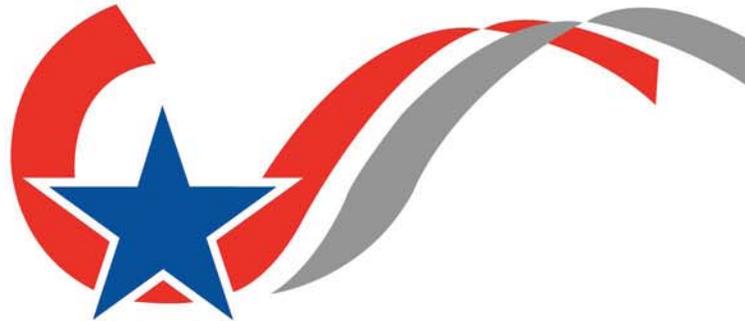




CITY OF COLLEGE STATION
Home of Texas A&M University®



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2013
CITY OF COLLEGE STATION, TEXAS



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

CITY OF COLLEGE STATION, TEXAS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

**PREPARED BY THE
CITY OF COLLEGE STATION FISCAL SERVICES DEPARTMENT
JEFF KERSTEN, ASSISTANT CITY MANAGER
BUDGET & FINANCIAL REPORTING DIVISION**

CITY OF COLLEGE STATION, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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CITY OF COLLEGE STATION
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March 11, 2014

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, 2013.

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 & Company, P.C., Certified Public Accountants, has issued an unmodified ("clean") opinion on the city's financial statements for the year ended September 30, 2013. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal.

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 50.8 square miles and a current estimated population of 99,755 as of September 2013. 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 medical 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, utility customer service, risk management, employee health, workers' compensation and unemployment 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 as revised by the City Council. This budget is reviewed and revised 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 all funds other than the General Fund. The 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

Economic conditions have been positive in 2013 with both sales tax revenues and property values increasing from the previous year. Growth has been seen in the northern part of the City with ongoing development activity in the University Drive/Northgate area, in addition to activity in the bio-corridor area. Growth also continues in the southern part of the City with the progress of new and expanded medical facilities, and continued retail development in the Tower Point area. In August 2013 the new Scott & White Hospital facility located just south of Rock Prairie Road was officially opened.

In fiscal year 2010, sales tax revenue was down by 0.6 percent. However, in 2011 and 2012 sales tax revenues increased by 5.1% and 5.9%, respectively, while 2013 saw a 7.3% increase in sales tax revenues. Total ad valorem assessed valuation increased by approximately \$287 million or approximately 4.8% for fiscal year 2013 over fiscal year 2012. Commercial development continues in both new and redevelopment construction. New commercial permits increased 35% in fiscal year 2013 while new single-family home permits decreased 9%.

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 \$700 million worth of research and development. Student enrollment at TAMU's main College Station campus exceeded 58,000 and TAMU employs more than 27,000 full-time and part-time staff as of September 30, 2013.

2013 Major Accomplishments

Below are highlight accomplishments for 2013.

- **Maintained a Balanced Budget:** Each department examined its organizational structure, programs, and practices in preparation for the budget process. On a continual basis the City looks for ways to streamline and consider organizational changes. During 2012 and 2013 focus on creating these efficiencies resulted in budget reductions and the elimination of a number of positions. These actions saved resources for use towards priorities such as public safety.
- **Continued to Provide Competitive Compensation and Benefits:** Maintaining a competitive pay and benefit structure allows the City to attract and retain well qualified employees who are on the front lines of providing services to the citizens and visitors of College Station. The City has a step plan for the Police Department. The City continues to provide generous benefits, such as 2 options for Medical, Dental & Prescription insurance, life insurance, defined benefit pension plan, post-employment medical insurance, etc. – all at a competitive cost to the employee. In 2013 the City implemented changes to two provisions in its retirement plan, Texas Municipal Retirement System (TMRS). Reductions were made to updated Service Credits and the Cost of Living Adjustment provisions. The change in provisions resulted in a savings of \$1.4 million when compared to the cost of retaining these provisions at 2012 levels. These revisions did not impact the core components of the retirement plan which includes a 7% employee contribution and a 2 to 1 match from the City. Savings from these revisions allowed the City to fund a 2.5% average performance based pay plan increase in 2013.

- **Continued Utility Transfer Policy Changes:** In 2011 the City began a multi-year plan to reduce the transfer from the Electric Utility to the General Fund. This policy change was made to ensure that the transfer from the Electric Utility is reasonable, and not a significant burden on the electric utility and electric rates. The City transitioned from a policy that capped the transfer at 10.5% of electric operating revenues, to an in lieu of franchise fee based on KWH electric sales. The new policy has the transfer capped at 6% of electric operating revenues. The transfer was reduced in FY12 by \$2.0 million, and the FY13 transfer was reduced by an additional \$1.0 million for a two year combined reduction in transfer of \$3.0 million. This reduction is necessary to ensure the long term financial health of the Electric Utility, which has seen rate increases in recent years due to increases in purchased power costs. No rate increases were budgeted for the electric utility in FY13 or FY14.

- **Increased Public Safety:** Public safety continued to be a priority for the City in 2013. An additional nine sworn officers and one civilian position were added to the Police Department. These new positions allow the department to better align resources in rapidly growing areas of the City.

- **Improved Mobility:** The City continues to focus on traffic and transportation projects. In addition to maintaining existing streets, planning and construction continue on new streets and thoroughfares, sidewalk projects, and hike and bike trails. 2013 mobility projects also included traffic synchronization and timing, upgrades to fiber optic traffic signal communications and focus on intersection operational improvement.

- **Major Capital Projects Completed in 2013 include:**
 - Fire Station #6
 - Second Transformer at Dowling Road substation
 - Electric – Underground duct system along Health Science Center Parkway
 - Electric – Overhead feeder extension along Wallace Phillips Parkway and Greens Prairie Road
 - Electric – Installation of additional overhead feeder circuit at Spring Creek Substation
 - Electric – Street light installations: Wellborn Road
 - Traffic Signal at Harvey and Copperfield
 - Wolf Pen Creek Festival Site
 - Barron Road Widening Phase II
 - University Drive Sidewalks
 - College Main Rehabilitation
 - Plantation Oaks Water Line
 - South Knoll/The Glade Water and Wastewater Rehabilitation
 - Wolf Pen Creek Electrical Improvements

- **Major Projects in Design, under Construction or to be Completed in 2014:** Many projects began design during the past year and will commence or complete construction this coming year or in future years. Noted below is Phase I of the City's Enterprise Resource Planning (ERP) implementation project. An ERP system is business management software that will allow the City to use a system of integrated applications to manage business processes. The benefits of an ERP are many and include: integration of information across all departments; tracking of city-wide transactions in an integrated fashion; facilitating planning, analysis, reporting and decision making; eliminate redundant data entry thus freeing valuable resources; improved performance measurement and increased transparency across the City. The ERP implementation will commence in 2014 and span multiple years. Additional 2014 projects include:

- Bird Pond Road Rehabilitation
- Rock Prairie Road East Rehabilitation from Stonebrook Drive to W.D. Fitch Parkway
- Jones Butler (Penberthy) Extension
- Health Science Center Parkway (BioCorridor)
- University Drive Pedestrian Improvements
- Creek View Park
- Skate Park Restrooms
- Synthetic Athletic Fields at Veterans Park
- East District Maintenance Shop Replacement
- Enterprise Resource Planning (ERP) System
- CAD/RMS System Replacement
- Northgate Electric Substation
- Electric Switch Station Upgrade and Entergy Tie-In
- Sandy Point Chemical System Replacement Project
- Health Science Center Parkway Water Line
- Eastgate Water and Wastewater Rehabilitation
- Bee Creek Parallel Trunk Line

LONG-TERM FINANCIAL PLANNING

Long-Term Financial Planning Process

- **Operations and Maintenance:** Each year the City prepares a balanced budget, with the involvement of the City Council, City Managers, Executive Management Team, department heads, finance staff and other employees. Planning meetings are held throughout the year long process, during which discussions regarding the future of the City's financial health are a high priority. Financial forecasts are developed for the coming year, and next five years for each major fund. These forecasts take historical trends, changes in policy, and economic conditions (now and projected) into consideration as applicable. The City also sets aside funds for major purchases in future years (Equipment Replacement Fund) and monitors the fund balances of every fund to ensure adherence to the City's reserve policy.
- **Capital Improvement Program:** A major component of the budgeting process every year is the Capital Improvement Program (CIP). Extensive planning takes place throughout the year involving every department in the City with input from the City Council and appointed citizen committees and boards (Planning and Zoning Board, Parks Board, etc.). The focus of this planning is ongoing funding of current CIP projects, and how the City will fund currently unfunded CIP projects in the future. During this process attention is given to the impact the projects will have on future operations & maintenance costs.

Anticipated Long-Term Financial Impacts

- **BioCorridor:** The purpose of the BioCorridor is to attract bio-related industries that develop life-changing medical technologies, build tax base, and attract high-paying jobs and investment to the City. The City of College Station and the City of Bryan have entered into an Interlocal Agreement hoping to create a monumental economic development endeavor. The impact of this endeavor would foster growth in the community for several years, in the areas of biotechnology, retail, commercial, office, entertainment and high-density residential. In anticipation of this growth, plans were

included in our Capital Projects funding forecasts. In June 2012 the U.S. Department of Health and Human Services and its Biomedical Advanced Research and Development Authority (BARDA) announced a \$285 million contract for the establishment of a Center for Innovation in Advanced Development and Manufacturing at Texas A&M University.

- **Texas A&M University:** Texas A&M University is the key driver in the local economy. In 2013 the student enrollment was a record setting 58,000 students. Texas A&M also has an initiative to significantly increase the number of students in the College of Engineering. Kyle Field at Texas A&M University is undergoing a two year renovation project that will expand Kyle Field to accommodate more than 102,000 fans making it the largest such stadium in Texas or the Southeastern Conference. Although work will not be completed until 2015, Kyle will be the site of all 2014 Aggie home games. The City has also entered into agreements with The Convention and Visitors Bureau and Texas A&M University for access to certain university facilities for use outside the University. This is anticipated to spur additional tourism related growth as events that otherwise could not come to this area may come here with the use of the University facilities. All of this growth has resulted in growth throughout the City including new multi family and retail construction, especially in the northern part of the City along University Drive.
- **Development of the Medical Corridor:** The intent of the Medical District is to create opportunities for new development, accommodating and enhancing the growing concentration of medical uses in the area. The Medical District Master Plan establishes guiding principles for the development of approximately 1,700 acres in south College Station to accommodate medical facilities, walk-able village centers, commercial space, and a variety of residential unit types. The Master Plan includes an extensive linked network of trails and open spaces to further the overarching concept of a healthy community focused on wellness. One of the initial stages of development for the Medical District was the opening of the new Scott & White Hospital Facility in August, 2013. As part of the ongoing development of this district, discussions continue regarding the infrastructure needs of the area, and how these needs will be funded.
- **MUD Policy:** In early 2014 the City adopted a policy on the creation of Municipal Utility Districts (MUD's) in the City's Extra Territorial Jurisdiction (ETJ), and within the city limits. To date no MUD's have been established but they are likely to be a tool that will be used to help facilitate future development especially in the City's ETJ.

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 governmental auditing standards (GAS), and concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of College Station's financial statements for the fiscal year ended September 30, 2013 are fairly presented in conformity with U.S. generally accepted accounting principles and governmental auditing standards. 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, 2012. This was the twenty-ninth year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's 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 the Assistant City Manager, 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 prudent manner.

Respectfully submitted,



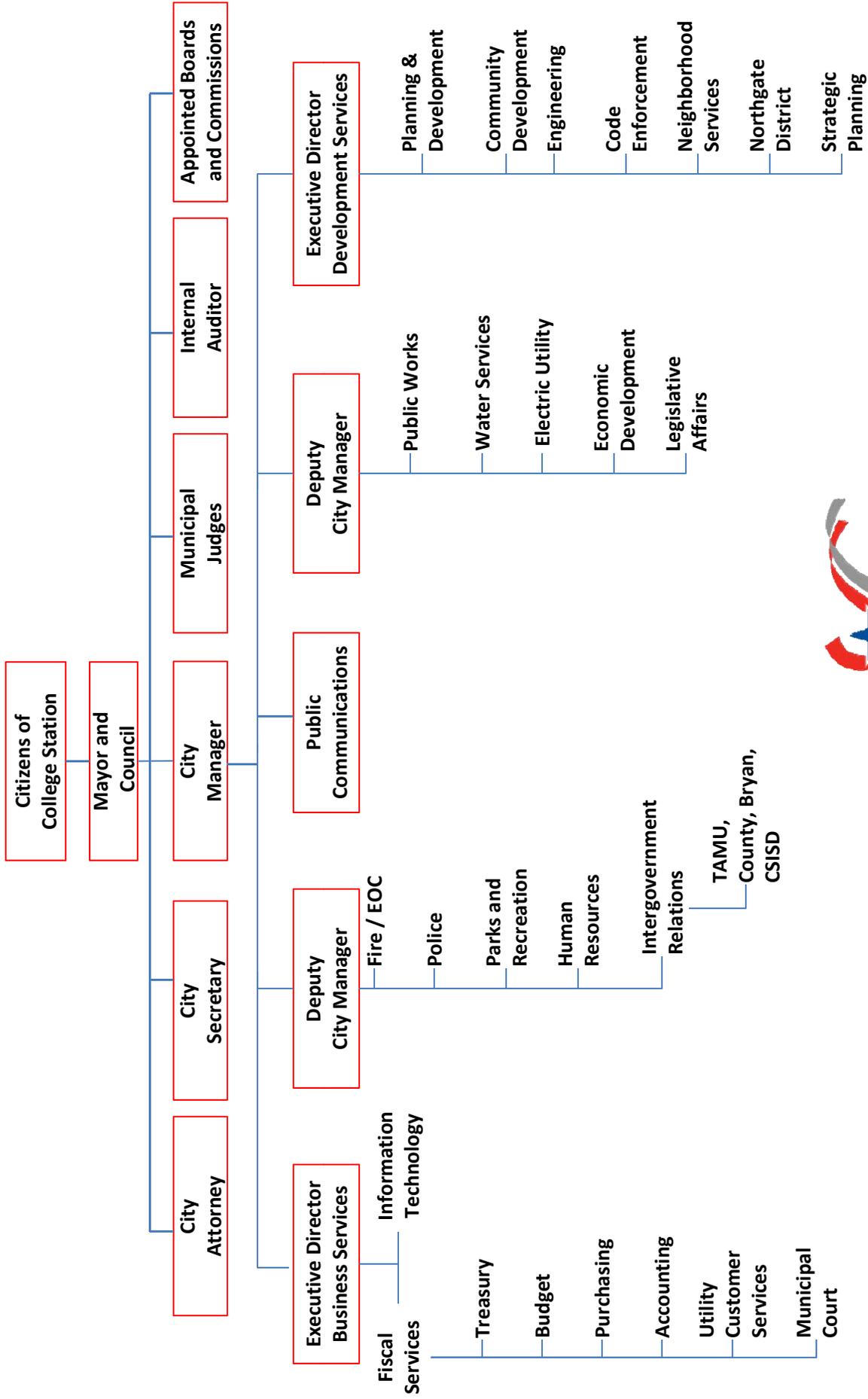
Kelly Templin
City Manager



Jeff Kersten
Assistant City Manager

CITY ORGANIZATION

As of September 30, 2013



City of College Station, Texas
Fiscal Year 2013
September 30, 2013
Principal City Officials

Elected Officials

Mayor	Nancy Berry
City Council Place 1	Blanche Brick
City Council Place 2	Jess Fields
City Council Place 3/Mayor Pro Tem.....	Karl Mooney
City Council Place 4	John Nichols
City Council Place 5	Julie Schultz
City Council Place 6	James Benham

City Administration

Interim City Manager	Kathy Merrill
Deputy City Manager	Vacant
Deputy City Manager	Vacant
Executive Director, Business Services	Jeff Kersten
Executive Director, Development Services	Bob Cowell, Jr.
Director of Public Communications	Jay Socol
Director of Water Services Department	David Coleman
Director of Electric Utility.....	Timothy Crabb
Chief of Police	Jeffrey Capps
Interim Fire Chief	Eric Hurt
Director of Public Works	Charles Gilman
Director of Parks and Recreation	David Schmitz
Director of Information Technology	Ben Roper
Director of Human Resources	Alison Pond
City Attorney	Carla Robinson
City Secretary	Sherry Mashburn
Internal Auditor.....	Ty Elliott



Government Finance Officers Association

**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, 2012

Executive Director/CEO



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note IV.G. to the financial statements, in 2013, the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, retirement system information, other post employment benefits information and budgetary comparison information on pages 14–29 and 69–71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and

individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance. In accordance with OMB Circular A-133, we have also issued our report dated March 11, 2014 on compliance for each major program and on internal control over compliance. This report and the results of testing of internal control and compliance for each major program can be found in the Compliance and Single Audit Reports for the year ended September 30, 2013.

Dugan, Wallis & Company, P.C.

Bryan, Texas
March 11, 2014



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

Management's Discussion and Analysis

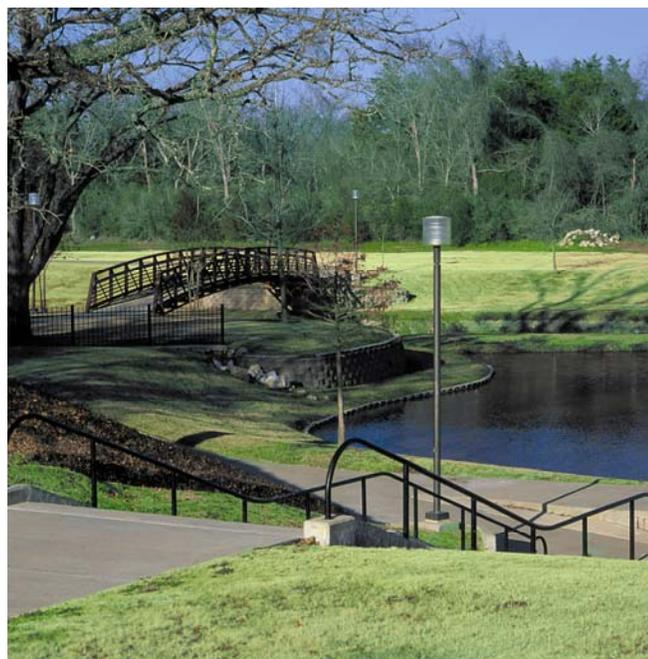
For the Fiscal Year Ended September 30, 2013

(Unaudited)

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, 2013. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent Fiscal year by \$438,675,077 (net position). Of this amount \$77,812,508 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$16,824,965 during the fiscal year.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$65,929,436 an increase of \$3,187,007 when compared to the prior year.
- Approximately 22.2 percent of the combined governmental funds ending fund balance, or \$14,626,901 are available for spending at the City's discretion (unassigned fund balance).
- The City's total amount of outstanding debt is \$241,890,000 which is a net increase of \$355,000 over last year. This increase is comprised of several factors: the issuance of general obligation improvement bonds and certificates of obligation for new projects; refunding of general obligation improvement bonds, certificates of obligation, and utility revenue bonds; and retirement of general obligation improvement bonds, certificates of obligation and utility revenue bonds. Details can be found in the notes to the financial statements.



OVERVIEW OF THE FINANCIAL STATEMENTS

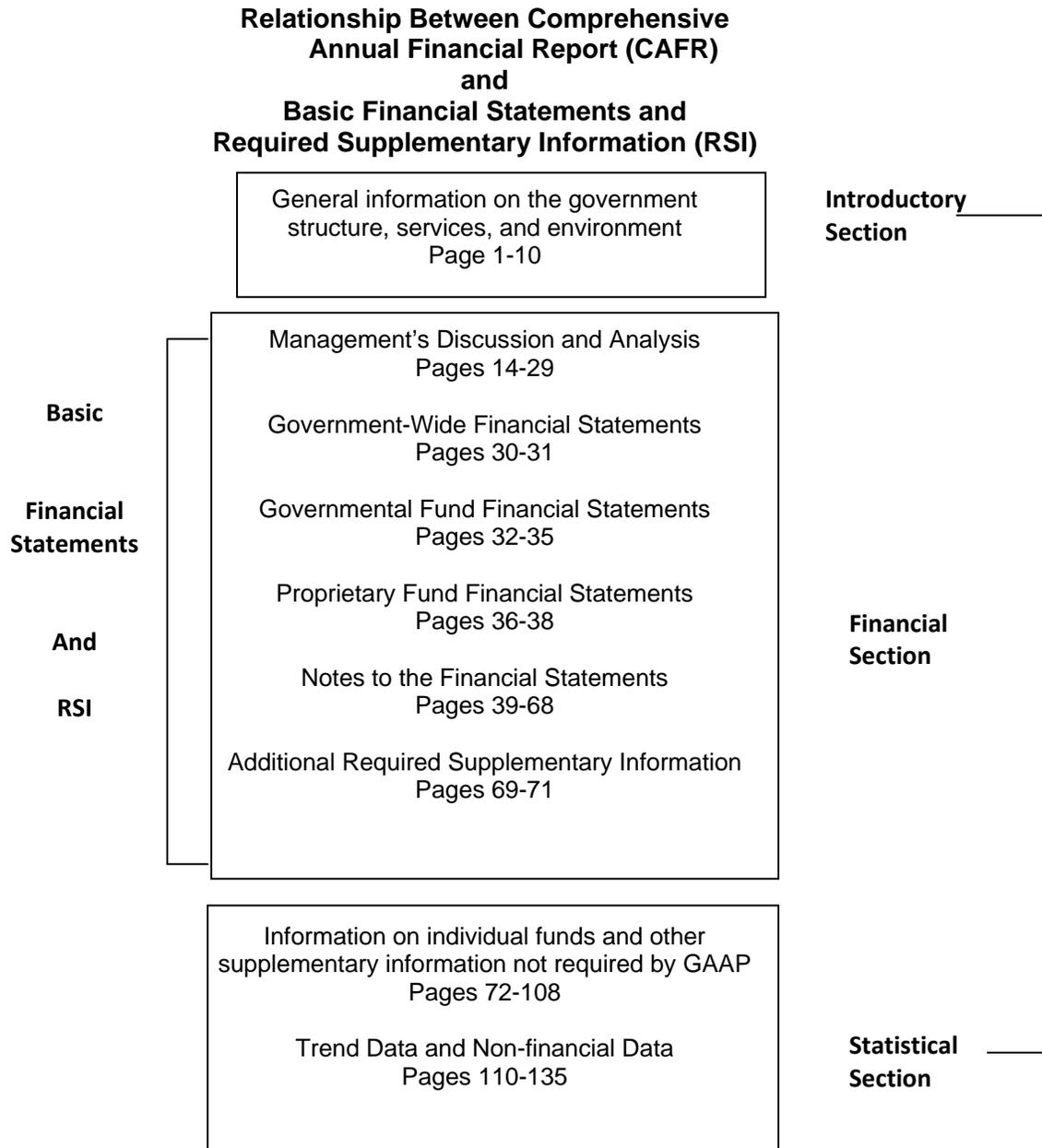
This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

- (1) **Government-wide** financial statements
- (2) **Fund** financial statements
- (3) **Notes** to the financial statements.

Management’s Discussion and Analysis
For the Fiscal Year Ended September 30, 2013
(Unaudited)

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:



Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2013

(Unaudited)

Government-Wide Financial Statements

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

The **statement of net position** presents information on all of the City's assets and liabilities, and deferred inflows/outflows of resources with the differences reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses 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, park 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 30-31.

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 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, 2013

(Unaudited)

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 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 32-35.

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 nonmajor enterprise funds. Individual fund data for the nonmajor 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 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 benefit both the governmental activities and the business-type activities and have been split between governmental activities and 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 36-38.

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2013

(Unaudited)

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. The notes to the financial statements can be found on pages 39-68.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information, found on pages 69-71, 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 nonmajor governmental funds, the nonmajor enterprise funds, and the internal service funds are found on pages 73-108.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of government's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$438,675,077 at the close of the most recent fiscal year. The largest portion of the City's net position (78.1 percent) reflects its investment of \$342,529,731 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 Position	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 92,398,592	\$ 86,482,799	\$ 88,070,772	\$ 85,818,899	\$ 180,469,364	\$ 172,301,698
Capital assets	242,046,195	238,028,556	319,523,837	305,406,104	561,570,032	543,434,660
Total assets	334,444,787	324,511,355	407,594,609	391,225,003	742,039,396	715,736,358
Total deferred outflow of resources	1,430,043	-	1,733,009	-	3,163,052	-
Liabilities						
Long-term liabilities						
outstanding	105,277,452	102,751,989	142,438,144	140,098,230	247,715,596	242,850,219
Other liabilities	19,666,305	19,211,970	39,145,470	31,824,059	58,811,775	51,036,029
Total liabilities	124,943,757	121,963,959	181,583,614	171,922,289	306,527,371	293,886,248
Net Position						
Invested in capital assets,						
net of related debt	153,214,549	149,875,513	189,315,182	179,123,899	342,529,731	328,999,412
Restricted	16,751,846	13,606,487	1,580,992	1,580,992	18,332,838	15,187,479
Unrestricted	40,964,678	39,065,396	36,847,830	38,597,823	77,812,508	77,663,219
Total net position	\$ 210,931,073	\$ 202,547,396	\$ 227,744,004	\$ 219,302,714	\$ 438,675,077	\$ 421,850,110

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2013

(Unaudited)

An additional portion of the City's net position, \$18,332,838 (4.2 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets, \$77,812,508 (17.8 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 position, 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 position increased by \$16,506,701 as a result of fiscal year 2013 operations, as compared to the increase of \$14,510,522 for fiscal year 2012 operations. The year over year difference is mostly attributable to increases in sales and mixed beverage taxes.

The following table provides a summary of the City's operations for the year ended September 30, 2013 and highlights key elements of the change in the City's net position:

Changes in Net Position:	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	\$ 11,869,339	\$ 12,288,801	\$ 134,519,144	\$ 134,113,489	\$ 146,388,483	\$ 146,402,290
Operating grants and contributions	1,753,970	2,766,187	982	9,718	1,754,952	2,775,905
Capital grants and contributions	7,016,449	4,216,095	5,345,176	6,890,916	12,361,625	11,107,011
General revenues:						
Property taxes	26,451,943	24,978,388	-	-	26,451,943	24,978,388
Sales and mixed beverage taxes	23,506,772	21,878,057	-	-	23,506,772	21,878,057
Other taxes	6,602,958	5,815,164	-	-	6,602,958	5,815,164
Interest and investment income	252,308	283,648	174,170	316,035	426,478	599,683
Total revenues	77,453,739	72,226,340	140,039,472	141,330,158	217,493,211	213,556,498
Expenses						
General government	9,167,476	8,348,922	-	-	9,167,476	8,348,922
Fiscal services	3,263,269	3,313,726	-	-	3,263,269	3,313,726
Police	16,831,233	16,696,975	-	-	16,831,233	16,696,975
Fire	13,748,434	13,706,222	-	-	13,748,434	13,706,222
Planning & development svcs	4,334,608	4,912,517	-	-	4,334,608	4,912,517
Public works	15,371,773	13,717,564	-	-	15,371,773	13,717,564
Capital projects	733,974	819,296	-	-	733,974	819,296
Parks & recreation	8,983,919	9,638,581	-	-	8,983,919	9,638,581
Library	1,064,293	1,142,580	-	-	1,064,293	1,142,580
Information technology	4,565,385	4,268,524	-	-	4,565,385	4,268,524
Interest on long term debt	2,949,240	3,273,938	-	-	2,949,240	3,273,938
Unallocated depreciation	1,146,119	1,149,609	-	-	1,146,119	1,149,609
Electric utility	-	-	88,438,115	87,221,859	88,438,115	87,221,859
Water utility	-	-	11,662,862	11,132,787	11,662,862	11,132,787
Wastewater utility	-	-	11,370,918	10,952,853	11,370,918	10,952,853
Sanitation services	-	-	6,301,053	7,825,491	6,301,053	7,825,491
Parking operations	-	-	1,053,839	924,532	1,053,839	924,532
Total expenses	82,159,723	80,988,454	118,826,787	118,057,522	200,986,510	199,045,976
Incr (Decr) in net position before transfers	(4,705,984)	(8,762,114)	21,212,685	23,272,636	16,506,701	14,510,522
Transfers net	12,039,798	12,502,186	(12,039,798)	(12,502,186)	-	-
Increase in net position	7,333,814	3,740,072	9,172,887	10,770,450	16,506,701	14,510,522
Net position at beginning of year	202,547,398	198,807,326	219,302,714	211,861,677	421,850,112	410,669,003
Prior period adjustment	1,049,861	-	(731,597)	(3,329,413)	318,264	(3,329,413)
Net position at end of year	\$210,931,073	\$202,547,398	\$ 227,744,004	\$219,302,714	\$438,675,077	\$421,850,112

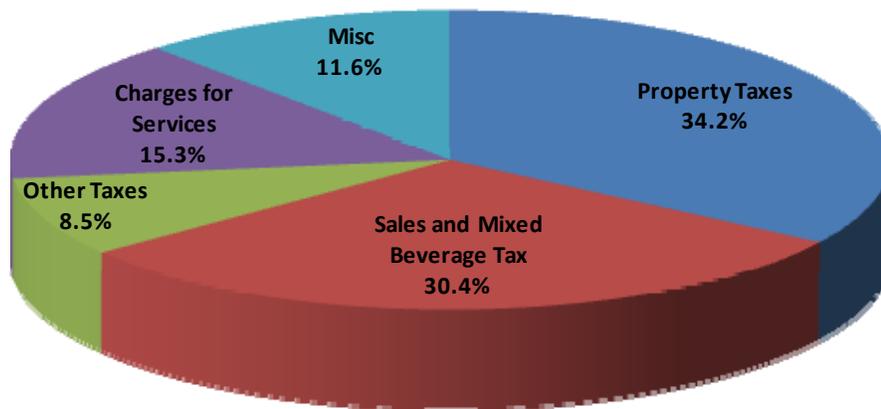
Management’s Discussion and Analysis
 For the Fiscal Year Ended September 30, 2013
 (Unaudited)

Governmental Activities: Governmental activities increased the City of College Station’s net position by \$7,333,814. Key elements of this net increase are as follows:

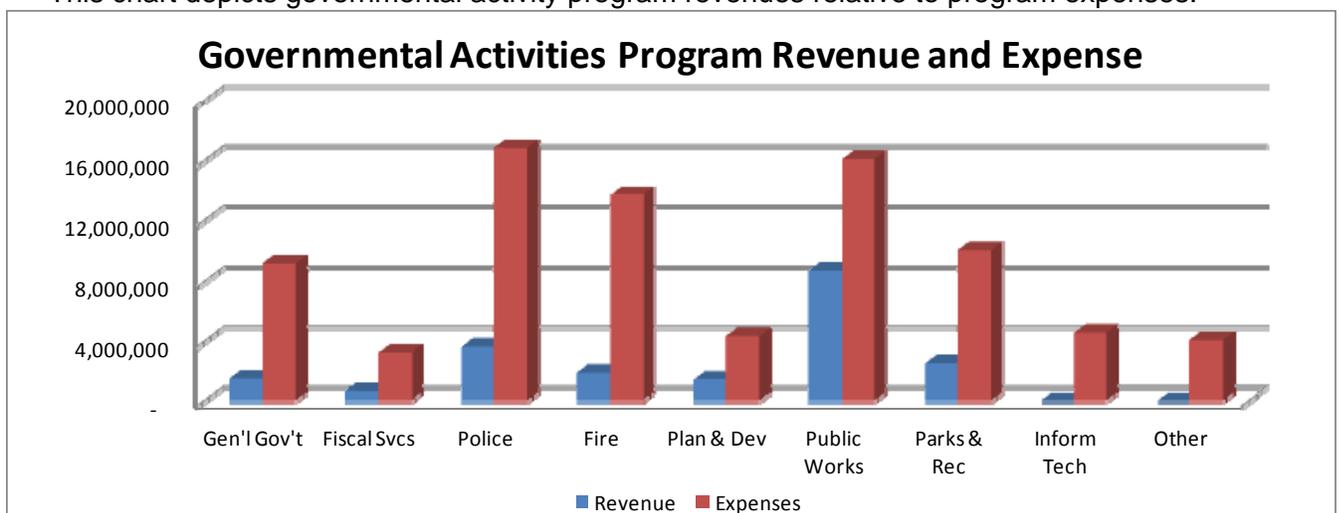
- Sales and mixed beverage taxes increased 7.4% over the prior year reflecting continued recovery in the local economy. All of the other governmental activity revenues increased 7.2 % over the prior year.
- Expenditures increased 1.5% over the prior year as a result of additional public safety funding in 2013.

The chart below illustrates the City’s governmental activities revenues by source:

Governmental Activities Revenue By Source
\$77,453,739



This chart depicts governmental activity program revenues relative to program expenses:

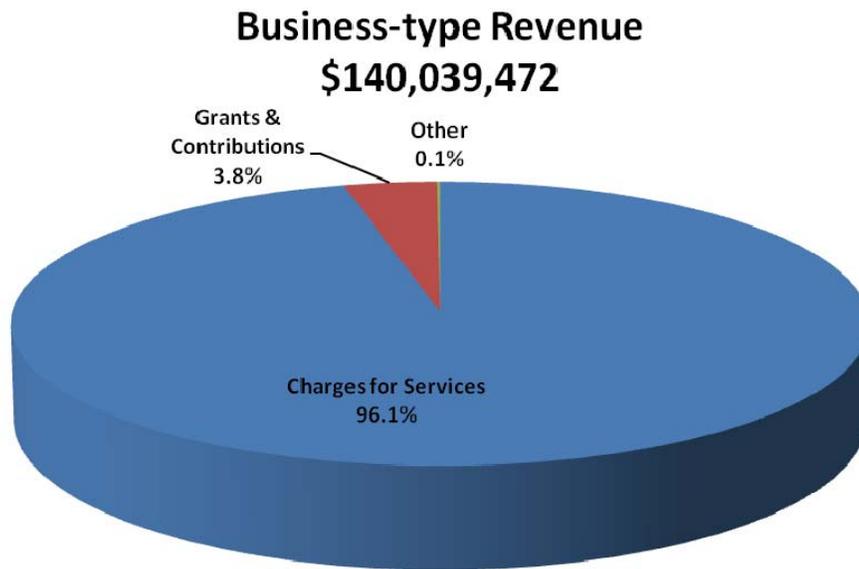


Management’s Discussion and Analysis
 For the Fiscal Year Ended September 30, 2013
 (Unaudited)

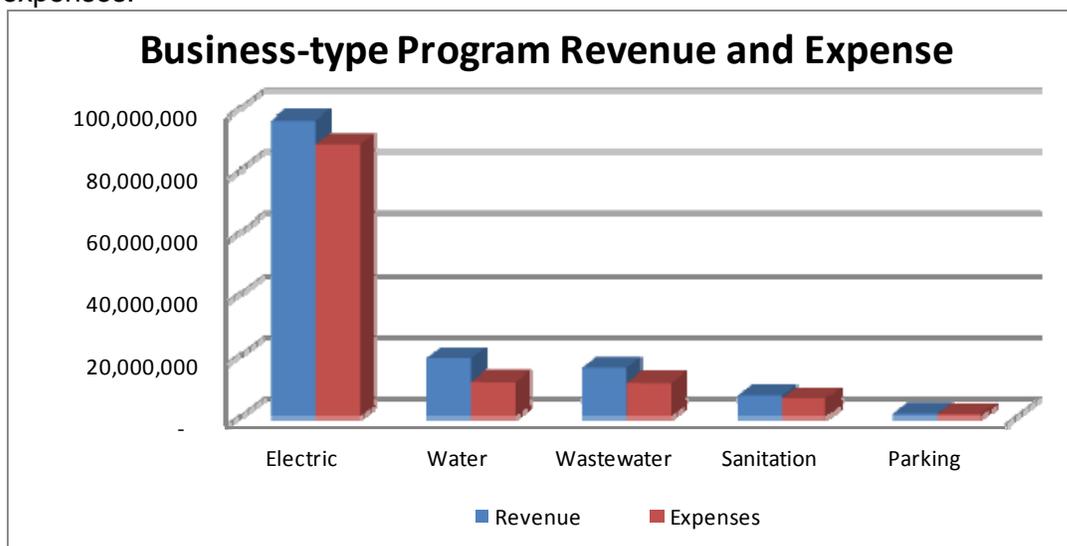
Business-type Activities: Business-type activities increased the City of College Station’s net position by \$9,172,887. Key elements of this increase are as follows:

- The net effect of the utility service charges and associated costs, \$3,827,711, were comparable to the prior year.
- Capital infrastructure contributions from various developments throughout the City contributed \$5,345,176 to the net position.

Revenues for the City’s business-type activities are presented in the following chart:



Another chart depicts business-type activity program revenues relative to program expenses:



Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2013

(Unaudited)

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The types of major 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 nonmajor funds.

At the end of the fiscal year 2013, the City's governmental funds reported combined ending fund balances of \$65,929,436. Approximately 22.2 percent (\$14,626,901) 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	\$ 6,727,238
Restricted	\$ 39,594,226
Committed	\$ 4,008,439
Assigned	\$ 972,632

A detailed breakdown of the fund balance can be found in Note IV. I. Components of Fund Balances.

Revenues for governmental functions totaled \$70,140,348 in fiscal year ended September 30, 2013, an increase of 1.3 percent or \$892,099 from the fiscal year ended September 30, 2012. Expenditures for governmental functions totaling \$88,444,236 decreased by approximately 3.4 percent or \$3,138,596 from the fiscal year ended September 30, 2012. Other financing sources and uses (net) was \$21,490,895. As a result, in fiscal year 2013, revenues for governmental functions exceeded expenditures by \$3,187,007.

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 \$14,626,901 while the total fund balance was \$15,925,532. 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 26.2 percent of fiscal year 2013 amended budgeted expenditures and exceeds the minimum requirement set by policy.

As a measure of fund's liquidity, it is useful to compare both unassigned and total fund balance to total fund actual expenditures. Unassigned fund balance represents 23.0 percent of total general fund expenditures, while total fund balance represents 25.1 percent of total general 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 decreased by \$567,162 during the current fiscal year due primarily to an increase in public safety expenditures for police and fire.

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2013

(Unaudited)

The Debt Service Fund ended the fiscal year with a fund balance of \$3,433,255. This entire amount is reserved for the payment of debt service. The net decrease in fund balance during the current fiscal year was \$369,188. This decrease is due to the refunding of bonds during fiscal year 2013 that will reduce future debt service needs. Revenues received during the year were enough to cover principal retirements and interest payments.

The Streets Projects Fund ended the fiscal year with a balance of \$13,537,316. This entire amount is reserved for encumbrances related to current capital projects and for future capital projects. The net increase in fund balance during the current fiscal year was \$1,422,394. This increase was attributable to bond proceeds that were issued during this fiscal year.

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 position of \$227,744,004. Of this amount, 16.2 percent (\$36,847,830) constitutes unrestricted net position. The remainder of net position for the proprietary funds, \$190,896,174, is reported as follows:

- Invested in capital assets, net related debt (\$189,315,182), and
- Restricted for debt service (\$1,580,992).

Operating revenues for proprietary activities totaled \$134,217,124 for the fiscal year, an increase of 0.7 percent or \$959,377 from the previous fiscal year. Operating expenses increased \$1,567,080 or 1.4 percent for the same period. Operating income was \$22,280,412 for the fiscal year. The proprietary funds reported net non-operating expenses of \$7,286,491 at the end of fiscal year 2013 as compared to net non-operating expenses of \$7,189,802 in the previous fiscal year. Also, the Proprietary Funds reported a prior period adjustment of \$731,597 (see Note IV.G) resulting in an overall increase of \$8,441,290 in net position for fiscal year 2013.

Electric Fund

At the end of the fiscal year, the unrestricted net position for the Electric Fund totaled \$5,657,640. 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, 2013, Electric Fund working capital equaled approximately 20.1 percent of annual operating expenses, as compared to 18.2 percent at September 30, 2012.

Electric Fund operating revenues decreased by 1.1 percent (\$1,066,321) during fiscal year 2013, while operating expenses increased 1.0 percent (\$870,587) during the same period. This resulted in operating income of \$10,293,678. The operating income when combined with the net non-operating expenses, net capital contributions and transfers, and prior period adjustment of \$301,740 (see Note IV.G) resulted in an increase in net position of \$1,138,013 in the Electric Fund during the fiscal year.

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2013

(Unaudited)

Water Fund

Unrestricted net position for the Water Fund at September 30, 2013 totaled \$7,369,987. Water Fund operating revenues increased by 3.7 percent (\$556,110) during fiscal year 2013. Operating expenses of \$8,997,123 increased 6.3 percent (\$535,584) over fiscal year 2012. This resulted in operating income of \$6,615,302. The operating income when combined with the net non-operating expenses, net capital contributions and transfers, and prior period adjustment (see Note IV.G) resulted in an increase in net position of \$4,639,068 in the Water Fund during the fiscal year.

Wastewater Fund

The Wastewater Fund's unrestricted net position at the end of the fiscal year 2013 totaled \$6,518,072. The Wastewater Fund ended the fiscal year with a working capital balance of \$5,447,174 which was 43.7 percent lower than fiscal year 2012.

Operating revenues in Wastewater Fund were \$14,412,025 or \$1,185,664 (9.0 percent) increase over the previous fiscal year. Operating expenses increased from \$9,550,503 to \$9,867,309 or 3.3 percent while operating income increased by 23.6 percent from \$3,675,858 to \$4,544,716. The operating income when combined with the net non-operating expenses, net capital contributions and transfers, and prior period adjustment (see Note IV.G) resulted in an increase in net position of \$2,011,036 in the Wastewater Fund during the fiscal year.

Budgetary Highlights

The final amended budget for fiscal year 2013 totaled \$258,401,586 for all funds. Of this amount \$216,877,859 (83.9 percent) was budgeted for operations and maintenance expenditures and \$41,523,727 (16.1 percent) was budgeted for capital improvement projects.

In the General Fund the final amended budget showed a decrease in fund balance of \$4,815,633. The actual change in fund balance was a decrease of \$567,162. The following are some of the key factors in the change in fund balance:

- Revenues were higher than the estimate due to modest increases in sales tax revenues.
- Expenditures were overall lower due to reduced spending during the fiscal year.

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:

- Good Governance
- Financially Sustainable City
- Providing Core Services and Infrastructure
- Neighborhood Integrity
- Diverse Growing Economy
- Improving Mobility
- Sustainable City

Budget resources were included in the fiscal year 2013 to address these priorities.

Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2013
 (Unaudited)

CAPITAL ASSETS

The City of College Station's investment in capital assets for its governmental and business-type activities as of September 30, 2013 amounted to \$561,570,032 (net of accumulated depreciation). This investment in capital assets includes land, utility systems, building 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	\$ 43,050,894	\$ 690,750	\$ 43,741,644
Utility systems	-	275,448,443	275,448,443
Buildings and building improvements	30,824,561	4,050,026	34,874,587
Improvements other than buildings	20,350,656	-	20,350,656
Machinery and equipment	11,877,226	2,342,863	14,220,089
Infrastructure	125,791,042	-	125,791,042
Construction in progress	10,151,816	36,991,755	47,143,571
	<u>\$242,046,195</u>	<u>\$ 319,523,837</u>	<u>\$561,570,032</u>

Major capital projects completed by the City during the 2013 fiscal year include the following:

- Fire Station #6
- Electric – Underground duct system along Health Science Center Parkway
- Electric – Overhead feeder extension along Wallace Phillips Parkway and Greens Prairie Road
- Electric – Street light installations: Wellborn Road
- Traffic Signal at Harvey and Copperfield
- Wolf Pen Creek Festival Site
- Barron Road Widening Phase II
- University Drive Sidewalks
- College Main Rehabilitation
- Plantation Oaks Water Line
- South Knoll/The Glade Water and Wastewater Rehabilitation

Additional information on the City's capital assets can be found in Note IV.C to the financial statements.

Debt Administration

At the end of the 2013 fiscal year, the City of College Station had total debt outstanding of \$241,890,000. Of this amount, \$207,125,000 (85.6 percent) is comprised of debt backed by the full faith and credit of the City. Certificates of Obligation that fund business-type activities in the

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2013

(Unaudited)

Electric, Water, Wastewater and Northgate Parking Garage Funds are also backed by the surplus of revenue derived from each enterprise funds revenue source. The remaining debt \$34,765,000 (14.4 percent), is revenue bonds secured by specified revenue sources from the City's combined utility system.

Year-End Outstanding Debt Payable

	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 79,710,000	\$ 39,230,000	\$ 118,940,000
Certificates of Obligation	17,160,000	71,025,000	88,185,000
Revenue Bonds	-	34,765,000	34,765,000
	<u>\$ 96,870,000</u>	<u>\$ 145,020,000</u>	<u>\$ 241,890,000</u>

The City's total debt increased by \$355,000 (0.2 percent) during the current fiscal year. The change in total debt was a result of the following:

- Issuance of \$20,760,000 general obligation improvement bonds and refunding bonds.
- Refunding of \$12,640,000 general obligation improvement bonds, certificates of obligation, and utility revenue bonds.
- Issuance of \$10,230,000 in certificates of obligation, which funded business-type activities.
- Retirement of \$14,440,000 in general obligation improvement bonds and certificates of obligation, and the retirement of \$3,555,000 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 Aa2 by Moody's.

Additional information on the City's long-term debt can be found in Note IV.H to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic conditions were more positive than they have been in several years. Sales tax revenues growth has been stronger in the past year, and property values have increased as well. Growth has continued in the northern part of the City with construction taking place along the University Drive Corridor area. This includes the completion of a number of multi-family complexes and mixed use projects in the Northgate area, and ongoing construction of these projects. There also continues to be activity in the BioCorridor area. Growth also continues in the southern part of the City with the progress of new and expanded medical facilities including the opening of the Scott & White Hospital and associated medical building on Rock Prairie Road. There also continues to be retail development in the Tower Point area and other areas of the City. Two new Tax Reinvestment Zones have been established in the medical district area to help facilitate development in the district. Texas A&M University also continues to see significant growth and development. This includes the current redevelopment of Kyle Field, along with other initiatives including the long term increase in engineering students that has been announced.

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2013

(Unaudited)

The following are some key fiscal and economic indicators for College Station including:

- The total certified value of property in the City of College Station for 2013 is \$5,944,312,987. This is an increase over last year of 3.6%. This increase was due in part to new property values from new construction of \$197,336,049 added to the tax rolls. Existing property values increased by approximately 1.5% in 2013.
- Since 2009 taxable values have increased from approximately \$3.3 billion to approximately \$6.2 billion currently.
- Through August 2013 the local unemployment rate was 5.6%. This is below the state average of 6.3% and the national average of 7.3%.
- Sales and mixed drink beverage tax revenue, the largest revenue stream in the General Fund saw a healthy increase of 7.4% in fiscal year 2013.

Preparation of the fiscal year 2014 budget was again a challenging budget to prepare, but it reflects the policy and strategic direction of this City Council. The budget was prepared in a conservative manner, given the reductions and efficiency improvements over the last several years. One of the considerations made when deciding whether to add or increase a service to the budget was whether the item had been reduced in the last year or two. The budget was prepared to give a new City Manager as much flexibility as possible in the implementation of Council policy direction, while still addressing the ability to provide key services to the citizens and visitors of College Station.

Organizational Changes and Streamlining

From FY09 through FY13, significant organization restructuring was implemented that led to budget reductions each year and elimination of a number of positions. These reductions provided resources that were utilized for public safety priorities during this time. There are additional changes being implemented in FY14, the result of continued review of the organization's structure and services provided.

The organizational changes in fiscal year 2014 include the elimination of 6.5 budgeted Full-Time Equivalent (FTE) positions. Within the Parks and Recreation Department, the 3 positions responsible for the operations of the Conference Center were eliminated with the only impact on the FY14 budget being the FTE count. A part-time Community Development Project Specialist was included for FY13 only, and was removed in FY14. Also, as part of the City's continuing review of processes and cost savings, 3 positions were removed from the Cemetery operations, with the functions being outsourced with a current landscape service provider resulting in a net budget reduction of \$52,217. All positions eliminated for fiscal year 2014 were vacant.

Selected Increased Service Levels

The following are some significant increases in service levels in the fiscal year 2014 budget.

Core Services and Infrastructure – Police Department – To address the growth of the community the approved budget for the Police Department includes 4 new positions. These include an additional School Resource Officer, a Patrol Sergeant, a Crime Scene Technician and a Detention Officer.

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2013

(Unaudited)

Core Services and Infrastructure – Fire Department – The opening of Fire Station #6 in recent years resulted in the growth of an additional 18 positions. The approved budget for the Fire Department includes an additional position for the start of a Safety Officer program. The Safety Officer program will help to ensure the Fire Department personnel are kept as safe as possible.

Core Services and Infrastructure - Public Works - Funds are approved in the Public Works budget for additional street rehabilitation, the replacement of facility roofs and building repairs that may be identified as part of the facility assessment review. The budget also includes an additional Facilities Maintenance Technician, and one Traffic Engineer position to assist the Traffic Division.

Core Services and Infrastructure – Parks and Recreation – Funds are included in the Parks and Recreation budget for the improvement in various Park facilities including: court resurfacing, playground equipment replacement and resurfacing, replacement of various park amenities, and repairs to pavilion facilities.

Neighborhood Integrity – Planning and Development Services - Funds are included in the budget for implementation of a portion of some of the neighborhood plans, as well as for the 5-year review of the comprehensive plan. In addition, a development of an Americans with Disabilities Act (ADA) transition plan and one part-time non-benefitted Code Enforcement Officer position was approved.

Tax Rate

The fiscal year 2014 budget was prepared using the effective tax rate of 42.5958 cents per \$100 assessed valuation. This is a net decrease of 0.4729 cents from the fiscal year 2013 tax rate of 43.0687 cents. The fiscal year 2014 approved tax rate reduces the Debt Service portion of the tax rate by 0.2582, and reduces the General Fund portion of the tax rate by 0.2147 cents.

Utility Rates

The fiscal year 2014 budget does not include a rate increase in the Electric Fund, Water Fund, Wastewater Fund, Drainage Fund or residential sanitation rates. The budget includes a 15 percent rate increase in commercial rates in the Sanitation Fund. This rate increase is needed to provide the resources needed to provide Sanitation services to commercial customers. This is the first increase in commercial sanitation rates since 2006.

Capital Improvements

The fiscal year 2014 budget for capital improvements total \$39,639,259. The City anticipates that capital project expenditures for general government, special revenue and utility capital projects will be significant. Infrastructure rehabilitation and improvement projects are also scheduled for fiscal year 2014. Projects underway include a number of street projects from 2008 bond authorizations, such as street rehabilitation and extension projects, facility projects and park projects. Some of the more significant upcoming capital projects are as follows:

- Cooner Street Rehabilitation
- Rock Prairie Road East Rehabilitation from Stonebrook Drive to W.D. Fitch Parkway
- Luther Street Rehabilitation
- Munson Street Rehabilitation
- Barron Road East

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2013

(Unaudited)

- University Drive Pedestrian Improvements
- Rock Prairie Road West Widening
- Lincoln Center Addition
- Library Expansion
- Eastgate Water and Wastewater Rehabilitation
- East Side FM 158 Sewer Line Project
- Royder/Live Oak Sewer Line Project
- Overhead Feeder up Wallace Phillips Parkway to Hwy 40
- Underground Feed from Northgate Substation to Church Street
- Second Transformer at Dowling Road Substation

The City plans to issue \$7,415,000 in general obligation bonds from the 2008 authorization for the following: \$4,100,000 for street and transportation improvements, \$350,000 for traffic signals, \$2,715,000 for parks and recreation projects and \$250,000 for facility projects. The City also plans to issue \$6,984,500 in certificates of obligations for the following: \$4,330,000 for street and transportation improvements, and \$2,654,500 for technology projects. The City also plans to issue \$18,025,000 in long term debt for the following utility projects: \$5,150,000 for electric capital projects, \$5,525,000 for water capital projects and \$7,350,000 for wastewater capital projects. In addition, a total of \$6,850,000 in cash for the utility funds is projected to be used for capital projects in fiscal year 2014.

REQUEST 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: Assistant City Manager
PO Box 9960
College Station, Texas 77840-9960
Or visit our website at <http://www.cstx.gov/cafr>

CITY OF COLLEGE STATION, TEXAS

Statement of Net Position

September 30, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 73,453,563	\$ 35,319,084	\$ 108,772,647
Investments	9,620,245	4,666,293	14,286,538
Receivable (net of allow for uncollectible)	6,676,824	19,334,337	26,011,161
Inventories	6,803,514	1,857,187	8,660,701
Internal balance	(4,188,584)	4,188,584	-
Prepays	20,334	-	20,334
Restricted assets			
Cash and cash equivalents	11,214	5,085,306	5,096,520
Equity in investments	1,482	671,861	673,343
Equity in joint venture	-	12,618,120	12,618,120
Loan receivable	-	4,330,000	4,330,000
Capital assets (net of accum depreciation)			
Land and construction in progress	53,202,710	37,682,505	90,885,215
Other capital assets (net accum depreciation)	188,843,485	281,841,332	470,684,817
Total assets	<u>334,444,787</u>	<u>407,594,609</u>	<u>742,039,396</u>
Deferred outflows of resources			
Deferred charge on refunding	1,430,043	1,733,009	3,163,052
Total deferred outflows of resources	<u>1,430,043</u>	<u>1,733,009</u>	<u>3,163,052</u>
Liabilities and fund balances			
Accounts payable	4,906,326	22,495,389	27,401,715
Accrued liabilities	1,222,006	516,762	1,738,768
Retainage payable	211,054	729,180	940,234
Customer construction advances	729,211	11,121	740,332
Claims payable	1,641,547	-	1,641,547
Unearned revenues	844,594	85,508	930,102
Compensated absences - current	199,556	45,411	244,967
Accrued interest payable	493,056	840,182	1,333,238
Refundable deposits	463,589	3,414,960	3,878,549
Current portion of long-term	8,955,366	11,006,957	19,962,323
Bonds and certificate of obligation payable	90,957,755	138,857,271	229,815,026
Compensated absences - long-term	2,447,572	556,966	3,004,538
Post employment benefits	6,296,011	1,617,702	7,913,713
Net pension obligation	5,576,114	1,406,205	6,982,319
Total liabilities	<u>124,943,757</u>	<u>181,583,614</u>	<u>306,527,371</u>
Net position			
Net investment in capital assets	153,214,549	189,315,182	342,529,731
Restricted for:			
Debt service	5,953,242	1,580,992	7,534,234
Public safety	897,366	-	897,366
Community development	1,617,691	-	1,617,691
Tourism	6,479,599	-	6,479,599
Capital projects	1,537,376	-	1,537,376
Other purposes	266,572	-	266,572
Unrestricted	40,964,678	36,847,830	77,812,508
Total net position	<u>\$ 210,931,073</u>	<u>\$ 227,744,004</u>	<u>\$ 438,675,077</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, 2013

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 9,167,476	\$ 247,218	\$ 1,346,077	\$ -	\$ (7,574,181)	\$ -	\$ (7,574,181)
Fiscal services	3,263,269	666,103	-	-	(2,597,166)	-	(2,597,166)
Police	16,831,233	3,492,692	158,272	-	(13,180,269)	-	(13,180,269)
Fire	13,748,434	1,706,923	242,038	-	(11,799,473)	-	(11,799,473)
Planning & development svcs	4,334,608	1,493,021	-	-	(2,841,587)	-	(2,841,587)
Public works	15,371,773	2,489,828	-	6,221,566	(6,660,379)	-	(6,660,379)
Capital improvement program	733,974	-	-	-	(733,974)	-	(733,974)
Parks & recreation	8,983,919	1,773,554	7,583	794,883	(6,407,899)	-	(6,407,899)
Library	1,064,293	-	-	-	(1,064,293)	-	(1,064,293)
Information technology	4,565,385	-	-	-	(4,565,385)	-	(4,565,385)
Interest on long-term debt	2,949,240	-	-	-	(2,949,240)	-	(2,949,240)
Unallocated depreciation	1,146,119	-	-	-	(1,146,119)	-	(1,146,119)
Total governmental activities	<u>82,159,723</u>	<u>11,869,339</u>	<u>1,753,970</u>	<u>7,016,449</u>	<u>(61,519,965)</u>	<u>-</u>	<u>(61,519,965)</u>
Business-type activities:							
Electric	88,438,115	95,737,007	-	546,231	-	7,845,123	7,845,123
Water	11,662,862	15,775,334	-	3,392,208	-	7,504,680	7,504,680
Wastewater	11,370,918	14,566,975	-	1,379,638	-	4,575,695	4,575,695
Sanitation	6,301,053	7,205,029	982	27,099	-	932,057	932,057
Northgate parking	1,053,839	1,234,799	-	-	-	180,960	180,960
Total business-type activities	<u>118,826,787</u>	<u>134,519,144</u>	<u>982</u>	<u>5,345,176</u>	<u>-</u>	<u>21,038,515</u>	<u>21,038,515</u>
Total primary government	<u>\$ 200,986,510</u>	<u>\$ 146,388,483</u>	<u>\$ 1,754,952</u>	<u>\$ 12,361,625</u>	<u>(61,519,965)</u>	<u>21,038,515</u>	<u>(40,481,450)</u>
General revenue:							
Property taxes					26,451,943	-	26,451,943
Sales and mixed beverage taxes					23,506,772	-	23,506,772
Franchise taxes					2,209,091	-	2,209,091
Hotel occupancy taxes					4,393,867	-	4,393,867
Unrestricted investment earnings					252,308	174,170	426,478
Transfers					<u>12,039,798</u>	<u>(12,039,798)</u>	<u>-</u>
Total general revenues and transfers					<u>68,853,779</u>	<u>(11,865,628)</u>	<u>56,988,151</u>
Change in net position					7,333,814	9,172,887	16,506,701
Net position - beginning					<u>202,547,398</u>	<u>219,302,714</u>	<u>421,850,112</u>
Prior period adjustment					<u>1,049,861</u>	<u>(731,597)</u>	<u>318,264</u>
Net position - ending					<u>\$ 210,931,073</u>	<u>\$ 227,744,004</u>	<u>\$ 438,675,077</u>

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

CITY OF COLLEGE STATION, TEXAS

Balance Sheet

Governmental Funds

September 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Street Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Current assets					
Cash and cash equivalents	\$ 15,597,312	\$ 3,032,594	\$ 13,461,458	\$ 22,512,031	\$ 54,603,395
Equity in investments	2,060,689	400,661	1,778,503	2,889,943	7,129,796
Receivable (net of allow for uncollectible)	4,009,810	464,268	373,512	1,885,387	6,732,977
Inventories	39,092	-	-	6,667,812	6,706,904
Prepaid costs	20,334	-	-	-	20,334
Restricted assets					
Cash and cash equivalents	12,696	-	-	-	12,696
Total assets	<u>\$ 21,739,933</u>	<u>\$ 3,897,523</u>	<u>\$ 15,613,473</u>	<u>\$ 33,955,173</u>	<u>\$ 75,206,102</u>
Liabilities					
Accounts payable	\$ 2,340,393	\$ -	\$ 1,580,490	\$ 518,607	\$ 4,439,490
Accrued liabilities	1,128,999	-	-	42,887	1,171,886
Unearned revenue-other	844,595	-	-	-	844,595
Interfund payable	240,000	-	-	-	240,000
Refundable deposits	81,498	-	373,512	8,579	463,589
Retainage payable	6,169	-	120,705	84,180	211,054
Customer construction advances	727,761	-	1,450	-	729,211
Total liabilities	<u>5,369,415</u>	<u>-</u>	<u>2,076,157</u>	<u>654,253</u>	<u>8,099,825</u>
Deferred inflows of resources					
Unavailable revenue-loans receivable	-	-	-	223,962	223,962
Unavailable revenue-property taxes	444,986	464,268	-	-	909,254
Unavailable revenue-other	-	-	-	43,625	43,625
Total deferred inflows of resources	<u>444,986</u>	<u>464,268</u>	<u>-</u>	<u>267,587</u>	<u>1,176,841</u>
Fund balances					
Nonspendable	59,426	-	-	6,667,812	6,727,238
Restricted	266,573	3,433,255	13,537,316	22,357,082	39,594,226
Committed	-	-	-	4,008,439	4,008,439
Assigned	972,632	-	-	-	972,632
Unassigned	14,626,901	-	-	-	14,626,901
Total fund balances	<u>15,925,532</u>	<u>3,433,255</u>	<u>13,537,316</u>	<u>33,033,333</u>	<u>65,929,436</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,739,933</u>	<u>\$ 3,897,523</u>	<u>\$ 15,613,473</u>	<u>\$ 33,955,173</u>	<u>\$ 75,206,102</u>

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

CITY OF COLLEGE STATION, TEXAS
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 September 30, 2013

Total fund balance per balance sheet:		\$	65,929,436
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources, therefore are not reported in the governmental funds balance sheet			242,046,195
Debt refundings resulting in a defeasance of debt - the difference between the reacquisition price and the net carrying amount of the old debt - should be deferred and amortized			1,430,043
Long-term liabilities are not due and payable in the current period, therefore are not reported in the governmental funds balance sheet.			
Due within one year	(9,146,103)		
Due in more than one year	<u>(104,554,846)</u>		(113,700,949)
Interest payable on long-term debt does not require current financial resources and is not reported in the governmental funds balance sheet.			(493,056)
Allowance for potentially forgiven loans receivable			(85,016)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds			1,176,841
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 position (net of the amount allocated to business-type activities).			
Assets	29,601,377		
Capital Assets	(8,135,286)		
Liabilities	(2,889,928)		
Net amount allocated to business-type activities	<u>(3,948,584)</u>		14,627,579
Net position of governmental activities		<u>\$</u>	<u>210,931,073</u>

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, 2013

	General	Debt Service	Street Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Ad valorem taxes	\$ 13,938,602	\$ 11,604,087	\$ -	\$ -	\$ 25,542,689
Sales taxes	23,064,035	-	-	-	23,064,035
Mixed drink and franchise	2,651,828	-	-	4,393,867	7,045,695
Licenses and permits	1,238,967	-	-	1,333	1,240,300
Intergovernmental	469,783	-	111,604	1,168,418	1,749,805
Charges for services	97,711	-	5,022	3,307,856	3,410,589
Other charges for services	2,507,808	-	-	-	2,507,808
Fines, forfeits, and penalties	3,252,418	-	-	209,779	3,462,197
Investment income	88,198	22,183	49,307	92,620	252,308
Rents and royalties	650,407	-	-	102,994	753,401
Contributions	56,990	-	-	742,058	799,048
Other	212,349	-	-	100,124	312,473
Total revenues	48,229,096	11,626,270	165,933	10,119,049	70,140,348
Expenditures					
Current					
General government	3,825,760	-	-	-	3,825,760
Fiscal services	2,970,342	-	1,965	232,897	3,205,204
Police	16,515,820	-	-	34,291	16,550,111
Fire	13,297,527	-	-	-	13,297,527
Planning and development services	3,505,029	-	-	763,825	4,268,854
Public works	6,519,248	-	-	878,694	7,397,942
Capital improvement projects	733,974	-	-	-	733,974
Parks & recreation	4,463,535	-	-	3,420,369	7,883,904
Information technology	4,271,209	-	-	-	4,271,209
Library	994,476	-	-	-	994,476
Contributions	1,086,012	-	-	1,714,147	2,800,159
Other	1,300,627	-	300,000	363,529	1,964,156
Capital outlay	-	-	4,908,063	3,894,656	8,802,719
Debt service					
Principal retirement	-	8,245,000	-	-	8,245,000
Interest payments	-	3,747,520	-	-	3,747,520
Debt issuance costs	-	154,660	-	-	154,660
Intergovernmental	-	-	301,061	-	301,061
Total expenditures	59,483,559	12,147,180	5,511,089	11,302,408	88,444,236
Excess (deficit) of revenues over (under) expenditures	(11,254,463)	(520,910)	(5,345,156)	(1,183,359)	(18,303,888)
Other financing sources (uses)					
Issuance of bonds	-	-	6,525,000	2,725,000	9,250,000
Issuance of refunding bonds	-	5,255,000	-	-	5,255,000
Premium on bonds issued	-	951,174	-	-	951,174
Payment to refunded bond escrow agent	-	(6,054,452)	-	-	(6,054,452)
Transfers In	14,664,450	-	930,262	3,034,759	18,629,471
Transfers out	(3,977,149)	-	(687,712)	(1,875,437)	(6,540,298)
Total other financing sources (uses)	10,687,301	151,722	6,767,550	3,884,322	21,490,895
Net change in fund balance	(567,162)	(369,188)	1,422,394	2,700,963	3,187,007
Fund balances, October 1	16,492,694	3,802,443	12,114,922	30,332,370	62,742,429
Fund balances, September 30	<u>\$ 15,925,532</u>	<u>\$ 3,433,255</u>	<u>\$ 13,537,316</u>	<u>\$ 33,033,333</u>	<u>\$ 65,929,436</u>

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, 2013

Net change in fund balance - total governmental funds		\$ 3,187,007
Amounts reported for governmental activities in the statement of activities differ as a result of the following:		
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.		9,684,235
Governmental funds do not recognize the total amount of revenue recognized in the government-wide statement of activities related to the sale of redevelopment home properties.		138,946
The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade ins, and capital contributions) is to increase/decrease net assets.		6,221,566
Some property tax and loan revenues will not be collected for several months after the the City's fiscal year end. These are not considered "available" revenues in the governmental funds until received.		1,422,536
Amortization of interest as the result of debt refundings is reported in the government-wide statement of activities but does not require the use of current financial resources. Therefore, amortized interest expense is not reported as an expenditure in governmental funds.		(176,985)
Depreciation expense on capital assets is reported in the government-wide statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(12,251,408)
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 position. 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	(14,505,000)	
Bond principal retirement	8,245,000	
Payment to refunded bond escrow agent	<u>6,054,452</u>	(205,548)
Bond premiums are recognized as an other financing source in the governmental funds, but are combined with the bond liabilities on the statement of net position. Premiums are amortized over the life of the bonds. This is the amount by which bond premium issued, and bond refunding losses exceeded amortization.		(714,236)
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.		
Compensated absences	(249,132)	
Net pension obligation	(934,208)	
Other post retirement benefits	<u>(899,906)</u>	(2,083,246)
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.		
Change in net position	2,984,533	
Net amount allocated to business activities	<u>(873,586)</u>	2,110,947
Change in net position of governmental activities		<u><u>\$ 7,333,814</u></u>

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

CITY OF COLLEGE STATION, TEXAS
 Statement of Net Position
 Proprietary Funds
 September 30, 2013

	Business-type Activities-Enterprise Funds					
	Electric	Water	Wastewater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets						
Current assets						
Cash and cash equivalents	\$ 22,286,461	\$ 5,291,468	\$ 6,819,045	\$ 922,110	\$ 35,319,084	\$ 18,850,168
Investments	2,944,447	699,099	900,920	121,827	4,666,293	2,490,449
Restricted assets						
Cash and cash equivalents	3,747,656	330,577	1,007,073	-	5,085,306	-
Investments	495,133	43,675	133,053	-	671,861	-
Receivable (net of allow for uncollectible)	13,611,674	3,237,798	1,675,717	809,148	19,334,337	28,864
Due from other funds	40,000	40,000	40,000	-	120,000	-
Inventories	1,429,479	380,049	32,619	15,040	1,857,187	96,610
Total current assets	44,554,850	10,022,666	10,608,427	1,868,125	67,054,068	21,466,091
Noncurrent assets						
Advance to other funds	40,000	40,000	40,000	-	120,000	-
Equity in joint venture	-	-	-	12,618,120	12,618,120	-
Loan receivable	-	-	-	4,330,000	4,330,000	-
Capital assets						
Utility plant	162,535,495	160,106,661	123,876,162	-	446,518,318	654,518
Buildings	-	-	-	5,743,755	5,743,755	786,525
Machinery and equipment	-	-	-	5,590,795	5,590,795	23,248,806
Less accumulated depreciation	(77,798,998)	(47,560,123)	(45,710,754)	(4,941,661)	(176,011,536)	(16,554,563)
Construction in progress	13,914,713	11,564,616	11,503,026	9,400	36,991,755	-
Land	-	-	-	690,750	690,750	-
Total capital assets	98,651,210	124,111,154	89,668,434	7,093,039	319,523,837	8,135,286
Total noncurrent assets	98,691,210	124,151,154	89,708,434	24,041,159	336,591,957	8,135,286
Total assets	143,246,060	134,173,820	100,316,861	25,909,284	403,646,025	29,601,377
Deferred outflows of resources						
Deferred charge on refunding	550,145	653,320	462,478	67,066	1,733,009	-
Total deferred outflows of resources	550,145	653,320	462,478	67,066	1,733,009	-
Liabilities						
Current liabilities						
Accounts payable	19,960,983	936,313	1,240,452	357,641	22,495,389	466,836
Accrued liabilities	312,506	40,355	60,325	103,576	516,762	50,120
Compensated absences	19,611	7,082	11,117	7,601	45,411	8,819
Retainage payable	128,666	239,719	360,795	-	729,180	-
Claims payable	-	-	-	-	-	1,641,547
Customer construction advances	-	-	11,121	-	11,121	-
Unearned revenue	-	-	-	85,508	85,508	-
Payable from restricted assets						
Accrued interest payable	323,210	269,972	222,081	24,919	840,182	-
Refundable deposits	3,037,511	364,280	8,969	4,200	3,414,960	-
General obligation bonds (net)	1,074,267	1,205,910	1,690,972	398,174	4,369,323	-
Certificates of obligation (net)	1,659,069	707,542	505,840	230,000	3,102,451	-
Revenue bonds (net)	1,006,767	1,478,835	1,049,581	-	3,535,183	-
Total current liabilities	27,522,590	5,250,008	5,161,253	1,211,619	39,145,470	2,167,322
Noncurrent liabilities						
General obligation bonds (net)	11,060,893	13,845,505	11,905,066	1,920,870	38,732,334	-
Certificates of obligation (net)	37,711,225	14,460,834	12,402,329	4,100,000	68,674,388	-
Revenue bonds (net)	8,857,362	14,304,357	8,288,830	-	31,450,549	-
Compensated absences	240,533	86,855	136,348	93,230	556,966	108,170
Post employment benefits	715,444	242,230	380,538	279,490	1,617,702	328,550
Net pension obligation	621,249	210,307	331,050	243,599	1,406,205	285,886
Total noncurrent liabilities	59,206,706	43,150,088	33,444,161	6,637,189	142,438,144	722,606
Total liabilities	86,729,296	48,400,096	38,605,414	7,848,808	181,583,614	2,889,928
Net position						
Net investment in capital assets	50,973,336	78,491,519	55,076,332	4,773,995	189,315,182	8,135,286
Restricted for:						
Debt service	435,933	565,538	579,521	-	1,580,992	-
Unrestricted	5,657,640	7,369,987	6,518,072	13,353,547	32,899,246	18,576,163
Total net position	\$ 57,066,909	\$ 86,427,044	\$ 62,173,925	\$ 18,127,542	\$ 223,795,420	\$ 26,711,449
Adjustment to reflect the consolidation of internal services fund activities related to enterprise funds:					3,948,584	
Net position of business-type activities:					<u>\$ 227,744,004</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 Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds				Governmental Activities	
	Electric	Water	Wastewater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues						
Charges for services	\$ 92,892,541	\$ 14,849,299	\$ 14,168,809	\$ 8,614,272	\$ 130,524,921	\$ 6,783,604
Premiums	-	-	-	-	-	10,528,888
Other	2,664,368	763,126	243,216	21,493	3,692,203	341,915
Total operating revenues	<u>95,556,909</u>	<u>15,612,425</u>	<u>14,412,025</u>	<u>8,635,765</u>	<u>134,217,124</u>	<u>17,654,407</u>
Operating expenses						
Electric operations	79,338,595	-	-	-	79,338,595	-
Salaries and benefits	-	1,952,617	3,107,689	2,498,486	7,558,792	2,487,689
Supplies	-	654,507	715,580	637,606	2,007,693	922,533
Maintenance	-	93,315	138,780	491,386	723,481	37,759
Purchased professional services	-	240,955	181,230	797,790	1,219,975	220,525
Other purchased services	-	1,578,315	1,423,352	2,599,940	5,601,607	768,583
Claims	-	-	-	-	-	6,427,666
Administration fee	-	-	-	-	-	516,742
Contributions	-	-	-	-	-	539,530
Premiums	-	-	-	-	-	1,362,570
Depreciation	5,127,808	4,247,778	4,232,206	753,975	14,361,767	1,710,288
Other	796,828	229,636	68,472	29,866	1,124,802	55,877
Total operating expenses	<u>85,263,231</u>	<u>8,997,123</u>	<u>9,867,309</u>	<u>7,809,049</u>	<u>111,936,712</u>	<u>15,049,762</u>
Operating income	<u>10,293,678</u>	<u>6,615,302</u>	<u>4,544,716</u>	<u>826,716</u>	<u>22,280,412</u>	<u>2,604,645</u>
Nonoperating revenues (expenses)						
Investment income	90,415	36,111	43,536	4,108	174,170	79,813
Gain (loss) on disposal of assets	(10,342)	(1)	(12,282)	(219,565)	(242,190)	242,954
Earnings in joint venture	-	-	-	404,724	404,724	-
Intergovernmental	-	-	-	982	982	-
Principal retirement	-	-	-	-	-	-
Interest expense	(2,293,664)	(2,076,900)	(1,516,610)	(85,562)	(5,972,736)	-
Debt issuance costs	(2,973)	(2,317)	(2,175)	(235)	(7,700)	-
Other, net	(922,778)	(538,018)	(3,280)	(179,665)	(1,643,741)	(44,852)
Total nonoperating revenues (expenses)	<u>(3,139,342)</u>	<u>(2,581,125)</u>	<u>(1,490,811)</u>	<u>(75,213)</u>	<u>(7,286,491)</u>	<u>277,915</u>
Income before capital contributions and transfers	<u>7,154,336</u>	<u>4,034,177</u>	<u>3,053,905</u>	<u>751,503</u>	<u>14,993,921</u>	<u>2,882,560</u>
Capital contributions and transfers						
Capital contributions	546,231	3,392,208	1,379,638	27,099	5,345,176	151,348
Transfers in	721,980	19,185	30,815	227,252	999,232	288,570
Transfers out	(6,982,794)	(2,517,294)	(2,255,782)	(1,283,160)	(13,039,030)	(337,945)
Total capital contributions and transfers	<u>(5,714,583)</u>	<u>894,099</u>	<u>(845,329)</u>	<u>(1,028,809)</u>	<u>(6,694,622)</u>	<u>101,973</u>
Change in net position	1,439,753	4,928,276	2,208,576	(277,306)	8,299,299	2,984,533
Beginning net position	<u>55,928,896</u>	<u>81,787,976</u>	<u>60,162,889</u>	<u>18,347,956</u>		<u>23,726,916</u>
Prior period adjustment	<u>(301,740)</u>	<u>(289,208)</u>	<u>(197,540)</u>	<u>56,891</u>	<u>(731,597)</u>	
Ending net position	<u>\$ 57,066,909</u>	<u>\$ 86,427,044</u>	<u>\$ 62,173,925</u>	<u>\$ 18,127,541</u>		<u>\$ 26,711,449</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					873,588	
Change in net position of business-type activities:					<u>\$ 8,441,290</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, 2013

	Business-type Activities - Enterprise Funds					Governmental
	Electric	Water	Wastewater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:						
Cash received from customers	\$ 95,858,049	\$ 15,108,054	\$ 14,558,767	\$ 8,753,922	\$ 134,278,792	\$ 17,666,879
Cash payments to suppliers for goods and services	(69,915,940)	(2,538,664)	(1,554,612)	(4,494,871)	(78,504,087)	(10,922,041)
Cash payments to employees for services	(5,372,675)	(1,843,315)	(2,954,166)	(2,381,684)	(12,551,840)	(2,367,337)
Customer deposits received	534,562	(3,546)	4,377	-	535,393	-
Cash paid for miscellaneous services	(781,415)	(405,350)	-	(181,987)	(1,368,752)	(6,347)
Cash received for miscellaneous revenues	-	-	163,412	982	164,394	(38,505)
Net cash provided (used) by operating activities	<u>20,322,581</u>	<u>10,317,179</u>	<u>10,217,778</u>	<u>1,696,362</u>	<u>42,553,900</u>	<u>4,332,649</u>
Cash flows from noncapital financing activities:						
Transfers in from other funds	721,980	19,185	30,815	227,252	999,232	-
Transfers out to other funds	(6,982,794)	(2,517,294)	(2,255,782)	(1,283,160)	(13,039,030)	(49,375)
Net cash provided (used) by noncapital financing activities	<u>(6,260,814)</u>	<u>(2,498,109)</u>	<u>(2,224,967)</u>	<u>(1,055,908)</u>	<u>(12,039,798)</u>	<u>(49,375)</u>
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(10,645,094)	(9,010,123)	(9,767,537)	(47,169)	(29,469,923)	(1,730,651)
Capital grants and contributions	546,231	3,392,208	1,379,638	27,099	5,345,176	151,348
Proceeds from sale of assets	-	-	-	500	500	242,954
Proceeds from certificates of obligation and general obligation bonds	8,907,206	6,610	2,025,568	-	10,939,384	-
Principal paid on certificates of obligation and general obligation bonds	(3,153,297)	(3,063,464)	(2,923,241)	(414,528)	(9,554,530)	-
Interest paid on certificates of obligation and general obligation bonds	(2,218,518)	(2,025,228)	(1,450,045)	(79,740)	(5,773,531)	-
Net cash provided (used) by capital and related financing activities	<u>(6,563,472)</u>	<u>(10,699,997)</u>	<u>(10,735,617)</u>	<u>(513,838)</u>	<u>(28,512,924)</u>	<u>(1,336,349)</u>
Cash flows from investing activities:						
Purchase of investments	(7,336,459)	(1,626,136)	(2,251,886)	(261,140)	(11,475,620)	(5,335,037)
Proceeds from sale and maturities of investment securities	6,671,895	2,051,144	2,683,640	255,108	11,661,786	5,166,785
Investment income	90,415	36,111	43,536	4,108	174,170	79,813
Net cash provided (used) by investing activities	<u>(74,149)</u>	<u>461,119</u>	<u>475,290</u>	<u>(1,924)</u>	<u>360,336</u>	<u>(88,439)</u>
Net increase (decrease) in cash and cash equivalents	6,924,146	(2,419,808)	(2,267,516)	124,692	2,361,514	2,858,486
Cash and cash equivalents, Oct. 1	19,109,971	8,041,853	10,093,634	797,418	38,042,876	15,991,682
Cash and cash equivalents, Sept. 30	<u>\$ 26,034,117</u>	<u>\$ 5,622,045</u>	<u>\$ 7,826,118</u>	<u>\$ 922,110</u>	<u>\$ 40,404,390</u>	<u>\$ 18,850,168</u>
Reconciliation of operating income to net cash						
Provided by operating activities:						
Operating income	\$ 10,293,678	\$ 6,615,302	\$ 4,544,716	\$ 826,716	\$ 22,280,412	\$ 2,604,645
Adjustment to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation, bad debt expense, inventory loss	5,127,808	4,247,778	4,232,206	753,975	14,361,767	1,710,289
Miscellaneous nonoperating revenues	-	-	163,412	982	164,394	(38,505)
Miscellaneous nonoperating expenses	(781,415)	(405,350)	-	(181,987)	(1,368,752)	(6,347)
Changes in assets and liabilities:						
Change in accounts receivable	301,140	(504,371)	146,742	123,783	67,294	12,472
Change in inventory	55,800	33,468	697	2,269	92,234	(12,313)
Change in accounts payable	4,484,939	231,063	983,184	61,666	5,760,852	(184,209)
Change in refundable deposits	534,562	(3,546)	4,377	-	535,393	-
Change in claims payable	-	-	-	-	-	125,637
Change in accrued liabilities	(11,228)	(1,260)	(6,595)	4,685	(14,398)	4,785
Change in deferred revenue	-	-	-	(5,626)	(5,626)	-
Change in accrued vacation	55,815	18,672	12,173	6,523	93,183	8,292
Change in OPEB	128,296	41,912	67,153	50,721	288,082	52,943
Change in net pension obligation	133,186	43,511	69,713	52,655	299,065	54,960
Total adjustments	<u>10,028,903</u>	<u>3,701,877</u>	<u>5,673,062</u>	<u>869,646</u>	<u>20,273,488</u>	<u>1,728,004</u>
Net cash provided (used) by operating activities	<u>\$ 20,322,581</u>	<u>\$ 10,317,179</u>	<u>\$ 10,217,778</u>	<u>\$ 1,696,362</u>	<u>\$ 42,553,900</u>	<u>\$ 4,332,649</u>
Noncash investing, capital, and financing activities						
Impact of debt refunding (see note: IV.H)						
Change in certificates of obligation	600,000	-	-	-	600,000	-
Change in utility revenue bonds	(2,630,000)	(3,610,000)	(500,000)	-	(6,740,000)	-

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



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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

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 as 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.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (e.g., the statement of net position 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.

The statement of activities demonstrates the degree to which the direct expenses for a given function or segment is 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 programs 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.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to the type of information a given fund presents; 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 focuses 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 position and the operating statements present increases (revenues) and decreases (expenses) in total net position.

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

The *Debt Service Fund* accounts for the financial resources 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 from principal and interest in future years are also reported in the Debt Service Fund.

The *Streets 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 services. 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 operation and maintenance, new construction, and financing and related debt services. Billing and collection services are accounted for as an internal service fund.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

The *Wastewater Fund* accounts for the activities necessary to provide wastewater services to the residents of the City. These activities include administrative services, wastewater system operation and maintenance, new construction, and financing and related debt services. 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 collections; 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 internal fund 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.

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 operation 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 operation revenues of the City's enterprise funds are charges for customer services including electric, water, wastewater, and sanitation fees; while internal service funds revenues are for equipment purchase amounts and risk management charges. Operating expenses for enterprise fund and internal services 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 Position 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, investments pools, money market mutual funds, certificates of deposit 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 pooled cash are 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.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

Investments

Investments are made in accordance with the City's Investment Policy which was adopted by the City Council in October 2012 for the fiscal year ending September 30, 2013. This policy is applicable to all city funds and permits investment in obligations of 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 Executive Director of Business Services 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 with a maturity of more than two years are considered prudent for funds maintained for capital construction and debt service funds, if necessary to meet projected disbursement schedules.

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 of investment in construction funds should at least 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 differences in relative yield between different types of securities and varying maturities. "Swaps" analysis is the responsibility of the City's Investment Officer and the decision to execute the "swap" rests with this designated Officer. 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 versus payment and held in the City's name in a safekeeping account at The Bank of New York.

Investments of all funds may consist of Agency securities, money market mutual funds, certificates of deposit and investments in 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. In 2011, the City adopted GASB No.59, Financial Instruments Omnibus. See Note IV-A regarding 2a7-like 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.

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 costs determined using an average cost method.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

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. Cemetery plots are another example of assets held for resale in the governmental funds. City ordinance stipulates the percentage of 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 accounted for using the purchases method.

Payments made to vendors for services that will benefit periods beyond September 30, 2013, are recorded as prepaid costs with a reserve for prepaid items recognized in the governmental funds in the fund level financial statements to indicate that a portion of fund balance is not available for other subsequent expenditures.

Interfund Transaction 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 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 obligations, 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.

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 include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and 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 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 assets 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 ASC 980 Regulated Operations, 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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

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.

Changes in compensated absences for the year ending September 30, 2013 were as follows:

	Beginning Balance	Earned	Paid	Total Ending Balance	Amount Due Within One Year	Amount Due Greater than One Year
Governmental Activities	\$ 2,458,456	\$ 374,015	\$ (185,343)	\$ 2,647,128	\$ 199,556	\$ 2,447,572
Business-type Activities	509,194	131,571	(38,388)	602,377	45,411	556,966
Total Comp. Absences	\$ 2,967,650	\$ 505,586	\$ (223,731)	\$ 3,249,505	\$ 244,967	\$ 3,004,538

Internal service funds predominantly serve the governmental funds. All internal service funds are included as part of the above totals for governmental activities. All of the Utility Customer Service Fund and a portion of the remaining internal service funds are included in the Business-type Activities on the Statement of Net Position. For the governmental activities, accrued vacation is generally liquidated by the general fund.

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 position. Bond premiums and discounts 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 refunding. Bond issuance costs, with the exception of bond insurance are expensed in the period incurred.

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.

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.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

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 limitations imposed by the government's highest level of decision-making authority. The City Council is the highest level of decision making-authority for the government that can, by approval of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the approval of another resolution) to remove or revise the limitation.

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. The governing body, the City Council, has authorized the Assistant City Manager to assign fund balance. Assignments, unlike commitments are not permanent and a formal action is not required for the removal of an assignment. Finally, 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 nor 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.

When fund balances are available for use and the usage requirements met, the City reduces the committed amounts first, followed by the assigned amounts and then the unassigned amount lastly. 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.

E. Budgetary Control

The City follows these procedures in establishing budgetary data:

1. Prior to September 1, City Manager submits to City Council a proposed operating budget for the upcoming fiscal year beginning 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 & Financial Reporting 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.
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. Departments 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 without Council approval. 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.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

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.

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 expenditures.

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.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

The Council approved three budget amendments during fiscal year 2013. These three budget amendments included the following appropriations:

Brazos Valley Bowl	25,000	Sanitation Vehicle Replacement	610,000
Encumbrance Roll	1,311,270	Veterans Park Synthetic Fields	617,400
Economic Development Funding	105,000	Hotel Tax Auditing Services	15,000
Replacement of Police Department (PD) Vehicle	44,000	Sponsorship of COCS 75th Anniversary	28,900
One-time Budgetary Savings Distribution	577,516	Grants	
PD Personnel & Equipment Needs	451,781	Fire Prevention & Safety Grant	7,816
Workers' Compensation Claims	325,000	Bullet Proof Vest Program	15,615
Public Works Security Upgrade	66,959		
Council Chamber Upgrade	18,094		
Royder Road Repair	100,000		
Enterprise Resource Planning Consulting	151,419		
Game Day Traffic Study	50,000		
PD Overage	93,000		
Fire Dept. Overage	270,000		
Fleet Maintenance Overage	110,000		
			\$4,993,770

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 lapse at the end of the budget year if they have not been expended or lawfully encumbered.
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 assignments of fund balances and do not constitute expenditures or liabilities.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

B. Excess of Expenditures over Appropriations

The amounts of any excesses of expenditures over appropriations during fiscal year 2013 and the funds in which they occurred are as follows:

Fund	Amount
Debt Service Fund	\$ 111,125
Court Security Fee Fund	2,149

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.

	Fair Value	Weighted Average Maturity(days)
Bank Demand Accounts	\$ 58,093,887	1
Money Market Accounts	20,440,462	1
Certificates of Deposits	15,044,256	311
Texas Local Government Investment Pool	35,250,443	1
	\$ 128,829,048	
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 2011 and the Texas Public Collateral Act of 1989. These investments include the following:

1. Direct obligations of the United States government: U.S. Treasury Bills, U.S. Treasury Notes, and U.S. Treasury Bonds as well as Bonds or other interest bearing obligations for which the principal and interest are guaranteed by the full faith and credit of the United States government and rated not less than A or its equivalent by at least one nationally recognized investment rating firm.
2. Federal Agencies and Instrumentalities including but not limited to, discount notes, callables and debentures of the Federal National Mortgage Association (FNMA), the Federal Home Loan Bank (FHLB), the Federal Farm Credit Bank (FFCB), and the Federal Home Loan Mortgage Corporation (FHLMC).

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

3. Time Certificates of Deposit, insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, or the National Credit Union Share Insurance Fund or its successor, in state or national banks. Any deposits exceeding FDIC insurance limits shall be collateralized at 102% of the face amount of the Certificate of Deposit by securities listed in 1 - 2 above and held by the City's custodial bank or the custodial bank of the institution the CD's are held. Bids for Certificates of Deposit may be solicited orally, in writing, electronically or using any combination of these methods.
4. Repurchase Agreements with a defined termination date of 90 days or less collateralized by a combination of cash and securities listed in 1 - 2 above. Collateral must have a minimum market value of 102% of the repurchase agreement, and must be held by the custodian bank or other independent third-party custodian contracted by the City. Bond proceeds may be invested in flexible repurchase agreements with maturity dates not exceeding the expected final project expenditure if a formal bidding process is followed and properly documented for IRS purposes.
5. Commercial Paper maturing within 180 days carrying a minimum rating not less than A-1 or P-1 or equivalent by two nationally recognized rating agencies, or; rated not less than A-1 or P-1 equivalent by one nationally recognized rating agency plus secured by an irrevocable letter of credit issued by a domestic bank.
6. AAA rated Money Market Mutual Funds registered with the Securities and Exchange Commission that invest exclusively in investments described in this section.
7. AAA-rated Investment Pools organized under the Texas Interlocal Cooperation Act that follow the requirements in the Public Funds Investment Act and which have been specifically approved by the City.

The City is a voluntary participant in two external investment pools, Texpool and TexSTAR. The pools are 2a7-like pools, which are not registered with the Securities and Exchange Commission (SEC) as an investment company, but have a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. This type of pool uses amortized investment costs rather than market values to compute participant share values. Furthermore, the pools in which the City participates seek to maintain a stable \$1 net asset value per share of unit. Accordingly, the fair value of the City's position in these pools is substantially the same as the market value of the shares in each of the pools. As of September 30, 2013, the City's investments in Texpool and TexSTAR were rated by Standard & Poor's as AAAM.

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 30%. As of September 30, 2013, the issuers whose securities represented more than 5% of the City's investment portfolio were as follows: American Momentum Bank (12%) and Citibank (16%).

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%. The City's depository bank collateralizes the city's funds at 110%.

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, 2013

B. Receivables

Receivables as of year-end for the City's individual major funds and non major 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	Total
Taxes:						
Property	\$ 444,985	\$ 464,268	\$ -	\$ -	\$ -	\$ 909,253
Beverage	121,152	-	-	-	-	121,152
Sales	2,055,812	-	-	-	-	2,055,812
Subtotal taxes	2,621,949	464,268	-	-	-	3,086,217
Grants	-	-	-	438,380	-	438,380
Charges for services	1,416,781	-	373,512	366,020	52,284	2,208,597
Loans	-	-	-	1,172,248	-	1,172,248
Miscellaneous	23	-	-	-	-	23
Total gross governmental	4,038,753	464,268	373,512	1,976,648	52,284	6,905,465
Less allowance for uncollectible accounts	(28,943)	-	-	(176,278)	(23,420)	(228,641)
Net total receivables	<u>\$ 4,009,810</u>	<u>\$ 464,268</u>	<u>\$ 373,512</u>	<u>\$ 1,800,370</u>	<u>\$ 28,864</u>	<u>\$ 6,676,824</u>

Business-type activities:	Electric	Water	Wastewater	Nonmajor	Internal Service Fund	Total
Charges for services	\$ 15,373,510	\$ 3,348,367	\$ 1,890,126	\$ 927,026	\$ -	\$ 21,539,029
Less allowance for uncollectible accounts	(1,761,836)	(110,569)	(214,409)	(117,878)	-	(2,204,692)
Net total receivables	<u>\$ 13,611,674</u>	<u>\$ 3,237,798</u>	<u>\$ 1,675,717</u>	<u>\$ 809,148</u>	<u>\$ -</u>	<u>\$ 19,334,337</u>

Loans Receivable in the non-major governmental funds are made up of the following: a \$500,000, 40-year loan of HOME Investment Partnership (HOME) funds for Santour Court, an affordable, single-family residential development; \$445,250 in HOME down-payment assistance loans for eligible HOME participants whose loans are made with Federal funds from the Department of Housing and Urban Development (HUD); two Community Development Housing Reconstruction Program Lien Notes held by the City which total to \$226,998. Loans Receivable in the non-major 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
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>\$ 4,330,000</u>	<u>\$ 1,628,299</u>

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. As of fiscal year end, the unearned revenue reported in the governmental funds related to emergency services was \$844,595.

Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2013

C. Capital Assets

Capital asset activity for the year ended September 30, 2013 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Capital Assets, not being depreciated					
Land	\$ 43,050,894	\$ -	\$ -	\$ -	\$ 43,050,894
Construction in progress	17,076,500	24,611	(6,949,295)	-	10,151,816
Total capital assets not being depreciated	<u>60,127,394</u>	<u>24,611</u>	<u>(6,949,295)</u>	<u>-</u>	<u>53,202,710</u>
Capital assets, being depreciated					
Buildings and building improvements	36,356,612	6,858,106	(41,275)	-	43,173,443
Improvements other than buildings	36,699,242	1,076,308	-	-	37,775,550
Machinery and equipment	36,615,395	2,338,225	(1,574,486)	-	37,379,134
Infrastructure	240,379,096	14,325,416	-	-	254,704,512
Total capital assets, being depreciated	<u>350,050,345</u>	<u>24,598,055</u>	<u>(1,615,761)</u>	<u>-</u>	<u>373,032,639</u>
Less accumulated depreciation for:					
Buildings and building improvements	11,152,062	1,196,820	-	-	12,348,882
Improvements other than buildings	15,645,646	1,779,248	-	-	17,424,894
Machinery and equipment	24,066,717	3,014,034	(1,578,843)	-	25,501,908
Infrastructure	120,941,876	7,971,594	-	-	128,913,470
Total accumulated depreciation	<u>171,806,301</u>	<u>13,961,696</u>	<u>(1,578,843)</u>	<u>-</u>	<u>184,189,154</u>
Total capital assets being depreciated, net	<u>178,244,044</u>	<u>10,636,359</u>	<u>(36,918)</u>	<u>-</u>	<u>188,843,485</u>
Governmental type activities capital assets, net	<u>\$ 238,371,438</u>	<u>\$ 10,660,970</u>	<u>\$ (6,986,213)</u>	<u>\$ -</u>	<u>\$ 242,046,195</u>

Business-Type Activities	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Capital assets, not being depreciated					
Land	\$ 690,750	\$ -	\$ -	\$ -	\$ 690,750
Construction in progress	20,430,326	24,176,251	(7,614,822)	-	36,991,755
Total capital assets, not being depreciated	<u>21,121,076</u>	<u>24,176,251</u>	<u>(7,614,822)</u>	<u>-</u>	<u>37,682,505</u>
Capital assets, being depreciated					
Electric system	157,449,053	5,289,915	(203,473)	-	162,535,495
Water system	156,083,898	4,091,119	(68,356)	-	160,106,661
Wastewater system	121,531,887	3,002,628	(658,353)	-	123,876,162
Buildings and building improvements	5,743,755	-	-	-	5,743,755
Machinery and equipment	6,385,530	61,215	(649,950)	(206,000)	5,590,795
Total capital assets, being depreciated	<u>447,194,123</u>	<u>12,444,877</u>	<u>(1,580,132)</u>	<u>(206,000)</u>	<u>457,852,868</u>
Less accumulated depreciation for:					
Electric system	72,983,313	5,127,808	(737,322)	425,199	77,798,998
Water system	43,332,703	4,247,778	(369,933)	349,575	47,560,123
Wastewater system	42,112,390	4,232,206	(996,567)	362,725	45,710,754
Buildings and building improvements	1,570,074	147,097	(23,442)	-	1,693,729
Machinery and equipment	3,253,496	606,877	(612,441)	-	3,247,932
Total accumulated depreciation	<u>163,251,976</u>	<u>14,361,767</u>	<u>(2,739,706)</u>	<u>1,137,499</u>	<u>176,011,536</u>
Total capital assets, being depreciated, net	<u>283,942,147</u>	<u>(1,916,890)</u>	<u>1,159,574</u>	<u>(1,343,499)</u>	<u>281,841,332</u>
Business type activities capital assets, net	<u>\$ 305,063,223</u>	<u>\$ 22,259,361</u>	<u>\$ (6,455,248)</u>	<u>\$ (1,343,499)</u>	<u>\$ 319,523,837</u>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

Depreciation expense for fiscal year 2013 was charged as follows:

General Government	\$ 805,497
Fiscal Services	602,568
Police	3,274,259
Fire	2,612,928
Planning and Development Services	720,058
Public Works	1,317,170
Parks and Recreation	1,406,133
Library	200,977
Non-departmental	1,311,818
Capital Assets held by Internal Service Fund	1,710,288
Governmental Activities Depreciation Expense	13,961,696
Electric	5,127,808
Water	4,247,778
Wastewater	4,232,206
Sanitation	483,126
Northgate Parking	270,849
Business-Type Depreciation Expense	\$ 14,361,767

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	\$ 14,664,450	\$ (3,977,149)	\$ 10,687,301	-
Debt Service Fund	-	-	-	-
Streets Projects	930,262	(687,712)	242,550	-
Other Nonmajor Governmental Funds	3,034,759	(1,875,437)	1,159,322	-
Internal Service Funds	288,570	(337,945)	(49,375)	-
Business-type Activities:				
Enterprise Funds:				
Electric	721,980	(6,982,794)	-	(6,260,814)
Water	19,185	(2,517,294)	-	(2,498,109)
Wastewater	30,815	(2,255,782)	-	(2,224,967)
Other Nonmajor Enterprise Funds	227,252	(1,283,160)	-	(1,055,908)
	\$ 19,917,273	\$ (19,917,273)	\$ 12,039,798	\$ (12,039,798)

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 utility transfer in lieu of franchise fees, (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, 2013

The composition of due to/due from balances as of September 30, 2013 is as follows:

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

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, however, with the pending sale of the property, the repayments were deferred to FY14.

E. Operating Leases

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. As of September 30, 2013, the building carried a net value of \$2,776,315 and \$308,480 in accumulated depreciation.

The building at Chimney Hill was partially leased to private businesses when the City acquired the property. At September 30, 2013, one space is being rented on a month-to-month basis to Western Beverage. Two other spaces have leases as follows:

Year Ended September 30,	Operating Leases		
	Republic	DaVita	Total
2013	103,731	256,791	360,522
2014	108,375	226,212	334,587
2015	111,624	94,255	205,879
2016	114,976	-	114,976
2017	68,229	-	68,229
	<u>\$506,935</u>	<u>\$ 577,258</u>	<u>\$ 1,084,193</u>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the period ended September 30, 2013, the City reported \$3,163,052 in charges on debt refunding as deferred outflow of resources. These charges are reported on the government wide Statement of Net Position and will be amortized over the life of the refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the following sources:

	Unavailable	Unearned	Total
Property tax	\$ 909,254	\$ -	\$ 909,254
Loans Receivable	223,962	-	223,962
Other-Cemetery Plot Loans Receivable	43,625	-	43,625
	<u>\$ 1,176,841</u>	<u>\$ -</u>	<u>\$ 1,176,841</u>

These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

G. Prior Period Adjustment

For the period ending September 30, 2013 the City has chosen early implementation of Statement No. 65 of the Governmental Accounting Standards Board (GASB). Statement No. 65 establishes new treatment for debt issuance costs and charges related to debt refunding. Prior to GASB No. 65 implementation the City would capitalize/defer and subsequently amortize all debt issuance costs over the life of the related bond(s). GASB No. 65 requires that all debt issuance costs, with the sole exception of any prepaid insurance costs, be recognized in the period incurred, and the removal of all existing capitalized/deferred charges (net of accumulated amortization) from the City's government wide Statement of Net Position. These amounts, net of accumulated amortization expense, have been recognized in FY2013 and are included in the City's government wide Statement of Activities as a prior period adjustment to beginning fund balance. The adjustment is an expense in the amount of \$1,367,007. Of this amount, \$(557,167) is related to Governmental Activities, and \$(809,840) to Business-type Activities.

Also, prior to implementing GASB No. 65, the City would defer the interest charges associated with debt refunding and would net this with the debt liability on the Statement of Net Position. GASB No. 65 requires that the difference between the reacquisition price and the net carrying amount of the old debt be deferred and amortized as a component of interest expense over the remaining life of the old debt or new debt whichever is shorter. The Statement of Net Position contains a prior period adjustment to beginning fund balance. The adjustment to the Governmental Activities is \$1,607,028 and the adjustment to the Business-type Activities is \$78,243.

Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2013

H. Long-Term Debt

The City elected to implement GASB Statement 65 for fiscal year 2013. A summary of long-term debt transactions, including current portion, for the year ended September 30, 2013 follows:

	Beginning Balance	Incurred/ Issued	Matured/ Retired	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 75,695,000	\$ 14,505,000	\$ 10,490,000	\$ 79,710,000	\$ 7,290,000
Certificates of obligation	20,815,000	-	3,655,000	17,160,000	1,360,000
Premium/discount	2,328,886	951,174	236,939	3,043,121	305,366
Governmental activity					
Long term debt	<u>\$ 98,838,886</u>	<u>\$ 15,456,174</u>	<u>\$ 14,381,939</u>	<u>\$ 99,913,121</u>	<u>\$ 8,955,366</u>
Business type activities:					
General obligation bonds	\$ 36,280,000	\$ 6,255,000	3,305,000	\$ 39,230,000	\$ 3,965,000
Certificates of obligation	63,685,000	10,230,000	2,890,000	71,025,000	3,055,000
Utility revenue bonds	45,060,000	-	10,295,000	34,765,000	3,480,000
Premium/discount	2,788,486	632,326	242,527	3,178,285	297,344
Business type activity					
Long term debt	<u>\$ 147,813,486</u>	<u>\$ 17,117,326</u>	<u>\$ 16,732,527</u>	<u>\$ 148,198,285</u>	<u>\$ 10,797,344</u>

Due to the implementation of GASB No. 63 and 65, deferred loss from refunding transactions of \$1,665,943 has been reclassified from a liability to a deferred outflow of resources and is no longer presented in the long-term debt table presented above.

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.

Long-term debt at September 30, 2013 includes the following individual issues (not including unamortized premiums or discounts):

Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2013

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
2003 Issue	3.00-4.50	7/1/03	2/15/23	\$ 4,790,000	\$ 4,790,000	\$ -
2004 Issue	2.875-5.00	5/1/04	2/15/24	12,940,000	12,940,000	-
2005 Issue	4.00-6.00	5/1/05	2/15/25	5,710,000	5,480,000	230,000
2006 Issue	4.375-6.375	7/1/06	2/15/26	7,375,000	2,200,000	5,175,000
2006 Issue - Refunding	4.00-5.00	12/1/06	2/15/18	10,255,000	3,680,000	6,575,000
2007 Issue	4.25-6.25	9/1/07	2/15/27	3,930,000	1,635,000	2,295,000
2008 Issue	4.0 - 5.0	9/1/08	2/15/28	9,455,000	2,455,000	7,000,000
2009 Issue	3.5 - 4.0	7/15/09	2/15/21	3,335,000	430,000	2,905,000
2009 Issue - Refunding	2.00-4.00	11/15/09	2/15/20	4,265,000	1,695,000	2,570,000
2010 Issue	2.00-3.50	8/15/10	2/15/30	19,635,000	2,320,000	17,315,000
2010 Issue - Refunding	.30-5.0%	11/15/10	2/15/22	11,245,000	1,740,000	9,505,000
2011 Issue	.25-1.6%	9/15/11	2/15/18	1,960,000	930,000	1,030,000
2012 Issue & Refunding	2.0-5.0%	6/1/12	2/15/32	11,515,000	910,000	10,605,000
2013 Issue & Refunding	2.0-5.0%	8/15/13	2/15/33	14,505,000	-	14,505,000
				<u>\$ 120,915,000</u>	<u>\$ 41,205,000</u>	<u>\$ 79,710,000</u>
General Obligation Bonds - Business-type Activities:						
2009 Issue - Refunding	2.00-4.00	11/15/09	2/15/20	\$ 3,830,000	\$ 1,530,000	\$ 2,300,000
2010 Issue - Refunding	.30-5.0%	11/15/10	2/15/22	25,905,000	3,990,000	21,915,000
2012 Issue & Refunding	2.0-5.0%	6/1/12	2/15/32	9,570,000	810,000	8,760,000
2013 Issue & Refunding	2.0-5.0%	8/15/13	2/15/33	6,255,000	-	6,255,000
				<u>\$ 45,560,000</u>	<u>\$ 6,330,000</u>	<u>\$ 39,230,000</u>
Total General Obligation Bonds				<u>\$ 166,475,000</u>	<u>\$ 47,535,000</u>	<u>\$ 118,940,000</u>
Certificates of Obligation - Governmental Activities:						
2003A Issue	2.90-4.20	7/1/03	2/15/23	\$ 780,000	\$ 780,000	\$ -
2005 Issue	3.00-4.50	5/1/05	2/15/25	7,595,000	7,380,000	215,000
2006 Issue	4.375-6.375	7/1/06	2/15/26	8,325,000	2,865,000	5,460,000
2007 Issue	4.25-6.25	9/1/07	2/15/27	3,960,000	1,650,000	2,310,000
2008 Issue	3.25 - 5.0	9/1/08	2/15/28	22,855,000	15,080,000	7,775,000
2009 Issue	3.00-5.00	7/15/09	2/15/29	5,880,000	4,795,000	1,085,000
2010 Issue	2.00-3.50	8/15/10	2/15/30	1,050,000	735,000	315,000
				<u>\$ 50,445,000</u>	<u>\$ 33,285,000</u>	<u>\$ 17,160,000</u>
Certificates of Obligation - Business-type Activities:						
2004 Issue	2.875-5.00	5/1/04	2/15/24	\$ 8,915,000	\$ 8,915,000	\$ -
2008 Issue	3.25 - 5.0	9/1/08	2/15/28	15,925,000	2,690,000	13,235,000
2009 Issue	3.00-5.00	7/15/09	2/15/29	30,580,000	8,875,000	21,705,000
2010 Issue	2.00-3.50	8/15/10	2/15/30	2,850,000	295,000	2,555,000
2011 Issue	2.00-3.60	9/15/11	2/15/31	7,920,000	545,000	7,375,000
2012 Issue	2.0-5.0%	6/1/12	2/15/32	16,415,000	490,000	15,925,000
2013 Issue	2.0-5.0%	8/15/13	2/15/33	10,230,000	-	10,230,000
				<u>\$ 92,835,000</u>	<u>\$ 21,810,000</u>	<u>\$ 71,025,000</u>
Total Certificates of Obligation				<u>\$ 143,280,000</u>	<u>\$ 55,095,000</u>	<u>\$ 88,185,000</u>
Utility Revenue Bonds:						
2003A Issue	2.50-4.25	7/1/03	2/1/23	\$ 4,850,000	\$ 4,850,000	\$ -
2005 Issue	4.00-5.50	5/1/05	2/1/25	8,035,000	7,680,000	355,000
2005A Issue - Refunding	3.00-5.25	8/1/05	2/1/18	12,995,000	6,485,000	6,510,000
2006 Issue	4.375-6.375	7/1/06	2/1/26	16,950,000	3,965,000	12,985,000
2007 Issue	4.00-5.75	9/1/07	2/1/27	18,665,000	3,750,000	14,915,000
				<u>\$ 61,495,000</u>	<u>\$ 26,730,000</u>	<u>\$ 34,765,000</u>
Total Outstanding Bonds						<u>\$ 241,890,000</u>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

The annual requirements to amortize debt outstanding as of September 30, 2013 are as follows:

Year Ended September 30,	Governmental Activities			
	General Obligation		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2014	\$ 7,290,000	\$ 2,991,110	\$ 1,360,000	\$ 716,688
2015	6,505,000	2,760,441	1,195,000	666,547
2016	6,345,000	2,526,335	1,235,000	616,932
2017	6,655,000	2,277,596	1,020,000	569,091
2018	5,915,000	2,031,856	950,000	527,441
2019-2023	23,155,000	7,059,921	5,555,000	1,967,769
2024-2028	17,205,000	2,831,491	5,800,000	608,364
2029-2033	6,640,000	465,511	45,000	1,035
	<u>\$ 79,710,000</u>	<u>\$ 22,944,261</u>	<u>\$ 17,160,000</u>	<u>\$ 5,673,867</u>

Year Ended September 30,	Business-Type Activities					
	General Obligation		Certificates of Obligation		Utility Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 3,965,000	\$ 1,587,861	\$ 3,055,000	\$ 2,631,766	\$ 3,480,000	\$ 1,516,255
2015	4,040,000	1,449,900	3,180,000	2,542,993	2,930,000	1,353,080
2016	4,205,000	1,290,350	3,335,000	2,436,549	3,075,000	1,207,182
2017	4,370,000	1,104,399	3,190,000	2,329,030	2,985,000	1,068,745
2018	4,150,000	909,988	3,360,000	2,217,586	2,460,000	948,304
2019-2023	16,730,000	1,964,575	19,265,000	9,098,334	10,545,000	3,364,199
2024-2028	1,770,000	75,000	24,095,000	4,907,270	9,290,000	785,606
2029-2033	-	-	11,545,000	922,720	-	-
	<u>\$ 39,230,000</u>	<u>\$ 8,382,073</u>	<u>\$ 71,025,000</u>	<u>\$ 27,086,248</u>	<u>\$ 34,765,000</u>	<u>\$ 10,243,371</u>

The City intends to retire all of its general long-term liabilities, plus interest, from ad valorem taxes. Proprietary fund type long-term debt issued for Northgate Parking Garage, Electric, Water and Wastewater projects will be repaid, plus interest, from the operating revenues their respective funds.

General Obligation Bonds and Certificates of Obligation

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, 2013.

On July 23, 2013 the City issued \$20,760,000 General Obligation Improvement and Refunding Bonds, Series 2013. The refunded bonds were an advanced refunding of General Obligation Improvement

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

Bonds, Series 2005; Certificates of Obligation, Series 2005; and a portion of Utility Revenue Refunding Bonds, Series 2005A and Utility Revenue Bonds, Series 2005 and was undertaken to reduce total general obligation and utility revenue debt service payments over the next 12 years by \$888,025 resulting in net present value savings of \$730,017. The true interest cost of the General Obligation and Refunding Bonds is 2.867177%. The refunding of the bonds resulted in a \$271,050 difference between the reacquisition price and the net carrying amount of the old debt, which is shown as a deferred outflow on the Statement of Net Position.

Proceeds of \$9,020,000 from the sale of the bonds will be used to pay for (1) costs of construction, acquisition of and improvements to City streets; (2) parks and parks facilities improvements, and (3) pay the costs incurred in connection with the issuance of the bonds. The City issued \$10,230,000 in Certificates of Obligation, dated July 23, 2013, with a true interest cost of 3.899803%. The proceeds from the sale of the Certificates will be used to pay for (1) construction of improvements to the City's combined electric, waterworks and wastewater systems and (2) to pay costs incurred in connection with the issuance of the Certificates.

In 2009, the City issued \$31,315,000 in Certificates of Obligation. \$2,600,000 of the proceeds was used to purchase land for a convention center site. Council no longer intends to build a convention center, therefore, causing a change in use to the property. In order to maintain the tax exempt status of the 2009 Certificates of Obligation, Council approved to defease the convention center bonds on November 21, 2011. On December 1, 2011 the bonds were defeased. \$2,728,149 was placed in an escrow account with Bank of New York to cover the principal and interest amount of the bonds until their call date of February 15, 2019. Also, in 2009, the City issued \$5,145,000 in Certificates of Obligation to pay for a portion of the construction of a new municipal landfill. The City of College Station jointly owns Brazos Valley Solid Waste Management Agency Inc. (BVSWMA, Inc.) with the City of Bryan. BVSWMA Inc. has pledged to repay the \$5,145,000 plus interest to the City of College Station. As of September 30, 2013 BVSWMA Inc. owed the City \$4,330,000.

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, 2013, the City did not have an arbitrage rebate liability.

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 retired until the call dates have come due or until maturity if they are not callable issues. On September 30, 2013, the City's escrow balance for bonds defeased on December 1, 2011 was \$2,361,288. The defeased bonds

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

are not callable until February 15, 2018. The escrow balance for bonds defeased on July 23, 2013 was \$12,880,654. The defeased bonds are not callable until February 1, 2014 and February 15, 2014.

I. Components of Fund Balance

Fund balances for governmental funds at September 30, 2013 are as follows:

	General	Debt Service	Streets Projects	Other	Total
Fund balances:					
Nonspendable:					
Inventories	\$ 59,426	\$ -	\$ -	\$ 6,667,812	\$ 6,727,238
Restricted for:					
Community and Neighborhood Parks	-	-	-	3,757,561	3,757,561
Community Development	-	-	-	1,617,691	1,617,691
Court Security Fee	-	-	-	71,142	71,142
Court Technology Fee	-	-	-	432,530	432,530
Debt Service	-	3,433,255	-	-	3,433,255
Drainage	-	-	-	2,954,750	2,954,750
Educational and Governmental Access fee	266,573	-	-	-	266,573
General Government Capital Projects	-	-	13,537,316	1,984,192	15,521,508
Hotel Occupancy Tax	-	-	-	6,479,599	6,479,599
Juvenile Case Manager	-	-	-	311,991	311,991
Parks and Recreation Capital Projects	-	-	-	3,414,144	3,414,144
Police Seizure	-	-	-	81,703	81,703
Wolf Pen Creek TIF	-	-	-	1,251,779	1,251,779
Committed to:					
College Station Cemetery Perpetual Care	-	-	-	1,779,694	1,779,694
Memorial Cemetery	-	-	-	1,565,221	1,565,221
Memorial Cemetery Perpetual Care	-	-	-	663,524	663,524
Assigned:					
Encumbrances	972,632	-	-	-	972,632
Unassigned	14,626,901	-	-	-	14,626,901
	<u>\$ 15,925,532</u>	<u>\$ 3,433,255</u>	<u>\$ 13,537,316</u>	<u>\$ 33,033,333</u>	<u>\$ 65,929,436</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.

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 43.0687 cents per \$100 of assessed valuation for the year ended September 30, 2013. 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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

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 faces many risks. These risks generally can be divided 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 from these exposures.

The City is self-insured for health benefits, and the plan is administered by Blue Cross Blue Shield of Texas. This activity is accounted for in the Employee Benefits Fund, which is funded monthly from employee contributions and City operating funds. 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 the City's liability to \$150,000 per individual per year, with an aggregate attachment point for the last 12 months of \$7,464,041. The liability for outstanding losses includes \$959,723 for claims incurred but not reported as of September 30, 2013.

In fiscal year 2013, 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 self-insures all liability coverage lines. Licensed adjusters in the City's Risk Management office process liability claims with assistance from Abercrombie, Simmons & Gillette (AS&G), a Third Party Administrator, which also handles the City's Workers' Compensation claims. In the event of a simultaneous liability and Workers' Compensation claim, only one SIR (self-insured retention) applies.

To further protect the City from catastrophic loss, the City carries excess liability and Workers' Compensation coverage through Star Insurance Company; A.M. Best rated B++, financial category X. The self-insured retention ("SIR") for 2013 was \$250,000 per claim.

Liabilities in the property and casualty fund and the Workers' Compensation fund are reported to the carrier when it is probable a covered 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 \$425,458 in the property and casualty fund and a potential liability of \$256,366 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 re-evaluated periodically to accommodate the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. Settlements have not exceeded self-insured retention in each of the past three fiscal years.

As a reimbursing employer, the City uses the Unemployment Fund to pay qualified 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.

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 it is probable a liability has been incurred at the date of the financial statements and if the amount of the loss can be reasonably estimated.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

These liabilities include an estimate for incurred but not reported claims. Changes in the balances of claims liabilities for the self-insurance funds accounted for as Internal Service Funds for fiscal years 2013 and 2012 are as follows:

	2013	2012
Unpaid Claims, October 1	\$ 1,515,910	\$ 1,744,456
Incurred Claims (including IBNR's)	6,553,303	3,908,222
Claims Paid	(6,427,666)	(4,136,768)
Unpaid Claims, September 30	<u>\$ 1,641,547</u>	<u>\$ 1,515,910</u>

C. Joint Venture

In 1990 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 reported 50% ownership in BVSWMMA. The City of College Station served as landfill operator. This basic structure is how BVSWMMA operated until 2010.

In February 2010 the City Councils for the City of Bryan and the City of College Station approved Articles of Incorporation for BVSWMMA, Inc. a Local Government Corporation under the provisions of Subchapter D of Chapter 431, Texas Transportation Code; and Chapter 394, Texas Local Government Code. In March 2010, the City Councils of Bryan and College Station approved by-laws for BVSWMMA, Inc., which establishes the power to issue debt and to acquire land.

The powers of BVSWMMA, Inc. are vested in a 7 member Board of Directors, with each City Council appointing 3 members and the 7th member to be selected by an approval process 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 BVSWMMA, Inc. Board of Directors formalized the creation of BVSWMMA, Inc. and the dissolution of BVSWMMA, effective October 1, 2010, with the approval and execution of a (n):

- Borrowed Employee Agreement between the City of College Station and BVSWMMA, Inc.;
- Asset Transfer and Debt Reimbursement Agreement between BVSWMMA, Inc., the City of College Station and the City of Bryan;
- Agreement between the City of College Station, the City of Bryan and BVSWMMA, 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, BVSWMMA transferred all of its assets to BVSWMMA, Inc. College Station reports BVSWMMA, Inc. as a joint venture with the City of Bryan and recognizes 50% ownership in BVSWMMA, Inc. in the City's financial statements.

Per GASB 14, a Joint Venture (JV) is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

(b) an ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the Joint Venture.

An *ongoing financial interest* includes an equity interest, as defined in paragraph 72, and any other arrangement that causes a participating government to have access to the Joint Venture's resources. An equity interest in a Joint Venture is manifest in the ownership of shares of Joint Venture stock or by otherwise having an explicit, measurable right to the net resources of a Joint Venture that is usually based on an investment of financial or capital resources by a participating government. An equity interest is explicit and measurable if the Joint Venture agreement stipulates that the participants have a present or future claim to the net resources of the Joint Venture and sets forth the method to determine the participants' shares of the Joint Venture's net resources. Per the BVSWMA, Inc. by-laws, paragraph 8.05, Section 431.107 of the Texas Transportation Corporation Act entitles the Cities, at all times, to have the right to equally receive the income earned by the corporation. Also, per BVSWMA, Inc.'s by-laws, paragraph 4.03a, the corporation, with the approval of the Cities, is authorized to issue short-term debt; however, the Cities shall be given the first opportunity to provide these funds before the Board incurs debt. This would result in the City of College Station providing an investment of financial resources to BVSWMA, Inc.

An ongoing financial responsibility for a Joint Venture occurs if a participating government is obligated in some manner for the debts (see paragraph 33 of GASB 14) of the Joint Venture, or if the Joint Venture's continued existence depends on the continued funding by the government. Per paragraph 33 of GASB 14 – A primary government is obligated in some manner for the debt of an organization if it is legally obligated to assume all or part of the debt in the event of default.

Per Article XIV, paragraph 14.03, of the Articles of Incorporation of BVSWMA, Inc., upon dissolution of the corporation:

- A. the assets of the Corporation shall be distributed equally between the Cities; and
- B. any remaining liabilities of the corporation shall be shared equally between the Cities.

State and federal laws and regulations required BVSWMA, Inc. to place a final cover on its Rock Prairie landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Rock Prairie Road landfill stopped accepting waste in July 2011, and the Twin Oaks Landfill in Grimes County began accepting waste. During the fiscal year ending September 30, 2013, the installation of the remaining final cover at the Rock Prairie Road Landfill (+/- 40 acres) was completed. Although closure and post closure care costs will be paid only near or after the date that the landfill stopped accepting waste, BVSWMA, Inc. reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

The following is a summary of information from the audited financial statements of BVSWMA, Inc. as of September 30, 2013:

	2013	2012
Assets:		
Current assets	\$ 10,067,993	\$ 10,851,854
Capital assets	33,003,796	31,445,445
Accumulated depreciation	(7,140,312)	(5,320,416)
Deferred landfill permits	3,113,380	3,113,379
Less: accumulated amortization	(81,982)	(49,422)
Total assets	<u>38,962,875</u>	<u>40,040,840</u>
Liabilities:		
Current liabilities	882,990	812,962
Noncurrent liabilities:		
Accrued post closure maintenance costs	4,373,644	5,886,085
Other noncurrent liabilities	8,470,000	8,915,000
Total liabilities	<u>13,726,634</u>	<u>15,614,047</u>
Net position		
Net investment in capital assets	16,948,483	16,780,028
Unrestricted	8,287,758	7,646,765
Total net position	<u>\$ 25,236,241</u>	<u>\$ 24,426,793</u>
Program revenues	\$ 7,266,856	\$ 6,998,799
Expenses	6,509,915	7,246,820
Operating income	756,941	(248,021)
General revenues	52,508	50,367
Change in net position	<u>\$ 809,449</u>	<u>\$ (197,654)</u>

The City's share of BVSWMA, Inc.'s net assets for fiscal year 2013 was \$12,618,120. A copy of BVSWMA, Inc.'s 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 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 <http://www.tmr.com/>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

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 2011</u>	<u>Plan Year 2012</u>	<u>Plan Year 2013</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	75% Repeating Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating	50% 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>2011</u>	<u>2012</u>	<u>2013</u>
Annual Required Contribution (ARC)	7,998,505	7,323,878	7,441,907
Interest on Net Pension Obligation	234,216	356,127	388,924
Adjustment to the ARC	(193,787)	(285,719)	(341,701)
Annual Pension Cost	8,038,934	7,394,287	7,489,130
Contributions Made	<u>(6,413,446)</u>	<u>(6,586,598)</u>	<u>(6,062,866)</u>
Increase (Decrease) in net pension obligation	1,625,488	807,689	1,426,264
Net Pension Obligation/(Asset), beginning of year	3,122,878	4,748,366	5,556,055
Net Pension Obligation/(Asset), end of year	<u>4,748,366</u>	<u>5,556,055</u>	<u>6,982,319</u>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

Three Year Trend Information				
Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation
9/30/2011	\$ 8,038,934	\$ 6,413,446	79.78%	\$ 4,748,366
9/30/2012	7,394,287	6,586,598	89.08%	5,556,055
9/30/2013	7,489,130	6,062,866	80.96%	6,982,319

The required contribution rates for fiscal year 2013 were determined as part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

Valuation Date	12/31/2010	12/31/2011	12/31/2012
Actuarial Cost Method	Projected Unit Credit Level Percent of Payroll	Projected Unit Credit Level Percent of Payroll	Projected Unit Credit Level Percent of Payroll
Amortization Method	27.1 years; closed period	26.2 years; closed period	25.3 years; closed period
GASB 25 Equivalent Single Amortization Period	30 years	30 years	30 years
Amortization Period for new Gains/Losses	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Asset Valuation Method	7.0%	7.0%	7.0%
Actuarial Assumptions:	Varies by age and service	Varies by age and service	Varies by age and service
Investment Rate of Return *	3.00%	3.00%	3.00%
Projected Salary Increases *	2.1%	1.5%	1.5%
* Includes Inflation at Cost-of-Living Adjustments			

Funded Status and Funding Progress – In June 2011, SB 350 was enacted by the Texas Legislature resulting in a restructure of the TMRS funds. This legislation provided for the actuarial valuation to be completed, as if restructuring had occurred on December 31, 2010. In addition, the actuarial assumptions were updated for the new fund structure, based on an actuarial experience study that was adopted by the TMRS Board at their May 2011 meeting (the review compared actual to expected experience for the four-year period of January 1, 2006 through December 31, 2009). For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS city rates and funding ratios, please see the December 31, 2010 TMRS Comprehensive Annual Financial Report (CAFR).

The funded status as of December 31, 2012, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date*	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll (Calendar Year)	UAAL as a Percentage of Covered Payroll
12/31/2010	145,688,745	190,548,951	44,860,206	76.5%	40,662,340	110.3%
12/31/2011	159,366,251	203,122,476	43,756,225	78.5%	41,553,358	105.3%
12/31/2012	174,277,295	198,075,559	23,798,264	88.0%	41,386,265	57.5%

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.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

E. Other Post Employment Benefits

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. 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.

During fiscal year 2013, forty-three former employees were covered under this arrangement, with claims less retiree contributions totaling (\$3,833).

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 Position 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. As described in Note V.C, the City terminated its Borrowed Employee Agreement with BVSWMA, Inc. Therefore, the related OPEB obligation of \$134,385 was removed.

	2011	2012	2013
Annual Required Contribution (ARC)	\$ 1,850,510	\$ 1,360,907	\$ 1,449,844
Interest on Net Pension Obligation	211,750	276,044	333,710
Adjustment to the ARC	(262,374)	(342,039)	(413,492)
Annual OPEB Cost	1,799,886	1,294,912	1,370,062
Contributions Made	(513,998)	(141,585)	3,833
Increase (Decrease) in net pension obligation	1,285,888	1,153,327	1,373,895
Net OPEB Obligation/(Asset), beginning of year	4,234,990	5,520,878	6,674,205
Net OPEB Obligation/(Asset), end of year	\$ 5,520,878	\$ 6,674,205	\$ 8,048,100

Notes to the Financial Statements
 For the Fiscal Year Ended September 30, 2013

Three-Year Trend Information

Accounting Year Ending	Annual OPEB Cost	Actual Contribution Made	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2011	1,799,886	513,998	28.56%	5,520,878
9/30/2012	1,294,912	141,585	10.93%	6,674,205
9/30/2013	1,370,062	(3,833)	-0.28%	8,048,100

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, 2012 actuarial valuation. Significant methods and assumptions follow:

Actuarial valuation date:	10/1/2012
Asset Valuation Method:	Market
Actuarial Cost Method:	Projected Unit Credit
Actuarial Assumptions:	
Annual Investment Return Assumption*	5.0%
*Includes Inflation at:	4.00%
Projected Salary Increases:	N/A
Annual Healthcare Trend Rates:	8.50% in FYE 2013 declining to 5.00% in FYE 2020
Amortization Method:	Level dollar
Amortization Period:	30 year open period

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

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 beginning October 1, 2010, and one for the fiscal year beginning October 1, 2012.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll (Fiscal Year)	UAAL as a Percentage of Covered Payroll
10/1/2010	-	13,868,768	13,868,768	0.0%	42,298,776	32.79%
10/1/2010	-	9,356,116	9,356,116	0.0%	42,298,776	22.12%
10/1/2012	-	10,897,037	10,897,037	0.0%	44,000,000	24.77%

There are factors that affect the ability to compare amounts reported from one actuarial valuation date to the next. The assumptions that have been changed since the previous valuation are:

- the Discount Rate has been updated to reflect changes in the allocation of assets of the employer and the expected return on such assets;
- the Assumed Per Capita Health Benefit Costs and Assumed Expenses for retirees and dependents have been updated to reflect changes in claims and expense expectations; and
- the Health Benefit Cost Trend and Expense Trend have been updated to reflect changes in short-term expectations of the annual rate of increase of the Assumed Per Capita Health Benefit Costs.

Two separate valuations, one of which used the October 1, 2010 valuation date and one the October 1, 2012 valuation date, were used to develop results for the fiscal years ending September 30, 2012 and September 30, 2013. The plan was changed effective January 1, 2012 to eliminate post-65 medical coverage and was changed effective January 1, 2013 to eliminate one of the PPO benefit options. While the plan typically undergoes a biennial valuation, pursuant to paragraph 12 of GASB 45, a new valuation must be performed if there are significant changes to the plan since the previous valuation.

As previously stated, for the fiscal year ending September 30, 2013, a new actuarial valuation incorporating these changes to the plan provisions was performed using October 1, 2012 valuation date.

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. The City is not the 457 Plan Administrator or trustee and the assets of the plan are not reportable in the City's basic financial statements.

G. Commitments and Contingencies

Construction Commitments

The City has contractual commitments of \$8,325,496 in the Capital Projects Funds, \$772,917 in the Water Fund, \$2,761,839 in the Wastewater Fund and \$4,462,056 in the Electric Fund. These commitments are for construction of various projects and will be funded primarily from long-term debt.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2013

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. Management believes any unfavorable outcomes would not be material.

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 ⁽¹⁾
Street Improvements	1984	500,000 ⁽¹⁾
Municipal Complex Improvements	2003	3,655,000
Library Expansion	2008	8,385,000
Parks and Recreation	2008	8,950,000
Street Improvements	2008	29,425,000
Traffic Signals	2008	3,000,000
Total		\$ 54,615,000

(1) Contains projects which may have been completed or abandoned; therefore, these Bonds are not likely to ever be issued.

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.

J. Subsequent Events

In January 2014, the City Council adopted Ordinance 2014-3545 which amends Chapter 11 of City's Code of Ordinances by adopting section 12, related to the creation of Municipal Utility Districts (MUDs). Also adopted was Resolution 01-09-14-01 which establishes the policies for the application process and costs for such requests, the standards that development and infrastructure shall meet if consent is granted, the issues related to annexation of property within a MUD, issuance of debt, and the dissolution of a MUD. These policies apply to any future MUDs either within the City limits, or within the City's Extraterritorial Jurisdictions.

**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]
12/31/2003	\$ 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%
12/31/2010	145,688,745	190,548,951	44,860,206	76.5%	40,662,340	110.3%
12/31/2011	159,366,251	203,122,476	43,756,225	78.5%	41,553,358	105.3%
12/31/2012	174,277,295	198,075,559	23,798,264	88.0%	41,386,265	57.5%

*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.

In June 2011, SB 350 was enacted by the Texas Legislature resulting in a restructure of the TMRS funds. This legislation provided for the actuarial valuation to be completed as if restructuring had occurred on December 31, 2010. In addition, the actuarial assumptions were updated for the new fund structure, based on an actuarial experience study that was adopted by the TMRS Board at their May 2011 meeting (the review compared actual to expected experience for the four year period of January 1, 2006 through December 31, 2009). For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS city rates and funding ratios, please see the December 31, 2011 TMRS Comprehensive Annual Financial Report (CAFR).

**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)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll (Fiscal Year)	UAAL as a Percentage of Covered Payroll
10/1/2010	-	\$ 13,868,768	\$ 13,868,768	0.0%	\$ 42,298,776	32.79%
10/1/2010	-	9,356,116	9,356,116	0.0%	42,298,776	22.12%
10/1/2012	-	10,897,037	10,897,037	0.0%	44,000,000	24.77%

Two separate valuations, one of which used the October 1, 2010 valuation date and one the October 1, 2012 valuation date, were used to develop results for the fiscal years ending September 30, 2012 and September 30, 2013.

The plan was changed effective January 1, 2012 to eliminate post-65 medical coverage and was changed effective January 1, 2013 to eliminate one of the PPO benefit options. While the plan typically undergoes a biennial valuation, pursuant to paragraph 12 of GASB 45, a new valuation must be performed if there are significant changes to the plan since the previous valuation. As previously stated, for the fiscal year ending September 30, 2013, a new actuarial valuation incorporating these changes to the plan provisions was performed using October 1, 2012 valuation date.

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.

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund(s)
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Ad valorem taxes	\$ 14,033,828	\$ 14,033,828	\$ 13,938,602	\$ -	\$ 13,938,602	\$ (95,226)
Sales taxes	21,726,000	21,726,000	23,064,035	-	23,064,035	1,338,035
Mixed drink & franchise	2,487,314	2,487,314	2,651,828	-	2,651,828	164,514
Licenses & permits	997,932	997,932	1,238,967	-	1,238,967	241,035
Intergovernmental	241,305	306,920	469,783	-	469,783	162,863
Parks & recreation charges for services	151,800	151,800	97,711	-	97,711	(54,089)
Other charges for services	2,467,354	2,467,354	2,507,808	-	2,507,808	40,454
Fines, forfeits, & penalties	3,739,096	3,841,096	3,252,418	-	3,252,418	(588,678)
Investment income	78,585	78,585	88,198	-	88,198	9,613
Rents & royalties	564,479	564,479	650,407	-	650,407	85,928
Contributions	18,581	47,481	56,990	-	56,990	9,509
Other	211,140	109,140	212,349	-	212,349	103,209
Total revenues	<u>46,717,414</u>	<u>46,811,929</u>	<u>48,229,096</u>	<u>-</u>	<u>48,229,096</u>	<u>1,417,167</u>
Expenditures						
General government	4,060,468	4,161,612	3,825,760	-	3,825,760	(335,852)
Fiscal services	3,037,512	3,071,264	2,970,342	-	2,970,342	(100,922)
Police	16,505,367	17,123,395	16,515,820	-	16,515,820	(607,575)
Fire	13,171,632	13,555,297	13,297,527	-	13,297,527	(257,770)
Planning & development svcs	3,629,777	3,687,018	3,505,029	-	3,505,029	(181,989)
Public works	7,452,831	7,668,016	7,253,222	-	7,253,222	(414,794)
Parks & Recreation	4,880,815	4,917,494	4,463,535	-	4,463,535	(453,959)
Information technology	4,412,057	4,550,814	4,271,209	-	4,271,209	(279,605)
Library	1,013,116	1,013,116	994,476	-	994,476	(18,640)
Contributions	957,013	1,087,013	1,086,012	-	1,086,012	(1,001)
Other	430,690	510,938	1,300,627	(600,000)	700,627	189,689
Total Expenditures	<u>59,551,278</u>	<u>61,345,977</u>	<u>59,483,559</u>	<u>(600,000)</u>	<u>58,883,559</u>	<u>(2,462,418)</u>
Excess(deficit) of revenues Over (under) expenditures	<u>(12,833,864)</u>	<u>(14,534,048)</u>	<u>(11,254,463)</u>	<u>600,000</u>	<u>(10,654,463)</u>	<u>3,879,585</u>
Other financing sources (uses)						
Transfers in	14,896,795	14,896,795	14,664,450	(572,383)	14,092,067	(804,728)
Transfers out	(4,937,222)	(5,032,520)	(3,977,149)	(600,000)	(4,577,149)	455,371
Contingency	(250,000)	(145,860)	-	-	-	145,860
Total other financing sources (uses)	<u>9,709,573</u>	<u>9,718,415</u>	<u>10,687,301</u>	<u>(1,172,383)</u>	<u>9,514,918</u>	<u>(203,497)</u>
Net change in fund balances	(3,124,291)	(4,815,633)	(567,162)	(572,383)	(1,139,545)	3,676,088
Fund balances , October 1	16,492,694	16,492,694	16,492,694	-	16,492,694	-
Fund balances, September 30	<u>\$ 13,368,403</u>	<u>\$ 11,677,061</u>	<u>\$ 15,925,532</u>	<u>\$ (572,383)</u>	<u>\$ 15,353,149</u>	<u>\$ 3,676,088</u>

NOTE:

The city prepares its annual budget on a budget basis which differs from a GAAP basis. The budget and all transactions are presented in accordance with the budget basis in the Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-General Fund to provide a relevant comparison of actual results with the budget. See Notes III A and B for further explanation of budget information.



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

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.

For the fiscal year ending September 30, 2013, 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.

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.

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

Chimney Hill Fund - account for the receipt and expenditure of funds by the City from the lease of retail property at the Chimney Hill Center.

CITY OF COLLEGE STATION, TEXAS

Combining Balance Sheet

General Fund(s)

September 30, 2013

	<u>General Fund</u>	<u>Economic Development</u>	<u>Unclaimed Property</u>	<u>Efficiency Time Payment</u>	<u>Chimney Hill</u>	<u>Total General Fund</u>
Assets						
Cash and cash equivalents	\$ 13,283,533	\$ 742,609	\$ 180,729	\$ 48,085	\$ 1,342,356	\$ 15,597,312
Equity in investments	1,754,996	98,112	23,878	6,353	177,350	2,060,689
Receivable (net of allow for uncollectible)	3,979,915	-	-	-	29,895	4,009,810
Inventories	39,092	-	-	-	-	39,092
Prepaid costs	20,334	-	-	-	-	20,334
Restricted assets						
Cash and cash equivalents	-	-	-	-	12,696	12,696
Total assets	<u>\$ 19,077,870</u>	<u>\$ 840,721</u>	<u>\$ 204,607</u>	<u>\$ 54,438</u>	<u>\$ 1,562,297</u>	<u>\$ 21,739,933</u>
Liabilities and fund balances						
Accounts payable	\$ 2,336,039	\$ 1,880	\$ -	\$ 1,101	\$ 1,373	\$ 2,340,393
Accrued liabilities	924,392	-	204,607	-	-	1,128,999
Unearned revenue-other	844,595	-	-	-	-	844,595
Interfund payable	-	240,000	-	-	-	240,000
Refundable deposits	68,802	-	-	-	12,696	81,498
Retainage payable	6,169	-	-	-	-	6,169
Customer construction advances	727,761	-	-	-	-	727,761
Total liabilities	<u>4,907,758</u>	<u>241,880</u>	<u>204,607</u>	<u>1,101</u>	<u>14,069</u>	<u>5,369,415</u>
Deferred inflows of resources						
Unavailable revenue-property taxes	444,986	-	-	-	-	444,986
Total deferred inflows of resources	<u>444,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>444,986</u>
Fund balances						
Nonspendable	59,426	-	-	-	-	59,426
Restricted	266,573	-	-	-	-	266,573
Assigned	911,914	-	-	-	60,718	972,632
Unassigned	12,487,213	598,841	-	53,337	1,487,510	14,626,901
Total fund balances	<u>13,725,126</u>	<u>598,841</u>	<u>-</u>	<u>53,337</u>	<u>1,548,228</u>	<u>15,925,532</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,077,870</u>	<u>\$ 840,721</u>	<u>\$ 204,607</u>	<u>\$ 54,438</u>	<u>\$ 1,562,297</u>	<u>\$ 21,739,933</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund(s)
For the Fiscal Year Ended September 30, 2013

	General Fund	Economic Development	Unclaimed Property	Efficiency Time Payment	Chimney Hill	Total General Fund(s)
Revenues						
Ad valorem taxes	\$ 13,938,602	\$ -	\$ -	\$ -	\$ -	\$ 13,938,602
Sales taxes	23,064,035	-	-	-	-	23,064,035
Mixed drink and franchise	2,651,828	-	-	-	-	2,651,828
Licenses and permits	1,238,967	-	-	-	-	1,238,967
Intergovernmental	469,783	-	-	-	-	469,783
Parks and recreation charges for services	97,711	-	-	-	-	97,711
Other charges for services	2,507,808	-	-	-	-	2,507,808
Fines, forfeits, and penalties	3,245,216	-	-	7,202	-	3,252,418
Investment income	77,593	3,472	-	217	6,916	88,198
Rents and royalties	183,529	-	-	-	466,878	650,407
Contributions	56,990	-	-	-	-	56,990
Other	212,349	-	-	-	-	212,349
Total revenues	47,744,411	3,472	-	7,419	473,794	48,229,096
Expenditures						
Current						
General government	3,505,421	320,339	-	-	-	3,825,760
Fiscal services	2,967,359	-	-	2,983	-	2,970,342
Police	16,515,820	-	-	-	-	16,515,820
Fire	13,297,527	-	-	-	-	13,297,527
Planning and development services	3,505,029	-	-	-	-	3,505,029
Public works	6,482,556	-	-	-	36,692	6,519,248
Capital improvement projects	733,974	-	-	-	-	733,974
Parks & recreation	4,463,535	-	-	-	-	4,463,535
Information technology	4,271,209	-	-	-	-	4,271,209
Library	994,476	-	-	-	-	994,476
Contributions	981,013	104,999	-	-	-	1,086,012
Other	618,709	-	-	-	681,918	1,300,627
Total expenditures	58,336,628	425,338	-	2,983	718,610	59,483,559
Excess (deficit) of revenues over (under) expenditures	(10,592,217)	(421,866)	-	4,436	(244,816)	(11,254,463)
Other financing sources (uses)						
Transfers in	14,364,450	300,000	-	-	-	14,664,450
Transfers out	(3,977,149)	-	-	-	-	(3,977,149)
Total other financing sources (uses)	10,387,301	300,000	-	-	-	10,687,301
Net change in fund balances	(204,916)	(121,866)	-	4,436	(244,816)	(567,162)
Fund balances, October 1	13,930,042	720,707	-	48,901	1,793,044	16,492,694
Fund balances, September 30	<u>\$ 13,725,126</u>	<u>\$ 598,841</u>	<u>\$ -</u>	<u>\$ 53,337</u>	<u>\$ 1,548,228</u>	<u>\$ 15,925,532</u>

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund (reported as part of the General Fund(s))
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Ad valorem taxes	\$ 14,033,828	\$ 14,033,828	\$ 13,938,602	\$ -	\$ 13,938,602	\$ (95,226)
Sales taxes	21,726,000	21,726,000	23,064,035	-	23,064,035	1,338,035
Mixed drink and franchise	2,487,314	2,487,314	2,651,828	-	2,651,828	164,514
Licenses and permits	997,932	997,932	1,238,967	-	1,238,967	241,035
Intergovernmental	241,305	306,920	469,783	-	469,783	162,863
Parks and recreation charges for services	151,800	151,800	97,711	-	97,711	(54,089)
Other charges for services	2,467,354	2,467,354	2,507,808	-	2,507,808	40,454
Fines, forfeits, and penalties	3,731,191	3,833,191	3,245,216	-	3,245,216	(587,975)
Investment income	67,686	67,686	77,593	-	77,593	9,907
Rents and royalties	133,654	133,654	183,529	-	183,529	49,875
Contributions	18,581	47,481	56,990	-	56,990	9,509
Other	211,140	109,140	212,349	-	212,349	103,209
Total revenues	46,267,785	46,362,300	47,744,411	-	47,744,411	1,382,111
Expenditures						
General government	3,754,411	3,832,863	3,505,421	-	3,505,421	(327,442)
Fiscal services	2,990,012	3,023,764	2,967,359	-	2,967,359	(56,405)
Police	16,505,367	17,123,395	16,515,820	-	16,515,820	(607,575)
Fire	13,171,632	13,555,297	13,297,527	-	13,297,527	(257,770)
Planning and development services	3,629,777	3,687,018	3,505,029	-	3,505,029	(181,989)
Public works	7,428,331	7,643,516	7,216,530	-	7,216,530	(426,986)
Parks & recreation	4,880,815	4,917,494	4,463,535	-	4,463,535	(453,959)
Information technology	4,412,057	4,550,814	4,271,209	-	4,271,209	(279,605)
Library	1,013,116	1,013,116	994,476	-	994,476	(18,640)
Contributions	957,013	982,013	981,013	-	981,013	(1,000)
Other	330,190	410,438	618,709	-	618,709	208,271
Total expenditures	59,072,721	60,739,728	58,336,628	-	58,336,628	(2,403,100)
Excess (deficit) of revenues over (under) expenditures	(12,804,936)	(14,377,428)	(10,592,217)	-	(10,592,217)	3,785,211
Other financing sources (uses)						
Transfers in	14,596,795	14,596,795	14,364,450	(572,383)	13,792,067	(804,728)
Transfers out	(4,337,222)	(4,432,520)	(3,977,149)	-	(3,977,149)	455,371
Contingency	(250,000)	(145,860)	-	-	-	145,860
Total other financing sources (uses)	10,009,573	10,018,415	10,387,301	(572,383)	9,814,918	(203,497)
Net change in fund balances	(2,795,363)	(4,359,013)	(204,916)	(572,383)	(777,299)	3,581,714
Fund balances, October 1	13,930,042	13,930,042	13,930,042	-	13,930,042	-
Fund balances, September 30	\$ 11,134,679	\$ 9,571,029	\$ 13,725,126	\$ (572,383)	\$ 13,152,743	\$ 3,581,714

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Economic Development Fund (reported as part of the General Fund(s))
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment income	\$ 3,699	\$ 3,699	\$ 3,472	\$ -	\$ 3,472	\$ (227)
Total revenues	<u>3,699</u>	<u>3,699</u>	<u>3,472</u>	<u>-</u>	<u>3,472</u>	<u>(227)</u>
Expenditures						
General government	306,057	328,749	320,339	-	320,339	(8,410)
Contributions	-	105,000	104,999	-	104,999	1
Total expenditures	<u>306,057</u>	<u>433,749</u>	<u>425,338</u>	<u>-</u>	<u>425,338</u>	<u>(8,411)</u>
Excess (deficit) of revenues over (under) expenditures	<u>(302,358)</u>	<u>(430,050)</u>	<u>(421,866)</u>	<u>-</u>	<u>(421,866)</u>	<u>8,184</u>
Other financing sources (uses)						
Transfers in	300,000	300,000	300,000	-	300,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>-</u>
Net change in fund balances	<u>(2,358)</u>	<u>(130,050)</u>	<u>(121,866)</u>	<u>-</u>	<u>(121,866)</u>	<u>8,184</u>
Fund balances, October 1	720,707	720,707	720,707	-	720,707	-
Fund balances, September 30	<u>\$ 718,349</u>	<u>\$ 590,657</u>	<u>\$ 598,841</u>	<u>\$ -</u>	<u>\$ 598,841</u>	<u>\$ 8,184</u>

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Efficiency Time Payment Fund (reported as part of the General Fund(s))
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, forfeits, and penalties	\$ 7,905	\$ 7,905	\$ 7,202	\$ -	\$ 7,202	\$ (703)
Investment income	200	200	217	-	217	17
Total revenues	8,105	8,105	7,419	-	7,419	(686)
Expenditures						
Fiscal services	47,500	47,500	2,983	-	2,983	(44,517)
Total Expenditures	47,500	47,500	2,983	-	2,983	(44,517)
Excess (deficit) of revenues over (under) expenditures	(39,395)	(39,395)	4,436	-	4,436	43,831
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(39,395)	(39,395)	4,436	-	4,436	43,831
Fund balances, October 1	48,901	48,901	48,901	-	48,901	-
Fund balances, September 30	\$ 9,506	\$ 9,506	\$ 53,337	\$ -	\$ 53,337	\$ 43,831

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Chimney Hill Fund (reported as part of the General Fund(s))
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment income	\$ 7,000	\$ 7,000	\$ 6,916	\$ -	\$ 6,916	\$ (84)
Rents and royalties	430,825	430,825	466,878	-	466,878	36,053
Total revenues	<u>437,825</u>	<u>437,825</u>	<u>473,794</u>	<u>-</u>	<u>473,794</u>	<u>35,969</u>
Expenditures						
Public works	24,500	24,500	36,692	-	36,692	12,192
Other	100,500	100,500	681,918	(600,000)	81,918	(18,582)
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>718,610</u>	<u>(600,000)</u>	<u>118,610</u>	<u>(6,390)</u>
Excess (deficit) of revenues over (under) expenditures	<u>312,825</u>	<u>312,825</u>	<u>(244,816)</u>	<u>600,000</u>	<u>355,184</u>	<u>42,359</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(600,000)	(600,000)	-	(600,000)	(600,000)	-
Total other financing sources (uses)	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Net change in fund balances	(287,175)	(287,175)	(244,816)	-	(244,816)	42,359
Fund balances, October 1	1,793,044	1,793,044	1,793,044	-	1,793,044	-
Fund balances, September 30	<u>\$ 1,505,869</u>	<u>\$ 1,505,869</u>	<u>\$ 1,548,228</u>	<u>\$ -</u>	<u>\$ 1,548,228</u>	<u>\$ 42,359</u>



CITY OF COLLEGE STATION
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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 – 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 - account for funds collected by municipal court 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 – account for funds collected by municipal court used to finance the salary and benefits of a juvenile case manager.

Police Seizure Fund – 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.

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

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

Texas Ave. Cemetery Endowment Fund – to account for principal trust amounts received and related interest income for the College Station Cemetery.

Hotel Tax Fund – 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 – 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 – 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 – 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.

Sidewalk Zones- 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 sidewalks.

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.

Recreation Fund- is designed to help the city identify costs and revenues associated with sports, concessions, Senior/Teen Centers, and instruction programs. Ultimately, the fund will help identify how much the General Fund is subsidizing adult and youth programs.

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
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2013

Special Revenue							
	Court Technology Fee	Court Security Fee	Juvenile Case Manager	Police Seizure	Memorial Cemetery	Memorial Cemetery Endowment	Texas Ave Cemetery Endowment
Assets							
Cash and cash equivalents	\$ 382,054	\$ 64,170	\$ 277,416	\$ 72,168	\$ 1,382,560	\$ 586,091	\$ 1,573,436
Equity in investments	50,476	8,478	36,652	9,535	182,661	77,433	207,879
Receivable (net of allow for uncollectible)	-	-	-	-	28,311	13,944	1,370
Inventories	-	-	-	-	4,467,292	2,200,308	212
Total assets	<u>\$ 432,530</u>	<u>\$ 72,648</u>	<u>\$ 314,068</u>	<u>\$ 81,703</u>	<u>\$ 6,060,824</u>	<u>\$ 2,877,776</u>	<u>\$ 1,782,897</u>
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,621
Accrued liabilities	-	1,506	2,077	-	-	-	-
Retainage payable	-	-	-	-	-	-	-
Refundable deposits	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,506</u>	<u>2,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,621</u>
Deferred inflows of resources							
Unavailable revenue-loans receivable	-	-	-	-	-	-	-
Unavailable revenue-other	-	-	-	-	28,311	13,944	1,370
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,311</u>	<u>13,944</u>	<u>1,370</u>
Fund balance							
Nonspendable	-	-	-	-	4,467,292	2,200,308	212
Restricted	432,530	71,142	311,991	81,703	-	-	-
Committed	-	-	-	-	1,565,221	663,524	1,779,694
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>432,530</u>	<u>71,142</u>	<u>311,991</u>	<u>81,703</u>	<u>6,032,513</u>	<u>2,863,832</u>	<u>1,779,906</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 432,530</u>	<u>\$ 72,648</u>	<u>\$ 314,068</u>	<u>\$ 81,703</u>	<u>\$ 6,060,824</u>	<u>\$ 2,877,776</u>	<u>\$ 1,782,897</u>

							Capital Projects		
Hotel Tax	Community Development	Wolf Pen Creek Tax Increment Financing District	Parks Escrow	Sidewalk Zones	Drainage Projects	Recreation	General Government Projects	Parks & Recreation Projects	Total Other Governmental Funds
\$ 5,918,321	\$ 276,262	\$ 1,105,696	\$ 3,305,835	\$ 48,307	\$ 2,534,233	\$ 55,538	\$ 1,775,004	\$ 3,080,473	\$ 22,512,031
781,918	36,499	146,083	436,760	6,383	334,818	7,338	234,510	406,987	2,889,943
-	1,610,628	-	-	-	225,892	5,242	-	-	1,885,387
-	-	-	-	-	-	-	-	-	6,667,812
<u>\$ 6,700,239</u>	<u>\$ 1,923,389</u>	<u>\$ 1,251,779</u>	<u>\$ 3,742,595</u>	<u>\$ 54,690</u>	<u>\$ 3,094,943</u>	<u>\$ 68,118</u>	<u>\$ 2,009,514</u>	<u>\$ 3,487,460</u>	<u>\$ 33,955,173</u>
\$ 210,762	\$ 77,419	\$ -	\$ 39,724	\$ -	\$ 103,429	\$ 37,914	\$ 25,322	\$ 22,416	\$ 518,607
-	3,626	-	-	-	14,053	21,625	-	-	42,887
9,878	691	-	-	-	22,711	-	-	50,900	84,180
-	-	-	-	-	-	8,579	-	-	8,579
<u>220,640</u>	<u>81,736</u>	<u>-</u>	<u>39,724</u>	<u>-</u>	<u>140,193</u>	<u>68,118</u>	<u>25,322</u>	<u>73,316</u>	<u>654,253</u>
-	223,962	-	-	-	-	-	-	-	223,962
-	-	-	-	-	-	-	-	-	43,625
-	<u>223,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,587</u>
-	-	-	-	-	-	-	-	-	6,667,812
6,479,599	1,617,691	1,251,779	3,702,871	54,690	2,954,750	-	1,984,192	3,414,144	22,357,082
-	-	-	-	-	-	-	-	-	4,008,439
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>6,479,599</u>	<u>1,617,691</u>	<u>1,251,779</u>	<u>3,702,871</u>	<u>54,690</u>	<u>2,954,750</u>	<u>-</u>	<u>1,984,192</u>	<u>3,414,144</u>	<u>33,033,333</u>
<u>\$ 6,700,239</u>	<u>\$ 1,923,389</u>	<u>\$ 1,251,779</u>	<u>\$ 3,742,595</u>	<u>\$ 54,690</u>	<u>\$ 3,094,943</u>	<u>\$ 68,118</u>	<u>\$ 2,009,514</u>	<u>\$ 3,487,460</u>	<u>\$ 33,955,173</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
September 30, 2013

Special Revenue								
	Court Technology Fee	Court Security Fee	Juvenile Case Manager	Police Seizure	Memorial Cemetery	Memorial Cemetery Endowment	Texas Ave Cemetery Endowment	Hotel Tax
Revenues								
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,393,867
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	23,614	-	-	-	-
Charges for services	-	-	-	-	244,411	120,382	10,973	-
Fines, forfeits, and penalties	70,121	52,578	87,080	-	-	-	-	-
Investment income	1,716	341	1,337	354	5,954	2,486	7,381	22,556
Rents and royalties	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	(1,000)	-
Other	-	-	-	-	-	-	-	-
Total revenues	71,837	52,919	88,417	23,968	250,365	122,868	17,354	4,416,423
Expenditures								
Current								
Fiscal services	50,203	69,907	101,149	-	-	-	-	7,450
Police	-	-	-	34,291	-	-	-	-
Planning and development svcs	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Parks & recreation	-	-	-	-	-	264	-	106,246
Contributions	-	-	-	-	-	-	-	1,714,147
Other	-	-	-	-	184,686	90,965	27	4,501
Capital outlay	-	-	-	-	-	-	-	305,761
Total expenditures	50,203	69,907	101,149	34,291	184,686	91,229	27	2,138,105
Excess(deficit) of revenues over (under) expenditures	21,634	(16,988)	(12,732)	(10,323)	65,679	31,639	17,327	2,278,318
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(249,073)
Total other financing sources (uses)	-	-	-	-	-	-	-	(249,073)
Net change in fund balance	21,634	(16,988)	(12,732)	(10,323)	65,679	31,639	17,327	2,029,245
Fund balances , October 1	410,896	88,130	324,723	92,026	5,966,834	2,832,193	1,762,579	4,450,354
Fund balances, September 30	\$ 432,530	\$ 71,142	\$ 311,991	\$ 81,703	\$ 6,032,513	\$ 2,863,832	\$ 1,779,906	\$ 6,479,599

Community Development	Wolf Pen Creek Tax Increment Financing District	Parks Escrow	Sidewalk Zones	Drainage Projects	Recreation	Capital Projects		
						General Government Projects	Parks and Recreation Projects	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,393,867
-	-	-	-	-	1,333	-	-	1,333
1,137,221	-	-	-	-	7,583	-	-	1,168,418
-	-	-	-	2,009,180	922,910	-	-	3,307,856
-	-	-	-	-	-	-	-	209,779
-	7,634	14,819	206	12,814	-	10,287	4,735	92,620
-	-	-	-	-	102,994	-	-	102,994
-	-	736,008	5,550	-	1,500	-	-	742,058
7,305	-	-	-	-	14,376	-	78,443	100,124
<u>1,144,526</u>	<u>7,634</u>	<u>750,827</u>	<u>5,756</u>	<u>2,021,994</u>	<u>1,050,696</u>	<u>10,287</u>	<u>83,178</u>	<u>10,119,049</u>
-	-	-	-	132	-	2,989	1,067	232,897
-	-	-	-	-	-	-	-	34,291
685,702	-	-	-	78,123	-	-	-	763,825
-	-	-	-	878,694	-	-	-	878,694
-	-	-	-	-	3,313,850	-	-	3,420,369
-	-	-	-	-	-	-	-	1,714,147
-	-	-	-	83,350	-	-	-	363,529
230,789	721,480	176,612	-	807,092	-	1,191,074	461,848	3,894,656
<u>916,491</u>	<u>721,480</u>	<u>176,612</u>	<u>-</u>	<u>1,847,391</u>	<u>3,313,850</u>	<u>1,194,063</u>	<u>462,915</u>	<u>11,302,408</u>
<u>228,035</u>	<u>(713,846)</u>	<u>574,215</u>	<u>5,756</u>	<u>174,603</u>	<u>(2,263,154)</u>	<u>(1,183,776)</u>	<u>(379,737)</u>	<u>(1,183,359)</u>
-	-	-	-	-	-	-	2,725,000	2,725,000
-	-	-	-	-	2,450,723	384,027	200,000	3,034,759
(243,744)	(450,000)	(46,561)	-	(424,368)	(187,569)	(151,943)	(122,179)	(1,875,437)
<u>(243,744)</u>	<u>(450,000)</u>	<u>(46,561)</u>	<u>-</u>	<u>(424,368)</u>	<u>2,263,154</u>	<u>232,084</u>	<u>2,802,821</u>	<u>3,884,322</u>
(15,709)	(1,163,846)	527,654	5,756	(249,765)	-	(951,692)	2,423,084	2,700,963
1,633,400	2,415,625	3,175,217	48,934	3,204,515	-	2,935,884	991,060	30,332,370
<u>\$ 1,617,691</u>	<u>\$ 1,251,779</u>	<u>\$ 3,702,871</u>	<u>\$ 54,690</u>	<u>\$ 2,954,750</u>	<u>\$ -</u>	<u>\$ 1,984,192</u>	<u>\$ 3,414,144</u>	<u>\$ 33,033,333</u>

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Court Technology Fee Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, forfeits, and penalties	\$ 83,500	\$ 83,500	\$ 70,121	\$ -	\$ 70,121	\$ (13,379)
Investment income	1,705	1,705	1,716	-	1,716	11
Total revenues	85,205	85,205	71,837	-	71,837	(13,368)
Expenditures						
Fiscal services	60,707	60,707	50,203	-	50,203	(10,504)
Total expenditures	60,707	60,707	50,203	-	50,203	(10,504)
Excess(deficit) of revenues over (under) expenditures	24,498	24,498	21,634	-	21,634	(2,864)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	24,498	24,498	21,634	-	21,634	(2,864)
Fund balances, October 1	410,896	410,896	410,896	-	410,896	-
Fund balances, September 30	\$ 435,394	\$ 435,394	\$ 432,530	\$ -	\$ 432,530	\$ (2,864)

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Court Security Fee Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, forfeits, and penalties	\$ 67,618	\$ 67,618	\$ 52,578	\$ -	\$ 52,578	\$ (15,040)
Investment income	409	409	341	-	341	(68)
Total revenues	68,027	68,027	52,919	-	52,919	(15,108)
Expenditures						
Fiscal services	66,943	67,758	69,907	-	69,907	2,149
Total expenditures	66,943	67,758	69,907	-	69,907	2,149
Excess(deficit) of revenues over (under) expenditures	1,084	269	(16,988)	-	(16,988)	(17,257)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	1,084	269	(16,988)	-	(16,988)	(17,257)
Fund balances, October 1	88,130	88,130	88,130	-	88,130	-
Fund balances, September 30	\$ 89,214	\$ 88,399	\$ 71,142	\$ -	\$ 71,142	\$ (17,257)

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Juvenile Case Manager Fee Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, forfeits, and penalties	\$ 112,961	\$ 112,961	\$ 87,080	\$ -	\$ 87,080	\$ (25,881)
Investment income	1,442	1,442	1,337	-	1,337	(105)
Total revenues	114,403	114,403	88,417	-	88,417	(25,986)
Expenditures						
Fiscal services	103,408	104,871	101,149	-	101,149	(3,722)
Total expenditures	103,408	104,871	101,149	-	101,149	(3,722)
Excess(deficit) of revenues over (under) expenditures	10,995	9,532	(12,732)	-	(12,732)	(22,264)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	10,995	9,532	(12,732)	-	(12,732)	(22,264)
Fund balances, October 1	324,723	324,723	324,723	-	324,723	-
Fund balances, September 30	\$ 335,718	\$ 334,255	\$ 311,991	\$ -	\$ 311,991	\$ (22,264)

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Police Seizure Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Intergovernmental	\$ 26,500	\$ 26,500	\$ 23,614	\$ -	\$ 23,614	\$ (2,886)
Investment income	290	290	354	-	354	64
Total revenues	26,790	26,790	23,968	-	23,968	(2,822)
Expenditures						
Police	40,000	40,000	34,291	-	34,291	(5,709)
Total expenditures	40,000	40,000	34,291	-	34,291	(5,709)
Excess(deficit) of revenues over (under) expenditures	(13,210)	(13,210)	(10,323)	-	(10,323)	2,887
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(13,210)	(13,210)	(10,323)	-	(10,323)	2,887
Fund balances, October 1	92,026	92,026	92,026	-	92,026	-
Fund balances, September 30	\$ 78,816	\$ 78,816	\$ 81,703	\$ -	\$ 81,703	\$ 2,887

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Memorial Cemetery Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Other charges for services	\$ 261,180	\$ 261,180	\$ 244,411	\$ -	\$ 244,411	\$ (16,769)
Investment income	7,500	7,500	5,954	-	5,954	(1,546)
Total revenues	268,680	268,680	250,365	-	250,365	(18,315)
Expenditures						
Other	-	-	184,686	-	184,686	184,686
Total expenditures	-	-	184,686	-	184,686	184,686
Excess(deficit) of revenues over (under) expenditures	268,680	268,680	65,679	-	65,679	(203,001)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	268,680	268,680	65,679	-	65,679	(203,001)
Fund balances, October 1	5,966,834	5,966,834	5,966,834	-	5,966,834	-
Fund balances, September 30	\$ 6,235,514	\$ 6,235,514	\$ 6,032,513	\$ -	\$ 6,032,513	\$ (203,001)

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Memorial Cemetery Endowment Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Other charges for services	\$ 128,641	\$ 128,641	\$ 120,382	\$ -	\$ 120,382	\$ (8,259)
Investment income	3,000	3,000	2,486	-	2,486	(514)
Total revenues	131,641	131,641	122,868	-	122,868	(8,773)
Expenditures						
Parks & recreation	10,000	10,000	264	-	264	(9,736)
Other	-	-	90,965	-	90,965	90,965
Total expenditures	10,000	10,000	91,229	-	91,229	81,229
Excess(deficit) of revenues over (under) expenditures	121,641	121,641	31,639	-	31,639	(90,002)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	121,641	121,641	31,639	-	31,639	(90,002)
Fund balances, October 1	2,832,193	2,832,193	2,832,193	-	2,832,193	-
Fund balances, September 30	\$ 2,953,834	\$ 2,953,834	\$ 2,863,832	\$ -	\$ 2,863,832	\$ (90,002)

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Texas Ave Cemetery Endowment Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Other charges for services	\$ 5,000	\$ 5,000	\$ 10,973	\$ -	\$ 10,973	\$ 5,973
Investment income	8,000	8,000	7,381	-	7,381	(619)
Contributions	-	-	(1,000)	-	(1,000)	(1,000)
Total revenues	13,000	13,000	17,354	-	17,354	4,354
Expenditures						
Other	-	-	27	-	27	27
Total expenditures	-	-	27	-	27	27
Excess(deficit) of revenues over (under) expenditures	13,000	13,000	17,327	-	17,327	4,327
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	13,000	13,000	17,327	-	17,327	4,327
Fund balances, October 1	1,762,579	1,762,579	1,762,579	-	1,762,579	-
Fund balances, September 30	\$ 1,775,579	\$ 1,775,579	\$ 1,779,906	\$ -	\$ 1,779,906	\$ 4,327

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Hotel Tax Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Hotel occupancy tax	\$ 3,811,000	\$ 3,811,000	\$ 4,393,867	\$ -	\$ 4,393,867	\$ 582,867
Investment income	23,000	23,000	22,556	-	22,556	(444)
Total revenues	3,834,000	3,834,000	4,416,423	-	4,416,423	582,423
Expenditures						
Fiscal services	-	15,000	7,450	-	7,450	(7,550)
Parks & recreation	219,000	219,000	106,246	-	106,246	(112,754)
Contributions	1,630,153	1,721,653	1,714,147	-	1,714,147	(7,506)
Other	3,700,000	4,317,400	310,262	-	310,262	(4,007,138)
Total expenditures	5,549,153	6,273,053	2,138,105	-	2,138,105	(4,134,948)
Excess(deficit) of revenues over (under) expenditures	(1,715,153)	(2,439,053)	2,278,318	-	2,278,318	4,717,371
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(340,773)	(340,773)	(249,073)	-	(249,073)	91,700
Contingency	(50,000)	(50,000)	-	-	-	50,000
Total other financing sources (uses)	(390,773)	(390,773)	(249,073)	-	(249,073)	141,700
Net change in fund balances	(2,105,926)	(2,829,826)	2,029,245	-	2,029,245	4,859,071
Fund balances, October 1	4,450,354	4,450,354	4,450,354	-	4,450,354	-
Fund balances, September 30	\$ 2,344,428	\$ 1,620,528	\$ 6,479,599	\$ -	\$ 6,479,599	\$ 4,859,071

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Community Development Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Intergovernmental	\$ 4,626,141	\$ 4,626,141	\$ 1,137,221	\$ 250,815	\$ 1,388,036	\$ (3,238,105)
Other	20,000	20,000	7,305	(3,036)	4,269	(15,731)
Total revenues	<u>4,646,141</u>	<u>4,646,141</u>	<u>1,144,526</u>	<u>247,779</u>	<u>1,392,305</u>	<u>(3,253,836)</u>
Expenditures						
Planning and development services	2,814,219	2,814,219	685,702	-	685,702	(2,128,517)
Other	608,208	608,208	230,789	-	230,789	(377,419)
Total expenditures	<u>3,422,427</u>	<u>3,422,427</u>	<u>916,491</u>	<u>-</u>	<u>916,491</u>	<u>(2,505,936)</u>
Excess(deficit) of revenues over (under) expenditures	<u>1,223,714</u>	<u>1,223,714</u>	<u>228,035</u>	<u>247,779</u>	<u>475,814</u>	<u>(747,900)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(1,223,714)	(1,223,714)	(243,744)	-	(243,744)	979,970
Total other financing sources (uses)	<u>(1,223,714)</u>	<u>(1,223,714)</u>	<u>(243,744)</u>	<u>-</u>	<u>(243,744)</u>	<u>979,970</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(15,709)</u>	<u>247,779</u>	<u>232,070</u>	<u>232,070</u>
Fund balances, October 1	1,633,400	1,633,400	1,633,400	-	1,633,400	-
Fund balances, September 30	<u>\$ 1,633,400</u>	<u>\$ 1,633,400</u>	<u>\$ 1,617,691</u>	<u>\$ 247,779</u>	<u>\$ 1,865,470</u>	<u>\$ 232,070</u>

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Wolf Pen Creek (WPC) TIF Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment income	\$ 10,000	\$ 10,000	\$ 7,634	\$ -	\$ 7,634	\$ (2,366)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>7,634</u>	<u>-</u>	<u>7,634</u>	<u>(2,366)</u>
Expenditures						
Other	1,334,038	884,038	721,480	-	721,480	(162,558)
Total expenditures	<u>1,334,038</u>	<u>884,038</u>	<u>721,480</u>	<u>-</u>	<u>721,480</u>	<u>(162,558)</u>
Excess(deficit) of revenues over (under) expenditures	<u>(1,324,038)</u>	<u>(874,038)</u>	<u>(713,846)</u>	<u>-</u>	<u>(713,846)</u>	<u>160,192</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	(450,000)	(450,000)	-	(450,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>	<u>(450,000)</u>	<u>-</u>
Net change in fund balances	(1,324,038)	(1,324,038)	(1,163,846)	-	(1,163,846)	160,192
Fund balances, October 1	2,415,625	2,415,625	2,415,625	-	2,415,625	-
Fund balances, September 30	<u>\$ 1,091,587</u>	<u>\$ 1,091,587</u>	<u>\$ 1,251,779</u>	<u>\$ -</u>	<u>\$ 1,251,779</u>	<u>\$ 160,192</u>

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Parks Escrow Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment income	\$ 10,000	\$ 10,000	\$ 14,819	\$ -	\$ 14,819	\$ 4,819
Contributions	300,000	300,000	736,008	-	736,008	436,008
Total revenues	310,000	310,000	750,827	-	750,827	440,827
Expenditures						
Capital outlay	2,368,000	2,368,000	176,612	5,548	182,160	(2,185,840)
Total expenditures	2,368,000	2,368,000	176,612	5,548	182,160	(2,185,840)
Excess(deficit) of revenues over (under) expenditures	(2,058,000)	(2,058,000)	574,215	(5,548)	568,667	2,626,667
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(24,627)	(24,627)	(46,561)	21,934	(24,627)	-
Total other financing sources (uses)	(24,627)	(24,627)	(46,561)	21,934	(24,627)	-
Net change in fund balances	(2,082,627)	(2,082,627)	527,654	16,386	544,040	2,626,667
Fund balances, October 1	3,175,217	3,175,217	3,175,217	-	3,175,217	-
Fund balances, September 30	\$ 1,092,590	\$ 1,092,590	\$ 3,702,871	\$ 16,386	\$ 3,719,257	\$ 2,626,667

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Drainage Projects Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Other charges for services	\$ 2,009,400	\$ 2,009,400	\$ 2,009,180	\$ -	\$ 2,009,180	\$ (220)
Investment income	10,000	10,000	12,814	-	12,814	2,814
Total revenues	2,019,400	2,019,400	2,021,994	-	2,021,994	2,594
Expenditures						
Fiscal services	-	-	132	-	132	132
Planning and development services	76,899	77,714	78,123	-	78,123	409
Public works	1,003,376	1,025,980	878,694	-	878,694	(147,286)
Other	660,214	660,214	890,442	-	890,442	230,228
Total expenditures	1,740,489	1,763,908	1,847,391	-	1,847,391	83,483
Excess(deficit) of revenues over (under) expenditures	278,911	255,492	174,603	-	174,603	(80,889)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(375,193)	(375,193)	(424,368)	49,175	(375,193)	-
Total other financing sources (uses)	(375,193)	(375,193)	(424,368)	49,175	(375,193)	-
Net change in fund balances	(96,282)	(119,701)	(249,765)	49,175	(200,590)	(80,889)
Fund balances, October 1	3,204,515	3,204,515	3,204,515	-	3,204,515	-
Fund balances, September 30	\$ 3,108,233	\$ 3,084,814	\$ 2,954,750	\$ 49,175	\$ 3,003,925	\$ (80,889)

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Recreation Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Licenses and permits	\$ 225	\$ 225	\$ 1,333	\$ -	\$ 1,333	\$ 1,108
Intergovernmental	7,000	7,000	7,583	-	7,583	583
Parks and rec charges for services	858,775	858,775	775,585	-	775,585	(83,190)
Other charges for services	79,100	79,100	147,325	-	147,325	68,225
Rents and royalties	58,000	58,000	102,994	-	102,994	44,994
Contributions	6,200	6,200	1,500	-	1,500	(4,700)
Other	19,800	19,800	14,376	-	14,376	(5,424)
Total revenues	<u>1,029,100</u>	<u>1,029,100</u>	<u>1,050,696</u>	<u>-</u>	<u>1,050,696</u>	<u>21,596</u>
Expenditures						
Parks & recreation	<u>3,533,272</u>	<u>3,537,827</u>	<u>3,313,850</u>	<u>-</u>	<u>3,313,850</u>	<u>(223,977)</u>
Total expenditures	<u>3,533,272</u>	<u>3,537,827</u>	<u>3,313,850</u>	<u>-</u>	<u>3,313,850</u>	<u>(223,977)</u>
Excess(deficit) of revenues over (under) expenditures	<u>(2,504,172)</u>	<u>(2,508,727)</u>	<u>(2,263,154)</u>	<u>-</u>	<u>(2,263,154)</u>	<u>245,573</u>
Other financing sources (uses)						
Transfers in	2,691,741	2,691,741	2,450,723	-	2,450,723	(241,018)
Transfers out	<u>(187,569)</u>	<u>(187,569)</u>	<u>(187,569)</u>	<u>-</u>	<u>(187,569)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,504,172</u>	<u>2,504,172</u>	<u>2,263,154</u>	<u>-</u>	<u>2,263,154</u>	<u>(241,018)</u>
Net change in fund balances	-	(4,555)	-	-	-	4,555
Fund balances, October 1	-	-	-	-	-	-
Fund balances, September 30	<u>\$ -</u>	<u>\$ (4,555)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,555</u>

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Government Projects Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment income	\$ 14,000	\$ 14,000	\$ 10,287	\$ -	\$ 10,287	\$ (3,713)
Total revenues	<u>14,000</u>	<u>14,000</u>	<u>10,287</u>	<u>-</u>	<u>10,287</u>	<u>(3,713)</u>
Expenditures						
Fiscal services	5,000	5,000	2,989	-	2,989	(2,011)
Other	548,897	598,897	1,191,074	-	1,191,074	592,177
Total expenditures	<u>553,897</u>	<u>603,897</u>	<u>1,194,063</u>	<u>-</u>	<u>1,194,063</u>	<u>590,166</u>
Excess(deficit) of revenues over (under) expenditures	<u>(539,897)</u>	<u>(589,897)</u>	<u>(1,183,776)</u>	<u>-</u>	<u>(1,183,776)</u>	<u>(593,879)</u>
Other financing sources (uses)						
Issuance of debt	250,000	250,000	-	-	-	(250,000)
Transfers in	338,729	384,027	384,027	-	384,027	-
Transfers out	(78,246)	(78,246)	(151,943)	73,697	(78,246)	-
Total other financing sources (uses)	<u>510,483</u>	<u>555,781</u>	<u>232,084</u>	<u>73,697</u>	<u>305,781</u>	<u>(250,000)</u>
Net change in fund balances	(29,414)	(34,116)	(951,692)	73,697	(877,995)	(843,879)
Fund balances, October 1	2,935,884	2,935,884	2,935,884	-	2,935,884	-
Fund balances, September 30	<u>\$ 2,906,470</u>	<u>\$ 2,901,768</u>	<u>\$ 1,984,192</u>	<u>\$ 73,697</u>	<u>\$ 2,057,889</u>	<u>\$ (843,879)</u>

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Parks and Recreation Projects Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Intergovernmental	\$ 76,020	\$ 76,020	\$ -	\$ -	\$ -	\$ (76,020)
Investment income	5,000	5,000	4,735	-	4,735	(265)
Other	76,500	76,500	78,443	-	78,443	1,943
Total revenues	157,520	157,520	83,178	-	83,178	(74,342)
Expenditures						
Fiscal services	-	-	1,067	-	1,067	1,067
Other	537,792	537,792	461,848	2,755	464,603	(73,189)
Total expenditures	537,792	537,792	462,915	2,755	465,670	(72,122)
Excess(deficit) of revenues over (under) expenditures	(380,272)	(380,272)	(379,737)	(2,755)	(382,492)	(2,220)
Other financing sources (uses)						
Issuance of debt	4,250,000	4,250,000	2,725,000	2,755	2,727,755	(1,522,245)
Transfers in	-	200,000	200,000	-	200,000	-
Transfers out	(40,182)	(40,182)	(122,179)	81,997	(40,182)	-
Total other financing sources (uses)	4,209,818	4,409,818	2,802,821	84,752	2,887,573	(1,522,245)
Net change in fund balances	3,829,546	4,029,546	2,423,084	81,997	2,505,081	(1,524,465)
Fund balances, October 1	991,060	991,060	991,060	-	991,060	-
Fund balances, September 30	\$ 4,820,606	\$ 5,020,606	\$ 3,414,144	\$ 81,997	\$ 3,496,141	\$ (1,524,465)

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Debt Service Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Ad valorem taxes	\$ 11,691,371	\$ 11,691,371	\$ 11,604,087	\$ -	\$ 11,604,087	\$ (87,284)
Investment income	50,000	50,000	22,183	-	22,183	(27,817)
Total revenues	11,741,371	11,741,371	11,626,270	-	11,626,270	(115,101)
Expenditures						
Debt service principal	8,245,000	8,245,000	8,245,000	-	8,245,000	-
Debt service interest	3,747,517	3,747,517	3,747,520	-	3,747,520	3
Fiscal charges	50,000	50,000	154,660	6,462	161,122	111,122
Total expenditures	12,042,517	12,042,517	12,147,180	6,462	12,153,642	111,125
Excess(deficit) of revenues over (under) expenditures	(301,146)	(301,146)	(520,910)	(6,462)	(527,372)	(226,226)
Other financing sources (uses)						
Advance refunding	-	-	(6,054,452)	-	(6,054,452)	(6,054,452)
Issuance of debt	-	-	5,255,000	236,462	5,491,462	5,491,462
Premium on bonds issued	-	-	951,174	(230,000)	721,174	721,174
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	151,722	6,462	158,184	158,184
Net change in fund balances	(301,146)	(301,146)	(369,188)	-	(369,188)	(68,042)
Fund balances, October 1	3,082,443	3,082,443	3,802,443	-	3,802,443	-
Fund balances, September 30	\$ 2,781,297	\$ 2,781,297	\$ 3,433,255	\$ -	\$ 3,433,255	\$ (68,042)

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Street Projects Fund
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Intergovernmental	\$ -	\$ -	\$ 111,604	\$ -	\$ 111,604	\$ 111,604
Investment income	65,000	65,000	49,307	-	49,307	(15,693)
Other	100,000	100,000	5,022	-	5,022	(94,978)
Total revenues	165,000	165,000	165,933	-	165,933	933
Expenditures						
Fiscal services	-	-	1,965	-	1,965	1,965
Other	135,000	300,000	300,000	-	300,000	-
Capital outlay	6,953,561	6,838,561	4,908,063	-	4,908,063	(1,930,498)
Fiscal charges	45,000	45,000	-	6,745	6,745	(38,255)
Intergovernmental	1,312,500	1,312,500	301,061	-	301,061	(1,011,439)
Total expenditures	8,446,061	8,496,061	5,511,089	6,745	5,517,834	(2,978,227)
Excess(deficit) of revenues over (under) expenditures	(8,281,061)	(8,331,061)	(5,345,156)	(6,745)	(5,351,901)	2,979,160
Other financing sources (uses)						
Issuance of debt	7,050,000	7,050,000	6,525,000	6,745	6,531,745	(518,255)
Transfers in	1,518,134	1,818,134	930,262	-	930,262	(887,872)
Transfers out	(342,132)	(342,132)	(687,712)	345,581	(342,131)	1
Total other financing sources (uses)	8,226,002	8,526,002	6,767,550	352,326	7,119,876	(1,406,126)
Net change in fund balances	(55,059)	194,941	1,422,394	345,581	1,767,975	1,573,034
Fund balances, October 1	12,114,922	12,114,922	12,114,922	-	12,114,922	-
Fund balances, September 30	\$ 12,059,863	\$ 12,309,863	\$ 13,537,316	\$ 345,581	\$ 13,882,897	\$ 1,573,034

COMBINING FINANCIAL STATEMENTS

NONMAJOR ENTERPRISE FUNDS

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

Northgate Parking Garage Fund - 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 Position
Nonmajor Enterprise Funds
September 30, 2013

	Sanitation	Northgate Parking Garage	Total Nonmajor Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ 169,659	\$ 752,451	\$ 922,110
Equity in investments	22,415	99,412	121,827
Receivable (net of allow for uncollectible)	809,148	-	809,148
Inventories	15,040	-	15,040
Total current assets	1,016,262	851,863	1,868,125
Noncurrent assets			
Equity in joint venture	12,618,120	-	12,618,120
Loan receivable	4,330,000	-	4,330,000
	<u>16,948,120</u>	<u>-</u>	<u>16,948,120</u>
Capital assets			
Buildings	-	5,743,755	5,743,755
Machinery and equipment	4,763,913	826,882	5,590,795
Less accumulated depreciation	(2,739,744)	(2,201,917)	(4,941,661)
Construction in progress	-	9,400	9,400
Land	-	690,750	690,750
Total capital assets	2,024,169	5,068,870	7,093,039
Total noncurrent assets	18,972,289	5,068,870	24,041,159
Total assets	19,988,551	5,920,733	25,909,284
Deferred outflows of resources			
Deferred charge on refunding	-	67,066	67,066
Total deferred outflows of resources	-	67,066	67,066
Liabilities			
Current Liabilities			
Accounts payable	307,252	50,389	357,641
Compensated absences	7,272	329	7,601
Accrued liabilities	83,767	19,809	103,576
Unearned revenue-other	-	85,508	85,508
Accrued interest payable	16,802	8,117	24,919
Refundable deposits	-	4,200	4,200
Certificates of obligation	230,000	-	230,000
General obligation bonds	-	398,174	398,174
Total current liabilities	645,093	566,526	1,211,619
Noncurrent liabilities			
Certificates of obligation	4,100,000	-	4,100,000
General obligation bonds	-	1,920,870	1,920,870
Compensated absences	89,193	4,037	93,230
Post employment benefits	254,675	24,815	279,490
Net pension obligation	222,142	21,457	243,599
Total noncurrent liabilities	4,666,010	1,971,179	6,637,189
Total liabilities	5,311,103	2,537,705	7,848,808
Net position			
Net investment in capital assets	2,024,169	2,749,826	4,773,995
Restricted For:			
Debt Service	-	-	-
Unrestricted	12,653,279	700,268	13,353,547
Total net position	\$ 14,677,448	\$ 3,450,094	\$ 18,127,542

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2013

	Sanitation	Northgate Parking Garage	Total Nonmajor Enterprise Funds
Operating revenues			
Charges for services	\$ 7,387,823	\$ 1,226,449	\$ 8,614,272
Other	20,081	1,412	21,493
Total operating revenues	<u>7,407,904</u>	<u>1,227,861</u>	<u>8,635,765</u>
Operating expenses			
Salaries and benefits	2,189,080	309,406	2,498,486
Supplies	617,903	19,703	637,606
Maintenance	468,703	22,683	491,386
Purchased professional services	663,255	134,535	797,790
Purchased property services	1,607,626	62,360	1,669,986
Other purchased services	787,005	142,949	929,954
Depreciation	483,126	270,849	753,975
Other	29,866	-	29,866
Total operating expenses	<u>6,846,564</u>	<u>962,485</u>	<u>7,809,049</u>
Operating income	<u>561,340</u>	<u>265,376</u>	<u>826,716</u>
Nonoperating revenues (expenses)			
Investment income	1,403	2,705	4,108
Gain (loss) on disposal of assets	(206,000)	(13,565)	(219,565)
Earnings in joint venture	404,724	-	404,724
Intergovernmental	982	-	982
Interest expense	-	(85,562)	(85,562)
Debt issuance costs	-	(235)	(235)
Other, net	(186,103)	6,438	(179,665)
Total nonoperating revenues (expenses)	<u>15,006</u>	<u>(90,219)</u>	<u>(75,213)</u>
Income before capital contributions and transfers	<u>576,346</u>	<u>175,157</u>	<u>751,503</u>
Capital contributions and transfers			
Capital contributions	27,099	-	27,099
Transfers in	-	227,252	227,252
Transfers out	(1,207,671)	(75,489)	(1,283,160)
Total capital contributions and transfers	<u>(1,180,572)</u>	<u>151,763</u>	<u>(1,028,809)</u>
Change in net position	(604,226)	326,920	(277,306)
Net position - beginning	<u>15,281,674</u>	<u>3,066,282</u>	<u>18,347,956</u>
Prior period adjustment	-	56,891	56,891
Net position - ending	<u>\$ 14,677,448</u>	<u>\$ 3,450,093</u>	<u>\$ 18,127,541</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2013

	Sanitation	Northgate Parking Garage	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash received from customers	\$ 7,471,425	\$ 1,282,497	\$ 8,753,922
Cash payments to suppliers for goods and services	(4,107,652)	(387,219)	(4,494,871)
Cash payments to employees for services	(2,080,405)	(301,279)	(2,381,684)
Cash paid for miscellaneous services	(186,103)	-	(186,103)
Cash received for miscellaneous revenues	982	4,116	5,098
Net cash provided (used) by operating activities	1,098,247	598,115	1,696,362
Cash flows from noncapital financing activities:			
Transfers in from other funds	-	227,252	227,252
Transfers out to other funds	(1,207,671)	(75,489)	(1,283,160)
Net cash provided (used) by noncapital financing activities	(1,207,671)	151,763	(1,055,908)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(27,097)	(20,072)	(47,169)
Capital grants and contributions	27,099	-	27,099
Proceeds from sale of assets	-	500	500
Principal paid on certificates of obligation and general obligation bonds	-	(414,528)	(414,528)
Interest paid on certificates of obligation and general obligation bonds	(3,439)	(76,301)	(79,740)
Net cash provided (used) by capital and related financing activities	(3,437)	(510,401)	(513,838)
Cash flows from investing activities:			
Purchase of investments	(49,312)	(211,829)	(261,140)
Proceeds from sale and maturities of investment securities	65,385	189,724	255,108
Investment income	1,403	2,705	4,108
Net cash provided (used) by investing activities	17,476	(19,400)	(1,924)
Net increase (decrease) in cash and cash equivalents	(95,385)	220,077	124,692
Cash and cash equivalents, Oct. 1	265,044	532,374	797,418
Cash and cash equivalents, Sept. 30	\$ 169,659	\$ 752,451	\$ 922,110
Reconciliation of operating income to net cash			
Provided by operating activities:			
Operating income	\$ 561,340	\$ 265,376	\$ 826,716
Adjustment to reconcile operating income to net			
<i>Cash provided (used) by operating activities:</i>			
Depreciation, bad debt expense, inventory loss	483,126	270,849	753,975
Miscellaneous nonoperating revenues	982	4,116	5,098
Miscellaneous nonoperating expenses	(186,103)	-	(186,103)
<i>Changes in assets and liabilities:</i>			
Change in accounts receivable	63,521	60,262	123,783
Change in inventory	2,269	-	2,269
Change in accounts payable	71,282	(9,616)	61,666
Change in accrued liabilities	(331)	5,016	4,685
Change in deferred revenue	-	(5,626)	(5,626)
Change in accrued vacation	8,462	(1,939)	6,523
Change in OPEB	45,973	4,748	50,721
Change in net pension obligation	47,726	4,929	52,655
Total adjustments	536,907	332,739	869,646
Net cash provided (used) by operating activities	\$ 1,098,247	\$ 598,115	\$ 1,696,362

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.

CITY OF COLLEGE STATION, TEXAS
 Combining Statement of Net Position
 Internal Service Funds
 September 30, 2013

	Employee Benefits	Equipment Replacement	Fleet Maintenance	Property and Casualty	Unemployment	Utility Customer Service	Workers' Compensation	Total Internal Service Funds
Assets								
Current assets								
Cash and cash equivalents	\$ 7,325,309	\$ 7,432,709	\$ 142,775	\$ 1,195,464	\$ 333,866	\$ 254,987	\$ 2,165,058	\$ 18,850,168
Equity in investments	967,807	981,996	18,863	157,942	44,110	33,688	286,043	2,490,449
Receivable (net of allow for uncollectible)	4,020	-	-	-	-	22,344	2,500	28,864
Inventories	-	-	96,610	-	-	-	-	96,610
Total current assets	8,297,136	8,414,705	258,248	1,353,406	377,976	311,019	2,453,601	21,466,091
Capital assets								
Buildings	-	-	786,525	-	-	654,518	-	1,441,043
Machinery and equipment	-	22,245,915	280,773	-	-	722,118	-	23,248,806
Less accumulated depreciation	-	(14,821,232)	(650,129)	-	-	(1,083,202)	-	(16,554,563)
Total capital assets	-	7,424,683	417,169	-	-	293,434	-	8,135,286
Total assets	8,297,136	15,839,388	675,417	1,353,406	377,976	604,453	2,453,601	29,601,377
Liabilities								
Current liabilities								
Accounts payable	288,193	47,127	89,420	9,381	7,925	19,260	5,530	466,836
Accrued liabilities	-	-	19,488	1,830	-	26,146	2,656	50,120
Compensated absences	-	-	4,411	-	-	4,408	-	8,819
Claims payable	959,723	-	-	425,458	-	-	256,366	1,641,547
Total current liabilities	1,247,916	47,127	113,319	436,669	7,925	49,814	264,552	2,167,322
Noncurrent liabilities								
Compensated absences	-	-	54,103	-	-	54,067	-	108,170
Post employment benefits	10,160	-	112,176	13,065	-	180,110	13,039	328,550
Net pension obligation	8,736	-	97,612	11,679	-	156,206	11,653	285,886
Total noncurrent liabilities	18,896	-	263,891	24,744	-	390,383	24,692	722,606
Total liabilities	1,266,812	47,127	377,210	461,413	7,925	440,197	289,244	2,889,928
Net position								
Net investment in capital assets	-	7,424,683	417,169	-	-	293,434	-	8,135,286
Unrestricted	7,030,324	8,367,578	(118,962)	891,993	370,051	(129,178)	2,164,357	18,576,163
Total net position	\$ 7,030,324	\$ 15,792,261	\$ 298,207	\$ 891,993	\$ 370,051	\$ 164,256	\$ 2,164,357	\$ 26,711,449

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Fund
For the Fiscal Year Ended September 30, 2013

	Employee Benefits	Equipment Replacement	Fleet Maintenance	Property and Casualty	Unemployment	Utility Customer Service	Workers' Compensation	Total
Operating revenues								
Charges for services	\$ -	\$ 2,991,580	\$ 1,711,597	\$ -	\$ -	\$ 2,080,427	\$ -	\$ 6,783,604
Premiums	8,766,515	-	-	989,106	29,984	-	743,283	10,528,888
Other	19,882	-	624	150,206	-	171,203	-	341,915
Total operating revenues	<u>8,786,397</u>	<u>2,991,580</u>	<u>1,712,221</u>	<u>1,139,312</u>	<u>29,984</u>	<u>2,251,630</u>	<u>743,283</u>	<u>17,654,407</u>
Operating expenses								
Salaries and benefits	57,200	-	909,586	88,948	-	1,343,895	88,060	2,487,689
Supplies	-	-	870,194	-	-	47,087	5,252	922,533
Maintenance	-	-	17,606	-	-	20,153	-	37,759
Purchased professional services	82,879	-	287	10,800	-	115,759	10,800	220,525
Purchased property services	-	-	23,604	-	-	34,210	-	57,814
Other purchased services	-	-	56,907	-	-	653,862	-	710,769
Claims	5,793,196	-	-	232,125	45,463	-	356,882	6,427,666
Administration fees	376,871	-	-	113,871	-	-	26,000	516,742
Contributions	-	539,530	-	-	-	-	-	539,530
Premiums	1,015,445	-	-	244,938	-	-	102,187	1,362,570
Depreciation	-	1,629,380	31,462	-	-	49,447	-	1,710,288
Other	28,788	-	4,938	12,177	-	9,589	384	55,877
Total operating expenses	<u>7,354,379</u>	<u>2,168,910</u>	<u>1,914,584</u>	<u>702,859</u>	<u>45,463</u>	<u>2,274,002</u>	<u>589,565</u>	<u>15,049,762</u>
Operating income	<u>1,432,018</u>	<u>822,670</u>	<u>(202,363)</u>	<u>436,453</u>	<u>(15,479)</u>	<u>(22,372)</u>	<u>153,718</u>	<u>2,604,645</u>
Nonoperating revenues (expenses)								
Investment income	30,056	32,061	732	5,254	1,579	715	9,416	79,813
Gain (loss) on disposal of assets	-	242,954	-	-	-	-	-	242,954
Other, net	33,924	(72,429)	-	(6,347)	-	-	-	(44,852)
Total nonoperating revenues (expenses)	<u>63,980</u>	<u>202,586</u>	<u>732</u>	<u>(1,093)</u>	<u>1,579</u>	<u>715</u>	<u>9,416</u>	<u>277,915</u>
Income before capital contributions and transfers	<u>1,495,998</u>	<u>1,025,256</u>	<u>(201,631)</u>	<u>435,360</u>	<u>(13,900)</u>	<u>(21,657)</u>	<u>163,134</u>	<u>2,882,560</u>
Capital contributions and transfers								
Capital contributions	-	151,348	-	-	-	-	-	151,348
Transfers in	-	288,570	-	-	-	-	-	288,570
Transfers out	(49,375)	-	-	(288,570)	-	-	-	(337,945)
Total capital contributions and transfers	<u>(49,375)</u>	<u>439,918</u>	<u>-</u>	<u>(288,570)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,973</u>
Change in net position	<u>1,446,623</u>	<u>1,465,174</u>	<u>(201,631)</u>	<u>146,790</u>	<u>(13,900)</u>	<u>(21,657)</u>	<u>163,134</u>	<u>2,984,533</u>
Net position-beginning	5,583,701	14,327,087	499,838	745,203	383,951	185,913	2,001,223	23,726,916
Net position-ending	<u>\$ 7,030,324</u>	<u>\$ 15,792,261</u>	<u>\$ 298,207</u>	<u>\$ 891,993</u>	<u>\$ 370,051</u>	<u>\$ 164,256</u>	<u>\$ 2,164,357</u>	<u>\$ 26,711,449</u>

CITY OF COLLEGE STATION, TEXAS
 Combining Statement of Cash Flows
 Internal Service Funds
 For the Fiscal Year Ended September 30, 2013

	Employee Benefits	Equipment Replacement	Fleet Maintenance	Property and Casualty	Unemployment	Utility Customer Service	Workers' Compensation	Total Internal Service Funds
Cash Flows from operating activities:								
Cash received from customers	\$ 8,785,979	\$ 2,991,580	\$ 1,712,221	\$ 1,150,372	\$ 29,984	\$ 2,253,460	\$ 743,283	\$ 17,666,879
Cash payments to suppliers for goods and services	(7,214,732)	(495,244)	(957,175)	(841,581)	(37,538)	(866,850)	(508,921)	(10,922,041)
Cash payments to employees for services	(56,025)	-	(862,218)	(84,600)	-	(1,280,892)	(83,602)	(2,367,337)
Cash paid for miscellaneous services	-	(72,429)	-	(6,347)	-	-	-	(78,776)
Cash received for miscellaneous revenues	33,924	-	-	-	-	-	-	33,924
Net cash provided (used) by operating activities	1,549,146	2,423,907	(107,172)	217,844	(7,554)	105,718	150,760	4,332,649
Cash flows from noncapital financing activities:								
Transfers out to other funds	(49,375)	288,570	-	(288,570)	-	-	-	(49,375)
Net cash provided (used) by noncapital financing activities	(49,375)	288,570	-	(288,570)	-	-	-	(49,375)
Cash flows from capital and related financing activities:								
Capital contributions	-	151,348	-	-	-	-	-	151,348
Acquisition and construction of capital assets	-	(1,730,651)	-	-	-	-	-	(1,730,651)
Proceeds from sale of assets	-	242,954	-	-	-	-	-	242,954
Net cash provided (used) by capital and related financing activities	-	(1,336,349)	-	-	-	-	-	(1,336,349)
Cash flows from investing activities:								
Purchase of investments	(2,069,935)	(2,101,627)	(41,615)	(340,745)	(95,048)	(71,556)	(614,510)	(5,335,037)
Proceeds from sale and maturities of investment securities	1,959,713	2,008,056	56,744	362,717	99,623	60,975	618,956	5,166,785
Investment income	30,056	32,061	732	5,254	1,579	715	9,416	79,813
Net cash provided (used) by investing activities	(80,166)	(61,510)	15,861	27,226	6,154	(9,866)	13,862	(88,439)
Net increase (decrease) in cash and cash equivalents	1,419,605	1,314,618	(91,311)	(43,500)	(1,400)	95,852	164,622	2,858,486
Cash and cash equivalents, Oct. 1	5,905,704	6,118,091	234,086	1,238,964	335,266	159,135	2,000,436	15,991,682
Cash and cash equivalents, Sept. 30	\$ 7,325,309	\$ 7,432,709	\$ 142,775	\$ 1,195,464	\$ 333,866	\$ 254,987	\$ 2,165,058	\$ 18,850,168
Reconciliation of operating income to net cash								
Provided by operating activities:								
Operating income	\$ 1,432,018	\$ 822,670	\$ (202,363)	\$ 436,453	\$ (15,479)	\$ (22,372)	\$ 153,718	\$ 2,604,645
Adjustment to reconcile operating income to net cash provided (used) by operating activities:								
<i>Cash provided (used) by operating activities:</i>								
Depreciation, bad debt expense, inventory loss	-	1,629,380	31,462	-	-	49,447	-	1,710,289
Miscellaneous nonoperating revenues	33,924	-	-	-	-	-	-	33,924
Miscellaneous nonoperating expenses	-	(72,429)	-	(6,347)	-	-	-	(78,776)
<i>Changes in assets and liabilities:</i>								
Change in accounts receivable	(418)	-	-	11,060	-	1,830	-	12,472
Change in inventory	-	-	(12,313)	-	-	-	-	(12,313)
Change in accounts payable	(139,943)	44,286	28,390	(139,695)	7,925	13,466	1,362	(184,209)
Change in claims payable	222,390	-	-	(87,975)	-	-	(8,778)	125,637
Change in accrued liabilities	(1,515)	-	4,501	219	-	1,200	380	4,785
Change in accrued vacation	-	-	3,785	-	-	4,507	-	8,292
Change in OPEB	1,320	-	19,315	2,026	-	28,281	2,001	52,943
Change in net pension obligation	1,370	-	20,051	2,103	-	29,359	2,077	54,960
Total adjustments	117,128	1,601,237	95,191	(218,609)	7,925	128,090	(2,958)	1,728,004
Net cash provided (used) by operating activities	\$ 1,549,146	\$ 2,423,907	\$ (107,172)	\$ 217,844	\$ (7,554)	\$ 105,718	\$ 150,760	\$ 4,332,649

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.

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 110-116)

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 117-124)

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 125-129)

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 130-135)

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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 100,066,963	\$ 105,859,949	\$ 108,287,795	\$ 113,750,039	\$ 114,935,845	\$ 143,530,290	\$ 153,397,767	\$ 145,546,799	\$ 149,875,513	\$ 153,214,549
Restricted	4,289,623	4,289,531	4,564,184	5,089,422	6,357,013	8,077,876	10,201,722	25,565,107	13,606,487	16,751,846
Unrestricted	25,962,837	27,897,090	39,602,065	45,967,901	59,703,654	37,712,097	37,359,741	27,695,418	39,065,396	40,964,678
Total governmental activities net position	\$ 130,319,423	\$ 138,046,570	\$ 152,454,044	\$ 164,807,362	\$ 180,996,512	\$ 189,320,263	\$ 200,959,230	\$ 198,807,324	\$ 202,547,396	\$ 210,931,073
Business-type activities										
Net investment in capital assets	\$ 130,810,275	\$ 132,001,489	\$ 142,778,246	\$ 147,043,092	\$ 145,066,758	\$ 147,627,129	\$ 161,365,075	\$ 175,059,669	\$ 179,123,899	\$ 189,315,182
Restricted	2,651,325	2,797,735	2,920,980	3,056,356	1,590,977	3,119,691	1,588,631	1,588,631	1,580,992	1,580,992
Unrestricted	29,665,429	30,830,640	32,980,043	37,474,945	43,957,844	47,397,414	38,818,705	35,213,377	38,597,823	36,847,830
Total business-type activities net position	\$ 163,127,029	\$ 165,629,864	\$ 178,679,269	\$ 187,574,393	\$ 190,615,579	\$ 198,144,234	\$ 201,772,411	\$ 211,861,677	\$ 219,302,714	\$ 227,744,004
Primary government										
Net investment in capital assets	\$ 230,877,238	\$ 237,861,438	\$ 251,066,041	\$ 260,793,131	\$ 260,002,603	\$ 291,157,419	\$ 314,762,842	\$ 320,606,468	\$ 328,999,412	\$ 342,529,731
Restricted	6,940,948	7,087,266	7,485,164	8,145,778	7,947,990	11,197,567	11,790,353	27,153,738	15,187,479	18,332,838
Unrestricted	55,628,266	58,727,730	72,582,108	83,442,846	103,661,498	85,109,511	76,178,446	62,908,795	77,663,219	77,812,508
Total primary government net position	\$ 293,446,452	\$ 303,676,434	\$ 331,133,313	\$ 352,381,755	\$ 371,612,091	\$ 387,464,497	\$ 402,731,641	\$ 410,669,001	\$ 421,850,110	\$ 438,675,077

Source: City of College Station

CITY OF COLLEGE STATION, TEXAS

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
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	\$ 9,455,960	\$ 8,348,922	\$ 9,167,476
Fiscal services	1,953,189	2,467,187	2,452,442	2,442,439	2,977,362	3,821,986	4,127,990	3,384,388	3,313,726	3,263,269
Police	9,654,447	10,666,318	11,214,413	12,299,698	13,395,874	13,945,874	16,063,347	15,082,452	16,696,975	16,831,233
Fire	7,189,495	7,853,876	8,280,257	9,472,331	11,359,280	11,778,585	13,301,029	11,749,054	13,706,222	13,748,434
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	3,364,877	4,912,517	4,334,608
Public works	5,004,976	5,401,568	6,227,707	6,620,846	9,467,081	16,804,436	17,026,827	20,629,662	13,717,564	15,371,773
Capital projects	-	-	-	-	719,391	476,462	256,177	648,589	819,296	733,974
Parks and recreation	6,154,862	6,549,466	7,353,984	8,235,984	9,391,993	10,136,521	11,202,863	10,146,043	9,638,581	8,983,919
Library	-	-	870,203	912,527	993,102	1,052,838	1,103,864	1,130,433	1,142,580	1,064,293
Information services	2,652,957	2,881,863	2,280,393	2,689,720	2,749,327	3,471,714	5,048,720	4,165,064	4,268,524	4,565,385
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	4,079,379	3,273,938	2,949,240
Unallocated depreciation	2,690,998	5,430,745	5,759,049	6,026,372	6,687,890	7,899,074	1,047,926	1,130,283	1,149,609	1,146,119
Total governmental activities expense	47,871,998	53,184,416	57,760,371	62,249,295	66,043,744	77,867,055	87,777,128	84,966,184	80,988,454	82,159,723
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	93,277,853	87,221,859	88,438,115
Water	6,542,184	7,908,695	7,770,081	8,302,863	8,706,415	9,287,343	10,190,159	9,960,837	11,132,787	11,662,862
Wastewater	7,214,296	7,262,208	7,973,677	8,179,813	9,159,176	9,829,813	10,604,983	10,114,867	10,952,853	11,370,918
Sanitation	4,848,591	4,931,079	5,421,624	5,916,431	6,244,639	5,776,002	6,527,724	6,558,278	7,825,491	6,301,053
Northgate parking	61,150	-	-	-	-	909,167	1,019,393	944,125	924,532	1,053,839
Total business-type activities expense	550,544	591,944	621,593	591,980	668,237	909,167	1,019,393	944,125	924,532	1,053,839
Total primary government expense	60,337,515	68,509,265	73,037,085	83,233,495	95,264,451	103,243,676	117,027,958	120,855,960	118,057,522	118,826,787
	\$ 108,209,513	\$ 121,693,681	\$ 130,797,456	\$ 145,482,790	\$ 161,308,195	\$ 181,110,731	\$ 204,805,086	\$ 205,822,144	\$ 189,045,976	\$ 200,986,510
Program revenues										
Governmental activities:										
Charges for services:	\$ 3,563,970	\$ 4,008,637	\$ 3,798,807	\$ 3,618,236	\$ 3,798,313	\$ 4,491,960	\$ 4,500,447	\$ 4,120,077	\$ 3,896,477	\$ 3,462,197
Fines, forfeits and penalties	1,215,924	1,043,672	1,091,948	1,306,690	1,154,902	1,007,151	964,344	1,091,983	1,496,989	1,240,300
Licenses and permits	1,784,694	1,170,686	1,290,935	1,199,565	1,255,525	1,793,174	1,895,263	2,910,293	2,480,140	2,489,828
Public works	1,346,560	1,044,134	1,244,476	1,420,284	1,911,789	1,838,810	1,722,840	2,007,032	1,909,008	1,773,554
Parks and recreation	1,614,408	2,002,338	2,656,136	3,210,593	3,548,309	4,494,627	3,378,603	2,516,446	2,506,187	2,903,460
Other activities	3,208,957	2,629,494	3,144,254	2,038,535	1,735,170	1,896,623	1,694,228	1,875,849	2,766,187	1,753,970
Operating grants and contributions	5,266,837	4,489,883	7,477,874	5,271,090	3,055,501	2,644,629	19,587,921	3,964,442	4,216,095	7,016,449
Capital grants and contributions	18,001,370	16,328,844	20,704,330	18,064,963	16,459,509	18,166,974	33,743,646	18,486,122	19,271,083	20,639,758
Business-type activities:										
Charges for services:	47,431,497	51,467,169	60,217,421	67,462,075	76,787,412	82,904,777	91,162,890	101,617,743	96,787,784	95,737,007
Electric sales	8,319,779	9,519,714	10,852,660	10,060,398	12,025,086	17,312,431	12,745,173	17,253,787	15,274,883	15,775,334
Water sales	9,334,778	9,697,314	10,363,603	10,590,688	11,184,565	11,655,528	11,522,025	13,099,783	13,697,532	14,566,975
Sewer service	4,829,150	5,151,204	6,419,446	7,512,194	9,628,798	7,988,795	7,299,273	7,143,536	7,204,013	7,205,029
Garbage collection fees	603,465	480,627	576,892	620,124	673,818	990,735	1,140,833	1,189,443	1,149,277	1,234,799
Parking garage fees	-	-	-	-	-	17,792	-	3,746	982	-
Operating grants and contributions	5,179,221	1,937,320	4,677,465	4,041,105	5,349,125	6,846,033	11,703,035	3,857,585	6,880,916	5,345,176
Capital grants and contributions	75,697,890	78,253,348	93,107,487	100,286,584	115,648,804	127,716,091	135,573,229	144,165,623	141,014,123	139,865,302
Total business-type activities program revenues	\$ 93,699,260	\$ 94,582,192	\$ 113,811,917	\$ 118,351,547	\$ 132,108,313	\$ 145,883,065	\$ 169,316,875	\$ 162,651,745	\$ 160,285,206	\$ 160,505,060

CITY OF COLLEGE STATION, TEXAS

CHANGES IN NET POSITION - Continued
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue										
Governmental activities	\$ (29,870,628)	\$ (36,855,572)	\$ (37,056,041)	\$ (44,184,332)	\$ (49,584,235)	\$ (59,700,081)	\$ (54,033,482)	\$ (66,480,062)	\$ (61,717,371)	\$ (61,519,965)
Business-type activities	15,360,375	9,744,083	20,070,402	17,053,089	20,384,355	24,472,415	18,545,271	23,309,663	22,956,601	21,038,515
Total primary government net expense	\$ (14,510,253)	\$ (27,111,489)	\$ (16,985,639)	\$ (27,131,243)	\$ (29,199,880)	\$ (35,227,666)	\$ (35,488,211)	\$ (43,170,399)	\$ (38,760,770)	\$ (40,481,450)
General Revenues and Other Changes in Net Assets										
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	\$ 24,333,373	\$ 24,978,388	\$ 26,451,943
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	20,717,598	21,878,057	23,506,772
Franchise taxes	1,974,587	1,718,491	2,132,341	1,931,196	2,090,779	2,217,618	2,210,902	2,153,827	2,171,277	2,209,091
Hotel taxes	2,191,429	2,306,928	2,671,417	2,980,250	3,585,512	3,574,649	3,387,041	3,558,042	3,643,887	4,393,867
Unrestricted investment earnings	1,224,546	1,487,926	3,415,849	4,512,575	3,385,844	1,413,431	265,424	368,868	283,648	252,308
Gain (Loss) on sale of capital assets	4,386	(111,916)	-	-	-	-	(24,596)	-	-	-
Correction to value of capital assets	-	(601,000)	-	-	-	-	-	-	-	-
Adjustment to claims payable	(904,263)	-	-	-	-	-	-	-	-	-
Transfers	(904,783)	8,188,725	8,850,453	10,090,589	7,559,165	12,778,642	15,337,330	13,562,095	12,502,186	12,039,798
Total governmental activities	33,493,538	44,582,719	50,799,515	56,537,650	57,533,385	62,627,252	65,672,449	64,693,803	65,457,443	68,853,779
Business-type activities:										
Unrestricted investment earnings	662,359	947,477	1,829,456	1,932,624	1,330,785	654,882	420,236	341,698	316,035	174,170
Transfers	2,108,473	-	-	-	-	-	-	-	-	-
Total business-type activities	904,783	(8,188,725)	(8,850,453)	(10,090,589)	(10,433,954)	(12,778,642)	(15,337,330)	(13,562,095)	(12,502,186)	(12,039,798)
Total primary government	\$ 37,169,153	\$ 37,341,471	\$ 43,778,518	\$ 48,379,685	\$ 48,430,216	\$ 50,503,492	\$ 50,755,355	\$ 51,473,406	\$ 53,271,292	\$ 56,988,151
Change in net position										
Governmental activities	\$ 3,622,910	\$ 7,727,147	\$ 13,743,474	\$ 12,353,318	\$ 7,949,150	\$ 2,927,171	\$ 11,638,967	\$ (1,786,259)	\$ 3,740,072	\$ 7,333,814
Business-type activities	19,035,990	2,502,835	13,049,405	8,895,124	11,281,186	12,948,655	3,628,177	10,089,266	10,770,450	9,172,887
Total primary government	\$ 22,658,900	\$ 10,229,982	\$ 26,792,879	\$ 21,248,442	\$ 19,230,336	\$ 15,275,826	\$ 15,267,144	\$ 8,303,007	\$ 14,510,522	\$ 16,506,701

Source: City of College Station

Correction to value of capital assets in fiscal year 2004 is prior period adjustment.
Correction to value of capital assets in fiscal years 2004 and 2005 are prior period adjustments.
Adjustment to claims payable in fiscal year 2004 is a prior period adjustment.

CITY OF COLLEGE STATION, TEXAS

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

Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
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	\$ 1,281,849	\$ 2,085,173	\$ 1,593,295
Fiscal services	333,043	508,810	547,790	409,100	684,666	38,377	100,495	215,626	542,689	666,103
Police	3,677,391	4,093,425	3,875,900	3,713,866	4,533,697	5,004,712	5,161,486	4,596,713	4,174,931	3,650,964
Fire	724,278	916,804	817,910	1,400,464	1,137,759	3,551,620	2,199,375	1,952,851	1,936,311	1,948,961
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	1,296,213	1,650,017	1,493,021
Public works	7,051,531	5,600,569	8,768,809	6,470,655	4,312,571	4,445,595	15,313,779	5,796,384	5,609,036	8,711,394
Capital improvement program	-	-	-	-	-	-	951,686	-	52,757	-
Library	-	-	-	-	-	-	-	-	13,200	-
Information technology	-	-	-	-	-	-	-	15,500	-	-
Parks and recreation	1,380,325	1,044,134	1,244,476	1,420,284	1,932,001	2,117,227	3,816,773	3,330,986	3,196,969	2,576,020
Subtotal governmental activities	18,001,370	16,328,844	20,704,330	18,064,963	16,459,509	18,166,974	33,743,646	18,486,122	19,271,083	20,639,758
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	102,516,252	98,200,411	96,283,238
Water	10,260,307	9,826,360	12,409,728	11,314,888	14,115,391	19,065,662	17,118,922	18,710,635	16,905,503	19,167,542
Wastewater	11,972,783	10,014,243	11,416,486	11,805,562	13,811,356	15,100,534	15,208,551	14,584,557	15,844,190	15,946,613
Sanitation	4,829,150	5,151,204	6,419,446	7,512,194	9,628,798	8,006,587	9,574,489	7,147,282	8,914,742	7,233,110
North gate parking	603,465	480,627	576,892	620,124	673,818	990,735	1,140,833	1,206,897	1,149,277	1,234,799
Subtotal business-type activities	75,697,890	78,253,348	93,107,487	100,286,584	115,648,804	127,716,091	135,573,229	144,165,623	141,014,123	139,865,302
Total primary government	\$ 93,699,260	\$ 94,582,192	\$ 113,811,817	\$ 118,351,547	\$ 132,108,313	\$ 145,883,065	\$ 169,316,875	\$ 162,651,745	\$ 160,285,206	\$ 160,505,060

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,390	\$ 70,516	\$ 58,548	\$ -	\$ 59,426
Restricted	-	-	-	-	-	95,220	849,622	925,798	868,799	266,573
Assigned	-	-	-	-	-	1,663,400	1,794,416	537,586	436,979	972,632
Unassigned	-	-	-	-	-	7,557,419	11,101,327	12,871,125	15,186,915	14,626,901
Reserved	1,089,510	1,132,180	1,523,619	1,108,449	2,305,476	-	-	-	-	-
Unreserved	9,613,442	9,038,345	9,448,389	11,824,140	9,679,913	-	-	-	-	-
Total general fund	\$ 10,702,952	\$ 10,170,525	\$ 10,972,008	\$ 12,932,589	\$ 11,985,389	\$ 9,378,429	\$ 13,815,881	\$ 14,393,057	\$ 16,492,693	\$ 15,925,532
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 859,654	\$ 8,235,642	\$ 7,890,137	\$ 6,943,250	\$ 6,667,812
Restricted	-	-	-	-	-	39,375,368	54,421,910	27,404,127	35,688,123	39,327,653
Committed	-	-	-	-	-	2,627,403	2,764,227	3,149,243	3,618,354	4,008,439
Assigned	-	-	-	-	-	609,113	-	-	-	-
Unassigned	-	-	-	-	-	545,024	-	-	-	-
Reserved	42,522,379	42,999,111	49,111,974	46,372,274	48,819,538	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	6,085,255	6,244,225	7,462,140	10,148,840	11,526,009	-	-	-	-	-
Total all other governmental funds	\$ 48,607,634	\$ 49,243,336	\$ 56,574,114	\$ 56,521,114	\$ 60,345,547	\$ 44,016,562	\$ 65,421,779	\$ 38,443,507	\$ 46,249,727	\$ 50,003,904

Source: City of College Station
Note: 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 34,073,652	\$ 35,618,984	\$ 38,533,213	\$ 41,934,486	\$ 46,588,376	\$ 48,435,179	\$ 49,901,803	\$ 50,762,840	\$ 52,671,608	\$ 55,652,419
Licenses and permits	1,112,766	1,025,013	945,593	1,191,105	1,154,902	1,007,151	964,344	1,091,983	1,496,989	1,240,300
Intergovernmental	3,208,957	2,592,312	3,144,254	2,038,535	1,707,957	1,896,623	5,022,822	2,143,573	2,759,219	1,749,805
Charges for services	2,538,583	2,634,683	2,925,281	3,339,352	3,790,147	3,543,064	6,042,105	6,113,497	5,616,379	5,918,397
Fines, forfeits and penalties	2,966,278	3,518,940	3,285,907	3,256,488	3,798,313	4,491,960	4,500,447	4,120,077	3,896,477	3,462,197
Special assessments	1,062,179	1,110,686	1,290,935	1,199,565	1,255,525	1,793,174	-	-	-	-
Investment income	1,062,069	1,269,201	3,066,642	3,864,797	2,886,636	1,125,382	206,648	368,868	283,648	252,308
Rents and royalties	256,023	243,831	244,864	261,225	279,004	769,150	749,635	589,528	852,738	753,401
Loan repayments	5,418	2,541	-	-	-	-	-	-	-	-
Contributions	784,402	37,182	12,281	31,605	27,213	26,997	605,953	825,532	1,244,973	799,048
Reimbursed expenditures	28,393	-	145,749	479,675	46,038	413,751	-	-	-	-
Other revenues	679,349	631,192	447,432	738,415	1,046,431	403,548	267,695	730,747	426,218	312,473
Total revenues	47,778,069	48,684,565	54,042,151	58,335,248	62,580,542	63,905,979	68,261,452	66,746,645	69,248,249	70,140,348
Expenditures										
General government	4,187,972	4,480,075	4,216,582	4,699,159	7,319,662	5,435,355	7,401,157	6,438,313	4,102,550	3,825,760
Fiscal services	2,479,082	3,038,145	3,050,533	3,013,548	3,573,686	3,836,786	3,635,009	3,353,387	3,106,265	3,205,204
Police	9,803,577	10,829,081	11,559,669	12,556,678	13,219,117	14,107,740	13,816,620	14,931,212	15,521,284	16,550,111
Fire	7,275,289	7,964,785	8,493,228	9,622,195	11,251,400	11,754,088	11,418,948	11,444,702	12,578,396	13,297,527
Planning and development services	1,964,001	1,962,603	1,877,732	2,008,901	2,281,747	2,871,341	2,588,464	3,327,495	4,698,749	4,268,854
Public works	5,534,404	6,117,241	7,116,329	7,440,854	7,182,443	7,920,003	7,123,885	6,677,986	7,343,092	7,397,942
Capital improvement projects	-	-	-	-	715,707	476,462	132,880	648,589	788,032	733,974
Economic and community development	16,886	11,281	-	-	-	-	-	-	-	-
Parks and recreation	6,388,099	6,778,196	7,520,189	8,167,857	9,071,198	9,355,301	8,930,388	9,388,765	8,131,413	7,883,904
Information systems	2,346,534	2,500,518	2,596,591	3,070,524	3,366,764	3,299,105	3,887,102	3,902,082	3,844,107	4,271,209
Library	665,291	694,445	870,203	912,527	993,102	1,119,771	1,080,030	1,061,581	1,072,551	994,476
Reimbursed administrative	(3,328,431)	(3,485,807)	(3,335,264)	(3,305,040)	(3,772,362)	-	-	-	-	-
Claims	-	-	-	-	-	-	1,600,000	-	-	-
Contributions	2,504,589	1,895,742	1,995,564	1,855,961	2,151,592	2,489,562	2,266,558	2,063,489	2,435,820	2,800,159
Community development block grant	201,099	275,775	340,399	215,707	-	-	-	-	-	-
Home grant	304,580	439,243	840,211	323,811	-	-	-	-	-	-
Community development grant	-	-	-	-	-	-	-	-	-	-
Other expenditures	253,270	296,344	108,527	147,860	204,338	487,163	438,757	750,135	1,380,837	1,964,156
Capital outlay	12,775,413	15,435,376	11,610,189	14,213,574	19,538,322	31,931,401	9,765,151	11,501,926	14,341,717	8,802,719

CITY OF COLLEGE STATION, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - Continued

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt service										
Principal	10,110,000	6,190,000	7,285,000	7,820,000	8,530,000	7,935,000	8,050,000	8,085,412	8,120,000	8,245,000
Interest	3,376,538	3,885,075	4,078,635	4,212,245	3,892,490	4,114,356	4,133,633	3,698,324	3,696,245	3,747,520
Issuance costs	352,114	118,261	-	-	-	-	-	-	-	154,660
Fiscal charges	15,332	13,871	152,729	527,806	70,796	46,551	227,765	384,196	127,671	-
Intergovernmental	221,902	97,621	743,117	342,630	881,604	745,908	-	924,941	294,103	301,061
Total expenditures	67,447,541	69,537,871	71,120,163	77,846,797	90,471,606	107,925,893	86,476,347	88,582,535	91,582,832	88,444,236
Deficiency of revenues under expenditures	(19,669,472)	(20,853,306)	(17,078,012)	(19,511,549)	(27,891,064)	(44,019,914)	(18,214,895)	(21,835,890)	(22,334,583)	(18,303,888)
Other Financing Sources (Uses)										
Proceeds from long-term debt	16,375,000	13,347,581	15,700,000	7,890,000	19,970,000	9,815,000	20,685,000	1,977,134	11,727,994	14,505,000
Proceeds from refunding bonds	5,980,000	-	-	10,255,000	-	-	4,265,000	11,250,000	-	-
Payment to bond escrow agent	(6,260,371)	-	-	(10,451,378)	-	-	(4,283,647)	(12,322,570)	-	-
Advance Refunding	-	-	-	-	-	-	-	-	(11,432,308)	(6,054,452)
Premium on bonds issued	280,371	-	-	373,648	-	-	75,183	1,172,234	1,132,812	951,174
Sale of capital assets	4,386	12,182	17,500	318,103	10,981	505,606	5,615	8,690	-	-
Transfers in	10,945,210	11,476,019	11,864,435	15,054,935	13,828,414	22,680,922	16,054,544	19,382,145	22,313,561	18,629,471
Transfers out	(11,566,702)	(3,879,201)	(2,371,662)	(2,021,178)	(3,041,098)	(8,494,139)	(673,081)	(7,783,625)	(9,385,160)	(6,540,298)
Total other financing sources	15,757,894	20,956,581	25,210,273	21,419,130	30,768,297	24,507,389	36,128,614	13,684,008	14,356,899	21,490,895
Net change in fund balances	\$ (3,911,578)	\$ 103,275	\$ 8,132,261	\$ 1,907,581	\$ 2,877,233	\$ (19,512,525)	\$ 17,913,719	\$ (8,151,882)	\$ (7,977,684)	\$ 3,187,007
Debt services as a percentage of noncapital expenditures	24.7%	18.6%	19.1%	18.9%	17.5%	15.9%	15.9%	15.3%	15.3%	15.1%

Source: City of College Station

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
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
2011	24,333,373	20,292,871	3,558,042	2,153,827	424,727	50,762,840
2012	24,978,388	21,498,319	3,643,887	2,171,277	379,737	52,671,608
2013	25,542,689	23,064,035	4,393,867	2,209,091	442,737	55,652,419
Change						
2004-2013	74.1%	54.2%	100.5%	11.9%	57.4%	63.3%

Source: City of College Station

Notes:

Property taxes include general fund, debt service fund 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
2004	\$ 2,144,406,477	\$ 723,887,327	\$ 653,978,324	\$ 493,364,734	\$ 39,971,363	\$ 2,988,936,031	0.465300	\$ 2,988,936,031	100.00%	
2005	2,339,284,129	770,194,254	738,376,045	556,722,986	45,182,585	3,245,948,857	0.464000	3,250,329,407	99.87%	
2006	2,530,659,165	931,255,843	798,179,118	614,609,545	45,750,172	3,599,734,409	0.439400	3,599,734,409	100.00%	
2007	2,849,558,106	1,020,242,352	828,757,366	643,387,278	50,131,743	4,005,038,803	0.439400	4,005,038,803	100.00%	
2008	3,200,809,497	1,141,458,255	881,095,548	677,645,852	68,644,309	4,477,073,139	0.439400	4,477,073,139	100.00%	
2009	3,606,901,737	1,191,974,529	927,276,877	701,998,930	78,082,864	4,946,071,349	0.439400	4,946,071,349	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	0.439400	5,321,417,589	100.00%	
2011	4,087,540,319	1,209,126,533	1,029,151,665	870,386,056	-	5,455,432,461	0.447543	5,455,432,461	100.00%	
2012	4,280,768,585	1,295,254,729	1,069,727,466	907,135,778	-	5,738,615,002	0.437995	5,738,615,002	100.00%	
2013	4,466,234,632	1,321,942,044	1,185,964,447	1,029,828,136	-	5,944,312,987	0.430687	5,944,312,987	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
2004	0.192100	0.273200	0.465300	1.770000	0.435000
2005	0.194200	0.269800	0.464000	1.770000	0.472600
2006	0.189600	0.249800	0.439400	1.675000	0.465000
2007	0.191000	0.248400	0.439400	1.480000	0.455000
2008	0.191000	0.248400	0.439400	1.241050	0.465000
2009	0.193352	0.246048	0.439400	1.221100	0.480000
2010	0.209967	0.229433	0.439400	1.253413	0.480000
2011	0.227349	0.220194	0.447543	1.309933	0.485600
2012	0.236459	0.201536	0.437995	1.335033	0.485000
2013	0.235052	0.195635	0.430687	1.335033	0.485000

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	2013			2004		
	Taxable 2012 Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable 2003 Assessed Value	Rank	Percent of Total City Taxable Assessed Value
C.B.L. & Associates (Post Oak Mall)	\$ 57,025,440	1	0.96%	\$ 49,331,205	1	1.65%
College Station Hospital LP	56,167,890	2	0.94%	31,254,230	3	1.05%
SHP-The Callaway House LP	48,525,670	3	0.82%			
BVP 2818 Place, LP	41,197,320	4	0.69%			
Wal-Mart Real Estate Business Trust	40,765,700	5	0.69%	24,916,345	5	0.83%
SW Meadows Point LP	40,102,200	6	0.67%			
Woodlands of College Station	39,816,500	7	0.67%			
Jefferson Enclave LP	39,607,120	8	0.67%			
JamesPoint Management	39,165,800	9	0.66%			
Weinberg, Isreal & David Alkossar	38,103,080	10	0.64%	31,168,425	4	1.04%
Fairfield College Station, LP	-			17,514,700	9	0.59%
Verizon Communications, Inc.	-			34,528,500	2	1.16%
Melrose Apartments	-			17,753,830	8	0.59%
HE Butt Store Property Co.	-			18,912,125	6	0.63%
University Commons	-			17,279,200	10	0.58%
301 Church Avenue, LP	-			17,936,445	7	0.60%

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		
2004	\$ 14,092,814	\$ 13,974,666	99.16%	\$ 107,817	\$ 14,082,483
2005	15,270,852	15,160,102	99.27%	103,008	15,263,110
2006	16,162,073	15,938,981	98.62%	146,423	16,085,404
2007	17,818,419	17,697,220	99.32%	42,523	17,739,743
2008	19,973,882	19,773,036	98.99%	114,967	19,888,003
2009	22,076,134	21,795,748	98.73%	182,874	21,978,622
2010	23,623,086	23,435,105	99.20%	60,952	23,496,058
2011	24,323,279	24,136,088	99.23%	55,352	24,191,440
2012	24,979,685	24,762,625	99.13%	14,774	24,777,399
2013	25,503,096	25,326,360	99.31%	-	25,326,360

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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Utilities	\$ 14,929	\$ 14,943	\$ 16,684	\$ 19,336	\$ 22,403	\$ 25,483	\$ 26,442	\$ 27,724	\$ 32,048	\$ 29,102
Construction	5,500	6,477	12,076	13,918	15,818	15,768	10,617	10,070	10,900	12,743
Manufacturing	7,921	9,323	12,926	13,066	13,200	16,391	12,221	9,620	6,823	7,433
Wholesale Trade	12,332	24,173	25,939	17,482	8,759	13,761	9,856	10,770	19,556	23,573
Retail Trade	513,638	529,284	563,662	608,940	686,271	693,673	653,561	678,041	699,715	738,897
Information	15,312	16,092	14,409	14,082	12,148	15,427	15,654	16,907	16,984	18,261
Finance and Insurance	55	119	130	216	541	752	706	840	1,043	1,044
Real Estate and Rental/Leasing	11,032	12,258	12,024	15,679	16,249	18,326	9,288	9,456	9,314	9,785
Professional, Scientific and Tech Services	7,660	8,618	8,692	9,530	11,074	26,234	25,694	13,142	12,901	12,716
Administrative, Support, Waste Mgmt, Remediation	14,703	14,655	15,133	16,462	15,054	18,362	17,610	16,831	17,381	19,645
Educational Services	93	22,981	26,252	2,209,091	32,502	27,645	35,351	34,952	37,434	43,135
Health Care and Social Assistance	1,721	1,951	2,547	2,873	4,051	2,888	2,301	2,049	1,920	2,116
Arts, Entertainment and Recreation	5,480	6,173	6,781	6,949	7,399	9,168	8,671	8,470	9,325	9,488
Accommodation and Food Services	137,440	147,277	158,267	169,900	185,723	205,967	204,731	208,597	217,445	238,186
Other Services	36,954	34,563	38,894	17,069	14,539	15,782	15,338	15,890	16,274	18,594
Total	\$ 784,770	\$ 848,887	\$ 914,416	\$ 3,134,593	\$ 1,045,731	\$ 1,105,627	\$ 1,048,041	\$ 1,063,359	\$ 1,109,063	\$ 1,184,717
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

CITY OF COLLEGE STATION, TEXAS

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

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Brazos County</u>	<u>State of Texas</u>
2004	1.50%	0.50%	6.25%
2005	1.50%	0.50%	6.25%
2006	1.50%	0.50%	6.25%
2007	1.50%	0.50%	6.25%
2008	1.50%	0.50%	6.25%
2009	1.50%	0.50%	6.25%
2010	1.50%	0.50%	6.25%
2011	1.50%	0.50%	6.25%
2012	1.50%	0.50%	6.25%
2013	1.50%	0.50%	6.25%

Source: Texas State Comptroller of Public Accounts

CITY OF COLLEGE STATION, TEXAS

SALES TAX REVENUE PAYERS BY INDUSTRY
CALENDAR YEARS 2003 AND 2012
(dollars are in thousands)

	Calendar Year 2003			Calendar Year 2012		
	Number of Outlets	Percentage of Total	Tax Liability	Number of Outlets	Percentage of Total	Tax Liability
Retail trade	1,001	64.21%	\$ 9,766	1,310	57.09%	\$ 14,656
Services	167	10.71%	345	301	13.11%	465
Wholesale trade	41	2.63%	200	88	3.83%	354
Utilities, transportation, communications	9	0.58%	734	15	0.65%	705
Manufacturing	43	2.76%	119	96	4.18%	111
Construction	67	4.30%	82	124	5.40%	191
Agriculture, forestry, and fishing	5	0.32%	2	4	0.17%	0
Finance, insurance, real estate	35	2.25%	166	64	2.79%	162
All other outlets	191	12.25%	356	293	12.78%	1,125
Total	1,559	100.00%	\$ 11,771	2,295	100.00%	\$ 17,769

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.

CITY OF COLLEGE STATION, TEXAS

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	Utility Revenue Bonds	Certificates of Obligation	General Obligation Bonds	Utility Revenue Certificates of Obligation	Utility Revenue General Obligation Bonds			
2004	\$ 47,085,000	\$ 34,705,000	\$ 75,655,000	\$ -	\$ -	\$ -	\$ -	\$ 157,445,000	-	\$ 2,011
2005	49,800,000	30,195,000	79,215,000	-	-	8,910,000	-	168,120,000	-	2,096
2006	53,835,000	34,905,000	91,460,000	-	-	8,580,000	-	188,780,000	-	2,304
2007	55,720,000	33,500,000	105,215,000	-	-	8,240,000	-	202,675,000	16.52%	2,409
2008	60,695,000	39,965,000	99,560,000	-	-	23,820,000	-	224,040,000	17.12%	2,576
2009	59,145,000	38,575,000	93,755,000	4,530,000	-	47,755,000	-	239,230,000	13.78%	2,632
2010	75,020,000	35,675,000	87,745,000	4,970,000	3,830,000	48,970,000	-	252,380,000	14.85%	2,701
2011	78,055,000	26,085,000	54,495,000	4,765,000	3,070,000	50,185,000	25,585,000	242,240,000	15.20%	2,560
2012	75,695,000	21,415,000	45,060,000	4,550,000	2,690,000	58,535,000	33,590,000	241,535,000	12.77%	2,492
2013	79,710,000	17,160,000	34,765,000	4,330,000	2,300,000	66,695,000	36,930,000	241,890,000	13.94%	2,504

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

CITY OF COLLEGE STATION, TEXAS

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

Fiscal Year	General Obligation		Less Debt Service		Net		Percentage of	
	Bonds		Cash Funds		Bonded Debt	Value of Property	Actual Taxable	Per Capita
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%		639
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%		749
2011	78,055,000		4,007,146		74,047,854	1.36%		767
2012	75,695,000		3,320,293		72,374,707	1.26%		742
2013	79,710,000		3,032,594		76,677,406	1.29%		769

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, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
College Station I.S.D.	\$ 217,865,000	87.91%	\$ 191,525,122
Brazos County	98,640,000	52.82%	52,101,648
Bryan I.S.D.	143,545,000	2.08%	2,985,736
Other debt			
College Station I.S.D.	-	0.00%	-
Brazos County	-	0.00%	-
Bryan I.S.D. Capital Lease	-	0.00%	-
Subtotal, overlapping debt			246,612,506
City direct debt			96,750,000
Total direct and overlapping debt			<u>\$ 343,362,506</u>

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.

^a 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, 2013

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

Utility Revenue Bonds, Certificates of Obligation, and General Obligation Refunding Bonds

Fiscal Year	Utility	Less:		Net	Average		Maximum	
	Service Charges	Operating Expenses	Operating Expenses	Available Revenue	Debt Service Total	Debt Service Total	Annual Coverage	Annual Coverage
2004	\$ 64,785,122	\$ 44,719,241	\$ 44,719,241	\$ 20,065,881	\$ 5,651,966	\$ 7,998,465	3.55	2.51
2005	70,636,853	51,125,745	51,125,745	19,511,108	5,522,447	8,364,747	3.53	2.33
2006	80,787,029	54,432,847	54,432,847	26,354,182	6,423,582	9,163,574	4.10	2.88
2007	87,911,120	63,514,543	63,514,543	24,396,577	7,389,770	10,408,958	3.30	2.34
2008	99,610,432	73,195,783	73,195,783	26,414,649	8,620,759	12,245,949	3.06	2.16
2009	108,367,552	80,848,570	80,848,570	27,518,982	9,834,136	13,870,272	2.80	1.98
2010	115,430,088	91,551,103	91,551,103	23,878,985	8,976,012	13,669,444	2.66	1.75
2011	127,985,835	96,938,864	96,938,864	31,046,971	8,675,457	13,635,526	3.58	2.28
2012	124,905,906	88,927,662	88,927,662	35,978,244	7,009,717	10,670,889	5.13	3.37
2013	125,581,359	90,519,871	90,519,871	35,061,488	9,111,927	15,372,461	3.85	2.28

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, Certificates of Obligation and GO Refunding Bonds 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		Unemployment Rate %
		(<i>thousands of dollars</i>)	Per Capita Personal Income	
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
2010	94,642	1,891,621	19,987	5.9
2011	96,603	1,734,731	17,957	6.3
2012	97,534	1,945,242	19,944	5.9

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 2005-2012.

CITY OF COLLEGE STATION, TEXAS

**PRINCIPAL AREA EMPLOYERS
LAST CALENDAR YEAR AND NINE YEARS PRIOR**

<u>2013</u>	<u>2004</u>
<u>Employer</u>	<u>Employer</u>
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
College Station Medical Center	Sanderson Farms, Inc.
Reynolds & Reynolds	St. Joseph Regional Hospital
Sanderson Farms, Inc.	Texas A&M University System
St. Joseph Regional Hospital	Universal Computer Systems
Texas A&M University System	Wal-Mart Supercenter - Bryan

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

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	38.5	41.9	37.8	58.5	71.0	79.5	75.0	61.5	38.0	36.5
Police	146.0	144.4	155.1	163.5	168.5	176.0	169.0	180.5	180.0	188.0
Fire	108.5	111.4	110.6	119.0	125.0	121.0	118.0	120.5	139.0	139.0
Public Works	106.8	112.2	112.6	114.5	106.5	113.0	94.0	96.0	112.0	115.0
Parks and Recreation	116.2	120.0	119.8	123.5	131.0	133.0	133.0	119.0	71.0	65.5
Planning and Development Services	28.5	25.8	27.1	24.5	34.0	37.0	41.0	54.0	55.0	51.5
Information Services	40.3	37.5	36.6	28.5	33.0	32.0	30.5	30.0	30.3	29.3
Fiscal Services	59.8	64.2	70.1	71.0	72.5	70.5	70.0	66.5	68.5	68.3
Electric	53.4	56.6	56.0	56.5	58.0	65.0	64.0	63.5	66.0	68.0
Water / Sewer Services	64.0	69.1	71.8	71.0	67.5	76.5	70.5	74.0	76.0	76.0
BVSWMA	27.3	24.4	24.0	22.0	25.5	25.0	23.5	22.0	-	-
Capital Project	n/a	n/a	n/a	n/a	10.0	10.0	9.0	9.0	-	-
Total	789.3	807.5	821.5	852.5	902.5	938.5	897.5	896.5	835.8	837.1

Source: City of College Station

Full-time-equivalent employees include full time, part time, and seasonal/temporary employees on staff as of September 30. During the fiscal year ended September 30, 2012, management of BVSWMA, Inc. negotiated the end of the borrowed employee agreement with the City of College Station. A majority of the employees covered under the "Borrowed Employee Agreement" are now employees of BVSWMA Inc.

CITY OF COLLEGE STATION, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Open records requests	103	72	199	199	155	164	123	240	194	233
Economic development prospects	17	20	31	19	18	23	55	31	25	36
Code enforcement cases processed	9,341	2,848	5,984	4,838	5,148	6,248	5,268	4,701	5,011	4,517
Non-profit agencies/contracts monitored	10	9	13	7	10	9	10	8	7	8
Applicants receiving homebuyers assistance	16	2	9	6	3	4	6	3	15	8
Police										
DUI/DWI arrests	418	387	414	493	458	430	449	571	551	473
Citations processed	42,957	39,416	34,134	38,046	10,384	17,275	22,224	42,690	39,145	31,348
Uniform patrol calls handled	60,405	57,605	60,159	58,303	57,661	48,297	58,656	61,283	63,000	75,988
Average response time on high priority calls	5:58 mins	6:09 mins	6:15 mins	6:17 mins	6:06 mins	6:18 mins	6:52 mins	6:41 mins	6:38 mins	4:31 mins
Criminal investigation new cases assigned	2,259	2,300	2,368	2,256	2,635	2,590	2,098	2,582	2,089	2,158
<i>Note: In FY08 an e-citation program was implemented thus reducing the number of paper citations processed.</i>										
Fire										
Fire incidents (fire, rescue, and haz mat)	1,554	1,792	1,743	1,832	1,992	2,008	2,301	1,813	1,751	2,608
Business safety inspections	1,410	1,138	828	1,018	947	760	1,364	1,151	907	889
EMS incidents	2,800	3,241	3,048	3,773	4,718	5,367	5,414	5,407	6,814	4,846
EMS unit responses	4,900	4,930	5,276	5,476	5,369	5,051	5,646	6,090	6,295	8,188
Public Works										
Street overlay lane miles	18	19	19	19	15	9	2	11	10	13
Potholes repaired	*	24,696	24,778	21,506	20,546	18,000	68,548	67,448	70,515	62,596
Curb miles swept	*	6,338	7,235	6,040	6,955	5,620	5,595	6,244	7,131	5,826
<i>Note: In FY10 # of potholes repaired went to # of square feet repaired.</i>										
Parks and Recreation										
Instructional participants	3,581	3,579	3,075	3,432	3,538	3,077	3,112	2,765	1,835	1,600
Pool customers	145,879	132,549	146,805	128,206	142,605	138,785	93,302	114,458	144,059	128,081

CITY OF COLLEGE STATION, TEXAS

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Planning and Development Services										
Permits processed	6,685	6,500	6,575	7,583	6,647	5,819	5,972	6,026	5,600	3,991
Building inspections performed	13,435	13,297	13,069	13,398	13,814	12,938	12,379	11,583	12,100	12,945
Parking citations issued	16,587	11,900	8,452	7,238	9,460	9,686	6,763	4,488	6,530	6,868
Community enhancement cases	15,086	7,016	7,384	8,631	11,885	11,622	11,408	8,632	8,900	6,518
Electric										
Number of connections	35,307	36,284	37,590	38,519	37,777	37,818	38,255	37,829	39,123	38,138
Average monthly consumption (KWH)	55,673,526	60,413,524	61,910,063	60,766,805	64,724,128	64,065,679	65,049,732	68,191,018	65,266,563	64,568,405
Water										
Number of connections	31,038	32,266	33,491	34,763	37,075	37,344	37,596	37,565	39,338	40,767
Average monthly consumption (MGW)	236,355	283,429	317,438	293,246	324,012	345,170	301,399	408,327	356,791	380,558
Sewer										
Number of connections	28,594	29,694	31,051	32,034	34,743	34,743	35,853	35,510	36,908	38,688
Average daily sewage treatment (thousands of gallons)	6,808	6,220	5,911	6,502	6,626	6,625	6,700	6,242	6,453	6,500
New services completed	890	571	646	521	781	604	377	301	376	319
Sanitation										
Number of users (units)	28,594	28,399	27,181	28,112	29,533	30,750	30,779	30,455	31,573	32,551
Residential tons collected	20,353	23,535	24,964	27,556	22,191	21,406	28,451	22,775	28,991	25,493
Residential tons recycled	1,082	923	983	1,060	1,199	1,064	1,053	1,173	1,124	1,010
Commercial tons collected	35,355	35,114	35,122	38,402	38,709	36,245	36,558	35,133	34,608	36,751
Parking garage										
Active contract customers	*	449	432	472	464	333	524	482	460	354
Hourly cash customers	97,904	127,608	108,893	109,028	107,584	104,342	85,210	83,048	80,127	81,624
Utility Customer Service										
Payments processed	408,348	401,891	413,088	423,299	443,766	461,557	467,262	436,936	476,999	498,703
Incoming calls	82,536	82,234	85,728	85,842	97,121	96,876	85,212	84,861	94,986	93,075
Meters read	577,773	598,660	618,676	640,554	670,913	694,270	708,672	719,749	732,631	744,298

Source: City of College Station various departments

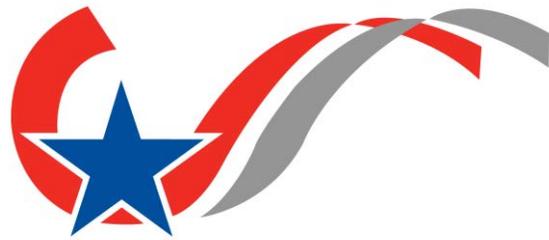
* Data not measured for fiscal year indicated.

CITY OF COLLEGE STATION, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Patrol units	25	26	26	29	29	29	27	33	32	39
Jail capacity	17	17	17	17	17	17	17	17	17	17
Fire stations	4	4	4	4	4	4	4	4	5	6
<i>Note: The Fire Department operates an additional fire station located at the airport.</i>										
Public Works										
Streets (linear miles)	353	385	395	429	438	428	453	474	482	482
Sidewalks (miles)	89	97	100	100	100	119	130	138	150	156
Traffic signals	62	62	62	65	66	66	69	70	75	76
Storm sewers (miles)	*	*	72	72	72	80	83	83	89	89
<i>Notes: Street measurement changed from lane miles to linear miles in FY04. Storm sewer mileage includes both underground pipes and valley gutters.</i>										
Parks and Recreation										
Acreage	1,217	1,248	1,274	1,289	1,306	1,306	1,327	1,327	1,327	1,328
Playunits	35	35	46	48	47	54	56	57	57	56
Softball/baseball fields	19	26	32	32	35	35	36	36	36	36
Soccer fields	19	26	31	31	29	29	30	30	30	30
Jogging/walking trails	22	26	27	28	29	33	34	34	34	34
Community centers	3	3	3	3	3	3	3	3	3	2
Pools	3	3	3	3	3	3	3	3	3	3
Pavilions (rentable)	5	6	6	7	7	6	6	7	7	7
<i>Notes: Some parks have multiple playunits. Softball/baseball fields include practice fields.</i>										
Electric										
Peak demand (megawatts)	255	280	260	355	355	355	305	305	325	325
Number of substations	4	4	5	5	5	5	6	6	6	6
Distribution lines (miles)	414	450	394	411	411	432	440	444	438	458
Water										
Water mains (miles)	317	341	365	367	381	385	396	402	410	415
Fire hydrants	2,070	2,165	2,232	2,380	2,453	2,494	2,562	2,614	2,682	2,741
Number of wells	6	6	8	8	8	8	9	9	9	9
Water production capacity (thousands of gallons per day)	26,000	28,000	23,000	23,000	23,000	26,000	32,000	27,000	30,000	29,000
Sewer										
Sanitary sewer lines (miles)	264	271	279	285	301	305	313	319	324	324
Treatment capacity (thousands of gallons per day)	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500
Sanitation										
Collection trucks	24	24	24	25	25	25	25	25	25	25
Residential collection containers	15,207	15,958	16,647	18,135	19,549	20,275	20,671	20,550	21,547	22,470
Commercial collection containers	1,511	1,545	1,569	1,594	1,619	1,644	1,669	1,694	1,719	1,744
Fleet number of vehicles	600	613	627	651	643	647	662	662	576	570

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



CITY OF COLLEGE STATION
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