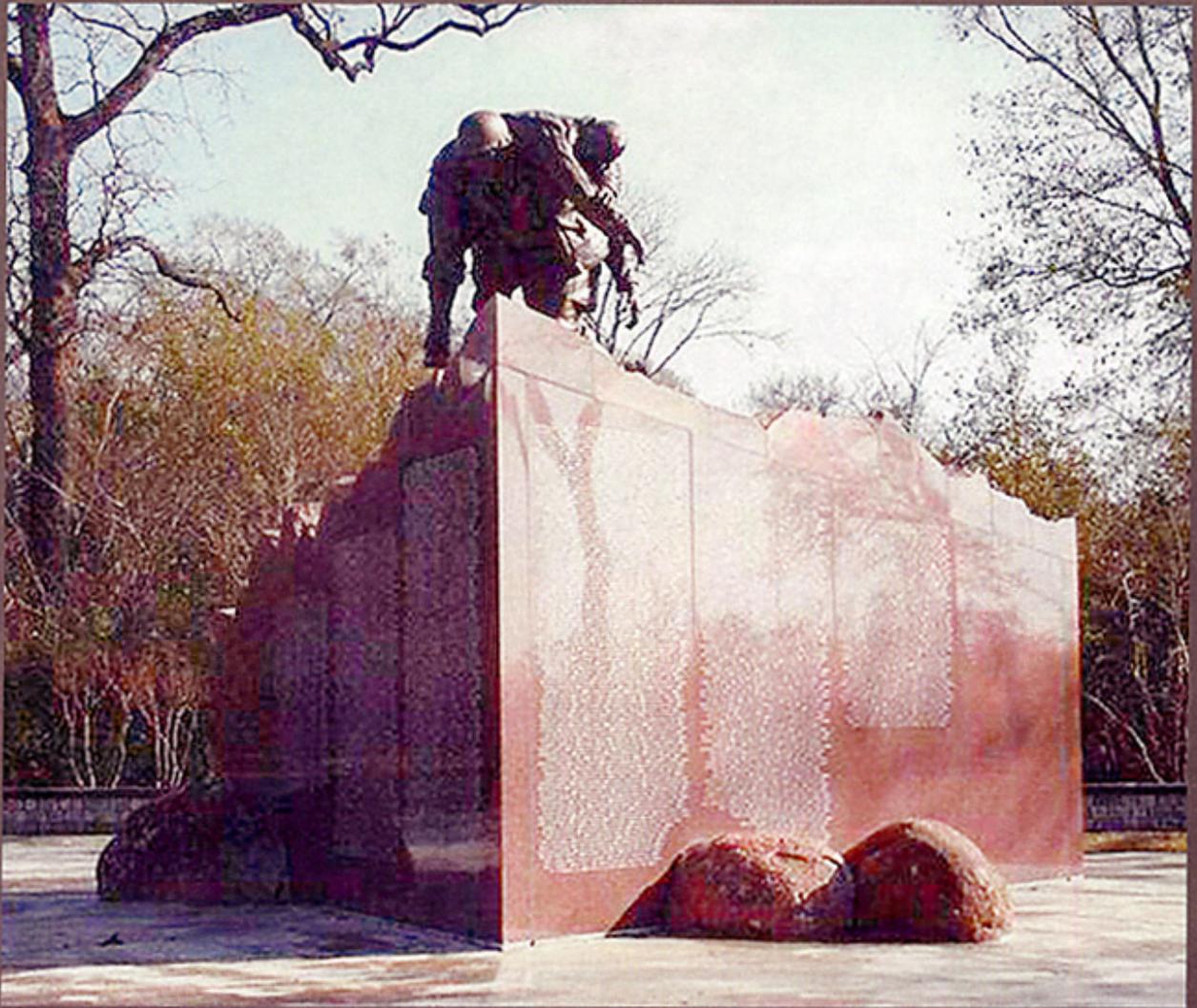


COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF COLLEGE STATION, TEXAS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002



Mission Statement

On behalf of the citizens of College Station, a unique community and home of Texas A&M University, the City Council will promote the safety, health, and general well-being of the community within the bounds of fiscal responsibility while preserving and advancing the quality of life, resulting in exceptional civic pride.

www.ci.college-station.tx.us

College Station. Embracing the Past, Exploring the Future!

CITY OF COLLEGE STATION, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

PREPARED BY THE

CITY OF COLLEGE STATION FISCAL SERVICES DEPARTMENT

CHARLES CRYAN, DIRECTOR OF FISCAL SERVICES

KATHLEEN HUBBARD, ASSISTANT DIRECTOR OF FISCAL SERVICES/ACCOUNTING MANAGER

PHILLIP GUILLEN, INVESTMENT OFFICER

CITY OF COLLEGE STATION, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

Table of Contents

	Page
INTRODUCTORY SECTION.....	1
Letter of Transmittal	3
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	18
Organizational Chart.....	19
Principal City Officials	20
 FINANCIAL SECTION.....	 21
Independent Auditors' Report.....	23
General Purpose Financial Statements for the Fiscal Year Ended September 30, 2002:	
Combined Balance Sheet - All Fund Types and Account Groups	26
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.....	30
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General, Special Revenue, Debt Service and Capital Projects Funds	32
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balance - All Proprietary and Fiduciary Fund Types	36
Combined Statement of Cash Flows - All Proprietary and Fiduciary Fund Types.....	38
Notes to General Purpose Financial Statements	41
Supplemental Combining, Individual Fund and Account Group Statements and Schedules for the Fiscal Year ended September 30, 2002:	
General Fund	
Schedule of Revenues and Other Financing Sources - Budget and Actual (Budgetary Basis).....	74
Schedule of Expenditures - Budget and Actual (Budgetary Basis).....	78

CITY OF COLLEGE STATION, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

Table of Contents (Continued)

Special Revenue Funds	
Combining Balance Sheet	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	94
Community Development Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)	96
Convention Center Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)	97
Hotel/Motel Tax Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)	98
Melrose Apartment Tax Increment Financing District Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)	99
Parks Escrow Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)	100
Wolf Pen Creek Tax Increment Financing District Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis).....	101
Debt Service Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)	105
Capital Projects Funds	
Combining Balance Sheet	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	110
Business Park Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)	112
Drainage Projects Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)	113

CITY OF COLLEGE STATION, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

Table of Contents (Continued)

General Government Projects Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)	114
Parks Projects Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)	115
Streets Projects Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)	116
Enterprise Funds	
Combining Balance Sheet	118
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	122
Combining Statement of Cash Flows	124
Electric Fund	
Schedule of Revenues - Budget and Actual (Budgetary Basis).....	128
Schedule of Expenses - Budget and Actual (Budgetary Basis).....	129
Water Fund	
Schedule of Revenues - Budget and Actual (Budgetary Basis).....	130
Schedule of Expenses - Budget and Actual (Budgetary Basis).....	131
Sewer Fund	
Schedule of Revenues - Budget and Actual (Budgetary Basis).....	133
Schedule of Expenses - Budget and Actual (Budgetary Basis).....	134
Sanitation Fund	
Schedule of Revenues - Budget and Actual (Budgetary Basis).....	136
Schedule of Expenses - Budget and Actual (Budgetary Basis).....	137
Northgate Parking Fund	
Schedule of Revenues and Expenses - Budget and Actual (Budgetary Basis).....	138
Enterprise Funds	
Schedule for Reconciliation of Revenues and Expenses (Budgetary Basis) to GAAP Basis Statement of Income	139
Internal Service Funds	
Combining Balance Sheet	142
Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficits)	144

CITY OF COLLEGE STATION, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

Table of Contents (Continued)

Combining Statement of Cash Flows	146
Communication Services Fund	
Schedule of Revenues and Expenses - Budget and Actual (Budgetary Basis)	148
Employee Benefits Fund	
Schedule of Revenues and Expenses - Budget and Actual (Budgetary Basis)	149
Equipment Replacement Fund	
Schedule of Revenues and Expenses - Budget and Actual (Budgetary Basis)	150
Fleet Maintenance Fund	
Schedule of Revenues and Expenses - Budget and Actual (Budgetary Basis)	151
Print/Mail Services Fund	
Schedule of Revenues and Expenses - Budget and Actual (Budgetary Basis)	152
Property and Casualty Fund	
Schedule of Revenues and Expenses - Budget and Actual (Budgetary Basis)	153
Unemployment Fund	
Schedule of Revenues and Expenses - Budget and Actual (Budgetary Basis)	154
Utility Billing Fund	
Schedule of Revenues and Expenses - Budget and Actual (Budgetary Basis)	155
Workers' Compensation Fund	
Schedule of Revenues and Expenses - Budget and Actual (Budgetary Basis)	156
Internal Service Funds	
Schedule for Reconciliation of Revenues and Expenses (Budgetary Basis) to GAAP Basis Statement of Income	158
Trust Funds	
Cemetery Perpetual Care Fund Balance Sheet	162
Cemetery Perpetual Care Fund Statement of Revenues, Expenses and Changes in Fund Balances	163
Cemetery Perpetual Care Fund Statement of Cash Flows	164
General Fixed Assets Account Group	
Schedule of General Fixed Assets by Source	167
Schedule of General Fixed Assets by Source, Function and Activity	168

CITY OF COLLEGE STATION, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

Table of Contents (Continued)

Schedule of Changes in General Fixed Assets by Function and Activity	170
STATISTICAL SECTION	
General Governmental Revenues and Other Financing Sources	172
General Governmental Expenditures and Other Uses by Function	174
Property Tax Levies and Collections	176
Assessed Value of Taxable Properties	179
Property Tax Rates, Ratios and Levies - All Direct and Overlapping Governments	180
Paving Assessment Collections	182
Computation of Legal Debt Margin	183
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	184
Schedule of Direct and Estimated Overlapping Debt	186
Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total General Governmental Expenditures and Other Uses	187
Utility Funds - Schedule of Revenue Bond Coverage	188
Construction Permits	189
Principal Taxpayers	190
Principal Utility Customers	191
Summary of Insurance Coverage	192
Miscellaneous Statistical and Demographic Data	193

INTRODUCTORY SECTION

January 17, 2003

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

The Comprehensive Annual Financial Report of the City of College Station, Texas ("City"), for the fiscal year ended September 30, 2002, is submitted herewith as mandated by the City's Charter and state statutes. The charter and statutes require that the City annually issue a report on its financial position and activity and that this report be audited by qualified public accountants. The City employs Ingram, Wallis & Company to audit the financial section of this report. The City's Accounting Division of the Fiscal Services Department prepares this financial report. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Both City Staff and the auditors believe that the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position of the City's various funds and account groups; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs are included.

The Comprehensive Annual Financial Report is presented in three major sections: introductory, financial, and statistical. The introductory section, which is unaudited, includes this transmittal letter, the City's organizational chart and a list of principal elected and appointed officials of the City. The financial section includes the general purpose financial statements, the combining and individual fund and account group financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis to allow for trend analysis of the finances of the City.

The City is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act of 1986, as amended, and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including the supplementary schedule of expenditures of federal and state awards, findings and recommendations, and auditors' reports on the system of internal control and compliance with applicable laws and regulations, are reported separately.

This report includes all funds and account groups of the City. The City provides a full range of municipal services. These services include police and fire protection; the construction and maintenance of streets, storm drainage, and other infrastructure; municipal utilities in the areas of electricity, water, sewer, and sanitation; and recreational and cultural activities.

The College Station Independent School District is administered by a separately elected board and operates with its own funding sources; therefore, it is not included in this report.

THE CITY OF COLLEGE STATION

The City of College Station is in East Central Texas, approximately 140 miles north of the Gulf of Mexico, conveniently located in Brazos County 90 miles northwest of Houston, 165 miles south of Dallas, and 100 miles east of Austin. The City currently has a land area of 40.8 square miles and a 2001 estimated population of 70,075. The City has the power, by state statute, to extend its corporate limits by annexation, which it has done periodically.

The City of College Station is governed under a home rule charter, has a Council-Manager form of government, and is organized under the Constitution and Laws of the State of Texas. The City is a home-rule city and was incorporated in 1938. The City Council is comprised of six members and a Mayor. All are elected at-large. The Council appoints the City Manager, the City Attorney, the City Secretary, and the Municipal Court Judge. Almost all other staff members work under the direction of the City Manager.

Of major importance to the City of College Station is Texas A&M University, located on a 5,200 acre campus within the corporate limits of the City. Texas A&M University has a significant economic impact on the City, contributing an estimated \$812.6 million annually to the local economy. Texas A&M University has consistently ranked in the top ten nationally among public institutions of higher education in both enrollment and research grants. Research dollars totaled approximately \$407 million for 2002. The University has approximately 20,760 permanent and part-time employees with a payroll of \$458 million and has a physical plant valued in excess of \$1.5 billion. Student enrollment at Texas A&M University was 45,143 for the fall of 2002.

In addition to the University, local employment is provided by more than 85 manufacturing industries, located in or adjacent to the City, which produce such products as aluminum windows, furniture, chemicals, dairy products, feeds and fertilizers, modular homes, bronze castings, and geophysical survey sensors. A research park is located within the University's campus. Major tenants include Hewlett Packard, Schlumberger, the Offshore Technology Research Center, and the Food Safety Inspection School National Training Center. Additionally, Lynntech is expanding in the Research Park. Automated Management Systems provides a major automated accounting service for independent property and casualty insurance agents. The City has also developed the College Station Business Center, a 200-acre business park. Tenants within the park include Universal Computer Systems (UCS), which will eventually employ approximately 1,200 people; Cabletime; SourceNet, a graphics advertising business, which will employ 350 people; Prodigene, a biotechnology research business; Heat Transfer Research, Inc., a software research and distribution business; and Stata Corporation, a software development business. Businesses either under construction or in place account for approximately 500,000 square feet of buildings and employ approximately 1,000 people. The 1,000,000 square feet of space in Post Oak Mall anchors retail business in the City. Major tenants of the mall shopping center are Sears-Roebuck, Dillard's, Foley's, Bealls, and J.C. Penney. Currently, a 105,000 square foot Home Depot store is under construction.

Brazos County and the City of College Station are a major medical center for the Brazos Valley area. Scott and White opened its first medical clinic in College Station in 1986 and completed a major expansion in 1994 that increased the size of that clinic by some 70,000 square feet to 125,000 square feet. College Station Medical Center operates a 100 bed full service hospital, with a major trauma center added in 1998. Two multi-story professional buildings are included in the medical complex.

The taxable property values in the City increased more than 100 percent from 1993 to 2002 from \$1.2 billion to \$2.45 billion. Total taxable ad valorem valuations in 2002 increased by approximately \$177 million, or 7.8% over 2001. Additions to the local economy included residential and commercial development. The local job market continues to be strong with Brazos County having a net increase of approximately 356 jobs in 2002 over 2001 to approximately 79,756 total jobs. The Bryan-College Station area has led the state and the nation with one of the lowest unemployment levels for the past seven years. For the quarter ending December 2002, the unemployment rate was 2.1 percent versus the Texas unemployment rate of 6.1 percent and the national unemployment of 6.0 percent.

College Station is the site of the George Bush Presidential Library, Museum and School of Government and Public Service. The Library and associated facilities are located on the campus of Texas A&M University. Texas A&M provides additional programs and facilities such as research and instructional programs related to the library and museum, a conference center, communications center, educational museum/library center, and family-oriented facilities such as a park surrounding the presidential library and museum.

During 2002, the presidential library and related facilities attracted more than 150,000 visitors to the community. As a result, the room occupancy rate for local hotels and motels for 2002 was in excess of 70 percent. The increase in tourism has spurred the construction of several new hotels. In addition, the City is currently under contract for a public/private venture to construct a 300-room full service hotel to be associated with a City owned 45,000 square foot conference center and a 270,000 square foot office complex. This project is planned for completion by early 2005.

MAJOR INITIATIVES

For The Year The City Council developed and approved a revised mission statement and a strategic plan that serve as general guidelines and provide current and long-term goals for the City. Major initiatives during the last fiscal year included infrastructure improvements in the Northgate area, implementation of the Wolf Pen Creek corridor plan, and the recruiting of businesses into the College Station Business Center.

The City continues to devote significant attention to its municipal infrastructure. In November 1998, the citizens approved \$24.2 million of general obligation bonds, approximately \$6.4 million of which was issued in 2002, with a total issued to date of approximately \$18.6 million leaving approximately \$5.6 million of authorized bonds from the 1998 authorization. It is anticipated that an additional \$4.8 million is planned for issuance in 2003. The voters approved \$8.5 million in bonds for street improvements, \$3.0 million for traffic signal and traffic management improvements, \$2.5 million for fire station improvements, \$1.8 million for acquisition of land for future public uses and cemetery, \$4.9 million for parks improvements, and \$3.6 million for acquisition of greenbelt/drainage land.

A major park project completed during FY 2002 was the first phase of Veterans Park, a 150-acre regional park located between University Drive and Harvey Road east of Earl Rudder Freeway. The project includes soccer fields; softball fields and a memorial that was built through privately raised contributions. The major park project scheduled for FY 2003 is to begin development of the 515.5-acre Lick Creek Park.

Both the Texas Department of Transportation (TXDOT) and the City maintain the City's roadway system. The majority of the thoroughfares in the City are State owned and maintained. Those include: University Drive (State Highway 60), Wellborn Road, Texas Avenue (State Highway 6), Harvey Road (State Highway 30), George Bush Drive, Harvey Mitchell Parkway (FM 2818) and Highway 47. During FY 2002 the City completed an extension of George Bush East from just

south of Harvey Road to Holleman Drive, an extension of Dartmouth from Southwest Parkway to Krenek Tap Road, rebuilt Cherry Street in the Northgate area, and converted a portion of Second Street into a pedestrian Promenade in Northgate. The City is also purchasing right of way for an expansion of George Bush Drive east from its intersection with Texas Avenue to Dominik. This project will begin construction by the middle of FY 2003. Another street project planned for FY 2003 is an extension of Longmire between Graham Road and Birmingham. Several reconstruction projects are nearing construction: 1st and Maple Streets in Northgate, Tarrow from University to Lincoln, and Dominik Street. A joint project for the City, Texas A&M and TxDOT will provide sidewalks that will completely surround the Texas A&M campus.

The Drainage Utility District was established by the City Council in October 1996 to provide resources to improve the City's vast drainage system. Using funds generated by the drainage utility fee and bonds authorized by the voters for the acquisition of greenways, the City is expected to begin or complete approximately \$5.1 million in improvements and land acquisitions during fiscal year 2003. "*Floodsafe*," the designation given to these projects, is intended to reduce the potential for property damage due to flooding.

The City has a multi-year series of projects to replace wastewater collection lines in the Eastgate and Northgate areas. In addition, a project to install a major wastewater interceptor in the northeast portion of the city to support additional development North of University Drive is planned. The City completed a 2.0 million-gallon per day (MGD) plant for Lick Creek Wastewater Treatment facility and removed the original one-half MGD plant. Additionally, the utility will begin work to move lines out of the right-of-way along the planned widening of Texas Avenue south of Dominik to Harvey Mitchell Parkway. The City plans to complete approximately \$4.1 million in projects during FY 2003 without issuing any additional debt.

The major capital initiatives for the water utility include an additional well and a phased parallel water transmission line. The City has hired a firm to design a parallel water transmission line from the well field to the Dowling Road storage area. The new line will add capacity and increase the reliability of the water transmission system. The utility plans to spend approximately \$9.3 million and will use funds from existing bonds or accumulated cash. There is no plan to issue any debt for water capital projects in FY 2003.

Electric projects include system distribution additions and underground conversion projects in conjunction with major thoroughfare construction and reconstruction. The City's electric utility continues to enhance street lighting on thoroughfares within the City and to enhance the appearance of the community by placing more lines underground or moving the lines to less visible locations.

During 2002, the City sent out requests for proposals for purchased power. In September 2002, the City entered into an agreement with American Electric Power Company. The contract is for five years and sets the price of fuel during the course of the contract. The contract goes into effect as of February 2, 2003. The City's cost is effectively fixed for the next five years, which puts the utility in a strong position relative to other utilities in the state.

The City of College Station is pleased with its citizens' response to the waste reduction and recycling programs. The efforts initiated by the City, combined with continued citizen participation have made constant improvements to sanitation service. In fiscal year 2002, 3,977 tons of waste were recycled; an 11.7% increase from the previous year. Despite a decrease of 875 gallons, the City's oil recycling center collected 5,125 gallons of oil during 2002. In addition, citizens recycled a total of 1,510 Christmas trees in 2002. Statistics indicate that through the recycling program College Station residents diverted 26.7% of their waste from the landfill. The growth of College

Station brings with it an increase in the amount of waste produced in both residential and commercial areas. In 2002 alone, 47,113 tons of waste was collected, a 4.2% rise over the past fiscal year. Overall community cooperation in the recycling program and waste reduction efforts is vital to helping the City manage this increase.

For The Future The City continues to experience and project increasing revenues for fiscal year 2003 and beyond, with projected growth in sales tax revenue, franchise fees, utility revenues, and continued growth in taxable property values. Based on overall economic trends, the city's forecast of revenue growth from year to year has been reduced somewhat. As one instrument to meet the high service levels currently offered to the citizens, Departments are encouraged to continue to find ways to improve productivity. The economic slowdown both nationally and within the state does not seem to have affected College Station as yet.

The City Council has set aside existing cash from the General Fund unreserved fund balance for the following purposes: \$500,000 for the City's portion of the Texas Avenue Phase II streetscape, and \$350,000 for the City's portion of George Bush Drive medians. These funds along with the planned use of utility revenues and unreserved cash help reduce the need for debt issues for capital projects. The Council authorized the use of utility cash reserves for the acquisition of land for additional business park space and the construction of additional office space to be located near the Office of Information and Technology offices on Krenek Tap Road. The new office building and municipal court will be open for business in July of 2003.

The Cities of College Station and Bryan jointly formed the Brazos Valley Solid Waste Management Agency ("BWSWMA") in 1990 in order to achieve economies of scale in the joint operation, management and planning of a regional landfill facility. BWSWMA has located and plans to acquire a new landfill site. As a result, BWSWMA is in the process of procuring studies and design work and applying for necessary permits for the site. It is anticipated that the new site will meet the waste needs of the area for up to 50 years. The Agency intends to acquire and permit the site prior to using up the available space at its current Rock Prairie Road Landfill ("RPRL") site. The RPRL is projected to have a capacity sufficient to last until 2006. Staff is working on plans to expand the existing site onto neighboring property, which is already owned by the two cities and is currently used for excavation to provide cover for the existing landfill area. The plan is to extend the life of the existing site to ensure adequate capacity is provided until a new site is permitted.

Phase I and II of the Bike Loop project, a multi-agency project between the City and the Texas Department of Transportation, are complete while Phase III is in the engineering design stages. This project is a part of the City's Bikeway Master Plan, which is intended to bring a more bike-friendly environment to the community.

Activities are well underway in Northgate with the facade improvement program, where businesses have received financial assistance to bring their buildings up to standards set by the Northgate Revitalization Committee. Northgate revitalization also includes the completed pedestrian promenade and parking lot in the Patricia Street area. A Second Street Promenade was constructed during 2002 to add to the pedestrian friendly environment the City has as a vision for that area. The Cherry Street reconstruction was also completed during 2002 while First and Maple Streets are scheduled for reconstruction during 2003. The revitalization of the Southside and the Northgate areas is a high priority for the City of College Station.

Economic development in College Station takes several forms. Tourism is expected to continue to play an important role in College Station's economy. Several new hotels opened during 2002 providing for additional hotel rooms and increased hotel/motel tax revenues. The City has agreements and is in design for a public/private hotel/conference center. The City created a tax increment revitalization zone to cover the area of the hotel, conference center, an office building to be used as Adam Corporation's home office and adjoining land anticipated to develop as a commercial industrial district. It is hoped that the new convention center will be open by early 2005.

FINANCIAL INFORMATION

The City is responsible for establishing and maintaining a system of internal controls. The controls are designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The system of internal controls is designed to provide reasonable, but not absolute, assurance that these objectives are met. 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 valuation of costs and benefits requires estimates and judgments by management.

Single Audit The City receives federal financial assistance and is responsible for ensuring that an adequate system of internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This system of internal control is subject to periodic evaluation by management.

Tests are made to determine the adequacy of the system of internal control, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended September 30, 2002, provided no significant violations of applicable laws or regulations relating to federal financial assistance programs of the City.

Budgetary Controls The City maintains a system of budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget appropriations ordinance approved by the City Council. Activities of the General Fund, Debt Service Fund, Special Revenue Funds, Capital Projects Funds, Utility Enterprise Funds, and the Internal Service Funds are included in the budget appropriations ordinance.

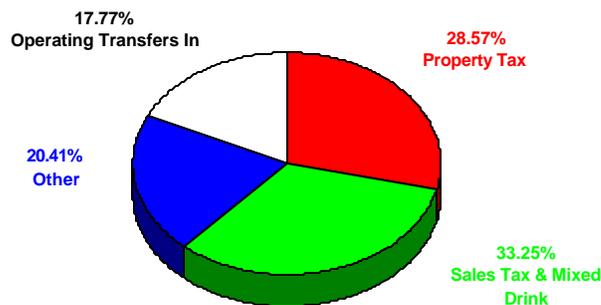
The level of budgetary control, that is the level at which expenditures cannot legally exceed appropriations, is established at department level within the General Fund and at the fund level for all other funds. The City's Office of Budget and Strategic Planning monitors expenditure activity on a monthly basis against budgeted amounts and reports significant variances to the City Manager. The City continues to meet its responsibility for sound financial management.

General Fund and Debt Service Fund Revenues and other Financing Sources The following schedule presents a summary of General Fund and Debt Service Fund revenues and other various financing sources for the fiscal year ended September 30, 2002. Comparisons to the previous fiscal year have been included.

Revenue Source	Fiscal Year Ended 9/30/02	Percent of Total	Fiscal Year Ended 9/30/01	Increase (Decrease)
General Fund Property Tax	\$ 4,555,346	11.11 %	\$ 3,813,167	\$ 742,179
Sales and Mixed Drink Tax	13,634,978	33.25	13,031,079	603,899
Franchise Fees	1,714,241	4.18	1,644,627	69,614
Licenses and Permits	870,636	2.12	779,159	91,477
Fines, Forfeits and Penalties	2,225,354	5.43	1,796,203	429,151
Charges for Services	2,067,813	5.04	1,892,964	174,849
Operating Transfers In	7,288,572	17.77	6,895,193	393,379
Miscellaneous Revenues	1,462,443	3.57	1,750,703	(288,260)
Other Financing Sources	30,106	0.07	24,329	5,777
Debt Service Property Tax	7,160,962	17.46	5,986,114	1,174,848
Total Revenues and Other Financing Sources	<u>\$ 41,010,451</u>	<u>100.00%</u>	<u>\$ 37,613,538</u>	<u>\$3,396,913</u>

Almost all revenues were up in fiscal year 2002 over fiscal year 2001, increasing by more than \$3.39 million or 9.0%. The most significant absolute change in revenue sources from 2001 to 2002 was Debt Service Property Tax, which increased by approximately \$1.2 million or 19.6%. The increase was due primarily to anticipated debt service increases resulting from issuing almost \$9 million in certificates for four transportation projects: Dartmouth extension, Greens Prairie Road widening, design for Highway 60 east widening, and Barron Road grade separation at Highway 6. Ad valorem taxes to the General Fund increased by \$742,179, a year to year change of 19.5%. The increase was due to both increases in value and a tax rate increase to fund additional costs for health care insurance, additional staffing for a new fire station and additional operating costs for Veterans Park. The next largest increase in revenues occurred in Sales and Mixed Drink Taxes that increased by \$603,899 or 4.6%. Fines, Forfeits and Penalties increased by \$429,151 or 23.9% due to increased enforcement activity by police, increased fines and improved collections in Municipal Court. Operating Transfers In increased by \$393,379 or 5.7%. These transfers relate to the revenues of the various Enterprise Funds of the City and tend to grow as those revenues grow. Charges for Services increased on a year to year basis by \$174,849 or 9.2 % due to continued strong building activity and increased building and planning related fees. Miscellaneous revenues were down primarily due to drops in investment income related to the overall economic slowdown and reductions in interest rates earned by the City.

**REVENUES BY SOURCE
GENERAL AND DEBT SERVICE FUNDS
FISCAL YEAR 2002
\$ 41,010,451**



Property taxes received during fiscal year 2002 were based on a tax levy of 47.77 cents per \$100 of assessed valuation. Under Texas statutes, assessed valuation represents 100 percent of market value. The total assessed valuation of taxable properties was \$2,450,180,223, which represents a 7.8 percent increase from fiscal year 2001. Ad valorem taxes also increased as a result of an increase in the tax rate of \$0.0484 or 11.3 %. The increase in property value resulted from the completion of several major retail stores along with strong building activity in the single family and multifamily residential sector. Distribution of property tax rates for the last five years is as follows:

<u>Purpose</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
General Fund	\$ 0.1846	\$ 0.1662	\$ 0.1631	\$ 0.1618	\$ 0.1516
Debt Service Fund	0.2931	0.2631	0.2662	0.2675	0.2777
Total Ad Valorem Tax Rate	<u>\$ 0.4777</u>	<u>\$ 0.4293</u>	<u>\$ 0.4293</u>	<u>\$ 0.4293</u>	<u>\$ 0.4293</u>

General Fund and Debt Service Fund Expenditures and Other Financing Uses The following schedule presents a summary of General Fund and Debt Service Fund expenditures for the fiscal year ended September 30, 2002. Comparisons to the previous fiscal year are included.

<u>Function</u>	<u>Fiscal Year Ended 9/30/02</u>	<u>Percent of Total</u>	<u>Fiscal Year Ended 9/30/01</u>	<u>Increase (Decrease)</u>
Current:				
General Government	\$ 9,731,964	23.43 %	\$ 8,783,263	\$ 948,701
Police	8,914,893	21.46	8,273,632	641,261
Fire	6,405,874	15.42	5,702,804	703,070
Public Works	5,211,720	12.55	4,583,796	627,924
Parks and Recreation	6,045,622	14.55	5,185,737	859,885
Library Services	734,083	1.77	581,768	152,315
Less: Reimbursed				
Administrative Costs	(5,823,852)	(14.02)	(5,287,928)	(535,924)
Other	305,049	0.73	606,757	(301,708)
Debt Service:				
Principal	5,950,000	14.32	4,475,000	1,475,000
Interest and Fiscal Charges	3,425,390	8.25	3,213,770	211,620
Debt Issuance Costs	0	0.00	38	(38)
Other	8,752	0.02	11,426	(2,674)
Capital Outlay	150,000	0.36	376,328	(226,328)
Operating Transfers Out	480,807	1.16	767,000	(286,193)
Total Expenditures and Other Financing Uses	<u>\$ 41,540,302</u>	<u>100.00 %</u>	<u>\$ 37,273,391</u>	<u>\$ 4,266,911</u>

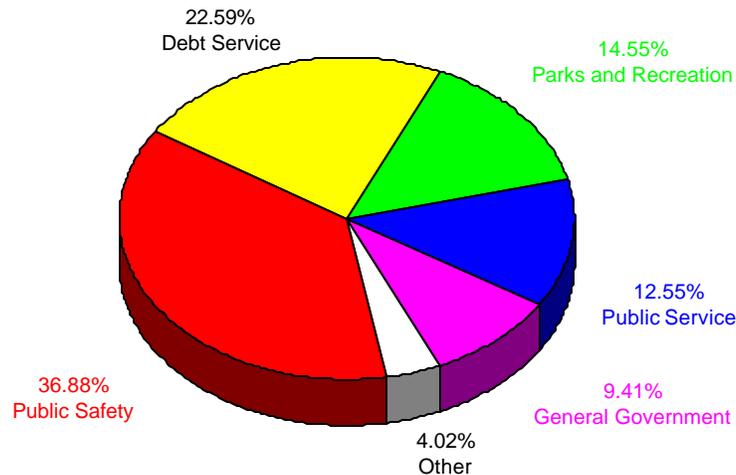
Year to year expenditure changes for the General and Debt Services Funds can be attributed to a number of general factors and a few specific decisions. The general factors include salary and benefit changes and increases related to policies that set aside funds for future replacements. These changes affect all departments. The City's decision to substantially increase its funding for health insurance and to continue pay adjustments for employees accounted for more than \$400,000 in increased costs to the General Fund. The Council gave the direction to focus on staff salaries to bring salaries in line with similar employees in similar cities. The salary increases are the single most significant change affecting expenditures over the past several years.

New positions in Police (1), Fire (4), Development Services (4), and Parks (4) contributed to the year to year changes in expenditures. Additional authorization for street and drainage maintenance also

contributed to the total increase. Debt Service increases resulted from issuing additional debt based on voter approved bonds and other debt issued for capital projects.

The net change in Reimbursed Administrative Costs was associated with services provided to other operations of the City and relates to normal increases in costs. General and Administrative costs are reviewed annually, and costs are distributed to each of the operating funds based on that review. The item listed as "Other" is related to the non-departmental expenditures of the City and is used for funding of non-City activities and certain one-time projects not related to a particular department. The decrease in expenditures from fiscal year 2001 to fiscal year 2002 is due to fewer funds being allocated for one-time projects that are funded from the General Fund one-time funds.

**EXPENDITURES BY FUNCTION
GENERAL AND DEBT SERVICE FUNDS
FISCAL YEAR 2002
\$ 41,540,302**



General Fund Balance The unreserved and undesignated fund balance of the General Fund increased by \$349,985 in 2002, a 4.0% increase from fiscal year 2001. The City Council policy on reserve levels requires that the undesignated fund balance be at least equal to 15 percent of expenditures. The undesignated fund balance of \$9,122,197 is approximately 28.8 % of fiscal year 2002 expenditures and exceeds the minimum requirement set by the Council policy.

Utility Enterprise Funds The City of College Station operates electric, water, sewer and solid waste services for the benefit of its citizens. The City purchases 100 percent of its electric power requirement from Texas Utilities. The City is served through two 138 kVA transmission lines tied to a ring bus at the City switching station, four substations, and 290 miles of distribution lines. The electric utility ended the fiscal year with working capital of \$14,265,880 a decrease of \$517,983 or 3.5 % from fiscal year 2001. Much of the decrease was due in large part to the City's decision to use current resources to provide for capital requirements for the electric system and certain other capital acquisitions. This strategy will help to maintain a low debt to equity ratio, maintain relatively low annual debt service payments, and to be more flexible as it faces the challenges of deregulation within the electric utility industry. The City's policy with regard to its enterprise funds is to maintain at least 15 percent of annual operating expenses in working capital. At September 30, 2002, Electric Fund working capital equalled approximately 35.6%.

Since 1981, the City has had the capability to produce and deliver 100 percent of its water needs through its own water well and transmission system. The water production and transmission system includes five wells with a combined capacity of 19 million gallons per day (MGD), and a delivery system of 14 miles of 30-inch diameter pipeline with two pumping stations. A sixth well will add an additional 5 MGD to capacity. Working capital in the Water Fund at the end of fiscal year 2002 was \$11,117,811, an increase of approximately 16.1% from fiscal year 2001. Water Fund working capital was 190.7% of total operating expense and exceeds the minimum requirement under the Council's adopted policy. In fiscal year 2002, the City issued approximately \$7.4 million in bonds for capital projects. There are no additional bonds anticipated for 2003.

The Carter Creek Treatment Plant has a rated treatment capacity of 9.5 million gallons per day (MGD). The Lick Creek Treatment Plant, the newer of the two plants, came on-line during 2002 and has a 2.0 MGD treatment capacity. The two plants have a combined treatment capacity of 11.5 MGD as compared to average current daily demand of 6 MGD. The Sewer Fund ended the fiscal year with a working capital balance of \$3,757,038, which was 23.9% above fiscal year 2001. Wastewater Fund working capital was 71.3 percent of total operating expenses and is well above the minimum requirement for the fund.

Sanitation services are provided to the citizens through a combination of residential curbside pick-ups and commercial container services. For fiscal year 2002, the Sanitation Fund ended the fiscal year with a working capital balance of \$1,305,126, a decrease of 21.6% from fiscal year 2001. This decrease resulted from a combination of increased spending due to an additional commercial route, a one-time purchase of equipment, and lower than expected revenues.

Summary financial information of the combined utility enterprise operations for the fiscal year ended September 30, 2002 with comparison to the previous fiscal year, is as follows:

	Fiscal Year <u>Ended 9/30/02</u>	Fiscal Year <u>Ended 9/30/01</u>
Operating Revenues:		
Charges for Services:		
Electric	\$ 44,238,340	\$ 42,290,635
Water	8,144,195	8,072,508
Sewer	7,880,400	7,045,955
Sanitation	4,280,436	4,035,385
Other	1,904,236	1,775,758
Operating Expenses:		
Electric Operations	37,679,409	37,299,928
Salaries and Benefits	4,249,839	3,734,612
Supplies, Maintenance and Services	6,038,164	5,674,097
Reimbursed Administrative	2,587,846	2,604,178
Depreciation	4,915,869	3,676,882
Other	98,073	310,465
Non-operating Revenues (Expenses):		
Investment Income	1,896,883	2,886,561
Interest Expense	(3,989,558)	(2,402,956)
Other, Net	3,998,099	1,374,888
Operating Transfers Out	<u>(6,534,900)</u>	<u>(14,057,673)</u>
Net Income (Loss)	<u>\$ 6,248,931</u>	<u>\$ (2,279,101)</u>

Electric, Water, Wastewater and Sanitation Enterprise Fund revenues increased in fiscal year 2002 from the previous fiscal year. Commercial sanitation rates were increased, as were wastewater rates

for most classes of customers. Other revenue increases were due to additional customers and related increased usage. Electric revenues were up due to increased costs of purchased power, which is passed directly to customers. The reduction in water revenues was due to milder temperatures and more rain than in the previous couple of years. The increase in Other Non-operating Revenues is primarily due to the application of GASB 33 which requires that developer contributions be recorded as revenues.

Expenses were up approximately 4.3% in fiscal year 2002 over fiscal year 2001. The largest increase occurred in depreciation expense as a result of large capital projects that were completed during fiscal year 2002 and recognition of the depreciation of those new assets. Operating transfers for the enterprise funds were down by approximately \$7.5 million due to some one-time transfers made during fiscal year 2001. The change in net income is approximately \$5.3 million going from a net loss to net income.

Northgate Parking Fund The Northgate Parking Fund was created to account for the activities of a parking garage completed in August 2001, a parking lot completed in 1997, on-street parking meters, and parking enforcement activities in Northgate. Revenues for the fund were \$452,061 with total operating expense of \$598,220. The largest single item in expense is depreciation, which did not use current assets. Working capital for the fund ended at approximately \$833,322, which is 139.3% of operating expense. This is the first year of operations for the garage and the system as a whole. It is anticipated that the operating revenues will increase with increased acceptance of a user paid parking system in the area, which will result in greater utilization of the facilities.

Communication Services Fund The Communication Services Fund was established to provide a means of charging the various departments for the support received to provide radio, telephone, and pager services through the various means available to the City. Charges are based on the number and types of services a department requires. The fund ended fiscal year 2002 with a net loss of \$112,416. More than 90% of the loss was due to depreciation which does not require cash. Working capital at fiscal year end was a negative \$68,783. The deficit will be made up in future years as rates are adjusted to provide the necessary cash to bring the fund into balance. Typically internal service funds do not require large working capital balances since funding is a part of the ongoing expenses of the various operating funds.

Employee Benefits Fund The City of College Station has a partially self-insured employee benefits plan providing medical and dental insurance to employees and their families. The City purchased a fully insured health insurance plan for its employees and their dependents during fiscal year 2002. The plan is funded through monthly premiums charged per employee to the various operating departments. Employees who choose to include family members are charged an additional fee to pay most of the additional cost to the City. During fiscal year 2002, the plan had a net income of \$621,375. Working capital is approximately \$759,285 or 24.4% of operating expense for fiscal year 2002. The City has changed its insurer again for 2003; however, it has remained in a fully insured plan.

Equipment Replacement Fund The Fleet Replacement Fund was established October 1, 1991. In fiscal year 1994, the name of the fund was changed to the Equipment Replacement Fund. The revenues of the fund are derived from charges to the departments for the various pieces of equipment used, the telephone system, and the 800 MHz radio system. The fund is used to purchase and replace many types of equipment where charges have been identified for the various departments. Net income of the fund was \$969,888 for fiscal year 2002 versus \$1,016,973 for fiscal year 2001. Staff reviews the individual charges and funding requirements to determine where and what changes may need to be made to keep the fund capable of replacing equipment when needed.

Fleet Maintenance Fund The Fleet Maintenance Fund was established October 1, 1996. The fund is designed to account for the expenses related to maintenance of the various pieces of mobile equipment owned by the City. The revenues of the fund are derived from charges to the departments based on the costs for maintaining various types of equipment due to usage. Expenses are derived primarily from personnel costs and the cost of purchasing supplies for repairs or maintenance to the various pieces of equipment. The fund showed an additional net loss of \$29,533 for fiscal year 2002. Working capital in the Fleet Maintenance fund was \$2,133, which is sufficient for this type of fund.

Print/Mail Fund The Print/Mail Fund was established October 1, 1998. The revenues of the fund are derived from charges to the departments for the various printing services and a prorated portion of mail handling and delivery services. The fund showed a net loss of \$4,363 in fiscal year 2002 as compared to a net income of \$14,313 in fiscal year 2001. Working capital for the fund at year-end was \$39,074, which is sufficient for this fund.

Property and Casualty Fund The Property and Casualty Fund is funded through property/casualty insurance premiums charged to the various departments and divisions for a self-insured program of the City. Premiums are adjusted annually to meet the expenses of the fund and are based on review of the impact the various City departments have on claims and insurance costs. The fund had a net decrease in retained earnings of \$70,009 in fiscal year 2002 as compared to a net increase of \$133,443 in fiscal year 2001. Working capital in the fund is \$512,289. The recent changes in the program indicate that the working capital balance should be increased to approximately \$900,000 for this fund.

Unemployment Fund The City's Unemployment Fund is a fully self-insured fund used to account for expenses related to claims from persons who become unemployed. No contributions have been made to this fund for the last four fiscal years. The fund showed a net loss of \$4,527 for fiscal year 2002 versus a net loss of \$26,510 for fiscal year 2001. The retained earnings of this fund, \$112,631, have been intentionally reduced to a level that more nearly reflects the actuarial needs of the fund.

Utility Billing Fund Utility Billing is responsible for meter reading, billing, and collections for more than 33,000 electric accounts and also bills for water, sewer, sanitation, and drainage utility fees. In the 1989 fiscal year budget, the Utility Billing Fund was authorized as an Internal Service Fund and is financed with user charges from the various utilities operating funds. In fiscal year 2002, the fund experienced a net increase in retained earnings of \$48,678 following a net decrease in retained earnings of \$21,307 in fiscal year 2001. Remaining working capital, \$168,569, is sufficient to meet the needs of the fund.

Workers' Compensation Fund The City of College Station has a self-insured workers' compensation fund that is used to account for the costs of employee claims for injuries/illnesses resulting at or from the workplace. The revenues of the fund are derived from premium charges to the various departments based on actuarial analysis of risks. The fund had a net decrease of \$1,099 in retained earnings for fiscal year 2002 as compared to a net decrease of \$215,828 in fiscal year 2001. Working capital in the fund has been reduced due to transfers to the Employee Benefits Fund. It is anticipated that the working capital balance will need to be increased in the future to approximately \$800,000.

Debt Administration As of September 30, 2002, the City had a total of \$74,945,000 in General Obligation Bonds, Certificates of Obligation and other debt relating to Governmental Fund and Special Revenue Fund types. That debt equals approximately \$1,034 per capita. Debt service comes from revenues generated by the local property tax, hotel/motel tax, a tax increment district in the City and inter-fund transfers when appropriate. 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 versus the current total ad valorem rate of \$0.4777. The Utility Funds have \$78,235,000 in revenue bonds that are to be repaid from the revenues of the electric, water and sewer utilities.

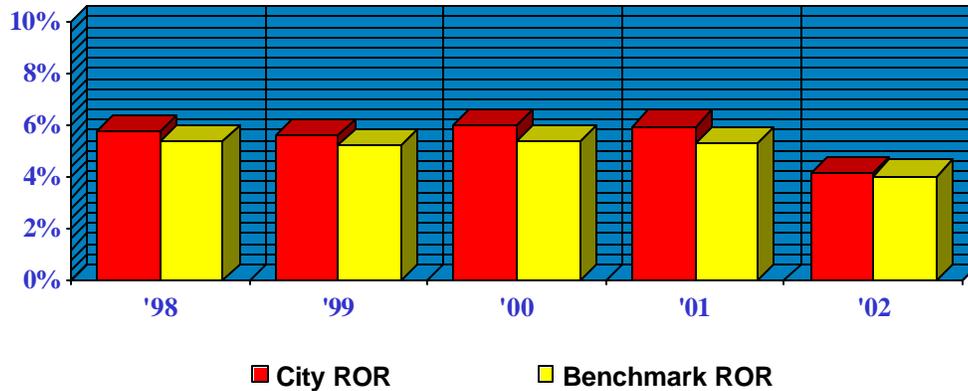
Cash Management All investment activity of the City is handled in accordance with Resolution 4-11-2002-11.04 adopted in April 2002, approving and authorizing the implementation of the City of College Station Investment Policy. The investment policy is established as required by state law and conforms to state investment statutes. It ensures the safety of all funds entrusted to the City, ensures the availability of those funds for the payment of all necessary obligations of the City, and provides for the investment of funds in securities that earn returns for the City. The policy includes the three guiding principles for investment of funds by the City: safety, liquidity and yield. Safety, that is the certainty that the City will get its investment back, is the most important of those principles.

The City separates the investment activities from traditional banking services. Regular banking services are handled under a three-year depository agreement effective October 1, 2000, with First American Bank. The City pays fees based on the activity level for the various services provided by its depository bank. The City currently invests funds in a range of investments allowable under state law. The City establishes accounts with major brokerages for the purchase and sale of U.S. Government and Agency obligations. All purchases and sales of securities are on a delivery-versus-payment basis through a safekeeping account at the City's third-party bank. As of September 30, 2002, the City's investment portfolio consisted of the following:

Bank Demand Accounts	\$	1,503,297
Money Market Account		9,090,204
Flex Repurchase Agreement		22,310,636
State Investment Pool		35,494,843
U.S. Treasury Securities		1,819,018
U.S. Government Agencies and Instrumentality Securities		<u>56,006,455</u>
Total	\$	<u><u>126,224,453</u></u>

The City earned \$5,439,992 on an average investment balance of approximately \$130 million, a rate of return of 4.17 percent, for the year ended September 30, 2002. Compared to prior years' earnings of \$6,481,436 and a market benchmark of 4.05 percent, the City's investment yield was:

RATES OF RETURN



Investment results on the portfolio are compared to U.S. Treasury note with a maturity that most closely matches the portfolio's dollar-weighted average maturity. Every Thursday a T-Bill matures and proceeds are reinvested alternately in three-month and six-month T-Bills. This rolling index provides a benchmark for evaluating risk-free cash management portfolios with short-term liquidity needs for payroll and accounts payable.

Risk Management The City's property/casualty and workers' compensation insurance programs are administered by the Risk Management Division in the Fiscal Services Department. The City's workers' compensation claims are reviewed and paid, when appropriate, by Hammerman and Gainer as the City's third party administrator. Claims are paid from a self-insurance reserve fund carried to provide for claims of \$250,000 or less with third party carriers providing excess insurance for claims in excess of that amount up to \$5,000,000/\$15,000,000. Safety programs are coordinated on an ongoing basis by the Risk Manager.

OTHER INFORMATION

Independent Audit State statutes require an annual audit by independent certified public accountants. The accounting firm of Ingram, Wallis & Company, P. C. has been retained by the City Council for this function. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act, as amended, of 1996 and related OMB Circular A-133. The independent auditors' report on the general purpose financial statements and combining, individual fund and account group statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are issued separately.

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of College Station for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended September 30, 2001. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Fiscal Services Department. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation. We would also like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. Finally, we would like to thank our auditors, Ingram, Wallis & Company, P. C., whose professional expertise and advice have resulted in continuing improvements in the quality of the City's financial reporting.

Respectfully submitted,

Thomas E. Brymer
City Manager

Charles Cryan
Director of Fiscal Services

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, 2001

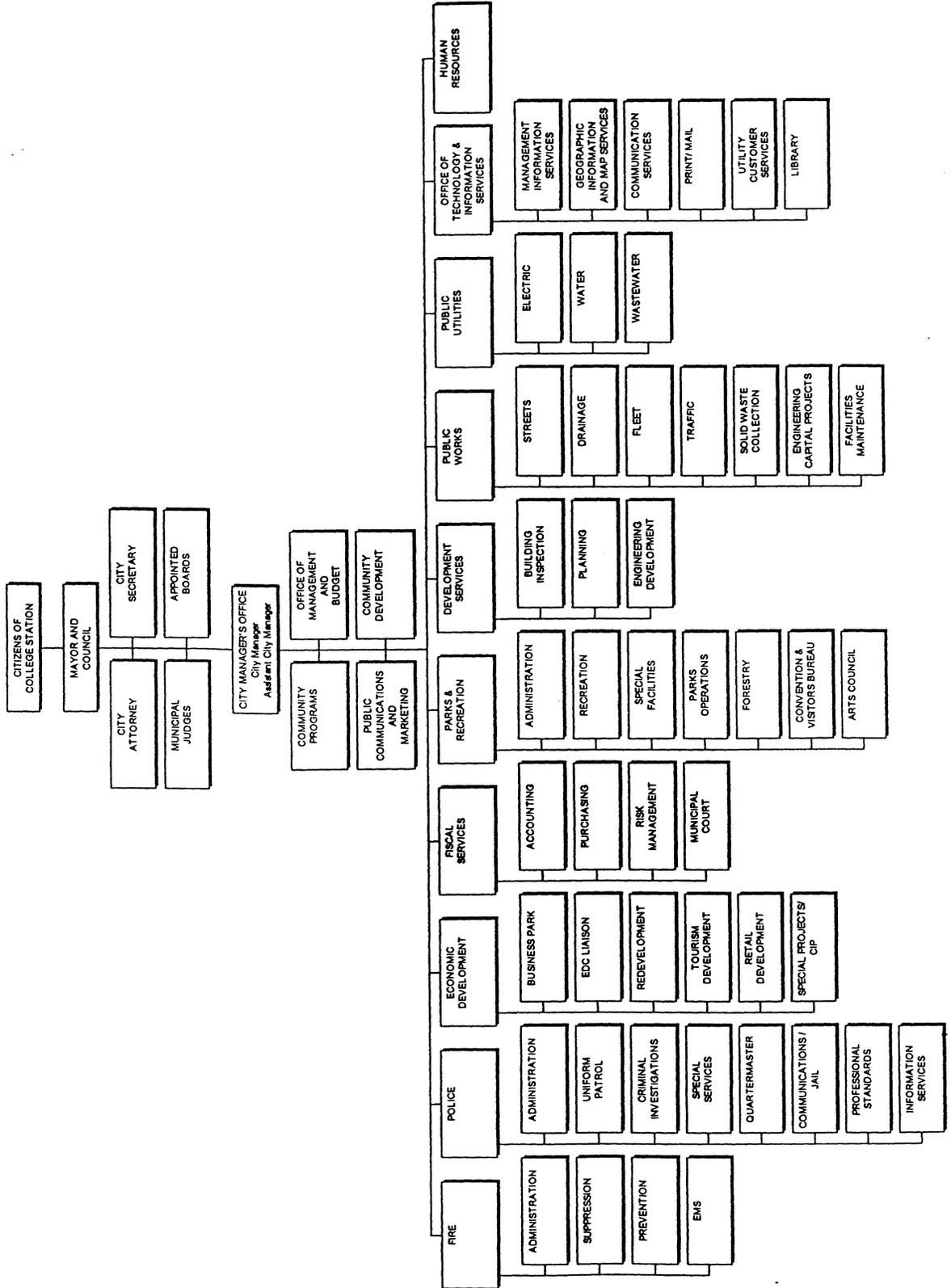
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



William Patrick Pate
President

Jeffrey L. Essler
Executive Director

City of College Station Organizational Chart



CITY OF COLLEGE STATION, TEXAS

PRINCIPAL CITY OFFICIALS
September 30, 2002

Elected Officials:

Mayor..... Ron Silvia
Council Member, Place 1 James Massey
Council Member, Place 2 John Happ
Council Member, Place 3 Winnie Garner
Council Member, Place 4 Scott Mears
Council Member, Place 5 Dennis Maloney
Council Member, Place 6 Anne Hazen

City Administration:

City Manager Thomas Brymer
Director of Public Utilities John Woody
Director of the Office of Technology and Information Services Olivia Burnside
Director of Fiscal Services Charles Cryan
Director of Economic Development Services Kim Foutz
Director of Development Services Kelly Templin
Fire Chief David Giordano
Director of Parks and Recreation Stephen Beachy
Director of Human Resources Julie O'Connell
Police Chief Edgar Feldman
Director of Public Works Mark Smith
City Attorney Marshall Cargill, Jr.
City Secretary Connie Hooks
Director of Budget and Strategic Planning Jeffrey Kersten
Public Relations and Marketing Manager Kelley Cole

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Mayor Ron Silvia,
Members of the City Council and City Manager of the
City of College Station, Texas

We have audited the accompanying general purpose financial statements of the City of College Station, Texas (the "City"), as of and for the year ended September 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City, as of September 30, 2002, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The statistical section, listed in the table of contents, was not audited by us and, accordingly, we express no opinion thereon.

A handwritten signature in cursive script that reads "Ingram, Wallis & Company".

Bryan, Texas
January 10, 2003

CITY OF COLLEGE STATION, TEXAS
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2002

(With comparative totals for the fiscal year ended September 30, 2001)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Cash and Cash Equivalents	\$ 5,772,290	\$ 8,504,056	\$ 1,287,038	\$ 20,761,465
Equity in Investment	4,876,881	7,186,084	1,087,571	17,543,820
Receivables				
Accrued Interest	61,348	79,649	13,874	207,320
Grants	47,201	184,321	0	37,743
Letter of Credit	25,000	0	0	0
Accounts	440,124	6,669	0	369,458
Escrow	0	0	0	0
Special Assessments	21,796	0	0	0
Taxes	1,313,154	0	204,055	0
Notes and Loans	0	85,393	0	0
Other	5,755	0	0	0
Less Allowance for Uncollectable Accounts	(25,721)	(860)	0	(10,340)
Due from Other Funds	0	0	0	0
Inventories	66,308	0	0	0
Prepaid Costs	0	0	0	0
Restricted Assets				
Equity in Cash and Cash Equivalents	240,748	0	0	0
Equity in Investments	203,436	0	0	0
Receivables				
Accrued Interest	0	0	0	0
Accounts	0	0	0	0
Advances to Other Funds	0	0	0	0
Equity in Joint Venture	0	0	0	0
Deferred Charges, Net	0	0	0	0
Property and Equipment, Net	0	0	0	0
Other Debits				
Amount Available for Retirement of Bonded Indebtedness	0	0	0	0
Amount to be Provided for Accrued Vacation Leave	0	0	0	0
Retirement of Bonded Indebtedness	0	0	0	0
Total Assets	\$ 13,048,320	\$ 16,045,312	\$ 2,592,538	\$ 38,909,466

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust	General Fixed Assets	General Long- Term Debt	2002	2001
\$ 14,904,342	\$ 4,715,260	\$ 398,446	\$ 0	\$ 0	\$ 56,342,897	\$ 43,430,100
12,622,330	3,984,481	336,694	0	0	47,637,861	45,780,767
142,620	43,153	3,771	0	0	551,735	997,969
0	0	0	0	0	269,265	394,905
0	0	0	0	0	25,000	25,000
9,457,850	161,626	3,191	0	0	10,438,918	9,362,384
200,469	0	0	0	0	200,469	197,989
0	0	0	0	0	21,796	21,796
0	0	0	0	0	1,517,209	1,667,948
12,522	0	0	0	0	97,915	107,047
1,117,669	11,240	0	0	0	1,134,664	1,163,988
(1,616,044)	(15,513)	(679)	0	0	(1,669,157)	(1,593,544)
0	69,504	0	0	0	69,504	97,680
1,299,184	108,516	3,226	0	0	1,477,234	2,061,874
0	68,211	0	0	0	68,211	41,346
11,815,335	0	0	0	0	12,056,083	11,622,593
9,984,176	0	0	0	0	10,187,612	12,886,353
129,752	0	0	0	0	129,752	232,002
422	0	0	0	0	422	0
200,000	0	0	0	0	200,000	200,000
6,289,525	0	0	0	0	6,289,525	5,447,202
762,602	0	0	0	0	762,602	705,759
160,790,112	9,511,334	0	140,353,195	0	310,654,641	273,486,912
0	0	0	0	2,355,213	2,355,213	3,563,589
0	0	0	0	1,433,495	1,433,495	1,288,346
0	0	0	0	72,589,788	72,589,788	56,406,411
<u>\$ 228,112,866</u>	<u>\$ 18,657,812</u>	<u>\$ 744,649</u>	<u>\$ 140,353,195</u>	<u>\$ 76,378,496</u>	<u>\$ 534,842,654</u>	<u>\$ 469,596,416</u>

(Continued)

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

CITY OF COLLEGE STATION, TEXAS
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2002

(With comparative totals for the fiscal year ended September 30, 2001)

(Continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Equity and Other Credits				
Liabilities				
Accounts Payable	\$ 786,260	\$ 97,429	\$ 0	\$ 816,416
Due to Other Funds	0	0	0	0
Accrued Interest Payable	0	0	0	0
Retainage Payable	157	25,342	0	361,977
Advance from Other Funds	0	200,000	0	0
Refundable Deposits	5,763	19,044	0	0
Claims Payable	0	0	0	0
Accrued Liabilities	1,218,055	(2,447)	33,270	244
Customer Construction Advances	29,963	0	0	25,000
Other Deferred Revenues	896,897	89,338	204,055	0
Liabilities Payable from Restricted Assets				
Accounts Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Retainage Payable	0	0	0	0
Accrued Liabilities	0	0	0	0
Refundable Deposits	0	0	0	0
Revenue Bonds	0	0	0	0
Long-Term Debt				
Revenue Bonds	0	0	0	0
Unamortized Premium on Bonds	0	0	0	0
General Obligation Bonds	0	0	0	0
Certificates of Obligation	0	0	0	0
Accrued Vacation	0	0	0	0
Total Liabilities	2,937,095	428,706	237,325	1,203,637
Equities and Other Credits				
Contributed Capital	0	0	0	0
Investment in General Fixed Assets	0	0	0	0
Retained Earnings				
Reserved	0	0	0	0
Unreserved	0	0	0	0
Fund Balances				
Reserved	989,028	3,156,451	2,355,213	4,430,607
Unreserved				
Designated for Subsequent Years Expenditures	0	0	0	0
Undesignated	9,122,197	12,460,155	0	33,275,222
Total Equity and Other Credits	10,111,225	15,616,606	2,355,213	37,705,829
Total Liabilities, Equity and Other Credits	\$ 13,048,320	\$ 16,045,312	\$ 2,592,538	\$ 38,909,466

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

Proprietary Fund Types		Fiduciary	Account Groups		Totals	
Enterprise	Internal Service	Fund Types	General Fixed	General Long-	(Memorandum Only)	
		Trust	Assets	Term Debt	2002	2001
\$ 5,857,070	\$ 630,949	\$ 1,582	\$ 0	\$ 0	\$ 8,189,706	\$ 7,265,608
0	69,504	0	0	0	69,504	97,680
3,942	0	0	0	0	3,942	3,940
16,817	0	0	0	0	404,293	407,066
0	0	0	0	0	200,000	200,000
0	0	0	0	0	24,807	25,350
0	151,495	0	0	0	151,495	412,677
587,726	69,680	0	0	0	1,906,528	1,752,612
92,152	0	0	0	0	147,115	236,754
822	0	0	0	0	1,191,112	1,258,747
5,140,809	0	0	0	0	5,140,809	5,655,401
814,201	0	0	0	0	814,201	446,457
857,256	0	0	0	0	857,256	485,247
9,238	0	0	0	0	9,238	32,738
1,036,699	0	0	0	0	1,036,699	1,214,475
3,815,000	0	0	0	0	3,815,000	3,165,000
74,420,000	0	0	0	0	74,420,000	60,020,000
(110,471)	0	0	0	0	(110,471)	(131,666)
0	0	0	0	41,665,000	41,665,000	39,375,000
0	0	0	0	33,280,000	33,280,000	20,595,000
257,454	84,300	0	0	1,433,496	1,775,250	1,601,528
<u>92,798,715</u>	<u>1,005,928</u>	<u>1,582</u>	<u>0</u>	<u>76,378,496</u>	<u>174,991,484</u>	<u>144,119,614</u>
38,716,016	4,164,452	0	0	0	42,880,468	42,011,668
0	0	0	140,353,195	0	140,353,195	123,674,551
22,281,569	0	0	0	0	22,281,569	20,600,566
74,316,566	13,487,432	0	0	0	87,803,998	82,169,024
0	0	743,067	0	0	11,674,366	10,056,109
0	0	0	0	0	0	12,749,505
0	0	0	0	0	54,857,574	34,215,379
<u>135,314,151</u>	<u>17,651,884</u>	<u>743,067</u>	<u>140,353,195</u>	<u>0</u>	<u>359,851,170</u>	<u>325,476,802</u>
<u>\$ 228,112,866</u>	<u>\$ 18,657,812</u>	<u>\$ 744,649</u>	<u>\$ 140,353,195</u>	<u>\$ 76,378,496</u>	<u>\$ 534,842,654</u>	<u>\$ 469,596,416</u>

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

CITY OF COLLEGE STATION, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended September 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

(Continued)

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					2002	2001
Revenues						
Taxes	\$ 19,904,565	\$ 2,434,117	\$ 7,160,962	\$ 0	\$ 29,499,644	\$ 27,254,701
Licenses and Permits	870,636	0	0	0	870,636	779,159
Intergovernmental	423,126	2,139,541	0	9,761	2,572,428	3,221,851
Charges for Services	2,067,813	25,341	0	67,525	2,160,679	1,953,899
Fines, Forfeits and Penalties	2,225,354	0	0	0	2,225,354	1,798,870
Special Assessments	0	0	0	982,760	982,760	944,636
Investment Income	438,885	579,448	260,119	1,312,057	2,590,509	3,451,470
Rents and Royalties	113,724	114,668	0	0	228,392	213,832
Loan Repayments	0	9,626	0	0	9,626	9,979
Contributions	21,475	0	0	329,769	351,244	432,814
Reimbursed Expenditures	32,803	0	0	0	32,803	531,307
Other	171,298	264,524	1,013	524	437,359	549,639
Total Revenues	26,269,679	5,567,265	7,422,094	2,702,396	41,961,434	41,142,157
Expenditures						
Current						
General Government	3,279,715	202,860	0	318,675	3,801,250	2,909,436
Fiscal Services	2,153,217	5,031	0	0	2,158,248	1,889,611
Police	8,914,893	0	0	0	8,914,893	8,273,632
Fire	6,405,874	0	0	0	6,405,874	5,702,804
Development Services	1,883,224	0	0	0	1,883,224	1,887,378
Public Works	5,211,720	0	0	0	5,211,720	4,583,796
Economic and						
Community Development	122,074	0	0	0	122,074	41,623
Parks and Recreation	6,045,622	0	0	0	6,045,622	5,196,309
Office of Technology and						
Information Services	2,293,734	0	0	0	2,293,734	2,229,600
Library	734,083	0	0	0	734,083	581,768
Community Development						
Block Grant	0	538,901	0	0	538,901	0
Home Grant	0	626,848	0	0	626,848	0
Housing Rehabilitation	0	0	0	0	0	64,708
Optional Relocation	0	0	0	0	0	382,066
Clearance and Demolition	0	0	0	0	0	7,500
Acquisitions	0	0	0	0	0	53,188
Interim Assistance	0	0	0	0	0	1,941
Homebuyer's Assistance	0	0	0	0	0	83,561
Commercial Rehabilitation	0	0	0	0	0	8,217
Community Development						
Housing Organization	0	0	0	0	0	32,122
External Public Facilities	0	0	0	0	0	130,000
Reimbursed Administrative	(5,823,852)	1,264,296	0	1,000,000	(3,559,556)	(3,538,877)
Contributions	208,485	1,140,400	0	0	1,348,885	1,541,173
Other	96,564	31,739	0	55,147	183,450	577,606
Capital Outlay	150,000	1,341,625	0	11,700,964	13,192,589	9,885,474

(Continued)

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

CITY OF COLLEGE STATION, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended September 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

(Continued)

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					2002	2001
Debt Service						
Principal Retirement	0	0	5,950,000	0	5,950,000	4,475,000
Interest Payments	0	0	3,425,390	0	3,425,390	3,213,770
Issuance Costs	0	12,000	0	103,500	115,500	77,244
Fiscal Charges	0	0	8,752	0	8,752	8,926
Total Expenditures	<u>31,675,353</u>	<u>5,163,700</u>	<u>9,384,142</u>	<u>13,178,286</u>	<u>59,401,481</u>	<u>50,299,576</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,405,674)</u>	<u>403,565</u>	<u>(1,962,048)</u>	<u>(10,475,890)</u>	<u>(17,440,047)</u>	<u>(9,157,419)</u>
Other Financing Sources (Uses)						
Proceeds from Long-Term Debt	0	2,316,800	0	17,739,400	20,056,200	7,292,870
Sale of General Fixed Assets	30,106	0	0	0	30,106	580,909
Operating Transfers In	6,534,900	120,000	753,672	1,355,678	8,764,250	14,945,966
Operating Transfer Out	<u>(480,807)</u>	<u>(1,437,259)</u>	<u>0</u>	<u>(89,000)</u>	<u>(2,007,066)</u>	<u>(1,550,693)</u>
Total Other Financing Sources (Uses)	<u>6,084,199</u>	<u>999,541</u>	<u>753,672</u>	<u>19,006,078</u>	<u>26,843,490</u>	<u>21,269,052</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>678,525</u>	<u>1,403,106</u>	<u>(1,208,376)</u>	<u>8,530,188</u>	<u>9,403,443</u>	<u>12,111,633</u>
Fund Balances, October 1	<u>9,432,700</u>	<u>14,213,500</u>	<u>3,563,589</u>	<u>29,175,641</u>	<u>56,385,430</u>	<u>44,273,797</u>
Fund Balances, September 30	<u>\$ 10,111,225</u>	<u>\$ 15,616,606</u>	<u>\$ 2,355,213</u>	<u>\$ 37,705,829</u>	<u>\$ 65,788,873</u>	<u>\$ 56,385,430</u>

(Continued)

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

CITY OF COLLEGE STATION, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL, SPECIAL REVENUE, DEBT SERVICE, AND CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended September 30, 2002
(Continued)

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
Revenues						
Taxes	\$ 19,670,172	\$ 19,918,422	\$ 248,250	\$ 2,502,419	\$ 2,434,117	\$ (68,302)
Licenses and Permits	725,500	870,636	145,136	0	0	0
Intergovernmental	330,317	423,126	92,809	4,621,509	2,139,541	(2,481,968)
Charges for Services	1,987,600	2,067,813	80,213	13,000	25,341	12,341
Fines, Forfeits and Penalties	1,690,000	2,330,648	640,648	0	0	0
Special Assessments	1,000	0	(1,000)	0	0	0
Investment Income	540,400	519,327	(21,073)	541,200	717,311	176,111
Rents and Royalties	74,000	113,724	39,724	116,000	114,668	(1,332)
Loan Repayments	0	0	0	0	9,626	9,626
Contributions	27,000	21,475	(5,525)	0	0	0
Reimbursed Expenditures	6,000	32,803	26,803	0	0	0
Other	131,000	166,268	35,268	91,000	263,850	172,850
Total Revenues	25,182,989	26,464,242	1,281,253	7,885,128	5,704,454	(2,180,674)
Expenditures						
Current						
General Government	3,387,370	3,258,999	(128,371)	6,200	7,746	1,546
Fiscal Services	2,101,216	2,094,637	(6,579)	0	5,031	5,031
Police	8,863,571	8,774,619	(88,952)	0	0	0
Fire	6,535,090	6,294,174	(240,916)	0	0	0
Development Services	1,965,544	1,869,605	(95,939)	267,600	201,672	(65,928)
Public Works	5,379,475	5,341,650	(37,825)	0	0	0
Economic and Community Development	0	31,857	31,857	0	0	0
Parks and Recreation	6,127,775	5,714,596	(413,179)	1,400	518	(882)
Office of Technology and Information Services	2,245,869	2,233,199	(12,670)	0	0	0
Library	716,394	670,817	(45,577)	0	0	0
Nondepartmental						
Community Development						
Block Grant	0	0	0	2,339,397	538,901	(1,800,496)
Home Grant	0	0	0	1,623,439	626,848	(996,591)
Reimbursed Admin.	(5,805,123)	(5,816,877)	(11,754)	1,333,929	1,264,296	(69,633)
Contributions	207,998	331,851	123,853	1,140,400	1,140,400	0
Other	1,221,275	134,978	(1,086,297)	318,127	17,125	(301,002)
Capital Outlay	1,296,985	664,288	(632,697)	7,292,689	1,339,064	(5,953,625)
Debt Service						
Principal Retirement	0	0	0	270,000	0	(270,000)
Interest Payments	0	0	0	0	0	0
Issuance Costs	0	0	0	0	12,000	12,000
Fiscal Charges	0	0	0	0	0	0
Total Expenditures	34,243,439	31,598,393	(2,645,046)	14,593,181	5,153,601	(9,439,580)

(Continued)

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

Debt Service			Capital Projects Funds		
Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
\$ 7,265,601	\$ 7,160,962	\$ (104,639)	\$ 0	\$ 0	0
0	0	0	0	0	0
0	0	0	272,000	(4,311)	(276,311)
0	0	0	50,000	67,525	17,525
0	0	0	0	0	0
0	0	0	987,300	981,673	(5,627)
350,000	186,750	(163,250)	620,000	1,618,864	998,864
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	328,389	328,389
0	0	0	0	0	0
0	111,482	111,482	0	524	524
<u>7,615,601</u>	<u>7,459,194</u>	<u>(156,407)</u>	<u>1,929,300</u>	<u>2,992,664</u>	<u>1,063,364</u>
0	0	0	0	356,419	356,419
0	0	0	50,000	1,517	(48,483)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	8,360	8,360
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,000,000	1,000,000	0
0	0	0	0	0	0
0	0	0	330,000	23,950	(306,050)
0	0	0	16,525,932	11,566,807	(4,959,125)
5,880,000	5,950,000	70,000	0	0	0
3,168,263	3,425,391	257,128	0	0	0
9,000	0	(9,000)	93,500	103,500	10,000
6,000	8,753	2,753	0	0	0
<u>9,063,263</u>	<u>9,384,144</u>	<u>320,881</u>	<u>17,999,432</u>	<u>13,060,553</u>	<u>(4,938,879)</u>

(Continued)

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

CITY OF COLLEGE STATION, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL, SPECIAL REVENUE, DEBT SERVICE, AND CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended September 30, 2002
(Continued)

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,060,450)	(5,134,151)	3,926,299	(6,708,053)	550,853	7,258,906
Other Financing Sources (Uses)						
Proceeds from Long-Term Debt	0	0	0	2,300,000	2,316,800	16,800
Sale of General Fixed Assets	41,000	30,106	(10,894)	0	0	0
Operating Transfers In	6,485,000	6,536,693	51,693	120,000	120,000	0
Operating Transfer Out	(478,091)	(480,190)	(2,099)	(868,052)	(1,437,259)	(569,207)
Total Other Financing Sources (Uses)	6,047,909	6,086,609	38,700	1,551,948	999,541	(552,407)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,012,541)	952,458	3,964,999	(5,156,105)	1,550,394	6,706,499
Fund Balances, October 1	9,395,239	9,395,239	0	14,051,801	14,051,801	0
Fund Balances, September 30	\$ 6,382,698	\$ 10,347,697	\$ 3,964,999	\$ 8,895,696	\$ 15,602,195	\$ 6,706,499

(Continued)

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

<u>Debt Service</u>			<u>Capital Projects Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>(1,447,662)</u>	<u>(1,924,950)</u>	<u>(477,288)</u>	<u>(16,070,132)</u>	<u>(10,067,889)</u>	<u>6,002,243</u>
0	0	0	16,560,000	17,739,400	1,179,400
0	0	0	0	0	0
1,023,410	753,672	(269,738)	721,325	1,355,678	634,353
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(89,000)</u>	<u>(89,000)</u>
<u>1,023,410</u>	<u>753,672</u>	<u>(269,738)</u>	<u>17,281,325</u>	<u>19,006,078</u>	<u>1,724,753</u>
(424,252)	(1,171,278)	(747,026)	1,211,193	8,938,189	7,726,996
<u>3,548,004</u>	<u>3,548,004</u>	<u>0</u>	<u>29,062,991</u>	<u>29,062,991</u>	<u>0</u>
<u>\$ 3,123,752</u>	<u>\$ 2,376,726</u>	<u>\$ (747,026)</u>	<u>\$ 30,274,184</u>	<u>\$ 38,001,180</u>	<u>\$ 7,726,996</u>

(Continued)

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

CITY OF COLLEGE STATION, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
For the Fiscal Year Ended September 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	Proprietary Fund Types		Fiduciary
	Enterprise	Internal Service	Fund Types Nonexpendable Trust
Operating Revenues			
Charges for Services	\$ 64,995,432	\$ 7,154,358	\$ 0
Sale of Cemetery Lots	0	0	90,618
Premiums	0	4,427,725	0
Investment Income	0	0	25,289
Contributions	0	0	5,125
Other	1,904,236	160,099	0
Total Operating Revenues	<u>66,899,668</u>	<u>11,742,182</u>	<u>121,032</u>
Operating Expenses			
Electric Operations	37,679,409	0	0
Salaries and Benefits	4,404,293	2,176,030	0
Supplies	651,620	707,466	0
Maintenance	1,364,163	170,626	6,094
Purchased Professional Services	557,906	17,563	0
Purchased Property Services	2,338,067	104,523	0
Other Purchased Services	1,320,132	262,574	0
Claims	0	1,258,813	0
Administration Fees	0	134,712	0
Premiums	0	2,492,559	0
Reimbursed Administrative	2,600,846	993,495	0
Depreciation	5,076,319	2,385,808	0
Other	174,665	72,069	7,434
Total Operating Expenses	<u>56,167,420</u>	<u>10,776,238</u>	<u>13,528</u>
Operating Income	<u>10,732,248</u>	<u>965,944</u>	<u>107,504</u>
Nonoperating Revenues (Expenses)			
Investment Income	1,932,675	280,509	0
Reimbursed Expenses	96,376	162,562	0
Grants	0	0	0
Earnings in Joint Venture	842,323	0	0
Interest Expense	(3,989,558)	0	0
Other, Net	3,134,806	7,504	0
Total Nonoperating Revenues (Expenses)	<u>2,016,622</u>	<u>450,575</u>	<u>0</u>
Income Before Operating Transfers	<u>12,748,870</u>	<u>1,416,519</u>	<u>107,504</u>
Operating Transfers			
Operating Transfers In	1,241	1,475	0
Operating Transfers Out	(6,759,900)	0	0
Total Operating Transfers	<u>(6,758,659)</u>	<u>1,475</u>	<u>0</u>
Net Income (Loss)	5,990,211	1,417,994	107,504
Retained Earnings (Restated)/Fund Balance, October 1	90,607,924	12,069,438	635,563
Retained Earnings/Fund Balance, September 30	<u>\$ 96,598,135</u>	<u>\$ 13,487,432</u>	<u>\$ 743,067</u>

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

Totals
(Memorandum Only)

2002	2001
\$ 72,149,790	\$ 68,015,784
90,618	84,523
4,427,725	3,663,439
25,289	36,344
5,125	16,135
2,064,335	1,957,893
<u>78,762,882</u>	<u>73,774,118</u>
37,679,409	37,038,395
6,580,323	5,871,424
1,359,086	1,213,738
1,540,883	1,212,902
575,469	516,352
2,442,590	2,491,842
1,582,706	1,566,835
1,258,813	3,286,950
134,712	179,403
2,492,559	588,445
3,594,341	3,809,373
7,462,127	5,875,061
254,168	371,111
<u>66,957,186</u>	<u>64,021,831</u>
<u>11,805,696</u>	<u>9,752,287</u>
2,213,184	3,537,395
258,938	157,059
0	14,800
842,323	664,692
(3,989,558)	(2,402,956)
3,142,310	622,812
<u>2,467,197</u>	<u>2,593,802</u>
<u>14,272,893</u>	<u>12,346,089</u>
2,716	995,200
(6,759,900)	(14,390,473)
<u>(6,757,184)</u>	<u>(13,395,273)</u>
7,515,709	(1,049,184)
103,312,925	104,362,109
<u>\$ 110,828,634</u>	<u>\$ 103,312,925</u>

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

CITY OF COLLEGE STATION, TEXAS
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
For the Fiscal Year Ended September 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	(Continued)			Totals	
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum Only)	
				2002	2001
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 65,959,669	\$ 11,741,352	\$ 104,001	\$ 77,805,022	\$ 73,424,857
Cash Payments to Suppliers for Goods and Services	(43,924,633)	(5,881,505)	(13,540)	(49,819,678)	(49,666,915)
Cash Payments to Employees for Services	(6,434,882)	(2,159,701)	0	(8,594,583)	(8,031,278)
Customer Deposits Received	1,475	0	0	1,475	228,240
Customer Deposits Returned	(179,251)	0	0	(179,251)	(825,381)
Cash Received from Contributions	0	0	5,125	5,125	16,135
Cash Received for Reimbursed Expenses	96,376	125,674	0	222,050	157,059
Cash Received from Sale of Scrap	0	0	0	0	16,024
Cash Received from Collection Fees	0	0	0	0	8,653
Cash Received from Grants	0	0	0	0	14,800
Cash Received for Miscellaneous Revenues	285,581	21,407	0	306,988	193,887
Cash Received From Other Funds	0	79,262	0	79,262	43,835
Cash Paid to Other Funds	0	(35,760)	0	(35,760)	(43,835)
Cash Paid for Miscellaneous Expenses	(30,079)	(57,698)	0	(87,777)	(69,157)
Net Cash Provided by Operating Activities	15,774,256	3,833,031	95,586	19,702,873	15,466,924
Cash Flows from Noncapital Financing Activities:					
Operating Transfers In from Other Funds	1,241	1,475	0	2,716	882,800
Operating Transfers Out to Other Funds	(6,759,900)	0	0	(6,759,900)	(14,278,073)
Cash Paid to Other Funds	0	0	0	0	(200,000)
Cash Paid to Public Agencies	(261,951)	0	0	(261,951)	(283,967)
Net Cash Provided (Used) by Noncapital Financing Activities	(7,020,610)	1,475	0	(7,019,135)	(13,879,240)
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(23,079,205)	(2,025,537)	0	(25,104,742)	(26,315,664)
Proceeds from Sale of Assets	0	3,647	0	3,647	872,308
Capital Contributed by Developers	0	0	0	0	93,464
Principal Paid on Revenue Bonds	(3,165,000)	868,800	0	(2,296,200)	(3,185,000)
Interest Paid on Revenue Bonds	(3,623,814)	0	0	(3,623,814)	(2,521,280)
Fees Paid to Fiscal Agent	(3,121)	0	0	(3,121)	(9,660)
Proceeds from Revenue Bonds	18,115,000	0	0	18,115,000	23,997,130
Issuance Costs Paid on Revenue Bonds	(99,682)	0	0	(99,682)	0
Cash Received from Other Funds	0	0	0	0	(101,475)
Net Cash Used by Capital and Related Financing Activities	(11,855,822)	(1,153,090)	0	(13,008,912)	(7,170,177)
Cash Flows from Investing Activities:					
Purchase of Investments	\$ (33,626,285)	\$ (6,313,073)	\$ (517,684)	\$ (40,457,042)	\$ (28,968,253)
Proceeds from Sale and Maturities of Investment Securities	36,936,541	5,278,695	496,358	42,711,594	35,629,067
Investment Income	2,190,528	299,962	28,257	2,518,747	3,774,464
Net Cash Provided by Investing Activities:	5,500,784	(734,416)	6,931	4,773,299	10,435,278
Net Increase in Cash and Cash Equivalents	2,398,608	1,947,000	102,517	4,448,125	4,852,785
Cash and Cash Equivalents, October 1	24,321,069	2,768,260	295,929	27,385,258	22,532,473
Cash and Cash Equivalents, September 30	<u>26,719,677</u>	<u>4,715,260</u>	<u>398,446</u>	<u>31,833,383</u>	<u>27,385,258</u>

(Continued)

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

CITY OF COLLEGE STATION, TEXAS
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
For the Fiscal Year Ended September 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	(Continued)			Totals	
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum Only)	
				2002	2001
Reconciliation of Operating Income (Loss) to Net Cash					
Provided (Used) by Operating Activities:					
Operating Income (Loss)	10,732,248	965,944	107,504	11,805,696	9,844,515
Adjustment to Reconcile Operating Income (Loss) to Net					
Cash Provided (Used) by Operating Activities:					
Depreciation	5,076,319	2,385,808	0	7,462,127	5,521,300
Provision for Uncollectable Accounts	74,513	0	0	74,513	0
Investment Income Reported as Operating Income	0	0	(25,289)	(25,289)	(36,344)
Miscellaneous Nonoperating Revenues	381,963	152,047	0	534,010	475,472
Miscellaneous Nonoperating Expenses	(30,079)	(13,512)	0	(43,591)	(119,592)
Change in Assets and Liabilities:					
Change in Accounts Receivable	(950,970)	27,829	14,062	(909,079)	(292,272)
Change in Other Receivables	10,971	0	0	10,971	10,909
Change in Due From Other Funds	0	71,679	0	71,679	(33,708)
Change in Inventory	483,482	109,111	0	592,593	(47,379)
Change in Prepaid Costs	0	(27,865)	0	(27,865)	(759)
Change in Accounts Payable	96,341	436,131	(691)	531,781	865,736
Change in Due to Other Funds	0	(28,177)	0	(28,177)	33,708
Change in Claims Payable	0	(261,180)	0	(261,180)	(288,376)
Change in Accrued Liabilities	50,329	13,559	0	63,888	112,772
Change in Deferred Revenue	0	0	0	0	3,696
Change in Refundable Deposits	(177,776)	0	0	(177,776)	(596,667)
Change in Accrued Vacation	26,915	1,657	0	28,572	13,913
Total Adjustments	5,042,008	2,867,087	(11,918)	7,897,177	5,622,409
Net Cash Provided by Operating Activities	<u>\$ 15,774,256</u>	<u>\$ 3,833,031</u>	<u>\$ 95,586</u>	<u>\$ 19,702,873</u>	<u>\$ 15,466,924</u>

<p>Noncash Operating Financing, Capital and Investing Activities: During the Fiscal year the Enterprise Fund Added contributed capital in the amount of \$3,265,782. Adjustments at 9/30/02 to investments to record income accrual and fair value changes were as follows: Enterprise Fund (\$257,853); Internal Service Funds, \$19,453; and Nonexpendable Trust Funds, \$2,968. In addition, billed customer refundable deposits in the amount of \$562 were reflected in the Enterprise Funds 9/30/02 Accounts Receivable and Refundable Deposit Balances.</p>
--

(Continued)

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

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements of the City of College Station, Texas ("City"), have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. REPORTING ENTITY

The financial reporting entity is defined as (1) the primary government and (2) those component units for which the primary government is financially accountable. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and one or both of the following conditions are met:

- (a) the primary government is able to impose its will on the component unit or
- (b) the primary government's relationship with the component unit poses a real or potential financial benefit or burden for the primary government.

Moreover, financial accountability is also deemed to exist even in the absence of simple "accountability" (i.e., the appointment of a voting majority of the organization's governing body) if the component unit is financially dependent upon the primary government.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government is:

- (a) entitled to the organization's resources;
- (b) legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or
- (c) obligated in some manner for the debt of the organization.

If an organization is unable to adopt its budget, levy taxes, or set rates or charges, or issue bonded debt without approval by the primary government, then it is deemed to be fiscally dependent on the primary government and is included as a component unit. There are no entities that meet the criteria as a component unit of the City.

Included within the reporting entity as a joint venture for the City is the Brazos Valley Solid Waste Management Agency. The Brazos Valley Solid Waste Management Agency ("BVSWMMA") was created May 8, 1990, by the Cities of Bryan and College Station, Texas, to achieve economies of scale savings for the participants through joint ownership and use of regional waste management facilities. BVSWMMA is governed by an Administrative Board of Trustees ("Board") comprised of the City Manager and a staff person from each city. In addition, the Mayors of each city serve alternating two-year terms on the Board, which has complete responsibility for the daily operating activities of BVSWMMA. The BVSWMMA annual budget is first approved by the BVSWMMA Board and is then submitted for approval by both cities as a part of their regular budget process.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

The accounts of the City are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The City has the following fund types and account groups:

Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "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 pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgements such as accrued vacation leave which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, interest, charges for services and special assessments are susceptible to accrual. Sales taxes collected and held by the State at year end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at the time.

Entitlement and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of general government, except those required to be accounted for in another fund.

The *special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The *debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *capital projects funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (Continued)

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations and all Financial Accounting Standards Board ("FASB") Statements and interpretations issued after November 30, 1989, except for those that conflict or contradict GASB pronouncements.

Proprietary funds include the following fund types:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal service funds account for operations that provide services to other departments or agencies of the City on a cost-reimbursement basis.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others.

Nonexpendable trust funds are used to account for assets of which principal may not be spent and are accounted for using the same measurement focus and basis of accounting used by the proprietary funds.

Account Groups. The *general fixed assets account group* is used to account for fixed assets not accounted for in proprietary or trust funds. The *general long-term debt account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. ASSETS, LIABILITIES AND EQUITY

1. 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, repurchase agreements, and government securities and agency 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 (First American Bank, Bryan, Texas) in interest bearing accounts or is invested.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. ASSETS, LIABILITIES AND EQUITY (Continued)

1. Cash and Cash Equivalents (Continued)

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

2. Investments

Investments are made in accordance with the City's Investment Policy which was adopted by the City Council in March 2002. This policy is applicable to all City funds and permits investment in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, certificates of deposit, guaranteed investment contracts, public funds investment pools, and money market mutual funds. This policy states that the Director of Fiscal Services shall designate the City's Investment Officer with whom responsibility and authority for investment transactions reside.

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

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

Active portfolio management includes the practice of selling securities prior to maturity and using the proceeds to purchase other securities. Such "swaps" are performed for a variety of valid reasons: to lengthen maturities as interest rates rise, to secure market profits and shorten maturities as interest rates fall, and to take advantage of the differences in relative yield between different types of securities and varying maturities. "Swap" analysis is the responsibility of the City Investment Officer and the decision to execute the "swap" rests with him. 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.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. ASSETS, LIABILITIES AND EQUITY (Continued)

2. Investments (Continued)

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 I. Dealers"). All securities are purchased delivery-vs.-payment and held in the City's name in a safekeeping account at Chase Bank.

Investments of all funds consist mainly of U. S. Treasury and Agency securities, flexible repurchase agreements, and investments in public funds investment pools (TexPool). Investments are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

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

3. Inventory

Inventory is valued at cost, which approximates market, using the first-in, first-out method. The costs of governmental fund type and proprietary fund inventories are recorded as expenditures/expenses when consumed rather than when purchased.

4. Prepaid Costs

Payments made to vendors for services that will benefit periods beyond September 30, 2002, are recorded as prepaid costs.

5. Restricted Assets

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

6. 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 IV-D.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. ASSETS, LIABILITIES AND EQUITY (Continued)

7. Fixed Assets

General fixed assets have been acquired for general government purposes. Asset purchases are recorded as expenditures in the governmental fund types and capitalized in the General Fixed Assets Account Group at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value.

Public domain fixed assets consisting of improvements other than buildings are also included in the General Fixed Assets Account Group.

No depreciation has been provided on general fixed assets, nor has interest been capitalized.

Property and equipment owned by the Enterprise Funds and the Internal Service Funds is stated at the historical cost of acquisition, construction or, with respect to contributions of construction from third parties (principally developers), at fair market value. In accordance with Financial Accounting Standards Board Statement No. 71, interest is not capitalized during construction because interest is recovered currently in the City's established rate.

Maintenance, repairs and minor renewals are charged to operating expense; major property replacements are capitalized.

Depreciation is recorded in the above funds on a straight-line basis over the following estimated service lives:

Utility Systems	25 - 40 years
Buildings and Improvements	5 - 50 years
Equipment	3 - 10 years

8. 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 leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability of the General Fund. Amounts of accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group.

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. Payment for unused accumulated sick leave is not made to employees by the City and, accordingly, no liability has been recorded in the financial statements.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. ASSETS, LIABILITIES AND EQUITY (Continued)

9. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portions of such obligations are reported in the General Long-Term Debt Account Group.

Long-term liabilities directly related to and financed from proprietary fund operations are accounted for in those funds. All other unmatured long-term indebtedness of the City is accounted for in the General Long-Term Debt Account Group.

10. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental fund types. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities in the general purpose financial statements.

11. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserved balances represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

12. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized as expenditures in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line method. Bond discounts are presented as a reduction of the face amount of bonds payable, and issuance costs are recorded as deferred charges.

13. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from that fund, which are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund transactions other than quasi-external transactions and reimbursements are reported as operating transfers.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. ASSETS, LIABILITIES AND EQUITY (Continued)

14. Statements of Cash Flows

The City has elected to use the direct method in presenting the Statements of Cash Flows for each of the Proprietary Fund types and Non-Expendable Trust Fund.

15. Memorandum Only - Total Columns

Total columns on the General Purpose Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

16. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) All budget requests are compiled by the Office of Management and Budget and 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 expenditure of any fund. An amount is also budgeted each year for contingencies which may arise. The Council has authorized the City Manager to make budget transfers for contingencies if the amount does not exceed \$50,000. All other transfers must be approved by City Council. City Council may transfer amounts among individual budget line items within major expenditure categories during the year, but no such transfer may increase the overall total budget. Budgeted amounts as originally adopted were not significantly changed by such transfers during the year.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. BUDGETARY INFORMATION (Continued)

- 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.
- 7) 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 which have not been expended or lawfully encumbered lapse at the end of the budget year.
- 8) Formal budgetary integration is legally enacted and employed as a management control device during the year for all funds.

B. BUDGET/GAAP RECONCILIATION

General Fund budgetary amounts do not include provisions for adjustments in inventory, the allowance for uncollectible accounts receivable, the capitalization of salaries for capital improvements projects, accrued vacation, accrued payroll or adjustments to fair value for investments.

Adjustments necessary to convert the General Fund revenues and other financing sources at September 30, 2002 on the budgetary basis to the GAAP basis are as follows:

Revenues and Other Financing Sources - Budget (Non-GAAP Basis)	\$ 33,031,041
Reconciling Items:	
Adjust Investments to Fair Value	9,373
Inventory Adjustment	5,030
Reverse FY01 Investment Earnings Accrual	(89,815)
Municipal Court Bond Adjustment	(105,294)
Accrue Sales Tax	(13,857)
Reclass	(1,793)
Total Reconciling Items	<u>(196,356)</u>
Total Revenues and Other Financing Sources - GAAP Basis	<u><u>\$ 32,834,685</u></u>

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. BUDGET/GAAP RECONCILIATION (Continued)

Adjustments necessary to convert the General Fund expenditures and other financing uses at September 30, 2002 on the budgetary basis to the GAAP basis are as follows:

Expenditures and Other Financing Uses - Budget (Non-GAAP Basis)	\$ 32,078,583
Reconciling Items:	
Capitalized Salaries	(140,319)
Bad Debt	20,030
Accrue Payroll Expense FY02	644,780
Reverse FY01 Payroll Accrual	(459,780)
Adjust Accrued Vacation	13,909
Reclass	(1,793)
Other	750
Total Reconciling Items	77,577
Total Expenditures and Other Financing Uses - GAAP Basis	\$ 32,156,160

The budgets for the Special Revenue Funds and Capital Projects Funds are adopted on a basis consistent with GAAP, except for the following significant items:

- a) Principal payments are included in the budget as an expenditure item.
- b) Budgetary amounts do not include provisions for adjustments in the allowance for uncollectible accounts receivable.
- c) Budgeted expenditure amounts do not include a provision for the capitalization of salaries for capital improvement projects.
- d) Budgeted revenue amounts do not include a provision for adjusting investments to fair value.
- e) Budgeted revenue amounts do not include utility revenues earned but not billed.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. BUDGET/GAAP RECONCILIATION (Continued)

Adjustments necessary to convert the Special Revenue Funds and Capital Projects Funds revenues and other financing sources at September 30, 2002 on the budgetary basis to the GAAP basis are as follows:

	Special Revenue Funds	Capital Projects Funds
Revenues and Other Financing Sources - Budget (Non GAAP Basis)	\$ 8,141,254	\$ 22,087,742
Reconciling Items:		
Adjust Investments to Fair Value	12,164	31,669
Accrue FY02 Utility Revenue	0	40,501
Reverse FY01 Utility Accrual	0	(39,415)
Reverse FY01 Investment Accrual	(150,031)	(324,450)
Reclass	0	15,452
Other	678	(14,025)
Total Reconciling Items	(137,189)	(290,268)
Revenues and Other Financing Sources - GAAP Basis	\$ 8,004,065	\$ 21,797,474

Adjustments necessary to convert the Special Revenue Funds and Capital Projects Funds expenditures and other financing uses at September 30, 2002 on the budgetary basis to the GAAP basis are as follows:

	Special Revenue Funds	Capital Projects Funds
Expenditures and Other Financing Uses- Budget (Non-GAAP Basis)	\$ 6,590,860	\$ 13,149,553
Reconciling Items:		
FY02 Bad Debt	0	7,244
Capitalized Salaries	10,093	134,157
Reclass FY02 Expenditure	0	(23,671)
Other	6	3
Total Reconciling Items	10,099	117,733
Expenditures and Other Financing Uses - GAAP Basis	\$ 6,600,959	\$ 13,267,286

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. BUDGET/GAAP RECONCILIATION (Continued)

The Budget for the Debt Service Fund is adopted on a basis consistent with GAAP except for budgeted revenue amounts which do not include a provision for investment accrual or adjusting investments to fair value. For fiscal year 2002, these amounts combined were a negative \$37,100.

Budgets for the Enterprise Funds are adopted on a basis consistent with GAAP, except for the following significant items:

- a) Capital outlay is included in the budget as an expense item.
- b) The budget treats principal payments for General Obligation Bonds and Certificates of Obligation serviced by the Electric, Water, and Sewer Funds and for Utility Revenue Bonds as an expense item. Principal payments for Advances from Other Funds in the Solid Waste Collection Fund are also treated as expense items in the budget.
- c) Enterprise Funds budgetary amounts do not include provisions for adjustments in inventory or the allowance for uncollectible accounts receivable.
- d) Budgeted revenue amounts do not include a provision for revenue accruals.
- e) Budgeted expense amounts do not include a provision for depreciation expense.
- f) Budgeted salaries do not include a provision for accrued vacation or accrued payroll.
- g) Budgeted revenue amounts do not include a provision for adjusting investments to fair value.

The budgets for the Internal Service Funds are adopted on a basis consistent with GAAP, except for the following significant items:

- a) Capital outlay is included in the budget as an expense item.
- b) Budgeted salaries do not include a provision for accrued vacation, claims payable, or accrued payroll.
- c) Budgetary amounts do not include provisions for adjustments in inventory or the allowance for uncollectible accounts receivable.
- d) Budgeted expense amounts do not include a provision for depreciation expense.
- e) Budgeted revenue amounts do not include a provision for adjusting investments to fair value.

In fiscal year 2002, budgets for the Cedar Creek Condominium and the Cemetery Perpetual Care were not adopted.

Budgetary comparisons presented in the report are on the aforementioned budgetary basis.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. BUDGET/GAAP RECONCILIATION (Continued)

Budgetary amounts are as originally adopted, or as amended by the City Council. Individual amendments were not material in relation to the original appropriations which were amended.

C. EXPENDITURES/EXPENSES IN EXCESS OF APPROPRIATIONS

The amounts of any excesses of expenditures/expenses over appropriations during fiscal year 2002, and the funds in which they occurred are as follows:

Fund	Amount
Debt Service	\$ 320,881
Parks Projects	2,711,091
Electric	144,725
Fleet Maintenance	42,611
Print/Mail	46,553
Property and Casualty	93,994

Unbudgeted interest expense on both the 2002 GO and CO led to the \$320,881 excess in the Debt Service Fund. Capital outlay related to the Veterans Park & Athletic Complex generated the \$2,711,091 excess in the Parks Projects Fund, and higher than expected operating expenses generated the \$144,725 excess in the Electric Fund.

Higher than expected expenses for Supplies resulted in the \$42,611 excess in the Fleet Maintenance Fund, and the \$46,553 excess in the Print/Mail Services Fund is a result of higher than expected salaries and benefits, supplies and capital outlay expenditures.

In the Property and Casualty Fund, higher than expected expenses for claims, administration fees and premiums resulted in the \$93,994 excess.

D. DEFICIT RETAINED EARNINGS

The Communication Services Fund and the Fleet Maintenance Fund ended the fiscal year with an Unreserved Retained Earnings deficit. The \$621,366 deficit in the Communication Services Fund is primarily due to unbudgeted depreciation expense, and the \$159,236 deficit in the Fleet Maintenance Fund is due to unbudgeted depreciation and interest expenses.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

At year-end, the carrying amount of the City's cash and time deposits was \$68,398,980 and the bank balance was \$1,503,297. Cash and time deposits included investments in the state investment pool amounting to \$35,494,843, in a Fidelity money market mutual fund amounting to \$9,090,204 and in a flexible repurchase agreement with a balance totaling \$22,310,636. Balance sheet amounts for unrestricted and restricted cash and cash equivalents at September 30, 2002, are as follows:

Unrestricted Cash and Cash Equivalents	\$ 56,342,897
Restricted Cash and Cash Equivalents	<u>12,056,083</u>
Total Cash and Cash Equivalents	<u>\$ 68,398,980</u>

The bank balance was entirely covered by federal depository insurance or by pledged collateral held by the City's third-party custodian in the City's name. The state investment pool represents short term investments in a pool managed by another government for which risk categorization is not appropriate because the City's investment is not evidenced by securities that exist in physical or book entry form.

The City's investments at September 30, 2002, are categorized below to give an indication of the level of risk assumed by the City at year end. The carrying amount is at fair value.

U.S. Treasury Securities	\$ 1,819,018
U.S. Government Agencies and Instrumentalities Securities	56,006,455
Total Direct Investments	<u>57,825,473</u>
Investment in Texas Local Government Investment Pool	35,494,843
Investment in Fidelity Money Market Mutual Fund	9,090,204
Investment in Flexible Repurchase Agreement	22,310,636
Total Indirect Investments	<u>66,895,683</u>
Total Investments	<u>\$ 124,721,156</u>

While cash and cash equivalents are inclusive of investments with original maturities of three months or less, the above schedules are inclusive of all investments.

The City invests the long-term portion of its portfolio in various U.S. Government and agency securities that offer higher yields but are sensitive to changes in interest rates and other market conditions. Timely payment of interest and principal are guaranteed directly or indirectly by the U.S. Government. If it becomes necessary for the City to sell a portion or all of the long-term portfolio, the proceeds realized by the City from such a sale would depend on the market conditions in existence at the time of such sale, as the fair value of the securities in the City's long-term portfolio will fluctuate due to interest rate trends and other market factors.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

"Texpool" is a local government investment pool created and managed by the Texas Comptroller of Public Accounts to invest funds on behalf of Texas political subdivisions. This pool and the Fidelity Money Market Mutual Fund operate on a \$1.00 net asset value basis and allow same day or next day redemptions and deposits. Interest on both is allocated daily based on portfolio earnings and participant account balances. The City's investments in Texpool and the Fidelity Money Market Mutual Fund are stated at fair value which was 100% of the book values as of September 30, 2002.

Neither the Texpool account nor the Fidelity Money Market Mutual Fund account are managed by the City; therefore, the City does not possess securities that exist in physical or book entry form. Consequently, these securities have not been classified.

All of the City's investments consist of U.S. Government Securities and repurchase agreements of U.S. Government Securities and are held by its agent in the City's name (Category One credit risk).

The reporting of investments at fair value resulted in an unrealized gain of \$113,693 at September 30, 2002. This unrealized gain was allocated to the participating funds by calculating a ratio of each fund's equity in the investment pool to the total pool.

B. NOTES RECEIVABLE

Special Revenue Funds: In 1988, the City initiated a Community Development Loan Program which provides loans to eligible applicants from Community Development Block Grant funds. The \$85,393 balance in the Special Revenue Funds represents the outstanding principal for these loans at September 30, 2002.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

C. FIXED ASSETS

A summary of changes in general fixed assets for the year ended September 30, 2002, is as follows:

	Beginning Balance	Additions and Transfers In	Retirements And Transfers Out	Ending Balance
Land	\$ 18,240,824	\$ 0	\$ 0	\$ 18,240,824
Buildings and Building Improvements	19,259,899	20,303	0	19,280,202
Improvements	52,287,484	5,842,067	0	58,129,551
Machinery, Tools and Equipment	11,588,981	523,091	152,738	11,959,334
Parks System	14,321,778	421,291	0	14,743,069
Construction in Progress	7,975,585	13,246,439	3,221,809	18,000,215
Total	\$ 123,674,551	\$20,053,191	\$ 3,374,547	\$140,353,195

A summary of proprietary fund type property and equipment at September 30, 2002, is as follows:

	Enterprise Funds	Internal Service Funds	Total
Electric System	\$ 63,286,640	\$ 0	\$ 63,286,640
Water System	54,503,955	0	54,503,955
Sewer System	53,951,532	0	53,951,532
Machinery & Equipment	3,954,605	19,556,725	23,511,330
Buildings & Improvements	7,330,401	746,575	8,076,976
Land	1,789,828	0	1,789,828
Construction in Progress	28,078,744	0	28,078,744
Total	212,895,705	20,303,300	233,199,005
Less Accumulated Depreciation	(52,105,593)	(10,791,966)	(62,897,559)
Net	\$ 160,790,112	\$ 9,511,334	\$170,301,446

D. INTERFUND ASSETS/LIABILITIES

1. Due To/Due From Other Funds

The composition of due to/due from balances as of September 30, 2002, is as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
Equipment Replacement	Fleet Maintenance	\$ 51,419
Equipment Replacement	Communication Services	18,085

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

E. DEFERRED CHARGES

Deferred charges totaling \$762,602 at September 30, 2002, consist of the following:

Prepaid Water Costs

On November 8, 1978, the City entered into an agreement with Texas A&M University whereby the City would construct water system improvements for Texas A&M University. This water system was to provide the City with an additional water source until its own system could be constructed beginning in January 1979. The original agreement was for a period not to exceed five years. However, an addendum to the contract extends the period indefinitely.

The costs of the system are being repaid by Texas A&M University at a rate of \$0.20 per 1,000 gallons of City water usage. Termination of the agreements provides for absolute title to the system to be conveyed to Texas A&M University by the City.

A summary of the unrecovered cost of the water system at September 30, 2002, is as follows:

Total Project Cost	\$ 1,167,075
Less Accumulated Water Usage Credits	<u>(1,037,952)</u>
Prepaid Water Costs, September 30, 2002	<u>\$ 129,123</u>

Bond Issuance Costs

A summary of the bond issuance costs along with the accumulated amortization for the Electric, Water, and Sewer Funds as of September 30, 2002, is as follows:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Bond Issuance Costs	\$ 240,272	\$ 262,472	\$ 436,631	\$ 939,375
Accumulated Amortization	<u>(90,400)</u>	<u>(69,506)</u>	<u>(145,990)</u>	<u>(305,896)</u>
Bond Issuance Costs, Net	<u>\$ 149,872</u>	<u>\$ 192,966</u>	<u>\$ 290,641</u>	<u>\$ 633,479</u>

F. LONG-TERM DEBT

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City, and such bonds have been issued for both general government and proprietary activities. Bonds issued for proprietary activities are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

F. LONG-TERM DEBT (Continued)

On April 11, 2002 the City issued \$6.445 million in General Obligation Bonds with a true interest cost of 4.93% percent. The proceeds from the sale of the bonds will be used for street projects, traffic management projects, park projects, drainage projects, land acquisition, fire station improvements and to pay the costs incurred in connection with the issuance of the bonds.

Revenue Bonds

The City from time to time also issues bonds for which the City pledges income derived from the acquired or constructed assets to pay debt service. On April 11, 2002 the City issued \$18.215 million in utility revenue bonds with a true interest cost of 5.01% percent. Proceeds from the sale of the bonds will be used for electric, water and wastewater system improvements. In addition, proceeds will be used to pay the costs incurred in connection with the issuance of the bonds.

Certificates of Obligation

On occasion, the City issues certificates of obligation for which the City pledges not only the income derived from the acquired or constructed assets but also the full faith and credit of the City.

On April 11, 2002 the City issued \$14.48 million tax certificates of obligation with a true interest cost of 4.75% percent. The proceeds from this debt issuance will be used for the acquisition of equipment, street improvements, and the construction of a Municipal Court Building. The proceeds will also be used for construction of sidewalks, pedestrian bridges, and hiking trails, the acquisition of land, the reconstruction of a fire station and to pay the costs incurred in connection with the issuance of the Certificates.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

F. LONG-TERM DEBT (Continued)

The following is a summary of long-term debt transactions for the year ended September 30, 2002.

	Beginning Balance	Incurred/ Issued	Matured/ Retired	Ending Balance
<u>Governmental Fund Types</u>				
General Obligation Bonds	\$ 39,375,000	\$ 6,445,000	\$ 4,155,000	\$ 41,665,000
Certificates of Obligation	20,595,000	14,480,000	1,795,000	33,280,000
Accrued Vacation	1,288,346	1,039,061	893,911	1,433,496
Subtotal	<u>61,258,346</u>	<u>21,964,061</u>	<u>6,843,911</u>	<u>76,378,496</u>
<u>Proprietary Fund Types</u>				
Utility Revenue Bonds	63,185,000	18,215,000	3,165,000	78,235,000
Accrued Vacation:				
Electric Fund	95,332	138,062	114,729	118,665
Water Fund	49,722	53,927	50,876	52,773
Sewer Fund	55,983	51,994	48,070	59,907
Solid Waste Collection	28,454	38,202	40,981	25,675
Communication Fund	11,412	3,961	7,040	8,333
Parking Garage Fund	1,050	2,587	3,203	434
Fleet Maintenance Fund	17,892	25,634	21,099	22,427
Print/Mail Fund	6,056	6,728	6,307	6,477
Utility Billing Fund	47,281	48,642	48,860	47,063
Subtotal	<u>63,498,182</u>	<u>18,584,737</u>	<u>3,506,165</u>	<u>78,576,754</u>
Total Long-Term Debt	<u>\$124,756,528</u>	<u>\$40,548,798</u>	<u>\$ 10,350,076</u>	<u>\$154,955,250</u>

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

F. LONG-TERM DEBT (Continued)

Long-term debt outstanding as of September 30, 2002, consisted primarily of bonds maturing serially and is summarized as follows:

	Interest Rates (%)	Series Matures	Principal Balance
General Obligation Bonds:			
1991 Issue	6.00-8.00	2012	\$ 975,000
1994 Issue	5.50-7.50	2014	3,350,000
1995 Issue	5.10-7.00	2013	3,500,000
1996 Issue and Refunding	4.70-7.50	2017	6,275,000
1998 Issue	4.50-6.50	2017	5,515,000
1999 Issue	3.40-5.40	2017	5,595,000
2000 Issue	5.00-7.00	2018	7,210,000
2001 Issue	5.00-7.00	2017	2,800,000
2002 Issue	4.25-6.25	2021	6,445,000
Subtotal			<u>41,665,000</u>
Certificates of Obligation:			
1998 Issue	4.55-7.30	2017	4,890,000
2000 Issue	5.00-7.00	2018	3,445,000
2000A Issue	4.75-6.75	2020	7,300,000
2001 Issue	3.50-5.00	2020	3,165,000
2002 Issue	3.50-5.125	2020	14,480,000
Subtotal			<u>33,280,000</u>
Utility Revenue Bonds:			
1993 Issue	4.20-5.60	2013	2,750,000
1994 Issue	5.40-6.40	2014	9,900,000
1995 Issue	5.25-6.25	2016	4,200,000
1996 Issue and Refunding	4.15-5.60	2017	7,965,000
1998 Issue	4.55-6.50	2017	2,385,000
2000 Issue	5.00-7.00	2018	9,930,000
2001 Issue	3.50-5.50	2021	22,890,000
2002 Issue	4.00-6.00	2022	18,215,000
Subtotal			<u>78,235,000</u>
Total			<u><u>\$ 153,180,000</u></u>

CITY OF COLLEGE STATION, TEXAS
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

F. LONG-TERM DEBT (Continued)

Debt service requirements to maturity for all long-term debt is summarized as follows:

<u>Year</u>	<u>General Obligation Bonds</u>		<u>Utility Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2003	\$3,285,000	\$2,049,490	\$3,815,000	\$3,944,756
2004	2,875,000	1,827,876	3,910,000	3,752,750
2005	2,460,000	1,685,364	4,120,000	3,547,429
2006	2,295,000	1,562,097	4,235,000	3,330,288
2007	2,400,000	1,447,345	3,870,000	3,125,368
2008-2012	13,620,000	5,438,710	21,565,000	12,405,547
2013-2017	12,285,000	2,125,273	22,365,000	6,420,552
2018-2022	2,445,000	205,560	14,355,000	1,606,703
TOTAL	<u>\$ 41,665,000</u>	<u>\$16,341,715</u>	<u>\$ 78,235,000</u>	<u>\$38,133,393</u>

<u>Year</u>	<u>Certificates of Obligation</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$2,535,000	\$1,578,566
2004	2,615,000	1,448,660
2005	2,715,000	1,311,641
2006	2,175,000	1,194,933
2007	1,840,000	1,103,525
2008-2012	7,435,000	4,457,226
2013-2017	9,185,000	2,475,328
2018-2020	4,780,000	369,213
TOTAL	<u>\$ 33,280,000</u>	<u>\$ 13,939,092</u>

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

G. RESERVATIONS OF FUND BALANCES AND RETAINED EARNINGS

Fund balances have been reserved at September 30, 2002, as follows:

General Fund:	
Reserved for Encumbrances	\$ 900,465
Reserved for Inventory	66,308
Reserved for Police Seizure	22,255
Total General Fund Reserved	<u>989,028</u>
Special Revenue Funds:	
Reserved for Encumbrances	3,156,451
Total Special Revenue Funds Reserved	<u>3,156,451</u>
Debt Service Fund:	
Reserved for Debt Service	<u>2,355,213</u>
Capital Projects Funds:	
Reserved for Encumbrances	<u>4,430,607</u>
Cemetery Perpetual Care Fund:	
Reserved for Perpetual Care	<u>743,067</u>
Total Reserved Fund Balances	<u>\$ 11,674,366</u>

Reserved retained earnings for the Enterprise Funds at September 30, 2002, are as follows:

Reserved for Debt Service	\$ 5,643,783
Reserved for Capital Projects	16,637,786
Total Reserved Retained Earnings	<u>\$ 22,281,569</u>

H. CONTRIBUTED CAPITAL

The changes during fiscal year 2002 in the City's contributed capital account for the Equipment Replacement Fund was as follows:

<u>Sources</u>	<u>Equipment Replacement</u>
Contributed Capital, October 1	\$ 1,279,100
Contributing Sources:	
Government	<u>868,800</u>
Contributed Capital, September 30	<u>\$ 2,147,900</u>

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

H. CONTRIBUTED CAPITAL (Continued)

There were no changes in contributed capital in the Electric, Water, Sewer, Solid Waste Collection, Cedar Creek Condominium, Northgate Parking Garage, or Internal Service Funds, excluding Equipment Replacement, during fiscal year 2002.

I. OPERATING TRANSFERS

Individual fund operating and other transfers out and corresponding operating transfers in for fiscal year 2002 were as follows:

Operating Transfers Out	Operating Transfers In	Amount
General	Debt Service	\$ 478,091
General	Electric	1,241
General	Equipment Replacement	617
General	Fleet Maintenance	858
Community Development	Streets Projects	524,447
Community Development	General Government Projects	12,231
Convention Center	Debt Service	127,529
Hotel/Motel	Debt Service	148,052
Parks Escrow	Wolf Pen Creek TIF	120,000
Wolf Pen Creek TIF	Streets Projects	505,000
General Government Projects	Parks Projects	89,000
Electric	General	4,574,900
Water	General	923,800
Sewer	General	729,500
Sanitation	General	306,700
Northgate Parking Garage	Streets Projects	225,000

J. RESTATEMENT OF RETAINED EARNINGS

	Electric Fund
Retained Earnings, October 1, 2001	\$39,922,630
Prior Period Adjustment 1	(353,761)
Prior Period Adjustment 2	261,533
Retained Earnings (Restated) October 1, 2002	<u>\$39,830,402</u>

CITY OF COLLEGE STATION, TEXAS
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

J. RESTATEMENT OF RETAINED EARNINGS (Continued)

Retained Earnings in the Electric Fund has been restated due to prior period adjustments. Both adjustments are due to errors that occurred in FY 2001 when the Electric Fund began using a new system to track its fixed assets. Prior period adjustment 1 relates to an error in set-up that caused depreciation expense to be calculated incorrectly. The \$353,761 adjustment represents an amount that should have been included in depreciation expense in FY 2001. Prior period adjustment 2 relates to an error in transferring construction in progress balances from the old system to the new system. The \$261,533 adjustment brings the construction in progress balances on the new system in line with the general ledger.

IV. OTHER INFORMATION

A. PROPERTY TAXES

Property is appraised and a lien on such property becomes enforceable as of January 1. Taxes are levied and payable on October 1. The Brazos County Tax Office bills and collects property taxes for the City. City property tax revenues are recognized when levied to the extent that they are collected in the current year. The balance is reported as deferred revenues. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges.

The City is permitted by the State of Texas to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services including debt service for the year ended September 30, 2002, was \$.4777 per \$100 of assessed valuation.

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

B. COMMITMENTS AND CONTINGENCIES

Construction Commitments

At September 30, 2002, the City had a number of active construction projects. At year-end the City's commitments with contractors were as follows:

Project Type	Remaining Commitment
General Government Projects	\$ 3,766,524
Parks Projects	1,188,004
Sewer Projects	1,079,239
Streets Projects	1,385,019
Water Projects	1,831,621
Total	<u>\$ 9,250,407</u>

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

IV. OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

Other Commitments and Contingencies

Prior to January 1, 1996, the City purchased electric power and energy from four cities (Bryan, Denton, Garland and Greenville) of the Texas Municipal Power Agency (TMPA) which was delivered through the TMPA and Bryan transmission facilities. On January 1, 1996, the City of College Station began purchasing its power through Texas Utilities (TU) Corporation. Bryan and TMPA alleged that College Station and TU were not authorized to use their respective facilities to deliver power to the City of College Station system and were thus trespassing on those facilities. Bryan and TMPA are seeking unspecified money damages for the alleged trespass.

The Texas Public Utility Commission (TPUC) adopted rates and charges effective January 1, 1996. The rates and charges so established were to remain in effect until the TPUC adopted transmission rates for use throughout the Electric Reliability Council of Texas (ERCOT). TMPA and Bryan appealed those rates and charges. The TPUC established rates and charges in a similar manner for the period January 1, 1997 through August 31, 1999. TMPA and Bryan appealed those charges each year through the TPUC and various state district courts.

In addition, the City is a party to an action before the Federal Energy Regulatory Commission (FERC) regarding rate issues for the same period.

On June 18, 2001, the Texas Supreme Court invalidated the rate setting portions of TPUC Substantive Rules 23.67 and 23.70. The court held that the TPUC lacked authority to establish transmission rates and charges for the period September 1, 1995 through August 31, 1999 for municipally owned transmission facilities. The TPUC and FERC had previously set rates for the City based on the methodology used by the TPUC. At this point, it is not clear the effect these actions will have on the City's general purpose financial statements. Due to the complexity of the rate setting methodologies and the legal issues involved, management is unable to make a determination of loss contingency, if any; therefore, no provision has been made in the accompanying general purpose financial statements. Management intends to vigorously defend the City's position in regard to these actions.

The City is contingently liable for lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and would not materially affect the financial position of the City at September 30, 2002.

C. RISK MANAGEMENT

A government entity, such as the City, is faced with the possibility of various losses which can result from natural disasters; theft of, damage to, or destruction of assets; human errors and omissions; and torts. In order to minimize its exposure to such losses, the City is engaged in the following risk management activities:

The City is self-insured for the first \$100,000 on property losses such as stolen, damaged, destroyed, vandalized, and lost assets and for liability losses filed by persons claiming personal or property damages. This coverage is provided through a Property and Casualty Fund that is funded by calculated contributions from the City's operating funds. The fund includes an annual aggregate loss limit of \$150,000. All claims are subject to review by the Risk Manager and the City Loss Review Committee, as necessary.

CITY OF COLLEGE STATION, TEXAS
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

IV. OTHER INFORMATION (Continued)

C. RISK MANAGEMENT (Continued)

The City retains the first \$250,000 on the following lines of insurance coverage: Auto Liability, General Liability, Law Enforcement Liability, and Public Officials Liability. These property and casualty coverages are provided through TML Intergovernmental Risk Pool ("TML/IRP"), which is funded by calculated contributions from the City's operating funds. TML/IRP provides all of the claims handling for these lines of coverage. The City reimburses TML/IRP on all paid claims which are settled within the \$25,000 retention.

The City's Unemployment Fund is used to account for self-insurance activity involving claims filed under unemployment compensation laws. Monthly contributions based on a percentage of payroll are determined each year during the budget process and are used to fund this activity.

The City is also self-insured for workers' compensation benefits, and the plan is administered by TML/IRP. In the City's contract with TML, TML agrees to provide certain workers' compensation services for the City such as paying claims, establishing claim reserves, processing filings with the Texas Worker's Compensation Commission, conducting disability investigations, scheduling physical examinations, attending hearings, and printing claims reports. The City is required to process and provide to TML initial paperwork on any covered employee eligible to receive worker's compensation benefits. The City pays a fixed contribution for administrative costs and maintains a deposit for any claims runoff in the event that the contract is canceled. The City also reimburses TML for all claims paid on the City's behalf up to a maximum of \$100,000 per claim. Additionally, the City has a stop-loss insurance policy that limits its liability per employee to \$500,000 per incident. The amount for estimated outstanding losses for claims incurred but not reported is not material.

The City retains the first \$100,000 on its Workers Compensation coverage. The City obtains this coverage through TML Intergovernmental Risk Pool, who is responsible for all costs in excess of the City's \$100,000 retention. TML/IRP provides complete claims administration over all workers compensation claims. The City reimburses TML/IRP on all paid claims which are settled within the \$100,000 retention. The amount for estimated outstanding losses for claims incurred but not reported (IBNR) is not material.

The amount of settlements in each of the above self-insurance funds has not exceeded insurance coverage for each of the past three years

Changes in the balances of claims liabilities for the self-insurance funds which are accounted for as Internal Service Funds are as follows:

	<u>2002</u>	<u>2001</u>
Unpaid Claims, October 1	\$ 412,677	\$ 701,053
Incurred Claims (including IBNR's)	852,136	2,630,192
Claims Paid	<u>(1,107,316)</u>	<u>(2,918,568)</u>
Unpaid Claims, September 30	<u>\$ 157,497</u>	<u>\$ 412,677</u>

The City uses Internal Service Funds to account for its risk-management activities. In addition, interfund premiums are reported as quasi-external transactions.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

D. JOINT VENTURE

In May 1990, the City of College Station joined the City of Bryan in creating BVSWMA. The primary purpose of BVSWMA is to achieve economy of scale savings for the participants through joint ownership and use of regional waste management facilities. Each city holds a 50% interest and ownership in BVSWMA.

BVSWMA is governed by an Administrative Board of Trustees ("Board") comprised of the City Manager and a staff person from each city; in addition, the Mayors of each city serve alternating two-year terms on the Board. The Board has complete responsibility for the daily operating activities of BVSWMA. After Board approval, the BVSWMA annual budget is presented for approval by both cities as a part of their regular budget.

The City's share of BVSWMA's net income for fiscal 2002 was \$842,323.

The following is a summary of information from the audited financial statements of BVSWMA as of September 30, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Assets:		
Current Assets	\$ 11,471,225	\$ 10,444,228
Property, Plant and Equipment (Net of \$3,886,369 Accumulated Depreciation at 2002 and \$3,265,871 at 2001)	4,773,722	4,024,545
Other Assets	238,048	77,148
Total Assets	<u>\$ 16,482,995</u>	<u>\$ 14,545,921</u>
Liabilities:		
Current Liabilities	\$ 506,635	\$ 489,989
Noncurrent Liabilities:		
Accrued Vacation	48,492	37,548
Accrued Post Closure Maintenance Costs	3,348,818	3,123,980
Total Liabilities	<u>3,903,945</u>	<u>3,651,517</u>
Fund Equity:		
Contributed Equity	170,200	170,200
Retained Earnings	12,408,850	10,724,204
Total Fund Equity	<u>12,579,050</u>	<u>10,894,404</u>
Total Liabilities and Fund Equity	<u>\$ 16,482,995</u>	<u>\$ 14,545,921</u>
Total Operating Revenues	\$ 5,396,098	\$ 5,237,840
Total Operating Expenses	<u>4,138,398</u>	<u>4,176,440</u>
Operating Income	1,257,700	1,061,400
Net Nonoperating Revenues (Expenses)	426,946	267,984
Net Income	<u>\$ 1,684,646</u>	<u>\$ 1,329,384</u>

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

CITY OF COLLEGE STATION, TEXAS
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

IV. OTHER INFORMATION (Continued)

E. RETIREMENT PLAN

The City has adopted GASB Statement No. 27, Accounting for Pensions by State and Local Government Employees. This statement requires the following disclosures:

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"), one of 758 administered by TMRS, an agent multiple-employer public employee retirement system.

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

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

Deposit Rate: 6%
 Matching Ratio (City to Employee): 2-1

Actuarial Assumptions

The City of College Station is one of 758 municipalities having the benefit plan administered by TMRS. Each of the 758 municipalities has an annual, individual actuarial valuation performed.

Actuarial assumptions as of the latest actuarial valuation are as follows:

Actuarial Cost Method:	Unit Credit
Amortization Method:	Level Percent of Payroll
Remaining Amortization Period:	25 years- Open Period
Asset Valuation Method:	Amortized Cost (To accurately reflect the requirements of GASB Statement No. 25, paragraphs 36e and 138)
 Actuarial Assumptions:	
Investment Rate of Return:	8%
Projected Salary Increases:	None
Includes Inflation at:	None
Cost-of-Living Adjustments:	None

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

IV. OTHER INFORMATION (Continued)

E. RETIREMENT PLAN (Continued)

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

Contributions

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2001 valuation is effective for rates beginning January 2003).

The City of College Station is one of 758 municipalities having the benefit plan administered by TMRS. Each of the 758 Municipalities have an annual, individual actuarial valuation performed. All assumptions for the 12-31-01 valuations are contained in the 2001 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153.

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Applicable historical trend information concerning this plan is presented below and on the next page:

Fiscal Year Ending	Annual Required Contribution (ARC)	Contributions Made	Net Pension Obligation
1994	980,194	980,194	0
1995	1,028,586	1,028,586	0
1996	1,107,037	1,107,037	0
1997	1,299,737	1,299,737	0
1998	1,662,022	1,662,022	0
1999	1,965,749	1,965,749	0
2000	2,154,204	2,154,204	0
2001	2,272,217	2,272,217	0
2002	2,511,159	2,511,159	0

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

IV. OTHER INFORMATION (Continued)

E. RETIREMENT PLAN (Continued)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Actuarial Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Net Assets Available as a Percent of Pension Benefit Obligation
12/31/92	16,151,960	18,618,664	2,466,704	87%
12/31/93	19,345,662	22,717,522	3,371,860	85%
12/31/94	21,969,264	26,863,012	4,893,748	82%
12/31/95	26,004,146	31,518,807	5,514,661	83%
12/31/96	30,332,645	36,941,994	6,609,349	82%
12/31/97	34,566,021	42,100,099	7,534,078	82%
12/31/98	38,759,223	45,574,205	6,814,982	85%
12/31/99	43,010,803	49,987,308	6,976,505	86%
12/31/00	47,880,750	55,811,761	7,931,011	86%
12/31/01	52,927,528	61,856,550	8,929,022	86%

Actuarial Valuation Date	Covered Payroll	UAAL as a Percentage of Annual Covered Payroll
12/31/92	14,658,546	17%
12/31/93	16,049,130	21%
12/31/94	17,086,936	29%
12/31/95	17,581,968	31%
12/31/96	18,001,720	37%
12/31/97	17,839,856	42%
12/31/98	19,339,128	35%
12/31/99	20,803,862	34%
12/31/00	23,651,256	34%
12/31/01	25,422,558	35%

Post Retirement Benefits

In addition to providing pension benefits, the City provides certain health care benefits for retired employees as established by City Resolution No. 9-13-90-5.10, which was passed and approved by the City Council on September 13, 1990. According to this resolution, employees who retire while working for the City and their dependents are eligible to remain on the City's health plan as long as the employee makes monthly premium payments. During fiscal year 2002, twelve former employees were covered under this arrangement. Prior to the passage of this resolution, employees who reached retirement while working for the City were eligible to remain on the City's self-insured health plan and have their monthly premiums paid for by the City. During fiscal year 2002, one retiree was covered under this plan; however, claims filed by this retiree were not material.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

IV. OTHER INFORMATION (Continued)

F. SEGMENT INFORMATION OF ENTERPRISE FUNDS

The City maintains six enterprise funds. Segment information for the year ended September 30, 2002, is as follows (amounts in thousands):

	Electric Fund	Water Fund	Sewer Fund	Solid Waste Collection Fund	Cedar Creek Condominium Fund	Northgate Parking Garage	Total
Operating Revenues	\$ 45,252	\$ 8,686	\$ 8,203	\$ 4,307	\$ 0	\$ 452	\$ 66,900
Operating Expenses (Excluding Depreciation)	37,679	4,566	4,030	4,379	0	438	51,092
Depreciation	2,399	1,264	1,239	14	0	160	5,076
Operating Income	5,174	2,856	2,935	(86)	0	(146)	10,733
Operating Transfers, Net	(4,574)	(924)	(730)	(307)	0	(225)	(6,760)
Net Income (Loss)	357	1,335	820	470	2	(261)	2,723
Property and Equipment Additions	23,297	15,205	13,241	0	0	222	51,965
Net Working Capital	14,266	11,118	3,757	1,305	303	833	31,582
Total Assets	70,089	72,765	69,857	7,757	446	7,198	228,112
Bonds and Other Long-Term Liabilities (Excluding Current Portion)	13,713	27,239	33,588	26	0	0	74,566
Total Equity	44,731	42,654	32,850	7,589	303	7,187	135,314

G. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all City employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. It is the opinion of the City's legal counsel that the City has no liability for losses under the plan.

CITY OF COLLEGE STATION, TEXAS
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

IV. OTHER INFORMATION (Continued)

H. POWER COST RECOVERY

The City is allowed to recover purchased power costs as power cost adjustments. This power cost recovery allows for the pass-through of power costs to the customers and has no impact on net income. The amount of any under or over recovered purchased power costs at year-end was not material.

I. REVENUE BOND COVERAGE

All the net revenues of the Electric, Water, and Sewer 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. BONDS AVAILABLE FOR SALE

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

	Year Authorized	Unissued Amount
Public Buildings	1984	\$ 700,000
Street Improvements	1984	500,000
Street Improvements	1998	973,000
Traffic Management	1998	720,000
Fire Station Improvements	1998	1,317,000
City Facilities	1998	780,000
Drainage Improvements	1998	1,855,000
TOTAL		<u>\$ 6,845,000</u>

K. RECENT ACCOUNTING PRONOUNCEMENT – GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT 34 – “BASIC FINANCIAL STATEMENTS – AND MANAGEMENT DISCUSSION AND ANALYSIS – FOR STATE AND LOCAL GOVERNMENTS”

With the fiscal year ending September 30, 2003, the City will implement the provisions of Governmental Accounting Standards Board Statement 34. The City has not completed the process of evaluating the impact that will result from adopting Statement 34. The City is therefore unable to disclose the impact that adopting The New Reporting Model will have on the financial position and results of operations of the City when such statement is adopted.

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Taxes				
Current Property	\$ 4,525,172	\$ 4,525,172	\$ 4,489,864	\$ (35,308)
Delinquent Property	25,000	25,000	36,567	11,567
Tax Penalty and Interest	13,000	13,000	28,915	15,915
General Sales	13,168,000	13,168,000	13,413,911	245,911
Mixed Drinks	206,000	206,000	234,924	28,924
Franchise	1,733,000	1,733,000	1,714,241	(18,759)
Total Taxes	19,670,172	19,670,172	19,918,422	248,250
Licenses and Permits:				
Mixed Drinks	16,000	16,000	28,220	12,220
Game Machines	1,000	1,000	660	(340)
Professional/Occupational	30,500	30,500	30,943	443
Builders Permits	480,000	480,000	504,695	24,695
Electrical Permits	38,000	38,000	61,154	23,154
Plumbing Permits	62,000	62,000	100,658	38,658
Mechanical Permits	26,000	26,000	54,147	28,147
Other	72,000	72,000	90,159	18,159
Total Licenses and Permits	725,500	725,500	870,636	145,136
Intergovernmental	305,317	330,317	414,767	84,450
Charges for Services:				
Parks Concessions	16,000	16,000	7,389	(8,611)
Pool Admissions	233,000	233,000	250,094	17,094
Sports Instruction	111,000	111,000	133,272	22,272
Sports Programs	189,000	189,000	200,761	11,761
Special Events	0	0	569	569
Teen Center	8,000	8,000	6,827	(1,173)
Other Parks	25,000	25,000	20,282	(4,718)
Finger Printing	4,000	4,000	3,152	(848)
Police Reports and Records Checks	16,000	16,000	11,658	(4,342)
Arrest Fees	134,000	134,000	97,478	(36,522)
Warrant Service Fees	74,000	74,000	104,992	30,992
Police Escort Services	29,000	29,000	31,214	2,214
False Alarms	23,000	23,000	23,750	750
Other Police	222,000	222,000	185,266	(36,734)
EMS Transport and Standbys	389,000	389,000	464,497	75,497

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Fire Inspections	\$ 7,000	\$ 7,000	\$ 5,710	\$ (1,290)
Code Enforcement Fees	3,000	3,000	9,975	6,975
Other Fire	3,000	3,000	125	(2,875)
Fire Hazardous Material Response	5,000	5,000	0	(5,000)
Street Sweeps and Repairs	1,000	1,000	1,075	75
Municipal Court Fees	111,000	111,000	68,818	(42,182)
Building Inspection Fees	12,000	12,000	25,442	13,442
Planning Fees	60,000	60,000	120,868	60,868
Engineering Fees	66,000	66,000	53,272	(12,728)
Other Development Service Fees	0	0	60	60
Certificate Searches	13,000	13,000	12,169	(831)
Other	1,000	1,000	1,052	52
Total Charges for Services	1,755,000	1,755,000	1,839,767	84,767
Fines, Forfeits and Penalties				
Municipal Court Fines	1,690,000	1,690,000	2,324,073	634,073
Other Fines and Penalties	0	0	6,575	6,575
Total Fines, Forfeits and Penalties	1,690,000	1,690,000	2,330,648	640,648
Special Assessments	1,000	1,000	0	(1,000)
Use of Money and Property				
Investment Income	477,000	477,000	467,152	(9,848)
Rents and Royalties	74,000	74,000	113,724	39,724
Total Use of Money and Property	551,000	551,000	580,876	29,876
Miscellaneous				
Contributions	27,000	27,000	21,475	(5,525)
Reimbursed Expenditures	6,000	6,000	32,803	26,803
Collections Service Fees	97,000	97,000	97,552	552
Other	34,000	34,000	68,716	34,716
Total Miscellaneous	164,000	164,000	220,546	56,546
Total Revenues	24,861,989	24,886,989	26,175,662	1,288,673

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Other Financing Sources				
Operating Transfers In	\$ 6,235,000	\$ 6,235,000	\$ 6,236,793	\$ 1,793
Sale of General Fixed Assets	41,000	41,000	30,106	(10,894)
Total Other Financing Sources	<u>6,276,000</u>	<u>6,276,000</u>	<u>6,266,899</u>	<u>(9,101)</u>
 Total General Fund Revenues and Other Financing Sources	 <u>31,137,989</u>	 <u>31,162,989</u>	 <u>32,442,561</u>	 <u>1,279,572</u>
 Economic Development Fund				
Investment Income	43,600	43,600	36,444	(7,156)
Operating Transfers In	<u>250,000</u>	<u>250,000</u>	<u>299,900</u>	<u>49,900</u>
Total Economic Development Fund	<u>293,600</u>	<u>293,600</u>	<u>336,344</u>	<u>42,744</u>
 Parks Xtra Education Fund				
Charges for Services	55,100	55,100	90,444	35,344
Investment Income	<u>5,200</u>	<u>5,200</u>	<u>2,986</u>	<u>(2,214)</u>
Total Parks Xtra Education Fund	<u>60,300</u>	<u>60,300</u>	<u>93,430</u>	<u>33,130</u>
 Police Seizure Fund				
Intergovernmental Revenue	0	0	8,359	8,359
Investment Income	<u>1,200</u>	<u>1,200</u>	<u>957</u>	<u>(243)</u>
Total Police Seizure Fund	<u>1,200</u>	<u>1,200</u>	<u>9,316</u>	<u>8,116</u>
 Court Technology Fee Fund				
Charges For Services	103,000	103,000	76,153	(26,847)
Investment Income	<u>6,800</u>	<u>6,800</u>	<u>5,931</u>	<u>(869)</u>
Total Court Technology Fee Fund	<u>109,800</u>	<u>109,800</u>	<u>82,084</u>	<u>(27,716)</u>
 Court Security Fee Fund				
Charges For Services	74,500	74,500	57,487	(17,013)
Investment Income	<u>6,600</u>	<u>6,600</u>	<u>5,175</u>	<u>(1,425)</u>
Total Court Security Fee Fund	<u>81,100</u>	<u>81,100</u>	<u>62,662</u>	<u>(18,438)</u>
 Court Efficiency Time Payment Fee Fund				
Charges For Services	0	0	3,962	3,962
Investment Income	<u>0</u>	<u>0</u>	<u>604</u>	<u>604</u>
Total Court Efficiency Time Payment Fee Fund	<u>0</u>	<u>0</u>	<u>4,566</u>	<u>4,566</u>

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Thoroughfare Rehabilitation Fund				
Investment Income	\$ 0	\$ 0	\$ 78	\$ 78
Total Thoroughfare Rehabilitation Fund	<u>0</u>	<u>0</u>	<u>78</u>	<u>78</u>
 Total All General Fund Revenues and Other Financing Sources	 <u>\$ 31,683,989</u>	 <u>\$ 31,708,989</u>	 <u>\$ 33,031,041</u>	 <u>\$ 1,322,052</u>

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
General Government				
City Secretary				
Salaries and Benefits	\$ 169,050	\$ 170,047	\$ 176,515	\$ 6,468
Supplies	22,463	22,463	21,990	(473)
Maintenance	4,529	4,529	4,762	233
Purchased Professional Services	19,681	19,681	20,282	601
Purchased Property Services	4,433	4,433	5,295	862
Other Purchased Services	81,116	73,772	67,729	(6,043)
Total City Secretary	301,272	294,925	296,573	1,648
City Manager				
Salaries and Benefits	552,839	573,065	581,038	7,973
Supplies	19,339	19,339	16,787	(2,552)
Maintenance	9,290	9,290	9,290	0
Purchased Professional Services	0	0	5,789	5,789
Purchased Property Services	3,790	3,790	4,924	1,134
Other Purchased Services	38,163	38,163	41,831	3,668
Total City Manager	623,421	643,647	659,659	16,012
Legal				
Salaries and Benefits	518,435	541,500	554,727	13,227
Supplies	37,831	37,831	45,149	7,318
Maintenance	6,230	6,230	6,551	321
Purchased Professional Services	40	40	57	17
Purchased Property Services	2,990	2,990	3,682	692
Other Purchased Services	29,678	29,678	20,486	(9,192)
Total Legal	595,204	618,269	630,652	12,383
Economic Development				
Salaries and Benefits	170,771	171,436	169,643	(1,793)
Supplies	5,680	5,680	3,720	(1,960)
Maintenance	1,550	1,550	1,550	0
Purchased Professional Services	94,980	130,475	16,524	(113,951)
Purchased Property Services	1,650	1,650	1,160	(490)
Other Purchased Services	29,015	29,015	16,870	(12,145)
Total Economic Development	303,646	339,806	209,467	(130,339)

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Community Development				
Salaries and Benefits	\$ 442,320	\$ 444,648	\$ 450,116	\$ 5,468
Supplies	11,989	11,989	5,547	(6,442)
Maintenance	12,831	12,831	10,941	(1,890)
Purchased Professional Services	31,377	31,377	32,951	1,574
Purchased Property Services	52,931	52,931	54,911	1,980
Other Purchased Services	33,379	33,379	17,294	(16,085)
Total Community Development	<u>584,827</u>	<u>587,155</u>	<u>571,760</u>	<u>(15,395)</u>
Public Relations				
Salaries and Benefits	122,063	122,728	125,094	2,366
Supplies	6,068	6,068	3,597	(2,471)
Maintenance	2,730	2,730	2,123	(607)
Purchased Professional Services	1,990	1,990	193	(1,797)
Purchased Property Services	790	790	1,455	665
Other Purchased Services	75,029	82,373	70,960	(11,413)
Total Public Relations	<u>208,670</u>	<u>216,679</u>	<u>203,422</u>	<u>(13,257)</u>
Human Resources				
Salaries and Benefits	310,146	311,813	327,188	15,375
Supplies	27,665	31,065	29,319	(1,746)
Maintenance	5,730	5,730	5,730	0
Purchased Professional Services	0	0	324	324
Purchased Property Services	3,780	3,780	4,747	967
Other Purchased Services	40,779	42,600	38,977	(3,623)
Total Human Resources	<u>388,100</u>	<u>394,988</u>	<u>406,285</u>	<u>11,297</u>
Budget/Research Division				
Salaries and Benefits	230,704	231,701	222,957	(8,744)
Supplies	2,600	2,600	2,435	(165)
Maintenance	2,590	2,590	2,590	0
Purchased Professional Services	36,400	36,400	28,719	(7,681)
Purchased Property Services	800	800	1,108	308
Other Purchased Services	17,810	17,810	23,372	5,562
Total Budget/Research Division	<u>290,904</u>	<u>291,901</u>	<u>281,181</u>	<u>(10,720)</u>
Total General Government	<u>3,296,044</u>	<u>3,387,370</u>	<u>3,258,999</u>	<u>(128,371)</u>

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Fiscal Services				
Financial Administration				
Salaries and Benefits	\$ 170,585	\$ 171,250	\$ 170,134	\$ (1,116)
Supplies	10,000	10,000	8,340	(1,660)
Maintenance	2,070	2,070	2,262	192
Purchased Professional Services	114,530	129,411	128,392	(1,019)
Purchased Property Services	870	870	1,127	257
Other Purchased Services	14,885	14,885	11,962	(2,923)
Total Financial Administration	<u>312,940</u>	<u>328,486</u>	<u>322,217</u>	<u>(6,269)</u>
Accounting				
Salaries and Benefits	501,176	504,336	480,785	(23,551)
Supplies	16,844	16,844	15,518	(1,326)
Maintenance	6,760	6,760	7,508	748
Purchased Professional Services	82,945	82,945	78,038	(4,907)
Purchased Property Services	6,040	6,040	4,134	(1,906)
Other Purchased Services	99,690	99,690	88,838	(10,852)
Total Accounting	<u>713,455</u>	<u>716,615</u>	<u>674,821</u>	<u>(41,794)</u>
Purchasing				
Salaries and Benefits	230,063	231,393	230,045	(1,348)
Supplies	1,250	1,250	1,282	32
Maintenance	3,100	3,100	3,100	0
Purchased Professional Services	16,300	16,300	6,638	(9,662)
Purchased Property Services	1,580	1,580	2,403	823
Other Purchased Services	20,810	20,810	14,171	(6,639)
Total Purchasing	<u>273,103</u>	<u>274,433</u>	<u>257,639</u>	<u>(16,794)</u>
Municipal Court				
Salaries and Benefits	495,295	513,676	556,009	42,333
Supplies	15,250	15,250	15,592	342
Maintenance	8,510	8,510	9,455	945
Purchased Professional Services	19,835	19,835	39,396	19,561
Purchased Property Services	5,080	5,080	9,563	4,483
Other Purchased Services	64,545	64,545	50,051	(14,494)
Total Municipal Court	<u>608,515</u>	<u>626,896</u>	<u>680,066</u>	<u>53,170</u>

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Risk Management				
Salaries and Benefits	\$ 139,860	\$ 140,359	\$ 143,328	\$ 2,969
Supplies	3,170	3,170	1,080	(2,090)
Maintenance	1,590	1,590	1,540	(50)
Purchased Professional Services	150	150	433	283
Purchased Property Services	1,210	1,210	1,575	365
Other Purchased Services	8,307	8,307	9,354	1,047
Total Risk Management	<u>154,287</u>	<u>154,786</u>	<u>157,310</u>	<u>2,524</u>
 Total Fiscal Services	 <u>2,062,300</u>	 <u>2,101,216</u>	 <u>2,092,053</u>	 <u>(9,163)</u>
 Police				
Police Administration				
Salaries and Benefits	618,212	620,208	659,974	39,766
Supplies	7,616	7,616	10,963	3,347
Maintenance	2,050	2,050	2,695	645
Purchased Professional Services	100	100	4,712	4,612
Other Purchased Services	23,120	24,516	35,447	10,931
Total Police Administration	<u>651,098</u>	<u>654,490</u>	<u>713,791</u>	<u>59,301</u>
 Uniform Patrol				
Salaries and Benefits	3,664,938	3,685,951	3,781,552	95,601
Supplies	81,782	81,782	27,987	(53,795)
Maintenance	55,780	55,780	56,155	375
Purchased Professional Service	31,955	31,955	31,983	28
Purchased Property Services	650	650	0	(650)
Other Purchased Services	143,315	146,184	148,634	2,450
Capital Outlay	0	14,780	51,016	36,236
Total Uniform Patrol	<u>3,978,420</u>	<u>4,017,082</u>	<u>4,097,327</u>	<u>80,245</u>
 Criminal Investigation				
Salaries and Benefits	827,448	831,202	778,447	(52,755)
Supplies	10,419	10,419	9,078	(1,341)
Maintenance	8,864	8,864	8,760	(104)
Purchased Professional Services	18,689	18,689	19,735	1,046
Purchased Property Services	585	585	520	(65)
Other Purchased Services	37,024	37,024	35,447	(1,577)
Capital Outlay	0	0	14,995	14,995

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Total Criminal Investigation	\$ 903,029	\$ 906,783	\$ 866,982	\$ (39,801)
Personnel Services				
Salaries and Benefits	247,309	248,668	201,570	(47,098)
Supplies	23,480	23,480	19,269	(4,211)
Maintenance	1,800	1,800	1,800	0
Purchased Professional Service	23,240	23,240	22,968	(272)
Other Purchased Services	15,301	16,186	11,191	(4,995)
Total Personnel Services	<u>311,130</u>	<u>313,374</u>	<u>256,798</u>	<u>(56,576)</u>
Quartermaster				
Salaries and Benefits	29,886	30,219	29,986	(233)
Supplies	167,682	170,082	150,334	(19,748)
Maintenance	238,536	238,536	242,394	3,858
Purchased Professional Services	11,996	11,996	9,874	(2,122)
Purchased Property Services	104,070	104,070	102,645	(1,425)
Other Purchased Services	197,125	197,125	220,905	23,780
Total Quartermaster	<u>749,295</u>	<u>752,028</u>	<u>756,138</u>	<u>4,110</u>
Communications/Jail				
Salaries and Benefits	1,026,976	1,034,451	1,053,253	18,802
Supplies	8,662	8,662	10,992	2,330
Maintenance	43,023	33,773	27,515	(6,258)
Purchased Professional Services	6,818	16,068	11,377	(4,691)
Other Purchased Services	37,524	40,234	37,942	(2,292)
Capital Outlay	19,500	19,500	15,792	(3,708)
Total Communications/Jail	<u>1,142,503</u>	<u>1,152,688</u>	<u>1,156,871</u>	<u>4,183</u>
Special Services				
Salaries and Benefits	574,789	577,829	603,550	25,721
Supplies	15,747	15,747	22,069	6,322
Maintenance	7,933	7,933	7,746	(187)
Purchased Professional Services	57,432	57,432	46,597	(10,835)
Purchased Property Services	430	430	750	320
Other Purchased Services	37,650	42,959	37,398	(5,561)
Capital Outlay	27,925	27,925	0	(27,925)
Total Special Services	<u>721,906</u>	<u>730,255</u>	<u>718,110</u>	<u>(12,145)</u>

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Technical Services				
Salaries and Benefits	\$ 366,733	\$ 369,079	\$ 265,173	\$ (103,906)
Supplies	4,780	4,780	2,462	(2,318)
Maintenance	690	690	690	0
Purchased Professional Services	0	0	8	8
Other Purchased Services	17,527	17,527	8,735	(8,792)
Total Technical Services	<u>389,730</u>	<u>392,076</u>	<u>277,068</u>	<u>(115,008)</u>
Total Police	<u>8,847,111</u>	<u>8,918,776</u>	<u>8,843,085</u>	<u>(75,691)</u>
Fire				
Fire Administration				
Salaries and Benefits	299,664	301,329	309,767	8,438
Supplies	12,320	12,320	11,806	(514)
Maintenance	30,146	30,146	28,697	(1,449)
Purchased Professional Services	523	523	0	(523)
Purchased Property Services	36,999	36,999	36,609	(390)
Other Purchased Services	31,375	31,375	29,950	(1,425)
Capital Outlay	3,400	43,770	40,370	(3,400)
Total Fire Administration	<u>414,427</u>	<u>456,462</u>	<u>457,199</u>	<u>737</u>
Fire Suppression				
Salaries and Benefits	3,066,371	3,081,838	2,846,037	(235,801)
Supplies	158,895	158,895	117,618	(41,277)
Maintenance	115,991	115,991	121,272	5,281
Purchased Professional Services	2,637	2,637	1,573	(1,064)
Purchased Property Services	55,510	55,510	48,913	(6,597)
Other Purchased Services	189,907	189,907	171,132	(18,775)
Capital Outlay	90,607	90,607	6,638	(83,969)
Total Fire Suppression	<u>3,679,918</u>	<u>3,695,385</u>	<u>3,313,183</u>	<u>(382,202)</u>
Fire Prevention				
Salaries and Benefits	504,983	508,005	533,846	25,841
Supplies	33,162	33,162	40,530	7,368
Maintenance	18,782	18,782	18,370	(412)
Purchased Professional Services	7,768	7,768	8,195	427
Purchased Property Services	2,802	2,802	2,064	(738)
Other Purchased Services	38,024	38,024	67,032	29,008

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Capital Outlay	\$ 24,000	\$ 24,000	\$ 0	\$ (24,000)
Total Fire Prevention	<u>629,521</u>	<u>632,543</u>	<u>670,037</u>	<u>37,494</u>
Emergency Medical Services				
Salaries and Benefits	1,625,537	1,660,425	1,661,377	952
Supplies	109,733	109,733	101,611	(8,122)
Maintenance	47,863	47,863	49,568	1,705
Purchased Professional Services	15,891	15,891	10,896	(4,995)
Purchased Property Services	9,219	9,219	10,621	1,402
Other Purchased Services	65,946	65,946	66,690	744
Capital Outlay	20,000	20,000	19,158	(842)
Total Emergency Medical Services	<u>1,894,189</u>	<u>1,929,077</u>	<u>1,919,921</u>	<u>(9,156)</u>
Total Fire	<u>6,618,055</u>	<u>6,713,467</u>	<u>6,360,340</u>	<u>(353,127)</u>
Development Services				
Development Services Administration				
Salaries and Benefits	578,905	582,244	576,595	(5,649)
Supplies	16,328	16,328	40,691	24,363
Maintenance	11,109	11,109	17,558	6,449
Purchased Professional Services	17,383	17,383	54,317	36,934
Purchased Property Services	3,305	3,305	1,536	(1,769)
Other Purchased Services	55,671	55,671	49,839	(5,832)
Total Development Services Administration	<u>682,701</u>	<u>686,040</u>	<u>740,536</u>	<u>54,496</u>
Engineering				
Salaries and Benefits	192,002	192,667	120,756	(71,911)
Supplies	1,100	1,100	17,334	16,234
Maintenance	1,610	1,610	1,610	0
Purchased Professional Services	8,000	8,000	2,624	(5,376)
Purchased Property Services	1,690	1,690	1,181	(509)
Other Purchased Services	8,115	8,115	4,469	(3,646)
Total Engineering	<u>212,517</u>	<u>213,182</u>	<u>147,974</u>	<u>(65,208)</u>

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Planning				
Salaries and Benefits	\$ 854,339	\$ 857,678	\$ 822,724	\$ (34,954)
Supplies	22,531	22,741	30,043	7,302
Maintenance	24,382	24,382	26,506	2,124
Purchased Professional Services	16,378	54,991	10,019	(44,972)
Purchased Property Services	4,784	4,784	5,921	1,137
Other Purchased Services	101,746	101,746	85,882	(15,864)
Total Planning	<u>1,024,160</u>	<u>1,066,322</u>	<u>981,095</u>	<u>(85,227)</u>
 Total Development Services	 <u>1,919,378</u>	 <u>1,965,544</u>	 <u>1,869,605</u>	 <u>(95,939)</u>
 Public Works				
Public Works Administration				
Salaries and Benefits	426,687	428,685	443,018	14,333
Supplies	15,675	15,675	12,999	(2,676)
Maintenance	7,580	7,580	7,634	54
Purchased Property Services	27,860	27,860	27,496	(364)
Other Purchased Services	15,005	15,005	18,803	3,798
Total Public Works Administration	<u>492,807</u>	<u>494,805</u>	<u>509,950</u>	<u>15,145</u>
 Facilities Maintenance				
Salaries and Benefits	282,513	284,187	299,664	15,477
Supplies	18,894	18,894	14,544	(4,350)
Maintenance	418,930	451,279	391,372	(59,907)
Purchased Professional Services	174,157	174,157	158,229	(15,928)
Purchased Property Services	70,410	70,410	73,429	3,019
Other Purchased Services	24,514	24,514	23,772	(742)
Total Facilities Maintenance	<u>989,418</u>	<u>1,023,441</u>	<u>961,010</u>	<u>(62,431)</u>
 Streets Maintenance				
Salaries and Benefits	811,576	816,278	751,007	(65,271)
Supplies	58,170	58,170	54,581	(3,589)
Maintenance	1,066,516	1,066,516	1,110,845	44,329
Purchased Professional Services	17,150	17,150	5,213	(11,937)
Purchased Property Services	25,744	25,744	28,574	2,830
Other Purchased Services	176,773	176,773	344,899	168,126
Capital Outlay	172,500	172,500	0	(172,500)
Total Streets Maintenance	<u>2,328,429</u>	<u>2,333,131</u>	<u>2,295,119</u>	<u>(38,012)</u>

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Drainage Maintenance				
Salaries and Benefits	\$ 197,739	\$ 199,427	\$ 207,233	\$ 7,806
Supplies	8,460	8,460	9,160	700
Maintenance	97,460	97,460	105,852	8,392
Purchased Professional Services	0	0	61	61
Purchased Property Services	7,624	7,624	5,487	(2,137)
Other Purchased Services	40,058	40,058	40,061	3
Total Drainage Maintenance	351,341	353,029	367,854	14,825
Traffic Signs/Markings				
Salaries and Benefits	75,907	76,261	64,536	(11,725)
Supplies	64,934	64,934	64,969	35
Maintenance	15,039	15,039	7,601	(7,438)
Purchased Professional Services	0	0	44	44
Purchased Property Services	704	704	145	(559)
Other Purchased Services	5,301	5,301	5,047	(254)
Total Traffic Signs/Markings	161,885	162,239	142,342	(19,897)
Traffic Signals				
Salaries and Benefits	275,453	277,141	290,123	12,982
Supplies	8,203	8,203	5,864	(2,339)
Maintenance	61,608	61,608	59,000	(2,608)
Purchased Professional Services	1,560	1,560	43	(1,517)
Purchased Property Services	103,173	103,173	83,877	(19,296)
Other Purchased Services	23,986	23,986	21,415	(2,571)
Total Traffic Signals	473,983	475,671	460,322	(15,349)
Engineering				
Salaries and Benefits	568,450	571,129	500,096	(71,033)
Supplies	5,255	5,255	15,574	10,319
Maintenance	13,230	13,230	10,160	(3,070)
Purchased Professional Services	84,198	84,198	45,932	(38,266)
Purchased Property Services	8,998	8,998	7,380	(1,618)
Other Purchased Services	26,849	26,849	25,911	(938)
Capital Outlay	0	0	4,619	4,619
Total Engineering	706,980	709,659	609,672	(99,987)

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Total Public Works	\$ 5,504,843	\$ 5,551,975	\$ 5,346,269	\$ (205,706)
Parks and Recreation				
Parks Administration				
Salaries and Benefits	497,099	500,098	513,048	12,950
Supplies	16,510	16,510	16,146	(364)
Maintenance	11,330	11,330	11,071	(259)
Purchased Professional Services	0	8,000	5,400	(2,600)
Purchased Property Services	2,330	2,330	2,876	546
Other Purchased Services	35,870	35,870	34,144	(1,726)
Capital Outlay	0	80,000	0	(80,000)
Contributions	0	0	73,366	73,366
Total Parks Administration	<u>563,139</u>	<u>654,138</u>	<u>656,051</u>	<u>1,913</u>
Recreation				
Salaries and Benefits	466,875	468,377	486,223	17,846
Supplies	132,097	132,097	113,801	(18,296)
Maintenance	15,207	15,207	14,878	(329)
Purchased Professional Service	129,410	129,410	103,322	(26,088)
Purchased Property Services	105,280	105,280	87,261	(18,019)
Other Purchased Services	121,504	121,504	121,456	(48)
Other	21,710	21,710	18,462	(3,248)
Total Recreation	<u>992,083</u>	<u>993,585</u>	<u>945,403</u>	<u>(48,182)</u>
Special Facilities				
Salaries and Benefits	1,116,040	1,119,889	1,202,329	82,440
Supplies	136,450	138,550	129,130	(9,420)
Maintenance	331,788	417,866	169,708	(248,158)
Purchased Professional Services	43,076	46,606	23,613	(22,993)
Purchased Property Services	129,098	130,298	119,037	(11,261)
Other Purchased Services	111,503	111,503	103,501	(8,002)
Capital Outlay	4,000	4,000	3,560	(440)
Total Special Facilities	<u>1,871,955</u>	<u>1,968,712</u>	<u>1,750,878</u>	<u>(217,834)</u>

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Parks Maintenance				
Salaries and Benefits	\$ 1,025,055	\$ 1,032,813	\$ 1,009,440	\$ (23,373)
Supplies	160,740	160,740	99,405	(61,335)
Maintenance	166,790	166,790	169,219	2,429
Purchased Professional Services	2,442	2,442	2,495	53
Purchased Property Services	190,276	190,276	199,941	9,665
Other Purchased Services	86,775	86,775	84,012	(2,763)
Capital Outlay	142,290	173,528	192,653	19,125
Total Parks Maintenance	1,774,368	1,813,364	1,757,165	(56,199)
Forestry				
Salaries and Benefits	464,701	468,369	479,892	11,523
Supplies	23,072	23,072	27,328	4,256
Maintenance	58,961	58,961	58,396	(565)
Purchased Professional Services	271,788	271,788	204,692	(67,096)
Purchased Property Services	44,102	44,102	30,829	(13,273)
Other Purchased Services	32,292	32,292	34,549	2,257
Total Forestry	894,916	898,584	835,686	(62,898)
Total Parks and Recreation	6,096,461	6,328,383	5,945,183	(383,200)
Office of Technology and Information Services				
Administration				
Salaries and Benefits	327,802	329,473	323,655	(5,818)
Supplies	6,400	6,400	8,668	2,268
Maintenance	7,020	7,020	7,020	0
Purchased Professional Services	152,000	152,000	42,619	(109,381)
Purchased Property Services	8,419	8,419	13,139	4,720
Other Purchased Services	36,195	36,195	34,443	(1,752)
Total Administration	537,836	539,507	429,544	(109,963)
Geographic Information Systems				
Salaries and Benefits	119,497	120,162	109,537	(10,625)
Supplies	3,612	3,612	22,236	18,624
Maintenance	1,040	1,040	1,040	0
Purchased Professional Services	77,944	77,944	55,131	(22,813)
Purchased Property Services	651	651	689	38
Other Purchased Services	9,647	9,647	16,470	6,823

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Capital Outlay	\$ 0	\$ 0	\$ 6,675	\$ 6,675
Total Geographic Information Services	<u>212,391</u>	<u>213,056</u>	<u>211,778</u>	<u>(1,278)</u>
Management Information Services				
Salaries and Benefits	892,612	897,671	907,612	9,941
Supplies	114,938	114,938	227,352	112,414
Maintenance	416,082	416,082	397,491	(18,591)
Purchased Professional Services	10,000	10,000	12,603	2,603
Purchased Property Services	15,118	15,118	16,850	1,732
Other Purchased Services	39,497	39,497	36,644	(2,853)
Capital Outlay	186,275	186,275	55,921	(130,354)
Total Management Information Services	<u>1,674,522</u>	<u>1,679,581</u>	<u>1,654,473</u>	<u>(25,108)</u>
Total Office of Technology and Information Services	<u>2,424,749</u>	<u>2,432,144</u>	<u>2,295,795</u>	<u>(136,349)</u>
Library Services				
Supplies	350	350	318	(32)
Maintenance	5,670	5,670	5,605	(65)
Purchased Professional Services	671,865	671,865	622,843	(49,022)
Purchased Property Services	33,984	33,984	32,446	(1,538)
Other Purchased Services	4,525	4,525	9,605	5,080
Capital Outlay	68,000	68,000	63,265	(4,735)
Total Library Services	<u>784,394</u>	<u>784,394</u>	<u>734,082</u>	<u>(50,312)</u>
Nondepartmental				
Operating Transfers Out	0	478,091	480,190	2,099
Contributions	207,998	207,998	208,485	487
Other	210,000	210,000	76,299	(133,701)
Capital Outlay	150,500	150,500	150,000	(500)
Contingency	225,000	89,565	0	(89,565)
Total Nondepartmental	<u>793,498</u>	<u>1,136,154</u>	<u>914,974</u>	<u>(221,180)</u>
Subtotal	<u>38,346,833</u>	<u>39,319,423</u>	<u>37,660,385</u>	<u>(1,659,038)</u>
Less Reimbursed Administrative General Fund Expenditures and Other Financing uses	<u>(5,897,958)</u>	<u>(5,897,958)</u>	<u>(5,875,968)</u>	<u>21,990</u>
	<u>32,448,875</u>	<u>33,421,465</u>	<u>31,784,417</u>	<u>(1,637,048)</u>

(Continued)

CITY OF COLLEGE STATION, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Economic Development Fund				
Purchased Professional Services	\$ 0	\$ 0	\$ 24,152	\$ 24,152
Other Purchased Services	0	0	7,705	7,705
Contributions	0	0	50,000	50,000
Other	900,000	900,000	40,217	(859,783)
Total Economic Development Fund	900,000	900,000	122,074	(777,926)
Parks Xtra Education Fund				
Supplies	12,980	12,980	6,689	(6,291)
Purchased Professional Services	40,000	40,000	34,449	(5,551)
Purchased Property Services	2,000	2,000	1,139	(861)
Other Purchased Services	23,650	23,650	15,177	(8,473)
Reimbursed Administrative	26,735	26,735	26,735	0
Total Parks Xtra Education Fund	105,365	105,365	84,189	(21,176)
Police Seizure Fund				
Supplies	7,000	7,000	7,259	259
Purchased Professional Services	0	0	6,000	6,000
Other Purchased Services	0	0	78	78
Capital Outlay	4,000	4,000	4,030	30
Total Police Seizure Fund	11,000	11,000	17,367	6,367
Court Technology Fee Fund				
Supplies	0	0	2,084	2,084
Capital Outlay	192,000	202,600	35,596	(167,004)
Total Court Technology Fee Fund	192,000	202,600	37,680	(164,920)
Court Security Fee Fund				
Capital Outlay	15,000	15,000	0	(15,000)
Reimbursed Administrative	66,100	66,100	32,356	(33,744)
Total Court Security Fee Fund	81,100	81,100	32,356	(48,744)
Court Efficiency Time Payment Fee Fund				
Purchased Professional Services	0	0	500	500
Total Court Efficiency Time Payment Fee Fund	0	0	500	500
Total General Fund Expenditures and Other Financing Uses	\$ 33,738,340	\$ 34,721,530	\$ 32,078,583	\$ (2,642,947)

(Continued)

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

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

Convention Center - to account for the receipt and expenditure of funds received by the City in the operation and maintenance of a convention center. Revenues associated with this fund are derived from the hotel and motel occupancy tax and convention center rentals.

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

Melrose Apartment Tax Increment Financing District - to account for the receipt and expenditure of funds received by the City from the creation of a tax increment financing district for the Melrose Apartments.

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

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

CITY OF COLLEGE STATION, TEXAS

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 2002

(With comparative totals for the fiscal year ended September 30, 2001)

	Community Development	Convention Center	Hotel/Motel	Melrose Apartment Tax Increment Financing District
Current Assets				
Equity in Cash and Cash Equivalents	\$ 305,296	\$ 4,766,566	\$ 911,829	\$ 51,224
Equity in Investment	257,981	4,027,836	770,512	43,285
Receivables				
Accrued Interest	0	46,823	9,047	315
Grants	184,321	0	0	0
Accounts	0	0	6,669	0
Loans	85,393	0	0	0
Less Allowance for Uncollectable Accounts	0	0	(860)	0
Total Assets	<u>\$ 832,991</u>	<u>\$ 8,841,225</u>	<u>\$ 1,697,197</u>	<u>\$ 94,824</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 32,315	\$ 24,196	\$ 21,000	\$ 0
Retainage Payable	11,221	0	0	0
Advance from Other Funds	0	0	200,000	0
Refundable Deposits	0	0	19,044	0
Accrued Liabilities	(2,528)	0	81	0
Other Deferred Revenues	85,379	0	3,959	0
Total Liabilities	<u>126,387</u>	<u>24,196</u>	<u>244,084</u>	<u>0</u>
Fund Balances				
Reserved				
Reserved for Encumbrances	397,848	1,681,719	82,124	0
Unreserved				
Undesignated	308,756	7,135,310	1,370,989	94,824
Total Fund Balances	<u>706,604</u>	<u>8,817,029</u>	<u>1,453,113</u>	<u>94,824</u>
Total Liabilities and Fund Balances	<u>\$ 832,991</u>	<u>\$ 8,841,225</u>	<u>\$ 1,697,197</u>	<u>\$ 94,824</u>

Parks Escrow	Wolf Pen Creek Tax Increment Financing District	Totals	
		2002	2001
\$ 711,411	\$ 1,757,730	\$ 8,504,056	\$ 6,905,374
601,156	1,485,314	7,186,084	7,358,980
7,507	15,957	79,649	150,031
0	0	184,321	187,977
0	0	6,669	11,463
0	0	85,393	94,525
0	0	(860)	(2,698)
<u>\$ 1,320,074</u>	<u>\$ 3,259,001</u>	<u>\$ 16,045,312</u>	<u>\$ 14,705,652</u>
\$ 0	\$ 19,918	\$ 97,429	\$ 176,830
0	14,121	25,342	0
0	0	200,000	200,000
0	0	19,044	17,387
0	0	(2,447)	(535)
0	0	89,338	98,470
<u>0</u>	<u>34,039</u>	<u>428,706</u>	<u>492,152</u>
2,950	991,810	3,156,451	1,463,995
<u>1,317,124</u>	<u>2,233,152</u>	<u>12,460,155</u>	<u>12,749,505</u>
<u>1,320,074</u>	<u>3,224,962</u>	<u>15,616,606</u>	<u>14,213,500</u>
<u>\$ 1,320,074</u>	<u>\$ 3,259,001</u>	<u>\$ 16,045,312</u>	<u>\$ 14,705,652</u>

CITY OF COLLEGE STATION, TEXAS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	Community Development	Convention Center	Hotel/Motel Tax	Melrose Apartment Tax Increment Financing District
Revenues				
Taxes	\$ 0	\$ 0	\$ 1,926,009	\$ 77,875
Charges for Services	0	0	25,341	0
Intergovernmental	2,139,541	0	0	0
Fines, Forfeits and Penalties	0	0	0	0
Investment Income	0	329,134	61,893	3,824
Rents and Royalties	0	0	114,668	0
Loan Repayments	9,626	0	0	0
Other	36,683	0	18,494	0
Total Revenues	<u>2,185,850</u>	<u>329,134</u>	<u>2,146,405</u>	<u>81,699</u>
Expenditures				
Current				
General Government	0	0	202,860	0
Development Services	0	0	5,031	0
Parks and Recreation	0	0	0	0
Community Development Block Grant	538,901	0	0	0
Home Grant	626,848	0	0	0
Housing Rehabilitation	0	0	0	0
Optional Relocation	0	0	0	0
Clearance and Demolition	0	0	0	0
Acquisitions	0	0	0	0
Interim Assistance	0	0	0	0
Homebuyer's Assistance	0	0	0	0
Commercial Rehabilitation	0	0	0	0
Commercial Development Housing Organization	0	0	0	0
External Public Facilities	0	0	0	0
Reimbursed Administrative	649,434	50,000	549,862	0
Contributions	0	0	1,140,400	0
Other	0	6,549	16,438	0
Capital Outlay	0	567,220	0	200,000
Debt Service				
Debt Issuance Cost	0	0	0	0
Total Expenditures	<u>1,815,183</u>	<u>623,769</u>	<u>1,914,591</u>	<u>200,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>370,667</u>	<u>(294,635)</u>	<u>231,814</u>	<u>(118,301)</u>
Other Financing Sources (Uses)				
Proceeds from Long-Term Debt Issuance	0	0	0	0
Operating Transfers In	0	0	0	0
Operating Transfer Out	(536,678)	(127,529)	(148,052)	0
Total Other Financing Sources (Uses)	<u>(536,678)</u>	<u>(127,529)</u>	<u>(148,052)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(166,011)</u>	<u>(422,164)</u>	<u>83,762</u>	<u>(118,301)</u>
Fund Balances, October 1	<u>872,615</u>	<u>9,239,193</u>	<u>1,369,351</u>	<u>213,125</u>
Fund Balances, September 30	<u>\$ 706,604</u>	<u>\$ 8,817,029</u>	<u>\$ 1,453,113</u>	<u>\$ 94,824</u>

Parks Escrow	Wolf Pen Creek Tax Increment Financing District	Totals	
		2002	2001
\$ 0	\$ 430,233	\$ 2,434,117	\$ 2,779,714
0	0	25,341	9,900
0	0	2,139,541	1,874,595
0	0	0	2,667
94,750	89,847	579,448	678,272
0	0	114,668	118,791
0	0	9,626	9,979
209,347	0	264,524	392,439
<u>304,097</u>	<u>520,080</u>	<u>5,567,265</u>	<u>5,866,357</u>
0	0	202,860	0
0	0	5,031	174,385
0	0	0	10,572
0	0	538,901	0
0	0	626,848	0
0	0	0	64,708
0	0	0	382,066
0	0	0	7,500
0	0	0	53,188
0	0	0	1,941
0	0	0	83,561
0	0	0	8,217
0	0	0	32,122
0	0	0	130,000
15,000	0	1,264,296	1,126,284
0	0	1,140,400	1,250,529
8,233	519	31,739	4,214
53,317	521,088	1,341,625	418,248
0	12,000	12,000	0
<u>76,550</u>	<u>533,607</u>	<u>5,163,700</u>	<u>3,747,535</u>
<u>227,547</u>	<u>(13,527)</u>	<u>403,565</u>	<u>2,118,822</u>
0	2,316,800	2,316,800	0
0	120,000	120,000	3,650,000
(120,000)	(505,000)	(1,437,259)	(478,693)
<u>(120,000)</u>	<u>1,931,800</u>	<u>999,541</u>	<u>3,171,307</u>
107,547	1,918,273	1,403,106	5,290,129
<u>1,212,527</u>	<u>1,306,689</u>	<u>14,213,500</u>	<u>8,923,371</u>
<u>\$ 1,320,074</u>	<u>\$ 3,224,962</u>	<u>\$ 15,616,606</u>	<u>\$ 14,213,500</u>

CITY OF COLLEGE STATION, TEXAS
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues				
Intergovernmental				
Community Development Block Grant	\$ 2,799,889	\$ 2,799,889	\$ 1,410,624	\$ (1,389,265)
Home Grant	1,821,620	1,821,620	728,917	(1,092,703)
Loan Repayments	0	0	8,762	8,762
Interest on Loans	0	0	864	864
Other	20,000	20,000	36,681	16,681
Total Revenues	<u>4,641,509</u>	<u>4,641,509</u>	<u>2,185,848</u>	<u>(2,455,661)</u>
Expenditures				
Community Development Block Grant	2,339,397	2,339,397	538,901	(1,800,496)
Reimbursed Administrative	460,492	460,492	0	(460,492)
Home Grant	1,623,439	1,623,439	626,848	(996,591)
Reimbursed Administrative	200,181	200,181	649,434	449,253
Affordable Housing	198,127	198,127	0	(198,127)
Total Expenditures	<u>4,821,636</u>	<u>4,821,636</u>	<u>1,815,183</u>	<u>(3,006,453)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(180,127)</u>	<u>(180,127)</u>	<u>370,665</u>	<u>550,792</u>
Other Financing Uses				
Operating Transfers Out	0	0	(536,678)	(536,678)
Total Other Financing Uses	<u>0</u>	<u>0</u>	<u>(536,678)</u>	<u>(536,678)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(180,127)	(180,127)	(166,013)	14,114
Fund Balances, October 1	<u>261,448</u>	<u>261,448</u>	<u>442,105</u>	<u>180,657</u>
Fund Balances, September 30	<u>\$ 81,321</u>	<u>\$ 81,321</u>	<u>\$ 276,092</u>	<u>\$ 194,771</u>

CITY OF COLLEGE STATION, TEXAS
CONVENTION CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues				
Investment Income	\$ 400,000	\$ 400,000	\$ 423,104	\$ 23,104
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>423,104</u>	<u>23,104</u>
Expenditures				
Current				
Purchased Professional Services	0	0	6,210	6,210
Other Purchased Services	0	0	338	338
Reimbursed Administrative	50,000	50,000	50,000	0
Debt Service				
Principal Retirement	230,000	230,000	0	(230,000)
Capital Outlay	<u>3,500,000</u>	<u>3,500,000</u>	<u>567,220</u>	<u>(2,932,780)</u>
Total Expenditures	<u>3,780,000</u>	<u>3,780,000</u>	<u>623,768</u>	<u>(3,156,232)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,380,000)</u>	<u>(3,380,000)</u>	<u>(200,664)</u>	<u>3,179,336</u>
Other Financing Uses				
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>(127,529)</u>	<u>(127,529)</u>
Total Other Financing Uses	<u>0</u>	<u>0</u>	<u>(127,529)</u>	<u>(127,529)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(3,380,000)	(3,380,000)	(328,193)	3,051,807
Fund Balances, October 1	<u>5,636,497</u>	<u>5,636,497</u>	<u>9,124,542</u>	<u>3,488,045</u>
Fund Balances, September 30	<u>\$ 2,256,497</u>	<u>\$ 2,256,497</u>	<u>\$ 8,796,349</u>	<u>\$ 6,539,852</u>

CITY OF COLLEGE STATION, TEXAS
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Taxes	\$ 0	\$ 1,876,000	\$ 1,926,009	\$ 50,009
Charges for Services	0	13,000	25,341	12,341
Investment Income	0	82,000	79,577	(2,423)
Rents and Royalties	0	116,000	114,668	(1,332)
Other	0	21,000	17,822	(3,178)
Total Revenues	<u>0</u>	<u>2,108,000</u>	<u>2,163,417</u>	<u>55,417</u>
Expenditures				
Current				
Development Services	0	267,600	196,062	(71,538)
Public Relations	0	6,200	6,798	598
Financial Services	0	0	5,031	5,031
Reimbursed Administrative	0	608,256	549,862	(58,394)
Contributions	0	1,140,400	1,140,400	0
Other	0	100,000	16,435	(83,565)
Debt Service				
Principal Retirement	0	40,000	0	(40,000)
Contingency	0	20,000	0	(20,000)
Total Expenditures	<u>0</u>	<u>2,182,456</u>	<u>1,914,588</u>	<u>(267,868)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>(74,456)</u>	<u>248,829</u>	<u>323,285</u>
Other Financing Uses				
Operating Transfers Out	0	(748,052)	(148,052)	(600,000)
Total Other Financing Uses	<u>0</u>	<u>(748,052)</u>	<u>(148,052)</u>	<u>600,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	0	(822,508)	100,777	923,285
Fund Balances, October 1	0	400,618	1,353,645	953,027
Fund Balances (Deficits), September 30	<u>\$ 0</u>	<u>\$ (421,890)</u>	<u>\$ 1,454,422</u>	<u>\$ 1,876,312</u>

CITY OF COLLEGE STATION, TEXAS
MELROSE APARTMENT TAX INCREMENT FINANCING DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues				
Taxes	\$ 204,419	\$ 204,419	\$ 77,875	\$ (126,544)
Investment Income	<u>7,700</u>	<u>7,700</u>	<u>5,558</u>	<u>(2,142)</u>
Total Revenues	<u>212,119</u>	<u>212,119</u>	<u>83,433</u>	<u>(128,686)</u>
Expenditures				
Capital Outlay	<u>225,000</u>	<u>225,000</u>	<u>200,000</u>	<u>(25,000)</u>
Total Expenditures	<u>225,000</u>	<u>225,000</u>	<u>200,000</u>	<u>(25,000)</u>
Deficiency of Revenues Under Expenditures	(12,881)	(12,881)	(116,567)	(103,686)
Fund Balances (Deficits), October 1	<u>(50,000)</u>	<u>(50,000)</u>	<u>209,727</u>	<u>259,727</u>
Fund Balances (Deficits), September 30	<u><u>\$ (62,881)</u></u>	<u><u>\$ (62,881)</u></u>	<u><u>\$ 93,160</u></u>	<u><u>\$ 156,041</u></u>

CITY OF COLLEGE STATION, TEXAS
PARKS ESCROW FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Investment Income	\$ 35,000	\$ 35,000	\$ 106,822	\$ 71,822
Other	50,000	50,000	209,347	159,347
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>316,169</u>	<u>231,169</u>
Expenditures				
Current				
Reimbursed Administrative	15,000	15,000	15,000	0
Other	0	0	700	700
Capital Outlay	281,389	281,389	60,697	(220,692)
Total Expenditures	<u>296,389</u>	<u>296,389</u>	<u>76,397</u>	<u>(219,992)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(211,389)</u>	<u>(211,389)</u>	<u>239,772</u>	<u>451,161</u>
Other Financing Uses:				
Operating Transfers Out	(120,000)	(120,000)	(120,000)	0
Total Other Financing Uses	<u>(120,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	<u>(331,389)</u>	<u>(331,389)</u>	<u>119,772</u>	<u>451,161</u>
Fund Balances, October 1	75,229	74,529	1,200,086	1,125,557
Fund Balances, September 30	<u>\$ (256,160)</u>	<u>\$ (256,860)</u>	<u>\$ 1,319,858</u>	<u>\$ 1,576,718</u>

CITY OF COLLEGE STATION
WOLF PEN CREEK TAX INCREMENT FINANCING DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Taxes	\$ 422,000	\$ 422,000	\$ 430,233	\$ 8,233
Investment Income	16,500	16,500	102,250	85,750
Total Revenues	<u>438,500</u>	<u>438,500</u>	<u>532,483</u>	<u>93,983</u>
Expenditures				
Current:				
Parks and Recreation	1,400	1,400	518	(882)
Debt Issuance Cost	0	0	12,000	12,000
Capital Outlay	3,286,300	3,286,300	511,147	(2,775,153)
Total Expenditures	<u>3,287,700</u>	<u>3,287,700</u>	<u>523,665</u>	<u>(2,764,035)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,849,200)</u>	<u>(2,849,200)</u>	<u>8,818</u>	<u>2,858,018</u>
Other Financing sources (Uses):				
Proceeds from Long Term Debt Issuance	2,300,000	2,300,000	2,316,800	16,800
Operating Transfers In	120,000	120,000	120,000	0
Operating Transfers Out	0	0	(505,000)	(505,000)
Total Other Financing Sources (Uses)	<u>2,420,000</u>	<u>2,420,000</u>	<u>1,931,800</u>	<u>(488,200)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(429,200)	(429,200)	1,940,618	2,369,818
Fund Balances, October 1	83,889	83,889	1,290,945	1,207,056
Fund Balances, September 30	<u>\$ (345,311)</u>	<u>\$ (345,311)</u>	<u>\$ 3,231,563</u>	<u>\$ 3,576,874</u>

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

CITY OF COLLEGE STATION, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Taxes	\$ 7,265,601	\$ 7,265,601	\$ 7,160,962	\$ (104,639)
Investment Income	350,000	350,000	186,750	(163,250)
Accrued Bond Interest	0	0	110,469	110,469
Other	0	0	1,013	1,013
Total Revenues	<u>7,615,601</u>	<u>7,615,601</u>	<u>7,459,194</u>	<u>(156,407)</u>
Expenditures				
Debt Service				
Principal Payments	5,880,000	5,880,000	5,950,000	70,000
Interest Payments	3,168,263	3,168,263	3,425,391	257,128
Fiscal Charges	6,000	6,000	8,753	2,753
Debt Issuance Cost	9,000	9,000	0	(9,000)
Total Expenditures	<u>9,063,263</u>	<u>9,063,263</u>	<u>9,384,144</u>	<u>320,881</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,447,662)</u>	<u>(1,447,662)</u>	<u>(1,924,950)</u>	<u>(477,288)</u>
Other Financing Sources				
Operating Transfers In	1,023,410	1,023,410	753,672	(269,738)
Total Other Financing Sources	<u>1,023,410</u>	<u>1,023,410</u>	<u>753,672</u>	<u>(269,738)</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures	(424,252)	(424,252)	(1,171,278)	(747,026)
Fund Balances, October 1	<u>3,657,717</u>	<u>3,657,717</u>	<u>3,548,004</u>	<u>(109,713)</u>
Fund Balances, September 1	<u>\$ 3,233,465</u>	<u>\$ 3,233,465</u>	<u>\$ 2,376,726</u>	<u>\$ (856,739)</u>

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.

Business Park - to account for the cost of street, water, and sewer improvements at the College Station Business Park.

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

General Government Projects - 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.

Parks Projects - to account for the costs of new parks and improvements to existing parks made with funds provided from the sale of general obligation bonds.

Streets Projects - to account for the costs of new street construction, street improvements, and traffic signalization made with funds provided by proceeds from the sale of general obligation bonds.

CITY OF COLLEGE STATION, TEXAS

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 2002

(With comparative totals for the fiscal year ended September 30, 2001)

	<u>Business Park</u>	<u>Drainage Projects</u>	<u>General Government Projects</u>	<u>Parks Projects</u>
Current Assets				
Equity in Cash and Cash Equivalents	\$ 1,255,673	\$ 3,498,273	\$ 3,514,028	\$ 508,575
Equity in Investment	1,061,066	2,956,105	2,969,418	429,756
Receivables				
Accrued Interest	12,267	33,883	35,907	5,265
Grants	0	0	0	0
Accounts	0	122,684	0	0
Less Allowance for Uncollectible Accounts	0	(10,340)	0	0
Total Assets	<u><u>\$ 2,329,006</u></u>	<u><u>\$ 6,600,605</u></u>	<u><u>\$ 6,519,353</u></u>	<u><u>\$ 943,596</u></u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 19,742	\$ 21,257	\$ 224,428	\$ 37,630
Retainage Payable	0	18,755	35,475	147,744
Accrued Liabilities	0	0	0	244
Customer Construction Advances	0	0	0	0
Total Liabilities	<u>19,742</u>	<u>40,012</u>	<u>259,903</u>	<u>185,618</u>
 Fund Balances				
Reserved				
Reserved for Encumbrances	12,583	305,619	2,900,528	30,325
Reserved for Capital Projects	2,296,681	6,254,974	3,358,922	727,653
Total Fund Balances	<u>2,309,264</u>	<u>6,560,593</u>	<u>6,259,450</u>	<u>757,978</u>
 Total Liabilities and Fund Balances	<u><u>\$ 2,329,006</u></u>	<u><u>\$ 6,600,605</u></u>	<u><u>\$ 6,519,353</u></u>	<u><u>\$ 943,596</u></u>

	<u>Totals</u>	
<u>Streets Projects</u>	<u>2002</u>	<u>2001</u>
\$ 11,984,916	\$ 20,761,465	\$ 14,192,278
10,127,475	17,543,820	15,124,554
119,998	207,320	338,477
37,743	37,743	178,512
246,774	369,458	116,025
0	(10,340)	(8,209)
<u>\$ 22,516,906</u>	<u>\$ 38,909,466</u>	<u>\$ 29,941,637</u>
\$ 513,359	\$ 816,416	\$ 574,813
160,003	361,977	121,443
0	244	244
25,000	25,000	69,496
<u>698,362</u>	<u>1,203,637</u>	<u>765,996</u>
1,181,552	4,430,607	3,732,474
20,636,992	33,275,222	25,443,167
<u>21,818,544</u>	<u>37,705,829</u>	<u>29,175,641</u>
<u>\$ 22,516,906</u>	<u>\$ 38,909,466</u>	<u>\$ 29,941,637</u>

CITY OF COLLEGE STATION, TEXAS
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	Business Park	Drainage Projects	General Government Projects	Parks Projects
Revenues				
Charges for Services	\$ 0	\$ 0	\$ 0	\$ 67,525
Intergovernmental	0	0	0	0
Special Assessment	0	982,760	0	0
Investment Income	84,138	232,168	218,820	74,057
Contributions	0	0	105	0
Reimbursed Expenditures	0	0	0	0
Other	74	0	450	0
Total Revenues	<u>84,212</u>	<u>1,214,928</u>	<u>219,375</u>	<u>141,582</u>
Expenditures				
Current				
General Government	0	0	0	0
Reimbursed Administrative	70,000	560,000	55,000	55,000
Other	501	15,606	13,749	0
Capital Outlay	139,626	622,820	1,608,050	3,841,110
Debt Service				
Issuance Costs	0	5,400	19,200	900
Total Expenditures	<u>210,127</u>	<u>1,203,826</u>	<u>1,695,999</u>	<u>3,897,010</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(125,915)</u>	<u>11,102</u>	<u>(1,476,624)</u>	<u>(3,755,428)</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt Issuance	0	785,000	3,346,800	129,000
Sale of General Fixed Assets	0	0	0	0
Operating Transfers In	0	0	12,231	89,000
Operating Transfer Out	0	0	(89,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>785,000</u>	<u>3,270,031</u>	<u>218,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(125,915)</u>	<u>796,102</u>	<u>1,793,407</u>	<u>(3,537,428)</u>
Fund Balances, October 1	<u>2,435,179</u>	<u>5,764,491</u>	<u>4,466,043</u>	<u>4,295,406</u>
Fund Balances, September 30	<u>\$ 2,309,264</u>	<u>\$ 6,560,593</u>	<u>\$ 6,259,450</u>	<u>\$ 757,978</u>

Totals

Streets Projects	2002	2001
\$ 0	\$ 67,525	\$ 51,035
9,761	9,761	879,648
0	982,760	944,286
702,874	1,312,057	1,791,185
329,664	329,769	379,920
0	0	527,500
0	524	8,210
<u>1,042,299</u>	<u>2,702,396</u>	<u>4,581,784</u>
318,675	318,675	0
260,000	1,000,000	622,767
25,291	55,147	254,779
5,489,358	11,700,964	9,090,898
78,000	103,500	77,206
<u>6,171,324</u>	<u>13,178,286</u>	<u>10,045,650</u>
<u>(5,129,025)</u>	<u>(10,475,890)</u>	<u>(5,463,866)</u>
13,478,600	17,739,400	7,292,870
0	0	556,580
1,254,447	1,355,678	4,400,773
0	(89,000)	(305,000)
<u>14,733,047</u>	<u>19,006,078</u>	<u>11,945,223</u>
9,604,022	8,530,188	6,481,357
12,214,522	29,175,641	22,694,284
<u>\$ 21,818,544</u>	<u>\$ 37,705,829</u>	<u>\$ 29,175,641</u>

CITY OF COLLEGE STATION, TEXAS
BUSINESS PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Investment Income	\$ 35,000	\$ 35,000	\$ 109,719	\$ 74,719
Other	0	0	74	74
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>109,793</u>	<u>74,793</u>
Expenditures				
Current				
Reimbursed Administrative	70,000	70,000	70,000	0
Other	0	0	500	500
Capital Outlay	<u>225,000</u>	<u>225,000</u>	<u>139,626</u>	<u>(85,374)</u>
Total Expenditures	<u>295,000</u>	<u>295,000</u>	<u>210,126</u>	<u>(84,874)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(260,000)	(260,000)	(100,333)	159,667
Fund Balances, October 1	<u>41,392</u>	<u>41,392</u>	<u>2,399,652</u>	2,358,260
Fund Balances (Deficits), September 30	<u>\$ (218,608)</u>	<u>\$ (218,608)</u>	<u>\$ 2,299,319</u>	<u>\$ 2,517,927</u>

CITY OF COLLEGE STATION, TEXAS
DRAINAGE PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Special Assessment	\$ 987,300	\$ 987,300	\$ 981,673	\$ (5,627)
Investment Income	200,000	200,000	289,286	89,286
Total Revenue	<u>1,187,300</u>	<u>1,187,300</u>	<u>1,270,959</u>	<u>83,659</u>
Expenditures				
Current				
Purchased Professional Services	0	0	8,360	8,360
Reimbursed Administrative	560,000	560,000	560,000	0
Debt Issuance Costs	10,000	10,000	5,400	(4,600)
Capital Outlay	835,000	835,000	616,982	(218,018)
Total Expenditures	<u>1,405,000</u>	<u>1,405,000</u>	<u>1,190,742</u>	<u>(214,258)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(217,700)</u>	<u>(217,700)</u>	<u>80,217</u>	<u>297,917</u>
Other Financing Sources				
Proceeds from Long Term Debt Issuance	785,000	785,000	785,000	0
Total Other Financing Sources	<u>785,000</u>	<u>785,000</u>	<u>785,000</u>	<u>0</u>
Excess of Revenues Over Expenditures and Other Financing Sources	567,300	567,300	865,217	297,917
Fund Balances, October 1	<u>18,024</u>	<u>18,024</u>	<u>5,719,258</u>	<u>5,701,234</u>
Fund Balances, September 30	<u>\$ 585,324</u>	<u>\$ 585,324</u>	<u>\$ 6,584,475</u>	<u>\$ 5,999,151</u>

CITY OF COLLEGE STATION, TEXAS
GENERAL GOVERNMENT PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Investment Income	\$ 75,000	\$ 75,000	\$ 264,409	\$ 189,409
Contributions	0	0	105	105
Other	0	0	450	450
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>264,964</u>	<u>189,964</u>
Expenditures				
Current				
Fiscal Services	0	0	1,517	1,517
Reimbursed Administrative	55,000	55,000	55,000	0
Other	0	0	12,231	12,231
Capital Outlay	1,097,000	1,778,000	1,600,560	(177,440)
Debt Service				
Issuance Costs	23,500	23,500	19,200	(4,300)
Total Expenditures	<u>1,175,500</u>	<u>1,856,500</u>	<u>1,688,508</u>	<u>(167,992)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,100,500)</u>	<u>(1,781,500)</u>	<u>(1,423,544)</u>	<u>357,956</u>
Other Financing Sources (Uses)				
Proceeds from Long Term Debt Issuance	1,877,000	1,877,000	3,346,800	1,469,800
Operating Transfers In	0	0	12,231	12,231
Operating Transfers Out	0	0	(89,000)	(89,000)
Total Other Financing Sources (Uses)	<u>1,877,000</u>	<u>1,877,000</u>	<u>3,270,031</u>	<u>1,393,031</u>
Excess of Revenues Over Expenditures and Other Financing Sources	776,500	95,500	1,846,487	1,750,987
Fund Balances, October 1	<u>4,469,697</u>	<u>4,469,697</u>	<u>4,469,697</u>	<u>0</u>
Fund Balances, September 30	<u>\$ 5,246,197</u>	<u>\$ 4,565,197</u>	<u>\$ 6,316,184</u>	<u>\$ 1,750,987</u>

CITY OF COLLEGE STATION, TEXAS
PARKS PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Charges for Services	\$ 50,000	\$ 50,000	\$ 67,525	\$ 17,525
Investment Income	30,000	30,000	120,473	90,473
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>187,998</u>	<u>107,998</u>
Expenditures				
Current				
Reimbursed Administrative	55,000	55,000	55,000	0
Capital Outlay	910,000	1,108,000	3,828,191	2,720,191
Debt Service				
Issuance Cost	10,000	10,000	900	(9,100)
Total Expenditures	<u>975,000</u>	<u>1,173,000</u>	<u>3,884,091</u>	<u>2,711,091</u>
Deficiency of Revenues Under Expenditures	<u>(895,000)</u>	<u>(1,093,000)</u>	<u>(3,696,093)</u>	<u>(2,603,093)</u>
Other Financing Sources				
Proceeds from Long Term Debt Issuance	129,000	129,000	129,000	0
Operating Transfers In	0	0	89,000	89,000
Total Other Financing Sources	<u>129,000</u>	<u>129,000</u>	<u>218,000</u>	<u>89,000</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures	<u>(766,000)</u>	<u>(964,000)</u>	<u>(3,478,093)</u>	<u>(2,514,093)</u>
Fund Balances, October 1	4,249,032	4,249,032	4,249,032	0
Fund Balances, September 30	<u><u>\$ 3,483,032</u></u>	<u><u>\$ 3,285,032</u></u>	<u><u>\$ 770,939</u></u>	<u><u>\$ (2,514,093)</u></u>

CITY OF COLLEGE STATION, TEXAS
STREETS PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	Variance Over (Under)
Revenues				
Intergovernmental	\$ 272,000	\$ 272,000	\$ (4,311)	\$ (276,311)
Investment Income	250,000	250,000	834,977	584,977
Contributions	0	0	328,284	328,284
Total Revenues	<u>522,000</u>	<u>522,000</u>	<u>1,158,950</u>	<u>636,950</u>
Expenditures				
Current				
General Government	0	50,000	356,419	306,419
Reimbursed Administrative	260,000	260,000	260,000	0
Other	240,000	330,000	11,219	(318,781)
Capital Outlay	2,972,575	12,579,932	5,381,448	(7,198,484)
Debt Service				
Issuance Costs	50,000	50,000	78,000	28,000
Total Expenditures	<u>3,522,575</u>	<u>13,269,932</u>	<u>6,087,086</u>	<u>(7,182,846)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,000,575)</u>	<u>(12,747,932)</u>	<u>(4,928,136)</u>	<u>7,819,796</u>
Other Financing Sources				
Proceeds form Long Term Debt Issuance	13,769,000	13,769,000	13,478,600	(290,400)
Operating Transfers In	721,325	721,325	1,254,447	533,122
Total Other Financing Sources	<u>14,490,325</u>	<u>14,490,325</u>	<u>14,733,047</u>	<u>242,722</u>
Excess of Revenues and Other Financing Sources Over Expenditures	11,489,750	1,742,393	9,804,911	8,062,518
Fund Balances, October 1	12,225,352	12,225,352	12,225,352	0
Fund Balances, September 30	<u>\$ 23,715,102</u>	<u>\$ 13,967,745</u>	<u>\$ 22,030,263</u>	<u>\$ 8,062,518</u>

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. In these funds, the intent of the government's council is that costs of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges, or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

Electric - to account for revenues and expenses related to the operation and maintenance of the electric systems of the City. All activities necessary to provide such services are accounted for in this fund and include, but are not limited to, administration, operations, maintenance, utility billing and collections, meter reading, and financing and related debt service.

Water - to account for revenues and expenses related to the operation and maintenance of the water systems of the City. All activities necessary to provide such services are accounted for in this fund and include, but are not limited to, administration, operations, maintenance, and financing and related debt service.

Sewer - to account for revenues and expenses related to the operation and maintenance of the sewer systems of the City. All activities necessary to provide such services are accounted for in this fund and include, but are not limited to, administration, operations, maintenance, and financing and related debt service.

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

Cedar Creek Condominiums - to account for revenues and expenses related to the operation and maintenance of the Cedar Creek Condominiums.

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

CITY OF COLLEGE STATION, TEXAS

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 2002

(With comparative totals for the fiscal year ended September 30, 2001)

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Current Assets			
Equity in Cash and Cash Equivalents	\$ 6,567,188	\$ 5,573,519	\$ 1,721,749
Equity in Investment	5,577,281	4,709,726	1,454,910
Receivables			
Accrued Interest	64,462	51,392	16,116
Accounts	6,661,457	1,134,855	1,029,921
Escrow	0	0	0
Notes	0	0	0
Other	1,117,669	0	0
Less Allowance for Uncollectable Accounts	(1,462,657)	(38,325)	(70,930)
Inventories	947,723	331,485	17,160
Total Current Assets	<u>19,473,123</u>	<u>11,762,652</u>	<u>4,168,926</u>
Restricted Assets			
Equity in Cash and Cash Equivalents	1,762,637	5,320,980	4,731,718
Equity in Investments	1,489,461	4,496,326	3,998,389
Receivables			
Accrued Interest	26,671	55,799	47,282
Accounts	422	0	0
Total Restricted Assets	<u>3,279,191</u>	<u>9,873,105</u>	<u>8,777,389</u>
Advance to Other Funds	<u>200,000</u>	<u>0</u>	<u>0</u>
Equity in Joint Venture	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Charges			
Water Well	0	1,167,075	0
Bond Issuance Costs	240,272	262,472	436,631
Accumulated Amortization	(90,400)	(1,107,458)	(145,990)
Total Deferred Charges	<u>149,872</u>	<u>322,089</u>	<u>290,641</u>
Property and Equipment			
Utility Plant	63,286,640	54,503,955	53,951,532
Buildings	0	898,760	822,954
Machinery and Equipment	225,801	1,030,289	1,357,147
Accumulated Depreciation	(19,376,295)	(17,593,108)	(13,728,525)
Construction in Progress	2,851,026	11,452,499	13,614,468
Land	0	514,500	602,517
Total Property and Equipment	<u>46,987,172</u>	<u>50,806,895</u>	<u>56,620,093</u>
Total Assets	<u>\$ 70,089,358</u>	<u>\$ 72,764,741</u>	<u>\$ 69,857,049</u>

			Totals	
Sanitation	Cedar Creek Condominium	Northgate Parking Garage	2002	2001
\$ 487,987	\$ 133,197	\$ 420,702	\$ 14,904,342	\$ 12,946,607
412,358	112,554	355,501	12,622,330	13,797,055
5,783	0	4,867	142,620	310,704
570,323	0	61,294	9,457,850	8,506,880
0	200,469	0	200,469	197,989
12,522	0	0	12,522	12,522
0	0	0	1,117,669	1,128,640
(44,082)	0	(50)	(1,616,044)	(1,541,531)
2,816	0	0	1,299,184	1,782,666
<u>1,447,707</u>	<u>446,220</u>	<u>842,314</u>	<u>38,140,942</u>	<u>37,141,532</u>
0	0	0	11,815,335	11,374,462
0	0	0	9,984,176	12,119,706
0	0	0	129,752	232,002
0	0	0	422	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>21,929,685</u>	<u>23,726,170</u>
0	0	0	200,000	200,000
<u>6,289,525</u>	<u>0</u>	<u>0</u>	<u>6,289,525</u>	<u>5,447,202</u>
0	0	0	1,167,075	1,167,075
0	0	0	939,375	839,693
0	0	0	(1,343,848)	(1,301,009)
<u>0</u>	<u>0</u>	<u>0</u>	<u>762,602</u>	<u>705,759</u>
0	0	0	171,742,127	150,993,984
0	0	5,608,687	7,330,401	7,324,324
1,259,439	0	81,928	3,954,604	3,927,632
(1,239,598)	0	(168,066)	(52,105,592)	(46,975,789)
0	0	160,751	28,078,744	22,953,489
0	0	672,811	1,789,828	1,745,390
<u>19,841</u>	<u>0</u>	<u>6,356,111</u>	<u>160,790,112</u>	<u>139,969,030</u>
<u>\$ 7,757,073</u>	<u>\$ 446,220</u>	<u>\$ 7,198,425</u>	<u>\$ 228,112,866</u>	<u>\$ 207,189,693</u>

(Continued)

CITY OF COLLEGE STATION, TEXAS

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 2002

(With comparative totals for the fiscal year ended September 30, 2001)

(Continued)

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Liabilities and Fund Equity			
Current Liabilities			
Accounts Payable	\$ 4,797,457	\$ 518,478	\$ 343,142
Accrued Interest Payable	0	0	0
Retainage Payable	0	16,817	0
Accrued Liabilities	384,582	53,906	56,616
Customer Construction Advances	24,382	55,640	12,130
Other Deferred Revenues	822	0	0
Total Current Liabilities	<u>5,207,243</u>	<u>644,841</u>	<u>411,888</u>
Current Liabilities Payable from Restricted Assets			
Accounts Payable	4,392,735	331,155	416,919
Accrued Interest Payable	156,741	283,645	373,815
Retainage Payable	0	349,179	508,077
Accrued Liabilities	13,174	0	(3,936)
Refundable Deposits	914,409	120,340	0
Revenue Bonds	960,350	1,142,300	1,712,350
Total Current Liabilities Payable from Restricted Assets	<u>6,437,409</u>	<u>2,226,619</u>	<u>3,007,225</u>
Noncurrent Liabilities			
Revenue Bonds	13,636,500	27,219,150	33,564,350
Unamortized Premium on Bonds	(41,757)	(32,661)	(36,053)
Accrued Vacation	118,665	52,773	59,907
Total Noncurrent Liabilities	<u>13,713,408</u>	<u>27,239,262</u>	<u>33,588,204</u>
Total Liabilities	<u>25,358,060</u>	<u>30,110,722</u>	<u>37,007,317</u>
Fund Equity			
Contributed Capital	3,696,637	14,831,529	13,169,515
Retained Earnings			
Reserved for Debt Service	3,709,978	613,726	1,320,079
Reserved for Capital Projects	1,652,634	8,544,589	6,440,563
Unreserved	35,672,049	18,664,175	11,919,575
Total Fund Equity	<u>44,731,298</u>	<u>42,654,019</u>	<u>32,849,732</u>
Total Liabilities and Fund Equity	<u>\$ 70,089,358</u>	<u>\$ 72,764,741</u>	<u>\$ 69,857,049</u>

Sanitation	Cedar Creek Condominium	Northgate Parking Garage	Totals	
			2002	2001
\$ 53,783	\$ 142,981	\$ 1,229	\$ 5,857,070	\$ 5,760,729
3,942	0	0	3,942	3,940
0	0	0	16,817	271,771
84,859	0	7,763	587,726	537,391
0	0	0	92,152	100,245
0	0	0	822	822
<u>142,584</u>	<u>142,981</u>	<u>8,992</u>	<u>6,558,529</u>	<u>6,674,898</u>
0	0	0	5,140,809	5,655,401
0	0	0	814,201	446,457
0	0	0	857,256	485,247
0	0	0	9,238	13,174
0	0	1,950	1,036,699	1,214,475
0	0	0	3,815,000	3,165,000
<u>0</u>	<u>0</u>	<u>1,950</u>	<u>11,673,203</u>	<u>10,979,754</u>
0	0	0	74,420,000	60,020,000
0	0	0	(110,471)	(131,666)
25,675	0	434	257,454	230,539
<u>25,675</u>	<u>0</u>	<u>434</u>	<u>74,566,983</u>	<u>60,118,873</u>
<u>168,259</u>	<u>142,981</u>	<u>11,376</u>	<u>92,798,715</u>	<u>77,773,525</u>
54,900	0	6,963,435	38,716,016	38,716,016
0	0	0	5,643,783	2,606,880
0	0	0	16,637,786	17,993,686
7,533,914	303,239	223,614	74,316,566	70,099,586
<u>7,588,814</u>	<u>303,239</u>	<u>7,187,049</u>	<u>135,314,151</u>	<u>129,416,168</u>
<u>\$ 7,757,073</u>	<u>\$ 446,220</u>	<u>\$ 7,198,425</u>	<u>\$ 228,112,866</u>	<u>\$ 207,189,693</u>

CITY OF COLLEGE STATION, TEXAS
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ended September 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	Electric	Water	Sewer
Operating Revenues			
Electric Sales	\$ 44,238,340	\$ 0	\$ 0
Water Sales	0	8,144,195	0
Sewer Service	0	0	7,880,400
Garbage Collection Fees	0	0	0
Charges for Services	0	0	0
Other	1,013,497	541,580	323,054
Total Operating Revenues	<u>45,251,837</u>	<u>8,685,775</u>	<u>8,203,454</u>
Operating Expenses			
Electric Operations	37,679,409	0	0
Salaries and Benefits	0	1,427,944	1,534,905
Supplies	0	131,270	290,885
Maintenance	0	376,735	368,329
Purchased Professional Services	0	204,193	203,489
Purchased Property Services	0	873,488	300,156
Other Purchased Services	0	377,256	218,854
Reimbursed Administrative	0	1,140,615	1,057,500
Depreciation	2,398,907	1,264,261	1,238,525
Other	0	34,140	55,387
Total Operating Expenses	<u>40,078,316</u>	<u>5,829,902</u>	<u>5,268,030</u>
Operating Income	<u>5,173,521</u>	<u>2,855,873</u>	<u>2,935,424</u>
Nonoperating Revenues (Expenses)			
Investment Income	606,125	779,697	472,723
Reimbursed Expenses	54,031	42,345	0
Grants	0	0	0
Earnings in Joint Venture	0	0	0
Interest Expense	(745,655)	(1,401,851)	(1,842,052)
Other, Net	689,896	1,017,912	1,367,487
Total Nonoperating Revenues (Expenses)	<u>604,397</u>	<u>438,103</u>	<u>(1,842)</u>
Income Before Operating Transfers	<u>5,777,918</u>	<u>3,293,976</u>	<u>2,933,582</u>
Operating Transfers			
Operating Transfers In	1,241	0	0
Operating Transfers Out	(4,574,900)	(923,800)	(729,500)
Total Operating Transfers	<u>(4,573,659)</u>	<u>(923,800)</u>	<u>(729,500)</u>
Net Income (Loss)	1,204,259	2,370,176	2,204,082
Retained Earnings, October 1 (Restated)	39,830,402	25,452,314	17,476,135
Retained Earnings, September 30	<u>\$ 41,034,661</u>	<u>\$ 27,822,490</u>	<u>\$ 19,680,217</u>

			<u>Totals</u>	
Sanitation	Cedar Creek Condominiums	Northgate Parking Garage	2002	2001
\$ 0	\$ 0	\$ 0	\$ 44,238,340	\$ 42,290,635
0	0	0	8,144,195	8,072,508
0	0	0	7,880,400	7,045,955
4,280,436	0	0	4,280,436	4,035,385
0	0	452,061	452,061	147,605
26,105	0	0	1,904,236	1,775,758
<u>4,306,541</u>	<u>0</u>	<u>452,061</u>	<u>66,899,668</u>	<u>63,367,846</u>
0	0	0	37,679,409	37,038,395
1,286,990	0	154,454	4,404,293	3,809,295
193,530	0	35,935	651,620	501,632
615,327	0	3,772	1,364,163	1,087,371
101,164	0	49,060	557,906	489,301
1,125,165	0	39,258	2,338,067	2,406,727
658,323	0	65,699	1,320,132	1,285,405
389,731	0	13,000	2,600,846	2,682,178
14,176	0	160,450	5,076,319	4,036,773
8,546	0	76,592	174,665	310,465
<u>4,392,952</u>	<u>0</u>	<u>598,220</u>	<u>56,167,420</u>	<u>53,647,542</u>
<u>(86,411)</u>	<u>0</u>	<u>(146,159)</u>	<u>10,732,248</u>	<u>9,720,304</u>
38,338	2,481	33,311	1,932,675	3,221,838
0	0	0	96,376	64,716
0	0	0	0	14,800
842,323	0	0	842,323	664,692
0	0	0	(3,989,558)	(2,402,956)
(17,136)	0	76,647	3,134,806	709,883
<u>863,525</u>	<u>2,481</u>	<u>109,958</u>	<u>2,016,622</u>	<u>2,272,973</u>
<u>777,114</u>	<u>2,481</u>	<u>(36,201)</u>	<u>12,748,870</u>	<u>11,993,277</u>
0	0	0	1,241	225,000
(306,700)	0	(225,000)	(6,759,900)	(14,278,073)
<u>(306,700)</u>	<u>0</u>	<u>(225,000)</u>	<u>(6,758,659)</u>	<u>(14,053,073)</u>
470,414	2,481	(261,201)	5,990,211	(2,059,796)
7,063,500	300,758	484,815	90,607,924	92,667,720
<u>\$ 7,533,914</u>	<u>\$ 303,239</u>	<u>\$ 223,614</u>	<u>\$ 96,598,135</u>	<u>\$ 90,607,924</u>

CITY OF COLLEGE STATION, TEXAS
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)
(Continued)

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 44,557,992	\$ 8,640,896	\$ 8,041,242
Cash Payments to Suppliers for Goods and Services	(35,035,024)	(2,945,572)	(2,171,825)
Cash Payments to Employees for Services	(2,064,962)	(1,415,890)	(1,519,023)
Customer Deposits Received	0	0	0
Customer Deposits Returned	(172,602)	(6,649)	0
Cash Received for Reimbursed Expenses	54,031	42,345	0
Cash Received from Sale of Scrap	0	0	0
Cash Received from Collection Fees	0	0	0
Cash Received from Grants	0	0	0
Cash Received for Miscellaneous Revenues	172,869	36,065	0
Cash Paid for Miscellaneous Expenses	(2,808)	0	(25,137)
Net Cash Provided (Used) by Operating Activities	<u>7,509,496</u>	<u>4,351,195</u>	<u>4,325,257</u>
Cash Flows from Noncapital Financing Activities:			
Operating Transfers In from Other Funds	1,241	0	0
Operating Transfers Out to Other Funds	(4,574,900)	(923,800)	(729,500)
Cash Paid to Other Funds	0	0	0
Cash Paid to Public Agencies	(246,951)	0	0
Net Cash Used by Noncapital Financing Activities	<u>(4,820,610)</u>	<u>(923,800)</u>	<u>(729,500)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(5,726,992)	(7,835,932)	(9,086,166)
Proceeds from Sale of Assets	0	0	0
Capital Contributed by Developers	0	0	0
Principal Paid on Revenue Bonds	(825,650)	(864,150)	(1,475,200)
Interest Paid on Revenue Bonds	(681,417)	(1,234,162)	(1,708,235)
Fees Paid to Fiscal Agent	0	0	(3,121)
Proceeds from Revenue Bonds	4,528,750	7,427,150	6,159,100
Issuance Costs Paid on Revenue Bonds	(24,920)	(40,870)	(33,892)
Net Cash Used by Capital and Related Financing Activities	<u>(2,730,229)</u>	<u>(2,547,964)</u>	<u>(6,147,514)</u>
Cash Flows from Investing Activities:			
Purchase of Investments	(10,626,411)	(13,952,675)	(7,892,853)
Proceeds from Sale and Maturities of Investment Securities	11,179,960	14,215,912	9,607,313
Investment Income	667,041	864,415	564,825
Net Cash Provided by Investing Activities	<u>1,220,590</u>	<u>1,127,652</u>	<u>2,279,285</u>

(Continued)

Sanitation	Cedar Creek Condominiums	Northgate Parking	Totals	
			2002	2001
\$ 4,252,169	\$ 0	\$ 467,370	\$ 65,959,669	\$63,101,086
(3,100,393)	0	(671,819)	(43,924,633)	(42,889,642)
(1,281,091)	0	(153,916)	(6,434,882)	(5,968,699)
0	0	1,475	1,475	228,240
0	0	0	(179,251)	(825,381)
0	0	0	96,376	64,716
0	0	0	0	16,024
0	0	0	0	8,653
0	0	0	0	14,800
0	0	76,647	285,581	189,625
(2,134)	0	0	(30,079)	(54,139)
<u>(131,449)</u>	<u>0</u>	<u>(280,243)</u>	<u>15,774,256</u>	<u>13,885,283</u>
0	0	0	1,241	225,000
(306,700)	0	(225,000)	(6,759,900)	(14,278,073)
0	0	0	0	(200,000)
<u>(15,000)</u>	<u>0</u>	<u>0</u>	<u>(261,951)</u>	<u>(283,967)</u>
<u>(321,700)</u>	<u>0</u>	<u>(225,000)</u>	<u>(7,020,610)</u>	<u>(14,537,040)</u>
0	0	(430,115)	(23,079,205)	(24,293,661)
0	0	0	0	821,970
0	0	0	0	93,464
0	0	0	(3,165,000)	(3,185,000)
0	0	0	(3,623,814)	(2,521,280)
0	0	0	(3,121)	(9,660)
0	0	0	18,115,000	23,997,130
0	0	0	(99,682)	(101,475)
<u>0</u>	<u>0</u>	<u>(430,115)</u>	<u>(11,855,822)</u>	<u>(5,198,512)</u>
(565,381)	(167,957)	(421,008)	(33,626,285)	(25,516,986)
826,716	182,186	924,454	36,936,541	31,927,562
47,635	0	46,612	2,190,528	3,410,178
<u>308,970</u>	<u>14,229</u>	<u>550,058</u>	<u>5,500,784</u>	<u>9,820,754</u>

(Continued)

CITY OF COLLEGE STATION, TEXAS
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

(Continued)

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 1,179,247	\$ 2,007,083	\$ (272,472)
Cash and Cash Equivalents, Oct. 1	<u>7,150,578</u>	<u>8,887,416</u>	<u>6,725,939</u>
Cash and Cash Equivalents, Sept. 30	<u><u>8,329,825</u></u>	<u><u>10,894,499</u></u>	<u><u>6,453,467</u></u>
Reconciliation of Operating Income (Loss) to Net Cash			
Provided (Used) by Operating Activities:			
Operating Income (Loss)	<u>5,173,521</u>	<u>2,855,873</u>	<u>2,935,424</u>
Adjustment to Reconcile Operating Income (Loss) to Net			
Cash Provided (Used) by Operating Activities:			
Depreciation	2,398,907	1,264,261	1,238,525
Provision for Uncollectible Accounts	40,874	7,625	14,769
Miscellaneous Nonoperating Revenues	226,906	78,410	0
Miscellaneous Nonoperating Expenses	(2,808)	0	(25,137)
Changes in Assets and Liabilities:			
Change in Accounts Receivable	(704,816)	(44,879)	(162,212)
Change in Other Receivables	10,971	0	0
Change in Inventory	484,663	(4,158)	4,251
Change in Accounts Payable	18,276	185,394	300,369
Change in Accrued Liabilities	12,272	12,267	15,343
Change in Deferred Revenue	0	0	0
Change in Refundable Deposits	(172,602)	(6,649)	0
Change in Accrued Vacation	<u>23,332</u>	<u>3,051</u>	<u>3,925</u>
Total Adjustments	<u><u>2,335,975</u></u>	<u><u>1,495,322</u></u>	<u><u>1,389,833</u></u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 7,509,496</u></u>	<u><u>\$ 4,351,195</u></u>	<u><u>\$ 4,325,257</u></u>

(Continued)

Sanitation	Cedar Creek Condominiums	Northgate Parking	Totals	
			2002	2001
\$ (144,179)	\$ 14,229	\$ (385,300)	\$ 2,398,608	\$ 3,970,485
632,166	118,968	806,002	24,321,069	20,350,584
487,987	133,197	420,702	26,719,677	24,321,069
(86,411)	0	(146,159)	10,732,248	9,812,532
14,176	0	160,450	5,076,319	3,683,012
11,195	0	50	74,513	0
0	0	76,647	381,963	380,508
(2,134)	0	0	(30,079)	(104,921)
(54,372)	0	15,309	(950,970)	(241,029)
0	0	0	10,971	10,909
(1,274)	0	0	483,482	(36,819)
(20,347)	0	(387,351)	96,341	863,788
10,496	0	(49)	50,329	88,376
0	0	0	0	3,696
0	0	1,475	(177,776)	(596,667)
(2,778)	0	(615)	26,915	21,898
(45,038)	0	(134,084)	5,042,008	4,072,751
\$ (131,449)	\$ 0	\$ (280,243)	\$ 15,774,256	\$13,885,283

(Continued)

CITY OF COLLEGE STATION
ELECTRIC FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating Revenues				
Electric Sales	\$ 42,582,300	\$ 42,582,300	\$ 44,058,644	\$ 1,476,344
Forfeits, Discounts and Penalties	762,200	762,200	768,488	6,288
Electric Property Rentals	53,600	53,600	33,653	(19,947)
Connect Fees	200,900	200,900	204,895	3,995
Miscellaneous	10,300	10,300	4,595	(5,705)
Total Operating Revenues	<u>43,609,300</u>	<u>43,609,300</u>	<u>45,070,275</u>	<u>1,460,975</u>
Nonoperating Revenues				
Investment Income	1,200,000	1,200,000	593,283	(606,717)
Reimbursed Expenses	23,000	23,000	54,031	31,031
Contributions	6,100	6,100	13,697	7,597
Operating Transfers In	0	0	1,241	1,241
Other	85,700	85,700	93,534	7,834
Total Nonoperating Revenues	<u>1,314,800</u>	<u>1,314,800</u>	<u>755,786</u>	<u>(559,014)</u>
Revenue Bond I&S Fund				
Investment Income	0	0	62,610	62,610
Operating Transfers In	1,417,139	1,417,139	1,417,139	0
Total Revenue Bond I&S Fund	<u>1,417,139</u>	<u>1,417,139</u>	<u>1,479,749</u>	<u>62,610</u>
Electric Revenue Bond Funds				
Investment Income	0	0	98,360	98,360
Proceeds from Long-Term Debt	4,440,000	4,440,000	4,528,750	88,750
Total Electric Revenue Bond Fund	<u>4,440,000</u>	<u>4,440,000</u>	<u>4,627,110</u>	<u>187,110</u>
Total Electric Fund Revenues	<u>\$ 50,781,239</u>	<u>\$ 50,781,239</u>	<u>\$ 51,932,920</u>	<u>\$ 1,151,681</u>

See reconciliation to GAAP on page 139.

CITY OF COLLEGE STATION, TEXAS
ELECTRIC FUND
SCHEDULE OF EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating Expenses				
Electric Operations	\$ 37,061,757	\$ 37,075,751	\$ 39,030,972	\$ 1,955,221
Capital Outlay	<u>20,400</u>	<u>20,400</u>	<u>0</u>	<u>(20,400)</u>
Total Administration	<u>37,082,157</u>	<u>37,096,151</u>	<u>39,030,972</u>	<u>1,934,821</u>
Nondepartmental				
Reimbursed Administrative	1,536,430	1,536,430	1,599,132	62,702
Other Expenses	0	0	(2,855)	(2,855)
Public Agency Funding	246,951	246,951	246,951	0
Return on Investment	4,360,000	4,360,000	4,360,000	0
Operating Transfers Out	1,632,039	1,632,039	1,632,039	0
Capital Outlay	5,719,887	5,832,465	4,068,271	(1,764,194)
Contingency	<u>170,000</u>	<u>170,480</u>	<u>0</u>	<u>(170,480)</u>
Total Nondepartmental	<u>13,665,307</u>	<u>13,778,365</u>	<u>11,903,538</u>	<u>(1,874,827)</u>
Revenue Bond I&S Fund				
Principal Payments	832,500	832,500	825,650	(6,850)
Interest Expense	584,639	584,639	673,490	88,851
Fiscal Agent's Fee	<u>0</u>	<u>0</u>	<u>2,730</u>	<u>2,730</u>
Total Revenue Bond I&S Fund	<u>1,417,139</u>	<u>1,417,139</u>	<u>1,501,870</u>	<u>84,731</u>
Total Electric Fund Expenses	<u>\$ 52,164,603</u>	<u>\$ 52,291,655</u>	<u>\$ 52,436,380</u>	<u>\$ 144,725</u>

See reconciliation to GAAP on page 139.

CITY OF COLLEGE STATION, TEXAS
WATER FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating Revenues				
Water Sales	\$ 8,194,000	\$ 8,194,000	\$ 8,130,637	\$ (63,363)
Water Taps	391,400	391,400	484,910	93,510
Connect Fees	25,800	25,800	52,030	26,230
Miscellaneous Operating Revenue	1,500	1,500	4,762	3,262
Total Operating Revenues	<u>8,612,700</u>	<u>8,612,700</u>	<u>8,672,339</u>	<u>59,639</u>
Nonoperating Revenues				
Investment Income	545,900	545,900	426,223	(119,677)
Reimbursed Expenses	17,500	17,500	33,245	15,745
Other	200	200	10,886	10,686
Total Nonoperating Revenues	<u>563,600</u>	<u>563,600</u>	<u>470,354</u>	<u>(93,246)</u>
Revenue Bond I&S Fund				
Investment Income	0	0	82,545	82,545
Operating Transfers In	2,054,563	2,054,563	2,054,563	0
Total Water Revenue I&S Fund	<u>2,054,563</u>	<u>2,054,563</u>	<u>2,137,108</u>	<u>82,545</u>
Water Revenue Bond Funds				
Investment Income	160,000	160,000	453,166	293,166
Other	0	0	9,100	9,100
Operating Transfers In	7,750,000	7,750,000	0	(7,750,000)
Proceeds from Long-Term Debt	6,300,000	6,300,000	7,427,150	1,127,150
Total Water Revenue Bond Fund	<u>14,210,000</u>	<u>14,210,000</u>	<u>7,889,416</u>	<u>(6,320,584)</u>
Total Water Fund Revenues	<u>\$ 25,440,863</u>	<u>\$ 25,440,863</u>	<u>\$ 19,169,217</u>	<u>\$ (6,271,646)</u>

See reconciliation to GAAP on page 139.

CITY OF COLLEGE STATION, TEXAS
WATER FUND
SCHEDULE OF EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002
(Continued)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Water Production				
Salaries and Benefits	\$ 262,291	\$ 264,023	\$ 269,653	\$ 5,630
Supplies	65,354	65,354	61,536	(3,818)
Maintenance	138,072	138,072	98,052	(40,020)
Purchased Professional Services	99,636	99,636	73,933	(25,703)
Purchased Property Services	1,223,330	1,223,330	858,462	(364,868)
Other Purchased Services	36,109	36,109	29,667	(6,442)
Capital Outlay	75,000	75,000	52,380	(22,620)
Other	160,828	160,828	75,069	(85,759)
Total Water Production	<u>2,060,620</u>	<u>2,062,352</u>	<u>1,518,752</u>	<u>(543,600)</u>
Water Distribution				
Salaries and Benefits	652,751	657,513	684,494	26,981
Supplies	31,911	31,911	50,992	19,081
Maintenance	200,744	200,744	264,374	63,630
Purchased Professional Services	76,467	287,717	118,966	(168,751)
Purchased Property Services	7,921	7,921	10,206	2,285
Other Purchased Services	72,973	72,973	224,728	151,755
Capital Outlay	230,966	230,966	146,700	(84,266)
Total Water Distribution	<u>1,273,733</u>	<u>1,489,745</u>	<u>1,500,460</u>	<u>10,715</u>
Engineering				
Salaries and Benefits	479,056	481,756	466,364	(15,392)
Supplies	19,538	19,538	18,742	(796)
Maintenance	16,784	16,784	14,309	(2,475)
Purchased Professional Services	738	738	11,294	10,556
Purchased Property Services	4,984	4,984	4,820	(164)
Other Purchased Services	44,492	44,492	47,792	3,300
Total Engineering	<u>565,592</u>	<u>568,292</u>	<u>563,321</u>	<u>(4,971)</u>
Nondepartmental				
Reimbursed Administrative	839,243	839,243	873,643	34,400
Other Operating Expenses	0	0	6,469	6,469
Other Nonoperating Expenses	0	0	130	130
Operating Transfers Out	10,678,363	10,678,363	2,978,363	(7,700,000)
Contingency	70,000	63,050	0	(63,050)
Total Nondepartmental	<u>11,587,606</u>	<u>11,580,656</u>	<u>3,858,605</u>	<u>(7,722,051)</u>

(Continued)

CITY OF COLLEGE STATION, TEXAS
WATER FUND
SCHEDULE OF EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002
(Continued)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenue Bond I&S Fund				
Principal Payments	\$ 890,171	\$ 890,171	\$ 864,150	\$ (26,021)
Interest Expense	1,164,393	1,164,393	1,230,148	65,755
Fiscal Agent's Fees	0	0	1,146	1,146
Total Revenue Bond I&S Fund	<u>2,054,564</u>	<u>2,054,564</u>	<u>2,095,444</u>	<u>40,880</u>
Water Revenue Bond Fund				
Reimbursed Administrative	275,000	275,000	275,000	0
Capital Outlay	11,803,000	11,803,000	7,447,928	(4,355,072)
Debt Issuance Costs	100,000	100,000	0	(100,000)
Total Water Revenue Bond Fund	<u>12,178,000</u>	<u>12,178,000</u>	<u>7,722,928</u>	<u>(4,455,072)</u>
Total Water Fund Expenses	<u>\$ 29,720,115</u>	<u>\$ 29,933,609</u>	<u>\$ 17,259,510</u>	<u>\$ (12,674,099)</u>

See reconciliation to GAAP on page 139.

(Continued)

CITY OF COLLEGE STATION, TEXAS
SEWER FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating Revenues				
Sewer Service	\$ 7,447,000	\$ 7,447,000	\$ 7,839,545	\$ 392,545
Sewer Taps	221,500	221,500	323,038	101,538
Total Operating Revenues	<u>7,668,500</u>	<u>7,668,500</u>	<u>8,162,583</u>	<u>494,083</u>
Nonoperating Revenues				
Investment Income	154,500	154,500	127,439	(27,061)
Other	0	0	25,951	25,951
Total Nonoperating Revenues	<u>154,500</u>	<u>154,500</u>	<u>153,390</u>	<u>(1,110)</u>
Revenue Bond I&S Fund				
Investment Income	0	0	102,864	102,864
Operating Transfers In	3,166,265	3,166,265	3,166,265	0
Total Sewer Revenue I&S Fund	<u>3,166,265</u>	<u>3,166,265</u>	<u>3,269,129</u>	<u>102,864</u>
Sewer Revenue Bond Funds				
Investment Income	200,000	200,000	375,195	175,195
Other	0	270,000	12,130	(257,870)
Proceeds from Long-Term Debt	10,000,000	10,000,000	6,159,100	(3,840,900)
Total Sewer Revenue Bond Funds	<u>10,200,000</u>	<u>10,470,000</u>	<u>6,546,425</u>	<u>(3,923,575)</u>
Sewer Impact Fee Funds				
Investment Income	0	0	13,040	13,040
Special Assessments	0	0	107,296	107,296
Total Sewer Impact Fee Funds	<u>0</u>	<u>0</u>	<u>120,336</u>	<u>120,336</u>
Total Sewer Fund Revenues	<u>\$ 21,189,265</u>	<u>\$ 21,459,265</u>	<u>\$ 18,251,863</u>	<u>\$ (3,207,402)</u>

See reconciliation to GAAP on page 139.

CITY OF COLLEGE STATION, TEXAS
SEWER FUND
SCHEDULE OF EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

(Continued)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Sewer Treatment				
Salaries and Benefits	\$ 833,995	\$ 840,070	\$ 885,469	\$ 45,399
Supplies	214,328	214,328	200,118	(14,210)
Maintenance	230,526	230,526	256,096	25,570
Purchased Professional Services	99,135	109,400	62,944	(46,456)
Purchased Property Services	349,635	349,635	284,544	(65,091)
Other Purchased Services	111,338	111,338	114,798	3,460
Capital Outlay	29,250	29,250	9,750	(19,500)
Total Sewer Treatment	<u>1,868,207</u>	<u>1,884,547</u>	<u>1,813,719</u>	<u>(70,828)</u>
Sewer Collection				
Salaries and Benefits	655,224	658,951	641,467	(17,484)
Supplies	50,605	50,605	90,767	40,162
Maintenance	133,425	133,425	112,233	(21,192)
Purchased Professional Services	137,519	342,019	140,545	(201,474)
Purchased Property Services	19,724	19,724	15,612	(4,112)
Other Purchased Services	106,496	106,496	104,130	(2,366)
Capital Outlay	0	0	13,050	13,050
Total Sewer Collection	<u>1,102,993</u>	<u>1,311,220</u>	<u>1,117,804</u>	<u>(193,416)</u>
Nondepartmental				
Reimbursed Administrative	742,025	742,025	746,025	4,000
Other Operating Expenses	0	0	2,289	2,289
Return on Investment	719,500	719,500	719,500	0
Other Operating Transfers Out	3,176,265	3,176,265	3,176,265	0
Contingency	60,000	52,790	0	(52,790)
Total Nondepartmental	<u>4,697,790</u>	<u>4,690,580</u>	<u>4,644,079</u>	<u>(46,501)</u>
Revenue Bond I&S Fund				
Principal Payments	1,507,330	1,507,330	1,475,200	(32,130)
Interest Expense	1,658,936	1,658,936	1,699,057	40,121
Fiscal Agent's Fee	0	0	3,121	3,121
Total Revenue Bond I&S Fund	<u>3,166,266</u>	<u>3,166,266</u>	<u>3,177,378</u>	<u>11,112</u>

(Continued)

CITY OF COLLEGE STATION, TEXAS
SEWER FUND
SCHEDULE OF EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002
(Continued)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Sewer Revenue Bond Fund				
Reimbursed Administrative	\$ 325,000	\$ 325,000	\$ 325,000	\$ 0
Capital Outlay	2,450,694	2,750,694	9,217,111	6,466,417
Debt Issuance Costs	<u>60,000</u>	<u>60,000</u>	<u>0</u>	<u>(60,000)</u>
Total Sewer Revenue Bond Fund	<u>2,835,694</u>	<u>3,135,694</u>	<u>9,542,111</u>	<u>6,406,417</u>
Total Sewer Fund Expenses	<u>\$ 13,670,950</u>	<u>\$ 14,188,307</u>	<u>\$ 20,295,091</u>	<u>\$ 6,106,784</u>

See reconciliation to GAAP on page 139.

(Continued)

CITY OF COLLEGE STATION, TEXAS
SANITATION FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating Revenues				
Residential Collection	\$ 2,657,400	\$ 2,657,400	\$ 2,575,734	\$ (81,666)
Commercial Collection	1,654,500	1,654,500	1,669,082	14,582
Other Charges for Services	21,400	21,400	24,148	2,748
Recycling	30,900	30,900	24,201	(6,699)
Other	2,200	2,200	1,904	(296)
Total Operating Revenues	<u>4,366,400</u>	<u>4,366,400</u>	<u>4,295,069</u>	<u>(71,331)</u>
Nondepartmental Revenues				
Investment Income	118,400	118,400	52,535	(65,865)
Other	3,600	3,600	25,253	21,653
Total Nonoperating Revenues	<u>122,000</u>	<u>122,000</u>	<u>77,788</u>	<u>(44,212)</u>
Total Sanitation Fund Revenues	<u>\$ 4,488,400</u>	<u>\$ 4,488,400</u>	<u>\$ 4,372,857</u>	<u>\$ (115,543)</u>

See reconciliation to GAAP on page 139.

CITY OF COLLEGE STATION, TEXAS
SANITATION FUND
SCHEDULE OF EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Residential Collection				
Salaries and Benefits	\$ 879,003	\$ 885,519	\$ 886,538	\$ 1,019
Supplies	97,360	97,360	127,062	29,702
Maintenance	183,240	183,240	389,878	206,638
Purchased Professional Services	341,740	341,740	100,716	(241,024)
Purchased Property Services	320,012	320,012	362,317	42,305
Other Purchased Services	225,636	225,636	221,969	(3,667)
Total Residential Collection	<u>2,046,991</u>	<u>2,053,507</u>	<u>2,088,480</u>	<u>34,973</u>
Commercial Collection				
Salaries and Benefits	404,884	408,004	394,552	(13,452)
Supplies	96,720	96,720	66,468	(30,252)
Maintenance	226,370	226,370	225,449	(921)
Purchased Professional Services	270	270	448	178
Purchased Property Services	723,480	723,480	762,848	39,368
Other Purchased Services	265,441	265,441	436,354	170,913
Capital Outlay	186,650	186,650	0	(186,650)
Total Commercial Collections	<u>1,903,815</u>	<u>1,906,935</u>	<u>1,886,119</u>	<u>(20,816)</u>
Nondepartmental				
Reimbursed Administrative	385,731	385,731	389,731	4,000
Public Agency Funding	40,000	40,000	15,000	(25,000)
Return on Investment	294,200	294,200	294,200	0
Operating Transfers Out	12,500	12,500	12,500	0
Contingency	50,000	50,108	0	(50,108)
Total Nondepartmental	<u>782,431</u>	<u>782,539</u>	<u>711,431</u>	<u>(71,108)</u>
Total Sanitation Fund Expenses	<u>\$ 4,733,237</u>	<u>\$ 4,742,981</u>	<u>\$ 4,686,030</u>	<u>\$ (56,951)</u>

See reconciliation to GAAP on page 139.

CITY OF COLLEGE STATION, TEXAS
NORTHGATE PARKING GARAGE FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Operating Revenues				
Charges for Services	\$ 1,198,800	\$ 1,198,800	\$ 452,061	\$ (746,739)
Total Operating Revenues	1,198,800	1,198,800	452,061	(746,739)
Operating Expenses				
Salaries and Benefits	218,414	219,086	153,916	(65,170)
Supplies	18,738	18,738	35,935	17,197
Maintenance	8,945	8,945	3,772	(5,173)
Purchased Professional Services	61,793	72,973	49,060	(23,913)
Purchased Property Services	779	779	39,258	38,479
Other Services	5,497	5,497	65,699	60,202
Capital Outlay	406,022	(225,143)	175,597	400,740
Total Operating Expenses	720,188	100,875	523,237	422,362
Net Operating Income (Loss)	478,612	1,097,925	(71,176)	(1,169,101)
Nonoperating Revenues (Expenses)				
Investment Income	21,300	21,300	50,736	29,436
Contributions	0	0	76,542	76,542
Reimbursed Administrative	(13,000)	(13,000)	(13,000)	0
Other, Net	0	0	104	104
Total Nonoperating Revenues (Expenses)	8,300	8,300	114,382	106,082
Net Income Before Operating Transfers	486,912	1,106,225	43,206	(1,063,019)
Operating Transfers				
Operating Transfers In	225,000	225,000	0	(225,000)
Operating Transfers Out	645,358	645,358	225,000	(420,358)
Net Operating Transfers	(420,358)	(420,358)	(225,000)	195,358
Net Income	\$ 66,554	\$ 685,867	\$ (181,794)	\$ (867,661)

See reconciliation to GAAP on page 139.

CITY OF COLLEGE STATION, TEXAS
ENTERPRISE FUNDS
SCHEDULE FOR RECONCILIATION OF REVENUES AND EXPENSES (BUDGETARY BASIS)
TO GAAP BASIS STATEMENT OF INCOME
For the Fiscal Year Ended September 30, 2002

	Electric	Water	Sewer	Solid Waste Collection	Northgate Parking
Total Revenues Per Budget - Actual	\$ 51,932,920	\$ 19,169,217	\$ 18,251,863	\$ 4,372,857	\$ 579,443
Less Total Expenses Per Budget - Actual	<u>52,436,380</u>	<u>17,259,510</u>	<u>20,295,091</u>	<u>4,686,030</u>	<u>761,237</u>
Net Income (Loss), Budgetary Basis	<u>(503,460)</u>	<u>1,909,707</u>	<u>(2,043,228)</u>	<u>(313,173)</u>	<u>(181,794)</u>
Add (Subtract) - Expenses (Revenues)					
Related to Balance Sheet:					
Reclass Principal Payment	825,650	864,150	1,475,200	0	0
Reverse Capital Outlay	4,068,271	7,647,008	9,239,911	0	175,597
Reclass Contributed Capital	0	0	(12,130)	0	0
Reclass Salaries, Benefits and Overhead to Construction in Progress	1,636,239	4,621	7,909	0	0
Adjust Accrued Vacation	(23,332)	(3,051)	(3,925)	2,778	614
Add (Subtract) - Unbudgeted Revenue (Expenses) Adjustments					
FY'02 Depreciation	(2,398,907)	(1,264,261)	(1,238,525)	(14,176)	(160,450)
Current Year Revenue Accrual	1,924,892	360,580	375,686	180,784	0
Adjust Accrued Interest Payable	(72,165)	(167,689)	(142,995)	0	0
FY'02 Bond Amortization					
Issuance Cost	(17,904)	(16,283)	(30,258)	0	0
Prior Year Revenue Accrual	(1,743,330)	(347,144)	(334,930)	(169,317)	0
FY'02 Bad Debt Expense	(207,271)	(27,671)	(49,977)	(32,405)	(76,592)
Inventory Adjustment	1,334	(14,542)	2,895	(3,529)	0
Earnings in Joint Venture	0	0	0	842,323	0
Reclass Proceeds From Long Term Debt	(4,528,750)	(7,427,150)	(6,159,100)	0	0
Investment Accrual and FV Adjustment	(148,128)	(182,237)	(145,815)	(14,197)	(17,425)
Accrue FY'02 Expense	(40,952)	0	(24,386)	0	0
Reclass Impact Fees	0	0	(107,296)	0	0
FY'02 Payroll Adjustment	(20,997)	(9,002)	5,987	(8,676)	(1,152)
Power Charge Adjustment	1,601,630	0	0	0	0
Other, Net	4,536	8,099	5,221	2	1
Net Income (Loss), GAAP Basis	<u>\$ 357,356</u>	<u>\$ 1,335,135</u>	<u>\$ 820,244</u>	<u>\$ 470,414</u>	<u>\$ (261,201)</u>

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Communication Services - to account for the activities related to the operation and maintenance of the City's radio and telephone systems.

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

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

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

Print-Mail Services - to account for the activities related to the City's printing and mailing operations.

Property and Casualty - 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 - to account for self-insurance activity on claims filed under unemployment compensation laws.

Utility Billing - 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 - to account for self-insurance activity relating to administration of the City's workers' compensation plan.

CITY OF COLLEGE STATION, TEXAS

INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 2002

(With comparative totals for the fiscal year ended September 30, 2001)

	<u>Communication Services</u>	<u>Employee Benefits</u>	<u>Equipment Replacement</u>	<u>Fleet Maintenance</u>
Current Assets				
Equity in Cash and Cash Equivalents	\$ 0	\$ 627,145	\$ 3,462,627	\$ 0
Equity in Investment	0	529,949	2,925,983	0
Receivables				
Accrued Interest	(439)	5,713	32,819	(508)
Accounts	0	2,629	0	2,652
Other	0	0	0	0
Less Allowance for Uncollectable Accounts	0	0	0	0
Due from Other Funds	0	0	69,504	0
Inventories	0	0	0	79,971
Prepaid Costs	0	0	0	0
Total Current Assets	<u>(439)</u>	<u>1,165,436</u>	<u>6,490,933</u>	<u>82,115</u>
Property and Equipment				
Buildings	0	0	0	746,575
Machinery and Equipment	1,195,420	0	16,495,178	208,820
Accumulated Depreciation	(878,998)	0	(8,705,457)	(366,069)
Construction in Progress	0	0	0	0
Total Property and Equipment	<u>316,422</u>	<u>0</u>	<u>7,789,721</u>	<u>589,326</u>
Total Assets	<u>\$ 315,983</u>	<u>\$ 1,165,436</u>	<u>\$ 14,280,654</u>	<u>\$ 671,441</u>
Liabilities and Fund Equity				
Current Liabilities				
Accounts Payable	\$ 6,139	\$ 406,151	\$ 27,118	\$ 42,937
Due to Other Funds	51,419	0	0	18,085
Claims Payable	0	0	0	0
Accrued Liabilities	10,786	0	0	18,960
Total Current Liabilities	<u>68,344</u>	<u>406,151</u>	<u>27,118</u>	<u>79,982</u>
Noncurrent Liabilities				
Accrued Vacation	8,333	0	0	22,427
Total Noncurrent Liabilities	<u>8,333</u>	<u>0</u>	<u>0</u>	<u>22,427</u>
Total Liabilities	<u>76,677</u>	<u>406,151</u>	<u>27,118</u>	<u>102,409</u>
Fund Equity				
Contributed Capital	860,672	0	2,147,900	728,268
Unreserved Retained Earnings (Deficits)	(621,366)	759,285	12,105,636	(159,236)
Total Fund Equity	<u>239,306</u>	<u>759,285</u>	<u>14,253,536</u>	<u>569,032</u>
Total Liabilities and Fund Equity	<u>\$ 315,983</u>	<u>\$ 1,165,436</u>	<u>\$ 14,280,654</u>	<u>\$ 671,441</u>

Print/Mail Services	Property and Casualty	Unemployment	Utility Billing	Workers' Compensation	Totals	
					2002	2001
\$ 7,490	\$ 297,992	\$ 63,408	\$ 106,010	\$ 150,588	\$ 4,715,260	\$ 2,768,260
6,329	251,809	53,581	89,581	127,249	3,984,481	2,950,103
(58)	2,623	613	789	1,601	43,153	62,999
0	138,629	0	17,716	0	161,626	228,273
0	0	0	11,240	0	11,240	13,382
0	0	0	(15,513)	0	(15,513)	(12,971)
0	0	0	0	0	69,504	97,680
28,545	0	0	0	0	108,516	217,627
14,211	0	0	0	54,000	68,211	40,346
<u>56,517</u>	<u>691,053</u>	<u>117,602</u>	<u>209,823</u>	<u>333,438</u>	<u>9,146,478</u>	<u>6,365,699</u>
0	0	0	0	0	746,575	746,575
141,290	0	0	1,516,017	0	19,556,725	16,107,287
(108,872)	0	0	(732,570)	0	(10,791,966)	(8,531,649)
0	0	0	0	0	0	1,521,118
<u>32,418</u>	<u>0</u>	<u>0</u>	<u>783,447</u>	<u>0</u>	<u>9,511,334</u>	<u>9,843,331</u>
<u>\$ 88,935</u>	<u>\$ 691,053</u>	<u>\$ 117,602</u>	<u>\$ 993,270</u>	<u>\$ 333,438</u>	<u>\$ 18,657,812</u>	<u>\$ 16,209,030</u>
\$ 10,411	\$ 124,870	\$ 4,971	\$ 8,352	\$ 0	\$ 630,949	\$ 194,819
0	0	0	0	0	69,504	97,680
0	53,894	0	0	97,601	151,495	412,677
7,032	0	0	32,902	0	69,680	56,121
<u>17,443</u>	<u>178,764</u>	<u>4,971</u>	<u>41,254</u>	<u>97,601</u>	<u>921,628</u>	<u>761,297</u>
<u>6,477</u>	<u>0</u>	<u>0</u>	<u>47,063</u>	<u>0</u>	<u>84,300</u>	<u>82,643</u>
<u>6,477</u>	<u>0</u>	<u>0</u>	<u>47,063</u>	<u>0</u>	<u>84,300</u>	<u>82,643</u>
<u>23,920</u>	<u>178,764</u>	<u>4,971</u>	<u>88,317</u>	<u>97,601</u>	<u>1,005,928</u>	<u>843,940</u>
46,475	0	0	381,137	0	4,164,452	3,295,652
18,540	512,289	112,631	523,816	235,837	13,487,432	12,069,438
<u>65,015</u>	<u>512,289</u>	<u>112,631</u>	<u>904,953</u>	<u>235,837</u>	<u>17,651,884</u>	<u>15,365,090</u>
<u>\$ 88,935</u>	<u>\$ 691,053</u>	<u>\$ 117,602</u>	<u>\$ 993,270</u>	<u>\$ 333,438</u>	<u>\$ 18,657,812</u>	<u>\$ 16,209,030</u>

CITY OF COLLEGE STATION, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS (DEFICITS)
For the Fiscal Year Ended September 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	Communication Services	Employee Benefits	Equipment Replacement	Fleet Maintenance
Operating Revenues				
Charges for Services	\$ 607,557	\$ 0	\$ 2,881,093	\$ 1,298,220
Premiums	0	3,699,794	0	0
Other	0	0	0	171
Total Operating Revenues	<u>607,557</u>	<u>3,699,794</u>	<u>2,881,093</u>	<u>1,298,391</u>
Operating Expenses				
Salaries and Benefits	277,439	0	0	597,058
Supplies	92,488	0	1,135	454,322
Maintenance	107,796	0	0	20,585
Purchased Professional Services	11,665	0	0	2,095
Purchased Property Services	10,231	0	0	15,677
Other Purchased Services	28,795	0	0	24,540
Claims	0	809,658	0	0
Administration Fees	0	129,737	0	0
Premiums	0	2,170,034	0	0
Reimbursed Administrative	85,000	345	0	130,397
Depreciation	102,925	0	2,194,671	25,851
Other	0	0	0	68,889
Total Operating Expenses	<u>716,339</u>	<u>3,109,774</u>	<u>2,195,806</u>	<u>1,339,414</u>
Operating Income (Loss)	<u>(108,782)</u>	<u>590,020</u>	<u>685,287</u>	<u>(41,023)</u>
Nonoperating Revenues (Expenses)				
Investment Income	(3,634)	31,747	221,949	(3,822)
Reimbursed Expenses	0	0	55,595	0
Other, Net	0	(392)	6,440	14,454
Total Nonoperating Revenues (Expenses)	<u>(3,634)</u>	<u>31,355</u>	<u>283,984</u>	<u>10,632</u>
Income Before Operating Transfers	<u>(112,416)</u>	<u>621,375</u>	<u>969,271</u>	<u>(30,391)</u>
Operating Transfers				
Operating Transfers In	0	0	617	858
Operating Transfers Out	0	0	0	0
Total Operating Transfers	<u>0</u>	<u>0</u>	<u>617</u>	<u>858</u>
Net Income (Loss)	<u>(112,416)</u>	<u>621,375</u>	<u>969,888</u>	<u>(29,533)</u>
Retained Earnings (Deficits), October 1	(508,950)	137,910	11,135,748	(129,703)
Retained Earnings (Deficits), September 30	<u>\$ (621,366)</u>	<u>\$ 759,285</u>	<u>\$ 12,105,636</u>	<u>\$ (159,236)</u>

					<u>Totals</u>	
<u>Print/Mail</u>	<u>Property and Casualty</u>	<u>Unemployment</u>	<u>Utility Billing</u>	<u>Workers' Compensation</u>	<u>2002</u>	<u>2001</u>
\$ 372,288	\$ 0	\$ 0	\$ 1,995,200	\$ 0	\$ 7,154,358	\$ 6,423,696
0	418,997	0	0	308,934	4,427,725	3,663,439
0	0	0	159,928	0	160,099	180,494
<u>372,288</u>	<u>418,997</u>	<u>0</u>	<u>2,155,128</u>	<u>308,934</u>	<u>11,742,182</u>	<u>10,267,629</u>
185,353	0	0	1,116,180	0	2,176,030	2,062,129
104,432	0	0	55,089	0	707,466	712,106
5,708	0	0	36,537	0	170,626	125,531
48	0	0	3,755	0	17,563	22,551
41,208	0	0	37,407	0	104,523	85,115
5,484	0	0	203,755	0	262,574	281,430
0	291,830	8,711	0	148,614	1,258,813	3,286,950
0	3,500	0	0	1,475	134,712	179,403
0	236,529	0	0	85,996	2,492,559	588,445
41,138	70,564	0	595,487	70,564	993,495	1,127,195
10,705	0	0	51,656	0	2,385,808	1,838,288
(17,935)	8,507	0	12,608	0	72,069	60,646
<u>376,141</u>	<u>610,930</u>	<u>8,711</u>	<u>2,112,474</u>	<u>306,649</u>	<u>10,776,238</u>	<u>10,369,789</u>
<u>(3,853)</u>	<u>(191,933)</u>	<u>(8,711)</u>	<u>42,654</u>	<u>2,285</u>	<u>965,944</u>	<u>(102,160)</u>
(510)	14,957	4,184	5,512	10,126	280,509	315,557
0	106,967	0	0	0	162,562	92,343
0	0	0	512	(13,510)	7,504	(87,071)
<u>(510)</u>	<u>121,924</u>	<u>4,184</u>	<u>6,024</u>	<u>(3,384)</u>	<u>450,575</u>	<u>320,829</u>
<u>(4,363)</u>	<u>(70,009)</u>	<u>(4,527)</u>	<u>48,678</u>	<u>(1,099)</u>	<u>1,416,519</u>	<u>218,669</u>
0	0	0	0	0	1,475	770,200
0	0	0	0	0	0	(112,400)
0	0	0	0	0	1,475	657,800
(4,363)	(70,009)	(4,527)	48,678	(1,099)	1,417,994	876,469
22,903	582,298	117,158	475,138	236,936	12,069,438	11,192,969
<u>\$ 18,540</u>	<u>\$ 512,289</u>	<u>\$ 112,631</u>	<u>\$ 523,816</u>	<u>\$ 235,837</u>	<u>\$ 13,487,432</u>	<u>\$ 12,069,438</u>

CITY OF COLLEGE STATION, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2002
(With comparative totals for the fiscal year ended September 30, 2001)

	Communication Services	Employee Benefits	Equipment Replacement	Fleet Maintenance
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 607,557	\$ 3,699,794	\$ 2,881,093	\$ 1,297,459
Cash Payments to Suppliers for Goods and Services	(337,988)	(2,969,557)	56,820	(674,056)
Cash Payments to Employees for Services	(277,065)	0	0	(588,417)
Cash Received for Reimbursed Expenses	0	0	18,707	0
Cash Received for Miscellaneous Revenues	0	0	6,440	14,454
Cash Received from Other Funds	7,583	43,502	28,177	0
Cash Paid to Other Funds	0	0	0	(35,760)
Cash Paid for Miscellaneous Expenses	0	0	0	0
Net Cash Provided (Used) by Operating Activities	<u>87</u>	<u>773,739</u>	<u>2,991,237</u>	<u>13,680</u>
Cash Flows from Noncapital Financing Activities:				
Operating Transfers In from Other Funds	0	0	617	858
Operating Transfers Out to Other Funds	0	0	0	0
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>0</u>	<u>617</u>	<u>858</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	0	0	(2,002,353)	(10,589)
Proceeds from Sale of Assets	3,647	0	0	0
Proceeds from Revenue Bonds	0	0	868,800	0
Net Cash Provided (Used) by Capital and Related Financing Activities:	<u>3,647</u>	<u>0</u>	<u>(1,133,553)</u>	<u>(10,589)</u>
Cash Flows from Investing Activities:				
Purchase of Investments	0	(889,801)	(4,624,452)	0
Proceeds from Sale and Maturities of Investment Securities	0	542,239	3,913,110	0
Investment Income	(3,734)	29,823	237,537	(3,949)
Net Cash Provided (Used) by Investing Activities:	<u>(3,734)</u>	<u>(317,739)</u>	<u>(473,805)</u>	<u>(3,949)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	0	456,000	1,384,496	0
Cash and Cash Equivalents, Oct. 1	0	171,145	2,078,131	0
Cash and Cash Equivalents, Sept. 30	<u>0</u>	<u>627,145</u>	<u>3,462,627</u>	<u>0</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	(108,782)	590,020	685,287	(41,023)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	102,925	0	2,194,671	25,851
Miscellaneous Nonoperating Revenues	0	0	30,113	14,454
Miscellaneous Nonoperating Expenses	0	0	0	0
Change in Assets and Liabilities:				
Change in Accounts Receivable	0	0	26,117	(932)
Change in Due from Other Funds	0	43,502	28,177	0
Change in Inventories	0	0	0	113,357
Change in Prepaid Costs	0	0	0	0
Change in Accounts Payable	(364)	402,198	26,872	(71,742)
Change in Due to Other Funds	7,583	0	0	(35,760)
Change in Claims Payable	0	(261,981)	0	0
Change in Accrued Liabilities	1,804	0	0	4,940
Change in Accrued Vacation	(3,079)	0	0	4,535
Total Adjustments	<u>108,869</u>	<u>183,719</u>	<u>2,305,950</u>	<u>54,703</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 87</u>	<u>\$ 773,739</u>	<u>\$ 2,991,237</u>	<u>\$ 13,680</u>

Print/Mail Services	Property and Casualty	Unemployment	Utility Billing	Workers' Compensation	Totals	
					2002	2001
\$ 372,288	\$ 417,257	\$ 0	\$ 2,156,970	\$ 308,934	\$ 11,741,352	\$ 10,242,960
(182,788)	(499,313)	(12,302)	(944,611)	(317,710)	(5,881,505)	(6,771,422)
(183,690)	0	0	(1,110,529)	0	(2,159,701)	(2,062,579)
0	106,967	0	0	0	125,674	92,343
0	0	0	513	0	21,407	2,621
0	0	0	0	0	79,262	43,835
0	0	0	0	0	(35,760)	(43,835)
0	0	0	0	(57,698)	(57,698)	(15,018)
<u>5,810</u>	<u>24,911</u>	<u>(12,302)</u>	<u>102,343</u>	<u>(66,474)</u>	<u>3,833,031</u>	<u>1,488,905</u>
0	0	0	0	0	1,475	770,200
0	0	0	0	0	0	(112,400)
0	0	0	0	0	1,475	657,800
(12,595)	0	0	0	0	(2,025,537)	(2,022,003)
0	0	0	0	0	3,647	50,338
0	0	0	0	0	868,800	0
<u>(12,595)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,153,090)</u>	<u>(1,971,665)</u>
(8,566)	(381,036)	(79,049)	(146,971)	(183,198)	(6,313,073)	(3,097,618)
13,043	390,771	89,620	102,620	227,292	5,278,695	3,369,007
(342)	17,923	4,942	5,576	12,186	299,962	327,890
<u>4,135</u>	<u>27,658</u>	<u>15,513</u>	<u>(38,775)</u>	<u>56,280</u>	<u>(734,416)</u>	<u>599,279</u>
(2,650)	52,569	3,211	63,568	(10,194)	1,947,000	774,319
10,140	245,423	60,197	42,442	160,782	2,768,260	1,993,941
<u>7,490</u>	<u>297,992</u>	<u>63,408</u>	<u>106,010</u>	<u>150,588</u>	<u>4,715,260</u>	<u>2,768,260</u>
(3,853)	(191,933)	(8,711)	42,654	2,285	965,944	(102,160)
10,705	0	0	51,656	0	2,385,808	1,838,288
0	106,967	0	513	0	152,047	94,964
0	0	0	0	(13,512)	(13,512)	(14,671)
0	(1,740)	0	4,384	0	27,829	(46,988)
0	0	0	0	0	71,679	(33,708)
(4,246)	0	0	0	0	109,111	(9,461)
4,135	0	0	0	(32,000)	(27,865)	(759)
(2,546)	88,723	(3,591)	(2,265)	(1,154)	436,131	1,657
0	0	0	0	0	(28,177)	33,708
0	22,894	0	0	(22,093)	(261,180)	(288,376)
1,195	0	0	5,620	0	13,559	24,396
420	0	0	(219)	0	1,657	(7,985)
<u>9,663</u>	<u>216,844</u>	<u>(3,591)</u>	<u>59,689</u>	<u>(68,759)</u>	<u>2,867,087</u>	<u>1,591,065</u>
<u>\$ 5,810</u>	<u>\$ 24,911</u>	<u>\$ (12,302)</u>	<u>\$ 102,343</u>	<u>\$ (66,474)</u>	<u>\$ 3,833,031</u>	<u>\$ 1,488,905</u>

CITY OF COLLEGE STATION, TEXAS
COMMUNICATIONS SERVICES FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating Revenues				
Charges for Services	\$ 630,890	\$ 630,890	\$ 607,557	\$ (23,333)
Total Operating Revenues	<u>630,890</u>	<u>630,890</u>	<u>607,557</u>	<u>(23,333)</u>
Operating Expenses				
Salaries and Benefits	276,097	277,489	281,262	3,773
Supplies	84,415	84,415	92,488	8,073
Maintenance	118,740	118,740	107,796	(10,944)
Purchased Professional Services	18,000	18,000	11,665	(6,335)
Purchased Property Services	9,804	9,804	10,231	427
Other Services	26,551	26,551	28,795	2,244
Reimbursed Administrative	85,000	85,000	85,000	0
Total Operating Expenses	<u>618,607</u>	<u>619,999</u>	<u>617,237</u>	<u>(2,762)</u>
Operating Income (Loss)	<u>12,283</u>	<u>10,891</u>	<u>(9,680)</u>	<u>(20,571)</u>
Nonoperating Revenue				
Investment Income	0	0	(4,108)	(4,108)
Total Nonoperating Revenue	<u>0</u>	<u>0</u>	<u>(4,108)</u>	<u>(4,108)</u>
Net Income (Loss)	<u>\$ 12,283</u>	<u>\$ 10,891</u>	<u>\$ (13,788)</u>	<u>\$ (24,679)</u>

See reconciliation to GAAP on page 158.

CITY OF COLLEGE STATION, TEXAS
EMPLOYEE BENEFITS FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating Revenues				
Premiums	\$ 3,738,100	\$ 3,738,100	\$ 3,699,794	\$ (38,306)
Total Operating Revenues	<u>3,738,100</u>	<u>3,738,100</u>	<u>3,699,794</u>	<u>(38,306)</u>
Operating Expenses				
Claims	3,194,800	3,194,800	1,071,639	(2,123,161)
Administrative Fees	201,500	201,500	129,737	(71,763)
Premiums	323,000	323,000	2,170,034	1,847,034
Reimbursed Administrative	<u>16,000</u>	<u>16,000</u>	<u>345</u>	<u>(15,655)</u>
Total Operating Expenses	<u>3,735,300</u>	<u>3,735,300</u>	<u>3,371,755</u>	<u>(363,545)</u>
Operating Income	<u>2,800</u>	<u>2,800</u>	<u>328,039</u>	<u>325,239</u>
Nonoperating Revenues (Expenses)				
Investment Income	100	100	35,054	34,954
Other, Net	<u>(6,000)</u>	<u>(6,000)</u>	<u>(392)</u>	<u>5,608</u>
Total Nonoperating Revenues (Expenses)	<u>(5,900)</u>	<u>(5,900)</u>	<u>34,662</u>	<u>40,562</u>
Net Income (Loss)	<u>\$ (3,100)</u>	<u>\$ (3,100)</u>	<u>\$ 362,701</u>	<u>\$ 365,801</u>

See reconciliation to GAAP on page 158.

CITY OF COLLEGE STATION, TEXAS
EQUIPMENT REPLACEMENT FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating Revenues				
Charges for Goods and Services	\$ 2,831,552	\$ 2,831,552	\$ 2,881,093	\$ 49,541
Total Operating Revenues	<u>2,831,552</u>	<u>2,831,552</u>	<u>2,881,093</u>	<u>49,541</u>
Operating Expenses				
Supplies	0	0	1,135	1,135
Capital Outlay	2,071,975	2,464,153	2,003,738	(460,415)
Total Operating Expenses	<u>2,071,975</u>	<u>2,464,153</u>	<u>2,004,873</u>	<u>(459,280)</u>
Operating Income	<u>759,577</u>	<u>367,399</u>	<u>876,220</u>	<u>508,821</u>
Nonoperating Revenues (Expenses)				
Investment Income	235,000	235,000	265,344	30,344
Damage Reimbursement	0	0	55,595	55,595
Proceeds from Long-Term Debt	0	0	868,800	868,800
Debt Issuance Cost	0	0	(4,500)	(4,500)
Other, Net	0	0	21,650	21,650
Total Nonoperating Revenues (Expenses)	<u>235,000</u>	<u>235,000</u>	<u>1,206,889</u>	<u>971,889</u>
Net Income	<u>\$ 994,577</u>	<u>\$ 602,399</u>	<u>\$ 2,083,109</u>	<u>\$ 1,480,710</u>

See reconciliation to GAAP on page 158.

CITY OF COLLEGE STATION, TEXAS
FLEET MAINTENANCE FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating Revenues				
Charges for Goods and Services	\$ 1,245,765	\$ 1,245,765	\$ 1,295,567	\$ 49,802
Total Operating Revenues	<u>1,245,765</u>	<u>1,245,765</u>	<u>1,295,567</u>	<u>49,802</u>
Operating Expenses				
Salaries and Benefits	617,607	622,268	591,057	(31,211)
Supplies	410,476	410,476	454,322	43,846
Maintenance	25,781	25,781	20,585	(5,196)
Purchased Professional Services	3,996	3,996	2,095	(1,901)
Purchased Property Services	20,609	20,609	15,677	(4,932)
Other Services	28,412	28,412	24,540	(3,872)
Reimbursed Administrative	130,397	130,397	130,397	0
Capital Outlay	13,000	13,000	10,589	(2,411)
Other	0	0	64,999	64,999
Contingency	16,500	16,711	0	(16,711)
Total Operating Expenses	<u>1,266,778</u>	<u>1,271,650</u>	<u>1,314,261</u>	<u>42,611</u>
Operating Income (Loss)	<u>(21,013)</u>	<u>(25,885)</u>	<u>(18,694)</u>	<u>7,191</u>
Nonoperating Revenues (Expenses)				
Investment Income	0	0	(4,379)	(4,379)
Other, Net	0	0	(1,079)	(1,079)
Total Nonoperating Revenues (Expenses)	<u>0</u>	<u>0</u>	<u>(5,458)</u>	<u>(5,458)</u>
Net Income (Loss) Before Operating Transfers	<u>(21,013)</u>	<u>(25,885)</u>	<u>(24,152)</u>	<u>1,733</u>
Operating Transfers In	<u>0</u>	<u>0</u>	<u>858</u>	<u>858</u>
Net Income (Loss)	<u>\$ (21,013)</u>	<u>\$ (25,885)</u>	<u>\$ (23,294)</u>	<u>\$ 2,591</u>

See reconciliation to GAAP on page 158.

CITY OF COLLEGE STATION, TEXAS
PRINT/MAIL SERVICES FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	Original Budget	Revised Budget	Actual	Variance Under (Over)
Operating Revenues				
Charges for Goods and Services	\$ 344,489	\$ 344,489	\$ 372,288	\$ 27,799
Total Operating Revenues	<u>344,489</u>	<u>344,489</u>	<u>372,288</u>	<u>27,799</u>
Operating Expenses				
Salaries and Benefits	166,004	167,195	183,690	16,495
Supplies	72,310	72,310	104,432	32,122
Maintenance	9,089	9,089	5,708	(3,381)
Purchased Professional Services	0	0	48	48
Purchased Property Services	49,235	49,235	41,208	(8,027)
Other Services	8,784	8,784	5,484	(3,300)
Reimbursed Administrative	41,138	41,138	41,138	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>12,596</u>	<u>12,596</u>
Total Operating Expenses	<u>346,560</u>	<u>347,751</u>	<u>394,304</u>	<u>46,553</u>
Operating Loss	<u>(2,071)</u>	<u>(3,262)</u>	<u>(22,016)</u>	<u>(18,754)</u>
Nonoperating Revenues (Expenses)				
Investment Income	0	0	(390)	(390)
Other, Net	<u>0</u>	<u>201</u>	<u>17,935</u>	<u>17,734</u>
Total Nonoperating Revenues (Expenses)	<u>0</u>	<u>201</u>	<u>17,545</u>	<u>17,344</u>
Net Loss	<u>\$ (2,071)</u>	<u>\$ (3,061)</u>	<u>\$ (4,471)</u>	<u>\$ (1,410)</u>

See reconciliation to GAAP on page 158.

CITY OF COLLEGE STATION, TEXAS
PROPERTY AND CASUALTY FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Operating Revenues				
Premiums	\$ 416,670	\$ 416,670	\$ 418,997	\$ 2,327
Total Operating Revenues	<u>416,670</u>	<u>416,670</u>	<u>418,997</u>	<u>2,327</u>
Operating Expenses				
Claims	180,000	180,000	272,657	92,657
Administrative Fees	0	0	3,500	3,500
Premiums	235,200	235,200	236,529	1,329
Reimbursed Administrative	70,564	70,564	70,564	0
Contingency	12,000	12,000	0	(12,000)
Other	0	0	8,508	8,508
Total Operating Expenses	<u>497,764</u>	<u>497,764</u>	<u>591,758</u>	<u>93,994</u>
Operating Loss	<u>(81,094)</u>	<u>(81,094)</u>	<u>(172,761)</u>	<u>(91,667)</u>
Nonoperating Revenues (Expenses)				
Investment Income	28,000	28,000	20,146	(7,854)
Reimbursed Expenses	75,000	75,000	106,967	31,967
Other, Net	4,000	4,000	0	(4,000)
Total Nonoperating Revenues (Expenses)	<u>107,000</u>	<u>107,000</u>	<u>127,113</u>	<u>20,113</u>
Net Income (Loss)	<u>\$ 25,906</u>	<u>\$ 25,906</u>	<u>\$ (45,648)</u>	<u>\$ (71,554)</u>

See reconciliation to GAAP on page 158.

CITY OF COLLEGE STATION, TEXAS
UNEMPLOYMENT FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating Expenses				
Claims	\$ 25,000	\$ 25,000	\$ 8,711	\$ (16,289)
Total Operating Expenses	<u>25,000</u>	<u>25,000</u>	<u>8,711</u>	<u>(16,289)</u>
Operating Income (Loss)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(8,711)</u>	<u>16,289</u>
Nonoperating Revenues				
Investment Income	<u>6,000</u>	<u>6,000</u>	<u>5,461</u>	<u>(539)</u>
Total Nonoperating Revenues	<u>6,000</u>	<u>6,000</u>	<u>5,461</u>	<u>(539)</u>
Net Income (Loss)	<u>\$ (19,000)</u>	<u>\$ (19,000)</u>	<u>\$ (3,250)</u>	<u>\$ 15,750</u>

See reconciliation to GAAP on page 158.

CITY OF COLLEGE STATION, TEXAS
UTILITY BILLING FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating Revenues				
Charges for Goods and Services	\$ 1,995,200	\$ 1,995,200	\$ 1,995,200	\$ 0
Miscellaneous	175,100	175,100	162,260	(12,840)
Total Operating Revenues	<u>2,170,300</u>	<u>2,170,300</u>	<u>2,157,460</u>	<u>(12,840)</u>
Operating Expenses				
Salaries and Benefits	1,136,440	1,144,817	1,110,531	(34,286)
Supplies	62,440	62,440	55,089	(7,351)
Maintenance	39,200	39,200	36,537	(2,663)
Purchased Professional Services	3,820	3,820	3,755	(65)
Purchased Property Services	30,088	30,088	37,407	7,319
Other Services	278,195	278,195	203,755	(74,440)
Reimbursed Administrative	595,487	595,487	595,487	0
Capital Outlay	0	49,664	0	(49,664)
Contingency	30,000	30,671	0	(30,671)
Total Operating Expenses	<u>2,175,670</u>	<u>2,234,382</u>	<u>2,042,561</u>	<u>(191,821)</u>
Operating Income (Loss)	<u>(5,370)</u>	<u>(64,082)</u>	<u>114,899</u>	<u>178,981</u>
Nonoperating Revenues				
Investment Income	4,200	4,200	6,244	2,044
Other, Net	0	0	514	514
Total Nonoperating Revenues	<u>4,200</u>	<u>4,200</u>	<u>6,758</u>	<u>2,558</u>
Net Income (Loss)	<u>\$ (1,170)</u>	<u>\$ (59,882)</u>	<u>\$ 121,657</u>	<u>\$ 181,539</u>

See reconciliation to GAAP on page 158.

CITY OF COLLEGE STATION, TEXAS
WORKERS' COMPENSATION FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 2002

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Operating Revenues				
Premiums	\$ 213,767	\$ 213,767	\$ 308,934	\$ 95,167
Total Operating Revenues	<u>213,767</u>	<u>213,767</u>	<u>308,934</u>	<u>95,167</u>
Operating Expenses				
Administrative Fees	70,000	70,000	1,475	(68,525)
Claims	250,000	250,000	172,707	(77,293)
Premiums	0	0	85,996	85,996
Reimbursed Administrative	70,564	70,564	70,564	0
Contingency	10,000	10,000	0	(10,000)
Total Operating Expenses	<u>400,564</u>	<u>400,564</u>	<u>330,742</u>	<u>(69,822)</u>
Operating Income (Loss)	<u>(186,797)</u>	<u>(186,797)</u>	<u>(21,808)</u>	<u>164,989</u>
Nonoperating Revenues (Expenses)				
Investment Income	5,172	5,172	13,542	8,370
Other, Net	0	0	(13,510)	(13,510)
Total Nonoperating Revenues (Expenses)	<u>5,172</u>	<u>5,172</u>	<u>32</u>	<u>(5,140)</u>
Net Income (Loss)	<u>\$ (181,625)</u>	<u>\$ (181,625)</u>	<u>\$ (21,776)</u>	<u>\$ 159,849</u>

See reconciliation to GAAP on page 158.

CITY OF COLLEGE STATION, TEXAS
INTERNAL SERVICE FUNDS
SCHEDULE FOR RECONCILIATION OF REVENUES AND EXPENSES (BUDGETARY BASIS)
TO GAAP BASIS STATEMENT OF INCOME
For the Fiscal Year Ended September 30, 2002

	Communication Services	Employee Benefits	Equipment Replacement	Fleet Maintenance	Print/Mail Services
Total Revenues Per Budget - Actual	\$ 603,449	\$ 3,734,848	\$ 4,092,482	\$ 1,292,046	\$ 389,833
Less Total Expenses Per Budget - Actual	617,237	3,372,147	2,009,373	1,315,340	394,304
Net Income (Loss), Budgetary Basis	<u>(13,788)</u>	<u>362,701</u>	<u>2,083,109</u>	<u>(23,294)</u>	<u>(4,471)</u>
Add (Subtract) - Expenses (Revenues)					
Related to Balance Sheet:					
Reverse Capital Outlay	2,546	0	2,003,738	10,589	12,596
Adjust Accrued Vacation	3,078	0	0	(4,535)	(420)
Add (Subtract) - Unbudgeted Revenues					
(Expenses) Adjustments					
FY'01 Depreciation	(102,925)	0	(2,194,671)	(25,851)	(10,705)
Current Year Revenue Accrual	0	0	0	0	0
Adjust Claims Payable	0	261,981	0	0	0
Prior Year Revenue Accrual	0	0	0	0	0
FY'01 Bad Debt Expense	0	0	0	0	0
Inventory Adjustment	0	0	0	14,457	0
Investment Accrual and FV Adjustment	474	(3,307)	(43,395)	557	(109)
Reclass Proceeds from Long Term Debt	0	0	(868,800)	0	0
Accrue FY'02 Revenue	0	0	0	2,653	0
Loss on Sale of Equipment	0	0	(10,710)	0	0
Net Payroll Adjustment	(1,803)	0	0	(4,106)	(1,243)
Other, Net	2	0	617	(3)	(11)
Net Income (Loss), GAAP Basis	<u>\$ (112,416)</u>	<u>\$ 621,375</u>	<u>\$ 969,888</u>	<u>\$ (29,533)</u>	<u>\$ (4,363)</u>

Property and Casualty	Unemployment	Utility Billing	Workers' Compensation
\$ 546,110	\$ 5,461	\$ 2,164,218	\$ 322,476
591,758	8,711	2,042,561	344,252
<u>(45,648)</u>	<u>(3,250)</u>	<u>121,657</u>	<u>(21,776)</u>
0	0	0	0
0	0	219	0
0	0	(51,656)	0
0	0	4,252	0
(19,173)	0	0	24,093
0	0	(6,585)	0
0	0	(12,608)	0
0	0	0	0
(5,188)	(1,277)	731	(3,416)
0	0	0	0
0	0	0	0
0	0	0	0
0	0	(6,584)	0
0	0	(748)	0
<u>\$ (70,009)</u>	<u>\$ (4,527)</u>	<u>\$ 48,678</u>	<u>\$ (1,099)</u>

TRUST FUNDS

Trust Funds are used to account for assets held by the City in a trustee capacity.

Cemetery Perpetual Care Non-Expendable Trust Fund - to account for principal trust amounts received and related interest income for the College Station cemetery.

CITY OF COLLEGE STATION, TEXAS
CEMETERY PERPETUAL CARE FUND
BALANCE SHEET
SEPTEMBER 30, 2002

Current Assets	
Equity in Cash and Cash Equivalents	\$ 398,446
Equity in Investments	336,694
Receivables	
Accrued Interest	3,771
Accounts	3,191
Less Allowance for Uncollectible Accounts	(679)
Inventories	3,226
Total Assets	<u>\$ 744,649</u>
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	\$ 1,582
Total Liabilities	<u>1,582</u>
Fund Balances	
Reserved	
Reserved for Perpetual Care	<u>743,067</u>
Total Fund Balances	<u>743,067</u>
Total Liabilities and Fund Balances	<u>\$ 744,649</u>

CITY OF COLLEGE STATION, TEXAS
CEMETERY PERPETUAL CARE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2002

Revenues	
Sale of Cemetery Lots	\$ 90,618
Investment Income	25,289
Contributions	5,125
Other	<u>0</u>
Total Revenues	<u>121,032</u>
Operating Expenses	
Maintenance	6,094
Other	<u>7,434</u>
Total Operating Expenses	<u>13,528</u>
Net Income	<u>107,504</u>
Fund Balances, October 1	<u>635,563</u>
Fund Balances, September 30	<u>\$ 743,067</u>

CITY OF COLLEGE STATION, TEXAS
CEMETERY PERPETUAL CARE FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2002

	Nonexpendable Trust
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 104,001
Cash Payments to Suppliers for Goods and Services	(13,540)
Cash Received from Contributions	5,125
Cash Received for Miscellaneous Revenues	0
Net Cash Provided by Operating Activities	95,586
Cash Flows from Investing Activities:	
Purchase of Investments	(517,684)
Proceeds from Sale and Maturities of Investment Securities	496,358
Investment Income	28,257
Net Cash Provided by Investing Activities	6,931
Net Increase in Cash and Cash Equivalents	102,517
Cash and Cash Equivalents, October 1	295,929
Cash and Cash Equivalents, September 30	\$ 398,446
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ 107,504
Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Investment Income	(25,289)
Change in Assets and Liabilities:	
Change in Accounts Receivable	14,062
Change in Inventory	0
Change in Accounts Payable	(691)
Total Adjustments	(11,918)
Net Cash Provided by Operating Activities	\$ 95,586

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

CITY OF COLLEGE STATION, TEXAS
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
September 30, 2002

General Fixed Assets:	
Building and Building Improvements	\$ 19,280,202
Improvements	58,129,551
Machinery and Equipment	11,959,334
Parks System	14,743,069
Construction in Progress	18,000,215
Land	18,240,824
Total General Fixed Assets	<u>\$ 140,353,195</u>
Investment in General Fixed Assets from:	
Capital Projects	\$ 98,903,932
General Fund Revenues	8,943,070
Special Revenue Funds	5,850,624
Contributions	19,733,532
Acquisitions Prior to July 1, 1979 - Source Undetermined	6,922,037
Total Investment in General Fixed Assets	<u>\$ 140,353,195</u>

CITY OF COLLEGE STATION, TEXAS
GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE, FUNCTION AND ACTIVITY
September 30, 2002

	Total	Land	Buildings and Building Improvements	Machinery Tools and Equipment
General Fund:				
General Government	\$ 776,466	\$ 0	\$ 101,868	\$ 516,965
Fiscal/Human Resources	545,519	0	10,654	534,865
Public Services	800,746	1,500	45,028	700,673
Police	699,902	0	18,571	681,331
Fire	1,075,317	0	3,869	1,071,448
Development Services	419,361	0	11,140	407,725
Parks	1,410,678	0	283,803	564,769
Management Services	1,208,383	0	9,223	1,199,160
Other	1,404,091	1,404,091	0	0
Library	303,265	40,000	0	263,265
Economic Development	245,693	14,470	180,404	0
Total General Fund	8,889,421	1,460,061	664,560	5,940,201
Special Revenue Funds:				
Parks Escrow	495,712	39,667	0	1,300
Federal Grants	3,897,770	349,062	514,205	57,601
Hotel/Motel	115,358	115,358	0	0
Other	1,185,621	33,413	1,099,647	32,509
Total Special Revenue Funds	5,694,461	537,500	1,613,852	91,410
Capital Projects Funds:				
Certificate of Obligation	1,732,352	637,168	400,000	695,184
Capital Equipment	3,450,574	0	274,985	3,076,077
Southwest Parkway	642,231	0	0	0
1971 Bond Fund	172,838	0	0	0
1976 Bond Fund	126,377	0	1,495	0
1978 Bond Fund	533,706	0	25,141	0
1978II Bond Fund	2,803,997	485,325	579,005	13,967
1981 Bond Fund	1,904,043	224,979	1,114,176	930
1982 Bond Fund	3,898,839	372,834	1,237,290	284,443
1982II Bond Fund	10,458,784	1,734,849	1,488,468	694,379
1984 Bond Fund	9,656,153	799,116	4,136,771	170,717
1989 Bond Fund	2,506,805	91,112	583,492	14,561
1991 Bond Fund	6,236,990	13,794	0	0
1995 Bond Fund	5,420,628	776,854	2,353,744	0
General Government Projects	3,531,386	1,613,889	1,682,636	191,511
Parks Project Fund	5,154,962	1,503,117	0	0
Streets Project Fund	11,987,841	1,383,851	0	244,108
College Station Business Park Fund	9,244,649	4,828,797	1,045,793	0
Northgate Revitalization	1,214,451	257,854	126,937	0
Drainage Fund	435,925	63,117	0	0
Total Capital Projects Funds	81,113,531	14,786,656	15,049,933	5,385,877
Contributions/Donations	19,733,532	0	0	3,890
Acquisitions Prior to July 1, 1979 - Source Undetermined	6,922,035	1,456,607	1,951,857	537,956
Total General Fixed Assets				
Allocated to Functions	122,352,980	18,240,824	19,280,202	11,959,334
Construction in Progress	18,000,215	0	3,432,739	621,324
Total General Fixed Assets	\$ 140,353,195	\$ 18,240,824	\$ 22,712,941	\$ 12,580,658

Parks System	Improvements
\$ 7,633	\$ 150,000
0	0
53,545	0
0	0
0	0
0	496
562,106	0
0	0
0	0
0	0
0	50,819
<u>623,284</u>	<u>201,315</u>
454,745	0
373,866	2,603,036
0	0
0	20,052
<u>828,611</u>	<u>2,623,088</u>
0	0
89,835	9,677
0	642,231
0	172,838
13,249	111,633
162,399	346,166
1,070,353	655,347
22,568	541,390
423,381	1,580,891
4,633,604	1,907,484
589,711	3,959,838
5,574	1,812,066
1,591,370	4,631,826
225,076	2,064,954
0	43,350
3,651,845	0
0	10,359,882
0	3,370,059
0	829,660
0	372,808
<u>12,478,965</u>	<u>33,412,100</u>
0	19,729,642
<u>812,209</u>	<u>2,163,406</u>
<u>14,743,069</u>	<u>58,129,551</u>
<u>4,101,361</u>	<u>9,844,791</u>
<u>\$ 18,844,430</u>	<u>\$ 67,974,342</u>

CITY OF COLLEGE STATION, TEXAS
GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended September 30, 2002

Function and Activity	General Fixed Assets			Transfers/ Other	General Fixed Assets
	09/30/01	Additions	Retirements		09/30/02
General Fund:					
General Government	\$ 626,466	\$ 150,000	\$ 0	\$ 0	\$ 776,466
Fiscal and Human Resources	505,065	40,454	0	0	545,519
Public Services	864,573	4,617	(68,444)	0	800,746
Police	628,542	85,834	(14,474)	0	699,902
Fire	1,060,127	65,099	(49,909)	0	1,075,317
Development Services	419,361	0	0	0	419,361
Parks	1,248,360	182,228	(19,910)	0	1,410,678
Management Services	1,147,620	60,763	0	0	1,208,383
Other	1,404,091	0	0	0	1,404,091
Library	240,000	63,265	0	0	303,265
Economic Development	245,693	0	0	0	245,693
Total General Fund	8,389,898	652,260	(152,737)	0	8,889,421
Special Revenue Funds:					
Federal Grants	3,897,282	488	0	0	3,897,770
Parks Escrow	453,241	42,471	0	0	495,712
Other	1,300,979	0	0	0	1,300,979
Total Special Revenue Funds	5,651,502	42,959	0	0	5,694,461
Capital Projects Funds:					
Certificates of Obligation	1,732,352	0	0	0	1,732,352
Southwest Parkway	642,231	0	0	0	642,231
1971 Bond Funds	172,838	0	0	0	172,838
1976 Bond Funds	126,377	0	0	0	126,377
1978 Bond Funds	533,706	0	0	0	533,706
1978 II Bond Funds	2,803,997	0	0	0	2,803,997
1981 Bond Funds	1,904,043	0	0	0	1,904,043
1982 Bond Funds	3,898,839	0	0	0	3,898,839
1982 II Bond Funds	10,458,784	0	0	0	10,458,784
1984 Bond Funds	9,656,153	0	0	0	9,656,153
1989 Bond Funds	2,506,805	0	0	0	2,506,805
1991 Bond Funds	6,236,990	0	0	0	6,236,990
1995 Bond Funds	5,420,628	0	0	0	5,420,628
General Government Project:	3,344,732	186,654	0	0	3,531,386
Parks Projects Fund	4,958,370	196,592	0	0	5,154,962
Streets Projects Fund	10,075,515	1,912,326	0	0	11,987,841
College Station Business Pa	9,188,447	56,202	0	0	9,244,649
Northgate Revitalization	1,214,451	0	0	0	1,214,451
Drainage Fund	210,817	225,108	0	0	435,925
Capital Equipment	3,417,757	32,817	0	0	3,450,574
Total Capital Projects Funds	78,503,832	2,609,699	0	0	81,113,531
Contributions/Donations	16,231,699	3,501,833	0	0	19,733,532
Acquisitions Prior to July 1, 1979 -					
Source Undetermined	6,922,035	0	0	0	6,922,035
Construction in Progress	7,975,585	13,246,440	(3,221,810)	0	18,000,215
Total General Fixed Assets	\$ 123,674,551	\$ 20,053,191	\$ (3,374,547)	\$ 0	\$ 140,353,195

STATISTICAL SECTION

CITY OF COLLEGE STATION, TEXAS

GENERAL GOVERNMENTAL REVENUES AND OTHER FINANCING SOURCES (1) LAST TEN FISCAL YEARS

Fiscal Year	General Property Tax	Franchise Fees	Sales & Mixed Drink Tax	Licenses & Permits	Fines, Forfeits & Penalties
1993	\$ 1,627,228	\$ 407,168	\$ 7,995,877	\$ 445,585	\$ 893,649
1994	2,086,274	358,392	8,776,093	557,440	915,126
1995	2,365,740	485,368	9,008,363	523,725	1,003,547
1996	2,632,408	1,876,572 (2)	9,605,208	513,624	1,342,865
1997	2,733,016	1,088,349	9,929,157	487,300	1,177,057
1998	2,753,863	1,415,464	11,107,446	577,032	1,233,604
1999	3,139,361	1,523,736	11,662,546	643,968	1,208,499
2000	3,420,720	1,577,815	12,759,591	680,776	1,393,505
2001	3,813,167	1,644,627	13,031,079	779,159	1,796,203
2002	4,555,345	1,714,241	13,634,978	870,636	2,225,354

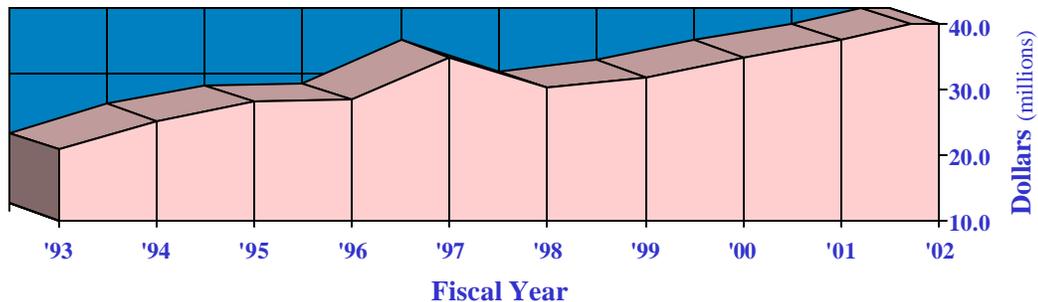
(1) Revenues presented include the General and Debt Service Funds.

(2) Increase due to a one-time recovery of back franchise fees in the amount of \$1.2 million.

Source: City of College Station

Total General Governmental Revenues & Other Financing Sources

(for the last ten fiscal years)



Charges for Services	Operating Transfers	All Other	Other Financing Sources	Debt Service Property Tax	Total
\$904,004	\$ 4,266,504	\$ 800,690	\$ 68,213	\$ 3,351,369	\$ 20,760,287
1,066,268	4,407,529	760,676	2,731,232	3,634,353	25,293,383
1,181,703	4,915,000	1,009,282	3,478,224	4,124,236	28,095,188
1,249,491	5,523,091	962,608	199,300	4,583,665	28,488,832
1,250,952	5,387,075	1,304,713	6,828,120	4,801,894	34,987,633
1,368,883	5,396,700	1,324,899	32,375	5,024,027	30,234,293
1,463,432	5,664,744	1,414,194	22,082	5,133,118	31,875,680
1,681,877	6,303,785	1,622,967	55,403	5,546,863	35,043,302
1,892,964	6,895,193	1,750,703	24,329	5,986,114	37,613,538
2,160,678	7,288,572	1,369,579	30,106	7,160,962	41,010,751

CITY OF COLLEGE STATION, TEXAS

GENERAL GOVERNMENTAL EXPENDITURES AND OTHER USES BY FUNCTION (1) LAST TEN FISCAL YEARS

Fiscal Year	General Government	Police	Fire	Public Works	Parks and Recreation
1993	\$ 5,289,911	\$ 4,054,244	\$ 3,331,309	\$ 2,266,145	2,838,541
1994	5,923,568	4,715,064	3,454,391	2,533,983	3,083,389
1995	6,832,606	5,041,596	3,827,835	2,428,727	3,629,244
1996	6,669,982	5,357,437	3,887,596	3,554,664	3,820,477
1997	7,005,557	5,860,586	3,898,305	3,142,284	4,146,567
1998	6,264,446	6,289,005	4,195,334	3,821,635	4,263,428
1999	7,045,038	6,903,838	4,841,832	3,923,009	4,592,990
2000	7,812,664	7,567,620	5,179,104	4,353,073	5,168,231
2001	8,783,263	8,273,632	5,702,804	4,583,796	5,185,737
2002	9,731,964	8,914,893	6,405,874	5,211,720	6,045,622

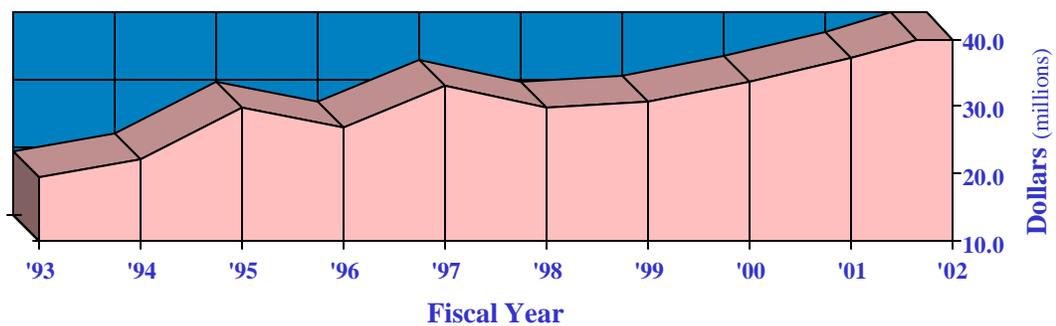
(1) Expenditures presented include the General and Debt Service Funds.

(2) Includes refunding of \$3,460,000 of short term debt.

Source: City of College Station

Total General Governmental Expenditures and Other Uses

(for the last ten fiscal years)



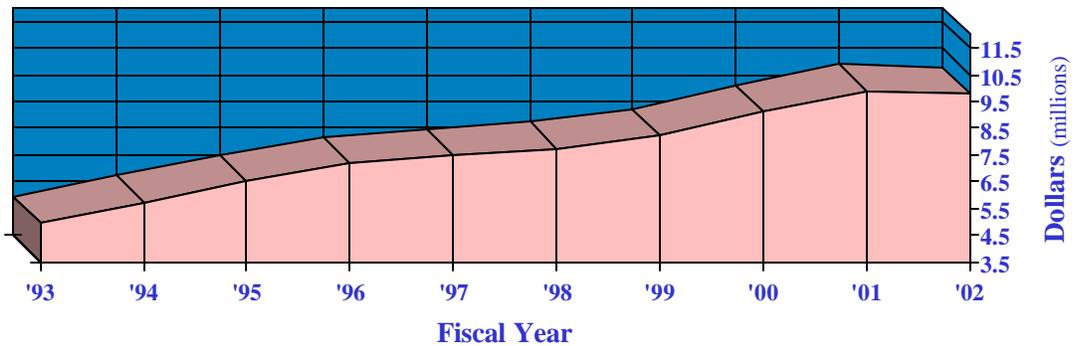
Library Services	Capital Outlay	Reimbursed Administrative	All Other	Debt Service	Operating Transfers Out	Total
\$283,478	\$ 412,314	\$ (2,843,580)	\$ 398,100	\$ 3,508,905	0	\$ 19,539,367
282,255	1,120,536	(2,886,557)	251,454	3,320,922	445,000	22,244,005
327,393	480,470	(2,966,008)	298,041	7,364,085 (2)	2,438,668	29,702,657
326,310	593,796	(3,371,737)	314,767	5,601,567	80,500	26,835,359
367,545	365,591	(3,240,805)	336,410	4,517,030	6,761,040	33,160,110
546,437	641,779	(3,683,731)	448,263	4,607,064	2,478,117	29,871,777
571,742	659,861	(4,034,541)	344,589	4,997,131	757,030	30,602,519
600,778	397,312	(4,645,701)	544,170	5,582,927	1,115,376	33,675,554
581,768	376,328	(5,287,928)	606,757	7,700,234	767,000	37,273,391
734,083	150,000	(5,823,852)	305,049	9,384,142	480,807	41,540,302

CITY OF COLLEGE STATION, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Tax Collections	Percent of Levy Collected	Delinquent Tax Collections
1993	\$ 4,902,798	\$ 4,816,407	98.24 %	\$ 107,407
1994	5,681,754	5,591,040	98.40	129,587
1995	6,471,493	6,403,250	98.95	86,727
1996	7,171,715	7,086,990	98.82	74,982
1997	7,506,754	7,433,046	99.02	60,133
1998	7,758,131	7,688,127	99.10	50,005
1999	8,292,212	8,164,162	98.46	59,095
2000	9,068,352	8,866,966	97.78	47,940
2001	9,939,852	9,684,038	97.43	62,887
2002	11,892,629	11,570,787	97.29	80,751

Source: City of College Station

Total Tax Collections
(for the last ten fiscal years)



	Total Tax Collections	Total Collections as a Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percent of Current Levy	
\$	4,923,814	100.43%	\$	324,685	6.62%
	5,720,627	100.68		282,137	4.97
	6,489,977	100.29		249,879	3.86
	7,161,972	99.86		233,927	3.26
	7,493,179	99.82		215,100	2.87
	7,738,132	99.74		233,548	3.01
	8,223,257	99.17		200,077	2.41
	8,914,906	98.31		134,418	1.48
	9,746,925	98.06		248,883	2.50
	11,651,538	97.97		328,666	2.76



CITY OF COLLEGE STATION, TEXAS
ASSESSED VALUE OF TAXABLE PROPERTIES (1)
LAST TEN FISCAL YEARS

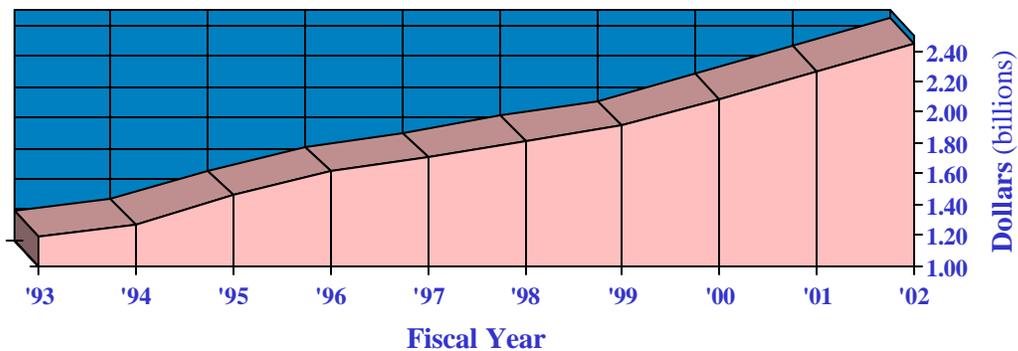
Fiscal Year	Land and Improvements	Personal Property and Minerals	Less Exemptions and Abatements	Less TIF (2) Captured Value	Total
1993	\$1,184,748,445	\$168,378,927	\$164,570,381	0	\$1,188,556,991
1994	1,145,143,509	172,473,765	41,945,080	0	1,275,672,194
1995	1,315,229,397	183,852,688	44,813,941	0	1,454,268,144
1996	1,500,298,696	158,694,184	47,371,511	0	1,611,621,369
1997	1,699,990,449	235,332,211	234,121,234	5,526,343	1,695,675,083
1998	1,813,136,426	251,996,841	245,085,209	12,889,738	1,807,158,320
1999	1,946,701,852	261,317,181	276,453,209	18,504,453	1,913,061,371
2000	2,134,828,786	285,990,138	308,471,247	37,318,353	2,075,029,324
2001	2,357,679,796	303,435,454	345,752,888	41,698,188	2,273,664,174
2002	2,565,933,396	304,577,588	380,950,901	39,379,860	2,450,180,223

(1) Assessed Value is 100% of the estimated actual value.

(2) Tax Increment Financing District (TIF)

Sources: Brazos County Appraisal District
 2001 Certified Appraisal Roll

Assessed Value of Taxable Properties
(for the last ten fiscal years)



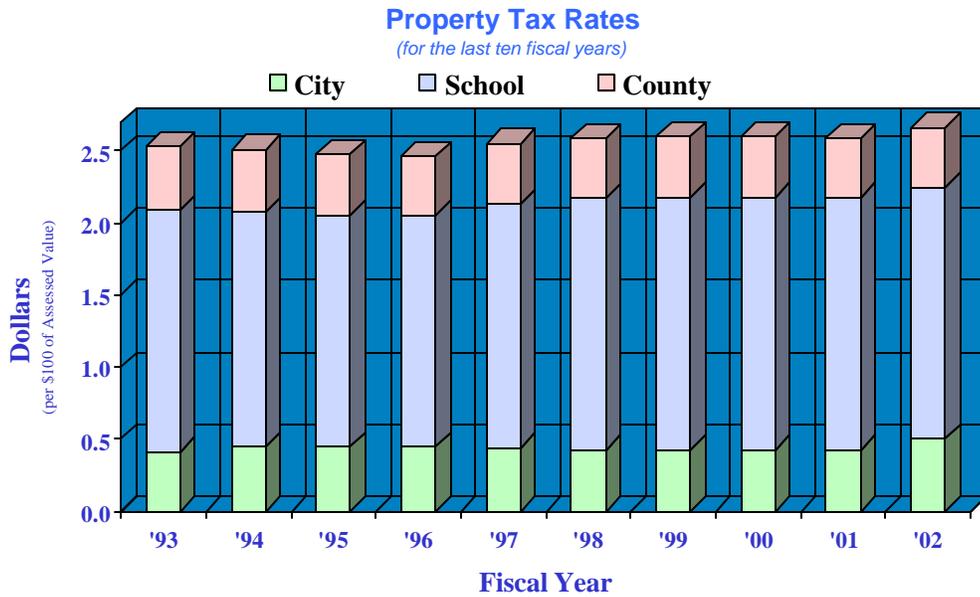
CITY OF COLLEGE STATION, TEXAS
PROPERTY TAX RATES, RATIOS AND LEVIES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year (1)	Tax Rates (2) (Per \$100 of Assessed Value)			
	City	School	County	Total (3)
1993	\$.4125	\$ 1.680	\$.439	\$ 2.5315
1994	.4450	1.630	.434	2.5090
1995	.4450	1.610	.418	2.4730
1996	.4450	1.610	.410	2.4650
1997	.4427	1.690	.418	2.5507
1998	.4293	1.740	.417	2.5863
1999	.4293	1.750	.417	2.5963
2000	.4293	1.750	.417	2.5963
2001	.4293	1.750	.410	2.5893
2002	.4777	1.790	.420	2.6877

- (1) Tax rates are established by each taxing jurisdiction on an annual basis for revenues to be collected in the following fiscal year.
- (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.

Source: Brazos County Appraisal District

Tax Ratios			Original Tax Levies		
City	School	County	City	School	County
100 %	100 %	100 %	\$4,902,806	\$21,608,259	\$12,789,846
100	100	100	5,681,754	23,390,262	13,374,336
100	100	100	6,471,498	26,261,015	14,211,900
100	100	100	7,171,715	28,663,937	15,071,727
100	100	100	7,506,754	31,524,892	15,968,203
100	100	100	7,758,131	33,969,261	17,043,370
100	100	100	8,292,212	36,786,152	17,749,813
100	100	100	9,068,352	39,822,571	18,917,599
100	100	100	9,939,852	44,121,783	20,283,475
100	100	100	11,892,630	48,527,735	22,629,312



CITY OF COLLEGE STATION, TEXAS

PAVING ASSESSMENT COLLECTIONS LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Current Assessment</u>	<u>Assessments Collected</u>	<u>Percentage of Assessments Collected (%)</u>	<u>Total Outstanding Assessments</u>
1993	\$ 0	58,358	28.95%	\$143,250
1994	0	4,779	3.34	138,471
1995	0	59,141	42.71	79,330
1996	0	17,217	21.70	62,113
1997	0	2,152	3.46	59,962
1998	0	36,367	60.65	23,595
1999	0	503	2.13	23,092
2000	0	1,296	5.61	21,796
2001	0	350	1.61	21,446
2002	0	0	0	21,796

Source: City of College Station Fiscal Services Department

CITY OF COLLEGE STATION, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2002

The City has no general obligation legal debt limit other than a ceiling on the 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

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

Fiscal Year	Estimated Population	Assessed Value	Gross Bonded Debt
1993	54,449 (1)	\$ 1,188,556,991	\$ 19,014,385
1994	56,374 (1)	1,275,672,194	17,028,340
1995	58,627 (1)	1,454,268,144	25,722,210
1996	60,040 (1)	1,611,621,369	22,263,475
1997	61,525 (1)	1,695,675,083	25,388,915
1998	63,130 (1)	1,807,158,320	28,960,000
1999	66,200 (1)	1,913,061,371	32,750,000
2000	68,038 (2)	2,075,029,324	38,700,000
2001	70,308 (1)	2,273,664,174	39,375,000
2002	72,500 (1)	2,450,180,223	41,665,000

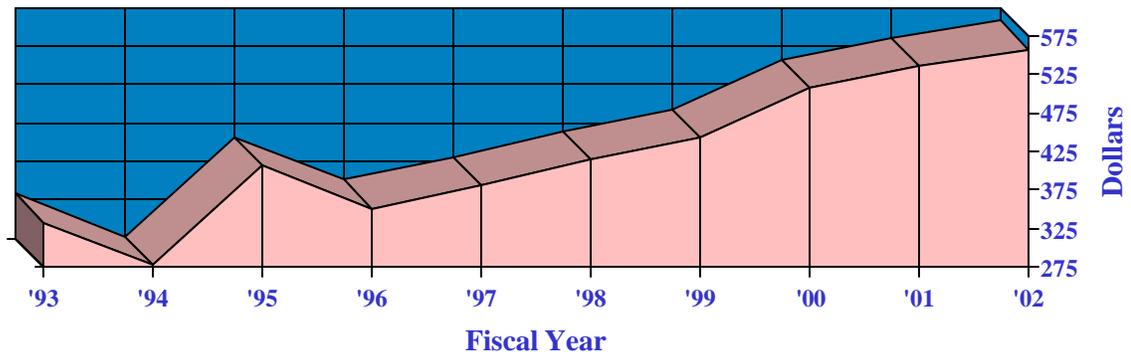
(1) Source: Metropolitan Planning Organization & City of College Station Planning Division

(2) Source: U.S. Government Preliminary Census

Less Debt Service Cash Funds	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Valuation	Net Bonded Debt Per Capita
\$ 870,035	\$ 18,144,350	1.53	\$ 333
1,364,212	15,664,128	1.23	278
1,845,774	23,876,436	1.64	407
1,189,570	21,073,905	1.31	351
1,947,403	23,441,512	1.38	381
2,826,148	26,133,852	1.45	414
3,472,280	29,277,720	1.53	442
4,202,042	34,497,958	1.66	507
1,722,254	37,652,746	1.66	536
1,287,038	40,377,962	1.65	557

Net Bonded Debt per Capita

(for the last ten fiscal years)



CITY OF COLLEGE STATION, TEXAS

**SCHEDULE OF DIRECT AND ESTIMATED OVERLAPPING DEBT
SEPTEMBER 30, 2002**

Taxing Body	Gross Debt		City's Share		
	Amount	As Of	Percent	Amount	Per Capita *
<u>ESTIMATED OVERLAPPING DEBT</u>					
College Station I.S.D. (1)	\$ 61,923,354	8/31/02	83.48%	\$51,693,616	\$713
Brazos County (2)	26,015,000	9/30/02	46.80	12,175,020	168
Bryan I.S.D. (3)	62,717,358	8/31/02	5.17	3,242,487	45
				<u>\$ 67,111,123</u>	<u>926</u>
<u>NET BONDED DEBT</u>					
City of College Station(4)	74,945,000	9/30/02	100.00	<u>74,945,000</u>	<u>1,034</u>
NET BONDED AND ESTIMATED OVERLAPPING DEBT				<u><u>\$ 142,056,123</u></u>	<u><u>\$ 1960</u></u>

* Population: 72,500

(1) Source: College Station Independent School District

(2) Source: Brazos County Auditor

(3) Source: Bryan Independent School District

(4) Source: City of College Station Finance Department

CITY OF COLLEGE STATION, TEXAS

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES AND OTHER USES LAST TEN FISCAL YEARS

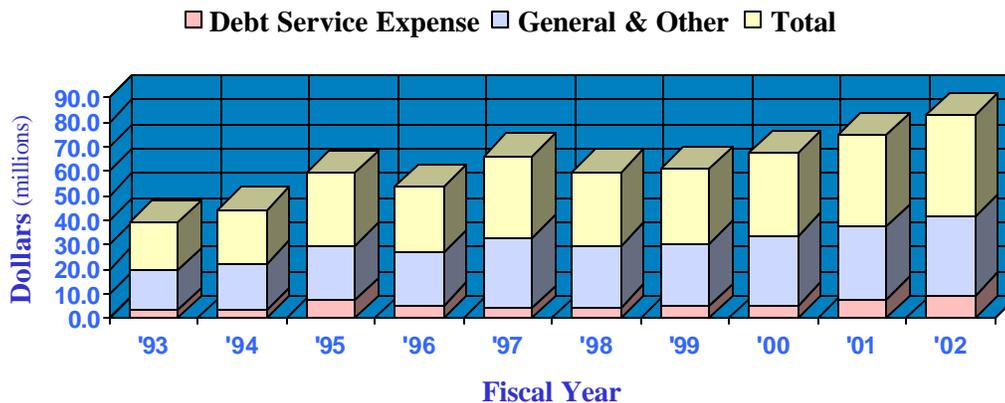
Fiscal Year	Principal	Interest, Fiscal and Other Charges	Total Debt Service	Total General Governmental Expenditures and Other Uses	Ratio
1993	\$ 2,111,906	\$ 1,396,999	\$ 3,508,905	\$ 19,539,367	17.96%
1994	2,066,045	1,254,877	3,320,922	22,244,005	14.93
1995	5,796,130 (1)	1,519,907	7,316,037	29,702,657	24.63
1996	3,938,735	1,660,441	5,599,176	26,835,359	20.86
1997	2,694,075	1,738,745	4,432,820	33,160,110	13.37
1998	3,113,915	1,483,793	4,597,708	29,871,777	15.39
1999	2,845,000	2,141,792	4,986,792	30,602,519	16.30
2000	3,460,000	2,122,927	5,582,927	33,675,554	16.58
2001	4,475,000	3,222,734	7,697,734	37,273,391	20.65
2002	5,950,000	3,434,142	9,384,142	41,540,302	22.59

(1) Includes refunding of \$3,460,000 of short term debt.

Source: City of College Station

Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total General Governmental Expenditures and Other Uses

(for the last ten fiscal years)



CITY OF COLLEGE STATION, TEXAS
UTILITY FUNDS
SCHEDULE OF REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Operating Revenues	Operating Expenses (Excluding Depreciation)	Net Revenues	Average Total	Annual Coverage	Maximum Total	Annual Coverage
1993	\$ 39,637,874	\$ 28,912,833	\$ 10,725,041	\$ 1,683,197	6.37	\$ 4,176,525	2.57
1994 (1)	48,291,091	36,190,720	12,100,371	1,553,305	7.79	4,176,525	2.90
1995 (1)	47,365,953	34,682,369	12,683,584	2,819,408	4.50	6,099,551	2.08
1996 (2)	45,380,036	32,395,644	12,984,392	2,655,401	4.89	6,089,271	2.13
1997	48,615,366	29,608,260	19,007,106	2,968,110	6.40	6,388,449	2.98
1998	49,966,216	27,885,854	22,080,362	3,014,943	7.32	5,906,739	3.74
1999	49,101,104	30,080,145	19,020,959	2,844,899	6.69	5,502,384	3.46
2000	52,932,584	41,925,412	11,007,172	3,472,421	3.17	5,687,161	1.94
2001	59,143,896	45,465,778	13,678,118	4,688,518	2.92	6,395,244	2.14
2002	62,141,066	46,274,555	15,866,511	5,825,064	2.72	8,048,707	1.97

(1) In Fiscal Year 1994, the Utility Billing Fund was combined with the Electric Fund for reporting purposes.

(2) In Fiscal Year 1996, the Utility Billing Fund was reported separately as an Internal Service Fund.

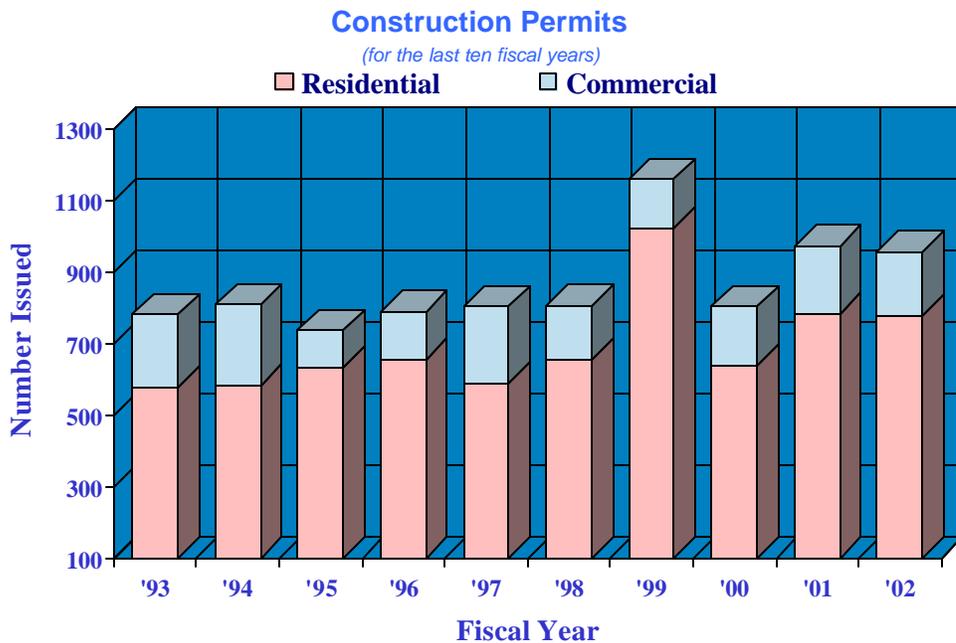
Source: City of College Station

CITY OF COLLEGE STATION, TEXAS

CONSTRUCTION PERMITS LAST TEN CALENDAR YEARS

Year	Residential		Commercial		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
1993	576	\$ 38,141,976	203	\$ 27,288,295	779	\$ 65,430,271
1994	583	64,673,810	225	20,505,039	808	85,178,849
1995	634	28,514,709	102	38,130,694	736	66,645,403
1996	656	48,953,298	131	14,432,979	787	63,386,277
1997	590	53,435,022	212	47,682,555	802	101,117,577
1998	655	69,831,880	150	57,439,865	805	127,271,745
1999	1,020	87,917,466	138	26,665,024	1,158	114,582,490
2000	639	85,278,855	162	46,094,230	801	131,373,085
2001	782	79,340,756	191	40,194,722	973	119,535,478
2002	776	58,965,494	177	27,658,030	953	86,623,524

Source: City of College Station Development Services



CITY OF COLLEGE STATION, TEXAS

PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2002

Taxpayer	Type of Business	2002 Assessed Valuation	Percent of Total Assessed Valuation
C.B.L. and Associates	Retail Mall	\$ 48,629,050	1.98%
W9/JP-M Real Estate Ltd	Housing	39,372,000	1.61
Verizon Communications, Inc.	Utility	35,913,250	1.47
Universal Computer Services, Inc.	Retail	31,665,535	1.29
Alkossler, David &	Housing	30,961,300	1.26
College Station Hospital, L.P.	Medical	25,402,560	1.04
Melrose Apartments	Housing	21,799,500	0.89
Wal-Mart Stores East, Inc	Retail	21,412,710	0.87
College Station Exchange, LP	Housing	18,800,000	0.77
301 Church Avenue LP	Housing	17,000,000	0.69
TOTAL		\$ 290,955,905	11.87%

Source: Brazos County Appraisal District

CITY OF COLLEGE STATION, TEXAS
PRINCIPAL UTILITY CUSTOMERS
SEPTEMBER 30, 2002

Utility Customer	Type of Business	FY 2002 KWH Consumption	Total Percent of KWH Consumed
College Station Independent School District	Schools	16,301,994	2.59 %
City of College Station	Municipality	14,989,349	2.38
CBL & Associates	Retail Mall	14,095,747	2.23
Wal-Mart Stores Inc.	Retail	7,736,747	1.22
State Headquarters/TAMU	University	7,466,465	1.18
Krogers	Retail Grocery	7,356,640	1.16
Albertsons	Retail Grocery	7,258,669	1.15
College Station Medical	Hospital	6,901,757	1.09
Dealer Computer Services	Technical Support	5,187,600	0.82
Lane C/S Ltd PSP	Hotel	4,975,200	0.79
TOTAL		92,270,168	14.61 %

Total KWH Consumption for the period October 1, 2001 to September 30, 2002 was 629,594,611.

Source: City of College Station Utility Billing Division

CITY OF COLLEGE STATION
SUMMARY OF INSURANCE COVERAGE
September 30, 2002

Insurance Company	Coverage	Self Insured Retention	Limits
North River Ins Co.	Worker Compensation	\$250,000	Statutory
North River Ins Co.	General Liability Law Enforcement Liability	\$250,000 per occurrence	\$5,000,000 per occurrence \$15,000,000 annual aggregate
North River Ins Co.	Errors & Omissions Liability	\$250,000 per wrongful act	\$5,000,000 per wrongful act \$15,000,000 annual aggregate
North River Ins Co.	Automobile Liability	\$250,000 per occurrence	\$5,000,000 per occurrence
Texas Municipal League	Catastrophe Coverage	\$100,000	\$6,629,431
Texas Municipal League	Real & Personal Property	\$100,000 per occurrence	replacement cost/ \$68,632,048 annual aggregate
Texas Municipal League	Mobile Equipment	\$100,000 per occurrence	actual cash value/ \$5,095,324 annual aggregate
Texas Municipal League	Boiler & Machinery	\$100,000 per accident	\$5,000,000 per accident
Texas Municipal League	Public Employee Dishonesty	\$100,000 per year	\$1,000,000 annual limit

CITY OF COLLEGE STATION, TEXAS
MISCELLANEOUS STATISTICAL AND DEMOGRAPHIC DATA
SEPTEMBER 30, 2002

Date incorporated	October 1938
Date first charter adopted	October 1938
Date present charter amended	May 1992
Form of government	Council-Manager

Area in square miles:	<u>Year</u>	<u>Square Miles</u>
	1938	1.5
	1948	4.2
	1958	7.3
	1968	17.3
	1978	22.6
	1982	23.8
	1986	26.7
	1988	27.7
	1992	28.1
	1994	30.0
	1996	38.2
	1998	40.8

Miles of streets	Paved	711 Miles
	Unpaved	3 Miles
Miles of sidewalks		89 Miles

Fire Protection:

Number of stations	4
Number of full-time employees	81

Police Protection:

Number of employees (sworn)	99
Number of employees (civilian)	49
Number of patrol units	25
One jail facility with a capacity of 17	

Recreation:

Number of playgrounds	35
Number of basketball courts	22
Number of swimming pools	3
Number of soccer fields	19
Number of softball/baseball fields	19
Number of tennis courts	27
Number of picnic shelters	16
Number of gyms	1
Number of volleyball courts	7
Number of nature trails	4
Number of open play areas	25
Number of picnic pavilions	6
Number of jogging/walking trails	20

(Continued)

CITY OF COLLEGE STATION, TEXAS
MISCELLANEOUS STATISTICAL AND DEMOGRAPHIC DATA
SEPTEMBER 30, 2002
(Continued)

Electric Capacity:		
Maximum Capacity		255 megawatts
Annual Peak Demand		150 megawatts
Number of Substations		4
Miles of Distribution Lines		400 Miles

Miles of Sewer Lines		252 Miles
----------------------	--	-----------

Solid Waste Collection Fund:		
Number of Users (Units)		23,947
Methodology		Curbside pickup using automated containers

Education:		
Attendance centers		11
Number of classrooms		550
Number of teachers		600
Number of students		7,300

Elections:		
Number of registered voters:		
Last general election (Brazos County)		91,220
Last municipal election		45,024
Number of votes cast in:		
Last general election (Brazos County)		29,175
Last municipal election		3,703
Percentage of registered voters voting in:		
Last general election (Brazos County)		32%
Last municipal election		8.22%

Population:		
Estimate	2000	68,038
Census Count	1990	52,456
	1980	37,296
	1970	17,676
	1960	11,396
	1950	7,925

Source: City of College Station

(Continued)

CITY OF COLLEGE STATION, TEXAS
MISCELLANEOUS STATISTICAL AND DEMOGRAPHIC DATA
SEPTEMBER 30, 2002
(Continued)

ACTUAL TEXAS A&M UNIVERSITY ENROLLMENT
BY FALL SEMESTERS

<u>Year</u>	<u>University Enrollment</u>
1993	42,524
1994	42,018
1995	41,790
1996	41,892
1997	41,461
1998	43,389
1999	43,442
2000	44,026
2001	44,618
2002	45,143

PRIMARY LABOR FORCE FOR COLLEGE STATION

<u>Year</u>	<u>Total Labor Force</u>	<u>Number Employed</u>	<u>Number Unemployed</u>	<u>Percent Unemployed</u>
1993	26,490	25,745	745	2.8
1994	27,312	26,546	766	2.8
1995	27,430	26,561	869	3.2
1996	26,691	25,973	718	2.7
1997	28,453	27,862	591	2.1
1998	28,889	28,377	512	1.8
1999	30,793	30,246	547	1.8
2000	31,273	30,802	471	1.5
2001	30,572	30,020	552	1.8
2002	29,734	29,105	629	2.1

Source: Texas Workforce Commission (Austin, Texas)