

CITY OF BRYAN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal year ended September 30, 2010



CITY OF BRYAN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2010

Prepared by

Fiscal Services Department
Robert Shultz, Chief Financial Officer

CITY OF BRYAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2010

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	20
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet - Governmental Funds	24
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets	25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	26
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Net Assets - Proprietary Funds	28
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	30
Statement of Cash Flows - Proprietary Funds	32
Fiduciary Fund:	
Statement of Fiduciary Net Assets - Payroll Fund	34
Notes to the Basic Financial Statements	35

CITY OF BRYAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2010

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information:	
Schedule of Funding Progress - Texas Municipal Retirement System	85
General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	86
Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	96
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual:	
Debt Service Fund	100
Special Revenue Funds:	
Community Development Fund	101
Hotel and Motel Room Tax Fund	102
Oil and Gas Fund	103
Special Projects Fund	104
Sidewalks Fund	105
Court Technology Fund	106
Street Improvement Fund	107
Drainage Improvement Fund	108
Tax Increment Reinvestment Zone #8 Fund	109
Tax Increment Reinvestment Zone #10 Fund	110
Tax Increment Reinvestment Zone #19 Fund	111
Tax Increment Reinvestment Zone #21 Fund	112

CITY OF BRYAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2010

TABLE OF CONTENTS

	<u>Page</u>
Tax Increment Reinvestment Zone #22 Fund	113
Combining Statement of Net Assets - Nonmajor Enterprise Funds	115
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Nonmajor Enterprise Funds	117
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	118
Internal Service Funds:	
Combining Statement of Net Assets	121
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	122
Combining Statement of Cash Flows	123
Agency Fund:	
Schedule of Changes in Assets and Liabilities - Payroll Fund	125
Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedules by Source	127
Schedule of Changes by Function and Activity	128
Schedule by Function and Activity	129
<u>STATISTICAL SECTION</u>	<u>Table</u>
Net Assets by Component	1 132
Change in Net Assets	2 134
Fund Balances of Governmental Funds	3 136
Changes in Fund Balances of Governmental Funds	4 137
Governmental Activities Tax Revenues By Source	5 138
Assessed Value and Estimated Actual Value of Taxable Property	6 139
Property Tax Rates and Ratios - Direct and Overlapping Governments	7 140

CITY OF BRYAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2010

TABLE OF CONTENTS

	<u>Table</u>	<u>Page</u>
Principal Property Taxpayers	8	141
Property Tax Levies and Collections	9	142
Electricity Sold by Type of Customer	10	143
Electric Rates	11	144
Ratios of Outstanding Debt by Type	12	145
Legal Debt Margin Information	13	146
Ratios of Tax Supported Debt Outstanding	14	147
Direct and Overlapping Governmental Activities Debt	15	148
Pledged Revenue Coverage - Electric Fund	16	149
Pledged Revenue Coverage - Rural Electric Fund	17	150
Pledged Revenue Coverage - Water and Wastewater Funds	18	151
Utility Funds - Revenue Bond Coverage	19	152
Sales Tax by Category	20	153
Demographic and Economic Statistics	21	154
Principal Employers	22	155
Full Time Equivalent City Government Employees by Function	23	156
Operating Indicators by Function	24	157
Capital Asset Statistics by Function	25	158



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CITY OF BRYAN, TEXAS



CITY OF BRYAN
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March 28, 2011

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, 2010. 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 established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

Weaver L.L.P. has issued an unqualified opinion on the City of Bryan's financial statement for the year ended September 30, 2010. 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 northwest of Houston and approximately 90 miles east of Austin in an area referred to as the Brazos Valley. Bryan serves as the county seat for Brazos County. The City and the City of College Station to the south, which share common borders, are home to the Texas A & M University System. The City encompasses approximately 43.7 square miles and has an estimated population of 76,201.

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

FACTORS AFFECTING FINANCIAL CONDITION

While Bryan has felt the effects of the nation's economic downturn over the past two years, the City has fared better than many local governments. Bryan and neighboring College Station are the economic center of the region comprised of Brazos County and the surrounding seven counties. Texas A&M University, with a student enrollment of more than 49,000 and approximately 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.

Historically, the Bryan-College Station area's unemployment rate has been among the lowest in the state and that trend continues. As of September 2010 the unemployment rate for the Bryan-College Station area was 5.8% compared to 8.2% state-wide.

Major Initiatives

During fiscal year 2008 the City began purchasing tracts of land in Downtown Bryan in order to make larger tracts available for redevelopment. Currently, Phase 3 of the Downtown Rehab Project is underway. This \$7,000,000 project consists of paving and landscaping improvements, drainage, water and replacement of wastewater utilities as well as moving existing electrical, cable and telephone lines underground. Also included is a redesign of undersized storm sewer. Project completion is expected in the first half of 2011. Meanwhile, building renovations continue to attract new businesses, residents and visitors to historic Downtown Bryan.

In 2010, the City began site work and design for a new wastewater treatment plant. This first phase included the development of the site plan and the preliminary designs of the treatment plant facility and the water, sewer and roadway infrastructure needed to serve the facility. The Thompson Creek Wastewater Treatment Plant site will also be the location of a new electric utility sub-station. The plant construction contract will go before City Council in mid-fiscal year 2011 for approval. The estimated total cost of the treatment plant and the offsite utilities is \$15 million. This new plant will replace the City's aging Turkey Creek Wastewater Treatment Plant.

After the completion of the new Justice Center in fiscal year 2009, the City's focus turned to the former police department building. The goal was to update an inefficient building and provide additional office space. Renovations include improvements and repairs to the building's mechanical, civil and architectural systems and project completion is expected in early 2011. A grant from the U.S. Department of Energy provided significant funds needed to upgrade the building's old, inefficient HVAC system.

CITY OF BRYAN, TEXAS

In December 2006, the Texas A & M University System selected a 200 acre site on Bryan's west side as the location of a new health science center. The City granted the University a \$9 million land donation to draw the new Health Science Center campus to the City. The tax-exempt project includes 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 approximately \$130 million on construction at this site. The grand opening of the first two buildings was held in July 2010. Also, a state-of-the-art biopharmaceutical manufacturing facility utilizing novel technologies for vaccine production is currently being constructed on this site. This facility, being built by G-Con, LLC, will be a minimum initial size of 100,000 square feet to support its research, development and commercialization of technologies. The value of the facility, including personal property, is projected to be \$30,000,000 by December 31, 2012. Additionally, complementary private business is expected to emerge on City-owned property adjacent to the 200 acre campus.

Bryan Texas Utilities, the City's electric utility, reported several significant events for fiscal year 2010. First, on April 30, 2010, BTU entered into a 25 year renewable energy power purchase agreement with Fotowatio Renewable Ventures (FRV). FRV will own and operate a photovoltaic solar power plant to be constructed in West Texas. Under the agreement BTU will purchase the output from the 10MW facility starting as early as 2012. Next, BTU completed construction of Dansby 3, a 48MW gas turbine generator located adjacent to BTU's existing Dansby 1 & 2 units in Brazos County, Texas. The unit, powered by a General Electric LM6000, commenced commercial operations on March 28, 2010.

Long-term Financial Planning

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

Currently, the City has adopted a conservative stance towards the issuance of debt, while the economy recovers. As such, the City will not issue general obligation debt in 2011. Necessary capital projects will be funded through alternative sources, such as the City's Street Improvements Fund. Future debt issues and operational expenses related to improvements will be funded with growth in revenues generated by increases in property valuations and improved efficiencies within City operations. The electric, water and wastewater systems will continue their capital improvement programs with the issuance of revenue bonds as deemed necessary.

Relevant Financial Policies

The City's fund balance/operating reserves position continues to be an important factor in policy decisions. This policy 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 90 days of operating budget for the electric funds and 60 days for all other 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.

CITY OF BRYAN, TEXAS

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 2010, the City complied with all aspects of the investment policy.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bryan, Texas for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2009. 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. We believe our current CAFR continues to meet the Certificate of Achievement 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,



Kean Register
City Manager



Robert Shultz
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, 2009

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



President

Executive Director

PRINCIPAL OFFICIALS

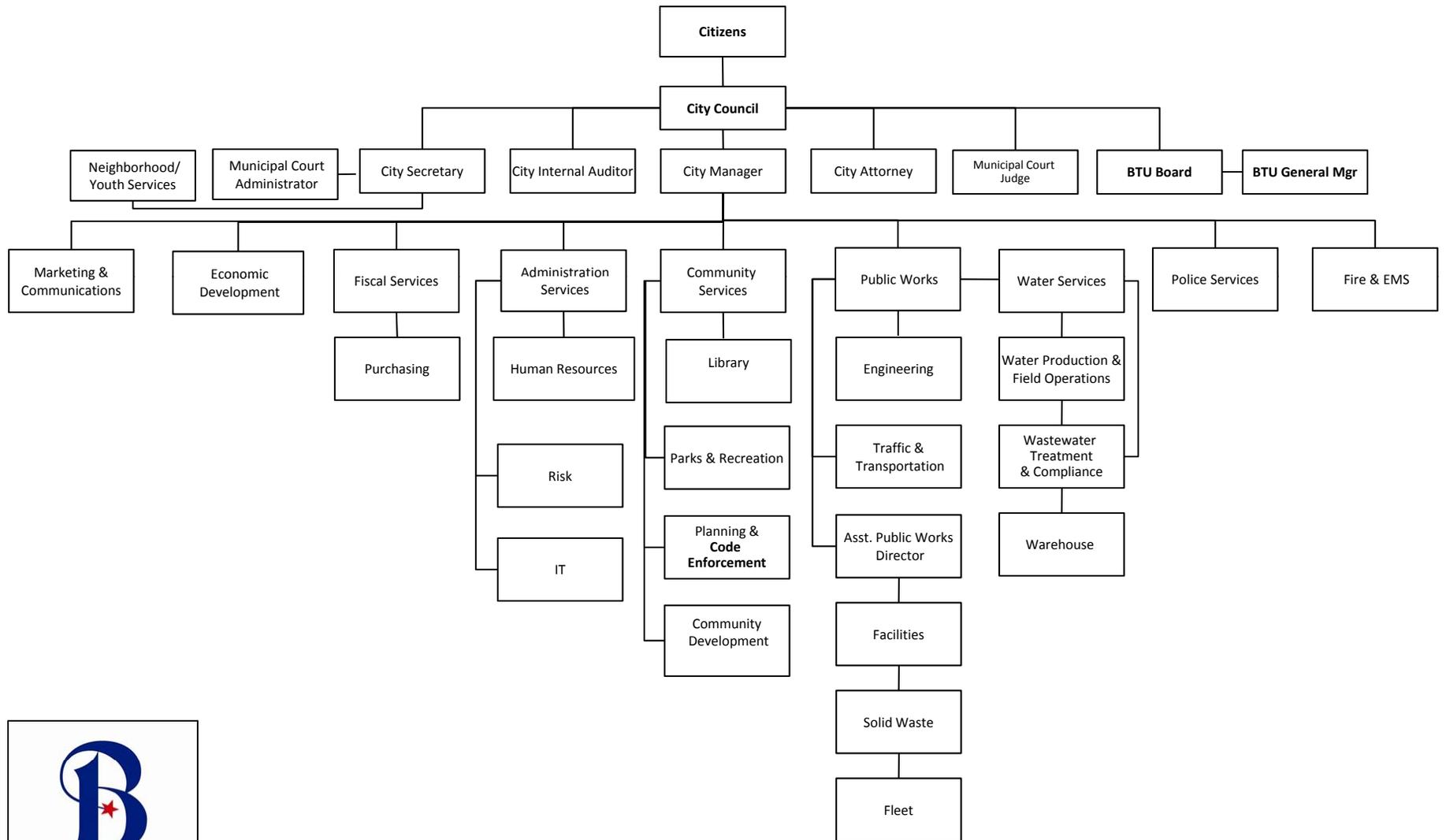
GOVERNING BODY:

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

OTHER PRINCIPAL OFFICIALS:

Kean Register	City Manager
Hugh Walker	Deputy City Manager – Support Services
Joseph Dunn	Deputy City Manager – Community Services
Janis Hampton	City Attorney
Mary Lynne Stratta	City Secretary
Robert Shultz	Chief Financial Officer
Dan Wilkerson	General Manager – Electric Utilities Services
Jayson Barfknecht	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, 2010 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, 2010, 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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2011, 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 17), the Schedule of Funding Progress – Texas Municipal Retirement System (on page 85) and the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (on pages 86 through 87) 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 28, 2011

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2010
(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, 2010. 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 \$456,014,932 (net assets)
- unrestricted net assets were \$83,083,395; these may be used to meet ongoing obligations to citizens and creditors
- total net assets increased by \$2,158,278
- governmental funds reported combined ending fund balances of \$46,347,007
 - an increase of \$5,609,435 in fund balances is due to proceeds from the 2010 Series Certificates of Obligation
 - approximately \$14,978,342 or 32.3% is available for spending at the City's discretion (unreserved-undesignated fund balance)
- General Fund unreserved-undesignated fund balance was \$8,277,961 or 16.2% of total general fund expenditures
- Total debt increased by \$90,925,013 or 33.7%
 - \$13,790,000 in certificates of obligation were issued for street improvements, restoring the City's historic hotel, equipping BVSWMA, Inc. and other projects
 - \$10,635,000 in general obligation bonds were issued for refunding of the City's outstanding general obligation debt
 - \$89,620,000 in electric utility revenue bonds were issued for construction of transmission and distribution facilities and to refund certain contractual obligations between Bryan Texas Utilities and the Texas Municipal Power Agency.
 - retired \$24,653,779 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.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2010
(Unaudited)

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

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

The government-wide financial statements include not only the City itself (known as the "primary government"), but also Bryan Business Council, Inc., a legally separate economic development corporation, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. Bryan Texas 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 20-22 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

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2010
(Unaudited)

revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains thirty-one (31) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds (2). Data from thirteen (13) special revenue funds, seven (7) 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 24-27 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, their assets and liabilities 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 28-33 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

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2010
(Unaudited)

for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 34 of this report.

Notes to the Financial Statements. The notes provide additional information 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 35-83 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees, and a budgetary comparison schedule for the general fund to demonstrate compliance with the budget. Required supplementary information can be found on pages 85-87 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 89-129 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 \$456,014,932 as of September 30, 2010.

The largest portion of the City's net assets \$305,775,849 or 69.5% 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 \$67,155,688 or 14.7% represents resources that are subject to external restrictions on their usage. The remaining balance of unrestricted net assets, \$83,083,395 or 18.2% may be used to meet the government's ongoing obligations to citizens and creditors. At the end of FY 10, 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, Texas

Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2010
 (Unaudited)

City of Bryan's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 55,966,267	\$ 49,196,318	\$ 254,348,703	\$ 156,574,833	\$ 310,314,970	\$ 205,771,151
Capital assets	173,571,046	166,205,864	400,607,235	384,191,960	574,178,281	550,397,824
Total assets	<u>229,537,313</u>	<u>215,402,182</u>	<u>654,955,938</u>	<u>540,766,793</u>	<u>884,493,251</u>	<u>756,168,975</u>
Long-term liabilities outstanding	110,314,981	99,304,655	251,495,933	161,237,190	361,810,914	260,541,845
Other liabilities	17,072,075	14,058,831	49,595,330	27,711,645	66,667,405	41,770,476
Total liabilities	<u>127,387,056</u>	<u>113,363,486</u>	<u>301,091,263</u>	<u>188,948,835</u>	<u>428,478,319</u>	<u>302,312,321</u>
Net assets:						
Invested in capital assets, net						
of related debt	63,909,781	66,211,198	241,866,068	232,484,352	305,775,849	298,695,550
Restricted	30,938,682	23,432,166	36,217,006	39,595,645	67,155,688	63,027,811
Unrestricted	7,301,794	12,395,332	75,781,601	79,737,961	83,083,395	92,133,293
Total net assets	<u>\$ 102,150,257</u>	<u>\$ 102,038,696</u>	<u>\$ 353,864,675</u>	<u>\$ 351,817,958</u>	<u>\$ 456,014,932</u>	<u>\$ 453,856,654</u>

The \$2,158,278 increase to \$456,014,932 in total net assets is due to capital contributions by developers of \$1,932,153 and investment earnings in BVSWMA. Governmental activities had a slight increase of \$111,561 in net assets to \$102,150,257. Business type activities increased net assets by \$2,046,717 to \$353,864,675.

The City's total unrestricted net assets decreased by \$9,049,898 to \$83,083,395, due to both the City's governmental and business-type activities. All unrestricted net assets are available to fund future obligations of the City. Governmental activities unrestricted net assets decreased by \$5,093,538 to \$7,301,794. The Business-type activities unrestricted assets decreased by \$3,956,360 to \$75,781,601. In both cases, the reductions are due primarily to the utilization of existing assets for capital projects.

City of Bryan, Texas

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2010 (Unaudited)

City of Bryan's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 7,012,031	\$ 7,461,080	\$ 199,439,810	\$ 213,337,202	\$ 206,451,841	\$ 220,798,282
Operating grants and contributions	2,640,566	2,382,961	25,033	658,470	2,665,599	3,041,431
Capital grants and contributions	4,476,022	3,528,100	1,932,153	1,594,030	6,408,175	5,122,130
General revenues:						
Property taxes	22,967,025	21,950,012	-	-	22,967,025	21,950,012
Other taxes	17,374,519	16,731,738	-	-	17,374,519	16,731,738
Other	9,006,338	7,314,204	1,213,747	3,338,158	10,220,085	10,652,362
Total revenues	63,476,501	59,368,095	202,610,743	218,927,860	266,087,244	278,295,955
Expenses:						
General Government	11,861,977	14,552,308	-	-	11,861,977	14,552,308
Development Services	5,514,292	4,488,613	-	-	5,514,292	4,488,613
Public Works Services	14,603,264	18,315,196	-	-	14,603,264	18,315,196
Public Safety	28,098,561	24,055,956	-	-	28,098,561	24,055,956
Cultural and Recreational	8,585,698	8,829,886	-	-	8,585,698	8,829,886
Interest on long-term debt	4,392,590	4,742,776	-	-	4,392,590	4,742,776
City electric	-	-	132,804,674	140,629,222	132,804,674	140,629,222
Rural electric	-	-	27,993,444	29,712,906	27,993,444	29,712,906
Water	-	-	10,380,604	9,290,685	10,380,604	9,290,685
Wastewater	-	-	9,880,856	11,002,685	9,880,856	11,002,685
Other	-	-	9,813,006	3,848,988	9,813,006	3,848,988
Total expenses	73,056,382	74,984,735	190,872,584	194,484,486	263,928,966	269,469,221
Increase in net assets before transfers	(9,579,881)	(15,616,640)	11,738,159	24,443,374	2,158,278	8,826,734
Transfers	9,691,442	9,841,589	(9,691,442)	(9,841,589)	-	-
Increase in net assets	111,561	(5,775,051)	2,046,717	14,601,785	2,158,278	8,826,734
Net assets - October 1	102,038,696	107,813,747	351,817,958	337,216,173	453,856,654	445,029,920
Net assets - September 30	\$ 102,150,257	\$ 102,038,696	\$ 353,864,675	\$ 351,817,958	\$ 456,014,932	\$ 453,856,654

Governmental Activities. Total governmental activity revenues increased in FY 10 from FY 09 by \$4,108,406 or 6.9% to \$63,476,501. Sales tax revenue, which is included in "other taxes", increased \$467,572 or 3.3% from \$14,140,838 in FY 09 to \$14,608,410 in FY 10. Ad valorem tax revenues also increased by \$1,017,013 or 4.6% to \$22,967,025. 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 decreased in FY 10 from FY 09 by \$449,049 or 6.0% to \$7,012,031. The primary contributors to this decrease were a \$135,552 decrease in golf course revenue and a \$111,074 decrease in Parkland Dedication fees. Additionally, fees paid by the County to the City for ambulance service were reduced \$256,904 due to a decrease in volume of calls. Other revenue increased in 2010 from 2009 by \$1,692,134 or 23.1% due to an increase in the City's transportation fee.

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. Governmental activities expenses decreased for FY 10 from FY 09 by \$1,928,353 to \$73,056,382. The major changes in this category were:

- General government and public work expenses decreased \$2,690,331 and \$3,711,932 respectively due to the elimination of allocations of fleet replacement expenses.
- During the same period, development services expenses increased \$1,025,679. This increase was due to several major projects financed by Special Revenue funds, specifically the Health

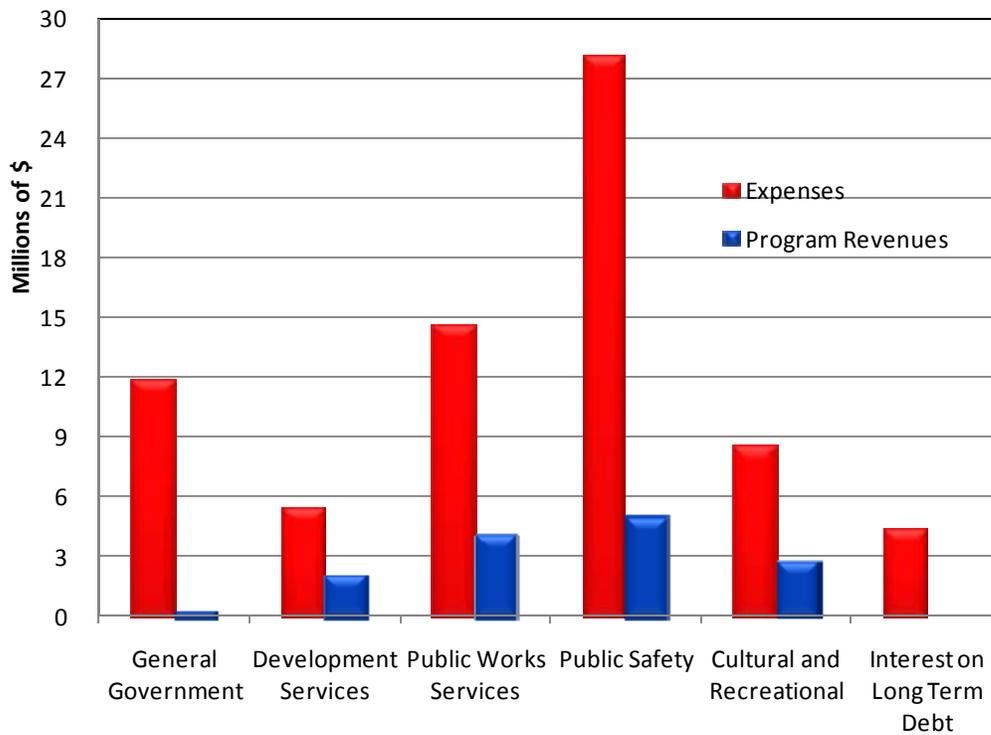
City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2010
(Unaudited)

Science Center Parkway Improvements, sidewalk improvements along Martin Luther King Boulevard and Community Development's purchase of property for rehabilitation.

- General fund showed an increase in development services expenses, due to personnel increases in the Planning Department, which had fewer vacancies in FY 10.
- There was a \$4,042,605 increase in public safety expenses, due to allocations of fleet replacement expenses.

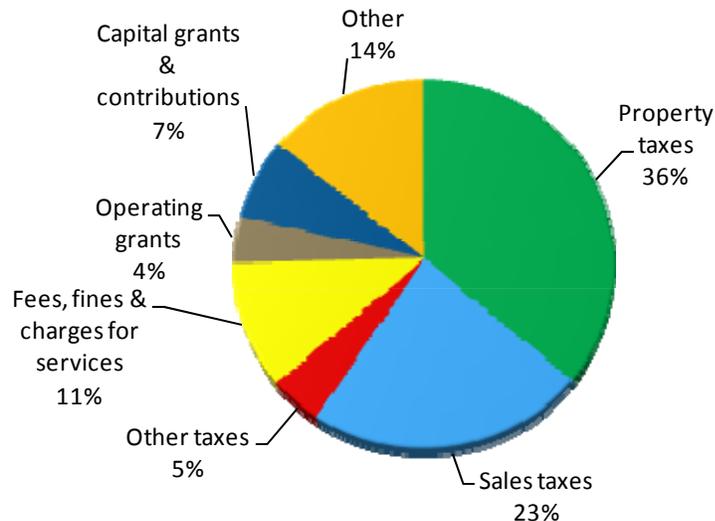
Expenses and Program Revenues - Governmental Activities



City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2010
(Unaudited)

Revenues by Source - Governmental Activities

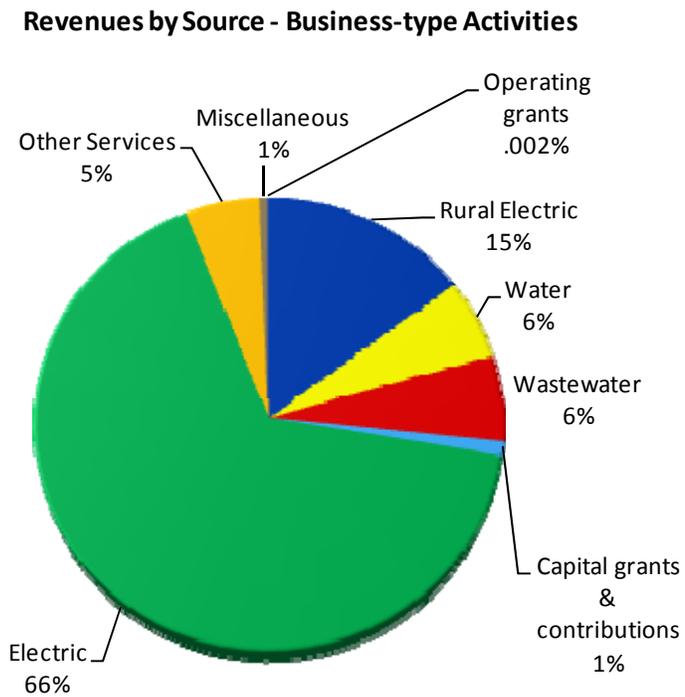
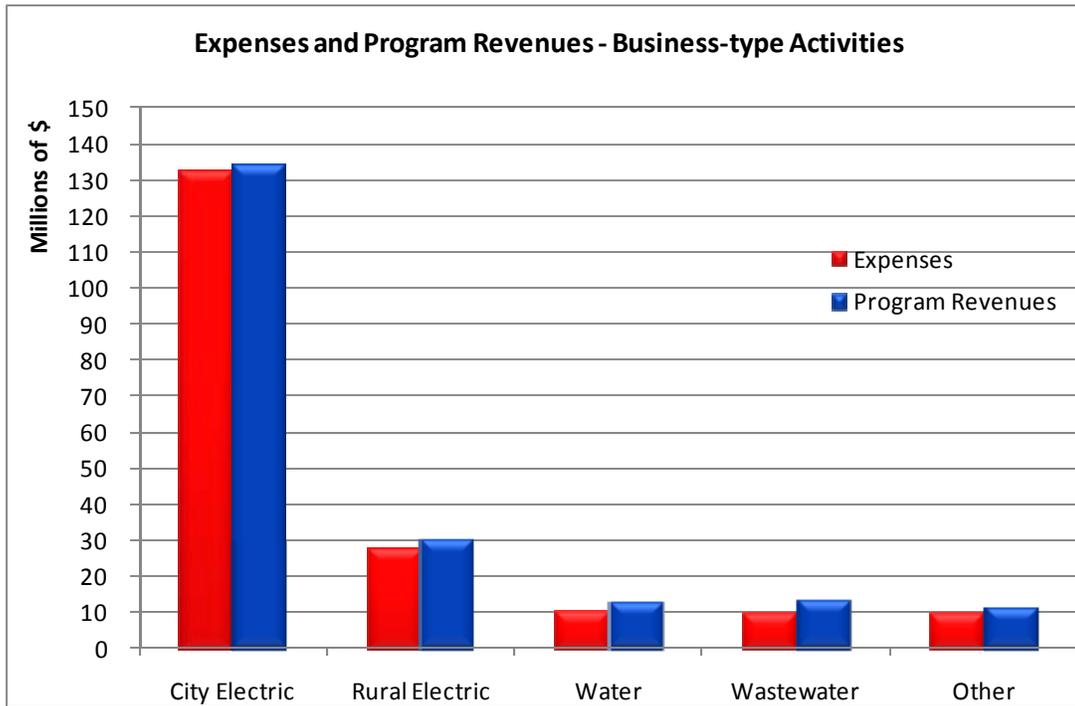


Business-type Activities. Business-type activities increased the City of Bryan's net assets by \$2,046,717 or 0.5% to \$353,864,675. It should be noted that the City Electric, Rural Electric and QSE Funds are included for information purposes and that the data is supplied by Bryan Texas Utilities management who was 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 management, who was 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 \$13,897,392 or 6.5% to \$199,439,810. The decrease in revenues is primarily due to the electric utility's lower fuel related revenues. Additionally, the rural electric system fuel rate was reduced in June 2009, resulting in an \$862,664 decrease in those revenues. Combined electric sales generated \$14,117,982 or 8% less revenue than in FY 09. The electric systems net assets decreased by \$2,001,382 or 0.9% due primarily to interest expense on new debt.
- Water system revenues decreased by \$687,221 or 5.6% to \$11,529,217 as a result of more rainfall in FY 10 compared to FY 09. An increase in net assets of \$1,207,298 was due in part to \$972,114 in capital assets contributed by developers. Investment earnings were less than half of FY 09 and decreased by \$151,191 to \$93,177. Operating expenses were \$6,552,580, an increase from FY 09 of \$135,475 or 2.1%.
- Net assets of the Wastewater system at year end increased by \$2,459,267 or 5.0% over year end 2009. The increase can be attributed to contributed capital from developers of \$960,039 and operating gains. Wastewater service revenues, which are not as dependent on weather conditions as water revenues, increased by \$352,586 or 2.9% from FY 09, due to higher sales to commercial customers. Expenses were \$6,435,313, a decrease from FY 09 of \$65,059 or 1.0%.

City of Bryan, Texas

Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2010
 (Unaudited)



City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2010
(Unaudited)

Financial Analysis of the City's Funds

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

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

The general fund is the primary governmental fund of the City of Bryan. The fund balance of the general fund increased by \$1,210,185 during FY 10, compared to a decrease of \$1,711,213 in FY 09. Revenues of the fund increased \$763,022 while expenditures and transfers out decreased \$1,118,970. Transfers in and out of the fund netted \$10,481,860 and offset both the excess of expenditures over revenues and transfers out. Key factors in both areas are as follows:

- Property tax revenues increased by \$586,304 or 3.9% to \$15,512,614 due to the growth in the tax base.
- Sales tax revenue increased by \$467,572 or 3.3% to \$14,608,410 as retail activity began to strengthen after the economic decline and resultant decrease in FY 09.
- Franchise fees also increased by \$71,043 or 3.6% in FY 10 from FY 09.
- Charges for services decreased \$558,767 or 11.0% to \$4,528,548. The primary reasons for this decline are decreased number of customers at the City's golf course, parkland dedication fees decreased \$107,895, and a decrease of \$94,692 in ambulance fees in FY 10 compared to FY 09.
- Expenditures totaling \$51,210,438 in the general fund were 2.0% or \$1,039,095 lower than in FY 09. The decrease is due in large part to the City's concentrated efforts to reduce spending during this period of economic downturn.

The Debt Service fund ended the fiscal year with a total fund balance of \$6,973,402. Of this, \$5,000,000 is reserved for noncurrent notes receivable and the remainder is reserved for the payment of debt principal and interest. The majority of the net increase in fund balance is due to proceeds from certificates of obligation issued in FY 10. 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 \$222,228 or 3.9% to \$5,852,971 due to property value increases. Interest earnings decreased by \$23,918 or 23.4% to \$78,080 due to reductions in interest rates. Debt service payments from the fund totaled \$8,665,949. The additional debt service is supported by transfers from TIRZ 8, TIRZ 10, TIRZ 22 and the general fund in the amount of \$3,354,735. The balance of the transfers in represents a transfer from the 2010 Certificates of Obligation fund (a capital project fund) to cover the loan to BVSWMMA, Inc.

The Other Governmental Funds include the Special Revenue Funds, Capital Project Funds, and Permanent Funds. The total fund balance in Other Governmental Funds decreased in FY 10 over FY 09 by \$1,521,093 to \$27,531,888.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2010
(Unaudited)

- Overall spending increased in Other Governmental Funds by \$4,550,740 or 33.2% due primarily to capital outlay. Capital project expenditures in these funds increased from \$7,199,311 in FY 09 to \$10,110,859 in FY 10. Major ongoing projects in FY 10 included phase three of the downtown rehabilitation, the Health Science Center Parkway, and various street and drainage improvements.
- The Community Development Fund provides programs and services to low and moderate income persons. The most significant expense is \$1,498,858 spent on the various programs funded by grants.
- The Street Improvement Fund spent \$3,851,163 on street projects, \$1,278,536 more than was spent during FY 09 for neighborhood street renovations. The fund balance was \$6,503,048 and there was \$2,918,360 encumbered for additional projects at year end. The unreserved-undesignated balance at year end was \$3,584,688, which is available for future projects.
- The Drainage Improvement Fund expended \$1,453,302, which was \$601,794 more than income in FY 10. Ending fund balance was \$1,335,410. There was \$766,456 encumbered for additional projects at year end. The remaining unencumbered-undesignated balance at year end was \$568,954, which will be used for future drainage improvement projects.

Capital Projects Funds. The total expenditures from Capital Projects Funds were \$9,243,100. The City issued an additional \$13,790,000 in certificates of obligation to be used for capital projects and a loan to BVSWMA, Inc. to equip the solid waste landfill system. The net fund balance in the Capital Project Funds for all capital projects funds decreased by \$1,252,163 to \$13,346,109. All of the fund balance is either available for capital projects or encumbered for capital projects.

Permanent Funds. No expenditures were made from the Permanent Funds during FY 10. The fund balance for the various funds increased by \$50,122 to \$1,725,451 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 decreased \$4,187,398. Operating revenues decreased by \$13,020,436 or 8.8% to \$135,269,134, which can be attributed to lower fuel related revenues. The utility employed \$6,891,678 from the system's rate stabilization restricted net assets. Unrestricted net assets of the electric system at the end of the year amounted to \$36,729,791, a decrease of \$3,804,441 or 9.4%.

Net assets of the rural electric system at the end of the year amounted to \$41,386,039, an increase of \$2,186,016 or 5.6%. This increase was the result of higher volume of sales and further expansion of the distribution system. Both revenues and expenses were down in FY 10 versus FY 09. Revenues were down \$862,664 or 2.8% to \$30,133,488, because the rural electric fuel rate was lowered in June 2009. The retail customer base increased by 477 customers or 3.25% from FY 09 to FY 10 and this increase partially offset the decrease in revenues due to the lowered fuel rate. Operating expenses were down \$1,806,688 or 6.5% to \$26,083,010. The decrease was primarily due to lower fuel rates in FY 10 and lower general and administrative expenses. The difference between fuel revenues billed and fuel expense incurred is recorded as an addition or a reduction to fuel and purchased power expense, with a

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2010
(Unaudited)

corresponding entry to accounts payable-over recovered fuel or accounts receivable-under recovered fuel, whichever is appropriate.

The water system net assets increased \$1,207,298 or 2.7% to \$46,002,285 due primarily to contributions of capital assets from developers. Revenues were \$11,529,217 for FY 10 and were lower than FY 09's by \$687,221 or 5.6%. This decrease is attributed to wetter than normal weather in late 2009 and early 2010. Additionally, the FY 09 summer was dryer than FY10. Expenses increased by \$135,475 or 2.1% to \$6,552,580 due to work on various waterlines.

Net assets of the wastewater system were up in FY 10 versus FY 09 by \$2,459,267 or 5.0% to \$51,545,129. Revenues and expenses of wastewater systems are not affected as much by weather as water and electricity services. Revenues increased slightly for the wastewater system in FY 10 as compared to FY 09 by \$352,586 or 2.9% to \$12,369,599, due to increased sales to commercial customers. Operating expenses were down by \$65,059 or 1.0% to \$6,435,313. Capital contributions from developers totaled \$960,039.

General Fund Budgetary Highlights

Total General Fund revenues for FY 10 were \$41,795,454 and were \$552,174 or 1.3% less than budgeted. A number of budgetary variances are notable:

- Property taxes were \$233,812 or 1.5% less than budgeted.
- Sales taxes were \$492,915 or 3.3% less than budget, due to a slightly depressed economy and the resultant decrease in consumer spending.
- Revenue from the City's ambulance service was over budget by \$486,962 or 35.4% due to improved collection efforts.
- Licenses and permits were 17% or \$117,200 under budget due to lower construction values than in the past, which resulted in reduced fees.
- Investment earnings were \$152,640 or 60.7% under budget due to lower interest rates.

Total General Fund operating expenditures for the year totaled \$53,907,844 and were \$673,271 or 1.2% less than budget. In response to the depressed economy both nationwide and statewide, all departments were encouraged to decrease spending and conserve money wherever possible. As a result, the majority of the General Fund departments ended the year below their final appropriation amount. Some of the more significant variances are:

- The Police department exceeded budget by \$605,165 or 4.2%. The majority of this overage was due to salary and benefits. Additionally, the police department has several on-going grants, which were not budgeted; although grant revenues were received to cover these grant related expenditures.
- Expenditures for the Parks and Recreation department were over budget by \$224,096 or 5.5%. This is primarily attributable to personnel costs and expenditures for the Texas Reds Festival hosted by the City each year.
- The Fiscal Services department was under budget by \$190,693 or 13.8% due to positions which were vacant for a portion of the year, and reduced travel and training.

City of Bryan, Texas

Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2010
 (Unaudited)

- The City Secretary department was under budget by \$243,291 or 22.8% due to savings in election expenses and City Council's contingent fund.
- The Municipal Court realized savings of \$139,985 or 10.9% of budget due to positions that were unfilled during a portion of the year and warrant collection fees that were lower than budgeted.
- The Drainage and Streets department's expenditures were \$424,010 or 15% under budget primarily due to positions that were unfilled during part of the year and reductions in maintenance costs.
- The Facility department was under budget by \$165,102 or 8.0% as a result of savings in personnel and equipment maintenance.

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, 2010 was \$574,178,281 (net of accumulated depreciation), an increase of \$23,780,457 or 4.3%. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, street and drainage systems, and construction in progress.

Major capital projects completed during the 2010 fiscal year included the following:

- Phases 1 and 2 of Water Production project to replace old 27 inch pipes with new 54" pipes - \$5,192,564 and \$4,160,584 respectively
- Wastewater Treatment Plant Improvements - \$1,427,144
- Vehicles and equipment, including police cars and ambulances - \$2,612,487
- Reconstruction of North Coulter Drive (street and drainage) - \$1,016,660
- Park Hudson Trail Sidewalks - \$1,497,982
- Bryan Towne Center (streets and drainage) - \$4,060,441

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 11,525,230	\$ 11,079,720	\$ 14,941,953	\$ 14,847,675	\$ 26,467,183	\$ 25,927,395
Buildings	29,368,423	30,376,126	1,689,140	1,551,156	31,057,563	31,927,282
Equipment	13,170,110	13,404,571	3,875,606	4,157,572	17,045,716	17,562,143
Improvements	14,358,756	15,083,926	352,018,281	300,258,240	366,377,037	315,342,166
Infrastructure	80,278,200	74,689,437	-	-	80,278,200	74,689,437
Construction in Progress	24,870,327	21,572,084	28,082,255	63,377,317	52,952,582	84,949,401
Total	\$ 173,571,046	\$ 166,205,864	\$ 400,607,235	\$ 384,191,960	\$ 574,178,281	\$ 550,397,824

Additional information on the City's capital assets can be found in Note 4 to the financial statements on pages 48-49 of this report.

City of Bryan, Texas

Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2010
 (Unaudited)

Long-term Debt. At the end of fiscal year 2010, the City of Bryan had total debt outstanding of \$360,558,793. Of this amount, \$108,215,000 (general obligation bonds and certificates of obligation) comprises debt backed by the full faith and credit of the City. Notes payable are secured by property or the full faith and credit of the City. The remainder of the City's debt is secured by specified revenue sources (revenue bonds).

Outstanding Debt at Year End Bonds and Notes Payable

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 29,005,000	\$ 19,040,000	\$ -	\$ -	\$ 29,005,000	\$ 19,040,000
Revenue bonds	-	-	248,310,001	166,995,001	248,310,001	166,995,001
Certificates of obligation	79,175,156	79,342,813	34,844	37,188	79,210,000	79,380,001
Notes	2,140,000	2,320,000	1,893,792	1,898,778	4,033,792	4,218,778
Total	<u>\$ 110,320,156</u>	<u>\$ 100,702,813</u>	<u>\$ 250,238,637</u>	<u>\$ 168,930,967</u>	<u>\$ 360,558,793</u>	<u>\$ 269,633,780</u>

During FY 10, the City's total debt increased by \$90,925,013 or 33.7%. The City retired or refunded \$22,759,987 in outstanding principal. New debt issuances included Certificates of Obligation in the amount of \$13,790,000 and General Obligation Refunding bonds for \$10,635,000. The City's electric system issued \$89,260,000 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	Aa2	AA
Certificates of Obligation	Aa2	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 50-55 of this report.

Economic Factors and Next Year's Budgets and Rates

Although the City of Bryan has felt the effects of the economic downturn, fortunately the City has been sheltered to some degree by the presence of Texas A & M University, the health industry and other key economic contributors. Continued growth in the area has allowed the City to maintain the 2010 property tax rate. Ad valorem property taxes comprised approximately 37.1% of general fund revenues. FY 11 sales tax revenue was budgeted to increase 1.7% when compared to the FY 10 actual receipts. Sales tax receipts for the first four (4) months of FY 11 are \$370,423 or 11.26% higher than the same period in 2010, but are less than budgeted projections. Local economic indicators are mixed and do not provide a clear indication of whether the local economy will grow during this next year. The City is

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2010
(Unaudited)

taking a cautiously optimistic view of the local economy, but has taken steps to economize where possible. One example of this cautious approach is the elimination of merit increases in the FY 11 budget. The City also reduced travel and training budgets throughout all departments.

The Water Fund has budgeted slightly decreased operating expenditures in FY 11 over FY 10 of \$89,937 or 1.7% to \$5,325,220. FY 11 budgeted revenues are estimated to be slightly above the FY 10 budget amount by \$39,500 or 0.4% to \$11,241,100 based on increased sales.

The Wastewater Fund budget for FY 11 increased operating revenues by \$148,300 or 1.2% to \$12,467,700. Budgeted operating expenditures for FY 11 are \$5,703,431 which is \$293,958 or 4.9% less than the FY 10 budget.

The Solid Waste Fund budget shows operating revenues of \$7,368,130. This is \$217,174 or 2.9% less than the FY 10 budget. The FY 11 budgeted operating expenditures are projected to be \$5,764,967, down by approximately \$274,647 or 4.5% from the FY 10 budget. The primary reason for these budgeted decreases is the City is no longer operating the compost facility as it was turned over to BVSWMA, Inc. on October 1, 2010 (see Note 29).

Revenues for the entire electric system are projected to be \$161,485,573, which is an increase of \$14,916,588 or 10.2% in FY 11 versus FY 10. This projected increase is due to higher kwh sales levels.

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, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 21,087,309	\$ 39,506,269	\$ 60,593,578	\$ 409,568
Investments	30,947,804	11,934,892	42,882,696	-
Receivables:				
Accounts	4,955,283	20,411,617	25,366,900	-
Less allowance for uncollectible	(2,251,190)	(1,996,802)	(4,247,992)	-
Property taxes	1,339,163	-	1,339,163	-
Less allowance for uncollectible	(923,161)	-	(923,161)	-
Sales taxes	2,546,357	-	2,546,357	-
Assessments	119,846	-	119,846	-
Grants	286,204	-	286,204	-
Interest	127,281	257,793	385,074	-
Notes	1,706,602	-	1,706,602	136,738
Internal balances	(10,554,488)	10,554,488	-	-
Inventories	198,606	5,057,985	5,256,591	-
Prepaid purchased power option	-	70,531,276	70,531,276	-
Prepaid and other assets	10,855	208,924	219,779	-
Deferred cash flow hedges - Unrealized loss on derivatives	-	6,967,809	6,967,809	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	27,015,951	27,015,951	-
Investments	-	35,819,167	35,819,167	-
Permanently restricted:				
Investments	710,905	-	710,905	-
Total current assets	<u>50,307,376</u>	<u>226,269,369</u>	<u>276,576,745</u>	<u>546,306</u>
Noncurrent assets:				
Notes receivable	5,000,000	-	5,000,000	325,147
Unamortized bond issuance expense	658,891	2,962,502	3,621,393	-
Deferred cash flow hedges - Unrealized loss on derivatives	-	12,219,957	12,219,957	-
Restricted assets:				
Investment in BVSWMA	-	12,896,875	12,896,875	-
Capital assets:				
Land	11,525,230	14,941,953	26,467,183	1,705,352
Buildings	41,126,395	2,860,928	43,987,323	194,499
Improvements other than buildings	30,855,169	545,703,333	576,558,502	119,512
Machinery and equipment	28,129,491	11,957,755	40,087,246	-
Infrastructure	140,790,177	-	140,790,177	-
Construction in progress	24,870,328	28,082,255	52,952,583	-
Less accumulated depreciation	(103,725,744)	(202,938,989)	(306,664,733)	(79,087)
Total capital assets	<u>173,571,046</u>	<u>400,607,235</u>	<u>574,178,281</u>	<u>1,940,276</u>
Total noncurrent assets	<u>179,229,937</u>	<u>428,686,569</u>	<u>607,916,506</u>	<u>2,265,423</u>
Total assets	<u>\$ 229,537,313</u>	<u>\$ 654,955,938</u>	<u>\$ 884,493,251</u>	<u>\$ 2,811,729</u>

	Primary Government			Component Unit
	Governmental	Business-type	Total	Bryan Business
	Activities	Activities		Council, Inc.
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 2,373,711	\$ 10,638,173	\$ 13,011,884	\$ 5,164
Accrued liabilities and retainage	2,465,430	896,707	3,362,137	-
Over recovered fuel	-	5,952,845	5,952,845	-
Claims	1,792,697	-	1,792,697	-
Accrued vacation and sick pay	2,237,484	694,064	2,931,548	-
Unearned revenue	1,713,118	88,081	1,801,199	20,000
Accrued interest	-	7,862	7,862	-
General obligation bonds	1,325,000	-	1,325,000	-
Certificates of obligation	4,192,656	2,344	4,195,000	-
Notes	200,000	1,893,792	2,093,792	23,731
Payable from restricted assets:				
Derivative financial instruments	-	6,967,809	6,967,809	-
Accrued liabilities	-	219,935	219,935	-
Accrued interest	631,113	2,801,648	3,432,761	-
Revenue bonds	-	15,305,000	15,305,000	-
Customer deposits	140,866	4,127,070	4,267,936	-
Total current liabilities	<u>17,072,075</u>	<u>49,595,330</u>	<u>66,667,405</u>	<u>48,895</u>
Noncurrent liabilities:				
General obligation bonds	27,680,000	-	27,680,000	-
Certificates of obligation	74,982,500	32,500	75,015,000	-
Revenue bonds	-	233,005,001	233,005,001	-
Unamortized bond premiums (discounts) and deferred amount on refunding	(1,061,356)	4,478,957	3,417,601	-
Arbitrage rebate	-	83,328	83,328	-
Notes	1,940,000	-	1,940,000	71,193
Claims	552,664	-	552,664	-
Derivative financial instruments	-	12,219,957	12,219,957	-
Accrued liabilities	2,748,613	1,012,291	3,760,904	-
Accrued vacation and sick pay	3,472,560	357,548	3,830,108	-
Unearned revenue	-	306,351	306,351	-
Total noncurrent liabilities	<u>110,314,981</u>	<u>251,495,933</u>	<u>361,810,914</u>	<u>71,193</u>
Total liabilities	<u>127,387,056</u>	<u>301,091,263</u>	<u>428,478,319</u>	<u>120,088</u>
<u>Net Assets</u>				
Invested in capital assets, net of related debt	63,909,781	241,866,068	305,775,849	1,845,352
Restricted for:				
BVSWMA	-	12,896,875	12,896,875	-
Debt retirement	-	10,289,151	10,289,151	-
Debt service	1,342,289	3,939,378	5,281,667	-
Perpetual care:				
Expendable	1,011,046	-	1,011,046	-
Nonexpendable	710,905	-	710,905	-
Rate stabilization	-	8,041,602	8,041,602	-
Collateral deposits	-	1,050,000	1,050,000	-
Encumbrances	13,842,732	-	13,842,732	-
Noncurrent notes receivable	5,014,194	-	5,014,194	-
Police activities	94,270	-	94,270	-
Court activities	608,573	-	608,573	-
Record preservation	56,702	-	56,702	-
Capital improvements	8,257,971	-	8,257,971	-
Unrestricted	7,301,794	75,781,601	83,083,395	846,289
Total net assets	<u>\$ 102,150,257</u>	<u>\$ 353,864,675</u>	<u>\$ 456,014,932</u>	<u>\$ 2,691,641</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, 2010

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets			Component Unit Bryan Business Council, Inc.
		Fees, Fines and Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government and administration	\$ 11,861,977	\$ 166,198	\$ -	\$ 133,637	\$ (11,562,142)	\$ -	\$ (11,562,142)	\$ -
Development services	5,514,292	572,570	1,218,388	220,000	(3,503,334)	-	(3,503,334)	-
Public works services	14,603,264	-	1,444	4,009,302	(10,592,518)	-	(10,592,518)	-
Public safety	28,098,561	4,639,041	330,818	113,083	(23,015,619)	-	(23,015,619)	-
Cultural and recreational	8,585,698	1,634,222	1,089,916	-	(5,861,560)	-	(5,861,560)	-
Interest on long-term debt	4,392,590	-	-	-	(4,392,590)	-	(4,392,590)	-
Total governmental activities	<u>73,056,382</u>	<u>7,012,031</u>	<u>2,640,566</u>	<u>4,476,022</u>	<u>(58,927,763)</u>	<u>-</u>	<u>(58,927,763)</u>	<u>-</u>
Business-type activities:								
Electric	132,804,674	134,670,691	-	-	-	1,866,017	1,866,017	-
Rural electric	27,993,444	30,133,488	-	-	-	2,140,044	2,140,044	-
Water	10,380,604	11,529,217	-	972,114	-	2,120,727	2,120,727	-
Wastewater	9,880,856	12,369,599	-	960,039	-	3,448,782	3,448,782	-
Other	9,813,006	10,736,815	25,033	-	-	948,842	948,842	-
Total business-type activities	<u>190,872,584</u>	<u>199,439,810</u>	<u>25,033</u>	<u>1,932,153</u>	<u>-</u>	<u>10,524,412</u>	<u>10,524,412</u>	<u>-</u>
Total primary government	<u>263,928,966</u>	<u>206,451,841</u>	<u>2,665,599</u>	<u>6,408,175</u>	<u>(58,927,763)</u>	<u>10,524,412</u>	<u>(48,403,351)</u>	<u>-</u>
Component unit:								
Bryan Business Council, Inc.	\$ <u>232,180</u>	\$ <u>-</u>	\$ <u>122,400</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(109,780)</u>
General revenues:								
Property taxes					22,967,025	-	22,967,025	-
Sales taxes					14,608,410	-	14,608,410	-
Franchise taxes					2,071,337	-	2,071,337	-
Alcoholic beverage taxes					79,573	-	79,573	-
Bingo taxes					204,009	-	204,009	-
Hotel occupancy taxes					411,190	-	411,190	-
Transportation and drainage assessments					6,129,574	-	6,129,574	-
Unrestricted investment earnings					578,261	992,215	1,570,476	76,720
Miscellaneous					2,298,503	221,532	2,520,035	-
Transfers (net)					9,691,442	(9,691,442)	-	-
Total general revenues and transfers					<u>59,039,324</u>	<u>(8,477,695)</u>	<u>50,561,629</u>	<u>76,720</u>
Change in net assets					111,561	2,046,717	2,158,278	(33,060)
Net assets, October 1, 2009					<u>102,038,696</u>	<u>351,817,958</u>	<u>453,856,654</u>	<u>2,724,701</u>
Net assets, September 30, 2010					<u>\$ 102,150,257</u>	<u>\$ 353,864,675</u>	<u>\$ 456,014,932</u>	<u>\$ 2,691,641</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, 2010

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 3,663,131	\$ 445,460	\$ 11,447,159	\$ 15,555,750
Investments	5,467,917	670,545	17,231,284	23,369,746
Receivables:				
Accounts	4,128,577	-	785,740	4,914,317
Less allowance for uncollectible	(2,051,828)	-	(199,362)	(2,251,190)
Property taxes	967,384	371,779	-	1,339,163
Less allowance for uncollectible	(667,014)	(256,147)	-	(923,161)
Sales taxes	2,546,357	-	-	2,546,357
Assessments	119,846	-	-	119,846
Grants	68,010	-	218,194	286,204
Interest	21,983	2,696	69,278	93,957
Notes	21,678	6,684,924	-	6,706,602
Due from other funds	857,746	607,765	203,890	1,669,401
Prepaid and other assets	10,855	-	-	10,855
Total assets	<u>\$ 15,154,642</u>	<u>\$ 8,527,022</u>	<u>\$ 29,756,183</u>	<u>\$ 53,437,847</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 882,867	\$ -	\$ 1,162,824	\$ 2,045,691
Accrued liabilities	1,492,016	-	13,932	1,505,948
Retainage payable	17,231	-	606,446	623,677
Due to other funds	141,535	-	409,849	551,384
Customer deposits	140,866	-	-	140,866
Deferred revenue	638,410	1,553,620	31,244	2,223,274
Total liabilities	<u>3,312,925</u>	<u>1,553,620</u>	<u>2,224,295</u>	<u>7,090,840</u>
Fund balances:				
Reserved for:				
Encumbrances	2,258,428	-	11,584,304	13,842,732
Noncurrent notes receivable	14,194	5,000,000	-	5,014,194
Police activities	94,270	-	-	94,270
Court activities	330,246	-	278,327	608,573
Record preservation	56,702	-	-	56,702
Debt service	-	1,973,402	-	1,973,402
Capital improvements	-	-	8,257,971	8,257,971
Perpetual care	-	-	710,905	710,905
Unreserved - designated, reported in:				
General fund	809,916	-	-	809,916
Unreserved - undesignated, reported in:				
General fund	8,277,961	-	-	8,277,961
Special revenue funds	-	-	6,560,002	6,560,002
Permanent funds	-	-	1,011,046	1,011,046
Unreserved - undesignated (deficit), reported in:				
Capital project funds	-	-	(870,667)	(870,667)
Total fund balances	<u>11,841,717</u>	<u>6,973,402</u>	<u>27,531,888</u>	<u>46,347,007</u>
Total liabilities and fund balances	<u>\$ 15,154,642</u>	<u>\$ 8,527,022</u>	<u>\$ 29,756,183</u>	<u>\$ 53,437,847</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, 2010

Total fund balances - governmental funds \$ 46,347,007

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 \$4,633,458.) 173,571,046

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 510,155

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 \$11,423,318 and net capital assets in the amount of \$4,633,458.) (652,144)

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. (631,113)

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	\$ 29,005,000	
Certificates of obligation payable	79,175,156	
Notes payable	2,140,000	
Deferred charges on debt	(1,720,247)	
Net Pension Obligation	2,748,613	
Accrued vacation and sick leave (Net of internal service fund liability in the amount of \$63,872)	<u>5,646,172</u>	<u>(116,994,694)</u>

Net assets of governmental activities \$ 102,150,257

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, 2010

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 15,512,614	\$ 5,852,971	\$ 1,560,979	\$ 22,926,564
Sales taxes	14,608,410	-	-	14,608,410
Franchise taxes	2,071,337	-	-	2,071,337
Alcoholic beverage taxes	79,573	-	-	79,573
Bingo taxes	204,009	-	-	204,009
Hotel occupancy taxes	-	-	411,190	411,190
Transportation and drainage assessments	-	-	6,129,574	6,129,574
Charges for services	4,528,548	-	-	4,528,548
Fines and court charges	1,866,467	-	44,446	1,910,913
Licenses and permits	572,570	-	-	572,570
Grants	1,716,817	-	1,438,388	3,155,205
Investment earnings	98,971	78,080	292,631	469,682
Oil and gas royalties	-	-	50,701	50,701
Other	536,138	256,895	1,421,126	2,214,159
Total revenues	41,795,454	6,187,946	11,349,035	59,332,435
Expenditures:				
Current:				
General government and administration	12,724,642	-	179,761	12,904,403
Development services	3,206,411	-	2,075,366	5,281,777
Public works services	4,410,872	-	5,461,341	9,872,213
Public safety	27,027,735	-	-	27,027,735
Cultural and recreational	6,538,184	-	390,789	6,928,973
Administrative reimbursement	(3,990,430)	-	-	(3,990,430)
Capital outlay	963,376	-	10,110,859	11,074,235
Debt service:				
Bond and principal retirement	180,000	4,422,656	-	4,602,656
Interest and fiscal charges	149,648	4,243,293	-	4,392,941
Advance refunding costs	-	70,134	-	70,134
Debt issuance costs	-	53,345	42,423	95,768
Total expenditures	51,210,438	8,789,428	18,260,539	78,260,405
Excess of expenditures over revenues	(9,414,984)	(2,601,482)	(6,911,504)	(18,927,970)
Other financing sources (uses):				
Sales of capital assets	143,309	-	-	143,309
Transfers in	10,915,998	8,474,735	42,086	19,432,819
Transfers out	(434,138)	-	(8,519,534)	(8,953,672)
Long-term debt issued	-	-	13,790,000	13,790,000
Refunding bonds issued	-	10,635,000	-	10,635,000
Premium on refunding bonds	-	250,488	-	250,488
Premium on long-term debt issued	-	-	77,859	77,859
Payment to refunded bond escrow agent	-	(10,838,398)	-	(10,838,398)
Total other financing sources	10,625,169	8,521,825	5,390,411	24,537,405
Net change in fund balances	1,210,185	5,920,343	(1,521,093)	5,609,435
Fund balances, October 1, 2009	10,631,532	1,053,059	29,052,981	40,737,572
Fund balances, September 30, 2010	<u>\$ 11,841,717</u>	<u>\$ 6,973,402</u>	<u>\$ 27,531,888</u>	<u>\$ 46,347,007</u>

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, 2010

Net change in fund balances - total governmental funds \$ 5,609,435

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. 11,074,235

The net effect of various transactions involving capital assets (i.e., sales and contributions) is to increase net assets. 3,916,715

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. (9,296,122)

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	\$ (13,790,000)	
Certificate of obligation deferred charges	17,909	
General obligation refunding bonds issued	(10,635,000)	
Payment to refunded bond escrow agent	10,838,398	
Refunding bond deferred charges	(180,354)	
Debt principal repayments	<u>4,602,656</u>	(9,146,391)

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. (1,963,174)

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. 140,622

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. 390,310

Some revenues reported in the governmental funds were earned in prior periods; and therefore, are not reported in the government-wide statement of activities. (353,477)

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 \$1,293,803). (260,592)

Change in net assets of governmental activities. \$ 111,561

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, 2010

	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	\$ 27,800,338	\$ 3,644,779	\$ 2,784,481	\$ 4,376,637	\$ 900,034	\$ 39,506,269	\$ 5,531,559
Investments	-	-	4,194,430	6,590,628	1,149,834	11,934,892	8,288,963
Accounts receivable	11,348,125	3,455,671	1,627,131	1,421,713	2,558,977	20,411,617	40,967
Less allowance for uncollectible	(1,147,337)	(190,239)	(200,488)	(231,748)	(226,990)	(1,996,802)	-
Interest receivable	198,708	-	23,606	30,856	4,623	257,793	33,324
Inventories	4,712,214	-	313,853	-	31,918	5,057,985	198,606
Due from other funds	2,546,438	-	193,839	149,545	111,323	3,001,145	236,971
Prepaid purchased power option	70,531,276	-	-	-	-	70,531,276	-
Prepaid and other assets	118,281	-	-	-	90,643	208,924	-
Deferred cash flow hedges - Unrealized loss on derivatives	6,967,809	-	-	-	-	6,967,809	-
Restricted assets:							
Cash and cash equivalents	20,773,042	3,044,349	1,154,700	2,043,860	-	27,015,951	-
Investments	30,053,000	3,004,800	1,677,274	1,084,093	-	35,819,167	-
Total current assets	<u>173,901,894</u>	<u>12,959,360</u>	<u>11,768,826</u>	<u>15,465,584</u>	<u>4,620,362</u>	<u>218,716,026</u>	<u>14,330,390</u>
Noncurrent assets:							
Unamortized bond issuance expenses	1,812,633	310,418	466,788	372,663	-	2,962,502	-
Deferred cash flow hedges - Unrealized loss on derivatives	12,219,957	-	-	-	-	12,219,957	-
Restricted assets:							
Investment in BVSWMA	-	-	-	-	12,896,875	12,896,875	-
Capital assets:							
Land	3,914,184	111,483	506,036	358,391	10,051,859	14,941,953	-
Buildings	-	-	37,850	31,591	2,791,487	2,860,928	23,420
Equipment	-	-	1,712,325	2,749,470	7,495,960	11,957,755	6,044,095
Improvements other than buildings	305,445,868	56,485,594	91,897,348	85,707,499	6,167,024	545,703,333	158,331
Construction in progress	16,892,177	1,584,602	4,033,028	5,572,448	-	28,082,255	-
Less accumulated depreciation	<u>(121,219,063)</u>	<u>(18,764,439)</u>	<u>(25,273,115)</u>	<u>(28,730,853)</u>	<u>(8,951,519)</u>	<u>(202,938,989)</u>	<u>(1,592,388)</u>
Total capital assets (net of accumulated depreciation)	<u>205,033,166</u>	<u>39,417,240</u>	<u>72,913,472</u>	<u>65,688,546</u>	<u>17,554,811</u>	<u>400,607,235</u>	<u>4,633,458</u>
Total noncurrent assets	<u>219,065,756</u>	<u>39,727,658</u>	<u>73,380,260</u>	<u>66,061,209</u>	<u>30,451,686</u>	<u>428,686,569</u>	<u>4,633,458</u>
Total assets	<u>\$ 392,967,650</u>	<u>\$ 52,687,018</u>	<u>\$ 85,149,086</u>	<u>\$ 81,526,793</u>	<u>\$ 35,072,048</u>	<u>\$ 647,402,595</u>	<u>\$ 18,963,848</u>

		Business-type Activities - Enterprise Funds						Governmental
		Electric	Rural Electric	Water	Wastewater	Other	Total	Activities -
		Fund	Fund	Fund	Fund	Enterprise	Enterprise	Internal
						Funds	Funds	Service Funds
<u>Liabilities</u>								
Current liabilities:								
Accounts payable		\$ 9,489,806	\$ 79,026	\$ 556,526	\$ 160,987	\$ 351,826	\$ 10,638,171	\$ 328,020
Accrued liabilities		471,025	88,933	70,802	83,559	182,388	896,707	20,694
Over recovered fuel		3,848,556	2,104,289	-	-	-	5,952,845	-
Claims payable		-	-	-	-	-	-	1,792,697
Due to other funds		707,967	2,083,158	-	-	1,078,850	3,869,975	486,158
Unearned revenue		15,201	64,914	-	7,966	-	88,081	-
Accrued interest		-	-	-	-	7,862	7,862	-
Certificates of obligation		-	-	-	-	2,344	2,344	-
Notes		-	-	-	-	1,893,792	1,893,792	-
Accrued vacation and sick pay		247,898	37,974	163,550	112,882	131,760	694,064	42,155
Current liabilities payable from restricted assets:								
Derivative financial instruments		6,967,809	-	-	-	-	6,967,809	-
Accrued liabilities		-	-	114,623	105,312	-	219,935	-
Accrued interest		1,974,513	65,575	435,365	326,195	-	2,801,648	-
Revenue bonds		10,685,000	155,000	2,270,858	2,194,142	-	15,305,000	-
Customer deposits		3,321,387	757,028	-	-	48,655	4,127,070	-
Total current liabilities		<u>37,729,162</u>	<u>5,435,897</u>	<u>3,611,724</u>	<u>2,991,043</u>	<u>3,697,477</u>	<u>53,465,303</u>	<u>2,669,724</u>
Noncurrent liabilities:								
Certificates of obligation		-	-	-	-	32,500	32,500	-
Revenue bonds		165,150,000	5,900,000	35,283,071	26,671,930	-	233,005,001	-
Unamortized bond premiums (discounts)		-	-	-	-	-	-	-
and deferred amount on refunding		4,105,145	(54,481)	167,753	260,540	-	4,478,957	-
Arbitrage rebate		83,328	-	-	-	-	83,328	-
Claims payable		-	-	-	-	-	-	552,664
Unearned revenue		306,351	-	-	-	-	306,351	-
Derivative financial instruments		12,219,957	-	-	-	-	12,219,957	-
Accrued liabilities		1,012,291	-	-	-	-	1,012,291	315,111
Accrued vacation and sick pay		127,705	19,563	84,253	58,151	67,876	357,548	21,717
Total noncurrent liabilities		<u>183,004,777</u>	<u>5,865,082</u>	<u>35,535,077</u>	<u>26,990,621</u>	<u>100,376</u>	<u>251,495,933</u>	<u>889,492</u>
Total liabilities		<u>220,733,939</u>	<u>11,300,979</u>	<u>39,146,801</u>	<u>29,981,664</u>	<u>3,797,853</u>	<u>304,961,236</u>	<u>3,559,216</u>
<u>Net Assets</u>								
Invested in capital assets, net of related debt		113,451,918	36,445,747	37,328,080	39,014,148	15,626,175	241,866,068	4,633,458
Restricted for:								
BVSWMA		-	-	-	-	12,896,875	12,896,875	-
Encumbrances		-	-	-	-	-	-	1,600
Debt retirement		10,289,151	-	-	-	-	10,289,151	-
Debt service		2,671,249	38,750	612,484	616,895	-	3,939,378	-
Rate stabilization		8,041,602	-	-	-	-	8,041,602	-
Collateral deposits		1,050,000	-	-	-	-	1,050,000	-
Unrestricted		36,729,791	4,901,542	8,061,721	11,914,086	2,751,145	64,358,285	10,769,574
Total net assets		<u>\$ 172,233,711</u>	<u>\$ 41,386,039</u>	<u>\$ 46,002,285</u>	<u>\$ 51,545,129</u>	<u>\$ 31,274,195</u>	<u>342,441,359</u>	<u>\$ 15,404,632</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							11,423,316	
Net assets of business-type activities							<u>\$ 353,864,675</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, 2010

	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	\$ 134,670,691	\$ 30,133,488	\$ -	\$ -	\$ -	\$ 164,804,179	\$ -
Water system	-	-	11,529,217	-	-	11,529,217	-
Sewer system	-	-	-	12,369,599	-	12,369,599	-
Other	598,443	-	-	-	10,138,372	10,736,815	12,401,165
Total operating revenues	<u>135,269,134</u>	<u>30,133,488</u>	<u>11,529,217</u>	<u>12,369,599</u>	<u>10,138,372</u>	<u>199,439,810</u>	<u>12,401,165</u>
Operating expenses:							
Personnel services	9,329,398	403,671	2,075,763	2,532,168	3,830,364	18,171,364	595,097
Electric operations	101,596,546	25,140,935	-	-	232,109	126,969,590	-
Maintenance	1,824,198	434,886	673,551	654,206	390,149	3,976,990	155,610
Claims	-	-	-	-	-	-	7,737,973
Other services and charges	2,019,865	-	2,998,941	1,612,177	2,613,606	9,244,589	1,573,466
Other expenses	604,607	-	541,234	481,201	744,965	2,372,007	32,999
General and administrative	2,445,663	103,518	263,091	1,155,561	2,078,390	6,046,223	271,872
Administrative reimbursement	-	-	-	-	-	-	-
Total operating expenses							
before depreciation	<u>117,820,277</u>	<u>26,083,010</u>	<u>6,552,580</u>	<u>6,435,313</u>	<u>9,889,583</u>	<u>166,780,763</u>	<u>10,367,017</u>
Operating income before depreciation	17,448,857	4,050,478	4,976,637	5,934,286	248,789	32,659,047	2,034,148
Depreciation	<u>8,438,655</u>	<u>1,630,091</u>	<u>2,085,143</u>	<u>2,284,882</u>	<u>1,022,065</u>	<u>15,460,836</u>	<u>928,212</u>
Operating income	<u>9,010,202</u>	<u>2,420,387</u>	<u>2,891,494</u>	<u>3,649,404</u>	<u>(773,276)</u>	<u>17,198,211</u>	<u>1,105,936</u>
Nonoperating revenues (expenses):							
Investment earnings	365,336	43,002	93,177	125,769	19,865	647,149	108,579
Interest expense	(6,357,981)	(277,373)	(1,821,616)	(1,380,152)	(87,667)	(9,924,789)	-
Grants	-	-	-	-	25,033	25,033	-
Distributive share of BVSWMA net income	-	-	-	-	345,066	345,066	-
Other - net	-	-	57,216	54,653	109,664	221,533	606,402
Total nonoperating revenues (expenses)	<u>(5,992,645)</u>	<u>(234,371)</u>	<u>(1,671,223)</u>	<u>(1,199,730)</u>	<u>411,961</u>	<u>(8,686,008)</u>	<u>714,981</u>
Income (expenses) before contributions and transfers	3,017,557	2,186,016	1,220,271	2,449,674	(361,315)	8,512,203	1,820,917
Capital contributions	-	-	972,114	960,039	-	1,932,153	-
Transfers in	1,308,160	-	29,140	87,385	303,897	1,728,582	-
Transfers out	<u>(8,513,115)</u>	<u>-</u>	<u>(1,014,227)</u>	<u>(1,037,831)</u>	<u>(854,851)</u>	<u>(11,420,024)</u>	<u>(787,705)</u>
Change in net assets	<u>(4,187,398)</u>	<u>2,186,016</u>	<u>1,207,298</u>	<u>2,459,267</u>	<u>(912,269)</u>	<u>752,914</u>	<u>1,033,212</u>
Net assets, October 1, 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>
Net assets, September 30, 2010	<u>\$ 172,233,711</u>	<u>\$ 41,386,039</u>	<u>\$ 46,002,285</u>	<u>\$ 51,545,129</u>	<u>\$ 31,274,195</u>		<u>\$ 15,404,632</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						1,293,803	
Change in net assets of business-type activities.						<u>\$ 2,046,717</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, 2010

	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	\$ 146,809,834	\$ 30,151,010	\$ 11,506,242	\$ 12,488,428	\$ 10,079,420	\$ 211,034,934	\$ 3,172,917
Receipts for interfund services provided	-	-	-	-	-	-	10,620,269
Payments to suppliers	(174,248,966)	(24,817,507)	(3,869,096)	(2,738,158)	(3,252,191)	(208,925,918)	(10,175,902)
Payments to employees	(8,762,490)	(409,460)	(2,039,018)	(2,512,727)	(3,824,697)	(17,548,392)	(589,868)
Receipts for miscellaneous revenues	-	-	57,216	54,653	131,027	242,896	606,402
Payments for interfund services used	-	-	(263,091)	(1,155,561)	(2,054,039)	(3,472,691)	(271,872)
Net cash provided (used) by operating activities	<u>(36,201,622)</u>	<u>4,924,043</u>	<u>5,392,253</u>	<u>6,136,635</u>	<u>1,079,520</u>	<u>(18,669,171)</u>	<u>3,361,946</u>
Cash flows from noncapital financing activities:							
Transfers in	1,308,160	-	29,140	87,385	303,897	1,728,582	-
Transfers out	(8,513,115)	-	(1,014,227)	(1,037,831)	(854,851)	(11,420,024)	(787,705)
Net cash provided (used) by noncapital financing activities	<u>(7,204,955)</u>	<u>-</u>	<u>(985,087)</u>	<u>(950,446)</u>	<u>(550,954)</u>	<u>(9,691,442)</u>	<u>(787,705)</u>
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(17,437,212)	(3,040,912)	(4,201,872)	(4,476,271)	(1,038,831)	(30,195,098)	(2,598,566)
Capital contributions	-	-	176,065	78,743	-	254,808	-
Grant proceeds	-	-	-	-	11,520	11,520	-
Revenue bond proceeds	92,210,034	-	-	-	-	92,210,034	-
Principal paid on certificates of obligation	-	-	-	-	(2,344)	(2,344)	-
Principal paid on revenue bonds	(2,820,000)	(150,000)	(2,142,108)	(2,062,892)	-	(7,175,000)	-
Principal paid on notes	-	-	-	-	(4,986)	(4,986)	-
Interest paid on bonds, contractual obligations, and notes	(5,445,289)	(244,545)	(1,826,806)	(1,389,879)	(81,334)	(8,987,853)	-
Net cash used by capital and related financing activities	<u>66,507,533</u>	<u>(3,435,457)</u>	<u>(7,994,721)</u>	<u>(7,850,299)</u>	<u>(1,115,975)</u>	<u>46,111,081</u>	<u>(2,598,566)</u>
Cash flows from investing activities:							
Purchase of investment securities	(37,905,566)	(5,982,300)	(4,844,768)	(6,496,678)	(934,184)	(56,163,496)	(7,094,782)
Sale of investment securities	45,176,904	6,000,000	4,096,844	4,748,626	775,663	60,798,037	4,089,407
Interest on investments	285,523	43,002	96,997	126,638	20,549	572,709	103,538
Net cash provided (used) by investing activities	<u>7,556,861</u>	<u>60,702</u>	<u>(650,927)</u>	<u>(1,621,414)</u>	<u>(137,972)</u>	<u>5,207,250</u>	<u>(2,901,837)</u>
Net increase (decrease) in cash and cash equivalents	30,657,817	1,549,288	(4,238,482)	(4,285,524)	(725,381)	22,957,718	(2,926,162)
Cash and cash equivalents, October 1, 2009	17,915,563	5,139,840	8,177,663	10,706,021	1,625,415	43,564,502	8,457,721
Cash and cash equivalents, September 30, 2010	<u>\$ 48,573,380</u>	<u>\$ 6,689,128</u>	<u>\$ 3,939,181</u>	<u>\$ 6,420,497</u>	<u>\$ 900,034</u>	<u>\$ 66,522,220</u>	<u>\$ 5,531,559</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	\$ 9,010,202	\$ 2,420,387	\$ 2,891,494	\$ 3,649,404	\$ (773,276)	\$ 17,198,211	\$ 1,105,936
Adjustments to reconcile operating income to net cash provided (used) by operating activities							
Depreciation	8,438,655	1,630,091	2,085,143	2,284,882	1,022,065	15,460,836	928,212
Receipts for miscellaneous revenues	-	-	57,216	54,653	131,027	242,896	606,402
Change in assets and liabilities:							
Change in accounts receivable	77,960	(35,293)	(9,384)	93,453	(79,259)	47,477	4,841
Change in inventory	157,164	-	(3,394)	-	(28,418)	125,352	(619)
Change in due from other funds	11,120,136	-	5,080	25,376	39,104	11,189,696	(109,638)
Change in over(un)recovered fuel	2,894,487	1,131,897	-	-	-	4,026,384	-
Change in prepaid assets	(70,540,530)	-	111	-	11,549,293	(58,991,126)	-
Change in grants receivable	-	-	279	-	-	279	-
Change in accounts payable	1,302,996	(167,770)	344,473	5,380	(24,686)	1,460,393	(98,964)
Change in accrued liabilities	372,747	(5,746)	58,702	59,200	664,740	1,149,643	427,933
Change in deferred credits	-	-	(18,950)	-	(43,420)	(62,370)	-
Change in customer deposits	342,604	52,815	-	-	(3,406)	392,013	-
Change in due to other funds	284,833	17,407	(44,682)	(50,406)	(11,372,096)	(11,164,944)	485,111
Change in claims payable	-	-	-	-	-	-	10,022
Change in unearned revenue	(229,784)	(113,956)	-	-	-	(343,740)	-
Change in accrued vacation and sick pay	3,458	(5,789)	26,165	14,693	(2,148)	36,379	2,710
Change in post employee benefits	563,450	-	-	-	-	563,450	-
Net cash provided (used) by operating activities	<u>\$ (36,201,622)</u>	<u>\$ 4,924,043</u>	<u>\$ 5,392,253</u>	<u>\$ 6,136,635</u>	<u>\$ 1,079,520</u>	<u>\$ (18,669,171)</u>	<u>\$ 3,361,946</u>

Noncash investing, capital and financing activities:

During this past year, the Enterprise Funds received \$1,677,343 noncash capital contributions from developers consisting of water and sewer infrastructure. The investment in BWSWMA increased \$345,066 as a result of their operations.

Reconciliation of total cash and cash equivalents:

Current assets - cash and cash equivalents	\$ 27,800,338	\$ 3,644,779	\$ 2,784,481	\$ 4,376,637	\$ 900,034	\$ 39,506,269	\$ 5,531,559
Restricted assets - cash and cash equivalents	20,773,042	3,044,349	1,154,700	2,043,860	-	27,015,951	-
Total cash and cash equivalents	<u>\$ 48,573,380</u>	<u>\$ 6,689,128</u>	<u>\$ 3,939,181</u>	<u>\$ 6,420,497</u>	<u>\$ 900,034</u>	<u>\$ 66,522,220</u>	<u>\$ 5,531,559</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, 2010

Assets

Cash and cash equivalents	\$	654,819
Accounts receivable		<u>253,770</u>
Total assets	\$	<u><u>908,589</u></u>

Liabilities

Accounts payable	\$	<u>908,589</u>
Total liabilities	\$	<u><u>908,589</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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

	<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 2010 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, 2010

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, 2010, the City adopted the following GASB pronouncements:

- GASB Statement No. 51 (“GASB 51”), *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. There was no impact on the City’s financial statements as a result of this implementation.
- GASB Statement No. 53 (“GASB 53”), *Accounting and Financial Reporting for Derivative Instruments*. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments and generally requires derivative instruments covered in its scope to be recorded at fair value on the Statement of Net Assets. The City’s electric company 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. Refer to Notes to Financial Statement 28 – Financial Hedging for disclosures related to GASB Statement No. 53.
- GASB Statement No. 58 (“GASB 58”), *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. This statement establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. This standard does not apply to the City.

Accounting Pronouncements Issued But Not Yet Effective

In February 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement does not change the total amount reported as fund balance, but does alter the categories and terminology used to describe the components of fund balance. This statement is effective for periods beginning after June 15, 2010.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

2. DEPOSITS AND INVESTMENTS

Deposits

State statutes require that all deposits in financial institutions be fully collateralized with depository insurance or by U.S. Government obligations or its agencies and instrumentalities; or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. At year-end, the City's demand deposits at Citibank, N.A. were entirely covered by federal depository insurance or by collateral held by the City's custodial banks (The Bank of New York) in the City's name. At September 30, the carrying amount of the City's demand deposits was \$58,685,397 and the bank balance was \$57,719,294.

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. Direct 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 AA 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 180 days or less from the date of issuance that is rated not less than A-1, P-1, F-1 or its equivalent;

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

- i. Fully collateralized repurchase agreements having a defined termination date of 90 days or less, secured by qualified obligations, pledged with a third party, and placed through a primary government securities dealer as defined by the Federal Reserve, or a bank domiciled in Texas;
- j. Money-market mutual funds that are SEC registered no-load funds with dollar-weighted average portfolio maturity of 9 days or less;
- k. AAA-rated local government 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.
- m. Reverse repurchase agreements are allowed only if the term does not exceed 90 days after delivery, and money received is used to acquire additional authorized investments with a maturity date not to exceed the expiration date stated in the agreement.

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

At September 30, 2010, the fair market value of the City's portfolio is as follows:

	<u>Fair</u> <u>Value</u>	<u>Percentage</u> <u>of Total</u>	<u>Wgt. Avg.</u> <u>Maturity</u>	<u>Credit</u> <u>Risk</u>
U. S. Agencies and Instrumentalities	\$ 46,354,970	42.53%	439 days	AAA
U.S. Treasury Securities	33,057,800	30.33%	87 days	NR
Certificates of Deposit	2,027,548	1.86%	240 days	NR
Investments in Government Pools	27,551,401	25.28%	40 days	AAAm
Total Investments	<u>\$ 108,991,719</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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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, 2010, all City deposits were insured or adequately collateralized.

Interest Rate Risk – As of September 30, 2010, the City minimized the risk associated with the decline in market value of securities due to rising interest rates (interest rate risk) by maintaining a "buy and hold" strategy whereby investment securities are purchased with the intent to hold the securities in the portfolio until maturity. Additionally, the City's Investment Policy limits the weighted average maturity of all securities and Certificates of Deposit in the City's portfolio to no more than three years at any given time. The City's investment strategy acts to reduce interest rate risk through investing funds to meet cash flow requirements; monitoring the credit ratings of portfolio investments to assure compliance with the Investment Policy and the Texas Public Funds Investment Act; and investing in a diversified portfolio of assets including obligations of the United States and its agencies and instrumentalities, money market mutual funds, and government investment pools.

Credit Risk and Concentration of Credit Risk – In compliance with the City's Investment Policy and the Texas Public Funds Investment Act, the City managed credit risk through portfolio diversification by limiting investments to avoid over concentration in securities from a specific issuer; limiting investments in securities with high credit risk; and investing in securities with varying maturities. 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 fifteen (15) percent of the total assets of the money market fund; no more than 70% of the City's portfolio shall be invested in Federal Agencies and Instrumentalities; and no more than 20% of the portfolio shall be invested in certificates of deposit. At September 30, 2010, 42.12% of the City's portfolio was invested in U.S. Agencies and Instrumentalities including 39.19% in Federal Home Loan Bank securities, 15.16% in Federal National Mortgage Association securities, 26.15% in Farm Credit System Banks and 19.5% in Federal Home Loan Mortgage Corporation securities. In particular, 64.8% 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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, 2010. Under provisions adopted by the City, the maximum tax rate is limited to \$1.50 per \$100 of assessed valuation.

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

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010 follows:

	Balance October 1	Additions / Completions	Retirements / Adjustments	Balance September 30
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 11,079,720	\$ 445,510	\$ -	\$ 11,525,230
Construction in Progress	21,572,084	11,828,939	(8,530,695)	24,870,328
Total capital assets not being depreciated	<u>32,651,804</u>	<u>12,274,449</u>	<u>(8,530,695)</u>	<u>36,395,558</u>
Capital assets, being depreciated				
Buildings	41,109,834	16,561	-	41,126,395
Equipment	26,467,775	2,750,079	(1,088,363)	28,129,491
Improvements	30,342,608	512,561	-	30,855,169
Infrastructure	130,165,026	10,625,151	-	140,790,177
Total capital assets being depreciated	<u>228,085,243</u>	<u>13,904,352</u>	<u>(1,088,363)</u>	<u>240,901,232</u>
Less accumulated depreciation for:				
Buildings	(10,733,708)	(1,024,263)	-	(11,757,971)
Equipment	(13,063,204)	(2,925,951)	1,029,773	(14,959,382)
Improvements	(15,258,682)	(1,237,732)	-	(16,496,414)
Infrastructure	(55,475,589)	(5,036,388)	-	(60,511,977)
Total accumulated depreciation	<u>(94,531,183)</u>	<u>(10,224,334)</u>	<u>1,029,773</u>	<u>(103,725,744)</u>
Total capital assets, being depreciated, net	<u>133,554,060</u>	<u>3,680,018</u>	<u>(58,590)</u>	<u>137,175,488</u>
Governmental activities capital assets, net	<u>\$ 166,205,864</u>	<u>\$ 15,954,467</u>	<u>\$ (8,589,285)</u>	<u>\$ 173,571,046</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 14,847,675	\$ 94,278	\$ -	\$ 14,941,953
Construction In Progress	63,377,317	29,380,124	(64,675,186)	28,082,255
Total capital assets not being depreciated	<u>78,224,992</u>	<u>29,474,402</u>	<u>(64,675,186)</u>	<u>43,024,208</u>
Capital assets, being depreciated				
Buildings	2,584,123	276,805	-	2,860,928
Equipment	11,791,832	703,575	(537,652)	11,957,755
Improvements	487,870,178	66,071,659	(8,238,504)	545,703,333
Total capital assets being depreciated	<u>502,246,133</u>	<u>67,052,039</u>	<u>(8,776,156)</u>	<u>560,522,016</u>
Less accumulated depreciation for:				
Buildings	(1,032,967)	(138,821)	-	(1,171,788)
Equipment	(7,634,260)	(973,329)	525,440	(8,082,149)
Improvements	(187,611,938)	(14,348,686)	8,275,572	(193,685,052)
Total accumulated depreciation	<u>(196,279,165)</u>	<u>(15,460,836)</u>	<u>8,801,012</u>	<u>(202,938,989)</u>
Total capital assets, being depreciated, net	<u>305,966,968</u>	<u>51,591,203</u>	<u>24,856</u>	<u>357,583,027</u>
Business-type activities capital assets, net	<u>\$ 384,191,960</u>	<u>\$ 81,065,605</u>	<u>\$ (64,650,330)</u>	<u>\$ 400,607,235</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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

Governmental activities:	
General government and administration	\$2,220,102
Development services	356,775
Public works services	5,176,935
Public safety	1,465,663
Cultural and recreational	1,004,859
Business-type activities:	
Electric	8,438,655
Rural Electric	1,630,091
Water	2,085,143
Wastewater	2,284,882
Other Enterprise Funds	1,022,065
	<u>\$25,685,170</u>

The City has active construction projects as of September 30, 2010. Total accumulated commitments for ongoing capital projects are composed of the following:

	<u>Committed</u>
Street improvements	\$ 8,237,827
Drainage improvements	766,456
Sidewalk improvements	638,138
Tax Increment Reinvestment Zone #8	
- public infrastructure improvements	4,897
Tax Increment Reinvestment Zone #10	
- public infrastructure improvements	43,500.00
Tax Increment Reinvestment Zone #21	
- public infrastructure improvements	26,000
Tax Increment Reinvestment Zone #22	
- public infrastructure improvements	1,756,158
Hotel improvements	1,200
Water system improvements	1,111,793
Wastewater system improvements	766,393
Total	<u>\$13,352,362</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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, 2010:

	Beginning Balance	Issued	Matured/ Refunded	Ending Balance	Due within one year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 19,040,000	\$ 10,635,000	\$ 670,000	\$ 29,005,000	\$ 1,325,000
Certificates of Obligation	79,342,813	13,790,000	13,957,657	79,175,156	4,192,656
Notes Payable	2,320,000	-	180,000	2,140,000	200,000
Total governmental fund types	<u>100,702,813</u>	<u>24,425,000</u>	<u>14,807,657</u>	<u>110,320,156</u>	<u>5,717,656</u>
<u>Business-type Activities:</u>					
General Obligation Bonds	-	-	-	-	-
Certificates of Obligation	37,188	-	2,344	34,844	2,344
Electric System Revenue Bonds	96,370,000	89,260,000	3,740,000	181,890,000	10,840,000
Water and Sewer System					
Revenue Bonds	70,625,001	-	4,205,000	66,420,001	4,465,000
Notes Payable	1,898,778	1,893,792	1,898,778	1,893,792	1,893,792
Total proprietary fund types	<u>168,930,967</u>	<u>91,153,792</u>	<u>9,846,122</u>	<u>250,238,637</u>	<u>17,201,136</u>
Total long-term debt	<u>\$ 269,633,780</u>	<u>\$ 115,578,792</u>	<u>\$ 24,653,779</u>	<u>\$ 360,558,793</u>	<u>\$ 22,918,792</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

Long-term debt at September 30, 2010 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	\$ 18,550,000	\$ -	\$ 18,550,000
Refunding, Series 2010	2.00 - 4.00	2021	10,455,000	-	10,455,000
Total General Obligation Bonds			<u>29,005,000</u>	<u>-</u>	<u>29,005,000</u>
<u>Certificates of Obligation:</u>					
Combination Tax & Surplus Utility					
System Revenue, Series 2001	4.35 - 6.50	2021	1,080,156	34,844	1,115,000
Combination Tax & Surplus Waterworks & Sewer System Revenue, Series 2001A					
Sewer System Revenue, Series 2001A	4.50 - 6.00	2021	755,000	-	755,000
Combination Tax & Surplus Utility					
System Revenue, Series 2003	4.00 - 4.60	2024	7,950,000	-	7,950,000
Combination Tax & Revenue, Series 2004	2.50 - 4.75	2025	11,660,000	-	11,660,000
Combination Tax & Revenue, Series 2005	4.00 - 5.00	2026	14,515,000	-	14,515,000
Combination Tax & Revenue, Series 2007	4.00 - 4.25	2026	11,095,000	-	11,095,000
Combination Tax & Revenue, Series 2008	4.00 - 5.00	2028	9,965,000	-	9,965,000
Combination Tax & Revenue, Series 2009	3.00 - 5.00	2029	8,365,000	-	8,365,000
Combination Tax & Revenue, Series 2010	2.00 - 4.38	2030	13,790,000	-	13,790,000
Total Certificates of Obligation			<u>79,175,156</u>	<u>34,844</u>	<u>79,210,000</u>
<u>Revenue Bonds:</u>					
Electric System Refunding, Series 2001	4.125 - 5.00	2019	-	4,025,000	4,025,000
Water and Sewer System Refunding and Improvement, Series 2001					
and Improvement, Series 2001	3.00 - 5.50	2022	-	14,540,000	14,540,000
Water and Sewer System Revenue, Series 2004					
Series 2004	2.50 - 5.00	2030	-	4,180,000	4,180,000
Water and Sewer System Revenue, Series 2005					
Series 2005	4.00 - 4.75	2031	-	5,835,000	5,835,000
Water and Sewer System Revenue, Series 2007					
Series 2007	4.00 - 5.00	2032	-	35,205,001	35,205,001
Water and Sewer System Revenue, Series 2009A					
Series 2009A	2.00 - 4.625	2029	-	5,505,000	5,505,000
Sewer System Revenue, Series 2009B					
Series 2009B	0.15 - 2.60	2019	-	1,155,000	1,155,000
Electric System Revenue, Series 2005	3.50 - 4.50	2025	-	10,920,000	10,920,000
Electric System Revenue, Series 2006	4.00 - 5.00	2031	-	11,120,000	11,120,000
Electric System Revenue, Series 2007	4.25 - 5.25	2032	-	30,065,000	30,065,000
Electric System Revenue, Series 2008	4.00 - 5.25	2033	-	31,215,000	31,215,000
Electric System Revenue Rural, Series 2008	3.50 - 4.75	2034	-	6,055,000	6,055,000
Electric System Revenue, Series 2009	4.00 - 5.00	2034	-	24,300,000	24,300,000
Electric System Revenue, Series 2010	2.00 - 5.00	2019	-	64,190,000	64,190,000
Total Revenue Bonds			<u>\$ -</u>	<u>\$ 248,310,001</u>	<u>\$ 248,310,001</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

<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	\$ 2,140,000	\$ -	\$ 2,140,000
Bryan Commerce & Development Promissory Note	6.17	2010	-	1,893,792	1,893,792
Bryan Commerce & Development					
Total Notes			<u>2,140,000</u>	<u>1,893,792</u>	<u>4,033,792</u>
Total long-term debt			<u>\$ 110,320,156</u>	<u>\$ 250,238,637</u>	<u>\$ 360,558,793</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>	
2011	\$ 1,325,000	\$ 1,209,675	\$ -	\$ -	\$ 2,534,675
2012	2,155,000	1,159,675	-	-	3,314,675
2013	2,220,000	1,092,175	-	-	3,312,175
2014	2,310,000	1,009,675	-	-	3,319,675
2015	2,390,000	923,425	-	-	3,313,425
2016-2020	12,010,000	3,140,725	-	-	15,150,725
2021-2025	6,595,000	837,100	-	-	7,432,100
Total	<u>\$ 29,005,000</u>	<u>\$ 9,372,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,377,450</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>	
2011	\$ 4,192,656	\$ 3,479,715	\$ 2,344	\$ 1,706	\$ 7,676,421
2012	3,702,344	3,154,019	2,656	1,601	6,860,620
2013	4,052,344	3,018,688	2,656	1,481	7,075,169
2014	4,217,031	2,868,728	2,969	1,358	7,090,086
2015	4,232,031	2,699,757	2,969	1,217	6,935,974
2016-2020	22,517,813	10,848,921	17,188	3,745	33,387,667
2021-2025	25,635,937	5,748,857	4,062	208	31,389,064
2026-2030	10,625,000	1,063,599	-	-	11,688,599
Total	<u>\$ 79,175,156</u>	<u>\$ 32,882,284</u>	<u>\$ 34,844</u>	<u>\$ 11,316</u>	<u>\$ 112,103,600</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

Revenue Bonds

Year	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2011	\$ -	\$ -	\$ 15,305,000	\$ 11,206,586	\$ 26,511,586
2012	-	-	14,945,000	10,695,475	25,640,475
2013	-	-	13,665,000	10,161,795	23,826,795
2014	-	-	13,765,000	9,660,663	23,425,663
2015	-	-	14,175,000	9,096,720	23,271,720
2016-2020	-	-	77,515,001	35,020,617	112,535,618
2021-2025	-	-	40,565,000	19,583,960	60,148,960
2026-2030	-	-	37,590,000	10,692,309	48,282,309
2031-2035	-	-	20,785,000	1,614,988	22,399,988
Total	\$ -	\$ -	\$ 248,310,001	\$ 117,733,113	\$ 366,043,114

Notes

Year	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2011	\$ 200,000	\$ 138,740	\$ 1,893,792	\$ 72,017	\$ 2,304,549
2012	220,000	126,420	-	-	346,420
2013	230,000	112,648	-	-	342,648
2014	255,000	98,089	-	-	353,089
2015	290,000	81,743	-	-	371,743
2016-2020	945,000	127,914	-	-	1,072,914
Total	\$ 2,140,000	\$ 685,554	\$ 1,893,792	\$ 72,017	\$ 4,791,363

Total Long Term Debt

Year	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2011	\$ 5,717,656	\$ 4,828,130	\$ 17,201,136	\$ 11,280,309	\$ 39,027,231
2012	6,077,344	4,440,114	14,947,656	10,697,076	36,162,190
2013	6,502,344	4,223,511	13,667,656	10,163,276	34,556,787
2014	6,782,031	3,976,492	13,767,969	9,662,021	34,188,513
2015	6,912,031	3,704,925	14,177,969	9,097,937	33,892,862
2016-2020	35,472,813	14,117,560	77,532,189	35,024,362	162,146,924
2021-2025	32,230,937	6,585,957	40,569,062	19,584,168	98,970,124
2026-2030	10,625,000	1,063,599	37,590,000	10,692,309	59,970,908
2031-2035	-	-	20,785,000	1,614,988	22,399,988
Total	\$ 110,320,156	\$ 42,940,288	\$ 250,238,637	\$ 117,816,446	\$ 521,315,527

On April 15, 2010, the City issued \$13,790,000 in Combination Tax and Revenue Certificates of Obligation, Series 2010. The bonds mature serially on August 15, 2011 through August 15, 2030 with coupon rates ranging from 2.0% to 4.375%. 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, landscaping and acquiring related rights-of-way; (2) restoring historic structures; (3) acquiring, purchasing, constructing, improving, renovating, enlarging, and equipping property, buildings, structures, facilities, and related infrastructure for a solid waste disposal system, and (4) 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, 2010

Also on April 15, 2010, the City issued \$10,635,000 in General Obligation Refunding bonds, Series 2010. The issue matures serially on August 15, 2010 through August 15, 2021 with coupon rates ranging from 2% to 4%. The bonds were issued for the purpose of refunding a portion of the City's outstanding general obligation debt and thus lower the overall debt service requirements of the City, and to pay costs of issuance. Proceeds from the sale of the bonds will be used to refund a total of \$10,205,000 including a portion of the Series 2001A Certificates of Obligation and all of the Series 1998 Certificates of Obligation. This represents an economic gain of \$652,601 and a net present value benefit savings of \$426,395 or 4%.

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

During the fiscal year ended September 30, 2010, the City Electric System issued revenue bonds dated November 24, 2009 ("2009 Bonds") and March 30, 2010 ("2010 Bonds") totaling \$25,070,000 and \$64,190,000, respectively. The 2009 Bonds mature serially on July 1, 2010 through July 1, 2034, with coupon rates ranging from 4.00% to 5.00%. The proceeds from the sale of the 2009 Bonds are restricted to the construction of transmission and distribution facilities. The 2010 Bonds mature serially on July 1, 2011 through July 1, 2019, with coupon rates ranging from 2.00% to 5.00%. The proceeds from the sale of the 2010 Bonds were restricted to refund certain contractual obligations incurred pursuant to a power sales contract between BTU and the Texas Municipal Power Agency (see Note 10).

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, 2008, 2009 and 2010 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. For the Series 2001, 2004, 2005 and 2007 bonds, the City has exercised the option to replace the reserve fund requirement with a surety bond.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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.

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

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

	Governmental Activities	Business-type Activities	Total
Beginning balance	\$ 5,442,715	\$ 1,015,233	\$ 6,457,948
Plus additions	2,498,610	614,214	3,112,824
Less payments	(2,231,281)	(577,835)	(2,809,116)
Ending balance	<u>\$ 5,710,044</u>	<u>\$ 1,051,612</u>	<u>\$ 6,761,656</u>
Amount due in one year	\$ 2,237,484	\$ 694,064	\$ 2,931,548
Amount due in over one year	\$ 3,472,560	\$ 357,548	\$ 3,830,108

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, 2010, the City had outstanding General Obligation bonds and Certificates of Obligation totaling \$33,830,000 which were considered defeased.

7. BONDS AVAILABLE FOR SALE

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

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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

8. RESERVATIONS/DESIGNATIONS OF FUND BALANCES AND NET ASSETS

Fund balances have been reserved or designated at September 30, 2010 as follows:

	<u>Reserved</u>	<u>Designated</u>
<u>Governmental Activities</u>		
General Fund:		
Reserved for encumbrances	\$ 2,258,428	\$ -
Reserved for noncurrent notes receivable	14,194	-
Reserved for court activities	330,246	-
Reserved for police activities	94,270	-
Reserved for record preservation	56,702	-
Designated for library	-	206,942
Designated for park use	-	540,274
Designated for public information program	-	62,700
Debt Service Fund:		
Reserved for noncurrent notes receivable	5,000,000	-
Reserved for bond debt service	1,973,402	-
Nonmajor Governmental Funds:		
Reserved for capital improvements	8,257,971	-
Reserved for encumbrances	11,584,304	-
Reserved for court technology	278,327	-
Reserved for perpetual care	710,905	-
Total	<u>30,558,749</u>	<u>809,916</u>

Net assets have been restricted at September 30, 2010 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	\$ 8,041,602	\$ -	\$ -	\$ -	\$ 8,041,602
Debt Retirement	10,289,151	-	-	-	10,289,151
Debt Service	2,709,999	612,484	616,895	-	3,939,378
Collateral Deposits	1,050,000	-	-	-	1,050,000
BVSWMA	-	-	-	12,896,875	12,896,875
Total	<u>\$ 22,090,752</u>	<u>\$ 612,484</u>	<u>\$ 616,895</u>	<u>\$ 12,896,875</u>	<u>\$ 36,217,006</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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 853 municipalities having their benefit plan administered by TMRS. Each of the 853 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

Plan provisions for the City were as follows:

	Plan Year 2009	Plan Year 2010
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

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)	\$ 8,698,997
Interest on Net Pension Obligation	111,097
Adjustment to the ARC	(91,587)
Annual Pension Cost (APC)	<u>8,718,507</u>
Contributions Made	<u>(6,621,877)</u>
Increase (decrease) in net pension obligation	2,096,630
Net Pension Obligation/(Asset), beginning of year	<u>1,587,104</u>
Net Pension Obligation/(Asset), end of year	<u><u>\$ 3,683,734</u></u>

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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>
09/30/08	\$ 5,028,310	100.00%	\$ -
09/30/09	7,831,491	79.73%	1,587,104
09/30/10	8,718,507	75.96%	3,683,734

The required contribution rates for fiscal year 2010 were determined as part of the December 31, 2008 actuarial valuation. Additional information as of the latest actuarial valuation, December 31, 2009, also follows:

Valuation date	<u>12/31/2007</u>	<u>12/31/2008</u>	<u>12/31/2009</u>
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	30 years; closed period	29 years; closed period	28 years; closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset valuation method	Amortized Cost	Amortized Cost	10-year Smoothed Market
Actuarial assumptions:			
Investment rate of return	7.0%	7.5%	7.5%
Projected salary increases	Varies by age & service	Varies by age & service	Varies by age & service
Included inflation rate	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	2.1%	2.1%

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

Funding Status and Funding Progress

The funded status as of December 31, 2009, 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)
12/31/2009	\$ 95,477,625	\$ 164,435,101	58.1%	\$ 68,957,476	\$ 45,844,873	150.4%

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 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, 2010 the City’s portion of the TMPA bonds outstanding was approximately \$141.2 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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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.

In 1998, a dispute arose between TMPA and the City of Bryan over the inclusion by TMPA, in TMPA’s budget and rates, of transmission charges associated with the delivery of Gibbons Creek power to the Member Cities. This dispute resulted in a series of administrative proceedings at the Public Utility Commission of Texas (the “PUC Cases”) that were ultimately appealed to the courts in a lawsuit between TMPA and Bryan in Grimes County District Court (the “Grimes County Suit”). In 2008, a dispute arose between TMPA and Bryan over TMPA’s attempt to restructure its debt through passage of a bond resolution, which would have extended the term of the Contract. This dispute resulted in a bond validation suit in Travis County Texas (the “Bond Validation Suit”). The Member Cities of Denton, Garland, and Greenville supported TMPA’s position in the Grimes County Suit and in the Bond Validation Suit.

Effective December 17, 2009, TMPA and the Member Cities settled all of the above disputes by entering into a Global Compromise Settlement Agreement. Pursuant to the Global Compromise Settlement Agreement, the following matters have been implemented:

- The Bond Validation Suit and the Grimes County Suit have been dismissed. The PUC Cases have been ordered remanded to the PUC for reissuance of agreed orders that are neutral on the issue that had been in dispute.
- The parties have agreed that TMPA will provide bundled transmission service to all Member Cities while the Contract remains in effect, and that TMPA will provide unbundled service thereafter.
- The Member Cities have issued debt (i) to provide \$98,500,000 for TMPA’s scrubber refurbishment project and (ii) to refinance \$56,935,000 of TMPA’s Series 2003 Subordinate Lien Bonds, \$77,335,000 of TMPA’s Series 2004 Subordinate Lien Bonds, and \$61,385,000 of TMPA’s Series 2004A Subordinate Lien Bonds.
- TMPA and the Member Cities have, effective June 24, 2010, amended the Contract to permit the issuance by TMPA of transmission debt without extending the term of the Contract. On that same date, TMPA’s Board of Directors adopted a bond resolution for the issuance of TMPA’s first series of transmission debt, the Series 2010, Subordinate Lien Revenue/Transmission Revenue Converting Security Refunding Bonds. The Series 2010 Bonds, which mature on September 1, 2040 and which were in the par amount of \$122,375,000, were delivered on August 30, 2010. Following the date all non-transmission debt is paid and the Contract expires, currently anticipated to be September 1, 2018, the Series 2010 will be payable solely from revenues of TMPA’s transmission system.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

- TMPA and the Member Cities have agreed that, except for transmission debt, TMPA will not issue bonds without obtaining the consent of the Member Cities.

During the years ended September 30, 2010 and 2009 the City Electric System paid TMPA \$45,799,847 and \$42,901,696, respectively for power purchases and related activity under the contract. As of September 30, 2010 and 2009 the City Electric System had payables to TMPA amounting to \$1,569,849 and \$1,287,791, respectively.

The TMPA's Comprehensive Annual Financial Report for the year ended September 30, 2010 reported the following:

	<u>2010</u>
Total Assets	\$ 1,190,004,000
Total Liabilities	<u>1,132,361,000</u>
Total Accumulated Excess Revenues	<u>\$ 57,643,000</u>
 Change in Accumulated Excess Revenues for year ended September 30, 2010	 \$ 17,316,000

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

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 (BVSWMMA). 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 BVSWMMA'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 BVSWMMA be held by the cities as tenants in common. BVSWMMA, composed of the two cities, is responsible for the day to day operations of the landfill. BVSWMMA'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 BVSWMMA First Supplement to Joint Solid Waste Management Agreement all real and personal property previously contributed by the Cities for use by BVSWMMA and all property acquired in the future for such purposes shall be held and owned by the Cities as tenants-in-common, with each City having a one-half undivided interest.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

BVSWMA's audited annual financial statements for the year ended September 30, 2010 reported the following:

	<u>2010</u>
Total Assets	\$ 43,498,929
Total Liabilities	<u>17,705,181</u>
Total Net Assets	<u>\$ 25,793,748</u>
Change in net assets for the year ended September 30, 2010	\$ 690,131
Bryan's undivided 50% share of change in net assets for the year ended September 30, 2010	\$ 345,066

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, 2010

12. INTERFUND BALANCES

Interfund receivable and payable balances at September 30, 2010 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Electric	\$ 41,156
	Nonmajor governmental funds	330,432
	Internal service	486,158
Nonmajor governmental funds	General	2,970
	Nonmajor governmental funds	135
	Electric	80,830
	Nonmajor enterprise funds	119,955
Electric	Rural Electric	2,083,158
	Nonmajor governmental funds	49,385
	Nonmajor enterprise funds	413,895
Water	General	800
	Electric	193,039
Wastewater	Electric	149,545
Nonmajor enterprise funds	Electric	106,426
	Nonmajor governmental funds	4,897
Debt Service Fund	General	37,765
	Nonmajor governmental funds	25,000
	Nonmajor enterprise funds	545,000
Internal service funds	Electric	136,971
	General	100,000
Total		<u>\$ 4,907,517</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, 2010

13. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2010 are as follows:

<u>Transfers Out</u>	Transfers In							Total
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Electric Fund	Water Fund	Wastewater Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 153,725	\$ -	\$ -	\$ 5,032	\$ 11,291	\$ 264,090	\$ 434,138
Nonmajor governmental funds	67,272	8,321,010	42,086	49,359	-	-	39,807	8,519,534
Electric Fund	8,513,115	-	-	-	-	-	-	8,513,115
Water Fund	573,122	-	-	441,105	-	-	-	1,014,227
Wastewater Fund	612,821	-	-	425,010	-	-	-	1,037,831
Nonmajor enterprise funds	361,963	-	-	392,686	24,108	76,094	-	854,851
Internal service fund	787,705	-	-	-	-	-	-	787,705
Total transfers out	<u>\$ 10,915,998</u>	<u>\$ 8,474,735</u>	<u>\$ 42,086</u>	<u>\$ 1,308,160</u>	<u>\$ 29,140</u>	<u>\$ 87,385</u>	<u>\$ 303,897</u>	<u>\$ 21,161,401</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, 2010

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	\$ 449,267
Water Fund	994,686
Wastewater Fund	819,944
Nonmajor Enterprise Fund (Solid Waste Fund)	967,701
Internal Service Fund (Insurance Fund)	268,170
Oil and Gas Fund	313
Special Projects Fund	199
TIRZ # 8 Fund	104,250
Employee Benefits Fund	169,580
Warehouse Fund	91,464
Equipment Replacement Fund	14,547
Coulter Airfield Fund	35,309
TIRZ # 10 Fund	75,000
	<u>\$ 3,990,430</u>

15. UNAVAILABLE AND UNEARNED REVENUE

The balance of unavailable and unearned revenues at September 30, 2010 consists of the following:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Delinquent property taxes receivable (General Fund)	\$ 281,690	\$ -	\$ 281,690
Delinquent property taxes receivable (Debt Service Fund)	108,620	-	108,620
Street and drainage assessments receivable (General Fund)	119846-1	-	-
Other deferred revenues (General Fund)	-	236,875	236,875
Notes receivable (Debt Service fund)		1,445,000	1,445,000
Developer Aid-in-Construction			
Nonmajor governmental funds	-	31,244	31,244
Enterprise funds	-	394,432	394,432
Total	<u>\$ 390,310</u>	<u>\$ 2,107,551</u>	<u>\$ 2,497,861</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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 \$6,857,088 for the twelve month period which began January 1, 2010 and ends December 31, 2010. 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>2010</u>	<u>2009</u>
Beginning balance unpaid claims	\$ 991,645	\$ 855,612
Incurred claims	6,663,242	7,037,199
Claim payments	<u>(6,643,084)</u>	<u>(6,901,166)</u>
Ending balance unpaid claims	<u>\$ 1,011,803</u>	<u>\$ 991,645</u>
Amounts due in one year	\$ 1,011,803	\$ 991,645

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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. A separate, audited GAAP-basis post employment benefit plan report is not available.

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

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

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

Survivors of employees who die while actively employed are not eligible for retiree health coverage. However, surviving spouses and dependents of Texas 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 date the surviving spouse becomes eligible for federal Medicare benefits. Surviving dependent minor children are entitled to continue health insurance coverage until the dependent reaches the age of 18 years. A surviving dependent who is not a minor child is entitled to continue health insurance coverage until the earlier of: (1) the date the dependent becomes eligible for group health insurance through another employer or (2) the date the dependent becomes eligible for federal Medicare benefits. Eligible survivors are entitled to purchase the continued coverage at the group rate for that coverage that exists at the time of payment.

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

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

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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, 2010, retirees paid \$443,275 in premiums and \$624,534 in claims were paid for post-retirement health care and administrative charges. As of September 30, 2010, the City has 33 retirees, 28 retirees and spouses, 10 retirees and families and 5 retirees and child(ren) participating in the health plan, out of the 311 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 \$29,334 and incurred claims and administrative expenses of \$26,154 in the year ended September 30, 2010. As of September 30, 2010 the City has 6 COBRA participants.

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

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

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

Funding Policy and Annual OPEB Cost

The City's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City had its most recent OPEB valuation performed as of December 31, 2009 as required by GASB. The City's annual OPEB cost for the current year and prior two years is as follows:

	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2008</u>
Annual required contribution	\$ 711,835	\$ 594,447	\$ 596,441
Interest on OPEB obligation	(6,093)	4,207	-
Adjustment to ARC	<u>3,206</u>	<u>(2,213)</u>	-
Annual OPEB cost (expense) end of year	708,948	596,441	596,441
Net estimated employer contributions	<u>(181,259)</u>	<u>(825,330)</u>	<u>(502,960)</u>
Increase (decrease) in net OPEB obligation	527,689	(228,889)	93,481
Net OPEB obligation – as of beginning of the year	<u>(135,408)</u>	<u>93,481</u>	-
Net OPEB obligation/(asset) – as of end of year	<u>\$ 392,281</u>	<u>\$ (135,408)</u>	<u>\$ 93,481</u>

Funding status and funding progress

The City had an actuarial valuation performed as of December 31, 2009 and May 31, 2008 and the funded status of the plan as of those dates is as follows:

	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2008</u>
Actuarial value of plan assets	\$ -	\$ -	\$ -
Actuarial accrued liability (AAL)	7,694,907	7,898,192	7,898,192
Unfunded AAL	(7,694,907)	(7,898,192)	(7,898,192)
Funded Ratio	0%	0%	0%
Covered Payroll	45,844,873	41,808,463	33,650,168
UAAL as a % of Covered Payroll	0%	0%	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 \$7,694,907 at September 30, 2010.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

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

Actuarial Methods and Assumptions:

Actuarial valuation date	December 31, 2009
Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected unit credit cost method
Amortization method	Level as a percentage of payroll
Remaining amortization period	29 years – Open Period
Payroll growth rate	3.00% per annum

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the 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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

coverage in the current year from coverage in the prior year, nor have there been any settlements that have exceeded insurance coverage for each of the past three fiscal years.

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

The Insurance Fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Based upon the most recent actuarial study, the City has recorded a potential liability in the amount of \$1,333,558 for claims that have been incurred but not reported as of September 30, 2010. 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>2010</u>	<u>2009</u>
Unpaid claims at beginning of fiscal year	\$ 1,343,694	\$ 1,081,660
Incurred claims	99,377	306,701
Claim payments	<u>(109,513)</u>	<u>(44,667)</u>
Total unpaid claims at end of fiscal year	<u>\$ 1,333,558</u>	<u>\$ 1,343,694</u>
Amounts due in one year	\$ 780,894	\$ 486,308

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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

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

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

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

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

Development Company will contribute land to the partnership.

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

The City agreed to provide public infrastructure improvements including all major arterial streets, all major utilities including electrical, gas, water, sewer, telephone, cable, drainage structures, water delivery systems, street lighting, landscaping of median entryways, all signage for the project, traffic signals, entryway structures, and lighting necessary for the project .

As of September 30, 2010 the City had incurred \$18,784,975 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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

Through September 30, 2010, 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.

The estimated total commitment (exclusive of debt service on the certificates of obligation) as of September 30, 2010 is as follows:

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

Land and associated acquisition costs	\$ 7,813,942
Infrastructure and related costs	<u>18,100,000</u>
	<u>\$ 25,913,942</u>
To be financed as follows:	
Certificates of Obligation, Series 2000A	\$ 17,000,000
Other lawfully available City funds	<u>8,913,942</u>
	<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, 2010 the balance of the HUD Section 108 loan was \$2,140,000.

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 2010, the City funded the debt service on the HUD Section 108 loan in the amount of \$329,647.

Fotowatio Renewable Ventures

On April 30, 2010, the City’s electric utility entered into a 25 year renewable energy power purchase agreement with Fotowatio Renewable Ventures (FRV). FRV will own and operate a photovoltaic solar power plant to be constructed in West Texas. Under the agreement the City will purchase the output from the 10MW facility starting as early as 2012.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

Shell Energy North America (U.S.), L.P.

On November 16, 2007, the City's electric utility entered into a 10 year purchased power agreement with a subsidiary of Shell Energy North America (U.S.), L.P. The agreement, which extends from January 1, 2008 to December 31, 2017, allows the City to schedule up to 50MW of energy on a day-ahead basis. Under the agreement, the City must make specified minimum monthly non-fuel payments which are included in the \$162.4 million of purchase and construction commitments.

Credit Suisse Energy, L.L.C.

On August 29, 2007, the City entered into a 10 year fixed price purchased power agreement with Credit Suisse Energy, L.L.C. to supply energy to a wholesale customer under a corresponding 10 year fixed price full requirements sale agreement extending from January 1, 2008 to December 31, 2017.

22. ACCOUNTS RECEIVABLE

As of September 30, 2010, the receivables not expected to be collected within one year are notes and assessments receivable as follows:

	General Fund	Debt Service Fund	Total
Notes receivable	\$ 21,678	\$ 6,684,924	\$ 6,706,602
Street and drainage assessments	119,846	-	\$ 119,846
	<u>\$ 141,524</u>	<u>\$ 6,684,924</u>	<u>\$ 6,826,448</u>

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, 2010:

	Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Total
Bond Retirement Reserve	\$ 10,289,151	\$ -	\$ -	\$ -	\$ 10,289,151
Bond Debt Service	4,645,761	3,187,832	1,047,849	943,090	9,824,532
Rate Stabilization Reserve	8,041,602	-	-	-	8,041,602
Customer Deposits Payable	3,321,387	757,028	-	-	4,078,415
Over-Recovered Fuel Expense	3,848,556	2,104,289	-	-	5,952,845
Collateral Deposits	1,050,000	-	-	-	1,050,000
Capital Debt Proceeds	19,629,585	-	1,784,125	2,184,863	23,598,573
	<u>\$ 50,826,042</u>	<u>\$ 6,049,149</u>	<u>\$ 2,831,974</u>	<u>\$ 3,127,953</u>	<u>\$ 62,835,118</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

24. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended September 30, 2010 budgetary expenditures in excess of appropriations are reported as indicated below:

<u>Governmental Funds</u>	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - (Negative)</u>
Debt Service fund			
Total expenditures	\$ 8,697,171	\$ 8,789,428	\$ (92,257)
Special Projects Fund			
Total expenditures	2,375	132,438	(130,063)
Tax Increment Zone # 10			
Total expenditures	150,000	753,081	(603,081)
Tax Increment Zone # 19			
Total expenditures	-	175	(175)

For the fiscal year ended September 30, 2010 the Debt Service fund exceeded budget by \$92,257 due to costs associated with the issuance of the General Obligation Refunding bonds, Series 2010 in the amount of \$123,479. This amount was offset by savings in principal and interest generated by the refunding in the amount of \$270,897.

Total expenditures in the Special Projects Fund exceeded budget by \$130,063. Initial engineering and architectural fees for a new project and landscape maintenance fees were paid from this fund. Expenses will be appropriately budgeted in future years to avoid negative budget variances.

Total expenditures in the Tax Increment Zone #10 exceeded budget by \$603,081 due to work which began on the Health Science Center parkway improvements. Originally, work was not expected to begin on this project until fiscal year 2011.

Total expenditures in the Tax Increment Zone #19 exceeded budget by \$175. This amount is offset by a positive variance in the amount budgeted for transfers to the Debt Service Fund.

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, 2010 in the amount of \$45,752. Budgeted transfers totaling \$171,518 were not made as planned. Fiscal year 2011 revenues will adequately cover this deficit.

The Tax Increment Reinvestment Zone #22 Fund, a Special Revenue Fund, has a deficit unreserved-undesignated fund balance as of September 30, 2010 in the amount of \$1,665,845. During fiscal year 2010, funds were encumbered for a development agreement. The Bryan City Council approved a reimbursement resolution expressing intent to reimburse any expenditures in excess of currently available funds.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

The 2005 Certificates of Obligation Fund, a Capital Project Fund, has a deficit unreserved-undesignated fund balance as of September 30, 2010 in the amount of \$22,611. A contract was awarded for work on the Health Science Center Parkway. A transfer from another fund will be made in fiscal year 2011 to cover this deficit.

The 2009 Certificates of Obligation Fund, a Capital Project Fund, has a deficit unreserved-undesignated fund balance in the amount of \$848,056, due to the award of a contract in the latter portion of the fiscal year. Proceeds from another bond issue will be transferred to this fund in fiscal year 2011 to cover this deficit.

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, 2010, the City had five active 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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.

The following schedule is a six 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>					
2010	\$ 35,803	\$ 114,250,322	\$ 114,214,519	\$ 0.6364	\$ 726,861.20
2009	35,803	122,186,000	122,150,197	0.6364	777,363.85
2008	35,803	99,221,800	99,185,997	0.6364	631,219.68
2007	35,803	84,581,080	84,545,277	0.6364	538,046.14
2006	35,803	61,082,989	61,047,186	0.6364	388,504.29
2005	35,803	49,998,094			-
<u>Traditions</u>					
2010	637,640	86,173,404	85,535,764	0.6364	544,349.60
2009	637,640	81,855,365	81,217,725	0.6364	516,869.60
2008	637,640	66,843,855	66,206,215	0.6364	421,336.35
2007	637,640	40,005,365	39,367,725	0.6364	250,536.20
2006	637,640	4,076,325	3,438,685	0.6364	21,883.79
2005	637,640	653,963	16,323	0.6364	103.88
<u>Lauth Development</u>					
2010	2,038,090	29,254,110	27,216,020	0.6364	173,202.75
2009	2,038,090	8,388,060	6,349,970	0.6364	40,411.21
2008	2,038,090	2,038,090		0.6364	-
<u>Nash Street</u>					
2010	2,213,289	15,255,274	13,041,985	0.6364	82,999.19
2009	2,213,289	12,222,530	10,009,241	0.6364	63,698.81
2008	2,213,289	8,992,060	6,778,771	0.6364	43,140.10
2007	2,213,289			0.6364	-
<u>Downtown Bryan</u>					
2010	41,070,995	51,057,085	9,986,090	0.6364	63,551.48
2009	41,070,995	43,915,850	2,844,855	0.6364	18,104.66
2008	41,070,995			0.6364	-

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

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, 2010 the City had established abatement agreements with the following property owners:

<u>Property Owner</u>	<u>Date of Abatement</u>	<u>FY 2010 Appraised Values</u>	<u>FY 2010 Taxable Values</u>	<u>FY 2010 Abated Values</u>	<u>FY 2010 Taxes Levied</u>	<u>FY 2010 Taxes Abated</u>
Brydenpear Premiere LP	2005	5,797,600	2,351,032	3,446,568	14,962	21,934
Coca-Cola Enterprises	2003	5,849,960	4,989,476	860,484	31,753	5,476
Toyo Ink In'l	2008	13,268,580	5,420,832	7,847,748	34,498	49,943
Kent Moore	2004	6,733,760	3,994,828	2,738,932	25,423	17,431
Kent Moore	2008	12,807,150	7,997,689	4,809,461	50,897	30,607
Readfield Meats, Inc	2005	832,100	668,572	163,528	4,255	1,041
Weatherford Artificial Lift	2007	19,976,610	8,318,688	11,657,922	52,940	74,191
Hogan's Trucks Unlimited	2008	2,067,850	1,106,995	960,855	7,045	6,115

28. FINANCIAL HEDGING

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

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

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

The City evaluated all potential hedging derivative instruments for effectiveness as of September 30, 2010, and determined the derivatives to be effective in substantially offsetting the changes in cash flows of the hedgeable items. The City's hedgeable items are expected HSC natural gas purchases to serve budgeted load. The City projects total natural gas needs as part of a 10-year forecast. This

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

forecast is the basis for the procurement amount of the hedgeable item. The City's potential hedging derivatives are NYMEX and HSC indexed commodity swaps and options. These derivatives act as cash flow hedges.

The City utilized regression analysis to test effectiveness of its NYMEX hedges. Testing was based on the extent of correlation between historical NYMEX index and HSC natural gas prices for the prompt months of January 2003, to September 2010. The correlation coefficient of -0.8135 exceeds the minimum standard established by GASB 53 and indicates a strong linear relationship between the NYMEX and HSC prices. The calculated R^2 value of $.9360$ indicates that the changes in cash flows of the hedge substantially offset the changes in cash flows of the hedgeable item. The City also utilizes HSC indexed gas commodity swaps to hedge its open exposure after a NYMEX-based swap contract month settles. The City entered into HSC gas-daily-daily swaps to hedge this exposure. These HSC indexed swaps are hedging the physical purchases of natural gas also based on the HSC index and are effective cash flow hedges under the consistent critical terms method as defined by GASB 53. The swap is for the purchase of virtually the same quantity of the hedgeable item, has zero fair value at inception, and the reference rate of the swap and the hedgeable item are the same (HSC index).

For the fiscal year ended September 30, 2010, the total fair value of outstanding hedging derivative instruments was a net liability of \$19,187,766. The fair value of those instruments maturing within one year are reported on the Statement of Net Assets in current liabilities as derivative financial instruments and were \$6,967,809 at September 30, 2010. The fair value of those instruments with maturities exceeding one year are reported on the Statement of Net Assets in noncurrent liabilities as derivative financial instruments and were \$12,219,857 at September 30, 2010.

Hedge accounting treatment outlined in GASB 53 requires changes in the fair value of derivative instruments deemed effective in offsetting changes in cash flows of hedged items be reported as deferred (inflows) outflows of resources on the Statement of Net Assets. During the fiscal year ended September 30, 2010, the fair value of the City's hedging derivative instruments - the option collars, NYMEX-based commodity swaps, and HSC-based commodity swaps - decreased by \$1,104,424, \$14,571,032, and \$1,393,059, respectively. The \$17,068,515 total decrease in fair value of the City's hedging derivative instruments during the fiscal year ended September 30, 2010, is reported in the Statement of Net Assets as current and non-current deferred cash outflows. The deferred outflows are reported until respective contract expirations occur in conjunction with hedged expected physical fuel purchases. When fuel purchase transactions occur, the deferred balance associated with the expired fuel hedging contract is recorded as an adjustment to fuel expense. At September 30, 2010, the current deferred outflows related to hedging derivatives were \$6,967,809. This amount is reported on the Statement of Net Assets as current assets. The noncurrent deferred outflows related to hedging derivatives were \$12,219,857 at September 30, 2010. This amount is reported on the Statement of Net Assets as noncurrent assets.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

The following information details the City's hedging derivative instruments as of September 30, 2010:

Type	Terms	Volume Hedged (MMBtu)	Effective Dates	Maturity Dates	Reference Index	Fair Value
3 Way Option Collars	\$5.000 – 8.750 Strike Prices	1,212,000	May 2011 – Jan 2012	Sep 2011 – Dec 2012	NYMEX/HSC	\$ (1,560,688)
Commodity Swaps	City pays prices of \$5.845 - 7.570	16,196,500	Oct 2010 – Dec 2018	Oct 2010 – Dec 2018	NYMEX	(14,692,843)
Commodity Swaps	City pays prices of \$7.320 – 7.500	914,000	Oct 2010 – Dec 2011	Oct 2010 – Dec 2011	HSC	(2,934,235)
		18,322,500				\$(19,187,766)

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

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

Basis Risk – The City is exposed to basis risk because the expected gas purchases being hedged will settle based on a pricing point (HSC) different than the pricing point of the hedge transactions (NYMEX). For September 2010, prompt month prices were \$3.651/MMBtu and \$3.700/MMBtu, for NYMEX and HSC, respectively.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2010

29. SUBSEQUENT EVENTS

On November 1, 2010, the City issued \$5,105,000 in Waterworks and Sewer System Revenue bonds, Series 2010A. After the payment of issuance costs, the proceeds will be used to construct, improve, repair, renovate, enlarge, extend and equip the Waterworks and Sewer System.

In February 2010, the Cities of Bryan and College Station agreed to terminate the existing BVSWMA agreement (see Note 11) and enter into a new interlocal agreement to jointly create a Texas non-profit local government corporation to be known as the Brazos Valley Solid Waste Management Agency, Inc. (BVSWMA, Inc.). BVSWMA, Inc. was established to finance, construct, own, manage and operate the existing and future municipal solid waste landfill facilities on behalf of the two cities. On October 1, 2010, BVSWMA, Inc. became the sole operator of the Rock Prairie Road Landfill, the Twin Oaks Landfill and the Compost Facility.

Pursuant to the provisions of the interlocal agreement, the cities and BVSWMA, Inc. negotiated an Asset Transfer and Debt Reimbursement Agreement regarding the transfer of the real and personal property relating to the construction, operation, and/or maintenance of the landfills and compost facility. Additionally, each city contributed \$5,145,000 to BVSWMA, Inc. For their portion, the City of Bryan used proceeds from their Series 2010 Combination Tax and Revenue Certificates of Obligation. BVSWMA, Inc. is required to make payments to the City of Bryan equal to the debt payments made by the City.



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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)
12/31/2007	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%
12/31/2009	95,477,625	164,435,101	58%	68,957,476	45,844,873	150.4%

* 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, 2010

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	15,746,426	15,746,426	15,512,614	(233,812)
Sales	15,101,325	15,101,325	14,608,410	(492,915)
Franchise	2,218,752	2,218,752	2,071,337	(147,415)
Bingo	195,941	195,941	204,009	8,068
Alcoholic beverage	74,128	74,128	79,573	5,445
Charges for services:				
Ambulance charges	1,375,771	1,375,771	1,862,733	486,962
Recreational charges	1,574,485	1,574,485	1,634,222	59,737
Health and public safety	1,008,380	1,008,380	865,395	(142,985)
Miscellaneous charges	180,853	180,853	166,198	(14,655)
Fines and court charges:				
Municipal court	1,803,151	1,803,151	1,866,467	63,316
Licenses and permits	689,770	689,770	572,570	(117,200)
Grants:				
Texas Attorney General	-	-	38,513	38,513
U.S. Department of Criminal Justice	-	97,706	261,137	163,431
U.S. Department of Energy	-	280,400	181,556	(98,844)
U.S. Department of Environmental Protection	-	-	1,444	1,444
Homeland Security	-	98,343	144,219	45,876
Contributions to Library - College Station	1,041,920	1,041,920	1,021,209	(20,711)
FEMA	-	-	32	32
Other	35,000	61,665	68,707	7,042
Investment earnings	251,611	251,611	98,971	(152,640)
Other	547,001	547,001	536,138	(10,863)
Total revenues	41,844,514	42,347,628	41,795,454	(552,174)
Expenditures:				
Current:				
General government and administration:				
Executive	1,693,804	1,708,767	1,655,381	53,386
City Secretary	1,043,410	1,065,545	822,254	243,291
Legal services	643,354	645,254	616,225	29,029
Payments to other agencies	2,795,887	3,003,152	3,049,870	(46,718)
Fiscal services	1,373,221	1,381,044	1,190,351	190,693
Computer services	2,171,976	2,195,822	2,237,156	(41,334)
Human resources	597,462	603,291	558,326	44,965
Fleet services	708,098	666,803	689,553	(22,750)
Facility services	1,905,578	2,070,628	1,905,526	165,102
Total general government and administration	12,932,790	13,340,306	12,724,642	615,664
Development services:				
Planning	1,773,532	1,773,532	1,671,515	102,017
Engineering	1,232,597	1,626,658	1,505,273	121,385
Special Projects	46,460	46,460	29,623	16,837
Total development services	3,052,589	3,446,650	3,206,411	240,239
Public works services:				
Public Works Administration	758,962	-	-	-
Public Works Call Center	263,064	263,064	238,797	24,267
Drainage and Streets	2,491,595	2,834,223	2,410,213	424,010
Traffic Operations	1,516,576	1,833,077	1,761,862	71,215
Total public works services	5,030,197	4,930,364	4,410,872	519,492

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety:				
Police services	14,089,309	14,278,271	14,883,436	(605,165)
Fire and emergency medical services	10,863,209	10,987,033	11,001,489	(14,456)
Municipal court	1,311,095	1,282,795	1,142,810	139,985
Total public safety	<u>26,263,613</u>	<u>26,548,099</u>	<u>27,027,735</u>	<u>(479,636)</u>
Cultural and recreational:				
Library services	2,251,842	2,264,906	2,263,298	1,608
Parks and recreation services	4,163,506	4,050,790	4,274,886	(224,096)
Total cultural and recreational	<u>6,415,348</u>	<u>6,315,696</u>	<u>6,538,184</u>	<u>(222,488)</u>
Administrative reimbursement	(3,990,430)	(3,990,430)	(3,990,430)	-
Capital outlay	2,606,537	3,632,332	963,376	2,668,956
Debt service-bond retirement	180,000	180,000	180,000	-
Interest and fiscal charges	149,648	149,648	149,648	-
Total expenditures	<u>52,640,292</u>	<u>54,552,665</u>	<u>51,210,438</u>	<u>3,342,227</u>
Excess of expenditures over revenues	(10,795,778)	(12,205,037)	(9,414,984)	2,790,053
Other financing sources (uses):				
Sale of capital assets	-	-	143,309	143,309
Transfers in	12,196,197	12,196,197	10,915,998	(1,280,199)
Transfers out	(877,003)	(1,042,003)	(434,138)	607,865
Total other financing sources	<u>11,319,194</u>	<u>11,154,194</u>	<u>10,625,169</u>	<u>(529,025)</u>
Net change in fund balance	523,416	(1,050,843)	1,210,185	2,261,028
Fund Balance, October 1, 2009	<u>10,631,532</u>	<u>10,631,532</u>	<u>10,631,532</u>	-
Fund Balance, September 30, 2010	<u><u>11,154,948</u></u>	<u><u>9,580,689</u></u>	<u><u>11,841,717</u></u>	<u><u>2,261,028</u></u>



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COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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.

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

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

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

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

Tax Increment Reinvestment Zone #8 Fund – To account for revenues derived from captured assessed valuation in, and bond proceeds for, the Park Hudson Tax Increment Reinvestment Zone. Bond proceeds are used for street, water and sewer improvements in the zone. 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

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.

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

Permanent Funds

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

Relating to Bryan cemeteries:

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

Relating to Bryan libraries:

- F. L. Henderson Library
- Rountree Library

CITY OF BRYAN, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2010

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 4,882,889	\$ 5,877,206	\$ 687,064	\$ 11,447,159
Investments	7,350,160	8,846,896	1,034,228	17,231,284
Receivables:				
Accounts	785,740	-	-	785,740
Less allowance for uncollectible	(199,362)	-	-	(199,362)
Grants	218,194	-	-	218,194
Interest	29,550	35,569	4,159	69,278
Due from other funds	203,890	-	-	203,890
Total assets	<u>\$ 13,271,061</u>	<u>\$ 14,759,671</u>	<u>\$ 1,725,451</u>	<u>\$ 29,756,183</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 184,626	\$ 978,198	\$ -	\$ 1,162,824
Accrued liabilities	13,932	-	-	13,932
Retainages payable	196,082	410,364	-	606,446
Due to other funds	384,849	25,000	-	409,849
Unearned revenue	31,244	-	-	31,244
Total liabilities	<u>810,733</u>	<u>1,413,562</u>	<u>-</u>	<u>2,224,295</u>
Fund balances:				
Reserved for encumbrances	5,621,999	5,958,805	3,500	11,584,304
Reserved for perpetual care	-	-	710,905	710,905
Reserved for capital improvements	-	8,257,971	-	8,257,971
Reserved for court activities	278,327	-	-	278,327
Unreserved - undesignated	6,560,002	-	1,011,046	7,571,048
Unreserved - undesignated (deficit)	-	(870,667)	-	(870,667)
Total fund balances	<u>12,460,328</u>	<u>13,346,109</u>	<u>1,725,451</u>	<u>27,531,888</u>
Total liabilities and fund balances	<u>\$ 13,271,061</u>	<u>\$ 14,759,671</u>	<u>\$ 1,725,451</u>	<u>\$ 29,756,183</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Special Revenue Funds

As of September 30, 2010

	Community Development Fund	Hotel and Motel Room Tax Fund	Oil and Gas Fund	Special Projects Fund	Sidewalks Fund	Court Technology Fund	Street Improvement Fund	Drainage Improvement Fund	Tax Increment Reinvestment Zone #8 Fund	Tax Increment Reinvestment Zone #10 Fund	Tax Increment Reinvestment Zone #19 Fund	Tax Increment Reinvestment Zone #21 Fund	Tax Increment Reinvestment Zone #22 Fund	Total
Assets														
Cash and Cash Equivalents	\$ -	\$ 123,150	\$ 75,342	\$ 51,277	\$ 12,551	\$ 145,480	\$ 2,485,020	\$ 551,646	\$ 1,140,820	\$ 226,219	\$ 7,213	\$ 24,430	\$ 39,741	\$ 4,882,889
Investments	-	185,377	113,411	77,187	18,892	218,989	3,740,675	830,388	1,717,265	340,524	10,857	36,774	59,821	7,350,160
Accounts receivable	-	36,952	27,792	-	-	-	617,894	103,102	-	-	-	-	-	785,740
Less allowance for uncollectibles	-	-	-	-	-	-	(164,384)	(34,978)	-	-	-	-	-	(199,362)
Grants receivable	218,194	-	-	-	-	-	-	-	-	-	-	-	-	218,194
Interest receivable	-	745	456	310	76	880	10,941	7,437	6,904	1,369	43	148	241	29,550
Due from other funds	-	75,000	2,478	44,955	-	-	65,291	16,166	-	-	-	-	-	203,890
Total assets	<u>\$ 218,194</u>	<u>\$ 421,224</u>	<u>\$ 219,479</u>	<u>\$ 173,729</u>	<u>\$ 31,519</u>	<u>\$ 365,349</u>	<u>\$ 6,755,437</u>	<u>\$ 1,473,761</u>	<u>\$ 2,864,989</u>	<u>\$ 568,112</u>	<u>\$ 18,113</u>	<u>\$ 61,352</u>	<u>\$ 99,803</u>	<u>\$ 13,271,061</u>
Liabilities and Fund Balances														
Liabilities:														
Accounts payable	\$ 5,914	\$ -	\$ -	\$ 1,678	\$ -	\$ -	\$ 61,015	\$ 106,529	\$ -	\$ -	\$ -	\$ -	\$ 9,490	\$ 184,626
Accrued liabilities	13,932	-	-	-	-	-	-	-	-	-	-	-	-	13,932
Retainages payable	-	-	-	-	-	-	140,394	31,822	-	23,866	-	-	-	196,082
Due to other funds	198,348	135	49,385	-	-	-	50,980	-	4,897	-	-	81,104	-	384,849
Unearned revenue	-	-	-	-	31,244	-	-	-	-	-	-	-	-	31,244
Total liabilities	<u>218,194</u>	<u>135</u>	<u>49,385</u>	<u>1,678</u>	<u>31,244</u>	<u>-</u>	<u>252,389</u>	<u>138,351</u>	<u>4,897</u>	<u>23,866</u>	<u>-</u>	<u>81,104</u>	<u>9,490</u>	<u>810,733</u>
Fund balances:														
Reserved for encumbrances	-	13,500	-	6,106	-	87,022	2,918,360	766,456	4,897	43,500	-	26,000	1,756,158	5,621,999
Reserved for court activities	-	-	-	-	-	278,327	-	-	-	-	-	-	-	278,327
Unreserved - undesignated	-	407,589	170,094	165,945	275	-	3,584,688	568,954	2,855,195	500,746	18,113	-	-	8,271,599
Unreserved - undesignated (deficit)	-	-	-	-	-	-	-	-	-	-	-	(45,752)	(1,665,845)	(1,711,597)
Total fund balances	<u>-</u>	<u>421,089</u>	<u>170,094</u>	<u>172,051</u>	<u>275</u>	<u>365,349</u>	<u>6,503,048</u>	<u>1,335,410</u>	<u>2,860,092</u>	<u>544,246</u>	<u>18,113</u>	<u>(19,752)</u>	<u>90,313</u>	<u>12,460,328</u>
Total liabilities and fund balances	<u>\$ 218,194</u>	<u>\$ 421,224</u>	<u>\$ 219,479</u>	<u>\$ 173,729</u>	<u>\$ 31,519</u>	<u>\$ 365,349</u>	<u>\$ 6,755,437</u>	<u>\$ 1,473,761</u>	<u>\$ 2,864,989</u>	<u>\$ 568,112</u>	<u>\$ 18,113</u>	<u>\$ 61,352</u>	<u>\$ 99,803</u>	<u>\$ 13,271,061</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Capital Project Funds

As of September 30, 2010

	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	2010 Certificates of Obligation Fund	Total
<u>Assets</u>								
Cash and cash equivalents	\$ -	\$ -	\$ 82,962	\$ 736,732	\$ 1,060,957	\$ 1,345,889	\$ 2,650,666	\$ 5,877,206
Investments	-	-	124,881	1,108,995	1,597,048	2,025,952	3,990,020	8,846,896
Interest receivable	-	-	502	4,459	6,421	8,145	16,042	35,569
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,345</u>	<u>\$ 1,850,186</u>	<u>\$ 2,664,426</u>	<u>\$ 3,379,986</u>	<u>\$ 6,656,728</u>	<u>\$ 14,759,671</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ 92,190	\$ 182,762	\$ 702,277	\$ 969	\$ 978,198
Retainages payable	-	-	18,275	26,904	68,933	265,171	31,081	410,364
Due to other funds	-	-	-	-	-	-	25,000	25,000
Total liabilities	<u>-</u>	<u>-</u>	<u>18,275</u>	<u>119,094</u>	<u>251,695</u>	<u>967,448</u>	<u>57,050</u>	<u>1,413,562</u>
Fund balances:								
Reserved for encumbrances	-	-	212,681	833,603	1,219,719	3,260,594	432,208	5,958,805
Reserved for capital improvements	-	-	-	897,489	1,193,012	-	6,167,470	8,257,971
Unreserved - undesignated	-	-	(22,611)	-	-	(848,056)	-	(870,667)
Total fund balances	<u>-</u>	<u>-</u>	<u>190,070</u>	<u>1,731,092</u>	<u>2,412,731</u>	<u>2,412,538</u>	<u>6,599,678</u>	<u>13,346,109</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,345</u>	<u>\$ 1,850,186</u>	<u>\$ 2,664,426</u>	<u>\$ 3,379,986</u>	<u>\$ 6,656,728</u>	<u>\$ 14,759,671</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Permanent Funds

As of September 30, 2010

	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	\$ 1,007	\$ 3,603	\$ 5,725	\$ 361	\$ 647,345	\$ 23,764	\$ 1,974	\$ 2,939	\$ 346	\$ 687,064
Investments	1,515	5,423	8,618	544	974,442	35,771	2,972	4,423	520	1,034,228
Interest receivable	6	22	35	2	3,918	144	12	18	2	4,159
Total assets	<u>\$ 2,528</u>	<u>\$ 9,048</u>	<u>\$ 14,378</u>	<u>\$ 907</u>	<u>\$ 1,625,705</u>	<u>\$ 59,679</u>	<u>\$ 4,958</u>	<u>\$ 7,380</u>	<u>\$ 868</u>	<u>\$ 1,725,451</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	688,262	4,950	2,085	6,709	500	710,905
Unreserved - undesignated	1,129	4,048	12,878	407	933,943	54,729	2,873	671	368	1,011,046
Total fund balances	<u>2,528</u>	<u>9,048</u>	<u>14,378</u>	<u>907</u>	<u>1,625,705</u>	<u>59,679</u>	<u>4,958</u>	<u>7,380</u>	<u>868</u>	<u>1,725,451</u>
Total liabilities and fund balances	<u>\$ 2,528</u>	<u>\$ 9,048</u>	<u>\$ 14,378</u>	<u>\$ 907</u>	<u>\$ 1,625,705</u>	<u>\$ 59,679</u>	<u>\$ 4,958</u>	<u>\$ 7,380</u>	<u>\$ 868</u>	<u>\$ 1,725,451</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, 2010

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Revenues:				
Property taxes	\$ 1,560,979	\$ -	\$ -	\$ 1,560,979
Hotel occupancy taxes	411,190	-	-	411,190
Transportation and drainage assessments	6,129,574	-	-	6,129,574
Fines and court charges	44,446	-	-	44,446
Grants	1,438,388	-	-	1,438,388
Investment earnings	117,548	159,366	15,717	292,631
Oil and gas royalties	50,701	-	-	50,701
Other	1,386,721	-	34,405	1,421,126
Total revenues	<u>11,139,547</u>	<u>159,366</u>	<u>50,122</u>	<u>11,349,035</u>
Expenditures:				
Current:				
General government and administration	179,761	-	-	179,761
Development services	2,075,366	-	-	2,075,366
Public works services	4,442,639	1,018,702	-	5,461,341
Cultural and recreational	390,789	-	-	390,789
Capital outlay	1,928,884	8,181,975	-	10,110,859
Debt service:				
Bond and principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	42,423	-	42,423
Total expenditures	<u>9,017,439</u>	<u>9,243,100</u>	<u>-</u>	<u>18,260,539</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,122,108</u>	<u>(9,083,734)</u>	<u>50,122</u>	<u>(6,911,504)</u>
Other financing sources (uses):				
Long-term debt issued	-	13,790,000	-	13,790,000
Premium on long-term debt issued	-	77,859	-	77,859
Transfers in	40,958	1,128	-	42,086
Transfers out	(2,482,118)	(6,037,416)	-	(8,519,534)
Total other financing sources	<u>(2,441,160)</u>	<u>7,831,571</u>	<u>-</u>	<u>5,390,411</u>
Net change in fund balances	(319,052)	(1,252,163)	50,122	(1,521,093)
Fund balances, October 1, 2009	<u>12,779,380</u>	<u>14,598,272</u>	<u>1,675,329</u>	<u>29,052,981</u>
Fund balances, September 30, 2010	<u>\$ 12,460,328</u>	<u>\$ 13,346,109</u>	<u>\$ 1,725,451</u>	<u>\$ 27,531,888</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, 2010

	Community Development Fund	Hotel and Motel Room Tax Fund	Oil and Gas Fund	Special Projects Fund	Sidewalks Fund	Court Technology Fund	Street Improvement Fund	Drainage Improvement Fund	Tax Increment Reinvestment Zone #8 Fund	Tax Increment Reinvestment Zone #10 Fund	Tax Increment Reinvestment Zone #19 Fund	Tax Increment Reinvestment Zone #21 Fund	Tax Increment Reinvestment Zone #22 Fund	Total
Revenues:														
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 702,742	\$ 540,792	\$ 80,859	\$ 63,383	\$ 173,203	\$ 1,560,979
Hotel occupancy taxes	-	411,190	-	-	-	-	-	-	-	-	-	-	-	411,190
Transportation and drainage assessments	-	-	-	-	-	-	5,270,416	859,158	-	-	-	-	-	6,129,574
Grants	1,438,388	-	-	-	-	-	-	-	-	-	-	-	-	1,438,388
Fines and court charges	-	-	-	-	-	44,446	-	-	-	-	-	-	-	44,446
Investment earnings	-	3,267	2,020	1,395	275	3,398	56,273	17,030	23,233	9,590	367	468	232	117,548
Oil and gas royalties	-	-	50,701	-	-	-	-	-	-	-	-	-	-	50,701
Other	60,470	-	-	188	-	-	-	-	850,830	328,323	38,408	564	107,938	1,386,721
Total revenues	1,498,858	414,457	52,721	1,583	275	47,844	5,326,689	876,188	1,576,805	878,705	119,634	64,415	281,373	11,139,547
Expenditures:														
Current:														
General government and administration	-	-	312	199	-	-	-	-	104,250	75,000	-	-	-	179,761
Development services	1,498,858	-	-	132,239	-	-	-	-	33,722	200,753	175	84,167	125,452	2,075,366
Public works services	-	-	-	-	-	-	3,851,163	591,476	-	-	-	-	-	4,442,639
Cultural and recreational	-	390,789	-	-	-	-	-	-	-	-	-	-	-	390,789
Capital outlay	-	-	-	-	-	17,457	-	861,826	572,273	477,328	-	-	-	1,928,884
Total expenditures	1,498,858	390,789	312	132,438	-	17,457	3,851,163	1,453,302	710,245	753,081	175	84,167	125,452	9,017,439
Excess (deficiency) of revenues over (under) expenditures	-	23,668	52,409	(130,855)	275	30,387	1,475,526	(577,114)	866,560	125,624	119,459	(19,752)	155,921	2,122,108
Other financing sources (uses):														
Transfers in	-	-	-	-	-	-	-	-	-	-	40,958	-	-	40,958
Transfers out	-	(16,292)	-	(39,807)	-	-	(327,575)	(24,680)	(222,926)	(1,522,155)	(142,304)	-	(186,379)	(2,482,118)
Total other financing sources (uses)	-	(16,292)	-	(39,807)	-	-	(327,575)	(24,680)	(222,926)	(1,522,155)	(101,346)	-	(186,379)	(2,441,160)
Net change in fund balances	-	7,376	52,409	(170,662)	275	30,387	1,147,951	(601,794)	643,634	(1,396,531)	18,113	(19,752)	(30,458)	(319,052)
Fund balances, October 1, 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
Fund balances, September 30, 2010	\$ -	\$ 421,089	\$ 170,094	\$ 172,051	\$ 275	\$ 365,349	\$ 6,503,048	\$ 1,335,410	\$ 2,860,092	\$ 544,246	\$ 18,113	\$ (19,752)	\$ 90,313	\$ 12,460,328

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, 2010

	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	2010 Certificates of Obligation Fund	Total
Revenues:								
Investment earnings	\$ -	\$ 2,502	\$ 2,544	\$ 18,354	\$ 24,242	\$ 40,826	\$ 70,898	\$ 159,366
Other	-	-	-	-	-	-	-	-
Total revenues	-	2,502	2,544	18,354	24,242	40,826	70,898	159,366
Expenditures:								
Current:								
Public works services	-	(40,484)	27,812	33,776	40,213	115,630	841,755	1,018,702
Capital outlay	-	-	316,519	545,035	1,727,046	4,828,474	764,901	8,181,975
Arbitrage rebate	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	42,423	42,423
Total expenditures	-	(40,484)	344,331	578,811	1,767,259	4,944,104	1,649,079	9,243,100
Excess (deficiency) of revenues over (under) expenditures	-	42,986	(341,787)	(560,457)	(1,743,017)	(4,903,278)	(1,578,181)	(9,083,734)
Other financing sources (uses):								
Long-term debt issued	-	-	-	-	-	-	13,790,000	13,790,000
Premium on long-term debt issued	-	-	-	-	-	-	77,859	77,859
Transfers in	-	1,128	-	-	-	-	-	1,128
Transfers out	(1,128)	(305,330)	(40,958)	-	-	-	(5,690,000)	(6,037,416)
Total other financing sources	(1,128)	(304,202)	(40,958)	-	-	-	8,177,859	7,831,571
Net change in fund balances	(1,128)	(261,216)	(382,745)	(560,457)	(1,743,017)	(4,903,278)	6,599,678	(1,252,163)
Fund balances, October 1, 2009	1,128	261,216	572,815	2,291,549	4,155,748	7,315,816	-	14,598,272
Fund balances, September 30, 2010	\$ -	\$ -	\$ 190,070	\$ 1,731,092	\$ 2,412,731	\$ 2,412,538	\$ 6,599,678	\$ 13,346,109

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, 2010

	<u>Brandon Cemetery Fund</u>	<u>J.W. English Fund</u>	<u>Lucy B. Hervey Fund</u>	<u>Mills Trust Fund</u>	<u>Cemetery Fund</u>	<u>Myrtie Conway Astin Fund</u>	<u>F.L. Henderson Library Fund</u>	<u>Rountree Library Fund</u>	<u>Bade Trust Fund</u>	<u>Totals</u>
Revenues:										
Contributions	\$ -	\$ -	\$ -	\$ -	\$ 34,405	\$ -	\$ -	\$ -	\$ -	\$ 34,405
Investment earnings	<u>23</u>	<u>83</u>	<u>131</u>	<u>8</u>	<u>14,806</u>	<u>544</u>	<u>46</u>	<u>68</u>	<u>8</u>	<u>15,717</u>
Total revenues	<u>23</u>	<u>83</u>	<u>131</u>	<u>8</u>	<u>49,211</u>	<u>544</u>	<u>46</u>	<u>68</u>	<u>8</u>	<u>50,122</u>
Net change in fund balances	23	83	131	8	49,211	544	46	68	8	50,122
Fund balances, October 1, 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>
Fund balances, September 30, 2010	<u>\$ 2,528</u>	<u>\$ 9,048</u>	<u>\$ 14,378</u>	<u>\$ 907</u>	<u>\$ 1,625,705</u>	<u>\$ 59,679</u>	<u>\$ 4,958</u>	<u>\$ 7,380</u>	<u>\$ 868</u>	<u>\$ 1,725,451</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, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Property taxes	\$ 5,968,946	\$ 5,852,971	\$ (115,975)
Investment earnings	46,800	78,080	31,280
Other	-	256,895	256,895
Total revenues	<u>6,015,746</u>	<u>6,187,946</u>	<u>172,200</u>
Expenditures:			
Debt service:			
Bond and principal retirement	4,290,000	4,422,656	(132,656)
Interest and fiscal charges	4,407,171	4,243,293	163,878
Advance refunding costs	-	70,134	(70,134)
Debt issuance costs	-	53,345	(53,345)
Total expenditures	<u>8,697,171</u>	<u>8,789,428</u>	<u>(92,257)</u>
Excess of expenditures over revenues	(2,681,425)	(2,601,482)	79,943
Other financing sources:			
Transfers in	2,758,667	8,474,735	5,716,068
Refunding bonds issued	-	10,635,000	10,635,000
Premium on refunding bonds	-	250,488	250,488
Payment to refunded bond escrow agent	-	(10,838,398)	(10,838,398)
Total other financing sources	<u>2,758,667</u>	<u>8,521,825</u>	<u>5,763,158</u>
Net change in fund balance	77,242	5,920,343	5,843,101
Fund Balance, October 1, 2009	<u>1,053,059</u>	<u>1,053,059</u>	-
Fund Balance, September 30, 2010	<u>\$ 1,130,301</u>	<u>\$ 6,973,402</u>	<u>\$ 5,843,101</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, 2010

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Grants	\$ 2,078,216	\$ 2,853,421	\$ 1,438,388	\$ (1,415,033)
Other	53,000	53,000	60,470	7,470
Total revenues	<u>2,131,216</u>	<u>2,906,421</u>	<u>1,498,858</u>	<u>(1,407,563)</u>
Expenditures:				
Current:				
Development services	<u>2,060,047</u>	<u>2,977,848</u>	<u>1,498,858</u>	<u>1,478,990</u>
Total expenditures	<u>2,060,047</u>	<u>2,977,848</u>	<u>1,498,858</u>	<u>1,478,990</u>
Net change in fund balance	71,169	(71,427)	-	71,427
Fund balance, October 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, September 30, 2010	<u>\$ 71,169</u>	<u>\$ (71,427)</u>	<u>\$ -</u>	<u>\$ 71,427</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, 2010

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Occupancy taxes	\$ 430,440	\$ 430,440	\$ 411,190	\$ (19,250)
Investment earnings	4,467	4,467	3,267	(1,200)
Total revenues	<u>434,907</u>	<u>434,907</u>	<u>414,457</u>	<u>(20,450)</u>
Expenditures:				
Current:				
Cultural and recreational	468,600	474,600	390,789	83,811
Capital Outlay	90,000	90,000	-	90,000
Total expenditures	<u>558,600</u>	<u>564,600</u>	<u>390,789</u>	<u>173,811</u>
Other financing uses:				
Transfers out	<u>(16,292)</u>	<u>(16,292)</u>	<u>(16,292)</u>	<u>-</u>
Net change in fund balance	(139,985)	(145,985)	7,376	153,361
Fund balance, October 1, 2009	<u>413,713</u>	<u>413,713</u>	<u>413,713</u>	<u>-</u>
Fund balance, September 30, 2010	<u>\$ 273,728</u>	<u>\$ 267,728</u>	<u>\$ 421,089</u>	<u>\$ 153,361</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, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Investment earnings	\$ 1,021	\$ 2,020	\$ 999
Oil and gas royalties	75,000	50,701	(24,299)
Total revenues	<u>76,021</u>	<u>52,721</u>	<u>(23,300)</u>
Expenditures:			
Current:			
General government and administration	<u>313</u>	<u>312</u>	<u>1</u>
Total expenditures	<u>313</u>	<u>312</u>	<u>1</u>
Excess of revenues over expenditures	75,708	52,409	(23,299)
Other financing sources (uses):			
Transfers out	<u>(75,000)</u>	-	<u>75,000</u>
Total other financing sources (uses)	<u>(75,000)</u>	-	<u>75,000</u>
Net change in fund balance	708	52,409	51,701
Fund balance, October 1, 2009	<u>117,685</u>	<u>117,685</u>	-
Fund balance, September 30, 2010	<u>\$ 118,393</u>	<u>\$ 170,094</u>	<u>\$ 51,701</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, 2010

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment earnings	\$ 79	\$ 79	\$ 1,395	\$ 1,316
Other	-	-	188	188
Total revenues	<u>79</u>	<u>79</u>	<u>1,583</u>	<u>1,504</u>
Expenditures:				
Current:				
General government and administration	199	199	199	-
Development services	-	2,176	132,239	(130,063)
Total expenditures	<u>199</u>	<u>2,375</u>	<u>132,438</u>	<u>(130,063)</u>
Excess of revenues over expenditures	(120)	(2,296)	(130,855)	(128,559)
Other financing sources (uses):				
Transfers in	95,000	95,000	-	(95,000)
Transfers out	<u>(89,558)</u>	<u>(89,558)</u>	<u>(39,807)</u>	<u>49,751</u>
Total other financing sources (uses)	5,442	5,442	(39,807)	(45,249)
Net change in fund balance	5,322	3,146	(170,662)	(173,808)
Fund balance, October 1, 2009	<u>342,713</u>	<u>342,713</u>	<u>342,713</u>	-
Fund balance, September 30, 2010	<u>\$ 348,035</u>	<u>\$ 345,859</u>	<u>\$ 172,051</u>	<u>\$ (173,808)</u>

CITY OF BRYAN, TEXAS

Sidewalks Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Fiscal Year Ended September 30, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Investment earnings		275	275
Total revenues	-	275	275
Net change in fund balance	-	275	275
Fund balance, October 1, 2009	-	-	-
Fund balance, September 30, 2010	<u>\$ -</u>	<u>\$ 275</u>	<u>\$ 275</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, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and court charges	\$ 45,600	\$ 44,446	\$ (1,154)
Investment earnings	6,748	3,398	(3,350)
Total revenues	<u>52,348</u>	<u>47,844</u>	<u>(4,504)</u>
Expenditures:			
Current:			
Public Safety	1,100	-	1,100
Capital outlay	<u>32,875</u>	<u>17,457</u>	<u>15,418</u>
Total expenditures	<u>33,975</u>	<u>17,457</u>	<u>16,518</u>
Net change in fund balance	18,373	30,387	12,014
Fund balance, October 1, 2009	<u>334,962</u>	<u>334,962</u>	<u>-</u>
Fund balance, September 30, 2010	<u>\$ 353,335</u>	<u>\$ 365,349</u>	<u>\$ 12,014</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, 2010

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Transportation assessments	\$ 4,963,503	\$ 4,963,503	\$ 5,270,416	\$ 306,913
Investment earnings	42,932	42,932	56,273	13,341
Total revenues	<u>5,006,435</u>	<u>5,006,435</u>	<u>5,326,689</u>	<u>320,254</u>
Expenditures:				
Current:				
Public works services	2,174,904	6,420,233	3,851,163	2,569,070
Capital outlay	1,300,000	1,300,000	-	1,300,000
Total expenditures	<u>3,474,904</u>	<u>7,720,233</u>	<u>3,851,163</u>	<u>3,869,070</u>
Excess (deficiency) of revenues over (under) expenditures	1,531,531	(2,713,798)	1,475,526	4,189,324
Other financing sources (uses)				
Transfers out	<u>(236,250)</u>	<u>(261,154)</u>	<u>(327,575)</u>	<u>(66,421)</u>
Total other financing sources (uses)	<u>(236,250)</u>	<u>(261,154)</u>	<u>(327,575)</u>	<u>(66,421)</u>
Net change in fund balance	1,295,281	(2,974,952)	1,147,951	4,122,903
Fund balance, October 1, 2009	<u>5,355,097</u>	<u>5,355,097</u>	<u>5,355,097</u>	<u>-</u>
Fund balance, September 30, 2010	<u>\$ 6,650,378</u>	<u>\$ 2,380,145</u>	<u>\$ 6,503,048</u>	<u>\$ 4,122,903</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, 2010

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Drainage assessments	\$ 823,132	\$ 823,132	\$ 859,158	\$ 36,026
Investment earnings	38,500	38,500	17,030	(21,470)
Total revenues	<u>861,632</u>	<u>861,632</u>	<u>876,188</u>	<u>14,556</u>
Expenditures:				
Current:				
Public works services	1,150,000	713,340	591,476	121,864
Capital outlay	-	893,238	861,826	31,412
Total expenditures	<u>1,150,000</u>	<u>1,606,578</u>	<u>1,453,302</u>	<u>153,276</u>
Excess (deficiencies) of revenues over (under) expenditures	(288,368)	(744,946)	(577,114)	167,832
Other financing uses:				
Transfers out	<u>(24,904)</u>	<u>(24,904)</u>	<u>(24,680)</u>	<u>224</u>
Net change in fund balance	(313,272)	(769,850)	(601,794)	168,056
Fund balance, October 1, 2009	<u>1,937,204</u>	<u>1,937,204</u>	<u>1,937,204</u>	<u>-</u>
Fund balance, September 30, 2010	<u>\$ 1,623,932</u>	<u>\$ 1,167,354</u>	<u>\$ 1,335,410</u>	<u>\$ 168,056</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, 2010

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 800,847	\$ 800,847	\$ 702,742	\$ (98,105)
Investment earnings	30,502	30,502	23,233	(7,269)
Other	907,313	907,313	850,830	(56,483)
Total revenues	<u>1,738,662</u>	<u>1,738,662</u>	<u>1,576,805</u>	<u>(161,857)</u>
Expenditures:				
Current:				
General government and administration	104,250	104,250	104,250	-
Development services	-	16,750	33,722	(16,972)
Capital outlay	695,000	1,000,179	572,273	427,906
Total expenditures	<u>799,250</u>	<u>1,121,179</u>	<u>710,245</u>	<u>410,934</u>
Excess of revenues over expenditures	939,412	617,483	866,560	249,077
Other financing uses:				
Transfers out	<u>(222,627)</u>	<u>(222,627)</u>	<u>(222,926)</u>	<u>(299)</u>
Net change in fund balance	716,785	394,856	643,634	248,778
Fund balance, October 1, 2009	<u>2,216,458</u>	<u>2,216,458</u>	<u>2,216,458</u>	<u>-</u>
Fund balance, September 30, 2010	<u>\$ 2,933,243</u>	<u>\$ 2,611,314</u>	<u>\$ 2,860,092</u>	<u>\$ 248,778</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, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Property taxes	\$ 541,608	\$ 540,792	\$ (816)
Investment earnings	29,329	9,590	(19,739)
Lot Sales	276,659	-	(276,659)
Other	332,777	328,323	(4,454)
Total revenues	<u>1,180,373</u>	<u>878,705</u>	<u>(301,668)</u>
Expenditures:			
Current:			
General government and administration	75,000	75,000	-
Development services	75,000	200,753	(125,753)
Capital outlay	-	477,328	(477,328)
Total expenditures	<u>150,000</u>	<u>753,081</u>	<u>(603,081)</u>
Excess of revenues over expenditures	1,030,373	125,624	(904,749)
Other financing uses:			
Transfers out	<u>(1,522,155)</u>	<u>(1,522,155)</u>	-
Total other financing sources	<u>(1,522,155)</u>	<u>(1,522,155)</u>	-
Net change in fund balance	(491,782)	(1,396,531)	(904,749)
Fund balance, October 1, 2009	<u>1,940,777</u>	<u>1,940,777</u>	-
Fund balance, September 30, 2010	<u>\$ 1,448,995</u>	<u>\$ 544,246</u>	<u>\$ (904,749)</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, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Property taxes	\$ 79,849	\$ 80,859	\$ 1,010
Investment earnings	-	367	367
Other	38,169	38,408	239
Total revenues	<u>118,018</u>	<u>119,634</u>	<u>1,616</u>
Expenditures:			
Current:			
Development services	-	175	(175)
Total expenditures	<u>-</u>	<u>175</u>	<u>(175)</u>
Excess of revenues over expenditures	118,018	119,459	1,441
Other financing sources (uses)			
Transfers in	26,558	40,958	14,400
Transfers out	(144,576)	(142,304)	2,272
Total other financing sources	<u>(118,018)</u>	<u>(101,346)</u>	<u>16,672</u>
Net change in fund balance	-	18,113	18,113
Fund balance, October 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, September 30, 2010	<u>\$ -</u>	<u>\$ 18,113</u>	<u>\$ 18,113</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, 2010

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 63,482	\$ 63,482	\$ 63,383	\$ (99)
Investment earnings	-	-	468	468
Other	-	-	564	564
Total revenues	<u>63,482</u>	<u>63,482</u>	<u>64,415</u>	<u>933</u>
Expenditures:				
Current:				
Development services	35,000	35,000	84,167	(49,167)
Capital outlay	<u>200,000</u>	<u>259,240</u>	<u>-</u>	<u>259,240</u>
Total expenditures	<u>235,000</u>	<u>294,240</u>	<u>84,167</u>	<u>210,073</u>
Excess of revenues over expenditures	(171,518)	(230,758)	(19,752)	211,006
Other financing sources (uses)				
Transfers in	<u>171,518</u>	<u>171,518</u>	<u>-</u>	<u>(171,518)</u>
Total other financing sources	<u>171,518</u>	<u>171,518</u>	<u>-</u>	<u>(171,518)</u>
Net change in fund balance	-	(59,240)	(19,752)	39,488
Fund balance, October 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, September 30, 2010	<u>-</u>	<u>\$ (59,240)</u>	<u>\$ (19,752)</u>	<u>\$ 39,488</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, 2010

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 173,203	\$ 173,203	\$ 173,203	\$ -
Investment earnings	20	20	232	212
Other	108,510	108,510	107,938	(572)
Total revenues	<u>281,733</u>	<u>281,733</u>	<u>281,373</u>	<u>(360)</u>
Expenditures:				
Current:				
Development services	-	150,000	125,452	24,548
Capital outlay	112,000	553,900	-	553,900
Total expenditures	<u>112,000</u>	<u>703,900</u>	<u>125,452</u>	<u>578,448</u>
Deficiency of revenues under expenditures	169,733	(422,167)	155,921	578,088
Other financing sources (uses):				
Transfers in	112,000	112,000	-	(112,000)
Transfers out	(281,380)	(281,380)	(186,379)	95,001
Total other financing sources	<u>(169,380)</u>	<u>(169,380)</u>	<u>(186,379)</u>	<u>(16,999)</u>
Net change in fund balance	353	(591,547)	(30,458)	561,089
Fund balance, October 1, 2009	<u>120,771</u>	<u>120,771</u>	<u>120,771</u>	<u>-</u>
Fund balance, September 30, 2010	<u>\$ 121,124</u>	<u>\$ (470,776)</u>	<u>\$ 90,313</u>	<u>\$ 561,089</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, 2010

<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	\$ 763,862	\$ 205	\$ -	\$ 135,967	\$ 900,034
Investments	1,149,834	-	-	-	1,149,834
Accounts receivable	903,117	9,667	1,604,452	41,741	2,558,977
Less allowance for uncollectible	(224,915)	-	-	(2,075)	(226,990)
Interest receivable	4,623	-	-	-	4,623
Inventories	-	27,960	-	3,958	31,918
Due from other funds	106,426	-	-	4,897	111,323
Prepaid and other assets	-	-	68,000	22,643	90,643
Total current assets	<u>2,702,947</u>	<u>37,832</u>	<u>1,672,452</u>	<u>207,131</u>	<u>4,620,362</u>
Noncurrent assets:					
Restricted assets:					
Investment in BVSWMA	12,896,875	-	-	-	12,896,875
Capital assets:					
Land	-	654,671	-	9,397,188	10,051,859
Buildings	83,307	1,104,223	-	1,603,957	2,791,487
Equipment	6,917,597	-	-	578,363	7,495,960
Improvements other than buildings	338,287	3,102,816	2,725,921	-	6,167,024
Less accumulated depreciation	(4,467,335)	(1,994,238)	(1,616,772)	(873,174)	(8,951,519)
Total capital assets (net of accumulated depreciation)	<u>2,871,856</u>	<u>2,867,472</u>	<u>1,109,149</u>	<u>10,706,334</u>	<u>17,554,811</u>
Total noncurrent assets	<u>15,768,731</u>	<u>2,867,472</u>	<u>1,109,149</u>	<u>10,706,334</u>	<u>30,451,686</u>
Total assets	<u>\$ 18,471,678</u>	<u>\$ 2,905,304</u>	<u>\$ 2,781,601</u>	<u>\$ 10,913,465</u>	<u>\$ 35,072,048</u>

	Solid Waste Fund	Bryan Airport Fund	BTU QSE Services	Bryan Commerce & Development	Total
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	\$ 123,602	\$ 5,528	\$ 187,086	\$ 35,610	\$ 351,826
Accrued liabilities	127,073	5,092	33,481	16,742	182,388
Due to other funds	-	44,955	413,895	620,000	1,078,850
Accrued interest	-	213	-	7,649	7,862
Certificates of obligation	-	2,344	-	-	2,344
Notes	-	-	-	1,893,792	1,893,792
Accrued vacation and sick pay	111,384	1,202	17,495	1,679	131,760
Current liabilities payable from restricted assets:					
Customer deposits	-	2,276	-	46,379	48,655
Total current liabilities	<u>362,059</u>	<u>61,610</u>	<u>651,957</u>	<u>2,621,851</u>	<u>3,697,477</u>
Noncurrent liabilities:					
General obligation bonds	-	-	-	-	-
Certificates of obligation	-	32,500	-	-	32,500
Notes	-	-	-	-	-
Accrued vacation and sick pay	57,380	619	9,012	865	67,876
Total noncurrent liabilities	<u>57,380</u>	<u>33,119</u>	<u>9,012</u>	<u>865</u>	<u>100,376</u>
Total liabilities	<u>419,439</u>	<u>94,729</u>	<u>660,969</u>	<u>2,622,716</u>	<u>3,797,853</u>
<u>Net Assets</u>					
Invested in capital assets, net of related debt	2,871,856	2,832,628	1,109,149	8,812,542	15,626,175
Restricted for BVSWMA	12,896,875	-	-	-	12,896,875
Unrestricted	2,283,508	(22,053)	1,011,483	(521,793)	2,751,145
Total net assets	<u>\$ 18,052,239</u>	<u>\$ 2,810,575</u>	<u>\$ 2,120,632</u>	<u>\$ 8,290,749</u>	<u>\$ 31,274,195</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, 2010

	Solid Waste Fund	Bryan Airport Fund	BTU QSE Services	Bryan Commerce & Development	Total
Operating revenues:					
Other	\$ 7,716,875	\$ 196,167	\$ 1,352,153	\$ 873,177	\$ 10,138,372
Total operating revenues	<u>7,716,875</u>	<u>196,167</u>	<u>1,352,153</u>	<u>873,177</u>	<u>10,138,372</u>
Operating expenses:					
Personnel services	2,378,364	63,274	930,195	458,531	3,830,364
Electric operations	-	-	232,109	-	232,109
Maintenance	313,205	60,477	-	16,467	390,149
Other services and charges	2,041,937	67,336	-	504,333	2,613,606
Other expenses	559,006	122,088	-	63,871	744,965
General and administrative	2,054,039	11,126	13,225	-	2,078,390
Total operating expenses	<u>7,346,551</u>	<u>324,301</u>	<u>1,175,529</u>	<u>1,043,202</u>	<u>9,889,583</u>
before depreciation	<u>7,346,551</u>	<u>324,301</u>	<u>1,175,529</u>	<u>1,043,202</u>	<u>9,889,583</u>
Operating income (loss) before depreciation	370,324	(128,134)	176,624	(170,025)	248,789
Depreciation	<u>497,035</u>	<u>175,971</u>	<u>176,624</u>	<u>172,435</u>	<u>1,022,065</u>
Operating income (loss)	<u>(126,711)</u>	<u>(304,105)</u>	<u>-</u>	<u>(342,460)</u>	<u>(773,276)</u>
Nonoperating revenues (expenses):					
Investment earnings	19,791	74	-	-	19,865
Interest expense	-	(1,798)	-	(85,869)	(87,667)
Grants	10,555	14,478	-	-	25,033
Distributive share of BVSWMA net income	345,066	-	-	-	345,066
Other - net	<u>105,973</u>	<u>21</u>	<u>-</u>	<u>3,670</u>	<u>109,664</u>
Total nonoperating revenues	<u>481,385</u>	<u>12,775</u>	<u>-</u>	<u>(82,199)</u>	<u>411,961</u>
Income (loss) before contributions and transfers	354,674	(291,330)	-	(424,659)	(361,315)
Transfers in	-	-	-	303,897	303,897
Transfers out	<u>(854,851)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(854,851)</u>
Change in net assets	<u>(500,177)</u>	<u>(291,330)</u>	<u>-</u>	<u>(120,762)</u>	<u>(912,269)</u>
Net assets, October 1, 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>
Net assets, September 30, 2010	<u>\$ 18,052,239</u>	<u>\$ 2,810,575</u>	<u>\$ 2,120,632</u>	<u>\$ 8,290,749</u>	<u>\$ 31,274,195</u>

CITY OF BRYAN, TEXAS

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2010

	Solid Waste Fund	Bryan Airport Fund	BTU QSE Services	Bryan Commerce & Development	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 7,925,813	\$ 161,994	\$ 1,105,681	\$ 885,932	\$ 10,079,420
Payments to suppliers	(2,996,760)	(212,572)	(96,514)	53,655	(3,252,191)
Payments to employees	(2,379,622)	(56,361)	(928,722)	(459,992)	(3,824,697)
Receipts for miscellaneous revenues	116,528	14,499	-	-	131,027
Payments for interfund services used	(2,054,039)	-	-	-	(2,054,039)
Net cash provided (used) by operating activities	<u>611,920</u>	<u>(92,440)</u>	<u>80,445</u>	<u>479,595</u>	<u>1,079,520</u>
Cash flows from noncapital financing activities:					
Transfers in	-	-	-	303,897	303,897
Transfers out	(854,851)	-	-	-	(854,851)
Net cash provided (used) by noncapital financing activities	<u>(854,851)</u>	<u>-</u>	<u>-</u>	<u>303,897</u>	<u>(550,954)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(352,112)	-	(80,445)	(606,274)	(1,038,831)
Grant proceeds	11,520	-	-	-	11,520
Principal paid on certificates of obligation	-	(2,344)	-	-	(2,344)
Principal paid on notes	-	-	-	(4,986)	(4,986)
Interest paid on bonds, contractual obligations, and notes	-	(1,811)	-	(79,523)	(81,334)
Net cash provided (used) by capital and related financing activities	<u>(340,592)</u>	<u>(4,155)</u>	<u>(80,445)</u>	<u>(690,783)</u>	<u>(1,115,975)</u>
Cash flows from investing activities:					
Purchase of investment securities	(934,184)	-	-	-	(934,184)
Sale of investment securities	738,480	37,183	-	-	775,663
Interest on investments	20,276	273	-	-	20,549
Net cash provided (used) by investing activities	<u>(175,428)</u>	<u>37,456</u>	<u>-</u>	<u>-</u>	<u>(137,972)</u>
Net increase in cash and cash equivalents	(758,951)	(59,139)	-	92,709	(725,381)
Cash and cash equivalents, October 1, 2009	<u>1,522,813</u>	<u>59,344</u>	<u>-</u>	<u>43,258</u>	<u>1,625,415</u>
Cash and cash equivalents, September 30, 2010	<u>\$ 763,862</u>	<u>\$ 205</u>	<u>\$ -</u>	<u>\$ 135,967</u>	<u>\$ 900,034</u>

CITY OF BRYAN, TEXAS

Combining Statement of Cash Flows (continued)

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2010

	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)	\$ (126,711)	\$ (304,105)	\$ -	\$ (342,460)	\$ (773,276)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	497,035	175,971	176,624	172,435	1,022,065
Receipts for miscellaneous revenues	116,528	14,499	-	-	131,027
Change in assets and liabilities:					
Change in accounts receivable	208,745	(8,489)	(246,472)	(33,043)	(79,259)
Change in inventory	-	(27,960)	-	(458)	(28,418)
Change in due from other funds	193	44,950	-	(6,039)	39,104
Change in prepaid assets	357	-	11,553,833	(4,897)	11,549,293
Change in accounts payable	(57,787)	3,505	27,873	1,723	(24,686)
Change in accrued liabilities	3,246	5,092	2,723	653,679	664,740
Change in deferred credit	-	-	(43,420)	-	(43,420)
Change in customer deposits	-	2,276	-	(5,682)	(3,406)
Change in due to other funds	(28,428)	-	(11,389,466)	45,798	(11,372,096)
Change in accrued vacation and sick pay	(1,258)	1,821	(1,250)	(1,461)	(2,148)
Net cash provided (used) by operating activities	<u>\$ 611,920</u>	<u>\$ (92,440)</u>	<u>\$ 80,445</u>	<u>\$ 479,595</u>	<u>\$ 1,079,520</u>

Noncash investing, capital and financing activities

During this past year, the Enterprise Funds investment in BSWMA increased \$345,066 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, 2010

<u>Assets</u>	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Equipment Replacement Fund	Facility Maintenance Fund	Total
Current assets:						
Cash and cash equivalents	\$ 153,374	\$ 2,766,833	\$ 1,297,894	\$ 1,265,787	\$ 47,671	\$ 5,531,559
Investments	230,871	4,127,253	1,953,706	1,905,375	71,758	8,288,963
Accounts receivable	-	915	40,052	-	-	40,967
Interest receivable	928	16,593	7,855	7,660	288	33,324
Inventories	198,606	-	-	-	-	198,606
Due from other funds	350	107,716	128,905	-	-	236,971
Total current assets	<u>584,129</u>	<u>7,019,310</u>	<u>3,428,412</u>	<u>3,178,822</u>	<u>119,717</u>	<u>14,330,390</u>
Noncurrent assets:						
Capital assets:						
Buildings	-	23,420	-	-	-	23,420
Equipment	-	291,297	-	5,752,798	-	6,044,095
Improvements other than buildings	98,420	29,571	-	-	30,340	158,331
Less accumulated depreciation	<u>(43,670)</u>	<u>(308,893)</u>	<u>-</u>	<u>(1,237,929)</u>	<u>(1,896)</u>	<u>(1,592,388)</u>
Total capital assets (net of accumulated depreciation)	<u>54,750</u>	<u>35,395</u>	<u>-</u>	<u>4,514,869</u>	<u>28,444</u>	<u>4,633,458</u>
Total assets	<u><u>638,879</u></u>	<u><u>7,054,705</u></u>	<u><u>3,428,412</u></u>	<u><u>7,693,691</u></u>	<u><u>148,161</u></u>	<u><u>18,963,848</u></u>
Liabilities						
Current liabilities:						
Accounts payable	6,360	99,628	222,032	-	-	328,020
Claims payable	-	780,894	1,011,803	-	-	1,792,697
Due to other funds	-	486,158	-	-	-	486,158
Accrued liabilities	6,977	13,717	-	-	-	20,694
Accrued vacation and sick pay	5,361	36,794	-	-	-	42,155
Total current liabilities	<u>18,698</u>	<u>1,417,191</u>	<u>1,233,835</u>	<u>-</u>	<u>-</u>	<u>2,669,724</u>
Noncurrent liabilities:						
Claims payable	-	552,664	-	-	-	552,664
Accrued liabilities	-	-	315,111	-	-	315,111
Accrued vacation and sick pay	2,762	18,955	-	-	-	21,717
Total noncurrent liabilities	<u>2,762</u>	<u>571,619</u>	<u>315,111</u>	<u>-</u>	<u>-</u>	<u>889,492</u>
Total liabilities	<u>21,460</u>	<u>1,988,810</u>	<u>1,548,946</u>	<u>-</u>	<u>-</u>	<u>3,559,216</u>
Net Assets						
Invested in capital assets	54,750	35,395	-	4,514,869	28,444	4,633,458
Restricted for encumbrances	1,600	-	-	-	-	1,600
Unrestricted	561,069	5,030,500	1,879,466	3,178,822	119,717	10,769,574
Total net assets	<u>\$ 617,419</u>	<u>\$ 5,065,895</u>	<u>\$ 1,879,466</u>	<u>\$ 7,693,691</u>	<u>\$ 148,161</u>	<u>\$ 15,404,632</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, 2010

	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Equipment Replacement Fund	Facility Maintenance Fund	Total
Operating revenues:						
Intragovernmental	\$ 263,605	\$ 1,307,143	\$ 5,497,886	\$ 3,527,542	\$ 227,300	\$ 10,823,476
Other	668		1,572,801	-	4,220	1,577,689
Total operating revenues	<u>264,273</u>	<u>1,307,143</u>	<u>7,070,687</u>	<u>3,527,542</u>	<u>231,520</u>	<u>12,401,165</u>
Operating expenses:						
Personnel services	200,825	394,272	-	-	-	595,097
Maintenance	3,450	4,633	-	-	147,527	155,610
Claims	-	649,317	7,088,656	-	-	7,737,973
Other services and charges	107,650	457,986	979,362	28,468	-	1,573,466
Other expenses	11,667	20,182	-	1,150	-	32,999
General and administrative	-	271,872	-	-	-	271,872
Total operating expenses before depreciation	<u>323,592</u>	<u>1,798,262</u>	<u>8,068,018</u>	<u>29,618</u>	<u>147,527</u>	<u>10,367,017</u>
Operating income (loss) before depreciation	(59,319)	(491,119)	(997,331)	3,497,924	83,993	2,034,148
Depreciation	4,921	11,319	-	910,455	1,517	928,212
Operating income (loss)	<u>(64,240)</u>	<u>(502,438)</u>	<u>(997,331)</u>	<u>2,587,469</u>	<u>82,476</u>	<u>1,105,936</u>
Nonoperating revenues:						
Investment earnings	3,509	64,218	32,271	8,118	463	108,579
Other	-	27,311	573,350	5,741	-	606,402
Total nonoperating revenues	<u>3,509</u>	<u>91,529</u>	<u>605,621</u>	<u>13,859</u>	<u>463</u>	<u>714,981</u>
Income before transfers	(60,731)	(410,909)	(391,710)	2,601,328	82,939	1,820,917
Other financing sources (uses):						
Transfers out	-	(787,705)	-	-	-	(787,705)
Total other financing sources (uses)	<u>-</u>	<u>(787,705)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(787,705)</u>
Change in net assets	(60,731)	(1,198,614)	(391,710)	2,601,328	82,939	1,033,212
Net assets, October 1, 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>
Net assets, September 30, 2010	<u>\$ 617,419</u>	<u>\$ 5,065,895</u>	<u>\$ 1,879,466</u>	<u>\$ 7,693,691</u>	<u>\$ 148,161</u>	<u>\$ 15,404,632</u>

CITY OF BRYAN, TEXAS

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended September 30, 2010

	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	\$ 1,596,011	\$ -	\$ 1,572,686	\$ -	\$ 4,220	\$ 3,172,917
Receipts for interfund services provided	164,843	1,212,402	5,488,182	3,527,542	227,300	10,620,269
Payments to suppliers	(1,616,943)	(647,112)	(7,564,000)	(187,383)	(160,464)	(10,175,902)
Payments to employees	(198,555)	(391,313)	-	-	-	(589,868)
Receipts for miscellaneous revenues	-	27,311	573,350	5,741	-	606,402
Payments for interfund services used	-	(271,872)	-	-	-	(271,872)
Net cash provided (used) by operating activities	(54,644)	(70,584)	70,218	3,345,900	71,056	3,361,946
Cash flows from noncapital financing activities:						
Transfers out	-	(787,705)	-	-	-	(787,705)
Net cash used by noncapital activities	-	(787,705)	-	-	-	(787,705)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	-	-	-	(2,598,566)	-	(2,598,566)
Net cash used by capital and related financing activities	-	-	-	(2,598,566)	-	(2,598,566)
Cash flows from investing activities:						
Purchase of investment securities	(192,963)	(3,460,008)	(1,679,417)	(1,694,824)	(67,570)	(7,094,782)
Sale of investment securities	129,814	2,284,944	939,287	721,022	14,340	4,089,407
Interest on investments	3,479	63,428	30,912	5,445	274	103,538
Net cash provided (used) by investing activities	(59,670)	(1,111,636)	(709,218)	(968,357)	(52,956)	(2,901,837)
Net increase in cash and cash equivalents	(114,314)	(1,969,925)	(639,000)	(221,023)	18,100	(2,926,162)
Cash and cash equivalents, October 1, 2009	267,688	4,736,758	1,936,894	1,486,810	29,571	8,457,721
Cash and cash equivalents, September 30, 2010	\$ 153,374	\$ 2,766,833	\$ 1,297,894	\$ 1,265,787	\$ 47,671	\$ 5,531,559
Operating income (loss)	\$ (64,240)	\$ (502,438)	\$ (997,331)	\$ 2,587,469	\$ 82,476	\$ 1,105,936
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	4,921	11,319	-	910,455	1,517	928,212
Nonoperating revenue	-	27,311	573,350	5,741	-	606,402
Change in assets and liabilities:						
Change in accounts receivable	-	4,956	(115)	-	-	4,841
Change in inventory	(619)	-	-	-	-	(619)
Change in due from other funds	(237)	(99,697)	(9,704)	-	-	(109,638)
Change in accounts payable	3,261	10,031	58,446	(157,765)	(12,937)	(98,964)
Change in accrued liabilities	738	1,781	425,414	-	-	427,933
Change in due to other funds	-	485,111	-	-	-	485,111
Change in claims payable	-	(10,136)	20,158	-	-	10,022
Change in vacation and sick pay	1,532	1,178	-	-	-	2,710
Net cash provided (used) by operating activities	\$ (54,644)	\$ (70,584)	\$ 70,218	\$ 3,345,900	\$ 71,056	\$ 3,361,946

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, 2010

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
<u>Assets</u>				
Cash and cash equivalents	\$ 746,648	\$ 59,858,594	\$ 59,950,423	\$ 654,819
Accounts Receivable	239,092	255,588	240,910	253,770
 Total assets	 <u>985,740</u>	 <u>60,114,182</u>	 <u>60,191,334</u>	 <u>908,589</u>
 <u>Liabilities</u>				
Benefits and employment taxes payable	\$ 985,740	\$ 26,944,721	\$ 26,867,570	\$ 908,589

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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Governmental funds capital assets:		
Land	\$ 11,525,230	\$ 11,079,720
Buildings	41,102,975	41,086,415
Improvements other than buildings	30,696,838	30,184,276
Machinery and equipment	22,085,396	23,017,184
Infrastructure	140,790,177	130,165,026
Construction in Progress	<u>24,870,327</u>	<u>21,572,084</u>
	<u>\$ 271,070,943</u>	<u>\$ 257,104,705</u>
Investments in governmental funds capital assets by source:		
General Fund	\$ 69,685,737	\$ 67,694,377
Special Revenue Funds	8,185,495	8,208,058
Private Contributions	33,665,826	31,571,372
General Obligation bonds	42,229,660	42,229,659
Grants	6,611,770	6,611,770
Certificates of Obligation	<u>110,692,455</u>	<u>100,789,469</u>
	<u>\$ 271,070,943</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 of Changes by Function and Activity
 For the Fiscal Year Ended September 30, 2010

Function and Activity	Governmental Funds Capital Assets				Governmental Funds Capital Assets
	October 1, 2009	Reclassifications	Additions	Deductions	September 30, 2010
General Government:					
Executive	\$ 15,186,008	\$ -			\$ 15,186,008
City Secretary	264,858	-			264,858
Legal services	42,640	-			42,640
Fiscal services	324,711	-			324,711
Computer services	7,106,900	-	76,615	9,970	7,173,545
Purchasing services	1,785,902	-		7,875	1,778,027
Human resources	44,862	-			44,862
Facility services	3,004,621	-	83,749	81,819	3,006,551
Fleet services	70,619	-			70,619
Total general government	<u>27,831,121</u>	<u>-</u>	<u>160,364</u>	<u>99,664</u>	<u>27,891,821</u>
Development services:					
Administration	599,956	-			599,956
Planning	29,062	-			29,062
Engineering	159,866	13,683	10,093	14,146	169,496
Inspections	137,128	-		13,986	123,142
Community Development	5,391,041	-			5,391,041
TIF infrastructure	1,780,477	-	5,558,424		7,338,901
Total development services	<u>8,097,530</u>	<u>13,683</u>	<u>5,568,517</u>	<u>28,132</u>	<u>13,651,598</u>
Public works:					
Administration	18,320	(13,683)	-	4,637	-
Environmental services	137,234	-	-		137,234
Transportation services	136,674,156		5,190,227	144,153	141,720,230
Total public works	<u>136,829,710</u>	<u>(13,683)</u>	<u>5,190,227</u>	<u>148,790</u>	<u>141,857,464</u>
Public safety:					
Police services	23,743,333	-	43,931	204,354	23,582,910
Fire and emergency medical services	11,792,254	-	17,475	461,373	11,348,356
Municipal court	2,069,562	-		15,328	2,054,234
Total public safety	<u>37,605,149</u>	<u>-</u>	<u>61,406</u>	<u>681,055</u>	<u>36,985,500</u>
Cultural and recreational:					
Administration	173,863	-	-	20,706	153,157
Library services	3,730,346	-	137,422		3,867,768
Parks and recreation services	21,264,902		619,438	91,032	21,793,308
Total cultural and recreational	<u>25,169,111</u>	<u>-</u>	<u>756,860</u>	<u>111,738</u>	<u>25,814,233</u>
Construction in Progress - Unclassified	<u>21,572,084</u>	<u>-</u>	<u>11,828,938</u>	<u>8,530,695</u>	<u>24,870,327</u>
Total governmental funds capital assets	<u>\$ 257,104,705</u>	<u>\$ -</u>	<u>\$ 23,566,312</u>	<u>\$ 9,600,074</u>	<u>\$ 271,070,943</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, 2010

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	\$ -	\$ 456,539	\$ 15,642,547
City Secretary	125,000	-	94,261	45,597	-	-	264,858
Legal services	-	-	42,640	-	-	17,456	60,096
Fiscal services	-	38,384	-	286,327	-	350	325,061
Computer services	-	60,768	33,279	7,079,498	-	67,361	7,240,906
Purchasing services	-	37,037	1,683,351	57,639	-	-	1,778,027
Human resources	-	-	9,991	34,871	-	-	44,862
Facility services	18,121	2,468,306	118,188	401,936	-	-	3,006,551
Fleet services	-	1,671	32,396	36,552	-	-	70,619
Total general government	<u>2,282,024</u>	<u>15,364,924</u>	<u>2,016,075</u>	<u>8,228,798</u>	<u>-</u>	<u>541,706</u>	<u>28,433,527</u>
Development services:							
Administration	35,156	1,260	-	563,540	-	-	599,956
Planning	-	29,062	-	-	-	-	29,062
Engineering	4,526	7,343	-	157,627	-	1,000	170,496
Inspections	-	-	-	123,142	-	-	123,142
Community Development	118,531	131,652	5,114,193	26,665	-	-	5,391,041
TIF infrastructure	126,624	-	58,449	-	7,153,828	3,020,208	10,359,109
Total development services	<u>284,837</u>	<u>169,317</u>	<u>5,172,642</u>	<u>870,974</u>	<u>7,153,828</u>	<u>3,021,208</u>	<u>16,672,806</u>
Public works:							
Administration	-	-	-	-	-	-	-
Environmental services	-	11,995	16,572	108,667	-	-	137,234
Transportation services	5,116,713	8,840	962,413	2,023,319	133,608,945	21,056,615	162,776,845
Total public works	<u>5,116,713</u>	<u>20,835</u>	<u>978,985</u>	<u>2,131,986</u>	<u>133,608,945</u>	<u>21,056,615</u>	<u>162,914,079</u>
Public safety:							
Police services	1,043,332	18,189,593	22,982	4,327,003	-	10,993	23,593,903
Fire and emergency medical services	-	6,345,530	12,780	4,990,046	-	-	11,348,356
Municipal court	1,819,216	-	106,675	128,343	-	-	2,054,234
Total public safety	<u>2,862,548</u>	<u>24,535,123</u>	<u>142,437</u>	<u>9,445,392</u>	<u>-</u>	<u>10,993</u>	<u>36,996,493</u>
Cultural and recreational:							
Administration	-	-	117,125	36,032	-	-	153,157
Library services	-	479,287	3,120,752	267,729	-	-	3,867,768
Parks and recreation services	979,108	533,489	19,148,822	1,104,485	27,404	239,805	22,033,113
Total cultural and recreational	<u>979,108</u>	<u>1,012,776</u>	<u>22,386,699</u>	<u>1,408,246</u>	<u>27,404</u>	<u>239,805</u>	<u>26,054,038</u>
Total governmental funds capital assets	<u>\$ 11,525,230</u>	<u>\$ 41,102,975</u>	<u>\$ 30,696,838</u>	<u>\$ 22,085,396</u>	<u>\$ 140,790,177</u>	<u>\$ 24,870,327</u>	<u>\$ 271,070,943</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



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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 Nine 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>	<u>2010</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	\$ 63,909,781
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	30,938,682
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	7,301,794
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>	<u>102,150,257</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	\$ 241,866,068
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	36,217,006
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	75,781,601
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>	<u>353,864,675</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	305,775,849
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	67,155,688
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	83,083,395
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>	<u>\$ 456,014,932</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.



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

Table 2

	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 11,861,977
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	5,514,292
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	14,603,264
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	28,098,561
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	8,585,698
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	4,392,590
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>	<u>73,056,382</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	132,804,674
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	27,993,444
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	10,380,604
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	9,880,856
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	9,813,006
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>	<u>190,872,584</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>	<u>263,928,966</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	166,198
Development services	454,573	472,912	408,892	504,189	523,492	722,130	614,615	587,732	572,570
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	4,639,041
Cultural and recreational	545,036	569,132	458,481	1,358,437	1,280,685	1,270,134	1,464,608	1,912,083	1,634,222
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	2,640,566
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	4,476,022
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>	<u>14,128,619</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	134,670,691
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	30,133,488
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	11,529,217
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	12,369,599
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	10,736,815
Operating grants and contributions	-	-	-	-	26,573	-	-	658,470	25,033
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	1,932,153
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>	<u>201,396,996</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>	<u>215,525,615</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)	(58,927,763)
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	10,524,412
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>	<u>\$ (48,403,351)</u>

	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 22,967,025
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	14,608,410
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	2,071,337
Alcoholic beverage taxes	79,567	69,061	64,849	63,401	66,073	62,031	64,994	72,777	79,573
Bingo taxes	58,263	55,613	87,087	127,792	158,365	178,377	183,580	195,970	204,009
Hotel occupancy taxes	218,616	205,481	226,849	221,482	219,711	248,935	290,187	321,859	411,190
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	6,129,574
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	578,261
Miscellaneous	2,605,918	1,515,886 ⁽²⁾	4,419,506	4,427,326	3,075,731	2,731,866	3,039,288	1,886,157	2,298,503
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	9,691,442
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>	<u>59,039,324</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	992,215
Miscellaneous	224,011	145,280	2,199,099	246,815	125,245	673,809	407,414	275,538	221,532
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)	(9,691,442)
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>	<u>(8,477,695)</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>	<u>50,561,629</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)	111,561
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	2,046,717
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>	<u>\$ 2,158,278</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 Nine 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>	<u>2010</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	\$ 2,753,840
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	9,087,877
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>	<u>11,841,717</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	22,061,912	27,804,909
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	7,048,799	6,560,002
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	1,011,046
Unreserved (deficit), reported in:									
Special revenue funds	-	-	-	-	(527,832) ⁽¹⁾	(2,546,969) ⁽³⁾	(957,906) ⁽⁴⁾	-	-
Capital projects funds	-	-	-	-	(5,334,147) ⁽²⁾	-	(676,984) ⁽⁵⁾	-	(870,667)
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>	<u>\$ 34,505,290</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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Property taxes	\$ 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	\$ 22,926,564
Sales taxes	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	14,608,410
Franchise taxes	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	2,071,337
Alcoholic beverage taxes	55,871	79,567	69,061	64,849	63,401	66,073	62,031	64,994	72,777	79,573
Bingo taxes	66,294	58,263	55,613	87,087	127,792	158,365	178,377	183,580	195,970	204,009
Hotel occupancy taxes	218,055	218,616	205,481	226,849	221,482	219,711	248,935	290,187	321,859	411,190
Transportation and drainage fees	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	6,129,574
Charges for services	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	4,528,548
Fines and court charges	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	1,910,913
Licenses and permits	352,140	484,789	503,847	461,734	538,964	551,701	722,130	614,615	587,732	572,570
Grants	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	3,155,205
Investment earnings	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	469,682
Litigation proceeds	450,000	450,000	450,000	450,000	450,000	-	-	-	-	-
Oil and gas royalties	516,074	326,476	62,397	65,067	58,379	56,575	39,273	160,241	67,688	50,701
Other	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	2,214,159
Total revenues	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	59,332,435
Expenditures:										
Current:										
General government and administration	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	12,904,403
Development services	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	5,281,777
Public works services	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	9,872,213
Public safety	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	27,027,735
Cultural and recreational	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	6,928,973
Administrative reimbursement	(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)	(3,990,430)
Capital outlay	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	11,074,235
Arbitrage rebate	-	-	-	-	-	-	-	16,890	-	-
Debt Service:										
Bond and principal retirement	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	4,602,656
Interest and fiscal charges	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	4,392,941
Debt issuance cost	-	84,074	58,543	329,152	-	257,893	100,749	79,500	54,170	70,134
Advance refunding costs	-	-	-	-	-	184,551	-	-	-	95,768
Total expenditures	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	78,260,405
Excess of expenditures over revenues	(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)	(18,927,970)
Other financing sources (uses):										
Proceeds of long-term debt issued	17,000,000	15,940,000	10,000,000	14,730,000	-	15,295,000	12,000,000	11,090,000	8,730,000	13,790,000
Discount on long-term debt issued	(244,549)	-	-	-	-	-	(177,780)	-	-	-
Premium on long-term debt issued	-	956	-	102,164	-	-	-	-	79,084	77,859
Proceeds of refunding bonds issued	-	3,073,419	-	-	-	20,195,000	-	-	-	10,635,000
Payment to refunded bond escrow agent	-	(3,013,134)	-	-	-	(20,605,230)	-	-	-	(10,838,398)
Discount on refunding bonds	-	-	-	-	-	(186,406)	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	588,916	-	-	-	250,488
Sales of capital assets	829,373	111,806	34,019	1,676	206,033	34,633	31,638	106,724	193,450	143,309
Transfers in	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	19,432,819
Transfers out	-	(6,225,264)	(1,107,895)	(2,500,696)	(4,161,434)	(3,773,012)	(10,180,589)	(12,763,768)	(3,748,435)	(8,953,672)
Total other financing sources	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	24,537,405
Net change in fund balances	\$ 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	\$ 5,609,435
Debt service as a percentage of noncapital expenditures	13.47%	18.88%	17.34%	17.26%	15.99%	15.37%	14.42%	13.08%	13.49%	13.39%

City of Bryan, Texas

Governmental Activities Tax Revenues By Source

Last Nine 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
2010	22,967,025	14,608,410	2,071,337	79,573	204,009	411,190	6,129,574	46,471,118
Change 2002-2010	76.31%	42.70%	28.36%	0.01%	250.15%	88.09%	241.95%	71.94%

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			Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
	Residential Property	Commercial Property	Personal Property				
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
2010	2,396,959,888	821,791,294	578,407,922	186,366,590	3,610,792,514	0.6364	3,610,792,514

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	Overlapping Rates										Subtotal Direct Rates	Subtotal Overlapping Rates	Total Direct & Overlapping Rates
	City of Bryan(1)			Brazos County(2)			Bryan Independent						
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	School District (3)						
							Operating Millage	Debt Service Millage	Total BISD Millage				
2001	0.4368	0.1996	0.6364	0.3857	0.0343	0.4200	1.5000	0.1680	1.6680	0.6364	2.0880	2.7244	
2002	0.4282	0.2082	0.6364	0.3857	0.0343	0.4200	1.5000	0.2120	1.7120	0.6364	2.1320	2.7684	
2003	0.4416	0.1948	0.6364	0.3723	0.0423	0.4146	1.5000	0.1800	1.6800	0.6364	2.0946	2.7310	
2004	0.4396	0.1968	0.6364	0.3839	0.0511	0.4350	1.5000	0.1700	1.6700	0.6364	2.1050	2.7414	
2005	0.4485	0.1879	0.6364	0.4093	0.0632	0.4725	1.5000	0.2800	1.7800	0.6364	2.2525	2.8889	
2006	0.4545	0.1819	0.6364	0.3949	0.0701	0.4650	1.3700	0.2600	1.6300	0.6364	2.0950	2.7314	
2007	0.4545	0.1819	0.6364	0.3930	0.0620	0.4550	1.0400	0.2500	1.2900	0.6364	1.7450	2.3814	
2008	0.4702	0.1662	0.6364	0.4030	0.0620	0.4650	1.0400	0.2500	1.2900	0.6364	1.7550	2.3914	
2009	0.4595	0.1769	0.6364	0.3987	0.0813	0.4800	1.0400	0.2500	1.2900	0.6364	1.7700	2.4064	
2010	0.4354	0.2010	0.6364	0.4012	0.0844	0.4856	1.0400	0.2500	1.2900	0.6364	1.7756	2.4120	

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

City of Bryan, Texas
Principal Property Taxpayers
As of December 31, 2010

Table 8

Taxpayer	2010			2001		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Jamespoint Management	\$ 35,302,631	1	0.78%			
Well Services Division of STC	28,947,970	2	0.64%			
SW Meadows Point LP	20,521,410	3	0.45%			
Adam Development Properties LP	22,979,375	4	0.50%			
Bryan Towne Centre Partners LP	19,812,510	5	0.44%			
Wal-Mart Properties	19,702,900	6	0.43%	\$ 14,838,130	4	0.77%
KC Presidio Apartments LLC	19,460,310	7	0.43%			
Verizon Communications Inc.	18,910,598	8	0.42%	42,252,800	1	2.19%
Tejas Center, LTD	17,407,110	9	0.38%			
Pioneer Well Services LLC	16,810,960	10	0.37%			
GGE LTD/G G Enterprises				15,236,940	2	0.79%
Norton Chemical Process Production Corporation				14,695,592	3	0.76%
WWK Ltd.				15,009,630	5	0.78%
Reliant Building Products, Inc.				14,321,770	6	0.74%
Lowe's Home Centers, Inc.				12,855,335	7	0.67%
TAU Enterprises				11,504,280	8	0.60%
Southcorp Packaging USA, Inc.				11,433,570	9	0.59%
First American Bank				9,178,195	10	0.48%
Totals	<u>\$ 219,855,774</u>		<u>4.83%</u>	<u>\$ 161,326,242</u>		<u>8.37%</u>

Source: Brazos County Appraisal District

City of Bryan, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
As of December 31, 2010

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
2001	12,273,328	12,035,948	98.07%	206,457	12,242,405	99.75%
2002	13,185,857	12,898,436	97.82%	262,069	13,160,505	99.81%
2003	13,675,082	13,383,887	97.87%	254,039	13,637,926	99.73%
2004	14,760,794	14,540,232	98.51%	170,277	14,710,509	99.66%
2005	15,940,864	15,660,992	98.24%	211,965	15,872,957	99.57%
2006	17,019,389	16,662,978	97.91%	284,243	16,947,221	99.58%
2007	18,633,318	18,340,249	98.43%	198,078	18,538,327	99.49%
2008	20,432,087	20,021,117	97.99%	270,954	20,292,071	99.31%
2009	21,759,324	21,271,466	97.76%	276,104	21,547,570	99.03%
2010	22,802,844	22,314,031	97.86%	-	22,314,031	97.86%

City of Bryan, Texas

Electricity Sold by Type of Customer
 Last Nine 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>	<u>2010</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	368,227,000
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	459,371,000
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	35,679,000
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	355,849,000
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	271,289,000
Interdepartmental	<u>24,058,000</u>	<u>25,834,000</u>	<u>23,864,000</u>	<u>25,440,000</u>	<u>26,500,000</u>	<u>23,718,000</u>	<u>27,557,000</u>	<u>31,246,000</u>	<u>31,591,000</u>
	<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>	<u>1,522,006,000</u>

Data prior to 2002 is unavailable.

City of Bryan, Texas
Electric Rates
Last Nine Fiscal Years

Table 11

	2002			2003			2004			2005			2006		
	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh
City Electric System															
Residential Winter (Nov-Apr)	\$ 8.15	\$ -	\$ 0.0800	\$ 8.15	\$ -	\$ 0.0800	\$ 8.15	\$ -	\$ 0.0800	\$ 8.15	\$ -	\$ 0.0800	\$ 8.15	\$ -	\$ 0.0800
Residential Summer (May-Oct)	8.15	-	0.0900	8.15	-	0.0900	8.15	-	0.0900	8.15	-	0.0900	8.15	-	0.0900
Small Commercial	9.83	-	0.0844	9.83	-	0.0844	9.83	-	0.0844	9.83	-	0.0844	9.83	-	0.0844
General Service Commercial	20.00	6.35	0.0650	20.00	6.35	0.0650	20.00	6.35	0.0650	20.00	6.35	0.0650	20.00	6.35	0.0650
Large Industrial	-	13.70	0.0453	-	13.70	0.0453	-	13.70	0.0453	-	13.70	0.0453	-	13.70	0.0453
Bryan Public Scholls	30.00	-	0.0915	30.00	-	0.0915	30.00	-	0.0915	30.00	-	0.0915	30.00	-	0.0915
Interdepartmental	30.00	-	0.0931	30.00	-	0.0931	30.00	-	0.0931	30.00	-	0.0931	30.00	-	0.0931
Rural Electric Division	-	7.13	0.0568	-	7.13	0.0568	-	7.13	0.0568	-	7.13	0.0568	-	7.13	0.0568
Rural Electric System															
Residential Winter (Nov-Apr)	8.15	-	0.0810	8.15	-	0.0810	8.15	-	0.0810	8.15	-	0.0810	8.15	-	0.0810
Residential Summer (May-Oct)	8.15	-	0.0910	8.15	-	0.0910	8.15	-	0.0910	8.15	-	0.0910	8.15	-	0.0910
Small Commercial	9.83	-	0.0890	9.83	-	0.0890	9.83	-	0.0890	9.83	-	0.0890	9.83	-	0.0890
General Service Commercial	20.00	7.21	0.0658	20.00	7.21	0.0658	20.00	7.21	0.0658	20.00	7.21	0.0658	20.00	7.21	0.0658
Public/Private Schools	30.00	-	0.0980	30.00	-	0.0980	30.00	-	0.0980	30.00	-	0.0980	30.00	-	0.0980
	2007			2008			2009			2010					
	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh			
City Electric System															
Residential Winter (Nov-Apr)	\$ 8.15	\$ -	\$ 0.0752	\$ 8.15	\$ -	\$ 0.0902	\$ 8.15		\$ 0.0782	\$ 8.15		\$ 0.0782			
Residential Summer (May-Oct)	8.15	-	0.0852	8.15	-	0.1002	8.15		0.0882	8.15		0.0882			
Small Commercial	9.83	-	0.0792	9.83	-	0.0942	9.83		0.0822	9.83		0.0822			
General Service Commercial	20.00	6.35	0.0590	20.00	6.35	0.0730	20.00	6.35	0.0620	20.00	6.35	0.0620			
Large Industrial	-	11.70	0.0453	-	11.70	0.0603	-	11.70	0.0483	-	11.70	0.0483			
Bryan Public Scholls	30.00	-	0.0855	30.00	-	0.1005	30.00		0.0885	30.00		0.0885			
Interdepartmental	30.00	-	0.0871	30.00	-	0.1021	30.00		0.0901	30.00		0.0901			
Rural Electric Division	-	6.30	0.0530	-	6.30	0.0690		6.30	0.0560		6.30	0.0560			
Rural Electric System															
Residential Winter (Nov-Apr)	8.15	-	0.0761	8.15	-	0.0891	8.15		0.0766	8.15		0.0766			
Residential Summer (May-Oct)	8.15	-	0.0861	8.15	-	0.1091	8.15		0.0866	8.15		0.0866			
Small Commercial	9.83	-	0.0822	9.83	-	0.0952	9.83		0.0827	9.83		0.0827			
General Service Commercial	20.00	7.21	0.0610	20.00	7.21	0.0740	20.00	7.21	0.0615	20.00	7.21	0.0615			
Public/Private Schools	30.00	-	0.0920	30.00	-	0.1050	30.00		0.0925	30.00		0.0925			

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			
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	
2010	29,005,000	79,175,156	175,835,000	6,055,000	66,420,001	-	34,844	356,525,001	4,953	

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, 2010

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, 2010 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
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	1,053,059	97,329,754	2.83%	1,345
2010	108,180,156	1,508,402	106,671,754	2.95%	1,400

(a) See Table 21 for population data.

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

Table 15

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Bryan Independent School District	\$ 162,580,000	14.70%	\$ 23,905,879
Brazos County	101,495,000	32.87%	33,364,469
Subtotal, overlapping debt			<u>\$ 57,270,348</u>
City of Bryan direct debt*	106,671,754 (1)	100.00%	106,671,754
			<u><u>\$ 163,942,102</u></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

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

Table 16

Fiscal Year	Electric Fund						Coverage ⁽³⁾⁽⁴⁾
	Gross Operating Revenue	Less: Operating Expenses	Interest Earnings	Net Revenue ⁽²⁾ Available for Debt Service	Annual Debt Service Requirement		
2002	\$ 95,138,925	\$ 79,424,227	\$ 1,991,975	\$ 17,706,673 ^(a)	\$ 615,487	28.77	
2003	99,884,399	80,254,836	686,532	20,316,095	724,597	28.04	
2004	115,665,480	100,663,667	703,482	15,705,295	710,454	22.11	
2005	199,635,537	181,285,659	1,244,602	19,594,480	1,016,194	19.28	
2006	184,493,117	163,039,450	2,667,490	24,121,157	1,598,014	15.09	
2007	144,289,607	127,100,116	3,895,267	21,084,758	2,458,763	8.58	
2008	156,996,327	140,918,938	2,522,016	18,599,405	4,417,023	4.21	
2009	150,824,637	128,204,221	1,378,874	23,999,290	6,497,633	3.69	
2010	135,269,134	117,820,277	365,336	17,814,193	8,926,329	2.00	

⁽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.

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

⁽⁴⁾ Coverage ratio and ratio components for 2002 through 2009 have been restated to comply with current electric system revenue bond covenants. The City Electric Fund was in compliance with the utility debt coverage ratio applicable to those years before restatement, and remain compliant after restatement.

^(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⁾⁽³⁾
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	34,680	89.28 ^(d)
2009	30,996,152	27,889,698	56,851	3,163,305	360,701	8.77
2010	30,133,488	26,083,010	43,002	4,093,480	390,526	10.48

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

⁽²⁾ Required minimum coverage is 1.20 times annual debt service requirement.

⁽³⁾ Coverage ratio and ratio components for 2002 through 2009 have been restated to comply with current electric system revenue covenants. The Rural Electric Fund was in compliance with the utility debt coverage ratio applicable to those years before restatement, and remain compliant after restatement.

^(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 Nine 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
2010	23,898,816	12,987,893	218,946	11,129,869	3,760,213	2.96

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

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

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

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

Table 19

Fiscal Year	Net Revenue as Defined in Bond Ordinance ⁽²⁾	Average Annual Debt Service Requirement	Coverage
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

Category:	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Communications and information	\$ 1,065,333	\$ 1,157,832	\$ 846,330	\$ 817,075	\$ 837,297	\$ 809,579	\$ 699,322	\$ 804,022	\$ 975,054	\$ 1,073,901
Home furnishings and appliances	329,191	336,063	337,526	437,818	437,244	472,573	458,752	392,899	411,290	414,247
Eating and drinking establishments	767,028	803,069	808,365	849,742	952,618	978,832	1,074,893	1,202,131	1,273,763	1,348,927
Department and retail stores	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	646,320
Oil and gas operations	144,342	78,339	145,318	182,643	499,341	989,910	483,382	739,345	465,054	457,378
Construction and building	369,961	512,827	578,263	762,661	659,770	805,337	1,030,817	1,013,741	380,446	641,427
Auto dealers and supplies	409,188	405,992	410,187	415,952	458,816	489,013	526,366	541,842	518,952	506,107
Printing/Publishers	22,454	47,259	58,622	36,423	46,898	61,655	62,523	55,930	60,045	62,385
Contractors	41,056	29,067	25,432	45,991	128,894	109,519	79,646	117,969	102,428	233,051
Manufacturing	358,869	362,226	429,351	466,167	511,573	488,312	780,537	627,914	479,757	660,606
Wholesalers	241,278	218,102	236,661	424,881	588,731	762,764	830,156	1,029,940	913,467	807,503
Food Stores	328,764	326,581	309,512	296,206	395,400	442,727	501,861	530,319	578,078	574,453
Other stores	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	3,300,348
Apparel	67,140	42,134	47,312	52,787	58,783	63,400	74,201	110,101	137,787	157,434
All other outlets	2,583	2,214	1,304	3,122	3,258	6,175	4,034	5,767	8,561	7,147
Financial services	69,924	49,202	65,818	54,226	37,882	29,914	41,613	42,252	42,012	87,646
Rentals and leasing	240,360	238,078	230,243	273,226	286,025	458,336	648,912	687,486	501,611	379,943
Professional services	475,683	478,881	417,688	431,285	417,913	406,126	521,846	446,664	475,821	492,995
Repair and maintenance	240,569	232,654	233,121	222,299	237,136	256,641	261,041	316,507	249,669	299,983
Hotels/Motels	946	1,217	1,112	1,272	1,501	4,194	1,904	3,733	23,338	5,351
Other products and equipment	207,190	241,093	147,875	149,614	142,987	139,817	60,721	79,815	5,962	17,491
Other	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	1,950,649
Total	\$ 9,867,527	\$ 9,602,648	\$ 9,708,960	\$ 11,130,212	\$ 11,166,908	\$ 13,797,796	\$ 13,024,627	\$ 14,079,741	\$ 13,216,288	\$ 14,125,292

⁽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⁾	Personal Income ⁽³⁾	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽¹⁾
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	5,568,000,000	27,436	4.10%
2008	72,015	14,700	5,836,000,000	28,176	4.20%
2009	72,357	15,000	5,905,000,000	27,818	6.50%
2010	76,201	15,800			6.20%

⁽¹⁾ U.S. Census Bureau

⁽²⁾ Bryan Independent School District

⁽³⁾ Bureau of Economic Analysis

Note: Personal income information for the City of Bryan is only available for calendar years 2007 - 2009.

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

Table 22

2010	2000
Brazos County Government	Brazos County Government
Bryan Independent School District	Bryan Independent School District
City of Bryan	City of Bryan
City of College Station	City of College Station
College Station Independent School District	College Station Independent School District
Reynolds & Reynolds	Reliant Building Products Inc
Sanderson Farms	Sanderson Farms
St. Joseph Regional	St. Joseph Regional
Texas A&M University System	Texas A&M University System
Wal-Mart	Wal-Mart

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.

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government and Administration										
Executive Services	8	8	5	5	5	5	6	7	6	5
Communications & Marketing	-	-	2	2	2	3	3	3	5	5
Neighborhood and Youth Services	-	-	1	1	1	1	1	1	1	1
Economic Development	1	-	1	1	-	-	-	-	-	-
Internal Audit	-	-	-	-	1	1	1	1	1	1
City Secretary	6	6	6	6	6	6	7	7	7	7
Legal Services	6	6	6	5	5	5	5	6	6	6
Fiscal Services*	13	13	14	13	13	13	12	12	13	12
Information Technology	11	11	14	13	13	13	14	15	15	15
Special Projects**	-	1	1	1	1	1	1	1	3	0.25
Purchasing Services	6	5	5	5	5	4	5	5	5	2
Warehouse	1	2	3	3	3	3	4	4	4	4
Fleet Services	11	11	-	-	11	12	11	11	11	12
Human Resources	5	5	6	5	5	5	5	5	5.5	5
Facility Services	25	25	32	44	27	27	24	24	23	23
Risk Management	5	5	5	6	6	6	6	6	5	6
Development Services										
Planning and Development	7	7	8	8	8	8	9	8	8	8
Engineering Services	15	15	15	14	17	17	17	18	17	19
Building Services	8	8	8	8	8	9	13	16	16	17
Community Development	9	10	7	7.4	7.4	7	8	8	6.5	5.75
Public Works Services										
Administration	9	9	1	-	-	-	1	1	3	-
Call Center	-	-	-	-	-	-	-	-	5	5
Environmental Services	30	30	-	-	-	-	-	-	-	-
Transportation & Drainage	29	29	29	28	30	30	30	31	31	29
Traffic Services	-	-	-	-	-	-	-	-	9	10
Public Safety										
Police Officers	113	113	113	113	116	118	119	123	124	124
Civilians	31	31	35	35	34	38	38	37	47	47
Firefighters/Emergency Medical Technicians	88	89	89	89	90	91	101	108	108	108
Civilians	2	1	2	2	2	2	2	4	5	5
Emergency Management Coordinator	-	-	1	-	-	-	-	1	1	1
Municipal Court	16	16	15	14	14	14	14	14	16	16
Cultural and Recreation										
Library Services	20	20	20	19	19	19	19	19	20	19
College Station Library	16	16	16	16	16	16	16	16	15	16
Parks and Recreation	32	31	18	7	8	9	14	13	14	18
Water	38	38	48	39	40	40	36	35	35.8	36.55
Wastewater	40	40	52	53	53	53	44	43	44.2	44.45
Solid Waste	26	26	48	51	50	49	55	51	46	47
Airport								-	-	2
Electric Department-Municipal and Rural	187	187	203	203	203	203	195	203	181	189
Total	814	814	829	816	819	828	836	857	862.5	871

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:	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Physical arrest	4,558	3,850	4,201	4,375	4,784	5,838	4,178	5,205	5,030	5,744
Traffic citations	15,366	17,464	16,147	14,932	12,986	17,640	13,097	15,512	15,325	12,752
Fire										
Number of Fire and EMS calls	6,682	7,198	7,281	7,398	7,884	8,016	8,359	8,352	8,923	8,871
Transportation										
Potholes repaired	n/a	n/a	n/a	n/a	n/a	4,000	6,500	3,200	n/a	3,133
HMAC (Hot Mix Asphaltic Concrete) placed (tons)	n/a	2,853	2,476							
In-house concrete poured (cubic yards)	n/a	1,080	162							
Culture and recreation										
New library patron registration	n/a	7,002	982	7,449	10,399	10,995	8,611	8,323	9,014	9,573
Library circulation of materials	n/a	681,396	695,433	731,924	664,444	726,762	804,617	840,601	785,243	421,354
Number of cooperative programs with Bryan ISD and College Station Parks and Recreation department	n/a	12	15	18	18	11	12	12	12	12
Pavilion rentals	n/a	1,005	780	843	855	824	849	956	876	888
Athletic field usage										
Travis Park (1 field)	n/a	206	229	237	216	208	n/a	n/a	n/a	n/a
Bryan Regional Athletic Complex (4 softball fields)	n/a	1,618	1,410	1,452	1,590	1,632	1,620	1,710	1,740	1,825
Bryan Regional Athletic Complex (9 soccer fields)	n/a	971	995	946	1,003	1,026	1,040	1,050	1,105	1,284
Neighborhood/Youth Services										
Neighborhood Associations registered	n/a	n/a	16	30	36	31	32	37	38	40
Youth receiving new adult mentors	n/a	n/a	60	80	100	n/a	143	57	125	115
Municipal Court										
Number of cases filed	17,755	n/a	17,109	15,193	15,000	15,613	17,199	16,190	15,490	14,728
Community Development										
Number of citizens provided homebuyers assistance	36	27	15	22	22	25	37	21	28	26
Number of households provided rehabilitation	27	36	20	41	41	1	-	4	3	3
Number of households provided minor rehabilitation	n/a	n/a	n/a	n/a	n/a	35	30	41	33	29
Water										
Average consumption (gallons/day)	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	9,400,000
Number of new connections	n/a	340	346	376	326	414	286	319	245	183
Wastewater										
Average treatment flow (gallon/day)	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	7,130,000
Solid Waste										
Refuse collected (tons)	n/a	39,231	45,397	42,164	44,416	48,647	45,275	54,881	52,443	56,800

Sources: Various City Departments

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

Table 25

Function:	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of sworn personnel	113	113	113	113	116	118	121	124	124	137
Fire and emergency medical services:										
Number of stations	4	4	4	4	4	4	4	4	5	5
Number of personnel	88	89	89	89	90	91	112	114	108	114
Highways and streets:										
Lane miles of paved streets	n/a	637	640	643	646	649	660	660	738	738
Culture and recreation:										
Number of parks	38	45	45	45	45	45	45	35	42	42
Park acreage	n/a	587	587	587	587	587	587	587	611	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	104	104	104
Hike and bike trails - number of miles	n/a	5	5	5	5	5	18	22	23	23
Number of cemeteries	3	3	3	3	3	3	3	3	3	3
Cemetery acreage	97	97	97	97	97	97	97	70	70	70
Number of libraries	3	3	3	3	3	3	3	3	3	3
Library volumes	210,582	226,500	232,748	232,748	248,240	257,833	255,366	242,171	245,810	128,798
Water system:										
Miles of line	310	390	393	396	399	403	410	442	453	453
Number of connections	19,782	20,074	20,354	20,509	20,799	21,102	21,388	21,782	21,587	21,770
Number of wells	8	7	8	8	9	9	10	12	12	12
Maximum daily capacity (gallons)	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	37,700,000
Wastewater system:										
Miles of line	272	368	371	374	377	378	378	378	380	380
Number of connections	19,038	19,269	19,588	19,725	19,943	20,224	20,461	20,839	21,113	21,378
Number of treatment plants	3	3	3	3	3	3	3	3	3	3
Combined capacity (gallons per day)	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	12,750,000
Electric system:										
Generating capacity (MW)	249,000	240,000	240,000	287,000	287,000	287,000	287,000	234,644	296,000	336,000
Reserve oil capacity (gallons)	4,700,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,670,000	4,670,000	4,670,000	4,170,000
Number of substations	7	9	9	9	9	9	9	9	9	10
Number of connections	28,560	31,082	32,206	32,264	33,189	33,702	34,678	46,169	47,268	48,014
Rural Electric system:										
Number of utility connections	11,341	11,936	12,352	13,171	13,519	13,978	14,416	14,513	15,116	15,593
Number of substations	10	10	10	10	12	12	11	12	12	12

Sources: Various City Departments