

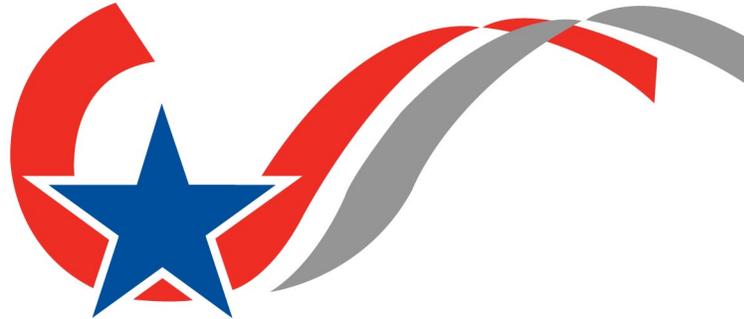


COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2010

CITY OF COLLEGE STATION, TEXAS  
*Home of Texas A&M University®*



FIRE STATION NO. 3



CITY OF COLLEGE STATION  
*Home of Texas A&M University®*

## **Mission Statement**

**On behalf of the citizens of College Station, home of Texas A&M University, we will promote and advance the community's quality of life.**

[www.cstx.gov](http://www.cstx.gov)

# **CITY OF COLLEGE STATION, TEXAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

**PREPARED BY THE**

**CITY OF COLLEGE STATION FISCAL SERVICES DEPARTMENT**

**JEFF KERSTEN, CHIEF FINANCIAL OFFICER**

**JANET DUDDING, CPA, ASSISTANT DIRECTOR OF FISCAL SERVICES**

**CITY OF COLLEGE STATION, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

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# CITY OF COLLEGE STATION, TEXAS

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April 18, 2011

Honorable Mayor, Members of the City Council, and  
Citizens of the City of College Station  
College Station, Texas

The City Manager and the Fiscal Services Department are pleased to submit the Comprehensive Annual Financial Report for the City of College Station, Texas (the "City") for the fiscal year ended September 30, 2010.

This report is published to provide to the City Council, City staff, our citizens, our bondholders and other interested parties detailed information concerning the financial condition and activities of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief, the data is accurate in all material aspects, and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Ingram, Wallis & Co, P.C., Certified Public Accountants, has issued an unqualified ("clean") opinion on the city's financial statements for the year ended September 30, 2010. The independent auditor's report is located at the front of the financial section of this report.

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. MD&A complements this letter of transmittal and should be read in conjunction with it.

## CITY PROFILE

### Location

The City of College Station, incorporated in 1938, is located in Brazos County in East Central Texas, approximately 140 miles north of the Gulf of Mexico, approximately 90 miles northwest of Houston, approximately 165 miles south of Dallas and approximately 100 miles east of Austin, in an area referred to as the Brazos Valley. The City currently has a land area of 47.2 square miles

and a current estimated population of 94,347 as of September 2010. The City has the power, by state statute, to extend its corporate limits by annexation, which it has done periodically.

### Structure

The City of College Station is a home rule city operating under the Council-Manager form of government. The City Council is composed of a mayor and six council members, elected at large, who enact local laws, determine policies and adopt the annual budget. The City Manager is appointed by the City Council and is responsible for the daily management of the City. The Basic Financial Statements of the City include all government activities, organizations and functions for which the City is financially responsible as defined by the Governmental Accounting Standards Board. Based on these criteria, no other governmental organizations are included in this report. For additional information on the reporting entity, refer to Note I-A in the basic financial statements.

### Services Provided

The City provides its citizens those services that have proven to be necessary and meaningful and which the City can provide at the least cost. Major services provided under general government and enterprise functions are: police and fire protection, emergency ambulance service, electric services, water and wastewater services, sanitation services, parks and recreation facilities, library services, street improvements and general administrative services. Internal services of the City, accounted for on a cost reimbursement basis, are fleet services, equipment replacement, risk management, employee health and disability coverage.

### Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues recorded when available and measurable, and expenditures recorded when the services or goods are received and the liabilities incurred. Accounting records for the City's utilities and other proprietary activities are maintained on a full accrual basis with revenues recorded when earned and expenses recorded as goods or services are provided to the user.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal accounting control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City charter provides that the City Council shall adopt the annual budget prepared by City Management. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, City Council must authorize transfers between General Fund departments and all increases in total spending in any fund.

Budgetary control over spending is at the department level within the City's General Fund and at the individual fund appropriation in all other funds. The City's departments have direct access to review budgets as often as necessary. Monthly closing reports are prepared and reviewed by

management showing revenues, expenditures, and balance sheets. Summarized financial reports and budget reports are provided to the City Council on a quarterly basis.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### Economic Conditions

College Station has felt the impacts of the slowing national and state economies. The downturn in the economy has resulted in lower revenues and the need to make budget reductions as a result of that lower revenue. Despite the slowdown, some growth has continued to occur locally. The concentration of relatively stable employment sectors such as government and higher education contribute to the steady growth College Station has experienced over the last several years. This growth provides some of the resources needed to limit reductions in service levels to the citizens and visitors of College Station. Challenges remain as traditionally strong revenue streams slowed significantly, and even declined.

In 2009 sales tax collections in College Station fell for the first time in many years. This is consistent with the recent slowdown in the economy. In fiscal year 2010, sales tax revenue was down by 0.6 percent over fiscal year 2009. Sales tax revenues are anticipated to be flat in fiscal year 2011, and then see modest increases in future years.

Despite the slowdown in the economy, College Station continued to see development. There were 464 new housing starts during 2010. Total ad valorem assessed valuation increased by approximately \$367 million or approximately 7 percent for fiscal year 2010 over fiscal year 2009. Commercial development continued to occur with new and redevelopment construction, including a few significant new developments breaking ground.

The City of College Station's major asset is being the home of Texas A&M University (TAMU). TAMU is located on an approximately 5,200 acre campus within the City. TAMU has a significant economic impact on the City, contributing over a billion dollars annually to the local economy. TAMU has consistently ranked among the top 50 universities in the United States. Each year, TAMU's approximately 2,500 faculty members conduct an estimated \$450 million worth of sponsored research projects. Student enrollment at TAMU was 49,129 as of September 2010. TAMU employs more than 20,000 full-time and part-time staff. The impact of possible budget reductions from the State of Texas will be monitored to determine how they may impact the local economy, and the City of College Station.

### 2010 Major Accomplishments

Below are highlight accomplishments for 2010.

- **Maintaining a Balanced Budget in Unsure Economic conditions:** The organization once again cut expenditures in 2010 by the amount of \$3,393,098 to address reductions in revenue. In addition to a hiring freeze, departments were challenged to look at their operations and identify areas for cost savings. The Budget Office worked hard to provide constant support to the departments to stay within their reduced budgets while producing a balanced budget for 2011.
- **Reducing Crime and the Fear of Crime:** The Police Department has worked diligently and been able to reduce property crimes significantly from last year. Burglary is down 34% in 2010. A significant amount of time was spent targeting high accident locations and the motor vehicle accident rate has declined 17% from last year.

- **Updating Plans and Regulations:** The updates of the following plans ensures that the City's goals and strategies are consistent with the community vision and sets the stage for development activities and public expenditures to further promote these goals.
  - Bicycle, Pedestrian, and Greenways Master Plan, the first update of these plans in nearly 10 years.
  - Second phase of updating the City's Subdivision Regulations, the first comprehensive update to these regulations in 40 years.
  - Water and Wastewater Master Plans
  - Parks and Recreation Master Plan update to be completed next year
- **Economic and Community Development** – Examples of projects that the Economic and Community Development staff directly encouraged or facilitated are:
  - Assisted with New and Reinvestment Projects including the new HEB, Lowe's and the adaptive reuse of Lynntech and Wal Mart.
  - Northgate Garage Revenue/Access Control Equipment Upgrade
  - Facilitated the development of a new Scott & White Healthcare Facility
  - Certification of 3 new Community Housing Development Organizations (CHDOs)
- **Animal Control Ordinance** – After over two years of discussions, research, committee and stakeholder meetings, a new Animal Control ordinance was passed enhancing the City's ability to be more progressive and clear with the expectations of the ordinance.
- **Brazos Valley Solid Waste Management Agency** – Several Council and staff members were very involved in a transition plan to develop the organization into a stand alone Local Government Corporation. Staff also maintained a compaction rate of 1,475 lbs. per cubic yard at the Rock Prairie Road Landfill, extending facility life until April 2011, and managed the Twin Oaks Landfill Construction Project, attaining 99% completion at year end.
- **New Equipment for the Fire Department** – The self contained breathing apparatus utilized by the Fire Department for emergency operations was replaced with new breathing apparatus that meets the new standards. This replacement was possible through a grant from the Federal Emergency Management Agency. The City also began plans to replace two pumper trucks and a ladder truck in the upcoming year.
- **Streets, Drainage and Traffic Projects** – Projects completed by Public Works to address safety, mobility and street maintenance include:
  - Rock Prairie overlay from Flying Ace to Bradley
  - Northgate Pedestrian Safety Plan including pedestrian warning flashers
  - South Dexter overlay
  - Tarrow overlay from University Drive to City of Bryan
  - Sun Meadow channel improvement
  - Holleman overlay from Anderson to Winding
- **Development Review** – Planning and Development Services reviewed more than 300 development projects, issued more than 1,100 building permits, and conducted more than 12,000 building and construction inspections on development valued at more than \$250 million. Significant development projects for 2010 include Lowe's, HEB, Wal Mart Super Center, the Med expansion and the initial stages of the Scott & White Hospital.
- **College Station Utilities** – After years of effort, CSU was successful in completing an Electric Franchise Agreement and Common Pole Use Agreement with the City of Bryan. These agreements formalize the use of College Station rights of way by City of Bryan when providing electric service to BTU customers within College Station. CSU will also be working with BTU to prepare a joint proposal to the Brazos Valley Solid Waste

Management Agency for purchase of landfill methane gas. This joint proposal will enable the two electric utilities to cooperatively own a small electric generating plant at the BVSWMA landfill and use the methane gas as the fuel for generating electricity.

- **Environmental Awareness** – The City continued to implement projects funded through the Department of Energy grant including:
  - **Hybrid Vehicles:** Purchased two new hybrid vehicles and participated in a hybrid vehicle training class with the City of Bryan and Texas A&M University. During the budget process an additional 14 vehicles up for replacement were identified to be replaced with hybrids.
  - **Veteran’s and Central Park Retrofits:**
    - Irrigation system upgrades and smart controllers
    - LED parking lot lighting
    - Solar powered trash compactorsAdditional installation and renovation of irrigation systems are planned for next year at Southwood Athletic Complex, W. Smith Baseball Fields, Bee Creek Softball Fields and Anderson Park.
  - **Sustainability Coordinator is Hired:** The City used funds acquired through the Energy Efficiency and Conservation Block Grant to hire a sustainability coordinator whose duties include development, implementation, monitoring, and measurement of a comprehensive City-wide program incorporating sustainability into all aspects of City operations.

Other environmental activities accomplished this past year include:

- **Solar Photovoltaic Rebate Program:** College Station Utilities implemented a program providing rebate incentives for CSU customers in the installation of solar photovoltaic systems on their homes.
  - **Retiming of Signals in the George Bush Corridor:** Staff worked to implement signal operations to improve traffic progression along the corridor resulting in reduced travel times in the peak periods by 10 to 28% and reduced travel times in the off peak period by about 43%.
  - **Paperless Paystub Project:** Converted city employees with computer access to digital pay stubs, saving the city time and money by not printing/stuffing and delivering paper pay stubs.
  - **Residential and Commercial Recycling:** The City initiated a five year contract with Texas Commercial Waste to provide residential recycling services, approved a franchise with Brazos valley Trash Valet & Recycling to provide recycling at multifamily apartments and commercial businesses, and approved franchises allowing recycling of food waste.
- **Water Services:** The Water Services Department produced 4.2 billion gallons of water and treated 2.3 billion gallons of wastewater without a single public health issue. The completion of capital projects associated with Well 8 increased water production capacity to 30 million gallons per day, and the approved permit for that well bumped up the annual water supply capacity to above the required amount projected at build-out of the water services area.
  - **Capital Projects Completed in 2010**
    - Dowling Road Electric Substation
    - Brazos Valley Wide Area Communications System Infrastructure
    - Discovery Drive Extension
    - Improvements at Windwood Park, Pebble Creek Park, Southern Oaks Park, and Castle Rock Park
    - State Highway 30 Widening Project

- Twin Oaks Landfill Wireless Link
  - Installation of Water Line, Lift Station, Gravity Line and Force Main to serve the W.D. Fitch East area (Annexation Area 6)
  - Texas Avenue Streetscaping Phase II
  - Westminster Sewer Line
  - Installation of 2 new Traffic Signals: Arrington/W.D. Fitch Parkway and University Drive/Copperfield
  - Fiber Optic Infrastructure to Adamson Lagoon Bathhouse, Veterans Park and Reroute Wellborn Rd/FM 2818
  - Well 8, Well 8 Collection Line, and Parallel Wellfield Collection Line
- **Projects in Design, under Construction or to be Completed in 2011** – Many projects approved with the 2008 bond election began design during the past year and will commence or complete construction this coming year.
    - Fire Station 6
    - Holleman Drive Extension
    - South Knoll/The Glade and Southwood 5-7 Water/Wastewater Rehabilitation
    - Multi-Use Trail along FM 2818 from Texas Avenue to Welsh Avenue
    - Tauber and Stasney Street Rehabilitation
    - Reclaimed Water Project
    - Utility Dispatch Operations Center
    - Jones-Butler Extension
    - Improvements to Greens Prairie Trail and Royder Road in anticipation of the opening of Greens Prairie Elementary School
    - Central Park Restroom/Concessions Building
    - Emergency Electric Interconnection with Entergy Corporation
    - Barron Road Widening Phase 2
    - Renovations at Emerald Forest, Wood Creek, Southwest, and Brother's Pond Parks
    - Wolf Pen Creek Festival Grounds and Water Feature
    - Victoria Avenue Extension
    - Skate Park

## **OTHER INFORMATION**

### Independent Audit

Section 37 of the City's Charter requires that not less than thirty (30) days prior to the end of each fiscal year, the City Council shall designate a qualified public accountant or accountants who, as of the end of the fiscal year, shall make an independent audit of accounts and other evidences of financial transactions of the city government and shall submit the report to the City Council. Such accountants shall have no personal interest, direct or indirect, in the fiscal affairs of the city government. They shall not maintain any account or record of the city business, but, within specifications approved by the City Council, shall post-audit the books and documents kept by the Department of Fiscal Services and any separate or subordinate accounts kept by any other office, department or agency of the city government.

The City of College Station has engaged Ingram, Wallis & Company, Certified Public Accountants, of Bryan, Texas to perform the audit, and their opinion has been included in this report. It should be noted that the auditors included all funds in their audit, performed their audit in accordance with U.S. generally accepted auditing standards, and concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of College Station's financial statements for the fiscal year ended September 30, 2010 are fairly presented in conformity with U.S. generally accepted accounting principles. The independent auditors' report is presented as the first component of the financial section of this report.

## Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of College Station for its Comprehensive Annual Financial Report ("CAFR") for the Fiscal Year ended September 30, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR with contents that conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of College Station has received a Certificate of Achievement for twenty-six out of the last twenty-seven years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## Responsibility for Financial Reporting

The City's Senior Management, including the City Manager and Chief Financial Officer, accept the responsibility for the accuracy, integrity, consistency, and reliability of the financial statements. They also acknowledge their responsibility for assuring the continuous monitoring of the City's system of internal controls for compliance in order to prevent misappropriation of assets and fraudulent financial reporting. Additionally, they confirm their commitment to fostering a strong ethical climate and communicating those standards to employees through personnel rules, administrative regulations, and City law.

## Acknowledgement

The preparation of this report could not have been accomplished without the efforts and dedicated services of the entire staff of the Fiscal Services Department. Appreciation is also expressed to City employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

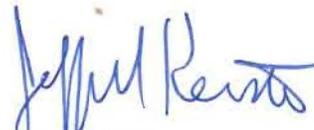
Acknowledgement is also given to the representatives of Ingram, Wallis & Company for their assistance in producing the final product.

Our appreciation is also extended to the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



David Neeley  
City Manager



Jeff Kersten  
Chief Financial Officer



# CITY OF COLLEGE STATION, TEXAS

## PRINCIPAL CITY OFFICIALS

### Elected Officials:

Mayor .....	Nancy Berry
Council Member, Mayor Pro Tem .....	John Crompton
Council Member, Place 2.....	Jess Fields
Council Member, Place 3.....	Dennis Maloney
Council Member, Place 4.....	Katy-Marie Lyles
Council Member, Place 5.....	Jana McMillan
Council Member, Place 6.....	David Ruesink

### City Administration:

City Manager .....	David Neeley
Assistant City Manager .....	Kathy Merrill
City Attorney .....	Carla Robinson
City Secretary .....	Sherry Mashburn
Municipal Court Judge .....	Edward J. Spillane III
Internal Auditor .....	Ty Elliott
Director of Electric Utility .....	David Massey
Director of Human Resources .....	Alison Pond
Chief Financial Officer .....	Jeff Kersten
Director of Information Technology .....	Ben Roper
Director of Public Communications and Marketing .....	Jay Socol
Fire Chief .....	Robert Alley
Police Chief.....	Jeffrey Capps
Interim Director of Parks and Recreation.....	David Schmitz
Director of Economic and Community Development .....	James (David) Gwin, Jr.
Director of Planning and Development Services.....	Bob Cowell
Director of Public Works .....	Chuck Gilman
Director of CIP .....	Chuck Gilman
Director of Water Services .....	David Coleman

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of College Station  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



## Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and  
Members of the City Council of the  
City of College Station, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of College Station, Texas (the "City"), as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts,

and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of funding progress – Texas Municipal Retirement System and budgetary comparison information on pages 3 through 21 and 73 through 76, be presented to supplement the basic financial statements. Such information, although not 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 response 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. 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 related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 it.

*Ingram, Wallis & Company*

Bryan, Texas  
April 18, 2011

# Management's Discussion and Analysis

## For the Fiscal Year Ended September 30, 2010

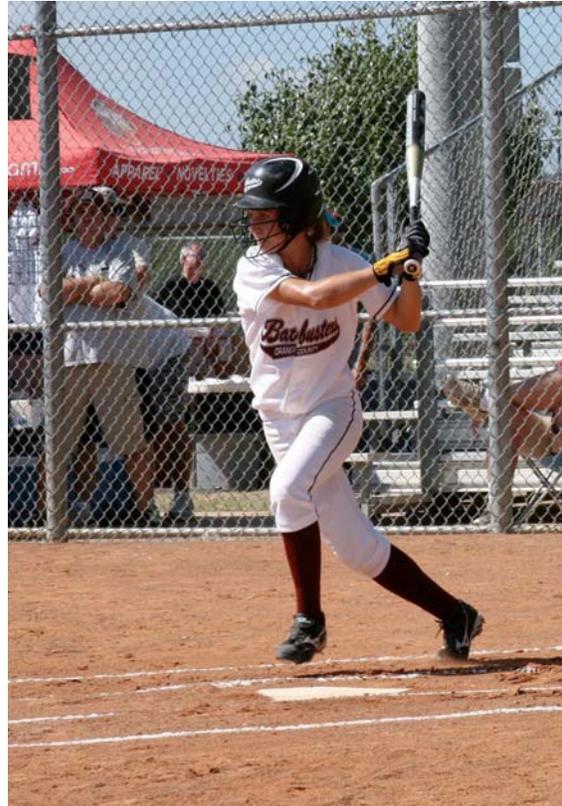
(Unaudited)

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This section of the City of College Station's (the "City") Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$402,731,641 (net assets). Of this amount, \$76,178,446 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$15,267,144 during the fiscal year.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$79,237,660, an increase of \$25,842,669 when compared to the prior year.
- Approximately 14.0 percent of the combined governmental funds ending fund balance, or \$11,101,327 is available for spending at the City's discretion (unassigned fund balance).
- During fiscal year 2010, the City's total debt increased by approximately \$23,535,000. Key factors in this increase were the issuance of \$27,730,000 in General Obligation Improvement Bonds and \$3,900,000 in business-purpose and governmental Certificates of Obligation.



USA/ASA 16U Fast Pitch National Championships

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve 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
- (3) **Notes** to the financial statements.

This report also contains other **supplementary information** in addition to the basic financial statements themselves.

The following diagram illustrates the relationship between the different components of this report:

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Management's Discussion and Analysis  
For the Fiscal Year Ended September 30, 2010  
(Unaudited)

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**Relationship Between Comprehensive  
Annual Financial Report (CAFR)  
and  
Basic Financial Statements and  
Required Supplementary Information (RSI)**

	General information on the government  structure, services, and environment  Pages vi-xiv	<b>Introductory Section</b>
<b>Basic  Financial Statements  And  RSI</b>	Management's Discussion and Analysis  Pages 3-21  Government-Wide Financial Statements  Pages 23-25  Governmental Fund Financial Statements  Pages 26-29  Proprietary Fund Financial Statements  Pages 30-33  Notes to the Financial Statements  Pages 35-72	<b>Financial Section</b>

Management's Discussion and Analysis  
For the Fiscal Year Ended September 30, 2010  
(Unaudited)

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Additional Required Supplementary Information

Pages 73-76

Information on individual funds and other  
supplementary information not required by GAAP

Pages 77-123

Trend Data and Non-financial Data  
Pages 125-152

**Statistical  
Section**

# Management's Discussion and Analysis

## For the Fiscal Year Ended September 30, 2010

(Unaudited)

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### **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 assets** presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, fiscal services, police, information technology, planning and development, fire, municipal services, streets, drainage, traffic parks and recreation, and citizen and neighborhood resources. The business-type activities of the City include electric, water, wastewater, sanitation, and the northgate parking garage. The government-wide financial statements can be found on pages 23-25.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into **governmental** funds and **proprietary** funds.

#### **Governmental Funds**

Governmental funds are used to account for essentially the same 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 spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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.

# Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2010

(Unaudited)

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The City maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). 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, Debt Service Fund, and Streets Projects Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 26-29.

The City adopts an annual appropriated budget for its General Fund, Debt Service Fund, Special Revenue Funds, and Capital Projects Funds. A budgetary comparison statement has been provided for the General Fund, Debt Service Fund, Special Revenue Funds, and Capital Projects Funds to demonstrate compliance with their budgets.

## **Proprietary Funds**

Proprietary funds are generally used to account for services for which the City charges customers--either outside customers or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

**Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of the electric, water, wastewater, sanitation, and parking activities of the City. The Electric, Water, and Wastewater funds are considered to be major funds of the City, while the remaining funds (Sanitation and Northgate Parking Garage) are presented in aggregate as non-major enterprise funds. Individual fund data for the non-major enterprise funds can be found in the form of combining statements elsewhere in this report.

**Internal service funds** are used to report activities that provide supplies and services for certain City programs and activities. The City uses internal service funds to account for communication, fleet maintenance and utility customer services. It also uses internal service funds to account for equipment replacement; employee benefits; and unemployment, workers' compensation, and property and casualty insurance. All of these services, with the exception of utility customer service, predominantly benefit governmental rather than business-type functions and have been included within governmental activities in the government-wide financial statements. The Utility Customer Service Fund has been included with the business-type activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary fund financial statements can be found on pages 30-33.

## **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

# Management's Discussion and Analysis

## For the Fiscal Year Ended September 30, 2010

(Unaudited)

### Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents on pages 73-76, certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees and the General Fund budget-to-actual comparison.

### Combining Statements

The combining statements referred to earlier in connection with the non-major governmental funds, the non-major enterprise funds, and the internal service funds are presented on pages 77-123 immediately following the required supplementary information.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$402,731,641 at the close of the most recent fiscal year.

The largest portion of the City's net assets (78.0 percent) reflects its investment of \$314,762,842 in capital assets (e.g., land, buildings, and equipment), less any related 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, since the capital assets themselves cannot be liquidated for these liabilities.

#### Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Assets</b>						
Current and Other Assets	\$ 100,286,970	\$ 84,010,939	\$ 71,770,711	\$ 89,680,799	\$ 172,057,681	\$ 173,691,738
Capital Assets	227,826,053	214,833,592	294,199,470	273,364,671	522,025,523	488,198,263
Total Assets	328,113,023	298,844,531	365,970,181	363,045,470	694,083,204	661,890,001

#### Liabilities

<b>Long-Term Liabilities</b>						
Outstanding	111,218,394	92,196,728	133,775,803	146,555,278	244,994,197	238,752,006
Other Liabilities	15,935,399	17,327,540	30,421,967	18,345,958	46,357,366	35,673,498
Total Liabilities	127,153,793	109,524,268	164,197,770	164,901,236	291,351,563	274,425,504

#### Net Assets

<b>Invested in Capital Assets,</b>						
Net of Related Debt	153,397,767	89,475,869	161,365,075	130,924,993	314,762,842	220,400,862
Restricted	10,201,722	48,296,712	1,588,631	20,286,147	11,790,353	68,582,859
Unrestricted	37,359,741	51,547,682	38,818,705	46,933,094	76,178,446	98,480,776
Total Net Assets	\$ 200,959,230	\$ 189,320,263	\$ 201,772,411	\$ 198,144,234	\$ 402,731,641	\$ 387,464,497

An additional portion of the City's net assets, \$11,790,353 (2.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of

# Management's Discussion and Analysis

## For the Fiscal Year Ended September 30, 2010

(Unaudited)

unrestricted net assets, \$76,178,446 (18.9 percent) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City was able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for the business-type activities. The same situation held true for the prior fiscal year. The City's net assets increased by \$15,267,144 as a result of fiscal year 2010 operations. The increase is primarily attributable to streamlining the process of recording developer capital in order to reflect past developer capital contributions on the City's financial statements.

The following table provides a summary of the City's operations for the year ended September 30, 2010 and highlights key elements of the change in the City's net assets:

### Changes in Net Assets

For the Fiscal Year Ended September 30, 2010

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 12,461,497	\$ 13,625,722	\$ 123,870,194	\$ 120,852,266	\$ 136,331,691	\$ 134,477,988
Operating Grants and Contributions	1,694,228	1,896,623	-	17,792	1,694,228	1,914,415
Capital Grants and Contributions	19,587,921	2,644,629	11,703,035	6,846,033	31,290,956	9,490,662
General Revenues:						
Property Taxes	24,745,344	22,769,699	-	-	24,745,344	22,769,699
Sales and Mixed Beverage Taxes	19,751,004	19,873,213	-	-	19,751,004	19,873,213
Other Taxes	5,597,943	5,792,267	-	-	5,597,943	5,792,267
Interest and Investment Income	265,424	1,413,431	420,236	654,882	685,660	2,068,313
Loss on Disposition of Capital Assets	(24,596)	-	-	-	(24,596)	-
Total Revenues	84,078,765	68,015,584	135,993,465	128,370,973	220,072,230	196,386,557
<b>Expenses</b>						
General Government	11,534,705	8,631,908	-	-	11,534,705	8,631,908
Fiscal Services	4,127,990	3,821,996	-	-	4,127,990	3,821,996
Police	16,063,347	13,945,079	-	-	16,063,347	13,945,079
Fire	13,301,029	11,778,585	-	-	13,301,029	11,778,585
Planning and Development Services	2,952,177	2,823,296	-	-	2,952,177	2,823,296
Public Works	17,026,827	16,804,436	-	-	17,026,827	16,804,436
Capital Projects	256,177	476,462	-	-	256,177	476,462
Parks and Recreation	11,202,863	10,136,521	-	-	11,202,863	10,136,521
Library	1,103,864	1,052,838	-	-	1,103,864	1,052,838
Information Technology	5,048,720	3,471,714	-	-	5,048,720	3,471,714
Interest on Long Term Debt	4,111,523	4,135,146	-	-	4,111,523	4,135,146
Unallocated Depreciation	1,047,906	789,074	-	-	1,047,906	789,074
Electric Utility	-	-	88,685,699	77,441,351	88,685,699	77,441,351
Water Utility	-	-	10,190,159	9,287,343	10,190,159	9,287,343
Wastewater Utility	-	-	10,604,983	9,829,813	10,604,983	9,829,813
Sanitation Services	-	-	6,527,724	5,776,002	6,527,724	5,776,002
Parking Operations	-	-	1019,393	909,167	1,019,393	909,167
Total Expenses	87,777,128	77,867,055	117,027,958	103,243,676	204,805,086	181,110,731
Increase in Net Assets Before						
Transfers	(3,698,363)	(9,851,471)	18,965,507	25,127,297	15,267,144	15,275,826
Transfers Net	15,337,330	12,778,642	(15,337,330)	(12,778,642)	-	-
Increase in Net Assets	11,638,967	2,927,171	3,628,177	12,348,655	15,267,144	15,275,826
Net Assets at Beginning of Year	189,320,263	180,996,512	198,144,234	190,615,579	387,464,497	371,612,091
Prior Period Adjustment	-	5,396,580	-	(4,820,000)	-	576,580
Net Assets at End of Year	\$ 200,959,230	\$ 189,320,263	\$ 201,772,411	\$ 198,144,234	\$ 402,731,641	\$ 387,464,497

# Management's Discussion and Analysis

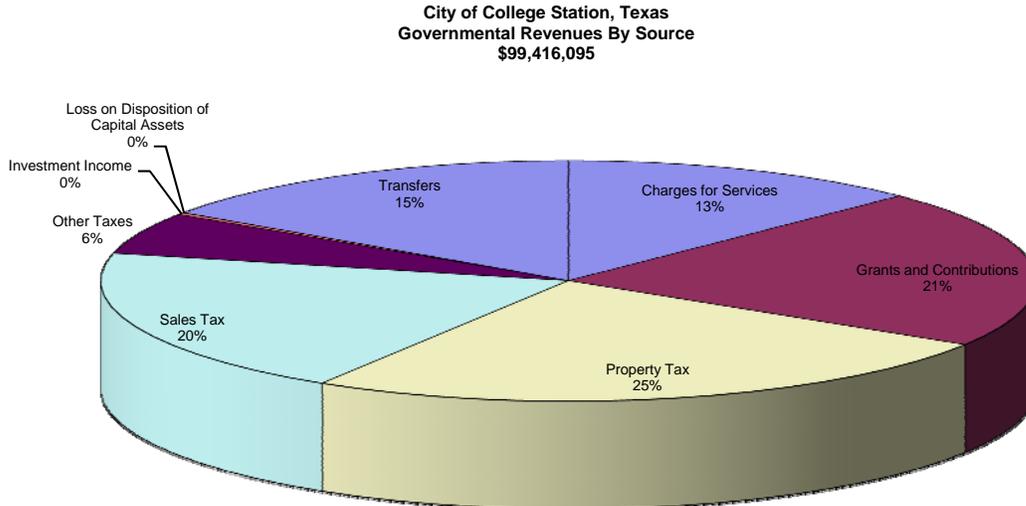
For the Fiscal Year Ended September 30, 2010

(Unaudited)

**Governmental activities.** Governmental activities increased the City of College Station's net assets by \$11,638,967. Key elements of this net increase are as follows:

- Capital Grants and Contributions increased by \$10,773,887 as the result of getting past developer contributions recorded in capital assets.
- Property taxes increased \$1,975,645 (8.7 percent) during the year. This is primarily the result of the total ad valorem assessed valuations increasing by \$367 million or 7 percent over fiscal year 2009.
- Sales and mixed beverage taxes decreased \$122,209 (0.6 percent) during the year. This is attributable to the slowdown in the economy seen during the year.
- Interest and investment income decreased \$1,148,007 (81.2%) due to continue low interest rates on investments.

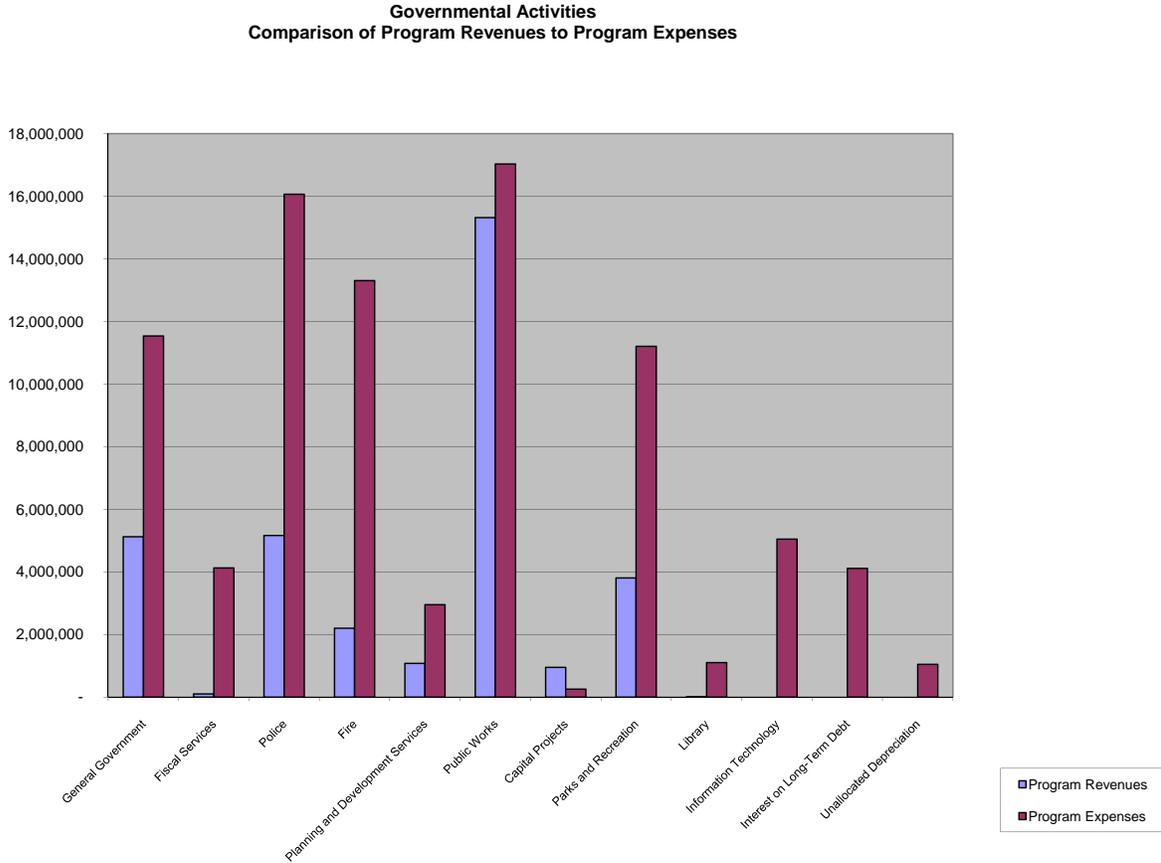
The chart below illustrates the City's governmental revenues by source.



# Management's Discussion and Analysis

## For the Fiscal Year Ended September 30, 2010 (Unaudited)

Another useful chart depicts governmental activity program revenues relative to program expenses. That data is presented below:



**Business-type activities.** Business-type activities increased the City of College Station's net assets by \$3,628,177. Key elements of this increase are as follows:

- Capital grants and contributions increased by \$11,703,035 as the result of getting past developer contributions recorded on in capital assets.
- Electric utility expenses saw an increase of \$11,244,348 or 14.5 percent from fiscal year 2009. This is primarily attributable to increased purchased power expenses.
- Charges for services increased by \$3,017,928 or 2.5 percent from fiscal year 2009 due to utility rate increases.

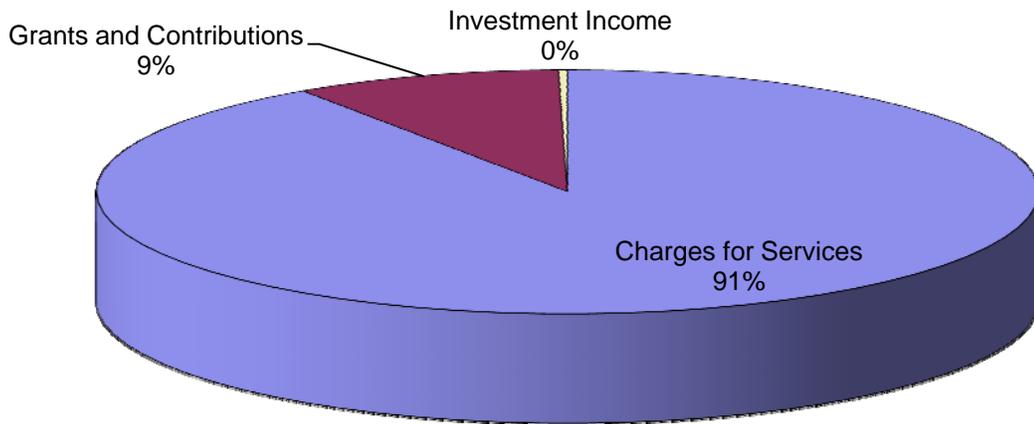
# Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2010  
(Unaudited)

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Revenues for the City's business-type activities are presented in the following chart.

## Business-type Revenues \$135,573,229

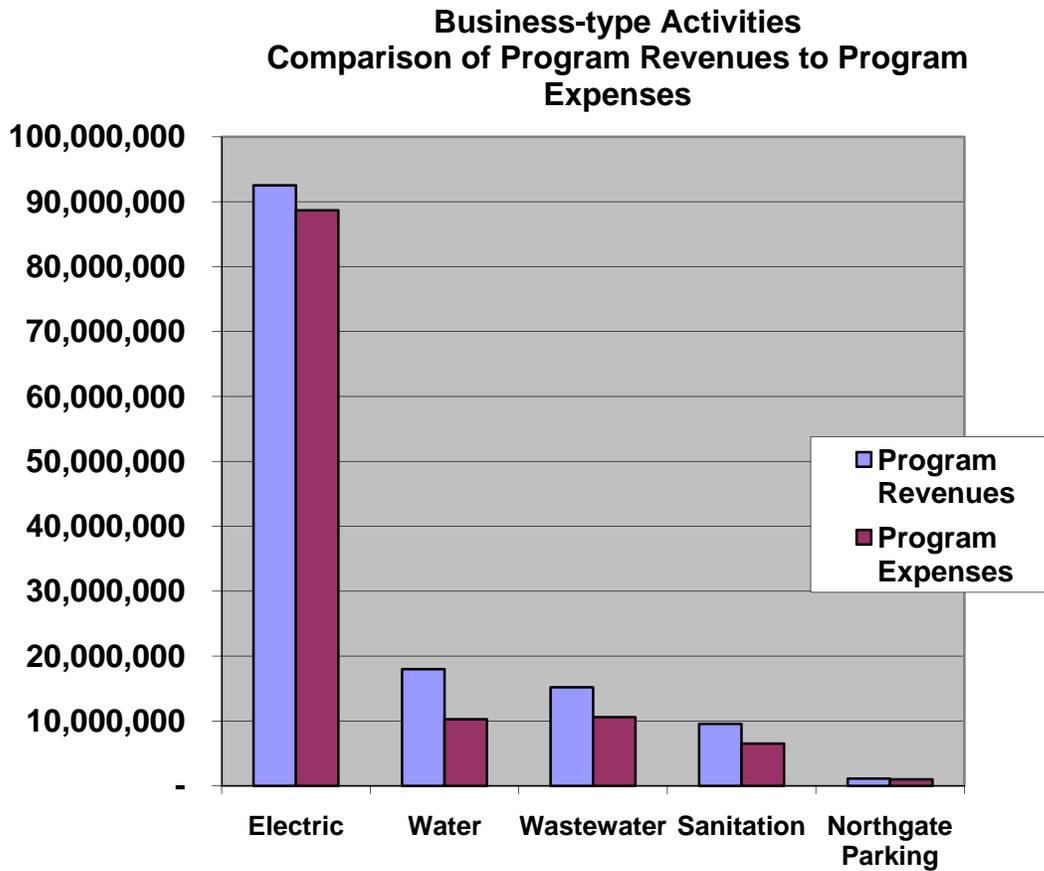


# Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2010

(Unaudited)

Another useful chart depicts business-type activity program revenues relative to program expenses. That data is presented below.



# Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2010  
(Unaudited)

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## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted previously, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The types of governmental funds reported by the City include the General Fund, Debt Service Fund, and Streets Projects Fund. Other governmental funds of the City are reported as non-major funds.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$79,237,660. Approximately 14.0 percent (\$11,101,327) of this total amount constitutes unassigned fund balance and is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed as follows:

Nonspendable	\$8,306,158
Restricted	\$55,271,532
Committed	\$4,558,643
Unassigned	\$11,101,327

A detailed breakdown of the fund balance reserve can be found in Note IV. H. Reservations of Fund Balances and Net Assets.

Overall, revenues for governmental functions totaled \$68,261,452 in the fiscal year ended September 30, 2010, an increase of 6.8 percent or \$4,355,473 from the fiscal year ended September 30, 2009. Expenditures for governmental functions totaling \$86,476,347 decreased by approximately 19.9 percent (\$21,449,546) from the fiscal year ended September 30, 2009. In fiscal year 2010, expenditures for governmental functions exceeded revenues by \$18,214,895. That amount was 58.6 percent less than the previous year's amount of \$44,019,914, due to a decrease in capital outlay expenditures in fiscal year 2010 over 2009.

The General Fund is the chief operating fund of the City of College Station. At the end of the current fiscal year, the unassigned fund balance was \$11,101,327 while the total fund balance was \$13,815,881. The City's fiscal and budgetary policies require that the General Fund's fund balance be at least equal to 15 percent of budgeted expenditures, a percentage equal to 55 days of expenditures. The total fund balance is approximately 23.6 percent of fiscal year 2010 amended budgeted expenditures and exceeds the minimum requirement set by policy.

As a measure of the fund's liquidity, it is useful to compare both unassigned and total fund balance to total fund actual expenditures. Unassigned fund balance represents 19.5 percent of total general fund expenditures, while total fund balance represents 24.2 percent of total general

# Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2010

(Unaudited)

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fund expenditures. The total fund balance for the general fund continues to meet and exceed the Fiscal and Budgetary Policy of having 15 percent of expenditures available in fund balance.

The General Fund's fund balance increased by \$2,541,674 during the current fiscal year. The key factors in this change follow:

- The fiscal year 2010 original budget anticipated a minimal increase in fund balance as a result of budget reductions.
- Sales tax revenues came in slightly higher than anticipated in fiscal year 2010
- Overall expenditures were down by approximately 1.6 percent, due to reductions in the budget as a result of lower revenues.

The Debt Service Fund ended the fiscal year with a fund balance of \$4,119,966. This entire amount is reserved for the payment of debt service. The net increase in fund balance during the current fiscal year was \$218,756. Revenues received during the year were enough to cover principal retirements and interest payments.

The Street Projects Fund ended the fiscal year with a balance of \$21,886,547. This entire amount is either reserved for encumbrances related to current capital projects or reserved for future capital projects. The net increase in fund balance during the current fiscal year was \$8,138,588. This increase was attributable to proceeds received from long term debt issued in fiscal year 2010.

## Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

At the end of the current fiscal year, the City's proprietary funds reported combined ending net assets of \$199,944,301. 18.7 percent (\$37,409,178) of this total amount constitutes unrestricted net assets. The remainder of net assets for the proprietary funds, \$162,353,123, is reported as follows:

- Invested in capital assets, net of related debt (\$160,946,492), and
- Restricted for debt service (\$1,588,631).

Operating revenues for proprietary activities totaled \$123,525,129 for the fiscal year, an increase of 6.2 percent or \$7,233,670 from the previous fiscal year. Operating expenses increased \$12,551,489 or 13.0 percent for the same period. Operating income was \$13,99,642 for the fiscal year. The proprietary funds reported net non-operating expenses of \$5,400,654 at the end of fiscal year 2010 as compared to net non-operating expenses of \$857,774 in the previous fiscal year. Proprietary net assets increased \$4,564,693 in fiscal year 2010.

# Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2010

(Unaudited)

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## **Electric Fund**

At the end of the fiscal year, the unrestricted net assets for the Electric Fund totaled \$7,421,014. The electric utility ended the fiscal year with working capital (current assets minus current liabilities) of \$4,300,094, a decrease of 54.8 percent from fiscal year 2009. The City's policy with regard to its enterprise funds is to maintain at least 15 percent of annual operating expenses in working capital, a percentage equal to 55 days of expenses. At September 30, 2010, Electric Fund working capital equaled approximately 5.0 percent of annual operating expenses.

Electric Fund operating revenues increased by 10.4 percent (\$8,552,685) during fiscal year 2010, while operating expenses increased 14.3 percent (\$10,810,972) during the same period. This resulted in operating income of \$4,619,836 which is a 32.8 percent decrease (\$2,258,287) in operating income in fiscal year 2010 over fiscal year 2009. The decrease in operating income is attributable to an increase in operating expense due to anticipated higher purchased power costs. The above resulted in a decrease in net assets of \$5,267,921 in the Electric Fund during the fiscal year.

## **Water Fund**

Unrestricted net assets for the Water Fund at September 30, 2010 were \$7,863,945. Working capital in the Water Fund at the end of fiscal year 2010 was \$5,561,287, a decrease of approximately 51.2 percent from fiscal year 2009. Water Fund working capital was 72.0 percent of total operating expense and exceeds the minimum 15 percent requirement under the Council's adopted policy.

Water Fund operating revenues decreased by 9.6 percent (\$1,356,646) during fiscal year 2010. Operating expenses of \$7,728,560 increased 8.0 percent (\$620,459) over fiscal year 2009. This resulted in operating income of \$5,016,613 which was a decrease of \$1,977,105 in fiscal year 2010 over fiscal year 2009. The Water Fund's net assets increased \$4,550,760 during the fiscal year, a 6.5 percent increase over the previous year.

## **Wastewater Fund**

The Wastewater Fund's unrestricted net assets at the end of fiscal year 2010 were \$5,837,582. The Wastewater Fund ended the fiscal year with a working capital balance of \$3,820,432 which was 46.3 percent below fiscal year 2009. Fiscal year 2010 Wastewater Fund working capital was 43.5 percent of total operating expenses and is well above the minimum requirement for the fund.

Operating revenues in the Wastewater Fund were \$11,522,025, a \$133,503 (1.2 percent) decrease over the previous fiscal year. Operating expenses increased from \$8,089,816 to \$8,782,211 or 8.6 percent while operating income decreased by 23.2 percent from \$3,565,712 to \$2,739,814.

## **BUDGETARY HIGHLIGHTS**

The final amended budget for fiscal year 2010 totaled \$296,835,978 for all funds. Of this amount \$231,737,802 (78.1 percent) was budgeted for operations and maintenance expenditures, and \$65,098,176 (21.9 percent) was budgeted for capital improvement projects.

# Management's Discussion and Analysis

## For the Fiscal Year Ended September 30, 2010

(Unaudited)

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In the General Fund the final amended budget showed an increase in fund balance of \$3,057,408. The actual change in fund balance was \$2,541,674. The following are some of the key factors in the change in fund balance:

- Revenues were higher than the budget estimate due to the timing of some of the Intergovernmental revenue.
- Expenditures were overall lower due to budget reductions made during the year to respond to revenues projected to be lower than originally anticipated.

Strategic planning is a driving force in the preparation of the City's budget. The City Council has identified the following areas of strategic priority:

- Financially sustainable city providing response to core services and infrastructure.
- Neighborhood integrity
- Diverse growing economy
- Best place to live in the United States
- Green sustainable city
- Exceptional multi modal transportation

Budget resources were included in fiscal year 2010 to address these priorities.

## CAPITAL ASSETS

The City of College Station's investment in capital assets for its governmental and business-type activities as of September 30, 2010 amounted to \$522,025,523 (net of accumulated depreciation). This investment in capital assets includes land, utility systems, buildings and building improvements, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress.

### Capital Assets at Year End Net of Accumulated Depreciation

	Governmental Activities	Business-Type Activities	Total
Land	\$ 42,699,556	\$ 690,707	\$ 43,390,263
Utility Systems	-	217,399,631	217,399,631
Buildings and Building Improvements	26,506,122	4,460,999	30,967,121
Improvements Other than Buildings	21,740,186	-	21,740,186
Machinery and Equipment	9,990,090	2,199,677	12,189,767
Infrastructure	119,243,785	-	119,243,785
Construction in Progress	7,646,314	69,448,456	77,094,770
	<u>\$227,826,053</u>	<u>\$ 294,199,470</u>	<u>\$522,025,523</u>

# Management's Discussion and Analysis

## For the Fiscal Year Ended September 30, 2010

(Unaudited)

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Major capital projects completed by the City during the 2010 fiscal year include the following:

- ATM Network Replacement
- CAD Hardware Operating System
- Police Station Improvements
- Northgate Restrooms
- Southern Oaks Trail/Lights
- Pebble Creek Basketball Pavilion
- Windwood Park Improvements
- College Park/Breezy Heights – Streets and Drainage
- Bee Creek Combined Drainage
- Texas Avenue Streetscape
- Traffic Signal – Arrington/Highway 40
- W.D. Fitch Widening Phase II
- Water Parallel Well field Collection Line
- Water Well #8 Collection Line
- Rock Prairie Road South of Carter Lake Water and Wastewater
- William D. Fitch East Water and Wastewater
- Westminster Gravity Sewer Line
- Carter Creek Wastewater Treatment Plant Improvements
- Sun Meadows Drainage Improvements
- Dowling Road Electric Substation

Of significance is \$25,121,551 in developer capital contributions during fiscal year 2010. These contributions accounted for 4.8 percent of the \$522,822,022 million in capital assets. Additional information on the City's capital assets can be found in Note IV-C to the financial statements on pages 50-51.

### DEBT ADMINISTRATION

At the end of the 2010 fiscal year, the City of College Station had total debt outstanding of \$251,240,000. Of this amount, \$163,495,000 (65.1 percent) comprised debt backed by the full faith and credit of the City. Certain Certificate of Obligations fund business-type activities in the Electric, Water, Wastewater, and Northgate Parking Garage Funds. The remaining debt, \$87,745,000 (34.9 percent), is revenue bonds secured by specified revenue sources.

#### Year-End Outstanding Debt Payable

	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 75,020,000	\$ 3,830,000	\$ 78,850,000
Certificates of Obligation	35,675,000	48,970,000	84,645,000
Revenue Bonds	-	87,745,000	87,745,000
	<u>\$ 110,695,000</u>	<u>\$ 140,545,000</u>	<u>\$ 251,240,000</u>

# Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2010

(Unaudited)

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The City's total debt increased by \$7,480,000 (3.0 percent) during the current fiscal year. The change in total debt was a result of the following:

- Issuance of \$27,730,000 in general obligation improvement bonds and \$3,900,000 in certificates of obligation, which funded governmental and business-type activities; and
- Retirement of \$8,025,000 in general obligation bonds, \$10,115,000 in certificates of obligation, and the retirement of \$6,010,000 in utility revenue bonds.

The City's General Obligation and Certificates of Obligation have an underlying rating of AA by Standard & Poor's ("S&P") and Aa2 by Moody's Investors Service ("Moody's"). The underlying ratings for the City's revenue bonds are A+ by S&P and A1 by Moody's.

Additional information on the City's long-term debt can be found in Note IV-G to the financial statements on pages 54-58 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The economy over the last couple of years has suffered as all levels, including locally. As the fiscal year 2011 budget was prepared College Station continued to feel the effects of the economic slowdown. The following are some key fiscal and economic indicators for College Station including:

- Property tax values are only up 1.2%, or \$64,005,381 for fiscal year 2011 over the previous year. Total values are \$5,455,432,461.
- Since 1995 taxable values have increased from approximately \$1.5 billion to approximately \$5.5 billion currently.
- A local economy that has maintained an annual unemployment rate of less than 5 percent since 1990, saw higher unemployment of 5.9% in 2010
- Sales and mixed drink beverage tax revenue, the largest revenue stream in the General Fund, fell by 0.6 in fiscal year 2010.

College Station has felt the effects of the national economic slowdown in fiscal year 2010. Part of the reason the City has not seen a bigger economic impact is because of the major influence of Texas A&M University on the local economy.

The focus of this budget was to present a balanced budget that addresses core services provided by the city during a downturn in the economy. To accomplish this, reductions were made in several departments within the city to provide a balanced budget. It was also a goal to minimize, as much as possible, the impact of these reductions on the services provided to the citizens.

Key revenue streams such as sales tax are lower than projected – even with estimates that had been revised downward. For fiscal year 2011 sales tax revenues are projected to be flat compared to fiscal year 2010. Property values are also growing at a lower rate than in previous years. The effects of these economic conditions had a significant impact on budget preparation. While there are recent signs of improvement in the economy, much will depend on the impact of budget reductions that will be made by the State of Texas. With Texas A&M University and several other state agencies in the community, the local economic recovery may be slower than hoped.

During the past two fiscal years, it was necessary to reduce the budget due to revenues not coming in as anticipated. In fiscal year 2009, the General Fund budget was reduced by a total of \$954,175. The fiscal year 2010 budget was reduced by a total of \$3,393,098, and of this amount \$2,193,338

# Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2010

(Unaudited)

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was reduced from the General Fund. The fiscal year 2011 budget reductions total \$1,029,253. Over the past 3 years, a total of \$5,376,526 has been reduced from the budget.

The fiscal year 2011 budget reductions include the elimination of 15 vacant positions in the city organization. In addition, 4 positions are being held vacant for some or all of fiscal year 2011.

Other reductions in the fiscal year 2011 budget include the following:

- Travel and training reductions of 35% from the FY 10 approved budget
- Overtime reductions of 10%
- Elimination of city paid long term disability benefit
- Reducing swimming pool days of operations
- Reducing funding to outside agencies
- Reducing Teen Center hours of operations
- Reduce equipment replacement set-aside in various departments
- Reduce funds spent on food for meetings and events
- Reduce advertising
- Eliminate funds for federal lobbyist services
- Reduce funding and programming for Christmas in the Park
- Reduce funds for building maintenance
- Reduce various supply budgets
- Reduce technology maintenance and services
- Reduce professional services
- Contract out certain mowing services
- Reduce software maintenance costs through renegotiation of agreements

It will be necessary to continue to closely monitor economic conditions this fiscal year, and if sales tax and other revenues do not perform as forecasted, then additional budget and service level reductions will have to be considered.

The 2011 budget includes a 6 percent increase in the Electric Fund. This rate increase is needed to continue the planned increases in purchased power costs that have been phased in over the last several years. The 2011 budget also includes a 2% increase in water utility rates, and a 3% increase in wastewater rates. The 2011 budget does not include a rate increase in the Sanitation Fund, or Drainage Utility Fund.

The fiscal year 2011 budget for capital improvements totals \$25,233,026. The City anticipates significant expenditures for infrastructure projects throughout the city. These projects include rehabilitation of utilities, drainage ways, and streets. In November 2008, voters authorized \$76,950,000 in future General Obligation Bonds for streets, traffic, fire station projects, the library expansion project, and parks and recreation projects. Some of the more significant upcoming capital projects are as follows:

- Victoria Avenue Extension
- Jones Butler (Penberthy) Extension
- Royder Road Improvements
- Rock Prairie Road Widening – Design & ROW
- Barron Road Widening Phase II
- Hike and Bike Trail Completion
- Fire Station #6
- Skate Park

# Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2010

(Unaudited)

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- Beachy Central Park Improvements
- East District Maintenance Shop
- Radio System Replacement
- Wastewater Rehabilitation – Tauber and Stasney
- Water Rehabilitation – South Knoll/The Glade
- Wastewater Rehabilitation – South Knoll the Glade
- Waster Rehabilitation – Southwood 5-7
- Wastewater Rehabilitation – Southwood 5-7
- Carters Creek Lab and SCADA Building
- High Service Water Pump Improvements
- Water Reclamation Phase I
- Water Distribution – Wellborn Widening
- Barron Road Water Service Extension

The City plans to issue \$6,080,000 in general obligation bonds from the 2003 and 2008 bond authorization for the following: \$2,800,000 for street and transportation improvements, \$600,000 for traffic signals, \$2,180,000 for parks and recreation projects, and \$500,000 for Municipal Complex Expansion improvements. The City also plans to issue \$380,000 in certificates of obligations for technology projects. In addition \$1,000,000 is projected to be issued for the purchase of several Fire vehicles. The City also plans to issue \$17,285,000 in long term debt for the following utility projects: \$5,410,000 for electric capital projects, \$5,450,000 for water capital projects, and \$6,425,000 for wastewater capital projects. In addition, a total of \$6,075,000 in cash from the utility funds is projected to be used for capital projects in fiscal year 2011.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of College Station's financial position for all who have an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of College Station  
Fiscal Services Department  
ATTN: Chief Financial Officer  
P.O. Box 9960  
College Station, Texas 77842-9960

or visit our website at <http://www.cstx.gov>.



**CITY OF COLLEGE STATION**

Statement of Net Assets

September 30, 2010

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 80,810,212	\$ 23,539,254	\$ 104,349,466
Investments	6,001,151	1,690,118	7,691,269
Receivables (net of allowance for uncollectibles)	5,932,859	17,306,959	23,239,818
Internal balance	(1,920,482)	1,920,482	-
Inventories	8,462,190	1,658,496	10,120,686
Prepays	332,908	-	332,908
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	184,890	6,681,680	6,866,570
Investments	10,742	495,976	506,718
Accrued interest receivable	-	5,278	5,278
Equity in Joint Venture	-	12,896,874	12,896,874
Loan Receivable	-	4,765,000	4,765,000
Deferred Issuance Costs, net	472,500	810,594	1,283,094
Capital assets (net of accumulated depreciation):			
Land and Construction in Progress	50,345,870	70,139,163	120,485,033
Other capital assets (net of accumulated depreciation)	177,480,183	224,060,307	401,540,490
Total assets	<u>328,113,023</u>	<u>365,970,181</u>	<u>694,083,204</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	2,960,463	17,276,693	20,237,156
Retainage Payable	93,571	593,587	687,158
Refundable Deposits	107,036	-	107,036
Claims Payable	3,230,623	-	3,230,623
Accrued liabilities	725,596	330,758	1,056,354
Customer Construction Advances	196,324	81,313	277,637
Unearned Revenues	809,662	93,204	902,866
Liabilities Payable from Restricted Assets:			
Accrued interest payable	559,926	931,272	1,491,198
Accrued Liabilities	-	17,455	17,455
Refundable deposits	-	1,877,149	1,877,149
Noncurrent liabilities:			
Due within one year:			
Compensated Absences	187,398	26,304	213,702
Bonds and Certificates of Obligation Payable	7,580,000	8,920,000	16,500,000
Due in more than one year:			
Bonds and Certificates of Obligation Payable	103,115,000	131,625,000	234,740,000
Deferred Charge - Refunding	(632,743)	-	(632,743)
Unamortized Premium/Discount on Bonds	304,941	300,532	605,473
Compensated Absences	2,361,069	499,791	2,860,860
Other Post Employment Benefits (OPEB) Obligation	3,197,267	935,140	4,132,407
Net Pension Obligation	2,357,660	689,572	3,047,232
Total liabilities	<u>127,153,793</u>	<u>164,197,770</u>	<u>291,351,563</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	153,397,767	161,365,075	314,762,842
Restricted for:			
Debt service	4,189,772	1,588,631	5,778,403
Public Safety	992,928	-	992,928
Community Development	1,601,469	-	1,601,469
Tourism	3,241,579	-	3,241,579
Other purposes	175,974	-	175,974
Unrestricted	37,359,741	38,818,705	76,178,446
Total net assets	<u>\$ 200,959,230</u>	<u>\$ 201,772,411</u>	<u>\$ 402,731,641</u>

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

**CITY OF COLLEGE STATION, TEXAS**  
Statement of Activities  
For the Year Ended September 30, 2010

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General Government	\$ 11,534,705	\$ 1,002,964	\$ 1,434,932	\$ 2,686,814
Fiscal Services	4,127,990	100,495	-	-
Police	16,063,347	5,073,681	3,326	84,479
Fire	13,301,029	1,590,912	-	608,463
Planning and Development Services	2,952,177	1,075,342	-	-
Public Works	17,026,827	1,895,263	-	13,418,516
Capital Improvement Program	256,177	-	-	951,686
Parks and Recreation	11,202,863	1,722,840	255,970	1,826,463
Library	1,103,864	-	-	11,500
Information Technology	5,048,720	-	-	-
Interest on long-term debt	4,111,523	-	-	-
Unallocated Depreciation	1,047,906	-	-	-
Total governmental activities	<u>87,777,128</u>	<u>12,461,497</u>	<u>1,694,228</u>	<u>19,587,921</u>
Business-type activities:				
Electric	88,685,699	91,162,890	-	1,367,544
Water	10,190,159	12,745,173	-	4,373,749
Wastewater	10,604,983	11,522,025	-	3,686,526
Sanitation	6,527,724	7,299,273	-	2,275,216
Northgate Parking	1,019,393	1,140,833	-	-
Total business-type activities	<u>117,027,958</u>	<u>123,870,194</u>	<u>-</u>	<u>11,703,035</u>
Total primary government	<u>\$ 204,805,086</u>	<u>\$ 136,331,691</u>	<u>\$ 1,694,228</u>	<u>\$ 31,290,956</u>

General Revenue:  
Property taxes  
Sales and Mixed Beverage taxes  
Franchise taxes  
Hotel occupancy taxes  
Unrestricted investment earnings  
Loss on disposition of capital assets  
Transfers  
Total general revenues and transfers  
Change in net assets  
Net assets - beginning  
Net assets - ending

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

**Net Revenue (Expense) and  
Changes in Net Assets**

<b>Governmental Activities</b>		<b>Business-type Activities</b>	<b>Total</b>
\$	(6,409,995)	\$ -	\$ (6,409,995)
	(4,027,495)	-	(4,027,495)
	(10,901,861)	-	(10,901,861)
	(11,101,654)	-	(11,101,654)
	(1,876,835)	-	(1,876,835)
	(1,713,048)	-	(1,713,048)
	695,509	-	695,509
	(7,397,590)	-	(7,397,590)
	(1,092,364)	-	(1,092,364)
	(5,048,720)	-	(5,048,720)
	(4,111,523)	-	(4,111,523)
	(1,047,906)	-	(1,047,906)
	<u>(54,033,482)</u>	<u>-</u>	<u>(54,033,482)</u>
	-	3,844,735	3,844,735
	-	6,928,763	6,928,763
	-	4,603,568	4,603,568
	-	3,046,765	3,046,765
	-	121,440	121,440
	<u>-</u>	<u>18,545,271</u>	<u>18,545,271</u>
	<u>(54,033,482)</u>	<u>18,545,271</u>	<u>(35,488,211)</u>
	24,745,344	-	24,745,344
	19,751,004	-	19,751,004
	2,210,902	-	2,210,902
	3,387,041	-	3,387,041
	265,424	420,236	685,660
	(24,596)	-	(24,596)
	15,337,330	(15,337,330)	-
	<u>65,672,449</u>	<u>(14,917,094)</u>	<u>50,755,355</u>
	11,638,967	3,628,177	15,267,144
	189,320,263	198,144,234	387,464,497
\$	<u><u>200,959,230</u></u>	<u><u>201,772,411</u></u>	<u><u>402,731,641</u></u>

**CITY OF COLLEGE STATION, TEXAS**

Balance Sheet

Governmental Funds

September 30, 2010

	General	Debt Service	Street Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Cash and Cash Equivalents	\$ 14,382,761	\$ 3,831,295	\$ 20,619,679	\$ 28,935,988	\$ 67,769,723
Equity in Investments	1,070,414	284,394	1,530,583	2,147,774	5,033,165
Receivables					
Accrued Interest	12,726	4,277	23,189	32,033	72,225
Grants	27,126	-	-	257,035	284,161
Letter of Credit	25,000	-	-	-	25,000
Accounts	1,167,275	-	373,512	857,955	2,398,742
Taxes	2,246,798	409,300	-	-	2,656,098
Other	2,898	-	-	603,092	605,990
Less Allowance for Uncollectible Accounts	(55,890)	-	-	(102,647)	(158,537)
Inventories	53,341	-	-	8,330,819	8,384,160
Prepaid Costs	17,175	-	315,733	-	332,908
Restricted Assets					
Equity in Cash and Cash Equivalents	184,890	-	-	-	184,890
Equity in investments	10,742	-	-	-	10,742
<b>Total Assets</b>	<b>\$ 19,145,256</b>	<b>\$ 4,529,266</b>	<b>\$ 22,862,696</b>	<b>\$ 41,062,049</b>	<b>\$ 87,599,267</b>
<b>Liabilities and Fund Balances</b>					
Accounts Payable	\$ 994,006	\$ -	\$ 383,041	\$ 440,253	\$ 1,817,300
Claims Payable	1,600,000	-	-	-	1,600,000
Retainage Payable	-	-	81,838	11,733	93,571
Interfund Payables	480,000	-	-	-	480,000
Refundable Deposits	107,036	-	-	-	107,036
Accrued Liabilities	695,893	-	-	29,703	725,596
Customer Construction Advances	58,566	-	137,758	-	196,324
Other Deferred Revenues	1,393,874	409,300	373,512	1,165,094	3,341,780
<b>Total Liabilities</b>	<b>5,329,375</b>	<b>409,300</b>	<b>976,149</b>	<b>1,646,783</b>	<b>8,361,607</b>
<b>Fund Balances</b>					
Nonspendable	70,516	-	-	8,235,642	8,306,158
Restricted	849,622	4,119,966	21,886,547	28,415,397	55,271,532
Committed	1,794,416	-	-	2,764,227	4,558,643
Unassigned	11,101,327	-	-	-	11,101,327
<b>Total Fund Balances</b>	<b>13,815,881</b>	<b>4,119,966</b>	<b>21,886,547</b>	<b>39,415,266</b>	<b>79,237,660</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 19,145,256</b>	<b>\$ 4,529,266</b>	<b>\$ 22,862,696</b>	<b>\$ 41,062,049</b>	<b>\$ 87,599,267</b>

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

**CITY OF COLLEGE STATION, TEXAS**  
 Reconciliation of Governmental Funds Balance Sheet  
 to the Statement of Net Assets  
 September 30, 2010

Total Fund Balance per balance sheet: \$ 79,237,660

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet. Includes capital assets of the Internal Service Funds. 227,826,053

Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 2,532,118

Interest payable on long-term debt does not require current financial resources and therefore is not reported in the governmental funds balance sheet. (559,926)

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance, fleet maintenance, and equipment replacement to individual funds. The assets and liabilities of the internal service funds are included in the government-wide statements of net assets (net of the amount allocated to business-type activities, capital assets and long-term liabilities). Internal Service Fund balances not included in other reconciling items:

Current assets	\$	14,342,014	
Current liabilities		(2,787,701)	
Net amount allocated to business-type activities		(1,632,896)	9,921,417

Long-term estimated liabilities are recognized as expenses in the Statement of Activities as incurred, but are recognized when current financial resources are used in the governmental funds. Includes Internal Service Funds' estimated long term liabilities liabilities:

Compensated absences	\$	(2,548,467)	
Net pension obligation		(2,357,660)	
Other post retirement benefits		(3,197,267)	(8,103,394)

Long-term debt liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet:

Due within one year	\$	(7,580,000)	
Due in more than one year		(103,115,000)	
Deferred charges		800,302	(109,894,698)

Net Assets of governmental activities: \$ 200,959,230

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

**CITY OF COLLEGE STATION, TEXAS**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended September 30, 2010

	General	Debt Service	Street Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 33,134,813	\$ 12,191,613	\$ -	\$ 4,575,377	\$ 49,901,803
Licenses and Permits	964,344	-	-	-	964,344
Intergovernmental	795,750	-	-	4,227,072	5,022,822
Charges for Services	4,043,200	-	-	1,998,905	6,042,105
Fines, Forfeits, and Penalties	3,817,193	-	-	683,254	4,500,447
Investment Income	69,379	35,352	21,033	80,884	206,648
Rents and Royalties	749,635	-	-	-	749,635
Contributions	15,366	-	-	590,587	605,953
Other	139,644	30	11,915	116,106	267,695
<b>Total Revenues</b>	<b>43,729,324</b>	<b>12,226,995</b>	<b>32,948</b>	<b>12,272,185</b>	<b>68,261,452</b>
<b>Expenditures</b>					
<b>Current</b>					
General Government	4,098,364	-	-	3,302,793	7,401,157
Fiscal Services	3,086,275	-	5,225	543,509	3,635,009
Police	13,724,355	-	-	92,265	13,816,620
Fire	11,414,188	-	-	4,760	11,418,948
Planning and Development Services	2,456,322	-	-	112,142	2,568,464
Public Works	6,099,189	-	15,360	1,009,336	7,123,885
Capital Improvement Projects	129,005	-	-	3,875	132,880
Parks and Recreation	8,295,138	-	-	635,250	8,930,388
Information Services	3,886,102	-	-	1,000	3,887,102
Library	1,080,030	-	-	-	1,080,030
Claims	1,600,000	-	-	-	1,600,000
Contributions	783,883	-	-	1,482,675	2,266,558
Other	327,210	-	-	111,547	438,757
Capital Outlay	-	-	4,386,929	5,378,222	9,765,151
<b>Debt Service</b>					
Principal Retirement	-	8,050,000	-	-	8,050,000
Interest Payments	-	4,133,633	-	-	4,133,633
Fiscal Charges	-	104,757	11,846	111,162	227,765
<b>Total Expenditures</b>	<b>56,980,061</b>	<b>12,288,390</b>	<b>4,419,360</b>	<b>12,788,536</b>	<b>86,476,347</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>(13,250,737)</b>	<b>(61,395)</b>	<b>(4,386,412)</b>	<b>(516,351)</b>	<b>(18,214,895)</b>
<b>Other Financing Sources (Uses)</b>					
Issuance of Debt	-	-	12,525,000	8,160,000	20,685,000
Issuance of Refunding Debt	-	4,265,000	-	-	4,265,000
Premium on bonds issued	-	75,183	-	-	75,183
Payment to refunded bond escrow agent	-	(4,283,647)	-	-	(4,283,647)
Sales of Capital Assets	5,615	-	-	-	5,615
Transfers In	15,786,796	223,615	-	44,133	16,054,544
Transfer Out	-	-	-	(673,081)	(673,081)
<b>Total Other Financing Sources (Uses)</b>	<b>15,792,411</b>	<b>280,151</b>	<b>12,525,000</b>	<b>7,531,052</b>	<b>36,128,614</b>
<b>Net Change in Fund Balances</b>	<b>2,541,674</b>	<b>218,756</b>	<b>8,138,588</b>	<b>7,014,701</b>	<b>17,913,719</b>
Fund Balances, October 1	11,274,207	3,901,210	13,747,959	24,471,615	53,394,991
Adjust for Inventory under Purchases Method:	-	-	-	7,928,950	7,928,950
<b>Fund Balances, September 30</b>	<b>\$ 13,815,881</b>	<b>\$ 4,119,966</b>	<b>\$ 21,886,547</b>	<b>\$ 39,415,266</b>	<b>\$ 79,237,660</b>

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

**CITY OF COLLEGE STATION, TEXAS**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**

For the Fiscal Year Ended September 30, 2010

Net change in fund balance - total governmental funds: \$ 17,913,719

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. 10,758,263

The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade ins, and contributions) is to increase net assets.

Capital contributions	\$	15,404,130	
Asset retirements/disposals		<u>(30,211)</u>	15,373,919

Depreciation expense on capital assets is reported in the government-wide statement of activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds. (13,277,822)

Some property tax, intergovernmental and ambulance revenues will not be collected for several months after the city's fiscal year end. These are not considered "available" revenues in the governmental funds until received. (1,152,380)

The issuance of long-term debt (i.e., bonds, certificates of obligation) 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, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bonds issued	\$	(23,900,000)	
Certificates of Obligation issued		(1,050,000)	
Bond principal retirement		8,025,000	
Certificate of Obligation principal retirement		<u>3,950,000</u>	(12,975,000)

Bond premiums are recognized as an other financing source in the governmental funds, but are considered deferred assets on the Statement of Net Assets. Premiums are amortized over the life of the bonds. This is the amount by which bond premium issued, bond issuance costs and bond refunding losses exceeded amortization. 576,347

Payment of compensated absences is reported as an expenditure in the governmental funds when actually paid. However, on the government-wide statement of changes in net assets, compensated absences are expensed as they are accrued. Change in the compensated absences liability. (17,804)

Long-term estimated liabilities are recognized as expenses in the Statement of Activities as incurred, but are recognized when current financial resources are used in the governmental funds. Includes Internal Service Funds' change in estimated long term liabilities liabilities:

Net pension obligation	\$	(2,357,660)	
Other post retirement benefits		<u>(3,197,267)</u>	(5,554,927)

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 the governmental funds. Change in accrued interest. (52,806)

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance, fleet maintenance, and equipment replacement to individual funds. The net revenue of the internal service funds is reported with governmental activities net of the amount allocated to business-type activities and depreciation expense.

Change in net assets	\$	(3,011,054)	
Net amount allocated to business activities		936,516	
Depreciation expense		<u>2,121,996</u>	47,458

Change in Net Assets of governmental activities: \$ 11,638,967

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

**CITY OF COLLEGE STATION, TEXAS**

Statement of Net Assets

Proprietary Funds

September 30, 2010

	Business-type Activities - Enterprise Funds					Governmental
	Electric	Water	Wastewater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Current Assets</b>						
Equity in Cash and Cash Equivalents	\$ 10,625,596	\$ 5,990,887	\$ 4,789,833	\$ 1,964,337	\$ 23,370,653	\$ 13,209,090
Equity in Investments	788,730	444,699	355,546	88,628	1,677,603	980,501
<b>Restricted Assets</b>						
Equity in Cash and Cash Equivalents	405,331	528,050	541,045	-	1,474,426	-
Equity in Investments	30,735	39,746	40,724	-	111,205	-
Accrued Interest Receivable	93	3,955	1,230	-	5,278	-
<b>Receivables</b>						
Accrued Interest	13,357	6,683	5,351	25,789	51,180	14,742
Accounts	13,934,164	2,584,625	1,642,375	1,010,867	19,172,031	79,224
Loans	-	-	-	205,000	205,000	-
Other	1,095,232	-	-	-	1,095,232	14,572
Less: Allowance for Uncollectible Accounts	(2,732,647)	(134,882)	(235,573)	(138,595)	(3,241,697)	(34,145)
Due from Other Funds	40,000	40,000	40,000	-	120,000	-
Inventories	1,272,687	336,961	33,893	14,955	1,658,496	78,030
<b>Total Current Assets</b>	<b>25,473,278</b>	<b>9,840,724</b>	<b>7,214,424</b>	<b>3,170,981</b>	<b>45,699,407</b>	<b>14,342,014</b>
<b>Noncurrent Assets</b>						
<b>Restricted Assets</b>						
Equity in Cash and Cash Equivalents	2,190,537	1,921,484	1,095,233	-	5,207,254	-
Equity in Investments	161,954	142,081	80,736	-	384,771	-
<b>Total Restricted Assets</b>	<b>2,352,491</b>	<b>2,063,565</b>	<b>1,175,969</b>	<b>-</b>	<b>5,592,025</b>	<b>-</b>
Advance to Other Funds	120,000	120,000	120,000	-	360,000	-
Equity in Joint Venture	-	-	-	12,896,874	12,896,874	-
Loans Receivable	-	-	-	4,765,000	4,765,000	-
<b>Deferred Charges</b>						
Bond Issuance Charges	422,268	407,074	369,560	(31,954)	1,166,948	-
Accumulated Amortization	(101,535)	(122,505)	(132,404)	90	(356,354)	-
<b>Total Deferred Charges</b>	<b>320,733</b>	<b>284,569</b>	<b>237,156</b>	<b>(31,864)</b>	<b>810,594</b>	<b>-</b>
<b>Property and Equipment</b>						
Utility Plant	142,507,783	105,672,038	100,167,938	-	348,347,759	-
Buildings	-	-	-	5,743,755	5,743,755	786,525
Machinery and Equipment	-	-	-	4,905,014	4,905,014	20,796,424
Accumulated Depreciation	(63,621,550)	(34,318,332)	(33,426,829)	(3,988,093)	(135,354,804)	(14,283,050)
Construction in Progress	10,210,768	43,777,239	15,460,449	-	69,448,456	-
Land	-	-	-	690,707	690,707	-
<b>Total Property and Equipment</b>	<b>89,097,001</b>	<b>115,130,945</b>	<b>82,201,558</b>	<b>7,351,383</b>	<b>293,780,887</b>	<b>7,299,899</b>
<b>Total Noncurrent Assets</b>	<b>91,890,225</b>	<b>117,599,079</b>	<b>83,734,683</b>	<b>24,981,393</b>	<b>318,205,380</b>	<b>7,299,899</b>
<b>Total Assets</b>	<b>117,363,503</b>	<b>127,439,803</b>	<b>90,949,107</b>	<b>28,152,374</b>	<b>363,904,787</b>	<b>21,641,913</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts Payable	16,394,123	494,231	293,978	80,446	17,262,778	1,157,078
Retainage Payable	166,987	309,240	117,360	-	593,587	-
Accrued Liabilities	269,289	-	-	61,469	330,758	-
Customer Construction Advances	24,382	44,801	12,130	-	81,313	-
Other Deferred Revenues	-	-	-	93,204	93,204	-
Claims Payable	-	-	-	-	-	1,630,623
<b>Payable from Restricted Assets</b>						
Accounts Payable	1,671	-	-	-	1,671	-
Accrued Interest Payable	287,685	361,603	243,540	38,444	931,272	-
Accrued Liabilities	13,122	-	2,662	-	15,784	-
Refundable Deposits	1,554,252	316,227	-	6,670	1,877,149	-
General Obligation Bonds	-	-	-	760,000	760,000	-
Certificates of Obligation	972,926	505,000	257,074	205,000	1,940,000	-
Revenue Bonds	1,504,417	2,248,335	2,467,248	-	6,220,000	-
<b>Total Current Liabilities</b>	<b>21,188,854</b>	<b>4,279,437</b>	<b>3,393,992</b>	<b>1,245,233</b>	<b>30,107,516</b>	<b>2,787,701</b>
<b>Noncurrent Liabilities</b>						
General Obligation Bonds	-	-	-	3,070,000	3,070,000	-
Certificates of Obligation	23,545,184	13,320,000	5,399,816	4,765,000	47,030,000	-
Revenue Bonds	21,620,010	35,098,440	24,806,550	-	81,525,000	-
Unamortized Premium/Discount on Debt	(48,980)	23,644	(35,428)	361,295	300,531	-
Accrued Vacation	200,712	68,742	130,649	68,865	468,968	105,538
Post Employment Benefits	372,377	127,281	198,120	141,678	839,456	173,530
Net Pension Obligation	274,591	93,857	146,093	104,474	619,015	127,960
<b>Total Noncurrent Liabilities</b>	<b>45,963,894</b>	<b>48,731,964</b>	<b>30,645,800</b>	<b>8,511,312</b>	<b>133,852,970</b>	<b>407,028</b>
<b>Total Liabilities</b>	<b>67,152,748</b>	<b>53,011,401</b>	<b>34,039,792</b>	<b>9,756,545</b>	<b>163,960,486</b>	<b>3,194,729</b>
<b>Net Assets</b>						
Invested in Capital Assets, net of related debt	42,350,675	65,996,661	50,489,964	2,109,192	160,946,492	7,299,899
<b>Restricted for:</b>						
Debt service	439,066	567,796	581,769	-	1,588,631	4,635
Unrestricted	7,421,014	7,863,945	5,837,582	16,286,637	37,409,178	11,142,650
<b>Total Net Assets</b>	<b>\$ 50,210,755</b>	<b>\$ 74,428,402</b>	<b>\$ 56,909,315</b>	<b>\$ 18,395,829</b>	<b>\$ 199,944,301</b>	<b>\$ 18,447,184</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					1,828,110	
Net assets business-type activities:					<u>\$ 201,772,411</u>	

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

**CITY OF COLLEGE STATION, TEXAS**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2010**

	Business-type Activities - Enterprise Funds				Governmental Activities	
	Electric	Water	Wastewater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues						
Charges for Services	\$ 89,126,259	\$ 12,424,038	\$ 11,348,465	\$ 8,046,859	\$ 120,945,621	\$ 7,102,045
Premiums	-	-	-	-	-	8,946,885
Other	2,036,631	321,135	173,560	48,182	2,579,508	254,803
<b>Total Operating Revenues</b>	<b>91,162,890</b>	<b>12,745,173</b>	<b>11,522,025</b>	<b>8,095,041</b>	<b>123,525,129</b>	<b>16,303,733</b>
Operating Expenses						
Electric Operations	81,808,256	-	-	-	81,808,256	-
Salaries and Benefits	-	1,936,520	3,024,426	2,330,449	7,291,395	2,666,726
Supplies	-	473,328	567,269	342,553	1,383,150	1,149,365
Maintenance	-	91,016	159,506	476,680	727,202	47,482
Purchased Professional Services	-	190,495	426,538	603,604	1,220,637	109,110
Purchased Property Services	-	1,067,702	938,290	1,610,664	3,616,656	62,344
Other Purchased Services	-	191,497	351,749	834,166	1,377,412	677,233
Claims	-	-	-	-	-	7,320,720
Administration Fees	-	-	-	-	-	1,436,180
Contributions	-	-	-	-	-	2,788,213
Premiums	-	-	-	-	-	1,203,225
Depreciation	4,734,798	3,287,399	3,480,522	465,808	11,968,527	2,121,996
Other	-	490,603	(166,089)	207,738	532,252	23,256
<b>Total Operating Expenses</b>	<b>86,543,054</b>	<b>7,728,560</b>	<b>8,782,211</b>	<b>6,871,662</b>	<b>109,925,487</b>	<b>19,605,850</b>
<b>Operating Income</b>	<b>4,619,836</b>	<b>5,016,613</b>	<b>2,739,814</b>	<b>1,223,379</b>	<b>13,599,642</b>	<b>(3,302,117)</b>
Nonoperating Revenues (Expenses)						
Investment Income	34,664	51,979	43,048	290,947	420,638	58,374
Gain (loss) on disposal of assets	104,614	3,351	-	74,651	182,616	-
Intergovernmental	-	-	-	-	-	13,914
Earnings in Joint Venture	-	-	-	345,065	345,065	-
Interest Expense	(2,058,923)	(2,408,693)	(1,633,045)	(363,122)	(6,463,783)	-
Other, Net	79,780	76,164	429	(41,563)	114,810	262,908
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(1,839,865)</b>	<b>(2,277,199)</b>	<b>(1,589,568)</b>	<b>305,978</b>	<b>(5,400,654)</b>	<b>335,196</b>
<b>Income Before Capital Contributions and Transfers</b>	<b>2,779,971</b>	<b>2,739,414</b>	<b>1,150,246</b>	<b>1,529,357</b>	<b>8,198,988</b>	<b>(2,966,921)</b>
Capital Contributions and Transfers						
Capital Contributions	1,367,544	4,373,749	3,686,526	2,275,216	11,703,035	-
Transfers In	605,908	-	-	-	605,908	-
Transfers Out	(10,021,344)	(2,562,403)	(2,144,011)	(1,215,480)	(15,943,238)	(44,133)
<b>Total Capital Contributions and Transfers</b>	<b>(8,047,892)</b>	<b>1,811,346</b>	<b>1,542,515</b>	<b>1,059,736</b>	<b>(3,634,295)</b>	<b>(44,133)</b>
<b>Change in Net Assets</b>	<b>(5,267,921)</b>	<b>4,550,760</b>	<b>2,692,761</b>	<b>2,589,093</b>	<b>4,564,693</b>	<b>(3,011,054)</b>
<b>Beginning Net Assets</b>	<b>55,478,676</b>	<b>69,877,642</b>	<b>54,216,554</b>	<b>15,806,736</b>		<b>21,458,238</b>
<b>Ending Net Assets</b>	<b>\$ 50,210,755</b>	<b>\$ 74,428,402</b>	<b>\$ 56,909,315</b>	<b>\$ 18,395,829</b>		<b>\$ 18,447,184</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					(936,516)	
Change in net assets of business-type activities:					<u>\$ 3,628,177</u>	

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

CITY OF COLLEGE STATION, TEXAS  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities
	Electric	Water	Wastewater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>						
Cash Received from Customers	\$ 89,303,678	\$ 15,012,046	\$ 11,431,319	\$ 8,105,138	\$ 123,852,181	\$ 16,301,446
Cash Payments to Suppliers for Goods and Services	(75,992,808)	(2,774,726)	(2,841,544)	(4,413,895)	(86,022,973)	(14,715,972)
Cash Payments to Employees for Services	(4,863,679)	(1,715,746)	(2,670,317)	(2,084,556)	(11,334,298)	(2,363,324)
Customer Deposits Received	(130,225)	(32,238)	-	(5,529)	(167,992)	-
Cash Received for Miscellaneous Revenues	184,414	203,264	53,734	-	441,412	114,604
<b>Net Cash Provided by Operating Activities</b>	<b>8,501,380</b>	<b>10,692,600</b>	<b>5,973,192</b>	<b>1,601,158</b>	<b>26,768,330</b>	<b>(663,246)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>						
Transfers In from Other Funds	605,908	-	-	-	605,908	-
Transfers Out to Other Funds	(10,021,344)	(2,562,403)	(2,144,011)	(1,215,480)	(15,943,238)	(44,133)
<b>Net Cash Used by Noncapital Financing Activities</b>	<b>(9,415,436)</b>	<b>(2,562,403)</b>	<b>(2,144,011)</b>	<b>(1,215,480)</b>	<b>(15,337,330)</b>	<b>(44,133)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Acquisition and Construction of Capital Assets	(6,374,496)	(7,984,895)	(2,666,017)	(37,286)	(17,062,694)	(1,335,667)
Proceeds from Sale of Assets	104,614	3,351	-	3,007	110,972	209,515
Principal Paid on Revenue Bonds	(1,427,565)	(2,089,450)	(2,492,985)	-	(6,010,000)	-
Principal Paid on Certificates of Obligation	(790,000)	(430,000)	(240,000)	(5,060,000)	(6,520,000)	-
Interest Paid on Revenue Bonds	(1,089,633)	(1,833,978)	(1,359,738)	-	(4,283,349)	-
Interest Paid on Certificates of Obligation	(924,932)	(578,315)	(237,469)	(704,117)	(2,444,833)	-
Proceeds from Certificates of Obligation	2,533,858	-	300,468	4,223,249	7,057,575	-
Loan Made to Related Party	-	-	-	(5,121,519)	(5,121,519)	-
Certificates of Obligation proceeds moved to Electric	5,121,519	-	-	(5,121,519)	-	-
Debt Service reimbursed	-	-	-	835,450	835,450	-
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(2,846,635)</b>	<b>(12,913,287)</b>	<b>(6,695,741)</b>	<b>(10,982,735)</b>	<b>(33,438,398)</b>	<b>(1,126,152)</b>
<b>Cash Flows from Investing Activities:</b>						
Purchase of Investments	(4,743,671)	(3,567,759)	(3,193,164)	(1,831,369)	(13,335,963)	(5,968,059)
Proceeds from Sale and Maturities of Investment Securities	7,521,909	5,662,298	4,221,875	4,537,519	21,943,601	9,216,632
Investment Income	57,876	64,304	57,250	91,929	271,359	77,043
<b>Net Cash Provided by Investing Activities</b>	<b>2,836,114</b>	<b>2,158,843</b>	<b>1,085,961</b>	<b>2,798,079</b>	<b>8,878,997</b>	<b>3,325,616</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(924,577)</b>	<b>(2,624,247)</b>	<b>(1,780,599)</b>	<b>(7,798,978)</b>	<b>(13,128,401)</b>	<b>1,492,085</b>
Cash and Cash Equivalents, Oct. 1	14,146,041	11,064,668	8,206,710	9,763,315	43,180,734	11,717,005
<b>Cash and Cash Equivalents, Sept. 30</b>	<b>\$ 13,221,464</b>	<b>\$ 8,440,421</b>	<b>\$ 6,426,111</b>	<b>\$ 1,964,337</b>	<b>\$ 30,052,333</b>	<b>\$ 13,209,090</b>

CITY OF COLLEGE STATION, TEXAS  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities
	Electric	Water	Wastewater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:						
Operating Income (Loss)	\$ 4,619,836	\$ 5,016,613	\$ 2,739,814	\$ 1,223,379	\$ 13,599,642	\$ (3,302,117)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation, Bad Debt Expense, Inventory Loss	4,734,798	3,287,399	3,480,522	482,856	11,985,575	2,121,996
Provision for Uncollectible Accounts	354,092	17,688	31,157	4,337	407,274	(25,801)
Miscellaneous Nonoperating Revenues	3,046,985	2,983,762	83,529	(357,612)	5,756,664	(48,880)
Miscellaneous Nonoperating Expenses	(27,011)	(68,306)	(344,213)	(54,582)	(494,112)	-
Changes in Operating Assets and Liabilities:						
Change in Accounts Receivable	(1,851,956)	(730,933)	(90,706)	(24,732)	(2,698,327)	(2,287)
Change in Deferred Revenues	-	-	-	12,272	12,272	-
Change in Inventory	(123,436)	(6,937)	(986)	1,577	(129,782)	(12,325)
Change in Accounts Payable	(2,875,117)	7,772	(178,434)	16,534	(3,029,245)	299,503
Change in Claims Payable	-	-	-	-	-	80,708
Change in Accrued Liabilities	(155,535)	(67,470)	(101,600)	54,730	(269,875)	(77,445)
Change in Refundable Deposits	130,225	32,238	-	(5,529)	156,934	-
Change in Accrued Vacation	1,531	(364)	9,896	1,776	12,839	1,912
Change in OPEB	372,377	127,281	198,120	141,678	839,456	173,530
Change in Net Pension Obligation	274,591	93,857	146,093	104,474	619,015	127,960
Total Adjustments	<u>3,881,544</u>	<u>5,675,987</u>	<u>3,233,378</u>	<u>377,779</u>	<u>13,168,688</u>	<u>2,638,871</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 8,501,380</u>	<u>\$ 10,692,600</u>	<u>\$ 5,973,192</u>	<u>\$ 1,601,158</u>	<u>\$ 26,768,330</u>	<u>\$ (663,246)</u>

Noncash Operating, Financing, Capital and Investing Activities: During the Fiscal Year the Enterprise Fund added contributed capital in the amount of \$11,703,035.

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



# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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### I. Summary of Significant Accounting Policies

#### A. Financial Reporting Entity

The City of College Station, Texas ("City"), the financial reporting entity presented in these financial statements, was incorporated in 1938 and is a municipal corporation incorporated under the provisions of H.B. 901 of the Texas Legislature. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

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 (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled State and Local Governments – Audit and Accounting Guide and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the City has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected to not follow subsequent private sector guidance. The more significant accounting policies of the City are described below.

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is a fiscal dependency by the organization on the City.

Based on the aforementioned criteria, the City has no component units.

The City of College Station entered into a joint venture in 1990 with the City of Bryan, Texas creating the Brazos Valley Solid Waste Management Agency ("BVSWMA"). BVSWMA was formed to combine landfill operations for the two cities. It is subject to joint control, and each City reports a 50% interest in BVSWMA. The City's equity interest in BVSWMA is reported in the Sanitation Fund. (See Note V-C).

#### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (e.g., the statement of net assets and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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The statement of activities demonstrates the degree to which the direct expenses for a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **C. 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. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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*. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net assets and 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to vacation, claims, and judgments, are recorded only when payment is due.

Property taxes, other local taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and, therefore, have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

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

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

During the fiscal year, the City re-organized its fund structure to classify certain funds previously classified as a Special Revenue Fund as part of the General Fund. Please refer to the Supplementary Information for a reconciliation of the General Fund as previously reported to the General Fund as currently reported.

The *Debt Service Fund* accounts for the financial resources that are restricted, committed, or assigned to expenditure for the payment of principal and interest on long-term debt paid primarily from taxes levied by the City. Financial resources that are being accumulated for principal and interest in future years are also reported in the Debt Service Fund.

The *Street Projects Fund* accounts for the costs of new street construction, street improvements, and traffic signalization made with funds provided primarily by proceeds from the sale of general obligation bonds and by investing those proceeds.

The City reports the following major proprietary funds:

The *Electric Fund* accounts for the activities necessary to provide electric services to the residents of the City. These activities include administration, distribution system operations and maintenance, transmission system operations and maintenance, new construction, and financing and related debt service. Billing and collection services are accounted for as an internal service 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 accounted for as an internal service fund.

The *Wastewater Fund* accounts for the activities necessary to provide sewer 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 accounted for as an internal service fund.

Additionally, the City reports the following fund types:

*Internal Service Funds* account for activities related to the operation and maintenance of the City's radio and telephone systems; administration of health insurance provided to City employees; the City's risk management activities, including general liability, unemployment, and workers' compensation claims and associated administrative expenses on a cost reimbursement basis; utility billing and collection activities related to the City's electric, water, and wastewater utilities and residential and commercial garbage collection; activities related to the management of the City's vehicles and heavy equipment, including preventative maintenance and vehicle repair; and activities related to the purchase and replacement of vehicles and large motorized equipment, telephone and radio systems, and technological infrastructure equipment not budgeted in other funds.

In general, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments-in-lieu of taxes, indirect costs and franchise fees, and other charges between the City's Electric, Water, and Wastewater Funds because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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Amounts reported as 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 or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges for customer services including electric, water, wastewater, and sanitation fees, equipment purchase amounts, and risk management charges. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

### **D. Assets, Liabilities, and Net Assets or Equity**

#### Cash and Cash Equivalents

Cash and cash equivalents are short term highly liquid investments that are (a) readily convertible to known amounts of cash and (b) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Therefore, for purposes of the statement of cash flows, cash and cash equivalents (including restricted assets) include demand accounts, investment pools, money market mutual funds, and agency securities notes with original maturities of three months or less when purchased.

All cash, except for petty cash accounts, is deposited with the City's depository bank in interest bearing accounts or is invested.

The City uses a pooling method to account for cash and cash equivalents. Equity in cash and cash equivalents and interest income from the cash pool is allocated to the participating funds on a monthly basis. The amount of the allocation is determined by calculating a ratio of each fund's equity in the pool to the total pool.

#### Investments

Investments are made in accordance with the City's Investment Policy which was adopted by the City Council in October 2009. This policy is applicable to all City funds and permits investment in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, certificates of deposit, public funds investment pools, and money market mutual funds. This policy states that the City's Chief Financial Officer shall designate the City's Investment Officer with whom responsibility and authority for investment transactions reside.

The investments purchased under the provisions of the Investment Policy are managed to maintain liquidity for meeting the City's needs for cash and to limit potential market risks in periods of rising interest rates which depress the market value of securities. As a guideline, maturity of securities should not exceed five years for cash management purposes, with an optimum weighted average maturity of less than two years. Investments in securities of a longer maturity than two years are considered prudent for funds maintained for capital construction and debt service funds, if necessary to meet projected disbursement schedules.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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As a general guideline, the City's cash management portfolio is designed with the objective of meeting, over the course of full market cycles, the average return on three-month U.S. Treasury Bills, or the average rate of federal funds, whichever is higher. These indices are considered benchmarks for riskless investment transactions and therefore comprise a standard for the portfolio's rate of return. The investment program seeks to augment rates of return above this level. In a diversified portfolio, measured losses are inevitable and must be considered within the context of the overall portfolio. The objective in investment of construction funds is at least to match inflation increases in construction costs.

Active portfolio management includes the practice of selling securities prior to maturity and using the proceeds to purchase other securities. Such "swaps" are performed for a variety of valid reasons: to lengthen maturities as interest rates rise, to secure market profits and shorten maturities as interest rates fall, and to take advantage of the differences in relative yield between different types of securities and varying maturities. "Swap" analysis is the responsibility of the City's Investment Officer and the decision to execute the "swap" rests with her. To protect the portfolio from imprudent trading, no security may be sold until such time as the current market value of the security plus interest earned from date of purchase is at least equal to the purchase price of that security.

State statutes authorize the City to invest in fully-insured time deposits, direct debt securities of the United States or its agencies, and fully collateralized repurchase agreements. The repurchase agreements must be purchased pursuant to a master repurchase agreement which specifies that the transaction be held in a safekeeping account subject to the control and custody of the City.

Investments in security repurchase agreements may be made only with the City's depository bank, with state or national banks domiciled in the state of Texas, or with securities dealers reporting to the Federal Reserve Bank of New York ("Primary Dealers"). All securities are purchased delivery-vs.-payment and held in the City's name in a safekeeping account at The Bank of New York.

Investments of all funds consist mainly of Agency securities, a money market mutual fund with Fidelity, and investments in Texpool's public funds investment pool. Investments 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 City also uses a pooling method to account for investments. Equity in investments and interest income from the investment pool is allocated to the participating funds on a monthly basis and is determined by calculating a ratio of each fund's equity in the investment pool to the total pool.

GASB Statement No. 31 provides that governmental entities may report all investments at fair value or they may elect to report certain money market investments and participating interest-earning investment contracts at amortized cost. The City has elected to report all investments at fair value.

### Inventories, Assets Held for Resale and Prepaid Costs

Inventories are accounted for using the consumption method and are valued at year-end based on cost, with cost determined using an average cost method.

Assets held for resale include redevelopment properties, properties purchased and constructed with the express intent of resale. These assets are reported at cost in the governmental funds.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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Cemetery plots are another example of assets held for resale in the governmental funds. City ordinance stipulates the percentage of the cemetery plot sales to be allocated to the operational fund. These assets held for resale in the non-major governmental Community Development and Cemetery funds are reported as inventory in the financial statements and accounting for using the purchases method.

Payments made to vendors for services that will benefit periods beyond September 30, 2010, are recorded as prepaid costs with a reserve for prepaid items recognized in the governmental funds in the fund level financial statements to signify that a portion of fund balance is not available for other subsequent expenditures.

### Interfund Transactions and Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported 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

The City allocates an indirect cost percentage of administrative services paid through the General Fund along with other indirect costs deemed necessary for the operation of the proprietary funds, internal service funds and the other governmental funds.

### Restricted Assets

In the Enterprise Funds, proceeds of utility revenue bonds and certificates of obligation, as well as resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, customer utility deposits are classified as restricted assets because the deposit remains the property of the customer and is not available for operations. In the General Fund, restricted assets are comprised of Municipal Court cash bonds.

### Investment in Joint Venture

The Proprietary Funds' investment in joint venture is recorded using the equity method of accounting. Required disclosures concerning the joint venture are presented in Note V-C.

### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Assets owned by the electric utility are capitalized in accordance with Federal Energy Regulatory Commission (FERC) guidelines. Furthermore, assets owned by either the water or

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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wastewater utilities are capitalized in accordance with the National Association of Regulatory Utility Commissioners (NARUC) guidelines. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. In accordance with Financial Accounting Standards Board Statement No. 71, interest is not capitalized during construction of capital assets of business-type activities because interest is recovered currently in the City's established rate structure.

Depreciation of all assets is recorded and calculated using the straight-line method over the following estimated useful lives:

Electric System	1-50 Years
Water System	2-50 Years
Wastewater System	2-50 Years
Infrastructure	10-50 Years
Buildings and Building Improvements	5-50 Years
Land Improvements	10-45 Years
Machinery and Equipment	5-20 Years
Motor Vehicles	3-12 Years
Furniture, Fixtures and Office Equipment	5-20 Years

### Compensated Absences

Employees are credited with vacation at rates of 10 to 20 days per year, depending upon length of service. Carryover of unused vacation time from one year to the next is allowed for a maximum of two years. Upon termination, the respective employees are paid for any accrued vacation not taken (up to the two-year maximum). Accumulated vacation is accrued when earned in the government-wide and proprietary fund financial statements. No liability has been recorded in the governmental fund financial statements.

Employees are credited with sick leave at the rate of one day per month. There is no maximum to the number of sick days that each employee can accumulate. Because the City does not pay employees for unused accumulated sick leave, no related liability has been recorded in the financial statements.

### Long-Term Obligations

In the government-wide financial statements and in the fund financial statements for the proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount and deferred amounts on refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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### Fund Equity

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the specific purposes for which amounts in those funds can be spent. In the fiscal year ended September 30, 2009, the City adopted the Governmental Accounting Standards Board Statement (GASBS) number 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASBS 54 provides for and the City uses the following classifications:

*Nonspendable Fund Balance* includes amounts that cannot be spent because they are not in spendable form. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans receivable as well as property acquired for resale.

*Restricted Fund Balance* is reported when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. 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 (for example, resolution or ordinance) it employed to previously commit these amounts.

*Assigned Fund Balance* includes amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body itself or a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Assignments may not result in a deficit in Unassigned Fund Balance.

*Unassigned Fund Balance* is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

### **E. Budgetary Control**

The City follows these procedures in establishing the budgetary data:

1. Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means for financing them.
2. All budget requests are compiled by the Office of Budget and Strategic Planning and then presented with comparative and supporting data to the Mayor and City Council for review.
3. Public hearings are properly advertised and conducted at City Hall for taxpayer comments.
4. Prior to September 27, the budget is legally enacted through passage of an ordinance.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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5. The City Council must approve all transfers of budgeted amounts between departments within any fund and any revision that alters the total expenditures of any fund. An amount is also budgeted each year for contingencies which may arise. The Council has authorized the City Manager to make budget transfers for contingencies if the amount does not exceed \$15,000. All other transfers must be approved by City Council. City Council may transfer amounts among individual budget line items within major expenditure categories during the year, but no such transfer may increase the overall total budget. Budgeted amounts as originally adopted were not significantly changed by such transfers during the year.
6. In accordance with the City Charter, the budget may be amended after the following conditions are met: (a) The City Manager certifies that there are available revenues in excess of those estimated in the budget. (b) The City Council holds a public hearing on the supplemental appropriation. (c) The City Council approves the supplemental appropriation. Management may not amend the budget without seeking the approval of the City Council.

### **F. Budget Basis of Accounting**

The City prepares its annual budget on a basis (budget basis) which differs from a GAAP basis. The budget and all transactions are presented in accordance with the City's method (budget basis) in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund to provide a meaningful comparison of actual results with the budget. The differences between budget and GAAP basis in the General Fund are that reimbursements and transfers of indirect costs are shown as Reimbursed Administration and interfund loan transactions are treated as transfers for budget basis. Consistent with the purchases method, assets held for resale are treated as expenditures for budget purposes. Additionally, for the fiscal year ended September 30, 2010, there is a timing difference in the accrual of a loss claim for GAAP purposes that will be budgeted for in the subsequent fiscal year when the claim is paid.

### **II. Minimum Fund Balance/Operating Reserve Policies**

The unobligated (unassigned) fund balance in the General Fund should be at least 15% of the annual budgeted General Fund expenditures. This percentage is the equivalent of 55 days expenditure. An additional amount of 3.0% should be maintained for extraordinary items or contingencies. Cash and investments alone should be equivalent to 30 days operating expenditure.

The working capital (current assets less current liabilities) in the enterprise funds should be maintained at 15% of total operating expenses or the equivalent of 55 days. Cash and Investments alone should be equivalent to 30 days of operations.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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### III. Stewardship, Compliance, and Accountability

#### A. Budgetary Information

The Council approved four budget amendments during fiscal year 2010. These four budget amendments included the following appropriations:

Purchased Power	\$ 5,375,000
Community Development Block Grant Land Purchase	2,380,623
Holleman Extension - Oversized Participation	1,251,454
Fiscal Year 2010 Encumbrance Roll	834,724
Electric Debt Service Payment	757,254
Energy grant - Parks retrofits	639,033
Arts Council Building Purchase	520,000
Fire Department	335,031
Legal Costs	300,000
Wellborn/ F&B Traffic Signal	250,000
Wastewater Collection System Planning	209,500
Economic Development	200,000
e-Ticket Replacement	100,000
Educational and Governmental Communication	71,360
Zone 4 Parkland Dedication Land Purchase	55,548
Stephen C Beachy Central Park Improvements	54,000
Chimney Hill Property roof replacement	50,000
Court Technology	50,000
Lick Creek Wastewater Treatment Plant Forklift	42,000
Police Patrol Vehicle Replacement	38,468
Energy grant - Transfer Local Match for Hybrid Vehicle Purchase	37,022
JAG grant 2nd Allocation	22,436
Uninterrupted Power Supply Replacement	14,222
	<hr/>
	\$ 13,587,675

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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The Council approved four budget amendments during fiscal year 2010. These four budget amendments included the following budget reductions:

CIP Department	\$ (7,000)
Planning & Development Services	(87,000)
Fiscal Services	(105,138)
Information Technology	(120,027)
Parks & Recreation Department	(147,905)
General Government	(151,798)
Public Works Department	(245,730)
Police Department	(265,687)
General Fund Pay Plan Contingency	(273,000)
Equipment Replacement Reduced Contribution	(467,887)
	<u>\$ (1,871,172)</u>

1. Budget appropriations are adopted at the fund level for all funds except the General Fund. In the General Fund, budget appropriations are adopted at the department level. Expenditures in excess of appropriations for each fund are prohibited by the City Charter. Appropriations that have not been expended or lawfully encumbered lapse at the end of the budget year.
2. Formal budgetary integration is legally enacted and employed as a management control device during the year for all funds.
3. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities.

### B. Excess of Expenditures Over Appropriations

The amounts of any excesses of expenditures over appropriations during fiscal year 2010, and the funds in which they occurred are as follows:

Fund	Amount
General Fund, Capital Improvement Projects	\$ 17,394
General Fund, Library	2,108
General Fund, Contributions	1,000
General Fund, Other	35,064
Business Park Fund (General Fund), Capital Improvement Projects	2,050
Police Seizure Fund	26,381
Cemetery Perpetual Care Fund	3,113
Hotel Occupancy Tax Fund	25,748
Drainage Projects Fund	703,777
General Government Project Fund	1,113,783
Debt Service fund	65,931

The expenditures in the Business Park, Drainage Projects and General Government Projects were budgeted in prior years. Overall, these projects remained within budget.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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### IV. Detailed Notes on All Funds

#### A. Cash and Investments

Cash and investments are accounted for within the pooled cash fund of the City. The City records investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Cash and cash equivalents, investment balances and interest income are allocated to the City's participating funds on a monthly basis. The amount of the allocation is based on each fund's proportional equity to total pooled equity.

	<u>Fair Value</u>	<u>Weighted Average Maturity (days)</u>
Bank Demand Accounts	\$ 17,695,504	1
Money Market Account	20,136,145	1
Certificates of Deposits	15,057,824	177
U.S. Agency Securities	9,115,313	230
Texas Local Government Investment Pool	57,434,210	1
	<u>\$ 119,438,996</u>	
Portfolio Weighted Average Maturity		37

*Interest rate risk.* In accordance with the City's Investment Policy, interest rate risk is managed by limiting the weighted average maturity of the investment portfolio to two years (approximately 720 days) or less and by limiting the maximum maturity of any security purchased to five years or less.

*Credit risk.* Investments authorized by the City's policy are those approved by the revised State of Texas Public Funds Investment Act of 1997 and the Texas Public Collateral Act of 1989. These investments include the following:

- Obligations of the United States or its agencies and instrumentalities;
- Other obligations, the principal and interest on which is unconditionally guaranteed or insured by the State of Texas or the United States or its agencies;
- Certificates of deposit insured by the FDIC and issued by state and national banks domiciled in Texas that are secured by obligations qualified as acceptable collateral;
- Repurchase agreements or reverse repurchase agreements;
- 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," or its equivalent;
- Money market mutual funds that are SEC registered no-load funds with dollar-weighted average portfolio maturity of 120 days or less; or
- Public funds investment pools.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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As of September 30, 2010, the City's investments were rated by Standard & Poor's and Moody's as follows:

	<u>S&amp;P</u>	<u>Moody's</u>
Texpool	AAAm	N/A*
TexSTAR	AAAm	N/A*
Federal Home Loan Bank	AAA	Aaa
Federal National Mortgage Association	AAA	Aaa
Federal Farm Credit Bank	AAA	Aaa

\*Texpool and TexSTAR are only rated by S&P.

*Credit concentration.* With the exception of U.S. Treasury securities and authorized pools, the City's Investment Policy limits the investment in a single security type or with a single financial institution to 30%. It also limits the overall investment in Federal Agency securities to 70% and Certificates of Deposit to 20%. At September 30, 2010, the issuers whose securities represented more than 5% of the City's investment portfolio were as follows: the Federal Home Loan Bank (7%), American Momentum Bank (9%) and Citibank (6%).

*Custodian credit risk - deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City of College Station's City Council has approved a depository services contract which governs its depository relationship. This contract requires that deposits not covered by depository insurance be collateralized at 105%.

*Custodian credit risk - investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment portfolio requires that all security transactions be conducted on a Delivery-vs.-Payment basis and that all securities be held by a third party custodian and evidenced by safekeeping receipts.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

### B. Receivables

Receivables as of year-end for the City's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities:	General	Debt Service	Street Projects	Nonmajor	Internal Service Fund Allocation	Total
Taxes:						
Property	\$ 485,533	\$ 409,300	\$ -	\$ -	\$ -	\$ 894,833
Beverage	96,654	-	-	-	-	96,654
Sales	1,664,611	-	-	-	-	1,664,611
Subtotal Taxes	2,246,798	409,300	-	-	-	2,656,098
Accrued Interest	12,726	4,277	23,189	32,033	14,557	86,782
Grants	27,126	-	-	257,035	-	284,161
Accounts/Charges for Services	1,167,275	-	373,512	857,955	36,288	2,435,030
Loans	-	-	-	603,092	-	603,092
Miscellaneous	27,898	-	-	-	2,500	30,398
Total Gross Governmental	3,481,823	413,577	396,701	1,750,115	53,345	6,095,561
Less Allowance for						
Uncollectible Accounts	(55,890)	-	-	(102,647)	(4,165)	(162,702)
Net Total Receivables	<u>\$ 3,425,933</u>	<u>\$ 413,577</u>	<u>\$ 396,701</u>	<u>\$ 1,647,468</u>	<u>\$ 49,180</u>	<u>\$ 5,932,859</u>
Business-type Activities:					Internal Service Fund Allocation	Total
Accrued Interest	\$ 13,450	\$ 10,638	\$ 6,581	\$ 25,789	\$ 185	\$ 56,643
Accounts/Charges for Services	13,934,164	2,584,625	1,642,375	1,010,867	42,936	19,214,967
Loans	-	-	-	4,970,000	-	4,970,000
Miscellaneous	1,095,232	-	-	-	12,072	1,107,304
Total Gross Business-type	15,042,846	2,595,263	1,648,956	6,006,656	55,193	25,348,914
Less Allowance for						
Uncollectible Accounts	(2,732,647)	(134,882)	(235,573)	(138,595)	(29,980)	(3,271,677)
Net Total Receivables	<u>\$ 12,310,199</u>	<u>\$ 2,460,381</u>	<u>\$ 1,413,383</u>	<u>\$ 5,868,061</u>	<u>\$ 25,213</u>	<u>\$ 22,077,237</u>

Loans Receivable in the nonmajor governmental funds are made up of a \$500,000, 40-year loan of HOME Investment Partnership (HOME) funds for Santour Court, an affordable, single-family residential development and \$103,092 in HOME down-payment assistance loans for eligible HOME participants. The loans are made with Federal funds from the Department of Housing and Urban Development (HUD).

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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Loans Receivable in the nonmajor business-type funds represent BVSWMA, Inc.'s obligation to reimburse 2009 College Station Certificate of Obligation debt issued and used to construct the Twin Oaks Landfill. The annual principal and interest receivable amounts are as follows:

Year Ended September 30,	Due from Related Party	
	Principal	Interest
2011	\$ 205,000	\$ 190,535
2012	215,000	184,235
2013	220,000	177,710
2014	230,000	170,960
2015	240,000	163,910
2016-2020	1,150,000	705,089
2021-2025	1,365,000	462,767
2026-2030	1,345,000	125,573
	<u>\$ 4,970,000</u>	<u>\$ 2,180,779</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. As of fiscal year end, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Property Tax	\$ 894,833	\$ -	\$ 894,833
Hotel Occupancy Tax	212,234	-	212,234
Paving Assessments	373,512	-	373,512
Intergovernmental	249,244	603,070	852,314
Fines and Penalties	-	155,450	155,450
Emergency Services	680,196	-	680,196
Cemetery Plot Sales	97,346	3,200	100,546
Other	24,753	47,942	72,695
	<u>\$ 2,532,118</u>	<u>\$ 809,662</u>	<u>\$ 3,341,780</u>

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

### C. Capital Assets

Capital asset activity for the year ended September 30, 2010 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
<b>Capital Assets, Not Being Depreciated</b>					
Land	\$ 37,308,851	\$ 5,390,705	\$ -	\$ -	\$ 42,699,556
Construction in Progress	21,797,129	8,160,433	(21,220,453)	(1,090,795)	7,646,314
<b>Total Capital Assets, Not Being Depreciated</b>	<b>59,105,980</b>	<b>13,551,138</b>	<b>(21,220,453)</b>	<b>(1,090,795)</b>	<b>50,345,870</b>
<b>Capital Assets, Being Depreciated</b>					
Buildings and Building Improvements	28,300,794	6,908,886	(78,553)	-	35,131,127
Improvements Other Than Buildings	32,025,931	2,139,050	(12,065)	(182,606)	33,970,310
Machinery and Equipment	32,392,265	2,508,613	(2,660,888)	(3,078,559)	29,161,431
Infrastructure	199,087,566	24,922,725	-	182,606	224,192,897
<b>Total Capital Assets, Being Depreciated</b>	<b>291,806,556</b>	<b>36,479,274</b>	<b>(2,751,506)</b>	<b>(3,078,559)</b>	<b>322,455,765</b>
<b>Less Accumulated Depreciation for:</b>					
Buildings and Building Improvements	7,694,188	985,935	(55,118)	-	8,625,005
Improvements Other Than Buildings	10,762,721	1,479,468	(12,065)	-	12,230,124
Machinery and Equipment	20,481,550	3,003,792	(2,353,430)	(1,960,571)	19,171,341
Infrastructure	97,140,485	7,808,627	-	-	104,949,112
<b>Total Accumulated Depreciation</b>	<b>136,078,944</b>	<b>13,277,822</b>	<b>(2,420,613)</b>	<b>(1,960,571)</b>	<b>144,975,582</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>155,727,612</b>	<b>23,201,452</b>	<b>(330,893)</b>	<b>(1,117,988)</b>	<b>177,480,183</b>
<b>Governmental Type Activities Capital Assets, Net</b>	<b>\$ 214,833,592</b>	<b>\$ 36,752,590</b>	<b>\$ (21,551,346)</b>	<b>\$ (2,208,783)</b>	<b>\$ 227,826,053</b>
<b>Business-Type Activities</b>					
<b>Capital Assets, Not Being Depreciated</b>					
Land	\$ 690,707	\$ -	\$ -	\$ -	\$ 690,707
Construction in Progress	69,561,781	20,755,693	(20,869,018)	-	69,448,456
<b>Total Capital Assets, Not Being Depreciated</b>	<b>70,252,488</b>	<b>20,755,693</b>	<b>(20,869,018)</b>	<b>-</b>	<b>70,139,163</b>
<b>Capital Assets, Being Depreciated</b>					
Electric System	135,098,163	9,046,810	(227,107)	-	143,917,866
Water System	92,167,537	17,269,884	(3,765,383)	-	105,672,038
Wastewater System	92,629,405	7,778,421	(239,888)	-	100,167,938
Buildings and Building Improvements	5,743,755	-	-	-	5,743,755
Machinery and Equipment	637,081	1,338,520	(149,146)	3,078,559	4,905,014
<b>Total Capital Assets, Being Depreciated</b>	<b>326,275,941</b>	<b>35,433,635</b>	<b>(4,381,524)</b>	<b>3,078,559</b>	<b>360,406,611</b>
<b>Less Accumulated Depreciation for:</b>					
Electric System	60,298,873	4,780,535	(466,358)	-	64,613,050
Water System	31,076,895	3,287,399	(45,962)	-	34,318,332
Wastewater System	30,149,493	3,480,522	(203,186)	-	33,426,829
Buildings and Building Improvements	1,090,250	192,506	-	-	1,282,756
Machinery and Equipment	548,248	235,234	(38,716)	1,960,571	2,705,337
<b>Total Accumulated Depreciation</b>	<b>123,163,759</b>	<b>11,976,196</b>	<b>(754,222)</b>	<b>1,960,571</b>	<b>136,346,304</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>203,112,182</b>	<b>23,457,439</b>	<b>(3,627,302)</b>	<b>1,117,988</b>	<b>224,060,307</b>
<b>Business Type Activities Capital Assets, Net</b>	<b>\$ 273,364,670</b>	<b>\$ 44,213,132</b>	<b>\$ (24,496,320)</b>	<b>\$ 1,117,988</b>	<b>\$ 294,199,470</b>

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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During the fiscal year, capital assets previously capitalized in the Internal Service Equipment Replacement Fund were adjusted into the Sanitation Fund which owns the asset.

Depreciation expense was charged to governmental activities of the City as follows:

Governmental Activities		
Planning and Development Services	\$	6,798
Fire		223,265
Fiscal Services		44,563
General Government		226,750
Information Services		329,147
Parks and Recreation		1,217,526
Library		63,834
Police		118,488
Public Works		7,923,286
Non-departmental		1,047,906
Capital Assets Held by the City's Internal Service Funds		<u>2,076,259</u>
Total Depreciation Expense	\$	<u><u>13,277,822</u></u>

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

### D. Interfund Transactions

Transfers between funds during the year were as follows:

	Transfers In	Transfers Out	Governmental Activities, net	Business-type Activities, net
Governmental Activities:				
General Fund	\$ 15,786,796	\$ -	\$ 15,786,796	\$ -
Debt Service Fund	223,615	-	223,615	-
Nonmajor Governmental Funds:				
Special Revenue Funds:				
American Recovery and Reinvestment Act (ARRA)	37,022	-	37,022	-
Traffic Safety	-	(10,052)	(10,052)	-
Hotel Occupancy Tax	-	(223,615)	(223,615)	-
Drainage	-	(439,414)	(439,414)	-
Capital Projects Funds:				
General Government Projects	7,111	-	7,111	-
Business-type Activities:				
Enterprise Funds:				
Electric	605,908	(10,021,344)	-	(9,415,436)
Water	-	(2,562,403)	-	(2,562,403)
Wastewater	-	(2,144,011)	-	(2,144,011)
Nonmajor Proprietary Funds:				
Sanitation	-	(1,112,413)	-	(1,112,413)
Northgate Parking Garage	-	(103,067)	-	(103,067)
Internal Service Funds:				
Equipment Replacement	-	(44,133)	(44,133)	-
	<u>\$ 16,660,452</u>	<u>\$ (16,660,452)</u>	<u>\$ 15,337,330</u>	<u>\$ (15,337,330)</u>

Transfers are used to (1) move revenues from the funds with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move revenues from enterprise funds to the general fund to record the return on the investment, (3) move revenues from enterprise funds to the general fund for economic development activity, (4) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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The composition of due to/due from balances as of September 30, 2010 is as follows:

Business-type Activities: <u>Due To</u>	Governmental Activities: <u>Due From</u>	<u>Amount</u>
Water Fund	Economic Development	\$ 40,000
Wastewater	Economic Development	\$ 40,000
Electric Fund	Economic Development	\$ 40,000
<u>Advance From</u>	<u>Advance To</u>	<u>Amount</u>
Water Fund	Economic Development	\$ 120,000
Wastewater	Economic Development	\$ 120,000
Electric Fund	Economic Development	\$ 120,000

Internal loans (inter-fund advances) of \$200,000 each from the Water, Wastewater and Electric Funds to the Economic Development Fund were recorded during the fiscal year ended September 30, 2008. The loans partially funded the purchase of real property related to an economic development project and are repayable in even installments over five years. No payment was made in the fiscal year ended September 30, 2010.

### E. Deferred Charges

See Note IV B.

### F. Operating Lease as Lessor

The city acquired property on University Drive known as the Chimney Hill Property in fiscal year 2009 with the intention to build a convention center on the property. Hotel tax funds were used to finance \$7,000,000 of the purchase, with the remainder of the purchase price coming from Certificate of Obligation, Series 2009. The purchase price was allocated between the land, \$6,555,190, and an existing building on the property, \$3,084,795, which at the end of September 30, 2010, carried \$123,392 in accumulated depreciation (net building value of \$2,961,403).

The building at Chimney Hill was partially leased to private businesses when the City acquired the property. At September 30, 2010, one space is being rented on a month-to-month basis to Western Beverage. Two other spaces have non-cancelable leases. The operating rentals on the non-cancelable leases are as follows:

Year Ended September 30,	<u>Non-cancelable Operating leases as Lessor</u>		
	<u>Republic</u>	<u>DaVita</u>	<u>Total</u>
2011	\$ 99,666	\$ 237,817	\$ 337,483
2012	102,656	210,687	313,343
2013	105,736		105,736
2014	108,373		108,373
2015	112,176		112,176
2016-2020	164,274		164,274
	<u>\$ 692,881</u>	<u>\$ 448,504</u>	<u>\$ 1,141,385</u>

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

### G. Long-Term Debt

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2010 is as follows:

	Beginning Balance	Incurred/ Issued	Matured/ Retired	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 59,145,000	\$ 23,900,000	\$ 8,025,000	\$ 75,020,000	\$ 5,085,000
Certificates of Obligation	38,575,000	1,050,000	3,950,000	35,675,000	2,495,000
Total bonds payable	97,720,000	24,950,000	11,975,000	110,695,000	7,580,000
Accrued Vacation	2,526,728	1,409,294	1,387,555	2,548,467	187,398
TMRS Net Pension Obligation	1,005,780	5,738,455	4,386,575	2,357,660	-
OPEB liability	-	3,485,255	287,988	3,197,267	-
<b>Governmental Activity Long Term Debt</b>	<b>\$ 101,252,508</b>	<b>\$ 35,583,004</b>	<b>\$ 18,037,118</b>	<b>\$ 118,798,394</b>	<b>\$ 7,767,398</b>
<b>Business Type Activities:</b>					
General Obligation Bonds	\$ -	\$ 3,830,000	\$ -	\$ 3,830,000	\$ 760,000
Certificates of Obligation	52,285,000	2,850,000	6,165,000	48,970,000	1,940,000
Utility Revenue Bonds	93,755,000	-	6,010,000	87,745,000	6,220,000
Total bonds payable	146,040,000	6,680,000	12,175,000	140,545,000	8,920,000
Accrued Vacation	515,280	468,702	457,887	526,095	26,304
TMRS Net Pension Obligation	294,172	1,678,393	1,282,993	689,572	-
OPEB liability	-	1,019,371	84,231	935,140	-
<b>Business Type Activity Long Term Debt</b>	<b>\$ 146,849,452</b>	<b>\$ 9,846,466</b>	<b>\$ 14,000,111</b>	<b>\$ 142,695,807</b>	<b>\$ 8,946,304</b>

Internal service funds predominantly serve the governmental funds. All internal service funds, except for the utility customer service fund, are included as part of the above totals for governmental activities. At year end \$48,410 of internal service funds' accrued vacation was included in governmental activities, and \$57,129 of accrued vacation for the utility customer service fund was included in business type activities. For the governmental activities, accrued vacation is generally liquidated by the general fund.

Long-term debt at September 30, 2010 includes the following individual issues (not including unamortized premiums or discounts):

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
<b>General Obligation Bonds:</b>						
1998 Issue	4.65-4.85	4/1/98	2/15/11	\$ 6,200,000	\$ 6,200,000	\$ -
1999 Issue	4.25-5.00	4/15/99	2/15/17	6,230,000	6,230,000	-
2000 Issue	5.00-5.20	4/1/00	2/15/11	8,460,000	8,460,000	-
2001 Issue	4.00-5.50	8/1/01	2/15/17	4,140,000	2,550,000	1,590,000
2002 Issue	4.25-5.125	3/1/02	2/15/21	6,445,000	2,320,000	4,125,000
2003 Issue	3.00-4.50	7/1/03	2/15/23	4,790,000	1,160,000	3,630,000
2004 Issue	2.875-5.00	5/1/04	2/15/24	12,940,000	5,100,000	7,840,000
2005 Issue	4.00-6.00	5/1/05	2/15/25	5,710,000	1,280,000	4,430,000
2006 Issue	4.375-6.375	7/1/06	2/15/26	7,375,000	1,445,000	5,930,000
2006 Issue - Refunding	4.00-5.00	12/1/06	2/15/18	10,255,000	390,000	9,865,000
2007 Issue	4.25-6.25	9/1/07	2/15/27	3,930,000	1,330,000	2,600,000
2008 Issue	4.0 - 5.0	9/1/08	2/15/28	9,455,000	1,585,000	7,870,000
2009 Issue	3.5 - 4.0	7/15/09	2/15/21	3,335,000	95,000	3,240,000
2009 Issue - Refunding	2.00-4.00	11/15/09	2/15/20	4,265,000	-	4,265,000
2010 Issue	2.00-3.50	8/15/10	2/15/30	19,635,000	-	19,635,000
				<u>\$ 113,165,000</u>	<u>\$ 38,145,000</u>	<u>\$ 75,020,000</u>
<b>Certificates of Obligation - Governmental Activities:</b>						
2000 Issue	5.00-5.125	4/1/00	2/15/10	\$ 4,050,000	\$ 4,050,000	\$ -
2001 Issue	4.00-5.00	8/1/01	2/15/20	3,650,000	2,595,000	1,055,000
2002 Issue	4.25-5.125	3/1/02	2/15/20	14,480,000	7,175,000	7,305,000
2003A Issue	2.90-4.20	7/1/03	2/15/23	780,000	190,000	590,000
2005 Issue	3.00-4.50	5/1/05	2/15/25	7,595,000	4,475,000	3,120,000
2006 Issue	4.375-6.375	7/1/06	2/15/26	8,325,000	1,820,000	6,505,000
2007 Issue	4.25-6.25	9/1/07	2/15/27	3,960,000	1,335,000	2,625,000
2008 Issue	3.25 - 5.0	9/1/08	2/15/28	10,515,000	1,690,000	8,825,000
2009 Issue	3.00-5.00	7/15/09	2/15/29	6,480,000	1,880,000	4,600,000
2010 Issue	2.00-3.50	8/15/10	2/15/30	1,050,000	-	1,050,000
				<u>\$ 60,885,000</u>	<u>\$ 25,210,000</u>	<u>\$ 35,675,000</u>
<b>General Obligation Bonds - Business-type Activities:</b>						
2009 Issue - Refunding	2.00-4.00	11/15/09	2/15/20	\$ 3,830,000	\$ -	\$ 3,830,000
<b>Certificates of Obligation - Business-type Activities:</b>						
2000A Issue	4.75-5.50	8/1/00	2/15/20	\$ 6,385,000	\$ 6,385,000	\$ -
2004 Issue	2.875-5.00	5/1/04	2/15/24	8,915,000	1,750,000	7,165,000
2008 Issue	3.25 - 5.0	9/1/08	2/15/28	15,925,000	1,035,000	14,890,000
2009 Issue	3.00-5.00	7/15/09	2/15/29	24,835,000	770,000	24,065,000
2010 Issue	2.00-3.50	8/15/10	2/15/30	2,850,000	-	2,850,000
				<u>\$ 58,910,000</u>	<u>\$ 9,940,000</u>	<u>\$ 48,970,000</u>
<b>Utility Revenue Bonds:</b>						
1998 Issue	4.65-4.80	4/1/98	2/1/10	\$ 2,700,000	\$ 2,700,000	\$ -
2000 Issue	5.00-5.25	4/1/00	2/1/12	10,500,000	9,235,000	1,265,000
2001 Issue	4.50-5.50	8/1/01	2/1/21	23,500,000	7,475,000	16,025,000
2002 Issue	4.00-6.00	3/1/02	2/1/22	18,215,000	5,115,000	13,100,000
2003 Issue - Refunding	3.50-4.25	12/1/02	2/1/14	11,160,000	7,230,000	3,930,000
2003A Issue	2.50-4.25	7/1/03	2/1/23	4,850,000	1,185,000	3,665,000
2005 Issue	4.00-5.50	5/1/05	2/1/25	8,035,000	1,195,000	6,840,000
2005A Issue - Refunding	3.00-5.25	8/1/05	2/1/18	12,995,000	1,870,000	11,125,000
2006 Issue	4.375-6.375	7/1/06	2/1/26	16,950,000	2,075,000	14,875,000
2007 Issue	4.00-5.75	9/1/07	2/1/27	18,665,000	1,745,000	16,920,000
				<u>\$ 127,570,000</u>	<u>\$ 39,825,000</u>	<u>\$ 87,745,000</u>

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

The annual requirements to amortize debt outstanding as of September 30, 2010 are as follows. Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been included in the following summary:

Year Ended September 30,	Governmental Activities					
	General Obligation		Certificates of Obligation			
	Principal	Interest	Principal	Interest		
2011	\$ 5,085,000	\$ 2,793,790	\$ 2,495,000	\$ 1,497,018		
2012	5,245,000	2,643,982	2,060,000	1,411,822		
2013	5,200,000	2,441,059	2,170,000	1,327,497		
2014	5,060,000	2,240,847	2,275,000	1,237,234		
2015	5,065,000	2,041,946	2,390,000	1,139,581		
2016-2020	21,855,000	7,447,932	11,775,000	4,147,885		
2021-2025	17,210,000	3,645,201	8,420,000	1,913,908		
2026-2030	10,300,000	834,796	4,090,000	277,819		
	<u>\$ 75,020,000</u>	<u>\$ 24,089,553</u>	<u>\$ 35,675,000</u>	<u>\$ 12,952,764</u>		

Year Ended September 30,	Business-Type Activities					
	General Obligation		Certificates of Obligation		Utility Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 760,000	\$ 103,000	\$ 1,940,000	\$ 1,929,841	\$ 6,220,000	\$ 3,975,141
2012	380,000	84,000	2,035,000	1,874,343	6,450,000	3,660,301
2013	390,000	76,300	2,135,000	1,805,868	6,700,000	3,344,634
2014	395,000	67,463	2,235,000	1,734,116	6,715,000	3,026,123
2015	410,000	56,375	2,360,000	1,656,680	6,265,000	2,712,142
2016-2020	1,495,000	111,012	12,385,000	6,909,047	30,785,000	9,131,841
2021-2025	-	-	14,745,000	4,110,583	20,395,000	2,962,976
2026-2030	-	-	11,135,000	959,907	4,215,000	162,460
	<u>\$ 3,830,000</u>	<u>\$ 498,150</u>	<u>\$ 48,970,000</u>	<u>\$ 20,980,385</u>	<u>\$ 87,745,000</u>	<u>\$ 28,975,618</u>

The City intends to retire virtually all of its general long-term liabilities, plus interest, from ad valorem taxes. Hotel Occupancy Tax retires the portion of the Series 2009 Certificate of Obligation used to purchase the future convention center site property. During the fiscal year ended September 30, 2010, \$223,615 in Hotel Occupancy Taxes retired \$95,000 principal and \$128,615 interest on the \$3,220,000 Certificate of Obligation.

Proceeds from the Series 2009 Certificates of Obligation also included the construction of a new municipal landfill. As described in Note V.C., the City of College Station jointly owns Brazos Valley Solid Waste Management Agency (BVSWMMA) with the City of Bryan. In fiscal year 2009, \$10,290,000 Certificates of Obligation, Series 2009, moved to the Sanitation Fund to pay for the new BVSWMMA landfill site. In fiscal year 2010, the Cities of Bryan and College Station each decided that \$5,145,000 would be needed and used from each city. College Station transferred \$5,145,000 from Sanitation to the Electric Utility Fund and \$5,145,000 to BVSWMMA in fiscal year 2010. As reflected in Note IV. B., BVSWMMA has pledged to repay the \$5,145,000 plus interest to the City of College Station. At September 30, 2010, the amount owed by BVSWMMA to College Station was \$4,970,000.

Proprietary fund type long-term debt used for Electric, Water and Wastewater projects will be repaid, plus interest, from the operating revenues of the Electric, Water, and Wastewater Funds.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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### General Obligation Bonds and Certificates

The City issues General Obligation Bonds and Certificates of Obligation to provide funds for the acquisition and construction of major capital facilities. These types of bonds have been issued by the City for both governmental activities as well as business-type activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenue.

General Obligation Bonds are direct obligations, for which the City has pledged the full faith and credit of the City. These bonds generally are issued as 20-year serial bonds with varying amounts of principal maturing each year.

The City is required by bond covenants to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. In addition to the sinking fund, there are a number of limitations and restrictions contained in the various general obligation bonds and certificate indentures. The City is in compliance with the significant limitations and restrictions at September 30, 2010.

On November 15, 2009, the City issued \$8.095 million General Obligation Refunding Bonds, Series 2009. The advanced refunding of General Obligation Improvement Bonds, Series 1998, 1999, 2000 and Certificates of Obligation 2000A was undertaken to reduce total general obligation debt service payments over the next 10 years by \$795,539 resulting in an economic gain of \$655,532.

The City issued \$19.635 million in General Obligation Bonds, dated August 15, 2010, with a true interest cost of 3.109397%. The proceeds from the sale of the bonds will be used to pay for (1) costs of construction and acquisition of and improvements to City streets, (2) parks and parks facilities improvements, (3) construction of improvements to the City's fire stations and (4) pay the costs incurred in connection with the issuance of the Bonds.

The City issued \$3.9 million in Certificates of Obligation, dated August 15, 2010, with a true interest cost of 3.041158%. The proceeds from the sale of the Certificates will be used to pay for (1) the acquisition of buildings for municipal purposes, including a site for an arts building, (2) construction of improvements to the City's combined electric, waterworks and wastewater systems and (3) to pay costs incurred in connection with the issuance of the Certificates.

### Revenue Bonds

Utility system revenue bonds are secured by the net revenues of the Electric, Water, and Wastewater Funds as defined in the respective bond indentures. The City pledges income derived from the acquired or constructed assets to pay the debt service. In addition, the City is required to maintain debt service funds and bond reserve funds for all outstanding revenue bonds. Amounts in the reserve fund are to be used to pay principal and interest on outstanding bonds at any time sufficient funds are not available in the bond interest and redemption fund. The bond indentures require that the City accumulate reserves of an amount equal to the average annual principal and interest requirements of all outstanding bonds secured by the net revenues of the system.

### Arbitrage Compliance

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate to the federal government excess arbitrage earnings from bond proceeds. As of September 30, 2010, the City did not have an arbitrage rebate liability.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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### Defeasance

In prior years, the City issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The City has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds.

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On September 30, 2010, all defeased bonds had been called or had matured.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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### H. Components of Fund Balances

Fund balances for governmental funds at September 30, 2010 are as follows:

	General	Debt Service	Street Projects	Other	Total
Fund Balances:					
Nonspendable:					
Assets Held for Resale	\$ -	\$ -	\$ -	\$ 7,632,550	\$ 7,632,550
Inventories	53,341	-	-	-	53,341
Long Term Loans Receivable	-	-	-	603,092	603,092
Prepays	17,175	-	-	-	17,175
Restricted for:					
American Recovery and Reinvestment Act (ARRA)	-	-	-	1,229	1,229
Community and Neighborhood Parks	-	-	-	1,669,186	1,669,186
Community Development	-	-	-	1,601,469	1,601,469
Convention Center Design	600,000	-	-	-	600,000
Court Security Fee	-	-	-	156,611	156,611
Court Technology Fee	-	-	-	332,433	332,433
Debt Service	-	4,119,966	-	-	4,119,966
Doak Family (Library) Endowment	1,537	-	-	-	1,537
Drainage	-	-	-	1,690,607	1,690,607
Educational and Governmental Access fee	174,437	-	-	-	174,437
General Government Capital Projects	73,648	-	21,886,547	14,166,312	36,126,507
Hotel Occupancy Tax	-	-	-	3,241,579	3,241,579
Juvenile Case Manager	-	-	-	290,800	290,800
Parks and Recreation Capital Projects	-	-	-	1,796,539	1,796,539
Police Seizure	-	-	-	62,100	62,100
Red Light Camera	-	-	-	149,764	149,764
Wolf Pen Creek TIF	-	-	-	3,256,768	3,256,768
Committed to:					
College Station Cemetery Perpetual Care	-	-	-	1,683,022	1,683,022
Convention Center Project	141,641	-	-	-	141,641
Encumbrances	1,652,775	-	-	-	1,652,775
Memorial Cemetery	-	-	-	788,017	788,017
Memorial Cemetery Perpetual Care	-	-	-	293,188	293,188
Unassigned:	11,101,327	-	-	-	11,101,327
	<u>\$ 13,815,881</u>	<u>\$ 4,119,966</u>	<u>\$ 21,886,547</u>	<u>\$ 39,415,266</u>	<u>\$ 79,237,660</u>

### V. Other Information

#### A. 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.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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Taxes are due October 1 and are delinquent after the following January 31. Tax liens are automatic and become enforceable as of January 1 of each year. Taxes become delinquent February 1 and are subject to interest and penalty charges. The tax rate to finance general governmental services including debt service was 43.94 cents per \$100 of assessed valuation for the year ended September 30, 2010. Under current state statutes, the City's ability to increase the levy for property taxation is subject to a maximum rate of \$2.50 per \$100 valuation.

The Brazos County Appraisal District ("Appraisal District") is responsible for the recording and appraisal of property for all taxing units in Brazos County. The Appraisal District is required to assess property at 100 percent 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 eight (8) percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than eight (8) percent above the tax rate of the previous year.

Brazos County bills and collects the property taxes for the City.

### **B. Risk Management**

A government entity, such as the City of College Station, is faced with many risks. These risks generally can be subdivided into four loss categories: direct property loss, indirect property loss, liability loss, and personnel losses. The City employs a combination of risk management strategies to provide acceptable levels of protection regarding these potential risks.

The City is self-insured for health benefits, and the plan is administered by Blue Cross Blue Shield. This activity is accounted for in the Employee Benefits Fund, which is funded monthly by employee contributions and from City operating funds. These contributions are determined based on an analysis of prior year claims and administrative costs and a forecast of future claims and administrative costs. The City's stop-loss insurance policy limits its liability to \$100,000 per individual per year with an aggregate, annual liability of \$5,600,000. The liability for outstanding losses includes \$898,854 for claims incurred but not reported as of September 30, 2010.

In fiscal year 2010, City real and personal property and mobile equipment was insured by Affiliated FM, A.M. Best rated A+, financial category XV. Affiliated FM premiums were funded by calculated contributions from the City's operating funds. Affiliated FM provided claims handling for these coverage lines. The City carried a property insurance policy deductible between \$100,000 and \$250,000 per occurrence, depending on type of loss. Property insurance covered all direct losses and some indirect losses.

The City is self-insured on all liability coverage lines. The City carried excess liability coverage through Star National Insurance Company, A.M. Best rated A-, financial category IX. The self-insured retention ("SIR") is \$250,000 per claim. Licensed adjusters in the City's Risk Management office handle liability claims.

The City also is self-insured for workers' compensation coverage. The City carried excess workers' compensation coverage through Star National Insurance Company with a \$250,000 per claim SIR. Abercrombie, Simmons & Gillette, (AS&G), a Third Party Administrator (TPA) handles workers' compensation claims. In the event of a simultaneous liability and workers' compensation claim, only one SIR applies.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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Liabilities in the property and casualty fund and the workers' compensation fund are reported when it is probable a loss has occurred and the loss amount can be reasonably estimated. Liabilities include an amount for claims incurred but not reported. Based on the most recent actuarial study, the City has recorded a potential liability of \$391,004 in the property and casualty fund and a potential liability of \$340,765 in the workers' compensation fund. The results of the process to estimate the claims liability is not exact, as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to accommodate the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

The City uses its Unemployment Fund to pay for self-insurance activity involving claims filed under the Texas Unemployment Compensation Act. Monthly contributions to fund this activity are based on a percentage of payroll determined annually during the budget process.

Settlements have not exceeded self-insured retention in each of the past three fiscal years.

The liabilities for insurance claims reported in each of the funds are based on Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims to be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and if the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. Changes in the balances of claims liabilities for the self-insurance funds that are accounted for as Internal Service Funds for fiscal years 2010 and 2009 are as follows:

	2010	2009
Unpaid Claims, October 1	\$ 1,549,912	\$ 1,405,955
Incurred Claims (including IBNR's)	7,139,389	6,391,276
Claims Paid	<u>(7,058,678)</u>	<u>(6,247,319)</u>
Unpaid Claims, September 30	<u>\$ 1,630,623</u>	<u>\$ 1,549,912</u>

### C. Joint Venture

The Brazos Valley Solid Waste Management Agency ("BVSWMMA") was formed under a joint solid waste management agreement between the Cities of College Station and Bryan. College Station and Bryan agreed to cooperatively operate a joint facility for the proper disposal of solid waste for the two cities and outside customers. Each city reports a 50% ownership in BVSWMMA. BVSWMMA has contracted with the City of College Station to serve as landfill operator for the facility.

The City's share of BVSWMMA's change in net assets for fiscal year 2010 was \$345,065. The City's share of BVSWMMA's net assets for fiscal year 2010 was \$12,896,874.

BVSWMMA is governed by a Policy Advisory Board ("Board") which is charged with providing recommendations to the City Councils of College Station and Bryan regarding the joint venture. The Board is comprised of three voting members: the Mayors of College Station and Bryan, who alternate each year as Chair, and one City Council Member from the City that is not serving as Chair. The City Managers of each City and a representative of Grimes County designated by the Commissioners Court serve as non-voting or ex-officio members of the Board. Legal oversight of BVSWMMA is vested in the City Councils of the two cities. The annual budget is prepared and approved by the BVSWMMA Board and adopted by both City Councils.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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All contracts and expenditures in excess of \$50,000 and contractual change orders in excess of \$25,000 require the approval of both the Bryan and College Station City Councils.

In January 2010, the City of Bryan and the City of College Station approved an interlocal agreement (ILA) creating a local government corporation (LGC), BVSWMA, Inc., which will own and manage BVSWMA. The ILA describes the process for the creation of the LGC and the development of agreements to a) create the corporation, b) transfer the assets of BVSWMA to the Corporation; c) reimburse debt associated with the assets of BVSWMA; d) finance, operate and manage BVSWMA.

Both City Councils approved Articles of Incorporation in February 2010. In March 2010, the City Councils of Bryan and College Station approved Bylaws for BVSWMA, Inc., which establishes the power to issue debt and to acquire land. The powers of BVSWMA, Inc. are vested in a 7 member Board of Directors, with each city Council appointing 3 members and the 7<sup>th</sup> member to be selected by an approval process to be set forth in the Articles of Incorporation and deemed to have been appointed by the Cities.

On September 13, 2010, Bryan City Council, College Station City Council and the BVSWMA, Inc. Board of Directors formalized the creation of BVSWMA, Inc. and the dissolution of BVSWMA, effective October 1, 2010, with the approval and execution of a(n):

- Borrowed Employee Agreement between the City of College Station and the Brazos Valley Solid Waste Management Agency Inc.;
- Asset Transfer and Debt Reimbursement Agreement between BVSWMA Inc., the City of College Station and the City of Bryan;
- Agreement between the City of College Station, the City of Bryan and the Brazos Valley Solid Waste Management Agency Inc. regarding the Assignment and Assumption of Contracts and Payables;
- Final Settlement Agreement and Release related to the final settlement and dismissal of the certain lawsuit referred to as City of Bryan, Texas v. City of College Station, Texas, Cause No. 08-001626-CV-272 in the 272nd District Court of Brazos County, Texas, ("the Lawsuit"); consider the Agreed Motion to Dismiss; and, consider the Agreed Order of Dismissal.

Subsequent to the end of the fiscal year ended September 30, 2010, BVSWMA transferred all of its assets to BVSWMA, Inc. College Station expects to report BVSWMA, Inc. as a joint venture with the City of Bryan and to recognize 50% ownership in BVSWMA, Inc. in the City's financial statements.

State and federal laws and regulations require BVSWMA to place a final cover on its Rock Prairie landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, BVSWMA reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$4.9 million reported as accrued postclosure maintenance costs at September 30, 2010, represents the cumulative amount reported to date based on the use of 94 percent of the estimated capacity of the landfill. BVSWMA will recognize the remaining estimated cost of closure and postclosure care of \$306,000 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2010.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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BVSWMA expects to close the landfill in the year 2011. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The following is a summary of information from the audited financial statements of BVSWMA as of September 30, 2010:

	<u>2010</u>	<u>2009</u>
Assets:		
Current Assets	\$ 13,156,184	\$ 6,958,161
Capital Assets		
(Net of \$6,342,859 Accumulated Depreciation at 2010 and \$5,555,112 at 2009)	27,246,688	21,325,194
Deferred Landfill Permits		
(Net of \$989,206 Accumulated Amortization at 2010 and \$905,788 at 2009)	<u>3,096,057</u>	<u>2,993,669</u>
	<u>43,498,929</u>	<u>31,277,024</u>
Liabilities:		
Current Liabilities	2,839,436	1,807,297
Noncurrent Liabilities:		
Accrued Post Closure Maintenance Costs	<u>14,865,745</u>	<u>4,366,110</u>
Total Liabilities	<u>17,705,181</u>	<u>6,173,407</u>
Net Assets		
Invested In Capital Assets	17,131,688	21,325,194
Unrestricted	<u>8,662,060</u>	<u>3,778,423</u>
Total Net Assets	<u>\$ 25,793,748</u>	<u>\$ 25,103,617</u>
Program Revenues	\$ 6,808,016	\$ 6,574,937
Expenses	<u>6,061,415</u>	<u>4,704,837</u>
	746,601	1,870,100
General Revenues	<u>(56,470)</u>	<u>241,144</u>
Change in Net Assets	<u>\$ 690,131</u>	<u>\$ 2,111,244</u>

A copy of BVSWMA's separate audited financial statements may be obtained from the City's Fiscal Services Department.

### D. Pension Plan

#### Plan Description

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System ("TMRS"), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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used by the System. The report may be obtained by writing to TMRS, Post Office Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at [www.TMRS.com](http://www.TMRS.com).

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2008</u>	<u>Plan Year 2009</u>	<u>Plan Year 2010</u>
Employee deposit rate	7.00%	7.00%	7.00%
Matching ratio (City to Employee)	2 to 1	2 to 1	2 to 1
Years required for vesting	5	5	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above	20 years at any age, 5 years at age 60 and above	20 years at any age, 5 years at age 60 and above
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating	70% of CPI Repeating

### Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded actuarial liability over the applicable period for that City. Both the normal cost and the prior service contribution rates include recognition of the projected impact of annually repeated benefits, such as Updated Service Credits and Annuity Increases.

The City contributed to the TMRS Plan at an actuarially determined rate. Both the employees and the City made contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation are as follows:

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Annual Required Contribution (ARC)	\$ 4,750,851	\$ 6,645,900	\$ 7,582,944
Interest on Net Pension Obligation	-	-	98,251
Adjustment to the ARC	-	-	(80,230)
Annual Pension Cost	4,750,851	6,645,900	7,600,965
Contributions Made	<u>(4,750,851)</u>	<u>(5,313,678)</u>	<u>(5,810,310)</u>
Increase (decrease) in net pension obligation	-	1,332,222	1,790,655
Net Pension Obligation, beginning of year	-	-	<u>1,332,222</u>
Net Pension Obligation, end of year	<u>\$ -</u>	<u>\$ 1,332,222</u>	<u>\$ 3,122,877</u>

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

### Three-Year Trend Information

Accounting Year Ending	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation
9/30/2008	\$ 4,750,851	\$ 4,750,851	100.00%	\$ -
9/30/2009	6,645,900	5,313,678	79.95%	1,332,222
9/30/2010	7,600,965	5,810,310	76.44%	3,122,877

As discussed in Note V.C., the Cities of College Station and Bryan jointly own and operate the Brazos Valley Solid Waste Management Agency (BVSWMMA). BVSWMMA contracts with College Station to serve as landfill operator and bears the cost of those College Station employees working full time performing BVSWMMA duties. BVSWMMA reports the liabilities associated with this employment contractual relationship, therefore, BVSWMMA reports \$75,645 of the above Net Pension Obligation on its September 30, 2010 financial statements. The amount reported on the City of College Station's September 30, 2010 financial statements is \$3,047,232.

The required contribution rates for fiscal year 2010 were determined as part of the December 31, 2007 and 2008 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2009, also follows:

	12/31/2007	12/31/2008	12/31/2009
Actuarial Cost Method:	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method:	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period:	30 Years--Closed Period	29 Years--Closed Period	28 Years--Closed Period
Amortization Period for new Gains/Losses	30 Years	30 Years	30 Years
Asset Valuation Method:	Amortized Cost	Amortized Cost	Amortized Cost
Actuarial Assumptions:			
Investment Rate of Return*	7.0%	7.5%	7.5%
Projected Salary Increases*	Varies by age and service	Varies by age and service	Varies by age and service
*Includes Inflation at:	3.00%	3.00%	3.00%
Cost-of-Living Adjustments:	2.1%	2.1%	2.1%

The funded status as of December 31, 2009, the most recent actuarial valuation date, is as follows:

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Annual Covered Payroll (Calendar Year)	UAAL as a Percentage of Covered Payroll
12/31/2007	\$ 87,193,697	\$ 130,310,054	66.9%	\$ 43,116,357	\$ 36,703,161	117.5%
12/31/2008	90,243,677	138,576,504	65.1%	48,332,827	40,337,456	119.8%
12/31/2009	97,331,034	148,904,236	65.4%	51,573,202	41,515,345	124.2%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

### E. Other Post Employment Benefits

Program description:

In addition to the pension benefits described in Note V.D., as required by state laws and defined by City Policy, the City makes available postretirement medical, dental, vision, drug and life insurance benefits to all employees who meet TMRS retirement qualifications, retire from the City and who enroll themselves and their eligible dependent(s) on or before the effective date of their retirement through the City's single-employer defined benefit other post-employment benefit (OPEB) plan. The life insurance plan provides a \$10,000 fully insured death benefit coverage upon retirement which ceases upon attainment of age 65 for retirees. So long as monthly premium payments are made, the healthcare plan provides lifetime insurance to eligible retirees, their spouses and dependents through the City's group health insurance plan, which covers both active and retired members. Benefit provisions as well as retiree premium contributions are established by management.

The City determines the employer and participant contribution rates annually based on recommendations of City staff and the City's consultant. During the fiscal year ended September 30, 2009, the City subsidized the retiree medical, dental, vision and drug premium so that the retiree premium is less than the full amount of premium for a full time employee. On September 30, 2009, the monthly retiree premium payment became the actual non-blended retiree rate, effective as of January 1, 2010 for new retirees and effective January 1, 2011 for existing retirees. The change in the monthly premium closed the plan and eliminated the OPEB liability for postretirement medical, dental, vision and drug insurance benefits.

On or around September 30, 2010, OPEB was reinstated when policy changed to charge retirees the employee (subsidized) rate for medical, dental, vision and drug coverage.

Given that the change made on September 30, 2009 eliminating postretirement medical, dental, vision and drug liability to the City was reversed on September 30, 2010, the City treats its OPEB obligation as if the changes never happened and the City's OPEB obligation carried forward from October 1, 2008 without changes.

All medical, dental, vision and drug care benefits are provided through the City's self-insured health plan. The benefit levels are the same as those afforded to active employees. Life insurance for eligible retirees is paid entirely by the City.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

During fiscal year 2010, twenty-nine former employees were covered under this arrangement, with claims totaling \$547,801. Prior to the passage of this resolution, employees who reached retirement while working for the City were eligible to remain on the City's self-insured health plan and have their monthly premiums paid for by the City. During fiscal year 2010, one retiree was covered under this plan; however, claims filed by this retiree were not material.

### Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is based on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with the parameters of GASB Statement 45. Despite the apparent implications of the term ARC, the City is not required to contribute the ARC to the plan each year. Instead, the ARC provides a basis for evaluating whether the City's contributions for OPEB are adequate to fund the benefits during the working lifetime of current employees (i.e., the normal cost) and to amortize existing unfunded obligations (i.e., the obligations for current retirees plus that portion of the current employees' obligations that are attributed to past service) in a systematic manner over the amortization period prescribed by GASB.

The annual OPEB cost is the annual accounting expense recorded on the City's Statement of Revenues, Expenses and Changes in Net Assets and on the City's Statement of Activities. The annual OPEB cost is equal to (1) the ARC for the current fiscal year, plus (2) interest on the Net OPEB Obligation at the beginning of the year, reduced by (3) an adjustment to the ARC which is equal to an amortization of the beginning of the year Net OPEB Obligation.

	2008	2009	2010
Annual Required Contribution (ARC)	N/A	\$ 2,241,140	\$ 2,438,554
Interest on Net OPEB Obligation	N/A	-	131,799
Adjustment to the ARC	N/A	-	(150,551)
Annual OPEB Cost	N/A	2,241,140	2,419,802
Contributions Made	N/A	(44,493)	(381,459)
Increase in net OPEB obligation	N/A	2,196,647	2,038,343
Net OPEB Obligation, beginning of year	N/A	-	2,196,647
Net OPEB Obligation, end of year	N/A	\$ 2,196,647	\$ 4,234,990

### Three-Year Trend Information

Accounting Year Ending	Annual OPEB Cost	Actual Contribution Made	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2008	N/A	N/A	N/A	\$ -
9/30/2009	2,241,140	44,493	1.99%	2,196,647
9/30/2010	2,419,802	381,459	15.76%	4,234,990

As discussed in Note V.C., the Cities of College Station and Bryan jointly own and operate the Brazos Valley Solid Waste Management Agency (BVSWMMA). BVSWMMA contracts with College Station to serve as landfill operator and bears the cost of those College Station employees

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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working full time performing BVSWMA duties. Because BVSWMA reports the liabilities associated with this employment contractual relationship, BVSWMA reports \$102,583 of the above Net OPEB Obligation on its financial statements, leaving \$4,132,407 reported in the City of College Station's financial statements.

Generally, the Net OPEB Obligation is the cumulative difference since the effective date of GASB 45 between the annual OPEB cost and the employer's contributions to the plan including the OPEB liability/(asset) at transition, if any. Because the City did not have an OPEB liability/(asset) at transition, the Net OPEB Obligation as of October 1, 2008 is zero. Whenever the City contributes an amount less than the annual OPEB cost, this shortfall will increase the City's Net OPEB Obligation.

### Actuarial Methods and Assumptions

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

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. GASB No. 45 calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan participants to that point. In addition, the projection of benefits for financial reporting purposes *does not* explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan participants in the future.

Actuarial calculations reflect a long-term perspective. In addition, consistent with that perspective, actuarial methods and assumptions used in developing the amounts in this report include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities.

The required contribution rates were determined as part of the October 1, 2008 actuarial valuation. Significant methods and assumptions follow:

Actuarial valuation date	10/1/2008
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Level dollar
Remaining Amortization Period:	30 year open period
Amortization Period for new Gains/Losses	30 Years
Asset Valuation Method:	Market
Actuarial Assumptions:	
Investment Rate of Return*	6.0%
*Includes Inflation at:	4.00%
Projected Salary Increases	N/A
Annual Healthcare Trend Rates:	9.00% in FYE 2009 declining to 6.00% in FYE 2015

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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### Funding Status and Funding Progress

The Schedule of Funding Progress presents information as of the current valuation date and the two preceding valuation dates. As of the date of this financial statement, the City has had two valuations, that for the fiscal year ending September 30, 2006, which was used for planning purposes and one for the fiscal year beginning October 1, 2008.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Annual Covered Payroll (Fiscal Year)	UAAL as a Percentage of Covered Payroll
10/1/2008	\$ -	\$ 15,244,888	0.0%	\$ 15,244,888	\$41,019,952	37.2%

At September 30, 2010, the City's actuarial accrued liability for OPEB benefits was \$15,244,888, all of which was unfunded.

### F. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code ("IRC") 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 action is in accordance with changes made to IRC Section 457. 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.

### G. Commitments and Contingencies

#### Construction Commitments

The City has contractual commitments of \$3,380,605 in the Capital Projects Funds, \$1,394,857 in the Water Fund, \$1,527,162 in the Wastewater Fund and \$546,858 in the Electric Fund. These commitments are for construction of various projects and will be funded primarily from long term debt.

#### Contingencies

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

#### Litigation

The City is a party to legal proceedings, many of which occur in the normal course of operations. It is not possible at the present time to estimate the ultimate outcome or liability, if any, of the city with respect to the various proceedings. Except for the matter disclosed below, City's management believes that the ultimate outcome of the various lawsuits will not have a material adverse effect on the City's financial position.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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In November 2008, Weingarten Realty Investors and Weingarten/Investments, Inc. (“WRI”) filed a lawsuit against the City of College Station, Ron Silvia, David Ruesink, Lynn McIlhaney and Ben White in the U.S. District Court Southern Division of Texas related to the request to rezone undeveloped property located at the east corner of Rock Prairie Road and State Highway 6 in College Station, Texas. WRI amended its complaint in August 2009 to add Dennis Maloney and Hugh Stearns to the lawsuit. The parties to the lawsuit have asserted their respective claims and the litigation is currently pending. On March 24, 2011, College Station City Council approved a \$1,600,000 settlement agreement between the City of College Station, Ron Silvia, David Ruesink, Lynn McIlhaney, Ben White, Hugh Stearns and Dennis Maloney and Weingarten Realty Investors and Weingarten/Investments, Inc. to resolve the lawsuit Weingarten Realty Investors, et. al. v. The City of College Station, Texas, et. al. Authoritative accounting guidance provides that a claim is accrued as of the balance sheet date when information is available prior to issuance of the financial statements that indicates it is probable that a liability has been incurred at the date of the most recent accounting period for which financial statements are being presented, and the amount of the loss can be reasonably estimated. The City accrued the \$1,600,000 claim settlement in its September 30, 2010 financial statements.

### H. Bonds Available for Sale

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

	Year Authorized	Unissued Amount
Public Buildings	1984	\$ 700,000
Street Improvements	1984	500,000
Street Improvements	2003	440,000
Municipal Complex Improvements	2003	3,655,000
Library Expansion	2008	8,385,000
Parks and Recreation	2008	10,385,000
Street Improvements	2008	33,945,000
Traffic Management	2008	3,000,000
Total		<u>\$ 61,010,000</u>

### I. Revenue Bond Coverage

All the net revenues of the Electric, Water, and Wastewater Funds are pledged for the payment of debt service of the revenue bonds and other indebtedness payable from those revenues. Net revenues, as defined by the revenue bond resolutions, include substantially all of the revenues and expenses of the above named funds other than certain interest income and expense, and depreciation and amortization. These bond resolutions further require that the net revenues, as defined, equal at least 1.40 times the average annual debt service on all revenue bonds and other indebtedness payable from those revenues and 1.25 times the maximum annual debt service on all revenue bonds and other indebtedness payable from those revenues. The maximum annual debt service is defined as the maximum principal and interest payments to be paid in any one year remaining in the life of the bonds, and the average annual debt service is defined as the sum of all principal and interest payments due over the remaining life of the bonds divided by the remaining life of the bonds. The City is in compliance with these requirements.

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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### J. Subsequent Events

#### OPEB

On September 30, 2009, the City of College Station authorized a change in its retiree health insurance coverage. The change is phased in over the next year and a half. Effective January 1, 2010, new retirees choosing to stay on the City's health plan may do so by paying the non-blended retiree-rate for health benefits. The existing retirees on the City's health plan will be able to stay on the health plan and pay the subsidized employee group rate through December 31, 2010. This change eliminates the City's Other Post Employment Benefit Cost for Health and Dental Benefits.

The City determines the employer and participant contribution rates annually based on recommendations of City staff and the City's consultant. During the fiscal year ended September 30, 2009, the City subsidized the retiree medical, dental, vision and drug premium so that the retiree premium is less than the full amount of premium for a full time employee. On September 30, 2009, the monthly retiree premium payment became the actual non-blended retiree rate, effective as of January 1, 2010 for new retirees and effective January 1, 2011 for existing retirees. The change in the monthly premium closed the plan and eliminated the OPEB liability for postretirement medical, dental, vision and drug insurance benefits.

On or around September 30, 2010, OPEB was reinstated when policy changed to charge retirees the employee (subsidized) rate for medical, dental, vision and drug coverage. Benefit provisions as well as retiree premium contributions are established by management.

The City determines the employer and participant contribution rates annually based on recommendations of City staff and the City's consultant. During the fiscal year ended September 30, 2009, the City subsidized the retiree medical, dental, vision and drug premium so that the retiree premium is less than the full amount of premium for a full time employee. On September 30, 2009, the monthly retiree premium payment became the actual non-blended retiree rate, effective as of January 1, 2010 for new retirees and effective January 1, 2011 for existing retirees. The change in the monthly premium closed the plan and eliminated the OPEB liability for postretirement medical, dental, vision and drug insurance benefits.

On or around September 30, 2010, OPEB was reinstated when policy changed to charge retirees the employee (subsidized) rate for medical, dental, vision and drug coverage.

Given that the change made on September 30, 2009 eliminating postretirement medical, dental, vision and drug liability to the City was reversed on September 30, 2010, the City treats its OPEB obligation as if the changes never happened and the City's OPEB obligation carried forward from October 1, 2008 without changes.

With each of these significant changes, a new valuation was requested. However, as of the financial statement date, no new valuation has been completed because complete data was not provided to the actuary.

#### BVSWMA, Inc.

On September 13, 2010, Bryan City Council, College Station City Council and the BVSWMA, Inc. Board of Directors formalized the creation of BVSWMA, Inc. and the dissolution of BVSWMA, effective October 1, 2010, with the approval and execution of a(n):

# Notes to the Financial Statements

## For the Fiscal Year Ended September 30, 2010

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- Borrowed Employee Agreement between the City of College Station and the Brazos Valley Solid Waste Management Agency Inc.;
- Asset Transfer and Debt Reimbursement Agreement between BVSWMA Inc., the City of College Station and the City of Bryan;
- Agreement between the City of College Station, the City of Bryan and the Brazos Valley Solid Waste Management Agency Inc. regarding the Assignment and Assumption of Contracts and Payables;
- Final Settlement Agreement and Release related to the final settlement and dismissal of the City of Bryan, Texas v. City of College Station, Texas lawsuit.

Subsequent to the end of the fiscal year ended September 30, 2010, BVSWMA transferred all of its assets to BVSWMA, Inc. BVSWMA, Inc. is a joint venture between the City of College Station and the City of Bryan.

### General Obligation Refunding Bonds Issued

On November 15, 2010, the City issued \$37.15 million General Obligation Refunding Bonds, Series 2010. The advanced refunding of General Obligation Improvement Bonds, Series 2001, 2002, Certificates of Obligation Series 2001, 2002 and Utility System Revenue Bonds, Series 2000, 2001 and 2002 was undertaken to reduce total general obligation debt service payments over the next 10 years by \$1,380,833 and total revenue debt service payments over the next 10 years by \$3,166,740, resulting in an economic gain of \$4,547,573.

### Weingarten Claim Settlement

On March 24, 2011, College Station City Council approved a \$1,600,000 settlement agreement between the City of College Station, Ron Silvia, David Ruesink, Lynn McIlhaney, Ben White, Hugh Stearns and Dennis Maloney and Weingarten Realty Investors and Weingarten/Investments, Inc. to resolve the lawsuit Weingarten Realty Investors, et. al. v. The City of College Station, Texas, et. al. Authoritative accounting guidance provides that a loss contingency arising from a claim is accrued as of the balance sheet date when information is available prior to issuance of the financial statements that indicates it is probable that an asset has been impaired or a liability has been incurred at the date of the most recent accounting period for which financial statements are being presented, and the amount of the loss can be reasonably estimated. The City accrued the \$1,600,000 settlement in its September 30, 2010 financial statements.

**CITY OF COLLEGE STATION, TEXAS**  
**Required Supplementary Information**

**Texas Municipal Retirement System**  
**Schedule of Funding Progress**  
**Last Ten Fiscal Years**  
(unaudited)

Actuarial Valuation Date*	Actuarial Value of Assets ** (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (Calendar Year) (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2000	47,880,750	55,811,761	7,931,011	85.8%	23,651,256	33.5%
12/31/2001	52,927,528	61,856,550	8,929,022	85.6%	25,422,558	35.1%
12/31/2002	57,742,291	68,424,249	10,681,958	84.4%	27,784,120	38.4%
12/31/2003	63,223,606	80,476,343	17,252,737	78.6%	28,537,016	60.5%
12/31/2004	70,336,601	87,906,815	17,570,214	80.0%	30,978,906	56.7%
12/31/2005	75,655,678	94,605,300	18,949,622	80.0%	31,987,028	59.2%
12/31/2006	80,758,249	102,166,047	21,407,798	79.0%	34,143,239	62.7%
12/31/2007	87,193,697	130,310,054	43,116,357	66.9%	36,703,161	117.5%
12/31/2008	90,243,677	138,576,504	48,332,827	65.1%	40,337,456	119.8%
12/31/2009	97,331,034	148,904,236	51,573,202	65.4%	41,515,345	124.2%

\*Assets are stated as of December 31 of the preceding year, the date of the actuarial valuation.

\*\* Information is from appropriate year supplements to TMRS annual reports.

The Actuarial Accrued Liability (AAL), the Unfunded AAL (UAAL) and the covered calendar year payroll figures reported above represent the entire City of College Station workforce, including the section of the workforce dedicated exclusively to BVSWMA.

Through the fiscal year ended September 30, 2010. BVSWMA contracted with the City of College Station to serve as landfill operator and carried the cost of those College Station employees working full time performing BVSWMA duties. BVSWMA reports the liabilities associated with this employment contractual relationship, therefore, BVSWMA reports \$75,645 of the City's Net Pension Obligation on its September 30, 2010 financial statements. The Net Pension Obligation amount reported on the City of College Station's September 30, 2010 financial statements is \$3,047,232.

**CITY OF COLLEGE STATION, TEXAS  
Required Supplementary Information**

**City of College Station Employees Other Post Employment Benefits Plan  
Schedule of Funding Progress  
Last Two Fiscal Years**

(unaudited)

Fiscal Year	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll (Fiscal Year)	UAAL as a Percentage of Covered Payroll
2009	-	15,244,888	15,244,888	0.0%	41,019,952	37.2%
2010	-	15,244,888	15,244,888	0.0%	41,212,543	37.0%

Fiscal Years 2009 and 2010 are of the October 1, 2008 actuarial valuation. Since Fiscal Year 2009 was the initial year of application of GASB 45, no preceding year information is shown.

The Actuarial Accrued Liability (AAL), the Unfunded AAL (UAAL) and the covered fiscal payroll figures reported above represent the entire City of College Station workforce, including the section of the workforce dedicated exclusively to BSWMA.

Through fiscal year 2010, BSWMA contracted with College Station to serve as landfill operator. BSWMA bears the cost of those College Station employees working full time performing BSWMA duties. Because BSWMA reports the expenses and liabilities associated with this employment contractual relationship, BSWMA reports \$102,583 of the City of College Station's Net OPEB Obligation on its financial statements, leaving \$4,132,407 of Net OPEB Obligation reported in the City of College Station's financial statements.

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
General Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Adjustment for Intra-General Fund transfers	Actual Budget Basis	Variance with Final Budget Over (Under)
Ad Valorem Tax	\$ 11,261,094	\$ 11,261,094	\$ 11,172,907	\$ -	\$ -	\$ 11,172,907	\$ (88,187)
Sales Tax	19,624,512	19,624,512	19,328,578	-	-	19,328,578	(295,934)
Mixed Drink and Franchise	2,676,000	2,676,000	2,633,328	-	-	2,633,328	(42,672)
Licenses and Permits	1,017,900	1,017,900	964,344	-	-	964,344	(53,556)
Intergovernmental	216,505	238,941	795,750	-	-	795,750	556,809
Parks and Recreation Charges for Services	1,194,259	1,194,259	1,261,253	-	-	1,261,253	66,994
Other Charges for Services	2,023,316	2,023,316	2,781,947	-	-	2,781,947	758,631
Fines, Forfeits, and Penalties	3,558,738	3,558,738	3,817,193	-	-	3,817,193	258,455
Investment Income	335,046	335,046	69,379	-	-	69,379	(265,667)
Rents and Royalties	634,492	634,492	749,635	-	-	749,635	115,143
Contributions	18,300	18,300	15,366	-	-	15,366	(2,934)
Other	118,500	118,500	139,644	-	-	139,644	21,144
<b>Total Revenues</b>	<b>42,678,662</b>	<b>42,701,098</b>	<b>43,729,324</b>	<b>-</b>	<b>-</b>	<b>43,729,324</b>	<b>1,028,226</b>
<b>Expenditures</b>							
<b>Current</b>							
General Government	5,173,026	5,288,398	4,098,364	-	-	4,098,364	(1,190,034)
Fiscal Services	3,206,341	3,102,433	3,086,275	-	-	3,086,275	(16,158)
Police	14,215,466	13,825,757	13,724,355	-	-	13,724,355	(101,402)
Fire	11,462,357	11,683,732	11,414,188	(29,248)	-	11,443,436	(240,296)
Planning and Development Services	2,698,317	2,621,123	2,456,322	(83,102)	-	2,539,424	(81,699)
Public Works	7,462,930	7,148,907	6,094,737	(900,486)	-	6,995,223	(153,684)
Capital Improvement Projects	892,932	884,527	129,005	(774,966)	-	903,971	19,444
Parks and Recreation	9,166,363	8,961,384	8,299,138	(503,025)	-	8,802,163	(159,221)
Information Technology	4,117,715	3,988,737	3,886,102	-	-	3,886,102	(102,635)
Library	1,080,589	1,077,922	1,080,030	-	-	1,080,030	2,108
Claims	-	-	1,600,000	1,600,000	-	-	-
Contributions	778,883	778,883	779,883	-	-	779,883	1,000
Other	375,500	425,500	327,210	-	-	327,210	(98,290)
General Fund Landfill Legal Costs	200,000	200,000	4,452	-	-	4,452	(195,548)
Capital Outlay	276,385	276,385	-	-	-	-	(276,385)
Pay Plan Contingency	273,372	372	-	-	-	-	(372)
<b>Total Expenditures</b>	<b>61,380,176</b>	<b>60,264,060</b>	<b>56,980,061</b>	<b>(690,827)</b>	<b>-</b>	<b>57,670,888</b>	<b>(2,593,172)</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>(18,701,514)</b>	<b>(17,562,962)</b>	<b>(13,250,737)</b>	<b>690,827</b>	<b>-</b>	<b>(13,941,564)</b>	<b>3,621,398</b>
<b>Other Financing Sources (Uses)</b>							
Sales of Capital Assets	-	-	5,615	-	-	5,615	5,615
Reimbursed Administration Transfers	6,036,882	6,036,882	3,487,034	(1,949,868)	-	5,436,902	(599,980)
Transfers In	15,609,762	15,609,762	12,299,762	(13,800)	(565,000)	12,878,562	(2,731,200)
Transfer Out	(788,615)	(788,615)	-	-	565,000	(565,000)	223,615
Contingency	(250,159)	(237,659)	-	-	-	-	237,659
<b>Total Other Financing Sources (Uses)</b>	<b>20,607,870</b>	<b>20,620,370</b>	<b>15,792,411</b>	<b>(1,963,668)</b>	<b>-</b>	<b>17,756,079</b>	<b>(2,864,291)</b>
<b>Net Change in Fund Balances</b>	<b>1,906,356</b>	<b>3,057,408</b>	<b>2,541,674</b>	<b>\$ (1,272,841)</b>	<b>\$ -</b>	<b>3,814,515</b>	<b>\$ 757,107</b>
Fund Balances, October 1	11,274,207	11,274,207	11,274,207			11,274,207	
<b>Fund Balances, September 30</b>	<b>\$ 13,180,563</b>	<b>\$ 14,331,615</b>	<b>\$ 13,815,881</b>			<b>\$ 15,088,722</b>	

**CITY OF COLLEGE STATION, TEXAS**

**Notes to Required Supplementary Information**

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

General Fund

For the Fiscal Year Ended September 30, 2010

Note 1.

The City prepares its annual budget on a basis (budget basis) which differs from a GAAP basis. The budget and all transactions are presented in accordance with the City's method (budget basis) in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund to provide a meaningful comparison of actual results with the budget. The differences between budget and GAAP basis in the General Fund are that reimbursements and charges for transfers of indirect costs are shown as Reimbursed Administration Transfers. Additionally, charges for salaries and direct departmental overhead for capital projects are charged for GAAP basis, but are estimated as indirect costs for budget basis.

Subsequent to the end of the fiscal year, City Council agreed to settle a lawsuit for \$1,600,000. Authoritative accounting guidance requires accrual of the claim for GAAP purposes. For budget purposes, however, the claim will be budgeted in the fiscal year the cash is affected.

## **COMBINING FINANCIAL STATEMENTS General Fund(s)**

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 General Fund Type has historically incorporated several funds, which have been reported collectively as the General Fund in the City's Comprehensive Annual Financial Report.

During the fiscal year, the City re-organized its fund structure to classify certain funds previously classified as a Special Revenue Fund as a General Fund. These funds include the New Convention Center Fund and the Business Park Fund. The revenue stream for these funds is not restricted, committed nor assigned.

For the fiscal year ending September 30, 2010, the General Fund includes:

### General Fund

Economic Development Fund – accounts for funds used for business attraction and retention. Monies for this purpose are transferred to the Economic Development Fund from the General Fund, the Business Park Fund, and the Electric, Water, Wastewater and Sanitation Funds.

Parks Xtra Education Fund – accounts for funds used for community-based education programs jointly offered by the City of College Station and the College Station Independent School District. Registration fees primarily fund this fund.

Unclaimed Property Fund – accounts for checks issued but not cashed. After the abandonment period of 1 year for payroll checks over \$100 and 3 years for accounts payable checks over \$100, these funds are sent to the State Comptroller.

Refundable Deposits Fund – activated to account for a refundable deposit.

Efficiency Time Payment Fee Fund – accounts for unrestricted revenue collected by the Municipal Court pursuant to Texas Local Government Code, Section 133.103.

New Convention Center Fund - to account for the receipt and expenditure of funds received by the City in the operation and maintenance of a property acquired for a future convention center. Revenues associated with this fund are derived from the lease of retail property at the Chimney Hill Center.

Business Park Fund – originally used to account for the cost of street, water, and sewer improvements at the College Station Business Park, this fund transfers resources to the Economic Development Fund for business attraction and retention.

**CITY OF COLLEGE STATION, TEXAS**

Balance Sheet

General Fund(s)

September 30, 2010

	General Fund	Economic Development	Parks Xtra Education	Unclaimed Property	Refundable Deposits	Efficiency Time Payment
<b>Assets</b>						
Equity in Cash and Cash Equivalents	\$ 10,343,878	\$ 2,078,000	\$ 53,637	\$ 93,809	\$ 6,165	\$ 30,815
Equity in Investments	768,087	154,248	3,981	6,963	-	2,287
Receivables						
Accrued Interest	11,193	2,320	60	-	-	34
Grants	27,126	-	-	-	-	-
Letter of Credit	25,000	-	-	-	-	-
Accounts	1,124,699	-	-	-	-	-
Taxes	2,246,798	-	-	-	-	-
Other	2,898	-	-	-	-	-
Less Allowance for Uncollectible Accounts	(51,683)	-	-	-	-	-
Inventories	53,341	-	-	-	-	-
Prepaid Costs	17,175	-	-	-	-	-
Restricted Assets						
Equity in Cash and Cash Equivalents	144,708	-	-	-	-	-
Equity in investments	10,742	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 14,723,962</b>	<b>\$ 2,234,568</b>	<b>\$ 57,678</b>	<b>\$ 100,772</b>	<b>\$ 6,165</b>	<b>\$ 33,136</b>
<b>Liabilities and Fund Balances</b>						
Accounts Payable	\$ 987,366	\$ 150	\$ 3,621	\$ -	\$ -	\$ -
Claims Payable	1,600,000	-	-	-	-	-
Interfund Payables	-	480,000	-	-	-	-
Refundable Deposits	60,689	-	-	-	6,165	-
Accrued Liabilities	595,121	-	-	100,772	-	-
Customer Construction Advances	58,566	-	-	-	-	-
Other Deferred Revenues	1,370,932	-	-	-	-	-
<b>Total Liabilities</b>	<b>4,672,674</b>	<b>480,150</b>	<b>3,621</b>	<b>100,772</b>	<b>6,165</b>	<b>-</b>
<b>Fund Balances</b>						
Nonspendable	70,516	-	-	-	-	-
Restricted	175,974	-	-	-	-	-
Committed	339,083	1,313,692	-	-	-	-
Unassigned	9,465,715	440,726	54,057	-	-	33,136
<b>Total Fund Balances</b>	<b>10,051,288</b>	<b>1,754,418</b>	<b>54,057</b>	<b>-</b>	<b>-</b>	<b>33,136</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 14,723,962</b>	<b>\$ 2,234,568</b>	<b>\$ 57,678</b>	<b>\$ 100,772</b>	<b>\$ 6,165</b>	<b>\$ 33,136</b>

Total General Fund as Previously Reported	New Convention Center	Business Park	Funds Previously Reported as Special Revenue Funds	Total General Fund
\$ 12,606,304	\$ 1,442,006	\$ 334,451	\$ 1,776,457	\$ 14,382,761
935,566	110,022	24,826	134,848	1,070,414
13,607	(1,254)	373	(881)	12,726
27,126	-	-	-	27,126
25,000	-	-	-	25,000
1,124,699	42,576	-	42,576	1,167,275
2,246,798	-	-	-	2,246,798
2,898	-	-	-	2,898
(51,683)	(4,207)	-	(4,207)	(55,890)
53,341	-	-	-	53,341
17,175	-	-	-	17,175
144,708	40,182	-	40,182	184,890
10,742	-	-	-	10,742
<u>\$ 17,156,281</u>	<u>\$ 1,629,325</u>	<u>\$ 359,650</u>	<u>\$ 1,988,975</u>	<u>\$ 19,145,256</u>
\$ 991,137	\$ 2,869	\$ -	\$ 2,869	\$ 994,006
1,600,000	-	-	-	1,600,000
480,000	-	-	-	480,000
66,854	40,182	-	40,182	107,036
695,893	-	-	-	695,893
58,566	-	-	-	58,566
1,370,932	22,942	-	22,942	1,393,874
<u>5,263,382</u>	<u>65,993</u>	<u>-</u>	<u>65,993</u>	<u>5,329,375</u>
70,516	-	-	-	70,516
175,974	600,000	73,648	673,648	849,622
1,652,775	141,641	-	141,641	1,794,416
9,993,634	821,691	286,002	1,107,693	11,101,327
11,892,899	1,563,332	359,650	1,922,982	13,815,881
<u>\$ 17,156,281</u>	<u>\$ 1,629,325</u>	<u>\$ 359,650</u>	<u>\$ 1,988,975</u>	<u>\$ 19,145,256</u>

**CITY OF COLLEGE STATION, TEXAS**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
General Fund(s)  
For the Fiscal Year Ended September 30, 2010

	General	Economic Development	Parks Xtra Education	Unclaimed Property	Refundable Deposits	Efficiency Time Payment
<b>Revenues</b>						
Taxes	\$ 33,134,813	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	964,344	-	-	-	-	-
Intergovernmental	795,750	-	-	-	-	-
Charges for Services	3,925,023	-	118,177	-	-	-
Fines, Forfeits, and Penalties	3,809,051	-	-	-	-	8,142
Investment Income	52,585	7,837	58	-	-	160
Rents and Royalties	312,474	-	-	-	-	-
Contributions	15,366	-	-	-	-	-
Other	89,644	50,000	-	-	-	-
<b>Total Revenues</b>	<b>43,099,050</b>	<b>57,837</b>	<b>118,235</b>	<b>-</b>	<b>-</b>	<b>8,302</b>
<b>Expenditures</b>						
<b>Current</b>						
General Government	4,051,122	47,242	-	-	-	-
Fiscal Services	3,086,275	-	-	-	-	-
Police	13,724,355	-	-	-	-	-
Fire	11,414,188	-	-	-	-	-
Planning and Development Services	2,456,322	-	-	-	-	-
Public Works	6,099,189	-	-	-	-	-
Capital Improvement Projects	126,955	-	-	-	-	-
Parks and Recreation	8,229,358	-	65,780	-	-	-
Information Services	3,886,102	-	-	-	-	-
Library	1,080,030	-	-	-	-	-
Contributions	783,883	-	-	-	-	-
Claims	1,600,000	-	-	-	-	-
Other	160,564	-	-	-	-	-
<b>Total Expenditures</b>	<b>56,698,343</b>	<b>47,242</b>	<b>65,780</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>(13,599,293)</b>	<b>10,595</b>	<b>52,455</b>	<b>-</b>	<b>-</b>	<b>8,302</b>
<b>Other Financing Sources (Uses)</b>						
Sales of Capital Assets	5,615	-	-	-	-	-
Transfers In	15,767,142	610,000	-	-	-	-
Transfer Out	(315,000)	-	(15,661)	-	-	(9,685)
<b>Total Other Financing Sources (Uses)</b>	<b>15,457,757</b>	<b>610,000</b>	<b>(15,661)</b>	<b>-</b>	<b>-</b>	<b>(9,685)</b>
<b>Net Change in Fund Balances</b>	<b>1,858,464</b>	<b>620,595</b>	<b>36,794</b>	<b>-</b>	<b>-</b>	<b>(1,383)</b>
Fund Balances, October 1	8,192,824	1,133,823	17,263	-	-	34,519
<b>Fund Balances, September 30</b>	<b>\$ 10,051,288</b>	<b>\$ 1,754,418</b>	<b>\$ 54,057</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33,136</b>

Total General Fund as Previously Reported	New Convention Center	Business Park	Funds Previously Reported as Special Revenue Funds	Total General Fund	Adjust intra-General fund transfers	Total General Fund
\$ 33,134,813	\$ -	\$ -	\$ -	\$ 33,134,813	\$ -	\$ 33,134,813
964,344	-	-	-	964,344	-	964,344
795,750	-	-	-	795,750	-	795,750
4,043,200	-	-	-	4,043,200	-	4,043,200
3,817,193	-	-	-	3,817,193	-	3,817,193
60,640	6,152	2,587	8,739	69,379	-	69,379
312,474	437,161	-	437,161	749,635	-	749,635
15,366	-	-	-	15,366	-	15,366
139,644	-	-	-	139,644	-	139,644
<u>43,283,424</u>	<u>443,313</u>	<u>2,587</u>	<u>445,900</u>	<u>43,729,324</u>	<u>-</u>	<u>43,729,324</u>
4,098,364	-	-	-	4,098,364	-	4,098,364
3,086,275	-	-	-	3,086,275	-	3,086,275
13,724,355	-	-	-	13,724,355	-	13,724,355
11,414,188	-	-	-	11,414,188	-	11,414,188
2,456,322	-	-	-	2,456,322	-	2,456,322
6,099,189	-	-	-	6,099,189	-	6,099,189
126,955	-	2,050	2,050	129,005	-	129,005
8,295,138	-	-	-	8,295,138	-	8,295,138
3,886,102	-	-	-	3,886,102	-	3,886,102
1,080,030	-	-	-	1,080,030	-	1,080,030
783,883	-	-	-	783,883	-	783,883
1,600,000	-	-	-	1,600,000	-	1,600,000
160,564	166,646	-	166,646	327,210	-	327,210
<u>56,811,365</u>	<u>166,646</u>	<u>2,050</u>	<u>168,696</u>	<u>56,980,061</u>	<u>-</u>	<u>56,980,061</u>
<u>(13,527,941)</u>	<u>276,667</u>	<u>537</u>	<u>277,204</u>	<u>(13,250,737)</u>	<u>-</u>	<u>(13,250,737)</u>
5,615	-	-	-	5,615	-	5,615
16,377,142	-	-	-	16,377,142	(590,346)	15,786,796
(340,346)	-	(250,000)	(250,000)	(590,346)	590,346	-
<u>16,042,411</u>	<u>-</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>15,792,411</u>	<u>-</u>	<u>15,792,411</u>
2,514,470	276,667	(249,463)	27,204	2,541,674	-	2,541,674
9,378,429	1,286,665	609,113	1,895,778	11,274,207	-	11,274,207
<u>\$ 11,892,899</u>	<u>\$ 1,563,332</u>	<u>\$ 359,650</u>	<u>\$ 1,922,982</u>	<u>\$ 13,815,881</u>	<u>\$ -</u>	<u>\$ 13,815,881</u>

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
General Fund (reported as part of the General Fund)  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Ad Valorem Tax	\$ 11,261,094	\$ 11,261,094	\$ 11,172,907	\$ -	\$ 11,172,907	\$ (88,187)
Sales Tax	19,624,512	19,624,512	19,328,578	-	19,328,578	(295,934)
Mixed Drink and Franchise	2,676,000	2,676,000	2,633,328	-	2,633,328	(42,672)
Licenses and Permits	1,017,900	1,017,900	964,344	-	964,344	(53,556)
Intergovernmental	216,505	238,941	795,750	-	795,750	556,809
Parks and Recreation Charges for Services	1,099,500	1,099,500	1,143,076	-	1,143,076	43,576
Other Charges for Services	2,023,316	2,023,316	2,781,947	-	2,781,947	758,631
Fines, Forfeits, and Penalties	3,551,738	3,551,738	3,809,051	-	3,809,051	257,313
Investment Income	275,000	275,000	52,585	-	52,585	(222,415)
Rents and Royalties	278,600	278,600	312,474	-	312,474	33,874
Contributions	18,300	18,300	15,366	-	15,366	(2,934)
Other	68,500	68,500	89,644	-	89,644	21,144
<b>Total Revenues</b>	<b>42,110,965</b>	<b>42,133,401</b>	<b>43,099,050</b>	<b>-</b>	<b>43,099,050</b>	<b>965,649</b>
<b>Expenditures</b>						
<b>Current</b>						
General Government	4,206,026	4,121,398	4,051,122	-	4,051,122	(70,276)
Fiscal Services	3,206,341	3,102,433	3,086,275	-	3,086,275	(16,158)
Police	14,215,466	13,825,757	13,724,355	-	13,724,355	(101,402)
Fire	11,462,357	11,683,732	11,414,188	(29,248)	11,443,436	(240,296)
Planning and Development Services	2,698,317	2,621,123	2,456,322	(83,102)	2,539,424	(81,699)
Public Works	7,462,930	7,148,907	6,094,737	(900,486)	6,995,223	(153,684)
Capital Improvement Projects	892,932	884,527	126,955	(774,966)	901,921	17,394
Parks and Recreation	9,069,889	8,864,910	8,233,358	(503,025)	8,736,383	(128,527)
Information Technology	4,117,715	3,988,737	3,886,102	-	3,886,102	(102,635)
Library	1,080,589	1,077,922	1,080,030	-	1,080,030	2,108
Claims	-	-	1,600,000	1,600,000	-	-
Contributions	778,883	778,883	779,883	-	779,883	1,000
Other	125,500	125,500	160,564	-	160,564	35,064
General Fund Landfill Legal Costs	200,000	200,000	4,452	-	4,452	(195,548)
Pay Plan Contingency	273,000	-	-	-	-	-
<b>Total Expenditures</b>	<b>59,789,945</b>	<b>58,423,829</b>	<b>56,698,343</b>	<b>(690,827)</b>	<b>57,389,170</b>	<b>(1,034,659)</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>(17,678,980)</b>	<b>(16,290,428)</b>	<b>(13,599,293)</b>	<b>690,827</b>	<b>(14,290,120)</b>	<b>2,000,308</b>
<b>Other Financing Sources (Uses)</b>						
Sales of Capital Assets	-	-	5,615	-	5,615	5,615
Reimbursed Administration Transfers	6,062,228	6,062,228	3,512,380	(1,949,868)	5,462,248	(599,980)
Transfers In	12,299,762	12,299,762	12,254,762	(13,800)	12,268,562	(31,200)
Transfer Out	(315,000)	(315,000)	(315,000)	-	(315,000)	-
Contingency	(250,159)	(237,659)	-	-	-	237,659
<b>Total Other Financing Sources (Uses)</b>	<b>17,796,831</b>	<b>17,809,331</b>	<b>15,457,757</b>	<b>(1,963,668)</b>	<b>17,421,425</b>	<b>(387,906)</b>
<b>Net Change in Fund Balances</b>	<b>117,851</b>	<b>1,518,903</b>	<b>1,858,464</b>	<b>\$ (1,272,841)</b>	<b>3,131,305</b>	<b>\$ 1,612,402</b>
Fund Balances, October 1	8,192,824	8,192,824	8,192,824		8,192,824	
Fund Balances, September 30	<u>\$ 8,310,675</u>	<u>\$ 9,711,727</u>	<u>\$ 10,051,288</u>		<u>\$ 11,324,129</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Economic Development Fund (reported as part of the General Fund)  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment Income	\$ 20,000	\$ 20,000	\$ 7,837	\$ -	\$ 7,837	\$ (12,163)
Other	50,000	50,000	50,000	-	50,000	-
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>57,837</u>	<u>-</u>	<u>57,837</u>	<u>(12,163)</u>
Expenditures						
Current						
General Government	967,000	1,167,000	47,242	-	47,242	(1,119,758)
Total Expenditures	<u>967,000</u>	<u>1,167,000</u>	<u>47,242</u>	<u>-</u>	<u>47,242</u>	<u>(1,119,758)</u>
Deficiency of Revenues Under Expenditures	<u>(897,000)</u>	<u>(1,097,000)</u>	<u>10,595</u>	<u>-</u>	<u>10,595</u>	<u>1,107,595</u>
Other Financing Sources						
Transfers In	610,000	610,000	610,000	-	610,000	-
Total Other Financing Sources	<u>610,000</u>	<u>610,000</u>	<u>610,000</u>	<u>-</u>	<u>610,000</u>	<u>-</u>
Net Change in Fund Balances	(287,000)	(487,000)	620,595	<u>\$ -</u>	620,595	<u>\$ 1,107,595</u>
Fund Balances, October 1	1,133,823	1,133,823	1,133,823		1,133,823	
Fund Balances, September 30	<u>\$ 846,823</u>	<u>\$ 646,823</u>	<u>\$ 1,754,418</u>		<u>\$ 1,754,418</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Parks Xtra Education Fund (reported as part of the General Fund)  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Parks and Recreation Charges for Services	\$ 94,759	\$ 94,759	\$ 118,177	\$ -	\$ 118,177	\$ 23,418
Investment Income	100	100	58	-	58	(42)
<b>Total Revenues</b>	<b>94,859</b>	<b>94,859</b>	<b>118,235</b>	<b>-</b>	<b>118,235</b>	<b>23,376</b>
<b>Expenditures</b>						
<b>Current</b>						
Parks and Recreation	96,474	96,474	65,780	-	65,780	(30,694)
Pay Plan Contingency	372	372	-	-	-	(372)
<b>Total Expenditures</b>	<b>96,846</b>	<b>96,846</b>	<b>65,780</b>	<b>-</b>	<b>65,780</b>	<b>(31,066)</b>
Deficiency of Revenues Under Expenditures	(1,987)	(1,987)	52,455	-	52,455	54,442
<b>Other Financing Uses</b>						
Reimbursed Administration Transfers	(15,661)	(15,661)	(15,661)	-	(15,661)	-
<b>Total Other Financing Uses</b>	<b>(15,661)</b>	<b>(15,661)</b>	<b>(15,661)</b>	<b>-</b>	<b>(15,661)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(17,648)</b>	<b>(17,648)</b>	<b>36,794</b>	<b>\$ -</b>	<b>36,794</b>	<b>\$ 54,442</b>
Fund Balances, October 1	17,263	17,263	17,263		17,263	
Fund Balances, September 30	<u>\$ (385)</u>	<u>\$ (385)</u>	<u>\$ 54,057</u>		<u>\$ 54,057</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Efficiency Time Payment Fee Fund (reported as part of the General Fund)  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, Forfeits, and Penalties	\$ 7,000	\$ 7,000	\$ 8,142	\$ -	\$ 8,142	\$ 1,142
Investment Income	346	346	160	-	160	(186)
Total Revenues	<u>7,346</u>	<u>7,346</u>	<u>8,302</u>	<u>-</u>	<u>8,302</u>	<u>956</u>
Expenditures						
Current						
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>7,346</u>	<u>7,346</u>	<u>8,302</u>	<u>-</u>	<u>8,302</u>	<u>956</u>
Other Financing Uses						
Reimbursed Administration Transfers	(9,685)	(9,685)	(9,685)	-	(9,685)	-
Total Other Financing Uses	<u>(9,685)</u>	<u>(9,685)</u>	<u>(9,685)</u>	<u>-</u>	<u>(9,685)</u>	<u>-</u>
Net Change in Fund Balances	(2,339)	(2,339)	(1,383)	<u>\$ -</u>	(1,383)	<u>\$ 956</u>
Fund Balances, October 1	34,519	34,519	34,519		34,519	
Fund Balances, September 30	<u>\$ 32,180</u>	<u>\$ 32,180</u>	<u>\$ 33,136</u>		<u>\$ 33,136</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
New Convention Center Fund (reported as part of the General Fund)  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment Income	\$ 23,600	\$ 23,600	\$ 6,152	\$ -	\$ 6,152	\$ (17,448)
Rents and Royalties	355,892	355,892	437,161	-	437,161	81,269
<b>Total Revenues</b>	<b>379,492</b>	<b>379,492</b>	<b>443,313</b>	<b>-</b>	<b>443,313</b>	<b>63,821</b>
Expenditures						
Current						
Other	250,000	300,000	166,646	-	166,646	(133,354)
Capital Outlay	276,385	276,385	-	-	-	(276,385)
<b>Total Expenditures</b>	<b>526,385</b>	<b>576,385</b>	<b>166,646</b>	<b>-</b>	<b>166,646</b>	<b>(409,739)</b>
Deficiency of Revenues Under Expenditures	(146,893)	(196,893)	276,667	-	276,667	473,560
Other Financing Sources (Uses)						
Transfers In	2,700,000	2,700,000	-	-	-	(2,700,000)
Transfer Out	(223,615)	(223,615)	-	-	-	223,615
<b>Total Other Financing Sources (Uses)</b>	<b>2,476,385</b>	<b>2,476,385</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,476,385)</b>
<b>Net Change in Fund Balances</b>	<b>2,329,492</b>	<b>2,279,492</b>	<b>276,667</b>	<b>\$ -</b>	<b>276,667</b>	<b>\$ (2,002,825)</b>
Fund Balances, October 1	1,286,665	1,286,665	1,286,665		1,286,665	
<b>Fund Balances, September 30</b>	<b>\$ 3,616,157</b>	<b>\$ 3,566,157</b>	<b>\$ 1,563,332</b>		<b>\$ 1,563,332</b>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Business Park Fund (reported as part of the General Fund)  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment Income	\$ 16,000	\$ 16,000	\$ 2,587	\$ -	\$ 2,587	\$ (13,413)
Total Revenues	<u>16,000</u>	<u>16,000</u>	<u>2,587</u>	<u>-</u>	<u>2,587</u>	<u>(13,413)</u>
Expenditures						
Current						
Capital Improvement Projects	-	-	2,050	-	2,050	2,050
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,050</u>	<u>-</u>	<u>2,050</u>	<u>2,050</u>
Deficiency of Revenues Under Expenditures	<u>16,000</u>	<u>16,000</u>	<u>537</u>	<u>-</u>	<u>537</u>	<u>(15,463)</u>
Other Financing Uses						
Transfer Out	(250,000)	(250,000)	(250,000)	-	(250,000)	-
Total Other Financing Uses	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>
Net Change in Fund Balances	(234,000)	(234,000)	(249,463)	<u>\$ -</u>	(249,463)	<u>\$ (15,463)</u>
Fund Balances, October 1	609,113	609,113	609,113		609,113	
Fund Balances, September 30	<u>\$ 375,113</u>	<u>\$ 375,113</u>	<u>\$ 359,650</u>		<u>\$ 359,650</u>	



# COMBINING FINANCIAL STATEMENTS NONMAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes other than debt service or capital projects.

Court Technology Fee Fund – to account for funds collected by municipal court to be used to finance the purchase of or to maintain technological enhancements for a municipal court.

Court Security Fee Fund - to account for funds collected by municipal court to be used to finance security personnel for a municipal court or to finance items when used for the purpose of providing security services.

Juvenile Case Manager Fund – to account for funds collected by municipal court to be used to finance the salary and benefits of a juvenile case manager.

Police Seizure Fund – to account for funds obtained through forfeiture provisions under federal laws; seized money from delivery of controlled substance in accordance with Public Health Laws. These monies are to be used for training and other law enforcement activities.

American Recovery and Reinvestment Act (ARRA) Fund – to account for funds granted to the City under the ARRA.

Traffic Safety Fund – to account for the receipt and expenditure of funds from the operation of red light cameras.

Memorial Cemetery Fund – to account for sales of plots (and options of plots) in the Aggie Field of Honor & Municipal Cemetery.

Memorial Cemetery Perpetual Care Fund – to account for principal trust amounts received and related interest income for the College Station Memorial Cemetery.

Cemetery Perpetual Care Fund – to account for principal trust amounts received and related interest income for the College Station Cemetery.

Hotel Occupancy 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 the construction and maintenance of convention and civic facilities and to the promotion of tourism and arts within the City.

Community Development Fund – to account for funds granted to the City by the Federal Department of Housing and Urban Development for use on various community improvement projects.

Wolf Pen Creek Tax Increment Financing District Fund – to account for the receipt and expenditure of funds received by the City from the creation of a tax increment financing district for the Wolf Pen Creek area.

Parks Escrow Fund – to account for the receipt and expenditure of funds received by the City from residential land developers, who dedicate land, or money in lieu of land, for use in the development of community and neighborhood parks in residential areas.

Drainage Projects Fund – to account for the cost of drainage maintenance and drainage improvements made with funds provided by a drainage utility fee and proceeds from the sale of general obligation bonds.

## CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital improvements other than those financed by proprietary funds and trust funds.

General Government Projects Fund – to account for the cost of new building construction and building improvements made with funds provided by proceeds from the sale of general obligation bonds, certificates of obligation and by investing those proceeds.

Parks & Recreation Projects Fund – to account for the costs of new parks and improvements to existing parks made with funds provided from the sale of general obligation bonds, certificates of obligation and by investing those proceeds.

**CITY OF COLLEGE STATION, TEXAS**

Balance Sheet

Non-Major Governmental Funds

September 30, 2010

	Special Revenue						
	Court Technology	Court Security	Juvenile Case Manager	Police Seizure	American Recovery and Reinvestment Act (ARRA)	Traffic Safety	Memorial Cemetery
<b>Assets</b>							
Equity in Cash and Cash Equivalents	\$ 310,281	\$ 145,647	\$ 270,425	\$ 66,159	\$ 595,442	\$ 318,879	\$ 748,794
Equity in Investments	23,032	10,811	20,073	4,911	44,003	23,670	55,582
Receivables							
Accrued Interest	346	163	302	72	669	356	836
Grants	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	500	44,516
Other	-	-	-	-	-	-	-
Less Allowance for Uncollectible Accounts	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	5,113,808
<b>Total Assets</b>	<b>\$ 333,659</b>	<b>\$ 156,621</b>	<b>\$ 290,800</b>	<b>\$ 71,142</b>	<b>\$ 640,114</b>	<b>\$ 343,405</b>	<b>\$ 5,963,536</b>
<b>Liabilities and Fund Balances</b>							
Accounts Payable	\$ 1,226	\$ 10	\$ -	\$ 9,042	\$ 29,760	\$ 169,993	\$ -
Retainage Payable	-	-	-	-	-	-	-
Accrued Liabilities	-	-	-	-	6,055	23,648	-
Other Deferred Revenues	-	-	-	-	603,070	-	61,711
<b>Total Liabilities</b>	<b>1,226</b>	<b>10</b>	<b>-</b>	<b>9,042</b>	<b>638,885</b>	<b>193,641</b>	<b>61,711</b>
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	-	5,113,808
Restricted	332,433	156,611	290,800	62,100	1,229	149,764	-
Committed	-	-	-	-	-	-	788,017
<b>Total Fund Balances</b>	<b>332,433</b>	<b>156,611</b>	<b>290,800</b>	<b>62,100</b>	<b>1,229</b>	<b>149,764</b>	<b>5,901,825</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 333,659</b>	<b>\$ 156,621</b>	<b>\$ 290,800</b>	<b>\$ 71,142</b>	<b>\$ 640,114</b>	<b>\$ 343,405</b>	<b>\$ 5,963,536</b>

							Capital Projects		
Memorial Cemetery Perpetual Care	Cemetery Perpetual Care	Hotel Occupancy Tax	Community Development	Wolf Pen Creek Incremental Financing District	Parks Escrow	Drainage	General Government Projects	Parks and Recreation Projects	Total Other Governmental Funds
\$ 281,657	\$ 1,564,377	\$ 3,014,491	\$ 620,183	\$ 3,030,592	\$ 1,571,787	\$ 2,224,189	\$ 12,454,183	\$ 1,718,902	\$ 28,935,988
20,907	116,122	223,690	46,036	224,959	116,772	165,148	924,465	127,593	2,147,774
314	1,746	3,398	-	3,487	1,862	2,615	13,918	1,949	32,033
-	-	-	257,035	-	-	-	-	-	257,035
34,634	8,987	518,771	-	-	-	250,547	-	-	857,955
-	-	-	603,092	-	-	-	-	-	603,092
-	(6,731)	(57,293)	-	-	-	(38,623)	-	-	(102,647)
2,518,742	315	-	697,954	-	-	-	-	-	8,330,819
<u>\$ 2,856,254</u>	<u>\$ 1,684,816</u>	<u>\$ 3,703,057</u>	<u>\$ 2,224,300</u>	<u>\$ 3,259,038</u>	<u>\$ 1,690,421</u>	<u>\$ 2,603,876</u>	<u>\$ 13,392,566</u>	<u>\$ 1,848,444</u>	<u>\$ 41,062,049</u>
\$ 7,083	\$ 200	\$ -	\$ 19,739	\$ 2,270	\$ 21,235	\$ 91,223	\$ 40,917	\$ 47,555	\$ 440,253
-	-	-	-	-	-	7,383	-	4,350	11,733
-	-	-	-	-	-	-	-	-	29,703
37,241	1,594	461,478	-	-	-	-	-	-	1,165,094
<u>44,324</u>	<u>1,794</u>	<u>461,478</u>	<u>19,739</u>	<u>2,270</u>	<u>21,235</u>	<u>98,606</u>	<u>40,917</u>	<u>51,905</u>	<u>1,646,783</u>
2,518,742	-	-	603,092	-	-	-	-	-	8,235,642
-	-	3,241,579	1,601,469	3,256,768	1,669,186	2,505,270	13,351,649	1,796,539	28,415,397
293,188	1,683,022	-	-	-	-	-	-	-	2,764,227
<u>2,811,930</u>	<u>1,683,022</u>	<u>3,241,579</u>	<u>2,204,561</u>	<u>3,256,768</u>	<u>1,669,186</u>	<u>2,505,270</u>	<u>13,351,649</u>	<u>1,796,539</u>	<u>39,415,266</u>
<u>\$ 2,856,254</u>	<u>\$ 1,684,816</u>	<u>\$ 3,703,057</u>	<u>\$ 2,224,300</u>	<u>\$ 3,259,038</u>	<u>\$ 1,690,421</u>	<u>\$ 2,603,876</u>	<u>\$ 13,392,566</u>	<u>\$ 1,848,444</u>	<u>\$ 41,062,049</u>

**CITY OF COLLEGE STATION, TEXAS**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-Major Governmental Funds  
For the Fiscal Year Ended September 30, 2010

	Special Revenue						
	Court Technology	Court Security	Juvenile Case Manager	Police Seizure	American Recovery and Reinvestment Act (ARRA)	Traffic Safety	Memorial Cemetery
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	580,086	-	-
Charges for Services	-	-	-	-	-	-	-
Fines, Forfeits, and Penalties	86,178	64,628	129,387	55,390	-	347,671	-
Investment Income	1,661	901	1,166	368	1,080	2,588	3,082
Contributions	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>87,839</b>	<b>65,529</b>	<b>130,553</b>	<b>55,758</b>	<b>581,166</b>	<b>350,259</b>	<b>3,082</b>
<b>Expenditures</b>							
Current							
General Government	-	-	-	-	327,394	-	-
Fiscal Services	75,711	118,807	80,084	-	-	170,148	-
Police	-	-	-	41,621	50,644	-	-
Fire	-	-	-	4,760	-	-	-
Planning and Development Services	-	-	-	-	29,040	-	-
Public Works	-	-	-	-	-	190,765	-
Capital Improvement Projects	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	180,990	-	-
Information Services	-	-	-	-	-	-	-
Contributions	-	-	-	-	29,040	-	-
Other	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service							
Fiscal Charges	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>75,711</b>	<b>118,807</b>	<b>80,084</b>	<b>46,381</b>	<b>617,108</b>	<b>360,913</b>	<b>-</b>
Deficiency of Revenues Under Expenditures	12,128	(53,278)	50,469	9,377	(35,942)	(10,654)	3,082
<b>Other Financing Sources (Uses)</b>							
Issuance of Debt	-	-	-	-	-	-	-
Transfers In	-	-	-	-	37,022	-	-
Transfer Out	-	-	-	-	-	(10,052)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,022</b>	<b>(10,052)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>12,128</b>	<b>(53,278)</b>	<b>50,469</b>	<b>9,377</b>	<b>1,080</b>	<b>(20,706)</b>	<b>3,082</b>
Fund Balances, October 1	320,305	209,889	240,331	52,723	149	170,470	586,347
Adjust for Inventory under Purchases method:	-	-	-	-	-	-	5,312,396
<b>Fund Balances, September 30</b>	<b>\$ 332,433</b>	<b>\$ 156,611</b>	<b>\$ 290,800</b>	<b>\$ 62,100</b>	<b>\$ 1,229</b>	<b>\$ 149,764</b>	<b>\$ 5,901,825</b>

							Capital Projects		
Memorial Cemetery Perpetual Care	Cemetery Perpetual Care	Hotel Occupancy Tax	Community Development	Wolf Pen Creek Incremental Financing District	Parks Escrow	Drainage	General Government Projects	Parks and Recreation Projects	Total Other Governmental Funds
\$ -	\$ -	\$ 3,416,713	\$ -	\$ 1,158,664	\$ -	\$ -	\$ -	\$ -	\$ 4,575,377
-	-	-	3,646,986	-	-	-	-	-	4,227,072
-	24,725	-	-	-	-	1,895,263	-	78,917	1,998,905
-	-	-	-	-	-	-	-	-	683,254
1,227	7,640	12,014	-	9,928	5,879	14,915	14,704	3,731	80,884
-	100	-	-	-	590,487	-	-	-	590,587
-	(900)	-	31,179	-	-	-	82,512	3,315	116,106
<u>1,227</u>	<u>31,565</u>	<u>3,428,727</u>	<u>3,678,165</u>	<u>1,168,592</u>	<u>596,366</u>	<u>1,910,178</u>	<u>97,216</u>	<u>85,963</u>	<u>12,272,185</u>
-	-	9,398	2,966,001	-	-	-	-	-	3,302,793
-	-	18,773	-	-	-	76,382	2,857	747	543,509
-	-	-	-	-	-	-	-	-	92,265
-	-	-	-	-	-	-	-	-	4,760
-	-	-	83,102	-	-	-	-	-	112,142
-	-	-	-	-	-	818,571	-	-	1,009,336
-	-	-	-	-	3,875	-	-	-	3,875
-	3,075	420,993	13,800	619	15,773	-	-	-	635,250
-	-	-	-	-	-	-	1,000	-	1,000
-	-	1,453,635	-	-	-	-	-	-	1,482,675
50,696	38	-	-	-	45,108	15,705	-	-	111,547
-	-	-	-	498,572	351,683	986,152	3,047,978	493,837	5,378,222
-	-	-	-	-	-	810	109,565	787	111,162
<u>50,696</u>	<u>3,113</u>	<u>1,902,799</u>	<u>3,062,903</u>	<u>499,191</u>	<u>416,439</u>	<u>1,897,620</u>	<u>3,161,400</u>	<u>495,371</u>	<u>12,788,536</u>
<u>(49,469)</u>	<u>28,452</u>	<u>1,525,928</u>	<u>615,262</u>	<u>669,401</u>	<u>179,927</u>	<u>12,558</u>	<u>(3,064,184)</u>	<u>(409,408)</u>	<u>(516,351)</u>
-	-	-	-	-	-	-	7,290,000	870,000	8,160,000
-	-	-	-	-	-	-	7,111	-	44,133
-	-	(223,615)	-	-	-	(439,414)	-	-	(673,081)
-	-	(223,615)	-	-	-	(439,414)	7,297,111	870,000	7,531,052
(49,469)	28,452	1,302,313	615,262	669,401	179,927	(426,856)	4,232,927	460,592	7,014,701
244,845	1,654,570	1,939,266	1,589,299	2,587,367	1,489,259	2,932,126	9,118,722	1,335,947	24,471,615
2,616,554	-	-	-	-	-	-	-	-	7,928,950
<u>\$ 2,811,930</u>	<u>\$ 1,683,022</u>	<u>\$ 3,241,579</u>	<u>\$ 2,204,561</u>	<u>\$ 3,256,768</u>	<u>\$ 1,669,186</u>	<u>\$ 2,505,270</u>	<u>\$ 13,351,649</u>	<u>\$ 1,796,539</u>	<u>\$ 39,415,266</u>

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Court Technology Fee Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, Forfeits, and Penalties	\$ 75,000	\$ 75,000	\$ 86,178	\$ -	\$ 86,178	\$ 11,178
Investment Income	3,220	3,220	1,661	-	1,661	(1,559)
Total Revenues	<u>78,220</u>	<u>78,220</u>	<u>87,839</u>	<u>-</u>	<u>87,839</u>	<u>9,619</u>
Expenditures						
Current						
Fiscal Services	68,580	118,580	75,711	-	75,711	(42,869)
Total Expenditures	<u>68,580</u>	<u>118,580</u>	<u>75,711</u>	<u>-</u>	<u>75,711</u>	<u>(42,869)</u>
Net Change in Fund Balances	9,640	(40,360)	12,128	<u>\$ -</u>	12,128	<u>\$ 52,488</u>
Fund Balances, October 1	320,305	320,305	320,305		320,305	
Fund Balances, September 30	<u>\$ 329,945</u>	<u>\$ 279,945</u>	<u>\$ 332,433</u>		<u>\$ 332,433</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Court Security Fee Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Fines, Forfeits, and Penalties	\$ 51,000	\$ 51,000	\$ 64,628	\$ -	\$ 64,628	\$ 13,628
Investment Income	1,926	1,926	901	-	901	(1,025)
<b>Total Revenues</b>	<u>52,926</u>	<u>52,926</u>	<u>65,529</u>	<u>-</u>	<u>65,529</u>	<u>12,603</u>
<b>Expenditures</b>						
<b>Current</b>						
Fiscal Services	159,835	159,835	118,807	-	118,807	(41,028)
Pay Plan Contingency	694	694	-	-	-	(694)
<b>Total Expenditures</b>	<u>160,529</u>	<u>160,529</u>	<u>118,807</u>	<u>-</u>	<u>118,807</u>	<u>(41,722)</u>
<b>Net Change in Fund Balances</b>	<u>(107,603)</u>	<u>(107,603)</u>	<u>(53,278)</u>	<u>\$ -</u>	<u>(53,278)</u>	<u>\$ 54,325</u>
Fund Balances, October 1	<u>209,889</u>	<u>209,889</u>	<u>209,889</u>		<u>209,889</u>	
Fund Balances, September 30	<u>\$ 102,286</u>	<u>\$ 102,286</u>	<u>\$ 156,611</u>		<u>\$ 156,611</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Juvenile Case Manager Fee Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, Forfeits, and Penalties	\$ 104,000	\$ 104,000	\$ 129,387	\$ -	\$ 129,387	\$ 25,387
Investment Income	2,354	2,354	1,166	-	1,166	(1,188)
Total Revenues	<u>106,354</u>	<u>106,354</u>	<u>130,553</u>	<u>-</u>	<u>130,553</u>	<u>24,199</u>
Expenditures						
Current						
Fiscal Services	97,160	97,160	80,084	-	80,084	(17,076)
Pay Plan Contingency	206	206	-	-	-	(206)
Total Expenditures	<u>97,366</u>	<u>97,366</u>	<u>80,084</u>	<u>-</u>	<u>80,084</u>	<u>(17,282)</u>
Net Change in Fund Balances	8,988	8,988	50,469	<u>\$ -</u>	50,469	<u>\$ 41,481</u>
Fund Balances, October 1	<u>240,331</u>	<u>240,331</u>	<u>240,331</u>		<u>240,331</u>	
Fund Balances, September 30	<u>\$ 249,319</u>	<u>\$ 249,319</u>	<u>\$ 290,800</u>		<u>\$ 290,800</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Police Seizure Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, Forfeits, and Penalties	\$ 10,000	\$ 10,000	\$ 55,390	\$ -	\$ 55,390	\$ 45,390
Investment Income	339	339	368	-	368	29
<b>Total Revenues</b>	<b>10,339</b>	<b>10,339</b>	<b>55,758</b>	<b>-</b>	<b>55,758</b>	<b>45,419</b>
Expenditures						
Current						
Police	20,000	20,000	41,621	-	41,621	21,621
Fire	-	-	4,760	-	4,760	4,760
<b>Total Expenditures</b>	<b>20,000</b>	<b>20,000</b>	<b>46,381</b>	<b>-</b>	<b>46,381</b>	<b>26,381</b>
Deficiency of Revenues Under Expenditures	(9,661)	(9,661)	9,377	-	9,377	19,038
Other Financing Uses						
Reimbursed Administration Transfers	(796)	(796)	-	-	-	796
<b>Total Other Financing Uses</b>	<b>(796)</b>	<b>(796)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>796</b>
<b>Net Change in Fund Balances</b>	<b>(10,457)</b>	<b>(10,457)</b>	<b>9,377</b>	<b>\$ -</b>	<b>9,377</b>	<b>\$ 19,834</b>
Fund Balances, October 1	52,723	52,723	52,723		52,723	
<b>Fund Balances, September 30</b>	<b>\$ 42,266</b>	<b>\$ 42,266</b>	<b>\$ 62,100</b>		<b>\$ 62,100</b>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
American Recovery and Reinvestment Act (ARRA) Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Intergovernmental	\$ 22,436	\$ -	\$ 580,086	\$ -	\$ 580,086	\$ 580,086
Investment Income	-	-	1,080	-	1,080	1,080
<b>Total Revenues</b>	<u>22,436</u>	<u>-</u>	<u>581,166</u>	<u>-</u>	<u>581,166</u>	<u>581,166</u>
<b>Expenditures</b>						
<b>Current</b>						
General Government	-	364,821	327,394	-	327,394	(37,427)
Police	22,436	-	50,644	-	50,644	50,644
Planning and Development Services	-	29,040	29,040	-	29,040	-
Capital Improvement Projects	-	29,040	-	-	-	(29,040)
Parks and Recreation	-	552,975	180,990	7,233	173,757	(379,218)
Contributions	-	-	29,040	-	29,040	29,040
<b>Total Expenditures</b>	<u>22,436</u>	<u>975,876</u>	<u>617,108</u>	<u>7,233</u>	<u>609,875</u>	<u>(366,001)</u>
Deficiency of Revenues Under Expenditures	-	(975,876)	(35,942)	(7,233)	(28,709)	947,167
<b>Other Financing Sources</b>						
Transfers In	-	-	37,022	-	37,022	37,022
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>37,022</u>	<u>-</u>	<u>37,022</u>	<u>37,022</u>
<b>Net Change in Fund Balances</b>	-	(975,876)	1,080	<u>\$ (7,233)</u>	8,313	<u>\$ 984,189</u>
Fund Balances, October 1	149	149	149		149	
Fund Balances, September 30	<u>\$ 149</u>	<u>\$ (975,727)</u>	<u>\$ 1,229</u>		<u>\$ 8,462</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Traffic Safety Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, Forfeits, and Penalties	\$ 2,020,950	\$ 2,020,950	\$ 347,671	\$ -	\$ 347,671	\$ (1,673,279)
Investment Income	589	589	2,588	-	2,588	1,999
Total Revenues	<u>2,021,539</u>	<u>2,021,539</u>	<u>350,259</u>	<u>-</u>	<u>350,259</u>	<u>(1,671,280)</u>
Expenditures						
Current						
Fiscal Services	1,181,214	1,181,214	170,148	-	170,148	(1,011,066)
Public Works	593,286	593,286	190,765	-	190,765	(402,521)
Pay Plan Contingency	2,022	2,022	-	-	-	(2,022)
Total Expenditures	<u>1,776,522</u>	<u>1,776,522</u>	<u>360,913</u>	<u>-</u>	<u>360,913</u>	<u>(1,415,609)</u>
Deficiency of Revenues Under Expenditures	<u>245,017</u>	<u>245,017</u>	<u>(10,654)</u>	<u>-</u>	<u>(10,654)</u>	<u>(255,671)</u>
Other Financing Uses						
Reimbursed Administration Transfers	(40,207)	(40,207)	(10,052)	-	(10,052)	30,155
Transfer Out	(72,599)	(72,599)	-	-	-	72,599
Total Other Financing Uses	<u>(112,806)</u>	<u>(112,806)</u>	<u>(10,052)</u>	<u>-</u>	<u>(10,052)</u>	<u>102,754</u>
Net Change in Fund Balances	132,211	132,211	(20,706)	<u>\$ -</u>	(20,706)	<u>\$ (152,917)</u>
Fund Balances, October 1	170,470	170,470	170,470		170,470	
Fund Balances, September 30	<u>\$ 302,681</u>	<u>\$ 302,681</u>	<u>\$ 149,764</u>		<u>\$ 149,764</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Memorial Cemetery Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment Income	\$ 8,000	\$ 8,000	\$ 3,082	\$ -	\$ 3,082	\$ (4,918)
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>3,082</u>	<u>-</u>	<u>3,082</u>	<u>(4,918)</u>
Expenditures						
Current						
Parks and Recreation	-	7,200	-	-	-	(7,200)
Total Expenditures	<u>-</u>	<u>7,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,200)</u>
Net Change in Fund Balances	8,000	800	3,082	<u>\$ -</u>	3,082	<u>\$ 2,282</u>
Fund Balances, October 1	586,347	586,347	586,347		586,347	
Adjust for Inventory under Purchases method	5,312,396	5,312,396	5,312,396		5,312,396	
Fund Balances, September 30	<u>\$ 5,906,743</u>	<u>\$ 5,899,543</u>	<u>\$ 5,901,825</u>		<u>\$ 5,901,825</u>	

**CITY OF COLLEGE STATION, TEXAS**

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

Memorial Cemetery Perpetual Care Fund

For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment Income	\$ 2,700	\$ 2,700	\$ 1,227	\$ -	\$ 1,227	\$ (1,473)
Total Revenues	<u>2,700</u>	<u>2,700</u>	<u>1,227</u>	<u>-</u>	<u>1,227</u>	<u>(1,473)</u>
Expenditures						
Current						
Other	75,000	75,000	50,696	-	50,696	(24,304)
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>50,696</u>	<u>-</u>	<u>50,696</u>	<u>(24,304)</u>
Net Change in Fund Balances	(72,300)	(72,300)	(49,469)	<u>\$ -</u>	(49,469)	<u>\$ 22,831</u>
Fund Balances, October 1	244,845	244,845	244,845		244,845	
Adjust for Inventory under Purchases method	2,616,554	2,616,554	2,616,554		2,616,554	
Fund Balances, September 30	<u>\$ 2,789,099</u>	<u>\$ 2,789,099</u>	<u>\$ 2,811,930</u>		<u>\$ 2,811,930</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Cemetery Perpetual Care Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Charges for Services	\$ -	\$ -	\$ 24,725	\$ -	\$ 24,725	\$ 24,725
Investment Income	17,000	17,000	7,640	-	7,640	(9,360)
Contributions	-	-	100	-	100	100
Other	-	-	(900)	-	(900)	(900)
<b>Total Revenues</b>	<u>17,000</u>	<u>17,000</u>	<u>31,565</u>	<u>-</u>	<u>31,565</u>	<u>14,565</u>
<b>Expenditures</b>						
<b>Current</b>						
Parks and Recreation	-	-	3,075	-	3,075	3,075
Other	-	-	38	-	38	38
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>3,113</u>	<u>-</u>	<u>3,113</u>	<u>3,113</u>
<b>Net Change in Fund Balances</b>	17,000	17,000	28,452	<u>\$ -</u>	28,452	<u>\$ 11,452</u>
Fund Balances, October 1	<u>1,654,570</u>	<u>1,654,570</u>	<u>1,654,570</u>		<u>1,654,570</u>	
Fund Balances, September 30	<u>\$ 1,671,570</u>	<u>\$ 1,671,570</u>	<u>\$ 1,683,022</u>		<u>\$ 1,683,022</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Hotel Occupancy Tax Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Hotel Occupancy Tax	\$ 3,767,000	\$ 3,767,000	\$ 3,416,713	\$ -	\$ 3,416,713	\$ (350,287)
Investment Income	26,000	26,000	12,014	-	12,014	(13,986)
Other	2,000	2,000	-	-	-	(2,000)
<b>Total Revenues</b>	<b>3,795,000</b>	<b>3,795,000</b>	<b>3,428,727</b>	<b>-</b>	<b>3,428,727</b>	<b>(366,273)</b>
<b>Expenditures</b>						
<b>Current</b>						
General Government	-	-	9,398	-	9,398	9,398
Fiscal Services	-	-	18,773	-	18,773	18,773
Parks and Recreation	-	14,960	420,993	406,091	14,902	(58)
Contributions	1,456,000	1,456,000	1,453,635	-	1,453,635	(2,365)
<b>Total Expenditures</b>	<b>1,456,000</b>	<b>1,470,960</b>	<b>1,902,799</b>	<b>406,091</b>	<b>1,496,708</b>	<b>25,748</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>2,339,000</b>	<b>2,324,040</b>	<b>1,525,928</b>	<b>(406,091)</b>	<b>1,932,019</b>	<b>(392,021)</b>
<b>Other Financing Sources (Uses)</b>						
Reimbursed Administration Transfers	(250,982)	(250,982)	-	406,091	(406,091)	(155,109)
Transfer Out	(2,700,000)	(2,700,000)	(223,615)	-	(223,615)	2,476,385
Contingency	(50,000)	(35,040)	-	-	-	35,040
<b>Total Other Financing Sources (Uses)</b>	<b>(3,000,982)</b>	<b>(2,986,022)</b>	<b>(223,615)</b>	<b>406,091</b>	<b>(629,706)</b>	<b>2,356,316</b>
<b>Net Change in Fund Balances</b>	<b>(661,982)</b>	<b>(661,982)</b>	<b>1,302,313</b>	<b>\$ -</b>	<b>1,302,313</b>	<b>\$ 1,964,295</b>
Fund Balances, October 1	-	-	1,939,266		1,939,266	
Fund Balances, September 30	<u>\$ (661,982)</u>	<u>\$ (661,982)</u>	<u>\$ 3,241,579</u>		<u>\$ 3,241,579</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Community Development Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Intergovernmental	\$ 1,846,430	\$ 1,846,430	\$ 3,646,986	\$ -	\$ 3,646,986	\$ 1,800,556
Other	-	-	31,179	-	31,179	31,179
<b>Total Revenues</b>	<u>1,846,430</u>	<u>1,846,430</u>	<u>3,678,165</u>	<u>-</u>	<u>3,678,165</u>	<u>1,831,735</u>
<b>Expenditures</b>						
<b>Current</b>						
General Government	2,774,649	4,855,451	2,966,001	(441,392)	3,407,393	(1,448,058)
Planning and Development Services	-	-	83,102	83,102	-	-
Parks and Recreation	-	-	13,800	13,800	-	-
<b>Total Expenditures</b>	<u>2,774,649</u>	<u>4,855,451</u>	<u>3,062,903</u>	<u>(344,490)</u>	<u>3,407,393</u>	<u>(1,448,058)</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>(928,219)</u>	<u>(3,009,021)</u>	<u>615,262</u>	<u>344,490</u>	<u>270,772</u>	<u>3,279,793</u>
<b>Other Financing Sources (Uses)</b>						
Reimbursed Administration Transfers	(85,416)	(85,416)	-	96,902	(96,902)	(11,486)
Transfer Out	(13,800)	(13,800)	-	-	-	13,800
<b>Total Other Financing Sources (Uses)</b>	<u>(99,216)</u>	<u>(99,216)</u>	<u>-</u>	<u>96,902</u>	<u>(96,902)</u>	<u>2,314</u>
<b>Net Change in Fund Balances</b>	<u>(1,027,435)</u>	<u>(3,108,237)</u>	<u>615,262</u>	<u>\$ 441,392</u>	<u>173,870</u>	<u>\$ 3,282,107</u>
<b>Fund Balances, October 1</b>	<u>1,589,299</u>	<u>1,589,299</u>	<u>1,589,299</u>		<u>1,589,299</u>	
<b>Fund Balances, September 30</b>	<u>\$ 561,864</u>	<u>\$ (1,518,938)</u>	<u>\$ 2,204,561</u>		<u>\$ 1,763,169</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Wolf Pen Creek Tax Increment Financing District Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Ad Valorem Tax	\$ 1,182,423	\$ 1,182,423	\$ 1,158,664	\$ -	\$ 1,158,664	\$ (23,759)
Investment Income	20,000	20,000	9,928	-	9,928	(10,072)
<b>Total Revenues</b>	<u>1,202,423</u>	<u>1,202,423</u>	<u>1,168,592</u>	<u>-</u>	<u>1,168,592</u>	<u>(33,831)</u>
<b>Expenditures</b>						
<b>Current</b>						
Parks and Recreation	-	-	619	-	619	619
Capital Outlay	3,400,000	3,400,000	498,572	100,005	398,567	(3,001,433)
<b>Total Expenditures</b>	<u>3,400,000</u>	<u>3,400,000</u>	<u>499,191</u>	<u>100,005</u>	<u>399,186</u>	<u>(3,000,814)</u>
<b>Net Change in Fund Balances</b>	<u>(2,197,577)</u>	<u>(2,197,577)</u>	669,401	<u>\$ (100,005)</u>	769,406	<u>\$ 2,966,983</u>
Fund Balances, October 1	<u>2,587,367</u>	<u>2,587,367</u>	<u>2,587,367</u>		<u>2,587,367</u>	
Fund Balances, September 30	<u>\$ 389,790</u>	<u>\$ 389,790</u>	<u>\$ 3,256,768</u>		<u>\$ 3,356,773</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Parks Escrow Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Investment Income	\$ 8,000	\$ 8,000	\$ 5,879	\$ -	\$ 5,879	\$ (2,121)
Contributions	300,000	300,000	590,487	-	590,487	290,487
<b>Total Revenues</b>	<b>308,000</b>	<b>308,000</b>	<b>596,366</b>	<b>-</b>	<b>596,366</b>	<b>288,366</b>
<b>Expenditures</b>						
<b>Current</b>						
Capital Improvement Projects	-	-	3,875	3,875	-	-
Parks and Recreation	-	-	15,773	15,773	-	-
Other	-	-	45,108	-	45,108	45,108
Capital Outlay	846,750	902,298	351,683	-	351,683	(550,615)
<b>Total Expenditures</b>	<b>846,750</b>	<b>902,298</b>	<b>416,439</b>	<b>19,648</b>	<b>396,791</b>	<b>(505,507)</b>
Deficiency of Revenues Under Expenditures	(538,750)	(594,298)	179,927	(19,648)	199,575	793,873
<b>Other Financing Uses</b>						
Reimbursed Administration Transfers	(14,388)	(14,388)	-	14,389	(14,389)	(1)
<b>Total Other Financing Uses</b>	<b>(14,388)</b>	<b>(14,388)</b>	<b>-</b>	<b>14,389</b>	<b>(14,389)</b>	<b>(1)</b>
<b>Net Change in Fund Balances</b>	<b>(553,138)</b>	<b>(608,686)</b>	<b>179,927</b>	<b>\$ (5,259)</b>	<b>185,186</b>	<b>\$ 793,872</b>
Fund Balances, October 1	-	-	1,489,259		1,489,259	
<b>Fund Balances, September 30</b>	<b>\$ (553,138)</b>	<b>\$ (608,686)</b>	<b>\$ 1,669,186</b>		<b>\$ 1,674,445</b>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Drainage Projects Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Other Charges for Services	\$ 1,838,100	\$ 1,838,100	\$ 1,895,263	\$ -	\$ 1,895,263	\$ 57,163
Investment Income	14,000	14,000	14,915	-	14,915	915
<b>Total Revenues</b>	<b>1,852,100</b>	<b>1,852,100</b>	<b>1,910,178</b>	<b>-</b>	<b>1,910,178</b>	<b>58,078</b>
<b>Expenditures</b>						
<b>Current</b>						
Fiscal Services	76,078	76,078	76,382	-	76,382	304
Public Works	43,200	43,200	818,571	817,631	940	(42,260)
Other	-	-	15,705	-	15,705	15,705
Capital Outlay	217,000	217,000	986,152	39,934	946,218	729,218
Fiscal Charges	-	-	810	-	810	810
<b>Total Expenditures</b>	<b>336,278</b>	<b>336,278</b>	<b>1,897,620</b>	<b>857,565</b>	<b>1,040,055</b>	<b>703,777</b>
Deficiency of Revenues Under Expenditures	1,515,822	1,515,822	12,558	(857,565)	870,123	(645,699)
<b>Other Financing Uses</b>						
Reimbursed Administration Transfers	(1,328,493)	(1,328,493)	(439,414)	844,600	(1,284,014)	44,479
Total Other Financing Uses	(1,328,493)	(1,328,493)	(439,414)	844,600	(1,284,014)	44,479
Net Change in Fund Balances	187,329	187,329	(426,856)	<u>\$ (12,965)</u>	(413,891)	<u>\$ (601,220)</u>
Fund Balances, October 1	2,932,126	2,932,126	2,932,126		2,932,126	
Fund Balances, September 30	<u>\$ 3,119,455</u>	<u>\$ 3,119,455</u>	<u>\$ 2,505,270</u>		<u>\$ 2,518,235</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
General Government Projects Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Investment Income	\$ 47,000	\$ 47,000	\$ 14,704	\$ -	\$ 14,704	\$ (32,296)
Other	-	-	82,512	-	82,512	82,512
<b>Total Revenues</b>	<b>47,000</b>	<b>47,000</b>	<b>97,216</b>	<b>-</b>	<b>97,216</b>	<b>50,216</b>
<b>Expenditures</b>						
<b>Current</b>						
Fiscal Services	-	-	2,857	-	2,857	2,857
Information Technology	-	-	1,000	-	1,000	1,000
Capital Outlay	1,379,798	1,906,909	3,047,978	113,708	2,934,270	1,027,361
Fiscal Charges	27,000	27,000	109,565	-	109,565	82,565
<b>Total Expenditures</b>	<b>1,406,798</b>	<b>1,933,909</b>	<b>3,161,400</b>	<b>113,708</b>	<b>3,047,692</b>	<b>1,113,783</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>(1,359,798)</b>	<b>(1,886,909)</b>	<b>(3,064,184)</b>	<b>(113,708)</b>	<b>(2,950,476)</b>	<b>(1,063,567)</b>
<b>Other Financing Sources (Uses)</b>						
Issuance of Debt	5,607,000	5,607,000	7,290,000	-	7,290,000	1,683,000
Reimbursed Administration Transfers	(91,147)	(91,147)	-	91,147	(91,147)	-
Transfers In	-	7,111	7,111	-	7,111	-
<b>Total Other Financing Sources (Uses)</b>	<b>5,515,853</b>	<b>5,522,964</b>	<b>7,297,111</b>	<b>91,147</b>	<b>7,205,964</b>	<b>1,683,000</b>
<b>Net Change in Fund Balances</b>	<b>4,156,055</b>	<b>3,636,055</b>	<b>4,232,927</b>	<b>\$ (22,561)</b>	<b>4,255,488</b>	<b>\$ 619,433</b>
Fund Balances, October 1	9,118,722	9,118,722	9,118,722		9,118,722	
Fund Balances, September 30	<b>\$ 13,274,777</b>	<b>\$ 12,754,777</b>	<b>\$ 13,351,649</b>		<b>\$ 13,374,210</b>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Parks and Recreation Projects Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Parks and Recreation Charges for Services	\$ 110,800	\$ 110,800	\$ 78,917	\$ -	\$ 78,917	\$ (31,883)
Investment Income	5,000	5,000	3,731	-	3,731	(1,269)
Other	-	-	3,315	-	3,315	3,315
<b>Total Revenues</b>	<b>115,800</b>	<b>115,800</b>	<b>85,963</b>	<b>-</b>	<b>85,963</b>	<b>(29,837)</b>
<b>Expenditures</b>						
<b>Current</b>						
Fiscal Services	-	-	747	-	747	747
Capital Outlay	1,194,017	1,248,017	493,837	93,578	400,259	(847,758)
Fiscal Charges	10,000	10,000	787	-	787	(9,213)
<b>Total Expenditures</b>	<b>1,204,017</b>	<b>1,258,017</b>	<b>495,371</b>	<b>93,578</b>	<b>401,793</b>	<b>(856,224)</b>
Deficiency of Revenues Under Expenditures	(1,088,217)	(1,142,217)	(409,408)	(93,578)	(315,830)	826,387
<b>Other Financing Sources (Uses)</b>						
Issuance of Debt	1,586,000	1,586,000	870,000	-	870,000	(716,000)
Reimbursed Administration Transfers	(65,665)	(65,665)	-	65,665	(65,665)	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,520,335</b>	<b>1,520,335</b>	<b>870,000</b>	<b>65,665</b>	<b>804,335</b>	<b>(716,000)</b>
<b>Net Change in Fund Balances</b>	<b>432,118</b>	<b>378,118</b>	<b>460,592</b>	<b>\$ (27,913)</b>	<b>488,505</b>	<b>\$ 110,387</b>
Fund Balances, October 1	1,335,947	1,335,947	1,335,947		1,335,947	
Fund Balances, September 30	<u>\$ 1,768,065</u>	<u>\$ 1,714,065</u>	<u>\$ 1,796,539</u>		<u>\$ 1,824,452</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Streets Projects Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Investment Income	\$ 77,000	\$ 77,000	\$ 21,033	\$ -	\$ 21,033	\$ (55,967)
Other	-	-	11,915	-	11,915	11,915
<b>Total Revenues</b>	<u>77,000</u>	<u>77,000</u>	<u>32,948</u>	<u>-</u>	<u>32,948</u>	<u>(44,052)</u>
<b>Expenditures</b>						
Current						
Fiscal Services	-	-	5,225	-	5,225	5,225
Public Works	-	-	15,360	-	15,360	15,360
Capital Outlay	15,285,928	16,231,182	4,386,929	566,849	3,820,080	(12,411,102)
Fiscal Charges	45,000	45,000	11,846	-	11,846	(33,154)
<b>Total Expenditures</b>	<u>15,330,928</u>	<u>16,276,182</u>	<u>4,419,360</u>	<u>566,849</u>	<u>3,852,511</u>	<u>(12,423,671)</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>(15,253,928)</u>	<u>(16,199,182)</u>	<u>(4,386,412)</u>	<u>(566,849)</u>	<u>(3,819,563)</u>	<u>12,379,619</u>
<b>Other Financing Sources (Uses)</b>						
Issuance of Debt	9,672,500	9,672,500	12,525,000	-	12,525,000	2,852,500
Reimbursed Administration Transfers	(415,624)	(415,624)	-	415,626	(415,626)	(2)
<b>Total Other Financing Sources (Uses)</b>	<u>9,256,876</u>	<u>9,256,876</u>	<u>12,525,000</u>	<u>415,626</u>	<u>12,109,374</u>	<u>2,852,498</u>
<b>Net Change in Fund Balances</b>	<u>(5,997,052)</u>	<u>(6,942,306)</u>	<u>8,138,588</u>	<u>\$ (151,223)</u>	<u>8,289,811</u>	<u>\$ 15,232,117</u>
<b>Fund Balances, October 1</b>	<u>13,747,959</u>	<u>13,747,959</u>	<u>13,747,959</u>		<u>13,747,959</u>	
<b>Fund Balances, September 30</b>	<u>\$ 7,750,907</u>	<u>\$ 6,805,653</u>	<u>\$ 21,886,547</u>		<u>\$ 22,037,770</u>	

**CITY OF COLLEGE STATION, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Debt Service Fund  
For the Fiscal Year Ended September 30, 2010

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
<b>Revenues</b>						
Ad Valorem Tax	\$ 12,284,028	\$ 12,284,028	\$ 12,191,613	\$ -	\$ 12,191,613	\$ (92,415)
Investment Income	170,000	170,000	35,352	-	35,352	(134,648)
Other	-	-	30	-	30	30
<b>Total Revenues</b>	<b>12,454,028</b>	<b>12,454,028</b>	<b>12,226,995</b>	<b>-</b>	<b>12,226,995</b>	<b>(227,033)</b>
<b>Expenditures</b>						
<b>Current</b>						
Principal Retirement	8,050,000	8,050,000	8,050,000	-	8,050,000	-
Interest Payments	4,152,459	4,133,633	4,133,633	-	4,133,633	-
Fiscal Charges	20,000	38,826	104,757	-	104,757	65,931
<b>Total Expenditures</b>	<b>12,222,459</b>	<b>12,222,459</b>	<b>12,288,390</b>	<b>-</b>	<b>12,288,390</b>	<b>65,931</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>231,569</b>	<b>231,569</b>	<b>(61,395)</b>	<b>-</b>	<b>(61,395)</b>	<b>(292,964)</b>
<b>Other Financing Sources (Uses)</b>						
Issuance of Refunding Debt	-	-	4,265,000	-	4,265,000	4,265,000
Premium on bonds issued	-	-	75,183	-	75,183	75,183
Payment to refunded bond escrow agent	-	-	(4,283,647)	-	(4,283,647)	(4,283,647)
Transfers In	223,615	223,615	223,615	-	223,615	-
<b>Total Other Financing Sources (Uses)</b>	<b>223,615</b>	<b>223,615</b>	<b>280,151</b>	<b>-</b>	<b>280,151</b>	<b>56,536</b>
<b>Net Change in Fund Balances</b>	<b>455,184</b>	<b>455,184</b>	<b>218,756</b>	<b>\$ -</b>	<b>218,756</b>	<b>\$ (236,428)</b>
Fund Balances, October 1	3,901,210	3,901,210	3,901,210		3,901,210	
Fund Balances, September 30	<u>\$ 4,356,394</u>	<u>\$ 4,356,394</u>	<u>\$ 4,119,966</u>		<u>\$ 4,119,966</u>	



## **COMBINING FINANCIAL STATEMENTS**

### **NONMAJOR ENTERPRISE FUNDS**

Sanitation Fund - to account for all sanitation collection and disposal activities by the City for both residential and commercial customers.

Northgate Parking Garage Fund - to account for revenues and expenses related to the operation and maintenance of the Northgate parking garage and parking lot.

**CITY OF COLLEGE STATION, TEXAS**

Combining Statement of Net Assets

Nonmajor Enterprise Funds

September 30, 2010

	<u>Sanitation</u>	<u>Northgate Parking Garage</u>	<u>Total Enterprise Funds</u>
<b>Current Assets</b>			
Equity in Cash and Cash Equivalents	\$ 770,365	\$ 1,193,972	\$ 1,964,337
Equity in Investments	-	88,628	88,628
<b>Receivables</b>			
Accrued Interest	24,468	1,321	25,789
Accounts	984,072	26,795	1,010,867
Loans	205,000	-	205,000
Less: Allowance for Uncollectible Accounts	(138,220)	(375)	(138,595)
Inventories	14,955	-	14,955
<b>Total Current Assets</b>	<u>1,860,640</u>	<u>1,310,341</u>	<u>3,170,981</u>
<b>Noncurrent Assets</b>			
Equity in Joint Venture	12,896,874	-	12,896,874
Loan Receivable	4,765,000	-	4,765,000
Bond Issuance Charges	-	(31,954)	(31,954)
Accumulated Amortization	-	90	90
<b>Total Deferred Charges</b>	<u>-</u>	<u>(31,864)</u>	<u>(31,864)</u>
<b>Property and Equipment</b>			
Buildings	-	5,743,755	5,743,755
Machinery and Equipment	4,633,188	271,826	4,905,014
Accumulated Depreciation	(2,523,996)	(1,464,097)	(3,988,093)
Land	-	690,707	690,707
<b>Total Property and Equipment</b>	<u>2,109,192</u>	<u>5,242,191</u>	<u>7,351,383</u>
<b>Total Noncurrent Assets</b>	<u>19,771,066</u>	<u>5,210,327</u>	<u>24,981,393</u>
<b>Total Assets</b>	<u>21,631,706</u>	<u>6,520,668</u>	<u>28,152,374</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	72,545	7,901	80,446
Accrued Liabilities	51,076	10,393	61,469
Other Deferred Revenues	-	93,204	93,204
Accrued Interest Payable	23,668	14,776	38,444
Refundable Deposits	-	6,670	6,670
Certificates of Obligation	205,000	-	205,000
General Obligation Bonds	-	760,000	760,000
<b>Total Current Liabilities</b>	<u>352,289</u>	<u>892,944</u>	<u>1,245,233</u>
<b>Noncurrent Liabilities</b>			
Certificates of Obligation	4,765,000	-	4,765,000
General Obligation Bonds	-	3,070,000	3,070,000
Unamortized Premium/Discount on Debt	-	361,295	361,295
Accrued Vacation	64,198	4,667	68,865
Post Employment Benefits	128,884	12,794	141,678
Net Pension Obligation	95,040	9,434	104,474
<b>Total Noncurrent Liabilities</b>	<u>5,053,122</u>	<u>3,458,190</u>	<u>8,511,312</u>
<b>Total Liabilities</b>	<u>5,405,411</u>	<u>4,351,134</u>	<u>9,756,545</u>
<b>Net Assets</b>			
Invested in Capital Assets, net of related debt	2,109,192	-	2,109,192
Unrestricted	14,117,103	2,169,534	16,286,637
<b>Total Net Assets</b>	<u>\$ 16,226,295</u>	<u>\$ 2,169,534</u>	<u>\$ 18,395,829</u>

**CITY OF COLLEGE STATION, TEXAS**

Combining Statement of Revenues, Expenses and Changes in Net Assets

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2010

	Sanitation	Northgate Parking Garage	Total Enterprise Funds
Operating Revenues			
Charges for Services	\$ 6,906,026	\$ 1,140,833	\$ 8,046,859
Other	48,182	-	48,182
Total Operating Revenues	<u>6,954,208</u>	<u>1,140,833</u>	<u>8,095,041</u>
Operating Expenses			
Salaries and Benefits	2,034,904	295,545	2,330,449
Supplies	330,023	12,530	342,553
Maintenance	441,937	34,743	476,680
Purchased Professional Services	494,574	109,030	603,604
Purchased Property Services	1,545,711	64,953	1,610,664
Other Purchased Services	745,414	88,752	834,166
Depreciation	281,629	184,179	465,808
Other	207,385	353	207,738
Total Operating Expenses	<u>6,081,577</u>	<u>790,085</u>	<u>6,871,662</u>
Operating Income	<u>872,631</u>	<u>350,748</u>	<u>1,223,379</u>
Nonoperating Revenues (Expenses)			
Investment Income	284,654	6,293	290,947
Gain (loss) on disposal of assets	115,606	(40,955)	74,651
Earnings in Joint Venture	345,065	-	345,065
Interest Expense	(173,190)	(189,932)	(363,122)
Other, Net	(51,768)	10,205	(41,563)
Total Nonoperating Revenues (Expenses)	<u>520,367</u>	<u>(214,389)</u>	<u>305,978</u>
Income Before Capital Contributions and Transfers	<u>1,392,998</u>	<u>136,359</u>	<u>1,529,357</u>
Capital Contributions and Transfers			
Capital Contributions	2,275,216	-	2,275,216
Transfers Out	(1,112,413)	(103,067)	(1,215,480)
Total Capital Contributions and Transfers	<u>1,162,803</u>	<u>(103,067)</u>	<u>1,059,736</u>
Change in Net Assets	2,555,801	33,292	2,589,093
Beginning Net Assets	13,670,494	2,136,242	15,806,736
Ending Net Assets	<u>\$ 16,226,295</u>	<u>\$ 2,169,534</u>	<u>\$ 18,395,829</u>

**CITY OF COLLEGE STATION, TEXAS**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended September 30, 2010

	Sanitation	Northgate Parking Garage	Total
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$ 6,909,871	\$ 1,195,267	\$ 8,105,138
Cash Payments to Suppliers for Goods and Services	(4,057,204)	(356,691)	(4,413,895)
Cash Payments to Employees for Services	(1,814,051)	(270,505)	(2,084,556)
Customer Deposits Received	-	(5,529)	(5,529)
<b>Net Cash Provided by Operating Activities</b>	<b>1,038,616</b>	<b>562,542</b>	<b>1,601,158</b>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfers Out to Other Funds	(1,112,413)	(103,067)	(1,215,480)
<b>Net Cash Used by Noncapital Financing Activities</b>	<b>(1,112,413)</b>	<b>(103,067)</b>	<b>(1,215,480)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and Construction of Capital Assets	-	(37,286)	(37,286)
Proceeds from Sale of Assets	-	3,007	3,007
Principal Paid on Certificates of Obligation	(530,000)	(4,530,000)	(5,060,000)
Interest Paid on Certificates of Obligation	(506,656)	(197,461)	(704,117)
Proceeds from General Obligation	-	4,223,249	4,223,249
Loan Made to Related Party	(5,121,519)	-	(5,121,519)
Certificates of Obligation proceeds moved to Electric	(5,121,519)	-	(5,121,519)
Debt Service reimbursed	835,450	-	835,450
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(10,444,244)</b>	<b>(538,491)</b>	<b>(10,982,735)</b>
<b>Cash Flows from Investing Activities:</b>			
Purchase of Investments	(1,435,518)	(395,851)	(1,831,369)
Proceeds from Sale and Maturities of Investment Securities	3,943,565	593,954	4,537,519
Investment Income	83,939	7,990	91,929
<b>Net Cash Provided by Investing Activities</b>	<b>2,591,986</b>	<b>206,093</b>	<b>2,798,079</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(7,926,055)</b>	<b>127,077</b>	<b>(7,798,978)</b>
Cash and Cash Equivalents, Oct. 1	8,696,420	1,066,895	9,763,315
<b>Cash and Cash Equivalents, Sept. 30</b>	<b>\$ 770,365</b>	<b>\$ 1,193,972</b>	<b>\$ 1,964,337</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income	\$ 872,631	\$ 350,748	\$ 1,223,379
<b>Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Depreciation, Bad Debt Expense, Inventory Loss	298,324	184,532	482,856
Provision for Uncollectible Accounts	4,179	158	4,337
Miscellaneous Nonoperating Revenues	(345,066)	(12,546)	(357,612)
Miscellaneous Nonoperating Expenses	(54,582)	-	(54,582)
<b>Changes in Operating Assets and Liabilities:</b>			
Change in Accounts Receivable	(35,659)	10,927	(24,732)
Change in Deferred Revenues	(21,200)	33,472	12,272
Change in Inventory	1,577	-	1,577
Change in Accounts Payable	28,675	(12,141)	16,534
Change in Accrued Liabilities	65,615	(10,885)	54,730
Change in Refundable Deposits	-	(5,529)	(5,529)
Change in Accrued Vacation	198	1,578	1,776
Change in OPEB	128,884	12,794	141,678
Change in Net Pension Obligation	95,040	9,434	104,474
<b>Total Adjustments</b>	<b>165,985</b>	<b>211,794</b>	<b>377,779</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,038,616</b>	<b>\$ 562,542</b>	<b>\$ 1,601,158</b>

## COMBINING FINANCIAL STATEMENTS

### INTERNAL SERVICE FUNDS

Employee Benefits Fund - to account for self-insurance activity related to administration of the City's health benefits plan.

Equipment Replacement Fund - to account for the purchase of City equipment such as vehicles and large motorized equipment, telephone and radio systems, and replacement assets for existing technological infrastructure equipment not budgeted in other funds.

Fleet Maintenance Fund - to account for all activities related to the management of the City's vehicles and heavy equipment, including preventive maintenance and vehicle repair activities.

Property and Casualty Fund - to account for insurance activity relating to all claims filed for liability cases (both injury and property) and property losses incurred for City property.

Unemployment Fund - to account for self-insurance activity on claims filed under unemployment compensation laws.

Utility Customer Service Fund - to account for the billing and collection activities relating to the City's electric, water, and sewer utilities and residential and commercial garbage collection.

Workers' Compensation Fund - to account for self-insurance activity relating to administration of the City's workers' compensation plan.

Combining Statement of Net Assets  
Internal Service Funds  
September 30, 2010

	<u>Employee Benefits</u>	<u>Equipment Replacement</u>	<u>Fleet Maintenance</u>	<u>Property and Casualty</u>
<b>Current Assets</b>				
Equity in Cash and Cash Equivalents	\$ 4,548,569	\$ 5,498,632	\$ 402,537	\$ 295,740
Equity in Investments	337,637	408,159	29,880	21,953
Receivables				
Accrued Interest	5,078	6,138	449	330
Accounts	11,288	-	-	25,000
Other	-	-	-	-
Less Allowance for Uncollectible Accounts	(4,165)	-	-	-
Inventories	-	-	78,030	-
<b>Total Current Assets</b>	<u>4,898,407</u>	<u>5,912,929</u>	<u>510,896</u>	<u>343,023</u>
<b>Property and Equipment</b>				
Buildings	-	-	786,525	-
Machinery and Equipment	-	19,126,457	259,884	-
Accumulated Depreciation	-	(12,736,124)	(555,426)	-
<b>Total Property and Equipment</b>	<u>-</u>	<u>6,390,333</u>	<u>490,983</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 4,898,407</u>	<u>\$ 12,303,262</u>	<u>\$ 1,001,879</u>	<u>\$ 343,023</u>
<b>Liabilities and Fund Equity</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 646,764	\$ 274,895	\$ 45,067	\$ 176,437
Claims Payable	898,854	-	-	391,004
<b>Total Current Liabilities</b>	<u>1,545,618</u>	<u>274,895</u>	<u>45,067</u>	<u>567,441</u>
<b>Noncurrent Liabilities</b>				
Accrued Vacation	-	-	48,410	-
Post Employment Benefits	5,520	-	58,368	6,979
Net Pension Obligation	4,070	-	43,041	5,146
<b>Total Noncurrent Liabilities</b>	<u>9,590</u>	<u>-</u>	<u>149,819</u>	<u>12,125</u>
<b>Total Liabilities</b>	<u>1,555,208</u>	<u>274,895</u>	<u>194,886</u>	<u>579,566</u>
<b>Net Assets</b>				
Invested in Capital Assets, net of related debt	-	6,390,333	490,983	-
Restricted Bond Proceeds	-	4,635	-	-
Unrestricted	3,343,199	5,633,399	316,010	(236,543)
<b>Total Fund Equity</b>	<u>3,343,199</u>	<u>12,028,367</u>	<u>806,993</u>	<u>(236,543)</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 4,898,407</u>	<u>\$ 12,303,262</u>	<u>\$ 1,001,879</u>	<u>\$ 343,023</u>

Unemployment	Utility Customer Service	Workers' Compensation	Total
\$ 217,623	\$ 168,601	\$ 2,077,388	\$ 13,209,090
16,154	12,515	154,203	980,501
243	185	2,319	14,742
-	42,936	-	79,224
-	12,072	2,500	14,572
-	(29,980)	-	(34,145)
-	-	-	78,030
<u>234,020</u>	<u>206,329</u>	<u>2,236,410</u>	<u>14,342,014</u>
-	-	-	786,525
-	1,410,083	-	20,796,424
-	(991,500)	-	(14,283,050)
-	<u>418,583</u>	-	<u>7,299,899</u>
<u>\$ 234,020</u>	<u>\$ 624,912</u>	<u>\$ 2,236,410</u>	<u>\$ 21,641,913</u>
\$ -	\$ 13,915	\$ -	\$ 1,157,078
-	-	340,765	1,630,623
-	<u>13,915</u>	<u>340,765</u>	<u>2,787,701</u>
-	57,128	-	105,538
-	95,684	6,979	173,530
-	<u>70,557</u>	<u>5,146</u>	<u>127,960</u>
-	<u>223,369</u>	<u>12,125</u>	<u>407,028</u>
-	<u>237,284</u>	<u>352,890</u>	<u>3,194,729</u>
-	418,583	-	7,299,899
-	-	-	4,635
<u>234,020</u>	<u>(30,955)</u>	<u>1,883,520</u>	<u>11,142,650</u>
<u>234,020</u>	<u>387,628</u>	<u>1,883,520</u>	<u>18,447,184</u>
<u>\$ 234,020</u>	<u>\$ 624,912</u>	<u>\$ 2,236,410</u>	<u>\$ 21,641,913</u>

**CITY OF COLLEGE STATION, TEXAS**

Combining Statement of Revenues, Expenses and Changes in Net Assets

Internal Service Funds

For the Fiscal Year Ended September 30, 2010

	<u>Employee Benefits</u>	<u>Equipment Replacement</u>	<u>Fleet Maintenance</u>	<u>Property and Casualty</u>
Operating Revenues				
Charges for Services	\$ -	\$ 3,354,514	\$ 1,665,602	\$ -
Premiums	7,171,812	-	-	944,618
Other	66,559	-	-	-
Total Operating Revenues	<u>7,238,371</u>	<u>3,354,514</u>	<u>1,665,602</u>	<u>944,618</u>
Operating Expenses				
Salaries and Benefits	80,621	-	899,964	102,279
Supplies	-	356,221	713,579	-
Maintenance	-	13,887	14,219	-
Purchased Professional Services	39,511	-	569	6,000
Purchased Property Services	-	-	19,251	-
Other Purchased Services	207	283	48,167	-
Claims	6,786,914	-	-	196,791
Administration Fees	484,466	-	-	899,714
Contributions	-	2,788,213	-	-
Premiums	789,566	-	-	265,757
Depreciation	-	2,047,835	28,424	-
Other	1,170	-	(261)	6,369
Total Operating Expenses	<u>8,182,455</u>	<u>5,206,439</u>	<u>1,723,912</u>	<u>1,476,910</u>
Operating Income	<u>(944,084)</u>	<u>(1,851,925)</u>	<u>(58,310)</u>	<u>(532,292)</u>
Nonoperating Revenues (Expenses)				
Investment Income	24,728	20,796	1,432	1,073
Intergovernmental	13,914	-	-	-
Other, Net	(84,122)	209,515	407	114,604
Total Nonoperating Revenues (Expenses)	<u>(45,480)</u>	<u>230,311</u>	<u>1,839</u>	<u>115,677</u>
Income Before Operating Transfers	<u>(989,564)</u>	<u>(1,621,614)</u>	<u>(56,471)</u>	<u>(416,615)</u>
Transfers				
Transfers Out	-	(44,133)	-	-
Total Operating Transfers	<u>-</u>	<u>(44,133)</u>	<u>-</u>	<u>-</u>
Change in Net Assets	(989,564)	(1,665,747)	(56,471)	(416,615)
Beginning Net Assets	4,332,763	13,694,114	863,464	180,072
Ending Net Assets	<u>\$ 3,343,199</u>	<u>\$ 12,028,367</u>	<u>\$ 806,993</u>	<u>\$ (236,543)</u>

Unemployment	Utility Customer Service	Workers' Compensation	Total
\$ -	\$ 2,081,929	\$ -	\$ 7,102,045
55,211	-	775,244	8,946,885
-	187,529	715	254,803
<u>55,211</u>	<u>2,269,458</u>	<u>775,959</u>	<u>16,303,733</u>
-	1,481,174	102,688	2,666,726
-	57,758	21,807	1,149,365
-	19,376	-	47,482
-	48,330	14,700	109,110
-	43,093	-	62,344
-	628,576	-	677,233
29,240	-	307,775	7,320,720
-	-	52,000	1,436,180
-	-	-	2,788,213
-	-	147,902	1,203,225
-	45,737	-	2,121,996
-	15,552	426	23,256
<u>29,240</u>	<u>2,339,596</u>	<u>647,298</u>	<u>19,605,850</u>
<u>25,971</u>	<u>(70,138)</u>	<u>128,661</u>	<u>(3,302,117)</u>
1,041	(402)	9,706	58,374
-	-	-	13,914
-	19,254	3,250	262,908
<u>1,041</u>	<u>18,852</u>	<u>12,956</u>	<u>335,196</u>
<u>27,012</u>	<u>(51,286)</u>	<u>141,617</u>	<u>(2,966,921)</u>
-	-	-	(44,133)
-	-	-	(44,133)
27,012	(51,286)	141,617	(3,011,054)
207,008	438,914	1,741,903	21,458,238
<u>\$ 234,020</u>	<u>\$ 387,628</u>	<u>\$ 1,883,520</u>	<u>\$ 18,447,184</u>

**CITY OF COLLEGE STATION, TEXAS**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended September 30, 2010

	Employee Benefits	Equipment Replacement	Fleet Maintenance	Property and Casualty
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$ 7,231,773	\$ 3,354,514	\$ 1,665,602	\$ 944,618
Cash Payments to Suppliers for Goods and Services	(7,573,550)	(2,892,824)	(816,166)	(1,795,644)
Cash Payments to Employees for Services	(71,031)	-	(794,620)	(90,154)
Cash Received for Miscellaneous Revenues	-	-	-	114,604
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(412,808)</b>	<b>461,690</b>	<b>54,816</b>	<b>(826,576)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers Out to Other Funds	-	(44,133)	-	-
<b>Net Cash Used by Noncapital Financing Activities</b>	<b>-</b>	<b>(44,133)</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and Construction of Capital Assets	-	(1,335,667)	-	-
Proceeds from Sale of Assets	-	209,515	-	-
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>-</b>	<b>(1,126,152)</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Investing Activities:</b>				
Purchase of Investments	(1,699,555)	(1,837,102)	(130,634)	(213,653)
Proceeds from Sale and Maturities of Investment Securities	2,351,417	3,691,953	182,496	426,315
Investment Income	31,849	26,995	1,822	3,328
<b>Net Cash Provided by Investing Activities</b>	<b>683,711</b>	<b>1,881,846</b>	<b>53,684</b>	<b>215,990</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>270,903</b>	<b>1,173,251</b>	<b>108,500</b>	<b>(610,586)</b>
Cash and Cash Equivalents, Oct. 1	4,277,666	4,325,381	294,037	906,326
<b>Cash and Cash Equivalents, Sept. 30</b>	<b>\$ 4,548,569</b>	<b>\$ 5,498,632</b>	<b>\$ 402,537</b>	<b>\$ 295,740</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating Income	\$ (944,084)	\$ (1,851,925)	\$ (58,310)	\$ (532,292)
<b>Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Depreciation, Bad Debt Expense, Inventory Loss	-	2,047,835	28,424	-
Provision for Uncollectible Accounts	4,179	-	-	-
Miscellaneous Nonoperating Revenues / Expenses	(13,914)	-	(9,153)	106,640
<b>Changes in Operating Assets and Liabilities:</b>				
Change in Accounts Receivable	(6,598)	-	-	-
Change in Inventory	-	-	(12,325)	-
Change in Accounts Payable	459,372	265,780	31,532	(413,675)
Change in Claims Payable	74,337	-	-	626
Change in Accrued Liabilities	4,310	-	(30,696)	-
Change in Accrued Vacation	-	-	3,935	-
Change in OPEB	5,520	-	58,368	6,979
Change in Net Pension Obligation	4,070	-	43,041	5,146
<b>Total Adjustments</b>	<b>531,276</b>	<b>2,313,615</b>	<b>113,126</b>	<b>(294,284)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (412,808)</b>	<b>\$ 461,690</b>	<b>\$ 54,816</b>	<b>\$ (826,576)</b>

Unemployment	Utility Customer Services	Workers' Compensation	Total
\$ 55,211	\$ 2,273,769	\$ 775,959	\$ 16,301,446
(48,561)	(1,032,721)	(556,506)	(14,715,972)
-	(1,316,956)	(90,563)	(2,363,324)
-	-	-	114,604
<u>6,650</u>	<u>(75,908)</u>	<u>128,890</u>	<u>(663,246)</u>
-	-	-	(44,133)
-	-	-	(44,133)
-	-	-	(1,335,667)
-	-	-	209,515
-	-	-	(1,126,152)
(280,644)	(368,134)	(1,438,337)	(5,968,059)
308,998	548,933	1,706,520	9,216,632
1,315	(410)	12,144	77,043
<u>29,669</u>	<u>180,389</u>	<u>280,327</u>	<u>3,325,616</u>
36,319	104,481	409,217	1,492,085
181,304	64,120	1,668,171	11,717,005
<u>\$ 217,623</u>	<u>\$ 168,601</u>	<u>\$ 2,077,388</u>	<u>\$ 13,209,090</u>
<u>\$ 25,971</u>	<u>\$ (70,138)</u>	<u>\$ 128,661</u>	<u>\$ (3,302,117)</u>
-	45,737	-	2,121,996
-	(29,980)	-	(25,801)
-	(120,331)	(12,122)	(48,880)
-	4,311	-	(2,287)
-	-	-	(12,325)
(19,321)	(18,666)	(5,519)	299,503
-	-	5,745	80,708
-	(51,059)	-	(77,445)
-	(2,023)	-	1,912
-	95,684	6,979	173,530
-	70,557	5,146	127,960
<u>(19,321)</u>	<u>(5,770)</u>	<u>229</u>	<u>2,638,871</u>
<u>\$ 6,650</u>	<u>\$ (75,908)</u>	<u>\$ 128,890</u>	<u>\$ (663,246)</u>



## **STATISTICAL SECTION - UNAUDITED**

This section of the City of College Station'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 City's overall financial condition.

### **Contents**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. (Pages 127 - 133)

#### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes. (Pages 134 - 141)

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (Pages 142-146)

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. (Pages 147-148)

#### **Operating Information**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. (Pages 149-152)

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year. The City implemented GASB Statement 54 in 2009; schedules presenting governmental fund balance reclassifications begin in that year.



**CITY OF COLLEGE STATION, TEXAS**

NET ASSETS BY COMPONENT  
LAST SEVEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Governmental activities</b>							
Invested in capital assets, net of related debt	\$ 100,066,963	\$ 106,460,949	\$ 108,287,795	\$ 113,750,039	\$ 114,935,845	\$ 143,530,290	\$ 153,397,767
Restricted	4,289,623	4,289,531	4,564,184	5,089,422	6,357,013	8,077,876	10,201,722
Unrestricted	<u>25,962,837</u>	<u>27,897,090</u>	<u>39,602,065</u>	<u>45,967,901</u>	<u>59,703,654</u>	<u>37,712,097</u>	<u>37,359,741</u>
<b>Total governmental activities net assets</b>	<u>\$ 130,319,423</u>	<u>\$ 138,647,570</u>	<u>\$ 152,454,044</u>	<u>\$ 164,807,362</u>	<u>\$ 180,996,512</u>	<u>\$ 189,320,263</u>	<u>\$ 200,959,230</u>
<b>Business-type activities</b>							
Invested in capital assets, net of related debt	\$ 130,810,275	\$ 132,001,489	\$ 142,778,246	\$ 147,043,092	\$ 145,066,758	\$ 147,627,129	\$ 161,365,075
Restricted	2,651,325	2,797,735	2,920,980	3,056,356	1,590,977	3,119,691	1,588,631
Unrestricted	<u>29,665,429</u>	<u>30,830,640</u>	<u>32,980,043</u>	<u>37,474,945</u>	<u>43,957,844</u>	<u>47,397,414</u>	<u>38,818,705</u>
<b>Total business-type activities net assets</b>	<u>\$ 163,127,029</u>	<u>\$ 165,629,864</u>	<u>\$ 178,679,269</u>	<u>\$ 187,574,393</u>	<u>\$ 190,615,579</u>	<u>\$ 198,144,234</u>	<u>\$ 201,772,411</u>
<b>Primary government</b>							
Invested in capital assets, net of related debt	\$ 230,877,238	\$ 238,462,438	\$ 251,066,041	\$ 260,793,131	\$ 260,002,603	\$ 291,157,419	\$ 314,762,842
Restricted	6,940,948	7,087,266	7,485,164	8,145,778	7,947,990	11,197,567	11,790,353
Unrestricted	<u>55,628,266</u>	<u>58,727,730</u>	<u>72,582,108</u>	<u>83,442,846</u>	<u>103,661,498</u>	<u>85,109,511</u>	<u>76,178,446</u>
<b>Total primary government net assets</b>	<u>\$ 293,446,452</u>	<u>\$ 304,277,434</u>	<u>\$ 331,133,313</u>	<u>\$ 352,381,755</u>	<u>\$ 371,612,091</u>	<u>\$ 387,464,497</u>	<u>\$ 402,731,641</u>

Source: City of College Station

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003

**CITY OF COLLEGE STATION, TEXAS**

CHANGES IN NET ASSETS  
LAST SEVEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Expenses</b>							
Governmental activities:							
General government	\$ 7,536,427	\$ 6,457,556	\$ 7,755,725	\$ 7,654,393	\$ 8,551,304	\$ 8,631,908	\$ 11,534,705
Fiscal services	1,953,189	2,467,187	2,452,442	2,442,439	2,977,362	3,821,996	4,127,990
Police	9,654,447	10,666,318	11,214,413	12,299,698	13,395,874	13,945,079	16,063,347
Fire	7,189,495	7,853,876	8,280,257	9,472,331	11,359,260	11,778,585	13,301,029
Planning and development services	1,586,114	1,580,317	1,449,327	1,603,963	1,910,359	2,823,296	2,952,177
Public works	5,004,976	5,401,568	6,227,707	6,620,846	9,467,081	16,804,436	17,026,827
Capital projects	-	-	-	-	719,391	476,462	256,177
Parks and recreation	6,154,862	6,549,466	7,353,984	8,235,984	9,391,993	10,136,521	11,202,863
Library	665,291	694,445	870,203	912,527	993,102	1,052,838	1,103,864
Information services	1,987,666	2,187,418	2,280,393	2,689,720	2,749,327	3,471,714	5,048,720
Interest on long-term debt	3,448,533	3,895,520	4,116,871	4,291,022	3,860,801	4,135,146	4,111,523
Unallocated depreciation	2,690,998	5,430,745	5,759,049	6,026,372	667,890	789,074	1,047,906
Total governmental activities expense	<u>47,871,998</u>	<u>53,184,416</u>	<u>57,760,371</u>	<u>62,249,295</u>	<u>66,043,744</u>	<u>77,867,055</u>	<u>87,777,128</u>
Business-type activities:							
Electric	41,120,750	47,815,339	51,250,110	60,242,408	70,485,984	77,441,351	88,685,699
Water	6,542,184	7,908,695	7,770,081	8,302,863	8,706,415	9,287,343	10,190,159
Sewer	7,214,296	7,262,208	7,973,677	8,179,813	9,159,176	9,829,813	10,604,983
Sanitation	4,848,591	4,931,079	5,421,624	5,916,431	6,244,639	5,776,002	6,527,724
Cedar Creek Condominiums	61,150	-	-	-	-	-	-
Northgate parking	550,544	591,944	621,593	591,980	668,237	909,167	1,019,393
Total business-type activities expense	<u>60,337,515</u>	<u>68,509,265</u>	<u>73,037,085</u>	<u>83,233,495</u>	<u>95,264,451</u>	<u>103,243,676</u>	<u>117,027,958</u>
Total primary government expense	<u>\$ 108,209,513</u>	<u>\$ 121,693,681</u>	<u>\$ 130,797,456</u>	<u>\$ 145,482,790</u>	<u>\$ 161,308,195</u>	<u>\$ 181,110,731</u>	<u>\$ 204,805,086</u>
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
Fines, forfeits and penalties	\$ 3,563,970	\$ 4,008,637	\$ 3,798,807	\$ 3,618,236	\$ 3,798,313	\$ 4,491,960	\$ 4,500,447
Licenses and permits	1,215,924	1,043,672	1,091,848	1,306,690	1,154,902	1,007,151	964,344
Public works	1,784,694	1,110,686	1,290,935	1,199,565	1,255,525	1,793,174	1,895,263
Parks and recreation	1,346,580	1,044,134	1,244,476	1,420,284	1,911,789	1,838,810	1,722,840
Other activities	1,614,408	2,002,338	2,656,136	3,210,563	3,548,309	4,494,627	3,378,603
Operating grants and contributions	3,208,957	2,629,494	3,144,254	2,038,535	1,735,170	1,896,623	1,694,228
Capital grants and contributions	5,266,837	4,489,883	7,477,874	5,271,090	3,055,501	2,644,629	19,587,921
Total governmental activities program revenues	<u>18,001,370</u>	<u>16,328,844</u>	<u>20,704,330</u>	<u>18,064,963</u>	<u>16,459,509</u>	<u>18,166,974</u>	<u>33,743,646</u>
Business-type activities:							
Charges for services:							
Electric sales	47,431,497	51,467,169	60,217,421	67,462,075	76,787,412	82,904,777	91,162,890
Water sales	8,319,779	9,519,714	10,852,660	10,060,398	12,025,086	17,312,431	12,745,173
Sewer service	9,334,778	9,697,314	10,363,603	10,590,688	11,184,565	11,655,528	11,522,025
Garbage collection fees	4,829,150	5,151,204	6,419,446	7,512,194	9,628,798	7,988,795	7,299,273
Parking garage fees	603,465	480,627	576,892	620,124	673,818	990,735	1,140,833
Operating grants and contributions	-	-	-	-	-	17,792	-
Capital grants and contributions	5,179,221	1,937,320	4,677,465	4,041,105	5,349,125	6,846,033	11,703,035
Total business-type activities program revenues	<u>75,697,890</u>	<u>78,253,348</u>	<u>93,107,487</u>	<u>100,286,584</u>	<u>115,648,804</u>	<u>127,716,091</u>	<u>135,573,229</u>
Total primary government program revenues	<u>\$ 93,699,260</u>	<u>\$ 94,582,192</u>	<u>\$ 113,811,817</u>	<u>\$ 118,351,547</u>	<u>\$ 132,108,313</u>	<u>\$ 145,883,065</u>	<u>\$ 169,316,875</u>

**CITY OF COLLEGE STATION, TEXAS**

CHANGES IN NET ASSETS - *Continued*  
 LAST SEVEN FISCAL YEARS  
 (accrual basis of accounting)

	Fiscal Year						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Net (Expense)/Revenue</b>							
Governmental activities	\$ (29,870,628)	\$ (36,855,572)	\$ (37,056,041)	\$ (44,184,332)	\$ (49,584,235)	\$ (59,700,081)	\$ (54,033,482)
Business-type activities	<u>15,360,375</u>	<u>9,744,083</u>	<u>20,070,402</u>	<u>17,053,089</u>	<u>20,384,355</u>	<u>24,472,415</u>	<u>18,545,271</u>
Total primary government net expense	<u>\$ (14,510,253)</u>	<u>\$ (27,111,489)</u>	<u>\$ (16,985,639)</u>	<u>\$ (27,131,243)</u>	<u>\$ (29,199,880)</u>	<u>\$ (35,227,666)</u>	<u>\$ (35,488,211)</u>
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities:							
Taxes							
Property taxes	\$ 14,668,641	\$ 15,888,475	\$ 16,646,519	\$ 18,573,309	\$ 20,670,112	\$ 22,769,699	\$ 24,745,344
Sales and mixed beverage taxes	15,238,995	15,705,090	17,082,936	18,449,731	20,241,973	19,873,213	19,751,004
Franchise taxes	1,974,587	1,718,491	2,132,341	1,931,196	2,090,779	2,217,618	2,210,902
Hotel taxes	2,191,429	2,306,928	2,671,417	2,980,250	3,585,512	3,574,649	3,387,041
Unrestricted investment earnings	1,224,546	1,487,926	3,415,849	4,512,575	3,385,844	1,413,431	265,424
Gain (Loss) on sale of capital assets	4,386	(111,916)	-	-	-	-	(24,596)
Adjustment to claims payable	(904,263)	-	-	-	-	-	-
Transfers	<u>(904,783)</u>	<u>8,188,725</u>	<u>8,850,453</u>	<u>10,090,589</u>	<u>7,559,165</u>	<u>12,778,642</u>	<u>15,337,330</u>
Total governmental activities	<u>33,493,538</u>	<u>45,183,719</u>	<u>50,799,515</u>	<u>56,537,650</u>	<u>57,533,385</u>	<u>62,627,252</u>	<u>65,672,449</u>
Business-type activities:							
Unrestricted investment earnings	662,359	947,477	1,829,456	1,932,624	1,330,785	654,882	420,236
Correction to value of capital assets	2,108,473	-	-	-	-	-	-
Transfers	<u>904,783</u>	<u>(8,188,725)</u>	<u>(8,850,453)</u>	<u>(10,090,589)</u>	<u>(10,433,954)</u>	<u>(12,778,642)</u>	<u>(15,337,330)</u>
Total business-type activities	<u>3,675,615</u>	<u>(7,241,248)</u>	<u>(7,020,997)</u>	<u>(8,157,965)</u>	<u>(9,103,169)</u>	<u>(12,123,760)</u>	<u>(14,917,094)</u>
Total primary government	<u>\$ 37,169,153</u>	<u>\$ 37,942,471</u>	<u>\$ 43,778,518</u>	<u>\$ 48,379,685</u>	<u>\$ 48,430,216</u>	<u>\$ 50,503,492</u>	<u>\$ 50,755,355</u>
<b>Change in net assets</b>							
Governmental activities	\$ 3,622,910	\$ 8,328,147	\$ 13,743,474	\$ 12,353,318	\$ 7,949,150	\$ 2,927,171	\$ 11,638,967
Business-type activities	<u>19,035,990</u>	<u>2,502,835</u>	<u>13,049,405</u>	<u>8,895,124</u>	<u>11,281,186</u>	<u>12,348,655</u>	<u>3,628,177</u>
Total primary government	<u>\$ 22,658,900</u>	<u>\$ 10,830,982</u>	<u>\$ 26,792,879</u>	<u>\$ 21,248,442</u>	<u>\$ 19,230,336</u>	<u>\$ 15,275,826</u>	<u>\$ 15,267,144</u>

Source: City of College Station

Notes: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. Adjustment to claims payable in fiscal year 2004 is a prior period adjustment.

**CITY OF COLLEGE STATION, TEXAS**

PROGRAM REVENUES BY FUNCTION/PROGRAM  
LAST SEVEN FISCAL YEARS  
(*accrual basis of accounting*)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
	Program Revenues						
<b>Function/Program</b>							
Governmental activities:							
General government	\$ 3,618,878	\$ 3,121,430	\$ 4,357,597	\$ 3,343,904	\$ 2,501,778	\$ 1,957,500	\$ 5,124,710
Fiscal services	333,043	508,810	547,790	409,100	684,666	38,377	100,495
Police	3,677,391	4,093,425	3,875,900	3,713,866	4,533,697	5,004,712	5,161,486
Fire	724,278	916,804	817,910	1,400,464	1,137,759	3,551,620	2,199,375
Planning and development services	1,215,924	1,043,672	1,091,848	1,306,690	1,357,037	1,051,943	1,075,342
Public works	7,051,531	5,600,569	8,768,809	6,470,655	4,312,571	4,445,595	15,313,779
Capital Improvement Program							951,686
Parks and recreation	1,380,325	1,044,134	1,244,476	1,420,284	1,932,001	2,117,227	3,816,773
Subtotal governmental activities	<u>18,001,370</u>	<u>16,328,844</u>	<u>20,704,330</u>	<u>18,064,963</u>	<u>16,459,509</u>	<u>18,166,974</u>	<u>33,743,646</u>
Business-type activities:							
Electric	48,032,185	52,780,914	62,284,935	69,033,816	77,419,441	84,552,573	92,530,434
Water	10,260,307	9,826,360	12,409,728	11,314,888	14,115,391	19,065,662	17,118,922
Sewer	11,972,783	10,014,243	11,416,486	11,805,562	13,811,356	15,100,534	15,208,551
Sanitation	4,829,150	5,151,204	6,419,446	7,512,194	9,628,798	8,006,587	9,574,489
Northgate parking	603,465	480,627	576,892	620,124	673,818	990,735	1,140,833
Subtotal business-type activities	<u>75,697,890</u>	<u>78,253,348</u>	<u>93,107,487</u>	<u>100,286,584</u>	<u>115,648,804</u>	<u>127,716,091</u>	<u>135,573,229</u>
Total primary government	<u>\$ 93,699,260</u>	<u>\$ 94,582,192</u>	<u>\$ 113,811,817</u>	<u>\$ 118,351,547</u>	<u>\$ 132,108,313</u>	<u>\$ 145,883,065</u>	<u>\$ 169,316,875</u>

Source: City of College Station

CITY OF COLLEGE STATION, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Nonspendable									\$ 62,390	\$ 70,516
Restricted									95,220	849,622
Assigned									1,663,400	1,794,416
Unassigned									7,557,419	11,101,327
Reserved	\$ 660,488	\$ 989,028	\$ 1,728,294	\$ 1,089,510	\$ 1,132,180	\$ 1,523,619	\$ 1,108,449	\$ 2,305,476		
Unreserved	8,772,212	9,122,197	9,522,041	9,613,442	9,036,345	9,448,389	11,824,140	9,679,913		
Total general fund	\$ 9,432,700	\$ 10,111,225	\$ 11,250,335	\$ 10,702,952	\$ 10,170,525	\$ 10,972,008	\$ 12,932,589	\$ 11,985,389	\$ 9,378,429	\$ 13,815,881
All Other Governmental Funds										
Nonspendable									\$ 859,654	\$ 8,235,642
Restricted									39,375,368	54,421,910
Committed									2,627,403	2,764,227
Assigned									609,113	-
Unassigned									545,024	-
Reserved	\$ 9,395,621	\$ 10,685,338	\$ 41,119,894	\$ 42,522,379	\$ 42,999,111	\$ 49,111,974	\$ 46,372,274	\$ 48,819,538		
Unreserved, reported in:										
Special revenue funds	12,749,505	12,460,155	10,851,935	6,085,255	6,244,225	7,462,140	10,148,840	11,526,009		
Capital projects funds	25,443,167	33,275,222	-	-	-	-	-	-		
Total all other governmental funds	\$ 47,588,293	\$ 56,420,715	\$ 51,971,829	\$ 48,607,634	\$ 49,243,336	\$ 56,574,114	\$ 56,521,114	\$ 60,345,547	\$ 44,016,562	\$ 65,421,779

Source: City of College Station

Note: Fiscal years 1998 through 2002 have been restated to include trust funds.

The City implemented GASB Statement 54 in 2009; schedules presenting governmental fund balance reclassifications begin in that year

**CITY OF COLLEGE STATION, TEXAS**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Taxes	\$ 27,254,701	\$ 29,499,644	\$ 31,277,451	\$ 34,073,652	\$ 35,618,984	\$ 38,533,213	\$ 41,934,486	\$ 46,588,376	\$ 48,435,179	\$ 49,901,803
Licenses and permits	779,159	870,636	1,012,960	1,112,766	1,025,013	945,593	1,191,105	1,154,902	1,007,151	964,344
Intergovernmental	3,221,851	2,572,428	1,950,883	3,208,957	2,592,312	3,144,254	2,038,535	1,707,957	1,896,623	5,022,822
Charges for services	2,038,422	2,251,297	2,610,056	2,538,583	2,634,683	2,925,281	3,339,352	3,790,147	3,543,064	6,042,105
Fines, forfeits and penalties	1,798,870	2,225,354	2,657,643	2,966,278	3,518,940	3,285,907	3,256,488	3,798,313	4,491,960	4,500,447
Special assessments	944,636	982,760	1,035,023	1,062,179	1,110,686	1,290,935	1,199,565	1,255,525	1,793,174	-
Investment income	3,487,814	2,615,798	1,543,026	1,062,069	1,269,201	3,066,642	3,864,797	2,886,636	1,125,382	206,648
Rents and royalties	213,832	228,392	233,026	256,023	243,831	244,864	261,225	279,004	769,150	749,635
Loan repayments	9,979	9,626	11,322	5,418	2,541	-	-	-	-	-
Contributions	448,949	356,369	475,913	784,402	37,182	12,281	31,605	27,213	26,997	605,953
Reimbursed expenditures	531,307	32,803	7,258	28,393	-	145,749	479,675	46,038	413,751	-
Other revenues	551,280	437,359	335,405	679,349	631,192	447,432	738,415	1,046,431	403,548	287,695
Total revenues	41,280,800	42,082,466	43,149,966	47,778,069	48,684,565	54,042,151	58,335,248	62,580,542	63,905,979	68,261,452
<b>Expenditures</b>										
General government	2,909,436	3,801,250	3,765,079	4,187,972	4,480,075	4,216,582	4,699,159	7,319,662	5,435,355	7,401,157
Fiscal services	1,889,611	2,112,936	2,319,008	2,479,082	3,038,145	3,050,533	3,013,548	3,573,686	3,836,786	3,635,009
Police	8,273,632	8,829,060	9,143,331	9,803,577	10,829,081	11,559,669	12,556,678	13,219,117	14,107,740	13,816,620
Fire	5,702,804	6,340,775	6,989,125	7,275,289	7,964,785	8,493,228	9,622,195	11,251,400	11,754,088	11,418,948
Planning and development services	1,887,378	1,883,224	1,935,277	1,964,001	1,962,603	1,877,792	2,008,901	2,281,747	2,871,341	2,568,464
Public works	4,583,796	5,207,101	5,292,243	5,534,404	6,117,241	7,116,329	7,440,854	7,182,443	7,920,003	7,123,885
Capital improvement projects	-	-	-	-	-	-	-	715,707	476,462	132,880
Economic and community development	41,623	122,074	6,369	16,886	11,281	-	-	-	-	-
Parks and recreation	5,200,809	5,862,938	6,279,342	6,388,099	6,778,196	7,520,189	8,167,857	9,071,198	9,355,301	8,930,388
Information systems	2,229,600	2,243,844	2,320,950	2,346,534	2,500,518	2,596,591	3,070,524	3,366,764	3,299,105	3,887,102
Library	581,768	670,818	681,350	665,291	694,445	870,203	912,527	993,102	1,119,771	1,080,030
Reimbursed administrative	(3,538,877)	(3,559,556)	(3,703,529)	(3,328,431)	(3,485,807)	(3,335,264)	(3,305,040)	(3,772,362)	-	-
Claims	-	-	-	-	-	-	-	-	-	-
Contributions	1,541,173	1,348,885	1,573,651	2,504,589	1,895,742	1,995,564	1,855,961	2,151,592	2,489,562	1,600,000
Community development block grant	-	538,901	222,169	201,099	275,775	340,399	215,707	-	-	-
Home grant	-	626,848	408,779	304,580	439,243	840,211	323,811	-	-	-
Community development grant	763,303	-	-	-	-	-	-	-	-	-
Other expenditures	577,606	183,450	624,837	253,270	296,344	108,527	147,860	204,338	487,163	438,757
Capital outlay	9,885,474	13,702,819	11,286,448	12,775,413	15,435,376	11,610,189	14,213,574	19,538,322	31,931,401	9,765,151

**CITY OF COLLEGE STATION, TEXAS**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - Continued  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt service										
Principal	4,475,000	5,950,000	5,820,000	10,110,000	6,190,000	7,285,000	7,820,000	8,530,000	7,935,000	8,050,000
Interest	3,213,770	3,425,390	3,647,529	3,376,538	3,885,075	4,078,635	4,212,245	3,892,490	4,114,356	4,133,633
Issuance costs	77,244	115,500	118,335	352,114	118,261	-	-	-	-	-
Fiscal charges	8,926	8,752	12,500	15,332	13,871	152,729	527,806	70,796	46,551	227,765
Intergovernmental	-	-	223,608	221,902	97,621	743,117	342,630	881,604	745,908	-
Total expenditures	50,304,076	59,415,009	58,966,401	67,447,541	69,537,871	71,120,163	77,846,797	90,471,606	107,925,893	86,476,347
Deficiency of revenues under expenditures	(9,023,276)	(17,332,543)	(15,816,435)	(19,669,472)	(20,853,306)	(17,078,012)	(19,511,549)	(27,891,064)	(44,019,914)	(18,214,895)

**Other Financing Sources (Uses)**

Proceeds from long-term debt	7,292,870	20,056,200	6,570,000	16,375,000	13,347,581	15,700,000	7,890,000	19,970,000	9,815,000	20,685,000
Proceeds from refunding bonds	-	-	-	5,980,000	-	-	10,255,000	-	-	4,265,000
Payment to bond escrow agent	-	-	-	(6,260,371)	-	-	(10,451,378)	-	-	(4,283,647)
Premium on bonds issued	-	-	-	280,371	-	-	373,648	-	-	75,183
Sale of capital assets	580,909	30,106	19,563	4,386	12,182	17,500	318,103	10,981	505,606	5,615
Transfers in	14,945,966	8,764,250	7,910,690	10,945,210	11,476,019	11,864,435	15,064,935	13,828,414	22,680,922	16,054,544
Transfers out	(1,550,693)	(2,007,066)	(1,993,594)	(11,566,702)	(3,879,201)	(2,371,662)	(2,021,178)	(3,041,098)	(8,494,139)	(673,081)
Total other financing sources	21,269,052	26,843,490	12,506,659	15,757,894	20,956,581	25,210,273	21,419,130	30,768,297	24,507,389	36,128,614
Net change in fund balances	\$ 12,245,776	\$ 9,510,947	\$ (3,309,776)	\$ (3,911,578)	\$ 103,275	\$ 8,132,261	\$ 1,907,581	\$ 2,877,233	\$ (19,512,525)	\$ 17,913,719

Debt services as a percentage of noncapital expenditures 19.2% 20.8% 20.1% 25.3% 18.9% 19.4% 19.7% 17.6% 15.9% 16.2%

Source: City of College Station

**Notes:**

Direct capital expenditures have been removed from departmental expenditure lines and included in the capital outlay line item. Fiscal years 2000 through 2001 Community Development expenditures are not split between CDBG and HOME. In these years, they are stated as one line item. Fiscal years 2000 through 2002 have been restated to include trust funds.

**CITY OF COLLEGE STATION, TEXAS**

TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
*(modified accrual basis of accounting)*

Fiscal Year	Property	Sales	Hotel	Franchise	Mixed Drink	Total
2001	10,735,576	12,773,722	1,843,419	1,644,627	257,357	27,254,701
2002	12,224,416	13,400,054	1,926,009	1,714,241	234,924	29,499,644
2003	13,441,000	13,780,639	2,120,015	1,688,947	246,850	31,277,451
2004	14,668,641	14,957,697	2,191,429	1,974,587	281,298	34,073,652
2005	15,888,475	15,445,404	2,306,928	1,718,491	259,686	35,618,984
2006	16,646,519	16,752,174	2,671,417	2,132,341	330,762	38,533,213
2007	18,573,309	18,077,973	2,980,250	1,931,196	371,758	41,934,486
2008	20,670,112	19,822,906	3,585,512	2,090,778	419,067	46,588,375
2009	22,769,698	19,438,179	3,574,649	2,217,619	435,034	48,435,179
2010	24,523,184	19,328,578	3,416,713	2,210,902	422,426	49,901,803
Change						
2001-2010	128.4%	51.3%	85.3%	34.5%	64.1%	83.1%

Source: City of College Station

Note: Property taxes include general fund, debt service fund, Melrose Apartment TIF (2000-2002), Northgate TIF(2008-2009) and Wolf Pen Creek TIF (1996 - 2010).

**CITY OF COLLEGE STATION, TEXAS**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial and Industrial Property	Personal, Inventory and Other Property	Less Exemptions and Abatements	Less TIF (1) Captured Value	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value	
									Value	Percentage
2001	\$ 1,574,451,660	\$ 565,368,046	\$ 521,295,544	\$ 345,752,888	\$ 41,698,188	\$ 2,273,664,174	0.4293	\$ 2,273,664,174	100.00%	100.00%
2002	1,721,906,078	596,567,968	552,036,938	380,950,901	39,379,860	2,450,180,223	0.4777	2,450,180,223	100.00%	100.00%
2003	1,910,284,688	634,030,921	607,645,557	428,395,713	30,625,663	2,692,939,790	0.4777	2,674,807,515	100.68%	100.00%
2004	2,144,406,477	723,887,327	653,978,324	493,364,734	39,971,363	2,988,936,031	0.4653	2,988,936,031	100.00%	100.00%
2005	2,339,284,129	770,194,254	738,376,045	556,722,986	45,182,585	3,245,948,857	0.4640	3,250,329,407	99.87%	100.00%
2006	2,530,659,165	931,255,843	798,179,118	614,609,545	45,750,172	3,599,734,409	0.4394	3,599,734,409	100.00%	100.00%
2007	2,849,558,106	1,020,242,352	828,757,366	643,387,278	50,131,743	4,005,038,803	0.4394	4,005,038,803	100.00%	100.00%
2008	3,200,809,497	1,141,458,255	881,095,548	677,645,852	68,644,309	4,477,073,139	0.4394	4,477,073,139	100.00%	100.00%
2009	3,606,901,737	1,191,974,529	927,276,877	701,998,930	78,082,864	4,946,071,349	0.4394	4,946,071,349	100.00%	100.00%
2010	3,941,112,015	1,236,193,238	1,069,742,963	856,257,215	69,373,412	5,321,417,589	0.4394	5,321,417,589	100.00%	100.00%

Source: Brazos County Appraisal District

Notes: Assessed value is 100% of the estimated actual value.  
(1) Tax increment financing district (TIF).

## CITY OF COLLEGE STATION, TEXAS

### DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS *(rate per \$100 of assessed value)*

Fiscal Year	City Direct Rates			Overlapping Rates	
	Basic Rate	General Obligation Debt Service	Total Direct Rate	College Station ISD	Brazos County
2001	0.1662	0.2631	0.4293	1.7500	0.4100
2002	0.1846	0.2931	0.4777	1.7900	0.4200
2003	0.1946	0.2831	0.4777	1.7900	0.4146
2004	0.1921	0.2732	0.4653	1.7700	0.4350
2005	0.1942	0.2698	0.4640	1.7700	0.4726
2006	0.1896	0.2498	0.4394	1.6750	0.4650
2007	0.1910	0.2484	0.4394	1.4800	0.4550
2008	0.1910	0.2484	0.4394	1.2411	0.4650
2009	0.1934	0.2460	0.4394	1.2211	0.4800
2010	0.2100	0.2294	0.4394	1.2534	0.4800

Source: Brazos County Appraisal District

**Notes:**

- (1) Tax rates are established by each taxing jurisdiction on an annual basis for revenues to be collected in the following fiscal year. The City must publish its effective and rollback tax rates before adopting an actual tax rate. If the City adopts a rate that exceeds the rollback rate, voters may petition for an election to limit the rate to the rollback rate. If the City adopts a rate that exceeds its effective rate, additional public hearings and notices are required. Rates for debt service are set based on each year's requirements.
- (2) The date that taxes are due for all jurisdictions is October 1. Taxes for all jurisdictions become delinquent on February 1. The penalty is set by state law at 6% in February, and an additional 1% per month up to 12%. The interest is accrued at 1% per month.
- (3) The upper limit of the tax rate is set at \$2.50/\$100 of assessed value for each jurisdiction by State Statute. This limit is for both operations and debt service combined.

**CITY OF COLLEGE STATION, TEXAS**

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2010			2001		
	Taxable 2009 Assessed Value	Rank	Percent of of Total City Taxable Assessed Value	Taxable 2000 Assessed Value	Rank	Percent of of Total City Taxable Assessed Value
College Station Hospital LP	\$ 60,273,470	1	1.13%	\$ 25,132,560	6	1.11%
C.B.L. & Associates (Post Oak Mall)	55,547,960	2	1.04%	48,617,375	1	2.14%
Jamespoint Management	53,687,810	3	1.01%			
SHP-The Callaway House LP	51,200,280	4	0.96%	16,200,000	9	0.71%
Jefferson Enclave LP	43,603,750	5	0.82%			
Weinberg, Israel & David Alkasser	43,527,600	6	0.82%	30,674,775	5	1.35%
Woodland of College Station LP	42,295,030	7	0.79%			
SW Meadows Point LP	39,139,690	8	0.74%			
Walmart/Sam's	33,504,790	9	0.63%	19,667,890	7	0.87%
Commonwealth Austin CH LP	30,000,000	10	0.56%			
W9/JP-M Real Estate Ltd				40,630,000	2	1.79%
University Heights - College Station LP				31,696,491	4	1.39%
Verizon Communications, Inc.				35,241,110	3	1.55%
University Commons-Phase 1&2				18,408,250	8	0.81%
Melrose Apartments				16,000,000	10	0.70%
	<u>\$ 452,780,380</u>		<u>8.50%</u>	<u>\$ 282,268,451</u>		<u>12.42%</u>

Source: Brazos County Appraisal District

## CITY OF COLLEGE STATION, TEXAS

### PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 9,939,852	\$ 9,835,960	98.95%	\$ 95,764	\$ 9,931,724	99.92%
2002	11,892,629	11,735,174	98.68%	149,426	11,884,600	99.93%
2003	13,010,508	12,740,869	97.93%	259,629	13,000,498	99.92%
2004	14,092,814	13,974,666	99.16%	106,100	14,080,766	99.91%
2005	15,270,852	15,160,102	99.27%	100,674	15,260,776	99.93%
2006	16,162,073	15,938,981	98.62%	122,454	16,061,435	99.38%
2007	17,818,419	17,697,220	99.32%	18,608	17,715,828	99.42%
2008	19,973,882	19,773,036	98.99%	74,562	19,847,598	99.37%
2009	22,076,134	21,795,748	98.73%	144,250	21,939,998	99.38%
2010	23,623,086	23,435,105	99.20%	-	23,435,105	99.20%

Sources: City Of College Station and Brazos County Tax Office

CITY OF COLLEGE STATION, TEXAS

TAXABLE SALES BY CATEGORY  
LAST TEN CALENDAR YEARS  
(in thousands of dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Utilities	\$ 12,319	\$ 13,645	\$ 15,169	\$ 14,929	\$ 14,943	\$ 16,684	\$ 19,336	\$ 22,403	\$ 25,483	\$ 26,442
Construction	4,465	5,805	6,240	5,500	6,477	12,076	13,918	15,818	15,768	10,617
Manufacturing	6,602	6,656	7,950	7,921	9,323	12,926	13,066	13,200	16,391	12,221
Wholesale Trade	5,419	7,069	18,918	12,332	24,173	25,939	17,482	8,759	13,761	9,856
Retail Trade	482,261	482,859	489,059	513,638	529,284	563,662	608,940	686,271	693,673	653,561
Information	2,613	2,330	10,755	15,312	16,092	14,409	14,082	12,148	15,427	15,654
Finance and Insurance	65	67	60	55	119	130	216	541	752	706
Real Estate and Rental/Leasing	-	-	10,462	11,032	12,258	12,024	15,679	16,249	18,326	9,288
Professional, Scientific and Tech Services	-	-	7,627	7,660	8,618	8,692	9,530	11,074	26,234	25,694
Administrative, Support, Waste Mgmt, Remediation	-	-	12,866	14,703	14,655	15,133	16,462	15,054	18,362	17,610
Educational Services	-	-	98	93	22,981	26,252	29,592	32,502	27,645	35,351
Health Care and Social Assistance	-	-	986	1,721	1,951	2,547	2,873	4,051	2,888	2,301
Arts, Entertainment and Recreation	3,071	3,588	5,382	5,480	6,173	6,781	6,949	7,399	9,168	8,671
Accommodation and Food Services	113,010	116,051	129,054	137,440	147,277	158,267	169,900	185,723	205,967	204,731
Other Services	88,939	90,845	37,802	36,954	34,563	38,894	17,069	14,539	15,782	15,338
<b>Total</b>	<b>\$ 718,764</b>	<b>\$ 728,915</b>	<b>\$ 752,428</b>	<b>\$ 784,770</b>	<b>\$ 848,887</b>	<b>\$ 914,416</b>	<b>\$ 955,094</b>	<b>\$ 1,045,731</b>	<b>\$ 1,105,627</b>	<b>\$ 1,048,041</b>
City direct sales tax rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

Source: Texas State Comptroller of Public Accounts

Notes: Taxable sales information is not available on a fiscal-year basis. The state converted from reporting SICs classification of industries to NAICS classification of industries effective with the reporting year 2002. Data reported for the years 1999 through 2001 is classified under the old SICs codes and every effort was made to compare like industries. The categories listed with no sales for 1999 through 2001 are included in Other Services for those years. This report includes data only from holders of sales tax permits. If fewer than four outlets reported in a quarter, the data is omitted as required by state disclosure laws.

**CITY OF COLLEGE STATION, TEXAS**

**DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL YEARS**

Fiscal Year	City		Brazos		State of	
	Direct Rate	County	County	County	County	County
2001	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2002	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2003	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2004	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2005	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2006	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2007	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2008	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2009	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2010	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%

Source: Texas State Comptroller of Public Accounts

**CITY OF COLLEGE STATION, TEXAS**

**SALES TAX REVENUE PAYERS BY INDUSTRY**  
**CALENDAR YEARS 2000 AND 2009**  
*(dollars are in thousands)*

	Calendar Year 2000			Calendar Year 2009		
	Number of Outlets	Percentage of Total	Tax Liability	Number of Outlets	Percentage of Total	Tax Liability
Retail trade	973	61.67%	\$ 8,929	1,223	55.09%	\$ 12,874
Services	402	25.48%	938	440	19.82%	1,373
Wholesale trade	40	2.53%	474	63	2.84%	148
Utilities, transportation, communications	22	1.39%	224	19	0.86%	398
Manufacturing	35	2.22%	99	71	3.20%	183
Construction	47	2.98%	67	104	4.68%	159
Agriculture, forestry, and fishing	40	2.53%	46	36	1.62%	131
Finance, insurance, real estate	12	0.76%	1	59	2.66%	150
All other outlets	7	0.44%	-	205	9.23%	304
<b>Total</b>	<b>1,578</b>	<b>100.00%</b>	<b>\$ 10,778</b>	<b>2,220</b>	<b>100.00%</b>	<b>\$ 15,720</b>
						<b>100.01%</b>

Source: Texas State Comptroller of Public Accounts

Notes: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Tax liability information is not available on a fiscal-year basis.

The category labeled "All other outlets" is higher than normal in 2009 due to the State Comptroller's conversion from SIC classification codes to NAICS classification codes to NAICS classification codes. The State reports in SIC classifications and new outlets added since the conversion began are labeled within the SIC classification of "other".

CITY OF COLLEGE STATION, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Public Property Finance Contractual Obligations	Utility Revenue Bonds	Capital Leases	Certificates of Obligation	General Obligation Bonds	Utility Revenue Certificates of Obligation			
2001	\$ 39,375,000	\$ 20,595,000	\$ -	\$ 63,185,000	\$ -	\$ -	\$ -	\$ -	\$ 123,155,000	11.96%	1,710
2002	41,665,000	33,280,000	-	78,235,000	-	-	-	-	153,180,000	2.022	2,022
2003	43,170,000	32,525,000	-	79,680,000	-	-	-	-	155,375,000	1.984	1,984
2004	47,085,000	34,705,000	-	75,655,000	-	-	-	-	157,445,000	1.963	1,963
2005	49,800,000	30,195,000	-	79,215,000	-	-	8,910,000	-	168,120,000	2.052	2,052
2006	53,835,000	34,905,000	-	91,460,000	-	-	8,580,000	-	188,780,000	15.39%	2,244
2007	55,720,000	33,500,000	-	105,215,000	-	-	8,240,000	-	202,675,000	15.49%	2,330
2008	60,695,000	39,965,000	-	99,560,000	-	-	23,820,000	-	224,040,000	12.90%	2,465
2009	59,145,000	38,575,000	-	93,755,000	-	4,530,000	47,755,000	-	243,760,000	14.34%	2,608
2010	75,020,000	36,675,000	-	87,745,000	-	-	48,970,000	3,830,000	251,240,000	15.76%	2,660

Sources: City of College Station (outstanding debt, per capita) and the U.S. Census Bureau, American Community Survey (personal income)

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

Personal income information for the City of College Station is only available for calendar years 2000, 2005 - 2010.

In 2009 the Parking Garage Fund began paying for the Parking Garage debt. In 2010 the Parking Garage Certificates of Obligation were refunded and became General Obligation Bond.

## CITY OF COLLEGE STATION, TEXAS

### RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year	General Obligation		Less Debt Service		Net Bonded Debt	Percentage of Actual Taxable Value of Property	
	Bonds		Cash Funds				Per Capita
2001	\$ 39,375,000	\$	1,722,254	\$	37,652,746	1.66%	523
2002	41,665,000		1,287,038		40,377,962	1.65%	533
2003	43,170,000		659,180		42,510,820	1.59%	543
2004	47,085,000		585,336		46,499,664	1.56%	580
2005	49,800,000		912,353		48,887,647	1.50%	597
2006	53,835,000		1,645,563		52,189,437	1.45%	620
2007	55,720,000		2,060,709		53,659,291	1.34%	617
2008	60,695,000		2,573,421		58,121,579	1.30%	644
2009	59,145,000		3,125,126		56,019,874	1.13%	599
2010	75,020,000		4,115,689		70,904,311	1.33%	751

Source: City of College Station

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

**CITY OF COLLEGE STATION, TEXAS**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF SEPTEMBER 30, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
College Station I.S.D.	\$ 133,140,000	87.57%	\$ 116,590,698
Brazos County	101,495,000	49.40%	\$ 50,138,530
Bryan I.S.D.	162,580,000	1.45%	\$ 2,357,410
Other debt			
College Station I.S.D.	206,042	87.57%	\$ 180,431
Brazos County	-	49.40%	\$ -
Bryan I.S.D. Capital Lease	-	1.45%	\$ -
Subtotal, overlapping debt			\$ 169,267,069
City direct debt			\$ 110,695,000
Total direct and overlapping debt			\$ 279,962,069

Sources: Debt outstanding data provided by each governmental unit. Assessed value data used to estimate applicable percentages provided by the Brazos County Appraisal District.

Notes: Overlapping governments are those that coincide, at least in part, with the geographical 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 College Station. This process recognizes that, when considering the City'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.

<sup>a</sup> For debt repaid with property taxes, the percentage of overlapping debt is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total assessed value.

## **CITY OF COLLEGE STATION, TEXAS**

### **LEGAL DEBT MARGIN INFORMATION**

**SEPTEMBER 30, 2010**

The City has no general obligation legal debt limit other than a ceiling on the ad valorem tax rate as specified by the State of Texas. The prescribed maximum is \$2.50 per \$100 at 100% valuation.

**CITY OF COLLEGE STATION, TEXAS**

PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS

Fiscal Year	Utility Revenue Bonds									
	Utility Service Charges		Less: Operating Expenses		Net Available Revenue		Average Debt Service		Maximum Debt Service	
	\$	\$	\$	\$	\$	\$	Total	Total	Total	Total
2001	59,143,896	45,465,778	13,678,118	4,688,518	6,395,244	2.92	6,395,244	2.14		
2002	62,141,066	46,274,555	15,866,511	5,825,064	8,048,707	2.72	8,048,707	1.97		
2003	64,046,246	47,785,550	16,260,696	5,773,582	8,084,285	2.82	8,084,285	2.01		
2004	64,785,122	44,719,241	20,065,881	5,651,966	7,998,465	3.55	7,998,465	2.51		
2005	70,636,853	51,125,745	19,511,108	5,522,447	8,364,747	3.53	8,364,747	2.33		
2006	80,787,029	54,432,847	26,354,182	6,423,582	9,163,574	4.10	9,163,574	2.88		
2007	87,911,120	63,514,543	24,396,577	7,389,770	10,408,958	3.30	10,408,958	2.34		
2008	99,610,432	73,195,783	26,414,649	8,620,759	12,245,949	3.06	12,245,949	2.16		
2009	108,367,552	80,848,570	27,518,982	9,834,136	13,870,272	2.80	13,870,272	1.98		
2010	115,430,088	91,551,103	23,878,985	8,976,012	13,669,444	2.66	13,669,444	1.75		

Source: City of College Station

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

Operating expenses do not include interest, depreciation, or amortization expense.

Maximum Debt Service Total includes Utility Revenue Bonds and Certificates of Obligation that have been issued for Utility projects.

The coverage ratios presented in this schedule are formulas required by bond resolutions. The bond resolutions require that net revenues equal at least 1.4 times the average annual debt service on all revenue bonds and other indebtedness payable from those revenues. The bond resolutions also require that net revenues equal at least 1.25 times the maximum annual debt service on all revenue bonds and other indebtedness payable from those revenues.

## CITY OF COLLEGE STATION, TEXAS

### DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

Calendar Year	Population	Personal Income ( <i>thousands of dollars</i> )	Per Capita Personal Income	Unemployment Rate
2000	67,890	\$ 1,029,891	\$ 15,170	1.6
2001	72,020	-	-	1.7
2002	75,752	-	-	2.0
2003	78,309	-	-	2.4
2004	80,214	-	-	2.0
2005	81,930	1,226,974	14,976	3.7
2006	84,116	1,308,384	15,555	3.9
2007	86,982	1,736,221	19,961	3.8
2008	90,897	1,699,361	18,695	4.1
2009	93,450	1,594,056	17,058	5.3

Sources: City of College Station Planning Division (population)

U. S. Census Bureau, American Community Survey (personal income)

Texas Workforce Commission (unemployment rate)

Notes: In 2005, the Bureau of Labor Statistics introduced a new methodology for calculating unemployment rates. Along with the new calculation method, Robertson and Grimes county were added to the Bryan/College Station MSA. The net result is an increase in the area's unemployment rate.

Personal income information for the City of College Station is only available for calendar years 2000, 2005-2009.

## CITY OF COLLEGE STATION, TEXAS

### PRINCIPAL AREA EMPLOYERS CURRENT YEAR AND TEN YEARS AGO

2010	2000
Employer	Employer
Brazos County	Brazos County
Bryan ISD	Bryan ISD
City of Bryan	City of Bryan
City of College Station	City of College Station
College Station ISD	College Station ISD
Reynolds & Reynolds <sup>(1)</sup>	Reliant Building Products Inc
Sanderson Farms Inc	Sanderson Farms Inc
St Joseph Hospital	St Joseph Hospital
Texas A&M University	Texas A&M University
Wal-Mart Associates Inc	Wal-Mart Associates Inc

Source: Texas Workforce Commission, Labor Market/Career Information Department, Research Valley Partnership

(1) Name change from Universal Computer Systems

Notes: Data includes principal employers in Brazos County.

Employers are listed in alphabetical order and do not reflect any ranking. The TWC ranking and number of employees data is confidential.

**CITY OF COLLEGE STATION, TEXAS**

**FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	Full-Time-Equivalent Employees as of Sept 30									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	37.2	39.7	36.8	38.5	41.9	37.8	58.5	71.0	79.5	75.0
Police	139.4	140.3	143.4	146.0	144.4	155.1	163.5	168.5	176.0	169.0
Fire	98.1	103.9	105.9	108.5	111.4	110.6	119.0	125.0	121.0	118.0
Public Works	95.0	104.4	104.5	106.8	112.2	112.6	114.5	106.5	113.0	94.0
Parks and Recreation	111.3	115.4	120.1	116.2	120.0	119.8	123.5	131.0	133.0	133.0
Planning and Development Services	27.8	29.0	28.3	28.5	25.8	27.1	24.5	34.0	37.0	41.0
Information Services	39.2	39.1	40.0	40.3	37.5	36.6	28.5	33.0	32.0	30.5
Fiscal Services	54.3	53.1	61.1	59.8	64.2	70.1	71.0	72.5	70.5	70.0
Electric	57.1	57.5	56.9	53.4	56.6	56.0	56.5	58.0	65.0	64.0
Water / Sewer Services	64.6	66.2	66.0	64.0	69.1	71.8	71.0	67.5	76.5	70.5
BVSWMA	27.8	28.8	28.3	27.3	24.4	24.0	22.0	25.5	25.0	23.5
Capital Project	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10.0	10.0	9.0
<b>Total</b>	<b>751.8</b>	<b>777.4</b>	<b>791.3</b>	<b>789.3</b>	<b>807.5</b>	<b>821.5</b>	<b>852.5</b>	<b>902.5</b>	<b>938.5</b>	<b>897.5</b>

Source: City of College Station

Notes: Full-time-equivalent employees include full time, part time, and seasonal/temporary employees on staff as of September 30.

Capital Projects added in FY 2008.

CITY OF COLLEGE STATION, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>										
Open records requests	250	147	62	103	72	199	199	155	164	123
Economic development prospects	17	15	29	17	20	31	19	18	23	55
Code enforcement cases processed	4,209	4,525	6,280	9,341	2,848	5,984	4,838	5,148	6,248	5,268
Non-profit agencies/contracts monitored	8	12	11	10	9	13	7	10	9	10
Applicants receiving homebuyers assistance	12	25	14	16	2	9	6	3	4	6
<b>Police</b>										
DUI/DWI arrests	351	311	341	418	387	414	493	458	430	449
Citations processed	44,305	36,945	43,407	42,957	39,416	34,134	38,046	10,384	17,275	22,224
Uniform patrol calls handled	50,034	56,388	61,821	60,405	57,605	60,159	58,303	57,661	48,297	58,656
Average response time on high priority calls	5:53 mins	6:01 mins	6:28 mins	5:58 mins	6:09 mins	6:15 mins	6:17 mins	6:06 mins	6:18 mins	6:52 mins
Criminal investigation new cases assigned	1,810	1,970	2,292	2,259	2,300	2,368	2,256	2,635	2,590	2,098
Note: In FY08 an e-citation program was implemented thus reducing the number of paper citations processed.										
<b>Fire</b>										
Fire incidents (fire, rescue, and haz mat)	1,603	1,653	1,455	1,554	1,792	1,743	1,832	1,952	2,008	2,301
Business safety inspections	1,128	900	1,014	1,410	1,138	828	1,018	947	760	1,364
EMS incidents	2,704	2,554	2,754	2,800	3,241	3,048	3,773	4,718	5,367	5,414
EMS unit responses	4,428	4,568	4,687	4,900	4,930	5,276	5,476	5,369	5,051	5,646
Notes: FY99 fire incidents include fire, rescue, hazardous material, and EMS incidents (EMS operations were assigned a separate division in FY00).										
<b>Public Works</b>										
Street overlay lane miles	12	1	1	18	19	19	19	15	9	2
Potholes repaired	*	*	*	*	24,696	24,778	21,506	20,546	18,000	68,548 *
Curb miles swept	*	*	*	*	6,338	7,235	6,040	6,955	5,620	5,595
Sign, marking, signal work orders	2,562	2,709	3,472	3,270	2,898	2,557	2,617	2,880	2,310	2,571
Note: In FY10 # of potholes repaired went to # of square feet repaired.										
<b>Parks and Recreation</b>										
Pavilion rentals	340	353	342	314	221	399	338	395	858	1,431
Adult participants in City leagues	9,480	10,642	8,529	8,307	10,774	822	611	786	786	571
Youth participants in City leagues	1,887	2,684	1,977	2,690	2,520	2,842	2,946	4,183	4,249	4,096
Special event participants	22,718	123,743	188,980	188,429	201,256	197,805	185,002	170,193	184,575	199,091
Instructional participants	3,148	3,546	3,447	3,581	3,579	3,075	3,432	3,538	3,077	3,112
Pool customers	119,329	130,113	142,154	145,879	132,549	146,805	128,206	142,605	138,785	93,302
Conference center customers	88,239	74,320	70,728	81,289	85,720	70,494	66,950	79,360	90,089	90,540
Lincoln center participants	67,665	68,919	72,794	81,629	82,624	98,869	100,952	93,501	82,862	79,077
Teen center participants	11,178	12,465	13,446	14,562	17,500	9,958	15,798	15,259	17,212	15,669
Notes: FY01 special event participants do not include Christmas in the Park counts. Adult participants in City leagues was changed in FY06 to adult teams participating in City leagues. FY05 pavilion rentals had the following changes: Thomas Park pavilion rentals were removed (no longer charging a fee) and W.A. Tarrow basketball pavilion was added. In FY06 Crompton Park pavilion was added to rentals. FY09 Pavilion rentals now includes athletic field rentals. FY10 Pools closed one day a week and a new recording system for attendance was implemented.										

CITY OF COLLEGE STATION, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM - Continued  
LAST TEN FISCAL YEARS

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Planning and Development Services</b>										
Permits processed	*	6,728	6,604	6,685	6,500	6,575	7,583	6,647	5,819	5,972
Building inspections performed	11,046	14,671	13,364	13,435	13,297	13,069	13,398	13,814	12,938	12,379
Parking citations issued	12,324	18,500	18,034	16,587	11,900	8,452	7,238	9,460	9,686	6,763
Community enhancement cases	12,077	12,550	11,637	15,086	7,016	7,384	8,631	11,885	11,622	11,408
Note: FY09 Code Enforcement moved from Fire to Planning and Development Services										
<b>Electric</b>										
Number of connections	27,113	33,386	35,421	35,307	36,284	37,590	38,519	37,777	37,818	38,255
Residential job orders	1,825	1,942	2,505	2,134	1,904	1,422	1,714	2,342	1,242	1,627
Customer service job orders	2,079	2,144	2,078	2,496	1,561	1,678	1,717	1,928	1,774	1,428
Average monthly consumption (KWH)	51,409,703	52,466,218	54,820,470	55,673,526	60,413,524	61,910,063	60,766,805	64,724,128	64,065,679	65,049,732
Avg number of outages per customer	1.22	1.00	1.33	0.72	0.92	0.31	0.12	0.27	0.72	0.04
<b>Water</b>										
Number of connections	15,524	23,210	29,358	31,038	32,266	33,491	34,763	37,075	37,344	37,596
New services completed	1,289	1,440	1,560	1,217	773	931	1,027	1,235	408	396
Average monthly consumption (MGW)	295,875	282,541	253,259	236,355	283,429	317,438	293,246	324,012	345,170	301,399
Water meters tested	893	950	1,025	768	732	1,254	1,174	732	834	2,009
Avg number of outages per customer	*	0.190	0.003	0.160	0.016	0.039	0.013	0.007	0.0067	0.0019
<b>Sewer</b>										
Number of connections	*	28,399	27,977	28,594	29,694	31,051	32,034	34,743	34,743	35,853
Average daily sewage treatment (thousands of gallons)	6,158	6,669	6,807	6,808	6,220	5,911	6,502	6,626	6,625	6,700
New services completed	1,139	1,400	1,540	890	571	646	521	781	604	377
Avg number of stoppages per customer	*	0.015	0.001	0.003	0.003	0.003	0.003	0.002	0.0007	0.00029
<b>Sanitation</b>										
Number of users (units)	28,894	23,947	28,215	28,594	28,399	27,181	28,112	29,533	30,750	30,779
Residential tons collected	15,614	17,710	18,057	20,353	23,535	24,964	27,556	22,191	21,406	28,451
Residential tons recycled	978	941	826	1,082	923	983	1,060	1,199	1,064	1,053
Commercial tons collected	31,376	32,364	33,402	35,355	35,114	35,122	38,402	38,709	36,245	36,558
<b>Parking garage</b>										
Active contract customers	*	*	*	*	449	432	472	464	333	524
Hourly cash customers	*	65,612	106,935	97,904	127,608	108,893	109,028	107,584	104,342	85,210
Note: Parking garage opened to customers in February 2002.										
<b>Utility Customer Service</b>										
Payments processed	379,439	388,579	404,742	408,348	401,891	413,088	423,299	443,766	461,557	467,262
Incoming calls	79,747	79,514	82,018	82,536	85,728	85,728	85,842	97,121	96,876	85,212
Meters read	501,175	525,412	552,949	577,773	598,660	618,676	640,554	670,913	694,270	708,672

Source: City of College Station various departments

\* Data not measured for fiscal year indicated.

CITY OF COLLEGE STATION, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Patrol units	25	25	25	25	26	26	29	29	29	27
Jail capacity	17	17	17	17	17	17	17	17	17	17
Note: The patrol units figure includes 1 K-9 unit.										
Fire stations	4	4	4	4	4	4	4	4	4	4
Note: The Fire Department operates an additional fire station located at the airport.										
Public Works										
Streets (linear miles)	711	711	733	353	385	395	429	438	428	453
Sidewalks (miles)	89	89	89	89	97	100	100	100	119	130
Traffic signals	55	57	60	62	62	65	66	66	66	69
Storm sewers (miles)	*	*	*	*	*	72	72	72	80	83
Notes: Street measurement changed from lane miles to linear miles in FY04. Storm sewer mileage includes both underground pipes and valley gutters.										
Parks and Recreation										
Acreage	1,146	1,134	1,214	1,217	1,248	1,274	1,289	1,306	1,306	1,327
Playunits	35	35	35	35	35	46	48	47	54	56
Softball/baseball fields	19	19	19	19	25	32	32	35	35	36
Soccer fields	13	19	19	19	26	31	31	29	29	30
Jogging/walking trails	20	20	22	22	26	27	28	29	33	34
Community centers	3	3	3	3	3	3	3	3	3	3
Pools	3	3	3	3	3	3	3	3	3	3
Pavilions (rentable)	5	5	5	5	6	6	7	7	6	6
Notes: Some parks have multiple playunits. Softball/baseball fields include practice fields.										
Electric										
Maximum capacity (megawatts)	255	255	255	255	280	260	355	355	355	305
Number of substations	4	4	4	4	4	5	5	5	5	6
Distribution lines (miles)	333	400	414	414	450	394	411	411	432	440
Water										
Water mains (miles)	280	294	311	317	341	365	367	381	385	396
Fire hydrants	*	*	*	2,070	2,165	2,232	2,380	2,453	2,494	2,562
Number of wells	5	6	6	6	6	8	8	8	8	9
Wells storage capacity (thousands of gallons per day)	20,000	19,000	26,000	26,000	28,000	23,000	23,000	23,000	26,000	32,000
Sewer										
Sanitary sewer lines (miles)	243	252	262	264	271	279	285	301	305	313
Treatment capacity (thousands of gallons per day)	9,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500
Sanitation										
Collection trucks	21	22	23	24	24	24	25	25	25	25
Residential collection containers	*	*	14,413	15,207	15,958	16,647	18,135	19,549	20,275	20,671
Commercial collection containers	1,230	1,383	1,407	1,511	1,545	1,569	1,594	1,619	1,644	1,669
Fleet number of vehicles	*	*	585	600	613	627	651	643	647	662

Source: City of College Station  
\* Data not measured for fiscal year indicated.





CITY OF COLLEGE STATION

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