-
Claims	1,477,953	-	1,477,953	-
Accrued vacation and sick pay	2,438,882	670,428	3,109,310	-
Unearned revenue	428,971	321,146	750,117	-
Accrued interest	-	1,529	1,529	-
General obligation bonds	490,000	-	490,000	-
Certificates of obligation	3,797,656	2,344	3,800,000	-
Notes	180,000	1,898,778	2,078,778	51,675
Payable from restricted assets:				
Accrued liabilities	-	117,361	117,361	-
Accrued interest	771,735	1,936,009	2,707,744	-
Revenue bonds	-	7,185,001	7,185,001	-
Customer deposits	143,446	3,682,996	3,826,442	-
Total current liabilities	<u>14,058,831</u>	<u>27,711,645</u>	<u>41,770,476</u>	<u>54,974</u>
Noncurrent liabilities:				
General obligation bonds	18,550,000	-	18,550,000	-
Certificates of obligation	75,545,157	34,844	75,580,001	-
Revenue bonds	-	159,810,000	159,810,000	-
Unamortized bond premiums (discounts) and deferred amount on refunding	(791,722)	80,287	(711,435)	-
Arbitrage rebate	-	91,082	91,082	-
Notes	2,140,000	-	2,140,000	94,925
Claims	857,386	-	857,386	-
Accrued liabilities	-	396,776	396,776	-
Accrued vacation and sick pay	3,003,834	344,805	3,348,639	-
Unearned revenue	-	479,396	479,396	-
Total noncurrent liabilities	<u>99,304,655</u>	<u>161,237,190</u>	<u>260,541,845</u>	<u>94,925</u>
Total liabilities	<u>113,363,486</u>	<u>188,948,835</u>	<u>302,312,321</u>	<u>149,899</u>
<u>Net Assets</u>				
Invested in capital assets, net of related debt	72,148,854	232,484,352	304,633,206	1,807,303
Restricted for:				
BVSWMA	-	12,551,809	12,551,809	-
Debt retirement	-	3,977,812	3,977,812	-
Debt service	281,324	1,796,249	2,077,573	-
Perpetual care:				
Expendable	995,329	-	995,329	-
Nonexpendable	676,500	-	676,500	-
Rate stabilization	-	14,933,280	14,933,280	-
Rate litigation	-	6,336,495	6,336,495	-
Encumbrances	10,586,420	-	10,586,420	-
Noncurrent notes receivable	22,339	-	22,339	-
Police activities	20,449	-	20,449	-
Court activities	634,672	-	634,672	-
Record preservation	47,906	-	47,906	-
Capital improvements	10,167,227	-	10,167,227	-
Unrestricted	6,457,676	79,737,961	86,195,637	917,398
Total net assets	<u>\$ 102,038,696</u>	<u>\$ 351,817,958</u>	<u>\$ 453,856,654</u>	<u>\$ 2,724,701</u>

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 30,2009

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	Governmental	Primary Government	Total	
					Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government and administration	\$ 14,552,308	\$ 137,148	\$ -	\$ -	\$ (14,415,160)	\$ -	\$ (14,415,160)	\$ -
Development services	4,488,613	587,732	1,237,991	-	(2,662,890)	-	(2,662,890)	-
Public works services	18,315,196	-	-	3,528,100	(14,787,096)	-	(14,787,096)	-
Public safety	24,055,956	4,824,117	126,618	-	(19,105,221)	-	(19,105,221)	-
Cultural and recreational	8,829,886	1,912,083	1,018,352	-	(5,899,451)	-	(5,899,451)	-
Interest on long-term debt	4,742,776	-	-	-	(4,742,776)	-	(4,742,776)	-
Total governmental activities	<u>74,984,735</u>	<u>7,461,080</u>	<u>2,382,961</u>	<u>3,528,100</u>	<u>(61,612,594)</u>	<u>-</u>	<u>(61,612,594)</u>	<u>-</u>
Business-type activities:								
Electric	140,629,222	147,926,009	-	-	-	7,296,787	7,296,787	-
Rural electric	29,712,906	30,996,152	-	-	-	1,283,246	1,283,246	-
Water	9,290,685	12,216,438	-	969,867	-	3,895,620	3,895,620	-
Wastewater	11,002,685	12,017,013	-	624,163	-	1,638,491	1,638,491	-
Other	3,848,988	10,181,590	658,470	-	-	6,991,072	6,991,072	-
Total business-type activities	<u>194,484,486</u>	<u>213,337,202</u>	<u>658,470</u>	<u>1,594,030</u>	<u>-</u>	<u>21,105,216</u>	<u>21,105,216</u>	<u>-</u>
Total primary government	<u>269,469,221</u>	<u>220,798,282</u>	<u>3,041,431</u>	<u>5,122,130</u>	<u>(61,612,594)</u>	<u>21,105,216</u>	<u>(40,507,378)</u>	<u>-</u>
Component unit:								
Bryan Business Council, Inc.	\$ 224,996	\$ -	\$ 122,400	\$ -	\$ -	\$ -	\$ -	\$ (102,596)
General revenues:								
Property taxes					21,950,012	-	21,950,012	-
Sales taxes					14,140,838	-	14,140,838	-
Franchise taxes					2,000,294	-	2,000,294	-
Alcoholic beverage taxes					72,777	-	72,777	-
Bingo taxes					195,970	-	195,970	-
Hotel occupancy taxes					321,859	-	321,859	-
Transportation and drainage assessments					4,343,987	-	4,343,987	-
Unrestricted investment earnings					1,084,060	3,062,620	4,146,680	82,833
Miscellaneous					1,886,157	275,538	2,161,695	-
Transfers (net)					9,841,589	(9,841,589)	-	-
Total general revenues and transfers					<u>55,837,543</u>	<u>(6,503,431)</u>	<u>49,334,112</u>	<u>82,833</u>
Change in net assets					(5,775,051)	14,601,785	8,826,734	(19,763)
Net assets, October 1, 2008					<u>107,813,747</u>	<u>337,216,173</u>	<u>445,029,920</u>	<u>2,744,464</u>
Net assets, September 30, 2009					<u>\$ 102,038,696</u>	<u>\$ 351,817,958</u>	<u>\$ 453,856,654</u>	<u>\$ 2,724,701</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

Balance Sheet

Governmental Funds

As of September 30, 2009

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 5,567,927	\$ 541,650	\$ 17,769,012	\$ 23,878,589
Investments	3,471,952	339,375	11,133,313	14,944,640
Receivables:				
Accounts	2,936,168	-	691,788	3,627,956
Less allowance for uncollectible	(889,458)	-	(144,714)	(1,034,172)
Property taxes	894,204	337,258	-	1,231,462
Less allowance for uncollectible	(607,201)	(230,685)	-	(837,886)
Sales taxes	2,200,851	-	-	2,200,851
Assessments	123,473	-	-	123,473
Grants	60,579	-	102,570	163,149
Interest	18,585	1,816	59,594	79,995
Notes	31,439	146,600	-	178,039
Due from other funds	122,080	342	67,525	189,947
Prepaid and other assets	16,486	-	-	16,486
Total assets	<u>\$ 13,947,085</u>	<u>\$ 1,136,356</u>	<u>\$ 29,679,088</u>	<u>\$ 44,762,529</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 756,381	\$ -	\$ 402,710	\$ 1,159,091
Accrued liabilities	1,472,099	-	13,511	1,485,610
Retainage payable	-	-	50,000	50,000
Due to other funds	124,632	-	159,886	284,518
Customer deposits	143,446	-	-	143,446
Deferred revenue	818,995	83,297	-	902,292
Total liabilities	<u>3,315,553</u>	<u>83,297</u>	<u>626,107</u>	<u>4,024,957</u>
Fund balances:				
Reserved for:				
Encumbrances	1,279,220	-	9,830,164	11,109,384
Noncurrent notes receivable	22,339	-	-	22,339
Police activities	20,449	-	-	20,449
Court activities	299,710	-	334,962	634,672
Record preservation	47,906	-	-	47,906
Debt service	-	1,053,059	-	1,053,059
Capital improvements	-	-	10,167,227	10,167,227
Perpetual care	-	-	676,500	676,500
Unreserved - designated, reported in:				
General fund	1,015,130	-	-	1,015,130
Unreserved - undesignated, reported in:				
General fund	7,946,778	-	-	7,946,778
Special revenue funds	-	-	7,048,799	7,048,799
Permanent funds	-	-	995,329	995,329
Total fund balances	<u>10,631,532</u>	<u>1,053,059</u>	<u>29,052,981</u>	<u>40,737,572</u>
Total liabilities and fund balances	<u>\$ 13,947,085</u>	<u>\$ 1,136,356</u>	<u>\$ 29,679,088</u>	<u>\$ 44,762,529</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, 2009

Total fund balances - governmental funds \$ 40,737,572

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 \$2,963,104.) 166,205,864

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 473,321

Internal service funds are used by management to charge the costs of risk management, employee health insurance benefits, central warehousing, facilities maintenance, and vehicle and equipment 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 \$10,129,513 and net capital assets in the amount of \$2,963,104.) 1,278,803

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. (771,735)

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	\$ 19,040,000	
Certificates of obligation payable	79,342,813	
Notes payable	2,320,000	
Deferred charges on debt	(1,389,566)	
Net Pension Obligation	1,190,328	
Accrued vacation and sick leave (Net of internal service fund liability in the amount of \$61,162)	<u>5,381,554</u>	<u>(105,885,129)</u>

Net assets of governmental activities \$ 102,038,696

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, 2009

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 14,926,310	\$ 5,630,743	\$ 1,281,163	\$ 21,838,216
Sales taxes	14,140,838	-	-	14,140,838
Franchise taxes	2,000,294	-	-	2,000,294
Alcoholic beverage taxes	72,777	-	-	72,777
Bingo taxes	195,970	-	-	195,970
Hotel occupancy taxes	-	-	321,859	321,859
Transportation and drainage assessments	-	-	4,343,987	4,343,987
Charges for services	5,087,265	-	-	5,087,265
Fines and court charges	1,742,965	-	43,118	1,786,083
Licenses and permits	587,732	-	-	587,732
Grants	1,609,300	-	1,237,991	2,847,291
Investment earnings	251,537	101,998	496,095	849,630
Oil and gas royalties	-	-	67,688	67,688
Other	417,444	-	1,380,628	1,798,072
Total revenues	41,032,432	5,732,741	9,172,529	55,937,702
Expenditures:				
Current:				
General government and administration	12,759,169	-	176,048	12,935,217
Development services	3,059,454	-	1,312,144	4,371,598
Public works services	4,763,185	-	4,454,738	9,217,923
Public safety	26,805,639	-	-	26,805,639
Cultural and recreational	6,773,882	-	259,292	7,033,174
Administrative reimbursement	(3,765,735)	-	-	(3,765,735)
Capital outlay	1,609,198	-	7,199,311	8,808,509
Debt service:				
Bond and principal retirement	165,000	4,105,057	165,000	4,435,057
Interest and fiscal charges	79,741	4,232,348	89,096	4,401,185
Debt issuance costs	-	-	54,170	54,170
Total expenditures	52,249,533	8,337,405	13,709,799	74,296,737
Excess of expenditures over revenues	(11,217,101)	(2,604,664)	(4,537,270)	(18,359,035)
Other financing sources (uses):				
Sales of capital assets	193,450	-	-	193,450
Transfers in	9,826,451	2,462,966	1,300,607	13,590,024
Transfers out	(514,013)	-	(3,234,422)	(3,748,435)
Long-term debt issued	-	-	8,730,000	8,730,000
Premium on long-term debt issued	-	-	79,084	79,084
Total other financing sources	9,505,888	2,462,966	6,875,269	18,844,123
Net change in fund balances	(1,711,213)	(141,698)	2,337,999	485,088
Fund balances, October 1, 2008	12,342,745	1,194,757	26,714,982	40,252,484
Fund balances, September 30, 2009	\$ 10,631,532	\$ 1,053,059	\$ 29,052,981	\$ 40,737,572

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, 2009

Net change in fund balances - total governmental funds \$ 485,088

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. 8,808,509

The net effect of various transactions involving capital assets (i.e., sales and contributions) is to increase net assets. 3,016,199

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. (8,424,957)

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	\$ (8,730,000)	
Certificate of obligation deferred charges	(24,914)	
Debt principal repayments	<u>4,435,057</u>	(4,319,857)

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. (1,594,791)

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. (341,591)

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. 349,849

Some revenues reported in the governmental funds were earned in prior periods; and therefore, are not reported in the government-wide statement of activities. (238,728)

Internal service funds are used by management to charge the costs of risk management, employee health insurance benefits, central warehousing, facility maintenance 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 \$5,861,230). (3,514,772)

Change in net assets of governmental activities. \$ (5,775,051)

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, 2009

	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>Assets</u>							
Current assets:							
Cash and cash equivalents	\$ 17,915,563	\$ 4,138,541	\$ 4,779,135	\$ 6,562,359	\$ 1,625,415	\$ 35,021,013	\$ 8,457,721
Investments	3,602,491	-	2,997,891	4,114,840	991,313	11,706,535	5,283,588
Accounts receivable	11,262,280	3,437,690	1,584,845	1,478,267	2,440,562	20,203,644	45,808
Less allowance for uncollectible	(983,533)	(207,551)	(167,586)	(194,913)	(187,834)	(1,741,417)	-
Grants	-	-	279	64	11,521	11,864	-
Interest receivable	118,895	-	27,426	31,725	5,307	183,353	28,283
Inventories	4,869,378	-	310,459	-	3,500	5,183,337	197,987
Due from other funds	14,080,469	-	198,919	174,921	106,619	14,560,928	127,333
Prepaid purchased power option	-	-	-	-	11,550,000	11,550,000	-
Prepaid and other assets	109,027	-	111	-	90,517	199,655	-
Restricted assets:							
Cash and cash equivalents	-	1,001,299	3,398,528	4,143,662	-	8,543,489	-
Investments	33,721,847	3,022,500	2,125,890	1,811,829	-	40,682,066	-
Total current assets	<u>84,696,417</u>	<u>11,392,479</u>	<u>15,255,897</u>	<u>18,122,754</u>	<u>16,636,920</u>	<u>146,104,467</u>	<u>14,140,720</u>
Noncurrent assets:							
Unamortized bond issuance expenses	1,099,251	342,264	504,945	410,123	-	2,356,583	-
Other post employment benefits	25,105	-	-	-	-	25,105	110,303
Restricted assets:							
Investment in BVSWMA	-	-	-	-	12,551,809	12,551,809	-
Capital assets:							
Land	3,871,507	111,483	480,935	331,891	10,051,859	14,847,675	-
Buildings	-	-	37,850	25,481	2,520,792	2,584,123	23,420
Equipment	-	-	1,746,927	2,856,027	7,188,878	11,791,832	3,450,591
Improvements other than buildings	266,819,804	52,784,834	79,713,343	82,756,937	5,795,260	487,870,178	158,331
Construction in progress	45,609,414	3,010,635	11,244,213	3,198,056	314,999	63,377,317	-
Less accumulated depreciation	(120,266,116)	(17,900,533)	(23,222,574)	(26,552,529)	(8,337,413)	(196,279,165)	(669,238)
Total capital assets (net of accumulated depreciation)	<u>196,034,609</u>	<u>38,006,419</u>	<u>70,000,694</u>	<u>62,615,863</u>	<u>17,534,375</u>	<u>384,191,960</u>	<u>2,963,104</u>
Total noncurrent assets	<u>197,158,965</u>	<u>38,348,683</u>	<u>70,505,639</u>	<u>63,025,986</u>	<u>30,086,184</u>	<u>399,125,457</u>	<u>3,073,407</u>
Total assets	<u>\$ 281,855,382</u>	<u>\$ 49,741,162</u>	<u>\$ 85,761,536</u>	<u>\$ 81,148,740</u>	<u>\$ 46,723,104</u>	<u>\$ 545,229,924</u>	<u>\$ 17,214,127</u>

Business-type Activities - Enterprise Funds

	Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
<u>Liabilities</u>							
Current liabilities:							
Accounts payable	\$ 8,423,826	\$ 246,796	\$ 212,053	\$ 155,609	\$ 342,710	\$ 9,380,994	\$ 426,984
Accrued liabilities	175,448	94,679	60,223	78,811	179,438	588,599	18,175
Over recovered fuel	954,069	972,392	-	-	-	1,926,461	-
Claims payable	-	-	-	-	-	-	1,477,953
Due to other funds	600,012	2,065,751	44,681	50,406	11,831,793	14,592,643	1,047
Unearned revenue	176,041	74,769	18,950	7,966	43,420	321,146	-
Accrued interest	-	-	-	-	1,529	1,529	-
Certificates of obligation	-	-	-	-	2,344	2,344	-
Notes	-	-	-	-	1,898,778	1,898,778	-
Accrued vacation and sick pay	245,616	41,795	146,281	103,184	133,552	670,428	37,309
Current liabilities payable from restricted assets:							
Accrued liabilities	-	-	66,501	50,860	-	117,361	-
Accrued interest	1,061,821	66,887	459,302	347,999	-	1,936,009	-
Revenue bonds	2,820,000	150,000	2,142,109	2,072,892	-	7,185,001	-
Customer deposits	2,978,783	704,213	-	-	-	3,682,996	-
Total current liabilities	<u>17,435,616</u>	<u>4,417,282</u>	<u>3,150,100</u>	<u>2,867,727</u>	<u>14,433,564</u>	<u>42,304,289</u>	<u>1,961,468</u>
Noncurrent liabilities:							
Certificates of obligation	-	-	-	-	34,844	34,844	-
Revenue bonds	87,345,000	6,055,000	37,553,928	28,856,072	-	159,810,000	-
Unamortized bond premiums (discounts) and deferred amount on refunding	(336,025)	(56,775)	187,164	285,923	-	80,287	-
Arbitrage rebate	91,082	-	-	-	-	91,082	-
Claims payable	-	-	-	-	-	-	857,386
Unearned revenue	375,295	104,101	-	-	-	479,396	-
Accrued liabilities	396,776	-	-	-	-	396,776	-
Accrued vacation and sick pay	126,529	21,531	75,357	53,156	68,232	344,805	23,853
Total noncurrent liabilities	<u>87,998,657</u>	<u>6,123,857</u>	<u>37,816,449</u>	<u>29,195,151</u>	<u>103,076</u>	<u>161,237,190</u>	<u>881,239</u>
Total liabilities	<u>105,434,273</u>	<u>10,541,139</u>	<u>40,966,549</u>	<u>32,062,878</u>	<u>14,536,640</u>	<u>203,541,479</u>	<u>2,842,707</u>
<u>Net Assets</u>							
Invested in capital assets, net of related debt	109,934,291	35,016,618	35,101,516	36,833,518	15,598,409	232,484,352	2,963,104
Restricted for:							
BVSWMA	-	-	-	-	12,551,809	12,551,809	-
Debt retirement	3,977,812	-	-	-	-	3,977,812	-
Debt service	704,999	37,500	519,537	534,213	-	1,796,249	-
Rate stabilization	14,933,280	-	-	-	-	14,933,280	-
Rate litigation	6,336,495	-	-	-	-	6,336,495	-
Unrestricted	40,534,232	4,145,905	9,173,934	11,718,131	4,036,246	69,608,448	11,408,316
Total net assets	<u>\$ 176,421,109</u>	<u>\$ 39,200,023</u>	<u>\$ 44,794,987</u>	<u>\$ 49,085,862</u>	<u>\$ 32,186,464</u>	<u>341,688,445</u>	<u>\$ 14,371,420</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						10,129,513	
Net assets of business-type activities						<u>\$ 351,817,958</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, 2009

	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	\$ 147,926,009	\$ 30,996,152	\$ -	\$ -	\$ -	\$ 178,922,161	\$ -
Water system	-	-	12,216,438	-	-	12,216,438	-
Sewer system	-	-	-	12,017,013	-	12,017,013	-
Other	363,561	-	-	-	9,818,029	10,181,590	11,871,245
Total operating revenues	<u>148,289,570</u>	<u>30,996,152</u>	<u>12,216,438</u>	<u>12,017,013</u>	<u>9,818,029</u>	<u>213,337,202</u>	<u>11,871,245</u>
Operating expenses:							
Personnel services	8,681,675	388,139	1,981,510	2,554,910	3,623,707	17,229,941	577,384
Electric operations	111,630,314	26,941,707	-	-	246,427	138,818,448	-
Maintenance	1,429,580	371,173	895,725	641,567	395,806	3,733,851	289,019
Claims	-	-	-	-	-	-	8,054,337
Other services and charges	2,118,967	-	3,046,025	1,574,801	2,370,721	9,110,514	1,340,218
Other expenses	578,614	-	182,784	413,504	505,501	1,680,403	55,696
General and administrative	4,087,514	188,679	311,061	1,315,590	1,852,123	7,754,967	185,263
Administrative reimbursement	-	-	-	-	(160,000)	(160,000)	-
Total operating expenses before depreciation	<u>128,526,664</u>	<u>27,889,698</u>	<u>6,417,105</u>	<u>6,500,372</u>	<u>8,834,285</u>	<u>178,168,124</u>	<u>10,501,917</u>
Operating income before depreciation	19,762,906	3,106,454	5,799,333	5,516,641	983,744	35,169,078	1,369,328
Depreciation	7,501,172	1,542,160	2,026,833	2,194,185	937,906	14,202,256	368,855
Operating income	<u>12,261,734</u>	<u>1,564,294</u>	<u>3,772,500</u>	<u>3,322,456</u>	<u>45,838</u>	<u>20,966,822</u>	<u>1,000,473</u>
Nonoperating revenues (expenses):							
Investment earnings	1,378,874	56,851	244,368	267,588	59,316	2,006,997	234,430
Interest expense	(4,379,165)	(281,048)	(1,845,330)	(1,376,674)	(93,119)	(7,975,336)	-
Grants	-	-	-	-	658,470	658,470	-
Distributive share of BVSWMA net income	-	-	-	-	1,055,623	1,055,623	-
Other - net	-	-	133,013	66,969	75,556	275,538	1,111,555
Total nonoperating revenues (expenses)	<u>(3,000,291)</u>	<u>(224,197)</u>	<u>(1,467,949)</u>	<u>(1,042,117)</u>	<u>1,755,846</u>	<u>(3,978,708)</u>	<u>1,345,985</u>
Income (expenses) before contributions and transfers	9,261,443	1,340,097	2,304,551	2,280,339	1,801,684	16,988,114	2,346,458
Capital contributions	-	-	969,867	624,163	-	1,594,030	-
Transfers in	1,280,000	-	48,230	113,293	167,419	1,608,942	-
Transfers out	(8,136,431)	-	(1,053,529)	(1,024,181)	(1,236,390)	(11,450,531)	-
Change in net assets	<u>2,405,012</u>	<u>1,340,097</u>	<u>2,269,119</u>	<u>1,993,614</u>	<u>732,713</u>	<u>8,740,555</u>	<u>2,346,458</u>
Net assets, October 1, 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>
Net assets, September 30, 2009	<u>\$ 176,421,109</u>	<u>\$ 39,200,023</u>	<u>\$ 44,794,987</u>	<u>\$ 49,085,862</u>	<u>\$ 32,186,464</u>		<u>\$ 14,371,420</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						5,861,230	
Change in net assets of business-type activities.						<u>\$ 14,601,785</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, 2009

	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	
Cash flows from operating activities:							
Receipts from customers and users	\$ 153,154,290	\$ 31,237,443	\$ 12,137,187	\$ 12,077,366	\$ 11,330,627	\$ 219,936,913	\$ 2,950,174
Receipts for interfund services provided	-	-	-	-	160,000	160,000	10,308,671
Payments to suppliers	(108,464,500)	(24,496,139)	(4,154,486)	(2,852,793)	(4,970,713)	(144,938,631)	(10,739,770)
Payments to employees	(8,269,503)	(387,826)	(1,961,134)	(2,477,318)	(3,656,289)	(16,752,070)	(557,536)
Receipts for miscellaneous revenues	-	-	133,013	66,969	80,194	280,176	1,111,555
Payments for interfund services used	-	-	(311,061)	(1,315,590)	(1,838,049)	(3,464,700)	(185,263)
Net cash provided (used) by operating activities	<u>36,420,287</u>	<u>6,353,478</u>	<u>5,843,519</u>	<u>5,498,634</u>	<u>1,105,770</u>	<u>55,221,688</u>	<u>2,887,831</u>
Cash flows from noncapital financing activities:							
Transfers in	1,280,000	-	48,230	113,293	167,419	1,608,942	-
Transfers out	(8,136,431)	-	(1,053,529)	(1,024,181)	(1,236,390)	(11,450,531)	-
Net cash provided (used) by noncapital financing activities	<u>(6,856,431)</u>	<u>-</u>	<u>(1,005,299)</u>	<u>(910,888)</u>	<u>(1,068,971)</u>	<u>(9,841,589)</u>	<u>-</u>
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(36,198,141)	(3,316,894)	(2,044,779)	(2,594,477)	(1,175,709)	(45,330,000)	(3,220,025)
Capital contributions	-	-	134,560	72,360	-	206,920	-
Grant proceeds	-	-	-	-	654,282	654,282	-
Revenue bond proceeds	-	-	2,581,816	4,368,184	-	6,950,000	-
Principal paid on general obligation bonds	(543)	-	(339)	(2,543)	(14,487)	(17,912)	-
Principal paid on certificates of obligation	-	-	-	-	(2,032)	(2,032)	-
Principal paid on revenue bonds	(2,530,000)	(90,000)	(1,963,773)	(1,761,227)	-	(6,345,000)	-
Principal paid on notes	-	-	-	-	(5,163)	(5,163)	-
Interest paid on bonds, contractual obligations, and notes	(4,364,759)	(394,144)	(1,925,793)	(1,500,325)	(93,103)	(8,278,124)	-
Net cash used by capital and related financing activities	<u>(43,093,443)</u>	<u>(3,801,038)</u>	<u>(3,218,308)</u>	<u>(1,418,028)</u>	<u>(636,212)</u>	<u>(52,167,029)</u>	<u>(3,220,025)</u>
Cash flows from investing activities:							
Purchase of investment securities	(84,770,562)	(6,022,500)	(8,890,533)	(10,315,558)	(1,709,675)	(111,708,828)	(9,112,388)
Sale of investment securities	57,515,599	3,000,000	8,259,406	9,572,303	1,928,477	80,275,785	9,253,233
Interest on investments	1,430,724	56,851	265,003	291,119	66,701	2,110,398	264,182
Net cash provided (used) by investing activities	<u>(25,824,239)</u>	<u>(2,965,649)</u>	<u>(366,124)</u>	<u>(452,136)</u>	<u>285,503</u>	<u>(29,322,645)</u>	<u>405,027</u>
Net increase (decrease) in cash and cash equivalents	(39,353,826)	(413,209)	1,253,788	2,717,582	(313,910)	(36,109,575)	72,833
Cash and cash equivalents, October 1, 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>
Cash and cash equivalents, September 30, 2009	<u>\$ 17,915,563</u>	<u>\$ 5,139,840</u>	<u>\$ 8,177,663</u>	<u>\$ 10,706,021</u>	<u>\$ 1,625,415</u>	<u>\$ 43,564,502</u>	<u>\$ 8,457,721</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	\$ 12,261,734	\$ 1,564,294	\$ 3,772,500	\$ 3,322,456	\$ 45,838	\$ 20,966,822	\$ 1,000,473
Adjustments to reconcile operating income to net cash provided (used) by operating activities							
Depreciation	7,501,172	1,542,160	2,026,833	2,194,185	937,906	14,202,256	368,855
Receipts for miscellaneous revenues	-	-	133,013	66,969	80,194	280,176	1,111,555
Change in assets and liabilities:							
Change in accounts receivable	1,009,179	(139,133)	(43,400)	100,741	1,483,295	2,410,682	12,565
Change in inventory	1,802,075	-	(3,312)	-	(199)	1,798,564	(8,650)
Change in due from other funds	3,797,190	-	(54,522)	(40,388)	318,088	4,020,368	(4,560)
Change in over(un)recovered fuel	12,123,534	4,069,470	-	-	-	16,193,004	-
Change in prepaid assets	(33,891)	-	(111)	235	1,447,958	1,414,191	814
Change in grants receivable	-	-	(279)	-	-	(279)	-
Change in accounts payable	(2,077,704)	138,762	63,074	(59,350)	7,714	(1,927,504)	171,490
Change in accrued liabilities	(17,048)	(5,493)	(91,954)	(180,101)	(33,314)	(327,910)	(176,149)
Change in deferred credits	-	-	18,950	-	(123,170)	(104,220)	-
Change in customer deposits	58,351	380,424	-	-	(339)	438,436	-
Change in due to other funds	22,294	(813,459)	8,004	50,269	(3,038,999)	(3,771,891)	975
Change in claims payable	-	-	-	-	-	-	398,067
Change in unearned revenue	(438,771)	(383,860)	-	-	-	(822,631)	-
Change in accrued vacation and sick pay	40,501	313	14,723	43,618	(19,202)	79,953	12,396
Change in post employee benefits	371,671	-	-	-	-	371,671	-
Net cash provided (used) by operating activities	<u>\$ 36,420,287</u>	<u>\$ 6,353,478</u>	<u>\$ 5,843,519</u>	<u>\$ 5,498,634</u>	<u>\$ 1,105,770</u>	<u>\$ 55,221,688</u>	<u>\$ 2,887,831</u>

Noncash investing, capital and financing activities:

During this past year, the Enterprise Funds received \$1,387,109 noncash capital contributions from developers consisting of water and sewer infrastructure. The investment in BWSWMA increased \$1,055,623 as a result of their operations.

Reconciliation of total cash and cash equivalents:

Current assets - cash and cash equivalents	\$ 17,915,563	\$ 4,138,541	\$ 4,779,135	\$ 6,562,359	\$ 1,625,415	\$ 35,021,013	\$ 8,457,721
Restricted assets - cash and cash equivalents	-	1,001,299	3,398,528	4,143,662	-	8,543,489	-
Total cash and cash equivalents	<u>\$ 17,915,563</u>	<u>\$ 5,139,840</u>	<u>\$ 8,177,663</u>	<u>\$ 10,706,021</u>	<u>\$ 1,625,415</u>	<u>\$ 43,564,502</u>	<u>\$ 8,457,721</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, 2009

Assets

Cash and cash equivalents	\$	746,648
Accounts receivable		<u>239,092</u>
Total assets	\$	<u><u>985,740</u></u>

Liabilities

Accounts payable	\$	<u>985,740</u>
Total liabilities	\$	<u><u>985,740</u></u>

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

and 2003. 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. The City's one-half undivided interest in BVSWMA is reported in the Solid Waste Fund (see Note 11).

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

The City reports the following major governmental funds:

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

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

Other governmental funds is a summarization of all the non-major governmental funds.

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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.

Other proprietary funds is a summarization of all of the non-major proprietary funds.

Additionally, the City reports the following fund types:

Internal service funds account for the City's central warehouse function; replacement of vehicles; maintenance of facilities; 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.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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.

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:

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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.

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 investments 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. 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).

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

Prepaid Items

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

Interfund Receivables and Payables

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

Transactions Between Funds

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

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

Capital Assets

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

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

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

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

	<u>Estimated Service Lives</u>
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 2009 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.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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, 2009, the City adopted the following GASB pronouncement:

- GASB Statement No. 49 (“GASB 49”), *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement provides guidance for calculating and reporting the costs and obligations associated with pollution cleanup efforts. The adoption of this standard did not have a material impact on the City’s financial statements.

Accounting Pronouncements Issued But Not Yet Effective

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The statement requires derivative instruments covered in its scope to be recorded at fair value. The statement is effective for periods beginning after June 15, 2009. The City purchases and sells certain financial instruments in order to manage the risk exposure of energy price changes. These financial instruments are considered derivative instruments under GASB Statement No. 53 and will be recorded at fair value. The City is evaluating the impacts of Statement No. 53 on its financial statements.

2. DEPOSITS AND INVESTMENTS

Deposits

State statutes require that all deposits in financial institutions be fully collateralized with depository insurance or by U.S. Government obligations or its agencies and instrumentalities; or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. At year-end, the City’s demand deposits at Citibank, N.A. were entirely covered by federal depository insurance or by collateral held by the City’s custodial banks (The Bank of New York) in the City’s name. At year-end, the carrying amount of the City’s demand deposits was \$27,952,464 and the bank balance was \$27,203,822.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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.

At September 30, 2009, the fair market value of the City's portfolio is as follows:

	<u>Fair</u>	<u>Percentage</u>	<u>Wgt. Avg.</u>	<u>Credit</u>
	<u>Value</u>	<u>of Total</u>	<u>Maturity</u>	<u>Risk</u>
U. S. Agencies and Instrumentalities	\$ 44,435,048	36.63%	461 days	AAA
U.S. Treasury Securities	18,055,313	14.88%	123 days	NR
Certificates of Deposit	23,519,930	19.39%	134 days	NR
Investments in Government Pools	35,301,534	29.10%	44 days	AAAm
Total Investments	<u>\$ 121,311,825</u>	<u>100.00%</u>		

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

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 amortized 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, 2009, all City deposits were insured or adequately collateralized.

Interest Rate Risk – As of September 30, 2009, 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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

more than three years at any given time. The City's investment strategy acts to reduce interest rate risk through investing funds to meet cash flow requirements; monitoring the credit ratings of portfolio investments to assure compliance with the Investment Policy and the Texas Public Funds Investment Act; and investing in a diversified portfolio of assets including obligations of the United States and its agencies and instrumentalities, money market mutual funds, and government investment pools.

Credit Risk and Concentration of Credit Risk – In compliance with the City's Investment Policy and the Texas Public Funds Investment Act, the City managed credit risk through portfolio diversification by limiting investments to avoid over concentration in securities from a specific issuer; limiting investments in securities with high credit risk; and investing in securities with varying maturities. 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, 2009, 36.63% of the City's portfolio was invested in U.S. Agencies and Instrumentalities including 33.66% in Federal Home Loan Bank securities, 18.41% in Federal National Mortgage Association securities, 25.02% in Farm Credit System Banks and 22.91% in Federal Home Loan Mortgage Corporation securities. In particular, 38.2% 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, 2009. 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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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.

4. CAPITAL ASSETS

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

	Balance October 1	Additions / Completions	Retirements / Adjustments	Balance September 30
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 10,736,346	\$ 343,374	\$ -	\$ 11,079,720
Construction in Progress	46,640,120	8,149,773	(33,217,809)	21,572,084
Total capital assets not being depreciated	<u>57,376,466</u>	<u>8,493,147</u>	<u>(33,217,809)</u>	<u>32,651,804</u>
Capital assets, being depreciated				
Buildings	19,928,679	21,181,155	-	41,109,834
Equipment	24,086,217	4,758,801	(2,377,243)	26,467,775
Improvements	29,839,774	502,834	-	30,342,608
Infrastructure	116,790,850	13,374,176	-	130,165,026
Total capital assets being depreciated	<u>190,645,520</u>	<u>39,816,966</u>	<u>(2,377,243)</u>	<u>228,085,243</u>
Less accumulated depreciation for:				
Buildings	(10,190,192)	(543,516)	-	(10,733,708)
Equipment	(12,796,266)	(2,596,610)	2,329,672	(13,063,204)
Improvements	(14,035,454)	(1,223,228)	-	(15,258,682)
Infrastructure	(51,045,130)	(4,430,459)	-	(55,475,589)
Total accumulated depreciation	<u>(88,067,042)</u>	<u>(8,793,813)</u>	<u>2,329,672</u>	<u>(94,531,183)</u>
Total capital assets, being depreciated, net	<u>102,578,478</u>	<u>31,023,153</u>	<u>(47,571)</u>	<u>133,554,060</u>
Governmental activities capital assets, net	<u>\$ 159,954,944</u>	<u>\$ 39,516,300</u>	<u>\$ (33,265,380)</u>	<u>\$ 166,205,864</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 14,354,621	\$ 493,054	\$ -	\$ 14,847,675
Construction In Progress	35,630,018	44,096,938	(16,349,639)	63,377,317
Total capital assets not being depreciated	<u>49,984,639</u>	<u>44,589,992</u>	<u>(16,349,639)</u>	<u>78,224,992</u>
Capital assets, being depreciated				
Buildings	2,575,756	8,367	-	2,584,123
Equipment	12,036,598	793,232	(1,037,998)	11,791,832
Improvements	470,582,861	17,851,019	(563,702)	487,870,178
Total capital assets being depreciated	<u>485,195,215</u>	<u>18,652,618</u>	<u>(1,601,700)</u>	<u>502,246,133</u>
Less accumulated depreciation for:				
Buildings	(907,876)	(125,091)	-	(1,032,967)
Equipment	(7,844,937)	(919,122)	1,129,799	(7,634,260)
Improvements	(174,749,486)	(13,158,043)	295,591	(187,611,938)
Total accumulated depreciation	<u>(183,502,299)</u>	<u>(14,202,256)</u>	<u>1,425,390</u>	<u>(196,279,165)</u>
Total capital assets, being depreciated, net	<u>301,692,916</u>	<u>4,450,362</u>	<u>(176,310)</u>	<u>305,966,968</u>
Business-type activities capital assets, net	<u>\$ 351,677,555</u>	<u>\$ 49,040,354</u>	<u>\$ (16,525,949)</u>	<u>\$ 384,191,960</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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

Governmental activities:	
General government and administration	\$1,625,823
Development services	361,579
Public works services	4,714,093
Public safety	1,098,916
Cultural and recreational	993,402
Business-type activities:	
Electric	7,501,172
Rural Electric	1,542,160
Water	2,026,833
Wastewater	2,194,185
Other Enterprise Funds	937,906
	<u>\$22,996,069</u>

The City has active construction projects as of September 30, 2009. Total accumulated commitments for ongoing capital projects are composed of the following:

	<u>Committed</u>
Street improvements	\$ 9,033,244
Drainage improvements	456,577
Tax Increment Reinvestment Zone #21	
- public infrastructure improvements	59,240
Tax Increment Reinvestment Zone #22	
- public infrastructure improvements	441,900
Justice Center	18,290
Water system improvements	1,026,295
Wastewater system improvements	1,962,185
Total	<u>\$12,997,731</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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, 2009:

	Beginning Balance	Issued	Matured/ Refunded	Ending Balance	Due within one year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 19,652,088	\$ -	\$ 612,088	\$ 19,040,000	\$ 490,000
Certificates of Obligation	74,105,782	8,730,000	3,492,969	79,342,813	3,797,656
Notes Payable	2,650,000	-	330,000	2,320,000	180,000
Total governmental fund types	<u>96,407,870</u>	<u>8,730,000</u>	<u>4,435,057</u>	<u>100,702,813</u>	<u>4,467,656</u>
<u>Business-type Activities:</u>					
General Obligation Bonds	17,912	-	17,912	-	-
Certificates of Obligation	39,218	-	2,030	37,188	2,344
Electric System Revenue Bonds	98,990,000	-	2,620,000	96,370,000	2,970,000
Water and Sewer System					
Revenue Bonds	67,400,000	6,950,000	3,724,999	70,625,001	4,215,001
Notes Payable	1,903,941	1,893,792	1,898,955	1,898,778	1,898,778
Total proprietary fund types	<u>168,351,071</u>	<u>8,843,792</u>	<u>8,263,896</u>	<u>168,930,967</u>	<u>9,086,123</u>
Total long-term debt	<u>\$ 264,758,941</u>	<u>\$ 17,573,792</u>	<u>\$ 12,698,953</u>	<u>\$ 269,633,780</u>	<u>\$ 13,553,779</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

Long-term debt at September 30, 2009 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 2005	4.00 - 5.00	2025	\$ 19,040,000	\$ -	\$ 19,040,000
Total General Obligation Bonds			<u>19,040,000</u>	<u>-</u>	<u>19,040,000</u>
<u>Certificates of Obligation:</u>					
Combination Tax & Revenue, Series 1998	3.85 - 4.85	2018	525,000	-	525,000
Combination Tax & Surplus Utility System Revenue, Series 2000	4.35 - 5.50	2010	75,000	-	75,000
Combination Tax & Surplus Utility System Revenue, Series 2000A	4.50 - 6.00	2010	555,000	-	555,000
Combination Tax & Surplus Utility System Revenue, Series 2001	4.35 - 6.50	2021	1,152,813	37,188	1,190,001
Combination Tax & Surplus Waterworks & Sewer System Revenue, Series 2001A	4.50 - 6.00	2021	11,155,000	-	11,155,000
Combination Tax & Surplus Utility System Revenue, Series 2003	4.00 - 4.60	2024	8,335,000	-	8,335,000
Combination Tax & Revenue, Series 2004	2.50 - 4.75	2025	12,310,000	-	12,310,000
Combination Tax & Revenue, Series 2005	4.00 - 5.00	2026	15,040,000	-	15,040,000
Combination Tax & Revenue, Series 2007	4.00 - 4.25	2027	11,140,000	-	11,140,000
Combination Tax & Revenue, Series 2008	4.00 - 5.00	2028	10,325,000	-	10,325,000
Combination Tax & Revenue, Series 2009	3.00 - 5.00	2029	8,730,000	-	8,730,000
Total Certificates of Obligation			<u>79,342,813</u>	<u>37,188</u>	<u>79,380,001</u>
<u>Revenue Bonds:</u>					
Electric System Refunding, Series 2001	4.125 - 5.00	2019	-	4,465,000	4,465,000
Water and Sewer System Refunding and Improvement, Series 2001	3.00 - 5.50	2022	-	17,745,000	17,745,000
Water and Sewer System Revenue, Series 2004	2.50 - 5.00	2030	-	4,400,000	4,400,000
Water and Sewer System Revenue, Series 2005	4.00 - 4.75	2031	-	6,005,000	6,005,000
Water and Sewer System Revenue, Series 2007	4.00 - 5.00	2032	-	35,525,001	35,525,001
Water and Sewer System Revenue, Series 2009A	2.00 - 4.625	2029	-	5,680,000	5,680,000
Sewer System Revenue, Series 2009B	0.15 - 2.60	2019	-	1,270,000	1,270,000
Electric System Revenue, Series 2005	3.50 - 4.50	2025	-	11,445,000	11,445,000
Electric System Revenue, Series 2006	4.00 - 5.00	2031	-	11,440,000	11,440,000
Electric System Revenue, Series 2007	4.00 - 5.25	2032	-	30,840,000	30,840,000
Electric System Revenue, Series 2008	4.00 - 5.25	2033	-	31,975,000	31,975,000
Electric System Revenue Rural, Series 2008	3.50 - 4.75	2034	-	6,205,000	6,205,000
Total Revenue Bonds			<u>\$ -</u>	<u>\$ 166,995,001</u>	<u>\$ 166,995,001</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

<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	\$ 2,320,000	\$ -	\$ 2,320,000
Bryan Commerce & Development					
Promissory Note	6.17	2010	-	1,893,792	1,893,792
Bryan Commerce & Development					
Vehicle Note	5.00	2010	-	4,986	4,986
Total Notes			<u>2,320,000</u>	<u>1,898,778</u>	<u>4,218,778</u>
Total long-term debt			<u>\$ 100,702,813</u>	<u>\$ 168,930,967</u>	<u>\$ 269,633,780</u>

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>	
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	1,335,000	717,425	-	-	2,052,425
2015-2019	6,730,000	2,604,125	-	-	9,334,125
2020-2024	5,635,000	1,056,725	-	-	6,691,725
2025-2029	1,185,000	59,250	-	-	1,244,250
Total	<u>\$ 19,040,000</u>	<u>\$ 7,821,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,861,225</u>

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>	
2010	\$ 3,797,656	\$ 3,462,350	\$ 2,344	\$ 1,812	\$ 7,264,162
2011	3,487,656	3,277,991	2,344	1,706	6,769,697
2012	3,937,344	3,137,997	2,656	1,601	7,079,598
2013	4,307,344	2,977,901	2,656	1,481	7,289,382
2014	4,507,032	2,801,093	2,969	1,358	7,312,452
2015-2019	24,218,750	11,073,591	16,250	4,554	35,313,145
2020-2024	24,307,031	5,587,376	7,969	617	29,902,993
2025-2029	10,780,000	1,053,278	-	-	11,833,278
Total	<u>\$ 79,342,813</u>	<u>\$ 33,371,577</u>	<u>\$ 37,188</u>	<u>\$ 13,129</u>	<u>\$ 112,764,707</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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>	
2010	\$ -	\$ -	\$ 7,185,000	\$ 7,736,638	\$ 14,921,638
2011	-	-	7,555,000	7,441,495	14,996,495
2012	-	-	7,085,000	7,097,558	14,182,558
2013	-	-	7,370,000	6,805,978	14,175,978
2014	-	-	7,670,000	6,500,336	14,170,336
2015-2019	-	-	40,290,001	27,257,448	67,547,449
2020-2024	-	-	37,120,000	17,698,012	54,818,012
2025-2029	-	-	31,415,000	9,750,280	41,165,280
2030-2034	-	-	21,305,000	2,356,333	23,661,333
Total	\$ -	\$ -	\$ 166,995,001	\$ 92,644,078	\$ 259,639,079

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>	
2010	\$ 180,000	\$ 149,648	\$ 1,898,778	\$ 88,734	\$ 2,317,160
2011	200,000	138,739	-	-	338,739
2012	220,000	126,420	-	-	346,420
2013	230,000	112,647	-	-	342,647
2014	255,000	98,089	-	-	353,089
2015-2019	1,235,000	209,657	-	-	1,444,657
Total	\$ 2,320,000	\$ 835,200	\$ 1,898,778	\$ 88,734	\$ 5,142,712

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>	
2010	\$ 4,467,656	\$ 4,508,323	\$ 9,086,122	\$ 7,827,184	\$ 25,889,285
2011	4,862,656	4,293,455	7,557,344	7,443,201	24,156,656
2012	5,377,344	4,094,142	7,087,656	7,099,159	23,658,301
2013	5,807,344	3,871,473	7,372,656	6,807,459	23,858,932
2014	6,097,032	3,616,607	7,672,969	6,501,694	23,888,302
2015-2019	32,183,750	13,887,373	40,306,251	27,262,002	113,639,376
2020-2024	29,942,031	6,644,101	37,127,969	17,698,629	91,412,730
2025-2029	11,965,000	1,112,528	31,415,000	9,750,280	54,242,808
2030-2034	-	-	21,305,000	2,356,333	23,661,333
Total	\$ 100,702,813	\$ 42,028,002	\$ 168,930,967	\$ 92,745,941	\$ 404,407,723

On July 15, 2009, the City issued \$8,730,000 in Combination Tax and Revenue Certificates of Obligation, Series 2009. After the payment of issuance costs, the proceeds will be used to pay the contractual obligations of the City incurred for (1) constructing, improving, renovating, extending, expanding and developing streets, including drainage, traffic signalization, lighting, sidewalks and landscaping; (2) equipping a municipal golf course; and (3) professional services, including legal, fiscal, engineering and design fees, and costs of issuance.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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

	Governmental Activities	Business-type Activities	Total
Beginning balance	\$ 5,025,856	\$ 935,280	\$ 5,961,136
Plus additions	2,692,388	631,867	3,324,255
Less payments	(2,275,528)	(547,909)	(2,823,437)
Ending balance	<u>\$ 5,442,716</u>	<u>\$ 1,015,233</u>	<u>6,457,949</u>
Amount due in one year	\$ 2,438,882	\$ 670,428	\$ 3,109,310
Amount due in over one year	\$ 3,003,834	\$ 344,805	\$ 3,348,639

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 Financial Statements

For the Fiscal Year Ended September 30, 2009

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, 2009, 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:

	<u>Year Authorized</u>	<u>Unissued Amount</u>
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		<u>\$ 13,050,000</u>

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 Financial Statements

For the Fiscal Year Ended September 30, 2009

8. RESERVATIONS/DESIGNATIONS OF FUND BALANCES AND NET ASSETS

Fund balances have been reserved or designated at September 30, 2009 as follows:

	<u>Reserved</u>	<u>Designated</u>
<u>Governmental Activities</u>		
General Fund:		
Reserved for encumbrances	\$ 1,279,220	\$ -
Reserved for noncurrent notes receivable	22,339	-
Reserved for court activities	299,710	-
Reserved for police activities	20,449	-
Reserved for record preservation	47,906	-
Designated for library	-	198,042
Designated for park use	-	470,786
Designated for golf course improvements	-	265,492
Designated for public information program	-	45,915
Designated for fire activities	-	34,895
Debt Service Fund:		
Reserved for bond debt service	1,053,059	-
Nonmajor Governmental Funds:		
Reserved for capital improvements	10,167,227	-
Reserved for encumbrances	9,830,164	-
Reserved for court technology	334,962	-
Reserved for perpetual care	676,500	-
Total	<u>\$ 23,731,536</u>	<u>\$ 1,015,130</u>

Net assets have been restricted at September 30, 2009 as follows:

Restricted for:	<u>Business-Type Activities</u>				Total
	<u>Electric</u>	<u>Water</u>	<u>Waste Water</u>	<u>Other Enterprise</u>	
Rate Stabilization	\$ 14,933,280	\$ -	\$ -	\$ -	\$ 14,933,280
Debt Retirement	3,977,812	-	-	-	3,977,812
Debt Service	742,499	519,537	534,213	-	1,796,249
Rate Litigation	6,336,495	-	-	-	6,336,495
BVSWMA	-	-	-	12,551,809	12,551,809
Total	<u>\$ 25,990,086</u>	<u>\$ 519,537</u>	<u>\$ 534,213</u>	<u>\$ 12,551,809</u>	<u>\$ 39,595,645</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

9. RETIREMENT PLAN

Plan Description

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

The City of Bryan is one of 833 municipalities having their benefit plan administered by TMRS. Each of the 833 municipalities has an annual, individual actuarial valuation performed. TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at www.TMRS.com.

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

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

Plan provisions for the City were as follows:

	Plan Year 2008	Plan Year 2009
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

Contributions

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

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

Annual Required Contribution (ARC)	\$ 7,831,491
Interest on Net Pension Obligation	-
Adjustment to the ARC	-
Annual Pension Cost (APC)	<u>7,831,491</u>
Contributions Made	<u>(6,244,387)</u>
Increase (decrease) in net pension obligation	1,587,104
Net Pension Obligation/(Asset), beginning of year	-
Net Pension Obligation/(Asset), end of year	<u><u>\$ 1,587,104</u></u>

The net pension obligation is included in accrued liabilities on the accompanying statement of net assets.

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>
09/30/07	\$ 4,791,580	100.00%	\$ -
09/30/08	5,028,310	100.00%	-
09/30/09	7,831,491	79.73%	1,587,104

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

The required contribution rates for fiscal year 2009 were determined as part of the December 31, 2006 and 2007 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2008, also follows:

Valuation date	<u>12/31/2006</u>	<u>12/31/2007</u>	<u>12/31/2008</u>
Actuarial cost method	Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	25 years - open	30 years - closed	29 years - closed
Asset valuation method	Amortized Cost	Amortized Cost	Amortized Cost
Actuarial assumptions:			
Investment rate of return	7.0%	7.0%	7.5%
Projected salary increases	0.0%	Varies by age & service	Varies by age & service
Included inflation rate	3.5%	3.0%	3.0%
Cost-of-living adjustments	0.0%	2.1%	2.1%

Funding Status and Funding Progress

The funded status as of December 31, 2008, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(1)	(2)	(3)	(4)	(5)	(6)
			(1) / (2)	(2) - (1)		(4) / (5)
12/31/2008	\$ 91,123,170	\$ 153,116,068	59.5%	\$ 61,992,898	\$ 41,808,463	148.3%

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

10. 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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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"). At September 30, 2009 the City's portion of the TMPA bonds outstanding was approximately \$188.4 million.

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.

During the years ended September 30, 2009 and 2008 the City Electric System paid TMPA \$42,901,696 and \$52,470,345, respectively for power purchases and related activity under the contract. As of September 30, 2009 and 2008 the City Electric System had payables to TMPA amounting to \$1,287,791 and \$2,765,992, respectively.

The TMPA's Comprehensive Annual Financial Report for the year ended September 30, 2009 reported the following:

	<u>2009</u>
	(Amounts in Thousands)
Total Assets	\$ 1,183,993
Total Liabilities	<u>1,143,666</u>
Total Accumulated Excess Revenues	<u>\$ 40,327</u>
 Change in Accumulated Excess Revenues for year ended September 30, 2009	 \$ 4,518

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 Financial Statements

For the Fiscal Year Ended September 30, 2009

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, 2009 reported the following:

	<u>2009</u>
Total Assets	\$ 31,277,024
Total Liabilities	<u>6,173,407</u>
Total Net Assets	<u>\$ 25,103,617</u>
Change in net assets for the year ended September 30, 2009	\$ 2,111,245
Bryan's undivided 50% share of change in net assets for the year ended September 30, 2009	\$ 1,055,623

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 Financial Statements

For the Fiscal Year Ended September 30, 2009

12. INTERFUND BALANCES

Interfund receivable and payable balances at September 30, 2009 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Electric	\$ 33,275
	Nonmajor governmental funds	87,578
	Internal service	972
	WasteWater	255
Nonmajor governmental funds	General	235
	Nonmajor governmental funds	10,904
	Electric	56,386
Electric	Rural Electric	2,065,751
	QSE	11,803,361
	Nonmajor governmental funds	60,020
	General	29,320
	Internal service	75
	Water	43,359
	Wastewater	50,151
	Nonmajor enterprise funds	28,432
Water	General	33,945
	Nonmajor governmental funds	66
	Electric	164,908
Wastewater	General	42,753
	Nonmajor governmental funds	1,318
	Water	1,322
	Electric	129,528
Nonmajor enterprise funds	General	18,037
	Electric	88,582
Debt Service Fund	General	342
Internal service funds	Electric	127,333
Total		<u>\$ 14,878,208</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 Financial Statements

For the Fiscal Year Ended September 30, 2009

13. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2009 are as follows:

Transfers Out	Transfers In							Total
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Electric Fund	Water Fund	Wastewater Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 251,055	\$ 44,386	\$ -	\$ 24,115	\$ 27,038	\$ 167,419	\$ 514,013
Nonmajor governmental funds	7,335	2,211,911	967,775	47,401	-	-	-	3,234,422
Electric Fund	8,136,431	-	-	-	-	-	-	8,136,431
Water Fund	621,569	-	-	431,960	-	-	-	1,053,529
Wastewater Fund	608,061	-	-	416,120	-	-	-	1,024,181
Nonmajor enterprise funds	453,055	-	288,446	384,519	24,115	86,255	-	1,236,390
Total transfers out	<u>\$ 9,826,451</u>	<u>\$ 2,462,966</u>	<u>\$ 1,300,607</u>	<u>\$ 1,280,000</u>	<u>\$ 48,230</u>	<u>\$ 113,293</u>	<u>\$ 167,419</u>	<u>\$ 15,198,966</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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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, Insurance Fund, TIRZ funds, Special Projects Fund, Employee Benefits Fund and the Oil and Gas Fund. Costs of these services are allocated as follows:

	<u>General Fund</u>
<u>Administrative costs allocated to:</u>	
Electric Fund	405,339
Water Fund	974,680
Wastewater Fund	974,881
Nonmajor Enterprise Fund (Solid Waste Fund)	921,425
Internal Service Fund (Insurance Fund)	171,138
Oil and Gas Fund	616
Special Projects Fund	1,570
TIRZ # 8 Fund	162,804
Employee Benefits Fund	153,282
	<u>\$ 3,765,735</u>

15. UNAVAILABLE AND UNEARNED REVENUE

The balance of unavailable and unearned revenues at September 30, 2009 consists of the following:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Delinquent property taxes receivable (General Fund)	\$ 266,552	\$ -	\$ 266,552
Delinquent property taxes receivable (Debt Service Fund)	83,297	-	83,297
Street and drainage assessments receivable (General Fund)	123,472	-	123,472
Other deferred revenues (General Fund)	179,786	249,185	428,971
Notes receivable (Nonmajor governmental funds)	-	-	-
Developer Aid-in-Construction			
Nonmajor governmental funds	-	-	-
Enterprise funds	-	800,542	800,542
Total	<u>\$ 653,107</u>	<u>\$ 1,049,727</u>	<u>\$ 1,702,834</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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.

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

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 \$6,547,005 for the twelve month period which began January 1, 2009 and ends December 31, 2009. 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:

	<u>2009</u>	<u>2008</u>
Beginning balance unpaid claims	\$ 855,612	\$ 975,422
Incurred claims	7,037,199	5,664,099
Claim payments	<u>(6,901,166)</u>	<u>(5,783,909)</u>
Ending balance unpaid claims	<u>\$ 991,645</u>	<u>\$ 855,612</u>
Amounts due in one year	\$ 991,645	\$ 855,612

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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.

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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, 2009, retirees paid \$406,463 in premiums and \$1,231,793 in claims were paid for post-retirement health care and administrative charges. As of September 30, 2009, the City has 32 retirees, 27 retirees and spouses, 10 retirees and families and 6 retirees and child(ren) participating in the health plan, out of the 298 employees eligible to participate upon retirement. Expenses are recognized as retirees submit claims.

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

Expenses are recognized as claims when submitted. COBRA participants are reimbursed at the same levels as active employees. Participants paid premiums of \$10,819 and incurred claims and administrative expenses of \$203,622 in the year ended September 30, 2009. As of September 30, 2009 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.

Currently, all retirees electing health plan coverage receive a health premium subsidy averaging 40%. Beginning January 1, 2010, the City will implement new eligibility requirements for subsidized retiree premiums. The new eligibility requirements will require retirees to meet the 'Rule of 80' (age at retirement plus years of service with the City = 80), in order to receive the subsidized retiree premium. Retirees not meeting the 'Rule of 80' may still elect the City's retiree health plan coverage, but will not receive a subsidy.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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:

	<u>FY 2009</u>	<u>FY 2008</u>
Annual required contribution	\$ 594,447	\$ 596,441
Interest on OPEB obligation	4,207	-
Adjustment to ARC	<u>(2,213)</u>	<u>-</u>
Annual OPEB cost (expense) end of year	596,441	596,441
Net estimated employer contributions	<u>(825,330)</u>	<u>(502,960)</u>
Increase in net OPEB obligation	(228,889)	93,481
Net OPEB obligation – as of beginning of the year	<u>93,481</u>	<u>-</u>
Net OPEB obligation (asset) – as of end of year	<u><u>\$ (135,408)</u></u>	<u><u>\$ 93,481</u></u>

Funding status and funding progress

The funded status of the City's retiree health care plan, under GASB Statement No. 45 for fiscal year 2008 is as follows:

Actuarial value of plan assets	\$ -
Actuarial accrued liability (AAL)	<u>7,898,192</u>
Unfunded AAL	7,898,192
Funded Ratio	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, 2008.

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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.

20. RISK MANAGEMENT

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

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

All funds of the City participate in the Insurance Fund. The costs of providing claims servicing and claims payment are allocated by charging each fund a "premium" based upon a percentage of the respective fund's estimated current-year payroll and expenses and management's estimate of

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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 \$1,343,694 for claims that have been incurred but not reported as of September 30, 2009. 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>2009</u>	<u>2008</u>
Unpaid claims at beginning of fiscal year	\$ 1,081,660	\$ 1,284,032
Incurred claims	306,701	488,786
Claim payments	<u>(44,667)</u>	<u>(691,158)</u>
Total unpaid claims at end of fiscal year	<u>\$ 1,343,694</u>	<u>\$ 1,081,660</u>
Amounts due in one year	\$ 486,308	\$ 526,477

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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, 2009 the City had incurred \$18,031,894 in expenditures for public infrastructure improvements and related costs.

- (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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

Through September 30, 2009, Bryan Commerce and Development, Inc. has conveyed 170.31 acres of land to Melrose for residential development. Two hundred thirty five residential lots had been sold with a gross sales price of \$25,756,215. After the payment of fees, commissions and closing costs, Bryan Commerce and Development, Inc. has received \$9,118,013 for its partnership distribution related to the project.

Early in fiscal year 2009, Melrose announced that they were having financial difficulties and were halting all development activity at Traditions Golf and Country Club. In February 2009, the City of Bryan entered into an agreement with a new developer, Traditions Acquisition Partnership (TAP). As part of the agreement, TAP will retain all of the revenue for the first 55 lots sold.

- (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, 2009 the City has advanced to Development Company \$4,813,942 for the acquisition of land for the project.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

The estimated total commitment (exclusive of debt service on the certificates of obligation) as of September 30, 2009 is as follows:

Land and associated acquisition costs	\$ 7,813,942
Infrastructure and related costs	18,100,000
	<u>\$ 25,913,942</u>
To be financed as follows:	
Certificates of Obligation, Series 2000A	\$ 17,000,000
Other lawfully available City funds	8,913,942
	<u>\$ 25,913,942</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, 2009 the balance of the HUD Section 108 loan was \$2,320,000.

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 Magnolia Hotels to provide management, accounting and marketing services for the hotel.

In fiscal year 2009, the City funded the debt service on the HUD Section 108 loan in the amount of \$324,481.

22. ACCOUNTS RECEIVABLE

As of September 30, 2009, the receivables not expected to be collected within one year are notes and assessments receivable as follows:

	General
	<u>Fund</u>
Notes receivable	\$ 31,439
Street and drainage assessments	123,473
	<u>\$ 154,912</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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, 2009:

	Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Total
Bond Retirement Reserve	\$ 3,977,812	\$ -	\$ -	\$ -	\$ 3,977,812
Bond Debt Service	704,999	-	978,839	882,212	2,566,050
Rate Litigation Reserve	6,336,495	-	-	-	6,336,495
Rate Stabilization Reserve	14,933,280	-	-	-	14,933,280
Customer Deposits Payable	2,978,783	704,213	-	-	3,682,996
Capital Debt Proceeds	4,790,478	3,319,586	4,545,579	5,073,279	17,728,922
	<u>\$ 33,721,847</u>	<u>\$ 4,023,799</u>	<u>\$ 5,524,418</u>	<u>\$ 5,955,491</u>	<u>\$ 49,225,555</u>

24. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended September 30, 2009 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 # 10			
Total expenditures	\$ 129,527	\$ 274,490	\$ (144,963)

Total expenditures in the Tax Increment Zone #10 exceeded budget by \$144,963 due to legal fees associated with a new partnership agreement and improvements to the street system and storm sewer. Expenses will be appropriately budgeted in future years.

25. FUND DEFICITS

The Tax Increment Reinvestment Zone #21 Fund, a Special Revenue Fund, has a deficit unreserved-undesignated fund balance as of September 30, 2009 in the amount of \$59,240. All expenses for this tax increment reinvestment zone will be funded by transfers from the general fund.

The Tax Increment Reinvestment Zone #22 Fund, a Special Revenue Fund, has a deficit unreserved-undesignated fund balance as of September 30, 2009 in the amount of \$321,129. Transfers budgeted in fiscal year 2009 from the City's 2007 and 2008 bond issues were not made as planned.

The Community Development fund deficit of \$142,595 is the result of expenditures incurred in advance of processing the related grant requests. The City will submit grant fund requests to cover the fund deficit in fiscal year 2010.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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, 2009, the City had created five Tax Increment Reinvestment 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 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 20 years.

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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>					
2009	\$ 35,803	\$ 122,186,000	\$ 122,150,197	\$ 0.6364	\$ 777,364
2008	35,803	99,221,800	99,185,997	0.6364	631,220
2007	35,803	84,581,080	84,545,277	0.6364	538,046
2006	35,803	61,082,989	61,047,186	0.6364	388,504
2005	35,803	49,998,094			-
<u>Traditions</u>					
2009	637,640	81,855,365	81,217,725	0.6364	516,870
2008	637,640	66,843,855	66,206,215	0.6364	421,336
2007	637,640	40,005,365	39,367,725	0.6364	250,536
2006	637,640	4,076,325	3,438,685	0.6364	21,884
2005	637,640	653,963	16,323	0.6364	104
<u>Lauth Development</u>					
2009	2,038,090	8,388,060	6,349,970	0.6364	40,411
2008	2,038,090	2,038,090	-	0.6364	-
<u>Nash Street</u>					
2009	2,213,289	12,222,530	10,009,241	0.6364	63,699
2008	2,213,289	8,992,060	6,778,771	0.6364	43,140
2007	2,213,289		-	0.6364	-
<u>Downtown Bryan</u>					
2009	41,070,995	43,915,850	2,844,855	0.6364	18,105
2008	\$ 41,070,995	\$ -	\$ -	\$ 0.6364	\$ -

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

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, 2009 the City had established abatement agreements with the following property owners:

<u>Property Owner</u>	<u>Date of Abatement</u>	<u>FY 2009 Appraised Values</u>	<u>FY 2009 Taxable Values</u>	<u>FY 2009 Abated Values</u>	<u>FY 2009 Taxes Levied</u>	<u>FY 2009 Taxes Abated</u>
Betco	2000	\$ 327,530	\$ 300,399	\$ 27,131	\$ 1,912	\$ 173
Brydenpear Premiere LP	2005	5,552,000	1,702,294	3,849,076	10,837	24,496
Coca-Cola Enterprises	2003	5,336,918	4,235,681	1,101,237	26,956	7,008
Toyo Ink In'l	2008	295,981	221,094	74,887	1,407	477
Kent Moore	2004	7,046,305	3,526,258	3,520,047	22,441	22,402
Readfield Meats, Inc	2005	813,415	581,984	231,431	3,704	1,473
West Telemarketing	2005	943,300	565,980	377,320	3,602	2,401
Weatherford Artificial Lift	2007	22,214,065	4,880,205	17,333,860	31,058	110,313
Hogan's Trucks Unlimited	2008	2,007,945	704,682	1,303,263	4,485	8,294

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 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. Gains and losses related to hedge instrument transactions are netted to fuel expense in the period realized. The following information is provided regarding BTU's outstanding financial hedge instruments at September 30, 2009:

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

Natural Gas Derivative Transactions at September 30, 2009

Type of Transaction	Duration	Volume in MMBtu's
3 Way Collar (Long Call/Short Call/Short Put)	May 2010 - Sept 2011	1,406,000
Long Swap	Jan 2010 - Sept 2012	2,975,000

The net proceeds associated with establishing hedge instruments outstanding at September 30, 2009, was \$43,420. Fair value of the hedges at September 30, 2009 was (\$2,162,671). The fair value of option contracts is determined using New York Mercantile Exchange (NYMEX) or Houston Ship channel closing settlement prices as appropriate to the instrument. For swap transactions, the value is calculated as the difference between the closing futures price at September 30, 2009 and the futures price at the time the positions were established, less applicable commissions. 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. At September 30, 2008, the fair value of outstanding hedge instruments was (\$261,160). 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.

29. SUBSEQUENT EVENTS

On December 3, 2009, the utility directors of the Texas Municipal Power Agency (TMPA) member Cities, and the general manager of TMPA, executed a Memorandum of Understanding, expressing the intent of each signatory, to recommend to the appropriate municipal governing boards, approval of a comprehensive settlement agreement addressing pending litigation between Bryan, TMPA and the other TMPA member Cities. By December 17, 2009, the Board of Directors of TMPA and all member Cities had approved the settlement agreement. The parties are in the process of accomplishing the remaining actions necessary to effect the settlement agreement. These actions include the financings described below and the submission of agreed orders to the various courts to dispose of the pending litigation.

Under the settlement agreement, TMPA will develop a transmission financing program under which debt for transmission system assets may be financed for the life of the assets, beyond September 1, 2018, but without extending the term of the Power Sales Contract. No new debt and all existing debt shall mature on or before September 1, 2018 unless an extension beyond this date is approved by all member Cities. Under the settlement, several planned TMPA financings, including one for a scrubber refurbishment project, will be accomplished through the issuance of debt by the member Cities. When finally implemented, the settlement agreement will resolve longstanding disputes between BTU and TMPA and member Cities currently pending before the Public Utility Commission of Texas, and the Travis County and Grimes County state district courts, relating to the allocation of

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2009

prior transmission costs between the Cities and the ability of TMPA to extend debt beyond the term of the Power Sales Contract.

At September 30, 2008 and 2009 BTU maintained a restricted net asset of \$6,336,495 for potential losses associated with TMPA litigation.

CITY OF BRYAN, TEXAS

Required Supplementary Information

Schedule of Funding Progress

Texas Municipal Retirement System

Last Three Fiscal Years

Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)** (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
12/31/2006	87,895,438	118,752,796	74%	30,857,358	35,240,358	87.6%
12/31/2007	90,418,211	148,297,355	61%	57,879,144	37,229,136	155.5%
12/31/2008	91,123,170	153,116,068	60%	61,992,898	41,808,463	148.3%

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

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

CITY OF BRYAN, TEXAS

Required Supplementary Information

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual

For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Final Budget -
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 15,145,645	\$ 15,145,645	\$ 14,926,310	\$ (219,335)
Sales	15,770,000	15,770,000	14,140,838	(1,629,162)
Franchise	2,118,032	2,118,032	2,000,294	(117,738)
Bingo	202,000	202,000	195,970	(6,030)
Alcoholic beverage	68,276	68,276	72,777	4,501
Charges for services:				
Ambulance charges	1,345,320	1,345,320	1,957,375	612,055
Recreational charges	1,531,361	1,531,361	1,870,443	339,082
Health and public safety	774,165	1,040,282	1,122,299	82,017
Miscellaneous charges	189,841	189,841	137,148	(52,693)
Fines and court charges:				
Municipal court	1,978,060	1,978,060	1,701,325	(276,735)
Library	-	0	41,640	41,640
Licenses and permits	607,010	607,010	587,732	(19,278)
Grants:				
Texas Attorney General	-	35,271	35,285	14
U.S. Department of Criminal Justice	-	272,207	199,258	(72,949)
Texas Department of Transportation	-	-	28,930	28,930
Homeland Security	-	-	265,072	265,072
Contributions to Library - College Station	1,105,819	1,105,819	979,498	(126,321)
FEMA	-	-	40,784	40,784
Other	35,000	35,000	60,473	25,473
Investment earnings	251,611	251,611	251,537	(74)
Other	366,151	366,151	417,444	51,293
Total revenues	41,488,291	42,061,886	41,032,432	(1,029,454)
Expenditures:				
Current:				
General government and administration:				
Executive	1,895,598	1,864,314	1,881,953	(17,639)
City Secretary	1,033,258	1,070,397	852,597	217,800
Legal services	602,228	614,268	530,272	83,996
Payments to other agencies	2,832,380	2,945,860	3,077,304	(131,444)
Fiscal services	1,139,932	1,154,533	1,111,997	42,536
Computer services	2,204,252	2,286,568	2,286,003	565
Purchasing services	320,572	320,645	315,514	5,131
Human resources	629,803	629,803	566,175	63,628
Fleet services	676,785	666,792	598,900	67,892
Facility services	1,659,204	1,681,154	1,538,454	142,700
Total general government and administration	12,994,012	13,234,334	12,759,169	475,165
Development services:				
Planning	622,132	1,848,172	1,706,405	141,767
Engineering	1,344,799	1,377,300	1,324,937	52,363
Building	1,081,415	0	-	-
Special Projects	0	22,972	28,112	(5,140)
Total development services	3,048,346	3,248,444	3,059,454	188,990
Public works services:				
Public Works Administration	410,797	490,827	505,739	(14,912)
Public Works Call Center	248,922	246,922	225,272	21,650
Drainage and Streets	2,970,127	3,079,190	2,731,010	348,180
Traffic Operations	1,257,546	1,311,869	1,301,164	10,705
Total public works services	4,887,392	5,128,808	4,763,185	365,623

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety:				
Police services	13,835,730	14,090,011	14,820,972	(730,961)
Fire and emergency medical services	10,452,370	10,471,856	10,795,275	(323,419)
Emergency operations center	87,000	87,000	56,894	30,106
Municipal court	1,219,775	1,219,798	1,132,498	87,300
Total public safety	25,594,875	25,868,665	26,805,639	(936,974)
Cultural and recreational:				
Library services	1,309,801	1,336,122	1,291,825	44,297
College Station library services	878,412	852,091	844,786	7,305
Parks and recreation services	3,542,670	3,532,526	3,862,953	(330,427)
Municipal golf course	894,813	729,813	774,318	(44,505)
Total cultural and recreational	6,625,696	6,450,552	6,773,882	(323,330)
Administrative reimbursement	(3,906,864)	(3,902,587)	(3,765,735)	(136,852)
Capital outlay	3,526,381	4,041,388	1,609,198	2,432,190
Debt service-bond retirement	165,000	165,000	165,000	-
Interest and fiscal charges	79,741	79,741	79,741	-
Total expenditures	53,014,579	54,314,345	52,249,533	2,064,812
Excess of expenditures over revenues	(11,526,288)	(12,252,459)	(11,217,101)	1,035,358
Other financing sources (uses):				
Sale of capital assets	-	-	193,450	193,450
Transfers in	11,981,283	11,991,719	9,826,451	(2,165,268)
Transfers out	(597,563)	(762,563)	(514,013)	248,550
Total other financing sources	11,383,720	11,229,156	9,505,888	(1,723,268)
Net change in fund balance	(142,568)	(1,023,303)	(1,711,213)	(687,910)
Fund Balance, October 1, 2008	12,342,745	12,342,745	12,342,745	-
Fund Balance, September 30, 2009	<u>\$ 12,200,177</u>	<u>\$ 11,319,442</u>	<u>\$ 10,631,532</u>	<u>\$ (687,910)</u>



CITY OF BRYAN
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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.

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, 2009

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 7,577,931	\$ 9,163,215	\$ 1,027,866	\$ 17,769,012
Investments	4,748,012	5,741,285	644,016	11,133,313
Receivables:				
Accounts	691,788	-	-	691,788
Less allowance for uncollectible	(144,714)	-	-	(144,714)
Grants	102,570	-	-	102,570
Interest	25,415	30,732	3,447	59,594
Due from other funds	57,531	9,994	-	67,525
Total assets	<u>\$ 13,058,533</u>	<u>\$ 14,945,226</u>	<u>\$ 1,675,329</u>	<u>\$ 29,679,088</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 115,751	\$ 286,959	\$ -	\$ 402,710
Accrued liabilities	13,511	-	-	13,511
Retainages payable	-	50,000	-	50,000
Due to other funds	149,891	9,995	-	159,886
Total liabilities	<u>279,153</u>	<u>346,954</u>	<u>-</u>	<u>626,107</u>
Fund balances:				
Reserved for encumbrances	5,395,619	4,431,045	3,500	9,830,164
Reserved for perpetual care	-	-	676,500	676,500
Reserved for capital improvements	-	10,167,227	-	10,167,227
Reserved for court activities	334,962	-	-	334,962
Unreserved - undesignated	7,048,799	-	995,329	8,044,128
Total fund balances	<u>12,779,380</u>	<u>14,598,272</u>	<u>1,675,329</u>	<u>29,052,981</u>
Total liabilities and fund balances	<u>\$ 13,058,533</u>	<u>\$ 14,945,226</u>	<u>\$ 1,675,329</u>	<u>\$ 29,679,088</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Special Revenue Funds

As of September 30, 2009

	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	\$ -	\$ 239,257	\$ 81,321	\$ 211,664	\$ 205,509	\$ 3,030,489	\$ 1,143,368	\$ 1,400,355	\$ 1,191,871	\$ -	\$ -	\$ 74,097	\$ 7,577,931
Investments	-	149,908	50,953	132,620	128,763	1,898,777	716,386	877,403	746,776	-	-	46,426	4,748,012
Accounts receivable	-	23,746	26,476	-	-	513,253	128,313	-	-	-	-	-	691,788
Less allowance for uncollectibles	-	-	-	-	-	(115,801)	(28,913)	-	-	-	-	-	(144,714)
Grants receivable	102,570	-	-	-	-	-	-	-	-	-	-	-	102,570
Interest receivable	-	802	273	709	690	10,164	3,835	4,697	3,997	-	-	248	25,415
Due from other funds	75	-	-	-	-	45,189	11,358	-	909	-	-	-	57,531
Total assets	<u>\$ 102,645</u>	<u>\$ 413,713</u>	<u>\$ 159,023</u>	<u>\$ 344,993</u>	<u>\$ 334,962</u>	<u>\$ 5,382,071</u>	<u>\$ 1,974,347</u>	<u>\$ 2,282,455</u>	<u>\$ 1,943,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,771</u>	<u>\$ 13,058,533</u>
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	\$ 1,514	\$ -	\$ -	\$ 2,280	\$ -	\$ 10,955	\$ 33,138	\$ 65,088	\$ 2,776	\$ -	\$ -	\$ -	\$ 115,751
Accrued liabilities	13,511	-	-	-	-	-	-	-	-	-	-	-	13,511
Due to other funds	87,620	-	41,338	-	-	16,019	4,005	909	-	-	-	-	149,891
Total liabilities	<u>102,645</u>	<u>-</u>	<u>41,338</u>	<u>2,280</u>	<u>-</u>	<u>26,974</u>	<u>37,143</u>	<u>65,997</u>	<u>2,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279,153</u>
Fund balances:													
Reserved for encumbrances	142,595	6,000	-	2,176	-	4,270,232	456,577	16,899	-	-	59,240	441,900	5,395,619
Reserved for court activities	-	-	-	-	334,962	-	-	-	-	-	-	-	334,962
Unreserved - undesignated	-	407,713	117,685	340,537	-	1,084,865	1,480,627	2,199,559	1,940,777	-	-	-	7,571,763
Unreserved - undesignated (deficit)	(142,595)	-	-	-	-	-	-	-	-	-	(59,240)	(321,129)	(522,964)
Total fund balances	<u>-</u>	<u>413,713</u>	<u>117,685</u>	<u>342,713</u>	<u>334,962</u>	<u>5,355,097</u>	<u>1,937,204</u>	<u>2,216,458</u>	<u>1,940,777</u>	<u>-</u>	<u>-</u>	<u>120,771</u>	<u>12,779,380</u>
Total liabilities and fund balances	<u>\$ 102,645</u>	<u>\$ 413,713</u>	<u>\$ 159,023</u>	<u>\$ 344,993</u>	<u>\$ 334,962</u>	<u>\$ 5,382,071</u>	<u>\$ 1,974,347</u>	<u>\$ 2,282,455</u>	<u>\$ 1,943,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,771</u>	<u>\$ 13,058,533</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Capital Project Funds

As of September 30, 2009

	Street Improvements 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	\$ -	\$ 692	\$ 222,770	\$ 356,688	\$ 1,442,743	\$ 2,636,357	\$ 4,503,965	\$ 9,163,215
Investments	-	434	139,578	223,485	903,962	1,651,831	2,821,995	5,741,285
Interest receivable	-	2	747	1,196	4,839	8,842	15,106	30,732
Due from other funds	-	-	-	9,994	-	-	-	9,994
Total assets	<u>\$ -</u>	<u>\$ 1,128</u>	<u>\$ 363,095</u>	<u>\$ 591,363</u>	<u>\$ 2,351,544</u>	<u>\$ 4,297,030</u>	<u>\$ 7,341,066</u>	<u>\$ 14,945,226</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 101,879	\$ 18,548	\$ -	\$ 141,282	\$ 25,250	\$ 286,959
Retainages payable	-	-	-	-	50,000	-	-	50,000
Due to other funds	-	-	-	-	9,995	-	-	9,995
Total liabilities	<u>-</u>	<u>-</u>	<u>101,879</u>	<u>18,548</u>	<u>59,995</u>	<u>141,282</u>	<u>25,250</u>	<u>346,954</u>
Fund balances:								
Reserved for encumbrances	-	-	5,558	59,627	49,650	3,109,798	1,206,412	4,431,045
Reserved for capital improvements	-	1,128	255,658	513,188	2,241,899	1,045,950	6,109,404	10,167,227
Total fund balances	<u>-</u>	<u>1,128</u>	<u>261,216</u>	<u>572,815</u>	<u>2,291,549</u>	<u>4,155,748</u>	<u>7,315,816</u>	<u>14,598,272</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,128</u>	<u>\$ 363,095</u>	<u>\$ 591,363</u>	<u>\$ 2,351,544</u>	<u>\$ 4,297,030</u>	<u>\$ 7,341,066</u>	<u>\$ 14,945,226</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Permanent Funds

As of September 30, 2009

	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	\$ 1,537	\$ 5,501	\$ 8,741	\$ 552	\$ 967,227	\$ 36,281	\$ 3,014	\$ 4,486	\$ 527	\$ 1,027,866
Investments	963	3,446	5,477	345	606,023	22,732	1,888	2,811	331	644,016
Interest receivable	5	18	29	2	3,244	122	10	15	2	3,447
Total assets	<u>\$ 2,505</u>	<u>\$ 8,965</u>	<u>\$ 14,247</u>	<u>\$ 899</u>	<u>\$ 1,576,494</u>	<u>\$ 59,135</u>	<u>\$ 4,912</u>	<u>\$ 7,312</u>	<u>\$ 860</u>	<u>\$ 1,675,329</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	653,857	4,950	2,085	6,709	500	676,500
Unreserved - undesignated	1,106	3,965	12,747	399	919,137	54,185	2,827	603	360	995,329
Total fund balances	<u>2,505</u>	<u>8,965</u>	<u>14,247</u>	<u>899</u>	<u>1,576,494</u>	<u>59,135</u>	<u>4,912</u>	<u>7,312</u>	<u>860</u>	<u>1,675,329</u>
Total liabilities and fund balances	<u>\$ 2,505</u>	<u>\$ 8,965</u>	<u>\$ 14,247</u>	<u>\$ 899</u>	<u>\$ 1,576,494</u>	<u>\$ 59,135</u>	<u>\$ 4,912</u>	<u>\$ 7,312</u>	<u>\$ 860</u>	<u>\$ 1,675,329</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, 2009

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Revenues:				
Property taxes	\$ 1,281,163	\$ -	\$ -	\$ 1,281,163
Hotel occupancy taxes	321,859	-	-	321,859
Transportation and drainage assessments	4,343,987	-	-	4,343,987
Fines and court charges	43,118	-	-	43,118
Grants	1,237,991	-	-	1,237,991
Investment earnings	235,266	228,401	32,428	496,095
Oil and gas royalties	67,688	-	-	67,688
Other	1,330,402	6,665	43,561	1,380,628
Total revenues	<u>8,861,474</u>	<u>235,066</u>	<u>75,989</u>	<u>9,172,529</u>
Expenditures:				
Current:				
General government and administration	174,708	-	1,340	176,048
Development services	1,312,144	-	-	1,312,144
Public works services	3,113,976	1,340,762	-	4,454,738
Cultural and recreational	259,292	-	-	259,292
Capital outlay	2,944,702	4,254,609	-	7,199,311
Debt service:				
Bond and principal retirement	165,000	-	-	165,000
Interest and fiscal charges	89,096	-	-	89,096
Debt issuance costs	-	54,170	-	54,170
Total expenditures	<u>8,058,918</u>	<u>5,649,541</u>	<u>1,340</u>	<u>13,709,799</u>
Excess (deficiency) of revenues over (under) expenditures	<u>802,556</u>	<u>(5,414,475)</u>	<u>74,649</u>	<u>(4,537,270)</u>
Other financing sources (uses):				
Long-term debt issued	-	8,730,000	-	8,730,000
Premium on long-term debt issued	-	79,084	-	79,084
Transfers in	1,300,607	-	-	1,300,607
Transfers out	(2,262,889)	(971,533)	-	(3,234,422)
Total other financing sources	<u>(962,282)</u>	<u>7,837,551</u>	<u>-</u>	<u>6,875,269</u>
Net change in fund balances	(159,726)	2,423,076	74,649	2,337,999
Fund balances, October 1, 2008	<u>12,939,106</u>	<u>12,175,196</u>	<u>1,600,680</u>	<u>26,714,982</u>
Fund balances, September 30, 2009	<u>\$ 12,779,380</u>	<u>\$ 14,598,272</u>	<u>\$ 1,675,329</u>	<u>\$ 29,052,981</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, 2009

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 670,222	\$ 491,498	\$ 61,537	\$ 17,495	\$ 40,411	\$ 1,281,163
Hotel occupancy taxes	-	321,859	-	-	-	-	-	-	-	-	-	-	321,859
Transportation and drainage assessments	-	-	-	-	-	3,479,974	864,013	-	-	-	-	-	4,343,987
Grants	1,237,991	-	-	-	-	-	-	-	-	-	-	-	1,237,991
Fines and court charges	-	-	-	-	43,118	-	-	-	-	-	-	-	43,118
Investment earnings	-	7,390	2,452	7,086	6,233	83,097	39,694	39,608	49,465	28	80	133	235,266
Oil and gas royalties	-	-	67,688	-	-	-	-	-	-	-	-	-	67,688
Other	54,367	-	-	126	-	-	-	758,843	456,442	35,307	-	25,317	1,330,402
Total revenues	1,292,358	329,249	70,140	7,212	49,351	3,563,071	903,707	1,468,673	997,405	96,872	17,575	65,861	8,861,474
Expenditures:													
Current:													
General government and administration	-	-	616	-	11,288	-	-	162,804	-	-	-	-	174,708
Development services	1,038,262	-	-	73,178	-	-	-	22,950	99,000	950	74,829	2,975	1,312,144
Public works services	-	-	-	-	-	2,572,627	541,349	-	-	-	-	-	3,113,976
Cultural and recreational	-	259,292	-	-	-	-	-	-	-	-	-	-	259,292
Capital outlay	-	-	-	-	-	-	699,409	1,341,630	175,490	728,173	-	-	2,944,702
Debt service:													
Bond and principal retirement	165,000	-	-	-	-	-	-	-	-	-	-	-	165,000
Interest and fiscal charges	89,096	-	-	-	-	-	-	-	-	-	-	-	89,096
Total expenditures	1,292,358	259,292	616	73,178	11,288	2,572,627	1,240,758	1,527,384	274,490	729,123	74,829	2,975	8,058,918
Excess (deficiency) of revenues over (under) expenditures	-	69,957	69,524	(65,966)	38,063	990,444	(337,051)	(58,711)	722,915	(632,251)	(57,254)	62,886	802,556
Other financing sources (uses):													
Transfers in	-	-	-	-	-	107,716	-	-	288,446	746,227	44,386	113,832	1,300,607
Transfers out	-	-	-	-	-	(23,222)	(27,756)	(218,303)	(1,525,308)	(67,875)	-	(400,425)	(2,262,889)
Total other financing sources (uses)	-	-	-	-	-	84,494	(27,756)	(218,303)	(1,236,862)	678,352	44,386	(286,593)	(962,282)
Net change in fund balances	-	69,957	69,524	(65,966)	38,063	1,074,938	(364,807)	(277,014)	(513,947)	46,101	(12,868)	(223,707)	(159,726)
Fund balances, October 1, 2008	-	343,756	48,161	408,679	296,899	4,280,159	2,302,011	2,493,472	2,454,724	(46,101)	12,868	344,478	12,939,106
Fund balances, September 30, 2009	\$ -	\$ 413,713	\$ 117,685	\$ 342,713	\$ 334,962	\$ 5,355,097	\$ 1,937,204	\$ 2,216,458	\$ 1,940,777	\$ -	\$ -	\$ 120,771	\$ 12,779,380

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, 2009

	Street Improvements 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	\$ 731	\$ 89	\$ 17,996	\$ 11,437	\$ 49,795	\$ 111,402	\$ 36,951	\$ 228,401
Other	6,665	-	-	-	-	-	-	6,665
Total revenues	<u>7,396</u>	<u>89</u>	<u>17,996</u>	<u>11,437</u>	<u>49,795</u>	<u>111,402</u>	<u>36,951</u>	<u>235,066</u>
Expenditures:								
Current:								
Public works services	-	9,690	747	185,133	137,325	210,554	797,313	1,340,762
Capital outlay	-	-	407,686	35,967	(271,836)	3,941,232	141,560	4,254,609
Debt issuance costs	-	-	-	-	-	(11,752)	65,922	54,170
Total expenditures	<u>-</u>	<u>9,690</u>	<u>408,433</u>	<u>221,100</u>	<u>(134,511)</u>	<u>4,140,034</u>	<u>1,004,795</u>	<u>5,649,541</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,396</u>	<u>(9,601)</u>	<u>(390,437)</u>	<u>(209,663)</u>	<u>184,306</u>	<u>(4,028,632)</u>	<u>(967,844)</u>	<u>(5,414,475)</u>
Other financing sources (uses):								
Long-term debt issued	-	-	-	-	-	-	8,730,000	8,730,000
Premium on long-term debt issued	-	-	-	-	-	-	79,084	79,084
Transfers out	(107,716)	-	-	(625,042)	(235,558)	(3,217)	-	(971,533)
Total other financing sources	<u>(107,716)</u>	<u>-</u>	<u>-</u>	<u>(625,042)</u>	<u>(235,558)</u>	<u>(3,217)</u>	<u>8,809,084</u>	<u>7,837,551</u>
Net change in fund balances	(100,320)	(9,601)	(390,437)	(834,705)	(51,252)	(4,031,849)	7,841,240	2,423,076
Fund balances, October 1, 2008	<u>100,320</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>
Fund balances, September 30, 2009	<u>\$ -</u>	<u>\$ 1,128</u>	<u>\$ 261,216</u>	<u>\$ 572,815</u>	<u>\$ 2,291,549</u>	<u>\$ 4,155,748</u>	<u>\$ 7,315,816</u>	<u>\$ 14,598,272</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, 2009

	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	\$ -	\$ -	\$ -	\$ -	\$ 43,561	\$ -	\$ -	\$ -	\$ -	\$ 43,561
Investment earnings	49	175	278	17	30,494	1,157	99	142	17	32,428
Total revenues	<u>49</u>	<u>175</u>	<u>278</u>	<u>17</u>	<u>74,055</u>	<u>1,157</u>	<u>99</u>	<u>142</u>	<u>17</u>	<u>75,989</u>
Expenditures:										
General government and administration	-	-	-	-	-	-	1,340	-	-	1,340
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,340</u>	<u>-</u>	<u>-</u>	<u>1,340</u>
Net change in fund balances	49	175	278	17	74,055	1,157	(1,241)	142	17	74,649
Fund balances, October 1, 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>
Fund balances, September 30, 2009	<u>\$ 2,505</u>	<u>\$ 8,965</u>	<u>\$ 14,247</u>	<u>\$ 899</u>	<u>\$ 1,576,494</u>	<u>\$ 59,135</u>	<u>\$ 4,912</u>	<u>\$ 7,312</u>	<u>\$ 860</u>	<u>\$ 1,675,329</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Property taxes	\$ 5,742,110	\$ 5,630,743	\$ (111,367)
Investment earnings	45,000	101,998	56,998
Total revenues	<u>5,787,110</u>	<u>5,732,741</u>	<u>(54,369)</u>
Expenditures:			
Debt service:			
Bond and principal retirement	4,172,088	4,105,057	67,031
Interest and fiscal charges	4,270,830	4,232,348	38,482
Total expenditures	<u>8,442,918</u>	<u>8,337,405</u>	<u>105,513</u>
Excess of expenditures over revenues	(2,655,808)	(2,604,664)	51,144
Other financing sources:			
Transfers in	<u>2,571,424</u>	<u>2,462,966</u>	<u>(108,458)</u>
Total other financing sources	<u>2,571,424</u>	<u>2,462,966</u>	<u>(108,458)</u>
Net change in fund balance	(84,384)	(141,698)	(57,314)
Fund Balance, October 1, 2008	<u>1,194,757</u>	<u>1,194,757</u>	-
Fund Balance, September 30, 2009	<u>\$ 1,110,373</u>	<u>\$ 1,053,059</u>	<u>\$ (57,314)</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, 2009

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Grants	\$ 1,841,956	\$ 1,841,956	\$ 1,237,991	\$ (603,965)
Other	48,000	48,000	54,367	6,367
Total revenues	<u>1,889,956</u>	<u>1,889,956</u>	<u>1,292,358</u>	<u>(597,598)</u>
Expenditures:				
Current:				
Development services	1,635,859	1,707,490	1,038,262	669,228
Debt service:				
Bond and principal retirement	165,000	165,000	165,000	-
Interest and fiscal charges	89,097	89,097	89,096	1
Total expenditures	<u>1,889,956</u>	<u>1,961,587</u>	<u>1,292,358</u>	<u>669,229</u>
Net change in fund balance	-	(71,631)	-	71,631
Fund balance, October 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, September 30, 2009	<u>\$ -</u>	<u>\$ (71,631)</u>	<u>\$ -</u>	<u>\$ 71,631</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, 2009

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Occupancy taxes	\$ 287,929	\$ 287,929	\$ 321,859	\$ 33,930
Investment earnings	4,314	4,314	7,390	3,076
Total revenues	<u>292,243</u>	<u>292,243</u>	<u>329,249</u>	<u>37,006</u>
Expenditures:				
Current:				
Cultural and recreational	204,633	214,063	259,292	(45,229)
Capital Outlay	<u>197,500</u>	<u>197,500</u>	-	<u>197,500</u>
Total expenditures	<u>402,133</u>	<u>411,563</u>	<u>259,292</u>	<u>152,271</u>
Net change in fund balance	(109,890)	(119,320)	69,957	189,277
Fund balance, October 1, 2008	<u>343,756</u>	<u>343,756</u>	<u>343,756</u>	-
Fund balance, September 30, 2009	<u>\$ 233,866</u>	<u>\$ 224,436</u>	<u>\$ 413,713</u>	<u>\$ 189,277</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, 2009

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment earnings	\$ 4,119	\$ 4,119	\$ 2,452	\$ (1,667)
Oil and gas royalties	250,000	250,000	67,688	(182,312)
Total revenues	<u>254,119</u>	<u>254,119</u>	<u>70,140</u>	<u>(183,979)</u>
Expenditures:				
Current:				
General government and administration	616	616	616	-
Total expenditures	<u>616</u>	<u>616</u>	<u>616</u>	<u>-</u>
Excess of revenues over expenditures	253,503	253,503	69,524	(183,979)
Other financing sources (uses):				
Transfers in	4,251	4,251	-	(4,251)
Transfers out	(361,019)	(461,019)	-	461,019
Total other financing sources (uses)	<u>(356,768)</u>	<u>(456,768)</u>	<u>-</u>	<u>456,768</u>
Net change in fund balance	(103,265)	(203,265)	69,524	272,789
Fund balance, October 1, 2008	<u>48,161</u>	<u>48,161</u>	<u>48,161</u>	<u>-</u>
Fund balance, September 30, 2009	<u>\$ (55,104)</u>	<u>\$ (155,104)</u>	<u>\$ 117,685</u>	<u>\$ 272,789</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, 2009

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment earnings	\$ 36,500	\$ 36,500	\$ 7,086	\$ (29,414)
Other	-	-	126	126
Total revenues	<u>36,500</u>	<u>36,500</u>	<u>7,212</u>	<u>(29,288)</u>
Expenditures:				
Current:				
Development services	<u>1,570</u>	<u>237,394</u>	<u>73,178</u>	<u>164,216</u>
Excess of revenues over expenditures	34,930	(200,894)	(65,966)	134,928
Other financing uses:				
Transfers out	<u>(37,294)</u>	<u>(212,294)</u>	<u>-</u>	<u>212,294</u>
Net change in fund balance	(2,364)	(413,188)	(65,966)	347,222
Fund balance, October 1, 2008	<u>408,679</u>	<u>408,679</u>	<u>408,679</u>	<u>-</u>
Fund balance, September 30, 2009	<u>\$ 406,315</u>	<u>\$ (4,509)</u>	<u>\$ 342,713</u>	<u>\$ 347,222</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and court charges	\$ 60,315	\$ 43,118	\$ (17,197)
Investment earnings	2,331	6,233	3,902
Total revenues	<u>62,646</u>	<u>49,351</u>	<u>(13,295)</u>
Expenditures:			
Current:			
General government and administration	39,231	11,288	27,943
Total expenditures	<u>39,231</u>	<u>11,288</u>	<u>27,943</u>
Net change in fund balance	23,415	38,063	14,648
Fund balance, October 1, 2008	<u>296,899</u>	<u>296,899</u>	<u>-</u>
Fund balance, September 30, 2009	<u>\$ 320,314</u>	<u>\$ 334,962</u>	<u>\$ 14,648</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, 2009

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Transportation assessments	\$ 3,290,800	\$ 3,290,800	\$ 3,479,974	\$ 189,174
Investment earnings	120,000	120,000	83,097	(36,903)
Total revenues	<u>3,410,800</u>	<u>3,410,800</u>	<u>3,563,071</u>	<u>152,271</u>
Expenditures:				
Current:				
Public works services	6,065,560	9,329,081	2,572,627	6,756,454
Total expenditures	<u>6,065,560</u>	<u>9,329,081</u>	<u>2,572,627</u>	<u>6,756,454</u>
Excess (deficiency) of revenues over (under) expenditures	(2,654,760)	(5,918,281)	990,444	6,908,725
Other financing sources (uses)				
Transfers in	-	-	107,716	(107,716)
Transfers out	(24,179)	(24,179)	(23,222)	(957)
Total other financing sources (uses)	<u>(24,179)</u>	<u>(24,179)</u>	<u>84,494</u>	<u>(108,673)</u>
Net change in fund balance	(2,678,939)	(5,942,460)	1,074,938	7,017,398
Fund balance, October 1, 2008	<u>4,280,159</u>	<u>4,280,159</u>	<u>4,280,159</u>	<u>-</u>
Fund balance, September 30, 2009	<u>\$ 1,601,220</u>	<u>\$ (1,662,301)</u>	<u>\$ 5,355,097</u>	<u>\$ 7,017,398</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, 2009

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Drainage assessments	\$ 823,800	\$ 823,800	\$ 864,013	\$ 40,213
Investment earnings	80,000	80,000	39,694	(40,306)
Total revenues	<u>903,800</u>	<u>903,800</u>	<u>903,707</u>	<u>(93)</u>
Expenditures:				
Current:				
Public works services	73,815	313,082	541,349	(228,267)
Capital outlay	<u>1,930,000</u>	<u>2,210,712</u>	<u>699,409</u>	<u>1,511,303</u>
Total expenditures	<u>2,003,815</u>	<u>2,523,794</u>	<u>1,240,758</u>	<u>1,283,036</u>
Excess (deficiencies) of revenues over (under) expenditures	(1,100,015)	(1,619,994)	(337,051)	1,282,943
Other financing uses:				
Transfers out	<u>(24,179)</u>	<u>(24,179)</u>	<u>(27,756)</u>	<u>3,577</u>
Net change in fund balance	(1,124,194)	(1,644,173)	(364,807)	1,279,366
Fund balance, October 1, 2008	<u>2,302,011</u>	<u>2,302,011</u>	<u>2,302,011</u>	<u>-</u>
Fund balance, September 30, 2009	<u>\$ 1,177,817</u>	<u>\$ 657,838</u>	<u>\$ 1,937,204</u>	<u>\$ 1,279,366</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, 2009

	Original Budgeted Amounts	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 773,688	\$ 773,688	\$ 670,222	\$ (103,466)
Investment earnings	18,500	18,500	39,608	21,108
Other	886,637	886,637	758,843	(127,794)
Total revenues	<u>1,678,825</u>	<u>1,678,825</u>	<u>1,468,673</u>	<u>(210,152)</u>
Expenditures:				
Current:				
General government and administration	162,804	162,804	162,804	-
Development services	-	650,546	22,950	627,596
Capital outlay	-	1,271,911	1,341,630	(69,719)
Total expenditures	<u>162,804</u>	<u>2,085,261</u>	<u>1,527,384</u>	<u>557,877</u>
Excess of revenues over expenditures	1,678,825	(406,436)	(58,711)	347,725
Other financing uses:				
Transfers out	<u>(218,303)</u>	<u>(218,303)</u>	<u>(218,303)</u>	<u>-</u>
Net change in fund balance	1,460,522	(624,739)	(277,014)	347,725
Fund balance, October 1, 2008	<u>2,493,472</u>	<u>2,493,472</u>	<u>2,493,472</u>	<u>-</u>
Fund balance, September 30, 2009	<u>\$ 3,953,994</u>	<u>\$ 1,868,733</u>	<u>\$ 2,216,458</u>	<u>\$ 347,725</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, 2009

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 513,645	\$ 513,645	\$ 491,498	\$ (22,147)
Investment earnings	97,791	97,791	49,465	(48,326)
Lot Sales	1,122,780	1,122,780	155,439	(967,341)
Other	319,223	319,223	301,003	(18,220)
Total revenues	<u>2,053,439</u>	<u>2,053,439</u>	<u>997,405</u>	<u>(1,056,034)</u>
Expenditures:				
Current:				
Development services	-	45,320	99,000	(53,680)
Capital outlay	-	84,207	175,490	(91,283)
Total expenditures	<u>-</u>	<u>129,527</u>	<u>274,490</u>	<u>(144,963)</u>
Excess of revenues over expenditures	2,053,439	1,923,912	722,915	(1,200,997)
Other financing uses:				
Transfers in	-	-	288,446	
Transfers out	<u>(1,525,308)</u>	<u>(1,525,308)</u>	<u>(1,525,308)</u>	<u>-</u>
Total other financing sources	<u>(1,525,308)</u>	<u>(1,525,308)</u>	<u>(1,236,862)</u>	<u>-</u>
Net change in fund balance	528,131	398,604	(513,947)	(1,200,997)
Fund balance, October 1, 2008	<u>2,454,724</u>	<u>2,454,724</u>	<u>2,454,724</u>	<u>-</u>
Fund balance, September 30, 2009	<u>\$ 2,982,855</u>	<u>\$ 2,853,328</u>	<u>\$ 1,940,777</u>	<u>\$ (912,551)</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, 2009

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 61,822	\$ 61,822	\$ 61,537	\$ (285)
Investment earnings	-	-	28	28
Other	32,718	32,718	35,307	2,589
Total revenues	<u>94,540</u>	<u>94,540</u>	<u>96,872</u>	<u>2,332</u>
Expenditures:				
Current:				
Development services	-	-	950	(950)
Capital outlay	<u>37,500</u>	<u>753,824</u>	<u>728,173</u>	<u>25,651</u>
Total expenditures	<u>37,500</u>	<u>753,824</u>	<u>729,123</u>	<u>24,701</u>
Excess of revenues over expenditures	57,040	(659,284)	(632,251)	27,033
Other financing sources (uses)				
Transfers in	74,794	74,794	746,227	671,433
Transfers out	<u>(132,591)</u>	<u>(132,591)</u>	<u>(67,875)</u>	<u>64,716</u>
Total other financing sources	<u>(57,797)</u>	<u>(57,797)</u>	<u>678,352</u>	<u>736,149</u>
Net change in fund balance	(757)	(717,081)	46,101	763,182
Fund balance, October 1, 2008	<u>(46,101)</u>	<u>(46,101)</u>	<u>(46,101)</u>	<u>-</u>
Fund balance, September 30, 2009	<u>\$ (46,858)</u>	<u>\$ (763,182)</u>	<u>\$ -</u>	<u>\$ 763,182</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, 2009

	Original Budgeted Amounts	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 18,089	\$ 18,089	\$ 17,495	\$ (594)
Investment earnings	-	-	80	80
Other	1,000	1,000	-	(1,000)
Total revenues	<u>19,089</u>	<u>19,089</u>	<u>17,575</u>	<u>(1,514)</u>
Expenditures:				
Current:				
Development services	-	83,887	74,829	9,058
Capital outlay	-	272,000	-	272,000
Total expenditures	<u>-</u>	<u>355,887</u>	<u>74,829</u>	<u>281,058</u>
Excess of revenues over expenditures	19,089	(336,798)	(57,254)	279,544
Other financing sources (uses)				
Transfers in	-	-	44,386	44,386
Total other financing sources	<u>-</u>	<u>-</u>	<u>44,386</u>	<u>44,386</u>
Net change in fund balance	19,089	(336,798)	(12,868)	323,930
Fund balance, October 1, 2008	<u>12,868</u>	<u>12,868</u>	<u>12,868</u>	<u>-</u>
Fund balance, September 30, 2009	<u><u>31,957</u></u>	<u><u>\$ (323,930)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 323,930</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, 2009

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 40,411	\$ 40,411	\$ 40,411	\$ -
Investment earnings	-	-	133	-
Other	25,590	25,590	25,317	-
Total revenues	<u>66,001</u>	<u>66,001</u>	<u>65,861</u>	<u>-</u>
Expenditures:				
Current:				
Development services	-	10,443	2,975	7,468
Capital outlay	1,300,000	1,757,886	-	1,757,886
Total expenditures	<u>1,300,000</u>	<u>1,768,329</u>	<u>2,975</u>	<u>1,765,354</u>
Deficiency of revenues under expenditures	(1,233,999)	(1,702,328)	62,886	1,765,214
Other financing sources (uses):				
Transfers in	1,641,019	1,641,019	113,832	1,527,187
Transfers out	(405,699)	(405,699)	(400,425)	(5,274)
Total other financing sources	<u>1,235,320</u>	<u>1,235,320</u>	<u>(286,593)</u>	<u>1,521,913</u>
Net change in fund balance	1,321	(467,008)	(223,707)	243,301
Fund balance, October 1, 2008	<u>344,478</u>	<u>344,478</u>	<u>344,478</u>	<u>-</u>
Fund balance, September 30, 2009	<u>\$ 345,799</u>	<u>\$ (122,530)</u>	<u>\$ 120,771</u>	<u>\$ 243,301</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, 2009

<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	\$ 1,522,813	\$ 59,344	\$ -	\$ 43,258	\$ 1,625,415
Investments	954,130	37,183	-	-	991,313
Accounts receivable	1,073,851	1,178	1,357,980	7,553	2,440,562
Less allowance for uncollectible	(186,904)	-	-	(930)	(187,834)
Grants receivable	11,521	-	-	-	11,521
Interest receivable	5,108	199	-	-	5,307
Inventories	-	-	-	3,500	3,500
Due from other funds	106,619	-	-	-	106,619
Prepaid purchased power option	-	-	11,550,000	-	11,550,000
Prepaid and other assets	357	-	71,833	18,327	90,517
Total current assets	3,487,495	97,904	12,979,813	71,708	16,636,920
Noncurrent assets:					
Unamortized bond issuance expenses	-	-	-	-	-
Restricted assets:					
Investment in BVSWMA	12,551,809	-	-	-	12,551,809
Capital assets:					
Land	-	654,671	-	9,397,188	10,051,859
Buildings	83,307	1,104,223	-	1,333,262	2,520,792
Equipment	6,949,764	-	-	239,114	7,188,878
Improvements other than buildings	23,288	3,102,816	2,669,156	-	5,795,260
Construction in progress	314,999	-	-	-	314,999
Less accumulated depreciation	(4,354,580)	(1,818,266)	(1,463,828)	(700,739)	(8,337,413)
Total capital assets (net of accumulated depreciation)	3,016,778	3,043,444	1,205,328	10,268,825	17,534,375
Total noncurrent assets	15,568,587	3,043,444	1,205,328	10,268,825	30,086,184
Total assets	\$ 19,056,082	\$ 3,141,348	\$ 14,185,141	\$ 10,340,533	\$ 46,723,104

	Solid Waste Fund	Bryan Airport Fund	BTU QSE Services	Bryan Commerce & Development	Total
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	\$ 181,389	\$ 2,025	\$ 159,213	\$ 83	\$ 342,710
Accrued liabilities	123,827	-	30,758	24,853	179,438
Due to other funds	28,428	4	11,803,361	-	11,831,793
Unearned revenue	-	-	43,420	-	43,420
Accrued interest	-	226	-	1,303	1,529
Certificates of obligation	-	2,344	-	-	2,344
Notes	-	-	-	1,898,778	1,898,778
Accrued vacation and sick pay	112,215	-	18,320	3,017	133,552
Total current liabilities	<u>445,859</u>	<u>4,599</u>	<u>12,055,072</u>	<u>1,928,034</u>	<u>14,433,564</u>
Noncurrent liabilities:					
Certificates of obligation	-	34,844	-	-	34,844
Accrued vacation and sick pay	57,807	-	9,437	988	68,232
Total noncurrent liabilities	<u>57,807</u>	<u>34,844</u>	<u>9,437</u>	<u>988</u>	<u>103,076</u>
Total liabilities	<u>503,666</u>	<u>39,443</u>	<u>12,064,509</u>	<u>1,929,022</u>	<u>14,536,640</u>
<u>Net Assets</u>					
Invested in capital assets, net of related debt	3,016,778	3,006,256	1,205,328	8,370,047	15,598,409
Restricted for BVSWMA	12,551,809	-	-	-	12,551,809
Unrestricted	2,983,829	95,649	915,304	41,464	4,036,246
Total net assets	<u>\$ 18,552,416</u>	<u>\$ 3,101,905</u>	<u>\$ 2,120,632</u>	<u>\$ 8,411,511</u>	<u>\$ 32,186,464</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, 2009

	Solid Waste Fund	Bryan Airport Fund	BTU QSE Services	Bryan Commerce & Development	Total
Operating revenues:					
Other	\$ 7,748,482	\$ 32,292	\$ 1,255,066	\$ 782,189	\$ 9,818,029
Total operating revenues	<u>7,748,482</u>	<u>32,292</u>	<u>1,255,066</u>	<u>782,189</u>	<u>9,818,029</u>
Operating expenses:					
Personnel services	2,367,417	-	817,055	439,235	3,623,707
Electric operations	-	-	246,427	-	246,427
Maintenance	377,335	12,511	-	5,960	395,806
Other services and charges	1,919,086	100,985	-	350,650	2,370,721
Other expenses	443,390	-	-	62,111	505,501
General and administrative	1,838,049	-	14,074	-	1,852,123
Administrative reimbursement	(160,000)	-	-	-	(160,000)
Total operating expenses before depreciation	<u>6,785,277</u>	<u>113,496</u>	<u>1,077,556</u>	<u>857,956</u>	<u>8,834,285</u>
Operating income (loss) before depreciation	963,205	(81,204)	177,510	(75,767)	983,744
Depreciation	<u>501,599</u>	<u>163,642</u>	<u>177,510</u>	<u>95,155</u>	<u>937,906</u>
Operating income (loss)	<u>461,606</u>	<u>(244,846)</u>	<u>-</u>	<u>(170,922)</u>	<u>45,838</u>
Nonoperating revenues (expenses):					
Investment earnings	56,344	2,071	-	901	59,316
Interest expense	(923)	(1,892)	-	(90,304)	(93,119)
Grants	4,188	654,282	-	-	658,470
Distributive share of BVSWMA net income	1,055,623	-	-	-	1,055,623
Other - net	76,006	-	-	(450)	75,556
Total nonoperating revenues	<u>1,191,238</u>	<u>654,461</u>	<u>-</u>	<u>(89,853)</u>	<u>1,755,846</u>
Income (loss) before contributions and transfers	1,652,844	409,615	-	(260,775)	1,801,684
Transfers in	-	-	-	167,419	167,419
Transfers out	<u>(947,944)</u>	<u>-</u>	<u>-</u>	<u>(288,446)</u>	<u>(1,236,390)</u>
Change in net assets	704,900	409,615	-	(381,802)	732,713
Net assets, October 1, 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>
Net assets, September 30, 2009	<u>\$ 18,552,416</u>	<u>\$ 3,101,905</u>	<u>\$ 2,120,632</u>	<u>\$ 8,411,511</u>	<u>\$ 32,186,464</u>

CITY OF BRYAN, TEXAS

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2009

	Solid Waste Fund	Bryan Airport Fund	BTU QSE Services	Bryan Commerce & Development	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 7,659,488	\$ 34,327	\$ 2,827,536	\$ 809,276	\$ 11,330,627
Receipts for interfund services provided	160,000	-	-	-	160,000
Payments to suppliers	(2,680,745)	(114,110)	(2,011,588)	(164,270)	(4,970,713)
Payments to employees	(2,380,254)	-	(815,948)	(460,087)	(3,656,289)
Receipts for miscellaneous revenues	80,194	-	-	-	80,194
Payments for interfund services used	(1,838,049)	-	-	-	(1,838,049)
Net cash provided (used) by operating activities	<u>1,000,634</u>	<u>(79,783)</u>	<u>-</u>	<u>184,919</u>	<u>1,105,770</u>
Cash flows from noncapital financing activities:					
Transfers in	-	-	-	167,419	167,419
Transfers out	(947,944)	-	-	(288,446)	(1,236,390)
Net cash provided (used) by noncapital financing activities	<u>(947,944)</u>	<u>-</u>	<u>-</u>	<u>(121,027)</u>	<u>(1,068,971)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(589,370)	(585,888)	-	(451)	(1,175,709)
Grant proceeds	-	654,282	-	-	654,282
Principal paid on general obligation bonds	(14,487)	-	-	-	(14,487)
Principal paid on certificates of obligation	-	(2,032)	-	-	(2,032)
Principal paid on notes	-	-	-	(5,163)	(5,163)
Interest paid on bonds, contractual obligations, and notes	(923)	(1,904)	-	(90,276)	(93,103)
Net cash provided (used) by capital and related financing activities	<u>(604,780)</u>	<u>64,458</u>	<u>-</u>	<u>(95,890)</u>	<u>(636,212)</u>
Cash flows from investing activities:					
Purchase of investment securities	(1,645,549)	(64,126)	-	-	(1,709,675)
Sale of investment securities	1,858,435	70,042	-	-	1,928,477
Interest on investments	63,467	2,333	-	901	66,701
Net cash provided (used) by investing activities	<u>276,353</u>	<u>8,249</u>	<u>-</u>	<u>901</u>	<u>285,503</u>
Net increase in cash and cash equivalents	(275,737)	(7,076)	-	(31,097)	(313,910)
Cash and cash equivalents, October 1, 2008	1,798,550	66,420	-	74,355	1,939,325
Cash and cash equivalents, September 30, 2009	<u>\$ 1,522,813</u>	<u>\$ 59,344</u>	<u>\$ -</u>	<u>\$ 43,258</u>	<u>\$ 1,625,415</u>

CITY OF BRYAN, TEXAS

Combining Statement of Cash Flows (continued)

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2009

	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)	\$ 461,606	\$ (244,846)	\$ -	\$ (170,922)	\$ 45,838
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	501,599	163,642	177,510	95,155	937,906
Receipts for miscellaneous revenues	80,194	-	-	-	80,194
Change in assets and liabilities:					
Change in accounts receivable	(118,484)	1,883	1,572,470	27,426	1,483,295
Change in inventory	-	-	-	(199)	(199)
Change in due from other funds	29,490	152	-	288,446	318,088
Change in prepaid assets	349	-	1,396,167	51,442	1,447,958
Change in accounts payable	24,572	(614)	37,313	(53,557)	7,714
Change in accrued liabilities	5,737	-	2,527	(41,578)	(33,314)
Change in deferred credit	-	-	(123,170)	-	(123,170)
Change in customer deposits	-	-	-	(339)	(339)
Change in due to other funds	28,408	-	(3,061,397)	(6,010)	(3,038,999)
Change in accrued vacation and sick pay	(12,837)	-	(1,420)	(4,945)	(19,202)
Net cash provided (used) by operating activities	<u>\$ 1,000,634</u>	<u>\$ (79,783)</u>	<u>\$ -</u>	<u>\$ 184,919</u>	<u>\$ 1,105,770</u>

Noncash investing, capital and financing activities

During this past year, the Enterprise Funds investment in BVSWMA increased \$1,055,623 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.

Facility Maintenance Fund – To account for funds accumulated by the City for the maintenance of City facilities, not budgeted in other funds.

CITY OF BRYAN, TEXAS
Internal Service Funds
Combining Statement of Net Assets
As of September 30, 2009

<u>Assets</u>	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Equipment Replacement Fund	Facility Maintenance Fund	Total
Current assets:						
Cash and cash equivalents	\$ 267,688	\$ 4,736,758	\$ 1,936,894	\$ 1,486,810	\$ 29,571	\$ 8,457,721
Investments	167,722	2,952,189	1,213,576	931,573	18,528	5,283,588
Accounts receivable	-	5,871	39,937	-	-	45,808
Interest receivable	898	15,803	6,496	4,987	99	28,283
Inventories	197,987	-	-	-	-	197,987
Due from other funds	113	8,019	119,201	-	-	127,333
Total current assets	<u>634,408</u>	<u>7,718,640</u>	<u>3,316,104</u>	<u>2,423,370</u>	<u>48,198</u>	<u>14,140,720</u>
Noncurrent assets:						
Other post employment benefits	-	-	110,303	-	-	110,303
Capital assets:						
Buildings	-	23,420	-	-	-	23,420
Equipment	-	291,297	-	3,159,294	-	3,450,591
Improvements other than buildings	98,420	29,571	-	-	30,340	158,331
Less accumulated depreciation	<u>(38,749)</u>	<u>(297,574)</u>	<u>-</u>	<u>(332,536)</u>	<u>(379)</u>	<u>(669,238)</u>
Total capital assets (net of accumulated depreciation)	<u>59,671</u>	<u>46,714</u>	<u>-</u>	<u>2,826,758</u>	<u>29,961</u>	<u>2,963,104</u>
Total assets	<u><u>694,079</u></u>	<u><u>7,765,354</u></u>	<u><u>3,426,407</u></u>	<u><u>5,250,128</u></u>	<u><u>78,159</u></u>	<u><u>17,214,127</u></u>
<u>Liabilities</u>						
Current liabilities:						
Accounts payable	3,099	89,597	163,586	157,765	12,937	426,984
Claims payable	-	486,308	991,645	-	-	1,477,953
Due to other funds	-	1,047	-	-	-	1,047
Accrued liabilities	6,239	11,936	-	-	-	18,175
Accrued vacation and sick pay	4,020	33,289	-	-	-	37,309
Total current liabilities	<u>13,358</u>	<u>622,177</u>	<u>1,155,231</u>	<u>157,765</u>	<u>12,937</u>	<u>1,961,468</u>
Noncurrent liabilities:						
Claims payable	-	857,386	-	-	-	857,386
Accrued vacation and sick pay	2,571	21,282	-	-	-	23,853
Total noncurrent liabilities	<u>2,571</u>	<u>878,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>881,239</u>
Total liabilities	<u>15,929</u>	<u>1,500,845</u>	<u>1,155,231</u>	<u>157,765</u>	<u>12,937</u>	<u>2,842,707</u>
<u>Net Assets</u>						
Invested in capital assets	59,671	46,714	-	2,826,758	29,961	2,963,104
Unrestricted	618,479	6,217,795	2,271,176	2,265,605	35,261	11,408,316
Total net assets	<u>\$ 678,150</u>	<u>\$ 6,264,509</u>	<u>\$ 2,271,176</u>	<u>\$ 5,092,363</u>	<u>\$ 65,222</u>	<u>\$ 14,371,420</u>

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, 2009

	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Equipment Replacement Fund	Facility Maintenance Fund	Total
Operating revenues:						
Intragovernmental	\$ 252,814	\$ 1,371,720	\$ 5,125,493	\$ 3,307,728	\$ 339,904	\$ 10,397,659
Other	606	-	1,472,980	-	-	1,473,586
Total operating revenues	<u>253,420</u>	<u>1,371,720</u>	<u>6,598,473</u>	<u>3,307,728</u>	<u>339,904</u>	<u>11,871,245</u>
Operating expenses:						
Personnel services	198,579	378,805	-	-	-	577,384
Maintenance	1,155	13,008	-	-	274,856	289,019
Claims	-	1,200,740	6,853,597	-	-	8,054,337
Other services and charges	(34,988)	474,804	900,402	-	-	1,340,218
Other expenses	9,174	42,896	-	3,626	-	55,696
General and administrative	11,375	173,888	-	-	-	185,263
Total operating expenses before depreciation	<u>185,295</u>	<u>2,284,141</u>	<u>7,753,999</u>	<u>3,626</u>	<u>274,856</u>	<u>10,501,917</u>
Operating income (loss) before depreciation	68,125	(912,421)	(1,155,526)	3,304,102	65,048	1,369,328
Depreciation	4,161	31,779	-	332,536	379	368,855
Operating income (loss)	<u>63,964</u>	<u>(944,200)</u>	<u>(1,155,526)</u>	<u>2,971,566</u>	<u>64,669</u>	<u>1,000,473</u>
Nonoperating revenues:						
Investment earnings	8,920	153,188	64,832	7,319	171	234,430
Other	-	20,692	1,090,481	-	382	1,111,555
Total nonoperating revenues	<u>8,920</u>	<u>173,880</u>	<u>1,155,313</u>	<u>7,319</u>	<u>553</u>	<u>1,345,985</u>
Change in net assets	72,884	(770,320)	(213)	2,978,885	65,222	2,346,458
Net assets, October 1, 2008	<u>605,266</u>	<u>7,034,829</u>	<u>2,271,389</u>	<u>2,113,478</u>	<u>-</u>	<u>12,024,962</u>
Net assets, September 30, 2009	<u>\$ 678,150</u>	<u>\$ 6,264,509</u>	<u>\$ 2,271,176</u>	<u>\$ 5,092,363</u>	<u>\$ 65,222</u>	<u>\$ 14,371,420</u>

CITY OF BRYAN, TEXAS

Internal Service Funds
 Combining Statement of Cash Flows
 For the Fiscal Year Ended September 30, 2009

	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Equipment Replacement Fund	Facility Maintenance Fund	Total
Cash flows from operating activities:						
Receipts from customers and users	\$ 1,458,878	\$ -	\$ 1,491,296	\$ -	\$ -	\$ 2,950,174
Receipts for interfund services provided	174,341	1,369,824	5,116,874	3,307,728	339,904	10,308,671
Payments to suppliers	(1,393,866)	(1,467,742)	(7,770,382)	154,139	(261,919)	(10,739,770)
Payments to employees	(185,749)	(371,787)	-	-	-	(557,536)
Receipts for miscellaneous revenues	-	20,692	1,090,481	-	382	1,111,555
Payments for interfund services used	(11,375)	(173,888)	-	-	-	(185,263)
Net cash provided (used) by operating activities	<u>42,229</u>	<u>(622,901)</u>	<u>(71,731)</u>	<u>3,461,867</u>	<u>78,367</u>	<u>2,887,831</u>
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(30,391)	-	-	(3,159,294)	(30,340)	(3,220,025)
Net cash used by capital and related financing activities	<u>(30,391)</u>	<u>-</u>	<u>-</u>	<u>(3,159,294)</u>	<u>(30,340)</u>	<u>(3,220,025)</u>
Cash flows from investing activities:						
Purchase of investment securities	(289,263)	(5,091,520)	(2,093,005)	(1,606,646)	(31,954)	(9,112,388)
Sale of investment securities	284,383	5,332,879	2,119,259	1,503,286	13,426	9,253,233
Interest on investments	9,764	171,552	71,601	11,193	72	264,182
Net cash provided (used) by investing activities	<u>4,884</u>	<u>412,911</u>	<u>97,855</u>	<u>(92,167)</u>	<u>(18,456)</u>	<u>405,027</u>
Net increase in cash and cash equivalents	16,722	(209,990)	26,124	210,406	29,571	72,833
Cash and cash equivalents, October 1, 2008	<u>250,966</u>	<u>4,946,748</u>	<u>1,910,770</u>	<u>1,276,404</u>	<u>-</u>	<u>8,384,888</u>
Cash and cash equivalents, September 30, 2009	<u>\$ 267,688</u>	<u>\$ 4,736,758</u>	<u>\$ 1,936,894</u>	<u>\$ 1,486,810</u>	<u>\$ 29,571</u>	<u>\$ 8,457,721</u>
Operating income (loss)						
Operating income (loss)	\$ 63,964	\$ (944,200)	\$ (1,155,526)	\$ 2,971,566	\$ 64,669	\$ 1,000,473
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	4,161	31,779	-	332,536	379	368,855
Nonoperating revenue	-	20,692	1,090,481	-	382	1,111,555
Change in assets and liabilities:						
Change in accounts receivable	-	(5,751)	18,316	-	-	12,565
Change in inventory	(8,650)	-	-	-	-	(8,650)
Change in due from other funds	204	3,855	(8,619)	-	-	(4,560)
Change in prepaid assets	-	814	-	-	-	814
Change in accounts payable	(30,280)	(117)	31,185	157,765	12,937	171,490
Change in accrued liabilities	6,239	1,213	(183,601)	-	-	(176,149)
Change in due to other funds	-	975	-	-	-	975
Change in claims payable	-	262,034	136,033	-	-	398,067
Change in vacation and sick pay	6,591	5,805	-	-	-	12,396
Net cash provided (used) by operating activities	<u>\$ 42,229</u>	<u>\$ (622,901)</u>	<u>\$ (71,731)</u>	<u>\$ 3,461,867</u>	<u>\$ 78,367</u>	<u>\$ 2,887,831</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, 2009

	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
<u>Assets</u>				
Cash and cash equivalents	\$ 689,605	\$ 58,003,454	\$ 57,946,411	\$ 746,648
Accounts Receivable	233,894	254,485	249,287	239,092
 Total assets	 <u>923,499</u>	 <u>58,257,939</u>	 <u>58,195,698</u>	 <u>985,740</u>
 <u>Liabilities</u>				
Benefits and employment taxes payable	\$ 923,499	\$ 26,477,399	\$ 26,415,159	\$ 985,740

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, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Governmental funds capital assets:		
Land	\$ 11,079,720	\$ 10,736,346
Buildings	41,086,415	19,905,260
Improvements other than buildings	30,184,276	29,742,174
Machinery and equipment	23,017,184	23,788,359
Infrastructure	130,165,026	116,790,849
Construction in Progress	<u>21,572,084</u>	<u>46,640,120</u>
	<u>\$ 257,104,705</u>	<u>\$ 247,603,108</u>
Investments in governmental funds capital assets by source:		
General Fund	\$ 67,694,377	\$ 68,225,577
Special Revenue Funds	8,208,058	8,275,013
Private Contributions	31,571,372	30,036,634
General Obligation bonds	42,229,659	41,767,698
Grants	6,611,770	6,624,032
Certificates of Obligation	<u>100,789,469</u>	<u>92,674,154</u>
	<u>\$ 257,104,705</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 of Changes by Function and Activity
 For the Fiscal Year Ended September 30, 2009

Function and Activity	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	October 1, 2008	Additions	Deductions	September 30, 2009
General Government:				
Executive	\$ 15,309,131	\$ 36,713	\$ 159,836	\$ 15,186,008
City Secretary	269,601	-	4,743	264,858
Legal services	47,571	-	4,931	42,640
Fiscal services	338,265	-	13,554	324,711
Computer services	6,749,677	423,001	65,778	7,106,900
Purchasing services	1,802,347	-	16,445	1,785,902
Human resources	45,818	-	956	44,862
Facility services	3,071,706	-	67,085	3,004,621
Fleet services	95,121	-	24,502	70,619
Total general government	<u>27,729,237</u>	<u>459,714</u>	<u>357,830</u>	<u>27,831,121</u>
Development services:				
Administration	623,262	-	23,306	599,956
Planning	31,500	-	2,438	29,062
Engineering	159,866	-	-	159,866
Inspections	148,694	-	11,566	137,128
Community Development	5,394,055	-	3,014	5,391,041
TIF infrastructure	100,109	1,680,368	-	1,780,477
Total development services	<u>6,457,486</u>	<u>1,680,368</u>	<u>40,324</u>	<u>8,097,530</u>
Public works:				
Administration	203,793	-	185,473	18,320
Environmental services	137,234	-	-	137,234
Transportation services	124,847,550	12,388,943	562,337	136,674,156
Total public works	<u>125,188,577</u>	<u>12,388,943</u>	<u>747,810</u>	<u>136,829,710</u>
Public safety:				
Police services	5,859,691	18,468,317	584,675	23,743,333
Fire and emergency medical services	8,817,188	3,324,527	349,461	11,792,254
Municipal court	2,098,836	-	29,274	2,069,562
Total public safety	<u>16,775,715</u>	<u>21,792,844</u>	<u>963,410</u>	<u>37,605,149</u>
Cultural and recreational:				
Administration	228,780	-	54,917	173,863
Library services	3,538,182	210,355	18,191	3,730,346
Parks and recreation services	21,045,011	408,091	188,200	21,264,902
Total cultural and recreational	<u>24,811,973</u>	<u>618,446</u>	<u>261,308</u>	<u>25,169,111</u>
Construction in Progress - Unclassified	<u>46,640,120</u>	<u>8,149,773</u>	<u>33,217,809</u>	<u>21,572,084</u>
Total governmental funds capital assets	<u>\$ 247,603,108</u>	<u>\$ 45,090,088</u>	<u>\$ 35,588,491</u>	<u>\$ 257,104,705</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, 2009

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	\$ 286,378	\$ -	\$ 15,650	\$ 15,201,658
City Secretary	125,000	-	94,261	45,597	-	-	264,858
Legal services	-	-	42,640	-	-	-	42,640
Fiscal services	-	38,384	-	286,327	-	170	324,881
Computer services	-	60,768	33,279	7,012,853	-	-	7,106,900
Purchasing services	-	37,037	1,683,351	65,514	-	-	1,785,902
Human resources	-	-	9,991	34,871	-	-	44,862
Facility services	-	2,468,306	52,560	483,755	-	-	3,004,621
Fleet services	-	1,671	32,396	36,552	-	-	70,619
Total general government	2,263,903	15,364,924	1,950,447	8,251,847	-	15,820	27,846,941
Development services:							
Administration	35,156	1,260	-	563,540	-	\$ -	599,956
Planning	-	29,062	-	-	-	-	29,062
Engineering	-	-	-	159,866	-	-	159,866
Inspections	-	-	-	137,128	-	-	137,128
Community Development	118,531	131,652	5,114,193	26,665	-	-	5,391,041
TIF infrastructure	126,624	-	58,449	-	1,595,404	4,478,475	6,258,952
Total development services	280,311	161,974	5,172,642	887,199	1,595,404	4,478,475.00	12,576,005
Public works:							
Administration	-	7,343	-	10,977	-	-	18,320
Environmental services	-	11,995	16,572	108,667	-	-	137,234
Transportation services	5,003,777	8,840	962,413	2,156,908	128,542,218	16,833,050	153,507,206
Total public works	5,003,777	28,178	978,985	2,276,552	128,542,218	16,833,050	153,662,760
Public safety:							
Police services	1,043,332	18,173,033	22,982	4,503,986	-	10,993	23,754,326
Fire and emergency medical services	-	6,345,530	12,780	5,433,944	-	-	11,792,254
Municipal court	1,819,216	-	106,675	143,671	-	-	2,069,562
Total public safety	2,862,548	24,518,563	142,437	10,081,601	-	10,993	37,616,142
Cultural and recreational:							
Administration	-	-	117,125	56,738	-	-	173,863
Library services	-	479,287	2,983,330	267,729	-	-	3,730,346
Parks and recreation services	669,181	533,489	18,839,310	1,195,518	27,404	233,746	21,498,648
Total cultural and recreational	669,181	1,012,776	21,939,765	1,519,985	27,404	233,746	25,402,857
Total governmental funds capital assets	\$ 11,079,720	\$ 41,086,415	\$ 30,184,276	\$ 23,017,184	\$ 130,165,026	\$ 21,572,084	\$ 257,104,705

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.

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 Eight Fiscal Years
(Accrual basis of accounting)

Table 1

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</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	\$ 72,148,854
Restricted	9,356,862	8,744,262	12,411,981	9,408,853	2,363,876	27,981,851	23,344,871	23,432,166
Unrestricted	6,762,851	8,934,045	12,846,291	25,200,380	33,341,850	21,616,812	13,567,078	6,457,676
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>	<u>102,038,696</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	\$ 232,484,352
Restricted	53,127,201	53,985,790	48,397,500	48,742,062	50,081,595	51,830,123	43,850,639	39,595,645
Unrestricted	45,376,891	28,731,521	33,805,247	44,945,078	52,644,050	60,752,417	74,031,100	79,737,961
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>	<u>351,817,958</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	304,633,206
Restricted	62,484,063	62,730,052	60,809,481	58,150,915	52,445,471	79,811,974	67,195,510	63,027,811
Unrestricted	52,139,742	37,665,566	46,651,538	70,145,458	85,985,900	82,369,229	87,598,178	86,195,637
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>	<u>\$ 453,856,654</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
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City of Bryan, Texas
Change in Net Assets
Last Eight Fiscal Years
(Accrual basis of accounting)

Table 2

	2002	2003	2004	2005	2006	2007	2008	2009
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	\$ 14,552,308
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	4,488,613
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	18,315,196
Public Safety	16,526,383 ⁽¹⁾	17,263,595	17,808,452	18,764,003	20,642,551	22,022,243	25,001,597	24,055,956
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	8,829,886
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	4,742,776
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>	<u>74,984,735</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	140,629,222
Rural Electric	18,519,864	17,138,379	20,383,211	22,454,245	24,727,234	23,150,766	27,632,138	29,712,906
Water	6,748,950	7,718,702	7,894,538	7,788,777	8,196,725	8,222,608	9,801,729	9,290,685
Wastewater	8,634,604	8,938,220	9,154,681	9,193,987	8,930,397	8,956,833	13,429,973	11,002,685
Other	7,473,192	8,356,065 ⁽²⁾	7,134,688	6,292,314	6,241,268	15,886,390	7,629,919	3,848,988
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>	<u>194,484,486</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>	<u>269,469,221</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	137,148
Development services	454,573	472,912	408,892	504,189	523,492	722,130	614,615	587,732
Public safety	2,821,362	2,294,597	2,946,667	2,963,856	3,586,722	3,534,273	4,394,972	4,824,117
Cultural and recreational	545,036	569,132	458,481	1,358,437	1,280,685	1,270,134	1,464,608	1,912,083
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	2,382,961
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	3,528,100
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>	<u>13,372,141</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	147,926,009
Rural Electric	19,301,996	19,114,630	22,332,873	24,406,821	26,825,404	24,991,627	28,975,229	30,996,152
Water	7,015,053	7,916,358	8,232,182	9,853,319	10,832,129	9,385,539	10,944,038	12,216,438
Wastewater	9,267,154	9,937,103	9,865,054	10,604,267	11,384,558	11,357,398	11,586,181	12,017,013
Other Enterprise Funds	6,445,452	6,659,201	6,910,778	8,846,382	9,595,603	10,030,558	10,155,749	10,181,590
Operating grants and contributions	-	-	-	-	26,573	-	-	658,470
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	1,594,030
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>	<u>215,589,702</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>	<u>228,961,843</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)	(61,612,594)
Business-type activities	18,350,427	17,021,710	11,782,743	22,829,015	23,683,324	7,699,317	8,324,741	21,105,216
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>	<u>\$ (40,507,378)</u>

	2002	2003	2004	2005	2006	2007	2008	2009
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	\$ 21,950,012
Sales taxes	10,237,446	10,208,391	10,778,912	11,731,308	13,381,722	13,491,560	14,532,775	14,140,838
Franchise taxes	1,613,736	1,665,395	1,702,317	1,676,744	2,049,517	1,920,990	2,012,872	2,000,294
Alcoholic beverage taxes	79,567	69,061	64,849	63,401	66,073	62,031	64,994	72,777
Bingo taxes	58,263	55,613	87,087	127,792	158,365	178,377	183,580	195,970
Hotel occupancy taxes	218,616	205,481	226,849	221,482	219,711	248,935	290,187	321,859
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	4,343,987
Unrestricted investment earnings	2,204,280	1,149,280	998,737	1,842,525	3,861,870	4,278,208	2,379,105	1,084,060
Miscellaneous	2,605,918 ⁽²⁾	1,515,886 ⁽²⁾	4,419,506	4,427,326	3,075,731	2,731,866	3,039,288	1,886,157
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	9,841,589
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>	<u>55,837,543</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	3,062,620
Miscellaneous	224,011	145,280	2,199,099	246,815	125,245	673,809	407,414	275,538
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)	(9,841,589)
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>	<u>(6,503,431)</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>	<u>49,334,112</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)	(5,775,051)
Business-type activities	17,826,114	12,723,842	7,470,792	19,465,665	22,134,831	16,386,187	- 12,984,240	14,601,785
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>	<u>\$ 8,826,734</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.

City of Bryan, Texas

Fund Balances of Governmental Funds

Last Eight Fiscal Years

(Modified accrual basis of accounting)

Table 3

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</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	\$ 1,669,624
Unreserved	7,182,320	10,046,292	15,276,622	17,328,864	21,126,330	15,769,294	10,862,228	8,961,908
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>	<u>10,631,532</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	21,538,948
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	7,571,763
Capital projects funds	51,186	31,107	-	-	-	-	-	-
Permanent funds	979,709	884,356	899,021	760,081	834,770	907,750	963,342	995,329
Unreserved (deficit), reported in:								
Special revenue funds	-	-	-	-	(527,832) ⁽¹⁾	(2,546,969) ⁽³⁾	(957,906) ⁽⁴⁾	-
Capital projects funds	-	-	-	-	(5,334,147) ⁽²⁾	-	(676,984) ⁽⁵⁾	-
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>	<u>\$ 30,106,040</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.

⁽⁴⁾ The fiscal year 2008 deficit in the Special Revenue funds will be offset by the 2007 and 2008 bond issues.

⁽⁵⁾ The fiscal year 2008 deficit in the Capital Project funds will be offset by the issuance of debt in fiscal year 2009.

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)

Table 4

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:										
Property taxes	\$ 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	\$ 21,838,216
Sales taxes	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	14,140,838
Franchise taxes	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	2,000,294
Alcoholic beverage taxes	57,250	55,871	79,567	69,061	64,849	63,401	66,073	62,031	64,994	72,777
Bingo taxes	65,555	66,294	58,263	55,613	87,087	127,792	158,365	178,377	183,580	195,970
Hotel occupancy taxes	202,851	218,055	218,616	205,481	226,849	221,482	219,711	248,935	290,187	321,859
Transportation and drainage fees	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	4,343,987
Charges for services	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	5,087,265
Fines and court charges	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	1,786,083
Licenses and permits	468,249	352,140	484,789	503,847	461,734	538,964	551,701	722,130	614,615	587,732
Grants	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	2,847,291
Investment earnings	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	849,630
Litigation proceeds	450,000	450,000	450,000	450,000	450,000	450,000	-	-	-	-
Oil and gas royalties	418,732	516,074	326,476	62,397	65,067	58,379	56,575	39,273	160,241	67,688
Other	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	1,798,072
Total revenues	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	55,937,702
Expenditures:										
Current:										
General government and administration	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	12,935,217
Development services	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	4,371,598
Public works services	3,795,957	4,843,791	5,888,456	2,802,949	3,017,572	5,403,527	6,278,000	6,284,553	6,422,048	9,217,923
Public safety	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	26,805,639
Cultural and recreational	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	7,033,174
Administrative reimbursement	(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)	(3,765,735)
Capital outlay	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	8,808,509
Arbitrage rebate	-	-	-	-	-	-	-	-	16,890	-
Debt Service:										
Bond and principal retirement	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	4,435,057
Interest and fiscal charges	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	4,401,185
Debt issuance cost	-	-	84,074	58,543	329,152	-	257,893	100,749	79,500	54,170
Advance refunding costs	-	-	-	-	-	-	184,551	-	-	-
Total expenditures	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	74,296,737
Excess of expenditures over revenues	(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)	(18,359,035)
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	8,730,000
Discount on long-term debt issued	-	(244,549)	-	-	-	-	-	(177,780)	-	-
Premium on long-term debt issued	-	-	956	-	102,164	-	-	-	-	79,084
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	6,420	829,373	111,806	34,019	1,676	206,033	34,633	31,638	106,724	193,450
Transfers in	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	13,590,024
Transfers out	(1,017,830)	-	(6,225,264)	(1,107,895)	(2,500,696)	(4,161,434)	(3,773,012)	(10,180,589)	(12,763,768)	(3,748,435)
Total other financing sources	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	18,844,123
Net change in fund balances	\$ (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)	\$ 485,088
Debt service as a percentage of noncapital expenditures	11.07%	13.47%	18.88%	17.49%	18.05%	15.99%	16.22%	14.61%	13.22%	13.58%

City of Bryan, Texas

Governmental Activities Tax Revenues By Source

Last Eight Fiscal Years

(accrual basis of accounting)

Table 5

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Bingo Tax	Hotel Occupancy Tax	Transportation & Drainage Assessments	Total
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
2009	21,950,012	14,140,838	2,000,294	72,777	195,970	321,859	4,343,987	43,025,737
Change 2002-2009	58.41%	38.52%	20.11%	5.38%	252.38%	56.64%	144.58%	54.57%

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

Table 6

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						
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	
2009	2,309,187,521	700,438,344	606,628,578	171,569,861	3,444,684,582	0.6364	3,444,684,582	

Source: Brazos County Appraisal District

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

Table 7

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	
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
2009	0.4595	0.1769	0.6364	0.3987	0.0813	0.4800	1.0400	0.2500	1.2900	2.4064

(1) City of Bryan Budget Office

(2) Brazos County

(3) Bryan ISD

City of Bryan, Texas
Principal Property Taxpayers
As of December 31, 2009

Table 8

Taxpayer	2009			2000		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Well Services Division of STC	\$ 36,184,960	1	0.83%			
Reveille Ranch Bryan, LTD	32,776,760	2	0.75%			
Verizon Communications Inc.	25,001,250	3	0.57%	\$ 42,252,800	1	2.41%
Southwest Signature Park	20,435,570	4	0.47%			
Pioneer Well Services LLC	20,159,485	5	0.46%			
KC Presidio Apartments LLC	19,125,350	6	0.44%			
Tejas Center, LTD	17,207,020	7	0.39%			
Pendleton Apartments LTD	15,608,330	8	0.36%			
Adam Development Properties LP	14,836,920	9	0.34%			
ACC (Aggie Station) LP	14,748,330	10	0.34%			
GGE LTD/G G Enterprises				15,236,940	2	0.87%
Norton Chemical Process Production Corporation				14,695,592	3	0.84%
Wal-Mart Properties				14,838,130	4	0.84%
WWK Ltd.				15,009,630	5	0.85%
Reliant Building Products, Inc.				14,321,770	6	0.82%
Lowe's Home Centers, Inc.				12,855,335	7	0.73%
TAU Enterprises				11,504,280	8	0.65%
Southcorp Packaging USA, Inc.				11,433,570	9	0.65%
First American Bank				9,178,195	10	0.52%
Totals	<u>\$ 216,083,975</u>		<u>4.96%</u>	<u>\$ 161,326,242</u>		<u>9.18%</u>

Source: Brazos County Appraisal District

City of Bryan, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
As of December 31, 2009

Table 9

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 11,184,342	\$ 10,837,264	96.90%	\$ 328,928	\$ 11,166,192	99.84%
2001	12,273,328	12,035,948	98.07%	204,803	12,240,751	99.73%
2002	13,185,857	12,898,436	97.82%	259,672	13,158,108	99.79%
2003	13,675,082	13,383,887	97.87%	250,700	13,634,587	99.70%
2004	14,760,794	14,540,232	98.51%	164,037	14,704,269	99.62%
2005	15,940,864	15,660,992	98.24%	200,440	15,861,432	99.50%
2006	17,019,389	16,662,978	97.91%	270,045	16,933,023	99.49%
2007	18,633,318	18,340,249	98.43%	175,349	18,515,598	99.37%
2008	20,432,087	20,021,117	97.99%	206,262	20,227,379	99.00%
2009	21,759,324	21,271,466	97.76%	-	21,271,466	97.76%

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

Table 10

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</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	347,764,000
Commercial and Industrial	396,029,000	393,848,000	388,811,000	417,477,000	425,574,000	418,474,000	449,843,000	443,745,000
Public Authorities	27,980,000	28,123,000	28,781,000	31,600,000	29,506,000	27,442,000	31,234,000	36,080,000
Rural	248,067,000	254,887,000	265,554,000	292,454,000	289,158,000	292,087,000	322,095,000	332,879,000
Other Utilities	647,536,000	319,322,000	434,251,000	1,047,838,000	820,520,000	597,722,000	412,769,000	424,131,000
Interdepartmental	24,058,000	25,834,000	23,864,000	25,440,000	26,500,000	23,718,000	27,557,000	31,246,000
	<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>	<u>1,615,845,000</u>

Data prior to 2002 is unavailable.

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

Table 12

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			
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	35,247	41,250	219,140,001	3,098	
2008	19,652,088	74,105,782	92,695,000	6,295,000	67,400,000	17,912	39,218	260,205,000	3,613	
2009	19,040,000	79,342,813	90,165,000	6,205,000	70,625,001	-	37,188	265,415,002	3,668	

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, 2009

Table 13

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, 2009 is \$0.6364 per \$100 assessed valuation with assessed valuation being 100% of appraised values.

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

Table 14

Fiscal Year	Tax Supported Debt	Less: Amounts Available in Debt Service Fund	Net	Percentage of Estimated Actual Taxable Value of Property	Per(a) Capita
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	93,757,870	1,194,757	92,563,113	2.89%	1,285
2009	98,382,813	1,194,757	97,188,056	2.82%	1,343

(a) See Table 21 for population data.

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

Table 15

<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*	\$ 97,188,056 (1)	100.00%	\$ 97,188,056
Debt repaid with property taxes: County ⁽²⁾	95,590,000	33.71%	32,228,090
Debt repaid with property taxes: School District ⁽³⁾	168,620,000	13.70%	23,101,705
Total estimated direct and overlapping funded debt			<u>\$ 152,517,851</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 Eight Fiscal Years ⁽¹⁾

Table 16

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
2009	148,289,570	128,526,664	1,378,874	21,141,780	5,910,609	3.58

⁽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.

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

Table 17

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⁾
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)
2009	30,996,152	27,889,698	56,851	3,163,305	417,823	7.57

⁽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 Eight Fiscal Years⁽¹⁾

Table 18

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	20,742,937	10,085,575	1,827,111	12,484,473	4,398,781	2.84
2008	22,530,219	11,876,811	1,019,821	11,673,229	3,944,851	2.96
2009	24,233,451	12,917,477	511,956	11,827,930	4,057,131	2.92

⁽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 Ten Fiscal Years

Table 19

Fiscal Year	Net Revenue as Defined in Bond Ordinance ⁽²⁾	Average Annual Debt Service Requirement	Coverage
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, water and wastewater utilities was separated into a pledge of the municipal electric revenues and the pledge of the combined water and wastewater revenues.

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

Table 20

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Category:										
Communications and information	\$ 1,008,128	\$ 1,065,333	\$ 1,157,832	\$ 846,330	\$ 817,075	\$ 837,297	\$ 809,579	\$ 699,322	\$ 804,022	\$ 975,054
Home furnishings and appliances	328,992	329,191	336,063	337,526	437,818	437,244	472,573	458,752	392,899	411,290
Eating and drinking establishments	753,824	767,028	803,069	808,365	849,742	952,618	978,832	1,074,893	1,202,131	1,273,763
Department and retail stores	261,113	890,455	1,942,509	1,265,132	1,171,696	1,098,052	2,265,562	1,172,948	394,574	1,411,043
Oil and gas operations	10,166	144,342	78,339	145,318	182,643	499,341	989,910	483,382	739,345	465,054
Construction and building	581,145	369,961	512,827	578,263	762,661	659,770	805,337	1,030,817	1,013,741	380,446
Auto dealers and supplies	390,378	409,188	405,992	410,187	415,952	458,816	489,013	526,366	541,842	518,952
Printing/Publishers	49,510	22,454	47,259	58,622	36,423	46,898	61,655	62,523	55,930	60,045
Contractors	30,648	41,056	29,067	25,432	45,991	128,894	109,519	79,646	117,969	102,428
Manufacturing	355,514	358,869	362,226	429,351	466,167	511,573	488,312	780,537	627,914	479,757
Wholesalers	276,961	241,278	218,102	236,661	424,881	588,731	762,764	830,156	1,029,940	913,467
Food Stores	324,139	328,764	326,581	309,512	296,206	395,400	442,727	501,861	530,319	578,078
Other stores	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	3,095,127
Apparel	67,182	67,140	42,134	47,312	52,787	58,783	63,400	74,201	110,101	137,787
All other outlets	2,026	2,583	2,214	1,304	3,122	3,258	6,175	4,034	5,767	8,561
Financial services	37,435	69,924	49,202	65,818	54,226	37,882	29,914	41,613	42,252	42,012
Rentals and leasing	206,945	240,360	238,078	230,243	273,226	286,025	458,336	648,912	687,486	501,611
Professional services	470,148	475,683	478,881	417,688	431,285	417,913	406,126	521,846	446,664	475,821
Repair and maintenance	244,358	240,569	232,654	233,121	222,299	237,136	256,641	261,041	316,507	249,669
Hotels/Motels	1,005	946	1,217	1,112	1,272	1,501	4,194	1,904	3,733	23,338
Other products and equipment	227,142	207,190	241,093	147,875	149,614	142,987	139,817	60,721	79,815	5,962
Other	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	1,107,023
Total	<u>\$ 9,972,469</u>	<u>\$ 9,867,527</u>	<u>\$ 9,602,648</u>	<u>\$ 9,708,960</u>	<u>\$ 11,130,212</u>	<u>\$ 11,166,908</u>	<u>\$ 13,797,796</u>	<u>\$ 13,024,627</u>	<u>\$ 14,079,741</u>	<u>\$ 13,216,288</u>

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

Source: Texas Comptroller of Public Accounts

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

Table 21

Fiscal Year	Population ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽¹⁾
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	4.20%
2009	72,357	15,000	6.50%

⁽¹⁾ U.S. Census Bureau

⁽²⁾ Bryan Independent School District

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

Table 22

<u>2009</u>	<u>2000</u>
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

Table 23

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government and Administration										
Executive Services	9	8	8	5	5	5	5	6	7	6
Communications & Marketing	-	-	-	2	2	2	3	3	3	5
Neighborhood and Youth Services	-	-	-	1	1	1	1	1	1	1
Economic Development	-	1	-	1	1	-	-	-	-	-
Internal Audit	-	-	-	-	-	1	1	1	1	1
City Secretary	5	6	6	6	6	6	6	7	7	7
Municipal Court	16	16	16	15	14	14	14	14	14	16
Legal Services	6	6	6	6	5	5	5	5	6	6
Fiscal Services*	16	13	13	14	13	13	13	12	12	13
Information Technology	13	11	11	14	13	13	13	14	15	15
Special Projects**	1	-	1	1	1	1	1	1	1	3
Purchasing Services	6	6	5	5	5	5	4	5	5	5
Warehouse	1	1	2	3	3	3	3	4	4	4
Fleet Services	13	11	11	-	-	11	12	11	11	11
Human Resources	6	5	5	6	5	5	5	5	5	5.5
Facility Services	25	25	25	32	44	27	27	24	24	23
Risk Management	5	5	5	5	6	6	6	6	6	5
Development Services										
Planning and Development	7	7	7	8	8	8	8	9	8	8
Engineering Services	19	15	15	15	14	17	17	17	18	17
Building Services	12	8	8	8	8	8	9	13	16	16
Community Development	9	9	10	7	7.4	7.4	7	8	8	6.5
Public Works Services										
Administration	11	9	9	1	-	-	-	1	1	3
Call Center	-	-	-	-	-	-	-	-	-	5
Environmental services	30	30	30	-	-	-	-	-	-	-
Transportation & Drainage	31	29	29	29	28	30	30	30	31	31
Traffic Services	-	-	-	-	-	-	-	-	-	9
Public Safety										
Police Officers	108	113	113	113	113	116	118	119	123	124
Civilians	32	31	31	35	35	34	38	38	37	47
Firefighters/Emergency Medical Technicians	88	88	89	89	89	90	91	101	108	108
Civilians	2	2	1	2	2	2	2	2	4	5
Emergency Management Coordinator	-	-	-	1	-	-	-	-	1	1
Cultural and Recreation										
Library Services	20	20	20	20	19	19	19	19	19	20
College Station Library	16	16	16	16	16	16	16	16	16	15
Parks and Recreation	36	32	31	18	7	8	9	14	13	14
Water	39	38	38	48	39	40	40	36	35	35.8
Wastewater	40	40	40	52	53	53	53	44	43	44.2
Solid Waste	21	26	26	48	51	50	49	55	51	46
Electric Department-Municipal and Rural	187	187	187	203	203	203	203	195	203	181
Total	830	814	814	829	816	819	828	836	857	862.5

Source: City of Bryan Budget Office
 *Includes Budget Services & Fiscal Services
 **Includes Real Estate Services

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

Table 24

Function:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Physical arrest	4,970	4,558	3,850	4,201	4,375	4,784	5,838	4,178	5,205	5,030
Traffic citations	16,180	15,366	17,464	16,147	14,932	12,986	17,640	13,097	15,512	15,325
Fire										
Number of Fire and EMS calls	6,563	6,682	7,198	7,281	7,398	7,884	8,016	8,359	8,352	8,923
Transportation										
Potholes repaired	n/a	n/a	n/a	n/a	n/a	n/a	4,000	6,500	3,200	n/a
HMAC (Hot Mix Asphaltic Concrete) placed (tons)	n/a	2,853								
In-house concrete poured (cubic yards)	n/a	1,080								
Culture and recreation										
New library patron registration	n/a	n/a	7,002	982	7,449	10,399	10,995	8,611	8,323	9,014
Library circulation of materials	n/a	n/a	681,396	695,433	731,924	664,444	726,762	804,617	840,601	785,243
Number of cooperative programs with Bryan ISD and College Station Parks and Recreation department	n/a	n/a	12	15	18	18	11	12	12	12
Pavilion rentals	n/a	n/a	1,005	780	843	855	824	849	956	876
Athletic field usage										
Travis Park (1 field)	n/a	n/a	206	229	237	216	208	n/a	n/a	n/a
Bryan Regional Athletic Complex (4 softball fields)	n/a	n/a	1,618	1,410	1,452	1,590	1,632	1,620	1,710	1,740
Bryan Regional Athletic Complex (9 soccer fields)	n/a	n/a	971	995	946	1,003	1,026	1,040	1,050	1,105
Neighborhood/Youth Services										
Neighborhood Associations registered	n/a	n/a	n/a	16	30	36	31	32	37	38
Youth receiving new adult mentors	n/a	n/a	n/a	60	80	100	n/a	143	57	125
Municipal Court										
Number of cases filed	19,153	17,755	n/a	17,109	15,193	15,000	15,613	17,199	16,190	15,490
Community Development										
Number of citizens provided homebuyers assistance	39	36	27	15	22	22	25	37	21	28
Number of households provided rehabilitation	20	27	36	20	41	41	1	-	4	3
Number of households provided minor rehabilitation	n/a	n/a	n/a	n/a	n/a	n/a	35	30	41	33
Water										
Average consumption (gallons/day)	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	10,420,000
Number of new connections	n/a	n/a	340	346	376	326	414	286	319	245
Wastewater										
Average treatment flow (gallon/day)	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	6,390,000
Solid Waste										
Refuse collected (tons)	n/a	n/a	39,231	45,397	42,164	44,416	48,647	45,275	54,881	52,443

Sources: Various City Departments

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

Table 25

Function:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of sworn personnel	108	113	113	113	113	116	118	121	124	124
Fire and emergency medical services:										
Number of stations	4	4	4	4	4	4	4	4	4	5
Number of personnel	88	88	89	89	89	90	91	112	114	108
Highways and streets:										
Lane miles of paved streets	n/a	n/a	637	640	643	646	649	660	660	738
Culture and recreation:										
Number of parks	37	38	45	45	45	45	45	45	35	42
Park acreage	n/a	n/a	587	587	587	587	587	587	587	611
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	104	104
Hike and bike trails - number of miles	n/a	n/a	5	5	5	5	5	18	22	23
Number of cemeteries	3	3	3	3	3	3	3	3	3	3
Cemetery acreage	97	97	97	97	97	97	97	97	70	70
Number of libraries	3	3	3	3	3	3	3	3	3	3
Library volumes	197,790	210,582	226,500	232,748	232,748	248,240	257,833	255,366	242,171	245,810
Water system:										
Miles of line	307	310	390	393	396	399	403	410	442	453
Number of connections	19,601	19,782	20,074	20,354	20,509	20,799	21,102	21,388	21,782	21,587
Number of wells	8	8	7	8	8	9	9	10	12	12
Maximum daily capacity (gallons)	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	36,000,000
Wastewater system:										
Miles of line	270	272	368	371	374	377	378	378	378	380
Number of connections	18,874	19,038	19,269	19,588	19,725	19,943	20,224	20,461	20,839	21,113
Number of treatment plants	3	3	3	3	3	3	3	3	3	3
Combined capacity (gallons per day)	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	12,750,000
Electric system:										
Generating capacity (kW)	249,000	249,000	240,000	240,000	287,000	287,000	287,000	287,000	234,644	296,000
Reserve oil capacity (gallons)	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	6,470,000
Number of substations	7	7	9	9	9	9	9	9	9	9
Number of connections	28,047	28,560	31,082	32,206	32,264	33,189	33,702	34,678	46,169	47,268
Rural Electric system:										
Number of utility connections	10,947	11,341	11,936	12,352	13,171	13,519	13,978	14,416	14,513	15,116
Number of substations	10	10	10	10	10	12	12	11	12	12

Sources: Various City Departments