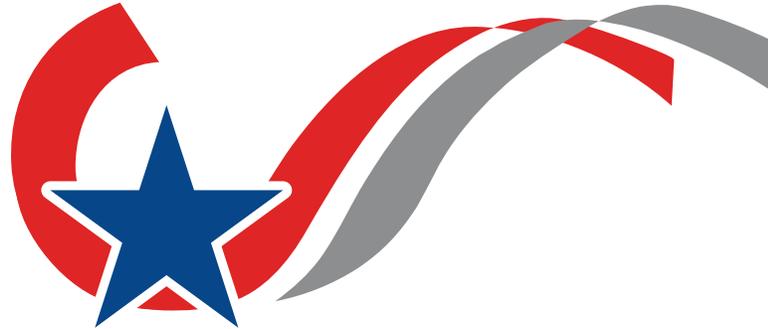


College Station



Comprehensive Annual Financial Report
for fiscal year ended September 30, 2007
City of College Station, Texas



CITY OF COLLEGE STATION
the heart of the Research Valley

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, 2007

PREPARED BY THE

CITY OF COLLEGE STATION FISCAL SERVICES DEPARTMENT

JEFF KERSTEN, CHIEF FINANCIAL OFFICER

JANET DUDDING, ASSISTANT DIRECTOR OF FISCAL SERVICES

CITY OF COLLEGE STATION, TEXAS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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CITY OF COLLEGE STATION, TEXAS

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CITY OF COLLEGE STATION, TEXAS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
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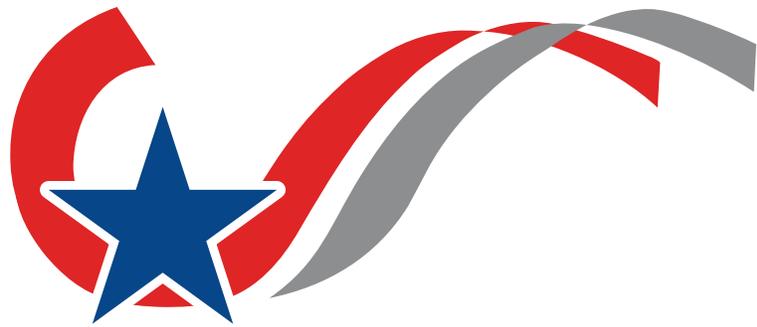
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CITY OF COLLEGE STATION, TEXAS

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CITY OF COLLEGE STATION

CITY OF COLLEGE STATION

INTRODUCTORY
SECTION



April 28, 2008

Honorable Mayor, Members of the City Council, and
Citizens of the City of 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, 2007.

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 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.

The Local Government Code, Section 103.001 (a) states: "A municipality shall have its records and accounts **audited** annually and shall have an **annual** financial statement prepared based on the **audit**." Likewise the Fiscal and Budgetary Policy Statements adopted annually by the City Council as a part of the City's Approved Budget include a requirement that the City shall annually have an audit performed by an outside, independent auditor. The City has complied with this requirement, and the Independent Auditors' Report has been included in this report.

THE REPORT

This report is comprised of three sections: Introductory, Financial and Statistical. The Introductory Section includes this transmittal letter, a listing of the principal City officials, and an organizational chart of the City. The Financial Section contains the Independent Auditors' Report on the basic financial statements, Management's Discussion and Analysis ("MD&A"), the basic financial statements with related notes, and combining and individual fund statements and schedules. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction therewith. The City of College Station's MD&A may be found immediately following the Independent Auditors' Report. The Statistical Section provides financial and demographic information, usually presented on a multi-year basis, that is relevant to a financial statement reader.

The Financial section described above is prepared in accordance with generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board ("GASB") and other professional associations, as applicable.

CITY PROFILE

Location

The City of College Station, incorporated in 1938, is located in Brazos County in East Central Texas, approximately 140 miles north of the Gulf of Mexico, approximately 90 miles northwest of Houston, approximately 165 miles south of Dallas and approximately 100 miles east of Austin, in an area referred to as the Brazos Valley. The City currently has a land area of 47.2 square miles and a current estimated population of 86,480 as of September 2007. The City has the power, by state statute, to extend its corporate limits by annexation, which it has done periodically.

Structure

The City of College Station is a home rule municipality and utilizes a Council-Manager form of government organized under the Constitution and laws of the State of Texas. The City Council is composed of a mayor and six council members elected at large. The City Council appoints the City Manager, City Attorney, City Secretary, Municipal Court Judge and Internal Auditor. Almost all other City staff work under the direction of the City Manager.

The Reporting Entity and Services Provided

This report includes all government activities, organizations and functions for which the City is financially accountable as defined by the GASB. Based on these criteria, no other governmental organizations are included in the report. For additional information on the reporting entity, refer to Note I-A in the basic financial statements.

The City provides a full range of municipal services as prescribed by statute or charter. These services include police, fire and emergency medical services, parks and recreational facilities, library services, street maintenance and construction, public improvements, general administrative services and electrical, water, sewer, and sanitation systems. Internal services of the City accounted for on a cost reimbursement basis are print/mail, risk management, employee health and disability, equipment replacement, fleet management, and communications.

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 the cost of a control

should not exceed the benefits likely to be derived, and 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 annual budget serves as the foundation for the City's financial planning and control. The City Charter provides that the City Manager will submit a proposed budget to the City Council between 30 and 90 days prior to the end of the fiscal year. The City's budget is prepared by function, fund and department. The City Council is required to hold a public hearing on the proposed budget and to adopt a budget no later than the 27th day of the last month of the fiscal year. The City's fiscal year begins on October 1 and ends on September 30. Controls of budgetary spending are at the department level within the City's General Fund and at the individual fund appropriation in all other funds. The City Council must authorize transfers between General Fund departments and all increases in total spending in any fund.

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 seen continued growth in fiscal year 2007. The concentration of stable and even-growing employment sectors such as government, higher education and health care contribute to the steady growth that College Station has experienced over the last several years. This growth provides some of the additional resources needed to maintain service levels to the citizens and visitors of College Station.

In 2005, the Bureau of Labor Statistics (BLS) significantly altered the methodology used to calculate unemployment. The new calculation method resulted in just over a one percent increase in the unemployment figure for College Station. In prior years, the unemployment rate was in the 1.6 percent to 2.6 percent range. As a result of the BLS change, the unemployment rate for fiscal year 2006 as of October was approximately 3.4 percent. In fiscal year 2007 the unemployment rate was approximately 3.7 percent.

Sales tax collections in College Station continued to see growth in fiscal year 2007. This is consistent with growth in sales tax receipts the City has experienced over the last several years. In fiscal year 2007, sales tax revenue was up by 7.9 percent over fiscal year 2006 to \$18,077,973.

College Station continues to see housing and commercial development. There were 615 new housing starts during 2007. Total ad valorem assessed valuation increased by approximately \$410 million or approximately 11.2 percent for fiscal year 2007 over fiscal year 2006. Commercial development continued to be strong with both new and redevelopment. Several new commercial businesses opened in College Station in 2007. The University Drive corridor continued to have significant amounts of new business and increased traffic. New commercial development and redevelopment has also taken place along Texas Avenue in the past year.

One major asset of the City of College Station is that it is 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 46,542 as of September 2007. TAMU employs more than 20,000 full-time and part-time staff.

Major Capital Initiatives

In 2007, numerous capital improvement initiatives continued in the City. Parks projects completed in FY07 include improvements at the Lincoln Center. A covered walkway was constructed at the Lincoln Center which runs from the Lincoln Center to the parking lot. Construction on an additional parking lot at the Lincoln Center also began in FY07. The lot will provide for an additional 30 parking spaces. Improvements at Gabbard Park and Oaks Park began in FY07 as well. These projects, in addition to the Lincoln Center projects, were funded with Community Development Block Grant funds. An addition to the Wolf Pen Creek Amphitheater was completed in FY07. The addition included an office, performer dressing rooms, storage, a ticket window and a concession area. This project was funded from the Wolf Pen Creek Tax Increment Financing District fund. In 2007, construction continued on the second phase of Veterans Park. The project as originally planned was completed in FY07 and included the addition of three soccer fields, three softball fields, a pavilion and a concession area. The project came in under budget and remaining funds will be used to create a second entrance/exit to the park in FY08. Park upgrades such as the installation of lighting, landscaping, benches, sidewalks, drinking fountains and shade covers were completed at various parks in FY07. In addition, the City continues to upgrade and replace infrastructure within its parks system.

Street extension projects completed in FY07 include the Jones Butler Street extension. Jones Butler was extended south from Holleman Drive to intersect with FM2818 and align with Marion Pugh. In addition, traffic signals were installed in FY07 at the intersection of Harvey Mitchell Parkway and Luther and the intersection of Harvey Mitchell Parkway and Holleman. Projects underway in FY07 in the Northgate District included street rehabilitation on Church Avenue between College Main and Nagle and the rehabilitation of Tauber and Stasney Streets from University Drive to Cherry Street. Southside improvements continued as well. Work in the West Park area of Southside continued and is expected to be completed in early FY08. Engineering work continued on the College Park/Breezy Heights project in the Southside area. Construction on the Dartmouth Drive extension and the Arrington/Decatur extension began in FY07. Both of these projects are expected to be completed in FY08. The Dartmouth extension will connect Krenek Tap Road to Harvey Mitchell Parkway. The Arrington/Decatur extension will improve north-south traffic flow on the west side of Highway 6 by providing a connection from Highway 40 to Barron Road. Continuing street projects include improvements on Barron Road and the Rock Prairie Road Widening project. Design and land acquisition continued in FY07 on both of these projects. Sidewalk improvement projects completed in FY07 included the construction of an 8 foot sidewalk on the north side of University from Texas Avenue to College Avenue. This project was completed in collaboration with Texas A&M University. Sidewalk improvements were also made on the south side of Southwest Parkway from Anderson to Texas Avenue. A four foot sidewalk was installed.

Electric utility projects completed in 2007 included various system overhead, underground and street lighting improvements. These improvements were designed to increase system reliability and meet customer requirements, as well as improve aesthetics. Projects underway in 2007 included the construction of the Spring Creek Substation. The majority of the construction on this substation occurred in FY07, and it is anticipated that the project will be completed in early FY08. This substation will provide additional power capacity for customers on the south side of the City. As a component of this project, conductors were installed for the feeder exits. In FY07, progress was made on the installation of a transmission re-conductor project from the City's Switch Station to the Post Oak Substation and from the Post Oak Substation to the Southwood Substation. This line is approximately five miles. Also in progress in FY07 was the design of a new training facility that will be built on the grounds of the Utility Service

Center. Street lighting projects completed in FY07 included the completion of a second phase of decorative lighting installation in the Eastgate area. Lighting was also installed on Harvey Mitchell Parkway from Rio Grande to Wellborn. In the water and wastewater utilities, work continued on a number of capital projects. In FY07, work was completed on the Dowling Road Pump Station Chemical System Piping Replacement project. The chlorine disinfection system was replaced to improve safety and operating reliability. Work also continued on the construction of a parallel water transmission line along FM2818 from Hwy 21 south to Villa Maria Road. The additional system capacity is required to support the Northgate area and to provide water service to the annexed area west of FM2818 along FM60. Design work began on the construction of Well #7 in 2007 and construction is anticipated to occur in 2008. Well #7 is necessary to meet future capacity needs. Work continued on water and wastewater plant security upgrades in 2007. Sludge processing improvements at the Wastewater Treatment Plant were completed in FY07 and odor control improvements continued. The odor control improvements will be completed in early FY08. In addition, numerous water and wastewater line rehabilitation and replacement projects were ongoing in 2007.

Facility projects underway in FY07 included the relocation of Fire Station #3. The existing station is on the one-way Highway 6 frontage road. The station will be relocated to Barron Road to provide services to a high growth area of the city. Other facility projects included work on the design of renovations for the Police Station. The renovations include the expansion of the Police Department into the space vacated by Municipal Court. In addition, general improvements will be made to the rest of the building to allow for better use of space. The construction of the renovations began in early FY08. The design of phase 1 of a new Municipal Cemetery began in FY07. The cemetery will be located on the northwest corner of FM 2818 and FM 60 and will have an area designated for students, faculty, staff, family and friends of Texas A&M University. It is expected that construction of the cemetery will occur in FY08. In addition, design work began in FY07 on the completion of the second floor of the Municipal Court building. The space is currently unfinished and will be renovated for use as City office space.

Technology is an ongoing area of advancement for the City. Projects completed in FY07 included the PARD Automation project. This project provided for the automation of many processes in the Parks and Recreation Department. The result of this project allowed for on-line registration in many of the Park programs. Projects that were on-going in FY07 included the Automated Citations project. This project will allow officers in the field to use a device in which citation information is entered that can be downloaded directly into the Municipal Court system. Other on-going technology projects include Police Field Reporting, which will allow police officers to complete forms electronically in the field instead of coming back to the station to complete the forms. The EMS Reporting System project also continued in FY07. This project will update the Fire Department's current scheduling system and it is expected that the project will be completed in FY08.

Capital Planning

The citizens of the City approved general obligation bond proposals totaling approximately \$38.4 million in November 2003. The fourth portion of this bond authorization, totaling \$3,930,000, was issued in 2007. It is anticipated that various street, traffic safety, public buildings, and park projects funded by these bonds will be built over the next several years. The City has gone to the voters three times in the last twelve years with successful general obligation bond proposals. It is projected that the City will be able to make these improvements without increasing the ad valorem tax rate for the capital portion of these projects. Another five year General Obligation Bond Authorization is being prepared and scheduled to go to the voters in November 2008. Transportation projects continue to be a top priority as this planning continues.

Planning in the electric, water, wastewater and drainage utilities provides for an anticipated investment of \$87 million over the next five years. The electric funds will be used to provide electric line extensions, transmission enhancements, substations, new customer connections, and replacements of existing

facilities. The water utility will continue to replace lines in older neighborhoods, add new transmission and distribution lines, provide for a looped system, add new deep wells, and continue a project to add transmission capacity from the well field to the City. Wastewater projects include sewer outfall lines, line extensions for annexed areas and new services, and treatment plant improvements. Drainage funds will be used for improvements that allow the City to maintain adequate storm carrying capacity of the drainage system. Some rate increases are anticipated for the utilities over the next five years to keep up with the additional capital requirements.

Cash Management

The City awards its depository contract through official bidding procedures for a two-year period with the provision for up to three one-year extensions. The current depository contract expires in 2008 and is with Citibank, Texas N.A. The City's bank depository agreement requires that all demand deposits and time deposits are secured by pledged collateral with a market value equal to no less than 105 percent of the deposits, less \$100,000 which is insured by the Federal Deposit Insurance Corporation. Evidence of the pledged collateral is maintained by the Fiscal Services Department and a third party financial institution. Collateral is reviewed monthly to assure the market value of the securities pledged equals or exceeds the related bank balances. Assets pledged to the City by its depository are held by The Bank of New York.

Temporarily idle cash for all funds is invested by City officials in securities as allowed by Texas Statutes and the City's investment policy. This policy is reviewed and adopted by the City Council annually. The average balance of the City's investment portfolio for fiscal year 2007 was approximately \$115.8 million. The overall portfolio produced unrestricted interest earnings of \$6,445,199, which represents an increase of \$1,199,894 from fiscal year 2006. The City had no realized losses on any securities held during fiscal year 2007. Investment securities purchased by the City, except investments in pooled funds and mutual funds, are on a delivery versus payment basis. That is, funds are not wired or paid until verification has been made that the correct security has been received by the custodian. Securities are held in a custody account in the City's name. The original copy of all safekeeping statements is delivered to the City.

Risk Management

The City's risk management program is administered by the Risk Management function in the Human Resources Division. Risk Management is responsible for monitoring all claims filed against the City, as well as handling the filing of claims as necessary on behalf of the City. Risk Management is also responsible for administering the City's Workers' Compensation and Property and Casualty Self Insurance Funds. The City's Risk Manager is responsible for ensuring that the City's coverage is adequate to protect the City in the event of potential losses and for ensuring continuous coverage. The City has implemented a strong and proactive safety training program.

Employee Retirement System

The City is a member of the Texas Municipal Retirement System ("TMRS") that covers all full-time and certain part-time employees. The plan provides for no benefits beyond the contributions of the employee, employer and earnings on the individual employee account. Employee contributions are seven (7) percent of gross earnings. The City's contribution rate for 2007 was 12.05 percent. The contribution rate for the City is set by TMRS annually for a calendar year. Any unfunded liability (actuarially determined cost to the City not already paid) is paid over a 25-year period and is included as a part of the rate the City pays.

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 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, 2007 are fairly presented in conformity with U.S. generally accepted accounting principals. 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, 2006. 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-five out of the last twenty-six years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Responsibility for Financial Reporting

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

Acknowledgement

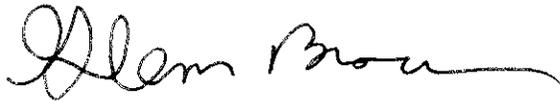
The preparation of this report could not have been accomplished without the efforts and dedicated services of the entire staff of the Fiscal Services Department. Appreciation is also expressed to City

employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

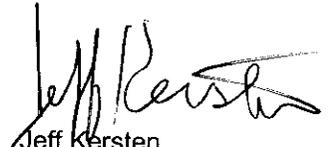
Acknowledgement is also given to the representatives of Ingram, Wallis & Company for their assistance in producing the final product.

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

Respectfully submitted,



Glenn Brown
City Manager



Jeff Kersten
Chief Financial Officer

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, 2006

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.

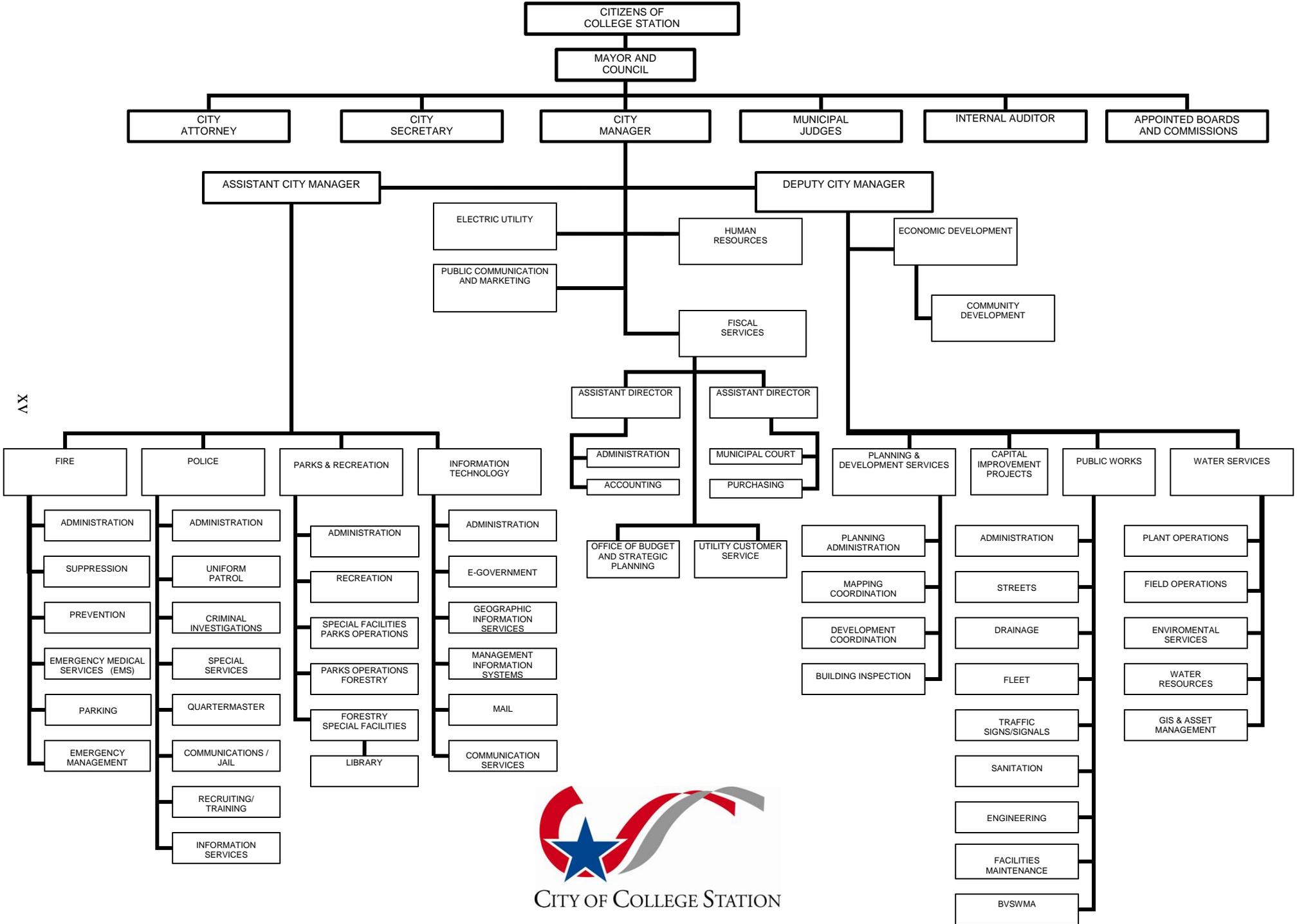


Oliver S. Cox

President

Jeffrey R. Emmer

Executive Director



XX



CITY OF COLLEGE STATION

CITY OF COLLEGE STATION, TEXAS

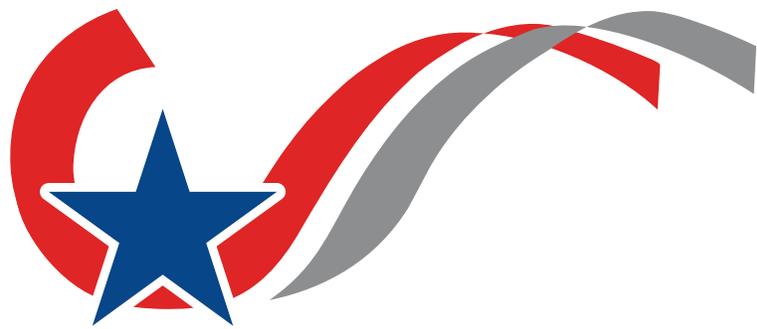
PRINCIPAL CITY OFFICIALS

Elected Officials:

Mayor Ben White
Council Member, Mayor Pro Tem Ron Gay
Council Member, Place 1 John Crompton
Council Member, Place 2 James Massey
Council Member, Place 4 Lynn McIlhaney
Council Member, Place 5 Chris Scotti
Council Member, Place 6 David Ruesink

City Administration:

City Manager Glenn Brown
Deputy City Manager Terry Childers
Assistant City Manager Kathy Merrill
City Attorney Marshall (Harvey) Cargill, Jr.
City Secretary Connie Hooks
Municipal Court Judge Edward J. Spillane III
Internal Auditor Ty Elliott
Director of Electric Utility David Massey
Director of Human Resources Julie O'Connell
Chief Financial Officer Jeff Kersten
Director of Information Technology Ben Roper
Director of Public Communications and Marketing Wayne Larson
Fire Chief Robert Alley
Interim Police Chief Bobby Whitmire
Interim Director of Parks and Recreation Warren Struss
Director of Economic and Community Development James (David) Gwin, Jr.
Director of Planning and Development Services Bob Cowell
Director of Public Works Mark Smith
Director of CIP Chuck Gilman
Director of Water Services David Coleman



CITY OF COLLEGE STATION

CITY OF COLLEGE STATION

FINANCIAL
SECTION



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of College Station, Texas (the "City"), as of and for the year ended September 30, 2007, 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, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2008, 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.

The management's discussion and analysis, schedule of funding progress – Texas Municipal Retirement System and budgetary comparison information on pages 3 through 20 and 67 through 68, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information as listed in the table of contents has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Bryan, Texas
April 25, 2008

Ingram, Wallis & Company

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(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, 2007. 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 \$352,381,755 (net assets). Of this amount, \$83,442,846 (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 \$21,248,442 during the fiscal year.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$69,453,703, an increase of \$1,907,581 when compared to the prior year.
- Approximately 32 percent of the combined governmental funds ending fund balance, or \$21,972,980 is available for spending at the City's discretion (unreserved-undesignated fund balance).
- During fiscal year 2007, the City's total debt increased by approximately \$13,895,000. Key factors in this increase were the issuance of \$3,930,000 in General Obligation Improvement Bonds, \$3,960,000 in Certificates of Obligation, \$18,665,000 in Utility System Revenue Bonds, and \$10,255,000 in General Obligation Refunding Bonds.



Wolf Pen Creek Trails Phase II

OVERVIEW OF THE FINANCIAL STATEMENTS

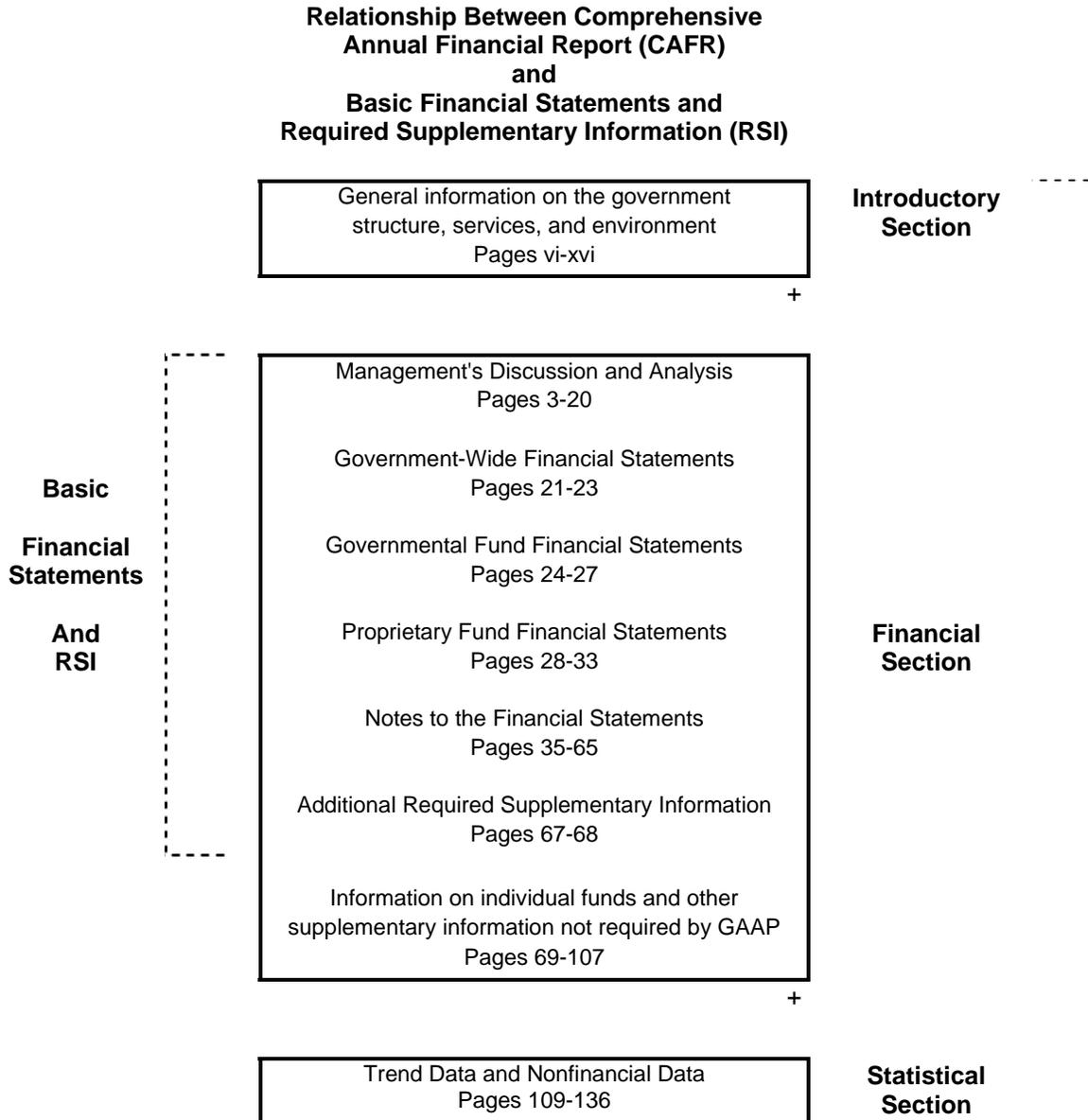
This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

- (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, 2007
 (Unaudited)

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



Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(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 systems, planning and development, fire, municipal services, parks and recreation, and citizen and neighborhood resources. The business-type activities of the City include electric, water, sewer, sanitation, and the northgate parking garage. The government-wide financial statements can be found on pages 21-23.

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

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(Unaudited)

statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Streets Capital 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 24-27.

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, sewer, sanitation, and parking activities of the City. The Electric, Water, and Sewer 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, print-mail, 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 28-33.

Notes to the Financial Statements

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(Unaudited)

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.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents on pages 67-68, certain required supplementary information concerning the City's progress in funding its obligation to provide pension 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 69-99 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 \$352,381,755 at the close of the most recent fiscal year.

The largest portion of the City's net assets (74 percent) reflects its investment of \$260,793,131 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	
	2007	2006	2007	2006	2007	2006
Assets						
Current and Other Assets	\$ 87,098,918	\$ 86,918,236	\$ 72,642,000	\$ 69,005,573	\$ 159,740,918	\$ 155,923,809
Capital Assets	185,641,567	172,576,387	235,974,510	217,954,664	421,616,077	390,531,051
Total Assets	<u>272,740,485</u>	<u>259,494,623</u>	<u>308,616,510</u>	<u>286,960,237</u>	<u>581,356,995</u>	<u>546,454,860</u>

Liabilities

Long-Term Liabilities						
Outstanding	100,223,951	99,961,411	105,499,997	91,692,313	205,723,948	191,653,724
Other Liabilities	7,709,172	7,079,168	15,542,120	16,588,655	23,251,292	23,667,823
Total Liabilities	<u>107,933,123</u>	<u>107,040,579</u>	<u>121,042,117</u>	<u>108,280,968</u>	<u>228,975,240</u>	<u>215,321,547</u>

Net Assets

Invested in Capital Assets,						
Net of Related Debt	113,750,039	108,287,795	147,043,092	142,778,246	260,793,131	251,066,041
Restricted	5,089,422	4,564,184	3,056,356	2,920,980	8,145,778	7,485,164
Unrestricted	45,967,901	39,602,065	37,474,945	32,980,043	83,442,846	72,582,108
Total Net Assets	<u>\$ 164,807,362</u>	<u>\$ 152,454,044</u>	<u>\$ 187,574,393</u>	<u>\$ 178,679,269</u>	<u>\$ 352,381,755</u>	<u>\$ 331,133,313</u>

An additional portion of the City's net assets, \$8,145,778 (2 percent) represents resources that

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(Unaudited)

are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$83,442,846 (24 percent) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City was able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for the business-type activities. The same situation held true for the prior fiscal year. The City's net assets increased by \$21,248,442 as a result of fiscal year 2007 operations. The increase is primarily attributable to increases in ongoing revenues and relatively stable expenses.

The following table provides a summary of the City's operations for the year ended September 30, 2007 and highlights key elements of the increase in the City's net assets:

Changes in Net Assets

For the Fiscal Year Ended September 30, 2007

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues:						
Charges for Services	\$ 10,755,338	\$ 10,082,202	\$ 96,245,479	\$ 88,430,022	\$ 107,000,817	\$ 98,512,224
Operating Grants and Contributions	2,038,535	3,144,254	-	-	2,038,535	3,144,254
Capital Grants and Contributions	5,271,090	7,477,874	4,041,105	4,677,465	9,312,195	12,155,339
General Revenues:						
Property Taxes	18,573,309	16,646,519	-	-	18,573,309	16,646,519
Sales and Mixed Beverage Taxes	18,449,731	17,082,936	-	-	18,449,731	17,082,936
Other Taxes	4,911,446	4,803,758	-	-	4,911,446	4,803,758
Interest and Investment Income	4,512,575	3,415,849	1,932,624	1,829,456	6,445,199	5,245,305
Total Revenues	64,512,024	62,653,392	102,219,208	94,936,943	166,731,232	157,590,335
Expenses						
General Government	7,654,393	7,755,725	-	-	7,654,393	7,755,725
Fiscal Services	2,442,439	2,452,442	-	-	2,442,439	2,452,442
Police	12,299,698	11,214,413	-	-	12,299,698	11,214,413
Fire	9,472,331	8,280,257	-	-	9,472,331	8,280,257
Planning and Development Services	1,603,963	1,449,327	-	-	1,603,963	1,449,327
Public Works	6,620,846	6,227,707	-	-	6,620,846	6,227,707
Parks and Recreation	9,148,511	7,353,984	-	-	9,148,511	7,353,984
Information Technology	2,689,720	3,087,596	-	-	2,689,720	3,087,596
Interest on Long Term Debt	4,291,022	4,116,871	-	-	4,291,022	4,116,871
Unallocated Depreciation	6,026,372	5,759,049	-	-	6,026,372	5,759,049
Electric Utility	-	-	60,242,408	51,250,110	60,242,408	51,250,110
Water Utility	-	-	8,302,863	7,770,081	8,302,863	7,770,081
Sewer Utility	-	-	8,179,813	7,973,677	8,179,813	7,973,677
Sanitation Services	-	-	5,916,431	5,421,624	5,916,431	5,421,624
Parking Operations	-	-	591,980	621,593	591,980	621,593
Total Expenses	62,249,295	57,697,371	83,233,495	73,037,085	145,482,790	130,734,456
Increase in Net Assets Before						
Transfers	2,262,729	4,956,021	18,985,713	21,899,858	21,248,442	26,855,879
Transfers Net	10,090,589	8,850,453	(10,090,589)	(8,850,453)	-	-
Increase in Net Assets	12,353,318	13,806,474	8,895,124	13,049,405	21,248,442	26,855,879
Net Assets at Beginning of Year	152,454,044	138,647,570	178,679,269	165,629,864	331,133,313	304,277,434
Net Assets at End of Year	\$ 164,807,362	\$ 152,454,044	\$ 187,574,393	\$ 178,679,269	\$ 352,381,755	\$ 331,133,313

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

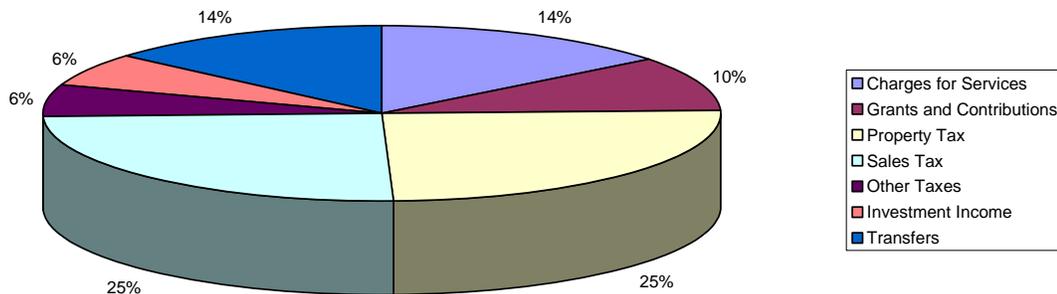
(Unaudited)

Governmental activities. Governmental activities increased the City of College Station's net assets by \$12,353,318 thereby accounting for 58 percent of the total growth in net assets. Key elements of this increase are as follows:

- Property taxes increased \$1,926,790 (11.6 percent) during the year. This is primarily the result of the total ad valorem assessed valuations increasing by \$410 million or 11 percent over fiscal year 2006.
- Sales and mixed beverage taxes increased \$1,366,795 (8 percent) during the year. This is attributable to continued economic growth in the area.
- Capital grants and contributions decreased \$2,206,784. Interest and investment income increased \$1,096,726.

The chart below illustrates the City's governmental revenues by source. For governmental activities overall without regard to program, property tax (25 percent) and sales tax (25 percent) are the largest sources of funds followed by charges for services (14 percent), and grants and contributions (10 percent). All other governmental revenues account for 26 percent of all governmental revenues.

City of College Station, Texas
Governmental Revenues By Source
\$74,602,613

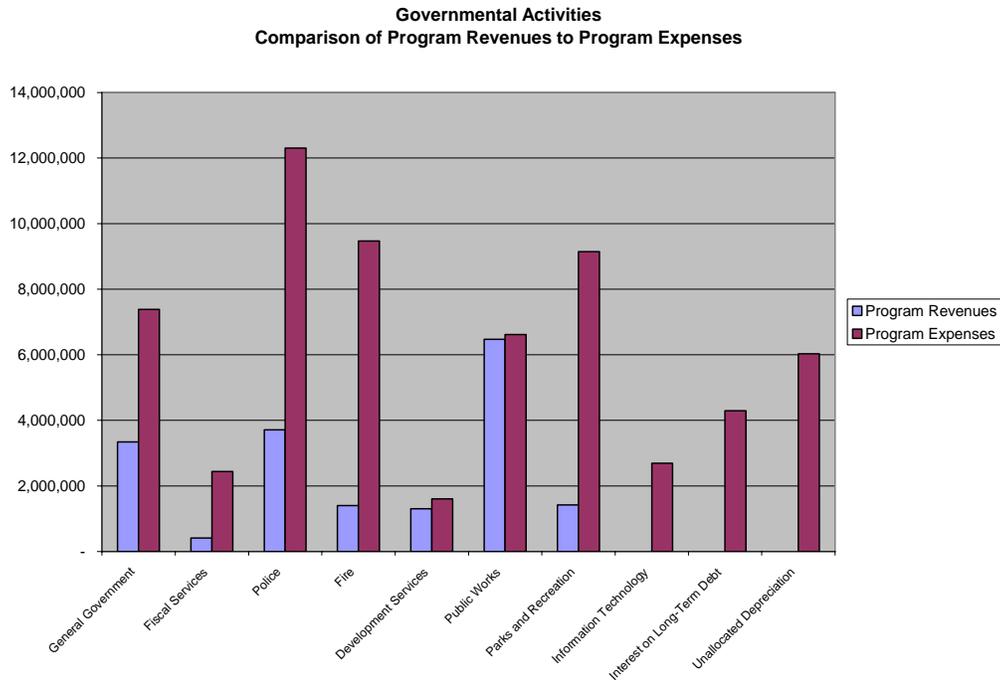


Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(Unaudited)

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



Business-type activities. Business-type activities increased the City of College Station's net assets by \$8,895,124, thereby accounting for 42 percent of the total growth in net assets. Key elements of this increase are as follows:

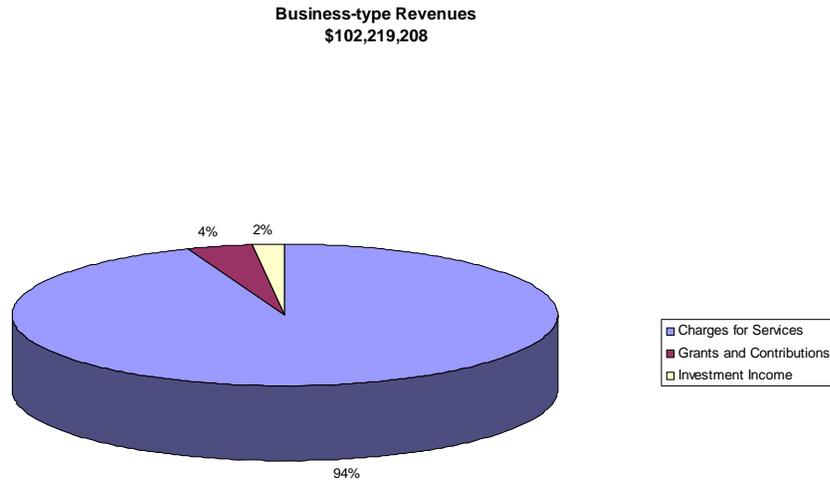
- With the continued growth in the area, capital contributions continued to be a major source of revenue for the electric, water, and sewer funds. In fiscal year 2007 capital contributions amounted to \$4,041,105.
- Electric utility expenses experienced an increase of \$8,992,298 or 18 percent from fiscal year 2006. This is primarily attributable to purchased power expenses.
- Charges for services increased by \$7,815,457 or 9 percent from fiscal year 2006 due to utility rate increases and greater than normal utility usage because of higher temperatures.

Management's Discussion and Analysis

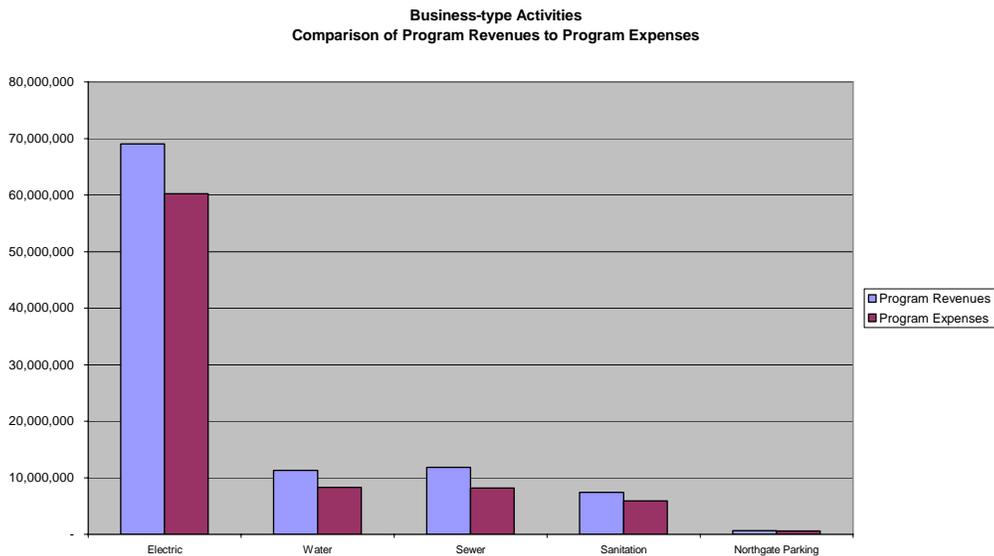
For the Fiscal Year Ended September 30, 2007

(Unaudited)

Revenues for the City's business-type activities are presented in the following chart. Charges for services provided the largest share of revenues (94 percent) for the City's business-type activities. It was followed by grants and contributions (4 percent) and investment income (2 percent).



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



Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007
(Unaudited)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The types of governmental funds reported by the City include the General Fund, Debt Service Fund, and Streets Capital 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 \$69,453,703. Approximately 32 percent (\$21,972,980) of this total amount constitutes unreserved 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:

- (1) To pay debt service (\$3,466,058),
- (2) To liquidate contracts and purchase orders of the prior period (\$284,214),
- (3) For capital improvements (\$41,463,816),
- (4) For permanent cemetery endowments (\$1,429,900),
- (5) For police criminal investigation activity (\$28,352),
- (6) For inventory (\$57,977),
- (7) For Juvenile Case Manager (\$169,045),
- (8) For Court Technology (\$197,673),
- (9) For Court Security (\$343,968), and
- (10) For Court Efficiency (\$39,720).

Overall, revenues for governmental functions totaled \$58,335,248 in the fiscal year ended September 30, 2007, an increase of 8 percent or \$4,293,097 from the fiscal year ended September 30, 2006. Expenditures for governmental functions totaling \$77,846,797 increased by approximately 9.5 percent (\$6,726,634) from the fiscal year ended September 30, 2006. In fiscal year 2007, expenditures for governmental functions exceeded revenues by \$19,511,549. That amount was 14 percent more than the previous year's amount of \$17,078,012.

The General Fund is the chief operating fund of the City of College Station. At the end of the current fiscal year, the unreserved, undesignated fund balance was \$11,824,140 while the total fund balance reached \$12,932,589. The City's fiscal and budgetary policies require that the

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(Unaudited)

General Fund's undesignated fund balance be at least equal to 15 percent of budgeted expenditures, a percentage equal to 55 days of expenditures. The unreserved, undesignated fund balance is approximately 24 percent of fiscal year 2007 budgeted expenditures and exceeds the minimum requirement set by policy.

As a measure of the fund's liquidity, it is useful to compare both unreserved and total fund balance to total fund actual expenditures. Unreserved fund balance represents 26 percent of total general fund expenditures, while total fund balance represents 28 percent. The fund balance continues to meet and exceed the Fiscal and Budgetary Policy of having 15 percent of expenditures available in fund balance.

The fund balance of the General Fund increased by \$1,960,581 during the current fiscal year. Key factors in this change were as follows:

- Overall revenues were up by approximately 8 percent, primarily due to an increase in sales tax revenue and property tax revenue that resulted from strong retail sales and new property values on the tax rolls.
- Other financing sources were up by 28 percent, primarily due to an increase in transfers in from the utility funds.

The Debt Service Fund ended the fiscal year with a fund balance of \$3,466,058. This entire amount is reserved for the payment of debt service. The net increase in fund balance during the current fiscal year was \$393,283. A \$1,216,592 increase in debt service revenues and other financing sources was more than enough to cover principal retirements and interest payments.

The Streets Projects fund ended the fiscal year with a fund balance of \$21,807,526. 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 \$2,241,930. This decrease is attributable to proceeds received from long term debt being spent on streets capital projects during fiscal year 2007.

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 \$184,738,367. Approximately 19 percent (\$35,202,236) of this total amount constitutes unrestricted net assets. The remainder of net assets for the proprietary funds, \$149,536,131, is reported as follows:

- (1) Invested in capital assets, net of related debt (\$146,479,775), and
- (2) Restricted for debt service (\$3,056,356).

Operating revenues for proprietary activities totaled \$95,012,575 for the fiscal year, an increase of 9 percent or \$7,926,022 from the previous fiscal year. Operating expenses increased \$10,147,227 or 14.7 percent for the same period causing operating income to decrease \$2,221,205 or 12.1 percent from the previous year. The proprietary funds reported net nonoperating expenses of \$1,699,497 at the end of fiscal year 2007 as compared to net nonoperating expenses of \$1,701,141 in the previous fiscal year. Net assets increased

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(Unaudited)

\$8,321,691 in fiscal year 2007. This is \$4,094,089 less than the increase reported in fiscal year 2006.

Electric Fund

At the end of the fiscal year, the unrestricted net assets for the Electric Fund totaled \$6,828,810. The electric utility ended the fiscal year with working capital of \$10,311,581, a decrease of 13 percent from fiscal year 2006. 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, 2007, Electric Fund working capital equaled approximately 17 percent of annual operating expenses.

Electric Fund operating revenues increased by 12.5 percent (\$7,464,040) during fiscal year 2007, while operating expenses increased 17.7 percent (\$8,867,350) during the same period. This resulted in a 14.4 percent decrease (\$1,403,310) in operating income. The decrease in operating income is also attributable to an increase in operating expense due to anticipated higher purchased power costs. The above resulted in an increase in net assets of \$2,281,664 in the Electric Fund during the fiscal year.

Water Fund

Unrestricted net assets for the Water Fund at September 30, 2007 were \$10,307,084. Working capital in the Water Fund at the end of fiscal year 2007 was \$5,429,058, an increase of approximately 31 percent from fiscal year 2006. Water Fund working capital was 83 percent of total operating expense and exceeds the minimum 15 percent requirement under the Council's adopted policy.

Water Fund operating revenues decreased by 7 percent (\$725,220) during fiscal year 2007. Operating expenses increased 6 percent (\$349,838) over fiscal year 2006. This resulted in operating income decreasing by \$1,075,058 in fiscal year 2007. The Water Fund's net assets increased \$2,356,697 during the fiscal year, a 42 percent decrease over the previous year.

Sewer Fund

The Sewer Fund's unrestricted net assets at the end of fiscal year 2007 were \$7,652,853. The Sewer Fund ended the fiscal year with a working capital balance of \$7,117,843, which was 29 percent above fiscal year 2006. Sewer Fund working capital was 105 percent of total operating expenses and is well above the minimum requirement for the fund.

Operating revenues in the Sewer Fund were \$10,541,962, a \$385,271 (4 percent) increase over the previous fiscal year. Operating expenses increased from \$6,532,291 to \$6,791,966 or 4 percent while operating income increased by 3 percent from \$3,624,400 to \$3,749,996.

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(Unaudited)

BUDGETARY HIGHLIGHTS

The final amended budget for fiscal year 2007 totaled \$235,707,964 for all funds. Of this amount \$165,952,638 (70.41 percent) was budgeted for operations and maintenance expenditures, and \$69,755,326 (29.59 percent) was budgeted for capital improvement projects.

In the General Fund the final revised budgeted change in fund balance was \$1,132,850 lower than the original budgeted change and the significant items that comprise this difference can be briefly summarized as follows:

- \$481,285 - Encumbrances rolled over from prior fiscal year.
- \$169,025 - Appropriation for Gainsharing allocations to City of College Station employees.
- \$95,000 - Appropriation for low-band AM Radio Station.
- \$68,685 - Appropriation for Police Department Vehicle Camera upgrade.
- \$80,000 - Appropriation for East Side Traffic Study.
- \$45,548 - Appropriation for the Fire Department Wellness Program.

In the General Fund the actual change in fund balance was \$4,250,578 higher than the final revised budgeted change and the significant items that comprise this difference can be briefly summarized as follows:

- \$623,867 - Additional tax revenue generated primarily from higher sales tax and ad valorem revenues.
- \$434,376 - Due in part to lower expenditures related to economic development incentive outlays that were budgeted for and did not occur in FY07.
- \$602,004 - Lower expenditures than budgeted in the Public Works Department due to less spending on Street operations and facilities maintenance, and staff vacancies in the Engineering Division.
- \$391,485 - Lower expenditures in the Planning and Development Services Department due to staff vacancies and for expenditures related to the comprehensive plan update that did not occur.
- \$420,721 - Lower expenditures in Information Technology due to a staff vacancy in Neighborhood Services, lower expenditures on computer hardware and software and the delay of the AM Radio Station project.

Strategic planning is a driving force in the preparation of the City's budget. The City Council has identified the following five areas of strategic priority, under which are listed some of the key items in the fiscal year 2007 budget:

Core Services

Core services include police, fire and emergency management services; traffic and drainage services; the City's administrative services; electric, water, sewer and sanitation services; and capital projects for each of these areas. Key items included in the 2007 fiscal year budget included:

- Additional resources for the addition of six police officers,
 - Funding for three fire fighters to continue adding the staff necessary for the dedicated ladder truck company,
 - Resources for infrastructure improvements to streets and utilities,
 - Resources to fund the market based pay plan for City employees, and
-

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(Unaudited)

- Resources to fund repairs and enhancements to existing park facilities.

Parks and Leisure Services

The City of College Station Parks and Recreation Department provides parks and leisure service activities in College Station. The following are some of the highlights included in the 2007 fiscal year budget:

- Additional resources for the operations and maintenance of Veterans Park Phase 2 - a regional recreational facility,
- Resources for the concessions operation, and
- Resources for improvements to athletic league programs.

Planning & Development Services

The Planning and Development Services Department provides services to plan and develop a sustainable community balancing neighborhood and community interests. The fiscal year 2007 budget included the following:

- Resources for an additional Assistant Director of Planning and Development,
- Resources for the second phase of the Comprehensive Plan update, and
- Resources for annexation planning.

Economic Development

To encourage further economic development in the City, resources for Economic Development initiatives were included in the budget. The fiscal year 2007 budget included the following:

- Resources for wayfinding signage to help visitors find points of interest in the area, and
- Resources for the development of an economic development plan as part of the comprehensive plan update.

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(Unaudited)

CAPITAL ASSETS

The City of College Station's investment in capital assets for its governmental and business-type activities as of September 30, 2007 amounted to \$421,616,077 (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	\$ 28,010,449	\$ 690,707	\$ 28,701,156
Utility Systems	-	171,674,689	171,674,689
Buildings and Building Improvements	15,885,433	4,891,977	20,777,410
Improvements Other than Buildings	13,980,837	-	13,980,837
Machinery and Equipment	13,622,689	59,476	13,682,165
Infrastructure	86,525,489	-	86,525,489
Construction in Progress	27,616,670	58,657,661	86,274,331
	<u>\$ 185,641,567</u>	<u>\$ 235,974,510</u>	<u>\$ 421,616,077</u>

Major capital projects completed by the City during the 2007 fiscal year include the following:

- Jones Butler Street Extension (\$1,467,042),
- University Drive Sidewalk Improvements (\$140,958),
- Hwy 30/60 Infrastructure Improvements (\$4,850,000),
- Lincoln Center Parking Cover (\$60,500),
- Lincoln Center Splash Park (\$256,144),
- Wolf Pen Creek Amphitheater Improvements (\$1,168,581),
- PARD Automation (\$133,000),
- Dowling Road Chemical System Piping Replacement (\$3,519,780),
- Sandy Point Pump Station and Wellfield Erosion Improvements (\$255,901),
- Rock Prairie Road Water Service Extension (\$1,531,098),
- Northeast Trunkline Sewer Rehabilitation (\$633,517),
- Steeplechase Impact Fee Sewer Line (\$1,156,211),
- Sludge Processing Improvements (\$3,001,873), and
- Nantucket Sewer Package Plant (\$164,000).

Of significance is \$9,312,195 in developer capital contributions during fiscal year 2007. These contributions accounted for approximately 30 percent of the \$31.085 million increase in capital assets.

Additional information on the City's capital assets can be found in Note IV-C to the financial statements on page 49.

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(Unaudited)

DEBT ADMINISTRATION

At the end of the 2007 fiscal year, the City of College Station had total debt outstanding of \$202,675,000. Of this amount, \$97,460,000 (48 percent) comprised debt backed by the full faith and credit of the City. The remaining debt is revenue bonds secured by specified revenue sources.

Year-End Outstanding Debt Payable

	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 55,720,000	\$ -	\$ 55,720,000
Revenue Bonds	-	105,215,000	105,215,000
Certificates of Obligation	41,740,000	-	41,740,000
	<u>\$ 97,460,000</u>	<u>\$ 105,215,000</u>	<u>\$ 202,675,000</u>

The City's total debt increased by \$13,895,000 (7.4 percent) during the current fiscal year. The change in total debt was a result of the following:

- Issuance of \$10,255,000 in general obligation refunding bonds, \$3,930,000 in general obligation improvement bonds, \$3,960,000 in certificates of obligation, \$18,665,000 in utility revenue system revenue bonds; and
- Retirement/defeasance of \$12,300,000 in general obligation bonds, \$5,705,000 in certificates of obligation, and the retirement of \$4,910,000 in utility revenue bonds.

As a result of the issuance of the general obligation refunding bonds, the City will reduce its total debt service payments over the next ten (10) years by approximately \$651,000.

The City's General Obligation and Certificates of Obligation have an underlying rating of AA- by Standard & Poors ("S&P") and Aa3 by Moody's Investors Service ("Moody's"). The underlying ratings for the City's revenue bonds are A+ by S&P and A1 by Moody's. Because the City's last bond issue was insured, those bonds were rated AAA with S&P and Aaa with Moody's.

Additional information on the City's long-term debt can be found in Note IV-F to the financial statements on pages 51-55 of this report.

OTHER POST-EMPLOYMENT BENEFITS ("OPEB")

The Governmental Accounting Standards Board Statement No. 45 establishes standards for the measurement, recognition, and display of the OPEB expense and related liabilities, note disclosures, and required supplementary information in the financial reports of state and local governments. The City is considered a phase II government under Statement No. 45 and is not required to implement the standard until fiscal year 2009. In order to take a proactive approach to understanding and addressing the City's OPEB liability, on May 24, 2006, the City issued a request for proposals for an actuarial analysis of future liabilities for Other Post-Employment Benefits under GASB 45. The actuarial firm of Rudd and Wisdom, Inc. was chosen to perform the study, and on December 14, 2006 they delivered a pro forma study to the City. This study: 1) outlines actuarial cost methods and past-service liability actuarial amortization methods available to the City, 2) reviews the actuarial assumptions and data used in the study, 3) discusses the effect of prefunding

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(Unaudited)

the annual required contribution, 4) discusses the current plan structure, 5) discusses design options, and 6) outlines the steps the City needs to take prior to implementing GASB 45.

City staff has performed an initial review of the pro forma study and a preliminary discussion with the actuary has taken place. At this point staff plans are to: 1) evaluate, with the assistance of the actuary and our benefits consultant, the impact of changes to the current plan structure, 2) evaluate, with the assistance of the City's financial advisor, possible funding options, and 3) prepare and present a comprehensive overview with recommendations and a funding strategy to the City Council.

The study included pro forma valuation results as of October 1, 2005. The present value of future benefits totaled \$22,834,808. The annual OPEB cost for FYE 9/30/2006 was calculated under the following 3 cost methods: 1) Aggregate Method = \$3,045,050, 2) PUC-ARFS Method = \$2,338,410, and 3) FEAN-30 year Method = \$1,953,445.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of College Station has continued to grow, and indicators of that growth include the following:

- An estimated population increase of 62 percent for the period of 1990 through 2007,
- An approximate \$410 million increase to the ad valorem tax base during the fiscal year,
- A local economy that has maintained an annual unemployment rate of less than 5 percent since 1990, and
- Sales tax revenue that grew by 7.9 percent during the fiscal year.

Part of the reason the City has been insulated from some of the effects of the slower national and state economy is due to the major influence of Texas A&M University on the local economy.

The Fiscal Year 2008 budget was prepared with the key goal of focusing the resources of the organization to improve the quality of life in College Station at a reasonable cost. This is done by continuing a prudent approach to City finances, meeting strategic priorities identified by the City Council, maintaining service quality and excellence, and enhancing and maintaining infrastructure and public facilities needed to provide excellent services. The ad valorem tax rate for the 2008 fiscal year is \$0.4394 per \$100 valuation (\$0.1933 for operations and maintenance and \$0.2461 for debt service). This tax rate will meet the debt service obligations of the City and provide operations and maintenance funding in the General Fund.

Current and anticipated growth in the community has resulted in increased demands for services and has put pressure on the City's utility systems. Consequently, the 2008 budget includes a 9 percent increase in the Electric Fund. This rate increase is needed to meet the operating, capital and debt service coverage requirements in the fund and to ensure continued high quality service is provided as the community continues to grow. The 2008 budget does not include a rate increase in the Water Fund, Sewer Fund, Sanitation Fund, or Drainage Fund.

The fiscal year 2008 budget for capital improvements totals \$45,761,725. The City anticipates significant expenditures for infrastructure rehabilitation and improvements on projects in the Northgate area and continued improvements in the Southside area. These projects include rehabilitation of utilities, drainage ways, and streets. Some of the more significant projects are as follows (amounts presented reflect appropriations over the life of the project):

Management's Discussion and Analysis

For the Fiscal Year Ended September 30, 2007

(Unaudited)

- Street Rehabilitation in the Southside Area (\$3.7 million),
- Street Rehabilitation in the Northgate Area (\$3.9 million),
- Extension of Dartmouth Drive (\$3.6 million),
- Arrington Road/Decatur Extension Design (\$4.1 million),
- Rock Prairie Road Widening Design and Land (\$2.9 million),
- Barron Road Improvements (\$3.0 million),
- William D. Fitch Widening Phase II (\$3.3 million),
- Bike Loop Completion (\$1.5 million),
- New Forestry Shop (\$830,000),
- University Park Development (\$400,000),
- Woodland Hills Development (\$315,000),
- Edelweiss Gartens Park Development (\$366,000),
- Southwood Valley Little League Lights (\$400,000),
- Police Station New Addition and Renovation (\$3.6 million),
- Fire Station #3 Relocation (\$2.7 million),
- Municipal Facility Improvements (\$1.75 million),
- Well #7 (\$3.0 million),
- Parallel Wellfield Collection Line Phase I (\$4.3 million),
- Land Acquisition – 5 Well Sites (\$3.5 million),
- Arrington Road Water Service Extension (\$745,000),
- Carter Creek Wastewater Treatment Plant UV Improvements (\$1.9 million),
- Carter Creek Wastewater Treatment Plant Pavement Repairs /Parking (\$586,000),
- Rehabilitation of 3 Lift Stations (\$400,000), and
- Bee Creek Combined Drainage Improvements (\$3.1 million).

The City plans to issue \$5,494,000 in general obligation bonds from the 2003 bond authorization for the following: \$4,354,000 for street improvements, \$600,000 for traffic signals and safety system improvement projects, \$500,000 for Sidewalk Improvement and Hike and Bike Trail projects, and \$40,000 for parks projects. The City also plans to issue \$9,690,000 in certificates of obligations for the following: \$1,175,000 for Parks and Recreation projects, \$150,000 for street improvements, \$5,525,000 for the new cemetery, \$2,490,000 for the radio system replacement project, \$250,000 for municipal building improvements, and \$100,000 for technology projects. The City also plans to issue \$29,250,000 in utility revenue bonds for the following: \$10,950,000 for electric capital projects, \$15,100,000 for water capital projects, and \$3,200,000 for wastewater capital projects.

REQUESTS FOR INFORMATION

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

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

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

CITY OF COLLEGE STATION

FINANCIAL
STATEMENTS

CITY OF COLLEGE STATION, TEXAS

Statement of Net Assets
As of September 30, 2007

	Governmental Activities	Business-type Activities	Total
Assets			
Equity in Cash and Cash Equivalents	\$ 48,383,427	\$ 13,429,310	\$ 61,812,737
Equity in Investments	33,607,888	9,328,374	42,936,262
Receivables, net	4,303,837	13,631,527	17,935,364
Internal Balances	(2,328,531)	2,328,531	-
Inventories	234,610	1,771,975	2,006,585
Prepaid Costs	564,775	-	564,775
Restricted Assets:			
Temporarily Restricted:			
Equity in Cash and Cash Equivalents	384,903	13,355,183	13,740,086
Equity in Investments	267,365	9,276,883	9,544,248
Receivables, net	-	50,562	50,562
Permanently Restricted:			
Equity in Cash and Cash Equivalents	838,672	-	838,672
Equity in Investments	582,565	-	582,565
Receivables, net	7,377	-	7,377
Inventory	1,275	-	1,275
Equity in Joint Venture	-	8,648,008	8,648,008
Deferred Issuance Costs, net	250,755	821,647	1,072,402
Capital Assets:			
Land and Construction in Progress	55,627,119	59,348,368	114,975,487
Other Capital Assets, net of accumulated depreciation	130,014,448	176,626,142	306,640,590
Total Assets	272,740,485	308,616,510	581,356,995
Liabilities			
Accounts Payable	3,692,048	11,855,457	15,547,505
Retainage Payable	600,831	541,672	1,142,503
Refundable Deposits	31,750	-	31,750
Claims Payable	580,208	-	580,208
Accrued Liabilities	2,091,052	687,512	2,778,564
Customer Construction Advances	70,023	92,544	162,567
Unearned Revenues	-	95,427	95,427
Liabilities Payable from Restricted Assets:			
Accounts Payable	(11)	836	825
Accrued Interest Payable	643,271	796,901	1,440,172
Accrued Liabilities	-	15,836	15,836
Refundable Deposits	-	1,455,935	1,455,935
Non-Current Liabilities:			
Due within one year:			
Compensated Absences	96,651	22,510	119,161
Bonds and Certificates of Obligation Payable	8,875,000	5,655,000	14,530,000
Due in more than one year:			
Bonds and Certificates of Obligation Payable	88,585,000	99,560,000	188,145,000
Deferred Charge - Refunding	(454,088)	-	(454,088)
Unamortized Premium/Discount on Bonds	342,511	(165,212)	177,299
Claims Payable	605,819	-	605,819
Compensated Absences	2,173,058	427,699	2,600,757
Total Liabilities	107,933,123	121,042,117	228,975,240
Net Assets			
Invested in Capital Assets, net of related debt	113,750,039	147,043,092	260,793,131
Restricted for:			
Debt Service	2,822,787	3,056,356	5,879,143
Perpetual Care - Nonexpendable	1,429,900	-	1,429,900
Other	836,735	-	836,735
Unrestricted	45,967,901	37,474,945	83,442,846
Total Net Assets	\$ 164,807,362	\$ 187,574,393	\$ 352,381,755

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, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General Government	\$ 7,654,393	\$ 1,586,076	\$ 1,757,828	\$ -
Fiscal Services	2,442,439	409,100	-	-
Police	12,299,698	3,618,236	95,630	-
Fire	9,472,331	1,215,387	185,077	-
Planning and Development Services	1,603,963	1,306,690	-	-
Public Works	6,620,846	1,199,565	-	5,271,090
Parks and Recreation	9,148,511	1,420,284	-	-
Information Technology	2,689,720	-	-	-
Interest on long-term debt	4,291,022	-	-	-
Unallocated Depreciation	6,026,372	-	-	-
Total governmental activities	<u>62,249,295</u>	<u>10,755,338</u>	<u>2,038,535</u>	<u>5,271,090</u>
Business-type activities:				
Electric	60,242,408	67,462,075	-	1,571,741
Water	8,302,863	10,060,398	-	1,254,490
Sewer	8,179,813	10,590,688	-	1,214,874
Sanitation	5,916,431	7,512,194	-	-
Northgate Parking	591,980	620,124	-	-
Total business-type activities	<u>83,233,495</u>	<u>96,245,479</u>	<u>-</u>	<u>4,041,105</u>
Total primary government	<u>\$ 145,482,790</u>	<u>\$ 107,000,817</u>	<u>\$ 2,038,535</u>	<u>\$ 9,312,195</u>

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

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

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

Governmental Activities	Business-type Activities	Total
\$ (4,310,489)	\$ -	\$ (4,310,489)
(2,033,339)	-	(2,033,339)
(8,585,832)	-	(8,585,832)
(8,071,867)	-	(8,071,867)
(297,273)	-	(297,273)
(150,191)	-	(150,191)
(7,728,227)	-	(7,728,227)
(2,689,720)	-	(2,689,720)
(4,291,022)	-	(4,291,022)
(6,026,372)	-	(6,026,372)
<u>(44,184,332)</u>	<u>-</u>	<u>(44,184,332)</u>
-	8,791,408	8,791,408
-	3,012,025	3,012,025
-	3,625,749	3,625,749
-	1,595,763	1,595,763
-	28,144	28,144
<u>-</u>	<u>17,053,089</u>	<u>17,053,089</u>
<u>(44,184,332)</u>	<u>17,053,089</u>	<u>(27,131,243)</u>
18,573,309	-	18,573,309
18,449,731	-	18,449,731
1,931,196	-	1,931,196
2,980,250	-	2,980,250
4,512,575	1,932,624	6,445,199
<u>10,090,589</u>	<u>(10,090,589)</u>	<u>-</u>
<u>56,537,650</u>	<u>(8,157,965)</u>	<u>48,379,685</u>
12,353,318	8,895,124	21,248,442
152,454,044	178,679,269	331,133,313
<u>\$ 164,807,362</u>	<u>\$ 187,574,393</u>	<u>\$ 352,381,755</u>

CITY OF COLLEGE STATION, TEXAS

Balance Sheet

Governmental Funds

As of September 30, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Streets Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Cash and Cash Equivalents	\$ 7,912,857	\$ 2,060,709	\$ 13,396,609	\$ 18,880,865	\$ 42,251,040
Equity in Investments	5,496,492	1,431,426	9,305,660	13,115,179	29,348,757
Receivables					
Accrued Interest	45,805	13,043	85,378	117,358	261,584
Grants	9,566	-	-	411,608	421,174
Letter of Credit	25,000	-	-	-	25,000
Accounts	965,652	-	669,206	256,962	1,891,820
Taxes	1,945,965	248,404	-	-	2,194,369
Other	20,854	-	-	-	20,854
Less Allowance for Uncollectible Accounts	(497,015)	-	-	(77,939)	(574,954)
Due from Other Funds	81,459	-	-	-	81,459
Inventories	57,977	-	-	1,275	59,252
Prepaid Costs	28,797	-	535,978	-	564,775
Restricted Assets					
Equity in Cash and Cash Equivalents	384,903	-	-	-	384,903
Equity in Investments	267,365	-	-	-	267,365
Total Assets	\$ 16,745,677	\$ 3,753,582	\$ 23,992,831	\$ 32,705,308	\$ 77,197,398
Liabilities and Fund Balances					
Accounts Payable	\$ 641,294	\$ -	\$ 1,647,837	\$ 786,526	\$ 3,075,657
Retainage Payable	11,449	-	118,696	470,686	600,831
Interfund Payable	-	-	-	200,000	200,000
Refundable Deposits	31,750	-	-	-	31,750
Accrued Liabilities	1,936,173	39,120	-	244	1,975,537
Customer Construction Advances	24,763	-	45,260	-	70,023
Other Deferred Revenues	1,167,659	248,404	373,512	322	1,789,897
Total Liabilities	3,813,088	287,524	2,185,305	1,457,778	7,743,695
Fund Balances					
Reserved	1,108,449	3,466,058	21,807,526	21,098,690	47,480,723
Unreserved, Undesignated					
General Fund	11,824,140	-	-	-	11,824,140
Special Revenue Funds	-	-	-	10,148,840	10,148,840
Total Fund Balances	12,932,589	3,466,058	21,807,526	31,247,530	69,453,703
Total Liabilities and Fund Balances	\$ 16,745,677	\$ 3,753,582	\$ 23,992,831	\$ 32,705,308	\$ 77,197,398

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
 As of September 30, 2007

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

Total Fund Balance per balance sheet:	\$	69,453,703
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		174,186,433
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		1,789,897
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance, fleet maintenance, equipment replacement and print/mail, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.		19,213,433
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(100,198,436)
The issuance of debt is treated as an other financing source, and therefore is not capitalized and amortized over the life of the debt. The premium on issued debt is treated as an other financing source and thus is not amortized annually. Refunding debt is treated as an other financing use and is not treated as a deferred charge and amortized over the life of the debt.		362,332
		<hr style="border-top: 1px solid black;"/>
Net Assets of governmental activities:	\$	<u><u>164,807,362</u></u>

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

CITY OF COLLEGE STATION, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2007

	General	Debt Service	Streets Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 28,078,867	\$ 10,030,752	\$ -	\$ 3,824,867	\$ 41,934,486
Licenses and Permits	1,191,105	-	-	-	1,191,105
Intergovernmental	630,937	-	14,287	1,393,311	2,038,535
Charges for Services	3,160,229	-	-	179,123	3,339,352
Fines, Forfeits and Penalties	3,256,488	-	-	-	3,256,488
Special Assessments	-	-	-	1,199,565	1,199,565
Investment Income	817,323	313,850	1,218,581	1,515,043	3,864,797
Rents and Royalties	261,225	-	-	-	261,225
Contributions	31,605	-	-	-	31,605
Reimbursed Expenditures	18,073	-	372,191	89,411	479,675
Other	216,027	-	25,000	497,388	738,415
Total Revenues	37,661,879	10,344,602	1,630,059	8,698,708	58,335,248
Expenditures					
Current					
General Government	4,063,758	-	63,193	22,149	4,149,100
Fiscal Services	3,007,524	-	235	5,789	3,013,548
Police	12,556,678	-	-	-	12,556,678
Fire	9,622,195	-	-	-	9,622,195
Planning and Development Services	2,008,901	-	-	-	2,008,901
Public Works	7,439,609	-	-	1,245	7,440,854
Parks and Recreation	8,161,568	-	-	6,289	8,167,857
Information Services	3,070,524	-	-	-	3,070,524
Library	912,527	-	-	-	912,527
Community Development Block Grant	-	-	-	215,707	215,707
Home Grant	-	-	-	323,811	323,811
Reimbursed Administrative	(6,566,168)	-	836,011	2,425,117	(3,305,040)
Contributions	983,520	-	-	1,422,500	2,406,020
Other	126,843	-	-	21,017	147,860
Capital Outlay	514,359	-	5,326,536	8,372,679	14,213,574
Debt Service					
Principal Retirement	-	7,820,000	-	-	7,820,000
Interest Payments	-	4,212,245	-	-	4,212,245
Fiscal Charges	-	421,415	5,867	100,524	527,806
Intergovernmental	-	-	342,630	-	342,630
Total Expenditures	45,901,838	12,453,660	6,574,472	12,916,827	77,846,797
Deficiency of Revenues Under Expenditures	(8,239,959)	(2,109,058)	(4,944,413)	(4,218,119)	(19,511,549)
Other Financing Sources (Uses)					
Issuance of Debt	-	-	2,700,000	5,190,000	7,890,000
Issuance of Refunding Debt	-	10,255,000	-	-	10,255,000
Premium on bonds Issued	-	373,648	-	-	373,648
Payment to refunded bond escrow agent	-	(10,451,378)	-	-	(10,451,378)
Sale of Capital Assets	318,103	-	-	-	318,103
Transfers In	9,928,988	2,325,071	2,483	2,798,393	15,054,935
Transfers Out	(46,551)	-	-	(1,974,627)	(2,021,178)
Total Other Financing Sources	10,200,540	2,502,341	2,702,483	6,013,766	21,419,130
Net Change in Fund Balances	1,960,581	393,283	(2,241,930)	1,795,647	1,907,581
Fund Balances, October 1	10,972,008	3,072,775	24,049,456	29,451,883	67,546,122
Fund Balances, September 30	<u>\$ 12,932,589</u>	<u>\$ 3,466,058</u>	<u>\$ 21,807,526</u>	<u>\$ 31,247,530</u>	<u>\$ 69,453,703</u>

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

CITY OF COLLEGE STATION, TEXAS
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended September 30, 2007

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

Net change in fund balance - total governmental funds:	\$	1,907,581
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		6,586,062
The effect of various miscellaneous transactions involving capital assets is to increase net assets.		4,652,941
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		289,513
The issuance of long-term debt 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. This amount is the net effect of these differences in the treatment of long-term debt.		(140,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		30,585
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance, fleet maintenance, equipment replacement and print/mail, to individual funds. The net revenues of certain activities of internal service funds is reported within governmental activities.		<u>(973,364)</u>
Change in Net Assets of governmental activities:	\$	<u><u>12,353,318</u></u>

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

CITY OF COLLEGE STATION, TEXAS

Statement of Net Assets
Proprietary Funds
As of September 30, 2007

	Business-type Activities - Enterprise Funds					Governmental
	Electric	Water	Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Current Assets						
Equity in Cash and Cash Equivalents	\$ 6,297,443	\$ 2,594,887	\$ 3,651,944	\$ 728,648	\$ 13,272,922	\$ 7,127,447
Equity in Investments	4,374,380	1,802,481	2,536,743	506,139	9,219,743	4,950,327
Restricted Assets						
Equity in Cash and Cash Equivalents	1,692,227	1,452,748	1,513,925	-	4,658,900	-
Equity in Investments	1,173,265	1,009,119	1,051,614	-	3,233,998	-
Accrued Interest Receivable	(3,172)	36,421	17,313	-	50,562	-
Receivables						
Accrued Interest	77,126	18,427	29,341	4,999	129,893	45,084
Accounts	10,656,901	1,449,835	1,464,061	964,474	14,535,271	59,069
Notes	-	-	-	12,522	12,522	-
Other	1,100,134	-	-	-	1,100,134	14,225
Less Allowance for Uncollectible Accounts	(1,838,175)	(78,709)	(152,936)	(99,216)	(2,169,036)	(24,268)
Inventories	1,407,854	313,728	45,318	5,075	1,771,975	176,633
Prepaid Costs	-	-	-	-	-	-
Total Current Assets	24,937,983	8,598,937	10,157,323	2,122,641	45,816,884	12,348,517
Noncurrent Assets						
Restricted Assets						
Equity in Cash and Cash Equivalents	1,048,445	5,370,203	2,277,635	-	8,696,283	-
Equity in Investments	730,482	3,730,294	1,582,109	-	6,042,885	-
Total Restricted Assets	1,778,927	9,100,497	3,859,744	-	14,739,168	-
Advance to Other Funds	200,000	-	-	-	200,000	-
Equity in Joint Venture	-	-	-	8,648,008	8,648,008	-
Deferred Charges						
Bond Issuance Costs	338,205	380,286	407,583	-	1,126,074	-
Accumulated Amortization	(84,819)	(101,100)	(118,508)	-	(304,427)	-
Total Deferred Charges	253,386	279,186	289,075	-	821,647	-
Property and Equipment						
Utility Plant	112,214,133	79,216,419	79,065,421	-	270,495,973	-
Buildings	-	-	-	5,743,755	5,743,755	786,525
Machinery and Equipment	-	-	-	1,332,577	1,332,577	29,545,109
Accumulated Depreciation	(49,854,705)	(25,849,761)	(23,680,135)	(2,124,879)	(101,509,480)	(19,205,921)
Construction in Progress	12,015,223	30,884,503	15,753,605	4,330	58,657,661	892,738
Land	-	-	-	690,707	690,707	-
Total Property and Equipment	74,374,651	84,251,161	71,138,891	5,646,490	235,411,193	12,018,451
Total Noncurrent Assets	76,606,964	93,630,844	75,287,710	14,294,498	259,820,016	12,018,451
Total Assets	101,544,947	102,229,781	85,445,033	16,417,139	305,636,900	24,366,968
Liabilities						
Current Liabilities						
Accounts Payable	11,162,744	364,241	231,936	65,531	11,824,452	647,384
Retainage Payable	230,771	194,955	115,946	-	541,672	-
Interfund Payable	-	-	-	-	-	81,459
Accrued Liabilities	345,363	67,594	85,385	137,849	636,191	263,487
Customer Construction Advances	24,382	44,801	23,361	-	92,544	-
Other Deferred Revenues	822	-	-	94,605	95,427	-
Claims Payable	-	-	-	-	-	580,208
Payable from Restricted Assets						
Accounts Payable	836	-	-	-	836	-
Accrued Interest Payable	203,025	331,653	262,223	-	796,901	-
Accrued Liabilities	13,174	-	2,662	-	15,836	-
Refundable Deposits	1,207,935	236,950	-	11,050	1,455,935	-
Revenue Bonds	1,437,350	1,929,685	2,317,967	-	5,685,002	-
Total Current Liabilities	14,626,402	3,169,879	3,039,480	309,035	21,144,796	1,572,538
Noncurrent Liabilities						
Claims Payable	-	-	-	-	-	605,819
Revenue Bonds	25,948,866	41,423,461	32,157,671	-	99,529,998	-
Unamortized Premium/Discount on Bonds	(67,997)	(5,821)	(91,394)	-	(165,212)	-
Accrued Vacation	172,714	87,048	81,064	48,125	388,951	139,151
Total Noncurrent Liabilities	26,053,583	41,504,688	32,147,341	48,125	99,753,737	744,970
Total Liabilities	40,679,985	44,674,567	35,186,821	357,160	120,898,533	2,317,508

CITY OF COLLEGE STATION, TEXAS

Statement of Net Assets
Proprietary Funds
As of September 30, 2007

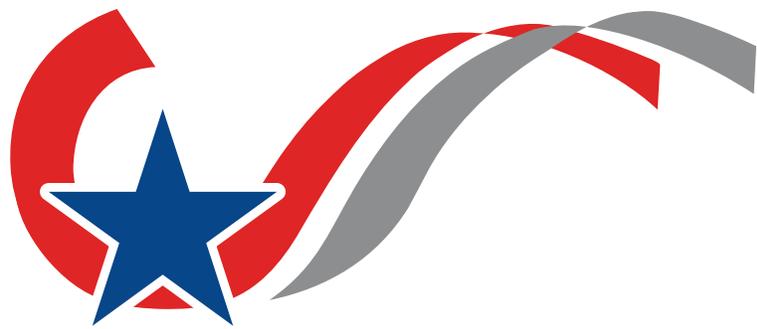
	Business-type Activities - Enterprise Funds					Governmental
	Electric	Water	Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Net Assets						
Invested in Capital Assets, net of related debt	53,369,503	46,769,883	40,693,899	5,646,490	146,479,775	12,018,451
Restricted for:						
Debt Service	666,649	478,247	1,911,460	-	3,056,356	-
Unrestricted	6,828,810	10,307,084	7,652,853	10,413,489	35,202,236	10,031,009
Total Net Assets	<u>\$ 60,864,962</u>	<u>\$ 57,555,214</u>	<u>\$ 50,258,212</u>	<u>\$ 16,059,979</u>	<u>\$ 184,738,367</u>	<u>\$ 22,049,460</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					2,836,026	
Net assets business-type activities:					<u>\$ 187,574,393</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 Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended September 30, 2007

	Business-type Activities - Enterprise Funds					Governmental
	Electric	Water	Sewer	Other	Total Enterprise	Internal Service
				Enterprise		
Operating Revenues						
Electric Sales	\$ 65,831,537	\$ -	\$ -	\$ -	\$ 65,831,537	\$ -
Water Sales	-	9,258,104	-	-	9,258,104	-
Sewer Service	-	-	10,283,758	-	10,283,758	-
Garbage Collection Fees	-	-	-	6,419,816	6,419,816	-
Charges for Services	-	-	-	616,981	616,981	9,342,705
Premiums	-	-	-	-	-	7,259,826
Other	1,483,021	796,496	258,204	64,658	2,602,379	252,503
Total Operating Revenues	<u>67,314,558</u>	<u>10,054,600</u>	<u>10,541,962</u>	<u>7,101,455</u>	<u>95,012,575</u>	<u>16,855,034</u>
Operating Expenses						
Electric Operations	54,542,429	-	-	-	54,542,429	-
Salaries and Benefits	-	1,568,699	2,005,877	1,936,009	5,510,585	2,734,492
Supplies	-	64,343	349,234	309,185	722,762	935,302
Maintenance	-	31,997	106,534	597,638	736,169	330,869
Purchased Professional Services	-	117,997	170,884	514,680	803,561	81,345
Purchased Property Services	-	948,465	696,425	1,596,481	3,241,371	99,584
Other Purchased Services	-	162,829	203,657	910,763	1,277,249	655,541
Claims	-	-	-	-	-	4,798,318
Administration Fees	-	-	-	-	-	447,892
Premiums	-	-	-	-	-	817,714
Reimbursed Administrative	-	1,582,598	885,798	609,607	3,078,003	1,084,533
Contributions	-	-	-	-	-	455,720
Depreciation	4,398,815	2,029,849	2,329,751	163,671	8,922,086	2,619,774
Other	-	32,971	43,806	38,075	114,852	113,369
Total Operating Expenses	<u>58,941,244</u>	<u>6,539,748</u>	<u>6,791,966</u>	<u>6,676,109</u>	<u>78,949,067</u>	<u>15,174,453</u>
Operating Income	<u>8,373,314</u>	<u>3,514,852</u>	<u>3,749,996</u>	<u>425,346</u>	<u>16,063,508</u>	<u>1,680,581</u>
Nonoperating Revenues (Expenses)						
Investment Income	889,687	472,381	488,771	63,682	1,914,521	665,881
Reimbursed Expenses	147,517	5,798	2,986	2,280	158,581	18,349
Earnings in Joint Venture	-	-	-	1,025,440	1,025,440	-
Interest Expense	(1,224,755)	(1,705,470)	(1,507,068)	-	(4,437,293)	-
Other, Net	(228,206)	(131,619)	45,740	(46,661)	(360,746)	185,591
Total Nonoperating Revenues (Expenses)	<u>(415,757)</u>	<u>(1,358,910)</u>	<u>(969,571)</u>	<u>1,044,741</u>	<u>(1,699,497)</u>	<u>869,821</u>
Income Before Capital Contributions and Transfers	<u>7,957,557</u>	<u>2,155,942</u>	<u>2,780,425</u>	<u>1,470,087</u>	<u>14,364,011</u>	<u>2,550,402</u>
Capital Contributions and Transfers						
Capital Contributions	1,571,741	1,254,490	1,214,874	-	4,041,105	-
Transfers In	-	-	-	-	-	23,349
Transfers Out	(7,247,634)	(1,053,735)	(1,360,556)	(421,500)	(10,083,425)	(2,973,681)
Total Capital Contributions and Transfers	<u>(5,675,893)</u>	<u>200,755</u>	<u>(145,682)</u>	<u>(421,500)</u>	<u>(6,042,320)</u>	<u>(2,950,332)</u>
Change in Net Assets	2,281,664	2,356,697	2,634,743	1,048,587	8,321,691	(399,930)
Beginning Net Assets	58,583,298	55,198,517	47,623,469	15,011,392		22,449,390
Ending Net Assets	<u>\$ 60,864,962</u>	<u>\$ 57,555,214</u>	<u>\$ 50,258,212</u>	<u>\$ 16,059,979</u>		<u>\$ 22,049,460</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					573,433	
Change in net assets of business-type activities:					<u>\$ 8,895,124</u>	

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



CITY OF COLLEGE STATION

CITY OF COLLEGE STATION, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2007

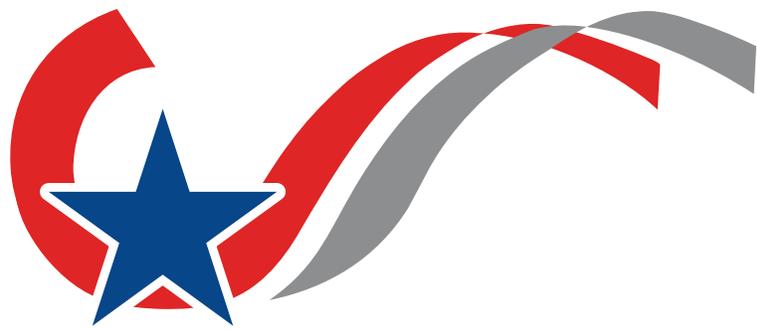
	Business-type Activities - Enterprise Funds				Governmental Activities	
	Electric	Water	Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ 65,241,601	\$ 10,087,441	\$ 10,394,371	\$ 6,897,640	\$ 92,621,053	\$ 16,856,750
Cash Payments to Suppliers for Goods and Services	(51,524,229)	(4,243,173)	(3,223,938)	(4,628,121)	(63,619,461)	(9,436,090)
Cash Payments to Employees for Services	(2,606,517)	(1,526,619)	(1,996,564)	(1,921,305)	(8,051,005)	(2,713,550)
Customer Deposits Received	227,291	39,009	-	2,760	269,060	-
Cash Received for Reimbursed Expenses	147,517	5,798	2,986	2,280	158,581	18,350
Cash Received for Miscellaneous Revenues	-	-	25,772	3,142	28,914	187,475
Cash Received from Other Funds	-	-	-	-	-	15,642
Cash Paid for Miscellaneous Expenses	(202,032)	(145,811)	-	(51,864)	(399,707)	-
Net Cash Provided by Operating Activities	11,283,631	4,216,645	5,202,627	304,532	21,007,435	4,928,577
Cash Flows from Noncapital Financing Activities:						
Transfers In from Other Funds	-	-	-	-	-	23,349
Transfers Out to Other Funds	(7,247,634)	(1,053,735)	(1,360,556)	(421,500)	(10,083,425)	(2,973,681)
Net Cash Provided (Used) by Noncapital Financing Activities	(7,247,634)	(1,053,735)	(1,360,556)	(421,500)	(10,083,425)	(2,950,332)
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	(11,277,409)	(6,026,914)	(5,678,043)	(37,507)	(23,019,873)	(4,689,657)
Proceeds from Sale of Assets	-	-	-	18,943	18,943	313,713
Principal Paid on Revenue Bonds	(1,399,266)	(1,508,274)	(2,002,460)	-	(4,910,000)	-
Interest Paid on Revenue Bonds	(1,192,437)	(1,632,030)	(1,429,107)	-	(4,253,574)	-
Proceeds from Revenue Bonds	2,500,000	10,750,000	5,300,000	-	18,550,000	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(11,369,112)	1,582,782	(3,809,610)	(18,564)	(13,614,504)	(4,375,944)
Cash Flows from Investing Activities:						
Purchase of Investments	(19,073,299)	(17,668,561)	(14,630,521)	(1,452,468)	(52,824,849)	(14,441,413)
Proceeds from Sale and Maturities of Investment Securities	22,989,389	16,173,148	15,131,862	1,560,077	55,854,476	15,955,151
Investment Income	899,375	447,067	480,364	63,188	1,889,994	664,509
Net Cash Provided (Used) by Investing Activities	4,815,465	(1,048,346)	981,705	170,797	4,919,621	2,178,247
Net Increase (Decrease) in Cash and Cash Equivalents	(2,517,650)	3,697,346	1,014,166	35,265	2,229,127	(219,452)
Cash and Cash Equivalents, Oct. 1	11,555,765	5,720,492	6,429,338	693,383	24,398,978	7,346,899
Cash and Cash Equivalents, Sept. 30	\$ 9,038,115	\$ 9,417,838	\$ 7,443,504	\$ 728,648	\$ 26,628,105	\$ 7,127,447

CITY OF COLLEGE STATION, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities	
	Electric	Water	Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:						
Operating Income	\$ 8,373,314	\$ 3,514,852	\$ 3,749,996	\$ 425,346	\$ 16,063,508	\$ 1,680,581
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation, Bad Debt Expense, Inventory Loss	4,398,815	2,029,849	2,329,751	163,671	8,922,086	2,619,774
Provision for Uncollectible Accounts	120,914	11,213	22,013	19,087	173,227	643
Miscellaneous Nonoperating Revenues	147,517	5,798	28,758	5,422	187,495	205,825
Miscellaneous Nonoperating Expenses	(202,032)	(145,811)	-	(51,864)	(399,707)	-
Changes in Assets and Liabilities:						
Change in Accounts Receivable	(2,072,957)	32,841	(147,591)	(205,651)	(2,393,358)	1,716
Change in Deferred Revenues	-	-	-	1,809	1,809	-
Change in Inventory	(439,395)	(7,188)	(3,131)	5,229	(444,485)	(49,017)
Change in Prepaid Costs	-	-	-	-	-	21,967
Change in Accounts Payable	703,249	(1,305,997)	(786,482)	(83,793)	(1,473,023)	241,039
Change in Due to Other Funds	-	-	-	-	-	15,642
Change in Claims Payable	-	-	-	-	-	20,154
Change in Accrued Liabilities	17,598	9,319	8,606	13,783	49,306	168,506
Change in Refundable Deposits	227,291	39,009	-	2,760	269,060	-
Change in Accrued Vacation	9,317	32,760	707	8,733	51,517	1,747
Total Adjustments	2,910,317	701,793	1,452,631	(120,814)	4,943,927	3,247,996
Net Cash Provided by Operating Activities	\$ 11,283,631	\$ 4,216,645	\$ 5,202,627	\$ 304,532	\$ 21,007,435	\$ 4,928,577

Noncash Operating, Financing, Capital and Investing Activities: During the Fiscal Year the Enterprise Fund added contributed capital in the amount of \$4,041,105. Adjustments at 9/30/07 to investments to record income accrual and fair value changes were as follows: Enterprise Fund \$342,621 and Internal Service Funds 139,603.

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



CITY OF COLLEGE STATION

CITY OF COLLEGE STATION

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to state and local governments. The more significant of the City's accounting policies are described below.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

when they are collectible within the current period or soon enough thereafter 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 accumulated for the payment of principal, interest and related costs on long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify that the amounts are restricted exclusively for debt service expenditures.

The *Streets Capital Projects Fund* accounts for the costs of new street construction, street improvements, and traffic signalization made with funds provided by proceeds from the sale of general obligation bonds 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 *Sewer 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,

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

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 sewer 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; activities related to the City's printing and mail operations; 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.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. 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.

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

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

D. Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents

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

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

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 2006. This policy is applicable to all City funds and permits investment in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, certificates of deposit, guaranteed investment contracts, public funds investment pools, and money market mutual funds. This policy states that the City Manager shall designate the City's Investment Officer with whom responsibility and authority for investment transactions reside.

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

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

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

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

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

Investments of all funds consist mainly of Agency securities, a money market mutual fund with Fidelity, and investments in Texpool's public funds investment pool. Investments are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

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

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

Inventories 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.

Payments made to vendors for services that will benefit periods beyond September 30, 2007, are recorded as prepaid costs with a reserve for prepaid items recognized in the governmental funds in the fund level financial statements to signify that a portion of fund balance is not available for other subsequent expenditures.

Interfund Transactions and Receivables/Payables

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

Restricted Assets

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

Investment in Joint Venture

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

Capital Assets

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

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

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

Compensated Absences

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

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

Long-Term Obligations

In the government-wide financial statements and in the fund financial statements for the proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount and deferred amounts on refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

E. Budgetary Control

The City follows these procedures in establishing the budgetary data:

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes reconciliation between *fund balance--total governmental funds* and *net assets--governmental activities* as reported in the government-wide statement of net assets. The details of this \$95,353,659 difference are as follows:

When capital assets (land, buildings, equipment, etc.) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the City as a whole.

Cost of Capital Assets	\$	276,688,300
Accumulated Depreciation		(102,501,868)
Net Capital Assets	\$	<u>174,186,432</u>

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. All liabilities, both current and long-term, are reported in the statement of net assets.

Bonds Payable	\$	(97,460,000)
Accrued Interest Payable		(643,271)
Compensated Absences		(2,095,165)
	\$	<u>(100,198,436)</u>

Governmental funds report the issuance of debt as an other financing source in the governmental fund statement of revenues, expenditures, and changes in fund balances. In contrast, issuance costs should be capitalized and amortized over the life of the debt.

Deferred issuance costs	\$	266,269
Amortization of issuance costs		(15,514)
	\$	<u>250,755</u>

When a governmental entity issues debt at a discount or a premium, the discount/premium is ignored in recording interest expenditures in a governmental fund; however, the discount/premium must be amortized annually to report interest on an accrual basis in the government-wide financial statements.

Premium on Bonds	\$	(373,648)
Amortization of premium		31,137
	\$	<u>(342,511)</u>

A refunding transaction essentially combines the issuance of new debt and the repayment of existing debt. The key difference is that the disparity between the net carrying value of the refunded debt and its reacquisition price is treated as a deferred charge (this amount is treated as a deduction from or an addition to the new debt liability) in the

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

government-wide statement of net assets and subsequently amortized over the life of the refunding or refunded debt, whichever is shorter.

Deferred charge - Refunding	\$	495,369
Accrued Interest Payable		<u>(41,281)</u>
	\$	<u>454,088</u>
Total Deferred/Capitalized Items	\$	<u>362,332</u>

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the governmental funds and, thus, are not included in fund balance. Deferred revenue for emergency medical services, paving assessments, and property taxes shown on the governmental fund statements is not deferred on the statement of net assets.

Deferred Property Tax Revenue	\$	460,262
Deferred Emergency Medical Services Revenue		219,421
Deferred fines/Penalties		652,955
Paving Assessment Revenue		373,512
Other Deferred Revenue		<u>83,747</u>
	\$	<u>1,789,897</u>

Internal service funds are used by management to charge certain activities, such as self insurance, print-mail services, and fleet maintenance, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.

\$ 19,213,433

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances--total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$6,586,062 difference are as follows:

Capital Outlay	\$	14,213,574
Depreciation Expense		<u>(7,627,512)</u>
Net Adjustment to increase <i>net changes in fund balances--total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$	<u>6,586,062</u>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets." The details of the \$4,652,941 difference are as follows:

Donated Capital Assets	\$ 5,239,485
Proceeds from Sale of Fixed Assets	(318,103)
Loss on Sale of Assets	<u>(268,441)</u>

The net effect of miscellaneous capital asset transactions increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

\$ 4,652,941

Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) 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 these amounts are deferred and amortized in the statement of activities." The details of this (\$140,000) difference are as follows:

Debt issued or incurred:

Issuance of General Obligation Bonds and Certificates of Obligation	\$ (18,145,000)
Principal Retirement	<u>18,005,000</u>

Net Adjustment to decrease *net changes in fund balances-total governmental funds* to arrive at *changes in net assets of governmental activities*

\$ (140,000)

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$30,585 difference are as follows:

Compensated Absences	\$ (278,628)
Accrued Interest & amortization	(78,777)
Premium on debt capitalized	(373,648)
Issuance Costs Deferred	266,269
Refunding Deferred	<u>495,369</u>

Net Adjustment to increase *net changes in fund balances-total governmental funds* to arrive at *changes in net assets of governmental activities*

\$ 30,585

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

The Council approved three budget amendments during fiscal year 2007. These budget amendments included the following appropriations:

Electric Substation Transformer	\$ 1,200,000
Fire Station #3 Relocation	991,000
Church Street Rehab	887,063
Parks/Parkland Capital Projects	491,920
TxDOT ROW Payment	274,957
Gainsharing	245,984
Police and Fire Grants	235,329
Building Security at Municipal Court	172,402
Sanitation Disposal Fee	167,000
Low-Band AM Radio Station	95,000
Traffic Study	80,000
Memorial Cemetery Advertising	75,000
Police Dept Vehicle Camera Upgrade	68,685
Wide Area Communications Grant	63,871
Emergency Management Vehicle	55,688
BVSWMA Camera System	50,000
Police and Fire Reimbursements	45,601
Fire Department Wellness Program	45,548
Parking Garage Credit Card Program	39,753
City Hall Generator	32,000
Southern Breeze Drive Letter of Credit	25,000
BVCOG Litter Abatement Grant	25,000
EMS Reporting	20,000
Police Seizure Funds	4,195
Lincoln Recreation Center Donations	3,805
	<u>\$ 5,394,801</u>

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

B. Excess of Expenditures Over Appropriations

The amounts of any excesses of expenditures over appropriations during fiscal year 2007, and the funds in which they occurred are as follows:

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

Fund	Amount
Debt Service	\$ 176,425
Business Park	58,713
Drainage Projects	1,394,339
Parks Projects	1,285,041

Higher costs related to the refunded bond issuance resulted in the \$176,425 excess expenditures in the Debt Service Fund. The expenditures in the Business Park, Drainage Projects and Parks Projects were budgeted in prior years. Overall, these projects remained within budget.

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	\$ 2,790,350	1
U.S. Agency Bonds	44,802,038	629
Treasury Securities	8,264,934	192
Texas Local Government Investment Pool	71,801,222	1
Fidelity Money Market Mutual Fund	1,796,026	1
	<u>\$ 129,454,570</u>	
Portfolio Weighted Average Maturity		445

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

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

- Obligations of the United States or its agencies and instrumentalities;
- Direct obligations of the State of Texas or its agencies;
- Other obligations, the principal and interest on which is unconditionally guaranteed or insured by the State of Texas or the United States or its agencies;

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

- Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent;
- Certificates of deposit issued by state and national banks domiciled in Texas that are secured by obligations qualified as acceptable collateral;
- Certificates of deposit issued by savings and loan associations domiciled in Texas that are secured obligations qualified as acceptable collateral;
- Repurchase agreements or reverse repurchase agreements;
- Commercial paper with a stated maturity of 270 days or less from the date of issuance that is rated not less than "A-1," "P-1," or its equivalent;
- Money market mutual funds that are SEC registered no-load funds with dollar-weighted average portfolio maturity of 120 days or less;
- Guaranteed investment contracts; or
- Public funds investment pools.

As of September 30, 2007 the City's investments were rated by Standard & Poor's and Moody's as follows:

	<u>S&P</u>	<u>Moody's</u>
Texpool	AAAm	N/A*
Fidelity Money Market Mutual Fund	AAAm	Aaa
Federal Home Loan Bank	AAA	Aaa
Federal National Mortgage Association	AAA	Aaa
Federal Farm Credit Bank	AAA	Aaa

*Texpool is only rated by S&P.

Credit concentration. With the exception of U.S. Treasury securities and authorized pools, the City's Investment Policy limits the investment in a single security type or with a single financial institution to 30%. It also limits the overall investment in Federal Agency securities to 70%. At September 30, 2007 the issuers whose securities represented more than 5% of the City's investment portfolio were as follows: the Federal Home Loan Bank (16%) and the Federal Farm Credit Bank (18%).

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 nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

Governmental Activities:	Internal Service Fund					Total
	General	Debt Service	Streets Projects	Nonmajor	Allocation	
Taxes:						
Property	\$ 212,222	\$ 248,404	\$ -	\$ -	\$ -	\$ 460,626
Beverage	92,747	-	-	-	-	92,747
Sales	1,640,996	-	-	-	-	1,640,996
Subtotal Taxes	1,945,965	248,404	-	-	-	2,194,369
Accrued Interest	45,805	13,043	85,378	117,358	44,096	305,680
Grants	9,566	-	-	411,608	-	421,174
Accounts/Charges for Services	965,652	-	669,206	256,962	27,285	1,919,105
Miscellaneous	45,854	-	-	-	-	45,854
Total Gross Governmental	3,012,842	261,447	754,584	785,928	71,381	4,886,182
Less Allowance for Uncollectible Accounts	(497,015)	-	-	(77,939)	(14)	(574,968)
Net Total Receivables	\$ 2,515,827	\$ 261,447	\$ 754,584	\$ 707,989	\$ 71,367	\$ 4,311,214
Business-type Activities:					Internal Service Fund	
	Electric	Water	Sewer	Nonmajor	Allocation	Total
Accrued Interest	\$ 77,126	\$ 18,427	\$ 29,341	\$ 4,999	\$ 988	\$ 130,881
Accounts/Charges for Services	10,656,901	1,449,835	1,464,061	964,474	31,784	14,567,055
Miscellaneous	1,100,134	-	-	12,522	14,225	1,126,881
Total Gross Major Business-type	11,834,161	1,468,262	1,493,402	981,995	46,997	15,824,817
Less Allowance for Uncollectible Accounts	(1,838,175)	(78,709)	(152,936)	(99,216)	(24,254)	(2,193,290)
Net Total Receivables	\$ 9,995,986	\$ 1,389,553	\$ 1,340,466	\$ 882,779	\$ 22,743	\$ 13,631,527

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	\$ 460,262	\$ -	\$ 460,262
Special Assessments	373,512	-	373,512
Fines and Penalties	-	652,955	652,955
Emergency Services	219,421	-	219,421
Other	58,747	25,000	83,747
	\$ 1,111,942	\$ 677,955	\$ 1,789,897

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

C. Capital Assets

Capital asset activity for the year ended September 30, 2007 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 27,693,130	\$ 371,319	\$ (54,000)	\$ 28,010,449
Construction in Progress	19,900,564	13,867,947	(6,151,841)	27,616,670
Total Capital Assets, Not Being Depreciated	47,593,694	14,239,266	(6,205,841)	55,627,119
Capital Assets, Being Depreciated				
Buildings and Building Improvements	20,406,011	2,030,762	-	22,436,773
Improvements Other Than Buildings	21,553,112	1,807,033	(690,000)	22,670,145
Machinery and Equipment	30,761,615	5,309,268	(1,795,216)	34,275,667
Infrastructure	164,452,065	6,969,731	(61,751)	171,360,045
Total Capital Assets, Being Depreciated	237,172,803	16,116,794	(2,546,967)	250,742,630
Less Accumulated Depreciation for:				
Buildings and Building Improvements	6,013,043	538,297	-	6,551,340
Improvements Other Than Buildings	7,801,973	887,335	-	8,689,308
Machinery and Equipment	19,015,291	3,291,562	(1,653,875)	20,652,978
Infrastructure	79,359,803	5,474,753	-	84,834,556
Total Accumulated Depreciation	112,190,110	10,191,947	(1,653,875)	120,728,182
Total Capital Assets Being Depreciated, Net	124,982,693	5,924,847	(893,092)	130,014,448
Governmental Type Activities Capital Assets, Net	\$ 172,576,387	\$ 20,164,113	\$ (7,098,933)	\$ 185,641,567
Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 709,650	\$ -	\$ (18,943)	\$ 690,707
Construction in Progress	49,501,668	41,566,807	(32,410,814)	58,657,661
Total Capital Assets, Not Being Depreciated	50,211,318	41,566,807	(32,429,757)	59,348,368
Capital Assets, Being Depreciated				
Electric System	100,115,058	15,063,340	(1,421,340)	113,757,058
Water System	76,996,702	2,245,541	(25,824)	79,216,419
Wastewater System	77,410,819	1,654,601	-	79,065,420
Buildings and Building Improvements	5,743,755	-	-	5,743,755
Machinery and Equipment	1,295,070	37,507	-	1,332,577
Total Capital Assets, Being Depreciated	261,561,404	19,000,989	(1,447,164)	279,115,229
Less Accumulated Depreciation for:				
Electric System	46,643,636	5,846,236	(1,655,560)	50,834,312
Water System	23,861,338	2,031,184	(42,761)	25,849,761
Wastewater System	21,351,877	2,329,754	(1,496)	23,680,135
Buildings and Building Improvements	708,119	143,659	-	851,778
Machinery and Equipment	1,253,088	20,013	-	1,273,101
Total Accumulated Depreciation	93,818,058	10,370,846	(1,699,817)	102,489,087
Total Capital Assets Being Depreciated, Net	167,743,346	8,630,143	252,653	176,626,142
Business Type Activities Capital Assets, Net	\$ 217,954,664	\$ 50,196,950	\$ (32,177,104)	\$ 235,974,510

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

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

Governmental Activities

Planning and Development Services	\$ 6,204
Fire	79,456
Fiscal Services	17,061
General Government	404,098
Information Services	141,160
Parks and Recreation	849,676
Police	62,148
Public Works	41,337
Non-departmental	6,026,372
Capital Assets Held by the City's Internal Service Funds	<u>2,564,435</u>
Total Depreciation Expense	<u>\$ 10,191,947</u>

D. Interfund Transactions

Transfers between funds during the year were as follows:

	Transfers In	Transfers Out	Governmental Activities, net	Business-type Activities, net
General Fund	\$ 9,928,988	\$ (46,551)	\$ 9,882,437	\$ -
Debt Service Fund	2,325,071	-	2,325,071	-
Special Revenue Funds:				
Community Development	-	(363,852)	(363,852)	-
WPC TIF	-	(1,078,775)	(1,078,775)	-
Capital Projects Funds:				
Business Park Projects	-	(500,000)	(500,000)	-
General Government Projects	2,446,892	(32,000)	2,414,892	-
Parks Projects	351,501	-	351,501	-
Streets Projects	2,483	-	2,483	-
Enterprise Funds:				
Electric	-	(7,247,634)	-	(7,247,634)
Water	-	(1,053,735)	-	(1,053,735)
Sewer	-	(1,360,556)	-	(1,360,556)
Sanitation	-	(421,500)	-	(421,500)
Internal Service Funds:				
Equipment Replacement	-	(2,966,517)	(2,966,517)	-
Print/Mail Services	23,349	-	23,349	-
Utility Customer Service	-	(7,164)	-	(7,164)
	<u>\$ 15,078,284</u>	<u>\$ (15,078,284)</u>	<u>\$ 10,090,589</u>	<u>\$ (10,090,589)</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.

The composition of due to/due from balances as of September 30, 2007 is as follows:

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Print/Mail	\$ 81,459
Electric Fund	Hotel Tax Fund	\$ 200,000

The outstanding balance between the general fund and the print/mail fund represents a working capital loan that the general fund expects to collect in the subsequent year. The outstanding balance between the electric fund and the hotel tax fund represents an amount related to an economic development project that is expected to be completed in fiscal year 2008.

E. Deferred Revenue

See Note IV B.

F. Long-Term Debt

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2007 is as follows:

	<u>Beginning Balance</u>	<u>Incurred/ Issued</u>	<u>Matured/ Retired</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 53,835,000	\$ 14,185,000	\$ 12,300,000	\$ 55,720,000	\$ 4,480,000
Certificates of Obligation	43,485,000	3,960,000	5,705,000	41,740,000	4,395,000
Accrued Vacation	2,010,971	1,455,678	1,196,940	2,269,709	96,651
Governmental Activity					
Long Term Debt	<u>\$ 99,330,971</u>	<u>\$ 19,600,678</u>	<u>\$ 19,201,940</u>	<u>\$ 99,729,709</u>	<u>\$ 8,971,651</u>
Business Type Activities:					
Utility Revenue Bonds	\$ 91,460,000	\$ 18,665,000	\$ 4,910,000	\$ 105,215,000	\$ 5,655,000
Accrued Vacation:					
Electric Fund	163,397	137,484	128,167	172,714	8,636
Water Fund	54,288	102,421	69,661	87,048	4,352
Sewer Fund	80,358	70,946	70,238	81,066	4,053
Other	104,189	102,590	97,398	109,381	5,469
Business Type Activity					
Long Term Debt	<u>\$ 91,862,232</u>	<u>\$ 19,078,441</u>	<u>\$ 5,275,464</u>	<u>\$ 105,665,209</u>	<u>\$ 5,677,510</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 \$77,893 of internal service funds' accrued vacation was included in governmental activities, and \$61,258 of accrued vacation for the utility customer service fund was included in business type activities. For the governmental activities, accrued vacation is generally liquidated by the general fund.

Long-term debt at September 30, 2007 includes the following individual issues (not including unamortized premiums or discounts):

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
1996 Issue and Refunding	5.05-5.15	12/1/96	2/15/09	\$ 11,845,000	\$ 10,920,000	\$ 925,000
1998 Issue	4.65-4.85	4/1/98	2/15/11	6,200,000	4,795,000	1,405,000
1999 Issue	4.25-5.00	4/15/99	2/15/17	6,230,000	2,080,000	4,150,000
2000 Issue	5.00-5.20	4/1/00	2/15/11	8,460,000	6,815,000	1,645,000
2001 Issue	4.00-5.50	8/1/01	2/15/17	4,140,000	2,035,000	2,105,000
2002 Issue	4.25-5.125	3/1/02	2/15/21	6,445,000	1,550,000	4,895,000
2003 Issue	3.00-4.50	7/1/03	2/15/23	4,790,000	555,000	4,235,000
2004 Issue	2.875-5.00	5/1/04	2/15/24	12,940,000	2,290,000	10,650,000
2005 Issue	4.00-6.00	5/1/05	2/15/25	5,710,000	755,000	4,955,000
2006 Issue	4.375-6.375	7/1/06	2/15/26	7,375,000	805,000	6,570,000
2006 Issue - Refunding	4.00-5.00	12/1/06	2/15/18	10,255,000	-	10,255,000
2007 Issue	4.25-6.25	9/1/07	2/15/27	3,930,000	-	3,930,000
				<u>\$ 88,320,000</u>	<u>\$ 32,600,000</u>	<u>\$ 55,720,000</u>
Certificates of Obligation:						
2000 Issue	5.00-5.125	4/1/00	2/15/10	\$ 4,050,000	\$ 3,585,000	\$ 465,000
2000A Issue	4.75-5.50	8/1/00	2/15/20	8,100,000	3,000,000	5,100,000
2001 Issue	4.00-5.00	8/1/01	2/15/20	3,650,000	2,385,000	1,265,000
2002 Issue	4.25-5.125	3/1/02	2/15/20	14,480,000	5,240,000	9,240,000
2003 Issue	3.25	12/1/02	2/15/08	1,000,000	790,000	210,000
2003A Issue	2.90-4.20	7/1/03	2/15/23	780,000	90,000	690,000
2004 Issue	2.875-5.00	5/1/04	2/15/24	9,415,000	1,175,000	8,240,000
2005 Issue	3.00-4.50	5/1/05	2/15/25	7,595,000	2,420,000	5,175,000
2006 Issue	4.375-6.375	7/1/06	2/15/26	8,325,000	930,000	7,395,000
2007 Issue	4.25-6.25	9/1/07	2/15/27	3,960,000	-	3,960,000
				<u>\$ 61,355,000</u>	<u>\$ 19,615,000</u>	<u>\$ 41,740,000</u>
Utility Revenue Bonds:						
1996 Issue	5.05	12/1/96	2/1/08	\$ 10,110,000	\$ 9,750,000	\$ 360,000
1998 Issue	4.65-4.80	4/1/98	2/1/10	2,700,000	2,260,000	440,000
2000 Issue	5.00-5.25	4/1/00	2/15/12	10,500,000	7,580,000	2,920,000
2001 Issue	4.50-5.50	8/1/01	2/15/21	23,500,000	4,545,000	18,955,000
2002 Issue	4.00-6.00	3/1/02	2/15/22	18,215,000	2,940,000	15,275,000
2003 Issue	3.50-4.25	12/1/02	2/1/14	11,160,000	3,870,000	7,290,000
2003A Issue	2.50-4.25	7/1/03	2/15/23	4,850,000	570,000	4,280,000
2005 Issue	4.00-5.50	5/1/05	2/1/25	8,035,000	385,000	7,650,000
2005A Issue	3.00-5.25	8/1/05	2/1/18	12,995,000	95,000	12,900,000
2006 Issue	4.375-6.375	7/1/06	2/1/26	16,950,000	470,000	16,480,000
2007 Issue	4.00-5.75	9/1/07	2/1/27	18,665,000	-	18,665,000
				<u>\$ 137,680,000</u>	<u>\$ 32,465,000</u>	<u>\$ 105,215,000</u>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

The annual requirements to amortize debt outstanding as of September 30, 2007 are as follows. Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been included in the following summary:

Year Ended September 30,	Governmental Activities					
	General Obligation		Certificates of Obligation			
	Principal	Interest	Principal	Interest		
2008	\$ 4,480,000	\$ 2,418,412	\$ 4,395,000	\$ 1,819,327		
2009	3,565,000	2,233,329	2,325,000	1,672,172		
2010	3,740,000	2,059,550	2,435,000	1,570,098		
2011	4,050,000	1,872,910	2,010,000	1,471,091		
2012	4,190,000	1,681,674	2,105,000	1,378,231		
2013-2017	19,470,000	5,768,792	12,035,000	5,318,386		
2018-2022	10,665,000	2,400,960	11,310,000	2,351,555		
2023-2027	5,560,000	454,656	5,125,000	432,729		
	<u>\$ 55,720,000</u>	<u>\$ 18,890,283</u>	<u>\$ 41,740,000</u>	<u>\$ 16,013,589</u>		

Year Ended September 30,	Business-Type Activities					
	Electric		Water		Sewer	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 1,437,350	\$ 1,206,671	\$ 1,929,684	\$ 1,992,422	\$ 2,287,966	\$ 1,554,865
2009	1,392,764	1,155,067	1,991,349	1,939,000	2,420,887	1,473,412
2010	1,427,565	1,089,845	2,089,450	1,833,766	2,492,985	1,359,736
2011	1,504,420	1,018,655	2,248,333	1,717,051	2,467,247	1,239,435
2012	1,547,368	944,173	2,361,377	1,596,089	2,541,255	1,120,038
2013-2017	8,296,187	3,561,518	13,269,420	6,121,660	11,314,393	3,907,460
2018-2022	7,422,318	1,847,115	12,756,751	2,959,468	8,165,931	1,542,486
2023-2027	4,374,917	394,246	6,691,523	697,499	2,783,560	308,724
	<u>\$ 27,402,889</u>	<u>\$ 11,217,290</u>	<u>\$ 43,337,887</u>	<u>\$ 18,856,955</u>	<u>\$ 34,474,224</u>	<u>\$ 12,506,156</u>

The City intends to retire all of its general long-term liabilities, plus interest, from ad valorem taxes. The proprietary fund type long-term debt will be repaid, plus interest, from the operating revenues of the Electric, Water, and Sewer Funds.

General Obligation Bonds and Certificates

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

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, 2007.

On November 21, 2006, the City issued \$10.255 million in General Obligation Refunding Bonds with a true interest cost of 3.922554%. The proceeds from the sale of the bonds were used to currently refund \$1,860,000 and advance refund \$8,325,000 of the City's General Obligation Bonds in order to achieve annual and net present value savings in the City's annual debt

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

service expense. The proceeds were also used to pay the costs incurred in connection with the issuance of the Bonds.

On August 6, 2007 the City issued \$3.930 million in General Obligation Improvement Bonds with a true interest cost of 4.6086%. The proceeds from the sale of the bonds will be used to (1) pay for the cost of construction and acquisition of and improvements to City streets, sidewalk improvements, traffic signals and control systems, parks and park facilities; and (2) pay the costs incurred in connection with the issuance of the Bonds.

On August 6, 2007 the City issued \$3.960 million in Certificates of Obligation with a true interest cost of 4.6098%. The proceeds from the sale of the Certificates will be used to pay for the cost of (1) park projects; (2) design and construction of a new City-owned cemetery; (3) design and construction of and improvements to public municipal facilities; (4) technology projects; and (5) to pay costs incurred in connection with the issuance of the Certificates.

Revenue Bonds

Utility system revenue bonds are secured by the net revenues of the Electric, Water, and Sewer 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 to an amount equal to the average annual principal and interest requirements of all outstanding bonds secured by the net revenues of the system.

On August 6, 2007 the City issued \$18.665 million in Utility System Revenue Bonds with a true interest cost of 4.5507%. Proceeds from the sale of the bonds will be used for electric, water, and wastewater system improvements and for payment of the costs incurred in connection with the issuance of the Bonds.

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, 2007, the City did not have an arbitrage rebate liability.

Defeasance

On December 1, 2006 the City issued General Obligation Refunding bonds with an average interest rate of 4.31% to refund \$10,185,000 of series 1996, 1998, and 2000 General Obligation and Refunding Bonds, and series 2000 Certificates of Obligation. As a result of this refunding, the City will reduce its total debt service payments over the next 12 years by approximately \$651,000 and will obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$506,168. The proceeds from the issuance of the bonds were used to purchase U.S. Government securities that were placed in an irrevocable trust with an escrow agent to provide debt service payments on the bonds being refunded. As a result, the refunded bonds are considered to be defeased, and the liability has been removed from the Governmental Activities column of the City's financial statements.

In prior years, the City has defeased certain revenue refunding bonds totaling \$74,140,000 and certain general obligation bonds and certificates of obligation totaling \$18,392,126 by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

At September 30, 2007, the outstanding principal balance of the defeased revenue refunding bonds was \$20,335,000 and the outstanding principal balance of the defeased general obligation bonds and certificates of obligation was \$14,910,000.

The assets, liabilities, and financial transactions of all of these trust accounts and the liability for refunded (defeased) bonds are not reflected in the financial statements of the City.

The tables below reflect refunded debt outstanding at September 30, 2007 and are net of any amounts to be paid or retired by the trustee on October 1, 2007:

Refunded in Year Ended September 30, 2007

General Obligation & Refunding Bonds, Series 1996	\$	1,860,000
General Obligation Improvement Bonds, Series 1998		2,705,000
Certificates of Obligation, Series 2000		1,685,000
General Obligation Bonds, Series 2000		3,935,000
	<u>\$</u>	<u>10,185,000</u>

Refunded in Prior Years

Utility System Revenue & Refunding Bonds, Series 1993	\$	1,500,000
Utility System Revenue Bonds, Series 1994		5,775,000
Utility System Revenue Bonds, Series 1995		2,700,000
Utility System Revenue Bonds, Series 1996		4,260,000
Utility System Revenue Bonds, Series 1998		1,330,000
Utility System Revenue Bonds, Series 2000		4,770,000
General Obligation & Refunding Bonds, Series 1991		750,000
General Obligation & Refunding Bonds, Series 1994		1,925,000
General Obligation Bonds, Series 1995		2,050,000
	<u>\$</u>	<u>25,060,000</u>

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

G. Reservations of Fund Balances and Net Assets

Fund balances for governmental funds have been reserved at September 30, 2007 as follows:

	<u>Reserved</u>
Governmental Funds:	
General Fund:	
Reserved for Encumbrances	\$ 271,714
Reserved for Inventory	57,977
Reserved for Police Seizure	28,352
Reserved for Court Technology	197,673
Reserved for Court Security	343,968
Reserved for Court Efficiency Improvements	39,720
Reserved for Juvenile Case Manager	169,045
Streets Projects:	
Reserved for Capital Projects	21,807,526
Debt Service:	
Reserved for Bond Debt Service	3,466,058
Other Governmental Funds:	
Reserved for Encumbrances	12,500
Reserved for Capital Projects	19,656,290
Reserved for Endowment	1,429,900
Total	<u><u>\$ 47,480,723</u></u>

V. Other Information

A. Property Taxes

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

Taxes are due October 1 and are delinquent after the following January 31. Tax liens are automatic and become enforceable as of January 1 of each year. Taxes become delinquent February 1 and are subject to interest and penalty charges. The tax rate to finance general governmental services including debt service was 43.94 cents per \$100 of assessed valuation for the year ended September 30, 2007. 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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

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 can be generally subdivided into four categories of loss: 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 contributions from employees and from the operating funds of the City. 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 has a stop-loss insurance policy that limits its liability to \$100,000 per individual per year with an aggregate, annual liability of \$1,000,000. The liability for outstanding losses includes \$285,000 for claims incurred but not reported as of September 30, 2007.

In fiscal year 2007 the City was insured by Affiliated FM for all of its real and personal property and mobile equipment. Affiliated FM is funded by calculated contributions from the City's operating funds and provides all of the claims handling for these lines of coverage. The City carries a \$100,000 deductible per occurrence on its property insurance policy with Affiliated FM. Property insurance covers all direct losses and some indirect losses.

On all lines of liability coverage, the City is self-insured. The City has procured excess liability coverage through State National Insurance Company that is A.M. Best rated A-VII. The self-insured retention ("SIR") is \$250,000 per claim. The claims are handled by Risk Management staff.

The City is also self-insured on its workers' compensation coverage. The City opted for excess workers' compensation coverage with a SIR of \$250,000 per claim feature. The City's carrier is State National Insurance Company, and the TPA handles all of the 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 that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Based upon the most recent actuarial study, the City has recorded the potential liability of \$477,149 in the property and casualty fund and the potential liability of \$423,878 in the workers' compensation fund. The results of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

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

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

Settlements have not exceeded self-insured retention for 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 that a liability for claims 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 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
Unpaid Claims, October 1	\$1,165,874	\$ 1,659,202
Incurred Claims (including IBNR's)	4,569,605	4,140,516
Claims Paid	<u>(4,549,452)</u>	<u>(4,633,844)</u>
Unpaid Claims, September 30	<u>\$1,186,027</u>	<u>\$ 1,165,874</u>

C. Joint Venture

The Brazos Valley Solid Waste Management Agency ("BVSWMA") 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 has 50% ownership in BVSWMA. BVSWMA has contracted with the City of College Station to serve as landfill operator for the facility.

BVSWMA is governed by a Policy Advisory Board ("Board") which is charged with providing recommendations to the City Councils of College Station and Bryan regarding the joint venture. The Board is comprised of three voting members: the Mayors of College Station and Bryan, who alternate each year as Chair, and one City Council Member from the City that is not serving as Chair. The City Managers of each City and a representative of Grimes County designated by the Commissioners Court serve as non-voting or ex-officio members of the Board. Legal oversight of BVSWMA is vested in the City Councils of the two cities. The annual budget is prepared and adopted by the BVSWMA Board and approved by either City Council. All contracts and expenditures in excess of \$50,000 require the approval of the College Station City Council.

The City's share of BVSWMA's change in net assets for fiscal year 2007 was \$1,025,440.

State and federal laws and regulations require BVSWMA to place a final cover on its Rock Prairie landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, BVSWMA reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3.7 million reported as accrued postclosure maintenance costs at September 30, 2007, represents the cumulative amount reported to date based on the use of 84 percent of the estimated capacity of the landfill. BVSWMA will recognize the remaining estimated cost of closure and postclosure care of \$724,000 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2007. BVSWMA expects to close the landfill in the year 2010. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

The following is a summary of information from the audited financial statements of BVSWMA as of September 30, 2007:

	<u>2007</u>	<u>2006</u>
Assets:		
Current Assets	\$ 11,950,261	\$ 9,298,770
Capital Assets		
(Net of \$4,287,156 Accumulated Depreciation at 2007 and \$5,109,629 at 2006)	7,266,984	7,438,392
Deferred Landfill Permits		
(Net of \$741,762 Accumulated Amortization at 2007 and \$653,132 at 2006)	<u>2,458,540</u>	<u>2,316,896</u>
	<u>21,675,785</u>	<u>19,054,058</u>
Liabilities:		
Current Liabilities	694,021	344,481
Noncurrent Liabilities:		
Accrued Post Closure Maintenance Costs	<u>3,685,746</u>	<u>3,464,440</u>
Total Liabilities	<u>4,379,767</u>	<u>3,808,921</u>
Net Assets		
Invested In Capital Assets	7,266,984	7,438,392
Unrestricted	<u>10,029,032</u>	<u>7,806,745</u>
Total Net Assets	<u>\$ 17,296,016</u>	<u>\$ 15,245,137</u>
Program Revenues	\$ 6,218,413	\$ 5,316,986
Expenses	<u>4,785,547</u>	<u>4,876,127</u>
	1,432,866	440,859
General Revenues	<u>618,013</u>	<u>390,575</u>
Change in Net Assets	<u>\$ 2,050,879</u>	<u>\$ 831,434</u>

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

D. Retirement Plan

The City has adopted GASB Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and GASB Statement No. 27, Accounting for Pensions by State and Local Government Employees. These statements require the following disclosures:

Plan Description

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System ("TMRS"), one of 821 administered by TMRS, an agent multiple-employer public employee retirement system.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

Benefits

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

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

Deposit Rate:	7%
Matching Ratio (City to Employee):	2 to 1
Members Vested After:	5 years

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

Contributions

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2006 valuation is effective for rates beginning January 2008).

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

The following is a schedule of actuarial liabilities and funding progress:

Actuarial Valuation Date	<u>12/31/2006</u>
Actuarial Value of Assets	\$ 80,758,249
Actuarial Accrued Liability	\$ 102,166,047
Percentage Funded	79.0%
Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	\$ 21,407,798
Annual Covered Payroll	\$ 34,143,239
UAAL as a Percentage of Covered Payroll	62.7%
Net Pension Obligation (NPO) at Beginning of Period	\$ -
Plus Annual Pension Cost:	
Annual Required Contribution (ARC)	4,316,276
Less Contributions Made	<u>4,316,276</u>
NPO at the End of the Period	<u>\$ -</u>

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

Actuarial Cost Method:	Unit Credit
Amortization Method:	Level Percent of Payroll
Remaining Amortization Period:	25 Years--Open Period
Asset Valuation Method:	Amortized Cost (to accurately reflect the requirements of GASB Statement No. 25, paragraphs 36e and 138)
Investment Rate of Return:	7%
Projected Salary Increases:	None
Includes Inflation at:	3.50%
Cost-of-Living Adjustments:	None

Each of the 821 Municipalities have an annual, individual actuarial valuation performed. All assumptions for the 12/31/06 valuations are contained in the 2006 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153.

At its December 8, 2007 meeting, the TMRS Board of Trustees adopted actuarial assumptions to be used in the actuarial valuation for the year ended December 31, 2007. A summary of actuarial assumptions and definitions can be found in the December 31, 2007 TMRS Comprehensive Annual Financial Report (CAFR).

Since its inception, TMRS has used the traditional Unit Credit actuarial funding method. This method accounts for liability accrued as of the valuation date but does not project the potential future liability of provisions adopted by a city. Two-thirds of the cities participating in TMRS have adopted the Updated Service Credit and Annuity Increases provisions on an annually repeating basis. These provisions are considered to be "committed" benefits (or likely to be guaranteed); as such, the TMRS Board has adopted the Projected Unit Credit (PUC) actuarial funding method, which facilitates advance funding for future updated service credits and annuity increases that are adopted on an annually repeating basis. For the December 31, 2007 valuation, the TRMS Board determined that the PUC method will be used.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

In addition, the Board also adopted a change in the amortization period from a 25-year “open” to a 25-year “closed” period. TMRS Board of Trustee rules provide that, whenever a change in actuarial assumptions or methods results in a contribution rate increase in an amount greater than 0.5%, the amortization period may be increased up to 30 years, unless a city requests that the period remain at 25 years. For cities with repeating features, these changes will likely result in higher required contributions and lower funded ratios. To assist in this transition to higher rates, the Board also approved an eight-year phase-in period, which will allow cities the opportunity to increase their contributions gradually (approximately 12.5% each year) to their full rate (or their required contribution rate).

Trend Information

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

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Required</u> <u>Contribution (ARC)</u>	<u>Contributions</u> <u>Made</u>	<u>Net Pension</u> <u>Obligation</u>
1998	\$1,662,022	\$1,662,022	-
1999	\$1,965,749	\$1,965,749	-
2000	\$2,154,204	\$2,154,204	-
2001	\$2,272,217	\$2,272,217	-
2002	\$2,511,159	\$2,511,159	-
2003	\$2,694,930	\$2,694,930	-
2004	\$3,204,948	\$3,204,948	-
2005	\$3,814,370	\$3,814,370	-
2006	\$4,030,369	\$4,030,369	-
2007	\$4,316,276	\$4,316,276	-

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Actuarial Liability (AAL)	Unfunded Accrued Actuarial Liability (UAAL)	Net Assets Available as a Percent of Pension Benefit Obligation
12/31/1997	\$34,566,021	\$42,100,099	\$7,534,078	82%
12/31/1998	\$38,759,223	\$45,574,205	\$6,814,982	85%
12/31/1999	\$43,010,803	\$49,987,308	\$6,976,505	86%
12/31/2000	\$47,880,750	\$55,811,761	\$7,931,011	86%
12/31/2001	\$52,927,528	\$61,856,550	\$8,929,022	86%
12/31/2002	\$57,742,291	\$68,424,249	\$10,681,958	84%
12/31/2003	\$63,223,606	\$80,476,343	\$17,252,737	79%
12/31/2004	\$70,336,601	\$87,906,815	\$17,570,214	80%
12/31/2005	\$75,655,678	\$94,605,300	\$18,949,622	80%
12/31/2006	\$80,758,249	\$102,166,047	\$21,407,798	79%

Actuarial Valuation Date	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/1997	\$17,839,856	42%
12/31/1998	\$19,339,128	35%
12/31/1999	\$20,803,862	34%
12/31/2000	\$23,651,256	34%
12/31/2001	\$25,422,558	35%
12/31/2002	\$27,784,120	38%
12/31/2003	\$28,537,016	61%
12/31/2004	\$30,978,906	57%
12/31/2005	\$31,987,028	59%
12/31/2006	\$34,143,239	63%

Post Retirement/Employment Benefits

In addition to providing pension benefits, the City provides certain health care benefits for retired employees as established by City Resolution No. 9-13-90-5.10, which was passed and approved by the City Council on September 13, 1990. According to this resolution, employees who retire while working for the City and their dependents are eligible to remain on the City's health plan as long as the employee makes monthly premium payments. During fiscal year 2007, fifteen former employees were covered under this arrangement. Prior to the passage of this resolution, employees who reached retirement while working for the City were eligible to remain on the City's self-insured health plan and have their monthly premiums paid for by the City. During fiscal year 2007, one retiree was covered under this plan; however, claims filed by this retiree were not material.

The City also provides health benefits as required by the Federal Government under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). COBRA requires employers that sponsor group health plans to provide continuation of group coverage to employees and their dependents under certain circumstances where coverage would otherwise end. Eligible participants who qualify under COBRA pay premium costs for themselves and dependents. COBRA participants are on the same health plan and are reimbursed at the same levels as active employees. The amount of expenditures related to COBRA claims for the year ended September 30, 2007 was \$20,234. As of September 30, 2007 the City had one COBRA participant.

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

E. Deferred Compensation Plan

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

All amounts of compensation deferred under the plan (until paid or made available to the employee or other beneficiary) were placed in trust for the exclusive benefit of the participants and the beneficiaries. This action is in accordance with changes made to IRC Section 457. Since the City is no longer the Plan Administrator or the trustee, the assets of the plan are no longer a reportable fund in the City's basic financial statements.

F. Commitments and Contingencies

Construction Commitments

The City has active construction projects as of September 30, 2007. At year-end, the construction commitments with contractors for specific projects were as follows:

Project Name	Spent to Date	Remaining Commitment
Gabbard Park Improvements	\$ 153,730	\$ 153,730
Bee Creek Combined Drainage Improvements	2,690,572	295,607
Harvey Mitchell Pkwy Street Lighting	93,845	93,845
Signal at Harvey Mitchell Pkwy/Luther	198,369	93,053
Signal at Harvey Mitchell Pkwy/Holleman	171,425	73,030
Lincoln Center Additional Parking	76,390	42,524
Carter Creek Wastewater Treatment Plant Parking/Pavement I	529,201	525,701
Carter Creek Wastewater Treatment Plant Screw Lift System	284,066	269,816
Covered Materials Storage Pad	69,800	33,500
Nantucket East of Harpers Ferry	511,707	33,968
Greens Prairie West of Arrington	499,420	6,885
Northeast Sanitary Sewer Trunkline Expansion	371,577	12,804
Wellborn Road Utility Relocation	2,900,822	109,883
Spring Creek Substation	3,718,735	83,905
Fire Station #3 Relocation	2,095,877	1,605,053
New Forestry Shop Construction	799,152	542,997
Arrington/Decatur Extension	4,085,307	3,632,118
Pedestrian Improvements on 2818	1,079,290	976,914
Signal at 2818/F&B	241,300	46,359
Transmission Line Rebuild	2,021,000	1,037,079
Carter Creek Wastewater Treatment Plant UV Improvements	612,102	612,102
West Park Rehabilitation	3,588,260	797,808
Dartmouth Drive Extension Ph II	3,039,553	1,943,540
	\$ 29,831,500	\$ 13,022,221

Notes to the Financial Statements

For the Fiscal Year Ended September 30, 2007

G. 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	10,533,000
Traffic Management	2003	1,057,000
Park Improvements	2003	40,000
Municipal Complex Improvements	2003	3,655,000
Total		<u>\$ 16,485,000</u>

H. Revenue Bond Coverage

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



CITY OF COLLEGE STATION

REQUIRED SUPPLEMENTARY
INFORMATION

CITY OF COLLEGE STATION, TEXAS
Schedule of Funding Progress
Texas Municipal Retirement System
Last Ten Fiscal Years

Actuarial Valuation Date*	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/1998	\$34,566,021	\$42,100,099	\$7,534,078	82.1%	\$17,839,856	42.2%
12/31/1999	\$38,759,223	\$45,574,205	\$6,814,982	85.0%	\$19,339,128	35.2%
12/31/2000	\$43,010,803	\$49,987,308	\$6,976,505	86.0%	\$20,803,862	33.5%
12/31/2001	\$47,880,750	\$55,811,761	\$7,931,011	85.8%	\$23,651,256	33.5%
12/31/2002	\$52,927,528	\$61,856,550	\$8,929,022	85.6%	\$25,422,558	35.1%
12/31/2003	\$57,742,291	\$68,424,249	\$10,681,958	84.4%	\$27,784,120	38.4%
12/31/2004	\$63,223,606	\$80,476,343	\$17,252,737	78.6%	\$28,537,016	60.5%
12/31/2005	\$70,336,601	\$87,906,815	\$17,570,214	80.0%	\$30,978,906	56.7%
12/31/2006	\$75,655,678	\$94,605,300	\$18,949,622	80.0%	\$31,987,028	59.2%
12/31/2007	\$80,758,249	\$102,166,047	\$21,407,798	79.0%	\$34,143,239	62.7%

*Assets are stated at cost as of December 31 of the preceding year.

CITY OF COLLEGE STATION, TEXAS
Schedule of Revenues, Expenditures and Changes
in Fund Balances, Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes	\$ 27,455,000	\$ 27,455,000	\$ 28,078,867	\$ 623,867
Licenses and Permits	1,040,000	1,040,000	1,191,105	151,105
Intergovernmental	226,152	448,576	630,937	182,361
Charges for Services	2,904,342	2,931,704	3,160,229	228,525
Fines, Forfeits and Penalties	3,405,000	3,405,000	3,256,488	(148,512)
Investment Income	479,012	479,012	817,323	338,311
Rents and Royalties	239,000	239,000	261,225	22,225
Contributions	9,000	9,000	31,605	22,605
Reimbursed Expenditures	36,000	54,239	18,073	(36,166)
Other	174,000	174,000	216,027	42,027
Total Revenues	<u>35,967,506</u>	<u>36,235,531</u>	<u>37,661,879</u>	<u>1,426,348</u>
Expenditures				
Current				
General Government	3,491,611	3,413,164	3,149,068	(264,096)
Fiscal Services	3,348,292	3,534,978	3,173,757	(361,221)
Police	12,407,217	12,827,702	12,749,724	(77,978)
Fire	9,339,160	9,598,289	9,665,975	67,686
Planning and Development Services	2,297,036	2,400,387	2,008,901	(391,486)
Public Works	7,805,081	8,049,348	7,447,344	(602,004)
Economic and Community Development	1,893,264	1,909,447	1,475,071	(434,376)
Parks and Recreation	8,341,048	8,490,078	8,161,568	(328,510)
Information Services	3,342,447	3,559,040	3,123,767	(435,273)
Library	950,604	950,604	952,527	1,923
Nondepartmental				
Reimbursed Administrative	(6,871,242)	(6,871,242)	(6,566,168)	305,074
Contributions	405,255	405,255	433,461	28,206
Other	263,000	146,598	126,843	(19,755)
Total Expenditures	<u>47,012,773</u>	<u>48,413,648</u>	<u>45,901,838</u>	<u>(2,511,810)</u>
Deficiency of Revenues Under Expenditures	<u>(11,045,267)</u>	<u>(12,178,117)</u>	<u>(8,239,959)</u>	<u>3,938,158</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	1,000	1,000	318,103	317,103
Transfers In	9,887,120	9,919,120	9,928,988	9,868
Transfers Out	-	(32,000)	(46,551)	(14,551)
Total Other Financing Sources	<u>9,888,120</u>	<u>9,888,120</u>	<u>10,200,540</u>	<u>312,420</u>
Net Change in Fund Balance	(1,157,147)	(2,289,997)	1,960,581	4,250,578
Fund Balances, October 1	10,972,008	10,972,008	10,972,008	-
Fund Balances, September 30	<u>\$ 9,814,861</u>	<u>\$ 8,682,011</u>	<u>\$ 12,932,589</u>	<u>\$ 4,250,578</u>

CITY OF COLLEGE STATION

SUPPLEMENTARY
INFORMATION

COMBINING FINANCIAL STATEMENTS NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

Memorial Cemetery - to account for sales of plots (and options of plots) in the planned Aggie Field of Honor & Municipal Cemetery. No budget was prepared for FY 2007.

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

CAPITAL PROJECTS FUNDS

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

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

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

General Government Projects - to account for the cost of new building construction and building improvements made with funds provided by proceeds from the sale of general obligation bonds.

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

PERMANENT FUNDS

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

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

CITY OF COLLEGE STATION, TEXAS

Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2007

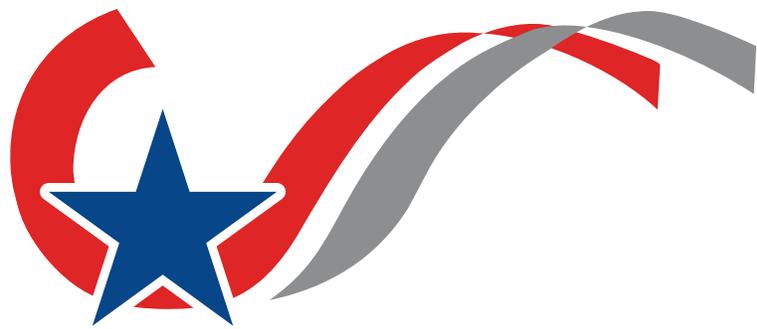
	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
Assets				
Equity in Cash and Cash Equivalents	\$ 5,936,181	\$ 12,106,012	\$ 838,672	\$ 18,880,865
Equity in Investments	4,123,439	8,409,175	582,565	13,115,179
Receivables				
Accrued Interest	35,351	76,699	5,308	117,358
Grants	404,590	-	7,018	411,608
Accounts	57,293	204,618	(4,949)	256,962
Less Allowance for Uncollectible Accounts	(57,293)	(20,646)	-	(77,939)
Inventories	-	-	1,275	1,275
Total Assets	\$ 10,499,561	\$ 20,775,858	\$ 1,429,889	\$ 32,705,308
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 133,230	\$ 653,307	\$ (11)	\$ 786,526
Retainage Payable	4,669	466,017	-	470,686
Interfund Payable	200,000	-	-	200,000
Accrued Liabilities	-	244	-	244
Other Deferred Revenues	322	-	-	322
Total Liabilities	338,221	1,119,568	(11)	1,457,778
Fund Balances				
Reserved				
Reserved for Encumbrances	12,500	-	-	12,500
Reserved for Capital Projects	-	19,656,290	-	19,656,290
Reserved for Perpetual Care	-	-	1,429,900	1,429,900
Unreserved				
Undesignated	10,148,840	-	-	10,148,840
Total Fund Balances	10,161,340	19,656,290	1,429,900	31,247,530
Total Liabilities and Fund Balances	\$ 10,499,561	\$ 20,775,858	\$ 1,429,889	\$ 32,705,308

CITY OF COLLEGE STATION, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
As of September 30, 2007

	Community Development	Convention Center	Hotel Tax	Parks Escrow	Memorial Cemetery	Wolf Pen Creek Tax Increment Financing District	Total
Assets							
Equity in Cash and Cash Equivalents	\$ 373,166	\$ 209,096	\$ 3,451,182	\$ 920,205	\$ 24,151	\$ 958,381	\$ 5,936,181
Equity in Investments	259,212	145,244	2,397,288	639,201	16,776	665,718	4,123,439
Receivables							
Accrued Interest	-	1,364	21,932	5,827	153	6,075	35,351
Grants	404,590	-	-	-	-	-	404,590
Accounts	-	-	57,293	-	-	-	57,293
Less Allowance for Uncollectible Accounts	-	-	(57,293)	-	-	-	(57,293)
Total Assets	\$ 1,036,968	\$ 355,704	\$ 5,870,402	\$ 1,565,233	\$ 41,080	\$ 1,630,174	\$ 10,499,561
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ 37,738	\$ 27,516	\$ 25,648	\$ 2,050	\$ 40,278	\$ -	\$ 133,230
Retainage Payable	-	-	-	4,669	-	-	4,669
Interfund Payable	-	-	200,000	-	-	-	200,000
Other Deferred Revenues	-	-	-	-	322	-	322
Total Liabilities	37,738	27,516	225,648	6,719	40,600	-	338,221
Fund Balances							
Reserved							
Reserved for Encumbrances	-	-	12,500	-	-	-	12,500
Unreserved							
Undesignated	999,230	328,188	5,632,254	1,558,514	480	1,630,174	10,148,840
Total Fund Balances	999,230	328,188	5,644,754	1,558,514	480	1,630,174	10,161,340
Total Liabilities and Fund Balances	\$ 1,036,968	\$ 355,704	\$ 5,870,402	\$ 1,565,233	\$ 41,080	\$ 1,630,174	\$ 10,499,561

CITY OF COLLEGE STATION, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds - Capital Projects Funds
For the Fiscal Year Ended September 30, 2007

	Business Park	Drainage Projects	General Government Projects	Parks Projects	Total
Assets					
Equity in Cash and Cash Equivalents	\$ 769,113	\$ 2,120,161	\$ 7,509,250	\$ 1,707,488	\$ 12,106,012
Equity in Investments	534,247	1,472,724	5,216,135	1,186,069	8,409,175
Receivables					
Accrued Interest	4,869	13,691	47,786	10,353	76,699
Accounts	-	163,650	40,968	-	204,618
Less Allowance for Uncollectible Accounts	-	(20,646)	-	-	(20,646)
Total Assets	\$ 1,308,229	\$ 3,749,580	\$ 12,814,139	\$ 2,903,910	\$ 20,775,858
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$ -	\$ 117,767	\$ 281,617	\$ 253,923	\$ 653,307
Retainage Payable	-	137,287	23,034	305,696	466,017
Accrued Liabilities	-	-	-	244	244
Total Liabilities	-	255,054	304,651	559,863	1,119,568
Fund Balances					
Reserved					
Reserved for Capital Projects	1,308,229	3,494,526	12,509,488	2,344,047	19,656,290
Total Fund Balances	1,308,229	3,494,526	12,509,488	2,344,047	19,656,290
Total Liabilities and Fund Balances	\$ 1,308,229	\$ 3,749,580	\$ 12,814,139	\$ 2,903,910	\$ 20,775,858



CITY OF COLLEGE STATION

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2007

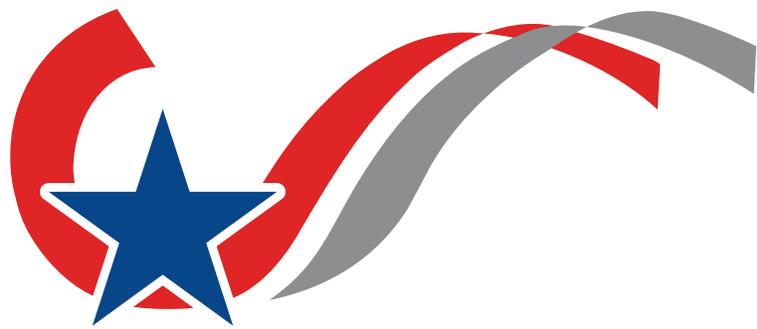
	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
Revenues				
Taxes	\$ 3,824,867	\$ -	\$ -	\$ 3,824,867
Intergovernmental	1,393,311	-	-	1,393,311
Charges for Services	-	83,858	95,265	179,123
Special Assessments	-	1,199,565	-	1,199,565
Investment Income	483,387	957,936	73,720	1,515,043
Reimbursed Expenditures	-	89,411	-	89,411
Other	496,928	4,084	(3,624)	497,388
Total Revenues	<u>6,198,493</u>	<u>2,334,854</u>	<u>165,361</u>	<u>8,698,708</u>
Expenditures				
Current				
General Government	22,149	-	-	22,149
Fiscal Services	-	5,789	-	5,789
Public Works	-	1,245	-	1,245
Parks and Recreation	822	5,467	-	6,289
Community Development Block Grant	215,707	-	-	215,707
Home Grant	323,811	-	-	323,811
Reimbursed Administrative	955,382	1,469,735	-	2,425,117
Contributions	1,422,500	-	-	1,422,500
Other	-	20,650	367	21,017
Capital Outlay	1,459,649	6,913,030	-	8,372,679
Debt Issuance Cost	-	100,524	-	100,524
Total Expenditures	<u>4,400,020</u>	<u>8,516,440</u>	<u>367</u>	<u>12,916,827</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,798,473</u>	<u>(6,181,586)</u>	<u>164,994</u>	<u>(4,218,119)</u>
Other Financing Sources (Uses)				
Issuance of Debt	-	5,190,000	-	5,190,000
Transfers In	-	2,798,393	-	2,798,393
Transfers Out	(1,442,627)	(532,000)	-	(1,974,627)
Total Other Financing Sources (Uses)	<u>(1,442,627)</u>	<u>7,456,393</u>	<u>-</u>	<u>6,013,766</u>
Net Change in Fund Balances	355,846	1,274,807	164,994	1,795,647
Fund Balances, October 1	9,805,494	18,381,483	1,264,906	29,451,883
Fund Balances, September 30	<u>\$ 10,161,340</u>	<u>\$ 19,656,290</u>	<u>\$ 1,429,900</u>	<u>\$ 31,247,530</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue Funds
For the Fiscal Year Ended September 30, 2007

	Community Development	Convention Center	Hotel Tax	Parks Escrow	Memorial Cemetery	Wolf Pen Creek Tax Increment Financing District	Total
Revenues							
Taxes	\$ -	\$ -	\$ 2,980,250	\$ -	\$ -	\$ 844,617	\$ 3,824,867
Intergovernmental	1,393,311	-	-	-	-	-	1,393,311
Investment Income	-	29,769	293,091	79,963	480	80,084	483,387
Other	-	-	500	496,428	-	-	496,928
Total Revenues	<u>1,393,311</u>	<u>29,769</u>	<u>3,273,841</u>	<u>576,391</u>	<u>480</u>	<u>924,701</u>	<u>6,198,493</u>
Expenditures							
Current							
General Government	-	-	22,149	-	-	-	22,149
Parks and Recreation	-	-	-	-	-	822	822
Community Development Block Grant	215,707	-	-	-	-	-	215,707
Home Grant	323,811	-	-	-	-	-	323,811
Reimbursed Administrative	475,986	4,756	474,640	-	-	-	955,382
Contributions	-	-	1,422,500	-	-	-	1,422,500
Capital Outlay	-	285,667	-	483,558	-	690,424	1,459,649
Total Expenditures	<u>1,015,504</u>	<u>290,423</u>	<u>1,919,289</u>	<u>483,558</u>	<u>-</u>	<u>691,246</u>	<u>4,400,020</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>377,807</u>	<u>(260,654)</u>	<u>1,354,552</u>	<u>92,833</u>	<u>480</u>	<u>233,455</u>	<u>1,798,473</u>
Other Financing Uses							
Transfers Out	(363,852)	-	-	-	-	(1,078,775)	(1,442,627)
Total Other Financing Uses	<u>(363,852)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,078,775)</u>	<u>(1,442,627)</u>
Net Change in Fund Balances	13,955	(260,654)	1,354,552	92,833	480	(845,320)	355,846
Fund Balances, October 1	985,275	588,842	4,290,202	1,465,681	-	2,475,494	9,805,494
Fund Balances, September 30	<u>\$ 999,230</u>	<u>\$ 328,188</u>	<u>\$ 5,644,754</u>	<u>\$ 1,558,514</u>	<u>\$ 480</u>	<u>\$ 1,630,174</u>	<u>\$ 10,161,340</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Capital Projects Funds
For the Fiscal Year Ended September 30, 2007

	Business Park	Drainage Projects	General Government Projects	Parks Projects	Total
Revenues					
Charges for Services	\$ -	\$ -	\$ -	\$ 83,858	\$ 83,858
Special Assessment	-	1,199,565	-	-	1,199,565
Investment Income	78,244	227,207	543,679	108,806	957,936
Reimbursed Expenditures	24,540	-	64,871	-	89,411
Other	-	-	4,084	-	4,084
Total Revenues	102,784	1,426,772	612,634	192,664	2,334,854
Expenditures					
Current					
Fiscal Services	-	-	1,967	3,822	5,789
Public Works	-	1,245	-	-	1,245
Parks and Recreation	-	-	5,467	-	5,467
Reimbursed Administrative	25,644	1,214,911	214,219	14,961	1,469,735
Other	-	6,765	13,885	-	20,650
Capital Outlay	68,873	2,118,752	1,584,348	3,141,057	6,913,030
Debt Issuance Cost	-	-	86,401	14,123	100,524
Total Expenditures	94,517	3,341,673	1,906,287	3,173,963	8,516,440
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,267	(1,914,901)	(1,293,653)	(2,981,299)	(6,181,586)
Other Financing Sources (Uses)					
Issuance of Debt	-	-	3,545,688	1,644,312	5,190,000
Transfers In	-	-	2,446,892	351,501	2,798,393
Transfers Out	(500,000)	-	(32,000)	-	(532,000)
Total Other Financing Sources (Uses)	(500,000)	-	5,960,580	1,995,813	7,456,393
Net Change in Fund Balances	(491,733)	(1,914,901)	4,666,927	(985,486)	1,274,807
Fund Balances, October 1	1,799,962	5,409,427	7,842,561	3,329,533	18,381,483
Fund Balances, September 30	\$ 1,308,229	\$ 3,494,526	\$ 12,509,488	\$ 2,344,047	\$ 19,656,290



CITY OF COLLEGE STATION

CITY OF COLLEGE STATION, TEXAS
Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual
For the Fiscal Year Ended September 30, 2007

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues				
Taxes	\$ 10,053,000	\$ 10,053,000	\$ 10,030,752	\$ (22,248)
Investment Income	100,000	100,000	313,850	213,850
Accrued Bond Interest	-	-	-	-
Total Revenues	<u>10,153,000</u>	<u>10,153,000</u>	<u>10,344,602</u>	<u>191,602</u>
Expenditures				
Debt Service				
Principal Payments	7,820,000	7,820,000	7,820,000	-
Interest Payments	4,441,237	4,441,237	4,212,245	(228,992)
Debt Issuance Cost	15,998	15,998	421,415	405,417
Total Expenditures	<u>12,277,235</u>	<u>12,277,235</u>	<u>12,453,660</u>	<u>176,425</u>
Deficiency of Revenues Under Expenditures	<u>(2,124,235)</u>	<u>(2,124,235)</u>	<u>(2,109,058)</u>	<u>15,177</u>
Other Financing Sources (Uses)				
Issuance of Refunding Debt	-	-	10,255,000	10,255,000
Premium on Bonds Issued	-	-	373,648	373,648
Payment to Refunded Bond Escrow Agent	-	-	(10,451,378)	(10,451,378)
Transfers In	2,325,070	2,325,070	2,325,071	1
Total Other Financing Sources	<u>2,325,070</u>	<u>2,325,070</u>	<u>2,502,341</u>	<u>177,271</u>
Net Change in Fund Balances	200,835	200,835	393,283	192,448
Fund Balances, October 1	3,238,645	3,238,645	3,072,775	(165,870)
Fund Balances, September 30	<u>\$ 3,439,480</u>	<u>\$ 3,439,480</u>	<u>\$ 3,466,058</u>	<u>\$ 26,578</u>

CITY OF COLLEGE STATION, TEXAS
Community Development Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual
For the Fiscal Year Ended September 30, 2007

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues				
Intergovernmental				
Community Development Block Grant	\$ 1,798,036	\$ 1,798,036	\$ 966,217	\$ (831,819)
Home Grant	1,338,609	1,338,609	427,094	(911,515)
Other	-	-	-	-
Total Revenues	<u>3,136,645</u>	<u>3,136,645</u>	<u>1,393,311</u>	<u>(1,743,334)</u>
Expenditures				
Community Development Block Grant	609,708	609,708	215,707	(394,001)
Home Grant	1,271,160	1,271,160	323,811	(947,349)
Reimbursed Administrative	498,987	498,987	475,986	(23,001)
Affordable Housing	240,394	240,394	-	(240,394)
Total Expenditures	<u>2,620,249</u>	<u>2,620,249</u>	<u>1,015,504</u>	<u>(1,604,745)</u>
Excess of Revenues Over Expenditures	<u>516,396</u>	<u>516,396</u>	<u>377,807</u>	<u>(138,589)</u>
Other Financing Uses				
Transfers Out	(756,927)	(756,927)	(363,852)	393,075
Total Other Financing Uses	<u>(756,927)</u>	<u>(756,927)</u>	<u>(363,852)</u>	<u>393,075</u>
Change in Fund Balances	(240,531)	(240,531)	13,955	254,486
Fund Balances, October 1	1,004,054	1,004,054	985,275	(18,779)
Fund Balances, September 30	<u>\$ 763,523</u>	<u>\$ 763,523</u>	<u>\$ 999,230</u>	<u>\$ 235,707</u>

CITY OF COLLEGE STATION, TEXAS
Convention Center Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual
For the Fiscal Year Ended September 30, 2007

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Investment Income	\$ 10,000	\$ 10,000	\$ 29,769	\$ 19,769
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>29,769</u>	<u>19,769</u>
Expenditures				
Current				
Reimbursed Administrative	4,785	4,785	4,756	(29)
Other	40,000	40,000	-	(40,000)
Capital Outlay	<u>3,000,000</u>	<u>3,000,000</u>	<u>285,667</u>	<u>(2,714,333)</u>
Total Expenditures	<u>3,044,785</u>	<u>3,044,785</u>	<u>290,423</u>	<u>(2,754,362)</u>
Deficiency of Revenues Under Expenditures	<u>(3,034,785)</u>	<u>(3,034,785)</u>	<u>(260,654)</u>	<u>2,774,131</u>
Other Financing Sources				
Issuance of Debt	<u>4,040,000</u>	<u>4,040,000</u>	<u>-</u>	<u>(4,040,000)</u>
Total Other Financing Sources	<u>4,040,000</u>	<u>4,040,000</u>	<u>-</u>	<u>(4,040,000)</u>
Change in Fund Balances	1,005,215	1,005,215	(260,654)	(1,265,869)
Fund Balances, October 1	<u>557,357</u>	<u>557,357</u>	<u>588,842</u>	<u>31,485</u>
Fund Balances, September 30	<u><u>\$ 1,562,572</u></u>	<u><u>\$ 1,562,572</u></u>	<u><u>\$ 328,188</u></u>	<u><u>\$ (1,234,384)</u></u>

CITY OF COLLEGE STATION, TEXAS
Hotel Tax Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual
For the Fiscal Year Ended September 30, 2007

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Taxes	\$ 2,769,000	\$ 2,769,000	\$ 2,980,250	\$ 211,250
Investment Income	132,000	132,000	293,091	161,091
Other	-	-	500	500
Total Revenues	<u>2,901,000</u>	<u>2,901,000</u>	<u>3,273,841</u>	<u>372,841</u>
Expenditures				
Current				
General Government	792,000	792,000	22,149	(769,851)
Reimbursed Administrative	402,497	402,497	474,640	72,143
Contributions	1,435,000	1,435,000	1,422,500	(12,500)
Other	70,000	70,000	-	(70,000)
Contingency	65,000	65,000	-	(65,000)
Total Expenditures	<u>2,764,497</u>	<u>2,764,497</u>	<u>1,919,289</u>	<u>(845,208)</u>
Excess of Revenues Over Expenditures	<u>136,503</u>	<u>136,503</u>	<u>1,354,552</u>	<u>1,218,049</u>
Other Financing Uses				
Transfers Out	<u>(850,000)</u>	<u>(850,000)</u>	<u>-</u>	<u>850,000</u>
Total Other Financing Uses	<u>(850,000)</u>	<u>(850,000)</u>	<u>-</u>	<u>850,000</u>
Change in Fund Balances	(713,497)	(713,497)	1,354,552	2,068,049
Fund Balances, October 1	3,115,720	3,115,720	4,290,202	1,174,482
Fund Balances, September 30	<u>\$ 2,402,223</u>	<u>\$ 2,402,223</u>	<u>\$ 5,644,754</u>	<u>\$ 3,242,531</u>

CITY OF COLLEGE STATION, TEXAS
Parks Escrow Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual
For the Fiscal Year Ended September 30, 2007

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues				
Investment Income	\$ 29,000	\$ 29,000	\$ 79,963	\$ 50,963
Other	<u>290,000</u>	<u>290,000</u>	<u>496,428</u>	<u>206,428</u>
Total Revenues	<u>319,000</u>	<u>319,000</u>	<u>576,391</u>	<u>257,391</u>
Expenditures				
Current				
Other	7,220	7,220	-	(7,220)
Capital Outlay	<u>1,080,321</u>	<u>1,407,376</u>	<u>483,558</u>	<u>(923,818)</u>
Total Expenditures	<u>1,087,541</u>	<u>1,414,596</u>	<u>483,558</u>	<u>(931,038)</u>
Change in Fund Balances	(768,541)	(1,095,596)	92,833	1,188,429
Fund Balances, October 1	<u>1,373,704</u>	<u>1,373,704</u>	<u>1,465,681</u>	<u>91,977</u>
Fund Balances, September 30	<u><u>\$ 605,163</u></u>	<u><u>\$ 278,108</u></u>	<u><u>\$ 1,558,514</u></u>	<u><u>\$ 1,280,406</u></u>

CITY OF COLLEGE STATION, TEXAS
Wolf Pen Creek Tax Increment Financing District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual
For the Fiscal Year Ended September 30, 2007

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Taxes	\$ 787,000	\$ 787,000	\$ 844,617	\$ 57,617
Investment Income	17,000	17,000	80,084	63,084
Other	-	-	-	-
Total Revenues	<u>804,000</u>	<u>804,000</u>	<u>924,701</u>	<u>120,701</u>
Expenditures				
Current				
Parks and Recreation	-	-	822	822
Capital Outlay	1,930,000	1,930,000	690,424	(1,239,576)
Total Expenditures	<u>1,930,000</u>	<u>1,930,000</u>	<u>691,246</u>	<u>(1,238,754)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,126,000)	(1,126,000)	233,455	1,359,455
Other Financing Uses				
Transfers Out	(1,078,775)	(1,078,775)	(1,078,775)	-
Total Other Financing Uses	<u>(1,078,775)</u>	<u>(1,078,775)</u>	<u>(1,078,775)</u>	<u>-</u>
Change in Fund Balances	(2,204,775)	(2,204,775)	(845,320)	1,359,455
Fund Balances, October 1	2,483,401	2,483,401	2,475,494	(7,907)
Fund Balances, September 30	<u>\$ 278,626</u>	<u>\$ 278,626</u>	<u>\$ 1,630,174</u>	<u>\$ 1,351,548</u>

CITY OF COLLEGE STATION, TEXAS
Business Park Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual
For the Fiscal Year Ended September 30, 2007

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Investment Income	\$ 49,000	\$ 49,000	\$ 78,244	\$ 29,244
Other	-	-	24,540	24,540
Total Revenues	<u>49,000</u>	<u>49,000</u>	<u>102,784</u>	<u>53,784</u>
Expenditures				
Current				
Reimbursed Administrative	25,804	25,804	25,644	(160)
Capital Outlay	-	-	68,873	68,873
Debt Issuance Cost	10,000	10,000	-	(10,000)
Total Expenditures	<u>35,804</u>	<u>35,804</u>	<u>94,517</u>	<u>58,713</u>
Excess of Revenues Over Expenditures	<u>13,196</u>	<u>13,196</u>	<u>8,267</u>	<u>(4,929)</u>
Other Financing Sources (Uses)				
Transfers Out	(500,000)	(500,000)	(500,000)	-
Issuance of Debt	1,010,000	1,010,000	-	(1,010,000)
Total Other Financing Sources (Uses)	<u>510,000</u>	<u>510,000</u>	<u>(500,000)</u>	<u>(1,010,000)</u>
Change in Fund Balances	523,196	523,196	(491,733)	(1,014,929)
Fund Balances, October 1	1,756,700	1,756,700	1,799,962	43,262
Fund Balances, September 30	<u>\$ 2,279,896</u>	<u>\$ 2,279,896</u>	<u>\$ 1,308,229</u>	<u>\$ (971,667)</u>

CITY OF COLLEGE STATION, TEXAS
Drainage Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual
For the Fiscal Year Ended September 30, 2007

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Special Assessment	\$ 1,186,500	\$ 1,186,500	\$ 1,199,565	\$ 13,065
Investment Income	86,000	86,000	227,207	141,207
Total Revenues	<u>1,272,500</u>	<u>1,272,500</u>	<u>1,426,772</u>	<u>154,272</u>
Expenditures				
Current				
Fiscal Services	7,200	7,200	1,245	(5,955)
Reimbursed Administrative	1,238,734	1,238,734	1,214,911	(23,823)
Contributions	-	-	-	-
Other	-	-	6,765	6,765
Capital Outlay	701,400	701,400	2,118,752	1,417,352
Total Expenditures	<u>1,947,334</u>	<u>1,947,334</u>	<u>3,341,673</u>	<u>1,394,339</u>
Change in Fund Balances	(674,834)	(674,834)	(1,914,901)	(1,240,067)
Fund Balances, October 1	3,928,707	3,928,707	5,409,427	1,480,720
Fund Balances, September 30	<u>\$ 3,253,873</u>	<u>\$ 3,253,873</u>	<u>\$ 3,494,526</u>	<u>\$ 240,653</u>

CITY OF COLLEGE STATION, TEXAS
General Government Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual
For the Fiscal Year Ended September 30, 2007

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Investment Income	\$ 113,000	\$ 113,000	\$ 543,679	\$ 430,679
Other	-	63,871	68,955	5,084
Total Revenues	<u>113,000</u>	<u>176,871</u>	<u>612,634</u>	<u>435,763</u>
Expenditures				
Current				
Fiscal Services	-	75,000	1,967	(73,033)
Parks	-	-	5,467	5,467
Reimbursed Administrative	215,562	215,562	214,219	(1,343)
Other	-	-	13,885	13,885
Capital Outlay	7,277,668	8,352,539	1,584,348	(6,768,191)
Debt Issuance Cost	66,000	66,000	86,401	20,401
Total Expenditures	<u>7,559,230</u>	<u>8,709,101</u>	<u>1,906,287</u>	<u>(6,802,814)</u>
Deficiency of Revenues Under Expenditures	<u>(7,446,230)</u>	<u>(8,532,230)</u>	<u>(1,293,653)</u>	<u>7,238,577</u>
Other Financing Sources (Uses)				
Issuance of Debt	6,712,300	6,712,300	3,545,688	(3,166,612)
Transfers In	2,414,892	2,446,892	2,446,892	-
Transfers Out	-	(32,000)	(32,000)	-
Total Other Financing Sources	<u>9,127,192</u>	<u>9,127,192</u>	<u>5,960,580</u>	<u>(3,166,612)</u>
Change in Fund Balances	1,680,962	594,962	4,666,927	4,071,965
Fund Balances, October 1	5,915,508	5,915,508	7,842,561	1,927,053
Fund Balances, September 30	<u>\$ 7,596,470</u>	<u>\$ 6,510,470</u>	<u>\$ 12,509,488</u>	<u>\$ 5,999,018</u>

CITY OF COLLEGE STATION, TEXAS
Parks Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual
For the Fiscal Year Ended September 30, 2007

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Charges for Services	\$ 71,100	\$ 71,100	\$ 83,858	\$ 12,758
Investment Income	63,000	63,000	108,806	45,806
Other	-	-	-	-
Total Revenues	<u>134,100</u>	<u>134,100</u>	<u>192,664</u>	<u>58,564</u>
Expenditures				
Current				
Fiscal Services	-	-	3,822	3,822
Reimbursed Administrative	15,057	15,057	14,961	(96)
Other	-	-	-	-
Capital Outlay	1,699,000	1,863,865	3,141,057	1,277,192
Debt Issuance Cost	10,000	10,000	14,123	4,123
Total Expenditures	<u>1,724,057</u>	<u>1,888,922</u>	<u>3,173,963</u>	<u>1,285,041</u>
Deficiency of Revenues Under Expenditures	<u>(1,589,957)</u>	<u>(1,754,822)</u>	<u>(2,981,299)</u>	<u>(1,226,477)</u>
Other Financing Sources				
Issuance of Debt	1,475,000	1,475,000	1,644,312	169,312
Transfers In	667,000	667,000	351,501	(315,499)
Total Other Financing Sources	<u>2,142,000</u>	<u>2,142,000</u>	<u>1,995,813</u>	<u>(146,187)</u>
Change in Fund Balances	552,043	387,178	(985,486)	(1,372,664)
Fund Balances, October 1	4,004,211	4,004,211	3,329,533	(674,678)
Fund Balances, September 30	<u>\$ 4,556,254</u>	<u>\$ 4,391,389</u>	<u>\$ 2,344,047</u>	<u>\$ (2,047,342)</u>

CITY OF COLLEGE STATION, TEXAS
Streets Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual
For the Fiscal Year Ended September 30, 2007

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 14,287	\$ 14,287
Investment Income	363,000	363,000	1,218,581	855,581
Other	-	25,000	397,191	372,191
Total Revenues	<u>363,000</u>	<u>388,000</u>	<u>1,630,059</u>	<u>1,242,059</u>
Expenditures				
Current				
General Government	162,000	162,000	63,193	(98,807)
Fiscal Services	-	-	235	235
Reimbursed Administrative	841,248	841,248	836,011	(5,237)
Other	-	-	-	-
Capital Outlay	7,993,154	8,864,351	5,326,536	(3,537,815)
Debt Issuance Cost	39,000	39,000	5,867	(33,133)
Intergovernmental	-	315,823	342,630	26,807
Total Expenditures	<u>9,035,402</u>	<u>10,222,422</u>	<u>6,574,472</u>	<u>(3,647,950)</u>
Deficiency of Revenues Under Expenditures	<u>(8,672,402)</u>	<u>(9,834,422)</u>	<u>(4,944,413)</u>	<u>4,890,009</u>
Other Financing Sources				
Issuance of Debt	3,929,000	3,929,000	2,700,000	(1,229,000)
Transfers In	-	-	2,483	2,483
Total Other Financing Sources	<u>3,929,000</u>	<u>3,929,000</u>	<u>2,702,483</u>	<u>(1,226,517)</u>
Change in Fund Balances	(4,743,402)	(5,905,422)	(2,241,930)	3,663,492
Fund Balances, October 1	<u>19,733,239</u>	<u>19,733,239</u>	<u>24,049,456</u>	<u>4,316,217</u>
Fund Balances, September 30	<u>\$ 14,989,837</u>	<u>\$ 13,827,817</u>	<u>\$ 21,807,526</u>	<u>\$ 7,979,709</u>

COMBINING FINANCIAL STATEMENTS

NONMAJOR ENTERPRISE FUNDS

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

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

CITY OF COLLEGE STATION, TEXAS

Combining Statement of Net Assets

Nonmajor Enterprise Funds

As of September 30, 2007

	<u>Sanitation</u>	<u>Northgate Parking Garage</u>	<u>Total</u>
Current Assets			
Equity in Cash and Cash Equivalents	\$ 100,460	\$ 628,188	\$ 728,648
Equity in Investments	69,782	436,357	506,139
Receivables			
Accrued Interest	1,065	3,934	4,999
Accounts	933,686	30,788	964,474
Notes	12,522	-	12,522
Less Allowance for Uncollectible Accounts	(99,046)	(170)	(99,216)
Inventories	5,075	-	5,075
Total Current Assets	<u>1,023,544</u>	<u>1,099,097</u>	<u>2,122,641</u>
Equity in Joint Venture	<u>8,648,008</u>	<u>-</u>	<u>8,648,008</u>
Property and Equipment			
Buildings	-	5,743,755	5,743,755
Machinery and Equipment	1,149,026	183,551	1,332,577
Accumulated Depreciation	(1,139,704)	(985,175)	(2,124,879)
Construction in Progress	-	4,330	4,330
Land	-	690,707	690,707
Total Property and Equipment	<u>9,322</u>	<u>5,637,168</u>	<u>5,646,490</u>
Total Assets	<u>9,680,874</u>	<u>6,736,265</u>	<u>16,417,139</u>
Liabilities			
Current Liabilities			
Accounts Payable	63,644	1,887	65,531
Accrued Liabilities	119,013	18,836	137,849
Other Deferred Revenues	-	94,605	94,605
Total Current Liabilities	<u>182,657</u>	<u>115,328</u>	<u>297,985</u>
Current Liabilities Payable from Restricted Assets			
Refundable Deposits	-	11,050	11,050
Total Current Liabilities Payable from Restricted Assets	<u>-</u>	<u>11,050</u>	<u>11,050</u>
Noncurrent Liabilities			
Accrued Vacation	46,262	1,863	48,125
Total Noncurrent Liabilities	<u>46,262</u>	<u>1,863</u>	<u>48,125</u>
Total Liabilities	<u>228,919</u>	<u>128,241</u>	<u>357,160</u>
Net Assets			
Invested in Capital Assets, net of related debt	9,322	5,637,168	5,646,490
Unrestricted	9,442,633	970,856	10,413,489
Net Assets	<u>\$ 9,451,955</u>	<u>\$ 6,608,024</u>	<u>\$ 16,059,979</u>

CITY OF COLLEGE STATION, TEXAS

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2007

	<u>Sanitation</u>	<u>Northgate Parking Garage</u>	<u>Total</u>
Operating Revenues			
Garbage Collection Fees	\$ 6,419,816	\$ -	\$ 6,419,816
Charges for Services	-	616,981	616,981
Other	64,658	-	64,658
Total Operating Revenues	<u>6,484,474</u>	<u>616,981</u>	<u>7,101,455</u>
Operating Expenses			
Salaries and Benefits	1,692,971	243,038	1,936,009
Supplies	296,629	12,556	309,185
Maintenance	576,217	21,421	597,638
Purchased Professional Services	435,727	78,953	514,680
Purchased Property Services	1,551,685	44,796	1,596,481
Other Purchased Services	904,781	5,982	910,763
Reimbursed Administrative	572,760	36,847	609,607
Depreciation	9,824	153,847	163,671
Other	38,075	-	38,075
Total Operating Expenses	<u>6,078,669</u>	<u>597,440</u>	<u>6,676,109</u>
Operating Income	<u>405,805</u>	<u>19,541</u>	<u>425,346</u>
Nonoperating Revenues (Expenses)			
Investment Income	10,782	52,900	63,682
Reimbursed Expenses	2,280	-	2,280
Earnings in Joint Venture	1,025,440	-	1,025,440
Other, Net	(49,803)	3,142	(46,661)
Total Nonoperating Revenues	<u>988,699</u>	<u>56,042</u>	<u>1,044,741</u>
Income Before Transfers	<u>1,394,504</u>	<u>75,583</u>	<u>1,470,087</u>
Transfers			
Transfers Out	(421,500)	-	(421,500)
Total Transfers	<u>(421,500)</u>	<u>-</u>	<u>(421,500)</u>
Change in Net Assets	973,004	75,583	1,048,587
Beginning Net Assets	8,478,951	6,532,441	15,011,392
Ending Net Assets	<u>\$ 9,451,955</u>	<u>\$ 6,608,024</u>	<u>\$ 16,059,979</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2007

	Sanitation	Northgate Parking Garage	Total
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 6,306,719	\$ 590,921	\$ 6,897,640
Cash Payments to Suppliers for Goods and Services	(4,431,274)	(196,847)	(4,628,121)
Cash Payments to Employees for Services	(1,676,073)	(245,232)	(1,921,305)
Customer Deposits Received	-	2,760	2,760
Cash Received for Reimbursed Expenses	2,280	-	2,280
Cash Received for Miscellaneous Revenues	-	3,142	3,142
Cash Paid for Miscellaneous Expenses	(51,864)	-	(51,864)
Net Cash Provided by Operating Activities	<u>149,788</u>	<u>154,744</u>	<u>304,532</u>
Cash Flows from Noncapital Financing Activities:			
Transfers Out to Other Funds	(421,500)	-	(421,500)
Net Cash Used by Noncapital Financing Activities	<u>(421,500)</u>	<u>-</u>	<u>(421,500)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	-	(37,507)	(37,507)
Proceeds from Sale of Assets	-	18,943	18,943
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(18,564)</u>	<u>(18,564)</u>
Cash Flows from Investing Activities:			
Purchase of Investments	(244,566)	(1,207,902)	(1,452,468)
Proceeds from Sale and Maturities of Investment Securities	377,676	1,182,401	1,560,077
Investment Income	11,409	51,779	63,188
Net Cash Provided by Investing Activities	<u>144,519</u>	<u>26,278</u>	<u>170,797</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(127,193)	162,458	35,265
Cash and Cash Equivalents, Oct. 1	227,653	465,730	693,383
Cash and Cash Equivalents, Sept. 30	<u>\$ 100,460</u>	<u>\$ 628,188</u>	<u>\$ 728,648</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 405,805	\$ 19,541	\$ 425,346
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation, Bad Debt Expense, Inventory Loss	9,824	153,847	163,671
Provision for Uncollectible Accounts	18,992	95	19,087
Miscellaneous Nonoperating Revenues	2,280	3,142	5,422
Miscellaneous Nonoperating Expenses	(51,864)	-	(51,864)
Changes in Assets and Liabilities:			
Change in Accounts Receivable	(177,782)	(27,869)	(205,651)
Change in Deferred Revenues	-	1,809	1,809
Change in Inventory	5,229	-	5,229
Change in Accounts Payable	(83,796)	3	(83,793)
Change in Accrued Liabilities	10,692	3,091	13,783
Change in Refundable Deposits	-	2,760	2,760
Change in Accrued Vacation	10,408	(1,675)	8,733
Total Adjustments	<u>(256,017)</u>	<u>135,203</u>	<u>(120,814)</u>
Net Cash Provided by Operating Activities	<u>\$ 149,788</u>	<u>\$ 154,744</u>	<u>\$ 304,532</u>

COMBINING FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

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

CITY OF COLLEGE STATION, TEXAS

Combining Statement of Net Assets

Internal Service Funds

As of September 30, 2007

	<u>Communication Services</u>	<u>Employee Benefits</u>	<u>Equipment Replacement</u>	<u>Fleet Maintenance</u>	<u>Print/Mail Services</u>
Current Assets					
Equity in Cash and Cash Equivalents	\$ 112,474	\$ 3,042,010	\$ 2,471,694	\$ 54,787	\$ -
Equity in Investments	78,127	2,113,065	1,716,908	38,056	(595)
Receivables					
Accrued Interest	715	19,270	15,557	367	-
Accounts	-	2,285	-	-	-
Other	-	-	-	-	-
Less Allowance for Uncollectible Accounts	-	(14)	-	-	-
Inventories	-	-	-	176,633	-
Total Current Assets	<u>191,316</u>	<u>5,176,616</u>	<u>4,204,159</u>	<u>269,843</u>	<u>(595)</u>
Property and Equipment					
Buildings	-	-	-	786,525	-
Machinery and Equipment	1,226,849	-	26,329,064	284,854	161,418
Accumulated Depreciation	(1,127,738)	-	(16,458,755)	(493,383)	(146,438)
Construction in Progress	-	-	892,738	-	-
Total Property and Equipment	<u>99,111</u>	<u>-</u>	<u>10,763,047</u>	<u>577,996</u>	<u>14,980</u>
Total Assets	<u>290,427</u>	<u>5,176,616</u>	<u>14,967,206</u>	<u>847,839</u>	<u>14,385</u>
Liabilities					
Current Liabilities					
Accounts Payable	58,936	115,546	289,134	119,406	20,485
Due to Other Funds	-	-	-	-	81,459
Claims Payable	-	285,000	-	-	-
Accrued Liabilities	15,586	-	149,310	32,930	14,340
Total Current Liabilities	<u>74,522</u>	<u>400,546</u>	<u>438,444</u>	<u>152,336</u>	<u>116,284</u>
Noncurrent Liabilities					
Claims Payable	-	-	-	-	-
Accrued Vacation	10,895	-	-	51,387	15,611
Total Noncurrent Liabilities	<u>10,895</u>	<u>-</u>	<u>-</u>	<u>51,387</u>	<u>15,611</u>
Total Liabilities	<u>85,417</u>	<u>400,546</u>	<u>438,444</u>	<u>203,723</u>	<u>131,895</u>
Net Assets					
Invested in Capital Assets	99,111	-	10,763,047	577,996	14,980
Unreserved	105,899	4,776,070	3,765,715	66,120	(132,490)
Total Net Assets	<u>\$ 205,010</u>	<u>\$ 4,776,070</u>	<u>\$ 14,528,762</u>	<u>\$ 644,116</u>	<u>\$ (117,510)</u>

Property and Casualty	Unemployment	Utility Customer Service	Workers' Compensation	Total
\$ 559,851	\$ 119,220	\$ 156,388	\$ 611,023	\$ 7,127,447
388,888	82,814	108,631	424,433	4,950,327
3,554	755	988	3,878	45,084
25,000	-	31,784	-	59,069
-	-	14,225	-	14,225
-	-	(24,254)	-	(24,268)
-	-	-	-	176,633
<u>977,293</u>	<u>202,789</u>	<u>287,762</u>	<u>1,039,334</u>	<u>12,348,517</u>
-	-	-	-	786,525
-	-	1,542,924	-	29,545,109
-	-	(979,607)	-	(19,205,921)
-	-	-	-	892,738
<u>-</u>	<u>-</u>	<u>563,317</u>	<u>-</u>	<u>12,018,451</u>
<u>977,293</u>	<u>202,789</u>	<u>851,079</u>	<u>1,039,334</u>	<u>24,366,968</u>
1,973	-	31,005	10,899	647,384
-	-	-	-	81,459
138,373	-	-	156,835	580,208
-	-	51,321	-	263,487
<u>140,346</u>	<u>-</u>	<u>82,326</u>	<u>167,734</u>	<u>1,572,538</u>
338,776	-	-	267,043	605,819
-	-	61,258	-	139,151
<u>338,776</u>	<u>-</u>	<u>61,258</u>	<u>267,043</u>	<u>744,970</u>
<u>479,122</u>	<u>-</u>	<u>143,584</u>	<u>434,777</u>	<u>2,317,508</u>
-	-	563,317	-	12,018,451
498,171	202,789	144,178	604,557	10,031,009
<u>\$ 498,171</u>	<u>\$ 202,789</u>	<u>\$ 707,495</u>	<u>\$ 604,557</u>	<u>\$ 22,049,460</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended September 30, 2007

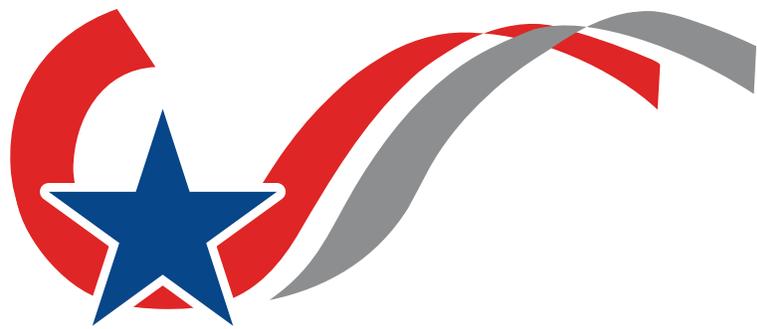
	Communication Services	Employee Benefits	Equipment Replacement	Fleet Maintenance	Print/Mail Services	Property and Casualty
Operating Revenues						
Charges for Services	\$ 739,440	\$ -	\$ 4,039,858	\$ 1,764,994	\$ 441,613	\$ -
Premiums	-	5,550,938	-	-	-	857,503
Other	-	31,843	-	-	-	-
Total Operating Revenues	739,440	5,582,781	4,039,858	1,764,994	441,613	857,503
Operating Expenses						
Salaries and Benefits	383,263	-	-	790,616	223,536	-
Supplies	13,645	-	9,806	673,491	110,258	27,038
Maintenance	200,868	-	21,138	24,629	30,967	-
Purchased Professional Services	373	4,535	-	406	58	-
Purchased Property Services	18,014	-	-	16,745	26,857	-
Other Purchased Services	39,558	191	-	56,674	70,354	-
Claims	-	4,404,613	-	-	-	282,703
Administration Fees	-	381,257	-	-	-	16,635
Premiums	-	459,677	-	-	-	232,480
Reimbursed Administrative	178,086	60,510	-	165,988	35,748	92,337
Contributions	-	-	455,720	-	-	-
Depreciation	18,202	-	2,514,534	27,910	3,789	-
Other	-	19,142	-	81,708	-	3,861
Total Operating Expenses	852,009	5,329,925	3,001,198	1,838,167	501,567	655,054
Operating Income (Loss)	(112,569)	252,856	1,038,660	(73,173)	(59,954)	202,449
Nonoperating Revenues (Expenses)						
Investment Income	12,377	275,074	259,990	9,595	(5,611)	41,916
Reimbursed Expenses	-	-	-	-	-	18,349
Other, Net	-	1,109	(1,884)	-	290	-
Total Nonoperating Revenues (Expenses)	12,377	276,183	258,106	9,595	(5,321)	60,265
Income (Loss) Before Transfers	(100,192)	529,039	1,296,766	(63,578)	(65,275)	262,714
Transfers						
Transfers In	-	-	-	-	23,349	-
Transfers Out	-	-	(2,966,517)	-	-	-
Total Transfers	-	-	(2,966,517)	-	23,349	-
Change in Net Assets	(100,192)	529,039	(1,669,751)	(63,578)	(41,926)	262,714
Beginning Net Assets	305,202	4,247,031	16,198,513	707,694	(75,584)	235,457
Ending Net Assets	\$ 205,010	\$ 4,776,070	\$ 14,528,762	\$ 644,116	\$ (117,510)	\$ 498,171

<u>Unemployment</u>	<u>Utility Customer Service</u>	<u>Workers' Compensation</u>	<u>Total</u>
\$ -	\$ 2,356,800	\$ -	\$ 9,342,705
60,402	-	790,983	7,259,826
-	213,868	6,792	252,503
<u>60,402</u>	<u>2,570,668</u>	<u>797,775</u>	<u>16,855,034</u>
-	1,337,077	-	2,734,492
-	64,333	36,731	935,302
-	53,267	-	330,869
-	63,973	12,000	81,345
-	37,968	-	99,584
-	488,764	-	655,541
8,952	-	102,050	4,798,318
-	-	50,000	447,892
-	-	125,557	817,714
-	459,527	92,337	1,084,533
-	-	-	455,720
-	55,339	-	2,619,774
-	8,658	-	113,369
<u>8,952</u>	<u>2,568,906</u>	<u>418,675</u>	<u>15,174,453</u>
<u>51,450</u>	<u>1,762</u>	<u>379,100</u>	<u>1,680,581</u>
9,174	18,103	45,263	665,881
-	-	-	18,349
-	-	186,076	185,591
<u>9,174</u>	<u>18,103</u>	<u>231,339</u>	<u>869,821</u>
<u>60,624</u>	<u>19,865</u>	<u>610,439</u>	<u>2,550,402</u>
-	-	-	23,349
-	(7,164)	-	(2,973,681)
-	(7,164)	-	(2,950,332)
60,624	12,701	610,439	(399,930)
142,165	694,794	(5,882)	22,449,390
<u>\$ 202,789</u>	<u>\$ 707,495</u>	<u>\$ 604,557</u>	<u>\$ 22,049,460</u>

CITY OF COLLEGE STATION, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2007

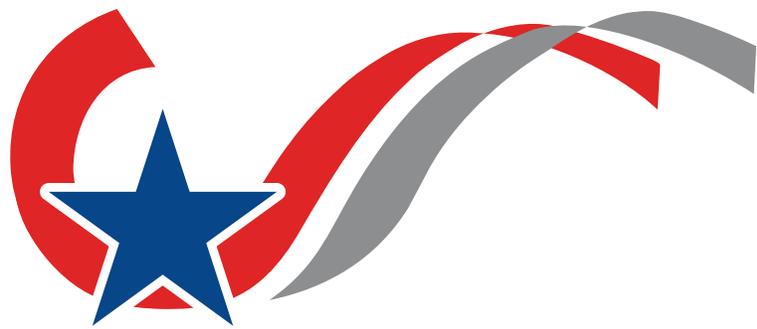
	Communication Services	Employee Benefits	Equipment Replacement	Fleet Maintenance	Print/Mail Services
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 739,440	\$ 5,583,080	\$ 4,039,858	\$ 1,764,994	\$ 441,613
Cash Payments to Suppliers for Goods and Services	(401,303)	(5,356,227)	(104,866)	(1,031,098)	(243,821)
Cash Payments to Employees for Services	(382,552)	-	-	(778,667)	(216,117)
Cash Received for Reimbursed Expenses	-	-	-	-	-
Cash Received for Miscellaneous Revenues	-	1,109	-	-	290
Cash Received from Other Funds	-	-	-	-	15,642
Net Cash Provided (Used) by Operating Activities	(44,415)	227,962	3,934,992	(44,771)	(2,393)
Cash Flows from Noncapital Financing Activities:					
Transfers In from Other Funds	-	-	-	-	23,349
Transfers Out to Other Funds	-	-	(2,966,517)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	(2,966,517)	-	23,349
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	-	-	(4,669,052)	(5,700)	(14,905)
Proceeds from Sale of Assets	-	-	313,713	-	-
Net Cash Used by Capital and Related Financing Activities	-	-	(4,355,339)	(5,700)	(14,905)
Cash Flows from Investing Activities:					
Purchase of Investments	(228,446)	(5,925,574)	(5,487,112)	(115,952)	-
Proceeds from Sale and Maturities of Investment Securities	254,671	5,994,923	7,186,871	140,538	-
Investment Income	12,376	270,799	267,709	9,663	(6,051)
Net Cash Provided (Used) by Investing Activities	38,601	340,148	1,967,468	34,249	(6,051)
Net Increase (Decrease) in Cash and Cash Equivalents	(5,814)	568,110	(1,419,396)	(16,222)	-
Cash and Cash Equivalents, Oct. 1	118,288	2,473,900	3,891,090	71,009	-
Cash and Cash Equivalents, Sept. 30	\$ 112,474	\$ 3,042,010	\$ 2,471,694	\$ 54,787	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (112,569)	\$ 252,856	\$ 1,038,660	\$ (73,173)	\$ (59,954)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation, Bad Debt Expense, Inventory Loss	18,202	-	2,514,534	27,910	3,789
Provision for Uncollectible Accounts	-	-	-	-	-
Miscellaneous Nonoperating Revenues	-	1,109	-	-	290
Miscellaneous Nonoperating Expenses	-	-	-	-	-
Changes in Assets and Liabilities:					
Change in Accounts Receivable	-	299	-	-	-
Change in Inventory	-	-	-	(78,951)	29,934
Change in Prepaid Costs	-	-	-	-	21,967
Change in Accounts Payable	49,240	(101,428)	232,488	67,494	(21,480)
Change in Due to Other Funds	-	-	-	-	15,642
Change in Claims Payable	-	75,126	-	-	-
Change in Accrued Liabilities	1,966	-	149,310	6,158	6,669
Change in Accrued Vacation	(1,254)	-	-	5,791	750
Total Adjustments	68,154	(24,894)	2,896,332	28,402	57,561
Net Cash Provided (Used) by Operating Activities	\$ (44,415)	\$ 227,962	\$ 3,934,992	\$ (44,771)	\$ (2,393)

Property and Casualty	Unemployment	Utility Customer Service	Workers' Compensation	Total
\$ 861,612	\$ 60,402	\$ 2,567,976	\$ 797,775	\$ 16,856,750
(536,141)	(8,952)	(1,147,122)	(606,560)	(9,436,090)
-	-	(1,336,214)	-	(2,713,550)
18,350	-	-	-	18,350
-	-	-	186,076	187,475
-	-	-	-	15,642
<u>343,821</u>	<u>51,450</u>	<u>84,640</u>	<u>377,291</u>	<u>4,928,577</u>
-	-	-	-	23,349
-	-	(7,164)	-	(2,973,681)
-	-	(7,164)	-	(2,950,332)
-	-	-	-	(4,689,657)
-	-	-	-	313,713
-	-	-	-	(4,375,944)
(1,036,360)	(224,670)	(292,498)	(1,130,801)	(14,441,413)
912,169	208,276	263,151	994,552	15,955,151
40,169	8,873	17,663	43,308	664,509
<u>(84,022)</u>	<u>(7,521)</u>	<u>(11,684)</u>	<u>(92,941)</u>	<u>2,178,247</u>
259,799	43,929	65,792	284,350	(219,452)
300,052	75,291	90,596	326,673	7,346,899
<u>\$ 559,851</u>	<u>\$ 119,220</u>	<u>\$ 156,388</u>	<u>\$ 611,023</u>	<u>\$ 7,127,447</u>
\$ 202,449	\$ 51,450	\$ 1,762	\$ 379,100	\$ 1,680,581
-	-	55,339	-	2,619,774
(2,235)	-	2,878	-	643
18,350	-	-	186,076	205,825
-	-	-	-	-
4,109	-	(2,692)	-	1,716
-	-	-	-	(49,017)
-	-	-	-	21,967
(13,436)	-	26,490	1,671	241,039
-	-	-	-	15,642
134,584	-	-	(189,556)	20,154
-	-	4,403	-	168,506
-	-	(3,540)	-	1,747
<u>141,372</u>	<u>-</u>	<u>82,878</u>	<u>(1,809)</u>	<u>3,247,996</u>
<u>\$ 343,821</u>	<u>\$ 51,450</u>	<u>\$ 84,640</u>	<u>\$ 377,291</u>	<u>\$ 4,928,577</u>



CITY OF COLLEGE STATION

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**



CITY OF COLLEGE STATION

CITY OF COLLEGE STATION, TEXAS
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Source
 As of September 30, 2007

Governmental funds capital assets:	
Buildings and Building Improvements	\$ 21,650,247
Improvements	22,670,145
Machinery and Equipment	6,273,482
Infrastructure	171,360,045
Construction in Progress	26,723,932
Land	28,010,449
	<u>\$ 276,688,300</u>
Investments in governmental funds capital assets by source:	
Capital Projects	\$ 174,632,913
General Fund Revenues	6,255,729
Special Revenue Funds	11,493,069
Contributions	84,306,589
	<u>\$ 276,688,300</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF COLLEGE STATION, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
For the Fiscal Year Ended September 30, 2007

Function and Activity	Total	Buildings	Improvements Other than Bldg	Machine/Tool Equipment	Infrastructure	Land
Planning and Development Services:						
Development Services Administration	\$ 38,499	\$ 15,500	\$ -	\$ 22,999	\$ -	\$ -
Inspection	-	-	-	-	-	-
	<u>38,499</u>	<u>15,500</u>	<u>-</u>	<u>22,999</u>	<u>-</u>	<u>-</u>
Fire:						
Emergency Management	9,818	-	-	9,818	-	-
Emergency Medical Services	312,952	-	-	312,952	-	-
Fire Administration	310,024	-	-	310,024	-	-
Fire Prevention	-	-	-	-	-	-
Fire Suppression	302,955	-	-	302,955	-	-
	<u>935,749</u>	<u>-</u>	<u>-</u>	<u>935,749</u>	<u>-</u>	<u>-</u>
Fiscal Services:						
Accounting	-	-	-	-	-	-
Budget/Research	-	-	-	-	-	-
Fiscal Administration	-	-	-	-	-	-
Municipal Court	111,916	-	-	111,916	-	-
Purchasing	-	-	-	-	-	-
Risk Management	-	-	-	-	-	-
	<u>111,916</u>	<u>-</u>	<u>-</u>	<u>111,916</u>	<u>-</u>	<u>-</u>
General Government:						
Community Development	20,840	-	-	-	-	20,840
City Manager	79,322	-	-	79,322	-	-
City Programs	1,437,504	-	-	-	-	1,437,504
City Secretary	-	-	-	-	-	-
Economic Development	14,470	-	-	-	-	14,470
Human Resources	-	-	-	-	-	-
Legal	-	-	-	-	-	-
Capital Projects	24,916,613	398,660	753,545	2,200,059	607,061	20,957,288
Public Communications	189,665	-	-	189,665	-	-
	<u>26,658,414</u>	<u>398,660</u>	<u>753,545</u>	<u>2,469,046</u>	<u>607,061</u>	<u>22,430,102</u>
Information Services:						
Geographic Information Systems	32,292	-	-	32,292	-	-
Library Services	316,969	-	-	276,969	-	40,000
Management Information Systems	1,074,686	-	-	1,074,686	-	-
IS Administration	155,994	-	-	155,994	-	-
	<u>1,579,941</u>	<u>-</u>	<u>-</u>	<u>1,539,941</u>	<u>-</u>	<u>40,000</u>
Police:						
Criminal Investigation	36,620	-	-	36,620	-	-
Communications/Jail	-	-	-	-	-	-
Police Administration	324,006	-	-	324,006	-	-
Professional Standards	-	-	-	-	-	-
Quartermaster	55,256	-	-	55,256	-	-
Special Services	71,786	-	-	71,786	-	-
Technical Services	-	-	-	-	-	-
Uniform Patrol	177,648	-	-	177,648	-	-
	<u>665,316</u>	<u>-</u>	<u>-</u>	<u>665,316</u>	<u>-</u>	<u>-</u>

CITY OF COLLEGE STATION, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
For the Fiscal Year Ended September 30, 2007

Function and Activity	Total	Buildings	Improvements Other than Bldg	Machine/Tool Equipment	Infrastructure	Land
Parks and Recreation:						
Forestry	24,025	-	13,735	10,290	-	-
Parks Administration	207,050	-	207,050	-	-	-
Parks Maintenance/Operations	278,632	-	149,571	129,061	-	-
Capital Projects	21,382,921	916,965	19,453,501	-	-	1,012,455
Recreation	5,199	-	-	5,199	-	-
Special Facilities	60,502	-	10,619	49,883	-	-
	<u>21,958,329</u>	<u>916,965</u>	<u>19,834,476</u>	<u>194,433</u>	<u>-</u>	<u>1,012,455</u>
Public Works:						
Drainage Maintenance	14,993	-	-	14,993	-	-
Engineering	17,987	-	-	17,987	-	-
Facilities Maintenance	117,858	70,238	-	14,720	-	32,900
Public Works Administration	20,517	-	-	20,517	-	-
Capital Projects	51,749,183	-	1,430,034	-	48,835,224	1,483,925
Streets Maintenance	212,323	-	-	212,323	-	-
Traffic Signs/Markings	5,689	-	-	5,689	-	-
Traffic Signals	47,853	-	-	47,853	-	-
	<u>52,186,403</u>	<u>70,238</u>	<u>1,430,034</u>	<u>334,082</u>	<u>48,835,224</u>	<u>1,516,825</u>
Other:						
Non-departmental	145,829,801	20,248,884	652,090	-	121,917,760	3,011,067
	<u>145,829,801</u>	<u>20,248,884</u>	<u>652,090</u>	<u>-</u>	<u>121,917,760</u>	<u>3,011,067</u>
Construction in Progress						
	<u>26,723,932</u>	<u>1,670,473</u>	<u>7,326,615</u>	<u>604,000</u>	<u>17,122,844</u>	<u>-</u>
	<u>26,723,932</u>	<u>1,670,473</u>	<u>7,326,615</u>	<u>604,000</u>	<u>17,122,844</u>	<u>-</u>
Total Governmental Funds Capital Assets	<u>\$ 276,688,300</u>	<u>\$ 23,320,720</u>	<u>\$ 29,996,760</u>	<u>\$ 6,877,482</u>	<u>\$ 188,482,889</u>	<u>\$ 28,010,449</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

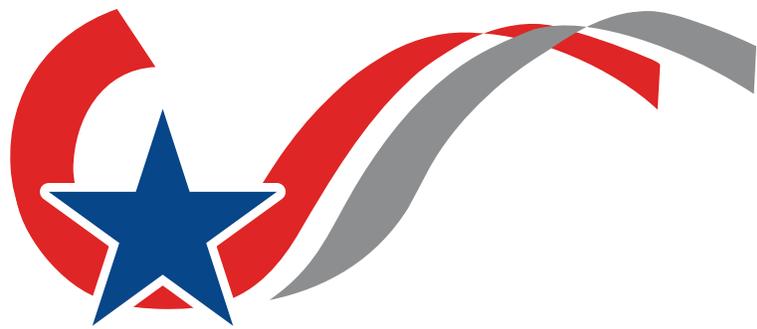
CITY OF COLLEGE STATION, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Fiscal Year Ended September 30, 2007

Function and Activity	Governmental Funds				Governmental Funds
	Capital Assets 9/30/06	Additions	Retirements	Transfers/Other	Capital Assets 9/30/07
Planning and Development Services:					
Development Services Administration	\$ 38,499	\$ -	\$ -	\$ -	\$ 38,499
Inspection	-	-	-	-	-
	<u>38,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,499</u>
Fire:					
Emergency Management	9,818	-	-	-	9,818
Emergency Medical Services	312,952	-	-	-	312,952
Fire Administration	310,024	-	-	-	310,024
Fire Prevention	-	-	-	-	-
Fire Suppression	259,175	43,780	-	-	302,955
	<u>891,969</u>	<u>43,780</u>	<u>-</u>	<u>-</u>	<u>935,749</u>
Fiscal Services:					
Accounting	-	-	-	-	-
Budget/Research	-	-	-	-	-
Fiscal Administration	-	-	-	-	-
Municipal Court	79,991	31,925	-	-	111,916
Purchasing	-	-	-	-	-
Risk Management	-	-	-	-	-
	<u>79,991</u>	<u>31,925</u>	<u>-</u>	<u>-</u>	<u>111,916</u>
General Government:					
Community Development	20,840	-	-	-	20,840
City Manager	79,322	-	-	-	79,322
City Programs	1,437,504	-	-	-	1,437,504
City Secretary	-	-	-	-	-
Economic Development	14,470	-	-	-	14,470
Human Resources	-	-	-	-	-
Legal	-	-	-	-	-
Capital Projects	23,762,484	1,208,129	(54,000)	-	24,916,613
Public Communications	179,343	10,322	-	-	189,665
	<u>25,493,963</u>	<u>1,218,451</u>	<u>(54,000)</u>	<u>-</u>	<u>26,658,414</u>
Information Services:					
Geographic Information Systems	32,292	-	-	-	32,292
Library Services	276,969	40,000	-	-	316,969
Management Information Systems	1,021,443	53,243	-	-	1,074,686
IS Administration	155,994	-	-	-	155,994
	<u>1,486,698</u>	<u>93,243</u>	<u>-</u>	<u>-</u>	<u>1,579,941</u>
Police:					
Criminal Investigation	36,620	-	-	-	36,620
Communications/Jail	-	-	-	-	-
Police Administration	324,006	-	-	-	324,006
Professional Standards	-	-	-	-	-
Quartermaster	16,849	38,407	-	-	55,256
Special Services	42,912	28,874	-	-	71,786
Technical Services	-	-	-	-	-
Uniform Patrol	51,838	125,810	-	-	177,648
	<u>472,225</u>	<u>193,091</u>	<u>-</u>	<u>-</u>	<u>665,316</u>

CITY OF COLLEGE STATION, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Fiscal Year Ended September 30, 2007

Function and Activity	Governmental Funds				Governmental Funds
	Capital Assets 9/30/06	Additions	Retirements	Transfers/Other	Capital Assets 9/30/07
Parks and Recreation:					
Forestry	24,025	-	-	-	24,025
Parks Administration	207,050	-	-	-	207,050
Parks Maintenance/Operations	278,632	-	-	-	278,632
Capital Projects	19,867,669	1,515,252	-	-	21,382,921
Recreation	5,199	-	-	-	5,199
Special Facilities	22,619	37,883	-	-	60,502
	<u>20,405,194</u>	<u>1,553,135</u>	<u>-</u>	<u>-</u>	<u>21,958,329</u>
Public Works:					
Drainage Maintenance	14,993	-	-	-	14,993
Engineering	17,987	-	-	-	17,987
Facilities Maintenance	117,858	-	-	-	117,858
Public Works Administration	20,517	-	-	-	20,517
Capital Projects	50,032,606	1,778,327	(61,750)	-	51,749,183
Streets Maintenance	204,588	7,735	-	-	212,323
Traffic Signs/Markings	5,689	-	-	-	5,689
Traffic Signals	47,854	-	(1)	-	47,853
	<u>50,462,092</u>	<u>1,786,062</u>	<u>(61,751)</u>	<u>-</u>	<u>52,186,403</u>
Other:					
Non-departmental	139,605,130	6,914,671	(690,000)	-	145,829,801
	<u>139,605,130</u>	<u>6,914,671</u>	<u>(690,000)</u>	<u>-</u>	<u>145,829,801</u>
Construction in Progress	19,044,324	13,801,448	(6,121,840)	-	26,723,932
	<u>19,044,324</u>	<u>13,801,448</u>	<u>(6,121,840)</u>	<u>-</u>	<u>26,723,932</u>
Total Governmental Funds Capital Assets	\$ 257,980,085	\$ 25,635,806	\$ (6,927,591)	\$ -	\$ 276,688,300

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.



CITY OF COLLEGE STATION

CITY OF COLLEGE STATION

STATISTICAL
SECTION

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 111-117)

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 118-125)

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 126-130)

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 131-132)

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 133-136)

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.



CITY OF COLLEGE STATION, TEXAS

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

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 86,587,535	\$ 100,066,963	\$ 106,460,949	\$ 108,287,795	\$ 113,750,039
Restricted	12,031,989	4,289,623	4,289,531	4,564,184	5,089,422
Unrestricted	<u>28,076,989</u>	<u>25,962,837</u>	<u>27,897,090</u>	<u>39,602,065</u>	<u>45,967,901</u>
Total governmental activities net assets	<u>\$ 126,696,513</u>	<u>\$ 130,319,423</u>	<u>\$ 138,647,570</u>	<u>\$ 152,454,044</u>	<u>\$ 164,807,362</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 109,857,913	\$ 130,810,275	\$ 132,001,489	\$ 142,778,246	\$ 147,043,092
Restricted	2,466,731	2,651,325	2,797,735	2,920,980	3,056,356
Unrestricted	<u>31,766,395</u>	<u>29,665,429</u>	<u>30,830,640</u>	<u>32,980,043</u>	<u>37,474,945</u>
Total business-type activities net assets	<u>\$ 144,091,039</u>	<u>\$ 163,127,029</u>	<u>\$ 165,629,864</u>	<u>\$ 178,679,269</u>	<u>\$ 187,574,393</u>
Primary government					
Invested in capital assets, net of related debt	\$ 196,445,448	\$ 230,877,238	\$ 238,462,438	\$ 251,066,041	\$ 260,793,131
Restricted	14,498,720	6,940,948	7,087,266	7,485,164	8,145,778
Unrestricted	<u>59,843,384</u>	<u>55,628,266</u>	<u>58,727,730</u>	<u>72,582,108</u>	<u>83,442,846</u>
Total primary government net assets	<u>\$ 270,787,552</u>	<u>\$ 293,446,452</u>	<u>\$ 304,277,434</u>	<u>\$ 331,133,313</u>	<u>\$ 352,381,755</u>

Source: City of College Station

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

CITY OF COLLEGE STATION, TEXAS

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

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses					
Governmental activities:					
General government	\$ 7,857,618	\$ 7,536,427	\$ 6,457,556	\$ 7,755,725	\$ 7,654,393
Fiscal services	1,834,859	1,953,189	2,467,187	2,452,442	2,442,439
Police	9,374,251	9,654,447	10,666,318	11,214,413	12,299,698
Fire	7,102,089	7,189,495	7,853,876	8,280,257	9,472,331
Planning and development services	1,651,761	1,586,114	1,580,317	1,449,327	1,603,963
Public works	5,242,162	5,004,976	5,401,568	6,227,707	6,620,846
Parks and recreation	6,361,728	6,154,862	6,549,466	7,353,984	9,148,511
Information services	2,919,155	2,652,957	2,881,863	3,087,596	2,689,720
Interest on long-term debt	3,643,268	3,448,533	3,895,520	4,116,871	4,291,022
Unallocated depreciation	2,543,780	2,690,998	5,430,745	5,759,049	6,026,372
Total governmental activities expense	<u>48,530,671</u>	<u>47,871,998</u>	<u>53,184,416</u>	<u>57,697,371</u>	<u>62,249,295</u>
Business-type activities:					
Electric	43,299,695	41,120,750	47,815,339	51,250,110	60,242,408
Water	6,283,025	6,542,184	7,908,695	7,770,081	8,302,863
Sewer	7,347,315	7,214,296	7,262,208	7,973,677	8,179,813
Sanitation	4,419,352	4,848,591	4,931,079	5,421,624	5,916,431
Cedar Creek Condominiums	-	61,150	-	-	-
Northgate parking	461,394	550,544	591,944	621,593	591,980
Total business-type activities expense	<u>61,810,781</u>	<u>60,337,515</u>	<u>68,509,265</u>	<u>73,037,085</u>	<u>83,233,495</u>
Total primary government expense	<u>\$ 110,341,452</u>	<u>\$ 108,209,513</u>	<u>\$ 121,693,681</u>	<u>\$ 130,734,456</u>	<u>\$ 145,482,790</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Fines, forfeits and penalties	\$ 3,215,162	\$ 3,563,970	\$ 4,008,637	\$ 3,798,807	\$ 3,618,236
Licenses and permits	1,104,793	1,215,924	1,043,672	1,091,848	1,306,690
Public works	1,237,447	1,784,694	1,110,686	1,290,935	1,199,565
Parks and recreation	1,399,390	1,346,580	1,044,134	1,244,476	1,420,284
Other activities	1,480,889	1,614,408	2,002,338	2,656,136	3,210,563
Operating grants and contributions	1,891,808	3,208,957	2,629,494	3,144,254	2,038,535
Capital grants and contributions	6,399,178	5,266,837	4,489,883	7,477,874	5,271,090
Total governmental activities program revenues	<u>16,728,667</u>	<u>18,001,370</u>	<u>16,328,844</u>	<u>20,704,330</u>	<u>18,064,963</u>
Business-type activities:					
Charges for services:					
Electric sales	46,592,459	47,431,497	51,467,169	60,217,421	67,462,075
Water sales	8,861,195	8,319,779	9,519,714	10,852,660	10,060,398
Sewer service	9,159,142	9,334,778	9,697,314	10,363,603	10,590,688
Garbage collection fees	5,986,207	4,829,150	5,151,204	6,419,446	7,512,194
Parking garage fees	545,566	603,465	480,627	576,892	620,124
Other activities	4,341	-	-	-	-
Operating grants and contributions	50,700	-	-	-	-
Capital grants and contributions	3,887,629	5,179,221	1,937,320	4,677,465	4,041,105
Total business-type activities program revenues	<u>75,087,239</u>	<u>75,697,890</u>	<u>78,253,348</u>	<u>93,107,487</u>	<u>100,286,584</u>
Total primary government program revenues	<u>\$ 91,815,906</u>	<u>\$ 93,699,260</u>	<u>\$ 94,582,192</u>	<u>\$ 113,811,817</u>	<u>\$ 118,351,547</u>

CITY OF COLLEGE STATION, TEXAS

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

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net (Expense)/Revenue					
Governmental activities	\$ (31,802,004)	\$ (29,870,628)	\$ (36,855,572)	\$ (36,993,041)	\$ (44,184,332)
Business-type activities	<u>13,276,458</u>	<u>15,360,375</u>	<u>9,744,083</u>	<u>20,070,402</u>	<u>17,053,089</u>
Total primary government net expense	<u>\$ (18,525,546)</u>	<u>\$ (14,510,253)</u>	<u>\$ (27,111,489)</u>	<u>\$ (16,922,639)</u>	<u>\$ (27,131,243)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 13,441,000	\$ 14,668,641	\$ 15,888,475	\$ 16,646,519	\$ 18,573,309
Sales and mixed beverage taxes	14,027,489	15,238,995	15,705,090	17,082,936	18,449,731
Franchise taxes	1,688,947	1,974,587	1,718,491	2,132,341	1,931,196
Hotel taxes	2,120,015	2,191,429	2,306,928	2,671,417	2,980,250
Unrestricted investment earnings	1,739,929	1,224,546	1,487,926	3,415,849	4,512,575
Gain (Loss) on sale of capital assets	19,563	4,386	(111,916)	-	-
Correction to value of capital assets	7,795,715	-	-	-	-
Adjustment to claims payable	-	(904,263)	-	-	-
Transfers	<u>6,856,352</u>	<u>(904,783)</u>	<u>8,188,725</u>	<u>8,850,453</u>	<u>10,090,589</u>
Total governmental activities	<u>47,689,010</u>	<u>33,493,538</u>	<u>45,183,719</u>	<u>50,799,515</u>	<u>56,537,650</u>
Business-type activities:					
Unrestricted investment earnings	1,126,900	662,359	947,477	1,829,456	1,932,624
Correction to value of capital assets	-	2,108,473	-	-	-
Transfers	<u>(6,856,352)</u>	<u>904,783</u>	<u>(8,188,725)</u>	<u>(8,850,453)</u>	<u>(10,090,589)</u>
Total business-type activities	<u>(5,729,452)</u>	<u>3,675,615</u>	<u>(7,241,248)</u>	<u>(7,020,997)</u>	<u>(8,157,965)</u>
Total primary government	<u>\$ 41,959,558</u>	<u>\$ 37,169,153</u>	<u>\$ 37,942,471</u>	<u>\$ 43,778,518</u>	<u>\$ 48,379,685</u>
Change in net assets					
Governmental activities	\$ 15,887,006	\$ 3,622,910	\$ 8,328,147	\$ 13,806,474	\$ 12,353,318
Business-type activities	<u>7,547,006</u>	<u>19,035,990</u>	<u>2,502,835</u>	<u>13,049,405</u>	<u>8,895,124</u>
Total primary government	<u>\$ 23,434,012</u>	<u>\$ 22,658,900</u>	<u>\$ 10,830,982</u>	<u>\$ 26,855,879</u>	<u>\$ 21,248,442</u>

Source: City of College Station

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

Correction to value of capital assets in fiscal years 2003 and 2004 are prior period adjustments.

Adjustment to claims payable in fiscal year 2004 is a prior period adjustment.

CITY OF COLLEGE STATION, TEXAS

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

Function/Program	Program Revenues				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities:					
General government	\$ 1,979,207	\$ 3,618,878	\$ 3,121,430	\$ 4,357,597	\$ 3,343,904
Fiscal services	327,188	333,043	508,810	547,790	409,100
Police	3,364,991	3,677,391	4,093,425	3,875,900	3,713,866
Fire	916,473	724,278	916,804	817,910	1,400,464
Planning and development services	1,104,793	1,215,924	1,043,672	1,091,848	1,306,690
Public works	7,636,625	7,051,531	5,600,569	8,768,809	6,470,655
Parks and recreation	<u>1,399,390</u>	<u>1,380,325</u>	<u>1,044,134</u>	<u>1,244,476</u>	<u>1,420,284</u>
Subtotal governmental activities	<u>16,728,667</u>	<u>18,001,370</u>	<u>16,328,844</u>	<u>20,704,330</u>	<u>18,064,963</u>
Business-type activities:					
Electric	47,018,072	48,032,185	52,780,914	62,284,935	69,033,816
Water	10,957,066	10,260,307	9,826,360	12,409,728	11,314,888
Sewer	10,575,987	11,972,783	10,014,243	11,416,486	11,805,562
Sanitation	5,986,207	4,829,150	5,151,204	6,419,446	7,512,194
Cedar Creek Condominiums	4,341	-	-	-	-
Northgate parking	<u>545,566</u>	<u>603,465</u>	<u>480,627</u>	<u>576,892</u>	<u>620,124</u>
Subtotal business-type activities	<u>75,087,239</u>	<u>75,697,890</u>	<u>78,253,348</u>	<u>93,107,487</u>	<u>100,286,584</u>
Total primary government	<u>\$ 91,815,906</u>	<u>\$ 93,699,260</u>	<u>\$ 94,582,192</u>	<u>\$ 113,811,817</u>	<u>\$ 118,351,547</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									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund										
Reserved	\$ 769,655	\$ 346,038	\$ 543,396	\$ 660,488	\$ 989,028	\$ 1,728,294	\$ 1,089,510	\$ 1,132,180	\$ 1,523,619	\$ 1,108,449
Unreserved	<u>6,489,541</u>	<u>7,463,493</u>	<u>7,884,787</u>	<u>8,772,212</u>	<u>9,122,197</u>	<u>9,522,041</u>	<u>9,613,442</u>	<u>9,038,345</u>	<u>9,448,389</u>	<u>11,824,140</u>
Total general fund	<u>\$ 7,259,196</u>	<u>\$ 7,809,531</u>	<u>\$ 8,428,183</u>	<u>\$ 9,432,700</u>	<u>\$ 10,111,225</u>	<u>\$ 11,250,335</u>	<u>\$ 10,702,952</u>	<u>\$ 10,170,525</u>	<u>\$ 10,972,008</u>	<u>\$ 12,932,589</u>
All Other Governmental Funds										
Reserved	\$ 5,201,779	\$ 8,289,966	\$ 28,691,651	\$ 9,395,621	\$ 10,685,338	\$ 41,119,894	\$ 42,522,379	\$ 42,999,111	\$ 49,111,974	\$ 46,372,274
Unreserved, reported in:										
Special revenue funds	7,158,873	7,356,274	7,655,383	12,749,505	12,460,155	10,851,935	6,085,255	6,244,225	7,462,140	10,148,840
Capital projects funds	<u>7,746,935</u>	<u>10,244,405</u>	<u>-</u>	<u>25,443,167</u>	<u>33,275,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 20,107,587</u>	<u>\$ 25,890,645</u>	<u>\$ 36,347,034</u>	<u>\$ 47,588,293</u>	<u>\$ 56,420,715</u>	<u>\$ 51,971,829</u>	<u>\$ 48,607,634</u>	<u>\$ 49,243,336</u>	<u>\$ 56,574,114</u>	<u>\$ 56,521,114</u>

Source: City of College Station

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

CITY OF COLLEGE STATION, TEXAS

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

	Fiscal Year									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues										
Taxes	\$ 22,007,506	\$ 23,465,240	\$ 25,429,183	\$ 27,254,701	\$ 29,499,644	\$ 31,277,451	\$ 34,073,652	\$ 35,618,984	\$ 38,533,213	\$ 41,934,486
Licenses and permits	577,032	643,968	680,776	779,159	870,636	1,012,960	1,112,766	1,025,013	945,593	1,191,105
Intergovernmental	1,551,753	2,153,853	1,607,155	3,221,851	2,572,428	1,950,883	3,208,957	2,592,312	3,144,254	2,038,535
Charges for services	1,463,809	1,546,912	1,819,069	2,038,422	2,251,297	2,610,056	2,538,583	2,634,683	2,925,281	3,339,352
Fines, forfeits and penalties	1,233,920	1,208,499	1,393,566	1,798,870	2,225,354	2,657,643	2,966,278	3,518,940	3,285,907	3,256,488
Special assessments	863,778	875,353	911,415	944,636	982,760	1,035,023	1,062,179	1,110,686	1,290,935	1,199,565
Investment income	1,683,670	1,522,837	2,642,328	3,487,814	2,615,798	1,543,026	1,062,069	1,269,201	3,066,642	3,864,797
Rents and royalties	143,380	166,723	167,927	213,832	228,392	233,026	256,023	243,831	244,864	261,225
Loan repayments	117,409	122,198	6,879	9,979	9,626	11,322	5,418	2,541	-	-
Contributions	203,816	231,131	166,975	448,949	356,369	475,913	784,402	37,182	12,281	31,605
Reimbursed expenditures	3,781	-	-	531,307	32,803	7,258	28,393	-	145,749	479,675
Other revenues	189,793	340,669	546,935	551,280	437,359	335,405	679,349	631,192	447,432	738,415
Total revenues	<u>30,039,647</u>	<u>32,277,383</u>	<u>35,372,208</u>	<u>41,280,800</u>	<u>42,082,466</u>	<u>43,149,966</u>	<u>47,778,069</u>	<u>48,684,565</u>	<u>54,042,151</u>	<u>58,335,248</u>
Expenditures										
General government	1,623,784	1,735,592	1,775,494	2,909,436	3,801,250	3,765,079	4,187,972	4,480,075	4,216,582	4,699,159
Fiscal services	1,533,228	1,783,602	1,967,135	1,889,611	2,112,936	2,319,008	2,479,082	3,038,145	3,050,533	3,013,548
Police	6,289,005	6,903,838	7,567,620	8,273,632	8,829,060	9,143,331	9,803,577	10,829,081	11,559,669	12,556,678
Fire	4,195,334	4,844,031	5,179,104	5,702,804	6,340,775	6,989,125	7,275,289	7,964,785	8,493,228	9,622,195
Planning and development services	1,410,221	1,445,172	1,558,036	1,887,378	1,883,224	1,935,277	1,964,001	1,962,603	1,877,732	2,008,901
Public works	3,821,635	3,923,009	4,353,073	4,583,796	5,207,101	5,292,243	5,534,404	6,117,241	7,116,329	7,440,854
Economic and community development	582,200	594,417	773,703	41,623	122,074	6,369	16,886	11,281	-	-
Parks and recreation	4,267,714	4,592,990	5,185,392	5,200,809	5,862,938	6,279,342	6,388,099	6,778,196	7,520,189	8,167,857
Information systems	1,226,991	1,498,635	1,760,191	2,229,600	2,243,844	2,320,950	2,346,534	2,500,518	2,596,591	3,070,524
Library	546,437	571,742	600,778	581,768	670,818	681,350	665,291	694,445	870,203	912,527
Reimbursed administrative	(2,458,000)	(2,769,942)	(2,878,132)	(3,538,877)	(3,559,556)	(3,703,529)	(3,328,431)	(3,485,807)	(3,335,264)	(3,305,040)
Contributions	1,362,392	1,528,615	1,829,125	1,541,173	1,348,885	1,573,651	2,504,589	1,895,742	1,995,564	1,855,961
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	537,585	1,110,610	480,865	763,303	-	-	-	-	-	-
Claim settlements	-	270,000	-	-	-	-	-	-	-	-
Other expenditures	251,973	95,648	269,786	577,606	183,450	624,837	253,270	296,344	108,527	147,860
Capital outlay	8,868,129	5,452,034	11,778,585	9,885,474	13,702,819	11,286,448	12,775,413	15,435,376	11,610,189	14,213,574
Debt service										
Principal	3,113,915	2,845,000	3,463,614	4,475,000	5,950,000	5,820,000	10,110,000	6,190,000	7,285,000	7,820,000

CITY OF COLLEGE STATION, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - *Continued*

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Interest	1,502,146	2,147,653	2,117,480	3,213,770	3,425,390	3,647,529	3,376,538	3,885,075	4,078,635	4,212,245
Issuance costs	130,126	80,947	107,057	77,244	115,500	118,335	352,114	118,261	-	-
Fiscal charges	9,356	7,839	8,016	8,926	8,752	12,500	15,332	13,871	152,729	527,806
Intergovernmental	<u>117,000</u>	<u>70,000</u>	<u>405,660</u>	<u>-</u>	<u>-</u>	<u>223,608</u>	<u>221,902</u>	<u>97,621</u>	<u>743,117</u>	<u>342,630</u>
Total expenditures	<u>38,931,171</u>	<u>38,731,432</u>	<u>48,302,582</u>	<u>50,304,076</u>	<u>59,415,009</u>	<u>58,966,401</u>	<u>67,447,541</u>	<u>69,537,871</u>	<u>71,120,163</u>	<u>77,846,797</u>
Excess of revenues (under) expenditures	(8,891,524)	(6,454,049)	(12,930,374)	(9,023,276)	(17,332,543)	(15,816,435)	(19,669,472)	(20,853,306)	(17,078,012)	(19,511,549)
Other Financing Sources (Uses)										
Proceeds from long-term debt	11,700,000	7,080,000	14,113,000	7,292,870	20,056,200	6,570,000	16,375,000	13,347,581	15,700,000	7,890,000
Proceeds from refunding bonds	-	-	-	-	-	-	5,980,000	-	-	10,255,000
Payment to bond escrow agent	-	-	-	-	-	-	(6,260,371)	-	-	(10,451,378)
Premium on bonds issued	-	-	-	-	-	-	280,371	-	-	373,648
Sale of capital assets	165,405	307,267	55,403	580,909	30,106	19,563	4,386	12,182	17,500	318,103
Transfers in	13,310,480	6,724,409	11,724,310	14,945,966	8,764,250	7,910,690	10,945,210	11,476,019	11,864,435	15,054,935
Transfers out	<u>(8,014,030)</u>	<u>(1,324,234)</u>	<u>(1,887,298)</u>	<u>(1,550,693)</u>	<u>(2,007,066)</u>	<u>(1,993,594)</u>	<u>(11,566,702)</u>	<u>(3,879,201)</u>	<u>(2,371,662)</u>	<u>(2,021,178)</u>
Total other financing sources	<u>17,161,855</u>	<u>12,787,442</u>	<u>24,005,415</u>	<u>21,269,052</u>	<u>26,843,490</u>	<u>12,506,659</u>	<u>15,757,894</u>	<u>20,956,581</u>	<u>25,210,273</u>	<u>21,419,130</u>
Net change in fund balances	<u>\$ 8,270,331</u>	<u>\$ 6,333,393</u>	<u>\$ 11,075,041</u>	<u>\$ 12,245,776</u>	<u>\$ 9,510,947</u>	<u>\$ (3,309,776)</u>	<u>\$ (3,911,578)</u>	<u>\$ 103,275</u>	<u>\$ 8,132,261</u>	<u>\$ 1,907,581</u>
Debt services as a percentage of noncapital expenditures	15.8%	15.3%	15.6%	19.2%	20.8%	20.1%	25.3%	18.9%	19.4%	19.7%

Source: City of College Station

Notes: Direct capital expenditures have been removed from departmental expenditure lines and included in the capital outlay line item.

Fiscal years 1998 through 2001 Community Development expenditures are not split between CDBG and HOME. In these years, they are stated as one line item.

Fiscal year 1998 investment income was restated to reflect an additional \$128,885 as a result of GASB 31 implementation which requires investments to be reported at fair market value.

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

CITY OF COLLEGE STATION, TEXAS

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

Fiscal Year	Property	Sales	Hotel	Franchise	Mixed Drink	Total
1998	\$ 7,929,542	\$ 10,912,466	\$ 1,555,054	\$ 1,415,464	\$ 194,980	\$ 22,007,506
1999	8,528,764	11,489,702	1,750,194	1,523,736	172,844	23,465,240
2000	9,294,964	12,573,564	1,796,813	1,577,815	186,027	25,429,183
2001	10,735,576	12,773,722	1,843,419	1,644,627	257,357	27,254,701
2002	12,224,416	13,400,054	1,926,009	1,714,241	234,924	29,499,644
2003	13,441,000	13,780,639	2,120,015	1,688,947	246,850	31,277,451
2004	14,668,641	14,957,697	2,191,429	1,974,587	281,298	34,073,652
2005	15,888,475	15,445,404	2,306,928	1,718,491	259,686	35,618,984
2006	16,646,519	16,752,174	2,671,417	2,132,341	330,762	38,533,213
2007	18,573,309	18,077,973	2,980,250	1,931,196	371,758	41,934,486
 Change						
1998-2007	134.2%	65.7%	91.6%	36.4%	90.7%	90.5%

Source: City of College Station

Note: Property taxes include general fund, debt service fund, Melrose Apartment TIF, and Wolf Pen Creek TIF.

CITY OF COLLEGE STATION, TEXAS

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

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial and Industrial Property</u>	<u>Personal, Inventory and Other Property</u>	<u>Less Exemptions and Abatements</u>	<u>Less TIF (1) Captured Value</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
1998	\$ 1,204,260,431	\$ 447,304,813	\$ 413,568,023	\$ 245,085,209	\$ 12,889,738	\$ 1,807,158,320	\$ 0.4293	\$ 1,807,158,320	100.00%
1999	1,326,150,471	427,342,143	454,526,419	276,453,209	18,504,453	1,913,061,371	0.4293	1,913,061,371	100.00%
2000	1,394,367,040	532,743,286	493,708,598	308,471,247	37,318,353	2,075,029,324	0.4293	2,075,029,324	100.00%
2001	1,574,451,660	565,368,046	521,295,544	345,752,888	41,698,188	2,273,664,174	0.4293	2,273,664,174	100.00%
2002	1,721,906,078	596,567,968	552,036,938	380,950,901	39,379,860	2,450,180,223	0.4777	2,450,180,223	100.00%
2003	1,910,284,688	634,030,921	607,645,557	428,395,713	48,757,938	2,674,807,515	0.4777	2,674,807,515	100.00%
2004	2,144,406,477	723,887,327	653,978,324	493,364,734	39,971,363	2,988,936,031	0.4653	2,988,936,031	100.00%
2005	2,339,284,129	770,194,254	738,376,045	556,722,986	40,802,035	3,250,329,407	0.4640	3,250,329,407	100.00%
2006	2,530,659,165	931,255,843	798,179,118	614,609,545	45,750,172	3,599,734,409	0.4394	3,599,734,409	100.00%
2007	2,849,558,106	1,020,242,352	828,757,366	677,645,842	50,131,743	3,970,780,239	0.4394	3,970,780,239	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
1998	0.1516	0.2777	0.4293	1.7400	0.4170
1999	0.1618	0.2675	0.4293	1.7500	0.4170
2000	0.1631	0.2662	0.4293	1.7500	0.4170
2001	0.1662	0.2631	0.4293	1.7500	0.4100
2002	0.1846	0.2931	0.4777	1.7900	0.4200
2003	0.1946	0.2831	0.4777	1.7900	0.4146
2004	0.1921	0.2732	0.4653	1.7700	0.4350
2005	0.1942	0.2698	0.4640	1.7700	0.4726
2006	0.1896	0.2498	0.4394	1.6750	0.4650
2007	0.1910	0.2484	0.4394	1.4800	0.4550

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	2007			1998		
	Taxable Assessed	Rank	Percent of Total City Taxable Assessed	Taxable Assessed	Rank	Percent of Total City Taxable Assessed
	Value		Value	Value		Value
College Station Hospital LP	\$ 60,838,090	1	1.53%	\$ 15,241,876	6	0.84%
C.B.L. & Associates	54,557,025	2	1.37%	48,259,180	1	2.67%
Weinberg, Israel & David Alkosser	41,844,460	3	1.05%	23,643,200	3	1.31%
ACC Op (Callaway Villas) LP	30,384,640	4	0.77%			
University Heights - CS Acquisitions LP	30,347,570	5	0.76%			
SCI Gateway at CS Fund LLC Etal	28,956,280	6	0.73%			
Verizon Communications, Inc.	28,144,250	7	0.71%	31,909,390	2	1.77%
Walmart	26,998,760	8	0.68%	21,292,205	4	1.18%
Universal Computer Services, Inc.	25,767,199	9	0.65%			
Commonwealth Austin CH LP	25,710,420	10	0.65%			
Scott & White Hospital/Clinic				19,487,340	5	1.08%
Jefferson Enclave L.P.				15,000,000	7	0.83%
WHG Treehouse L.P.				13,000,000	8	0.72%
Lane College Station Ltd.				11,300,000	9	0.63%
University Commons				10,938,990	10	0.61%
	<u>\$ 353,548,694</u>		<u>8.90%</u>	<u>\$ 210,072,181</u>		<u>11.64%</u>

Source: Brazos County Appraisal District

Notes: Verizon Communications was called GTE Southwest in fiscal year 1998.

Weinberg, Israel & David Alkosser was called Alkosser - Weinberg Etal in fiscal year 1998.

College Station Hospital, LP was called College Station Medical Center in fiscal year 1998.

CITY OF COLLEGE STATION, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 7,758,131	\$ 7,743,956	99.82%	\$ 9,313	7,753,269	99.94%
1999	8,292,212	8,235,356	99.31%	51,518	8,286,874	99.94%
2000	9,068,352	9,000,090	99.25%	59,041	9,059,131	99.90%
2001	9,939,852	9,835,960	98.95%	93,567	9,929,527	99.90%
2002	11,892,629	11,735,174	98.68%	142,466	11,877,640	99.87%
2003	13,010,508	12,740,869	97.93%	256,489	12,997,358	99.90%
2004	14,092,814	13,974,666	99.16%	102,132	14,076,798	99.89%
2005	15,270,852	15,160,102	99.27%	92,324	15,252,426	99.88%
2006	16,162,073	15,938,981	98.62%	89,471	16,028,452	99.17%
2007	17,818,419	17,697,220	99.32%	-	17,697,220	99.32%

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)

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Utilities	\$ 13,824	\$ 13,770	\$ 11,191	\$ 12,319	\$ 13,645	\$ 15,169	\$ 14,929	\$ 14,943	\$ 16,684	\$ 19,336
Construction	4,797	5,821	5,338	4,465	5,805	6,240	5,682	6,450	12,081	13,919
Manufacturing	2,810	4,271	6,306	6,602	6,656	7,950	11,899	13,749	14,129	12,075
Wholesale Trade	5,767	4,728	4,460	5,419	7,069	10,048	12,331	11,098	22,046	28,686
Retail Trade	426,802	453,352	465,847	482,261	482,859	486,715	510,135	542,649	567,335	598,374
Information	11,530	3,338	2,464	2,613	2,330	10,755	15,317	16,095	14,389	14,079
Finance and Insurance	233	234	227	65	67	60	55	119	130	216
Real Estate and Rental/Leasing	-	-	-	-	-	10,462	10,944	11,981	11,923	15,679
Professional, Scientific and Tech Services	-	-	-	-	-	7,627	7,665	8,569	8,706	9,530
Administrative, Support, Waste Mgmt, Remediation	-	-	-	-	-	12,925	14,759	14,797	15,186	16,462
Educational Services	-	-	-	-	-	98	93	22,981	26,252	29,592
Health Care and Social Assistance	-	-	-	-	-	986	1,722	1,953	2,548	2,873
Arts, Entertainment and Recreation	3,081	3,511	3,034	3,071	3,588	5,382	5,477	6,174	6,781	6,949
Accommodation and Food Services	84,448	92,728	105,493	113,010	116,051	128,507	133,791	143,425	157,380	170,076
Other Services	67,466	74,518	80,432	88,939	90,845	28,855	20,432	15,841	13,630	12,741
Total	\$ 620,758	\$ 656,271	\$ 684,792	\$ 718,764	\$ 728,915	\$ 731,779	\$ 765,231	\$ 830,824	\$ 889,200	\$ 950,587
City direct sales tax rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

Source: Texas State Comptroller of Public Accounts

Notes: Taxable sales information is not available on a fiscal-year basis. The state converted from reporting SICS classification of industries to NAICS classification of industries effective with the reporting year 2002. Data reported for the years 1997 through 2001 is classified under the old SICS codes and every effort was made to compare like industries. The categories listed with no sales for 1997 through 2001 are included in Other Services for those years. This report includes data only from holders of sales tax permits. If fewer than four outlets reported in a quarter, the data is omitted as required by state disclosure laws.

CITY OF COLLEGE STATION, TEXAS

DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Brazos County</u>	<u>State of Texas</u>
1998	1.50%	0.50%	6.25%
1999	1.50%	0.50%	6.25%
2000	1.50%	0.50%	6.25%
2001	1.50%	0.50%	6.25%
2002	1.50%	0.50%	6.25%
2003	1.50%	0.50%	6.25%
2004	1.50%	0.50%	6.25%
2005	1.50%	0.50%	6.25%
2006	1.50%	0.50%	6.25%
2007	1.50%	0.50%	6.25%

Source: Texas State Comptroller of Public Accounts

CITY OF COLLEGE STATION, TEXAS

SALES TAX REVENUE PAYERS BY INDUSTRY

CALENDAR YEARS 1997 AND 2006

(dollars are in thousands)

	Calendar Year 1997				Calendar Year 2006			
	Number of Outlets	Percentage of Total	Tax Liability	Percentage of Total	Number of Outlets	Percentage of Total	Tax Liability	Percentage of Total
Retail trade	1,034	55.99%	\$ 7,669	82.37%	1,028	61.01%	\$ 11,527	80.85%
Services	537	29.07%	654	7.03%	295	17.51%	983	6.90%
Wholesale trade	48	2.60%	442	4.75%	46	2.73%	430	3.02%
Utilities, transportation, communications	22	1.19%	380	4.09%	18	1.07%	291	2.04%
Manufacturing	58	3.14%	42	0.45%	44	2.61%	181	1.27%
Construction	74	4.01%	72	0.77%	62	3.68%	209	1.46%
Agriculture, forestry, and fishing	56	3.03%	46	0.50%	20	1.19%	104	0.73%
Finance, insurance, real estate	12	0.65%	4	0.04%	46	2.73%	238	1.67%
All other outlets	6	0.32%	-	0.00%	126	7.48%	295	2.07%
Total	1,847	100.00%	\$ 9,309	100.00%	1,685	100.00%	\$ 14,258	100.01%

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.

Calendar year 2006 is the most recent year for which data is available.

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

The category labeled "All other outlets" is higher than normal in 2006 due to the State Comptroller's conversion from SIC 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	Utility Revenue Certificates of Obligation	Utility Revenue General Obligation Bonds			
1998	\$ 28,960,000	\$ 5,500,000	\$ 810,000	\$ 39,530,000	\$ -	\$ 26,200	\$ -	\$ 74,826,200	-	\$ 1,172
1999	32,750,000	6,350,000	405,000	35,965,000	-	-	-	75,470,000	-	1,147
2000	38,700,000	17,955,000	-	42,870,000	-	-	-	99,525,000	-	1,466
2001	39,375,000	20,595,000	-	63,185,000	-	-	-	123,155,000	11.96%	1,710
2002	41,665,000	33,280,000	-	78,235,000	-	-	-	153,180,000	-	2,022
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	39,105,000	-	79,215,000	-	-	-	168,120,000	-	2,052
2006	53,835,000	43,485,000	-	91,460,000	-	-	-	188,780,000	15.39%	2,244
2007	55,720,000	41,740,000	-	105,215,000	-	-	-	202,675,000	15.49%	2,330

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

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

Personal income information for the City of College Station is only available for calendar years 2000, 2005 and 2006.

A portion of the Governmental Certificates of Obligation are related to electric and sewer utility projects as follows: FY04 original issue \$9,415,000; outstanding YE 07 - \$8,240,000.

CITY OF COLLEGE STATION, TEXAS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less Debt Service Cash Funds	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
1998	\$ 28,960,000	\$ 2,826,148	\$ 26,133,852	1.45%	409
1999	32,750,000	3,472,280	29,277,720	1.53%	459
2000	38,700,000	4,202,042	34,497,958	1.66%	524
2001	39,375,000	1,722,254	37,652,746	1.66%	555
2002	41,665,000	1,287,038	40,377,962	1.65%	561
2003	43,170,000	659,180	42,510,820	1.59%	561
2004	47,085,000	585,336	46,499,664	1.56%	594
2005	49,800,000	912,353	48,887,647	1.50%	609
2006	53,835,000	1,645,563	52,189,437	1.45%	637
2007	55,720,000	2,060,709	53,659,291	1.35%	638

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, 2007

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.	\$ 50,215,000	91.22%	\$ 45,806,123
Brazos County	46,125,000	48.94%	22,573,575
Bryan I.S.D.	142,650,000	5.39%	7,688,835
Other debt			
College Station I.S.D.	555,536	91.22%	506,760
Brazos County	-	48.94%	-
Bryan I.S.D. Capital Lease	2,950,000	5.39%	<u>159,005</u>
Subtotal, overlapping debt			76,734,298
City direct debt			<u>97,460,000</u>
Total direct and overlapping debt			<u>\$ 174,194,298</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, 2007

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

CITY OF COLLEGE STATION, TEXAS

PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Utility Revenue Bonds						
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Average Debt Service Total	Annual Coverage	Maximum Debt Service Total	Annual Coverage
1998	\$ 49,966,216	\$ 27,885,854	\$ 22,080,362	\$ 3,014,943	7.32	\$ 5,906,739	3.74
1999	49,101,104	30,080,145	19,020,959	2,844,899	6.69	5,502,384	3.46
2000	52,932,584	41,925,412	11,007,172	3,472,421	3.17	5,687,161	1.94
2001	59,143,896	45,465,778	13,678,118	4,688,518	2.92	6,395,244	2.14
2002	62,141,066	46,274,555	15,866,511	5,825,064	2.72	8,048,707	1.97
2003	64,046,246	47,785,550	16,260,696	5,773,582	2.81	8,084,285	2.01
2004	64,785,122	44,719,241	20,065,881	5,651,966	3.55	7,998,465	2.51
2005	70,636,853	51,125,745	19,511,108	5,522,447	3.53	8,364,747	2.33
2006	80,787,029	54,432,847	26,354,182	6,423,582	4.10	9,163,574	2.88
2007	87,911,120	63,514,543	24,396,577	7,389,770	3.30	10,408,958	2.34

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.

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
1997	61,646	\$ -	\$ -	2.2
1998	63,852	-	-	1.8
1999	65,797	-	-	1.8
2000	67,890	1,029,891	15,170	1.6
2001	72,020	-	-	1.7
2002	75,752	-	-	2.0
2003	78,309	-	-	2.4
2004	80,214	-	-	2.0
2005	81,930	1,226,974	14,976	3.7
2006	84,116	1,308,384	15,555	3.8

Sources: City of College Station Planning Division (population)
 U. S. Census Bureau, American Community Survey (personal income)
 Texas Workforce Commission (unemployment rate)

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

Personal income information for the City of College Station is only available for calendar years 2000, 2005 and 2006.

CITY OF COLLEGE STATION, TEXAS

PRINCIPAL EMPLOYERS CURRENT YEAR AND SEVEN YEARS AGO

2007	2000
Employer	Employer
Brazos County	Brazos County
Bryan ISD	Bryan ISD
City of Bryan	City of Bryan
City of College Station	City of College Station
College Station ISD	College Station ISD
HEB Grocery Company LP	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

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. The TWC began tracking this data in 2000 therefore no earlier data is available.

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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government	28.3	33.9	33.2	37.2	39.7	36.8	38.5	41.9	37.8	58.5
Police	119.0	118.5	132.3	139.4	140.3	143.4	146.0	144.4	155.1	163.5
Fire	80.6	87.0	91.3	98.1	103.9	105.9	108.5	111.4	110.6	119.0
Public Works	83.2	87.1	88.3	95.0	104.4	104.5	106.8	112.2	112.6	114.5
Parks and Recreation	95.9	103.8	106.8	111.3	115.4	120.1	116.2	120.0	119.8	123.5
Planning and Development Services	27.0	27.4	29.2	27.8	29.0	28.3	28.5	25.8	27.1	24.5
Information Services	41.1	40.3	41.5	39.2	39.1	40.0	40.3	37.5	36.6	28.5
Fiscal Services	50.4	51.0	53.2	54.3	53.1	61.1	59.8	64.2	70.1	71.0
Electric	45.6	44.1	48.8	57.1	57.5	56.9	53.4	56.6	56.0	56.5
Water / Sewer Services	53.2	66.0	65.4	64.6	66.2	66.0	64.0	69.1	71.8	71.0
BVSWMA	26.1	26.3	29.3	27.8	28.8	28.3	27.3	24.4	24.0	22.0
Total	650.4	685.4	719.3	751.8	777.4	791.3	789.3	807.5	821.5	852.5

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.

CITY OF COLLEGE STATION, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Open records requests	300	350	250	250	147	62	103	72	199	199
Economic development prospects	*	*	29	17	15	29	17	20	31	19
Code enforcement cases processed	*	*	3,503	4,209	4,525	6,280	9,341	2,848	5,984	4,838
Non-profit agencies/contracts monitored	8	11	8	8	12	11	10	9	13	7
Applicants receiving homebuyers assistance	1	7	22	12	25	14	16	2	9	6
Police										
DUI/DWI arrests	413	551	522	351	311	341	418	387	414	493
Citations processed	27,008	35,752	40,712	44,305	36,945	43,407	42,957	39,416	34,134	38,046
Uniform patrol calls handled	41,774	47,662	50,459	50,034	56,388	61,821	60,405	57,605	60,159	58,303
Average response time on high priority calls	5:36 mins	5:52 mins	6:10 mins	5:53 mins	6:01 mins	6:28 mins	5:58 mins	6:09 mins	6:15 mins	6:17 mins
Criminal investigation new cases assigned	2,376	2,010	2,041	1,810	1,970	2,292	2,259	2,300	2,368	2,256
Notes: FY97 DUI/DWI arrests only include DWI arrests.										
Fire										
Fire incidents (fire, rescue, and haz mat)	*	*	1,607	1,603	1,653	1,455	1,554	1,792	1,743	1,832
Business safety inspections	931	973	777	1,128	900	1,014	1,410	1,138	828	1,018
Parking citations issued	14,145	26,790	*	12,324	18,500	18,034	16,587	11,900	8,452	7,238
Community enhancement cases	5,082	7,352	9,224	12,077	12,550	11,637	15,086	7,016	7,384	8,631
EMS incidents	*	*	2,495	2,704	2,554	2,754	2,800	3,241	3,048	3,773
EMS unit responses	*	*	4,556	4,428	4,568	4,687	4,900	4,930	5,276	5,476
Notes: FY97 fire incidents include fire, rescue, hazardous material, and EMS incidents (EMS operations were assigned a separate division in FY00).										
Public Works										
Street overlay lane miles	21	23	21	12	1	20	18	19	19	19
Potholes repaired	*	*	*	*	*	*	*	24,696	24,778	21,506
Curb miles swept	*	*	*	*	*	*	*	6,338	7,235	6,040
Sign, marking, signal workorders	2,250	1,894	3,008	2,562	2,709	3,472	3,270	2,898	2,557	2,617
Parks and Recreation										
Pavilion rentals	343	398	355	340	353	342	314	221	399	338
Adult participants in City leagues	*	9,787	12,574	9,480	10,642	8,529	8,307	10,774	822	611
Youth participants in City leagues	*	2,347	2,060	1,887	2,684	1,977	2,690	2,520	2,842	2,946
Special event participants	27,000	185,630	159,457	22,718	123,743	188,980	188,429	201,256	197,805	185,002
Instructional participants	3,586	3,987	2,912	3,148	3,546	3,447	3,581	3,579	3,075	3,432
Pool customers	96,426	98,958	114,319	119,329	130,113	142,154	145,879	132,549	146,805	128,206
Conference center customers	71,687	85,240	87,372	88,239	74,320	70,728	81,289	85,720	70,494	66,950
Lincoln center participants	56,157	51,947	49,071	67,665	68,919	72,794	81,629	82,624	98,869	100,952
Teen center participants	4,187	4,812	17,219	11,178	12,465	13,446	14,582	17,500	9,958	15,798

Notes: FY98 special event participants reflect only Wolf Pen Creek. FY01 special event participants do not include Christmas in the Park counts. Adult participants in City leagues was changed in FY06 to adult teams participating in City leagues. FY05 pavilion rentals had the following changes: Thomas Park pavilion rentals were removed (no longer charging a fee) and W.A. Tarrow basketball pavilion was added. In FY06 Crompton Park pavilion was added to rentals.

CITY OF COLLEGE STATION, TEXAS

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

Function/Program	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Planning and Development Services										
Permits processed	*	*	*	*	6,728	6,604	6,685	6,500	6,575	7,583
Building inspections performed	9,839	9,266	10,045	11,046	14,671	13,364	13,435	13,297	13,069	13,398
Electric										
Number of connections	25,309	28,433	26,169	27,113	33,386	35,421	35,307	36,284	37,590	38,519
Residential job orders	*	*	1,740	1,825	1,942	2,505	2,134	1,904	1,422	1,714
Customer service job orders	*	*	2,022	2,079	2,144	2,078	2,496	1,561	1,678	1,717
Average monthly consumption (KWH)	45,612,385	47,217,068	51,604,230	51,409,703	52,466,218	54,820,470	55,673,526	60,413,524	61,910,063	60,766,805
Avg number of outages per customer	1.23	1.40	1.64	1.22	1.00	1.33	0.72	0.92	0.31	0.12
Water										
Number of connections	21,245	20,165	21,017	15,524	23,210	29,358	31,038	32,266	33,491	34,763
New services completed	*	*	*	1,289	1,440	1,560	1,217	773	931	1,027
Average monthly consumption (MGW)	264,921	316,005	292,000	295,875	262,541	253,259	236,355	283,429	317,438	293,246
Water meters tested	*	*	*	893	950	1,025	768	732	1,254	1,174
Avg number of outages per customer	*	*	*	*	0.190	0.003	0.160	0.016	0.039	0.013
Sewer										
Number of connections	*	*	*	*	28,399	27,977	28,594	29,694	31,051	32,034
Average daily sewage treatment (thousands of gallons)	*	5,498	5,881	6,158	6,669	6,807	6,808	6,220	5,911	6,502
New services completed	*	*	*	1,139	1,400	1,540	890	571	646	521
Avg number of stoppages per customer	*	*	*	*	0.015	0.0001	0.003	0.003	0.003	0.003
Sanitation										
Number of users (units)	22,199	23,200	24,360	28,894	23,947	28,215	28,594	28,399	27,181	28,112
Residential tons collected	12,444	14,693	14,999	15,614	17,710	18,057	20,353	23,535	24,964	27,556
Residential tons recycled	943	925	1,129	978	941	826	1,082	923	983	1,060
Commerical tons collected	25,745	26,730	30,951	31,376	32,364	33,402	35,355	35,114	35,122	38,402
Parking garage										
Active contract customers	*	*	*	*	*	*	*	449	432	472
Hourly cash customers	*	*	*	*	65,612	106,935	97,904	127,608	108,893	109,028
Notes: Parking garage opened to customers in February 2002.										
Utility Customer Service										
Payments processed	294,891	326,166	369,001	379,439	388,579	404,742	408,348	401,891	413,088	423,299
Incoming calls	73,781	85,583	79,741	79,747	79,514	82,018	82,536	82,234	85,728	85,842
Meters read	439,269	459,270	482,920	501,175	525,412	552,949	577,773	598,660	618,676	640,554

Source: City of College Station various departments

* Data not measured for fiscal year indicated.

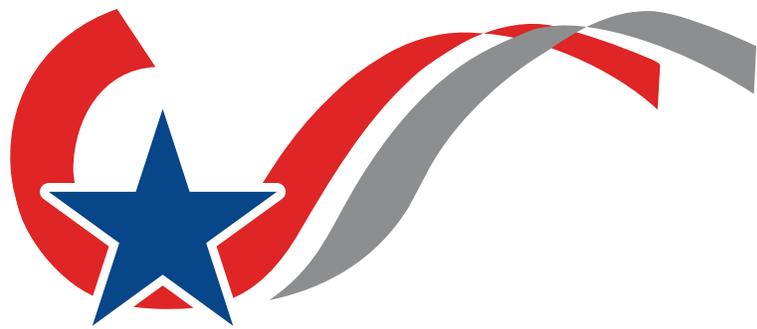
CITY OF COLLEGE STATION, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Patrol units	22	24	25	25	25	25	25	26	26	29
Jail capacity	17	17	17	17	17	17	17	17	17	17
Note: The patrol units figure includes 1 K-9 unit.										
Fire stations	4	4	4	4	4	4	4	4	4	4
Note: The Fire Department operates an additional fire station located at the airport.										
Public Works										
Streets (linear miles)	214	711	711	711	711	733	353	385	395	429
Sidewalks (miles)	30	30	91	89	89	89	89	97	100	100
Traffic signals	46	49	53	55	57	60	62	62	62	65
Storm sewers (miles)	*	*	*	*	*	*	*	*	72	72
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	942	1,106	1,127	1,146	1,134	1,214	1,217	1,248	1,274	1,289
Playunits	34	35	35	35	35	35	35	35	46	48
Softball/baseball fields	19	19	16	19	19	19	19	25	32	32
Soccer fields	22	22	13	13	19	19	19	26	31	31
Jogging/walking trails	10	19	19	20	20	22	22	26	27	28
Community centers	3	3	3	3	3	3	3	3	3	3
Pools	3	3	3	3	3	3	3	3	3	3
Pavilions (rentable)	5	5	5	5	5	5	5	6	6	7
Notes: Some parks have multiple playunits. Softball/baseball fields include practice fields.										
Electric										
Maximum capacity (megawatts)	170	230	250	255	255	255	255	280	260	355
Number of substations	3	3	4	4	4	4	4	4	5	5
Distribution lines (miles)	282	285	290	333	400	414	414	450	394	411
Water										
Water mains (miles)	245	245	262	280	294	311	317	341	365	367
Fire hydrants	*	*	*	*	*	*	2,070	2,165	2,232	2,380
Number of wells	5	5	5	5	6	6	6	6	8	8
Wells storage capacity (thousands of gallons per day)	19,500	19,500	19,500	20,000	19,000	26,000	26,000	28,000	23,000	23,000
Sewer										
Sanitary sewer lines (miles)	220	220	232	243	252	262	264	271	279	285
Treatment capacity (thousands of gallons per day)	9,500	9,500	9,500	9,500	11,500	11,500	11,500	11,500	11,500	11,500
Sanitation										
Collection trucks	21	21	21	21	22	23	24	24	24	25
Residential collection containers	*	*	*	*	*	14,413	15,207	15,958	16,647	18,135
Commercial collection containers	*	1,132	1,205	1,230	1,383	1,407	1,511	1,545	1,569	1,594
Fleet number of vehicles	*	*	*	*	*	585	600	613	627	651

Source: City of College Station

* Data not measured for fiscal year indicated.



CITY OF COLLEGE STATION

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