



CITY OF BRYAN

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**CITY OF BRYAN
2019 COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended September 30, 2019

CITY OF BRYAN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2019

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April 20, 2020

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

We are pleased to submit the Comprehensive Annual Financial Report ("CAFR") for the City of Bryan (the "City") for the fiscal year ended September 30, 2019. The purpose of this report is to provide the City Council, management, staff, the public, and other interested parties with detailed information reflecting the City's financial condition. The Texas Local Government Code (§103.001) as well as the Bryan City Charter (Sec. 5(j)(5)) require an annual audit of the City's financial statements. The City has complied with these requirements and the auditor's report is included.

The City's independent auditor, BKD, L.L.P., has issued an unmodified or "clean" opinion on the City of Bryan's financial statements for the year ended September 30, 2019. An unmodified opinion represents the highest level of audit assurance issuable for financial statements. The independent auditor's report is located at the front of the financial section of this report.

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

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

PROFILE OF THE GOVERNMENT

The City of Bryan, incorporated in 1871, is located in east central Texas approximately 100 miles northwest of Houston and approximately 90 miles east of Austin in an area referred to as the Brazos Valley. Bryan serves as the county seat for Brazos County. The City and the City of College Station to the south, which share common borders, are home to the Texas A&M University System. The City encompasses approximately 53.8 square miles and has an estimated population of 85,445.

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 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 annually enacts a budget through passage of an appropriation ordinance prior to the start of each fiscal year. The budget serves as the foundation for the City's financial planning and control. Annual budgets are prepared for all governmental funds including the general fund, debt service fund, and special revenue funds. Annual budgets also are prepared for each enterprise fund, including BTU City, BTU Rural, Water, Wastewater, Solid Waste, Bryan Commerce and Development, Inc., and the Airport.

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

FACTORS AFFECTING FINANCIAL CONDITION

Bryan continued its strong growth trajectory during the fiscal year. Overall, governmental activity revenues in FY 2019 were up 13.0% over the previous year driven by increased capital grants and contributions from development activities and by increases in property taxes and sales taxes. Property tax revenues increased by 8.5% due to new values and increased values for existing property. Sales taxes increased in FY 2019 by 10.8% due to increased retail activity and the oil and gas production market. Business-type activities revenues increased by 1.7% for an overall increase government-wide of 4.3% in FY 2019 over FY 2018 totals. Bryan and 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 65,000, ranks among the nation’s largest university campuses and dominates the financial landscape of the Bryan-College Station area. Additionally, Blinn College, a two year academic institution, has a campus in Bryan with a student enrollment of over 11,000. While not immune from factors that affect the state and national economies, the area is somewhat insulated due to the concentration of stable or growing employment sectors: education, government, and health care. Six 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 the trend continues. As of December 2019, the unemployment rate for the Bryan-College Station area was 2.7%, compared to 3.5% state-wide. This number was unchanged in February 2020, although increases in unemployment levels are expected through 2020 due to the COVID-19 pandemic and subsequent economic down-turn.

MAJOR INITIATIVES

During FY 2019, the Bryan City Council approved a major parks initiative for construction of a regional park and athletic complex, named the Travis Bryan Midtown Park. This regional park will be located at the former Travis B. Bryan Municipal Golf Course and includes the existing Williamson Park and Astin Recreational Area. During FY 2020, the City of Bryan signed a ground lease agreement to bring BigShots Aggieland to the Travis Bryan Midtown Park. This ground lease allows for the construction and operation of a tech-driven, golf-centered entertainment venue that is projected to open in April of 2021. Total investment for the first phase of the park includes \$71 million of City funding including \$59 million in debt funding. The park also will include improved little league baseball fields adjacent to Bombers Stadium along with an amphitheater, walking trails, and an indoor sports facility that will host various sporting events and tournaments. Park plans include improving and expanding the existing lake area of the facility and will include water recreation/sports and walking trails.

Texas A&M University System continued to invest in its RELLIS campus during FY 2019. This campus initiative was established to create a new research and development opportunities to help companies move ideas

CITY OF BRYAN TEXAS

from the laboratory to the marketplace, while also offering a new path toward a college degree. The campus, located on approximately 2,000 acres, will initially include a cluster of seven new buildings and test beds to encourage the private sector to develop secure research facilities adjacent to the System's site. The focus will include robotics, driverless and connected vehicles, advanced manufacturing, large-scale testing, as well as smart power grids and water systems. The RELLIS campus and the surrounding area were annexed by the City of Bryan during FY 2019. Construction on several buildings was completed during FY 2018 and FY 2019, and construction will continue for the next several years. During FY 2019, Texas A&M announced a partnership with the US Army Futures Command that includes a total investment of \$195 million by the State of Texas, Texas A&M University, and the US Army Futures Command. The focal point of this investment is the Bush Combat Development Complex scheduled to be completed by June 2021 on the RELLIS campus. The complex and associated programs will improve the speed of relevance for developing technology, closing the gap between concept and combat.

During the last several years, the City of Bryan has experienced significant growth on its west side as a result of major investments in economic development partnerships and infrastructure improvements. The established Traditions development and growing BioCorridor development have seen growth centered on hospitality and wellness. The City's restated partnership agreements in 2009 with Traditions Acquisition Partnership led to the completion of Traditions Club facilities, and now the establishment of the ATLAS Master Planned Development and Lake Walk Town Center, anchored by the Stella Hotel, a four-star boutique hotel and conference center which opened in March 2017. The construction of the Texas A&M Health Science Center in 2010 and the 2011 adoption of the Research Valley BioCorridor Inter-local Agreement between the cities of Bryan and College Station ultimately turned the international spotlight on Bryan, and enhanced the value of real estate holdings and property values in the City. The total value of taxable property within the Traditions Tax Increment Reinvestment Zone 10 (TIRZ 10) now exceeds \$325 million.

In June 2012, Texas A&M received a contract to develop one of three U.S. Department of Health and Human Services National Centers for Innovation in Advanced Development and Manufacturing. Under the Centers for Innovation in Advanced Development and Manufacturing contract, Texas A&M University System is responsible for developing and procuring medical countermeasures to address the public health and medical consequences of chemical, biological, radiological and nuclear incidents, pandemic influenza, and emerging infectious diseases. The \$285.6 million contract includes an initial investment of \$176.6 million from the U.S. government with the remaining cost-shared by commercial and academic proposal partners. Located within the BioCorridor, the Pandemic Influenza Facility is now complete and began operations under FujiFilm Diosynth in FY 2017. The facility is expected to provide a major economic boost to Bryan and College Station as well as the Brazos Valley for many years to come.

Today, the Traditions, BioCorridor, Lake Walk, and ATLAS developments are evolving rapidly with expanding club facilities, new phases of single family and high-density residential, hospitality, dining, shopping, wellness and corporate offices. A few of these developments include the Stella Hotel, CHI St. Joseph MatureWell Lifestyle Center, Parc at Traditions senior living community, the iBio plant-based therapy and vaccine production facility, and the corporate campus for and ViaSat.

In FY 2016, the City entered into an economic development agreement to extend University Drive East past Boonville Road. The development, known as Oakmont, covers over 400 acres. Plans for the development include 800 single-family homes, retail and restaurants, walking trails, and recreation space for residents. This development looks to bolster economic growth on the east side of the City bringing increased revenues from property and sales taxes. Additionally, commercial development in the area will bring jobs to the area

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both during the construction phase and beyond as new commercial businesses are attracted to the City's east side.

LONG-TERM FINANCIAL PLANNING

The City annually prepares a five-year financial forecast to ensure current revenue and spending commitments are sustainable. The City ended FY 2019 with 112 days of operating cash in the General Fund. In 2015, City Council set a target of 100 days of operating cash. Through careful planning, City Council is helping to ensure the sustained long-term financial health of the City.

In FY 2019, staff developed and received City Council approval on a five-year Capital Improvement Plan ("CIP"). This five year CIP is for long-term and short-term capital needs. Debt payments are structured so that capital assets funded by debt have a longer life than the debt associated with those assets. The City employs an objective, analytical approach to determine whether new debt can be assumed each year. The City Council adopts its CIP every other year. As such, an updated CIP is scheduled to be adopted in FY 2021.

In November 2019, the City of Bryan issued revenue bonds for the City and Rural electric systems totaling \$40.6 million and \$17.3 million, respectively. The proceeds from the sale of the City electric bonds are earmarked for the acquisition and construction of improvements to the system, specifically for transmission assets. The proceeds from the sale of the Rural electric bonds are restricted for the acquisition and construction of improvements to the Rural electric system and will primarily be used for distribution system assets.

In September 2019, the City issued \$4.7 million in General Obligation refunding bonds to refund, along with offering premiums, \$4.9 million of Certificates of Obligation bonds, Series 2009. Savings from these bonds will reduce future interest costs to the City by \$725,405.

The City of Bryan is currently reacting to the COVID-19 pandemic and is anticipating a significant impact of sales tax and hotel tax revenues in FY 2020. The extent of economic impact on the City is dependent on many factors including the continuation of active disease cases in the community, the duration of shelter in place orders, and the phase in of back to work plans. Given that the economic impact may be substantial, the City is making plans to reduce FY2020 and FY2021 operating costs to ensure its continued financial health. The City is confident its operating flexibility, combined with an FY 2019 ending fund balance of 112 days of operating cash, will enable it to react as appropriate to maintain sound financial metrics.

The General Fund and the Hotel/Motel Tax Funds are likely to be most economically impacted by the COVID-19 pandemic, while enterprise funds should be impacted to a lesser degree.

RELEVANT FINANCIAL POLICIES

The City's fund balance/operating reserve policies continue to be an important factor in planning decisions. The City Council has formally adopted City of Bryan Financial Management Policy Statements. These policy statements outline the specific reserve policies for all major funds based on fund risks. The policies state the City will maintain an operating cash balance equal to at least 60 days of operating budget for the general fund and most other funds and at least 90 days of reserves in the City electric fund to be used for unanticipated emergencies. A copy of these policies can be found on the City's website at www.bryantx.gov/fiscal-services. The City Council also set a target operating cash balance of 100 days for the General Fund. The funds available through these policies will assist the City in avoiding cash flow

CITY OF BRYAN TEXAS

interruptions, generate investment income, reduce the need for short term borrowing, and assist in maintaining an investment-grade debt rating.

The City of Bryan invests funds prudently and has adopted an investment policy that is reviewed annually by the City Council as prescribed by law. The City Council has appointed an Investment Committee charged with monitoring staff adherence to the investment policy and providing investment advice. Staff provides a quarterly report of investments for the Investment Committee to review. The City's investment practice is to buy securities and hold to maturity to avoid potential losses from a sale. During FY 2019, the City complied with all aspects of the investment policy.

AWARDS AND ACKNOWLEDGMENTS

In FY 2019, the Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for the FY 2018 Comprehensive Annual Financial Report ("CAFR"). To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The report must satisfy both Generally Accepted Accounting Principles ("GAAP") and applicable legal requirements. City staff believes the current CAFR continues to meet the Certificate of Achievement requirements and it will be submitted to the GFOA to determine eligibility for another certificate. In FY 2019, the City was also awarded the Distinguished Budget Presentation Award from the GFOA for the FY 2019 budget document.

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

Respectfully submitted,



Kean Register
City Manager



Joe Hegwood
Chief Financial Officer



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Government Finance Officers Association

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**City of Bryan
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO



City of Bryan, Texas
City Officials

Elected Officials:

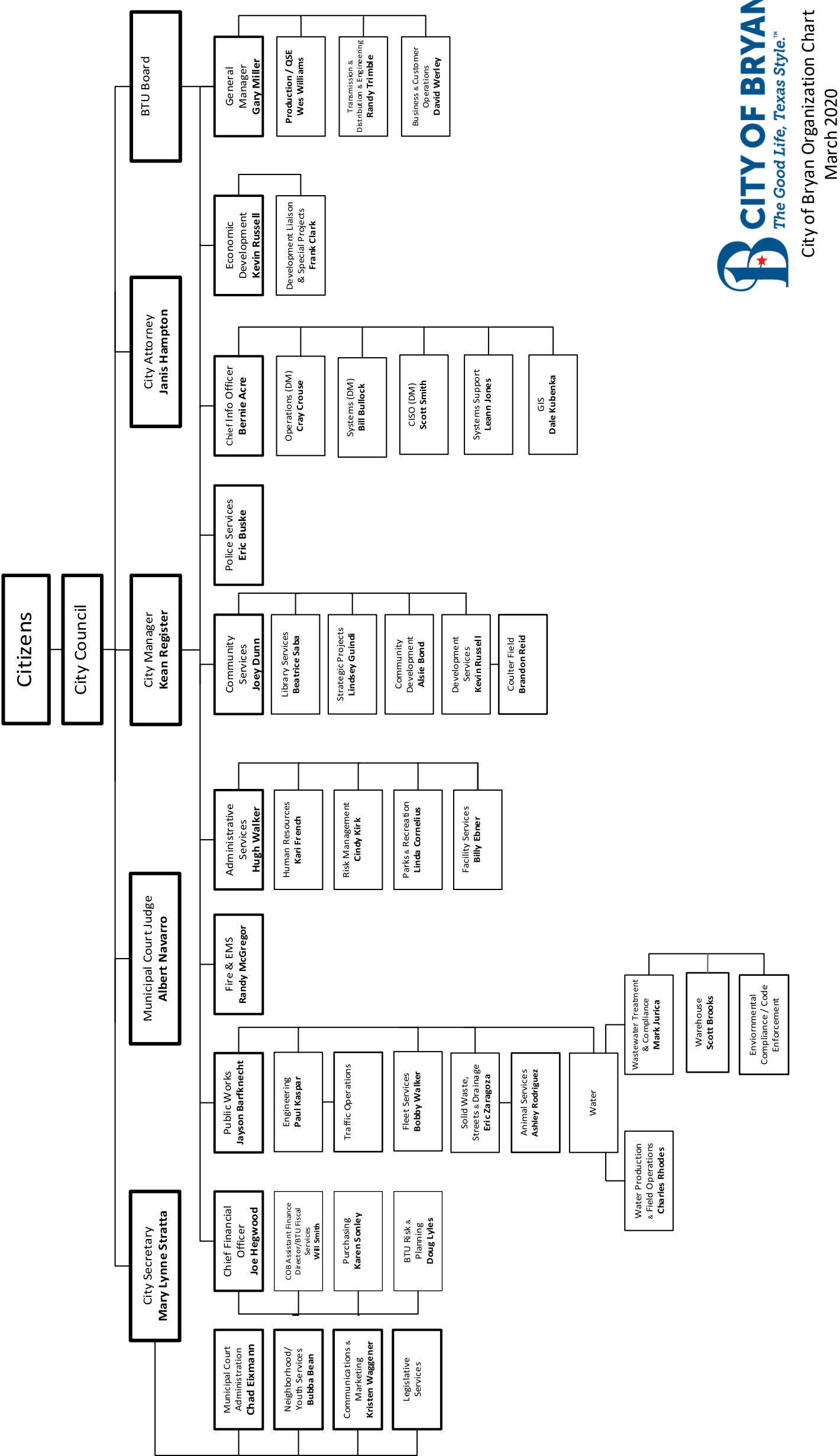
Mayor	Andrew Nelson	979-209-5008
Single Member District 1	Reuben Marin	979-209-5008
Single Member District 2	Prentiss Madison	979-209-5008
Single Member District 3	Greg Owens	979-209-5008
Single Member District 4	Mike Southerland	979-209-5008
Single Member District 5	Brent Hairston	979-209-5008
At-Large	Buppy Simank	979-209-5008

Council Appointees:

City Manager	Kean Register	979-209-5100
City Secretary	Mary Lynne Stratta	979-209-5002
City Attorney	Janis Hampton	979-209-5151
Municipal Court Judge	Albert Navarro	979-209-5400
BTU Board		979-821-5750

Executive Management Team:

Deputy City Manager	Joey Dunn	979-209-5100
Deputy City Manager	Hugh R. Walker	979-209-5100
Chief Financial Officer	Joe Hegwood	979-209-5080
Chief Information Officer	Bernie Acre	979-209-5470
Development Services Director	Kevin Russell	979-209-5016
Public Works Director	Jayson Barfknecht	979-209-5929
Fire Chief	Randy McGregor	979-209-5971
Police Chief	Eric Buske	979-209-5387
BTU General Manager	Gary Miller	979-821-5750





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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Bryan, Texas (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Bryan, Texas and Brazos County Economic Development Foundation, Inc. (BBCEDF), a joint venture of the City, representing \$4,276,637 of the assets and \$90,578 of the expenses of the governmental activities of the City. We did not audit the financial statements of Brazos Valley Solid Waste Management Agency, Inc. (BVSWMA), a joint venture of the City, representing \$18,183,379 of the assets and \$922,137 of the revenues of the business-type activities and aggregate remaining fund information of the City. We did not audit the financial statements of the Bryan Business Council, Inc. (BBC), the discretely presented component unit of the City. The financial statements of BBCEDF, BVSWMA and BBC were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included as equity in joint venture and the discretely presented component unit, are based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of BBCEDF, BVSWMA and BBC were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The 2018 financial statements, before they were restated for the matter discussed in Note 1, were audited by other auditors, and their report thereon, dated March 25, 2019, expressed an unmodified opinion. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and other postemployment benefit information, and the schedule of revenues, expenditures and changes in fund balance budget and actual – general fund as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated April 23, 2020, 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 solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Houston, Texas
April 23, 2020



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City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019

As management of the City of Bryan, Texas (the "City"), we offer readers of the City's financial statements this narrative discussion and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. 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 viii -xii of this report.

Financial Highlights

Government-wide financial statements

- assets exceed liabilities by \$631,417,345 (net position).
- unrestricted net position was \$158,540,077; these funds may be used to meet ongoing obligations to citizens and creditors.
- total net position increased by \$71,036,511 due to operations during FY 2019; see discussion below in the "Government-wide Financial Analysis" section for details on the increase in net position.
- total debt, net of premiums and discounts, increased by \$15,193,042 or 3.7% (see note 5 on page 66 of this document for more information).
 - \$3,150,000 in revenue refunding bonds were issued for the Waterworks and Sewer System in FY 2019. Along with an offering premium, these bonds were used to refund \$3,355,000 of Waterworks and Sewer System revenue bonds, series 2009A.
 - \$4,660,000 in general obligation refunding bonds were issued in FY 2019. Along with an offering premium, these bonds were used to refund \$4,880,000 of certificates of obligation, series 2009.
 - \$40,590,000 in revenue bonds were issued for the City Electric System in FY 2019. The proceeds from the sale of these bonds are restricted to the acquisition or construction of improvements, additions, or extensions of the City Electric System.
 - \$17,320,000 in revenue bonds were issued for the Rural Electric System in FY 2019. The proceeds from the sale of these bonds are restricted to the acquisition or construction of improvements, additions, or extensions of the Rural Electric System.
 - \$52,955,000 in outstanding debt was retired during FY 2019 including the refunding bonds. Of this amount, \$20,975,000 was retired for City Electric revenue bonds associated with Texas Municipal Power Agency ("TMPA") generation. See note 5 on page 66 and note 14 on page 86 of this document for more information.
 - \$25,625,000 of outstanding debt (principal) is due within one year as of September 30, 2019.

Fund Financial Statements

- Total Governmental Funds reported combined ending fund balances of \$62,327,895
 - Governmental fund balances increased in FY 2019 compared to FY 2018 by \$2,319,718. This change in fund balance is attributable to operations and a restatement of the debt service fund balance in order to report deferred inflow of resources related to the Note Receivable from Brazos Valley Solid Waste Management Agency ("BVSWM"). See note 1 on page 43, note 5 on page 66, and note 15 on page 88 of this document for more information. This fund balance restatement is also discussed on page 49 of this document.

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- The general fund balance increased by \$4,586,590. See general fund highlights below on page 32.
- The debt service fund balance decreased by \$773,423 due to operations. The restatement of the fund balance due to the deferred inflow of resources further reduced the fund balance by \$3,180,000 for a net change in fund balance for the debt service fund of \$3,953,423.
- Other governmental funds balances increased by \$1,686,551 and were \$27,390,222 in FY 2019.
- \$24,440,492, or 39.2%, is available for spending at the City's discretion for ongoing expenditures (unassigned fund balance).
- General Fund unassigned fund balance was \$24,466,995, or 32.8% of total general fund expenditures during FY 2019. This represents 112 days of cash. Combined with the amounts assigned for encumbrances, the General Fund fund balance available for operations is \$27,305,326 representing 125 days of cash at September 30, 2019.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities describe services provided by the City and include general government, development services, public works (streets and drainage), public safety, cultural and recreational (parks and recreation, library service and other community service activities) and interest on long-term debt. The business-type activities of the City include electric generation, distribution and

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transmission, water supply and distribution, wastewater collection and treatment, solid waste collection, and a general purpose airport.

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

Bryan Texas Utilities' qualified scheduling entity (BTU QSE Services, Inc.) and Bryan Commerce and Development, Inc. are also legally separate functions, but for all practical purposes operate as departments of the City of Bryan, and therefore have been included as an integral part of the primary government. For reporting purposes, BTU QSE Services, Inc. is combined with the City Electric System. Included in Note 1 of the financial statements are the Condensed Statement of Net Position and Condensed Statement of Revenues, Expenses, and Changes in Net Position for BTU QSE Services, Inc.

The government-wide financial statements can be found on pages 26-28 of this report.

Fund Financial Statements. The fund 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 demonstrate and ensure 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 financial requirements.

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

The City currently maintains twenty-six (26) individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Debt Service Fund, both of which are considered to be major funds (2). Data from thirteen (13) special revenue funds, two (2) capital project funds, and nine (9) permanent funds have been combined into one single, aggregated

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presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Supplementary section of 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 in the Required Supplementary and the Supplementary sections of this report (starting on page 107).

The basic governmental fund financial statements can be found on pages 30-33 of this report.

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

Proprietary funds provide the same types of information as the government-wide financial statements. The proprietary fund financial statements provide separate information in the Proprietary Fund Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows for the city electric, rural electric, water and wastewater systems, all of which are considered major funds of the City. Data from three (3) non-major enterprise funds have been combined into one single, aggregated presentation in the proprietary fund financial statements. All internal service funds are also combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the aggregated proprietary funds and the internal service funds is provided in the form of combining statements in the Supplementary section of this report (starting on page 113).

The basic proprietary fund financial statements can be found on pages 34-39 of this report.

Fiduciary Funds. The City maintains one (1) fiduciary fund, the other post-employment benefits trust fund ("OPEB Fund"). 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 statements can be found on page 40-41 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 43-106 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 and retiree health benefits to its employees. This presentation of the City's

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pension liability is based on the adoption of GASB 68, *Accounting and Financial Reporting for Pensions*. The City's other post-employment benefits ("OPEB") liability is based on the adoption of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions (OPEB)*. Ultimately ten (10) years of data for both the pension liability and the OPEB liability will be displayed in the Required Supplementary section of this report. Also included in the Required Supplementary section is a budgetary comparison schedule for the General Fund to demonstrate compliance with the budget. Required supplementary information can be found on pages 107-112 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 114-148 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$631,417,345 as of September 30, 2019.

The largest portion of the City's net position, \$417,848,629 or 66.2%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure, and improvements), 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 position, \$55,028,639, or 8.7%, represents resources that are subject to external restrictions on their usage. The remaining balance of unrestricted net position, \$158,540,077, or 25.1%, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of FY 2019, the City of Bryan was able to report positive balances in all three categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities.

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	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 86,660,753	\$ 77,065,195	\$ 313,331,753	\$ 223,683,114	\$ 399,992,506	\$ 300,748,309
Capital assets	173,025,064	169,271,168	642,268,677	603,088,411	815,293,741	772,359,579
Total assets	<u>259,685,817</u>	<u>246,336,363</u>	<u>955,600,430</u>	<u>826,771,525</u>	<u>1,215,286,247</u>	<u>1,073,107,888</u>
Deferred outflows	<u>17,038,329</u>	<u>12,017,211</u>	<u>10,656,082</u>	<u>13,186,397</u>	<u>27,694,411</u>	<u>25,203,608</u>
Non-current liabilities	129,969,732	119,206,154	381,838,855	304,173,922	511,808,586	423,380,076
Other liabilities	20,208,911	18,447,672	63,793,588	68,219,774	84,002,499	86,667,446
Total liabilities	<u>150,178,643</u>	<u>137,653,826</u>	<u>445,632,443</u>	<u>372,393,696</u>	<u>595,811,086</u>	<u>510,047,522</u>
Deferred inflows	<u>84,973</u>	<u>9,817,105</u>	<u>15,667,254</u>	<u>18,066,035</u>	<u>15,752,227</u>	<u>27,883,140</u>
Net position:						
Net investment in						
capital assets	86,377,222	93,348,161	331,471,407	317,597,463	417,848,629	410,945,624
Restricted	20,528,578	20,799,558	34,500,061	36,067,616	55,028,639	56,867,174
Unrestricted	<u>19,554,730</u>	<u>(3,265,076)</u>	<u>138,985,347</u>	<u>95,833,112</u>	<u>158,540,077</u>	<u>92,568,036</u>
Total net position	<u>\$ 126,460,530</u>	<u>\$ 110,882,643</u>	<u>\$ 504,956,815</u>	<u>\$ 449,498,191</u>	<u>\$ 631,417,345</u>	<u>\$ 560,380,834</u>

The \$71,036,511, or 12.7%, increase to \$631,417,345 in total net position is due to increases in both governmental activities and business-type activities.

The net position of business type activities increased \$55,458,624 due primarily to the excess of operating revenues over expenses in the City Electric, Rural Electric, Water, Wastewater, and Solid Waste funds.

Net investment in capital assets for both governmental and business type activities increased by \$6,903,005 at September 30, 2019.

Unrestricted net position for governmental activities increased by \$22,819,806 to \$19,554,730 during FY 2019. This increase was mainly due to operations as discussed below.

Unrestricted net position of business-type activities increased by \$43,152,235 to \$138,985,347. This increase was due to operational surpluses in the enterprise funds.

City of Bryan, Texas

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2019

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 8,285,282	\$ 8,622,165	\$ 287,970,810	\$ 288,588,619	\$ 296,256,092	\$ 297,210,784
Operating grants and contributions	3,134,487	2,963,921	-	-	3,134,487	2,963,921
Capital grants and contributions	9,041,299	4,885,776	4,961,213	2,709,437	14,002,512	7,595,213
General revenues:						
Property taxes	37,035,640	34,140,282	-	-	37,035,640	34,140,282
Other taxes	27,888,008	25,639,332	-	-	27,888,008	25,639,332
Other	15,726,022	13,197,102	7,890,887	4,619,649	23,616,909	17,816,751
Total revenues	101,110,738	89,448,578	300,822,910	295,917,705	401,933,647	385,366,283
Expenses:						
General Government	17,828,658	17,843,501	-	-	17,828,658	17,843,501
Development Services	8,063,283	6,077,939	-	-	8,063,283	6,077,939
Public Works Services	15,122,805	17,923,447	-	-	15,122,805	17,923,447
Public Safety	44,658,085	41,229,027	-	-	44,658,085	41,229,027
Cultural and Recreational	11,620,981	12,799,663	-	-	11,620,981	12,799,663
Interest on long-term debt	2,786,148	2,815,131	-	-	2,786,148	2,815,131
City Electric	-	-	160,442,705	170,963,238	160,442,705	170,963,238
Rural Electric	-	-	38,857,150	46,189,436	38,857,150	46,189,436
Water	-	-	11,227,487	11,287,775	11,227,487	11,287,775
Wastewater	-	-	12,017,801	11,566,231	12,017,801	11,566,231
Solid Waste	-	-	7,183,791	7,486,069	7,183,791	7,486,069
Other	-	-	1,088,243	1,089,347	1,088,243	1,089,347
Total expenses	100,079,960	98,688,708	230,817,177	248,582,096	330,897,137	347,270,804
Increase (decrease) in net position before transfers	1,030,778	(9,240,130)	70,005,733	47,335,609	71,036,511	38,095,479
Net Transfers	14,547,109	13,866,017	(14,547,109)	(13,866,017)	-	-
Increase (decrease) in net position	15,577,887	4,625,887	55,458,624	33,469,592	71,036,511	38,095,479
Net position - October 1	110,882,643	106,256,756	449,498,191	416,028,599	560,380,834	522,285,355
Net position - September 30	\$ 126,460,530	\$ 110,882,643	\$ 504,956,815	\$ 449,498,191	\$ 631,417,345	\$ 560,380,834

Governmental Activities. Total governmental activities revenues increased in FY 2019 from FY 2018 by \$11,662,160 or 13.0% to \$101,110,738. Several factors contributed to this increase in FY 2019. Capital grants and contributions increased by \$4,155,523, or 85.1%, due to an increase in aid-in-construction ("AIC") and contributed capital from multiple development projects. Property tax revenues increased by \$2,895,358, or 8.5%. Other taxes, mostly driven by sales taxes, increased \$2,248,676, or 8.8%. This increase is mainly due to sales tax revenue increases in manufacturing, professional services, finance and rentals, wholesale goods, hotels and food services, and oil and gas production activities. During FY 2019, other revenues (including transportation and drainage assessments, investment earnings, and miscellaneous items) increased in total by \$2,528,920, or 19.2%.

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 on debt (see note 4 for capital assets of the governmental activities and note 5 for long term debt) and allocates expenses of internal service activities to all related parties. Governmental activities expenses increased modestly in FY 2019 compared to FY 2018 by \$1,391,252 to \$100,079,960. The major changes in this category were:

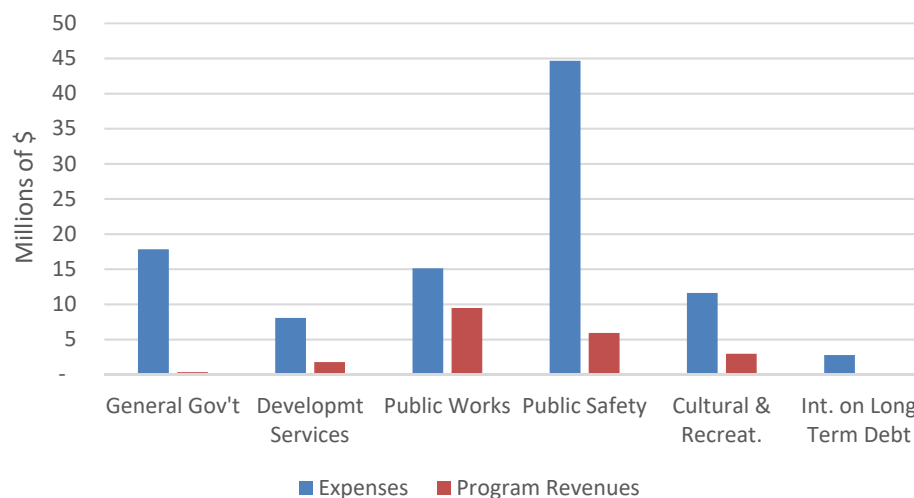
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- Development services expenses increased \$1,985,344, or 32.7%, in FY 2019 compared to FY 2018. This increase was primarily due to the infrastructure contributions of \$1,950,000 made by the City based on a development agreement in TIRZ #10 (see note 26 on page 98 for more information).
- Public safety expenses increased \$3,429,058, or 8.3%, in FY 2019 compared to FY 2018. Increases were primarily due to increases in police and fire personnel expenses due to increased staffing levels and annual step increases for sworn civil-service personnel. Contractual services also increased for public safety due to upgrades to body-worn cameras and other contractual services.
- Offsetting the increases discussed above were decreases in public works services, cultural and recreational activities, and general government activities. Public works services expenses decreased \$2,800,642, or 15.6%, in FY 2019 compared to FY 2018. During FY 2018 more streets and drainage projects were completed than during FY 2019 accounting for this decrease. Cultural and recreational activities saw fewer large scale projects in FY 2019 as compared to FY 2018 accounting for the decrease in that category.

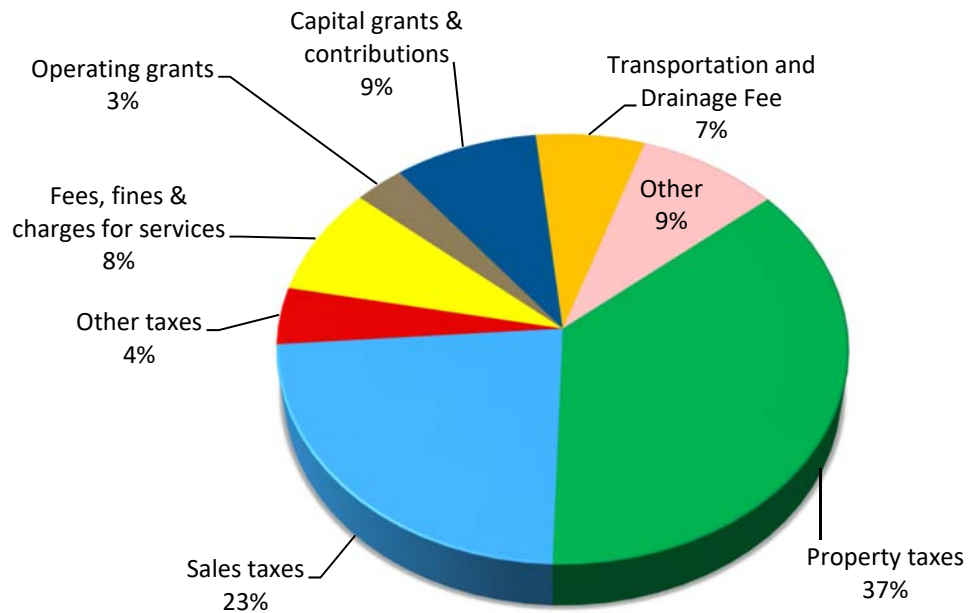
Expenses and Program Revenues - Governmental Activities



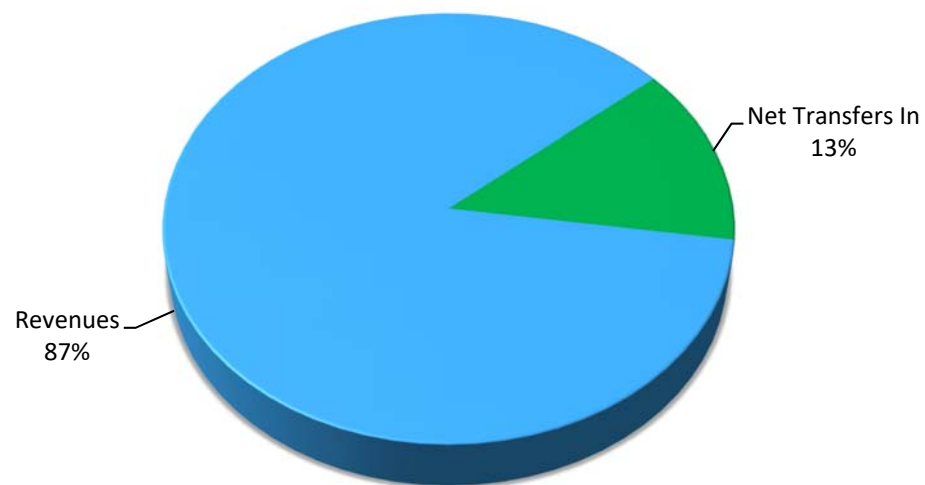
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Revenues by Source - Governmental Activities



All Governmental Resources



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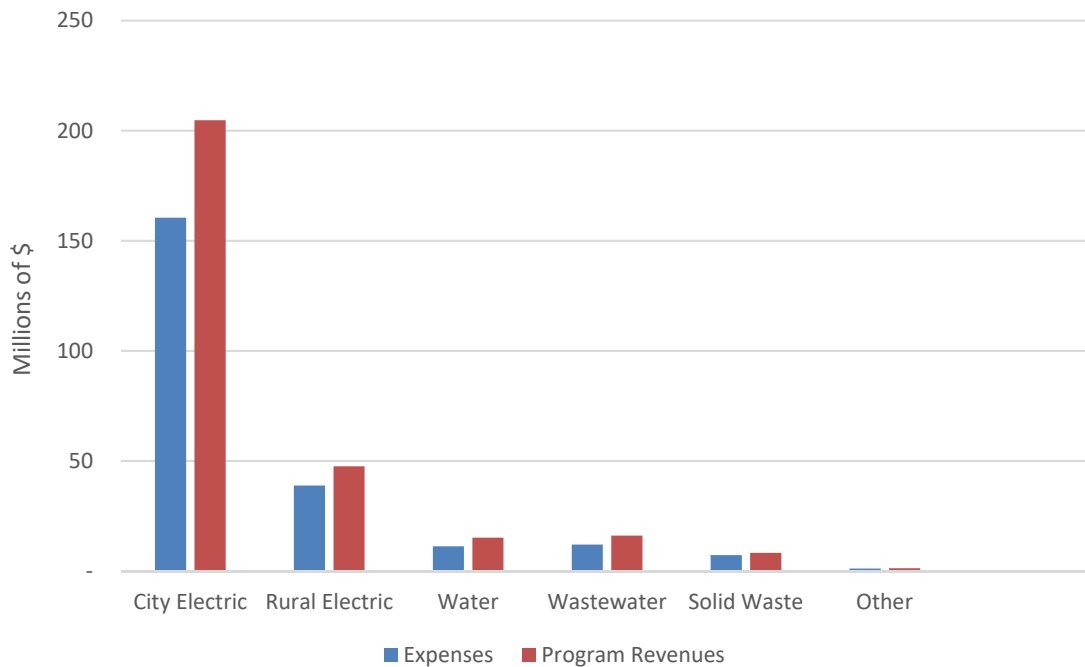
Business-type Activities. Business-type activities net position increased by \$55,458,624, or 12.3%, to \$504,956,815 in FY 2019. Charges for services for business-type activities decreased slightly by \$617,809, or less than 1.0%, to \$287,970,810, while expenses decreased \$17,764,919, or 7.1%, to \$230,817,177. Key elements of the variances are as follows:

- Ending net position for the city electric system was \$240,933,043, of which \$102,288,131 was available to meet ongoing obligations. City electric system charges for services increased by \$5,664,266, or 2.8%. This increase in revenue was driven by retail customer growth, increased off-system fuel revenue due to increased market energy and ancillary sales, and an operating capital refund from Texas Municipal Power Agency (see note x on page x). These increases were offset by decreases in rural system wholesale due to reduced base and fuel rates. Expenses for the city electric system decreased \$10,520,533, or 6.2%, in FY 2019. This decrease is primarily attributable to decreased demand charges from Texas Municipal Power Agency ("TMPA"). During FY 2018, TMPA ceased generation activities at the Gibbons Creek power plant which resulted in the reduction of demand charges for the member cities. See note 14 on page 86 for more information.
- The ending net position for the rural electric system was \$69,131,180, of which \$17,225,606 is available for ongoing obligations. Rural electric system charges for services decreased by \$1,395,604, or 2.9%, mostly due to lower fuel and regulatory rate charges to customers. This decrease was due to a 6.2% fuel rate reduction for the rural system that was implemented during FY 2018. Rural electric expenses decreased by \$7,332,186, or 15.8% due largely to a reduction of the wholesale base rate charged to the rural system by the city system related to lower power supply costs from TMPA. This was partially offset by interest expense increases due to the issuance of revenue bonds for the rural electric system (see note 5).
- Water system ending net position for FY 2019 was \$74,329,241. The unrestricted portion of this net position was \$4,479,777. Water system charges for services decreased \$912,919, or 6.5%, in FY 2019 to \$13,101,114 primarily due to higher than expected rainfall in the fall and spring of FY 2019. Water system expenses decreased by \$60,288, or less than 1.0%, in FY 2019.
- FY 2019 ending net position for the wastewater system was \$80,980,958, of which \$8,463,577 was unrestricted. Wastewater system charges for services decreased by \$221,169 or 1.7%. Expenses for FY 2019 were \$12,017,801, an increase from FY 2018 of \$451,570 or 3.9%. This increase is due to expenses related to system maintenance.
- Other business-type activities, considered non-major business-type activities, include solid waste services, a general aviation airport, and Bryan Commerce and Development, Inc. ("BCD"). Charges for services and revenues for other business-type activities decreased by \$3,752,383, or 28.4%, to \$8,272,034 for FY 2019. This decrease is related to BCD revenues in FY 2019 compared to FY 2018. During FY 2018 BCD received proceeds from property sales of \$4,184,740. There were fewer property proceeds during FY 2019, accounting for this decrease in revenues. See note 1 on page 43 for more information on BCD.

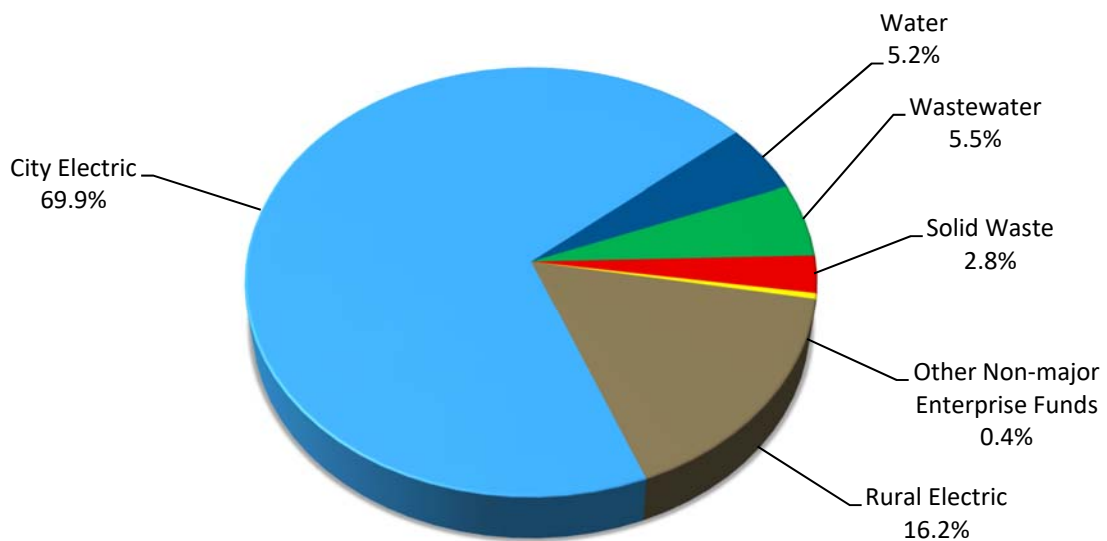
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Expenses and Program Revenues - Business Type Activities



Revenues by Source - Business-Type Activities



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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. Fund financial statements can be found starting on page 116 of this report.

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

General Fund. The General Fund is the primary governmental fund of the City of Bryan. The fund balance of the General Fund increased by \$4,586,590 during FY 2019 compared to an increase of \$512,785 in FY 2018. Revenues of the fund increased \$5,251,443 and expenditures increased by \$800,578 during FY 2019. Expenditures were in excess of revenues by \$10,661,611. FY 2019 net transfers totaled \$14,851,137. Increases in expenditures in FY 2019 are primarily for public safety and general government and administration. These increases were offset by decreases in cultural and recreational, public works, and development services. More detailed General Fund budgetary highlights are discussed below under the "General Fund Budgetary Highlights" section. Some items to note in the General Fund are:

- Property tax revenues to the General Fund increased by \$2,508,744, or 11.3%, to \$24,769,761 due to new properties and an increase in property values on existing property. Additionally, the Debt Service Fund requirement for debt service decreased from FY 2018 to FY 2019 which resulted in a higher proportion of the tax rate to be allocated to the General Fund.
- Sales tax revenues increased by \$2,290,061, or 10.8%, due to continued increases in oil and gas production activities. Other notable categories showing increases during FY 2019 were wholesale, manufacturing, professional services, construction, and hotels and food services.
- Capital outlay decreased in FY 2019 by \$800,551, or 17.5%, primarily due to decreases in vehicle purchases for public safety.
- Cultural and recreational expenses decreased by \$791,544, or 8.4%, primarily due to lower maintenance and supplies.
- Public safety non capital expenditures increased in FY 2019 by \$2,907,945, or 7.6%. This was mainly due to salaries and benefits increasing by \$2,842,634. Increases in salary and benefits are due to merit pool increases as well as the additions of three (3) police personnel and salary increases and overtime for fire personnel.
- General governmental and administration expenditures increased \$2,235,160, or 13.1%, primarily due to the consolidation of the information technology personnel previously accounted for in the city electric system. This increase accounts for \$2,037,666 in FY 2019.

Debt Service Fund. The Debt Service Fund balance as of September 30, 2018 was restated to report deferred inflow of resources related to the Note Receivable from BVSWMMA (see note 5 on page 66 and note 14 on page 86). The following table provides a reconciliation of fund balance as of September 30, 2018, as previously reported, to fund balance as of September 30, 2018, as restated:

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	Debt Service Fund
Fund balance, beginning of period - as previously reported	\$ 5,827,239
Note receivable - BVSWMA	(3,180,000)
Fund balance, beginning of period - as restated	\$ 2,647,239

The Debt Service Fund ended the fiscal year with a total fund balance of \$1,873,816 compared to \$5,827,239 at the end of FY 2018. This decrease is primarily due to the restatement as discussed above. This fund balance is restricted for the payment of debt. Tax revenues in the Debt Service Fund decreased by \$106,513, or 1.4%, to \$7,776,083. As mentioned above, the debt service requirements of the fund decreased and lower property tax revenues were required to service the debt. As a result, a lower proportion of the tax rate was allocated to the Debt Service Fund. Debt service payments from the fund totaled \$10,783,455. Debt issuance costs for FY 2019 were \$74,520. Additional debt service is supported by transfers from TIRZ 10, TIRZ 19, and TIRZ 22 of \$1,929,487.

Other Governmental Funds. The Other Governmental Funds include the Special Revenue Funds, Capital Project Funds, and Permanent Funds. The total fund balance in Other Governmental Funds increased in FY 2019 compared to FY 2018 by \$1,686,551, or 6.6% to \$27,390,222. This is primarily due to increases in interest earnings, property tax revenues, and increased grant revenue.

Special Revenue Funds. The City's special revenue funds include the Grant Fund, Community Development fund, Hotel and Motel Tax fund, the Oil and Gas Fund, the Capital Reserve Fund, the Sidewalks fund, the Court Technology fund, Tax Increment Reinvestment Zones (TIRZ), and two special assessment funds (Street and Drainage Improvement Funds). The fund balances in the special revenue funds increased by \$2,794,486, or 15.6%, in FY 2019.

- The Community Development Fund provides programs and services to low and moderate income persons. Revenues for the fund were \$1,172,720 and were primarily from grants. The most significant expense is \$1,167,496 spent on the various housing programs funded by state, local, and federal grants.
- Hotel Tax Revenues, including interest income, for FY 2019 were \$1,919,489. Expenditures total \$1,554,733. These funds primarily go to fund outside agencies who promote the hotel and tourism industries in Bryan, TX and the surrounding area including the city of College Station, TX.
- The Oil and Gas fund was established to account for revenues associated with oil and gas property taxes and lease and royalty payments to the City. Revenues for FY 2019 were \$754,988 made up primarily of property tax revenues and royalty payments. The ending fund balance for FY 2019 was \$1,943,392. There were no expenditures in this fund during FY 2019.
- The Capital Reserve fund was established to account for one-time revenues, specifically land sales in the Traditions development. These one-time revenues should be used for one-time expenditures per the establishing ordinance. During FY 2019 there were no transfers for land sales. Revenues from investment earnings were \$106,287. There were no expenditures in FY 2019. Total ending fund balance for FY 2019 is \$3,535,201.
- The Street Improvement Fund expenditures total \$4,501,155 on street maintenance and capital projects. The ending fund balance for FY 2019 was \$7,538,322, which is an increase from FY 2018 of \$1,247,588. Fund balance in this fund is committed for street improvement projects.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019

- The Drainage Improvement Fund expenditures totaled \$1,268,126 in FY 2019 on drainage projects throughout the City. Ending fund balance was \$3,496,567, which is committed or encumbered for drainage projects.

Capital Projects Funds. During FY 2019, there were no new debt issuances for the City. The capital projects funds are made up of the Series 2016 Certificates of Obligation fund and the Series 2018 Certificates of Obligation fund. Total revenues for the funds were \$365,456 including interest earnings and capital contributions from developers ("aid-in-construction payments"). Total expenditures for FY 2019 were \$1,556,726. The fund balance in the funds is \$5,470,389, a decrease of \$1,191,270 from FY 2018. The fund balance is restricted for capital projects.

Permanent Funds. Expenditures from the permanent funds come from spendable revenue generated by non-spendable donations in the form of interest earnings. In FY 2019 there were no expenses from the permanent funds. The fund balance increased by \$83,335 to \$1,177,736 due to investment earnings of \$34,723 and contributions of \$48,612. Non-spendable ending fund balances totaled \$1,099,907 for FY 2019. Spendable ending fund balances restricted for cemeteries was \$80,468 and spendable ending fund balances for libraries was \$4,517. These spendable fund balances are restricted to their stated purposes.

Proprietary Funds. The City of Bryan's Proprietary Funds are used to track the enterprise and internal service activities of the City. Detailed information regarding these activities is captured in the Business-Type activities in the Government Wide financial statements and is discussed above.

General Fund Budgetary Highlights

General Fund revenues are mainly derived from taxes, charges for services, fines, and grants. Other miscellaneous, non-operating revenues are derived from items such as one time sales of capital assets and other items. Property taxes in the General Fund are derived from the maintenance and operations portion of the tax rate ("M&O rate"). The M&O rate in effect during FY 2019 was \$0.478708 per \$100 of valuation. The adopted tax rate for FY 2019 was \$0.629990 per \$100 of valuation. The remainder of the tax rate is used to fund the City's debt service and is called the interest and sinking fund rate ("I&S rate"). The I&S rate for FY 2019 was \$0.151282 per \$100 of valuation.

Total General Fund revenues for FY 2019 were \$63,900,077 and were \$3,929,696, or 6.6%, over budget and \$5,251,443, or 9.0%, more than revenues in FY 2018. Tax revenues for the General Fund include property tax, sales tax, franchise tax, bingo tax, and alcoholic beverage tax. General Fund tax revenues were 79.6% of total General Fund revenues in FY 2019 and totaled \$50,859,078. Items to note regarding General Fund tax revenues for FY 2019 are:

- FY 2019 General Fund property tax revenues were \$24,769,761 and \$204,479, or 0.8%, below budget. Property tax revenues for FY 2019 were \$2,508,744, or 11.3%, above FY 2018 totals.
- Sales taxes were \$23,580,209 and \$2,000,209, or 9.3%, above budget in FY 2019. Compared to FY 2018 revenues, FY 2019 sales taxes were up by \$2,290,061, or 10.8%.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019

Charges for services in the General Fund include ambulance charges, recreational charges, health and public safety fees, and other miscellaneous charges. Charges for services make up 9.2% of General Fund total revenues in FY 2019. Some notable items in this category are:

- Ambulance charges in FY 2019 were \$2,379,021 and \$21,521, or 0.9%, over budget.
- Revenues for recreational activities were \$1,764,236 and \$21,776, or 1.2%, under budget in FY 2019.
- Health and public safety revenues were \$1,417,616 and \$346,270, or 32.3%, over budget for FY 2018. The City of Bryan provides ambulance services for Brazos County on a contractual basis. The revenues for this contract were higher than budgeted for FY 2019.

Other categories of note for General Fund revenues include fines and court charges, licenses and permits, grants, investment earnings, and other revenues. Items to note in these categories are as follows:

- Fines and court charges of \$1,590,251 were \$55,039, or 3.3%, under budget in FY 2019 and slightly above FY 2018 total by \$43,471, or 2.5%.
- Licenses and permit revenues for FY 2019 were \$764,522 and were \$41,043, or 5.1%, under budget. Totals for this category in FY 2019 were \$211,823, or 21.7%, below FY 2018 totals. Residential and commercial permits decreased during FY 2019 compared to FY 2018 as construction returns to historical levels.
- Other revenues of \$2,470,980 were \$897,765, or 57.1% over budget during FY 2019 and were \$299,465, or 13.8%, above FY 2018 revenues. During FY 2019 the City collected revenues from the Texas Ambulance Supplemental Payment Program which is a federally funded program that provides supplemental, partial payment for unpaid ambulance transports. These funds are unbudgeted every year as the continuation of this federally funded program is uncertain.

Total General Fund operating expenditures are broken down into major categories in the accompanying required supplementary section of the report beginning on page 111. General fund activities are broken down into the following main categories:

- General Government and Administrative – This category includes Executive, City Secretary, Legal Services, Fiscal Services, Information Technology, Human Resources, and other administrative departments that serve the City.
- Development Services – This category includes Planning, Engineering, Building, and Special Projects.
- Public Works Services – Includes Drainage and Streets and Traffic Operations.
- Public Safety – Police, Fire and EMS, the Municipal Court, and the City of Bryan Animal Center/Control are included in this category.
- Cultural and Recreational – Includes the golf course, parks and recreation services, and the libraries.
- Other General Fund activities include capital expenditures, administrative reimbursements, and transfers in and out.

General Fund expenditures, including capital purchases, for the year totaled \$74,561,688 and were \$2,343,291, or 3.0%, under budget. Compared to FY 2018, expenditures were up by \$800,578, or 1.1%,

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019

during FY 2019. Increases in General Fund spending vs. FY 2018 were attributable to the consolidation of IT staff in the General Fund and salary and benefits increases in public safety. These increases were offset by decreases in capital projects and administrative reimbursements from the enterprise funds.

Total general government and administrative expenditures were \$19,262,481 and were \$1,588,937, or 7.6%, under budget for FY 2019. This category makes up 25.8% of total FY 2019 General Fund expenditures. Some notable budget variances in this category are as follows:

- Payments to other agencies were under budget by \$811,695, or 19.0%, due to unearned development and economic development incentives. Additionally, budgeted funds were not needed to fund the Bryan Brazos County Economic Development Foundation ("BBCEDF"). The BBCEDF was funded through its own fund balance surpluses during FY 2019.
- As discussed above, information technology expenditures increased by \$2,619,075, or 77.3%, compared to FY 2018 totals. This was due to the consolidation of IT staffing and costs into the General Fund department. These functions were historically split between the General Fund and the electric utility. These costs are shared across City departments through the administrative reimbursement process. Administrative reimbursements in FY 2019 were \$5,934,384. This is an increase of \$2,582,988, or 77.0%, compared to FY 2018. The consolidation of the IT functions and subsequent allocations of these costs account for the increases in this category.

Development services finished FY 2019 below budget by \$1,019,034, or 20.9%. Expenditure totals in this category were \$3,856,481 and made up 5.2% of total General Fund expenditures for FY 2019. Notable budget variances in this category include engineering which was \$754,873 or 38.8%, under budget for FY 2019. This variance is primarily due to staff vacancies and the timing of contractual services associated with capital projects. Planning was under budget by \$143,451, or 6.4%, due to anticipated expenses associated with annexations that were not realized.

Public Works services total expenditures for FY 2019 were \$3,801,853 and made up 5.1% of total General Fund expenditures for the year. Overall Public Works was \$110,793, or 3.0%, over budget due to mowing costs that exceeded budget estimates.

Public Safety expenditures for FY 2019 were \$41,183,383 and were \$394,938, or 1.0% over budget for the year. Compared to FY 2018, expenditures were \$2,907,945, or 7.6% higher. This increase was due to overtime for fire services and salary increases for civil-service employees in both police and fire. Public safety accounts for 55.2% of all General Fund expenditures in FY 2019.

Cultural and recreational services expenditures for FY 2019 total \$8,620,116 and were \$261,024, or 3.1%, over budget for the year. Expenditures in this category were \$791,544, or 8.4% below FY 2018 spending levels. This decrease is due primarily to fewer major parks projects in FY 2019 compared to FY 2018. Additionally, budgeted funds for the park improvement plan decreased in FY 2019 compared to FY 2018.

Capital expenditures for the General Fund were \$3,771,758 and were \$502,075, or 11.7%, under budget for FY 2019. This budget variance was due to a delay in fleet vehicle purchases and the timing of capital projects.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019

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, 2019 was \$815,293,741 (net of accumulated depreciation), an increase of \$42,934,162 or 5.6%. This investment in capital assets includes land, park facilities, buildings and system improvements, machinery and equipment, street and drainage systems, and construction in progress.

Capital Assets for FY 2019 included the following:

City of Bryan's Capital Assets*						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 13,064,618	\$ 12,379,528	\$ 21,610,334	\$ 16,950,842	\$ 34,674,952	\$ 29,330,370
Buildings	28,657,291	29,633,690	18,366,295	19,303,435	47,023,586	48,937,125
Equipment	9,097,795	9,609,941	4,683,872	5,684,164	13,781,667	15,294,105
Improvements	13,813,254	13,451,189	534,248,356	533,732,372	548,061,610	547,183,561
Infrastructure	103,757,319	86,391,541	-	-	103,757,319	86,391,541
Construction in Progress	4,634,787	17,805,279	63,114,042	27,285,091	67,748,829	45,090,370
Retirement in Progress	-	-	245,778	132,507	245,778	132,507
Total	<u>\$ 173,025,064</u>	<u>\$ 169,271,168</u>	<u>\$ 642,268,677</u>	<u>\$ 603,088,411</u>	<u>\$ 815,293,741</u>	<u>\$ 772,359,579</u>

*Note: Net of accumulated depreciation. See Note 4.

Additional information on the City's capital assets can be found in note 4 to the financial statements on pages 64-65 of this report.

Long-term Debt. At the end of FY 2019, the City of Bryan had total debt outstanding of \$420,711,686 net of premiums and discounts. Of this amount, \$121,215,000 (general obligation bonds and certificates of obligation net of premiums and discounts) comprises debt backed by the full faith and credit of the City. The remainder of the City's debt is secured by specified revenue sources (revenue bonds).

Outstanding Debt at Year End Bonds and Notes Payable						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bond	\$ 40,400,817	\$ 41,616,822	\$ 9,714,183	\$ 11,113,178	\$ 50,115,000	\$ 52,730,000
Revenue bonds	-	-	269,805,000	245,190,000	269,805,000	245,190,000
Certificates of obligation	33,290,000	40,245,000	37,810,000	40,090,000	71,100,000	80,335,000
Premium (discount)	2,049,364	1,968,768	27,642,322	25,294,876	29,691,686	27,263,644
Total, net	<u>\$ 75,740,181</u>	<u>\$ 83,830,590</u>	<u>\$ 344,971,505</u>	<u>\$ 321,688,054</u>	<u>\$ 420,711,686</u>	<u>\$ 405,518,644</u>

During FY 2019, the City's total debt increased by \$15,193,042 or 3.7%. The City issued a total of \$4,981,429 (net of premiums) as general obligation refunding bonds. The city and rural electric systems

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019

issued \$61,854,436 (net of premiums) in revenue bonds. The waterworks and sewer system issued \$3,356,256 (net of premiums) in refunding revenue bonds. Total debt issues for the City total, net of premiums, \$70,192,121. The City retired or refunded \$54,999,079 (net of all premium or discounts) of outstanding debt.

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

	Moody's <u>Investors Service</u>	Standard & Poor's	<u>Fitch</u>
General Obligation Bonds	Aa2	AA	NR
Certificates of Obligation	Aa2	AA	NR
Revenue Bonds - Waterworks and Sewer	Aa2	AA	NR
Revenue Bonds - City Electric	NR	A+	AA-
Revenue Bonds - Rural Electric	NR	AA-	AA-

In November 2018 Standard and Poor's upgraded BTU Rural Electric's bond rating from A+ to AA-. At the same time, Fitch upgraded both BTU City and Rural Electric from A+ to AA-.

Additional information on the City's long-term debt can be found in note 5 to the financial statements on pages 66-70 of this report.

Economic Factors and Next Year's Budgets and Rates

Bryan continued its strong growth trajectory during FY 2019, realizing increases in property values and increases in sales tax revenues which positively impacted the City's governmental funds. Bryan and neighboring College Station are the economic center of the region comprised of Brazos County and the surrounding seven counties. 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: higher education, government and health care. Six of the top ten employers in the area fall into these classifications.

Ad valorem property taxes comprised approximately 38.7% of General Fund revenues in FY 2019. FY 2020 budgeted General Fund property tax revenues projected an increase of 6.4% from FY 2019 bolstered by continued growth in Bryan and the surrounding area. Lower debt service requirements in the Debt Service Fund led to a higher M&O rate which also increased General Fund revenues. FY 2020 sales tax revenue is budgeted to decrease by 0.5% when compared to FY 2019 actual sales tax revenue due to exceptionally strong sale taxes in FY 2019. FY2019 sales tax revenues exceeded FY 2018 by 10.8%.

The City of Bryan is currently reacting to the COVID-19 pandemic and is anticipating a significant impact of sales tax and hotel tax revenues in FY 2020. The extent of economic impact on the City is dependent on many factors including the continuation of active disease cases in the community, the duration of shelter in place orders and the phase in of back to work plans. Given that the economic impact may be substantial, the City is making plans to reduce FY2020 and FY2021 operating costs to ensure its continued

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019

financial health. The City is confident that its operating flexibility, combined with a FY 2019 ending fund balance of 112 days of operating cash will enable it to react as appropriate to maintain sound financial metrics.

The General Fund and the Hotel/Motel Tax Funds are likely to be most economically impacted by the COVID-19 pandemic, while enterprise funds should be impacted to a lesser degree.

Revenues for the entire electric system for FY 2020 are budgeted to be \$246,659,600, which is an increase of \$7,952,892, or less than 3.3%, in FY 2020 versus the FY 2019 adopted budget. FY 2020 budgeted electric expenditures are projected to be \$234,280,800, which is a decrease of \$11,230,981 or 4.6% from the FY 2019 budget. This decrease in expenditures is primarily due to decreases in debt service payments due to BTU's final TMPA generation related debt which was paid in FY 2019.

Revenues budgeted for the Water Fund for FY 2020 are \$13,770,100, and are \$210,238, or 1.6%, higher than FY 2019 budgeted revenues. Total expenditures for the Water Fund, including debt service and capital expenditures, are budgeted to increase by \$79,550, or less than 1.0%.

The Wastewater Fund budget for FY 2020 projects revenues of \$13,619,100, which is \$24,367, or less than 1.0% higher than the FY 2019 budget. Budgeted expenditures for FY 2020 are \$17,726,300 which is \$541,354 or 3.2% above the FY 2019 budget. This increase is attributable to higher debt service requirements and operations.

Projected revenues for FY 2020 in the Solid Waste fund are \$8,512,300 and are \$156,331, or 1.9%, higher than the FY 2019 budget. The FY 2020 budgeted expenditures are projected to be \$8,553,100, which is an increase of \$197,497, or 2.4% from the FY 2019 budget. This increase is due to the planned purchase of solid waste vehicles.

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 Financial 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 Position
 As of September 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 3,942,467	\$ 10,534,406	\$ 14,476,873	\$ 704,974
Investments	62,186,137	116,738,305	178,924,442	4,455,692
Receivables:				
Accounts	9,929,075	30,802,047	40,731,122	-
Less allowance for uncollectible	(7,004,657)	(642,908)	(7,647,565)	-
Notes receivable	265,000	-	265,000	-
Property taxes	1,288,201	-	1,288,201	-
Less allowance for uncollectible	(1,085,949)	-	(1,085,949)	-
Sales taxes	4,094,831	-	4,094,831	-
Grants	543,014	-	543,014	-
Interest	104,268	258,495	362,763	-
Internal balances	2,392,044	(2,392,044)	-	-
Inventories	221,076	1,727,729	1,948,805	-
Under-recovered regulatory fee	-	817,286	817,286	-
Prepaid and other assets	57,935	1,632,846	1,690,781	6,371
Total current assets	<u>76,933,442</u>	<u>159,476,162</u>	<u>236,409,604</u>	<u>5,167,037</u>
Noncurrent assets:				
Receivables:				
Notes receivable	4,423,999	-	4,423,999	-
Less allowance for uncollectible - Notes	(50,589)	-	(50,589)	-
TPMA decommissioning	-	26,856,688	26,856,688	-
Restricted assets:				
Cash and cash equivalents	-	3,862,405	3,862,405	-
Investments	1,077,264	104,953,119	106,030,383	-
Investment in BVSWMMA	-	18,183,379	18,183,379	-
Investment in Economic Development Foundation	4,276,637	-	4,276,637	-
Capital assets:				
Land	13,064,618	21,610,334	34,674,952	2,157,754
Buildings	47,170,005	22,837,105	70,007,110	194,499
Improvements other than buildings	42,515,963	863,156,886	905,672,849	11,748
Machinery and equipment	38,944,486	17,583,915	56,528,401	-
Infrastructure	224,481,389	-	224,481,389	-
Construction in progress	4,634,787	63,114,042	67,748,829	-
Retirement in progress	-	245,778	245,778	-
Less accumulated depreciation	(197,786,184)	(346,279,383)	(544,065,567)	(134,850)
Total capital assets	<u>173,025,064</u>	<u>642,268,677</u>	<u>815,293,741</u>	<u>2,229,151</u>
Total noncurrent assets	<u>182,752,375</u>	<u>796,124,268</u>	<u>978,876,643</u>	<u>2,229,151</u>
Total assets	<u>\$ 259,685,817</u>	<u>\$ 955,600,430</u>	<u>\$ 1,215,286,247</u>	<u>\$ 7,396,188</u>
<u>Deferred outflows</u>				
Accumulated decrease in fair value of of hedging derivatives	-	883,111	883,111	-
Pensions	14,934,677	8,289,311	23,223,988	-
Other post-employment benefits (OPEB)	1,043,705	562,347	1,606,052	-
Unamortized loss on refunded debt	1,059,947	921,313	1,981,260	-
Total deferred outflows	<u>\$ 17,038,329</u>	<u>\$ 10,656,082</u>	<u>\$ 27,694,411</u>	<u>\$ -</u>

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 4,849,525	\$ 18,123,870	\$ 22,973,395	\$ 7,384
Accrued liabilities and retainage	2,045,594	1,398,577	3,444,171	7,539
Claims	2,125,522	-	2,125,522	-
Accrued vacation and sick pay	2,003,185	1,291,560	3,294,745	-
Unearned revenue	182,676	266,466	449,142	-
Derivative financial instruments	-	790,658	790,658	-
Accrued interest	295,872	3,678	299,550	-
TMPA decommissioning (current portion)	-	1,864,507	1,864,507	-
Payable from restricted assets:				
Accrued liabilities	-	682,353	682,353	-
Accrued interest	-	3,153,374	3,153,374	-
Over recovered fuel	-	11,112,163	11,112,163	-
Bonds payable, net	8,554,169	18,847,208	27,401,377	-
Notes Payable	-	-	-	1,606,294
Customer deposits	152,368	6,259,174	6,411,542	-
Total current liabilities	20,208,911	63,793,588	84,002,499	1,621,217
Noncurrent liabilities:				
Bonds payable, net	67,186,012	326,124,297	393,310,309	-
Claims	602,128	-	602,128	-
Derivative financial instruments	-	92,453	92,453	-
Net pension liability (NPL)	43,801,414	24,272,235	68,073,649	-
TMPA decommissioning	-	24,992,181	24,992,181	-
Net other post employment benefits liability (OPEB)	10,529,309	5,645,833	16,175,142	-
Accrued vacation and sick pay	7,850,869	711,856	8,562,725	-
Total noncurrent liabilities	129,969,732	381,838,855	511,808,586	-
Total liabilities	150,178,643	445,632,443	595,811,086	1,621,217
<u>Deferred Inflows</u>				
Pensions	84,973	89,825	174,798	-
Deferred regulatory liability	-	15,577,429	15,577,429	-
Total deferred inflows	\$ 84,973	\$ 15,667,254	\$ 15,752,227	\$ -
<u>Net Position</u>				
Net investment in capital assets	86,377,222	331,471,407	417,848,629	2,229,151
Restricted for:				
BVSWMA, Inc.	-	18,183,379	18,183,379	-
Economic Development Foundation	4,276,637	-	4,276,637	-
Debt retirement	-	8,107,586	8,107,586	-
Debt service	4,803,080	5,939,563	10,742,643	-
Perpetual care:				
Expendable	84,985	-	84,985	-
Nonexpendable	1,099,907	-	1,099,907	-
Rate stabilization	-	1,715,497	1,715,497	-
Collateral deposits	-	554,036	554,036	-
Noncurrent notes receivable	3,193,616	-	3,193,616	-
Tax abatements	1,527,988	-	1,527,988	-
Police activities	117,996	-	117,996	-
Court activities	325,092	-	325,092	-
Record preservation	37,626	-	37,626	-
TIRZ Development	1,267,824	-	1,267,824	-
Hotel/Motel	2,781,618	-	2,781,618	-
Other purposes	1,012,209	-	1,012,209	-
Unrestricted	19,554,730	138,985,347	158,540,077	3,545,820
Total net position	\$ 126,460,530	\$ 504,956,815	\$ 631,417,345	\$ 5,774,971

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, 2019

Functions/Programs	Net Revenue (Expense) and Changes in Net Position						
	Program Revenues			Primary Government		Component Unit	
	Expenses	Fees, Fines and Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government and administration	\$ 17,828,658	\$ 334,778	\$ -	\$ -	\$ (17,493,880)	\$ -	\$ (17,493,880)
Development services	8,063,283	764,522	1,021,487	-	(6,277,274)	-	(6,277,274)
Public works services	15,122,805	-	424,523	9,041,299	(5,656,983)	-	(5,656,983)
Public safety	44,658,085	5,421,746	499,033	-	(38,737,306)	-	(38,737,306)
Cultural and recreational	11,620,981	1,764,236	1,189,444	-	(8,667,301)	-	(8,667,301)
Interest on long-term debt	2,786,148	-	-	-	(2,786,148)	-	(2,786,148)
Total governmental activities	100,079,960	8,285,282	3,134,487	9,041,299	(79,618,892)	-	(79,618,892)
Business-type activities:							
City electric	160,442,705	204,747,110	-	-	-	44,304,405	44,304,405
Rural electric	38,857,150	47,539,897	-	-	-	8,682,747	8,682,747
Water	11,227,487	13,101,114	-	2,005,624	-	3,879,251	3,879,251
Wastewater	12,017,801	13,122,328	-	2,955,589	-	4,060,116	4,060,116
Solid waste	7,183,791	8,213,304	-	-	-	1,029,513	1,029,513
Other nonmajor enterprise funds	1,088,243	1,247,057	-	-	-	158,814	158,814
Total business-type activities	230,817,177	287,970,810	-	4,961,213	-	62,114,846	62,114,846
Total primary government	\$ 330,897,137	\$ 296,256,092	\$ 3,134,487	\$ 14,002,512	\$ (79,618,892)	\$ 62,114,846	\$ (17,504,046)
Component unit:							
Bryan Business Council, Inc.	\$ 206,869	\$ -	\$ 343,754	\$ -	\$ -	\$ -	\$ 136,885
General revenues:							
Property taxes					\$ 37,035,640	\$ -	\$ 37,035,640
Sales taxes					23,580,209	-	23,580,209
Franchise taxes					2,081,194	-	2,081,194
Alcoholic beverage taxes					186,568	-	186,568
Bingo taxes					241,346	-	241,346
Hotel occupancy taxes					1,798,691	-	1,798,691
Transportation and drainage assessments					6,847,716	-	6,847,716
Unrestricted investment earnings					2,134,759	6,634,033	8,768,792
Miscellaneous					6,743,547	1,256,854	8,000,401
Transfers (net)					14,547,109	(14,547,109)	-
Total general revenues and transfers					95,196,779	(6,656,222)	88,540,557
Change in net position					15,577,887	55,458,624	71,036,511
Net position, October 1, 2018					110,882,643	449,498,191	560,380,834
Net position, September 30, 2019					\$ 126,460,530	\$ 504,956,815	\$ 631,417,345
							\$ 2,311,748
							2,311,748
							2,448,633
							3,326,338
							\$ 5,774,971

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



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CITY OF BRYAN, TEXAS

Balance Sheet

Governmental Funds

As of September 30, 2019

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 2,783,221	\$ 50,954	\$ 853,380	\$ 3,687,555
Investments	28,879,285	1,615,876	27,062,824	57,557,985
Receivables:				
Accounts	9,097,786	-	711,983	9,809,769
Less allowance for uncollectible	(6,953,030)	-	(51,627)	(7,004,657)
Property taxes	938,284	349,917	-	1,288,201
Less allowance for uncollectible	(784,599)	(301,350)	-	(1,085,949)
Sales taxes	4,094,831	-	-	4,094,831
Grants	-	-	543,014	543,014
Interest	47,575	2,643	44,780	94,998
Notes receivable	13,616	3,180,000	1,495,383	4,688,999
Less allowance for uncollectible - Notes	-	-	(50,589)	(50,589)
Due from other funds	418,461	200,912	136,408	755,781
Prepaid and other assets	55,810	-	2,125	57,935
Total assets	<u>\$ 38,591,240</u>	<u>\$ 5,098,952</u>	<u>\$ 30,747,681</u>	<u>\$ 74,437,873</u>
<u>Liabilities, Deferred Inflows, and Fund Balances</u>				
Liabilities:				
Accounts payable	3,032,190	-	1,439,471	4,471,661
Accrued liabilities	1,912,846	-	14,344	1,927,190
Retainage payable	61,202	-	178,727	239,929
Due to other funds	226,406	-	97,447	323,853
Customer deposits	152,368	-	-	152,368
Total liabilities	<u>5,385,012</u>	<u>-</u>	<u>1,729,989</u>	<u>7,115,001</u>
Deferred inflows:				
Deferred property taxes	142,371	45,136	-	187,507
Deferred notes receivable	-	3,180,000	1,444,794	4,624,794
Other deferred revenue - Sidewalks	-	-	182,676	182,676
Total deferred inflows	<u>142,371</u>	<u>3,225,136</u>	<u>1,627,470</u>	<u>4,994,977</u>
Fund balances (deficits):				
Nonspendable	120,963	-	1,102,032	1,222,995
Restricted	2,755,245	1,873,816	9,791,305	14,420,366
Committed	2,882,323	-	16,523,388	19,405,711
Assigned	2,838,331	-	-	2,838,331
Unassigned	24,466,995	-	(26,503)	24,440,492
Total fund balances	<u>33,063,857</u>	<u>1,873,816</u>	<u>27,390,222</u>	<u>62,327,895</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 38,591,240</u>	<u>\$ 5,098,952</u>	<u>\$ 30,747,681</u>	<u>\$ 74,437,873</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 Position

As of September 30, 2019

Total fund balances - governmental funds	\$ 62,327,895
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. (Includes net capital assets of the Internal service funds in the amount of \$78,145).	173,025,064
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	4,974,206
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The City's equity in the Economic Development Foundation is included in the Statement of Net Position but is not included at the fund level.	4,276,637
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Internal service funds are used by management to charge the costs of risk management, employee health insurance benefits and central warehousing to individual funds. The assets and liabilities of the internal service funds related to governmental activities are included in the governmental activities in the statement of net position. (Net of amount allocated to business-type activities of (\$1,958,881) and net capital assets in the amount of \$78,145).	5,048,719
--	-----------

Interest payable on long-term debt does not require current financial resources, and therefore, is not reported as a liability in the governmental funds balance sheet.	(295,872)
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Long-term liabilities and related deferred outflows and inflows including bonds payable, net pension liability, net OPEB liability 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	\$ 40,400,817	
Certificates of obligation payable	33,290,000	
Deferred amount on refunding and premium charges on debt	989,416	
Net Pension Liability	43,801,414	
Net other post employment benefits liability	10,529,309	
Deferred amounts on OPEB (net)	(1,043,705)	
Deferred amounts on pensions (net)	(14,849,704)	
Accrued vacation and sick leave (Net of internal service fund liability in the amount of \$75,483)	9,778,571	(122,896,118)

Net position of governmental activities	<u>\$ 126,460,530</u>
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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, 2019

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 24,769,761	\$ 7,776,083	\$ 4,453,131	\$ 36,998,975
Sales taxes	23,580,209	-	-	23,580,209
Franchise taxes	2,081,194	-	-	2,081,194
Alcoholic beverage taxes	186,568	-	-	186,568
Bingo taxes	241,346	-	-	241,346
Hotel occupancy taxes	-	-	1,798,691	1,798,691
Transportation and drainage assessments	-	-	6,847,716	6,847,716
Charges for services	5,895,651	-	-	5,895,651
Fines and court charges	1,590,251	-	34,858	1,625,109
Licenses and permits	764,522	-	-	764,522
Grants	1,368,160	-	1,766,327	3,134,487
Investment earnings	951,435	147,657	865,244	1,964,336
Other	2,470,980	141,431	991,828	3,604,239
Total revenues	<u>63,900,077</u>	<u>8,065,171</u>	<u>16,757,795</u>	<u>88,723,043</u>
Expenditures:				
Current:				
General government and administration	19,262,481	-	-	19,262,481
Development services	3,856,481	-	3,369,869	7,226,350
Public works services	3,801,853	-	3,912,501	7,714,354
Public safety	41,183,383	-	246,356	41,429,739
Cultural and recreational	8,620,116	-	1,591,925	10,212,041
Administrative reimbursement	(5,934,384)	-	-	(5,934,384)
Capital outlay	3,771,758	-	3,465,219	7,236,977
Debt service:				
Bond and principal retirement	-	7,951,005	-	7,951,005
Interest and fiscal charges	-	2,832,450	-	2,832,450
Debt issuance costs	-	74,520	-	74,520
Total expenditures	<u>74,561,688</u>	<u>10,857,975</u>	<u>12,585,870</u>	<u>98,005,533</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(10,661,611)</u>	<u>(2,792,804)</u>	<u>4,171,925</u>	<u>(9,282,490)</u>
Other financing sources (uses):				
Sales of capital assets	397,064	-	-	397,064
Transfers in	15,736,811	1,929,487	-	17,666,298
Transfers out	(885,674)	-	(2,485,374)	(3,371,048)
Refunding bonds issued	-	4,660,000	-	4,660,000
Premium on refunding bonds	-	321,429	-	321,429
Payment to refunded bond escrow agent	-	(4,891,535)	-	(4,891,535)
Total other financing sources (uses)	<u>15,248,201</u>	<u>2,019,381</u>	<u>(2,485,374)</u>	<u>14,782,208</u>
Net change in fund balances	4,586,590	(773,423)	1,686,551	5,499,718
Fund balances, October 1, 2018, as previously reported	28,477,267	5,827,239	25,703,671	60,008,177
Prior Period Adjustment-Notes Receivable (See note 1)	-	(3,180,000)	-	(3,180,000)
Fund Balance, October 1, 2018 as restated	-	2,647,239	-	56,828,177
Fund balances, September 30, 2019	<u>\$ 33,063,857</u>	<u>\$ 1,873,816</u>	<u>\$ 27,390,222</u>	<u>\$ 62,327,895</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, 2019

Net change in fund balances - total governmental funds \$ 5,499,718

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. 7,236,977

The City's investment in the Economic Development Foundation is reported at the government-wide level but not at the fund level. (90,578)

The net effect of various transactions involving capital assets (i.e., sales and contributions) is to increase net position. 9,041,299

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. (12,497,490)

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 position. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items is detailed below:

General obligation refunding bonds issued	(4,660,000)
Payment to refunded bond escrow agent	4,891,535
Premium and deferred loss amount on refunding bond	(321,429)
Debt principal repayments	7,951,005

Some expenses and revenues 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. (3,735,861)

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. (120,822)

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. 187,507

Some notes receivable will not be collected for several months after the City's fiscal year end, and are not considered "available" revenues in the governmental funds. 1,444,794

Some revenues reported in the governmental funds were earned in prior periods; and therefore, are not reported in the government-wide statement of activities. (150,842)

Internal service funds are used by management to charge the costs of risk management, employee health insurance benefits and central warehousing to individual funds. The net revenue of the internal service funds related to governmental activities is reported with governmental activities (net of amount allocated to business-type activities of (\$203,210). 902,074

Change in net position of governmental activities. \$ 15,577,887

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

CITY OF BRYAN, TEXAS
Statement of Net Position
Proprietary Funds
As of September 30, 2019

	Business-type Activities - Enterprise Funds						Governmental Activities
	Enterprise Funds						
	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	
<u>Assets</u>							
Current assets:							
Cash and cash equivalents	\$ 6,310,258	\$ 3,369,017	\$ 200,080	\$ 318,036	\$ 337,015	\$ 10,534,406	\$ 254,912
Investments	75,853,416	13,770,952	6,344,123	10,085,655	10,684,159	116,738,305	5,705,416
Accounts receivable	21,422,088	5,323,475	2,048,030	1,332,867	675,587	30,802,047	119,306
Less allowance for uncollectible	(376,655)	(84,618)	(62,499)	(68,291)	(50,845)	(642,908)	-
Grants receivable	-	-	-	-	-	-	-
Interest receivable	212,841	-	10,708	17,607	17,339	258,495	9,270
Inventories	1,238,721	-	443,013	-	45,995	1,727,729	221,076
Due from other funds	3,446,103	-	560,778	342,585	195,068	4,544,534	1,407
Under-recovered regulatory fee	523,068	294,218	-	-	-	817,286	-
Prepaid and other assets	1,632,196	-	-	-	650	1,632,846	-
Total current assets	110,262,036	22,673,044	9,544,233	12,028,459	11,904,968	166,412,740	6,311,387
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	554,036	-	2,375,137	931,618	1,614	3,862,405	-
Investments	85,845,789	17,234,122	1,001,026	821,032	51,150	104,953,119	-
Investment in BVSWMA	-	-	-	-	18,183,379	18,183,379	-
Capital assets:							
Land	6,031,481	115,524	3,426,293	1,921,184	10,115,852	21,610,334	-
Buildings	-	-	308,930	19,868,088	2,660,087	22,837,105	23,420
Equipment	-	-	3,294,787	4,857,575	9,431,553	17,583,915	114,453
Improvements other than buildings	485,937,536	121,576,795	131,263,563	120,224,139	4,154,853	863,156,886	188,658
Construction in progress	49,308,355	8,423,729	2,360,606	3,021,352	-	63,114,042	-
Retirement in progress	245,778	-	-	-	-	245,778	-
Less accumulated depreciation	(189,981,369)	(38,272,287)	(50,653,309)	(56,908,878)	(10,463,540)	(346,279,383)	(248,386)
Total capital assets (net of accumulated depreciation)	351,541,781	91,843,761	90,000,870	92,983,460	15,898,805	642,268,677	78,145
TMPPA decommissioning	26,856,688	-	-	-	-	26,856,688	-
Total noncurrent assets	464,798,294	109,077,883	93,377,033	94,736,110	34,134,948	796,124,268	78,145
Total assets	\$ 575,060,330	\$ 131,750,927	\$ 102,921,266	\$ 106,764,569	\$ 46,039,916	\$ 962,537,008	\$ 6,389,532
Deferred outflows							
Accumulated decrease in fair value of hedging derivatives	883,111	-	-	-	-	883,111	-
Pensions	5,957,240	-	686,904	815,459	829,708	8,289,311	-
Other post employment benefits	344,387	-	62,488	72,858	82,614	562,347	15,812
Unamortized loss on refunded debt	-	-	598,910	322,403	-	921,313	-
Total deferred outflows	\$ 7,184,738	\$ -	\$ 1,348,302	\$ 1,210,720	\$ 912,322	\$ 10,656,082	\$ 15,812

CITY OF BRYAN, TEXAS
Statement of Net Position
Proprietary Funds
As of September 30, 2019

	Business-type Activities - Enterprise Funds						Governmental Activities	
	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
<u>Liabilities</u>								
Current liabilities:								
Accounts payable	\$ 14,845,466	\$ 2,566,900	\$ 87,101	\$ 138,902	\$ 485,501	\$ 18,123,870	\$ 237,129	
Accrued liabilities	691,228	129,666	343,832	85,945	147,906	1,398,577	19,210	
Claims payable	-	-	-	-	-	-	2,125,522	
Due to other funds	1,357,894	3,438,992	-	20,137	160,675	4,977,698	171	
Unearned revenue	-	-	-	266,466	-	266,466	-	
Derivative financial instruments - current portion	790,658	-	-	-	-	790,658	-	
Accrued interest	-	-	-	-	3,678	3,678	-	
Accrued vacation and sick pay	886,622	-	134,650	144,405	125,883	1,291,560	20,380	
TMPPA decommissioning - current portion	1,864,507	-	-	-	-	1,864,507	-	
Current liabilities payable from restricted assets:								
Accrued liabilities	-	-	441,702	240,651	-	682,353	-	
Accrued interest	2,434,701	383,392	198,280	137,001	-	3,153,374	-	
Over-recovered fuel cost	8,053,948	3,058,215	-	-	-	11,112,163	-	
Bonds payable, net	10,928,469	1,594,437	3,072,061	3,197,038	55,203	18,847,208	-	
Customer deposits	4,709,623	1,534,246	-	-	15,305	6,259,174	-	
Total current liabilities	46,563,116	12,705,848	4,277,626	4,230,545	994,151	68,771,286	2,402,413	
Noncurrent liabilities:								
Bonds payable, net	245,608,708	37,131,169	22,911,548	19,447,263	1,025,609	326,124,297	-	
Claims payable	-	-	-	-	-	-	602,128	
Derivative financial instruments	92,453	-	-	-	-	92,453	-	
TMPPA decommissioning	24,992,181	-	-	-	-	24,992,181	-	
Net pension liability (NPL)	17,466,601	-	1,969,182	2,421,380	2,415,072	24,272,235	-	
Net other post employment benefit liability (OPEB)	3,423,775	-	637,050	742,776	842,232	5,645,833	161,278	
Accrued vacation and sick pay	306,351	-	134,920	144,695	125,890	711,856	55,103	
Total noncurrent liabilities	291,890,069	37,131,169	25,652,700	22,756,114	4,408,803	381,838,855	818,508	
Total liabilities	338,453,185	49,837,017	29,930,326	26,986,659	5,402,954	450,610,141	3,220,921	
<u>Deferred Inflows</u>								
Pensions	64,141	-	10,001	7,672	8,011	89,825	-	
Deferred regulatory liability	2,794,699	12,782,730	-	-	-	15,577,429	-	
Total deferred inflows	\$ 2,858,840	\$ 12,782,730	\$ 10,001	\$ 7,672	\$ 8,011	\$ 15,667,254	\$ -	
<u>Net Position</u>								
Net investment in capital assets	126,152,078	51,233,746	68,460,335	70,764,731	14,860,517	331,471,407	78,145	
Restricted for:								
BVSWMA	-	-	-	-	18,183,379	18,183,379	-	
Debt reserve	8,107,586	-	-	-	-	8,107,586	-	
Debt service	2,115,715	671,828	1,389,130	1,752,650	10,240	5,939,563	-	
Rate stabilization	1,715,497	-	-	-	-	1,715,497	-	
Collateral deposits	554,036	-	-	-	-	554,036	-	
Unrestricted	102,288,131	17,225,606	4,479,776	8,463,577	8,487,137	140,944,227	3,106,278	
Total net position	\$ 240,933,043	\$ 69,131,180	\$ 74,329,241	\$ 80,980,958	\$ 41,541,273	\$ 506,915,695	\$ 3,184,423	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.								
Net position of business-type activities					(1,958,880)			
					\$ 504,956,815			

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

CITY OF BRYAN, TEXAS
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds						Governmental Activities
	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:							
Electrical system	\$ 202,865,738	\$ 47,539,897	\$ -	\$ -	\$ -	\$ 250,405,635	\$ -
Water system	-	-	13,101,114	-	-	13,101,114	-
Wastewater system	-	-	-	13,122,328	-	13,122,328	-
Solid waste	-	-	-	-	8,213,304	8,213,304	-
Other	1,881,372	-	-	-	1,247,057	3,128,429	14,252,693
Total operating revenues	<u>204,747,110</u>	<u>47,539,897</u>	<u>13,101,114</u>	<u>13,122,328</u>	<u>9,460,361</u>	<u>287,970,810</u>	<u>14,252,693</u>
Operating expenses:							
Personnel services	12,317,512	742,588	2,701,163	3,373,382	3,470,207	22,604,852	881,987
Electric operations	104,908,962	31,550,469	-	-	-	136,459,431	-
Maintenance	3,705,615	1,498,169	1,020,558	926,271	536,816	7,687,429	1,930
Claims	-	-	-	-	-	-	11,653,204
Other services and charges	3,639,121	-	2,013,460	1,378,178	1,741,022	8,771,781	3,124,268
Other expenses	2,455,081	-	223,188	401,428	679,080	3,758,777	75,088
General and administrative	1,938,435	179,625	524,125	618,113	613,478	3,873,776	-
Total operating expenses	<u>128,964,726</u>	<u>33,970,851</u>	<u>6,482,494</u>	<u>6,697,372</u>	<u>7,040,603</u>	<u>183,156,046</u>	<u>15,736,477</u>
before depreciation and amortization	75,782,384	13,569,046	6,618,620	6,424,956	2,419,758	104,814,764	(1,483,784)
Operating income (loss) before depreciation and amortization	21,629,268	3,310,698	3,753,436	4,583,967	1,186,227	34,463,596	10,091
Depreciation and amortization	54,153,116	10,258,348	2,865,184	1,840,989	1,233,531	70,351,168	(1,493,875)
Operating income (loss)							
Nonoperating revenues (expenses):							
Investment earnings	4,909,309	740,837	293,258	380,993	309,636	6,634,033	170,423
Interest expense	(9,724,116)	(1,575,601)	(966,992)	(700,070)	(27,545)	(12,994,324)	-
Distributive share of BVSWMA net income	-	-	-	-	922,137	922,137	-
Other	-	-	94,298	92,780	147,638	334,716	1,767,806
Total nonoperating revenues (expenses)	<u>(4,814,807)</u>	<u>(834,764)</u>	<u>(579,436)</u>	<u>(226,297)</u>	<u>1,351,866</u>	<u>(5,103,438)</u>	<u>1,938,229</u>
Income (loss) before contributions and transfers	49,338,309	9,423,584	2,285,748	1,614,692	2,585,397	65,247,730	444,354
Capital contributions	-	-	2,005,624	2,955,589	-	4,961,213	-
Transfers in	1,774,062	-	35,307	295,933	212,664	2,317,966	351,859
Transfers out	(13,350,658)	-	(1,215,252)	(1,161,125)	(1,138,040)	(16,865,075)	(100,000)
Change in net position	<u>37,761,713</u>	<u>9,423,584</u>	<u>3,111,427</u>	<u>3,705,089</u>	<u>1,660,021</u>	<u>55,661,834</u>	<u>696,213</u>
Net position, October 1, 2018	203,171,330	59,707,596	71,217,814	77,275,869	39,881,252		2,488,210
Net position, September 30, 2019	<u>\$ 240,933,043</u>	<u>\$ 69,131,180</u>	<u>\$ 74,329,241</u>	<u>\$ 80,980,958</u>	<u>\$ 41,541,273</u>	<u>(203,210)</u>	<u>\$ 3,184,423</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							
Change in net position of business-type activities.							<u>\$ 55,458,624</u>

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



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CITY OF BRYAN, TEXAS

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds							Governmental Activities
	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
Cash flows from operating activities:								
Receipts from customers and users	\$ 204,073,010	\$ 48,241,386	\$ 12,678,456	\$ 13,089,321	\$ 9,380,549	\$ 287,462,722	\$ 4,657,265	
Receipts for interfund services provided	-	-	-	-	-	-	11,237,118	
Payments to suppliers	(110,100,569)	(34,128,838)	(3,067,058)	(2,565,076)	(2,465,178)	(152,326,719)	(16,525,795)	
Payments to employees	(10,760,134)	(766,971)	(2,912,731)	(3,150,137)	(3,246,483)	(20,836,456)	(727,569)	
Other receipts	-	-	-	-	-	-	1,767,631	
Payments for interfund services used	-	-	(524,125)	(618,113)	(613,478)	(1,755,716)	-	
Net cash provided (used) by operating activities	83,212,307	13,345,577	6,174,542	6,755,995	3,055,410	112,543,831	408,650	
Cash flows from noncapital financing activities:								
Transfers in	1,774,062	-	35,307	295,933	212,664	2,317,966	351,859	
Transfers out	(13,350,658)	-	(1,215,252)	(1,161,125)	(1,138,040)	(16,865,075)	(100,000)	
Net cash provided (used) by noncapital financing activities	(11,576,596)	-	(1,179,945)	(865,192)	(925,376)	(14,547,109)	251,859	
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	(32,676,251)	(18,286,797)	(5,336,670)	(4,535,849)	(868,100)	(61,703,667)	-	
Proceeds from sale of assets	-	-	-	13,619	98,912	112,531	-	
Proceeds from capital debt	43,859,965	17,994,471	-	-	-	61,854,436	-	
Bond issuance costs	(513,812)	(294,471)	-	-	-	(808,283)	-	
Principal paid on outstanding bonds	(29,810,000)	(1,045,000)	(3,041,008)	(2,825,557)	(47,431)	(36,768,956)	-	
Interest paid on bonds, contractual obligations, and notes	(10,589,968)	(1,170,792)	(931,939)	(572,136)	(27,545)	(13,292,380)	-	
Net cash provided (used) by capital and related financing activities	(29,730,066)	(2,802,589)	(9,309,617)	(7,919,923)	(844,164)	(50,606,359)	-	
Cash flows from investing activities:								
Purchase of investment securities	(244,141,063)	(47,799,780)	(4,295,072)	(7,959,438)	(8,490,530)	(312,685,883)	(4,508,352)	
Sale of investment securities	180,379,789	30,304,968	6,574,759	7,519,333	5,727,121	230,505,970	3,054,076	
Interest on investments	1,480,973	149,236	325,097	412,609	329,812	2,697,727	181,158	
Net cash provided (used) by investing activities	(62,280,301)	(17,345,576)	2,604,784	(27,496)	(2,433,597)	(79,482,186)	(1,273,118)	
Net increase (decrease) in cash and cash equivalents	(20,374,656)	(6,802,588)	(1,710,236)	(2,056,616)	(1,147,727)	(32,091,823)	(612,609)	
Cash and cash equivalents, October 1, 2018	27,238,950	10,171,605	4,285,453	3,306,270	1,486,356	46,488,634	867,521	
Cash and cash equivalents, September 30, 2019	\$ 6,864,294	\$ 3,369,017	\$ 2,575,217	\$ 1,249,654	\$ 338,629	\$ 14,396,811	\$ 254,912	

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

CITY OF BRYAN, TEXAS

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds						Governmental Activities
	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 54,153,116	\$ 10,258,348	\$ 2,865,184	\$ 1,840,989	\$ 1,233,531	\$ 70,351,168	\$ (1,493,875)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities							
Depreciation and amortization	21,629,268	3,310,698	3,753,436	4,583,967	1,186,227	34,463,596	10,091
Bad debts	120,896	23,790	-	-	-	144,686	-
Loss on disposal of assets	168,400	419,361	-	-	-	587,761	-
Other revenue	-	-	-	-	-	-	1,767,806
Change in assets and liabilities:							
Change in accounts receivable	(4,603,420)	(309,758)	(272,168)	40,954	(25,362)	(5,169,754)	193,885
Change in inventory	3,998,942	-	(12,210)	-	(24,125)	3,962,607	15,832
Change in due from other funds	2,378,605	-	(150,490)	(73,961)	(33,219)	2,120,935	(1,119)
Change in over (under) recovered fuel	3,648,692	(501,142)	-	-	-	3,147,550	-
Change in over (under) recovered regulatory fee	(523,068)	976,795	-	-	-	453,727	-
Change in prepaid and other assets	(605,168)	-	-	-	-	(605,168)	-
Deferred outflows/inflows of resources - pensions	(5,620,988)	-	-	-	-	(5,620,988)	-
Deferred outflows/inflows of resources - OPEB	(85,899)	-	-	-	-	(85,899)	-
Change in accounts payable	985,616	1,536,019	381,762	79,080	331,214	3,313,691	(42,700)
Change in accrued liabilities	291,844	(24,383)	(173,138)	58,870	19,727	172,920	3,162
Change in other liabilities	-	-	-	-	2,124	2,124	-
Change in customer deposits	280,627	34,454	-	-	120	315,201	-
Change in due to other funds	22,423	(2,378,605)	-	20,137	160,675	(2,175,370)	(899)
Change in claims payable	-	-	-	-	-	-	(194,789)
Change in accrued vacation and sick pay	-	-	20,942	28,065	24,270	73,277	5,790
Change in OPEB and NPL	6,972,421	-	(238,776)	177,894	180,228	7,091,767	145,466
Net cash provided by operating activities	\$ 83,212,307	\$ 13,345,577	\$ 6,174,542	\$ 6,755,995	\$ 3,055,410	\$ 112,543,831	\$ 408,650
Reconciliation of total cash and cash equivalents:							
Current assets - cash and cash equivalents	\$ 6,310,258	\$ 3,369,017	\$ 200,080	\$ 318,036	\$ 337,015	\$ 10,534,406	\$ 254,912
Restricted assets - cash and cash equivalents	554,036	-	2,375,137	931,618	1,614	3,862,405	-
Total cash and cash equivalents	\$ 6,864,294	\$ 3,369,017	\$ 2,575,217	\$ 1,249,654	\$ 338,629	\$ 14,396,811	\$ 254,912
Noncash Investing, Capital and Financing Activities							
Capital asset acquisitions included in accounts payable	\$ 4,581,836	\$ 255,745	\$ 800	\$ 341	\$ 319,022	\$ 5,157,744	\$ -
Capital asset contributions	-	-	2,005,624	2,955,589	-	4,961,213	-

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

CITY OF BRYAN, TEXAS
Statement of Fiduciary Net Position
OPEB Trust
As of December 31, 2018

<u>Assets</u>	
Cash and cash equivalents	\$ 1,090,337
Total assets	<u>\$ 1,090,337</u>
<u>Liabilities</u>	
Accounts payable	\$ -
Total liabilities	<u>-</u>
Net position restricted for OPEB	<u>\$ 1,090,337</u>

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

CITY OF BRYAN, TEXAS

Statement of Changes in Fiduciary Net Position

OPEB Trust

For Plan year Ended December 31, 2018

Additions

Contributions

Employer contributions

\$ 1,578,262

Investment income (loss)

(46,639)

Interest

1,531,623

Total additions

Deductions

Expenses

Benefit payments

1,078,262

Administration

4,565

Total deductions

1,082,827

Net Increase

448,796

Net position restricted for OPEB January 1, 2018

641,541

Net position restricted for OPEB December 31, 2018

\$ 1,090,337

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



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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

Blended component units

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

Bryan Commerce and Development Incorporated (“BCD”) was created to assist and act on behalf of the City in promoting, developing, encouraging, and maintaining employment, commerce, economic development, and public facility development in the City. The Bryan City Council serves as the Board of Directors of BCD. Since the elected officials of the City are financially accountable for BCD and the primary purpose of BCD is to provide a service to the City, BCD is considered a blended component unit. BCD is not separately presented here as it is separately presented in the supplementary section of this report. See page 140.

The condensed combined statements of net position for the City Electric System and QSE as of September 30, 2019 are as follows:

	September 30, 2019		
	BTU City	QSE	Combined
Current assets	\$ 108,509,056	\$ 1,752,980	\$ 110,262,036
Capital assets, net	351,162,067	379,714	351,541,781
Restricted assets	86,399,825	-	86,399,825
Other	26,856,688	-	26,856,688
Total assets	572,927,636	2,132,694	575,060,330
Deferred outflows	7,184,738	-	7,184,738
Current liabilities	20,424,313	12,062	20,436,375
Current liabilities payable from restricted assets	26,126,741	-	26,126,741
Noncurrent liabilities	291,890,069	-	291,890,069
Total liabilities	338,441,123	12,062	338,453,185
Deferred inflows	2,858,840	-	2,858,840
Net Position:			
Net investment in capital assets	125,772,364	379,714	126,152,078
Restricted	12,492,834	-	12,492,834
Unrestricted	100,547,213	1,740,918	102,288,131
Total net position	<u>\$ 238,812,411</u>	<u>\$ 2,120,632</u>	<u>\$ 240,933,043</u>

The condensed combined statements of revenues, expenses, and changes in net position for the City Electric System and QSE for the year ended September 30, 2019, are as follows:

	Fiscal Year Ended September 30, 2019		
	BTU City	QSE	Combined
Operating revenues	\$ 203,295,523	\$ 1,451,587	\$ 204,747,110
Operating expenses	149,142,407	1,451,587	150,593,994
Operating income	54,153,116	-	54,153,116
Investment income	4,909,309	-	4,909,309
Interest expense	(9,724,116)	-	(9,724,116)
Income before operating transfers	49,338,309	-	49,338,309
Transfers, net	(11,576,596)	-	(11,576,596)
Change in net position	37,761,713	-	37,761,713
Net position, beginning of period	201,050,698	2,120,632	203,171,330
Net position, end of period	<u>\$ 238,812,411</u>	<u>\$ 2,120,632</u>	<u>\$ 240,933,043</u>

Discretely presented component unit

The City has included the Bryan Business Council, Inc. ("BBC") in its financial statements as a discretely presented component unit, since the City is financially accountable for the entity. The BBC, a non-profit corporation, was originally formed to market properties within the City owned Bryan Industrial Park. In addition, the BBC currently serves as an economic development arm of the City, and as such, provides a financial benefit to the City. The City provides coverage for the board of directors under the City's officer and employee liability plan and provides limited administrative support to the BBC. The BBC's board of directors is appointed by and serves at the discretion of the Bryan City Council. The Bryan City Council also directs the work plan and objectives of the BBC. During fiscal year (FY) 2016 the BBC board of directors voted to change the fiscal year-end for BBC from September 30 to June 30. Therefore, the financial position as of June 30, 2019 and the changes in net position from July 1, 2018 to June 30, 2019 are presented in the statement of net position and statement of activities, respectively. Financial statements may be obtained by contacting:

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

Cooperative Efforts

In 2010, the City of Bryan entered into an Interlocal Cooperation Agreement with the City of College Station to create a local government corporation under Subchapter D of Chapter 431, Texas Transportation Code, to be known as the Brazos Valley Solid Waste Management Agency, Inc ("BVSWMA"). 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 15).

The City's financial statements do not include the Texas Municipal Power Agency ("TMPA"). TMPA, a separate municipal corporation, is a joint venture entered into by the Texas cities of Bryan, Garland, Denton and Greenville for the purpose of obtaining the economic advantages of jointly financing, constructing and operating electric generating units and transmission grid to supply the cities' electric energy needs. The eight-member board of directors of TMPA includes two members appointed by the Bryan City Council. The City has an ongoing financial interest in TMPA due to the City's guarantee of a portion of TMPA's debt (see Note 14).

In 2009, the City of Bryan and Brazos County entered into an agreement to create the City of Bryan and Brazos County Economic Development Foundation Inc. ("BBCEDF"), a local government corporation formed under Subchapter D of Chapter 431 of the Texas Transportation Code. The BBCEDF was created to promote, develop, encourage, and maintain employment, commerce, and economic development in the City and the County (see Note 22).

Government-wide and fund financial statements

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

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

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

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

The City reports the following major governmental funds:

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

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

Other Governmental Funds is a summarization of all the non-major governmental funds, including Special Revenue, Capital Projects, 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 established by City of Bryan Ordinance to account for revenues associated with oil and gas leases, royalties and mineral property taxes. The use of these funds is committed for projects of a non-recurring nature determined by City Council.
- Capital Reserve Fund – This fund was established by City of Bryan Ordinance to accumulate miscellaneous one-time revenues. The use of these funds is committed for projects of a non-recurring nature determined by City Council.
- Sidewalks Fund – This fund was established by City of Bryan Ordinance to collect and track funds from developers and property owners for the construction and maintenance of sidewalks. The use of these funds is committed for this purpose. Funds received are refunded to the remitter if not used within 10 years.
- 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 committed 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 revenue for this fund. The use of these funds is committed for the planning, constructing, operating, monitoring, and maintaining the City's drainage system.
- Tax Increment Reinvestment Zone #10 - The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIRZ. The use of these funds is restricted to the geographical area within this zone.

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

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

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

The City reports the following major enterprise funds:

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

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

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

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

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

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

Additionally, fiduciary funds account for the City's payroll and OPEB ("other post-employment benefits") funds. For the Payroll Fund, 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. The OPEB Fund was created to account for the funding of the Post-employment Benefits Trust. The contributed funds are based on full time employee count and contributed by the respective funds. See Note 12 for specific details of the OPEB Fund. These funds are excluded from the government-wide Statement of Net Position and Statement of Activities since the assets are not available to support the City's own programs.

Restatement – Debt Service Fund

The Debt Service Fund balance as of September 30, 2018 was restated to report deferred inflows of resources related to the Note Receivable from BVSWM (see Note 5 and Note 14). The following table provides a reconciliation of fund balance as of September 30, 2018, as previously reported, to fund balance as of September 30, 2018, as restated:

	Debt Service Fund
Fund balance, beginning of period - as previously reported	\$ 5,827,239
Note receivable - BVSWM	(3,180,000)
Fund balance, beginning of period - as restated	<u>\$ 2,647,239</u>

The restatement results in an increase in the change in fund balance of the debt service fund for the year ended September 30, 2018 of \$250,000.

Measurement focus, basis of accounting, and financial statement presentation

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the City considers property taxes available if they are collected within thirty (30) days of the end of the current fiscal period. A one hundred twenty (120) day availability period is used for recognition of all other governmental fund revenues. Expenditures are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

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

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

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB").

Budgetary Control

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

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

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

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

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

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

Encumbrance accounting is employed in governmental funds. Encumbrances (purchase orders and contracts) outstanding at fiscal year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the amounts 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 and BTU City and Rural Electric System cash, is pooled into common accounts in order to maximize investment opportunities. Each fund participating in the pools has an equity interest therein. Investment earnings on these monies are allocated based upon relative equity at month end. An individual fund's pooled cash and investments are available upon demand. Negative balances incurred in pooled cash at fiscal year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

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

Investments of all funds are stated at fair value with the exception of investments in local government investment pools. The carrying value of the investments in local government investment pools is determined by the valuation policy of the investment pool; either at amortized cost or net asset value of the underlying pool shares, as further described in Note 2.

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 Energy Costs, Impairment of Prepaid Energy Costs and Regulatory Assets

Effective October 17, 2017, TMPA's Gibbons Creek power plant entered into a seasonal operations mode, operating during the summer months only (June-September) and had no definite plans to run beyond summer 2018. As a result, \$9.5 million of the City Electric System's Prepaid Energy Costs associated with the City Electric System debt issued in 2010 for TMPA was determined to be impaired. The City Electric System's impaired asset qualifies as a Regulatory Asset under accounting rules and was amortized through FY 2019, the life of the associated debt. The balance of the impaired Regulatory Asset was \$5.2 million at September 30, 2018, and was fully amortized at September 30, 2019. The remaining unimpaired \$2.6 million Prepaid Energy Costs associated with TMPA was fully amortized at September 30, 2018.

On June 6, 2019 the TMPA Board of Directors approved the cessation of the production of power and energy from the Gibbons Creek power plant. The unit was removed from the ERCOT system on October 30, 2019. These actions triggered TMPA to record a decommissioning/environmental remediation liability and a corresponding discounted receivable from the member cities. The member cities are obligated to pay all associated costs associated with the decommissioning of the generating assets of TMPA. As of September 30, 2019 the calculated liability associated with decommissioning/environmental remediation was \$126,443,000 of which each member city is responsible for its share. Decommissioning is estimated to take 5 years and the related maintenance is estimated to be fully complete after 30 years. The City Electric System's allocated share of TMPA's decommissioning/remediation liability is 21.24%. At September 30, 2019 the City Electric System recognized a Regulatory Asset in the amount of \$26,856,688. Of this amount, \$18,573,088 is associated with the decommissioning obligation and \$8,283,600 is associated with the ongoing maintenance. Because of the nature of the obligation a liability for the City Electric System was recognized at September 30, 2019. The Regulatory Asset will be amortized in future periods when its costs are included in electric rates. See Note 6 below for further information regarding the liability due to TMPA.

Other 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 acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized have an original cost of \$5,000 or more and three or more years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method over the following estimated service lives:

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

Minimum Fund Balance Policy

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

The Bryan City Council adopted the City of Bryan Financial Management Policy Statements in order to assemble all of the City's major financial policies into one document. Included in these policies are recommendations and guidelines regarding the minimum balances for other City funds in order to maintain the City's financial ability to meet its current and future service needs. These statements are available on the City's website at www.bryantx.gov/fiscal-services/.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Pension of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

Other Post-Employment Benefits (OPEB)

Financial statements for the Trust are prepared using the accrual basis of accounting and can be found in this report on page 109. Plan member contributions are recognized when due, and the City's contributions are recognized when due. Benefits and any refunds are recognized when due and payable according to the terms of the plan. Assets held by the Trust are valued at fair value.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about fiduciary net position of the City of Bryan Post-employment Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Use of Estimates

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

Bond Issuance Expenses

According to the financial reporting requirements of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, bond issuance expenses are to be expensed as incurred. Issuance expenses are reported on the Statement of Activities on the Government-Wide Financial Statements for Governmental Activities in interest on long-term debt expense and on the Statement of Revenues, Expenditures, and Changes in Fund Balances in debt issuance costs. There was one governmental debt issuance for the fiscal year ended September 30, 2019, Series 2019 General Obligation Refunding Bonds. Issuance expenses for this debt issuance total \$74,520. Issuance expenses for Business-Type Activities are reported on the Statement of Revenues, Expenses and Changes in Net Position in interest expense. There were two business-type activity debt issuances for the fiscal year ended September 30, 2019, Series 2018 Rural Electric System Bonds and Series 2018 City Electric System Bonds. Issuance expenses for these debt issuances total \$808,283.

Utility Revenues, Fuel Recovery, and Regulatory Recovery

BTU City and Rural Electric customers are billed on the basis of monthly cycle billings. At year end, the City and Rural Electric Systems accrue estimated unbilled revenues for the period ended September 30. The difference between fuel revenue 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. At

September 30, 2019 the City Electric System reported a current liability – over recovered fuel of \$8,053,948. At September 30, 2019, the Rural Electric System reported a current liability – over-recovered fuel of \$3,058,215.

The difference between regulatory revenue billed and regulatory expense incurred is recorded as an addition or a reduction to transmission cost of service expense, with a corresponding entry to accounts payable – over recovered regulatory fee or accounts receivable – under recovered regulatory fee, whichever is appropriate. At September 30, 2019, the City Electric System reported a current asset – under-recovered regulatory fee of \$523,068. At September 30, 2019, the Rural Electric System reported a current asset – under-recovered regulatory fee of \$294,218.

Deferred Regulatory Liability

To better align certain benefits received with BTU's retail rate design, the City and Rural Electric Systems utilize regulatory accounting treatment for the funds it collects from customers and developers as contributions of aid in construction (AIC) under GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB & AICPA Pronouncements*. The City and Rural Electric Systems recognize AIC received as a deferred regulatory liability in the deferred inflows section of the Statements of Net Position. The deferred regulatory liability is amortized to accumulated depreciation over the life of the asset constructed. During the fiscal year ended September 30, 2019, the City Electric System collected \$213,329 of AIC. During the fiscal year ended September 30, 2019, the Rural Electric System collected \$3,047,651 of AIC. The amortization of the deferred regulatory liability was \$451,055 for the fiscal year ended September 30, 2019.

Compensated Absences

The City's policy in effect during Fiscal Year 2019 allows employees to earn vacation leave at rates of 10 to 20 days (80 to 160 hours) per year with unlimited accumulation. Classified employees in the police and fire departments earn vacation at the rate of 15 days (120 hours or 180 hours for shift firefighters) per year in accordance with Texas Local Government Code, Chapter 143, until the employee reaches 15 years employment at which time the rate of accrual becomes the same rate as that for other City employees. Upon termination, employees with a minimum of one year employment, who leave in good standing, are paid for unused vacation time up to a maximum of two times the employee's annual accrual rate at the time of separation.

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

The City accrues vacation and sick pay when the liability is incurred. Amounts related to governmental fund types are reported in the government-wide financial statements. The liabilities of the

governmental fund types are typically liquidated by the General fund and Community Development fund. All amounts related to proprietary fund types are recorded within those funds.

Net Position

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

New Accounting Pronouncements and Changes in Accounting Principles

For the fiscal year ended September 30, 2019, the City adopted:

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs.

This statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. While GASB 83 does not currently effect the City, if an ARO arises, the City will implement this standard.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as

collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. The City and BTU implemented this standard in FY 2019 where applicable.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.*

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The City Electric System has never capitalized interest.

The following guidance issued by GASB is effective for years following FY 2019 and is expected to be applicable to the City:

GASB Statement No. 84, *Fiduciary Activities.* The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This statement is effective for periods beginning after December 15, 2018.

GASB Statement No. 87, *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the

relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 92, *Omnibus 2020*. This primary objective of this statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing issues identified during implementation of the following:

- GASB Statement No. 87, Leases, and Implementation Guide No. 2019-3 Leases, for interim financial reports. The requirements of this statement are effective upon issuance.
- Reporting of intra-entity transfers of assets between primary government and component unit defined benefit pension or defined benefit Other Postemployment Benefit plan.
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68 as amended and No. 74, Financial Reporting for Other Postemployment Benefit Plans Other than Pension Plan, as amended, to reporting assets accumulated for postemployment benefits.
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements.
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition.

- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers.
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature.
- Terminology used to refer to derivative instruments.

The requirements of this statement are effective for reporting periods beginning after June 15, 2020.

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 Branch Banking and Trust (BB&T), the City's depository bank, were entirely covered by federal depository insurance or by collateral held by the Federal Reserve Bank in the City's name. At September 30, 2019 the amount of the City's demand deposits were \$8,105,967, BTU's demand deposits were \$9,679,275, and the combined bank balance was \$17,785,242.

Investments

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

The City's policy, which was adopted by the City Council on August 14, 2018, for the fiscal year ending September 30, 2019, 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 a subset of those approved by the State of Texas Public Funds Investment Act, Chapter 2256. The City of Bryan authorized investments include the following:

- a. Direct obligations of the United States government.
- 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. Bonds or other obligations for which the principal and interest are unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States government or United States government agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.

- d. Certificates of Deposit guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, in state or national banks located within the State of Texas.
- e. Repurchase Agreements and Reverse repurchase agreements only as part of a Public Investing Pool and in compliance with the Public Fund Investment Act limitations.
- f. Bankers Acceptances eligible for discounting with the Federal Reserve maturing within 90 days.
- g. Commercial Paper maturing within 365 days carrying a rating of A-1, P-1 or F-1.
- h. Money Market Mutual Funds that are AAA rated, regulated by the Securities and Exchange Commission and charge no commission fee on purchases or sales of shares.
- i. Public Funds Investment Pools organized under the Texas Interlocal Cooperation Act that follow the requirements in the Public Funds Investment Act.
- j. Direct obligations of the State of Texas and any political subdivisions thereof which are rated as to investment quality by a nationally recognized investment rating firm not less than AA or its equivalent.
- k. Hedging contracts and related security and insurance agreements in relation to fuel oil, natural gas, coal, nuclear fuel, and electric energy to protect against loss due to price fluctuations.

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

The City's cash and cash equivalents and investments at September 30, 2019 as are follows:

	<u>Carrying Value</u>	<u>Percentage of Total</u>	<u>Wgt. Avg. Maturity (Days)</u>	<u>Credit Risk</u>
U. S. Agencies and Treasuries	\$ 74,129,178	24.31%	486	AA+/Aaa
Collateral Deposits	554,036	0.18%		
Government Pools	210,825,647	69.48%	36	AAAm
Demand Deposits	17,785,242	6.02%	1 day	
	<u>\$ 303,294,103</u>	<u>100.00%</u>		

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72 provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the table below. The investment balances at September 30, 2019 are as follows:

	<u>Value at FYE</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Investment measured at fair value				
U.S. Agencies and Treasuries	<u>\$ 74,129,178</u>	<u>\$ 30,988,853</u>	<u>\$ 43,140,325</u>	<u>\$ -</u>
	<u>\$ 74,129,178</u>	<u>\$ 30,988,853</u>	<u>\$ 43,140,325</u>	<u>\$ -</u>

The investments in government pools are measured at net asset value or amortized cost and are exempt from reporting in the fair value hierarchy. U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

In accordance with GASB Statement No. 40, additional disclosures are provided below that address investment exposure to interest rate risk and credit risk including custodial credit risk and concentrations of credit risk. Because the City does not hold foreign investments, foreign currency risk is not discussed.

As of September 30, 2019, the City had the following investments:

<u>Investment Types</u>	<u>Value</u>	<u>Investment Maturity</u> <u>(in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>Greater Than 5</u>
Investments in agency securities and treasuries	<u>\$ 74,129,178</u>	<u>\$ 42,985,199</u>	<u>\$ 31,143,979</u>	<u>\$ -</u>
Total	<u>\$ 74,129,178</u>	<u>\$ 42,985,199</u>	<u>\$ 31,143,979</u>	<u>\$ -</u>

The City's investments in government pools include deposits in TexPool, TexSTAR and Texas CLASS.

TexPool is a public funds investment pool operated by the Texas Treasury Safekeeping Trust Company, an entity of which the Texas Comptroller of Public Accounts is the sole officer, director, and shareholder. The advisory board of TexPool is composed of members appointed pursuant to the requirements of the Texas Public Funds Investment Act. Administrative and investment services are provided by Federated Investors, Inc., and the assets are kept in a separate custodial account at the State Street bank in the name of TexPool.

TexSTAR was created in April 2003 pursuant to the Interlocal Cooperation Act of the State of Texas, chapter 791 of the Texas Government Code and the Public Funds Investment Act, chapter 2256 of the Texas Government Code. TexSTAR policies require that local government deposits be used to purchase investments authorized by the Texas Public Funds Investment Act. The State Comptroller of Public Accounts exercises responsibility over TexSTAR. TexSTAR is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management. J.P. Morgan Investment Management, Inc. provides investment advisory services.

The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was created as a local government investment pool (LGIP) pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian.

The investment pools do not have any limitations or restrictions on withdrawals, such as notice periods or maximum transaction amounts, and do not impose any liquidity or redemption gates.

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

Custodial Risk – City deposits in excess of the \$250,000 amount covered by the Federal Depository Insurance Corporation (“FDIC”) must be secured by authorized securities with a market value equal to or greater than 105% of the total deposits. At September 30, 2019, all City deposits were insured or adequately collateralized.

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

Credit Risk and Concentration of Credit Risk – In compliance with the City’s Investment Policy and the Texas Public Funds Investment Act, the City managed credit risk through portfolio diversification by limiting investments to avoid over concentration in securities from a specific issuer; limiting investments in securities with high credit risk; and investing in securities with varying maturities.

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

3. PROPERTY TAXES

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

Taxpayers have two options for paying property taxes, the full payment option or the split payment option. Taxpayers electing the full payment option have from October 1 of the tax year to January 31 of the following year to pay the full amount of taxes without penalty or interest. Taxes become delinquent on February 1. Any unpaid balance will accrue penalty and interest. Taxpayers electing the split payment option have from October 1 to November 30 of the tax year to pay half of the tax amount. The remaining half may be paid without penalty or interest any time on or before June 30 of the following year. Taxes become delinquent on July 1.

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

Delinquent taxes are subject to interest and penalty charges. The tax rate to finance general governmental services including debt service was 62.999 cents per \$100 of assessed valuation for the year ended September 30, 2019. Under provisions adopted by the City, the maximum tax rate is limited to \$1.50 per \$100 of assessed valuation.

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

The Brazos County Tax Office bills and collects the property taxes of the City.

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

	Balance October 1	Additions / Completions	Retirements / Adjustments	Balance September 30
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 12,379,528	\$ 685,090	\$ -	\$ 13,064,618
Construction in Progress	17,805,279	(13,170,492)	-	4,634,787
Total capital assets not being depreciated	<u>30,184,807</u>	<u>(12,485,402)</u>	<u>-</u>	<u>17,699,405</u>
Capital assets, being depreciated				
Buildings	47,118,890	227,755	(176,640)	47,170,005
Equipment	37,932,863	1,853,622	(841,999)	38,944,486
Improvements	40,597,017	1,918,946	-	42,515,963
Infrastructure	199,619,911	24,861,478	-	224,481,389
Total capital assets being depreciated	<u>325,268,681</u>	<u>28,861,801</u>	<u>(1,018,639)</u>	<u>353,111,843</u>
Less accumulated depreciation for:				
Buildings	(17,485,200)	(1,204,154)	176,640	(18,512,714)
Equipment	(28,325,660)	(2,248,108)	727,077	(29,846,691)
Improvements	(27,143,090)	(1,559,619)	-	(28,702,709)
Infrastructure	(113,228,370)	(7,495,700)	-	(120,724,070)
Total accumulated depreciation	<u>(186,182,320)</u>	<u>(12,507,581)</u>	<u>903,717</u>	<u>(197,786,184)</u>
Total capital assets being depreciated, net	<u>139,086,361</u>	<u>16,354,220</u>	<u>(114,922)</u>	<u>155,325,659</u>
Governmental activities capital assets, net	<u>\$ 169,271,168</u>	<u>\$ 3,868,818</u>	<u>\$ (114,922)</u>	<u>\$ 173,025,064</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 16,950,842	\$ 4,659,492	\$ -	\$ 21,610,334
Construction in Progress	27,285,091	46,702,612	(10,873,661)	63,114,042
Retirement in Progress	132,507	371,844	(258,573)	245,778
Total capital assets not being depreciated	<u>44,368,440</u>	<u>51,733,948</u>	<u>(11,132,234)</u>	<u>84,970,154</u>
Capital assets, being depreciated				
Buildings	22,837,105	-	-	22,837,105
Equipment	17,250,364	714,340	(380,789)	17,583,915
Improvements	836,862,856	28,131,999	(1,837,969)	863,156,886
Total capital assets being depreciated	<u>876,950,325</u>	<u>28,846,339</u>	<u>(2,218,758)</u>	<u>903,577,906</u>
Less accumulated depreciation for:				
Buildings	(3,533,670)	(937,140)	-	(4,470,810)
Equipment	(11,566,200)	(1,515,146)	181,303	(12,900,043)
Improvements	(303,130,484)	(27,286,827)	1,508,781	(328,908,530)
Total accumulated depreciation	<u>(318,230,354)</u>	<u>(29,739,113)</u>	<u>1,690,084</u>	<u>(346,279,383)</u>
Total capital assets being depreciated, net	<u>558,719,971</u>	<u>(892,774)</u>	<u>(528,674)</u>	<u>557,298,523</u>
Business-type activities capital assets, net	<u>\$ 603,088,411</u>	<u>\$ 50,841,174</u>	<u>\$ (11,660,908)</u>	<u>\$ 642,268,677</u>

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

Governmental activities:

General government and administration	\$ 810,064
Development services	787,084
Public works services	7,216,823
Public safety	2,346,123
Cultural and recreational	<u>1,347,487</u>
Total depreciation expense - Governmental activities	<u><u>\$ 12,507,581</u></u>

Business-type activities:

City Electric	16,541,065
Rural Electric	3,310,698
Water	3,753,436
Wastewater	4,583,967
Other Enterprise Funds	<u>1,186,227</u>
Total depreciation expense - Business-type activities	<u><u>\$ 29,375,393</u></u>

The City has active construction projects as of September 30, 2019. Total accumulated commitments for ongoing capital projects are composed of the following:

	<u>Committed</u>
Street improvements	\$ 2,219,771
Drainage improvements	1,374,123
Parks Development	1,122,558
Water system improvements	853,523
Wastewater Treatment Plant	235,292
Wastewater system improvements	<u>881,046</u>
Total	<u><u>\$ 6,686,312</u></u>

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, 2019:

	Beginning Balance	Issued	Matured/ Refunded	Ending Balance	Due within one year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 41,616,822	\$ 4,660,000	\$ 5,876,005	\$ 40,400,817	\$ 6,429,991
Certificates of Obligation	40,245,000	-	6,955,000	33,290,000	1,925,000
Total governmental activities	81,861,822	4,660,000	12,831,005	73,690,817	8,354,991
Total Premium (Discount)	1,968,768	321,429	240,833	2,049,364	199,178
Total Governmental Activities, net	83,830,590	4,981,429	13,071,838	75,740,181	8,554,169
<u>Business-type Activities:</u>					
Water, Sewer & Airport Systems:					
General Obligation Bonds	5,588,178	-	673,995	4,914,183	690,009
Certificates of Obligation	4,645,000	-	980,000	3,665,000	900,000
Revenue Bonds	43,765,000	3,150,000	7,615,000	39,300,000	4,555,000
Electric System :					
General Obligation Bonds	5,525,000	-	725,000	4,800,000	740,000
Certificates of Obligation	35,445,000	-	1,300,000	34,145,000	1,330,000
Revenue Bonds	201,425,000	57,910,000	28,830,000	230,505,000	9,055,000
Total business type activities	296,393,178	61,060,000	40,123,995	317,329,183	17,270,009
Total Premium (Discount)	25,294,876	4,150,692	1,803,246	27,642,322	1,577,199
Total Business-type Activities, net	321,688,054	65,210,692	41,927,241	344,971,505	18,847,208
Total long-term debt	378,255,000	65,720,000	52,955,000	391,020,000	25,625,000
Total long-term debt, net	\$ 405,518,644	\$ 70,192,121	\$ 54,999,079	\$ 420,711,686	\$ 27,401,377

Long-term debt at September 30, 2019 consists of bonds and certificates of obligation maturing serially and is summarized as follows:

<u>Issue</u>	<u>Interest Rates (%)</u>	<u>Series Matures</u>	<u>First Callable Date</u>	<u>Governmental</u>	<u>Business- type</u>	<u>Total</u>
<u>General Obligation Bonds:</u>						
Refunding, Series 2010	2.00 - 4.00	2021	None	\$ 2,245,000	\$ -	\$ 2,245,000
Refunding, Series 2013	2.00 - 3.50	2026	08/15/23	11,296,582	3,323,418	14,620,000
Refunding, Series 2014	2.00 - 3.25	2031	08/15/24	4,829,235	1,590,765	6,420,000
Refunding, Series 2015	2.00 - 4.00	2025	None	6,110,000	4,800,000	10,910,000
Refunding, Series 2016	1.50 - 3.00	2026	None	5,550,000	-	5,550,000
Refunding, Series 2018	2.00 - 5.00	2028	None	5,710,000	-	5,710,000
Refunding, Series 2019	2.00 - 3.00	2028	None	4,660,000	-	4,660,000
Total General Obligation Bonds				<u>40,400,817</u>	<u>9,714,183</u>	<u>50,115,000</u>
<u>Certificates of Obligation:</u>						
Combination Tax & Revenue, Series 2010	2.00 - 4.38	2030	08/15/20	8,225,000	-	8,225,000
Combination Tax & Revenue Refunding, Series 2011	3.00 - 4.00	2022	None	-	2,645,000	2,645,000
Combination Tax & Revenue, Series 2013	3.00 - 4.25	2033	08/15/23	-	4,265,000	4,265,000
Combination Tax & Revenue, Series 2014	2.00 - 5.00	2039	08/15/24	5,405,000	29,880,000	35,285,000
Combination Tax & Revenue, Series 2016	2.00 - 5.00	2036	08/15/26	7,990,000	1,020,000	9,010,000
Combination Tax & Revenue, Series 2018	3.00 - 4.00	2038	08/15/27	<u>11,670,000</u>	<u>-</u>	<u>11,670,000</u>
Total Certificates of Obligation				<u>33,290,000</u>	<u>37,810,000</u>	<u>71,100,000</u>
<u>Revenue Bonds:</u>						
Water Revenue, Series 2010A	2.00 - 4.25	2030	07/01/20	-	3,245,000	3,245,000
Sewer System Revenue, Series 2011	0.00 - 2.70	2030	07/01/21	-	11,925,000	11,925,000
Electric System Revenue Rural, Series 2011	3.00 - 5.00	2021	None	-	680,000	680,000
Electric System Revenue City, Series 2012	3.13 - 5.00	2037	07/01/22	-	36,625,000	36,625,000
Electric System Revenue City, Series 2016	3.00 - 5.00	2041	07/01/26	-	68,720,000	68,720,000
Electric System Revenue Rural, Series 2016	2.00 - 5.00	2041	07/01/26	-	14,455,000	14,455,000
Water System Revenue, Series 2016A	2.25 - 5.00	2036	07/01/26	-	3,850,000	3,850,000
Water System Revenue, Series 2016B	0.61 - 2.16	2041	07/01/27	-	2,090,000	2,090,000
Water and Sewer System Revenue, Series 2017	3.00 - 4.00	2032	07/01/27	-	15,040,000	15,040,000
Electric System Revenue City, Series 2017	3.00 - 5.00	2034	07/01/27	-	52,115,000	52,115,000
Electric System Revenue City, Series 2018	4.00 - 5.00	2043	07/01/27	-	40,590,000	40,590,000
Electric System Revenue Rural, Series 2018	4.00 - 5.00	2043	07/01/27	-	17,320,000	17,320,000
Water and Sewer System Revenue Refunding, Series 2019	2.00 - 3.00	2029	07/01/27	<u>-</u>	<u>3,150,000</u>	<u>3,150,000</u>
Total Revenue Bonds				<u>-</u>	<u>269,805,000</u>	<u>269,805,000</u>
Total long-term debt				<u>73,690,817</u>	<u>317,329,183</u>	<u>391,020,000</u>
Total Premium (Discount)				<u>2,049,364</u>	<u>27,642,322</u>	<u>29,691,686</u>
Total long-term debt, net				<u>\$ 75,740,181</u>	<u>\$ 344,971,505</u>	<u>\$ 420,711,686</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>	
2020	\$ 6,429,991	\$ 1,207,570	\$ 1,430,009	\$ 299,022	\$ 9,366,592
2021	6,186,498	1,016,901	1,473,502	250,109	8,927,010
2022	5,117,201	837,781	1,497,799	214,979	7,667,760
2023	5,264,162	681,515	1,550,838	162,970	7,659,485
2024	5,408,396	535,891	1,596,604	116,444	7,657,335
2025-2029	11,404,079	884,609	1,970,921	119,990	14,379,599
2030-2031	590,491	28,554	194,509	9,406	822,960
Total	<u>\$ 40,400,817</u>	<u>\$ 5,192,821</u>	<u>\$ 9,714,183</u>	<u>\$ 1,172,920</u>	<u>\$ 56,480,741</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>	
2020	1,925,000	1,165,871	2,230,000	1,317,888	6,638,759
2021	1,990,000	1,104,971	2,310,000	1,257,863	6,662,834
2022	1,960,000	1,038,121	2,345,000	1,177,613	6,520,734
2023	2,030,000	967,221	1,485,000	1,095,763	5,577,984
2024	2,105,000	893,721	1,535,000	1,048,613	5,582,334
2025-2029	11,300,000	3,172,911	8,580,000	4,358,678	27,411,589
2030-2034	8,125,000	1,364,087	9,735,000	2,824,426	22,048,513
2035-2039	3,855,000	285,798	9,590,000	1,099,127	14,829,925
Total	<u>\$ 33,290,000</u>	<u>\$ 9,992,701</u>	<u>\$ 37,810,000</u>	<u>\$ 14,179,971</u>	<u>\$ 95,272,672</u>

Revenue Bonds

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2020	-	-	13,610,000	11,396,340	25,006,340
2021	-	-	14,130,000	10,844,998	24,974,998
2022	-	-	14,395,000	10,249,615	24,644,615
2023	-	-	11,655,000	9,643,534	21,298,534
2024	-	-	12,030,000	9,144,173	21,174,173
2025-2029	-	-	68,780,000	37,012,289	105,792,289
2030-2034	-	-	66,080,000	21,133,600	87,213,600
2035-2039	-	-	44,880,000	9,610,905	54,490,905
2040-2043	-	-	24,245,000	1,976,516	26,221,516
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,805,000</u>	<u>\$ 121,011,969</u>	<u>\$ 390,816,969</u>

Total Long Term Debt

Year	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2020	\$ 8,354,991	\$ 2,373,441	\$ 17,270,009	\$ 13,013,250	\$ 41,011,691
2021	8,176,498	2,121,872	17,913,502	12,352,970	40,564,842
2022	7,077,201	1,875,902	18,237,799	11,642,206	38,833,109
2023	7,294,162	1,648,736	14,690,838	10,902,267	34,536,003
2024	7,513,396	1,429,612	15,161,604	10,309,230	34,413,842
2025-2029	22,704,079	4,057,520	79,330,921	41,490,957	147,583,477
2030-2034	8,715,491	1,392,641	76,009,509	23,967,432	110,085,073
2035-2039	3,855,000	285,798	54,470,000	10,710,032	69,320,830
2040-2043	-	-	24,245,000	1,976,516	26,221,516
Total	<u>\$ 73,690,817</u>	<u>\$ 15,185,523</u>	<u>\$ 317,329,183</u>	<u>\$ 136,364,860</u>	<u>\$ 542,570,382</u>

On November 29, 2018, the City of Bryan issued revenue bonds, Series 2018, totaling \$17,320,000 for the Rural Electric System. The 2018 Revenue Bonds mature serially beginning July 1, 2020, through July 1, 2043, with coupon rates ranging from 4.0% to 5.0%. The proceeds from the sale of the 2018 Revenue Bonds were restricted to the acquisition or construction of improvements, additions, or extensions to the Rural Electric System, including facilities for the generation, transmission, or distribution of electric power and energy, and capital assets, facilities and equipment incident and related to the operation, maintenance, or administration of the Rural Electric System.

On November 29, 2018, the City of Bryan issued revenue bonds, Series 2018, totaling \$40,590,000 for the City Electric System. The 2018 Revenue Bonds mature serially beginning July 1, 2020, through July 1, 2043, with coupon rates ranging from 4.0% to 5.0%. The proceeds from the sale of the 2018 Revenue Bonds were restricted to the acquisition or construction of improvements, additions, or extensions to the City Electric System, including facilities for the generation, transmission, or distribution of electric power and energy, and capital assets, facilities and equipment incident and related to the operation, maintenance, or administration of the City Electric System.

On September 4, 2019, the City issued \$3,150,000 in Waterworks and Sewer System revenue refunding bonds, Series 2019. These bonds mature serially from July 1, 2020 through July 1, 2029 with coupon rates ranging from 2.0% to 3.0%. After the payment of issuance costs, the proceeds from the sale of the 2019 refunding bonds were used to refund a total of \$3,355,000 of Waterworks and Sewer System Revenue Bonds, Series 2009A. This represents a deferred loss of \$25,251, a reduction in debt service payments over the next 10 years of \$570,203, and an economic gain of \$502,120 by an average interest rate of 2.132%.

Also on September 4, 2019, the City issued \$4,660,000 in General Obligation refunding bonds, Series 2019. These bonds mature serially from August 15, 2020 through August 15, 2029 with coupon rates ranging from 2.0% to 3.0%. After the payment of issuance costs, the proceeds from the sale of the 2019 refunding bonds were used to refund a total of \$4,880,000 of Certificate of Obligation bonds, Series 2009. This represents a deferred loss of \$11,535, a reduction in debt service payments over the next 10 years of \$725,405, and an economic gain of \$652,184 by an average interest rate of 1.872%.

All net revenues of the City Electric Fund, Rural Electric Fund, Water and Wastewater Systems are pledged for the payment of each funds' respective revenue bonds. Net revenues, as defined by the

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

Under the terms of the bond covenants, the City Electric and Rural Electric Funds are required to maintain minimum reserve fund requirements equal to approximately one year of debt service requirements. The reserve fund requirements may be satisfied by cash, letter of credit, or an insurance policy. The reserve fund requirements for the City Electric Fund Series 2010, 2012 and 2018 Bonds and the Rural Electric Fund Series 2011 Bonds are satisfied with restricted funds. The reserve fund requirements for the City Electric Fund Series 2016 and 2017 bonds are satisfied with insurance policies, as are the Rural Electric Fund's Series 2016 and 2018 bonds. There are no reserve requirements for the Rural Electric Fund 2013 and the City Electric Fund 2014 Certificates of Obligation or the City Electric Fund 2015 General Obligation Refunding 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 2016AB, 2017, and 2019 bonds, the City has exercised the option to replace the reserve fund requirement with a surety bond.

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

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. As provided for by the bond ordinances, this amount would be recorded as a liability in the Proprietary funds for the benefit of the federal government and will be paid as required by applicable regulations. The City did not have an arbitrage liability as of September 30, 2019.

Other long-term liabilities

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

	Year Ended September 30, 2019		
	Governmental Activities	Business-type Activities	Total
Beginning balance	\$ 9,042,735	\$ 1,722,334	\$ 10,765,069
Plus additions	1,990,716	1,233,876	3,224,592
Less payments	(1,179,397)	(952,794)	(2,132,191)
Ending balance	<u>\$ 9,854,054</u>	<u>\$ 2,003,416</u>	<u>\$ 11,857,470</u>
Amount due in one year	\$ 2,003,185	\$ 1,291,560	\$ 3,294,745
Amount due in over one year	\$ 7,850,869	\$ 711,856	\$ 8,562,725

6. PRIOR-YEAR DEFEASANCE OF DEBT

As of September 30, 2019, the City had no outstanding general obligation bonds, certificates of obligation, or revenue bonds which were considered defeased.

7. TMPA DECOMMISSIONING LIABILITY

On June 6, 2019, the TMPA Board of Directors approved the cessation of the production of power and energy from TMPA's Gibbons Creek Steam Electric Station ("GCSES"). The unit was removed from the ERCOT system on October 30, 2019. These actions triggered TMPA to record a decommissioning/environmental remediation liability and a corresponding discounted receivable from the TMPA Member Cities, as they are obligated to pay all associated costs. The City Electric System recorded a short-term and long-term liability to TMPA for its percentage share of the remediation liabilities of \$1,864,507 and \$24,992,181, respectively, as of September 30, 2019.

See Note 14 – Texas Municipal Power Agency.

Changes to the liability to TMPA during fiscal year 2019, including current portion are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
TMPA decommissioning liability	\$ -	\$ 26,856,688	\$ -	\$ 26,856,688	\$ 1,864,507

8. BONDS AVAILABLE FOR SALE

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

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

During FY 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.

9. NATURE AND PURPOSE OF CLASSIFICATION OF FUND EQUITY

The fund balance classifications for Governmental Funds are:

- Nonspendable – includes fund balance amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through the adoption of an ordinance by the City Council. In order for fund balance to be committed, the City Council must adopt an ordinance stating the purpose for which the fund balance is committed. These committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (adoption of an ordinance) it employed to previously commit these amounts.
- Assigned – includes fund balance amounts that are self-imposed by the City to be used for a particular purpose. Fund balance can be assigned by the City Manager, the Chief Financial Officer or their designee. This authority was delegated to the City Manager and the Chief Financial Officer by formal resolution of the City Council. Assignments also include encumbrances for streets, drainage and capital projects.
- Unassigned – includes the residual fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

The City's classification of fund balances is as follows at September 30, 2019:

	General Fund	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Nonspendable:						
Permanent Funds Corpus	\$ 51,537	\$ -	\$ -	\$ -	\$ 1,099,907	\$ 1,151,444
Other Purposes	69,426	-	2,125	-	-	71,551
Restricted for:						
Debt Service	-	1,873,816	-	-	-	1,873,816
Grants	-	-	5,808	-	-	5,808
Hotel/Motel	-	-	2,781,618	-	-	2,781,618
Municipal Court	144,411	-	180,681	-	-	325,092
TIRZ Development	-	-	1,267,824	-	-	1,267,824
Capital Projects	-	-	-	5,470,389	-	5,470,389
Cemeteries	-	-	-	-	80,468	80,468
Libraries	-	-	-	-	4,517	4,517
Police	117,996	-	-	-	-	117,996
Record Preservation	37,626	-	-	-	-	37,626
Other Purposes	927,224	-	-	-	-	927,224
Tax Abatements	1,527,988	-	-	-	-	1,527,988
Committed to:						
Parks	1,602,506	-	-	-	-	1,602,506
Libraries	176,423	-	-	-	-	176,423
Streets	-	-	7,538,322	-	-	7,538,322
Drainage	-	-	3,496,567	-	-	3,496,567
Severance Reserve	1,103,394	-	-	-	-	1,103,394
Other Purposes	-	-	5,488,499	-	-	5,488,499
Assigned to:						
Parks	1,270,056	-	-	-	-	1,270,056
Streets and Drainage	136,988	-	-	-	-	136,988
Other Purposes	1,431,287	-	-	-	-	1,431,287
Unassigned	24,466,995	-	(19,347)	-	(7,156)	24,440,492
Total fund balances	<u>\$33,063,857</u>	<u>\$ 1,873,816</u>	<u>\$ 20,742,097</u>	<u>\$ 5,470,389</u>	<u>\$ 1,177,736</u>	<u>\$ 62,327,895</u>

Net position has been restricted at September 30, 2019 as follows:

Restricted for:	Business-Type Activities				Total
	Electric	Water	Waste Water	Other Enterprise	
Rate Stabilization	\$ 1,715,497	\$ -	\$ -	\$ -	\$ 1,715,497
Debt Reserve	8,107,586	-	-	-	8,107,586
Debt Service	2,787,543	1,389,130	1,752,650	10,240	5,939,563
Collateral Deposits	554,036	-	-	-	554,036
BVSWMA	-	-	-	18,183,379	18,183,379
Total	<u>\$ 13,164,662</u>	<u>\$ 1,389,130</u>	<u>\$ 1,752,650</u>	<u>\$ 18,193,619</u>	<u>\$ 34,500,061</u>

10. RETIREMENT PLAN

Plan Description

The City of Bryan participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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.

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.

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	611
Inactive employees entitled to but not yet receiving benefits	470
Active employees	<u>877</u>
Total	1,958

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Bryan were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.22% and 14.99% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019 were \$9,224,947, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the City, rates are multiplied by an additional factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2020 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for the time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
Total	100%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. The projection of cash flows used to determine the single discount rate assumed the funding policy adopted by the TMRS Board will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial liability over a fixed period of time based on the actuarial assumptions. This funding policy also provides for the financing of the employer portion of all future benefits as they accrue.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2017	\$ 327,842,519	\$ 287,442,558	\$ 40,399,961
Changes for the year:			
Service Cost	9,355,492	-	9,355,492
Interest	21,996,726	-	21,996,726
Change of benefit terms	-	-	-
Difference between expected and actual experience	631,794	-	631,794
Changes of assumptions	-	-	-
Contributions - employer	-	8,972,275	(8,972,275)
Contributions - employee	-	4,123,958	(4,123,958)
Net investment income	-	(8,610,807)	8,610,807
Benefit payments, including refunds of employee contributions	(13,285,700)	(13,285,700)	-
Administrative expense	-	(166,408)	166,408
Other changes	-	(8,694)	8,694
Net changes	18,698,312	(8,975,376)	27,673,688
Balance at 12/31/2018	<u>\$ 346,540,831</u>	<u>\$ 278,467,182</u>	<u>\$ 68,073,649</u>

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate 5.75%	Discount Rate 6.75%	1% Increase in Discount Rate 7.75%
City's net pension liability	\$ 119,089,751	\$ 68,073,649	\$ 26,463,268

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019 the city recognized pension expense of \$14,363,449.

At September 30, 2019 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 858,302	\$ (174,798)
Changes in actuarial assumptions	404,579	-
Difference between projected and actual investment earnings	14,897,679	
Contributions subsequent to the measurement date	7,063,428	-
Total	<u>\$ 23,223,988</u>	<u>(174,798)</u>

Reported deferred outflows of resources of \$7,063,428 related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended September 30
2020	\$ 5,820,670
2021	2,293,469
2022	2,206,378
2023	5,665,245
Total	<u>\$ 15,985,762</u>

11. EMPLOYEE HEALTH 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 an individual stop loss deductible in the amount of \$170,000 and a maximum aggregate stop loss deductible of \$13,788,180 for the twelve month period which began January 1, 2019 and ends December 31, 2019. These stop loss levels apply to both medical and prescription drug coverage. Dental coverage is not included. There were no significant reductions in insurance coverage in the current year from coverage in the prior year. For the City's aggregate stop loss coverage, there have been no settlements that have exceeded insurance coverage for the past three calendar years. However, the City has paid out \$575,457 for calendar year 2017, \$540,786 for calendar year 2018 and \$181,578 for calendar year 2019, to date in settlements that exceed insurance coverage applicable to individual stop loss coverage.

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

	<u>FY 2019</u>	<u>FY 2018</u>
Beginning balance unpaid claims	\$ 1,382,976	\$ 1,264,047
Incurred claims	10,982,473	10,089,459
Claim payments	<u>(10,970,333)</u>	<u>(9,970,530)</u>
Ending balance unpaid claims	<u>\$ 1,395,116</u>	<u>\$ 1,382,976</u>
Amounts due in one year	\$ 1,395,116	\$ 1,382,976

12. 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.

On February 28, 2017, the City established the City of Bryan Post-employment Benefits Trust (Trust). The Trust is a single employer irrevocable trust established by action of the City Council. This trust is held by Public Agency Retirement Services (PARS) who is the administrator of the plan. US Bank serves as the trustee.

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

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

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

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

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

Once the retiree or spouse is enrolled in Medicare, the City's plan becomes the secondary payer. The 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 Council 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, 2019, retirees paid \$608,388 in premiums and \$2,156,198 in claims and premiums were paid for post-retirement health care and administrative charges. As of September 30, 2019, the City has 80 retirees and beneficiaries participating in the plan.

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.

COBRA participants are reimbursed at the same levels as active employees. Participants paid premiums of \$28,726 and incurred claims and administrative expenses of \$144,752 during the year ended September 30, 2019. As of September 30, 2019, the City has 4 COBRA participants.

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

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

Funding Policy and Annual OPEB Cost

During FY 2017, the City Council adopted a funding policy for the City's OPEB liability. During FY 2019, \$375,000 was contributed to the Trust. The long term policy of the City is to contribute \$500,000 every year until the liability is fully funded, subject to annual appropriations and availability of funds.

The following is a summary of the employees covered by the Plan at September 30, 2019:

Inactive plan members or beneficiaries currently receiving benefits	80
Inactive plan members entitled but not yet receiving benefits	0
Active plan members	<u>843</u>
Total plan members	923

Contributions to the Plan

For the year ended September 30, 2019, the City's contribution rate was \$1,624,112, or 2.65% of covered-employee payroll. (See the Required Supplementary section of this report for more information on contributions to the Plan). Employees are not required to contribute to the plan.

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2018 (the measurement date), and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. As of the measurement date the total OPEB liability was \$17,265,479 and the net OPEB liability (net of plan fiduciary net position of \$1,090,337) was \$16,175,142.

The total OPEB liability, and the Actuarial Determined Contribution (ADC) at the measurement date were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level percentage of payroll
Amortization Period	Closed, 29-years as of September 30, 2019
Asset Valuation	Market Value
Investment Rate of Return	6.5%, net of investment expenses, including inflation
Inflation	2.50%
Salary Increases	3.50% to 10.50%, including inflation
Payroll Growth	1.50%
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates being multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.
Participation Rates	It was assumed that 65% of retirees who are eligible for the rule of 80 discount and 10% of those who are not eligible for the rule of 80 discount would choose to receive coverage through the City.
Health Care Cost Trend Rates	Initial rates of 7.50% declining to ultimate rates of 5.25% after 11 years; Ultimate trend rate includes a 1.00% adjustment for the excise tax.

The actuarial assumptions used at the measurement date valuation were based on the results of an actuarial experience study performed as of December 31, 2014 and a measurement date of December 31, 2018.

For the purposes of the valuation performed as of December 31, 2018, the expected rate of return on OPEB plan investments is 6.50%. The municipal bond rate is 3.31% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"), and the resulting Single Discount Rate is 6.50%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal or in excess of the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Allocation-weighted Long-term Expected Real Rate of Return
Domestic Equity - Large Cap	26.5%	5.6%	1.5%
Domestic Equity - Small/Mid Cap	12.5%	5.9%	0.7%
Non-US Equity - Developed	6.0%	5.7%	0.3%
Non-US Equity - Emerging	3.3%	6.8%	0.2%
US Corporate Bonds - Core	43.5%	2.3%	1.0%
US Corporate Bonds - Long Dur.	0.0%	2.6%	0.0%
US Corporate Bonds - High Yield	1.5%	4.5%	0.1%
Non-US Debt - Developed	0.0%	1.4%	0.0%
Non-US Debt - Emerging	0.0%	4.1%	0.0%
US Treasuries (Cash Equivalents)	5.0%	0.8%	0.0%
TIPS (Inflation Protected)	0.0%	1.6%	0.0%
Real Estate	1.8%	4.4%	0.1%
Hedge Funds	0.0%	3.9%	0.0%
Commodities	0.0%	2.5%	0.0%
Infrastructure	0.0%	4.8%	0.0%
Private Equity	0.0%	8.0%	0.0%
Total	100.0%		4.0%
Expected Inflation			2.5%
Total Return			6.5%

Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning Balance at 12/31/2017	\$ 16,491,526	\$ 641,541	\$ 15,849,985
Service cost	492,419	-	492,419
Interest on the total OPEB liability	1,052,909	-	1,052,909
Difference between expected and actual experience	306,887	-	306,887
Employer contributions	-	1,578,262	(1,578,262)
Net investment income (loss)	-	(46,639)	46,639
Benefits payments	(1,078,262)	(1,078,262)	-
Administrative expense	-	(4,565)	4,565
Other	-	-	-
Net changes	773,953	448,796	325,157
Ending Balance	\$ 17,265,479	\$ 1,090,337	\$ 16,175,142

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following shows the sensitivity of the net OPEB liability to a 1.0% increase and a 1.0% decrease in the discount rate assumption:

	<u>1% Decrease 5.50%</u>	<u>Discount Rate 6.50%</u>	<u>1% Increase 7.50%</u>
Net OPEB Liability	\$ 18,040,431	\$ 16,175,142	\$ 14,539,914

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following shows the sensitivity of the net OPEB liability to a 1.0% increase and a 1.0% decrease in the healthcare cost trend rate assumption:

	<u>1% Decrease</u>	<u>Current Rate Assumption</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 14,156,850	\$ 16,175,142	\$ 18,587,698

OPEB Expense and Deferred Outflows of Resources

For the year ended September 30, 2019, the City recognized OPEB expense of \$1,548,693. At September 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources and in the following amounts:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience, liability	\$ 271,768	\$ -
Difference between projected and actual experience, asset	85,339	-
Contributions subsequent to the measurement date	1,248,946	-
Total	<u>\$ 1,606,052</u>	<u>\$ -</u>

The \$1,248,946 reported as deferred outflows of resources related to OPEB resulting from contributions made after the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2020. Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending September 30</u>	<u>Net Deferred Outflows (Inflows)</u>
2020	\$ 56,602
2021	56,602
2022	56,603
2023	56,008
2024	35,119
Thereafter	96,172
Total	<u>\$ 357,106</u>

See page 40 for the statement of fiduciary net position for the OPEB Fund.

13. 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 offered its employees the Retiree Health Savings (RHS) Plan. The plan allowed 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 elected 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.

14. 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 ("Member 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.

Until September 18, 2018, TMPA operated the Gibbons Creek power plant, a coal-fired generating plant located in Grimes County, Texas with a net generating capability of 470 megawatts. The plant began commercial operation on October 1, 1983. On June 6, 2019, the TMPA Board of Directors voted to permanently retire the plant and TMPA is now engaged in the decommissioning of the plant. Additionally, TMPA owns and operates approximately 350 circuit miles of transmission lines and 14 substations within ERCOT. TMPA also owns approximately 10,500 acres of land adjacent to the plant previously used to mine lignite for generation.

TMPA is governed by a Board of Directors made up of two representatives from each Member City and is empowered to plan, finance, acquire, construct, own, operate and maintain facilities to be used in the business of generation, transmission and sale of electric energy to each Member City. Each of the Member Cities entered into separate but identical Power Sales Contracts with TMPA (as amended, the "TMPA Agreements"). For more than 40 years, the TMPA Agreement governed the relationship between, and the rights and obligations of, TMPA and each of the Member Cities with respect to, among other items, generation, including Gibbons Creek, transmission and sale of electric energy to each Member City. Under the terms of the TMPA Agreement, each of the Member Cities was unconditionally obligated to pay to TMPA, without offset or counterclaim and without regard to whether energy was delivered by TMPA to the Member Cities, its percentage of TMPA's Annual System Cost as defined in the TMPA Agreement, including the payment of TMPA's debt service requirements and operating and maintenance expenses in the following percentages: City of Bryan – 21.7%; City of Denton – 21.3%; City of Garland – 47.0% and City of Greenville – 10.0%. On September 1, 2018 TMPA made the final debt service payment on TMPA's generation debt which extinguished the Member City's unconditional obligation with respect to such TMPA debt. The TMPA Agreement has expired by its terms and none of the Member Cities elected to extend the TMPA Agreement beyond September 30, 2018.

Effective September 1, 2016, TMPA and the Member Cities entered into a Joint Operating Agreement ("JOA"). In general, the purposes of the JOA include: (i) funding TMPA operations such as mine reclamation, transmission service, and plant decommissioning following expiration of the Power Sales Contract ("PSC") (ii) subject to certain exceptions, requiring Member City approval for the issuance of new debt, the execution of certain significant contracts, and the sale of property exceeding \$10 million in value (iii) specifying provisions for determining how costs of TMPA and proceeds from the sale of

assets are to be allocated among the Member Cities (iv) providing for the establishment by TMPA of reserve funds for the decommissioning of the plant and the indemnification of TMPA Board Members and Member City officials, employees, contractors, and agents and (v) dividing the operations of TMPA into three business functions-mine, generation, and transmission-and requiring separate budgets and books for each business function.

The PSC provided that upon dissolution of TMPA, the assets of TMPA will automatically be transferred to the Member Cities, with each Member City receiving an undivided interest in the assets of TMPA in proportion to the amount paid by the Member City to TMPA. The JOA, for purposes of implementing the automatic transfer of assets upon dissolution of TMPA, requires TMPA to periodically make this calculation for each business unit, and sets out formulas for making these calculations. Under the JOA, these ownership calculations are relevant not only to the allocation of assets upon dissolution of TMPA, but also to the allocation of certain proceeds from the sale of assets, and in some cases, the allocation of TMPA costs.

If requested by a majority of the Member Cities, TMPA is required by the JOA to transfer a divided interest in the transmission system to each Member City. Under this partition process, the objective is for each City to receive ownership of transmission facilities in the vicinity of the Member City, and in proportion to the Member City's ownership interest in the transmission business. Any such transfer of transmission assets must be in compliance with relevant bond covenants, including those requiring defeasance of all or a portion of transmission debt.

The JOA includes a reclamation plan for the mine, requires the development of a decommissioning plan, and sets out standards for environmental remediation. TMPA is required to comply with these plans and standards.

Under the JOA, in discharging its contractual obligations, including mine reclamation, decommissioning, transmission service, environmental remediation, indemnification, and other obligations, TMPA is rendering services to the Member Cities. The JOA obligates each Member City to pay the cost of these services, and to collect rates and charges for electric service sufficient to enable it to pay to TMPA all amounts due under the JOA for these services. A Member City's payment obligations under the JOA are payable exclusively from such electric utility revenues and constitute an operating expense of its electric system.

Unless terminated earlier through the mutual consent of all parties, the JOA remains in effect until the dissolution of TMPA.

Gibbons Creek power plant's operational status with ERCOT transitioned to: Seasonal Operations, effective September 26, 2017 (operated from May 21, 2018 through September 18, 2018); Reserve Shutdown, effective October 1, 2018; and Indefinite Mothball, effective June 1, 2019. On June 28, 2019, a notification to ERCOT was made to remove Gibbons Creek from the ERCOT system, effective October 23, 2019. The unit was actually removed from the ERCOT system on October 30, 2019. Due to the significant decline in the service utility of the generation assets, such assets were largely impaired as of September 30, 2017, with a final impairment on September 30, 2018. Effective September 1, 2018, the only debt remaining at TMPA is Transmission Debt.

A decommissioning assessment study was performed in 2018. The study, has been used to calculate a decommissioning/environmental remediation liability of \$126,443,000 as of September 30, 2019. Decommissioning is estimated to take 5 years and related maintenance will be required for at least 30

years after the decommissioning is complete. BTU has recorded a TMPA decommissioning obligation of \$26,856,688 as of September 30, 2019.

In 2016 and 2017, TMPA issued requests for proposals (“RFPs”) regarding the proposed sale of Gibbons Creek power plant and certain transmission assets. Proposals received in connection with the 2016 and 2017 RFP’s were pursued, but negotiations were ultimately discontinued. In 2019, TMPA issued an RFP involving only the sale of generation assets. Proposals were received in August 2019 and are undergoing evaluation by TMPA.

At September 30, 2019, BTU’s portion of outstanding TMPA bonds and note purchase agreement was approximately \$47.2 million.

During the year ended September 30, 2019, the City Electric System paid TMPA \$2,448,981 for power purchases and related activity under the contract. As of September 30, 2019, the City Electric System had payables to TMPA amounting to \$19,753.

TMPA’s Annual Financial Report for the year ended September 30, 2019 reported the following:

	FY 2019
Total Assets	\$ 366,203,000
Total Deferred Outflows of Resources	-
Total Liabilities	381,676,000
Total Deferred Inflows of Resources	-
Total Net Position	<u>\$ (15,473,000)</u>
Change in Net Position	
for year ended September 30, 2019	\$ (29,688,000)

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

15. BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY

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

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

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

In 2010, the City issued \$5,145,000 in Certificates of Obligation, Series 2010 to finance the construction of the Twin Oaks Landfill site. BVSWMA has agreed to pay the City an amount equal to the future debt service requirements of these certificates of obligation. At September 30, 2019 the City reported a receivable in the amount of \$3,180,000 of which \$265,000 is due and payable to the City within one year.

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, 2019 reported the following:

	<u>FY 2019</u>
Total Assets	\$ 48,521,123
Total Liabilities	12,008,071
Total Deferred Inflow of Resources	<u>146,294</u>
Total Net Position	<u>\$ 36,366,758</u>
Change in net position for the year ended September 30, 2019	\$ 1,844,273
Bryan's undivided 50% share of changes in net position for the year ended September 30, 2019	\$ 922,137

Audited financial statements for BVSWMA, Inc. may be obtained by writing BVSWMA, Inc., 2690 Hwy. 30, Anderson, TX 77830

16. INTERFUND BALANCES

Interfund receivable and payable balances at September 30, 2019 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	City Electric	\$ 167,392
	Nonmajor governmental	90,336
	Nonmajor enterprise	160,675
	Internal service funds	58
Debt service	General	200,912
Nonmajor governmental	City Electric	136,408
City Electric	Rural Electric	3,438,992
	Nonmajor governmental	7,111
Water	City Electric	540,641
	Wastewater	20,137
Wastewater	General	13,619
	City Electric	328,966
Nonmajor enterprise funds	General	10,576
	City Electric	184,492
Internal service funds	General	1,300
	City Electric	107

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 balance sheet for governmental funds and statement of net position for proprietary funds.

17. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2019 are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>						<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>City Electric Fund</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Nonmajor Enterprise Funds</u>	
General Fund	\$ -	\$ 520,000	\$ 13,350,658	\$ 657,130	\$ 642,956	\$ 566,067	\$ 15,736,811
Debt Service	145,287	1,784,200	-	-	-	-	1,929,487
City Electric Fund	94,753	181,174	-	487,354	471,795	538,986	1,774,062
Water Fund	23,538	-	-	-	-	11,769	35,307
Wastewater Fund	274,715	-	-	-	-	21,218	295,933
Nonmajor enterprise funds	186,191	-	-	22,915	3,558	-	212,664
Internal service funds	161,190	-	-	47,853	42,816	-	251,859
Total transfers out	<u>\$ 885,674</u>	<u>\$ 2,485,374</u>	<u>\$ 13,350,658</u>	<u>\$ 1,215,252</u>	<u>\$ 1,161,125</u>	<u>\$ 1,138,040</u>	<u>\$ 20,236,123</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 Capital Project Funds to the Water and Wastewater Funds as incidental utility system improvements made relative to street and drainage capital improvement projects
- The Tax Increment Reinvestment Zone Funds to the Debt Service Fund and Bryan Commerce and Development, Inc. for debt service payments as they become due
- Funds that are no longer needed and are closed by transferring all balances to other appropriate funds

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

18. ADMINISTRATIVE ALLOCATIONS TO OTHER FUNDS

The General Fund provides general and administrative support services to various other funds of the City. Costs of these services are allocated as follows:

	<u>General Fund</u>
<u>Administrative costs allocated to:</u>	
City Electric Fund	\$ 3,569,291
Water Fund	524,125
Wastewater Fund	618,113
Nonmajor Enterprise Fund (Solid Waste Fund)	509,741
Internal Service Fund (Insurance Fund)	185,743
Street Improvement	100,467
Drainage Fund	27,009
Employee Benefits Fund	180,830
Warehouse Fund	71,003
Bryan Commerce & Development	44,327
Coulter Airfield Fund	103,735
	<u>\$ 5,934,384</u>

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

The City is self insured against the risk associated with losses relating to general liability and workers' compensation. An "Insurance Fund" is maintained to manage liability risks internally and set aside assets for the payment of claims in an internal service fund.

The City purchases excess liability insurance to reduce its exposure to catastrophic losses. Liability insurance providing a \$5,000,000 limit per occurrence/\$7,000,000 aggregate limit for general, auto, public officials, and police liability with a \$500,000 self-insured retention for claims was purchased with coverage effective October 1, 2019. Worker's compensation coverage is provided at Texas Statutory limits with \$1,750,000 retention. There have been no settlements that have exceeded insurance coverage for each of the past three fiscal years.

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

The Insurance Fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The City has recorded a potential liability in the amount of \$1,224,575 for claims that have been incurred but not reported as of September 30, 2019. 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>2019</u>	<u>2018</u>
Unpaid claims at beginning of fiscal year	\$ 1,539,463	\$ 1,591,835
Change in unpaid claims	(219,915)	170,499
Claim payments	<u>(94,973)</u>	<u>(222,871)</u>
Total unpaid claims at end of fiscal year	<u>\$ 1,224,575</u>	<u>\$ 1,539,463</u>
Amounts due in one year	\$ 622,447	\$ 739,396

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

21. COMMITMENTS AND CONTINGENCIES

Traditions Development

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

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

The partnership between BCDI and Jordan Community Properties, L.P. was named Bryan/Jordan L.P. (subsequently known as Bryan/Traditions, L.P.). Bryan/Jordan L.P. was formed as a limited partnership, in 2000, under the laws of the State of Texas. The partners in Bryan/Jordan L.P. were CFJ Properties, Inc., a Texas corporation and the general partner, BCDI, a Texas local government

corporation, a limited partner, and Jordan Community Properties, L.P., a Texas limited partnership and a limited partner. The partnership interest was as follows: 1%, 55% and 44% for Jordan Properties, Inc. or an affiliate thereof, Jordan L.P. and BCDI, respectively.

The purpose of Bryan/Jordan L.P. was to develop a portion of the land, purchased by BCDI, into a planned community, including a residential community and a commercial development. This community would become known as Traditions. In order for Bryan/Jordan L.P. to develop the land, BCDI would periodically contribute portions of the land, as a partnership contribution, to Bryan/Jordan, L.P. by a special warranty deed.

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

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

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

Other special provisions of the Amendment provided that:

- BCDI agreed to provide funding for the construction of a future bridge, roadways or other infrastructure as future development occurs.
- Upon Traditions Acquisition Partnership's completion of a club house to certain specifications, additional provisions were activated. Traditions Acquisition Partnership completed the club house as specified in the Agreement on March 1, 2011. The subsequent provisions included that Traditions Acquisition Partnership is entitled to receive the first \$150,000 of the net sales proceeds of each of the next 20 lots developed by Bryan/Traditions, L.P., and additionally, that Traditions Acquisition Partnership has the option to purchase 50 acres of BCDI land known as Parcel 35 for \$1. If they choose to exercise the option to purchase Parcel 35, they forgo a number of construction commitments by the City.

Prior to FY 2017, Traditions Acquisition Partnership had received proceeds for all 20 of the committed 20 lots from which the partnership is entitled to receive the first \$150,000 of net sales proceeds, thereby fulfilling that obligation under the Amendment. Also in 2016, Traditions Acquisition

Partnership exercised its option to purchase Parcel 35 for \$1, eliminating the City's future obligations for a bridge, roadways and other infrastructure under the Amendment.

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

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

The Traditions Development currently includes a Jack Nicklaus designed golf course, an 800 acre high-end housing development and the new Atlas/Lake Walk development. At September 30, 2019, BCDI holds approximately 190 acres under the Agreement that remain to be developed. The Partnership is expected to stay operational until all Partnership property is sold. There is no debt outstanding related to land held by BCDI in the Traditions development. The City anticipates that the proceeds from BCDI's portion of future land sales will exceed the cost of future City infrastructure required by the Traditions Development.

Through September 30, 2019, the City of Bryan has invested \$42 million towards land, infrastructure and operating costs in the Traditions development. Funding sources include TIRZ #10 tax revenues, Traditions land sales, water and wastewater funds, the general fund and special projects funds.

City of Bryan and Brazos County Economic Development Foundation Inc.

In 2009, the City of Bryan and Brazos County entered into an agreement to create the City of Bryan and Brazos County Economic Development Foundation Inc. ("BBCEDF"), a local government corporation formed under Subchapter D of Chapter 431 of the Texas Transportation Code. The BBCEDF was created to promote, develop, encourage and maintain employment, commerce, and economic development in the City and the County. In 2009, the BBCEDF purchased 191 acres of land in north Brazos County to be developed as a business park. Also in 2009, the BBCEDF entered into an option agreement that gave BBCEDF the right to purchase up to 724 adjacent acres. In fiscal year 2016, BBCEDF exercised the option to purchase all remaining acres under the option agreement. In fiscal year 2017, BBCEDF purchased an adjacent 119 acres. The business park, known as the Texas Triangle Park, is currently the primary focus for economic development for the BBCEDF. Through September 30, 2019, BBCEDF sold 403 acres of the Texas Triangle Park and holds approximately 616 acres currently for sale.

The City of Bryan's 50% ownership in BBCEDF is reflected on the Statement of Net Position as Investment in Economic Development Foundation.

Research Valley BioCorridor

In December 2011, the Cities of Bryan and College Station (the Cities) adopted an inter-local agreement (ILA) for the development of the Research Valley BioCorridor. The purpose of the BioCorridor is to attract bio-related industries that develop life-changing medical technologies, build tax base, and attract high-paying jobs and investment to the Cities. The ILA outlines a number of ways the Cities will work together to create and manage an environment conducive for development and

growth of the BioCorridor. The agreement applies to four tracts of land totaling approximately 196 acres owned by Bryan Commerce and Development, of which, approximately 147 acres are located in College Station.

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

Through September 30, 2019, The City of Bryan has expended \$5.6 million on roadways and sewer improvements under the agreement. Ad valorem taxes to be shared under the agreement are based on the lower of the Cities of Bryan and College Station's O&M tax rates, subject to a minimum rate of \$0.24 per \$100 valuation, and will be split on a 50/50 basis. Through September 30, 2019, the City of Bryan has paid a total of \$23,669 to the City of College Station under the tax sharing agreement.

Bryan Texas Utilities

BTU purchase and construction commitments were \$477.7 million at September 30, 2019. This amount primarily includes provisions for future fuel and energy purchases.

On November 15, 2018, BTU executed forward market power purchases for the term from January 1, 2023 to October 31, 2027, to support BTU's projected baseload energy requirements over those respective years. BTU transacted with one counterparty for the total power purchase of approximately 440,785 MWh.

On October 8, 2018, BTU entered into a 15 year power purchase agreement with an energy developer that will construct a photovoltaic solar power plant in northeast Texas. Under the agreement, which has an expected commercial operation date of June 2022, BTU will purchase the output from 100MW of generating capacity.

On April 9, 2018, BTU executed forward market power purchases for the years 2023 through 2027, to support BTU's projected baseload energy requirements over those respective years. BTU transacted with one counterparty for the total purchase of approximately 4,666,000 MWh.

On May 24, 2017, BTU executed forward market power purchases for the years 2018 through 2022, to replace BTU's share of expected capacity from Gibbons Creek over those respective years. BTU transacted with two counterparties for the total purchase of approximately 3,905,000 MWh.

On October 6, 2015, following a resource planning study, BTU executed forward market power purchases for the years 2018 through 2022. Spread over five years, BTU transacted with four counterparties for the total purchase of approximately 949,000 MWh.

On August 28, 2014, BTU entered into a 25-year power purchase agreement with Los Vientos Windpower, LLC, a subsidiary of Duke Energy. Under the agreement, BTU purchases 33% of the output from wind turbines with a generating capacity of 110 MW from the Los Vientos V wind project in Starr County, Texas; which began commercial operation in December 2015.

On October 14, 2010, BTU entered into a 15-year power purchase agreement with Peñascal II Wind Power, LLC, a subsidiary of Iberdrola Renewables; now known as Avangrid Texas Renewables, LLC (Avangrid). 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 Avangrid's existing Peñascal 2 Wind Project in Kenedy County, Texas.

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

Crossfulton Investments, Ltd.

In 2012, the City of Bryan entered into an economic development agreement with Crossfulton Investments, Ltd. related to a retail center development located in west Bryan. The agreement provides sales tax revenue sharing of up to \$5,000,000 through 2029 to reimburse a portion of the cost of design, development and construction of the retail center. The reimbursements are based on sales tax collections from the retail businesses at the location. As of September 30, 2019, the developer has not provided the required information on sales tax to the City therefore no payment to Crossfulton has been made. The City estimates the liability to be \$1.5 million as of September 30, 2019. These amounts have been committed in the General Fund fund balance during FY 2018. Additionally, the City agreed to reimburse up to \$250,000 for construction costs of the traffic signal at Villa Maria and Jaguar which was paid in FY 2016.

Encumbrances

The General Fund committed and assigned fund balance includes the impact of encumbrances. Encumbrances are commitments related to contracts for goods or services. At year end the amount of encumbrances expected to be honored in the next year in the General Fund were \$2.8 million.

22. ACCOUNTS RECEIVABLE

As of September 30, 2019, the receivables not expected to be collected within one year are notes receivable as follows:

	General Fund	Debt Service Fund	Special Revenue Fund	Total
Notes receivable	\$ 13,616	\$ 3,180,000	\$ 1,495,383	\$ 4,688,999

Special Revenue Fund notes receivable are from loans provided through the Community Development Block Grant funding received from HUD.

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, 2019:

	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Total
Bond Retirement Reserve	\$ 8,107,586	\$ 362,200	\$ -	\$ -	\$ -	\$ 8,469,786
Bond Debt Service	4,550,416	693,020	1,389,130	1,752,650	10,240	8,395,456
Rate Stabilization Reserve	1,715,497	-	-	-	-	1,715,497
Customer Deposits Payable	4,709,623	1,534,246	-	-	-	6,243,869
TMPA decommissioning fund	18,573,088	-	-	-	-	18,573,088
Over-Recovered Fuel Expense	8,053,948	3,058,215	-	-	-	11,112,163
Collateral Deposits	554,036	-	-	-	-	554,036
Capital Debt Proceeds	40,135,631	11,586,441	1,987,033	-	42,524	53,751,629
	<u>\$ 86,399,825</u>	<u>\$ 17,234,122</u>	<u>\$ 3,376,163</u>	<u>\$ 1,752,650</u>	<u>\$ 52,764</u>	<u>\$ 108,815,524</u>

*This table does not include investments in Brazos Valley Solid Waste Management Agency or City of Bryan and Brazos County Economic Development Foundation Inc.

24. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended September 30, 2019 budgetary expenditures in excess of appropriations are reported as indicated below:

<u>Governmental Funds</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - (Negative)</u>
TIRZ 21 Fund			
Development Services	100,000	102,373	(2,373)

Appropriations are made at the fund level. For the fiscal year ended September 30, 2019, the TIRZ 21 fund exceeded budgeted expenditures at the fund level by \$2,373.

25. FUND DEFICITS

The Community Development Fund, a Special Revenue Fund, has a deficit unassigned fund balance as of September 30, 2019 in the amount of \$17,222. This is the result of expenditures incurred in advance of processing the related grant requests. The City will submit grant fund requests to cover the fund deficit in fiscal year 2020.

26. TAX INCREMENT REINVESTMENT ZONES

Chapter 311 of the Texas Tax Code allows for the creation of Tax Increment Reinvestment Zones ("TIRZ"). TIRZ 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. TIRZ 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 TIRZ, the governing bodies of the county and school district may choose to participate.

When a TIRZ is formed, a base value for the property located within the TIRZ is established. At the date of creation the appraised value is normally accepted as the base value. As the property within the TIRZ develops, property taxes are collected based upon appreciated appraised values at the rate established annually by the participating entities. Each participant in the TIRZ 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 TIRZ may 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. A TIRZ may also be terminated by a subsequent ordinance providing for an earlier or later termination date.

As of September 30, 2019, the City had four active Tax Increment Financing Zones:

Tax Increment Reinvestment Zone #10: In 2000, the City approved an ordinance creating a TIRZ known as “Reinvestment Zone Number Ten, City of Bryan, Texas” (“Zone Ten”). Zone Ten encompasses a portion of the west side of the City in the area known as Traditions. The development includes a Jack Nicklaus designed golf course and an 800-acre high end housing development. Through the fiscal year ended September 30, 2019, the City estimates that it has funded \$25.8 million in public infrastructure improvements and associated costs within Zone Ten. Combination Tax and Surplus Utility System Revenue Certificates of Obligation, Series 2000A, in the aggregate principal amount of \$17,000,000 were issued by the City to provide funds to commence certain of the public infrastructure improvements. In 2005, the Series 2000A bonds were refunded through the City’s issuance of \$13,696,712 of General Obligation refunding bonds. In 2015, the 2005 GO Ref bonds were refunded through the City’s issuance of \$12,150,000 of General Obligation refunding bonds of which \$7,965,728 was assigned to Zone Ten. The outstanding debt balance as of September 30, 2019 is \$4,143,943 with debt service payments through 2025. The City contributes all of its incremental tax revenues to Zone Ten. Brazos County has agreed to allow 80% of its maintenance and operations rate to be diverted to Zone Ten through 2025. Incremental ad valorem property taxes provided 317% of the debt service payments in FY 2019.

Tax Increment Reinvestment Zone #19: In 2005, the City approved an ordinance creating a TIRZ known as “Reinvestment Zone Number Nineteen, City of Bryan, Texas” (“Zone Nineteen”). The development consists of 122 acres in the central portion of the City of Bryan in the vicinity of Nash Street. Through the fiscal year ended September 30, 2019, the City estimates that it has funded \$1.8 million in public infrastructure improvements and associated costs within Zone Nineteen. Tax and Revenue Certificates of Obligation, Series 2005, in the aggregate principal amount of \$1,747,642 were issued by the City to provide funds to commence certain of the public infrastructure improvements within Zone Nineteen. Subsequently, in 2007, the City issued Tax and Revenue Certificates of Obligation, Series 2007, in the aggregate principal amount of \$200,000 for TIRZ Nineteen projects. In 2013 and 2014, the Series 2005 bonds were refunded through the City’s issuance of \$1,534,542 of General Obligation refunding bonds. In 2016, the 2007 CO Ref bonds were refunded through the City’s issuance of \$7,755,000 of General Obligation refunding bonds of which \$108,803 was assigned to Zone Nineteen. The outstanding debt balance as of September 30, 2019 is \$958,558 with debt service payments through 2031. The City contributes all of its incremental tax revenues to Zone Nineteen. Brazos County agreed to allow 100% of its maintenance and operations rate to be diverted to Zone Nineteen through 2013. Incremental ad valorem property taxes provided 249% of debt service payments in FY 2019.

Tax Increment Reinvestment Zone #21: In 2006, the City approved an ordinance creating a TIRZ known as “Reinvestment Zone Number Twenty-One, City of Bryan, Texas” (“Zone Twenty-One”). Zone Twenty-One is located in Downtown Bryan and was created to support the re-development of the Downtown district. Through the fiscal year ended September 30, 2019, the City estimates that it has funded \$657,000 in public infrastructure improvements and associated costs within Zone Twenty-One.

Tax Increment Reinvestment Zone #22: In 2007, the City approved an ordinance creating a TIRZ known as “Reinvestment Zone Number Twenty-Two, City of Bryan, Texas” (“Zone Twenty-Two”). Zone Twenty-Two is a retail development on the east side of the City of Bryan in the vicinity of Bryan Towne Center. Through the fiscal year ended September 30, 2019, the City estimates that it has funded \$5.7 million in public infrastructure improvements and associated costs within Zone Twenty-Two. Tax and Revenue Certificates of Obligation, Series 2007, in the aggregate principal amount of \$3,721,414 were issued by the City to provide funds to commence certain of the public infrastructure improvements within Zone Twenty-Two. Subsequently, in 2008, the City issued Tax and Revenue Certificates of Obligation, Series 2008, in the aggregate principal amount of \$287,914 for TIRZ Twenty-Two projects. In September 2013, bond funds of \$1,481,500 were assigned to Zone Twenty-Two from Tax and Revenue Certificates of Obligation, Series 2010. In 2016, the 2007 CO Ref bonds were refunded through the City’s issuance of \$7,755,000 of General Obligation refunding bonds of which \$2,404,981 was assigned to Zone Twenty-Two. In 2018, the 2008 CO bonds were refunded through the City’s issuance of \$6,265,000 of General Obligation refunding bonds of which \$162,649 was assigned to Zone Twenty-Two. The outstanding debt balance as of September 30, 2019 is \$2,936,232 with debt service payments through 2030. The City contributes all of its incremental tax revenues to Zone Twenty-Two. Brazos County has agreed to allow 100% of its maintenance and operations rate to be diverted to Zone Twenty-Two through 2023. Incremental ad valorem property taxes provided 142% of debt service payments in FY 2019.

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

Zone/ Fiscal Year	Net Taxable Value	Base Value	Captured Value	TIRZ Tax Levy
<u># 10</u>				
2019	\$ 338,330,180	\$ 637,640	337,692,540	\$ 2,089,770
2018	299,121,995	637,640	298,484,355	1,856,355
2017	240,320,359	637,640	239,682,719	1,461,676
2016	217,741,206	637,640	217,103,566	1,360,038
2015	178,967,116	637,640	178,329,476	1,233,993
<u># 19</u>				
2019	59,270,949	2,213,289	57,057,660	354,667
2018	50,851,435	2,213,289	48,638,146	308,802
2017	33,997,545	2,213,289	31,784,256	203,778
2016	28,643,248	2,213,289	26,429,959	171,643
2015	23,048,143	2,213,289	20,834,854	154,180
<u># 21</u>				
2019	65,709,705	41,070,995	24,638,710	411,239
2018	60,549,105	41,070,995	19,478,110	379,392
2017	59,789,233	41,070,995	18,718,238	374,960
2016	57,870,274	41,070,995	16,799,279	363,237
2015	56,999,200	41,070,995	15,928,205	361,173
<u># 22</u>				
2019	58,419,168	2,464,400	55,954,768	368,035
2018	53,693,670	2,464,400	51,229,270	338,265
2017	40,702,500	2,464,400	38,238,100	256,422
2016	49,872,963	2,464,400	47,408,563	314,195
2015	33,898,290	2,464,400	31,433,890	214,920

TIRZ tax levy above includes 100% of levy on the taxable values within the TIRZ boundaries. Actual levy to be collected for the TIRZ is based on captured values.

27. TAX ABATEMENTS

As of September 30, 2019, the City of Bryan provides tax abatement economic development incentives through four programs:

Chapter 311 Texas Tax Code

The City uses Tax Increment Financing as a tool to assist with needed improvements to infrastructure and buildings within a designated reinvestment zone. The cost of projects and improvements to the reinvestment zone is repaid by the future tax revenues of each taxing unit that levies taxes against the property. The City can choose to dedicate all, a portion of, or none of the tax revenue gained as a result of improvements within the reinvestment zone.

Chapter 312 Texas Tax Code

The City allows for the creation of tax abatement agreements between the taxpayer and the city exempting all or part of the value increase from real property and/or tangible personal property from taxation for up to 10 years. In return, the developer is required to make certain improvements to their property or meet certain performance benchmarks.

Chapter 351 Texas Tax Code

The City can reimburse all or portions of Hotel Occupancy Tax (HOT) collected by the City. Reimbursed funds can be used for the management and supervision of certain promotional services, programs and activities that are eligible to be funded with revenue derived by the City from Hotel HOT (collectively "Statutorily Authorized Promotional Programs" or "SAPP(s)") specifically permitted under the Texas Tax Code Section 351.101(a) (1-5), including, by way of example, advertising, solicitation, and promotional programs promoting visitor attractions, points of interest, entertainment opportunities, recreational facilities, and historical sites to attract tourists and convention delegates or registrants to the City.

Chapter 380 Local Government Code

The City uses Economic Development Agreements to provide a grant or a loan of city funds or services to promote economic development. Under a Chapter 380 agreement, a developer and the City negotiate a contract to provide incentives such as permit fee waivers, payments of portions of sales and property tax, grants for façade and safety improvements, assistance with infrastructure and other items in return for the project meeting performance benchmarks.

At September 30, 2019, the City had established the following abatement agreements:

Property Owner	Date of Abatement	FY 2019 Appraised Values	FY 2019 Taxable Values	FY 2019 Abated Values	FY 2019 Eligible Taxes Levied *	FY 2019 Taxes Abated *
Chapter 311						
TIRZ 10	2001-2025	\$ 338,330,180	\$ 338,330,180	\$ 337,692,540	\$ 2,083,321	\$ 2,083,321
TIRZ 19	2006-2028	59,270,949	59,270,949	57,057,660	341,305	343,363
TIRZ 21	2007-2026	65,709,705	65,709,705	24,638,710	154,200	152,684
TIRZ 22 NORTH	2008-2027	18,785,548	18,785,548	18,359,238	115,661	115,661
TIRZ 22 TARGET	2008-2027	39,633,620	39,633,620	37,595,530	236,848	236,848
Total Chapter 311		<u>\$ 521,730,002</u>	<u>\$ 521,730,002</u>	<u>\$ 475,343,678</u>	<u>\$ 2,931,335</u>	<u>\$ 2,931,877</u>
Chapter 312						
Woodbolt Distribution, LLC	2015-2024	11,481,210	11,481,210	7,523,304	47,396	47,396
Lubrizol	2018-2027	43,045,770	43,045,770	41,731,490	262,908	262,908
Total Chapter 312		<u>\$ 54,526,980</u>	<u>\$ 54,526,980</u>	<u>\$ 49,254,794</u>	<u>\$ 310,304</u>	<u>\$ 310,304</u>
Chapter 351						
Atlas Hotel	2015-2025	N/A	N/A	-	164,485	148,333
Total Chapter 351		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,485</u>	<u>\$ 148,333</u>
Chapter 380						
Property Tax						
Five Ags	2014-2018	8,586,030	8,586,030	3,006,290	18,939	16,713
Adam Development	2019-2030	5,733,810	5,733,810	-	-	-
BCS Modern Living, LLC - Jordan Center	2019-2025	453,630	453,630	-	-	-
BRV Partners, L.P. (Bowie School Renovation)	10 years	100,880	100,880	-	-	-
Caljo, Inc. (Callaway Jones)	2018-2022	1,642,910	1,642,910	1,391,910	8,769	8,769
Cozumel Investors, Ltd. (The Ranch at Turkey Creek)	2018-2025	3,882,720	3,882,720	-	-	-
Clay Street Townhomes (Rock Pad, LLC)	2019-2025	1,353,350	1,353,350	-	-	-
Viasat, Inc.	2015-2024	13,956,730	13,956,730	-	-	-
Total Property Tax		<u>35,710,060</u>	<u>35,710,060</u>	<u>4,398,200</u>	<u>27,708</u>	<u>25,482</u>
Sales Tax						
CrossFulton	2012-2027	N/A	N/A	N/A	N/A	-
Total Sales Tax		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Chapter 380		<u>\$ 35,710,060</u>	<u>\$ 35,710,060</u>	<u>\$ 4,398,200</u>	<u>\$ 27,708</u>	<u>\$ 25,482</u>
Total		<u>\$ 611,967,042</u>	<u>\$ 611,967,042</u>	<u>\$ 528,996,672</u>	<u>\$ 3,433,832</u>	<u>\$ 3,415,996</u>

* Taxes levied for the TIRZ only include the taxes related to the captured values. During FY 2019 taxes were collected from the FY 2018 levy.

The City of Bryan has other contracts providing other economic incentives to attract businesses to the city. A full listing of these incentives are found on our website: <https://www.bryantx.gov/economic-development/>.

28. FINANCIAL HEDGING

BTU's Energy Risk Management Policy (Risk Policy) allows for the purchase and sale of certain financial instruments defined as hedge instruments. The essential goal of the Risk Policy is to provide a

framework for the operation of a fuel and energy purchasing and hedging program to better manage BTU's risk exposures in order to stabilize pricing and costs for the benefit of BTU's customers.

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

In accordance with the requirements of GASB 53, the City Electric System reports all fuel hedges on the Statements of Net Position at fair value. The fair value of swap transactions 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.

BTU evaluated all potential hedging derivative instruments for effectiveness as of September 30, 2019, and determined the derivatives to be effective in substantially offsetting the changes in cash flows of the hedgeable items. BTU's hedgeable items are expected Houston Ship Channel ("HSC") natural gas purchases to serve budgeted load. BTU projects total natural gas needs as part of a 5-year forecast. This forecast is the basis for the procurement amount of the hedgeable item. BTU's potential hedging derivatives are NYMEX and HSC indexed commodity swaps. These derivatives act as cash flow hedges.

BTU utilized regression analysis to test effectiveness of its New York Mercantile Exchange ("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 2019. The correlation coefficient of (0.8596) exceeds the minimum standard established by GASB 53 and indicates a strong linear relationship between the NYMEX and HSC prices. The calculated R^2 value of 0.9592 indicates that the changes in cash flows of the hedge substantially offset the changes in cash flows of the hedgeable item. The City Electric System also utilizes HSC indexed gas commodity swaps to hedge its open exposure after a NYMEX-based swap contract month settles. The City Electric System entered into Platts Gas Daily daily swaps to hedge this exposure. These HSC indexed swaps are hedging the physical purchases of natural gas also based on the HSC index and are effective cash flow hedges under the consistent critical terms method as defined by GASB 53. The swap is for the purchase of virtually the same quantity of the hedgeable item, has zero fair value at inception, and the reference rate of the swap and the hedgeable item are the same (HSC index).

For the fiscal year ended September 30, 2019, the total fair value of outstanding hedging derivative instruments was a net liability of \$883,111. The fair value of those instruments maturing within one year are reported on the Statements of Net Position in current liabilities as derivative financial instruments and were \$790,658 at September 30, 2019. The fair value of those instruments with maturities exceeding one year are reported on the Statements of Net Position in noncurrent liabilities as derivative financial instruments and were \$92,453 at September 30, 2019.

Hedge accounting treatment outlined in GASB 53 and GASB 63 requires changes in the fair value of derivative instruments deemed effective in offsetting changes in cash flows of hedged items be

reported as deferred (inflows) outflows of resources on the Statements of Net Position. During the fiscal year ended September 30, 2019, the fair value of the City Electric System's hedging derivative instruments - NYMEX-based commodity swaps - increased by \$44,943; which is reported in the Statements of Net Position as a decrease of deferred outflows of resources. 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, 2019, the deferred outflows of resources related to hedging derivatives were \$883,111, and are reported on the Statements of Net Position.

The following information details the City Electric System's hedging derivative instruments as of September 30, 2019:

Type	Terms	Volume (MMBtu)	Hedged	Execution Dates	Maturity Dates	Reference Index	Fair Value
Commodity Swaps	BTU pays prices of \$2.412 – 2.925	2,983,500		Oct 2015 - Aug 2019	Oct 2019 - Dec 2020	NYMEX	\$(883,111)

The estimated fair value of the hedging derivative instruments is classified as a level 2 measurement under the hierarchy estimated by GASB 72 and are valued at 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.

Fuel swap contracts represent a financial obligation to buy or sell the underlying settlement point price. If held to expiration, as is BTU's policy, the financial difference determined by mark-to-market valuation must be settled on a cash basis.

Credit Risk - BTU'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, BTU is not exposed to counterparty credit risk. However, it is BTU's policy to require collateralization of the fair value of derivative instruments in asset positions as defined by the credit terms in counterparty contracts.

Basis Risk - BTU 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 2019, prompt month prices were \$2.251/MMBtu and \$2.449/MMBtu, for NYMEX and HSC, respectively.

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

29. SUBSEQUENT EVENTS

On January 1, 2020, BTU implemented retail rate changes to its power supply adjustment and regulatory charges. The City Electric System power supply adjustment decreased by 8.5% due to lower net energy costs. The City Electric System's regulatory charges, including those billed to the Rural Electric System, increased by 15% due to increases in ERCOT system-wide transmission cost of service expenses. The overall effect of these changes will reduce retail rates by 0.8%, on average.

On January 1, 2020, BTU implemented retail rate changes to its power supply adjustment and regulatory charges. The Rural Electric System power supply adjustment decreased by 8.5% to account for lower purchased power costs. The Rural Electric System's regulatory charges increased by 25% due to increases in ERCOT system-wide transmission cost of service expenses. The overall effect of these changes will increase retail rates by 0.1%, on average.

On February 5, 2020, the City of Bryan issued Certificates of Obligation bonds ("2020 CO Bonds") totaling \$70,365,000. The 2020 CO Bonds mature serially beginning August 15, 2022, through August 15, 2050, with coupon rates from 2.0% to 5.0%. The proceeds from the sale of the 2020 CO Bonds are restricted to financing costs or expenses incurred in relation to the acquisition or construction of improvements, additions, or extensions for streets, related infrastructure, parks and recreation facilities, vehicles and equipment including the Regional Park Project

On March 13, 2020, the Governor of the State of Texas ("Governor") issued a proclamation certifying that COVID-19 (caused by a novel coronavirus, now designated SARS-CoV2) poses an imminent threat of disaster in the state declaring a state of disaster for all counties in Texas.

On March 17, 2020, the Mayor of the City of Bryan ("Mayor") issued a Mayoral Declaration of Local State of Disaster due to the Public Health Emergency as declared by the Governor.

On March 18, 2020, the Mayor issued a Mayoral Order Under Declaration of Local State of Disaster due to the Public Health Emergency closing bars and restaurants (except for drive through, take out, and delivery service) and limiting public gatherings to no more than ten people.

On March 23, 2020, the Mayor issued an order for all individuals living in the City of Bryan, Texas to shelter at their place of residence and to maintain "social distance" of at least six-feet from any other person. Under this order, residents are allowed to leave their place of residence only for essential activities, essential government functions, or to operate essential businesses as defined by the order. This order is to remain in effect through April 7, 2020, unless otherwise extended.

The financial effects of these orders have not been quantified and are unknown at this time. It is assumed that the worldwide pandemic will create negative pressures on the economy and will subsequently effect future operations.

CITY OF BRYAN, TEXAS

Required Supplementary Information
Schedule of Contributions
Texas Municipal Retirement System

Last Ten Fiscal Years (will ultimately be displayed)

	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 7,686,872	\$ 8,279,509	\$ 8,521,169	\$ 8,887,727	\$ 9,224,947
Contributions in relation to the actuarially determined contribution	7,686,872	8,279,509	8,521,169	8,887,727	9,224,947
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 48,991,679	\$ 54,614,239	\$ 55,894,466	\$ 58,312,792	\$ 61,308,968
Contributions as a percentage of covered payroll	15.69%	15.16%	15.25%	15.24%	15.05%

Note to Schedule of Contributions

Only five years of data are presented in accordance with GASB Standard No. 68 as the data for the years other than what is presented is not available. Additionally, GASB Standard No. 68 requires that the information on this schedule correspond with the period covered as of the City's fiscal year end of September 30, not the measurement date of the Actuary's report.

Methods and Assumptions Used to Determine the Contribution Ratio

Actuarial Cost Method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining Amortization period	27 Years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information

Notes: There were no benefits changes this year. The actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

CITY OF BRYAN, TEXAS

Required Supplementary Information

Schedule of Changes in the City's Net Pension Liability and Related Ratios

Texas Municipal Retirement System

Last Ten Calendar Years (will ultimately be displayed - see note below)

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 7,088,933	\$ 7,796,505	\$ 8,498,467	\$ 8,991,102	\$ 9,355,492
Interest (on the Total Pension Liability)	18,281,849	19,160,943	19,655,455	20,795,590	21,996,726
Difference between expected and actual experience	(1,764,543)	(1,545,768)	450,762	395,105	631,794
Change of assumptions	-	3,577,731	-	-	-
Benefit payments, including refunds of employee contributions	(11,117,789)	(11,685,311)	(12,067,133)	(11,853,082)	(13,285,700)
Net Change in Total Pension Liability	12,488,450	17,304,100	16,537,551	18,328,715	18,698,312
Total Pension Liability - Beginning	263,183,703	275,672,153	292,976,253	309,513,804	327,842,519
Total Pension Liability - Ending (a)	\$ 275,672,153	\$ 292,976,253	\$ 309,513,804	\$ 327,842,519	\$ 346,540,831
Plan Fiduciary Net Position					
Contributions - Employer	\$ 7,667,195	\$ 7,727,068	\$ 8,035,947	\$ 8,656,073	\$ 8,972,275
Contributions - Employee	3,312,987	3,490,130	3,741,223	3,964,541	4,123,958
Net Investment Income	12,827,812	349,403	15,980,505	34,922,324	(8,610,807)
Benefit payments, including refunds of employee contributions	(11,117,789)	(11,685,311)	(12,067,133)	(11,853,082)	(13,285,700)
Administrative expense	(433,929)	(212,814)	(180,465)	(180,962)	(166,408)
Other	(11,011)	(10,511)	(9,723)	(9,171)	(8,694)
Net Change in Plan Fiduciary Net Position	12,545,265	(342,034)	15,500,354	35,499,723	(8,975,376)
Plan Fiduciary Net Position - Beginning	224,239,250	236,784,515	236,442,481	251,942,835	287,442,558
Plan Fiduciary Net Position - Ending (b)	\$ 236,784,515	\$ 236,442,481	\$ 251,942,835	\$ 287,442,558	\$ 278,467,182
Net Pension Liability - Ending (a) - (b)	\$ 38,887,638	\$ 56,533,772	\$ 57,570,969	\$ 40,399,961	\$ 68,073,649
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.89%	80.70%	81.40%	87.68%	80.36%
Covered Payroll	\$ 47,328,382	\$ 49,849,779	\$ 53,382,332	\$ 56,523,781	\$ 58,936,756
Net Pension Liability as a Percentage of Covered Payroll	82.17%	113.41%	107.85%	71.47%	115.50%

Note to Schedule of Changes in the City's Net Pension Liability and Related Ratios

Only five years of data is presented in accordance with GASB Standard No. 68 as the data for the years other than calendar years that are presented is not available. Additionally, GASB Standard No. 68 requires that the information on this schedule correspond with the period covered as of December 31, the measurement date of the City's net pension liability.

CITY OF BRYAN, TEXAS

Required Supplementary Information

Schedule of Contributions

Other Post Employment Benefits - City of Bryan

Last Ten Fiscal Years (will ultimately be displayed) ending September 30

	2018	2019
Actuarially Determined Contribution	\$ 1,498,635	\$ 1,528,513
Actual Contributions	1,471,374	1,624,112
Contribution deficiency (excess)	\$ 27,261	\$ (95,599)
Covered Employee Payroll	\$ 58,312,792	\$ 61,308,968
Actual Contribution as a % of Covered Payroll	2.52%	2.65%

Note to Schedule of Contributions

Only two years of data are presented in accordance with GASB Standard No. 75 as the data for the years other than what is presented is not available. Additionally, GASB Standard No. 75 requires that the information on this schedule correspond with the period covered as of the City's fiscal year end of September 30, not the measurement date of the Actuary's report.

Methods and Assumptions Used to Determine the Contribution Ratio

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level percentage of payroll
Amortization Period	Closed, 29-years as of September 30, 2019
Asset Valuation	Market Value
Investment Rate of Return	6.5%, net of investment expenses, including inflation
Inflation	2.50%
Salary Increases	3.50% to 10.50%, including inflation
Payroll Growth	1.50%
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates being multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.
Participation Rates	It was assumed that 65% of retirees who are eligible for the rule of 80 discount and 10% of those who are not eligible for the rule of 80 discount would choose to receive coverage through the City.
Health Care Cost Trend Rates	Initial rates of 7.50% declining to ultimate rates of 5.25% after 11 years; Ultimate trend rate includes a 1.00% adjustment for the excise tax.

Other Information

Notes: There were no benefits changes this year. The actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Only two years of data is presented in accordance with GASB Standard No. 75 as the data for the years other than calendar years that are presented are not available. Additionally, GASB Standard No. 75

CITY OF BRYAN, TEXAS

Required Supplementary Information

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

Other Post Employment Benefits - City of Bryan

Last Ten Calendar Years (will ultimately be displayed)

	2017	2018
Total OPEB Liability		
Service Cost	\$ 478,077	\$ 492,419
Interest (on the Total Opeb Liability)	1,021,963	1,052,909
Difference between expected and actual experience	-	306,887
Benefit payments, including refunds of employee contributions	(983,981)	(1,078,262)
Net Change in Total OPEB Liability	516,059	773,953
Total OPEB Liability - Beginning	15,975,467	16,491,526
Total OPEB Liability - Ending (a)	<u>\$ 16,491,526</u>	<u>\$ 17,265,479</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,608,981	\$ 1,578,262
Net Investment Income	17,311	(46,639)
Benefit payments	(983,981)	(1,078,262)
Plan administrative expense	(770)	(4,565)
Other	-	-
Net Change in Plan Fiduciary Net Position	641,541	448,796
Plan Fiduciary Net Position - Beginning	-	641,541
Plan Fiduciary Net Position - Ending (b)	<u>\$ 641,541</u>	<u>\$ 1,090,337</u>
Net OPEB Liability - Ending (a) - (b)	\$ 15,849,985	\$ 16,175,142
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	3.89%	6.32%
Covered Employee Payroll	\$ 56,523,781	\$ 58,936,756
Net OPEB Liability as a Percentage of Covered Employee Payroll	28.04%	27.44%

Note to Schedule of Changes in the City's Net OPEB Liability and Related Ratios

Only two years of data is presented in accordance with GASB Standard No. 75 as the data for the years other than calendar years that are presented are not available. Additionally, GASB Standard No. 75 requires that the information on this schedule correspond with the period covered as of December 31, the measurement date of the City's net OPEB liability.

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, 2019

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 24,974,240	\$ 24,974,240	\$ 24,769,761	\$ (204,479)
Sales	21,580,000	21,580,000	23,580,209	2,000,209
Franchise	2,058,760	2,058,760	2,081,194	22,434
Bingo	270,504	270,504	241,346	(29,158)
Alcoholic beverage	102,000	102,000	186,568	84,568
Charges for services:				
Ambulance charges	2,357,500	2,357,500	2,379,021	21,521
Recreational charges	1,786,012	1,786,012	1,764,236	(21,776)
Health and public safety	1,071,346	1,071,346	1,417,616	346,270
Miscellaneous charges	212,376	212,376	334,778	122,402
Fines and court charges:				
Municipal court	1,645,290	1,645,290	1,590,251	(55,039)
Library	-	-	-	-
Licenses and permits	805,565	805,565	764,522	(41,043)
Grants:				
Texas Attorney General	11,164	11,164	11,074	(90)
Texas Department of Transportation	-	-	-	-
U.S. Department of Justice	-	-	-	-
Contributions to Library - College Station	1,146,743	1,146,743	1,189,444	42,701
FEMA	-	-	4,811	4,811
Other	95,166	95,166	162,831	67,665
Investment earnings	280,500	280,500	951,435	670,935
Other	1,573,215	1,573,215	2,470,980	897,765
Total revenues	59,970,381	59,970,381	63,900,077	3,929,696
Expenditures:				
Current:				
General government and administration:				
Executive	3,103,327	3,106,327	2,946,287	160,040
City Secretary	1,131,304	1,131,304	1,039,245	92,059
Legal services	836,801	836,801	750,899	85,902
Payments to other agencies	4,271,571	4,271,571	3,459,876	811,695
Fiscal services	1,667,304	1,667,304	1,656,425	10,879
Information technology	6,207,019	6,207,019	6,007,156	199,863
Human resources	716,320	716,320	753,129	(36,809)
Fleet services	879,463	879,463	674,016	205,447
Facility services	2,035,309	2,035,309	1,975,448	59,861
Total general government and administration	20,848,418	20,851,418	19,262,481	1,588,937
Development services:				
Planning	2,241,004	2,241,004	2,097,553	143,451
Engineering	1,947,130	1,947,130	1,192,257	754,873
Building	456,284	456,284	394,785	61,499
Special Projects	231,097	231,097	171,886	59,211
Total development services	4,875,515	4,875,515	3,856,481	1,019,034
Public works services:				
Drainage and Streets	1,788,238	1,788,238	1,932,535	(144,297)
Traffic Operations	1,902,822	1,902,822	1,869,318	33,504
Total public works services	3,691,060	3,691,060	3,801,853	(110,793)

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety:				
Police services	20,652,979	20,902,979	21,200,510	(297,531)
Fire and emergency medical services	16,929,256	17,229,256	17,676,008	(446,752)
Animal Center	1,012,609	1,012,609	934,861	77,748
Municipal court	1,643,601	1,643,601	1,372,004	271,597
Total public safety	40,238,445	40,788,445	41,183,383	(394,938)
Cultural and recreational:				
Library services	2,649,929	2,649,929	2,563,858	86,071
Parks and recreation services	5,709,163	5,709,163	6,056,258	(347,095)
Total cultural and recreational	8,359,092	8,359,092	8,620,116	(261,024)
Administrative reimbursement	(5,934,384)	(5,934,384)	(5,934,384)	-
Capital outlay	3,326,833	4,273,833	3,771,758	502,075
Total expenditures	75,404,979	76,904,979	74,561,688	2,343,291
Excess (deficiency) of expenditures over (under) revenues	(15,434,598)	(16,934,598)	(10,661,611)	6,272,987
Other financing sources (uses):				
Sale of capital assets	-	-	397,064	397,064
Transfers in	15,513,494	15,513,494	15,736,811	223,317
Transfers out	(885,674)	(885,674)	(885,674)	-
Total other financing sources (uses)	14,627,820	14,627,820	15,248,201	620,381
Net change in fund balance	(806,778)	(2,306,778)	4,586,590	6,893,368
Fund Balance, October 1, 2018	28,477,267	28,477,267	28,477,267	-
Fund Balance, September 30, 2019	<u>\$ 27,670,489</u>	<u>\$ 26,170,489</u>	<u>\$ 33,063,857</u>	<u>\$ 6,893,368</u>

Supplementary Information

- Non-Major Governmental Funds
 - Special Revenue Funds
 - Capital Project Funds
 - Permanent Funds
- Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual
 - Debt Service Fund
 - Community Development Fund
 - Hotel/Motel Tax Fund
 - Oil and Gas Fund
 - Capital Reserve Fund
 - Court Technology Fund
 - Street Improvement Fund
 - Drainage Improvement Fund
 - TIRZ #10-22
- Non-Major Enterprise Funds
- Internal Service Funds
- Capital Assets used in the Operation of Governmental Funds

**COMBINING FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds

Grant Fund – To account for the receipt and expenditure of grant revenues for all governmental funds other than the Community Development Fund. 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 – 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. The use of these funds is restricted by the terms of the grants.

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 – This fund was established by City of Bryan Ordinance to account for revenues associated with oil and gas leases, royalties and mineral property taxes. The use of these funds is committed for projects of a non-recurring nature determined by City Council.

Capital Reserve Fund – This fund was established by City of Bryan Ordinance to accumulate miscellaneous one-time revenues. The use of these funds is committed for projects of a non-recurring nature determined by City Council.

Sidewalks Fund – This fund was established by City of Bryan Ordinance to collect and track funds from developers and property owners for the construction and maintenance of sidewalks. The use of these funds is committed for this purpose. Funds received are 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. These funds are restricted to technology necessary for the Court's operations.

Street Improvement Fund – To account for revenue derived from a fee assessed on utility bills for the purpose of street improvements. The use of these funds is committed to the purposes of planning, constructing, operating, monitoring and maintaining the transportation system of the City

Drainage Improvement Fund – To account for revenue derived from a fee assessed on utility bills for the purpose of drainage improvements. The use of these funds is committed for the planning, constructing, operating, monitoring, and maintaining the City's drainage system.

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. The use of these funds is restricted to the geographical area within this 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. The use of these funds is restricted to the geographical area within this 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. The taxes from the captured assessed valuation will be used to handle operating expenses within the zone. The use of these funds is restricted to the geographical area within this 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. The use of these funds is restricted to the geographical area within this zone.

Capital Project Funds

2016 Certificates of Obligation Fund – To account for the construction of streets, drainage, sidewalks, lighting, soundwalls, landscaping, traffic signal improvements and the acquisition of fire-fighting equipment and improving fire department facilities.

2018 Certificates of Obligation Fund – To account for the construction of streets, drainage, sidewalks, lighting, soundwalls, landscaping, traffic signal improvements and the acquisition of fire-fighting equipment and improving fire department facilities.

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:

Brandon Cemetery
J. W. English Cemetery
L. B. Hervey Cemetery
Mills Trust Cemetery
Cemetery
M. C. Astin Cemetery
Bade 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, 2019

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 643,875	\$ 173,505	\$ 36,000	\$ 853,380
Investments	20,418,546	5,502,662	1,141,616	27,062,824
Receivables:				
Accounts	711,983	-	-	711,983
Less allowance for uncollectible	(51,627)	-	-	(51,627)
Notes	1,495,383	-	-	1,495,383
Less allowance for uncollectible - Notes	(50,589)	-	-	(50,589)
Grants	543,014	-	-	543,014
Interest	33,335	9,580	1,865	44,780
Due from other funds	136,408	-	-	136,408
Prepaid and other assets	2,125	-	-	2,125
Total assets	\$ 23,882,453	\$ 5,685,747	\$ 1,179,481	\$ 30,747,681
<u>Liabilities, Deferred Inflows and Fund Balances</u>				
Liabilities:				
Accounts payable	1,267,076	172,395	-	1,439,471
Accrued liabilities	14,344	-	-	14,344
Retainage payable	143,319	33,663	1,745	178,727
Due to other funds	88,147	9,300	-	97,447
Total liabilities	1,512,886	215,358	1,745	1,729,989
Deferred inflows:				
Deferred property taxes	-	-	-	-
Deferred notes receivable	1,444,794	-	-	1,444,794
Other deferred revenue	182,676	-	-	182,676
Total deferred inflows	1,627,470	-	-	1,627,470
Fund balances:				
Nonspendable	2,125	-	1,099,907	1,102,032
Restricted	4,235,931	5,470,389	84,985	9,791,305
Committed	16,523,388	-	-	16,523,388
Unassigned (deficit)	(19,347)	-	(7,156)	(26,503)
Total fund balances	20,742,097	5,470,389	1,177,736	27,390,222
Total liabilities, deferred inflows and fund balances	\$ 23,882,453	\$ 5,685,747	\$ 1,179,481	\$ 30,747,681

CITY OF BRYAN, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
As of September 30, 2019

	Grant Fund	Community Development Fund	Hotel and Motel Tax Fund	Oil and Gas Fund	Capital Reserve Fund	Sidewalks Fund	Court Technology Fund
<u>Assets</u>							
Cash and cash equivalents	\$ 69	\$ -	\$ 80,305	\$ 58,607	\$ 107,899	\$ 5,878	\$ 5,515
Investments	2,169	-	2,546,263	1,858,582	3,421,710	186,399	174,884
Receivables:							
Accounts receivable	-	27	162,430	30,444	-	-	-
Less allowance for uncollectible	-	-	-	-	-	-	-
Notes	-	1,495,383	-	-	-	-	-
Less allowance for uncollectible	-	(50,589)	-	-	-	-	-
Grants	9,462	109,029	-	-	-	-	-
Interest	75	-	3,680	3,078	5,592	305	282
Due from other funds	-	-	-	-	-	-	-
Prepaid and other assets	-	2,125	-	-	-	-	-
Total assets	<u>\$ 11,775</u>	<u>\$ 1,555,975</u>	<u>\$ 2,792,678</u>	<u>\$ 1,950,711</u>	<u>\$ 3,535,201</u>	<u>\$ 192,582</u>	<u>\$ 180,681</u>
<u>Liabilities, Deferred Inflows and Fund Balances</u>							
Liabilities:							
Accounts payable	5,967	33,620	9,469	208	-	-	-
Accrued liabilities	-	11,163	1,591	-	-	-	-
Retainage payable	-	2,584	-	-	-	-	-
Due to other funds	-	81,036	-	7,111	-	-	-
Total liabilities	<u>5,967</u>	<u>128,403</u>	<u>11,060</u>	<u>7,319</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows:							
Deferred notes receivable	-	1,444,794	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	182,676	-
Total deferred inflows	<u>-</u>	<u>1,444,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,676</u>	<u>-</u>
Fund Balances:							
Nonspendable	-	2,125	-	-	-	-	-
Restricted:							
Grants	5,808	-	-	-	-	-	-
Hotel/Motel	-	-	2,781,618	-	-	-	-
Municipal Court	-	-	-	-	-	-	180,681
TIRZ Development	-	-	-	-	-	-	-
Committed:							
Streets	-	-	-	-	-	-	-
Drainage	-	-	-	-	-	-	-
Other Purposes	-	-	-	1,943,392	3,535,201	9,906	-
Unassigned (deficit)	-	(19,347)	-	-	-	-	-
Total fund balances	<u>5,808</u>	<u>(17,222)</u>	<u>2,781,618</u>	<u>1,943,392</u>	<u>3,535,201</u>	<u>9,906</u>	<u>180,681</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 11,775</u>	<u>\$ 1,555,975</u>	<u>\$ 2,792,678</u>	<u>\$ 1,950,711</u>	<u>\$ 3,535,201</u>	<u>\$ 192,582</u>	<u>\$ 180,681</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet (continued)
Nonmajor Governmental Funds - Special Revenue Funds
As of September 30, 2019

Assets							
	Street Improvement Fund	Drainage Improvement 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
Cash and cash equivalents	\$ 250,285	\$ 96,408	\$ 10,623	\$ 11,244	\$ 13,299	\$ 3,743	\$ 643,875
Investments	7,936,887	3,057,277	337,273	356,560	421,823	118,719	20,418,546
Receivables:							
Accounts receivable	443,192	73,951	1,939	-	-	-	711,983
Less allowance for uncollectible	(44,244)	(7,383)	-	-	-	-	(51,627)
Notes	-	-	-	-	-	-	1,495,383
Less allowance for uncollectible	-	-	-	-	-	-	(50,589)
Grants	-	424,523	-	-	-	-	543,014
Interest	12,745	4,977	1,027	582	798	194	33,335
Due from other funds	116,902	19,506	-	-	-	-	136,408
Prepaid and other assets	-	-	-	-	-	-	2,125
Total assets	\$ 8,715,767	\$ 3,669,259	\$ 350,862	\$ 368,386	\$ 435,920	\$ 122,656	\$ 23,882,453
Liabilities, Deferred Inflows and Fund Balances							
Liabilities:							
Accounts payable	1,058,554	149,258	-	-	10,000	-	1,267,076
Accrued liabilities	1,590	-	-	-	-	-	14,344
Retainage payable	117,301	23,434	-	-	-	-	143,319
Due to other funds	-	-	-	-	-	-	88,147
Total liabilities	1,177,445	172,692	-	-	10,000	-	1,512,886
Deferred inflows:							
Deferred notes receivable	-	-	-	-	-	-	1,444,794
Other deferred revenue	-	-	-	-	-	-	182,676
Total deferred inflows	-	-	-	-	-	-	1,627,470
Fund Balances:							
Nonspendable	-	-	-	-	-	-	2,125
Restricted:							
Grants	-	-	-	-	-	-	5,808
Hotel/Motel	-	-	-	-	-	-	2,781,618
Municipal Court	-	-	-	-	-	-	180,681
TIRZ Development	-	-	350,862	368,386	425,920	122,656	1,267,824
Committed:							
Streets	7,538,322	-	-	-	-	-	7,538,322
Drainage	-	3,496,567	-	-	-	-	3,496,567
Other Purposes	-	-	-	-	-	-	5,488,499
Unassigned (deficit)	-	-	-	-	-	-	(19,347)
Total fund balances	7,538,322	3,496,567	350,862	368,386	425,920	122,656	20,742,097
Total liabilities, deferred inflows and fund balances	\$ 8,715,767	\$ 3,669,259	\$ 350,862	\$ 368,386	\$ 435,920	\$ 122,656	\$ 23,882,453

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Capital Project Funds

As of September 30, 2019

	2016 Certificate of Obligation Fund	2018 Certificates of Obligation Fund	Total
Assets			
Cash and cash equivalents	\$ 45,387	\$ 128,118	\$ 173,505
Investments	1,439,310	4,063,352	5,502,662
Interest receivable	2,352	7,228	9,580
Total assets	<u>\$ 1,487,049</u>	<u>\$ 4,198,698</u>	<u>\$ 5,685,747</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	166,579	5,816	172,395
Retainage payable	33,663	-	33,663
Due to other funds	-	9,300	9,300
Total liabilities	<u>200,242</u>	<u>15,116</u>	<u>215,358</u>
Fund balances:			
Restricted to capital projects	1,286,807	4,183,582	5,470,389
Total fund balances	<u>1,286,807</u>	<u>4,183,582</u>	<u>5,470,389</u>
Total liabilities and fund balances	<u>\$ 1,487,049</u>	<u>\$ 4,198,698</u>	<u>\$ 5,685,747</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Permanent Funds

As of September 30, 2019

	Brandon Cemetery Fund	J.W. English Cemetery Fund	L.B. Hervey Cemetery Fund	Mills Trust Cemetery Fund	Cemetery Fund	M.C. Astin Cemetery Fund	Bade Trust Cemetery Fund	F.L. Henderson Library Fund	Rountree Library Fund	Totals
<u>Assets</u>										
Cash and cash equivalents	\$ 83	\$ 298	\$ 474	\$ 30	\$ 32,714	\$ 1,966	\$ 29	\$ 163	\$ 243	\$ 36,000
Investments	2,641	9,451	15,015	946	1,037,444	62,330	905	5,178	7,706	1,141,616
Interest receivable	4	15	25	2	1,695	102	1	8	13	1,865
Total assets	<u>\$ 2,728</u>	<u>\$ 9,764</u>	<u>\$ 15,514</u>	<u>\$ 978</u>	<u>\$ 1,071,853</u>	<u>\$ 64,398</u>	<u>\$ 935</u>	<u>\$ 5,349</u>	<u>\$ 7,962</u>	<u>\$ 1,179,481</u>
<u>Fund Balances</u>										
Liabilities:										
Accounts payable	-	-	-	-	-	-	-	-	-	-
Retainage Payable	-	-	-	-	1,745	-	-	-	-	1,745
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,745</u>
 Nonspendable - Permanent Funds Corpus	1,399	5,000	1,500	500	1,077,264	4,950	500	2,085	6,709	1,099,907
Restricted:										
Cemeteries	1,329	4,764	14,014	478	-	59,448	435	-	-	80,468
Libraries	-	-	-	-	-	-	-	3,264	1,253	4,517
Unassigned	-	-	-	-	(7,156)	-	-	-	-	(7,156)
Total fund balances	<u>2,728</u>	<u>9,764</u>	<u>15,514</u>	<u>978</u>	<u>1,070,108</u>	<u>64,398</u>	<u>935</u>	<u>5,349</u>	<u>7,962</u>	<u>1,177,736</u>
Total liabilities and fund balances	<u>\$ 2,728</u>	<u>\$ 9,764</u>	<u>\$ 15,514</u>	<u>\$ 978</u>	<u>\$ 1,071,853</u>	<u>\$ 64,398</u>	<u>\$ 935</u>	<u>\$ 5,349</u>	<u>\$ 7,962</u>	<u>\$ 1,179,481</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, 2019

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Revenues:				
Property taxes	\$ 4,453,131	\$ -	\$ -	\$ 4,453,131
Hotel occupancy taxes	1,798,691	-	-	1,798,691
Transportation and drainage assessments	6,847,716	-	-	6,847,716
Fines and court charges	34,858	-	-	34,858
Grants	1,766,327	-	-	1,766,327
Investment earnings	624,617	205,904	34,723	865,244
Other	783,664	159,552	48,612	991,828
Total revenues	16,309,004	365,456	83,335	16,757,795
Expenditures:				
Current:				
General government and administration	-	-	-	-
Development services	3,369,869	-	-	3,369,869
Public works services	3,912,501	-	-	3,912,501
Public safety	246,356	-	-	246,356
Cultural and recreational	1,591,925	-	-	1,591,925
Capital outlay	1,908,493	1,556,726	-	3,465,219
Total expenditures	11,029,144	1,556,726	-	12,585,870
Excess (deficiency) of revenues over (under) expenditures	5,279,860	(1,191,270)	83,335	4,171,925
Other financing sources (uses):				
Transfers out	(2,485,374)	-	-	(2,485,374)
Total other financing sources (uses)	(2,485,374)	-	-	(2,485,374)
Net change in fund balances	2,794,486	(1,191,270)	83,335	1,686,551
Fund balances, October 1, 2018	17,947,611	6,661,659	1,094,401	25,703,671
Fund balances, September 30, 2019	\$ 20,742,097	\$ 5,470,389	\$ 1,177,736	\$ 27,390,222

CITY OF BRYAN, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue Funds
As of September 30, 2019

	Grant Fund	Community Development Fund	Hotel and Motel Tax Fund	Oil and Gas Fund	Capital Reserve Fund	Sidewalks Fund	Court Technology Fund
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ 128,488	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	-	1,798,691	-	-	-	-
Transportation and drainage assessments	-	-	-	-	-	-	-
Grants	320,317	1,021,487	-	-	-	-	-
Fines and court charges	-	-	-	-	-	-	34,858
Investment earnings	940	-	65,901	49,243	106,287	5,432	5,251
Other	-	151,233	54,897	577,257	-	-	-
Total revenues	321,257	1,172,720	1,919,489	754,988	106,287	5,432	40,109
Expenditures:							
Current:							
General government and administration	-	-	-	-	-	-	-
Development services	-	1,167,496	-	-	-	-	-
Public works services	-	-	-	-	-	-	-
Public safety	226,876	-	-	-	-	-	19,480
Cultural and recreational	37,192	-	1,554,733	-	-	-	-
Capital outlay	51,713	-	-	-	-	-	-
Total expenditures	315,781	1,167,496	1,554,733	-	-	-	19,480
Excess (deficiency) of revenues over (under) expenditures	5,476	5,224	364,756	754,988	106,287	5,432	20,629
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	5,476	5,224	364,756	754,988	106,287	5,432	20,629
Fund balances, October 1, 2018	332	(22,446)	2,416,862	1,188,404	3,428,914	4,474	160,052
Fund balances, September 30, 2019	\$ 5,808	\$ (17,222)	\$ 2,781,618	\$ 1,943,392	\$ 3,535,201	\$ 9,906	\$ 180,681

CITY OF BRYAN, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)

Nonmajor Governmental Funds - Special Revenue Funds

As of September 30, 2019

	Street Improvement Fund	Drainage Improvement 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	\$ -	\$ -	\$ 3,234,530	\$ 343,363	\$ 152,684	\$ 594,066	\$ 4,453,131
Hotel occupancy taxes	-	-	-	-	-	-	1,798,691
Transportation and drainage assessments	5,868,493	979,223	-	-	-	-	6,847,716
Grants	-	424,523	-	-	-	-	1,766,327
Fines and court charges	-	-	-	-	-	-	34,858
Investment earnings	219,890	99,905	36,948	9,902	15,214	9,704	624,617
Other	-	277	-	-	-	-	783,664
Total revenues	6,088,383	1,503,928	3,271,478	353,265	167,898	603,770	16,309,004
Expenditures:							
Current:							
General government and administration	-	-	-	-	-	-	-
Development services	-	-	1,950,000	-	102,373	150,000	3,369,869
Public works services	3,705,718	206,783	-	-	-	-	3,912,501
Public safety	-	-	-	-	-	-	246,356
Cultural and recreational	-	-	-	-	-	-	1,591,925
Capital outlay	795,437	1,061,343	-	-	-	-	1,908,493
Total expenditures	4,501,155	1,268,126	1,950,000	-	102,373	150,000	11,029,144
Excess (deficiency) of revenues over (under) expenditures	1,587,228	235,802	1,321,478	353,265	65,525	453,770	5,279,860
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(339,640)	(50,000)	(1,420,183)	(137,679)	-	(537,872)	(2,485,374)
Total other financing sources (uses)	(339,640)	(50,000)	(1,420,183)	(137,679)	-	(537,872)	(2,485,374)
Net change in fund balances	1,247,588	185,802	(98,705)	215,586	65,525	(84,102)	2,794,486
Fund balances, October 1, 2018	6,290,734	3,310,765	449,567	152,800	360,395	206,758	17,947,611
Fund balances, September 30, 2019	\$ 7,538,322	\$ 3,496,567	\$ 350,862	\$ 368,386	\$ 425,920	\$ 122,656	\$ 20,742,097

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, 2019

	2016 Certificates of Obligation Fund	2018 Certificates of Obligation Fund	Total
Revenues:			
Investment earnings	\$ 50,133	\$ 155,771	\$ 205,904
Other	159,552	-	159,552
Total revenues	209,685	155,771	365,456
Expenditures:			
Capital outlay	269,352	1,287,374	1,556,726
Debt issuance costs	-	-	-
Total expenditures	269,352	1,287,374	1,556,726
Excess (deficiency) of revenues over (under) expenditures	(59,667)	(1,131,603)	(1,191,270)
Net change in fund balances	(59,667)	(1,131,603)	(1,191,270)
Fund balances, October 1, 2018	1,346,474	5,315,185	6,661,659
Fund balances, September 30, 2019	\$ 1,286,807	\$ 4,183,582	\$ 5,470,389

CITY OF BRYAN, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds - Permanent Funds
For the Fiscal Year Ended September 30, 2019

	Brandon Cemetery Fund	J.W. English Cemetery Fund	L.B. Hervey Cemetery Fund	Mills Trust Cemetery Fund	Cemetery Fund	M.C. Astin Cemetery Fund	Bade Trust Cemetery Fund	F.L. Henderson Library Fund	Rountree Library Fund	Totals
Revenues:										
Contributions	\$ -	\$ -	\$ -	\$ -	\$ 48,612	\$ -	\$ -	\$ -	\$ -	\$ 48,612
Investment earnings	82	295	466	29	31,487	1,936	28	161	239	34,723
Total revenues	82	295	466	29	80,099	1,936	28	161	239	83,335
Net change in fund balances	82	295	466	29	80,099	1,936	28	161	239	83,335
Fund balances, October 1, 2018	2,646	9,469	15,048	949	990,009	62,462	907	5,188	7,723	1,094,401
Fund balances, September 30, 2019	\$ 2,728	\$ 9,764	\$ 15,514	\$ 978	\$ 1,070,108	\$ 64,398	\$ 935	\$ 5,349	\$ 7,962	\$ 1,177,736

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 7,919,191	\$ 7,919,191	\$ 7,776,083	\$ (143,108)
Investment earnings	56,000	56,000	147,657	91,657
Other	141,431	141,431	141,431	-
Total revenues	8,116,622	8,116,622	8,065,171	(51,451)
Expenditures:				
Debt service:				
Bond and principal retirement	7,926,005	7,926,005	7,951,005	25,000
Interest and fiscal charges	2,937,191	2,937,191	2,832,450	(104,741)
Debt issuance costs	-	-	74,520	74,520
Total expenditures	10,863,196	10,863,196	10,857,975	(5,221)
Excess of expenditures over revenues	(2,746,574)	(2,746,574)	(2,792,804)	(56,672)
Other financing sources (uses):				
Transfers in	1,931,340	1,931,340	1,929,487	(1,853)
Refunding bonds issued	-	-	4,660,000	4,660,000
Premium (discount) on refunding bonds	-	-	321,429	321,429
Payment to refunded bond escrow agent	-	-	(4,891,535)	(4,891,535)
Transfers out	-	-	-	-
Total other financing sources (uses)	1,931,340	1,931,340	2,019,381	88,041
Net change in fund balance	(815,234)	(815,234)	(773,423)	41,811
Fund Balance, October 1, 2018, as previously reported	5,827,239	5,827,239	5,827,239	-
Prior Period Adjustment-Notes Receivable (See note 1)	(3,180,000)	(3,180,000)	(3,180,000)	-
Fund Balance, October 1, 2018 as restated	2,647,239	2,647,239	2,647,239	-
Fund Balance, September 30, 2019	\$ 1,832,005	\$ 1,832,005	\$ 1,873,816	\$ 41,811

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Grants	\$ 2,054,058	\$ 2,054,058	\$ 1,021,487	\$ (1,032,571)
Other	84,000	84,000	151,233	67,233
Total revenues	<u>2,138,058</u>	<u>2,138,058</u>	<u>1,172,720</u>	<u>(965,338)</u>
Expenditures:				
Current:				
Development services	2,138,058	2,138,058	1,167,496	970,562
Total expenditures	<u>2,138,058</u>	<u>2,138,058</u>	<u>1,167,496</u>	<u>970,562</u>
Net change in fund balance	-	-	5,224	5,224
Fund balance, October 1, 2018	<u>(22,446)</u>	<u>(22,446)</u>	<u>(22,446)</u>	-
Fund balance, September 30, 2019	<u>\$ (22,446)</u>	<u>\$ (22,446)</u>	<u>\$ (17,222)</u>	<u>\$ 5,224</u>

CITY OF BRYAN, TEXAS

Hotel and Motel Tax Fund

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

For the Fiscal Year Ended September 30, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Occupancy taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,798,691	\$ 298,691
Investment earnings	35,000	35,000	65,901	30,901
Other	-	-	54,897	54,897
Total revenues	<u>1,535,000</u>	<u>1,535,000</u>	<u>1,919,489</u>	<u>384,489</u>
Expenditures:				
Current:				
Cultural and recreational	1,528,583	1,653,583	1,554,733	98,850
Total expenditures	<u>1,528,583</u>	<u>1,653,583</u>	<u>1,554,733</u>	<u>98,850</u>
Other financing uses:				
Transfers out	-	-	-	-
Net change in fund balance	6,417	(118,583)	364,756	483,339
Fund balance, October 1, 2018	<u>2,416,862</u>	<u>2,416,862</u>	<u>2,416,862</u>	<u>-</u>
Fund balance, September 30, 2019	<u>\$ 2,423,279</u>	<u>\$ 2,298,279</u>	<u>\$ 2,781,618</u>	<u>\$ 483,339</u>

CITY OF BRYAN, TEXAS

Oil & Gas Fund

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

For the Fiscal Year Ended September 30, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Royalties	\$ 107,100	\$ 107,100	\$ 577,257	\$ 470,157
Property Taxes - Mineral	128,488	128,488	128,488	\$ -
Investment earnings	6,500	6,500	49,243	42,743
Total revenues	<u>242,088</u>	<u>242,088</u>	<u>754,988</u>	<u>512,900</u>
Net change in fund balance	242,088	242,088	754,988	512,900
Fund balances, October 1, 2018	<u>1,188,404</u>	<u>1,188,404</u>	<u>1,188,404</u>	-
Fund balances, September 30, 2019	<u>\$ 1,430,492</u>	<u>\$ 1,430,492</u>	<u>\$ 1,943,392</u>	<u>\$ 512,900</u>

CITY OF BRYAN, TEXAS

Capital Reserve Fund

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

For the Fiscal Year Ended September 30, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment earnings	\$ 48,825	\$ 48,825	\$ 106,287	\$ 57,462
Total revenues	<u>48,825</u>	<u>48,825</u>	<u>106,287</u>	<u>57,462</u>
Net change in fund balance	48,825	48,825	106,287	57,462
Fund balances, October 1, 2018	<u>3,428,914</u>	<u>3,428,914</u>	<u>3,428,914</u>	-
Fund balances, September 30, 2019	<u>\$ 3,428,914</u>	<u>\$ 3,477,739</u>	<u>\$ 3,535,201</u>	<u>\$ 57,462</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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Technology fee	\$ 45,000	\$ 45,000	\$ 34,858	\$ (10,142)
Investment earnings - Interest income	1,500	1,500	5,251	3,751
Total revenues	46,500	46,500	40,109	(6,391)
Expenditures:				
Current:				
Public safety	19,500	19,500	19,480	20
Total expenditures	19,500	19,500	19,480	20
Net change in fund balance	27,000	27,000	20,629	(6,371)
Fund balance, October 1, 2018	160,052	160,052	160,052	-
Fund balance, September 30, 2019	\$ 187,052	\$ 187,052	\$ 180,681	\$ (6,371)

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Transportation assessments	\$ 5,778,000	\$ 5,778,000	\$ 5,868,493	\$ 90,493
Investment earnings	78,000	78,000	219,890	141,890
Total revenues	<u>5,856,000</u>	<u>5,856,000</u>	<u>6,088,383</u>	<u>232,383</u>
Expenditures:				
Current:				
Public works services	6,679,467	6,679,467	3,705,718	2,973,749
Capital outlay	-	-	795,437	(795,437)
Total expenditures	<u>6,679,467</u>	<u>6,679,467</u>	<u>4,501,155</u>	<u>2,178,312</u>
Excess (deficiency) of revenues over (under) expenditures	(823,467)	(823,467)	1,587,228	2,410,695
Other financing sources (uses)				
Transfers out	(366,263)	(366,263)	(339,640)	26,623
Total other financing sources (uses)	<u>(366,263)</u>	<u>(366,263)</u>	<u>(339,640)</u>	<u>26,623</u>
Net change in fund balance	(1,189,730)	(1,189,730)	1,247,588	2,437,318
Fund balance, October 1, 2018	6,290,734	6,290,734	6,290,734	-
Fund balance, September 30, 2019	<u>\$ 5,101,004</u>	<u>\$ 5,101,004</u>	<u>\$ 7,538,322</u>	<u>\$ 2,437,318</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, 2019**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Drainage assessments	\$ 962,000	\$ 962,000	\$ 979,223	\$ 17,223
Grants			424,523	424,523
Investment earnings	31,500	31,500	99,905	68,405
Other	-	-	277	277
Total revenues	993,500	993,500	1,503,928	510,428
Expenditures:				
Current:				
Public works services	32,009	32,009	206,783	(174,774)
Capital outlay	1,000,000	1,750,000	1,061,343	688,657
Total expenditures	1,032,009	1,782,009	1,268,126	513,883
Excess (deficiencies) of revenues over (under) expenditures	(38,509)	(788,509)	235,802	1,024,311
Other financing uses:				
Transfers out	(76,623)	(76,623)	(50,000)	26,623
Net change in fund balance	(115,132)	(865,132)	185,802	1,050,934
Fund balance, October 1, 2018	3,310,765	3,310,765	3,310,765	-
Fund balance, September 30, 2019	\$ 3,195,633	\$ 2,445,633	\$ 3,496,567	\$ 1,050,934

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 3,237,970	\$ 3,237,970	\$ 3,234,530	\$ (3,440)
Investment earnings	12,000	12,000	36,948	24,948
Other	-	-	-	-
Total revenues	<u>3,249,970</u>	<u>3,249,970</u>	<u>3,271,478</u>	<u>21,508</u>
Expenditures:				
Current:				
Development services	1,950,000	1,950,000	1,950,000	-
Capital outlay	-	-	-	-
Total expenditures	<u>1,950,000</u>	<u>1,950,000</u>	<u>1,950,000</u>	<u>-</u>
Excess of revenues over expenditures	1,299,970	1,299,970	1,321,478	21,508
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(1,420,183)	(1,420,183)	(1,420,183)	-
Total other financing sources (uses)	<u>(1,420,183)</u>	<u>(1,420,183)</u>	<u>(1,420,183)</u>	<u>-</u>
Net change in fund balance	(120,213)	(120,213)	(98,705)	21,508
Fund balance, October 1, 2018	449,567	449,567	449,567	-
Fund balance, September 30, 2019	<u>\$ 329,354</u>	<u>\$ 329,354</u>	<u>\$ 350,862</u>	<u>\$ 21,508</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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 334,352	\$ 334,352	\$ 343,363	\$ 9,011
Investment earnings	2,500	2,500	9,902	7,402
Total revenues	<u>336,852</u>	<u>336,852</u>	<u>353,265</u>	<u>16,413</u>
Expenditures:				
Current:				
Development services	278,000	278,000	-	278,000
Capital outlay	-	-	-	-
Total expenditures	<u>278,000</u>	<u>278,000</u>	<u>-</u>	<u>278,000</u>
Excess of revenues over expenditures	58,852	58,852	353,265	294,413
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(137,679)	(137,679)	(137,679)	-
Total other financing sources (uses)	<u>(137,679)</u>	<u>(137,679)</u>	<u>(137,679)</u>	<u>-</u>
Net change in fund balance	(78,827)	(78,827)	215,586	294,413
Fund balance, October 1, 2018	152,800	152,800	152,800	-
Fund balance, September 30, 2019	<u>\$ 73,973</u>	<u>\$ 73,973</u>	<u>\$ 368,386</u>	<u>\$ 294,413</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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 152,603	\$ 152,603	\$ 152,684	\$ 81
Investment earnings	5,500	5,500	15,214	9,714
Total revenues	158,103	158,103	167,898	9,795
Expenditures:				
Current:				
Development services	100,000	100,000	102,373	(2,373)
Total expenditures	100,000	100,000	102,373	(2,373)
Excess (deficiency) of revenues over (under) expenditures	58,103	58,103	65,525	7,422
Other financing sources (uses)				
Total other financing sources	-	-	-	-
Net change in fund balance	58,103	58,103	65,525	7,422
Fund balance, October 1, 2018	360,395	360,395	360,395	-
Fund balance, September 30, 2019	\$ 418,498	\$ 418,498	\$ 425,920	\$ 7,422

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, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 603,127	\$ 603,127	\$ 594,066	\$ (9,061)
Investment earnings	4,200	4,200	9,704	5,504
Other	-	-	-	-
Total revenues	<u>607,327</u>	<u>607,327</u>	<u>603,770</u>	<u>(3,557)</u>
Expenditures:				
Current:				
Development services	150,000	150,000	150,000	-
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Excess of revenues over expenditures	457,327	457,327	453,770	(3,557)
Other financing sources (uses):				
Transfers out	(539,726)	(539,726)	(537,872)	1,854
Total other financing sources (uses)	<u>(539,726)</u>	<u>(539,726)</u>	<u>(537,872)</u>	<u>1,854</u>
Net change in fund balance	(82,399)	(82,399)	(84,102)	(1,703)
Fund balance, October 1, 2018	206,758	206,758	206,758	-
Fund balance, September 30, 2019	<u>\$ 124,359</u>	<u>\$ 124,359</u>	<u>\$ 122,656</u>	<u>\$ (1,703)</u>



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COMBINING FINANCIAL STATEMENTS

NONMAJOR ENTERPRISE FUNDS

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

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

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

CITY OF BRYAN, TEXAS

Combining Statement of Net Position
Nonmajor Enterprise Funds
As of September 30, 2019

	<u>Assets</u>			
	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
Current assets:				
Cash and cash equivalents	\$ 217,971	\$ 2,308	\$ 116,736	\$ 337,015
Investments	6,912,212	69,974	3,701,973	10,684,159
Accounts receivable	604,386	18,500	52,701	675,587
Less allowance for uncollectible	(50,845)	-	-	(50,845)
Interest receivable	11,157	129	6,053	17,339
Inventories	-	45,995	-	45,995
Due from other funds	195,068	-	-	195,068
Prepaid and other assets	650	-	-	650
Total current assets	<u>7,890,599</u>	<u>136,906</u>	<u>3,877,463</u>	<u>11,904,968</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	-	1,614	-	1,614
Investments	-	51,150	-	51,150
Investment in BVSWMA	18,183,379	-	-	18,183,379
Capital assets:				
Land	-	654,670	9,461,182	10,115,852
Buildings	92,904	2,567,183	-	2,660,087
Equipment	9,373,925	57,628	-	9,431,553
Improvements other than buildings	373,562	3,781,291	-	4,154,853
Construction in progress	-	-	-	-
Less accumulated depreciation	(6,645,619)	(3,817,921)	-	(10,463,540)
Total capital assets (net of accumulated depreciation)	<u>3,194,772</u>	<u>3,242,851</u>	<u>9,461,182</u>	<u>15,898,805</u>
Total noncurrent assets	<u>21,378,151</u>	<u>3,295,615</u>	<u>9,461,182</u>	<u>34,134,948</u>
Total assets	<u>\$ 29,268,750</u>	<u>\$ 3,432,521</u>	<u>\$ 13,338,645</u>	<u>\$ 46,039,916</u>
Deferred Outflows				
Pensions	789,699	40,009	-	829,708
Other post employment benefits	79,098	3,516	-	82,614
Total deferred outflows	<u>\$ 868,797</u>	<u>\$ 43,525</u>	<u>\$ -</u>	<u>\$ 912,322</u>

CITY OF BRYAN, TEXAS

Combining Statement of Net Position
Nonmajor Enterprise Funds
As of September 30, 2019

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 463,085	\$ 20,637	\$ 1,779	\$ 485,501
Accrued liabilities	142,923	4,983	-	147,906
Due to other funds	160,675	-	-	160,675
Accrued interest	-	3,678	-	3,678
Accrued vacation and sick pay	122,777	3,106	-	125,883
Current liabilities payable from restricted assets:				
Bonds payable, net	-	55,203	-	55,203
Customer deposits	-	15,305	-	15,305
Total current liabilities	889,460	102,912	1,779	994,151
Noncurrent liabilities:				
Bonds payable, net	-	1,025,609	-	1,025,609
Net pension liability (NPL)	2,322,788	92,284	-	2,415,072
Net other post employment benefits liability (OPEB)	806,392	35,840	-	842,232
Accrued vacation and sick pay	122,778	3,112	-	125,890
Total noncurrent liabilities	3,251,958	1,156,845	-	4,408,803
Total liabilities	4,141,418	1,259,757	1,779	5,402,954
<u>Deferred Inflows</u>				
Pensions	8,011	-	-	8,011
Total deferred inflows	\$ 8,011	\$ -	\$ -	\$ 8,011
<u>Net Position</u>				
Net investment in capital assets	3,194,772	2,204,563	9,461,182	14,860,517
Restricted for BVSWMA	18,183,379	-	-	18,183,379
Restricted for debt service	-	10,240	-	10,240
Unrestricted	4,609,967	1,486	3,875,684	8,487,137
Total net position	\$ 25,988,118	\$ 2,216,289	\$ 13,336,866	\$ 41,541,273

CITY OF BRYAN, TEXAS

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2019

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
Operating revenues:				
Solid waste	\$ 8,213,304	\$ -	\$ -	\$ 8,213,304
Other	-	579,260	667,797	1,247,057
Total operating revenues	<u>8,213,304</u>	<u>579,260</u>	<u>667,797</u>	<u>9,460,361</u>
Operating expenses:				
Personnel services	3,269,009	201,198	-	3,470,207
Maintenance	471,115	65,701	-	536,816
Other services and charges	1,602,535	82,942	55,545	1,741,022
Other expenses	424,635	253,360	1,085	679,080
General and administrative	509,743	103,735	-	613,478
Total operating expenses	<u>6,277,037</u>	<u>706,936</u>	<u>56,630</u>	<u>7,040,603</u>
before depreciation	1,936,267	(127,676)	611,167	2,419,758
Operating income (loss) before depreciation	<u>887,376</u>	<u>298,851</u>	<u>-</u>	<u>1,186,227</u>
Depreciation				
Operating income (loss)	<u>1,048,891</u>	<u>(426,527)</u>	<u>611,167</u>	<u>1,233,531</u>
Nonoperating revenues (expenses):				
Investment earnings	199,697	3,984	105,955	309,636
Interest expense	-	(27,545)	-	(27,545)
Distributive share of BVSWMMA net income	922,137	-	-	922,137
Other - net	104,505	43,133	-	147,638
Total nonoperating revenues (expenses)	<u>1,226,339</u>	<u>19,572</u>	<u>105,955</u>	<u>1,351,866</u>
Income (loss) before contributions and transfers	2,275,230	(406,955)	717,122	2,585,397
Transfers in				
Transfers out	102,664	110,000	-	212,664
Change in net position	<u>(1,138,040)</u>	<u>-</u>	<u>-</u>	<u>(1,138,040)</u>
Net position, October 1, 2018	<u>24,748,264</u>	<u>2,513,244</u>	<u>12,619,744</u>	<u>39,881,252</u>
Net position, September 30, 2019	<u>\$ 25,988,118</u>	<u>\$ 2,216,289</u>	<u>\$ 13,336,866</u>	<u>\$ 41,541,273</u>

CITY OF BRYAN, TEXAS

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2019

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 8,214,893	\$ 550,560	\$ 615,096	\$ 9,380,549
Payments to suppliers	(2,026,069)	(384,258)	(54,851)	(2,465,178)
Payments to employees	(3,058,491)	(187,992)	-	(3,246,483)
Payments for interfund services used	(509,743)	(103,735)	-	(613,478)
Net cash provided (used) by operating activities	2,620,590	(125,425)	560,245	3,055,410
Cash flows from noncapital financing activities:				
Transfers in	102,664	110,000	-	212,664
Transfers out	(1,138,040)	-	-	(1,138,040)
Net cash provided (used) by noncapital financing activities	(1,035,376)	110,000	-	(925,376)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(498,479)	43,132	(412,753)	(868,100)
Proceeds from sale of assets	98,912	-	-	98,912
Principal paid on general obligation bonds	-	(2,431)	-	(2,431)
Principal paid on certificates of obligation	-	(45,000)	-	(45,000)
Interest paid on bonds, contractual obligations, and notes	-	(27,545)	-	(27,545)
Net cash provided (used) by capital and related financing activities	(399,567)	(31,844)	(412,753)	(844,164)
Cash flows from investing activities:				
Purchase of investment securities	(5,551,481)	(81,345)	(2,857,704)	(8,490,530)
Sale of investment securities	3,471,645	101,489	2,153,987	5,727,121
Interest on investments	211,281	4,521	114,010	329,812
Net cash provided (used) by investing activities	(1,868,555)	24,665	(589,707)	(2,433,597)
Net increase (decrease) in cash and cash equivalents	(682,908)	(22,604)	(442,215)	(1,147,727)
Cash and cash equivalents, October 1, 2018	900,879	26,526	558,951	1,486,356
Cash and cash equivalents, September 30, 2019	\$ 217,971	\$ 3,922	\$ 116,736	\$ 338,629

CITY OF BRYAN, TEXAS

Combining Statement of Cash Flows (continued)

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2019

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,048,891	\$ (426,527)	\$ 611,167	\$ 1,233,531
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	887,376	298,851	-	1,186,227
Change in assets and liabilities:				
Change in accounts receivable	29,214	(1,875)	(52,701)	(25,362)
Change in inventory	-	(24,125)	-	(24,125)
Change in due from other funds	(33,219)	-	-	(33,219)
Change in accounts payable	311,690	17,745	1,779	331,214
Change in accrued liabilities	18,831	896	-	19,727
Change in other liabilities	4,944	(2,820)	-	2,124
Change in customer deposits	-	120	-	120
Change in due to other funds	160,675	-	-	160,675
Change in OPEB and NPL	170,668	9,560	-	180,228
Change in accrued vacation and sick pay	21,520	2,750	-	24,270
Net cash provided (used) by operating activities	\$ 2,620,590	\$ (125,425)	\$ 560,245	\$ 3,055,410

Noncash investing, capital and financing activities

During this past year, the Enterprise Funds investment in BVSWMA increased \$922,136 as a result of its 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 Fund – To account for the administration of health insurance for City employees. Resources are contributed by the City for employee health coverage and by the employee for optional dependent coverage.

CITY OF BRYAN, TEXAS
Internal Service Funds
Combining Statement of Net Position
As of September 30, 2019

	<u>Assets</u>			
	Warehouse Fund	Insurance Fund	Employee Benefit Fund	Total
<u>Current assets:</u>				
Cash and cash equivalents	\$ 1,371	\$ 200,846	\$ 52,695	\$ 254,912
Investments	43,485	3,990,846	1,671,085	5,705,416
Accounts receivable	-	-	119,306	119,306
Interest receivable	15	6,524	2,731	9,270
Inventories	221,076	-	-	221,076
Due from other funds	107	1,300	-	1,407
Total current assets	266,054	4,199,516	1,845,817	6,311,387
<u>Noncurrent assets:</u>				
Capital assets:				
Buildings	-	23,420	-	23,420
Equipment	27,390	87,063	-	114,453
Improvements other than buildings	159,086	29,572	-	188,658
Less accumulated depreciation	(117,443)	(130,943)	-	(248,386)
Total capital assets (net of accumulated depreciation)	69,033	9,112	-	78,145
Total assets	\$ 335,087	\$ 4,208,628	\$ 1,845,817	\$ 6,389,532
<u>Deferred outflows</u>				
Other post employment benefits	5,270	10,542	-	15,812
Total deferred outflows	\$ 5,270	\$ 10,542	\$ -	\$ 15,812
<u>Liabilities</u>				
<u>Current liabilities:</u>				
Accounts payable	12,930	4,205	220,107	237,242
Claims payable	-	622,447	1,503,075	2,125,522
Due to other funds	-	-	58	58
Accrued liabilities	5,601	13,609	-	19,210
Accrued vacation and sick pay	7,596	12,784	-	20,380
Total current liabilities	26,127	653,045	1,723,240	2,402,413
<u>Noncurrent liabilities:</u>				
Claims payable	-	602,128	-	602,128
Net other post employment benefits liability (OPEB)	53,759	107,519	-	161,278
Accrued vacation and sick pay	20,539	34,564	-	55,103
Total noncurrent liabilities	74,298	744,211	-	818,508
Total liabilities	100,425	1,397,256	1,723,240	3,220,921
<u>Net Position</u>				
Net investment in capital assets	69,033	9,112	-	78,145
Unrestricted	170,899	2,812,802	122,577	3,106,278
Total net position	\$ 239,932	\$ 2,821,914	\$ 122,577	\$ 3,184,423

CITY OF BRYAN, TEXAS

Internal Service Funds

Combining Statement of Revenues, Expenses
and Changes in Fund Net Position

For the Fiscal Year Ended September 30, 2019

	Warehouse Fund	Insurance Fund	Employee Benefit Fund	Total
Operating revenues:				
Intragovernmental	\$ 75,297	\$ 2,602,296	\$ 8,635,947	\$ 11,313,540
Other	13	19,932	2,919,208	2,939,153
Total operating revenues	<u>75,310</u>	<u>2,622,228</u>	<u>11,555,155</u>	<u>14,252,693</u>
Operating expenses:				
Personnel services	265,161	616,826	-	881,987
Maintenance	1,276	654	-	1,930
Claims	-	682,871	10,970,333	11,653,204
Other services and charges	98,746	624,723	2,400,799	3,124,268
Other expenses	6,734	68,354	-	75,088
Total operating expenses before depreciation	<u>371,917</u>	<u>1,993,428</u>	<u>13,371,132</u>	<u>15,736,477</u>
Operating gain(loss) before depreciation	(296,607)	628,800	(1,815,977)	(1,483,784)
Depreciation	7,441	2,650	-	10,091
Operating income (loss)	<u>(304,048)</u>	<u>626,150</u>	<u>(1,815,977)</u>	<u>(1,493,875)</u>
Nonoperating revenues:				
Investment earnings	949	112,749	56,725	170,423
Other	-	428,103	1,339,703	1,767,806
Total nonoperating revenues	<u>949</u>	<u>540,852</u>	<u>1,396,428</u>	<u>1,938,229</u>
Income (loss) before transfers	(303,099)	1,167,002	(419,549)	444,354
Transfers in	251,859	-	100,000	351,859
Transfers out	-	(100,000)	-	(100,000)
Change in net position	(51,240)	1,067,002	(319,549)	696,213
Net position, October 1, 2018	291,172	1,754,912	442,126	2,488,210
Net position, September 30, 2019	<u>\$ 239,932</u>	<u>\$ 2,821,914</u>	<u>\$ 122,577</u>	<u>\$ 3,184,423</u>

CITY OF BRYAN, TEXAS
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2019

	Warehouse Fund	Insurance Fund	Employee Benefit Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 1,524,240	\$ 19,932	\$ 3,113,093	\$ 4,657,265
Receipts for interfund services provided	-	2,601,171	8,635,947	11,237,118
Payments to suppliers	(1,528,848)	(1,706,521)	(13,290,426)	(16,525,795)
Payments to employees	(213,278)	(514,291)	-	(727,569)
Other receipts	-	427,928	1,339,703	1,767,631
Net cash provided (used) by operating activities	(217,886)	828,219	(201,683)	408,650
Cash flows from noncapital financing activities:				
Transfers in	251,859	-	100,000	351,859
Transfers out	-	(100,000)	-	(100,000)
Net cash provided (used) by noncapital activities	251,859	(100,000)	100,000	251,859
Cash flows from investing activities:				
Purchase of investment securities	(41,133)	(3,214,914)	(1,252,305)	(4,508,352)
Sale of investment securities	6,001	1,979,640	1,068,435	3,054,076
Interest on investments	973	119,192	60,993	181,158
Net cash provided (used) by investing activities	(34,159)	(1,116,082)	(122,877)	(1,273,118)
Net increase (decrease) in cash and cash equivalents	(186)	(387,863)	(224,560)	(612,609)
Cash and cash equivalents, October 1, 2018	1,557	588,709	277,255	867,521
Cash and cash equivalents, September 30, 2019	\$ 1,371	\$ 200,846	\$ 52,695	\$ 254,912
Reconciliation of operating income (loss) to net cash provided (used) operating activities:				
Operating income (loss)	(304,048)	626,150	(1,815,977)	(1,493,875)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	7,441	2,650	-	10,091
Other revenue	-	428,103	1,339,703	1,767,806
Change in assets and liabilities:				
Change in accounts receivable	-	-	193,885	193,885
Change in inventory	15,832	-	-	15,832
Change in due from other funds	181	(1,300)	-	(1,119)
Change in prepaid assets	-	-	-	-
Change in accounts payable	10,825	(13,961)	(39,451)	(42,587)
Change in accrued liabilities	900	2,262	-	3,162
Change in due to other funds	-	(1,070)	58	(1,012)
Change in claims payable	-	(314,888)	120,099	(194,789)
Change in vacation and sick pay	2,494	3,296	-	5,790
Change in OPEB and NPL	48,489	96,977	-	145,466
Net cash provided (used) by operating activities	\$ (217,886)	\$ 828,219	\$ (201,683)	\$ 408,650

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, 2019 and 2018

	2019	2018
Governmental funds capital assets:		
Land	\$ 13,064,618	\$ 12,379,528
Buildings	47,146,585	47,095,470
Improvements other than buildings	42,327,305	40,408,359
Equipment	38,830,034	37,818,410
Infrastructure	224,481,388	199,619,911
Construction in Progress	4,634,787	17,805,279
	<u>\$ 370,484,717</u>	<u>\$ 355,126,957</u>
Investments in governmental funds capital assets by source:		
General Fund	140,522,738	125,442,845
Special Revenue Funds	8,126,350	8,126,350
Private Contributions	48,250,205	48,250,205
General Obligation bonds	42,229,659	42,229,658
Grants	6,611,770	6,611,770
Certificates of Obligation	124,743,995	124,466,128
	<u>\$ 370,484,717</u>	<u>\$ 355,126,957</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 position.

CITY OF BRYAN, TEXAS

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity

For the Fiscal Year Ended September 30, 2019

Function and Activity	Governmental Funds Capital Assets September 30, 2018	Reclassifications	Additions	Deductions	Governmental Funds Capital Assets September 30, 2019
General Government:					
Executive	\$ 12,515,454	\$ -	\$ -	\$ 176,641	\$ 12,338,813
City Secretary	418,483	-	-	-	418,483
Legal services	41,126	-	-	-	41,126
Fiscal services	313,504	-	7,618	-	321,122
Computer services	9,429,094	-	541,700	-	9,970,794
Purchasing services	1,784,164	-	-	-	1,784,164
Human resources	44,862	-	-	-	44,862
Facility services	3,637,145	-	448,884	34,418	4,051,611
Fleet services	70,619	-	-	-	70,619
Total general government	<u>28,254,451</u>	<u>-</u>	<u>998,202</u>	<u>211,059</u>	<u>29,041,594</u>
Development services:					
Administration	742,735	-	-	-	742,735
Planning	70,070	-	-	-	70,070
Engineering	286,663	-	-	-	286,663
Inspections	170,779	-	-	-	170,779
Community Development	5,342,781	-	-	-	5,342,781
TIF infrastructure	10,583,177	-	-	-	10,583,177
Total development services	<u>17,196,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,196,205</u>
Public works:					
Environmental services	28,567	-	-	-	28,567
Transportation services	199,701,693	-	25,948,571	370,400	225,279,864
Total public works	<u>199,730,260</u>	<u>-</u>	<u>25,948,571</u>	<u>370,400</u>	<u>225,308,431</u>
Public safety:					
Police services	26,749,464	-	505,005	360,080	26,894,389
Fire and emergency medical services	26,500,330	-	571,256	65,168	27,006,418
Municipal court	2,398,717	-	-	-	2,398,717
Animal Center	75,101	-	-	-	75,101
Total public safety	<u>55,723,612</u>	<u>-</u>	<u>1,076,261</u>	<u>425,248</u>	<u>56,374,625</u>
Cultural and recreational:					
Administration	142,422	-	-	-	142,422
Library services	5,121,276	-	310,169	-	5,431,445
Parks and recreation services	31,153,452	-	1,213,688	11,932	32,355,208
Total cultural and recreational	<u>36,417,150</u>	<u>-</u>	<u>1,523,857</u>	<u>11,932</u>	<u>37,929,075</u>
Construction in Progress - Unclassified	<u>17,805,279</u>	<u>-</u>	<u>(13,170,492)</u>	<u>-</u>	<u>4,634,787</u>
Total governmental funds capital assets	<u>\$ 355,126,957</u>	<u>\$ -</u>	<u>\$ 16,376,399</u>	<u>\$ 1,018,639</u>	<u>\$ 370,484,717</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 position.

CITY OF BRYAN, TEXAS

Capital Assets Used in the Operation of Governmental Funds

Schedule By Function and Activity

As of September 30, 2019

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government:							
Executive	\$ 2,138,902	\$ 9,928,958	\$ -	\$ 270,953	\$ -	\$ -	\$ 12,338,813
City Secretary	125,000	153,625	94,261	45,597	-	-	418,483
Legal services	-	-	41,126	-	-	-	41,126
Fiscal services	-	38,384	-	282,738	-	-	321,122
Computer services	-	60,768	503,189	9,406,836	-	-	9,970,793
Purchasing services	-	37,037	1,679,680	67,448	-	-	1,784,165
Human resources	-	-	9,991	34,871	-	-	44,862
Facility services	122,617	2,708,943	118,187	1,101,864	-	-	4,051,611
Fleet services	-	1,671	32,396	36,552	-	-	70,619
Total general government	2,386,519	12,929,386	2,478,830	11,246,859	-	-	29,041,594
Development services:							
Administration	35,156	1,260	-	706,319	-	-	742,735
Planning	-	29,062	-	41,008	-	-	70,070
Engineering	18,904	7,343	-	260,416	-	-	286,663
Inspections	-	-	-	170,779	-	-	170,779
Community Development	118,531	131,652	5,083,368	9,230	-	-	5,342,781
TIRZ infrastructure	81,902	-	58,450	-	10,442,825	-	10,583,177
Total development services	254,493	169,317	5,141,818	1,187,752	10,442,825	-	17,196,205
Public works:							
Environmental services	-	11,995	16,572	-	-	-	28,567
Transportation services	6,095,870	141,044	1,827,859	3,203,930	214,011,159	4,398,896	229,678,758
Total public works	6,095,870	153,039	1,844,431	3,203,930	214,011,159	4,398,896	229,707,325
Public safety:							
Animal Center	-	34,100	-	41,001	-	-	75,101
Police services	1,043,333	18,187,481	22,982	7,640,592	-	-	26,894,388
Fire and emergency medical services	-	14,290,940	133,834	12,581,644	-	730	27,007,148
Municipal court	1,819,216	-	106,675	472,826	-	-	2,398,717
Total public safety	2,862,549	32,512,521	263,491	20,736,063	-	730	56,375,354
Cultural and recreational:							
Administration	-	-	107,924	34,501	-	-	142,425
Library services	-	744,102	4,284,531	402,812	-	-	5,431,445
Parks and recreation services	1,465,187	638,220	28,206,280	2,018,117	27,404	235,161	32,590,369
Total cultural and recreational	1,465,187	1,382,322	32,598,735	2,455,430	27,404	235,161	38,164,239
Total governmental funds capital assets	\$ 13,064,618	\$ 47,146,585	\$ 42,327,305	\$ 38,830,034	\$ 224,481,388	\$ 4,634,787	\$ 370,484,717

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

STATISTICAL SECTION

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

Contents

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

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

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

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

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

City of Bryan, Texas

Net Position by Component

Last Ten Fiscal Years

(Accrual basis of accounting)

Table 1

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets										
Restricted	\$ 63,909,781	\$ 73,325,895	\$ 73,821,014	\$ 74,520,118	\$ 67,019,218	\$ 68,002,663	\$ 81,026,014	\$ 88,289,291	\$ 93,348,161	\$ 86,377,222
Unrestricted	30,938,682	24,782,392	24,404,041	18,624,433	23,068,934	22,972,793	18,104,805	19,918,996	20,799,558	20,528,578
	7,301,794	10,124,807	8,130,941	19,434,534	27,501,716	18,998,510	16,933,496	5,722,042	(3,265,076)	19,554,730
Total governmental activities net position	\$ 102,150,257	\$ 108,233,094	\$ 106,355,996	\$ 112,579,085	\$ 117,589,868	\$ 109,973,966	\$ 116,064,315	\$ 113,930,329	\$ 110,882,643	\$ 126,460,530
Business-type activities										
Net investment in capital assets										
Restricted	241,866,068	252,740,085	248,552,828	263,550,484	269,168,669	281,007,278	293,636,350	312,335,006	317,597,463	331,471,407
Unrestricted	36,217,006	29,510,223	34,775,027	36,745,716	34,139,444	39,419,987	34,672,042	28,731,318	36,067,616	34,500,061
	75,781,601	78,497,386	85,730,247	74,740,740	82,220,018	73,915,223	78,673,277	79,324,576	95,833,112	138,985,347
Total Business-type activities net position	\$ 353,864,675	\$ 360,747,694	\$ 369,058,102	\$ 375,036,940	\$ 385,528,131	\$ 394,342,488	\$ 406,981,669	\$ 420,390,900	\$ 449,498,191	\$ 504,956,815
Primary government										
Net investment in capital assets										
Restricted	305,775,849	326,065,980	322,373,842	338,070,602	336,187,887	349,009,941	374,662,364	400,624,297	410,945,624	417,848,629
Unrestricted	67,155,688	54,292,615	59,179,068	55,370,149	57,208,378	62,392,780	52,776,847	48,650,314	56,867,174	55,028,639
	83,083,395	88,622,193	93,861,188	94,175,274	109,721,734	92,913,733	95,606,773	85,046,618	92,568,036	158,540,077
Total primary government net position	\$ 456,014,932	\$ 468,980,788	\$ 475,414,098	\$ 487,616,025	\$ 503,117,999	\$ 504,316,454	\$ 523,045,984	\$ 534,321,229	\$ 560,380,834	\$ 631,417,345

Expenses	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
General government and administration	\$ 11,861,977	\$ 11,694,539	\$ 12,567,217	\$ 12,725,727	\$ 11,862,127	\$ 9,775,235	\$ 18,119,110	\$ 17,481,720	\$ 17,843,501	\$ 17,828,658
Development services	5,514,292	5,451,223	4,946,473	5,324,990	5,265,275	5,403,697	6,556,417	8,956,465	6,077,939	8,063,283
Public works services	14,603,264	14,091,910	15,169,531	12,764,623	14,180,817	16,894,814	16,585,766	20,061,531	17,923,447	15,122,805
Public Safety	28,098,561	21,693,251	24,346,634	32,133,857	33,069,954	33,648,379	35,934,773	39,753,105	41,229,027	44,658,085
Cultural and Recreational	8,585,698	7,666,774	8,242,037	8,175,136	8,374,038	8,374,038	9,106,566	9,827,528	12,799,663	11,620,981
Interest on long-term debt	4,392,590	4,982,815	4,560,746	4,264,522	3,548,309	3,299,163	2,989,038	2,732,128	2,815,131	2,786,148
Total governmental activities expenses	<u>73,056,382</u>	<u>65,580,512</u>	<u>69,832,638</u>	<u>75,388,855</u>	<u>76,258,494</u>	<u>77,395,326</u>	<u>89,291,670</u>	<u>98,812,477</u>	<u>98,688,708</u>	<u>100,079,960</u>
Business-type activities:										
Electric	132,804,674	142,323,465	133,361,843	157,381,300	170,664,649	171,705,349	175,336,256	176,616,366	170,963,238	160,442,705
Rural Electric	27,993,444	29,664,911	28,603,608	29,583,733	33,312,663	36,214,517	40,163,724	41,664,199	46,189,436	38,857,150
Water	10,380,604	10,868,241	11,202,934	9,974,403	9,761,250	9,841,218	11,651,741	11,385,667	11,227,487	11,227,487
Wastewater	9,880,856	10,658,709	10,966,690	9,935,489	10,272,703	9,935,489	10,840,072	11,756,197	11,566,231	12,017,801
Other	9,813,006	15,215,556	12,195,441	7,949,095	7,851,301	7,860,010	8,128,393	8,486,233	8,575,416	8,272,034
Total business-type activities expenses	<u>190,872,584</u>	<u>208,730,882</u>	<u>196,330,516</u>	<u>214,737,290</u>	<u>231,862,566</u>	<u>235,556,583</u>	<u>246,120,186</u>	<u>249,908,662</u>	<u>248,582,096</u>	<u>230,817,177</u>
Total primary government expenses	<u>\$ 263,928,966</u>	<u>\$ 274,311,394</u>	<u>\$ 266,163,154</u>	<u>\$ 290,126,145</u>	<u>\$ 308,121,060</u>	<u>\$ 312,951,909</u>	<u>\$ 335,411,856</u>	<u>\$ 348,721,139</u>	<u>\$ 347,270,804</u>	<u>\$ 330,897,137</u>
Program Revenues										
Governmental activities:										
Fees, fines, and charges for services	\$ 166,198	\$ 147,025	\$ 126,499	269,503	286,868	337,174	454,949	208,607	318,557	334,778
General government and administration	572,570	492,175	592,784	565,539	668,583	625,106	1,045,668	859,574	976,345	764,522
Development services	4,639,041	4,385,470	4,028,727	4,717,287	4,568,322	4,684,494	4,866,930	5,400,679	5,606,498	5,421,746
Public safety	1,634,222	1,355,274	1,581,416	2,051,721	1,304,457	1,279,525	1,478,733	1,723,126	1,720,765	1,764,236
Cultural and recreational	2,640,566	2,607,994	2,732,746	2,840,902	2,490,517	2,769,647	2,507,033	3,040,292	2,963,291	3,134,487
Operating grants and contributions	4,476,022	2,657,466	3,232,203	1,891,869	1,561,849	2,049,078	4,531,545	2,657,984	4,885,776	9,041,299
Capital grants and contributions	14,128,619	11,645,404	12,294,375	12,336,821	10,980,596	11,745,024	14,884,858	13,890,262	16,471,232	20,461,068
Total governmental activities program revenues										
Business-type activities:										
Electric	134,670,691	151,634,735	145,990,914	157,857,718	183,923,241	184,252,089	187,624,655	190,064,226	199,082,844	204,747,110
Rural Electric	30,133,488	31,851,185	31,495,841	32,257,374	35,728,300	39,287,075	41,931,026	44,224,725	48,935,501	47,539,897
Water	11,529,217	14,281,996	12,879,376	12,723,839	11,678,692	12,390,019	12,656,177	13,428,055	14,014,033	13,101,114
Wastewater	12,369,599	13,112,105	13,072,233	12,429,017	12,496,697	12,883,147	13,007,294	13,111,988	13,343,497	13,122,328
Other Enterprise Funds	10,736,815	10,840,430	11,066,735	11,813,933	8,226,316	12,608,721	9,569,471	9,882,226	13,212,744	9,460,361
Operating grants and contributions	25,033	2,615,369	1,173,074	101,495	-	-	-	-	-	-
Capital grants and contributions	1,932,153	979,666	1,173,074	1,757,250	1,784,337	2,755,942	4,826,334	3,677,071	2,709,437	4,961,213
Total business-type activities program revenue	<u>201,396,996</u>	<u>225,315,486</u>	<u>216,218,375</u>	<u>228,940,626</u>	<u>253,838,183</u>	<u>264,176,993</u>	<u>269,614,957</u>	<u>274,388,291</u>	<u>291,298,056</u>	<u>292,932,023</u>
Total primary government program revenues	<u>\$ 215,525,615</u>	<u>\$ 236,960,890</u>	<u>\$ 228,512,750</u>	<u>\$ 241,277,447</u>	<u>\$ 264,818,779</u>	<u>\$ 275,922,017</u>	<u>\$ 284,499,815</u>	<u>\$ 288,278,553</u>	<u>\$ 307,769,288</u>	<u>\$ 313,393,091</u>
Net (expense)/revenue										
Governmental activities	\$ (58,927,763)	\$ (53,935,108)	\$ (57,538,263)	(63,052,034)	(65,277,898)	(65,650,302)	(74,406,812)	(84,922,215)	(82,216,846)	(79,618,892)
Business-type activities	10,524,412	16,584,604	19,887,859	14,203,333	21,975,617	28,620,410	23,494,771	24,479,639	42,715,960	62,114,846
Total primary government net expense	<u>\$ (48,403,351)</u>	<u>\$ (37,350,504)</u>	<u>\$ (37,650,404)</u>	<u>\$ (48,848,701)</u>	<u>\$ (43,302,281)</u>	<u>\$ (37,029,892)</u>	<u>\$ (50,912,041)</u>	<u>\$ (60,442,576)</u>	<u>\$ (39,500,886)</u>	<u>\$ (17,504,046)</u>

General Revenue and Other Changes in Net Position										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Property taxes	\$ 22,967,025	\$ 23,043,249	\$ 24,075,833	\$ 24,723,667	\$ 25,765,716	\$ 28,039,989	\$ 29,674,521	\$ 31,409,788	\$ 34,140,282	\$ 37,035,640
Sales taxes	14,608,410	14,301,017	14,814,931	15,984,919	17,882,449	17,788,430	19,025,856	19,608,634	21,290,148	23,580,209
Franchise taxes	2,071,337	2,062,766	1,963,381	2,108,521	2,380,787	2,191,346	2,037,593	2,179,203	2,230,544	2,081,194
Alcoholic beverage taxes	79,573	93,042	75,460	85,789	130,791	149,776	153,522	154,279	161,631	186,568
Bingo taxes	204,009	210,255	217,615	234,105	260,733	267,434	261,943	261,967	208,508	241,346
Hotel occupancy taxes	411,190	454,217	504,078	720,717	1,179,774	1,286,072	1,182,916	1,453,321	1,748,501	1,798,691
Transportation and drainage fees	6,129,574	6,179,135	6,324,068	6,302,953	6,398,465	6,553,176	6,589,263	6,639,924	6,721,956	6,847,716
Unrestricted investment earnings	578,261	251,107	278,636	206,083	290,514	523,146	483,317	454,389	639,513	2,134,759
Miscellaneous	2,298,503	2,538,373	1,433,639	6,154,005	3,541,748	3,512,707	6,552,374	5,194,379	5,835,633	6,743,547
Transfers (net)	9,691,442	10,884,784	5,973,524	12,754,364	12,138,907	14,789,653	14,535,856	15,432,345	13,866,017	14,547,109
Total governmental activities:	59,039,324	60,017,945	55,661,165	69,275,123	69,969,883	75,101,729	80,497,161	82,788,229	86,842,733	95,196,779
Business-type activities:										
Unrestricted investment earnings	992,215	719,221	(84,846)	969,402	611,791	1,032,154	856,704	1,056,355	1,174,531	6,634,033
Miscellaneous	221,532	463,978	1,375,263	2,689,384	2,484,255	3,240,871	2,823,562	3,305,581	3,445,118	1,256,854
Special items - Gain on sale of capital assets	-	-	(6,894,344)	871,080	2,493,174	505,000	-	-	-	-
Transfers (net)	(9,691,442)	(10,884,784)	(5,973,524)	(12,754,364)	(12,138,907)	(14,789,653)	(14,535,856)	(15,432,345)	(13,866,017)	(14,547,109)
Total business-type activities	(8,477,695)	(9,701,585)	(11,577,451)	(8,224,498)	(6,549,687)	(10,011,628)	(10,855,590)	(11,070,409)	(9,246,368)	(6,656,222)
Total primary government	\$ 50,561,629	\$ 50,316,360	\$ 44,083,714	\$ 61,050,625	\$ 63,420,196	\$ 65,090,101	\$ 69,641,571	\$ 71,717,820	\$ 77,596,365	\$ 88,540,557
Change in Net Position										
Governmental activities	\$ 111,561	\$ 6,082,837	\$ (1,877,098)	6,223,089	4,691,986	9,451,427	6,090,349	(2,133,986)	4,625,887	15,577,887
Business-type activities	2,046,717	6,883,019	8,310,408	5,978,835	15,425,933	18,608,782	12,639,181	13,409,230	33,469,592	55,458,624
Total primary government	\$ 2,158,278	\$ 12,965,856	\$ 6,433,310	\$ 12,201,924	\$ 20,117,919	\$ 28,060,209	\$ 18,729,530	\$ 11,275,244	\$ 38,095,479	\$ 71,036,511

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

Table 3

	2010	(1)	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund											
Reserved	\$ 2,753,840		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	9,087,877		-	-	-	-	-	-	-	-	-
Nonspendable	-		21,206	241,366	75,907	59,572	109,393	106,321	1,817	63,713	120,963
Restricted	-		542,028	657,786	636,118	719,860	720,583	841,565	2,036,743	2,606,587	2,755,245
Committed	-		823,479	2,328,965	2,268,582	2,366,766	2,384,963	2,778,145	3,211,078	3,511,715	2,882,323
Assigned	-		460,921	193,524	974,951	503,799	1,531,754	7,731,534	4,962,007	3,237,201	2,838,331
Unassigned	-		11,362,564	12,721,175	18,505,338	24,529,175	30,621,712	22,095,483	17,752,837	19,058,051	24,466,995
Total general fund	\$ 11,841,717		\$ 13,210,298	\$ 16,142,816	\$ 22,460,896	\$ 28,179,172	\$ 35,368,405	\$ 33,553,048	\$ 27,964,482	\$ 28,477,267	\$ 33,063,857
All other governmental funds											
Reserved	27,804,909		-	-	-	-	-	-	-	-	-
Unreserved, reported in:											
Special revenue funds	6,560,002		-	-	-	-	-	-	-	-	-
Capital projects funds	-		-	-	-	-	-	-	-	-	-
Permanent funds	1,011,046		-	-	-	-	-	-	-	-	-
Unreserved (deficit), reported in:											
Special revenue funds	-		-	-	-	-	-	-	-	-	-
Capital projects funds	(870,667)		-	-	-	-	-	-	-	-	-
Nonspendable:											
Permanent funds and other	-		746,351	777,742	819,709	852,374	895,724	938,069	994,989	1,051,295	1,102,032
Restricted:											
Capital Project Funds	-		7,832,036	3,597,077	2,512,231	8,286,216	7,465,788	13,327,432	4,261,143	6,661,659	5,470,389
Debt Service Fund	-		6,219,331	5,945,264	5,876,433	6,128,399	6,080,301	5,840,959	5,928,427	5,827,239	1,873,816
Permanent Funds:											
Cemeteries	-		1,019,007	1,028,230	1,035,463	1,044,069	1,018,042	346,358	29,507	38,989	80,468
Libraries	-		3,599	3,664	3,711	3,768	3,858	3,938	4,011	4,117	4,517
Special Revenue Funds:											
Grants	-		4,348	10,863	24,180	14,500	11,423	33,827	83,204	332	5,808
Hotel/Motel	-		538,869	610,183	653,604	1,122,712	1,784,048	2,171,320	2,050,708	2,416,862	2,781,618
Municipal Court	-		261,573	287,722	296,395	259,748	244,157	245,569	188,100	160,052	180,681
TIRZ Development	-		3,364,672	3,036,268	552,909	433,715	706,544	807,993	1,037,861	1,169,520	1,267,824
Other Purposes	-		473	-	5,728	1,240	1,808	-	-	-	-
Committed:											
Streets	-		7,696,726	10,097,187	12,515,747	13,648,319	12,387,623	11,773,499	8,111,108	6,290,734	7,538,322
Drainage	-		1,032,851	702,807	1,164,532	1,893,491	2,364,950	2,851,094	2,890,276	3,310,765	3,496,567
Other Purposes	-		-	700	-	-	-	1,551,036	3,902,621	4,621,792	5,488,499
Unassigned:											
Special Revenue Funds	-		(9,964)	(104)	-	(21,552)	(9,354)	(16,399)	-	(22,446)	(26,503)
Total all other governmental funds	\$ 34,505,290		\$ 28,709,872	\$ 26,097,603	\$ 25,460,642	\$ 33,672,999	\$ 32,954,912	\$ 39,874,695	\$ 29,481,955	\$ 31,530,910	\$ 29,264,038
Total governmental funds	\$ 46,347,007		\$ 41,920,170	\$ 42,240,419	\$ 47,921,538	\$ 61,852,171	\$ 68,323,317	\$ 73,427,743	\$ 57,446,437	\$ 60,008,177	\$ 62,327,895

(1) Classification of fund balance changed in 2011 due to GASB 54 requirements.

City of Bryan, Texas

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified accrual basis of accounting)

Table 4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Property taxes	\$ 22,926,564	\$ 23,152,233	\$ 24,151,882	\$ 24,780,426	\$ 25,561,961	\$ 28,274,580	\$ 29,693,884	\$ 31,385,195	\$ 34,112,352	\$ 36,998,975
Sales taxes	14,608,410	14,301,017	14,814,931	15,984,919	17,882,449	17,798,430	19,025,856	19,608,634	21,290,148	23,580,209
Franchise taxes	2,071,337	2,062,766	1,963,381	2,108,521	2,380,787	2,191,346	2,037,593	2,179,203	2,230,544	2,081,194
Alcoholic beverage taxes	79,573	93,042	75,460	85,789	130,791	149,776	153,522	154,279	161,631	186,568
Bingo taxes	204,009	210,255	217,615	234,105	260,733	267,434	261,943	261,967	208,508	241,346
Hotel occupancy taxes	411,190	454,217	504,078	720,717	1,179,774	1,286,072	1,182,916	1,453,321	1,748,501	1,798,691
Transportation and drainage fees	6,129,574	6,179,135	6,324,068	6,302,953	6,398,465	6,553,176	6,589,263	6,639,924	6,721,956	6,847,716
Charges for services	4,528,548	3,946,937	3,846,149	5,199,125	4,394,267	4,538,814	5,031,445	5,504,971	5,877,052	5,895,651
Fines and court charges	1,910,913	1,940,832	1,890,493	1,839,386	1,765,380	1,762,379	1,709,700	1,770,534	1,768,768	1,625,109
Licenses and permits	572,570	492,175	592,784	565,539	668,583	625,106	1,105,135	916,481	976,345	764,522
Grants	3,155,205	4,026,214	2,979,350	2,851,631	2,490,518	2,769,647	2,507,033	3,040,292	2,963,921	3,134,487
Investment earnings	469,682	195,201	240,139	180,942	264,450	486,542	450,313	424,969	593,701	1,564,336
Oil and gas royalties	50,701	-	-	-	-	-	-	-	-	-
Other	2,214,159	2,475,134	1,423,481	3,500,662	4,055,739	2,117,264	2,585,856	3,475,198	3,967,606	3,604,239
Total revenues	59,332,435	59,529,158	59,023,811	64,354,714	67,433,897	68,810,566	72,334,459	76,814,968	82,621,033	88,723,043
Expenditures:										
Current:										
General government and administration	12,904,403	12,510,372	12,000,933	13,193,580	13,284,344	13,667,518	17,579,763	16,066,047	18,812,321	19,262,481
Development services	5,281,777	4,619,644	4,168,041	4,537,856	4,548,936	4,624,579	5,791,992	8,130,645	5,247,240	7,226,350
Public works services	9,872,213	7,598,470	7,577,027	6,271,155	7,701,249	10,468,227	10,051,020	13,339,973	11,069,288	7,714,354
Public safety	27,027,735	28,006,326	27,017,326	29,048,683	30,160,267	30,954,028	33,636,636	37,174,641	38,860,500	41,429,739
Cultural and recreational	6,928,973	6,016,407	6,441,801	6,898,826	7,080,030	7,205,362	7,957,438	8,497,669	10,801,706	10,212,041
Administrative reimbursement	(3,990,430)	(3,610,977)	(3,515,703)	(3,425,498)	(3,396,294)	(3,476,440)	(3,066,657)	(3,037,162)	(3,351,396)	(5,934,384)
Capital outlay	11,074,235	9,780,078	4,548,182	2,792,337	3,984,249	4,768,236	8,511,681	17,529,177	14,191,321	7,236,977
Debt Service:										
Bond and principal retirement	4,602,656	5,717,656	6,702,344	7,932,739	6,714,987	7,141,927	7,841,492	7,649,158	7,801,531	7,951,005
Interest and fiscal charges	4,392,941	4,903,129	4,445,497	4,197,126	3,352,210	3,367,234	2,834,697	2,702,174	2,543,474	2,832,450
Debt issuance cost	70,134	(25,000)	-	421,506	66,571	71,009	149,526	-	186,174	74,520
Advance refunding costs	95,768	-	-	-	-	-	-	-	-	-
Total expenditures	78,260,405	75,516,105	69,385,448	71,868,310	73,496,550	78,791,680	91,287,588	108,052,322	106,162,159	98,005,533
Excess of expenditures over revenues	(18,927,970)	(15,986,947)	(10,361,637)	(7,513,596)	(6,062,653)	(9,981,114)	(18,953,129)	(31,237,354)	(23,541,126)	(9,282,490)
Other financing sources (uses):										
Proceeds of long-term debt issued	13,790,000	-	-	-	7,760,021	-	9,275,000	-	11,965,000	-
Discount on long-term debt issued	-	-	-	-	-	-	-	-	-	-
Premium on long-term debt issued	77,859	-	-	-	12,517	-	430,700	-	359,538	-
Proceeds of refunding bonds issued	10,635,000	-	-	21,391,646	6,954,249	11,745,000	7,755,000	-	6,265,000	4,660,000
Payment to refunded bond escrow agent	(10,838,398)	-	-	(21,381,600)	(6,942,650)	(12,231,268)	(8,043,773)	-	(6,486,411)	(4,891,535)
Discount on refunding bonds	-	-	-	-	-	-	-	-	-	-
Premium on refunding bonds	250,488	-	-	417,193	57,981	557,141	372,165	-	314,046	321,429
Sales of capital assets	143,309	213,342	47,265	13,115	1,591,734	1,591,734	23,693	51,367	61,557	397,064
Transfers in	19,432,819	16,706,761	16,968,347	23,478,903	14,799,448	18,127,404	17,024,652	17,648,735	18,180,784	17,666,298
Transfers out	(8,953,672)	(5,359,993)	(6,333,726)	(10,724,542)	(2,660,541)	(3,337,751)	(2,779,882)	(2,444,054)	(4,556,648)	(3,371,048)
Total other financing sources	24,537,405	11,560,110	10,681,886	13,194,715	19,993,283	16,452,260	24,057,555	15,256,048	26,102,866	14,782,208
Net change in fund balances	\$ 5,609,435	\$ (4,426,837)	\$ 320,249	\$ 5,681,119	\$ 13,930,630	\$ 6,471,146	\$ 5,104,426	\$ (15,981,306)	\$ 2,561,740	\$ 5,499,718
Debt service as a percentage of noncapital expenditures	13.39%	16.16%	17.19%	17.56%	14.48%	14.20%	12.90%	11.44%	11.25%	11.88%

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
2010	\$ 22,967,025	\$ 14,608,410	\$ 2,071,337	\$ 79,573	\$ 204,009	\$ 411,190	\$ 6,129,574	\$ 46,471,118
2011	23,043,249	14,301,017	2,062,766	93,042	210,255	454,217	6,179,135	46,343,681
2012	24,075,833	14,814,931	1,963,381	75,460	217,615	504,078	6,324,068	47,975,366
2013	24,723,667	15,984,919	2,108,521	85,789	234,105	720,717	6,302,953	50,160,671
2014	25,765,716	17,882,449	2,380,787	130,791	260,733	1,179,774	6,398,465	53,998,715
2015	28,274,580	17,788,430	2,191,346	149,776	267,434	1,286,072	6,553,176	56,510,814
2016	29,674,521	19,025,856	2,037,593	153,522	261,943	1,182,916	6,589,263	58,925,614
2017	31,409,788	19,608,634	2,179,203	154,279	261,967	1,453,321	6,639,924	61,707,117
2018	34,140,282	21,290,148	2,230,544	161,631	208,508	1,748,501	6,721,956	66,501,570
2019	36,998,975	23,580,209	2,081,194	186,568	241,346	1,798,691	6,847,716	71,734,698
Change 2010-2019	61.10%	61.42%	0.48%	134.46%	18.30%	337.44%	11.72%	54.36%

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					
2010	\$ 2,396,959,888	\$ 821,791,294	\$ 578,407,922	\$ 186,366,590	\$ 3,610,792,514	\$ 0.636400	\$ 3,610,792,514
2011	2,494,852,214	819,568,329	506,894,980	195,386,859	3,625,928,664	0.636400	3,625,928,664
2012	2,608,513,429	860,709,755	529,139,441	214,635,480	3,783,727,145	0.636400	3,783,727,145
2013	2,661,055,047	895,028,798	586,784,032	247,525,695	3,895,342,182	0.633308	3,895,342,182
2014	2,777,498,151	924,121,184	599,276,361	245,030,266	4,055,865,430	0.629990	4,055,865,430
2015	2,939,644,870	994,920,813	620,568,334	221,012,900	4,334,121,117	0.629990	4,334,121,117
2016	3,114,809,537	1,024,444,205	671,458,469	207,760,861	4,602,951,350	0.629990	4,602,951,350
2017	3,399,061,710	1,078,228,695	661,133,415	240,621,455	4,897,802,365	0.629990	4,897,802,365
2018	3,755,315,840	1,124,078,444	803,949,917	247,224,761	5,436,119,440	0.629990	5,436,119,440
2019	4,113,109,107	1,176,590,609	820,476,499	320,825,723	5,789,350,492	0.629990	5,789,350,492

Source: Brazos Central Appraisal District

City of Bryan, Texas
Property Tax Rates and Ratios Per \$100 Value
Direct and Overlapping Governments
Last Ten Fiscal Years

Table 7

Fiscal Year	Overlapping Rates												Total Direct & Overlapping Rates
	City of Bryan ⁽¹⁾			Brazos County ⁽²⁾			Bryan Independent School District ⁽³⁾						
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total BSD Millage	Subtotal Direct Rates	Subtotal Overlapping Rates		
2010	\$ 0.459500	\$ 0.176900	\$ 0.636400	\$ 0.4012	\$ 0.0844	\$ 0.4856	\$ 1.0400	\$ 0.2500	\$ 1.2900	\$ 0.6364	\$ 1.7756	\$ 2.4120	
2011	0.435400	0.201000	0.636400	0.4037	0.0813	0.4850	1.0400	0.2500	1.2900	0.636400	1.7750	2.4114	
2012	0.440600	0.195800	0.636400	0.4037	0.0813	0.4850	1.0400	0.2500	1.2900	0.636400	1.7750	2.4114	
2013	0.437483	0.195825	0.633308	0.4071	0.0779	0.4850	1.0400	0.2500	1.2900	0.633308	1.7750	2.4083	
2014	0.434109	0.195881	0.629990	0.4168	0.0707	0.4875	1.0400	0.2500	1.2900	0.629990	1.7775	2.4075	
2015	0.442658	0.187332	0.629990	0.4226	0.0624	0.4850	1.0400	0.2500	1.2900	0.629990	1.7750	2.4050	
2016	0.443253	0.186737	0.629990	0.4247	0.0603	0.4850	1.0400	0.3100	1.3500	0.629990	1.8350	2.4650	
2017	0.448172	0.181818	0.629990	0.4258	0.0592	0.4850	1.0400	0.3100	1.3500	0.629990	1.8350	2.4650	
2018	0.464587	0.165403	0.629990	0.4290	0.0560	0.4850	1.0600	0.2800	1.3400	0.629990	1.8250	2.4550	
2019	0.478708	0.151282	0.629990	0.4317	0.0533	0.4850	1.0600	0.2800	1.3400	0.629990	1.8250	2.4550	

⁽¹⁾ City of Bryan Budget Office

⁽²⁾ Brazos County

⁽³⁾ Bryan ISD

City of Bryan, Texas
Principal Property Taxpayers
As of September 30, 2019

Table 8

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
US Well Services LLC	\$ 93,801,648	1	1.62%			
Sanderson Farms Inc	57,399,771	2	0.99%			
Bryan Student Housing LLC	41,200,000	3	0.71%			
Jamespoint Management Co	32,369,396	4	0.56%			
Comcapp Willowick LLC	31,642,208	5	0.55%			
Liquidpower Specialty Products Inc	28,324,707	6	0.49%			
SW Meadows Point LP	24,883,576	7	0.43%			
West Shore Traditions I LLC	24,808,659	8	0.43%			
College Station Investors LLC	23,761,850	9	0.41%			
Park Hudson Place Apartments LLC	23,464,807	10	0.41%			
Waves Z Islander of Bryan LLC				\$ 33,765,230	1	0.74%
Jamespoint Management Co				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%
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%
Totals	\$ 381,656,622		6.59%	\$ 207,234,358		4.52%

Source: Brazos Central Appraisal District

City of Bryan, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
As of September 30, 2019

Table 9

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 22,802,844	\$ 22,314,031	97.86%	\$ 452,269	\$ 22,766,300	99.84%
2011	22,810,074	22,410,029	98.25%	349,719	22,759,748	99.78%
2012	23,800,130	23,386,311	98.26%	360,063	23,746,374	99.77%
2013	24,418,567	24,091,210	98.66%	271,320	24,362,530	99.77%
2014	25,299,027	24,931,688	98.55%	301,409	25,233,097	99.74%
2015	26,961,308	26,578,195	98.58%	309,737	26,887,932	99.73%
2016	28,568,696	28,011,317	98.05%	463,881	28,475,198	99.67%
2017	30,254,227	29,819,509	98.56%	307,397	30,126,906	99.58%
2018	32,736,990	32,268,978	98.57%	282,924	32,551,902	99.43%
2019	35,438,038	34,950,886	98.63%	-	34,950,886	98.63%

City of Bryan, Texas

Top Ten Electric Customers

For Fiscal Year Ended September 30, 2019

Table 10

Electric Customers - City Electric

Customer	Type of Industry	Electric Usage kWh	Rank	Percentage of Top Ten Electric Users
Sanderson Farms Inc	Corporation	46,030,041	1	4.43%
Bryan ISD	Education	30,959,766	2	2.98%
Axis Pipe And Tube	Manufacturing	30,304,312	3	2.92%
CHI St Joseph Hospital	Medical	27,653,108	4	2.66%
B Way Corporation	Corporation	25,406,700	5	2.45%
City of Bryan	Local Government	23,843,393	6	2.30%
Texas A&M University	Education	12,376,799	7	1.19%
New Alenco Window Ltd	Manufacturing	12,349,802	8	1.19%
Liquidpower Specialty Products Inc	Manufacturing	12,229,022	9	1.18%
Wimberly Bldg Redevelopment	Corporation	9,898,418	10	0.95%
Total		231,051,361		22.26%

Total City Electric kWh

1,037,899,014

Electric Customers - Rural Electric

Customer	Type of Industry	Electric Usage kWh	Rank	Percentage of Top Ten Electric Users
Texas A&M University	Education	23,074,668	1	5.09%
City Of College Station	Local Government	11,364,828	2	2.50%
Hawkwood Energy Operating, Llc	Corporation	9,365,714	3	2.06%
Wildhorse Resources Management Co. Llc	Corporation	5,558,253	4	1.22%
Frontier Southwest Incorporated	Corporation	4,796,298	5	1.06%
Breckenridge Group College Station Texas	Corporation	3,474,633	6	0.77%
St Feed Mill Llc	Corporation	2,920,344	7	0.64%
Feathercrest Farms	Corporation	2,828,561	8	0.62%
C3-College Station, Llc	Corporation	2,767,435	9	0.61%
Bryan Texas Utilities Account	Utility	2,482,560	10	0.55%
Total		68,633,294		15.13%

Total Rural Electric kWh

453,753,972

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

Table 11

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Electric										
Type of Customer										
Residential	368,227,000	385,921,000	365,255,000	356,559,000	370,812,000	384,732,000	375,152,000	381,241,000	405,081,000	405,212,000
Commercial and Industrial	459,371,000	482,341,000	486,908,000	506,994,000	522,896,000	573,631,000	576,849,000	601,703,000	619,896,000	632,687,000
Public Authorities ⁽¹⁾	35,679,000	36,412,000	35,429,000	4,462,000	-	-	-	-	-	-
Rural	355,849,000	376,858,000	379,278,000	375,671,000	419,250,000	435,206,000	439,341,000	437,988,000	493,829,000	501,818,000
Other Utilities	271,289,000	442,068,000	546,265,000	608,077,000	779,781,000	641,284,000	702,458,000	651,380,000	672,960,000	564,677,000
Interdepartmental ⁽²⁾	31,591,000	34,833,000	32,634,000	34,753,000	32,218,000	6,205,000	-	-	-	-
	<u>1,522,006,000</u>	<u>1,758,433,000</u>	<u>1,845,769,000</u>	<u>1,886,516,000</u>	<u>2,124,957,000</u>	<u>2,041,058,000</u>	<u>2,093,800,000</u>	<u>2,072,312,000</u>	<u>2,191,766,000</u>	<u>2,104,394,000</u>
Rural Electric										
Type of Customer										
Residential	242,057,000	249,574,000	236,568,000	244,371,000	272,149,000	280,441,000	265,036,000	272,097,000	303,678,000	302,390,000
Commercial and Industrial	95,123,000	108,507,000	103,231,000	108,457,000	113,691,000	124,966,000	129,677,000	135,321,000	153,772,000	151,364,000
	<u>337,180,000</u>	<u>358,081,000</u>	<u>339,799,000</u>	<u>352,828,000</u>	<u>385,840,000</u>	<u>405,407,000</u>	<u>394,713,000</u>	<u>407,418,000</u>	<u>457,450,000</u>	<u>453,754,000</u>

⁽¹⁾ Public schools rates were eliminated in 2013 and were subsequently billed under Commercial and Industrial.

⁽²⁾ Interdepartmental rates were eliminated in 2015 and were subsequently billed based on respective load profiles.

City of Bryan, Texas
Electric Rates
Last Ten Fiscal Years

Table 12

	2010				2011				2012				2013				2014			
	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	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW
City Electric System																				
Residential Winter (Nov-Apr)	\$ 8.15	\$ -	\$ 0.0782	\$ 8.15	\$ -	\$ 0.0782	\$ 8.88	\$ -	\$ 0.0786	\$ 10.28	\$ -	\$ 0.0800	\$ 10.28	\$ -	\$ 0.0861	\$ 10.28	\$ -	\$ 0.0861	\$ 10.28	\$ -
Residential Summer (May-Oct)	8.15	-	0.0882	8.15	-	0.0882	8.88	-	0.0895	10.28	-	0.0926	10.28	-	0.0987	10.28	-	0.0987	10.28	-
Small Commercial	9.83	-	0.0822	9.83	-	0.0822	11.16	-	0.0848	13.82	-	0.0909	13.82	-	0.0955	13.82	-	0.0955	13.82	-
General Service Commercial	20.00	6.35	0.0620	20.00	6.35	0.0620	22.12	7.03	0.0612	26.34	8.37	0.0606	26.34	9.90	0.0606	26.34	9.90	0.0606	26.34	9.90
Large Industrial	-	11.70	0.0483	-	11.70	0.0483	200.00	11.88	0.0454	400.00	12.30	0.0407	400.00	13.79	0.0407	400.00	13.79	0.0407	400.00	13.79
Bryan Public Schools	30.00	-	0.0885	30.00	-	0.0885	-	-	0.0905	39.52	-	0.0955	39.52	-	0.0955	39.52	-	0.0955	39.52	-
Interdepartmental	30.00	-	0.0901	30.00	-	0.0901	33.18	-	0.0905	30.00	-	0.0821	30.00	-	0.0821	30.00	-	0.0821	30.00	-
Rural Electric Division	-	6.30	0.0560	-	6.30	0.0560	30.00	-	0.0871	-	7.16	0.0501	-	8.44	0.0501	-	8.44	0.0501	-	8.44
Rural Electric System																				
Residential Winter (Nov-Apr)	8.15	-	0.0766	8.15	-	0.0766	8.85	-	0.0766	9.61	-	0.0749	9.61	-	0.0788	9.61	-	0.0788	9.61	-
Residential Summer (May-Oct)	8.15	-	0.0866	8.15	-	0.0866	-	-	-	9.61	-	0.0872	9.61	-	0.0911	9.61	-	0.0911	9.61	-
Residential College Station (Nov-Apr)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential College Station (May-Oct)	-	-	-	-	-	-	8.85	-	0.0903	-	-	-	-	-	-	-	-	-	-	-
Small Commercial	9.83	-	0.0827	9.83	-	0.0827	11.37	-	0.0862	13.16	-	0.0887	13.16	-	0.0909	13.16	-	0.0909	13.16	-
General Service Commercial	20.00	7.21	0.0615	20.00	7.21	0.0615	19.62	7.21	0.0581	19.25	6.93	0.0527	19.25	7.61	0.0527	19.25	7.61	0.0527	19.25	7.61
Public/Private Schools	30.00	-	0.0925	30.00	-	0.0925	31.47	-	0.0920	33.01	-	0.0896	33.01	-	0.0896	33.01	-	0.0896	33.01	-
City Electric System																				
Residential Winter (Nov-Apr)	\$ 11.00	\$ -	\$ 0.0790	\$ 11.00	\$ -	\$ 0.0837	\$ 11.00	\$ -	\$ 0.0837	\$ 11.00	\$ -	\$ 0.0837	\$ 11.00	\$ -	\$ 0.0833	\$ 11.00	\$ -	\$ 0.0833	\$ 11.00	\$ -
Residential Summer (May-Oct)	11.00	-	0.0917	11.00	-	0.0964	11.00	-	0.0964	11.00	-	0.0964	11.00	-	0.0960	11.00	-	0.0960	11.00	-
Small Commercial	15.50	-	0.0930	15.50	-	0.0952	15.50	-	0.0924	15.50	-	0.0924	15.50	-	0.0900	15.50	-	0.0900	15.50	-
General Service Commercial	29.75	9.36	0.0215	33.25	11.47	0.0476	37.00	13.05	0.0412	37.00	13.05	0.0412	37.00	12.43	0.0412	37.00	12.43	0.0412	37.00	12.43
Large Industrial	400.00	15.96	0.0376	400.00	16.65	0.0401	400.00	16.65	0.0401	400.00	16.65	0.0401	400.00	16.61	0.0401	400.00	16.61	0.0401	400.00	16.61
Transmission Service	1,725.00	16.11	0.0298	1,725.00	16.80	0.0323	1,725.00	16.80	0.0322	1,725.00	16.80	0.0322	1,725.00	16.86	0.0322	1,725.00	16.86	0.0322	1,725.00	16.86
Rural Electric Division	8,100.00	9.16	0.0530	17,200.00	14.22	0.0395	22,400.00	17.27	0.0383	22,400.00	17.27	0.0343	200,000.00	6.04	0.0413	200,000.00	6.04	0.0413	200,000.00	6.04
Rural Electric System																				
Residential Winter (Nov-Apr)	11.00	-	0.0813	11.50	-	0.0906	12.00	-	0.0930	12.00	-	0.0908	12.00	-	0.0907	12.00	-	0.0907	12.00	-
Residential Summer (May-Oct)	11.00	-	0.0944	11.50	-	0.1048	12.00	-	0.1084	12.00	-	0.1062	12.00	-	0.1061	12.00	-	0.1061	12.00	-
Residential College Station (Nov-Apr)	-	-	-	-	-	-	11.00	-	0.0889	11.00	-	0.0867	11.00	-	0.0859	11.00	-	0.0859	11.00	-
Residential College Station (May-Oct)	-	-	-	-	-	-	11.00	-	0.1022	11.00	-	0.1000	11.00	-	0.0992	11.00	-	0.0992	11.00	-
Small Commercial	14.00	-	0.0905	15.00	-	0.0959	16.00	-	0.0904	16.00	-	0.0882	16.00	-	0.0863	16.00	-	0.0863	16.00	-
General Service Commercial	21.00	8.43	0.0531	21.00	10.42	0.0520	21.00	11.94	0.0457	21.00	11.94	0.0435	21.00	10.95	0.0434	21.00	10.95	0.0434	21.00	10.95
Large Industrial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public/Private Schools ⁽¹⁾	33.01	-	0.0896	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

⁽¹⁾ Public schools rates were eliminated in 2015 and were subsequently billed under Commercial and Industrial.

⁽²⁾ Interdepartmental rates were eliminated in 2015 and were subsequently billed based on respective load profiles.

City of Bryan, Texas Top Ten Water Customers For Fiscal Year Ended September 30, 2019					Table 13
Customer	Type of Industry	Water Usage Gallons	Rank	Percentage of Total Water Usage	
Wellborn Special Utility District	Utility District	250,335,000	1	6.68%	
Bryan ISD	Public School	82,124,800	2	2.19%	
Wickson Water Supply	Utility District	78,268,000	3	2.09%	
St. Joseph Hospital	Health Care Facility	67,660,200	4	1.81%	
Brazos County	County Government	66,259,500	5	1.77%	
Comcapp Bryan	Housing	46,445,000	6	1.24%	
Saint-Gobain Norpro	Manufacturing	40,693,100	7	1.09%	
Federal Prison Camp	Correctional Facility	38,666,800	8	1.03%	
TDCJ - Hamilton Unit	Correctional Facility	37,717,900	9	1.01%	
City of Bryan	Local Government	34,340,300	10	0.92%	
Total		742,510,600		19.83%	
Total gallons of water sold		3,745,161,600			

City of Bryan, Texas

Top Ten Sewer Customers

For Fiscal Year Ended September 30, 2019

Table 14

Customer	Type of Industry	Sewer Usage Gallons	Rank	Percentage of Total Gallons of Sewer Treated
St. Joseph Hospital	Health Care Facility	64,700,700	1	2.27%
Brazos County	County Government	58,206,800	2	2.04%
Bryan ISD	Public School	45,456,500	3	1.60%
Comcapp Bryan	Housing	44,440,600	4	1.56%
Saint-Gobain Norpro	Manufacturing	40,659,000	5	1.43%
Federal Prison Camp	Correctional Facility	38,563,400	6	1.35%
TDCJ - Hamilton Unit	Correctional Facility	37,716,900	7	1.32%
Oakwood/Country Village	Mobile Home Park	30,679,500	8	1.08%
Texas Steel Conversions Inc	Manufacturing	24,143,000	9	0.85%
Greenbriar Acres	Mobile Home Park	22,680,600	10	0.80%
Total		407,247,000		14.30%
Total gallons of wastewater treated		2,848,590,000		

Monthly Water Rates				
Water Class	Minimum Customer Charge Per Month	Volume Charge Per	Volume Charge Per	Volume Charge Per
		1,000 Gallons	1,000 Gallons	1,000 Gallons
		0-30,000 Gallons	30,001-50,000 Gallons	>50,000 Gallons
Residential	\$ 8.31	\$ 2.76	\$ 3.00	\$ 3.50
Commercial/Industrial	13.74	2.38	2.38	2.38
Bryan Public Schools	13.74	2.38	2.38	2.38
Interdepartmental	13.74	2.38	2.38	2.38
Special Contracts	13.74	4.05	4.05	4.05
Bulk Sales	N/A	11.08	11.08	11.08
Monthly Sewer Rates				

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

Table 16

Fiscal Year	Governmental Activities				Business-Type Activities						
	General Obligation Bonds	Certificates of Obligation	Notes	Govt Only Per ^(a) Capita	Utility Revenue Bonds	General Obligation Bonds	Certificates of Obligation	Notes	Total Primary Government	Percentage Of Personal Income	Per ^(a) Capita
2010	\$ 29,005,000	\$ 79,175,156	\$ 2,140,000	\$ 1,448	\$ 248,310,000	\$ -	\$ 34,844	\$ 1,893,792	\$ 360,558,792	16.4%	\$ 3,391
2011	27,680,000	74,982,500	1,940,000	1,367	245,570,000	-	10,817,500	1,893,792	362,883,792	15.9%	3,450
2012	25,525,000	70,655,156	1,720,000	1,266	279,300,000	-	9,744,844	1,893,792	388,838,792	16.4%	3,134
2013	44,696,646	45,970,000	-	1,161	258,805,000	6,293,354	14,240,000	-	370,005,000	14.9%	2,926
2014	43,290,021	48,590,908	-	1,167	242,020,000	8,359,092	47,779,979	-	390,040,000	15.4%	2,871
2015	43,553,982	40,780,021	-	1,042	218,485,001	15,421,019	45,775,000	-	364,015,023	12.6%	2,580
2016	^(b) 47,454,065	39,702,812	-	1,061	294,814,702	14,200,379	44,773,867	-	440,945,825	15.2%	2,848
2017	^(b) 41,869,330	37,487,404	-	953	282,517,866	12,606,696	42,643,876	-	417,125,171	13.3%	2,692
2018	^(b) 42,756,016	41,074,572	-	998	270,254,753	11,138,755	40,294,548	-	405,518,644	12.2%	2,600
2019	^(b) 41,706,737	34,033,443	-	886	297,265,999	9,735,288	37,970,219	-	420,711,686	N/A	2,340

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

^(a) See Table 24 for population data. These ratios are calculated using the information from the referenced schedule.

^(b) Reported net of premium or discount.

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, 2019 is \$0.62999 per \$100 assessed valuation with assessed valuation being 100% of appraised values.

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

Table 18

Fiscal Year	General Obligation Debt ^(a)		Less Interest and Sinking Funds ^(b)		Net Bonded Debt		Percentage of Actual Taxable Value of		Per Capita ^(c)
							Property		
2010	\$	108,215,000	\$	10,571,374	\$	97,643,626	2.70%	\$	1,281
2011		113,480,000		18,287,134		95,192,866	2.63%		1,244
2012		105,925,000		13,049,011		92,875,989	2.45%		1,201
2013		111,200,000		15,116,569		96,083,431	2.47%		1,231
2014		148,020,000		14,669,333		133,350,667	3.29%		1,694
2015		145,530,022		14,887,435		130,642,587	3.01%		1,615
2016		146,131,123		14,898,831		131,232,292	2.85%		1,598
2017		134,607,306		13,610,261		120,997,045	2.47%		1,469
2018		135,263,891		19,455,596		115,808,295	2.13%		1,378
2019		123,445,687		10,978,007		112,467,680	1.94%		1,316

^(a) Includes Certificates of Obligation and General Obligation bond issues for Governmental Activities and Business-type Activities. Fiscal Years 2016, 2017, 2018 and 2019 debt is presented net of any premiums and discounts.

^(b) Includes the Debt Service Fund balance and Enterprise Fund cash restricted for debt service.

^(c) See Table 24 for population data.

City of Bryan, Texas
Direct and Overlapping Governmental Activities Debt
For Fiscal Year Ended September 30, 2019

Table 19

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Bryan Independent School District	\$ 198,920,000	67.83%	\$ 134,921,641
Brazos County	89,272,623	30.76%	27,460,491
Subtotal, overlapping debt			162,382,133
City of Bryan net bonded debt ⁽¹⁾	73,866,364	100.00%	73,866,364
			\$ 236,248,497

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⁾ Includes outstanding balance of Certificates of Obligation and General Obligation bond issues for Governmental Activities net of premium/discount less interest and sinking fund balance.

City of Bryan, Texas

Pledged Revenue Coverage⁽¹⁾

Last Ten Fiscal Years

Table 20

City Electric Fund							
Fiscal Year	Gross Operating Revenue	Less: Operating Expenses	Plus: Interest Earnings	Net Revenue ⁽²⁾ Available for		Average Annual Debt Service Requirement	Coverage ⁽³⁾
				Debt Service	Debt Service		
2010	\$ 137,929,447	\$ 114,145,447	\$ 365,336	\$ 24,149,336	\$ 8,926,329	2.71	
2011	154,851,433	117,869,352	369,563	37,351,644	12,378,923	3.02	
2012	155,453,210	112,143,156	369,937	43,679,991	12,117,100	3.60	
2013	160,991,056	128,862,043	407,920	32,536,933	11,791,899	2.76	
2014	185,255,098	141,613,409	414,342	44,056,031	11,456,262	3.85	
2015	186,223,521	142,664,264	770,945	44,330,202	10,600,006	4.18	
2016	187,624,655	144,700,287	652,368	43,576,736	12,713,952	3.43	
2017	190,064,226	142,404,243	784,398	48,444,381	13,817,239	3.51	
2018	199,082,844	139,384,323	776,947	60,304,653	11,470,498	5.27	
2019	204,747,110	127,683,020	4,909,309	81,973,399	12,298,368	6.67	

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

⁽²⁾ Net Revenue as defined in the bond Ordinance includes operating income before depreciation and non-cash pension expenses, plus certain interest income.

⁽³⁾ Required minimum coverage is 1.10 times annual debt service requirement, per the bond resolutions.

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

Table 21

Fiscal Year	Rural Electric Fund					Coverage ⁽²⁾
	Gross Operating and Other Revenue	Less: Operating Expenses	Plus: Interest Earnings	Net Revenue ⁽¹⁾ as Defined in Bond Ordinance	Average Annual Debt Service Requirement	
2010	\$ 30,133,488	\$ 26,083,010	\$ 43,002	\$ 4,093,480	\$ 567,339	7.22
2011	31,851,185	27,624,793	53,347	4,279,739	424,578	10.08
2012	31,495,841	26,348,351	82,333	5,229,823	565,365	9.25
2013	32,257,374	27,231,209	47,422	5,073,587	555,382	9.14
2014	35,728,300	30,502,755	73,213	5,298,758	544,220	9.74
2015	39,287,075	33,264,827	75,800	6,098,048	1,204,659	5.06
2016	41,931,026	36,548,815	41,114	5,423,325	1,015,578	5.34
2017	44,224,725	38,056,142	70,839	6,239,422	1,270,049	4.91
2018	48,935,501	42,361,826	125,977	6,699,652	981,759	6.82
2019	47,539,897	33,970,851	740,837	14,309,883	2,035,338	7.03

⁽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, per the bond resolutions.

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

Table 22

Water and Wastewater Funds									
Fiscal Year	Gross Operating and Other Revenue		Less: Operating Expenses		Interest Earnings	Net Revenue as Defined in Bond Ordinance ⁽¹⁾	Average Annual Debt Service Requirement		Coverage ⁽²⁾
2010	\$	23,898,816	\$	12,987,893	\$	218,946	\$	4,803,510	2.32
2011		27,394,101		12,367,172		239,262		5,279,891	2.89
2012		25,951,609		12,664,564		170,563		4,598,484	2.93
2013		25,152,856		11,725,590		91,845		4,105,963	3.29
2014		24,175,389		12,278,086		103,389		3,808,332	3.15
2015		25,273,166		12,812,872		145,864		3,721,780	3.39
2016		25,663,471		13,549,228		124,733		3,629,985	3.37
2017		26,540,053		13,801,959		159,416		2,438,825	5.29
2018		27,357,530		13,490,834		215,389		2,304,451	6.13
2019		26,223,442		12,717,975		674,251		2,127,637	6.66

⁽¹⁾ Net Revenue as defined in the bond Ordinance includes operating income before depreciation and non-cash pension expenses, plus certain interest income.

⁽²⁾ Required minimum coverage is 1.25 times average annual debt service requirement, per the bond resolutions.

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

Table 23

Category:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Communications and information	\$ 1,073,901	\$ 999,938	\$ 1,122,368	\$ 1,146,495	\$ 1,301,546	\$ 1,248,058	\$ 1,524,893	\$ 1,470,983	\$ 1,509,698	\$ 1,703,365
Home furnishings and appliances	414,247	405,991	414,871	383,795	284,910	296,203	328,616	345,163	369,672	407,103
Eating and drinking establishments	1,348,927	1,397,466	1,473,779	1,453,187	1,782,607	1,963,511	2,023,825	2,126,150	2,174,487	2,279,622
Department and retail stores	646,320	683,216	762,097	757,696	2,318,066	1,252,378	1,875,662	430,245	481,503	1,996,100
Oil and gas operations	457,378	244,732	96,821	130,639	243,942	228,011	114,837	269,493	251,862	756,752
Construction and building	641,427	496,984	183,079	202,861	(338,386)	114,626	343,702	1,005,179	827,170	947,341
Auto dealers and supplies	506,107	526,788	604,063	657,617	804,230	734,761	652,612	718,897	704,537	597,451
Printing/Publishers	62,385	74,499	78,050	81,592	96,547	94,316	216,618	221,505	167,090	254,085
Contractors	233,051	166,857	96,107	170,312	258,052	239,346	363,622	386,891	245,128	288,136
Manufacturing	659,853	404,338	477,069	389,218	913,475	554,296	805,400	573,477	653,035	633,968
Wholesalers	808,256	1,035,272	1,040,901	942,114	1,349,014	1,260,378	1,674,185	1,883,080	2,567,259	2,990,406
Other stores	3,300,348	3,000,558	3,108,023	3,156,217	3,624,535	3,828,445	3,842,518	3,809,206	3,852,800	2,700,665
Apparel	157,434	173,774	189,569	197,411	228,548	236,879	232,003	234,169	253,121	403,383
All other outlets	7,147	6,522	9,220	9,949	17,579	3,315	9,787	9,636	2,498	5,471
Financial services	87,646	115,873	129,935	120,050	158,925	92,429	163,384	105,108	79,308	84,147
Rentals and leasing	379,943	519,721	528,027	449,878	600,118	587,148	594,701	654,428	785,407	797,605
Professional services	492,995	542,964	563,031	527,801	565,631	528,114	751,653	782,118	969,471	1,394,227
Repair and maintenance	299,983	354,236	429,320	273,518	578,585	443,815	480,890	507,419	498,343	400,363
Hotels/Motels	5,351	(261)	10,001	21,824	33,193	12,539	10,890	21,347	35,511	36,278
Other products and equipment	17,491	48,381	43,322	71,858	73,971	58,129	13,823	100,232	3,555	66,936
Other	1,950,649	1,935,112	1,945,432	2,498,185	1,669,556	3,387,022	1,595,668	2,604,477	3,596,405	3,768,238
Total	\$ 14,125,292	\$ 13,709,871	\$ 13,962,066	\$ 14,232,808	\$ 17,198,428	\$ 17,823,356	\$ 18,353,806	\$ 19,013,682	\$ 20,924,402	\$ 23,272,083

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

Table 24

Fiscal Year	Population ⁽¹⁾	School Enrollment ⁽²⁾	Personal Income ⁽³⁾	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2010	76,201	15,800	\$ 6,634,028,000	\$ 28,839	6.20%
2011	76,541	15,800	7,010,284,000	29,753	5.50%
2012	77,321	15,609	7,505,075,000	30,664	5.70%
2013	78,061	15,621	7,777,737,000	31,788	4.90%
2014	78,709	15,982	8,269,533,000	32,241	4.10%
2015	80,913	16,000	8,919,122,000	35,797	3.50%
2016	82,118	16,138	9,024,715,000	35,401	3.70%
2017	83,260	16,201	9,729,200,000	37,704	2.70%
2018	84,021	16,157	10,374,675,000	39,533	2.90%
2019	85,445	15,906	Not Available	Not Available	2.60%

⁽¹⁾ U.S. Census Bureau and www.factfinder.census.gov

⁽²⁾ Bryan Independent School District Texas Academic Performance Report.

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

⁽⁴⁾ Bureau of Labor Statistics http://www.bls.gov/eag/eag.tx_collegestation_msa.htm. Includes College Station and Bryan.

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

Table 25

2019	2010
Blinn College	Brazos County Government
CHI St. Joseph Health System	Bryan Independent School District
City of Bryan	City of Bryan
College Station Independent School District	City of College Station
HEB Grocery	College Station Independent School District
Reynolds & Reynolds	Reynolds & Reynolds
Sanderson Farms	Sanderson Farms
Texas A&M Health Science Center	St. Joseph Regional
Texas A&M University System	Texas A&M University System
Walmart	Walmart

Employers are listed in alphabetical order and do not reflect any ranking.

Source: Brazos Valley Economic Development Corporation <https://brazosvalleyedc.org/leading-employers>

The information contained in the above table represents information for Bryan and College Station and the surrounding area. Information for the individual cities is not available.

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

Table 26

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government and Administration										
Executive Services	6	5	5	6	6	6	5	6	6	6
Communications & Marketing	5	5	3	4	4	4	4	4	4	4
Neighborhood and Youth Services	1	1	1	-	-	1	1	1	1	1
Special Projects	0.25	0.25	0.25	-	-	-	-	-	-	-
Economic Development	-	-	-	-	2	2	4	5	5	5
Internal Audit	1	1	1	1	1	1	1	1	-	-
City Secretary	7	7	6	6	6	6	6	6	6	6
Legal Services	6	6	5	4	5	4	5	5	5	5
Support Services										
Fiscal Services	12	12	12	12	10	11	11	11	12	12
Purchasing Services	2	2	2	2	2	3	3	3	2	2
Information Technology	15	15	15	16	17	19	19	19	19	37
Human Resources	5	5	6	5	5	5	5	5	5	5
Facility Services	23	23	16	16	16	17	17	15	17	17
Fleet Services	11	12	9	9	5	8	9	8	9	10
Warehouse	4	4	4	4	4	4	3	3	3	3
Risk Management	6	6	6	6	6	6	6	6	6	6
Development Services										
Planning and Development	8	8	8	10	8	8	7	7	6	7
Building Services	16	17	14	9	11	11	11	14	14	14
Code Enforcement						3	4	3	4	4
Community Development	5.75	5.75	5.75	6	6	6	6	6	6	6
Public Works Services										
Administration	5	-	-	-	-	-	-	-	-	-
Engineering Services	16	19	13	12	12	13	14	13	12	13
Transportation & Drainage	29	29	18	16	15	16	17	16	15	16
Traffic Services	9	10	10	9	8	9	9	10	8	11
Public Safety										
Police Officers	124	124	138	136	140	139	146	144	149	154
Civilians	47	47	39	35	31	30	33	34	34	31
Firefighters/Emergency Medical Technicians	108	108	107	108	118	112	128	134	129	136
Civilians	5	5	4	6	4	4	4	4	4	4
Emergency Management Coordinator	1	1	1	1	1	1	1	1	1	1
Bryan Animal Center	-	-	-	8	10	10	10	9	11	11
Municipal Court	16	16	15	16	15	17	17	17	15	16
Cultural and Recreation/Community Services										
Library Services	19	19	24	21	21	21	21	20	20	21
College Station Library	16	16	19	18	17	16	16	16	16	16
Parks and Recreation	19	18	28	22	21	23	22	23	21	22
Water	35.55	36.55	34.50	32	33	37	37	32	36	34
Wastewater	44.45	44.45	31.50	40	31	29	36	37	36	36
Solid Waste	46	47	44	37	41	43	38	40	37	38
Call Center	5	5	5	5	5	5	5	5	5	5
Airport	-	2	1	1	1	2	2	2	2	2
Electric Department-Municipal and Rural	187	189	165	171	177	185	186	189	189	181
Total	866	871	816	810	815	838	869	874	870	897

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

Table 27

Function:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Physical arrest	5,744	5,063	4,826	5,525	5,497	5,644	5,560	5,606	4,830	5,354
Traffic citations	12,752	12,400	11,663	11,118	9,812	9,170	8,509	9,475	9,067	6,862
Fire										
Number of Fire and EMS calls	8,873	9,125	9,420	9,261	10,272	11,062	11,193	11,766	12,423	13,301
Transportation										
Potholes repaired	3,133	3,225	225	208	321	380	353	547	395	668
HMAC (Hot Mix Asphaltic Concrete) placed (tons)	2,476	1,258	1,978	1,455	1,434	1,100	1,065	1,309	1,063	1,426
In-house concrete poured (cubic yards)	162	584	485	723	434	250	462	127	365	498
Culture and recreation										
New library patron registration	9,573	8,419	7,259	7,384	7,018	6,281	5,748	5,716	4,871	3,887
Library circulation of materials	857,090	849,241	784,421	797,577	726,617	837,658	866,635	750,995	834,766	724,998
Number of cooperative programs with Bryan ISD and College Station Parks and Recreation department	12	10	13	16	18	19	20	21	22	22
Pavilion rentals	888	743	913	993	1,215	1,441	1,801	1,022	1,166	1,207
Athletic field usage (hours)										
Bryan Regional Athletic Complex (4 softball fields)	1,825	1,910	1,920	2,432	2,510	2,390	2,180	2,260	2,140	1,994
Bryan Regional Athletic Complex (9 soccer fields)	1,284	1,192	1,105	1,070	1,094	1,020	1,135	1,235	1,390	1,405
Neighborhood/Youth Services										
Neighborhood Associations registered	40	41	41	41	41	41	42	43	43	43
Municipal Court										
Number of cases filed	14,728	18,147	17,832	16,821	13,304	11,878	11,383	12,976	12,761	10,876
Community Development										
Number of citizens provided homebuyers assistance	26	17	17	18	6	9	9	11	12	7
Number of households provided rehabilitation	3	5	1	3	3	2	2	3	2	2
Number of households provided minor rehabilitation	29	41	41	43	54	69	60	70	50	62
Housing Development (new construction)	-	-	-	-	-	-	1	1	-	2
Water										
Number of new connections	183	180	151	173	167	188	115	288	393	498
Maximum daily capacity (gallons)	37,700,000	37,700,000	37,708,000	37,708,000	37,708,000	37,700,000	37,700,000	37,700,000	37,700,000	37,708,000
Daily average usage (gallons)	9,403,642	11,981,855	10,572,675	10,414,774	9,605,065	9,896,634	10,368,469	11,046,148	11,268,994	10,260,717
Total usage (gallons)	3,432,329,400	4,373,377,200	3,869,598,900	3,801,392,400	3,505,848,800	3,612,271,400	3,794,859,500	4,031,844,200	4,113,182,700	3,745,161,600
Wastewater										
Combined capacity (gallons per day)	12,750,000	12,750,000	12,750,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	12,000,000
Daily average usage (gallons)	7,127,600	6,525,488	6,995,218	6,499,737	6,997,132	7,352,896	7,282,932	7,070,904	6,928,060	7,783,033
Total usage (gallons)	2,601,574,000	2,381,803,000	2,560,249,000	2,372,404,000	2,553,953,000	2,691,160,000	2,658,270,000	2,580,880,000	2,535,670,000	2,848,590,000
Solid Waste										
Refuse collected (tons)	56,800	56,120	55,819	55,520	55,345	57,664	60,760	65,444	62,063	67,227

Sources: Various City Departments

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

Table 28

Function:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of sworn personnel	137	136	137	136	140	143	146	144	148	148
Fire and emergency medical services:										
Number of stations	5	5	5	5	5	5	5	5	5	5
Number of personnel	110	110	110	110	117	123	128	139	144	145
Highways and streets:										
Lane miles of paved streets	738	738	738	752	752	752	755	762	766	800
Culture and recreation:										
Number of parks	42	42	42	52	53	52	52	52	54	54
Park acreage	611	611	611	678	683	690	690	703	707	707
Number of golf courses	1	1	1	1	1	1	1	1	1	1
Golf course acreage	104	104	104	104	104	127	127	127	107	114
Hike and bike trails - number of miles	23	23	23	23	23	35	37	36	36	36
Number of cemeteries	3	3	3	3	3	3	3	3	3	3
Cemetery acreage	70	70	70	70	70	92	92	92	92	88
Number of libraries	3	3	3	3	3	3	3	3	3	3
Library volumes	128,798	147,090	237,557	233,237	223,266	211,240	238,969	203,519	207,492	191,027
Water system:										
Miles of line	453	459	472	469	474	482	490	479	482	486
Number of connections	21,770	21,804	21,913	22,147	22,418	22,870	22,985	23,223	23,428	23,926
Number of wells	12	12	12	12	12	12	12	12	12	12
Wastewater system:										
Miles of line	380	382	387	393	396	389	393	400	401	407
Number of connections	21,378	21,460	21,539	21,761	22,021	22,350	22,538	22,907	23,373	23,968
Number of treatment plants	3	3	3	3	3	3	3	3	3	3
Electric system:										
Generating capacity (kW)	336,000	337,000	337,000	337,000	226,000	221,000	226,000	226,000	226,000	226,000
Reserve oil capacity (gallons)	4,170,000	3,120,000	3,120,000	3,120,000	-	-	-	-	-	-
Number of substations	10	11	11	11	7	7	7	7	7	7
Number of connections	32,421	32,583	33,150	33,920	34,609	35,174	35,716	36,819	37,660	38,758
Rural Electric system:										
Number of utility connections	15,593	16,033	16,881	17,556	18,328	19,068	20,155	21,121	21,637	22,048
Number of substations	12	13	13	15	19	20	21	21	20	23

Sources: Various City Departments

**CONTINUING FINANCIAL DISCLOSURE TABLES
(UNAUDITED)**

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

TYPE OF DEBT

TABLE SERIES

General Obligation Bonds	GO-1 – GO-13
Waterworks and Sewer System Revenue Bonds	RW-1 – RW-10
City Electric System Revenue Bonds	REC-1 – REC-7
Rural Electric System Revenue Bonds	RER-1 – RER-6

City of Bryan, Texas

Valuation, Exemptions and General Obligation Debt

As of September 30, 2019

Table GO-1

2018/2019 Market Valuation Established by Brazos County Appraisal District
(Excluding totally exempt property) \$ 6,110,176,215

Less Exemptions/Reductions at 100% Market Value

Over 65 or Disabled Exemptions	\$ 61,254,788
Homestead Cap Adjustment	51,215,745
Disabled Veterans Exemptions	29,242,347
Agricultural Land Use Reductions	84,834,651
House Bill 366	254,668
Pollution Control	4,705,452
Prorated Exempt Property	-
Freeport Exemptions	39,578,748
Member of Armed Services Surviving Spouse	484,530
Tax Abatement Reductions	49,254,794
	<u>320,825,723</u>

2018/2019 Net Taxable Valuation - As reported on Table 6

\$ 5,789,350,492

General Obligation & Certificates of Obligation Debt Payable from Ad Valorem Taxes (as of 9/30/19)

\$ 121,215,000

Less : Self Supporting Debt

60,344,291

Net General Obligation Debt Payable from Ad Valorem Taxes

\$ 60,870,709

General Obligation Interest and Sinking Fund as of 9/30/2019

\$ 1,873,816

Ratio Net General Obligation Tax Debt to Taxable Assessed Valuation

1.05%

2019 Estimated Population - 85,445

Per Capita Taxable Assessed Valuation - \$67,755

Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - \$714

City of Bryan, Texas

Taxable Assessed Valuations by Category

As of September 30, 2019

Table GO-2

Category	2019		2018		2017		2016		2015	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 3,139,991,048	51.39%	\$ 2,802,892,990	49.32%	\$ 2,577,811,355	50.17%	\$ 2,344,844,398	48.74%	\$ 2,220,311,560	48.74%
Real, Residential, Multi-Family	728,173,960	11.92%	705,283,398	12.41%	578,131,572	11.25%	554,862,988	11.53%	507,521,525	11.14%
Real, Vacant Lots/Tracts	115,613,691	1.89%	117,089,094	2.06%	111,945,902	2.18%	97,609,815	2.03%	94,255,510	2.07%
Real, Acreage (Land Only)	129,123,967	2.11%	129,832,700	2.28%	130,963,999	2.55%	117,228,502	2.44%	117,328,147	2.58%
Real, Farm and Ranch Improvements	206,441	0.00%	217,658	0.00%	208,882	0.00%	263,834	0.01%	228,128	0.01%
Real, Commercial and Industrial	1,098,932,694	17.99%	1,045,327,129	18.39%	999,459,891	19.45%	939,142,306	19.52%	908,888,266	19.95%
Real, Oil, Gas and Other Mineral Reserves	28,032,362	0.46%	30,334,072	0.53%	30,428,168	0.59%	38,767,043	0.81%	42,414,920	0.93%
Real and Tangible Personal, Utilities	49,625,553	0.81%	48,417,243	0.85%	48,340,636	0.94%	46,534,856	0.97%	43,617,627	0.96%
Tangible Personal, Business	734,721,099	12.02%	597,250,830	10.51%	585,427,914	11.39%	605,550,910	12.59%	561,182,080	12.32%
Tangible Personal, Other	31,226,610	0.51%	29,290,890	0.52%	21,757,540	0.42%	19,218,340	0.40%	16,299,690	0.36%
Real, Inventory and Special Inventory	54,528,790	0.89%	177,408,197	3.12%	53,947,961	1.05%	46,689,219	0.97%	43,086,564	0.95%
Total Appraised Value before Exemptions	6,110,176,215	100.00%	5,683,344,201	100.00%	5,138,423,820	100.00%	4,810,712,211	100.00%	4,555,134,017	100.00%
Less: Total Exemptions/Reductions	320,825,723		247,224,761		240,621,455		207,760,861		221,012,900	
Taxable Assessed Value	\$ 5,789,350,492		\$ 5,436,119,440		\$ 4,897,802,365		\$ 4,602,951,350		\$ 4,334,121,117	

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

City of Bryan, Texas

**Valuation and General Obligation Debt History
As of September 30, 2019**

Table GO-3

Fiscal Year Ended 9-30	Estimated Population	Taxable Assessed Valuation ⁽¹⁾	Taxable Assessed Valuation Per Capita	G.O. Tax Debt Outstanding at End of Year ⁽²⁾	Ratio of G.O. Tax Debt to Taxable Assessed Valuation	G.O. Tax Debt Per Capita
2015	80,913	\$ 4,334,121,117	\$ 53,565	\$ 145,530,000	3.36%	\$ 1,799
2016	82,118	4,602,951,350	56,053	144,270,021	3.13%	1,757
2017	83,260	4,897,802,365	58,825	132,865,000	2.71%	1,596
2018	84,021	5,436,119,440	64,700	133,065,000	2.45%	1,584
2019	85,445	5,789,350,492	67,755	121,215,000	2.09%	1,419

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

⁽²⁾ Includes self-supporting General Obligation Debt. See Table GO-1 Valuation, Exemptions and General Obligation Debt.

City of Bryan, Texas

Tax Rate, Levy and Collection History
As of September 30, 2019

Table GO-4

<u>Fiscal Year</u> <u>Ended 9/30</u>	<u>Tax Rate</u>	<u>General Fund</u>	<u>Interest and</u> <u>Sinking Fund</u>	<u>Tax Levy</u>	<u>% Current</u> <u>Collections</u>	<u>% Total</u> <u>Collections</u>
2015	\$ 0.629990	\$ 0.442658	\$ 0.187332	\$ 26,961,308	98.58%	100.14%
2016	0.629990	0.443253	0.186737	28,568,696	98.03%	98.54%
2017	0.629990	0.448172	0.181818	30,254,227	98.56%	98.91%
2018	0.629990	0.464587	0.165403	32,736,990	98.57%	100.72%
2019	0.629990	0.478708	0.151282	35,438,038	98.63%	100.78%

City of Bryan, Texas

Ten Largest Taxpayers

As of September 30, 2019

Table GO-5

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>2018/2019 Assessed Valuation</u>	<u>% of Total Taxable Assessed Valuation</u>
US Well Services LLC	Fracturing Svcs-Oil & Natural Gas	\$ 93,801,648	1.62%
Sanderson Farms	Food Processing	57,399,771	0.99%
Bryan Student Housing LLC	Student Housing	41,200,000	0.71%
Jamespoint Management Co	Apartments	32,369,396	0.56%
Comcapp Willowick LLC	Apartments	31,642,208	0.55%
Liquidpower Specialty Products	Manufacturing	28,324,707	0.49%
SW Meadows Point LP	Apartments	24,883,576	0.43%
West Shore Traditions I LLC	Real Estate Investment Firm	24,808,659	0.43%
College Station Investors LLC	Multi-Use Development	23,761,850	0.41%
Park Hudson Place Apartments LLC	Apartments	23,464,807	0.41%
		<u>\$ 381,656,622</u>	<u>6.59%</u>

City of Bryan, Texas

Debt Information - General Obligation - Debt Service Requirements*

As of September 30, 2019

Table GO-6

Fiscal Year Ended	DEBT SERVICE REQUIREMENTS - General Obligation Debt				Less Self Supporting Debt				Total Debt Service			
	Principal	Interest	Total		Principal	Interest	Total		Principal	Interest	Total	
2020	\$ 12,015,000	\$ 3,990,351	\$ 16,071,904	\$	\$ 5,395,211	\$ 2,037,500	\$ 7,455,582	\$	\$ 6,619,789	\$ 1,952,851	\$ 8,572,640	\$
2021	11,960,000	3,629,844	15,657,529		5,278,939	1,872,173	7,174,371		6,681,061	1,757,671	8,438,732	
2022	10,920,000	3,268,494	14,258,079		5,362,427	1,720,119	7,106,459		5,557,573	1,548,375	7,105,948	
2023	10,330,000	2,907,469	13,308,354		4,599,283	1,532,674	6,156,316		5,730,717	1,374,795	7,105,512	
2024	10,645,000	2,594,669	13,306,254		4,744,017	1,392,491	6,159,390		5,900,983	1,202,178	7,103,161	
2025	9,815,000	2,213,029	12,098,820		4,632,517	1,206,588	5,863,432		5,182,483	1,006,441	6,188,924	
2026	7,260,000	1,910,148	9,239,002		2,969,110	1,074,020	4,066,792		4,290,890	836,127	5,127,017	
2027	5,505,000	1,661,060	7,231,933		2,483,486	975,922	3,482,044		3,021,514	685,138	3,706,653	
2028	5,690,000	1,473,910	7,231,173		2,558,637	893,122	3,474,873		3,131,363	580,788	3,712,151	
2029	4,985,000	1,278,042	6,370,479		2,614,054	805,995	3,456,969		2,370,946	472,047	2,842,993	
2030	4,260,000	1,107,216	5,367,216		2,138,509	715,029	2,853,538		2,121,491	392,187	2,513,678	
2031	3,815,000	966,494	4,781,494		2,088,100	641,972	2,730,072		1,726,900	324,522	2,051,421	
2032	3,530,000	839,806	4,369,806		2,020,000	569,209	2,589,209		1,510,000	270,598	1,780,598	
2033	3,665,000	719,481	4,384,481		2,105,000	496,209	2,601,209		1,560,000	223,273	1,783,273	
2034	3,375,000	593,475	3,968,475		1,765,000	419,921	2,184,921		1,610,000	173,554	1,783,554	
2035	3,010,000	479,896	3,489,896		1,830,000	357,064	2,187,064		1,180,000	122,831	1,302,831	
2036	3,110,000	378,411	3,488,411		1,890,000	291,376	2,181,376		1,220,000	87,035	1,307,035	
2037	2,600,000	272,149	2,872,149		1,885,000	222,118	2,107,118		715,000	50,031	765,031	
2038	2,695,000	177,330	2,872,330		1,955,000	151,430	2,106,430		740,000	25,900	765,900	
2039	2,030,000	77,140	2,107,140		2,030,000	77,140	2,107,140		-	-	-	
	\$ 121,215,000	\$ 30,538,414	\$ 152,474,924	\$	\$ 60,344,291	\$ 17,452,072	\$ 78,044,304	\$	\$ 60,870,709	\$ 13,086,342	\$ 73,957,052	\$

*Includes all General Obligation Bonds (CO's and GO's) - Not reported net of premium or discount

City of Bryan, Texas

**Interest and Sinking Fund Budget Projection
As of September 30, 2019**

Table GO-7

Estimated Debt Service Requirements, Fiscal Year Ending 9-30-20		⁽¹⁾ \$ 10,805,000
Interest and Sinking Fund, 09-30-19	1,873,816	
2020 Interest and Sinking Fund Tax Levy Collection	8,381,200	
Delinquent Tax Collections	90,000	
Budget Transfers	1,782,431	
Estimated Investment and Other Income	232,969	12,360,416
Estimated Balance, 9-30-20		<u>\$ 1,555,416</u>

⁽¹⁾ Fiscal Year 2020 Budget Projection.

City of Bryan, Texas

Computation of Self-Supporting Debt ⁽¹⁾
As of September 30, 2019

Table GO-8

Net System Revenue, FYE 9-30-19	\$ 112,378,246
Less: System Revenue Bond Requirements, FYE 09-30-20	25,006,340
Balance Available for Other Purposes	<u>\$ 87,371,906</u>
Self Supporting System GO and CO Bond Requirements, For Fiscal Year Ending 09-30-20	\$ 7,455,582

Percentage of System General Obligation Bonds
Self Supporting

100%

⁽¹⁾ Self Supporting debt is primarily supported by revenues from Water and Sewer system, City Electric, Rural Electric, TIRZs, and BVSWMA.

City of Bryan, Texas

Authorized by Unissued General Obligation Bonds
As of September 30, 2019

Table GO-9

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

City of Bryan, Texas	
Other Obligations	
As of September 30, 2019	GO-10

The City has no Other Obligations outstanding as of September 30, 2019.

City of Bryan, Texas

General Fund Revenues and Expenditure History (modified accrual basis)

For the Year Ended September 30, 2019

Table GO-11

	Fiscal Year Ended September 30				
	2019	2018	2017	2016	2015
Revenues					
Taxes	\$ 50,859,078	\$ 46,151,848	\$ 42,325,729	\$ 40,182,758	\$ 38,487,073
Licenses and Permits	764,522	976,345	916,481	1,105,135	625,106
Grants	1,368,160	1,463,165	1,377,629	1,230,450	1,284,034
Charges for Services	5,895,651	5,877,052	5,504,971	5,031,445	4,538,814
Investment Earnings	951,435	277,611	199,309	215,196	247,920
Fines and Forfeitures	1,590,251	1,731,098	1,730,417	1,670,824	1,723,017
Miscellaneous	2,470,980	2,171,515	2,394,054	1,346,469	1,204,026
Total Revenues	63,900,077	58,648,634	54,448,590	50,782,277	48,109,990
Expenditures					
General Government	19,262,481	17,027,321	16,066,047	17,579,763	13,667,518
Reimbursed Administrative Expenses	(5,934,384)	(3,351,396)	(3,037,162)	(3,066,657)	(3,476,440)
Public Safety	41,183,383	38,275,438	36,808,455	33,570,381	30,850,086
Development Services	3,856,481	3,994,057	5,529,511	3,474,114	3,058,936
Public Works	3,801,853	3,831,721	3,859,511	3,648,296	3,422,137
Cultural and Recreational	8,620,116	9,411,660	7,507,653	7,136,538	6,560,486
Capital Outlay	3,771,758	4,572,309	6,486,135	3,301,741	2,918,679
Total Expenditures	74,561,688	73,761,110	73,220,150	65,644,176	57,001,402
Excess (Deficit) Revenues					
Over (Under) Expenditures	(10,661,611)	(15,112,476)	(18,771,560)	(14,861,899)	(8,891,412)
Operating Transfers In	15,736,811	16,196,215	13,647,984	13,608,849	15,303,568
Operating Transfers Out	(885,674)	(632,511)	(516,357)	(586,000)	(814,657)
Sale of Capital Assets	397,064	61,557	51,367	23,693	1,591,734
Total Other	15,248,201	15,625,261	13,182,994	13,046,542	16,080,645
Net Increase (Decrease)	4,586,590	512,785	(5,588,566)	(1,815,357)	7,189,233
Beginning Fund Balance	28,477,267	27,964,482	33,553,048	35,368,405	28,179,172
Ending Fund Balance	\$ 33,063,857	\$ 28,477,267	\$ 27,964,482	\$ 33,553,048	\$ 35,368,405

City of Bryan, Texas

Changes in Net Position

For the Year Ended September 30, 2019

Table GO-11A

	Governmental Activities				
	2019	2018	2017	2016	2015
Revenues					
Program Revenues					
Charges for Services	\$ 8,285,282	\$ 8,622,165	\$ 8,191,986	\$ 7,846,280	\$ 6,926,299
Operating Grant and Contributions	3,134,487	2,963,921	3,040,292	2,507,033	2,769,647
Capital Grants and Contributions	9,041,299	4,885,776	2,657,984	4,531,545	2,049,078
General Revenues					
Property Taxes	37,035,640	34,140,282	31,409,788	29,674,521	28,039,989
Other Taxes	27,888,008	25,639,332	23,657,404	22,661,830	21,683,058
Other	15,726,022	13,197,102	12,288,692	13,624,954	10,589,029
Total Revenues	101,110,738	89,448,578	81,246,146	80,846,163	72,057,100
Expenditures					
General Government and Administration					
Development Services	17,828,658	17,843,501	17,481,720	18,119,110	9,775,235
Public Works Services	8,063,283	6,077,939	8,956,465	6,556,417	5,403,697
Public Safety	15,122,805	17,923,447	20,061,531	16,585,766	16,894,814
Culture and Recreation	44,658,085	41,229,027	39,753,105	35,934,773	33,648,379
Interest on Long Term Debt	11,620,981	12,799,663	9,827,528	9,106,566	8,374,038
	2,786,148	2,815,131	2,732,128	2,989,038	3,299,163
Total Expenditures	100,079,960	98,688,708	98,812,477	89,291,670	77,395,326
Decrease in Net Position Before Transfers	1,030,778	(9,240,130)	(17,566,331)	(8,445,507)	(5,338,226)
Transfers	14,547,109	13,866,017	15,432,345	14,535,856	14,789,653
Change in Net Position After Transfers	15,577,887	4,625,887	(2,133,986)	6,090,349	9,451,427
Net Position - October 1	110,882,643	106,256,756	116,064,315	109,973,966	100,522,539
Net Position- Sept 30	\$ 126,460,530	\$ 110,882,643	\$ 113,930,329	\$ 116,064,315	\$ 109,973,966

* Net Position for FY2015 and FY 2018 restated.

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

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

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

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

Fiscal Year Ended 9/30	Tax Collected	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem	
			Tax Rate	Per Capita
2015	\$ 17,788,431	65.98%	\$ 0.4157	\$ 219.85
2016	19,025,856	66.60%	0.4196	231.69
2017	19,608,634	64.81%	0.4083	235.51
2018	21,290,148	65.03%	0.4097	253.39
2019	23,580,209	66.54%	0.4192	275.97

City of Bryan, Texas

Current Investments and Cash Deposits ⁽¹⁾

As of September 30, 2019 Table GO-13

As of September 30, 2019 the following percentages of the City's investable funds were invested in the following investment categories.

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Percentage</u>
U.S. Agencies and Treasuries	\$ 33,112,078	33.0%
Collateral Deposits	-	0.0%
Government Pools	59,138,468	58.9%
Demand Deposits	8,105,967	8.1%
Total Investable Funds	<u>\$ 100,356,513</u>	<u>100.0%</u>

⁽¹⁾ This table excludes City Electric and Rural Electric investments.

City of Bryan, Texas

Historical Water Consumption (Gallons)

Last Five Fiscal Years

Table RW-1

Fiscal Year Ended 9/30	Daily Average Usage	Peak Daily Usage	Total Usage
2015	9,896,634	21,972,000	3,612,271,400
2016	10,368,469	22,614,000	3,794,859,500
2017	11,046,148	22,733,000	4,031,844,200
2018	11,268,994	24,465,000	4,113,182,700
2019	10,260,717	24,017,000	3,745,161,600

City of Bryan, Texas

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

As of September 30, 2019

Table RW-2

Customer	Type of Industry	Water Usage	% of Total Water Usage
Wellborn Special Utility District	Utility District	250,335,000	6.68%
Bryan ISD	Public School	82,124,800	2.19%
Wickson Water Supply	Utility District	78,268,000	2.09%
St. Joseph Hospital	Health Care Facility	67,660,200	1.81%
Brazos County	County Government	66,259,500	1.77%
Comcapp Bryan	Housing	46,445,000	1.24%
Saint-Gobain Norpro	Manufacturing	40,693,100	1.09%
Federal Prison Camp	Correctional Facility	38,666,800	1.03%
TDCJ - Hamilton Unit	Correctional Facility	37,717,900	1.01%
City of Bryan	Local Government	34,340,300	0.92%
Total		742,510,600	19.83%
Total gallons of water sold		3,745,161,600	

City of Bryan, Texas
Monthly Water Rates
Effective September 30, 2019

Table RW-3

Water Class	Minimum Customer Charge Per Month	Volume		Volume		Volume	
		Charge Per 1,000 Gallons 0-30,000 Gallons		Charge Per 1,000 Gallons 30,001-50,000 Gallons		Charge Per 1,000 Gallons >50,000 Gallons	
Residential	\$ 8.31	\$	2.76	\$	3.00	\$	3.50
Commercial/Industrial	13.74		2.38		2.38		2.38
Bryan Public Schools	13.74		2.38		2.38		2.38
Interdepartmental	13.74		2.38		2.38		2.38
Special Contracts	13.74		4.05		4.05		4.05
Bulk Sales	N/A		11.08		11.08		11.08

City of Bryan, Texas

Wastewater Usage (Gallons)

Last Five Fiscal Years

Table RW-4

Fiscal Year Ended 9/30	Daily Average	Monthly Average	Total Usage	Total Fiscal Year End Revenue
2015	7,352,896	224,263,333	2,691,160,000	\$ 12,065,649
2016	7,263,033	221,522,500	2,658,270,000	12,159,833
2017	7,070,904	215,073,333	2,580,880,000	12,239,463
2018	6,928,060	211,305,833	2,535,670,000	12,690,714
2019	7,783,033	237,382,500	2,848,590,000	12,510,798

City of Bryan, Texas

Monthly Wastewater Rates
Effective September 30, 2019

Table RW-5

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

City of Bryan, Texas

Debt Information - Waterworks and Sewer System Debt Service Requirements*

As of September 30, 2019

Table RW-6

Fiscal Year Ended	Principal	Interest	Total	% of Principal Retired
2020	\$ 4,555,000	\$ 1,184,034	\$ 5,739,034	
2021	4,645,000	1,066,792	5,711,792	
2022	4,800,000	926,608	5,726,608	
2023	2,600,000	776,828	3,376,828	
2024	2,550,000	702,935	3,252,935	48.73%
2025	2,695,000	627,699	3,322,699	
2026	2,755,000	539,445	3,294,445	
2027	2,810,000	454,573	3,264,573	
2028	2,805,000	366,490	3,171,490	
2029	2,845,000	276,144	3,121,144	35.39%
2030	2,365,000	182,032	2,547,032	
2031	905,000	110,151	1,015,151	
2032	930,000	83,761	1,013,761	
2033	350,000	56,574	406,574	
2034	365,000	46,739	411,739	12.51%
2035	375,000	36,359	411,359	
2036	385,000	25,709	410,709	
2037	105,000	14,747	119,747	
2038	110,000	12,006	122,006	
2039	115,000	9,135	124,135	2.77%
2040	115,000	6,134	121,134	
2041	120,000	3,132	123,132	0.60%
	<u>\$ 39,300,000</u>	<u>\$ 7,508,025</u>	<u>\$ 46,808,025</u>	<u>100.00%</u>

*Includes Only Revenue Bonds

City of Bryan, Texas

Waterworks and Sewer System Condensed Statement of Operations

Last Five Years

Table RW-8

	Fiscal Year Ended September 30				
	2019	2018	2017	2016	2015
Revenues					
Waterworks	\$ 13,101,114	\$ 14,014,033	\$ 13,428,055	\$ 12,656,177	\$ 12,390,019
Sewer System	13,122,328	13,343,497	13,111,998	13,007,294	12,883,147
Interest Income	674,251	215,389	159,416	124,733	145,864
Total Revenues	26,897,693	27,572,919	26,699,469	25,788,204	25,419,030
Expenses ⁽¹⁾:					
Waterworks	6,474,333	6,786,742	6,900,658	7,349,390	6,261,237
Sewer System	6,243,642	6,665,219	6,901,301	6,199,838	6,551,635
Total Expenses	12,717,975	13,451,961	13,801,959	13,549,228	12,812,872
Net Available for Debt Service	\$ 14,179,718	\$ 14,120,958	\$ 12,897,510	\$ 12,238,976	\$ 12,606,158
Water Connections	23,926	23,427	23,223	22,985	22,870
Sewer Connections	23,968	23,373	22,907	22,538	22,350

⁽¹⁾ Excludes depreciation and amortization and includes an adjustment to reflect actual pension contributions.

City of Bryan, Texas

Waterworks and Sewer System Coverage and Fund Balances

As of September 30, 2019

Table RW-9

Average Annual Principal and Interest Requirement, 2019-2041	\$	2,127,637
Coverage of Average Requirements by 9-30-2019 Net Income		6.66 Times
Maximum Principal and Interest Requirements, 2020		5,739,034
Coverage of Maximum Requirements by 9-30-2019 Net Income		2.47 Times
Waterworks and Sewer System Revenue Bonds (September 30, 2019)		39,300,000
Interest and Sinking Fund (September 30, 2019)		3,860,755
Reserve Fund (September 30, 2019) ⁽¹⁾		1,698,547

⁽¹⁾ A Reserve Fund for the Waterworks and Sewer System Revenue Bonds has been established based on the Debt Service Requirements of Parity Obligations Outstanding. With the exception of the Series 2017 Waterworks and Sewer System Revenue Bonds, all outstanding Parity Obligations have satisfied the Reserve Fund Requirement with a cash deposit. The Series 2017 Bonds have satisfied the Reserve Fund Requirement with a surety bond issued by Build America Mutual Assurance Company ("BAM"), or any successor.

City of Bryan, Texas

Current Investments and Cash Deposits ⁽¹⁾

As of September 30, 2019

Table RW-10

As of September 30, 2019 the following percentages of the City's investable funds were invested in the following investment categories.

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Percentage</u>
U.S. Agencies and Treasuries	\$ 33,112,078	33.0%
Collateral Deposits	-	0.0%
Government Pools	59,138,468	58.9%
Demand Deposits	8,105,967	8.1%
Total Investable Funds	<u>\$ 100,356,513</u>	<u>100.0%</u>

⁽¹⁾ This table excludes City Electric and Rural Electric investments.

City of Bryan, Texas

City Electric Rates

As of September 30, 2019

Table REC-1

City Class	Customer Charge Per Month	Base		Regulatory ⁽¹⁾			Fuel Charge Per kWh ⁽¹⁾
		Per kW	Per kWh	Per kW	Per kWh	Per kWh	
Residential Winter (Nov. - Apr)	\$	\$	-	\$	0.0378	\$	\$
Residential Summer (May - Oct.)			-		0.0505		0.0326
Small Commercial			-		0.0455		0.0326
Small Commercial Demand			9.39		0.0086	3.036	0.0326
Small Commercial Demand Time of Use			-		0.0314 - 0.0918	-	0.0326
General Service Commercial Time of Use			2.70 - 4.14		0.0142	-	0.0326
Large Industrial			12.50		0.0075	4.112	0.0326
Primary Service			12.25		0.0074	4.030	0.0319
Transmission Service			12.68		0.0010	4.176	0.0312
Security Lighting Service			-		-	-	0.0326
Street Lighting Service			-		-	-	0.0326
Rural Electric Division			1.43		0.0136	4.609	0.0278

City of Bryan, Texas

Energy Sales by Types of Customers - City Electric

Last Five Years

Table REC-2

Type of Customer	2019		2018		2017		2016		2015	
	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold
Residential	405,211,713	19.26%	405,081,262	18.48%	381,240,516	18.40%	375,151,548	17.92%	384,731,700	18.85%
Commercial & Industrial ⁽¹⁾	626,585,459	29.78%	613,770,945	28.00%	595,564,795	28.74%	570,735,586	27.26%	573,629,865	28.10%
Rural Electric Division	501,817,775	23.85%	493,829,123	22.53%	437,987,618	21.14%	439,340,542	20.98%	435,205,882	21.32%
Other Utilities	564,676,713	26.83%	672,960,293	30.70%	651,380,027	31.43%	702,458,006	33.55%	641,284,124	31.42%
Street Lights	6,101,842	0.29%	6,124,924	0.28%	6,138,552	0.30%	6,113,444	0.29%	6,205,516	0.30%
Total	2,104,393,502	100.00%	2,191,766,547	100.00%	2,072,311,508	100.00%	2,093,799,127	100.00%	2,041,057,087	100.00%

⁽¹⁾ In 2015, previously reported Public Authorities and Interdepartmental were assigned Commercial & Industrial rates and street lights were broken out as a separate reporting category.

City of Bryan, Texas

Electric System Revenue Debt Service Requirements - City Electric

As of September 30, 2019

Table REC-3

Fiscal Year Ended	Principal	Interest	Total	% of Principal Retired
2020	\$ 7,800,000	\$ 8,900,056	\$ 16,700,056	
2021	8,190,000	8,510,056	16,700,056	
2022	8,615,000	8,100,556	16,715,556	
2023	8,025,000	7,693,256	15,718,256	
2024	8,400,000	7,319,288	15,719,288	20.72%
2025	8,800,000	6,925,538	15,725,538	
2026	9,240,000	6,485,538	15,725,538	
2027	9,695,000	6,023,538	15,718,538	
2028	10,180,000	5,538,788	15,718,788	
2029	10,700,000	5,029,788	15,729,788	24.55%
2030	11,235,000	4,494,788	15,729,788	
2031	11,795,000	3,933,038	15,728,038	
2032	11,580,000	3,431,744	15,011,744	
2033	10,085,000	2,997,394	13,082,394	
2034	8,700,000	2,573,131	11,273,131	26.96%
2035	7,745,000	2,193,425	9,938,425	
2036	8,075,000	1,861,475	9,936,475	
2037	8,410,000	1,515,250	9,925,250	
2038	6,005,000	1,172,900	7,177,900	
2039	6,250,000	929,650	7,179,650	18.42%
2040	6,480,000	699,400	7,179,400	
2041	6,720,000	460,650	7,180,650	
2042	2,610,000	213,000	2,823,000	
2043	2,715,000	108,600	2,823,600	9.35%
	<u>\$ 198,050,000</u>	<u>\$ 97,110,844</u>	<u>\$ 295,160,844</u>	<u>100.00%</u>

*Includes Only Revenue Bonds

City of Bryan, Texas

Authorized but Unissued Revenue Bonds - City Electric
As of September 30, 2019

Table REC-4

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

City of Bryan, Texas

Condensed Statement of City Electric System Operations

Last Five Years

Table REC-5

	Fiscal Year Ended September 30				
	2019	2018	2017	2016	2015
Revenues					
City Electric System and Other Revenue	\$ 204,747,110	\$ 199,082,844	\$ 190,064,226	\$ 187,624,655	\$ 186,223,521
Investment Income	4,909,309	776,947	784,398	652,368	770,945
Total Revenues	209,656,419	199,859,791	190,848,624	188,277,023	186,994,466
City Electric System Expenses ⁽¹⁾	127,683,020	139,384,323	142,404,243	144,700,287	142,664,264
Net Available For Debt Service	<u>\$ 81,973,399</u>	<u>\$ 60,475,468</u>	<u>\$ 48,444,381</u>	<u>\$ 43,576,736</u>	<u>\$ 44,330,202</u>
BTU - City Electric Customers	38,758	37,660	36,819	35,716	35,174

⁽¹⁾ Excludes depreciation and amortization and includes an adjustment to reflect actual pension contributions.

City of Bryan, Texas

**City Electric Coverage and Fund Balances
As of September 30, 2019**

Table REC-6

Average Annual Principal and Interest Requirement, 2020-2043	\$ 12,298,368
Coverage of Average Requirements by 9-30-2019 Net available for debt service	6.67 Times
Maximum Principal and Interest Requirements, 2022	16,715,556
Coverage of Maximum Requirements by 9-30-2019 Net available for debt service ⁽¹⁾	4.90 Times
Electric System Revenue Bonds, 9-30-2019	198,050,000
Interest and Sinking Fund (September 30, 2019)	4,550,416
Reserve Fund (September 30, 2019)	8,107,586

City of Bryan, Texas**Current Investments and Cash Deposits - City Electric**

As of September 30, 2019

Table REC-7

As of September 30, 2019 the following percentages of BTU's City Electric investable funds were invested in the following investment categories.

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Percentage</u>
Agency Securities	\$ 19,000,000	11.3%
Treasuries	19,963,650	11.8%
Collateral deposits with counterparties	554,036	0.3%
Investment in Gov't Pool	122,735,555	72.8%
Demand Deposits	6,310,258	3.7%
Totals	<u>\$ 168,563,499</u>	<u>100.0%</u>

City of Bryan, Texas

Rural Electric Rates

As of September 30, 2019

Table RER-1

Rural Class	Customer Charge Per Month	Base		Regulatory ⁽¹⁾			Fuel Charge Per kWh ⁽¹⁾
		Per kW	Per kWh	Per kW	Per kWh	Per kWh	
Residential Winter (Nov. - Apr)	\$	\$	0.0461	\$	\$	0.0116	\$ 0.0330
Residential Summer (May - Oct.)		-	0.0615	-	-	0.0116	0.0330
College Station Residential (Nov - Apr)		-	0.0418	-	-	0.0111	0.0330
College Station Residential (May - Oct)		-	0.0551	-	-	0.0111	0.0330
Small Commercial		-	0.0442	-	-	0.0091	0.0330
Small Commercial Demand		9.02	0.0104	1.926	-	-	0.0330
Secondary Service Demand Time of Use		-	0.0321 - 0.0939	-	-	0.0091	0.0330
General Service Commercial Time of Use		3.33 - 4.72	0.0152	-	-	0.0091	0.0330
Large Industrial		12.81	0.0077	4.215	-	-	0.0330
Large Industrial - Low Load Factor		6.28 - 6.80	-	4.184	-	-	0.0330
Primary Service		12.56	0.0075	4.131	-	-	0.0321
Secondary Service Irrigation		-	0.0866	-	-	0.0352	0.0330
Security Lighting Service	9.85 Per Lamp	-	-	-	-	-	0.0330
Street Lighting Service	6.61 - 15.36 Per Lamp	-	-	-	-	-	0.0330

⁽¹⁾ Regulatory and fuel charges are subject to change.

City of Bryan, Texas

Energy Sales by Types of Customers - Rural Electric

Last Five Years

Table RER-2

Type of Customer	2019		2018		2017		2016		2015	
	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold
Residential	302,390,163	66.64%	303,678,098	66.38%	272,097,488	66.79%	265,035,937	67.15%	278,512,502	68.70%
Commercial	151,363,808	33.36%	153,772,035	33.62%	135,320,494	33.21%	129,676,978	32.85%	126,894,455	31.30%
Total	453,753,972	100.00%	457,450,133	100.00%	407,417,982	100.00%	394,712,915	100.00%	405,406,957	100.00%

City of Bryan, Texas

Rural Electric System Revenue Debt Service Requirements

As of September 30, 2019

Table RER-3

Fiscal Year Ending	Principal	Interest	Total	% of Principal Retired
2020	\$ 1,255,000	\$ 1,312,250	\$ 2,567,250	
2021	1,295,000	1,268,150	2,563,150	
2022	980,000	1,222,450	2,202,450	
2023	1,030,000	1,173,450	2,203,450	
2024	1,080,000	1,121,950	2,201,950	17.38%
2025	1,130,000	1,067,950	2,197,950	
2026	1,190,000	1,011,450	2,201,450	
2027	1,250,000	951,950	2,201,950	
2028	1,310,000	889,450	2,199,450	
2029	1,375,000	823,950	2,198,950	19.27%
2030	1,435,000	762,600	2,197,600	
2031	1,490,000	705,200	2,195,200	
2032	1,555,000	645,600	2,200,600	
2033	1,615,000	583,400	2,198,400	
2034	1,675,000	527,450	2,202,450	23.94%
2035	1,360,000	469,400	1,829,400	
2036	1,405,000	420,500	1,825,500	
2037	1,460,000	369,950	1,829,950	
2038	1,510,000	317,400	1,827,400	
2039	1,570,000	263,000	1,833,000	22.51%
2040	1,625,000	206,400	1,831,400	
2041	1,685,000	147,800	1,832,800	
2042	1,065,000	87,000	1,152,000	
2043	1,110,000	44,400	1,154,400	16.90%
	<u>\$ 32,455,000</u>	<u>\$ 16,393,102</u>	<u>\$ 48,848,102</u>	<u>100.00%</u>

* Includes Only Revenue Bonds

City of Bryan, Texas

Condensed Statement of Rural Electric System Operations
Last Five Years

Table RER-4

	Fiscal Year Ended September 30				
	2019	2018	2017	2016	2015
Revenues					
Rural Electric System	\$ 47,539,897	\$ 48,935,501	\$ 44,224,725	\$ 41,931,026	\$ 39,287,075
Investment Income	740,837	125,977	70,839	41,114	75,800
Total Revenues	48,280,734	49,061,478	44,295,564	41,972,140	39,362,875
Rural Electric System Expenses ⁽¹⁾	33,970,851	42,361,826	38,056,142	36,548,815	33,264,827
Net Available For Debt Service	\$ 14,309,883	\$ 6,699,652	\$ 6,239,422	\$ 5,423,325	\$ 6,098,048
Rural Electric Customers	22,048	21,637	21,121	20,155	19,068

⁽¹⁾ Excludes Depreciation.

City of Bryan, Texas Rural Electric Coverage and Fund Balances As of September 30, 2019		Table RER-5
Average Annual Principal and Interest Requirement, 2020-2043	\$	2,035,338
Coverage of Average Requirements by 9-30-2019 Net available for debt service		7.03 Times
Maximum Principal and Interest Requirements, 2020		2,567,250
Coverage of Maximum Requirements by 9-30-2019 Net Available for debt service		5.57 Times
Rural Electric System Revenue Bonds, 9-30-2019		32,455,000
Interest and Sinking Fund (September 30, 2019)		693,020
Reserve Fund (September 30, 2019)		362,200

City of Bryan, Texas

Current Investments and Cash Deposits - Rural Electric

As of September 30, 2019

Table RER-6

As of September 30, 2019 the following percentages of BTU's Rural Electric investable funds were invested in the following investment categories.

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Percentage</u>
Agency securities	\$ 1,055,910	3.1%
Treasuries	997,540	2.9%
Investment pools	28,951,624	84.2%
Demand deposits	3,369,017	9.8%
Totals	<u>\$ 34,374,091</u>	<u>100.0%</u>



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