



CITY OF BRYAN
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City of Bryan, Texas
Comprehensive Annual Financial Report
Fiscal year ended September 30, 2011

CITY OF BRYAN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2011

Prepared by

Fiscal Services Department
Robert Shultz, Chief Financial Officer

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2011

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CITY OF BRYAN, TEXAS



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March 29, 2012

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, 2011. 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, 2011. 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 76,541.

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, employee health and disability insurance programs, vehicle replacement and facility maintenance. 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 three 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. Additionally, Blinn College has a campus in Bryan with a student enrollment of 12,342. 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 2011 the unemployment rate for the Bryan-College Station area was 6.6% compared to 7.9% 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. Phase 3 of the Downtown Rehab Project was completed in early fiscal year 2012. This \$7,000,000 project consisted 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 was a redesign of undersized storm sewer. 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 was approved by the City Council in 2011 and construction began June 21, 2011. 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.

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. In 2011 a state-of-the-art biopharmaceutical manufacturing

CITY OF BRYAN, TEXAS

facility utilizing novel technologies for vaccine production was constructed on this site. This facility, built by G-Con, LLC, supports 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.

In fiscal year 2011, the City of Bryan opened its Employee Health Center, which provides healthcare to employees, their families and City retirees. The Health Center's goals are to provide quality healthcare, while reducing healthcare costs.

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

On April 30, 2010, BTU entered into a 25 year renewable energy power purchase agreement with Fotowatio Renewable Ventures (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 this year.

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 only plans to issue \$4,900,000 of general obligation debt in 2012. 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 2011, 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, 2010. 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.

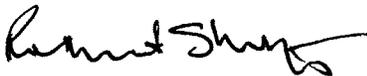
A Certificate of Achievement is valid for a period of one year. We believe our current CAFR continues to meet the Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2010

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.



Linda C. Sandson

President

Jeffrey R. Egan

Executive Director

PRINCIPAL OFFICIALS

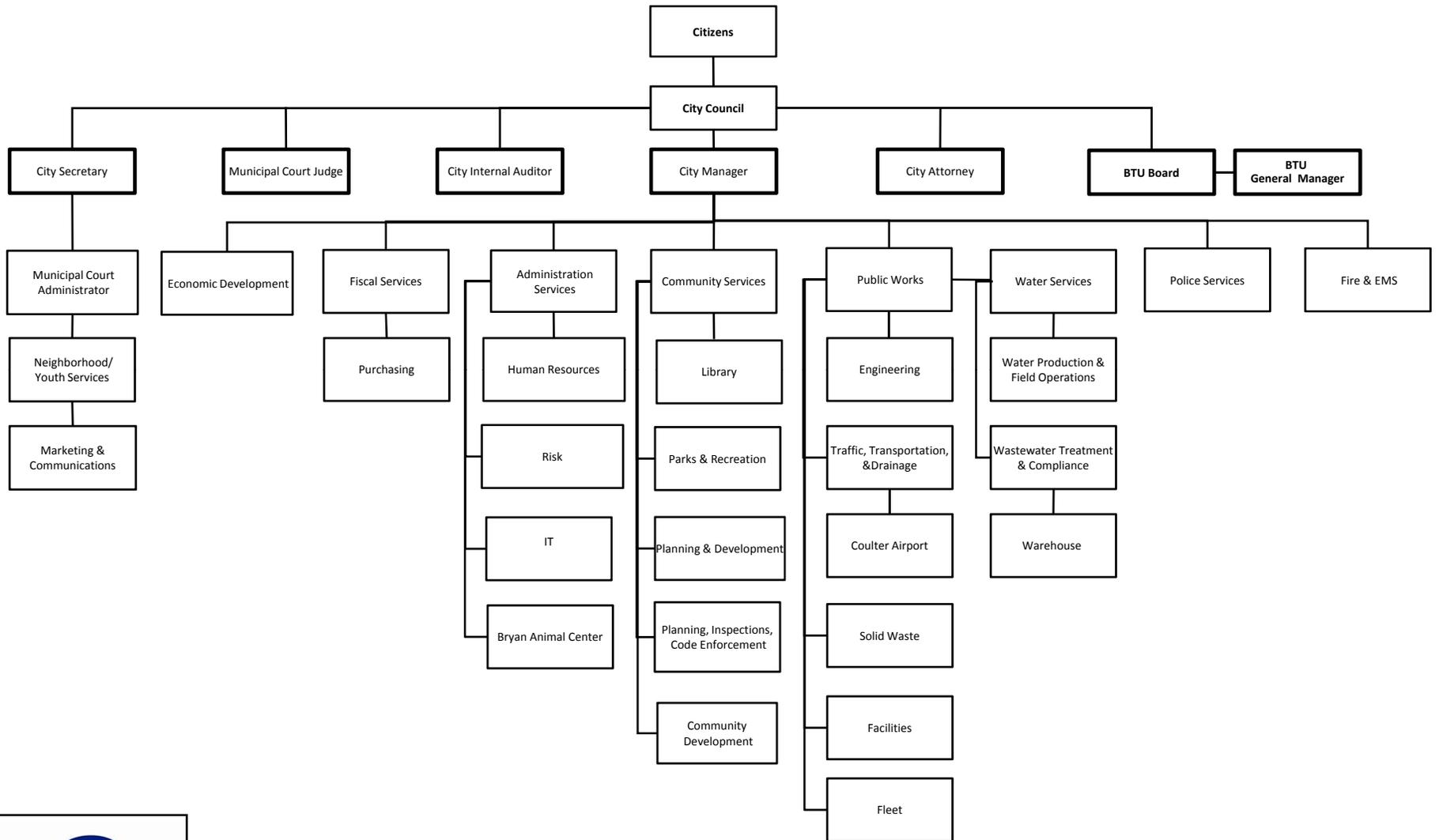
GOVERNING BODY:

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
Randy McGregor	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, 2011 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 and the report of the other auditors 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, 2011, 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.

As discussed in Note 1 to the basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended September 30, 2011.

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 29, 2012 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 87) and the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (on pages 88 through 89) 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, 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 29, 2012

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2011
(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, 2011. 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 \$468,980,788 (net assets)
- unrestricted net assets were \$88,622,193; these may be used to meet ongoing obligations to citizens and creditors
- total net assets increased by \$12,965,856
- governmental funds reported combined ending fund balances of \$41,920,170
 - a decrease of \$5,949,011 in fund balances is due to the expenditure of bond proceeds in the City's capital project funds. Fund balance in these funds decreased by \$5,514,073 or 41.3% due to capital projects throughout the year. Fund balance in the Debt Service fund decreased \$754,071 or 10.8% due to debt payments made during FY 11.
 - approximately \$21,366,677 or 51.0% is available for spending at the City's discretion (unrestricted fund balance)
- General Fund unrestricted fund balance was \$12,647,064 or 24.7% of total general fund expenditures
- Total debt increased by \$2,324,999 or 0.6%
 - \$5,105,000 in waterworks and sewer system revenue bonds were issued to construct, improve, repair, renovate, enlarge, extend and equip the waterworks and sewer system and to pay the costs of issuing the bonds
 - \$10,785,000 in combination tax and revenue refunding bonds were issued to refund the City's 2001 water and sewer system revenue refunding and improvement bonds
 - \$15,685,000 in water and sewer system revenue bonds were issued for renovating, enlarging and extending the City's wastewater system
 - \$3,045,000 in rural electric utility revenue bonds were issued for construction of rural electric system transmission and distribution facilities
 - retired \$32,295,001 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.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2011
(Unaudited)

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

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses 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

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2011
(Unaudited)

information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing activities. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-eight (28) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds (2). Data from twelve (12) special revenue funds, five (5) 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.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2011
(Unaudited)

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 34 of this report.

Notes to the Financial Statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-86 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 87-89 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 94-132 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 \$468,980,788 as of September 30, 2011.

The largest portion of the City's net assets \$326,065,980 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 \$54,292,615 or 11.6% represents resources that are subject to external restrictions on their usage. The remaining balance of unrestricted net assets, \$88,622,193 or 18.9% may be used to meet the government's ongoing obligations to citizens and creditors. At the end of FY 11, 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, 2011
 (Unaudited)

City of Bryan's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 53,114,908	\$ 55,966,267	\$ 252,130,442	\$ 254,348,703	\$ 305,245,350	\$ 310,314,970
Capital assets	177,342,989	173,571,046	424,273,487	400,607,235	601,616,476	574,178,281
Total assets	<u>230,457,897</u>	<u>229,537,313</u>	<u>676,403,929</u>	<u>654,955,938</u>	<u>906,861,826</u>	<u>884,493,251</u>
Long-term liabilities	105,640,077	110,314,981	258,232,506	251,495,933	363,872,583	361,810,914
Other liabilities	16,584,726	17,072,075	57,423,729	49,595,330	74,008,455	66,667,405
Total liabilities	<u>122,224,803</u>	<u>127,387,056</u>	<u>315,656,235</u>	<u>301,091,263</u>	<u>437,881,038</u>	<u>428,478,319</u>
Net assets:						
Invested in capital net						
of related debt	73,325,895	63,909,781	252,740,085	241,866,068	326,065,980	305,775,849
Restricted	24,782,392	30,938,682	29,510,223	36,217,006	54,292,615	67,155,688
Unrestricted	10,124,807	7,301,794	78,497,386	75,781,601	88,622,193	83,083,395
Total net assets	<u>\$ 108,233,094</u>	<u>\$ 102,150,257</u>	<u>\$ 360,747,694</u>	<u>\$ 353,864,675</u>	<u>\$ 468,980,788</u>	<u>\$ 456,014,932</u>

The \$12,965,856 increase to \$468,980,788 in total net assets is due to increases in both the Governmental and Business type activities. The net assets of the governmental activities and business type activities increased \$6,082,837 and \$6,883,019 respectively. These increases are due to increases in capital assets for both activities types and retirement of debt for Governmental activities.

An increase of \$5,538,798 to \$88,622,193 in the City's total unrestricted net assets is due to both the City's governmental and business-type activities. Governmental activities unrestricted net assets increased by \$2,823,013 to \$10,124,807. The unrestricted net assets for the Business-type activities increased by \$2,715,785 to \$78,497,386.

City of Bryan, Texas

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2011 (Unaudited)

City of Bryan's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 6,379,944	\$ 7,012,031	\$ 221,720,451	\$ 199,439,810	\$ 228,100,395	\$ 206,451,841
Operating grants and contributions	2,607,994	2,640,566	2,615,369	25,033	5,223,363	2,665,599
Capital grants and contributions	2,657,466	4,476,022	979,666	1,932,153	3,637,132	6,408,175
General revenues:						
Property taxes	23,043,249	22,967,025	-	-	23,043,249	22,967,025
Other taxes	17,121,297	17,374,519	-	-	17,121,297	17,374,519
Other	8,968,615	9,006,338	1,183,199	1,213,747	10,151,814	10,220,085
Total revenues	60,778,565	63,476,501	226,498,685	202,610,743	287,277,250	266,087,244
Expenses:						
General Government	11,694,539	11,861,977	-	-	11,694,539	11,861,977
Development Services	5,451,223	5,514,292	-	-	5,451,223	5,514,292
Public Works Services	14,091,910	14,603,264	-	-	14,091,910	14,603,264
Public Safety	21,693,251	28,098,561	-	-	21,693,251	28,098,561
Cultural and Recreational	7,666,774	8,585,698	-	-	7,666,774	8,585,698
Interest on long-term debt	4,982,815	4,392,590	-	-	4,982,815	4,392,590
City electric	-	-	142,323,465	132,804,674	142,323,465	132,804,674
Rural electric	-	-	29,664,911	27,993,444	29,664,911	27,993,444
Water	-	-	10,868,241	10,380,604	10,868,241	10,380,604
Wastewater	-	-	10,658,709	9,880,856	10,658,709	9,880,856
Other	-	-	15,215,556	9,813,006	15,215,556	9,813,006
Total expenses	65,580,512	73,056,382	208,730,882	190,872,584	274,311,394	263,928,966
Increase in net assets before transfers	(4,801,947)	(9,579,881)	17,767,803	11,738,159	12,965,856	2,158,278
Transfers	10,884,784	9,691,442	(10,884,784)	(9,691,442)	-	-
Increase in net assets	6,082,837	111,561	6,883,019	2,046,717	12,965,856	2,158,278
Net assets - October 1	102,150,257	102,038,696	353,864,675	351,817,958	456,014,932	453,856,654
Net assets - September 30	\$ 108,233,094	\$ 102,150,257	\$ 360,747,694	\$ 353,864,675	\$ 468,980,788	\$ 456,014,932

Governmental Activities. Total governmental activity revenues decreased in FY 11 from FY 10 by \$2,697,936 or 4.2% to \$60,778,565. The single largest drop was in Capital grants and contributions which decreased by \$1,818,556 or 40.6%. Sales tax revenue, which is included in "other taxes", decreased \$307,393 or 2.1% from \$14,608,410 in FY 10 to \$14,301,017 in FY 11. Charges for Services decreased in FY 11 from FY 10 by \$632,087 or 9.0% to \$6,379,944. Contributors to this decrease were a \$134,911 decrease in golf course revenue and a \$489,402 decrease in ambulance fees. This decrease in ambulance fees is primarily due to the City increasing the allowance for uncollectible accounts based on trends over the past few years. Special event fees also decreased in FY 11 by \$167,995 because the City changed its annual Texas Reds Festival from June to October, meaning that there was no festival in FY 11.

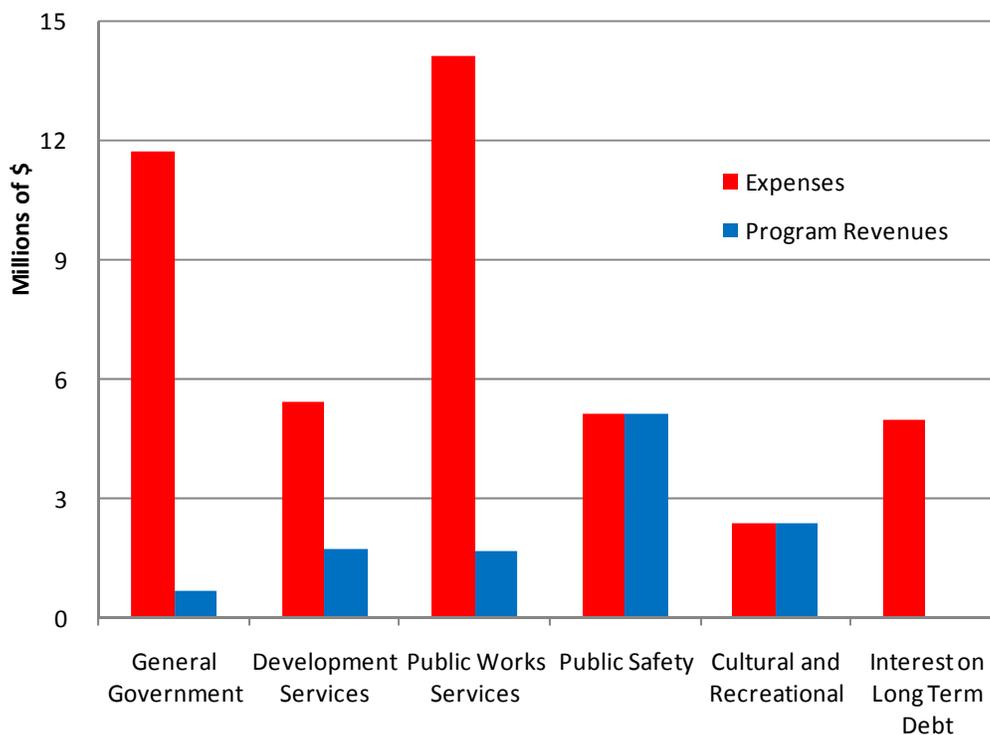
The Government Wide presentation of expenses attempts to consolidate all revenues and expenses on a basis similar to a private business. This presentation removes capital spending and principal payments (see note 4 for physical assets of the governmental activities) and allocates expenses of internal service activities to all related parties. Governmental activities expenses decreased for FY 11 from FY 10 by \$7,475,870 to \$65,580,512. The major changes in this category were:

City of Bryan, Texas

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- Public safety expenses decreased \$6,405,310 primarily because vehicles for those departments were purchased by the Equipment Replacement Fund (an Internal Service fund) on behalf of the Public Safety departments.
- Cultural and Recreational expenses decreased \$918,924. Expenses for Parks and recreation services decreased a total of \$682,644. A large portion of this, \$219,407, was due to moving the City's annual festival from June to October. This change in timing meant that there was no Festival in FY 11. Parks personnel expense was \$315,274 less in FY 11 than in FY 10 due to reductions in programs as a result of budget restraints, reduced hours at City pools and vacant positions. Parks' supplies expense (other than festival expenses) decreased \$176,853, primarily due to stringent efforts to reduce expenses. Finally, Parks' contractual maintenance expense decreased \$120,900, due to an extremely hot, dry summer which reduced the amount of necessary mowing. Library personnel expenses decreased \$182,798 due to budgeted positions which were unfilled most of the year.

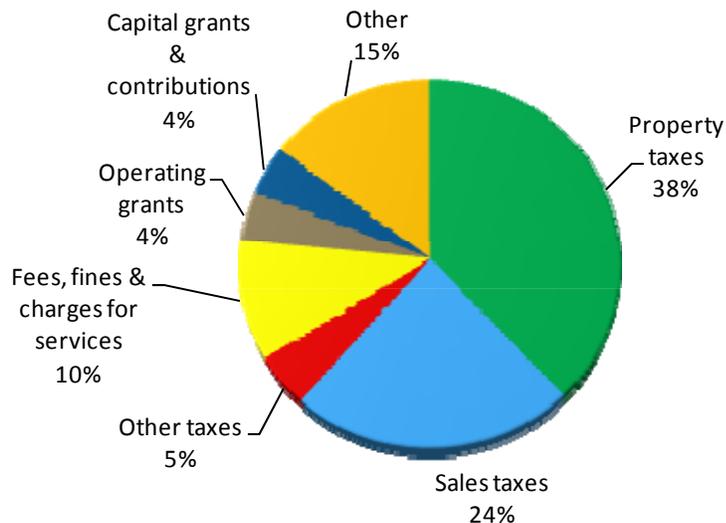
Expenses and Program Revenues - Governmental Activities



City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2011
(Unaudited)

Revenues by Source - Governmental Activities



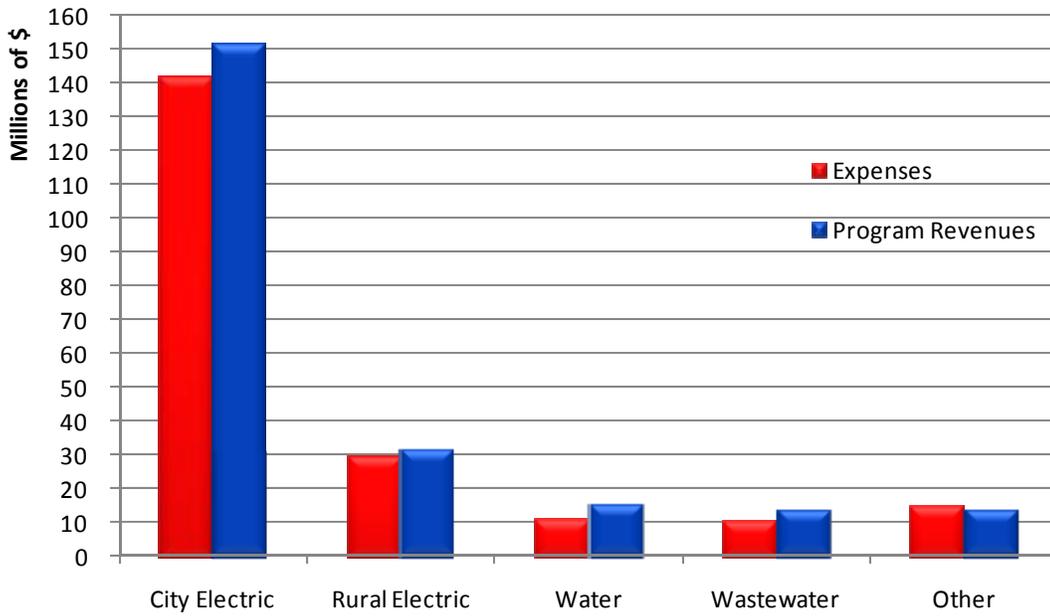
Business-type Activities. Business-type activities increased the City of Bryan's net assets by \$6,883,019 or 1.9% to \$360,747,694. Charges for services for business-type activities increased \$22,280,641 or 11.2% to \$221,720,451. It should be noted that the City Electric, Rural Electric and QSE Funds 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 BVSWMA, Inc. is provided by their management, who was responsible for the accuracy of the data and for providing audited information. Key elements of the increase are as follows:

- The city and rural electric sales generated a combined increase in revenue of \$18,681,741 or 11.3%. The revenue increase for the city electric system was primarily due to higher wholesale revenues, while the rural electric system increase was the result of abnormally hot summer weather and a cold winter during FY 11. Expenses for the electric system increased \$11,190,258 or 7.0%, due primarily to higher purchased power expense in FY 11 due to increased sales. Net assets for the combined electric utilities increased \$5,073,627 or 2.4% to \$218,693,377.
- Water system revenues increased by \$2,752,779 or 23.9% to \$14,281,996 as a result of abnormally hot weather and a severe drought in FY 11. An increase in net assets of \$4,039,012 was due in part to \$726,026 in capital assets contributed by developers. Operating expenses were \$6,235,774, a decrease from FY 10 of \$316,806 or 4.8%.
- Net assets of the Wastewater system at year end increased by \$2,448,286 or 4.7% over year end 2010. The increase can be attributed to contributed capital from developers of \$253,640 and operating gains. Wastewater service revenues, which are not as dependent on weather conditions as water revenues, increased by \$742,506 or 6.0% from FY 10, due to higher sales to commercial customers. Operating expenses were \$6,131,398, a decrease from FY 10 of \$303,915 or 4.7%.

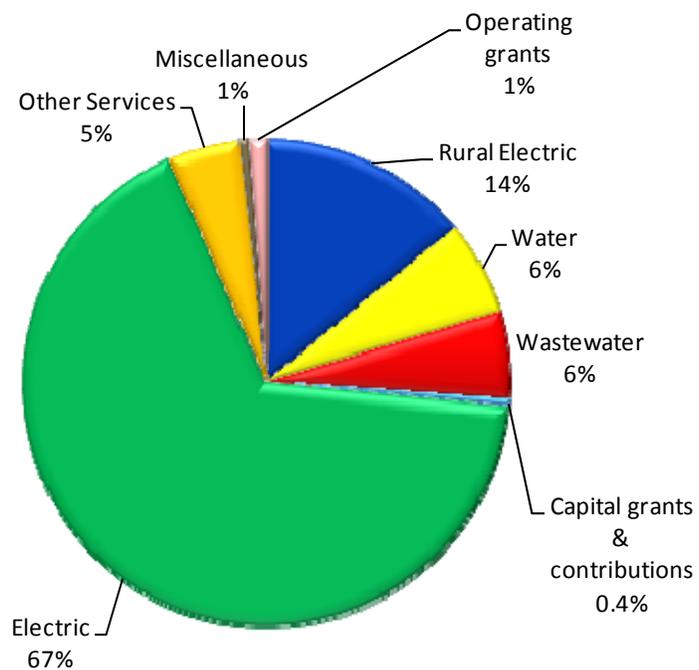
City of Bryan, Texas

Management's Discussion and Analysis
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 (Unaudited)

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



City of Bryan, Texas

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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 \$1,368,581 during FY 11, compared to an increase of \$1,210,185 in FY 10. Revenues of the fund decreased \$1,170,993 while expenditures and transfers out increased \$51,025. Transfers in and out of the fund netted \$11,834,592 and offset both the excess of expenditures over revenues and transfers out. Key factors in both areas are as follows:

- Property tax revenues decreased by \$169,265 or 1.1% to \$15,343,349. Although the total tax rate of 0.6364 remained the same, 0.024109 cents was shifted from O & M to I & S.
- Sales tax revenue decreased by \$307,393 or 2.1% to \$14,301,017 due to slightly depressed retail activity.
- Franchise fees also had a slight decrease of \$8,571 or 0.4% in FY 11 from FY 10.
- Miscellaneous taxes increased by \$19,715 or 7.0%.
- Charges for services decreased \$581,611 or 12.8% to \$3,946,937. The main reason for this decrease was an analysis of and resultant increase in the allowance for uncollectible accounts for the City's ambulance service. As a result of this procedures change, FY 11 ambulance revenues decreased \$489,402 or 26.2%. Revenues at the municipal golf course decreased \$134,911 for the City's golf course.
- Expenditures totaling \$51,303,814 in the general fund were 0.2% or \$93,376 higher than in FY 10. Capital outlay increased \$1,004,134 in FY 11, due to the remodeling of the City's annex building and computer equipment and software purchases.

The Debt Service fund ended the fiscal year with a total fund balance of \$6,219,331, all of which is restricted for the payment of debt. The net decrease in fund balance is due to debt payments in FY 11. 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 \$1,059,661 or 18.1% to \$6,912,632. As explained above, 0.024109 cents was shifted from O & M to I & S. Interest earnings decreased by \$45,521 or 58.3% to \$32,559 due to lower interest rates during the fiscal year. Debt service payments from the fund totaled \$10,211,969. The additional debt service is supported by transfers from TIRZ 8, TIRZ 10, TIRZ 19, TIRZ 22 and the general fund in the amount of \$2,568,462.

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 11 over FY 10 by \$5,041,347 to \$22,490,541.

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- Overall spending decreased in Other Governmental Funds by \$4,260,217 or 23.3%. Capital project expenditures in these funds decreased from \$8,181,975 in FY 10 to \$5,146,516 in FY 11, due to some major projects that were completed in FY 10. Major ongoing projects in FY 11 included phase three of the downtown rehabilitation, and various sidewalk, street and drainage improvements.
- The Community Development Fund provides programs and services to low and moderate income persons. The most significant expense is \$1,298,395 spent on the various programs funded by grants.
- The Street Improvement Fund spent \$2,968,076 on street projects, \$883,087 less than was spent during FY 10 for neighborhood street renovations. The fund balance was \$7,696,726 and there was \$1,339,887 encumbered for additional projects at year end. The unreserved-undesignated balance at year end was \$6,356,839, which is available for future projects.
- The Drainage Improvement Fund expended \$1,221,478, which was \$277,389 more than income in FY 11. Ending fund balance was \$1,032,851. There was \$462,322 encumbered for additional projects at year end. The remaining unencumbered-undesignated balance at year end was \$570,528, which will be used for future drainage improvement projects.

Capital Projects Funds. The total expenditures from Capital Projects Funds were \$5,604,372. The net fund balance in the Capital Project Funds for all capital projects funds decreased by \$5,514,073 to \$7,832,036. 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 11. The fund balance for the various funds increased by \$43,506 to \$1,768,957 primarily due to contributions to the cemetery funds and investment earnings.

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

Net assets of the city electric system increased \$2,834,006. Operating revenues increased by \$16,873,108 or 12.5% to \$152,142,242; this increase can be attributed to higher wholesale revenues. The utility employed \$6,364,986 from the system's rate stabilization restricted net assets. Unrestricted net assets of the electric system at the end of the year amounted to \$41,279,298, an increase of \$4,549,507 or 12.4%. The positive increase is primarily the result of lower TMPA capacity costs.

Net assets of the rural electric system at the end of the year were \$43,625,660, an increase of \$2,239,621 or 5.4%. This increase was the result of higher volume of sales and further expansion of the distribution system. Both revenues and expenses increased in FY 11 versus FY 10. Revenues were up \$1,717,697 or 5.7% to \$31,851,185. Operating expenses increased \$1,541,783 or 5.9% to \$27,624,793. These increases were primarily the result of increased retail sales due to an abnormally hot summer and cold winter weather during FY 11. Purchased power expense increased due to the increase in sales. 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 corresponding entry to accounts payable-over recovered fuel or accounts receivable-under recovered fuel, whichever is appropriate.

City of Bryan, Texas

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The water system net assets increased \$4,039,012 or 8.8% to \$50,041,297 due primarily to increased revenues and contributions of capital assets from developers of \$726,026. Revenues were \$14,281,996 for FY 11 and were \$2,752,779 or 23.9% higher than FY 10's. This increase is attributed to an extremely hot summer and a severe drought during FY 11. Expenses decreased by \$316,806 or 4.8% to \$6,235,774 due stringent efforts to reduce expenses.

Net assets of the wastewater system increased in FY 11 versus FY 10 by \$2,448,286 or 4.7% to \$53,993,415. Revenues and expenses of wastewater systems are not affected as much by weather as water and electricity services. Revenues increased in FY 11 as compared to FY 10 by \$742,506 or 6.0% to \$13,112,105, due to increased sales to commercial customers. Operating expenses decreased \$303,915 or 4.7% to \$6,131,398. Capital contributions from developers totaled \$253,640.

General Fund Budgetary Highlights

Total General Fund revenues for FY 11 were \$40,624,461 and were \$829,842 or 2.0% less than budgeted. A number of budgetary variances are notable:

- Property taxes were \$117,083 or 0.8% less than budgeted.
- Sales taxes were \$445,483 or 3.0% less than budget, due to a slightly depressed economy and the resultant decrease in consumer spending.
- The City's Texas Reds Festival was moved from June to October, meaning that there was no festival in FY 11. Total FY 10 revenue from this event was \$237,077.
- Golf course revenues were down due to decreased patronage, perhaps because of the extremely hot summer.
- Revenue from the City's ambulance service was over budget by \$173,331 or 14.4%.
- Licenses and permits were 19.4% or \$118,424 under budget due to lower construction values than in the past, which resulted in reduced fees.
- Investment earnings were \$61,560 or 49.2% under budget due to lower interest rates.

Total General Fund operating expenditures for the year totaled \$52,608,541 and were \$2,580,560 or 4.7% 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, many of the General Fund departments ended the year below their final appropriation amount. Some of the more significant variances are:

- Drainage and Streets department was under budget by \$662,356 or 24.4% primarily due to positions that were unfilled during part of the year and reductions in maintenance costs.
- The Parks and Recreation department was under budget by \$641,730 or 15.0%, in part due to savings on the Texas Reds Festival which was moved to the first part of FY 12 and unfilled positions.
- The Fiscal Services department was under budget by \$246,009 or 18.8% due to an unfilled management position and savings in contractual services.
- The Engineering department was \$238,404 or 14.3% under budget primarily due to budgeted positions that remained for a portion of FY 11.
- The City Secretary department was under budget by \$212,712 or 21.1% due to savings in election expenses and City Council's contingent fund.

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- The Facilities department was under budget by \$189,203 due to savings in personnel, maintenance, contractual services and supplies.
- The Planning department was under budget by \$177,527, also due to positions remaining open for part of FY 11, savings on mowing of right of way properties and contractual services.
- The Library was \$125,405 or 5.6% under budget due to unfilled positions.
- The Fire department was \$122,784 or 1.1% under budget due to savings in personnel expense.

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, 2011 was \$601,616,476 (net of accumulated depreciation), an increase of \$27,438,195 or 4.8%. 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 2011 fiscal year included the following:

- Street improvements and extensions - \$5.3 million
- Vehicles and heavy equipment, including police cars and a fire truck - \$3.7 million
- Additions to the Rayburn, Dowling and Thompson Creek substations and a 10 mile transmission line from the Dansby power plant to the new Thompson Creek substation - \$16.6 million

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 11,570,401	\$ 11,525,230	\$ 15,554,349	\$ 14,941,953	\$ 27,124,750	\$ 26,467,183
Buildings	29,979,142	29,368,423	1,594,112	1,689,140	31,573,254	31,057,563
Equipment	14,255,477	13,170,110	2,839,857	3,875,606	17,095,334	17,045,716
Improvements	13,264,432	14,358,756	380,079,586	352,018,281	393,344,018	366,377,037
Infrastructure	91,669,519	80,278,200	-	-	91,669,519	80,278,200
Construction in Progress	16,604,018	24,870,327	24,205,583	28,082,255	40,809,601	52,952,582
Total	<u>\$ 177,342,989</u>	<u>\$ 173,571,046</u>	<u>\$ 424,273,487</u>	<u>\$ 400,607,235</u>	<u>\$ 601,616,476</u>	<u>\$ 574,178,281</u>

Additional information on the City's capital assets can be found in Note 4 to the financial statements on pages 49-50 of this report.

Long-term Debt. At the end of fiscal year 2011, the City of Bryan had total debt outstanding of \$362,883,792. Of this amount, \$113,480,000 (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).

City of Bryan, Texas

Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2011
 (Unaudited)

Outstanding Debt at Year End Bonds and Notes Payable

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 27,680,000	\$ 29,005,000	\$ -	\$ -	\$ 27,680,000	\$ 29,005,000
Revenue bonds	-	-	245,570,000	248,310,001	245,570,000	248,310,001
Certificates of obligation	74,982,500	79,175,156	10,817,500	34,844	85,800,000	79,210,000
Notes	1,940,000	2,140,000	1,893,792	1,893,792	3,833,792	4,033,792
Total	<u>\$ 104,602,500</u>	<u>\$ 110,320,156</u>	<u>\$ 258,281,292</u>	<u>\$ 250,238,637</u>	<u>\$ 362,883,792</u>	<u>\$ 360,558,793</u>

During FY 11, the City's total debt increased by \$2,324,999 or 0.6%. The City retired or refunded \$32,295,001 in outstanding principal. New debt was issued by the water, sewer and electric systems, as follows:

- \$5,105,000 in Waterworks and Sewer System Revenue Bonds
- \$10,785,000 in Combination Tax and Revenue Refunding Bonds to refund the 2001 Waterworks and Sewer System Revenue Refunding and Improvement Bonds
- \$15,685,000 in Waterworks and Sewer System Revenue Bonds
- \$3,045,000 in Revenue Bonds by the Rural electric System

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	Aa2	A+

Additional information on the City's long-term debt can be found in Note 5 to the financial statements on pages 51-56 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 2011 property tax rate. Ad valorem property taxes comprised approximately 38.3% of general fund revenues. FY 12 sales tax revenue was budgeted to increase 4.1% when compared to the FY 11 actual receipts. Sales tax receipts for the first four (4) months of FY 12 are \$85,919 or 1.8% higher than the same period in 2011, but are less than budgeted projections. Local economic indicators are mixed and do not

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2011
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provide a clear indication of whether the local economy will grow during this next year. The City is taking a cautiously optimistic view of the local economy, but has taken steps to economize where possible.

The Water Fund has budgeted slightly decreased operating expenditures in FY 12 over FY 11 of \$77,805 or 1.4% to \$5,478,913. FY 12 budgeted operating revenues are estimated to be above the FY 11 budget amount by \$394,700 or 3.5% to \$11,635,800 based on increased sales.

The Wastewater Fund budget for FY 12 shows operating revenues of \$12,467,700, which is the same as the FY 11 budget. Budgeted operating expenditures for FY 12 are \$5,654,524 which is \$1,650,648 or 22.6% less than the FY 11 budget. This difference is primarily due to some FY 11 items that were included in operating expenses, when they should have been included in capital expense.

The Solid Waste Fund budget shows operating revenues of \$7,588,707. This is \$220,577 or 3.0% more than the FY 11 budget. The FY 12 budgeted operating expenditures are projected to be \$6,146,465, which is an increase of \$302,651 or 5.2% from the FY 11 budget.

Revenues for the entire electric system are projected to be \$161,485,573, which is an increase of \$17,564,372 or 10.9% in FY 12 versus FY 11. 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 or visit our website at <http://www.bryantx.gov>.



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CITY OF BRYAN, TEXAS
Statement of Net Assets
As of September 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 22,514,210	\$ 43,535,016	\$ 66,049,226	\$ 753,416
Investments	23,391,611	11,175,003	34,566,614	-
Receivables:				
Accounts	4,382,527	26,727,847	31,110,374	-
Less allowance for uncollectible	(1,981,000)	(1,953,372)	(3,934,372)	-
Property taxes	1,270,948	-	1,270,948	-
Less allowance for uncollectible	(955,295)	-	(955,295)	-
Sales taxes	2,413,174	-	2,413,174	-
Grants	556,287	78,074	634,361	-
Interest	43,589	173,873	217,462	-
Notes	400,958	-	400,958	104,647
Internal balances	(6,486,126)	6,486,126	-	-
Inventories	227,206	5,189,712	5,416,918	-
Prepaid purchased power option	-	8,300,717	8,300,717	-
Prepaid and other assets	8,277	376,817	385,094	-
Deferred cash flow hedges - Unrealized loss on d	-	7,452,683	7,452,683	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	30,738,079	30,738,079	-
Investments	-	34,639,298	34,639,298	-
Permanently restricted:				
Investments	746,351	-	746,351	-
Total current assets	<u>46,532,717</u>	<u>172,919,873</u>	<u>219,452,590</u>	<u>858,063</u>
Noncurrent assets:				
Receivables:				
Assessments	117,573	-	117,573	-
Notes	5,879,212	-	5,879,212	255,500
Unamortized bond issuance expense	585,406	3,458,399	4,043,805	-
Deferred cash flow hedges - Unrealized loss on d	-	8,878,090	8,878,090	-
Prepaid purchased power option	-	53,929,842	53,929,842	-
Restricted assets:				
Investment in BVSWMA	-	12,944,238	12,944,238	-
Capital assets:				
Land	11,570,401	15,554,349	27,124,750	1,521,329
Buildings	42,752,179	2,896,988	45,649,167	194,499
Improvements other than buildings	30,938,672	586,785,857	617,724,529	119,514
Machinery and equipment	30,948,492	10,996,686	41,945,178	-
Infrastructure	157,675,550	-	157,675,550	-
Construction in progress	16,604,018	24,205,583	40,809,601	-
Less accumulated depreciation	(113,146,323)	(216,165,976)	(329,312,299)	(92,715)
Total capital assets	<u>177,342,989</u>	<u>424,273,487</u>	<u>601,616,476</u>	<u>1,742,627</u>
Total noncurrent assets	<u>183,925,180</u>	<u>503,484,056</u>	<u>687,409,236</u>	<u>1,998,127</u>
Total assets	<u>\$ 230,457,897</u>	<u>\$ 676,403,929</u>	<u>\$ 906,861,826</u>	<u>\$ 2,856,190</u>

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 1,582,367	\$ 12,550,461	\$ 14,132,828	\$ 9,002
Accrued liabilities and retainage	2,842,462	1,081,629	3,924,091	-
Over recovered fuel	-	12,790,241	12,790,241	-
Claims	1,720,271	-	1,720,271	-
Accrued vacation and sick pay	2,355,339	545,469	2,900,808	-
Unearned revenue	1,305,595	7,966	1,313,561	-
Accrued interest	-	5,291	5,291	-
General obligation bonds	2,155,000	-	2,155,000	-
Certificates of obligation	3,702,344	1,072,656	4,775,000	-
Notes	220,000	-	220,000	-
Payable from restricted assets:				
Derivative financial instruments	-	7,452,683	7,452,683	-
Accrued liabilities	-	380,445	380,445	-
Accrued interest	560,482	2,748,100	3,308,582	-
Revenue bonds	-	14,645,000	14,645,000	-
Customer deposits	140,866	4,143,788	4,284,654	-
Total current liabilities	<u>16,584,726</u>	<u>57,423,729</u>	<u>74,008,455</u>	<u>9,002</u>
Noncurrent liabilities:				
General obligation bonds	25,525,000	-	25,525,000	-
Certificates of obligation	71,280,156	9,744,844	81,025,000	-
Revenue bonds	-	230,925,000	230,925,000	-
Unamortized bond premiums (discounts) and deferred amount on refunding	(959,524)	4,418,281	3,458,757	-
Arbitrage rebate	-	77,832	77,832	-
Notes	1,720,000	1,893,792	3,613,792	-
Claims	1,024,232	-	1,024,232	-
Derivative financial instruments	-	8,878,090	8,878,090	-
Accrued liabilities	4,097,149	1,654,248	5,751,397	-
Accrued vacation and sick pay	2,953,064	334,068	3,287,132	-
Unearned revenue	-	306,351	306,351	-
Total noncurrent liabilities	<u>105,640,077</u>	<u>258,232,506</u>	<u>363,872,583</u>	<u>-</u>
Total liabilities	<u>122,224,803</u>	<u>315,656,235</u>	<u>437,881,038</u>	<u>9,002</u>
<u>Net Assets</u>				
Invested in capital assets, net of related debt	73,325,895	252,740,085	326,065,980	1,742,627
Restricted for:				
BVSWMA, Inc.	-	12,944,238	12,944,238	-
Debt retirement	-	10,289,151	10,289,151	-
Debt service	863,849	4,600,218	5,464,067	-
Perpetual care:				
Expendable	1,022,606	-	1,022,606	-
Nonexpendable	746,351	-	746,351	-
Rate stabilization	-	1,676,616	1,676,616	-
Collateral deposits	-	-	-	-
Encumbrances	4,473,668	-	4,473,668	-
Noncurrent notes receivable	4,807,929	-	4,807,929	-
Police activities	44,300	-	44,300	-
Court activities	602,255	-	602,255	-
Record preservation	64,250	-	64,250	-
Capital improvements	7,832,036	-	7,832,036	-
TIRZ Development	3,364,672	-	3,364,672	-
Other purposes	960,476	-	960,476	-
Unrestricted	10,124,807	78,497,386	88,622,193	1,104,561
Total net assets	<u>\$ 108,233,094</u>	<u>\$ 360,747,694</u>	<u>\$ 468,980,788</u>	<u>\$ 2,847,188</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, 2011

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	\$ 11,694,539	\$ 147,025	\$ -	\$ 561,463	\$ (10,986,051)	\$ -	\$ (10,986,051)	\$ -
Development services	5,451,223	492,175	579,667	664,901	(3,714,480)	-	(3,714,480)	-
Public works services	14,091,910	-	241,224	1,431,102	(12,419,584)	-	(12,419,584)	-
Public safety	21,693,251	4,385,470	739,707	-	(16,568,074)	-	(16,568,074)	-
Cultural and recreational	7,666,774	1,355,274	1,047,396	-	(5,264,104)	-	(5,264,104)	-
Interest on long-term debt	4,982,815	-	-	-	(4,982,815)	-	(4,982,815)	-
Total governmental activities	65,580,512	6,379,944	2,607,994	2,657,466	(53,935,108)	-	(53,935,108)	-
Business-type activities:								
Electric	142,323,465	151,634,735	-	-	-	9,311,270	9,311,270	-
Rural electric	29,664,911	31,851,185	-	-	-	2,186,274	2,186,274	-
Water	10,868,241	14,281,996	-	726,026	-	4,139,781	4,139,781	-
Wastewater	10,658,709	13,112,105	-	253,640	-	2,707,036	2,707,036	-
Other	15,215,556	10,840,430	2,615,369	-	-	(1,759,757)	(1,759,757)	-
Total business-type activities	208,730,882	221,720,451	2,615,369	979,666	-	16,584,604	16,584,604	-
Total primary government	274,311,394	228,100,395	5,223,363	3,637,132	(53,935,108)	16,584,604	(37,350,504)	-
Component unit:								
Bryan Business Council, Inc.	\$ 307,301	\$ -	\$ 72,400	\$ -	\$ -	\$ -	\$ -	\$ (234,901)
General revenues:								
Property taxes					23,043,249	-	23,043,249	-
Sales taxes					14,301,017	-	14,301,017	-
Franchise taxes					2,062,766	-	2,062,766	-
Alcoholic beverage taxes					93,042	-	93,042	-
Bingo taxes					210,255	-	210,255	-
Hotel occupancy taxes					454,217	-	454,217	-
Transportation and drainage assessments					6,179,135	-	6,179,135	-
Unrestricted investment earnings					251,107	719,221	970,328	390,448
Miscellaneous					2,538,373	463,978	3,002,351	-
Transfers (net)					10,884,784	(10,884,784)	-	-
Total general revenues and transfers					60,017,945	(9,701,585)	50,316,360	390,448
Change in net assets					6,082,837	6,883,019	12,965,856	155,547
Net assets, October 1, 2010					102,150,257	353,864,675	456,014,932	2,691,641
Net assets, September 30, 2011					\$ 108,233,094	\$ 360,747,694	\$ 468,980,788	\$ 2,847,188

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, 2011

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 5,812,038	\$ 562,677	\$ 10,568,857	\$ 16,943,572
Investments	5,578,292	626,191	11,761,855	17,966,338
Receivables:				
Accounts	3,586,518	-	761,957	4,348,475
Less allowance for uncollectible	(1,744,538)	-	(236,462)	(1,981,000)
Property taxes	901,291	369,657	-	1,270,948
Less allowance for uncollectible	(682,488)	(272,807)	-	(955,295)
Sales taxes	2,413,174	-	-	2,413,174
Assessments	117,573	-	-	117,573
Grants	17,400	-	532,984	550,384
Interest	11,492	1,190	22,357	35,039
Notes	20,170	6,260,000	-	6,280,170
Due from other funds	400,900	26,494	63,787	491,181
Prepaid and other assets	8,277	-	-	8,277
Total assets	<u>\$ 16,440,099</u>	<u>\$ 7,573,402</u>	<u>\$ 23,475,335</u>	<u>\$ 47,488,836</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 1,131,211	\$ -	\$ 180,738	\$ 1,311,949
Accrued liabilities	1,578,415	-	17,153	1,595,568
Retainage payable	-	-	454,585	454,585
Due to other funds	68,827	5,654	286,723	361,204
Customer deposits	140,866	-	-	140,866
Deferred revenue	310,482	1,348,417	45,595	1,704,494
Total liabilities	<u>3,229,801</u>	<u>1,354,071</u>	<u>984,794</u>	<u>5,568,666</u>
Fund balances:				
Nonspendable	21,206	-	746,351	\$ 767,557
Restricted	542,028	6,219,331	13,024,577	19,785,936
Committed	823,479	-	8,729,577	9,553,056
Assigned	460,921	-	-	460,921
Unassigned	11,362,664	-	(9,964)	11,352,700
Total fund balances	<u>13,210,298</u>	<u>6,219,331</u>	<u>22,490,541</u>	<u>41,920,170</u>
Total liabilities and fund balances	<u>\$ 16,440,099</u>	<u>\$ 7,573,402</u>	<u>\$ 23,475,335</u>	<u>\$ 47,488,836</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, 2011

Total fund balances - governmental funds \$ 41,920,170

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 \$6,987,714.) 177,342,989

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 398,899

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 \$6,765,139 and net capital assets in the amount of \$6,987,714.) 1,536,578

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. (560,484)

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	\$ 27,680,000	
Certificates of obligation payable	74,982,500	
Notes payable	1,940,000	
Deferred charges on debt	(1,544,930)	
Net Pension Obligation	4,097,149	
Accrued vacation and sick leave (Net of internal service fund liability in the amount of \$58,064)	<u>5,250,339</u>	<u>(112,405,058)</u>

Net assets of governmental activities \$ 108,233,094

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, 2011

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 15,343,349	\$ 6,912,632	\$ 896,252	\$ 23,152,233
Sales taxes	14,301,017	-	-	14,301,017
Franchise taxes	2,062,766	-	-	2,062,766
Alcoholic beverage taxes	93,042	-	-	93,042
Bingo taxes	210,255	-	-	210,255
Hotel occupancy taxes	-	-	454,217	454,217
Transportation and drainage assessments	-	-	6,179,135	6,179,135
Charges for services	3,946,937	-	-	3,946,937
Fines and court charges	1,895,018	-	45,814	1,940,832
Licenses and permits	492,175	-	-	492,175
Grants	1,757,380	-	2,268,834	4,026,214
Investment earnings	63,440	32,559	99,202	195,201
Other	459,082	514,245	1,501,807	2,475,134
Total revenues	<u>40,624,461</u>	<u>7,459,436</u>	<u>11,445,261</u>	<u>59,529,158</u>
Expenditures:				
Current:				
General government and administration	12,448,419	-	61,953	12,510,372
Development services	3,145,030	-	1,474,614	4,619,644
Public works services	3,998,453	-	3,600,017	7,598,470
Public safety	27,264,064	-	742,262	28,006,326
Cultural and recreational	5,752,575	-	263,832	6,016,407
Administrative reimbursement	(3,610,977)	-	-	(3,610,977)
Capital outlay	1,967,510	-	7,812,568	9,780,078
Debt service:				
Bond and principal retirement	200,000	5,517,656	-	5,717,656
Interest and fiscal charges	138,740	4,694,313	70,076	4,903,129
Debt issuance costs	-	-	(25,000)	(25,000)
Total expenditures	<u>51,303,814</u>	<u>10,211,969</u>	<u>14,000,322</u>	<u>75,516,105</u>
Excess of expenditures over revenues	<u>(10,679,353)</u>	<u>(2,752,533)</u>	<u>(2,555,061)</u>	<u>(15,986,947)</u>
Other financing sources (uses):				
Sales of capital assets	213,342	-	-	213,342
Transfers in	12,226,379	2,568,462	1,911,920	16,706,761
Transfers out	(391,787)	(570,000)	(4,398,206)	(5,359,993)
Total other financing sources (uses)	<u>12,047,934</u>	<u>1,998,462</u>	<u>(2,486,286)</u>	<u>11,560,110</u>
Net change in fund balances	1,368,581	(754,071)	(5,041,347)	(4,426,837)
Fund balances, October 1, 2010	<u>11,841,717</u>	<u>6,973,402</u>	<u>27,531,888</u>	<u>46,347,007</u>
Fund balances, September 30, 2011	<u>\$ 13,210,298</u>	<u>\$ 6,219,331</u>	<u>\$ 22,490,541</u>	<u>\$ 41,920,170</u>

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

CITY OF BRYAN, TEXASReconciliation 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, 2011

Net change in fund balances - total governmental funds \$ (4,426,837)

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. 9,780,078

The net effect of various transactions involving capital assets (i.e., sales and contributions) is to increase net assets. 1,230,276

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. (9,592,668)

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:

Certificate of obligation deferred charges	\$ (25,000)	
Debt principal repayments	<u>5,717,656</u>	5,692,656

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. (1,103,021)

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. 70,632

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. 281,326

Some revenues reported in the governmental funds were earned in prior periods; and therefore, are not reported in the government-wide statement of activities. (392,583)

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 \$4,658,177). 4,542,978

Change in net assets of governmental activities. \$ 6,082,837

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, 2011

	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	\$ 28,671,298	\$ 4,528,007	\$ 4,156,861	\$ 5,087,512	\$ 1,091,338	\$ 43,535,016	\$ 5,570,638
Investments	-	-	4,627,187	5,662,688	885,128	11,175,003	6,171,624
Accounts receivable	12,524,544	3,768,573	2,190,353	1,764,628	6,479,749	26,727,847	34,052
Less allowance for uncollectible	(1,079,752)	(163,366)	(216,515)	(252,114)	(241,625)	(1,953,372)	-
Grants	-	-	77,702	-	372	78,074	5,903
Interest receivable	132,960	-	12,538	26,740	1,635	173,873	11,732
Inventories	4,801,191	-	350,346	-	38,175	5,189,712	227,206
Due from other funds	6,490,950	-	192,617	146,918	80,576	6,911,061	150,293
Prepaid purchased power option	8,300,717	-	-	-	-	8,300,717	-
Prepaid and other assets	252,261	-	-	400	124,156	376,817	-
Deferred cash flow hedges - Unrealized loss on derivatives	7,452,683	-	-	-	-	7,452,683	-
Restricted assets:							
Cash and cash equivalents	12,992,794	7,902,675	1,909,103	7,933,507	-	30,738,079	-
Investments	21,086,640	3,003,510	1,968,646	8,580,502	-	34,639,298	-
Total current assets	<u>101,626,286</u>	<u>19,039,399</u>	<u>15,268,838</u>	<u>28,950,781</u>	<u>8,459,504</u>	<u>173,344,808</u>	<u>12,171,448</u>
Noncurrent assets:							
Unamortized bond issuance expenses	1,753,814	427,936	541,146	735,503	-	3,458,399	-
Deferred cash flow hedges - Unrealized loss on derivatives	8,878,090	-	-	-	-	8,878,090	-
Prepaid purchased power option	53,929,842	-	-	-	-	53,929,842	-
Restricted assets:							
Investment in BVSWMMA	-	-	-	-	12,944,238	12,944,238	-
Capital assets:							
Land	4,405,728	111,483	571,736	377,644	10,087,758	15,554,349	-
Buildings	-	-	66,620	31,591	2,798,777	2,896,988	23,419
Equipment	-	-	1,640,948	2,502,859	6,852,879	10,996,686	9,711,401
Improvements other than buildings	337,216,733	60,632,619	93,724,762	89,071,567	6,140,176	586,785,857	158,332
Construction in progress	8,181,941	1,017,229	7,252,211	7,684,678	69,524	24,205,583	-
Less accumulated depreciation	(128,573,709)	(19,896,252)	(27,438,580)	(30,739,372)	(9,518,063)	(216,165,976)	(2,905,438)
Total capital assets (net of accumulated depreciation)	<u>221,230,693</u>	<u>41,865,079</u>	<u>75,817,697</u>	<u>68,928,967</u>	<u>16,431,051</u>	<u>424,273,487</u>	<u>6,987,714</u>
Total noncurrent assets	<u>285,792,439</u>	<u>42,293,015</u>	<u>76,358,843</u>	<u>69,664,470</u>	<u>29,375,289</u>	<u>503,484,056</u>	<u>6,987,714</u>
Total assets	<u>\$ 387,418,725</u>	<u>\$ 61,332,414</u>	<u>\$ 91,627,681</u>	<u>\$ 98,615,251</u>	<u>\$ 37,834,793</u>	<u>\$ 676,828,864</u>	<u>\$ 19,159,162</u>

Business-type Activities - Enterprise Funds

	Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Liabilities							
Current liabilities:							
Accounts payable	\$ 9,615,309	\$ 177,773	\$ 293,480	\$ 1,237,344	\$ 1,226,555	\$ 12,550,461	\$ 270,418
Accrued liabilities	630,149	59,987	72,422	97,583	221,488	1,081,629	22,907
Over recovered fuel	8,574,684	4,215,557	-	-	-	12,790,241	-
Claims payable	-	-	-	-	-	-	1,720,271
Due to other funds	758,642	3,453,109	-	8,391	2,969,932	7,190,074	4,437
Unearned revenue	-	-	-	7,966	-	7,966	-
Accrued interest	-	-	-	-	5,291	5,291	-
Certificates of obligation	-	-	515,008	554,992	2,656	1,072,656	-
Accrued vacation and sick pay	245,185	43,091	105,768	69,448	81,977	545,469	36,000
Current liabilities payable from restricted assets:							
Derivative financial instruments	7,452,683	-	-	-	-	7,452,683	-
Accrued liabilities	-	-	190,161	190,284	-	380,445	-
Accrued interest	1,903,867	85,200	423,018	336,015	-	2,748,100	-
Revenue bonds	10,915,000	420,000	1,743,653	1,566,347	-	14,645,000	-
Customer deposits	3,334,122	710,867	-	-	98,799	4,143,788	-
Total current liabilities	43,429,641	9,165,584	3,343,510	4,068,370	4,606,698	64,613,803	2,054,033
Noncurrent liabilities:							
Certificates of obligation	-	-	4,675,985	5,039,015	29,844	9,744,844	-
Revenue bonds	154,235,000	8,525,000	33,160,330	35,004,670	-	230,925,000	-
Notes	-	-	-	-	1,893,792	1,893,792	-
Unamortized bond premiums (discounts) and deferred amount on refunding	3,619,571	(10,240)	341,734	467,216	-	4,418,281	-
Arbitrage rebate	77,832	-	-	-	-	77,832	-
Claims payable	-	-	-	-	-	-	1,024,232
Unearned revenue	306,351	-	-	-	-	306,351	-
Derivative financial instruments	8,878,090	-	-	-	-	8,878,090	-
Accrued liabilities	1,654,248	-	-	-	-	1,654,248	769,402
Accrued vacation and sick pay	150,275	26,410	64,825	42,565	49,993	334,068	22,064
Total noncurrent liabilities	168,921,367	8,541,170	38,242,874	40,553,466	1,973,629	258,232,506	1,815,698
Total liabilities	212,351,008	17,706,754	41,586,384	44,621,836	6,580,327	322,846,309	3,869,731
Net Assets							
Invested in capital assets, net of related debt	119,094,804	38,398,598	38,451,504	42,290,420	14,504,759	252,740,085	6,987,714
Restricted for:							
BVSWMA	-	-	-	-	12,944,238	12,944,238	-
Encumbrances	-	-	-	-	-	-	-
Debt retirement	10,289,151	-	-	-	-	10,289,151	-
Debt service	2,727,848	416,042	735,199	721,129	-	4,600,218	-
Rate stabilization	1,676,616	-	-	-	-	1,676,616	-
Collateral deposits	-	-	-	-	-	-	-
Unrestricted	41,279,298	4,811,020	10,854,594	10,981,866	3,805,469	71,732,247	8,301,717
Total net assets	\$ 175,067,717	\$ 43,625,660	\$ 50,041,297	\$ 53,993,415	\$ 31,254,466	353,982,555	\$ 15,289,431
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						6,765,139	
Net assets of business-type activities						\$ 360,747,694	

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, 2011

	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	\$ 151,634,735	\$ 31,851,185	\$ -	\$ -	\$ -	\$ 183,485,920	\$ -
Water system	-	-	14,281,996	-	-	14,281,996	-
Sewer system	-	-	-	13,112,105	-	13,112,105	-
Other	507,507	-	-	-	10,332,923	10,840,430	12,291,378
Total operating revenues	<u>152,142,242</u>	<u>31,851,185</u>	<u>14,281,996</u>	<u>13,112,105</u>	<u>10,332,923</u>	<u>221,720,451</u>	<u>12,291,378</u>
Operating expenses:							
Personnel services	9,226,789	389,398	1,966,017	2,436,669	3,592,349	17,611,222	604,910
Electric operations	107,856,730	26,715,321	-	-	238,588	134,810,639	-
Maintenance	2,973,076	414,918	732,330	685,557	452,261	5,258,142	161,845
Claims	-	-	-	-	-	-	7,417,241
Other services and charges	2,101,380	-	2,783,684	2,167,933	4,175,417	11,228,414	2,807,188
Other expenses	603,610	-	494,013	472,389	981,289	2,551,301	37,685
General and administrative	2,223,885	105,156	259,730	368,850	1,820,283	4,777,904	236,363
Total operating expenses before depreciation	<u>124,985,470</u>	<u>27,624,793</u>	<u>6,235,774</u>	<u>6,131,398</u>	<u>11,260,187</u>	<u>176,237,622</u>	<u>11,265,232</u>
Operating income (loss) before depreciation	27,156,772	4,226,392	8,046,222	6,980,707	(927,264)	45,482,829	1,026,146
Depreciation	9,537,172	1,750,549	2,317,218	2,314,656	964,540	16,884,135	1,367,784
Operating income	<u>17,619,600</u>	<u>2,475,843</u>	<u>5,729,004</u>	<u>4,666,051</u>	<u>(1,891,804)</u>	<u>28,598,694</u>	<u>(341,638)</u>
Nonoperating revenues (expenses):							
Investment earnings	369,563	53,347	109,611	129,651	9,686	671,858	55,906
Interest expense	(7,440,176)	(289,569)	(1,839,774)	(1,324,598)	(56,830)	(10,950,947)	-
Debt service	-	-	-	-	(105,000)	(105,000)	-
Amortization of debt expense	-	-	-	-	(10,417)	(10,417)	-
Grants	-	-	664,901	37,750	1,912,718	2,615,369	-
Distributive share of BVSWMA net income	-	-	-	-	47,363	47,363	-
Other - net	-	-	97,288	170,585	311,521	579,394	632,515
Total nonoperating revenues (expenses)	<u>(7,070,613)</u>	<u>(236,222)</u>	<u>(967,974)</u>	<u>(986,612)</u>	<u>2,109,041</u>	<u>(7,152,380)</u>	<u>688,421</u>
Income before contributions and transfers	10,548,987	2,239,621	4,761,030	3,679,439	217,237	21,446,314	346,783
Capital contributions	-	-	726,026	253,640	-	979,666	-
Transfers in	1,334,323	-	24,108	156,487	903,787	2,418,705	135,016
Transfers out	(9,049,304)	-	(1,472,152)	(1,641,280)	(1,140,753)	(13,303,489)	(597,000)
Change in net assets	<u>2,834,006</u>	<u>2,239,621</u>	<u>4,039,012</u>	<u>2,448,286</u>	<u>(19,729)</u>	<u>11,541,196</u>	<u>(115,201)</u>
Net assets, October 1, 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>
Net assets, September 30, 2011	<u>\$ 175,067,717</u>	<u>\$ 43,625,660</u>	<u>\$ 50,041,297</u>	<u>\$ 53,993,415</u>	<u>\$ 31,254,466</u>		<u>\$ 15,289,431</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(4,658,177)	
Change in net assets of business-type activities.						<u>\$ 6,883,019</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, 2011

	Business-type Activities - Enterprise Funds						Governmental
	Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Cash flows from operating activities:							
Receipts from customers and users	\$ 147,380,356	\$ 31,465,249	\$ 13,658,321	\$ 12,792,183	\$ 6,496,440	\$ 211,792,549	\$ 3,707,544
Receipts for interfund services provided	-	-	-	-	-	-	10,630,606
Payments to suppliers	(102,931,138)	(23,749,289)	(4,234,028)	(2,156,560)	(3,086,265)	(136,157,280)	(12,097,531)
Payments to employees	(8,682,424)	(377,434)	(2,041,607)	(2,481,665)	(3,669,651)	(17,252,781)	(608,505)
Receipts for miscellaneous revenues	-	-	762,189	170,585	299,428	1,232,202	632,515
Payments for interfund services used	-	-	(259,730)	(368,850)	(1,795,558)	(2,424,138)	(236,363)
Net cash provided (used) by operating activities	<u>35,766,794</u>	<u>7,338,526</u>	<u>7,885,145</u>	<u>7,955,693</u>	<u>(1,755,606)</u>	<u>57,190,552</u>	<u>2,028,266</u>
Cash flows from noncapital financing activities:							
Transfers in	1,334,323	-	24,108	156,487	903,787	2,418,705	135,016
Transfers out	(9,049,304)	-	(1,472,152)	(1,641,280)	(1,140,753)	(13,303,489)	(597,000)
Net cash provided (used) by noncapital financing activities	<u>(7,714,981)</u>	<u>-</u>	<u>(1,448,044)</u>	<u>(1,484,793)</u>	<u>(236,966)</u>	<u>(10,884,784)</u>	<u>(461,984)</u>
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(25,734,699)	(4,198,388)	(4,495,416)	(5,356,512)	84,030	(39,700,985)	(3,722,040)
Capital contributions	-	-	-	55,075	-	55,075	-
Grant proceeds	-	-	-	37,750	2,000,000	2,037,750	-
Change in accounts receivable	-	-	-	-	(372)	(372)	-
Revenue bond proceeds	-	2,971,723	4,914,558	15,493,094	-	23,379,375	-
Amortization of debt expense	-	-	-	-	(10,417)	(10,417)	-
Principal paid on certificates of obligation	-	-	-	-	(2,344)	(2,344)	-
Principal paid on revenue bonds	(10,685,000)	(155,000)	(2,385,858)	(2,194,142)	-	(15,420,000)	-
Principal paid on notes	-	-	-	-	(105,000)	(105,000)	-
Interest paid on bonds, contractual obligations, and notes	(7,943,073)	(269,944)	(1,740,151)	(1,470,942)	(59,401)	(11,483,511)	-
Net cash provided (used) by capital and related financing activities	<u>(44,362,772)</u>	<u>(1,651,609)</u>	<u>(3,706,867)</u>	<u>6,564,323</u>	<u>1,906,496</u>	<u>(41,250,429)</u>	<u>(3,722,040)</u>
Cash flows from investing activities:							
Purchase of investment securities	(46,033,640)	(5,998,710)	(6,542,317)	(14,173,244)	(874,545)	(73,622,456)	(6,095,332)
Sale of investment securities	55,000,000	6,000,000	5,818,187	7,604,775	1,139,251	75,562,213	8,212,672
Interest on investments	435,311	53,347	120,679	133,768	12,674	755,779	77,498
Net cash provided (used) by investing activities	<u>9,401,671</u>	<u>54,637</u>	<u>(603,451)</u>	<u>(6,434,701)</u>	<u>277,380</u>	<u>2,695,536</u>	<u>2,194,838</u>
Net increase (decrease) in cash and cash equivalents	(6,909,288)	5,741,554	2,126,783	6,600,522	191,304	7,750,875	39,079
Cash and cash equivalents, October 1, 2010	48,573,380	6,689,128	3,939,181	6,420,497	900,034	66,522,220	5,531,559
Cash and cash equivalents, September 30, 2011	<u>\$ 41,664,092</u>	<u>\$ 12,430,682</u>	<u>\$ 6,065,964</u>	<u>\$ 13,021,019</u>	<u>\$ 1,091,338</u>	<u>\$ 74,273,095</u>	<u>\$ 5,570,638</u>

Business-type Activities - Enterprise Funds

	Electric Fund	Rural Electric 0	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	\$ 17,619,600	\$ 2,475,843	\$ 5,729,004	\$ 4,666,051	\$ (1,891,804)	\$ 28,598,694	\$ (341,638)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities							
Depreciation	9,537,172	1,750,549	2,317,218	2,314,656	964,540	16,884,135	1,367,784
Receipts for miscellaneous revenues	-	-	762,189	170,585	299,428	1,232,202	632,515
Change in assets and liabilities:							
Change in accounts receivable	(1,244,004)	(339,775)	(547,195)	(322,549)	(3,906,137)	(6,359,660)	1,012
Change in inventory	(88,977)	-	(36,493)	-	(6,257)	(131,727)	(28,600)
Change in due from other funds	(3,530,617)	-	1,222	2,627	(8,170)	(3,534,938)	87,678
Change in over(un)recovered fuel	4,726,128	2,111,268	-	-	-	6,837,396	-
Change in prepaid assets	8,166,737	-	-	(400)	(39,552)	8,126,785	-
Change in grants receivable	-	-	(77,702)	-	-	(77,702)	-
Change in accounts payable	125,503	98,747	(263,046)	1,076,356	880,337	1,917,897	(57,602)
Change in accrued liabilities	(50,734)	(28,946)	77,158	98,996	39,100	135,574	456,503
Change in customer deposits	12,735	(46,161)	-	-	44,538	11,112	-
Change in due to other funds	(35,913)	1,369,951	-	8,391	1,936,037	3,278,466	(482,721)
Change in claims payable	-	-	-	-	-	-	399,142
Change in unearned revenue	(15,201)	(64,914)	-	-	-	(80,115)	-
Change in accrued vacation and sick pay	19,857	11,964	(77,210)	(59,020)	(67,666)	(172,075)	(5,808)
Change in post employee benefits	524,508	-	-	-	-	524,508	-
Net cash provided (used) by operating activities	<u>\$ 35,766,794</u>	<u>\$ 7,338,526</u>	<u>\$ 7,885,145</u>	<u>\$ 7,955,693</u>	<u>\$ (1,755,606)</u>	<u>\$ 57,190,552</u>	<u>\$ 2,028,265</u>

Noncash investing, capital and financing activities:

During this past year, the Enterprise Funds received \$866,091 noncash capital contributions from developers consisting of water and sewer infrastructure. The investment in BVSWMA increased \$47,364 as a result of their operations.

Reconciliation of total cash and cash equivalents:

Current assets - cash and cash equivalents	\$ 28,671,298	\$ 4,528,007	\$ 4,156,861	\$ 5,087,512	\$ 1,091,338	\$ 43,535,016	\$ 5,570,638
Restricted assets - cash and cash equivalents	12,992,794	7,902,675	1,909,103	7,933,507	-	30,738,079	-
Total cash and cash equivalents	<u>\$ 41,664,092</u>	<u>\$ 12,430,682</u>	<u>\$ 6,065,964</u>	<u>\$ 13,021,019</u>	<u>\$ 1,091,338</u>	<u>\$ 74,273,095</u>	<u>\$ 5,570,638</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, 2011

Assets

Cash and cash equivalents	\$	667,082
Accounts receivable		<u>330,608</u>
Total assets	\$	<u><u>997,690</u></u>

Liabilities

Accounts payable	\$	<u>997,690</u>
Total liabilities	\$	<u><u>997,690</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, 2011

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

In January 2010, the City of Bryan entered into an Interlocal Cooperation Agreement with the City of College Station to create a local government corporation under Subchapter D of Chapter 431, Texas

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

Transportation Code, to be known as the Brazos Valley Solid Waste Management Agency, Inc. The purpose of this Corporation is to finance, construct, own, manage and operate the existing and future municipal solid waste landfill facilities on behalf of the two cities. The City's one-half undivided interest in BVSWMA is reported in the Solid Waste Fund (see Note 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, 2011

The City reports the following major governmental funds:

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

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

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

- Grant fund – The source of funds is grants awarded to the City. The use of these funds is restricted by the terms of each grant.
- Community Development fund – The source of funds is federal grants awarded to the City and use of the grant money is restricted by the terms of the grants. Primarily, the Community Development fund provides programs and services to low and moderate income persons.
- Hotel and Motel Room Tax fund – The source of funds is the hotel occupancy tax. The use of these funds is restricted by the tax code of the State of Texas.
- Oil and Gas fund – This fund was originally used to account for revenues derived from oil and gas bonuses and royalties received on various properties owned by the City. It was closed in FY 11, because it did not meet the criteria set by GASB 54 for Special Revenue funds.
- Special Projects fund – This fund was used to account for litigation proceeds. It was closed in FY 11, because it did not meet the criteria set by GASB 54 for Special Revenue funds.
- Sidewalks fund – This fund was established by City of Bryan Ordinance to track money from developers and property owners for the construction and maintenance of sidewalks.
- Court Technology fund – This fund was established by City Ordinance and the source of funds is a \$4.00 fee for each case that comes before the City's Municipal Court. These funds are restricted to technology necessary for the Court's operations.
- Street Improvement fund – Per the City of Bryan Code of Ordinances, a transportation user fee was established in order to provide a properly maintained road system. That fee is the source of revenue for this fund. The use of these funds is restricted to the purposes of planning, constructing, operating, monitoring and maintaining the transportation system of the City.
- Drainage Improvement fund – The drainage fee was established by the City of Bryan Code of Ordinances and is the source of funds for this fund. These funds can only be used for the City's drainage system.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

- Tax Increment Financing Zone #8 – The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIFZ. The use of these funds is restricted to the geographical area within this zone.
- Tax Increment Financing Zone #10 - The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIFZ. The use of these funds is restricted to the geographical area within this zone.
- Tax Increment Financing Zone #19 - The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIFZ. The use of these funds is restricted to the geographical area within this zone.
- Tax Increment Financing Zone #21 - The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIFZ. The use of these funds is restricted to the geographical area within this zone.
- Tax Increment Financing Zone #22 - The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIFZ. The use of these funds is restricted to the geographical area within this zone.

Proprietary funds 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, 2011

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

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

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

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

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

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

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

Budgeted amounts are as originally adopted, or as amended in accordance with the annual appropriations ordinance. Individual amendments were not material in relation to the original appropriations that were adopted.

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

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

Inventories

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

Prepaid Items

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

Interfund Receivables and Payables

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

Transactions Between Funds

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

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

Capital Assets

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

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

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

	<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

Minimum Fund Balance Policy

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

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 2011 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,

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

employees with a minimum of one year employment are paid for unused vacation time up to a maximum of two times the employee's annual accrual rate.

City employees earn sick leave at a rate of 10 days 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 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, 2011, the City adopted the following GASB pronouncements:

GASB Statement No. 54 ("GASB 54"), *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes new fund balance classifications in order to clarify and enhance the usefulness of fund balance information. 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. These new classifications are based primarily on the level of constraints imposed upon the use of the resources.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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 \$60,109,054 and the bank balance was \$60,758,270.

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. These investments include the following:

- a. Direct obligations of the United States or its agencies and instrumentalities;
- b. Debentures or discount notes issued by, guaranteed by, or for which the credit of any Federal Agencies and Instrumentalities is pledged for payment;
- c. Direct obligations of the State of Texas or its agencies;
- d. Bonds or other obligations, the principal and interest on which is guaranteed by the full faith and credit of the United States;
- e. Certificates of deposit issued by state and national banks within the state of Texas that are secured by obligations qualified as acceptable collateral;
- f. Certificates of deposit issued by savings and loan associations within the state of Texas that are secured by obligations qualified as acceptable collateral;
- g. Bankers Acceptances eligible for discounting with the Federal Reserve maturing within 90 days;
- h. Commercial paper with a stated maturity of 180 days or less from the date of issuance that is rated not less than A-1, P-1, F-1 or its equivalent;
- i. Fully collateralized repurchase agreements having a defined termination date of 90 days or less, secured by qualified obligations, pledged with a third party, and placed through a primary government securities dealer as defined by the Federal Reserve, or a bank domiciled in Texas;
- j. Money-market mutual funds that are SEC registered no-load funds with dollar-weighted average portfolio maturity of 90 days or less;

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

- 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, 2011, the fair market value of the City's portfolio is as follows:

	<u>Fair Value</u>	<u>Percentage of Total</u>	<u>Wgt. Avg. Maturity</u>	<u>Credit Risk</u>
U. S. Agencies and Instrumentalities	\$ 46,095,860	42.96%	478 days	AAA
U.S. Treasury Securities	24,090,150	22.45%	32 days	NR
Investments in Government Pools	37,111,586	34.59%		AAAm
Total Investments	<u>\$ 107,297,596</u>	<u>100.00%</u>		

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

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

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

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

Custodial Risk – City deposits in excess of the \$100,000 amount covered by the Federal Depository Insurance Corporation ("FDIC") must be secured by authorized securities with a market value equal

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

to or greater than 105% of the total deposits. At September 30, 2011, all City deposits were insured or adequately collateralized.

Interest Rate Risk – As of September 30, 2011, 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, 2011, 42.96% of the City’s portfolio was invested in U.S. Agencies and Instrumentalities including 30.53% in Federal Home Loan Bank securities, 17.36% in Federal National Mortgage Association securities, 17.42% in Farm Credit System Banks and 34.69% in Federal Home Loan Mortgage Corporation securities. In particular, 34.59% of the City’s portfolio will mature in 90-days or less including all monies in government investment pools which are considered overnight investments.

Foreign Currency Risk – By virtue of the City’s Investment Policy and the Texas Public Funds Investment Act, the City is not exposed to foreign currency risk because the City is not authorized to maintain deposits or investments denominated in a foreign currency.

3. PROPERTY TAXES

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

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

year ended September 30, 2011. 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, 2011

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011 follows:

	Balance October 1	Additions / Completions	Retirements / Adjustments	Balance September 30
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 11,525,230	\$ 45,671	\$ (500)	\$ 11,570,401
Construction in Progress	24,870,328	8,034,668	(16,300,978)	16,604,018
Total capital assets not being depreciated	<u>36,395,558</u>	<u>8,080,339</u>	<u>(16,301,478)</u>	<u>28,174,419</u>
Capital assets, being depreciated				
Buildings	41,126,395	1,629,097	(3,313)	42,752,179
Equipment	28,129,491	4,279,821	(1,460,820)	30,948,492
Improvements	30,855,169	160,561	(77,058)	30,938,672
Infrastructure	140,790,177	16,892,523	(7,150)	157,675,550
Total capital assets being depreciated	<u>240,901,232</u>	<u>22,962,002</u>	<u>(1,548,341)</u>	<u>262,314,893</u>
Less accumulated depreciation for:				
Buildings	(11,757,971)	(1,018,379)	3,313	(12,773,037)
Equipment	(14,959,382)	(3,193,133)	1,459,500	(16,693,015)
Improvements	(16,496,414)	(1,254,885)	77,059	(17,674,240)
Infrastructure	(60,511,977)	(5,494,054)	-	(66,006,031)
Total accumulated depreciation	<u>(103,725,744)</u>	<u>(10,960,451)</u>	<u>1,539,872</u>	<u>(113,146,323)</u>
Total capital assets, being depreciated, net	<u>137,175,488</u>	<u>12,001,551</u>	<u>(8,469)</u>	<u>149,168,570</u>
Governmental activities capital assets, net	<u>\$ 173,571,046</u>	<u>\$ 20,081,890</u>	<u>\$ (16,309,947)</u>	<u>\$ 177,342,989</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 14,941,953	\$ 612,396	\$ -	\$ 15,554,349
Construction In Progress	28,082,255	39,733,242	(43,609,914)	24,205,583
Total capital assets not being depreciated	<u>43,024,208</u>	<u>40,345,638</u>	<u>(43,609,914)</u>	<u>39,759,932</u>
Capital assets, being depreciated				
Buildings	2,860,928	37,967	(1,907)	2,896,988
Equipment	11,957,755	234,014	(1,195,083)	10,996,686
Improvements	545,703,333	43,958,263	(2,875,739)	586,785,857
Total capital assets being depreciated	<u>560,522,016</u>	<u>44,230,244</u>	<u>(4,072,729)</u>	<u>600,679,531</u>
Less accumulated depreciation for:				
Buildings	(1,171,788)	(132,995)	1,907	(1,302,876)
Equipment	(8,082,149)	(831,829)	757,149	(8,156,829)
Improvements	(193,685,052)	(15,919,311)	2,898,092	(206,706,271)
Total accumulated depreciation	<u>(202,938,989)</u>	<u>(16,884,135)</u>	<u>3,657,148</u>	<u>(216,165,976)</u>
Total capital assets, being depreciated, net	<u>357,583,027</u>	<u>27,346,109</u>	<u>(415,581)</u>	<u>384,513,555</u>
Business-type activities capital assets, net	<u>\$ 400,607,235</u>	<u>\$ 67,691,747</u>	<u>\$ (44,025,495)</u>	<u>\$ 424,273,487</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

Governmental activities:	
General government and administration	\$2,599,675
Development services	597,947
Public works services	5,340,880
Public safety	1,405,205
Cultural and recreational	1,016,744
Business-type activities:	
Electric	9,537,172
Rural Electric	1,750,549
Water	2,317,218
Wastewater	2,314,656
Other Enterprise Funds	964,540
	<u>\$27,844,586</u>

The City has active construction projects as of September 30, 2011. Total accumulated commitments for ongoing capital projects are composed of the following:

	<u>Committed</u>
Street improvements	\$ 3,286,627
Drainage improvements	486,922
Tax Increment Reinvestment Zone #8	
- public infrastructure improvements	16,677
Tax Increment Reinvestment Zone #21	
- public infrastructure improvements	7,500
Tax Increment Reinvestment Zone #22	
- public infrastructure improvements	353,471
Water system improvements	1,884,761
Wastewater system improvements	14,848,217
Total	<u>\$20,884,175</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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, 2011:

	Beginning Balance	Issued	Matured/ Refunded	Ending Balance	Due within one year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 29,005,000	\$ -	\$ 1,325,000	\$ 27,680,000	\$ 2,155,000
Certificates of Obligation	79,175,156	-	4,192,656	74,982,500	3,702,344
Notes Payable	2,140,000	-	200,000	1,940,000	220,000
Total governmental fund types	<u>110,320,156</u>	<u>-</u>	<u>5,717,656</u>	<u>104,602,500</u>	<u>6,077,344</u>
<u>Business-type Activities:</u>					
Certificates of Obligation	34,844	10,785,000	2,344	10,817,500	1,072,656
Electric System Revenue Bonds	181,890,000	3,045,000	10,840,000	174,095,000	11,335,000
Water and Sewer System					
Revenue Bonds	66,420,001	20,790,000	15,735,001	71,475,000	3,310,000
Notes Payable	1,893,792	-	-	1,893,792	-
Total proprietary fund types	<u>250,238,637</u>	<u>34,620,000</u>	<u>26,577,345</u>	<u>258,281,292</u>	<u>15,717,656</u>
Total long-term debt	<u>\$ 360,558,793</u>	<u>\$ 34,620,000</u>	<u>\$ 32,295,001</u>	<u>\$ 362,883,792</u>	<u>\$ 21,795,000</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

Long-term debt at September 30, 2011 consists of bonds, certificates of obligation, and notes maturing serially and is summarized as follows:

Issue	Interest Rates (%)	Series Matures	Governmental	Business- type	Total
General Obligation Bonds:					
Refunding, Series 2005	4.00 - 5.00	2025	\$ 17,375,000	\$ -	\$ 17,375,000
Refunding, Series 2010	2.00 - 4.00	2021	10,305,000	-	10,305,000
Total General Obligation Bonds			27,680,000	-	27,680,000
Certificates of Obligation:					
Combination Tax & Surplus Utility					
System Revenue, Series 2001	4.35 - 6.50	2021	1,007,500	32,500	1,040,000
Combination Tax & Surplus Utility					
System Revenue, Series 2003	4.00 - 4.60	2024	7,545,000	-	7,545,000
Combination Tax & Revenue, Series 2004	2.50 - 4.75	2025	10,985,000	-	10,985,000
Combination Tax & Revenue, Series 2005	4.00 - 5.00	2026	13,860,000	-	13,860,000
Combination Tax & Revenue, Series 2007	4.00 - 4.25	2026	11,000,000	-	11,000,000
Combination Tax & Revenue, Series 2008	4.00 - 5.00	2028	9,590,000	-	9,590,000
Combination Tax & Revenue, Series 2009	3.00 - 5.00	2029	7,960,000	-	7,960,000
Combination Tax & Revenue, Series 2010	2.00 - 4.38	2030	13,035,000	-	13,035,000
Combination Tax & Revenue Refunding					
Series 2011	2.00 - 4.00	2022	-	10,785,000	10,785,000
Total Certificates of Obligation			74,982,500	10,817,500	85,800,000
Revenue Bonds:					
Electric System Refunding, Series 2001	3.75 - 5.00	2019	-	3,575,000	3,575,000
Water and Sewer System Revenue,					
Series 2004	2.50 - 5.00	2030	-	3,950,000	3,950,000
Water and Sewer System Revenue,					
Series 2005	4.00 - 4.75	2031	-	5,655,000	5,655,000
Water and Sewer System Revenue,					
Series 2007	4.00 - 5.00	2032	-	34,865,000	34,865,000
Water and Sewer System Revenue,					
Series 2009A	2.00 - 4.625	2029	-	5,290,000	5,290,000
Sewer System Revenue,					
Series 2009B	0.15 - 2.60	2019	-	1,040,000	1,040,000
Water Revenue, Series 2010A	2.00 - 4.25	2030	-	4,990,000	4,990,000
Sewer System Revenue,					
Series 2011	0.00 - 2.70	2030	-	15,685,000	15,685,000
Electric System Revenue, Series 2005	4.00 - 4.50	2025	-	10,375,000	10,375,000
Electric System Revenue, Series 2006	4.00 - 5.00	2031	-	10,785,000	10,785,000
Electric System Revenue, Series 2007	4.25 - 5.25	2032	-	29,255,000	29,255,000
Electric System Revenue, Series 2008	4.00 - 5.25	2033	-	30,425,000	30,425,000
Electric System Revenue Rural, Series 2008	3.50 - 4.75	2034	-	5,900,000	5,900,000
Electric System Revenue, Series 2009	4.00 - 5.00	2034	-	23,695,000	23,695,000
Electric System Revenue, Series 2010	3.00 - 5.00	2019	-	57,040,000	57,040,000
Electric System Revenue, Series 2011	2.00 - 4.00	2021	-	3,045,000	3,045,000
Total Revenue Bonds			\$ -	\$ 245,570,000	\$ 245,570,000

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

<u>Issue</u>	<u>Interest Rates (%)</u>	<u>Series Matures</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
<u>Notes Payable:</u>					
Department of Housing & Urban					
Development Section 108 Loans	4.00 - 8.60	2009-2018	\$ 1,940,000	\$ -	\$ 1,940,000
Bryan Commerce & Development					
Promissory Note	6.17	2013	-	1,893,792	1,893,792
Total Notes Payable			<u>1,940,000</u>	<u>1,893,792</u>	<u>3,833,792</u>
Total long-term debt			<u>\$ 104,602,500</u>	<u>\$ 258,281,292</u>	<u>\$ 362,883,792</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>	
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	2,495,000	839,175	-	-	3,334,175
2017-2021	11,660,000	2,603,525	-	-	14,263,525
2022-2026	4,450,000	535,125	-	-	4,985,125
Total	<u>\$ 27,680,000</u>	<u>\$ 8,162,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,842,775</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>	
2012	\$ 3,702,344	\$ 3,154,019	\$ 1,072,656	\$ 374,585	\$ 8,303,604
2013	4,052,344	3,018,688	1,077,656	313,675	8,462,363
2014	4,217,031	2,868,728	1,102,969	292,052	8,480,780
2015	4,232,031	2,699,757	962,969	258,911	8,153,668
2016	4,276,875	2,526,495	993,125	229,966	8,026,461
2017-2021	23,181,875	9,912,837	4,713,125	660,137	38,467,974
2022-2026	24,915,000	4,629,721	895,000	35,800	30,475,521
2027-2031	6,405,000	592,324	-	-	6,997,324
Total	<u>\$ 74,982,500</u>	<u>\$ 29,402,569</u>	<u>\$ 10,817,500</u>	<u>\$ 2,165,126</u>	<u>\$ 117,367,695</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

Revenue Bonds

Year	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2012	\$ -	\$ -	\$ 14,645,000	\$ 10,438,637	\$ 25,083,637
2013	-	-	13,340,000	9,951,326	23,291,326
2014	-	-	13,395,000	9,504,924	22,899,924
2015	-	-	14,295,000	8,999,155	23,294,155
2016	-	-	14,680,000	8,399,768	23,079,768
2017-2021	-	-	74,805,000	31,838,500	106,643,500
2022-2026	-	-	44,455,000	18,688,498	63,143,498
2027-2031	-	-	42,920,000	9,229,653	52,149,653
2032-2036	-	-	13,035,000	1,024,826	14,059,826
Total	\$ -	\$ -	\$ 245,570,000	\$ 108,075,287	\$ 353,645,287

Notes

Year	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2012	\$ 220,000	\$ 126,420	\$ -	\$ 58,000	\$ 404,420
2013	230,000	112,648	1,893,792	58,000	2,294,440
2014	255,000	98,089	-	-	353,089
2015	290,000	81,743	-	-	371,743
2016	300,000	62,922	-	-	362,922
2017-2018	645,000	64,992	-	-	709,992
Total	\$ 1,940,000	\$ 546,814	\$ 1,893,792	\$ 116,000	\$ 4,496,606

Total Long Term Debt

Year	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2012	6,077,344	4,440,114	15,717,656	10,871,222	37,106,336
2013	6,502,344	4,223,511	16,311,448	10,323,001	37,360,304
2014	6,782,031	3,976,492	14,497,969	9,796,976	35,053,468
2015	6,912,031	3,704,925	15,257,969	9,258,066	35,132,991
2016	7,071,875	3,428,592	15,673,125	8,629,734	34,803,326
2017-2021	35,486,875	12,581,354	79,518,125	32,498,637	160,084,991
2022-2026	29,365,000	5,164,846	45,350,000	18,724,298	98,604,144
2027-2031	6,405,000	592,324	42,920,000	9,229,653	59,146,977
2032-2036	-	-	13,035,000	1,024,826	14,059,826
Total	\$ 104,602,500	\$ 38,112,158	\$ 258,281,292	\$ 110,356,413	\$ 511,352,363

On November 1, 2010, the City issued \$5,105,000 in Waterworks and Sewer System Revenue Bonds, Series 2010A. The Bonds mature serially on July 1, 2011 through July 1, 2030 with coupon rates ranging from 2.0% to 4.25%. The Bonds were issued to construct, improve, repair, renovate, enlarge, extend and equip the Waterworks and Sewer System and to pay the cost of issuing the Bonds.

On July 1, 2011, the City issued \$10,785,000 in Combination Tax and Revenue Refunding Bonds, Series 2011. The Bonds mature serially on July 1, 2012 through July 1, 2022 with coupon rates ranging from 2.0% to 4.0%. The Bonds were issued for the purpose of refunding a portion of the

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

City's outstanding System 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 were used to refund the 2001 Waterworks and Sewer System Revenue Refunding and Improvement Bonds. This represents an economic gain of \$1,796,189 and a net present value benefit savings of \$1,559,120. The City expects that the principal of and interest on the Bonds will be paid from surplus revenues of the Water and Sewer system.

On June 1, 2011 the City issued \$15,685,000 in Waterworks and Sewer System Revenue Bonds, Series 2011. The Bonds mature serially on July 1, 2012 through July 1, 2030 with coupon rates ranging from 0% to 2.7%. The Bonds were issued for the purpose of (1) constructing, improving, repairing, renovating, enlarging, extending and equipping the Waterworks and Sewer system and (2) paying the costs of issuing the Bonds.

During the fiscal year ended September 30, 2011, the Rural Electric System issued revenue bonds dated June 28, 2011 ("2011 Bonds") totaling \$3,045,000. The 2011 Bonds mature serially on July 1, 2012 through July 1, 2021, with coupon rates ranging from 2.00% to 4.00%. The proceeds from the sale of the 2011 Bonds are restricted for the acquisition, equipment, improvement, and expansion of the Rural Electric System.

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, 2010 and 2011 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, 2011

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	\$ 5,710,044	\$ 1,051,612	\$ 6,761,656
Plus additions	1,817,467	401,448	2,218,915
Less payments	(2,219,108)	(573,523)	(2,792,631)
Ending balance	<u>\$ 5,308,403</u>	<u>\$ 879,537</u>	<u>\$ 6,187,940</u>
Amount due in one year	\$ 2,355,339	\$ 545,469	\$ 2,900,808
Amount due in over one year	\$ 2,953,064	\$ 334,068	\$ 3,287,132

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, 2011, the City had outstanding General Obligation bonds and Certificates of Obligation totaling \$12,915,000 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, 2011

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

8. NATURE AND PURPOSE OF CLASSIFICATION OF FUND EQUITY

The fund balance classifications for Governmental Funds are:

- Nonspendable – includes fund balance amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through formal action by the City Council.
- Assigned – includes fund balance amounts that are self-imposed by the City to be used for a particular purpose. Fund balance can be assigned by the City Manager, the Chief Financial Officer or their designee.
- Unassigned – includes the residual positive fund balance within the general fund which has not been classified within the other above mentioned categories.

When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted fund balance first, then unrestricted fund balance. Similarly, committed fund balances are reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications are available.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

The City's classification of fund balances is as follows at September 30, 2011:

	General Fund	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Nonspendable:						
Permanent Funds Corpus	\$ -	\$ -	\$ -	\$ -	\$ 746,351	\$ 746,351
Other Purposes	21,206	-	-	-	-	21,206
Restricted for:						
Debt Service	-	6,219,331	-	-	-	6,219,331
Grants	92,795	-	4,348	-	-	97,143
Hotel/Motel	-	-	538,869	-	-	538,869
Municipal Court	340,682	-	261,573	-	-	602,255
TIRZ Development	-	-	3,364,672	-	-	3,364,672
Capital Projects	-	-	-	7,832,036	-	7,832,036
Cemeteries	-	-	-	-	1,019,007	1,019,007
Libraries	-	-	-	-	3,599	3,599
Police	44,300	-	-	-	-	44,300
Record Preservation	64,251	-	-	-	-	64,251
Other Purposes	-	-	473	-	-	473
Committed to:						
Parks	617,707	-	-	-	-	617,707
Libraries	205,772	-	-	-	-	205,772
Streets	-	-	7,696,726	-	-	7,696,726
Drainage	-	-	1,032,851	-	-	1,032,851
Assigned to:						
Encumbrances	460,921	-	-	-	-	460,921
Unassigned (Deficit):	11,362,664	-	(9,964)	-	-	11,352,700
Total fund balances	\$ 13,210,298	\$ 6,219,331	\$ 12,889,548	\$ 7,832,036	\$ 1,768,957	\$ 41,920,170

Net assets have been restricted at September 30, 2011 as follows:

Restricted for:	Business-Type Activities				Total
	Electric	Water	Waste Water	Other Enterprise	
Rate Stabilization	\$ 1,676,616	\$ -	\$ -	\$ -	\$ 1,676,616
Debt Retirement	10,289,151	-	-	-	10,289,151
Debt Service	3,143,890	735,199	721,129	-	4,600,218
BVSWMA	-	-	-	12,944,238	12,944,238
Total	\$ 15,109,657	\$ 735,199	\$ 721,129	\$ 12,944,238	\$ 29,510,223

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

(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 842 municipalities having their benefit plan administered by TMRS. Each of the 842 municipalities has an annual, individual actuarial valuation performed. TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at www.TMRS.com.

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

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

Plan provisions for the City were as follows:

	Plan Year 2010	Plan Year 2011
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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)	\$	8,891,562
Interest on Net Pension Obligation		276,280
Adjustment to the ARC		<u>(228,166)</u>
Annual Pension Cost (APC)		8,939,677
Contributions Made		<u>(7,066,633)</u>
Increase (decrease) in net pension obligation		1,873,044
Net Pension Obligation/(Asset), beginning of year		<u>3,683,734</u>
Net Pension Obligation/(Asset), end of year	\$	<u><u>5,556,778</u></u>

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

Historical data is as follows:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation at September 30</u>
09/30/09	\$ 7,831,491	79.73%	\$ 1,587,104
09/30/10	8,718,507	75.96%	3,683,734
09/30/11	8,939,677	79.05%	5,556,778

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

The required contribution rates for fiscal year 2011 were determined as part of the December 31, 2009 actuarial valuation. Additional information as of the latest actuarial valuation, December 31, 2010, also follows:

	<u>12/31/2008</u>	<u>12/31/2009</u>	<u>12/31/2010</u> <u>Prior to Restructuring</u>	<u>12/31/2010</u> <u>Restructured</u>
Valuation date	<u>12/31/2008</u>	<u>12/31/2009</u>	<u>12/31/2010</u> <u>Prior to Restructuring</u>	<u>12/31/2010</u> <u>Restructured</u>
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	29 years; closed period	28 years; closed period	27.2 years; closed period	27.2 years; closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years	30 years
Asset valuation method	Amortized Cost	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial assumptions:				
Investment rate of return	7.5%	7.5%	7.5%	7.0%
Projected salary increases	Varies by age & service	Varies by age & service	Varies by age & service	Varies by age & service
Included inflation rate	3.0%	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	2.1%	2.1%	2.1%

Funding Status and Funding Progress

In June 2011, SB 350 was enacted by the Texas Legislature, resulting in a restructure of the TMRS funds. This legislation provided for the actuarial valuation to be completed, as if restructuring had occurred on December 31, 2010. In addition, the actuarial assumptions were updated for the new fund structure, based on an actuarial experience study that was adopted by the TMRS Board at their May 2011 meeting (the review compared actual to expected experience for the four-year period of January 1, 2006 through December 31, 2009). For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS city rates and funding ratios, please see the December 31, 2010 TMRS Comprehensive Annual Financial Report (CAFR).

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

The funded status as of December 31, 2010, 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)
12/31/2010 ⁽¹⁾	\$ 105,463,843	\$ 175,122,241	60.2%	\$ 69,658,398	\$ 44,486,837	156.6%
12/31/2010 ⁽²⁾	\$ 167,407,171	\$ 226,635,273	73.9%	\$ 59,228,102	\$ 44,486,837	133.1%

(1) Actuarial valuation performed under the original fund structure.

(2) Actuarial valuation performed under the new fund structure.

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

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

10. 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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

payment of TMPA's bonds (the "Debt Service Guarantee"). At September 30, 2011 the City's portion of the outstanding TMPA bonds and commercial paper was approximately \$139.7 million and \$45.6 million, respectively.

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

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

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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.
- 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 year ended September 30, 2011 the City Electric System paid TMPA \$30,051,020 for power purchases and related activity under the contract. As of September 30, 2011 City Electric System had payables to TMPA amounting to \$1,391,738.

The TMPA's Comprehensive Annual Financial Report for the year ended September 30, 2011 reported the following:

	<u>2011</u>
Total Assets	\$ 1,189,165,000
Total Liabilities	<u>1,137,686,000</u>
Total Accumulated Excess Revenues	<u>\$ 51,479,000</u>
Change in Accumulated Excess Revenues for year ended September 30, 2011	\$ (6,164,000)

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 (BVSWMA). The Agreement was subsequently amended in 2000 and 2003. The agreement as amended, recognized the approval of both city councils as required in matters related to BVSWMA's operating budget, "tipping fees," operations, land acquisitions and purchases that require either City Council's approval. The Agreement further stated that all property then contributed or later acquired for use by BVSWMA be held by the cities as tenants in common.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

In January 2010, the City of Bryan and the City of College Station approved an interlocal agreement (ILA) creating a local government corporation (LGC), BVSWMA, Inc., which owns and manages BVSWMA. The ILA describes the process for the creation of the LGC and the development of agreements to creation of the LGC, the transfer of the assets of BVSWMA to the LGC, the reimbursement of debt associated with the assets of BVSWMA and the financing, operation and management of BVSWMA.

The City Councils of Bryan and College Station approved Articles of Incorporation in February 2010. In March 2010, both City Councils approved the Bylaws for BVSWMA, Inc., which establishes the power to issue debt and to acquire land. The powers of BVSWMA, Inc. are vested in a seven member Board of Directors, with each City Council appointing three members. The seventh member is selected by an approval process set forth in the Articles of Incorporation and is deemed to have been appointed by the Cities.

On September 13, 2010, the City Councils of Bryan and College Station, in conjunction with the BVSWMA, Inc. Board of Directors, formalized the creation of BVSWMA, Inc. and the dissolution of BVSWMA, effective October 1, 2010, with the approval and execution of:

- Borrowed Employee Agreement between each City and BVSWMA, Inc.
- Asset Transfer and Debt Reimbursement Agreement between each City and BVSWMA, Inc.
- Agreement between the City of Bryan, the City of College Station and BVSWMA, Inc. regarding the assignment and assumption of contracts and payables
- Final Settlement Agreement and Release related to the final settlement and dismissal of the certain lawsuit referred to as City of Bryan, Texas v. City of College Station, Texas, Cause No. 08-001626-CV-272 in the 272nd District court of Brazos County, Texas

In October 2010, BVSWMA transferred all of its assets to BVSWMA, Inc. The City of Bryan and the City of College Station each recognize a 50% ownership in BVSWMA, Inc. The City of Bryan's 50% ownership is reflected in the Solid Waste Fund.

BVSWMA's audited annual financial statements for the year ended September 30, 2011 reported the following:

	<u>2011</u>
Total Assets	\$ 42,199,574
Total Liabilities	<u>16,311,097</u>
Total Net Assets	<u>\$ 25,888,477</u>
Change in net assets for the year ended September 30, 2011	\$ 94,729
Bryan's undivided 50% share of change in net assets for the year ended September 30, 2011	\$ 47,365

Audited financial statements for BVSWMA, Inc. may be obtained from the City's Fiscal Services Department or from BVSWMA, Inc.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

12. INTERFUND BALANCES

Interfund receivable and payable balances at September 30, 2011 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Electric	\$ 133,760
	Nonmajor governmental funds	260,229
	Internal Service Funds	1,257
	Debt Service	5,654
Nonmajor governmental funds	General	918
	Electric	62,869
Electric	Rural Electric	3,453,109
	General	67,909
	Nonmajor enterprise funds	2,969,932
Water	Electric	192,617
Wastewater	Electric	146,918
Nonmajor enterprise funds	Electric	80,576
Debt Service Fund	Nonmajor governmental funds	26,494
Internal service funds	Electric	141,902
	Wastewater	8,391
Total		<u>\$ 7,552,535</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, 2011

13. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2011 are as follows:

Transfers Out	Transfers In								Total
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Electric Fund	Water Fund	Wastewater Fund	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ 158,000	\$ -	\$ -	\$ -	\$ -	\$ 233,787	\$ -	\$ 391,787
Debt Service	-	-	-	-	-	-	570,000	-	570,000
Nonmajor govern- mental funds	342,145	2,282,689	1,585,016	50,340	-	-	75,000	63,016	4,398,206
Electric Fund	9,049,304	-	-	-	-	-	-	-	9,049,304
Water Fund	941,830	-	-	449,929	-	80,393	-	-	1,472,152
Wastewater Fund	880,863	-	326,904	433,513	-	-	-	-	1,641,280
Nonmajor enter- prise funds	512,237	127,773	-	400,541	24,108	76,094	-	-	1,140,753
Internal service funds	500,000	-	-	-	-	-	25,000	72,000	597,000
Total transfers out	<u>\$ 12,226,379</u>	<u>\$ 2,568,462</u>	<u>\$ 1,911,920</u>	<u>\$ 1,334,323</u>	<u>\$ 24,108</u>	<u>\$ 156,487</u>	<u>\$ 903,787</u>	<u>\$ 135,016</u>	<u>\$ 19,260,482</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, 2011

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	\$ 450,546
Water Fund	871,895
Wastewater Fund	804,077
Nonmajor Enterprise Fund (Solid Waste Fund)	922,590
Internal Service Fund (Insurance Fund)	232,394
Oil and Gas Fund	176
Special Projects Fund	320
TIRZ # 8 Fund	11,959
Employee Benefits Fund	178,948
Warehouse Fund	83,385
Equipment Replacement Fund	11,006
Coulter Airfield Fund	43,681
	<u>\$ 3,610,977</u>

15. UNAVAILABLE AND UNEARNED REVENUE

The balance of unavailable and unearned revenues at September 30, 2011 consists of the following:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Delinquent property taxes receivable (General Fund)	\$ 192,909	\$ -	\$ 192,909
Delinquent property taxes receivable (Debt Service Fund)	88,417	-	88,417
Street and drainage assessments receivable (General Fund)	117,573	-	117,573
Notes receivable (Debt Service fund)	-	1,260,000	1,260,000
Developer Aid-in-Construction			
Nonmajor governmental funds	-	45,595	45,595
Enterprise funds	-	314,317	314,317
Total	<u>\$ 398,899</u>	<u>\$ 1,619,912</u>	<u>\$ 2,018,811</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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 \$150,000 and a maximum aggregate stop loss deductible of \$7,065,175 for the twelve month period which began January 1, 2011 and ends December 31, 2011. 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

	<u>2011</u>	<u>2010</u>
Beginning balance unpaid claims	\$ 1,011,803	\$ 991,645
Incurred claims	6,823,993	6,663,242
Claim payments	<u>(6,885,305)</u>	<u>(6,643,084)</u>
Ending balance unpaid claims	<u>\$ 950,491</u>	<u>\$ 1,011,803</u>
Amounts due in one year	\$ 950,491	\$ 1,011,803

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

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

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

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

In the year ended September 30, 2011, retirees paid \$462,096 in premiums and \$631,222 in claims were paid for post-retirement health care and administrative charges. As of September 30, 2011, the City has 35 retirees, 30 retirees and spouses, 9 retirees and families and 6 retirees and child(ren) participating in the health plan, out of the 328 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 \$53,515 and incurred claims and administrative expenses of \$47,425 in the year ended September 30, 2011. As of September 30, 2011 the City has 5 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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

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

Funding Policy and Annual OPEB Cost

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

	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2009</u>
Annual required contribution (ARC)	\$ 733,190	\$ 711,835	\$ 594,447
Interest on OPEB obligation	17,653	(6,093)	4,207
Adjustment to ARC	<u>(9,977)</u>	<u>3,206</u>	<u>(2,213)</u>
Annual OPEB cost	740,866	708,948	596,441
Contributions made	<u>(169,126)</u>	<u>(181,259)</u>	<u>(825,330)</u>
Increase (decrease) in net OPEB obligation	571,740	527,689	(228,889)
Net OPEB obligation, beginning of year	<u>392,281</u>	<u>(135,408)</u>	<u>93,481</u>
Net OPEB obligation/(asset), end of year	<u>\$ 964,021</u>	<u>\$ 392,281</u>	<u>\$ (135,408)</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the last three years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Costs</u>	<u>Actual Contribution Made</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 596,441	\$ 825,330	138.4%	\$ (135,408)
2010	708,948	181,259	25.6%	392,281
2011	740,866	169,126	22.8%	964,021

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 2011</u>	<u>FY 2010</u>	<u>FY 2009</u>
Actuarial value of plan assets	-	-	-
Actuarial accrued liability (AAL)	7,694,907	7,694,907	7,898,192
Unfunded AAL	(7,694,907)	(7,694,907)	(7,898,192)
Funded Ratio	-	-	-
Covered Payroll	44,610,716	45,844,873	41,808,463
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, 2011.

Actuarial methods and assumptions

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

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

In the December 31, 2009 actuarial valuation, the Projected Unit Credit cost method was used. The actuarial assumptions include a 4.50% investment rate of return (compounded annually net after

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

investment expenses) and an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 4.5% after nine years. Both rates include a 3% inflation assumption. The city's unfunded actuarial accrued liability is being amortized as a level percent of active member payroll over a closed period. The remaining amortization period at December 31, 2009 was 28 years.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

19. LITIGATION

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

20. RISK MANAGEMENT

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

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

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

The Insurance Fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The City has recorded a potential liability in the

City of Bryan, Texas

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For the Fiscal Year Ended September 30, 2011

amount of \$1,790,629 for claims that have been incurred but not reported as of September 30, 2011. 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>2011</u>	<u>2010</u>
Unpaid claims at beginning of fiscal year	\$ 1,333,558	\$ 1,343,694
Incurred claims	9,686	99,377
Claim payments	<u>447,385</u>	<u>(109,513)</u>
Total unpaid claims at end of fiscal year	<u>\$ 1,790,629</u>	<u>\$ 1,333,558</u>
Amounts due in one year	\$ 766,397	\$ 780,894

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

21. COMMITMENTS AND CONTINGENCIES

Traditions and University Ranch Project

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

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

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

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

City of Bryan, Texas

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For the Fiscal Year Ended September 30, 2011

- (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 was 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, 2011 the City had incurred \$18,846,288 in expenditures for public infrastructure improvements and related costs.

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

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

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

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

Through September 30, 2011, Bryan Commerce and Development, Inc. has conveyed 170.31 acres of land to Melrose for residential development. Two hundred thirty five residential lots

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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, 2011 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, 2011 is as follows:

Land and associated acquisition costs	\$ 7,813,942
Infrastructure and related costs	19,772,237
	<hr/>
	\$ 27,586,179
	<hr/>
To be financed as follows:	
Certificates of Obligation, Series 2000A	\$ 17,000,000
Other lawfully available City funds	10,586,179
	<hr/>
	\$ 27,586,179
	<hr/>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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, 2011 the balance of the HUD Section 108 loan was \$1,940,000.

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 2011, the City funded the debt service on the HUD Section 108 loan in the amount of \$338,739.

Bryan Texas Utilities (BTU)

BTU, the City’s electric utility, had purchase and construction commitments of approximately \$227.5 million at September 30, 2011. This amount primarily includes provisions for future fuel and energy purchases.

Peñascal II Wind Power, LLC

On October 14, 2010, the City’s electric utility entered into a 15 year renewable energy power purchase agreement with Peñascal II Wind Power, LLC, a subsidiary of Iberdrola Renewables. Under the agreement, which extends from January 1, 2011 to December 31, 2025, BTU will purchase the output from wind turbines representing 30MW of generating capacity from Iberdrola Renewables’ existing Peñascal 2 Wind Project in Kenedy County, Texas.

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, 2011

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 \$227.5 million of purchase and construction commitments.

Credit Suisse Energy, L.L.C.

On August 29, 2007, the City's electric utility 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, 2011, 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	\$ 20,170	\$ 6,260,000	\$ 6,280,170
Street and drainage assessments	117,573	-	\$ 117,573
	<u>\$ 137,743</u>	<u>\$ 6,260,000</u>	<u>\$ 6,397,743</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, 2011:

	Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Total
Bond Retirement Reserve	\$ 10,289,151	\$ -	\$ -	\$ -	\$ 10,289,151
Bond Debt Service	4,631,714	5,979,761	1,158,217	1,393,159	13,162,851
Rate Stabilization Reserve	1,676,616	-	-	-	1,676,616
Customer Deposits Payable	3,334,122	710,867	-	-	4,044,989
Over-Recovered Fuel Expense	8,574,684	4,215,557	-	-	12,790,241
Collateral Deposits	-	-	-	-	-
Capital Debt Proceeds	5,573,147	-	2,719,532	15,120,850	23,413,529
	<u>\$ 34,079,434</u>	<u>\$ 10,906,185</u>	<u>\$ 3,877,749</u>	<u>\$ 16,514,009</u>	<u>\$ 65,377,377</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

24. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended September 30, 2011 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>
Grant Fund			
Total expenditures	\$ 346,898	\$ 669,198	\$ (322,300)
Court Technology Fund			
Total expenditures	137,862	150,517	(12,655)
Tax Increment Zone # 8			
Total expenditures	704,897	713,676	(8,779)
Tax Increment Zone # 19			
Total expenditures	129,069	155,561	(26,492)
Tax Increment Zone # 21			
Total expenditures	26,000	43,400	(17,400)

For the fiscal year ended September 30, 2011 the Grant fund exceeded budget by \$322,300 due to expenditures of grant funds for police and fire equipment made late in the year. Both departments had grant revenue available to cover their expenditures.

Total expenditures in the Court Technology Fund exceeded budget by \$12,655 due to necessary equipment maintenance late in the fiscal year.

Total expenditures in the Tax Increment Zone #8 exceeded budget by \$8,779 due to a mid-year change in projects. As a result of this change, the design portion of the Gramercy Park Drive project was not budgeted. The majority of the design expense was offset by revenues exceeding budget. Expenses will be appropriately budgeted in future years to avoid negative budget variances.

Total transfers in the Tax Increment Zone #19 exceeded budget by \$26,492. Debt service exceeded the budgeted amount for the fiscal year. Transfers will be appropriately budgeted in future years to avoid negative budget variances.

Total expenditures in the Increment Zone #21 exceeded budget by \$17,400 due to a land purchase which was not budgeted. Expenses will be appropriately budgeted in future years to avoid negative budget variances.

25. FUND DEFICITS

The Tax Increment Reinvestment Zone #19 Fund, a Special Revenue Fund, has a deficit unassigned fund balance as of September 30, 2011 in the amount of \$9,964 due to an unbudgeted debt

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

payment in August 2011. A transfer from the General Fund will be made during fiscal year 2012 to cover this deficit, if necessary.

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, 2011, 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.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

The following schedule is a seven 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>					
2011	\$ 35,803	\$ 139,083,350	\$ 139,047,547	\$ 0.6364	884,899
2010	35,803	114,250,322	114,214,519	0.6364	726,861
2009	35,803	122,186,000	122,150,197	0.6364	777,364
2008	35,803	99,221,800	99,185,997	0.6364	631,220
2007	35,803	84,581,080	84,545,277	0.6364	538,046
2006	35,803	61,082,989	61,047,186	0.6364	388,504
2005	35,803	49,998,094			-
<u>Traditions</u>					
2011	637,640	92,479,156	91,841,516	0.6364	584,479
2010	637,640	86,173,404	85,535,764	0.6364	544,350
2009	637,640	81,855,365	81,217,725	0.6364	516,870
2008	637,640	66,843,855	66,206,215	0.6364	421,336
2007	637,640	40,005,365	39,367,725	0.6364	250,536
2006	637,640	4,076,325	3,438,685	0.6364	21,884
2005	637,640	653,963	16,323	0.6364	104
<u>Lauth Development</u>					
2011	2,038,090	27,353,460	25,315,370	0.6364	161,107
2010	2,038,090	29,254,110	27,216,020	0.6364	173,203
2009	2,038,090	8,388,060	6,349,970	0.6364	40,411
2008	2,038,090	2,038,090		0.6364	-
<u>Nash Street</u>					
2011	2,213,289	16,096,206	13,882,917	0.6364	88,351
2010	2,213,289	15,255,274	13,041,985	0.6364	82,999
2009	2,213,289	12,222,530	10,009,241	0.6364	63,699
2008	2,213,289	8,992,060	6,778,771	0.6364	43,140
2007	2,213,289			0.6364	-
<u>Downtown Bryan</u>					
2011	41,070,995	52,504,534	11,443,539	0.6364	72,827
2010	41,070,995	51,057,085	9,986,090	0.6364	63,551
2009	41,070,995	43,915,850	2,844,855	0.6364	18,105
2008	41,070,995			0.6364	-

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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, 2011 the City had established abatement agreements with the following property owners:

<u>Property Owner</u>	<u>Date of Abatement</u>	<u>FY 2011 Appraised Values</u>	<u>FY 2011 Taxable Values</u>	<u>FY 2011 Abated Values</u>	<u>FY 2011 Taxes Levied</u>	<u>FY 2011 Taxes Abated</u>
Brydenpear Premiere LP	2005	5,715,870	2,884,595	2,831,275	18,358	18,018
Toyo Ink In'l	2008	14,809,380	5,926,134	8,883,246	37,714	56,533
Kent Moore	2004	5,867,070	4,108,812	1,758,258	26,148	11,190
Kent Moore	2008	4,556,300	1,392,762	3,163,538	8,864	20,133
Readfield Meats, Inc	2005	824,790	746,509	78,281	4,751	498
Weatherford Artifical Lift	2007	15,556,200	6,550,524	9,005,676	41,688	57,312
Hogan's Trucks Unlimited	2008	1,864,300	1,348,852	515,448	8,584	3,280
North American Packaging	2008	8,680,380	7,635,685	1,044,695	48,594	6,648

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, 2011, and determined the derivatives to be effective in substantially offsetting the changes in cash

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

The City utilized regression analysis to test effectiveness of its NYMEX hedges. Testing was based on the extent of correlation between historical NYMEX index and HSC natural gas prices for the prompt months of January 2003, to September 2011. The correlation coefficient of $-.8171$ 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 $.9422$ 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, 2011, the total fair value of outstanding hedging derivative instruments was a net liability of \$16,330,773. 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 \$7,452,683 at September 30, 2011. 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 \$8,878,090 at September 30, 2011.

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, 2011, the fair value of the City's hedging derivative instruments - the option collars, NYMEX-based commodity swaps, and HSC-based commodity swaps - increased by \$980,388, decreased by \$363,809, and increased by \$2,240,414, respectively. The \$2,856,993 total increase in fair value of the City's hedging derivative instruments during the fiscal year ended September 30, 2011, 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, 2011, the current deferred outflows related to hedging derivatives were \$7,452,683. This amount is reported on the Statement of Net Assets as current assets. The noncurrent deferred outflows related to hedging derivatives were \$8,878,090 at September 30, 2011. 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, 2011

The following information details the City's hedging derivative instruments as of September 30, 2011:

Type	Terms	Volume Hedged (MMBtu)	Effective Dates	Maturity Dates	Reference Index	Fair Value
3 Way Option Collars	\$5.000 - 8.00 Strike Prices	1,800,000	Jan - Dec 2012	Jan - Dec 2012	NYMEX	\$ (580,300)
Commodity Swaps	City pays prices of \$5.485 - 7.570	14,721,500	Oct 2011 - Dec 2018	Oct 2011 - Dec 2018	NYMEX	(15,056,652)
Commodity Swaps	City pays prices of \$7.500	184,000	Oct - Dec 2011	Nov 2011 - Jan 2012	HSC	(693,821)
		<u>16,705,500</u>				<u>\$ (16,330,773)</u>

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 2011, prompt month prices were \$3.857/MMBtu and \$3.868/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, 2011

29. SUBSEQUENT EVENTS

On October 1, 2011, the City implemented new electric rates for the City Electric System which includes City of Bryan retail customers and the Rural Electric System wholesale rate. The new rates reflect a 7.0% increase in base rates which was more than offset by a reduction in fuel rates. The city had an over-recovered fuel balance of \$8,574,684 at September 30, 2011. Overall the new October 1, 2011 combined base and fuel rates reflect a 0.2% reduction from previous rates.

Also on October 1, 2011, the City implemented new electric rates for the retail customers of its Rural Electric System. The new Rural Electric System wholesale rate payable to the City Electric System reflected an overall 2.9% reduction from prior rates. The new Rural Electric System retail rates reflect an 8.7% increase in base rates which was partially offset by a reduction in fuel rates. The City had an over-recovered fuel balance of \$4,215,557 at September 30, 2011. Overall, the new October 1, 2011 combined base and fuel retail rates reflect a 1.2% increase from previous rates.

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)
12/31/2008	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%
12/31/2010	167,407,171	226,635,273	74%	59,228,102	44,486,837	133.1%

* 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, 2011

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 15,460,432	\$ 15,460,432	\$ 15,343,349	\$ (117,083)
Sales	14,862,500	14,746,500	14,301,017	(445,483)
Franchise	1,935,000	1,935,000	2,062,766	127,766
Bingo	200,000	200,000	210,255	10,255
Alcoholic beverage	75,000	75,000	93,042	18,042
Charges for services:				
Ambulance charges	1,400,000	1,200,000	1,373,331	173,331
Recreational charges	1,655,600	1,655,600	1,355,274	(300,326)
Health and public safety	1,028,800	1,028,800	1,071,307	42,507
Miscellaneous charges	186,334	186,334	147,025	(39,309)
Fines and court charges:				
Municipal court	1,926,980	1,926,980	1,895,018	(31,962)
Licenses and permits	610,599	610,599	492,175	(118,424)
Grants:				
Texas Attorney General	35,000	35,000	36,096	1,096
U.S. Department of Energy	-	512,665	642,583	129,918
U.S. Department of Environmental Protection	-	-	410	410
U.S. Department of Education	-	-	1,800	1,800
Contributions to Library - College Station	1,086,267	1,086,267	1,006,905	(79,362)
Other	60,330	60,330	69,586	9,256
Investment earnings	125,000	125,000	63,440	(61,560)
Other	609,796	609,796	459,082	(150,714)
Total revenues	<u>41,632,638</u>	<u>41,454,303</u>	<u>40,624,461</u>	<u>(829,842)</u>
Expenditures:				
Current:				
General government and administration:				
Executive	1,598,323	1,599,915	1,687,372	(87,457)
City Secretary	955,360	1,007,438	794,726	212,712
Legal services	643,815	643,815	608,792	35,023
Payments to other agencies	2,930,586	2,953,680	3,186,696	(233,016)
Fiscal services	1,305,669	1,305,719	1,059,710	246,009
Computer services	2,229,215	2,245,654	2,252,763	(7,109)
Human resources	600,275	600,275	523,900	76,375
Fleet services	762,158	714,671	649,996	64,675
Facility services	1,873,667	1,873,667	1,684,464	189,203
Total general government and administration	<u>12,899,068</u>	<u>12,944,834</u>	<u>12,448,419</u>	<u>496,415</u>
Development services:				
Planning	1,854,514	1,854,514	1,676,987	177,527
Engineering	1,665,324	1,665,324	1,426,920	238,404
Special Projects	27,240	27,240	41,123	(13,883)
Total development services	<u>3,547,078</u>	<u>3,547,078</u>	<u>3,145,030</u>	<u>402,048</u>
Public works services:				
Public Works Call Center	265,739	265,739	245,406	20,333
Drainage and Streets	2,716,731	2,717,639	2,055,283	662,356
Traffic Operations	1,655,065	1,900,893	1,697,764	203,129
Total public works services	<u>4,637,535</u>	<u>4,884,271</u>	<u>3,998,453</u>	<u>885,818</u>

continued

CITY OF BRYAN, TEXAS

Required Supplementary Information

General Fund

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

For the Fiscal Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety:				
Police services	14,509,898	14,551,714	14,740,780	(189,066)
Fire and emergency medical services	11,414,997	11,442,382	11,319,598	122,784
Municipal court	1,299,112	1,299,112	1,203,686	95,426
Total public safety	<u>27,224,007</u>	<u>27,293,208</u>	<u>27,264,064</u>	<u>29,144</u>
Cultural and recreational:				
Library services	2,214,924	2,232,543	2,107,138	125,405
Parks and recreation services	4,081,680	4,129,167	3,645,437	483,730
Total cultural and recreational	<u>6,296,604</u>	<u>6,361,710</u>	<u>5,752,575</u>	<u>609,135</u>
Administrative reimbursement	(3,717,575)	(3,717,575)	(3,610,977)	(106,598)
Capital outlay	1,195,830	2,217,726	1,967,510	250,216
Debt service-bond retirement	200,000	200,000	200,000	-
Interest and fiscal charges	138,740	138,740	138,740	-
Total expenditures	<u>52,421,287</u>	<u>53,869,992</u>	<u>51,303,814</u>	<u>2,566,178</u>
Excess of expenditures over revenues	(10,788,649)	(12,415,689)	(10,679,353)	1,736,336
Other financing sources (uses):				
Sale of capital assets	-	-	213,342	213,342
Transfers in	11,495,012	11,495,012	12,226,379	731,367
Transfers out	(347,293)	(723,623)	(391,787)	331,836
Total other financing sources	<u>11,147,719</u>	<u>10,771,389</u>	<u>12,047,934</u>	<u>1,276,545</u>
Net change in fund balance	359,070	(1,644,300)	1,368,581	3,012,881
Fund Balance, October 1, 2010	11,841,717	11,841,717	11,841,717	-
Fund Balance, September 30, 2011	<u>\$ 12,200,787</u>	<u>\$ 10,197,417</u>	<u>\$ 13,210,298</u>	<u>\$ 3,012,881</u>



CITY OF BRYAN
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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 – Originally used 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. This fund was closed in FY 11, because it did not meet the criteria set by GASB 54 for Special Revenue funds.

Special Projects Fund – To account for litigation proceeds. The funds will be used for special construction projects. This fund was closed in FY 11, because it did not meet the criteria set by GASB 54 for Special Revenue funds.

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, 2011

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 5,943,342	\$ 3,789,124	\$ 836,391	\$ 10,568,857
Investments	6,614,219	4,216,839	930,797	11,761,855
Receivables:				
Accounts	761,957	-	-	761,957
Less allowance for uncollectible	(236,462)	-	-	(236,462)
Grants	342,135	190,849	-	532,984
Interest	12,572	8,016	1,769	22,357
Due from other funds	63,787	-	-	63,787
Total assets	<u>\$ 13,501,550</u>	<u>\$ 8,204,828</u>	<u>\$ 1,768,957</u>	<u>\$ 23,475,335</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 88,081	\$ 92,657	\$ -	\$ 180,738
Accrued liabilities	17,153	-	-	17,153
Retainage payable	174,450	280,135	-	454,585
Due to other funds	286,723	-	-	286,723
Unearned revenue	45,595	-	-	45,595
Total liabilities	<u>612,002</u>	<u>372,792</u>	<u>-</u>	<u>984,794</u>
Fund balances:				
Nonspendable	-	-	746,351	746,351
Restricted	4,169,935	7,832,036	1,022,606	13,024,577
Committed	8,729,577	-	-	8,729,577
Unassigned (deficit)	(9,964)	-	-	(9,964)
Total fund balances	<u>12,889,548</u>	<u>7,832,036</u>	<u>1,768,957</u>	<u>22,490,541</u>
Total liabilities and fund balances	<u>\$ 13,501,550</u>	<u>\$ 8,204,828</u>	<u>\$ 1,768,957</u>	<u>\$ 23,475,335</u>

CITY OF BRYAN, TEXAS
 Combining Balance Sheet
 Nonmajor Governmental Funds - Special Revenue Funds
 As of September 30, 2011

	Grant Fund	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	\$ -	\$ -	\$ 232,762	\$ -	\$ -	\$ 19,240	\$ 123,675	\$ 3,458,525	\$ 466,696	\$ 1,332,215	\$ 97,567	\$ 7,815	\$ 10,481	\$ 194,366	\$ 5,943,342
Investments	-	-	259,035	-	-	21,411	137,636	3,848,923	519,371	1,482,595	108,580	8,697	11,664	216,307	6,614,219
Accounts receivable	-	-	46,580	-	-	-	-	613,078	102,299	-	-	-	-	-	761,957
Less allowance for uncollectibles	-	-	-	-	-	-	-	(202,954)	(33,508)	-	-	-	-	-	(236,462)
Grants receivable	29,568	269,320	-	-	-	-	-	-	43,247	-	-	-	-	-	342,135
Interest receivable	-	-	492	-	-	41	262	7,320	983	2,818	206	17	22	411	12,572
Due from other funds	803	115	-	-	-	-	-	53,879	8,990	-	-	-	-	-	63,787
Total assets	<u>\$ 30,371</u>	<u>\$ 269,435</u>	<u>\$ 538,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,692</u>	<u>\$ 261,573</u>	<u>\$ 7,778,771</u>	<u>\$ 1,108,078</u>	<u>\$ 2,817,628</u>	<u>\$ 206,353</u>	<u>\$ 16,529</u>	<u>\$ 22,167</u>	<u>\$ 411,084</u>	<u>\$ 13,501,550</u>
Liabilities and Fund Balances															
Liabilities:															
Accounts payable	\$ 8,802	\$ 933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,149	\$ 56,536	\$ 8,490	\$ -	\$ -	\$ -	\$ 8,171	\$ 88,081
Accrued liabilities	-	17,153	-	-	-	-	-	-	-	-	-	-	-	-	17,153
Retainage payable	-	2,964	-	-	-	-	-	76,896	18,691	32,264	-	-	-	43,635	174,450
Due to other funds	17,221	243,009	-	-	-	-	-	-	-	-	-	26,493	-	-	286,723
Unearned revenue	-	5,376	-	-	-	40,219	-	-	-	-	-	-	-	-	45,595
Total liabilities	<u>26,023</u>	<u>269,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,219</u>	<u>-</u>	<u>82,045</u>	<u>75,227</u>	<u>40,754</u>	<u>-</u>	<u>26,493</u>	<u>-</u>	<u>51,806</u>	<u>612,002</u>
Fund balances:															
Restricted:															
Grants	4,348	-	-	-	-	-	-	-	-	-	-	-	-	-	4,348
Hotel/Motel	-	-	538,869	-	-	-	-	-	-	-	-	-	-	-	538,869
Municipal Court	-	-	-	-	-	-	261,573	-	-	-	-	-	-	-	261,573
TIRZ Development	-	-	-	-	-	-	-	-	-	2,776,874	206,353	-	22,167	359,278	3,364,672
Other Purposes	-	-	-	-	-	473	-	-	-	-	-	-	-	-	473
Committed:															
Streets	-	-	-	-	-	-	-	7,696,726	-	-	-	-	-	-	7,696,726
Drainage	-	-	-	-	-	-	-	-	1,032,851	-	-	-	-	-	1,032,851
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-	(9,964)	-	-	(9,964)
Total fund balances	<u>4,348</u>	<u>-</u>	<u>538,869</u>	<u>-</u>	<u>-</u>	<u>473</u>	<u>261,573</u>	<u>7,696,726</u>	<u>1,032,851</u>	<u>2,776,874</u>	<u>206,353</u>	<u>(9,964)</u>	<u>22,167</u>	<u>359,278</u>	<u>12,889,548</u>
Total liabilities and fund balances	<u>\$ 30,371</u>	<u>\$ 269,435</u>	<u>\$ 538,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,692</u>	<u>\$ 261,573</u>	<u>\$ 7,778,771</u>	<u>\$ 1,108,078</u>	<u>\$ 2,817,628</u>	<u>\$ 206,353</u>	<u>\$ 16,529</u>	<u>\$ 22,167</u>	<u>\$ 411,084</u>	<u>\$ 13,501,550</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Capital Project Funds

As of September 30, 2011

	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	\$ 17,999	\$ 440,870	\$ 558,768	\$ 85,345	\$ 2,686,142	\$ 3,789,124
Investments	20,031	490,636	621,841	94,979	2,989,352	4,216,839
Grants receivable	-	-	-	-	190,849	190,849
Interest receivable	38	933	1,182	181	5,682	8,016
Total assets	<u>\$ 38,068</u>	<u>\$ 932,439</u>	<u>\$ 1,181,791</u>	<u>\$ 180,505</u>	<u>\$ 5,872,025</u>	<u>\$ 8,204,828</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ -	\$ 36,000	\$ -	\$ 51,842	\$ 4,815	\$ 92,657
Retainage payable	2,319	9,641	125,455	126,583	16,137	280,135
Total liabilities	<u>2,319</u>	<u>45,641</u>	<u>125,455</u>	<u>178,425</u>	<u>20,952</u>	<u>372,792</u>
Fund balances:						
Restricted to Capital Projects	<u>35,749</u>	<u>886,798</u>	<u>1,056,336</u>	<u>2,080</u>	<u>5,851,073</u>	<u>7,832,036</u>
Total fund balances	<u>35,749</u>	<u>886,798</u>	<u>1,056,336</u>	<u>2,080</u>	<u>5,851,073</u>	<u>7,832,036</u>
Total liabilities and fund balances	<u>\$ 38,068</u>	<u>\$ 932,439</u>	<u>\$ 1,181,791</u>	<u>\$ 180,505</u>	<u>\$ 5,872,025</u>	<u>\$ 8,204,828</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Permanent Funds

As of September 30, 2011

	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	\$ 1,201	\$ 4,298	\$ 6,830	\$ 431	\$ 789,013	\$ 28,346	\$ 2,355	\$ 3,505	\$ 412	\$ 836,391
Investments	1,336	4,782	7,600	479	878,076	31,545	2,620	3,901	458	930,797
Interest receivable	3	9	14	1	1,669	60	5	7	1	1,769
Total assets	<u>\$ 2,540</u>	<u>\$ 9,089</u>	<u>\$ 14,444</u>	<u>\$ 911</u>	<u>\$ 1,668,758</u>	<u>\$ 59,951</u>	<u>\$ 4,980</u>	<u>\$ 7,413</u>	<u>\$ 871</u>	<u>\$ 1,768,957</u>
<u>Fund Balances</u>										
Nonspendable - Permanent Funds Corpus	1,399	5,000	1,500	500	723,708	4,950	2,085	6,709	500	746,351
Restricted:										
Cemeteries	1,141	4,089	12,944	411	945,050	55,001	-	-	371	1,019,007
Libraries	-	-	-	-	-	-	2,895	704	-	3,599
Total fund balances	<u>2,540</u>	<u>9,089</u>	<u>14,444</u>	<u>911</u>	<u>1,668,758</u>	<u>59,951</u>	<u>4,980</u>	<u>7,413</u>	<u>871</u>	<u>1,768,957</u>
Total liabilities and fund balances	<u>\$ 2,540</u>	<u>\$ 9,089</u>	<u>\$ 14,444</u>	<u>\$ 911</u>	<u>\$ 1,668,758</u>	<u>\$ 59,951</u>	<u>\$ 4,980</u>	<u>\$ 7,413</u>	<u>\$ 871</u>	<u>\$ 1,768,957</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, 2011

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Revenues:				
Property taxes	\$ 896,252	\$ -	\$ -	\$ 896,252
Hotel occupancy taxes	454,217	-	-	454,217
Transportation and drainage assessments	6,179,135	-	-	6,179,135
Fines and court charges	45,814	-	-	45,814
Grants	1,967,249	301,585	-	2,268,834
Investment earnings	67,208	23,934	8,060	99,202
Other	1,466,361	-	35,446	1,501,807
Total revenues	<u>11,076,236</u>	<u>325,519</u>	<u>43,506</u>	<u>11,445,261</u>
Expenditures:				
Current:				
General government and administration	61,953	-	-	61,953
Development services	1,474,614	-	-	1,474,614
Public works services	3,187,237	412,780	-	3,600,017
Public Safety	742,262	-	-	742,262
Cultural and recreational	263,832	-	-	263,832
Capital outlay	2,666,052	5,146,516	-	7,812,568
Debt service:				
Interest and fiscal charges	-	70,076	-	70,076
Debt issuance costs	-	(25,000)	-	(25,000)
Total expenditures	<u>8,395,950</u>	<u>5,604,372</u>	<u>-</u>	<u>14,000,322</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,680,286</u>	<u>(5,278,853)</u>	<u>43,506</u>	<u>(2,555,061)</u>
Other financing sources (uses):				
Transfers in	1,390,150	521,770	-	1,911,920
Transfers out	<u>(3,641,216)</u>	<u>(756,990)</u>	<u>-</u>	<u>(4,398,206)</u>
Total other financing sources (uses)	<u>(2,251,066)</u>	<u>(235,220)</u>	<u>-</u>	<u>(2,486,286)</u>
Net change in fund balances	429,220	(5,514,073)	43,506	(5,041,347)
Fund balances, October 1, 2010	<u>12,460,328</u>	<u>13,346,109</u>	<u>1,725,451</u>	<u>27,531,888</u>
Fund balances, September 30, 2011	<u>\$ 12,889,548</u>	<u>\$ 7,832,036</u>	<u>\$ 1,768,957</u>	<u>\$ 22,490,541</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, 2011

	Grant Fund	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 581,736	\$ 85,985	\$ 70,137	\$ 158,394	\$ 896,252
Hotel occupancy taxes	-	-	454,217	-	-	-	-	-	-	-	-	-	-	-	454,217
Transportation and drainage assessments	-	-	-	-	-	-	-	5,289,699	889,436	-	-	-	-	-	6,179,135
Grants	672,716	1,244,158	-	-	-	-	-	-	50,375	-	-	-	-	-	1,967,249
Fines and court charges	-	-	-	-	-	-	45,814	-	-	-	-	-	-	-	45,814
Investment earnings	830	-	2,395	-	-	198	927	40,437	4,278	14,637	2,118	152	182	1,054	67,208
Other	-	54,237	-	-	-	-	-	-	-	897,033	358,889	41,347	15,000	99,855	1,466,361
Total revenues	673,546	1,298,395	456,612	-	-	198	46,741	5,330,136	944,089	911,670	942,743	127,484	85,319	259,303	11,076,236
Expenditures:															
Current:															
General government and administration	-	-	-	-	-	-	-	-	-	11,959	49,994	-	-	-	61,953
Development services	-	1,298,395	-	-	-	-	-	-	-	49,595	11,319	-	7,500	107,805	1,474,614
Public works services	-	-	-	-	-	-	-	2,968,076	219,161	-	-	-	-	-	3,187,237
Public Safety	669,198	-	-	-	-	-	73,064	-	-	-	-	-	-	-	742,262
Cultural and recreational	-	-	263,832	-	-	-	-	-	-	-	-	-	-	-	263,832
Capital outlay	-	-	-	-	-	-	77,453	-	1,002,317	652,122	-	-	35,900	898,260	2,666,052
Total expenditures	669,198	1,298,395	263,832	-	-	-	150,517	2,968,076	1,221,478	713,676	61,313	-	43,400	1,006,065	8,395,950
Excess (deficiency) of revenues over (under) expenditures	4,348	-	192,780	-	-	198	(103,776)	2,362,060	(277,389)	197,994	881,430	127,484	41,919	(746,762)	2,680,286
Other financing sources (uses):															
Transfers in	-	-	-	-	-	-	-	-	-	-	172,204	-	-	1,217,946	1,390,150
Transfers out	-	-	(75,000)	(170,094)	(172,051)	-	-	(1,168,382)	(25,170)	(281,212)	(1,391,527)	(155,561)	-	(202,219)	(3,641,216)
Total other financing sources (uses)	-	-	(75,000)	(170,094)	(172,051)	-	-	(1,168,382)	(25,170)	(281,212)	(1,219,323)	(155,561)	-	1,015,727	(2,251,066)
Net change in fund balances	4,348	-	117,780	(170,094)	(172,051)	198	(103,776)	1,193,678	(302,559)	(83,218)	(337,893)	(28,077)	41,919	268,965	429,220
Fund balances, October 1, 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
Fund balances, September 30, 2011	\$ 4,348	\$ -	\$ 538,869	\$ -	\$ -	\$ 473	\$ 261,573	\$ 7,696,726	\$ 1,032,851	\$ 2,776,874	\$ 206,353	\$ (9,964)	\$ 22,167	\$ 359,278	\$ 12,889,548

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, 2011

	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	\$ 300	\$ 2,313	\$ 3,666	\$ (8,819)	\$ 26,474	\$ 23,934
Grants	-	-	-	-	301,585	301,585
Total revenues	<u>300</u>	<u>2,313</u>	<u>3,666</u>	<u>(8,819)</u>	<u>328,059</u>	<u>325,519</u>
Expenditures:						
Current:						
Public works services	10,145	95,814	7,439	27,266	272,116	412,780
Capital outlay	74,400	750,793	1,167,439	2,660,923	492,961	5,146,516
Arbitrage rebate	70,076	-	-	-	-	70,076
Debt issuance costs	-	-	-	-	(25,000)	(25,000)
Total expenditures	<u>154,621</u>	<u>846,607</u>	<u>1,174,878</u>	<u>2,688,189</u>	<u>740,077</u>	<u>5,604,372</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(154,321)</u>	<u>(844,294)</u>	<u>(1,171,212)</u>	<u>(2,697,008)</u>	<u>(412,018)</u>	<u>(5,278,853)</u>
Other financing sources (uses):						
Transfers in	-	-	-	521,770	-	521,770
Transfers out	-	-	(185,183)	(235,220)	(336,587)	(756,990)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(185,183)</u>	<u>286,550</u>	<u>(336,587)</u>	<u>(235,220)</u>
Net change in fund balances	(154,321)	(844,294)	(1,356,395)	(2,410,458)	(748,605)	(5,514,073)
Fund balances, October 1, 2010	<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>
Fund balances, September 30, 2011	<u>\$ 35,749</u>	<u>\$ 886,798</u>	<u>\$ 1,056,336</u>	<u>\$ 2,080</u>	<u>\$ 5,851,073</u>	<u>\$ 7,832,036</u>

CITY OF BRYAN, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds - Permanent Funds

For the Fiscal Year Ended September 30, 2011

	Brandon Cemetery Fund	J.W. English Fund	Lucy B. Hervey Fund	Mills Trust Fund	Cemetery Fund	Myrtie Conway Astin Fund	F.L. Henderson Library Fund	Rountree Library Fund	Bade Trust Fund	Totals
Revenues:										
Contributions	\$ -	\$ -	\$ -	\$ -	\$ 35,446	\$ -	\$ -	\$ -	\$ -	\$ 35,446
Investment earnings	12	41	66	4	7,607	272	22	33	3	8,060
Total revenues	<u>12</u>	<u>41</u>	<u>66</u>	<u>4</u>	<u>43,053</u>	<u>272</u>	<u>22</u>	<u>33</u>	<u>3</u>	<u>43,506</u>
Net change in fund balances	12	41	66	4	43,053	272	22	33	3	43,506
Fund balances, October 1, 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>
Fund balances, September 30, 2011	<u>\$ 2,540</u>	<u>\$ 9,089</u>	<u>\$ 14,444</u>	<u>\$ 911</u>	<u>\$ 1,668,758</u>	<u>\$ 59,951</u>	<u>\$ 4,980</u>	<u>\$ 7,413</u>	<u>\$ 871</u>	<u>\$ 1,768,957</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, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 7,005,194	\$ 6,920,194	\$ 6,912,632	\$ (7,562)
Investment earnings	50,000	50,000	32,559	(17,441)
Other	-	85,000	514,245	429,245
Total revenues	<u>7,055,194</u>	<u>7,055,194</u>	<u>7,459,436</u>	<u>404,242</u>
Expenditures:				
Debt service:				
Bond and principal retirement	6,270,000	6,270,000	5,517,656	752,344
Interest and fiscal charges	4,691,095	4,691,095	4,694,313	(3,218)
Debt issuance costs	5,600	5,600	-	5,600
Total expenditures	<u>10,966,695</u>	<u>10,966,695</u>	<u>10,211,969</u>	<u>754,726</u>
Excess of expenditures over revenues	(3,911,501)	(3,911,501)	(2,752,533)	1,158,968
Other financing sources:				
Transfers in	4,002,580	4,130,353	2,568,462	(1,561,891)
Transfers out	-	-	(570,000)	(570,000)
Total other financing sources	<u>4,002,580</u>	<u>4,130,353</u>	<u>1,998,462</u>	<u>(2,131,891)</u>
Net change in fund balance	91,079	218,852	(754,071)	(972,923)
Fund Balance, October 1, 2010	<u>6,973,402</u>	<u>6,973,402</u>	<u>6,973,402</u>	-
Fund Balance, September 30, 2011	<u>\$ 7,064,481</u>	<u>\$ 7,192,254</u>	<u>\$ 6,219,331</u>	<u>\$ (972,923)</u>

CITY OF BRYAN, TEXAS

Grant Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Fiscal Year Ended September 30, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Grant - Federal	\$ -	\$ 346,898	\$ 672,716	\$ 325,818
Investment Earnings	-	-	830	830
Total revenues	<u>-</u>	<u>346,898</u>	<u>673,546</u>	<u>326,648</u>
Expenditures:				
Current:				
Public Safety	-	346,898	669,198	(322,300)
Development services	-	-	-	-
Total expenditures	<u>-</u>	<u>346,898</u>	<u>669,198</u>	<u>(322,300)</u>
Excess of revenues over expenditures	-	-	4,348	4,348
Net change in fund balance	-	-	4,348	4,348
Fund balances, October 1, 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, September 30, 2011	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,348</u></u>	<u><u>\$ 4,348</u></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, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Grants	\$ 2,189,968	\$ 2,189,968	\$ 1,244,158	\$ (945,810)
Other	60,760	60,760	54,237	(6,523)
Total revenues	<u>2,250,728</u>	<u>2,250,728</u>	<u>1,298,395</u>	<u>(952,333)</u>
Expenditures:				
Current:				
Development services	<u>2,250,728</u>	<u>2,605,089</u>	<u>1,298,395</u>	<u>1,306,694</u>
Total expenditures	<u>2,250,728</u>	<u>2,605,089</u>	<u>1,298,395</u>	<u>1,306,694</u>
Net change in fund balance	-	(354,361)	-	354,361
Fund balances, October 1, 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, September 30, 2011	<u>\$ -</u>	<u>\$ (354,361)</u>	<u>\$ -</u>	<u>\$ 354,361</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, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Occupancy taxes	\$ 336,475	\$ 336,475	\$ 454,217	\$ 117,742
Investment earnings	4,595	4,595	2,395	(2,200)
Total revenues	<u>341,070</u>	<u>341,070</u>	<u>456,612</u>	<u>115,542</u>
Expenditures:				
Current:				
Cultural and recreational	<u>348,600</u>	<u>362,100</u>	<u>263,832</u>	<u>98,268</u>
Total expenditures	<u>348,600</u>	<u>362,100</u>	<u>263,832</u>	<u>98,268</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Net change in fund balance	(7,530)	(96,030)	117,780	213,810
Fund balances, October 1, 2010	<u>421,089</u>	<u>421,089</u>	<u>421,089</u>	<u>-</u>
Fund balances, September 30, 2011	<u>\$ 413,559</u>	<u>\$ 325,059</u>	<u>\$ 538,869</u>	<u>\$ 213,810</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, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Investment earnings	\$ 1,000	\$ -	\$ (1,000)
Oil and gas royalties	70,000	-	(70,000)
Total revenues	<u>71,000</u>	<u>-</u>	<u>(71,000)</u>
Expenditures:			
Current:			
General government and administration	176	-	176
Total expenditures	<u>176</u>	<u>-</u>	<u>176</u>
Excess of revenues over expenditures	70,824	-	(70,824)
Other financing sources (uses):			
Transfers out	-	(170,094)	(170,094)
Total other financing sources (uses)	<u>-</u>	<u>(170,094)</u>	<u>(170,094)</u>
Net change in fund balance	70,824	(170,094)	(240,918)
Fund balances, October 1, 2010	<u>170,094</u>	<u>170,094</u>	<u>-</u>
Fund balances, September 30, 2011	<u>\$ 240,918</u>	<u>\$ -</u>	<u>\$ (240,918)</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, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Investment earnings	\$ 500	\$ -	\$ (500)
Total revenues	<u>500</u>	<u>-</u>	<u>(500)</u>
Expenditures:			
Current:			
General government and administration	320	-	320
Total expenditures	<u>320</u>	<u>-</u>	<u>320</u>
Excess of revenues over expenditures	180	-	(180)
Other financing sources (uses):			
Transfers out	<u>(40,000)</u>	<u>(172,051)</u>	<u>(132,051)</u>
Total other financing sources (uses)	<u>(40,000)</u>	<u>(172,051)</u>	<u>(132,051)</u>
Net change in fund balance	(39,820)	(172,051)	(132,231)
Fund balances, October 1, 2010	<u>172,051</u>	<u>172,051</u>	<u>-</u>
Fund balances, September 30, 2011	<u>\$ 132,231</u>	<u>\$ -</u>	<u>\$ (132,231)</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, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Investment earnings	-	198	198
Total revenues	-	198	198
Net change in fund balance	-	198	198
Fund balances, October 1, 2010	275	275	-
Fund balances, September 30, 2011	<u>\$ 275</u>	<u>\$ 473</u>	<u>\$ 198</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, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Fines and court charges	\$ 45,600	\$ 45,600	\$ 45,814	\$ 214
Investment earnings	4,000	4,000	927	(3,073)
Total revenues	<u>49,600</u>	<u>49,600</u>	<u>46,741</u>	<u>(2,859)</u>
Expenditures:				
Current:				
Public Safety	15,840	50,840	73,064	(22,224)
Capital outlay	<u>35,000</u>	<u>87,022</u>	<u>77,453</u>	<u>9,569</u>
Total expenditures	<u>50,840</u>	<u>137,862</u>	<u>150,517</u>	<u>(12,655)</u>
Net change in fund balance	(1,240)	(88,262)	(103,776)	(15,514)
Fund balances, October 1, 2010	<u>365,349</u>	<u>365,349</u>	<u>365,349</u>	<u>-</u>
Fund balances, September 30, 2011	<u>\$ 364,109</u>	<u>\$ 277,087</u>	<u>\$ 261,573</u>	<u>\$ (15,514)</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, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Transportation assessments	\$ 4,915,108	\$ 4,915,108	\$ 5,289,699	\$ 374,591
Investment earnings	50,000	50,000	40,437	(9,563)
Total revenues	<u>4,965,108</u>	<u>4,965,108</u>	<u>5,330,136</u>	<u>365,028</u>
Expenditures:				
Current:				
Public works services	<u>4,700,554</u>	<u>7,618,914</u>	<u>2,968,076</u>	<u>4,650,838</u>
Total expenditures	<u>4,700,554</u>	<u>7,618,914</u>	<u>2,968,076</u>	<u>4,650,838</u>
Excess (deficiency) of revenues over (under) expenditures	264,554	(2,653,806)	2,362,060	5,015,866
Other financing sources (uses)				
Transfers out	<u>(264,554)</u>	<u>(264,554)</u>	<u>(1,168,382)</u>	<u>(903,828)</u>
Total other financing sources (uses)	<u>(264,554)</u>	<u>(264,554)</u>	<u>(1,168,382)</u>	<u>(903,828)</u>
Net change in fund balance	-	(2,918,360)	1,193,678	4,112,038
Fund balances, October 1, 2010	<u>6,503,048</u>	<u>6,503,048</u>	<u>6,503,048</u>	<u>-</u>
Fund balances, September 30, 2011	<u>\$ 6,503,048</u>	<u>\$ 3,584,688</u>	<u>\$ 7,696,726</u>	<u>\$ 4,112,038</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, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Drainage assessments	\$ 1,219,574	\$ 1,219,574	\$ 939,811	\$ (279,763)
Investment earnings	20,000	20,000	4,278	(15,722)
Total revenues	<u>1,239,574</u>	<u>1,239,574</u>	<u>944,089</u>	<u>(295,485)</u>
Expenditures:				
Current:				
Public works services	350,000	562,992	219,161	343,831
Capital outlay	864,670	1,410,987	1,002,317	408,670
Total expenditures	<u>1,214,670</u>	<u>1,973,979</u>	<u>1,221,478</u>	<u>752,501</u>
Excess (deficiencies) of revenues over (under) expenditures	24,904	(734,405)	(277,389)	457,016
Other financing uses:				
Transfers out	<u>(24,904)</u>	<u>(24,904)</u>	<u>(25,170)</u>	<u>(266)</u>
Net change in fund balance		(759,309)	(302,559)	456,750
Fund balances, October 1, 2010	<u>1,335,410</u>	<u>1,335,410</u>	<u>1,335,410</u>	<u>-</u>
Fund balances, September 30, 2011	<u>\$ 1,335,410</u>	<u>\$ 576,101</u>	<u>\$ 1,032,851</u>	<u>\$ 456,750</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, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 281,224	\$ 281,224	\$ -	\$ (281,224)
Investment earnings	27,400	27,400	14,637	(12,763)
Other	-	-	897,033	897,033
Total revenues	<u>308,624</u>	<u>308,624</u>	<u>911,670</u>	<u>603,046</u>
Expenditures:				
Current:				
General government and administration	351,959	356,856	11,959	344,897
Development services	-	-	49,595	(49,595)
Capital outlay	-	360,000	652,122	(292,122)
Total expenditures	<u>351,959</u>	<u>716,856</u>	<u>713,676</u>	<u>3,180</u>
Excess of revenues over expenditures	(43,335)	(408,232)	197,994	606,226
Other financing uses:				
Transfers out	<u>(1,030,584)</u>	<u>(1,030,584)</u>	<u>(281,212)</u>	<u>749,372</u>
Net change in fund balance	(1,073,919)	(1,438,816)	(83,218)	1,355,598
Fund balances, October 1, 2010	<u>2,860,092</u>	<u>2,860,092</u>	<u>2,860,092</u>	-
Fund balances, September 30, 2011	<u>\$ 1,786,173</u>	<u>\$ 1,421,276</u>	<u>\$ 2,776,874</u>	<u>\$ 1,355,598</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, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 582,784	\$ 582,784	\$ 581,736	\$ (1,048)
Investment earnings	35,604	35,604	2,118	(33,486)
Other	364,265	364,265	358,889	(5,376)
Total revenues	<u>982,653</u>	<u>982,653</u>	<u>942,743</u>	<u>(39,910)</u>
Expenditures:				
Current:				
General government and administration	-	41,000	49,994	(8,994)
Development services	-	41,493	11,319	30,174
Total expenditures	<u>-</u>	<u>82,493</u>	<u>61,313</u>	<u>21,180</u>
Excess of revenues over expenditures	982,653	900,160	881,430	(18,730)
Other financing uses:				
Transfers in	-	-	172,204	(172,204)
Transfers out	(1,391,527)	(1,391,527)	(1,391,527)	-
Total other financing sources	<u>(1,391,527)</u>	<u>(1,391,527)</u>	<u>(1,219,323)</u>	<u>(172,204)</u>
Net change in fund balance	(408,874)	(491,367)	(337,893)	(190,934)
Fund balances, October 1, 2010	<u>544,246</u>	<u>544,246</u>	<u>544,246</u>	<u>-</u>
Fund balances, September 30, 2011	<u>\$ 135,372</u>	<u>\$ 52,879</u>	<u>\$ 206,353</u>	<u>\$ 153,474</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, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Property taxes	\$ 86,236	\$ 85,985	\$ (251)
Investment earnings	130	152	22
Other	42,703	41,347	(1,356)
Total revenues	<u>129,069</u>	<u>127,484</u>	<u>(1,585)</u>
Excess of revenues over expenditures	129,069	127,484	(1,585)
Other financing sources (uses)			
Transfers out	<u>(129,069)</u>	<u>(155,561)</u>	<u>(26,492)</u>
Total other financing sources	<u>(129,069)</u>	<u>(155,561)</u>	<u>(26,492)</u>
Net change in fund balance	-	(28,077)	(28,077)
Fund balances, October 1, 2010	<u>18,113</u>	<u>18,113</u>	-
Fund balances, September 30, 2011	<u>\$ 18,113</u>	<u>\$ (9,964)</u>	<u>\$ (28,077)</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, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 72,326	\$ 72,326	\$ 70,137	\$ (2,189)
Investment earnings	76	76	182	106
Other	-	-	15,000	15,000
Total revenues	<u>72,402</u>	<u>72,402</u>	<u>85,319</u>	<u>12,917</u>
Expenditures:				
Current:				
Development services	-	26,000	7,500	18,500
Capital outlay	-	-	35,900	(35,900)
Total expenditures	<u>-</u>	<u>26,000</u>	<u>43,400</u>	<u>(17,400)</u>
Excess of revenues over expenditures	72,402	46,402	41,919	(4,483)
Other financing sources (uses)				
Transfers in	<u>(72,402)</u>	<u>(72,402)</u>	-	72,402
Total other financing sources	<u>(72,402)</u>	<u>(72,402)</u>	-	72,402
Net change in fund balance	-	(26,000)	41,919	67,919
Fund balances, October 1, 2010	<u>(19,752)</u>	<u>(19,752)</u>	<u>(19,752)</u>	-
Fund balances, September 30, 2011	<u>(19,752)</u>	<u>\$ (45,752)</u>	<u>\$ 22,167</u>	<u>\$ 67,919</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, 2011

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 158,394	\$ 158,394	\$ 158,394	\$ -
Investment earnings	3,242	3,242	1,054	(2,188)
Other	99,233	99,233	99,855	622
Total revenues	<u>260,869</u>	<u>260,869</u>	<u>259,303</u>	<u>(1,566)</u>
Expenditures:				
Current:				
Development services	208,649	314,807	107,805	207,002
Capital outlay	1,500,000	3,150,000	898,260	2,251,740
Total expenditures	<u>1,708,649</u>	<u>3,464,807</u>	<u>1,006,065</u>	<u>2,458,742</u>
Deficiency of revenues under expenditures	(1,447,780)	(3,203,938)	(746,762)	2,457,176
Other financing sources (uses):				
Transfers in	1,650,000	-	1,217,946	1,217,946
Transfers out	(202,220)	(202,220)	(202,219)	1
Total other financing sources	<u>1,447,780</u>	<u>(202,220)</u>	<u>1,015,727</u>	<u>1,217,947</u>
Net change in fund balance	-	(3,406,158)	268,965	3,675,123
Fund balances, October 1, 2010	<u>90,313</u>	<u>90,313</u>	<u>90,313</u>	<u>-</u>
Fund balances, September 30, 2011	<u>\$ 90,313</u>	<u>\$ (3,315,845)</u>	<u>\$ 359,278</u>	<u>\$ 3,675,123</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, 2011

<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	\$ 768,122	\$ 27,533	\$ -	\$ 295,683	\$ 1,091,338
Investments	854,716	30,412	-	-	885,128
Accounts receivable	1,486,984	18,509	4,937,185	37,071	6,479,749
Less allowance for uncollectible	(240,221)	-	-	(1,404)	(241,625)
Grants receivable	-	372	-	-	372
Interest receivable	1,577	58	-	-	1,635
Inventories	-	34,300	-	3,875	38,175
Due from other funds	80,576	-	-	-	80,576
Prepaid and other assets	-	-	75,883	48,273	124,156
Total current assets	<u>2,951,754</u>	<u>111,184</u>	<u>5,013,068</u>	<u>383,498</u>	<u>8,459,504</u>
Noncurrent assets:					
Restricted assets:					
Investment in BVSWMA	12,944,238	-	-	-	12,944,238
Capital assets:					
Land	-	654,670	-	9,433,088	10,087,758
Buildings	81,401	1,104,223	-	1,613,153	2,798,777
Equipment	6,274,516	-	-	578,363	6,852,879
Improvements other than buildings	338,287	2,991,728	2,810,161	-	6,140,176
Construction in progress	-	69,524	-	-	69,524
Less accumulated depreciation	<u>(4,527,290)</u>	<u>(2,167,483)</u>	<u>(1,807,041)</u>	<u>(1,016,249)</u>	<u>(9,518,063)</u>
Total capital assets (net of accumulated depreciation)	<u>2,166,914</u>	<u>2,652,662</u>	<u>1,003,120</u>	<u>10,608,355</u>	<u>16,431,051</u>
Total noncurrent assets	<u>15,111,152</u>	<u>2,652,662</u>	<u>1,003,120</u>	<u>10,608,355</u>	<u>29,375,289</u>
Total assets	<u>\$ 18,062,906</u>	<u>\$ 2,763,846</u>	<u>\$ 6,016,188</u>	<u>\$ 10,991,853</u>	<u>\$ 37,834,793</u>

	Solid Waste Fund	Bryan Airport Fund	BTU QSE Services	Bryan Commerce & Development	Total
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	\$ 262,186	\$ 2,522	\$ 869,944	\$ 91,903	\$ 1,226,555
Accrued liabilities	142,070	4,476	24,461	50,481	221,488
Due to other funds	-	-	2,969,932	-	2,969,932
Accrued interest	-	200	-	5,091	5,291
Certificates of obligation	-	2,656	-	-	2,656
Accrued vacation and sick pay	59,743	321	19,356	2,557	81,977
Current liabilities payable from restricted assets:					
Customer deposits	-	5,606	-	93,193	98,799
Total current liabilities	<u>463,999</u>	<u>15,781</u>	<u>3,883,693</u>	<u>243,225</u>	<u>4,606,698</u>
Noncurrent liabilities:					
Certificates of obligation	-	29,844	-	-	29,844
Notes	-	-	-	1,893,792	1,893,792
Accrued vacation and sick pay	36,616	196	11,863	1,318	49,993
Total noncurrent liabilities	<u>36,616</u>	<u>30,040</u>	<u>11,863</u>	<u>1,895,110</u>	<u>1,973,629</u>
Total liabilities	<u>500,615</u>	<u>45,821</u>	<u>3,895,556</u>	<u>2,138,335</u>	<u>6,580,327</u>
<u>Net Assets</u>					
Invested in capital assets, net of related debt	2,166,914	2,620,162	1,003,120	8,714,563	14,504,759
Restricted for BVSWMA	12,944,238	-	-	-	12,944,238
Unrestricted	2,451,139	97,863	1,117,512	138,955	3,805,469
Total net assets	<u>\$ 17,562,291</u>	<u>\$ 2,718,025</u>	<u>\$ 2,120,632</u>	<u>\$ 8,853,518</u>	<u>\$ 31,254,466</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, 2011

	Solid Waste Fund	Bryan Airport Fund	BTU QSE Services	Bryan Commerce & Development	Total
Operating revenues:					
Other	7,395,828	\$ 520,458	\$ 1,374,868	\$ 1,041,769	\$ 10,332,923
Total operating revenues	<u>7,395,828</u>	<u>520,458</u>	<u>1,374,868</u>	<u>1,041,769</u>	<u>10,332,923</u>
Operating expenses:					
Personnel services	2,099,149	128,800	932,096	432,304	3,592,349
Electric operations	-	-	238,588	-	238,588
Maintenance	389,971	53,197	-	9,093	452,261
Other services and charges	1,849,977	61,539	-	2,263,901	4,175,417
Other expenses	617,355	275,163	-	88,771	981,289
General and administrative	1,795,558	10,810	13,915	-	1,820,283
Total operating expenses before depreciation	<u>6,752,010</u>	<u>529,509</u>	<u>1,184,599</u>	<u>2,794,069</u>	<u>11,260,187</u>
Operating income (loss) before depreciation	643,818	(9,051)	190,269	(1,752,300)	(927,264)
Depreciation	457,952	173,245	190,269	143,074	964,540
Operating income (loss)	<u>185,866</u>	<u>(182,296)</u>	<u>-</u>	<u>(1,895,374)</u>	<u>(1,891,804)</u>
Nonoperating revenues (expenses):					
Investment earnings	9,479	94	-	113	9,686
Interest expense	-	(1,693)	-	(55,137)	(56,830)
Debt service	-	-	-	(105,000)	(105,000)
Amortization	-	-	-	(10,417)	(10,417)
Grants	4,703	(91,985)	-	2,000,000	1,912,718
Distributive share of BSWMA net income	47,363	-	-	-	47,363
Other - net	275,621	-	-	35,900	311,521
Total nonoperating revenues (expenses)	<u>337,166</u>	<u>(93,584)</u>	<u>-</u>	<u>1,865,459</u>	<u>2,109,041</u>
Income (loss) before contributions and transfers	523,032	(275,880)	-	(29,915)	217,237
Transfers in	-	183,330	-	720,457	903,787
Transfers out	(1,012,980)	-	-	(127,773)	(1,140,753)
Change in net assets	<u>(489,948)</u>	<u>(92,550)</u>	<u>-</u>	<u>562,769</u>	<u>(19,729)</u>
Net assets, October 1, 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>
Net assets, September 30, 2011	<u>17,562,291</u>	<u>\$ 2,718,025</u>	<u>\$ 2,120,632</u>	<u>\$ 8,853,518</u>	<u>\$ 31,254,466</u>

CITY OF BRYAN, TEXAS

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2011

	Solid Waste Fund	Bryan Airport Fund	BTU QSE Services	Bryan Commerce & Development	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 6,853,117	\$ 508,606	\$ (1,957,865)	\$ 1,092,582	\$ 6,496,440
Payments to suppliers	(2,703,722)	(448,669)	2,978,509	(2,912,383)	(3,086,265)
Payments to employees	(2,171,554)	(130,720)	(936,404)	(430,973)	(3,669,651)
Receipts for miscellaneous revenues	280,324	19,104	-	-	299,428
Payments for interfund services used	(1,795,558)	-	-	-	(1,795,558)
Net cash provided (used) by operating activities	<u>462,607</u>	<u>(51,679)</u>	<u>84,240</u>	<u>(2,250,774)</u>	<u>(1,755,606)</u>
Cash flows from noncapital financing activities:					
Transfers in	-	183,330	-	720,457	903,787
Transfers out	(1,012,980)	-	-	(127,773)	(1,140,753)
Net cash provided (used) by noncapital financing activities	<u>(1,012,980)</u>	<u>183,330</u>	<u>-</u>	<u>592,684</u>	<u>(236,966)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	246,990	(69,525)	(84,240)	(9,195)	84,030
Grant proceeds	-	-	-	2,000,000	2,000,000
Change in AR	-	(372)	-	-	(372)
Amortization of debt expense	-	-	-	(10,417)	(10,417)
Principal paid on certificates of obligation	-	(2,344)	-	-	(2,344)
Principal paid on notes	-	-	-	(105,000)	(105,000)
Interest paid on bonds, contractual obligations, and notes	-	(1,706)	-	(57,695)	(59,401)
Net cash provided (used) by capital and related financing activities	<u>246,990</u>	<u>(73,947)</u>	<u>(84,240)</u>	<u>1,817,693</u>	<u>1,906,496</u>
Cash flows from investing activities:					
Purchase of investment securities	(844,133)	(30,412)	-	-	(874,545)
Sale of investment securities	1,139,251	-	-	-	1,139,251
Interest on investments	12,525	36	-	113	12,674
Net cash provided (used) by investing activities	<u>307,643</u>	<u>(30,376)</u>	<u>-</u>	<u>113</u>	<u>277,380</u>
Net increase in cash and cash equivalents	4,260	27,328	-	159,716	191,304
Cash and cash equivalents, October 1, 2010	<u>763,862</u>	<u>205</u>	<u>-</u>	<u>135,967</u>	<u>900,034</u>
Cash and cash equivalents, September 30, 2011	<u>\$ 768,122</u>	<u>\$ 27,533</u>	<u>\$ -</u>	<u>\$ 295,683</u>	<u>\$ 1,091,338</u>

CITY OF BRYAN, TEXAS

Combining Statement of Cash Flows (continued)

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2011

	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)	\$ 185,866	\$ (182,296)	\$ -	\$ (1,895,374)	\$ (1,891,804)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	457,952	173,245	190,269	143,074	964,540
Receipts for miscellaneous revenues	280,324	19,104	-	-	299,428
Change in assets and liabilities:					
Change in accounts receivable	(568,561)	(8,842)	(3,332,733)	3,999	(3,906,137)
Change in inventory	-	(6,340)	-	83	(6,257)
Change in due from other funds	25,850	(44,956)	-	10,936	(8,170)
Change in prepaid assets	-	-	(7,883)	(31,669)	(39,552)
Change in accounts payable	138,584	2,602	682,858	56,293	880,337
Change in accrued liabilities	14,997	(616)	(9,020)	33,739	39,100
Change in customer deposits	-	(2,276)	-	46,814	44,538
Change in due to other funds	-	-	2,556,037	(620,000)	1,936,037
Change in accrued vacation and sick pay	(72,405)	(1,304)	4,712	1,331	(67,666)
Net cash provided (used) by operating activities	<u>\$ 462,607</u>	<u>\$ (51,679)</u>	<u>\$ 84,240</u>	<u>\$ (2,250,774)</u>	<u>\$ (1,755,606)</u>

Noncash investing, capital and financing activities

During this past year, the Enterprise Funds investment in BSWMA increased \$47,363 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, 2011

<u>Assets</u>	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Equipment Replacement Fund	Facility Maintenance Fund	Total
Current assets:						
Cash and cash equivalents	\$ 160,983	\$ 2,561,520	\$ 1,473,923	\$ 1,307,398	\$ 66,814	\$ 5,570,638
Investments	179,155	2,822,840	1,640,297	1,454,975	74,357	6,171,624
Accounts receivable	-	520	33,532	-	-	34,052
Grants receivable	-	5,903	-	-	-	5,903
Interest receivable	341	5,366	3,118	2,766	141	11,732
Inventories	227,206	-	-	-	-	227,206
Due from other funds	605	8,301	132,996	8,391	-	150,293
Total current assets	568,290	5,404,450	3,283,866	2,773,530	141,312	12,171,448
Noncurrent assets:						
Capital assets:						
Buildings	-	23,419	-	-	-	23,419
Equipment	-	236,563	-	9,474,838	-	9,711,401
Improvements other than buildings	98,420	29,572	-	-	30,340	158,332
Less accumulated depreciation	(48,591)	(258,001)	-	(2,595,433)	(3,413)	(2,905,438)
Total capital assets (net of accumulated depreciation)	49,829	31,553	-	6,879,405	26,927	6,987,714
Total assets	618,119	5,436,003	3,283,866	9,652,935	168,239	19,159,162
Liabilities						
Current liabilities:						
Accounts payable	7,249	51,746	211,423	-	-	270,418
Claims payable	-	766,397	953,874	-	-	1,720,271
Due to other funds	-	3,437	-	1,000	-	4,437
Accrued liabilities	7,953	14,954	-	-	-	22,907
Accrued vacation and sick pay	3,085	32,915	-	-	-	36,000
Total current liabilities	18,287	869,449	1,165,297	1,000	-	2,054,033
Noncurrent liabilities:						
Claims payable	-	1,024,232	-	-	-	1,024,232
Accrued liabilities	-	-	769,402	-	-	769,402
Accrued vacation and sick pay	1,890	20,174	-	-	-	22,064
Total noncurrent liabilities	1,890	1,044,406	769,402	-	-	1,815,698
Total liabilities	20,177	1,913,855	1,934,699	1,000	-	3,869,731
Net Assets						
Invested in capital assets	49,829	31,553	-	6,879,405	26,927	6,987,714
Unrestricted	548,113	3,490,595	1,349,167	2,772,530	141,312	8,301,717
Total net assets	\$ 597,942	\$ 3,522,148	\$ 1,349,167	\$ 9,651,935	\$ 168,239	\$ 15,289,431

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, 2011

	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Equipment Replacement Fund	Facility Maintenance Fund	Total
Operating revenues:						
Intragovernmental	\$ 290,636	\$ 1,297,292	\$ 5,642,248	\$ 3,268,499	\$ 175,299	\$ 10,673,974
Other	418		1,616,598	-	388	1,617,404
Total operating revenues	<u>291,054</u>	<u>1,297,292</u>	<u>7,258,846</u>	<u>3,268,499</u>	<u>175,687</u>	<u>12,291,378</u>
Operating expenses:						
Personnel services	201,629	403,281	-	-	-	604,910
Maintenance	2,675	4,588	-	-	154,582	161,845
Claims	-	593,248	6,823,993	-	-	7,417,241
Other services and charges	92,148	1,222,453	1,475,558	17,029	-	2,807,188
Other expenses	10,636	16,043	-	11,006	-	37,685
General and administrative	-	236,363	-	-	-	236,363
Total operating expenses before depreciation	<u>307,088</u>	<u>2,475,976</u>	<u>8,299,551</u>	<u>28,035</u>	<u>154,582</u>	<u>11,265,232</u>
Operating income (loss) before depreciation	(16,034)	(1,178,684)	(1,040,705)	3,240,464	21,105	1,026,146
Depreciation	4,921	3,842	-	1,357,504	1,517	1,367,784
Operating income (loss)	<u>(20,955)</u>	<u>(1,182,526)</u>	<u>(1,040,705)</u>	<u>1,882,960</u>	<u>19,588</u>	<u>(341,638)</u>
Nonoperating revenues:						
Investment earnings	1,478	26,267	15,403	12,268	490	55,906
Other	-	65,512	567,003	-	-	632,515
Total nonoperating revenues	<u>1,478</u>	<u>91,779</u>	<u>582,406</u>	<u>12,268</u>	<u>490</u>	<u>688,421</u>
Income before transfers	(19,477)	(1,090,747)	(458,299)	1,895,228	20,078	346,783
Other financing sources (uses):						
Transfers in	-	72,000	-	63,016	-	135,016
Transfers out	-	(525,000)	(72,000)	-	-	(597,000)
Total other financing sources (uses)	<u>-</u>	<u>(453,000)</u>	<u>(72,000)</u>	<u>63,016</u>	<u>-</u>	<u>(461,984)</u>
Change in net assets	(19,477)	(1,543,747)	(530,299)	1,958,244	20,078	(115,201)
Net assets, October 1, 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>
Net assets, September 30, 2011	<u>\$ 597,942</u>	<u>\$ 3,522,148</u>	<u>\$ 1,349,167</u>	<u>\$ 9,651,935</u>	<u>\$ 168,239</u>	<u>\$ 15,289,431</u>

CITY OF BRYAN, TEXAS

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended September 30, 2011

	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	\$ 2,084,038	\$ -	\$ 1,623,118	\$ -	\$ 388	\$ 3,707,544
Receipts for interfund services provided	164,843	1,391,199	5,638,157	3,261,108	175,299	10,630,606
Payments to suppliers	(2,091,252)	(1,909,864)	(7,913,798)	(28,035)	(154,582)	(12,097,531)
Payments to employees	(203,801)	(404,704)	-	-	-	(608,505)
Receipts for miscellaneous revenues	-	65,512	567,003	-	-	632,515
Payments for interfund services used	-	(236,363)	-	-	-	(236,363)
Net cash provided (used) by operating activities	(46,172)	(1,094,220)	(85,520)	3,233,073	21,105	2,028,266
Cash flows from noncapital financing activities:						
Transfers in	-	72,000	-	63,016	-	135,016
Transfers out	-	(525,000)	(72,000)	-	-	(597,000)
Net cash used by noncapital activities	-	(453,000)	(72,000)	63,016	-	(461,984)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	-	-	-	(3,722,040)	-	(3,722,040)
Net cash used by capital and related financing activities	-	-	-	(3,722,040)	-	(3,722,040)
Cash flows from investing activities:						
Purchase of investment securities	(177,030)	(2,784,853)	(1,622,315)	(1,437,438)	(73,696)	(6,095,332)
Sale of investment securities	228,747	4,089,266	1,935,724	1,887,838	71,097	8,212,672
Interest on investments	2,065	37,494	20,140	17,162	637	77,498
Net cash provided (used) by investing activities	53,782	1,341,907	333,549	467,562	(1,962)	2,194,838
Net increase in cash and cash equivalents	7,609	(205,313)	176,029	41,611	19,143	39,079
Cash and cash equivalents, October 1, 2010	153,374	2,766,833	1,297,894	1,265,787	47,671	5,531,559
Cash and cash equivalents, September 30, 2011	\$ 160,983	2,561,520	1,473,923	1,307,398	66,814	\$ 5,570,638
Operating income (loss)						
Operating income (loss)	\$ (20,955)	(1,182,526)	(1,040,705)	1,882,960	19,588	\$ (341,638)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	4,921	3,842	-	1,357,504	1,517	1,367,784
Nonoperating revenue	-	65,512	567,003	-	-	632,515
Change in assets and liabilities:						
Change in accounts receivable	-	(5,508)	6,520	-	-	1,012
Change in inventory	(28,600)	-	-	-	-	(28,600)
Change in due from other funds	(255)	99,415	(4,091)	(7,391)	-	87,678
Change in accounts payable	889	(47,882)	(10,609)	-	-	(57,602)
Change in accrued liabilities	976	1,237	454,291	-	-	456,504
Change in due to other funds	-	(482,721)	-	-	-	(482,721)
Change in claims payable	-	457,071	(57,929)	-	-	399,142
Change in vacation and sick pay	(3,148)	(2,660)	-	-	-	(5,808)
Net cash provided (used) by operating activities	\$ (46,172)	(1,094,220)	(85,520)	3,233,073	21,105	\$ 2,028,266

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, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
<u>Assets</u>				
Cash and cash equivalents	\$ 654,819	\$ 59,088,843	\$ 59,076,580	\$ 667,082
Accounts Receivable	253,770	533,327	456,489	330,608
 Total assets	 <u>908,589</u>	 <u>59,622,170</u>	 <u>59,533,069</u>	 <u>997,690</u>
 <u>Liabilities</u>				
Benefits and employment taxes payable	\$ 908,589	\$ 27,060,907	\$ 27,150,008	\$ 997,690

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Governmental funds capital assets:		
Land	\$ 11,570,401	\$ 11,525,230
Buildings	42,728,760	41,102,975
Improvements other than buildings	30,780,340	30,696,838
Equipment	21,237,090	22,085,396
Infrastructure	157,675,550	140,790,177
Construction in Progress	<u>16,604,018</u>	<u>24,870,327</u>
	<u>\$ 280,596,159</u>	<u>\$ 271,070,943</u>
Investments in governmental funds capital assets by source:		
General Fund	\$ 73,054,278	\$ 69,685,737
Special Revenue Funds	8,126,349	8,185,495
Private Contributions	34,731,366	33,665,826
General Obligation bonds	42,229,659	42,229,660
Grants	6,611,770	6,611,770
Certificates of Obligation	<u>115,842,737</u>	<u>110,692,455</u>
	<u>\$ 280,596,159</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 of Changes by Function and Activity
 For the Fiscal Year Ended September 30, 2011

Function and Activity	Governmental Funds Capital Assets	Additions	Deductions	Governmental Funds Capital Assets
	October 1, 2010			September 30, 2011
General Government:				
Executive	\$ 15,186,008	\$ 1,629,099	\$ 5,283	\$ 16,809,824
City Secretary	264,858	-	-	264,858
Legal services	42,640	-	1,514	41,126
Fiscal services	324,711	-	-	324,711
Computer services	7,173,545	347,104	7,690	7,512,959
Purchasing services	1,778,027	-	4,777	1,773,250
Human resources	44,862	-	-	44,862
Facility services	3,006,551	-	3,120	3,003,431
Fleet services	70,619	-	-	70,619
Total general government	<u>27,891,821</u>	<u>1,976,203</u>	<u>22,384</u>	<u>29,845,640</u>
Development services:				
Administration	599,956	-	-	599,956
Planning	29,062	-	-	29,062
Engineering	169,496	30	-	169,526
Inspections	123,142	-	-	123,142
Community Development	5,391,041	-	30,825	5,360,216
TIF infrastructure	7,338,901	-	-	7,338,901
Total development services	<u>13,651,598</u>	<u>30</u>	<u>30,825</u>	<u>13,620,803</u>
Public works:				
Environmental services	137,234	-	108,667	28,567
Transportation services	141,720,230	16,938,163	72,750	158,585,643
Total public works	<u>141,857,464</u>	<u>16,938,163</u>	<u>181,417</u>	<u>158,614,210</u>
Public safety:				
Police services	23,582,910	115,767	638,525	23,060,152
Fire and emergency medical services	11,348,356	-	584,988	10,763,368
Municipal court	2,054,234	94,909	-	2,149,143
Total public safety	<u>36,985,500</u>	<u>210,676</u>	<u>1,223,513</u>	<u>35,972,663</u>
Cultural and recreational:				
Administration	153,157	-	9,202	143,955
Library services	3,867,768	144,182	3,271	4,008,679
Parks and recreation services	21,793,308	16,379	23,496	21,786,191
Total cultural and recreational	<u>25,814,233</u>	<u>160,561</u>	<u>35,969</u>	<u>25,938,825</u>
Construction in Progress - Unclassified	<u>24,870,327</u>	<u>8,034,669</u>	<u>16,300,978</u>	<u>16,604,018</u>
Total governmental funds capital assets	<u>\$ 271,070,943</u>	<u>\$ 27,320,302</u>	<u>\$ 17,795,086</u>	<u>\$ 280,596,159</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, 2011

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government:							
Executive	\$ 2,138,903	\$ 14,384,543	\$ -	\$ 286,378	\$ -	\$ -	\$ 16,809,824
City Secretary	125,000	-	94,261	45,597	-	-	264,858
Legal services	-	-	41,126	-	-	-	41,126
Fiscal services	-	38,384	-	286,327	-	350	325,061
Computer services	-	60,768	33,279	7,418,912	-	254,865	7,767,824
Purchasing services	-	37,037	1,679,680	56,533	-	-	1,773,250
Human resources	-	-	9,991	34,871	-	-	44,862
Facility services	18,121	2,468,306	118,187	398,817	-	-	3,003,431
Fleet services	-	1,671	32,396	36,552	-	-	70,619
Total general government	<u>2,282,024</u>	<u>16,990,709</u>	<u>2,008,920</u>	<u>8,563,987</u>	<u>-</u>	<u>255,215</u>	<u>30,100,855</u>
Development services:							
Administration	35,156	1,260	-	563,540	-	-	599,956
Planning	-	29,062	-	-	-	-	29,062
Engineering	4,556	7,343	-	157,627	-	-	169,526
Inspections	-	-	-	123,142	-	-	123,142
Community Development	118,531	131,652	5,083,368	26,665	-	-	5,360,216
TIF infrastructure	126,624	-	58,449	-	7,153,828	4,651,220	11,990,121
Total development services	<u>284,867</u>	<u>169,317</u>	<u>5,141,817</u>	<u>870,974</u>	<u>7,153,828</u>	<u>4,651,220</u>	<u>18,272,023</u>
Public works:							
Environmental services	-	11,995	16,572	-	-	-	28,567
Transportation services	5,161,854	8,840	957,554	1,963,077	150,494,318	11,452,844	170,038,487
Total public works	<u>5,161,854</u>	<u>20,835</u>	<u>974,126</u>	<u>1,963,077</u>	<u>150,494,318</u>	<u>11,452,844</u>	<u>170,067,054</u>
Public safety:							
Police services	1,043,332	18,189,593	22,982	3,804,245	-	10,993	23,071,145
Fire and emergency medical services	-	6,345,530	12,780	4,405,058	-	-	10,763,368
Municipal court	1,819,216	-	106,675	223,252	-	-	2,149,143
Total public safety	<u>2,862,548</u>	<u>24,535,123</u>	<u>142,437</u>	<u>8,432,555</u>	<u>-</u>	<u>10,993</u>	<u>35,983,656</u>
Cultural and recreational:							
Administration	-	-	107,924	36,031	-	-	143,955
Library services	-	479,287	3,261,663	267,729	-	-	4,008,679
Parks and recreation services	979,108	533,489	19,143,453	1,102,737	27,404	233,746	22,019,937
Total cultural and recreational	<u>979,108</u>	<u>1,012,776</u>	<u>22,513,040</u>	<u>1,406,497</u>	<u>27,404</u>	<u>233,746</u>	<u>26,172,571</u>
Total governmental funds capital assets	<u>\$ 11,570,401</u>	<u>\$ 42,728,760</u>	<u>\$ 30,780,340</u>	<u>\$ 21,237,090</u>	<u>\$ 157,675,550</u>	<u>\$ 16,604,018</u>	<u>\$ 280,596,159</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.

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 Ten 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>	<u>2011</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	\$ 73,443,468
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	25,257,011
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	9,532,615
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>	<u>108,233,094</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	252,740,085
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	29,510,223
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	78,497,386
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>	<u>360,747,694</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	326,183,553
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	54,767,234
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	88,030,001
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>	<u>\$ 468,980,788</u>

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

Prior period adjustments reported in fiscal years 2003 and 2005 have been reflected in the applicable year.

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



CITY OF BRYAN
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City of Bryan, Texas
Change in Net Assets
Last Ten Fiscal Years
(Accrual basis of accounting)

Table 2

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 11,694,539
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	5,451,223
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	14,091,910
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	21,693,251
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	7,666,774
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	4,982,815
Total governmental activities expenses	41,144,879	41,732,926	42,947,102	47,030,347	55,952,075	58,187,463	61,981,365	74,984,735	73,056,382	65,580,512
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	142,323,465
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	29,664,911
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	10,380,600	10,868,241
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	10,658,709
Other	7,473,192	8,356,065 ⁽¹⁾	7,134,688	6,292,314	6,241,268	15,886,390	7,629,919	3,848,988	9,813,006	15,215,556
Total business-type activities expenses	125,604,218	128,181,978	151,100,103	233,621,329	218,739,089	191,474,914	209,852,281	194,484,486	190,872,584	208,730,882
Total primary government expenses	166,749,097	169,914,904	194,047,205	280,651,676	274,691,164	249,662,377	271,833,646	269,469,221	263,928,966	274,311,394
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	147,025
Development services	454,573	472,912	408,892	504,189	523,492	722,130	614,615	587,732	572,570	492,175
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	4,385,470
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	1,355,274
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	2,607,994
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	2,657,466
Total governmental activities program revenues	9,055,990	8,023,170	12,853,969	15,987,594	10,728,147	11,486,661	12,087,162	13,372,141	14,128,619	11,645,404
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	151,634,735
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	31,851,185
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	14,281,996
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	13,112,105
Other Enterprise Funds	6,445,452	6,659,201	6,910,778	8,846,382	9,595,603	10,030,558	10,155,749	10,736,815	10,840,430	10,840,430
Operating grants and contributions	-	-	-	-	26,573	-	-	658,470	25,033	2,615,369
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	979,666
Total business-type activities program revenue	143,954,645	145,203,688	162,882,846	256,450,344	242,422,413	199,174,231	218,177,022	215,589,702	201,396,996	225,315,486
Total primary government program revenues	153,010,635	153,226,858	175,736,815	272,437,938	253,150,560	210,660,892	230,264,184	228,961,843	215,525,615	236,960,890
Net (expense)/revenue										
Governmental activities										
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	16,584,604
Total primary government net expense	\$ (13,738,462)	\$ (16,688,046)	\$ (18,310,390)	\$ (8,213,738)	\$ (21,540,604)	\$ (39,001,485)	\$ (41,569,462)	\$ (40,507,378)	\$ (48,403,351)	\$ (37,350,504)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 23,043,249
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	14,301,017
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	2,062,766
Alcoholic beverage taxes	79,567	69,061	64,849	63,401	66,073	62,031	64,994	72,777	79,573	93,042
Bingo taxes	58,263	55,613	87,087	127,792	158,365	178,377	183,580	195,970	204,009	210,255
Hotel occupancy taxes	218,616	205,481	226,849	221,482	219,711	248,935	290,187	321,859	411,190	454,217
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	6,179,135
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	251,107
Miscellaneous	2,605,918 ⁽²⁾	1,515,886 ⁽²⁾	4,419,506	4,427,326	3,075,731	2,731,866	3,039,288	1,886,157	2,298,503	2,538,373
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	10,884,784
Total governmental activities:	37,428,004	37,881,569	42,777,297	45,290,173	50,348,850	45,065,885	49,641,069	55,837,543	59,039,324	60,017,945
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	719,221
Debt service	-	-	-	-	-	-	-	-	-	-
Amortization of debt expense	-	-	-	-	-	-	-	-	-	-
Miscellaneous	224,011	145,280	2,199,099	246,815	125,245	673,809	407,414	275,538	221,532	463,978
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)	(10,884,784)
Total business-type activities	(524,313)	(4,297,868)	(4,311,951)	(3,363,350)	(1,548,493)	8,686,870	4,659,499	(6,503,431)	(8,477,695)	(9,701,585)
Total primary government	36,903,691	33,583,701	38,465,346	41,926,823	48,800,357	53,752,755	54,300,568	49,334,112	50,561,629	50,316,360
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	6,082,837
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	6,883,019
Total primary government	\$ 23,165,229	\$ 16,895,655	\$ 20,154,956	\$ 33,713,085	\$ 27,259,753	\$ 14,751,270	\$ 12,731,106	\$ 8,826,734	\$ 2,158,278	\$ 12,965,856

⁽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 Ten Fiscal Years
(Modified accrual basis of accounting)

Table 3

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	-
Nonspendable	-	-	-	-	-	-	-	-	-	21,206
Restricted	-	-	-	-	-	-	-	-	-	542,028
Committed	-	-	-	-	-	-	-	-	-	823,479
Assigned	-	-	-	-	-	-	-	-	-	460,921
Unassigned	-	-	-	-	-	-	-	-	-	11,362,664
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>	<u>13,210,298</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)	-
Nonspendable:										
Permanent Funds	-	-	-	-	-	-	-	-	-	746,351
Restricted:										
Capital Project Funds	-	-	-	-	-	-	-	-	-	7,832,036
Debt Service Fund	-	-	-	-	-	-	-	-	-	6,219,331
Permanent Funds:										
Cemeteries	-	-	-	-	-	-	-	-	-	1,019,007
Libraries	-	-	-	-	-	-	-	-	-	3,599
Special Revenue Funds:										
Grants	-	-	-	-	-	-	-	-	-	4,348
Hotel/Motel	-	-	-	-	-	-	-	-	-	538,869
Municipal Court	-	-	-	-	-	-	-	-	-	261,573
TIRZ Development	-	-	-	-	-	-	-	-	-	3,364,672
Other Purposes	-	-	-	-	-	-	-	-	-	473
Committed:										
Streets	-	-	-	-	-	-	-	-	-	7,696,726
Drainage	-	-	-	-	-	-	-	-	-	1,032,851
Unassigned:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	(9,964)
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>	<u>\$ 28,709,872</u>
Total governmental funds	\$ 40,211,814	\$ 45,614,964	\$ 60,401,452	\$ 55,573,481	\$ 67,348,376	\$ 53,057,013	\$ 40,252,484	\$ 40,737,572	\$ 46,347,007	\$ 41,920,170

⁽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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Property taxes	\$ 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	\$ 23,152,233
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	14,301,017
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	2,062,766
Alcoholic beverage taxes	79,567	69,061	64,849	63,401	66,073	62,031	64,994	72,777	79,573	93,042
Bingo taxes	58,263	55,613	87,087	127,792	158,365	178,377	183,580	195,970	204,009	210,255
Hotel occupancy taxes	218,616	205,481	226,849	221,482	219,711	248,935	290,187	321,859	411,190	454,217
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	6,179,135
Charges for services	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	3,946,937
Fines and court charges	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	1,940,832
Licenses and permits	484,789	503,847	461,734	538,964	551,701	722,130	614,615	587,732	572,570	492,175
Grants	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	4,026,214
Investment earnings	1,867,684	1,000,950	868,986	1,546,218	3,308,817	3,629,330	1,919,790	849,630	469,682	195,201
Litigation proceeds	450,000	450,000	450,000	450,000	-	-	-	-	-	-
Oil and gas royalties	326,476	62,397	65,067	58,379	56,575	39,273	160,241	67,688	50,701	-
Other	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	2,475,134
Total revenues	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	59,529,158
Expenditures:										
Current:										
General government and administration	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	12,510,372
Development services	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	4,619,644
Public works services	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	7,598,470
Public safety	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	28,006,326
Cultural and recreational	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	6,016,407
Administrative reimbursement	(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)	(3,610,977)
Capital outlay	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	9,780,078
Arbitrage rebate	-	-	-	-	-	-	16,890	-	-	-
Debt Service:										
Bond and principal retirement	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	5,717,656
Interest and fiscal charges	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	4,903,129
Debt issuance cost	84,074	58,543	329,152	-	257,893	100,749	79,500	54,170	70,134	(25,000)
Advance refunding costs	-	-	-	-	184,551	-	-	-	95,768	-
Total expenditures	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	75,516,105
Excess of expenditures over revenues	(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)	(15,986,947)
Other financing sources (uses):										
Proceeds of long-term debt issued	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	-	-	-	-	-	(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	111,806	34,019	1,676	206,033	34,633	31,638	106,724	193,450	143,309	213,342
Transfers in	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	16,706,761
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)	(5,359,993)
Total other financing sources	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	11,560,110
Net change in fund balances	\$ 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	\$ (4,426,837)
Debt service as a percentage of noncapital expenditures	18.88%	17.34%	17.26%	15.99%	15.37%	14.42%	13.08%	13.49%	13.39%	16.16%

City of Bryan, Texas

Governmental Activities Tax Revenues By Source

Last Ten Fiscal Years

(Accrual basis of accounting)

Table 5

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Bingo Tax	Hotel Occupancy Tax	Transportation & Drainage Assessments	Total
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
2011	23,043,249	14,301,017	2,062,766	93,042	210,255	454,217	6,179,135	46,343,681
Change 2002-2011	76.89%	39.69%	27.83%	16.94%	260.87%	107.77%	244.71%	71.47%

Prior period adjustments reported in fiscal years 2003 and 2005 have been reflected in the applicable year. The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

City of Bryan, Texas

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 6

Fiscal Year	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
	Residential Property	Commercial Property					
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
2011	2,494,852,214	819,568,329	506,894,980	195,386,859	3,625,928,664	0.6364	3,625,928,664

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			
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
2011	0.4406	0.1958	0.6364	0.4037	0.0813	0.4850	1.0400	0.2500	1.2900	0.6364	1.7750	2.4114

(1) City of Bryan Budget Office

(2) Brazos County

(3) Bryan ISD

City of Bryan, Texas
 Principal Property Taxpayers
 As of December 31, 2011

Table 8

Taxpayer	2011			2002		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Waves Z Islander of Bryan LLC	\$ 33,765,230	1	0.74%			
Jamespoint Management	27,600,000	2	0.60%			
Adam Development Properties LP	22,683,002	3	0.49%			
Wal-Mart Properties	19,534,240	4	0.43%	\$ 15,723,870	4	0.76%
SW Meadows Point LP	18,516,070	5	0.40%			
Tejas Center, LTD	18,021,500	6	0.39%			
KC Presidio Apartments LLC	17,543,100	7	0.38%			
Galindo Ramiro	17,207,019	8	0.37%			
Bryan Senior Investors LP	16,542,620	9	0.36%			
Comcapp Willowick LLC	15,821,577	10	0.34%			
Verizon Communications				32,828,980	1	1.58%
Saint-Gobain Norpro Corporations				16,491,175	2	0.80%
Brazos Valley Physicians Hospital				16,294,340	3	0.79%
WWK, Ltd.				15,275,900	5	0.74%
GGE/G G Enterprises				14,353,490	6	0.69%
Lowe's Home Centers, Inc.				13,015,480	7	0.63%
BV- Physicians Center LP				11,603,645	8	0.56%
TAU Enterprises/St Joseph Hospital				11,555,960	9	0.56%
Southcorp Packaging, USA				11,433,570	10	0.55%
Totals	<u>\$ 207,234,358</u>		<u>4.52%</u>	<u>\$ 158,576,410</u>		<u>7.66%</u>

Source: Brazos County Appraisal District

City of Bryan, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
As of December 31, 2011

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
2002	13,185,857	12,898,436	97.82%	266,382	13,164,818	99.84%
2003	13,675,082	13,383,887	97.87%	258,378	13,642,265	99.76%
2004	14,760,794	14,540,232	98.51%	175,657	14,715,889	99.70%
2005	15,940,864	15,660,992	98.24%	221,320	15,882,312	99.63%
2006	17,019,389	16,662,978	97.91%	295,645	16,958,623	99.64%
2007	18,633,318	18,340,249	98.43%	215,297	18,555,546	99.58%
2008	20,432,087	20,021,117	97.99%	304,207	20,325,324	99.48%
2009	21,759,324	21,271,466	97.76%	347,584	21,619,050	99.36%
2010	22,802,844	22,314,031	97.86%	253,976	22,568,007	98.97%
2011	22,810,074	22,410,029	98.25%	-	22,410,029	98.25%

City of Bryan, Texas
Electricity Sold by Type of Customer
Last Ten 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>	<u>2011</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	385,921,000
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	482,341,000
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	36,412,000
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	376,858,000
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	442,068,000
Interdepartmental	24,058,000	25,834,000	23,864,000	25,440,000	26,500,000	23,718,000	27,557,000	31,246,000	31,591,000	34,833,000
	<u>1,657,556,000</u>	<u>1,339,745,000</u>	<u>1,447,386,000</u>	<u>2,142,324,000</u>	<u>1,931,743,000</u>	<u>1,686,839,000</u>	<u>1,595,805,000</u>	<u>1,615,845,000</u>	<u>1,522,006,000</u>	<u>1,758,433,000</u>

City of Bryan, Texas
Electric Rates
Last Ten 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			2011		
	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	\$ -	\$ 0.0752	\$ 8.15	\$ -	\$ 0.0902	\$ 8.15	\$ -	\$ 0.0782	\$ 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	8.15	-	0.0882
Small Commercial	9.83	-	0.0792	9.83	-	0.0942	9.83	-	0.0822	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	20.00	6.35	0.0620
Large Industrial	-	11.70	0.0453	-	11.70	0.0603	-	11.70	0.0483	-	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	30.00	-	0.0885
Interdepartmental	30.00	-	0.0871	30.00	-	0.1021	30.00	-	0.0901	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	-	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	8.15	-	0.0766
Residential Summer (May-Oct)	8.15	-	0.0861	8.15	-	0.1091	8.15	-	0.0866	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	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	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	30.00	-	0.0925

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	66,420,000	-	34,844	356,525,000	4,953	
2011	27,680,000	74,982,500	165,150,000	8,945,000	71,475,000	-	10,817,500	359,050,000	4,691	

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, 2011

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, 2011 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
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
2011	102,662,500	6,219,331	96,443,169	2.66%	1,260

(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	\$ 156,825,000	72.56%	\$ 113,799,371
Brazos County	96,460,000	32.65%	31,498,647
Subtotal, overlapping debt			<u>\$ 145,298,017</u>
City of Bryan direct debt*	96,443,169 (1)	100.00%	96,443,169
			<u><u>\$ 241,741,186</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 Ten 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	137,929,447	114,145,447	365,336	24,149,336	8,926,329	2.71	
2011	154,851,433	117,869,352	369,563	37,351,644	18,573,044	2.01	

⁽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
2011	31,851,185	27,624,793	53,347	4,279,739	424,578	10.08

⁽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 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 Ten 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
2011	27,394,101	12,367,172	239,262	15,266,191	4,435,108	3.44

⁽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
Sales Tax by Category⁽¹⁾
Last Ten Calendar Years

Table 19

	<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>	<u>2011</u>
Category:										
Communications and information	\$ 1,157,832	\$ 846,330	\$ 817,075	\$ 837,297	\$ 809,579	\$ 699,322	\$ 804,022	\$ 975,054	\$ 1,073,901	\$ 999,938
Home furnishings and appliances	336,063	337,526	437,818	437,244	472,573	458,752	392,899	411,290	414,247	405,991
Eating and drinking establishments	803,069	808,365	849,742	952,618	978,832	1,074,893	1,202,131	1,273,763	1,348,927	1,397,466
Department and retail stores	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	683,216
Oil and gas operations	78,339	145,318	182,643	499,341	989,910	483,382	739,345	465,054	457,378	244,732
Construction and building	512,827	578,263	762,661	659,770	805,337	1,030,817	1,013,741	380,446	641,427	496,984
Auto dealers and supplies	405,992	410,187	415,952	458,816	489,013	526,366	541,842	518,952	506,107	526,788
Printing/Publishers	47,259	58,622	36,423	46,898	61,655	62,523	55,930	60,045	62,385	74,499
Contractors	29,067	25,432	45,991	128,894	109,519	79,646	117,969	102,428	233,051	166,857
Manufacturing	362,226	429,351	466,167	511,573	488,312	780,537	627,914	479,757	659,853	404,338
Wholesalers	253,961	236,661	464,286	629,705	805,308	830,156	1,029,940	913,467	808,256	1,035,272
Food Stores	326,581	309,512	296,206	395,400	442,727	501,861	530,319	578,078	574,453	576,909
Other stores	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	3,000,558
Apparel	42,134	47,312	52,787	58,783	63,400	74,201	110,101	137,787	157,434	173,774
All other outlets	2,214	1,304	3,122	3,258	6,175	4,034	5,767	8,561	7,147	6,522
Financial services	49,202	65,818	54,226	37,882	29,914	41,613	42,252	42,012	87,646	115,873
Rentals and leasing	238,078	230,243	273,226	286,025	458,336	648,912	687,486	501,611	379,943	519,721
Professional services	478,881	417,688	431,285	417,913	406,126	521,846	446,664	475,821	492,995	542,964
Repair and maintenance	232,654	233,121	222,299	237,136	256,641	261,041	316,507	249,669	299,983	354,236
Hotels/Motels	1,217	1,112	1,272	1,501	4,194	1,904	3,733	23,338	5,351	(261)
Other products and equipment	241,093	147,875	149,614	142,987	139,817	60,721	79,815	5,962	17,491	48,381
Other	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	1,935,112
Total	<u>\$ 9,638,507</u>	<u>\$ 9,708,960</u>	<u>\$ 11,169,617</u>	<u>\$ 11,207,881</u>	<u>\$ 13,840,340</u>	<u>\$ 13,024,627</u>	<u>\$ 14,079,741</u>	<u>\$ 13,216,288</u>	<u>\$ 14,125,292</u>	<u>\$ 13,709,871</u>

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

Source: Texas Comptroller of Public Accounts

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

Table 20

Fiscal Year	Population ⁽¹⁾	School Enrollment ⁽²⁾	Personal Income ⁽³⁾	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽¹⁾
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%
2011	76,541	15,800			5.50%

⁽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 21

2011	2001
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 Hospital	St. Joseph Regional Hospital
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 22

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government and Administration										
Executive Services	8	5	5	5	5	6	7	6	6	5
Communications & Marketing	-	2	2	2	3	3	3	5	5	5
Neighborhood and Youth Services	-	1	1	1	1	1	1	1	1	1
Economic Development	-	1	1	-	-	-	-	-	-	-
Internal Audit	-	-	-	1	1	1	1	1	1	1
City Secretary	6	6	6	6	6	7	7	7	7	7
Legal Services	6	6	5	5	5	5	6	6	6	6
Fiscal Services*	13	14	13	13	13	12	12	13	12	12
Information Technology	11	14	13	13	13	14	15	15	15	15
Special Projects**	1	1	1	1	1	1	1	3	0.25	0.25
Purchasing Services	5	5	5	5	4	5	5	5	2	2
Warehouse	2	3	3	3	3	4	4	4	4	4
Fleet Services	11	-	-	11	12	11	11	11	11	12
Human Resources	5	6	5	5	5	5	5	5.5	5	5
Facility Services	25	32	44	27	27	24	24	23	23	23
Risk Management	5	5	6	6	6	6	6	5	6	6
Development Services										
Planning and Development	7	8	8	8	8	9	8	8	8	8
Engineering Services	15	15	14	17	17	17	18	17	16	19
Building Services	8	8	8	8	9	13	16	16	16	17
Community Development	10	7	7.4	7.4	7	8	8	6.5	5.75	5.75
Public Works Services										
Administration	9	1	-	-	-	1	1	3	5	-
Call Center	-	-	-	-	-	-	-	5	5	5
Environmental Services	30	-	-	-	-	-	-	-	-	-
Transportation & Drainage	29	29	28	30	30	30	31	31	29	29
Traffic Services	-	-	-	-	-	-	-	9	9	10
Public Safety										
Police Officers	113	113	113	116	118	119	123	124	124	124
Civilians	31	35	35	34	38	38	37	47	47	47
Firefighters/Emergency Medical Technicians	89	89	89	90	91	101	108	108	108	108
Civilians	1	2	2	2	2	2	4	5	5	5
Emergency Management Coordinator	-	1	-	-	-	-	1	1	1	1
Municipal Court	16	15	14	14	14	14	14	16	16	16
Cultural and Recreation										
Library Services	20	20	19	19	19	19	19	20	19	19
College Station Library	16	16	16	16	16	16	16	15	16	16
Parks and Recreation	31	18	7	8	9	14	13	14	19	18
Water	38	48	39	40	40	36	35	35.8	35.55	36.55
Wastewater	40	52	53	53	53	44	43	44.2	44.45	44.45
Solid Waste	26	48	51	50	49	55	51	46	46	47
Airport	-	-	-	-	-	-	-	-	-	2
Electric Department-Municipal and Rural	187	203	203	203	203	195	203	181	187	189
Total	814	829	816	819	828	836	857	862.5	866	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 23

Function:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Physical arrest	3,850	4,201	4,375	4,784	5,838	4,178	5,205	5,030	5,744	5,063
Traffic citations	17,464	16,147	14,932	12,986	17,640	13,097	15,512	15,325	12,752	12,400
Fire										
Number of Fire and EMS calls	7,198	7,281	7,398	7,884	8,016	8,359	8,352	8,923	8,871	9,150
Transportation										
Potholes repaired	n/a	n/a	n/a	n/a	4,000	6,500	3,200	n/a	3,133	3,225
HMAC (Hot Mix Asphaltic Concrete) placed (tons)	n/a	2,853	2,476	1,258						
In-house concrete poured (cubic yards)	n/a	1,080	162	584						
Culture and recreation										
New library patron registration	7,002	982	7,449	10,399	10,995	8,611	8,323	9,014	9,573	8,419
Library circulation of materials	681,396	695,433	731,924	664,444	726,762	804,617	840,601	785,243	421,354	411,113
Number of cooperative programs with Bryan ISD and College Station Parks and Recreation department	12	15	18	18	11	12	12	12	12	10
Pavilion rentals	1,005	780	843	855	824	849	956	876	888	743
Athletic field usage										
Travis Park (1 field)	206	229	237	216	208	n/a	n/a	n/a	n/a	n/a
Bryan Regional Athletic Complex (4 softball fields)	1,618	1,410	1,452	1,590	1,632	1,620	1,710	1,740	1,825	1,910
Bryan Regional Athletic Complex (9 soccer fields)	971	995	946	1,003	1,026	1,040	1,050	1,105	1,284	1,192
Neighborhood/Youth Services										
Neighborhood Associations registered	n/a	16	30	36	31	32	37	38	40	41
Youth receiving new adult mentors	n/a	60	80	100	n/a	143	57	125	115	125
Municipal Court										
Number of cases filed	n/a	17,109	15,193	15,000	15,613	17,199	16,190	15,490	14,728	18,147
Community Development										
Number of citizens provided homebuyers assistance	27	15	22	22	25	37	21	28	26	17
Number of households provided rehabilitation	36	20	41	41	1	-	4	3	3	5
Number of households provided minor rehabilitation	n/a	n/a	n/a	n/a	35	30	41	33	29	41
Water										
Average consumption (gallons/day)	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	11,980,000
Number of new connections	340	346	376	326	414	286	319	245	183	180
Wastewater										
Average treatment flow (gallon/day)	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	6,530,000
Solid Waste										
Refuse collected (tons)	39,231	45,397	42,164	44,416	48,647	45,275	54,881	52,443	56,800	56,120

Sources: Various City Departments

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

Table 24

Function:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of sworn personnel	113	113	113	116	118	121	124	124	137	136
Fire and emergency medical services:										
Number of stations	4	4	4	4	4	4	4	5	5	5
Number of personnel	89	89	89	90	91	112	114	108	114	114
Highways and streets:										
Lane miles of paved streets	637	640	643	646	649	660	660	738	738	738
Culture and recreation:										
Number of parks	45	45	45	45	45	45	35	42	42	42
Park acreage	587	587	587	587	587	587	587	611	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	104	104	104	104
Hike and bike trails - number of miles	5	5	5	5	5	18	22	23	23	23
Number of cemeteries	3	3	3	3	3	3	3	3	3	3
Cemetery acreage	97	97	97	97	97	97	70	70	70	70
Number of libraries	3	3	3	3	3	3	3	3	3	3
Library volumes	226,500	232,748	232,748	248,240	257,833	255,366	242,171	245,810	128,798	147,090
Water system:										
Miles of line	390	393	396	399	403	410	442	453	453	459
Number of connections	20,074	20,354	20,509	20,799	21,102	21,388	21,782	21,587	21,770	21,804
Number of wells	7	8	8	9	9	10	12	12	12	12
Maximum daily capacity (gallons)	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	37,700,000
Wastewater system:										
Miles of line	368	371	374	377	378	378	378	380	380	382
Number of connections	19,269	19,588	19,725	19,943	20,224	20,461	20,839	21,113	21,378	21,460
Number of treatment plants	3	3	3	3	3	3	3	3	3	3
Combined capacity (gallons per day)	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000
Electric system:										
Generating capacity (MW)	240,000	240,000	287,000	287,000	287,000	287,000	234,644	296,000	336,000	337,000
Reserve oil capacity (gallons)	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	1,572,931
Number of substations	9	9	9	9	9	9	9	9	10	11
Number of connections	31,082	32,206	32,264	33,189	33,702	34,678	46,169	47,268	48,014	48,616
Rural Electric system:										
Number of utility connections	11,936	12,352	13,171	13,519	13,978	14,416	14,513	15,116	15,593	16,033
Number of substations	10	10	10	12	12	11	12	12	12	13

Sources: Various City Departments



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