

**FUNDING AGREEMENT PROVIDING FOR THE PAYMENT
AND USE OF HOTEL TAX REVENUE**

THIS AGREEMENT is made between the CITY OF COLLEGE STATION, a Home Rule Municipal Corporation incorporated under the State of Texas (hereinafter referred to as the “City”), and the Arts Council of Brazos Valley, a Texas Non-Profit Corporation (hereinafter referred to as the “Agency”):

WHEREAS, TEXAS TAX CODE §§351.002 and 351.003(a) authorize City to levy by ordinance a municipal hotel occupancy tax (“hotel tax”) not exceeding seven percent (7%) of the consideration paid by a hotel occupant; and

WHEREAS, by ordinance, City has provided for the assessment and collection of a municipal hotel occupancy tax in the City of College Station of seven percent (7%); and

WHEREAS, TEXAS. TAX CODE §351.101(a) authorizes City to use revenue from its municipal hotel occupancy tax to promote tourism and the convention and hotel industry, yet limits such revenue use for the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms; and

WHEREAS, Agency is well equipped to perform those activities; and

WHEREAS, TEXAS TAX CODE §351.101(c) authorizes City to delegate by contract with Agency; as an independent entity, the management or supervision of programs and activities of the type described hereinabove funded with revenue from the municipal hotel occupancy tax;

NOW, THEREFORE, IN CONSIDERATION of the performance of the mutual covenants and promises contained herein, City and Agency agree and contract as follows:

**ARTICLE I
DEFINITIONS**

1.1 The term “Affiliate” shall mean the affiliates of the Arts Council of Brazos Valley, which have been identified as listed on Exhibit A.

1.2 The term “Agency” shall mean the Arts Council of Brazos Valley, a Texas Non-Profit Corporation to which the City has delegated the management or supervision of programs and activities funded with Hotel Tax Revenue.

1.3 The term “City” shall mean the City of College Station, in the County of Brazos, and the State of Texas.

1.4 The term “Contract Quarter” shall refer to any quarter of the contract year in which this Agreement is in force. Contract Quarters will end on December 31st, March 31st, June 30th, and September 30th, of each contract year.

1.5 The term “Program Report” shall mean a report as required by Texas Tax Code §351.108 listing each of the Affiliate’s scheduled activity, program, or event that: is directly funded with Hotel Tax Revenue or has its administrative costs funded in whole or in part by the Hotel Tax Revenue and is directly enhancing and promoting tourism and the convention and hotel industry. Such report shall be submitted on the form attached herein as Exhibit B.

1.6 The term “Financial Activity Report” shall mean a quarterly report which includes a summary of Agency’s and Affiliate’s revenues and expenditures, and a summary of Agency’s and Affiliate’s assets and liabilities to be submitted to the City on the form attached herein as Exhibit C.

1.7 The term “Financial Records” shall mean invoices, receipts, bank statements, reconciliations, cleared checks, financial statements and audit reports.

1.8 The term “Hotel Tax Revenue” shall mean the gross monies collected and received by City as municipal hotel occupancy tax at the rate of seven percent (7%) of the price paid for a room in a hotel, pursuant to Texas Tax Code 351.003 (a) and City Ordinance. Hotel Tax Revenue will include penalty and interest related to the late payments of the tax revenue by the taxpayer.

1.9 The term “Narrative Summary of Activity Report” shall mean the quarterly summary report of the activities of Agency and Affiliate including a summary of how funds from City have been utilized to accomplish the Agency’s and Affiliate’s work. Such report shall be submitted on the form attached herein as Exhibit D.

1.10 The term “Performance Measure Report” shall mean the quarterly report to determine the levels of service that are being provided by Agency to be submitted to the City on the form attached herein as Exhibit E.

ARTICLE II. HOTEL TAX REVENUE PAYMENT

2.1 Consideration and Payment. For and in consideration of the activities to be satisfactorily performed by Agency under this Agreement, City agrees to pay to Agency a portion of the Hotel Tax Revenue collected by City in the total amount of TWO HUNDRED THOUSAND DOLLARS AND NO/100 CENTS (\$200,000.00), to be paid as follows:

A. the total amount of TWO HUNDRED THOUSAND DOLLARS AND NO/100 (\$200,000.00) from the City’s Hotel Tax Revenue. Payment will be made in four (4) quarterly installments.

2.2 Quarterly payments will be dependent upon the City receiving all reports required herein from the Agency. Quarterly reports are due no later than thirty (30) days after the end of each Contract Quarter (no later than January 30th, April 30th, July 30th, October 30th, of each contract year.)

2.3 Other limitations regarding consideration.

A. It is expressly understood that this contract in no way obligates the General Fund or any other monies or credits of City.

B. City may withhold allocations if City determines that expenditures of Agency or Affiliate deviate materially from their approved budget or if the reports required herein are not submitted in a complete and timely manner.

**ARTICLE III
USE OF HOTEL TAX REVENUE**

3.1 Use of Funds. For and in consideration of the payment by City to Agency of the agreed payments of Hotel Tax Revenue specified above, Agency agrees to manage or supervise the programs and activities of the Affiliate funded with Hotel Tax Revenue. Agency further agrees to use such Hotel Tax Revenue for the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms as authorized by TEXAS TAX CODE §351.101(a).

3.2 Agency shall use such Hotel Tax Revenue funds for Affiliate funding only. Agency agrees and understands that all payments under this Agreement shall be distributed to the Affiliate and is for Affiliate use only.

3.3 Agency understands and agrees to require Affiliate to state in all published material, announcements and advertising regarding Affiliate's activities funded with Hotel Tax Revenue that the activity was made possible in part through funding from the City of College Station through the Agency. If there is not published activity material, a sign must be displayed and a verbal announcement must be made at the time of the activity.

3.4 Administrative Costs. The Hotel Tax Revenue received from City by Agency may be spent for Affiliate's day-to-day operations, supplies, salaries, office rental, travel expenses, and other administrative costs only if those administrative costs are incurred directly in the promoting of: tourism and the convention and hotel industry and the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms.

3.5 Specific Restrictions on Use of Funds.

A. That portion of total administrative costs of Affiliate for which Hotel Tax Revenue may be used shall not exceed that portion of Affiliate's administrative costs actually incurred in conducting the activities specified in §3.1 above.

B. Hotel Tax Revenue may not be spent for travel for a person to attend an event or conduct an activity the primary purpose of which is not directly related to the promotion of tourism and the convention and hotel industry or the performance of the person's job in an efficient and professional manner.

**ARTICLE IV
RECORDKEEPING AND REPORTING REQUIREMENTS**

4.1 Budget.

A. Prior to execution of this Funding Agreement, Agency shall submit to the City Manager of City an annual budget to be approved by the City Council for each fiscal year, for such operations of Agency funded by Hotel Tax Revenues. This budget shall specifically identify proposed expenditures of Hotel Tax Revenue by Agency. In other words, City should be able to audit specifically the purpose of each individual expenditure of Hotel Tax Revenue from the separate account relating to Hotel Tax Revenue. City shall not pay to Agency any Hotel Tax Revenues as set forth in Article II of this Agreement during any program year of this Agreement unless a budget for such respective program year has been approved in writing by the College Station City Council. Approval of the budget by the City Council shall not preclude the Agency from reasonably reallocating funds within the budget among line items to meet changing conditions. Such reallocation shall not necessitate a new approval by the City Council. Failure to submit an annual budget may be considered a breach of contract, and if not remedied is considered grounds for termination of this Agreement as stated in paragraph 6.2.

B. Agency acknowledges that the approval of such budget by the College Station City Council creates a fiduciary duty in Agency with respect to the Hotel Tax Revenue paid by City to Agency under this Agreement. Agency shall expend Hotel Tax Revenue only in the manner and for the purposes specified in this Agreement, TEXAS TAX CODE §351.101(a), and in the budget as approved by City.

4.2 Separate Accounts. Agency shall maintain Hotel Tax Revenue paid to Agency by City in a separate account, or with segregated fund accounting, such that any reasonable person can ascertain the revenue source of any given expenditure.

4.3 Financial Records. Agency and Affiliate shall maintain a complete and accurate financial record of each expenditure of the Hotel Tax Revenue made by Agency and Affiliate. These funds shall be classified as restricted funds for audited financial purposes.

4.4 Affiliate Records. Agency agrees and understands that it shall have a written contract with its Affiliate which clearly explains the reports required to be submitted to the

City by its Affiliate. Such Affiliate contract shall also state the limits on use of the Hotel Tax Revenue and other legal requirements pursuant to Texas Tax Code Chapter 351.

4.5 Agency and Affiliate shall maintain such records, accounts, reports, files or other documents for a minimum of five (5) years after the expiration of this agreement. City's right to access Agency's and Affiliate's files shall continue during this 5 year period and for as long as the records are retained by Agency and Affiliate.

4.6 Upon written request of the College Station City Council, or other person, Agency or Affiliate shall make such financial records available for inspection and review by the party making the request. Agency and Affiliate understand and accept that financial records and any other records relating to this Agreement shall be subject to the Public Information Act, TEXAS GOVERNMENT CODE, Chapter 552, as hereafter amended.

4.7 Program Report. Agency understands that such report shall be completed in its entirety by the Affiliate and the original report of Affiliate shall be submitted to the City by December 22nd.

4.8 Quarterly Reports.

A. Agency shall submit the following to the City on a quarterly basis as provided in this Agreement:

- (1). Financial Activity Report.
- (2). Narrative Summary of Activity Report.
- (3). Performance Measure Report.

B. Affiliate shall submit the following to the Agency on a quarterly basis as provided in this Agreement:

- (1). Financial Activity Report
- (2). Narrative Summary of Activity Report.

C. Agency shall submit Affiliate's original reports to the City.

4.9 Agency shall respond promptly to any request from the City Manager of City, or designee, for additional information relating to the activities performed under this Agreement.

4.10 The Financial Activity Report, Narrative Summary of Activity Report and Performance Measure Report shall be submitted to the City within thirty (30) days of the end of each Contract Quarter (no later than January 30th, April 30th, July 30th, and October 30th of each contract year.)

4.11 Affiliate's Financial Activity Report and Narrative Summary of Activity Report shall be submitted to the Agency within twenty (20) days of the end of each Contract Quarter (no later than January 20th, April 20th, July 20th, and October 20th of each contract year.)

4.12 A copy of the Agency's annual financial audit shall be made available to City no later than thirty (30) days following Agency's receipt of same.

4.13 If requested, Agency and/or Affiliate shall make an annual report and presentation to the City Council.

4.14 The City shall conduct a monitoring review of the Agency and Affiliate as deemed necessary by the City so as to evaluate Agency's and Affiliate's compliance with the provisions of this Agreement. Said monitoring may consist of on-site monitoring reviews.

ARTICLE V AGENCY BOARD OF DIRECTORS

5.1 The City shall have the option to recommend one appointee for any one vacancy that occurs on the Board of Directors of the Agency during the program year. This provision shall not apply if the City is otherwise authorized to appoint members to the Board under the Agency's Bylaws.

5.2 Agency shall provide the City with an agenda of all regular and non-regular Board meetings five (5) days prior to the meeting with information as to the date, time and place of meeting. If a non-regular meeting is scheduled, Agency shall immediately notify the City of non-regular meeting. Said notification should be in writing via facsimile or e-mail; or orally by telephone, depending on Agency's own notification of the Board meeting.

5.3 Agency shall submit minutes of each Board of Directors meeting and Executive Committee meeting to the City within ten (10) days after approval of the minutes.

ARTICLE VI TERM AND TERMINATION

6.1 Term. The term of this Agreement shall commence on October 1, 2005 and terminate at midnight on October 31, 2006. However, the program period shall commence on October 1, 2005 and terminate at midnight on September 30, 2006. Only those expenditures authorized by Chapter 351 of the Texas Tax Code which are actually incurred during the program period, for events and activities taking place within the program period, are eligible for funding under this Agreement, and any ineligible expenditures or unspent funds shall be forfeited to City upon termination of the Agreement.

6.2 Termination Without Cause.

A. This Agreement may be terminated by either party, with or without cause, by giving the other party sixty (60) days advance written notice.

B. In the event this Agreement is terminated by either party pursuant to §6.2(a), City agrees to reimburse Agency for any contractual obligations undertaken by Agency in satisfactory performance of those activities specified in hereinabove and that were approved by the Council through the budget, as noted in §4.1. This reimbursement is conditioned upon such contractual obligations having been incurred and entered into in the good faith performance of those services contemplated in §§3.1 and 3.2 above, and further conditioned upon such contractual obligations having a term not exceeding the full term of this Agreement.

C. Further, upon termination pursuant to §6.2(a), Agency will provide CITY:

(1) Within ten (10) business days from the termination notification, a short-term budget of probable expenditures for the remaining sixty (60) day period between termination notification and contract termination. This budget will be presented to Council for approval within ten (10) business days after receipt by City. If formal approval is not given within ten (10) business days and the budget does not contain any expenditures that would be prohibited by the Texas Tax Code, and is within the current contractual period approved budget; the budget will be considered approved;

(2) Within thirty (30) days, a full accounting of all expenditures not previously audited by City;

(3) Within five (5) business days of a request from City, a listing of expenditures that have occurred since the last required reporting period;

(4) A final accounting of all expenditures and tax funds on the day of termination. Agency will be obligated to return any unused funds or funds determined to be used improperly. Any use of remaining funds by Agency after notification of termination is conditioned upon such contractual obligations having been incurred and entered into in the good faith performance of those services contemplated in 3.1 and 3.2 above, and further conditioned upon such contractual obligations having a term not exceeding the full term of this Agreement.

6.3 Automatic Termination. This Agreement shall automatically terminate upon the occurrence of any of the following events:

A. The termination of the legal existence of Agency;

B. The insolvency of Agency, the filing of a petition in bankruptcy, either voluntarily or involuntarily, or an assignment by Agency for the benefit of creditors;

C. The continuation of a breach of any of the terms or conditions of this Agreement by either City or Agency for more than thirty (30) days after written notice of such breach is given to the breaching party by the other party; or

D. The failure of Agency to submit quarterly reports which comply with the reporting procedures required herein and generally accepted accounting principles within thirty (30) days from the date City notifies Agency of such breach.

E. The failure of Agency to submit a Quarterly Financial Activity Report as required by Texas Tax Code §351.101(c) within thirty (30) days from the date City notifies Agency of such breach.

6.4 Right to Immediate Termination Upon Litigation. Notwithstanding any other provision of this Agreement, to mitigate damages and to preserve evidence and issues for judicial determination, either party shall have the right to terminate this Agreement upon immediate notice to the other party in the event that any person has instituted litigation concerning the activities of the non-terminating party, and the terminating party reasonably believes that such activities are required or prohibited under this Agreement.

6.5 In the event that this Agreement is terminated pursuant to §§6.3 or 6.4, Agency agrees to refund any and all unused funds, or funds determined by City to have been used improperly, within thirty (30) days after termination of this Agreement.

ARTICLE VII INDEMNIFICATION AND RELEASE

7.1 Agency agrees to indemnify and hold harmless the City, its officers, agents, and employees from and against any and all loss, costs, or damage of any kind, nature, or description that may arise out of or in connection with this Agreement whether or not the claim or cause of action results from any negligence of the City or any of its officers, agents, or employees.

7.2 Agency assumes full responsibility for the work to be performed and services to be provided hereunder, and hereby releases, relinquishes and discharges the City, its officers, agents, and employees from any and all claims, demands, causes of action of every kind and character, including the cost of defense thereof, for any injury to, including death of, any person (whether employees or agents of either of the parties hereto or third persons) and any loss of or damage to property (whether the property is that of either of the parties hereto or of third parties) that is caused by or alleged to be caused by, arising out of, or in connection with the Agency's work or services provided hereunder whether or not said claims, demands, or causes of actions are covered in whole or part by insurance.

**ARTICLE VIII
INSURANCE**

- 8.1 Agency shall be covered by insurance as listed in Exhibit F - Insurance Coverage and Limit Requirements.
- 8.2 City must be named as an additional insured on all policies (except Worker's Compensation) and Certificates of Insurance shall be attached herein as Exhibit G.

**ARTICLE IX
GENERAL PROVISIONS**

9.1 Subcontract for Performance of Services. Nothing in this Agreement shall prohibit, nor be construed to prohibit, the agreement by Agency with another private entity, person, or organization for the performance of those services described in §3.1 above. In the event that Agency enters into any arrangement, contractual or otherwise, with such other entity, person or organization, Agency shall cause such other entity, person, or organization to adhere to, conform to, and be subject to all provisions, terms, and conditions of this Agreement and to TEX. TAX CODE Chapter 351, including reporting requirements, separate funds maintenance, and limitations and prohibitions pertaining to expenditure of the agreed payments and Hotel Tax Revenue.

9.2 This Agreement and each provision hereof, and each and every right, duty, obligation, and liability set forth herein shall be binding upon and inure to the benefit and obligation of City and Agency and their respective successors and assigns.

9.3 The City and Agency attest that, to the best of their knowledge, no member of the City of College Station City Council and no other officer, employee or agent of the City, who exercises any function or responsibility in connection with the carrying out of the terms of this Agreement, has any personal interest, direct or indirect, in this Agreement.

9.4 Agency covenants and agrees that, during the term of this Agreement, it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or disability. Agency will take affirmative action to ensure that applicants who are employed are treated, during employment, without regard to their race, color, religion, sex, national origin or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection. Agency agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination requirement.

9.5 Agency expressly agrees that, in all solicitations or advertisements for employees placed by or on behalf of Agency, there will be a statement that all qualified applicants

will receive consideration for employment without regard to race, color, religion, sex, national origin or disability.

9.6 Agency certifies that it will not limit services or give preference to any person assisted through this Agreement on the basis of religion and that it will provide no religious instruction or counseling, conduct no religious worship or services, and engage in no religious proselytizing in the provision of services or the use of facilities or furnishings assisted in any way under this Agreement.

9.7 No amendment to this Agreement shall be effective and binding unless and until it is reduced to writing and signed by duly authorized representatives of both parties.

9.8 This Agreement has been made under and shall be governed by the laws of the State of Texas.

9.9 Performance and all matters related thereto shall be in Brazos County, Texas, United States of America.

9.10 Each party has the full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The persons executing this Agreement hereby represent that they have authorization to sign on behalf of their respective organizations.

9.11 Failure of any party, at any time, to enforce a provision of this Agreement, shall in no way constitute a waiver of that provision, nor in any way affect the validity of this Agreement, any part hereof, or the right of either party thereafter to enforce each and every provision hereof. No term of this Agreement shall be deemed waived or breach excused unless the waiver shall be in writing and signed by the party claimed to have waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach.

9.12 The parties acknowledge that they have read, understand and intend to be bound by the terms and conditions of this Agreement.

9.13 This Agreement and the rights and obligations contained herein may not be assigned by any party without the prior written approval of the other parties to this Agreement.

9.14 It is understood and agreed that this Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

9.15 If any provision of this Agreement shall be held to be invalid, illegal, or unenforceable by a court or other tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties shall use their best efforts to replace the respective

provision or provisions of this Agreement with legal terms and conditions approximating the original intent of the parties.

9.16 It is understood that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, or understandings between the parties relating to the subject matter. No oral understandings, statements, promises, or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally. No verbal agreement or conversation with any officer, agent, or employee of any party before or after the execution of this Agreement shall affect or modify any of the terms or obligations hereunder.

9.17 Unless otherwise specified, written notice shall be deemed to have been duly served if delivered in person or sent by certified mail to the last business address as listed herein. Each party has the right to change its business address by giving at least thirty (30) days advance written notice of the change to the other party.

City: City of College Station
Attn: Finance and Strategic Planning
1101 Texas Avenue
College Station, Texas 77840

Agency: Arts Council of Brazos Valley
2275 Dartmouth Street
College Station, Texas 77840

Executed this the ____ day of _____, 2005.

**ARTS COUNCIL OF
BRAZOS VALLEY**

CITY OF COLLEGE STATION

By: Amie McCoy
Printed Name: Amie McCoy
Title: Interim Executive Director
Date: December 8, 2005

By: _____
Ron Silvia, Mayor

ATTEST: _____

Connie Hooks, City Secretary

APPROVED:

Glenn Brown, Interim City Manager

Date

Angela M DeLuca

City Attorney

Date

Jeff Kersten, Finance & Strategic Planning Director

Date

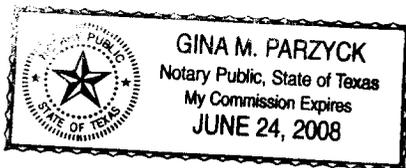
STATE OF TEXAS)
)
COUNTY OF BRAZOS)

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 8th day of December, 2005, by Amie McCoy in his/her capacity as Interim Executive Director of the Arts Council of Brazos Valley.

Gina M. Parzyck

Notary Public in and for
the State of Texas



STATE OF TEXAS)
)
COUNTY OF BRAZOS)

ACKNOWLEDGMENT

This instrument was acknowledged before me on the _____ day of _____, 2005, by Ron Silvia, in his capacity as Mayor of the City of College Station, a Texas home-rule municipality, on behalf of said municipality.

Notary Public in and for
the State of Texas

Exhibit A
Affiliates of the Arts Council of Brazos Valley

Armstrong / Bergeron Dance Company	\$2,000
Brazos Barbershoppers	\$2,500
Brazos Heritage Society	\$2,000
Brazos Valley AGO	\$2,000
Brazos Valley Chorale	\$10,000
Brazos Valley Museum of Natural History	\$12,000
Brazos Valley Stitchers	\$3,000
Brazos Valley Symphony Society	\$33,000
Brazos Valley TROUPE	\$20,100
Brazos Writers	\$3,600
Brenham Childrens' Chorus	\$2,000
Friends of Chamber Music	\$6,000
KAMU-FM	\$18,000
KEOS-FM	\$8,500
Navasota Blues Festival	\$2,000
Navasota Theater Alliance	\$5,000
SPICMACAY-TAMU	\$2,000
StageCenter	\$19,300
The Theatre Company of Bryan / College Station	\$39,000
University Summer Performance Series - TAMU	\$5,000
VIZ-LAB TAMU	\$3,000
<hr/>	
TOTAL	\$200,000

Exhibit B
Hotel Tax Revenue Program Report

Please list each scheduled activity, program or event directly funded from the Hotel Tax Revenue.	Please list each scheduled activity, program or event which has its administrative costs funded in whole or in part by the Hotel Tax Revenue.	Please list how the scheduled activity, program or event is directly enhancing and promoting tourism and the convention and hotel industry.	Please itemize funds associated with the particular activity, program or event directly funded from the Hotel Tax Revenue.
1.			
2.			
3.			
4.			
5.			

Exhibit B
Hotel Tax Revenue Program Report

Please list each scheduled activity, program or event directly funded from the Hotel Tax Revenue.	Please list each scheduled activity, program or event which has its administrative costs funded in whole or in part by the Hotel Tax Revenue.	Please list how the scheduled activity, program or event is directly enhancing and promoting tourism and the convention and hotel industry.	Please itemize each amount associated with the particular activity, program or event directly funded from the Hotel Tax Revenue.
6.			
7.			
8.			
9.			
10.			

**Exhibit C
Financial Activity Report**

Agency Name: _____

Quarter: _____

Income Statement

Revenue Source	Agency Actual (Non Hotel Tax Revenue)	Agency Actual (Hotel Tax Revenue)	Quarterly Total
Income			
Fees			
Net Sales			
Contributions			
Individual			
Board			
Foundations/trusts			
Special events			
Organizations			
Civic			
Corporate			
Government Revenue			
City of College Station			
City of Bryan			
Brazos County			
Federal			
State			
School district			
Other Local Sources			
Investment Income (div.,int.,cap gains)			
Other:			
In-kind contributions			
Total Income			

**Exhibit C
Financial Activity Report**

Agency Name: _____

Quarter: _____

Expense Report

Expense Account	Agency Actual (Non Hotel Tax Revenue)	Agency Actual (Hotel Tax Revenue)	Total
Salaries & Benefits			
Supplies			
Maintenance			
Purchased Services			
Capital Outlay			
Other:			
In-kind expenses			
Total operating Expenses			

Surplus (Deficit)

Fiscal Year	Agency Actual (non Hotel Tax revenue)	Agency Actual (Hotel Tax revenue)	Total
Income/ expenses =			

Explain income statement deficits on an attached sheet.

Exhibit C
Financial Activity Report

Agency Name: _____

Quarter: _____

(current quarter as of) (prior quarter as of)

ASSETS

CURRENT ASSETS

Cash and cash equivalents _____
Investments _____

Receivables _____

Prepaid expenses _____

TOTAL CURRENT ASSETS _____

Property and equipment _____
Accumulated depreciation _____

TOTAL PROPERTY AND EQUIPMENT _____

OTHER ASSETS _____

TOTAL ASSETS _____

**Exhibit C
Financial Activity Report**

Agency Name: _____

Quarter: _____

LIABILITIES AND FUND BALANCE

	<u>(current quarter as of)</u>	<u>(prior quarter as of)</u>
CURRENT LIABILITIES		
Accounts payable	_____	_____
Current portion of long-term debt	_____	_____
Deferred revenue	_____	_____
TOTAL CURRENT LIABILITIES	=====	=====
LONG-TERM DEBT, less current portion	_____	_____
	_____	_____
TOTAL LIABILITIES	=====	=====
FUND BALANCE		
Unrestricted	_____	_____
Temporarily restricted	_____	_____
Permanently restricted	_____	_____
TOTAL FUND BALANCE	=====	=====
TOTAL LIABILITIES AND FUND BALANCE	=====	=====

(“TOTAL ASSETS” MUST EQUAL “TOTAL LIABILITIES AND FUND BALANCE”)

Note, please provide your most current balance sheet and indicate ending month. Also provide your balance sheet as of the end of month..

Exhibit D
Narrative Summary of Activity Report

Please provide a narrative summary of the activities funded with the Hotel Tax Revenue.
Use additional sheets if more space is needed.

**Exhibit E
Performance Measure Report**

CULTURAL ARTS ARTS COUNCIL OF BRAZOS VALLEY			
Description & Budget Explanation: The Arts Council of Brazos Valley conducts a continuing program of development, introduction presentation, encouragement, and promotion of the arts in College Station by increasing the availability, performance, execution and exhibition of all major art forms.			
	FY 05	FY 06	FY 06
	Actual	Approved	1st 3 months
College Station Budget Summary	\$340,000	\$200,000	

Program Name: Annual Grant, Mini Grant and Scholarship Programs

Service Level: To provide funding for arts related activities or non-profit organizations and individuals.

Performance Measures:	FY 05	FY 06	FY 06
	Actual	Approved	1st 3 months
Effectiveness			
- No. of organizations completing Grant evaluations.	29	30	
- No. of people served by Arts Council of Brazos Valley.	160,000	160,000	
- Increase in the number of scholarship requests.	N/A	N/A	
- Percent increase in funding.	N/A	N/A	
- Increase in C. Monroe scholarship.	\$500	\$500	
- College Fine Arts scholarships.	\$1,000	\$1,000	
Efficiency			
- Percent of requests funded by Annual Grant Program.	100%	100%	
- Amount of funds provided by Mini Grant Program.	\$41,046	\$13,500	
- Percent of requests funded by College Fine Arts Scholarship.	100%	100%	
Output			
- No. of Carolyn Munroe Scholarships.	1	1	
- No. of College Fine Arts scholarships.	4	4	
- No. of organizations receiving Annual Grants.	22	30	
- Amount in Annual Grants.	\$191,346	\$239,767	
- No. of Mini Grants approved.	12	15	

Program Name: Programs (Texas Gallery and Art classes)

Service Level: To provide educational, entertainment and exhibition programs and services in the visual and performing arts to the community.

Performance Measures:	FY 05	FY 06	FY 06
	Actual	Approved	1st 3 months
Effectiveness			
- Annual percentage increase in values	N/A	N/A	
- No. of areas of service, procedures and quality rated HIGH.	N/A	N/A	
Efficiency			
- Avg. sales per artist	\$900	\$900	
- No. of visitors per day.	50	50	
Output			
- No. of Gallery visitors.	9,000	9,000	
- Amount in Texas Gallery sales.	\$7,200	\$7,200	

**Exhibit E
Performance Measure Report**

CULTURAL ARTS ARTS COUNCIL OF BRAZOS VALLEY			
Description & Budget Explanation: The Arts Council of Brazos Valley conducts a continuing program of development, introduction presentation, encouragement, and promotion of the arts in College Station by increasing the availability, performance, execution and exhibition of all major art forms.			
	FY 05	FY 06	FY 06
	Actual	Approved	1st 6 months
College Station Budget Summary	\$340,000	\$200,000	

Program Name: Annual Grant, Mini Grant and Scholarship Programs

Service Level: To provide funding for arts related activities or non-profit organizations and individuals.

Performance Measures:	FY 05	FY 06	FY 06
	Actual	Approved	1st 6 months
Effectiveness			
- No. of organizations completing Grant evaluations.	29	30	
- No. of people served by Arts Council of Brazos Valley.	160,000	160,000	
- Increase in the number of scholarship requests.	N/A	N/A	
- Percent increase in funding.	N/A	N/A	
- Increase in C. Monroe scholarship.	\$500	\$500	
- College Fine Arts scholarships.	\$1,000	\$1,000	
Efficiency			
- Percent of requests funded by Annual Grant Program.	100%	100%	
- Amount of funds provided by Mini Grant Program.	\$41,046	\$13,500	
- Percent of requests funded by College Fine Arts Scholarship.	100%	100%	
Output			
- No. of Carolyn Munroe Scholarships.	1	1	
- No. of College Fine Arts scholarships.	4	4	
- No. of organizations receiving Annual Grants.	22	30	
- Amount in Annual Grants.	\$191,346	\$239,767	
- No. of Mini Grants approved.	12	15	

Program Name: Programs (Texas Gallery and Art classes)

Service Level: To provide educational, entertainment and exhibition programs and services in the visual and performing arts to the community.

Performance Measures:	FY 05	FY 06	FY 06
	Actual	Approved	1st 6 months
Effectiveness			
- Annual percentage increase in values	N/A	N/A	
- No. of areas of service, procedures and quality rated HIGH.	N/A	N/A	
Efficiency			
- Avg. sales per artist	\$900	\$900	
- No. of visitors per day.	50	50	
Output			
- No. of Gallery visitors.	9,000	9,000	
- Amount in Texas Gallery sales.	\$7,200	\$7,200	

**Exhibit E
Performance Measure Report**

CULTURAL ARTS ARTS COUNCIL OF BRAZOS VALLEY			
Description & Budget Explanation: The Arts Council of Brazos Valley conducts a continuing program of development, introduction presentation, encouragement, and promotion of the arts in College Station by increasing the availability, performance, execution and exhibition of all major art forms.			
	FY 05	FY 06	FY 06
	Actual	Approved	1st 9 months
College Station Budget Summary	\$340,000	\$200,000	

Program Name: Annual Grant, Mini Grant and Scholarship Programs

Service Level: To provide funding for arts related activities or non-profit organizations and individuals.

Performance Measures:	FY 05	FY 06	FY 06
	Actual	Approved	1st 9 months
Effectiveness			
- No. of organizations completing Grant evaluations.	29	30	
- No. of people served by Arts Council of Brazos Valley.	160,000	160,000	
- Increase in the number of scholarship requests.	N/A	N/A	
- Percent increase in funding.	N/A	N/A	
- Increase in C. Monroe scholarship.	\$500	\$500	
- College Fine Arts scholarships.	\$1,000	\$1,000	
Efficiency			
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Service Level: To provide educational, entertainment and exhibition programs and services in the visual and performing arts to the community.

Performance Measures:	FY 05	FY 06	FY 06
	Actual	Approved	1st 9 months
Effectiveness			
- Annual percentage increase in values	N/A	N/A	
- No. of areas of service, procedures and quality rated HIGH.	N/A	N/A	
Efficiency			
- Avg. sales per artist	\$900	\$900	
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	Actual	Approved	Actual
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Program Name: Programs (Texas Gallery and Art classes)

Service Level: To provide educational, entertainment and exhibition programs and services in the visual and performing arts to the community.

Performance Measures:	FY 05	FY 06	FY 06
	Actual	Approved	Actual
Effectiveness			
- Annual percentage increase in values	N/A	N/A	
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Efficiency			
- Avg. sales per artist	\$900	\$900	
- No. of visitors per day.	50	50	
Output			
- No. of Gallery visitors.	9,000	9,000	
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EXHIBIT F
CITY OF COLLEGE STATION CONTRACTS
INSURANCE COVERAGE & LIMIT REQUIREMENTS

EFFECTIVE 10-1-02

Items required are indicated with an "X"

Commercial General Liability, (a.k.a.) Public Liability

Coverage limit should be **\$2 million** aggregate with **\$1 million** per occurrence.

This coverage should provide liability coverage for the following:

Fire Damage Liability, **\$100,000 minimum**

Medical Expense, **\$5,000 minimum**

Personal & Advertising Injury

Products & Completed Operations with Separate Aggregate

Contractual Liability

Host Liquor Liability

Explosion, Collapse, Underground

Business Auto Liability

Coverage limit **\$1 million combined single limit**

This coverage should provide liability for the following:

Any Auto

All Owned Autos

Scheduled Autos

Hired Autos

Non Owned Autos, (includes rented & leased vehicles)

Workers Compensation

Coverage Limit **Texas Statutory**

Employers Liability

Coverage Limit **\$1,000,000/ \$1,000,000/ \$1,000,000**

This coverage should provide liability for the following:

E.L. Each Accident **\$1,000,000**

E.L. Disease- Each Employee **\$1,000,000**

E.L. Disease- Policy Limit **\$1,000,000**

Professional Liability

Coverage Limit **\$2 million** Aggregate with **\$1 million** per occurrence*

Claims made policies are *acceptable on this line of coverage**

EXHIBIT F
CITY OF COLLEGE STATION CONTRACTS
INSURANCE COVERAGE & LIMIT REQUIREMENTS

Must have an *Extended Reporting Period Endorsement**

Pollution Liability

Coverage Limit **minimum** \$1 million or \$5 million depending upon DOT/TNRCC Classification of materials being transported. (Can be endorsed onto Business Auto Liability on form **MCS-90 Endorsement- Motor Carrier Policies for insurance for Public Liability**)

Umbrella / Excess Liability

Coverage Limit **minimum** should be equal to or Greater than **\$5million** per occurrence/aggregate when combined with the lowest primary liability coverage. This coverage **MUST** follow form.

(Coverage Limit Requirement as Determined by the City's Risk Manager)

Builders' Risk

(Coverage Limit Requirement as Determined by the City's Risk Manager)

Performance Bonds & Payment Bonds

Required on construction projects at \$100,000.00 and above. However, City has the option to have a performance bond on projects below \$100,000.00 dollars. Payment bonds are also required on projects at \$25,000.00 and above.

Commercial Crime/Fidelity Bond

(Coverage Limit Requirement as Determined by the City's Risk Manager)

Liquor Legal Liability (if alcohol is sold on premise)

(Coverage Limit Requirement as Determined by the City's Risk Manager)

Tenant's Contents and Betterments

Required for Tenant's renting/leasing City of College Station Building / Office Space

(Coverage Limit Requirement as Determined by the City's Risk Manager)

Leasehold Interest Insurance

Required when renting or leasing City of College Station buildings or offices.
(Coverage Limit Requirement as Determined by the City's Risk Manager)

Exhibit G

Certificates of Insurance

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/25/2005

PRODUCER (979)764-8444 FAX (979)694-7603
Dexter & Company of Central Texas, Inc.
1509 Emerald Parkway
Suite 103
College Station, TX 77845

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED ARTS COUNCIL OF THE BRAZOS VALLEY
2275 DARTMOUTH
COLLEGE, TX 77840

INSURERS AFFORDING COVERAGE

INSURER #	INSURER NAME	NAIC #
INSURER A:	Maryland Casualty Company A XV	19356
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

WORKER'S COMP/ LTR. INDR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	PPS042507971	09/01/2005	09/01/2006	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per pers) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY CA ACC \$ AGG \$
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER				INC STALL TOBY/LIMITS DTH ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

*Acceptable
BDA 10-28-05*

CERTIFICATE HOLDER

City of College Station
Susan Mann
1101 Texas Avenue
College Station, TX 77868

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
James Davis/MANDYB

JMD

CERTIFICATE OF INSURANCE



This certifies that

- STATE FARM FIRE AND CASUALTY COMPANY, Bloomington, Illinois
- STATE FARM GENERAL INSURANCE COMPANY, Bloomington, Illinois
- STATE FARM FIRE AND CASUALTY COMPANY, Scarborough, Ontario
- STATE FARM FLORIDA INSURANCE COMPANY, Winter Haven, Florida
- STATE FARM LLOYD'S, Dallas, Texas

insures the following policyholder for the coverages indicated below:

Policyholder: ARTS COUNCIL OF BRAZOS VALLEY INC

Address of policyholder: 2275 DARTMOUTH ST; COLLEGE STATION, TX 77842

Location of operations: Same

Description of operations: _____

The policies listed below have been issued to the policyholder for the policy periods shown. The insurance described in these policies is subject to all the terms, exclusions, and conditions of those policies. The limits of liability shown may have been reduced by any paid claims.

POLICY NUMBER	TYPE OF INSURANCE	POLICY PERIOD		LIMITS OF LIABILITY (at beginning of policy period)
		Effective Date	Expiration Date	
Same This insurance includes:	Comprehensive Business Liability <input checked="" type="checkbox"/> Products - Completed Operations <input checked="" type="checkbox"/> Contractual Liability <input checked="" type="checkbox"/> Personal Injury <input checked="" type="checkbox"/> Advertising Injury <input checked="" type="checkbox"/> Other Locations - Off Premises Operations <input type="checkbox"/> <input type="checkbox"/>	Same	Same	BODILY INJURY AND PROPERTY DAMAGE Each Occurrence \$ 300,000 General Aggregate \$ 600,000 Products - Completed Operations Aggregate \$ 600,000
	EXCESS LIABILITY <input type="checkbox"/> Umbrella <input type="checkbox"/> Other			BODILY INJURY AND PROPERTY DAMAGE (Combined Single Limit) Each Occurrence \$ Aggregate \$
90-IN-5001-1	Workers' Compensation and Employers Liability	09-06-2005	09-06-2006	Part I - Workers Compensation - Statutory Part II - Employers Liability Each Accident \$ Disease - Each Employee \$ Disease - Policy Limit \$
POLICY NUMBER	TYPE OF INSURANCE	POLICY PERIOD		LIMITS OF LIABILITY (at beginning of policy period)
U13 373-3-B23-53B	NONOWNED AUTO	08-23-2005	02-23-2006	500/500/100

THE CERTIFICATE OF INSURANCE IS NOT A CONTRACT OF INSURANCE AND NEITHER AFFIRMATIVELY NOR NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE APPROVED BY ANY POLICY DESCRIBED HEREIN.

Name and Address of Certificate Holder
 CITY OF COLLEGE STATION
 1101 TEXAS AVE
 COLLEGE STATION, TX 77842
 ATTN: SUSAN MANNA

*Accepted by
 Brenda Keith
 10/25/05*

If any of the described policies are canceled before their expiration date, State Farm will try to mail a written notice to the certificate holder 30 days before cancellation. If however, we fail to mail such notice, no obligation or liability will be imposed on State Farm or its agents or representatives.

Brenda Keith
 Signature of Authorized Representative Agent
 Title: _____ Date: 10/25/05
 Agent Name: Brenda Keith
 Telephone Number: 979-260-9734

Agent's Code Stamp
 Agent Code 6809
 AFO Code F111