



2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Bryan, Texas
Fiscal Year Ended September 30, 2015

CITY OF BRYAN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2015

Prepared by

Fiscal Services Department
Joe Hegwood, Chief Financial Officer

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March 24, 2016

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Bryan (the "City") for the fiscal year ended September 30, 2015. The purpose of this report is to provide the Council, management, staff, the public, and other interested parties with detailed information reflecting the City's financial condition. The Texas Local Government Code (§103.001) requires an annual audit of municipalities. The City has complied with this requirement and the auditor's report is included.

The City's independent auditor, Weaver and Tidwell, L.L.P., has issued an unqualified or "clean" opinion on the City of Bryan's financial statement for the year ended September 30, 2015. An unqualified opinion represents the highest level of audit assurance issuable for financial statements. The independent auditor's report is located at the front of the financial section of this report.

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

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 43.7 square miles and has an estimated population of 80,913.

The City is a home rule city operating under the council-manager form of government. Policy making and legislative authority are vested in the City Council, which is comprised of the mayor and six other members. Five of the council members are elected by district. The mayor and one council member are elected at-large. The city manager is appointed by the City Council and is responsible for the daily management of the City.

The City Council annually enacts a budget through passage of an appropriation ordinance prior to the start of each fiscal year. The budget serves as the foundation for the City's financial planning and control. Annual budgets are prepared for all governmental funds including the general fund, debt service fund, and special revenue funds.

CITY OF BRYAN, TEXAS

The City provides the full range of municipal services contemplated by statute or charter. 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, electrical, water, sewer and solid waste systems. Internal services of the City accounted for on a cost reimbursement basis are general warehouse operations, risk management services, and employee health and disability insurance programs. The City also is financially accountable for Bryan Commerce and Development, Inc. (BCD), a local government corporation and the economic development arm of the City of Bryan.

FACTORS AFFECTING FINANCIAL CONDITION

Bryan continued its strong growth trajectory during the fiscal year, realizing increases in current sales taxes and property values. While oil and gas revenues saw significant increases in fiscal year 2014, falling market prices resulted in declines in fiscal year 2015. Despite this decrease, overall governmental revenues were up 4.7% over the previous year. Bryan and neighboring College Station are the economic center of the region comprised of Brazos County and the surrounding seven counties. Texas A&M University, with a student enrollment of more than 59,000 and over 22,000 full and part-time employees, ranks among the nation's largest individual campuses and dominates the Bryan-College Station area. Additionally, Blinn College, a two year academic institution, has a campus in Bryan with a student enrollment of over 12,000. In 2015, Blinn purchased an additional 94 acres in west Bryan for the expansion of campus facilities. While not immune from factors that affect the state and national economies, the area is somewhat insulated due to the concentration of stable or growing employment sectors: government, higher education and health care. Five of the top ten employers in the area fall into these classifications.

Historically, the Bryan-College Station area's unemployment rate has been among the lowest in the state and that trend continues. As of September 2015, the unemployment rate for the Bryan-College Station area was 3.5% compared to 4.5% state-wide.

MAJOR INITIATIVES

In September 2014, Texas Governor Rick Perry, Texas A&M University System Chancellor John Sharp and officials from the U.S. Department of Health and Human Services (HHS), State of Texas, and biopharmaceutical company GSK dedicated a national pandemic influenza vaccine manufacturing facility in Bryan, Texas, which when complete will serve as an anchor for the Research Valley BioCorridor. The facility is on track for a 2016 start-up.

The Research Valley BioCorridor had its beginning in 2011 when the Cities of Bryan and College Station adopted an inter-local agreement (ILA) for its creation. 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.

Some highlights of the agreement include:

CITY OF BRYAN, TEXAS

- 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
- 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

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 will be responsible for developing and procuring medical countermeasures that 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 remainder cost-shared by commercial and academic proposal partners. The build-out of the Research Valley BioCorridor is expected to provide a major economic boost to Bryan and College Station as well as the Brazos Valley for many years to come.

In late 2014, the City completed its development of infrastructure supporting the Research Valley BioCorridor. Projects completed include a regional lift station, expansion of the gravity sewer system and an extension of the HSC Parkway to Hwy 47. These projects, along with an overpass completed in 2013 at the intersection of Hwy 47 and HSC Parkway provide critical support to the Research Valley BioCorridor.

In 2014, Axis Pipe & Tube commenced commercial operations in Texas Triangle Park. Axis Pipe & Tube, the largest manufacturing operation in the Brazos County, produces steel pipe, structural steel and tubular steel products. In 2013, the City, as a partner with Brazos County in the City of Bryan and Brazos County Economic Development Foundation, signed a development agreement with Axis Pipe & Tube bringing the \$120 million manufacturing facility to the county. In 2015, Axis Pipe and Tube added an additional 100 acres to its operations. The facility is expected to ultimately employ at least 285 full time employees. Texas Triangle Park is a master-planned, rail served industrial park located in the extra territorial jurisdiction (ETJ) of Bryan. The addition of Axis Pipe and Tube to Texas Triangle Park has been a catalyst for growth and significant economic benefit to the region.

LONG-TERM FINANCIAL PLANNING

The City annually prepares a five-year financial forecast to ensure that current revenue and spending commitments are sustainable. Economic development efforts in prior years have resulted in significant cash in-flows for the City in recent years. The sale of land in the Traditions development, sales of the City's LaSalle Hotel and Annex building and other sales have produced over \$9.0 million in "one-time" revenue since 2013. The resulting inflows, along with the City's continued attention to cost control have significantly increased the General Fund's ending fund balance which is approximately 175 days of average operating costs. In 2015, City Council set a target of 100 days of operating cash. Specific one-time parks and recreation projects were approved for spending in 2016 which address a portion of the operating funds over the target. City Council also recently approved the establishment of Capital Reserve and Oil and Gas funds to capture future one-time revenues to be directed to specific one-time projects. Through careful planning, City Council is helping to ensure the sustained long-term financial health of the City.

CITY OF BRYAN, TEXAS

In 2015, staff developed and received City Council approval on a five-year Capital Improvement Program (CIP). This five year CIP is a plan for both long-term and short-term capital needs. Debt payments are structured 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 issued no new debt in 2015, resulting in a net \$26.0 million reduction in governmental and business-type debt due to normally scheduled debt service payments. Additionally, the City issued \$19.5 million in general obligation refunding bonds in July 2015, which enabled the retirement of higher interest debt at a savings of over \$2.7 million. Future debt issues and operational expenses related to improvements will be funded with growth in revenues generated by increases in property valuations and improved efficiencies within City operations. The electric, water, and wastewater systems will continue their capital improvement programs with the issuance of bonds supported by utility revenues as deemed necessary.

RELEVANT FINANCIAL POLICIES

The City's fund balance/operating reserves policies continue to be an important factor in planning decisions. The City has specific reserves policies for its major funds based on fund risks. The policies state that the City will maintain an unassigned fund balance equal to at least 60 days of operating budget for the general fund and most other funds and at least 90 days of reserves in the City electric fund to be used for unanticipated emergencies. As noted above, the City also set a target 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, which 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 Fiscal Year 2015, the City complied with all aspects of the investment policy.

AWARDS AND ACKNOWLEDGMENTS

In 2015, 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 last years' Comprehensive Annual Financial Report (CAFR). To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. City staff believes the current CAFR continues to meet the Certificate of Achievement requirements and it will be submitted to the GFOA to determine eligibility for another certificate. The City also received awards for its annual budget document and investment policy during the last year. In January 2016, the City was awarded the Government Treasurers' Organization of Texas' Certificate of Distinction for its investment policy, and in March 2015, the City was awarded the Distinguished Budget Presentation Award from the GFOA.

The preparation of this report is made possible by the dedicated services of the entire staff of the Fiscal Services Department and our independent auditors. We express sincere appreciation to all employees who

CITY OF BRYAN, TEXAS

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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Achievement
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For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

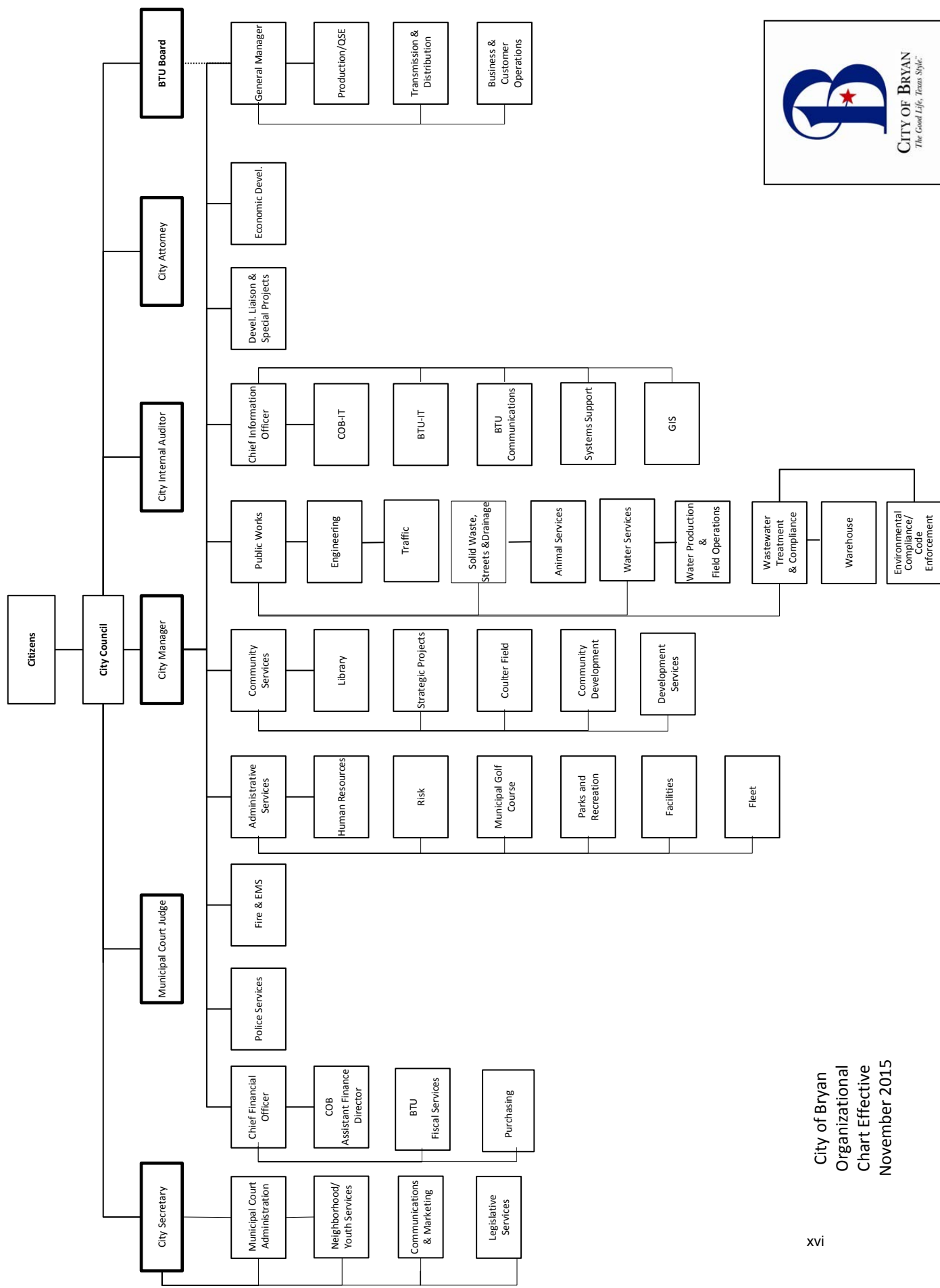
PRINCIPAL OFFICIALS

GOVERNING BODY:

Jason P. Bienski	Mayor
Greg Owens	Mayor Pro Tem
Al Saenz	City Council
Rafael Pena, III	City Council
Ben Hardeman	City Council
Mike Southerland	City Council
Sheldon “Buppy” Simank	City Council

OTHER PRINCIPAL OFFICIALS:

Kean Register	City Manager
Hugh Walker	Deputy City Manager – Support Services
Joseph Dunn	Deputy City Manager – Community Services
Janis Hampton	City Attorney
Mary Lynne Stratta	City Secretary
Joe Hegwood	Chief Financial Officer
Gary Miller	General Manager – Electric Utilities Services
Jayson Barfknecht	Public Works Director
Eric Buske	Police Chief
Randy McGregor	Fire Chief





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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of City Council
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, 2015, 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

The City's 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 Bryan Business Council, Inc. (BBC), the discretely presented component unit of the City. We also did not audit the financial statements of the Brazos Valley Solid Waste Management Agency, Inc. (BVSWMA), a joint venture of the City, representing \$13,588,808 of the assets and \$679,322 of the income of the business-type activities and aggregate remaining fund information of the City. The financial statements of BBC and BVSWMA were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for BBC and BVSWMA, are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of BBC and BVSWMA were not audited in accordance with *Government Auditing Standards*.

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

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 the 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, 2015, 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.

Change in Accounting Principle

As discussed in Note 1 to the basic financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Beginning net position on the government-wide Statement of Activities and on the proprietary funds Statement of Revenues, Expenses and Changes in Net Position has been restated to reflect the effect of implementation of these statements. Our opinion is not modified with respect to this matter.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, Schedule of Required Contributions – Texas Municipal Retirement System, and Schedule of Changes in the City's Net Pension Liability and Related Ratios – Texas Municipal Retirement System 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 by us and the other auditors. In our opinion, the combining and individual nonmajor fund statements 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, TX
March 14, 2016

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2015
(Unaudited)

As management of the City of Bryan, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2015. 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 \$504,316,454 (net position)
- unrestricted net position was \$92,913,733; these funds may be used to meet ongoing obligations to citizens and creditors
- total net position increased by \$28,060,209
- total debt decreased by \$26,025,000 or 6.7%
 - \$19,480,000 in general obligation refunding bonds were issued during FY 15 in order to reduce interest costs on current outstanding debt. These general obligation bonds along with the offering premium refunded \$12,150,000 in general obligation bonds and \$7,980,000 in Electric System revenue bonds.
 - \$25,375,000 in additional outstanding debt was retired. Total debt retired during FY 15, including the refunded bonds was \$45,505,000.
 - \$26,845,674 of outstanding debt is due within one year as of September 30, 2015.

Fund Financial Statements

- governmental funds reported combined ending fund balances of \$68,323,317
 - an increase of \$6,471,146 in fund balances is due primarily to higher tax revenues, one time land sale revenues and sales of capital assets
 - approximately \$30,612,358 or 44.8% is available for spending at the City's discretion (unassigned fund balance)
- General Fund unassigned fund balance was \$30,621,712 or 53.7% of total general fund expenditures during FY 15

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 liabilities, 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.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2015
(Unaudited)

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, and cultural and recreational (parks and recreation, library service, and other community service activities). 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. Included in Note 1 of the financial statements are separate Condensed Statements of Net Position and Condensed Statements of Revenues, Expenditures, 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 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.

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

The City currently maintains twenty-four (24) 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 eleven (11) special revenue funds, two (2), capital project funds, and nine (9) permanent funds have been combined into one single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Bryan adopts an annual appropriation budget for its General Fund, Debt Service Fund and special revenue funds. Individual fund budgetary comparison schedules are provided in the Required Supplementary and the Supplementary sections of this report (starting on page 97).

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, 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 trust fund.

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 Fund 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 103).

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

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Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 38 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 39-96 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and a budgetary comparison schedule for the General Fund to demonstrate compliance with the budget. Required supplementary information can be found on pages 97-101 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 106-138 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Bryan, assets exceed liabilities by \$504,316,454 as of September 30, 2015.

The adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, amends the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of GASB Statement No. 50, *Pension Disclosures*, as they relate to governmental employers that account for pensions that are provided through trusts, or equivalent arrangements. Employers are required to report the difference between the actuarial total pension liability and the pension plan's fiduciary net position as the net pension liability on the statement of net position. Previously, a liability was recognized only to the extent that contributions made to the plan were exceeded by the actuarially calculated contributions.

Also adopted for FY 15, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* an amendment of GASB Statement No. 68 addresses an issue regarding application of the transition provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement, in conjunction with GASB Statement No. 68 requires restatement of net position as of October 1, 2014 as follows:

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	Governmental Activities	Business Type Activities
Net Position, beginning of period - as previously reported	\$ 117,589,868	\$ 385,528,131
Net pension liability	(21,484,900)	(11,948,356)
Reverse net pension obligation as reported 9/30/14	4,417,571	2,453,427
Reverse pension accrual in Construction-in-Progress*	-	(299,496)
Net Position, beginning of period - as restated	\$ 100,522,539	\$ 375,733,706

For more information on this restatement, please see Note 1.

The largest portion of the City's net position \$349,009,941, or 69.2%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure, and improvements), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources. An additional portion of the City's net position \$62,392,780, or 12.4%, represents resources that are subject to external restrictions on their usage. The remaining balance of unrestricted net position, \$92,913,733 or 18.4%, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of FY 15, 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.

City of Bryan's Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 81,901,112	\$ 73,523,290	\$ 191,857,934	\$ 213,941,920	\$ 273,759,046	\$ 287,465,210
Capital assets	151,505,157	157,659,865	533,751,076	517,413,723	685,256,233	675,073,588
Total assets	233,406,269	231,183,155	725,609,010	731,355,643	959,015,279	962,538,798
Deferred outflows	6,612,784	1,850,603	21,157,300	17,191,503	27,770,084	19,042,106
Non-current liabilities	110,209,138	96,893,545	295,087,340	302,355,778	405,296,478	399,249,323
Other liabilities	18,954,449	18,550,345	49,629,357	55,206,857	68,583,805	73,757,202
Total liabilities	129,163,587	115,443,890	344,716,697	357,562,635	473,880,283	473,006,525
Deferred inflows	881,500	-	7,707,125	5,456,380	8,588,625	5,456,380
Net position:						
Net investment in						
capital assets	68,002,663	67,019,218	281,007,278	269,168,669	349,009,941	336,187,887
Restricted	22,972,793	23,068,934	39,419,987	34,139,444	62,392,780	57,208,378
Unrestricted	18,998,510	27,501,716	73,915,223	82,220,018	92,913,733	109,721,734
Total net position*	\$ 109,973,966	\$ 117,589,868	\$ 394,342,488	\$ 385,528,131	\$ 504,316,454	\$ 503,117,999
Restated amounts	-	(17,067,329)	-	(9,794,425)	-	(26,861,754)
Total net position as restated*	\$ 109,973,966	\$ 100,522,539	\$ 394,342,488	\$ 375,733,706	\$ 504,316,454	\$ 476,256,245

*Note: Restatement of FY14 Net Position, reference Note 1.

The \$28,060,209 increase to \$504,316,454 in total net position is due to increases in business-type activities as well as governmental activities. The net position of business type activities increased \$18,608,782 due primarily to the excess of operating revenues over expenses in the Electric, Rural Electric, Water, Wastewater and land sales in the Bryan Commerce and Development fund. The net

City of Bryan, Texas

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\$18,608,782 due primarily to the excess of operating revenues over expenses in the Electric, Rural Electric, Water, Wastewater and land sales in the Bryan Commerce and Development fund. The net position of the Governmental Activities increased by \$9,451,427 primarily as a result of program and general revenues plus transfers in exceeding expenses. The net effect of the restatement amounts is reflected in the changes to net position and are outlined in the above table and discussed in Note 1 of the financial statements.

A decrease of \$16,808,001 to \$92,913,733 in the City's total unrestricted net position is due to an increase in investments in capital assets as well as the restatement due to GASB Statements No. 68 and No. 71. The unrestricted net position of the Business-Type Activities decreased by \$8,304,795 to \$73,915,223. The unrestricted net position of the Governmental Activities decreased by \$8,503,206 to \$18,998,510. As previously stated, the net effect of the restated amounts from FY 14 are outlined in the above table.

City of Bryan's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 6,926,299	\$ 6,828,230	\$ 261,421,051	\$ 252,053,246	\$ 268,347,350	\$ 258,881,476
Operating grants and contributions	2,769,647	2,490,517	-	-	2,769,647	2,490,517
Capital grants and contributions	2,049,078	1,661,849	2,755,942	1,784,937	4,805,020	3,446,786
General revenues:						
Property taxes	28,039,989	25,765,716	-	-	28,039,989	25,765,716
Other taxes	21,683,058	21,834,534	-	-	21,683,058	21,834,534
Other	10,589,029	10,230,726	4,273,025	3,096,044	14,862,054	13,326,770
Total revenues	72,057,100	68,811,572	268,450,018	256,934,227	340,507,117	325,745,799
Expenses:						
General Government	9,775,235	11,862,123	-	-	9,775,235	11,862,123
Development Services	5,403,697	5,265,275	-	-	5,403,697	5,265,275
Public Works Services	16,894,814	14,180,817	-	-	16,894,814	14,180,817
Public Safety	33,648,379	33,069,954	-	-	33,648,379	33,069,954
Cultural and Recreational	8,374,038	8,332,012	-	-	8,374,038	8,332,012
Interest on long-term debt	3,299,163	3,548,311	-	-	3,299,163	3,548,311
Electric	-	-	171,705,349	170,664,644	171,705,349	170,664,644
Rural electric	-	-	36,214,517	33,312,663	36,214,517	33,312,663
Water	-	-	9,841,218	9,761,250	9,841,218	9,761,250
Wastewater	-	-	9,935,489	10,272,703	9,935,489	10,272,703
Other	-	-	7,860,010	7,851,301	7,860,010	7,851,301
Total expenses	77,395,326	76,258,492	235,556,583	231,862,561	312,951,909	308,121,053
Increase (decrease) in net position before transfers and special items	(5,338,226)	(7,446,920)	32,893,435	25,071,666	27,555,208	17,624,746
Special items - sale of plant equipment	-	-	505,000	2,493,174	505,000	2,493,174
Net Transfers	14,789,653	12,138,907	(14,789,653)	(12,138,907)	-	-
Increase (decrease) in net position	9,451,427	4,691,986	18,608,782	15,425,933	28,060,208	20,117,920
Net position - October 1*	100,522,539	112,897,882	375,733,706	370,102,198	476,256,245	483,000,080
Net position - September 30	\$ 109,973,966	\$ 117,589,868	\$ 394,342,488	\$ 385,528,131	\$ 504,316,453	\$ 503,118,000
Restated amounts	-	(17,067,329)	-	(9,794,425)	-	(26,861,754)
Total net position as restated*	\$ 109,973,966	\$ 100,522,539	\$ 394,342,488	\$ 375,733,706	\$ 504,316,454	\$ 476,256,245

*Note: Restatement of FY14 Net Position, reference Note 1.

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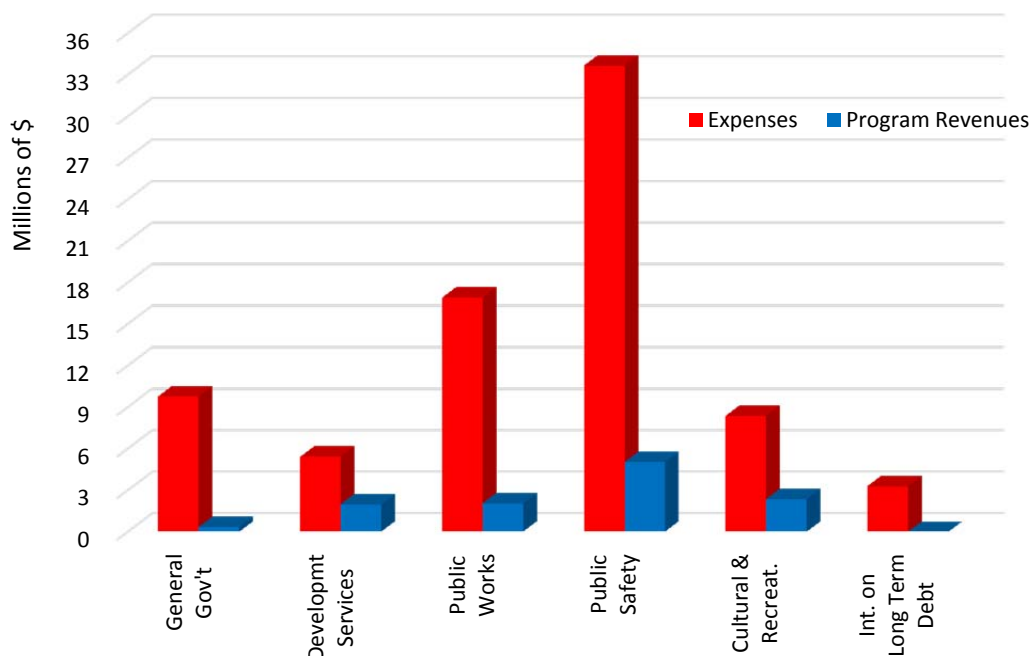
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Governmental Activities. Total governmental activity revenues increased in FY15 from FY14 by \$3,245,528 or 4.7% to \$72,057,100. Several factors contributed to this increase in FY15. Property tax revenues increased by \$2,274,273, or 8.8%. Capital grants and contributions increased by \$387,229, or 23.3% in FY15 over FY14 revenues. During FY15, other revenues (including transportation and drainage assessments, investment earnings, and miscellaneous items) increased in total by \$358,303 or 3.5%.

The Government Wide presentation of expenses attempts to consolidate all revenues and expenses on a basis similar to a private business. This presentation removes capital spending and principal payments (see note 4 for capital assets of the governmental activities) and allocates expenses of internal service activities to all related parties. Governmental activities expenses increased in FY15 as compared to FY14 by \$1,136,834 to \$77,395,326. The major changes in this category were:

- Public safety expenses increased \$578,425 in FY15 when compared to FY14. This increase is primarily due to added firefighter positions and training costs.
- Public Works expenses increased by \$2,713,997 or 19.1%. This increase is attributable to increased street maintenance FY15. Street maintenance expenditures in the Street Improvement fund increased \$2,608,520 from FY14 to FY15.
- These increases are partially offset by savings in other categories.

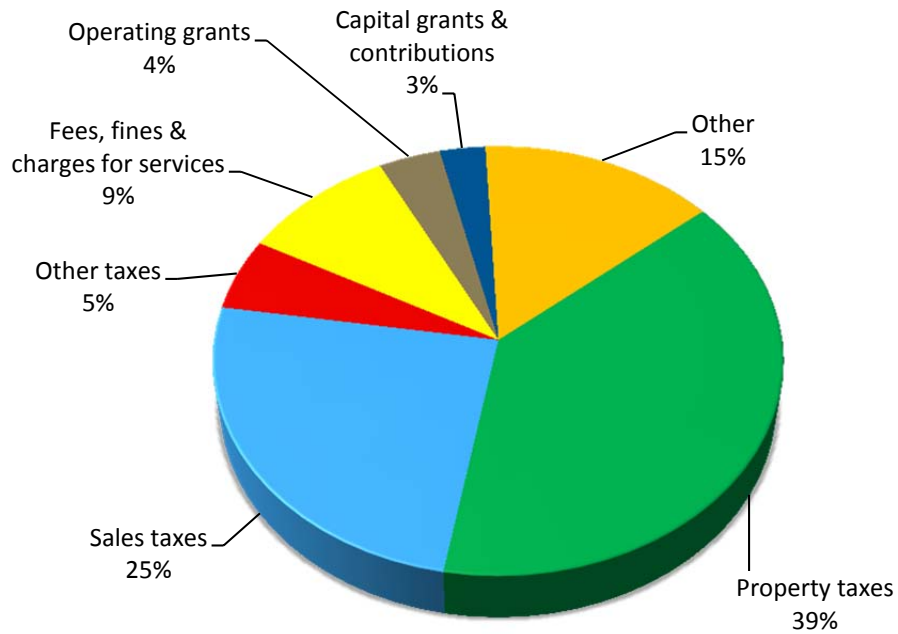
Expenses and Program Revenues - Governmental Activities



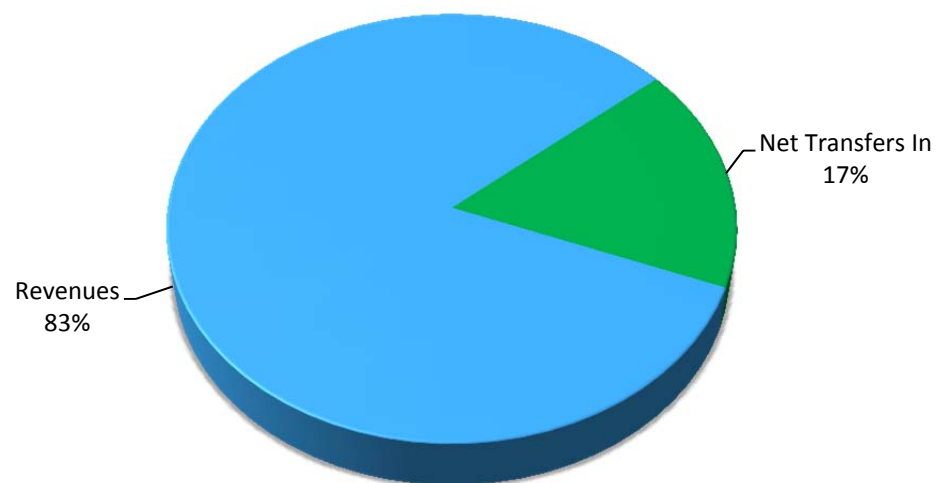
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Revenues by Source - Governmental Activities



All Governmental Resources



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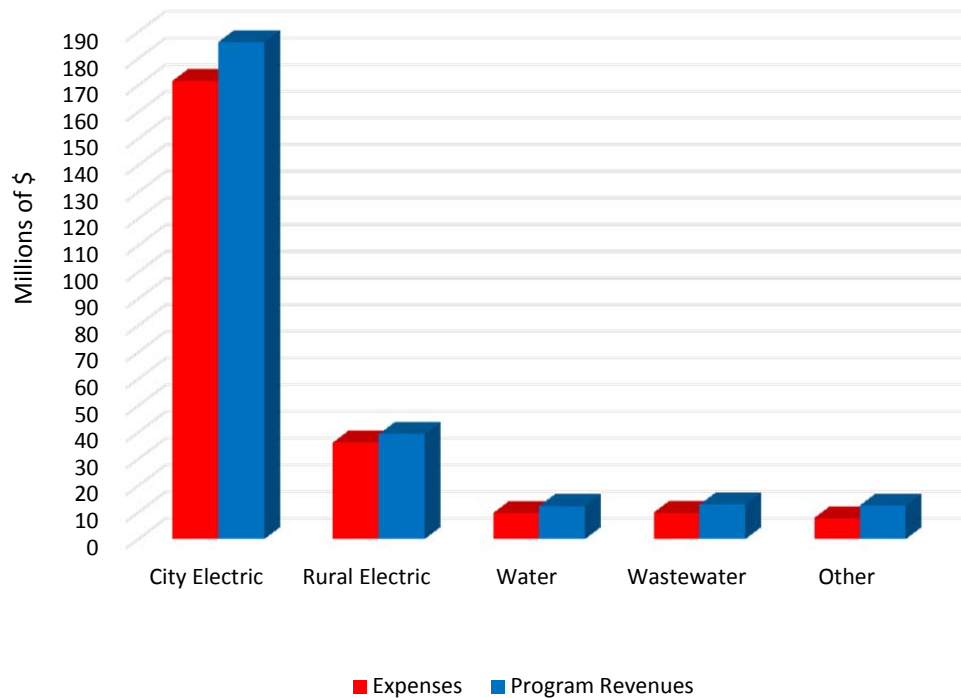
Business-type Activities. Business-type activities net position increased by \$18,608,782, or 5.0%, to \$394,342,488 in FY15. Charges for services for business-type activities increased \$9,367,805, or 3.7%, to \$261,421,051, while expenses increased \$3,694,022, or 1.6%, to \$235,556,583. Key elements of the variances are as follows:

- For the City and Rural Electric Systems, combined charges for services for FY15 and FY14 were \$223,539,164 and \$219,651,541 respectively, an increase of 1.8%. The slight increase in revenues for City and Rural Electric are primarily due to higher base rates, customer growth, higher usage due to weather, and larger transmission cost of service revenue during the fiscal year ended September 30, 2015. These higher revenues were offset by lower fuel revenues on both the wholesale and retail markets. Combined City and Rural Electric expenses for FY15 and FY14 were \$207,919,866 and \$203,977,307 respectively, an increase of 1.9%. Combined net position for the electric systems for the year ended September 30, 2015 was \$232,969,665 of which \$51,995,185 is available to meet ongoing obligations.
- Water system charges for services showed an increase in FY15 of \$711,327, or 6.1%, to \$12,390,019 due to lower summer rainfall in FY15 as well as increased wholesale water sales. Water system expenditures increased slightly by \$79,968, or 0.1% in FY15. FY15 ending net position for the Water system was \$62,831,047 of which \$7,812,750 is available to meet ongoing obligations.
- Net position of the Wastewater system at FY15 year end was \$66,927,750, of which \$10,532,496 was available to meet ongoing obligations. Wastewater system charges for services increased by \$386,450 or 3.1%. Expenses for FY15 were \$9,935,489, a decrease from FY14 of \$337,214 or 3.3%.

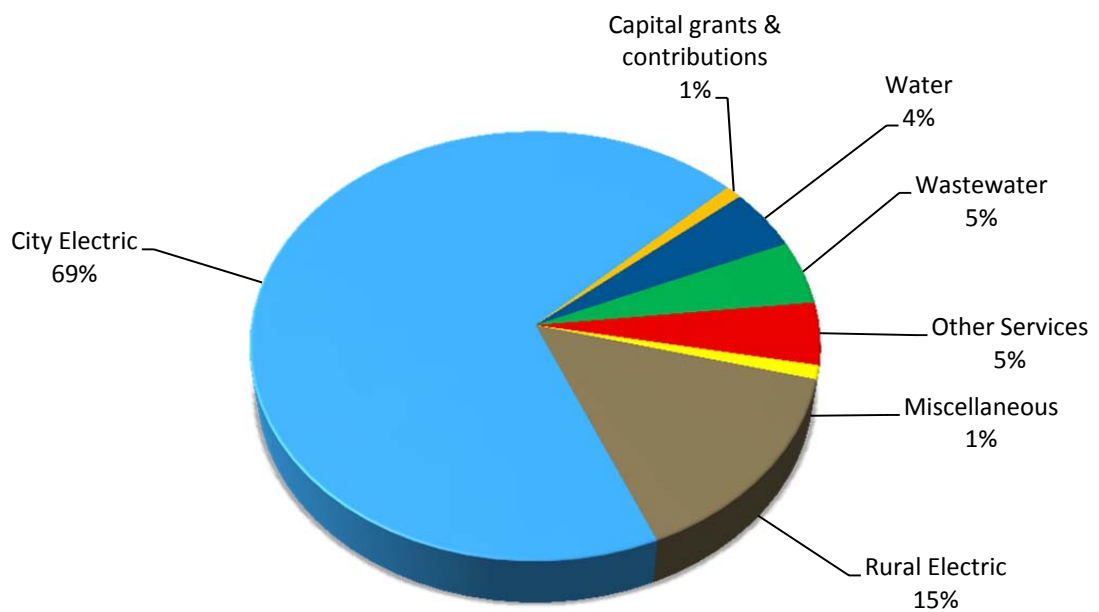
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Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-Type Activities



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Financial Analysis of the City's Funds

As noted earlier, the City of Bryan uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements can be found starting on page 106 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 \$7,189,233, during FY15 compared to an increase of \$5,718,276 in FY14. Revenues of the fund increased \$257,609 and expenditures increased by \$2,905,932. Expenditures were in excess of revenues by \$8,891,412. Transfers in increased by \$2,915,306 and transfers out increased by \$375,502. FY15 transfers in and out of the fund netted \$14,488,911. Sales of capital assets increased in FY15 over FY14 by \$1,579,476. Net transfers and sale of capital assets both helped offset the excess of expenditures over revenues. Some items to note in the General Fund are:

- Property tax revenues to the General Fund increased by \$1,225,978 or 7.3% to \$18,090,087 due to increased property values.
- Other revenues for the year, which includes oil and gas leases and royalties, decreased in FY15 over FY14 by \$927,756 or 43.5%.
- Investment earnings in FY15 increased by \$123,363 or 99.0% due to slightly increased investment rates.
- Capital outlay increased in FY15 by \$1,640,775 or 128.4% due to public safety vehicle purchases including ambulance purchases and new police and municipal court vehicles.
- Public safety non capital expenditures increased in FY15 by \$804,500, or 2.7%. This was mainly due to salaries and benefits increasing by \$963,620 or 3.6%. Savings in other public safety expenditures partially offset this increase in payroll expenses.
- Cultural and recreational expenditures increased by \$195,053 or 3.1%. Increases in payroll and parks maintenance contributed to this year over year increase.

Debt Service Fund. The Debt Service Fund ended the fiscal year with a total fund balance of \$6,080,301, compared to \$6,128,399 at the end of FY14. All of the fund balance is restricted for the payment of debt. Tax revenues in the Debt Service Fund increased by \$102,417 or 1.4% to \$7,574,218. Debt service payments from the fund totaled \$10,512,311 with debt issuance costs totaling \$67,859. The additional debt service is supported by transfers from TIRZ 10, TIRZ 19, TIRZ 22 and the General Fund in the amount of \$2,418,836.

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 decreased in FY15 over FY14 by \$669,989, or 2.4% to \$26,874,611.

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Special Revenue Funds. The City's special revenue funds include the Grant Fund, Community Development fund, Hotel Tax fund, Tax Increment Reinvestment Zones (TIRZ), and some special assessment funds. The fund balances in the special revenue funds increased by \$133,026, or 0.1%, in FY15.

- The Community Development Fund provides programs and services to low and moderate income persons. The most significant expense is \$1,427,193 spent on the various programs funded by state, local, and federal grants.
- Hotel Tax Revenues for FY15 were \$1,286,072. Expenditures total \$635,760. These funds primarily go to fund outside agencies who promote the hotel and tourism industries in Bryan, TX.
- The Street Improvement Fund expenditures total \$6,770,143 on street maintenance projects. The fund balance was \$12,387,623, which is committed or encumbered for street improvement projects at the end of FY15.
- The Drainage Improvement Fund expended \$481,805 in FY15 on drainage projects throughout the City. Ending fund balance was \$2,364,950, which is committed or encumbered for drainage projects at the end of FY15.

Capital Projects Funds. The total expenditures from Capital Projects Funds were \$1,225,200. The net fund balance in the Capital Project Funds decreased by \$820,428 to \$7,465,788. This decrease in fund balance is due to activities and expenditures relating to the construction of capital infrastructure. All of the fund balance is either available for capital projects 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 earning. In FY15 \$39,575 in spendable funds was used for expansion and upkeep of the City of Bryan Cemetery. The fund balance increased by \$17,413 to \$1,917,624 due to contributions of \$43,350. Investment earnings of \$13,638 helped offset the expenditures.

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 this fund's 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, sales of land, and oil and gas royalties and lease payments. 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 FY15 was \$0.442658 per \$100 of valuation. The adopted tax rate for FY15 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 FY15 was \$0.187332 per \$100 of valuation.

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Total General Fund revenues for FY15 were \$48,109,990 and were \$2,553,271 or 5.6% ahead of budget and \$257,609 or 0.5% more than revenues in FY14. Tax revenues for the General Fund include property tax, sales tax, franchise tax, bingo tax, and alcoholic beverage tax. General Fund tax revenues were 80.0% of total General Fund revenues in FY15. Notable variances in General Fund tax revenues for FY15 are:

- FY15 General Fund property tax revenues were \$18,090,087 and \$39,744 or 0.2% below budget. As noted above, property taxes in FY15 were \$1,225,978 or 7.3% higher than FY14 property tax revenues.
- Sales taxes were \$1,055,930 or 6.3% above budget in FY15. Compared to FY14 revenues, FY15 sales taxes were down slightly by \$94,019, or 0.5%. February 2015 sales tax included a refund in the amount of \$615,196 related to collections during 2007-2011. The State Comptroller notified the City that a taxpayer incorrectly paid sales tax during that time. Excluding this refund, FY15 sales tax revenues were \$521,177 or 2.9% higher than FY14.
- Franchise tax revenue for FY15 was \$2,191,346 and \$74,364, or 3.5% above budget for FY15. Franchise tax revenues were \$189,441, or 8.0% below FY14 revenues.
- Alcoholic beverage taxes were \$37,776, or 33.7%, above budget for FY15 and \$18,985, or 14.5%, ahead of FY14 revenues.

Charges for services in the General Fund include ambulance charges, recreational charges, health and public safety fees, and other miscellaneous charges. Charges for services make up 9.4% of General Fund total revenues in FY15. Some notable items in this category are:

- Ambulance charges in FY15 were \$235,132, or 13.8% above budget. FY15 saw an increase of \$48,914, or 2.6% over FY14 revenues in this category.
- Revenues for recreational activities were \$51,275 or 3.9% below budget in FY15. Compared to FY14 revenues, FY15 saw a decline of \$24,932 or 1.9%.
- Miscellaneous charges for services was \$192,974 or 133.8% ahead of budget and was \$50,306 or 17.5% above FY14 revenues.

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 were \$158,933 or 8.4% below budget for the year in FY15. This category has remained steady in FY15 as compared to FY14 with only a 0.1% decrease year over year.
- Federal, state, and local grants make up 2.7% of General Fund revenues and were \$216,814 or 20.3% above budget for FY15. Grant revenues decreased slightly by \$5,535, or 0.4% in FY15 as compared to FY14.
- Other revenues were \$835,574 or 226.8% above budget in FY15 due to the sale of the Municipal Office Building Annex (former City of Bryan Police Station). Compared to FY14, other revenues saw a decrease of \$927,756 or 43.5% due to a decrease in oil and gas activity and a decrease in land sales in FY15.

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For the Fiscal Year Ended September 30, 2015
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Total General Fund operating expenditures are broken down into major categories in the accompanying required supplementary section of the report beginning on page 100. 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 are included in this category.
- Cultural and Recreations – 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 for the year totaled \$57,001,402 and were \$4,243,221 or 6.9% less than budget. All departments were encouraged to manage spending and conserve money wherever possible. Additionally, some projects in parks and recreation, such as the Sadie Thomas Pool and the Williamson Skate Park, were delayed and will be completed in FY16. As a result, many of the General Fund departments ended the year below their final appropriation amount.

Total general government and administrative expenditures were \$13,667,518 or 10.6% under budget for FY15. This makes up 24.0% of total FY15 General Fund expenditures. Some notable budget variances in this category are as follows:

- The Executive department was below budget by \$250,107 or 10.5% due to unfilled positions, savings in utility costs, consultants, office equipment rental, and festivals and events.
- The City Secretary department was below budget by \$189,292 or 19.2% due to unfilled positions and contractual service costs.
- Payments to other agencies were below budget by \$272,248 or 8.1% due primarily to incentives not earned by economic development partners of the City.
- The Fiscal Services department was below budget by \$193,636 or 12.9% due primarily to savings in personnel costs, vacant positions, and contractual services.
- Information Technology was below budget by \$210,185, or 6.8% due to certain projects that have been postponed indefinitely.
- Fleet services was below budget in FY15 by \$252,512 or 33.5% due to staff vacancies and supplies cost.

Development services finished FY15 below budget by \$378,146 or 11.0%. Expenditure totals in this category were \$3,058,936 and made up 5.4% of total General Fund expenditures for FY15. Notable budget variances in this category include engineering which was \$249,199, or 17.9% under budget for FY15 due to staff vacancies.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2015
(Unaudited)

Public Works services total expenditures for FY15 were \$3,422,137 and makes up 6.0% of total General Fund expenditures for the year. Overall Public Works was \$149,345 or 4.2% under budget due primarily to staff vacancies and capital projects that will be completed in FY16.

Public Safety expenditures for FY15 are \$30,850,086 and \$855,855 or 2.7% under budget. Public safety accounts for 54.1% of all General Fund expenditures in FY15. Some notable variances include:

- Police services are \$291,618, or 1.8% below budget due to staff vacancies and other non-capital expenditure categories.
- Fire and EMS is below budget by \$331,128, or 2.5%, for FY15 due to staff vacancies.
- Municipal Court expenditures for FY15 are \$150,396, or 10.5% under budget for the year due to savings in professional services and other miscellaneous categories.
- The City of Bryan Animal Center is under budget by \$82,713, or 10.4%, due to vacant positions throughout FY15.

Cultural and recreational services expenditures for FY15 total \$6,560,486 and were \$39,779, or 0.6% under budget for the year. Library, parks and recreation, and the golf course make up 11.5% of total General Fund expenditures in FY15.

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, 2015 was \$685,256,233 (net of accumulated depreciation), an increase of \$10,182,645 or 1.5%. 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 FY15 included the following:

City of Bryan's Capital Assets*

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 11,591,736	\$ 11,591,736	\$ 16,701,003	\$ 16,701,003	\$ 28,292,739	\$ 28,292,739
Buildings	24,321,616	26,911,018	925,746	1,077,661	25,247,362	27,988,679
Equipment	7,997,064	7,944,349	3,970,340	3,767,070	11,967,404	11,711,419
Improvements	9,401,066	10,420,959	490,025,105	430,443,540	499,426,171	440,864,499
Infrastructure	94,101,920	95,543,864	-	-	94,101,920	95,543,864
Construction in Progress	4,091,755	5,247,939	22,128,882	65,424,449	26,220,637	70,672,388
Total	<u>\$ 151,505,157</u>	<u>\$ 157,659,865</u>	<u>\$ 533,751,076</u>	<u>\$ 517,413,723</u>	<u>\$ 685,256,233</u>	<u>\$ 675,073,588</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 57-58 of this report.

City of Bryan, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2015
(Unaudited)

Long-term Debt. At the end of fiscal year 2015, the City of Bryan had total debt outstanding of \$364,015,000. Of this amount, \$145,530,000 (general obligation bonds and certificates of obligation) comprises debt backed by the full faith and credit of the City. The remainder of the City's debt is secured by specified revenue sources (revenue bonds).

Outstanding Debt at Year End Bonds and Notes Payable

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 43,553,982	\$ 48,590,908	\$ 15,421,019	\$ 8,359,093	\$ 58,975,001	\$ 56,950,001
Revenue bonds	-	-	218,485,001	242,020,001	218,485,001	242,020,001
Certificates of obligation	40,780,021	43,290,021	45,775,000	47,780,000	86,555,021	91,070,021
Total	<u>\$ 84,334,003</u>	<u>\$ 91,880,929</u>	<u>\$ 279,681,020</u>	<u>\$ 298,159,094</u>	<u>\$ 364,015,023</u>	<u>\$ 390,040,023</u>

During FY15, the City's total debt decreased by \$26,025,000 or 6.7%. The City retired or refunded \$45,505,000 in outstanding principal. The City issued new refunding debt totaling \$19,480,000.

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

	Moody's Investors Service	Standard & Poor's
General Obligation Bonds	Aa2	AA
Certificates of Obligation	Aa2	AA
Revenue Bonds - Waterworks and Sewer	Aa2	AA-
Revenue Bonds - City Electric	A2	A+
Revenue Bonds - Rural Electric	A2	A+

Additional information on the City's long-term debt can be found in Note 5 to the financial statements on pages 59-63 of this report.

Economic Factors and Next Year's Budgets and Rates

Bryan continued its strong growth trajectory during FY15, realizing increases in property values and sales tax revenues which positively impacted the City's governmental funds. Bryan and neighboring College Station are the economic center of the region comprised of Brazos County and the surrounding seven counties. While not immune from factors that affect the state and national economies, the area is somewhat insulated due to the concentration of stable or growing employment sectors: government, higher education and health care. Five of the top ten employers in the area fall into these classifications.

City of Bryan, Texas

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2015

(Unaudited)

During 2014, Brazos county and surrounding counties saw a significant increase in oil and gas production activity as the result of the application of hydraulic fracturing techniques in the Eagle Ford shale formation. The economic activity surrounding this development had a positive impact on sales tax revenues, City lease royalties and property values. However, during 2015, this activity saw a steady decrease. This is reflected in lower one-time revenues associated with this activity. The City is taking a conservative approach to these revenues in the FY16 budget as well as future growth forecasts.

Continued growth in the area allowed the City to lower the property tax rate for FY14 from \$0.633308 per \$100 of property valuation to the effective tax rate of \$0.62999. Tax rates were not changed for FY15 or FY16. Ad valorem property taxes comprised approximately 37.6% of General Fund revenues in FY15. FY16 budgeted General Fund property tax revenues increased 5.2% from FY15 bolstered by continued growth in Bryan and the surrounding area. FY16 sales tax revenue is budgeted to increase by 0.2% when compared to FY15 actual sales tax revenue. This reflects the conservative approach the City has taken over the last budget cycle assuming a decline in the impact of oil and gas activities in FY15 and FY16. Thus far in FY16, actual tax receipts are higher than budget. Actual sales tax receipts for the first three (3) months of FY16 are \$407,000 or 10.4% above budget. While the City still expects some moderation in retail activities, any slowdown should be cushioned by the areas economic base previously described. As always, staff continues its efforts to hold the line on operating costs.

Revenues for the entire electric system for FY16 are projected to be \$241,078,571, which is an increase of \$4,609,881 or 1.9% in FY16 versus FY15 budget. This projected increase is due primarily to rural base revenues associated with phased in rates and to higher transmission revenues. FY16 budgeted electric expenditures are projected to be \$240,427,478, which is an increase of \$5,934,178 or 2.5% from the FY15 budget. This rise is driven by higher departmental costs and increased TMPA capacity costs.

The Water Fund has budgeted a decrease in operating expenditures for FY16 compared to the FY15 budget of \$101,686 or 1.5% to \$6,796,353. Total expenditures for the Water Fund, including debt service and capital expenditures is budgeted to decrease by \$3,447,300, or 21.4% due to completion of capital projects and debt service costs savings as a result of refunded debt during FY15.

The Wastewater Fund budget for FY16 shows operating revenues of \$12,701,323, which is \$377,223 or 3.1% higher than the FY15 budget. Budgeted operating expenditures for FY16 are \$6,790,911 which is \$268,468 or 3.8% less than the FY15 budget. Total expenditures including capital projects and debt service are projected to decrease during FY16 by \$3,085,259, or 15.4% due to completed capital projects and debt service cost decreases.

The Solid Waste Fund budget for FY15 shows total revenues of \$7,913,293. This is \$156,129 or 2.0% more than the FY15 budget. The FY16 budgeted operating expenditures are projected to be \$5,438,593, which is an increase of \$7,624 or 0.1% from the FY15 budget. Total expenditures are budgeted for \$8,066,646 in FY16 which is a \$589,299 decrease from FY15. This is primarily due to capital expenditure decreases resulting from the purchase of new Solid Waste trucks FY15.

City of Bryan, Texas

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2015

(Unaudited)

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, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 52,416,619	\$ 70,024,971	\$ 122,441,590	\$ 1,417,098
Investments	16,225,385	5,567,558	21,792,943	-
Receivables:				
Accounts	5,659,943	24,965,921	30,625,864	35,511
Less allowance for uncollectible	(3,258,890)	(1,113,943)	(4,372,833)	-
Property taxes	1,184,655	-	1,184,655	-
Less allowance for uncollectible	(1,012,704)	-	(1,012,704)	-
Sales taxes	3,054,823	-	3,054,823	-
Grants	233,248	75,001	308,249	-
Interest	34,447	95,907	130,354	-
Notes	450,000	-	450,000	156,549
Internal balances	1,291,821	(1,291,821)	-	-
Inventories	206,131	4,295,203	4,501,334	-
Under-recovered fuel cost	-	1,030,124	1,030,124	-
Under-recovered regulatory fee	-	1,339,933	1,339,933	-
Prepaid energy costs	-	8,300,717	8,300,717	-
Prepaid and other assets	9,672	1,007,321	1,016,993	20,000
Restricted assets:				
Permanently restricted:				
Investments	895,724	-	895,724	-
Total current assets	<u>77,390,874</u>	<u>114,296,892</u>	<u>191,687,766</u>	<u>1,629,158</u>
Noncurrent assets:				
Receivables:				
Assessments	115,056	-	115,056	-
Notes	4,166,519	20,631	4,187,150	180,703
Prepaid energy costs	-	20,726,973	20,726,973	-
Restricted assets:				
Cash and cash equivalents	-	5,679,135	5,679,135	-
Investments	-	37,545,495	37,545,495	-
Investment in BVSWMA	-	13,588,808	13,588,808	-
Investment in Economic Development Foundation	228,663	-	228,663	-
Capital assets:				
Land	11,591,736	16,701,003	28,292,739	1,474,150
Buildings	38,783,545	1,920,180	40,703,725	-
Improvements other than buildings	32,198,451	738,269,339	770,467,790	207,477
Machinery and equipment	31,914,180	13,813,251	45,727,431	-
Infrastructure	186,160,966	-	186,160,966	-
Construction in progress	4,091,755	22,128,882	26,220,637	46,027
Less accumulated depreciation	(153,235,476)	(259,081,579)	(412,317,055)	(100,839)
Total capital assets	<u>151,505,157</u>	<u>533,751,076</u>	<u>685,256,233</u>	<u>1,626,815</u>
Total noncurrent assets	<u>156,015,395</u>	<u>611,312,118</u>	<u>767,327,513</u>	<u>1,807,518</u>
Total assets	<u>\$ 233,406,269</u>	<u>\$ 725,609,010</u>	<u>\$ 959,015,279</u>	<u>\$ 3,436,676</u>
<u>Deferred outflows</u>				
Accumulated decrease in fair value of of hedging derivatives	\$ -	\$ 17,801,026	\$ 17,801,026	\$ -
Pensions	4,975,222	2,850,801	7,826,023	-
Unamortized loss on refunded debt	1,637,562	505,473	2,143,035	-
Total deferred outflows	<u>\$ 6,612,784</u>	<u>\$ 21,157,300</u>	<u>\$ 27,770,084</u>	<u>\$ -</u>

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bryan Business Council, Inc.
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 3,116,922	\$ 11,660,455	\$ 14,777,377	\$ 26,266
Accrued liabilities and retainage	3,067,994	1,652,630	4,720,624	-
Claims	1,658,311	-	1,658,311	-
Accrued vacation and sick pay	2,232,701	406,982	2,639,683	-
Unearned revenue	414,122	82,466	496,588	-
Derivative financial instruments	-	6,009,018	6,009,018	-
Deferred credits	117,682	-	117,682	-
Accrued interest	352,857	83	352,940	-
General obligation bonds	-	-	-	-
Certificates of obligation	-	-	-	-
Notes	-	-	-	50,643
Payable from restricted assets:				
Accounts payable	-	-	-	-
Derivative financial instruments	-	-	-	-
Accrued liabilities	-	774,191	774,191	-
Accrued interest	-	2,739,941	2,739,941	-
Over recovered fuel	-	2,173,575	2,173,575	-
Revenue bonds	-	15,375,001	15,375,001	-
General obligation bonds	4,926,492	1,414,181	6,340,673	-
Certificates of obligation	2,915,000	2,215,000	5,130,000	-
Customer deposits	152,368	5,125,834	5,278,202	-
Total current liabilities	18,954,449	49,629,357	68,583,806	76,909
Noncurrent liabilities:				
General obligation bonds	38,627,490	14,006,838	52,634,328	-
Certificates of obligation	37,865,021	43,560,000	81,425,021	-
Revenue bonds	-	203,110,000	203,110,000	-
Unamortized bond premiums (discounts)	806,053	6,618,518	7,424,571	-
Unamortized gain on refunded debt	-	-	-	-
Notes	-	-	-	88,598
Claims	1,092,875	-	1,092,875	-
Derivative financial instruments	-	11,792,008	11,792,008	-
Net pension liability (NPL)	24,990,390	13,897,248	38,887,638	-
Other post employment benefits (OPEB)	2,082,820	931,544	3,014,364	-
Accrued vacation and sick pay	4,744,489	864,833	5,609,322	-
Other noncurrent liabilities	-	306,351	306,351	-
Total noncurrent liabilities	110,209,138	295,087,340	405,296,478	88,598
Total liabilities	129,163,587	344,716,697	473,880,284	165,507
<u>Deferred Inflows</u>				
Pensions	881,500	505,099	1,386,599	-
Deferred regulatory liability	-	7,202,026	7,202,026	-
Total deferred inflows	881,500	7,707,125	8,588,625	-
<u>Net Position</u>				
Net investment in capital assets	68,002,663	281,007,278	349,009,941	1,487,574
Restricted for:				
BVSWMA, Inc.	-	13,588,808	13,588,808	-
Economic Development Foundation	228,663	-	228,663	-
Debt retirement	-	10,552,883	10,552,883	-
Debt service	5,727,444	6,911,885	12,639,329	-
Perpetual care:				
Expendable	1,021,900	-	1,021,900	-
Nonexpendable	895,724	-	895,724	-
Rate stabilization	-	1,687,392	1,687,392	-
Collateral deposits	-	6,679,019	6,679,019	-
Noncurrent notes receivable	4,166,519	-	4,166,519	-
Police activities	78,500	-	78,500	-
Court activities	468,114	-	468,114	-
Record preservation	80,057	-	80,057	-
Capital improvements	7,465,788	-	7,465,788	-
TIRZ Development	706,544	-	706,544	-
Other purposes	2,133,540	-	2,133,540	-
Unrestricted	18,998,510	73,915,223	92,913,733	1,783,595
Total net position	\$ 109,973,966	\$ 394,342,488	\$ 504,316,454	\$ 3,271,169

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, 2015

Functions/Programs	Net Revenue (Expense) and Changes in Net Position					
	Program Revenues			Primary Government		Component Unit
	Fees, Fines and Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Bryan Business Council, Inc.
	Expenses				Total	
Primary government:						
Governmental activities:						
General government and administration	\$ 9,775,235	\$ 337,174	\$ -	\$ (9,438,061)	\$ (9,438,061)	\$ -
Development services	5,403,697	625,106	1,353,433	(3,425,158)	(3,425,158)	-
Public works services	16,894,814	-	2,049,078	(14,845,736)	(14,845,736)	-
Public safety	33,648,379	4,684,494	332,099	(28,631,786)	(28,631,786)	-
Cultural and recreational	8,374,038	1,279,525	1,084,115	(6,010,398)	(6,010,398)	-
Interest on long-term debt	3,299,163	-	-	(3,299,163)	(3,299,163)	-
Total governmental activities	77,395,326	6,926,299	2,769,647	(65,650,302)	(65,650,302)	-
Business-type activities:						
Electric	171,705,349	184,252,089	-	-	12,546,740	-
Rural electric	36,214,517	39,287,075	-	-	3,072,558	-
Water	9,841,218	12,390,019	-	-	4,012,505	-
Wastewater	9,935,489	12,883,147	-	-	4,239,896	-
Other	7,860,010	12,608,721	-	-	4,748,711	-
Total business-type activities	235,556,583	261,421,051	-	-	28,620,410	-
Total primary government	312,951,909	268,347,350	2,769,647	(65,650,302)	(37,029,892)	-
Component unit:						
Bryan Business Council, Inc.	\$ 216,253	\$ -	\$ 412,518	\$ -	\$ -	\$ 196,265
General revenues:						
Property taxes				28,039,989	-	-
Sales taxes				17,788,430	-	-
Franchise taxes				2,191,346	-	-
Alcoholic beverage taxes				149,776	-	-
Bingo taxes				267,434	-	-
Hotel occupancy taxes				1,286,072	-	-
Transportation and drainage assessments				6,553,176	-	-
Unrestricted investment earnings				523,146	1,032,154	-
Miscellaneous				3,512,707	3,240,871	-
Special items - Gain on sale of power plant equipment				-	505,000	-
Transfers (net)				14,789,653	(14,789,653)	-
Total general revenues, special items, and transfers				75,101,729	(10,011,628)	-
Change in net position				9,451,427	18,608,782	196,265
Net position, October 1, 2014 as restated				100,522,539	375,733,706	3,074,904
Net position, September 30, 2015				\$ 109,973,966	\$ 394,342,488	\$ 3,271,169

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, 2015

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 25,677,449	\$ 1,441,187	\$ 21,379,381	\$ 48,498,017
Investments	8,395,413	471,620	6,996,280	15,863,313
Receivables:				
Accounts	4,872,397	-	725,706	5,598,103
Less allowance for uncollectible	(3,165,526)	-	(93,364)	(3,258,890)
Property taxes	832,210	352,445	-	1,184,655
Less allowance for uncollectible	(711,744)	(300,960)	-	(1,012,704)
Sales taxes	3,054,823	-	-	3,054,823
Assessments	115,056	-	-	115,056
Grants	365	-	232,883	233,248
Interest	16,921	948	14,049	31,918
Notes	16,519	4,600,000	-	4,616,519
Due from other funds	271,826	-	261,717	533,543
Prepaid and other assets	9,307	-	365	9,672
Total assets	<u>\$ 39,385,016</u>	<u>\$ 6,565,240</u>	<u>\$ 29,517,017</u>	<u>\$ 75,467,273</u>
<u>Liabilities, Deferred Inflows, and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 876,741	\$ -	\$ 1,962,329	\$ 2,839,070
Accrued liabilities	2,643,072	-	23,348	2,666,420
Retainage payable	-	-	365,189	365,189
Due to other funds	146,631	-	209,736	356,367
Customer deposits	152,368	-	-	152,368
Unearned revenue	-	450,000	-	450,000
Total liabilities	<u>3,818,812</u>	<u>450,000</u>	<u>2,560,602</u>	<u>6,829,414</u>
Deferred inflows:				
Deferred property taxes	82,743	34,939	-	117,682
Other deferred revenue	115,056	-	81,804	196,860
Total deferred inflows	<u>197,799</u>	<u>34,939</u>	<u>81,804</u>	<u>314,542</u>
Fund balances:				
Nonspendable	109,393	-	895,724	1,005,117
Restricted	720,583	6,080,301	11,235,668	18,036,552
Committed	2,384,963	-	14,752,573	17,137,536
Assigned	1,531,754	-	-	1,531,754
Unassigned	30,621,712	-	(9,354)	30,612,358
Total fund balances	<u>35,368,405</u>	<u>6,080,301</u>	<u>26,874,611</u>	<u>68,323,317</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 39,385,016</u>	<u>\$ 6,565,240</u>	<u>\$ 29,517,017</u>	<u>\$ 75,467,273</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, 2015

Total fund balances - governmental funds		\$ 68,323,317
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 \$127,543).		151,505,157
Other long-term assets are not available to pay for current-period expenditures and, therefore, are recorded as unearned in the funds.		232,740
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.		228,663
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 \$(1,056,061) and net capital assets in the amount of \$127,543).		1,348,836
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.		(352,857)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. These items are detailed below:		
General obligation bonds payable	\$ 43,553,982	
Certificates of obligation payable	40,780,021	
Deferred amount on refunding and premium charges on debt	(831,509)	
Net Pension Liability	24,990,390	
Deferred amounts on pensions (net)	(4,093,722)	
Accrued vacation and sick leave (Net of internal service fund liability in the amount of \$64,463)	6,912,728	
		(111,311,890)
Net position of governmental activities		<u>\$ 109,973,966</u>

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, 2015

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 18,090,087	\$ 7,574,218	\$ 2,610,275	\$ 28,274,580
Sales taxes	17,788,430	-	-	17,788,430
Franchise taxes	2,191,346	-	-	2,191,346
Alcoholic beverage taxes	149,776	-	-	149,776
Bingo taxes	267,434	-	-	267,434
Hotel occupancy taxes	-	-	1,286,072	1,286,072
Transportation and drainage assessments	-	-	6,553,176	6,553,176
Charges for services	4,538,814	-	-	4,538,814
Fines and court charges	1,723,017	-	39,362	1,762,379
Licenses and permits	625,106	-	-	625,106
Grants	1,284,034	-	1,485,613	2,769,647
Investment earnings	247,920	32,728	205,894	486,542
Other	1,204,026	435,417	477,821	2,117,264
Total revenues	<u>48,109,990</u>	<u>8,042,363</u>	<u>12,658,213</u>	<u>68,810,566</u>
Expenditures:				
Current:				
General government and administration	13,667,518	-	-	13,667,518
Development services	3,058,936	-	1,565,643	4,624,579
Public works services	3,422,137	-	7,046,090	10,468,227
Public safety	30,850,086	-	103,942	30,954,028
Cultural and recreational	6,560,486	-	644,876	7,205,362
Administrative reimbursement	(3,476,440)	-	-	(3,476,440)
Capital outlay	2,918,679	-	1,849,557	4,768,236
Debt service:				
Bond and principal retirement	-	7,141,927	-	7,141,927
Interest and fiscal charges	-	3,370,384	-	3,370,384
Debt issuance costs	-	67,859	-	67,859
Total expenditures	<u>57,001,402</u>	<u>10,580,170</u>	<u>11,210,108</u>	<u>78,791,680</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(8,891,412)</u>	<u>(2,537,807)</u>	<u>1,448,105</u>	<u>(9,981,114)</u>
Other financing sources (uses):				
Sales of capital assets	1,591,734	-	-	1,591,734
Transfers in	15,303,568	2,418,836	405,000	18,127,404
Transfers out	(814,657)	-	(2,523,094)	(3,337,751)
Long-term debt issued	-	-	-	-
Refunding bonds issued	-	11,745,000	-	11,745,000
Premium on refunding bonds	-	557,141	-	557,141
Premium on long-term debt issued	-	-	-	-
Payment to refunded bond escrow agent	-	(12,231,268)	-	(12,231,268)
Total other financing sources (uses)	<u>16,080,645</u>	<u>2,489,709</u>	<u>(2,118,094)</u>	<u>16,452,260</u>
Net change in fund balances	7,189,233	(48,098)	(669,989)	6,471,146
Fund balances, October 1, 2014	<u>28,179,172</u>	<u>6,128,399</u>	<u>27,544,600</u>	<u>61,852,171</u>
Fund balances, September 30, 2015	<u>\$ 35,368,405</u>	<u>\$ 6,080,301</u>	<u>\$ 26,874,611</u>	<u>\$ 68,323,317</u>

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

CITY OF BRYAN, TEXAS

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2015

Net change in fund balances - total governmental funds \$ 6,471,146

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. 4,768,236

The City's investment in the Economic Development Foundation is reported at the government-wide level but not at the fund level. 761,895

The net effect of various transactions involving capital assets (i.e., sales and contributions) is to increase net position. 239,366

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. (11,211,655)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items is detailed below:

General obligation refunding bonds issued	(11,745,000)	
Payment to refunded bond escrow agent	12,231,268	
Premium amount on refunding bond	(557,141)	
Debt principal repayments	<u>7,141,927</u>	7,071,054

Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. 1,800,784

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. 139,080

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. 117,682

Some revenues reported in the governmental funds were earned in prior periods; and therefore, are not reported in the government-wide statement of activities. (352,273)

Internal service funds are used by management to charge the costs of risk management, employee health insurance benefits and central warehousing to individual funds. The net revenue of the internal service funds related to governmental activities is reported with governmental activities (net of amount allocated to business-type activities of (\$407,014)). (353,888)

Change in net position of governmental activities. \$ 9,451,427

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, 2015

	Business-type Activities - Enterprise Funds						Governmental Activities
	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	
Assets							
Current assets:							
Cash and cash equivalents	\$ 47,165,143	\$ 5,859,226	\$ 4,783,066	\$ 7,961,587	\$ 4,255,949	\$ 70,024,971	\$ 3,918,602
Investments	-	-	1,567,492	2,607,396	1,392,670	5,567,558	1,257,796
Accounts receivable	16,447,363	4,404,707	1,916,708	1,586,423	610,720	24,965,921	61,840
Less allowance for uncollectible	(709,738)	(130,879)	(76,930)	(105,864)	(90,532)	(1,113,943)	-
Grants receivable	-	-	75,001	-	-	75,001	-
Interest receivable	83,618	-	3,824	-	2,796	95,907	2,529
Inventories	3,852,895	-	426,542	-	15,766	4,295,203	206,131
Due from other funds	4,910,629	-	466,132	337,955	224,989	5,939,705	95,360
Under-recovered regulatory fee	1,200,665	138,871	-	-	397	1,339,933	-
Under-recovered fuel cost	-	1,030,124	-	-	-	1,030,124	-
Prepaid energy costs	8,300,717	-	-	-	-	8,300,717	-
Prepaid and other assets	1,007,321	-	-	-	-	1,007,321	-
Total current assets	82,258,613	11,302,049	9,161,835	12,393,166	6,412,755	121,528,418	5,542,258
Noncurrent assets:							
Prepaid energy costs	20,726,973	-	-	-	-	20,726,973	-
Other noncurrent assets	12,721	7,910	-	-	-	20,631	-
Restricted assets:							
Cash and cash equivalents	1,644,655	308,635	1,574,445	2,151,400	-	5,679,135	-
Investments	34,998,055	2,003,860	332,014	211,566	-	37,545,495	-
Investment in BVSWM	-	-	-	-	13,588,808	13,588,808	-
Capital assets:							
Land	6,021,381	111,483	571,812	377,644	9,618,683	16,701,003	-
Buildings	-	-	222,294	444,492	1,253,394	1,920,180	23,420
Equipment	-	-	2,254,058	3,702,491	7,856,702	13,813,251	114,453
Improvements other than buildings	412,203,114	88,633,153	116,042,632	117,684,204	3,706,236	738,269,339	188,658
Construction in progress	9,003,716	3,492,202	3,099,426	6,452,214	81,324	22,128,882	-
Less accumulated depreciation	(144,714,362)	(27,821,169)	(37,509,985)	(41,051,768)	(7,984,295)	(259,081,579)	(198,988)
Total capital assets (net of accumulated depreciation)	282,513,849	64,415,669	84,680,237	87,609,277	14,532,044	533,751,076	127,543
Total noncurrent assets	339,896,253	66,736,074	86,586,696	89,972,243	28,120,852	611,312,118	127,543
Total assets	\$ 422,154,866	\$ 78,038,123	\$ 95,748,531	\$ 102,365,409	\$ 34,533,607	\$ 732,840,536	\$ 5,669,801
Deferred outflows							
Accumulated decrease in fair value of hedging derivatives	\$ 17,801,026	\$ -	\$ -	\$ -	\$ -	\$ 17,801,026	\$ -
Pensions	2,033,780	-	238,754	287,753	290,514	2,850,801	-
Unamortized loss on refunded debt	-	-	349,080	156,393	-	505,473	-
Total deferred outflows	\$ 19,834,806	\$ -	\$ 587,834	\$ 444,146	\$ 290,514	\$ 21,157,300	\$ -

	Business-type Activities - Enterprise Funds						Governmental Activities
	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	
<u>Liabilities</u>							
Current liabilities:							
Accounts payable	\$ 10,120,563	\$ 715,530	\$ 341,652	\$ 333,636	\$ 149,074	\$ 11,660,455	\$ 277,852
Accrued liabilities	1,042,068	152,948	118,230	140,050	199,334	1,652,630	36,386
Claims payable	-	-	-	-	-	-	1,765,039
Due to other funds	1,317,356	4,858,109	-	-	-	6,175,465	36,776
Unearned revenue	-	-	-	82,466	-	82,466	-
Derivative financial instruments	6,009,018	-	-	-	-	6,009,018	-
Accrued interest	-	-	-	-	83	83	-
Accrued vacation and sick pay	192,348	22,934	64,989	67,189	59,522	406,982	43,835
Current liabilities payable from restricted assets:							
Accrued liabilities	-	-	583,172	191,019	-	774,191	-
Accrued interest	2,098,535	107,756	284,461	249,189	-	2,739,941	-
Over recovered fuel	2,173,575	-	-	-	-	2,173,575	-
Revenue bonds	11,505,000	485,000	1,586,365	1,798,636	-	15,375,001	-
Certificates of obligation	1,005,000	220,000	476,503	513,497	-	2,215,000	-
General obligation bonds	730,000	-	487,015	193,979	3,187	1,414,181	-
Customer deposits	4,094,526	1,021,128	-	-	10,180	5,125,834	-
Total current liabilities	40,287,989	7,583,405	3,942,387	3,569,661	421,380	55,804,822	2,159,888
Noncurrent liabilities:							
Revenue bonds	150,265,000	6,660,000	20,344,543	25,840,457	-	203,110,000	-
Certificates of obligation	33,020,000	4,950,000	2,690,556	2,899,444	-	43,560,000	-
General obligation bonds	7,005,000	-	5,087,708	1,892,113	22,017	14,006,838	-
Notes	-	-	-	-	-	-	-
Unamortized bond premiums (discounts)	6,450,082	141,705	28,076	(1,345)	-	6,618,518	-
Claims payable	-	-	-	-	-	-	986,147
Derivative financial instruments	11,792,008	-	-	-	-	11,792,008	-
Net pension liability	10,004,206	-	1,117,136	1,397,966	1,377,940	13,897,248	-
Other post employment benefits (OPEB)	572,543	-	114,509	89,750	154,742	931,544	2,082,820
Accrued liabilities	306,351	-	-	-	-	306,351	-
Accrued vacation and sick pay	408,739	48,735	138,101	142,776	126,482	864,833	20,628
Total noncurrent liabilities	219,823,929	11,800,440	29,520,629	32,261,161	1,681,181	295,087,340	3,089,595
Total liabilities	260,111,918	19,383,845	33,463,016	35,830,822	2,102,561	350,892,162	5,249,483
<u>Deferred Inflows</u>							
Pensions	\$ 360,341	\$ -	\$ 42,302	\$ 50,983	\$ 51,473	\$ 505,099	\$ -
Deferred regulatory liability	943,521	6,258,505	-	-	-	7,202,026	-
Total deferred inflows	\$ 1,303,862	\$ 6,258,505	\$ 42,302	\$ 50,983	\$ 51,473	\$ 7,707,125	\$ -
<u>Net Position</u>							
Net investment in capital assets	111,918,177	46,433,208	53,856,796	54,348,671	14,506,840	281,063,692	127,543
Restricted for:							
BVSWMA	-	-	-	-	13,588,808	13,588,808	-
Debt retirement	10,552,883	-	-	-	10,552,883	10,552,883	-
Debt service	3,252,939	450,862	1,161,501	2,046,583	-	6,911,885	-
Rate stabilization	1,687,392	-	-	-	-	1,687,392	-
Collateral deposits	6,679,019	-	-	-	-	6,679,019	-
Unrestricted	46,483,482	5,511,703	7,812,750	10,532,496	4,574,439	74,914,870	292,775
Total net position	\$ 180,573,892	\$ 52,395,773	\$ 62,831,047	\$ 66,927,750	\$ 32,670,087	\$ 395,398,549	\$ 420,318
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							
Net position of business-type activities						(1,056,061)	
						\$ 394,342,488	

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, 2015

	Business-type Activities - Enterprise Funds						Governmental Activities
	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:							
Electrical system	\$ 184,252,089	\$ 39,287,075	\$ -	\$ -	\$ -	\$ 223,539,164	\$ -
Water system	-	-	12,390,019	-	-	12,390,019	-
Sewer system	-	-	-	12,883,147	-	12,883,147	-
Other	1,971,432	-	-	-	10,656,231	12,627,663	11,156,972
Total operating revenues	<u>186,223,521</u>	<u>39,287,075</u>	<u>12,390,019</u>	<u>12,883,147</u>	<u>10,656,231</u>	<u>261,439,993</u>	<u>11,156,972</u>
Operating expenses:							
Personnel services	10,154,424	486,813	2,147,384	2,565,189	2,700,108	18,053,918	655,224
Electric operations	122,456,678	32,094,082	-	-	-	154,550,760	-
Maintenance	4,525,063	513,023	749,373	1,077,904	422,878	7,288,241	2,629
Claims	-	-	-	-	-	-	8,941,082
Other services and charges	985,529	-	1,989,763	1,350,267	1,793,646	6,119,205	2,913,245
Other expenses	1,851,048	-	208,982	381,129	805,947	3,247,106	30,859
General and administrative	2,421,146	170,909	1,125,886	1,136,415	1,106,237	5,960,593	-
Total operating expenses	<u>142,393,888</u>	<u>33,264,827</u>	<u>6,221,388</u>	<u>6,510,904</u>	<u>6,828,816</u>	<u>195,219,823</u>	<u>12,543,039</u>
before depreciation and amortization	43,829,633	6,024,248	6,168,631	6,372,243	3,827,415	66,220,170	(1,386,067)
Operating income (loss) before depreciation and amortization	20,304,460	2,452,264	2,702,592	2,691,001	961,938	29,112,255	11,321
Depreciation and amortization	<u>23,525,173</u>	<u>3,569,984</u>	<u>3,466,039</u>	<u>3,681,242</u>	<u>2,865,477</u>	<u>37,107,915</u>	<u>(1,397,388)</u>
Operating income (loss)							
Nonoperating revenues (expenses):							
Investment earnings	770,945	75,800	60,478	85,386	39,545	1,032,154	36,604
Interest expense	(8,761,732)	(497,426)	(871,428)	(685,535)	(1,370)	(10,817,491)	-
Grants	-	-	-	-	54,541	54,541	-
Distributive share of BVSWMA net income	-	-	-	-	679,322	679,322	-
Other - net	1,529,782	-	341,043	188,711	428,530	2,488,066	599,882
Total nonoperating revenues (expenses)	<u>(6,461,005)</u>	<u>(421,626)</u>	<u>(469,907)</u>	<u>(411,438)</u>	<u>1,200,568</u>	<u>(6,563,408)</u>	<u>636,486</u>
Income (loss) before contributions, transfers and special items	17,064,168	3,148,358	2,996,132	3,269,804	4,066,045	30,544,507	(760,902)
Special items - gain on sale of power plant equipment	505,000	-	-	-	-	505,000	-
Capital contributions	-	-	1,463,704	1,292,238	-	2,755,942	-
Transfers in	-	-	32,567	34,500	216,379	283,446	150,000
Transfers out	(11,411,380)	-	(641,959)	(644,754)	(2,375,006)	(15,073,099)	(150,000)
Change in net position	<u>6,157,788</u>	<u>3,148,358</u>	<u>3,850,444</u>	<u>3,951,788</u>	<u>1,907,418</u>	<u>19,015,796</u>	<u>(760,902)</u>
Net position, October 1, 2014 as restated	174,416,104	49,247,415	58,980,603	62,975,962	30,762,669		1,181,220
Net position, September 30, 2015	<u>\$ 180,573,892</u>	<u>\$ 52,395,773</u>	<u>\$ 62,831,047</u>	<u>\$ 66,927,750</u>	<u>\$ 32,670,087</u>		<u>\$ 420,318</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(407,014)	
Change in net position of business-type activities.							<u>\$ 18,608,782</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, 2015

	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	\$ 187,678,205	\$ 38,707,792	\$ 11,870,597	\$ 12,842,820	\$ 10,633,709	\$ 261,733,123	\$ 4,272,562
Receipts for interfund services provided	-	-	-	-	-	-	8,428,367
Payments to suppliers	(138,237,992)	(33,882,043)	(2,961,034)	(2,708,748)	(3,644,265)	(181,434,082)	(13,075,122)
Payments to employees	(10,372,870)	(467,337)	(2,148,078)	(2,545,008)	(2,691,083)	(18,224,376)	(654,874)
Receipts for miscellaneous revenues	-	-	341,043	188,711	413,750	943,504	599,357
Payments for interfund services used	-	-	(1,125,886)	(1,136,415)	(475,342)	(2,737,643)	-
Net cash provided (used) by operating activities	39,067,343	4,358,412	5,976,642	6,641,360	4,236,769	60,280,526	(429,710)
Cash flows from noncapital financing activities:							
Transfers in	1,529,782	-	32,567	34,500	216,379	1,813,228	150,000
Transfers out	(11,411,380)	-	(641,959)	(644,754)	(2,375,006)	(15,073,099)	(150,000)
Net cash (used) by noncapital financing activities	(9,881,598)	-	(609,392)	(610,254)	(2,158,627)	(13,259,871)	-
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(17,445,453)	(7,091,923)	(2,868,917)	(3,231,509)	(1,330,033)	(31,967,835)	(60,666)
Grant proceeds	-	-	-	-	54,541	54,541	-
Revenue bond proceeds	46,675	-	-	-	-	46,675	-
Bond Issuance Costs	(44,691)	-	-	-	-	(44,691)	-
Principal paid on outstanding bonds	(12,560,000)	(690,000)	(2,463,386)	(2,517,209)	(2,477)	(18,233,072)	-
Payment to escrow agent	(9,804,526)	(540,969)	(1,310,819)	(1,092,953)	(710)	(12,749,977)	-
Net cash (used) by capital and related financing activities	(39,807,995)	(8,322,892)	(6,643,122)	(6,841,671)	(1,278,679)	(62,894,359)	(60,666)
Cash flows from investing activities:							
Purchase of investment securities	(7,993,406)	-	(657,070)	(1,020,613)	(569,791)	(10,240,880)	(447,772)
Sale of investment securities	2,000,000	-	720,349	894,799	226,635	3,841,783	402,243
Proceeds from sale of capital assets	505,000	-	-	-	-	505,000	-
Collateral deposits to counterparties	(5,000,000)	-	-	-	-	(5,000,000)	-
Interest on investments	493,568	74,668	59,537	83,725	39,317	750,815	36,394
Net cash provided (used) by investing activities	(9,994,838)	74,668	122,816	(42,089)	(303,839)	(10,143,282)	(9,135)
Net increase (decrease) in cash and cash equivalents	(20,617,087)	(3,889,812)	(1,153,056)	(852,654)	495,624	(26,016,985)	(499,511)
Cash and cash equivalents, October 1, 2014	69,426,885	10,057,673	7,510,567	10,965,641	3,760,325	101,721,091	4,418,113
Cash and cash equivalents, September 30, 2015	\$ 48,809,798	\$ 6,167,861	\$ 6,357,511	\$ 10,112,987	\$ 4,255,949	\$ 75,704,106	\$ 3,918,602

	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 to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ 23,525,173	\$ 3,569,984	\$ 3,466,039	\$ 3,681,242	\$ 2,865,477	\$ 37,107,915	\$ (1,397,388)		
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities									
Depreciation and amortization	20,304,460	2,452,264	2,702,592	2,691,001	961,938	29,112,255	11,321		
Bad debts	125,520	25,324	-	-	-	150,844	-		
Receipts for miscellaneous revenues	-	-	341,043	188,711	413,750	943,504	599,882		
Change in assets and liabilities:									
Change in accounts receivable	1,332,743	(470,361)	(425,296)	(776)	(5,168)	431,142	26,054		
Change in inventory	409,173	-	(57,797)	-	(1,164)	350,212	75,427		
Change in due from other funds	(920,269)	-	(94,126)	(39,551)	(30,874)	(1,084,820)	(53,669)		
Change in over (under) recovered fuel	(3,404,415)	(2,080,702)	-	-	-	(5,485,117)	-		
Change in under-recovered regulatory fee	(67,227)	(37,539)	-	-	-	(104,766)	-		
Change in other assets	(45,895)	-	2,767	725	2,904	(39,499)	1,705		
Deferred outflows/inflows of resources - pensions	(1,673,439)	-	-	-	-	(1,673,439)	-		
Change in accounts payable	(2,418,609)	(184,363)	(44,207)	(20,496)	6,809	(2,660,866)	9,487		
Change in accrued liabilities	7,309	19,476	105,171	134,558	19,548	286,062	134,213		
Change in other liabilities	-	-	-	8,000	-	8,000	-		
Change in customer deposits	121,942	29,948	-	-	(95)	151,795	-		
Change in due to other funds	323,193	1,034,381	-	-	-	1,357,574	36,776		
Change in claims payable	-	-	-	-	-	-	128,679		
Change in accrued vacation and sick pay	-	-	7,205	41,388	28,974	77,567	(2,197)		
Change in post employee benefits	1,447,684	-	(26,749)	(43,442)	(25,330)	1,352,163	-		
Net cash provided (used) by operating activities	\$ 39,067,343	\$ 4,358,412	\$ 5,976,642	\$ 6,641,360	\$ 4,236,769	\$ 60,280,526	\$ (429,710)		
Reconciliation of total cash and cash equivalents:									
Current assets - cash and cash equivalents	\$ 47,165,143	\$ 5,859,226	\$ 4,783,066	\$ 7,961,587	\$ 4,255,949	\$ 70,024,971	\$ 3,918,602		
Restricted assets - cash and cash equivalents	1,644,655	308,635	1,574,445	2,151,400	-	5,679,135	-		
Total cash and cash equivalents	\$ 48,809,798	\$ 6,167,861	\$ 6,357,511	\$ 10,112,987	\$ 4,255,949	\$ 75,704,106	\$ 3,918,602		

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

CITY OF BRYAN, TEXAS
Statement of Fiduciary Net Position
Payroll Fund
As of September 30, 2015

Assets

Cash and cash equivalents	\$	1,004,157
Accounts receivable		196,744
Total assets	\$	<u>1,200,901</u>

Liabilities

Accounts payable	\$	1,200,901
Total liabilities	\$	<u>1,200,901</u>

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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 serves 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 128.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

The condensed combined statements of net position for the City Electric System and QSE as of September 30, 2015 are as follows:

Condensed Statements of Net Position

	September 30, 2015		
	BTU City	QSE	Combined
Current assets	\$ 77,995,483	\$ 4,263,130	\$ 82,258,613
Capital assets, net	282,313,937	199,912	282,513,849
Restricted assets	36,642,710	-	36,642,710
Other	20,739,694	-	20,739,694
Total assets	417,691,824	4,463,042	422,154,866
Deferred outflows	19,834,806	-	19,834,806
Current liabilities	16,338,943	2,342,410	18,681,353
Current liabilities payable from restricted assets	21,606,636	-	21,606,636
Noncurrent liabilities	219,823,929	-	219,823,929
Total liabilities	257,769,508	2,342,410	260,111,918
Deferred inflows	1,303,862	-	1,303,862
Net position:			
Net investment in capital assets	111,718,265	199,912	111,918,177
Restricted	22,172,233	-	22,172,233
Unrestricted	44,562,762	1,920,720	46,483,482
Total net position	\$ 178,453,260	\$ 2,120,632	\$ 180,573,892

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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, 2015, are as follows:

Condensed Statements of Revenues, Expenses And Changes in Net Position

	Fiscal Year Ended September 30, 2015		
	BTU City	QSE	Combined
Operating revenues	\$ 184,541,033	\$ 1,682,488	\$ 186,223,521
Operating expenses	161,015,859	1,682,488	162,698,348
Operating income	23,525,173	-	23,525,173
Investment income	770,945	-	770,945
Interest expense	(8,761,732)	-	(8,761,732)
Income before operating transfers & special items	15,534,386	-	15,534,386
Special items	505,000	-	505,000
Other non-operating, net	1,529,782	-	1,529,782
Transfers, net	(11,411,380)	-	(11,411,380)
Changes in net position	6,157,788	-	6,157,788
Net position, beginning of period	179,430,914	2,120,632	181,551,546
Prior period adjustment	(7,135,442)	-	(7,135,442)
Net position, beginning of period, restated	172,295,472	2,120,632	174,416,104
Net position, end of period	<u>\$ 178,453,260</u>	<u>\$ 2,120,632</u>	<u>\$ 180,573,892</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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. Financial statements may be obtained by contacting:

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

Cooperative Efforts

In January 2010, the City of Bryan entered into an Interlocal Cooperation Agreement with the City of College Station to create a local government corporation under Subchapter D of Chapter 431, Texas 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 14).

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 13).

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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

- Grant Fund – The source of funds is grants awarded to the City. The use of these funds is restricted by the terms of each grant.
- Community Development Fund – The source of funds is federal grants awarded to the City and use of the grant money is restricted by the terms of the grants. Primarily, the Community Development fund provides programs and services to low and moderate income persons.
- Hotel and Motel Room Tax Fund – The source of funds is the hotel occupancy tax. The use of these funds is restricted by the tax code of the State of Texas.
- Sidewalks Fund – This fund was established by City of Bryan Ordinance to track money from developers and property owners for the construction and maintenance of sidewalks.
- Court Technology Fund – This fund was established by City Ordinance and the source of funds is a \$4.00 fee for each case that comes before the City's Municipal Court. These funds are restricted to technology necessary for the Court's operations.
- Street Improvement Fund – Per the City of Bryan Code of Ordinances, a transportation user fee was established in order to provide a properly maintained road system. That fee is the source of revenue for this fund. The use of these funds is restricted to the purposes of planning, constructing, operating, monitoring and maintaining the transportation system of the City.
- Drainage Improvement Fund – The drainage fee was established by the City of Bryan Code of Ordinances and is the source of funds for this fund. These funds can only be used for the City's drainage system.
- Tax Increment Reinvestment Zone #10 - The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIRZ. The use of these funds is restricted to the geographical area within this zone.
- Tax Increment Reinvestment Zone #19 - The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIRZ. The use of these funds is restricted to the geographical area within this zone.
- Tax Increment Reinvestment Zone #21 - The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIRZ. The use of these funds is restricted to the geographical area within this zone.
- Tax Increment Reinvestment Zone #22 - The source of funds is the incremental property tax revenue from the appreciated appraised value of this TIRZ. The use of these funds is restricted to the geographical area within this zone.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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

The City reports the following major enterprise funds:

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

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

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

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

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

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

The Payroll Fund, a fiduciary fund, accounts for the City's payroll funds. Each of the other funds contributes its respective share of personnel costs to the Payroll Fund. Employee wages, associated employment taxes and employee benefits are paid from the fund. This fund is excluded from the government-wide Statement of Net Position and Statement of Activities since the assets are not available to support the City's own programs.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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 sixty (60) days of the end of the current fiscal period. A one hundred twenty (120) day availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

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

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

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

Budgetary Control

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

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

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

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

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

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

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

Cash and Investments

Cash for all funds, including restricted cash, but excluding fiduciary fund cash and BTU City and Rural Electric cash, is pooled into common accounts in order to maximize investment opportunities. Each fund participating in the pools has an equity interest therein. Investment earnings on these monies are allocated based upon relative equity at month end. An individual fund's pooled cash and investments are available upon demand. Negative balances incurred in pooled cash at fiscal year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

Investments of all funds are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

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

The Texas Municipal Power Agency's ("TMPA") rates for the purchase of electricity billed to the City Electric System (BTU) are designed to cover TMPA's annual system costs including debt service costs. During the fiscal year ended September 30, 2010, BTU, along with other TMPA member cities, issued debt in their own names to refund a portion of TMPA debt and to finance certain capital improvements of TMPA. Such amounts have been accounted for as a prepayment of future energy costs on the Statement of Net Position and are amortized through 2019, the life of the associated debt. Additionally, in 2007, BTU entered into a purchase power agreement with a subsidiary of Shell Energy North America (U.S.), L.P. As a part of the agreement, BTU prepaid \$14,000,000 of generation capacity costs. The prepayment is being amortized over the life of the agreement which extends through December 31, 2017. The amortization of prepaid energy costs is reported on the Statement of Revenues, Expenses and Changes in Net Position in depreciation and amortization and totaled \$8,300,717 for the fiscal year ended September 30, 2015.

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

Capital Assets

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

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

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

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

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

Minimum Fund Balance Policy

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

standard to maintain a General Fund minimum fund balance of 60 days of annual operating expense totals.

Use of Estimates

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

Bond Issuance Expenses

According to the financial reporting requirements of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, bond issuance expenses are to be expensed as incurred. Issuance expenses are reported on the Statement of Activities on the Government-Wide Financial Statements for Governmental Activities in interest on long-term debt expense and on the Statement of Revenues, Expenses, and Changes in Fund Balances in interest and fiscal charges. These amounts totaled \$67,859 for the fiscal year ended September 30, 2015. Issuance expenses for Business-Type Activities are reported on the on the Statement of Revenues, Expenses and Changes in Net Position in interest expense and totaled \$44,691 for the fiscal year ended September 30, 2015.

Utility Revenues, Fuel Recovery, and Regulatory Recovery

BTU City and Rural Electric Customers are billed on the basis of monthly cycle billings. At year end, the City and Rural Electric Systems accrue estimated unbilled revenues for the period ended September 30. The difference between fuel revenue billed and fuel expense incurred is recorded as an addition or a reduction to fuel and purchased power expense, with a corresponding entry to accounts payable – over recovered fuel or accounts receivable – under recovered fuel, whichever is appropriate. At September 30, 2015 the City Electric System reported a current liability – over recovered fuel of \$2,173,575. At September 30, 2015 the Rural Electric System reported a current asset – under recovered fuel of \$1,030,124.

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, 2015 the City Electric System reported a current asset – under recovered regulatory fee of \$1,200,665. At September 30, 2015 the Rural Electric System reported a current asset – under recovered regulatory fee of \$138,871.

Deferred Regulatory Liability

To better align certain benefits received with BTU's retail rate design, the City Electric System utilizes regulatory accounting treatment for the funds it collects from customers and developers as contributions of aid in construction (AIC) under GASB Statement No. 62, *Codification of Accounting*

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB & AICPA Pronouncements. The City Electric System recognizes 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 depreciation expense over the life of the asset constructed. During the fiscal year ended September 30, 2015, the City Electric System collected \$320,599 of AIC. During the fiscal year ended September 30, 2015, the Rural Electric System collected \$1,841,186 of AIC.

Compensated Absences

The City's policy in effect during Fiscal Year 2015 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) 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.

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 Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined using the flow of economic resources measurement focus and the full accrual basis of accounting. 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

Net Position

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

New Accounting Pronouncements, Changes in Accounting Principles, and Restatements

For the fiscal year ended September 30, 2015, the City adopted:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, amends the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of GASB Statement No. 50, *Pension Disclosures*, as they relate to governmental employers that account for pensions that are provided through trusts, or equivalent arrangements. Employers are required to report the difference between the actuarial total pension liability and the pension plan's fiduciary net position as the net pension liability on the statement of net position. Previously, a liability was recognized only to the extent that contributions made to the plan were exceeded by the actuarially calculated contributions. Implementation of this pronouncement requires the City to restate net position. (See also Note 9.)

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date an amendment of GASB Statement No. 68*. This Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement, in conjunction with GASB Statement No. 68 requires the City to restate net position. (See also Note 9.)

The following table provides a reconciliation of net position at September 30, 2014, as previously reported to net position at September 30, 2014, as restated:

	Governmental Activities	Business Type Activities
Net Position, beginning of period - as previously reported	\$ 117,589,868	\$ 385,528,131
Net pension liability	(21,484,900)	(11,948,356)
Reverse net pension obligation as reported 9/30/14	4,417,571	2,453,427
Reverse pension accrual in Construction-in-Progress*	-	(299,496)
Net Position, beginning of period - as restated	<u>\$ 100,522,539</u>	<u>\$ 375,733,706</u>

*This reflects the amount of pension accruals that were allocated to construction-in-progress in prior periods. Amount is included as part of prior period adjustment and also restates prior period capital assets on the Statement of Net Position.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, establishes accounting and financial reporting guidance related to government combinations and disposals of government operations. The term *government combinations* refers to a variety of transactions and may be mergers, acquisitions, or transfers of operations. This standard sets forth definitions of each of these transaction types and sets forth the specific accounting and reporting treatment to be given for each. The Statement also provides accounting and reporting guidance for disposals of government operations that have been sold or transferred. The requirements of this Statement will be applied prospectively, beginning in the period of adoption. The effect of this guidance on the City will be limited to its impact on recognition of potential combination and disposal transactions into which the City may enter in the future. This pronouncement had no impact on the City in FY 2015.

The following guidance issued by GASB is effective for FY 2016 and is expected to be applicable to the City:

GASB Statement No. 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

2. DEPOSITS AND INVESTMENTS

Deposits

State statutes require that all deposits in financial institutions be fully collateralized with depository insurance or by U.S. Government obligations or its agencies and instrumentalities; or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. At year-end, the City's demand deposits at BB&T were entirely covered by federal depository insurance or by collateral held by the Federal Reserve Bank in the City's name. At September 30, 2015 the amount of the City's demand deposits was \$70,203,708, BTU's demand deposits were \$55,308,235 and the combined bank balance was \$125,511,943.

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 26, 2014, for the fiscal year ending September 30, 2015, sets forth (1) the basic principles governing the investment of City

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

funds; (2) the objectives of the City's investment program; and (3) the authority, responsibilities, limitations, documentation and requirements to be used in the administration and operation of the City's investment program.

Investments authorized by the investment policy are those approved by the revised State of Texas Public Funds Investment Act, Chapter 2256. These investments include the following:

- a. Direct obligations of the United States or its agencies and instrumentalities;
- b. Debentures or discount notes issued by, guaranteed by, or for which the credit of any Federal Agencies and Instrumentalities is pledged for payment;
- c. Direct obligations of the State of Texas or its agencies;
- d. Bonds or other obligations, the principal and interest of which is guaranteed by the full faith and credit of the United States;
- e. Certificates of deposit issued by state and national banks within the state of Texas that are secured by obligations qualified as acceptable collateral;
- f. Certificates of deposit issued by savings and loan associations within the state of Texas that are secured by obligations qualified as acceptable collateral;
- g. Bankers Acceptances eligible for discounting with the Federal Reserve maturing within 90 days;
- h. Commercial paper with a stated maturity of 180 days or less from the date of issuance that is rated not less than A-1, P-1, F-1 or its equivalent;
- i. Fully collateralized repurchase agreements having a defined termination date of 90 days or less, secured by qualified obligations, pledged with a third party, and placed through a primary government securities dealer as defined by the Federal Reserve, or a bank domiciled in Texas;
- j. Money-market mutual funds that are SEC registered no-load funds with dollar-weighted average portfolio maturity of 90 days or less;
- k. The City utilizes local government investment pools rated no lower than AAA or AAA-m from at least one nationally recognized rating agency;
- l. Hedging contracts and related security insurance agreements in relation to fuel oil, natural gas, coal, nuclear fuel, and electric energy to protect against loss due to price fluctuations;

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

- m. Reverse repurchase agreements are allowed only if the term does not exceed 90 days after delivery, and money received is used to acquire additional authorized investments with a maturity date not to exceed the expiration date stated in the agreement.

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

At September 30, 2015, the fair market value of the City's portfolio is as follows:

	<u>Fair Value</u>	<u>Percentage of Total</u>	<u>Wgt. Avg. Maturity</u>	<u>Credit Risk</u>
U. S. Agencies and Instrumentalities	\$ 50,504,940	26.82%	1030	AAA
Collateral Deposits	6,679,019	3.55%		
Investments in Government Pools	8,013,378	4.25%	1 day	AAAm
Cash	123,138,055	65.38%	1 day	
Total Investments and deposits	<u>\$ 188,335,392</u>	<u>100.00%</u>		

Investments of all funds are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

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

Custodial Risk – City deposits in excess of the \$250,000 amount covered by the Federal Depository Insurance Corporation ("FDIC") must be secured by authorized securities with a market value equal to or greater than 105% of the total deposits. At September 30, 2015, all City deposits were insured or adequately collateralized.

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

Credit Risk and Concentration of Credit Risk – In compliance with the City's Investment Policy and the Texas Public Funds Investment Act, the City managed credit risk through portfolio diversification

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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. At September 30, 2015, the City had no single investment category that exceeded 10% of investable funds.

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, 2015. Under provisions adopted by the City, the maximum tax rate is limited to \$1.50 per \$100 of assessed valuation.

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

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, 2015

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance October 1	Additions / Completions	Retirements / Adjustments	Balance September 30
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 11,591,736	\$ -	\$ -	\$ 11,591,736
Construction in Progress	5,247,939	1,851,749	(3,007,933)	4,091,755
Total capital assets not being depreciated	16,839,675	1,851,749	(3,007,933)	15,683,491
Capital assets, being depreciated				
Buildings	42,835,334	240,267	(4,292,056)	38,783,545
Equipment	30,465,396	2,156,858	(708,074)	31,914,180
Improvements	31,909,671	288,780	-	32,198,451
Infrastructure	180,812,706	5,348,260	-	186,160,966
Total capital assets being depreciated	286,023,107	8,034,165	(5,000,130)	289,057,142
Less accumulated depreciation for:				
Buildings	(15,924,316)	(1,049,946)	2,512,333	(14,461,929)
Equipment	(22,521,047)	(2,074,153)	678,084	(23,917,116)
Improvements	(21,488,712)	(1,308,673)	-	(22,797,385)
Infrastructure	(85,268,842)	(6,790,204)	-	(92,059,046)
Total accumulated depreciation	(145,202,917)	(11,222,976)	3,190,417	(153,235,476)
Total capital assets being depreciated, net	140,820,190	(3,188,811)	(1,809,713)	135,821,666
Governmental activities capital assets, net	\$ 157,659,865	\$ (1,337,062)	\$ (4,817,646)	\$ 151,505,157
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 16,701,003	\$ -	\$ -	\$ 16,701,003
Construction In Progress	65,424,449	30,293,749	(73,589,316)	22,128,882
Total capital assets not being depreciated	82,125,452	30,293,749	(73,589,316)	38,829,885
Capital assets, being depreciated				
Buildings	1,920,180	-	-	1,920,180
Equipment	13,192,580	1,306,565	(685,894)	13,813,251
Improvements	664,567,290	78,524,517	(4,822,468)	738,269,339
Total capital assets being depreciated	679,680,050	79,831,082	(5,508,362)	754,002,770
Less accumulated depreciation for:				
Buildings	(842,520)	(151,915)	-	(994,435)
Equipment	(9,425,510)	(1,045,122)	627,721	(9,842,911)
Improvements	(234,123,750)	(19,839,562)	5,719,079	(248,244,233)
Total accumulated depreciation	(244,391,780)	(21,036,599)	6,346,800	(259,081,579)
Total capital assets being depreciated, net	435,288,270	58,794,483	838,438	494,921,191
Business-type activities capital assets, net	\$ 517,413,722	\$ 89,088,232	\$ (72,750,878)	\$ 533,751,076

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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

Governmental activities:

General government and administration	\$ 1,298,100
Development services	732,242
Public works services	6,374,529
Public safety	1,743,124
Cultural and recreational	1,074,981
Total depreciation expense - Governmental activities	<u>\$ 11,222,976</u>

Business-type activities:

City Electric	\$ 12,033,227
Rural Electric	2,647,842
Water	2,702,592
Wastewater	2,691,000
Other Enterprise Funds	961,938
Total depreciation expense - Business-type activities	<u>\$ 21,036,599</u>

The City has active construction projects as of September 30, 2015. Total accumulated commitments for ongoing capital projects are composed of the following:

	<u>Committed</u>
Street improvements	\$ 8,584,499
Drainage improvements	1,162,500
Water system improvements	2,419,573
Wastewater system improvements	337,784
Total	<u>\$ 12,504,356</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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, 2015:

	Beginning Balance	Issued	Matured/ Refunded	Ending Balance	Due within one year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 48,590,908	\$ 11,745,000	\$ 16,781,926	\$ 43,553,982	\$ 4,926,492
Certificates of Obligation	43,290,021	-	2,510,000	40,780,021	2,915,000
Total governmental activities	91,880,929	11,745,000	19,291,926	84,334,003	7,841,492
<u>Business-type Activities:</u>					
Water, Sewer & Airport Systems:					
General Obligation Bonds	8,359,093	-	673,074	7,686,019	684,181
Certificates of Obligation	7,540,000	-	960,000	6,580,000	990,000
Revenue Bonds	52,920,001	-	3,350,000	49,570,001	3,385,001
Electric System :					
General Obligation Bonds	-	7,735,000	-	7,735,000	730,000
Certificates of Obligation	40,240,000	-	1,045,000	39,195,000	1,225,000
Revenue Bonds	189,100,000	-	20,185,000	168,915,000	11,990,000
Total business type activities	298,159,094	7,735,000	26,213,074	279,681,020	19,004,182
Total long-term debt	\$ 390,040,023	\$ 19,480,000	\$ 45,505,000	\$ 364,015,023	\$ 26,845,674

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

Long-term debt at September 30, 2015 consists of bonds and certificates of obligation maturing serially and is summarized as follows:

Issue	Interest Rates (%)	Series Matures	First Callable Date	Governmental	Business- type	Total
General Obligation Bonds:						
Refunding, Series 2010	2.00 - 4.00	2021	None	6,455,000	-	6,455,000
Refunding, Series 2013	2.00 - 3.50	2026	08/15/23	18,907,480	5,562,520	24,470,000
Refunding, Series 2014	2.00 - 3.25	2031	08/15/24	6,446,502	2,123,499	8,570,001
Refunding, Series 2015	2.00 - 4.00	2025	None	11,745,000	7,735,000	19,480,000
Total General Obligation Bonds				43,553,982	15,421,019	58,975,001
Certificates of Obligation:						
Combination Tax & Revenue, Series 2007	4.00 - 4.25	2026	08/15/16	8,680,000	-	8,680,000
Combination Tax & Revenue, Series 2008	4.00 - 5.00	2028	08/15/18	7,915,000	-	7,915,000
Combination Tax & Revenue, Series 2009	3.00 - 5.00	2029	08/15/19	6,305,000	-	6,305,000
Combination Tax & Revenue, Series 2010	2.00 - 4.38	2030	08/15/20	10,545,000	-	10,545,000
Combination Tax & Revenue Refunding, Series 2011	3.00 - 4.00	2022	None	-	6,580,000	6,580,000
Combination Tax & Revenue, Series 2013	3.00 - 4.25	2023	08/15/23	-	5,170,000	5,170,000
Combination Tax & Revenue, Series 2014	2.00 - 5.00	2039	08/15/24	7,335,021	34,025,000	41,360,021
Total Certificates of Obligation				40,780,021	45,775,000	86,555,021
Revenue Bonds:						
Water and Sewer System Revenue, Series 2007	4.00 - 5.00	2032	07/01/17	-	25,955,000	25,955,000
Water and Sewer System Revenue, Series 2009A	2.50 - 4.63	2029	07/01/19	-	4,380,000	4,380,000
Sewer System Revenue, Series 2009B	1.35 - 2.60	2019	None	-	550,000	550,000
Water Revenue, Series 2010A	2.00 - 4.25	2030	07/01/20	-	4,160,000	4,160,000
Sewer System Revenue, Series 2011	0.00 - 2.70	2030	None	-	14,525,000	14,525,000
Electric System Revenue City, Series 2006	4.00 - 5.00	2031	07/01/16	-	9,295,000	9,295,000
Electric System Revenue City, Series 2007	4.25 - 5.25	2032	07/01/17	-	25,665,000	25,665,000
Electric System Revenue City, Series 2008	4.00 - 5.25	2033	07/01/17	-	26,940,000	26,940,000
Electric System Revenue Rural, Series 2008	3.50 - 4.75	2034	07/01/17	-	5,220,000	5,220,000
Electric System Revenue City, Series 2009	4.00 - 5.00	2034	07/01/17	-	21,025,000	21,025,000
Electric System Revenue City, Series 2010	4.00 - 5.00	2019	07/01/17	-	26,765,000	26,765,000
Electric System Revenue Rural, Series 2011	3.00 - 5.00	2021	None	-	1,925,000	1,925,000
Electric System Revenue City, Series 2012	3.13 - 5.00	2037	07/01/22	-	52,080,001	52,080,001
Total Revenue Bonds				\$ -	\$ 218,485,001	\$ 218,485,001
Total long-term debt				\$ 84,334,003	\$ 279,681,020	\$ 364,015,023

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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>	
2016	4,926,492	1,220,738	1,413,508	410,913	7,971,652
2017	4,734,136	1,120,847	1,430,864	388,638	7,674,485
2018	4,836,531	1,005,164	1,463,469	360,021	7,665,185
2019	4,576,005	879,858	1,398,995	327,002	7,181,860
2020	4,699,991	767,238	1,430,009	299,022	7,196,260
2021-2025	17,366,671	1,869,527	7,498,329	804,698	27,539,225
2026-2030	2,117,029	201,418	687,971	66,019	3,072,438
2031	297,126	9,657	97,875	3,181	407,839
Total	<u>\$ 43,553,982</u>	<u>\$ 7,074,447</u>	<u>\$ 15,421,019</u>	<u>\$ 2,659,495</u>	<u>\$ 68,708,943</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>	
2016	2,915,000	1,610,959	2,215,000	1,533,044	\$ 8,274,003
2017	2,415,000	1,520,509	2,275,000	1,476,644	7,687,153
2018	2,505,000	1,432,634	2,260,000	1,408,394	7,606,028
2019	2,600,000	1,335,884	2,235,000	1,348,744	7,519,628
2020	2,695,000	1,234,621	2,180,000	1,288,925	7,398,546
2021-2025	14,825,000	4,513,506	9,030,000	5,430,760	33,799,267
2026-2030	11,175,000	1,467,699	8,560,000	4,002,105	25,204,804
2031-2035	1,650,021	148,253	9,330,000	2,440,611	13,568,885
2036-3038	-	-	7,690,000	740,145	8,430,145
Total	<u>\$ 40,780,021</u>	<u>\$ 13,264,064</u>	<u>\$ 45,775,000</u>	<u>\$ 19,669,372</u>	<u>\$ 119,488,457</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>	
2016	\$ -	\$ -	\$ 15,375,000	\$ 9,723,588	\$ 25,098,588
2017	-	-	14,805,000	9,073,865	23,878,865
2018	-	-	10,475,000	8,385,300	18,860,300
2019	-	-	31,560,000	7,960,568	39,520,568
2020	-	-	10,630,000	6,507,635	17,137,635
2021-2025	-	-	48,380,000	25,934,444	74,314,444
2026-2030	-	-	50,445,000	15,612,300	66,057,300
2031-2035	-	-	31,635,000	4,567,731	36,202,731
2036-3037	-	-	5,180,001	322,575	5,502,576
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,485,001</u>	<u>\$ 88,088,006</u>	<u>\$ 306,573,007</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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>	
2016	\$ 7,841,492	\$ 2,831,697	\$ 19,003,508	\$ 11,667,545	\$ 41,344,242
2017	7,149,136	2,641,355	18,510,864	10,939,147	39,240,503
2018	7,341,531	2,437,798	14,198,469	10,153,715	34,131,513
2019	7,176,005	2,215,742	35,193,995	9,636,313	54,222,055
2020	7,394,991	2,001,860	14,240,009	8,095,582	31,732,441
2021-2025	32,191,671	6,383,033	64,908,329	32,169,902	135,652,936
2026-2030	13,292,029	1,669,117	59,692,971	19,680,425	94,334,542
2031-2035	1,947,147	157,909	41,062,875	7,011,524	50,179,455
2036-3037	-	-	12,870,001	1,062,720	13,932,721
Total	<u>\$ 84,334,003</u>	<u>\$ 20,338,511</u>	<u>\$ 279,681,020</u>	<u>\$ 110,416,872</u>	<u>\$ 494,770,406</u>

On July 28, 2015 the City issued general obligation refunding bonds totaling \$19,480,000. These bonds mature serially from August 15, 2016 through August 15, 2025 with coupon rates ranging from 2.0% to 4.0%. After the payment of issuance costs, the proceeds from the sale of the 2015 general obligation bonds are restricted to refunding portions of the City's outstanding debt and thus lowering the overall debt service requirements of the City. Proceeds from the sale of the bonds were used to refund a total of \$20,130,000, which includes \$12,150,000 of general obligation refunding bonds and \$7,980,000 of City Electric System Revenue Refunding Bonds. This represents a deferred gain of \$597,031, a net present value benefit savings of \$2,460,031, and an economic gain of \$2,748,676 by an average interest rate of 2.104%.

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

Under the terms of the bond covenants, 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 Series 2008, 2009, 2010, 2011, and 2012 Bonds are satisfied with restricted funds. The reserve fund requirements for the City Electric Fund Series 2006, Series 2007 bonds are satisfied with insurance policies, as are the Rural Electric Fund's Series 2008 bonds. There are no reserve requirements for the 2013 and 2014 certificates.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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 2007 and 2009A 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.

Other long term liabilities

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

	Year Ended September 30, 2015		
	Governmental Activities	Business-type Activities	Total
Beginning balance	\$ 6,241,310	\$ 1,165,356	\$ 7,406,666
Plus additions	2,230,549	559,419	2,789,968
Less payments	(1,494,669)	(452,960)	(1,947,629)
Ending balance	<u>\$ 6,977,190</u>	<u>\$ 1,271,815</u>	<u>\$ 8,249,005</u>
Amount due in one year	\$ 2,232,701	\$ 406,982	\$ 2,639,683
Amount due in over one year	\$ 4,744,489	\$ 864,833	\$ 5,609,322

6. PRIOR-YEAR DEFEASANCE OF DEBT

In FY 2015 and prior years, the City defeased certain outstanding general obligation bonds, certificates of obligation and revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

As of September 30, 2015, the City had outstanding General Obligation bonds and Certificates of Obligation totaling \$56,270,000 which were considered defeased.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

7. BONDS AVAILABLE FOR SALE

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

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

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

8. NATURE AND PURPOSE OF CLASSIFICATION OF FUND EQUITY

The fund balance classifications for Governmental Funds are:

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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, 2015:

	General Fund	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Nonspendable:						
Permanent Funds Corpus	\$ -	\$ -	\$ -	\$ -	\$ 895,724	\$ 895,724
Other Purposes	109,393	-	-	-	-	109,393
Restricted for:						
Debt Service	-	6,080,301	-	-	-	6,080,301
Grants	260,859	-	11,423	-	-	272,282
Hotel/Motel	-	-	1,784,048	-	-	1,784,048
Municipal Court	223,957	-	244,157	-	-	468,114
TIRZ Development	-	-	706,544	-	-	706,544
Capital Projects	-	-	-	7,465,788	-	7,465,788
Cemeteries	-	-	-	-	1,021,900	1,021,900
Police	78,500	-	-	-	-	78,500
Record Preservation	80,057	-	-	-	-	80,057
Other Purposes	77,210	-	1,808	-	-	79,018
Committed to:						
Parks	998,283	-	-	-	-	998,283
Libraries	186,366	-	-	-	-	186,366
Streets	-	-	12,387,623	-	-	12,387,623
Drainage	-	-	2,364,950	-	-	2,364,950
Severance Reserve	1,200,314	-	-	-	-	1,200,314
Assigned to:						
Encumbrances	1,531,754	-	-	-	-	1,531,754
Unassigned	30,621,712	-	(9,354)	-	-	30,612,358
Total fund balances	\$35,368,405	\$ 6,080,301	\$ 17,491,199	\$ 7,465,788	\$ 1,917,624	\$ 68,323,317

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

Net position has been restricted at September 30, 2015 as follows:

Restricted for:	Business-Type Activities				Total
	Electric	Water	Waste Water	Other Enterprise	
Rate Stabilization	\$ 1,687,392	\$ -	\$ -	\$ -	\$ 1,687,392
Debt Retirement	10,552,883	-	-	-	10,552,883
Debt Service	3,703,801	1,161,501	2,046,583	-	6,911,885
Collateral Deposits	6,679,019	-	-	-	6,679,019
BVSWMA	-	-	-	13,588,808	13,588,808
Total	<u>\$ 22,623,095</u>	<u>\$ 1,161,501</u>	<u>\$ 2,046,583</u>	<u>\$ 13,588,808</u>	<u>\$ 39,419,987</u>

9. RETIREMENT PLAN

Plan Description

The City of Bryan participates as one of 860 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.tmrs.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

City of Bryan, Texas

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For the Fiscal Year Ended September 30, 2015

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

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

Employees covered by benefit terms

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	515
Inactive employees entitled to but not yet receiving benefits	388
Active employees	<u>824</u>
Total	1,727

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 of Bryan were 16.20% and 15.50% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015 were \$7,686,872, and were equal to the required contributions.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2014, 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, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0%, 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 male rates 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. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2013	\$ 263,183,703	\$ 224,239,250	\$ 38,944,453
Changes for the year:			
Service Cost	7,088,933	-	7,088,933
Interest	18,281,849	-	18,281,849
Change of benefit terms	-	-	-
Difference between expected and actual experience	(1,764,543)	-	(1,764,543)
Changes of assumptions	-	-	-
Contributions - employer	-	7,667,195	(7,667,195)
Contributions - employee	-	3,312,987	(3,312,987)
Net investment income	-	12,827,812	(12,827,812)
Benefit payments, including refunds of employee contributions	(11,117,789)	(11,117,789)	-
Administrative expense	-	(133,929)	133,929
Other changes	-	(11,011)	11,011
Net changes	12,488,450	12,545,265	(56,815)
Balance at 12/31/2014	<u>\$ 275,672,153</u>	<u>\$ 236,784,515</u>	<u>\$ 38,887,638</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 7.0%, 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 (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's net pension liability	\$79,923,757	\$38,887,638	\$5,450,213

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.tmr.com.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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

For the year ended September 30, 2015 the city recognized pension expense of \$6,701,830.

At September 30, 2015 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	\$ -	\$ 1,386,599
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	2,295,148	-
Contributions subsequent to the measurement date	5,530,875	-
Total	<u>\$ 7,826,023</u>	<u>1,386,599</u>

\$5,530,875 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended December 31</u>
2015	\$ 195,843
2016	195,843
2017	195,843
2018	321,020
2019	-
Thereafter	-
Total	<u>\$ 908,549</u>

10. EMPLOYEE BENEFITS

The City established the Employee Benefits Trust Fund effective October 1, 1986, covering health benefits for eligible employees. At that time the Council approved a formal trust agreement establishing the Fund. Employee premium costs are shared by the City and the employee, while dependent coverage is paid by the employee. The City's contract with its third party administrator and reinsurer sets an individual stop loss deductible in the amount of \$150,000 and a maximum aggregate stop loss deductible of \$6,788,366 for the twelve month period which began January 1, 2015 and ends December 31, 2015. These stop loss levels apply to medical coverage only.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

Prescription drug and dental coverage is not included. There were no significant reductions in insurance coverage in the current year from coverage in the prior year. For the City's aggregate stop loss coverage, there have been no settlements that have exceeded insurance coverage for the past three calendar years. However, the City has paid out \$178,272 for calendar year 2013, \$116,383 for calendar year 2014, and \$282,458 for calendar year 2015 to date in settlements that exceed insurance coverage applicable to individual stop loss coverage.

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

	<u>FY 2015</u>	<u>FY 2014</u>
Beginning balance unpaid claims	\$ 859,163	\$ 1,010,988
Incurred claims	8,047,486	6,667,978
Claim payments	<u>(7,910,931)</u>	<u>(6,819,803)</u>
Ending balance unpaid claims	<u>\$ 995,718</u>	<u>\$ 859,163</u>
Amounts due in one year	\$ 995,718	\$ 859,163

11. OTHER POST-EMPLOYMENT BENEFITS

Effective January 1, 1991, by action of the City Council, the City began offering post-retirement health care benefits to employees. Effective January 1, 1993, retiree spouses were granted eligibility for benefits. Dependents were granted eligibility effective January 1, 1994. This plan is a single employer defined benefit, other post-employment benefit plan. A separate, audited GAAP-basis post-employment benefit plan report is not available.

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

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

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

Survivors of employees who die while actively employed are not eligible for retiree health coverage. However, surviving spouses and dependents of Texas 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.

City of Bryan, Texas

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For the Fiscal Year Ended September 30, 2015

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

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

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

In the year ended September 30, 2015, retirees paid \$626,963 in premiums and \$1,329,277 in claims were paid for post-retirement health care and administrative charges. As of September 30, 2015, the City has 35 retirees, 39 retirees and spouses, 7 retirees and families and 4 retirees and child(ren) participating in the health plan, out of the 403 employees eligible to participate upon retirement. Expenses are recognized as retirees submit claims.

The City also provides health benefits as required by the Federal Government under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). COBRA requires employers that sponsor group health plans to provide continuation of group coverage to employees and their dependents under certain circumstances where coverage would otherwise end. Terminated employees who qualify under COBRA pay premium costs for themselves and dependents.

Expenses are recognized as claims when submitted. COBRA participants are reimbursed at the same levels as active employees. Participants paid premiums of \$9,143 and incurred claims and administrative expenses of \$20,649 during the year ended September 30, 2015. As of September 30, 2015, the City has 2 COBRA participants.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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

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

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

Funding Policy and Annual OPEB Cost

The City's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City had its most recent OPEB valuation performed as of December 31, 2013, as required by GASB. The City's annual OPEB cost for the current year and prior two years is as follows:

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Annual required contribution (ARC)	\$ 900,753	\$ 874,517	\$ 975,990
Interest on OPEB obligation	126,299	96,503	73,122
Adjustment to ARC	<u>(117,015)</u>	<u>(89,409)</u>	<u>(44,631)</u>
Annual OPEB cost	910,042	881,611	1,004,481
Contributions made	<u>(702,316)</u>	<u>(219,484)</u>	<u>(484,903)</u>
Increase (decrease) in net OPEB obligation	207,726	662,127	519,578
Net OPEB obligation, beginning of year	<u>2,806,638</u>	<u>2,144,511</u>	<u>1,624,933</u>
Net OPEB obligation/(asset), end of year	<u>\$ 3,014,364</u>	<u>\$ 2,806,638</u>	<u>\$ 2,144,511</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year ending September 30, 2015, and the preceding two fiscal years were as follows:

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

Fiscal Year	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
2013	\$ 1,004,481	\$ 484,903	48.3%	\$ 2,144,511
2014	881,611	219,484	24.9%	2,806,638
2015	910,042	702,316	77.2%	3,014,364

Funding status and funding progress

The City had actuarial valuations performed as of December 31, 2013, December 31, 2011, December 31, 2009, and May 31, 2008. The funded status of the City's retiree health care plan, under GASB Statement No. 45, is as follows:

	FY 2015	FY 2014	FY 2013
Actuarial value of plan assets	\$ -	\$ -	\$ -
Actuarial accrued liability (AAL)	10,704,428	10,704,428	11,860,133
Unfunded AAL	(10,704,428)	(10,704,428)	(11,860,133)
Funded Ratio	-	-	-
Covered Payroll	48,991,679	46,907,165	46,141,173
UAAL as a % of Covered Payroll	22%	23%	26%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$10,704,428 at December 31, 2013.

Actuarial methods and assumptions

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

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

Inflation rate	- 3.00% per annum
Investment rate of return	- 4.50%, net of expenses
Actuarial cost method	- Projected Unit Credit Cost Method
Amortization method	- Level as a percentage of employee payroll
Amortization period	- 30-year, open amortization
Payroll growth	- 3.00% per annum
Healthcare cost trend rate	- Initial rate of 7.50% declining to an ultimate rate of 5.00% after 10 years

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

12. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, as amended, is available to all employees, and permits them to defer a portion of their salary until future years. The plan funds are not available to employees until termination, retirement, death, or emergency.

All amounts of compensation deferred under the plan (until paid or made available to the employee or other beneficiary) were placed in trust for the exclusive benefit of the participants and the beneficiaries. This is in accordance with changes made to Section 457 of the Internal Revenue Code. Since the City is no longer the Plan Administrator or the trustee, the assets of the Plan are no longer a reportable fund in the City's basic financial statements.

Similar to the Section 457, the City of Bryan offered its employees the Retiree Health Savings (RHS) Plan. The plan allowed employees to make pre-tax contributions from their salary or accrued leave time to fund medical expenses for employees and their family on a tax-free basis during retirement. Once an employee elected to participate, this cannot ever be changed or revoked unless there is employment separation.

Like the Section 457, all amounts of compensation deferred under the plan (until paid or made available to the employee or other beneficiary) were placed in trust for the exclusive benefit of the participants and the beneficiaries. The City is not the Plan Administrator or the trustee; therefore, the assets of the Plan are not a reportable fund in the City's basic financial statements.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

13. TEXAS MUNICIPAL POWER AGENCY

The Texas Municipal Power Agency ("TMPA") was created in July 1975 by concurrent ordinances of the Texas cities of Bryan, Denton, Garland, and Greenville ("Cities") pursuant to Acts 1995 64th Leg. Ch. 143, sec 1 (the "Act"). Under the provisions of the Act, TMPA is a separate municipal corporation. TMPA is exempt from federal income tax under section 115 of the Internal Revenue code.

In September 1976, TMPA entered into identical Power Sales Contracts (the "Contract") with each of the Cities for the purpose of obtaining the economic advantages of jointly financing, constructing and operating large electric generating units and related facilities to supply the Cities' future energy needs. Under the Contract, the Cities are required to pay, for the benefits received or to be received by them from such activities, an amount sufficient to recover TMPA's operating and maintenance expenses and the Bond Fund, Reserve Fund and Contingency Fund requirements of the Revenue Bond Resolutions. In addition, the Cities are obligated to guarantee the payment of TMPA's bonds and commercial paper. At September 30, 2015, the City's portion of outstanding TMPA bonds and commercial paper was approximately \$119.9 million and \$18.7 million, respectively.

As originally written in 1976, the Contract was a requirements contract, which obligated the Cities, with certain exceptions, to purchase their wholesale electricity requirements from TMPA. In 1997, the Contract was amended and converted from a requirements contract to a take-or-pay contract, under which each City is obligated to take or pay for a specified percentage of electricity from TMPA's generating facility. Those percentages are Bryan 21.7%; Denton 21.3%; Garland 47%; and Greenville 10%. The amendment confirmed the Cities' obligations to pay all costs of TMPA.

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

Under the current debt structure, all generation debt will be paid off by September 1, 2018, causing the Power Sales Contract to expire on that same date. Thereafter, all remaining debt will be transmission debt, payable solely from transmission system revenues. TMPA and the Cities are developing a plan in relation to the ownership, operational, and contractual issues associated with TMPA following September 1, 2018.

During the year ended September 30, 2015, the City Electric System (BTU) paid TMPA \$49,561,344 for power purchases and related activity under the contract. As of September 30, 2015 BTU had payables to TMPA amounting to \$1,189,070.

The TMPA's Comprehensive Annual Financial Report for the year ended September 30, 2015 reported the following:

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

	FY 2015
Total Assets	\$ 826,228,000
Total Deferred Outflows of Resources	9,471,000
Total Liabilities	801,623,000
Total Deferred Inflows of Resources	-
Total Net Position	<u>\$ 34,076,000</u>
Change in Net Position	
for year ended September 30, 2015	\$ 6,867,000

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

14. 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 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. At September 30, 2015 the City reported a receivable in the amount of \$4,150,000 of which \$230,000 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, 2015 reported the following:

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

	FY 2015
Total Assets	\$ 40,870,977
Total Liabilities	<u>13,693,361</u>
Total Net Position	<u>\$ 27,177,616</u>
Change in net position for the year ended September 30, 2015	\$ 1,358,643
Bryan's undivided 50% share of changes in net position for the year ended September 30, 2015	\$ 679,322

Audited financial statements for BVSWMA, Inc. may be obtained from:

BVSWMA, Inc.
2690 Hwy. 30
Anderson, TX 77830

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

15. INTERFUND BALANCES

Interfund receivable and payable balances at September 30, 2015 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
City Electric	General	\$ 52,520
Nonmajor governmental	General	94,111
Nonmajor governmental	City Electric	167,606
City Electric	Rural	4,858,109
Water	City Electric	466,132
Wastewater	City Electric	337,955
Nonmajor enterprise funds	City Electric	224,989
Internal service funds	City Electric	95,360
General	City Electric	25,314
General	Nonmajor governmental	209,736
General	Internal service	36,776
Total		<u>\$ 6,568,608</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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

16. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2015 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	\$ -	\$ 300,000	\$ 11,411,380	\$ 612,491	\$ 639,191	\$ 2,340,506	\$ 15,303,568
Debt Service	195,742	2,223,094	-	-	-	-	2,418,836
Nonmajor governmental funds	405,000	-	-	-	-	-	405,000
Water Fund	32,567	-	-	-	-	-	32,567
Wastewater Fund	-	-	-	-	-	34,500	34,500
Nonmajor enterprise funds	181,348	-	-	29,468	5,563	-	216,379
Total transfers out	\$ 814,657	\$ 2,523,094	\$ 11,411,380	\$ 641,959	\$ 644,754	\$ 2,375,006	\$ 18,410,850

Transfers are primarily used to move funds from:

- The proprietary funds to the General Fund for use of City owned rights-of-way and as payments in lieu of property taxes
- The proprietary funds to the Debt Service Fund as payments in lieu of property taxes
- The Capital Project Funds to the Water and Wastewater Funds as incidental utility system improvements made relative to street and drainage capital improvement projects
- The Tax Increment Reinvestment Zone Funds to the Debt Service Fund and Bryan Commerce and Development, Inc. for debt service payments as they become due
- Funds that are no longer needed and are closed by transferring all balances to other appropriate funds

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

17. ADMINISTRATIVE ALLOCATIONS TO OTHER FUNDS

The General Fund provides general and administrative support services to the City Electric Fund, Rural Electric Fund, Water Fund, Wastewater Fund, Solid Waste Fund, Insurance Fund, TIRZ funds, Special Projects Fund, Employee Benefits 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	\$ 868,591
Water Fund	668,809
Wastewater Fund	693,703
Nonmajor Enterprise Fund (Solid Waste Fund)	560,427
Internal Service Fund (Insurance Fund)	191,589
Street Improvement	116,310
Drainage Fund	61,500
Employee Benefits Fund	138,650
Warehouse Fund	70,019
Bryan Commerce & Development	36,374
Coulter Airfield Fund	70,468
	<u>\$ 3,476,440</u>

18. DEFERRED INFLOWS OF RESOURCES AND UNEARNED REVENUE

The balance of deferred inflows of resources and unearned revenues at September 30, 2015 consists of the following:

	<u>Deferred Inflows of Resources</u>	<u>Unearned</u>	<u>Totals</u>
Delinquent property taxes receivable (General Fund)	\$ 82,743	\$ -	\$ 82,743
Delinquent property taxes receivable (Debt Service Fund)	34,939	-	34,939
Street and drainage assessments receivable (General Fund)	115,056	-	115,056
Notes receivable (Debt Service fund)	-	450,000	450,000
WasteWater unearned revenue	-	82,466	82,466
Nonmajor governmental funds	81,804	-	81,804
Total	<u>\$ 314,542</u>	<u>\$ 532,466</u>	<u>\$ 847,008</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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 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/\$5,000,000 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, 2015. Worker's compensation coverage is provided at \$20,000,000 with \$2,500,000 retention. There have been no settlements that have exceeded insurance coverage for each of the past three fiscal years.

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

The Insurance Fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The City has recorded a potential liability in the amount of \$1,755,468 for claims that have been incurred but not reported as of September 30, 2015. 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

The schedule below represents the changes in estimated claims liabilities:

	2015	2014
Unpaid claims at beginning of fiscal year	\$ 1,763,344	\$ 1,330,320
Incurred claims	520,171	888,152
Claim payments	(528,047)	(455,128)
Total unpaid claims at end of fiscal year	<u>\$ 1,755,468</u>	<u>\$ 1,763,344</u>
Amounts due in one year	\$ 769,321	\$ 662,593

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 legitimate 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).

As a result, the City and Jordan Community Properties, L.P. entered into a Master Economic Development Agreement (MEDA) on November 2, 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, on October 26, 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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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 October 26, 2000. The following is a history of the changes that have occurred.

On February 24, 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.

On February 25, 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 was \$1,840,432. Traditions Acquisition Partnership, L.P. executed a release, that released the guarantors from their respective obligations for the loan from M&I Bank to Bryan/Traditions, L.P. In consideration for Traditions Acquisition Partnership, L.P.'s contribution, the Amendment specified the deeding of 34 existing lots, within the Traditions Development, from Bryan/Traditions, L.P. to Traditions Acquisition Partnership.

Other special provisions of the Amendment provided that:

- BCDI agrees 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.

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

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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.

In September 2014, the City of Bryan entered into economic development agreements with Atlas Hotel, L.P., and Traditions Acquisitions Partnership, L.P., related to the Traditions development. The agreements provide funding of \$6,000,000 for a hotel conference center and the immediately surrounding infrastructure including roadways, utilities, landscaping, street lighting and other improvements to be funded solely by available TIRZ Ten revenues. A separate agreement provides up to \$2,250,000 from Hotel/Motel Tax revenues collected from the Atlas Hotel operations for qualifying expenses.

The Traditions Development currently includes a Jack Nicklaus designed golf course and an 800 acre high end housing development. At September 30, 2015, BCDI holds approximately 280 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.

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. In March 2012, the BBCEDF entered into an option agreement which gave the BBCEDF the right to purchase up to 724 adjacent acres. The business park, known as the Texas Triangle Park, is primarily the focus for economic development for the BBCEDF.

In April 2013, the BBCEDF entered into an Economic Development Agreement (EDA) with Kuadrum Pipe and Tube, Inc. (Kuadrum) which was fulfilled by and with its affiliate corporation Axis Pipe and Tube, Inc. (Axis). Per the terms of the EDA, the BBCEDF and the City sold approximately 160 and 23 acres, respectively, to Axis to build a manufacturing facility. In addition, the BBCEDF will provide \$7,150,000 in development credits, the County will provide tax abatement and the City will provide a non-annexation agreement. Axis is also required to meet certain criteria including, among other items, purchasing additional land, achieving a particular taxable valuation and employing a minimum number of full-time employees. If Axis fails to meet its obligations under the EDA, the BBCEDF may terminate the EDA and tender a demand of \$1,500,000. On January 1, 2015 Axis had \$179,046,540 in taxable value in Brazos County, in compliance with agreement terms. Additionally,

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

in January 2015, Axis purchased 100 acres of land, satisfying its requirement to purchase from the BBCEDF 60 acres by January 23, 2015.

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.

In 2014, the City of Bryan completed construction of 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. No tax revenue sharing has occurred through September 30, 2015.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

22. ACCOUNTS RECEIVABLE

As of September 30, 2015, the receivables not expected to be collected within one year are notes and assessments receivable as follows:

	General Fund	Debt Service Fund	Total
Notes receivable	\$ 16,519	\$ 4,150,000	\$ 4,166,519
Street and drainage assessments	115,056	-	\$ 115,056
	<u>\$ 131,575</u>	<u>\$ 4,150,000</u>	<u>\$ 4,281,575</u>

23. RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

Below is a reconciliation of the various restricted cash, cash equivalents and investments reported as of September 30, 2015:

	City Electric Fund	Rural Electric Fund	Water Fund	Wastewater Fund	Total
Bond Retirement Reserve	\$ 10,552,883	\$ 311,042	\$ -	\$ -	\$ 10,863,925
Bond Debt Service	5,351,474	247,576	1,445,962	2,295,772	9,340,784
Rate Stabilization Reserve	1,687,392	-	-	-	1,687,392
Customer Deposits Payable	4,094,526	1,021,128	-	-	5,115,654
Over-Recovered Fuel Expense	2,173,575	-	-	-	2,173,575
Collateral Deposits	6,679,019	-	-	-	6,679,019
Capital Debt Proceeds	6,103,841	732,749	460,497	67,194	7,364,281
	<u>\$ 36,642,710</u>	<u>\$ 2,312,495</u>	<u>\$ 1,906,459</u>	<u>\$ 2,362,966</u>	<u>\$ 43,224,630</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

24. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended September 30, 2015 budgetary expenditures in excess of appropriations are reported as indicated below:

<u>Governmental Funds</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - (Negative)</u>
Grant Fund			
Total expenditures	\$ -	\$ 135,339	\$ (135,339)
Debt Service Fund			
Total expenditures	10,514,760	22,811,438	(12,296,678)
TIRZ 19- Nash Street Fund			
Total expenditures	137,347	139,744	(2,397)
TIRZ 22- Lauth Development Fund			
Total expenditures	495,179	512,513	(17,334)
Self Insurance Fund			
Total expenditures	2,268,800	2,476,460	(207,660)
Employee Benefits Fund			
Total expenditures	8,867,756	9,907,289	(1,039,533)

For the fiscal year ended 30, 2015, the Grant fund exceeded budget by \$135,339 mainly due to expenditures of grant funds for police and fire equipment made during the year. The department had grant revenue and fund balance available to cover the expenditures.

Total expenditures in the Debt Service fund exceed budget by \$12,296,678 due to the cost associated with the 2015 GO refunding issue. The refunding bonds produce a net interest cost savings over their life.

Total expenditures in the TIRZ 19 exceeded budget by \$2,397 due to higher than budgeted debt service cost.

Total expenditures in the TIRZ 22 exceeded budget by \$17,334 due to higher than budgeted debt service cost.

Total expenditures in the Self Insurance fund exceeded budget by \$207,660 due to higher than budgeted worker's compensation and liability claims.

Total expenditures in the Employee Benefits fund exceeded budget by \$1,039,522 due to higher than budgeted health insurance claims.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

25. FUND DEFICITS

The Community Development Fund, a Special Revenue Fund, has a deficit unassigned fund balance as of September 31, 2015 in the amount of \$9,354. This is a 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 2016.

26. TAX INCREMENT FINANCING ZONES

Chapter 311 of the Texas Tax Code allows for the creation of Tax Increment Financing Zones ("TIFZ"). TIFZ are statutory tools available to municipalities in Texas to promote development or redevelopment in an area that would not occur in the foreseeable future solely through private investment. TIFZ are also a means to allow a community to enhance their ability to attract economic development or to allow businesses currently located within their area to expand. Once a City has designated a TIFZ, the governing bodies of the county and school district may choose to participate.

When a TIFZ is formed, a base value for the property located within the TIFZ is established. At the date of creation the appraised value is normally accepted as the base value. As the property within the TIFZ develops, property taxes are collected based upon appreciated appraised values at the rate established annually by the participating entities. Each participant in the TIFZ remits the amount of taxes attributable to the increase in the appraised values to the Tax Increment Financing Zone to be used to fund the project plan. Project plans normally include the creation of infrastructure such as roads, street improvements, water and sewer systems, lighting, landscaping, etc. A TIFZ can be terminated either on the date designated in the ordinance creating the zone, or the date on which all project costs, tax increment debt, and associated interest have been paid.

As of September 30, 2015, 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, 2015, the City estimates that it has funded \$22.0 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. The outstanding debt balance as of September 30, 2015 is \$7,965,728 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 111% of the debt service payments in FY 2015.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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 2015, the City estimates that it has funded \$1.8 million in public infrastructure improvements and associated costs within Zone Nineteen. Tax and Revenue Certificates of Obligation, Series 2005, in the aggregate principal amount of \$1,747,642 were issued by the City to provide funds to commence certain of the public infrastructure improvements within Zone Nineteen. Subsequently, in 2007, the City issued Tax and Revenue Certificates of Obligation, Series 2007, in the aggregate principal amount of \$200,000 for TIRZ Nineteen projects. In 2013 and 2014, the Series 2005 were refunded through the City’s issuance of \$1,534,542 of General Obligation refunding bonds. The outstanding debt balance as of September 30, 2015 is \$1,280,042 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 91% of debt service payments in FY 2015.

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 2015, the City estimates that it has funded \$300,000 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 2015, the City estimates that it has funded \$5.2 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. The outstanding debt balance as of September 30, 2015 is \$4,251,274 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 105% of debt service payments in FY 2015.

The following schedule is a ten year history of relevant data with regard to these TIFZ:

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

Zone/ Fiscal Year	Base Value	Net Taxable Value	Captured Value	Tax Rate Per \$100 Valuation	Captured Tax Revenue
# 10					
2015	\$ 637,640	\$ 178,967,116	\$178,329,476	\$ 0.629990	\$ 1,123,458
2014	637,640	139,749,374	139,111,734	0.629990	876,390
2013	637,640	115,128,526	114,490,886	0.633308	725,080
2012	637,640	99,472,976	98,835,336	0.636400	628,988
2011	637,640	92,479,156	91,841,516	0.636400	584,479
2010	637,640	86,173,404	85,535,764	0.636400	544,350
2009	637,640	81,855,365	81,217,725	0.636400	516,870
2008	637,640	66,843,855	66,206,215	0.636400	421,336
2007	637,640	40,005,365	39,367,725	0.636400	250,536
2006	637,640	4,076,325	3,438,685	0.636400	21,884
# 22					
2015	2,464,400	33,898,290	31,433,890	0.629990	198,030
2014	2,464,400	27,947,440	25,483,040	0.629990	160,541
2013	2,464,400	24,662,080	22,197,680	0.633308	140,580
2012	2,464,400	25,047,040	22,582,640	0.636400	143,716
2011	2,038,090	27,353,460	25,315,370	0.636400	161,107
2010	2,038,090	29,254,110	27,216,020	0.636400	173,203
2009	2,038,090	8,388,060	6,349,970	0.636400	40,411
2008	2,038,090	2,038,090	-	0.636400	-
# 19					
2015	2,213,289	23,048,143	20,834,854	0.629990	131,257
2014	2,213,289	20,519,511	18,306,222	0.629990	115,327
2013	2,213,289	19,743,440	17,530,151	0.633308	111,020
2012	2,213,289	18,121,071	15,907,782	0.636400	101,237
2011	2,213,289	16,096,206	13,882,917	0.636400	88,351
2010	2,213,289	15,255,274	13,041,985	0.636400	82,999
2009	2,213,289	12,222,530	10,009,241	0.636400	63,699
2008	2,213,289	8,992,060	6,778,771	0.636400	43,140
2007	2,213,289	-	-	0.636400	-
# 21					
2015	41,070,995	56,999,200	15,928,205	0.629990	100,346
2014	41,070,995	54,701,063	13,630,068	0.629990	85,868
2013	41,070,995	53,611,658	12,540,663	0.633308	79,421
2012	41,070,995	52,889,681	11,818,686	0.636400	75,214
2011	41,070,995	52,504,534	11,443,539	0.636400	72,827
2010	41,070,995	51,057,085	9,986,090	0.636400	63,551
2009	41,070,995	43,915,850	2,844,855	0.636400	18,105
2008	41,070,995	-	-	0.636400	-

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

27. TAX ABATEMENTS

Chapter 312 of the Texas Tax Code authorizes the City to provide property tax abatements for limited time periods to encourage development or expansion of property. The terms of each agreement are limited by the guidelines and criteria established by the City Council. At September 30, 2015 the City had established abatement agreements with the following property owners:

Property Owner	Date of Abatement	FY 2015 Appraised Values	FY 2015 Taxable Values	FY 2015 Abated Values	FY 2015 Taxes Levied	FY 2015 Taxes Abated
Kent Moore	2008-2016	\$4,515,160	\$3,160,612	\$1,354,548	\$19,912	\$ 8,534
Penncro Associates	2011-2014	245,660	123,580	122,080	779	769
Woodbolt Distribution, LLC	2014-2023	6,154,050	1,393,920	4,760,130	8,782	29,988
Toyo Ink International	2008-2015	21,155,300	21,155,300	-	133,276	-

28. FINANCIAL HEDGING

On March 10, 2008, the City modified BTU's Energy Risk Policy to allow for the purchase and sale of certain financial instruments defined as hedge instruments. The essential goal of the Energy Risk Policy is to provide a framework for the operation of a fuel and energy purchasing and hedging program to better manage risk exposures in order to stabilize pricing and costs for the benefit of the City's customers.

The City 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. The City utilizes natural gas commodity swaps and options to hedge its exposure to fluctuating fuel prices. Since these derivatives are entered into for risk mitigation purposes, the instruments are considered potential hedging derivative instruments under GASB 53.

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

The City evaluated all potential hedging derivative instruments for effectiveness as of September 30, 2015, and determined the derivatives to be effective in substantially offsetting the changes in cash flows of the hedgeable items. The City's hedgeable items are expected HSC natural gas purchases to serve budgeted load. The City projects total natural gas needs as part of a 10-year forecast. This forecast is the basis for the procurement amount of the hedgeable item. The City's potential hedging derivatives are NYMEX and HSC indexed commodity swaps and options. These derivatives act as cash flow hedges.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

The City utilized regression analysis to test effectiveness of its NYMEX hedges. Testing was based on the extent of correlation between historical NYMEX index and HSC natural gas prices for the prompt months of January 2003 to September 2015. The correlation coefficient of (0.8462) 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 0.9564 indicates that the changes in cash flows of the hedge substantially offset the changes in cash flows of the hedgeable item. The City Electric Fund also utilizes HSC indexed gas commodity swaps to hedge its open exposure after a NYMEX-based swap contract month settles. The City Electric Fund 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 31, 2015, the total fair value of outstanding hedging derivative instruments was a net liability of \$17,801,026. The fair value of those instruments maturing within one year are reported on the Statement of Net Position in current liabilities as derivative financial instruments and were \$6,009,018 at September 30, 2015. The fair value of those instruments with maturities exceeding one year are reported on the Statement of Net Position in noncurrent liabilities as derivative financial instruments and were \$11,792,008 at September 30, 2015.

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 Statement of Net Position. For the fiscal year ended September 30, 2014, the fair value of the City's Electric fund's hedging derivative instruments – NYMEX-based commodity swaps – decreased by \$1,083,731; which is reported in the Statement of Net Position as a reduction 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, 2015 the deferred outflows of resources related to hedging derivatives were \$17,801,026 and are reported on the Statement of Net Position.

The following information details the City Electric Fund's hedging derivative instruments as of September 30, 2015:

Type	Terms	Volume Hedged (MMBtu)	Effective Dates	Maturity Dates	Reference Index	Fair Value
Commodity Swaps	BTU pays prices of \$3.072 - 6.49	5,678,000	Oct 2015 - Dec 2018	Oct 2015 - Dec 2018	NYMEX	\$ (17,801,026)
		<u>5,678,000</u>				<u>\$ (17,801,026)</u>

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

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

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

Basis Risk – The City is exposed to basis risk because the expected gas purchases being hedged will settle based on a pricing point (HSC) different than the pricing point of the hedge transactions (NYMEX). For September 2015, prompt month prices were \$2.638/MMBtu and \$2.614/MMBtu, for NYMEX and HSC, respectively.

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

29. SUBSEQUENT EVENTS

On October 1, 2015, BTU implemented phase two of a three phase electric rate adjustment for the City Electric System which includes City of Bryan retail customers and the Rural Electric System wholesale rate. After the third phase, to be effective October 1, 2016, base rates would have increased 2.4% over the prior three years.

On October 1, 2015, the City Electric System increased the Power Supply Adjustment (PSA) component of its rates for retail customers. The PSA is used to recover fuel costs, net purchased power costs, and adjustments for the over or under recovery for such costs from preceding periods. The City Electric system increased the PSA \$0.0025/kWh (an average of 8.5%) for retail customers to eliminate projected under recovery of fuel and purchased power costs.

On October 1, 2015, the City Electric System increased the Regulatory Charge (RC) component of its rates for retail customers and the Rural Electric System wholesale rate. The RC is used to recover BTU's full cost of the Wholesale Transmission Service Charge as established by the Public Utility Commission of Texas and for other fees assessed by regulatory bodies. The City Electric System increased the RC 20% for all retail customer classes and the Rural Electric System wholesale rate to eliminate projected under recovery of regulatory costs.

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.

City of Bryan, Texas

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2015

On October 1, 2015, the City Electric System increased the Regulatory Charge (RC) component of its rates for retail customers and the Rural Electric System wholesale rate. The RC is used to recover BTU's full cost of the Wholesale Transmission Service Charge as established by the Public Utility Commission of Texas and for other fees assessed by regulatory bodies. The City Electric System increased the RC 20% for all retail customer classes and the Rural Electric System wholesale rate to eliminate projected under recovery of regulatory costs.

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.

CITY OF BRYAN, TEXAS

Required Supplementary Information
Schedule of Contributions
Texas Municipal Retirement System
Last Ten Fiscal Years (will ultimately be displayed)

	2015
Actuarially Determined Contribution	\$ 7,686,872
Contributions in relation to the actuarially determined contribution	7,686,872
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 48,991,679
Contributions as a percentage of employee covered payroll	15.69%

Note to Schedule of Contributions

Only one year of data is presented in accordance with GASB Standard No. 68 as the data for the years other than 2015 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 current fiscal year end of September 30, 2015.

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	24 Years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.0%
Salary Increases	3.5% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information

Notes: There were no benefits changes this year.

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
Total Pension Liability	
Service Cost	\$ 7,088,933
Interest (on the Total Pension Liability)	18,281,849
Changes of benefit terms	-
Difference between expected and actual experience	(1,764,543)
Change of assumptions	-
Benefit payments, including refunds of employee contributions	(11,117,789)
Net Change in Total Pension Liability	12,488,450
Total Pension Liability - Beginning	263,183,703
Total Pension Liability - Ending (a)	\$ 275,672,153
Plan Fiduciary Net Position	
Contributions - Employer	\$ 7,667,195
Contributions - Employee	3,312,987
Net Investment Income	12,827,812
Benefit payments, including refunds of employee contributions	(11,117,789)
Administrative expense	(133,929)
Other	(11,011)
Net Change in Plan Fiduciary Net Position	12,545,265
Plan Fiduciary Net Position - Beginning	224,239,250
Plan Fiduciary Net Position - Ending (b)	\$ 236,784,515
Net Pension Liability - Ending (a) - (b)	\$ 38,887,638
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.89%
Covered Employee Payroll	\$ 47,328,382
Net Pension Liability as a Percentage of Covered Payroll	82.17%

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

Only one year of data is presented in accordance with GASB Standard No. 68 as the data for the years other than calendar year 2014 is not available. Additionally, GASB Standard No. 68 requires that the information on this schedule correspond with the period covered as of the end of December 31, 2014.



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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, 2015

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 18,129,831	\$ 18,129,831	\$ 18,090,087	\$ (39,744)
Sales	16,732,500	16,732,500	17,788,430	1,055,930
Franchise	2,116,982	2,116,982	2,191,346	74,364
Bingo	267,650	267,650	267,434	(216)
Alcoholic beverage	112,000	112,000	149,776	37,776
Charges for services:				
Ambulance charges	1,700,000	1,700,000	1,935,132	235,132
Recreational charges	1,330,800	1,330,800	1,279,525	(51,275)
Health and public safety	995,379	995,379	986,983	(8,396)
Miscellaneous charges	144,200	144,200	337,174	192,974
Fines and court charges:				
Municipal court	1,881,950	1,881,950	1,723,017	(158,933)
Licenses and permits	619,755	619,755	625,106	5,351
Grants:				
Texas Attorney General	10,281	10,281	10,219	(62)
U.S. Department of Criminal Justice	-	-	-	-
Texas Department of Transportation	-	-	19,869	19,869
Contributions to Library - College Station	1,025,939	1,025,939	1,084,115	58,176
FEMA	-	-	-	-
Other	31,000	31,000	169,831	138,831
Investment earnings	90,000	90,000	247,920	157,920
Other	368,452	368,452	1,204,026	835,574
Total revenues	45,556,719	45,556,719	48,109,990	2,553,271
Expenditures:				
Current:				
General government and administration:				
Executive	2,247,392	2,387,772	2,137,665	250,107
City Secretary	954,260	986,870	797,578	189,292
Legal services	724,640	724,640	627,977	96,663
Payments to other agencies	3,363,571	3,363,571	3,091,323	272,248
Fiscal services	1,475,970	1,503,247	1,309,611	193,636
Information technology	3,113,768	3,113,768	2,903,583	210,185
Human resources	636,746	636,746	617,649	19,097
Fleet services	753,853	753,853	501,341	252,512
Facility services	1,794,243	1,812,028	1,680,791	131,237
Total general government and administration	15,064,443	15,282,495	13,667,518	1,614,977
Development services:				
Planning	1,638,257	1,638,257	1,596,808	41,449
Engineering	1,302,875	1,390,425	1,141,226	249,199
Building	257,968	257,968	248,430	9,538
Special Projects	63,972	150,432	72,472	77,960
Total development services	3,263,072	3,437,082	3,058,936	378,146
Public works services:				
Public Works Call Center	-	-	-	-
Drainage and Streets	1,890,831	1,890,831	1,877,904	12,927
Traffic Operations	1,680,651	1,680,651	1,544,233	136,418
Total public works services	3,571,482	3,571,482	3,422,137	149,345

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety:				
Police services	16,492,342	16,492,342	16,200,724	291,618
Fire and emergency medical services	12,987,547	12,987,547	12,656,419	331,128
Animal Center	793,874	793,874	711,161	82,713
Municipal court	1,432,178	1,432,178	1,281,782	150,396
Total public safety	31,705,941	31,705,941	30,850,086	855,855
Cultural and recreational:				
Library services	2,324,800	2,324,800	2,304,727	20,073
Parks and recreation services	4,259,826	4,275,465	4,255,759	19,706
Total cultural and recreational	6,584,626	6,600,265	6,560,486	39,779
Administrative reimbursement	(3,487,037)	(3,487,037)	(3,476,440)	(10,597)
Capital outlay	3,596,154	4,134,395	2,918,679	1,215,716
Debt service-bond retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	60,298,681	61,244,623	57,001,402	4,243,221
Excess (deficiency) of expenditures over (under) revenues	(14,741,962)	(15,687,904)	(8,891,412)	6,796,492
Other financing sources (uses):				
Sale of capital assets	300,975	300,975	1,591,734	1,290,759
Transfers in	15,039,861	15,039,861	15,303,568	263,707
Transfers out	(2,909,060)	(1,895,360)	(814,657)	1,080,703
Total other financing sources (uses)	12,431,776	13,445,476	16,080,645	2,635,169
Net change in fund balance	(2,310,186)	(2,242,428)	7,189,233	9,431,661
Fund Balance, October 1, 2014	28,179,172	28,179,172	28,179,172	-
Fund Balance, September 30, 2015	\$ 25,868,986	\$ 25,936,744	\$ 35,368,405	\$ 9,431,661



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Supplemental 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
 - Grant Fund
 - Community Development Fund
 - Hotel/Motel Tax Fund
 - Sidewalks Fund
 - Court Technology Fund
 - Street Improvement Fund
 - Drainage Improvement Fund
 - TIRZ #10-22
- Non-Major Enterprise Funds
- Internal Service Funds
- Agency Funds
- Capital Assets used in the Operation of Governmental Funds

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

Tax Increment Reinvestment Zone #10 Fund – To account for revenues derived from captured assessed valuation in, and bond proceeds for, the Traditions Tax Increment Reinvestment Zone. Bond proceeds are used for various public improvements within the zone. The taxes from the captured assessed valuation will be used to retire the debt and handle other operating expenses within the zone.

Tax Increment Reinvestment Zone #19 Fund – To account for revenues derived from captured assessed valuation in, and bond proceeds for, the Villa Maria-FM 158 Corridor Tax Increment Reinvestment Zone. Bond proceeds are used for various public improvements within the zone. The taxes from the captured assessed valuation will be used to retire the debt and handle other operating expenses within the zone.

Tax Increment Reinvestment Zone #21 Fund – To account for revenues derived from captured assessed valuation in, and bond proceeds for, the Downtown Bryan Tax Increment Reinvestment Zone. Bond proceeds are used for various public improvements within the zone. The taxes from the captured assessed valuation will be used to retire the debt and handle other operating expenses within the zone.

Tax Increment Reinvestment Zone #22 Fund – To account for revenues derived from captured assessed valuation in, and bond proceeds for the Lauth Development Tax Increment Reinvestment Zone. Bond proceeds are used for various public improvements within the zone. The taxes from the captured assessed valuation will be used to retire the debt and handle other operating expenses within the zone.

Capital Project Funds

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

2014 Certificates of Obligation Fund – To account for the construction of streets, sidewalks, drainage, traffic system improvements and the acquisition of fire-fighting equipment.

Permanent Funds

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

Relating to Bryan cemeteries:

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

Relating to Bryan libraries:

- F. L. Henderson Library
- Rountree Library

Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2015

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<u>Assets</u>											
Grant Fund	Community Development Fund	Hotel and Motel Tax Fund	Sidewalks Fund	Court Technology Fund	Street Improvement Fund	Drainage Improvement Fund	Tax Incremental Reinvestment Zone #10 Fund	Tax Incremental Reinvestment Zone #19 Fund	Tax Incremental Reinvestment Zone #21 Fund	Tax Incremental Reinvestment Zone #22 Fund	Total
\$ 8,602	\$ -	\$ 1,257,442	\$ 62,965	\$ 183,867	\$ 10,398,140	\$ 1,752,961	\$ 136,643	\$ 37,408	\$ 197,748	\$ 24,330	\$ 14,060,106
2,815	-	411,490	20,605	60,169	3,402,732	573,646	44,715	12,242	64,713	7,962	4,601,089
-	-	125,351	-	-	444,724	74,207	-	-	-	86,434	730,716
-	-	-	-	-	(80,013)	(13,351)	-	-	-	-	(93,364)
-	227,873	-	-	-	-	-	-	-	-	-	227,873
6	-	828	42	121	6,844	1,154	90	2	130	16	9,233
-	365	-	-	-	-	-	-	-	-	-	365
-	-	-	-	-	143,638	23,968	-	-	-	94,111	261,717
<u>\$ 11,423</u>	<u>\$ 228,238</u>	<u>\$ 1,795,111</u>	<u>\$ 83,612</u>	<u>\$ 244,157</u>	<u>\$ 14,316,065</u>	<u>\$ 2,412,585</u>	<u>\$ 181,448</u>	<u>\$ 49,652</u>	<u>\$ 262,591</u>	<u>\$ 212,853</u>	<u>\$ 19,797,735</u>
<u>Liabilities, Deferred Inflows and Fund Balances</u>											
<u>Liabilities:</u>											
\$ -	\$ 800	\$ 11,063	\$ -	\$ -	\$ 1,591,651	\$ 34,449	\$ -	\$ -	\$ -	\$ -	\$ 1,637,963
-	23,348	-	-	-	-	-	-	-	-	-	23,348
-	3,708	-	-	-	336,791	13,186	-	-	-	-	353,685
-	209,736	-	-	-	-	-	-	-	-	-	209,736
-	237,592	11,063	-	-	1,528,442	47,635	-	-	-	-	2,224,732
<u>Deferred Inflows</u>											
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	81,804	-	-	-	-	-	-	-	81,804
-	-	-	81,804	-	-	-	-	-	-	-	81,804
<u>Fund Balances</u>											
<u>Restricted:</u>											
11,423	-	-	-	-	-	-	-	-	-	-	11,423
-	-	1,784,048	-	-	-	-	-	-	-	-	1,784,048
-	-	-	-	244,157	-	-	-	-	-	-	244,157
-	-	-	-	-	-	-	181,448	49,652	262,591	212,853	706,544
-	-	-	1,808	-	-	-	-	-	-	-	1,808
-	-	-	-	-	12,387,623	-	-	-	-	-	12,387,623
-	-	-	-	-	-	2,364,950	-	-	-	-	2,364,950
-	(9,354)	-	-	-	-	-	-	-	-	-	(9,354)
<u>11,423</u>	<u>(9,354)</u>	<u>1,784,048</u>	<u>1,808</u>	<u>244,157</u>	<u>12,387,623</u>	<u>2,364,950</u>	<u>181,448</u>	<u>49,652</u>	<u>262,591</u>	<u>212,853</u>	<u>17,491,199</u>
\$ 11,423	\$ 228,238	\$ 1,795,111	\$ 83,612	\$ 244,157	\$ 14,316,065	\$ 2,412,585	\$ 181,448	\$ 49,652	\$ 262,591	\$ 212,853	\$ 19,797,735
<u>Total fund balances</u>											
<u>Total liabilities, deferred inflows and fund balances</u>											

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Capital Project Funds

As of September 30, 2015

	2010 Certificates of Obligation Fund	2014 Certificates of Obligation Fund	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 714,581	\$ 5,160,593	\$ 5,875,174
Investments	233,843	1,688,774	1,922,617
Accounts receivable	-	-	-
Grants receivable	-	-	-
Interest receivable	471	3,396	3,867
Due from other funds	-	-	-
Total assets	<u>\$ 948,895</u>	<u>\$ 6,852,763</u>	<u>\$ 7,801,658</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 17,400	\$ 306,966	\$ 324,366
Retainage payable	-	11,504	11,504
Due to other funds	-	-	-
Total liabilities	<u>17,400</u>	<u>318,470</u>	<u>335,870</u>
Fund balances:			
Restricted to capital projects	931,495	6,534,293	7,465,788
Total fund balances	<u>931,495</u>	<u>6,534,293</u>	<u>7,465,788</u>
Total liabilities and fund balances	<u>\$ 948,895</u>	<u>\$ 6,852,763</u>	<u>\$ 7,801,658</u>

CITY OF BRYAN, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds - Permanent Funds

As of September 30, 2015

	Brandon Cemetery Fund	J.W. English Cemetery Fund	L.B. Hervey Cemetery Fund	Mills Trust Cemetery Fund	Cemetery Fund	M.C. Astin Cemetery Fund	F.L. Henderson Library Fund	Rountree Library Fund	Bade Trust Cemetery Fund	Totals
Assets										
Cash and cash equivalents	\$ 1,952	\$ 6,988	\$ 11,105	\$ 700	\$ 1,367,067	\$ 46,091	\$ 3,829	\$ 5,699	\$ 670	\$ 1,444,101
Investments	639	2,287	3,634	229	447,365	15,083	1,253	1,865	219	472,574
Interest receivable	2	4	6	1	900	30	2	4	-	949
Total assets	<u>\$ 2,593</u>	<u>\$ 9,279</u>	<u>\$ 14,745</u>	<u>\$ 930</u>	<u>\$ 1,815,332</u>	<u>\$ 61,204</u>	<u>\$ 5,084</u>	<u>\$ 7,568</u>	<u>\$ 889</u>	<u>\$ 1,917,624</u>
Fund Balances										
Nonspendable - Permanent Funds Corpus	\$ 1,399	\$ 5,000	\$ 1,500	\$ 500	\$ 873,081	\$ 4,950	\$ 2,085	\$ 6,709	\$ 500	\$ 895,724
Restricted:										
Cemeteries	1,194	4,279	13,245	430	942,251	56,254	-	-	389	1,018,042
Libraries	-	-	-	-	-	-	2,999	859	-	3,858
Total fund balances	<u>2,593</u>	<u>9,279</u>	<u>14,745</u>	<u>930</u>	<u>1,815,332</u>	<u>61,204</u>	<u>5,084</u>	<u>7,568</u>	<u>889</u>	<u>1,917,624</u>
Total liabilities and fund balances	<u>\$ 2,593</u>	<u>\$ 9,279</u>	<u>\$ 14,745</u>	<u>\$ 930</u>	<u>\$ 1,815,332</u>	<u>\$ 61,204</u>	<u>\$ 5,084</u>	<u>\$ 7,568</u>	<u>\$ 889</u>	<u>\$ 1,917,624</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, 2015

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total
Revenues:				
Property taxes	\$ 2,610,275	\$ -	\$ -	\$ 2,610,275
Hotel occupancy taxes	1,286,072	-	-	1,286,072
Transportation and drainage assessments	6,553,176	-	-	6,553,176
Fines and court charges	39,362	-	-	39,362
Grants	1,485,613	-	-	1,485,613
Investment earnings	135,997	56,259	13,638	205,894
Other	85,958	348,513	43,350	477,821
Total revenues	12,196,453	404,772	56,988	12,658,213
Expenditures:				
Current:				
General government and administration	-	-	-	-
Development services	1,565,643	-	-	1,565,643
Public works services	6,986,216	59,874	-	7,046,090
Liabilities, Deferred Inflows, and Fund Balance	103,942	-	-	103,942
Cultural and recreational	644,876	-	-	644,876
Capital outlay	644,656	1,165,326	39,575	1,849,557
Debt service:				
Bond and principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Total expenditures	9,945,333	1,225,200	39,575	11,210,108
Excess (deficiency) of revenues	2,251,120	(820,428)	17,413	1,448,105
Deferred inflows:				
Other financing sources (uses):				
Transfers in	405,000	-	-	405,000
Transfers out	(2,523,094)	-	-	(2,523,094)
Total other financing sources (uses)	(2,118,094)	-	-	(2,118,094)
Net change in fund balances	133,026	(820,428)	17,413	(669,989)
Fund balances, October 1, 2014	17,358,173	8,286,216	1,900,211	27,544,600
Fund balances, September 30, 2015	\$ 17,491,199	\$ 7,465,788	\$ 1,917,624	\$ 26,874,611

CITY OF BRYAN, TEXAS

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

Nonmajor Governmental Funds - Special Revenue Funds

As of September 30, 2015

	Grant Fund	Community Development Fund	Hotel and Motel Tax Fund	Sidewalks Fund	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,874,046	\$ 126,601	\$ 98,213	\$ 511,415	\$ 2,610,275
Hotel occupancy taxes	-	-	1,286,072	-	-	-	-	-	-	-	-	1,286,072
Transportation and drainage assessments	-	-	-	-	-	5,616,072	937,104	-	-	-	-	6,553,176
Grants	132,180	1,353,433	-	-	-	-	-	-	-	-	-	1,485,613
Fines and court charges	-	-	-	-	39,362	-	-	-	-	-	-	39,362
Investment earnings	82	-	11,024	568	1,690	98,396	16,161	4,376	450	2,073	1,177	135,997
Other	-	85,958	-	-	-	-	-	-	-	-	-	85,958
Total revenues	132,262	1,439,391	1,297,096	568	41,052	5,714,468	953,265	1,878,422	127,051	100,286	512,592	12,196,453
Expenditures:												
Current:												
General government and administration	-	-	-	-	-	-	-	-	-	-	-	-
Development services	-	1,427,193	-	-	-	-	-	25,000	-	88,450	25,000	1,565,643
Public works services	-	-	-	-	-	6,770,143	216,073	-	-	-	-	6,986,216
Public safety	47,299	-	-	-	56,643	-	-	-	-	-	-	103,942
Cultural and recreational	9,116	-	635,760	-	-	-	-	-	-	-	-	644,876
Capital outlay	78,924	-	-	-	-	-	265,732	300,000	-	-	-	644,656
Debt service:	-	-	-	-	-	-	-	-	-	-	-	-
Bond and principal retirement	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	135,339	1,427,193	635,760	-	56,643	6,770,143	481,805	325,000	-	88,450	25,000	9,945,333
Excess (deficiency) of revenues over (under) expenditures	(3,077)	12,198	661,336	568	(15,591)	(1,055,675)	471,460	1,553,422	127,051	11,836	487,592	2,251,120
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	300,000	55,000	-	50,000	405,000
Transfers out	-	-	-	-	-	(205,021)	-	(1,690,815)	(139,745)	-	(487,513)	(2,523,094)
Total other financing sources (uses)	-	-	-	-	-	(205,021)	-	(1,390,815)	(84,745)	-	(437,513)	(2,118,094)
Net change in fund balances	(3,077)	12,198	661,336	568	(15,591)	(1,260,696)	471,460	162,607	42,306	11,836	50,079	133,026
Fund balances, October 1, 2014	14,500	(21,552)	1,122,712	1,240	259,748	13,648,319	1,893,490	18,841	7,346	250,755	162,774	17,358,173
Fund balances, September 30, 2015	\$ 11,423	\$ (9,354)	\$ 1,784,048	\$ 1,808	\$ 244,157	\$ 12,387,623	\$ 2,364,950	\$ 181,448	\$ 49,652	\$ 262,591	\$ 212,853	\$ 17,491,199

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, 2015

	2010 Certificates of Obligation Fund	2014 Certificates of Obligation Fund	Total
Revenues:			
Investment earnings	\$ 7,327	\$ 48,932	\$ 56,259
Other	348,513	-	348,513
Total revenues	355,840	48,932	404,772
Expenditures:			
Current:			
Public works services	59,874	-	59,874
Capital outlay	656,694	508,632	1,165,326
Total expenditures	716,568	508,632	1,225,200
Excess (deficiency) of revenues over (under) expenditures	(360,728)	(459,700)	(820,428)
Net change in fund balances	(360,728)	(459,700)	(820,428)
Fund balances, October 1, 2014	1,292,223	6,993,993	8,286,216
Fund balances, September 30, 2015	\$ 931,495	\$ 6,534,293	\$ 7,465,788

CITY OF BRYAN, TEXAS

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

Nonmajor Governmental Funds - Permanent Funds

For the Fiscal Year Ended September 30, 2015

	Brandon Cemetery Fund	J.W. English Cemetery Fund	L.B. Hervey Cemetery Fund	Mills Trust Cemetery Fund	Cemetery Fund	M.C. Astin Cemetery Fund	F.L. Henderson Library Fund	Rountree Library Fund	Bade Trust Cemetery Fund	Totals
Revenues:										
Contributions	\$ -	\$ -	\$ -	\$ -	\$ 43,350	\$ -	\$ -	\$ -	\$ -	\$ 43,350
Investment earnings	18	66	104	6	12,914	434	36	54	6	13,638
Total revenues	18	66	104	6	56,264	434	36	54	6	56,988
Expenditures:										
General government and administration	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	39,575	-	-	-	-	39,575
Total expenditures	-	-	-	-	39,575	-	-	-	-	39,575
Net change in fund balances	18	66	104	6	16,689	434	36	54	6	17,413
Fund balances, October 1, 2014	2,575	9,213	14,641	924	1,798,643	60,770	5,048	7,514	883	1,900,211
Fund balances, September 30, 2015	\$ 2,593	\$ 9,279	\$ 14,745	\$ 930	\$ 1,815,332	\$ 61,204	\$ 5,084	\$ 7,568	\$ 889	\$ 1,917,624

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, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 7,562,478	\$ 7,562,478	\$ 7,574,218	\$ 11,740
Investment earnings	26,783	26,783	32,728	5,945
Other	650,436	650,436	435,417	(215,019)
Total revenues	<u>8,239,697</u>	<u>8,239,697</u>	<u>8,042,363</u>	<u>(197,334)</u>
Expenditures:				
Debt service:				
Bond and principal retirement	7,141,927	7,141,927	7,141,927	-
Interest and fiscal charges	3,367,233	3,367,233	3,370,384	(3,151)
Debt issuance costs	5,600	5,600	67,859	(62,259)
Total expenditures	<u>10,514,760</u>	<u>10,514,760</u>	<u>10,580,170</u>	<u>(65,410)</u>
Excess of expenditures over revenues	(2,275,063)	(2,275,063)	(2,537,807)	(262,744)
Other financing sources (uses):				
Transfers in	2,335,606	2,335,606	2,418,836	83,230
Refunding bonds issued	-	-	11,745,000	11,745,000
Premium on refunding bonds	-	-	557,141	557,141
Payment to refunded bond escrow agent	-	-	(12,231,268)	(12,231,268)
Total other financing sources (uses)	<u>2,335,606</u>	<u>2,335,606</u>	<u>2,489,709</u>	<u>154,103</u>
Net change in fund balance	60,543	60,543	(48,098)	(108,641)
Fund Balance, October 1, 2014	<u>6,128,399</u>	<u>6,128,399</u>	<u>6,128,399</u>	-
Fund Balance, September 30, 2015	<u>\$ 6,188,942</u>	<u>\$ 6,188,942</u>	<u>\$ 6,080,301</u>	<u>\$ (108,641)</u>

CITY OF BRYAN, TEXAS

Grant Fund

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

For the Fiscal Year Ended September 30, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Grant - Federal	\$ -	\$ -	\$ 126,180	\$ 126,180
Grant - State	-	-	6,000	6,000
Grant - Other	-	-	-	-
Investment earnings	-	-	82	82
Total revenues	-	-	132,262	132,262
Expenditures:				
Current:				
Public safety	-	-	126,223	(126,223)
Cultural and recreational	-	-	9,116	(9,116)
Total expenditures	-	-	135,339	(135,339)
Excess of expenditures over revenues	-	-	(3,077)	(3,077)
Net change in fund balance	-	-	(3,077)	(3,077)
Fund balance, October 1, 2014	14,500	14,500	14,500	-
Fund balance, September 30, 2015	<u>\$ 14,500</u>	<u>\$ 14,500</u>	<u>\$ 11,423</u>	<u>\$ (3,077)</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, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Grants	\$ 2,231,914	\$ 2,231,914	\$ 1,353,433	\$ (878,481)
Other	66,000	66,000	85,958	19,958
Total revenues	<u>2,297,914</u>	<u>2,297,914</u>	<u>1,439,391</u>	<u>(858,523)</u>
Expenditures:				
Current:				
Development services	2,297,914	2,297,914	1,427,193	870,721
Total expenditures	<u>2,297,914</u>	<u>2,297,914</u>	<u>1,427,193</u>	<u>870,721</u>
Net change in fund balance	-	-	12,198	12,198
Fund balance, October 1, 2014	(21,552)	(21,552)	(21,552)	-
Fund balance, September 30, 2015	<u>\$ (21,552)</u>	<u>\$ (21,552)</u>	<u>\$ (9,354)</u>	<u>\$ 12,198</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, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Occupancy taxes	\$ 1,197,000	\$ 1,197,000	\$ 1,286,072	\$ 89,072
Investment earnings	3,000	3,000	11,024	8,024
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,297,096</u>	<u>97,096</u>
Expenditures:				
Current:				
Cultural and recreational	731,847	731,847	635,760	96,087
Total expenditures	<u>731,847</u>	<u>731,847</u>	<u>635,760</u>	<u>96,087</u>
Other financing uses:				
Transfers out	-	-	-	-
Net change in fund balance	468,153	468,153	661,336	193,183
Fund balance, October 1, 2014	<u>1,122,712</u>	<u>1,122,712</u>	<u>1,122,712</u>	-
Fund balance, September 30, 2015	<u>\$ 1,590,865</u>	<u>\$ 1,590,865</u>	<u>\$ 1,784,048</u>	<u>\$ 193,183</u>

CITY OF BRYAN, TEXAS

Sidewalks Fund

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

For the Fiscal Year Ended September 30, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment earnings	\$ -	\$ -	\$ 568	\$ 568
Total revenues	-	-	568	568
Net change in fund balance	-	-	568	568
Fund balances, October 1, 2014	1,240	1,240	1,240	-
Fund balances, September 30, 2015	<u>\$ 1,240</u>	<u>\$ 1,240</u>	<u>\$ 1,808</u>	<u>\$ 568</u>

CITY OF BRYAN, TEXAS

Court Technology Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Fiscal Year Ended September 30, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Technology fee	\$ 45,000	\$ 45,000	\$ 39,362	\$ (5,638)
Investment earnings - Interest income	1,100	1,100	1,690	590
Total revenues	46,100	46,100	41,052	(5,048)
Expenditures:				
Current:				
Public safety	65,746	65,746	56,643	9,103
Total expenditures	65,746	65,746	56,643	9,103
Net change in fund balance	(19,646)	(19,646)	(15,591)	4,055
Fund balance, October 1, 2014	259,748	259,748	259,748	-
Fund balance, September 30, 2015	\$ 240,102	\$ 240,102	\$ 244,157	\$ 4,055

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, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Transportation assessments	\$ 5,383,625	\$ 5,383,625	\$ 5,616,072	\$ 232,447
Investment earnings	38,000	38,000	98,396	60,396
Total revenues	<u>5,421,625</u>	<u>5,421,625</u>	<u>5,714,468</u>	<u>292,843</u>
Expenditures:				
Current:				
Public works services	10,370,274	14,591,738	6,770,143	7,821,595
Capital outlay	147,500	147,500	-	147,500
Total expenditures	<u>10,517,774</u>	<u>14,739,238</u>	<u>6,770,143</u>	<u>7,969,095</u>
Excess (deficiency) of revenues over (under) expenditures	(5,096,149)	(9,317,613)	(1,055,675)	8,261,938
Other financing sources (uses)				
Transfers out	(205,021)	(205,021)	(205,021)	-
Total other financing sources (uses)	<u>(205,021)</u>	<u>(205,021)</u>	<u>(205,021)</u>	<u>-</u>
Net change in fund balance	(5,301,170)	(9,522,634)	(1,260,696)	8,261,938
Fund balance, October 1, 2014	13,648,319	13,648,319	13,648,319	-
Fund balance, September 30, 2015	<u>\$ 8,347,149</u>	<u>\$ 4,125,685</u>	<u>\$ 12,387,623</u>	<u>\$ 8,261,938</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, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Drainage assessments	\$ 900,000	\$ 900,000	\$ 937,104	\$ 37,104
Investment earnings	3,700	3,700	16,161	12,461
Total revenues	903,700	903,700	953,265	49,565
Expenditures:				
Current:				
Public works services	861,501	953,654	216,073	737,581
Capital outlay	720,000	720,000	265,732	454,268
Total expenditures	1,581,501	1,673,654	481,805	737,581
Excess (deficiencies) of revenues over (under) expenditures	(677,801)	(769,954)	471,460	1,241,414
Other financing uses:				
Transfers out	-	-	-	-
Net change in fund balance	(677,801)	(769,954)	471,460	1,241,414
Fund balance, October 1, 2014	1,893,490	1,893,490	1,893,490	-
Fund balance, September 30, 2015	\$ 1,215,689	\$ 1,123,536	\$ 2,364,950	\$ 1,241,414

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, 2015**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 1,855,261	\$ 1,855,261	\$ 1,874,046	\$ 18,785
Investment earnings	717	717	4,376	3,659
Other	-	-	-	-
Total revenues	<u>1,855,978</u>	<u>1,855,978</u>	<u>1,878,422</u>	<u>22,444</u>
Expenditures:				
Current:				
General government and administration	-	-	-	-
Development services	25,000	25,000	25,000	-
Capital outlay	300,000	300,000	300,000	-
Total expenditures	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	<u>-</u>
Excess of revenues over expenditures	1,530,978	1,530,978	1,553,422	22,444
Other financing sources (uses):				
Transfers in	300,000	300,000	300,000	-
Transfers out	(1,690,815)	(1,690,815)	(1,690,815)	-
Total other financing sources (uses)	<u>(1,390,815)</u>	<u>(1,390,815)</u>	<u>(1,390,815)</u>	<u>-</u>
Net change in fund balance	140,163	140,163	162,607	22,444
Fund balance, October 1, 2014	18,841	18,841	18,841	-
Fund balance, September 30, 2015	<u>\$ 159,004</u>	<u>\$ 159,004</u>	<u>\$ 181,448</u>	<u>\$ 22,444</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, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 127,013	\$ 127,013	\$ 126,601	\$ (412)
Investment earnings	338	338	450	112
Other	-	-	-	-
Total revenues	<u>127,351</u>	<u>127,351</u>	<u>127,051</u>	<u>(300)</u>
Excess of revenues over expenditures	127,351	127,351	127,051	(300)
Other financing sources (uses)				
Transfers in	-	-	55,000	55,000
Transfers out	(76,250)	(137,347)	(139,745)	(2,398)
Total other financing sources (uses)	<u>(76,250)</u>	<u>(137,347)</u>	<u>(84,745)</u>	<u>52,602</u>
Net change in fund balance	51,101	(9,996)	42,306	52,302
Fund balance, October 1, 2014	<u>7,346</u>	<u>7,346</u>	<u>7,346</u>	-
Fund balance, September 30, 2015	<u>\$ 58,447</u>	<u>\$ (2,650)</u>	<u>\$ 49,652</u>	<u>\$ 52,302</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, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 99,294	\$ 99,294	\$ 98,213	\$ (1,081)
Investment earnings	603	603	2,073	1,470
Total revenues	<u>99,897</u>	<u>99,897</u>	<u>100,286</u>	<u>389</u>
Expenditures:				
Current:				
General government and administration	-	-	-	-
Development services	200,000	200,000	88,450	111,550
Capital outlay	-	-	-	-
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>88,450</u>	<u>111,550</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(100,103)</u>	<u>(100,103)</u>	<u>11,836</u>	<u>(111,161)</u>
Net change in fund balance	(100,103)	(100,103)	11,836	(111,161)
Fund balances, October 1, 2014	<u>250,755</u>	<u>250,755</u>	<u>250,755</u>	-
Fund balances, September 30, 2015	<u>\$ 150,652</u>	<u>\$ 150,652</u>	<u>\$ 262,591</u>	<u>\$ 111,939</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, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 330,823	\$ 330,823	\$ 511,415	\$ 180,592
Investment earnings	-	-	1,177	1,177
Other	-	-	-	-
Total revenues	<u>330,823</u>	<u>330,823</u>	<u>512,592</u>	<u>181,769</u>
Expenditures:				
Current:				
Development services	25,000	25,000	25,000	-
Capital outlay	-	-	-	-
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Excess of revenues over expenditures	305,823	305,823	487,592	181,769
Other financing sources (uses):				
Transfers in	50,000	50,000	50,000	-
Bond proceeds	-	-	-	-
Transfers out	(470,179)	(470,179)	(487,513)	(17,334)
Total other financing sources (uses)	<u>(420,179)</u>	<u>(420,179)</u>	<u>(437,513)</u>	<u>(17,334)</u>
Net change in fund balance	(114,356)	(114,356)	50,079	164,435
Fund balances, October 1, 2014	162,774	162,774	162,774	-
Fund balances, September 30, 2015	<u>\$ 48,418</u>	<u>\$ 48,418</u>	<u>\$ 212,853</u>	<u>\$ 164,435</u>



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COMBINING FINANCIAL STATEMENTS

NONMAJOR ENTERPRISE FUNDS

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

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

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

CITY OF BRYAN, TEXAS

Combining Statement of Net Position
Nonmajor Enterprise Funds
As of September 30, 2015

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 3,677,448	\$ 228,978	\$ 349,523	\$ 4,255,949
Investments	1,203,424	74,866	114,380	1,392,670
Accounts receivable	589,281	21,439	-	610,720
Less allowance for uncollectible	(90,532)	-	-	(90,532)
Interest receivable	2,419	147	230	2,796
Inventories	-	15,766	-	15,766
Due from other funds	224,989	-	-	224,989
Restricted Cash and Cash Equiv		397		397
Total current assets	5,607,029	341,593	464,133	6,412,755
Noncurrent assets:				
Restricted assets:				
Investment in BVSWMA	13,588,808	-	-	13,588,808
Capital assets:				
Land	-	654,670	8,964,013	9,618,683
Buildings	81,401	1,171,993	-	1,253,394
Equipment	7,842,694	14,008	-	7,856,702
Improvements other than buildings	349,562	3,356,674	-	3,706,236
Construction in progress	-	81,324	-	81,324
Less accumulated depreciation	(5,084,019)	(2,900,276)	-	(7,984,295)
Total capital assets (net of accumulated depreciation)	3,189,638	2,378,393	8,964,013	14,532,044
Total noncurrent assets	16,778,446	2,378,393	8,964,013	28,120,852
Total assets	\$ 22,385,475	\$ 2,719,986	\$ 9,428,146	\$ 34,533,607
Deferred outflows				
Pensions	\$ 277,933	\$ 12,581		\$ 290,514
Total deferred outflows	\$ 277,933	\$ 12,581	-	\$ 290,514

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 135,647	\$ 13,427	\$ -	\$ 149,074
Accrued liabilities	192,302	7,032	-	199,334
Accrued interest	-	83	-	83
Accrued vacation and sick pay	58,603	919	-	59,522
Current liabilities payable from restricted assets:				
Customer deposits	-	10,180	-	10,180
General obligation bonds - current portion	-	3,187	-	3,187
Total current liabilities	386,552	34,828	-	421,380
Noncurrent liabilities:				
General obligation bonds	-	22,017	-	22,017
Notes	-	-	-	-
Accrued vacation and sick pay	124,530	1,952	-	126,482
Other post employee benefit	148,552	6,190	-	154,742
Net pension obligation	1,334,459	43,481	-	1,377,940
Total noncurrent liabilities	1,607,541	73,640	-	1,681,181
Total liabilities	1,994,093	108,468	-	2,102,561
<u>Deferred Inflows</u>				
Pensions	49,244	2,229	-	51,473
Total deferred inflows	49,244	2,229	-	51,473
<u>Net Position</u>				
Net investment in capital assets	3,189,638	2,353,189	8,964,013	14,506,840
Restricted for BVSWMMA	13,588,808	-	-	13,588,808
Unrestricted	3,841,625	268,681	464,133	4,574,439
Total net position	\$ 20,620,071	\$ 2,621,870	\$ 9,428,146	\$ 32,670,087

CITY OF BRYAN, TEXAS

Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2015

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
Operating revenues:				
Other	\$ 7,666,092	\$ 522,881	\$ 2,467,258	\$ 10,656,231
Total operating revenues	<u>7,666,092</u>	<u>522,881</u>	<u>2,467,258</u>	<u>10,656,231</u>
Operating expenses:				
Personnel services	2,583,852	116,256	-	2,700,108
Maintenance	406,942	15,936	-	422,878
Other services and charges	1,668,847	69,033	55,766	1,793,646
Other expenses	538,440	267,507	-	805,947
General and administrative	1,035,769	70,468	-	1,106,237
Total operating expenses	<u>6,233,850</u>	<u>539,200</u>	<u>55,766</u>	<u>6,828,816</u>
before depreciation	<u>1,432,242</u>	<u>(16,319)</u>	<u>2,411,492</u>	<u>3,827,415</u>
Operating income (loss) before depreciation	<u>771,498</u>	<u>190,440</u>	<u>-</u>	<u>961,938</u>
Depreciation	<u>660,744</u>	<u>(206,759)</u>	<u>2,411,492</u>	<u>2,865,477</u>
Operating income (loss)				
Nonoperating revenues (expenses):				
Investment earnings	35,119	1,712	2,714	39,545
Interest expense	-	(1,370)	-	(1,370)
Grants	-	54,541	-	54,541
Distributive share of BVSWMA net income	679,322	-	-	679,322
Other - net	428,530	-	-	428,530
Total nonoperating revenues (expenses)	<u>1,142,971</u>	<u>54,883</u>	<u>2,714</u>	<u>1,200,568</u>
Income (loss) before contributions and transfers	1,803,715	(151,876)	2,414,206	4,066,045
Transfers in	97,843	118,536	-	216,379
Transfers out	(415,210)	-	(1,959,796)	(2,375,006)
Change in net position	<u>1,486,348</u>	<u>(33,340)</u>	<u>454,410</u>	<u>1,907,418</u>
Net position, October 1, 2014, as restated	19,133,723	2,655,210	8,973,736	30,762,669
Net position, September 30, 2015	<u>\$ 20,620,071</u>	<u>\$ 2,621,870</u>	<u>\$ 9,428,146</u>	<u>\$ 32,670,087</u>

CITY OF BRYAN, TEXAS

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2015

	Solid Waste Fund	Bryan Airport Fund	Bryan Commerce & Development	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 7,647,891	\$ 518,560	\$ 2,467,258	\$ 10,633,709
Payments to suppliers	(3,161,740)	(426,759)	(55,766)	(3,644,265)
Payments to employees	(2,568,209)	(122,874)	-	(2,691,083)
Receipts for miscellaneous revenues	413,750	-	-	413,750
Payments for interfund services used	(475,342)	-	-	(475,342)
Net cash provided (used) by operating activities	1,856,350	(31,073)	2,411,492	4,236,769
Cash flows from noncapital financing activities:				
Transfers in	97,843	118,536	-	216,379
Transfers out	(415,210)	-	(1,959,796)	(2,375,006)
Net cash provided (used) by noncapital financing activities	(317,367)	118,536	(1,959,796)	(2,158,627)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,229,592)	(100,441)	-	(1,330,033)
Grants	-	54,541	-	54,541
Principal paid on certificates of obligation	-	(2,477)	-	(2,477)
Interest paid on bonds, contractual obligations, and notes	-	(710)	-	(710)
Net cash provided (used) by capital and related financing activities	(1,229,592)	(49,087)	-	(1,278,679)
Cash flows from investing activities:				
Purchase of investment securities	(427,537)	(29,549)	(112,705)	(569,791)
Sale of investment securities	213,994	12,194	447	226,635
Interest on investments	35,119	1,712	2,486	39,317
Net cash provided (used) by investing activities	(178,424)	(15,643)	(109,772)	(303,839)
Net increase in cash and cash equivalents	130,967	22,733	341,924	495,624
Cash and cash equivalents, October 1, 2014	3,546,481	206,245	7,599	3,760,325
Cash and cash equivalents, September 30, 2015	\$ 3,677,448	\$ 228,978	\$ 349,523	\$ 4,255,949

CITY OF BRYAN, TEXAS

Combining Statement of Cash Flows (continued)

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2015

	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)	\$ 660,744	\$ (206,759)	\$ 2,411,492	\$ 2,865,477
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation and amortization	771,498	190,440	-	961,938
Receipts for miscellaneous revenues	413,750	-	-	413,750
Change in assets and liabilities:				
Change in accounts receivable	(2,107)	(3,061)	-	(5,168)
Change in inventory	-	(1,164)	-	(1,164)
Change in prepaid assets	468	2,436	-	2,904
Change in due from other funds	(30,874)			(30,874)
Change in accounts payable	11,150	(4,341)	-	6,809
Change in accrued liabilities	19,915	(367)	-	19,548
Change in customer deposits	-	(95)	-	(95)
Change in due to other funds	-	-	-	-
Change in OPEB and NPO	(15,312)	(10,018)	-	(25,330)
Change in accrued vacation and sick pay	27,118	1,856	-	28,974
Net cash provided (used) by operating activities	\$ 1,856,350	\$ (31,073)	\$ 2,411,492	\$ 4,236,769

Noncash investing, capital and financing activities

During this past year, the Enterprise Funds investment in BVSWMA increased \$679,322 as a result of their operations.

COMBINING FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

Warehouse Fund – To account for the operation of the City’s warehouse function (excluding electric inventory).

Insurance Fund – To account for funds accumulated by the City to cover general liability and workers’ compensation claims and associated administrative expenses.

Employee Benefit Trust Fund – To account for the administration of health insurance for City employees. Resources are contributed by the City for employee health coverage and by the employee for optional dependent coverage.

CITY OF BRYAN, TEXAS

Internal Service Funds

Combining Statement of Net Position

As of September 30, 2015

	<u>Assets</u>			
	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Total
<u>Current assets:</u>				
Cash and cash equivalents	\$ -	\$ 1,496,391	\$ 2,422,211	\$ 3,918,602
Investments	-	465,141	792,655	1,257,796
Accounts receivable	-	19,972	41,868	61,840
Interest receivable	-	935	1,594	2,529
Inventories	206,131	-	-	206,131
Due from other funds	60	16,346	78,954	95,360
Total current assets	206,191	1,998,785	3,337,282	5,542,258
<u>Noncurrent assets:</u>				
Capital assets:				
Buildings	-	23,420	-	23,420
Equipment	27,390	87,063	-	114,453
Improvements other than buildings	159,086	29,572	-	188,658
Less accumulated depreciation	(78,644)	(120,344)	-	(198,988)
Total capital assets (net of accumulated depreciation)	107,832	19,711	-	127,543
Total assets	\$ 314,023	\$ 2,018,496	\$ 3,337,282	\$ 5,669,801
<u>Liabilities</u>				
<u>Current liabilities:</u>				
Accounts payable	\$ 2,312	\$ 13,379	\$ 262,161	\$ 277,852
Claims payable	-	769,321	995,718	1,765,039
Due to other funds	36,776	-	-	36,776
Accrued liabilities	11,235	25,151	-	36,386
Accrued vacation and sick pay	7,623	36,212	-	43,835
Total current liabilities	57,946	844,063	1,257,879	2,159,888
<u>Noncurrent liabilities:</u>				
Claims payable	-	986,147	-	986,147
Accrued liabilities	-	-	2,082,820	2,082,820
Accrued vacation and sick pay	3,587	17,041	-	20,628
Total noncurrent liabilities	3,587	1,003,188	2,082,820	3,089,595
Total liabilities	61,533	1,847,251	3,340,699	5,249,483
<u>Net Position</u>				
Net investment in capital assets	107,832	19,711	-	127,543
Unrestricted	144,658	151,534	(3,417)	292,775
Total net position	\$ 252,490	\$ 171,245	\$ (3,417)	\$ 420,318

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, 2015

	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Total
Operating revenues:				
Intragovernmental	\$ 208,488	\$ 1,948,973	\$ 6,375,783	\$ 8,533,244
Other	296	33,666	2,589,766	2,623,728
Total operating revenues	<u>208,784</u>	<u>1,982,639</u>	<u>8,965,549</u>	<u>11,156,972</u>
Operating expenses:				
Personnel services	207,337	447,887	-	655,224
Maintenance	2,018	611	-	2,629
Claims	-	1,030,151	7,910,931	8,941,082
Other services and charges	90,733	826,154	1,996,358	2,913,245
Other expenses	11,852	19,007	-	30,859
Total operating expenses before depreciation	<u>311,940</u>	<u>2,323,810</u>	<u>9,907,289</u>	<u>12,543,039</u>
Operating loss before depreciation	<u>(103,156)</u>	<u>(341,171)</u>	<u>(941,740)</u>	<u>(1,386,067)</u>
Depreciation	8,671	2,650	-	11,321
Operating loss	<u>(111,827)</u>	<u>(343,821)</u>	<u>(941,740)</u>	<u>(1,397,388)</u>
Nonoperating revenues:				
Investment earnings	103	13,714	22,787	36,604
Other	-	208,309	391,573	599,882
Total nonoperating revenues	<u>103</u>	<u>222,023</u>	<u>414,360</u>	<u>636,486</u>
Loss before transfers	<u>(111,724)</u>	<u>(121,798)</u>	<u>-</u>	<u>(760,902)</u>
Transfers in	-	-	150,000	150,000
Transfers out	-	(150,000)	-	(150,000)
Change in net position	<u>(111,724)</u>	<u>(271,798)</u>	<u>(377,380)</u>	<u>(760,902)</u>
Net position, October 1, 2014	<u>364,214</u>	<u>443,043</u>	<u>373,963</u>	<u>1,181,220</u>
Net position, September 30, 2015	<u>\$ 252,490</u>	<u>\$ 171,245</u>	<u>\$ (3,417)</u>	<u>\$ 420,318</u>

CITY OF BRYAN, TEXAS

Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2015

	Warehouse Fund	Insurance Fund	Employee Benefit Trust Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 1,643,466	\$ 33,666	\$ 2,595,430	\$ 4,272,562
Receipts for interfund services provided	136,825	1,958,336	6,333,206	8,428,367
Payments to suppliers	(1,584,806)	(1,902,365)	(9,587,951)	(13,075,122)
Payments to employees	(204,059)	(450,815)	-	(654,874)
Receipts for miscellaneous revenues	-	208,309	391,048	599,357
Net cash (used) by operating activities	<u>(8,574)</u>	<u>(152,869)</u>	<u>(268,267)</u>	<u>(429,710)</u>
Cash flows from noncapital financing activities:				
Transfers in	-	-	150,000	150,000
Transfers out	-	(150,000)	-	(150,000)
Net cash used by noncapital activities	<u>-</u>	<u>(150,000)</u>	<u>150,000</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(60,666)	-	-	(60,666)
Net cash used by capital and related financing activities	<u>(60,666)</u>	<u>-</u>	<u>-</u>	<u>(60,666)</u>
Cash flows from investing activities:				
Purchase of investment securities	-	(165,588)	(282,184)	(447,772)
Sale of investment securities	15,082	175,265	211,896	402,243
Interest on investments	125	13,482	22,787	36,394
Net cash provided by investing activities	<u>15,207</u>	<u>23,159</u>	<u>(47,501)</u>	<u>(9,135)</u>
Net increase (decrease) in cash and cash equivalents	(54,033)	(279,710)	(165,768)	(499,511)
Cash and cash equivalents, October 1, 2014	<u>54,033</u>	<u>1,776,101</u>	<u>2,587,979</u>	<u>4,418,113</u>
Cash and cash equivalents, September 30, 2015	<u>\$ -</u>	<u>\$ 1,496,391</u>	<u>\$ 2,422,211</u>	<u>\$ 3,918,602</u>
Operating (loss)				
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:	\$ (111,827)	\$ (343,821)	\$ (941,740)	(1,397,388)
Depreciation	8,671	2,650	-	11,321
Nonoperating revenue	-	208,309	391,573	599,882
Change in assets and liabilities:				
Change in accounts receivable	-	20,390	5,664	26,054
Change in inventory	75,427	-	-	75,427
Change in due from other funds	(65)	(11,027)	(42,577)	(53,669)
Change in prepaid assets	-	1,705	-	1,705
Change in accounts payable	(20,834)	(20,271)	50,592	9,487
Change in accrued liabilities	244	2,302	131,666	134,212
Change in due to other funds	36,776	-	-	36,776
Change in claims payable	-	(7,876)	136,555	128,679
Change in vacation and sick pay	3,034	(5,230)	-	(2,196)
Net cash (used) by operating activities	<u>\$ (8,574)</u>	<u>\$ (152,869)</u>	<u>\$ (268,267)</u>	<u>\$ (429,710)</u>

AGENCY FUND

Payroll Fund – To account for the City’s payroll funds. Employee wages, associated employment taxes and employee benefits are paid from the fund. This fund is excluded from the government-wide statement of net assets and statement of activities since the assets are not available to support the City’s own programs.

CITY OF BRYAN, TEXAS
Schedule of Changes in Assets and Liabilities - Agency Fund
Payroll Fund
For the Fiscal Year Ended September 30, 2015

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
<u>Assets</u>				
Cash and cash equivalents	\$ 1,053,440	\$ 64,808,991	\$ 64,858,274	\$ 1,004,157
Accounts Receivable	87,878	1,511,761	1,402,895	196,744
Total assets	\$ 1,141,318	\$ 66,320,752	\$ 66,261,169	\$ 1,200,901
<u>Liabilities</u>				
Benefits and employment taxes payable	\$ 1,141,318	\$ 30,929,399	30,988,981	\$ 1,200,901

CAPITAL ASSETS

USED IN THE OPERATION

OF GOVERNMENTAL FUNDS

CITY OF BRYAN, TEXAS

Capital Assets Used in the Operation of Governmental Funds

Comparative Schedules by Source

September 30, 2015 and 2014

	2015	2014
Governmental funds capital assets:		
Land	\$ 11,591,736	\$ 11,591,736
Buildings	38,760,125	42,811,914
Improvements other than buildings	32,009,793	31,781,678
Equipment	31,799,727	30,350,944
Infrastructure	186,160,966	180,812,706
Construction in Progress	4,091,755	5,247,939
	<u>\$ 304,414,102</u>	<u>\$ 302,596,917</u>
Investments in governmental funds capital assets by source:		
General Fund	\$ 82,937,777	\$ 83,923,466
Special Revenue Funds	8,126,350	8,126,350
Private Contributions	41,060,677	39,011,598
General Obligation bonds	42,229,659	42,229,658
Grants	6,611,770	6,611,770
Certificates of Obligation	123,447,869	122,694,075
	<u>\$ 304,414,102</u>	<u>\$ 302,596,917</u>

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

CITY OF BRYAN, TEXAS

Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Fiscal Year Ended September 30, 2015

Function and Activity	Governmental Funds Capital Assets October 1, 2014	Reclassifications	Additions	Deductions	Governmental Funds Capital Assets September 30, 2015
General Government:					
Executive	\$ 16,817,323	\$ -	\$ 3,500	\$ 4,289,944	\$ 12,530,879
City Secretary	264,858	-	-	-	264,858
Legal services	41,126	-	-	-	41,126
Fiscal services	324,712	-	-	11,208	313,504
Computer services	8,363,847	-	393,225	-	8,757,072
Purchasing services	1,773,249	-	10,915	-	1,784,164
Human resources	44,862	-	-	-	44,862
Facility services	3,323,226	-	197,022	88,927	3,431,321
Fleet services	70,619	-	-	-	70,619
Total general government	<u>31,023,822</u>	<u>-</u>	<u>604,662</u>	<u>4,390,079</u>	<u>27,238,405</u>
Development services:					
Administration	581,283	-	48,169	21,800	607,652
Planning	70,070	-	-	-	70,070
Engineering	206,491	-	-	19,685	186,806
Inspections	119,143	-	-	13,986	105,157
Community Development	5,360,216	-	-	-	5,360,216
TIF infrastructure	10,283,177	-	300,000	-	10,583,177
Total development services	<u>16,620,380</u>	<u>-</u>	<u>348,169</u>	<u>55,471</u>	<u>16,913,078</u>
Public works:					
Environmental services	28,567	-	-	-	28,567
Transportation services	179,725,654	-	5,048,260	-	184,773,914
Total public works	<u>179,754,221</u>	<u>-</u>	<u>5,048,260</u>	<u>-</u>	<u>184,802,481</u>
Public safety:					
Police services	25,079,931	-	792,237	247,735	25,624,433
Fire and emergency medical services	15,147,387	-	831,266	284,980	15,693,673
Municipal court	2,264,141	-	-	20,333	2,243,808
Animal Center	-	-	9,500	-	9,500
Total public safety	<u>42,491,459</u>	<u>-</u>	<u>1,633,003</u>	<u>553,048</u>	<u>43,571,414</u>
Cultural and recreational:					
Administration	143,955	-	-	1,532	142,423
Library services	4,469,258	-	129,161	-	4,598,419
Parks and recreation services	22,845,883	-	210,244	-	23,056,127
Total cultural and recreational	<u>27,459,096</u>	<u>-</u>	<u>339,405</u>	<u>1,532</u>	<u>27,796,969</u>
Construction in Progress - Unclassified	<u>5,247,939</u>	<u>-</u>	<u>1,851,749</u>	<u>3,007,933</u>	<u>4,091,755</u>
Total governmental funds capital assets	<u>\$ 302,596,917</u>	<u>\$ -</u>	<u>\$ 9,825,248</u>	<u>\$ 8,008,063</u>	<u>\$ 304,414,102</u>

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

CITY OF BRYAN, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
As of September 30, 2015

Function and Activity	Land		Buildings		Improvements Other Than Buildings		Machinery and Equipment		Infrastructure		Construction in Progress		Total
General Government:													
Executive	\$	2,138,903	\$	10,105,599	\$	-	\$	286,377	\$	-	\$	-	\$ 12,530,879
City Secretary		125,000		-		94,261		45,597		-		153,625	418,483
Legal services		-		-		41,126		-		-		-	41,126
Fiscal services		-		38,384		-		275,120		-		-	313,504
Computer services		-		60,768		33,279		8,663,025		-		-	8,757,072
Purchasing services		-		37,037		1,679,679		67,448		-		-	1,784,164
Human resources		-		-		9,991		34,871		-		-	44,862
Facility services		-		2,665,328		118,187		647,806		-		36,115	3,467,436
Fleet services		-		1,671		32,396		36,552		-		-	70,619
Total general government		2,263,903		12,908,787		2,008,919		10,056,796		-		189,740	27,428,145
Development services:													
Administration		35,156		1,260		-		571,236		-		-	607,652
Planning		-		29,062		-		41,008		-		-	70,070
Engineering		4,556		7,343		-		174,907		-		-	186,806
Inspections		-		-		-		105,157		-		-	105,157
Community Development		118,531		131,652		5,083,368		26,665		-		-	5,360,216
TIF infrastructure		81,902		-		58,450		-		10,442,825		-	10,583,177
Total development services		240,145		169,317		5,141,818		918,973		10,442,825		-	16,913,078
Public works:													
Environmental services		-		11,995		16,572		-		-		-	28,567
Transportation services		5,246,032		8,840		957,554		2,870,751		175,690,737		3,719,772	188,493,686
Total public works		5,246,032		20,835		974,126		2,870,751		175,690,737		3,719,772	188,522,253
Public safety:													
Animal Center		-		9,500		-		-		-		-	9,500
Police services		1,043,332		18,187,481		22,982		6,370,638		-		-	25,624,433
Fire and emergency medical services		-		6,345,530		12,780		9,335,363		-		-	15,693,673
Municipal court		1,819,216		-		106,675		317,917		-		-	2,243,808
Total public safety		2,862,548		24,542,511		142,437		16,023,918		-		-	43,571,414
Cultural and recreational:													
Administration		-		-		107,923		34,500		-		-	142,423
Library services		-		554,941		3,766,963		276,515		-		-	4,598,419
Parks and recreation services		979,108		563,734		19,867,607		1,618,274		27,404		182,243	23,238,370
Total cultural and recreational		979,108		1,118,675		23,742,493		1,929,289		27,404		182,243	27,979,212
Total governmental funds capital assets	\$	11,591,736	\$	38,760,125	\$	32,009,793	\$	31,799,727	\$	186,160,966	\$	4,091,755	\$ 304,414,102

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

STATISTICAL SECTION

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

Contents

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

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

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

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

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

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

Table 1

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 73,996,072	\$ 58,468,218	\$ 70,901,798	\$ 72,148,854	\$ 63,909,781	\$ 73,325,895	\$ 73,821,014	\$ 74,520,118	\$ 67,019,218	\$ 68,002,663
Restricted	2,363,876	27,981,851	23,344,871	23,432,166	30,938,682	24,782,392	24,404,041	18,624,433	23,068,934	22,972,793
Unrestricted	33,341,850	21,616,812	13,567,078	6,457,676	7,301,794	10,124,807	8,130,941	19,434,534	27,501,716	18,998,510
Total governmental activities net position	<u>\$ 109,701,798</u>	<u>\$ 108,066,881</u>	<u>\$ 107,813,747</u>	<u>\$ 102,038,696</u>	<u>\$ 102,150,257</u>	<u>\$ 108,233,094</u>	<u>\$ 106,355,996</u>	<u>\$ 112,579,085</u>	<u>\$ 117,589,868</u>	<u>\$ 109,973,966</u>
Business-type activities										
Net investment in capital assets ⁽¹⁾	\$ 205,120,101	\$ 211,649,393	\$ 219,334,434	\$ 232,484,352	\$ 241,866,068	\$ 252,740,085	\$ 248,552,828	\$ 263,550,484	\$ 269,168,669	\$ 281,007,278
Restricted	50,081,595	51,830,123	43,850,639	39,595,645	36,217,006	29,510,223	34,775,027	36,745,716	34,139,444	39,419,987
Unrestricted	52,644,050	60,752,417	74,031,100	79,737,961	75,781,601	78,497,386	85,730,247	74,740,740	82,220,018	73,915,223
Total Business-type activities net position	<u>\$ 307,845,746</u>	<u>\$ 324,231,933</u>	<u>\$ 337,216,173</u>	<u>\$ 351,817,958</u>	<u>\$ 353,864,675</u>	<u>\$ 360,747,694</u>	<u>\$ 369,058,102</u>	<u>\$ 375,036,940</u>	<u>\$ 385,528,131</u>	<u>\$ 394,342,488</u>
Primary government										
Net investment in capital assets ⁽¹⁾	\$ 279,116,173	\$ 270,117,611	\$ 290,236,232	\$ 304,633,206	\$ 305,775,849	\$ 326,065,980	\$ 322,373,842	\$ 338,070,602	\$ 336,187,887	\$ 349,009,941
Restricted	52,445,471	79,811,974	67,195,510	63,027,811	67,155,688	54,292,615	59,179,068	55,370,149	57,208,378	62,392,780
Unrestricted	85,985,900	82,369,229	87,598,178	86,195,637	83,083,395	88,622,193	93,861,188	94,175,274	109,721,734	92,913,733
Total primary government net position	<u>\$ 417,547,544</u>	<u>\$ 432,298,814</u>	<u>\$ 445,029,520</u>	<u>\$ 453,856,654</u>	<u>\$ 456,014,932</u>	<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>

Note: Restatement of FY14 Ending Net Position, Reference Note 1.

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

Table 2

Expenses		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006		
Governmental Activities:																				
General government and administration	\$	8,297,179	\$	9,236,358	\$	9,816,634	\$	14,552,308	\$	11,861,977	\$	11,694,539	\$	12,567,217	\$	12,725,727	\$	11,862,127	\$	9,775,235
Development services		5,462,407		4,340,747		4,704,351		4,488,613		5,514,292		5,451,223		4,946,473		5,324,990		5,265,275		5,403,697
Public works services		9,669,822	(1)	10,511,166		10,336,466		18,315,196		14,603,264		14,091,910		15,169,531		12,764,623		14,180,817		16,894,814
Public Safety		20,642,551		22,022,243		25,001,597		24,055,956		28,098,561		21,693,251		24,346,634		32,133,857		33,069,954		33,648,379
Cultural and Recreational		8,012,157		8,015,013		7,915,398		8,829,886		8,585,698		7,666,774		8,242,037		8,175,136		8,332,012		8,374,038
Interest on long-term debt		3,867,959		4,061,936		4,206,919		4,742,776		4,392,590		4,982,815		4,560,746		4,264,522		3,548,309		3,299,163
Total governmental activities expenses		55,952,075		58,187,463		61,981,365		74,984,735		73,056,382		65,580,512		69,832,638		75,388,855		76,258,494		77,395,326
Business-type activities:																				
Electric		170,643,465		135,258,317		151,358,522		140,629,222		132,804,674		142,323,465		133,361,843		157,381,300		170,664,649		171,705,349
Rural Electric		24,727,234		23,150,766		27,632,138		29,712,906		27,993,444		29,664,911		28,603,608		29,583,733		33,312,663		36,214,517
Water		8,196,725		8,222,608		9,801,729		9,290,685		10,380,604		10,868,241		11,202,934		9,974,403		9,761,250		9,841,218
Wastewater		8,930,397		8,956,833		13,429,973		11,002,685		9,880,856		10,658,709		10,966,690		9,848,759		10,272,703		9,935,489
Other		6,241,268		15,886,390		7,629,919		3,848,988		9,813,006		15,215,556		12,195,441		7,949,095		7,851,301		7,860,010
Total business-type activities expenses		218,739,089		191,474,914		209,852,281		194,484,486		190,872,584		208,730,882		196,330,516		214,737,290		231,862,566		235,556,583
Total primary government expenses	\$	274,691,164	\$	249,662,377	\$	271,833,646	\$	269,469,221	\$	263,928,966	\$	274,313,394	\$	266,163,154	\$	290,126,145	\$	308,121,060	\$	312,951,909
Program Revenues																				
Governmental activities:																				
General government and administration	\$	153,220	\$	143,397	\$	143,601	\$	137,148	\$	166,198	\$	147,025	\$	126,499	\$	269,503	\$	286,868	\$	337,174
Development services		523,492		722,130		614,615		587,732		572,570		492,175		592,784		565,539		668,583		625,106
Public safety		3,586,722		3,534,273		4,394,972		4,824,117		4,639,041		4,385,470		4,028,727		4,717,287		4,568,322		4,684,494
Cultural and recreational		1,280,685		1,270,134		1,464,608		1,912,083		1,634,222		1,355,274		1,581,416		2,051,721		1,304,457		1,279,525
Operating grants and contributions		2,720,818		2,386,129		2,819,267		2,382,961		2,640,566		2,607,994		2,732,746		2,840,902		2,490,517		2,769,647
Capital grants and contributions		2,463,210		3,430,598		2,650,099		3,528,100		4,476,022		2,657,466		3,232,203		1,891,869		1,661,849		2,049,078
Total governmental activities program revenues		10,728,147		11,486,661		12,087,162		13,372,141		14,128,619		11,645,404		12,294,375		12,336,821		10,980,596		11,745,024
Business-type activities:																				
Electric		181,408,666		141,061,065		153,872,437		147,926,009		134,670,691		151,634,735		145,990,914		157,857,718		183,923,241		184,252,089
Rural Electric		26,825,404		24,991,627		28,975,229		30,996,152		30,133,488		31,851,185		31,495,841		32,257,374		35,728,300		39,287,075
Water		10,832,129		9,385,539		10,944,038		12,216,438		11,529,217		12,879,376		12,879,376		12,390,019		11,678,692		12,390,019
Wastewater		11,384,558		11,357,398		11,586,181		12,017,013		12,369,599		13,112,105		13,072,233		12,429,017		12,496,697		12,883,147
Other Enterprise Funds		9,595,603		10,030,558		10,155,749		10,181,590		10,736,815		10,840,430		11,066,735		11,813,933		8,226,316		12,608,721
Operating grants and contributions		26,573		-		-		658,470		25,033		2,615,369		540,202		101,495		-		-
Capital grants and contributions		2,349,480		2,348,044		2,643,388		1,594,030		1,932,153		979,666		1,173,074		1,757,250		1,784,937		2,755,942
Total business-type activities program revenue		242,422,413		199,174,231		218,177,022		215,589,702		201,396,996		225,315,486		216,218,375		228,940,626		253,838,183		264,176,993
Total primary government program revenues	\$	253,150,560	\$	210,660,892	\$	230,264,184	\$	228,961,843	\$	215,525,615	\$	236,960,890	\$	228,512,750	\$	241,277,447	\$	264,818,779	\$	275,922,017
Net (expense)/revenue																				
Governmental activities	\$	(45,223,928)	\$	(46,700,802)	\$	(49,894,203)	\$	(61,612,594)	\$	(58,927,763)	\$	(53,935,108)	\$	(57,538,263)	\$	(63,052,034)	\$	(65,277,898)	\$	(65,650,302)
Business-type activities		23,683,324		7,699,317		8,324,741		21,105,216		10,524,412		16,584,604		19,887,859		14,203,333		21,975,617		28,620,410
Total primary government net expense	\$	(21,540,604)	\$	(39,001,485)	\$	(41,569,462)	\$	(40,507,378)	\$	(48,403,351)	\$	(37,350,504)	\$	(37,650,404)	\$	(48,848,701)	\$	(43,302,281)	\$	(37,029,892)

General Revenue and Other Changes in Net Position										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Property taxes	\$ 17,183,813	\$ 18,859,376	\$ 20,494,898	\$ 21,950,012	\$ 22,967,025	\$ 23,043,249	\$ 24,075,833	\$ 24,723,667	\$ 25,765,716	\$ 28,039,989
Sales taxes	13,381,722	13,491,560	14,532,775	14,140,838	14,608,410	14,301,017	14,814,931	15,984,919	17,882,449	17,788,430
Franchise taxes	2,049,517	1,920,990	2,012,872	2,000,294	2,071,337	2,062,766	1,963,381	2,108,521	2,380,787	2,191,346
Alcoholic beverage taxes	66,073	62,031	64,994	72,777	79,573	93,042	75,460	85,789	130,791	149,776
Bingo taxes	158,365	178,377	183,580	195,970	204,009	210,255	217,615	234,105	260,733	267,434
Hotel occupancy taxes	219,711	248,935	290,187	321,859	411,190	454,217	504,078	720,717	1,179,774	1,286,072
Transportation and drainage fees	4,004,370	4,008,249	4,133,458	4,343,987	6,125,574	6,179,135	6,324,068	6,302,953	6,398,465	6,553,176
Unrestricted investment earnings	3,861,870	4,278,208	2,379,105	1,084,060	578,261	251,107	278,636	206,083	290,514	523,146
Miscellaneous	3,075,731	2,731,866	3,039,288	1,886,157	2,298,503	2,538,373	1,433,639	6,154,005	3,541,748	3,512,707
Transfers(net)	(713,707)	(713,707)	2,509,912	9,841,589	9,691,442	10,884,784	5,973,524	12,754,364	12,138,907	14,789,653
Total governmental activities:	\$ 50,348,850	\$ 45,065,885	\$ 49,641,069	\$ 55,837,543	\$ 59,039,324	\$ 60,017,945	\$ 55,661,165	\$ 69,275,123	\$ 69,969,883	\$ 75,101,729
Business-type activities:										
Unrestricted investment earnings	4,673,940	7,299,354	6,761,997	3,062,620	992,215	719,221	(84,846)	969,402	611,791	1,032,154
Miscellaneous	125,245	673,809	407,414	275,538	221,532	463,978	1,375,263	2,689,384	2,484,255	3,240,871
Special items - Gain on sale of capital assets						-	(6,894,344)	871,080	2,493,174	505,000
Transfers(net)	(6,347,678)	713,707	(2,509,912)	(9,841,589)	(9,691,442)	(10,884,784)	(5,973,524)	(12,754,364)	(12,138,907)	(14,789,653)
Total business-type activities	(1,548,493)	8,686,870	4,659,499	(6,503,431)	(8,477,695)	(9,701,585)	(11,577,451)	(8,224,498)	(6,549,687)	(10,011,628)
Total primary government	\$ 48,800,357	\$ 53,752,755	\$ 54,300,568	\$ 49,334,112	\$ 50,561,629	\$ 50,316,360	\$ 44,083,714	\$ 61,050,625	\$ 63,420,196	\$ 65,090,101
Change in Net Position										
Governmental activities	\$ 5,124,922	\$ (1,634,917)	\$ (253,134)	\$ (5,775,051)	\$ 111,561	\$ 6,082,837	\$ (1,877,098)	\$ 6,223,089	\$ 4,691,986	\$ 9,451,427
Business-type activities	22,134,831	16,386,187	12,984,240	14,601,785	2,046,717	6,883,019	8,310,408	5,978,835	15,425,933	18,608,782
Total primary government	\$ 27,259,753	\$ 14,751,270	\$ 12,731,106	\$ 8,826,734	\$ 2,158,278	\$ 12,965,856	\$ 6,433,310	\$ 12,201,924	\$ 20,117,919	\$ 28,060,209

⁽¹⁾ Adjusted to include depreciation expense on infrastructure not previously reported.

⁽²⁾ Adjusted to reflect the transfer of assets from governmental activities to business-type activities.

Note: Restatement of FY14 Ending Net Position, Reference Note 1.

City of Bryan, Texas

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

Table 3

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Reserved	\$ 1,067,154	\$ 1,649,953	\$ 1,480,517	\$ 1,669,624	\$ 2,753,840	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	21,126,330	15,769,294	10,862,228	8,961,908	9,087,877	-	-	-	-	-
Nonspendable	-	-	-	-	-	21,206	241,366	75,907	59,572	109,393
Restricted	-	-	-	-	-	542,028	657,786	636,118	719,860	720,583
Committed	-	-	-	-	-	823,479	2,328,965	2,268,582	2,366,766	2,384,963
Assigned	-	-	-	-	-	460,921	193,524	974,951	503,799	1,531,754
Unassigned	-	-	-	-	-	11,362,664	12,721,175	18,505,338	24,529,175	30,621,712
Total general fund	<u>\$ 22,193,484</u>	<u>\$ 17,419,247</u>	<u>\$ 12,342,745</u>	<u>\$ 10,631,532</u>	<u>\$ 11,841,717</u>	<u>\$ 13,210,298</u>	<u>\$ 16,142,816</u>	<u>\$ 22,460,896</u>	<u>\$ 28,179,172</u>	<u>\$ 35,368,405</u>
All other governmental funds										
Reserved	\$ 42,760,815	\$ 25,931,013	\$ 21,458,433	\$ 22,061,912	\$ 27,804,909	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	7,421,286	11,345,972	7,122,854	7,048,799	6,560,002	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Permanent funds	834,770	907,750	963,342	995,329	1,011,046	-	-	-	-	-
Unreserved (deficit), reported in:										
Special revenue funds	(527,832) ⁽¹⁾	(2,546,969) ⁽³⁾	(957,906) ⁽⁴⁾	-	-	-	-	-	-	-
Capital projects funds	(5,334,147) ⁽²⁾	-	(676,984) ⁽⁵⁾	-	(870,667)	-	-	-	-	-
Nonspendable:										
Permanent funds and other	-	-	-	-	-	746,351	777,742	819,709	852,374	895,724
Restricted:										
Capital Project Funds	-	-	-	-	-	7,832,036	3,597,077	2,512,231	8,286,216	7,465,788
Debt Service Fund	-	-	-	-	-	6,219,331	5,945,264	5,876,433	6,128,399	6,080,301
Permanent Funds:										
Cemeteries	-	-	-	-	-	1,019,007	1,028,230	1,035,463	1,044,069	1,018,042
Libraries	-	-	-	-	-	3,599	3,664	3,711	3,768	3,858
Special Revenue Funds:										
Grants	-	-	-	-	-	4,348	10,863	24,180	14,500	11,423
Hotel/Motel	-	-	-	-	-	538,869	610,183	653,604	1,122,712	1,784,048
Municipal Court	-	-	-	-	-	261,573	287,722	296,395	259,748	244,157
TIRZ Development	-	-	-	-	-	3,364,672	3,036,268	552,909	439,715	706,544
Other Purposes	-	-	-	-	-	473	-	5,728	1,240	1,808
Committed:										
Streets	-	-	-	-	-	7,696,726	10,097,187	12,515,747	13,648,319	12,387,623
Drainage	-	-	-	-	-	1,032,851	702,807	1,164,532	1,893,491	2,364,950
Other Purposes	-	-	-	-	-	-	700	-	-	-
Unassigned:										
Special Revenue Funds	-	-	-	-	-	(9,964)	(104)	-	(21,552)	(9,354)
Total all other governmental funds	<u>\$ 45,154,892</u>	<u>\$ 35,637,766</u>	<u>\$ 27,909,739</u>	<u>\$ 30,106,040</u>	<u>\$ 34,505,290</u>	<u>\$ 28,709,872</u>	<u>\$ 26,097,603</u>	<u>\$ 25,460,642</u>	<u>\$ 33,672,999</u>	<u>\$ 32,954,912</u>
Total governmental funds	\$ 67,348,376	\$ 53,057,013	\$ 40,252,484	\$ 40,737,572	\$ 46,347,007	\$ 41,920,170	\$ 42,240,419	\$ 47,921,538	\$ 61,852,171	\$ 68,323,317

⁽¹⁾ Fiscal year 2007 revenue was offset the deficit fund balance in the Special Revenue funds.

⁽²⁾ The fiscal year 2006 deficit in the Capital Project funds was offset by the issuance of debt in fiscal year 2007.

⁽³⁾ The fiscal year 2007 deficit in the Special Revenue funds was offset by the 2007 bond issue.

⁽⁴⁾ The fiscal year 2008 deficit in the Special Revenue funds was offset by the 2007 and 2008 bond issues.

⁽⁵⁾ The fiscal year 2008 deficit in the Capital Project funds was offset by the issuance of debt in fiscal year 2009.

⁽⁶⁾ Classification of fund balance changed in 2011 due to GASB 54 requirements.

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

Table 4

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Property taxes	\$ 17,191,224	\$ 18,825,482	\$ 20,514,034	\$ 21,838,216	\$ 22,926,564	\$ 23,152,233	\$ 24,151,882	\$ 24,780,426	\$ 25,561,961	\$ 28,274,580
Sales taxes	13,381,722	13,491,560	14,532,775	14,140,838	14,608,410	14,301,017	14,814,931	15,984,919	17,882,449	17,788,430
Franchise taxes	2,049,517	1,920,990	2,012,872	2,000,294	2,071,337	2,062,766	1,963,381	2,108,521	2,380,787	2,191,346
Alcoholic beverage taxes	66,073	62,031	64,994	72,777	79,573	93,042	75,460	85,789	130,791	149,776
Bingo taxes	158,365	178,377	183,580	195,970	204,009	210,255	217,615	234,105	260,733	267,434
Hotel occupancy taxes	219,711	248,935	290,187	321,859	411,190	454,217	504,078	720,717	1,179,774	1,286,072
Transportation and drainage fees	4,004,370	4,008,249	4,133,458	4,343,987	6,129,574	6,179,135	6,324,068	6,302,953	6,398,465	6,553,176
Charges for services	3,245,843	3,036,971	4,046,022	5,087,265	4,528,548	3,946,937	3,846,149	5,199,125	4,394,267	4,538,814
Fines and court charges	1,746,575	1,910,833	1,957,159	1,786,083	1,910,913	1,940,832	1,890,493	1,839,386	1,765,380	1,762,379
Licenses and permits	551,701	722,130	614,615	587,732	572,570	492,175	592,784	565,539	668,583	625,106
Grants	2,896,957	2,921,129	2,819,267	2,847,291	3,155,205	4,026,214	2,979,350	2,851,631	2,490,518	2,769,647
Investment earnings	3,308,817	3,629,330	1,919,790	849,630	469,682	195,201	240,139	180,942	264,450	486,542
Oil and gas royalties	56,575	39,273	160,241	67,688	50,701	-	-	-	-	-
Other	2,937,216	2,638,978	2,858,270	1,798,072	2,214,159	2,475,134	1,423,481	3,500,662	4,055,739	2,117,264
Total revenues	51,814,666	53,634,268	56,107,264	55,937,702	59,332,435	59,529,158	59,023,811	64,354,714	67,433,897	68,810,566
Expenditures:										
Current:										
General government and administration	10,014,328	9,931,464	11,657,798	12,935,217	12,904,403	12,510,372	12,000,933	13,193,580	13,284,344	13,667,518
Development services	4,983,483	4,002,812	4,393,388	4,371,598	5,281,777	4,619,644	4,168,041	4,537,856	4,548,936	4,624,579
Public works services	6,278,000	6,284,553	6,422,048	9,217,923	9,872,213	7,598,470	7,577,027	6,271,155	7,701,249	10,468,227
Public safety	19,409,511	20,865,941	24,770,425	26,805,639	27,027,735	28,006,326	27,017,326	29,048,683	30,160,267	30,954,028
Cultural and recreational	6,311,086	6,784,658	6,758,416	7,033,174	6,928,973	6,016,407	6,441,801	6,898,826	7,080,030	7,206,362
Administrative reimbursement	(3,120,000)	(2,474,868)	(3,156,157)	(3,765,735)	(3,990,430)	(3,610,977)	(3,515,703)	(3,425,498)	(3,396,294)	(3,476,440)
Capital outlay	9,339,022	25,904,919	25,149,920	8,808,509	11,074,235	9,780,078	4,548,182	2,792,337	3,984,249	4,768,236
Arbitrage rebate	-	-	16,890	-	-	-	-	-	-	-
Debt Service:										
Bond and principal retirement	4,657,408	3,791,368	3,675,634	4,435,057	4,602,656	5,717,656	6,702,344	7,932,739	6,714,987	7,141,927
Interest and fiscal charges	3,394,080	3,874,186	3,991,540	4,401,185	4,392,941	4,903,129	4,445,497	4,197,126	3,352,210	3,367,234
Debt issuance cost	257,893	100,749	79,500	54,170	70,134	(25,000)	-	421,506	66,571	71,009
Advance refunding costs	184,551	-	-	-	95,768	-	-	-	-	-
Total expenditures	61,709,362	79,065,782	83,759,402	74,296,737	78,260,405	75,516,105	69,385,448	71,868,310	73,496,550	78,791,680
Excess of expenditures over revenues	(9,894,696)	(25,431,514)	(27,652,138)	(18,359,035)	(18,927,970)	(15,986,947)	(10,361,637)	(7,513,596)	(6,062,653)	(9,981,114)
Other financing sources (uses):										
Proceeds of long-term debt issued	15,295,000	12,000,000	11,090,000	8,730,000	13,790,000	-	-	-	7,760,021	-
Discount on long-term debt issued	-	(177,780)	-	-	-	-	-	-	-	-
Premium on long-term debt issued	-	-	-	79,084	77,859	-	-	-	-	-
Proceeds of refunding bonds issued	20,195,000	-	-	-	10,635,000	-	-	21,391,646	6,954,249	11,745,000
Payment to refunded bond escrow agent	(20,605,230)	-	-	-	(10,838,398)	-	-	(21,381,600)	(6,942,650)	(12,231,268)
Discount on refunding bonds	(186,406)	-	-	-	-	-	-	-	-	-
Premium on refunding bonds	588,916	-	-	-	250,488	-	-	417,193	57,981	557,141
Sales of capital assets	34,633	31,638	106,724	193,450	143,309	213,342	47,265	13,115	12,258	1,591,734
Transfers in	10,120,690	9,466,882	16,414,653	13,590,024	19,432,819	16,706,761	16,968,347	23,478,903	14,799,448	18,127,404
Transfers out	(3,773,012)	(10,180,589)	(12,763,768)	(3,748,435)	(8,953,672)	(5,359,993)	(6,333,726)	(10,724,542)	(2,660,541)	(3,337,751)
Total other financing sources	21,669,591	11,140,151	14,847,609	18,844,123	24,537,405	11,560,110	10,681,886	13,194,715	19,993,283	16,452,260
Net change in fund balances	\$ 11,774,895	\$ (14,291,363)	\$ (12,804,529)	\$ 485,088	\$ 5,609,435	\$ (4,426,837)	\$ 320,249	\$ 5,681,119	\$ 13,930,630	\$ 6,471,146
Debt service as a percentage of noncapital expenditures	15.37%	14.42%	13.08%	13.49%	13.39%	16.16%	17.19%	17.56%	14.48%	14.20%

City of Bryan, Texas
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(Accrual basis of accounting)

Table 5

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Bingo Tax	Hotel Occupancy Tax	Transportation & Drainage Assessments	Total
2006	\$ 17,183,813	\$ 13,381,722	\$ 2,049,517	\$ 66,073	\$ 158,365	\$ 219,711	\$ 4,004,370	\$ 37,063,571
2007	18,859,376	13,491,560	1,920,990	62,031	178,377	248,935	4,008,249	38,769,518
2008	20,494,898	14,532,775	2,012,872	64,994	183,580	290,187	4,133,458	41,712,764
2009	21,950,012	14,140,838	2,000,294	72,777	195,970	321,859	4,343,987	43,025,737
2010	22,967,025	14,608,410	2,071,337	79,573	204,009	411,190	6,129,574	46,471,118
2011	23,043,249	14,301,017	2,062,766	93,042	210,255	454,217	6,179,135	46,343,681
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
Change								
2006-2015	64.54%	32.93%	6.92%	126.68%	68.87%	485.35%	61.11%	65.59%

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					
2005	\$ 1,656,490,794	\$ 534,189,438	\$ 447,160,877	\$ 132,991,260	\$ 2,504,849,849	0.636400	\$ 2,504,849,849
2006	1,736,772,236	594,918,674	465,014,609	122,382,611	2,674,322,908	0.636400	2,674,322,908
2007	1,896,663,886	645,573,634	520,200,774	134,081,526	2,928,356,768	0.636400	2,928,356,768
2008	2,111,197,008	689,685,451	549,482,738	145,912,296	3,204,452,901	0.636400	3,204,452,901
2009	2,309,187,521	700,438,344	606,628,578	171,569,861	3,444,684,582	0.636400	3,444,684,582
2010	2,396,959,888	821,791,294	578,407,922	186,366,590	3,610,792,514	0.636400	3,610,792,514
2011	2,494,852,214	819,568,329	506,894,980	195,386,859	3,625,928,664	0.636400	3,625,928,664
2012	2,608,513,429	860,709,755	529,139,441	214,635,480	3,783,727,145	0.636400	3,783,727,145
2013	2,661,055,047	895,028,798	586,784,032	247,525,695	3,895,342,182	0.633308	3,895,342,182
2014	2,777,498,151	924,121,184	599,276,361	245,030,266	4,055,865,430	0.629990	4,055,865,430
2015	2,939,644,870	994,920,813	620,568,334	221,012,900	4,334,121,117	0.629990	4,334,121,117

Source: Brazos County Appraisal District

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

Table 7

Fiscal Year	Overlapping Rates												Total Direct & Overlapping Rates	
	City of Bryan ⁽¹⁾				Brazos County ⁽²⁾				Bryan Independent School District ⁽³⁾					
	Operating Millage	Debt Service Millage	Total City Millage	Total	Operating Millage	Debt Service Millage	Total County Millage	Total	Operating Millage	Debt Service Millage	Total BISD Millage			
2006	\$ 0.4545	\$ 0.1819	\$ 0.636400	\$ 0.636400	\$ 0.3949	\$ 0.0701	\$ 0.4650	\$ 1.6300	\$ 1.3700	\$ 0.2600	\$ 1.6300	\$ 0.636400	\$ 2.0950	\$ 2.7314
2007	0.4545	0.1819	0.636400	0.636400	0.3930	0.0620	0.4550	1.2900	1.0400	0.2500	1.2900	0.636400	1.7450	2.3814
2008	0.4702	0.1662	0.636400	0.636400	0.4030	0.0620	0.4650	1.2900	1.0400	0.2500	1.2900	0.636400	1.7550	2.3914
2009	0.4595	0.1769	0.636400	0.636400	0.3987	0.0813	0.4800	1.2900	1.0400	0.2500	1.2900	0.636400	1.7700	2.4064
2010	0.4595	0.1769	0.636400	0.636400	0.4012	0.0844	0.4856	1.2900	1.0400	0.2500	1.2900	0.636400	1.7756	2.4120
2011	0.4354	0.2010	0.636400	0.636400	0.4037	0.0813	0.4850	1.2900	1.0400	0.2500	1.2900	0.636400	1.7750	2.4114
2012	0.4406	0.1958	0.636400	0.636400	0.4037	0.0813	0.4850	1.2900	1.0400	0.2500	1.2900	0.636400	1.7750	2.4114
2013	0.4375	0.1958	0.633308	0.633308	0.4071	0.0779	0.4850	1.2900	1.0400	0.2500	1.2900	0.633308	1.7750	2.4083
2014	0.4341	0.1959	0.629990	0.629990	0.4168	0.0707	0.4875	1.2900	1.0400	0.2500	1.2900	0.629990	1.7775	2.4075
2015	0.4427	0.1873	0.629990	0.629990	0.4226	0.0624	0.4850	1.2900	1.0400	0.2500	1.2900	0.629990	1.7750	2.4050

⁽¹⁾ City of Bryan Budget Office

⁽²⁾ Brazos County

⁽³⁾ Bryan ISD

City of Bryan, Texas
Principal Property Taxpayers
As of December 31, 2015

Table 8

	2015				2006			
	Taxable Assessed			Rank	Taxable Assessed			Rank
	Value	Value	Percentage of Total Taxable Assessed		Value	Value	Percentage of Total Taxable Assessed	
Sanderson Farms Inc	\$ 43,371,328		1.00%	1				
Bryan Senior Investors	37,934,230		0.88%	2				
Jamespoint Management Co	31,169,675		0.72%	3				
Halcon Energy Properties Inc	24,825,521		0.57%	4				
SW Meadows Point LP	24,236,550		0.56%	5				
Wal-Mart Real Estate Business Trust	23,400,140		0.54%	6	21,015,025			4
KC Presidio Apartments LLC	22,150,515		0.51%	7				
Toyo Ink International Corp	21,155,300		0.49%	8				
Texas A&M University - Ground Lease	20,710,280		0.48%	9				
4050 Pendleton Ltd	20,367,686		0.47%	10				
Dowell Schlimberger Inc					33,901,144			1
Campus Lodge of Bryan LTD					24,635,940			2
Verizon Communications					22,511,060			3
Southwest Signature Park LP					17,540,120			5
Tejas Center, Ltd.					17,184,280			6
Adam Development Properties LP					14,912,770			7
GGE/G G Enterprises					14,614,770			8
Presidio Bryan Apts., L.P.					14,267,790			9
Brazos Valley Physicians Hospital					14,045,170			10
Totals	\$ 269,321,225		6.21%		\$ 194,628,069			7.28%

Source: Brazos County Appraisal District

City of Bryan, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
As of December 31, 2015

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
2006	\$ 17,019,389	\$ 16,662,978	97.91%	\$ 318,728	\$ 16,981,706	99.78%
2007	18,633,318	18,340,249	98.43%	243,932	18,584,181	99.74%
2008	20,432,087	20,021,117	97.99%	356,055	20,377,172	99.73%
2009	21,759,324	21,271,466	97.76%	425,609	21,697,075	99.71%
2010	22,802,844	22,314,031	97.86%	404,824	22,718,855	99.63%
2011	22,810,074	22,410,029	98.25%	294,634	22,704,663	99.54%
2012	23,800,130	23,386,311	98.26%	294,438	23,680,749	99.50%
2013	24,418,567	24,091,210	98.66%	124,150	24,215,360	99.17%
2014	25,299,027	24,931,688	98.55%	32,773	24,964,461	98.68%

City of Bryan, Texas
Top Ten Electric Customers
For Fiscal Year Ended September 30, 2015

Table 10

Customer	Type of Industry	Electric Usage kWh	Rank	Percentage of Top Ten Electric Users
Sanderson Farms Inc	Corporation	40,856,256	1	17.43%
BISD	Education	33,089,102	2	14.12%
St Joseph Hospital	Medical	32,553,003	3	13.89%
City of Bryan	Local Government	27,225,184	4	11.61%
B Way Corporation	Corporation	23,656,424	5	10.09%
TAMU	Education	22,935,050	6	9.78%
Wal-Mart Stores Inc	Corporation	14,604,734	7	6.23%
Wimberly Bldg Redevelopment	Corporation	13,235,040	8	5.65%
Blinn College	Education	13,175,523	9	5.62%
New Alenco Window Ltd	Manufacturing	13,081,748	10	5.58%
Total		234,412,064		100.00%

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

Table 11

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Electric										
Type of Customer										
Residential	\$ 340,485,000	\$ 327,396,000	\$ 352,307,000	\$ 347,764,000	\$ 368,227,000	\$ 385,921,000	\$ 365,255,000	\$ 356,559,000	\$ 370,812,000	\$ 384,732,000
Commercial and Industrial	425,574,000	418,474,000	449,843,000	443,745,000	459,371,000	482,341,000	486,908,000	506,994,000	522,896,000	573,631,000
Public Authorities ⁽¹⁾	29,506,000	27,442,000	31,234,000	36,080,000	35,679,000	36,412,000	35,429,000	4,462,000	-	-
Rural	289,158,000	292,087,000	322,095,000	332,879,000	355,849,000	376,858,000	379,278,000	375,671,000	419,250,000	435,206,000
Other Utilities	820,520,000	597,722,000	412,769,000	424,131,000	271,289,000	442,068,000	546,265,000	608,077,000	779,781,000	641,284,000
Interdepartmental	26,500,000	23,718,000	27,557,000	31,246,000	31,591,000	34,833,000	32,634,000	34,753,000	32,218,000	6,205,000
	<u>\$ 1,931,743,000</u>	<u>\$ 1,686,839,000</u>	<u>\$ 1,595,805,000</u>	<u>\$ 1,615,845,000</u>	<u>\$ 1,522,006,000</u>	<u>\$ 1,758,433,000</u>	<u>\$ 1,845,769,000</u>	<u>\$ 1,886,516,000</u>	<u>\$ 2,124,957,000</u>	<u>\$ 2,041,058,000</u>
Rural Electric										
Type of Customer										
Residential	\$ 195,183,000	\$ 196,074,000	\$ 208,258,000	\$ 211,585,000	\$ 242,057,000	\$ 249,574,000	\$ 236,568,000	\$ 244,371,000	\$ 272,149,000	\$ 280,441,000
Commercial and Industrial	83,731,000	79,691,000	91,880,000	95,303,000	95,123,000	108,507,000	103,231,000	108,457,000	113,691,000	124,966,000
	<u>\$ 278,914,000</u>	<u>\$ 275,765,000</u>	<u>\$ 300,138,000</u>	<u>\$ 306,888,000</u>	<u>\$ 337,180,000</u>	<u>\$ 358,081,000</u>	<u>\$ 339,799,000</u>	<u>\$ 352,828,000</u>	<u>\$ 385,840,000</u>	<u>\$ 405,407,000</u>

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

	2006				2007				2008				2009				2010			
	Customer Charge per Month	Demand per kW	Rate per kWh		Customer Charge per Month	Demand per kW	Rate per kWh		Customer Charge per Month	Demand per kW	Rate per kWh		Customer Charge per Month	Demand per kW	Rate per kWh		Customer Charge per Month	Demand per kW	Rate per kWh	
City Electric System																				
Residential Winter (Nov-Apr)	\$ 8.15	-	\$ 0.0800		\$ 8.15	\$ -	\$ 0.0752		\$ 8.15	\$ 8.15	\$ -	\$ 0.0902		\$ 8.15	\$ -	\$ 0.0782	\$ 8.15	\$ -	\$ 0.0782	
Residential Summer (May-Oct)	8.15	-	0.0900		8.15	-	0.0852		8.15	-	-	0.1002		8.15	-	0.0882	8.15	-	0.0882	
Small Commercial	9.83	-	0.0844		9.83	-	0.0792		9.83	-	-	0.0942		9.83	-	0.0822	9.83	-	0.0822	
General Service Commercial	20.00	6.35	0.0650		20.00	6.35	0.0590		20.00	6.35	6.35	0.0730		20.00	6.35	0.0620	20.00	6.35	0.0620	
Large Industrial	-	13.70	0.0453		-	11.70	0.0453		-	11.70	11.70	0.0603		-	11.70	0.0483	-	11.70	0.0483	
Bryan Public Schools	30.00	-	0.0915		30.00	-	0.0855		30.00	-	-	0.1005		30.00	-	0.0885	30.00	-	0.0885	
Interdepartmental	30.00	-	0.0931		30.00	-	0.0871		30.00	-	-	0.1021		30.00	-	0.0901	30.00	-	0.0901	
Rural Electric Division	-	7.13	0.0568		-	6.30	0.0530		-	6.30	6.30	0.0690		-	6.30	0.0560	-	6.30	0.0560	
Rural Electric System																				
Residential Winter (Nov-Apr)	8.15	-	0.0810		8.15	-	0.0761		8.15	-	-	0.0891		8.15	-	0.0766	8.15	-	0.0766	
Residential Summer (May-Oct)	8.15	-	0.0910		8.15	-	0.0861		8.15	-	-	0.1091		8.15	-	0.0866	8.15	-	0.0866	
Small Commercial	9.83	-	0.0890		9.83	-	0.0822		9.83	-	-	0.0952		9.83	-	0.0827	9.83	-	0.0827	
General Service Commercial	20.00	7.21	0.0658		20.00	7.21	0.0610		20.00	7.21	7.21	0.0740		20.00	7.21	0.0615	20.00	7.21	0.0615	
Public/Private Schools	30.00	-	0.0980		30.00	-	0.0920		30.00	-	-	0.1050		30.00	-	0.0925	30.00	-	0.0925	
City Electric System																				
Residential Winter (Nov-Apr)	\$ 8.15	\$ -	\$ 0.0782	\$ 8.88	\$ -	\$ 0.0786	\$ 10.28	\$ 0.0800	\$ 10.28	\$ -	\$ 0.0718	\$ 11.00	\$ 0.0718	\$ 11.00	\$ -	\$ 0.0704	\$ 11.00	\$ -	\$ 0.0704	
Residential Summer (May-Oct)	8.15	-	0.0882	8.88	-	0.0895	10.28	0.0926	10.28	-	0.0844	11.00	0.0844	11.00	-	0.0831	11.00	-	0.0831	
Small Commercial	9.83	-	0.0822	11.16	-	0.0848	13.82	0.0909	13.82	-	0.0846	15.5	0.0846	15.5	-	0.0809	15.5	-	0.0809	
General Service Commercial	20.00	6.35	0.0620	22.12	7.03	0.0612	26.34	0.0606	26.34	8.37	0.0606	33.25	0.0606	33.25	7.81	0.0476	33.25	7.81	0.0476	
Large Industrial	-	11.70	0.0483	200.00	11.88	0.0454	400.00	0.0407	400.00	12.30	0.0407	400.00	0.0407	400.00	12.5	0.0401	400.00	12.5	0.0401	
Bryan Public Schools	30.00	-	0.0885	33.18	-	0.0905	39.52	0.0955	39.52	-	0.0955	39.52	0.0955	39.52	-	0.0866	39.52	-	0.0866	
Interdepartmental	30.00	-	0.0901	30.00	-	0.0871	30.00	0.0821	30.00	-	0.0821	30.00	0.0821	30.00	-	0.0774	30.00	-	0.0774	
Rural Electric Division	-	6.30	0.0560	-	6.59	0.0710	-	0.5010	-	7.16	0.5010	-	0.5010	-	5.42	0.0501	17200.00	10.28	0.0426	
Rural Electric System																				
Residential Winter (Nov-Apr)	8.15	-	0.0766	8.85	-	0.0766	9.61	0.0749	9.61	-	0.0749	9.61	0.0749	9.61	-	0.0697	11.50	-	0.079	
Residential Summer (May-Oct)	8.15	-	0.0866	8.85	-	0.0903	9.61	0.0872	9.61	-	0.0872	9.61	0.0872	9.61	-	0.0820	11.50	-	0.0932	
Small Commercial	9.83	-	0.0827	11.37	-	0.0862	13.16	0.0887	13.16	-	0.0887	13.16	0.0887	13.16	-	0.0844	15	-	0.085	
General Service Commercial	20.00	7.21	0.0615	19.62	7.21	0.0581	19.25	0.0527	19.25	7.07	0.0527	19.25	0.0527	19.25	7.07	0.0527	21	7.5	0.052	
Public/Private Schools	30.00	-	0.0925	31.47	-	0.0920	33.01	0.0896	33.01	-	0.0896	33.01	0.0896	33.01	-	0.0825	0	-	0.0825	

City of Bryan, Texas Top Ten Water Customers For Fiscal Year Ended September 30, 2015				Table 13	
Customer	Type of Industry	Water Usage Gallons	Rank	Percentage of Total Water Usage	
Wellborn Special Utility District	Utility District	113,086,700	1	3.13%	
BISD	Public School	90,554,300	2	2.51%	
St. Joseph Hospital	Health Care Facility	72,373,400	3	2.00%	
City of Bryan	Local Government	62,321,800	4	1.73%	
Brazos County	County Government	49,529,700	5	1.37%	
TDCJ - Hamilton Unit	Correctional Facility	34,129,700	6	0.94%	
Federal Prison Camp	Correctional Facility	33,578,600	7	0.93%	
Oakwood/Country Village	MHP	29,924,300	8	0.83%	
Housing Authority of Bryan	Housing	25,096,200	9	0.69%	
Crestview	Retirement Community	20,950,000	10	0.58%	
Total		531,544,700		14.71%	
Total gallons of water sold		3,612,271,400			

City of Bryan, Texas
Top Ten Sewer Customers
For Fiscal Year Ended September 30, 2015

Table 14

Customer	Type of Industry	Sewer Usage Gallons	Rank	Percentage of Total Gallons of Sewer Treated
St. Joseph Hospital	Health Care Facility	62,211,900	1	2.31%
Brazos County	County Government	36,674,200	2	1.36%
TDCJ - Hamilton Unit	Correctional Facility	34,129,700	3	1.27%
Federal Prison Camp	Correctional Facility	33,315,400	4	1.24%
Oakwood/Country Village	MHP	29,924,300	5	1.11%
BISD	Public School	27,117,400	6	1.01%
Housing Authority of Bryan	Housing	22,543,300	7	0.84%
A&M Buena Vista	Apartments	18,296,200	8	0.68%
New Alenco Window LTD	Manufacturing	18,187,400	9	0.68%
City of Bryan	Local Government	17,847,800	10	0.66%
Total		300,247,600		11.16%
Total gallons of wastewater treated		2,691,160,000		

City of Bryan, Texas
Water and Sewer Rates
As of September 30, 2015 Table 15

Monthly Water Rates		
Customer Class	Monthly	
	Customer Charge	Volume Charge per 1000 gallons
Residential	\$ 8.31	\$ 2.76
Commercial/Industrial	13.74	2.38
Bryan Public Schools	13.74	2.38
Interdepartmental	13.74	2.38
Special Contracts	13.74	4.05
Bulk Sales	n/a	5.54

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	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		
2006	20,332,997	57,236,875	3,215,000	988	92,555,000	52,002	43,125	876,919	174,311,918	2,132
2007	20,084,754	65,963,750	2,945,000	966	133,015,000	35,247	41,250	2,337,456	224,422,457	2,435
2008	19,652,088	74,105,782	2,650,000	1,020	166,390,000	17,912	39,218	1,903,941	264,758,941	2,802
2009	19,040,000	79,342,813	2,320,000	1,075	166,995,001	-	37,188	1,898,778	269,633,780	2,877
2010	29,005,000	79,175,156	2,140,000	1,038	248,310,000	-	34,844	1,893,792	360,558,792	3,391
2011	27,680,000	74,982,500	1,940,000	994	245,570,000	-	10,817,500	1,893,792	362,883,792	3,450
2012	25,525,000	70,655,156	1,720,000	789	279,300,000	-	9,744,844	1,893,792	388,838,792	3,134
2013	44,696,646	45,970,000	-	717	258,805,000	6,293,354	14,240,000	-	370,005,000	2,926
2014	43,290,021	48,590,908	-	676	242,020,000	8,359,092	47,779,979	-	390,040,000	2,871
2015	43,553,982	40,780,021	-	598	218,485,001	15,421,019	45,775,000	-	364,015,023	2,580

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.

City of Bryan, Texas
 Legal Debt Margin Information
 As of September 30, 2015

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, 2015 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	Tax Supported Debt	Less Debt Service Cash Funds	Net Bonded Debt	Percentage of Actual Taxable	
				Value of Property	Per(a) Capita
2006	77,569,872	932,641	76,637,231	2.87%	1,096
2007	86,048,504	877,511	85,170,993	2.91%	1,204
2008	93,757,870	1,194,757	92,563,113	2.89%	1,285
2009	98,382,813	1,053,059	97,329,754	2.83%	1,345
2010	108,180,156	1,508,402	106,671,754	2.95%	1,400
2011	102,662,500	6,219,331	96,443,169	2.66%	1,260
2012	96,180,156	5,945,264	90,234,892	2.38%	1,167
2013	90,666,646	5,876,433	84,790,213	2.18%	1,086
2014	91,880,929	6,128,399	85,752,530	2.11%	1,089
2015	84,334,003	6,080,301	78,253,702	1.81%	967

(a) See Table 24 for population data.

City of Bryan, Texas
Direct and Overlapping Governmental Activities Debt
For Fiscal Year Ended September 30, 2015

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	\$ 171,915,000	68.38%	\$ 117,563,994
Brazos County	82,990,000	31.41%	26,069,627
Subtotal, overlapping debt			143,633,620
City of Bryan direct debt	78,253,702 ⁽¹⁾	100.00%	78,253,702
			<u>\$ 221,887,322</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⁾ General Obligation debt outstanding less amount available in Debt Service Fund

City of Bryan, Texas

Pledged Revenue Coverage⁽¹⁾

Last Ten Fiscal Years

Table 20

Fiscal Year	City Electric Fund						
	Gross Operating Revenue	Less: Operating Expenses	Interest Earnings	Net Revenue ⁽²⁾		Average Annual Debt Service Requirement	Coverage ⁽³⁾
					Debt Service		
2006	\$ 184,493,117	\$ 163,039,450	\$ 2,667,490	\$	23,191,157	\$ 3,987,212	5.82
2007	144,289,607	127,100,116	3,895,267		19,868,758	6,100,700	3.26
2008	156,996,327	140,918,938	2,522,016		18,599,405	4,417,023	4.21
2009	150,824,637	128,204,221	1,378,874		23,999,290	10,712,800	2.24
2010	137,929,447	114,145,447	365,336		24,149,336	8,926,329	2.71
2011	154,851,433	117,869,352	369,563		37,351,644	12,378,923	3.02
2012	155,453,210	112,143,156	369,937		43,679,991	12,117,100	3.60
2013	160,991,056	128,862,043	407,920		32,536,933	11,791,899	2.76
2014	185,255,098	141,613,409	414,342		44,056,031	11,456,262	3.85
2015	186,223,521	142,393,888	770,945		44,600,578	22,369,965	1.99

⁽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 amortization 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	Less: Operating Expenses	Interest Earnings	Net Revenue ⁽¹⁾ as Defined in Bond Ordinance	Average Annual Debt Service Requirement	Coverage ⁽²⁾
2006	\$ 26,825,404	\$ 23,628,753	\$ 399,295	\$ 3,595,946	-	-
2007	24,991,627	21,889,442	383,439	3,485,624	402,349	8.66
2008	28,975,229	26,118,134	239,229	3,096,324	34,680	89.28
2009	30,996,152	27,889,698	56,851	3,163,305	402,349	7.86
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	5,073,589	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

⁽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

Fiscal Year	Water and Wastewater Funds					Coverage ⁽²⁾
	Gross Operating and Other	Less: Operating Expenses	Interest Earnings	Net Revenue as Defined in Bond Ordinance ⁽¹⁾	Average Annual Debt Service Requirement	
2006	\$ 22,216,687	\$ 10,533,140	\$ 1,155,149	\$ 12,838,696	\$ 3,705,217	3.47
2007	20,742,937	10,085,575	1,827,111	12,484,473	4,398,781	2.84
2008	22,530,219	11,876,811	1,019,821	11,673,229	3,944,851	2.96
2009	24,233,451	12,917,477	511,956	11,827,930	4,057,131	2.92
2010	23,898,816	12,987,893	218,946	11,129,869	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	91,842	13,519,108	4,105,963	3.29
2014	24,175,389	12,278,086	103,389	12,000,692	3,808,332	3.15
2015	25,212,498	12,732,292	145,864	12,626,070	3,721,780	3.39

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

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

City of Bryan, Texas

Sales Tax by Category

Last Ten Calendar Years

Table 23

Category:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Communications and information	\$ 809,579	\$ 699,322	\$ 804,022	\$ 975,054	\$ 1,073,901	\$ 999,938	\$ 1,122,368	\$ 1,146,495	\$ 1,301,546	\$ 1,248,058
Home furnishings and appliances	472,573	458,752	392,899	411,290	414,247	405,991	414,871	383,795	457,351	296,203
Eating and drinking establishments	978,832	1,074,893	1,202,131	1,273,763	1,348,927	1,397,466	1,473,779	1,453,187	1,782,607	1,963,511
Department and retail stores	2,265,562	1,172,948	394,574	1,411,043	646,320	683,216	762,097	757,696	2,318,066	1,252,378
Oil and gas operations	989,910	483,382	739,345	465,054	457,378	244,732	96,821	130,639	243,942	228,011
Construction and building	805,337	1,030,817	1,013,741	380,446	641,427	496,984	183,079	202,861	(338,386)	114,626
Auto dealers and supplies	489,013	526,366	541,842	518,952	506,107	526,788	604,063	657,617	804,230	734,761
Printing/Publishers	61,655	62,523	55,930	60,045	62,385	74,499	78,050	81,592	96,547	94,316
Contractors	109,519	79,646	117,969	102,428	233,051	166,857	96,107	170,312	258,052	239,346
Manufacturing	488,312	780,537	627,914	479,757	659,853	404,338	477,069	389,218	913,475	554,296
Wholesalers	805,308	830,156	1,029,940	913,467	808,256	1,035,272	1,040,901	942,114	1,349,014	1,260,378
Food Stores	442,727	501,861	530,319	578,078	574,453	576,909	656,980	590,592	633,784	659,635
Other stores	1,348,408	1,861,118	2,825,398	3,095,127	3,300,348	3,000,558	3,108,023	3,156,217	3,624,535	3,828,445
Apparel	63,400	74,201	110,101	137,787	157,434	173,774	189,569	197,411	228,548	236,879
All other outlets	6,175	4,034	5,767	8,561	7,147	6,522	9,220	9,949	17,579	3,315
Financial services	29,914	41,613	42,252	42,012	87,646	115,873	129,935	120,050	158,925	92,429
Rentals and leasing	458,336	648,912	687,486	501,611	379,943	519,721	528,027	449,878	600,118	586,868
Professional services	406,126	521,846	446,664	475,821	492,995	542,964	563,031	527,801	565,631	528,114
Repair and maintenance	256,641	261,041	316,507	249,669	299,983	354,236	429,320	273,518	578,585	443,815
Hotels/Motels	4,194	1,904	3,733	23,338	5,351	(261)	10,001	21,824	33,193	12,539
Other products and equipment	139,817	60,721	79,815	5,962	17,491	48,381	43,322	71,858	73,971	58,129
Other	2,409,002	1,848,034	2,111,392	1,107,023	1,950,649	1,935,112	1,945,432	2,498,185	1,669,556	3,387,022
Total	\$ 13,840,340	\$ 13,024,627	\$ 14,079,741	\$ 13,216,292	\$ 13,216,288	\$ 13,709,871	\$ 13,962,066	\$ 14,232,808	\$ 17,370,868	\$ 17,823,076

Source: Texas Comptroller of Public Accounts

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⁾
2006	69,903	14,738	\$ 5,294,447,000	\$ 25,331	4.10%
2007	70,744	14,700	5,568,000,000	27,436	4.10%
2008	72,015	14,700	5,836,000,000	28,176	4.20%
2009	72,357	15,000	5,905,000,000	27,818	6.50%
2010	76,201	15,800	6,634,028,000	28,839	6.20%
2011	76,541	15,800	7,010,284,000	29,753	5.50%
2012	77,321	15,609	7,505,075,000	30,664	5.70%
2013	78,061	15,621	7,777,737,000	31,788	4.90%
2014	78,709	15,982	8,269,533,000	32,241	4.10%
2015	80,913	16,000	Not Available	Not Available	3.50%

⁽¹⁾ U.S. Census Bureau and www.factfinder2.census.gov

⁽²⁾ Bryan Independent School District

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

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

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

Table 25

2015	2006
Blinn College	Brazos County
Brazos County	Bryan Independent School District
Bryan Independent School District	City of Bryan
City of Bryan	City of College Station
Knife River	College Station Independent School District
Ply Gem Windows	HEB Grocery Company LP
Sanderson Farms	Sanderson Farms
SouthCorp Packaging USA	St. Joseph Regional Hospital
St. Joseph Regional Hospital	Texas A&M University System
Wal-Mart	Wal-Mart

Employers are listed in alphabetical order and do not reflect any ranking. The Texas Workforce Commission ranking and number of employee data is confidential.

Source: Texas Workforce Commission. <http://www.texasindustryprofiles.com/apps/eci/index.asp>.

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
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Table 26

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government and Administration										
Executive Services	5	6	7	6	6	5	5	6	6	6
Communications & Marketing	3	3	3	5	5	5	3	4	4	4
Neighborhood and Youth Services	1	1	1	1	1	1	1	-	-	1
Special Projects	1	1	1	3	0.25	0.25	0.25	-	-	1
Economic Development	-	-	-	-	-	-	-	-	2	2
Internal Audit	1	1	1	1	1	1	1	1	1	1
City Secretary	6	7	7	7	7	7	6	6	6	6
Legal Services	5	5	6	6	6	6	5	4	5	4
Support Services										
Fiscal Services	13	12	12	13	12	12	12	12	10	11
Purchasing Services	4	5	5	5	2	2	2	2	2	3
Information Technology	13	14	15	15	15	15	15	16	17	19
Human Resources	5	5	5	5.5	5	5	6	5	5	5
Facility Services	27	24	24	23	23	23	16	16	16	17
Fleet Services	12	11	11	11	11	12	9	9	5	8
Warehouse	3	4	4	4	4	4	4	4	4	4
Risk Management	6	6	6	5	6	6	6	6	6	6
Development Services										
Planning and Development	8	9	8	8	8	8	8	10	8	8
Building Services	9	13	16	16	16	17	14	9	11	11
Code Enforcement										3
Community Development	7	8	8	6.5	5.75	5.75	5.75	6	6	6
Public Works Services										
Administration	-	1	1	3	5	-	-	-	-	-
Engineering Services	17	17	18	17	16	19	13	12	12	13
Transportation & Drainage	30	30	31	31	29	29	18	16	15	16
Traffic Services	-	-	-	9	9	10	10	9	8	9
Public Safety										
Police Officers	118	119	123	124	124	124	138	136	140	139
Civilians	38	38	37	47	47	47	39	35	31	30
Firefighters/Emergency Medical Technicians	91	101	108	108	108	108	107	108	118	112
Civilians	2	2	4	5	5	5	4	6	4	4
Emergency Management Coordinator	-	-	1	1	1	1	1	1	1	1
Bryan Animal Center	-	-	-	-	-	-	-	8	10	10
Municipal Court	14	14	14	16	16	16	15	16	15	17
Cultural and Recreation/Community Services										
Library Services	19	19	19	20	19	19	24	21	21	21
College Station Library	16	16	16	15	16	16	19	18	17	16
Parks and Recreation	9	14	13	14	19	18	28	22	21	23
Water	40	36	35	35.8	35.55	36.55	34.50	32	33	37
Wastewater	53	44	43	44.2	44.45	44.45	31.50	40	31	29
Solid Waste	49	55	51	46	46	47	44	37	41	43
Call Center	-	-	-	5	5	5	5	5	5	5
Airport	-	-	-	-	-	2	1	1	1	2
Electric Department-Municipal and Rural	203	195	203	181	187	189	165	171	177	185
Total	828	836	857	862.5	866	871	816	810	815	838

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

Table 27

Function:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Physical arrest	5,838	4,178	5,205	5,030	5,744	5,063	4,826	5,525	5,497	5,644
Traffic citations	17,640	13,097	15,512	15,325	12,752	12,400	11,663	11,118	9,812	9,170
Fire										
Number of Fire and EMS calls	7,999	8,402	8,370	9,002	8,873	9,125	9,420	9,261	10,272	11,062
Transportation										
Potholes repaired	4,000	6,500	3,200	n/a	3,133	3,225	225	208	321	380
HMAC (Hot Mix Asphaltic Concrete) placed (tons)	n/a	n/a	n/a	2,853	2,476	1,258	1,978	1,455	1,434	1,100
In-house concrete poured (cubic yards)	n/a	n/a	n/a	1,080	162	584	485	723	434	250
Culture and recreation										
New library patron registration	10,995	8,611	8,323	9,014	9,573	8,419	7,259	7,384	7,018	6,281
Library circulation of materials	726,762	804,617	840,601	785,243	857,090	849,241	784,421	797,577	726,617	837,658
Number of cooperative programs with Bryan ISD and College Station Parks and Recreation department	11	12	12	12	12	10	13	16	18	19
Pavilion rentals	824	849	956	876	888	743	913	993	1,215	1,441
Athletic field usage (hours)										
Travis Park (1 field)	208	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bryan Regional Athletic Complex (4 softball fields)	1,632	1,620	1,710	1,740	1,825	1,910	1,920	2,432	2,510	2,390
Bryan Regional Athletic Complex (9 soccer fields)	1,026	1,040	1,050	1,105	1,284	1,192	1,105	1,070	1,094	1,020
Neighborhood/Youth Services										
Neighborhood Associations registered	31	32	37	38	40	41	41	41	41	41
Municipal Court										
Number of cases filed	15,613	17,199	16,190	15,490	14,728	18,147	17,832	16,821	13,304	11,878
Community Development										
Number of citizens provided homebuyers assistance	25	37	21	28	26	17	17	18	6	9
Number of households provided rehabilitation	1	-	4	3	3	5	1	3	3	2
Number of households provided minor rehabilitation	35	30	41	33	29	41	41	43	54	69
Water										
Number of new connections	414	286	319	245	183	180	151	173	167	188
Maximum daily capacity (gallons)	32,000,000	36,000,000	36,000,000	36,000,000	37,700,000	37,700,000	37,708,000	37,708,000	37,708,000	37,700,000
Daily average usage (gallons)	9,966,788	8,123,886	9,794,146	10,422,973	9,403,642	11,981,855	10,572,675	10,414,774	9,605,065	9,896,634
Total usage (gallons)	3,637,877,700	2,965,218,600	3,584,657,700	3,804,385,300	3,432,329,400	4,373,377,200	3,869,598,900	3,801,392,400	3,505,848,800	3,612,271,400
Wastewater										
Combined capacity (gallons per day)	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	14,000,000	14,000,000	14,000,000
Daily average usage (gallons)	7,004,600	7,798,565	6,969,882	6,392,433	7,127,600	6,525,488	6,995,218	6,495,737	6,997,132	7,352,896
Total usage (gallons)	2,556,679,000	2,846,476,400	2,542,547,000	2,333,238,000	2,601,574,000	2,381,803,000	2,560,249,000	2,372,404,000	2,553,953,000	2,691,160,000
Solid Waste										
Refuse collected (tons)	48,647	45,275	54,881	52,443	56,800	56,120	55,819	55,520	55,345	57,664

Sources: Various City Departments

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

Table 28

Function:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of sworn personnel	118	121	124	124	137	136	137	136	140	143
Fire and emergency medical services:										
Number of stations	4	4	4	5	5	5	5	5	5	5
Number of personnel	96	102	110	110	110	110	110	110	117	123
Highways and streets:										
Lane miles of paved streets	649	660	660	738	738	738	738	752	752	752
Culture and recreation:										
Number of parks	45	45	35	42	42	42	42	52	53	52
Park acreage	587	587	587	611	611	611	611	678	683	690
Number of golf courses	1	1	1	1	1	1	1	1	1	1
Golf course acreage	128	128	104	104	104	104	104	104	104	127
Hike and bike trails - number of miles	5	18	22	23	23	23	23	23	23	35
Number of cemeteries	3	3	3	3	3	3	3	3	3	3
Cemetery acreage	97	97	70	70	70	70	70	70	70	92
Number of libraries	3	3	3	3	3	3	3	3	3	3
Library volumes	257,833	255,366	242,171	245,810	128,798	147,090	237,557	233,237	223,266	211,240
Water system:										
Miles of line	403	410	442	453	453	459	472	469	474	482
Number of connections	21,102	21,388	21,782	21,587	21,770	21,804	21,913	22,147	22,418	22,870
Number of wells	9	10	12	12	12	12	12	12	12	12
Wastewater system:										
Miles of line	378	378	378	380	380	382	387	393	396	389
Number of connections	20,224	20,461	20,839	21,113	21,378	21,460	21,539	21,761	22,021	22,350
Number of treatment plants	3	3	3	3	3	3	3	3	3	3
Electric system:										
Generating capacity (kW)	287,000	287,000	234,644	296,000	336,000	337,000	337,000	337,000	226,000	221,000
Reserve oil capacity (gallons)	4,900,000	4,670,000	4,670,000	4,670,000	4,170,000	3,120,000	3,120,000	3,120,000	0	0
Number of substations	9	9	9	9	10	11	11	11	11	11
Number of connections	30,502	31,201	31,656	32,152	32,421	32,583	33,150	33,920	34,609	35,174
Rural Electric system:										
Number of utility connections	13,477	13,923	14,513	15,116	15,593	16,033	16,881	17,556	18,328	19,068
Number of substations	12	11	12	12	12	13	13	15	15	16

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
Waterworks and Sewer System Revenue Bonds
City Electric System Revenue Bonds
Rural Electric System Revenue Bonds

GO-1 – GO-13
RW-1 – RW-10
REC-1 – REC-7
RER-1 – RER-6

City of Bryan, Texas

Valuation, Exemptions and General Obligation Debt

As of September 30, 2015

Table GO-1

2014/2015 Market Valuation Established by Brazos County Appraisal District
(Excluding totally exempt property) \$ 4,555,134,017

Less Exemptions/Reductions at 100% Market Value

Over 65 or Disabled Exemptions	\$ 55,918,513
Homestead Cap Adjustment	12,407,752
Disabled Veterans Exemptions	15,366,283
Agricultural Land Use Reductions	75,023,113
House Bill 366	434,691
Pollution Control	4,100,828
Prorated Exempt Property	241,550
Freeport Exemptions	33,708,530
Member of Armed Services Surviving Spouse	727,700
Tax Abatement Reductions	23,083,940
	<u>221,012,900</u>

2014/2015 Net Taxable Valuation

4,334,121,117

General Obligation & Certificates of Obligation Debt Payable from Ad Valorem Taxes (as of 9/30/15)

145,530,000

Less : Self Supporting Debt

81,580,345

Net General Obligation Debt Payable from Ad Valorem Taxes

63,949,655

General Obligation Interest and Sinking Fund as of 9/30/2015

6,080,301

Ratio Net General Obligation Tax Debt to Taxable Assessed Valuation

1.48%

2015 Estimated Population - 80,913

Per Capita Taxable Assessed Valuation - \$53,565

Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - \$857

City of Bryan, Texas

Taxable Assessed Valuations by Category

As of September 30, 2015

Table GO-2

Category	2015		2014		2013		2012		2011	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 2,220,311,560	48.74%	\$ 2,112,073,229	49.108%	\$ 2,035,277,991	49.09%	\$ 2,008,513,999	50.23%	\$ 1,915,473,138	51.30%
Real, Residential, Multi-Family	507,521,525	11.14%	445,683,327	10.363%	421,407,065	10.17%	405,749,972	10.15%	386,493,919	10.35%
Real, Vacant Lots/Tracts	94,255,510	2.07%	94,517,351	2.198%	85,878,322	2.07%	81,232,842	2.03%	85,197,103	2.28%
Real, Acreage (Land Only)	117,328,147	2.58%	125,050,665	2.908%	113,860,982	2.75%	105,851,362	2.65%	100,768,588	2.70%
Real, Farm and Ranch Improvements	228,128	0.01%	173,578	0.004%	7,372,974	0.18%	7,165,254	0.18%	6,919,466	0.19%
Real, Commercial and Industrial	908,888,266	19.95%	870,572,606	20.242%	841,981,424	20.31%	800,398,222	20.02%	674,091,709	18.05%
Real, Oil, Gas and Other Mineral Reserves	42,414,920	0.93%	11,065,359	0.257%	9,930,584	0.24%	11,742,793	0.29%	11,844,810	0.32%
Real and Tangible Personal, Utilities	43,617,627	0.96%	42,483,220	0.988%	43,116,790	1.04%	48,568,740	1.21%	46,390,110	1.24%
Tangible Personal, Business	561,182,080	12.32%	543,115,138	12.628%	531,395,980	12.82%	475,954,991	11.90%	456,187,890	12.22%
Tangible Personal, Other	16,299,690	0.36%	15,298,224	0.356%	15,359,270	0.37%	15,509,640	0.39%	15,455,330	0.41%
Real, Inventory and Special Inventory	43,086,564	0.95%	40,862,999	0.950%	40,028,782	0.97%	37,674,810	0.94%	35,251,760	0.94%
Total Appraised Value before Exemptions	4,555,134,017	100.00%	4,300,895,696	100.00%	4,145,610,164	100.00%	3,998,362,625	100.00%	3,734,073,823	100.00%
Less: Total Exemptions/Reductions	221,012,900		245,030,266		250,267,982		214,929,766		195,679,975	
Taxable Assessed Value	\$ 4,334,121,117		\$ 4,055,865,430		\$ 3,895,342,182		\$ 3,783,432,859		\$ 3,538,393,848	

NOTE: Valuations shown are certified taxable assessed values reported by the Brazos County 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, 2015

Table GO-3

Fiscal Year	Estimated	Taxable Assessed	Taxable Assessed	G.O. Tax Debt	Ratio of G.O. Tax	G.O. Tax
Ended 9-30	Population	Valuation ⁽¹⁾	Valuation Per	Outstanding at	Debt to Taxable	Debt Per
			Capita	End of Year ⁽²⁾	Assessed Valuation	Capita
2010	76,201	3,610,470,920	47,381	108,215,000	3.00%	1,420
2011	76,541	3,538,393,848	46,229	113,480,000	3.21%	1,483
2012	77,321	3,783,727,145	48,935	105,925,000	2.80%	1,370
2013	78,061	3,895,342,182	49,901	111,200,000	2.85%	1,425
2014	78,709	4,055,865,430	51,530	148,020,000	3.65%	1,881
2015	80,913	4,334,121,117	53,565	145,530,000	3.36%	1,799

⁽¹⁾ As reported by the Brazos County 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, 2015

GO-4

Fiscal Year	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
<u>Ended 9/30</u>	<u>Tax Rate</u>	<u>General Fund</u>	<u>Sinking Fund</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Collections</u>
2011	0.636400	0.435392	0.201008	22,810,074	98.25%	99.30%
2012	0.636400	0.440579	0.195821	23,800,130	98.26%	99.16%
2013	0.633308	0.437483	0.195825	24,418,567	98.66%	99.66%
2014	0.629990	0.434109	0.195881	25,299,027	98.57%	99.73%
2015	0.629990	0.442658	0.187332	26,961,308	98.58%	100.14%

City of Bryan, Texas

Ten Largest Taxpayers

As of December 31, 2015

Table GO-5

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>2014/2015 Assessed Valuation</u>	<u>% of Total Taxable Assessed Valuation</u>
Sanderson Farms Inc	Food Processing	\$ 43,371,328	1.00%
Bryan Student Housing LLC	Student Housing	37,934,230	0.88%
Jamespoint Management Co	Apartments	31,169,675	0.72%
Halcon Energy Properties	Energy	24,825,521	0.57%
SW Meadows Point LP	Apartments	24,236,550	0.56%
Wal-Mart Real Estate	Retail Stores	23,400,140	0.54%
KC Presidio Apartments LLC	Apartments	22,150,515	0.51%
Toyo Ink International Corp	Manufacturing	21,155,300	0.49%
Texas A&M University - Ground Lease	Multi-Use Development	20,710,280	0.48%
4050 Pendleton LTD	Housing	20,367,686	0.47%
		<u>\$ 269,321,225</u>	<u>6.21%</u>

City of Bryan, Texas

Debt Information - General Obligation - Debt Service Requirements*

As of September 30, 2015

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	
2016	11,470,000	4,775,654	16,245,654		5,702,374	2,630,049	8,332,423		5,767,626	2,145,605	7,913,231	
2017	10,855,000	4,506,638	15,361,638		5,602,653	2,525,171	8,127,824		5,252,347	1,981,467	7,233,814	
2018	11,065,000	4,206,213	15,271,213		5,442,087	2,361,483	7,803,571		5,622,913	1,844,729	7,467,642	
2019	10,810,000	3,891,488	14,701,488		5,308,048	2,215,365	7,523,413		5,501,952	1,676,122	7,178,075	
2020	11,005,000	3,589,806	14,594,806		5,329,721	2,078,633	7,408,353		5,675,279	1,511,174	7,186,453	
2021	10,960,000	3,219,256	14,179,256		5,225,294	1,903,640	7,128,934		5,734,706	1,315,617	7,050,322	
2022	9,940,000	2,863,450	12,803,450		5,326,118	1,743,497	7,069,615		4,613,882	1,119,953	5,733,835	
2023	9,345,000	2,510,963	11,855,963		4,573,020	1,551,017	6,124,037		4,771,980	959,946	5,731,926	
2024	9,655,000	2,198,063	11,853,063		4,726,308	1,403,060	6,129,368		4,928,692	795,003	5,723,695	
2025	8,820,000	1,826,760	10,646,760		4,616,837	1,212,576	5,829,413		4,203,163	614,184	4,817,348	
2026	6,255,000	1,534,491	7,789,491		2,961,997	1,073,216	4,035,213		3,293,003	461,275	3,754,278	
2027	4,480,000	1,302,708	5,782,708		2,436,941	969,960	3,406,901		2,043,059	332,747	2,375,806	
2028	4,645,000	1,135,091	5,780,091		2,515,659	885,223	3,400,882		2,129,341	249,868	2,379,209	
2029	4,010,000	957,348	4,967,348		2,586,700	795,706	3,382,406		1,423,300	161,642	1,584,942	
2030	3,150,000	807,604	3,957,604		2,073,509	701,741	2,775,250		1,076,491	105,863	1,182,354	
2031	2,675,000	696,356	3,371,356		2,023,100	630,147	2,653,247		651,900	66,209	718,109	
2032	2,360,000	603,869	2,963,869		1,955,000	559,334	2,514,334		405,000	44,535	449,535	
2033	2,455,000	518,644	2,973,644		2,035,000	488,284	2,523,284		420,000	30,360	450,360	
2034	2,130,021	429,756	2,559,777		1,695,000	414,096	2,109,096		435,021	15,660	450,681	
2035	1,755,000	353,076	2,108,076		1,755,000	353,076	2,108,076		-	-	-	
2036	1,820,000	289,458	2,109,458		1,820,000	289,458	2,109,458		-	-	-	
2037	1,885,000	222,118	2,107,118		1,885,000	222,118	2,107,118		-	-	-	
2038	1,955,000	151,430	2,106,430		1,955,000	151,430	2,106,430		-	-	-	
2039	2,029,979	77,140	2,107,119		2,029,979	77,140	2,107,119		-	-	-	
	\$ 145,530,000	\$ 42,667,378	\$ 188,197,378		\$ 81,580,345	\$ 27,235,419	\$ 108,815,764		\$ 63,949,655	\$ 15,431,959	\$ 79,381,614	

*Includes all General Obligation Bonds (CO's and GO's)

City of Bryan, Texas

Interest and Sinking Fund Budget Projection

As of September 30, 2015

Table GO-7

Estimated Debt Service Requirements, Fiscal Year Ending 9-30-16					(1)
					\$ 11,403,516
Interest and Sinking Fund, 09-30-15				6,080,301	
2014 Interest and Sinking Fund Tax Levy Collection				7,923,342	
Budget Transfers				2,115,598	
Estimated Investment and Other Income				26,595	
					<u>16,145,836</u>
Estimated Balance, 9-30-16					\$ 4,742,320

(1) Fiscal Year 2016 Budget Projection

City of Bryan, Texas

Computation of Self-Supporting Debt ⁽¹⁾

As of September 30, 2015	GO-8
Net System Revenue, FYE 9-30-15	\$ 64,584,938
Less: System Revenue Bond Requirements, FYE 09-30-15	25,098,588
Balance Available for Other Purposes	<u>\$ 39,486,350</u>
Self Supporting System GO and CO Bond Requirements, For Fiscal Year Ending 09-30-16	\$ 8,335,032
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, BVSWMA, and Brazos County.

City of Bryan, Texas

Authorized by Unissued General Obligation Bonds

As of September 30, 2015

Table GO-9

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

City of Bryan, Texas Other Obligations As of September 30, 2015	GO-10
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The City has no Other Obligations outstanding as of September 30, 2015.

City of Bryan, Texas

General Fund Revenues and Expenditure History (modified accrual basis)

As of September 30, 2015

Table GO-11

	Fiscal Year Ended September 30				
	2015	2014	2013	2012	2011
Revenues					
Taxes	\$ 38,487,073	\$ 37,518,869	\$ 34,851,153	\$ 32,559,161	\$ 32,010,429
Licenses and Permits	625,106	668,583	565,539	592,784	492,175
Grants	1,284,034	1,289,569	1,028,040	1,343,300	1,757,380
Charges for Services	4,538,814	4,394,267	5,199,125	3,846,149	3,946,937
Investment Earnings	247,920	124,557	87,187	90,991	63,440
Fines and Forfeitures	1,723,017	1,724,754	1,794,775	1,844,317	1,895,018
Miscellaneous	1,204,026	2,131,782	2,045,021	332,317	459,082
Total Revenues	48,109,990	47,852,381	45,570,840	40,609,019	40,624,461
Expenditures					
General Government	\$ 13,667,518	\$ 13,261,191	\$ 13,191,380	\$ 12,202,961	\$ 12,648,419
Reimbursed Administrative Expenses	(3,476,440)	(3,396,294)	(3,425,498)	(3,515,703)	(3,610,977)
Public Safety	30,850,086	30,045,586	28,586,540	26,654,066	27,264,064
Development Services	3,058,936	3,217,623	3,008,648	2,808,838	3,145,030
Public Works	3,422,137	3,324,025	3,315,274	3,548,490	3,998,453
Cultural and Recreational	6,560,486	6,365,433	6,341,182	6,005,805	5,752,575
Interest and Fiscal Charges	-	-	1,832,647	126,420	138,740
Capital Outlay	2,918,679	1,277,904	790,647	375,282	1,967,510
Total Expenditures	\$ 57,001,402	\$ 54,095,468	\$ 53,640,820	\$ 48,206,159	\$ 51,303,814
Excess (Deficit) Revenues					
Over (Under) Expenditures	\$ (8,891,412)	\$ (6,243,089)	\$ (8,069,757)	\$ (7,597,140)	\$ (10,679,353)
Operating Transfers In	15,303,568	12,388,262	17,485,413	11,101,783	12,226,379
Operating Transfers Out	(814,657)	(439,155)	(3,110,691)	(619,390)	(391,787)
Sale of Capital Assets	1,591,734	12,258	13,115	47,265	213,342
Total Other	16,080,645	11,961,365	14,387,837	10,529,658	12,047,934
Net Increase (Decrease)					
Beginning Fund Balance	7,189,235	5,718,278	6,318,080	2,932,518	1,368,581
Ending Fund Balance	28,179,174	22,460,896	16,142,816	13,210,298	11,841,717
	\$ 35,368,409	\$ 28,179,174	\$ 22,460,896	\$ 16,142,816	\$ 13,210,298

City of Bryan, Texas

Changes in Net Position

As of September 30, 2015

Table GO-11A

	Government Activities				
	2015	2014	2013	2012	2011
Revenues					
Program Revenues					
Charges for Services	\$ 6,926,299	\$ 6,828,230	\$ 7,604,050	\$ 6,329,426	\$ 6,379,944
Operating Grant and Contributions	2,769,647	2,490,517	2,840,902	2,732,746	2,607,994
Capital Grants and Contributions	2,049,078	1,661,849	1,891,869	3,232,203	2,657,466
General Revenues					
Property Taxes	28,039,989	25,765,716	24,723,667	24,075,833	23,043,249
Other Taxes	21,683,058	21,834,534	19,134,052	17,575,465	17,121,297
Other	10,589,029	10,230,727	12,663,041	8,036,343	8,968,615
Total Revenues	72,057,100	68,811,573	68,857,581	61,982,016	60,778,565
Expenditures					
General Government and Administration					
Development Services	9,775,235	11,862,123	12,725,727	12,567,217	11,694,539
Public Works Services	5,403,697	5,265,275	5,324,990	4,946,473	5,451,223
Public Safety	16,894,814	14,180,817	12,764,623	15,169,531	14,091,910
Culture and Recreation	33,648,379	33,069,954	32,133,857	24,346,634	21,693,251
Interest on Long Term Debt	8,374,038	8,332,012	8,175,136	8,242,037	7,666,774
	3,299,163	3,548,311	4,264,522	4,560,746	4,982,815
Total Expenditures	77,395,326	76,258,492	75,388,855	69,832,638	65,580,512
Decrease in Net Position Before Transfers	(5,338,226)	(7,446,919)	(6,531,274)	(7,850,622)	(4,801,947)
Transfers	14,789,653	12,138,907	12,754,364	5,973,524	10,884,784
Change in Net Position After Transfers	9,451,427	4,691,988	6,223,090	(1,877,098)	6,082,837
Net Position - October 1	100,522,539	112,897,882	106,355,996	108,233,094	102,150,257
Net Position- Sept 30*	\$ 109,973,966	\$ 117,589,870	\$ 112,579,086	\$ 106,355,996	\$ 108,233,094

* Net Position for FY2013 and FY2014 restated, reference Note 1

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

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

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

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

Fiscal Year Ended 9/30	Tax Collected	% of Ad Valorem Tax Levy	Equivalent of	
			Ad Valorem Tax Rate	Per Capita
2010	\$ 14,608,410	64.06%	\$ 0.4077	\$ 191.71
2011	14,301,017	62.70%	0.3990	186.84
2012	14,814,931	62.30%	0.3965	191.60
2013	15,984,919	65.46%	0.4146	204.77
2014	17,882,449	61.68%	0.3885	221.01
2015	17,788,431	65.98%	0.4156	219.85

City of Bryan, Texas

Current Investments and Cash Deposits ⁽¹⁾

As of September 30, 2015 **Table GO-13**

As of September 30, 2015 the following percentages of the City's investable funds were invested in the following investment categories.

<u>Type of Investment</u>	<u>Book Value</u>	<u>Percentage</u>
Demand Deposits	\$ 68,160,396	70.74%
Coupon Agencies	23,190,984	24.07%
Government Pools	5,004,438	5.19%
Total Investable Funds	<u>\$ 96,355,818</u>	<u>100%</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
2011	11,981,855	24,620,000	4,373,377,200
2012	10,572,675	21,521,000	3,869,598,900
2013	10,414,774	23,281,000	3,801,392,400
2014	9,605,065	19,389,000	3,505,848,800
2015	9,896,634	21,972,000	3,612,271,400

City of Bryan, Texas

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

As of September 30, 2015

Table RW-2

Customer	Type of Industry	Water Usage	% of Total Water Usage
Wellborn Special Utility District	Utility District	113,086,700	3.13%
BISD	Public School	90,554,300	2.51%
St. Joseph Hospital	Health Care Facility	72,373,400	2.00%
City of Bryan	Local Government	62,321,800	1.73%
Brazos County	County Government	49,529,700	1.37%
TDCJ - Hamilton Unit	Correctional Facility	34,129,700	0.94%
Federal Prison Camp	Correctional Facility	33,578,600	0.93%
Oakwood/Country Village	MHP	29,924,300	0.83%
Housing Authority of Bryan	Housing	25,096,200	0.69%
Crestview	Retirement Community	20,950,000	0.58%
		<u>531,544,700</u>	<u>14.71%</u>

City of Bryan, Texas
Monthly Water Rates
Effective September 30, 2015

Table RW-3

Water Class	Customer Charge Per Month	Volume Charge Per 1,000 Gallons
Residential	\$8.31	\$2.76
Commercial/Industrial	13.74	2.38
Bryan Public Schools	13.74	2.38
Interdepartmental	13.74	2.38
Special Contracts	13.74	4.05
Bulk Sales	N/A	5.54 (per 500 gallons)

City of Bryan, Texas
Wastewater Usage (Gallons)
Last Five Fiscal Years

Table RW-4

Fiscal Year Ended 9/30	Daily Average	Monthly Average	Total Usage	Total Fiscal Year End Revenues
2011	6,525,488	198,483,583	2,381,803,000	12,478,220
2012	6,995,218	213,354,158	2,560,249,900	12,469,568
2013	6,499,737	197,700,333	2,372,404,000	11,793,584
2014	6,997,132	212,829,417	2,553,953,000	11,989,872
2015	7,352,896	224,263,333	2,691,160,000	12,065,649

City of Bryan, Texas Monthly Sewer Rates Effective September 30, 2015			Table RW-5
Wastewater Class	Customer Charge Per Month	Volume Charge Per 1,000 Gallons	
Non Commercial	\$7.88	\$4.03	
Commercial/Industrial	7.88	3.80	

City of Bryan, Texas

Debt Information - Waterworks and Sewer System Debt Service Requirements*

As of September 30, 2015

Table RW-6

Fiscal Year Ended	Principal	Interest	Total	% of Principal Retired
2016	3,385,000	1,805,494	5,190,494	
2017	3,525,000	1,673,746	5,198,746	
2018	3,755,000	1,532,006	5,287,006	
2019	3,995,000	1,386,711	5,381,711	
2020	4,240,000	1,260,854	5,500,854	38.13%
2021	4,420,000	1,111,791	5,531,791	
2022	4,595,000	950,666	5,545,666	
2023	2,420,000	777,704	3,197,704	
2024	2,370,000	706,491	3,076,491	
2025	2,525,000	633,273	3,158,273	32.94%
2026	2,590,000	545,135	3,135,135	
2027	2,660,000	452,929	3,112,929	
2028	2,660,000	356,391	3,016,391	
2029	2,735,000	256,241	2,991,241	
2030	2,185,000	151,079	2,336,079	25.88%
2031	740,000	66,063	806,063	
2032	770,000	33,688	803,688	3.05%
	\$ 49,570,000	\$ 13,700,262	\$ 63,270,262	100.00%

* Includes Only Revenue Bonds

City of Bryan, Texas

Waterworks and Sewer System Condensed Statement of Operations

As of September 30, 2015

Table RW-8

	2015	2014	Fiscal Year	2012	2011
			2013		
Revenues					
Waterworks	\$ 12,390,019	\$ 11,678,692	\$ 12,723,839	\$ 12,879,376	\$ 14,281,996
Sewer System	12,883,147	12,496,697	12,429,017	13,072,233	13,112,105
Interest Income	145,864	103,389	91,845	170,563	239,262
Total Revenues	25,419,030	24,278,778	25,244,701	26,122,172	27,633,363
Expenses ⁽¹⁾ :					
Waterworks	6,261,237	5,718,140	5,798,421	6,585,168	6,235,774
Sewer System	6,551,635	6,559,946	5,927,169	6,079,396	6,131,398
Total Expenses	12,812,872	12,278,086	11,725,590	12,664,564	12,367,172
Net Available for Debt Service	\$ 12,606,158	\$ 12,000,692	\$ 13,519,111	\$ 13,457,608	\$ 15,266,191
Water Connections	22,870	22,418	22,171	21,913	21,804
Sewer Connections	22,350	22,021	21,770	21,539	21,460

⁽¹⁾Excludes depreciation and amortization. 2015 includes an adjustment to reflect actual pension contributions.

City of Bryan, Texas

Waterworks and Sewer System Coverage and Fund Balances

As of September 30, 2015	Table RW-9
Average Annual Principal and Interest Requirement, 2016-2032	\$ 3,721,780
Coverage of Average Requirements by 9-30-2015 Net Income	3.39 Times
Maximum Principal and Interest Requirements, 2022	\$ 5,545,666
Coverage of Maximum Requirements by 9-30-15 Net Income	2.27 Times
Waterworks and Sewer System Revenue Bonds (September 30, 2015)	\$ 49,570,000
Interest and Sinking Fund (September 30, 2015)	\$ 3,208,084
Reserve Fund (September 30, 2015) ⁽¹⁾	-

⁽¹⁾ As permitted by the Prior Lien Bond Ordinance, the Reserve Fund is currently funded by two surety policies issued by Assured Guaranty in the aggregate amount of \$5,833,600, a surety policy issued by National Public Finance Guaratee in the amount of \$438,713, and a surety policy issued by Financial Guaranty Insurance Company in the amount of \$2,848,495 for the reserve fund requirement. The surety guarantee amount of each surety bond is reduced as bonds of the correlating series are paid and retired.

City of Bryan, Texas

Current Investments and Cash Deposits

As of September 30, 2015 Table RW-10

As of September 30, 2015 the following percentages of the City's investable funds were invested in the following investment categories.

<u>Type of Investment</u>	<u>Amortized Value</u>	<u>Percentage</u>
Demand Deposits	\$ 68,160,396	71%
Coupon Agencies	23,190,984	24%
Government Pools	5,004,438	5%
Total Investable Funds	<u>\$ 96,355,818</u>	<u>100%</u>

City of Bryan, Texas

Electric Rates

As of September 30, 2015

Table REC-1

City Class	Customer Charge Per Month	Base		Regulatory		Fuel Charge Per kWh (1)
		Per kW	Per kWh	Per kW	Per kWh	
Residential Winter (Nov. - Apr)	\$	\$ -	0.0378		0.0111	\$ 0.0301
Residential Summer (May - Oct.)		-	0.0505		0.0111	0.0301
Small Commercial	15.50	-	0.0510		0.0119	0.0301
Small Commercial Demand	29.75	6.31	0.0215	3.0500		0.0301
Small Commercial Demand Time of Use	137.00	-	0.0314-0.0918	3.0500		0.0301
Commercial General Service Time of Use	26.91	6.84	0.0142		0.1697	
Large Industrial	400.00	12.50	0.0075		0.1405	0.0300
Primary Service Large	400.00	12.25	0.0074	3.3900		0.0300
Transmission Service	1,725.00	12.68	0.0010	12.6800		0.0288
Security Lighting Service	8.55 Per Lamp					
Street Lighting Service	4.75-10.85 Per Lamp					
Rural Electric Division	8,100.00	5.88	0.0200	3.2800		0.0330
Rural Class	Customer Charge Per Month	Base		Regulatory		Fuel Charge Per kWh (1)
		Per kW	Per kWh	Per kW	Per kWh	
Residential Winter (Nov. - Apr)	\$	\$ -	0.0413		0.0097	0.0303
Residential Summer (May - Oct.)		-	0.0544		0.0097	0.0303
College Station Residential (Nov - Apr)	11.00	-	0.0418		0.0098	
College Station Residential (May - Oct)	11.00	-	0.0551		0.0098	
Small Commercial	14.00	-	0.0511		0.0091	0.0303
Small Commercial Demand	21.00	6.00	0.0228	2.4300		
General Service Commercial Demand Time o	137.00	-	0.0321 - 0.0939			0.0303
General Service Commercial Time of Use	26.62	8.05	0.0152			0.0303
Large Industrial	400.00	12.81	0.0077			0.0303
Secondary Service Irrigation					0.0233	0.0303
Security Lighting Service	9.85 Per Lamp					
Street Lighting Service	6.61 - 15.36 Per Lamp					

(1) Fuel Charges are subject to change.

City of Bryan, Texas

Energy Sales by Types of Customers - BTU City

As of September 30, 2015

Table REC-2

Type of Customer	2015		2014		2013	
	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold
Residential	384,731,700	18.85%	370,811,660	18.17%	356,559,000	18.90%
Commercial & Industrial ⁽¹⁾	573,629,865	28.10%	555,113,684	27.20%	546,209,000	28.95%
Rural Electric Division	435,205,882	21.32%	419,249,453	20.54%	375,671,000	19.91%
Other Utilities	641,284,124	31.42%	779,781,000	38.20%	608,077,000	32.23%
Street Lights	6,205,516	0.30%				
Total	2,041,057,087	100.00%	2,124,955,797	104.11%	1,886,516,000	100.00%
Type of Customer	2012		2011		2010	
	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold
Residential	365,255,000	17.19%	385,921,000	20.46%	368,227,000	19.95%
Commercial & Industrial	554,971,000	26.12%	553,586,000	29.34%	526,641,000	28.53%
Rural Electric Division	379,278,000	17.85%	376,858,000	19.98%	355,849,000	19.28%
Other Utilities	546,265,000	25.71%	442,068,000	23.43%	271,289,000	14.70%
Total	1,845,769,000	86.86%	1,758,433,000	93.21%	1,522,006,000	82.46%

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

City of Bryan, Texas

Electric System Revenue Debt Service Requirements - City Electric

As of September 30, 2015

Table REC-3

Fiscal Year Ended	Principal	Interest	Total	% of Principal Retired
2016	11,505,000	7,623,494	19,128,494	
2017	10,785,000	7,119,494	17,904,494	
2018	6,205,000	6,587,894	12,792,894	
2019	27,035,000	6,325,906	33,360,906	
2020	5,840,000	5,016,781	10,856,781	37.94%
2021	6,115,000	4,739,144	10,854,144	
2022	6,420,000	4,446,119	10,866,119	
2023	5,725,000	4,152,413	9,877,413	
2024	5,975,000	3,899,644	9,874,644	
2025	6,245,000	3,632,306	9,877,306	18.84%
2026	6,550,000	3,329,456	9,879,456	
2027	6,865,000	3,009,863	9,874,863	
2028	7,200,000	2,672,825	9,872,825	
2029	7,555,000	2,319,325	9,874,325	
2030	7,935,000	1,946,131	9,881,131	22.32%
2031	8,325,000	1,550,781	9,875,781	
2032	7,900,000	1,154,144	9,054,144	
2033	6,005,000	775,419	6,780,419	
2034	3,965,000	492,100	4,457,100	
2035	2,440,000	314,325	2,754,325	17.70%
2036	2,540,000	213,675	2,753,675	
2037	2,640,000	108,900	2,748,900	3.20%
	\$ 161,770,000	\$ 71,430,138	\$ 233,200,138	100.00%

City of Bryan, Texas
Authorized but Unissued Revenue Bonds
As of September 30, 2015

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

As of September 30, 2015

Table REC-5

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenues					
City Electric System and Other Revenue ⁽¹⁾	\$ 186,223,521	\$ 185,255,098	\$ 160,991,056	\$ 155,453,210	\$ 154,851,433
Investment Income	770,945	414,342	407,920	369,937	369,563
Total Revenues	186,994,466	185,669,440	161,398,976	155,823,147	155,220,996
City Electric System Expenses ⁽¹⁾⁽²⁾	142,664,264	141,613,409	128,862,043	112,143,156	117,869,352
NET AVAILABLE FOR DEBT SERVICE	\$ 44,330,202	\$ 44,056,031	\$ 32,536,933	\$ 43,679,991	\$ 37,351,644
BTU - City Electric Customers	35,174	34,609	33,920	33,160	32,583

⁽¹⁾ Effective 2012, BTU transmission revenues 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⁾ Excludes depreciation and amortization. 2015 includes an adjustment to reflect actual pension contributions.

City of Bryan, Texas

City Electric Coverage and Fund Balances

As of September 30, 2015

Table REC-6

Average Annual Principal and Interest Requirement, 2016-2037	\$ 10,600,006
Coverage of Average Requirements by 9-30-2015 Net available for debt service	4.18 Times
Maximum Principal and Interest Requirements, 2019	\$ 33,360,906
Coverage of Maximum Requirements by 9-30-2015 Net available for debt service ⁽¹⁾	1.33 Times
Electric System Revenue Bonds, 9-30-2015	\$ 161,770,000
Interest and Sinking Fund (September 30, 2015)	\$ 5,351,474
Reserve Fund (September 30, 2015)	\$ 10,552,883

⁽¹⁾ The City will treat the principal payment due July 1, 2019 as a Balloon Debt for the coverage calculation per the definition of the Annual Debt Service Requirements in the Board Ordinance. Based on revenue projections (which reflect a substantial reduction in the amount of the City's contract payment to TMPA for the Fiscal year 2019), the City expects that Net Revenues of the Electric System will be sufficient to pay the projected actual maximum annual debt service of \$33,360,906 in 2019.

City of Bryan, Texas

Current Investments and Cash Deposits - City Electric

As of September 30, 2015

Table REC-7

As of September 30, 2015 the following percentages of BTU's City Electric investable funds were invested in the following investment categories.

<u>Type of Investment</u>	<u>Book Value</u>	<u>Percentage</u>
Demand Deposits	\$ 48,809,798	58.24%
Investment in Gov't Pool	3,008,940	3.59%
Collateral deposits with counterparties	6,679,019	7.97%
Investment in agency securities	25,310,096	30.20%
Totals	<u>\$ 83,807,853</u>	<u>100%</u>

City of Bryan, Texas
Electric Rates

As of September 30, 2015

Table RER-1

City Class	Customer Charge Per Month	Base		Regulatory		Fuel Charge Per kWh (1)
		Per kW	Per kWh	Per kW	Per kWh	
Residential Winter (Nov. - Apr)	\$ 11.00	\$ -	0.0378		0.0111	\$ 0.0301
Residential Summer (May - Oct.)	11.00	-	0.0505		0.0111	0.0301
Small Commercial	15.50	-	0.0510		0.0119	0.0301
Small Commercial Demand	29.75	6.31	0.0215	3.0500		0.0301
Small Commercial Demand Time of Use	137.00	-	.0359-.0647		.0070-.0209	0.0301
Commercial General Service Time of Use	26.91	2.70-4.14	0.0142		0.1697	
Large Industrial	400.00	12.50	0.0075	3.4600		0.0300
Primary Service Large	400.00-500.00	12.25	0.0074	3.3900		0.0300
Transmission Service	1,725.00	12.68	0.0010	3.4300		0.0288
Security Lighting Service	8.55 Per Lamp					
Street Lighting Service	4.75-10.85 Per Lamp					
Rural Electric Division	8,100.00	5.88	0.0200	3.2800		0.0330
Rural Class	Customer Charge Per Month	Base		Regulatory		Fuel Charge Per kWh (1)
		Per kW	Per kWh	Per kW	Per kWh	
Residential Winter (Nov. - Apr)	\$ 11.00	\$ -	0.0413		0.0097	0.0303
Residential Summer (May - Oct.)	11.00	-	0.0544		0.0097	0.0303
College Station Residential (Nov - Apr)	11.00	-	0.0418		0.0098	0.0303
College Station Residential (May - Oct)	11.00	-	0.0551		0.0098	0.0303
Small Commercial	14.00	-	0.0511		0.0091	0.0303
Small Commercial Demand	21.00	6.00	0.0228	2.4300		
General Service Commercial Demand Time c	137.00	-	0.0321 - 0.0939		0.0070-0.0209	0.0303
General Service Commercial Time of Use	26.62	3.33-4.72	0.0152		0.0091	0.0303
Secondary Service Irrigation			0.0760		0.0233	0.0303
Security Lighting Service	9.85 Per Lamp					
Street Lighting Service	6.61 - 15.36 Per Lamp					

(1) Fuel Charges are subject to change.

City of Bryan, Texas

Energy Sales by Types of Customers - Rural

As of September 30, 2015

Table RER-2

Type of Customer	2015		2014		2013	
	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold
Residential	278,512,502	68.70%	272,148,841	70.53%	244,371,000	69.26%
Commercial	126,894,455	31.30%	113,690,684	29.47%	108,457,000	30.74%
Total	405,406,957	100.00%	385,839,525	100.00%	352,828,000	100.00%

Type of Customer	2012		2011		2010	
	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold	Energy Sales (kWh)	% kWh Sold
Residential	236,568,000	69.62%	249,574,000	69.70%	242,057,000	71.79%
Commercial	103,231,000	30.38%	108,507,000	30.30%	95,123,000	28.21%
Total	339,799,000	100.00%	358,081,000	100.00%	337,180,000	100.00%

City of Bryan, Texas

Rural Electric System Revenue Debt Service Requirements

As of September 30, 2015

Table RER-3

Fiscal Year Ending	Principal	Interest	Total	% of Principal Retired
2016	485,000	294,600	779,600	
2017	495,000	280,625	775,625	
2018	515,000	265,400	780,400	
2019	530,000	247,950	777,950	
2020	550,000	230,000	780,000	36.04%
2021	570,000	208,000	778,000	
2022	235,000	184,863	419,863	
2023	245,000	174,875	419,875	
2024	255,000	164,156	419,156	
2025	265,000	153,000	418,000	21.97%
2026	275,000	141,075	416,075	
2027	290,000	128,700	418,700	
2028	300,000	115,288	415,288	
2029	315,000	101,413	416,413	
2030	330,000	86,450	416,450	21.13%
2031	345,000	70,775	415,775	
2032	365,000	54,388	419,388	
2033	380,000	37,050	417,050	
2034	400,000	19,000	419,000	20.85%
	\$ 7,145,000	\$ 2,957,607	\$ 10,102,607	100.00%

City of Bryan, Texas

Condensed Statement of Rural Electric System Operations

As of September 30, 2015

Table RER-4

	Fiscal Year			
	2015	2014	2013	2012
				2011
Revenues				
Rural Electric System	\$ 39,287,075	\$ 35,728,300	\$ 32,257,374	\$ 31,495,841
Investment Income	75,800	73,213	47,422	82,333
Total Revenues	39,362,875	35,801,513	32,304,796	31,578,174
				31,904,532
Rural Electric System Expenses ⁽¹⁾	33,264,827	30,502,755	27,231,209	26,348,351
				27,624,793
NET AVAILABLE FOR DEBT SERVICE	\$ 6,098,048	\$ 5,298,758	\$ 5,073,587	\$ 5,229,823
				\$ 4,279,739
Rural Electric Customers	19,068	18,328	17,556	16,881
				16,033

⁽¹⁾ Excludes Depreciation.

City of Bryan, Texas

Rural Electric Coverage and Fund Balances

As of September 30, 2015

Table RER-5

Average Annual Principal and Interest Requirement, 2016-2034	\$ 531,716
Coverage of Average Requirements by 9-30-2015 Net Available for debt service	11.47 Times
Maximum Principal and Interest Requirements, 2018	\$ 780,400
Coverage of Maximum Requirements by 9-30-2015 Net Available for debt service	7.81 Times
Rural Electric System Revenue Bonds, 9-30-2015	\$ 7,145,000
Interest and Sinking Fund (September 30, 2015)	\$ 247,576
Reserve Fund (September 30, 2015)	\$ 311,042

City of Bryan, Texas

Current Investments and Cash Deposits - Rural Electric

As of September 30, 2015

Table RER-6

As of September 30, 2015 the following percentages of BTU's Rural Electric investable funds were invested in the following investment categories.

<u>Type of Investment</u>	<u>Book Value</u>	<u>Percentage</u>
Bank Deposits	\$ 6,167,861	75%
Agency Securities	2,003,860	25%
Totals	<u>\$ 8,171,721</u>	<u>100%</u>



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