

By Major Policy Topic

The Financial Management Policy Statements will be reviewed and approved by Council at a minimum of every two years. The last amendment was adopted by City Council on November 9, 2021.

A Financial Management Policy Compliance checklist will be completed annually by Fiscal Services, and the results will be reported to the Audit Committee. The Financial Management Policies are guidelines, and occasionally exceptions may be appropriate and required. Exceptions to stated policies will be specifically identified and explained to the City Manager and City Council.

Policy Description		Compliance	Description of Compliance/Documentation	Documentation Reference	Corrective Action needed
I. Accounting, Auditing & Financial Reporting					
I.A.	Accounting Practices and Principles - The City will maintain practices that conform to GAAP as set forth by GASB. All financial documents will conform to these standards except for monthly interim financial statements. Monthly financial statements will be prepared on an as budgeted basis.	Yes	Annual Comprehensive Financial Report (ACFR) has been audited by Weaver and Tidwell, LLP. Unmodified opinion received for the year ended 9/30/2023.	FY 2023 ACFR, Independent Auditor's Report via Fiscal Services webpage	None
I.B.	Financial and Management Reports - Interim Financial Reports will be provided monthly to management and the City Council that note significant deviations from the budget. These reports will be reviewed monthly with the City Manager and provided to City Council by the end of each month for the prior month. A quarterly report will be prepared based on these documents and will be presented to the Audit Committee for their review.	Yes	During FY 2023, Monthly Financial Reports were prepared for each month and distributed to the City Council, the City Manager, and management. Quarterly reports were also prepared and presented to the Audit Committee and posted online.	FY 2023 quarterly reports via Fiscal Services webpage	None
I.C.	Annual Audit - Pursuant to State Statute, the City shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The audit shall be performed by a certified public accounting (CPA) firm, licensed to practice in the State of Texas. The audit firm shall provide a management letter to the City prior to the filing of the audit. The audit firm shall also provide a Single Audit of Federal and State grants, when necessary. An official Annual Comprehensive Financial Report (ACFR) shall be issued no later than 180 days following the end of the fiscal year.	Yes	The annual financial statement audit was performed for FY 2023 by Weaver and Tidwell, LLP. The FY 2023 ACFR was given an extension through April 30, 2024. The auditor's report and single audit report were presented and issued on April 19, 2024.	FY 2023 ACFR, Independent Auditor's Report, via Fiscal Services webpage	None
I.D.	Annual Financial Disclosure - As required by the Securities and Exchange Commission (SEC) Rule 15c2-12, the City, with support of the City's financial advisor and bond counsel, will provide certain annual financial information to various information repositories through disclosure documents or set of documents that include the necessary information. This will include any material event notices to be filed as required by relevant regulations.	Yes	Financial Disclosures are included in the statistical section of the FY 2023 ACFR. On 3/28/2024, filing was completed on the Municipal Securities Rulemaking Board (MSRB) portal Electronic Municipal Market Access (EMMA) and filed with TXDOT and TDEM (previously DPS) offices using audited financial statements.	https://emma.msrb.org	None
I.E.	Signature of Checks - All checks shall have two signatures. Two persons shall be authorized to sign checks: the Mayor and the Chief Financial Officer. Signatures shall be affixed to all City checks via facsimile signatures, made with a secure laser check printing system or through handwritten signatures affixed to each check.	Yes	The City's check writing software requires two digital signatures in order to complete the check-writing process. No manual checks were permitted or available during FY 2023.	Check reports	None

By Major Policy Topic

The Financial Management Policy Statements will be reviewed and approved by Council at a minimum of every two years. The last amendment was adopted by City Council on November 9, 2021.

A Financial Management Policy Compliance checklist will be completed annually by Fiscal Services, and the results will be reported to the Audit Committee. The Financial Management Policies are guidelines, and occasionally exceptions may be appropriate and required. Exceptions to stated policies will be specifically identified and explained to the City Manager and City Council.

Policy Description		Compliance	Description of Compliance/Documentation	Documentation Reference	Corrective Action needed
II. Financial Consultants					
II.A. (1-3)	Selection of Auditors - Every five years the City shall request proposals from qualified accounting firms. The Audit Committee shall select an independent firm of CPAs to perform an annual audit of the accounts and records and render an opinion on the financial statements of the City. It is the City's preference to change audit firms every five years. An annual engagement letter will be provided to the City.	Yes	During FY 2022 the City issued RFQ #22-045 for Professional Auditor Services. Responses were received, and Weaver and Tidwell was selected as the City's external audit firm for FY 2022. The initial contract is for a three year term with two possible one year extensions. An engagement letter for FY 2023 was provided.	RFQ 22-045	None
II.B.	Arbitrage - The City will contract with a firm to provide arbitrage calculation and reporting services. The City shall request qualifications from qualified firms every five years.	Yes	In February 2019 the City issued RFP #019-020 for Arbitrage Services. BLX Group, a subsidiary of Orrick, was selected as the arbitrage vendor for FY 2019. The initial contract is for a three year term with two possible one year extensions. This contract continues to be in good standing.	RFP 019-020	None
II.C. (1)	Bond Counsel - Because of the specialized nature of the services provided, the City shall always engage bond counsel when issuing debt. Contract shall be considered "evergreen" with a termination clause.	Yes	Orrick, Herrington & Sutcliffe LLP was engaged as the City's Bond Counsel in FY 2018. The contract terms were one year with four possible one year extensions. This contract continues to be in good standing.	RFQ #18-023 (included as exhibit in signed contract)	None
II.D. (1)	Financial Advisory Services - This service will provide needed guidance and expertise for the City's debt financing, etc. Requests for qualifications of qualified financial advisory firms will be issued every five years.	Yes	In FY 2022 the City issued RFP 22-051. Specialized Public Finance was chosen to continue representing the City. This contract continues to be in good standing.	RFP 22-051	None
II.E.	Depository Bank - Pursuant to State Law, the City may approve a depository services agreement with a term not to exceed 5 years. There is no requirement for rotation. The City will submit requests for application every 5 years.	Yes	In FY 2023 RFA 22-099 was submitted for applications. Several banks responded with Truist (formerly BB&T) being selected as the best value for the City. The contract is effective April 2023 and is a three year contract with two possible one year extensions. This contract continues to be in good standing.	RFA #22-099	None
II.F	Safekeeping Bank - Pursuant to State Law, the City may approve a safekeeping services agreement with a term not to exceed 5 years. There is no requirement for rotation. The City will submit requests for application every 5 years.	Yes	On February 10, 2023 the City finalized RFA #22-099 and entered into a safekeeping agreement with Truist (formerly BB&T). The contract is effective April 2023 and is a three year contract with two possible one year extensions. This contract continues to be in good standing.	Truist Custody Agreement dated 2/10/23. RFA #22-099	None

By Major Policy Topic

The Financial Management Policy Statements will be reviewed and approved by Council at a minimum of every two years. The last amendment was adopted by City Council on November 9, 2021.

A Financial Management Policy Compliance checklist will be completed annually by Fiscal Services, and the results will be reported to the Audit Committee. The Financial Management Policies are guidelines, and occasionally exceptions may be appropriate and required. Exceptions to stated policies will be specifically identified and explained to the City Manager and City Council.

Policy Description		Compliance	Description of Compliance/Documentation	Documentation Reference	Corrective Action needed
III. Budget and Long Range Financial Planning					
III. B., C., D., E., F., &G.	Balanced Budget - The City Manager shall propose annually a structurally balanced budget for the ensuing fiscal year to the City Council. A structurally balanced budget for the purposes of this document is a budget where recurring revenues are used to fund recurring expenditures with adherence to both minimum and target fund balance policies. Short term loans are to be avoided as budget balancing techniques. Non-recurring expenditures may be funded with either recurring or non-recurring revenues or fund balance.	Yes	During the budget presentations to Council, the Fiscal Services department provided information to illustrate that the General Fund and other appropriate funds were structurally balanced.	2023-09-12 budget presentation to City Council	None
III. H.	Performance, Merit Pool, and Civil Service Step Increases - The annual budget shall include an amount adequate to cover an overall average performance and merit pool, including appropriate step increases for Police and Fire. Increase percentage should be based on current market surveys.	Yes	The annual average budgeted compensation increase for FY 2024 was 6.5%. This is comprised of merit and market increases. The City's Human Resources department conducts and participates in various job-specific surveys throughout the year in order to recommend compensation increases.	2023-09-12 budget presentation to City Council; discussion w/ HR	None
III. I. (2&3)	Budget Preparation - The City will prepare a Base Budget consisting of expenditures supporting current levels of service. Increases to staffing or levels of service will be budgeted through Budget Decision Packages which must be fully justified and reviewed separately. Annually, the City will seek to obtain the Government Finance Officers Association Distinguished Budget Presentation Award. The Budget will be presented in a way that not only meets the criteria of the award, but also clearly communicates the budget to the public.	Yes	Decision Packages were approved through the budget process. In FY 2023, the City determined that it would no longer seek the Government Finance Officers Association Distinguished Budget Presentation Award.	DPs - FY 2024 Budget; FY 2024 Budget via Fiscal Services website	None
III. J.	Budget Management- All unbudgeted transfers between funds or amendments increasing annual expenditures must be approved by City Council. Expenditures should not exceed the adopted budget, including budget amendments approved by the City Council.	Yes	General Fund expenditures for FY 2023 were under appropriations by 3.7%. A budget amendment for FY 2023 was approved by City Council on September 12, 2023.	FY 2023 ACFR via Fiscal Services webpage Ord 2646-2023-09-12	None
III. K. (1-3)	Long-Range Financial Plans - The city will develop and maintain a five-year financial forecast for each major operating fund in conjunction with the annual budget process. (i.e.: General Fund, Debt Service Fund, Enterprise Funds, Special Revenue Funds, and Internal Service Funds). The forecast should enable current services and levels provided to be sustained over the forecast period. Operating impacts from completed capital improvement projects in the City's five-year CIP, commitments and obligations already made that require future financial resources and identifying the impact of property taxes and utility rates should all be included in the forecast.	Yes	The annual budget preparation work papers and the budget document contained five year forecasts for the Capital Improvement Program (CIP), the General Fund, all Enterprise Funds, and all Internal Service Funds except the Warehouse. The Warehouse operates on a "break-even" basis and is monitored on a monthly basis for a sufficient balance to continue operations.	2023-09-12 budget presentation to City Council	None

By Major Policy Topic

The Financial Management Policy Statements will be reviewed and approved by Council at a minimum of every two years. The last amendment was adopted by City Council on November 9, 2021.

A Financial Management Policy Compliance checklist will be completed annually by Fiscal Services, and the results will be reported to the Audit Committee. The Financial Management Policies are guidelines, and occasionally exceptions may be appropriate and required. Exceptions to stated policies will be specifically identified and explained to the City Manager and City Council.

Policy Description		Compliance	Description of Compliance/Documentation	Documentation Reference	Corrective Action needed
IV. Revenues and Other Resources					
IV. C. (1-3)	Revenue Collections - The City shall contract for collection of outstanding receivables when it makes economic sense to do so. Utility write-offs will be recorded on accounts outstanding for 2 years, identified as uncollectible, where all attempts to collect have been taken. The write-off of uncollected accounts is a bookkeeping entry only and does not release the debtor from any debt owed to the City. The City shall estimate uncollectible accounts through an allowance for doubtful accounts in each fund with receivables.	Yes	The City contracted with MVBA for delinquent Ambulance and Court receivables (and were available for other receivable collections upon request). The BTU Customer Service group performed collection efforts in-house and maintained (and improved) acceptable collection rates historically. Additionally part of the annual audit measured the reasonableness of our uncollectible amounts.	Contracts with MVBA and annual audit work papers.	None
IV. D. (2)(a-d)	User Fees - Utility rates and other fund user fees shall be set at levels sufficient to cover operating expenditures (direct and indirect), meet debt obligations and debt service coverage, provide pay-as-you-go funding for capital improvements, funding of the General Funds Transfer, and provide adequate levels of working capital. [The City shall seek to eliminate all forms of subsidization between the General Fund and Enterprise Funds.] The Five-Year Financial Plan shall serve as the basis for rate change considerations. If rate increases are necessary, the Five-Year Financial Plan shall be built around smaller rate increases annually versus higher rate increases periodically.	Yes	Periodically, BTU City and BTU Rural, Water, Wastewater, and Solid waste contract with consultants to perform rate setting studies for appropriateness in recovering expenditures. No rate studies were performed during FY 2023 for BTU City and BTU Rural. During FY 2023 a rate study was completed for Water, Wastewater, and Solid Waste and presented to council September 2023.	A rate study was completed for Water, Wastewater, and Solid Waste in FY 2023.	None
V. Capital Expenditures and Improvements					
V. A.	Capitalization Threshold for Tangible Capital Assets - Tangible capital items should be capitalized only if they have an estimated useful life of at least one year following the date of acquisition or significantly extend the useful life of the existing asset and cannot be consumed, unduly altered, or materially reduced in value immediately by use and has a cost of not less than \$5,000 for any individual item. The capitalization threshold of \$5,000 will be applied to individual items rather than to a group of similar items, (i.e.: desks, chairs, etc.).	Yes	The City's external auditor performed testing to verify our controls are appropriate to adhere to this policy. Additionally, a review of all capital expenditures was performed by Fiscal Services staff.	Capitalization policy, annual audit work papers, monthly financial reports.	None
V. C.	Replacement of Capital Assets on a Regular Schedule (Fleet and Technology) - The City shall annually review a schedule for the replacement of its fleet and technology capital assets. Within the resources available each fiscal year, the City shall replace these assets according to needs.	Yes	During the budget process, the Fleet department, in conjunction with the department manager for Solid Waste, reviewed the City's Fleet and prioritized the vehicles that needed to be replaced as well as produced a five-year forecast for fleet replacement. The funding for the vehicle replacement plan (VRP) is approved through the DP process. Also, during the budget process (and throughout the year), the IT department reviewed the technology replacement plan and made updates and budget requests as needed. The funding for IT replacement is based on a recurring allotment of funds.	IT Replacement plan and Fleet vehicle replacement plan submitted during the Budget process.	None

By Major Policy Topic

The Financial Management Policy Statements will be reviewed and approved by Council at a minimum of every two years. The last amendment was adopted by City Council on November 9, 2021.

A Financial Management Policy Compliance checklist will be completed annually by Fiscal Services, and the results will be reported to the Audit Committee. The Financial Management Policies are guidelines, and occasionally exceptions may be appropriate and required. Exceptions to stated policies will be specifically identified and explained to the City Manager and City Council.

Policy Description		Compliance	Description of Compliance/Documentation	Documentation Reference	Corrective Action needed
VI. Fund Balances					
VI. D.	General Fund Unassigned Fund Balance - <u>Minimum Unassigned Fund Balance</u> - The City shall maintain the General Fund unassigned fund balance at a minimum level equivalent to 60 day of recurring, budgeted operating expenditures in the five year forecast. <u>Target Unassigned Fund Balance</u> - Because the city is subject to unplanned fluctuations in revenues and expenditures a targeted fund balance of 100 days has been established. The annual budget should be set at a level that produces the target level of unassigned fund balance by the end of the five year forecast.	Yes	For FY 2023, ending unassigned fund balance was 152 days of cash. The average ending fund balance over the five year forecast was > 100 days. General Fund forecasts were discussed with City Council at the September 12, 2023 budget presentation.	2023-09-12 budget presentation to City Council; FY 2023 ACFR via Fiscal Services website	None
VI. E.	Water, Waste Water, Solid Waste and Airport Funds Unrestricted Cash Balance - The City shall maintain the Water, Waste Water, Solid Waste, and Airport Funds unrestricted cash balance at a level that ensures that an equivalent to 60 days of recurring, budgeted operating expenditures is maintained in the five year forecast.	Yes	Water: FY23 Ending balance \$13,621,497; FY24 60 days \$1,409,079; 580 days; YES WW: FY23 Ending balance \$6,749,519; FY24 60 days \$1,403,326; 289 days; YES SW: FY23 Ending balance \$6,044,867; FY24 60 days \$1,229,490; 295 days; YES Airport: FY23 Ending balance \$304,267; FY24 60 days \$194,282; 94 days; YES	2023-09-12 budget presentation to City Council; FY 2024 Adopted Budget and 2023 ACFR via Fiscal Services website	None
VI. F.	BTU City Fund Unrestricted Cash Balance - <u>Minimum Unrestricted Cash Balance</u> - <i>Will be maintained at a minimum of 90 days of the current year's operating expenditure budget. Target Unrestricted Cash Balance - Because BTU is subject to unexpected changes in energy costs, revenues, and expenditures, a targeted unrestricted cash balance is set at 225 days of the current year's operating expenditure budget, right-of-way payments, and any excess funds assignment to the City's General Fund. The annual budget should be set at a level that produces the target level of unrestricted cash by the end of the five year forecast.</i>	Yes	For FY 2023, the ending unrestricted cash balance = \$128,085,174; 278 days FY24 (90 days minimum) = \$41,440,973; YES FY24 (225 days target) = \$103,602,434; YES	FY 2024 Adopted Budget and FY 2023 ACFR via Fiscal Services website	None
VI. G.	BTU Rural Fund Unrestricted Cash Balance - <u>Minimum Unrestricted Cash Balance</u> - Will be maintained at a minimum of 45 days of the current year's operating expenditure budget. <u>Target Unrestricted Cash Balance</u> - Because BTU Rural is subject to unexpected changes in energy costs, revenues, and expenditures, a targeted unrestricted cash balance is set at 125 days of the current year's operating expenditure budget, excluding extraordinary items. The annual budget should be set at a level that produces the target level of unrestricted cash by the end of the five year forecast.	Yes	For FY 2023, the ending unrestricted cash balance = \$35,381,859 FY24 (45 days minimum) = \$5,039,404; YES FY24 (125 days target) = \$13,998,346; 315 days; YES	FY 2024 Adopted Budget and FY 2023 ACFR via Fiscal Services website	None
VI. H.	TIRZ Funds Unassigned Fund Balance - <u>Target Unassigned Fund Balance</u> - Because TIRZ funds generally have minimal operating expenses other than debt service, the City shall target an unassigned fund balance of no less than \$50,000 in each TIRZ fund, rather than as a percent of operating expenses. Budgeting should consider future debt service levels in setting current and future funding levels.	Yes	FY 2023 ending balances: TIRZ 10, \$2,565,932; YES TIRZ 19, \$508,507; YES TIRZ 21, \$880,707; YES TIRZ 22 North = \$74,683; YES TIRZ 22 Target = \$88,142; YES	FY 2023 ACFR via Fiscal Services website	None
VI. I.	Self-Insurance Fund Unassigned Fund Balance - <u>Target Unassigned Fund Balance</u> - City Council approved a revised minimum fund balance based on the stop-loss deductible for the City's excess worker's compensation and liability policy. For FY 2023, the worker's compensation rate is \$1,750,000/occurrence and liability retention is \$500,000/occurrence.	Yes	FY 2023 Stop-loss deductible: \$200,000 Worker's comp = \$1,750,000 Liability = \$500,000 FY 2023 Ending Unrestricted Operating Fund Balance: \$3,306,700; YES	FY 2024 Adopted Budget and FY 2023 ACFR via Fiscal Services website	None

City of Bryan Financial Management Policy Statement Checklist
Fiscal Year 2023 Reporting Cycle

By Major Policy Topic

The Financial Management Policy Statements will be reviewed and approved by Council at a minimum of every two years. The last amendment was adopted by City Council on November 9, 2021.

A Financial Management Policy Compliance checklist will be completed annually by Fiscal Services, and the results will be reported to the Audit Committee. The Financial Management Policies are guidelines, and occasionally exceptions may be appropriate and required. Exceptions to stated policies will be specifically identified and explained to the City Manager and City Council.

Prepared By: Evelyn Duelm
Reviewed By: Alicia Kenney

	Policy Description	Compliance	Description of Compliance/Documentation	Documentation Reference	Corrective Action needed
VI. I.	Employee Benefits Fund Unrestricted Fund Balance - Target Unassigned Fund Balance - The City shall target an unassigned fund balance of 60 days of the current year's budgeted expenditures.	Yes	FY24 Budgeted expenditures: \$14,956,700 60 Days = \$2,581,693 FY 2023 Ending Unrestricted Fund Balance = \$10,008,532; 348 days; YES	2023-09-12 budget presentation to City Council; FY 2024 Adopted Budget and 2023 ACFR via Fiscal Services website	None
VI. K.	Debt Service Fund Balance - The City shall maintain the minimum debt service fund balance at 1 month of annual debt service requirements.	Yes	FY24 Debt Service Requirements: \$19,801,000 1 Month = \$1,650,083 FY 2023 Ending Fund Balance (excluding interfund advance balance) = \$1,881,413; YES	FY 2024 Adopted Budget and 2023 ACFR via Fiscal Services website	None
VI. L.	All Other City Funds Unassigned Fund Balance/Unrestricted Cash Balance - All other funds do not have a stated minimum unassigned fund balances/unrestricted cash balances but rather are monitored on a monthly basis. A balance sufficient to meet budgeted expenditures will be maintained in all funds.	Yes	All other funds had sufficient funds to maintain service levels.	See Budget document, 2023 monthly financial reports	None

VII. Debt

VII. B. (2)	Debt Financing - Debt Capacity - The City shall complete an annual debt capacity assessment to ensure that proposed debt is affordable and contributes to the financial strength of the City. The debt capacity is the upper limit on the dollar amount of capital improvements that the City can afford to fund from debt. Debt capacity calculations for long-term planning shall assume market rates for the average annual interest costs at the time the capacity is determined. The analysis shall not assume future refunding of any outstanding bonds and shall consider both debt service requirements on current and proposed debt. <u>Property tax supported debt</u> , maximum capacity shall be determined by an amount of annual debt service that the City can absorb within the proposed tax rate allocation for debt based on assumed growth in assessed valuation. <u>Revenue debt</u> , maximum capacity shall be determined by the amount of annual debt service that the City can absorb within a proposed rate structure that has been reviewed with City Council and which can support the proposed debt within the additional bonds test as defined in the revenue bond covenants. The City shall not exceed debt capacity as defined through bond covenants or fall below bond coverage ratios for additional revenue bonds.	Yes	No new debt was issued in FY 2023.	2023-09-12 budget presentation to City Council; FY 2024 Adopted Budget and FY 2024 5 year forecast	None
VII. C. & D.	Debt Coverage Ratios - The Debt Coverage Ratio is the ratio of New Revenue Available for Debt Service to Debt Annual Service cost. Debt Coverage Ratios shall be maintained at: <u>BTU City Electric</u> - Minimum 1.1, Target 2.5; <u>BTU Rural Electric</u> - Minimum 1.2, Target 2.0; <u>Water & Wastewater</u> - Minimum 1.25, Target 2.0.	Yes	Table RW-9 - Water & Wastewater 7.87; YES Table RER-5 - BTU Rural 6.49; YES Table REC-6 - BTU City 5.04; YES	FY 2023 ACFR via Fiscal Services webpage	None
VII. E.	Debt Reserve Fund - Debt service reserves should be maintained for each bond issue as required by bond covenants.	Yes	Debt reserves are calculated annually and at the time of a new debt issue requiring debt reserves.	Audit workpapers	None

City of Bryan Financial Management Policy Statement Checklist
Fiscal Year 2023 Reporting Cycle

Prepared By: Evelyn Duelm

Reviewed By: Alicia Kenney

By Major Policy Topic

The Financial Management Policy Statements will be reviewed and approved by Council at a minimum of every two years. The last amendment was adopted by City Council on November 9, 2021.

A Financial Management Policy Compliance checklist will be completed annually by Fiscal Services, and the results will be reported to the Audit Committee. The Financial Management Policies are guidelines, and occasionally exceptions may be appropriate and required. Exceptions to stated policies will be specifically identified and explained to the City Manager and City Council.

Policy Description		Compliance	Description of Compliance/Documentation	Documentation Reference	Corrective Action needed
VII. F.	Continuing Financial Disclosure related to Debt - The covenants related to debt require continual annual disclosure of specific financial information about the City. Required annual disclosure information will be posted to the Electronic Municipal Market Access (EMMA) website and as a supplement to the City's annual ACFR document.	Yes	All disclosures contained in the official statements that are required to be produced every year are reproduced and updated in the Statistical Section of the annual ACFR. Additionally, the MSRB reporting portal, EMMA, is updated every year with the ACFR containing the appropriate financial debt disclosures. An unaudited FY 2023 ACFR was filed on EMMA on 3/28/2024. The submission was modified with the audited ACFR on 7/30/2024.	FY 2023 ACFR via Fiscal Services webpage; https://emma.msrb.org	None
VII. H. (1-4)	Debt Structures - 1.) The City shall normally issue bonds with a life not to exceed 25 years for general obligation and 25 years for revenue bonds, but in no case longer than the useful life of the asset. 2.) The City shall seek level or declining debt repayment schedules. However, in the case of pension obligation bonds, the debt repayment schedule should increase over time in a manner paralleling Texas Municipal Retirement System’s (“TMRS”) projected Prior Service funding being replaced by the pension obligation bonds. 3.) There shall always be at least interest paid in the first fiscal year after a bond sale and principal payments starting generally no later than the second fiscal year after the bond issue. 4.) Normally, there shall be no capitalized interest included in the debt structure except for debt issuances reimbursing developers for infrastructure, which shall not exceed 2 years of capitalized interest.	Yes	All debt outstanding in FY 2023 for the City of Bryan, including BTU, meets the criteria listed in this policy.	FY 2023 ACFR via Fiscal Services webpage, Disclosures and Statistical sections	None
VII. I.	Debt Refunding - The City's financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the net present value savings of a particular refunding should exceed 3.0% of the refunded maturities unless (1) a debt restructuring is necessary or (2) bond covenant revisions are necessary to facilitate the ability to provide services or to issue additional debt.	Yes	There were no debt refundings during FY 2023.	Debt refundings documents	None
VII. J.	Sale Process - The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated sale. The City will utilize a negotiated process when the issue is, or contains, a refinancing that is dependent on market/interest rate timing. The city shall award the bonds based on a true interest cost (TIC) basis. However, the City may award bonds based on a net interest cost (NIC) basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid.	Yes	The City's Financial Advisor ("FA") conducted research and advised the City on the most cost effective way to issue debt for the City. Each issue was evaluated and a determination was made based on the current economic environment.	Presentations by Specialized Public Finance, the City's FA.	None

***City of Bryan Financial Management Policy Statement Checklist
Fiscal Year 2023 Reporting Cycle***

Prepared By: Evelyn Duelm

Reviewed By: Alicia Kenney

By Major Policy Topic

The Financial Management Policy Statements will be reviewed and approved by Council at a minimum of every two years. The last amendment was adopted by City Council on November 9, 2021.

A Financial Management Policy Compliance checklist will be completed annually by Fiscal Services, and the results will be reported to the Audit Committee. The Financial Management Policies are guidelines, and occasionally exceptions may be appropriate and required. Exceptions to stated policies will be specifically identified and explained to the City Manager and City Council.

	Policy Description	Compliance	Description of Compliance/Documentation	Documentation Reference	Corrective Action needed
	VIII. Cash Management/Investments				
VIII.	Cash Management/Investments - The City's investment policy is governed by a separate resolution. It is the policy of the COB to invest public funds in a manner that will ensure the preservation of capital, meet daily cash flow demands, conform to all applicable State and Local statutes governing the investment of public funds, and provide reasonable investment returns. A checklist of Investment Limits is included in the Quarterly Reporting Package.	Yes	The City Council, through the appointment of the Investment Committee, adopted an investment policy that conforms with state and local requirements.	Link to Quarterly Investment Committee Reports via Financial Transparency section of Fiscal Services webpage.	None
VIII. X.	Economic Development Agreements - The City shall monitor compliance with the terms of all economic development agreements and report the compliance status to City Council at least annually.	Yes	Fiscal department meets w/ Economic Development quarterly to discuss upcoming agreements and incentives.	Quarterly department budget meetings	None