



2020

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

Fiscal Year Ended September 30, 2020

CITY OF BRYAN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2020

Prepared by

Fiscal Services Department
Joe Hegwood, Chief Financial Officer

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March 26, 2021

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 for the City of Bryan (the "City") for the fiscal year ended September 30, 2020. 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) and 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., issued an unmodified or "clean" opinion on the City of Bryan's financial statements for the year ended September 30, 2020. An unmodified opinion represents the highest level of audit assurance 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 86,268.

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 most 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.

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,

CITY OF BRYAN TEXAS

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, like the rest of the United States and Texas, was affected by COVID-19, and the economic impacts of the pandemic and the measures taken to mitigate its effects. Sales tax revenues saw the most direct impact. While sales tax revenues exceeded budget projections due to growth early in the fiscal year, in the latter part of the year, they were significantly lower than historical growth trends. Sectors that saw sharp declines were oil and gas activity, restaurant and hospitality, and retail. FY2020 property tax revenues, which are based on January 2019 property values, increased compared to FY 2019 by 6.6% due to new construction in the commercial and residential sectors. Property tax growth also was attributable to growth in existing values in both commercial and residential. Business-type activities revenue decreased by 5.3% for an overall decrease government-wide of 1.8% in FY 2020 from FY 2019 totals. The decrease is predominantly due to fuel rate reductions at BTU – City and BTU – Rural, the City's electric utility, during the first months of the COVID-19 pandemic. 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. Due to preventative measures surrounding the COVID-19 pandemic, resident students at both schools were required to attend classes on-line. Their absence significantly affected the economy of the area. Additionally, the limited collegiate football season, as well as other limited athletic activities, significantly reduced tourism and hospitality revenues for the area in FY2020. As we enter FY2021, signs of a resurgence of the economy are evident. The roll-out of COVID-19 vaccines both nationally and locally is having a meaningful impact in reducing the virus spread and resulting hospitalizations. As a result, in March 2021, the Texas Governor issued an executive order eliminating operating limits on businesses and removing the state-wide mask mandate. Locally, plans are being made to get back into a much more typical fall season for 2021.

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. Due to the effects of COVID-19 and the mitigation efforts surrounding the pandemic, the unemployment rate for the Bryan and College Station area was 5.0%, compared to 6.9% state-wide, as of December of 2020.

From February 14, 2021 through February 19, 2021, the Brazos Valley, as well as the entire state of Texas, experienced record breaking cold weather. The impact of the extended frigid temperatures on the electric energy market within the Electric Reliability Council of Texas (ERCOT) region was dramatic, resulting in record electric heating demands coupled with unprecedented loss of power generation and market pressures, which drove energy prices to market cap levels. Because the City Electric fund (BTU - City) was able to operate its generating units throughout the event, it was able to sell excess power into the market, thus reducing the net cost of surging energy prices to BTU customers. Current estimates of the net increased power and fuel costs to BTU total \$26.7 million higher than normal budgeted costs for February. While the final billings and legal ramifications of the cost of power resulting from the freeze have yet to be finalized, BTU expects that it will be able to fund any net increase in power and fuel costs associated with the freeze from operating cash without drawing balances down below target levels of 175 days of cash for BTU – City and 60 days of cash for BTU – Rural. BTU expects no changes to retail customer rates and no impact on other funds.

MAJOR INITIATIVES

CITY OF BRYAN TEXAS

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 is 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 Aggeland (“BigShots”) to the Travis Bryan Midtown Park. Construction for BigShots began in FY 2021 and is scheduled for completion in winter 2021. The park also will include improved 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. Improvements and expansion activities of the existing lake continued during FY 2020 and will include water recreation/sports and walking trails. Additionally, construction of a deceleration lane westbound along Villa Maria, construction of Midtown Park Boulevard, and design work on the indoor facility commenced during FY 2020. Total investment in the park is projected to be approximately \$100 million.

Texas A&M University and the Texas A&M University System are a major contributor to economic growth and stability in the Brazos Valley. During the past year, COVID-19 has affected the local economy and Texas A&M was a major driver to the significant effects on Bryan and College Station. In March 2020, Texas A&M went to an online only platform for the remainder of spring and summer classes. With the absence of the majority of the more than 65,000 local students, the economy in Bryan and College Station saw significant decreases in sales tax revenues. During the pandemic all commencement activities were performed virtually and all travel for university purposes was limited. During the fall of 2020, Texas A&M began to return to in-person class instruction. This initiative continued into the spring semester of 2021. Commencement activities for the spring are expected to be held in person and athletic events, including football, are expected to have expanded attendance during the summer and fall of 2021.

As a part of Aggeland, the Texas A&M System RELLIS campus calls Bryan home. The RELLIS campus initiative was established in 2016 to create new research and development opportunities to help companies move ideas from the laboratory to the marketplace, while 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 includes 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 August 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. In early 2021, RELLIS Campus Data and Research Center, LLC announced the lease of approximately 25 acres at the RELLIS Campus for the development and operation of an approximately 225,000 square foot data center with office and classroom facilities, with a value of up to \$200 million for phase 1 construction.

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 the growing BioCorridor development have seen growth centered on hospitality and wellness. The City’s partnership 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 that 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 Interlocal 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.

CITY OF BRYAN TEXAS

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. On November 24, 2020, BCD, through the existing Bryan/Traditions, L.P. Partnership, purchased the Lake Walk Innovation Center (the “Center”). The property which includes a 27,000 square foot office building and eight acres of land will be marketed by Bryan/Traditions, L.P. partnership as a multi-company business campus. The Center will focus on attracting and nurturing startup and early stage companies with the express purpose of growing them to the point where they can successfully operate on their own in the Brazos Valley.

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 instrumental in the production of vaccines that fight infectious diseases including the virus that causes COVID-19.

LONG-TERM FINANCIAL PLANNING

The City annually prepares a five-year financial forecast to ensure current revenue and spending commitments are sustainable. While FY 2020 and FY 2021 are and are expected to see the impacts of the COVID-19 pandemic on revenues, the Bryan City Council and management continue to take measures to protect the financial health of the City. During FY 2020 and FY 2021, significant cost saving measures were taken in all departments to help prepare for the ongoing economic impacts of the pandemic. These cost-cutting measures allowed the City to remain financially strong through the pandemic. City Council and management are confident its operating flexibility, combined with an FY 2020 ending fund balance of 148 days of operating cash, will enable it to react as appropriate to maintain sound financial metrics.

In FY 2020, staff continued progress on the City Council approved five-year Capital Improvement Plan (“CIP”) that was adopted in FY 2019. 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.

On February 5, 2020, the City issued combination tax and revenue certificates totaling \$70,365,000. The proceeds from the sale of the 2020 Bonds are restricted for: constructing, acquiring, improving, renovating, expanding and developing parks and recreation facilities and related infrastructure, vehicles, and equipment, including the Travis Bryan Midtown Park project and surrounding infrastructure. As mentioned above, \$59 million of the proceeds will be used exclusively for Travis Bryan Midtown Park. The balance of the debt issuance will be used to continue progress on the City’s CIP.

On April 29, 2020, the City issued \$2,970,000 in Waterworks and Sewer System revenue refunding bonds, Series 2020. These bonds mature serially from July 1, 2021 through July 1, 2030 with coupon rates ranging from 2.0% to 3.0%. After the payment of issuance costs, the proceeds from the sale of the 2020 refunding bonds were used to refund a total of \$3,000,000 of Waterworks and Sewer System Revenue Bonds, Series 2010A. This represents a reduction in debt service payments over the next 10 years of \$343,349.

On November 19, 2020, the City of Bryan issued General Obligation Pension Bonds, Taxable Series 2020, for \$54,700,000. The proceeds from the sale of the Bonds are restricted to fund the unfunded portion of the City’s pension

CITY OF BRYAN TEXAS

liability with the Texas Municipal Retirement System. This financing is projected to save the City \$1.5 million annually over the life of the bonds.

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 175 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 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 2020, 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 2019 Comprehensive Annual Financial Report. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized report. The report must satisfy both Generally Accepted Accounting Principles ("GAAP") and applicable legal requirements. City staff believes the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement requirements and it will be submitted to the GFOA to determine eligibility for another certificate. In FY 2020, the City also was awarded the Distinguished Budget Presentation Award from the GFOA for the FY 2020 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, 2019

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	Bobby Gutierrez	979-209-5008
Single Member District 4	Flynn Adcock	979-209-5008
Single Member District 5	Brent Hairston	979-209-5008
At-Large	Buppy Simank	979-209-5008

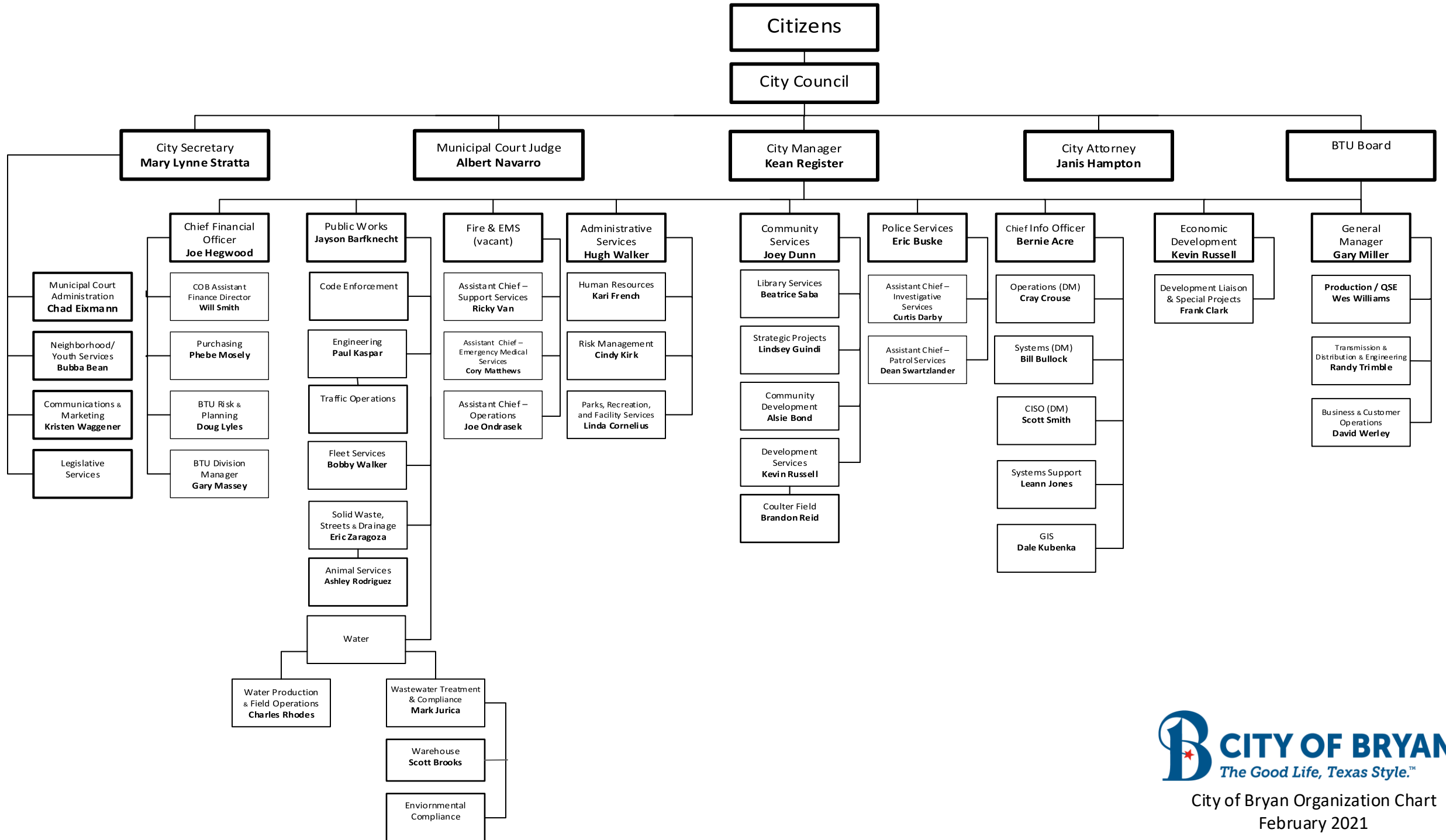
Council Appointees:

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 - Interim	Marc McFeron	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, 2020, 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, which represent 2 percent, 5 percent and 0 percent, respectively, of the assets, net position, and revenues 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, which represent 28 percent, 25 percent and 22 percent, respectively, of the assets, net position/fund balances, and revenues/additions of the 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, which represents 4 percent, 4 percent and 1 percent, respectively, of the assets, net position/fund balances, and revenues/additions of the aggregate remaining fund information 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, 2020, 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.

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 March 26, 2021, 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
March 26, 2021



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City of Bryan, Texas

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2020

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, 2020. 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 \$722,285,932 (net position).
- unrestricted net position was \$187,248,071; these funds may be used to meet ongoing obligations to citizens and creditors.
- total net position increased by \$90,868,587 due to operations during FY 2020; 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 \$45,633,294 or 10.8% (see note 5 on page 65 of this document for more information).
 - \$2,970,000 in revenue refunding bonds were issued for the Waterworks and Sewer System in FY 2020. Along with an offering premium, these bonds were used to refund \$3,000,000 of Waterworks and Sewer System revenue bonds, series 2010A.
 - \$7,125,000 in general obligation refunding bonds were issued in FY 2020. Along with an offering premium, these bonds were used to refund \$7,590,000 of certificates of obligation, series 2010.
 - \$70,365,000 in combination tax and revenue certificates were issued in FY 2020 for infrastructure, a fire truck, Midtown Park construction and other improvements.
 - There were no revenue bonds issued for the enterprise funds of the City during FY 2020.
 - \$36,215,000 in outstanding debt was retired during FY 2020 including the refunding bonds. See note 5 on page 65 of this document for more information.
 - \$25,888,442 of outstanding debt (principal) is due within one year as of September 30, 2020.

Fund Financial Statements

- Total Governmental Funds reported combined ending fund balances of \$152,986,239.
 - Governmental fund balances increased in FY 2020 compared to FY 2019 by \$90,658,344. This change in fund balance is primarily attributable to a transfer of funds from Enterprise Funds of \$20,000,000 and a new debt issuance of \$70,365,000. See note 5 on page 65 and note 17 on page 88 of this document for more information.
 - The General Fund fund balance increased by \$13,148,113. See general fund highlights below on page 15.
 - Other governmental funds balances increased by \$77,209,765 and ended FY 2020 with \$104,599,987.
 - The unassigned fund balance of \$31,930,092, or 20.9%, is available for spending at the City's discretion for ongoing expenditures.
- General Fund unassigned fund balance was \$31,975,877, or 43.7% of total general fund expenditures during FY 2020. This represents 148 days of cash based on the FY 2021 budgeted

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

expenditures. Combined with the amounts assigned for encumbrances, the General Fund fund balance available for operations is \$35,401,687 representing 164 days of cash at September 30, 2020.

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 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.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

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 24-26 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 thirty (30) 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 (15) special revenue funds, four (4) capital project funds, and nine (9) permanent funds have been combined into one single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements 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 105).

The basic governmental fund financial statements can be found on pages 28-31 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,

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

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 111).

The basic proprietary fund financial statements can be found on pages 32-37 of this report.

Fiduciary Funds. The City maintains one (1) fiduciary fund, the other post-employment benefits trust fund ("OPEB Trust 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 38-39 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 41-103 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 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 105-110 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 111-148 of this report.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

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 \$722,285,932 as of September 30, 2020.

The largest portion of the City's net position, \$480,015,479, or 66.5%, 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, \$55,022,380, or 7.6%, represents resources that are subject to external restrictions on their usage. The remaining balance of unrestricted net position, \$187,248,071, or 25.9%, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of FY 2020, 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.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 179,261,526	\$ 86,660,753	\$ 282,991,065	\$ 313,331,753	\$ 462,252,591	\$ 399,992,506
Capital assets	197,943,261	173,025,064	690,381,728	642,268,677	888,324,989	815,293,741
Total assets	<u>377,204,787</u>	<u>259,685,817</u>	<u>973,372,793</u>	<u>955,600,430</u>	<u>1,350,577,580</u>	<u>1,215,286,247</u>
Deferred outflows	<u>8,398,687</u>	<u>17,038,329</u>	<u>5,026,524</u>	<u>10,656,082</u>	<u>13,425,211</u>	<u>27,694,411</u>
Non-current liabilities	178,658,848	129,969,732	347,411,572	381,838,855	526,070,420	511,808,586
Other liabilities	23,887,295	20,208,911	62,660,664	63,793,588	86,547,959	84,002,499
Total liabilities	<u>202,546,143</u>	<u>150,178,643</u>	<u>410,072,236</u>	<u>445,632,443</u>	<u>612,618,379</u>	<u>595,811,086</u>
Deferred inflows	<u>7,195,756</u>	<u>84,973</u>	<u>21,902,723</u>	<u>15,667,254</u>	<u>29,098,479</u>	<u>15,752,227</u>
Net position:						
Net investment in						
capital assets	108,129,853	86,377,222	371,885,626	331,471,407	480,015,479	417,848,629
Restricted	21,514,186	20,528,578	33,508,196	34,500,061	55,022,382	55,028,639
Unrestricted	46,217,536	19,554,730	141,030,536	138,985,347	187,248,071	158,540,077
Total net position	<u>\$ 175,861,575</u>	<u>\$ 126,460,530</u>	<u>\$ 546,424,358</u>	<u>\$ 504,956,815</u>	<u>\$ 722,285,932</u>	<u>\$ 631,417,345</u>

The \$90,868,588, or 14.4%, increase to \$722,285,932 in total net position is due to increases in both governmental activities and business-type activities.

The net position of business type activities increased \$41,467,543 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 \$62,166,850 at September 30, 2020.

City of Bryan, Texas

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2020

Unrestricted net position for governmental activities increased by \$26,662,806 to \$46,217,536 during FY 2020. This increase was mainly due to operations as discussed below.

Unrestricted net position of business-type activities increased by \$2,045,189 to \$141,030,536. This increase was due to operational surpluses in the enterprise funds.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 8,947,994	\$ 8,285,282	\$ 270,255,549	\$ 287,970,810	\$ 279,203,543	\$ 296,256,092
Operating grants and contributions	7,671,725	3,134,487	-	-	7,671,725	3,134,487
Capital grants and contributions	14,726,449	9,041,299	7,962,431	4,961,213	22,688,880	14,002,512
General revenues:						
Property taxes	39,370,526	37,035,640	-	-	39,370,526	37,035,640
Other taxes	27,934,752	27,888,008	-	-	27,934,752	27,888,008
Other	11,283,132	15,726,022	6,417,259	7,890,887	17,700,391	23,616,909
Total revenues	109,934,578	101,110,738	284,635,240	300,822,910	394,569,817	401,933,648
Expenses:						
General Government	16,179,781	17,828,658	-	-	16,179,781	17,828,658
Development Services	6,438,717	8,063,283	-	-	6,438,717	8,063,283
Public Works Services	12,867,878	15,122,805	-	-	12,867,878	15,122,805
Public Safety	46,256,622	44,658,085	-	-	46,256,622	44,658,085
Cultural and Recreational	10,833,728	11,620,981	-	-	10,833,728	11,620,981
Interest on long-term debt	2,816,111	2,786,148	-	-	2,816,111	2,786,148
City Electric	-	-	142,043,711	160,442,705	142,043,711	160,442,705
Rural Electric	-	-	36,280,420	38,857,150	36,280,420	38,857,150
Water	-	-	10,761,384	11,227,487	10,761,384	11,227,487
Wastewater	-	-	11,469,226	12,017,801	11,469,226	12,017,801
Solid Waste	-	-	6,760,860	7,183,791	6,760,860	7,183,791
Other	-	-	992,792	1,088,243	992,792	1,088,243
Total expenses	95,392,837	100,079,960	208,308,393	230,817,177	303,701,230	330,897,137
Increase in net position before transfers	14,541,741	1,030,778	76,326,847	70,005,733	90,868,587	71,036,511
Net Transfers	34,859,304	14,547,109	(34,859,304)	(14,547,109)	-	-
Increase in net position	49,401,045	15,577,887	41,467,543	55,458,624	90,868,587	71,036,511
Net position - October 1	126,460,530	110,882,643	504,956,815	449,498,191	631,417,345	560,380,834
Net position - September 30	\$ 175,861,575	\$ 126,460,530	\$ 546,424,358	\$ 504,956,815	\$ 722,285,932	\$ 631,417,345

Governmental Activities. Total governmental activities revenues increased in FY 2020 from FY 2019 by \$8,823,840, or 8.7%, to \$109,934,578. Several factors contributed to this increase in FY 2020. Operating grants and contributions increased by \$4,537,238, or 144.8%, primarily due to the Coronavirus Relief Grant. Capital grants and contributions increased by \$5,685,150, or 62.9%, due to an increase in capital contributions from multiple development projects. Property tax revenues increased by \$2,334,886. During FY 2020, other revenues (including transportation and drainage assessments, investment earnings, and miscellaneous items) decreased in total by \$4,442,890, or 28.3%.

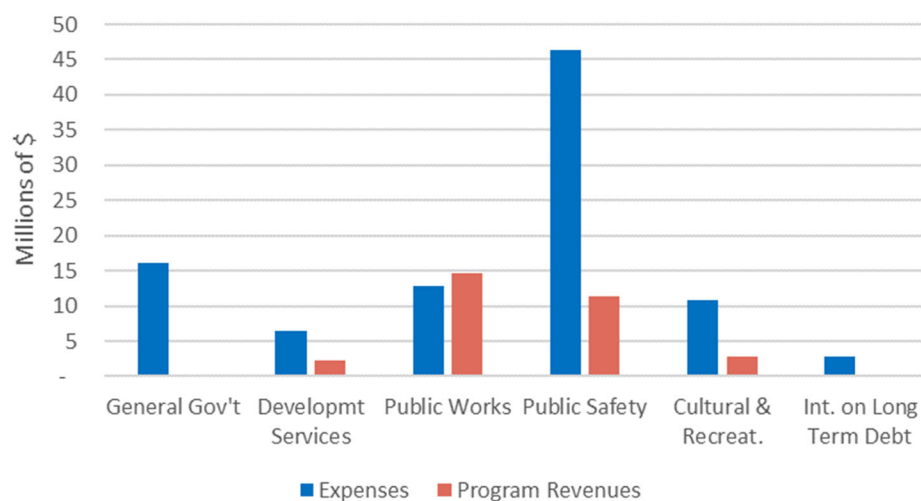
The government-wide presentation of expenses attempts to consolidate all revenues and expenses on a basis similar to a private business. This presentation removes capital spending and principal payments on debt (see note 4 for capital assets of the governmental activities and note 5 for long term debt) and allocates expenses of internal service activities to all related parties. Governmental activities expenses decreased in FY 2020 compared to FY 2019 by \$4,687,123 to \$95,392,837. The major changes in this category were:

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

- Overall, due to the effects of COVID-19 the City took conservative cost cutting measures to prepare for uncertainties. The City established a hiring freeze for a portion of FY 2020. Due to limited activities and closures, the need for temporary staff was reduced. Overall, personnel costs for the City have decreased in FY 2020.
- Public works services expenses decreased \$2,254,927, or 14.9%, in FY 2020 compared to FY 2019. This decrease is due to a reduction in maintenance projects that were delayed due to COVID-19.
- General Government and Development Services expenses decreased by \$1,648,877 and \$1,624,566, respectively. This decrease was due to cost cutting measures established in response to COVID-19.
- Cultural and recreational expenses decreased \$787,253, or 6.8%, in FY 2020 compared to FY 2019. This decrease was primarily due to closures related to COVID-19 and a decrease in temporary staffing needs.
- Partially offset to the decreases, Public Safety expenses increased by \$1,598,537 primarily due to increases in police and fire personnel expenses and the 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.

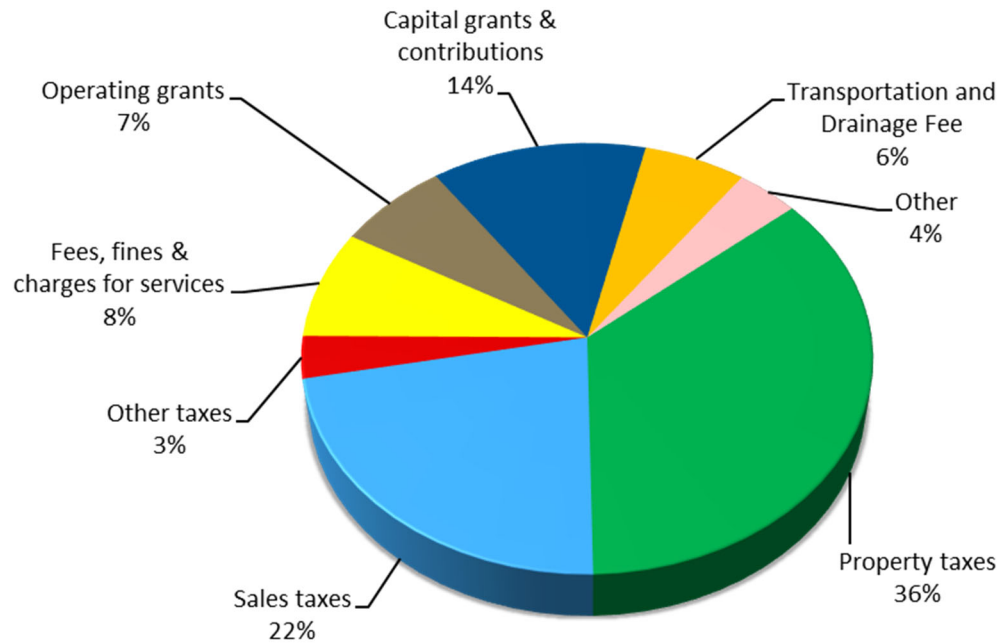
Expenses and Program Revenues - Governmental Activities



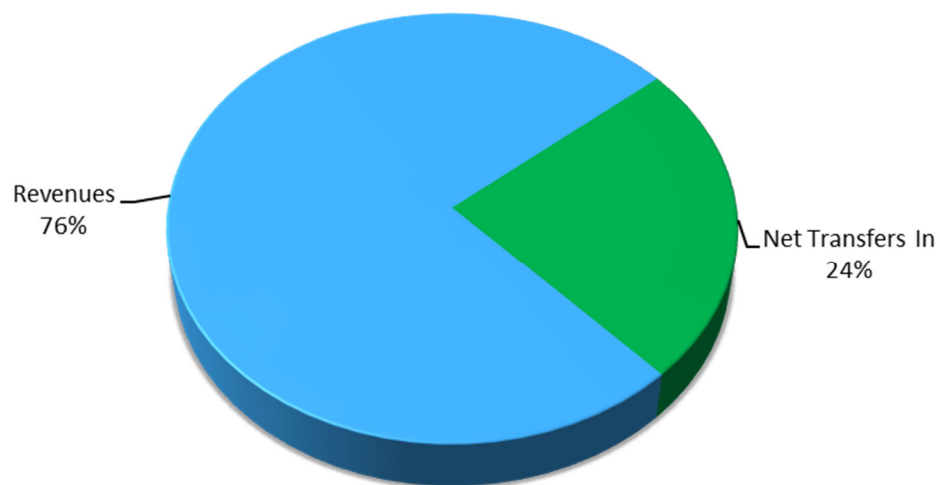
City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

Revenues by Source - Governmental Activities



All Governmental Resources



City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

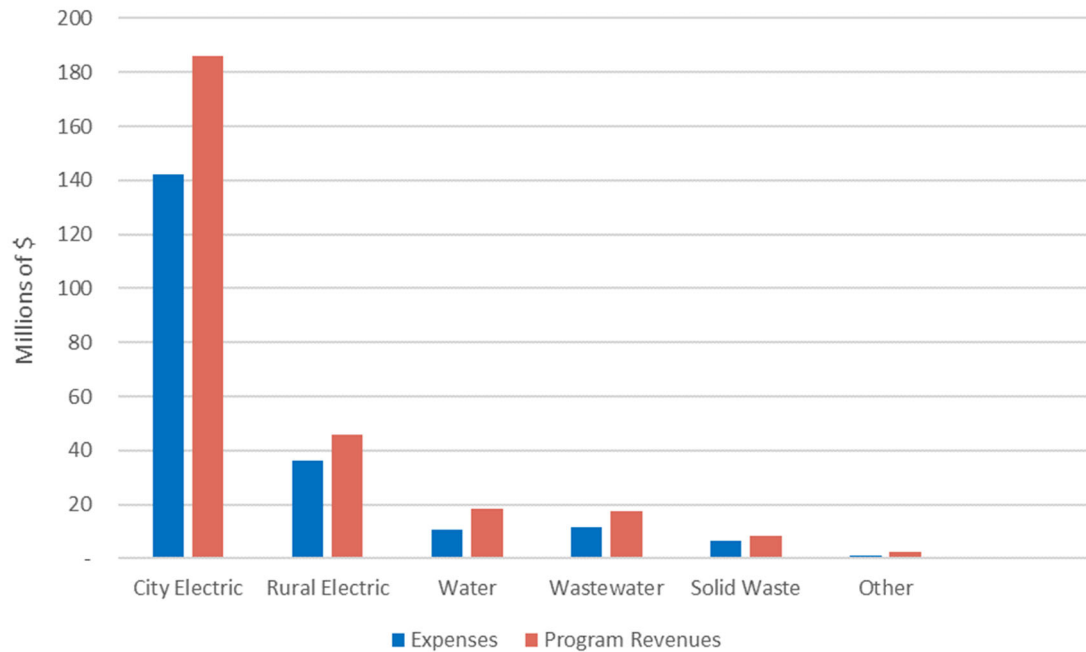
Business-type Activities. Business-type activities net position increased by \$41,467,543, or 8.2%, to \$546,424,358 in FY 2020. Charges for services for business-type activities decreased by \$17,715,261, or 6.2%, to \$270,255,549, and expenses decreased \$22,508,784, or 9.8%, to \$208,308,393. Key elements of the variances are as follows:

- Ending net position for the city electric system was \$257,024,837, of which \$96,672,006 was available to meet ongoing obligations. City electric system charges for services decreased by \$18,857,445, or 9.2%. This decrease in revenue was driven by decreased off-system fuel revenue due to lower volume sales, temporary fuel rate reduction during the initial months of the COVID-19 pandemic, and an operating capital refund from Texas Municipal Power Agency. Expenses for the city electric system decreased \$18,398,994, or 11.5%, in FY 2020 primarily due to lower fuel and purchased power costs. See note 14 on page 84 for more information.
- The ending net position for the rural electric system was \$79,149,298, of which \$21,797,128 is available for ongoing obligations. Rural electric system charges for services decreased by \$1,689,897, or 3.6%, mostly due to lower fuel and regulatory rate charges to customers. This decrease was due to temporary fuel rate reduction during the initial months of the COVID-19 pandemic. Rural electric expenses decreased by \$2,576,730, or 6.6% due largely to lower annual capital expenditures and a reduction of the wholesale base rate charged to the rural system by the city system related to lower power supply costs from TMPA.
- Water system ending net position for FY 2020 was \$81,314,114. The unrestricted portion of this net position was \$8,180,102. Water system charges for services increased \$1,348,547, or 10.3%, in FY 2020 to \$14,449,661 primarily due to higher than expected rainfall in the fall and spring of FY 2020. Water system expenses decreased by \$466,103, or 4.2%, in FY 2020.
- FY 2020 ending net position for the wastewater system was \$86,166,085, of which \$6,258,832 was unrestricted. Wastewater system charges for services increased by \$264,733, or 2.0%. Expenses for FY 2020 were \$11,469,226, a decrease from FY 2019 of \$548,575, or 4.6%.
- 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 increased by \$1,218,802, or 12.9%, to \$10,679,163 for FY 2020. See note 1 on page 41 for more information on BCD.

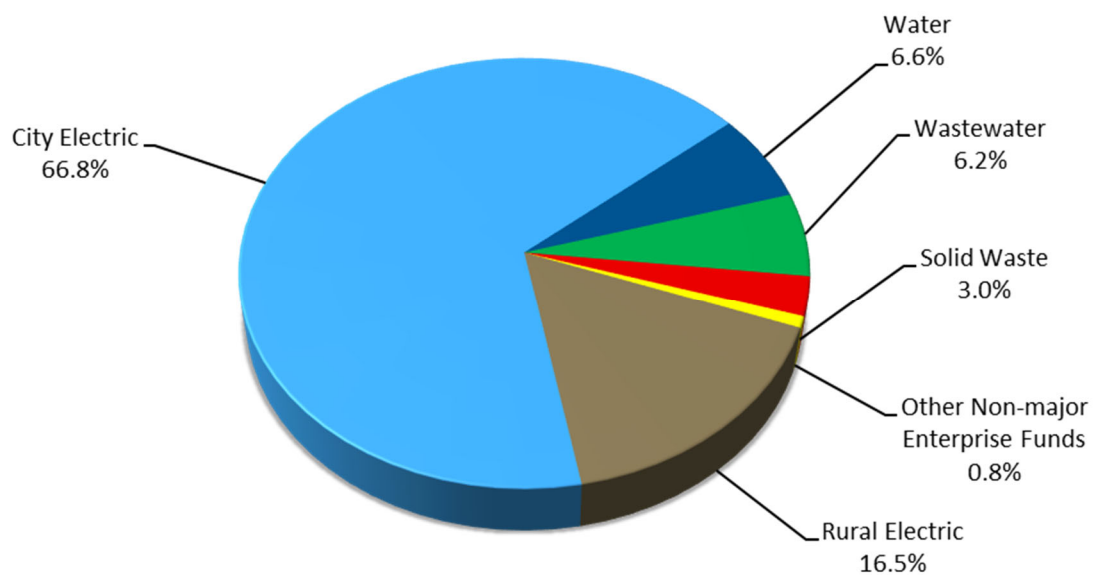
City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

Expenses and Program Revenues - Business Type Activities



Revenues by Source - Business-Type Activities



City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

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 115 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 \$13,148,113 during FY 2020 compared to an increase of \$4,586,590 in FY 2019. Revenues of the fund increased \$1,910,209 and expenditures decreased by \$1,435,591 during FY 2020. Expenditures were in excess of revenues by \$7,315,811. FY 2020 net transfers totaled \$19,627,798. 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 \$1,196,063, or 4.8%, to \$25,965,824 due to new properties and an increase in property values on existing property. Partially offsetting the increase in revenues was the increase in requirements for debt service in the Debt Service Fund from FY 2019 to FY 2020 which resulted in a lower proportion of the tax rate to be allocated to the General Fund.
- Sales tax revenues increased by \$885,744, or 3.8%, due to continued increases in retail and general services. This increase was offset by decreases during FY 2020 in wholesale, food and services, manufacturing, and professional services.
- Capital outlay increased in FY 2020 by \$1,586,162, or 42.1%, primarily due to the completion of several parks projects.
- Cultural and recreational expenses decreased by \$953,829, or 11.1%, primarily due to lower personnel costs related to temporary/seasonal employees.
- Public safety non capital expenditures decreased in FY 2020 by \$2,718,760, or 6.6%. This was mainly due to salaries that were funded by the Coronavirus Relief Grant and were transferred to the Grant Fund.
- General governmental and administration expenditures increased \$939,870, or 4.9%, in FY 2020.

Debt Service Fund. The Debt Service Fund ended the FY 2020 with a total fund balance of \$2,174,282 compared to \$1,873,816 at the end of FY 2019. This increase is primarily due to the debt payment savings from the debt refunding. This fund balance is restricted for the payment of debt. Tax revenues in the Debt Service Fund increased by \$623,394, or 8.0%, to \$8,399,477. Debt service payments from the fund totaled \$10,622,888. Debt issuance costs for FY 2020 were \$92,575. Debt service is additionally supported by transfers from street improvement fund, TIRZ 10, TIRZ 19, and TIRZ 22 of \$2,160,569.

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 2020 by \$77,209,765 compared to FY 2019 to \$104,599,987. This is primarily due to the new debt issuance of \$70,365,000 and a transfer in from City Electric of \$20,000,000 to a Special Revenue Fund.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

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 Midtown Park Operations Fund, the Midtown Park Construction Fund, the Sidewalks Fund, the Court Technology Fund, Tax Increment Reinvestment Zones (TIRZ), and two special assessment funds (Street Improvement and Drainage Improvement Funds). The fund balances in the special revenue funds increased by \$15,852,354, or 76.4%, in FY 2020.

- The Grant Fund is used to account for the receipt and expenditures of grants awarded to the City. Revenues for the fund were \$5,134,927 and were primarily from the Coronavirus Relief Grant of \$4,687,320. Total expenditures were \$5,140,735 spent on the various grant related activities primarily related to public safety of \$5,124,818.
- The Community Development Fund provides programs and services to low and moderate income persons. Revenues for the fund were \$1,441,260 and were primarily from grants. Total expenditures of \$1,466,263 were spent on the various housing programs funded by state, local, and federal grants.
- Hotel Tax Revenues, including interest income, for FY 2020 were \$1,127,173. Expenditures total \$1,496,260. 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 2020 were \$550,593 made up primarily of property tax revenues and royalty payments. A transfer of \$2,000,000 was transferred to the Midtown Park Construction Fund to fund construction at the new park. The ending fund balance for FY 2020 was \$493,985. There were no expenditures in this fund during FY 2020.
- 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 2020 there were no transfers in for land sales. Revenues from investment earnings were \$76,957. A transfer in from the City Electric fund of \$20,000,000 occurred in FY 2020. Transfers out for FY 2020 totaled \$18,300,000 for funding one-time projects including a transfer of \$3,000,000 to the Midtown Park Operations Fund for beginning operating funds, a transfer of \$11,000,000 was transferred to the Midtown Park Construction Fund to fund construction at the new park, and a transfer of \$4,300,000 was transferred to the General Fund to fund drainage construction projects. There were no other expenditures in FY 2020. Total ending fund balance for FY 2020 is \$5,312,158.
- The Midtown Park Operations Fund was established to account for revenues and expenditures for operations at the City's Midtown Park. Revenues from investment earnings for FY 2020 totaled \$5,715. A transfer in from the Capital Reserve Fund of \$3,000,000 occurred to establish funding.
- The Midtown Park Construction Fund was established to account for cash funded capital projects. Revenues for investment earnings totaled \$26,259 for FY 2020. Total expenditures for capital projects were \$550,157. A transfer from the Capital Reserve Fund of \$11,000,000 and a transfer from the Oil and Gas Fund of \$2,000,000 occurred to establish funding.
- The Street Improvement Fund expenditures total \$4,798,591 on street maintenance and capital projects. The ending fund balance for FY 2020 was \$8,297,803, which is an increase from FY 2019 of \$759,481. 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, 2020

- The Drainage Improvement Fund expenditures totaled \$2,295,239 in FY 2020 on drainage projects throughout the City. Ending fund balance was \$1,956,622, which is committed or encumbered for drainage projects.

Capital Projects Funds. In FY 2020, the 2020 Certificate of Obligation Fund – Park and the 2020 Certificates of Obligation Fund – General were established with the issuance of Series 2020 Certificates of Obligation. Bonds issued in the amount of \$70,365,000, along with issuer premiums in the amount of \$2,594,393, total \$72,959,393 in available funding for CIP projects. The total expenditures from Capital Projects Funds for FY 2020 were \$11,964,247. The fund balance in the Capital Project Funds is \$66,743,904, an increase of \$61,273,515 from FY 2019. The fund balance is restricted or encumbered 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 2020 there were expenditures of \$2,042 from the permanent funds. The fund balance increased by \$83,896 to \$1,261,632 due to investment earnings of \$13,288 and contributions of \$72,650. Non-spendable ending fund balances totaled \$1,172,557 for FY 2020. Spendable ending fund balances restricted for cemeteries was \$84,412 and spendable ending fund balances for libraries was \$4,663. 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. The General Fund budget to actual comparison can be found on pages 109-110. 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 2020 was \$0.476018 per \$100 of valuation. The adopted tax rate for FY 2020 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 2020 was \$0.153972 per \$100 of valuation.

Total General Fund revenues for FY 2020 were \$65,810,286 and were \$2,484,101, or 3.9%, over budget and \$1,910,209, or 3.0%, more than revenues in FY 2019. Tax revenues for the General Fund include property tax, sales tax, franchise tax, bingo tax, and alcoholic beverage tax. General Fund tax revenues were 80.2% of total General Fund revenues in FY 2020 and totaled \$52,804,791. Items to note regarding General Fund tax revenues for FY 2020 are:

- FY 2020 General Fund property tax revenues were \$25,965,824 and \$390,376, or 1.5%, below budget. Property tax revenues for FY 2020 were \$1,196,063, or 4.8%, above FY 2019 totals.
- Sales taxes were \$24,465,953 and \$998,453, or 4.3%, above budget in FY 2020. Compared to FY 2019 revenues, FY 2020 sales taxes were up by \$885,744, or 3.8%.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

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 10.0% of General Fund total revenues in FY 2020. Some notable items in this category are:

- Ambulance charges in FY 2020 were \$3,747,512 and \$1,397,512, or 59.5%, over budget.
- Revenues for recreational activities were \$1,582,294 and \$135,794, or 9.4%, over budget in FY 2020.
- Health and public safety revenues were \$ 1,002,750 and \$291,250, or 22.5%, under budget for FY 2020. The City of Bryan provides police officers for Bryan Independent School District. Due to the school closures in the Spring of FY 2020, the amount of funding on this contract was reduced.

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 \$1,298,601 were \$226,400, or 14.8%, under budget in FY 2020 and below FY 2019 total by \$291,651, or 18.3%.
- Licenses and permit revenues for FY 2020 were \$1,029,792 and were \$357,142, or 53.1%, over budget. Totals for this category in FY 2020 were \$265,270, or 34.7%, above FY 2019 totals. Residential and commercial permits increased during FY 2020 compared to FY 2019 as construction increases.
- Other revenues of \$2,302,344 were \$121,259, or 5.6%, over budget during FY 2020 and were \$168,636, or 6.8%, below FY 2019 revenues. During FY 2020 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 109. 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 \$73,126,097 and were \$7,961,454, or 9.8%, under budget. Compared to FY 2019, expenditures were down by \$1,435,591, or

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

1.9%, during FY 2020. Decreases in General Fund spending vs. FY 2019 were attributable to the cost cutting measures the City implemented in response to COVID-19.

Total general government and administrative expenditures were \$20,202,351 and were \$2,796,131, or 12.2%, under budget for FY 2020. This category makes up 27.6% of total FY 2020 General Fund expenditures. Some notable budget variances in this category are as follows:

- Payments to other agencies were under budget by \$992,402, or 19.2%, due to unearned development and economic development incentives.
- Information technology expenditures were under budget by \$703,485, or 10.3%, due to cost-cutting measures in relation of the COVID-19 Pandemic.
- Administrative reimbursements in FY 2020 were \$6,093,231. This is an increase of \$158,847, or 2.7%, compared to FY 2019.

Development services finished FY 2020 below budget by \$729,160, or 15.5%. Expenditure totals in this category were \$3,986,465 and made up 5.5% of total General Fund expenditures for FY 2020. Notable budget variances in this category include engineering which was \$446,835, or 25.6%, under budget for FY 2020. This variance is primarily due to staff vacancies and the timing of contractual services associated with capital projects. Planning was under budget by \$170,125, or 7.5%, due to timing or contractual services.

Public Works services total expenditures for FY 2020 were \$3,541,682 and made up 4.8% of total General Fund expenditures for the year. Overall Public Works was \$528,318, or 13.0%, under budget due to timing of projects.

Public Safety expenditures for FY 2020 were \$38,464,623 and were \$4,555,901, or 10.6% under budget for the year. Compared to FY 2020, expenditures were \$2,718,760, or 6.6% lower. Public Safety salaries of \$4,687,320 were transferred to the Grant Fund in relation to the Coronavirus Relief Grant. Public safety accounts for 52.6% of all General Fund expenditures in FY 2020.

Cultural and recreational services expenditures for FY 2020 total \$7,666,287 and were \$996,863, or 11.5%, under budget for the year. Expenditures in this category were \$1,435,591, or 1.9% below FY 2019 spending levels. This decrease is due primarily to fewer major parks projects in FY 2020 compared to FY 2019. Additionally, budgeted funds for the park improvement plan decreased in FY 2020 compared to FY 2019.

Capital expenditures for the General Fund were \$5,357,920 and were \$1,644,919, or 44.3%, over budget for FY 2020. This budget variance was due to a delay in ambulance vehicle purchases, excess of Fire truck costs over debt proceeds, and the timing of capital projects.

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, 2020 was \$888,324,989 (net of accumulated depreciation), an increase of

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

\$73,031,248, or 9.0%. 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 2020 included the following:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 14,037,883	\$ 13,064,618	\$ 23,259,342	\$ 21,610,334	\$ 37,297,225	\$ 34,674,952
Buildings	27,444,116	28,657,291	17,466,821	18,366,295	44,910,937	47,023,586
Equipment	10,531,783	9,097,795	4,994,089	4,683,872	15,525,872	13,781,667
Improvements	15,292,704	13,813,254	582,720,009	534,248,356	598,012,713	548,061,610
Infrastructure	110,824,725	103,757,319	-	-	110,824,725	103,757,319
Construction in Progress	19,812,050	4,634,787	61,204,913	63,114,042	81,016,963	67,748,829
Retirement in Progress	-	-	736,554	245,778	736,554	245,778
Total	<u>\$ 197,943,261</u>	<u>\$ 173,025,064</u>	<u>\$ 690,381,728</u>	<u>\$ 642,268,677</u>	<u>\$ 888,324,989</u>	<u>\$ 815,293,741</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 63-64 of this report.

Long-term Debt. At the end of FY 2020, the City of Bryan had total debt outstanding of \$466,344,980 net of premiums and discounts. Of this amount, \$184,152,585 (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).

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bond	\$ 41,095,826	\$ 40,400,817	\$ 8,284,174	\$ 9,714,183	\$ 49,380,000	\$ 50,115,000
Revenue bonds	-	-	256,165,000	269,805,000	256,165,000	269,805,000
Certificates of obligation	94,140,000	33,290,000	35,580,000	37,810,000	129,720,000	71,100,000
Premium (discount)	4,920,060	2,049,364	26,159,920	27,642,322	31,079,980	29,691,686
Total, net	<u>\$ 140,155,886</u>	<u>\$ 75,740,181</u>	<u>\$ 326,189,094</u>	<u>\$ 344,971,505</u>	<u>\$ 466,344,980</u>	<u>\$ 420,711,686</u>

During FY 2020, the City's total debt increased by \$45,633,294, or 10.8%. The City issued a total of \$72,959,393 (net of premiums) as certificate of obligation bonds. The City issued a total of \$7,484,244 (net of premiums) as general obligation refunding bonds. The waterworks and sewer system issued \$3,051,557 (net of premiums) in refunding revenue bonds. Total debt issues for the City total, net of premiums, \$83,495,194. The City retired or refunded \$37,861,900 (net of all premium or discounts) of outstanding debt.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

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	NR	AA	NR
Revenue Bonds - City Electric	NR	A+	AA-
Revenue Bonds - Rural Electric	NR	AA-	AA-

Additional information on the City's long-term debt can be found in note 5 to the financial statements on pages 65-69 of this report.

Economic Factors and Next Year's Budgets and Rates

Despite the impact of COVID-19 and a softer oil and gas market, Bryan maintained its strong growth during FY 2020, realizing increases in property values and increases in sales tax revenues which positively impacted the City's governmental funds. The first half of the year was strong since 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. The diverse economy in Bryan helped maintain the financial reliability of the City during the COVID-19 pandemic.

Ad valorem property taxes comprised approximately 39.5% of General Fund revenues in FY 2020. FY 2021 budgeted General Fund property tax revenues projected an increase of 0.7% from FY 2020 to conservatively estimate the effects related to COVID-19. Higher debt service requirements in the Debt Service Fund led to a lower M&O rate which also decreased General Fund revenues. FY 2021 sales tax revenue is budgeted to decrease by 7.9% when compared to FY 2020 actual sales tax revenue due to the continued effects of COVID-19. FY2020 sales tax revenues exceeded FY 2019 by 4.3% primarily due to activity prior to COVID-19.

The City of Bryan is closely monitoring the impact of COVID-19 pandemic and has assumed continued impacts to sales tax and hotel tax revenues in FY 2021. 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 remaining flexible in FY2021 operating costs to ensure its continued financial health. The City is confident that its operating flexibility, combined with a FY 2020 ending fund balance of 148 days of operating cash will enable it to react as appropriate to maintain sound financial metrics.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020

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

Revenues for the entire electric system for FY 2021 are budgeted to be \$236,940,100, which is a decrease of \$11,719,500, or 4.8%, in FY 2021 versus the FY 2020 adopted budget. FY 2021 budgeted electric expenditures are projected to be \$235,913,200, which is an increase of \$1,632,400, or 0.7% from the FY 2020 adopted budget.

Revenues budgeted for the Water Fund for FY 2021 are \$13,513,436, and are \$256,664, or 1.9%, lower than FY 2020 budgeted revenues. Total expenditures for the Water Fund, including debt service and capital expenditures, are budgeted to increase by \$927,584, or 6.3%, due to ongoing capital projects.

The Wastewater Fund budget for FY 2021 projects revenues of \$13,680,056, which is \$60,956, or less than 1.0% higher than the FY 2020 budget. Budgeted expenditures for FY 2021 are \$15,480,139 which is \$2,246,161, or 12.7% below the FY 2020 budget. This decrease is attributable to the completion of capital projects.

Projected revenues for FY 2021 in the Solid Waste fund are \$8,656,249 and are \$143,949, or 1.7%, higher than the FY 2020 budget. The FY 2021 budgeted expenditures are projected to be \$8,520,320, which is a decrease of \$32,780, or less than 1.0% from the FY 2020 budget.

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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 121,597,602	\$ 114,855,125	236,452,727	\$ 198,980
Investments	31,855,745	14,655,580	46,511,325	4,972,526
Receivables:				
Accounts	10,926,068	31,801,818	42,727,886	6,208
Less allowance for uncollectible	(6,801,901)	(573,724)	(7,375,625)	-
Notes receivable	275,000	-	275,000	143,750
Property taxes	1,343,722	-	1,343,722	-
Less allowance for uncollectible	(1,171,310)	-	(1,171,310)	-
Sales taxes	4,494,443	-	4,494,443	-
Grants	4,190,865	-	4,190,865	-
Interest	263,070	453,305	716,375	-
Derivative financial instruments (current portion)	-	312,005	312,005	-
Internal balances	2,625,153	(2,625,153)	-	-
Inventories	207,131	1,636,135	1,843,266	-
Under-recovered regulatory fee	-	673,065	673,065	-
Prepaid and other assets	10,464	2,834,662	2,845,126	6,000
Total current assets	<u>169,816,052</u>	<u>164,022,817</u>	<u>333,838,870</u>	<u>5,327,464</u>
Noncurrent assets:				
Receivables:				
Notes receivable	4,108,077	-	4,108,077	-
Less allowance for uncollectible - notes	(75,839)	-	(75,839)	-
TPMA decommissioning	-	26,856,688	26,856,688	-
Derivative financial instruments	-	76,858	76,858	-
Restricted assets:				
Cash and cash equivalents	-	3,739,724	3,739,724	-
Investments	1,172,557	68,664,274	69,836,831	-
Investment in BVSWM	-	19,630,704	19,630,704	-
Investment in Economic Development Foundation	4,240,679	-	4,240,679	-
Capital assets:				
Land	14,037,883	23,259,342	37,297,225	2,157,754
Buildings	47,080,236	22,867,325	69,947,561	194,499
Improvements other than buildings	45,446,409	937,924,398	983,370,807	11,748
Machinery and equipment	41,941,241	18,943,857	60,885,098	-
Infrastructure	239,821,818	-	239,821,818	-
Construction in progress	19,812,050	61,204,913	81,016,963	-
Retirement in progress	-	736,554	736,554	-
Less accumulated depreciation	(210,196,376)	(374,554,661)	(584,751,037)	(142,250)
Total capital assets	<u>197,943,261</u>	<u>690,381,728</u>	<u>888,324,989</u>	<u>2,221,751</u>
Total noncurrent assets	<u>207,388,735</u>	<u>809,349,976</u>	<u>1,016,738,711</u>	<u>2,221,751</u>
Total assets	<u>\$ 377,204,787</u>	<u>\$ 973,372,793</u>	<u>\$ 1,350,577,581</u>	<u>\$ 7,549,215</u>
<u>Deferred outflows</u>				
Pensions	5,338,764	3,059,109	8,397,873	-
Other post-employment benefits (OPEB)	2,046,028	1,102,237	3,148,265	-
Unamortized loss on refunded debt	1,013,895	865,178	1,879,073	-
Total deferred outflows	<u>\$ 8,398,687</u>	<u>\$ 5,026,524</u>	<u>\$ 13,425,211</u>	<u>\$ -</u>

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

CITY OF BRYAN, TEXAS

Statement of Net Position
As of September 30, 2020

	Primary Government			Component Unit
	Governmental	Business-type		Bryan Business
	Activities	Activities	Total	Council, Inc.
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 4,666,245	\$ 16,695,732	21,361,977	\$ 10,373
Accrued liabilities and retainage	3,253,146	1,580,704	4,833,850	6,759
Claims	3,361,169	-	3,361,169	-
Accrued vacation and sick pay	2,984,002	1,507,439	4,491,441	-
Unearned revenue	174,436	266,466	440,902	-
Derivative financial instruments	-	-	-	-
Accrued interest	762,905	3,543	766,448	-
TMPA decommissioning (current portion)	-	7,357,637	7,357,637	-
Payable from restricted assets:				
Accrued liabilities	-	228,344	228,344	-
Accrued interest	-	2,896,258	2,896,258	-
Over-recovered fuel cost	-	6,552,834	6,552,834	-
Bonds payable, net	8,533,024	19,283,365	27,816,389	-
Notes payable	-	-	-	1,606,294
Customer deposits	152,368	6,288,343	6,440,711	-
Total current liabilities	23,887,295	62,660,664	86,547,960	1,623,426
Noncurrent liabilities:				
Bonds payable, net	131,622,862	306,905,729	438,528,591	-
Claims	443,414	-	443,414	-
Net pension liability (NPL)	28,913,529	16,567,448	45,480,977	-
Net other post employment benefits liability (OPEB)	10,215,801	5,476,936	15,692,737	-
TMPA decommissioning	-	17,634,544	17,634,544	-
Accrued vacation and sick pay	7,463,242	826,915	8,290,157	-
Total noncurrent liabilities	178,658,848	347,411,572	526,070,420	-
Total liabilities	202,546,143	410,072,236	612,618,380	1,623,426
<u>Deferred Inflows</u>				
Pensions	6,209,188	3,557,862	9,767,050	-
Other post employment benefits	986,568	531,485	1,518,053	-
Accumulated increase in fair value of hedging derivatives	-	388,863	388,863	-
Deferred regulatory liability	-	17,424,513	17,424,513	-
Total deferred inflows	\$ 7,195,756	\$ 21,902,723	\$ 29,098,479	\$ -
<u>Net Position</u>				
Net investment in capital assets	108,129,853	371,885,626	480,015,479	2,221,751
Restricted for:				
BVSWMA, Inc.	-	19,630,704	19,630,704	-
Economic Development Foundation	4,240,679	-	4,240,679	-
Debt reserve	-	6,177,462	6,177,462	-
Debt service	4,178,443	5,977,708	10,156,151	-
Perpetual care:				
Expendable	89,075	-	89,075	-
Nonexpendable	1,172,557	-	1,172,557	-
Rate stabilization	-	1,722,322	1,722,322	-
Noncurrent notes receivable	2,749,772	-	2,749,772	-
Tax abatements	2,511,199	-	2,511,199	-
Police activities	160,701	-	160,701	-
Court activities	332,708	-	332,708	-
Record preservation	32,847	-	32,847	-
TIRZ Development	2,658,753	-	2,658,753	-
Hotel/Motel	2,412,531	-	2,412,531	-
Other purposes	974,921	-	974,921	-
Unrestricted	46,217,536	141,030,536	187,248,071	3,704,038
Total net position	\$ 175,861,575	\$ 546,424,358	\$ 722,285,932	\$ 5,925,789

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, 2020

Functions/Programs	Expenses	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
		Fees, Fines and Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions		Primary Government		Component Unit
						Governmental Activities	Business-type Activities	
Primary government:								
Governmental activities:								
General government and administration	\$ 16,179,781	\$ 261,585	\$ -	\$ -	\$ -	\$ (15,918,196)	\$ -	\$ -
Development services	6,438,717	1,029,792	1,284,774	-	(4,124,151)	-	-	(4,124,151)
Public works services	12,867,878	-	(128,765)	14,726,449	-	1,729,806	-	1,729,806
Public safety	46,256,622	6,074,324	5,315,663	-	(34,866,635)	-	-	(34,866,635)
Cultural and recreational	10,833,728	1,582,294	1,200,053	-	(8,051,381)	-	-	(8,051,381)
Interest on long-term debt	2,816,111	-	-	-	(2,816,111)	-	-	(2,816,111)
Total governmental activities	95,392,837	8,947,994	7,671,725	14,726,449	(64,046,669)	-	-	(64,046,669)
Business-type activities:								
City electric	142,043,711	185,889,665	-	-	-	-	43,845,954	43,845,954
Rural electric	36,280,420	45,850,000	-	-	-	-	9,569,580	9,569,580
Water	10,761,384	14,449,661	-	3,970,074	-	-	7,658,351	7,658,351
Wastewater	11,469,226	13,387,061	-	3,992,357	-	-	5,910,191	5,910,191
Solid waste	6,760,860	8,324,257	-	-	-	-	1,563,398	1,563,398
Other nonmajor enterprise funds	992,792	2,354,906	-	-	-	-	1,362,114	1,362,114
Total business-type activities	208,308,393	270,255,549	-	7,962,431	-	-	69,909,588	69,909,588
Total primary government	\$ 303,701,230	\$ 279,203,543	\$ 7,671,725	\$ 22,688,880	\$ (64,046,669)	\$ 69,909,588	\$ 5,862,918	\$ -
Component unit:								
Bryan Business Council, Inc.	\$ 178,519	\$ -	\$ 329,337	\$ -	\$ -	\$ -	\$ -	\$ 150,818
General revenues:								
Property taxes					\$ 39,370,526	\$ -	-	39,370,526
Sales taxes					24,465,953	-	-	24,465,953
Franchise taxes					1,938,892	-	-	1,938,892
Alcoholic beverage taxes					140,082	-	-	140,082
Bingo taxes					294,040	-	-	294,040
Hotel occupancy taxes					1,095,785	-	-	1,095,785
Transportation and drainage assessments					6,988,935	-	-	6,988,935
Unrestricted investment earnings					1,352,938	4,223,505	-	5,576,443
Miscellaneous					2,941,259	2,193,754	-	5,135,013
Transfers (net)					34,859,304	(34,859,304)	-	-
Total general revenues and transfers					113,447,714	(28,442,045)	-	85,005,669
Change in net position					49,401,045	41,467,543	-	90,868,588
Net position, October 1, 2019					126,460,530	504,956,815	-	631,417,345
Net position, September 30, 2020					\$ 175,861,575	\$ 546,424,358	\$ -	\$ 722,285,933

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, 2020

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 30,788,460	\$ 1,689,506	\$ 83,192,529	\$ 115,670,495
Investments	7,814,591	469,547	23,117,851	31,401,989
Receivables:				
Accounts	10,168,838	-	757,085	10,925,923
Less allowance for uncollectible	(6,748,943)	-	(52,958)	(6,801,901)
Property taxes	984,323	359,399	-	1,343,722
Less allowance for uncollectible	(854,049)	(317,261)	-	(1,171,310)
Sales taxes	4,494,443	-	-	4,494,443
Grants	-	-	4,190,865	4,190,865
Interest	62,565	3,743	183,923	250,232
Notes receivable	13,359	2,736,413	1,633,305	4,383,077
Less allowance for uncollectible	-	-	(75,839)	(75,839)
Due from other funds	4,819,118	-	723,452	5,542,570
Prepaid and other assets	6,904	-	3,560	10,464
Total assets	<u>\$ 51,549,607</u>	<u>\$ 4,941,348</u>	<u>\$ 113,673,773</u>	<u>\$ 170,164,728</u>
<u>Liabilities, Deferred Inflows, and Fund Balances</u>				
Liabilities:				
Accounts payable	2,529,424	-	2,052,403	4,581,827
Accrued liabilities	2,375,121	-	18,315	2,393,436
Retainage payable	171,429	-	660,157	831,586
Due to other funds	13,785	-	4,611,010	4,624,795
Customer deposits	152,368	-	-	152,368
Total liabilities	<u>5,242,127</u>	<u>-</u>	<u>7,341,885</u>	<u>12,584,012</u>
Deferred inflows:				
Unavailable property taxes	95,511	30,652	-	126,163
Unavailable notes receivable	-	2,736,413	1,557,465	4,293,878
Other unavailable revenue - Sidewalks	-	-	174,436	174,436
Total deferred inflows	<u>95,511</u>	<u>2,767,065</u>	<u>1,731,901</u>	<u>4,594,477</u>
Fund balances (deficits):				
Nonspendable	106,631	-	1,176,117	1,282,748
Restricted	3,977,076	2,174,282	56,469,545	62,620,903
Committed	6,726,575	-	31,371,312	38,097,887
Assigned	3,425,810	-	15,628,798	19,054,608
Unassigned	31,975,877	-	(45,785)	31,930,092
Total fund balances	<u>46,211,969</u>	<u>2,174,282</u>	<u>104,599,987</u>	<u>152,986,239</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 51,549,607</u>	<u>\$ 4,941,348</u>	<u>\$ 113,673,773</u>	<u>\$ 170,164,728</u>

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

CITY OF BRYAN, TEXASReconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
As of September 30, 2020

Total fund balances - governmental funds	\$ 152,986,239
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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 \$98,800).	197,943,261
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	4,524,659
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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.	4,240,679
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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 (\$1,707,377), net capital assets in the amount of \$98,800 and net OPEB and pension balances in the amount of \$586,668).	5,459,171
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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.	(762,905)
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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	\$ 41,095,826	
Certificates of obligation payable	94,140,000	
Premium (discount) on bonds payable	4,920,060	
Deferred amount on refunding	(1,013,895)	
Net Pension Liability	28,913,529	
Net other post employment benefits liability	10,215,801	
Deferred amounts on pensions (net)	870,424	
Deferred amounts on OPEB (net)	(1,059,460)	
Accrued vacation and sick leave (Net of internal service fund liability in the amount of \$104,616)	10,447,244	
	(188,529,529)	(188,529,529)

Net position of governmental activities	\$ 175,861,575
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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, 2020

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 25,965,824	\$ 8,399,477	\$ 5,066,569	\$ 39,431,870
Sales taxes	24,465,953	-	-	24,465,953
Franchise taxes	1,938,892	-	-	1,938,892
Alcoholic beverage taxes	140,082	-	-	140,082
Bingo taxes	294,040	-	-	294,040
Hotel occupancy taxes	-	-	1,095,785	1,095,785
Transportation and drainage assessments	-	-	6,988,935	6,988,935
Charges for services	6,594,140	-	-	6,594,140
Fines and court charges	1,298,601	-	25,462	1,324,063
Licenses and permits	1,029,792	-	-	1,029,792
Grants	1,384,624	-	6,287,102	7,671,726
Investment earnings	395,995	63,583	822,820	1,282,397
Oil and gas royalties	-	-	211,887	211,887
Other	2,302,344	574,191	235,610	3,112,145
Total revenues	65,810,286	9,037,250	20,734,170	95,581,706
Expenditures:				
Current:				
General government and administration	20,202,351	-	2,042	20,204,393
Development services	3,986,465	-	2,340,608	6,327,073
Public works services	3,541,682	-	635,689	4,177,371
Public safety	38,464,623	-	5,150,908	43,615,531
Cultural and recreational	7,666,287	-	1,660,659	9,326,946
Administrative reimbursement	(6,093,231)	-	-	(6,093,231)
Capital outlay	5,357,920	-	19,289,021	24,646,941
Debt service:				
Bond and principal retirement	-	8,354,991	-	8,354,991
Interest and fiscal charges	-	2,267,897	-	2,267,897
Debt issuance costs	-	92,575	226,250	318,825
Total expenditures	73,126,097	10,715,463	29,305,177	113,146,737
Excess (deficiencies) of revenues over (under) expenditures	(7,315,811)	(1,678,213)	(8,571,007)	(17,565,031)
Other financing sources (uses):				
Sales of capital assets	836,126	-	-	836,126
Transfers in	20,675,742	2,160,569	36,010,000	58,846,311
Transfers out	(1,047,944)	-	(23,188,621)	(24,236,565)
Long-term debt issued	-	-	70,365,000	70,365,000
Refunding bonds issued	-	7,125,000	-	7,125,000
Premium on refunding bonds	-	440,801	-	440,801
Premium on long-term debt issued	-	-	2,594,393	2,594,393
Payment to refunded bond escrow agent	-	(7,747,691)	-	(7,747,691)
Total other financing sources (uses)	20,463,924	1,978,679	85,780,772	108,223,375
Net change in fund balances	13,148,113	300,466	77,209,765	90,658,344
Fund balances, October 1, 2019	33,063,857	1,873,816	27,390,222	62,327,895
Fund balances, September 30, 2020	\$ 46,211,970	\$ 2,174,282	\$ 104,599,987	\$ 152,986,239

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

CITY OF BRYAN, TEXAS
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended September 30, 2020

Net change in fund balances - total governmental funds \$ 90,658,344

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. 24,646,941

The City's investment in the Economic Development Foundation is reported at the government-wide level but not at the fund level. (73,457)

The net effect of various transactions involving capital assets (i.e., sales and contributions) is to increase net position. 14,726,448

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. (13,282,412)

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:

Certificates of obligation issued	(70,365,000)
General obligation refunding bonds issued	(7,125,000)
Payment to refunded bond escrow agent	7,747,691
Premium and deferred loss amount on refunding bond	(3,035,194)
Debt principal repayments	8,354,991

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. (4,021,943)

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. (327,692)

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. 126,163

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. 1,557,465

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 (depreciation expense of \$14,299 allocated above and net of amount allocated to business-type activities of \$251,504). (186,300)

Change in net position of governmental activities. \$ 49,401,045

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, 2020

	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>Assets</u>							
Current assets:							
Cash and cash equivalents	\$ 72,921,783	\$ 17,402,404	\$ 7,113,355	\$ 7,559,568	\$ 9,858,015	\$ 114,855,125	\$ 5,927,107
Investments	4,293,752	3,547,733	1,973,744	2,100,832	2,739,519	14,655,580	1,626,313
Accounts receivable	21,962,804	5,168,593	2,353,926	1,662,423	654,072	31,801,818	145
Less allowance for uncollectible	(348,841)	(59,809)	(54,672)	(61,083)	(49,319)	(573,724)	-
Interest receivable	398,927	-	14,413	18,194	21,771	453,305	12,840
Derivative financial instruments (current portion)	312,005	-	-	-	-	312,005	-
Inventories	1,167,284	-	428,256	-	40,595	1,636,135	207,131
Due from other funds	3,660,456	-	689,646	332,656	239,001	4,921,760	-
Under-recovered regulatory fee	185,970	487,095	-	-	-	673,065	-
Prepaid and other assets	2,834,662	-	-	-	-	2,834,662	-
Total current assets	<u>107,388,802</u>	<u>26,546,016</u>	<u>12,518,668</u>	<u>11,612,590</u>	<u>13,503,654</u>	<u>171,569,730</u>	<u>7,773,537</u>
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	-	2,089,236	1,608,644	41,844	3,739,724	-
Investments	62,077,680	6,248,846	132,591	193,548	11,609	68,664,274	-
Investment in BVSWMMA	-	-	-	-	19,630,704	19,630,704	-
Derivative financial instruments	76,858	-	-	-	-	76,858	-
TMPA decommissioning	26,856,688	-	-	-	-	26,856,688	-
Capital assets:							
Land	7,476,259	115,524	3,426,293	1,921,552	10,319,714	23,259,342	-
Buildings	-	-	317,271	19,889,965	2,660,089	22,867,325	23,420
Equipment	-	-	3,456,915	5,604,590	9,882,352	18,943,857	144,406
Improvements other than buildings	540,353,830	130,079,731	137,316,532	125,938,775	4,235,530	937,924,398	193,658
Construction in progress	38,302,663	16,894,912	2,043,808	3,844,185	119,344	61,204,913	-
Retirement in progress	736,554	-	-	-	-	736,554	-
Less accumulated depreciation	(205,578,185)	(41,815,085)	(54,426,398)	(61,506,555)	(11,228,438)	(374,554,661)	(262,684)
Total capital assets (net of accumulated depreciation)	<u>381,291,121</u>	<u>105,275,082</u>	<u>92,134,421</u>	<u>95,692,513</u>	<u>15,988,591</u>	<u>690,381,728</u>	<u>98,800</u>
Total noncurrent assets	<u>470,302,347</u>	<u>111,523,928</u>	<u>94,356,248</u>	<u>97,494,705</u>	<u>35,672,748</u>	<u>809,349,976</u>	<u>98,800</u>
Total assets	<u>\$ 577,691,149</u>	<u>\$ 138,069,944</u>	<u>\$ 106,874,917</u>	<u>\$ 109,107,294</u>	<u>\$ 49,176,402</u>	<u>\$ 980,919,706</u>	<u>\$ 7,872,336</u>
<u>Deferred outflows</u>							
Pensions	2,182,388	-	256,200	308,779	311,742	3,059,109	79,980
Other post employment benefits (OPEB)	675,120	-	124,002	141,224	161,891	1,102,237	31,000
Unamortized loss on refunded debt	-	-	576,018	289,160	-	865,178	-
Total deferred outflows	<u>\$ 2,857,508</u>	<u>\$ -</u>	<u>\$ 956,220</u>	<u>\$ 739,163</u>	<u>\$ 473,633</u>	<u>\$ 5,026,524</u>	<u>\$ 110,980</u>

CITY OF BRYAN, TEXAS
Statement of Net Position
Proprietary Funds
As of September 30, 2020

	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	\$ 14,276,786	\$ 1,564,139	\$ 289,471	\$ 390,478	\$ 174,858	\$ 16,695,732	\$ 84,417
Accrued liabilities and retainage	784,382	119,843	395,030	114,908	166,541	1,580,704	28,125
Claims payable	-	-	-	-	-	-	3,361,170
Due to other funds	1,628,840	3,645,308	-	-	565,387	5,839,535	-
Unearned revenue	-	-	-	266,466	-	266,466	-
Accrued interest	-	-	-	-	3,543	3,543	-
Accrued vacation and sick pay	1,137,290	-	118,462	137,358	114,329	1,507,439	30,925
TPMA decommissioning (current portion)	7,357,637	-	-	-	-	7,357,637	-
Payable from restricted assets:							
Accrued liabilities	-	-	40,073	188,271	-	228,344	-
Accrued interest	2,267,741	337,045	169,653	121,819	-	2,896,258	-
Over-recovered fuel cost	5,328,224	1,224,610	-	-	-	6,552,834	-
Bonds payable, net	11,368,469	1,637,619	2,948,461	3,273,546	55,270	19,283,365	-
Customer deposits	4,714,537	1,558,606	-	-	15,200	6,288,343	-
Total current liabilities	48,863,906	10,087,170	3,961,149	4,492,846	1,095,128	68,500,199	3,504,636
Noncurrent liabilities:							
Bonds payable, net	234,242,183	35,493,551	20,025,937	16,173,718	970,340	306,905,729	-
Claims	-	-	-	-	-	-	443,414
TPMA decommissioning	17,634,544	-	-	-	-	17,634,544	-
Net pension liability (NPL)	11,819,322	-	1,387,523	1,672,278	1,688,325	16,567,448	433,152
Net other post employment benefit liability (OPEB)	3,320,327	-	618,048	721,136	817,425	5,476,936	156,528
Accrued vacation and sick pay	306,351	-	166,601	193,176	160,787	826,915	73,691
Total noncurrent liabilities	267,322,727	35,493,551	22,198,109	18,760,307	3,636,877	347,411,572	1,106,786
Total liabilities	316,186,633	45,580,721	26,159,259	23,253,154	4,732,005	415,911,771	4,611,422
<u>Deferred Inflows</u>							
Pensions	2,538,202	-	297,971	359,122	362,568	3,557,863	93,020
Other post employment benefits (OPEB)	325,534	-	59,792	68,097	78,062	531,485	14,948
Accumulated increase in fair value of hedging derivatives	388,863	-	-	-	-	388,863	-
Deferred regulatory liability	4,084,588	13,339,925	-	-	-	17,424,513	-
Total deferred inflows	\$ 7,337,187	\$ 13,339,925	\$ 357,763	\$ 427,219	\$ 440,630	\$ 21,902,724	\$ 107,968
<u>Net Position</u>							
Net investment in capital assets	150,327,214	56,659,412	71,791,282	78,100,981	15,006,737	371,885,626	98,800
Restricted for:							
BVSWMA, Inc.	-	-	-	-	19,630,704	19,630,704	-
Debt reserve	6,177,462	-	-	-	-	6,177,462	-
Debt service	2,125,833	692,758	1,342,731	1,806,272	10,114	5,977,708	-
Rate stabilization	1,722,322	-	-	-	-	1,722,322	-
Encumbrances	-	-	-	-	-	-	20,823
Unrestricted	96,672,006	21,797,128	8,180,102	6,258,832	9,829,845	142,737,913	3,144,303
Total net position	\$ 257,024,837	\$ 79,149,298	\$ 81,314,114	\$ 86,166,085	\$ 44,477,400	\$ 548,131,735	\$ 3,263,926
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(1,707,377)	
Net position of business-type activities						\$ 546,424,358	

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, 2020

	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
Operating revenues:							
Electrical system	\$ 183,888,530	\$ 45,850,000	\$ -	\$ -	\$ -	\$ 229,738,530	\$ -
Water system	-	-	14,449,661	-	-	14,449,661	-
Wastewater system	-	-	-	13,387,061	-	13,387,061	-
Solid waste	-	-	-	-	8,324,257	8,324,257	-
Other	2,001,135	-	-	-	2,354,906	4,356,041	16,529,658
Total operating revenues	<u>185,889,665</u>	<u>45,850,000</u>	<u>14,449,661</u>	<u>13,387,061</u>	<u>10,679,163</u>	<u>270,255,549</u>	<u>16,529,658</u>
Operating expenses:							
Personnel services	12,322,140	697,170	2,743,945	3,495,864	3,409,414	22,668,533	1,236,765
Electric operations	90,557,707	28,987,523	-	-	-	119,545,230	-
Maintenance	4,837,801	1,591,891	769,983	418,555	370,047	7,988,277	5,733
Claims	-	-	-	-	-	-	12,780,347
Other services and charges	3,805,786	-	1,901,196	1,558,800	1,678,242	8,944,024	4,086,187
Other expenses	2,023,073	-	55,832	322,809	503,608	2,905,321	81,138
General and administrative	3,147,281	207,022	507,805	538,046	630,634	5,030,788	-
Total operating expenses							
before depreciation and amortization	<u>116,693,788</u>	<u>31,483,606</u>	<u>5,978,760</u>	<u>6,334,074</u>	<u>6,591,945</u>	<u>167,082,173</u>	<u>18,190,170</u>
Operating income (loss) before depreciation and amortization	69,195,877	14,366,394	8,470,901	7,052,987	4,087,218	103,173,377	(1,660,512)
Depreciation and amortization	16,889,527	3,460,689	3,986,225	4,630,533	1,183,943	30,150,917	14,299
Operating income (loss)	<u>52,306,350</u>	<u>10,905,705</u>	<u>4,484,676</u>	<u>2,422,454</u>	<u>2,903,276</u>	<u>73,022,460</u>	<u>(1,674,811)</u>
Nonoperating revenues (expenses):							
Investment earnings	3,318,858	448,538	204,374	128,278	123,457	4,223,505	70,540
Interest expense	(8,609,788)	(1,336,125)	(823,504)	(530,808)	(26,581)	(11,326,806)	-
Distributive share of BVSWM net income	-	-	-	-	1,447,325	1,447,325	-
Other	-	-	518,466	107,327	120,636	746,428	1,434,217
Total nonoperating revenues (expenses)	<u>(5,290,930)</u>	<u>(887,587)</u>	<u>(100,665)</u>	<u>(295,202)</u>	<u>1,664,836</u>	<u>(4,909,548)</u>	<u>1,504,757</u>
Income (loss) before contributions and transfers	47,015,420	10,018,118	4,384,011	2,127,251	4,568,112	68,112,912	(170,053)
Capital contributions	-	-	3,970,074	3,992,357	-	7,962,431	-
Transfers in	2,010,483	-	24,480	268,198	461,770	2,764,930	349,556
Transfers out	(32,934,109)	-	(1,393,692)	(1,202,679)	(2,093,755)	(37,624,235)	(100,000)
Change in net position	<u>16,091,794</u>	<u>10,018,118</u>	<u>6,984,873</u>	<u>5,185,127</u>	<u>2,936,127</u>	<u>41,216,039</u>	<u>79,503</u>
Net position, October 1, 2019	240,933,043	69,131,180	74,329,241	80,980,958	41,541,273		3,184,423
Net position, September 30, 2020	<u>\$ 257,024,837</u>	<u>\$ 79,149,298</u>	<u>\$ 81,314,114</u>	<u>\$ 86,166,085</u>	<u>\$ 44,477,400</u>		<u>\$ 3,263,926</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						251,504	
Change in net position of business-type activities.						<u>\$ 41,467,543</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, 2020

	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	\$ 184,948,052	\$ 45,987,714	\$ 14,007,069	\$ 13,060,226	\$ 10,663,288	\$ 268,666,349	\$ 4,409,138
Receipts for interfund services provided	-	-	-	-	-	-	13,439,352
Payments to suppliers	(106,110,788)	(35,430,280)	(2,891,102)	(2,116,149)	(2,450,400)	(148,998,719)	(17,213,673)
Payments to employees	(11,387,517)	(695,190)	(2,717,618)	(3,448,195)	(3,256,003)	(21,504,523)	(757,514)
Other receipts	-	-	-	-	-	-	1,434,217
Payments for interfund services used	-	-	(507,805)	(538,046)	(630,634)	(1,676,485)	-
Net cash provided (used) by operating activities	<u>67,449,747</u>	<u>9,862,244</u>	<u>7,890,544</u>	<u>6,957,836</u>	<u>4,326,251</u>	<u>96,486,622</u>	<u>1,311,520</u>
Cash flows from noncapital financing activities:							
Transfers in	2,010,483	-	24,480	268,198	461,770	2,764,930	349,556
Transfers out	(32,934,109)	-	(1,393,692)	(1,202,679)	(2,093,755)	(37,624,235)	(100,000)
Net cash provided (used) by noncapital financing activities	<u>(30,923,626)</u>	<u>-</u>	<u>(1,369,212)</u>	<u>(934,481)</u>	<u>(1,631,985)</u>	<u>(34,859,304)</u>	<u>249,556</u>
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(49,272,154)	(14,508,981)	(1,109,348)	(3,224,222)	(1,272,244)	(69,386,949)	(34,953)
Proceeds from sale of assets	-	-	280,968	21,921	115,862	418,751	-
Bond issuance costs	-	-	(80,764)	-	-	(80,764)	-
Principal paid on outstanding bonds	(9,630,000)	(1,495,000)	(2,997,273)	(3,125,239)	(52,498)	(17,300,010)	-
Interest paid on bonds, contractual obligations, and notes	(10,073,273)	(1,481,908)	(850,661)	(517,257)	(26,581)	(12,949,680)	-
Net cash provided (used) by capital and related financing activities	<u>(68,975,427)</u>	<u>(17,485,889)</u>	<u>(4,757,078)</u>	<u>(6,844,797)</u>	<u>(1,235,461)</u>	<u>(99,298,652)</u>	<u>(34,953)</u>
Cash flows from investing activities:							
Purchase of investment securities	(148,225,290)	(35,401,578)	(2,651,959)	(2,888,715)	(3,463,777)	(192,631,319)	(2,047,592)
Sale of investment securities	245,537,289	56,896,224	7,314,410	11,501,022	11,447,959	332,696,905	6,126,694
Interest on investments	1,194,796	162,386	200,669	127,693	118,243	1,803,786	66,968
Net cash provided (used) by investing activities	<u>98,506,795</u>	<u>21,657,032</u>	<u>4,863,120</u>	<u>8,740,000</u>	<u>8,102,425</u>	<u>141,869,372</u>	<u>4,146,070</u>
Net increase (decrease) in cash and cash equivalents	66,057,489	14,033,387	6,627,374	7,918,558	9,561,230	104,198,038	5,672,195
Cash and cash equivalents, October 1, 2019	<u>6,864,294</u>	<u>3,369,017</u>	<u>2,575,217</u>	<u>1,249,654</u>	<u>338,629</u>	<u>14,396,811</u>	<u>254,912</u>
Cash and cash equivalents, September 30, 2020	<u>\$ 72,921,783</u>	<u>\$ 17,402,404</u>	<u>\$ 9,202,591</u>	<u>\$ 9,168,212</u>	<u>\$ 9,899,859</u>	<u>\$ 118,594,849</u>	<u>\$ 5,927,107</u>

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, 2020

	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
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 52,306,350	\$ 10,905,705	\$ 4,484,676	\$ 2,422,454	\$ 2,903,276	\$ 73,022,460	\$ (1,674,811)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities							
Depreciation and amortization	16,889,527	3,460,689	3,986,225	4,630,533	1,183,943	30,150,917	14,299
Bad debts	188,999	16,719	-	-	-	205,718	-
Other revenue	-	-	-	-	-	-	1,434,217
Change in assets and liabilities:							
Change in accounts receivable	(946,527)	113,355	(313,723)	(336,764)	19,989	(1,463,670)	119,161
Change in inventories	71,438	-	14,757	-	5,400	91,595	13,945
Change in due from other funds	1,727,235	-	(128,868)	9,929	(43,933)	1,564,362	1,407
Change in over (under) recovered fuel	(2,725,724)	(1,833,605)	-	-	-	(4,559,329)	-
Change in over (under) recovered regulatory fee	337,097	(192,877)	-	-	-	144,220	-
Change in prepaid and other assets	(1,202,050)	-	-	-	-	(1,202,050)	-
Deferred outflows/inflows of resources - pensions & OPEB	6,587,723	-	-	-	-	6,587,723	-
Change in accounts payable	1,322,715	(906,847)	(169,284)	251,577	(308,864)	189,297	(152,825)
Change in accrued liabilities	240,374	1,980	21,223	(23,417)	18,635	258,795	8,915
Change in other liabilities	-	-	-	-	3,424	3,424	-
Change in customer deposits	4,914	24,360	-	-	(105)	29,169	-
Change in due to other funds	262,910	(1,727,235)	-	(15,182)	404,712	(1,074,795)	(58)
Change in claims payable	-	-	-	-	-	-	1,076,934
Change in accrued vacation and sick pay	-	-	15,493	41,434	23,343	80,270	29,133
Change in TMPA decommissioning liability	(1,864,507)	-	-	-	-	(1,864,507)	-
Change in OPEB and NPL	(5,750,727)	-	(19,955)	(22,727)	116,432	(5,676,977)	441,203
Net cash provided by operating activities	<u>\$ 67,449,747</u>	<u>\$ 9,862,244</u>	<u>\$ 7,890,544</u>	<u>\$ 6,957,836</u>	<u>\$ 4,326,251</u>	<u>\$ 96,486,622</u>	<u>\$ 1,311,520</u>
Reconciliation of total cash and cash equivalents:							
Current assets - cash and cash equivalents	\$ 72,921,783	\$ 17,402,404	\$ 7,113,355	\$ 7,559,568	\$ 9,858,015	\$ 114,855,125	\$ 5,927,107
Restricted assets - cash and cash equivalents	-	-	2,089,236	1,608,644	41,844	3,739,724	-
Total cash and cash equivalents	<u>\$ 72,921,783</u>	<u>\$ 17,402,404</u>	<u>\$ 9,202,591</u>	<u>\$ 9,168,212</u>	<u>\$ 9,899,859</u>	<u>\$ 118,594,849</u>	<u>\$ 5,927,107</u>
Noncash Investing, Capital and Financing Activities							
Capital asset acquisitions included in accounts payable	\$ 4,302,062	\$ 580,403	\$ 166,587	\$ 235,619	\$ 9,697	\$ 5,294,368	\$ -
Capital asset contributions	\$ -	\$ -	\$ 3,970,074	\$ 3,992,357	\$ -	\$ 7,962,431	\$ -

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, 2019

Assets

Cash and cash equivalents	\$ 1,803,830
Total assets	<u>\$ 1,803,830</u>

Liabilities

Accounts payable	\$ -
Total liabilities	<u>-</u>
Net position restricted for OPEB	<u>\$ 1,803,830</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, 2019

Additions

Contributions

Employer contributions	\$ 1,625,781
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Investment income

Interest	221,183
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Total additions	<u>1,846,964</u>
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Deductions

Expenses

Benefit payments	1,125,781
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Administration	<u>7,691</u>
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Total deductions	<u>1,133,472</u>
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Net Increase	<u>713,492</u>
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Net position restricted for OPEB January 1, 2019	<u>1,090,337</u>
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Net position restricted for OPEB December 31, 2019	<u><u>\$ 1,803,830</u></u>
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The notes to the financial statements are an integral part of this statement.



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City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

The condensed combined statements of net position for the City Electric System and QSE as of September 30, 2020 are as follows:

	September 30, 2020		
	BTU City	QSE	Combined
Current assets	\$ 104,731,686	\$ 2,657,116	\$ 107,388,802
Capital assets, net	380,997,149	293,972	381,291,121
Restricted assets	62,077,680	-	62,077,680
Other	26,933,546	-	26,933,546
Total assets	574,740,060	2,951,089	577,691,149
Deferred outflows	2,857,508	-	2,857,508
Current liabilities	24,354,479	830,456	25,184,935
Current liabilities payable from restricted assets	23,678,971	-	23,678,971
Noncurrent liabilities	267,322,727	-	267,322,727
Total liabilities	315,356,177	830,456	316,186,633
Deferred inflows	7,337,187	-	7,337,187
Net Position:			
Net investment in capital assets	150,033,242	293,972	150,327,214
Restricted	10,025,617	-	10,025,617
Unrestricted	94,845,346	1,826,660	96,672,006
Total net position	\$ 254,904,206	\$ 2,120,632	\$ 257,024,837

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, 2020, are as follows:

	Fiscal Year Ended September 30, 2020		
	BTU City	QSE	Combined
Operating revenues	\$ 184,217,948	\$ 1,671,717	\$ 185,889,665
Operating expenses	131,911,598	1,671,717	133,583,315
Operating income	52,306,350	-	52,306,350
Investment income	3,318,858	-	3,318,858
Interest expense	(8,609,788)	-	(8,609,788)
Income before operating transfers	47,015,420	-	47,015,420
Transfers, net	(30,923,626)	-	(30,923,626)
Change in net position	16,091,794	-	16,091,794
Net position, beginning of period	238,812,411	2,120,632	240,933,043
Net position, end of period	\$ 254,904,205	\$ 2,120,632	\$ 257,024,837

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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, 2020 and the changes in net position from July 1, 2019 to June 30, 2020 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 21).

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 are normally 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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

- 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.
- Midtown Park Operations Fund – This fund was established by City of Bryan Ordinance for the express purpose of accounting for the operations of the Travis Bryan Midtown Park. Revenues and expenditures of park operations will be accounted for in this fund.
- Midtown Park Construction Fund – This fund was established by City of Bryan Ordinance to account for the cash-funded costs of construction for the Travis Bryan Midtown Park. Debt funded construction costs will be accounted for in the appropriate Capital Projects fund.
- 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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 customers within the city limits 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 located outside the city limits but 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 an operating 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. This category includes the Bryan Airport Fund, the Solid Waste Fund, and Bryan Commerce and Development ("BCD").

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. This category includes the Employee Benefits Fund, the Self-insurance Fund, and the Warehouse Fund.

Additionally, fiduciary funds account for the City's OPEB ("other post-employment benefits") fund. The OPEB Fund was created to account for the funding of the Post-employment Benefits

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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. This fund 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.

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 estimated and 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, and 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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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 Grant Fund, Sidewalks Fund, Capital Projects funds and the permanent funds. Grant expenditures are controlled by the grant agreements and amounts awarded are generally not known during the budget making process. The Sidewalks Fund expenditures are strictly controlled by the ordinance that created the fund. Expenditures are based on developer contributions and have to be used for sidewalks in the development or single-member district in which the development is located. Capital project fund expenditures are effectively controlled through bond 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 and ending September 30. 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 end of the monthly reporting cycle. An individual

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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 except for balances in the investment pools which are reported as investments.

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 qualified as a Regulatory Asset under accounting rules and was amortized through FY 2019, the life of the associated debt. The remaining \$5.2 million balance was fully amortized during the fiscal year ended September 30, 2019.

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 costs associated with the decommissioning of the generating assets of TMPA. 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%. During 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 also recognized in 2019. The Regulatory Asset will be amortized in future periods when its costs are included in electric rates. See Note 7 below for further information regarding the liability due to TMPA. See Note 29 below for the subsequent event regarding the sale of the Gibbons Creek Steam Electric Station and the assumption of all environmental liabilities.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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 that construction is performed by City personnel, the cost includes payroll and related costs and certain general and administrative expenses. 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:

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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.

In 2016, 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 City funds in order to maintain the City's financial ability to meet its current and future service needs. These policies were amended in September, 2020 to better accommodate the amounts needed for the minimum fund balances. 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 111. 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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 as of 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 were two governmental debt issuances for the fiscal year ended September 30, 2020. Combination Tax and Revenue Certificates of Obligation, Series 2020 (the "CO's") and General Obligation Refunding Bonds, Series 2020 (the "GO's"). Issuance expenses for the CO's were \$226,250 and issuance expenses for the GO's were \$92,575. Issuance expenses for Business-Type Activities are reported on the Statement of Revenues, Expenses and Changes in Net Position in interest expense. There was one business-type activity debt issuance for the fiscal year ended September 30, 2020, Waterworks and Sewer System Revenue Refunding Bonds, New Series 2020. Issuance expenses for this debt issuance totaled \$81,500.

Utility Revenues, Fuel Recovery, and Regulatory Recovery

BTU City and Rural electric customers are billed on the basis of monthly cycle billings. At fiscal year-end, the City Electric System accrues estimated unbilled revenues for the period ended September 30. These unbilled revenues amounted to \$2,435,072 at September 30, 2020, and are included in accounts receivable. 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, 2020, the City Electric System reported a current liability – over-recovered fuel of \$5,328,224. At September 30, 2020, the Rural Electric System reported a current liability – over-recovered fuel of \$1,224,610.

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, 2020, the City Electric System reported a current asset – under-recovered regulatory fee of \$185,970. At September 30, 2020, the Rural Electric System reported a current asset – under-recovered regulatory fee of \$487,095.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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, 2020, the City Electric System collected \$1,417,532 of AIC. The amortization of the deferred regulatory liability for the City Electric System was \$127,643 for the fiscal year ended September 30, 2020. During the fiscal year ended September 30, 2020, the Rural Electric System collected \$1,008,724 of AIC. The amortization of the deferred regulatory liability for the Rural Electric System was \$451,529 for the fiscal year ended September 30, 2020.

Compensated Absences

The City's policy in effect during Fiscal Year 2020 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

New Accounting Pronouncements and Changes in Accounting Principles

For the fiscal year ended September 30, 2020, the City adopted:

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.

GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following guidance issued by GASB is effective for years following FY 2020 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, 2019.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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 June 15, 2021.

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, 2021.

GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about various statements. The requirements of this statement are effective for reporting periods beginning after June 15, 2021 and upon issuance of Statement 87.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable.

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend

The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The requirements of this statement are effective for reporting periods beginning June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

GASB Statement No. 97, Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

obligations of Texas or its agencies and instrumentalities that have a fair 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, 2020 the amount of the City's demand deposits were \$149,868,265, BTU's demand deposits were \$90,324,187, and the combined bank balance was \$240,192,452.

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 27, 2019, for the fiscal year ending September 30, 2020, 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 or its agencies and instrumentalities;
- b. Debentures or discount notes issued by, guaranteed by, or for which the credit of any Federal Agencies and Instrumentalities is pledged for payment;
- c. Bonds or other obligations, the principal and interest of which is guaranteed 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

- 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. "Hedging" means the buying and selling of fuel oil, natural gas, coal, nuclear fuel, and electric energy futures or options or similar contracts on those commodities and related transportation costs as a protection against loss due to price fluctuation. A hedging transaction must comply with the regulations of the Commodity Futures Trading Commission and the Securities and Exchange Commission. A payment under a hedging contract or related agreement in relation to fuel supplies or fuel reserves is a fuel expense, and BTU shall credit any amounts it receives under the contract or agreement against fuel expenses

The City's cash and cash equivalents and investments at September 30, 2020 as are follows:

	<u>Carrying Value</u>	<u>Percentage of Total</u>	<u>Wgt. Avg. Maturity (Days)</u>
U. S. Agencies and Treasuries	\$ 25,511,488	7.16%	486
Municipal Bonds	49,805,198	13.97%	352
Government Pools	41,031,469	11.51%	36
Demand Deposits	240,192,452	67.37%	1 day
	<u>\$ 356,540,607</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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

The City has recurring fair value measurements as presented in the table below. The investment balances at September 30, 2020 are as follows:

<u>Investment measured at fair value</u>	<u>Value at FYE</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Agency securities, municipal bonds, and treasuries	\$ 75,316,686	\$ 9,908,258	\$ 65,408,428	\$ -
	<u>\$ 75,316,686</u>	<u>\$ 9,908,258</u>	<u>\$ 65,408,428</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, 2020, the City had the following investments:

<u>Investment Types</u>	<u>Value</u>	<u>Investment Maturity (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>Greater Than 5</u>
Agency securities, municipal bonds, and treasuries	\$ 75,316,686	\$ 20,893,723	\$ 54,422,963	\$ -
Total	<u>\$ 75,316,686</u>	<u>\$ 20,893,723</u>	<u>\$ 54,422,963</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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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 fair value equal to or greater than 105% of the total deposits. At September 30, 2020, all City deposits were insured or adequately collateralized.

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

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

The City’s investment policy limits investments in external investment pools to pools rated as to investment quality not less than “AAA” or “AAA-m” or an equivalent rating by at least one nationally recognized rating service. The investment policy limits investments in 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. Direct obligations of the United States government or its agencies and instrumentalities and bonds or other obligations, the principal and interest of which is guaranteed by the full faith and credit of the United States are permitted by the investment policy.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

The City's investments as of September 30, 2020 were rated as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>
Investment Pools	AAA-m	Standard & Poor's
Municipal Bonds	Aa2 to Aaa AA to AAA AA to AAA	Moody's Standard & Poor's Fitch
Treasuries	Aaa AAA	Moody's Standard & Poor's
U.S. Agency Bonds	Aaa AA+ AAA	Moody's Standard & Poor's Fitch

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, 2020. 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	Balance October 1	Additions / Completions	Retirements / Adjustments	Balance September 30
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 13,064,618	\$ 973,265	\$ -	\$ 14,037,883
Construction in progress	4,634,787	15,177,263	-	19,812,050
Total capital assets not being depreciated	17,699,405	16,150,528	-	33,849,933
Capital assets, being depreciated				
Buildings	47,170,005	60,231	(150,000)	47,080,236
Machinery and equipment	38,944,486	4,105,839	(1,109,084)	41,941,241
Improvements other than buildings	42,515,963	2,930,446	-	45,446,409
Infrastructure	224,481,389	15,340,429	-	239,821,818
Total capital assets being depreciated	353,111,843	22,436,945	(1,259,084)	374,289,704
Less accumulated depreciation for:				
Buildings	(18,512,714)	(1,202,469)	79,063	(19,636,120)
Machinery and equipment	(29,846,691)	(2,370,223)	807,456	(31,409,458)
Improvements other than buildings	(28,673,013)	(1,480,692)	-	(30,153,705)
Infrastructure	(120,753,766)	(8,243,327)	-	(128,997,093)
Total accumulated depreciation	(197,786,184)	(13,296,711)	886,519	(210,196,376)
Total capital assets being depreciated, net	155,325,659	9,140,235	(372,566)	164,093,328
Governmental activities capital assets, net	\$ 173,025,064	\$ 25,290,763	\$ (372,566)	\$ 197,943,261
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 21,610,334	\$ 1,649,008	\$ -	\$ 23,259,342
Construction in progress	63,114,042	61,116,425	(63,025,554)	61,204,913
Retirement in progress	245,778	1,249,937	(759,161)	736,554
Total capital assets not being depreciated	84,970,154	64,015,370	(63,784,715)	85,200,809
Capital assets, being depreciated				
Buildings	22,837,105	42,899	(12,679)	22,867,325
Machinery and equipment	17,583,915	2,182,698	(822,756)	18,943,857
Improvements other than buildings	863,156,886	75,873,987	(1,106,475)	937,924,398
Total capital assets being depreciated	903,577,906	78,099,584	(1,941,910)	979,735,580
Less accumulated depreciation for:				
Buildings	(4,470,810)	(940,556)	10,862	(5,400,504)
Machinery and equipment	(12,900,043)	(1,616,158)	566,433	(13,949,768)
Improvements other than buildings	(328,908,530)	(28,085,636)	1,789,777	(355,204,389)
Total accumulated depreciation	(346,279,383)	(30,642,350)	2,367,072	(374,554,661)
Total capital assets being depreciated, net	557,298,523	47,457,234	425,162	605,180,919
Business-type activities capital assets, net	\$ 642,268,677	\$ 111,472,604	\$ (63,359,553)	\$ 690,381,728

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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

Governmental activities:

General government and administration	\$ 844,168
Development services	763,997
Public works services	7,934,779
Public safety	2,468,172
Cultural and recreational	1,285,595
Total depreciation expense - Governmental activities	<u>\$ 13,296,711</u>

Business-type activities:

City Electric	\$ 16,889,527
Rural Electric	3,460,689
Water	3,986,225
Wastewater	4,630,533
Other Enterprise Funds	1,183,943
Total depreciation expense - Business-type activities	<u>\$ 30,150,917</u>

The City has active construction projects as of September 30, 2020. Total accumulated commitments for ongoing capital projects are composed of the following:

	<u>Committed</u>
Street improvements	\$ 8,486,727
Drainage improvements	965,637
Parks Development	14,440,452
Electric Improvements	13,851,573
Water system improvements	1,873,970
Wastewater Treatment Plant	431,900
Wastewater system improvements	2,613,808
Total	<u>\$ 42,664,068</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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, 2020:

	Beginning Balance	Issued	Matured/ Refunded	Ending Balance	Due within one year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 40,400,817	\$ 7,125,000	\$ 6,429,991	\$ 41,095,826	\$ 6,864,940
Certificates of Obligation	33,290,000	70,365,000	9,515,000	94,140,000	1,325,000
Total governmental activities	73,690,817	77,490,000	15,944,991	135,235,826	8,189,940
Total Premium	2,049,364	2,953,637	82,941	4,920,060	343,084
Total Governmental Activities, net	75,740,181	80,443,637	16,027,932	140,155,886	8,533,024
<u>Business-type Activities:</u>					
Water, Sewer & Airport Systems:					
General Obligation Bonds	4,914,183	-	690,009	4,224,174	708,502
Certificates of Obligation	3,665,000	-	900,000	2,765,000	950,000
Revenue Bonds	39,300,000	2,970,000	7,555,000	34,715,000	4,430,000
Electric System :					
General Obligation Bonds	4,800,000	-	740,000	4,060,000	765,000
Certificates of Obligation	34,145,000	-	1,330,000	32,815,000	1,360,000
Revenue Bonds	230,505,000	-	9,055,000	221,450,000	9,485,000
Total business type activities	317,329,183	2,970,000	20,270,009	300,029,174	17,698,502
Total Premium	27,642,322	81,557	1,563,959	26,159,920	1,584,863
Total Business-type Activities, net	344,971,505	3,051,557	21,833,968	326,189,094	19,283,365
Total long-term debt	391,020,000	80,460,000	36,215,000	435,265,000	25,888,442
Total long-term debt, net	\$ 420,711,686	\$ 83,495,194	\$ 37,861,900	\$ 466,344,980	\$ 27,816,389

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

Long-term debt at September 30, 2020 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	\$ 1,145,000	\$ -	\$ 1,145,000
Refunding, Series 2013	2.00 - 3.50	2026	08/15/23	9,422,833	2,772,167	12,195,000
Refunding, Series 2014	2.00 - 3.25	2031	08/15/24	4,407,993	1,452,007	5,860,000
Refunding, Series 2015	2.00 - 4.00	2025	None	4,805,000	4,060,000	8,865,000
Refunding, Series 2016	1.50 - 3.00	2026	None	4,790,000	-	4,790,000
Refunding, Series 2018	2.00 - 5.00	2028	None	5,160,000	-	5,160,000
Refunding, Series 2019	2.00 - 3.00	2028	None	4,240,000	-	4,240,000
Refunding, Series 2020	2.00 - 4.00	2030	08/15/28	7,125,000	-	7,125,000
Total General Obligation Bonds				41,095,826	8,284,174	49,380,000
<u>Certificates of Obligation:</u>						
Combination Tax & Revenue Refunding, Series 2011	3.00 - 4.00	2022	None	-	1,795,000	1,795,000
Combination Tax & Revenue, Series 2013	3.00 - 4.25	2033	08/15/23	-	4,025,000	4,025,000
Combination Tax & Revenue, Series 2014	2.00 - 5.00	2039	08/15/24	5,035,000	28,790,000	33,825,000
Combination Tax & Revenue, Series 2016	2.00 - 5.00	2036	08/15/26	7,555,000	970,000	8,525,000
Combination Tax & Revenue, Series 2018	3.00 - 4.00	2038	08/15/27	11,185,000	-	11,185,000
Combination Tax & Revenue, Series 2020	2.00 - 5.00	2050	02/15/29	70,365,000	-	70,365,000
Total Certificates of Obligation				94,140,000	35,580,000	129,720,000
<u>Revenue Bonds:</u>						
Sewer System Revenue, Series 2011	0.00 - 2.70	2030	07/01/21	-	10,480,000	10,480,000
Electric System Revenue Rural, Series 2011	3.00 - 5.00	2021	None	-	345,000	345,000
Electric System Revenue City, Series 2012	3.13 - 5.00	2037	07/01/22	-	34,500,000	34,500,000
Electric System Revenue City, Series 2016	3.00 - 5.00	2041	07/01/26	-	66,660,000	66,660,000
Electric System Revenue Rural, Series 2016	2.00 - 5.00	2041	07/01/26	-	13,945,000	13,945,000
Water System Revenue, Series 2016A	2.25 - 5.00	2036	07/01/26	-	3,680,000	3,680,000
Water System Revenue, Series 2016B	0.61 - 2.16	2041	07/01/27	-	2,010,000	2,010,000
Water and Sewer System Revenue, Series 2017	3.00 - 4.00	2032	07/01/27	-	12,775,000	12,775,000
Electric System Revenue City, Series 2017	3.00 - 5.00	2034	07/01/27	-	49,415,000	49,415,000
Electric System Revenue City, Series 2018	4.00 - 5.00	2043	07/01/27	-	39,675,000	39,675,000
Electric System Revenue Rural, Series 2018	4.00 - 5.00	2043	07/01/27	-	16,910,000	16,910,000
Water and Sewer System Revenue Refunding, Series 2019	2.00 - 3.00	2029	07/01/27	-	2,800,000	2,800,000
Water and Sewer System Revenue Refunding, Series 2020	2.00 - 3.00	2030	07/01/28	-	2,970,000	2,970,000
Total Revenue Bonds				-	256,165,000	256,165,000
Total long-term debt				135,235,826	300,029,174	435,265,000
Total Premium				4,920,060	26,159,920	31,079,980
Total long-term debt, net				\$ 140,155,886	\$ 326,189,094	\$ 466,344,980

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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>	
2021	\$ 6,864,940	\$ 1,259,301	\$ 1,473,502	\$ 250,109	\$ 9,847,852
2022	5,814,882	1,060,531	1,497,799	214,979	8,588,191
2023	5,987,242	884,165	1,550,838	162,970	8,585,215
2024	6,155,715	717,691	1,596,604	116,444	8,586,454
2025	5,418,132	524,339	1,379,586	60,196	7,382,252
2026-2030	10,557,790	942,968	687,971	66,019	12,254,748
2031	297,126	9,657	97,874	3,181	407,838
Total	<u>\$ 41,095,826</u>	<u>\$ 5,398,652</u>	<u>\$ 8,284,174</u>	<u>\$ 873,898</u>	<u>\$ 55,652,550</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>	
2021	1,325,000	3,862,299	2,310,000	1,257,863	8,755,162
2022	2,835,000	2,840,409	2,345,000	1,177,613	9,198,022
2023	2,945,000	2,718,859	1,485,000	1,095,763	8,244,622
2024	3,085,000	2,592,409	1,535,000	1,048,613	8,261,022
2025	3,215,000	2,453,509	1,610,000	977,723	8,256,232
2026-2030	17,560,000	10,041,681	8,860,000	4,082,395	40,544,076
2031-2035	19,165,000	7,020,990	9,675,000	2,480,049	38,341,039
2036-2040	15,895,000	4,698,654	7,760,000	742,063	29,095,717
2041-2045	14,905,000	2,838,406	-	-	17,743,406
2046-2050	13,210,000	1,048,300	-	-	14,258,300
Total	<u>\$ 94,140,000</u>	<u>\$ 40,115,515</u>	<u>\$ 35,580,000</u>	<u>\$ 12,862,083</u>	<u>\$ 182,697,597</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>	
2021	-	-	13,915,000	10,802,933	24,717,933
2022	-	-	14,435,000	10,208,652	24,643,652
2023	-	-	11,690,000	9,605,672	21,295,672
2024	-	-	12,060,000	9,111,010	21,171,010
2025	-	-	12,650,000	8,593,024	21,243,024
2026-2030	-	-	71,245,000	33,760,185	105,005,185
2031-2035	-	-	60,525,000	18,393,364	78,918,364
2036-2040	-	-	43,620,000	7,823,655	51,443,655
2041-2043	-	-	16,025,000	1,064,582	17,089,582
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,165,000</u>	<u>\$ 109,363,076</u>	<u>\$ 365,528,076</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

Total Long Term Debt

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2021	\$ 8,189,940	\$ 5,121,600	\$ 17,698,502	\$ 12,310,905	\$ 43,320,947
2022	8,649,882	3,900,940	18,277,799	11,601,244	42,429,865
2023	8,932,242	3,603,024	14,725,838	10,864,404	38,125,508
2024	9,240,715	3,310,099	15,191,604	10,276,068	38,018,486
2025	8,633,132	2,977,847	15,639,586	9,630,944	36,881,508
2026-2030	28,117,790	10,984,649	80,792,971	37,908,599	157,804,009
2031-2035	19,462,126	7,030,647	70,297,874	20,876,594	117,667,241
2036-2040	15,895,000	4,698,654	51,380,000	8,565,718	80,539,372
2041-2045	14,905,000	2,838,406	16,025,000	1,064,582	34,832,988
2046-2050	13,210,000	1,048,300	-	-	14,258,300
Total	<u>\$ 135,235,826</u>	<u>\$ 45,514,166</u>	<u>\$ 300,029,174</u>	<u>\$ 123,099,057</u>	<u>\$ 603,878,223</u>

On February 5, 2020, the City issued combination tax and revenue certificates totaling \$70,365,000. These bonds mature serially from August 15, 2022 through August 15, 2050 with coupon rates ranging from 2.0% to 5.0%. The proceeds from the sale of the 2020 Bonds are restricted for: constructing, acquiring, improving, renovating, expanding and developing parks and recreation facilities and related infrastructure, vehicles and equipment, including the Regional Park Project; constructing, improving, renovating, extending, expanding and developing streets and related infrastructure, vehicles and equipment, including drainage, traffic signalization, lighting, sidewalks, soundwalls and landscaping, and acquiring right-of-way related thereto; constructing, renovating and improving fire department facilities and purchasing fire-fighting equipment, including fire trucks; and related professional services, including legal, fiscal, engineering and design fees, and costs of the issuance of the certificates.

On April 15, 2020, the City issued \$7,125,000 in General Obligation refunding bonds, Series 2020. These bonds mature serially from August 15, 2021 through August 15, 2030 with coupon rates ranging from 2.0% to 4.0%. After the payment of issuance costs, the proceeds from the sale of the 2020 refunding bonds were used to refund a total of \$7,590,000 of Certificate of Obligation bonds, Series 2010. This represents a deferred loss of \$157,691, a reduction in debt service payments over the next 10 years of \$857,354, and an economic gain of \$858,918 by an average interest rate of 2.184%.

On April 29, 2020, the City issued \$2,970,000 in Waterworks and Sewer System revenue refunding bonds, Series 2020. These bonds mature serially from July 1, 2021 through July 1, 2030 with coupon rates ranging from 2.0% to 3.0%. After the payment of issuance costs, the proceeds from the sale of the 2020 refunding bonds were used to refund a total of \$3,000,000 of Waterworks and Sewer System Revenue Bonds, Series 2010A. This represents a deferred loss of \$59,050, a reduction in debt service payments over the next 10 years of \$343,349, and an economic gain of \$332,317 by an average interest rate of 2.44%.

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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 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 2017 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 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, 2020.

Other long-term liabilities

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

	Year Ended September 30, 2020		
	Governmental Activities	Business-type Activities	Total
Beginning balance	\$ 9,854,054	\$ 2,003,416	\$ 11,857,470
Plus additions	3,674,611	1,232,078	4,906,689
Less payments	(3,081,421)	(901,140)	(3,982,561)
Ending balance	<u>\$ 10,447,244</u>	<u>\$ 2,334,354</u>	<u>\$ 12,781,598</u>
Amount due in one year	\$ 2,984,002	\$ 1,507,439	\$ 4,491,441
Amount due in over one year	\$ 7,463,242	\$ 826,915	\$ 8,290,157

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

6. PRIOR-YEAR DEFEASANCE OF DEBT

As of September 30, 2020, 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. For the year ended September 30, 2019 the City Electric System recorded a short-term and long-term liability to TMPA for its percentage share of the remediation liabilities. As of September 30, 2020, the non-current liability balance is \$17,634,544, and the current portion of the liability (due in one year) is \$7,357,637.

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	\$ -	\$ 1,864,507	\$ 24,992,181	\$ 7,357,637

8. BONDS AVAILABLE FOR SALE

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

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

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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, 2020:

	General Fund	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Nonspendable:						
Permanent Funds Corpus	\$ 86,368	\$ -	\$ -	\$ -	\$ 1,172,557	\$ 1,258,925
Other Purposes	20,263	-	3,560	-	-	23,823
Restricted for:						
Debt Service	-	2,174,282	-	-	-	2,174,282
Hotel/Motel	-	-	2,412,531	-	-	2,412,531
Municipal Court	150,601	-	182,107	-	-	332,708
TIRZ Development	-	-	2,658,753	-	-	2,658,753
Capital Projects	-	-	-	51,115,106	-	51,115,106
Cemeteries	-	-	-	-	84,412	84,412
Libraries	-	-	-	-	4,663	4,663
Police	160,701	-	-	-	-	160,701
Record Preservation	32,847	-	-	-	-	32,847
Other Purposes	873,873	-	11,973	-	-	885,846
Tax Abatements	2,511,199	-	-	-	-	2,511,199
Animal Center	247,855	-	-	-	-	247,855
Committed to:						
Parks	1,590,753	-	15,310,744	-	-	16,901,497
Libraries	245,468	-	-	-	-	245,468
Streets	-	-	8,297,803	-	-	8,297,803
Drainage	4,151,358	-	1,956,622	-	-	6,107,980
Severance Reserve	738,996	-	-	-	-	738,996
Other Purposes	-	-	5,806,143	-	-	5,806,143
Assigned to:						
Parks	1,112,450	-	-	-	-	1,112,450
Streets and Drainage	14,885	-	-	-	-	14,885
Other Purposes	2,298,475	-	-	15,628,798	-	17,927,273
Unassigned	31,975,877	-	(45,785)	-	-	31,930,092
Total fund balances	\$46,211,969	\$ 2,174,282	\$ 36,594,451	\$66,743,904	\$ 1,261,632	\$ 152,986,238

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

Net position has been restricted at September 30, 2020 as follows:

Restricted for:	Business-Type Activities					Total
	City Electric	Rural Electric	Water	Waste Water	Other Enterprise	
Rate Stabilization	\$ 1,722,322	\$ -	\$ -	\$ -	\$ -	\$ 1,722,322
Debt Reserve	6,177,462	-	-	-	-	6,177,462
Debt Service	2,125,833	692,758	1,342,731	1,806,272	10,114	5,977,708
BVSWMA	-	-	-	-	19,630,704	19,630,704
Total	<u>\$ 10,025,617</u>	<u>\$ 692,758</u>	<u>\$ 1,342,731</u>	<u>\$ 1,806,272</u>	<u>\$ 19,640,818</u>	<u>\$ 33,508,196</u>

10. RETIREMENT PLAN

Plan Description

The City of Bryan participates as one of 888 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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	630
Inactive employees entitled to but not yet receiving benefits	482
Active employees	<u>889</u>
Total	2,001

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 14.99% and 15.19% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020 were \$9,525,048, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, 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, 2019 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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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 and long-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	30%	5.30%
Core Fixed Income	10%	1.25%
Non-Core Fixed Income	20%	4.14%
Real Return	10%	3.85%
Real Estate	10%	4.00%
Absolute Return	10%	3.48%
Private Equity	10%	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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	\$ 346,540,831	\$ 278,467,184	\$ 68,073,647
Changes for the year:			
Service Cost	9,823,079	-	9,823,079
Interest	23,265,601	-	23,265,601
Change of benefit terms	-	-	-
Difference between expected and actual experience	26,678	-	26,678
Changes of assumptions	719,741	-	719,741
Contributions - employer	-	9,290,815	(9,290,815)
Contributions - employee	-	4,335,533	(4,335,533)
Net investment income	-	43,051,984	(43,051,984)
Benefit payments, including refunds of employee contributions	(13,553,597)	(13,553,597)	-
Administrative expense	-	(243,255)	243,255
Other changes	-	(7,307)	7,307
Net changes	20,281,502	42,874,172	(22,592,670)
Balance at 12/31/2019	<u>\$ 366,822,333</u>	<u>\$ 321,341,356</u>	<u>\$ 45,480,977</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	\$ 99,604,877	\$ 45,480,977	\$ 1,252,634

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, 2020 the city recognized pension expense of \$11,350,745.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

At September 30, 2020 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	\$ 548,242	\$ -
Changes in actuarial assumptions	551,969	-
Difference between projected and actual investment earnings	-	(9,767,050)
Contributions subsequent to the measurement date	7,297,662	-
Total	<u>\$ 8,397,873</u>	<u>(9,767,050)</u>

\$7,297,662 reported as deferred outflows of resources 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended September 30</u>
2021	\$ (2,383,630)
2022	(2,470,771)
2023	988,096
2024	(4,800,534)
Total	<u>\$ (8,666,839)</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 \$12,570,193 for the twelve month period which began January 1, 2020 and ends December 31, 2020. 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. The City's insurance carrier has paid out \$682,405 for calendar year 2018, \$165,186 for calendar year 2019 and \$300,904 for calendar year 2020, to date in settlements that exceeded the deductible applicable to individual stop loss coverage.

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

	<u>FY 2020</u>	<u>FY 2019</u>
Beginning balance unpaid claims	\$ 1,395,116	\$ 1,382,976
Incurred claims	13,683,870	10,982,473
Claim payments	(12,207,272)	(10,970,333)
Ending balance unpaid claims	<u>\$ 2,871,714</u>	<u>\$ 1,395,116</u>
Amounts due in one year	\$ 2,871,714	\$ 1,395,116

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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.

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For the Fiscal Year Ended September 30, 2020

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, 2020, retirees paid \$657,086 in premiums and \$2,457,009 in claims and premiums were paid for post-retirement health care and administrative charges. As of September 30, 2020, the City has 76 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 \$14,315 and incurred claims and administrative expenses of \$42,850 during the year ended September 30, 2020. As of September 30, 2020, the City has 1 COBRA participant.

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 2020 \$500,000 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

The following is a summary of the employees covered by the Plan at December 31, 2019 (the measurement date):

Inactive plan members or beneficiaries currently receiving bene	79
Inactive plan members entitled but not yet receiving benefits	0
Active plan members	879
Total plan members	958

Contributions to the Plan

For the year ended September 30, 2020, the City's contribution rate was \$2,072,827, or 3.30% 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, 2019 (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 \$17,496,567 and the net OPEB liability (net of plan fiduciary net position of \$1,803,830) was \$15,692,737.

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:

Valuation Date:	December 31, 2019
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry-Age Normal
Single Discount Rate	6.25% as of December 31, 2019
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS)
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years
Participation Rates	<u>Rule of 80</u> : 60% of pre-65 retirees and 6% of post-65 retirees; 90% of retirees are assumed to lapse coverage at age 65. <u>Under Rule of 80</u> : 10% pre-65 and 0% post-65
Other Information:	
Notes	Changes of assumptions reflect lower participation assumptions, updates to the health care trend assumption to reflect the repeal of the "Cadillac Tax", a change in the Single Discount Rate from 6.50% as of December 31, 2018 to 6.25% as of December 31, 2019, and revised TMRS demographic and salary increase assumptions.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

The actuarial assumptions used at the measurement date valuation were based on the results of an actuarial experience study performed as of December 31, 2017 and a measurement date of December 31, 2019.

For the purposes of the valuation performed as of December 31, 2019, the expected rate of return on OPEB portfolio investments is 6.50% (see the table below). Based on the most recent expected rate of return from the City's Investment Manager for the OPEB Trust (Highmark Capital) of 6.33%, management, in consultation with the City's actuary (GRS Consulting), has taken a conservative approach in assuming a rate of return on Trust assets resulting in a Single Discount Rate of 6.25%. 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	26.50%	5.58%	1.48%
Domestic Equity - Small/Mid Cap	12.50%	5.92%	0.74%
Non-US Equity - Developed	6.00%	5.71%	0.34%
Non-US Equity - Emerging	3.25%	6.80%	0.22%
US Corporate Bonds - Core	43.50%	2.27%	0.99%
US Corporate Bonds - High Yield	1.50%	4.50%	0.07%
US Treasuries (Cash Equivalents)	5.00%	0.84%	0.04%
Real Estate	1.75%	4.44%	0.08%
Total	100.00%		3.96%
Expected Inflation			2.50%
Total Return			6.46%
Total Return, rounded			6.50%

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning Balance at 12/31/2018	\$ 17,265,479	\$ 1,090,337	\$ 16,175,142
Service cost	546,768	-	546,768
Interest on the total OPEB liability	1,103,438	-	1,103,438
Changes of benefit terms	-	-	-
Difference between expected and actual experience	1,378,181	-	1,378,181
Changes of assumptions	(1,671,518)	-	(1,671,518)
Employer contributions	-	1,625,781	(1,625,781)
Net investment income (loss)	-	221,183	(221,183)
Benefits payments	(1,125,781)	(1,125,781)	-
Administrative expense	-	(7,690)	7,690
Other	-	-	-
Net changes	231,088	713,493	(482,405)
Ending Balance	\$ 17,496,567	\$ 1,803,830	\$ 15,692,737

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:

	1% Decrease 5.25%	Discount Rate 6.25%	1% Increase 7.25%
Net OPEB Liability	\$ 17,626,324	\$ 15,692,737	\$ 14,002,631

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:

	1% Decrease	Current Rate Assumption	1% Increase
Net OPEB Liability	\$ 13,700,659	\$ 15,692,737	\$ 18,091,491

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

OPEB Expense and Deferred Inflows and Outflows of Resources

For the year ended September 30, 2020, the City recognized OPEB expense of \$1,566,182. At September 30, 2020, the City reported deferred inflows and 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 economic experience	\$ 1,452,354	\$ -
Changes in actuarial assumptions	-	(1,474,461)
Difference between projected and actual investment earnings	-	(43,592)
Contributions subsequent to the measurement date	1,695,912	-
Total	<u>\$ 3,148,265</u>	<u>\$ (1,518,053)</u>

The \$1,695,912 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:

Year Ending September 30	Net Deferred Outflows (Inflows)
2021	\$ (4,842)
2022	(4,841)
2023	(5,436)
2024	(26,326)
2025	537
Thereafter	(24,791)
Total	<u>\$ (65,699)</u>

See page 38 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 not the Plan Administrator or the trustee, the assets of the Plan are not a reportable fund in the City's basic financial statements.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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,

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

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. 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 \$24,992,181 as of September 30, 2020.

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 TMPA is currently in negotiations with one of the proposers. See subsequent event Note 29 on page 103.

At September 30, 2020, BTU's portion of outstanding TMPA bonds and note purchase agreement was approximately \$46.8 million.

During the year ended September 30, 2020, the City Electric System paid TMPA \$3,650,090 for power purchases and related activity under the contract. As of September 30, 2020, the City Electric System had payables to TMPA amounting to \$20,167.

TMPA's Annual Financial Report for the year ended September 30, 2020 reported the following:

	FY 2020
Total Assets	\$ 368,164,000
Total Deferred Outflows of Resources	-
Total Liabilities	380,362,000
Total Deferred Inflows of Resources	-
Total Net Position	<u>\$ (12,198,000)</u>
Change in Net Position	
for year ended September 30, 2020	\$ (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, BVSWMMA, 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. BVSWMMA, Inc. superseded a previous

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

agreement established in 1990 which combined landfill operations under the then newly created Brazos Valley Solid Waste Management Agency (BVSWMMA). The powers of BVSWMMA, Inc. are vested in a seven member Board of Directors, consisting of appointees from each City Council.

The bylaws for BVSWMMA, 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. BVSWMMA, 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.

BVSWMMA, 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. BVSWMMA has agreed to pay the City an amount equal to the future debt service requirements of these certificates of obligation. On April 15, 2020, the City refunded the Series 2010 with the Series 2020 refunding bonds. The savings from refunding were passed through to BVSWMMA. At September 30, 2020, the City reported a receivable in the amount of \$2,736,413 of which \$275,000 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 BVSWMMA, Inc. The City of Bryan's 50% ownership is reflected in the Solid Waste Fund.

BVSWMMA's audited annual financial statements for the year ended September 30, 2020 reported the following:

	<u>FY 2020</u>
Total Assets	\$ 51,070,603
Total Liabilities	11,518,813
Total Deferred Inflow of Resources	<u>290,382</u>
Total Net Position	<u>\$ 39,261,408</u>
Change in net position for the year ended September 30, 2020	\$ 2,894,650
Bryan's undivided 50% share of changes in net position for the year ended September 30, 2020	\$ 1,447,325

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

16. INTERFUND BALANCES

Interfund receivable and payable balances at September 30, 2020 are as follows:

Receivable Fund	Payable Fund	Amount
General	City Electric	\$ 196,079
	Nonmajor governmental	4,057,652
	Nonmajor enterprise	565,387
Nonmajor governmental	City Electric	171,457
	Nonmajor governmental	550,157
	General	1,838
City Electric	Rural Electric	3,645,308
	General	11,947
	Nonmajor governmental	3,201
Water	City Electric	689,646
Wastewater	City Electric	332,656
Nonmajor enterprise funds	City Electric	239,001
Total		<u>\$ 10,464,329</u>

Interfund receivable and payable balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. Transactions are recorded in the accounting system and payments between funds are made. The interfund balances presented agree with the sum of interfund balances in the balance sheet for governmental funds and statement of net position for proprietary funds.

17. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2020 are as follows:

Transfers In	Transfers Out						Total
	General Fund	Nonmajor Governmental Funds	City Electric Fund	Water Fund	Wastewater Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 4,945,000	\$ 12,934,109	\$ 697,233	\$ 625,037	\$ 1,474,363	\$ 20,675,742
Debt Service	145,251	2,015,318	-	-	-	-	2,160,569
Nonmajor governmental funds	-	16,010,000	20,000,000	-	-	-	36,010,000
City Electric Fund	40,267	218,302	-	623,514	529,752	598,648	2,010,483
Water Fund	18,360	-	-	-	-	6,120	24,480
Wastewater Fund	253,575	-	-	-	-	14,623	268,198
Nonmajor enterprise funds	431,456	-	-	25,874	4,440	-	461,770
Internal service funds	159,035	-	-	47,071	43,450	-	249,556
Total transfers out	<u>\$ 1,047,944</u>	<u>\$ 23,188,621</u>	<u>\$ 32,934,109</u>	<u>\$ 1,393,692</u>	<u>\$ 1,202,679</u>	<u>\$ 2,093,755</u>	<u>\$ 61,860,799</u>

Transfers are primarily used to move funds from:

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

- The proprietary funds to the General Fund for use of City owned rights-of-way and as payments in lieu of property taxes
- The transfer from the City Electric Fund to the Capital Reserve Fund for the excess funds assignment
- The transfers to the Debt Service Fund as payments in for debt service payments as they become due
- The transfers from the General Fund as payments in for associated costs

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 the City Electric Fund, Water Fund, Wastewater Fund, Solid Waste Fund, Insurance Fund, Street Improvement Fund, Drainage Fund, Employee Benefits Fund, Warehouse Fund, Bryan Commerce and Development Fund, and Coulter Airfield Fund. Costs of these services are allocated as follows:

	<u>General Fund</u>
<u>Administrative costs allocated to:</u>	
City Electric Fund	\$ 3,751,430
Water Fund	507,805
Wastewater Fund	538,046
Nonmajor Enterprise Fund (Solid Waste Fund)	506,077
Internal Service Fund (Insurance Fund)	188,175
Street Improvement	105,494
Drainage Fund	69,958
Employee Benefits Fund	186,416
Warehouse Fund	69,410
Bryan Commerce & Development	45,863
Coulter Airfield Fund	124,557
	<u>\$ 6,093,231</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

In fiscal year 1989, the City decided not to purchase commercial liability insurance. At that time, City management believed that it was more economical to manage liability risks internally and set aside

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

assets for the payment of claims in an internal service fund. The "Insurance Fund" was established to service all claims for risk of losses relating to general liability and workers' compensation.

In fiscal year 1994, the City began purchasing 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 \$932,869 for claims that have been incurred but not reported as of September 30, 2020. 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:

	2020	2019
Unpaid claims at beginning of fiscal year	\$ 1,224,575	\$ 1,539,463
Change in unpaid claims	(81,480)	(219,915)
Claim payments	(210,226)	(94,973)
Total unpaid claims at end of fiscal year	<u>\$ 932,869</u>	<u>\$ 1,224,575</u>
Amounts due in one year	\$ 489,455	\$ 622,447

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).

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

As a result, 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.

City of Bryan, Texas

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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, 2020, 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, 2020, the City of Bryan has invested \$42 million towards land, infrastructure and operating costs in the Traditions development. Funding sources include TIRZ Ten 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

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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, 2020, 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, 2020, 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, 2020, the City of Bryan has paid a total of \$70,748 to the City of College Station under the tax sharing agreement.

Bryan Texas Utilities

BTU purchase and construction commitments were \$426.7 million at September 30, 2020. This amount primarily includes provisions for future fuel and energy purchases.

On April 5 and November 15, 2018, BTU executed forward market power purchases for a 5-year term from 2023 to 2027, to support BTU's projected baseload energy requirements over those respective years. BTU transacted with two counterparties for the total power purchase of approximately 5,106,820 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.

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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.

There is currently pending one litigation matter in which the City Electric System is involved. In the event of an unfavorable outcome in the lawsuit, the City Electric System would be covered by insurance and the financial statements of the City Electric System would not be materially affected.

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, 2020, 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 \$2.5 million as of September 30, 2020. These amounts have been committed in the General Fund fund balance during FY 2020. 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 \$3.3 million.

City of Bryan, Texas

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For the Fiscal Year Ended September 30, 2020

22. ACCOUNTS RECEIVABLE

As of September 30, 2020, 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	\$ 13,359	\$ 2,736,413	\$ 1,633,305	\$ 4,383,077

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, 2020:

	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Airport Fund	Total
Debt Reserve	\$ 6,177,462	\$ -	\$ -	\$ -	\$ -	\$ 6,177,462
Debt Service	2,125,833	692,758	1,342,731	1,806,272	10,114	5,977,708
Rate Stabilization	1,722,322	-	-	-	-	1,722,322
Customer Deposits Liability	4,714,537	1,558,606	-	-	-	6,273,143
TMPA decommissioning	24,992,181	-	-	-	-	24,992,181
Over-Recovered Fuel Cost	5,328,224	1,224,610	-	-	-	6,552,834
Capital Debt Proceeds	11,688,897	1,548,262	879,096	(4,080)	43,339	14,155,514
	<u>\$ 62,077,680</u>	<u>\$ 6,248,846</u>	<u>\$ 2,221,827</u>	<u>\$ 1,802,192</u>	<u>\$ 53,453</u>	<u>\$ 72,403,998</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, 2020 budgetary expenditures in excess of appropriations are reported as indicated below:

Internal Service Funds	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - (Negative)
Employee Benefits Fund	\$ 15,011,000	\$ 15,529,633	\$ (518,633)

Appropriations are made at the fund level. For the fiscal year ended September 30, 2020, the Employee Benefits Fund exceeded budgeted expenditures at the fund level by \$518,633.

25. FUND DEFICITS

The Community Development Fund, a Special Revenue Fund, has a deficit unassigned fund balance as of September 30, 2020 in the amount of \$45,785. 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 2021.

City of Bryan, Texas

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For the Fiscal Year Ended September 30, 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, 2020, 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, 2020, the City estimates that it has funded \$42 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, 2020 is \$3,258,862 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 343% of the debt service payments in FY 2020.

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, 2020, the City estimates that it has funded \$2.3 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

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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, 2020 is \$820,243 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 284% of debt service payments in FY 2020.

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, 2020, the City estimates that it has funded \$702,000 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, 2020, the City estimates that it has funded \$8.4 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, 2020 is \$2,552,357 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 154% of debt service payments in FY 2020.

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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>				
2020	\$ 360,471,723	\$ 637,640	\$359,834,083	\$ 2,245,873
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
<u># 19</u>				
2020	67,573,647	2,213,289	65,360,358	405,485
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
<u># 21</u>				
2020	74,139,645	41,070,995	33,068,650	464,249
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
<u># 22</u>				
2020	62,967,063	2,464,400	60,502,663	396,686
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

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.

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27. TAX ABATEMENTS

As of September 30, 2020, 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.

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At September 30, 2020, the City had established the following abatement agreements:

Property Owner	Date of Abatement	FY 2020 Appraised Values	FY 2020 Taxable Values	FY 2020 Abated Values	FY 2020 Eligible Taxes Levied *	FY 2020 Taxes Abated *
Chapter 311						
TIRZ 10	2001-2025	\$ 360,471,723	\$ 360,471,723	\$ 359,834,083	\$ 2,240,257	\$ 2,225,187
TIRZ 19	2006-2028	67,573,647	67,573,647	65,360,358	390,429	389,092
TIRZ 21	2007-2026	74,139,645	74,139,645	33,068,650	207,028	204,709
TIRZ 22 NORTH	2008-2027	20,341,153	20,341,153	19,914,843	89,119	89,119
TIRZ 22 TARGET	2008-2027	42,625,910	42,625,910	40,587,820	181,631	177,882
Total Chapter 311		<u>\$ 565,152,078</u>	<u>\$ 565,152,078</u>	<u>\$ 518,765,754</u>	<u>\$ 3,108,463</u>	<u>\$ 3,085,988</u>
Chapter 312						
Woodbolt Distribution, LLC	2015-2024	12,020,060	12,020,060	3,914,256	24,659	-
Lubrizol	2018-2027	39,275,070	39,275,070	30,412,168	191,596	191,596
Total Chapter 312		<u>\$ 51,295,130</u>	<u>\$ 51,295,130</u>	<u>\$ 34,326,424</u>	<u>\$ 216,256</u>	<u>\$ 191,596</u>
Chapter 351						
Atlas Hotel ¹	2015-2025	N/A	N/A	-	100,828	156,903
Total Chapter 351		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,828</u>	<u>\$ 156,903</u>
Chapter 380						
Property Tax						
Adam Development	2019-2030	3,977,140	3,977,140	-	-	-
BCS Modern Living, LLC - Jordan Center	2019-2025	453,630	453,630	-	-	-
BRV Partners, L.P. (Bowie School Renovation)	10 years	100,875	100,875	-	-	-
Caljo, Inc. (Callaway Jones)	2018-2022	1,689,570	1,689,570	1,438,570	9,063	9,063
Cozumel Investors, Ltd. (The Ranch at Turkey Creek)	2018-2025	4,006,860	4,006,860	-	-	-
Clay Street Townhomes (Rock Pad, LLC)	2019-2025	3,156,210	3,156,210	2,839,370	8,944	8,944
Fujifilm	2014-2024	74,131,570	74,131,570	72,756,960	74,061	74,061
Viasat, Inc.	2015-2024	24,692,310	24,692,310	13,916,310	43,200	-
Total Property Tax		<u>112,208,165</u>	<u>112,208,165</u>	<u>90,951,210</u>	<u>135,268</u>	<u>92,068</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>\$ 112,208,165</u>	<u>\$ 112,208,165</u>	<u>\$ 90,951,210</u>	<u>\$ 135,268</u>	<u>\$ 92,068</u>
Total		<u>\$ 728,655,373</u>	<u>\$ 728,655,373</u>	<u>\$ 644,043,388</u>	<u>\$ 3,560,815</u>	<u>\$ 3,526,555</u>

* Taxes levied for the TIRZ only include the taxes related to the captured values. During FY 2020 taxes were collected from the FY 2019 levy.

¹ Tax Abatement payments made to the Atlas Hotel included FY 2019 eligible taxes, therefore the amount paid was higher than the amount eligible in FY 2020.

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/>.

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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, 2020, 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 New York Mercantile Exchange ("NYMEX") and HSC indexed commodity swaps. These derivatives act as cash flow hedges.

BTU utilized regression analysis to test effectiveness of its NYMEX hedges. Testing was based on the extent of correlation between historical NYMEX index and HSC natural gas prices for the prompt months of January 2003, to September 2020. The correlation coefficient of (0.8666) 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 0.9612 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, 2020, the total fair value of outstanding hedging derivative instruments was a net asset of \$388,863. The fair value of those derivative financial instruments maturing within one year are reported on the Statement of Net Position as current assets of \$312,005 at September 30, 2020. The fair value of those derivative financial instruments with maturities exceeding one year are reported on the Statement of Net Position as non-current assets of \$76,858 at September 30, 2020.

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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, 2020, the fair value of the City Electric System's hedging derivative instruments - NYMEX-based commodity swaps - increased by \$1,271,974; 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, 2020, the deferred inflows of resources related to hedging derivatives were \$388,863, and are reported on the Statement of Net Position.

The following information details the City Electric System's hedging derivative instruments as of September 30, 2020:

Type	Terms	Volume Hedged (MMBtu)	Execution Dates	Maturity Dates	Reference Index	Fair Value
Commodity Swaps	BTU pays prices of \$2.412 – \$2.925	1,563,500	Oct 2015 - Jun 2020	Oct 2020 - Dec 2021	NYMEX	\$388,863

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 asset position, BTU is 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 \$2.579/MMBtu and \$1.990/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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

29. SUBSEQUENT EVENTS

On November 19, 2020, the City of Bryan issued General Obligation Pension Bonds, Taxable Series 2020, (the “Bonds”) for \$54,700,000. The Bonds mature serially beginning August 15, 2022, through August 15, 2040, with coupon rates from 0.449% to 2.894%. The proceeds from the sale of the Bonds are restricted to fund the unfunded portion of the City’s pension liability with the Texas Municipal Retirement System.

On November 24, 2020 Bryan Commerce and Development (“BCD”), through the existing Bryan/Traditions, L.P. Partnership, purchased a commercial property in the Traditions development on the City’s west side. The property which includes a 27,000 square foot office building and eight acres of land will be marketed by Bryan/Traditions, L.P. Partnership as a multi-company business campus and named the Lake Walk Innovation Center (the “Center”). The Center will focus on attracting and nurturing startup and early stage companies with the express purpose of growing them to the point where they can successfully operate on their own in the Brazos Valley. The purchase price of \$9,200,000 was funded with \$2,900,000 from BCD and with third-party bank debt secured by the property, Center revenues and BCD revenues.

During fiscal year 2020, BTU completed construction of additional transmission projects, including new substations, substation additions, new poles, new lines, line upgrades, breaker replacements, switch upgrades, and improvements to substation access roads. All system improvements contributed to increasing system reliability and allowing BTU to better serve system growth. Transmission projects in fiscal year 2020 added \$40.7 million to plant in service. BTU filed an application on December 15, 2020 with the Texas Public Utility Commission (the “PUC”) for recovery through its transmission cost of service rates for a portion of these transmission expenditures, along with other transmission system additions since January 1, 2018. This application was approved by the PUC on February 5, 2021.

In 2019, TMPA (see Note 1, Note 7, and Note 14) issued a request for proposal (RFP) involving the sale of generation assets. In 2019 and throughout 2020, TMPA was in negotiations regarding the proposal from Gibbons Creek Environmental Redevelopment Group, LLC. (“GCERG”). In December 2020, TMPA and GCERG came to an agreement on terms for the sale of the Gibbons Creek Steam Electric Station and the assumption of all environmental liabilities. At that time the TMPA Board authorized the TMPA General Manager to take the necessary steps to complete the transaction. During January, 2021 the governing bodies of the four member cities approved the sale and the finalization of closure related documents. The sale of the generation assets was finalized on February 10, 2021. The sale of the Gibbons Creek Steam Electric Station will result in a reduction in BTU’s portion of TMPA’s decommissioning liability of approximately \$16.7 million during FY 2021.

From February 14, 2021 through February 19, 2021, the continental United States experienced a severe winter storm that meteorologists characterize as the most significant in terms of scope and duration since monitoring of these weather phenomena began in the 1950s. As a result of this weather event, the Brazos valley, as well as the entire state of Texas, experienced record breaking cold weather. The impact of the extended frigid temperatures on the electric energy market within the Electric Reliability Council of Texas (ERCOT) region was dramatic, resulting in record electric heating demands coupled with unprecedented loss of power generation. Resulting market pressures drove energy prices to market cap levels of \$9,000 per MWh, compared to typical prices below \$30

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2020

per MWh. Natural gas, used to fire the majority of ERCOT generation, saw prices go from \$3.25 per MMBtu to over \$500 per MMBtu. Because BTU was able to operate its generating units throughout the event, it was able to sell power in to the market, thus reducing its net cost to BTU customers. While the final billings and legal ramifications of the cost of power resulting from the freeze have yet to be finalized, BTU expects, based on all current information, that it will be able to fund any net costs from the freeze from operating cash without drawing balances down below target levels. BTU also expects no changes to retail customer rates.

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	2020
Actuarially Determined Contribution	\$ 7,686,872	\$ 8,279,509	\$ 8,521,169	\$ 8,887,727	\$ 9,224,947	\$ 9,525,048
Contributions in relation to the actuarially determined contribution	7,686,872	8,279,509	8,521,169	8,887,727	9,224,947	9,525,048
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 48,991,679	\$ 54,614,239	\$ 55,894,466	\$ 58,312,792	\$ 61,308,968	\$ 62,882,877
Contributions as a percentage of covered payroll	15.69%	15.16%	15.25%	15.24%	15.05%	15.15%

Note to Schedule of Contributions

Only six 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	26 Years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% 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 2019 valuation pursuant to an experience study of the period 2014-2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information	There were no benefit changes during the year.

Notes: 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)

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 7,088,933	\$ 7,796,505	\$ 8,498,467	\$ 8,991,102	\$ 9,355,492	\$ 9,823,079
Interest (on the Total Pension Liability)	18,281,849	19,160,943	19,655,455	20,795,590	21,996,726	23,265,601
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(1,764,543)	(1,545,768)	450,762	395,105	631,794	26,678
Change of assumptions	-	3,577,731	-	-	-	719,741
Benefit payments, including refunds of employee contributions	(11,117,789)	(11,685,311)	(12,067,133)	(11,853,082)	(13,285,700)	(13,553,597)
Net Change in Total Pension Liability	12,488,450	17,304,100	16,537,551	18,328,715	18,698,312	20,281,502
Total Pension Liability - Beginning	263,183,703	275,672,153	292,976,253	309,513,804	327,842,519	346,540,831
Total Pension Liability - Ending (a)	<u>\$ 275,672,153</u>	<u>\$ 292,976,253</u>	<u>\$ 309,513,804</u>	<u>\$ 327,842,519</u>	<u>\$ 346,540,831</u>	<u>\$ 366,822,333</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 7,667,195	\$ 7,727,068	\$ 8,035,947	\$ 8,656,073	\$ 8,972,275	\$ 9,290,815
Contributions - Employee	3,312,987	3,490,130	3,741,223	3,964,541	4,123,958	4,335,533
Net Investment Income	12,827,812	349,403	15,980,505	34,922,324	(8,610,807)	43,051,984
Benefit payments, including refunds of employee contributions	(11,117,789)	(11,685,311)	(12,067,133)	(11,853,082)	(13,285,700)	(13,553,597)
Administrative expense	(133,929)	(212,814)	(180,465)	(180,962)	(166,408)	(243,255)
Other	(11,011)	(10,511)	(9,723)	(9,171)	(8,694)	(7,307)
Net Change in Plan Fiduciary Net Position	12,545,265	(342,034)	15,500,354	35,499,723	(8,975,376)	42,874,172
Plan Fiduciary Net Position - Beginning	224,239,250	236,784,515	236,442,481	251,942,835	287,442,558	278,467,184
Plan Fiduciary Net Position - Ending (b)	<u>\$ 236,784,515</u>	<u>\$ 236,442,481</u>	<u>\$ 251,942,835</u>	<u>\$ 287,442,558</u>	<u>\$ 278,467,184</u>	<u>\$ 321,341,356</u>
Net Pension Liability - Ending (a) - (b)	\$ 38,887,638	\$ 56,533,772	\$ 57,570,969	\$ 40,399,961	\$ 68,073,647	\$ 45,480,977
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.89%	80.70%	81.40%	87.68%	80.36%	87.60%
Covered Payroll	\$ 47,328,382	\$ 49,849,779	\$ 53,382,332	\$ 56,512,266	\$ 58,913,678	\$ 61,936,186
Net Pension Liability as a Percentage of Covered Payroll	82.17%	113.41%	107.85%	71.49%	115.55%	73.43%

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

Only six 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	2020
Actuarially Determined Contribution	\$ 1,498,635	\$ 1,528,513	\$ 1,559,061
Actual Contributions	1,471,374	1,624,112	2,072,827
Contribution deficiency (excess)	\$ 27,261	\$ (95,599)	\$ (513,766)
Covered Employee Payroll	\$ 58,312,792	\$ 61,308,968	\$ 62,882,877
Actual Contribution as a % of Covered Payroll	2.52%	2.65%	3.30%

Note to Schedule of Contributions

Only three 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, 28 years as of September 30, 2020
Asset Valuation	Market Value
Investment Rate of Return	6.50%, 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.

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)

Measurement period ending December 31	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 478,077	\$ 492,419	\$ 546,768
Interest (on the Total Opeb Liability)	1,021,963	1,052,909	1,103,438
Difference between expected and actual experience	-	306,887	1,378,181
Change of assumptions	-	-	(1,671,518)
Benefit payments, including refunds of employee contributions	(983,981)	(1,078,262)	(1,125,781)
Net Change in Total OPEB Liability	516,059	773,953	231,088
Total OPEB Liability - Beginning	15,975,467	16,491,526	17,265,479
Total OPEB Liability - Ending (a)	<u>\$ 16,491,526</u>	<u>\$ 17,265,479</u>	<u>\$ 17,496,567</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,608,981	\$ 1,578,262	\$ 1,625,781
Net Investment Income	17,311	(46,639)	221,183
Benefit payments	(983,981)	(1,078,262)	(1,125,781)
Plan administrative expense	(770)	(4,565)	(7,690)
Net Change in Plan Fiduciary Net Position	641,541	448,796	713,493
Plan Fiduciary Net Position - Beginning	-	641,541	1,090,337
Plan Fiduciary Net Position - Ending (b)	<u>\$ 641,541</u>	<u>\$ 1,090,337</u>	<u>\$ 1,803,830</u>
Net OPEB Liability - Ending (a) - (b)	\$ 15,849,985	\$ 16,175,142	\$ 15,692,737
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	3.89%	6.32%	10.31%
Covered Employee Payroll	\$ 56,523,781	\$ 58,936,756	\$ 61,961,283
Net OPEB Liability as a Percentage of Covered Employee Payroll	28.04%	27.44%	25.33%

Notes 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.

For the year ending September 30, 2020 the changes of assumptions reflect lower participation assumptions, updates to health care trend assumptions to reflect the repeal of the "Cadillac Tax", a change in the Single Discount Rate from 6.50% to 6.25% as of December 31, 2019, and revised TMRS demographic and salary increase assumptions.

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, 2020

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 26,356,200	\$ 26,356,200	\$ 25,965,824	\$ (390,376)
Sales	23,467,500	23,467,500	24,465,953	998,453
Franchise	1,830,000	1,830,000	1,938,892	108,892
Bingo	200,000	200,000	294,040	94,040
Alcoholic beverage	150,000	150,000	140,082	(9,918)
Charges for services:				
Ambulance charges	2,350,000	2,350,000	3,747,512	1,397,512
Recreational charges	1,446,500	1,446,500	1,582,294	135,794
Health and public safety	1,294,000	1,294,000	1,002,750	(291,250)
Miscellaneous charges	210,250	210,250	261,585	51,335
Fines and court charges:				
Municipal court	1,525,000	1,525,000	1,298,601	(226,400)
Licenses and permits	672,650	672,650	1,029,792	357,142
Grants:				
Contributions to Library - College Station	1,203,000	1,203,000	1,203,537	537
Other	90,000	90,000	181,087	91,087
Investment earnings	350,000	350,000	395,995	45,995
Other	2,181,085	2,181,085	2,302,344	121,259
Total revenues	63,326,185	63,326,185	65,810,286	2,484,101
Expenditures:				
Current:				
General government and administration:				
Executive	3,296,000	3,296,000	3,079,486	216,514
City Secretary	1,195,900	1,195,900	1,039,439	156,461
Legal services	855,200	855,200	773,458	81,742
Payments to other agencies	4,675,982	5,175,982	4,183,580	992,402
Fiscal services	1,759,300	1,759,300	1,658,058	101,242
Information technology	6,803,800	6,803,800	6,100,315	703,485
Human resources	755,000	755,000	717,644	37,356
Fleet services	849,000	849,000	745,041	103,959
Facility services	2,308,300	2,308,300	1,905,330	402,970
Total general government and administration	22,498,482	22,998,482	20,202,351	2,796,131
Development services:				
Planning	2,267,125	2,267,125	2,097,000	170,125
Engineering	1,746,500	1,746,500	1,299,665	446,835
Building	474,000	474,000	379,825	94,175
Special projects	228,000	228,000	209,975	18,025
Total development services	4,715,625	4,715,625	3,986,465	729,160
Public works services:				
Drainage and streets	2,156,900	2,156,900	1,772,702	384,198
Traffic operations	1,913,100	1,913,100	1,768,980	144,120
Total public works services	4,070,000	4,070,000	3,541,682	528,318

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety:				
Police services	22,016,752	22,016,752	19,249,173	2,767,579
Fire and emergency medical services	18,009,492	18,419,492	16,968,526	1,450,966
Animal Center	1,032,500	1,032,500	869,815	162,685
Municipal court	1,551,780	1,551,780	1,377,109	174,671
Total public safety	42,610,524	43,020,524	38,464,623	4,555,901
Cultural and recreational:				
Library services	2,825,150	2,825,150	2,735,134	90,016
Parks and recreation services	5,588,000	5,838,000	4,931,153	906,847
Total cultural and recreational	8,413,150	8,663,150	7,666,287	996,863
Administrative reimbursement	(6,093,231)	(6,093,231)	(6,093,231)	-
Capital outlay	2,673,001	3,713,001	5,357,920	(1,644,919)
Total expenditures	78,887,551	81,087,551	73,126,097	7,961,454
Excess (deficiency) of expenditures over (under) revenues	(15,561,366)	(17,761,366)	(7,315,811)	10,445,555
Other financing sources (uses):				
Sale of capital assets	-	-	836,126	836,126
Transfers in	15,664,000	15,664,000	20,675,742	5,011,742
Transfers out	(739,018)	(739,018)	(1,047,944)	(308,926)
Total other financing sources (uses)	14,924,982	14,924,982	20,463,924	5,538,942
Net change in fund balance	(636,384)	(2,836,384)	13,148,113	15,984,497
Fund Balance, October 1, 2019	33,063,857	33,063,857	33,063,857	-
Fund Balance, September 30, 2020	<u>\$ 32,427,473</u>	<u>\$ 30,227,473</u>	<u>\$ 46,211,970</u>	<u>\$ 15,984,497</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
 - Midtown Park Operations Fund
 - Midtown Park Construction Fund
 - Court Technology Fund
 - Street Improvement Fund
 - Drainage Improvement Fund
 - TIRZ #10-22
- Non-Major Enterprise Funds
- Internal Service 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.

Midtown Park Operations – This fund was established by City of Bryan Ordinance to track funds used for the operations of Midtown Park. The source of revenues for this fund are derived primarily from the Capital Reserve Fund.

Midtown Park Construction – This fund was established by City of Bryan Ordinance to track funds used for the construction of Midtown Park. The source of revenues for this fund are derived primarily from the Capital Reserve Fund and Oil & Gas Fund.

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.

2020 Certificates of Obligation Fund - Park – To account for the construction, acquisition, improvement, renovation, expansion, and development of parks and recreation facilities and related infrastructure, vehicles, and equipment.

2020 Certificates of Obligation Fund - General – 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, 2020

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 29,341,150	\$ 52,864,316	\$ 987,063	\$ 83,192,529
Investments	8,153,390	14,690,152	274,309	23,117,851
Receivables:				
Accounts	740,685	16,400	-	757,085
Less allowance for uncollectible	(52,958)	-	-	(52,958)
Notes	1,633,305	-	-	1,633,305
Less allowance for uncollectible - Notes	(75,839)	-	-	(75,839)
Grants	4,190,865	-	-	4,190,865
Interest	66,234	115,517	2,172	183,923
Due from other funds	173,295	550,157	-	723,452
Prepaid and other assets	3,560	-	-	3,560
Total assets	<u>\$ 44,173,687</u>	<u>\$ 68,236,542</u>	<u>\$ 1,263,544</u>	<u>\$ 113,673,773</u>
<u>Liabilities, Deferred Inflows and Fund Balances</u>				
Liabilities:				
Accounts payable	900,529	1,151,707	167	2,052,403
Accrued liabilities	18,315	-	-	18,315
Retainage payable	317,481	340,931	1,745	660,157
Due to other funds	4,611,010	-	-	4,611,010
Total liabilities	<u>5,847,335</u>	<u>1,492,638</u>	<u>1,912</u>	<u>7,341,885</u>
Deferred inflows:				
Unavailable notes receivable	1,557,465	-	-	1,557,465
Other unavailable revenue - Sidewalks	174,436	-	-	174,436
Total deferred inflows	<u>1,731,901</u>	<u>-</u>	<u>-</u>	<u>1,731,901</u>
Fund balances:				
Nonspendable	3,560	-	1,172,557	1,176,117
Restricted	5,265,364	51,115,106	89,075	56,469,545
Committed	31,371,312	-	-	31,371,312
Assigned	-	15,628,798	-	15,628,798
Unassigned (deficit)	(45,785)	-	-	(45,785)
Total fund balances	<u>36,594,451</u>	<u>66,743,904</u>	<u>1,261,632</u>	<u>104,599,987</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 44,173,687</u>	<u>\$ 68,236,542</u>	<u>\$ 1,263,544</u>	<u>\$ 113,673,773</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Special Revenue Funds

As of September 30, 2020

	Grant Fund	Community Development Fund	Hotel and Motel Tax Fund	Oil and Gas Fund	Capital Reserve Fund	Midtown Park Operations Fund	Midtown Park Construction Fund	Sidewalks Fund
<u>Assets</u>								
Cash and cash equivalents	\$ 1,973	\$ -	\$ 1,775,357	\$ 385,425	\$ 4,149,747	\$ 2,214,406	\$ 10,176,040	\$ 145,621
Investments	-	-	493,378	107,120	1,153,253	615,374	2,827,879	40,468
Receivables:	-	-	-	-	-	-	-	-
Accounts receivable	-	26	188,897	3,784	-	-	-	-
Less allowance for uncollectible	-	-	-	-	-	-	-	-
Notes	-	1,633,305	-	-	-	-	-	-
Less allowance for uncollectible	-	(75,839)	-	-	-	-	-	-
Grants	3,819,840	371,025	-	-	-	-	-	-
Interest	1,693	-	3,908	857	9,158	4,862	22,340	320
Due from other funds	-	-	1,838	-	-	-	-	-
Prepaid and other assets	-	3,560	-	-	-	-	-	-
Total assets	<u>\$ 3,823,506</u>	<u>\$ 1,932,077</u>	<u>\$ 2,463,378</u>	<u>\$ 497,186</u>	<u>\$ 5,312,158</u>	<u>\$ 2,834,642</u>	<u>\$ 13,026,259</u>	<u>\$ 186,409</u>
<u>Liabilities, Deferred Inflows and Fund Balances</u>								
Liabilities:								
Accounts payable	111,639	39,527	48,608	-	-	-	-	-
Accrued liabilities	-	14,656	2,239	-	-	-	-	-
Retainage payable	-	16,869	-	-	-	-	-	-
Due to other funds	3,711,867	345,785	-	3,201	-	-	550,157	-
Total liabilities	<u>3,823,506</u>	<u>416,837</u>	<u>50,847</u>	<u>3,201</u>	<u>-</u>	<u>-</u>	<u>550,157</u>	<u>-</u>
Deferred inflows:								
Deferred notes receivable	-	1,557,465	-	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	-	-	174,436
Total deferred inflows	<u>-</u>	<u>1,557,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,436</u>
Fund Balances:								
Nonspendable	-	3,560	-	-	-	-	-	-
Restricted:								
Hotel/Motel	-	-	2,412,531	-	-	-	-	-
Sidewalks	-	-	-	-	-	-	-	11,973
Municipal Court	-	-	-	-	-	-	-	-
TIRZ Development	-	-	-	-	-	-	-	-
Committed:								
Streets	-	-	-	-	-	-	-	-
Drainage	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	2,834,642	12,476,102	-
Other Purposes	-	-	-	493,985	5,312,158	-	-	-
Unassigned (deficit)	-	(45,785)	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>(42,225)</u>	<u>2,412,531</u>	<u>493,985</u>	<u>5,312,158</u>	<u>2,834,642</u>	<u>12,476,102</u>	<u>11,973</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,823,506</u>	<u>\$ 1,932,077</u>	<u>\$ 2,463,378</u>	<u>\$ 497,186</u>	<u>\$ 5,312,158</u>	<u>\$ 2,834,642</u>	<u>\$ 13,026,259</u>	<u>\$ 186,409</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet (continued)

Nonmajor Governmental Funds - Special Revenue Funds

As of September 30, 2020

	Court Technology Fund	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
Assets								
Cash and cash equivalents	\$ 142,410	\$ 6,735,246	\$ 1,543,493	\$ 1,367,226	\$ 175,739	\$ 426,873	\$ 101,594	\$ 29,341,150
Investments	39,576	1,871,743	428,941	379,956	48,839	118,629	28,234	8,153,390
Receivables:								
Accounts receivable	-	461,506	77,007	5,716	-	-	3,749	740,685
Less allowance for uncollectible	-	(45,385)	(7,573)	-	-	-	-	(52,958)
Notes	-	-	-	-	-	-	-	1,633,305
Less allowance for uncollectible	-	-	-	-	-	-	-	(75,839)
Grants	-	-	-	-	-	-	-	4,190,865
Interest	313	14,824	3,397	3,009	388	940	225	66,234
Due from other funds	-	146,939	24,518	-	-	-	-	173,295
Prepaid and other assets	-	-	-	-	-	-	-	3,560
Total assets	<u>\$ 182,299</u>	<u>\$ 9,184,873</u>	<u>\$ 2,069,783</u>	<u>\$ 1,755,907</u>	<u>\$ 224,966</u>	<u>\$ 546,442</u>	<u>\$ 133,802</u>	<u>\$ 44,173,687</u>
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Accounts payable	192	686,011	12,782	-	1,770	-	-	900,529
Accrued liabilities	-	1,420	-	-	-	-	-	18,315
Retainage payable	-	199,639	100,379	-	594	-	-	317,481
Due to other funds	-	-	-	-	-	-	-	4,611,010
Total liabilities	<u>192</u>	<u>887,070</u>	<u>113,161</u>	<u>-</u>	<u>2,364</u>	<u>-</u>	<u>-</u>	<u>5,847,335</u>
Deferred inflows:								
Deferred notes receivable	-	-	-	-	-	-	-	1,557,465
Other deferred revenue	-	-	-	-	-	-	-	174,436
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,731,901</u>
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	3,560
Restricted:								
Hotel/Motel	-	-	-	-	-	-	-	2,412,531
Sidewalks	-	-	-	-	-	-	-	11,973
Municipal Court	182,107	-	-	-	-	-	-	182,107
TIRZ Development	-	-	-	1,755,907	222,602	546,442	133,802	2,658,753
Committed:								
Streets	-	8,297,803	-	-	-	-	-	8,297,803
Drainage	-	-	1,956,622	-	-	-	-	1,956,622
Parks	-	-	-	-	-	-	-	15,310,744
Other Purposes	-	-	-	-	-	-	-	5,806,143
Unassigned (deficit)	-	-	-	-	-	-	-	(45,785)
Total fund balances	<u>182,107</u>	<u>8,297,803</u>	<u>1,956,622</u>	<u>1,755,907</u>	<u>222,602</u>	<u>546,442</u>	<u>133,802</u>	<u>36,594,451</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 182,299</u>	<u>\$ 9,184,873</u>	<u>\$ 2,069,783</u>	<u>\$ 1,755,907</u>	<u>\$ 224,966</u>	<u>\$ 546,442</u>	<u>\$ 133,802</u>	<u>\$ 44,173,687</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Capital Project Funds

As of September 30, 2020

	2016 Certificates of Obligation Fund	2018 Certificates of Obligation Fund	2020 Certificates of Obligation Fund-Park	2020 Certificates of Obligation Fund-General	Total
<u>Assets</u>					
Cash and cash equivalents	\$ 1,121,421	\$ 2,653,548	\$ 41,893,150	\$ 7,196,197	\$52,864,316
Investments	311,646	737,429	11,641,395	1,999,682	14,690,152
Accounts receivable	-	-	16,400	-	16,400
Interest receivable	2,469	5,842	91,504	15,702	115,517
Due from other funds	-	-	550,157	-	550,157
Total assets	<u>\$ 1,435,536</u>	<u>\$ 3,396,819</u>	<u>\$ 54,192,606</u>	<u>\$ 9,211,581</u>	<u>\$ 68,236,542</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	105,880	80,162	610,976	354,689	1,151,707
Retainage payable	86,152	-	190,397	64,382	340,931
Due to other funds	-	-	-	-	-
Total liabilities	<u>192,032</u>	<u>80,162</u>	<u>801,373</u>	<u>419,071</u>	<u>1,492,638</u>
Fund balances:					
Restricted to capital projects	1,117,731	2,131,561	39,846,823	8,018,991	51,115,106
Reserved for encumbrances	125,773	1,185,096	13,544,410	773,519	15,628,798
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>1,243,504</u>	<u>3,316,657</u>	<u>53,391,233</u>	<u>8,792,510</u>	<u>66,743,904</u>
Total liabilities and fund balances	<u>\$ 1,435,536</u>	<u>\$ 3,396,819</u>	<u>\$ 54,192,606</u>	<u>\$ 9,211,581</u>	<u>\$ 68,236,542</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Permanent Funds

As of September 30, 2020

	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
Assets										
Cash and cash equivalents	\$ 2,154	\$ 7,711	\$ 12,252	\$ 773	\$ 902,066	\$ 50,856	\$ 739	\$ 4,224	\$ 6,288	\$ 987,063
Investments	599	2,143	3,405	215	250,687	14,133	205	1,174	1,748	274,309
Interest receivable	5	17	27	1	1,985	112	2	10	13	2,172
Total assets	<u>\$ 2,758</u>	<u>\$ 9,871</u>	<u>\$ 15,684</u>	<u>\$ 989</u>	<u>\$ 1,154,738</u>	<u>\$ 65,101</u>	<u>\$ 946</u>	<u>\$ 5,408</u>	<u>\$ 8,049</u>	<u>\$ 1,263,544</u>
Fund Balances										
Liabilities:										
Accounts payable	-	-	-	-	167	-	-	-	-	167
Retainage payable	-	-	-	-	1,745	-	-	-	-	1,745
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,912</u>
Nonspendable - Permanent Funds Corpus	1,399	5,000	1,500	500	1,149,914	4,950	500	2,085	6,709	1,172,557
Restricted:										
Cemeteries	1,359	4,871	14,184	489	2,912	60,151	446	-	-	84,412
Libraries	-	-	-	-	-	-	-	3,323	1,340	4,663
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>2,758</u>	<u>9,871</u>	<u>15,684</u>	<u>989</u>	<u>1,152,826</u>	<u>65,101</u>	<u>946</u>	<u>5,408</u>	<u>8,049</u>	<u>1,261,632</u>
Total liabilities and fund balances	<u>\$ 2,758</u>	<u>\$ 9,871</u>	<u>\$ 15,684</u>	<u>\$ 989</u>	<u>\$ 1,154,738</u>	<u>\$ 65,101</u>	<u>\$ 946</u>	<u>\$ 5,408</u>	<u>\$ 8,049</u>	<u>\$ 1,263,544</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, 2020

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Revenues:				
Property taxes	\$ 5,066,569	\$ -	\$ -	\$ 5,066,569
Hotel occupancy taxes	1,095,785	-	-	1,095,785
Transportation and drainage assessments	6,988,935	-	-	6,988,935
Fines and court charges	25,462	-	-	25,462
Grants	6,287,102	-	-	6,287,102
Investment earnings	304,913	504,619	13,288	822,820
Oil and gas royalties	211,887	-	-	211,887
Other	162,960	-	72,650	235,610
Total revenues	<u>20,143,613</u>	<u>504,619</u>	<u>85,938</u>	<u>20,734,170</u>
Expenditures:				
Current:				
General government and administration	-	-	2,042	2,042
Development services	2,340,608	-	-	2,340,608
Public works services	635,689	-	-	635,689
Public safety	5,150,908	-	-	5,150,908
Cultural and recreational	1,660,659	-	-	1,660,659
Capital outlay	7,324,774	11,964,247	-	19,289,021
Debt issuance costs	-	226,250	-	226,250
Total expenditures	<u>17,112,638</u>	<u>12,190,497</u>	<u>2,042</u>	<u>29,305,177</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,030,975</u>	<u>(11,685,878)</u>	<u>83,896</u>	<u>(8,571,007)</u>
Other financing sources (uses):				
Long-term debt issued	-	70,365,000	-	70,365,000
Premium on long-term debt issued	-	2,594,393	-	2,594,393
Transfers in	36,010,000	-	-	36,010,000
Transfers out	(23,188,621)	-	-	(23,188,621)
Total other financing sources (uses)	<u>12,821,379</u>	<u>72,959,393</u>	<u>-</u>	<u>85,780,772</u>
Net change in fund balances	15,852,354	61,273,515	83,896	77,209,765
Fund balances, October 1, 2019	<u>20,742,097</u>	<u>5,470,389</u>	<u>1,177,736</u>	<u>27,390,222</u>
Fund balances, September 30, 2020	<u>\$ 36,594,451</u>	<u>\$ 66,743,904</u>	<u>\$ 1,261,632</u>	<u>\$ 104,599,987</u>

CITY OF BRYAN, TEXAS

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

Nonmajor Governmental Funds - Special Revenue Funds

As of September 30, 2020

	Grant Fund	Community Development Fund	Hotel and Motel Tax Fund	Oil and Gas Fund	Capital Reserve Fund	Midtown Park Operations Fund	Midtown Park Construction Fund	Sidewalks Fund
Revenues:								
Property taxes	\$ -	\$ -	\$ -	\$ 318,250	\$ -	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	-	1,095,785	-	-	-	-	-
Transportation and drainage assessments	-	-	-	-	-	-	-	-
Grants	5,131,093	1,284,774	-	-	-	-	-	-
Fines and court charges	-	-	-	-	-	-	-	-
Investment earnings	3,834	-	28,914	20,456	76,957	5,715	26,259	2,067
Oil and gas royalties	-	-	-	211,887	-	-	-	-
Other	-	156,486	2,474	-	-	-	-	-
Total revenues	<u>5,134,927</u>	<u>1,441,260</u>	<u>1,127,173</u>	<u>550,593</u>	<u>76,957</u>	<u>5,715</u>	<u>26,259</u>	<u>2,067</u>
Expenditures:								
Current:								
General government and administration	-	-	-	-	-	-	-	-
Development services	-	1,466,263	-	-	-	-	-	-
Public works services	-	-	-	-	-	-	-	-
Public safety	5,124,818	-	-	-	-	-	-	-
Cultural and recreational	(6,674)	-	1,496,260	-	-	171,073	-	-
Capital outlay	22,591	-	-	-	-	-	550,157	-
Total expenditures	<u>5,140,735</u>	<u>1,466,263</u>	<u>1,496,260</u>	<u>-</u>	<u>-</u>	<u>171,073</u>	<u>550,157</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,808)</u>	<u>(25,003)</u>	<u>(369,087)</u>	<u>550,593</u>	<u>76,957</u>	<u>(165,358)</u>	<u>(523,898)</u>	<u>2,067</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	20,000,000	3,000,000	13,000,000	-
Transfers out	-	-	-	(2,000,000)	(18,300,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,000,000)</u>	<u>1,700,000</u>	<u>3,000,000</u>	<u>13,000,000</u>	<u>-</u>
Net change in fund balances	(5,808)	(25,003)	(369,087)	(1,449,407)	1,776,957	2,834,642	12,476,102	2,067
Fund balances, October 1, 2019	<u>5,808</u>	<u>(17,222)</u>	<u>2,781,618</u>	<u>1,943,392</u>	<u>3,535,201</u>	<u>-</u>	<u>-</u>	<u>9,906</u>
Fund balances, September 30, 2020	<u>\$ -</u>	<u>\$ (42,225)</u>	<u>\$ 2,412,531</u>	<u>\$ 493,985</u>	<u>\$ 5,312,158</u>	<u>\$ 2,834,642</u>	<u>\$ 12,476,102</u>	<u>\$ 11,973</u>

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, 2020

	Court Technology Fund	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	\$ -	\$ -	\$ -	\$ 3,500,463	\$ 390,429	\$ 205,516	\$ 651,911	\$ 5,066,569
Hotel occupancy taxes	-	-	-	-	-	-	-	1,095,785
Transportation and drainage assessments	-	5,989,517	999,418	-	-	-	-	6,988,935
Grants	-	-	(128,765)	-	-	-	-	6,287,102
Fines and court charges	25,462	-	-	-	-	-	-	25,462
Investment earnings	2,054	88,069	23,114	14,358	4,072	5,606	3,438	304,913
Oil and gas royalties	-	-	-	-	-	-	-	211,887
Other	-	-	4,000	-	-	-	-	162,960
Total revenues	<u>27,516</u>	<u>6,077,586</u>	<u>897,767</u>	<u>3,514,821</u>	<u>394,501</u>	<u>211,122</u>	<u>655,349</u>	<u>20,143,613</u>
Expenditures:								
Current:								
General government and administration	-	-	-	-	-	-	-	-
Development services	-	-	-	590,000	189,345	-	95,000	2,340,608
Public works services	-	485,734	149,955	-	-	-	-	635,689
Public safety	26,090	-	-	-	-	-	-	5,150,908
Cultural and recreational	-	-	-	-	-	-	-	1,660,659
Capital outlay	-	4,312,857	2,145,284	-	203,285	90,600	-	7,324,774
Total expenditures	<u>26,090</u>	<u>4,798,591</u>	<u>2,295,239</u>	<u>590,000</u>	<u>392,630</u>	<u>90,600</u>	<u>95,000</u>	<u>17,112,638</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,426</u>	<u>1,278,995</u>	<u>(1,397,472)</u>	<u>2,924,821</u>	<u>1,871</u>	<u>120,522</u>	<u>560,349</u>	<u>3,030,975</u>
Other financing sources (uses):								
Transfers in	-	10,000	-	-	-	-	-	36,010,000
Transfers out	-	(529,514)	(142,473)	(1,519,776)	(147,655)	-	(549,203)	(23,188,621)
Total other financing sources (uses)	<u>-</u>	<u>(519,514)</u>	<u>(142,473)</u>	<u>(1,519,776)</u>	<u>(147,655)</u>	<u>-</u>	<u>(549,203)</u>	<u>12,821,379</u>
Net change in fund balances	1,426	759,481	(1,539,945)	1,405,045	(145,784)	120,522	11,146	15,852,354
Fund balances, October 1, 2019	<u>180,681</u>	<u>7,538,322</u>	<u>3,496,567</u>	<u>350,862</u>	<u>368,386</u>	<u>425,920</u>	<u>122,656</u>	<u>20,742,097</u>
Fund balances, September 30, 2020	<u>\$ 182,107</u>	<u>\$ 8,297,803</u>	<u>\$ 1,956,622</u>	<u>\$ 1,755,907</u>	<u>\$ 222,602</u>	<u>\$ 546,442</u>	<u>\$ 133,802</u>	<u>\$ 36,594,451</u>

CITY OF BRYAN, TEXAS

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

Nonmajor Governmental Funds - Capital Project Funds

For the Fiscal Year Ended September 30, 2020

	2016 Certificates of Obligation Fund	2018 Certificates of Obligation Fund	2020 Certificates of Obligation Fund-Park	2020 Certificates of Obligation Fund-General	Total
Revenues:					
Investment earnings	\$ 15,888	\$ 39,544	\$ 375,266	\$ 73,921	\$ 504,619
Total revenues	<u>15,888</u>	<u>39,544</u>	<u>375,266</u>	<u>73,921</u>	<u>504,619</u>
Expenditures:					
Current:					
Capital outlay	59,191	906,469	6,264,154	4,734,433	11,964,247
Debt issuance costs	-	-	184,402	41,848	226,250
Total expenditures	<u>59,191</u>	<u>906,469</u>	<u>6,448,556</u>	<u>4,776,281</u>	<u>12,190,497</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,303)</u>	<u>(866,925)</u>	<u>(6,073,290)</u>	<u>(4,702,360)</u>	<u>(11,685,878)</u>
Other financing sources (uses):					
Long-term debt issued	-	-	57,350,000	13,015,000	70,365,000
Premium on long-term debt issued	-	-	2,114,523	479,870	2,594,393
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>59,464,523</u>	<u>13,494,870</u>	<u>72,959,393</u>
Net change in fund balances	(43,303)	(866,925)	53,391,233	8,792,510	61,273,515
Fund balances, October 1, 2019	<u>1,286,807</u>	<u>4,183,582</u>	<u>-</u>	<u>-</u>	<u>5,470,389</u>
Fund balances, September 30, 2020	<u>\$ 1,243,504</u>	<u>\$ 3,316,657</u>	<u>\$ 53,391,233</u>	<u>\$ 8,792,510</u>	<u>\$ 66,743,904</u>

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, 2020

	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	\$ -	\$ -	\$ -	\$ -	\$ 72,650	\$ -	\$ -	\$ -	\$ -	\$ 72,650
Investment earnings	30	107	170	11	12,110	703	11	59	87	13,288
Total revenues	30	107	170	11	84,760	703	11	59	87	85,938
Expenditures:										
General government and administration	-	-	-	-	2,042	-	-	-	-	2,042
Total expenditures	-	-	-	-	2,042	-	-	-	-	2,042
Net change in fund balances	30	107	170	11	82,718	703	11	59	87	83,896
Fund balances, October 1, 2019	2,728	9,764	15,514	978	1,070,108	64,398	935	5,349	7,962	1,177,736
Fund balances, September 30, 2020	<u>\$ 2,758</u>	<u>\$ 9,871</u>	<u>\$ 15,684</u>	<u>\$ 989</u>	<u>\$ 1,152,826</u>	<u>\$ 65,101</u>	<u>\$ 946</u>	<u>\$ 5,408</u>	<u>\$ 8,049</u>	<u>\$ 1,261,632</u>

CITY OF BRYAN, TEXAS

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Fiscal Year Ended September 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 8,471,200	\$ 8,471,200	\$ 8,399,477	\$ (71,723)
Investment earnings	101,738	101,738	63,583	(38,155)
Other	131,231	131,231	574,191	442,960
Total revenues	<u>8,704,169</u>	<u>8,704,169</u>	<u>9,037,250</u>	<u>333,081</u>
Expenditures:				
Debt service:				
Bond and principal retirement	8,329,991	8,329,991	8,354,991	25,000
Interest and fiscal charges	2,475,009	2,475,009	2,267,897	(207,112)
Debt issuance costs	-	-	92,575	92,575
Total expenditures	<u>10,805,000</u>	<u>10,805,000</u>	<u>10,715,463</u>	<u>(89,537)</u>
Excess of expenditures over revenues	(2,100,831)	(2,100,831)	(1,678,213)	243,544
Other financing sources (uses):				
Transfers in	1,782,431	1,782,431	2,160,569	378,138
Refunding bonds issued	-	-	7,125,000	7,125,000
Premium (discount) on refunding bonds	-	-	440,801	440,801
Payment to refunded bond escrow agent	-	-	(7,747,691)	(7,747,691)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>1,782,431</u>	<u>1,782,431</u>	<u>1,978,679</u>	<u>196,248</u>
Net change in fund balance	(318,400)	(318,400)	300,466	618,866
Fund Balance, October 1, 2019	1,873,816	1,873,816	1,873,816	-
Fund Balance, September 30, 2020	<u>\$ 1,555,416</u>	<u>\$ 1,555,416</u>	<u>\$ 2,174,282</u>	<u>\$ 618,866</u>

CITY OF BRYAN, TEXAS

Community Development Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Fiscal Year Ended September 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Grants	\$ 1,971,870	\$ 1,971,870	\$ 1,284,774	\$ (687,096)
Other	84,000	84,000	156,486	72,486
Total revenues	<u>2,055,870</u>	<u>2,055,870</u>	<u>1,441,260</u>	<u>(614,610)</u>
Expenditures:				
Current:				
Development services	<u>2,055,870</u>	<u>2,055,870</u>	<u>1,466,263</u>	<u>589,607</u>
Total expenditures	<u>2,055,870</u>	<u>2,055,870</u>	<u>1,466,263</u>	<u>589,607</u>
Net change in fund balance	-	-	(25,003)	(25,003)
Fund balance, October 1, 2019	<u>(22,446)</u>	<u>(22,446)</u>	<u>(17,222)</u>	<u>5,224</u>
Fund balance, September 30, 2020	<u>\$ (22,446)</u>	<u>\$ (22,446)</u>	<u>\$ (42,225)</u>	<u>\$ (19,779)</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Occupancy taxes	\$ 1,725,000	\$ 1,725,000	\$ 1,095,785	\$ (629,215)
Investment earnings	43,000	43,000	28,914	(14,086)
Other	-	-	2,474	2,474
Total revenues	<u>1,768,000</u>	<u>1,768,000</u>	<u>1,127,173</u>	<u>(640,827)</u>
Expenditures:				
Current:				
Cultural and recreational	<u>1,750,200</u>	<u>1,750,200</u>	<u>1,496,260</u>	<u>253,940</u>
Total expenditures	<u>1,750,200</u>	<u>1,750,200</u>	<u>1,496,260</u>	<u>253,940</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	17,800	17,800	(369,087)	(386,887)
Fund balance, October 1, 2019	<u>2,423,279</u>	<u>2,298,279</u>	<u>2,781,618</u>	<u>483,339</u>
Fund balance, September 30, 2020	<u>\$ 2,441,079</u>	<u>\$ 2,316,079</u>	<u>\$ 2,412,531</u>	<u>\$ 96,452</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Royalties	\$ 310,500	\$ 310,500	\$ 211,887	\$ (98,613)
Property Taxes - Mineral	318,250	318,250	318,250	-
Investment earnings	26,800	26,800	20,456	(6,344)
Total revenues	<u>655,550</u>	<u>655,550</u>	<u>550,593</u>	<u>(104,957)</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	655,550	655,550	550,593	(104,957)
Other financing sources (uses)				
Transfers out	-	(2,000,000)	(2,000,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>
Net change in fund balance	655,550	(1,344,450)	(1,449,407)	(104,957)
Fund balances, October 1, 2019	<u>1,430,492</u>	<u>1,430,492</u>	<u>1,943,392</u>	<u>512,900</u>
Fund balances, September 30, 2020	<u>\$ 2,086,042</u>	<u>\$ 86,042</u>	<u>\$ 493,985</u>	<u>\$ 407,943</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment earnings	\$ 65,000	\$ 65,000	\$ 76,957	\$ 11,957
Total revenues	65,000	65,000	76,957	11,957
Expenditures:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	65,000	65,000	76,957	11,957
Other financing sources (uses)				
Transfers in	-	-	20,000,000	20,000,000
Transfers out	-	(18,300,000)	(18,300,000)	-
Total other financing sources (uses)	-	(18,300,000)	1,700,000	20,000,000
Net change in fund balance	65,000	(18,235,000)	1,776,957	20,011,957
Fund balances, October 1, 2019	3,428,914	3,477,739	3,535,201	57,462
Fund balances, September 30, 2020	<u>\$ 3,428,914</u>	<u>\$ (14,757,261)</u>	<u>\$ 5,312,158</u>	<u>\$ 20,069,419</u>

CITY OF BRYAN, TEXAS

Midtown Park Operations Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Fiscal Year Ended September 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment earnings	\$ -	\$ -	\$ 5,715	\$ 5,715
Total revenues	-	-	5,715	5,715
Expenditures:				
Current:				
Cultural and Recreational	-	500,000	171,073	328,927
Total expenditures	-	500,000	171,073	328,927
Excess (deficiency) of revenues over (under) expenditures	-	(500,000)	(165,358)	334,642
Other financing sources (uses)				
Transfers in	-	-	3,000,000	3,000,000
Total other financing sources (uses)	-	-	3,000,000	3,000,000
Net change in fund balance	-	(500,000)	2,834,642	3,334,642
Fund balances, October 1, 2019	-	-	-	-
Fund balances, September 30, 2020	\$ -	\$ (500,000)	\$ 2,834,642	\$ 3,334,642

CITY OF BRYAN, TEXAS

Midtown Park Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Fiscal Year Ended September 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment earnings	\$ -	\$ -	\$ 26,259	\$ 26,259
Total revenues	-	-	26,259	26,259
Expenditures:				
Current:				
Capital outlay	-	1,900,000	550,157	1,349,843
Total expenditures	-	1,900,000	550,157	1,349,843
Excess (deficiency) of revenues over (under) expenditures	-	(1,900,000)	(523,898)	1,376,102
Other financing sources (uses)				
Transfers in	-	-	13,000,000	13,000,000
Total other financing sources (uses)	-	-	13,000,000	13,000,000
Net change in fund balance	-	(1,900,000)	12,476,102	14,376,102
Fund balances, October 1, 2019	-	-	-	-
Fund balances, September 30, 2020	\$ -	\$ (1,900,000)	\$ 12,476,102	\$ 14,376,102

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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Technology fee	\$ 33,000	\$ 33,000	\$ 25,462	\$ (7,538)
Investment earnings - Interest income	3,500	3,500	2,054	(1,446)
Total revenues	<u>36,500</u>	<u>36,500</u>	<u>27,516</u>	<u>(8,984)</u>
Expenditures:				
Current:				
Public safety	<u>19,500</u>	<u>29,500</u>	<u>26,090</u>	<u>3,410</u>
Total expenditures	<u>19,500</u>	<u>29,500</u>	<u>26,090</u>	<u>3,410</u>
Net change in fund balance	17,000	7,000	1,426	(5,574)
Fund balance, October 1, 2019	<u>187,052</u>	<u>187,052</u>	<u>180,681</u>	<u>(6,371)</u>
Fund balance, September 30, 2020	<u>\$ 204,052</u>	<u>\$ 194,052</u>	<u>\$ 182,107</u>	<u>\$ (11,945)</u>

CITY OF BRYAN, TEXAS

Street Improvement Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Fiscal Year Ended September 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Transportation assessments	\$ 5,778,000	\$ 5,778,000	\$ 5,989,517	\$ 211,517
Investment earnings	90,000	90,000	88,069	(1,931)
Total revenues	<u>5,868,000</u>	<u>5,868,000</u>	<u>6,077,586</u>	<u>209,586</u>
Expenditures:				
Current:				
Public works services	9,462,344	9,462,344	485,734	8,976,610
Capital outlay	-	-	4,312,857	(4,312,857)
Total expenditures	<u>9,462,344</u>	<u>9,462,344</u>	<u>4,798,591</u>	<u>4,663,753</u>
Excess (deficiency) of revenues over (under) expenditures	(3,594,344)	(3,594,344)	1,278,995	4,873,339
Other financing sources (uses)				
Transfers in	10,000	10,000	10,000	-
Transfers out	(930,620)	(930,620)	(529,514)	401,106
Total other financing sources (uses)	<u>(920,620)</u>	<u>(920,620)</u>	<u>(519,514)</u>	<u>401,106</u>
Net change in fund balance	(4,514,964)	(4,514,964)	759,481	5,274,445
Fund balance, October 1, 2019	<u>5,101,004</u>	<u>5,101,004</u>	<u>7,538,322</u>	<u>2,437,318</u>
Fund balance, September 30, 2020	<u>\$ 586,040</u>	<u>\$ 586,040</u>	<u>\$ 8,297,803</u>	<u>\$ 7,711,763</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Drainage assessments	\$ 962,000	\$ 962,000	\$ 999,418	\$ 37,418
Grants	-	-	(128,765)	(128,765)
Investment earnings	50,000	50,000	23,114	(26,886)
Other	-	-	4,000	4,000
Total revenues	<u>1,012,000</u>	<u>1,012,000</u>	<u>897,767</u>	<u>(114,233)</u>
Expenditures:				
Current:				
Public works services	74,958	74,958	149,955	(74,997)
Capital outlay	<u>1,900,000</u>	<u>2,750,000</u>	<u>2,145,284</u>	<u>604,716</u>
Total expenditures	<u>1,974,958</u>	<u>2,824,958</u>	<u>2,295,239</u>	<u>529,719</u>
Excess (deficiencies) of revenues over (under) expenditures	(962,958)	(1,812,958)	(1,397,472)	415,486
Other financing uses:				
Transfers out	<u>(153,434)</u>	<u>(153,434)</u>	<u>(142,473)</u>	<u>10,961</u>
Net change in fund balance	(1,116,392)	(1,966,392)	(1,539,945)	426,447
Fund balance, October 1, 2019	<u>3,195,633</u>	<u>2,445,633</u>	<u>3,496,567</u>	<u>1,050,934</u>
Fund balance, September 30, 2020	<u>\$ 2,079,241</u>	<u>\$ 479,241</u>	<u>\$ 1,956,622</u>	<u>\$ 1,477,381</u>

CITY OF BRYAN, TEXAS

Tax Increment Reinvestment Zone #10 Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Fiscal Year Ended September 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 3,421,900	\$ 3,421,900	\$ 3,500,463	\$ 78,563
Investment earnings	28,700	28,700	14,358	(14,342)
Other	-	-	-	-
Total revenues	<u>3,450,600</u>	<u>3,450,600</u>	<u>3,514,821</u>	<u>64,221</u>
Expenditures:				
Current:				
Development services	<u>590,000</u>	<u>590,000</u>	<u>590,000</u>	-
Total expenditures	<u>590,000</u>	<u>590,000</u>	<u>590,000</u>	-
Excess of revenues over expenditures	2,860,600	2,860,600	2,924,821	64,221
Other financing sources (uses):				
Transfers out	<u>(1,519,776)</u>	<u>(1,519,776)</u>	<u>(1,519,776)</u>	-
Total other financing sources (uses)	<u>(1,519,776)</u>	<u>(1,519,776)</u>	<u>(1,519,776)</u>	-
Net change in fund balance	1,340,824	1,340,824	1,405,045	64,221
Fund balance, October 1, 2019	<u>329,354</u>	<u>329,354</u>	<u>350,862</u>	<u>21,508</u>
Fund balance, September 30, 2020	<u>\$ 1,670,178</u>	<u>\$ 1,670,178</u>	<u>\$ 1,755,907</u>	<u>\$ 85,729</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 388,300	\$ 388,300	\$ 390,429	\$ 2,129
Investment earnings	6,900	6,900	4,072	(2,828)
Total revenues	<u>395,200</u>	<u>395,200</u>	<u>394,501</u>	<u>(699)</u>
Expenditures:				
Current:				
Development services	-	200,000	189,345	10,655
Capital outlay	<u>310,000</u>	<u>310,000</u>	<u>203,285</u>	<u>106,715</u>
Total expenditures	<u>310,000</u>	<u>510,000</u>	<u>392,630</u>	<u>117,370</u>
Excess of revenues over expenditures	85,200	(114,800)	1,871	116,671
Other financing sources (uses)				
Transfers out	<u>(147,655)</u>	<u>(147,655)</u>	<u>(147,655)</u>	-
Total other financing sources (uses)	<u>(147,655)</u>	<u>(147,655)</u>	<u>(147,655)</u>	-
Net change in fund balance	(62,455)	(262,455)	(145,784)	116,671
Fund balance, October 1, 2019	<u>73,973</u>	<u>73,973</u>	<u>368,386</u>	<u>294,413</u>
Fund balance, September 30, 2020	<u>\$ 11,518</u>	<u>\$ (188,482)</u>	<u>\$ 222,602</u>	<u>\$ 411,084</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 199,800	\$ 199,800	\$ 205,516	\$ 5,716
Investment earnings	4,000	4,000	5,606	1,606
Total revenues	<u>203,800</u>	<u>203,800</u>	<u>211,122</u>	<u>7,322</u>
Expenditures:				
Current:				
Development services	100,000	100,000	-	100,000
Capital outlay	<u>111,970</u>	<u>111,970</u>	<u>90,600</u>	<u>21,370</u>
Total expenditures	<u>211,970</u>	<u>211,970</u>	<u>90,600</u>	<u>121,370</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,170)</u>	<u>(8,170)</u>	<u>120,522</u>	<u>128,692</u>
Net change in fund balance	(8,170)	(8,170)	120,522	128,692
Fund balance, October 1, 2019	<u>418,498</u>	<u>418,498</u>	<u>425,920</u>	<u>7,422</u>
Fund balance, September 30, 2020	<u>\$ 410,328</u>	<u>\$ 410,328</u>	<u>\$ 546,442</u>	<u>\$ 136,114</u>

CITY OF BRYAN, TEXAS

Tax Increment Reinvestment Zone #22 Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Fiscal Year Ended September 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 631,000	\$ 631,000	\$ 651,911	\$ 20,911
Investment earnings	8,000	8,000	3,438	(4,562)
Total revenues	<u>639,000</u>	<u>639,000</u>	<u>655,349</u>	<u>16,349</u>
Expenditures:				
Current:				
Development services	95,000	95,000	95,000	-
Total expenditures	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Excess of revenues over expenditures	544,000	544,000	560,349	16,349
Other financing sources (uses):				
Transfers out	(562,909)	(562,909)	(549,203)	13,706
Total other financing sources (uses)	<u>(562,909)</u>	<u>(562,909)</u>	<u>(549,203)</u>	<u>13,706</u>
Net change in fund balance	(18,909)	(18,909)	11,146	30,055
Fund balance, October 1, 2019	<u>124,359</u>	<u>124,359</u>	<u>122,656</u>	<u>(1,703)</u>
Fund balance, September 30, 2020	<u>\$ 105,450</u>	<u>\$ 105,450</u>	<u>\$ 133,802</u>	<u>\$ 28,352</u>

COMBINING FINANCIAL STATEMENTS

NONMAJOR ENTERPRISE FUNDS

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

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

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, 2020

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 5,958,864	\$ 72,500	\$ 3,826,651	\$ 9,858,015
Investments	1,655,982	20,103	1,063,434	2,739,519
Accounts receivable	628,213	25,859	-	654,072
Less allowance for uncollectible	(49,319)	-	-	(49,319)
Interest receivable	13,114	237	8,420	21,771
Inventories	-	40,595	-	40,595
Due from other funds	239,001	-	-	239,001
Total current assets	<u>8,445,855</u>	<u>159,294</u>	<u>4,898,505</u>	<u>13,503,654</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	-	41,844	-	41,844
Investments	-	11,609	-	11,609
Investment in BVSWMMA	19,630,704	-	-	19,630,704
Capital assets:				
Land	-	654,671	9,665,043	10,319,714
Buildings	92,905	2,567,184	-	2,660,089
Equipment	9,824,724	57,628	-	9,882,352
Improvements other than buildings	441,290	3,794,240	-	4,235,530
Construction in progress	76,044	3,300	40,000	119,344
Less accumulated depreciation	(7,184,992)	(4,043,446)	-	(11,228,438)
Total capital assets (net of accumulated depreciation)	<u>3,249,971</u>	<u>3,033,577</u>	<u>9,705,043</u>	<u>15,988,591</u>
Total noncurrent assets	<u>22,880,675</u>	<u>3,087,030</u>	<u>9,705,043</u>	<u>35,672,748</u>
Total assets	<u>\$ 31,326,530</u>	<u>\$ 3,246,324</u>	<u>\$ 14,603,548</u>	<u>\$ 49,176,402</u>
<u>Deferred Outflows</u>				
Pensions	298,242	13,500	-	311,742
Other post employment benefits	155,002	6,889	-	161,891
Total deferred outflows	<u>\$ 453,244</u>	<u>\$ 20,389</u>	<u>\$ -</u>	<u>\$ 473,633</u>

CITY OF BRYAN, TEXAS

Combining Statement of Net Position

Nonmajor Enterprise Funds

As of September 30, 2020

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 138,402	\$ 15,821	\$ 20,635	\$ 174,858
Accrued liabilities	159,299	7,242	-	166,541
Due to other funds	565,387	-	-	565,387
Accrued interest	-	3,543	-	3,543
Accrued vacation and sick pay	111,636	2,693	-	114,329
Current liabilities payable from restricted assets:				
Bonds payable, net	-	55,270	-	55,270
Customer deposits	-	15,200	-	15,200
Total current liabilities	<u>974,724</u>	<u>99,769</u>	<u>20,635</u>	<u>1,095,128</u>
Noncurrent liabilities:				
Bonds payable, net	-	970,340	-	970,340
Net pension liability (NPL)	1,615,211	73,114	-	1,688,325
Net other post employment benefits liability (OPEB)	782,641	34,784	-	817,425
Accrued vacation and sick pay	157,001	3,786	-	160,787
Total noncurrent liabilities	<u>2,554,853</u>	<u>1,082,024</u>	<u>-</u>	<u>3,636,877</u>
Total liabilities	<u>3,529,577</u>	<u>1,181,793</u>	<u>20,635</u>	<u>4,732,005</u>
<u>Deferred Inflows</u>				
Pensions	346,867	15,701	-	362,568
Other post employment benefits	74,740	3,322	-	78,062
Total deferred inflows	<u>\$ 421,607</u>	<u>\$ 19,023</u>	<u>\$ -</u>	<u>\$ 440,630</u>
<u>Net Position</u>				
Net investment in capital assets	3,243,574	2,058,120	9,705,043	15,006,737
Restricted for BVSWMMA	19,630,704	-	-	19,630,704
Restricted for debt service	-	10,114	-	10,114
Unrestricted	4,954,312	(2,337)	4,877,870	9,829,845
Total net position	<u>\$ 27,828,590</u>	<u>\$ 2,065,897</u>	<u>\$ 14,582,913</u>	<u>\$ 44,477,400</u>

CITY OF BRYAN, TEXAS

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2020

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
Operating revenues:				
Solid waste	\$ 8,324,257	\$ -	\$ -	\$ 8,324,257
Other	-	519,589	1,835,317	2,354,906
Total operating revenues	<u>8,324,257</u>	<u>519,589</u>	<u>1,835,317</u>	<u>10,679,163</u>
Operating expenses:				
Personnel services	3,185,611	223,803	-	3,409,414
Maintenance	355,018	15,029	-	370,047
Other services and charges	1,478,440	64,955	134,847	1,678,242
Other expenses	322,956	180,652	-	503,608
General and administrative	506,077	124,557	-	630,634
Total operating expenses before depreciation	<u>5,848,102</u>	<u>608,996</u>	<u>134,847</u>	<u>6,591,945</u>
Operating income (loss) before depreciation	<u>2,476,155</u>	<u>(89,407)</u>	<u>1,700,470</u>	<u>4,087,218</u>
Depreciation	<u>958,418</u>	<u>225,525</u>	<u>-</u>	<u>1,183,943</u>
Operating income (loss)	<u>1,517,738</u>	<u>(314,932)</u>	<u>1,700,470</u>	<u>2,903,276</u>
Nonoperating revenues (expenses):				
Investment earnings	76,759	1,121	45,577	123,457
Interest expense	-	(26,581)	-	(26,581)
Distributive share of BVSWMMA net income	1,447,325	-	-	1,447,325
Other - net	120,636	-	-	120,636
Total nonoperating revenues (expenses)	<u>1,644,719</u>	<u>(25,460)</u>	<u>45,577</u>	<u>1,664,836</u>
Income (loss) before contributions and transfers	3,162,457	(340,392)	1,746,047	4,568,112
Transfers in	271,770	190,000	-	461,770
Transfers out	(1,593,755)	-	(500,000)	(2,093,755)
Change in net position	<u>1,840,472</u>	<u>(150,392)</u>	<u>1,246,047</u>	<u>2,936,127</u>
Net position, October 1, 2019	<u>25,988,118</u>	<u>2,216,289</u>	<u>13,336,866</u>	<u>41,541,273</u>
Net position, September 30, 2020	<u>\$ 27,828,590</u>	<u>\$ 2,065,897</u>	<u>\$ 14,582,913</u>	<u>\$ 44,477,400</u>

CITY OF BRYAN, TEXAS

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2020

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 8,260,565	\$ 514,705	\$ 1,888,018	\$ 10,663,288
Payments to suppliers	(2,070,741)	(265,447)	(114,212)	(2,450,400)
Payments to employees	(3,053,326)	(202,677)	-	(3,256,003)
Payments for interfund services used	(506,077)	(124,557)	-	(630,634)
Net cash provided (used) by operating activities	2,630,421	(77,976)	1,773,806	4,326,251
Cash flows from noncapital financing activities:				
Transfers in	271,770	190,000	-	461,770
Transfers out	(1,593,755)	-	(500,000)	(2,093,755)
Net cash provided (used) by noncapital financing activities	(1,321,985)	190,000	(500,000)	(1,631,985)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,015,433)	(12,950)	(243,861)	(1,272,244)
Proceeds from sale of assets	115,862	-	-	115,862
Principal paid on general obligation bonds	-	(2,498)	-	(2,498)
Principal paid on certificates of obligation	-	(50,000)	-	(50,000)
Interest paid on bonds, contractual obligations, and notes	-	(26,581)	-	(26,581)
Net cash provided (used) by capital and related financing activities	(899,571)	(92,029)	(243,861)	(1,235,461)
Cash flows from investing activities:				
Purchase of investment securities	(2,084,947)	(39,925)	(1,338,905)	(3,463,777)
Sale of investment securities	7,341,177	129,339	3,977,444	11,447,959
Interest on investments	75,798	1,014	41,431	118,243
Net cash provided (used) by investing activities	5,332,028	90,427	2,679,970	8,102,425
Net increase (decrease) in cash and cash equivalents	5,740,893	110,422	3,709,915	9,561,230
Cash and cash equivalents, October 1, 2019	217,971	3,922	116,736	338,629
Cash and cash equivalents, September 30, 2020	\$ 5,958,864	\$ 114,344	\$ 3,826,651	\$ 9,899,859

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)	\$ 1,517,738	\$ (314,932)	\$ 1,700,470	\$ 2,903,276
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	958,418	225,525	-	1,183,943
Change in assets and liabilities:				
Change in accounts receivable	(25,353)	(7,359)	52,701	19,989
Change in inventory	-	5,400	-	5,400
Change in due from other funds	(43,933)	-	-	(43,933)
Change in accounts payable	(324,683)	(4,816)	20,635	(308,864)
Change in accrued liabilities	16,376	2,259	-	18,635
Change in other liabilities	6,244	(2,820)	-	3,424
Change in customer deposits	-	(105)	-	(105)
Change in due to other funds	404,712	-	-	404,712
Change in OPEB and NPL	97,821	18,611	-	116,432
Change in accrued vacation and sick pay	23,082	261	-	23,343
Net cash provided (used) by operating activities	<u>\$ 2,630,421</u>	<u>\$ (77,976)</u>	<u>\$ 1,773,806</u>	<u>\$ 4,326,251</u>

Noncash investing, capital and financing activities

During this past year, the Enterprise Funds investment in BVSWMMA increased \$1,447,325 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, 2020

<u>Assets</u>	Warehouse Fund	Insurance Fund	Employee Benefit Fund	Total
Current assets:				
Cash and cash equivalents	\$ 35,106	\$ 3,757,023	\$ 2,134,979	\$ 5,927,107
Investments	9,756	1,023,243	593,314	1,626,313
Accounts receivable	145	-	-	145
Interest receivable	77	8,104	4,659	12,840
Inventories	207,131	-	-	207,131
Due from other funds	-	-	-	-
Total current assets	<u>252,215</u>	<u>4,788,369</u>	<u>2,732,952</u>	<u>7,773,537</u>
Noncurrent assets:				
Capital assets:				
Buildings	-	23,420	-	23,420
Equipment	27,390	117,016	-	144,406
Improvements other than buildings	159,086	34,572	-	193,658
Less accumulated depreciation	(124,735)	(137,949)	-	(262,684)
Total capital assets (net of accumulated depreciation)	<u>61,741</u>	<u>37,058</u>	<u>-</u>	<u>98,800</u>
Total assets	<u>\$ 313,957</u>	<u>\$ 4,825,427</u>	<u>\$ 2,732,952</u>	<u>\$ 7,872,336</u>
<u>Deferred outflows</u>				
Pensions	23,665	56,315	-	79,980
Other post employment benefits	10,333	20,667	-	31,000
Total deferred outflows	<u>\$ 33,998</u>	<u>\$ 76,982</u>	<u>\$ -</u>	<u>\$ 110,980</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	141	10,454	73,822	84,417
Claims payable	-	489,456	2,871,714	3,361,170
Accrued liabilities	8,555	19,570	-	28,125
Accrued vacation and sick pay	12,033	18,892	-	30,925
Total current liabilities	<u>20,729</u>	<u>538,373</u>	<u>2,945,535</u>	<u>3,504,636</u>
Noncurrent liabilities:				
Claims payable	-	443,414	-	443,414
Net pension liability (NPL)	128,161	304,991	-	433,152
Net other post employment benefit liability (OPEB)	52,176	104,352	-	156,528
Accrued vacation and sick pay	28,673	45,019	-	73,691
Total noncurrent liabilities	<u>209,010</u>	<u>897,776</u>	<u>-</u>	<u>1,106,786</u>
Total liabilities	<u>229,739</u>	<u>1,436,149</u>	<u>2,945,535</u>	<u>4,611,422</u>
<u>Deferred inflows</u>				
Pensions	27,523	65,497	-	93,020
Other post employment benefits	4,983	9,965	-	14,948
Total deferred inflows	<u>\$ 32,506</u>	<u>\$ 75,462</u>	<u>\$ -</u>	<u>\$ 107,968</u>
<u>Net Position</u>				
Net investment in capital assets	61,741	37,058	-	98,800
Restricted for encumbrances	70	20,753	-	20,823
Unrestricted	23,899	3,332,988	(212,583)	3,144,303
Total net position	<u>\$ 85,710</u>	<u>\$ 3,390,799</u>	<u>\$ (212,583)</u>	<u>\$ 3,263,926</u>

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, 2020

	Warehouse Fund	Insurance Fund	Employee Benefit Fund	Total
Operating revenues:				
Intragovernmental	\$ 67,132	\$ 2,618,416	\$ 10,819,636	\$ 13,505,184
Other	17	37,531	2,986,926	3,024,475
Total operating revenues	<u>67,149</u>	<u>2,655,948</u>	<u>13,806,562</u>	<u>16,529,658</u>
Operating expenses:				
Personnel services	373,627	863,138	-	1,236,765
Maintenance	1,829	3,905	-	5,733
Claims	-	573,075	12,207,272	12,780,347
Other services and charges	71,588	692,238	3,322,361	4,086,187
Other expenses	17,220	63,918	-	81,138
Total operating expenses before depreciation	<u>464,264</u>	<u>2,196,274</u>	<u>15,529,633</u>	<u>18,190,170</u>
Operating gain(loss) before depreciation	(397,115)	459,674	(1,723,071)	(1,660,512)
Depreciation	<u>7,292</u>	<u>7,007</u>	<u>-</u>	<u>14,299</u>
Operating income (loss)	<u>(404,407)</u>	<u>452,667</u>	<u>(1,723,071)</u>	<u>(1,674,811)</u>
Nonoperating revenues:				
Investment earnings	628	45,353	24,559	70,540
Other	-	170,865	1,263,352	1,434,217
Total nonoperating revenues	<u>628</u>	<u>216,218</u>	<u>1,287,911</u>	<u>1,504,757</u>
Income (loss) before transfers	(403,779)	668,885	(435,160)	(170,053)
Transfers in	249,556	-	100,000	349,556
Transfers out	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Change in net position	(154,222)	568,885	(335,160)	79,503
Net position, October 1, 2019	<u>239,932</u>	<u>2,821,914</u>	<u>122,577</u>	<u>3,184,423</u>
Net position, September 30, 2020	<u>\$ 85,710</u>	<u>\$ 3,390,799</u>	<u>\$ (212,583)</u>	<u>\$ 3,263,926</u>

CITY OF BRYAN, TEXAS

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended September 30, 2020

	Warehouse Fund	Insurance Fund	Employee Benefit Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 1,265,374	\$ 37,531	\$ 3,106,232	\$ 4,409,138
Receipts for interfund services provided	-	2,619,716	10,819,636	13,439,352
Payments to suppliers	(1,287,744)	(1,618,591)	(14,307,338)	(17,213,673)
Payments to employees	(227,746)	(529,768)	-	(757,514)
Other receipts	-	170,865	1,263,352	1,434,217
Net cash provided (used) by operating activities	(250,116)	679,754	881,882	1,311,520
Cash flows from noncapital financing activities:				
Transfers in	249,556	-	100,000	349,556
Transfers out	-	(100,000)	-	(100,000)
Net cash provided (used) by noncapital activities	249,556	(100,000)	100,000	249,556
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	(34,953)	-	(34,953)
Net cash provided (used) by capital and related financing activities	-	(34,953)	-	(34,953)
Cash flows from investing activities:				
Purchase of investment securities	(12,283)	(1,288,303)	(747,006)	(2,047,592)
Sale of investment securities	46,012	4,255,906	1,824,776	6,126,694
Interest on investments	566	43,772	22,631	66,969
Net cash provided (used) by investing activities	34,295	3,011,375	1,100,401	4,146,071
Net increase (decrease) in cash and cash equivalents	33,736	3,556,176	2,082,284	5,672,196
Cash and cash equivalents, October 1, 2019	1,371	200,846	52,695	254,912
Cash and cash equivalents, September 30, 2020	\$ 35,107	\$ 3,757,022	\$ 2,134,979	\$ 5,927,108
Reconciliation of operating income (loss) to net cash provided (used) operating activities:				
Operating Income (loss)	(404,407)	452,667	(1,723,071)	(1,674,811)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	7,292	7,007	-	14,299
Other revenue	-	170,865	1,263,352	1,434,217
Change in assets and liabilities:				
Change in accounts receivable	(145)	-	119,306	119,161
Change in inventory	13,945	-	-	13,945
Change in due from other funds	107	1,300	-	1,407
Change in prepaid assets	-	-	-	-
Change in accounts payable	(12,789)	6,249	(146,285)	(152,825)
Change in accrued liabilities	2,954	5,961	-	8,915
Change in due to other funds	-	-	(58)	(58)
Change in claims payable	-	(291,705)	1,368,639	1,076,934
Change in vacation and sick pay	12,571	16,563	-	29,133
Change in OPEB and NPL	130,357	310,846	-	441,203
Net cash provided (used) by operating activities	\$ (250,116)	\$ 679,754	\$ 881,882	\$ 1,311,520

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 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	\$ 108,129,853
Restricted	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	21,514,186
Unrestricted	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	46,217,536
Total governmental activities net position	<u>\$ 108,233,094</u>	<u>\$ 106,355,996</u>	<u>\$ 112,579,085</u>	<u>\$ 117,589,868</u>	<u>\$ 109,973,966</u>	<u>\$ 116,064,315</u>	<u>\$ 113,930,329</u>	<u>\$ 110,882,643</u>	<u>\$ 126,460,530</u>	<u>\$ 175,861,575</u>
Business-type activities										
Net investment in capital assets	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	371,885,626
Restricted	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	33,508,196
Unrestricted	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	141,030,536
Total Business-type activities net position	<u>\$ 360,747,694</u>	<u>\$ 369,058,102</u>	<u>\$ 375,036,940</u>	<u>\$ 385,528,131</u>	<u>\$ 394,342,488</u>	<u>\$ 406,981,669</u>	<u>\$ 420,390,900</u>	<u>\$ 449,498,191</u>	<u>\$ 504,956,815</u>	<u>\$ 546,424,358</u>
Primary government										
Net investment in capital assets	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	480,015,479
Restricted	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	55,022,382
Unrestricted	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	187,248,071
Total primary government net position	<u>\$ 468,980,788</u>	<u>\$ 475,414,098</u>	<u>\$ 487,616,025</u>	<u>\$ 503,117,999</u>	<u>\$ 504,316,454</u>	<u>\$ 523,045,984</u>	<u>\$ 534,321,229</u>	<u>\$ 560,380,834</u>	<u>\$ 631,417,345</u>	<u>\$ 722,285,933</u>

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

Table 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General government and administration	\$ 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	\$ 16,179,781
Development services	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	6,438,717
Public works services	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	12,867,878
Public Safety	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	46,256,622
Cultural and Recreational	7,666,774	8,242,037	8,175,136	8,332,012	8,374,038	9,106,566	9,827,528	12,799,663	11,620,981	10,833,728
Interest on long-term debt	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	2,816,111
Total governmental activities expenses	65,580,512	69,832,638	75,388,855	76,258,494	77,395,326	89,291,670	98,812,477	98,688,708	100,079,960	95,392,837
Business-type activities:										
Electric	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	142,043,711
Rural Electric	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	36,280,420
Water	10,868,241	11,202,934	9,974,403	9,761,250	9,841,218	11,651,741	11,385,667	11,287,775	11,227,487	10,761,384
Wastewater	10,658,709	10,966,690	9,848,759	10,272,703	9,935,489	10,840,072	11,756,197	11,566,231	12,017,801	11,469,226
Other	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	7,753,652
Total business-type activities expenses	208,730,882	196,330,516	214,737,290	231,862,566	235,556,583	246,120,186	249,908,662	248,582,096	230,817,177	208,308,393
Total primary government expenses	\$ 274,311,394	\$ 266,163,154	\$ 290,126,145	\$ 308,121,060	\$ 312,951,909	\$ 335,411,856	\$ 348,721,139	\$ 347,270,804	\$ 330,897,137	\$ 303,701,230
Program Revenues										
Governmental activities:										
Fees, fines, and charges for services										
General government and administration	\$ 147,025	\$ 126,499	\$ 269,503	\$ 286,868	\$ 337,174	\$ 454,949	\$ 208,607	\$ 318,557	\$ 334,778	\$ 261,585
Development services	492,175	592,784	565,539	668,583	625,106	1,045,668	859,574	976,345	764,522	1,029,792
Public safety	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	6,074,324
Cultural and recreational	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	1,582,294
Operating grants and contributions	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	7,671,725
Capital grants and contributions	2,657,466	3,232,203	1,891,869	1,661,849	2,049,078	4,531,545	2,657,984	4,885,776	9,041,299	14,726,449
Total governmental activities program revenues	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	31,346,168
Business-type activities:										
Electric	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	185,889,665
Rural Electric	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	45,850,000
Water	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	14,449,661
Wastewater	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	13,387,061
Other Enterprise Funds	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	10,679,163
Operating grants and contributions	2,615,369	540,202	101,495	-	-	-	-	-	-	-
Capital grants and contributions	979,666	1,173,074	1,757,250	1,784,937	2,755,942	4,826,334	3,677,071	2,709,437	4,961,213	7,962,431
Total business-type activities program revenue	225,315,486	216,218,375	228,940,626	253,838,183	264,176,993	269,614,957	274,388,291	291,298,056	292,932,023	278,217,981
Total primary government program revenues	\$ 236,960,890	\$ 228,512,750	\$ 241,277,447	\$ 264,818,779	\$ 275,922,017	\$ 284,499,815	\$ 288,278,553	\$ 307,769,288	\$ 313,393,091	\$ 309,564,149
Net (expense)/revenue										
Governmental activities	\$ (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)	(64,046,669)
Business-type activities	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	69,909,588
Total primary government net expense	\$ (37,350,504)	\$ (37,650,404)	\$ (48,848,701)	\$ (43,302,281)	\$ (37,029,892)	\$ (50,912,041)	\$ (60,442,576)	\$ (39,500,886)	\$ (17,504,046)	\$ 5,862,918

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenue and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 39,370,526
Sales taxes	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	24,465,953
Franchise taxes	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	1,938,892
Alcoholic beverage taxes	93,042	75,460	85,789	130,791	149,776	153,522	154,279	161,631	186,568	140,082
Bingo taxes	210,255	217,615	234,105	260,733	267,434	261,943	261,967	208,508	241,346	294,040
Hotel occupancy taxes	454,217	504,078	720,717	1,179,774	1,286,072	1,182,916	1,453,321	1,748,501	1,798,691	1,095,785
Transportation and drainage fees	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	6,988,935
Unrestricted investment earnings	251,107	278,636	206,083	290,514	523,146	483,317	454,389	639,513	2,134,759	1,352,938
Miscellaneous	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	2,941,259
Transfers (net)	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	34,859,304
Total governmental activities:	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	113,447,714
Business-type activities:										
Unrestricted investment earnings	719,221	(84,846)	969,402	611,791	1,032,154	856,704	1,056,355	1,174,531	6,634,033	4,223,505
Miscellaneous	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	2,193,754
Special items - Gain on sale of capital assets	-	(6,894,344)	871,080	2,493,174	505,000	-	-	-	-	-
Transfers (net)	(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)	(34,859,304)
Total business-type activities	(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)	(28,442,045)
Total primary government	\$ 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	\$ 85,005,669
Change in Net Position										
Governmental activities	\$ 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	\$ 49,401,045
Business-type activities	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	41,467,543
Total primary government	\$ 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	\$ 90,868,588

City of Bryan, Texas

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified accrual basis of accounting)

Table 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
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	106,631
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	3,977,076
Assigned	460,921	193,524	974,951	503,799	1,531,754	7,731,534	4,962,007	3,237,201	2,838,331	6,726,575
Unassigned	11,362,664	12,721,175	18,505,338	24,529,175	30,621,712	22,095,483	17,752,837	19,058,051	24,466,995	3,425,810
Total general fund	<u>\$ 13,210,298</u>	<u>\$ 16,142,816</u>	<u>\$ 22,460,896</u>	<u>\$ 28,179,172</u>	<u>\$ 35,368,405</u>	<u>\$ 33,553,048</u>	<u>\$ 27,964,482</u>	<u>\$ 28,477,267</u>	<u>\$ 33,063,857</u>	<u>\$ 14,236,093</u>
All other governmental funds										
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	\$ 1,176,117
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	51,115,106
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	2,174,282
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	84,411
Libraries	3,599	3,664	3,711	3,768	3,858	3,938	4,011	4,117	4,517	4,663
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	2,412,531
Municipal Court	261,573	287,722	296,395	259,748	244,157	245,569	188,100	160,052	180,681	182,107
TIRZ Development	3,364,672	3,036,268	552,909	439,715	706,544	807,993	1,037,861	1,169,520	1,267,824	2,658,753
Other Purposes	473	-	5,728	1,240	1,808	-	-	-	-	11,973
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	8,297,803
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	1,956,622
Parks	-	-	-	-	-	-	-	-	-	15,310,744
Other Purposes	-	700	-	-	-	1,551,036	3,902,621	4,621,792	5,488,499	5,806,143
Assigned:	-	-	-	-	-	-	-	-	-	15,628,798
Unassigned:										
Special Revenue Funds	(9,964)	(104)	-	(21,552)	(9,354)	(16,399)	-	(22,446)	(26,503)	(45,785)
Total all other governmental funds	<u>\$ 28,709,872</u>	<u>\$ 26,097,603</u>	<u>\$ 25,460,642</u>	<u>\$ 33,672,999</u>	<u>\$ 32,954,912</u>	<u>\$ 39,874,695</u>	<u>\$ 29,481,955</u>	<u>\$ 31,530,910</u>	<u>\$ 29,264,038</u>	<u>\$ 106,774,268</u>
Total governmental funds	\$ 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	\$ 121,010,361

City of Bryan, Texas

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified accrual basis of accounting)

Table 4

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Property taxes	\$ 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	\$ 39,431,870
Sales taxes	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	24,465,953
Franchise taxes	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	1,938,892
Alcoholic beverage taxes	93,042	75,460	85,789	130,791	149,776	153,522	154,279	161,631	186,568	140,082
Bingo taxes	210,255	217,615	234,105	260,733	267,434	261,943	261,967	208,508	241,346	294,040
Hotel occupancy taxes	454,217	504,078	720,717	1,179,774	1,286,072	1,182,916	1,453,321	1,748,501	1,798,691	1,095,785
Transportation and drainage fees	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	6,988,935
Charges for services	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	6,594,140
Fines and court charges	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	1,324,063
Licenses and permits	492,175	592,784	565,539	668,583	625,106	1,105,135	916,481	976,345	764,522	1,029,792
Grants	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	7,671,726
Investment earnings	195,201	240,139	180,942	264,450	486,542	450,313	424,969	593,701	1,964,336	1,282,397
Oil and gas royalties	-	-	-	-	-	-	-	-	-	211,887
Other	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	3,112,145
Total revenues	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	95,581,706
Expenditures:										
Current:										
General government and administration	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	20,204,393
Development services	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	6,327,073
Public works services	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	4,177,371
Public safety	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	43,615,531
Cultural and recreational	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	9,326,946
Administrative reimbursement	(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)	(6,093,231)
Capital outlay	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	24,646,941
Debt Service:										
Bond and principal retirement	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	8,354,991
Interest and fiscal charges	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	2,267,897
Debt issuance cost	(25,000)	-	421,506	66,571	71,009	149,526	-	186,174	74,520	318,825
Total expenditures	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	113,146,737
Excess of expenditures over revenues	(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)	(17,565,031)
Other financing sources (uses):										
Proceeds of long-term debt issued	-	-	-	7,760,021	-	9,275,000	-	11,965,000	-	70,365,000
Premium on long-term debt issued	-	-	-	12,517	-	430,700	-	359,538	-	2,594,393
Proceeds of refunding bonds issued	-	-	21,391,646	6,954,249	11,745,000	7,755,000	-	6,265,000	4,660,000	7,125,000
Payment to refunded bond escrow agent	-	-	(21,381,600)	(6,942,650)	(12,231,268)	(8,043,773)	-	(6,486,411)	(4,891,535)	(7,747,691)
Premium on refunding bonds	-	-	417,193	57,981	557,141	372,165	-	314,046	321,429	440,801
Sales of capital assets	213,342	47,265	13,115	12,258	1,591,734	23,693	51,367	61,557	397,064	836,126
Transfers in	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	58,846,311
Transfers out	(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)	(24,236,565)
Total other financing sources	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	108,223,375
Net change in fund balances	\$ (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	\$ 90,658,344
Debt service as a percentage of noncapital expenditures	16.16%	17.19%	17.56%	14.48%	14.20%	12.90%	11.44%	11.25%	11.88%	12.00%

City of Bryan, Texas

Governmental Activities Tax Revenues By Source

Last Ten Fiscal Years

(Accrual basis of accounting)

Table 5

Fiscal Year	Property Taxes	Sales Taxes	Franchise Taxes	Alcoholic Beverage Taxes	Bingo Taxes	Hotel Occupancy Taxes	Transportation and Drainage Assessments	Total
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
2020	39,431,870	24,465,953	1,938,892	140,082	294,040	1,095,785	6,988,935	74,355,557
Change 2011-2020	71.12%	71.08%	-6.01%	50.56%	39.85%	141.25%	13.11%	60.44%

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					
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	4,474,267,958	1,284,954,223	742,893,376	300,760,635	6,201,354,922	0.629990	6,201,354,922
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
2020	4,474,267,958	1,284,954,223	742,893,376	300,760,635	6,201,354,922	0.629990	6,201,354,922

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

				Overlapping Rates								
							Bryan Independent					
City of Bryan ⁽¹⁾				Brazos County ⁽²⁾			School District ⁽³⁾					
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total BISD Millage	Subtotal Direct Rates	Subtotal Overlapping Rates	Total Direct & Overlapping Rates
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
2020	0.476018	0.153972	0.629990	0.4475	0.0500	0.4975	0.9900	0.2800	1.2700	0.629990	1.7675	2.3975

⁽¹⁾ City of Bryan Budget Office

⁽²⁾ Brazos County

⁽³⁾ Bryan ISD

City of Bryan, Texas
Principal Property Taxpayers
As of September 30, 2020

Table 8

Taxpayer	2020			2011		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Sanderson Farms	\$ 60,227,795	1	0.97%			
Hawkwood Energy Operating LLC	41,918,704	1	0.68%			
Liquidpower Specialty Products	40,362,114	1	0.65%			
Waypoint ZI TXA&M ST Owner LLC	38,950,000	1	0.63%			
Comcapp Willowick LLC	34,576,826	1	0.56%			
Jamespoint Management Co	32,537,123	1	0.52%			
Adam Development Properties LP	26,342,131	1	0.42%			
Parc Traditions LP	25,633,378	1	0.41%			
West Shore Traditions I LLC	25,299,056	1	0.41%			
Wal-Mart Real Estate Business Trust	25,095,800	1	0.40%			
Waves Z Islander of Bryan LLC				\$ 33,561,750	1	0.73%
Jamespoint Management Co				26,700,000	2	0.58%
Bryan Senior Investors LP				21,144,670	3	0.46%
SW Meadows Point LP				20,123,680	4	0.44%
Wal-Mart Real Estate				18,927,130	5	0.41%
KC Presidio Apartments LLC				18,250,000	6	0.40%
Tejas Center LTD				18,086,280	7	0.39%
Adam Development Properties LP				17,452,103	8	0.38%
Galindo Ramiro				16,351,887	9	0.36%
4050 Pendleton LTD				16,333,830	10	0.36%
Totals	<u>\$ 350,942,927</u>		<u>5.66%</u>	<u>\$ 206,931,330</u>		<u>4.51%</u>

Source: Brazos Central Appraisal District

City of Bryan, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
As of September 30, 2020

Table 9

Fiscal Year	Total Tax Levy for Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date				
			Amount	Percentage of Levy		Amount	Percentage of Levy			
2011	\$	22,810,074	\$	22,410,029	98.25%	\$	352,005	\$	22,762,034	99.79%
2012		23,800,130		23,386,311	98.26%		364,995		23,751,305	99.79%
2013		24,418,567		24,091,210	98.66%		275,667		24,366,877	99.79%
2014		25,299,027		24,931,688	98.55%		308,467		25,240,155	99.77%
2015		26,961,308		26,578,195	98.58%		319,177		26,897,372	99.76%
2016		28,568,696		28,011,317	98.05%		479,892		28,491,208	99.73%
2017		30,254,227		29,819,509	98.56%		333,526		30,153,035	99.67%
2018		32,736,990		32,268,978	98.57%		339,626		32,608,604	99.61%
2019		35,438,038		34,950,886	98.63%		281,776		35,232,662	99.42%
2020		37,845,056		37,302,171	98.57%		-		37,302,171	98.57%

City of Bryan, Texas

Top Ten Electric Customers

For Fiscal Year Ended September 30, 2020

Table 10

Electric Customers - City Electric

Customer	Type of Industry	Electric Usage kWh	Rank	Percentage of Top Ten Electric Users
Sanderson Farms Inc	Corporation	46,278,739	1	4.56%
Bryan ISD	Education	30,100,296	2	2.97%
City of Bryan	Local Government	30,018,914	3	2.96%
CHI St Joseph Hospital	Medical	29,522,837	4	2.91%
Texas A&M University	Education	29,142,837	5	2.87%
Axis Pipe And Tube	Manufacturing	24,549,349	6	2.42%
B Way Corporation	Corporation	24,434,652	7	2.41%
Brazos County	Local Government	14,866,456	8	1.47%
New Alenco Window Ltd	Manufacturing	12,328,636	9	1.22%
Wimberly Bldg Redevelopment	Corporation	10,730,750	10	1.06%
Total		251,973,467		24.84%
Total City Electric System kWh		1,014,316,802		

Electric Customers - Rural Electric

Customer	Type of Industry	Electric Usage kWh	Rank	Percentage of Top Ten Electric Users
Hawkwood Energy Operating, Llc	Corporation	16,898,619	1	3.76%
City Of College Station	Local Government	9,436,658	2	2.10%
Texas A&M University	Education	8,617,903	3	1.92%
Breckenridge Group College Station Texas	Corporation	6,262,588	4	1.40%
Wildhorse Resources Management Co. Llc	Corporation	5,941,233	5	1.32%
C3-College Station,Llc	Corporation	5,418,810	6	1.21%
C&E Production Llc	Corporation	3,794,112	7	0.85%
Texas Express Pipeline Llc	Corporation	3,462,149	8	0.77%
Frontier Southwest Incorporated	Corporation	3,421,070	9	0.76%
MPS Eggs (formerly Feathercrest Farms)	Corporation	3,316,781	10	0.74%
Total		66,569,924		14.83%
Total Rural Electric System kWh		448,904,884		

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

Table 11

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City Electric										
Type of Customer										
Residential	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	408,468,397
Commercial and Industrial	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	605,848,405
Public Authorities ⁽¹⁾	36,412,000	35,429,000	4,462,000	-	-	-	-	-	-	-
Rural	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	496,104,086
Other Utilities	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	663,662,296
Interdepartmental ⁽²⁾	34,833,000	32,634,000	34,753,000	32,218,000	6,205,000	-	-	-	-	-
	<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>	<u>2,174,083,184</u>
Rural Electric										
Type of Customer										
Residential	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	303,080,224
Commercial and Industrial	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	145,824,660
	<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>	<u>448,904,884</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

	2011			2012			2013			2014			2015		
	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh
City Electric System															
Residential Winter (Nov-Apr)	\$ 8.15	\$ -	\$ 0.0782	\$ 8.88	\$ -	\$ 0.0786	\$ 10.28	\$ -	\$ 0.0800	\$ 10.28	\$ -	\$ 0.0861	\$ 11.00	\$ -	\$ 0.0790
Residential Summer (May-Oct)	8.15	-	0.0882	8.88	-	0.0895	10.28	-	0.0926	10.28	-	0.0987	11.00	-	0.0917
Small Commercial	9.83	-	0.0822	11.16	-	0.0848	13.82	-	0.0909	13.82	-	0.0955	15.50	-	0.0930
General Service Commercial	20.00	6.35	0.0620	22.12	7.03	0.0612	26.34	8.37	0.0606	26.34	9.90	0.0606	29.75	9.36	0.0215
Large Industrial	-	11.70	0.0483	200.00	11.88	0.0454	400.00	12.30	0.0407	400.00	13.79	0.0407	400.00	15.96	0.0376
Primary Service													400.00	15.64	0.0374
Transmission Service													1,725.00	16.11	0.0298
Bryan Public Schools	30.00	-	0.0885	-	-	-	39.52	-	0.10						
Interdepartmental	30.00	-	0.0901	33.18	-	0.0905	30.00	-	0.0821						
Rural Electric Division	-	6.30	0.0560	30.00	-	0.0871	-	7.16	0.5010	-	8.44	0.0501	8,100.00	9.16	0.0530
Rural Electric System															
Residential Winter (Nov-Apr)	8.15	-	0.0766	8.85	-	0.0766	9.61	-	0.0749	9.61	-	0.0788	11.00	-	0.0813
Residential Summer (May-Oct)	8.15	-	0.0866	-	-	-	9.61	-	0.09	9.61	-	0.0911	11.00	-	0.0944
Residential College Station (Nov-Apr)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential College Station (May-Oct)	-	-	-	8.85	-	0.0903	-	-	-	-	-	-	-	-	-
Small Commercial	9.83	-	0.0827	11.37	-	0.0862	13.16	-	0.0887	13.16	-	0.0909	14.00	-	0.0905
General Service Commercial	20.00	7.21	0.0615	19.62	7.21	0.0581	19.25	6.93	0.0527	19.25	7.61	0.0527	21.00	8.43	0.0531
Public/Private Schools	30.00	-	0.0925	31.47	-	0.0920	33.01	-	0.0896	33.01	-	0.0896	-	-	-
Large Industrial													400.00	12.81	0.0301
	2016			2017			2018			2019			2020		
	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh	Customer Charge per Month	Demand per kW	Rate per kWh
City Electric System															
Residential Winter (Nov-Apr)	\$ 11.00	\$ -	\$ 0.0837	\$ 11.00	\$ -	\$ 0.0837	\$ 11.00	\$ -	\$ 0.0837	\$ 11.00	\$ -	\$ 0.0833	\$ 11.00	\$ -	\$ 0.0824
Residential Summer (May-Oct)	11.00	-	0.0964	11.00	-	0.0964	11.00	-	0.0964	11.00	-	0.0960	11.00	-	0.0951
Small Commercial	15.50	-	0.0952	15.50	-	0.0924	15.50	-	0.0924	15.50	-	0.0900	15.50	-	0.0890
General Service Commercial	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	12.88	0.0384
Large Industrial	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	17.23	0.0373
Primary Service	400.00	16.32	0.0390	400.00	16.32	0.0389	400.00	16.32	0.0389	400.00	16.28	0.0393	400.00	16.88	0.0366
Transmission Service	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	17.48	0.0296
Rural Electric Division	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	6.73	0.0421
Rural Electric System															
Residential Winter (Nov-Apr)	11.50	-	0.0906	12.00	-	0.0930	12.00	-	0.0908	12.00	-	0.0907	12.00	-	0.0908
Residential Summer (May-Oct)	11.50	-	0.1048	12.00	-	0.1084	12.00	-	0.1062	12.00	-	0.1061	12.00	-	0.1062
Residential College Station (Nov-Apr)				11.00	-	0.0889	11.00	-	0.0867	11.00	-	0.0859	11.00	-	0.0858
Residential College Station (May-Oct)				11.00	-	0.1022	11.00	-	0.1000	11.00	-	0.0992	11.00	-	0.0991
Small Commercial	15.00	-	0.0959	16.00	-	0.0904	16.00	-	0.0882	16.00	-	0.0863	16.00	-	0.0858
General Service Commercial	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	11.43	0.0406
Large Industrial	400.00	16.96	0.0430	400.00	16.96	0.0430	400.00	17.07	0.0408	400.00	17.03	0.0407	400.00	17.66	0.0379

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

City of Bryan, Texas**Top Ten Water Customers**

For Fiscal Year Ended September 30, 2020

Table 13

Customer	Type of Industry	Water Usage Gallons	Rank	Percentage of Total Water Usage
Wellborn Special Utility District	Utility District	308,479,800	1	7.58%
St. Joseph Hospital	Health Care Facility	76,571,300	2	1.88%
Bryan ISD	Education	72,691,900	3	1.79%
Wickson Water Supply	Utility District	60,353,000	4	1.48%
Brazos County	Local Government	59,275,100	5	1.46%
Comcapp Bryan	Housing	50,697,600	6	1.24%
Saint-Gobain Norpro	Manufacturing	43,606,800	7	1.07%
City of Bryan	Local Government	39,456,400	8	0.97%
Federal Prison Camp	Correctional Facility	34,023,900	9	0.84%
TDCJ - Hamilton Unit	Correctional Facility	32,699,700	10	0.80%
Total		<u>777,855,500</u>		<u>19.10%</u>
Total gallons of water sold		4,072,265,200		

City of Bryan, Texas

Top Ten Sewer Customers

For Fiscal Year Ended September 30, 2020

Table 14

Customer	Type of Industry	Sewer Usage Gallons	Rank	Percentage of Total Gallons of Sewer Treated
St. Joseph Hospital	Health Care Facility	63,258,000	1	2.45%
Brazos County	County Government	50,470,800	2	1.96%
Comcapp Bryan	Housing	49,266,600	3	1.91%
Saint-Gobain Norpro	Manufacturing	43,285,000	4	1.68%
Federal Prison Camp	Correctional Facility	33,934,900	5	1.32%
TDCJ - Hamilton Unit	Correctional Facility	32,699,700	6	1.27%
BISD	Public School	32,178,000	7	1.25%
Oakwood/Country Village	Mobile Home Park	32,046,200	8	1.24%
Axis Pipe & Tube	Manufacturing	24,849,000	9	0.96%
Housing Authority of Bryan	Housing	24,829,900	10	0.96%
Total		<u>386,818,100</u>		<u>15.00%</u>
Total gallons of wastewater treated		2,579,240,000		

City of Bryan, Texas
Monthly Water Rates
Effective September 30, 2020

Table 15

Monthly Water Rates				
Water Class	Minimum Customer Charge Per Month	Volume Charge Per 1,000 Gallons 0-30,000 Gallons	Volume Charge Per 1,000 Gallons 30,001-50,000 Gallons	Volume 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

Monthly Sewer Rates		
Customer Class	Monthly Customer Charge	Volume Charge per 1000 gallons
Non Commercial	\$ 7.88	\$ 4.03
Commercial/Industrial	7.88	3.80

City of Bryan

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 16

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage Of Personal Income	Per ^(a) Capita
	General Obligation Bonds	Certificates of Obligation	Notes	Govt Only Per ^(a) Capita	Utility Revenue Bonds	General Obligation Bonds	Certificates of Obligation	Notes			
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	11.8%	2,340
2020 ^(b)	42,816,407	97,339,479	-	1,625	282,192,396	8,300,808	35,695,890	-	466,344,980	N/A	2,925

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.

City of Bryan, Texas

Legal Debt Margin Information

As of September 30, 2020

Table 17

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, 2020 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 Property	Per Capita ^(c)
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	1.87%	1,378
2019	123,445,687	10,978,007	112,467,680	1.94%	1,316
2020	184,152,584	10,284,083	173,868,501	2.80%	2,015

^(a) Includes Certificates of Obligation and General Obligation bond issues for Governmental Activities and Business-type Activities. Fiscal Years 2016, 2017, 2018, 2019, and 2020 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, 2020**

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	\$ 191,485,000	67.24%	\$ 128,761,926
Brazos County	79,071,270	31.23%	24,693,601
Subtotal, overlapping debt			<u>153,455,527</u>
 City of Bryan net bonded debt ⁽¹⁾	 180,749,992	 100.00%	 180,749,992
			<u><u>\$ 334,205,520</u></u>

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 including interest.

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 Debt Service	Average Annual Debt Service Requirement	Coverage ⁽³⁾
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
2020	185,889,665	116,693,788	3,318,858	72,514,735	12,106,991	5.99

⁽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

Rural Electric Fund											
Fiscal Year	Gross Operating and Other Revenue		Less: Operating Expenses		Plus: Interest Earnings	Net Revenue ⁽¹⁾ as Defined in Bond Ordinance	Average Annual Debt Service Requirement	Coverage ⁽²⁾			
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
2020		45,850,000		31,483,606		448,538		14,814,932		2,012,211	7.36

⁽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	\$ 11,129,869	\$ 4,803,510	2.32
2011	27,394,101	12,367,172	239,262	15,266,191	5,279,891	2.89
2012	25,951,609	12,664,564	170,563	13,457,608	4,598,484	2.93
2013	25,152,856	11,725,590	91,845	13,519,111	4,105,963	3.29
2014	24,175,389	12,278,086	103,389	12,000,692	3,808,332	3.15
2015	25,273,166	12,812,872	145,864	12,606,158	3,721,780	3.39
2016	25,663,471	13,549,228	124,733	12,238,976	3,629,985	3.37
2017	26,540,053	13,801,959	159,416	12,897,510	2,438,825	5.29
2018	27,357,530	13,490,834	215,389	14,120,958	2,304,451	6.13
2019	26,223,442	12,717,975	674,251	14,179,718	2,127,637	6.66
2020	27,836,722	12,333,398	332,652	15,835,976	1,942,211	8.15

⁽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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Category:										
Communications and information	\$ 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	\$ 1,563,603
Home furnishings and appliances	405,991	414,871	383,795	284,910	296,203	328,616	345,163	369,672	407,103	693,296
Eating and drinking establishments	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	2,130,042
Department and retail stores	683,216	762,097	757,696	2,318,066	1,252,378	1,875,662	430,245	481,503	1,996,100	2,567,016
Oil and gas operations	244,732	96,821	130,639	243,942	228,011	114,837	269,493	251,862	756,752	1,376,802
Construction and building	496,984	183,079	202,861	(338,386)	114,626	343,702	1,005,179	827,170	947,341	1,639,931
Auto dealers and supplies	526,788	604,063	657,617	804,230	734,761	652,612	718,897	704,537	597,451	968,231
Printing/Publishers	74,499	78,050	81,592	96,547	94,316	216,618	221,505	167,090	254,085	267,298
Contractors	166,857	96,107	170,312	258,052	239,346	363,622	386,891	245,128	288,136	423,983
Manufacturing	404,338	477,069	389,218	913,475	554,296	805,400	573,477	653,035	633,968	1,018,286
Wholesalers	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	1,519,784
Food Stores	576,909	656,980	590,592	633,784	659,635	734,517	754,479	896,542	760,438	769,970
Other stores	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	3,625,756
Apparel	173,774	189,569	197,411	228,548	236,879	232,003	234,169	253,121	403,383	389,522
All other outlets	6,522	9,220	9,949	17,579	3,315	9,787	9,636	2,498	5,471	12,069
Financial services	115,873	129,935	120,050	158,925	92,429	163,384	105,108	79,308	84,147	102,188
Rentals and leasing	519,721	528,027	449,878	600,118	587,148	594,701	654,428	785,407	797,605	723,017
Professional services	542,964	563,031	527,801	565,631	528,114	751,653	782,118	969,471	1,394,227	953,860
Repair and maintenance	354,236	429,320	273,518	578,585	443,815	480,890	507,419	498,343	400,363	1,222,753
Hotels/Motels	(261)	10,001	21,824	33,193	12,539	10,890	21,347	35,511	36,278	36,278
Other products and equipment	48,381	43,322	71,858	73,971	58,129	13,823	100,232	3,555	66,936	47,832
Other	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	1,406,712
Missing Description	-	-	-	-	-	-	-	-	-	-
Total	\$ 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	\$ 23,458,230

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⁾
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	11,050,339,000	41,742	2.60%
2020	86,268	16,167	Not Available	Not Available	5.50%

⁽¹⁾ U.S. Census Bureau and <https://data.census.gov/>

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

⁽³⁾ Bureau of Economic Analysis; <https://apps.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

2020	2011
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 Hospital
Texas A&M University System	Texas A&M University System
Wal-Mart	Wal-Mart

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government and Administration										
Executive Services	5	5	6	6	6	5	6	6	6	6
Communications & Marketing	5	3	4	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	-	-	1	-	-	-	-	-
Economic Development	-	-	-	2	2	4	5	5	5	5
Internal Audit	1	1	1	1	1	1	1	-	-	-
City Secretary	7	6	6	6	6	6	6	6	6	6
Legal Services	6	5	4	5	4	5	5	5	5	5
Support Services										
Fiscal Services	12	12	12	10	11	11	11	12	12	10
Purchasing Services	2	2	2	2	3	3	3	2	2	2
Information Technology	15	15	16	17	19	19	19	19	37	37
Human Resources	5	6	5	5	5	5	5	5	5	5
Facility Services	23	16	16	16	17	17	15	17	17	18
Fleet Services	12	9	9	5	8	9	8	9	10	10
Warehouse	4	4	4	4	4	3	3	3	3	3
Risk Management	6	6	6	6	6	6	6	6	6	6
Development Services										
Planning and Development	8	8	10	8	8	7	7	6	7	8
Building Services	17	14	9	11	11	11	14	14	14	15
Code Enforcement					3	4	3	4	4	4
Community Development	5.75	5.75	6	6	6	6	6	6	6	6
Public Works Services										
Administration	-	-	-	-	-	-	-	-	-	-
Engineering Services	19	13	12	12	13	14	13	12	13	14
Transportation & Drainage	29	18	16	15	16	17	16	15	16	16
Traffic Services	10	10	9	8	9	9	10	8	11	9
Public Safety										
Police Officers	124	138	136	140	139	146	144	149	154	152
Civilians	47	39	35	31	30	33	34	34	31	30
Firefighters/Emergency Medical Technicians	108	107	108	118	112	128	134	129	136	145
Civilians	5	4	6	4	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	11
Municipal Court	16	15	16	15	17	17	17	15	16	15
Cultural and Recreation/Community Services										
Library Services	19	24	21	21	21	21	20	20	21	19
College Station Library	16	19	18	17	16	16	16	16	16	17
Parks and Recreation	18	28	22	21	23	22	23	21	22	20
Water	36.55	34.50	32	33	37	37	32	36	34	34
Wastewater	44.45	31.50	40	31	29	36	37	36	36	37
Solid Waste	47	44	37	41	43	38	40	37	38	35
Call Center	5	5	5	5	5	5	5	5	5	5
Airport	2	1	1	1	2	2	2	2	2	2
Electric Department-Municipal and Rural	189	165	171	177	185	186	189	189	181	176
Total	871	816	810	815	838	869	874	870	897	892

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

Table 27

Function:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020*
Police										
Physical arrest	5,063	4,826	5,525	5,497	5,644	5,560	5,606	4,830	5,354	4,052
Traffic citations	12,400	11,663	11,118	9,812	9,170	8,509	9,475	9,067	6,862	2,920
Fire										
Number of Fire and EMS calls	9,125	9,420	9,261	10,272	11,062	11,193	11,766	12,423	13,301	12,986
Transportation										
Potholes repaired	3,225	225	208	321	380	353	547	395	668	372
HMAC (Hot Mix Asphaltic Concrete) placed (tons)	1,258	1,978	1,455	1,434	1,100	1,065	1,309	1,063	1,426	1,122
In-house concrete poured (cubic yards)	584	485	723	434	250	462	127	365	498	350
Culture and recreation										
New library patron registration	8,419	7,259	7,384	7,018	6,281	5,748	5,716	4,871	3,887	5,066
Library circulation of materials	849,241	784,421	797,577	726,617	837,658	866,635	750,995	834,766	724,998	702,999
Number of cooperative programs with Bryan ISD and College Station Parks and Recreation department	10	13	16	18	19	20	21	22	22	14
Pavilion rentals	743	913	993	1,215	1,441	1,801	1,022	1,166	1,207	1,022
Neighborhood/Youth Services										
Neighborhood Associations registered	41	41	41	41	41	42	43	43	43	43
Municipal Court										
Number of cases filed	18,147	17,832	16,821	13,304	11,878	11,383	12,976	12,761	10,876	7,723
Community Development										
Number of citizens provided homebuyers assistance	17	17	18	6	9	9	11	12	7	5
Number of households provided rehabilitation	5	1	3	3	2	2	3	2	2	2
Number of households provided minor rehabilitation	41	41	43	54	69	60	70	50	62	66
Housing Development (new construction)	-	-	-	-	-	1	1	-	2	-
Water										
Number of new connections	180	151	173	167	188	115	288	393	498	641
Maximum daily capacity (gallons)	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	37,708,000
Daily average usage (gallons)	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	11,126,408
Total usage (gallons)	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	4,072,265,000
Wastewater										
Combined capacity (gallons per day)	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	14,000,000
Daily average usage (gallons)	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	7,066,411
Total treated (gallons)	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	2,579,240,000
Solid Waste										
Refuse collected (tons)	56,120	55,819	55,520	55,345	57,664	60,760	65,444	62,063	67,227	66,078

Sources: Various City Departments

* The FY2020 changes are a result of the impacts of the COVID-19 Pandemic.

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

Table 28

Function:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of sworn personnel	136	137	136	140	143	146	144	148	148	152
Fire and emergency medical services:										
Number of stations	5	5	5	5	5	5	5	5	5	5
Number of personnel	110	110	110	117	123	128	139	144	145	150
Highways and streets:										
Lane miles of paved streets	738	738	752	752	752	755	762	766	800	806
Culture and recreation:										
Number of parks	42	42	52	53	52	52	52	54	54	55
Park acreage	611	611	678	683	690	690	703	707	707	709
Number of golf courses	1	1	1	1	1	1	1	1	1	1
Golf course acreage	104	104	104	104	127	127	127	107	114	114
Hike and bike trails - number of miles	23	23	23	23	35	37	36	36	36	36
Number of cemeteries	3	3	3	3	3	3	3	3	3	3
Cemetery acreage	70	70	70	70	92	92	92	92	88	88
Number of libraries	3	3	3	3	3	3	3	3	3	3
Library volumes	147,090	237,557	233,237	223,266	211,240	238,969	203,519	207,492	191,027	213,784
Water system:										
Miles of line	459	472	469	474	482	490	479	482	486	498
Number of connections	21,804	21,913	22,147	22,418	22,870	22,985	23,223	23,428	23,926	24,479
Number of wells	12	12	12	12	12	12	12	12	12	12
Wastewater system:										
Miles of line	382	387	393	396	389	393	400	401	407	410
Number of connections	21,460	21,539	21,761	22,021	22,350	22,538	22,907	23,373	23,968	24,691
Number of treatment plants	3	3	3	3	3	3	3	3	3	3
Electric system:										
Generating capacity (kW)	337,000	337,000	337,000	226,000	221,000	226,000	226,000	226,000	226,000	226,000
Reserve oil capacity (gallons)	3,120,000	3,120,000	3,120,000	-	-	-	-	-	-	-
Number of substations	11	11	11	7	7	7	7	7	7	7
Number of connections	32,583	33,150	33,920	34,609	35,174	35,716	36,819	37,660	38,758	39,536
Rural Electric system:										
Number of utility connections	16,033	16,881	17,556	18,328	19,068	20,155	21,121	21,637	22,048	22,911
Number of substations	13	13	15	19	20	21	21	20	23	24

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, 2020

Table GO-1

2019/2020 Market Valuation Established by Brazos Central Appraisal District (Excluding totally exempt property)	\$ 6,502,115,557
--	------------------

Less Exemptions/Reductions at 100% Market Value

Over 65 or Disabled Exemptions	\$ 62,847,819	
Homestead Cap Adjustment	41,479,120	
Disabled Veterans Exemptions	35,286,743	
Agricultural Land Use Reductions	78,038,121	
House Bill 366	292,957	
Pollution Control	4,610,575	
Prorated Exempt Property	-	
Freeport Exemptions	46,384,227	
Member of Armed Services Surviving Spouse	511,442	
Tax Abatement Reductions	<u>31,309,631</u>	<u>300,760,635</u>

2018/2019 Net Taxable Valuation - As reported on Table 6	<u>\$ 6,201,354,922</u>
--	-------------------------

General Obligation & Certificates of Obligation Debt Payable from Ad Valorem Taxes (as of 9/30/20)	\$ 179,100,000
--	----------------

Less : Self Supporting Debt	<u>64,199,413</u>
-----------------------------	-------------------

Net General Obligation Debt Payable from Ad Valorem Taxes	<u>\$ 114,900,587</u>
---	-----------------------

General Obligation Interest and Sinking Fund as of 9/30/2020	\$ 1,782,431
--	--------------

Ratio Net General Obligation Tax Debt to Taxable Assessed Valuation	1.85%
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2020 Estimated Population - 86,268

Per Capita Taxable Assessed Valuation - \$71,885

Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - \$1,332

City of Bryan, Texas

Taxable Assessed Valuations by Category

As of September 30, 2020

Table GO-2

Category	2020		2019		2018		2017		2016	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 3,416,834,372	52.55%	\$ 3,139,991,048	51.39%	\$ 2,802,892,990	49.32%	\$ 2,577,811,355	50.17%	\$ 2,344,844,398	48.74%
Real, Residential, Multi-Family	810,482,665	12.46%	728,173,960	11.92%	705,283,398	12.41%	578,131,572	11.25%	554,862,988	11.53%
Real, Vacant Lots/Tracts	120,275,066	1.85%	115,613,691	1.89%	117,089,094	2.06%	111,945,902	2.18%	97,609,815	2.03%
Real, Acreage (Land Only)	126,471,466	1.95%	129,123,967	2.11%	129,832,700	2.28%	130,963,999	2.55%	117,228,502	2.44%
Real, Farm and Ranch Improvements	204,389	0.00%	206,441	0.00%	217,658	0.00%	208,882	0.00%	263,834	0.01%
Real, Commercial and Industrial	1,166,152,156	17.93%	1,098,932,694	17.99%	1,045,327,129	18.39%	999,459,891	19.45%	939,142,306	19.52%
Real, Oil, Gas and Other Mineral Reserves	66,858,011	1.03%	28,032,362	0.46%	30,334,072	0.53%	30,428,168	0.59%	38,767,043	0.81%
Real and Tangible Personal, Utilities	51,944,056	0.80%	49,625,553	0.81%	48,417,243	0.85%	48,340,636	0.94%	46,534,856	0.97%
Tangible Personal, Business	652,685,520	10.04%	734,721,099	12.02%	597,250,830	10.51%	585,427,914	11.39%	605,550,910	12.59%
Tangible Personal, Other	33,211,030	0.51%	31,226,610	0.51%	29,290,890	0.52%	21,757,540	0.42%	19,218,340	0.40%
Real, Inventory and Special Inventory	56,996,826	0.88%	54,528,790	0.89%	177,408,197	3.12%	53,947,961	1.05%	46,689,219	0.97%
Total Appraised Value before Exemptions	6,502,115,557	100.00%	6,110,176,215	100.00%	5,683,344,201	100.00%	5,138,423,820	100.00%	4,810,712,211	100.00%
Less: Total Exemptions/Reductions	300,760,635		320,825,723		247,224,761		240,621,455		207,760,861	
Taxable Assessed Value	<u>\$ 6,201,354,922</u>		<u>\$ 5,789,350,492</u>		<u>\$ 5,436,119,440</u>		<u>\$ 4,897,802,365</u>		<u>\$ 4,602,951,350</u>	

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, 2020

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
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	6,201,354,922	72,577	121,215,000	1.95%	1,419
2020	86,268	6,201,354,922	71,885	179,100,000	2.89%	2,076

⁽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, 2020

Table GO-4

<u>Fiscal Year Ended 9/30</u>	<u>Tax Rate</u>	<u>General Fund</u>	<u>Interest and Sinking Fund</u>	<u>Tax Levy</u>	<u>% Current Collections</u>	<u>% Total 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%
2020	0.629990	0.476018	0.153972	37,845,056	99.14%	100.30%

City of Bryan, Texas

Ten Largest Taxpayers

As of September 30, 2020

Table GO-5

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>2019/2020 Assessed Valuation</u>	<u>% of Total Taxable Assessed Valuation</u>
Sanderson Farms	Food Processing	\$ 60,227,795	0.97%
Hawkwood Energy Operating LLC	Gas Company	41,918,704	0.68%
Liquidpower Specialty Products	Manufacturing	40,362,114	0.65%
Waypoint ZI TXA&M ST Owner LLC	Student Housing	38,950,000	0.63%
Comcapp Willowick LLC	Apartments	34,576,826	0.56%
Jamespoint Management Co	Apartments	32,537,123	0.52%
Adam Development Properties LP	Real Estate Agency	26,342,131	0.42%
Parc Traditions LP	Retirement Community	25,633,378	0.41%
West Shore Traditions I LLC	Real Estate Investment Firm	25,299,056	0.41%
Wal-Mart Real Estate Business Trust	Business Services Sector	25,095,800	0.40%
		<u>\$ 350,942,927</u>	<u>5.66%</u>

City of Bryan, Texas

Debt Information - General Obligation - Debt Service Requirements*

As of September 30, 2020

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
2021	\$ 11,973,442	\$ 6,629,572	\$ 18,603,014	\$ 5,281,908	\$ 2,074,809	\$ 7,356,718	\$ 6,691,534	\$ 4,554,763	\$ 11,246,296
2022	12,492,681	5,293,532	17,786,213	5,477,466	1,849,560	7,327,026	7,015,215	3,443,971	10,459,187
2023	11,968,080	4,861,757	16,829,836	4,764,340	1,719,418	6,483,757	7,203,740	3,142,339	10,346,079
2024	12,372,319	4,475,157	16,847,475	4,916,147	1,574,646	6,490,794	7,456,171	2,900,510	10,356,681
2025	11,622,717	4,015,767	15,638,484	4,812,879	1,383,829	6,196,708	6,809,838	2,631,938	9,441,776
2026	9,151,196	3,624,954	12,776,150	3,210,204	1,295,374	4,505,578	5,940,992	2,329,580	8,270,572
2027	7,482,355	3,299,229	10,781,584	2,733,789	1,192,964	3,926,752	4,748,567	2,106,266	6,854,832
2028	7,765,833	3,017,279	10,783,112	2,821,443	1,098,741	3,920,184	4,944,391	1,918,538	6,862,928
2029	6,983,804	2,721,898	9,705,702	2,712,110	999,600	3,711,710	4,271,694	1,722,298	5,993,992
2030	6,282,572	2,469,704	8,752,276	2,374,210	906,559	3,280,768	3,908,363	1,563,145	5,471,508
2031	6,090,000	2,242,863	8,332,863	2,390,992	824,513	3,215,505	3,699,008	1,418,349	5,117,357
2032	5,850,000	2,070,675	7,920,675	2,328,847	745,692	3,074,539	3,521,153	1,324,983	4,846,136
2033	6,030,000	1,903,950	7,933,950	2,419,803	666,515	3,086,318	3,610,197	1,237,435	4,847,632
2034	5,790,000	1,730,644	7,520,644	2,086,610	583,932	2,670,541	3,703,390	1,146,712	4,850,103
2035	5,475,000	1,565,746	7,040,746	2,158,416	514,240	2,672,657	3,316,584	1,051,505	4,368,089
2036	5,630,000	1,408,798	7,038,798	2,225,223	441,162	2,666,385	3,404,777	967,636	4,372,413
2037	5,180,000	1,242,686	6,422,686	2,228,731	363,943	2,592,674	2,951,269	878,744	3,830,013
2038	5,335,000	1,086,593	6,421,593	2,306,388	285,092	2,591,480	3,028,612	801,501	3,830,113
2039	4,735,000	923,703	5,658,703	2,389,897	202,456	2,592,353	2,345,103	721,246	3,066,350
2040	2,775,000	778,938	3,553,938	369,256	116,319	485,574	2,405,744	662,619	3,068,363
2041	2,835,000	713,031	3,548,031	377,764	107,549	485,313	2,457,236	605,482	3,062,719
2042	2,905,000	642,156	3,547,156	387,123	98,105	485,228	2,517,877	544,051	3,061,929
2043	2,980,000	569,531	3,549,531	396,482	88,427	484,908	2,583,518	481,105	3,064,623
2044	3,055,000	495,031	3,550,031	406,692	78,515	485,206	2,648,308	416,517	3,064,825
2045	3,130,000	418,656	3,548,656	416,901	68,347	485,249	2,713,099	350,309	3,063,407
2046	2,510,000	340,406	2,850,406	427,111	239,006	666,117	2,082,889	101,401	2,184,289
2047	2,575,000	277,656	2,852,656	523,856	170,478	694,334	2,051,144	107,178	2,158,322
2048	2,640,000	213,281	2,853,281	494,089	95,766	589,855	2,145,911	117,515	2,263,426
2049	2,705,000	143,981	2,848,981	507,529	81,731	589,260	2,197,471	62,250	2,259,721
2050	2,780,000	72,975	2,852,975	253,208	60,213	313,421	2,526,792	12,762	2,539,554
	<u>\$ 179,100,000</u>	<u>\$ 59,250,147</u>	<u>\$ 238,350,147</u>	<u>\$ 64,199,413</u>	<u>\$ 19,927,500</u>	<u>\$ 84,126,913</u>	<u>\$ 114,900,587</u>	<u>\$ 39,322,648</u>	<u>\$ 154,223,234</u>

*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, 2020

Table GO-7

Estimated Debt Service Requirements, Fiscal Year Ending 9-30-21		\$ 13,321,540 ⁽¹⁾
Interest and Sinking Fund, 09-30-20	1,782,431	
2021 Interest and Sinking Fund Tax Levy Collection	9,977,000	
Delinquent Tax Collections	90,000	
Budget Transfers	2,272,148	
Estimated Investment and Other Income	<u>377,186</u>	<u>14,498,765</u>
Estimated Balance, 9-30-21		<u><u>\$ 1,177,225</u></u>

⁽¹⁾ Fiscal Year 2021 Budget Projection.

City of Bryan, TexasComputation of Self-Supporting Debt ⁽¹⁾

As of September 30, 2020

Table GO-8

Net System Revenue, FYE 9-30-20	\$ 105,988,217
Less: System Revenue Bond Requirements, For Fiscal Year Ending 09-30-21	<u>24,717,933</u>
Balance Available for Other Purposes	<u>\$ 81,270,284</u>
Self Supporting System GO and CO Bond Requirements, For Fiscal Year Ending 09-30-21	\$ 7,356,718

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 BVSWMMA.

City of Bryan, Texas

Authorized by Unissued General Obligation Bonds

As of September 30, 2020

Table GO-9

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
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>\$ 13,050,000</u>

City of Bryan, Texas

Other Obligations

As of September 30, 2020

GO-10

The City has no Other Obligations outstanding as of September 30, 2020.

City of Bryan, Texas

General Fund Revenues and Expenditure History (modified accrual basis)

For the Year Ended September 30, 2020

Table GO-11

	Fiscal Year Ended September 30				
	2020	2019	2018	2017	2016
Revenues					
Taxes	\$ 52,804,791	\$ 50,859,078	\$ 46,151,848	\$ 42,325,729	\$ 40,182,758
Licenses and Permits	1,029,792	764,522	976,345	916,481	1,105,135
Grants	1,384,624	1,368,160	1,463,165	1,377,629	1,230,450
Charges for Services	6,594,140	5,895,651	5,877,052	5,504,971	5,031,445
Investment Earnings	395,995	951,435	277,611	199,309	215,196
Fines and Forfeitures	1,298,601	1,590,251	1,731,098	1,730,417	1,670,824
Miscellaneous	2,302,344	2,470,980	2,171,515	2,394,054	1,346,469
Total Revenues	65,810,286	63,900,077	58,648,634	54,448,590	50,782,277
Expenditures					
General Government	20,202,351	19,262,481	17,027,321	16,066,047	17,579,763
Reimbursed Administrative Expenses	(6,093,231)	(5,934,384)	(3,351,396)	(3,037,162)	(3,066,657)
Public Safety	38,464,623	41,183,383	38,275,438	36,808,455	33,570,381
Development Services	3,986,465	3,856,481	3,994,057	5,529,511	3,474,114
Public Works	3,541,682	3,801,853	3,831,721	3,859,511	3,648,296
Cultural and Recreational	7,666,287	8,620,116	9,411,660	7,507,653	7,136,538
Capital Outlay	5,357,920	3,771,758	4,572,309	6,486,135	3,301,741
Total Expenditures	73,126,097	74,561,688	73,761,110	73,220,150	65,644,176
Excess (Deficit) Revenues					
Over (Under) Expenditures	(7,315,811)	(10,661,611)	(15,112,476)	(18,771,560)	(14,861,899)
Operating Transfers In	20,675,742	15,736,811	16,196,215	13,647,984	13,608,849
Operating Transfers Out	(1,047,944)	(885,674)	(632,511)	(516,357)	(586,000)
Sale of Capital Assets	836,126	397,064	61,557	51,367	23,693
Total Other	20,463,924	15,248,201	15,625,261	13,182,994	13,046,542
Net Increase (Decrease)	13,148,113	4,586,590	512,785	(5,588,566)	(1,815,357)
Beginning Fund Balance	33,063,857	28,477,267	27,964,482	33,553,048	35,368,405
Ending Fund Balance	<u>\$ 46,211,970</u>	<u>\$ 33,063,857</u>	<u>\$ 28,477,267</u>	<u>\$ 27,964,482</u>	<u>\$ 33,553,048</u>

City of Bryan, Texas

Changes in Net Position

For the Year Ended September 30, 2020

Table GO-11A

	Governmental Activities				
	2020	2019	2018	2017	2016
<u>Revenues</u>					
Program Revenues					
Charges for Services	\$ 8,947,994	\$ 8,285,282	\$ 8,622,165	\$ 8,191,986	\$ 7,846,280
Operating Grant and Contributions	7,671,725	3,134,487	2,963,921	3,040,292	2,507,033
Capital Grants and Contributions	14,726,449	9,041,299	4,885,776	2,657,984	4,531,545
General Revenues					
Property Taxes	39,370,526	37,035,640	34,140,282	31,409,788	29,674,521
Other Taxes	34,923,687	27,888,008	25,639,332	23,657,404	22,661,830
Other	4,294,197	15,726,022	13,197,102	12,288,692	13,624,954
Total Revenues	109,934,578	101,110,738	89,448,578	81,246,146	80,846,163
<u>Expenditures</u>					
General Government and Administration	16,179,781	17,828,658	17,843,501	17,481,720	18,119,110
Development Services	6,438,717	8,063,283	6,077,939	8,956,465	6,556,417
Public Works Services	12,867,878	15,122,805	17,923,447	20,061,531	16,585,766
Public Safety	46,256,622	44,658,085	41,229,027	39,753,105	35,934,773
Culture and Recreation	10,833,728	11,620,981	12,799,663	9,827,528	9,106,566
Interest on Long Term Debt	2,816,111	2,786,148	2,815,131	2,732,128	2,989,038
Total Expenditures	95,392,837	100,079,960	98,688,708	98,812,477	89,291,670
Decrease in Net Position Before Transfers	14,541,741	1,030,778	(9,240,130)	(17,566,331)	(8,445,507)
Transfers	34,859,304	14,547,109	13,866,017	15,432,345	14,535,856
Change in Net Position After Transfers	49,401,045	15,577,887	4,625,887	(2,133,986)	6,090,349
Net Position - October 1	126,460,530	110,882,643	106,256,756	116,064,315	109,973,966
Net Position- Sept 30	<u>\$ 175,861,575</u>	<u>\$ 126,460,530</u>	<u>\$ 110,882,643</u>	<u>\$ 113,930,329</u>	<u>\$ 116,064,315</u>

* Net Position for FY 2018 restated.

City of Bryan, Texas**Municipal Sales Tax History**

As of September 30, 2020

Table GO-12

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.

<u>Fiscal Year Ended 9/30</u>	<u>Tax Collected</u>	<u>% of Ad Valorem Tax Levy</u>	<u>Equivalent of Ad Valorem Tax Rate</u>	<u>Per Capita</u>
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	273.34
2020	24,465,953	64.65%	0.4073	340.35

City of Bryan, TexasCurrent Investments and Cash Deposits ⁽¹⁾

As of September 30, 2020

Table GO-13

As of September 30, 2020 the following percentages of the City's investable funds were invested in the following investment categories.

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>Percentage</u>
U.S. Agencies and Treasuries	\$ 26,588,663	14.0%
Government Pools	13,591,251	7.2%
Demand Deposits	149,868,265	78.9%
Total Investable Funds	<u>\$ 190,048,179</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
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
2020	11,126,408	23,439,000	4,072,265,200

City of Bryan, Texas

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

As of September 30, 2020

Table RW-2

Customer	Type of Industry	Water Usage	% of Total Water Usage
Wellborn Special Utility District	Utility District	308,479,800	7.58%
St. Joseph Hospital	Health Care Facility	76,571,300	1.88%
BISD	Public School	72,691,900	1.79%
Wickson Water Supply	Utility District	60,353,000	1.48%
Brazos County	County Government	59,275,100	1.46%
Comcapp Bryan	Housing	50,697,600	1.24%
Saint-Gobain Norpro	Manufacturing	43,606,800	1.07%
City of Bryan	Local Government	39,456,400	0.97%
Federal Prison Camp	Correctional Facility	34,023,900	0.84%
TDCJ - Hamilton Unit	Correctional Facility	32,699,700	0.80%
Total		<u>777,855,500</u>	<u>19.10%</u>
Total gallons of water sold		4,072,265,200	

City of Bryan, Texas
Monthly Water Rates
Effective September 30, 2020

Table RW-3

Water Class	Minimum Customer Charge Per Month	Volume Charge Per 1,000 Gallons 0-30,000 Gallons	Volume Charge Per 1,000 Gallons 30,001-50,000 Gallons	Volume 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 Treated (Gallons)

Last Five Fiscal Years

Table RW-4

Fiscal Year Ended 9/30	Daily Average	Monthly Average	Total Treated	Total Fiscal Year End Revenue
2016	7,263,033	221,522,500	2,658,270,000	\$ 13,007,294
2017	7,070,904	215,073,333	2,580,880,000	13,111,998
2018	6,928,060	211,305,833	2,535,670,000	13,343,497
2019	7,783,033	237,382,500	2,848,590,000	13,122,328
2020	7,066,411	214,936,667	2,579,240,000	13,387,061

City of Bryan, Texas
Monthly Wastewater Rates
Effective September 30, 2020

Table RW-5

<u>Wastewater Class</u>	<u>Customer Charge Per Month</u>	<u>Volume Charge Per 1,000 Gallons</u>
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, 2020

Table RW-6

Fiscal Year Ended	Principal	Interest	Total	% of Principal Retired
2021	\$ 4,430,000	\$ 1,024,726	\$ 5,454,726	
2022	4,840,000	885,646	5,725,646	
2023	2,635,000	738,965	3,373,965	
2024	2,580,000	669,773	3,249,773	
2025	2,720,000	599,537	3,319,537	49.56%
2026	2,775,000	516,583	3,291,583	
2027	2,830,000	434,161	3,264,161	
2028	2,815,000	351,977	3,166,977	
2029	2,850,000	268,032	3,118,032	
2030	2,365,000	177,595	2,542,595	39.28%
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	
2035	375,000	36,359	411,359	8.43%
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	
2040	115,000	6,134	121,134	2.39%
2041	120,000	3,132	123,132	0.35%
	<u>\$ 34,715,000</u>	<u>\$ 6,071,438</u>	<u>\$ 40,786,438</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				
	2020	2019	2018	2017	2016
Revenues					
Waterworks	\$ 14,449,661	\$ 13,101,114	\$ 14,014,033	\$ 13,428,055	\$ 12,656,177
Sewer System	13,387,061	13,122,328	13,343,497	13,111,998	13,007,294
Interest Income	332,652	674,251	215,389	159,416	124,733
Total Revenues	<u>28,169,374</u>	<u>26,897,693</u>	<u>27,572,919</u>	<u>26,699,469</u>	<u>25,788,204</u>
Expenses ⁽¹⁾ :					
Waterworks	6,072,752	6,474,333	6,786,742	6,900,658	7,349,390
Sewer System	6,260,646	6,243,642	6,665,219	6,901,301	6,199,838
Total Expenses	<u>12,333,398</u>	<u>12,717,975</u>	<u>13,451,961</u>	<u>13,801,959</u>	<u>13,549,228</u>
Net Available for Debt Service	<u>\$ 15,835,975</u>	<u>\$ 14,179,718</u>	<u>\$ 14,120,958</u>	<u>\$ 12,897,510</u>	<u>\$ 12,238,976</u>
Water Connections	24,479	23,926	23,427	23,223	22,985
Sewer Connections	24,691	23,968	23,373	22,907	22,538

⁽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, 2020****Table RW-9**

Average Annual Principal and Interest Requirement, 2021-2041	\$ 1,942,211
Coverage of Average Requirements by 9-30-2020 Net Income	8.15 Times
Maximum Principal and Interest Requirements, 2022	5,725,646
Coverage of Maximum Requirements by 9-30-2020 Net Income	2.77 Times
Waterworks and Sewer System Revenue Bonds (September 30, 2020)	34,715,000
Interest and Sinking Fund (September 30, 2020)	3,440,475
Reserve Fund (September 30, 2020) ⁽¹⁾	1,610,572

⁽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, TexasCurrent Investments and Cash Deposits ⁽¹⁾

As of September 30, 2020

Table RW-10

As of September 30, 2020 the following percentages of the City's investable funds were invested in the following investment categories.

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>Percentage</u>
U.S. Agencies and Treasuries	\$ 26,588,663	14.0%
Government Pools	13,591,251	7.2%
Demand Deposits	149,868,265	78.9%
Total Investable Funds	<u>\$ 190,048,179</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, 2020

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	
Residential Winter (Nov. - Apr)	\$ 11.00	\$ -	\$ 0.0378	\$ -	\$ 0.0148	\$ 0.0298
Residential Summer (May - Oct.)	11.00	-	0.0505	-	0.0148	0.0298
Small Commercial	15.50	-	0.0455	-	0.0137	0.0298
Small Commercial Demand	37.00	9.39	0.0086	3.491	-	0.0298
Small Commercial Demand Time of Use	137.00	-	0.0314 -0.0918	-	0.0137	0.0298
General Service Commercial Time of Use	26.91	2.70 - 4.14	0.0142	-	0.0137	0.0298
Large Industrial	400.00	12.50	0.0075	4.729	-	0.0298
Primary Service	400.00	12.25	0.0074	4.634	-	0.0292
Transmission Service	1,725.00	12.68	0.0010	4.802	-	0.0286
Security Lighting Service	9.78 Per Lamp	-	-	-	-	0.0326
Street Lighting Service	4.75-10.85 Per Lamp	-	-	-	-	0.0326
Rural Electric Division	200,000.00	1.43	0.0136	5.300	-	0.0286

City of Bryan, Texas

Energy Sales by Types of Customers - City Electric

Last Five Years

Table REC-2

Type of Customer	2020		2019		2018		2017		2016	
	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	408,468,397	18.79%	405,211,713	19.26%	405,081,262	18.48%	381,240,516	18.40%	375,151,548	17.92%
Commercial & Industrial	599,807,744	27.59%	626,585,459	29.78%	613,770,945	28.00%	595,564,795	28.74%	570,735,586	27.26%
Rural Electric Division	496,104,086	22.82%	501,817,775	23.85%	493,829,123	22.53%	437,987,618	21.14%	439,340,542	20.98%
Other Utilities	663,662,296	30.53%	564,676,713	26.83%	672,960,293	30.70%	651,380,027	31.43%	702,458,006	33.55%
Street Lights	6,040,661	0.28%	6,101,842	0.29%	6,124,924	0.28%	6,138,552	0.30%	6,113,444	0.29%
Total	<u>2,174,083,183</u>	<u>100.00%</u>	<u>2,104,393,502</u>	<u>100.00%</u>	<u>2,191,766,547</u>	<u>100.00%</u>	<u>2,072,311,508</u>	<u>100.00%</u>	<u>2,093,799,127</u>	<u>100.00%</u>

City of Bryan, Texas

Electric System Revenue Debt Service Requirements - City Electric

As of September 30, 2020

Table REC-3

Fiscal Year Ended	Principal	Interest	Total	% of Principal Retired
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	
2025	8,800,000	6,925,538	15,725,538	22.09%
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	
2030	11,235,000	4,494,788	15,729,788	26.83%
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	
2035	7,745,000	2,193,425	9,938,425	26.23%
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	
2040	6,480,000	699,400	7,179,400	18.51%
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	6.33%
	<u>\$ 190,250,000</u>	<u>\$ 88,210,788</u>	<u>\$ 278,460,788</u>	<u>100%</u>

*Includes Only Revenue Bonds

City of Bryan, Texas

Authorized but Unissued Revenue Bonds - City Electric

As of September 30, 2020

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				
	2020	2018	2018	2017	2016
Revenues					
City Electric System and Other Revenue	\$ 185,889,665	\$ 203,296,678	\$ 199,082,844	\$ 190,064,226	\$ 187,624,655
Investment Income	3,318,858	4,907,925	776,947	784,398	652,368
Total Revenues	189,208,523	208,204,603	199,859,791	190,848,624	188,277,023
City Electric System Expenses ⁽¹⁾	116,205,242	127,683,020	139,384,323	142,404,243	144,700,287
Net Available for Debt Service	<u>\$ 72,528,830</u>	<u>\$ 80,521,583</u>	<u>\$ 60,475,468</u>	<u>\$ 48,444,381</u>	<u>\$ 43,576,736</u>
BTU - City Electric Customers	39,536	38,758	37,660	36,819	35,716

⁽¹⁾ Excludes depreciation and amortization. 2020, 2019, 2018, 2017, and 2016 include an adjustment to reflect actual pension contributions.

City of Bryan, Texas

City Electric Coverage and Fund Balances

As of September 30, 2020

Table REC-6

Average Annual Principal and Interest Requirement, 2021-2043	\$ 12,106,991
Coverage of Average Requirements by 9-30-2020 Net available for debt service	5.99 Times
Maximum Principal and Interest Requirements, 2022	16,715,556
Coverage of Maximum Requirements by 9-30-2020 Net available for debt service	4.34 Times
Electric System Revenue Bonds, 9-30-2020	190,250,000
Interest and Sinking Fund (September 30, 2020)	4,393,574
Reserve Fund (September 30, 2020)	6,177,462

City of Bryan, Texas**Current Investments and Cash Deposits - City Electric****As of September 30, 2020****Table REC-7**

As of September 30, 2020 the following percentages of BTU's City Electric investable funds were invested in the following investment categories.

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>Percentage</u>
Demand deposits	\$ 72,921,783	52.35%
Investment in government pool	21,204,836	15.22%
Treasuries	10,166,600	7.30%
Texas political subdivisions	31,940,056	22.93%
Agency securities	3,059,940	2.20%
Totals	<u>\$ 139,293,215</u>	<u>100%</u>

City of Bryan, Texas

Rural Electric Rates

As of September 30, 2020

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	
Residential Winter (Nov. - Apr)	\$ 12.00	\$ -	\$ 0.0461	\$ -	\$ 0.0145	\$ 0.0302
Residential Summer (May - Oct.)	12.00	-	0.0615	-	0.0145	0.0302
College Station Residential (Nov - Apr)	11.00	-	0.0418	-	0.0138	0.0302
College Station Residential (May - Oct)	11.00	-	0.0551	-	0.0138	0.0302
Small Commercial	16.00	-	0.0442	-	0.0114	0.0302
Small Commercial Demand	21.00	9.02	0.0104	2.407	-	0.0302
Secondary Service Demand Time of Use	137.00	-	0.0321 - 0.0939	-	0.0114	0.0302
General Service Commercial Time of Use	26.62	3.33 - 4.72	0.0152	-	0.0114	0.0302
Large Industrial	400.00	12.81	0.0077	4.847	-	0.0302
Large Industrial - Low Load Factor	400.00	6.28 - 6.80	-	5.230	-	0.0302
Primary Service	400.00	12.56	0.0075	4.750	-	0.0294
Secondary Service Irrigation	-	-	0.0866	-	0.0441	0.0302
Security Lighting Service	9.85 Per Lamp	-	-	-	-	0.0302
Street Lighting Service	6.61 - 15.36 Per Lamp	-	-	-	-	0.0302

(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	2020		2019		2018		2017		2016	
	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	303,080,224	67.52%	302,390,163	66.64%	303,678,098	66.38%	272,097,488	66.79%	265,035,937	67.15%
Commercial	145,824,660	32.48%	151,363,808	33.36%	153,772,035	33.62%	135,320,494	33.21%	129,676,978	32.85%
Total	<u>448,904,884</u>	<u>100.00%</u>	<u>453,753,972</u>	<u>100.00%</u>	<u>457,450,133</u>	<u>100.00%</u>	<u>407,417,982</u>	<u>100.00%</u>	<u>394,712,915</u>	<u>100.00%</u>

City of Bryan, Texas**Rural Electric System Revenue Debt Service Requirements**

As of September 30, 2020

Table RER-3

Fiscal Year Ending	Principal	Interest	Total	% of Principal Retired
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	
2025	1,130,000	1,067,950	2,197,950	17.68%
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	
2030	1,435,000	762,600	2,197,600	21.03%
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	
2035	1,360,000	469,400	1,829,400	24.66%
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	
2040	1,625,000	206,400	1,831,400	24.26%
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	12.37%
	<u>\$ 31,200,000</u>	<u>\$ 15,080,852</u>	<u>\$ 46,280,852</u>	<u>100.00%</u>

*Includes Only Revenue Bonds

City of Bryan, TexasCondensed Statement of Rural Electric System Operations
Last Five Years

Table RER-4

	Fiscal Year Ended September 30				
	2020	2019	2018	2017	2016
Revenues					
Rural Electric System	\$ 45,850,000	\$ 47,539,896	\$ 48,935,501	\$ 44,224,725	\$ 41,931,026
Investment Income	448,538	740,837	125,977	70,839	41,114
Total Revenues	46,298,538	48,280,733	49,061,478	44,295,564	41,972,140
Rural Electric System Expenses ⁽¹⁾	31,418,794	33,970,851	42,361,826	38,056,142	36,548,815
NET AVAILABLE FOR DEBT SERVICE	<u>\$ 14,879,744</u>	<u>\$ 14,309,882</u>	<u>\$ 6,699,652</u>	<u>\$ 6,239,422</u>	<u>\$ 5,423,325</u>
Rural Electric Customers	22,911	22,048	21,637	21,121	20,155

⁽¹⁾ Excludes Depreciation.

City of Bryan, Texas

Rural Electric Coverage and Fund Balances

As of September 30, 2020

Table RER-5

Average Annual Principal and Interest Requirement, 2021-2043	\$ 2,012,211
Coverage of Average Requirements by 9-30-2020 Net available for debt service	7.39 Times
Maximum Principal and Interest Requirements, 2021	2,563,150
Coverage of Maximum Requirements by 9-30-2020 Net Available for debt service	5.81 Times
Rural Electric System Revenue Bonds, 9-30-2020	31,200,000
Interest and Sinking Fund (September 30, 2020)	667,603
Reserve Fund (September 30, 2020)	358,800

City of Bryan, Texas

Current Investments and Cash Deposits - Rural Electric

As of September 30, 2020

Table RER-6

As of September 30, 2020 the following percentages of BTU's Rural Electric investable funds were invested in the following investment categories.

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>Percentage</u>
Demand deposits	\$ 17,402,404	63.98%
Investment pools	6,235,383	22.93%
Texas political subdivisions	2,476,962	9.11%
Agency securities	1,084,234	3.99%
Totals	<u>\$ 27,198,983</u>	<u>100%</u>



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