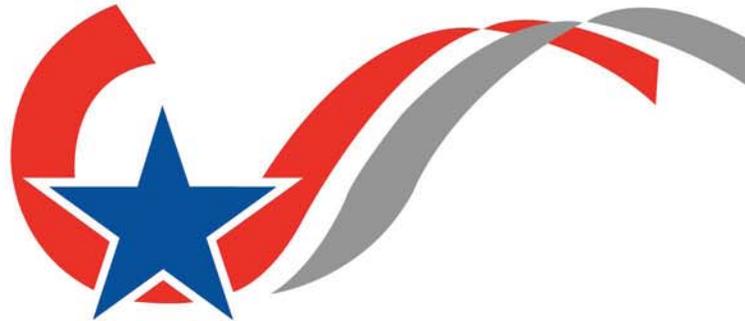


COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014
CITY OF COLLEGE STATION, TEXAS



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

Veterans Park & Athletic Complex



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, 2014**

**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, 2014

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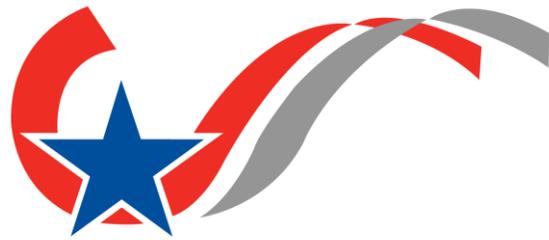
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CITY OF COLLEGE STATION
Home of Texas A&M University®



March 13, 2015

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, 2014.

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, 2014. 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 101,736 as of September 2014. 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 prepared on a quarterly basis.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Conditions

Economic conditions have been positive in 2014 with both sales tax revenues and property values increasing from the previous year. Growth has continued in the northern part of the City with construction taking place along the University Drive Corridor area. This includes the construction of a number of multi-family complexes in the Northgate area. There also continues to be 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. There also continues to be retail development in the Tower Point area and other areas of the City. Texas A&M University and Blinn College also continue to see significant growth and development. Growth at Texas A&M includes the redevelopment of Kyle Field, along with other initiatives including the long term increase in engineering studies that has been announced.

In FY 2011 and FY 2012 sales tax revenues increased by 5.1% and 5.9%, respectively, while 2013 saw a 7.3% increase in sales tax revenues. FY 2014 sales tax revenues increased by 7% showing sustained growth in this key revenue stream. Total ad valorem assessed valuation increased by approximately \$269 million or approximately 4.5% for fiscal year 2014 over fiscal year 2013. Increases in ad valorem value this year are directly related to new construction and increases in existing value in the City. As taxable ad valorem value increases, particularly through growth, it provides additional resources for both capital projects and operating and maintenance costs.

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 \$820 million worth of research and development. Student enrollment at TAMU's main College Station campus was nearly 56,000 in the fall of 2014 and TAMU employs more than 27,000 full-time and part-time staff.

2014 Major Accomplishments

Below are highlight accomplishments for 2014.

- **Increased Public Safety:** Public Safety continues to be a high priority for the City. In FY 14 four additional positions were added. These include an additional School Resource Officer, a Patrol Sergeant, a Crime Scene Technician and a Detention Officer. The Fire Department saw the addition of a Safety Officer to begin a Safety Officer Program. Also, funding was added to the Fire department budget for the addition of a new Hazardous Materials Vehicle.
- **Public Works and Improved Mobility:** Funds were available this year for additional street rehabilitation. Additional resources were also added to the Traffic Division to respond to citizen complaints, reviewing the development of construction drawings, conducting field reviews of traffic control installations and proactively evaluating the City's transportation system plans.
- **Parks and Recreation:** Funds were available this year for improvements in parks facilities including court resurfacing, playground equipment replacement and resurfacing, replacement of various park amenities, and repair to pavilion facilities.
- **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. FY 14 saw all eligible employees receive a 3% pay increase. The City

has a step plan for the Police Department and provided additional funding for the Fire Department pay plan and the pay plan for electric employees. 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. There were no significant changes in employee benefits in 2014.

- **Major Capital Projects Completed in 2014 include:**
 - Bird Pond Road Rehabilitation
 - Health Science Center Parkway Roadway
 - Texas Avenue @ University Drive Signal Reconstruction
 - FM 2818 School Zone Signalization
 - Hike and Bike Trail Phase II
 - Wolf Pen Creek Erosion Control Phase I
 - Skate Park Restrooms
 - Creek View Park
 - Carter Crossing Park Improvements
 - Arboretum Bridge Replacement
 - Synthetic Athletic Fields at Veterans Park
 - Northgate Electric Substation
 - Electric Switch Station Upgrade and Entergy Tie-In
 - Health Science Center Parkway Water Line
 - Dowling Rd Pump Station – 5 MG Ground Storage Tank Rehab
 - Carter Creek Wastewater Treatment Plant Improvements
 - Lick Creek Wastewater Treatment Plant Improvements
 - Bee Creek Parallel Sewer Trunk Line Phase I
 - Electronic Storage Upgrade

- **Major Projects in Design, under Construction or to be Completed in 2015:** Many projects began design during the past year and will commence or complete construction this coming year or in future years. Noted below is the 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 commenced in 2014 and will span several years. Additional 2015 projects include:
 - Rock Prairie Road East Rehabilitation from Stonebrook Drive to W.D. Fitch Parkway
 - Jones Butler (Penberthy) Extension
 - Rock Prairie Road West Widening
 - University Drive Pedestrian Improvements
 - Southland Drainage Improvements
 - Intelligent Transportation System (ITS) Master Plan Implementation
 - East District Maintenance Shop Replacement
 - Lincoln Center Addition
 - Enterprise Resource Planning (ERP) System Replacement
 - CAD/RMS System Replacement
 - Sandy Point Chemical System Replacement and Cooling Tower Expansion
 - 30" Water Transmission Line Reinstallation
 - Eastgate Water and Wastewater Rehabilitation
 - Cooner Street Utility and Roadway Rehabilitation
 - Graham Road Utility and Roadway Rehabilitation

- Luther Street Water Line and Roadway Rehabilitation
- Bee Creek Parallel Trunk Line Phases II – IV
- Royder/Live Oak Sewer Service
- Carter Creek Wastewater Treatment Plant Centrifuge and Electrical Improvements
- Installation of 2nd Transformer at Dowling Rd Substation
- Northgate Electric Feeders

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, 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.
- **2015 Bond Authorization Planning:** The City Council has appointed a 23 member Citizen's Advisory Committee to review capital project needs for the City to be considered in a possible November 2015 bond authorization election. Subcommittees have been formed for Transportation, Parks and Recreation and Facilities. Each subcommittee is studying the needs in these areas.

Anticipated Long-Term Financial Impacts

- **Economic Conditions:** Growth continues in the southern part of the City with the recent opening of the of the Strategic Behavioral Health facility next to the College Station Medical Center. Also, a new Aerofit Health and Fitness Center opened earlier this year adjacent to the College Station Medical Center. There is also increased interest by business prospects to potentially locate in the College Station Business Center and the Spring Creek Corporate campus. Retail development continues, especially in the southern part of the City with new restaurants and other businesses opening and others under construction. The tourism and hospitality industry continues to grow with 524 additional hotel rooms currently under construction in College Station. The second year of construction of the multi-purpose synthetic fields in Veterans Park was completed and the fields were utilized for the recent 7 on 7 football tournament, which was very successful. These new facilities along with the Facilities Access Agreement in place for facilities at Texas A&M University, will attract additional events that, otherwise, likely would not have come to the area.
- **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. Development continues in the BioCorridor area.

- **Texas A&M University:** Texas A&M University is the key driver in the local economy. In 2014 the student enrollment was reported to be more than 55,000 students. Texas A&M also has an initiative to significantly increase the number of students in the College of Engineering. The first phase of the Kyle Field redevelopment was completed for the 2014 football season and the entire project will be completed prior to the 2015 football season. Construction both on and off campus continues to accommodate the growth the University is experiencing.
- **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. Efforts continue to find the best mechanisms to partner with private development to see the development of this area.
- **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. Consent has been given for one MUD in the Extraterritorial Jurisdiction south of College Station and East of Highway 6.

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, 2014 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.

This year Ingram Wallis & Company assisted the City in the preparation of many of the components of the Comprehensive Annual Financial Report (CAFR) other than the Transmittal Letter and the Management Discussion and Analysis section.

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 for the Fiscal Year ended September 30, 2013. This was the thirtieth 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 preparing the final product.

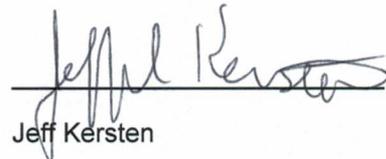
Our appreciation is also extended to the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and prudent manner.

Respectfully submitted,



Kelly Templin

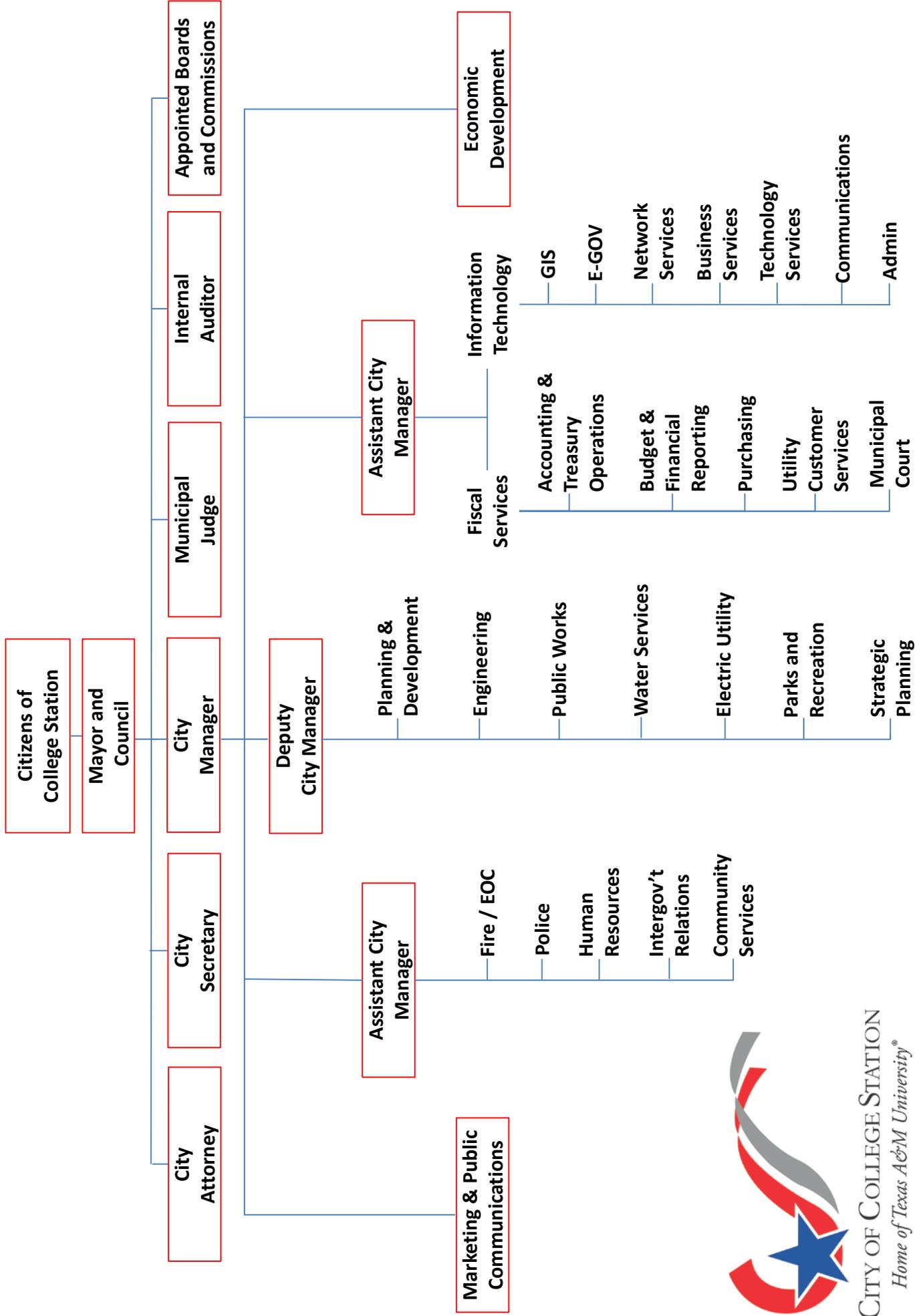
City Manager



Jeff Kersten

Assistant City Manager

CITY ORGANIZATION



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

City of College Station, Texas
Fiscal Year 2014
September 30, 2014

Principal City Officials

Elected Officials

Mayor	Nancy Berry
City Council Place 1	Blanche Brick
City Council Place 2	Steve Aldrich
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

City Manager	Kelly Templin
Deputy City Manager	Chuck Gilman
Assistant City Manager	Jeff Kersten
Assistant City Manager	Jeff Capps
Director of Planning and Development Services	Lance Simms
Director of Public Communications	Jay Socol
Director of Water Services Department	David Coleman
Director of Electric Utility.....	Timothy Crabb
Chief of Police	Scott McCollum
Fire Chief	Eric Hurt
Director of Public Works	Donald Harmon
Director of Parks and Recreation	David Schmitz
Director of Information Technology	Ben Roper
Director of Human Resources	Alison Pond
Director of Community Services	Debbie Eller
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, 2013

Executive Director/CEO



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S 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, 2014, 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, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 14–29 and 67–69 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 resented 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 the 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 the related budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

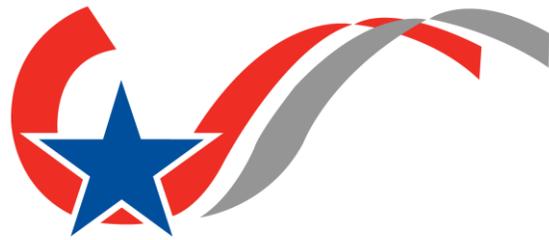
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2015 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 13, 2015 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, 2014.

Ingram, Wallis & Company, P.C.

Bryan, Texas
March 13, 2015



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

Management's Discussion and Analysis

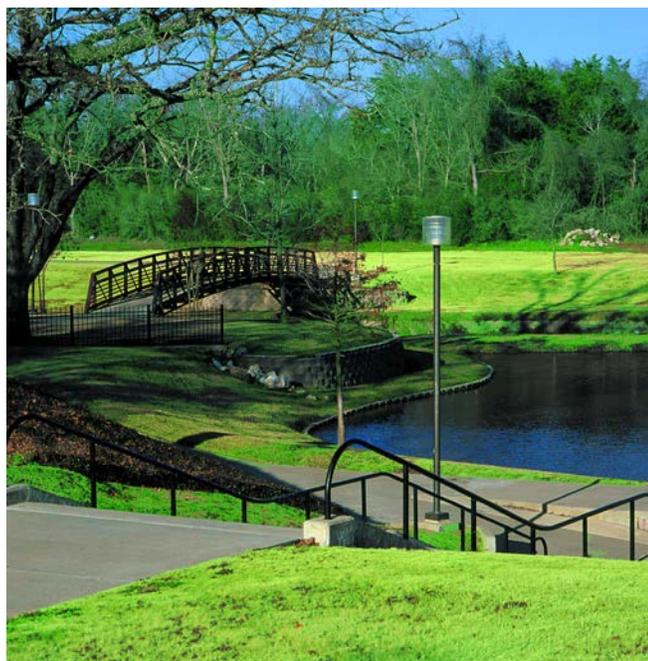
For the Fiscal Year Ended September 30, 2014

(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, 2014. 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 \$445,660,563 (net position). Of this amount \$138,278,178 (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 \$6,985,486 during the fiscal year.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$89,853,708 an increase of \$23,924,272 when compared to the prior year. This increase is primarily due to the proceeds from the issuance of bonds and certificates for capital projects that have not been expended.
- Approximately 20.8 percent of the combined governmental funds ending fund balance, or \$18,722,265 are available for spending at the City's discretion (unassigned fund balance).
- The City's total amount of outstanding debt is \$266,985,000 which is a net increase of \$25,095,000 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

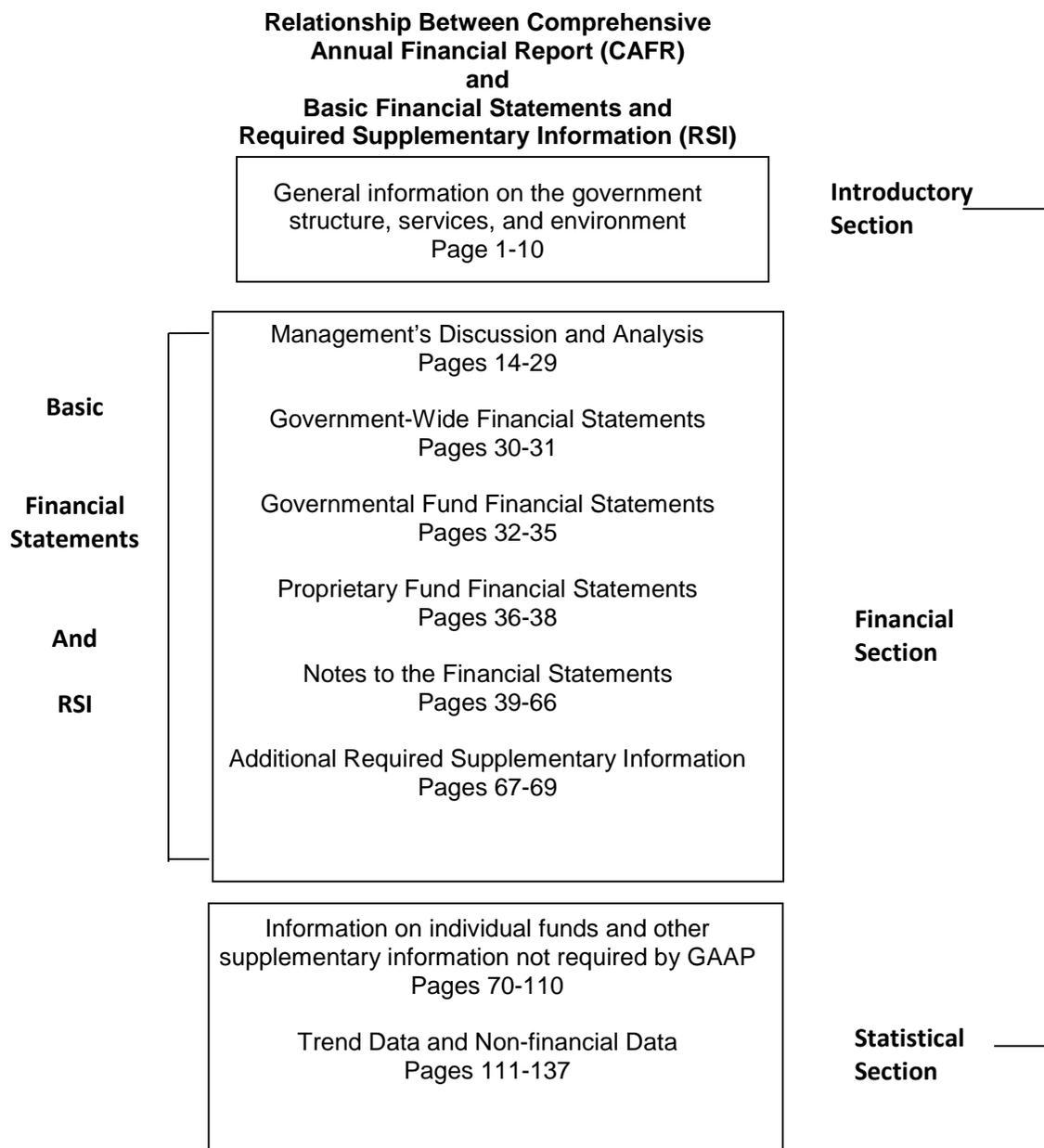
This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

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

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

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



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.

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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, 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.

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.

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(Unaudited)

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.

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 39-66.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information, found on pages 67-69, 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 70-110.

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 \$445,660,563 at the close of the most recent fiscal year. The largest portion of the City's net position (65.1 percent) reflects its investment of \$290,192,976 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.

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Net Position	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 115,781,965	\$ 92,398,592	\$ 93,835,128	\$ 88,070,772	\$ 209,617,093	\$ 180,469,364
Capital assets	242,769,318	242,046,195	326,611,683	319,523,837	569,381,001	561,570,032
Total assets	358,551,283	334,444,787	420,446,811	407,594,609	778,998,094	742,039,396
Total deferred outflow of resources	1,732,893	1,430,043	1,361,244	1,733,009	3,094,137	3,163,052
Liabilities						
Long-term liabilities						
outstanding	123,373,071	105,277,452	157,936,201	142,438,144	281,309,272	247,715,596
Other liabilities	19,787,860	19,666,305	35,334,536	39,145,470	55,122,396	58,811,775
Total liabilities	143,160,931	124,943,757	193,270,737	181,583,614	336,431,668	306,527,371
Net Position						
Invested in capital assets,						
net of related debt	125,012,201	153,214,549	165,180,775	189,315,182	290,192,976	342,529,731
Restricted	15,608,417	16,751,846	1,580,992	1,580,992	17,189,409	18,332,838
Unrestricted	76,502,627	40,964,678	61,775,551	36,847,830	138,278,178	77,812,508
Total net position	\$ 217,123,245	\$ 210,931,073	\$ 228,537,318	\$ 227,744,004	\$ 445,660,563	\$ 438,675,077

An additional portion of the City's net position, \$17,189,409 (3.9 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets, \$138,278,178 (31.0 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 \$6,401,992 as a result of fiscal year 2014 operations, as compared to the increase of \$16,506,701 for fiscal year 2013 operations.

The following table provides a summary of the City's operations for the year ended September 30, 2014 and highlights key elements of the change in the City's net position:

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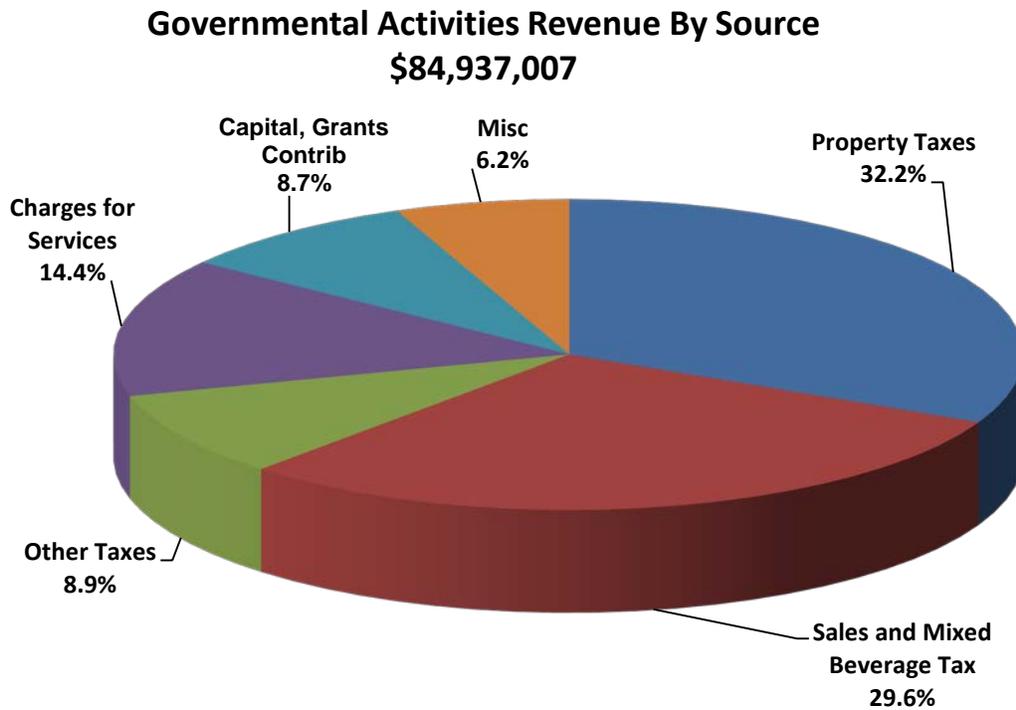
Changes in Net Position:	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$ 12,248,313	\$ 11,869,339	\$ 135,551,100	\$ 134,519,144	\$ 147,799,413	\$ 146,388,483
Operating grants and contributions	3,234,317	1,753,970	291,366	982	3,525,683	1,754,952
Capital grants and contributions	7,404,520	7,016,449	7,309,230	5,345,176	14,713,750	12,361,625
General revenues:						
Property taxes	27,349,234	26,451,943	-	-	27,349,234	26,451,943
Sales and mixed beverage taxes	25,141,825	23,506,772	-	-	25,141,825	23,506,772
Other taxes	7,535,152	6,602,958	-	-	7,535,152	6,602,958
Gain on sale of Capital Assets	1,827,783	-	-	-	1,827,783	-
Interest and investment income	195,863	252,308	120,006	174,170	315,869	426,478
Total revenues	84,937,007	77,453,739	143,271,702	140,039,472	228,208,709	217,493,211
Expenses						
General government	9,602,139	9,167,476	-	-	9,602,139	9,167,476
Fiscal services	3,419,923	3,263,269	-	-	3,419,923	3,263,269
Police	17,768,724	16,831,233	-	-	17,768,724	16,831,233
Fire	14,245,690	13,748,434	-	-	14,245,690	13,748,434
Planning & development svcs	5,012,992	4,334,608	-	-	5,012,992	4,334,608
Public works	21,348,088	15,371,773	-	-	21,348,088	15,371,773
Capital projects	731,621	733,974	-	-	731,621	733,974
Parks & recreation	9,197,308	8,983,919	-	-	9,197,308	8,983,919
Library	1,149,616	1,064,293	-	-	1,149,616	1,064,293
Information technology	4,663,939	4,565,385	-	-	4,663,939	4,565,385
Interest on long term debt	3,962,347	2,949,240	-	-	3,962,347	2,949,240
Unallocated depreciation	1,161,675	1,146,119	-	-	1,161,675	1,146,119
Electric utility	-	-	98,269,576	88,438,115	98,269,576	88,438,115
Water utility	-	-	11,517,915	11,662,862	11,517,915	11,662,862
Wastewater utility	-	-	11,205,770	11,370,918	11,205,770	11,370,918
Sanitation services	-	-	7,497,493	6,301,053	7,497,493	6,301,053
Parking operations	-	-	1,051,901	1,053,839	1,051,901	1,053,839
Total expenses	92,264,062	82,159,723	129,542,655	118,826,787	221,806,717	200,986,510
Incr (Decr) in net position before transfers	(7,327,055)	(4,705,984)	13,729,047	21,212,685	6,401,992	16,506,701
Transfers net	12,935,733	12,039,798	(12,935,733)	(12,039,798)	-	-
Increase in net position	5,608,678	7,333,814	793,314	9,172,887	6,401,992	16,506,701
Net position at beginning of year	210,931,073	202,547,398	227,744,004	219,302,714	438,675,077	421,850,112
Prior period adjustment	583,494	1,049,861	-	(731,597)	583,494	318,264
Net position at end of year	\$217,123,245	\$210,931,073	\$ 228,537,318	\$227,744,004	\$445,660,563	\$ 438,675,077

Governmental Activities: Governmental activities increased the City of College Station's net position by \$5,608,678. Key elements of this net increase are as follows:

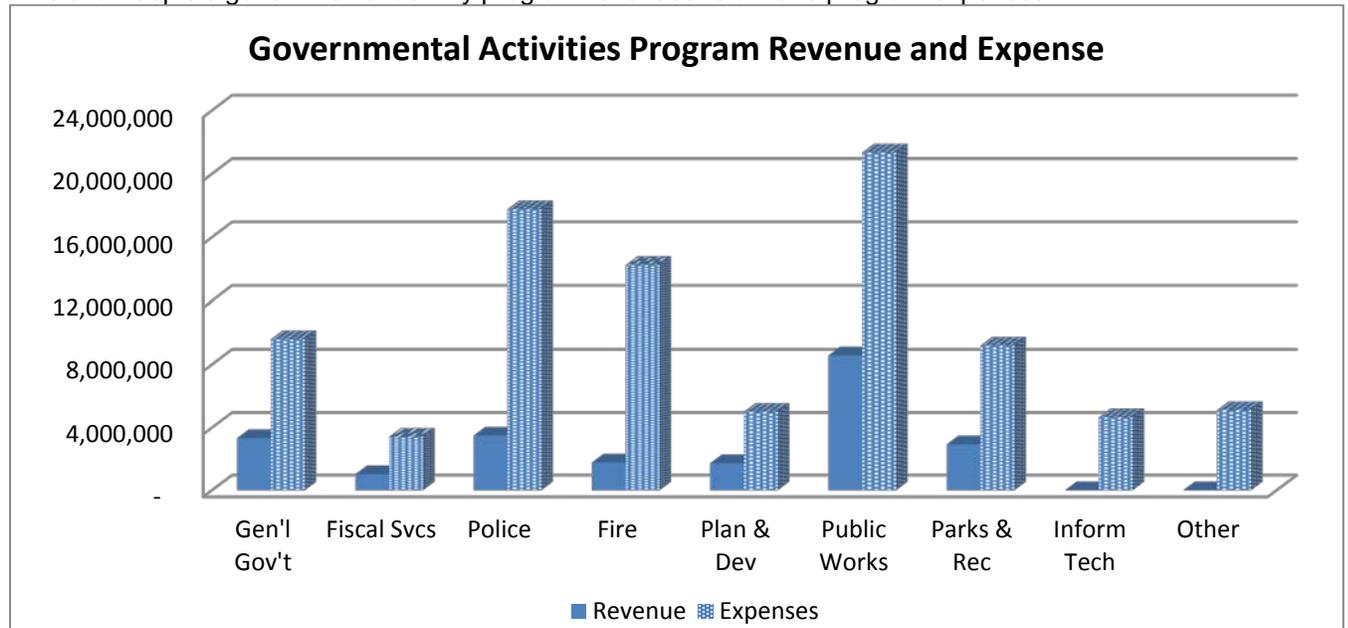
- Sales and mixed beverage taxes increased 7.0% over the prior year reflecting continued strength in the local economy. All of the other governmental activity revenues increased 10.8 % over the prior year.
- Expenditures increased 12.3% over the prior year in part as a result of additional public safety and public works capital expenditures in 2014.

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



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



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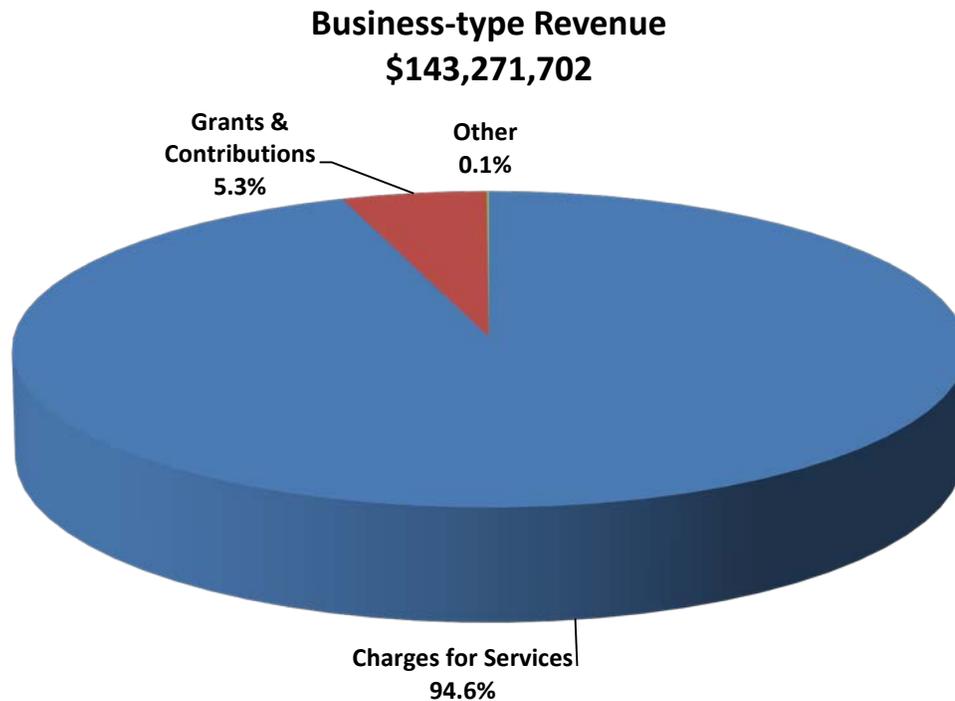
For the Fiscal Year Ended September 30, 2014

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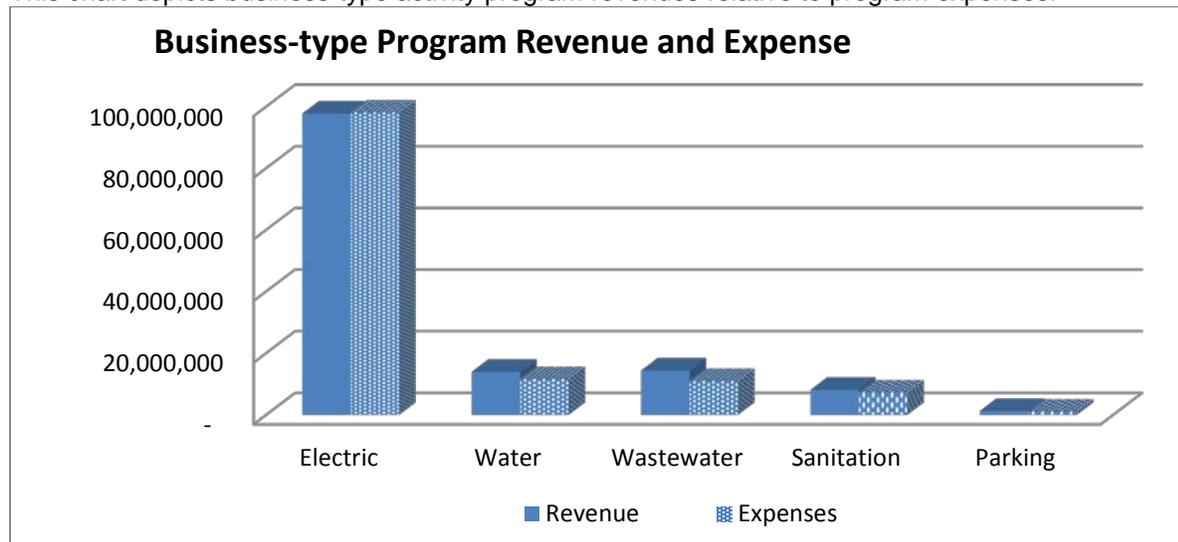
Business-type Activities: Business-type activities increased the City of College Station's net position by \$793,314. Key elements of this increase are as follows:

- Due in part to higher purchased power costs, utility expenses were higher than last year by \$10,715,868.
- Capital infrastructure contributions from various developments throughout the City contributed \$7,309,230 to the net position.

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



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



Management's Discussion and Analysis

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(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 2014, the City's governmental funds reported combined ending fund balances of \$89,853,708. Approximately 20.8 percent (\$18,722,265) 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	\$ 6,550,102
Restricted	\$ 58,993,882
Committed	\$ 4,130,069
Assigned	\$ 1,457,390

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

Revenues for governmental functions totaled \$75,931,411 in fiscal year ended September 30, 2014, an increase of 8.3 percent or \$5,791,063 from the fiscal year ended September 30, 2013.

Expenditures for governmental functions totaling \$95,836,960 increased by approximately 8.4 percent or \$7,392,724 from the fiscal year ended September 30, 2013. Other financing sources and uses (net) was \$43,829,821. As a result, in fiscal year 2014, revenues for governmental functions exceeded expenditures by \$23,924,272. Most of this increase was the result of the issuance of bonds and certificates for capital projects that were not expended during the year.

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 \$18,722,265 while the total fund balance was \$20,244,249. 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 29.6 percent of fiscal year 2014 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 28.5 percent of total general fund expenditures, while total fund balance represents 30.8 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 increased by \$4,318,717 during the current fiscal year due primarily to the recognition of proceeds from the sale of real property.

The Debt Service Fund ended the fiscal year with a fund balance of \$3,214,434. This entire amount is reserved for the payment of debt service. The net decrease in fund balance during the current fiscal year was \$218,821. This decrease is due to a planned reduction in the fund balance.

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The Streets Projects Fund ended the fiscal year with a balance of \$23,569,205. 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 \$10,031,889. 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 \$228,537,318. Of this amount, 27.0 percent (\$61,775,551) constitutes unrestricted net position. The remainder of net position for the proprietary funds is reported as follows:

- Invested in capital assets, net related debt (\$165,180,775) and
- Restricted for debt service (\$1,580,992).

Operating revenues for proprietary activities totaled \$135,426,657 for the fiscal year, an increase of 0.9 percent or \$1,209,533 from the previous fiscal year. Operating expenses increased \$10,304,651 or 9.2 percent for the same period. Operating income was \$13,185,294 for the fiscal year. The proprietary funds reported net non-operating expenses of \$6,602,314 at the end of fiscal year 2014 as compared to net non-operating expenses of \$7,286,491 in the previous fiscal year. The Proprietary Funds had an overall increase of \$793,314 in net position for fiscal year 2014.

Electric Fund

At the end of the fiscal year, the unrestricted net position for the Electric Fund totaled \$13,293,957. 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, 2014, Electric Fund working capital equaled approximately 11.5 percent of annual operating expenses, as compared to 20 percent at September 30, 2013. This reduction was due to increased purchased power expenses in 2014.

Electric Fund operating revenues increased by 2.3 percent (\$2,216,457) during fiscal year 2014, while operating expenses increased 11.5 percent (\$9,838,258) during the same period. This resulted in operating income of \$2,671,877. The operating income when combined with the net non-operating expenses, net capital contributions and transfers resulted in a decrease in net position of \$5,975,317 in the Electric Fund during the fiscal year.

Water Fund

Unrestricted net position for the Water Fund at September 30, 2014 totaled \$13,177,553. Water Fund operating revenues decreased by 10.6 percent (\$1,662,254) during fiscal year 2014. Operating expenses of \$9,199,566 increased 2.3 percent (\$202,443) over fiscal year 2013. This resulted in operating income of \$4,750,605. The operating income when combined with the net non-operating expenses, net capital contributions and transfers resulted in an increase in net position of \$1,601,921 in the Water Fund during the fiscal year.

Wastewater Fund

The Wastewater Fund's unrestricted net position at the end of the fiscal year 2014 totaled \$17,568,138. The Wastewater Fund ended the fiscal year with a working capital balance of \$15,717,801 which was 188.5 percent higher than fiscal year 2013.

Operating revenues in Wastewater Fund were \$14,394,551 or \$17,474 (0.1 percent) decrease over the previous fiscal year. Operating expenses decreased from \$9,867,309 to \$9,721,259 or 1.5 percent while operating income increased by 2.8 percent from \$4,544,716 to 4,673,292. The operating income when

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combined with the net non-operating expenses, net capital contributions and transfers resulted in an increase in net position of \$3,413,503 in the Wastewater Fund during the fiscal year.

Budgetary Highlights

The final amended budget for fiscal year 2014 totaled \$271,051,823 for all funds. In the General Fund the final amended budget showed a decrease in fund balance of \$5,695,703. The actual change in fund balance was an increase of \$4,318,717. The following are some of the key factors in the change in fund balance:

- Revenues were higher than the estimate due to increases in sales tax revenues.
- Expenditures were overall lower due to reduced and deferred spending during the fiscal year. Some expenditures planned for 2014 will occur in 2015.
- Sale of capital assets reflected the sale of real property that was not anticipated in the budget.

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 2014 to address these priorities.

CAPITAL ASSETS

The City of College Station's investment in capital assets for its governmental and business-type activities as of September 30, 2014 amounted to \$569,381,001 (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	\$ 40,666,933	\$ 690,750	\$ 41,357,683
Utility systems	-	275,315,646	275,315,646
Buildings and other improvements	29,821,789	3,902,355	33,724,144
Improvements other than buildings	21,736,343	-	21,736,343
Machinery and equipment	10,485,682	3,411,796	13,897,478
Infrastructure	128,572,314	-	128,572,314
Construction in progress	11,486,257	43,291,136	54,777,393
	<u>\$242,769,318</u>	<u>\$ 326,611,683</u>	<u>\$ 569,381,001</u>

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Major capital projects completed by the City during the 2014 fiscal year include the following:

- o Bird Pond Road Rehabilitation
- o Health Science Center Parkway Roadway
- o Texas Avenue @ University Drive Signal Reconstruction
- o FM 2818 School Zone Signalization
- o Hike and Bike Trail Phase II
- o Wolf Pen Creek Erosion Control Phase I
- o Skate Park Restrooms
- o Creek View Park
- o Carter Crossing Park Improvements
- o Arboretum Bridge Replacement
- o Synthetic Athletic Fields at Veterans Park
- o Northgate Electric Substation
- o Electric Switch Station Upgrade and Entergy Tie-In
- o Health Science Center Parkway Water Line
- o Dowling Rd Pump Station – 5 MG Ground Storage Tank Rehab
- o Carter Creek Wastewater Treatment Plant Improvements
- o Lick Creek Wastewater Treatment Plant Improvements
- o Bee Creek Parallel Sewer Trunk Line Phase I
- o Electronic Storage Upgrade

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 2014 fiscal year, the City of College Station had total debt outstanding of \$266,985,000. Of this amount, \$252,065,000 (94.4 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 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 \$14,920,000 (5.6 percent), is revenue bonds secured by specified revenue sources from the City's combined utility system.

2014 Year-End Outstanding Debt Payable

	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 89,050,000	\$ 49,900,000	\$ 138,950,000
Certificates of Obligation	21,805,000	91,310,000	113,115,000
Revenue Bonds	-	14,920,000	14,920,000
	<u>\$ 110,855,000</u>	<u>\$ 156,130,000</u>	<u>\$ 266,985,000</u>

The City's total debt increased by \$25,095,000 (10.4 percent) during the current fiscal year. The change in total debt was a result of the following:

- Issuance of \$35,865,000 general obligation improvement bonds and refunding bonds.

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- Refunding of \$25,625,000 general obligation improvement bonds, certificates of obligation, and utility revenue bonds.
- Issuance of \$34,005,000 in certificates of obligation, which funded business-type activities.
- Retirement of \$15,670,000 in general obligation improvement bonds and certificates of obligation, and the retirement of \$3,480,000 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 are more positive than they have been in several years. Sales tax revenues have been positive in the past year, and property values have increased as well. Growth has continued throughout the City. In the northern part of the City, construction continues along the University Drive Corridor with the construction of mixed use developments including Northpoint Crossing and the upcoming redevelopment of the Chimney Hill shopping center. There is other multi-family activity happening in the northern part of the City as well. There also continues to be activity in the Bio-Corridor.

Growth continues in the southern part of the City with the recent opening of the Strategic Behavioral Health facility next to the College Station Medical Center. Also, a new Aerofit Health and Fitness Center opened earlier this year adjacent to the College Station Medical Center. There is also increased interest by business prospects to potentially locate in the College Station Business Center and the Spring Creek Corporate campus. Retail development continues, especially in the southern part of the City with new restaurants and other businesses opening and others under construction. The tourism and hospitality industry continues to grow with 524 additional hotel rooms currently under construction in College Station. The second year of construction of the multi-purpose synthetic fields in Veterans Park was completed and the fields were utilized for the recent 7 on 7 football tournament, which was very successful. These new facilities along with the Facilities Access Agreement in place for facilities at Texas A&M University, will attract additional events that, otherwise, likely would not have come to the area.

Texas A&M University continues to see significant growth and development. The first phase of the Kyle Field redevelopment was completed for the 2014 football season and the entire project will be completed prior to the 2015 football season. As mentioned earlier, Texas A&M University enrollment is anticipated to be around 55,000 this fall. Construction on campus continues to accommodate this growth.

All of this positive economic news puts strains on the city services, such as public safety, the transportation system, utilities and other core services.

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 FY 2015 is \$6,213,584,665. This is an increase over last year of 4.5%. This increase was due in part to new property values from new construction of \$215,166,820 added to the tax rolls. Existing property values increased by \$115,455,739, or approximately 1.8%.
- Since 2010 taxable values have increased from approximately \$5.4 billion to approximately \$6.2 billion currently.

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2014

(Unaudited)

- Through September 2014 the local unemployment rate was 3.8%. This is below the state average of 5.0% and the national average of 5.7%.
- Sales and mixed drink beverage tax revenue, the largest revenue stream in the General Fund saw a strong increase of 7.0% in fiscal year 2014.

The FY 2015 budget meets the needs of the citizens and visitors of College Station as the City continues to move through a period of strong growth. This manifests itself through continued growth in higher education, through a robust visitor and tourism economy, and all of the ancillary things this growth brings. This budget is a roadmap for addressing the priority needs of the City not only for this year, but for years to come.

Key points influencing budget preparation

- Texas A&M University reported to have more than 55,000 students enrolled this fall.
- Blinn College is continuing to experience increases in enrollment.
- Expansion of Kyle Field will bring additional visitors to the community in the years to come.
- The Bio-Corridor continues to grow and expand.
- The health care sector of the economy is continuing to grow.
- Continued residential and commercial development throughout the city, especially in south College Station.

How are we proposing to address this growth?

- Providing additional Police, Fire and Emergency Medical Services for citizens and visitors.
- Increasing Code Enforcement resources in an effort to preserve neighborhood integrity.
- Maintaining existing infrastructure including the streets and traffic management systems, electric, water and wastewater utility systems, parks and recreation facilities, and other city facilities.
- Expanding infrastructure to meet the service demands that accompany growth.
- Attracting and retaining a well-qualified workforce to ensure excellent service can be provided.

This is a critical period for the City given the growth that is continuing. How we respond to that growth will determine what type of a City we will have for years to come. The past several years saw budget reductions and some service reductions that were necessary given the economic realities at that time.

What has been done to reduce costs?

This is a reasonable question that should be asked every year, and especially when an increase to the tax rate is considered. On a continual basis we look at ways to streamline and consider organizational changes. This budget scrubbing was done over the last three to four years and resulted in budget reductions along with the elimination of a number of positions. A total of \$7.6 million was removed from the City's budget from FY09-FY13, which included the elimination of 63 positions, primarily in the General Fund. This reduction in force provided resources for public safety priorities over the last several years. In fact much of that savings realized between FY09-FY13 was reinvested into public safety with 48 Police and Fire positions being added. There continue to be opportunities to reorganize and outsource. For example, last year Parks and Recreation outsourced cemetery operations which resulted in the elimination of three vacant positions and a net savings to the City. Other examples of recent cost saving efforts include outsourcing a large portion of our park mowing and right of way mowing. Also, Parks concession operations were outsourced several years ago. These are just some examples of organizational changes that result in providing services at a lower cost.

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2014

(Unaudited)

Selected Increased Service Levels

The following are some significant increases in service levels in the fiscal year 2015 budget.

Public Safety – Police Department – To address the growth of the community the approved budget for the Police Department includes 6 new positions. These include two Traffic Officers, a Police Assistant/Training Coordinator, an Assistant Information Services Manager, a Public Safety GIS Analyst, and an Animal Control Officer.

Public Safety – 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 four firefighter positions of a total of 15 needed for a new ladder truck. Also included is an additional position for the continued implementation of the Safety Officer program. The Safety Officer program will help to ensure the Fire Department personnel are kept as safe as possible.

Transportation and Mobility - Public Works - The Public Works budget includes funds for additional street rehabilitation, an additional position to proactively fill potholes, and funds for the first year of a five year implementation of a new intelligent transportation system master plan.

Core Services and Infrastructure – Parks and Recreation – Funds are included in the budget to address equipment needs for the parks system as well as court resurfacing, replacement of pavilions, and playground equipment.

Neighborhood Integrity – Planning and Development Services - Funds are included in the budget for implementation of a portion of some of the neighborhood plans that have been identified in recent years.

Neighborhood Integrity – Community Services – An additional position is included in the budget for a Community Services Business Manager. This position will work closely with the Director, Northgate District staff and Code Enforcement in the day to day operations of those functions. Last summer the City Council approved a budget amendment for an additional 0.5 Code Enforcement Officer, and a Staff Assistant position to handle some of the clerical and administrative duties. This will allow the Code Enforcement Officers to spend more time working on Code Enforcement issues.

Tax Rate

The fiscal year 2015 budget was prepared using a tax rate of 45.25 cents per \$100 assessed valuation. This is an increase of 2.6542 cents from the FY 2014 tax rate of 42.5958 cents. The debt service portion of the tax rate is 19.3053 cents, which is the rate necessary to meet the tax supported debt obligations of the City. The operations and maintenance portion of the tax rate is 25.9447 cents. This provides the necessary revenue to support the General Fund budget. The 2.6542 cent increase in the tax rate will fund increased service levels in Public Safety (Police and Fire), Transportation and Mobility, streets and the traffic signal system directly related to the continued growth of the City.

Utility Rates

The fiscal year 2015 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 second of two planned increases in commercial sanitation rates.

Capital Improvements

The approved Capital Improvements Project Budget for FY15 totals \$34,155,710 for all funds that include capital projects. This budget amount does not, however, reflect all projected capital expenditures for FY15. The total projected to be spent on capital projects, including both new appropriations and existing

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2014

(Unaudited)

appropriations, is approximately \$58 million. These capital funds come from various sources including General Obligation bonds authorized by the voters, Certificates of Obligation supported by the tax rate or utility rates, and existing cash reserves from the General Fund, and the Utility funds. Associated operating and maintenance costs needed for the projects that will be operational in FY15 have been included in the approved budget.

Some of the more significant upcoming capital projects are as follows:

- Cooner Street and Utility Rehabilitation
- Rock Prairie Road East Rehabilitation from Stonebrook Drive to W.D. Fitch Parkway
- Luther Street and Utility Rehabilitation
- Munson Street Rehabilitation
- Francis Street Rehabilitation
- Graham Road and Utility Rehabilitation
- University Drive Pedestrian Improvements
- Rock Prairie Road West Widening
- Lincoln Center Addition
- Library Expansion
- Enterprise Resources Planning (ERP) System Replacement
- CAD/RMS System Replacement
- Sandy Point Chemical System Replacement and Cooling Tower Expansion
- 30" Water Transmission Line Reinstallation
- Eastgate Water and Wastewater Rehabilitation
- Bee Creek Parallel Trunk Line Phases II-IV
- Royder/Live Oak Sewer Line Project
- Carter Creek Wastewater Treatment Plant Centrifuge and Electrical Improvements
- Underground Feed from Northgate Substation to Church Street
- Second Transformer at Dowling Road Substation

The City does not intend to issue debt for capital projects in 2015. The debt issued in 2014 was intended to be sufficient to cover the needs for both 2014 and 2015. Cash for the Electric, Water, and Wastewater Utilities is scheduled to be transferred for capital projects in 2015.

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, 2014

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 93,393,857	\$ 22,702,463	\$ 116,096,320
Investments	12,343,606	2,999,409	15,343,015
Receivable (net of allow for uncollectible)	7,164,241	17,384,781	24,549,022
Inventories	6,646,270	2,192,674	8,838,944
Internal balance	(3,785,422)	3,785,422	-
Prepays	19,413	-	19,413
Restricted assets			-
Cash and cash equivalents	-	24,521,197	24,521,197
Equity in investments	-	3,239,696	3,239,696
Equity in joint venture	-	12,909,486	12,909,486
Loan receivable	-	4,100,000	4,100,000
Capital assets (net of accum depreciation)			-
Land and construction in progress	52,153,190	43,981,886	96,135,076
Other capital assets (net of accum depreciation)	<u>190,616,128</u>	<u>282,629,797</u>	<u>473,245,925</u>
Total assets	<u>358,551,283</u>	<u>420,446,811</u>	<u>778,998,094</u>
Deferred outflows of resources			
Deferred charge on refunding	<u>1,732,893</u>	<u>1,361,244</u>	<u>3,094,137</u>
Total deferred outflows of resources	<u>1,732,893</u>	<u>1,361,244</u>	<u>3,094,137</u>
Liabilities			
Accounts payable	3,571,987	18,554,266	22,126,253
Accrued liabilities	1,375,226	544,261	1,919,487
Retainage payable	433,909	423,525	857,434
Customer construction advances	924,100	11,121	935,221
Claims payable	1,650,636	-	1,650,636
Unearned revenues	1,016,145	141,963	1,158,108
Accrued interest payable	554,759	782,359	1,337,118
Refundable deposits	437,930	3,273,064	3,710,994
Compensated absences - current	219,195	49,501	268,696
Current portion of long-term	9,603,973	11,554,476	21,158,449
Bonds and certificate of obligation payable	107,598,381	153,976,428	261,574,809
Compensated absences - long-term	2,603,068	587,861	3,190,929
Other post employment benefits	7,246,170	1,872,154	9,118,324
Net pension obligation	<u>5,925,452</u>	<u>1,499,758</u>	<u>7,425,210</u>
Total liabilities	<u>143,160,931</u>	<u>193,270,737</u>	<u>336,431,668</u>
Net position			
Net investment in capital assets	125,012,201	165,180,775	290,192,976
Restricted for:			-
Debt service	3,293,595	1,580,992	4,874,587
Public safety	880,521	-	880,521
Community development	1,659,028	-	1,659,028
Tourism	5,157,945	-	5,157,945
Capital projects	4,270,830	-	4,270,830
Other purposes	346,498	-	346,498
Unrestricted	<u>76,502,627</u>	<u>61,775,551</u>	<u>138,278,178</u>
Total net position	<u>\$ 217,123,245</u>	<u>\$ 228,537,318</u>	<u>\$ 445,660,563</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, 2014

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	\$ 9,602,139	\$ 213,242	\$ 3,125,427	\$ -	\$ (6,263,470)	\$ -	\$ (6,263,470)
Fiscal services	3,419,923	1,028,531	-	-	(2,391,392)	-	(2,391,392)
Police	17,768,724	3,463,589	34,785	-	(14,270,350)	-	(14,270,350)
Fire	14,245,690	1,766,195	11,312	-	(12,468,183)	-	(12,468,183)
Planning & development svcs	5,012,992	1,730,441	-	-	(3,282,551)	-	(3,282,551)
Public works	21,348,088	2,437,986	-	6,140,876	(12,769,226)	-	(12,769,226)
Capital improvement program	731,621	-	-	-	(731,621)	-	(731,621)
Parks & recreation	9,197,308	1,608,329	62,793	1,263,644	(6,262,542)	-	(6,262,542)
Library	1,149,616	-	-	-	(1,149,616)	-	(1,149,616)
Information technology	4,663,939	-	-	-	(4,663,939)	-	(4,663,939)
Interest on long-term debt	3,962,347	-	-	-	(3,962,347)	-	(3,962,347)
Unallocated depreciation	1,161,675	-	-	-	(1,161,675)	-	(1,161,675)
Total governmental activities	92,264,062	12,248,313	3,234,317	7,404,520	(69,376,912)	-	(69,376,912)
Business-type activities:							
Electric	98,269,576	97,814,129	-	1,058,133	-	602,686	602,686
Water	11,517,915	13,848,402	-	2,006,261	-	4,336,748	4,336,748
Wastewater	11,205,770	14,575,907	-	2,496,873	-	5,867,010	5,867,010
Sanitation	7,497,493	8,014,628	291,366	1,747,963	-	2,556,464	2,556,464
Northgate parking	1,051,901	1,298,034	-	-	-	246,133	246,133
Total business-type activities	129,542,655	135,551,100	291,366	7,309,230	-	13,609,041	13,609,041
Total primary government	\$ 221,806,717	\$ 147,799,413	\$ 3,525,683	\$ 14,713,750	(69,376,912)	13,609,041	(55,767,871)
General revenue:							
Property taxes					27,349,234	-	27,349,234
Sales and mixed beverage taxes					25,141,825	-	25,141,825
Franchise taxes					2,407,344	-	2,407,344
Hotel occupancy taxes					5,127,808	-	5,127,808
Unrestricted investment earnings					195,863	120,006	315,869
Gain on sale of capital assets					1,827,783	-	1,827,783
Transfers					12,935,733	(12,935,733)	-
Total general revenues and transfers					74,985,590	(12,815,727)	62,169,863
Change in net position					5,608,678	793,314	6,401,992
Net position - beginning					210,931,073	227,744,004	438,675,077
Prior period adjustment					583,494	-	583,494
Net position - ending					\$ 217,123,245	\$ 228,537,318	\$ 445,660,563

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

CITY OF COLLEGE STATION, TEXAS

Balance Sheet
Governmental Funds
September 30, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Streets Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Current assets					
Cash and cash equivalents	\$ 19,035,073	\$ 2,839,310	\$ 21,833,881	\$ 30,909,425	\$ 74,617,689
Equity in investments	2,514,878	375,124	2,616,453	4,356,479	9,862,934
Receivable (net of allow for uncollectible)	4,129,515	506,128	345,997	2,216,328	7,197,968
Inventories	45,181	-	-	6,485,508	6,530,689
Prepaid costs	19,413	-	-	-	19,413
Total assets	<u>\$ 25,744,060</u>	<u>\$ 3,720,562</u>	<u>\$ 24,796,331</u>	<u>\$ 43,967,740</u>	<u>\$ 98,228,693</u>
Liabilities					
Accounts payable	\$ 1,679,486	\$ -	\$ 682,861	\$ 603,892	\$ 2,966,239
Accrued liabilities	1,297,072	-	-	56,874	1,353,946
Unearned revenue-other	1,016,145	-	-	-	1,016,145
Interfund payable	-	-	-	-	-
Refundable deposits	79,981	-	345,997	11,952	437,930
Retainage payable	2,593	-	196,818	234,498	433,909
Customer construction advances	922,650	-	1,450	-	924,100
Total liabilities	<u>4,997,927</u>	<u>-</u>	<u>1,227,126</u>	<u>907,216</u>	<u>7,132,269</u>
Deferred inflows of resources					
Unavailable revenue-loans receivable	-	-	-	211,942	211,942
Unavailable revenue-property taxes	501,884	506,128	-	-	1,008,012
Unavailable revenue-other	-	-	-	22,762	22,762
Total deferred inflows of resources	<u>501,884</u>	<u>506,128</u>	<u>-</u>	<u>234,704</u>	<u>1,242,716</u>
Fund balances					
Nonspendable	64,594	-	-	6,485,508	6,550,102
Restricted	-	3,214,434	23,569,205	32,210,243	58,993,882
Committed	-	-	-	4,130,069	4,130,069
Assigned	1,457,390	-	-	-	1,457,390
Unassigned	18,722,265	-	-	-	18,722,265
Total fund balances	<u>20,244,249</u>	<u>3,214,434</u>	<u>23,569,205</u>	<u>42,825,820</u>	<u>89,853,708</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,744,060</u>	<u>\$ 3,720,562</u>	<u>\$ 24,796,331</u>	<u>\$ 43,967,740</u>	<u>\$ 98,228,693</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, 2014

Total fund balance per balance sheet		\$ 89,853,708
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		242,769,318
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		1,732,893
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	\$ (10,032,643)	
Due in more than one year	<u>(122,343,133)</u>	(132,375,776)
Interest payable on long-term debt does not require current financial resources and is not reported in the governmental funds balance sheet.		(554,759)
Allowance for loans receivable		(79,161)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds		1,242,716
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	29,378,832	
Capital Assets	(7,960,977)	
Liabilities	(3,098,127)	
Net amount allocated to business-type activities	<u>(3,785,422)</u>	<u>14,534,306</u>
Net position of governmental activities		<u>\$ 217,123,245</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, 2014

	General	Debt Service	Streets Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Ad valorem taxes	\$ 14,402,353	\$ 11,938,869	\$ -	\$ -	\$ 26,341,222
Sales taxes	24,565,649	-	-	-	24,565,649
Mixed drink and franchise	2,983,520	-	-	5,127,808	8,111,328
Licenses and permits	1,424,598	-	-	13,484	1,438,082
Intergovernmental	189,103	-	225,670	2,819,544	3,234,317
Charges for services	169,680	-	121,679	3,127,074	3,418,433
Other charges for services	2,818,098	-	-	-	2,818,098
Fines, forfeits, and penalties	3,038,926	-	-	192,143	3,231,069
Investment income	66,264	14,326	39,682	75,591	195,863
Rents and royalties	542,816	-	-	96,451	639,267
Contributions	11,016	-	-	1,252,628	1,263,644
Other	113,802	917	29,005	530,715	674,439
Total revenues	<u>50,325,825</u>	<u>11,954,112</u>	<u>416,036</u>	<u>13,235,438</u>	<u>75,931,411</u>
Expenditures					
Current					
General government	5,108,448	-	-	-	5,108,448
Fiscal services	3,029,566	-	4,058	226,618	3,260,242
Police	17,080,568	-	-	13,292	17,093,860
Fire	13,585,022	-	-	-	13,585,022
Planning and development services	2,867,857	-	-	2,065,923	4,933,780
Public works	7,611,303	-	-	1,020,846	8,632,149
Capital improvement projects	731,621	-	-	-	731,621
Parks & recreation	4,596,645	-	-	3,115,952	7,712,597
Information technology	4,207,305	-	-	7,653	4,214,958
Library	1,078,851	-	-	-	1,078,851
Contributions	1,184,115	-	-	2,097,876	3,281,991
Other	222,034	-	-	457,738	679,772
Pay plan contingency	-	-	-	-	-
Capital outlay	-	-	5,496,545	7,139,789	12,636,334
Debt service					
Principal retirement	-	8,650,000	-	-	8,650,000
Interest payments	-	3,707,799	-	-	3,707,799
Debt issuance costs	-	39,719	-	-	39,719
Intergovernmental	-	-	489,817	-	489,817
Total expenditures	<u>61,303,335</u>	<u>12,397,518</u>	<u>5,990,420</u>	<u>16,145,687</u>	<u>95,836,960</u>
Excess (deficit) of revenues over (under) expenditures	<u>(10,977,510)</u>	<u>(443,406)</u>	<u>(5,574,384)</u>	<u>(2,910,249)</u>	<u>(19,905,549)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	13,201,800	10,158,200	23,360,000
Issuance of refunding bonds	-	8,535,000	-	-	8,535,000
Premium on bonds issued	-	1,249,222	1,348,200	1,026,800	3,624,222
Payment to refunded bond escrow agent	-	(9,755,695)	-	-	(9,755,695)
Sale of capital assets	4,582,111	-	-	-	4,582,111
Transfers In	15,158,581	196,058	1,588,163	3,855,894	20,798,696
Transfers out	(4,444,465)	-	(531,890)	(2,338,158)	(7,314,513)
Total other financing sources (uses)	<u>15,296,227</u>	<u>224,585</u>	<u>15,606,273</u>	<u>12,702,736</u>	<u>43,829,821</u>
Net change in fund balance	4,318,717	(218,821)	10,031,889	9,792,487	23,924,272
Fund balances, October 1	15,925,532	3,433,255	13,537,316	33,033,333	65,929,436
Fund balances, September 30	<u>\$ 20,244,249</u>	<u>\$ 3,214,434</u>	<u>\$ 23,569,205</u>	<u>\$ 42,825,820</u>	<u>\$ 89,853,708</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, 2014

Net change in fund balance - total governmental funds \$ 23,924,272

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. 9,345,085

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 6,163

The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade ins, and capital contributions) is to increase/decrease net assets. 2,458,083

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. 1,030,775

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. (254,548)

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. (12,417,695)

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	\$ (21,230,000)	
Certificates of Obligation issued	(10,665,000)	
Bond principal retirement	8,650,000	
Payment to refunded bond escrow agent	<u>9,755,695</u>	(13,489,305)

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 government funds.

Compensated absences	(336,386)	
Net pension obligation	(291,867)	
Other post retirement benefits	<u>(794,085)</u>	(1,422,338)

Bond premiums are recognized as an other financing source in the governmental funds, but are combined with bond liabilities on the statement of net position. Premiums are amortized over the life of the bonds. (3,304,233)

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	(430,744)	
Net amount allocated to business activities	<u>163,163</u>	<u>(267,581)</u>

Change in net position of governmental activities \$ 5,608,678

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, 2014

Business-type Activities-Enterprise Funds						
	Electric	Water	Wastewater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets						
Current assets						
Cash and cash equivalents	\$ 14,246,098	\$ 3,037,701	\$ 4,174,627	\$ 1,244,037	\$ 22,702,463	\$ 18,776,168
Investments	1,882,169	401,336	551,544	164,360	2,999,409	2,480,672
Restricted assets						
Cash and cash equivalents	4,333,994	8,233,119	11,954,084	-	24,521,197	-
Investments	572,599	1,087,745	1,579,352	-	3,239,696	-
Receivable (net of allow for uncollectible)	12,985,356	1,840,375	1,633,237	925,813	17,384,781	45,434
Due from other funds	-	-	-	-	-	-
Inventories	1,815,130	342,068	29,835	5,641	2,192,674	115,581
Total current assets	35,835,346	14,942,344	19,922,679	2,339,851	73,040,220	21,417,855
Noncurrent assets						
Advance to other funds	-	-	-	-	-	-
Equity in joint venture	-	-	-	12,909,486	12,909,486	-
Loan receivable	-	-	-	4,100,000	4,100,000	-
Capital assets						
Utility plant	170,361,252	162,975,376	125,735,085	-	459,071,713	-
Buildings	-	-	-	5,737,679	5,737,679	823,658
Machinery and equipment	-	-	-	6,358,895	6,358,895	21,936,337
Less accumulated depreciation	(82,572,531)	(51,556,752)	(49,626,784)	(4,782,423)	(188,538,490)	(14,799,018)
Construction in progress	16,106,448	11,980,306	15,194,982	9,400	43,291,136	-
Land	-	-	-	690,750	690,750	-
Total capital assets	103,895,169	123,398,930	91,303,283	8,014,301	326,611,683	7,960,977
Total noncurrent assets	103,895,169	123,398,930	91,303,283	25,023,787	343,621,169	7,960,977
Total assets	139,730,515	138,341,274	111,225,962	27,363,638	416,661,389	29,378,832
Deferred outflows of resources						
Deferred charge on refunding	573,981	534,953	196,422	55,888	1,361,244	-
Total deferred outflows of resources	573,981	534,953	196,422	55,888	1,361,244	-
Liabilities						
Current liabilities						
Accounts payable	17,133,408	488,313	560,444	372,101	18,554,266	605,748
Accrued liabilities	323,955	47,335	63,752	109,219	544,261	58,026
Compensated absences	19,809	8,072	12,623	8,997	49,501	8,323
Retainage payable	261,553	1,087	160,885	-	423,525	-
Claims payable	-	-	-	-	-	1,650,636
Customer construction advances	-	-	11,121	-	11,121	-
Unearned revenue	-	-	-	141,963	141,963	-
Payable from restricted assets						
Accrued interest payable	295,373	249,708	210,802	26,476	782,359	-
Refundable deposits	2,914,884	339,895	14,085	4,200	3,273,064	-
General obligation bonds (net)	1,488,832	2,026,559	1,863,296	413,174	5,791,861	-
Certificates of obligation (net)	2,049,905	997,695	950,013	240,000	4,237,613	-
Revenue bonds (net)	450,121	717,024	357,857	-	1,525,002	-
Total current liabilities	24,937,840	4,875,688	4,204,878	1,316,130	35,334,536	2,322,733
Noncurrent liabilities						
General obligation bonds (net)	16,257,747	17,601,714	13,928,848	1,507,696	49,296,005	-
Certificates of obligation (net)	44,481,604	20,007,462	22,936,357	3,860,000	91,285,423	-
Revenue bonds (net)	1,805,257	7,762,601	3,827,142	-	13,395,000	-
Compensated absences	235,249	95,858	149,913	106,841	587,861	98,844
Post employment benefits	831,345	279,814	436,275	324,720	1,872,154	373,968
Net pension obligation	663,862	224,125	351,543	260,228	1,499,758	302,582
Total noncurrent liabilities	64,275,064	45,971,574	41,630,078	6,059,485	157,936,201	775,394
Total liabilities	89,212,904	50,847,262	45,834,956	7,375,615	193,270,737	3,098,127
Net position						
Net investment in capital assets	37,361,702	74,285,874	47,439,769	6,093,430	165,180,775	7,960,977
Restricted for:						
Debt service	435,933	565,538	579,521	-	1,580,992	-
Unrestricted	13,293,957	13,177,553	17,568,138	13,950,481	57,990,129	18,319,728
Total net position	\$ 51,091,592	\$ 88,028,965	\$ 65,587,428	\$ 20,043,911	224,751,896	\$ 26,280,705
Adjustment to reflect the consolidation of internal services fund activities related to enterprise funds					3,785,422	
Net position of business-type activities					\$ 228,537,318	

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, 2014

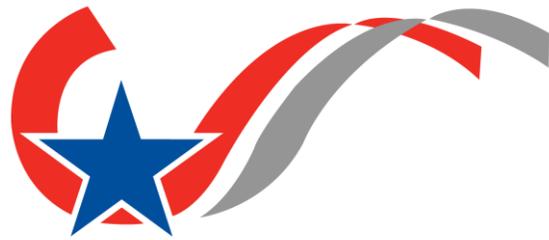
	Business-type Activities - Enterprise Funds					Governmental Activities
	Electric	Water	Wastewater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues						
Charges for services	\$ 95,677,765	\$ 13,473,987	\$ 14,076,275	\$ 9,297,462	\$ 132,525,489	\$ 7,589,496
Premiums	-	-	-	-	-	10,413,487
Other	<u>2,095,601</u>	<u>476,184</u>	<u>318,276</u>	<u>11,107</u>	<u>2,901,168</u>	<u>371,016</u>
Total operating revenues	<u>97,773,366</u>	<u>13,950,171</u>	<u>14,394,551</u>	<u>9,308,569</u>	<u>135,426,657</u>	<u>18,373,999</u>
Operating expenses						
Electric operations	89,188,433	-	-	-	89,188,433	-
Salaries and benefits	-	1,974,478	2,943,325	2,479,335	7,397,138	2,419,036
Supplies	-	700,781	805,128	659,794	2,165,703	1,017,049
Maintenance	-	83,336	163,563	695,047	941,946	39,432
Purchased professional services	-	304,318	114,049	861,269	1,279,636	174,070
Purchased property services	-	-	-	1,726,898	1,726,898	59,660
Other purchased services	-	1,597,046	1,470,026	944,868	4,011,940	728,799
Claims	-	-	-	-	-	7,247,194
Administration fee	-	-	-	-	-	572,760
Contributions	-	-	-	-	-	2,690,290
Premiums	-	-	-	-	-	1,433,593
Depreciation	5,294,817	4,317,840	4,174,328	822,537	14,609,522	1,880,362
Other	<u>618,239</u>	<u>221,767</u>	<u>50,840</u>	<u>29,301</u>	<u>920,147</u>	<u>53,671</u>
Total operating expenses	<u>95,101,489</u>	<u>9,199,566</u>	<u>9,721,259</u>	<u>8,219,049</u>	<u>122,241,363</u>	<u>18,315,916</u>
Operating income	<u>2,671,877</u>	<u>4,750,605</u>	<u>4,673,292</u>	<u>1,089,520</u>	<u>13,185,294</u>	<u>58,083</u>
Nonoperating revenues (expenses)						
Investment income	71,632	19,265	25,536	3,573	120,006	63,084
Gain (loss) on disposal of assets	40,763	(101,769)	62,921	(3,535)	(1,620)	156,048
Earnings in joint venture	-	-	-	291,366	291,366	-
Intergovernmental	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Interest expense	(2,382,452)	(1,976,265)	(1,447,370)	(78,344)	(5,884,431)	-
Debt issuance costs	(3,927)	(51,537)	(2,459)	(353)	(58,276)	-
Other, net	<u>(737,822)</u>	<u>(269,179)</u>	<u>118,435</u>	<u>(180,793)</u>	<u>(1,069,359)</u>	<u>(159,509)</u>
Total nonoperating revenues (expenses)	<u>(3,011,806)</u>	<u>(2,379,485)</u>	<u>(1,242,937)</u>	<u>31,914</u>	<u>(6,602,314)</u>	<u>59,623</u>
Income before capital contributions and transfers	<u>(339,929)</u>	<u>2,371,120</u>	<u>3,430,355</u>	<u>1,121,434</u>	<u>6,582,980</u>	<u>117,706</u>
Capital contributions and transfers						
Capital contributions	1,058,133	2,006,261	2,496,873	1,747,963	7,309,230	-
Transfers in	743,273	8,116	17,652	406,983	1,176,024	-
Transfers out	<u>(7,436,794)</u>	<u>(2,783,576)</u>	<u>(2,531,377)</u>	<u>(1,360,010)</u>	<u>(14,111,757)</u>	<u>(548,450)</u>
Total capital contributions and transfers	<u>(5,635,388)</u>	<u>(769,199)</u>	<u>(16,852)</u>	<u>794,936</u>	<u>(5,626,503)</u>	<u>(548,450)</u>
Change in net position	(5,975,317)	1,601,921	3,413,503	1,916,370	956,477	(430,744)
Beginning 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>
Ending net position	<u>\$ 51,091,592</u>	<u>\$ 88,028,965</u>	<u>\$ 65,587,428</u>	<u>\$ 20,043,911</u>		<u>\$ 26,280,705</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					<u>(163,163)</u>	
Change in net position of business-type activities					<u>\$ 793,314</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, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities	
	Electric	Water	Wastewater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:						
Cash received from customers	\$ 98,399,684	\$ 15,347,594	\$ 14,437,031	\$ 9,248,359	\$ 137,432,668	\$ 18,357,429
Cash payments to suppliers for goods and services	(87,234,423)	(3,317,267)	(3,280,846)	(4,891,597)	(98,724,133)	(13,887,984)
Cash payments to employees for services	(5,620,598)	(1,906,103)	(2,848,581)	(2,398,547)	(12,773,829)	(2,358,342)
Customer deposits received	(122,627)	(24,385)	5,116	-	(141,896)	-
Cash paid for miscellaneous services	(737,822)	(269,179)	-	(188,774)	(1,195,775)	(159,509)
Cash received for miscellaneous revenues	-	-	118,435	7,628	126,063	-
Cash received from other funds	80,000	80,000	80,000	-	240,000	-
Net cash provided (used) by operating activities	4,764,214	9,910,660	8,511,155	1,777,069	24,963,098	1,951,594
Cash flows from noncapital financing activities:						
Transfers in from other funds	743,273	8,116	17,652	406,983	1,176,024	-
Transfers out to other funds	(7,436,794)	(2,783,576)	(2,531,377)	(1,360,010)	(14,111,757)	(548,450)
Net cash provided (used) by noncapital financing activities	(6,693,521)	(2,775,460)	(2,513,725)	(953,027)	(12,935,733)	(548,450)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(10,415,532)	(4,013,433)	(6,009,087)	(1,747,334)	(22,185,386)	(1,706,053)
Capital grants and contributions	1,058,133	2,006,261	2,496,873	1,747,963	7,309,230	-
Proceeds from sale of assets	50,406	67,416	62,921	-	180,743	156,048
Proceeds from certificates of obligation and general obligation bonds	8,713,237	6,458,331	11,358,870	-	26,530,438	-
Principal paid on certificates of obligation and general obligation bonds	(3,573,190)	(3,229,892)	(3,071,919)	(386,996)	(10,261,997)	-
Interest paid on certificates of obligation and general obligation bonds	(2,414,216)	(2,048,066)	(1,461,108)	(76,787)	(6,000,177)	-
Net cash provided (used) by capital and related financing activities	(6,581,162)	(759,383)	3,376,550	(463,154)	(4,427,149)	(1,550,005)
Cash flows from investing activities:						
Purchase of investments	(6,163,615)	(3,453,011)	(4,935,148)	(389,609)	(14,941,383)	(6,019,000)
Proceeds from sale and maturities of investment securities	7,148,427	2,706,704	3,838,225	347,075	14,040,431	6,028,777
Investment income	71,632	19,265	25,536	3,573	120,006	63,084
Net cash provided (used) by investing activities	1,056,444	(727,042)	(1,071,387)	(38,961)	(780,946)	72,861
Net increase (decrease) in cash and cash equivalents	(7,454,025)	5,648,775	8,302,593	321,927	6,819,270	(74,000)
Cash and cash equivalents, Oct. 1	26,034,117	5,622,045	7,826,118	922,110	40,404,390	18,850,168
Cash and cash equivalents, Sept. 30	\$ 18,580,092	\$ 11,270,820	\$ 16,128,711	\$ 1,244,037	\$ 47,223,660	\$ 18,776,168
Reconciliation of operating income to net cash						
Provided by operating activities:						
Operating income	\$ 2,671,877	\$ 4,750,605	\$ 4,673,292	\$ 1,089,520	\$ 13,185,294	\$ 58,083
Adjustment to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation, bad debt expense, inventory loss	5,294,817	4,317,840	4,174,328	822,537	14,609,522	1,880,362
Miscellaneous nonoperating revenues	-	-	118,435	7,628	126,063	-
Miscellaneous nonoperating expenses	(737,822)	(269,179)	-	(188,774)	(1,195,775)	(159,509)
Changes in assets and liabilities:						
Change in accounts receivable	626,318	1,397,423	42,480	(116,665)	1,949,556	(16,570)
Change in inventory	(385,651)	37,981	2,784	9,399	(335,487)	(18,971)
Change in accounts payable	(2,827,575)	(448,000)	(680,008)	14,460	(3,941,123)	138,912
Change in due from other funds	80,000	80,000	80,000	-	240,000	-
Change in refundable deposits	(122,627)	(24,385)	5,116	-	(141,896)	-
Change in claims payable	-	-	-	-	-	9,089
Change in accrued liabilities	11,449	6,980	3,427	5,643	27,499	7,410
Change in deferred revenue	-	-	-	56,455	56,455	-
Change in accrued vacation	(5,086)	9,993	15,071	15,007	34,985	(9,326)
Change in OPEB	115,901	37,584	55,737	45,230	254,452	45,418
Change in net pension obligation	42,613	13,818	20,493	16,629	93,553	16,696
Total adjustments	2,092,337	5,160,055	3,837,863	687,549	11,777,804	1,893,511
Net cash provided (used) by operating activities	\$ 4,764,214	\$ 9,910,660	\$ 8,511,155	\$ 1,777,069	\$ 24,963,098	\$ 1,951,594
Noncash investing, capital, and financing activities						
Impact of debt refunding (see note: IV.H)						
Change in utility revenue bonds	\$ (6,561,252)	\$ (5,767,908)	\$ (4,035,840)	\$ -	\$ (16,365,000)	\$ -

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, 2014

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).

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.

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

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.

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.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

Additionally, the City reports the following fund types:

Internal Service Funds account for activities related to 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.

Investments

Investments are made in accordance with the City's Investment Policy which was adopted by the City Council in October 2013 for the fiscal year ending September 30, 2014. 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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

the Assistant City Manager 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.

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.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

Payments made to vendors for services that will benefit periods beyond September 30, 2014, 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.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

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

Electric system	1-50 Years
Water system	2-50 Years
Wastewater system	2-50 Years
Infrastructure	10-50 Years
Buildings and building improvements	5-50 Years
Land improvements	10-45 Years
Machinery and equipment	5-20 Years
Motor vehicles	3-12 Years
Furniture, fixtures and office equipment	5-20 Years

Compensated Absences

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

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

Changes in compensated absences for the year ending September 30, 2014 were as follows:

<u>Activity Type:</u>	<u>Beginning Balance</u>	<u>Earned</u>	<u>Paid</u>	<u>Total Ending Balance</u>	<u>Amount Due Within One Year</u>	<u>Amount Due Greater than One Year</u>
Governmental	\$2,647,128	\$380,737	\$(205,602)	\$2,822,263	\$219,195	\$2,603,068
Business-type	<u>602,377</u>	<u>81,772</u>	<u>(46,787)</u>	<u>637,362</u>	<u>49,501</u>	<u>587,861</u>
Total Comp. Absences	<u>\$3,249,505</u>	<u>\$462,509</u>	<u>\$(252,389)</u>	<u>\$3,459,625</u>	<u>\$268,696</u>	<u>\$3,190,929</u>

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.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

Fund Equity

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

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

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

Committed Fund Balance includes amounts that can only be used for specific purposes pursuant to 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, through the budget ordinance, 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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

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.

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 up to 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 five budget amendments during fiscal year 2014. These five budget amendments included the following appropriations:

First Street Property Sale Proceeds	\$2,375,822	Assessment of Transportation Needs	\$	80,000
Veterans Park Turf & Irrigation Improvements	157,250	HazMat Truck for Fire Dept.		170,000
Aggies Go to War Exhibit	225,000	Repairs for Northgate Parking Garage		28,456
Encumbrance Roll	3,943,810	EMBRACE Project		180,974
Sponsorship of COCS 75 th Anniversary	43,079	Code Enforcement Personnel Needs		43,515
Consulting for Municipal Management Districts	50,000	Purchased Power & Wheeling Charges	7,500,000	
FD Personnel & Equipment Needs	51,115	Oversize Participation Funds		52,727
Personnel Needs in City Manager's Office	53,500	PD Equipment		39,747
Personnel Needs in the Public Communications Dept.	42,933	CVB Relocation Cost		46,313
Sanitation Overtime Costs	30,000	Fleet Overtime Costs		15,000
Council Chamber Upgrade	22,994	Grants		46,327
				<u>\$15,198,562</u>

1. Budget appropriations are adopted at the fund level for all funds except the General Fund. In the General Fund, budget appropriations are adopted at the department level. Expenditures in excess of appropriations for each fund are prohibited by the City Charter. Appropriations 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.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

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.

B. Excess of Expenditures over Appropriations

The amounts of any excesses of expenditures over appropriations during fiscal year 2014 and the funds in which they occurred are as follows:

<u>Fund</u>	<u>Amount</u>
Court Security Fee Fund	\$ 2,324
Hotel Tax Fund	2,896,963

IV. Detailed Notes on All Funds

A. Cash and Investments

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

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

	<u>Fair Value</u>	<u>Weighted Average Maturity (days)</u>
Bank Demand Accounts	\$ 84,266,959	1
Money Market Accounts	30,571,604	1
Certificates of Deposits	14,065,265	271
Texas Local Government Investment Pool	30,296,400	1
	<u>\$159,200,228</u>	
Portfolio Weighted Average Maturity		25

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).
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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

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, 2014, 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, 2014, the issuers whose securities represented more than 5% of the City's investment portfolio were as follows: American Momentum Bank (9%) and Branch Banking and Trust Company (19%).

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, 2014

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:	<u>General</u>	<u>Debt Service</u>	<u>Street Projects</u>	<u>Nonmajor</u>	<u>Internal Service Fund</u>	<u>Total</u>
Taxes:						
Property	\$ 501,883	\$506,128	\$ -	\$ -	\$ -	\$1,008,011
Beverage	137,505	-	-	-	-	137,505
Sales	<u>2,159,957</u>	-	-	-	-	<u>2,159,957</u>
Subtotal taxes	<u>2,799,345</u>	<u>506,128</u>	-	-	-	<u>3,305,473</u>
Grants	-	-	-	720,804	-	720,804
Charges for services	1,364,867	-	345,997	287,031	65,900	2,063,795
Loans	-	-	-	1,237,531	-	1,237,531
Miscellaneous	<u>69</u>	-	-	-	-	<u>69</u>
Total gross governmental	4,164,281	506,128	345,997	2,245,366	65,900	7,327,672
Less allowance for uncollectible accounts	<u>(34,766)</u>	-	-	<u>(29,038)</u>	<u>(20,466)</u>	<u>(84,270)</u>
Net total receivables	<u>\$4,129,515</u>	<u>\$506,128</u>	<u>\$345,997</u>	<u>\$2,216,328</u>	<u>\$ 45,434</u>	<u>\$7,243,402</u>

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Nonmajor</u>	<u>Internal Service Fund</u>	<u>Total</u>
Business-type activities:						
Charges for services	\$14,544,255	\$1,931,462	\$1,818,124	\$1,026,836	\$ -	\$19,320,677
Less allowance for uncollectible accounts	<u>(1,558,899)</u>	<u>(91,087)</u>	<u>(184,887)</u>	<u>(101,023)</u>	-	<u>(1,935,896)</u>
Net total receivables	<u>\$12,985,356</u>	<u>\$1,840,375</u>	<u>\$1,633,237</u>	<u>\$ 925,813</u>	<u>\$ -</u>	<u>\$17,384,781</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; \$519,425 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 \$218,106. Loans Receivable in the non-major business-type funds represent BSWMA, 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:

<u>Due from Related Party</u>		
<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 240,000	\$ 163,910
2016-2020	1,150,000	705,089
2021-2025	1,365,000	462,767
2026-2030	<u>1,345,000</u>	<u>125,573</u>
	<u>\$4,100,000</u>	<u>\$1,457,339</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 \$1,016,145.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

C. Capital Assets

Capital asset activity for the year ended September 30, 2014 was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated					
Land	\$ 43,050,894	\$ -	\$(2,383,961)	\$ -	\$ 40,666,933
Construction in progress	<u>10,151,816</u>	<u>9,782,344</u>	<u>(8,448,883)</u>	<u>980</u>	<u>11,486,257</u>
Total capital assets not being depreciated	<u>53,202,710</u>	<u>9,782,344</u>	<u>(10,832,844)</u>	<u>980</u>	<u>52,153,190</u>
Capital assets, being depreciated					
Buildings and other improvements	43,173,443	25,827	(1,554,709)	-	41,644,561
Improvements other than buildings	37,299,014	3,600,920	(199,967)	-	40,699,967
Machinery and equipment	37,379,134	2,477,275	(3,621,830)	-	36,234,579
Infrastructure	<u>254,704,512</u>	<u>10,853,925</u>	<u>(44,300)</u>	<u>-</u>	<u>265,514,137</u>
Total capital assets, being depreciated	<u>372,556,103</u>	<u>16,957,947</u>	<u>(5,420,806)</u>	<u>-</u>	<u>384,093,244</u>
Less accumulated depreciation for:					
Buildings and building improvements	12,348,882	706,750	(1,232,860)	-	11,822,772
Improvements other than buildings	17,429,420	1,695,927	(161,723)	-	18,963,624
Machinery and equipment	25,501,908	3,825,493	(3,578,504)	-	25,748,897
Infrastructure	<u>128,913,470</u>	<u>8,069,887</u>	<u>(41,534)</u>	<u>-</u>	<u>136,941,823</u>
Total accumulated depreciation	<u>184,193,680</u>	<u>14,298,057</u>	<u>(5,014,621)</u>	<u>-</u>	<u>193,477,116</u>
Total capital assets being depreciated, net	<u>188,362,423</u>	<u>2,659,890</u>	<u>(406,185)</u>	<u>-</u>	<u>190,616,128</u>
Governmental type activities capital assets, net	<u>\$241,565,133</u>	<u>\$12,442,234</u>	<u>\$(11,239,029)</u>	<u>\$ 980</u>	<u>\$242,769,318</u>
<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated					
Land	\$ 690,750	\$ -	\$ -	\$ -	\$ 690,750
Construction in progress	<u>36,991,755</u>	<u>15,148,982</u>	<u>(8,849,601)</u>	<u>-</u>	<u>43,291,136</u>
Total capital assets not being depreciated	<u>37,682,505</u>	<u>15,148,982</u>	<u>(8,849,601)</u>	<u>-</u>	<u>43,981,886</u>
Capital assets, being depreciated					
Electric system	162,535,495	8,248,908	(423,151)	-	170,361,252
Water system	160,106,661	3,309,933	(441,218)	-	162,975,376
Wastewater system	123,876,162	2,120,277	(261,354)	-	125,735,085
Buildings and other improvements	5,743,755	-	(6,076)	-	5,737,679
Machinery and equipment	<u>5,590,795</u>	<u>1,747,963</u>	<u>(979,863)</u>	<u>-</u>	<u>6,358,895</u>
Total capital assets, being depreciated	<u>457,852,868</u>	<u>15,427,081</u>	<u>(2,111,662)</u>	<u>-</u>	<u>471,168,287</u>
Less accumulated depreciation for:					
Electric system	77,798,998	5,294,817	(423,151)	(98,133)	82,572,531
Water system	47,560,123	4,317,840	(321,211)	-	51,556,752
Wastewater system	45,710,754	4,174,328	(258,298)	-	49,626,784
Buildings and other improvements	1,693,729	143,507	(1,912)	-	1,835,324
Machinery and equipment	<u>3,247,932</u>	<u>679,030</u>	<u>(979,863)</u>	<u>-</u>	<u>2,947,099</u>
Total accumulated depreciation	<u>176,011,536</u>	<u>14,609,522</u>	<u>(1,984,435)</u>	<u>(98,133)</u>	<u>188,538,490</u>
Total capital assets being depreciated, net	<u>281,841,332</u>	<u>817,559</u>	<u>(127,227)</u>	<u>98,133</u>	<u>282,629,797</u>
Business type activities capital assets, net	<u>\$319,523,837</u>	<u>\$15,966,541</u>	<u>\$(8,976,828)</u>	<u>\$ 98,133</u>	<u>\$326,611,683</u>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

Depreciation expense for fiscal year 2014 was charged as follows:

General Government	\$ 801,804
Fiscal Services	642,654
Police	3,589,763
Fire	2,818,493
Planning and Development Services	781,452
Public Works	1,596,593
Parks and Recreation	1,055,862
Library	225,992
Non-departmental	905,082
Capital Assets held by Internal Service Fund	<u>1,880,362</u>
Governmental Activities Depreciation Expense	<u>\$14,298,057</u>
Electric	\$ 5,294,817
Water	4,317,840
Wastewater	4,174,328
Sanitation	563,739
Northgate Parking	<u>258,798</u>
Business-Type Depreciation Expense	<u>\$14,609,522</u>

D. Interfund Transactions

Transfers between funds during the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Governmental Activities, net</u>	<u>Business-type Activities, net</u>
Governmental Activities:				
General Fund	\$15,158,581	\$(4,444,465)	\$10,714,117	\$ -
Debt Service Fund	196,058	-	196,058	-
Streets Projects	1,588,163	(531,890)	1,056,273	-
Other Nonmajor Governmental Funds	3,855,894	(2,338,158)	1,517,735	-
Internal Service Funds	-	(548,450)	(548,450)	-
Business-Type Activities:				
Enterprise Funds:				
Electric	743,273	(7,436,794)	-	(6,693,521)
Water	8,116	(2,783,576)	-	(2,775,460)
Wastewater	17,652	(2,531,377)	-	(2,513,725)
Other Nonmajor Enterprise Funds	<u>406,983</u>	<u>(1,360,010)</u>	-	<u>(953,027)</u>
	<u>\$21,974,720</u>	<u>\$(21,974,720)</u>	<u>\$12,935,733</u>	<u>\$(12,935,733)</u>

Transfers are used to (1) move revenues from the funds with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move revenues from enterprise funds to the general fund to record the 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, 2014

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, 2014, the building carried a net value of \$2,699,196 and \$385,599 in accumulated depreciation.

The building at Chimney Hill was partially leased to private businesses when the City acquired the property. At September 30, 2014, one space is being rented on a month-to-month basis to Western Beverage. Two other spaces have leases as follows:

<u>Year Ended September 30,</u>	<u>Operating Leases</u>		
	<u>Republic</u>	<u>Da Vita</u>	<u>Total</u>
2014	\$108,641	\$226,206	\$334,847
2015	-	20,226	20,226
	<u>\$108,641</u>	<u>\$246,432</u>	<u>\$355,072</u>

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, 2014, the City reported \$3,094,137 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:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property tax	\$1,008,012	\$ -	\$1,008,012
Loans Receivable	211,942	-	211,942
Other-Cemetery Plot Loans Receivable	<u>22,762</u>	-	<u>22,762</u>
	<u>\$1,242,716</u>	<u>\$ -</u>	<u>\$1,242,716</u>

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

G. Prior Period Adjustment

It was determined that one governmental construction project that was contributed by developers was completed in fiscal year 2013 but was not recorded in donated assets until fiscal year 2014. A prior period adjustment was made to reflect the donated assets and the related depreciation expense that should have been recorded in fiscal year 2013. The prior period adjustment increased the beginning net position by \$583,494.

Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2014

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, 2014 follows:

	<u>Beginning Balance</u>	<u>Incurred/ Issued</u>	<u>Matured/ Retired</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 79,710,000	\$21,230,000	\$11,890,000	\$ 89,050,000	\$ 7,195,000
Certificates of obligation	17,160,000	10,665,000	6,020,000	21,805,000	1,915,000
Premium/discount	<u>3,043,121</u>	<u>3,624,222</u>	<u>319,989</u>	<u>6,347,354</u>	<u>493,973</u>
Governmental activity					
Long term debt	<u>\$ 99,913,121</u>	<u>\$35,519,222</u>	<u>\$18,229,989</u>	<u>\$117,202,354</u>	<u>\$ 9,603,973</u>
Business-type activities:					
General obligation bonds	\$ 39,230,000	\$14,635,000	\$ 3,965,000	\$ 49,900,000	\$ 5,230,000
Certificates of obligation	71,025,000	23,340,000	3,055,000	91,310,000	4,005,000
Utility revenue bonds	34,765,000	-	19,845,000	14,920,000	1,525,000
Premium/discount	<u>4,844,226</u>	<u>5,255,494</u>	<u>698,816</u>	<u>9,400,904</u>	<u>794,476</u>
Business-type activity					
Long term debt	<u>\$149,864,226</u>	<u>\$43,230,494</u>	<u>\$27,563,816</u>	<u>\$165,530,904</u>	<u>\$11,554,476</u>

Due to implementation of GASB No. 63 and 65, deferred loss from refunding transactions have 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, 2014 includes the following individual issues (not including unamortized premiums or discounts):

	<u>Interest Rate (%)</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Net Retirement</u>	<u>Outstanding</u>
General Obligation Bonds:						
2005 Issue	4.00-6.00	5/1/05	2/15/25	\$ 5,710,000	\$ 5,710,000	\$ -
2006 Issue	4.375-6.375	7/1/06	2/15/26	7,375,000	7,080,000	295,000
2006 Issue – Refunding	4.00-5.00	12/1/06	2/15/18	10,255,000	5,185,000	5,070,000
2007 Issue	4.25-6.25	9/1/07	2/15/27	3,930,000	1,750,000	2,180,000
2008 Issue	4.00-5.00	9/1/08	2/15/28	9,455,000	2,775,000	6,680,000
2009 Issue	3.50-4.00	7/15/09	2/15/21	3,335,000	550,000	2,785,000
2009 Issue – Refunding	2.00-4.00	11/15/09	2/15/20	4,265,000	2,140,000	2,125,000
2010 Issue	2.00-3.50	8/15/10	2/15/30	19,635,000	3,015,000	16,620,000
2010 Issue – Refunding	0.30-5.00	11/15/10	2/15/22	11,245,000	2,945,000	8,300,000
2011 Issue	0.25-1.60	9/15/11	2/15/18	1,960,000	1,120,000	840,000
2012 Issue & Refunding	2.00-5.00	6/1/12	2/15/32	11,515,000	1,820,000	9,695,000
2013 Issue & Refunding	2.00-5.00	8/15/13	2/15/33	14,505,000	1,275,000	13,230,000
2014 Issue & Refunding	2.00-5.00	9/1/14	2/15/34	<u>21,230,000</u>	<u>-</u>	<u>21,230,000</u>
				<u>\$124,415,000</u>	<u>\$35,365,000</u>	<u>\$89,050,000</u>

Notes to the Financial Statements For the Fiscal Year Ended September 30, 2014

General Obligation Bonds – Business-type Activities:

2009 Issue – Refunding	2.00-4.00	11/15/09	2/15/20	\$ 3,830,000	\$ 1,925,000	\$ 1,905,000
2010 Issue – Refunding	0.30-5.00	11/15/10	2/15/22	25,905,000	6,195,000	19,710,000
2012 Issue & Refunding	2.00-5.00	6/1/12	2/15/32	9,570,000	2,175,000	7,395,000
2013 Issue & Refunding	2.00-5.00	6/1/12	2/15/32	6,255,000	-	6,255,000
2014 Issue & Refunding	2.00-5.00	8/15/13	2/15/33	14,635,000	-	14,635,000
				<u>\$ 60,195,000</u>	<u>\$10,295,000</u>	<u>\$ 49,900,000</u>

Total General Obligation Bonds \$184,610,000 \$45,660,000 \$138,950,000

Certificates of Obligation – Governmental Activities:

2005 Issue	3.00-4.50	5/1/05	2/15/25	\$ 7,595,000	\$ 7,595,000	\$ -
2006 Issue	4.375-6.375	7/1/06	2/15/26	8,325,000	7,915,000	410,000
2007 Issue	4.25-6.25	9/1/07	2/15/27	3,960,000	1,765,000	2,195,000
2008 Issue	3.25-5.00	9/1/08	2/15/28	22,855,000	15,465,000	7,390,000
2009 Issue	3.00-5.00	7/15/09	2/15/29	5,880,000	4,975,000	905,000
2010 Issue	2.00-3.50	8/15/10	2/15/30	1,050,000	810,000	240,000
2014 Issue	2.00-5.00	9/1/14	2/15/34	10,665,000	-	10,665,000
				<u>\$ 60,330,000</u>	<u>\$38,525,000</u>	<u>\$ 21,805,000</u>

Certificates of Obligation – Business-type Activities:

2008 Issue	3.25-5.00	9/1/08	2/15/28	\$ 15,925,000	\$ 3,300,000	\$ 12,625,000
2009 Issue	3.00-5.00	7/15/09	2/15/29	30,580,000	9,970,000	20,610,000
2010 Issue	2.00-3.50	8/15/10	2/15/30	2,850,000	395,000	2,455,000
2011 Issue	2.00-3.60	9/15/11	2/15/31	7,920,000	820,000	7,100,000
2012 Issue	2.00-5.00	6/1/12	2/15/32	16,415,000	1,100,000	15,315,000
2013 Issue	2.00-5.00	8/15/13	2/15/33	10,230,000	365,000	9,865,000
2014 Issue	2.00-5.00	9/1/14	2/15/34	23,340,000	-	23,340,000
				<u>\$107,260,000</u>	<u>\$15,950,000</u>	<u>\$ 91,310,000</u>

Total Certificates of Obligation \$167,590,000 \$54,475,000 \$113,115,000

Utility Revenue Bonds:

2005 Issue	4.00-5.50	5/1/05	2/1/25	\$ 8,035,000	\$ 8,035,000	\$ -
2005A Issue – Refunding	3.00-5.25	8/1/05	2/1/18	12,995,000	12,995,000	-
2006 Issue	4.375-6.375	7/1/06	2/1/26	16,950,000	16,205,000	745,000
2007 Issue	4.00-5.75	9/1/07	2/1/27	18,665,000	4,490,000	14,175,000
				<u>\$ 56,645,000</u>	<u>\$41,725,000</u>	<u>\$ 14,920,000</u>

Total Outstanding Bonds \$266,985,000

The annual requirements to amortize debt outstanding as of September 30, 2014 are as follows:

<u>Year Ended September 30,</u>	<u>Governmental Activities</u>			
	<u>General Obligation</u>		<u>Certificates of Obligation</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 7,195,000	\$ 3,347,863	\$ 1,915,000	\$ 872,791
2016	7,145,000	3,159,601	1,515,000	847,891
2017	7,360,000	2,892,721	1,430,000	794,925
2018	6,645,000	2,619,331	1,370,000	737,781
2018	5,855,000	2,356,546	1,445,000	673,399
2019	26,635,000	8,340,213	7,985,000	2,406,350
2020-2024	19,705,000	3,355,474	4,665,000	840,689
2025-2029	<u>8,510,000</u>	<u>639,826</u>	<u>1,480,000</u>	<u>192,000</u>
2030-2034	<u>\$ 89,050,000</u>	<u>\$ 26,711,575</u>	<u>\$ 21,805,000</u>	<u>\$ 7,365,826</u>

Notes to the Financial Statements For the Fiscal Year Ended September 30, 2014

Year Ended September 30,	Business-Type Activities					
	General Obligation		Certificates of Obligation		Utility Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 5,230,000	\$ 1,974,766	\$ 4,005,000	\$ 3,540,013	\$ 1,525,000	\$ 625,012
2016	6,265,000	1,814,200	4,100,000	3,492,099	825,000	569,790
2017	6,280,000	1,568,699	3,985,000	3,361,180	865,000	535,558
2018	5,535,000	1,311,013	4,180,000	3,217,311	915,000	498,610
2019	5,025,000	1,070,550	4,385,000	3,054,861	965,000	458,648
2020-2024	18,590,000	2,448,750	25,070,000	12,555,272	5,650,000	1,596,118
2025-2029	2,975,000	135,125	30,185,000	6,780,471	4,175,000	288,338
2030-2034	-	-	15,400,000	1,577,533	-	-
	<u>\$ 49,900,000</u>	<u>\$ 10,323,103</u>	<u>\$ 91,310,000</u>	<u>\$ 37,578,740</u>	<u>\$ 14,920,000</u>	<u>\$ 4,572,074</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 of 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, 2014.

On September 1, 2014 the City issued \$35,865,000 General Obligation Improvement and Refunding Bonds, Series 2014. The refunded bonds were an advanced refunding of General Obligation Improvement Bonds, Series 2006; Certificates of Obligation, Series 2006; and a portion of Utility Revenue Refunding Bonds, Series 2005A and Utility Revenue Bonds, Series 2006 and was undertaken to reduce total general obligation and utility revenue debt service payments over the next 12 years by \$3,459,390 resulting in net present value savings of \$2,978,381. The true interest cost of the General Obligation and Refunding Bonds is 2.109203%. Proceeds of \$12,695,000 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, (3) library expansion, and (4) pay the costs incurred in connection with the issuance of the bonds.

The City issued \$34,005,000 in Certificates of Obligation, dated September 1, 2014, with a true interest cost of 3.099280%. The proceeds from the sale of the Certificates will be used to pay for (1) costs of construction, acquisition of and improvements to City streets, (2) construction of improvements to the City's combined electric, waterworks and wastewater systems, and (3) to pay costs incurred in connection with the issuance of the Certificates.

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.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

BVSWMA, Inc. has pledged to repay the \$5,145,000 plus interest to the City of College Station. As of September 30, 2014 BVSWMA, Inc. owed the City \$4,100,000.

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, 2014, 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, 2014, the City's escrow balance for bonds defeased on December 1, 2011 was \$2,191,075. The defeased bonds are not callable until February 15, 2018. The escrow balance for bonds defeased on September 1, 2014 was \$21,267,000. The defeased bonds are not callable until February 1, 2015 and February 15, 2015.

I. **Components of Fund Balance**

Fund balances for governmental funds at September 30, 2014 are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Streets Projec ts</u>	<u>Other</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Assets Held for Resale	\$ -	\$ -	\$ -	\$ 6,485,508	\$6,485,508
Inventories	45,181	-	-	-	45,181
Prepays	19,413	-	-	-	19,413
Restricted for:					
Community and Neighborhood Parks	-	-	-	4,270,830	4,270,830
Community Development	-	-	-	1,659,028	1,659,028
Court Security Fee	-	-	-	49,247	49,247
Court Technology Fee	-	-	-	450,134	450,134
Debt Service	-	3,214,434	-	-	3,214,434
Drainage Fee	-	-	-	3,143,513	3,143,513
General Government Capital Projects	-	-	23,569,205	6,776,791	30,345,996
Hotel Occupancy Tax	-	-	-	5,157,946	5,157,946
Juvenile Case Manager	-	-	-	288,145	288,145
Parks and Recreation Capital Projects	-	-	-	8,645,168	8,645,168
Police Seizure	-	-	-	84,487	84,487
Wolf Pen Creek TIF	-	-	-	1,253,781	1,253,781
Truancy Prevention	-	-	-	8,508	8,508
West Medical District TIRZ No. 18	-	-	-	75,131	75,131
East Medical District TIRZ No. 19	-	-	-	1,037	1,037
PEG Access Channel	-	-	-	230,247	230,247
Meyer Estate Gift	-	-	-	116,250	116,250

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Streets Projects</u>	<u>Other</u>	<u>Total</u>
Committed to:					
College Station Cemetery Perpetual Care	-	-	-	1,810,874	1,810,874
Memorial Cemetery	-	-	-	1,561,202	1,561,202
Memorial Cemetery Perpetual Care	-	-	-	757,993	757,993
Assigned to:					
Encumbrances	1,457,390	-	-	-	1,457,390
Unassigned	<u>18,722,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,722,265</u>
	<u>\$20,244,249</u>	<u>\$ 3,214,434</u>	<u>\$23,569,205</u>	<u>\$42,825,820</u>	<u>\$89,853,708</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 42.5958 cents per \$100 of assessed valuation for the year ended September 30, 2014. Under current state statutes, the City's ability to increase the levy for property taxation is subject to a maximum rate of \$2.50 per \$100 valuation.

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

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

B. Risk Management

A government entity such as the City of College Station 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 \$7,066,412. The liability for outstanding losses includes \$1,172,446 for claims incurred but not reported as of September 30, 2014.

In fiscal year 2014, 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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

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 2014 was \$500,000 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 \$194,012 in the property and casualty fund and a potential liability of \$284,178 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.

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 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Unpaid Claims, October 1	\$1,641,547	\$1,515,910
Incurred Claims (including IBNR's)	7,256,283	6,553,303
Claims Paid	<u>(7,247,194)</u>	<u>(6,427,666)</u>
Unpaid Claims, September 30	<u>\$1,650,636</u>	<u>\$1,641,547</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.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

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

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

Subsequent to the end of the fiscal year ended September 30, 2010, BVSWMA transferred all of its assets to BVSWMA, Inc. College Station reports BVSWMA, Inc. as a joint venture with the City of Bryan and recognizes 50% ownership in BVSWMA, 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 (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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

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.

The following is a summary of information from the audited financial statements of BVSWMA, Inc. as of September 30, 2014:

	<u>2014</u>	<u>2013</u>
Assets:		
Current assets	\$ 9,670,973	\$ 10,067,993
Capital assets	34,869,839	33,003,796
Accumulated depreciation	(8,507,566)	(7,140,312)
Deferred landfill permits	3,113,379	3,113,380
Less: accumulated amortization	<u>(115,421)</u>	<u>(81,982)</u>
Total assets	<u>39,031,204</u>	<u>38,962,875</u>
Liabilities:		
Current liabilities	898,617	882,990
Noncurrent liabilities:		
Accrued post closure maintenance costs	4,303,614	4,373,644
Other noncurrent liabilities	<u>8,010,000</u>	<u>8,470,000</u>
Total liabilities	<u>13,212,231</u>	<u>13,726,634</u>
Net position		
Net investment in capital assets	17,892,273	16,948,483
Unrestricted	<u>7,926,700</u>	<u>8,287,758</u>
Total net position	<u>\$25,818,973</u>	<u>\$ 25,236,241</u>
Program revenues	\$ 7,649,864	\$ 7,266,856
Expenses	<u>6,721,679</u>	<u>6,509,915</u>
Operating income	928,185	756,941
General revenues/(expenses)	<u>(345,453)</u>	<u>52,508</u>
Change in net position	<u>\$ 582,732</u>	<u>\$ 809,449</u>

The City's share of BVSWMA, Inc.'s net assets for fiscal year 2014 was \$12,909,486. 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.tmrs.com/>.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

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 2012</u>	<u>Plan Year 2013</u>	<u>Plan Year 2014</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 & older	20 year at any age, 5 years at age 60 & older	20 years at any age 5 years at age 60 & older
Updated Service Credit	100% Repeating Transfers	75% Repeating Transfers	75% Repeating Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	50% 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>2012</u>	<u>2013</u>	<u>2014</u>
Annual Required Contribution (ARC)	\$7,323,878	\$7,441,907	\$6,251,605
Interest on Net Pension Obligation	356,127	388,924	488,761
Adjustment to the ARC	<u>(285,718)</u>	<u>(341,701)</u>	<u>(439,499)</u>
Annual Pension Cost	7,394,287	7,489,130	6,300,867
Contributions Made	<u>(6,586,598)</u>	<u>(6,062,866)</u>	<u>(5,857,976)</u>
Increase (Decrease) in net pension obligation	807,689	1,426,264	442,891
Net Pension Obligation/(Asset), beginning of year	<u>4,748,366</u>	<u>5,556,055</u>	<u>6,982,319</u>
Net Pension Obligation/(Asset), end of year	<u>\$ 5,556,055</u>	<u>\$ 6,982,319</u>	<u>\$7,425,210</u>

Three Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution Made</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
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
9/30/2014	6,300,867	5,857,976	92.97%	7,425,210

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2012 and 2011 actuarial valuations.

Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2014

<u>Valuation Date</u>	<u>12/31/2011</u>	<u>12/31/2012</u>	<u>12/31/2013</u>
Actual Cost Method	Projected Unit Credit Level Percent of Payroll	Projected Unit Credit Level Percent of Payroll	Entry Age Normal
Amortization Method GASB 25 Equivalent Single Amortization Period	26.3 years; closed period	25.3 years; closed period	24.0 years; closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions: Investment Rate of Return	7.0%	7.0%	7.0%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Includes Inflation at	3.00%	3.00%	3.00%
Cost-of-Living Adjustments	1.5%	1.5%	1.5%

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, 2013, the most recent actuarial valuation date, is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll (Calendar Year)</u>	<u>UAAL as a Percentage of Covered Payroll</u>
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%
12/31/2013	188,844,993	221,999,821	33,154,828	85.1%	42,175,173	78.6%

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

E. Other Post Employment Benefits

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 coverage until age 65 to eligible retirees, their

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

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 2014, fifty former employees were covered under this arrangement, with claims less retiree contributions totaling (\$234,146).

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 BVSWMMA, Inc. Therefore, the related OPEB obligation of \$134,385 was removed.

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Annual Required Contribution (ARC)	\$1,360,907	\$1,449,844	\$1,449,843
Interest on Net Pension Obligation	276,044	333,710	402,404
Adjustment to the ARC	<u>(342,039)</u>	<u>(413,492)</u>	<u>(413,492)</u>
Annual OPEB Cost	1,294,912	1,370,062	1,438,755
Contributions Made	<u>(141,585)</u>	<u>3,833</u>	<u>(234,146)</u>
Increase (Decrease) in net pension obligation	1,153,327	1,373,895	1,204,609
Net OPEB Obligation/(Asset), beginning of year	<u>5,520,878</u>	<u>6,674,205</u>	<u>8,048,100</u>
Net OPEB Obligation/(Asset), end of year	<u>\$6,674,205</u>	<u>\$ 8,048,100</u>	<u>\$9,252,709</u>

Accounting Year <u>Ending</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution Made</u>	Percentage of Annual OPEB Cost <u>Contributed</u>	<u>Net OPEB Obligation</u>
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
9/30/2014	1,438,757	234,146	16.27%	9,252,709

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

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:	4.0%
Projected Salary Increases	N/A
Annual Healthcare Trend Rates	8.5% in FYE 2013, declining to 5.0% in FYE 2020
Amortization Method	Level dollar
Amortization Period	30 year open period

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 (Calendar 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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2014

- 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.

The City has had two separate valuations, one of which used the October 1, 2010 valuation date and one that used the October 1, 2012 valuation date. The October 1, 2010 valuation date was used to develop results for the fiscal year ending September 30, 2012, and the October 1, 2012 valuation date was used to develop results for the fiscal years ending September 30, 2013 and 2014. 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, 2014, an 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 \$7,022,151 in the Capital Projects Funds, \$1,688,834 in the Water Fund, \$2,111,852 in the Wastewater Fund and \$447,773 in the Electric Fund. These commitments are for construction of various projects and will be funded primarily from long-term debt.

Contingencies

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

Litigation

The City is a party to legal proceedings, many of which occur in the normal course of operations. It is not possible at the present time to estimate the ultimate outcome or liability, if any, of the city with respect to the various proceedings. Management believes any unfavorable outcomes would not be material.

Financial Hedging

According to the Public Funds Investment Act, a municipality that owns a municipal electric utility that is engaged in the distribution and sale of electric energy or natural gas to the public may enter into a hedging contract and related security and insurance agreements in relation to fuel oil, natural gas, coal, nuclear fuel, and electric energy to protect against loss due to price fluctuations.

In fiscal year 2014, the City signed a contract with the City of Garland under which the City of Garland will serve as the qualified scheduling entity that will formulate and discuss the hedging strategies and options available to the City to manage its power supply portfolio and price.

The City has not yet engaged in any hedging activity.

Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2014

H. Bonds Available for Sale

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

	<u>Year</u> <u>Authorized</u>	<u>Unissued</u> <u>Amount</u>
Public Buildings	1984	\$ 700,000 ¹
Street Improvements	1984	500,000 ¹
Municipal Complex Improvements	2003	3,655,000
Library Expansion	2008	7,885,000
Parks and Recreation	2008	645,000
Street Improvements	2008	<u>18,290,000</u>
Total		<u>\$31,675,000</u>

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 October 2014 the City sold the property on University Drive known as the Chimney Hill property for \$7,500,000. The proceeds from this sale, along with the revenue received from rent, net of expenses, from the property from date of purchase through October 2014 will be placed in the Hotel Tax Fund.

**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]
12/31/2004	\$ 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	97,331,304	148,904,236	51,572,932	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%
12/31/2013	188,844,993	221,999,821	33,154,828	85.1%	42,175,173	78.6%

*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, 2013 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%

The City has had two valuations. The October 1, 2010 valuation date was used to develop results for the fiscal year ending September 30, 2012. The October 1, 2012 valuation date was used to develop results for the fiscal years ended September 30, 2013 and September 30, 2014.

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.

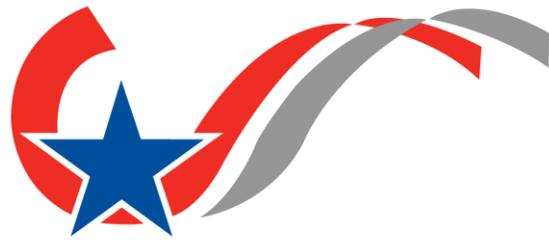
The Actuarial Accrued Liability (AAL), the Unfunded AAL (UAAL) and the covered fiscal payroll figures reported above represent the entire City of College Station workforce.

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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Ad valorem taxes	\$ 14,513,579	\$ 14,513,579	\$ 14,402,353	\$ -	\$ 14,402,353	\$ (111,226)
Sales taxes	23,495,000	23,495,000	24,565,649	-	24,565,649	1,070,649
Mixed drink and franchise	2,513,025	2,513,025	2,983,520	-	2,983,520	470,495
Licenses and permits	1,090,826	1,090,826	1,424,598	-	1,424,598	333,772
Intergovernmental	236,200	236,200	189,103	-	189,103	(47,097)
Parks and recreation charges for services	143,000	143,000	169,680	-	169,680	26,680
Other charges for services	2,370,606	2,370,606	2,818,098	-	2,818,098	447,492
Fines, forfeits, and penalties	3,565,836	3,565,836	3,038,926	-	3,038,926	(526,910)
Investment income	82,555	82,555	66,264	-	66,264	(16,291)
Rents and royalties	587,097	587,097	542,816	-	542,816	(44,281)
Contributions	15,096	15,096	11,016	-	11,016	(4,080)
Other	154,071	154,071	113,802	-	113,802	(40,269)
Total revenues	48,766,891	48,766,891	50,325,825	-	50,325,825	1,558,934
Expenditures						
General government	4,848,752	5,462,692	5,108,448	-	5,108,448	(354,244)
Fiscal services	3,089,697	3,103,697	3,029,566	-	3,029,566	(74,131)
Police	17,236,201	17,377,908	17,080,568	-	17,080,568	(297,340)
Fire	13,532,961	13,614,076	13,585,022	-	13,585,022	(29,054)
Planning and development services	3,752,133	3,419,876	2,867,857	-	2,867,857	(552,019)
Public works	7,692,566	8,907,960	8,342,924	-	8,342,924	(565,036)
Parks & recreation	5,069,707	5,175,501	4,596,645	-	4,596,645	(578,856)
Information technology	4,345,737	4,408,785	4,207,305	-	4,207,305	(201,480)
Library	1,085,099	1,087,688	1,078,851	-	1,078,851	(8,837)
Contributions	1,192,046	1,192,046	1,184,115	-	1,184,115	(7,931)
Other	149,104	1,196,066	222,034	-	222,034	(974,032)
Total expenditures	61,994,003	64,946,295	61,303,335	-	61,303,335	(3,642,960)
Excess (deficit) of revenues over (under) expenditures	<u>(13,227,112)</u>	<u>(16,179,404)</u>	<u>(10,977,510)</u>	<u>-</u>	<u>(10,977,510)</u>	<u>5,201,894</u>
Other financing sources (uses)						
Sale of capital assets	-	-	4,582,111	-	4,582,111	4,582,111
Transfers in	15,265,241	15,101,168	15,158,581	-	15,158,581	57,413
Transfers out	(3,773,019)	(4,481,541)	(4,444,465)	-	(4,444,465)	37,076
Contingency	(316,943)	(135,926)	-	-	-	135,926
Total other financing sources (uses)	11,175,279	10,483,701	15,296,227	-	15,296,227	4,812,526
Net change in fund balances	(2,051,833)	(5,695,703)	4,318,717	-	4,318,717	10,014,420
Fund balances, October 1	15,925,532	15,925,532	15,925,532	-	15,925,532	-
Fund balances, September 30	<u>\$ 13,873,699</u>	<u>\$ 10,229,829</u>	<u>\$ 20,244,249</u>	<u>\$ -</u>	<u>\$ 20,244,249</u>	<u>\$ 10,014,420</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, 2014, 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, 2014

	<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	\$ 16,885,703	\$ 289,230	\$ 200,869	\$ 51,201	\$ 1,608,070	\$ 19,035,073
Equity in investments	2,230,908	38,212	26,538	6,765	212,455	2,514,878
Receivable (net of allow for uncollectible)	4,121,860	-	-	-	7,655	4,129,515
Inventories	45,181	-	-	-	-	45,181
Prepaid costs	19,413	-	-	-	-	19,413
Total assets	<u>\$ 23,303,065</u>	<u>\$ 327,442</u>	<u>\$ 227,407</u>	<u>\$ 57,966</u>	<u>\$ 1,828,180</u>	<u>\$ 25,744,060</u>
Liabilities and fund balances						
Accounts payable	\$ 1,677,212	\$ -	\$ -	\$ 575	\$ 1,699	\$ 1,679,486
Accrued liabilities	1,069,665	-	227,407	-	-	1,297,072
Unearned revenue-other	1,016,145	-	-	-	-	1,016,145
Interfund payable	-	-	-	-	-	-
Refundable deposits	69,217	-	-	-	10,764	79,981
Retainage payable	2,593	-	-	-	-	2,593
Customer construction advances	922,650	-	-	-	-	922,650
Total liabilities	<u>4,757,482</u>	<u>-</u>	<u>227,407</u>	<u>575</u>	<u>12,463</u>	<u>4,997,927</u>
Deferred inflows of resources						
Unavailable revenue-property taxes	501,884	-	-	-	-	501,884
Total deferred inflows of resources	<u>501,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>501,884</u>
Total liabilities and deferred inflows of resources	<u>5,259,366</u>	<u>-</u>	<u>227,407</u>	<u>575</u>	<u>12,463</u>	<u>5,499,811</u>
Fund balances						
Nonspendable	64,594	-	-	-	-	64,594
Restricted	-	-	-	-	-	-
Assigned	1,457,390	-	-	-	-	1,457,390
Unassigned	16,521,715	327,442	-	57,391	1,815,717	18,722,265
Total fund balances	<u>18,043,699</u>	<u>327,442</u>	<u>-</u>	<u>57,391</u>	<u>1,815,717</u>	<u>20,244,249</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,303,065</u>	<u>\$ 327,442</u>	<u>\$ 227,407</u>	<u>\$ 57,966</u>	<u>\$ 1,828,180</u>	<u>\$ 25,744,060</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, 2014

	General Fund	Economic Development	Unclaimed Property	Efficiency Time Payment	Chimney Hill	Total General Fund(s)
Revenues						
Ad Valorem Taxes	\$ 14,402,353	\$ -	\$ -	\$ -	\$ -	\$ 14,402,353
Sales Taxes	24,565,649	-	-	-	-	24,565,649
Mixed Drink and Franchise	2,983,520	-	-	-	-	2,983,520
Licenses and Permits	1,424,598	-	-	-	-	1,424,598
Intergovernmental	189,103	-	-	-	-	189,103
Parks & Recreation Charges for Services	169,680	-	-	-	-	169,680
Other Charges for Services	2,818,098	-	-	-	-	2,818,098
Fines, Forfeits, & Penalties	3,032,049	-	-	6,877	-	3,038,926
Investment Income	60,226	866	-	168	5,004	66,264
Rents & Royalties	179,934	-	-	-	362,882	542,816
Contributions	11,016	-	-	-	-	11,016
Other	113,802	-	-	-	-	113,802
Total Revenues	<u>49,950,028</u>	<u>866</u>	<u>-</u>	<u>7,045</u>	<u>367,886</u>	<u>50,325,825</u>
Expenditures						
Current						
General Government	4,113,975	994,473	-	-	-	5,108,448
Fiscal Services	3,026,575	-	-	2,991	-	3,029,566
Police	17,080,568	-	-	-	-	17,080,568
Fire	13,585,022	-	-	-	-	13,585,022
Planning and Development Services	2,867,857	-	-	-	-	2,867,857
Public Works	7,603,696	-	-	-	7,607	7,611,303
Capital Improvement Projects	731,621	-	-	-	-	731,621
Parks & Recreation	4,596,645	-	-	-	-	4,596,645
Information Technology	4,207,305	-	-	-	-	4,207,305
Library	1,078,851	-	-	-	-	1,078,851
Contributions	1,184,115	-	-	-	-	1,184,115
Other	129,244	-	-	-	92,790	222,034
Total Expenditures	<u>60,205,474</u>	<u>994,473</u>	<u>-</u>	<u>2,991</u>	<u>100,397</u>	<u>61,303,335</u>
Excess(Deficit) of Revenues Over (Under) Expenditures	<u>(10,255,446)</u>	<u>(993,607)</u>	<u>-</u>	<u>4,054</u>	<u>267,489</u>	<u>(10,977,510)</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	4,259,903	322,208	-	-	-	4,582,111
Reimbursed Administration Transfers						
Transfers In	14,758,581	400,000	-	-	-	15,158,581
Transfers out	(4,444,465)	-	-	-	-	(4,444,465)
Total Other Financing Sources (Uses)	<u>14,574,019</u>	<u>722,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,296,227</u>
Net Change in Fund Balances	4,318,573	(271,399)	-	4,054	267,489	4,318,717
Fund Balances , October 1	13,725,126	598,841	-	53,337	1,548,228	15,925,532
Fund Balances, September 30	<u>\$ 18,043,699</u>	<u>\$ 327,442</u>	<u>\$ -</u>	<u>\$ 57,391</u>	<u>\$ 1,815,717</u>	<u>\$ 20,244,249</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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Ad valorem taxes	\$ 14,513,579	\$ 14,513,579	\$ 14,402,353	\$ -	\$ 14,402,353	\$ (111,226)
Sales taxes	23,495,000	23,495,000	24,565,649	-	24,565,649	1,070,649
Mixed drink and franchise	2,513,025	2,513,025	2,983,520	-	2,983,520	470,495
Licenses and permits	1,090,826	1,090,826	1,424,598	-	1,424,598	333,772
Intergovernmental	236,200	236,200	189,103	-	189,103	(47,097)
Parks and recreation charges for services	143,000	143,000	169,680	-	169,680	26,680
Other charges for services	2,370,606	2,370,606	2,818,098	-	2,818,098	447,492
Fines, forfeits, and penalties	3,557,705	3,557,705	3,032,049	-	3,032,049	(525,656)
Investment income	76,500	76,500	60,226	-	60,226	(16,274)
Rents and royalties	176,770	176,770	179,934	-	179,934	3,164
Contributions	15,096	15,096	11,016	-	11,016	(4,080)
Other	154,071	154,071	113,802	-	113,802	(40,269)
Total revenues	48,342,378	48,342,378	49,950,028	-	49,950,028	1,607,650
Expenditures						
General government	3,849,852	4,463,792	4,113,975	-	4,113,975	(349,817)
Fiscal services	3,085,697	3,099,697	3,026,575	-	3,026,575	(73,122)
Police	17,236,201	17,377,908	17,080,568	-	17,080,568	(297,340)
Fire	13,532,961	13,614,076	13,585,022	-	13,585,022	(29,054)
Planning and development services	3,752,133	3,419,876	2,867,857	-	2,867,857	(552,019)
Public works	7,666,020	8,881,414	8,335,317	-	8,335,317	(546,097)
Parks & recreation	5,069,707	5,175,501	4,596,645	-	4,596,645	(578,856)
Information technology	4,345,737	4,408,785	4,207,305	-	4,207,305	(201,480)
Library	1,085,099	1,087,688	1,078,851	-	1,078,851	(8,837)
Contributions	1,192,046	1,192,046	1,184,115	-	1,184,115	(7,931)
Other	46,667	1,093,629	129,244	-	129,244	(964,385)
Total expenditures	60,862,120	63,814,412	60,205,474	-	60,205,474	(3,608,938)
Excess (deficit) of revenues over (under) expenditures	(12,519,742)	(15,472,034)	(10,255,446)	-	(10,255,446)	5,216,588
Other financing sources (uses)						
Sale of capital assets	-	-	4,259,903	-	4,259,903	4,259,903
Transfers in	14,865,241	15,101,168	14,758,581	-	14,758,581	(342,587)
Transfers out	(3,773,019)	(4,431,541)	(4,444,465)	-	(4,444,465)	(12,924)
Contingency	(316,943)	(135,926)	-	-	-	135,926
Total other financing sources (uses)	10,775,279	10,533,701	14,574,019	-	14,574,019	4,040,318
Net change in fund balances	(1,744,463)	(4,938,333)	4,318,573	-	4,318,573	9,256,906
Fund balances, October 1	13,725,126	13,725,126	13,725,126	-	13,725,126	-
Fund balances, September 30	\$ 11,980,663	\$ 8,786,793	\$ 18,043,699	\$ -	\$ 18,043,699	\$ 9,256,906

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues						
Investment income	\$ 1,514	\$ 1,514	\$ 866	\$ -	\$ 866	\$ (648)
Total revenues	<u>1,514</u>	<u>1,514</u>	<u>866</u>	<u>-</u>	<u>866</u>	<u>(648)</u>
Expenditures						
General government	998,900	998,900	994,473	-	994,473	(4,427)
Contributions	-	-	-	-	-	-
Total expenditures	<u>998,900</u>	<u>998,900</u>	<u>994,473</u>	<u>-</u>	<u>994,473</u>	<u>(4,427)</u>
Excess (deficit) of revenues over (under) expenditures	<u>(997,386)</u>	<u>(997,386)</u>	<u>(993,607)</u>	<u>-</u>	<u>(993,607)</u>	<u>3,779</u>
Other financing sources (uses)						
Sale of capital assets	-	-	322,208	-	322,208	322,208
Transfers in	400,000	400,000	400,000	-	400,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>400,000</u>	<u>400,000</u>	<u>722,208</u>	<u>-</u>	<u>722,208</u>	<u>322,208</u>
Net change in fund balances	(597,386)	(597,386)	(271,399)	-	(271,399)	325,987
Fund balances, October 1	598,841	598,841	598,841	-	598,841	-
Fund balances, September 30	<u>\$ 1,455</u>	<u>\$ 1,455</u>	<u>\$ 327,442</u>	<u>\$ -</u>	<u>\$ 327,442</u>	<u>\$ 325,987</u>

CITY OF COLLEGE STATION, TEXAS

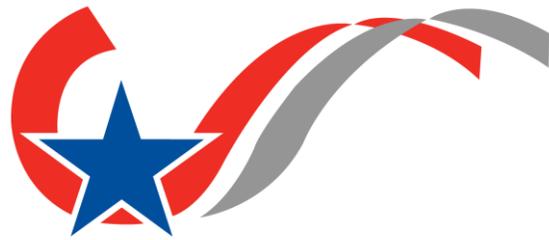
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual

Efficiency Time Payment Fund (reported as part of the General Fund(s))
For the Fiscal Year Ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues						
Fines, forfeits, and penalties	\$ 8,131	\$ 8,131	\$ 6,877	\$ -	\$ 6,877	\$ (1,254)
Investment income	120	120	168	-	168	48
Total revenues	<u>8,251</u>	<u>8,251</u>	<u>7,045</u>	<u>-</u>	<u>7,045</u>	<u>(1,206)</u>
Expenditures						
Fiscal services	4,000	4,000	2,991	-	2,991	(1,009)
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>2,991</u>	<u>-</u>	<u>2,991</u>	<u>(1,009)</u>
Excess (deficit) of revenues over (under) expenditures	<u>4,251</u>	<u>4,251</u>	<u>4,054</u>	<u>-</u>	<u>4,054</u>	<u>(197)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,251	4,251	4,054	-	4,054	(197)
Fund balances, October 1	53,337	53,337	53,337	-	53,337	-
Fund balances, September 30	<u>\$ 57,588</u>	<u>\$ 57,588</u>	<u>\$ 57,391</u>	<u>\$ -</u>	<u>\$ 57,391</u>	<u>\$ (197)</u>

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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment income	\$ 4,421	\$ 4,421	\$ 5,004	\$ -	\$ 5,004	\$ 583
Rents and royalties	410,327	410,327	362,882	-	362,882	(47,445)
Total revenues	<u>414,748</u>	<u>414,748</u>	<u>367,886</u>	<u>-</u>	<u>367,886</u>	<u>(46,862)</u>
Expenditures						
Public works	26,546	26,546	7,607	-	7,607	(18,939)
Other	102,437	102,437	92,790	-	92,790	(9,647)
Total expenditures	<u>128,983</u>	<u>128,983</u>	<u>100,397</u>	<u>-</u>	<u>100,397</u>	<u>(28,586)</u>
Excess (deficit) of revenues over (under) expenditures	<u>285,765</u>	<u>285,765</u>	<u>267,489</u>	<u>-</u>	<u>267,489</u>	<u>(18,276)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	285,765	285,765	267,489	-	267,489	(18,276)
Fund balances, October 1	1,548,228	1,548,228	1,548,228	-	1,548,228	-
Fund balances, September 30	<u>\$ 1,833,993</u>	<u>\$ 1,833,993</u>	<u>\$ 1,815,717</u>	<u>\$ -</u>	<u>\$ 1,815,717</u>	<u>\$ (18,276)</u>



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

**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.

Truancy Prevention Fee Fund – account for funds collected by municipal court used to fund truancy prevention and intervention services.

West Medical District Tax Increment Reinvestment Zone No. 18 Fund – account for the receipt and expenditure of funds received by the City from the creation of a tax increment financing district for the West Medical District.

East Medical District Tax Increment Reinvestment Zone No. 19 Fund - account for the receipt and expenditure of funds received by the City from the creation of a tax increment financing district for the East Medical District.

Public, Educational and Governmental Access Channel Fee Fund – account for fees collected to fund educational and governmental broadcasting on the local access channel.

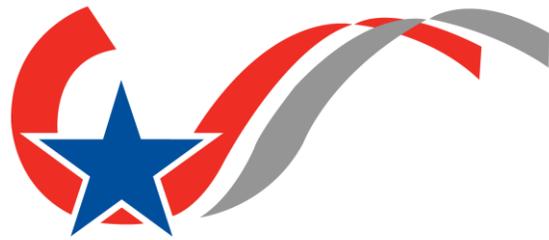
R.E. Meyer Estate Restricted Gift Fund – account for gift bequest to be used for programs designed to benefit senior citizens.

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
Home of Texas A&M University®

CITY OF COLLEGE STATION, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014

	Special Revenue									
	Court Technology Fee	Court Security Fee	Juvenile Case Manager	Police Seizure	Memorial Cemetery	Memorial Cemetery Endowment	Texas Ave Cemetery Endowment	Hotel Tax	Community Development	Wolf Pen Creek Tax Increment Financing District
Assets										
Cash and cash equivalents	\$ 398,169	\$ 45,059	\$ 256,634	\$ 76,281	\$ 1,379,010	\$ 669,535	\$ 1,601,044	\$ 4,741,087	\$ 193,091	\$ 1,107,465
Equity in investments	52,605	5,953	33,906	10,078	182,192	88,458	211,527	626,384	25,511	146,316
Receivable (net of allow for uncollectible)	-	-	-	-	13,868	6,831	2,063	-	1,958,335	-
Inventories	-	-	-	-	4,345,118	2,140,132	258	-	-	-
Total assets	\$ 450,774	\$ 51,012	\$ 290,540	\$ 86,359	\$ 5,920,188	\$ 2,904,956	\$ 1,814,892	\$ 5,367,471	\$ 2,176,937	\$ 1,253,781
Liabilities										
Accounts payable	\$ 640	\$ -	\$ -	\$ 1,872	\$ -	\$ -	\$ 1,697	\$ 37,109	\$ 266,875	\$ -
Accrued liabilities	-	1,765	2,395	-	-	-	-	-	6,960	-
Retainage payable	-	-	-	-	-	-	-	172,416	32,132	-
Refundable deposits	-	-	-	-	-	-	-	-	-	-
Total liabilities	640	1,765	2,395	1,872	-	-	1,697	209,525	305,967	-
Deferred inflows of resources										
Unavailable revenue-loans receivable	-	-	-	-	-	-	-	-	211,942	-
Unavailable revenue-other	-	-	-	-	13,868	6,831	2,063	-	-	-
Total deferred inflows of resources	-	-	-	-	13,868	6,831	2,063	-	211,942	-
Fund balance										
Nonspendable	-	-	-	-	4,345,118	2,140,132	258	-	-	-
Restricted	450,134	49,247	288,145	84,487	-	-	-	5,157,946	1,659,028	1,253,781
Committed	-	-	-	-	1,561,202	757,993	1,810,874	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balance	450,134	49,247	288,145	84,487	5,906,320	2,898,125	1,811,132	5,157,946	1,659,028	1,253,781
Total liabilities, deferred inflows and fund balance	\$ 450,774	\$ 51,012	\$ 290,540	\$ 86,359	\$ 5,920,188	\$ 2,904,956	\$ 1,814,892	\$ 5,367,471	\$ 2,176,937	\$ 1,253,781

										Capital Projects		
Parks Escrow	Sidewalk Zones	Drainage Projects	Recreation	Tuancy Prevention Fee	West Medical District Tax Increment Reinvestment Zone No. 18	East Medical District Tax Increment Reinvestment Zone No. 19	Public, Educational and Governmental Access Channel Fee	R.E. Meyer Estate Restricted Gift	General Government Projects	Parks & Recreation Projects	Total Other Governmental Funds	
\$ 3,747,313	\$ 50,105	\$ 2,625,849	\$ 82,693	\$ 7,515	\$ 66,363	\$ 916	\$ 203,592	\$ 102,684	\$ 6,088,568	\$ 7,466,452	\$ 30,909,425	
499,670	6,620	346,923	10,925	993	8,768	121	26,898	13,566	804,411	1,254,654	4,356,479	
-	-	230,264	4,967	-	-	-	-	-	-	-	2,216,328	
-	-	-	-	-	-	-	-	-	-	-	6,485,508	
<u>\$ 4,246,983</u>	<u>\$ 56,725</u>	<u>\$ 3,203,036</u>	<u>\$ 98,585</u>	<u>\$ 8,508</u>	<u>\$ 75,131</u>	<u>\$ 1,037</u>	<u>\$ 230,490</u>	<u>\$ 116,250</u>	<u>\$ 6,892,979</u>	<u>\$ 8,721,106</u>	<u>\$ 43,967,740</u>	
\$ 9,559	\$ -	\$ 36,392	\$ 64,340	\$ -	\$ -	\$ -	\$ 243	\$ -	\$ 112,417	\$ 72,748	\$ 603,892	
-	-	19,690	22,293	-	-	-	-	-	3,771	-	56,874	
23,319	-	3,441	-	-	-	-	-	-	-	3,190	234,498	
-	-	-	11,952	-	-	-	-	-	-	-	11,952	
<u>32,878</u>	<u>-</u>	<u>59,523</u>	<u>98,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243</u>	<u>-</u>	<u>116,188</u>	<u>75,938</u>	<u>907,216</u>	
-	-	-	-	-	-	-	-	-	-	-	211,942	
-	-	-	-	-	-	-	-	-	-	-	22,762	
-	-	-	-	-	-	-	-	-	-	-	234,704	
-	-	-	-	-	-	-	-	-	-	-	6,485,508	
4,214,105	56,725	3,143,513	-	8,508	75,131	1,037	230,247	116,250	6,776,791	8,645,168	32,210,243	
-	-	-	-	-	-	-	-	-	-	-	4,130,069	
-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	
<u>4,214,105</u>	<u>56,725</u>	<u>3,143,513</u>	<u>-</u>	<u>8,508</u>	<u>75,131</u>	<u>1,037</u>	<u>230,247</u>	<u>116,250</u>	<u>6,776,791</u>	<u>8,645,168</u>	<u>42,825,820</u>	
<u>\$ 4,246,983</u>	<u>\$ 56,725</u>	<u>\$ 3,203,036</u>	<u>\$ 98,585</u>	<u>\$ 8,508</u>	<u>\$ 75,131</u>	<u>\$ 1,037</u>	<u>\$ 230,490</u>	<u>\$ 116,250</u>	<u>\$ 6,892,979</u>	<u>\$ 8,721,106</u>	<u>\$ 43,967,740</u>	

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
September 30, 2014

Special Revenue										
	Court Technology Fee	Court Security Fee	Juvenile Case Manager	Police Seizure	Memorial Cemetery	Memorial Cemetery Endowment	Texas Ave Cemetery Endowment	Hotel Tax	Community Development	Wolf Pen Creek Tax Increment Financing District
Revenues										
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,966,077	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	15,811	-	-	-	-	2,733,940	-
Charges for services	-	-	-	-	187,366	92,285	25,822	-	-	-
Fines, forfeits, and penalties	64,082	48,057	80,004	-	-	-	-	-	-	-
Investment income	1,299	186	906	265	4,673	2,127	5,358	17,623	-	3,734
Rents and royalties	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	56	-	-	96,182	-
Total revenues	65,381	48,243	80,910	16,076	192,039	94,468	31,180	4,983,700	2,830,122	3,734
Expenditures										
Current										
Fiscal services	47,777	70,138	104,756	-	-	-	-	-	-	-
Police	-	-	-	13,292	-	-	-	-	-	-
Planning and development svcs	-	-	-	-	-	-	-	-	1,965,787	-
Public works	-	-	-	-	-	-	-	-	-	-
Parks & recreation	-	-	-	-	-	-	-	134,901	-	-
Information technology	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	2,097,876	-	-
Other	-	-	-	-	122,174	60,175	(46)	140,001	-	1,732
Capital outlay	-	-	-	-	-	-	-	3,439,582	692,632	-
Total expenditures	47,777	70,138	104,756	13,292	122,174	60,175	(46)	5,812,360	2,658,419	1,732
Excess(deficit) of revenues over (under) expenditures	17,604	(21,895)	(23,846)	2,784	69,865	34,293	31,226	(828,660)	171,703	2,002
Other financing sources (uses)										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(196,058)	-	-	(492,993)	(130,366)	-
Contingency	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(196,058)	-	-	(492,993)	(130,366)	-
Net change in fund balance	17,604	(21,895)	(23,846)	2,784	(126,193)	34,293	31,226	(1,321,653)	41,337	2,002
Fund balances , October 1	432,530	71,142	311,991	81,703	6,032,513	2,863,832	1,779,906	6,479,599	1,617,691	1,251,779
Fund balances, September 30	\$ 450,134	\$ 49,247	\$ 288,145	\$ 84,487	\$ 5,906,320	\$ 2,898,125	\$ 1,811,132	\$ 5,157,946	\$ 1,659,028	\$ 1,253,781

											Capital Projects	
Parks Escrow	Sidewalk Zones	Drainage Projects	Recreation	Truancy Prevention Fee	West Medical District Tax Increment Reinvestment Zone No. 18	East Medical District Tax Increment Reinvestment Zone No. 19	Public, Educational and Governmental Access Channel Fee	R.E. Meyer Estate Restricted Gift	General Government Projects	Parks and Recreation Projects	Total Other Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,131	\$ 1,037	\$ 85,563	\$ -	\$ -	\$ -	\$ 5,127,808	
-	-	-	13,484	-	-	-	-	-	-	-	13,484	
-	-	-	7,000	-	-	-	-	-	-	62,793	2,819,544	
-	-	2,060,912	760,689	-	-	-	-	-	-	-	3,127,074	
-	-	-	-	-	-	-	-	-	-	-	192,143	
11,623	165	8,856	-	9	-	-	555	-	6,559	11,653	75,591	
-	-	-	96,451	-	-	-	-	-	-	-	96,451	
-	-	-	-	-	-	-	-	-	-	-	1,252,628	
1,252,628	-	-	-	-	-	-	-	-	-	-	1,252,628	
197,624	1,870	-	15,888	8,499	-	-	-	116,250	2,004	92,342	530,715	
<u>1,461,875</u>	<u>2,035</u>	<u>2,069,768</u>	<u>893,512</u>	<u>8,508</u>	<u>75,131</u>	<u>1,037</u>	<u>86,118</u>	<u>116,250</u>	<u>8,563</u>	<u>166,788</u>	<u>13,235,438</u>	
-	-	-	-	-	-	-	-	-	2,668	1,279	226,618	
-	-	-	-	-	-	-	-	-	-	-	13,292	
-	-	100,136	-	-	-	-	-	-	-	-	2,065,923	
-	-	1,020,846	-	-	-	-	-	-	-	-	1,020,846	
-	-	-	2,981,051	-	-	-	-	-	-	-	3,115,952	
-	-	-	-	-	-	-	-	-	7,653	-	7,653	
-	-	-	-	-	-	-	-	-	-	-	2,097,876	
-	-	79,715	-	-	-	-	50,187	-	-	3,800	457,738	
526,873	-	144,188	-	-	-	-	-	-	1,487,482	849,032	7,139,789	
<u>526,873</u>	<u>-</u>	<u>1,344,885</u>	<u>2,981,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,187</u>	<u>-</u>	<u>1,497,803</u>	<u>854,111</u>	<u>16,145,687</u>	
<u>935,002</u>	<u>2,035</u>	<u>724,883</u>	<u>(2,087,539)</u>	<u>8,508</u>	<u>75,131</u>	<u>1,037</u>	<u>35,931</u>	<u>116,250</u>	<u>(1,489,240)</u>	<u>(687,323)</u>	<u>(2,910,249)</u>	
-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	4,983,760	5,174,440	10,158,200	
-	-	-	-	-	-	-	-	-	621,240	405,560	1,026,800	
-	-	-	2,236,821	-	-	-	266,573	-	952,500	400,000	3,855,894	
(423,768)	-	(536,120)	(149,282)	-	-	-	(72,257)	-	(275,661)	(61,653)	(2,338,158)	
<u>(423,768)</u>	<u>-</u>	<u>(536,120)</u>	<u>2,087,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,316</u>	<u>-</u>	<u>6,281,839</u>	<u>5,918,347</u>	<u>12,702,736</u>	
511,234	2,035	188,763	-	8,508	75,131	1,037	230,247	116,250	4,792,599	5,231,024	9,792,487	
<u>3,702,871</u>	<u>54,690</u>	<u>2,954,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,984,192</u>	<u>3,414,144</u>	<u>33,033,333</u>	
<u>\$ 4,214,105</u>	<u>\$ 56,725</u>	<u>\$ 3,143,513</u>	<u>\$ -</u>	<u>\$ 8,508</u>	<u>\$ 75,131</u>	<u>\$ 1,037</u>	<u>\$ 230,247</u>	<u>\$ 116,250</u>	<u>\$ 6,776,791</u>	<u>\$ 8,645,168</u>	<u>\$ 42,825,820</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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, forfeits, and penalties	\$ 77,265	\$ 77,265	\$ 64,082	\$ -	\$ 64,082	\$ (13,183)
Investment income	853	853	1,299	-	1,299	446
Total revenues	<u>78,118</u>	<u>78,118</u>	<u>65,381</u>	<u>-</u>	<u>65,381</u>	<u>(12,737)</u>
Expenditures						
Fiscal services	79,707	79,707	47,777	-	47,777	(31,930)
Total expenditures	<u>79,707</u>	<u>79,707</u>	<u>47,777</u>	<u>-</u>	<u>47,777</u>	<u>(31,930)</u>
Excess(deficit) of revenues over (under) expenditures	<u>(1,589)</u>	<u>(1,589)</u>	<u>17,604</u>	<u>-</u>	<u>17,604</u>	<u>19,193</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(1,589)</u>	<u>(1,589)</u>	<u>17,604</u>	<u>-</u>	<u>17,604</u>	<u>19,193</u>
Fund balances, October 1	432,530	432,530	432,530	-	432,530	-
Fund balances, September 30	<u>\$ 430,941</u>	<u>\$ 430,941</u>	<u>\$ 450,134</u>	<u>\$ -</u>	<u>\$ 450,134</u>	<u>\$ 19,193</u>

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues						
Fines, forfeits, and penalties	\$ 61,000	\$ 61,000	\$ 48,057	\$ -	\$ 48,057	\$ (12,943)
Investment income	205	205	186	-	186	(19)
Total revenues	<u>61,205</u>	<u>61,205</u>	<u>48,243</u>	<u>-</u>	<u>48,243</u>	<u>(12,962)</u>
Expenditures						
Fiscal services	67,814	67,814	70,138	-	70,138	2,324
Total expenditures	<u>67,814</u>	<u>67,814</u>	<u>70,138</u>	<u>-</u>	<u>70,138</u>	<u>2,324</u>
Excess(deficit) of revenues over (under) expenditures	<u>(6,609)</u>	<u>(6,609)</u>	<u>(21,895)</u>	<u>-</u>	<u>(21,895)</u>	<u>(15,286)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(6,609)	(6,609)	(21,895)	-	(21,895)	(15,286)
Fund balances, October 1	71,142	71,142	71,142	-	71,142	-
Fund balances, September 30	<u>\$ 64,533</u>	<u>\$ 64,533</u>	<u>\$ 49,247</u>	<u>\$ -</u>	<u>\$ 49,247</u>	<u>\$ (15,286)</u>

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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, forfeits, and penalties	\$ 92,415	\$ 92,415	\$ 80,004	\$ -	\$ 80,004	\$ (12,411)
Investment income	1,428	1,428	906	-	906	(522)
Total revenues	<u>93,843</u>	<u>93,843</u>	<u>80,910</u>	<u>-</u>	<u>80,910</u>	<u>(12,933)</u>
Expenditures						
Fiscal services	108,988	108,988	104,756	-	104,756	(4,232)
Total expenditures	<u>108,988</u>	<u>108,988</u>	<u>104,756</u>	<u>-</u>	<u>104,756</u>	<u>(4,232)</u>
Excess(deficit) of revenues over (under) expenditures	<u>(15,145)</u>	<u>(15,145)</u>	<u>(23,846)</u>	<u>-</u>	<u>(23,846)</u>	<u>(8,701)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(15,145)	(15,145)	(23,846)	-	(23,846)	(8,701)
Fund balances, October 1	311,991	311,991	311,991	-	311,991	-
Fund balances, September 30	<u>\$ 296,846</u>	<u>\$ 296,846</u>	<u>\$ 288,145</u>	<u>\$ -</u>	<u>\$ 288,145</u>	<u>\$ (8,701)</u>

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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Intergovernmental	\$ 22,000	\$ 22,000	\$ 15,811	\$ -	\$ 15,811	\$ (6,189)
Investment income	210	210	265	-	265	55
Total revenues	<u>22,210</u>	<u>22,210</u>	<u>16,076</u>	<u>-</u>	<u>16,076</u>	<u>(6,134)</u>
Expenditures						
Police	40,000	40,000	13,292	-	13,292	(26,708)
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>13,292</u>	<u>-</u>	<u>13,292</u>	<u>(26,708)</u>
Excess(deficit) of revenues over (under) expenditures	<u>(17,790)</u>	<u>(17,790)</u>	<u>2,784</u>	<u>-</u>	<u>2,784</u>	<u>20,574</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(17,790)	(17,790)	2,784	-	2,784	20,574
Fund balances, October 1	81,703	81,703	81,703	-	81,703	-
Fund balances, September 30	<u>\$ 63,913</u>	<u>\$ 63,913</u>	<u>\$ 84,487</u>	<u>\$ -</u>	<u>\$ 84,487</u>	<u>\$ 20,574</u>

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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Other charges for services	\$ 298,853	\$ 298,853	\$ 187,366	\$ -	\$ 187,366	\$ (111,487)
Investment income	5,000	5,000	4,673	-	4,673	(327)
Total revenues	<u>303,853</u>	<u>303,853</u>	<u>192,039</u>	<u>-</u>	<u>192,039</u>	<u>(111,814)</u>
Expenditures						
Other	-	-	122,174	-	122,174	122,174
Total expenditures	<u>-</u>	<u>-</u>	<u>122,174</u>	<u>-</u>	<u>122,174</u>	<u>122,174</u>
Excess(deficit) of revenues over (under) expenditures	<u>303,853</u>	<u>303,853</u>	<u>69,865</u>	<u>-</u>	<u>69,865</u>	<u>(233,988)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(196,058)	(196,058)	(196,058)	-	(196,058)	-
Total other financing sources (uses)	<u>(196,058)</u>	<u>(196,058)</u>	<u>(196,058)</u>	<u>-</u>	<u>(196,058)</u>	<u>-</u>
Net change in fund balances	107,795	107,795	(126,193)	-	(126,193)	(233,988)
Fund balances, October 1	6,032,513	6,032,513	6,032,513	-	6,032,513	-
Fund balances, September 30	<u>\$ 6,140,308</u>	<u>\$ 6,140,308</u>	<u>\$ 5,906,320</u>	<u>\$ -</u>	<u>\$ 5,906,320</u>	<u>\$ (233,988)</u>

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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Other charges for services	\$ 147,197	\$ 147,197	\$ 92,285	\$ -	\$ 92,285	\$ (54,912)
Investment income	2,000	2,000	2,127	-	2,127	127
Other	-	-	56	-	56	56
Total revenues	<u>149,197</u>	<u>149,197</u>	<u>94,468</u>	<u>-</u>	<u>94,468</u>	<u>(54,729)</u>
Expenditures						
Parks & recreation	10,000	10,000	-	-	-	(10,000)
Other	-	-	60,175	-	60,175	60,175
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>60,175</u>	<u>-</u>	<u>60,175</u>	<u>50,175</u>
Excess(deficit) of revenues over (under) expenditures	<u>139,197</u>	<u>139,197</u>	<u>34,293</u>	<u>-</u>	<u>34,293</u>	<u>(104,904)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	139,197	139,197	34,293	-	34,293	(104,904)
Fund balances, October 1	2,863,832	2,863,832	2,863,832	-	2,863,832	-
Fund balances, September 30	<u>\$ 3,003,029</u>	<u>\$ 3,003,029</u>	<u>\$ 2,898,125</u>	<u>\$ -</u>	<u>\$ 2,898,125</u>	<u>\$ (104,904)</u>

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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Other charges for services	\$ 2,500	\$ 2,500	\$ 25,822	\$ -	\$ 25,822	\$ 23,322
Investment income	4,000	4,000	5,358	-	5,358	1,358
Total revenues	<u>6,500</u>	<u>6,500</u>	<u>31,180</u>	<u>-</u>	<u>31,180</u>	<u>24,680</u>
Expenditures						
Other	-	-	(46)	-	(46)	(46)
Total expenditures	<u>-</u>	<u>-</u>	<u>(46)</u>	<u>-</u>	<u>(46)</u>	<u>(46)</u>
Excess(deficit) of revenues over (under) expenditures	<u>6,500</u>	<u>6,500</u>	<u>31,226</u>	<u>-</u>	<u>31,226</u>	<u>24,726</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>6,500</u>	<u>6,500</u>	<u>31,226</u>	<u>-</u>	<u>31,226</u>	<u>24,726</u>
Fund balances, October 1	<u>1,779,906</u>	<u>1,779,906</u>	<u>1,779,906</u>	<u>-</u>	<u>1,779,906</u>	<u>-</u>
Fund balances, September 30	<u>\$ 1,786,406</u>	<u>\$ 1,786,406</u>	<u>\$ 1,811,132</u>	<u>\$ -</u>	<u>\$ 1,811,132</u>	<u>\$ 24,726</u>

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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Hotel occupancy tax	\$ 4,246,000	\$ 4,246,000	\$ 4,966,077	\$ -	\$ 4,966,077	\$ 720,077
Investment income	11,500	11,500	17,623	-	17,623	6,123
Total revenues	<u>4,257,500</u>	<u>4,257,500</u>	<u>4,983,700</u>	<u>-</u>	<u>4,983,700</u>	<u>726,200</u>
Expenditures						
Fiscal services	45,000	45,000	-	-	-	(45,000)
Public works	-	-	134,901	-	134,901	134,901
Parks & recreation	219,000	219,000	-	-	-	(219,000)
Contributions	1,947,340	2,264,980	2,097,876	-	2,097,876	(167,104)
Other	229,167	386,417	140,001	-	140,001	(246,416)
Capital outlay	-	-	3,439,582	-	3,439,582	3,439,582
Total expenditures	<u>2,440,507</u>	<u>2,915,397</u>	<u>5,812,360</u>	<u>-</u>	<u>5,812,360</u>	<u>2,896,963</u>
Excess(deficit) of revenues over (under) expenditures	<u>1,816,993</u>	<u>1,342,103</u>	<u>(828,660)</u>	<u>-</u>	<u>(828,660)</u>	<u>(2,170,763)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(473,000)	(473,000)	(492,993)	-	(492,993)	(19,993)
Contingency	(50,000)	(50,000)	-	-	-	50,000
Total other financing sources (uses)	<u>(523,000)</u>	<u>(523,000)</u>	<u>(492,993)</u>	<u>-</u>	<u>(492,993)</u>	<u>30,007</u>
Net change in fund balances	1,293,993	819,103	(1,321,653)	-	(1,321,653)	(2,140,756)
Fund balances, October 1	6,479,599	6,479,599	6,479,599	-	6,479,599	-
Fund balances, September 30	<u>\$ 7,773,592</u>	<u>\$ 7,298,702</u>	<u>\$ 5,157,946</u>	<u>\$ -</u>	<u>\$ 5,157,946</u>	<u>\$ (2,140,756)</u>

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues						
Intergovernmental	\$ 4,065,879	\$ 4,065,879	\$ 2,733,940	\$ -	\$ 2,733,940	\$ (1,331,939)
Other	29,764	29,764	96,182	-	96,182	66,418
Total revenues	<u>4,095,643</u>	<u>4,095,643</u>	<u>2,830,122</u>	<u>-</u>	<u>2,830,122</u>	<u>(1,265,521)</u>
Expenditures						
Planning and development services	2,305,240	2,305,240	1,965,787	-	1,965,787	(339,453)
Other	857,867	857,867	692,632	-	692,632	(165,235)
Total expenditures	<u>3,163,107</u>	<u>3,163,107</u>	<u>2,658,419</u>	<u>-</u>	<u>2,658,419</u>	<u>(504,688)</u>
Excess(deficit) of revenues over (under) expenditures	<u>932,536</u>	<u>932,536</u>	<u>171,703</u>	<u>-</u>	<u>171,703</u>	<u>(760,833)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(932,536)	(932,536)	(130,366)	-	(130,366)	802,170
Total other financing sources (uses)	<u>(932,536)</u>	<u>(932,536)</u>	<u>(130,366)</u>	<u>-</u>	<u>(130,366)</u>	<u>802,170</u>
Net change in fund balances	-	-	41,337	-	41,337	41,337
Fund balances, October 1	1,617,691	1,617,691	1,617,691	-	1,617,691	-
Fund balances, September 30	<u>\$ 1,617,691</u>	<u>\$ 1,617,691</u>	<u>\$ 1,659,028</u>	<u>\$ -</u>	<u>\$ 1,659,028</u>	<u>\$ 41,337</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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment income	\$ 583	\$ 583	\$ 3,734	\$ -	\$ 3,734	\$ 3,151
Total revenues	<u>583</u>	<u>583</u>	<u>3,734</u>	<u>-</u>	<u>3,734</u>	<u>3,151</u>
Expenditures						
Other	1,235,044	1,235,044	1,732	-	1,732	(1,233,312)
Total expenditures	<u>1,235,044</u>	<u>1,235,044</u>	<u>1,732</u>	<u>-</u>	<u>1,732</u>	<u>(1,233,312)</u>
Excess(deficit) of revenues over (under) expenditures	<u>(1,234,461)</u>	<u>(1,234,461)</u>	<u>2,002</u>	<u>-</u>	<u>2,002</u>	<u>1,236,463</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,234,461)	(1,234,461)	2,002	-	2,002	1,236,463
Fund balances, October 1	1,251,779	1,251,779	1,251,779	-	1,251,779	-
Fund balances, September 30	<u>\$ 17,318</u>	<u>\$ 17,318</u>	<u>\$ 1,253,781</u>	<u>\$ -</u>	<u>\$ 1,253,781</u>	<u>\$ 1,236,463</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, 2014

	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	\$ 11,623	\$ -	\$ 11,623	\$ 1,623
Contributions	300,000	300,000	1,252,628	-	1,252,628	952,628
Other	-	-	197,624	-	197,624	197,624
Total revenues	<u>310,000</u>	<u>310,000</u>	<u>1,461,875</u>	<u>-</u>	<u>1,461,875</u>	<u>1,151,875</u>
Expenditures						
Capital outlay	<u>2,662,500</u>	<u>2,662,500</u>	<u>526,873</u>	<u>-</u>	<u>526,873</u>	<u>(2,135,627)</u>
Total expenditures	<u>2,662,500</u>	<u>2,662,500</u>	<u>526,873</u>	<u>-</u>	<u>526,873</u>	<u>(2,135,627)</u>
Excess(deficit) of revenues over (under) expenditures	<u>(2,352,500)</u>	<u>(2,352,500)</u>	<u>935,002</u>	<u>-</u>	<u>935,002</u>	<u>3,287,502</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	<u>(420,042)</u>	<u>(420,042)</u>	<u>(423,768)</u>	<u>-</u>	<u>(423,768)</u>	<u>(3,726)</u>
Total other financing sources (uses)	<u>(420,042)</u>	<u>(420,042)</u>	<u>(423,768)</u>	<u>-</u>	<u>(423,768)</u>	<u>(3,726)</u>
Net change in fund balances	(2,772,542)	(2,772,542)	511,234	-	511,234	3,283,776
Fund balances, October 1	<u>3,702,871</u>	<u>3,702,871</u>	<u>3,702,871</u>	<u>-</u>	<u>3,702,871</u>	<u>-</u>
Fund balances, September 30	<u>\$ 930,329</u>	<u>\$ 930,329</u>	<u>\$ 4,214,105</u>	<u>\$ -</u>	<u>\$ 4,214,105</u>	<u>\$ 3,283,776</u>

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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Other charges for services	\$ 2,047,200	\$ 2,047,200	\$ 2,060,912	\$ -	\$ 2,060,912	\$ 13,712
Investment income	7,000	7,000	8,856	-	8,856	1,856
Total revenues	<u>2,054,200</u>	<u>2,054,200</u>	<u>2,069,768</u>	<u>-</u>	<u>2,069,768</u>	<u>15,568</u>
Expenditures						
Planning and development services	210,517	210,517	100,136	-	100,136	(110,381)
Public works	1,028,017	1,028,017	1,020,846	-	1,020,846	(7,171)
Other	455,250	455,250	223,903	-	223,903	(231,347)
Total expenditures	<u>1,693,784</u>	<u>1,693,784</u>	<u>1,344,885</u>	<u>-</u>	<u>1,344,885</u>	<u>(348,899)</u>
Excess(deficit) of revenues over (under) expenditures	<u>360,416</u>	<u>360,416</u>	<u>724,883</u>	<u>-</u>	<u>724,883</u>	<u>364,467</u>
Other financing sources (uses)						
Miscellaneous	(7,200)	(7,200)	-	-	-	7,200
Transfers in	-	-	-	-	-	-
Transfers out	(589,451)	(589,451)	(536,120)	-	(536,120)	53,331
Total other financing sources (uses)	<u>(596,651)</u>	<u>(596,651)</u>	<u>(536,120)</u>	<u>-</u>	<u>(536,120)</u>	<u>60,531</u>
Net change in fund balances	<u>(236,235)</u>	<u>(236,235)</u>	<u>188,763</u>	<u>-</u>	<u>188,763</u>	<u>424,998</u>
Fund balances, October 1	2,954,750	2,954,750	2,954,750	-	2,954,750	-
Fund balances, September 30	<u>\$ 2,718,515</u>	<u>\$ 2,718,515</u>	<u>\$ 3,143,513</u>	<u>\$ -</u>	<u>\$ 3,143,513</u>	<u>\$ 424,998</u>

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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Licenses and permits	\$ 650	\$ 650	\$ 13,484	\$ -	\$ 13,484	\$ 12,834
Intergovernmental	7,500	7,500	7,000	-	7,000	(500)
Parks and rec charges for services	790,600	790,600	760,689	-	760,689	(29,911)
Other charges for services	112,400	112,400	-	-	-	(112,400)
Rents and royalties	95,400	95,400	96,451	-	96,451	1,051
Contributions	6,200	6,200	-	-	-	(6,200)
Other	25,000	25,000	15,888	-	15,888	(9,112)
Total revenues	<u>1,037,750</u>	<u>1,037,750</u>	<u>893,512</u>	<u>-</u>	<u>893,512</u>	<u>(144,238)</u>
Expenditures						
Parks & recreation	<u>3,104,028</u>	<u>3,104,028</u>	<u>2,981,051</u>	<u>-</u>	<u>2,981,051</u>	<u>(122,977)</u>
Total expenditures	<u>3,104,028</u>	<u>3,104,028</u>	<u>2,981,051</u>	<u>-</u>	<u>2,981,051</u>	<u>(122,977)</u>
Excess(deficit) of revenues over (under) expenditures	<u>(2,066,278)</u>	<u>(2,066,278)</u>	<u>(2,087,539)</u>	<u>-</u>	<u>(2,087,539)</u>	<u>(21,261)</u>
Other financing sources (uses)						
Transfers in	2,215,560	2,215,560	2,236,821	-	2,236,821	21,261
Transfers out	<u>(149,282)</u>	<u>(149,282)</u>	<u>(149,282)</u>	<u>-</u>	<u>(149,282)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,066,278</u>	<u>2,066,278</u>	<u>2,087,539</u>	<u>-</u>	<u>2,087,539</u>	<u>21,261</u>
Net change in fund balances	-	-	-	-	-	-
Fund balances, October 1	-	-	-	-	-	-
Fund balances, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF COLLEGE STATION, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual

West Medical District Tax Increment Reinvestment Zone No. 18 Fund
For the Fiscal Year Ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues						
Property tax	\$ 73,652	\$ 73,652	\$ 75,131	\$ -	\$ 75,131	\$ 1,479
Investment income	1,000	1,000	-	-	-	(1,000)
Total revenues	<u>74,652</u>	<u>74,652</u>	<u>75,131</u>	<u>-</u>	<u>75,131</u>	<u>479</u>
Expenditures						
Other	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess(deficit) of revenues over (under) expenditures	<u>74,652</u>	<u>74,652</u>	<u>75,131</u>	<u>-</u>	<u>75,131</u>	<u>479</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	74,652	74,652	75,131	-	75,131	479
Fund balances, October 1	-	-	-	-	-	-
Fund balances, September 30	<u>\$ 74,652</u>	<u>\$ 74,652</u>	<u>\$ 75,131</u>	<u>\$ -</u>	<u>\$ 75,131</u>	<u>\$ 479</u>

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
East Medical District Tax Increment Reinvestment Zone No. 19 Fund
For the Fiscal Year Ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues						
Property tax	\$ 1,037	\$ 1,037	\$ 1,037	\$ -	\$ 1,037	\$ -
Investment income	-	-	-	-	-	-
Total revenues	<u>1,037</u>	<u>1,037</u>	<u>1,037</u>	<u>-</u>	<u>1,037</u>	<u>-</u>
Expenditures						
Other	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess(deficit) of revenues over (under) expenditures	<u>1,037</u>	<u>1,037</u>	<u>1,037</u>	<u>-</u>	<u>1,037</u>	<u>-</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,037	1,037	1,037	-	1,037	-
Fund balances, October 1	-	-	-	-	-	-
Fund balances, September 30	<u>\$ 1,037</u>	<u>\$ 1,037</u>	<u>\$ 1,037</u>	<u>\$ -</u>	<u>\$ 1,037</u>	<u>\$ -</u>

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Public, Educational and Governmental Access Channel Fee Fund
For the Fiscal Year Ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues						
Franchise tax	\$ 44,000	\$ 44,000	\$ 85,563	\$ -	\$ 85,563	\$ 41,563
Investment income	450	450	555	-	555	105
Total revenues	<u>44,450</u>	<u>44,450</u>	<u>86,118</u>	<u>-</u>	<u>86,118</u>	<u>41,668</u>
Expenditures						
Other	65,120	65,120	50,187	-	50,187	(14,933)
Total expenditures	<u>65,120</u>	<u>65,120</u>	<u>50,187</u>	<u>-</u>	<u>50,187</u>	<u>(14,933)</u>
Excess(deficit) of revenues over (under) expenditures	<u>(20,670)</u>	<u>(20,670)</u>	<u>35,931</u>	<u>-</u>	<u>35,931</u>	<u>56,601</u>
Other financing sources (uses)						
Transfers in	233,840	233,840	266,573	-	266,573	32,733
Transfers out	(49,263)	(72,257)	(72,257)	-	(72,257)	-
Total other financing sources (uses)	<u>184,577</u>	<u>161,583</u>	<u>194,316</u>	<u>-</u>	<u>194,316</u>	<u>32,733</u>
Net change in fund balances	163,907	140,913	230,247	-	230,247	89,334
Fund balances, October 1	-	-	-	-	-	-
Fund balances, September 30	<u>\$ 163,907</u>	<u>\$ 140,913</u>	<u>\$ 230,247</u>	<u>\$ -</u>	<u>\$ 230,247</u>	<u>\$ 89,334</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, 2014

	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	\$ 6,559	\$ -	\$ 6,559	\$ (441)
Other	-	-	2,004	-	2,004	2,004
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>8,563</u>	<u>-</u>	<u>8,563</u>	<u>1,563</u>
Expenditures						
Fiscal services	15,000	15,000	2,668	-	2,668	(12,332)
Information technology	-	-	7,653	-	7,653	7,653
Other	<u>6,912,000</u>	<u>6,912,000</u>	<u>1,487,482</u>	<u>-</u>	<u>1,487,482</u>	<u>(5,424,518)</u>
Total expenditures	<u>6,927,000</u>	<u>6,927,000</u>	<u>1,497,803</u>	<u>-</u>	<u>1,497,803</u>	<u>(5,429,197)</u>
Excess(deficit) of revenues over (under) expenditures	<u>(6,920,000)</u>	<u>(6,920,000)</u>	<u>(1,489,240)</u>	<u>-</u>	<u>(1,489,240)</u>	<u>5,430,760</u>
Other financing sources (uses)						
Issuance of debt	2,654,500	2,654,500	5,605,000	-	5,605,000	2,950,500
Transfers in	952,500	952,500	952,500	-	952,500	-
Transfers out	<u>(85,287)</u>	<u>(255,287)</u>	<u>(275,661)</u>	<u>-</u>	<u>(275,661)</u>	<u>(20,374)</u>
Total other financing sources (uses)	<u>3,521,713</u>	<u>3,351,713</u>	<u>6,281,839</u>	<u>-</u>	<u>6,281,839</u>	<u>2,930,126</u>
Net change in fund balances	<u>(3,398,287)</u>	<u>(3,568,287)</u>	<u>4,792,599</u>	<u>-</u>	<u>4,792,599</u>	<u>8,360,886</u>
Fund balances, October 1	<u>1,984,192</u>	<u>1,984,192</u>	<u>1,984,192</u>	<u>-</u>	<u>1,984,192</u>	<u>-</u>
Fund balances, September 30	<u>\$ (1,414,095)</u>	<u>\$ (1,584,095)</u>	<u>\$ 6,776,791</u>	<u>\$ -</u>	<u>\$ 6,776,791</u>	<u>\$ 8,360,886</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, 2014

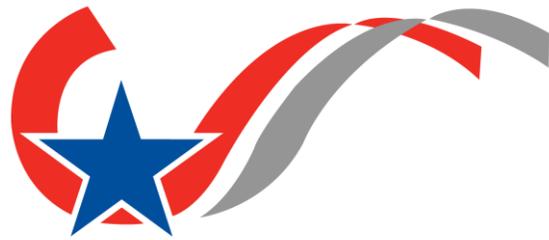
	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Intergovernmental	\$ -	\$ -	\$ 62,793	\$ -	\$ 62,793	\$ 62,793
Investment income	5,000	5,000	11,653	-	11,653	6,653
Other	78,000	78,000	92,342	-	92,342	14,342
Total revenues	<u>83,000</u>	<u>83,000</u>	<u>166,788</u>	<u>-</u>	<u>166,788</u>	<u>83,788</u>
Expenditures						
Fiscal services	-	-	1,279	-	1,279	1,279
Other	1,165,500	1,165,500	852,832	-	852,832	(312,668)
Total expenditures	<u>1,165,500</u>	<u>1,165,500</u>	<u>854,111</u>	<u>-</u>	<u>854,111</u>	<u>(311,389)</u>
Excess(deficit) of revenues over (under) expenditures	<u>(1,082,500)</u>	<u>(1,082,500)</u>	<u>(687,323)</u>	<u>-</u>	<u>(687,323)</u>	<u>395,177</u>
Other financing sources (uses)						
Issuance of debt	2,715,000	2,715,000	5,580,000	-	5,580,000	2,865,000
Transfers in	400,000	400,000	400,000	-	400,000	-
Transfers out	(32,700)	(32,700)	(61,653)	-	(61,653)	(28,953)
Total other financing sources (uses)	<u>3,082,300</u>	<u>3,082,300</u>	<u>5,918,347</u>	<u>-</u>	<u>5,918,347</u>	<u>2,836,047</u>
Net change in fund balances	1,999,800	1,999,800	5,231,024	-	5,231,024	3,231,224
Fund balances, October 1	3,414,144	3,414,144	3,414,144	-	3,414,144	-
Fund balances, September 30	<u>\$ 5,413,944</u>	<u>\$ 5,413,944</u>	<u>\$ 8,645,168</u>	<u>\$ -</u>	<u>\$ 8,645,168</u>	<u>\$ 3,231,224</u>

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, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Ad valorem taxes	\$ 12,041,492	\$ 12,041,492	\$ 11,938,869	\$ -	\$ 11,938,869	\$ (102,623)
Investment income	25,034	25,034	14,326	-	14,326	(10,708)
Other	-	-	917	-	917	917
Total revenues	<u>12,066,526</u>	<u>12,066,526</u>	<u>11,954,112</u>	<u>-</u>	<u>11,954,112</u>	<u>(112,414)</u>
Expenditures						
Debt service principal	8,650,000	8,650,000	8,650,000	-	8,650,000	-
Debt service interest	3,699,455	3,699,455	3,707,799	-	3,707,799	8,344
Fiscal charges	50,000	50,000	39,719	-	39,719	(10,281)
Total expenditures	<u>12,399,455</u>	<u>12,399,455</u>	<u>12,397,518</u>	<u>-</u>	<u>12,397,518</u>	<u>(1,937)</u>
Excess(deficit) of revenues over (under) expenditures	<u>(332,929)</u>	<u>(332,929)</u>	<u>(443,406)</u>	<u>-</u>	<u>(443,406)</u>	<u>(110,477)</u>
Other financing sources (uses)						
Advance refunding	-	-	(9,755,695)	-	(9,755,695)	(9,755,695)
Issuance of debt	-	-	8,535,000	-	8,535,000	8,535,000
Premium on bonds issued	-	-	1,249,222	-	1,249,222	1,249,222
Transfers in	196,058	196,058	196,058	-	196,058	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>196,058</u>	<u>196,058</u>	<u>224,585</u>	<u>-</u>	<u>224,585</u>	<u>28,527</u>
Net change in fund balances	<u>(136,871)</u>	<u>(136,871)</u>	<u>(218,821)</u>	<u>-</u>	<u>(218,821)</u>	<u>(81,950)</u>
Fund balances, October 1	3,433,255	3,433,255	3,433,255	-	3,433,255	-
Fund balances, September 30	<u>\$ 3,296,384</u>	<u>\$ 3,296,384</u>	<u>\$ 3,214,434</u>	<u>\$ -</u>	<u>\$ 3,214,434</u>	<u>\$ (81,950)</u>

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Streets Projects Fund
For the Fiscal Year Ended September 30, 2014

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Intergovernmental	\$ -	\$ -	\$ 225,670	\$ -	\$ 225,670	\$ 225,670
Other charges for services	187,020	187,020	121,679	-	121,679	(65,341)
Investment income	25,000	25,000	39,682	-	39,682	14,682
Other	100,000	100,000	29,005	-	29,005	(70,995)
Total revenues	<u>312,020</u>	<u>312,020</u>	<u>416,036</u>	<u>-</u>	<u>416,036</u>	<u>104,016</u>
Expenditures						
Fiscal services	-	-	4,058	-	4,058	4,058
Other	-	229,626	-	-	-	(229,626)
Capital outlay	10,547,051	10,912,077	5,496,545	-	5,496,545	(5,415,532)
Fiscal charges	40,000	40,000	-	-	-	(40,000)
Intergovernmental	107,333	171,203	489,817	-	489,817	318,614
Total expenditures	<u>10,694,384</u>	<u>11,352,906</u>	<u>5,990,420</u>	<u>-</u>	<u>5,990,420</u>	<u>(5,362,486)</u>
Excess(deficit) of revenues over (under) expenditures	<u>(10,382,364)</u>	<u>(11,040,886)</u>	<u>(5,574,384)</u>	<u>-</u>	<u>(5,574,384)</u>	<u>5,466,502</u>
Other financing sources (uses)						
Issuance of debt	8,780,000	8,780,000	13,201,800	-	13,201,800	4,421,800
Premium on bonds issued	-	-	1,348,200	-	1,348,200	1,348,200
Transfers in	1,735,339	2,393,861	1,588,163	-	1,588,163	(805,698)
Transfers out	(359,428)	(359,428)	(531,890)	-	(531,890)	(172,462)
Total other financing sources (uses)	<u>10,155,911</u>	<u>10,814,433</u>	<u>15,606,273</u>	<u>-</u>	<u>15,606,273</u>	<u>4,791,840</u>
Net change in fund balances	(226,453)	(226,453)	10,031,889	-	10,031,889	10,258,342
Fund balances, October 1	13,537,316	13,537,316	13,537,316	-	13,537,316	-
Fund balances, September 30	<u>\$ 13,310,863</u>	<u>\$ 13,310,863</u>	<u>\$ 23,569,205</u>	<u>\$ -</u>	<u>\$ 23,569,205</u>	<u>\$ 10,258,342</u>



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

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, 2014

	<u>Sanitation</u>	<u>Northgate Parking Garage</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 236,356	\$ 1,007,681	\$ 1,244,037
Equity in investments	31,227	133,133	164,360
Receivable (net of allow for uncollectible)	925,763	50	925,813
Inventories	<u>5,641</u>	<u>-</u>	<u>5,641</u>
Total current assets	<u>1,198,987</u>	<u>1,140,864</u>	<u>2,339,851</u>
Noncurrent assets			
Equity in joint venture	12,909,486	-	12,909,486
Loan receivable	4,100,000	-	4,100,000
Bond issuance charges	<u>-</u>	<u>55,888</u>	<u>55,888</u>
	<u>17,009,486</u>	<u>55,888</u>	<u>17,065,374</u>
Capital assets			
Buildings	-	5,737,679	5,737,679
Machinery and equipment	5,667,166	691,729	6,358,895
Less accumulated depreciation	(2,458,773)	(2,323,650)	(4,782,423)
Construction in progress	-	9,400	9,400
Land	<u>-</u>	<u>690,750</u>	<u>690,750</u>
Total capital assets	<u>3,208,393</u>	<u>4,805,908</u>	<u>8,014,301</u>
Total noncurrent assets	<u>20,217,879</u>	<u>4,861,796</u>	<u>25,079,675</u>
Total assets	<u>21,416,866</u>	<u>6,002,660</u>	<u>27,419,526</u>
Liabilities			
Current Liabilities			
Accounts payable	327,057	45,044	372,101
Compensated absences	8,553	444	8,997
Accrued liabilities	89,375	19,844	109,219
Unearned revenue-other	-	141,963	141,963
Accrued interest payable	18,654	7,822	26,476
Refundable deposits	-	4,200	4,200
Certificates of obligation	240,000	-	240,000
General obligation bonds	<u>-</u>	<u>413,174</u>	<u>413,174</u>
Total current liabilities	<u>683,639</u>	<u>632,491</u>	<u>1,316,130</u>
Noncurrent liabilities			
Certificates of obligation	3,860,000	-	3,860,000
General obligation bonds	-	1,507,696	1,507,696
Compensated absences	101,570	5,271	106,841
Post employment benefits	295,582	29,138	324,720
Net pension obligation	<u>237,182</u>	<u>23,046</u>	<u>260,228</u>
Total noncurrent liabilities	<u>4,494,334</u>	<u>1,565,151</u>	<u>6,059,485</u>
Total liabilities	<u>5,177,973</u>	<u>2,197,642</u>	<u>7,375,615</u>
Net position			
Net investment in capital assets	3,208,393	2,885,037	6,093,430
Restricted For:			
Debt Service	-	-	-
Unrestricted	<u>13,030,500</u>	<u>919,981</u>	<u>13,950,481</u>
Total net position	<u>\$ 16,238,893</u>	<u>\$ 3,805,018</u>	<u>\$ 20,043,911</u>

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, 2014

	Sanitation	Northgate Parking Garage	Total Nonmajor Enterprise Funds
Operating revenues			
Charges for services	\$ 8,004,680	\$ 1,292,782	\$ 9,297,462
Other	9,775	1,332	11,107
Total operating revenues	<u>8,014,455</u>	<u>1,294,114</u>	<u>9,308,569</u>
Operating expenses			
Salaries and benefits	2,192,241	287,094	2,479,335
Supplies	633,584	26,210	659,794
Maintenance	604,906	90,141	695,047
Purchased professional services	703,532	157,737	861,269
Purchased property services	1,663,328	63,570	1,726,898
Other purchased services	856,751	88,117	944,868
Depreciation	563,739	258,798	822,537
Other	29,353	(52)	29,301
Total operating expenses	<u>7,247,434</u>	<u>971,615</u>	<u>8,219,049</u>
Operating income	<u>767,021</u>	<u>322,499</u>	<u>1,089,520</u>
Nonoperating revenues (expenses)			
Investment income	855	2,718	3,573
Gain (loss) on disposal of assets	173	(3,708)	(3,535)
Earnings in joint venture	291,366	-	291,366
Interest expense	-	(78,344)	(78,344)
Debt issuance costs	-	(353)	(353)
Other, net	(188,421)	7,628	(180,793)
Total nonoperating revenues (expenses)	<u>103,973</u>	<u>(72,059)</u>	<u>31,914</u>
Income before capital contributions and transfers	<u>870,994</u>	<u>250,440</u>	<u>1,121,434</u>
Capital contributions and transfers			
Capital contributions	1,747,963	-	1,747,963
Transfers in	213,982	193,001	406,983
Transfers out	(1,271,494)	(88,516)	(1,360,010)
Total capital contributions and transfers	<u>690,451</u>	<u>104,485</u>	<u>794,936</u>
Change in net position	1,561,445	354,925	1,916,370
Net position - beginning	<u>14,677,448</u>	<u>3,450,093</u>	<u>18,127,541</u>
Net position - ending	<u>\$ 16,238,893</u>	<u>\$ 3,805,018</u>	<u>\$ 20,043,911</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2014

	Sanitation	Northgate Parking Garage	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash received from customers	\$ 7,897,840	\$ 1,350,519	\$ 9,248,359
Cash payments to suppliers for goods and services	(4,459,297)	(432,300)	(4,891,597)
Cash payments to employees for services	(2,119,981)	(278,566)	(2,398,547)
Cash paid for miscellaneous services	(188,421)	(353)	(188,774)
Cash received for miscellaneous revenues	<u>-</u>	<u>7,628</u>	<u>7,628</u>
Net cash provided (used) by operating activities	<u>1,130,141</u>	<u>646,928</u>	<u>1,777,069</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	213,982	193,001	406,983
Transfers out to other funds	<u>(1,271,494)</u>	<u>(88,516)</u>	<u>(1,360,010)</u>
Net cash provided (used) by noncapital financing activities	<u>(1,057,512)</u>	<u>104,485</u>	<u>(953,027)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(1,747,790)	456	(1,747,334)
Capital grants and contributions	1,747,963	-	1,747,963
Principal paid on certificates of obligation and general obligation bonds	-	(386,996)	(386,996)
Interest paid on certificates of obligation and general obligation bonds	<u>1,852</u>	<u>(78,639)</u>	<u>(76,787)</u>
Net cash provided (used) by capital and related financing activities	<u>2,025</u>	<u>(465,179)</u>	<u>(463,154)</u>
Cash flows from investing activities:			
Purchase of investments	(73,867)	(315,742)	(389,609)
Proceeds from sale and maturities of investment securities	65,055	282,020	347,075
Investment income	<u>855</u>	<u>2,718</u>	<u>3,573</u>
Net cash provided (used) by investing activities	<u>(7,957)</u>	<u>(31,004)</u>	<u>(38,961)</u>
Net increase (decrease) in cash and cash equivalents	66,697	255,230	321,927
Cash and cash equivalents, Oct. 1	<u>169,659</u>	<u>752,451</u>	<u>922,110</u>
Cash and cash equivalents, Sept. 30	<u>\$ 236,356</u>	<u>\$ 1,007,681</u>	<u>\$ 1,244,037</u>
Reconciliation of operating income to net cash			
Provided by operating activities:			
Operating income	<u>\$ 767,021</u>	<u>\$ 322,499</u>	<u>\$ 1,089,520</u>
Adjustment to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation, bad debt expense, inventory loss	563,739	258,798	822,537
Miscellaneous nonoperating revenues	-	7,628	7,628
Miscellaneous nonoperating expenses	(188,421)	(353)	(188,774)
Changes in assets and liabilities:			
Change in accounts receivable	(116,615)	(50)	(116,665)
Change in inventory	9,399	-	9,399
Change in accounts payable	19,805	(5,345)	14,460
Change in accrued liabilities	5,608	35	5,643
Change in deferred revenue	-	56,455	56,455
Change in accrued vacation	13,658	1,349	15,007
Change in OPEB	40,907	4,323	45,230
Change in net pension obligation	<u>15,040</u>	<u>1,589</u>	<u>16,629</u>
Total adjustments	<u>363,120</u>	<u>324,429</u>	<u>687,549</u>
Net cash provided (used) by operating activities	<u>\$ 1,130,141</u>	<u>\$ 646,928</u>	<u>\$ 1,777,069</u>

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, 2014

	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	\$ 7,939,436	\$ 6,435,625	\$ 119,582	\$ 1,530,966	\$ 341,887	\$ 280,705	\$ 2,127,967	\$ 18,776,168
Equity in investments	1,048,944	850,263	15,799	202,268	45,169	37,086	281,143	2,480,672
Receivable (net of allow for uncollectible)	4,818	-	-	22,435	-	14,507	3,674	45,434
Inventories	-	-	115,581	-	-	-	-	115,581
Total current assets	8,993,198	7,285,888	250,962	1,755,669	387,056	332,298	2,412,784	21,417,855
Capital assets								
Buildings	-	-	786,525	-	-	37,133	-	823,658
Machinery and equipment	-	20,868,620	345,600	-	-	722,117	-	21,936,337
Less accumulated depreciation	-	(13,603,355)	(682,044)	-	-	(513,619)	-	(14,799,018)
Total capital assets	-	7,265,265	450,081	-	-	245,631	-	7,960,977
Total assets	8,993,198	14,551,153	701,043	1,755,669	387,056	577,929	2,412,784	29,378,832
Liabilities								
Current liabilities								
Accounts payable	316,493	158,496	98,449	16,546	-	13,174	2,590	605,748
Accrued liabilities	1,507	-	21,322	2,112	-	30,973	2,112	58,026
Compensated absences	-	-	4,446	-	-	3,877	-	8,323
Claims payable	1,172,446	-	-	194,012	-	-	284,178	1,650,636
Total current liabilities	1,490,446	158,496	124,217	212,670	-	48,024	288,880	2,322,733
Noncurrent liabilities								
Compensated absences	-	-	52,801	-	-	46,043	-	98,844
Post employment benefits	10,871	-	129,230	14,837	-	204,219	14,811	373,968
Net pension obligation	8,997	-	103,881	12,330	-	165,070	12,304	302,582
Total noncurrent liabilities	19,868	-	285,912	27,167	-	415,332	27,115	775,394
Total liabilities	1,510,314	158,496	410,129	239,837	-	463,356	315,995	3,098,127
Net position								
Net investment in capital assets	-	7,265,265	450,081	-	-	245,631	-	7,960,977
Unrestricted	7,482,884	7,127,392	(159,167)	1,515,832	387,056	(131,058)	2,096,789	18,319,728
Total net position	\$ 7,482,884	\$ 14,392,657	\$ 290,914	\$ 1,515,832	\$ 387,056	\$ 114,573	\$ 2,096,789	\$ 26,280,705

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, 2014

	Employee Benefits	Equipment Replacement	Fleet Maintenance	Property and Casualty	Unemployment	Utility Customer Service	Workers' Compensation	Total Internal Service Funds
Operating revenues								
Charges for services	\$ -	\$ 3,527,286	\$ 2,009,977	\$ -	\$ -	\$ 2,052,233	\$ -	\$ 7,589,496
Premiums	8,849,256	-	-	1,039,410	29,305	-	495,516	10,413,487
Other	23,007	-	333	217,603	-	129,973	100	371,016
Total operating revenues	<u>8,872,263</u>	<u>3,527,286</u>	<u>2,010,310</u>	<u>1,257,013</u>	<u>29,305</u>	<u>2,182,206</u>	<u>495,616</u>	<u>18,373,999</u>
Operating expenses								
Salaries and benefits	36,675	-	901,300	88,349	-	1,304,365	88,347	2,419,036
Supplies	-	-	954,320	-	-	62,729	-	1,017,049
Maintenance	-	-	15,820	-	-	23,612	-	39,432
Purchased professional services	49,451	-	25,240	10,900	-	77,579	10,900	174,070
Purchased property services	-	-	18,045	-	-	41,615	-	59,660
Other purchased services	-	-	61,052	-	-	667,747	-	728,799
Claims	6,773,510	-	-	174,806	13,428	-	285,450	7,247,194
Administration fees	464,990	-	-	84,726	-	-	23,044	572,760
Contributions	-	2,690,290	-	-	-	-	-	2,690,290
Premiums	1,009,226	-	-	261,883	-	-	162,484	1,433,593
Depreciation	-	1,796,846	35,713	-	-	47,803	-	1,880,362
Other	34,799	-	5,939	5,631	-	7,302	-	53,671
Total operating expenses	<u>8,368,651</u>	<u>4,487,136</u>	<u>2,017,429</u>	<u>626,295</u>	<u>13,428</u>	<u>2,232,752</u>	<u>570,225</u>	<u>18,315,916</u>
Operating income	<u>503,612</u>	<u>(959,850)</u>	<u>(7,119)</u>	<u>630,718</u>	<u>15,877</u>	<u>(50,546)</u>	<u>(74,609)</u>	<u>58,083</u>
Nonoperating revenues (expenses)								
Investment income	25,129	24,304	345	4,274	1,128	863	7,041	63,084
Gain (loss) on disposal of assets	-	156,048	-	-	-	-	-	156,048
Other, net	(2,731)	(145,106)	(519)	(11,153)	-	-	-	(159,509)
Total nonoperating revenues (expenses)	<u>22,398</u>	<u>35,246</u>	<u>(174)</u>	<u>(6,879)</u>	<u>1,128</u>	<u>863</u>	<u>7,041</u>	<u>59,623</u>
Income before capital contributions and transfers	<u>526,010</u>	<u>(924,604)</u>	<u>(7,293)</u>	<u>623,839</u>	<u>17,005</u>	<u>(49,683)</u>	<u>(67,568)</u>	<u>117,706</u>
Capital contributions and transfers								
Capital contributions	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(73,450)	(475,000)	-	-	-	-	-	(548,450)
Total capital contributions and transfers	<u>(73,450)</u>	<u>(475,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(548,450)</u>
Change in net position	<u>452,560</u>	<u>(1,399,604)</u>	<u>(7,293)</u>	<u>623,839</u>	<u>17,005</u>	<u>(49,683)</u>	<u>(67,568)</u>	<u>(430,744)</u>
Net position-beginning	<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>
Net position-ending	<u>\$ 7,482,884</u>	<u>\$ 14,392,657</u>	<u>\$ 290,914</u>	<u>\$ 1,515,832</u>	<u>\$ 387,056</u>	<u>\$ 114,573</u>	<u>\$ 2,096,789</u>	<u>\$ 26,280,705</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2014

	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	\$ 8,871,465	\$ 3,527,286	\$ 2,010,310	\$ 1,234,578	\$ 29,305	\$ 2,190,043	\$ 494,442	\$ 18,357,429
Cash payments to suppliers for goods and services	(8,090,953)	(2,578,921)	(1,090,323)	(762,227)	(21,353)	(887,201)	(457,006)	(13,887,984)
Cash payments to employees for services	(34,196)	-	(877,445)	(85,644)	-	(1,274,589)	(86,468)	(2,358,342)
Cash paid for miscellaneous services	(2,731)	(145,106)	(519)	(11,153)	-	-	-	(159,509)
Net cash provided (used) by operating activities	<u>743,585</u>	<u>803,259</u>	<u>42,023</u>	<u>375,554</u>	<u>7,952</u>	<u>28,253</u>	<u>(49,032)</u>	<u>1,951,594</u>
Cash flows from noncapital financing activities:								
Transfers out to other funds	(73,450)	(475,000)	-	-	-	-	-	(548,450)
Net cash provided (used) by noncapital financing activities	<u>(73,450)</u>	<u>(475,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(548,450)</u>
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	-	(1,637,428)	(68,625)	-	-	-	-	(1,706,053)
Proceeds from sale of assets	-	156,048	-	-	-	-	-	156,048
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(1,481,380)</u>	<u>(68,625)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,550,005)</u>
Cash flows from investing activities:								
Purchase of investments	(2,526,971)	(2,090,358)	(38,973)	(481,174)	(109,333)	(89,231)	(682,960)	(6,019,000)
Proceeds from sale and maturities of investment securities	2,445,834	2,222,091	42,037	436,848	108,274	85,833	687,860	6,028,777
Investment income	25,129	24,304	345	4,274	1,128	863	7,041	63,084
Net cash provided (used) by investing activities	<u>(56,008)</u>	<u>156,037</u>	<u>3,409</u>	<u>(40,052)</u>	<u>69</u>	<u>(2,535)</u>	<u>11,941</u>	<u>72,861</u>
Net increase (decrease) in cash and cash equivalents	614,127	(997,084)	(23,193)	335,502	8,021	25,718	(37,091)	(74,000)
Cash and cash equivalents, Oct. 1	7,325,309	7,432,709	142,775	1,195,464	333,866	254,987	2,165,058	18,850,168
Cash and cash equivalents, Sept. 30	<u>\$ 7,939,436</u>	<u>\$ 6,435,625</u>	<u>\$ 119,582</u>	<u>\$ 1,530,966</u>	<u>\$ 341,887</u>	<u>\$ 280,705</u>	<u>\$ 2,127,967</u>	<u>\$ 18,776,168</u>
Reconciliation of operating income to net cash provided by operating activities:								
Operating income	\$ 503,612	\$ (959,850)	\$ (7,119)	\$ 630,718	\$ 15,877	\$ (50,546)	\$ (74,609)	\$ 58,083
Adjustment to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation, bad debt expense, inventory loss	-	1,796,846	35,713	-	-	47,803	-	1,880,362
Miscellaneous nonoperating expenses	(2,731)	(145,106)	(519)	(11,153)	-	-	-	(159,509)
Changes in assets and liabilities:								
Change in accounts receivable	(798)	-	-	(22,435)	-	7,837	(1,174)	(16,570)
Change in inventory	-	-	(18,971)	-	-	-	-	(18,971)
Change in accounts payable	28,300	111,369	9,029	7,165	(7,925)	(6,086)	(2,940)	138,912
Change in claims payable	212,723	-	-	(231,446)	-	-	27,812	9,089
Change in accrued liabilities	1,507	-	1,869	282	-	4,296	(544)	7,410
Change in accrued vacation	-	-	(1,302)	-	-	(8,024)	-	(9,326)
Change in OPEB	711	-	17,054	1,772	-	24,109	1,772	45,418
Change in net pension obligation	261	-	6,269	651	-	8,864	651	16,696
Total adjustments	<u>239,973</u>	<u>1,763,109</u>	<u>49,142</u>	<u>(255,164)</u>	<u>(7,925)</u>	<u>78,799</u>	<u>25,577</u>	<u>1,893,511</u>
Net cash provided (used) by operating activities	<u>\$ 743,585</u>	<u>\$ 803,259</u>	<u>\$ 42,023</u>	<u>\$ 375,554</u>	<u>\$ 7,952</u>	<u>\$ 28,253</u>	<u>\$ (49,032)</u>	<u>\$ 1,951,594</u>

STATISTICAL SECTION - UNAUDITED

This section of the City of College Station's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial condition.

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 112-118)

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 119-126)

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 127-131)

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 132-137)

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 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	\$ 125,012,201
Restricted	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	15,608,417
Unrestricted	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	76,502,627
Total governmental activities net position	\$ 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	\$ 217,123,245
Business-type activities										
Net investment in capital assets	\$ 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	\$ 165,180,775
Restricted	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	1,580,992
Unrestricted	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	61,775,551
Total business-type activities net position	\$ 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	\$ 228,537,318
Primary government										
Net investment in capital assets	\$ 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	\$ 290,192,976
Restricted	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	17,189,409
Unrestricted	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	138,278,178
Total primary government net position	\$ 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	\$ 445,660,563

Source: City of College Station

CITY OF COLLEGE STATION, TEXAS

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 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	\$ 9,602,139
Fiscal services	2,467,187	2,452,442	2,442,439	2,977,362	3,821,996	4,127,990	3,384,368	3,313,726	3,263,269	3,419,923
Police	10,666,318	11,214,413	12,299,698	13,395,874	13,945,079	16,063,347	15,082,452	16,696,975	16,831,233	17,768,724
Fire	7,853,876	8,280,257	9,472,331	11,359,260	11,778,585	13,301,029	13,706,222	13,748,434	14,245,690	14,245,690
Planning and development services	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	5,012,992
Public works	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	21,348,088
Capital projects	-	-	-	719,391	476,462	256,177	648,589	819,296	733,974	731,621
Parks and recreation	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	9,197,308
Library	-	870,203	912,527	993,102	1,052,838	1,103,864	1,130,433	1,142,580	1,064,293	1,149,616
Information services	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	4,663,939
Interest on long-term debt	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	3,962,347
Unallocated depreciation	5,430,745	5,759,049	6,026,372	667,890	789,074	1,047,906	1,130,283	1,149,609	1,146,119	1,161,675
Total governmental activities expense	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	92,264,062
Business-type activities:										
Electric	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	98,269,576
Water	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	11,517,915
Wastewater	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	11,205,770
Sanitation	4,931,079	5,421,624	5,916,431	6,244,639	5,776,002	6,527,724	6,568,278	7,825,491	6,301,063	7,497,493
Nonrivate parking	591,944	621,593	591,980	668,237	909,167	1,019,393	944,125	924,532	1,053,839	1,051,901
Total business-type activities expense	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	129,542,655
Total primary government expense	\$ 121,693,681	\$ 130,797,456	\$ 145,482,790	\$ 161,308,195	\$ 181,110,731	\$ 204,805,086	\$ 205,822,144	\$ 199,045,976	\$ 200,986,510	\$ 221,806,717
Program revenues										
Governmental activities:										
Charges for services:	\$ 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	\$ 3,231,069
Fines, forfeits and penalties	1,043,672	1,091,848	1,306,690	1,154,902	1,007,151	964,344	1,091,983	1,496,989	1,240,300	1,438,082
Licenses and permits	1,110,686	1,290,935	1,199,565	1,255,525	1,793,174	1,895,263	2,910,293	2,480,140	2,489,828	2,437,986
Public works	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	1,608,329
Parks and recreation	2,002,338	2,656,136	3,210,563	3,548,309	4,494,627	3,378,603	2,516,446	2,506,187	2,903,460	3,532,847
Other activities	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	3,234,317
Operating grants and contributions	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	7,404,520
Capital grants and contributions	16,328,844	20,704,330	18,064,963	16,459,509	18,166,974	33,743,646	18,486,122	20,639,758	22,887,150	
Total governmental activities program revenues	\$ 20,337,481	\$ 24,503,137	\$ 21,683,199	\$ 20,257,822	\$ 22,658,934	\$ 48,244,093	\$ 22,606,219	\$ 24,432,664	\$ 23,504,704	\$ 21,645,589
Business-type activities:										
Charges for services:	\$ 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	\$ 97,814,129
Electric sales	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	13,848,402
Water sales	9,697,314	10,363,603	10,590,688	11,184,566	11,655,528	11,522,023	13,099,783	13,697,532	14,566,975	14,575,907
Sewer service	5,151,204	6,419,446	7,512,194	9,628,798	7,988,795	7,289,275	7,143,536	7,204,013	7,205,029	8,014,628
Garbage collection fees	480,627	576,892	620,124	673,818	990,735	1,140,833	1,189,443	1,149,277	1,234,799	1,298,034
Parking garage fees	-	-	-	-	-	-	-	-	-	-
Other activities	1,937,320	4,677,465	4,041,105	5,349,125	6,846,033	11,703,025	3,857,585	6,890,916	5,345,176	291,366
Operating grants and contributions	76,253,348	93,107,487	100,266,584	115,648,804	127,716,091	135,573,219	144,165,623	141,014,123	139,865,302	143,151,696
Capital grants and contributions	94,582,192	113,811,817	118,351,547	132,108,313	145,883,065	169,316,865	162,651,745	160,285,206	160,505,060	166,038,846
Total business-type activities program revenues	\$ 172,980,483	\$ 198,529,542	\$ 206,684,838	\$ 228,080,469	\$ 242,538,670	\$ 278,939,083	\$ 288,378,126	\$ 278,113,000	\$ 278,113,000	\$ 278,113,000

CITY OF COLLEGE STATION, TEXAS

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental activities	\$ (36,855,572)	\$ (37,056,041)	\$ (44,184,332)	\$ (49,584,235)	\$ (59,700,081)	\$ (64,033,482)	\$ (66,480,062)	\$ (61,717,371)	\$ (61,519,965)	\$ (69,376,912)
Business-type activities	9,744,063	20,070,402	17,053,089	20,384,353	24,472,415	18,545,261	23,309,663	22,956,601	21,038,515	13,609,041
Total primary government net expense	\$ (27,111,489)	\$ (16,985,639)	\$ (27,131,243)	\$ (29,199,882)	\$ (35,227,666)	\$ (35,488,221)	\$ (43,170,399)	\$ (38,760,770)	\$ (40,481,450)	\$ (55,767,871)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 27,349,234
Sales and mixed beverage taxes	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	25,141,825
Franchise taxes	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	2,407,344
Hotel taxes	2,306,928	2,671,417	2,980,250	3,585,512	3,574,649	3,387,041	3,588,042	3,643,887	4,393,867	5,127,808
Unrestricted investment earnings	1,487,926	3,415,849	4,512,575	3,385,844	1,413,431	265,424	368,868	283,648	252,308	195,863
Gain (Loss) on sale of capital assets	(111,916)	-	-	-	-	(24,596)	-	-	-	1,827,783
Correction to value of capital assets	(601,000)	-	-	-	-	-	-	-	-	-
Transfers	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	12,985,733
Total governmental activities	44,582,719	50,799,515	56,537,650	57,533,385	62,627,252	66,672,449	64,683,803	65,457,443	68,853,779	74,985,590
Business-type activities:										
Unrestricted investment earnings	947,477	1,829,466	1,932,624	1,330,785	654,882	420,236	341,698	316,035	174,170	120,006
Transfers	(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)	(12,985,733)
Total business-type activities	(7,241,248)	(7,020,987)	(8,157,965)	(9,103,169)	(12,123,760)	(14,917,094)	(13,220,397)	(12,186,151)	(11,865,628)	(12,815,727)
Total primary government	\$ 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	\$ 62,169,863
Change in net position										
Governmental activities	\$ 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	\$ 5,608,678
Business-type activities	2,502,835	13,049,405	8,895,124	11,281,184	12,348,655	3,628,167	10,089,266	10,770,450	9,172,887	793,314
Total primary government	\$ 10,229,982	\$ 26,792,879	\$ 21,248,442	\$ 19,230,334	\$ 15,275,826	\$ 15,267,134	\$ 8,303,007	\$ 14,510,522	\$ 16,506,701	\$ 6,401,992

Source: City of College Station

Correction to value of capital assets in fiscal year 2005 is a prior period adjustment.

CITY OF COLLEGE STATION, TEXAS

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government	\$ 3,121,430	\$ 4,357,597	\$ 3,343,904	\$ 2,501,778	\$ 1,957,500	\$ 5,124,710	\$ 1,281,849	\$ 2,095,173	\$ 1,593,295	\$ 3,338,669
Fiscal services	508,810	547,790	409,100	684,666	38,377	100,495	215,626	542,689	666,103	1,028,631
Police	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	3,498,374
Fire	916,804	817,910	1,400,464	1,137,759	3,951,620	2,199,375	1,952,851	1,936,311	1,948,961	1,777,507
Planning and development services	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	1,730,441
Public works	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	8,578,862
Capital improvement program	-	-	-	-	-	951,686	-	52,757	-	-
Library	-	-	-	-	-	-	-	13,200	-	-
Information technology	-	-	-	-	-	-	15,500	-	-	-
Parks and recreation	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	2,994,766
Subtotal governmental activities	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	22,887,150
Business-type activities:										
Electric	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	98,872,262
Water	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	15,854,663
Wastewater	10,014,243	11,416,486	11,805,562	13,811,386	15,100,534	15,206,551	14,584,357	15,844,190	15,946,613	17,072,780
Sanitation	5,151,204	6,419,446	7,512,194	9,628,798	8,006,587	9,574,282	7,147,282	8,914,742	7,233,110	10,053,957
Northgate parking	480,627	576,892	620,124	673,818	990,735	1,140,833	1,206,897	1,149,277	1,234,799	1,298,034
Subtotal business-type activities	78,253,346	93,107,487	100,286,584	115,648,804	127,716,091	135,573,229	144,165,623	141,014,123	139,865,302	143,151,696
Total primary government	\$ 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	\$ 166,038,846

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 62,390	\$ 70,516	\$ 58,548	\$ -	\$ 59,426	\$ 64,594
Restricted	-	-	-	-	95,220	849,622	925,798	868,799	266,573	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	1,663,400	1,794,416	537,586	436,979	972,632	1,457,390
Unassigned	-	-	-	-	7,557,419	11,101,327	12,871,125	15,186,915	14,626,901	18,722,265
Reserved	1,132,180	1,523,619	1,108,449	2,305,476	-	-	-	-	-	-
Unreserved	9,038,345	9,448,389	11,824,140	9,679,913	-	-	-	-	-	-
Total general fund	\$ 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	\$ 20,244,249
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 859,654	\$ 8,235,642	\$ 7,890,137	\$ 6,943,250	\$ 6,667,812	\$ 6,485,508
Restricted	-	-	-	-	39,375,368	54,421,910	27,404,127	35,688,123	39,327,653	58,993,882
Committed	-	-	-	-	2,627,403	2,764,227	3,149,243	3,618,354	4,008,439	4,130,069
Assigned	-	-	-	-	609,113	-	-	-	-	-
Unassigned	-	-	-	-	545,024	-	-	-	-	-
Reserved	42,999,111	49,111,974	46,372,274	48,819,538	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	6,244,225	7,462,140	10,148,840	11,526,009	-	-	-	-	-	-
Total all other governmental funds	\$ 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	\$ 69,609,459

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 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	\$ 59,018,199
Licenses and permits	1,025,013	945,593	1,191,105	1,154,902	1,007,151	964,344	1,091,983	1,486,989	1,240,300	1,438,082
Intergovernmental	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	3,234,317
Charges for services	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	6,236,531
Fines, forfeits and penalties	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	3,231,069
Special assessments	1,110,686	1,290,935	1,199,565	1,255,525	1,793,174	-	-	-	-	-
Investment income	1,269,201	3,066,642	3,864,797	2,886,636	1,125,382	206,648	368,868	283,648	252,308	195,863
Rents and royalties	243,831	244,864	261,225	279,004	769,150	749,635	589,528	852,738	753,401	639,267
Loan repayments	2,541	-	-	-	-	-	-	-	-	-
Contributions	37,182	12,281	31,605	27,213	26,997	605,953	825,532	1,244,973	799,048	1,263,644
Reimbursed expenditures	-	145,749	479,675	46,038	413,751	-	-	-	-	-
Other revenues	631,192	447,432	738,415	1,046,431	403,548	267,695	730,747	426,218	312,473	674,439
Total revenues	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	75,931,411
Expenditures										
General government	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	5,108,448
Fiscal services	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	3,260,242
Police	10,829,081	11,559,689	12,556,678	13,219,117	14,107,740	13,816,620	14,931,212	15,521,284	16,550,111	17,093,860
Fire	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	13,585,022
Planning and development services	1,962,603	1,877,732	2,008,901	2,281,747	2,871,341	2,568,464	3,327,495	4,698,749	4,268,854	4,933,780
Public works	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	8,632,149
Capital improvement projects	-	-	-	715,707	476,462	132,880	648,589	788,032	733,974	731,621
Economic and community development	11,281	-	-	-	-	-	-	-	-	-
Parks and recreation	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	7,712,597
Information systems	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	4,214,958
Library	694,445	870,203	912,527	993,102	1,119,771	1,080,030	1,061,581	1,072,551	994,476	1,078,851
Reimbursed administrative	(3,485,807)	(3,335,264)	(3,305,040)	(3,772,362)	-	-	-	-	-	-
Claims	-	-	-	-	-	1,600,000	-	-	-	-
Contributions	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	3,281,991
Community development block grant	275,775	340,399	215,707	-	-	-	-	-	-	-
Home grant	439,243	840,211	323,811	-	-	-	-	-	-	-
Other expenditures	296,344	108,527	147,860	204,338	487,163	438,757	750,135	1,380,837	1,964,156	679,772
Capital outlay	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	12,636,334

CITY OF COLLEGE STATION, TEXAS

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt service										
Principal	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	8,650,000
Interest	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	3,707,799
Issuance costs	118,261	-	-	-	-	-	-	-	154,660	39,719
Fiscal charges	13,871	152,729	527,806	70,796	46,551	227,765	384,196	127,671	-	-
Intergovernmental	97,621	743,117	342,630	881,604	745,908	-	924,941	294,103	301,061	489,817
Total expenditures	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	95,836,960
Deficiency of revenues under expenditures	(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)	(19,905,549)
Other Financing Sources (Uses)										
Proceeds from long-term debt	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	31,895,000
Proceeds from refunding bonds	-	-	10,255,000	-	-	4,265,000	11,250,000	-	-	-
Payment to bond escrow agent	-	-	(10,451,378)	-	-	(4,283,647)	(12,322,570)	-	-	-
Advance Refunding	-	-	-	-	-	-	-	(11,432,308)	(6,054,452)	(9,755,695)
Premium on bonds issued	-	-	373,648	-	-	75,183	1,172,234	1,132,812	951,174	3,624,222
Sale of capital assets	12,182	17,500	318,103	10,981	505,606	5,615	8,690	-	-	4,582,111
Transfers in	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	20,798,696
Transfers out	(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)	(7,314,513)
Total other financing sources	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	43,829,821
Net change in fund balances	\$ 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	\$ 23,924,272
Debt services as a percentage of noncapital expenditures	18.6%	19.1%	18.9%	17.5%	15.9%	15.9%	15.3%	15.3%	15.1%	14.9%

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)

<u>Fiscal Year</u>	<u>Property</u>	<u>Sales</u>	<u>Hotel</u>	<u>Franchise</u>	<u>Mixed Drink</u>	<u>Total</u>
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
2014	26,341,222	24,565,649	5,127,808	2,407,344	576,176	59,018,199
Change						
2005 - 2014	65.8%	59.0%	122.3%	40.1%	121.9%	65.7%

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
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%
2014	4,713,785,311	1,350,665,951	1,323,614,835	1,156,947,087	17,534,345	6,213,584,665	0.425958	6,213,584,665	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
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
2014	0.232905	0.193053	0.425958	1.320000	0.487500

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	2014			2005		
	Taxable 2013 Assessed Value	Rank	Percent of of Total City Taxable Assessed Value	Taxable 2004 Assessed Value	Rank	Percent of of Total City Taxable Assessed Value
Post Oak Mall - College Station LLC	\$ 57,206,360	1	0.92%	\$ 49,331,205	1	1.50%
College Station Properties LP	56,622,230	2	0.91%			
College Station Hospital LP	56,154,920	3	0.90%	34,254,230	3	0.95%
SHP- The Callaway House LP	50,609,325	4	0.81%			
SW Meadows Point LP	45,584,367	5	0.73%			
Culpepper Family LP	42,145,765	6	0.68%			
Weinberg, Isreal & David Alkossar	41,348,751	7	0.67%	31,168,425	4	0.95%
BVP 2818 Place, LP	40,950,550	8	0.66%			
The Rise at Texas Properties I LLC	40,615,800	9	0.65%			
JamesPoint Management	39,356,249	10	0.63%			
Verizon Communications, Inc.				34,528,500	2	1.05%
Wal-Mart/Sam's				24,916,345	5	0.76%
HE Butt Store Property Co.				18,912,125	6	0.57%
301 Church Avenue, LP				17,936,445	7	0.54%
Melrose Apartments				17,753,830	8	0.54%
Fairfield College Station LP				17,514,700	9	0.53%
University Commons				17,279,200	10	0.53%

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 Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 15,270,852	\$ 15,160,102	99.27%	\$ 35,158	\$ 15,195,260	99.50%
2006	16,162,073	15,938,981	98.62%	146,139	16,085,120	99.52%
2007	17,818,419	17,697,220	99.32%	39,655	17,736,875	99.54%
2008	19,973,882	19,773,036	98.99%	110,334	19,883,370	99.55%
2009	22,076,134	21,795,748	98.73%	166,535	21,962,283	99.48%
2010	23,623,086	23,435,105	99.20%	80,220	23,515,325	99.54%
2011	24,323,279	24,136,088	99.23%	75,694	24,211,782	99.54%
2012	24,979,685	24,762,625	99.13%	84,995	24,847,620	99.47%
2013	25,503,096	25,326,360	99.31%	(12,119)	25,314,241	99.26%
2014	26,407,915	26,213,476	99.26%	-	26,213,476	99.26%

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Utilities	\$ 14,943	\$ 16,684	\$ 19,336	\$ 22,403	\$ 25,483	\$ 26,442	\$ 27,724	\$ 32,048	\$ 29,102	\$ 29,956
Construction	6,477	12,076	13,918	15,818	15,768	10,617	10,070	10,900	12,743	12,053
Manufacturing	9,323	12,926	13,066	13,200	16,391	12,221	9,620	6,823	7,433	7,941
Wholesale Trade	24,173	25,939	17,482	8,759	13,761	9,856	10,770	19,556	23,573	26,941
Retail Trade	529,284	563,662	608,940	686,271	693,673	653,561	678,041	699,715	738,897	777,632
Information	16,092	14,409	14,082	12,148	15,427	15,654	16,907	16,984	18,261	21,546
Finance and Insurance	119	130	216	541	752	706	840	1,043	1,044	1,336
Real Estate and Rental/Leasing	12,258	12,024	15,679	16,249	18,326	9,288	9,456	9,314	9,785	11,411
Professional, Scientific and Tech Services	8,618	8,692	9,530	11,074	26,234	25,694	13,142	12,901	12,716	14,518
Administrative, Support, Waste Mgmt, Remediation	14,655	15,133	16,462	15,054	18,362	17,610	16,831	17,381	19,645	21,080
Educational Services	22,981	26,252	2,209,091	32,502	27,645	35,351	34,952	37,434	43,135	43,173
Health Care and Social Assistance	1,951	2,547	2,873	4,051	2,888	2,301	2,049	1,920	2,116	3,103
Arts, Entertainment and Recreation	6,173	6,781	6,949	7,399	9,168	8,671	8,470	9,325	9,488	11,070
Accommodation and Food Services	147,277	158,267	169,900	185,723	205,967	204,731	208,597	217,445	238,186	256,716
Other Services	34,563	38,894	17,069	14,539	15,782	15,338	15,890	16,274	18,594	22,322
Total	\$ 848,887	\$ 914,416	\$ 3,134,593	\$ 1,045,731	\$ 1,105,627	\$ 1,048,041	\$ 1,063,359	\$ 1,109,063	\$ 1,184,718	\$ 1,260,798

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.

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>
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%
2014	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 2004 AND 2013
(dollars are in thousands)**

	Calendar Year 2004			Calendar Year 2013		
	Number of Outlets	Percentage of Total	Tax Liability	Number of Outlets	Percentage of Total	Tax Liability
Retail trade	1,049	60.95%	\$ 10,296	1,317	56.84%	\$ 15,695
Services	171	9.94%	370	310	13.38%	541
Wholesale trade	38	2.21%	166	90	3.88%	248
Utilities, transportation, communications	9	0.52%	493	15	0.65%	560
Manufacturing	39	2.27%	206	94	4.06%	12
Construction	73	4.24%	97	126	5.44%	181
Agriculture, forestry, and fishing	3	0.17%	-	4	0.17%	-
Finance, insurance, real estate	43	2.50%	182	68	2.93%	191
All other outlets	296	17.20%	922	293	12.65%	1,490
Total	1,721	100.00%	\$ 12,732	2,317	100.00%	\$ 18,918

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	Utility Revenue Certificates of Obligation			
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	-	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	-	243,760,000	14.04%	2,682
2010	75,020,000	35,675,000	87,745,000	4,970,000	3,830,000	-	48,970,000	-	256,210,000	15.08%	2,742
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
2014	89,050,000	21,805,000	14,920,000	4,100,000	1,905,000	-	87,210,000	47,995,000	266,985,000	12.65%	2,624

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 Bonds		Less Debt Service Cash Funds		Net Bonded Debt		Percentage of Actual Taxable Value of Property	
								Per Capita
2005	\$	49,800,000	\$	912,353	\$	48,887,647	1.50%	\$ 609
2006		53,835,000		1,645,563		52,189,437	1.45%	637
2007		55,720,000		2,060,709		53,659,291	1.34%	638
2008		60,695,000		2,573,421		58,121,579	1.30%	668
2009		59,145,000		3,125,126		56,019,874	1.13%	611
2010		75,020,000		4,115,689		70,904,311	1.33%	759
2011		78,055,000		4,007,146		74,047,854	1.36%	782
2012		75,695,000		3,320,293		72,374,707	1.26%	750
2013		79,710,000		3,032,594		76,677,406	1.29%	794
2014		89,050,000		2,839,310		86,210,690	1.39%	847

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, 2014**

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.	\$ 278,045,000	87.95%	\$ 244,540,578
Brazos County	88,720,000	53.09%	47,101,448
Bryan I.S.D.	138,870,000	1.90%	<u>2,638,530</u>
Subtotal, overlapping debt			294,280,556
City direct debt			<u>110,735,000</u>
Total direct and overlapping debt			<u>\$ 405,015,556</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, 2014

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

CITY OF COLLEGE STATION, TEXAS

**PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Utility Service Charges		Less: Operating Expenses	Net Available Revenue	Average Debt Service Total		Annual Coverage	Maximum Debt Service Total		Annual Coverage
	\$				\$					
2005	70,636,853		51,125,745	19,511,108	5,522,447		3.53	8,364,747		2.33
2006	80,787,029		54,432,847	26,354,182	6,423,582		4.10	9,163,574		2.88
2007	87,911,120		63,514,543	24,396,577	7,389,770		3.30	10,408,958		2.34
2008	99,610,432		73,195,783	26,414,649	8,620,759		3.06	12,245,949		2.16
2009	108,367,552		80,848,570	27,518,982	9,834,136		2.80	13,870,272		1.98
2010	115,430,088		91,561,103	23,868,985	8,976,012		2.66	13,669,444		1.75
2011	127,985,835		96,938,864	31,046,971	8,675,457		3.58	13,635,526		2.28
2012	124,905,906		88,927,662	35,978,244	7,009,717		5.13	10,670,889		3.37
2013	125,581,359		90,519,871	35,061,488	9,111,927		3.85	15,372,461		2.28
2014	126,118,088		100,235,329	25,882,759	10,048,709		2.58	16,029,505		1.61

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

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate %</u>
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
2013	99,918	2,110,139	21,119	4.9

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 2005-2013.

CITY OF COLLEGE STATION, TEXAS

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

<u>2014</u>	<u>2005</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	Reynolds & Reynolds
Reynolds & Reynolds	Sanderson Farms, Inc.
Sanderson Farms, Inc.	St. Joseph Regional Hospital
St. Joseph Regional Hospital	Texas A&M University System
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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	41.9	37.8	58.5	71.0	79.5	75.0	61.5	37.5	36.5	37.5
Police	144.4	155.1	163.5	168.5	176.0	169.0	180.5	182.5	192.5	196.5
Fire	111.4	110.6	119.0	125.0	121.0	118.0	120.5	139.0	139.0	140.0
Public Works	112.2	112.6	114.5	106.5	113.0	94.0	96.0	114.0	116.0	118.0
Parks and Recreation	120.0	119.8	123.5	131.0	133.0	133.0	119.0	117.0	111.5	105.5
Planning and Development Services	25.8	27.1	24.5	34.0	37.0	41.0	54.0	58.5	56.5	56.0
Information Services	37.5	36.6	28.5	33.0	32.0	30.5	30.0	30.5	29.5	30.5
Fiscal Services	64.2	70.1	71.0	72.5	70.5	70.0	66.5	69.8	68.8	69.8
Electric	56.6	56.0	56.5	58.0	65.0	64.0	63.5	67.5	69.5	70.5
Water / Sewer Services	69.1	71.8	71.0	67.5	76.5	70.5	74.0	77.0	77.0	78.0
BVSWMA	24.4	24.0	22.0	25.5	25.0	23.5	22.0	22.0	-	-
Capital Project	n/a	n/a	n/a	10.0	10.0	9.0	9.0	-	-	-
Total	807.5	821.5	852.5	902.5	938.5	897.5	896.5	915.3	896.8	902.3

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Open records requests	72	199	199	155	164	123	240	194	233	432
Economic development prospects	20	31	19	18	23	55	31	25	36	35
Code enforcement cases processed	2,848	5,984	4,838	5,148	6,248	5,268	4,701	5,011	4,517	7,941
Non-profit agencies/contracts monitored	9	13	7	10	9	10	8	7	8	7
Applicants receiving homebuyers assistance	2	9	6	3	4	6	3	15	8	4
Police										
DUI/DWI arrests	387	414	493	458	430	449	571	551	473	474
Citations processed	39,416	34,134	38,046	10,384	17,275	22,224	42,690	39,145	31,348	29,187
Uniform patrol calls handled	57,605	60,159	58,303	57,661	48,297	58,656	61,283	63,000	75,988	71,373
Average response time on high priority calls	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	7:10 mins
Criminal investigation new cases assigned	2,300	2,368	2,256	2,635	2,590	2,098	2,582	2,089	2,158	1,894

Note: In FY08 an e-citation program was implemented thus reducing the number of paper citations processed.

Fire										
Fire incidents (fire, rescue, and haz mat)	1,792	1,743	1,832	1,832	1,992	2,008	2,301	1,813	1,751	2,974
Business safety inspections	1,138	828	1,018	1,018	947	760	1,364	1,151	907	1,345
EMS incidents	3,241	3,048	3,773	3,773	4,718	5,367	5,414	5,407	6,814	5,170
EMS unit responses	4,930	5,276	5,476	5,476	5,369	5,051	5,646	6,090	6,295	9,435
Public Works										
Street repair work orders	350	200	200							
Street overlay lane miles	19	19	19	15	9	2	11	10	13	13
Potholes repaired	24,696	24,778	21,506	20,546	18,000	68,548	67,448	70,515	62,596	61,439
Curb miles swept	6,338	7,235	6,040	6,955	5,620	5,595	6,244	7,131	5,826	6,311
Parks and Recreation										
Instructional participants	3,579	3,075	3,432	3,538	3,077	3,112	2,765	1,835	1,600	2,495
Pool customers	132,549	146,805	128,206	142,605	138,785	93,302	114,458	144,059	128,081	73,229

Note: In FY10 # of potholes repaired went to # of square feet repaired.

CITY OF COLLEGE STATION, TEXAS

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Planning and Development Services										
Permits processed	6,500	6,575	7,583	6,647	5,819	5,972	6,026	5,600	3,991	4,446
Building inspections performed	13,297	13,069	13,398	13,814	12,938	12,379	11,583	12,100	12,945	13,859
Parking citations issued	11,900	8,452	7,238	9,460	9,686	6,763	4,488	6,530	6,868	7,320
Community enhancement cases	7,016	7,384	8,631	11,885	11,622	11,408	8,632	8,900	6,518	7,941
Electric										
Number of connections	36,284	37,590	38,519	37,777	37,818	38,255	37,829	39,123	38,138	19,000
Average monthly consumption (KWH)	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	66,715,908
Water										
Number of connections	32,266	33,491	34,763	37,075	37,344	37,596	37,565	39,338	40,767	24,847
Average monthly consumption (MGW)	283,429	317,438	293,246	324,012	345,170	301,399	408,327	356,791	380,558	343,360
Sewer										
Number of connections	29,694	31,051	32,034	34,743	34,743	35,853	35,510	36,908	38,688	32,065
Average daily sewage treatment (thousands of gallons)	6,220	5,911	6,502	6,626	6,625	6,700	6,242	6,453	6,500	7,129
New services completed	571	646	521	781	604	377	301	376	319	555
Sanitation										
Number of users (units)	28,399	27,181	28,112	29,533	30,750	30,779	30,455	31,573	32,551	23,239
Residential tons collected	23,535	24,964	27,556	22,191	21,406	28,451	22,775	28,991	25,493	26,290
Residential tons recycled	923	983	1,060	1,199	1,064	1,053	1,173	1,124	1,010	982
Commercial tons collected	35,114	35,122	38,402	38,709	36,245	36,568	35,133	34,608	36,751	37,856
Parking garage										
Active contract customers	449	432	472	464	333	524	482	460	354	410
Hourly cash customers	127,608	108,893	109,028	107,584	104,342	85,210	83,048	80,127	81,624	80,555
Utility Customer Service										
Payments processed	401,891	413,088	423,299	443,766	461,557	467,262	436,936	476,999	498,703	495,659
Incoming calls	82,234	85,728	85,842	97,121	96,876	85,212	84,861	94,986	93,075	93,862
Meters read	598,660	618,676	640,554	670,913	694,270	708,672	719,749	732,631	744,298	758,306

Source: City of College Station various departments

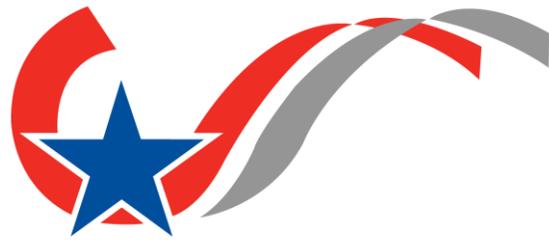
CITY OF COLLEGE STATION, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Patrol units	26	26	29	29	29	27	33	32	39	39
Jail capacity	17	17	17	17	17	17	17	17	17	17
Fire stations	4	4	4	4	4	4	4	5	6	6
<i>Note: The Fire Department operates an additional fire station located at the airport.</i>										
Public Works										
Streets (linear miles)	385	395	429	438	428	453	474	482	482	493
Sidewalks (miles)	97	100	100	100	119	130	138	150	156	162
Traffic signals	62	62	65	66	66	69	70	75	76	77
Storm sewers (miles)	*	72	72	72	80	83	83	89	89	95
<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	1,248	1,274	1,289	1,306	1,306	1,327	1,327	1,327	1,328	1,412
Playunits	35	46	48	47	54	56	57	57	56	61
Softball/baseball fields	25	32	32	35	35	36	36	36	36	41
Soccer fields	26	31	31	29	29	30	30	30	30	35
Jogging/walking trails	26	27	28	29	33	34	34	34	34	41
Community centers	3	3	3	3	3	3	3	3	2	2
Pools	3	3	3	3	3	3	3	3	3	3
Pavilions (rentable)	6	6	7	7	6	6	7	7	7	7
<i>Notes: Some parks have multiple playunits. Softball/baseball fields include practice fields.</i>										
Electric										
Peak demand (megawatts)	280	260	355	355	355	305	305	325	325	204
Number of substations	4	5	5	5	5	6	6	6	6	6
Distribution lines (miles)	450	394	411	411	432	440	444	438	458	458
Water										
Water mains (miles)	341	365	367	381	385	396	402	410	415	420
Fire hydrants	2,165	2,232	2,380	2,453	2,494	2,562	2,614	2,682	2,741	2,798
Number of wells	6	8	8	8	8	9	9	9	9	9
Water production capacity (thousands of gallons per day)	28,000	23,000	23,000	23,000	26,000	32,000	27,000	30,000	29,000	29,000
Sewer										
Sanitary sewer lines (miles)	271	279	285	301	305	313	319	324	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	25	25	25	25	25	25	25	26
Residential collection containers	15,958	16,647	18,135	19,549	20,275	20,671	20,550	21,547	22,470	23,239
Commercial collection containers	1,545	1,569	1,594	1,619	1,644	1,669	1,694	1,719	1,744	1,894
Fleet number of vehicles	613	627	651	643	647	662	662	576	570	596

Source: City of College Station

* Data not measured for fiscal year indicated.



CITY OF COLLEGE STATION
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1101 TEXAS AVENUE

COLLEGE STATION, TEXAS 77842

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