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Home of Texas A&M University®

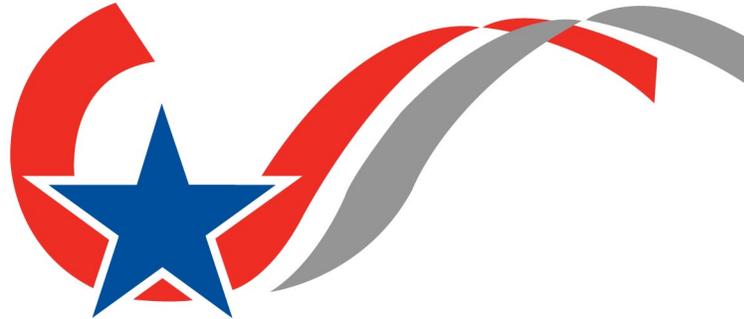


COMPREHENSIVE ANNUAL FINANCIAL REPORT

for fiscal year ended September 30, 2011

CITY OF COLLEGE STATION, TEXAS





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

Mission Statement

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

www.cstx.gov

CITY OF COLLEGE STATION, TEXAS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

**PREPARED BY THE
CITY OF COLLEGE STATION FISCAL SERVICES DEPARTMENT
JEFF KERSTEN, EXECUTIVE DIRECTOR BUSINESS SERVICES
BUDGET & FINANCIAL REPORTING DIVISION**

CITY OF COLLEGE STATION, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

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March 8, 2012

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

The City Manager and the Fiscal Services Department are pleased to submit the Comprehensive Annual Financial Report for the City of College Station, Texas (the "City") for the fiscal year ended September 30, 2011.

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

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

Ingram, Wallis & Company, P.C., Certified Public Accountants, has issued an unqualified ("clean") opinion on the city's financial statements for the year ended September 30, 2011. The independent auditors' report is located at the front of the financial section of this report.

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

CITY PROFILE

Location

The City of College Station, incorporated in 1938, is located in Brazos County in East Central Texas, approximately 140 miles north of the Gulf of Mexico, approximately 90 miles northwest of Houston, approximately 165 miles south of Dallas and approximately 100 miles east of Austin, in an area referred to as the Brazos Valley. The City currently has a land area of 50.6 square miles and a current estimated population of 96,666 as of September 2011. The City has the power, by state statute, to extend its corporate limits by annexation, which it has done periodically.

1

the heart of the Research Valley

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1101 TEXAS AVENUE
COLLEGE STATION • TEXAS • 77842
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www.cstx.gov

Structure

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

Services Provided

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

Accounting System and Budgetary Control

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

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

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

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

Budgetary control over spending is at the department level within the City's General Fund and at the individual fund appropriation in all other funds. The City's departments have direct access to review budgets as often as necessary. Monthly closing reports are prepared and reviewed by management showing revenues, expenditures, and balance sheets. Summarized financial reports and budget reports are provided to the City Council on a quarterly basis.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Conditions

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

In 2009 sales tax collections in College Station fell for the first time in many years. In fiscal year 2010, sales tax revenue was down by 0.6 percent. In 2011 sales tax revenues increased by 5.1%. Sales tax revenues are anticipated to grow modestly in the near future.

College Station continues to see development. There were 466 new housing starts during 2011. There were also 552 apartments, duplexes, and other living units permitted in 2011. Total ad valorem assessed valuation increased by approximately \$281 million or approximately 5.2 percent for fiscal year 2012 over fiscal year 2011. Commercial development continued to occur with new and redevelopment construction.

The City of College Station's major asset is being the home of Texas A&M University (TAMU). TAMU is located on an approximately 5,200 acre campus within the City. TAMU has a significant economic impact on the City, contributing over a billion dollars annually to the local economy. TAMU has consistently ranked among the top 50 universities in the United States. Each year, TAMU's approximately 2,500 faculty members conduct an estimated \$450 million worth of sponsored research projects. Student enrollment at TAMU was 49,861 as of September 2011. TAMU employs more than 20,000 full-time and part-time staff. The impact of budget reductions from the State of Texas will be monitored to determine how they may impact the local economy, and the City of College Station.

2011 Major Accomplishments

Below are highlight accomplishments for 2011.

- **Maintaining a Balanced Budget:** Each department examined its organizational structure, programs, and practices in preparation for the budget. This resulted in the implementation of a reorganizational plan. It significantly improved efficiency by refocusing resources on core services and identified \$1.5 million in cost savings.
- **Providing reliable utilities:** The unprecedented drought and heat during 2011 placed a strain on utility systems. College Station Utilities hit an all-time summer load peak and did not have any significant system failures. Twin Oaks Landfill operated by Brazos Valley Solid Waste Management Agency Inc. was opened in June 2011. This landfill is projected to serve College Station and the surrounding area for up to 100 years.
- **Reducing Crime and the Fear of Crime:** College Station continues to be one of the safest communities of its size thanks to the diligent work of the Police Department. Burglary is down 32% in 2011, aggravated assaults have declined 10%, and alcohol-related accidents have decreased 12%. The Police Department continues to establish connections with neighborhoods and individual residents through a number of new and expanded programs. In 2011, four bicycle officer positions were added. The City Watch Program, which utilizes city route drivers and work crews to help spot and report suspicious activity, was established.

- **Economic and Community Development** – As a part of the city-wide reorganization, the Economic Development Department was dissolved and its responsibilities were transferred to the City Manager's Office. Placing economic development in this office has allowed for a more efficient and effective handling of the City's economic development. Major development opportunities being actively pursued are:
 - Inter-local agreements between the cities of College Station and Bryan for future development of the Research Valley Bio-Corridor, located on approximately 196 acres on the western edge of both cities.
 - 15 developer-friendly amendments to the Unified Development Ordinance were approved, including a mobile food vendor permit that allows 12 permitted food vendors to safely and successfully operate in the city.
 - The Home and CDBG programs provided assistance to more than 3,300 eligible residents while also providing over \$150,000 to seven local public service agencies.

- **Improving Mobility**
 - Growth in the southern portion of the city has placed a strain on State Highway 6 and Rock Prairie Road. In 2011, the city worked with Bryan-College Station Metropolitan Planning Organization (MPO) and Texas Department of Transportation to secure nearly \$5 million in funding to upgrade the Rock Prairie Road Bridge and intersection.
 - Public Works instituted a pilot project to evaluate an alternative to the traditional chip seal method when overlaying certain roadways. Approximately 85,000 square yards of asphalt streets were micro-surfaced to extend the life of the pavement.

- **Neighborhood Integrity** – Subdivision regulations were updated and six new homeowners and neighborhood associations were developed. A new mobile technology tool (See-Click-Fix) was implemented. This tool allows citizens to report code enforcement violations or other non-emergency issues such as curb damage or missing signs via their smart phones.

- **Continuing Green College Station efforts** – Parks and Recreation department was able to complete the installation of irrigation system upgrades and smart controllers as well as LED parking lot lighting and solar-powered trash compactors at Veteran's and Central Parks. Pilot programs were undertaken in an effort to reduce costs and promote conservation, including the use of nitrogen in vehicular tires, synthetic motor oil, retreaded tires on certain equipment and lighter weight copy paper city wide. Other initiatives include:
 - Purchased a new hybrid sanitation truck which is estimated to have payback of less than five years.
 - College Station Utilities performed 206 on-site energy audits and certified 35 Good Cents homes.
 - Public Works and Water Services partnered to make repairs on the city's irrigation systems by updating our sprinkler systems to realize water conservation and savings in utility costs.

- **Capital Projects Completed in 2011**
 - Royder Road Improvements
 - Aerial Mapping
 - I5 Computer System Enhancement
 - Server Consolidation
 - Radio System Replacement
 - Brothers Park Improvements
 - Wolf Pen Creek Playground Replacement
 - Southwood Valley Park Improvements
 - Sun Meadows Drainage Improvements

- W. King Cole Culvert Replacement
 - Merry Oaks Area Lights
 - Nantucket Gravity Sewer
 - Well #8
 - Lick Creek Wastewater Treatment Plant Remote Security
 - Dowling Road Substation
- **Projects in Design, under Construction or to be Completed in 2012** – Many projects approved with the 2008 bond election began design during the past year and will commence or complete construction this coming year. These and other capital projects underway are listed below.
 - Jones Butler (Penberthy) Extension
 - Bird Pond Road Rehabilitation
 - Cooner Street and Utility Rehabilitation
 - Rock Prairie Road Widening – Design & ROW
 - Barron Road East/Lakeway
 - Health Science Center Parkway
 - University Drive Pedestrian Improvements
 - Traffic Signal at State Highway 30 and Copperfield
 - Lick Creek Hike and Bike Trail
 - Fire Station #6
 - Beachy Central Park Improvements
 - Lick Creek Nature Center
 - Sandy Point Chemical System Replacement
 - Cooling Tower Expansion
 - Plantation Oaks Water Line
 - Water Redundant Communications
 - Water Rehabilitation – South Knoll/The Glade
 - Wastewater Rehabilitation – South Knoll/The Glade
 - East Side FM 158 Sewer Line
 - Bee Creek Parallel Trunk Line
 - FM 2154 Sewer Service
 - Northeast Trunk Line Rehabilitation
 - Lick Creek Centrifuge Replacement

OTHER INFORMATION

Independent Audit

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

The City of College Station has engaged Ingram, Wallis & Company, Certified Public Accountants, of Bryan, Texas to perform the audit, and their opinion has been included in this report. It should be noted that the auditors included all funds in their audit, performed their audit in accordance with U.S. generally accepted auditing standards, and concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of College Station's financial statements for the fiscal year ended September 30, 2011 are fairly presented in conformity with U.S. generally accepted accounting principles. The independent auditors' report is presented as the first component of the financial section of this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of College Station for its Comprehensive Annual Financial Report ("CAFR") for the Fiscal Year ended September 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

Responsibility for Financial Reporting

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

Acknowledgement

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

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

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

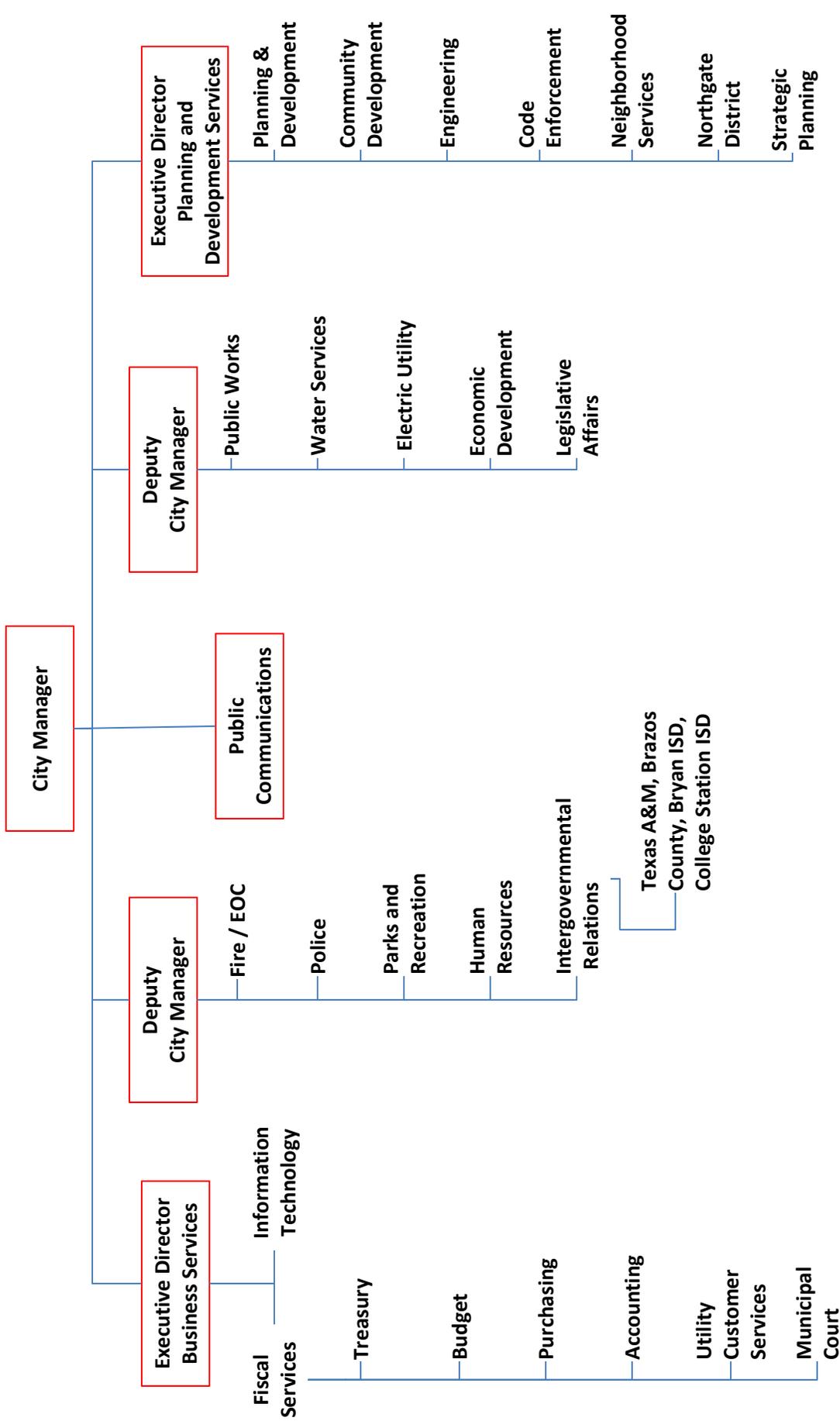
Respectfully submitted,



David Neeley
City Manager


Jeff Kersten
Executive Director Business
Services

CITY ORGANIZATION



City of College Station, Texas Fiscal Year 2011

Principal City Officials

Elected Officials

Mayor	Nancy Berry
City Council Place 1	Blanche Brick
City Council Place 2	Jess Fields
City Council Place 3	Karl Mooney
City Council Place 4	Katy-Marie Lyles
City Council Place 5	Julie Schultz
City Council Place 6/Mayor Pro Tem.....	Dave Ruesink

City Administration

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

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, 2010

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.



Linda C. Davidson

President

Jeffrey R. Emswiler

Executive Director



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of College Station, Texas (the "City"), as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I to the financial statements, the City adopted the provisions of GASB Statement No. 59, *Financial Instruments Omnibus*, in 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts,

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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of funding progress – Texas Municipal Retirement System, schedule of funding progress – Other Post Employment Benefits Plan and budgetary comparison information on pages 12 through 28 and 74 through 76, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Ingram, Wallis & Company

Bryan, Texas
March 8, 2012

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2011

(Unaudited)

This section of the City of College Station's (the "City") Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$410,669,001 (net assets). Of this amount, \$62,908,795 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$8,303,007 during the fiscal year.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$70,720,131 a decrease of \$8,517,529 when compared to the prior year.
- Approximately 18.2 percent of the combined governmental funds ending fund balance, or \$12,871,125 are available for spending at the City's discretion (unassigned fund balance).
- During fiscal year 2011, the City's total debt decreased by \$9,000,000. Key factors in this reduction include \$16,965,000 in principal reductions and a present value savings of \$1,930,000 in refunded bonds. The City also issued \$1,960,000 in General Obligation Improvement Bonds and \$7,935,000 in business-purpose and governmental Certificates of Obligation which off-set the reduction.



USA/ASA 16U Fast Pitch National Championships

OVERVIEW OF THE FINANCIAL STATEMENTS

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

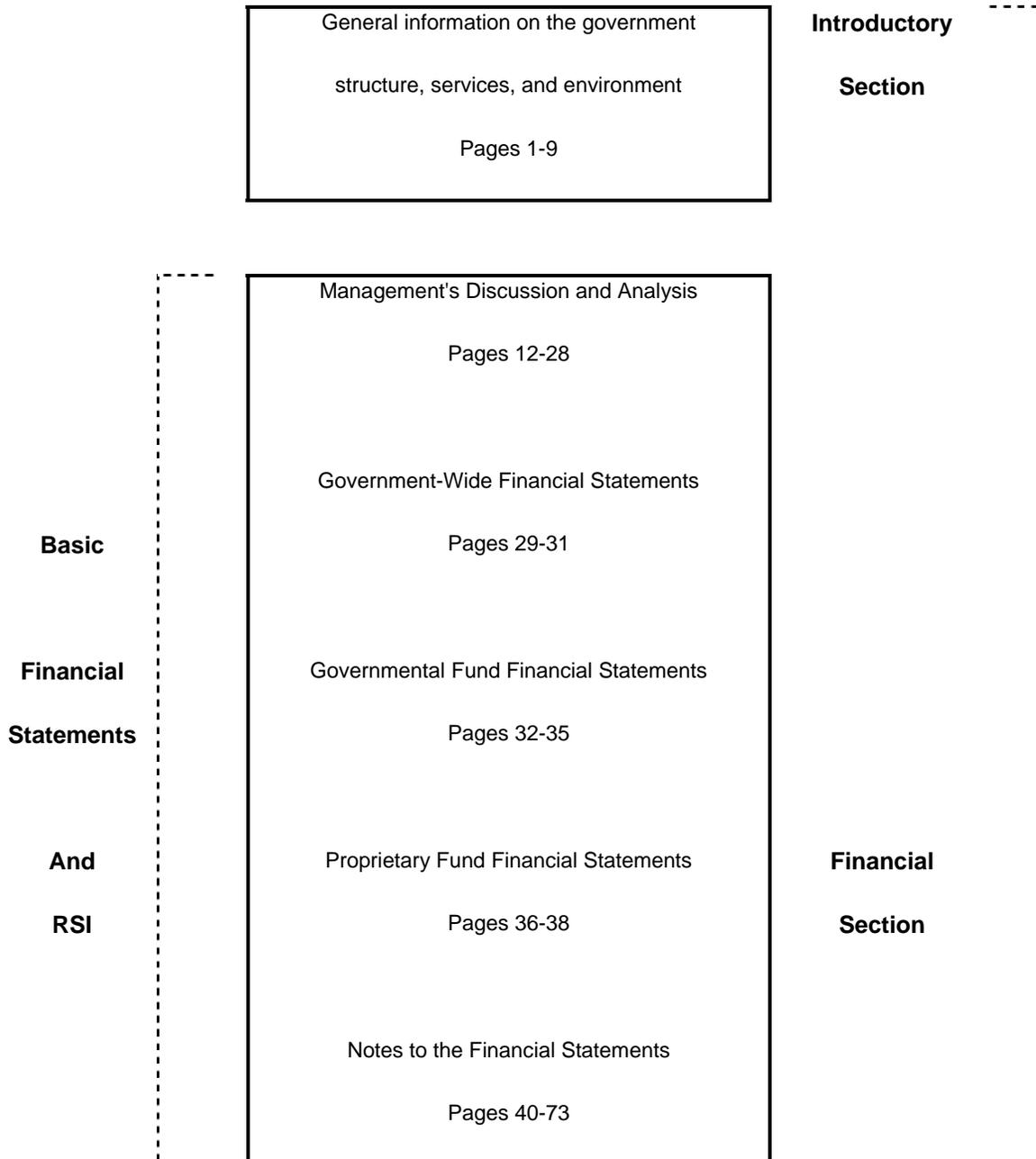
- (1) **Government-wide** financial statements
- (2) **Fund** financial statements
- (3) **Notes** to the financial statements.

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

Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2011
 (Unaudited)

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

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



Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2011
(Unaudited)

Additional Required Supplementary Information

Pages 74-76

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

Pages 78-123

Trend Data and Non-financial Data
Pages 125-150

**Statistical
Section**

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2011

(Unaudited)

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, fiscal services, police, information technology, planning and development, fire, municipal services, streets, drainage, traffic, parks and recreation, and citizen and neighborhood resources. The business-type activities of the City include electric, water, wastewater, sanitation, and the Northgate parking garage. The government-wide financial statements can be found on pages 29-31.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Management's Discussion and Analysis

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(Unaudited)

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Streets Projects Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 32-35.

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

Proprietary Funds

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

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

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

The proprietary fund financial statements can be found on pages 36-38.

Notes to the Financial Statements

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

Management's Discussion and Analysis

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Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents on pages 74-76, certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees and the General Fund budget-to-actual comparison.

Combining Statements

The combining statements referred to earlier in connection with the non-major governmental funds, the non-major enterprise funds, and the internal service funds are presented on pages 78-123 immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$410,669,001 at the close of the most recent fiscal year.

The largest portion of the City's net assets (78.1 percent) reflects its investment of \$320,606,468 in capital assets (e.g., land, buildings, and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current and Other Assets	\$ 94,819,234	\$ 100,286,970	\$ 76,111,057	\$ 71,770,711	\$ 170,930,291	\$ 172,057,681
Capital Assets	231,624,649	227,826,053	301,471,929	294,199,470	533,096,578	522,025,523
Total Assets	326,443,883	328,113,023	377,582,986	365,970,181	704,026,869	694,083,204

Liabilities

Long-Term Liabilities						
Outstanding	107,943,840	111,218,394	133,149,710	133,775,803	241,093,550	244,994,197
Other Liabilities	19,692,719	15,935,399	32,571,599	30,421,967	52,264,318	46,357,366
Total Liabilities	127,636,559	127,153,793	165,721,309	164,197,770	293,357,868	291,351,563

Net Assets

Invested in Capital Assets,						
Net of Related Debt	145,546,799	153,397,767	175,059,669	161,365,075	320,606,468	314,762,842
Restricted	25,565,107	10,201,722	1,588,631	1,588,631	27,153,738	11,790,353
Unrestricted	27,695,418	37,359,741	35,213,377	38,818,705	62,908,795	76,178,446
Total Net Assets	\$ 198,807,324	\$ 200,959,230	\$ 211,861,677	\$ 201,772,411	\$ 410,669,001	\$ 402,731,641

An additional portion of the City's net assets, \$27,153,738 (6.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$62,908,795 (15.3 percent) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City was able to report positive balances in all three categories of net assets, both for the government as a

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whole, as well as for the business-type activities. The same situation held true for the prior fiscal year. The City's net assets increased by \$8,303,007 as a result of fiscal year 2011 operations. The increase is primarily attributable to Increases in Charges for Services in FY 11 over FY 10.

The following table provides a summary of the City's operations for the year ended September 30, 2011 and highlights key elements of the change in the City's net assets:

Changes in Net Assets

For the Fiscal Year Ended September 30, 2011:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for Services	\$ 12,645,831	\$ 12,461,497	\$ 140,304,292	\$ 123,870,194	\$ 152,950,123	\$ 136,331,691
Operating Grants and Contributions	1,875,849	1,694,228	3,746	-	1,879,595	1,694,228
Capital Grants and Contributions	3,964,442	19,587,921	3,857,585	11,703,035	7,822,027	31,290,956
General Revenues:						
Property Taxes	24,333,373	24,745,344	-	-	24,333,373	24,745,344
Sales and Mixed Beverage Taxes	20,717,598	19,751,004	-	-	20,717,598	19,751,004
Other Taxes	5,711,869	5,597,943	-	-	5,711,869	5,597,943
Interest and Investment Income	368,868	265,424	341,698	420,236	710,566	685,660
Loss on Disposition of Capital Assets	-	(24,596)	-	-	-	(24,596)
Total Revenues	69,617,830	84,078,765	144,507,321	135,993,465	214,125,151	220,072,230
Expenses						
General Government	9,455,960	11,534,705	-	-	9,455,960	11,534,705
Fiscal Services	3,384,388	4,127,990	-	-	3,384,388	4,127,990
Police	15,082,452	16,063,347	-	-	15,082,452	16,063,347
Fire	11,749,054	13,301,029	-	-	11,749,054	13,301,029
Planning and Development Services	3,364,877	2,952,177	-	-	3,364,877	2,952,177
Public Works	20,629,662	17,026,827	-	-	20,629,662	17,026,827
Capital Projects	648,589	256,177	-	-	648,589	256,177
Parks and Recreation	10,146,043	11,202,863	-	-	10,146,043	11,202,863
Library	1,130,433	1,103,864	-	-	1,130,433	1,103,864
Information Technology	4,165,064	5,048,720	-	-	4,165,064	5,048,720
Interest on Long Term Debt	4,079,379	4,111,523	-	-	4,079,379	4,111,523
Unallocated Depreciation	1,130,283	1,047,906	-	-	1,130,283	1,047,906
Electric Utility	-	-	93,277,853	88,685,699	93,277,853	88,685,699
Water Utility	-	-	9,960,837	10,190,159	9,960,837	10,190,159
Wastewater Utility	-	-	10,114,867	10,604,983	10,114,867	10,604,983
Sanitation Services	-	-	6,558,278	6,527,724	6,558,278	6,527,724
Parking Operations	-	-	944,125	1,019,393	944,125	1,019,393
Total Expenses	84,966,184	87,777,128	120,855,960	117,027,958	205,822,144	204,805,086
Excess or (Deficiency) of Revenues over (under) Expenditures	(15,348,354)	(3,698,363)	23,651,361	18,965,507	8,303,007	15,267,144
Transfers Net	13,562,095	15,337,330	(13,562,095)	(15,337,330)	-	-
Increase in Net Assets	(1,786,259)	11,638,967	10,089,266	3,628,177	8,303,007	15,267,144
Net Assets at Beginning of Year	200,959,230	189,320,263	201,772,411	198,144,234	402,731,641	387,464,497
Prior Period Adjustment	(365,647)	-	-	-	(365,647)	-
Net Assets at End of Year	\$ 198,807,324	\$ 200,959,230	\$ 211,861,677	\$ 201,772,411	\$ 410,669,001	\$ 402,731,641

Governmental Activities: Governmental activities decreased the City of College Station's net assets by \$1,786,259. Key elements of this net decrease are as follows:

- Capital Grants and Contributions decreased by \$15,623,479 as the result of FY 2010 reflecting past years developer contributions rather than a prior period adjustment. FY2011 only includes those developer contributions for FY 2011.

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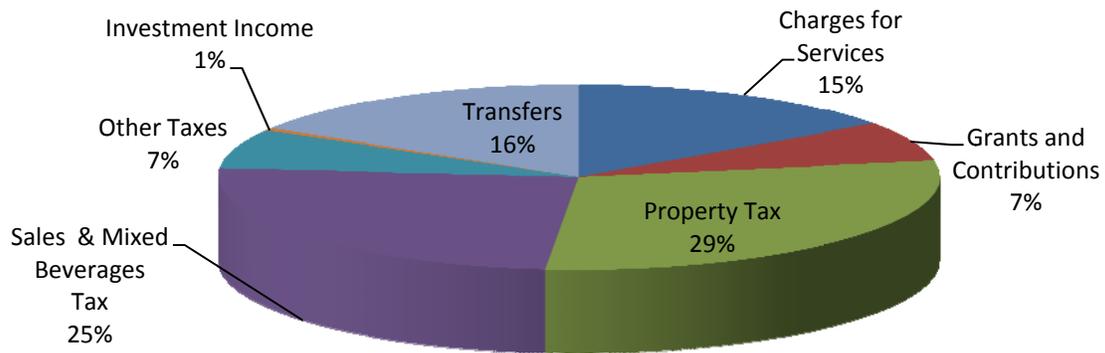
(Unaudited)

- Sales and mixed beverage taxes increased \$966,594 (4.9%) during the year reflecting a modest recovery in the local economy. All of the other governmental activity revenues, excluding capital grants and contributions, increased by \$195,950 (.44%)

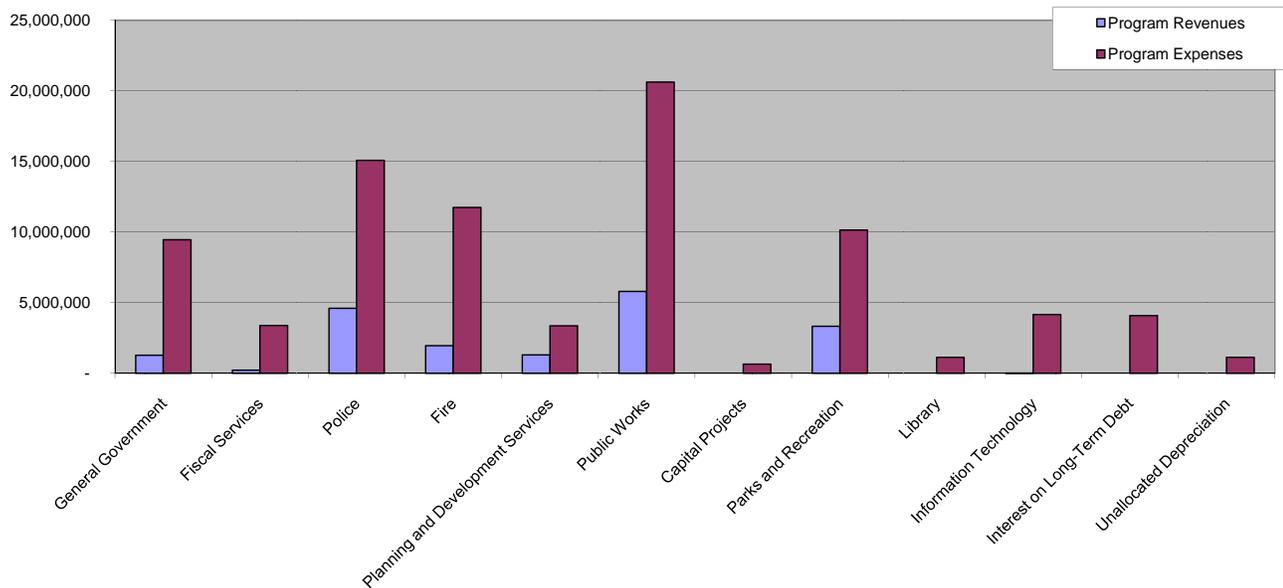
The chart below illustrates the City's governmental revenues by source:

Governmental Revenues By Source

\$83,179,925



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



Business-type Activities: Business-type activities increased the City of College Station's net assets by \$10,089,266. Key elements of this increase are as follows:

- Capital grants and contributions decreased by \$7,845,450 over last year as the result of FY 2010 reflecting past years developer contributions recorded in capital assets, while

Management's Discussion and Analysis

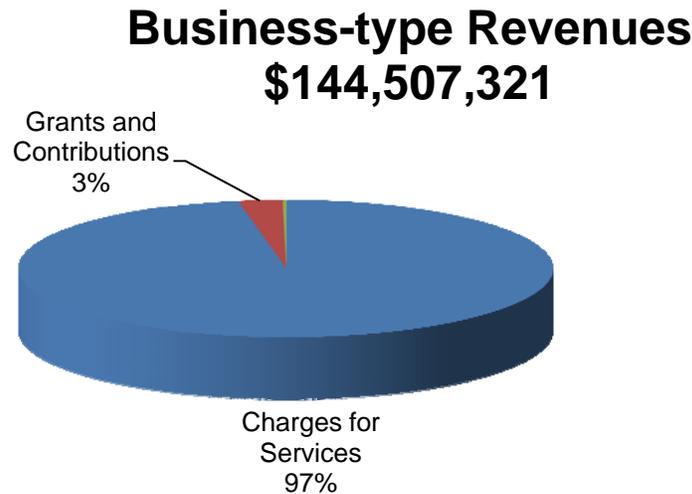
For the Fiscal Year Ended September 30, 2011

(Unaudited)

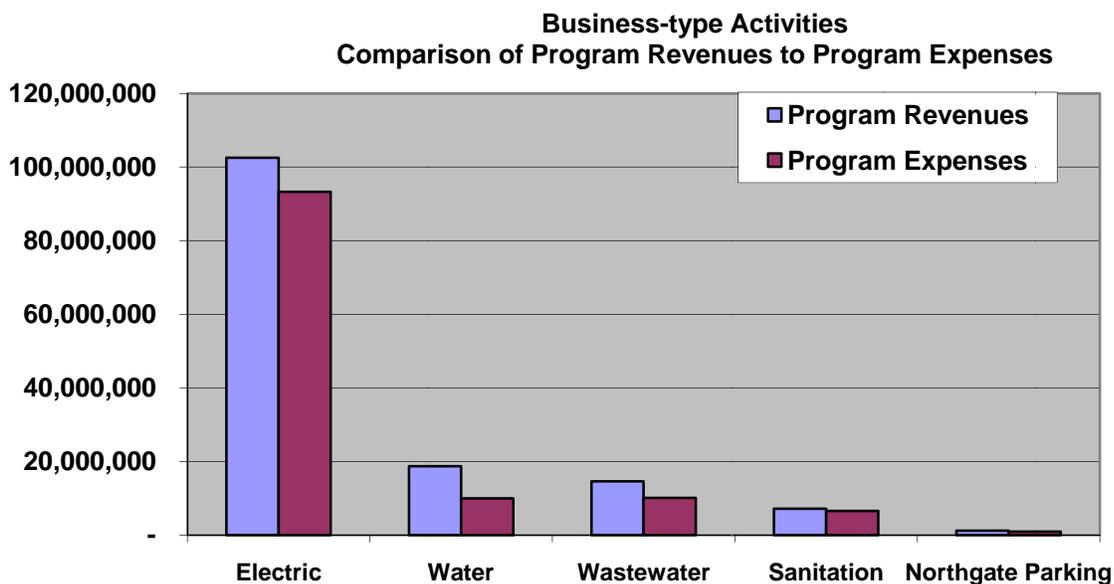
FY 2011 only includes those developer contributions for FY 2011. Electric utility expenses saw an increase of \$4,592,154 or 5.2 percent from fiscal year 2010. This is primarily attributable to increased purchased power expenses.

- Charges for services increased by \$16,434,098 or 13.3 percent from fiscal year 2010 due to utility rate increases and increases in utilities sold due to weather conditions.

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



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



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FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$70,720,131. Approximately 18.2 percent (\$12,871,125) of this total amount constitutes unassigned fund balance and is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed as follows:

Nonspendable	\$ 7,948,685
Restricted	\$ 46,213,492
Committed	\$ 3,149,243
Assigned	\$ 537,586
Unassigned	\$ 12,871,125

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

Overall, revenues for governmental functions totaled \$66,746,645 in the fiscal year ended September 30, 2011, a decrease of 2.2 percent or \$1,514,807 from the fiscal year ended September 30, 2010. Expenditures for governmental functions totaling \$88,582,535 increased by approximately 2.4 percent (\$2,106,188) from the fiscal year ended September 30, 2010. In fiscal year 2011, expenditures for governmental functions exceeded revenues by \$8,151,882. This is primarily due to construction progress on street capital projects during the fiscal year.

The General Fund is the chief operating fund of the City of College Station. At the end of the current fiscal year, the unassigned fund balance was \$12,871,125 while the total fund balance was \$14,393,057. The City's fiscal and budgetary policies require that the General Fund's fund balance be at least equal to 15 percent of budgeted expenditures, a percentage equal to 55 days of expenditures. The total fund balance is approximately 24.2 percent of fiscal year 2011 amended budgeted expenditures and exceeds the minimum requirement set by policy.

As a measure of the fund's liquidity, it is useful to compare both unassigned and total fund balance to total fund actual expenditures. Unassigned fund balance represents 22.9 percent of total general fund expenditures, while total fund balance represents 25.6 percent of total general fund expenditures. The total fund balance for the general fund continues to meet and exceed the Fiscal and Budgetary Policy of having 15 percent of expenditures available in fund balance.

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The General Fund's fund balance increased by \$577,176 during the current fiscal year. The key factors in this change follow:

- The fiscal year 2011 original budget anticipated a minimal increase in fund balance as a result of budget reductions.
- Sales tax revenues came in higher than anticipated in fiscal year 2011.
- Overall expenditures were down by approximately 1.4 percent, due to reductions in the budget, and as a result of moving some activities out of the General Fund.

The Debt Service Fund ended the fiscal year with a fund balance of \$4,304,594. This entire amount is reserved for the payment of debt service. The net increase in fund balance during the current fiscal year was \$184,628. Revenues received during the year were enough to cover principal retirements and interest payments.

The Street Projects Fund ended the fiscal year with a balance of \$13,578,973. This entire amount is either reserved for encumbrances related to current capital projects or reserved for future capital projects. The net decrease in fund balance during the current fiscal year was \$8,307,574. This decrease was attributable to construction progress on street capital projects during the fiscal year.

Proprietary Funds

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

At the end of the current fiscal year, the City's proprietary funds reported combined ending net assets of \$209,470,085. 15.8 percent (\$33,213,210) of this total amount constitutes unrestricted net assets. The remainder of net assets for the proprietary funds, \$176,256,875, is reported as follows:

- Invested in capital assets, net of related debt (\$174,668,244), and
- Restricted for debt service (\$1,588,631).

Operating revenues for proprietary activities totaled \$138,823,363 for the fiscal year, an increase of 12.4 percent or \$15,298,234 from the previous fiscal year. Operating expenses increased \$6,571,208 or 5.9 percent for the same period. Operating income was \$22,326,668 for the fiscal year. The proprietary funds reported net non-operating expenses of \$3,096,374 at the end of fiscal year 2011 as compared to net non-operating expenses of \$5,400,654 in the previous fiscal year. Proprietary net assets increased \$9,525,784 in fiscal year 2011.

Electric Fund

At the end of the fiscal year, the unrestricted net assets for the Electric Fund totaled \$2,113,380. The electric utility ended the fiscal year with working capital (current assets minus current liabilities) of \$8,530,959, an increase of 99.2 percent from fiscal year 2010. The City's policy with regard to its enterprise funds is to maintain at least 15 percent of annual operating expenses in working capital, a percentage equal to 55 days of expenses. At September 30, 2011, Electric Fund working capital equaled approximately 9.3 percent of annual operating expenses, as compared to 5.0 percent at September 30, 2010.

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Electric Fund operating revenues increased by 10.5 percent (\$9,578,989) during fiscal year 2011, while operating expenses increased 5.9 percent (\$5,090,243) during the same period. This resulted in operating income of \$9,108,582. The increase in operating income is attributable to an increase in power sales due to the hot weather conditions in fiscal year 2011. The above resulted in an increase in net assets of \$1,221,184 in the Electric Fund during the fiscal year.

Water Fund

Unrestricted net assets for the Water Fund at September 30, 2011 were \$9,169,243. Working capital in the Water Fund at the end of fiscal year 2011 was \$6,662,956, an increase of approximately 19.8 percent from fiscal year 2010. Water Fund working capital was 82.1 percent of total operating expense.

Water Fund operating revenues increased by 34.8 percent (\$4,443,377) during fiscal year 2011. Operating expenses of \$8,124,461 increased 5.1 percent (\$395,901) over fiscal year 2010. This resulted in operating income of \$9,064,089. The Water Fund's net assets increased \$6,333,487 during the fiscal year.

Wastewater Fund

The Wastewater Fund's unrestricted net assets at the end of fiscal year 2011 were \$7,507,258. The Wastewater Fund ended the fiscal year with a working capital balance of \$5,934,570 which was 55.3 percent higher than fiscal year 2010. Fiscal year 2011 Wastewater Fund working capital was 65.1 percent of total operating expenses and is well above the minimum requirement for the fund.

Operating revenues in the Wastewater Fund were \$12,640,392, a \$1,118,367 (9.7 percent) increase over the previous fiscal year. Operating expenses increased from \$8,782,211 to \$9,115,656 or 3.8 percent while operating income increased by 28.6 percent from \$2,739,814 to \$3,524,736. The Wastewater Fund net assets increased by \$2,191,233 during the fiscal year.

BUDGETARY HIGHLIGHTS

The final amended budget for fiscal year 2011 totaled \$245,953,101 for all funds. Of this amount \$215,060,075 (87.4 percent) was budgeted for operations and maintenance expenditures, and \$30,893,026 (12.6 percent) was budgeted for capital improvement projects.

In the General Fund the final amended budget showed a decrease in fund balance of \$3,463,023. The actual change in fund balance was an increase of \$577,176. The following are some of the key factors in the change in fund balance:

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

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

- Financially sustainable city providing response to core services and infrastructure.
-

Management's Discussion and Analysis

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- Neighborhood integrity
- Diverse growing economy
- Improving multi modal transportation
- Green sustainable city

Budget resources were included in fiscal year 2011 to address these priorities.

CAPITAL ASSETS

The City of College Station's investment in capital assets for its governmental and business-type activities as of September 30, 2011 amounted to \$533,096,578 (net of accumulated depreciation). This investment in capital assets includes land, utility systems, buildings and building improvements, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress.

Capital Assets at Year End Net of Accumulated Depreciation

	Governmental Activities	Business-Type Activities	Total
Land	\$ 43,050,894	\$ 690,750	\$ 43,741,644
Utility Systems	-	224,218,794	224,218,794
Buildings and Building Improvements	25,748,808	4,934,781	30,683,589
Improvements Other than Buildings	20,581,710	-	20,581,710
Machinery and Equipment	12,897,531	1,621,244	14,518,775
Infrastructure	115,799,096	-	115,799,096
Construction in Progress	13,546,610	70,006,360	83,552,970
	<u>\$ 231,624,649</u>	<u>\$ 301,471,929</u>	<u>\$ 533,096,578</u>

Major capital projects completed by the City during the 2011 fiscal year include the following:

- Royder Road Improvements
- Aerial Mapping
- I5 Computer System Enhancement
- Server Consolidation
- Radio System Replacement
- Brothers Park Improvements
- Wolf Pen Creek Playground Replacement
- Southwood Valley Park Improvements
- Sun Meadows Drainage Improvements
- W. King Cole Culvert Replacement
- Merry Oaks Area Lights
- Nantucket Gravity Sewer
- Well #8
- Lick Creek Wastewater Treatment Plant Remote Security

Management's Discussion and Analysis

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Additional information on the City's capital assets can be found in Note IV-C to the financial statements on pages 54-55.

DEBT ADMINISTRATION

At the end of the 2011 fiscal year, the City of College Station had total debt outstanding of \$242,240,000. Of this amount, \$187,745,000 (77.5 percent) is comprised of debt backed by the full faith and credit of the City. Certain Certificate of Obligations fund business-type activities in the Electric, Water, Wastewater, and Northgate Parking Garage Funds. The remaining debt, \$54,495,000 (22.5 percent), is revenue bonds secured by specified revenue sources.

Year-End Outstanding Debt Payable

	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 78,055,000	\$ 28,655,000	\$ 106,710,000
Certificates of Obligation	26,085,000	54,950,000	81,035,000
Revenue Bonds	-	54,495,000	54,495,000
	<u>\$ 104,140,000</u>	<u>\$ 138,100,000</u>	<u>\$ 242,240,000</u>

The City's total debt decreased by \$9,000,000 (3.5 percent) during the current fiscal year. The change in total debt was a result of the following:

- Issuance of \$1,960,000 in general obligation improvement bonds and \$7,935,000 in certificates of obligation, which funded governmental and business-type activities;
- Retirement of \$10,745,000 in general obligation bonds and certificates of obligation, and the retirement of \$6,220,000 in utility revenue bonds; and
- Refunding of \$39,080,000 of general obligation bonds, certificates of obligation, and utility revenue bonds, and the corresponding issuance of \$37,150,000 in general obligation refunding bonds.

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

Additional information on the City's long-term debt can be found in Note IV-H to the financial statements on pages 57-61 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The economy over the last couple of years has struggled at all levels, but has seen some recovery locally. As the fiscal year 2012 budget was prepared College Station continued to feel the effects of the economic slowdown. The following are some key fiscal and economic indicators for College Station including:

- Property tax values are up 5.2% or \$280,921,622 for fiscal year 2012 over the previous year. Total values are \$5,738,615,002. Of this increase, \$147,680,330 is due to new value being added to the tax rolls.
- Since 1995 taxable values have increased from approximately \$1.5 billion to approximately \$5.7 billion currently.

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- A local economy that has maintained an annual unemployment rate of less than 5 percent since 1990 saw higher unemployment of 6.3% in 2011.
- Sales and mixed drink beverage tax revenue, the largest revenue stream in the General Fund, saw a healthy increase of 4.9% in fiscal year 2011.

Preparation of the fiscal year 2012 budget was especially challenging. The economic conditions that the City faced over the last several years resulted in slower revenue growth, which impacted the long term financial condition of the City. Adding to this challenge is the uncertainty in State funding for education at all levels in Texas; increasing demands for services in a growing community, including the operating costs for Fire Station #6; and policy changes to reduce the Return on Investment transfer from the Electric Fund to the General Fund.

Economic Conditions Impact Budget Preparation

The past year continued to be a difficult one for the economy at all levels, including locally. This year the State Legislature passed a budget that reduced funding for education at all levels in the State. It is still not known what the impact of these reductions will be to the local economy, but higher education jobs are the primary driver of the local job market. The uncertainty in the economy results in lower spending levels, which impacts key revenue streams such as sales tax.

Reorganization Plan and Budget Reductions

After completing a thorough assessment of the City's organizational structure, taking into consideration the fiscal condition, as well as the fiscal year 2012 budget proposals from the departments, the City Manager's Office implemented a reorganization plan. The reorganization has an impact on several departments that result in considerable recurring cost savings to the City, and significantly improve efficiency by refocusing resources on core services. These reductions include the reorganization of the Department of Economic and Community Development by eliminating the Economic Development Division. This was accomplished by moving the economic development responsibilities to the City Manager's Office (CMO), and shifting some of the remaining resources to the CMO. The Community Development and Northgate divisions previously in the Economic and Community Development Department were moved to the Planning and Development Services Department. There was also a significant restructuring of the Parks and Recreation Department to better organize the management structure in the department. There were other restructurings and reductions throughout the organization as well.

In total, these reductions will save \$1,231,885 from the General Fund and \$284,489 from other funds. These reductions eliminated 27.25 budgeted Full Time Equivalent positions throughout the organization; 11 of those positions were filled. The decisions that were made in regards to the reductions and eliminations were exceptionally difficult. However, these changes are necessary to meet the City's current and anticipated fiscal challenges and opportunities, and will refocus the organization's service levels and delivery more appropriately on core services until some sustained economic recovery is seen.

Over the past several years, it has been necessary to reduce the budget due to lower than anticipated revenues. In fiscal year 2009, the General Fund budget was reduced by a total of \$954,175. The fiscal year 2010 budget was reduced by a total of \$3,393,098, and of this amount, \$2,193,338 was reduced from the General Fund. The fiscal year 2011 budget included budget reductions of \$1,175,096. The General Fund portion of the fiscal year 2011 budget reductions is \$993,096. The fiscal year 2012 budget was reduced by \$1,624,696; the General Fund portion was \$1,333,207.

Over the last four years, a total of \$7,147,065 has been removed from the City of College Station operations and maintenance budget. This includes the elimination of 43.75 Full Time Equivalent

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2011

(Unaudited)

positions in fiscal year 2011 and fiscal year 2012. This includes the reorganization reductions outlined earlier in this letter. It also includes the elimination of two Director level positions (Capital Projects Director and Economic and Community Development Director), as well as middle management and entry level positions. During this same timeframe 35 public safety positions have been added to the budget. City staff continues to look for efficiencies in the way services are provided.

Utility Transfer Policy Changes

The approved budget was prepared with changes to the Return on Investment (ROI) transfer from the Electric Fund to the General Fund. The existing policy caps this transfer at 10.5% of electric operating revenues. The electric portion of this transfer was budgeted at approximately \$8.81 million in fiscal year 2011, and has increased in recent years as revenues in the Electric Fund have increased due to increases in purchased power costs. This new plan changes the Return on Investment transfer from the Electric Utility Fund from a 2 part transfer including an "in lieu of franchise fee" and a "return on investment" to the General Fund, to an "in lieu of franchise fee" capped at 6% of electric revenues. In the future the transfer will be adjusted as electric sales increase based on KWH usage figures.

The transfer was reduced in fiscal year 2012 by \$2.0 million and will be reduced by an additional \$1.0 million in fiscal year 2013, for a total reduction of \$3.0 million over the 2 year period. This reduction in transfer is necessary to ensure the long term financial health of the Electric Utility, which has seen rate increases in recent years due to increases in purchased power costs. While a 4% rate increase in the Electric Fund was forecast in fiscal year 2012, no rate increase is included in the fiscal year 2012 budget. With the reductions in the ROI transfer, and other approved transfers into the Electric Fund, a rate increase was not recommended in fiscal year 2012, but is forecasted for fiscal year 2013.

The following are some significant increases in service levels in the fiscal year 2012 budget.

The approved Fire Department budget includes \$1,853,555 for the addition of 18 positions for the staffing of the new Fire Station #6. The project has been designed and construction is underway. This is a significant increase in cost to get this new Fire Station operational.

Funds in the amount of \$350,000 are included in the Public Works budget for thoroughfare street overlay projects. It is important to be able to continue to put funds aside for street rehabilitation projects.

Tax Rate

The fiscal year 2012 budget was prepared using the effective tax rate of 43.7995 cents per \$100 assessed valuation. This is a net decrease of 0.9548 cents from the fiscal year 2011 tax rate of 44.7543 cents. The fiscal year 2012 approved tax rate reduces the Debt Service portion of the tax rate by 1.8658, and increases the General Fund portion of the tax rate by 0.9110 cents. This reallocation of the tax rate will help fund additional Fire Department resources.

Utility Rates

The fiscal year 2012 budget includes a 5 percent increase in the Wastewater Fund. This rate increase is needed to meet the operating, non-operating, debt service and capital needs of the fund. The fiscal year 2012 budget does not include a rate increase in the Electric Fund, Water Fund, Sanitation Fund, or Drainage Utility Fund.

The fiscal year 2012 budget for capital improvements totals \$37,349,793. The City anticipates significant expenditures for infrastructure projects throughout the city. These projects include rehabilitation of utilities, drainage ways, and streets. In November 2008, voters authorized

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2011

(Unaudited)

\$76,950,000 in future General Obligation Bonds for streets, traffic, fire station projects, the library expansion project, and parks and recreation projects. Some of the more significant upcoming capital projects are as follows:

- Jones Butler (Penberthy) Extension
- Bird Pond Road Rehabilitation
- Cooner Street and Utility Rehabilitation
- Rock Prairie Road Widening – Design & ROW
- Barron Road East/Lakeway
- Health Science Center Parkway
- University Drive Pedestrian Improvements
- Traffic Signal at State Highway 30 and Copperfield
- Lick Creek Hike and Bike Trail
- Fire Station #6
- Beachy Central Park Improvements
- Lick Creek Nature Center
- Sandy Point Chemical System Replacement
- Cooling Tower Expansion
- Plantation Oaks Water Line
- Water Redundant Communications
- Water Rehabilitation – South Knoll/The Glade
- Wastewater Rehabilitation – South Knoll/The Glade
- East Side FM 158 Sewer Line
- Bee Creek Parallel Trunk Line
- FM 2154 Sewer Service
- Northeast Trunk Line Rehabilitation
- Lick Creek Centrifuge Replacement

The City plans to issue \$8,045,000 in general obligation bonds from the 2003 and 2008 bond authorization for the following: \$4,730,000 for street and transportation improvements, \$600,000 for traffic signals, and \$2,715,000 for parks and recreation projects. The City also plans to issue \$100,000 in certificates of obligations for the fiber optic infrastructure project. The City also plans to issue \$22,505,000 in long term debt for the following utility projects: \$8,825,000 for electric capital projects, \$6,100,000 for water capital projects, and \$7,580,000 for wastewater capital projects. In addition, a total of \$3,070,000 in cash from the utility funds is projected to be used for capital projects in fiscal year 2012.

REQUESTS FOR INFORMATION

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

City of College Station
Fiscal Services Department
ATTN: Executive Director, Business Services
P.O. Box 9960
College Station, Texas 77842-9960

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



CITY OF COLLEGE STATION

Statement of Net Assets

September 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 77,257,846	\$ 27,118,510	\$ 104,376,356
Investments	5,727,862	2,023,627	7,751,489
Receivables (net of allowance for uncollectibles)	5,644,888	18,787,273	24,432,161
Internal Balance	(2,568,775)	2,568,775	-
Inventories	7,537,806	1,827,407	9,365,213
Prepays	13,226	-	13,226
Restricted assets:			
Cash and cash equivalents	213,789	4,808,872	5,022,661
Investments	-	356,959	356,959
Accrued interest receivable	-	1,041	1,041
Equity in Joint Venture	-	12,944,238	12,944,238
Loan Receivable	-	4,765,000	4,765,000
Deferred Issuance Costs, net	992,592	909,355	1,901,947
Capital assets (net of accumulated depreciation):			
Land and Construction in Progress	56,597,504	70,697,110	127,294,614
Other capital assets(net of accumulated depreciation)	175,027,145	230,774,819	405,801,964
TOTAL ASSETS	326,443,883	377,582,986	704,026,869
LIABILITIES			
Current liabilities:			
Accounts Payable	4,086,174	19,684,757	23,770,931
Retainage Payable	227,152	395,454	622,606
Refundable Deposits	124,335	-	124,335
Claims Payable	1,744,456	-	1,744,456
Accrued Liabilites	1,655,277	600,536	2,255,813
Customer Construction Advances	213,771	107,857	321,628
Unearned Revenues	2,891,380	97,490	2,988,870
Liabilities payable from restricted assets:			
Accrued interest payable	525,174	807,372	1,332,546
Accrued Liabilities	-	17,455	17,455
Refundable Deposits	-	1,950,670	1,950,670
Current portion of long-term obligations	8,225,000	8,910,008	17,135,008
Noncurrent liabilities:			
Bonds and Certificate of Obligation Payable	97,496,455	130,313,952	227,810,407
Compensated Absences	2,452,743	561,157	3,013,900
Other Post Employment Benefits(OPEB)	4,298,697	1,222,181	5,520,878
Net Pension Obligation	3,695,945	1,052,420	4,748,365
TOTAL LIABILITIES	127,636,559	165,721,309	293,357,868
NET ASSETS			
Invested in capital assets, net of related debt	145,546,799	175,059,669	320,606,468
Restricted for:			
Debt service	4,304,594	1,588,631	5,893,225
Public Safety	935,321	-	935,321
Community Development	884,400	-	884,400
Tourism	5,194,593	-	5,194,593
Capital Projects	5,263,515	-	5,263,515
Other Purposes	8,982,684	-	8,982,684
Unrestricted	27,695,418	35,213,377	62,908,795
TOTAL NET ASSETS	\$ 198,807,324	\$ 211,861,677	\$ 410,669,001

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

CITY OF COLLEGE STATION, TEXAS
Statement of Activities
For the Year Ended September 30, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
General Government	\$ 9,455,960	\$ 122,645	\$ 1,159,204
Fiscal Services	3,384,388	155,449	60,177
Police	15,082,452	4,552,951	43,762
Fire	11,749,054	1,601,248	351,603
Planning and Development Services	3,364,877	1,296,213	-
Public Works	20,629,662	2,910,293	-
Capital Improvement Program	648,589	-	-
Parks and Recreation	10,146,043	2,007,032	261,103
Library	1,130,433	-	-
Information Technology	4,165,064	-	-
Interest on long-term debt	4,079,379	-	-
Unallocated Depreciation	1,130,283	-	-
Total governmental activities	<u>84,966,184</u>	<u>12,645,831</u>	<u>1,875,849</u>
Business-type activities:			
Electric	93,277,853	101,617,743	-
Water	9,960,837	17,253,787	-
Wastewater	10,114,867	13,099,783	-
Sanitation	6,558,278	7,143,536	3,746
Northgate Parking	944,125	1,189,443	-
Total business-type activities	<u>120,855,960</u>	<u>140,304,292</u>	<u>3,746</u>
Total primary government	<u>\$ 205,822,144</u>	<u>\$ 152,950,123</u>	<u>\$ 1,879,595</u>

General Revenue:
Property taxes
Sales and Mixed Beverage taxes
Franchise taxes
Hotel occupancy taxes
Unrestricted investment earnings
Transfers
Total general revenues and transfers
Change in net assets
Net assets - beginning
Prior Period Adjustment
Net assets - ending

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

Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Assets		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (8,174,111)	\$ -	\$ (8,174,111)
-	(3,168,762)	-	(3,168,762)
-	(10,485,739)	-	(10,485,739)
-	(9,796,203)	-	(9,796,203)
-	(2,068,664)	-	(2,068,664)
2,886,091	(14,833,278)	-	(14,833,278)
-	(648,589)	-	(648,589)
1,062,851	(6,815,057)	-	(6,815,057)
-	(1,130,433)	-	(1,130,433)
15,500	(4,149,564)	-	(4,149,564)
-	(4,079,379)	-	(4,079,379)
-	(1,130,283)	-	(1,130,283)
<u>3,964,442</u>	<u>(66,480,062)</u>	<u>-</u>	<u>(66,480,062)</u>
898,509	-	9,238,399	9,238,399
1,456,848	-	8,749,798	8,749,798
1,484,774	-	4,469,690	4,469,690
-	-	589,004	589,004
17,454	-	262,772	262,772
<u>3,857,585</u>	<u>-</u>	<u>23,309,663</u>	<u>23,309,663</u>
<u>\$ 7,822,027</u>	<u>(66,480,062)</u>	<u>23,309,663</u>	<u>(43,170,399)</u>
	24,333,373		24,333,373
	20,717,598		20,717,598
	2,153,827		2,153,827
	3,558,042		3,558,042
	368,868	341,698	710,566
	13,562,095	(13,562,095)	-
	<u>64,693,803</u>	<u>(13,220,397)</u>	<u>51,473,406</u>
	(1,786,259)	10,089,266	8,303,007
	200,959,230	201,772,411	402,731,641
	(365,647)	-	(365,647)
	<u>\$ 198,807,324</u>	<u>\$ 211,861,677</u>	<u>\$ 410,669,001</u>

CITY OF COLLEGE STATION, TEXAS

Balance Sheet
Governmental Funds
September 30, 2011

	General	Debt Service	Street Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Cash and Cash Equivalents	\$ 14,037,641	\$ 4,007,146	\$ 14,170,151	\$ 28,604,570	\$ 60,819,508
Equity in Investments	1,035,075	297,448	1,051,840	2,123,295	4,507,658
Receivables					
Grants	340	-	-	125,349	125,689
Accounts	1,502,107	-	373,512	415,695	2,291,314
Taxes	2,272,693	394,473	-	-	2,667,166
Other	23,474	-	-	639,837	663,311
Less Allowance for Uncollectible Accounts	(35,212)	-	-	(106,222)	(141,434)
Due from Other Funds	259	-	-	-	259
Inventories	45,322	-	-	7,403,979	7,449,301
Prepaid Costs	13,226	-	-	-	13,226
Restricted Assets					
Equity in Cash and Cash Equivalents	213,789	-	-	-	213,789
Total Assets	\$ 19,108,714	\$ 4,699,067	\$ 15,595,503	\$ 39,206,503	\$ 78,609,787
Liabilities and Fund Balances					
Accounts Payable	\$ 842,796	\$ -	\$ 1,281,671	\$ 323,823	\$ 2,448,290
Retainage Payable	-	-	216,202	10,950	227,152
Interfund Payables	360,000	-	-	259	360,259
Refundable Deposits	114,545	-	-	9,790	124,335
Accrued Liabilities	1,592,467	-	-	32,002	1,624,469
Customer Construction Advances	68,626	-	145,145	-	213,771
Other Deferred Revenues	1,737,223	394,473	373,512	386,172	2,891,380
Total Liabilities	4,715,657	394,473	2,016,530	762,996	7,889,656
Fund Balances					
Nonspendable	58,548	-	-	7,890,137	7,948,685
Restricted	925,798	4,304,594	13,578,973	27,404,127	46,213,492
Committed	-	-	-	3,149,243	3,149,243
Assigned	537,586	-	-	-	537,586
Unassigned	12,871,125	-	-	-	12,871,125
Total Fund Balances	14,393,057	4,304,594	13,578,973	38,443,507	70,720,131
Total Liabilities and Fund Balances	\$ 19,108,714	\$ 4,699,067	\$ 15,595,503	\$ 39,206,503	\$ 78,609,787

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

CITY OF COLLEGE STATION, TEXAS
 Reconciliation of Governmental Funds Balance Sheet
 to the Statement of Net Assets
 September 30, 2011

Total Fund Balance per balance sheet: \$ 70,720,131

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

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the
 governmental funds balance sheet. 231,624,649

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

Due within one year	\$	(8,225,000)	
Due in more than one year		(107,943,840)	
Deferred charges		992,592	(115,176,248)

Interest Payable on long-term debt does not require current financial
 resources and is not reported in the governmental funds balance sheet (525,174)

Internal Service Funds are used by management to charge the costs
 of certain activities, such as insurance, fleet maintenance, and
 equipment replacement to individual funds. The assets and liabilities
 of the internal service funds are included in the government-wide
 statements of net assets (net of the amount allocated to
 business-type activities).

Assets	\$	17,915,575	
Liabilities		(3,462,643)	
Net amount allocated to business-type activities		(2,288,966)	12,163,966

Net Assets of governmental activities: \$ 198,807,324

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

CITY OF COLLEGE STATION, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2011

	General	Debt Service	Street Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 35,236,521	\$ 11,968,277	\$ -	\$ 3,558,042	\$ 50,762,840
Licenses and Permits	1,054,986	-	-	36,997	1,091,983
Intergovernmental	589,326	-	-	1,554,247	2,143,573
Charges for Services	2,539,881	-	-	3,573,616	6,113,497
Fines, Forfeits, and Penalties	3,823,406	-	-	296,671	4,120,077
Investment Income	92,017	54,139	85,657	137,055	368,868
Rents and Royalties	589,528	-	-	-	589,528
Contributions	33,995	-	-	791,537	825,532
Other	75,339	2,939	562,490	89,979	730,747
Total Revenues	44,034,999	12,025,355	648,147	10,038,144	66,746,645
Expenditures					
Current					
General Government	5,021,221	-	-	1,417,092	6,438,313
Fiscal Services	2,997,993	-	2,410	352,984	3,353,387
Police	14,890,520	-	-	40,692	14,931,212
Fire	11,444,702	-	-	-	11,444,702
Planning and Development Services	3,298,725	-	-	28,770	3,327,495
Public Works	6,602,097	-	2,550	73,339	6,677,986
Capital Improvement Projects	648,589	-	-	-	648,589
Parks and Recreation	5,021,642	-	-	4,367,123	9,388,765
Information Services	3,901,721	-	-	361	3,902,082
Library	1,061,581	-	-	-	1,061,581
Contributions	736,192	-	-	1,327,297	2,063,489
Other	546,650	-	-	203,485	750,135
Capital Outlay	-	-	7,578,026	3,923,900	11,501,926
Debt Service					
Principal Retirement	-	8,085,412	-	-	8,085,412
Interest Payments	-	3,698,324	-	-	3,698,324
Fiscal Charges	-	379,174	5,022	-	384,196
Intergovernmental	-	-	924,941	-	924,941
Total Expenditures	56,171,633	12,162,910	8,512,949	11,735,043	88,582,535
Excess (Deficit) of Revenues Over Expenditures	(12,136,634)	(137,555)	(7,864,802)	(1,696,899)	(21,835,890)
Other Financing Sources (Uses)					
Issuance of Debt	-	-	713,973	1,263,161	1,977,134
Issuance of Refunding Debt	-	11,250,000	-	-	11,250,000
Premium on bonds issued	-	1,172,234	-	-	1,172,234
Payment to refunded bond escrow agent	-	(12,322,570)	-	-	(12,322,570)
Sales of Capital Assets	8,690	-	-	-	8,690
Transfers In	16,065,942	222,519	-	3,093,684	19,382,145
Transfer Out	(3,360,822)	-	(1,156,745)	(3,266,058)	(7,783,625)
Total Other Financing Sources (Uses)	12,713,810	322,183	(442,772)	1,090,787	13,684,008
Net Change in Fund Balances	577,176	184,628	(8,307,574)	(606,112)	(8,151,882)
Fund Balances, October 1	13,815,881	4,119,966	21,886,547	39,415,266	79,237,660
Prior Period Adjustment	-	-	-	(365,647)	(365,647)
Fund Balances, September 30	\$ 14,393,057	\$ 4,304,594	\$ 13,578,973	\$ 38,443,507	\$ 70,720,131

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

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

For the Fiscal Year Ended September 30, 2011

Net change in fund balance - total governmental funds: \$ (8,151,882)

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

Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. 11,501,926

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

Capital contributions	\$ 2,871,186	
Asset retirements/disposals	<u>(4,597,340)</u>	(1,726,154)

Depreciation expense on capital assets is reported in the government-wide statement of activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds. (12,082,133)

Some property tax, intergovernmental and ambulance revenues will not be collected for several months after the the City's fiscal year end. These are not considered "available" revenues in the governmental funds until received. (819,613)

The issuance of long-term debt (i.e., bonds, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bonds issued	\$ (13,205,000)	
Certificates of Obligation issued	(15,000)	
Bond principal retirement	10,170,000	
Certificate of Obligation principal retirement	<u>9,605,000</u>	6,555,000

Bond premiums are recognized as an other financing source in the governmental funds, but are considered deferred assets on the Statement of Net Assets. Premiums are amortized over the life of the bonds. This is the amount by which bond premium issued, bond issuance costs and bond refunding losses exceeded amortization. (546,386)

Payment of compensated absences is reported as an expenditure in the governmental funds when actually paid. However, on the government-wide statement of changes in net assets, compensated absences are expensed as they are accrued. Change in the compensated absences liability. 101,077

Long-term estimated liabilities are recognized as expenses in the Statement of Activities as incurred, but are recognized when current financial resources are used in the governmental funds.

Net pension obligation	\$ (1,230,113)	
Other post retirement benefits	<u>(973,113)</u>	(2,203,226)

Accrued interest expense on long-term debt is reported in the government-wide statement of activities, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in the governmental funds. Change in accrued interest. 3,142

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

Change in net assets	\$ 2,534,342	
Net amount allocated to business activities	1,279,613	
Depreciation	<u>1,768,035</u>	5,581,990

Change in Net Assets of governmental activities: \$ (1,786,259)

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

CITY OF COLLEGE STATION, TEXAS
Statement of Net Assets
Proprietary Funds
September 30, 2011

	Business-type Activities - Enterprise Funds				Governmental	Activities
	Electric	Water	Wastewater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Current Assets						
Equity in Cash and Cash Equivalents	\$ 13,367,833	\$ 6,243,004	\$ 5,969,768	\$ 1,439,990	\$ 27,020,595	\$ 16,536,250
Equity in Investments	992,482	469,601	447,387	106,889	2,016,359	1,227,472
Restricted Assets						
Equity in Cash and Cash Equivalents	2,390,623	1,033,088	1,385,161	-	4,808,872	-
Equity in Investments	177,454	76,685	102,820	-	356,959	-
Accrued Interest Receivable	-	1,813	-	-	1,813	-
Receivables						
Accrued Interest	-	-	-	23,668	23,668	-
Accounts	15,094,711	3,285,270	1,722,949	993,472	21,096,402	74,080
Other	1,089,393	-	-	-	1,089,393	13,944
Less: Allowance for Uncollectible Accounts	(2,866,799)	(174,424)	(255,299)	(150,946)	(3,447,468)	(24,676)
Due from Other Funds	40,000	40,000	40,000	-	120,000	-
Inventories	1,387,684	389,256	36,064	14,403	1,827,407	88,505
Total Current Assets	31,673,381	11,364,293	9,448,850	2,427,476	54,914,000	17,915,575
Noncurrent Assets						
Advance to Other Funds	80,000	80,000	80,000	-	240,000	-
Equity in Joint Venture	-	-	-	12,944,238	12,944,238	-
Loans Receivable	-	-	-	4,765,000	4,765,000	-
Deferred Charges						
Bond Issuance Charges	462,336	404,823	389,908	53,607	1,310,674	-
Accumulated Amortization	(137,999)	(90,162)	(109,723)	(9,828)	(347,712)	-
Total Deferred Charges	324,337	314,661	280,185	43,779	962,962	-
Property and Equipment						
Utility Plant	153,190,040	110,191,498	103,181,925	-	366,563,463	-
Buildings	-	-	-	5,743,755	5,743,755	786,525
Machinery and Equipment	-	-	-	5,268,288	5,268,288	22,822,314
Accumulated Depreciation	(68,172,924)	(37,418,055)	(36,753,688)	(4,828,872)	(147,173,539)	(15,487,941)
Construction in Progress	5,714,596	46,799,865	17,473,326	-	69,987,787	18,573
Land	-	-	-	690,750	690,750	-
Total Property and Equipment	90,731,712	119,573,308	83,901,563	6,873,921	301,080,504	8,139,471
Total Noncurrent Assets	91,136,049	119,967,969	84,261,748	24,626,938	319,992,704	8,139,471
Total Assets	122,809,430	131,332,262	93,710,598	27,054,414	374,906,704	26,055,046
Liabilities						
Current Liabilities						
Accounts Payable	18,031,227	961,072	349,632	319,455	19,661,386	1,661,255
Retainage Payable	19,475	244,256	131,723	-	395,454	-
Accrued Liabilities	374,439	33,976	54,433	111,560	574,408	56,932
Customer Construction Advances	24,382	44,801	38,674	-	107,857	-
Other Deferred Revenues	-	-	-	97,490	97,490	-
Claims Payable	-	-	-	-	-	1,744,456
Payable from Restricted Assets						
Accounts Payable	1,671	-	-	-	1,671	-
Accrued Interest Payable	277,403	299,705	196,378	33,886	807,372	-
Accrued Liabilities	13,122	-	2,662	-	15,784	-
Refundable Deposits	1,591,545	352,455	-	6,670	1,950,670	-
General Obligation Bonds	75,000	760,000	730,000	380,000	1,945,000	-
Certificates of Obligation	1,186,788	530,000	383,212	219,869	2,319,869	-
Revenue Bonds	1,547,370	1,475,072	1,627,566	-	4,650,008	-
Total Current Liabilities	23,142,422	4,701,337	3,514,280	1,168,930	32,526,969	3,462,643
Noncurrent Liabilities						
General Obligation Bonds	2,760,000	11,410,000	9,850,000	2,690,000	26,710,000	-
Certificates of Obligation	27,140,000	12,790,000	8,155,000	4,550,000	52,635,000	-
Revenue Bonds	17,232,175	20,751,452	11,861,375	-	49,845,002	-
Unamortized Premium/Discount on Certificates and Bonds	(7,836)	532,230	612,601	40,562	1,177,557	-
Accrued Vacation	210,499	76,704	133,944	80,733	501,880	108,172
Post Employment Benefits	484,238	165,933	259,352	186,875	1,096,398	229,363
Net Pension Obligation	415,993	142,717	223,498	161,605	943,813	198,538
Total Noncurrent Liabilities	48,235,069	45,869,036	31,095,770	7,709,775	132,909,650	536,073
Total Liabilities	71,377,491	50,570,373	34,610,050	8,878,705	165,436,619	3,998,716
Net Assets						
Invested in Capital Assets, net of related debt	48,879,493	71,024,850	51,011,521	3,752,380	174,668,244	8,139,471
Restricted for:						
Debt service	439,066	567,796	581,769	-	1,588,631	779,228
Unrestricted	2,113,380	9,169,243	7,507,258	14,423,329	33,213,210	13,137,631
Total Net Assets	\$ 51,431,939	\$ 80,761,889	\$ 59,100,548	\$ 18,175,709	209,470,085	\$ 22,056,330
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					2,391,592	
Net assets of business -type activities					<u>\$ 211,861,677</u>	

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

CITY OF COLLEGE STATION, TEXAS
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended September 30, 2011

	Business-type Activities - Enterprise Funds					Governmental
	Electric	Water	Wastewater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues						
Charges for Services	\$ 98,737,655	\$ 16,842,980	\$ 12,405,200	\$ 8,235,326	\$ 136,221,161	\$ 6,933,291
Premiums	-	-	-	-	-	9,686,529
Other	2,004,224	345,570	235,192	17,216	2,602,202	219,617
Total Operating Revenues	100,741,879	17,188,550	12,640,392	8,252,542	138,823,363	16,839,437
Operating Expenses						
Electric Operations	86,423,973	-	-	-	86,423,973	-
Salaries and Benefits	-	1,816,086	2,894,008	2,304,814	7,014,908	2,671,369
Supplies	-	581,659	700,241	474,631	1,756,531	835,762
Maintenance	-	75,322	155,605	501,582	732,509	34,061
Purchased Professional Services	-	189,824	214,047	717,001	1,120,872	134,339
Purchased Property Services	-	1,481,355	956,814	1,591,407	4,029,576	63,377
Other Purchased Services	-	227,553	356,766	914,498	1,498,817	787,346
Claims	-	-	-	-	-	5,991,145
Administration Fees	-	-	-	-	-	1,083,914
Contributions	-	-	-	-	-	697,710
Premiums	-	-	-	-	-	1,194,547
Depreciation	5,209,324	3,230,062	3,495,164	889,149	12,823,699	1,768,035
Other	-	522,600	343,011	230,199	1,095,810	164,807
Total Operating Expenses	91,633,297	8,124,461	9,115,656	7,623,281	116,496,695	15,426,412
Operating Income	9,108,582	9,064,089	3,524,736	629,261	22,326,668	1,413,025
Nonoperating Revenues (Expenses)						
Investment Income	29,863	62,521	50,316	198,998	341,698	58,012
Gain (loss) on disposal of assets	(15,823)	9,641	-	60,697	54,515	-
Intergovernmental	-	-	-	3,746	3,746	5,350
Earnings in Joint Venture	-	-	-	47,364	47,364	-
Interest Expense	(1,933,649)	(1,977,133)	(1,227,670)	(288,976)	(5,427,428)	-
Debt Issuance Costs	-	-	-	(3,764)	(3,764)	-
Other, Net	891,688	112,557	523,752	359,498	1,887,495	169,184
Total Nonoperating Revenues (Expenses)	(1,027,921)	(1,792,414)	(653,602)	377,563	(3,096,374)	232,546
Income Before Capital Contributions and Transfers	8,080,661	7,271,675	2,871,134	1,006,824	19,230,294	1,645,571
Capital Contributions and Transfers						
Capital Contributions	898,509	1,456,848	1,484,774	17,454	3,857,585	-
Transfers In	702,766	-	-	-	702,766	1,963,575
Transfers Out	(8,460,752)	(2,395,036)	(2,164,675)	(1,244,398)	(14,264,861)	-
Total Capital Contributions and Transfers	(6,859,477)	(938,188)	(679,901)	(1,226,944)	(9,704,510)	1,963,575
Change in Net Assets	1,221,184	6,333,487	2,191,233	(220,120)	9,525,784	3,609,146
Beginning Net Assets	50,210,755	74,428,402	56,909,315	18,395,829		18,447,184
Ending Net Assets	\$ 51,431,939	\$ 80,761,889	\$ 59,100,548	\$ 18,175,709		\$ 22,056,330
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					1,074,805	
Change in net assets of business -type activities					<u>\$ 10,600,589</u>	

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

CITY OF COLLEGE STATION, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2011

	Business-type Activities - Enterprise Funds					Governmental Activities
	Electric	Water	Wastewater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ 99,720,551	\$ 16,527,447	\$ 12,579,544	\$ 8,491,574	\$ 137,319,116	\$ 16,835,744
Cash Payments to Suppliers for Goods and Services	(79,685,641)	(2,637,425)	(2,634,634)	(4,148,950)	(89,106,650)	(10,735,908)
Cash Payments to Employees for Services	(4,848,425)	(1,712,978)	(2,736,010)	(2,181,335)	(11,478,748)	(2,128,958)
Customer Deposits Received	37,293	36,228	-	-	73,521	-
Cash Paid for Miscellaneous Services	-	-	-	(48,678)	(48,678)	(29,237)
Cash Received for Miscellaneous Revenues	891,687	112,557	523,752	21,923	1,549,919	203,771
Cash Received from Other Funds	40,000	40,000	40,000	-	120,000	-
Net Cash Provided by Operating Activities	16,155,465	12,365,829	7,772,652	2,134,534	38,428,480	4,145,412
Cash Flows from Noncapital Financing Activities:						
Transfers Out to Other Funds	(8,460,752)	(2,395,036)	(2,164,675)	(1,244,398)	(14,264,861)	-
Transfers In from Other Funds	702,766	-	-	-	702,766	1,963,575
Net Cash Used by Noncapital Financing Activities	(7,757,986)	(2,395,036)	(2,164,675)	(1,244,398)	(13,562,095)	1,963,575
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	(6,991,547)	(7,737,409)	(5,154,262)	(411,687)	(20,294,905)	(2,607,607)
Capital Contributions from Developers	898,509	1,456,848	1,484,774	17,454	3,857,585	-
Proceeds from Sale of Assets	(15,823)	9,641	-	60,697	54,515	-
Principal Paid on Debt	2,336,336	(2,976,757)	281,465	(966,509)	(1,325,465)	-
Interest Paid on Debt	(1,943,931)	(2,039,031)	(1,274,832)	(297,298)	(5,555,092)	-
Net Cash Used by Capital and Related Financing Activities	(5,716,456)	(11,286,708)	(4,662,855)	(1,597,343)	(23,263,362)	(2,607,607)
Cash Flows from Investing Activities:						
Purchase of Investments	(3,912,374)	(1,949,822)	(1,851,241)	(356,688)	(8,070,126)	(4,068,831)
Proceeds from Sale and Maturities of Investment Securities	3,723,857	2,030,062	1,778,040	338,427	7,870,387	3,821,860
Investment Income	44,486	71,346	56,897	201,121	373,850	72,751
Net Cash Provided(Used) by Investing Activities	(144,031)	151,586	(16,304)	182,860	174,111	(174,220)
Net Increase (Decrease) in Cash and Cash Equivalents	2,536,992	(1,164,329)	928,818	(524,347)	1,777,134	3,327,160
Cash and Cash Equivalents, Oct. 1	13,221,464	8,440,421	6,426,111	1,964,337	30,052,333	13,209,090
Cash and Cash Equivalents, Sept. 30	\$ 15,758,456	\$ 7,276,092	\$ 7,354,929	\$ 1,439,990	\$ 31,829,467	\$ 16,536,250
Reconciliation of Operating Income to Net Cash						
Provided by Operating Activities:						
Operating Income	\$ 9,108,582	\$ 9,064,089	\$ 3,524,736	\$ 629,261	\$ 22,326,668	\$ 1,413,025
Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation, Bad Debt Expense, Inventory Loss	5,209,324	3,230,062	3,495,164	889,149	12,823,699	1,768,035
Miscellaneous Nonoperating Revenues	891,687	112,557	523,752	21,923	1,549,919	203,772
Miscellaneous Nonoperating Expenses	-	-	-	(48,678)	(48,678)	(29,237)
Changes in Assets and Liabilities:						
Change in Accounts Receivable	(1,021,328)	(661,103)	(60,848)	234,745	(1,508,534)	(3,697)
Change in Inventory	(114,997)	(52,295)	(2,171)	552	(168,911)	(10,475)
Change in Accounts Payable	1,637,104	466,841	55,654	239,009	2,398,608	504,179
Change in Due to Other Funds	40,000	40,000	40,000	-	120,000	-
Change in Claims Payable	-	-	-	-	-	113,833
Change in Accrued Liabilities	104,750	33,976	54,433	50,091	243,250	56,932
Change in Refundable Deposits	37,293	36,228	-	-	73,521	-
Change in Deferred Revenue	-	-	-	4,286	4,286	-
Change in Accrued Vacation	9,787	7,962	3,295	11,868	32,912	2,634
Change in OPEB	111,861	38,652	61,232	45,197	256,942	55,833
Change in Net Pension Obligation	141,402	48,860	77,405	57,131	324,798	70,578
Total Adjustments	7,046,883	3,301,740	4,247,916	1,505,273	16,101,812	2,732,387
Net Cash Provided by Operating Activities	\$ 16,155,465	\$ 12,365,829	\$ 7,772,652	\$ 2,134,534	\$ 38,428,480	\$ 4,145,412

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

I. Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses for a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

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

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

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements and fund financial statements for proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

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

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The *Debt Service Fund* accounts for the financial resources that are restricted, committed, or assigned to expenditure for the payment of principal and interest on long-term debt paid

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

primarily from taxes levied by the City. Financial resources that are being accumulated for principal and interest in future years are also reported in the Debt Service Fund.

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

The City reports the following major proprietary funds:

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

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

The *Wastewater Fund* accounts for the activities necessary to provide sewer collection and treatment services to the residents of the City. These activities include administrative services, wastewater system operations and maintenance, new construction, financing and related debt service. Billing and collection services are accounted for as an internal service fund.

Additionally, the City reports the following fund types:

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

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

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the City's

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

enterprise funds are charges for customer services including electric, water, wastewater, and sanitation fees; while internal service funds revenues are for equipment purchase amounts and risk management charges. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents

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

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

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

Investments

Investments are made in accordance with the City's Investment Policy which was adopted by the City Council in October 2010 for the fiscal year ending September 30, 2011. This policy is applicable to all City funds and permits investment in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, certificates of deposit, public funds investment pools, and money market mutual funds. This policy states that the City's Executive Director of Business Services shall designate the City's Investment Officer with whom responsibility and authority for investment transactions reside.

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

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

the context of the overall portfolio. The objective in investment of construction funds is at least to match inflation increases in construction costs.

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

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

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

Investments of all funds may consist of Agency securities, money market mutual funds, certificates of deposit and investments in public funds investment pool. Investments are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. In 2011, the City adopted GASB No. 59, Financial Instruments Omnibus. See note IV-A regarding 2a7-like pools.

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

Inventories, Assets Held for Resale and Prepaid Costs

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

Assets held for resale include redevelopment properties, properties purchased and constructed with the express intent of resale. These assets are reported at cost in the governmental funds. Cemetery plots are another example of assets held for resale in the governmental funds. City ordinance stipulates the percentage of the cemetery plot sales to be allocated to the operational fund. These assets held for resale in the non-major governmental Community Development and Cemetery funds are reported as inventory in the financial statements and accounted for using the purchases method.

Payments made to vendors for services that will benefit periods beyond September 30, 2011, are recorded as prepaid costs with a reserve for prepaid items recognized in the governmental

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

funds in the fund level financial statements to indicate that a portion of fund balance is not available for other subsequent expenditures.

Interfund Transactions and Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Transactions between Funds

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

Restricted Assets

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

Investment in Joint Venture

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

Capital Assets

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

Assets owned by the electric utility are capitalized in accordance with Federal Energy Regulatory Commission (FERC) guidelines. Furthermore, assets owned by either the Water or Wastewater utilities are capitalized in accordance with the National Association of Regulatory Utility Commissioners (NARUC) guidelines. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful life are not capitalized.

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

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

Compensated Absences

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

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

Changes in compensated absences for the year ending September 30, 2011 were as follows:

	Beginning Balance	Earned	Paid	Ending Balance	Amount Due Within One Year
Governmental Activities	\$ 2,548,467	\$ 28,653	\$ (124,377)	\$ 2,452,743	\$ 171,692
Business Type Activities	526,095	51,385	(16,323)	561,157	28,058
Total Comp. Absences	<u>\$ 3,074,562</u>	<u>\$ 80,038</u>	<u>\$ (140,700)</u>	<u>\$ 3,013,900</u>	<u>\$ 199,750</u>

Internal service funds predominantly serve the governmental funds. All internal service funds, except for the utility customer service fund, are included as part of the above totals for governmental activities. At year end \$53,764 of internal service funds' accrued vacation was included in governmental activities, and \$54,408 of accrued vacation for the utility customer service fund was included in business type activities. For the governmental activities, accrued vacation is generally liquidated by the general fund.

Long-Term Obligations

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

Fund Equity

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

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

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

Committed Fund Balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. These committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, resolution or ordinance) it employed to previously commit these amounts.

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

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

When fund balances are available for use and the usage requirements met, the City reduces the committed amounts first, followed by the assigned amounts and then the unassigned amount lastly. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

E. Budgetary Control

The City follows these procedures in establishing budgetary data:

1. Prior to September 1, City Manager submits to City Council a proposed operating budget for the fiscal year beginning the following October 1. The operating budget includes proposed expenditures and the means for financing them.
2. All budget requests are compiled by the Office of Budget and Strategic Planning and then presented with comparative and supporting data to the Mayor and City Council for review.
3. Public hearings are properly advertised and conducted at City Hall for taxpayer comments.
4. Prior to September 27, the budget is legally enacted through passage of an ordinance.
5. The City Council must approve all transfers of budgeted amounts between departments within any fund and any revision that alters the total expenditures of any fund. An amount is also budgeted each year for contingencies which may arise. The Council has authorized the City Manager to make budget transfers for contingencies if the amount does not exceed \$15,000. All other transfers must be approved by City Council. City Council may transfer amounts among individual budget line items within major expenditure categories during the year, but no such transfer may increase the overall total budget. Budgeted amounts as originally adopted were not significantly changed by such transfers during the year.
6. In accordance with the City Charter, the budget may be amended after the following conditions are met: (a) The City Manager certifies that there are available revenues in excess of those estimated in the budget. (b) The City Council holds a public hearing on the supplemental appropriation. (c) The City Council approves the supplemental appropriation. Management may not amend the budget without seeking the approval of the City Council.

F. Budget Basis of Accounting

The City prepares its annual budget on a basis (budget basis) which differs from a GAAP basis. The budget and all transactions are presented in accordance with the City's method (budget basis) in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund to provide a meaningful comparison of actual results with the budget. The differences between budget and GAAP basis in the General Fund are that reimbursements and transfers of indirect costs are shown as Reimbursed Administration and interfund loan transactions are treated as transfers for budget basis. Consistent with the purchases method, assets held for resale are treated as expenditures for budget purposes.

II. Minimum Fund Balance/Operating Reserve Policies

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

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

The Council approved three budget amendments during fiscal year 2011. These three budget amendments included the following appropriations:

Purchased Power and Wheeling Charges	\$ 2,216,128
Bee Creek Parallel Trunk Line	2,000,000
Sanitary Sewer Lift	2,000,000
Weingarten Litigation Settlement	1,600,000
Encumbrance Roll	1,125,407
Lick Creek Centrifuge Replacement	1,000,000
Fire Vehicle Purchases	836,459
Electric Settlement Payment	500,945
FM 2154 Sewer Trunk Line	500,000
Energy Efficiency & Conservation Block Grant	208,795
State Homeland Security Grant Funding	163,286
Scott and White Economic Development Agreement	154,772
Lick Creek Hike and Bike Trail	100,000
Zone B Community Park Land	60,000
Replace Stolen John Deere Gator	12,000
Library Shelving	9,372
	<hr/>
	\$ 12,487,164

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

B. Excess of Expenditures over Appropriations

The amounts of any excesses of expenditures over appropriations during fiscal year 2011 and the funds in which they occurred are as follows:

Fund	Amount
General Fund, Police	\$ 154,799
General Fund, Library	2,408
General Fund, Chimney Hill	63,939
General Fund, Court Security Fee	7,052
General Fund, Police Seizure	3,646
General Fund, Cemetery Perpetual Care	64
Recreation Fund	125,121
General Government Projects	1,553,353
Street Projects	4,146,451

IV. Detailed Notes on All Funds

A. Cash and Investments

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

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

	Fair Value	Weighted Average Maturity (days)
Bank Demand Accounts	\$ 48,002,514	1
Money Market Account	20,237,078	1
Certificates of Deposits	15,126,667	166
Texas Local Government Investment Pool	34,141,206	1
	\$ 117,507,465	
Portfolio Weighted Average Maturity		22

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

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

1. Direct obligations of the United States government: U.S. Treasury Bills, U.S. Treasury Notes, and U.S. Treasury Bonds as well as Bonds or other interest bearing obligations for which the principal and interest are guaranteed by the full faith and credit of the

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

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

As of September 30, 2011, the City's investments in Texpool and TexSTAR were rated by Standard & Poor's as AAAM.

Credit concentration: With the exception of U.S. Treasury securities and authorized pools, the City's Investment Policy limits the investment in a single security type or with a single financial institution to 30%. It also limits the overall investment in Federal Agency securities to 70% and Certificates of Deposit to 30%. As of September 30, 2011, the issuers whose securities represented more than 5% of the City's investment portfolio were as follows: American Momentum Bank (21 %) and Citibank (29 %).

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

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

B. Receivables

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

Governmental Activities:					Internal	Total
	General	Debt Service	Street Projects	Nonmajor	Service Fund Allocation	
Taxes:						
Property	\$ 343,180	\$ 394,473	\$ -	\$ -	\$ -	\$ 737,653
Beverage	79,351	-	-	-	-	79,351
Sales	1,850,162	-	-	-	-	1,850,162
Subtotal Taxes	2,272,693	394,473	-	-	-	2,667,166
Grants	340	-	-	125,349	-	125,689
Accounts/Charges for Services	1,502,107	-	373,512	415,695	36,342	2,327,656
Loans	-	-	-	639,837	-	639,837
Miscellaneous	23,474	-	-	-	2,500	25,974
Total Gross Governmental	3,798,614	394,473	373,512	1,180,881	38,842	5,786,322
Less Allowance for						
Uncollectible Accounts	(35,212)	-	-	(106,222)	-	(141,434)
Net Total Receivables	\$ 3,763,402	\$ 394,473	\$ 373,512	\$ 1,074,659	\$ 38,842	\$ 5,644,888
Business-type Activities:					Internal	
	Electric	Water	Wastewater	Nonmajor	Service Fund Allocation	Total
Accrued Interest	\$ -	\$ 1,813	\$ -	\$ 23,668	\$ -	\$ 25,481
Accounts/Charges for Services	15,094,711	3,285,270	1,722,949	993,472	37,738	21,134,140
Loans	-	-	-	4,765,000	-	4,765,000
Miscellaneous	1,089,393	-	-	-	11,444	1,100,837
Total Gross Business-type	16,184,104	3,287,083	1,722,949	5,782,140	49,182	27,025,458
Less Allowance for						
Uncollectible Accounts	(2,866,799)	(174,424)	(255,299)	(150,946)	(24,676)	(3,472,144)
Net Total Receivables	\$ 13,317,305	\$ 3,112,659	\$ 1,467,650	\$ 5,631,194	\$ 24,506	\$ 23,553,314

Loans Receivable in the non-major governmental funds are made up of a \$500,000, 40-year loan of HOME Investment Partnership (HOME) funds for Santour Court, an affordable, single-family residential development and \$139,837 in HOME down-payment assistance loans for eligible HOME participants. The loans are made with Federal funds from the Department of Housing and Urban Development (HUD).

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

Year Ended September 30,	Due from Related Party	
	Principal	Interest
2012	\$ 215,000	\$ 184,235
2013	220,000	177,710
2014	230,000	170,960
2015	240,000	163,910
2016-2020	1,150,000	705,089
2021-2025	1,365,000	462,767
2026-2030	1,345,000	125,573
	<u>\$ 4,765,000</u>	<u>\$ 1,990,244</u>

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

	Unavailable	Unearned	Total
Property Tax	\$ 737,653	\$ -	\$ 737,653
Hotel Occupancy Tax	17,235	-	17,235
Paving Assessments	373,512	-	373,512
Intergovernmental	-	300,918	300,918
Fines and Penalties	-	163,749	163,749
Emergency Services	1,159,911	-	1,159,911
Cemetery Plot Sales	65,619	-	65,619
Other	-	72,783	72,783
	<u>\$ 2,353,930</u>	<u>\$ 537,450</u>	<u>\$ 2,891,380</u>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

C. Capital Assets

Capital asset activity for the year ended September 30, 2011 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Capital Assets, Not Being Depreciated					
Land	\$ 42,699,556	\$ 351,338	\$ -	\$ -	\$ 43,050,894
Construction in Progress	7,646,314	5,900,296	-	-	13,546,610
Total Capital Assets, Not Being Depreciated	50,345,870	6,251,634	-	-	56,597,504
Capital Assets, Being Depreciated					
Buildings and Building Improvements	35,131,127	529,691	-	-	35,660,818
Improvements Other Than Buildings	33,970,310	742,901	-	(210,187)	34,503,024
Machinery and Equipment	29,161,431	5,749,208	(1,118,207)	-	33,792,432
Infrastructure	224,192,897	4,619,609	-	(31,336)	228,781,170
Total Capital Assets, Being Depreciated	322,455,765	11,641,409	(1,118,207)	(241,523)	332,737,444
Less Accumulated Depreciation for:					
Buildings and Building Improvements	8,625,005	1,287,005	-	-	9,912,010
Improvements Other Than Buildings	12,230,124	1,691,190	-	-	13,921,314
Machinery and Equipment	19,171,341	2,239,610	(517,173)	1,123	20,894,901
Infrastructure	104,949,112	8,032,962	-	-	112,982,074
Total Accumulated Depreciation	144,975,582	13,250,767	(517,173)	1,123	157,710,299
Total Capital Assets Being Depreciated, Net	177,480,183	(1,609,358)	(601,034)	(242,646)	175,027,145
Governmental Type Activities Capital Assets, Net	\$ 227,826,053	\$ 4,642,276	\$ (601,034)	\$ (242,646)	\$ 231,624,649
Business-Type Activities	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Capital Assets, Not Being Depreciated					
Land	\$ 690,707	\$ -	\$ -	\$ 43	\$ 690,750
Construction in Progress	69,448,456	15,582,984	(15,025,081)	1	70,006,360
Total Capital Assets, Not Being Depreciated	70,139,163	15,582,984	(15,025,081)	44	70,697,110
Capital Assets, Being Depreciated					
Electric System	142,507,782	16,621,180	(5,938,923)	1	153,190,040
Water System	105,672,038	5,514,577	(995,118)	1	110,191,498
Wastewater System	100,167,938	3,411,304	(397,317)	-	103,181,925
Buildings and Building Improvements	6,431,720	-	-	(10,720)	6,421,000
Machinery and Equipment	5,627,132	362,797	(48,370)	48,845	5,990,404
Total Capital Assets, Being Depreciated	360,406,610	25,909,858	(7,379,728)	38,127	378,974,867
Less Accumulated Depreciation for:					
Electric System	63,621,550	5,350,895	(799,521)	-	68,172,924
Water System	34,318,332	3,439,609	(339,886)	-	37,418,055
Wastewater System	33,426,829	3,505,461	(178,602)	-	36,753,688
Buildings and Building Improvements	1,282,756	203,892	-	(429)	1,486,219
Machinery and Equipment	3,696,836	731,424	(59,090)	(8)	4,369,162
Total Accumulated Depreciation	136,346,303	13,231,281	(1,377,099)	(437)	148,200,048
Total Capital Assets Being Depreciated, Net	224,060,307	12,678,577	(6,002,629)	38,564	230,774,819
Business Type Activities Capital Assets, Net	\$ 294,199,470	\$ 28,261,561	\$ (21,027,710)	\$ 38,608	\$ 301,471,929

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

Depreciation expense for fiscal year 2011 was charged as follows:

General Government	\$ 976,928
Fiscal Services	624,215
Police	2,932,248
Fire	2,385,651
Planning and Development Services	704,283
Public Works	1,367,535
Parks and Recreation	1,692,942
Library	210,461
Non-departmental	1,187,870
Capital Assets held by Internal Service Fund	1,722,305
Governmental Activities Depreciation Expense	<u>\$ 13,804,438</u>
Electric	5,209,324
Water	3,230,062
Wasterwater	3,495,164
Sanitation	650,703
Northgate Parking	238,446
Utility Customer Service	45,730
Business-Type Depreciation Expense	<u>\$ 12,869,429</u>

D. Interfund Transactions

Transfers between funds during the year were as follows:

	Transfers In	Transfers Out	Governmental Activities, net	Business-type Activities, net
Governmental Activities:				
General Fund	\$ 16,065,942	\$ (3,360,822)	\$ 12,705,120	\$ -
Debt Service Fund	222,519	-	222,519	-
Street Projects	-	(1,156,745)	(1,156,745)	-
Other Nonmajor Governmental Funds	3,093,684	(3,266,058)	(172,374)	-
Internal Service Funds	1,963,575	-	1,963,575	-
Business-type Activities:				
Enterprise Funds:				
Electric	702,766	(8,460,752)	-	(7,757,986)
Water	-	(2,395,036)	-	(2,395,036)
Wastewater	-	(2,164,675)	-	(2,164,675)
Other Nonmajor Enterprise Funds	-	(1,244,398)	-	(1,244,398)
	<u>\$ 22,048,486</u>	<u>\$ (22,048,486)</u>	<u>\$ 13,562,095</u>	<u>\$ (13,562,095)</u>

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

The composition of due to/due from balances as of September 30, 2011 is as follows:

Business-type Activities:	Governmental Activities:	
<u>Due To</u>	<u>Due From</u>	Amount
Water Fund	Economic Development	\$ 40,000
Wastewater	Economic Development	40,000
Electric Fund	Economic Development	40,000
<u>Advance From</u>	<u>Advance To</u>	Amount
Water Fund	Economic Development	\$ 80,000
Wastewater	Economic Development	80,000
Electric Fund	Economic Development	80,000

Internal loans (inter-fund advances) of \$200,000 each from the Water, Wastewater and Electric Funds to the Economic Development Fund were recorded during the fiscal year ended September 30, 2008. The loans partially funded the purchase of real property related to an economic development project and are repayable in even installments over five years.

E. Operating Lease as Lessor

The city acquired property on University Drive known as the Chimney Hill Property in fiscal year 2009 with the intention to build a convention center on the property. Hotel tax funds were used to finance \$7,000,000 of the purchase, with the remainder of the purchase price coming from Certificate of Obligation, Series 2009. The purchase price was allocated between the land, \$6,555,190, and an existing building on the property, \$3,084,795. As of September 30, 2011, the building carried a net value of \$2,899,707 and \$185,088 in accumulated depreciation.

The building at Chimney Hill was partially leased to private businesses when the City acquired the property. At September 30, 2011, one space is being rented on a month-to-month basis to Western Beverage. Two other spaces have leases as follows:

Year Ended September 30,	Operating leases as Lessor		
	Republic	DaVita	Total
2012	\$ 102,656	\$ 210,687	\$ 313,343
2013	105,736		105,736
2014	108,373		108,373
2015	112,176		112,176
2016	115,541		115,541
2017-2021	48,733		48,733
	<u>\$ 593,215</u>	<u>\$ 210,687</u>	<u>\$ 803,902</u>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

F. Deferred Charges

See Note IV B.

G. Prior Period Adjustment

A prior period adjustment was made to the Cemetery Funds to reflect a correction of the reported revenue for fiscal year 2010. The revenue for the Memorial Cemetery Perpetual Care Fund and the Memorial Cemetery Fund was understated by \$365,647 in 2010. The entry increased the beginning fund balances by \$365,647.

H. Long-Term Debt

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2011 follows:

	Beginning Balance	Incurred/ Issued	Matured/ Retired	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 75,020,000	\$ 13,205,000	\$ 10,170,000	\$ 78,055,000	\$ 6,235,000
Certificates of Obligation	35,675,000	15,000	9,605,000	26,085,000	1,990,000
Governmental Activity					
Long Term Debt	<u>\$ 110,695,000</u>	<u>\$ 13,220,000</u>	<u>\$ 19,775,000</u>	<u>\$ 104,140,000</u>	<u>\$ 8,225,000</u>
Business Type Activities:					
General Obligation Bonds	\$ 3,830,000	\$ 25,905,000	\$ 1,080,000	\$ 28,655,000	\$ 1,945,000
Certificates of Obligation	48,970,000	7,920,000	1,940,000	54,950,000	2,315,000
Utility Revenue Bonds	87,745,000	-	33,250,000	54,495,000	4,650,008
Business Type Activity					
Long Term Debt	<u>\$ 140,545,000</u>	<u>\$ 33,825,000</u>	<u>\$ 36,270,000</u>	<u>\$ 138,100,000</u>	<u>\$ 8,910,008</u>

Internal service funds predominantly serve the governmental funds. All internal service funds, except for the utility customer service fund, are included as part of the above totals for governmental activities.

Long-term debt at September 30, 2011 includes the following individual issues (not including unamortized premiums or discounts):

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds - Governmental Activities:						
2001 Issue	4.00-5.50	8/1/01	2/15/17	\$ 4,140,000	\$ 4,140,000	\$ -
2002 Issue	4.25-5.125	3/1/02	2/15/21	6,445,000	6,145,000	300,000
2003 Issue	3.00-4.50	7/1/03	2/15/23	4,790,000	1,375,000	3,415,000
2004 Issue	2.875-5.00	5/1/04	2/15/24	12,940,000	6,230,000	6,710,000
2005 Issue	4.00-6.00	5/1/05	2/15/25	5,710,000	1,475,000	4,235,000
2006 Issue	4.375-6.375	7/1/06	2/15/26	7,375,000	1,685,000	5,690,000
2006 Issue - Refunding	4.00-5.00	12/1/06	2/15/18	10,255,000	880,000	9,375,000
2007 Issue	4.25-6.25	9/1/07	2/15/27	3,930,000	1,425,000	2,505,000
2008 Issue	4.0 - 5.0	9/1/08	2/15/28	9,455,000	1,860,000	7,595,000
2009 Issue	3.5 - 4.0	7/15/09	2/15/21	3,335,000	200,000	3,135,000
2009 Issue - Refunding	2.00-4.00	11/15/09	2/15/20	4,265,000	845,000	3,420,000
2010 Issue	2.00-3.50	8/15/10	2/15/30	19,635,000	1,020,000	18,615,000
2010 Issue - Refunding	.30-5.0	11/15/10	2/15/22	11,245,000	145,000	11,100,000
2011 Issue	.25-1.6	9/22/11	2/15/18	1,960,000	-	1,960,000
				<u>\$ 105,480,000</u>	<u>\$ 27,425,000</u>	<u>\$ 78,055,000</u>
Certificates of Obligation - Governmental Activities:						
2001 Issue	4.00-5.00	8/1/01	2/15/20	\$ 3,650,000	\$ 3,650,000	\$ -
2002 Issue	4.25-5.125	3/1/02	2/15/20	14,480,000	13,880,000	600,000
2003A Issue	2.90-4.20	7/1/03	2/15/23	780,000	225,000	555,000
2004B Issue	2.875-5.00	5/1/04	2/15/24	6,780,000	6,780,000	-
2005 Issue	3.00-4.50	5/1/05	2/15/25	7,595,000	4,660,000	2,935,000
2006 Issue	4.375-6.375	7/1/06	2/15/26	8,325,000	2,150,000	6,175,000
2007 Issue	4.25-6.25	9/1/07	2/15/27	3,960,000	1,435,000	2,525,000
2008 Issue	3.25 - 5.0	9/1/08	2/15/28	22,855,000	14,365,000	8,490,000
2009 Issue	3.00-5.00	7/15/09	2/15/29	6,480,000	2,145,000	4,335,000
2010 Issue	2.00-3.50	8/15/10	2/15/30	1,050,000	595,000	455,000
2011 Issue	2.00-3.60	9/22/11	2/15/31	15,000	-	15,000
				<u>\$ 75,970,000</u>	<u>\$ 49,885,000</u>	<u>\$ 26,085,000</u>
General Obligation Bonds - Business-type Activities:						
2009 Issue - Refunding	2.00-4.00	11/15/09	2/15/20	\$ 3,830,000	\$ 760,000	\$ 3,070,000
2010 Issue - Refunding	.30-5.0	11/15/10	2/15/22	25,905,000	320,000	25,585,000
				<u>\$ 29,735,000</u>	<u>\$ 1,080,000</u>	<u>\$ 28,655,000</u>
Certificates of Obligation - Business-type Activities:						
2000A Issue	4.75-5.50	8/1/00	2/15/20	\$ 6,385,000	\$ 6,385,000	\$ -
2004 Issue	2.875-5.00	5/1/04	2/15/24	8,915,000	2,135,000	6,780,000
2008 Issue	3.25 - 5.0	9/1/08	2/15/28	15,925,000	1,560,000	14,365,000
2009 Issue	3.00-5.00	7/15/09	2/15/29	29,980,000	6,845,000	23,135,000
2010 Issue	2.00-3.50	8/15/10	2/15/30	2,850,000	100,000	2,750,000
2011 Issue	2.00-3.60	9/22/11	2/15/31	7,920,000	-	7,920,000
				<u>\$ 71,975,000</u>	<u>\$ 17,025,000</u>	<u>\$ 54,950,000</u>
Utility Revenue Bonds:						
2000 Issue	5.00-5.25	4/1/00	2/1/12	\$ 10,500,000	\$ 10,500,000	\$ -
2001 Issue	4.50-5.50	8/1/01	2/1/21	23,500,000	23,500,000	-
2002 Issue	4.00-6.00	3/1/02	2/1/22	18,215,000	17,365,000	850,000
2003 Issue - Refunding	3.50-4.25	12/1/02	2/1/14	11,160,000	8,305,000	2,855,000
2003A Issue	2.50-4.25	7/1/03	2/1/23	4,850,000	1,405,000	3,445,000
2005 Issue	4.00-5.50	5/1/05	2/1/25	8,035,000	1,495,000	6,540,000
2005A Issue - Refunding	3.00-5.25	8/1/05	2/1/18	12,995,000	2,755,000	10,240,000
2006 Issue	4.375-6.375	7/1/06	2/1/26	16,950,000	2,670,000	14,280,000
2007 Issue	4.00-5.75	9/1/07	2/1/27	18,665,000	2,380,000	16,285,000
				<u>\$ 124,870,000</u>	<u>\$ 70,375,000</u>	<u>\$ 54,495,000</u>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

The annual requirements to amortize debt outstanding as of September 30, 2011 are as follows:

Year Ended September 30,	Governmental Activities					
	General Obligation		Certificates of Obligation			
	Principal	Interest	Principal	Interest		
2012	\$ 6,235,000	\$ 2,892,542	\$ 1,990,000	\$ 1,247,308		
2013	6,000,000	2,676,977	1,445,000	1,174,918		
2014	5,895,000	2,453,891	1,515,000	1,112,603		
2015	5,930,000	2,231,584	1,585,000	1,045,891		
2016	5,835,000	2,006,062	1,560,000	975,991		
2017-2021	24,390,000	6,850,634	7,015,000	3,894,849		
2022-2026	16,220,000	2,972,126	8,530,000	1,938,210		
2027-2031	7,550,000	496,120	2,445,000	199,974		
	<u>\$ 78,055,000</u>	<u>\$ 22,579,936</u>	<u>\$ 26,085,000</u>	<u>\$ 11,589,744</u>		

Year Ended September 30,	Business-Type Activities					
	General Obligation		Certificates of Obligation		Utility Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 1,945,000	\$ 1,144,925	\$ 2,315,000	\$ 1,881,008	\$ 4,650,000	\$ 2,378,824
2013	2,495,000	1,071,650	2,400,000	1,835,770	4,590,000	2,153,443
2014	2,600,000	976,612	2,510,000	1,765,371	4,490,000	1,935,909
2015	2,725,000	875,125	2,640,000	1,689,433	3,910,000	1,731,818
2016	2,850,000	755,625	2,770,000	1,603,970	4,100,000	1,543,424
2017-2021	15,005,000	1,761,363	14,415,000	6,603,944	15,790,000	5,429,490
2022-2026	1,035,000	20,700	16,910,000	3,686,490	15,500,000	2,067,226
2027-2031	-	-	10,990,000	697,019	1,465,000	195,425
	<u>\$ 28,655,000</u>	<u>\$ 6,606,000</u>	<u>\$ 54,950,000</u>	<u>\$ 19,763,005</u>	<u>\$ 54,495,000</u>	<u>\$ 17,435,559</u>

The City intends to retire all of its general long-term liabilities, plus interest, from ad valorem taxes with the exception of bonds issued in 2009 to purchase land for a convention center site. Repayment of this debt will be paid for by Hotel Occupancy Tax collected. Proprietary fund type long-term debt used for Electric, Water and Wastewater projects will be repaid, plus interest, from the operating revenues of the Electric, Water, and Wastewater funds.

General Obligation Bonds and Certificates

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

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

The City is required by bond covenants to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. In addition to the sinking fund, there are a number of limitations and restrictions contained in the various general obligation bonds and certificate indentures. The City is in compliance with the significant limitations and restrictions at September 30, 2011.

On November 15, 2010 the City issued \$37,150,000 General Obligation Refunding Bonds, Series 2010. The advanced refunding of General Obligation Improvement Bonds, Series 2001 and 2002; Certificates of Obligation 2001 and 2002; and Utility Revenue Bonds Series 2000,

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

2001 and 2002 was undertaken to reduce total general obligation and utility revenue debt service payments over the next 12 years by \$4,547,573 resulting in net present value savings of \$3,911,310.

The City issued \$1,960,000 in General Obligation Bonds, dated September 15, 2011, with a true interest cost of 1.185792%. The proceeds from the sale of the bonds will be used to pay for (1) costs of construction, acquisition of and improvements to City streets; (2) parks and parks facilities improvements, (3) pay the costs incurred in connection with the issuance of the Bonds.

The City issued \$7,935,000 in Certificates of Obligation, dated September 15, 2011, with a true interest cost of 2.978799%. The proceeds from the sale of the Certificates will be used to pay for (1) construction of improvements to the City's combined electric, waterworks and wastewater systems and (2) to pay costs incurred in connection with the issuance of the Certificates.

In 2009, the City issued \$5,145,000 in Certificates of Obligation to pay for a portion of the construction of a new municipal landfill. The City of College Station jointly owns Brazos Valley Solid Waste Management Agency Inc. (BVSWMA) with the City of Bryan. BVSWMA Inc. has pledged to repay the \$5,145,000 plus interest to the City of College Station. As of September 30, 2011 BVSWMA Inc. owed the City \$4,765,000.

Revenue Bonds

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

Arbitrage Compliance

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate to the federal government excess arbitrage earnings from bond proceeds. As of September 30, 2011, the City did not have an arbitrage rebate liability.

Defeasance

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

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On September 30, 2011, the City's escrow balance for bonds defeased on November 15, 2010 was \$21,120,000. The defeased bonds are not callable until February 1, 2012 and February 15, 2012.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

I. Components of Fund Balances

Fund balances for governmental funds at September 30, 2011 are as follows:

	General	Debt Service	Street Projects	Other	Total
Fund Balances:					
Nonspendable:					
Assets Held for Resale	\$ -	\$ -	\$ -	\$ 7,250,300	\$ 7,250,300
Inventories	45,322	-	-	-	45,322
Long Term Loans Receivable	-	-	-	639,837	639,837
Prepays	13,226	-	-	-	13,226
Restricted for:					
Community and Neighborhood Parks	-	-	-	2,305,807	2,305,807
Community Development	-	-	-	884,400	884,400
Court Security Fee	-	-	-	93,550	93,550
Court Technology Fee	-	-	-	377,728	377,728
Debt Service	-	4,304,594	-	-	4,304,594
Doak Family (Library) Endowment	1,537	-	-	-	1,537
Drainage	-	-	-	2,067,361	2,067,361
Educational / Governmental Access Fee	253,234	-	-	-	253,234
General Government Capital Projects	671,027	-	13,578,973	10,895,704	25,145,704
Hotel Occupancy Tax	-	-	-	5,194,593	5,194,593
Juvenile Case Manager	-	-	-	318,202	318,202
Parks and Recreation Capital Projects	-	-	-	1,863,950	1,863,950
Police Seizure	-	-	-	63,153	63,153
Traffic Safety	-	-	-	82,688	82,688
Wolf Pen Creek TIF	-	-	-	3,256,991	3,256,991
Committed to:					
College Station Cemetery Perpetual Care	-	-	-	1,709,166	1,709,166
Memorial Cemetery	-	-	-	1,032,576	1,032,576
Memorial Cemetery Perpetual Care	-	-	-	407,501	407,501
Assigned:					
Encumbrances	537,586	-	-	-	537,586
Unassigned:	12,871,125	-	-	-	12,871,125
	<u>\$ 14,393,057</u>	<u>\$ 4,304,594</u>	<u>\$ 13,578,973</u>	<u>\$ 38,443,507</u>	<u>\$ 70,720,131</u>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

V. Other Information

A. Property Taxes

Property tax is levied each October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the City. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the City Council.

Taxes are due October 1 and are delinquent after the following January 31. Tax liens are automatic and become enforceable as of January 1 of each year. Taxes become delinquent February 1 and are subject to interest and penalty charges. The tax rate to finance general governmental services including debt service was 44.75 cents per \$100 of assessed valuation for the year ended September 30, 2011. Under current state statutes, the City's ability to increase the levy for property taxation is subject to a maximum rate of \$2.50 per \$100 valuation.

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

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

B. Risk Management

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

The City is self-insured for health benefits, and the plan is administered by Blue Cross Blue Shield. This activity is accounted for in the Employee Benefits Fund, which is funded monthly by employee contributions and from City operating funds. These contributions are determined based on an analysis of prior year claims and administrative costs and a forecast of future claims and administrative costs. The City's stop loss insurance policy limits its liability to \$125,000 per individual per year with an aggregate attachment point for the last 12 months of \$8,793,530. The liability for outstanding losses includes \$821,596 for claims incurred but not reported as of September 30, 2011.

In fiscal year 2011, City real and personal property and mobile equipment was insured by Affiliated FM, A.M. Best rated A+, financial category XV. Affiliated FM premiums were funded by calculated contributions from the City's operating funds. Affiliated FM provided claims handling for these coverage lines. The City carried a property insurance policy deductible between \$100,000 and \$250,000 per occurrence, depending on type of loss. Property insurance covered all direct losses and some indirect losses.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

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

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

Liabilities in the property and casualty fund and the workers' compensation fund are reported when it is probable a loss has occurred and the loss amount can be reasonably estimated. Liabilities include an amount for claims incurred but not reported. Based on the most recent actuarial study, the City has recorded a potential liability of \$611,625 in the property and casualty fund and a potential liability of \$311,235 in the workers' compensation fund. The results of the process to estimate the claims liability is not exact, as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to accommodate the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

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

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

The liabilities for insurance claims reported in each of the funds are based on Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims to be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and if the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. Changes in the balances of claims liabilities for the self-insurance funds that are accounted for as Internal Service Funds for fiscal years 2011 and 2010 are as follows:

	2011	2010
Unpaid Claims, October 1	\$ 1,630,623	\$ 1,549,912
Incurred Claims (including IBNR's)	6,664,986	7,139,389
Claims Paid	(6,551,153)	(7,058,678)
Unpaid Claims, September 30	<u>\$ 1,744,456</u>	<u>\$ 1,630,623</u>

C. Joint Venture

In 1990 the Brazos Valley Solid Waste Management Agency ("BVSWMMA") was formed under a joint solid waste management agreement between the Cities of College Station and Bryan. College Station and Bryan agreed to cooperatively operate a joint facility for the proper disposal of solid waste for the two cities and outside customers. Each City reported 50% ownership in BVSWMMA. The City of College Station served as landfill operator. This basic structure is how BVSWMMA operated until 2010.

In February 2010 the City Councils for the City of Bryan and the City of College Station approved Articles of Incorporation for BVSWMMA, Inc. a Local Government Corporation under

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

the provisions of Subchapter D of Chapter 431, Texas Transportation Code; and Chapter 394, Texas Local Government Code. In March 2010, the City Councils of Bryan and College Station approved Bylaws for BVSWMA, Inc., which establishes the power to issue debt and to acquire land.

The powers of BVSWMA, Inc. are vested in a 7 member Board of Directors, with each city Council appointing 3 members and the 7th member to be selected by an approval process set forth in the Articles of Incorporation and deemed to have been appointed by the Cities.

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

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

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

Per GASB 14, a Joint Venture (JV) is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest OR (b) and ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the Joint Venture.

An ongoing financial interest includes an equity interest, as defined in paragraph 72, and any other arrangement that causes a participating government to have access to the Joint Venture's resources. An equity interest in a Joint Venture is manifest in the ownership of shares of Joint Venture stock or by otherwise having an explicit, measurable right to the net resources of a Joint Venture that is usually based on an investment of financial or capital resources by a participating government. An equity interest is explicit and measurable if the Joint Venture agreement stipulates that the participants have a present or future claim to the net resources of the Joint Venture and sets forth the method to determine the participants' shares of the Joint Venture's net resources. Per the BVSWMA, Inc. By-laws, paragraph 8.05, Section 431.107 of the Texas Transportation Corporation Act entitles the Cities, at all times, to have the right to equally receive the income earned by the corporation. Also, per BVSWMA, Inc.'s By-laws, paragraph 4.03a, the corporation, with the approval of the Cities, is authorized to issue short-

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

term debt, however, the Cities shall be given the first opportunity to provide these funds before the Board incurs debt. This would result in the City of College Station providing an investment of financial resources to BSWMA, Inc.

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

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

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

State and federal laws and regulations require BSWMA, Inc. to place a final cover on its Rock Prairie landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Rock Prairie Road landfill stopped accepting waste in July 2011, and the Twin Oaks Landfill in Grimes County began accepting waste. Although closure and post closure care costs will be paid only near or after the date that the landfill stopped accepting waste, BSWMA, Inc. reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The following is a summary of information from the unaudited financial statements of BSWMA Inc. as of September 30, 2011:

Assets:	
Current Assets	\$ 11,985,928
Capital Assets	27,118,837
(Net of \$1,920,204 Accumulated Depreciation)	
Deferred Landfill Permits	3,094,808
(Net of \$18,572 Accumulated Amortization)	
	<u>42,199,573</u>
Liabilities:	
Current Liabilities	1,363,010
Noncurrent Liabilities:	
Accrued Post Closure Maintenance Costs	5,603,086
Other Noncurrent Liabilities	9,345,000
Total Liabilities	<u>16,311,096</u>
Net Assets	
Invested In Capital Assets	17,353,837
Unrestricted	8,534,640
Total Net Assets	<u>\$ 25,888,477</u>
Program Revenues	\$ 7,043,016
Expenses	<u>7,062,821</u>
	(19,805)
General Revenues	<u>(145,656)</u>
Change in Net Assets	<u>\$ (165,461)</u>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

The City's share of BVSWMA Inc.'s net assets for fiscal year 2011 was \$12,944,238. A copy of BVSWMA Inc's financial statements may be obtained from the City's Fiscal Services Department.

D. Pension Plan

Plan Description

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

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. The report may be obtained by writing to TMRS, Post Office Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at <http://www.tmr.org/>

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

	<u>Plan Year 2009</u>	<u>Plan Year 2010</u>	<u>Plan Year 2011</u>
Employee deposit rate	7.00%	7.00%	7.00%
Matching ratio (City to Employee)	2 to 1	2 to 1	2 to 1
Years required for vesting	5	5	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above	20 years at any age, 5 years at age 60 and above	20 years at any age, 5 years at age 60 and above
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating	70% of CPI Repeating

Contributions

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

normal cost and the prior service contribution rates include recognition of the projected impact of annually repeated benefits, such as Updated Service Credits and Annuity Increases.

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Annual Required Contribution (ARC)	\$ 6,645,900	\$ 7,582,944	\$ 7,998,505
Interest on Net Pension Obligation	-	98,251	234,216
Adjustment to the ARC	-	(80,230)	(193,787)
Annual Pension Cost	6,645,900	7,600,965	8,038,934
Contributions Made	<u>(5,313,678)</u>	<u>(5,810,310)</u>	<u>(6,413,446)</u>
Increase (decrease) in net pension obligation	1,332,222	1,790,655	1,625,488
Net Pension Obligation, beginning of year	<u>-</u>	<u>1,332,222</u>	<u>3,122,877</u>
Net Pension Obligation, end of year	<u>\$ 1,332,222</u>	<u>\$ 3,122,877</u>	<u>\$ 4,748,365</u>

Three-Year Trend Information

Accounting Year Ending	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation
9/30/2009	\$ 6,645,900	\$ 5,313,678	79.95%	\$ 1,332,222
9/30/2010	7,600,965	5,810,310	76.44%	3,122,877
9/30/2011	8,038,934	6,413,446	79.78%	4,748,365

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

The required contribution rates for fiscal year 2011 were determined as part of the December 31, 2008 and 2009 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2010, also follows

	12/31/2008	12/31/2009	12/31/2010- Prior to Restructuring	12/31/2010- Restructured
Actuarial Cost Method:	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method:	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	29.0 Years-- Closed Period	28.1 Years-- Closed Period	27.1 Years-- Closed Period	27.1 Years-- Closed Period
Amortization Period for new Gains/Losses	30 Years	30 Years	30 Years	30 Years
Asset Valuation Method:	Amortized Cost	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions:				
Investment Rate of Return*	7.5%	7.5%	7.5%	7.0%
Projected Salary Increases*	Varies by age and service	Varies by age and service	Varies by age and service	Varies by age and service
*Includes Inflation at: Cost-of-Living Adjustments:	3.00%	3.00%	3.00%	3.00%
	2.1%	2.1%	2.1%	2.1%

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

The funded status as of December 31, 2010, the most recent actuarial valuation date, is as follows:

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Annual Covered Payroll (Calendar Year)	UAAL as a Percentage of Covered Payroll
12/31/2008	\$ 90,243,677	\$ 138,576,504	65.1%	\$ 48,332,827	\$ 40,337,456	119.8%
12/31/2009	97,331,034	148,904,236	65.4%	51,573,202	41,515,345	124.2%
12/31/2010	145,688,745	190,548,951	76.5%	44,860,206	40,662,340	110.3%

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

E. Other Post Employment Benefits

Program description:

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

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

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

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

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

During fiscal year 2011, thirty-one former employees were covered under this arrangement, with claims totaling \$513,998. 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.

Annual OPEB Cost and Net OPEB Obligation

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

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

	2009	2010	2011
Annual Required Contribution (ARC)	\$ 2,241,140	\$ 2,438,554	\$ 1,850,510
Interest on Net OPEB Obligation	-	131,799	211,750
Adjustment to the ARC	-	(150,551)	(262,374)
Annual OPEB Cost	<u>2,241,140</u>	<u>2,419,802</u>	<u>1,799,886</u>
Contributions Made	(44,493)	(381,459)	(513,998)
Increase in Net OPEB obligation	<u>2,196,647</u>	<u>2,038,343</u>	<u>1,285,888</u>
Net OPEB Obligation, beginning of year	-	2,196,647	4,234,990
Net OPEB Obligation, end of year	<u>\$ 2,196,647</u>	<u>\$ 4,234,990</u>	<u>\$ 5,520,878</u>

Accounting Year Ending	Annual OPEB Cost	Actual Contribution Made	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2009	\$ 2,241,140	\$ 44,493	1.99%	\$ 2,196,647
9/30/2010	2,419,802	381,459	15.76%	4,234,990
9/30/2011	1,799,886	513,998	28.56%	5,520,878

Generally, the Net OPEB Obligation is the cumulative difference since the effective date of GASB 45 between the annual OPEB cost and the employer's contributions to the plan including

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

the OPEB liability/(asset) at transition, if any. Because the City did not have an OPEB liability/(asset) at transition, the Net OPEB Obligation as of October 1, 2008 is zero. Whenever the City contributes an amount less than the annual OPEB cost, this shortfall will increase the City's Net OPEB Obligation.

Actuarial Methods and Assumptions

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

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

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

The required contribution rates were determined as part of the October 1, 2010 actuarial valuation. Significant methods and assumptions follow:

Actuarial valuation date	10/1/2010
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Level dollar
Remaining Amortization Period:	30 year open period
Amortization Period for new Gains/Losses	30 Years
Asset Valuation Method:	Market
Actuarial Assumptions:	
Investment Rate of Return*	5.0%
*Includes Inflation at:	4.00%
Projected Salary Increases	N/A
Annual Healthcare Trend Rates:	8.50% in FYE 2011 declining to 5.00% in FYE 2018

Funding Status and Funding Progress

The Schedule of Funding Progress presents information as of the current valuation date and the two preceding valuation dates. As of the date of this financial statement, the City has had two valuations, that for the fiscal year beginning October 1, 2008, and one for the fiscal year beginning October 1, 2010.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Annual Covered Payroll (Fiscal Year)	UAAL as a Percentage of Covered Payroll
10/1/2008	\$ -	\$15,244,888	0.0%	\$15,244,888	\$41,019,952	37.16%
10/1/2010	\$ -	\$13,868,768	0.0%	\$13,868,768	\$43,000,000	32.25%

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

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

F. Deferred Compensation Plan

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

All amounts of compensation deferred under the plan (until paid or made available to the employee or other beneficiary) were placed in trust for the exclusive benefit of the participants and the beneficiaries. This action is in accordance with changes made to IRC Section 457. The City is not the 457 Plan Administrator or trustee and the assets of the plan are not reportable in the City's basic financial statements.

G. Commitments and Contingencies

Construction Commitments

The City has contractual commitments of \$10,623,878 in the Capital Projects Funds, \$1,791,102 in the Water Fund, \$2,756,474 in the Wastewater Fund and \$381,800 in the Electric Fund. These commitments are for construction of various projects and will be funded primarily from long term debt.

Contingencies

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2011

Litigation

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

H. Bonds Available for Sale

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

	Year <u>Authorized</u>	Unissued <u>Amount</u>
Public Buildings	1984	\$ 700,000
Street Improvements	1984	500,000
Street Improvements	2003	440,000
Municipal Complex Improvements	2003	3,655,000
Library Expansion	2008	8,385,000
Parks and Recreation	2008	9,125,000
Street & Transportation Improvements	2008	<u>36,245,000</u>
Total		<u>\$ 59,050,000</u>

I. Revenue Bond Coverage

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

J. Subsequent Events

Defeasance

In 2009 the City issued \$31.315 million in Certificates of Obligation. \$2.6 million of the proceeds was used to purchase land for a convention center site. Council no longer intends to build a convention center, therefore, causing a change in use to the property. In order to maintain the tax exempt status of the 2009 Certificates of Obligation, Council approved to defease the convention center bonds on November 21, 2011. On December 1, 2011 the bonds were defeased. \$2.728 million was placed in an escrow account with Bank of New York to cover the principal and interest amount of the bonds until their call date of February 15, 2019.

CITY OF COLLEGE STATION, TEXAS
Required Supplementary Information

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

Actuarial Valuation Date*	Actuarial Value of Assets ** (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (Calendar Year) (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2001	\$ 52,927,528	\$ 61,856,550	\$ 8,929,022	85.6%	\$ 25,422,558	35.1%
12/31/2002	57,742,291	68,424,249	10,681,958	84.4%	27,784,120	38.4%
12/31/2003	63,223,606	80,476,343	17,252,737	78.6%	28,537,016	60.5%
12/31/2004	70,336,601	87,906,815	17,570,214	80.0%	30,978,906	56.7%
12/31/2005	75,655,678	94,605,300	18,949,622	80.0%	31,987,028	59.2%
12/31/2006	80,758,249	102,166,047	21,407,798	79.0%	34,143,239	62.7%
12/31/2007	87,193,697	130,310,054	43,116,357	66.9%	36,703,161	117.5%
12/31/2008	90,243,677	138,576,504	48,332,827	65.1%	40,337,456	119.8%
12/31/2009	97,331,034	148,904,236	51,573,202	65.4%	41,515,345	124.2%
12/31/2010	145,688,745	190,548,951	44,860,206	76.5%	40,662,340	110.3%

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

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

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

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

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

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

(unaudited)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll (Fiscal Year)	UAAL as a Percentage of Covered Payroll
10/1/2008	\$ -	\$ 15,244,888	\$ 15,244,888	0.0%	\$ 41,019,952	37.16%
10/1/2010	-	13,868,768	13,868,768	0.0%	43,000,000	32.25%

As of the date of this financial statement, the City has had two valuations, that for the fiscal year beginning October 1, 2008, and one for the fiscal year beginning October 1, 2010.

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

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund(s)
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Ad Valorem Tax	\$ 12,453,704	\$ 12,453,704	\$ 12,365,096	\$ -	\$ 12,365,096	\$ (88,608)
Sales Tax	19,077,164	19,077,164	20,292,871	(905)	20,291,966	1,214,802
Mixed Drink and Franchise	2,520,000	2,520,000	2,578,554	96,654	2,675,208	155,208
Licenses and Permits	843,285	843,285	1,054,986	-	1,054,986	211,701
Intergovernmental	197,515	197,515	589,326	(15,615)	573,711	376,196
Parks and Recreation Charges for Services	656,734	86,500	111,921	10	111,931	25,431
Other Charges for Services	2,051,092	2,051,092	2,427,960	212,515	2,640,475	589,383
Fines, Forfeits, and Penalties	3,799,260	3,799,260	3,823,406	(341,067)	3,482,339	(316,921)
Investment Income	165,363	164,963	92,017	16,347	108,364	(56,599)
Rents and Royalties	706,748	531,006	589,528	211,401	800,929	269,923
Contributions	13,893	13,893	33,995	-	33,995	20,102
Other	77,669	77,669	75,339	-	75,339	(2,330)
Total Revenues	42,562,427	41,816,051	44,034,999	179,340	44,214,339	2,398,288
Expenditures						
Current						
General Government	4,873,029	5,277,491	5,021,221	(491,992)	4,529,229	(748,262)
Fiscal Services	3,113,654	3,113,654	2,997,993	(1,070)	2,996,923	(116,731)
Police	14,626,374	14,742,851	14,890,520	7,130	14,897,650	154,799
Fire	11,899,890	12,043,131	11,444,702	(4,803)	11,439,899	(603,232)
Planning and Development Services	3,513,042	3,513,042	3,298,725	(1,337)	3,297,388	(215,654)
Public Works	6,821,413	6,913,690	6,602,097	(2,344)	6,599,753	(313,937)
Capital Improvement Projects	911,632	911,632	648,589	146,623	795,212	(116,420)
Parks and Recreation	8,444,582	5,350,883	5,021,642	(46,757)	4,974,885	(375,998)
Information Technology	3,946,682	4,012,060	3,901,721	(902)	3,900,819	(111,241)
Library	1,049,801	1,059,173	1,061,581	-	1,061,581	2,408
Claims	-	1,600,000	-	-	-	(1,600,000)
Contributions	742,442	742,442	736,192	-	736,192	(6,250)
Other	203,333	216,512	546,650	(344,205)	202,445	(14,067)
Pay Plan Contingency	121,136	103,675	-	-	-	(103,675)
Total Expenditures	60,267,010	59,600,236	56,171,633	(739,657)	55,431,976	(4,168,260)
Excess (Deficit) of Revenues Over (Under) Expenditures	(17,704,583)	(17,784,185)	(12,136,634)	918,997	(11,217,637)	(6,566,548)
Other Financing Sources (Uses)						
Sales of Capital Assets	2,767	2,767	8,690	(8,690)	-	(2,767)
Transfers In	18,544,787	18,558,573	16,065,942	304,137	16,370,079	(2,188,494)
Transfers Out	(1,269,091)	(3,911,674)	(3,360,822)	(1,321,152)	(4,681,974)	(770,300)
Contingency	(300,000)	(328,504)	-	-	-	328,504
Total Other Financing Sources (Uses)	16,978,463	14,321,162	12,713,810	(1,025,705)	11,688,105	(2,633,057)
Net Change in Fund Balances	(726,120)	(3,463,023)	577,176	\$ (106,708)	470,468	\$ (3,933,491)
Fund Balances, October 1	13,815,881	13,815,881	13,815,881		13,815,881	
Fund Balances, September 30	<u>\$ 13,089,761</u>	<u>\$ 10,352,858</u>	<u>\$ 14,393,057</u>		<u>\$ 14,286,349</u>	

Note:

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



COMBINING FINANCIAL STATEMENTS General Fund(s)

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

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

For the fiscal year ending September 30, 2011, the General Fund includes:

General Fund

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

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

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

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

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

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

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

CITY OF COLLEGE STATION, TEXAS

Combining Balance Sheet

General Fund(s)

September 30, 2011

	<u>General Fund</u>	<u>Economic Development</u>	<u>Parks Xtra Education</u>	<u>Unclaimed Property</u>
Assets				
Equity in Cash and Cash Equivalents	\$ 10,591,492	\$ 1,445,149	\$ -	\$ 99,608
Equity in Investments	766,649	116,178	-	7,394
Receivables				
Grants	340	-	-	-
Accounts	1,474,180	-	-	-
Taxes	2,272,693	-	-	-
Other	26,383	-	-	-
Less Allowance for Uncollectible Accounts	(26,212)	-	-	-
Due from Other Funds	259	-	-	-
Inventories	45,322	-	-	-
Prepaid Costs	13,226	-	-	-
Restricted Assets				
Equity in Cash and Cash Equivalents	163,749	-	-	-
Total Assets	<u>\$ 15,328,081</u>	<u>\$ 1,561,327</u>	<u>\$ -</u>	<u>\$ 107,002</u>
Liabilities and Fund Balances				
Accounts Payable	\$ 701,373	\$ 73,661	\$ -	\$ -
Interfund Payables	-	360,000	-	-
Refundable Deposits	60,790	-	-	-
Accrued Liabilities	1,485,465	-	-	107,002
Customer Construction Advances	68,626	-	-	-
Other Deferred Revenues	1,691,840	-	-	-
Total Liabilities	<u>4,008,094</u>	<u>433,661</u>	<u>-</u>	<u>107,002</u>
Fund Balances				
Nonspendable	58,548	-	-	-
Restricted	254,771	-	-	-
Assigned	528,116	-	-	-
Unassigned	10,478,552	1,127,666	-	-
Total Fund Balances	<u>11,319,987</u>	<u>1,127,666</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 15,328,081</u>	<u>\$ 1,561,327</u>	<u>\$ -</u>	<u>\$ 107,002</u>

<u>Efficiency Time Payment</u>	<u>Chimney Hill</u>	<u>Business Park</u>	<u>Total General Fund</u>
\$ 38,339	\$ 1,759,940	\$ 103,113	\$ 14,037,641
2,846	134,354	7,654	1,035,075
-	-	-	340
-	27,927	-	1,502,107
-	-	-	2,272,693
-	(2,909)	-	23,474
-	(9,000)	-	(35,212)
-	-	-	259
-	-	-	45,322
-	-	-	13,226
-	50,040	-	213,789
<u>\$ 41,185</u>	<u>\$ 1,960,352</u>	<u>\$ 110,767</u>	<u>\$ 19,108,714</u>
\$ -	\$ 67,762	\$ -	\$ 842,796
-	-	-	360,000
-	53,755	-	114,545
-	-	-	1,592,467
-	-	-	68,626
-	45,383	-	1,737,223
-	166,900	-	4,715,657
-	-	-	58,548
-	600,000	71,027	925,798
-	9,470	-	537,586
41,185	1,183,982	39,740	12,871,125
41,185	1,793,452	110,767	14,393,057
<u>\$ 41,185</u>	<u>\$ 1,960,352</u>	<u>\$ 110,767</u>	<u>\$ 19,108,714</u>

CITY OF COLLEGE STATION, TEXAS

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

General Fund(s)

For the Fiscal Year Ended September 30, 2011

	<u>General</u>	<u>Economic Development</u>	<u>Parks Xtra Education</u>	<u>Unclaimed Property</u>
Revenues				
Taxes	\$ 35,236,521	\$ -	\$ -	\$ -
Licenses and Permits	1,054,986	-	-	-
Intergovernmental	589,326	-	-	-
Charges for Services	2,539,891	-	(10)	-
Fines, Forfeits, and Penalties	3,815,512	-	-	-
Investment Income	75,367	8,008	-	-
Rents and Royalties	159,867	-	-	-
Contributions	33,995	-	-	-
Other	75,339	-	-	-
Total Revenues	<u>43,580,804</u>	<u>8,008</u>	<u>(10)</u>	<u>-</u>
Expenditures				
Current				
General Government	4,018,847	1,002,374	-	-
Fiscal Services	2,997,993	-	-	-
Police	14,890,520	-	-	-
Fire	11,444,702	-	-	-
Planning and Development Services	3,298,725	-	-	-
Public Works	6,602,097	-	-	-
Capital Improvement Projects	648,589	-	-	-
Parks and Recreation	4,967,595	-	54,047	-
Information Services	3,901,721	-	-	-
Library	1,061,581	-	-	-
Contributions	736,192	-	-	-
Other	339,739	-	-	-
Total Expenditures	<u>54,908,301</u>	<u>1,002,374</u>	<u>54,047</u>	<u>-</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(11,327,497)</u>	<u>(994,366)</u>	<u>(54,057)</u>	<u>-</u>
Other Financing Sources (Uses)				
Sales of Capital Assets	8,690	-	-	-
Transfers In	15,570,942	495,000	-	-
Transfers Out	(2,983,436)	(127,386)	-	-
Total Other Financing Sources (Uses)	<u>12,596,196</u>	<u>367,614</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,268,699	(626,752)	(54,057)	-
Fund Balances, October 1	10,051,288	1,754,418	54,057	-
Fund Balances, September 30	<u>\$ 11,319,987</u>	<u>\$ 1,127,666</u>	<u>\$ -</u>	<u>\$ -</u>

Efficiency Time Payment	Chimney Hill	Business Park	Total General Fund
\$ -	\$ -	\$ -	\$ 35,236,521
-	-	-	1,054,986
-	-	-	589,326
-	-	-	2,539,881
7,894	-	-	3,823,406
155	7,370	1,117	92,017
-	429,661	-	589,528
-	-	-	33,995
-	-	-	75,339
<u>8,049</u>	<u>437,031</u>	<u>1,117</u>	<u>44,034,999</u>
-	-	-	5,021,221
-	-	-	2,997,993
-	-	-	14,890,520
-	-	-	11,444,702
-	-	-	3,298,725
-	-	-	6,602,097
-	-	-	648,589
-	-	-	5,021,642
-	-	-	3,901,721
-	-	-	1,061,581
-	-	-	736,192
-	206,911	-	546,650
-	206,911	-	56,171,633
<u>8,049</u>	<u>230,120</u>	<u>1,117</u>	<u>(12,136,634)</u>
-	-	-	8,690
-	-	-	16,065,942
-	-	(250,000)	(3,360,822)
-	-	(250,000)	12,713,810
8,049	230,120	(248,883)	577,176
33,136	1,563,332	359,650	13,815,881
<u>\$ 41,185</u>	<u>\$ 1,793,452</u>	<u>\$ 110,767</u>	<u>\$ 14,393,057</u>

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund (reported as part of the General Fund)
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Ad Valorem Tax	\$ 12,453,704	\$ 12,453,704	\$ 12,365,096	\$ -	\$ 12,365,096	\$ (88,608)
Sales Tax	19,077,164	19,077,164	20,292,871	(905)	20,291,966	1,214,802
Mixed Drink and Franchise	2,520,000	2,520,000	2,578,554	96,654	2,675,208	155,208
Licenses and Permits	843,285	843,285	1,054,986	-	1,054,986	211,701
Intergovernmental	197,515	197,515	589,326	(15,615)	573,711	376,196
Parks and Recreation Charges for Services	561,975	86,500	111,931	-	111,931	25,431
Other Charges for Services	2,051,092	2,051,092	2,427,960	212,515	2,640,475	589,383
Fines, Forfeits, and Penalties	3,791,260	3,791,260	3,815,512	(341,067)	3,474,445	(316,815)
Investment Income	115,000	115,000	75,367	12,281	87,648	(27,352)
Rents and Royalties	306,748	131,006	159,867	211,401	371,268	240,262
Contributions	13,893	13,893	33,995	-	33,995	20,102
Other	77,669	77,669	75,339	-	75,339	(2,330)
Total Revenues	42,009,305	41,358,088	43,580,804	175,264	43,756,068	2,397,980
Expenditures						
Current						
General Government	4,264,204	4,422,812	4,018,847	8,008	4,026,855	(395,957)
Fiscal Services	3,113,654	3,113,654	2,997,993	(1,070)	2,996,923	(116,731)
Police	14,626,374	14,742,851	14,890,520	7,130	14,897,650	154,799
Fire	11,899,890	12,043,131	11,444,702	(4,803)	11,439,899	(603,232)
Planning and Development Services	3,513,042	3,513,042	3,298,725	(1,337)	3,297,388	(215,654)
Public Works	6,821,413	6,913,690	6,602,097	(2,344)	6,599,753	(313,937)
Capital Improvement Projects	911,632	911,632	648,589	146,623	795,212	(116,420)
Parks and Recreation	8,349,027	5,350,883	4,967,595	7,290	4,974,885	(375,998)
Information Technology	3,946,682	4,012,060	3,901,721	(902)	3,900,819	(111,241)
Library	1,049,801	1,059,173	1,061,581	-	1,061,581	2,408
Claims	-	1,600,000	-	-	-	(1,600,000)
Contributions	742,442	742,442	736,192	-	736,192	(6,250)
Other	78,333	78,333	339,739	(339,413)	326	(78,007)
Pay Plan Contingency	121,136	122,889	-	-	-	(122,889)
Total Expenditures	59,437,630	58,626,592	54,908,301	(180,818)	54,727,483	(3,899,109)
Excess (Deficit) of Revenues Over Expenditures	(17,428,325)	(17,268,504)	(11,327,497)	356,082	(10,971,415)	6,297,089
Other Financing Sources (Uses)						
Sales of Capital Assets	2,767	2,767	8,690	(8,690)	-	(2,767)
Reimbursed Administration Transfers	-	-	-	-	-	-
Transfers In	18,049,787	18,063,573	15,570,942	304,137	15,875,079	(2,188,494)
Transfers Out	(949,877)	(3,015,389)	(2,983,436)	(821,152)	(3,804,588)	(789,199)
Contingency	(300,000)	(328,504)	-	-	-	328,504
Total Other Financing Sources (Uses)	16,802,677	14,722,447	12,596,196	(525,705)	12,070,491	(2,651,956)
Net Change in Fund Balances	(625,648)	(2,546,057)	1,268,699	\$ (169,623)	1,099,076	\$ (3,645,133)
Fund Balances, October 1	10,051,288	10,051,288	10,051,288		10,051,288	
Fund Balances, September 30	\$ 9,425,640	\$ 7,505,231	\$ 11,319,987		\$ 11,150,364	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Economic Development Fund (reported as part of the General Fund)
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment Income	\$ 20,000	\$ 20,000	\$ 8,008	\$ 1,836	\$ 9,844	\$ (10,156)
Other	-	-	-	-	-	-
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>8,008</u>	<u>1,836</u>	<u>9,844</u>	<u>(10,156)</u>
Expenditures						
Current						
General Government	608,825	854,679	1,002,374	(500,000)	502,374	(352,305)
Total Expenditures	<u>608,825</u>	<u>854,679</u>	<u>1,002,374</u>	<u>(500,000)</u>	<u>502,374</u>	<u>(352,305)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(588,825)</u>	<u>(834,679)</u>	<u>(994,366)</u>	<u>501,836</u>	<u>(492,530)</u>	<u>(342,149)</u>
Other Financing Sources (Uses)						
Transfers In	495,000	495,000	495,000	-	495,000	-
Transfers Out	(50,000)	(627,071)	(127,386)	(500,000)	(627,386)	315
Total Other Financing Sources (Uses)	<u>445,000</u>	<u>(132,071)</u>	<u>367,614</u>	<u>(500,000)</u>	<u>(132,386)</u>	<u>315</u>
Net Change in Fund Balances	(143,825)	(966,750)	(626,752)	<u>\$ 1,836</u>	(624,916)	<u>\$ (341,834)</u>
Fund Balances, October 1	1,754,418	1,754,418	1,754,418		1,754,418	
Fund Balances, September 30	<u>\$ 1,610,593</u>	<u>\$ 787,668</u>	<u>\$ 1,127,666</u>		<u>\$ 1,129,502</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Parks Xtra Education Fund (reported as part of the General Fund)
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Parks and Recreation Charges for Services	\$ 94,759	\$ -	\$ (10)	\$ 10	\$ -	\$ -
Investment Income	400	-	-	-	-	-
Total Revenues	<u>95,159</u>	<u>-</u>	<u>(10)</u>	<u>10</u>	<u>-</u>	<u>-</u>
Expenditures						
Current						
Parks and Recreation	95,555	-	54,047	(54,047)	-	-
Pay Plan Contingency	-	-	-	-	-	-
Total Expenditures	<u>95,555</u>	<u>-</u>	<u>54,047</u>	<u>(54,047)</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(396)</u>	<u>-</u>	<u>(54,057)</u>	<u>54,057</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)						
Reimbursed Administration Transfers	(19,214)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(19,214)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(19,610)	-	(54,057)	<u>\$ 54,057</u>	-	<u>\$ -</u>
Fund Balances, October 1	54,057	54,057	54,057		54,057	
Fund Balances, September 30	<u>\$ 34,447</u>	<u>\$ 54,057</u>	<u>\$ -</u>		<u>\$ 54,057</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Efficiency Time Payment Fee Fund (reported as part of the General Fund)
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, Forfeits, and Penalties	\$ 8,000	\$ 8,000	\$ 7,894	\$ -	\$ 7,894	\$ (106)
Investment Income	363	363	155	45	200	(163)
Total Revenues	<u>8,363</u>	<u>8,363</u>	<u>8,049</u>	<u>45</u>	<u>8,094</u>	<u>(269)</u>
Expenditures						
Current	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Over Expenditures	<u>8,363</u>	<u>8,363</u>	<u>8,049</u>	<u>45</u>	<u>8,094</u>	<u>(269)</u>
Other Financing Sources (Uses)						
Reimbursed Administration Transfers	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	8,363	8,363	8,049	<u>\$ 45</u>	8,094	<u>\$ (269)</u>
Fund Balances, October 1	<u>33,136</u>	<u>33,136</u>	<u>33,136</u>		<u>33,136</u>	
Fund Balances, September 30	<u>\$ 41,499</u>	<u>\$ 41,499</u>	<u>\$ 41,185</u>		<u>\$ 41,230</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Chimney Hill Fund (reported as part of the General Fund)
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment Income	\$ 24,600	\$ 24,600	\$ 7,370	\$ 2,064	\$ 9,434	\$ (15,166)
Rents and Royalties	400,000	400,000	429,661	-	429,661	29,661
Total Revenues	<u>424,600</u>	<u>424,600</u>	<u>437,031</u>	<u>2,064</u>	<u>439,095</u>	<u>14,495</u>
Expenditures						
Current						
Other	125,000	138,179	206,911	(4,792)	202,119	63,940
Total Expenditures	<u>125,000</u>	<u>138,179</u>	<u>206,911</u>	<u>(4,792)</u>	<u>202,119</u>	<u>63,940</u>
Excess (Deficit) of Revenues Over Expenditures	<u>299,600</u>	<u>286,421</u>	<u>230,120</u>	<u>6,856</u>	<u>236,976</u>	<u>(49,445)</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	299,600	286,421	230,120	<u>\$ 6,856</u>	236,976	<u>\$ (49,445)</u>
Fund Balances, October 1	1,563,332	1,563,332	1,563,332		1,563,332	
Fund Balances, September 30	<u>\$ 1,862,932</u>	<u>\$ 1,849,753</u>	<u>\$ 1,793,452</u>		<u>\$ 1,800,308</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Business Park Fund (reported as part of the General Fund)
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment Income	\$ 5,000	\$ 5,000	\$ 1,117	\$ 121	\$ 1,238	\$ (3,762)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>1,117</u>	<u>121</u>	<u>1,238</u>	<u>(3,762)</u>
Expenditures						
Current						
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Over Expenditures	<u>5,000</u>	<u>5,000</u>	<u>1,117</u>	<u>121</u>	<u>1,238</u>	<u>(3,762)</u>
Other Financing Sources (Uses)						
Transfers Out	(250,000)	(250,000)	(250,000)	-	(250,000)	-
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>
Net Change in Fund Balances	(245,000)	(245,000)	(248,883)	<u>\$ 121</u>	(248,762)	<u>\$ 3,762</u>
Fund Balances, October 1	<u>359,650</u>	<u>359,650</u>	<u>359,650</u>		<u>359,650</u>	
Fund Balances, September 30	<u>\$ 114,650</u>	<u>\$ 114,650</u>	<u>\$ 110,767</u>		<u>\$ 110,888</u>	



COMBINING FINANCIAL STATEMENTS NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sidewalk Zones- account for the receipt and expenditure of funds received by the City from residential land developers, who dedicate land, or money in lieu of land, for use in the development of community and neighborhood sidewalks.

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

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

CAPITAL PROJECTS FUNDS

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

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

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

CITY OF COLLEGE STATION, TEXAS
 Combining Balance Sheet
 Non-Major Governmental Funds
 September 30, 2011

Special Revenue								
	Court Technology Fee	Court Security Fee	Juvenile Case Manager	Police Seizure	American Recovery and Reinvestment Act (ARRA)	Traffic Safety	Memorial Cemetery	Memorial Cemetery Perpetual Care
Assets								
Equity in Cash and Cash Equivalents	\$ 351,628	\$ 89,414	\$ 297,120	\$ 58,790	\$ 218,054	\$ 114,620	\$ 963,459	\$ 379,343
Equity in Investment	26,101	6,637	22,055	4,364	16,186	8,508	71,517	28,158
Receivables								
Grants	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	500	43,568	21,459
Other	-	-	-	-	-	-	-	-
Less Allowance for Uncollectible Accounts	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	4,858,691	2,391,609
Total Assets	\$ 377,729	\$ 96,051	\$ 319,175	\$ 63,154	\$ 234,240	\$ 123,628	\$ 5,937,235	\$ 2,820,569
Liabilities and Fund Balances								
Accounts Payable	\$ -	\$ 2,499	\$ 972	\$ -	\$ 1,285	\$ 40,940	\$ -	\$ -
Retainage Payable	-	-	-	-	-	-	-	-
Interfund Payables	-	-	-	-	-	-	-	-
Refundable Deposits	-	-	-	-	-	-	-	-
Accrued Liabilities	-	-	-	-	-	-	-	-
Other Deferred Revenues	-	-	-	-	232,955	-	45,968	21,459
Total Liabilities	-	2,499	972	-	234,240	40,940	45,968	21,459
Fund Balances								
Nonspendable	-	-	-	-	-	-	4,858,691	2,391,609
Restricted	377,729	93,552	318,203	63,154	-	82,688	-	-
Committed	-	-	-	-	-	-	1,032,576	407,501
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	377,729	93,552	318,203	63,154	-	82,688	5,891,267	2,799,110
Total Liabilities and Fund Balances	\$ 377,729	\$ 96,051	\$ 319,175	\$ 63,154	\$ 234,240	\$ 123,628	\$ 5,937,235	\$ 2,820,569

								Capital Projects		
Cemetery Perpetual Care	Hotel Occupancy Tax	Community Development	Wolf Pen Creek Tax Incremental Financing District	Parks Escrow	Sidewalk Zones	Drainage Projects	Recreation	General Government Projects	Parks & Recreation Projects	Total Other Governmental Funds
\$ 1,590,140	\$ 4,839,718	\$ 676,074	\$ 3,031,933	\$ 2,101,365	\$ 45,350	\$ 2,503,475	\$ 64,506	\$ 9,504,946	\$ 1,774,635	\$ 28,604,570
118,035	359,249	50,185	225,058	155,982	3,366	185,831	4,788	705,545	131,730	2,123,295
-	-	122,459	-	-	-	-	2,890	-	-	125,349
7,194	74,528	-	-	-	-	251,171	10,375	6,900	-	415,695
-	-	639,837	-	-	-	-	-	-	-	639,837
(5,939)	(57,293)	-	-	-	-	(42,990)	-	-	-	(106,222)
288	-	153,391	-	-	-	-	-	-	-	7,403,979
<u>\$ 1,709,718</u>	<u>\$ 5,216,202</u>	<u>\$ 1,641,946</u>	<u>\$ 3,256,991</u>	<u>\$ 2,257,347</u>	<u>\$ 48,716</u>	<u>\$ 2,897,487</u>	<u>\$ 82,559</u>	<u>\$ 10,217,391</u>	<u>\$ 1,906,365</u>	<u>\$ 39,206,503</u>
\$ (40)	\$ 4,374	\$ 46,030	\$ -	\$ -	\$ -	\$ 14,367	\$ 44,483	\$ 130,847	\$ 38,066	\$ 323,823
-	-	-	-	-	-	2,670	-	3,930	4,350	10,950
-	-	-	-	259	-	-	-	-	-	259
-	-	-	-	-	-	-	9,790	-	-	9,790
-	-	3,716	-	-	-	-	28,286	-	-	32,002
592	17,235	67,963	-	-	-	-	-	-	-	386,172
<u>552</u>	<u>21,609</u>	<u>117,709</u>	<u>-</u>	<u>259</u>	<u>-</u>	<u>17,037</u>	<u>82,559</u>	<u>134,777</u>	<u>42,416</u>	<u>762,996</u>
-	-	639,837	-	-	-	-	-	-	-	7,890,137
-	5,194,593	884,400	3,256,991	2,257,088	48,716	2,880,450	-	10,082,614	1,863,949	27,404,127
1,709,166	-	-	-	-	-	-	-	-	-	3,149,243
-	-	-	-	-	-	-	-	-	-	-
1,709,166	5,194,593	1,524,237	3,256,991	2,257,088	48,716	2,880,450	-	10,082,614	1,863,949	38,443,507
<u>\$ 1,709,718</u>	<u>\$ 5,216,202</u>	<u>\$ 1,641,946</u>	<u>\$ 3,256,991</u>	<u>\$ 2,257,347</u>	<u>\$ 48,716</u>	<u>\$ 2,897,487</u>	<u>\$ 82,559</u>	<u>\$ 10,217,391</u>	<u>\$ 1,906,365</u>	<u>\$ 39,206,503</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended September 30, 2011

	Special Revenue							
	Court Technology Fee	Court Security Fee	Juvenile Case Manager	Police Seizure	American Recovery and Reinvestment Act (ARRA)	Traffic Safety	Memorial Cemetery	Memorial Cemetery Perpetual Care
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	368,885	-	-	-
Charges for Services	-	-	-	-	-	-	229,501	113,732
Fines, Forfeits, and Penalties	97,766	61,714	112,035	24,431	-	725	-	-
Investment Income	1,393	577	1,299	269	(28)	490	3,827	1,439
Rents and Royalties	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,231	-	-	-
Total Revenues	<u>99,159</u>	<u>62,291</u>	<u>113,334</u>	<u>24,700</u>	<u>370,088</u>	<u>1,215</u>	<u>233,328</u>	<u>115,171</u>
Expenditures								
Current								
General Government	-	-	-	-	65,546	-	-	-
Fiscal Services	53,863	123,517	84,626	-	-	-	-	-
Police	-	-	-	23,646	17,046	-	-	-
Planning and Development Services	-	-	-	-	28,770	-	-	-
Public Works	-	-	-	-	4,990	68,291	-	-
Parks and Recreation	-	-	-	-	254,965	-	-	72
Information Services	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Other	-	1,833	1,305	-	-	-	-	3,394
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>53,863</u>	<u>125,350</u>	<u>85,931</u>	<u>23,646</u>	<u>371,317</u>	<u>68,291</u>	<u>-</u>	<u>3,466</u>
Excess (Deficit) of Revenues Over Expenditures	<u>45,296</u>	<u>(63,059)</u>	<u>27,403</u>	<u>1,054</u>	<u>(1,229)</u>	<u>(67,076)</u>	<u>233,328</u>	<u>111,705</u>
Other Financing Sources (Uses)								
Issuance of Debt	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(2,764)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,764)</u>	<u>-</u>
Net Change in Fund Balances	45,296	(63,059)	27,403	1,054	(1,229)	(67,076)	230,564	111,705
Fund Balances, October 1	<u>332,433</u>	<u>156,611</u>	<u>290,800</u>	<u>62,100</u>	<u>1,229</u>	<u>149,764</u>	<u>5,901,825</u>	<u>2,811,930</u>
Prior Period Adjustment	-	-	-	-	-	-	(241,122)	(124,525)
Fund Balances, September 30	<u>\$ 377,729</u>	<u>\$ 93,552</u>	<u>\$ 318,203</u>	<u>\$ 63,154</u>	<u>\$ -</u>	<u>\$ 82,688</u>	<u>\$ 5,891,267</u>	<u>\$ 2,799,110</u>

								Capital Projects		
Cemetery Perpetual Care	Hotel Occupancy Tax	Community Development	Wolf Pen Creek Tax Incremental Financing District	Parks Escrow	Sidewalk Zones	Drainage Projects	Recreation	General Government Projects	Parks & Recreation Projects	Total Other Governmental Funds
\$ -	\$ 3,558,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,558,042
-	-	-	-	-	36,997	-	-	-	-	36,997
-	249,243	936,119	-	-	-	-	-	-	-	1,554,247
18,196	-	-	-	-	-	1,918,142	1,220,725	-	73,320	3,573,616
-	-	-	-	-	-	-	-	-	-	296,671
7,246	17,801	-	14,154	7,768	11,719	11,218	-	53,145	4,738	137,055
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	791,537	-	-	-	-	-	791,537
792	-	(3,101)	-	-	-	-	80,779	10,278	-	89,979
<u>26,234</u>	<u>3,825,086</u>	<u>933,018</u>	<u>14,154</u>	<u>799,305</u>	<u>48,716</u>	<u>1,929,360</u>	<u>1,301,504</u>	<u>63,423</u>	<u>78,058</u>	<u>10,038,144</u>
-	10,440	1,341,106	-	-	-	-	-	-	-	1,417,092
-	17,175	-	-	-	-	71,308	-	396	2,099	352,984
-	-	-	-	-	-	-	-	-	-	40,692
-	-	-	-	-	-	-	-	-	-	28,770
-	-	-	-	-	-	58	-	-	-	73,339
64	45,113	-	91	-	-	-	4,066,818	-	-	4,367,123
-	-	-	-	-	-	-	-	361	-	361
-	1,327,297	-	-	-	-	-	-	-	-	1,327,297
26	3,000	169,442	-	-	-	14,605	-	9,880	-	203,485
-	-	102,794	13,555	191,890	-	170,818	-	1,992,191	1,452,652	3,923,900
<u>90</u>	<u>1,403,025</u>	<u>1,613,342</u>	<u>13,646</u>	<u>191,890</u>	<u>-</u>	<u>256,789</u>	<u>4,066,818</u>	<u>2,002,828</u>	<u>1,454,751</u>	<u>11,735,043</u>
<u>26,144</u>	<u>2,422,061</u>	<u>(680,324)</u>	<u>508</u>	<u>607,415</u>	<u>48,716</u>	<u>1,672,571</u>	<u>(2,765,314)</u>	<u>(1,939,405)</u>	<u>(1,376,693)</u>	<u>(1,696,899)</u>
-	-	-	(285)	-	-	(190)	-	2,684	1,260,952	1,263,161
-	-	-	-	-	-	-	2,765,314	92,460	235,910	3,093,684
-	(469,047)	-	-	(19,513)	-	(1,297,201)	-	(1,424,774)	(52,759)	(3,266,058)
-	(469,047)	-	(285)	(19,513)	-	(1,297,391)	2,765,314	(1,329,630)	1,444,103	1,090,787
26,144	1,953,014	(680,324)	223	587,902	48,716	375,180	-	(3,269,035)	67,410	(606,112)
<u>1,683,022</u>	<u>3,241,579</u>	<u>2,204,561</u>	<u>3,256,768</u>	<u>1,669,186</u>	<u>-</u>	<u>2,505,270</u>	<u>-</u>	<u>13,351,649</u>	<u>1,796,539</u>	<u>39,415,266</u>
-	-	-	-	-	-	-	-	-	-	(365,647)
<u>\$ 1,709,166</u>	<u>\$ 5,194,593</u>	<u>\$ 1,524,237</u>	<u>\$ 3,256,991</u>	<u>\$ 2,257,088</u>	<u>\$ 48,716</u>	<u>\$ 2,880,450</u>	<u>\$ -</u>	<u>\$ 10,082,614</u>	<u>\$ 1,863,949</u>	<u>\$ 38,443,507</u>

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Court Technology Fee Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, Forfeits, and Penalties	\$ 82,000	\$ 82,000	\$ 97,766	\$ -	\$ 97,766	\$ 15,766
Investment Income	3,220	3,220	1,393	411	1,804	(1,416)
Total Revenues	<u>85,220</u>	<u>85,220</u>	<u>99,159</u>	<u>411</u>	<u>99,570</u>	<u>14,350</u>
Expenditures						
Current						
Fiscal Services	101,980	101,980	53,863	-	53,863	(48,117)
Total Expenditures	<u>101,980</u>	<u>101,980</u>	<u>53,863</u>	<u>-</u>	<u>53,863</u>	<u>(48,117)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(16,760)</u>	<u>(16,760)</u>	<u>45,296</u>	<u>411</u>	<u>45,707</u>	<u>(62,467)</u>
Other Financing Sources (Uses)						
Transfers In						
Transfers In	-	-	-	-	-	-
Transfers Out						
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(16,760)</u>	<u>(16,760)</u>	<u>45,296</u>	<u>\$ 411</u>	<u>45,707</u>	<u>\$ (62,467)</u>
Fund Balances, October 1	332,433	332,433	332,433		332,433	
Fund Balances, September 30	<u>\$ 315,673</u>	<u>\$ 315,673</u>	<u>\$ 377,729</u>		<u>\$ 378,140</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Court Security Fee Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, Forfeits, and Penalties	\$ 64,640	\$ 64,640	\$ 61,714	\$ -	\$ 61,714	\$ (2,926)
Investment Income	2,368	2,368	577	105	682	(1,686)
Total Revenues	<u>67,008</u>	<u>67,008</u>	<u>62,291</u>	<u>105</u>	<u>62,396</u>	<u>(4,612)</u>
Expenditures						
Current						
Fiscal Services	118,298	118,298	123,517	-	123,517	5,219
Other	-	-	1,833	-	1,833	1,833
Total Expenditures	<u>118,298</u>	<u>118,298</u>	<u>125,350</u>	<u>-</u>	<u>125,350</u>	<u>7,052</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(51,290)</u>	<u>(51,290)</u>	<u>(63,059)</u>	<u>105</u>	<u>(62,954)</u>	<u>11,664</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(51,290)	(51,290)	(63,059)	<u>\$ 105</u>	(62,954)	<u>\$ 11,664</u>
Fund Balances, October 1	156,611	156,611	156,611		156,611	
Fund Balances, September 30	<u>\$ 105,321</u>	<u>\$ 105,321</u>	<u>\$ 93,552</u>		<u>\$ 93,657</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Juvenile Case Manager Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, Forfeits, and Penalties	\$ 128,000	\$ 128,000	\$ 112,035	\$ -	\$ 112,035	\$ (15,965)
Investment Income	2,776	2,776	1,299	348	1,647	(1,129)
Total Revenues	<u>130,776</u>	<u>130,776</u>	<u>113,334</u>	<u>348</u>	<u>113,682</u>	<u>(17,094)</u>
Expenditures						
Current						
Fiscal Services	90,148	90,148	84,626	-	84,626	(5,522)
Other	-	-	1,305	-	1,305	1,305
Total Expenditures	<u>90,148</u>	<u>90,148</u>	<u>85,931</u>	<u>-</u>	<u>85,931</u>	<u>(4,217)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>40,628</u>	<u>40,628</u>	<u>27,403</u>	<u>348</u>	<u>27,751</u>	<u>(12,877)</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	40,628	40,628	27,403	<u>\$ 348</u>	27,751	<u>\$ (12,877)</u>
Fund Balances, October 1	290,800	290,800	290,800		290,800	
Fund Balances, September 30	<u>\$ 331,428</u>	<u>\$ 331,428</u>	<u>\$ 318,203</u>		<u>\$ 318,551</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Police Seizure Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, Forfeits, and Penalties	\$ 20,000	\$ 20,000	\$ 24,431	\$ -	\$ 24,431	\$ 4,431
Investment Income	735	735	269	69	338	(397)
Total Revenues	<u>20,735</u>	<u>20,735</u>	<u>24,700</u>	<u>69</u>	<u>24,769</u>	<u>4,034</u>
Expenditures						
Current						
Police	20,000	20,000	23,646	-	23,646	3,646
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>23,646</u>	<u>-</u>	<u>23,646</u>	<u>3,646</u>
Excess (Deficit) of Revenues Over Expenditures	<u>735</u>	<u>735</u>	<u>1,054</u>	<u>69</u>	<u>1,123</u>	<u>388</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(847)	(847)	-	-	-	847
Total Other Financing Sources (Uses)	<u>(847)</u>	<u>(847)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>847</u>
Net Change in Fund Balances	(112)	(112)	1,054	<u>\$ 69</u>	1,123	<u>\$ 1,235</u>
Fund Balances, October 1	62,100	62,100	62,100		62,100	
Fund Balances, September 30	<u>\$ 61,988</u>	<u>\$ 61,988</u>	<u>\$ 63,154</u>		<u>\$ 63,223</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
American Recovery and Reinvestment Act (ARRA) Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Intergovernmental	\$ 65,000	\$ 238,249	\$ 368,885	\$ -	\$ 368,885	\$ 130,636
Investment Income	520	520	(28)	256	228	(292)
Other	-	-	1,231	(1,231)	-	-
Total Revenues	<u>65,520</u>	<u>238,769</u>	<u>370,088</u>	<u>(975)</u>	<u>369,113</u>	<u>130,344</u>
Expenditures						
Current						
General Government	65,000	65,000	65,546	-	65,546	546
Police	-	41,591	17,046	-	17,046	(24,545)
Planning and Development Services	-	-	28,770	-	28,770	28,770
Public Works	-	-	4,990	-	4,990	4,990
Parks and Recreation	-	336,897	254,965	18,855	273,820	(63,077)
Total Expenditures	<u>65,000</u>	<u>443,488</u>	<u>371,317</u>	<u>18,855</u>	<u>390,172</u>	<u>(53,316)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>520</u>	<u>(204,719)</u>	<u>(1,229)</u>	<u>(19,830)</u>	<u>(21,059)</u>	<u>183,660</u>
Other Financing Sources (Uses)						
Transfers In	-	(17,773)	-	18,855	18,855	36,628
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(17,773)</u>	<u>-</u>	<u>18,855</u>	<u>18,855</u>	<u>36,628</u>
Net Change in Fund Balances	520	(222,492)	(1,229)	<u>\$ (975)</u>	(2,204)	<u>\$ 220,288</u>
Fund Balances, October 1	1,229	1,229	1,229		1,229	
Fund Balances, September 30	<u>\$ 1,749</u>	<u>\$ (221,263)</u>	<u>\$ -</u>		<u>\$ (975)</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Traffic Safety Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Fines, Forfeits, and Penalties	\$ -	\$ -	\$ 725	\$ (725)	\$ -	\$ -
Investment Income	1,603	1,603	490	134	624	(979)
Total Revenues	<u>1,603</u>	<u>1,603</u>	<u>1,215</u>	<u>(591)</u>	<u>624</u>	<u>(979)</u>
Expenditures						
Current						
Public Works	60,000	80,540	68,291	-	68,291	(12,249)
Total Expenditures	<u>60,000</u>	<u>80,540</u>	<u>68,291</u>	<u>-</u>	<u>68,291</u>	<u>(12,249)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(58,397)</u>	<u>(78,937)</u>	<u>(67,076)</u>	<u>(591)</u>	<u>(67,667)</u>	<u>11,270</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(58,397)</u>	<u>(78,937)</u>	<u>(67,076)</u>	<u>\$ (591)</u>	<u>(67,667)</u>	<u>\$ 11,270</u>
Fund Balances, October 1	149,764	149,764	149,764		149,764	
Fund Balances, September 30	<u>\$ 91,367</u>	<u>\$ 70,827</u>	<u>\$ 82,688</u>		<u>\$ 82,097</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Memorial Cemetery Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Lot Sales	\$ 250,547	\$ 250,547	\$ 229,501	\$ -	\$ 229,501	\$ (21,046)
Investment Income	15,700	15,700	3,827	1,130	4,957	(10,743)
Total Revenues	<u>266,247</u>	<u>266,247</u>	<u>233,328</u>	<u>1,130</u>	<u>234,458</u>	<u>(31,789)</u>
Expenditures						
Current	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues Over Expenditures	<u>266,247</u>	<u>266,247</u>	<u>233,328</u>	<u>1,130</u>	<u>234,458</u>	<u>(31,789)</u>
Other Financing Sources (Uses)						
Transfers Out	(2,764)	(2,764)	(2,764)	-	(2,764)	-
Total Other Financing Sources (Uses)	<u>(2,764)</u>	<u>(2,764)</u>	<u>(2,764)</u>	<u>-</u>	<u>(2,764)</u>	<u>-</u>
Net Change in Fund Balances	263,483	263,483	230,564	<u>\$ 1,130</u>	231,694	<u>\$ (31,789)</u>
Fund Balances, October 1	5,901,825	5,901,825	5,901,825		5,901,825	
Prior Period Adjustment	(241,122)	(241,122)	(241,122)		(241,122)	
Fund Balances, September 30	<u>\$ 5,924,186</u>	<u>\$ 5,924,186</u>	<u>\$ 5,891,267</u>		<u>\$ 5,892,397</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Memorial Cemetery Perpetual Care Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Lot Sales	\$ 123,404	\$ 123,404	\$ 113,732	\$ -	\$ 113,732	\$ (9,672)
Investment Income	5,400	5,400	1,439	445	1,884	(3,516)
Total Revenues	<u>128,804</u>	<u>128,804</u>	<u>115,171</u>	<u>445</u>	<u>115,616</u>	<u>(13,188)</u>
Expenditures						
Current						
Parks and Recreation	-	-	72	-	72	72
Other	10,000	13,395	3,394	-	3,394	(10,001)
Total Expenditures	<u>10,000</u>	<u>13,395</u>	<u>3,466</u>	<u>-</u>	<u>3,466</u>	<u>(9,929)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>118,804</u>	<u>115,409</u>	<u>111,705</u>	<u>445</u>	<u>112,150</u>	<u>(3,259)</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	118,804	115,409	111,705	<u>\$ 445</u>	112,150	<u>\$ (3,259)</u>
Fund Balances, October 1	2,811,930	2,811,930	2,811,930		2,811,930	
Prior Period Adjustment	(124,525)	(124,525)	(124,525)		(124,525)	
Fund Balances, September 30	<u>\$ 2,806,209</u>	<u>\$ 2,802,814</u>	<u>\$ 2,799,110</u>		<u>\$ 2,799,555</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Cemetery Perpetual Care Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Lot Sales	\$ 15,000	\$ 15,000	\$ 18,196	\$ -	\$ 18,196	\$ 3,196
Investment Income	20,000	20,000	7,246	1,865	9,111	(10,889)
Other	-	-	792	(792)	-	-
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>26,234</u>	<u>1,073</u>	<u>27,307</u>	<u>(7,693)</u>
Expenditures						
Parks and Recreation	-	-	64	(1)	63	63
Other	-	-	26	(26)	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>90</u>	<u>(27)</u>	<u>63</u>	<u>63</u>
Excess (Deficit) of Revenues Over Expenditures	<u>35,000</u>	<u>35,000</u>	<u>26,144</u>	<u>1,100</u>	<u>27,244</u>	<u>(7,756)</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	35,000	35,000	26,144	<u>\$ 1,100</u>	27,244	<u>\$ (7,756)</u>
Fund Balances, October 1	1,683,022	1,683,022	1,683,022		1,683,022	
Fund Balances, September 30	<u>\$ 1,718,022</u>	<u>\$ 1,718,022</u>	<u>\$ 1,709,166</u>		<u>\$ 1,710,266</u>	

CITY OF COLLEGE STATION, TEXAS
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Hotel Occupancy Tax Fund
 For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Hotel Occupancy Tax	\$ 3,394,000	\$ 3,394,000	\$ 3,558,042	\$ -	\$ 3,558,042	\$ 164,042
Intergovernmental	-	-	249,243	-	249,243	249,243
Investment Income	28,000	28,000	17,801	5,676	23,477	(4,523)
Total Revenues	3,422,000	3,422,000	3,825,086	5,676	3,830,762	408,762
Expenditures						
Current						
General Government	10,000	10,000	10,440	-	10,440	440
Fiscal Services	24,000	24,000	17,175	-	17,175	(6,825)
Parks and Recreation	200,000	200,000	45,113	-	45,113	(154,887)
Contributions	1,346,000	1,346,000	1,327,297	-	1,327,297	(18,703)
Other	-	-	3,000	-	3,000	3,000
Total Expenditures	1,580,000	1,580,000	1,403,025	-	1,403,025	(176,975)
Excess (Deficit) of Revenues Over Expenditures	1,842,000	1,842,000	2,422,061	5,676	2,427,737	585,737
Other Financing Sources (Uses)						
Reimbursed Administration Transfers	(347,816)	(347,816)	(246,528)	-	(246,528)	101,288
Transfers In	-	-	-	-	-	-
Transfers Out	(222,519)	(222,519)	(222,519)	-	(222,519)	-
Contingency	(50,000)	(50,000)	-	-	-	50,000
Total Other Financing Sources (Uses)	(620,335)	(620,335)	(469,047)	-	(469,047)	151,288
Net Change in Fund Balances	1,221,665	1,221,665	1,953,014	\$ 5,676	1,958,690	\$ 737,025
Fund Balances, October 1	3,241,579	3,241,579	3,241,579		3,241,579	
Fund Balances, September 30	\$ 4,463,244	\$ 4,463,244	\$ 5,194,593		\$ 5,200,269	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Community Development Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Intergovernmental	\$ 3,470,460	\$ 3,470,460	\$ 936,119	\$ -	\$ 936,119	\$ (2,534,341)
Other	650,000	650,000	(3,101)	-	(3,101)	(653,101)
Total Revenues	<u>4,120,460</u>	<u>4,120,460</u>	<u>933,018</u>	<u>-</u>	<u>933,018</u>	<u>(3,187,442)</u>
Expenditures						
Current						
General Government	3,558,960	3,558,960	1,341,106	(338,358)	1,002,748	(2,556,212)
Other	-	-	169,442	(169,442)	-	-
Capital Outlay	561,500	561,500	102,794	-	102,794	(458,706)
Total Expenditures	<u>4,120,460</u>	<u>4,120,460</u>	<u>1,613,342</u>	<u>(507,800)</u>	<u>1,105,542</u>	<u>(3,014,918)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(680,324)</u>	<u>507,800</u>	<u>(172,524)</u>	<u>(172,524)</u>
Other Financing Sources (Uses)						
Reimbursed Administration Transfers	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(680,324)</u>	<u>\$ 507,800</u>	<u>(172,524)</u>	<u>\$ (172,524)</u>
Fund Balances, October 1	2,204,561	2,204,561	2,204,561		2,204,561	
Fund Balances, September 30	<u>\$ 2,204,561</u>	<u>\$ 2,204,561</u>	<u>\$ 1,524,237</u>		<u>\$ 2,032,037</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Wolf Pen Creek Tax Increment Financing District Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment Income	\$ 15,000	\$ 15,000	\$ 14,154	\$ 3,556	\$ 17,710	\$ 2,710
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>14,154</u>	<u>3,556</u>	<u>17,710</u>	<u>2,710</u>
Expenditures						
Current						
Parks and Recreation	-	-	90	-	90	90
Capital Outlay	<u>3,033,313</u>	<u>3,033,313</u>	<u>13,556</u>	<u>-</u>	<u>13,556</u>	<u>(3,019,757)</u>
Total Expenditures	<u>3,033,313</u>	<u>3,033,313</u>	<u>13,646</u>	<u>-</u>	<u>13,646</u>	<u>(3,019,667)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(3,018,313)</u>	<u>(3,018,313)</u>	<u>508</u>	<u>3,556</u>	<u>4,064</u>	<u>3,022,377</u>
Other Financing Sources (Uses)						
Issuance of Debt	-	-	(285)	-	(285)	(285)
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(285)</u>	<u>-</u>	<u>(285)</u>	<u>(285)</u>
Net Change in Fund Balances	<u>(3,018,313)</u>	<u>(3,018,313)</u>	<u>223</u>	<u>\$ 3,556</u>	<u>3,779</u>	<u>\$ 3,022,092</u>
Fund Balances, October 1	<u>3,256,768</u>	<u>3,256,768</u>	<u>3,256,768</u>		<u>3,256,768</u>	
Fund Balances, September 30	<u>\$ 238,455</u>	<u>\$ 238,455</u>	<u>\$ 3,256,991</u>		<u>\$ 3,260,547</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Parks Escrow Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment Income	\$ 16,000	\$ 16,000	\$ 7,768	\$ 2,465	\$ 10,233	\$ (5,767)
Contributions	300,000	300,000	791,533	-	791,533	491,533
Total Revenues	<u>316,000</u>	<u>316,000</u>	<u>799,301</u>	<u>2,465</u>	<u>801,766</u>	<u>485,766</u>
Expenditures						
Capital Outlay	966,500	1,026,500	191,886	12,207	204,093	(822,407)
Total Expenditures	<u>966,500</u>	<u>1,026,500</u>	<u>191,886</u>	<u>12,207</u>	<u>204,093</u>	<u>(822,407)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(650,500)</u>	<u>(710,500)</u>	<u>607,415</u>	<u>(9,742)</u>	<u>597,673</u>	<u>1,308,173</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(19,513)	(19,513)	(19,513)	-	(19,513)	-
Total Other Financing Sources (Uses)	<u>(19,513)</u>	<u>(19,513)</u>	<u>(19,513)</u>	<u>-</u>	<u>(19,513)</u>	<u>-</u>
Net Change in Fund Balances	<u>(670,013)</u>	<u>(730,013)</u>	<u>587,902</u>	<u>\$ (9,742)</u>	<u>578,160</u>	<u>\$ 1,308,173</u>
Fund Balances, October 1	1,669,186	1,669,186	1,669,186		1,669,186	
Fund Balances, September 30	<u>\$ 999,173</u>	<u>\$ 939,173</u>	<u>\$ 2,257,088</u>		<u>\$ 2,247,346</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Drainage Projects Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Other Charges for Services	\$ 1,886,800	\$ 1,886,800	\$ 1,918,142	\$ -	\$ 1,918,142	\$ 31,342
Investment Income	29,900	29,900	11,218	2,937	14,155	(15,745)
Total Revenues	<u>1,916,700</u>	<u>1,916,700</u>	<u>1,929,360</u>	<u>2,937</u>	<u>1,932,297</u>	<u>15,597</u>
Expenditures						
Current						
Fiscal Services	71,306	71,306	71,306	-	71,306	-
Public Works	20,200	35,200	58	-	58	(35,142)
Other	-	-	14,604	-	14,604	14,604
Capital Outlay	281,500	266,500	170,821	304	171,125	(95,375)
Total Expenditures	<u>373,006</u>	<u>373,006</u>	<u>256,789</u>	<u>304</u>	<u>257,093</u>	<u>(115,913)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>1,543,694</u>	<u>1,543,694</u>	<u>1,672,571</u>	<u>2,633</u>	<u>1,675,204</u>	<u>131,510</u>
Other Financing Sources (Uses)						
Issuance of Debt	-	-	(190)	-	(190)	(190)
Transfers In	14,000	14,000	-	-	-	(14,000)
Transfers Out	(1,391,598)	(1,391,598)	(1,297,201)	-	(1,297,201)	94,397
Total Other Financing Sources (Uses)	<u>(1,377,598)</u>	<u>(1,377,598)</u>	<u>(1,297,391)</u>	<u>-</u>	<u>(1,297,391)</u>	<u>80,207</u>
Net Change in Fund Balances	166,096	166,096	375,180	<u>\$ 2,633</u>	377,813	<u>\$ 211,717</u>
Fund Balances, October 1	2,505,270	2,505,270	2,505,270		2,505,270	
Fund Balances, September 30	<u>\$ 2,671,366</u>	<u>\$ 2,671,366</u>	<u>\$ 2,880,450</u>		<u>\$ 2,883,083</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Recreation Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Charges for Services	\$ 407,335	\$ 1,153,311	\$ 1,220,725	\$ -	\$ 1,220,725	\$ 67,414
Investment Income	-	400	-	420	420	20
Other	-	-	80,779	-	80,779	80,779
Total Revenues	<u>407,335</u>	<u>1,153,711</u>	<u>1,301,504</u>	<u>420</u>	<u>1,301,924</u>	<u>148,213</u>
Expenditures						
Current						
Parks and Recreation	<u>935,459</u>	<u>3,935,961</u>	<u>4,066,818</u>	<u>(5,736)</u>	<u>4,061,082</u>	<u>125,121</u>
Total Expenditures	<u>935,459</u>	<u>3,935,961</u>	<u>4,066,818</u>	<u>(5,736)</u>	<u>4,061,082</u>	<u>125,121</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(528,124)</u>	<u>(2,782,250)</u>	<u>(2,765,314)</u>	<u>6,156</u>	<u>(2,759,158)</u>	<u>23,092</u>
Other Financing Sources (Uses)						
Transfers In	528,124	2,782,250	2,765,314	(6,156)	2,759,158	(23,092)
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>528,124</u>	<u>2,782,250</u>	<u>2,765,314</u>	<u>(6,156)</u>	<u>2,759,158</u>	<u>(23,092)</u>
Net Change in Fund Balances	-	-	-	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances, October 1	-	-	-		-	
Fund Balances, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Government Projects Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment Income	\$ 133,000	\$ 133,000	\$ 53,145	\$ 11,147	\$ 64,292	\$ (68,708)
Other	-	-	10,278	(3,378)	6,900	6,900
Total Revenues	<u>133,000</u>	<u>133,000</u>	<u>63,423</u>	<u>7,769</u>	<u>71,192</u>	<u>(61,808)</u>
Expenditures						
Current						
Fiscal Services	-	-	396	-	396	396
Information Technology	-	-	361	-	361	361
Other	-	-	9,880	(5,000)	4,880	4,880
Capital Outlay	456,574	456,574	1,992,191	12,100	2,004,291	1,547,717
Debt Service						
Fiscal Charges	5,000	5,000	-	5,000	5,000	-
Total Expenditures	<u>461,574</u>	<u>461,574</u>	<u>2,002,828</u>	<u>12,100</u>	<u>2,014,928</u>	<u>1,553,354</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(328,574)</u>	<u>(328,574)</u>	<u>(1,939,405)</u>	<u>(4,331)</u>	<u>(1,943,736)</u>	<u>(1,615,162)</u>
Other Financing Sources (Uses)						
Issuance of Debt	880,000	880,000	2,684	-	2,684	(877,316)
Transfers In	231,040	231,040	92,460	3,378	95,838	(135,202)
Transfers Out	(828,852)	(1,424,774)	(1,424,774)	-	(1,424,774)	-
Total Other Financing Sources (Uses)	<u>282,188</u>	<u>(313,734)</u>	<u>(1,329,630)</u>	<u>3,378</u>	<u>(1,326,252)</u>	<u>(1,012,518)</u>
Net Change in Fund Balances	(46,386)	(642,308)	(3,269,035)	<u>\$ (953)</u>	(3,269,988)	<u>\$ (2,627,680)</u>
Fund Balances, October 1	13,351,649	13,351,649	13,351,649		13,351,649	
Fund Balances, September 30	<u>\$ 13,305,263</u>	<u>\$ 12,709,341</u>	<u>\$ 10,082,614</u>		<u>\$ 10,081,661</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Parks & Recreation Projects Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Charges for Services	\$ 81,600	\$ 81,600	\$ 73,320	\$ -	\$ 73,320	\$ (8,280)
Investment Income	7,000	7,000	4,738	2,081	6,819	(181)
Total Revenues	<u>88,600</u>	<u>88,600</u>	<u>78,058</u>	<u>2,081</u>	<u>80,139</u>	<u>(8,461)</u>
Expenditures						
Current						
Fiscal Services	-	-	2,099	(2,099)	-	-
Capital Outlay	2,835,000	2,835,000	1,452,652	(514)	1,452,138	(1,382,862)
Debt Service						
Fiscal Charges	10,000	10,000	-	-	-	(10,000)
Total Expenditures	<u>2,845,000</u>	<u>2,845,000</u>	<u>1,454,751</u>	<u>(2,613)</u>	<u>1,452,138</u>	<u>(1,392,862)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(2,756,400)</u>	<u>(2,756,400)</u>	<u>(1,376,693)</u>	<u>4,694</u>	<u>(1,371,999)</u>	<u>1,384,401</u>
Other Financing Sources (Uses)						
Issuance of Debt	2,180,000	2,180,000	1,260,952	9,048	1,270,000	(910,000)
Transfers In	235,910	235,910	235,910	-	235,910	-
Transfers Out	(52,759)	(52,759)	(52,759)	-	(52,759)	-
Total Other Financing Sources (Uses)	<u>2,363,151</u>	<u>2,363,151</u>	<u>1,444,103</u>	<u>9,048</u>	<u>1,453,151</u>	<u>(910,000)</u>
Net Change in Fund Balances	<u>(393,249)</u>	<u>(393,249)</u>	<u>67,410</u>	<u>\$ 13,742</u>	<u>81,152</u>	<u>\$ 474,401</u>
Fund Balances, October 1	1,796,539	1,796,539	1,796,539		1,796,539	
Fund Balances, September 30	<u>\$ 1,403,290</u>	<u>\$ 1,403,290</u>	<u>\$ 1,863,949</u>		<u>\$ 1,877,691</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Debt Service Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Ad Valorem Tax	\$ 12,058,136	\$ 12,058,136	\$ 11,968,277	\$ -	\$ 11,968,277	\$ (89,859)
Investment Income	100,000	100,000	54,139	4,700	58,839	(41,161)
Other	-	-	2,939	-	2,939	2,939
Total Revenues	<u>12,158,136</u>	<u>12,158,136</u>	<u>12,025,355</u>	<u>4,700</u>	<u>12,030,055</u>	<u>(128,081)</u>
Expenditures						
Debt Service						
Principal Retirement	7,785,000	8,290,413	8,085,412	-	8,085,412	(205,001)
Interest Payments	4,771,058	3,888,853	3,698,324	-	3,698,324	(190,529)
Fiscal Charges	25,900	25,900	379,174	-	379,174	353,274
Total Expenditures	<u>12,581,958</u>	<u>12,205,166</u>	<u>12,162,910</u>	<u>-</u>	<u>12,162,910</u>	<u>(42,256)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(423,822)</u>	<u>(47,030)</u>	<u>(137,555)</u>	<u>4,700</u>	<u>(132,855)</u>	<u>(85,825)</u>
Other Financing Sources (Uses)						
Issuance of Refunding Debt	-	-	11,250,000	-	11,250,000	11,250,000
Premium on bonds issued	-	-	1,172,234	-	1,172,234	1,172,234
Payment to refunded bond escrow agent	-	(376,792)	(12,322,570)	-	(12,322,570)	(11,945,778)
Transfers In	617,938	617,938	222,519	-	222,519	(395,419)
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>617,938</u>	<u>241,146</u>	<u>322,183</u>	<u>-</u>	<u>322,183</u>	<u>81,037</u>
Net Change in Fund Balances	194,116	194,116	184,628	<u>\$ 4,700</u>	189,328	<u>\$ (4,788)</u>
Fund Balances, October 1	4,119,966	4,119,966	4,119,966		4,119,966	
Fund Balances, September 30	<u>\$ 4,314,082</u>	<u>\$ 4,314,082</u>	<u>\$ 4,304,594</u>		<u>\$ 4,309,294</u>	

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Streets Projects Fund
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over (Under)
Revenues						
Investment Income	\$ 160,000	\$ 160,000	\$ 85,657	\$ -	\$ 85,657	\$ (74,343)
Other	-	-	562,490	-	562,490	562,490
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>648,147</u>	<u>-</u>	<u>648,147</u>	<u>488,147</u>
Expenditures						
Current						
Fiscal Services	-	-	2,410	(2,410)	-	-
Public Works	-	-	2,550	(2,550)	-	-
Capital Outlay	4,141,746	3,314,676	7,578,026	(107,792)	7,470,234	4,155,558
Debt Service					-	
Fiscal Charges	12,000	12,000	5,022	-	5,022	(6,978)
Intergovernmental	-	927,070	924,941	-	924,941	(2,129)
Total Expenditures	<u>4,153,746</u>	<u>4,253,746</u>	<u>8,512,949</u>	<u>(112,752)</u>	<u>8,400,197</u>	<u>4,146,451</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(3,993,746)</u>	<u>(4,093,746)</u>	<u>(7,864,802)</u>	<u>112,752</u>	<u>(7,752,050)</u>	<u>(3,658,304)</u>
Other Financing Sources (Uses)						
Issuance of Debt	3,400,000	3,400,000	713,973	-	713,973	(2,686,027)
Transfers In	-	-	-	-	-	-
Transfers Out	(916,208)	(1,156,745)	(1,156,745)	-	(1,156,745)	-
Total Other Financing Sources (Uses)	<u>2,483,792</u>	<u>2,243,255</u>	<u>(442,772)</u>	<u>-</u>	<u>(442,772)</u>	<u>(2,686,027)</u>
Net Change in Fund Balances	(1,509,954)	(1,850,491)	(8,307,574)	<u>\$ 112,752</u>	(8,194,822)	<u>\$ (6,344,331)</u>
Fund Balances, October 1	21,886,547	21,886,547	21,886,547		21,886,547	
Fund Balances, September 30	<u>\$ 20,376,593</u>	<u>\$ 20,036,056</u>	<u>\$ 13,578,973</u>		<u>\$ 13,691,725</u>	

COMBINING FINANCIAL STATEMENTS

NONMAJOR ENTERPRISE FUNDS

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

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

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Net Assets
Nonmajor Enterprise Funds
September 30, 2011

	Sanitation	Northgate Parking Garage	Total Enterprise Funds
Current Assets			
Equity in Cash and Cash Equivalents	\$ 942,430	\$ 497,560	\$ 1,439,990
Equity in Investments	69,956	36,933	106,889
Receivables			
Accrued Interest	23,668	-	23,668
Accounts	985,485	7,987	993,472
Less: Allowance for Uncollectible Accounts	(150,696)	(250)	(150,946)
Inventories	14,403	-	14,403
Total Current Assets	<u>1,885,246</u>	<u>542,230</u>	<u>2,427,476</u>
Noncurrent Assets			
Equity in BVSWMA	12,944,238	-	12,944,238
Loan Receivable	4,765,000	-	4,765,000
Deferred Charges			
Bond Issuance Charges	-	53,607	53,607
Accumulated Amortization	-	(9,828)	(9,828)
Total Deferred Charges	<u>-</u>	<u>43,779</u>	<u>43,779</u>
Property and Equipment			
Buildings	-	5,743,755	5,743,755
Machinery and Equipment	4,584,818	683,470	5,268,288
Accumulated Depreciation	(3,126,329)	(1,702,543)	(4,828,872)
Land	-	690,750	690,750
Total Property and Equipment	<u>1,458,489</u>	<u>5,415,432</u>	<u>6,873,921</u>
Total Noncurrent Assets	<u>19,167,727</u>	<u>5,459,211</u>	<u>24,626,938</u>
Total Assets	<u>\$ 21,052,973</u>	<u>\$ 6,001,441</u>	<u>\$ 27,054,414</u>
Liabilities			
Current Liabilities			
Accounts Payable	\$ 311,753	\$ 7,702	\$ 319,455
Accrued Liabilities	95,384	16,176	111,560
Other Deferred Revenues	-	97,490	97,490
Payable from Restricted Assets			
Accrued Interest Payable	22,906	10,980	33,886
Refundable Deposits	-	6,670	6,670
Certificates of Obligation	215,000	4,869	219,869
General Obligation Bonds	-	380,000	380,000
Total Current Liabilities	<u>645,043</u>	<u>523,887</u>	<u>1,168,930</u>
Noncurrent Liabilities			
Certificates of Obligation	4,550,000	-	4,550,000
General Obligation Bonds	-	2,690,000	2,690,000
Unamortized Premium/Discount on Certificates and Bonds	-	40,562	40,562
Accrued Vacation	80,733	-	80,733
Post Employment Benefits	170,532	16,343	186,875
Net Pension Obligation	147,685	13,920	161,605
Total Noncurrent Liabilities	<u>4,948,950</u>	<u>2,760,825</u>	<u>7,709,775</u>
Total Liabilities	<u>5,593,993</u>	<u>3,284,712</u>	<u>8,878,705</u>
Net Assets			
Invested in Capital Assets, net of related debt	1,458,489	2,293,891	3,752,380
Restricted for:			
Debt service	-	-	-
Unrestricted	14,000,491	422,838	14,423,329
Total Net Assets	<u>\$ 15,458,980</u>	<u>\$ 2,716,729</u>	<u>\$ 18,175,709</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Revenues, Expenses and Changes in Net Assets
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2011

	Sanitation	Northgate Parking Garage	Total Enterprise Funds
Operating Revenues			
Charges for Services	\$ 7,112,908	\$ 1,122,418	\$ 8,235,326
Other	17,216	-	17,216
Total Operating Revenues	<u>7,130,124</u>	<u>1,122,418</u>	<u>8,252,542</u>
Operating Expenses			
Salaries and Benefits	2,026,894	277,920	2,304,814
Supplies	450,050	24,581	474,631
Maintenance	458,751	42,831	501,582
Purchased Professional Services	596,003	120,998	717,001
Purchased Property Services	1,524,304	67,103	1,591,407
Other Purchased Services	839,199	75,299	914,498
Depreciation	650,703	238,446	889,149
Other	225,753	4,446	230,199
Total Operating Expenses	<u>6,771,657</u>	<u>851,624</u>	<u>7,623,281</u>
Operating Income	<u>358,467</u>	<u>270,794</u>	<u>629,261</u>
Nonoperating Revenues (Expenses)			
Investment Income	195,371	3,627	198,998
Gain (loss) on disposal of assets	11,850	48,847	60,697
Earnings in Joint Venture	47,364	-	47,364
Intergovernmental	3,746	-	3,746
Interest Expense	(189,773)	(99,203)	(288,976)
Debt Issuance Costs	-	(3,764)	(3,764)
Other, Net	(48,678)	408,176	359,498
Total Nonoperating Revenues (Expenses)	<u>19,880</u>	<u>357,683</u>	<u>377,563</u>
Income Before Capital Contributions and Transfers	<u>378,347</u>	<u>628,477</u>	<u>1,006,824</u>
Capital Contributions and Transfers			
Capital Contributions	-	17,454	17,454
Transfers Out	(1,145,662)	(98,736)	(1,244,398)
Total Capital Contributions and Transfers	<u>(1,145,662)</u>	<u>(81,282)</u>	<u>(1,226,944)</u>
Change in Net Assets	(767,315)	547,195	(220,120)
Beginning Net Assets	16,226,295	2,169,534	18,395,829
Ending Net Assets	<u>\$ 15,458,980</u>	<u>\$ 2,716,729</u>	<u>\$ 18,175,709</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2011

	Sanitation	Northgate Parking Garage	Total
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 7,346,187	\$ 1,145,387	\$ 8,491,574
Cash Payments to Suppliers for Goods and Services	(3,818,724)	(330,226)	(4,148,950)
Cash Payments to Employees for Services	(1,907,335)	(274,000)	(2,181,335)
Cash Paid for Miscellaneous Services	(48,678)	-	(48,678)
Cash Received for Miscellaneous Revenues	3,746	18,177	21,923
Net Cash Provided by Operating Activities	1,575,196	559,338	2,134,534
Cash Flows from Noncapital Financing Activities:			
Transfers Out to Other Funds	(1,145,662)	(98,736)	(1,244,398)
Net Cash Used by Noncapital Financing Activities	(1,145,662)	(98,736)	(1,244,398)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	-	(411,687)	(411,687)
Capital Contributions from Developers	-	17,454	17,454
Proceeds from Sale of Assets	11,850	48,847	60,697
Principal Paid on Certificates of Obligation and General Obligation Bonds	(205,000)	(761,509)	(966,509)
Interest Paid on Certificates of Obligation and General Obligation Bonds	(190,535)	(106,763)	(297,298)
Net Cash Used by Capital and Related Financing Activities	(383,685)	(1,213,658)	(1,597,343)
Cash Flows from Investing Activities:			
Purchase of Investments	(191,045)	(165,643)	(356,688)
Proceeds from Sale and Maturities of Investment Securities	121,089	217,338	338,427
Investment Income	196,172	4,949	201,121
Net Cash Provided by Investing Activities	126,216	56,644	182,860
Net Increase (Decrease) in Cash and Cash Equivalents	172,065	(696,412)	(524,347)
Cash and Cash Equivalents, Oct. 1	770,365	1,193,972	1,964,337
Cash and Cash Equivalents, Sept. 30	\$ 942,430	\$ 497,560	\$ 1,439,990
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 358,467	\$ 270,794	\$ 629,261
Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation, Bad Debt Expense, Inventory Loss	650,703	238,446	889,149
Miscellaneous Nonoperating Revenues	3,746	18,177	21,923
Miscellaneous Nonoperating Expenses	(48,678)	-	(48,678)
Changes in Assets and Liabilities:			
Change in Accounts Receivable	216,062	18,683	234,745
Change in Inventory	552	-	552
Change in Accounts Payable	239,208	(199)	239,009
Change in Accrued Liabilities	44,308	5,783	50,091
Change in Deferred Revenue	-	4,286	4,286
Change in Accrued Vacation	16,535	(4,667)	11,868
Change in OPEB	41,648	3,549	45,197
Change in Net Pension Obligation	52,645	4,486	57,131
Total Adjustments	1,216,729	288,544	1,505,273
Net Cash Provided by Operating Activities	\$ 1,575,196	\$ 559,338	\$ 2,134,534

COMBINING FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

CITY OF COLLEGE STATION, TEXAS

Combining Statement of Net Assets

Internal Service Funds

September 30, 2011

	<u>Employee Benefits</u>	<u>Equipment Replacement</u>	<u>Fleet Maintenance</u>
Current Assets			
Equity in Cash and Cash Equivalents	\$ 4,872,225	\$ 8,172,937	\$ 398,429
Equity in Investment	361,661	606,671	29,575
Receivables			
Accounts	9,787	-	-
Other	-	-	-
Less Allowance for Uncollectible Accounts	-	-	-
Inventories	-	-	88,505
Total Current Assets	<u>5,243,673</u>	<u>8,779,608</u>	<u>516,509</u>
Property and Equipment			
Buildings	-	-	786,525
Machinery and Equipment	-	21,142,178	280,773
Accumulated Depreciation	-	(13,874,794)	(586,636)
Construction in Progress	-	-	-
Total Property and Equipment	<u>-</u>	<u>7,267,384</u>	<u>480,662</u>
Total Assets	<u><u>\$ 5,243,673</u></u>	<u><u>\$ 16,046,992</u></u>	<u><u>\$ 997,171</u></u>
Liabilities and Fund Equity			
Current Liabilities			
Accounts Payable	\$ 330,435	\$ 1,117,910	\$ 95,100
Claims Payable	821,596	-	-
Accrued Liabilities	1,454	-	16,568
Total Current Liabilities	<u>1,153,485</u>	<u>1,117,910</u>	<u>111,668</u>
Noncurrent Liabilities			
Accrued Vacation	-	-	53,764
Post Employment Benefits	7,240	-	76,751
Net Pension Obligation	6,245	-	66,278
Total Noncurrent Liabilities	<u>13,485</u>	<u>-</u>	<u>196,793</u>
Total Liabilities	<u>1,166,970</u>	<u>1,117,910</u>	<u>308,461</u>
Net Assets			
Invested in Capital Assets, net of related debt	-	7,267,384	480,662
Restricted Bond Proceeds	-	779,228	-
Unrestricted	4,076,703	6,882,470	208,048
Total Net Assets	<u><u>\$ 4,076,703</u></u>	<u><u>\$ 14,929,082</u></u>	<u><u>\$ 688,710</u></u>

Property and Casualty	Unemployment	Utility Customer Service	Workers' Compensation	Total
\$ 812,979	\$ 201,987	\$ 97,912	\$ 1,979,781	\$ 16,536,250
60,347	14,993	7,268	146,957	1,227,472
26,555	-	37,738	-	74,080
-	-	11,444	2,500	13,944
-	-	(24,676)	-	(24,676)
-	-	-	-	88,505
<u>899,881</u>	<u>216,980</u>	<u>129,686</u>	<u>2,129,238</u>	<u>17,915,575</u>
-	-	-	-	786,525
-	-	1,399,363	-	22,822,314
-	-	(1,026,511)	-	(15,487,941)
-	-	18,573	-	18,573
-	-	391,425	-	8,139,471
<u>\$ 899,881</u>	<u>\$ 216,980</u>	<u>\$ 521,111</u>	<u>\$ 2,129,238</u>	<u>\$ 26,055,046</u>
\$ 91,309	\$ 3,020	\$ 23,371	\$ 110	\$ 1,661,255
611,625	-	-	311,235	1,744,456
6,393	-	26,124	6,393	56,932
<u>709,327</u>	<u>3,020</u>	<u>49,495</u>	<u>317,738</u>	<u>3,462,643</u>
-	-	54,408	-	108,172
9,794	-	125,784	9,794	229,363
8,704	-	108,607	8,704	198,538
<u>18,498</u>	<u>-</u>	<u>288,799</u>	<u>18,498</u>	<u>536,073</u>
<u>727,825</u>	<u>3,020</u>	<u>338,294</u>	<u>336,236</u>	<u>3,998,716</u>
-	-	391,425	-	8,139,471
-	-	-	-	779,228
172,056	213,960	(208,608)	1,793,002	13,137,631
<u>\$ 172,056</u>	<u>\$ 213,960</u>	<u>\$ 182,817</u>	<u>\$ 1,793,002</u>	<u>\$ 22,056,330</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds
For the Fiscal Year Ended September 30, 2011

	Employee Benefits	Equipment Replacement	Fleet Maintenance
Operating Revenues			
Charges for Services	\$ -	\$ 3,215,726	\$ 1,679,676
Premiums	7,530,803	-	-
Other	33,552	-	-
Total Operating Revenues	<u>7,564,355</u>	<u>3,215,726</u>	<u>1,679,676</u>
Operating Expenses			
Salaries and Benefits	77,982	-	880,034
Supplies	-	-	756,108
Maintenance	-	-	12,538
Purchased Professional Services	66,377	-	2,032
Purchased Property Services	-	-	20,189
Other Purchased Services	-	-	85,229
Claims	5,286,747	-	-
Administration Fees	502,979	-	-
Contributions	-	697,710	-
Premiums	845,233	-	-
Depreciation	-	1,691,096	31,209
Other	45,844	6,807	33,322
Total Operating Expenses	<u>6,825,162</u>	<u>2,395,613</u>	<u>1,820,661</u>
Operating Income	<u>739,193</u>	<u>820,113</u>	<u>(140,985)</u>
Nonoperating Revenues (Expenses)			
Investment Income	18,198	25,655	1,813
Intergovernmental	5,350	-	-
Other, Net	(29,237)	91,372	20,889
Total Nonoperating Revenues (Expenses)	<u>(5,689)</u>	<u>117,027</u>	<u>22,702</u>
Income Before Operating Transfers	<u>733,504</u>	<u>937,140</u>	<u>(118,283)</u>
Transfers			
Transfers In	-	1,963,575	-
Transfers Out	-	-	-
Total Operating Transfers	<u>-</u>	<u>1,963,575</u>	<u>-</u>
Change in Net Assets	733,504	2,900,715	(118,283)
Beginning Net Assets	3,343,199	12,028,367	806,993
Ending Net Assets	<u>\$ 4,076,703</u>	<u>\$ 14,929,082</u>	<u>\$ 688,710</u>

Property and Casualty	Unemployment	Utility Customer Service	Workers' Compensation	Total
\$ -	\$ -	\$ 2,037,889	\$ -	\$ 6,933,291
1,721,218	35,914	-	398,594	9,686,529
529	-	183,956	1,580	219,617
<u>1,721,747</u>	<u>35,914</u>	<u>2,221,845</u>	<u>400,174</u>	<u>16,839,437</u>
127,827	-	1,457,703	127,823	2,671,369
-	-	53,696	25,958	835,762
-	-	21,523	-	34,061
10,500	-	44,930	10,500	134,339
-	-	43,188	-	63,377
-	-	702,117	-	787,346
433,202	56,957	-	214,239	5,991,145
557,102	-	-	23,833	1,083,914
-	-	-	-	697,710
236,282	-	-	113,032	1,194,547
-	-	45,730	-	1,768,035
14,423	-	62,117	2,294	164,807
<u>1,379,336</u>	<u>56,957</u>	<u>2,431,004</u>	<u>517,679</u>	<u>15,426,412</u>
<u>342,411</u>	<u>(21,043)</u>	<u>(209,159)</u>	<u>(117,505)</u>	<u>1,413,025</u>
1,574	983	773	9,016	58,012
-	-	-	-	5,350
64,614	-	3,575	17,971	169,184
<u>66,188</u>	<u>983</u>	<u>4,348</u>	<u>26,987</u>	<u>232,546</u>
<u>408,599</u>	<u>(20,060)</u>	<u>(204,811)</u>	<u>(90,518)</u>	<u>1,645,571</u>
-	-	-	-	1,963,575
-	-	-	-	-
-	-	-	-	1,963,575
408,599	(20,060)	(204,811)	(90,518)	3,609,146
(236,543)	234,020	387,628	1,883,520	18,447,184
<u>\$ 172,056</u>	<u>\$ 213,960</u>	<u>\$ 182,817</u>	<u>\$ 1,793,002</u>	<u>\$ 22,056,330</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2011

	Employee Benefits	Equipment Replacement	Fleet Maintenance	Property and Casualty
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 7,561,692	\$ 3,215,726	\$ 1,679,677	\$ 1,720,193
Cash Payments to Suppliers for Goods and Services	(7,139,656)	138,497	(1,007,172)	(1,128,382)
Cash Payments to Employees for Services	(73,744)	-	(679,180)	(102,696)
Cash Paid for Miscellaneous Services	(29,237)	-	-	-
Cash Received for Miscellaneous Revenues	5,350	91,372	20,889	64,614
Net Cash Provided (Used) by Operating Activities	324,405	3,445,595	14,214	553,729
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	-	1,963,575	-	-
Net Cash Provided by Noncapital Financing Activities	-	1,963,575	-	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	-	(2,568,147)	(20,888)	-
Net Cash Used by Capital and Related Financing Activities	-	(2,568,147)	(20,888)	-
Cash Flows from Investing Activities:				
Purchase of Investments	(1,234,464)	(1,955,118)	(102,608)	(180,850)
Proceeds from Sale and Maturities of Investment Securities	1,210,440	1,756,606	102,913	142,456
Investment Income	23,275	31,794	2,261	1,904
Net Cash Provided (Used) by Investing Activities	(749)	(166,718)	2,566	(36,490)
Net Increase (Decrease) in Cash and Cash Equivalents	323,656	2,674,305	(4,108)	517,239
Cash and Cash Equivalents, Oct. 1	4,548,569	5,498,632	402,537	295,740
Cash and Cash Equivalents, Sept. 30	\$ 4,872,225	\$ 8,172,937	\$ 398,429	\$ 812,979
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 739,193	\$ 820,113	\$ (140,985)	\$ 342,411
Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation, Bad Debt Expense, Inventory Loss	-	1,691,096	31,209	-
Miscellaneous Nonoperating Revenues	5,350	91,372	20,889	64,615
Miscellaneous Nonoperating Expenses	(29,237)	-	-	-
Changes in Assets and Liabilities:				
Change in Accounts Receivable	(2,663)	-	-	(1,556)
Change in Inventory	-	-	(10,475)	-
Change in Accounts Payable	(316,329)	843,014	50,034	(85,128)
Change in Claims Payable	(77,258)	-	-	220,621
Change in Accrued Liabilities	1,454	-	16,568	6,393
Change in Accrued Vacation	-	-	5,354	-
Change in OPEB	1,720	-	18,383	2,815
Change in Net Pension Obligation	2,175	-	23,237	3,558
Total Adjustments	(414,788)	2,625,482	155,199	211,318
Net Cash Provided (Used) by Operating Activities	\$ 324,405	\$ 3,445,595	\$ 14,214	\$ 553,729

Unemployment	Utility Customer Services	Workers' Compensation	Total
\$ 35,915	\$ 2,222,367	\$ 400,174	\$ 16,835,744
(53,938)	(1,120,537)	(424,720)	(10,735,908)
-	(1,163,725)	(109,613)	(2,128,958)
-	-	-	(29,237)
-	3,575	17,971	203,771
<u>(18,023)</u>	<u>(58,320)</u>	<u>(116,188)</u>	<u>4,145,412</u>
-	-	-	1,963,575
-	-	-	<u>1,963,575</u>
-	(18,572)	-	(2,607,607)
-	<u>(18,572)</u>	-	<u>(2,607,607)</u>
(52,752)	(28,996)	(514,043)	(4,068,831)
53,913	34,243	521,289	3,821,860
1,226	956	11,335	72,751
<u>2,387</u>	<u>6,203</u>	<u>18,581</u>	<u>(174,220)</u>
(15,636)	(70,689)	(97,607)	3,327,160
217,623	168,601	2,077,388	13,209,090
<u>\$ 201,987</u>	<u>\$ 97,912</u>	<u>\$ 1,979,781</u>	<u>\$ 16,536,250</u>
\$ (21,043)	\$ (209,159)	\$ (117,505)	\$ 1,413,025
-	45,730	-	1,768,035
-	3,575	17,971	203,772
-	-	-	(29,237)
-	522	-	(3,697)
-	-	-	(10,475)
3,020	9,455	110	504,176
-	-	(29,530)	113,833
-	26,127	6,393	56,935
-	(2,720)	-	2,634
-	30,100	2,815	55,833
-	38,050	3,558	70,578
<u>3,020</u>	<u>150,839</u>	<u>1,317</u>	<u>2,732,387</u>
<u>\$ (18,023)</u>	<u>\$ (58,320)</u>	<u>\$ (116,188)</u>	<u>\$ 4,145,412</u>



STATISTICAL SECTION - UNAUDITED

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

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. (Pages 125-131)

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes. (Pages 132-139)

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (Pages 140-144)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. (Pages 145-147)

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. (Pages 148-150)

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

CITY OF COLLEGE STATION, TEXAS

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities							
Invested in capital assets, net of related debt	\$ 106,460,949	\$ 108,287,795	\$ 113,750,039	\$ 114,935,845	\$ 143,530,290	\$ 153,397,767	\$ 145,546,799
Restricted	4,289,531	4,564,184	5,089,422	6,357,013	8,077,876	10,201,722	25,565,107
Unrestricted	<u>27,897,090</u>	<u>39,602,065</u>	<u>45,967,901</u>	<u>59,703,654</u>	<u>37,712,097</u>	<u>37,359,741</u>	<u>27,695,418</u>
Total governmental activities net assets	<u>\$ 138,647,570</u>	<u>\$ 152,454,044</u>	<u>\$ 164,807,362</u>	<u>\$ 180,996,512</u>	<u>\$ 189,320,263</u>	<u>\$ 200,959,230</u>	<u>\$ 198,807,324</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 132,001,489	\$ 142,778,246	\$ 147,043,092	\$ 145,066,758	\$ 147,627,129	\$ 161,365,075	\$ 175,059,669
Restricted	2,797,735	2,920,980	3,056,356	1,590,977	3,119,691	1,588,631	1,588,631
Unrestricted	<u>30,830,640</u>	<u>32,980,043</u>	<u>37,474,945</u>	<u>43,957,844</u>	<u>47,397,414</u>	<u>38,818,705</u>	<u>35,213,377</u>
Total business-type activities net assets	<u>\$ 165,629,864</u>	<u>\$ 178,679,269</u>	<u>\$ 187,574,393</u>	<u>\$ 190,615,579</u>	<u>\$ 198,144,234</u>	<u>\$ 201,772,411</u>	<u>\$ 211,861,677</u>
Primary government							
Invested in capital assets, net of related debt	\$ 238,462,438	\$ 251,066,041	\$ 260,793,131	\$ 260,002,603	\$ 291,157,419	\$ 314,762,842	\$ 320,606,468
Restricted	7,087,266	7,485,164	8,145,778	7,947,990	11,197,567	11,790,353	27,153,738
Unrestricted	<u>58,727,730</u>	<u>72,582,108</u>	<u>83,442,846</u>	<u>103,661,498</u>	<u>85,109,511</u>	<u>76,178,446</u>	<u>62,908,795</u>
Total primary government net assets	<u>\$ 304,277,434</u>	<u>\$ 331,133,313</u>	<u>\$ 352,381,755</u>	<u>\$ 371,612,091</u>	<u>\$ 387,464,497</u>	<u>\$ 402,731,641</u>	<u>\$ 410,669,001</u>

Source: City of College Station

CITY OF COLLEGE STATION, TEXAS

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses							
Governmental activities:							
General government	\$ 6,457,556	\$ 7,755,725	\$ 7,654,393	\$ 8,551,304	\$ 8,631,908	\$ 11,534,705	\$ 9,455,960
Fiscal services	2,467,187	2,452,442	2,442,439	2,977,362	3,821,996	4,127,990	3,384,388
Police	10,666,318	11,214,413	12,299,698	13,395,874	13,945,079	16,063,347	15,082,452
Fire	7,853,876	8,280,257	9,472,331	11,359,260	11,778,585	13,301,029	11,749,054
Planning and development services	1,580,317	1,449,327	1,603,963	1,910,359	2,823,296	2,952,177	3,364,877
Public works	5,401,568	6,227,707	6,620,846	9,467,081	16,804,436	17,026,827	20,629,662
Capital projects	-	-	-	719,391	476,462	256,177	648,589
Parks and recreation	6,549,466	7,353,984	8,235,984	9,391,993	10,136,521	11,202,863	10,146,043
Library	694,445	870,203	912,527	993,102	1,052,838	1,103,864	1,130,433
Information services	2,187,418	2,280,393	2,689,720	2,749,327	3,471,714	5,048,720	4,165,064
Interest on long-term debt	3,895,520	4,116,871	4,291,022	3,860,801	4,135,146	4,111,523	4,079,379
Unallocated depreciation	5,430,745	5,759,049	6,026,372	667,890	789,074	1,047,906	1,130,283
Total governmental activities expense	<u>53,184,416</u>	<u>57,760,371</u>	<u>62,249,295</u>	<u>66,043,744</u>	<u>77,867,055</u>	<u>87,777,128</u>	<u>84,966,184</u>
Business-type activities:							
Electric	47,815,339	51,250,110	60,242,408	70,485,984	77,441,351	88,685,699	93,277,853
Water	7,908,695	7,770,081	8,302,863	8,706,415	9,287,343	10,190,159	9,960,837
Sewer	7,262,208	7,973,677	8,179,813	9,159,176	9,829,813	10,604,983	10,114,867
Sanitation	4,931,079	5,421,624	5,916,431	6,244,639	5,776,002	6,527,724	6,558,278
Northgate parking	591,944	621,593	591,980	668,237	909,167	1,019,393	944,125
Total business-type activities expense	<u>68,509,265</u>	<u>73,037,085</u>	<u>83,233,495</u>	<u>95,264,451</u>	<u>103,243,676</u>	<u>117,027,958</u>	<u>120,855,960</u>
Total primary government expense	<u>\$ 121,693,681</u>	<u>\$ 130,797,456</u>	<u>\$ 145,482,790</u>	<u>\$ 161,308,195</u>	<u>\$ 181,110,731</u>	<u>\$ 204,805,086</u>	<u>\$ 205,822,144</u>
Program Revenues							
Governmental activities:							
Charges for services:							
Fines, forfeits and penalties	\$ 4,008,637	\$ 3,798,807	\$ 3,618,236	\$ 3,798,313	\$ 4,491,960	\$ 4,500,447	\$ 4,120,077
Licenses and permits	1,043,672	1,091,848	1,306,690	1,154,902	1,007,151	964,344	1,091,983
Public works	1,110,686	1,290,935	1,199,565	1,255,525	1,793,174	1,895,263	2,910,293
Parks and recreation	1,044,134	1,244,476	1,420,284	1,911,789	1,838,810	1,722,840	2,007,032
Other activities	2,002,338	2,656,136	3,210,563	3,548,309	4,494,627	3,378,603	2,516,446
Operating grants and contributions	2,629,494	3,144,254	2,038,535	1,735,170	1,896,623	1,694,228	1,875,849
Capital grants and contributions	4,489,883	7,477,874	5,271,090	3,055,501	2,644,629	19,587,921	3,964,442
Total governmental activities program revenues	<u>16,328,844</u>	<u>20,704,330</u>	<u>18,064,963</u>	<u>16,459,509</u>	<u>18,166,974</u>	<u>33,743,646</u>	<u>18,486,122</u>
Business-type activities:							
Charges for services:							
Electric sales	51,467,169	60,217,421	67,462,075	76,787,412	82,904,777	91,162,890	101,617,743
Water sales	9,519,714	10,852,660	10,060,398	12,025,086	17,312,431	12,745,173	17,253,787
Sewer service	9,697,314	10,363,603	10,590,688	11,184,565	11,655,528	11,522,025	13,099,783
Garbage collection fees	5,151,204	6,419,446	7,512,194	9,628,798	7,988,795	7,299,273	7,143,536
Parking garage fees	480,627	576,892	620,124	673,818	990,735	1,140,833	1,189,443
Operating grants and contributions	-	-	-	-	17,792	-	3,746
Capital grants and contributions	1,937,320	4,677,465	4,041,105	5,349,125	6,846,033	11,703,035	3,857,585
Total business-type activities program revenues	<u>78,253,348</u>	<u>93,107,487</u>	<u>100,286,584</u>	<u>115,648,804</u>	<u>127,716,091</u>	<u>135,573,229</u>	<u>144,165,623</u>
Total primary government program revenues	<u>\$ 94,582,192</u>	<u>\$ 113,811,817</u>	<u>\$ 118,351,547</u>	<u>\$ 132,108,313</u>	<u>\$ 145,883,065</u>	<u>\$ 169,316,875</u>	<u>\$ 162,651,745</u>

CITY OF COLLEGE STATION, TEXAS

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net (Expense)/Revenue							
Governmental activities	\$ (36,855,572)	\$ (37,056,041)	\$ (44,184,332)	\$ (49,584,235)	\$ (59,700,081)	\$ (54,033,482)	\$ (66,480,062)
Business-type activities	<u>9,744,083</u>	<u>20,070,402</u>	<u>17,053,089</u>	<u>20,384,355</u>	<u>24,472,415</u>	<u>18,545,271</u>	<u>23,309,663</u>
Total primary government net expense	<u>\$ (27,111,489)</u>	<u>\$ (16,985,639)</u>	<u>\$ (27,131,243)</u>	<u>\$ (29,199,880)</u>	<u>\$ (35,227,666)</u>	<u>\$ (35,488,211)</u>	<u>\$ (43,170,399)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 15,888,475	\$ 16,646,519	\$ 18,573,309	\$ 20,670,112	\$ 22,769,699	\$ 24,745,344	\$ 24,333,373
Sales and mixed beverage taxes	15,705,090	17,082,936	18,449,731	20,241,973	19,873,213	19,751,004	20,717,598
Franchise taxes	1,718,491	2,132,341	1,931,196	2,090,779	2,217,618	2,210,902	2,153,827
Hotel taxes	2,306,928	2,671,417	2,980,250	3,585,512	3,574,649	3,387,041	3,558,042
Unrestricted investment earnings	1,487,926	3,415,849	4,512,575	3,385,844	1,413,431	265,424	368,868
Gain (Loss) on sale of capital assets	(111,916)	-	-	-	-	(24,596)	-
Adjustment to claims payable	-	-	-	-	-	-	-
Transfers	<u>8,188,725</u>	<u>8,850,453</u>	<u>10,090,589</u>	<u>7,559,165</u>	<u>12,778,642</u>	<u>15,337,330</u>	<u>13,562,095</u>
Total governmental activities	<u>45,183,719</u>	<u>50,799,515</u>	<u>56,537,650</u>	<u>57,533,385</u>	<u>62,627,252</u>	<u>65,672,449</u>	<u>64,693,803</u>
Business-type activities:							
Unrestricted investment earnings	947,477	1,829,456	1,932,624	1,330,785	654,882	420,236	341,698
Transfers	<u>(8,188,725)</u>	<u>(8,850,453)</u>	<u>(10,090,589)</u>	<u>(10,433,954)</u>	<u>(12,778,642)</u>	<u>(15,337,330)</u>	<u>(13,562,095)</u>
Total business-type activities	<u>(7,241,248)</u>	<u>(7,020,997)</u>	<u>(8,157,965)</u>	<u>(9,103,169)</u>	<u>(12,123,760)</u>	<u>(14,917,094)</u>	<u>(13,220,397)</u>
Total primary government	<u>\$ 37,942,471</u>	<u>\$ 43,778,518</u>	<u>\$ 48,379,685</u>	<u>\$ 48,430,216</u>	<u>\$ 50,503,492</u>	<u>\$ 50,755,355</u>	<u>\$ 51,473,406</u>
Change in net assets							
Governmental activities	\$ 8,328,147	\$ 13,743,474	\$ 12,353,318	\$ 7,949,150	\$ 2,927,171	\$ 11,638,967	\$ (1,786,259)
Business-type activities	<u>2,502,835</u>	<u>13,049,405</u>	<u>8,895,124</u>	<u>11,281,186</u>	<u>12,348,655</u>	<u>3,628,177</u>	<u>10,089,266</u>
Total primary government	<u>\$ 10,830,982</u>	<u>\$ 26,792,879</u>	<u>\$ 21,248,442</u>	<u>\$ 19,230,336</u>	<u>\$ 15,275,826</u>	<u>\$ 15,267,144</u>	<u>\$ 8,303,007</u>

Source: City of College Station

CITY OF COLLEGE STATION, TEXAS

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Function/Program							
Governmental activities:							
General government	\$ 3,121,430	\$ 4,357,597	\$ 3,343,904	\$ 2,501,778	\$ 1,957,500	\$ 5,124,710	\$ 1,281,849
Fiscal services	508,810	547,790	409,100	684,666	38,377	100,495	215,626
Police	4,093,425	3,875,900	3,713,866	4,533,697	5,004,712	5,161,486	4,596,713
Fire	916,804	817,910	1,400,464	1,137,759	3,551,620	2,199,375	1,952,851
Planning and development services	1,043,672	1,091,848	1,306,690	1,357,037	1,051,943	1,075,342	1,296,213
Public works	5,600,569	8,768,809	6,470,655	4,312,571	4,445,595	15,313,779	5,796,384
Capital Improvement Program						951,686	-
Information Technology							15,500
Parks and recreation	1,044,134	1,244,476	1,420,284	1,932,001	2,117,227	3,816,773	3,330,986
Subtotal governmental activities	<u>16,328,844</u>	<u>20,704,330</u>	<u>18,064,963</u>	<u>16,459,509</u>	<u>18,166,974</u>	<u>33,743,646</u>	<u>18,486,122</u>
Business-type activities:							
Electric	52,780,914	62,284,935	69,033,816	77,419,441	84,552,573	92,530,434	102,516,252
Water	9,826,360	12,409,728	11,314,888	14,115,391	19,065,662	17,118,922	18,710,635
Sewer	10,014,243	11,416,486	11,805,562	13,811,356	15,100,534	15,208,551	14,584,557
Sanitation	5,151,204	6,419,446	7,512,194	9,628,798	8,006,587	9,574,489	7,147,282
Northgate parking	480,627	576,892	620,124	673,818	990,735	1,140,833	1,206,897
Subtotal business-type activities	<u>78,253,348</u>	<u>93,107,487</u>	<u>100,286,584</u>	<u>115,648,804</u>	<u>127,716,091</u>	<u>135,573,229</u>	<u>144,165,623</u>
Total primary government	<u>\$ 94,582,192</u>	<u>\$ 113,811,817</u>	<u>\$ 118,351,547</u>	<u>\$ 132,108,313</u>	<u>\$ 145,883,065</u>	<u>\$ 169,316,875</u>	<u>\$ 162,651,745</u>

Source: City of College Station

CITY OF COLLEGE STATION, TEXAS

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Nonspendable								\$ 62,390	\$ 70,516	\$ 58,548
Restricted								95,220	849,622	925,798
Assigned								1,663,400	1,794,416	537,586
Unassigned								7,557,419	11,101,327	12,871,125
Reserved	\$ 989,028	\$ 1,728,294	\$ 1,089,510	\$ 1,132,180	\$ 1,523,619	\$ 1,108,449	\$ 2,305,476	-	-	-
Unreserved	9,122,197	9,522,041	9,613,442	9,038,345	9,448,389	11,824,140	9,679,913	-	-	-
Total general fund	\$ 10,111,225	\$ 11,250,335	\$ 10,702,952	\$ 10,170,525	\$ 10,972,008	\$ 12,932,589	\$ 11,985,389	\$ 9,378,429	\$ 13,815,881	\$ 14,393,057
All Other Governmental Funds										
Nonspendable								\$ 859,654	\$ 8,235,642	\$ 7,890,137
Restricted								39,375,368	54,421,910	27,404,127
Committed								2,627,403	2,764,227	3,149,243
Assigned								609,113	-	-
Unassigned								545,024	-	-
Reserved	\$ 10,685,338	\$ 41,119,894	\$ 42,522,379	\$ 42,999,111	\$ 49,111,974	\$ 46,372,274	\$ 48,819,538	-	-	-
Unreserved, reported in:										
Special revenue funds	12,460,155	10,851,935	6,085,255	6,244,225	7,462,140	10,148,840	11,526,009	-	-	-
Capital projects funds	33,275,222	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 56,420,715	\$ 51,971,829	\$ 48,607,634	\$ 49,243,336	\$ 56,574,114	\$ 56,521,114	\$ 60,345,547	\$ 44,016,562	\$ 65,421,779	\$ 38,443,507

Source: City of College Station

Note: Fiscal year 2002 has been restated to include trust funds.

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

CITY OF COLLEGE STATION, TEXAS

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 29,499,644	\$ 31,277,451	\$ 34,073,652	\$ 35,618,984	\$ 38,533,213	\$ 41,934,486	\$ 46,588,376	\$ 48,435,179	\$ 49,901,803	\$ 50,762,840
Licenses and permits	870,636	1,012,960	1,112,766	1,025,013	945,593	1,191,105	1,154,902	1,007,151	964,344	1,091,983
Intergovernmental	2,572,428	1,950,883	3,208,957	2,592,312	3,144,254	2,038,535	1,707,957	1,896,623	5,022,822	2,143,573
Charges for services	2,251,297	2,610,056	2,538,583	2,634,683	2,925,281	3,339,352	3,790,147	3,543,064	6,042,105	6,113,497
Fines, forfeits and penalties	2,225,354	2,657,643	2,966,278	3,518,940	3,285,907	3,256,488	3,798,313	4,491,960	4,500,447	4,120,077
Special assessments	982,760	1,035,023	1,062,179	1,110,686	1,290,935	1,199,565	1,255,525	1,793,174	-	-
Investment income	2,615,798	1,543,026	1,062,069	1,269,201	3,066,642	3,864,797	2,886,636	1,125,382	206,648	368,868
Rents and royalties	228,392	233,026	256,023	243,831	244,864	261,225	279,004	769,150	749,635	589,528
Loan repayments	9,626	11,322	5,418	2,541	-	-	-	-	-	-
Contributions	356,369	475,913	784,402	37,182	12,281	31,605	27,213	26,997	605,953	825,532
Reimbursed expenditures	32,803	7,258	28,393	-	145,749	479,675	46,038	413,751	-	-
Other revenues	437,359	335,405	679,349	631,192	447,432	738,415	1,046,431	403,548	267,695	730,747
Total revenues	42,082,486	43,149,966	47,778,069	48,684,565	54,042,151	58,335,248	62,580,542	63,905,979	68,261,452	66,746,645
Expenditures										
General government	3,801,250	3,765,079	4,187,972	4,480,075	4,216,582	4,699,159	7,319,662	5,435,355	7,401,157	6,438,313
Fiscal services	2,112,936	2,319,008	2,479,082	3,038,145	3,050,533	3,013,548	3,573,686	3,836,786	3,635,009	3,353,387
Police	8,829,060	9,143,331	9,803,577	10,829,081	11,559,669	12,556,678	13,219,117	14,107,740	13,816,620	14,931,212
Fire	6,340,775	6,989,125	7,275,289	7,964,785	8,493,228	9,622,195	11,251,400	11,754,088	11,418,948	11,444,702
Planning and development services	1,883,224	1,935,277	1,964,001	1,962,603	1,877,732	2,008,901	2,281,747	2,871,341	2,568,484	3,327,495
Public works	5,207,101	5,292,243	5,534,404	6,117,241	7,116,329	7,440,854	7,182,443	7,920,003	7,123,885	6,677,986
Capital improvement projects	-	-	-	-	-	-	715,707	476,462	132,880	648,589
Economic and community development	122,074	6,369	16,886	11,281	-	-	-	-	-	-
Parks and recreation	5,862,938	6,279,342	6,388,099	6,778,196	7,520,189	8,167,857	9,071,198	9,355,301	8,930,388	9,388,765
Information systems	2,243,844	2,320,950	2,346,534	2,500,518	2,596,591	3,070,524	3,366,764	3,299,105	3,887,102	3,902,082
Library	670,818	681,350	665,291	694,445	870,203	912,527	993,102	1,119,771	1,080,030	1,061,581
Reimbursed administrative	(3,559,556)	(3,703,529)	(3,328,431)	(3,485,807)	(3,335,264)	(3,305,040)	(3,772,362)	-	-	-
Claims	-	-	-	-	-	-	-	-	-	-
Contributions	1,348,885	1,573,651	2,504,589	1,895,742	1,995,564	1,855,961	2,151,592	2,489,562	2,266,558	2,063,489
Community development block grant	538,901	222,169	201,099	275,775	340,399	215,707	-	-	-	-
Home grant	626,848	408,779	304,580	439,243	840,211	323,811	-	-	-	-
Community development grant	-	-	-	-	-	-	-	-	-	-
Other expenditures	183,450	624,837	253,270	296,344	108,527	147,860	204,338	487,163	438,757	750,135
Capital outlay	13,702,819	11,286,448	12,775,413	15,435,376	11,610,189	14,213,574	19,538,322	31,931,401	9,765,151	11,501,926

CITY OF COLLEGE STATION, TEXAS

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt service										
Principal	5,950,000	5,820,000	10,110,000	6,190,000	7,285,000	7,820,000	8,530,000	7,935,000	8,050,000	8,085,412
Interest	3,425,390	3,647,529	3,376,538	3,885,075	4,078,635	4,212,245	3,892,490	4,114,356	4,133,633	3,698,324
Issuance costs	115,500	118,335	352,114	118,261	-	-	-	-	-	-
Fiscal charges	8,752	12,500	15,332	13,871	152,729	527,806	70,796	46,551	227,765	384,196
Intergovernmental	-	223,608	221,902	97,621	743,117	342,630	881,604	745,908	-	924,941
Total expenditures	59,415,009	58,966,401	67,447,541	69,537,871	71,120,163	77,846,797	90,471,606	107,925,893	86,476,347	88,582,535
Deficiency of revenues under expenditures	(17,332,543)	(15,816,435)	(19,669,472)	(20,853,306)	(17,078,012)	(19,511,549)	(27,891,064)	(44,019,914)	(18,214,895)	(21,835,890)

Other Financing Sources (Uses)

Proceeds from long-term debt	20,056,200	6,570,000	16,375,000	13,347,581	15,700,000	7,890,000	19,970,000	9,815,000	20,685,000	1,977,134
Proceeds from refunding bonds	-	-	5,980,000	-	-	10,255,000	-	-	4,265,000	11,250,000
Payment to bond escrow agent	-	-	(6,260,371)	-	-	(10,451,378)	-	-	(4,283,647)	(12,322,570)
Premium on bonds issued	-	-	280,371	-	-	373,648	-	-	75,183	1,172,234
Sale of capital assets	30,106	19,563	4,386	12,182	17,500	318,103	10,981	505,606	5,615	8,690
Transfers in	8,764,250	7,910,690	10,945,210	11,476,019	11,864,435	15,054,935	13,828,414	22,680,922	16,054,544	19,382,145
Transfers out	(2,007,066)	(1,993,594)	(11,566,702)	(3,879,201)	(2,371,662)	(2,021,178)	(3,041,098)	(8,494,139)	(673,081)	(7,783,625)
Total other financing sources	26,843,490	12,506,659	15,757,894	20,956,581	25,210,273	21,419,130	30,768,297	24,507,389	36,128,614	13,684,008
Net change in fund balances	\$ 9,510,947	\$ (3,309,776)	\$ (3,911,576)	\$ 103,275	\$ 8,132,261	\$ 1,907,581	\$ 2,877,233	\$ (19,512,525)	\$ 17,913,719	\$ (8,151,882)
Debt services as a percentage of noncapital expenditures	20.8%	20.1%	25.3%	18.9%	19.4%	19.7%	17.6%	15.9%	16.2%	15.8%

Source: City of College Station

Notes:

Direct capital expenditures have been removed from departmental expenditure lines and included in the capital outlay line item. Fiscal year 2002 has been restated to include trust funds.

CITY OF COLLEGE STATION, TEXAS

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

Fiscal Year	Property	Sales	Hotel	Franchise	Mixed Drink	Total
2002	\$ 12,224,416	\$ 13,400,054	\$ 1,926,009	\$ 1,714,241	\$ 234,924	\$ 29,499,644
2003	13,441,000	13,780,639	2,120,015	1,688,947	246,850	31,277,451
2004	14,668,641	14,957,697	2,191,429	1,974,587	281,298	34,073,652
2005	15,888,475	15,445,404	2,306,928	1,718,491	259,686	35,618,984
2006	16,646,519	16,752,174	2,671,417	2,132,341	330,762	38,533,213
2007	18,573,309	18,077,973	2,980,250	1,931,196	371,758	41,934,486
2008	20,670,112	19,822,906	3,585,512	2,090,778	419,067	46,588,375
2009	22,769,698	19,438,179	3,574,649	2,217,619	435,034	48,435,179
2010	24,523,184	19,328,578	3,416,713	2,210,902	422,426	49,901,803
2011	24,333,373	20,292,871	3,558,042	2,153,827	424,727	50,762,840
Change						
2002-2011	99.1%	51.4%	84.7%	25.7%	80.8%	72.1%

Source: City of College Station

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

CITY OF COLLEGE STATION, TEXAS

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

Fiscal Year	Residential Property	Commercial and Industrial Property	Personal, Inventory and Other Property	Less Exemptions and Abatements	Less TIF (1) Captured Value	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value	
2002	\$ 1,721,906,078	\$ 596,567,968	\$ 552,036,938	\$ 380,950,901	\$ 39,379,860	\$ 2,450,180,223	0.477700	\$ 2,450,180,223	100.00%	
2003	1,910,284,688	634,030,921	607,645,557	428,395,713	30,625,663	2,692,939,790	0.477700	2,674,807,515	100.68%	
2004	2,144,406,477	723,887,327	653,978,324	493,364,734	39,971,363	2,988,936,031	0.465300	2,988,936,031	100.00%	
2005	2,339,284,129	770,194,254	738,376,045	556,722,986	45,182,585	3,245,948,857	0.464000	3,250,329,407	99.87%	
2006	2,530,659,165	931,255,843	798,179,118	614,609,545	45,750,172	3,599,734,409	0.439400	3,599,734,409	100.00%	
2007	2,849,558,106	1,020,242,352	828,757,366	643,387,278	50,131,743	4,005,038,803	0.439400	4,005,038,803	100.00%	
2008	3,200,809,497	1,141,458,255	881,095,548	677,645,852	68,644,309	4,477,073,139	0.439400	4,477,073,139	100.00%	
2009	3,606,901,737	1,191,974,529	927,276,877	701,998,930	78,082,864	4,946,071,349	0.439400	4,946,071,349	100.00%	
2010	3,941,112,015	1,236,193,238	1,069,742,963	856,257,215	69,373,412	5,321,417,589	0.439400	5,321,417,589	100.00%	
2011	4,087,540,319	1,209,126,533	1,029,151,665	870,386,056	-	5,455,432,461	0.447543	5,455,432,461	100.00%	

Source: Brazos County Appraisal District

Notes: Assessed value is 100% of the estimated actual value.

(1) Tax increment financing district (TIF).

CITY OF COLLEGE STATION, TEXAS

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

Fiscal Year	City Direct Rates			Overlapping Rates	
	Basic Rate	General Obligation Debt Service	Total Direct Rate	College Station ISD	Brazos County
2002	0.184600	0.293100	0.477700	1.790000	0.420000
2003	0.194600	0.283100	0.477700	1.790000	0.414600
2004	0.192100	0.273200	0.465300	1.770000	0.435000
2005	0.194200	0.269800	0.464000	1.770000	0.472600
2006	0.189600	0.249800	0.439400	1.675000	0.465000
2007	0.191000	0.248400	0.439400	1.480000	0.455000
2008	0.191000	0.248400	0.439400	1.241050	0.465000
2009	0.193352	0.246048	0.439400	1.221100	0.480000
2010	0.209967	0.229433	0.439400	1.253413	0.480000
2011	0.227349	0.220194	0.447543	1.309933	0.485600

Source: Brazos County Appraisal District

Notes:

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

CITY OF COLLEGE STATION, TEXAS

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

Taxpayer	2011			2002		
	Taxable 2010 Assessed Value	Rank	Percent of of Total City Taxable Assessed Value	Taxable 2001 Assessed Value	Rank	Percent of of Total City Taxable Assessed Value
C.B.L. & Associates (Post Oak Mall)	\$ 54,171,420	1	0.99%	\$ 48,629,050	1	1.98%
College Station Hospital LP	53,751,240	2	0.99%	25,402,560	6	1.04%
SHP-The Callaway House LP	46,070,090	3	0.84%			
Woodland of College Station LP	40,782,010	4	0.75%			
Jamespoint Management	40,167,320	5	0.74%			
Jefferson Enclave LP	38,075,900	6	0.70%			
SW Meadows Point LP	36,174,160	7	0.66%			
Weinberg, Israel & David Alkossier	36,025,730	8	0.66%	30,961,300	5	1.26%
BVP 2818 Place, LP	35,952,255	9	0.66%			
Walmart/Sam's	32,566,240	10	0.60%	21,412,710	8	0.87%
W9/JP-M Real Estate Ltd				39,372,000	2	1.61%
Verizon Communications, Inc.				35,913,250	3	1.47%
Melrose Apartments				21,799,500	7	0.89%
Universal Computer Services				31,665,535	4	1.29%
College Station Exchange, LP				18,800,000	9	0.77%
301 Church Avenue, LP				17,000,000	10	0.69%

Source: Brazos County Appraisal District

CITY OF COLLEGE STATION, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy			
	Amount	Amount	Percentage of Levy	Amount	Percentage of Levy	
2002	\$ 11,892,629	\$ 11,735,174	98.68%	\$ 150,603	\$ 11,885,777	99.94%
2003	13,010,508	12,740,869	97.93%	260,655	13,001,524	99.93%
2004	14,092,814	13,974,666	99.16%	106,972	14,081,638	99.92%
2005	15,270,852	15,160,102	99.27%	102,179	15,262,281	99.94%
2006	16,162,073	15,938,981	98.62%	145,062	16,084,043	99.52%
2007	17,818,419	17,697,220	99.32%	39,383	17,736,603	99.54%
2008	19,973,882	19,773,036	98.99%	109,866	19,882,902	99.54%
2009	22,076,134	21,795,748	98.73%	176,189	21,971,937	99.53%
2010	23,623,086	23,435,105	99.20%	42,571	23,477,676	99.38%
2011	24,323,279	24,136,088	99.23%	-	24,136,088	99.23%

Sources: City Of College Station and Brazos County Tax Office

CITY OF COLLEGE STATION, TEXAS

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Utilities	\$ 13,645	\$ 15,169	\$ 14,929	\$ 14,943	\$ 16,684	\$ 19,336	\$ 22,403	\$ 25,483	\$ 26,442	\$ 27,724
Construction	5,805	6,240	5,500	6,477	12,076	13,918	15,818	15,768	10,617	10,070
Manufacturing	6,656	7,950	7,821	9,323	12,926	13,066	13,200	16,391	12,221	9,620
Wholesale Trade	7,069	18,918	12,332	24,173	25,939	17,482	8,759	13,761	9,856	10,770
Retail Trade	482,859	489,059	513,638	529,284	563,662	608,940	686,271	693,673	653,561	678,041
Information	2,330	10,755	15,312	16,092	14,409	14,082	12,148	15,427	15,684	16,907
Finance and Insurance	67	60	55	119	130	216	541	752	706	840
Real Estate and Rental/Leasing	-	10,462	11,032	12,258	12,024	15,679	16,249	18,326	9,288	9,456
Professional, Scientific and Tech Services	-	7,627	7,660	8,618	8,692	9,530	11,074	26,234	25,694	13,142
Administrative, Support, Waste Mgmt, Remediation	-	12,866	14,703	14,655	15,133	16,462	15,054	18,362	17,610	16,831
Educational Services	-	98	93	22,981	26,252	29,592	32,502	27,645	35,351	34,952
Health Care and Social Assistance	-	986	1,721	1,951	2,547	2,873	4,051	2,888	2,301	2,049
Arts, Entertainment and Recreation	3,588	5,382	5,480	6,173	6,781	6,949	7,399	9,168	8,671	8,470
Accommodation and Food Services	116,051	129,054	137,440	147,277	158,267	169,900	185,723	205,967	204,731	208,597
Other Services	90,845	37,802	36,954	34,563	38,894	17,069	14,539	15,782	15,338	15,890
Total	\$ 728,915	\$ 752,428	\$ 784,770	\$ 848,887	\$ 914,416	\$ 955,094	\$ 1,045,731	\$ 1,105,627	\$ 1,048,041	\$ 1,063,359
City direct sales tax rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

Source: Texas State Comptroller of Public Accounts

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

CITY OF COLLEGE STATION, TEXAS

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

Fiscal Year	City		Brazos		State of	
	Direct Rate	County	County	County	County	County
2002	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2003	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2004	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2005	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2006	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2007	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2008	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2009	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2010	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%
2011	1.50%	0.50%	0.50%	0.50%	6.25%	6.25%

Source: Texas State Comptroller of Public Accounts

CITY OF COLLEGE STATION, TEXAS

SALES TAX REVENUE PAYERS BY INDUSTRY
CALENDAR YEARS 2001 AND 2010
(dollars are in thousands)

	Calendar Year 2001			Calendar Year 2010		
	Number of Outlets	Percentage of Total	Tax Liability	Number of Outlets	Percentage of Total	Tax Liability
Retail trade	932	60.72%	\$ 8,984	1,224	54.02%	\$ 13,300
Services	399	25.99%	930	475	20.96%	1,206
Wholesale trade	46	3.00%	533	60	2.65%	162
Utilities, transportation, communications	20	1.30%	240	17	0.75%	418
Manufacturing	33	2.15%	100	83	3.66%	144
Construction	54	3.52%	87	109	4.81%	151
Agriculture, forestry, and fishing	32	2.08%	54	49	2.16%	127
Finance, insurance, real estate	12	0.78%	1	59	2.60%	154
All other outlets	7	0.46%	-	190	8.39%	289
Total	1,535	100.00%	\$ 10,929	2,266	100.00%	\$ 15,951

Source: Texas State Comptroller of Public Accounts

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

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

The category labeled "All other outlets" is higher than normal in 2010 due to the State Comptroller's conversion from SIC classification codes to NAICS classification codes to NAICS classification codes. The State reports in SIC classifications and new outlets added since the conversion began are labeled within the SIC classification of "other".

CITY OF COLLEGE STATION, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Public Property Finance Contractual Obligations	Utility Revenue Bonds	Capital Leases	Certificates of Obligation	General Obligation Bonds	Utility Revenue Certificates of Obligation	Utility Revenue General Obligation Bonds				
2002	\$ 41,665,000	\$ 33,280,000	\$ -	\$ 78,235,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,180,000		\$ 2,022	
2003	43,170,000	32,525,000	-	79,680,000	-	-	-	-	-	155,375,000		1,984	
2004	47,085,000	34,705,000	-	75,655,000	-	-	-	-	-	157,445,000		1,963	
2005	49,800,000	30,195,000	-	79,215,000	-	-	8,910,000	-	-	168,120,000		2,052	
2006	53,835,000	34,905,000	-	91,460,000	-	-	8,580,000	-	-	188,780,000	15.39%	2,244	
2007	55,720,000	33,500,000	-	105,215,000	-	-	8,240,000	-	-	202,675,000	15.48%	2,330	
2008	60,695,000	39,965,000	-	99,560,000	-	-	23,820,000	-	-	224,040,000	12.90%	2,465	
2009	59,145,000	38,575,000	-	93,755,000	-	4,530,000	47,755,000	-	-	243,760,000	14.34%	2,608	
2010	75,020,000	35,675,000	-	87,745,000	-	4,970,000	48,970,000	-	-	256,210,000	16.07%	2,707	
2011	78,055,000	26,085,000	-	54,495,000	-	4,765,000	50,185,000	25,585,000	-	242,240,000	12.81%	2,499	

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

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

Personal income information for the City of College Station is only available for calendar years 2005 - 2011.

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

CITY OF COLLEGE STATION, TEXAS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year	General		Less Debt Service		Net Bonded Debt	Percentage of	
	Obligation Bonds		Cash Funds			Actual Taxable Value of Property	Per Capita
2002	\$ 41,665,000	\$ 1,287,038	\$ 40,377,962	1.65%	\$	533	
2003	43,170,000	659,180	42,510,820	1.59%		543	
2004	47,085,000	585,336	46,499,664	1.56%		580	
2005	49,800,000	912,353	48,887,647	1.50%		597	
2006	53,835,000	1,645,563	52,189,437	1.45%		620	
2007	55,720,000	2,060,709	53,659,291	1.34%		617	
2008	60,695,000	2,573,421	58,121,579	1.30%		644	
2009	59,145,000	3,125,126	56,019,874	1.13%		599	
2010	75,020,000	4,115,689	70,904,311	1.33%		751	
2011	78,055,000	4,007,146	74,047,854	1.36%		764	

Source: City of College Station

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

CITY OF COLLEGE STATION, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
College Station I.S.D.	\$ 189,245,000	87.91%	\$ 166,365,280
Brazos County	96,460,000	49.09%	47,352,214
Bryan I.S.D.	156,825,000	2.08%	3,261,960
Other debt			
College Station I.S.D.	-	0.00%	-
Brazos County	-	0.00%	-
Bryan I.S.D. Capital Lease	-	0.00%	-
Subtotal, overlapping debt			<u>216,979,454</u>
City direct debt			<u>104,140,000</u>
Total direct and overlapping debt			<u><u>\$ 321,119,454</u></u>

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

Notes: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of College Station. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

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

CITY OF COLLEGE STATION, TEXAS

LEGAL DEBT MARGIN INFORMATION

SEPTEMBER 30, 2011

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

CITY OF COLLEGE STATION, TEXAS

PLEGGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Utility Revenue Bonds, Certificates of Obligation, and General Obligation Refunding Bonds										
	Utility Service Charges		Less: Operating Expenses		Net Available Revenue		Average Debt Service		Maximum Debt Service		Annual Coverage
	\$		\$		\$		\$		\$		
2002	62,141,066	46,274,555	15,866,511	5,825,064	8,048,707	2.72				1.97	
2003	64,046,246	47,785,550	16,260,696	5,773,582	8,084,285	2.82				2.01	
2004	64,785,122	44,719,241	20,065,881	5,651,966	7,998,465	3.55				2.51	
2005	70,636,853	51,125,745	19,511,108	5,522,447	8,364,747	3.53				2.33	
2006	80,787,029	54,432,847	26,354,182	6,423,582	9,163,574	4.10				2.88	
2007	87,911,120	63,514,543	24,396,577	7,389,770	10,408,958	3.30				2.34	
2008	99,610,432	73,195,783	26,414,649	8,620,759	12,245,949	3.06				2.16	
2009	108,367,552	80,848,570	27,518,982	9,834,136	13,870,272	2.80				1.98	
2010	115,430,088	91,551,103	23,878,985	8,976,012	13,669,444	2.66				1.75	
2011	127,985,835	96,938,864	31,046,971	8,675,457	13,635,526	3.58				2.28	

Source: City of College Station

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

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

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

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

CITY OF COLLEGE STATION, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

Calendar Year	Population	Personal Income (<i>thousands of dollars</i>)	Per Capita Personal Income	Unemployment Rate %
2001	72,020	\$ -	\$ -	1.7
2002	75,752	-	-	2.0
2003	78,309	-	-	2.4
2004	80,214	-	-	2.0
2005	81,930	1,226,974	14,976	3.7
2006	84,116	1,308,384	15,555	3.9
2007	86,982	1,736,221	19,961	3.8
2008	90,897	1,699,361	18,695	4.1
2009	93,450	1,594,056	17,058	5.3
2010	94,642	1,891,621	19,987	5.9

Sources: City of College Station Planning Division (population)

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

Texas Workforce Commission (unemployment rate)

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

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

CITY OF COLLEGE STATION, TEXAS

PRINCIPAL AREA EMPLOYERS CURRENT YEAR AND TEN YEARS AGO

2011	2001
Employer	Employer
Brazos County	Brazos County
Bryan ISD	Bryan ISD
City of Bryan	City of Bryan
City of College Station	College Station ISD
College Station ISD	Hamilton State School
Reynolds & Reynolds ⁽¹⁾	Reliant Building Products Inc
Sanderson Farms Inc	Sanderson Farms Inc
St Joseph Hospital	St Joseph Hospital
Texas A&M University	Texas A&M University
Wal-Mart Associates Inc	Wal-Mart Associates Inc

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

(1) Name change from Universal Computer Systems

Notes: Data includes principal employers in Brazos County.

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

CITY OF COLLEGE STATION, TEXAS

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

Function/Program	Full-Time-Equivalent Employees as of Sept 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	39.7	36.8	38.5	41.9	37.8	58.5	71.0	79.5	75.0	61.5
Police	140.3	143.4	146.0	144.4	155.1	163.5	168.5	176.0	169.0	180.5
Fire	103.9	105.9	108.5	111.4	110.6	119.0	125.0	121.0	118.0	120.5
Public Works	104.4	104.5	106.8	112.2	112.6	114.5	106.5	113.0	94.0	96.0
Parks and Recreation	115.4	120.1	116.2	120.0	119.8	123.5	131.0	133.0	133.0	119.0
Planning and Development Services	29.0	28.3	28.5	25.8	27.1	24.5	34.0	37.0	41.0	54.0
Information Services	39.1	40.0	40.3	37.5	36.6	28.5	33.0	32.0	30.5	30.0
Fiscal Services	53.1	61.1	59.8	64.2	70.1	71.0	72.5	70.5	70.0	66.5
Electric	57.5	56.9	53.4	56.6	56.0	56.5	58.0	65.0	64.0	63.5
Water / Sewer Services	66.2	66.0	64.0	69.1	71.8	71.0	67.5	76.5	70.5	74.0
BVSWMA	28.8	28.3	27.3	24.4	24.0	22.0	25.5	25.0	23.5	22.0
Capital Project	n/a	n/a	n/a	n/a	n/a	n/a	10.0	10.0	9.0	9.0
Total	777.4	791.3	789.3	807.5	821.5	852.5	902.5	938.5	897.5	896.5

Source: City of College Station

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

Capital Projects added in FY 2008.

CITY OF COLLEGE STATION, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Open records requests	147	62	103	72	199	199	155	164	123	240
Economic development prospects	15	29	17	20	31	19	18	23	55	31
Code enforcement cases processed	4,525	6,280	9,341	2,848	5,984	4,838	5,148	6,248	5,268	4,701
Non-profit agencies/contracts monitored	12	11	10	9	13	7	10	9	10	8
Applicants receiving homebuyers assistance	25	14	16	2	9	6	3	4	6	3
Police										
DUI/DWI arrests	311	341	418	387	414	483	458	430	449	571
Citations processed	36,945	43,407	42,957	39,416	34,134	38,046	10,384	17,275	22,224	42,690
Uniform patrol calls handled	56,388	61,821	60,405	57,605	60,159	58,303	57,661	48,297	58,656	61,283
Average response time on high priority calls	6:01 mins	6:28 mins	5:58 mins	6:09 mins	6:15 mins	6:17 mins	6:06 mins	6:18 mins	6:52 mins	6:41 mins
Criminal investigation new cases assigned	1,970	2,292	2,259	2,300	2,368	2,256	2,635	2,590	2,098	2,582
Note: In FY08 an e-citation program was implemented thus reducing the number of paper citations processed.										
Fire										
Fire incidents (fire, rescue, and haz mat)	1,653	1,455	1,554	1,792	1,743	1,832	1,992	2,008	2,301	1,813
Business safety inspections	900	1,014	1,410	1,138	828	1,018	947	760	1,364	1,151
EMS incidents	2,554	2,754	2,800	3,241	3,048	3,773	4,718	5,367	5,414	5,407
EMS unit responses	4,568	4,687	4,900	4,930	5,276	5,476	5,369	5,051	5,646	6,090
Public Works										
Street overlay lane miles	1	20	18	19	19	19	15	9	2	11
Potholes repaired	*	*	*	24,696	24,778	21,506	20,546	18,000	68,548	67,448
Curb miles swept	*	*	*	6,338	7,235	6,040	6,955	5,620	5,595	6,244
Sign, marking, signal work orders	2,709	3,472	3,270	2,898	2,557	2,617	2,880	2,310	2,571	3,395
Note: In FY10 # of potholes repaired went to # of square feet repaired.										
Parks and Recreation										
Pavilion rentals	353	342	314	221	399	338	395	858	1,431	1,418
Adult participants in City leagues	10,642	8,529	8,307	10,774	822	611	786	786	571	551
Youth participants in City leagues	2,684	1,977	2,690	2,520	2,842	2,946	4,183	4,249	4,096	4,111
Special event participants	123,743	188,980	188,429	201,256	197,805	185,002	170,193	184,575	199,091	181,571
Instructional participants	3,546	3,447	3,581	3,579	3,075	3,432	3,538	3,077	3,112	2,765
Pool customers	130,113	142,154	145,879	132,549	146,805	128,206	142,605	138,785	93,302	114,458
Conference center customers	74,320	70,728	81,289	85,720	70,494	66,950	79,360	90,089	90,540	73,105
Lincoln center participants	68,919	72,794	81,629	82,624	98,869	100,952	93,501	82,862	79,077	83,471
Teen center participants	12,465	13,446	14,582	17,500	9,958	15,798	15,259	17,212	15,669	5,217

Notes: Special event participants do not include Christmas at the Creek courts. Adult participants in City leagues was changed in FY06 to adult teams participating in City leagues. FY05 pavilion rentals had the following changes: Thomas Park pavilion rentals were removed (no longer charging a fee) and W.A. Tarrow basketball pavilion was added. In FY06 Crompton Park pavilion was added to rentals.

FY09 Pavilion rentals now includes athletic field rentals.

FY10 Pools closed one day a week and a new recording system for attendance was implemented.

FY11 Teen Center - Program changes made which resulted in decline of participants.

CITY OF COLLEGE STATION, TEXAS

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Planning and Development Services										
Permits processed	6,728	6,604	6,685	6,500	6,575	7,583	6,647	5,819	5,972	6,026
Building inspections performed	14,671	13,364	13,435	13,297	13,069	13,398	13,814	12,938	12,379	11,583
Parking citations issued	18,500	18,034	16,587	11,900	8,452	7,238	9,460	9,686	6,763	4,488
Community enhancement cases	12,550	11,637	15,086	7,016	7,384	8,631	11,885	11,622	11,408	8,632
Note: FY09 Code Enforcement moved from Fire to Planning and Development Services										
Electric										
Number of connections	33,386	35,421	35,307	36,284	37,590	38,519	37,777	37,818	38,255	37,829
Residential job orders	1,942	2,505	2,134	1,904	1,422	1,714	2,342	1,242	1,627	1,137
Customer service job orders	2,144	2,078	2,496	1,561	1,678	1,717	1,928	1,774	1,428	1,181
Average monthly consumption (KWH)	52,466,218	54,820,470	55,673,526	60,413,524	61,910,063	60,766,805	64,724,128	64,065,679	65,049,732	68,191,018
Avg number of outages per customer	1.00	1.33	0.72	0.92	0.31	0.12	0.27	0.72	0.04	0.17
Water										
Number of connections	23,210	29,358	31,038	32,266	33,491	34,763	37,075	37,344	37,596	37,565
New services completed	1,440	1,560	1,217	773	931	1,027	1,235	408	396	325
Average monthly consumption (MGW)	262,541	253,259	236,355	283,429	317,438	293,246	324,012	345,170	301,399	408,327
Water meters tested	950	1,025	768	732	1,254	1,174	732	834	2,009	122
Avg number of outages per customer	0.190	0.003	0.160	0.016	0.039	0.013	0.007	0.0067	0.0019	0.0090
Sewer										
Number of connections	28,399	27,977	28,594	29,694	31,051	32,034	34,743	34,743	35,853	35,510
Average daily sewage treatment (thousands of gallons)	6,669	6,807	6,808	6,220	5,911	6,502	6,626	6,625	6,700	6,242
New services completed	1,400	1,540	890	571	646	521	781	604	377	301
Avg number of stoppages per customer	0.015	0.0001	0.003	0.003	0.003	0.003	0.002	0.0007	0.00029	0.00027
Sanitation										
Number of users (units)	23,947	28,215	28,594	28,399	27,181	28,112	29,533	30,750	30,779	30,455
Residential tons collected	17,710	18,057	20,353	23,535	24,964	27,556	22,191	21,406	28,451	22,775
Residential tons recycled	941	826	1,082	923	983	1,060	1,199	1,064	1,053	1,173
Commercial tons collected	32,364	33,402	35,355	35,114	35,122	38,402	38,709	36,245	36,558	35,133
Parking garage										
Active contract customers	*	*	*	449	432	472	464	333	524	482
Hourly cash customers	65,612	106,935	97,904	127,608	108,893	109,028	107,584	104,342	85,210	83,048
Note: Parking garage opened to customers in February 2002.										
Utility Customer Service										
Payments processed	388,579	404,742	408,348	401,891	413,088	423,299	443,766	461,557	467,262	436,936
Incoming calls	79,514	82,018	82,536	82,234	85,728	85,842	97,121	96,876	85,212	84,861
Meters read	525,412	552,949	577,773	598,660	618,676	640,554	670,913	694,270	708,672	719,749

Source: City of College Station various departments

* Data not measured for fiscal year indicated.

CITY OF COLLEGE STATION, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Patrol units	25	25	25	26	26	29	29	29	27	33
Jail capacity	17	17	17	17	17	17	17	17	17	17
Fire stations	4	4	4	4	4	4	4	4	4	4
Note: The Fire Department operates an additional fire station located at the airport.										
Public Works										
Streets (linear miles)	711	733	353	385	395	429	438	428	453	474
Sidewalks (miles)	89	89	89	97	100	100	100	119	130	138
Traffic signals	57	60	62	62	62	65	66	66	69	70
Storm sewers (miles)	*	*	*	*	72	72	72	80	83	83
Notes: Street measurement changed from lane miles to linear miles in FY04. Storm sewer mileage includes both underground pipes and valley gutters.										
Parks and Recreation										
Acreage	1,134	1,214	1,217	1,248	1,274	1,289	1,306	1,306	1,327	1,327
Playunits	35	35	35	35	46	48	47	54	56	57
Softball/baseball fields	19	19	19	25	32	32	35	32	36	36
Soccer fields	19	19	19	26	31	31	29	29	30	30
Jogging/walking trails	20	22	22	26	27	28	29	33	34	34
Community centers	3	3	3	3	3	3	3	3	3	3
Pools	3	3	3	3	3	3	3	3	3	3
Pavilions (rentable)	5	5	5	6	6	7	7	6	6	7
Notes: Some parks have multiple playunits. Softball/baseball fields include practice fields.										
Electric										
Maximum capacity (megawatts)	255	255	255	280	260	355	355	355	305	305
Number of substations	4	4	4	4	5	5	5	5	6	6
Distribution lines (miles)	400	414	414	450	394	411	411	432	440	444
Water										
Water mains (miles)	294	311	317	341	365	367	381	385	386	402
Fire hydrants	*	*	2,070	2,165	2,232	2,380	2,453	2,494	2,562	2,614
Number of wells	6	6	6	6	8	8	8	8	9	9
Wells production capacity (thousands of gallons per day)	19,000	26,000	26,000	28,000	23,000	23,000	23,000	26,000	32,000	27,000
Sewer										
Sanitary sewer lines (miles)	252	262	264	271	279	285	301	305	313	319
Treatment capacity (thousands of gallons per day)	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500
Sanitation										
Collection trucks	22	23	24	24	24	25	25	25	25	25
Residential collection containers	*	14,413	15,207	15,958	16,647	18,135	19,549	20,275	20,671	20,550
Commercial collection containers	1,383	1,407	1,511	1,545	1,569	1,594	1,619	1,644	1,669	1,684
Fleet number of vehicles	*	585	600	613	627	651	643	647	662	662

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





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