

BRAZOS COUNTY, TEXAS

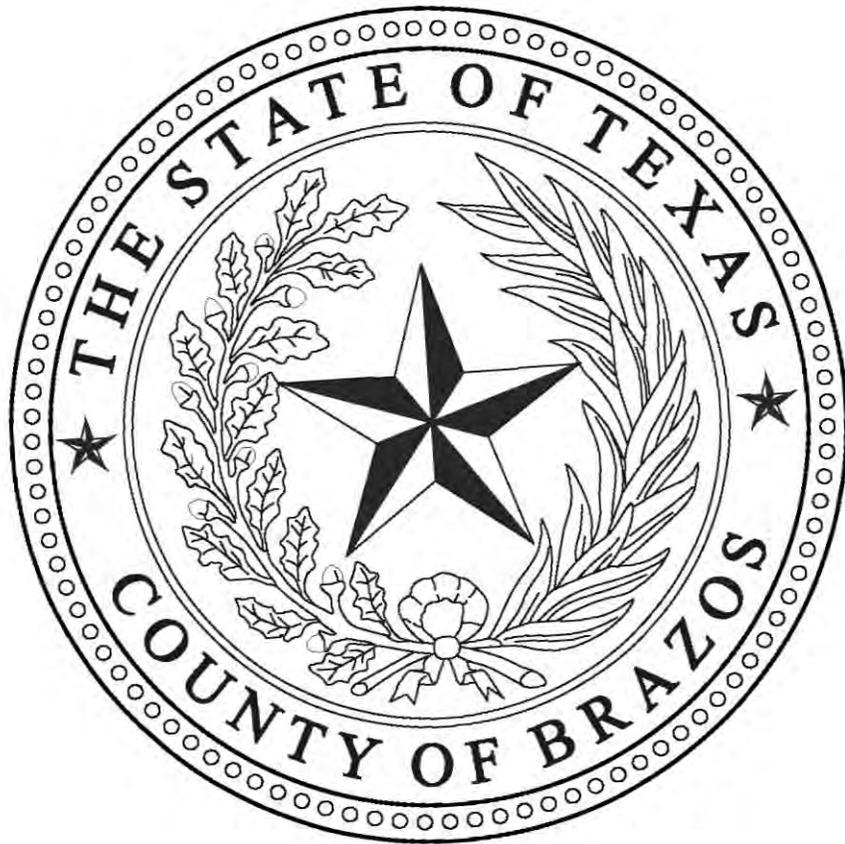
Comprehensive Annual Financial Report

For The Year Ended September 30, 2012



Prepared by:

Katie Conner, C.P.A.
County Auditor



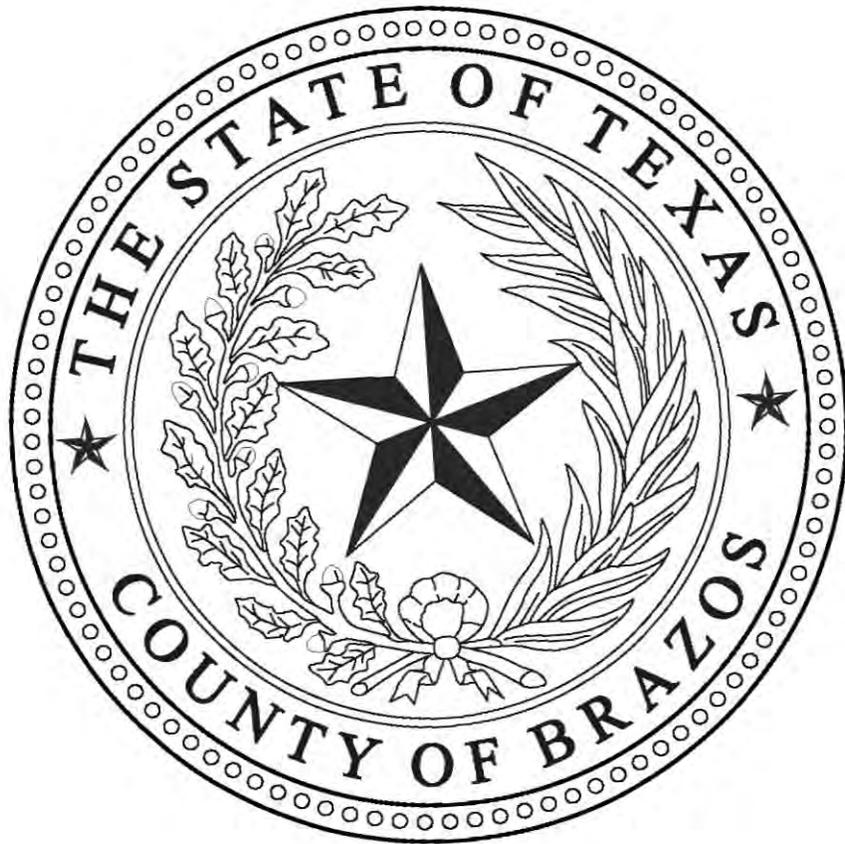
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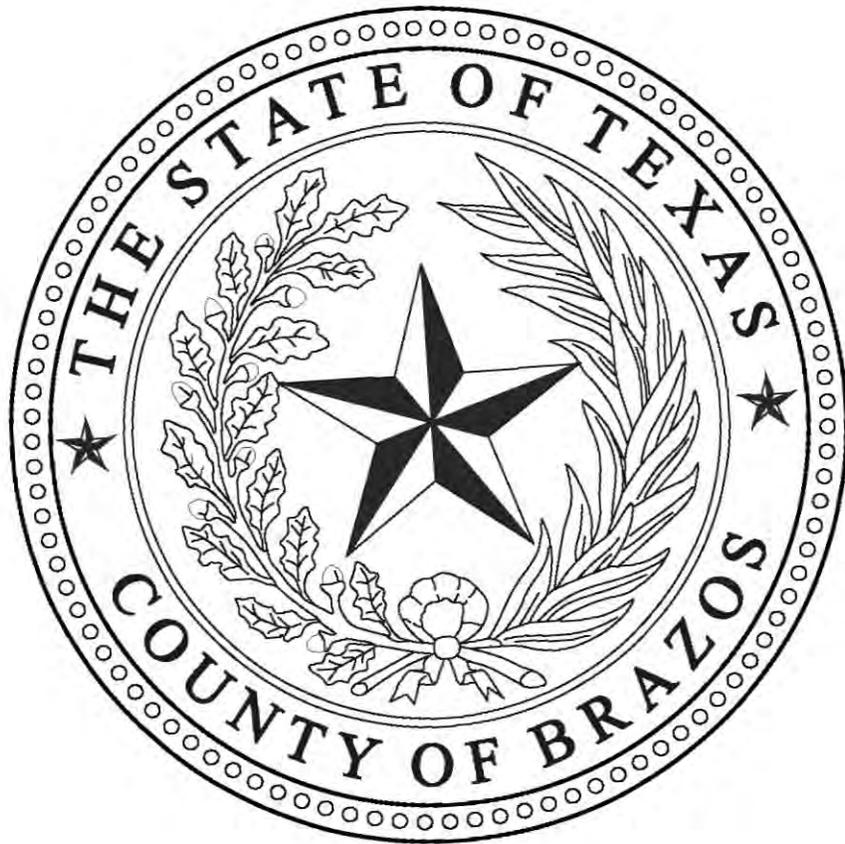
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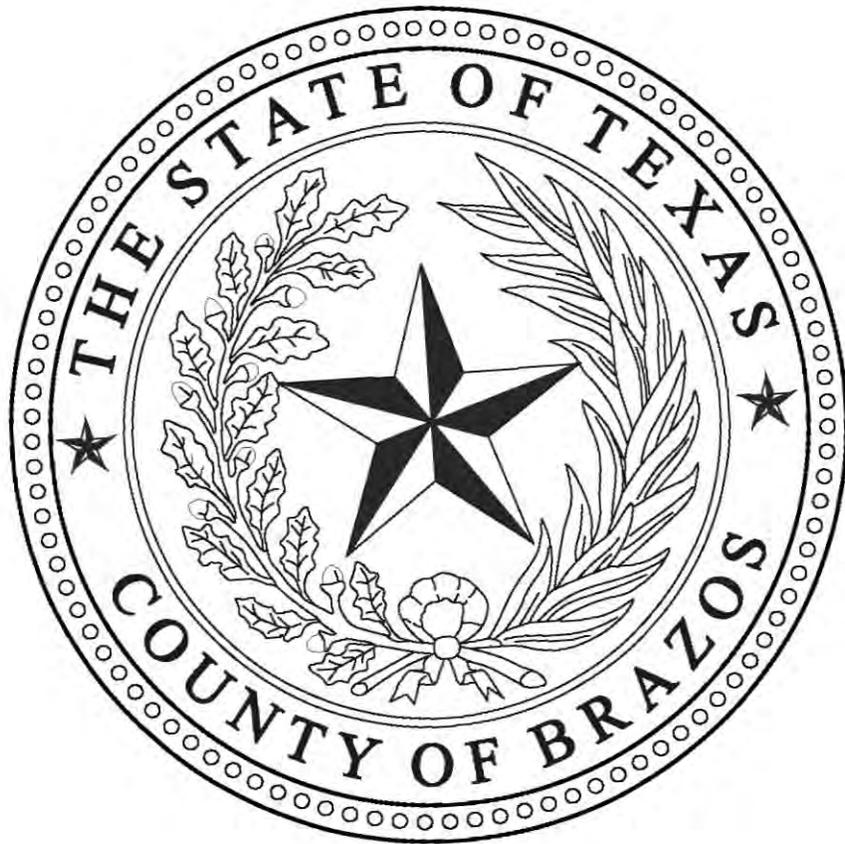
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**Office of the Brazos County Auditor
Brazos County Courthouse**

200 East S. Texas Avenue – Suite 218

Bryan, Texas 77803

(979) 361-4350

Fax (979) 361-4188

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March 12, 2013

The Honorable Board of District Judges
The Honorable Commissioners' Court

Honorable Judges and Commissioners of Brazos County, Texas:

In compliance with Section 114.025 of the Texas Local Government Code, the Comprehensive Annual Financial Report of Brazos County, Texas (the "County") for the fiscal year ended September 30, 2012, is hereby submitted.

This report consists of management's representation concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the basic financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the basic financial statements will be free from material misstatement. The responsibility for internal controls is shared by Commissioners' Court, which is the governing body, the County Auditor, who is appointed by the District Judges, and the County Treasurer. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's basic financial statements have been audited by Ingram, Wallis & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for the fiscal year ended September 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of Brazos County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to

report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are contained in the section titled "Independent Auditors' Reports on Compliance and on Internal Control over Financial Reporting".

Generally accepted accounting principles require a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The introduction includes this transmittal letter, the County's organizational chart and a list of principal officials. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Brazos County's MD&A can be found immediately following the report of the independent auditors. The financial section also includes government-wide financial statements, fund financial statements, notes to the basic financial statements, required supplementary information and the combining and individual fund financial statements and schedules in addition to the report of the independent auditors. The statistical section of this report includes selected financial and demographic information, which is generally presented on a multi-year basis.

PROFILE OF BRAZOS COUNTY

Geographic Information

Brazos County is located in East Central Texas, in an area bounded on all sides by large metropolitan areas. Dallas-Ft. Worth is 180 miles to the north, Houston 95 miles to the southeast, Austin 104 miles to the west, and San Antonio 166 miles to the southwest. There are two major cities in the County that make up the business and cultural center, Bryan and College Station. They have a combined population of approximately 170,000.

The County lies in what is often referred to as the "Post Oak Belt," where fields, valleys and rolling green hills have an abundance of trees including post oak, live oak, red oak, elm and hickory. It comprises 588 square miles of rolling prairie and woodland with elevations that range from 200 to 350 feet above sea level.

County Structure and Services

The County is a public corporation and a political subdivision of the State of Texas. The general governing body of the County is the elected five-member Commissioners' Court in accordance with Article 5 Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term.

The Commissioners' Court sets the tax rates, establishes policies for County operations, approves contracts for the County and develops and adopts the County budget within the resources as estimated by the County Auditor. The Commissioners' Court is also responsible for development of policies and procedures, approving financial commitments and appointment of various department heads. The management and leadership provided by members of the Commissioners' Court and the elected and appointed officials of other key County offices is crucial to the success of the County in financial management and growth.

The County Auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County and “examining, auditing and approving” all disbursements from County funds prior to their submission to the Commissioners’ Court for approval.

The County provides a full range of services as authorized by the Constitution and Statutes of the State of Texas. The primary functions include general government, justice system, law enforcement, juvenile services, public transportation, public health, human services, and debt service.

Budget Process

The annual budget serves as the foundation of the County’s planning and control. Budget hearings are posted annually in July with the final budget approved by the Commissioners’ Court following the hearings. After adoption of the budget by the Commissioners’ Court, the County Auditor is responsible for ensuring expenditures are made in compliance with budgeted appropriations. The final budget includes contingency and emergency reserves line items. Most appropriated budgets are prepared by fund, function, department and classification. Capital expenditures are approved on a line item basis. All budget transfers between departments must follow special approval processes. Budget to actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. Encumbrances are utilized to ensure effective budgetary control and accountability, and all outstanding encumbrances lapse at fiscal year-end.

Primary Government and Related Organizations

The Governmental Accounting Standards Board defines the reporting entity as the primary government and its component units. Brazos County is a primary governmental unit, and the financial statements include all funds, agencies, boards, commissions and authorities for which the elected officials of the County are financially accountable. The statements include all items that, by the nature and significance of the relationship between the entity and the County, are such that their exclusion from the financial reporting format would render the financial statements misleading or incomplete.

The Brazos County Juvenile Services functions under the umbrella and control of the Commissioners’ Court, for which the Commissioners’ Court has fiscal responsibility. It has an independent board that provides operational control. This entity is not legally separate from the County and is included in the operations and activities of the County’s General Fund. The Commissioners’ Court approves the operating budgets and the expenditures of this entity. Operational funding is derived from state, federal, and local funds.

The Brazos County Health Facilities Development Corporation, the Brazos County Industrial Development Corporation and the Brazos County Housing Finance Corporation are related organizations to the County. These corporations were created by resolutions of the Commissioners’ Court to enable the various third party organizations the ability to issue tax-exempt bonds to provide low cost funding to promote and improve the health and welfare of the public. The tax-exempt bonds issued by these corporations do not constitute a debt or a pledge of faith or credit of the corporation or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Each corporation is governed by a Board of Directors made up of members of the Commissioners’ Court. None of the corporations is reported in the County’s financial statements.

The Brazos Valley Fair & Exposition is another related organization to the County. This 501(c)3 organization was established for educational, scientific and charitable purposes in 2010 and is currently governed by a seven member Executive Committee which was appointed by the Brazos County Commissioners' Court.

FACTORS AFFECTING FINANCIAL CONDITION

The official census for 2010 established the population of the County at 194,851, which is up from 152,415 in 2000. The 28% increase is larger than the overall growth of Texas (21%) in the past decade.

In September 2012, Brazos County had an unemployment rate of 5.3% compared to a Texas statewide unemployment rate of 6.3% for the same month. The unemployment rate at September 2011 was 6.4%. As of September 2012, the labor force figures for the County, as established by the Texas Workforce Commission, are 99,131 of which 93,910 are currently employed. The following schedule is an estimate of the number of employees and the corresponding percentage per industry as of September 2012.

The employment base of the area by industry classification is as follows:

<u>Employer Group</u>	<u>Number Of Employees</u>	<u>Percentage</u>
State, Local, Federal Government	34,800	36%
Trade, Transportation and Utilities	13,100	14%
Education and Health Services	9,800	10%
Leisure and Hospitality	11,800	12%
Natural Resources, Mining and Construction	6,800	7%
Professional and Business Services	6,300	7%
Manufacturing	5,300	6%
Financial Activities	3,500	4%
Other Services	3,100	3%
Information	1,100	1%
TOTAL	<u>95,600</u>	<u>100%</u>

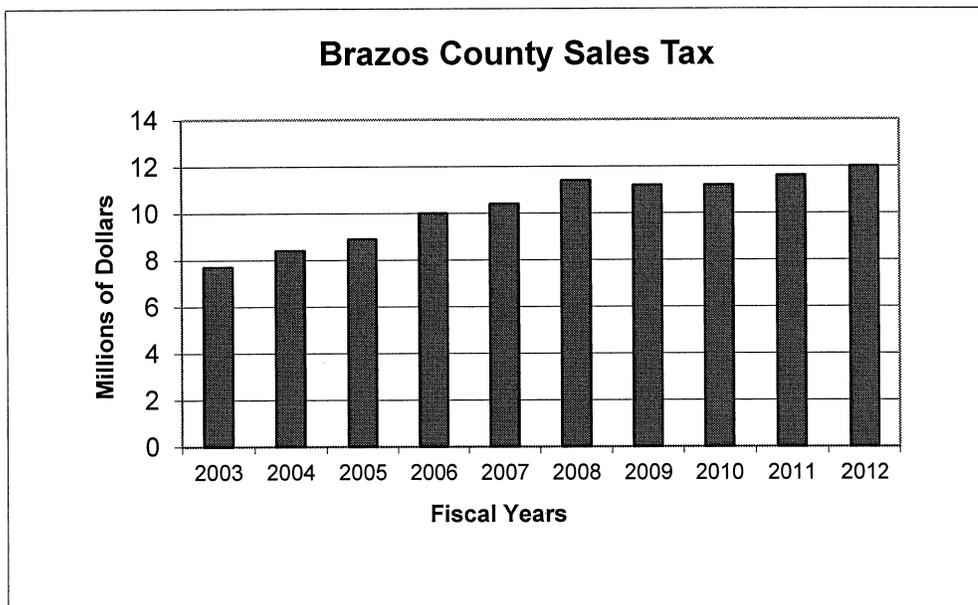
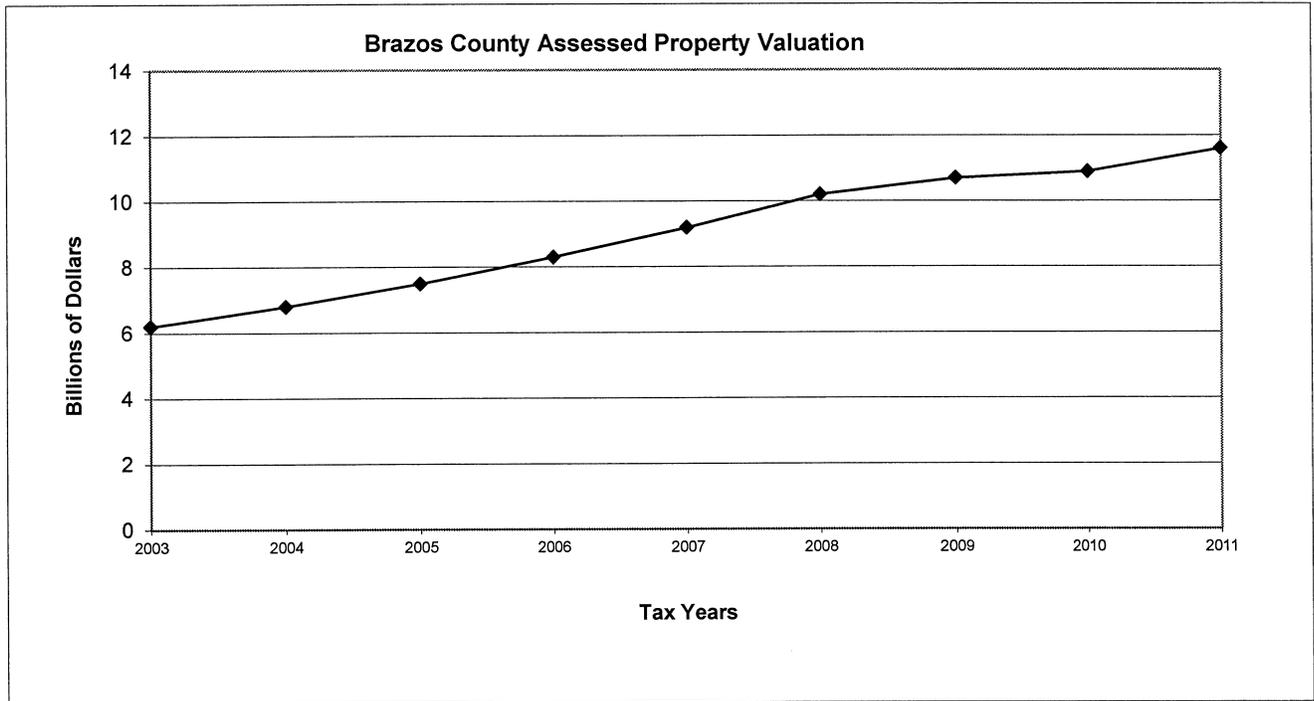
Source: Texas Workforce Commission

Although the U. S. economy is recovering from the worst economic downturn since the Great Depression, it has proved to be a slow process. According to the Current Employment Statistics Highlights released by the Bureau of Labor Statistics of the United States Department of Labor, the public sector of the U. S. job market has consistently shed workers in 2012. Seven of Bryan-College Station's 15 top employers are government agencies paid for by state or local taxes. From September 2011 to September 2012 the area has lost approximately 1,200 local and state government jobs, reflecting the trend. Meanwhile, the private sector lost 1,800 jobs, which may directly relate to the public sector job losses for the past two years.

The Bryan-College Station area showed positive signs of growth in its real estate market in 2012 according to the Real Estate Center at Texas A&M University. Home sales in the area increased

17% for 2012 compared to 2011. The median home price increased 2.5%. Single-family building permits went up 30% in 2012, and multifamily permits rose 17%.

The County's assessed property valuation for tax year 2011 increased 5.6% compared to tax year 2010. Sales tax receipts for fiscal year 2012 increased 4.2% compared to fiscal year 2011. The following charts show the changes in the two categories:



Brazos County is the home of Texas A&M University, the seventh largest university in enrollment in the United States. Opened in 1876 as Texas' first public institution of higher learning, Texas A&M University is the research-intensive flagship university with approximately 40,000 undergraduates and 10,000 graduate students studying in over 250 degree programs in 10 colleges. The faculty and graduate students of Texas A&M University conduct more than \$705 million in research expenditures, which is ranked third nationally among universities without medical schools.

The University recorded in excess of 1.3 million visitors attending sporting events and other campus activities for 2012. More than 1,200 public events are hosted through the University each year. The permanent plant for the University is valued at more than \$1 billion. Texas A&M University System has about 22,000 employees. From an in-house study conducted by Texas A&M's Division of Finance, Texas A&M University and other members of the Texas A&M University System based in Brazos County had an estimated \$4.3 billion overall economic impact on the local economy during 2012. The presence of Texas A&M has consistently provided incentive for residential development and growth and offered the area some insulation from adverse economic effects.

The University's main campus is one of the largest in America, spanning 5,200 acres and has the distinction of providing space for the George Bush Presidential Library Center and the George Bush School of International Study. The Library provides a tremendous research center, and hosts in excess of 125,000 visitors annually. This facility, along with the 324-acre University Research Park, provides an attraction for both national and international visitors.

In addition to the four-year program Texas A&M offers, Blinn College offers a two-year program at two locations: the main campus in Brenham and a branch location in Bryan. Both locations offer various technical certificates and associates degrees in arts and sciences. The Bryan location offers the same programs and degrees as the main campus, but also takes part in a joint collaborative effort with Texas A&M University. About 12,000 students enrolled in Blinn's Bryan campus for the fall semester of 2012. Blinn's Bryan campus adds \$94.4 million into the Brazos County economy each year according to a study conducted by Economic Modeling Specialists, Inc. Blinn College co-sponsored the inaugural Brazos Valley Bowl in December 2012 which was estimated to have an economic impact of \$1 million.

Brazos County is a member of the Research Valley Partnership (the RVP, www.researchvalley.org), a private, non-profit economic development corporation dedicated to promoting the seven county area surrounding Brazos County and the cities of Bryan and College Station. The RVP focuses its efforts on creating jobs and new investments primarily in the industry sectors of technology transfer/research development, information technology, life sciences and biotechnology, corporate and regional headquarters operation, value-added agricultural processing, customer support, manufacturing and logistics.

One of the key factors in the progress of the RVP has been its ability to utilize and market the large skilled workforce in the areas surrounding Texas A&M University which includes students, faculty, researchers and technological innovators and entrepreneurs. The Research Valley BioCorridor Concept Master Plan project was introduced in January 2011 as the first step in establishing a leading-edge international bio-technology zone in the Research Valley. The BioCorridor Planned Development District was approved in 2012. In addition to creating

thousands of jobs for Texans, the BioCorridor will provide an ideal atmosphere for new product development, biosecurity and bio manufacturing that will improve global health.

Brazos County partnered with the City of Bryan to create the City of Bryan and Brazos County Economic Development Foundation, Inc. In 2009, the Foundation purchased 191 acres of land. The infrastructure improvements, including inland port development, have begun. The County is looking forward to drawing quality businesses, encouraging and maintaining employment, and expanding both entities' tax base through Foundation activities. The industrial site is marketed as the Texas Triangle Park, named for its excellent geographic location. On September 18, 2012, the site had its first groundbreaking event with Gunler Foods, Inc., a Mexico-based manufacturer and supplier of oils and paper products. Gunler has invested \$15 million in the site and will employ 250 workers, generating a payroll of \$6.2 million.

CAPITAL IMPROVEMENT PROGRAM

In 2012, the Commissioners' Court of Brazos County continued the strategic planning program concerning capital improvements and expansion that was begun in 1996. This program focuses on meeting current and future needs of the County. During 2012, the County continued the construction of County roads to connect major thoroughfares. The County upgraded and reconstructed roads during the year at a cost of over \$1.7 million dollars and expended approximately \$7.3 million dollars in maintaining the roads. The Commissioners' Court has continued to provide adequate funding so that the road and bridge improvement program to upgrade and widen rural County roads could be continued. The program has been in place since 1996 and Commissioners' Court appropriated a public transportation budget for fiscal year 2012 to include \$9.5 million (includes personnel services, supplies and other charges, contingencies, repairs and maintenance, minor acquisitions, contract services, and professional services) for routine maintenance and \$2.9 million for improvements and upgrades.

The 15,000 square foot jail expansion project was completed in fiscal year 2010. The County issued \$55 million general obligation bonds in May 2008 to fund the project. The cost of the jail expansion project totaled \$51 million. The remaining funds, including interest earned from the bond issuance, are to be used to support the remodeling of the inmate holding portion of the courthouse, which started in 2011. The County had spent \$2.8 million on the inmate holding area renovation as of the end of fiscal year 2012, and the estimated cost for the project in fiscal year 2013 is about \$1.5 million.

The County's Expo Center expansion project was substantially completed during 2011. The County issued \$12 million certificates of obligation in November 2009 to fund the project. Some hotel occupancy tax revenues were also used to support the construction costs. The total cost of the project was about \$13 million. The project is designed to increase the capacity of the Expo Center to handle national events that have expressed interest in coming to the Brazos Valley. The expansion built a second covered arena, a stall barn, covered walkways between buildings, a covered warm-up area for horse shows and other events, additional parking and more offices. A mid-sized regional fair, the first annual event of the Brazos Valley Fair & Exposition, was successfully hosted at the County's Expo Center in September 2012.

The County issued \$9.7 million of certificates of obligation in October 2012 to fund the County courthouse renovation project and the new tax office building construction. The courthouse

renovation project has at least five phases and is expected to be completed in 2015. The estimated cost in 2013 is about \$7.2 million. Once the renovation is finished, the courthouse building will provide more courtroom spaces and house three district courts, two county courts, the County Attorney's Office, the District Attorney's Office, the County Clerk's Office and the District Clerk's Office. The construction of the new Tax Office building started in fiscal year 2011 and is expected to be completed in 2014. The estimated cost for the building is \$2.9 million.

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

The County has adopted an investment policy as required by state law and in conformity with state investment statutes. The investment policy as adopted by the County employs the prudent person concept in that priorities were established as to the investment vehicles the County would use. Safety was established as the first priority, followed by liquidity, low risk and diversification. The County Treasurer is responsible for administering all of the investment of idle funds in the County. At September 30, 2012, the County had cash and cash equivalents of \$51.7 million in governmental and business-type activities, the majority of which was invested in the County's depository. For the last several years, the County's depository has provided better interest rates than comparable liquid investments. At September 30, 2012, the County also had \$2.3 million invested in a state wide investment pool. During the fiscal year, the County earned approximately \$250,000 interest.

Debt administration is monitored through the Debt Service Fund. The County has never defaulted on the payment of principal or interest on its bonds or certificates of obligation. At September 30, 2012, the County had been assigned a bond rating of AA by Standard & Poor's Rating Service. In compliance with the requirements of the bond order and certificates of obligation agreements, the County maintains separate accountability. The tax rate set each year is calculated to provide sufficient funding to meet current year obligations. At September 30, 2012, the County has \$5.5 million reserved in the Debt Service Fund to meet future obligations.

The County is responsible for establishing its tax rate. For the fiscal year ended September 30, 2012, the tax rate to finance general governmental services was \$0.4037 per \$100 valuation and the tax rate for the payment of principal and interest on long-term debt was \$0.0813 per \$100 of valuation. For the fiscal year ended September 30, 2013, the tax rate to finance general government services is \$0.4071 per \$100 valuation and the tax rate for the payment of principal and interest on long-term debt is \$0.0779 per \$100 of valuation.

In addition, the County also has the following financial policies:

- The Commissioners' Court of the County shall review and formally adopt the annual budget prepared by the Budget Officer.
- Expenditures are controlled to not exceed available resources. All elected officials and department heads are required to keep expenditures within allocated budgets.
- Balanced financial operations will be maintained. Adequate internal accounting controls are developed and maintained to safeguard assets and provide reasonable assurance of proper recording of financial transactions.
- Technological solutions are used to improve operations.
- Provide an equitable justice system that is responsive to the needs of the County. The County continues its effort on the replacement of the current judicial software. It has provided funding for the project for years.

- Delivery of service to the constituents.
- Take advantage of the low market price on construction works to satisfy the County's needs on capital improvements and expansion.
- Restrain the debt issuance to keep the tax rate low.
- Maintain full disclosure and open lines of communications with the rating agencies and seek to obtain a high debt rating with a stable outlook.

Significant budget initiatives in fiscal year 2012 included:

- The County continued its courthouse renovation project.
- The County continued the remodeling of the jail inmate holding portion of the courthouse with the support from the remaining funds of the 2008 general obligation bonds.
- The County continued the construction of the new Tax Office building.
- The County eliminated seven full-time positions in various County departments and did not give a cost-of-living adjustment to County employees as a measure to keep expenditures down.

CERTIFICATE OF ACHIEVEMENT

This report has been prepared following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. The GFOA awards a certificate of achievement to those governments whose annual financial reports are judged to conform substantially to high standards of public financial reporting, including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The County has been awarded the Certificate of Achievement for its annual financial report since 1988. The report has historically presented the financial information of the County in an easily readable and efficient manner. A Certificate of Achievement is valid for one year. This office believes that the current year report continues to meet the program standards, and it will be submitted to the GFOA to determine County eligibility for another certificate.

We wish to express our thanks to the Commissioners' Court and the District Judges for their support and interest in planning and conducting the financial affairs of the County in a responsible and professional manner. This report could not have been completed in a timely manner without the dedicated efforts of all County elected officials, Commissioners' Court, the County Auditor's staff, and the independent auditors, Ingram, Wallis & Company, P. C.

Respectfully submitted,



Katie Conner
County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Brazos County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

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.



Christopher P. Moirrell

President

Jeffrey R. Enev

Executive Director

BRAZOS COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2012

Commissioners' Court:

Duane Peters
Lloyd Wassermann
Sammy Catalena
G. Kenny Mallard, Jr.
Irma Cauley

County Judge
Commissioner, Precinct 1
Commissioner, Precinct 2
Commissioner, Precinct 3
Commissioner, Precinct 4

District Court:

J. D. Langley
Travis Bryan, III
Steve Smith

Judge, 85th Judicial District
Judge, 272nd Judicial District
Judge, 361st Judicial District

County Court-at-Law:

Amanda Matzke
James Locke

Judge, County Court-at-Law No. 1
Judge, County Court-at-Law No. 2

Law Enforcement and Correction:

Christopher C. Kirk
Rodney Anderson
Bill Turner
Doug Vance *
John McGuire *

Sheriff
County Attorney
District Attorney
Chief Juvenile Probation Officer
Chief Adult Probation Officer

Financial Administration:

Laura Davis
Kristeen Roe
Katie Conner *

Treasurer
Tax Assessor-Collector
Auditor

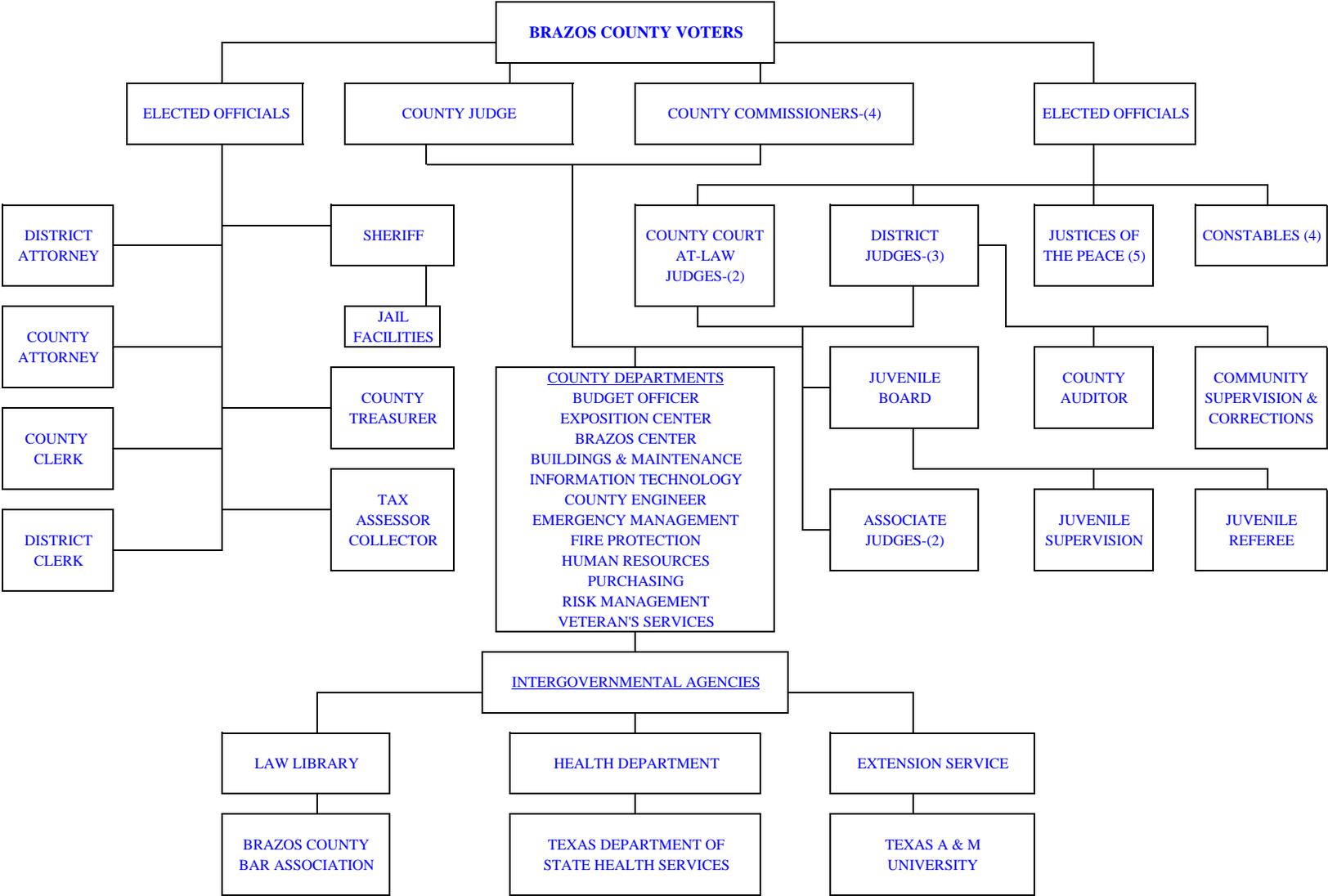
Recording Offices:

Karen McQueen
Marc Hamlin

County Clerk
District Clerk

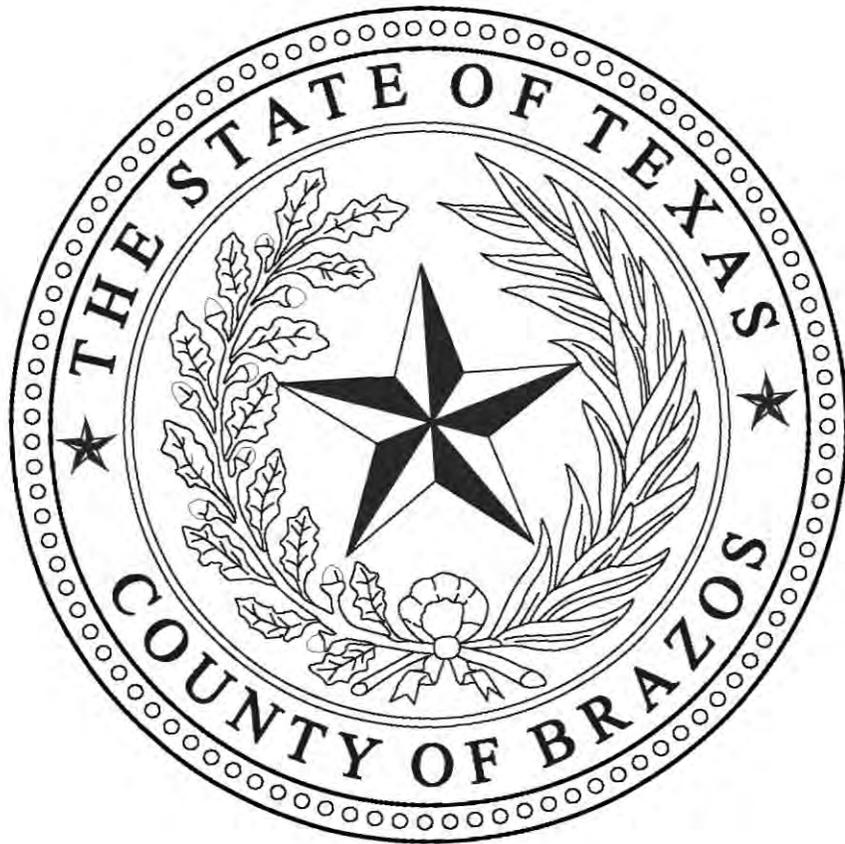
* Designates appointed officials. All others listed are elected officials.

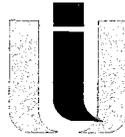
BRAZOS COUNTY ORGANIZATIONAL CHART



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Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Duane Peters, County Judge
and the Honorable County Commissioners
of Brazos County, 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 Brazos County, Texas (the "County"), as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County'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 County as of September 30, 2012, 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 March 12, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in

accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, retirement system information, other post employment benefits information and budgetary comparison information on pages 15 through 26 and 71 through 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State of Texas Single Audit Circular*, issued by the Office of the Governor of the State, and is also not a required part of the financial statements. The supplementary information as listed in the table of contents and the schedule of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Bryan, Texas
March 12, 2013

Ingram, Walker, Company

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

For the Year Ending September 30, 2012

This section of the Brazos County comprehensive annual financial report presents management's discussion and analysis ("MD&A") of the financial performance of the primary government during the fiscal year ended September 30, 2012. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

- The total government-wide assets of the County exceeded the liabilities at September 30, 2012 by \$138,308,520, and are reported as total net assets of the primary government. This is comparable to the previous year when assets exceeded liabilities by \$125,891,913.
- The government-wide total net assets increased \$12,416,607 during the fiscal year ending September 30, 2012. The net assets from the governmental activities increased \$12,410,318 while the net assets from business-type activities increased \$6,289.
- Total net assets of the primary government are comprised of the following:

<u>Net Assets by Category</u>	<u>September 30, 2012</u>	<u>% to Total</u>	<u>September 30, 2011</u>	<u>% to Total</u>
Capital Assets, Net of Related Debt	\$ 116,880,026	85%	\$ 103,725,976	82%
Restricted Net Assets	11,759,611	8%	13,561,350	11%
Unrestricted Net Assets	9,668,883	7%	8,604,587	7%
Total Net Assets	<u>\$ 138,308,520</u>	<u>100%</u>	<u>\$ 125,891,913</u>	<u>100%</u>

Fund Financial Statements

- As of September 30, 2012, the County governmental funds reported combined fund balances of \$46,404,632. This reflects an increase of \$2,355,025 from the previous fiscal year, primarily due to more tax revenue collected in 2012. \$26,437,840 or 57% of the combined fund balances at September 30, 2012 is available to meet the County's current and future needs (unassigned fund balances).
- At the end of the fiscal year, the unassigned fund balance of the County's General Fund was \$26,456,580 or 42% of the General Fund's total expenditures and 37% of the revenues.
- The total fund balance for the nonmajor governmental funds was \$4,679,707 at September 30, 2012. Of this amount, \$24,630 is nonspendable (for prepaids), \$2,897,013 is restricted by the legislature, \$1,642,183 is restricted by the debt covenant for the Jail Expansion and Expo Center Expansion projects, \$134,621 is assigned to support Expo Center marketing or serve the debt related to the Expo Center Expansion and the negative fund balance of \$18,740 in the Grants Fund is classified as unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements. The report also contains other supplementary information and statistical data.

Government-Wide Financial Statements – These are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business. They include a Statement of Net Assets and a Statement of Activities. Both of these statements are presented using the accrual method of accounting; therefore, revenues and expenses are taken into account regardless of when cash is received or paid.

The statement of net assets presents information on all County 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 the financial position of the County is improving or deteriorating. However, other non-financial factors, such as changes in the County's property tax base and the condition of the County's roads, should be considered to assess the overall health of the County.

The statement of activities presents information showing how 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 reported in this statement may result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, justice system, law enforcement, juvenile services, public transportation, public health and human services. The business-type activities of the County include the business-type of operation of the County Attorney and the Jail Commissary activities.

Fund Financial Statements – Funds are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 evaluating the County's near-term financing requirements.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Because the focus of governmental funds is narrower than 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 29 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Debt Service and Capital Improvement, which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining schedules elsewhere in this report.

Proprietary Funds are maintained two ways. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the county attorney administration of the returned check activities and the jail commissary activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its administration of the County's self-insurance programs for health services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County's only fiduciary funds are agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 41-70 of this report.

Required Supplementary Information is presented concerning the County's General Fund budgetary schedule. The schedule, which includes the original and final amended budget and actual figures, has been provided to demonstrate compliance with this budget. Also presented in this section are the Schedule of Funding Progress for Other Post Employment Benefits and the Schedule of Funding Progress for Texas County and District Retirement System. The condition assessment information for county roads and bridges can also be found in this section. Required supplementary information can be found on pages 71-88 of this report.

Combining and Individual Fund Schedules provide information for nonmajor governmental funds, internal service funds and agency funds and are presented immediately following the required supplementary information. The combining/individual fund statements and schedules including budgetary comparison can be found on pages 89-138 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as useful indicators of a government's financial position. Assets exceeded liabilities by \$138,308,520 for fiscal year 2012 and \$125,891,913 for fiscal year 2011.

Condensed Statement of Net Assets September 30, 2012

	Primary Government		Total
	Governmental	Business-Type	
	Activities	Activities	
Current and other assets	\$ 63,557,342	\$ 357,768	\$ 63,915,110
Capital assets, net	206,288,117	53,093	206,341,210
Total assets	269,845,459	410,861	270,256,320
Current and other liabilities	11,370,865	11,272	11,382,137
Long-term liabilities	120,565,663	-	120,565,663
Total liabilities	131,936,528	11,272	131,947,800
Net assets:			
Invested in capital assets, net of related debt	116,826,933	53,093	116,880,026
Restricted net assets	11,759,611	-	11,759,611
Unrestricted net assets	9,322,387	346,496	9,668,883
Total net assets	\$ 137,908,931	\$ 399,589	\$ 138,308,520

Condensed Statement of Net Assets September 30, 2011

	Primary Government		Total
	Governmental	Business-Type	
	Activities	Activities	
Current and other assets	\$ 59,465,478	\$ 370,502	\$ 59,835,980
Capital assets, net	195,970,684	65,749	196,036,433
Total assets	255,436,162	436,251	255,872,413
Current and other liabilities	9,869,247	42,423	9,911,670
Long-term liabilities	120,068,302	528	120,068,830
Total liabilities	129,937,549	42,951	129,980,500
Net assets:			
Invested in capital assets, net of related debt	103,660,227	65,749	103,725,976
Restricted net assets	13,561,350	-	13,561,350
Unrestricted net assets	8,277,036	327,551	8,604,587
Total net assets	\$ 125,498,613	\$ 393,300	\$ 125,891,913

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The largest portion of the County's current fiscal year net assets (85%) reflects its investment of \$116,880,026 in capital assets (e.g., land, buildings, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County'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.

An additional portion of the County's net assets, \$11,759,611 (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$9,668,883 (7%) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the County was able to report positive balances in all three categories of net assets for its governmental and business-type activities. The same situation held true for the prior fiscal year. The County's net assets increased by \$12,416,607 as a result of fiscal year 2012 operations. It is primarily attributable to the acceptance of subdivision roads, the increase in property tax collection and the conservation in expenses.

The following table indicates changes in net assets for governmental and business-type activities:

Condensed Statement of Activities			
For the Year Ended September 30, 2012			
	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 13,725,899	\$ 522,626	\$ 14,248,525
Operating grants and contributions	2,619,178	-	2,619,178
Capital grants and contributions	7,400,033	-	7,400,033
General revenues:			
Property taxes	55,591,539	-	55,591,539
Sales taxes	12,039,620	-	12,039,620
Motor vehicle taxes	1,290,727	-	1,290,727
Mixed drink taxes	460,710	-	460,710
Hotel occupancy taxes	1,172,567	-	1,172,567
Unrestricted investment earnings	248,822	940	249,762
Total revenues	<u>94,549,095</u>	<u>523,566</u>	<u>95,072,661</u>
Expenses:			
General Government	18,247,125	-	18,247,125
Justice System	17,146,680	36,515	17,183,195
Law Enforcement	21,030,239	480,762	21,511,001
Juvenile Services	5,795,413	-	5,795,413
Public Transportation	7,955,778	-	7,955,778
Public Health	2,124,420	-	2,124,420
Human Services	5,858,924	-	5,858,924
Interest and Other Fees	3,980,198	-	3,980,198
Total expenses	<u>82,138,777</u>	<u>517,277</u>	<u>82,656,054</u>
Change in net assets	12,410,318	6,289	12,416,607
Net assets - beginning, as restated	<u>125,498,613</u>	<u>393,300</u>	<u>125,891,913</u>
Net assets - ending	<u>\$ 137,908,931</u>	<u>\$ 399,589</u>	<u>\$ 138,308,520</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Condensed Statement of Activities For the Year Ended September 30, 2011

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 11,991,745	\$ 524,889	\$ 12,516,634
Operating grants and contributions	4,880,099	-	4,880,099
Capital grants and contributions	395,411	-	395,411
General revenues:			
Property taxes	51,538,444	-	51,538,444
Sales taxes	11,559,363	-	11,559,363
Motor vehicle taxes	1,188,768	-	1,188,768
Mixed drink taxes	524,240	-	524,240
Hotel occupancy taxes	1,130,582	-	1,130,582
Unrestricted investment earnings	251,055	933	251,988
Total revenues	<u>83,459,707</u>	<u>525,822</u>	<u>83,985,529</u>
Expenses:			
General Government	18,757,895	-	18,757,895
Justice System	17,270,039	39,799	17,309,838
Law Enforcement	21,980,672	479,243	22,459,915
Juvenile Services	5,970,962	-	5,970,962
Public Transportation	7,863,178	-	7,863,178
Public Health	2,596,961	-	2,596,961
Human Services	5,770,963	-	5,770,963
Interest and Other Fees	4,165,066	-	4,165,066
Total expenses	<u>84,375,736</u>	<u>519,042</u>	<u>84,894,778</u>
Change in net assets	(916,029)	6,780	(909,249)
Net assets - beginning, as restated	<u>126,414,642</u>	<u>386,520</u>	<u>126,801,162</u>
Net assets - ending	<u>\$ 125,498,613</u>	<u>\$ 393,300</u>	<u>\$ 125,891,913</u>

Revenue Analysis

For fiscal year ended September 30, 2012, revenues for the primary government totaled \$95,072,661. The revenues are categorized by activity type: governmental activities totaled \$94,549,095 and business-type activities totaled \$523,566.

Program revenues are derived from the program itself and thereby reduce the cost of the function to the County. Total program revenues were \$24,267,736 and 26% of total revenues. Of that \$23,745,110 is from governmental activities, which represents the fees collected by the tax collector, the clerks of the courts and other departments. The business-type charges for services were \$522,626, which represents primarily commissary sales to the inmates held in County jails. The largest portion of program revenues is charges for services of \$14,248,525 (15% of the total revenues). The other portions of program revenues are operating grants and contributions of \$2,619,178 and \$7,400,033 capital grants and contributions from various federal, state and local agencies, which in total are 11% of the total revenues.

General revenues are revenues that cannot be assigned to a specific function. Property taxes of \$55,591,539 were the largest revenue source for governmental activities and 58% of total revenues. Besides the property taxes, the general revenues also consist of sales taxes, motor vehicle taxes, mixed drink taxes, hotel occupancy taxes and investment earnings, which in total are \$15,213,386 or 16% of the total revenues.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Revenue Analysis (Continued)

	<u>Year Ended</u> <u>September 30, 2012</u>		<u>Year Ended</u> <u>September 30, 2011</u>	
<u>Program Revenues</u>				
Charges for services - governmental	\$ 13,725,899	14.4%	\$ 11,991,745	14.3%
Charges for services - business-type	522,626	0.5%	524,889	0.6%
Operating grants and contributions	2,619,178	2.8%	4,880,099	5.8%
Capital grants and contributions	7,400,033	7.8%	395,411	0.5%
<u>General Revenues</u>				
Property taxes	55,591,539	58.5%	51,538,444	61.4%
Sales taxes	12,039,620	12.7%	11,559,363	13.8%
Motor vehicle taxes	1,290,727	1.3%	1,188,768	1.4%
Mixed drink taxes	460,710	0.5%	524,240	0.6%
Hotel occupancy taxes	1,172,567	1.2%	1,130,582	1.3%
Unrestricted investment earnings	249,762	0.3%	251,988	0.3%
Total Revenues	\$ 95,072,661	100.0%	\$ 83,985,529	100.0%

In fiscal year 2012, the County's revenues increased by \$11.1 million, or 13.2 percent as a result of a higher collection in property tax and capital contributions. The property tax revenue for fiscal year 2012 increased \$4.1 million from fiscal year 2011 in correlation to the increase in the County's taxable assessed property values. The \$7.0 million increase in capital contributions is directly related to the acceptance of subdivision roads.

Expense Analysis

For the year ended September 30, 2012, the function and program expenses for the primary government were \$82,138,777 for the governmental activities and \$517,277 for the business-type activities. A comparative overview of expenses for the County's primary government for the current and previous year is as follows:

	<u>Year Ended</u> <u>September 30, 2012</u>		<u>Year Ended</u> <u>September 30, 2011</u>	
<u>Function</u>				
General Government	\$18,247,125	22.2%	\$ 18,757,895	22.2%
Justice System	17,146,680	20.9%	17,270,039	20.5%
Law Enforcement	21,030,239	25.6%	21,980,672	26.1%
Juvenile Services	5,795,413	7.1%	5,970,962	7.1%
Public Transportation	7,955,778	9.7%	7,863,178	9.3%
Public Health	2,124,420	2.6%	2,596,961	3.1%
Human Services	5,858,924	7.1%	5,770,963	6.8%
Interest and Other Fees	3,980,198	4.8%	4,165,066	4.9%
Total Governmental Activities	\$82,138,777	100.0%	\$ 84,375,736	100.0%
<u>Business-Type Activities</u>				
County Attorney	\$ 36,515	7.1%	\$ 39,799	7.7%
Jail Commissary	480,762	92.9%	479,243	92.3%
Total Business-Type Activities	\$ 517,277	100.0%	\$ 519,042	100.0%

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Expense Analysis (Continued)

In fiscal year 2012, the County's expenses decreased \$2.2 million or 2.6 percent from the prior year. The key elements of the decrease are as follows:

- Employee benefits increased \$1.0 million due to the contribution rate hike of the County's health and dental insurance and the retirement plan, and more employees and their spouse/dependents switching to or choosing the County's health and dental insurance.
- The net OPEB obligation of the County for fiscal year 2012 decreased \$700,000 from fiscal year 2011.
- The operating expenses, including department support costs, maintenance costs, contract services costs and minor requisition costs, decreased \$2.4 million during the year.
- The depreciation expense of the County's capital assets for fiscal year 2012 increased \$350,000 from fiscal year 2011 due to the first-year depreciation of the \$13 million Expo Center Expansion.
- The interest and fees directly related to debt service in fiscal year 2012 decreased \$200,000 from fiscal year 2011.
- The County also incurred a loss of \$300,000 in the retirement of the County's capital assets, a decrease of \$200,000 from the prior year.

FINANCIAL ANALYSIS OF MAJOR FUNDS

The County's major general governmental functions are contained in the General, Special Revenue, Debt Service, and Capital Project Funds. At September 30, 2012, the County's governmental funds reported combined fund balances of \$46,404,632, an increase of \$2,355,025 or 5.3% in comparison with the prior year. The change was primarily due to the higher tax revenue collection. Of the combined fund balance, \$1,372,657 (3%) were nonspendable for prepaids and inventory, \$10,386,954 (22%) were restricted to various purposes by external restrictions imposed, \$261,295 (1%) were committed to the Health Endowment Fund, \$7,945,886 (17%) were assigned to the County's capital improvement plans and other programs as directed by the Commissioners' Court, and \$26,437,840 (57%) constitutes unassigned fund balance, which is available to meet the County's current and future needs without any restrictions.

The General Fund

The General Fund is the chief operating fund of the County. At September 30, 2012, the General Fund reported a net fund balance of \$29,530,616, an increase of \$6,369,672 from fiscal year 2011. The key factors in this change follow:

- The tax revenues came in more than anticipated in fiscal year 2012.
- The total funds transferred out of the General Fund in fiscal year 2012 to support other funds, especially the Capital Improvement Fund, decreased 76% from fiscal year 2011.

FINANCIAL ANALYSIS OF MAJOR FUNDS (Continued)

The Debt Service Fund

The Debt Service Fund is used to account for receipts and disbursements of funds relating to the County's long-term bonded debt obligations. At the end of fiscal year 2012, the fund balance increased \$593,560 or 12.1% from fiscal year 2011 mainly due to the funds transferred from the Hotel & Occupancy Tax Fund.

For fiscal year 2013, the County's debt service requirements for the governmental activities are \$5,870,000 in principal and \$3,794,423 in interest. Additional information is available to the readers in Note 9 (Long-Term Debt) to the Financial Statements.

The Capital Improvement Fund

The Capital Improvement Fund is established to provide accountability for the construction and acquisition of specific capital assets to support departmental needs, and to replace existing capital assets as needed. The resources of the Fund have mainly been provided by transfers from the General Fund.

To take advantage of the low construction costs during the economic downturn, the County started or continued several capital improvement projects, including the courthouse renovation, the new tax building, other improvements on County facilities, etc. The funds transferred to the Capital Improvement Fund decreased by 83% during the current fiscal year. The fund balance of the Capital Improvement Fund decreased \$2,001,616 in fiscal year 2012.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County adopts an annual budget for the General Fund. Budget amounts represent the original budget for 2012 as subsequently amended by the Commissioners' Court. Budgets are adopted on a basis consistent with GAAP (modified accrual basis). Budget variances are not expected to impact future services or liquidity.

The following table summarizes General Fund budgeted and actual amounts for fiscal year 2012:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>Revenues and Transfers In</u>			
Taxes	\$ 56,365,000	\$ 56,365,000	\$ 58,676,284
Charges for Services	9,817,800	9,820,834	11,067,604
Intergovernmental	964,265	914,690	1,158,761
Interest	158,500	158,500	178,083
Other	384,250	401,025	525,021
Sale of Capital Assets	125,000	125,000	73,140
Transfers In	5,800	14,297	5,800
Total	<u>67,820,615</u>	<u>67,799,346</u>	<u>71,684,693</u>
<u>Expenditures and Transfers Out</u>			
Expenditures	72,489,699	72,295,784	63,333,562
Transfers Out	1,890,722	2,063,368	1,981,459
Total	<u>74,380,421</u>	<u>74,359,152</u>	<u>65,315,021</u>
Net Change in Fund Balance	<u>\$ (6,559,806)</u>	<u>\$ (6,559,806)</u>	<u>\$ 6,369,672</u>

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Differences between the original budget and the final amended budget reflected a decrease of \$21,269 in available resources and the same amount of decrease in appropriations.

Actual revenues and transfers in increased by \$3,885,347 (5.7%) over the final budget mainly due to the better collection rate in taxes and charges for services. Actual expenditures and transfers out were \$9,044,131 (12.2%) under the final budget as a result of the restrained spending of the County.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the County are those assets (land, right-of-way, buildings, improvements, roads, bridges, machinery, and equipment) which are used by the County in performance of the County's functions. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2012, amounted to \$206,341,210 (net of accumulated depreciation) and at September 30, 2011 it was \$196,036,433. Depreciation on capital assets is recognized in the government-wide financial statements. Depreciation provided for the current fiscal period was \$5,146,451 as compared to \$4,793,742 for the year ended September 30, 2011.

Major capital asset events during the current fiscal year included the following:

- The County continued the new tax building project, the courthouse renovation project, the inmate holding area remodeling and the development of the judicial software system during fiscal year 2012. The total cost spent on all these projects for the year was \$5.6 million.
- The County's infrastructure and land (right-of-way) increased about \$9.2 million during the current fiscal year. \$7.2 million of the increase is related to the acceptance of subdivision roads for maintenance.
- The County spent approximately \$900,000 and disposed of approximately \$700,000 in machinery and equipment in fiscal year 2012.

The County has elected to use the "Modified Approach" as defined by GASB 34 for reporting infrastructure assets, which include 460 miles of roads and 61 bridges. The County has adopted a minimum condition level of 80% for all County roads. In fiscal year 2012 approximately 93% of the County roads meet the targeted condition level. For the year ended September 30, 2012, the actual amounts of expense incurred for the annual maintenance and preservation of the roads and bridges at the targeted condition level is \$7.3 million and the amount estimated to be necessary for the purpose is \$9.5 million. The \$2.2 million variance is mainly due to the Department's contingency budget, the delays in the road preparation and weather delays.

The following table provides a comparative overview of the County's capital assets for the current and previous year. For further information regarding capital assets, see Note 6 to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

	Balance	Balance
<u>Governmental Activities:</u>	September 30, 2012	September 30, 2011
Land	\$ 16,639,461	\$ 12,714,624
Construction in progress	11,887,079	5,971,522
Infrastructure	63,917,804	59,006,913
Buildings	126,031,536	125,947,426
Improvements other than buildings	6,127,365	6,934,273
Machinery and equipment	22,966,577	22,730,660
	<u>247,569,822</u>	<u>233,305,418</u>
Less: Accumulated depreciation	(41,281,705)	(37,334,734)
Governmental activities capital assets, net	<u>\$ 206,288,117</u>	<u>\$ 195,970,684</u>
<u>Business-type activities:</u>		
Machinery and equipment	\$ 86,095	\$ 86,095
	<u>86,095</u>	<u>86,095</u>
Less: Accumulated depreciation	(33,002)	(20,346)
Business-type activities capital assets, net	<u>\$ 53,093</u>	<u>\$ 65,749</u>

Debt Administration

At September 30, 2012, the County had total long-term debt outstanding of \$90,785,000 as compared to \$96,460,000 in the prior year. The decrease of \$5,675,000 (6%) represents the debt principal retired during the year.

Refer to Note 9 in the Notes to the Basic Financial Statements for a detailed breakdown of long-term debt owed by the County. County officials, citizens and investors will find the ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita as useful indicators of the County's debt position and is shown in the statistical section of this report.

ECONOMIC FACTORS

The Commissioners' Court adopted the fiscal year 2013 budget on September 18, 2012. Like most governmental agencies across the country, Brazos County continues to feel the effects of the national economic downturn. Economic forecasts continue to indicate a fragile recovery. While the local economy shows signs of stabilization, the fiscal year 2013 budget was prepared in a conservative manner with an emphasis on maintaining current service levels and rebuilding reserves. The budget was adopted based on anticipated resources and estimated uses in fiscal year 2013. The total resources of the County's General Fund are estimated to be \$81,500,000 including the appropriated fund balance of \$10,700,000.

The property tax rate for fiscal year 2013 is \$0.4850 per \$100 valuation, the same as in fiscal year 2012. For the past three years, the County has maintained an estimated collection rate of 98% on property taxes.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 200 S. Texas Avenue, Suite 218, Bryan, Texas, 77803.

BASIC FINANCIAL STATEMENTS

BRAZOS COUNTY, TEXAS
STATEMENT OF NET ASSETS
September 30, 2012

	Governmental Activities	Business-Type Activities	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 46,134,794	\$ 281,618	\$ 46,416,412
Investments	2,348,707	-	2,348,707
Prepaid Expenses	230,365	-	230,365
Deferred Charges	945,520	-	945,520
Receivables, net of allowance for uncollectible amounts of \$14,683,048			
Taxes	3,380,363	-	3,380,363
Accounts and Other	2,985,948	89	2,986,037
Inventories	1,142,292	31,577	1,173,869
Internal Balances	(44,484)	44,484	-
Restricted Assets			
Cash and Cash Equivalents	5,268,756	-	5,268,756
Receivables			
Taxes	362,631	-	362,631
Accounts and Other	6,665	-	6,665
Joint Venture	795,785	-	795,785
Capital Assets (net of accumulated depreciation)			
Land	16,639,461	-	16,639,461
Buildings	102,806,804	-	102,806,804
Improvements Other than Buildings	1,947,466	-	1,947,466
Machinery and Equipment	9,089,503	53,093	9,142,596
Infrastructure	63,917,804	-	63,917,804
Construction in Progress	11,887,079	-	11,887,079
TOTAL ASSETS	\$ 269,845,459	\$ 410,861	\$ 270,256,320

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

BRAZOS COUNTY, TEXAS
STATEMENT OF NET ASSETS - Continued
September 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>TOTAL</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 6,623,921	\$ 4,675	\$ 6,628,596
Accrued Salaries and Wages	2,067,145	4,224	2,071,369
Accrued Interest Payable	318,635	-	318,635
Unclaimed Funds	306,055	-	306,055
Unearned Revenue	1,176,012	-	1,176,012
Liabilities for Compensated Absences	879,097	2,373	881,470
Noncurrent Liabilities			
Due within one year	5,870,000	-	5,870,000
Due in more than one year	114,695,663	-	114,695,663
TOTAL LIABILITIES	<u>131,936,528</u>	<u>11,272</u>	<u>131,947,800</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	116,826,933	53,093	116,880,026
Restricted for:			
Debt Service	5,514,377	-	5,514,377
Capital Projects	1,642,183	-	1,642,183
Legislative	3,230,394	-	3,230,394
Other Purposes	1,372,657	-	1,372,657
Unrestricted	9,322,387	346,496	9,668,883
TOTAL NET ASSETS	<u>\$ 137,908,931</u>	<u>\$ 399,589</u>	<u>\$ 138,308,520</u>

BRAZOS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental Activities:			
General Government	\$ 18,247,125	\$ 3,864,014	\$ 33,576
Justice System	17,146,680	6,417,437	584,036
Law Enforcement	21,030,239	946,508	122,515
Juvenile Services	5,795,413	83,648	1,211,533
Public Transportation	7,955,778	1,301,302	293,621
Public Health	2,124,420	34,711	82,226
Human Services	5,858,924	1,078,279	291,671
Interest and Other Fees	3,980,198	-	-
Total Governmental Activities	<u>82,138,777</u>	<u>13,725,899</u>	<u>2,619,178</u>
Business-Type Activities:			
County Attorney	36,515	22,565	-
Jail Commissary	480,762	500,061	-
Total Business-Type Activities	<u>517,277</u>	<u>522,626</u>	<u>-</u>
Total Government	<u>\$ 82,656,054</u>	<u>\$ 14,248,525</u>	<u>\$ 2,619,178</u>

General revenues:

Taxes:

Property taxes

Sales taxes

Motor vehicle taxes

Mixed drink taxes

Hotel occupancy taxes

Unrestricted investment earnings

Total general revenues

Change in net assets

Net assets-beginning, as restated

Net assets-ending

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

<u>Program Revenues</u> <u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Net (Expense) Revenue and</u> <u>Changes in Net Assets</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business - Type</u> <u>Activities</u>	<u>Total</u>
\$ -	\$ (14,349,535)	\$ -	\$ (14,349,535)
-	(10,145,207)	-	(10,145,207)
138,441	(19,822,775)	-	(19,822,775)
5,164	(4,495,068)	-	(4,495,068)
7,188,416	827,561	-	827,561
-	(2,007,483)	-	(2,007,483)
68,012	(4,420,962)	-	(4,420,962)
-	(3,980,198)	-	(3,980,198)
<u>7,400,033</u>	<u>(58,393,667)</u>	<u>-</u>	<u>(58,393,667)</u>
-	-	(13,950)	(13,950)
-	-	19,299	19,299
-	-	5,349	5,349
<u>\$ 7,400,033</u>	<u>(58,393,667)</u>	<u>5,349</u>	<u>(58,388,318)</u>
	55,591,539	-	55,591,539
	12,039,620	-	12,039,620
	1,290,727	-	1,290,727
	460,710	-	460,710
	1,172,567	-	1,172,567
	248,822	940	249,762
	<u>70,803,985</u>	<u>940</u>	<u>70,804,925</u>
	12,410,318	6,289	12,416,607
	<u>125,498,613</u>	<u>393,300</u>	<u>125,891,913</u>
	<u>\$ 137,908,931</u>	<u>\$ 399,589</u>	<u>\$ 138,308,520</u>

**BRAZOS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2012**

	Major Funds	
	General	Debt Service
ASSETS		
Cash and Cash Equivalents	\$ 31,117,411	\$ 5,268,756
Investments	2,348,707	-
Prepaid Expenditures	205,735	-
Receivables		
Taxes	3,109,879	362,631
Officials	273,091	4,747
Interest	13,351	1,918
Accounts	155,462	-
State	323,879	-
Federal	41,350	-
Due From Other Funds	-	232,456
Inventories	1,142,292	-
TOTAL ASSETS	\$ 38,731,157	\$ 5,870,508
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 4,140,436	\$ -
Accrued Salaries and Wages	1,990,450	-
Unclaimed Funds	-	-
Due To Other Funds	143,405	-
Deferred Revenues	2,926,250	356,131
Total Liabilities	9,200,541	356,131
Fund Balances		
Nonspendable	1,348,027	-
Restricted	333,381	5,514,377
Committed	261,295	-
Assigned	1,131,333	-
Unassigned	26,456,580	-
Total Fund Balances	29,530,616	5,514,377
TOTAL LIABILITIES AND FUND BALANCES	\$ 38,731,157	\$ 5,870,508

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

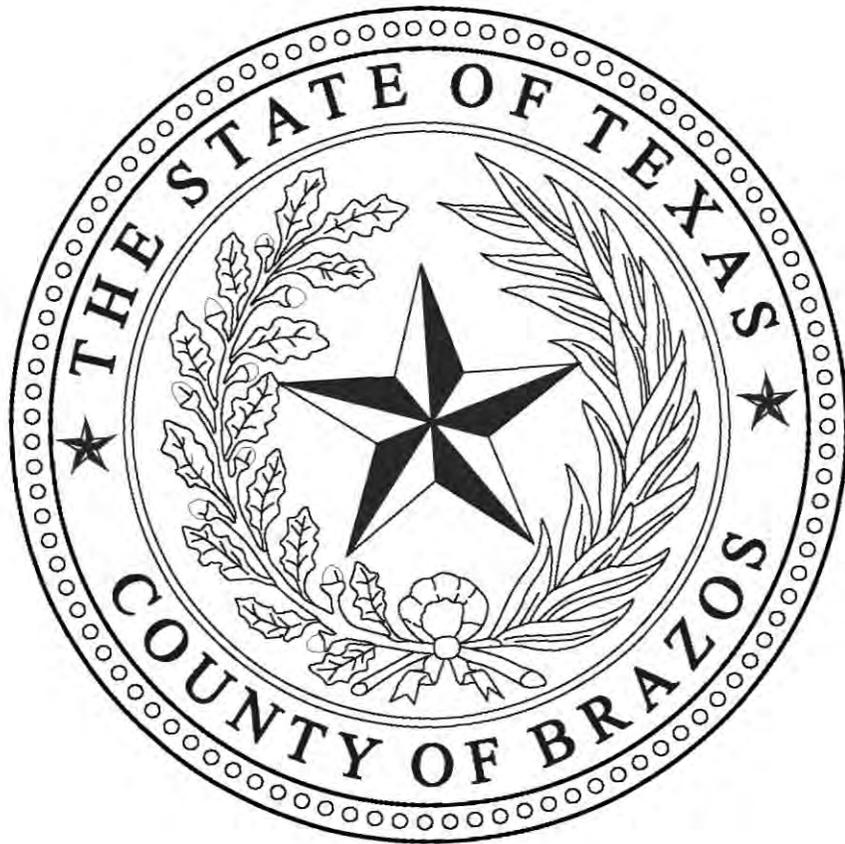
<u>Major Funds (Continued)</u> <u>Capital</u> <u>Improvement</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ 6,992,140	\$ 5,900,081	\$ 49,278,388
-	-	2,348,707
-	24,630	230,365
-	147,022	3,619,532
-	-	277,838
-	2,359	17,628
-	22,254	177,716
-	178,105	501,984
-	-	41,350
-	-	232,456
-	-	1,142,292
<u>\$ 6,992,140</u>	<u>\$ 6,274,451</u>	<u>\$ 57,868,256</u>
\$ 312,208	\$ 884,840	\$ 5,337,484
-	76,695	2,067,145
-	306,055	306,055
-	133,535	276,940
-	193,619	3,476,000
<u>312,208</u>	<u>1,594,744</u>	<u>11,463,624</u>
-	24,630	1,372,657
-	4,539,196	10,386,954
-	-	261,295
6,679,932	134,621	7,945,886
-	(18,740)	26,437,840
<u>6,679,932</u>	<u>4,679,707</u>	<u>46,404,632</u>
<u>\$ 6,992,140</u>	<u>\$ 6,274,451</u>	<u>\$ 57,868,256</u>

BRAZOS COUNTY, TEXAS
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2012

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

Total fund balances - governmental funds	\$	46,404,632
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		206,288,117
Certain receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		3,453,567
Internal service funds are used by the County's management for self insurance. The assets and liabilities of the funds are included with governmental activities in the Statement of Net Assets but are not included at the fund level.		1,784,705
The County's equity interest in a joint venture is included in the Statement of Net Assets but is not included at the fund level.		795,785
Liabilities for compensated absences are considered current but are not reported as liabilities in the funds.		(879,097)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds:		
Bonds payable	(90,785,000)	
Deferred charge for issuance cost (to be amortized as interest expense)	945,520	
Issuance premium (to be amortized as interest expense)	(965,122)	
Accrued interest payable	(318,635)	
OPEB obligation	<u>(28,815,541)</u>	
		<u>(119,938,778)</u>
Total net assets--governmental activities	\$	<u>137,908,931</u>

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



BRAZOS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended September 30, 2012

	Major Funds	
	General	Debt Service
REVENUES		
Taxes	\$ 58,676,284	\$ 9,279,330
Charges for Services	11,067,604	-
Intergovernmental	1,158,761	-
Interest	178,083	33,183
Other Revenue	525,021	-
TOTAL REVENUES	71,605,753	9,312,513
EXPENDITURES		
Current		
General Government	13,034,497	-
Justice System	15,157,786	-
Law Enforcement	16,214,435	-
Juvenile Services	3,885,228	-
Public Transportation	7,313,835	-
Public Health	2,110,077	-
Human Services	3,531,692	-
Capital Outlay	2,086,012	-
Debt Service		
Principal Retirement	-	5,675,000
Interest and Other Fees	-	3,984,699
TOTAL EXPENDITURES	63,333,562	9,659,699
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,272,191	(347,186)
OTHER FINANCING SOURCES (USES)		
Transfers In	5,800	940,746
Transfers Out	(1,981,459)	-
Sale of Capital Assets	73,140	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,902,519)	940,746
Net Change in Fund Balances	6,369,672	593,560
FUND BALANCES, OCTOBER 1, AS RESTATED	23,160,944	4,920,817
FUND BALANCES, SEPTEMBER 30	\$ 29,530,616	\$ 5,514,377

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

<u>Major Funds (Continued)</u> <u>Capital</u> <u>Improvement</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ 1,174,733	\$ 69,130,347
-	791,200	11,858,804
-	1,655,161	2,813,922
-	29,402	240,668
<u>5,323</u>	<u>4,057</u>	<u>534,401</u>
<u>5,323</u>	<u>3,654,553</u>	<u>84,578,142</u>
63,715	127,289	13,225,501
4,455	491,267	15,653,508
103,266	504,912	16,822,613
-	1,110,302	4,995,530
-	265,564	7,579,399
-	-	2,110,077
57,091	680,915	4,269,698
3,028,015	2,888,995	8,003,022
-	-	5,675,000
-	-	3,984,699
<u>3,256,542</u>	<u>6,069,244</u>	<u>82,319,047</u>
(3,251,219)	(2,414,691)	2,259,095
1,226,813	460,663	2,634,022
-	(652,563)	(2,634,022)
<u>22,790</u>	<u>-</u>	<u>95,930</u>
<u>1,249,603</u>	<u>(191,900)</u>	<u>95,930</u>
(2,001,616)	(2,606,591)	2,355,025
<u>8,681,548</u>	<u>7,286,298</u>	<u>44,049,607</u>
<u>\$ 6,679,932</u>	<u>\$ 4,679,707</u>	<u>\$ 46,404,632</u>

BRAZOS COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

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

Net change in fund balances - total governmental funds	\$	2,355,025
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount that expenditures for capital outlay exceeded depreciation expense.</p>		
Capital outlay	8,003,022	
Depreciation expense	(5,133,795)	2,869,227
Revenues and contributed assets in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(190,537)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to affect net assets		7,457,580
The County's investment in a joint venture is reported at the government-wide level but not at the fund level. This amount represents the current year change.		339,804
The liabilities for compensated absences are accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.		31,007
The OPEB obligation per GASB 45 are accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.		(6,416,811)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.		5,679,501
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		285,522
Change in net assets of governmental activities	\$	<u>12,410,318</u>

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

BRAZOS COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2012

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney	Jail Commissary	Totals	Internal Service Fund
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 46,591	\$ 235,027	\$ 281,618	\$ 2,125,162
Accounts Receivable	-	89	89	562,795
Inventories	-	31,577	31,577	-
Due From Other Funds	943	43,541	44,484	-
Total Current Assets	<u>47,534</u>	<u>310,234</u>	<u>357,768</u>	<u>2,687,957</u>
Noncurrent Assets				
Property, Plant and Equipment	-	86,095	86,095	-
Less: Accumulated Depreciation	-	(33,002)	(33,002)	-
Total Noncurrent Assets	<u>-</u>	<u>53,093</u>	<u>53,093</u>	<u>-</u>
TOTAL ASSETS	<u>47,534</u>	<u>363,327</u>	<u>410,861</u>	<u>2,687,957</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	-	4,675	4,675	897,090
Accrued Salaries and Wages	1,225	2,999	4,224	-
Compensated Absences	-	2,373	2,373	-
Deferred Revenues	-	-	-	6,162
Total Current Liabilities	<u>1,225</u>	<u>10,047</u>	<u>11,272</u>	<u>903,252</u>
TOTAL LIABILITIES	<u>1,225</u>	<u>10,047</u>	<u>11,272</u>	<u>903,252</u>
NET ASSETS				
Invested in Capital Assets	-	53,093	53,093	-
Unrestricted	46,309	300,187	346,496	1,784,705
TOTAL NET ASSETS	<u>\$ 46,309</u>	<u>\$ 353,280</u>	<u>\$ 399,589</u>	<u>\$ 1,784,705</u>

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

BRAZOS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
PROPRIETARY FUNDS
For The Year Ended September 30, 2012

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney	Jail Commissary	Totals	Internal Service Fund
OPERATING REVENUES				
Charges for Services	\$ 22,565	\$ -	\$ 22,565	\$ -
Commissary Sales	-	499,909	499,909	-
Employee Dependents	-	-	-	1,648,717
Self Pays	-	-	-	6,205
Excess Risk Benefits	-	-	-	600,468
Participant Payments	-	-	-	426,907
Brazos County	-	-	-	6,360,203
Retirees	-	-	-	228,640
Other Revenue	-	152	152	-
TOTAL OPERATING REVENUES	22,565	500,061	522,626	9,271,140
OPERATING EXPENSES				
Personnel Services	31,505	95,207	126,712	-
Departmental Support	574	76,654	77,228	-
Cost of Goods Sold	-	257,977	257,977	-
Minor Acquisitions	4,436	-	4,436	-
Life Insurance	-	-	-	26,038
Stop Loss Premiums	-	-	-	1,009,888
Benefit Claims	-	-	-	7,482,800
Administrative Fees	-	-	-	443,128
Professional Services	-	38,268	38,268	31,919
Depreciation	-	12,656	12,656	-
TOTAL OPERATING EXPENSES	36,515	480,762	517,277	8,993,773
OPERATING INCOME (LOSS)	(13,950)	19,299	5,349	277,367
NONOPERATING REVENUES				
Interest	-	940	940	8,155
TOTAL NONOPERATING REVENUES	-	940	940	8,155
CHANGE IN NET ASSETS	(13,950)	20,239	6,289	285,522
TOTAL NET ASSETS - OCTOBER 1	60,259	333,041	393,300	1,499,183
TOTAL NET ASSETS - SEPTEMBER 30	\$ 46,309	\$ 353,280	\$ 399,589	\$ 1,784,705

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

BRAZOS COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended September 30, 2012

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney	Jail Commissary	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 23,383	\$ 506,908	\$ 530,291	\$ 2,316,392
Receipts from interfund services provided	-	-	-	6,360,203
Payments to contractors and vendors	(5,010)	(403,914)	(408,924)	(1,509,332)
Claims paid	-	-	-	(7,365,946)
Payments to employees for services	(31,724)	(98,410)	(130,134)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(13,351)</u>	<u>4,584</u>	<u>(8,767)</u>	<u>(198,683)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	905	905	8,023
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>-</u>	<u>905</u>	<u>905</u>	<u>8,023</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(13,351)	5,489	(7,862)	(190,660)
CASH AND CASH EQUIVALENTS, OCTOBER 1	59,942	229,538	289,480	2,315,822
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>\$ 46,591</u>	<u>\$ 235,027</u>	<u>\$ 281,618</u>	<u>\$ 2,125,162</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (13,950)	\$ 19,299	\$ 5,349	\$ 277,367
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	12,656	12,656	-
Change in accounts receivable	-	5,125	5,125	(556,469)
Change in due from other funds	818	6,847	7,665	-
Change in inventory	-	(4,833)	(4,833)	-
Change in accounts payable	-	(31,306)	(31,306)	79,186
Change in due to other funds	-	(3,050)	(3,050)	-
Change in accrued salaries and compensated absences	(219)	(154)	(373)	-
Change in deferred revenues	-	-	-	1,233
Total adjustments	<u>599</u>	<u>(14,715)</u>	<u>(14,116)</u>	<u>(476,050)</u>
Net cash provided (used) by operating activities	<u>\$ (13,351)</u>	<u>\$ 4,584</u>	<u>\$ (8,767)</u>	<u>\$ (198,683)</u>

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

BRAZOS COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
September 30, 2012

ASSETS	
Cash and Cash Equivalents	\$ 4,283,326
Investments	1,217,100
TOTAL ASSETS	<u><u>\$ 5,500,426</u></u>
LIABILITIES	
Funds Held for Others	\$ 5,500,426
TOTAL LIABILITIES	<u><u>\$ 5,500,426</u></u>

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

BRAZOS COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Brazos County, Texas (“County”) have been developed to be in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for local government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

A. Reporting Entity

The Brazos County Government (the “County”) was created in 1841. The County is a public corporation and a political subdivision of the State of Texas. It performs governmental functions as required or authorized by the Texas Constitution and the Laws of the State. A Commissioners’ Court composed of an elected County Judge and four elected Commissioners governs the County. The combined financial statements include all departments, funds or accounts for the County, the primary government.

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The financial statements should allow users to distinguish between the primary government (the County) and its component units. GASB Statement 14 as amended by GASB Statement 61 defines the reporting entity as the primary government and its component units. Brazos County is the primary governmental unit. The financial statements include all funds, agencies, boards, commissions, and authorities for which the elected officials of the County are financially accountable. The financial statements include those entities for which the nature and significance of the relationship between the entity and the County are such that to exclude the entity from the financial reporting entity would render the financial statements misleading or incomplete.

B. Related Organizations

Related organizations provide services within the County that are administered by separate boards or commissions, but the County is not financially accountable, and such organizations are therefore not component units of the County, even though the Commissioners’ Court may appoint a voting majority of an organization’s board. Consequently, financial information for the following entities is not included within the scope of these financial statements.

Brazos County Health Facilities Development Corporation

The Brazos County Health Facilities Development Corporation (“BCHFDC”) is a Texas public, non-profit corporation created in accordance with the Texas Health Facilities Development Act of 1981. The BCHFDC’s purpose is to acquire, construct, provide, improve, finance and refinance health facilities to assist in the maintenance of the public health. The tax-exempt bonds issued by the BCHFDC do not constitute a debt or a pledge of faith or credit of the BCHFDC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Related Organizations (Continued)

The BCHFDC is governed by a five member Board of Directors which is comprised of the members of the Brazos County Commissioners' Court.

Brazos County Industrial Development Corporation

The Brazos County Industrial Development Corporation ("BCIDC") is a Texas public, non-profit corporation created in accordance with the Texas Development Corporation Act of 1979. The BCIDC's purpose is to issue bonds on behalf of the Corporation, to promote and develop industrial and manufacturing enterprises, to promote and encourage employment and the public welfare, and to finance projects as defined by the Act. The tax-exempt bonds issued by the BCIDC do not constitute a debt or a pledge of faith or credit of the BCIDC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code. The BCIDC is governed by a three member Board of Directors which is comprised of three members of the Brazos County Commissioners' Court.

Brazos County Housing Finance Corporation

The Brazos County Housing Finance Corporation ("BCHFC") is a Texas public, non-profit corporation created in accordance with the Texas Housing Finance Corporations Act in 1980. This Act authorizes the BCHFC to finance residential housing by issuing tax-exempt revenue bonds to acquire mortgage loans made to low or moderate income persons, and to pledge such mortgage loans as security for the payment of the principal and interest of such revenue bonds. The tax-exempt bonds issued by the BCHFC do not constitute a debt or a pledge of faith or credit of the BCHFC or Brazos County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code. The BCHFC is governed by a five member Board of Directors, three of which are members of the Brazos County Commissioners' Court.

Brazos Valley Fair & Exposition

The Brazos Valley Fair & Exposition (the "Fair") is a non-profit, 501(c)3 corporation that was organized in 2010 for educational, scientific and charitable purposes to encourage, promote and maintain agricultural science, research, and education. It is a mid-major or regional fair whose reach or scope encompasses the entire state of Texas and surrounding states. Currently, the Executive Committee of the Fair consists of seven members, all of which were appointed by the Brazos County Commissioners' Court. Future additions and replacements to the Board of Directors will be determined by the Executive Committee of the Fair.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Related Organizations (Continued)

The start-up funding for the Fair comes from the Hotel Occupancy Tax (“HOT”) Fund, a special revenue fund of the County. The amount of the funding is approved first by the HOT Committee and subsequently by the Brazos County Commissioners’ Court. The HOT Fund funded the Fair \$200,000 in fiscal year 2011 and \$40,000 in fiscal year 2012. The budgeted funding for fiscal year 2013 is \$100,000, if and when all or part of it is needed. In addition, the County pays the salaries and wages of the two primary employees of the Fair and provides various resources to the Fair at no charge, such as office space, utilities, telephone services, internet services, periodic use of a County vehicle, etc. The future funding from the HOT Fund is expected to decrease until the Fair becomes a standalone entity.

The first fair occurred in September 2012 and generated enough revenue to pay all of its direct expenses and the facility rental fees for the Exposition Complex. It is the general policy of the Fair that the excess of its revenue over expenses will be used for the furtherance of its exempt purpose, including the granting of scholarships and the funding of related capital additions and improvements.

C. Government-Wide Financial Statements

Government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities are supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of 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 imposed by the provider have been met.

The statement of activities demonstrates the degree to which the expenses of a given function are offset by program revenues. 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 by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements

All governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property tax revenues, the County's primary revenue source, are susceptible to accrual and are considered available to the extent of delinquent taxes collected within sixty (60) days of the fiscal year end. Grant and entitlement revenues are also susceptible to accrual. Encumbrances are used during the year and all outstanding encumbrances lapse at the end of each fiscal year.

The fund level financial statements are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

For proprietary funds, all revenues and expenses are classified as operating revenues and expenses except for taxes, investment income and interest expense, which are classified as non-operating revenues and expenses.

All proprietary funds, including the enterprise fund and internal service fund, are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses. These funds are accounted for using a cost of service or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or non-current) associated with their activity are included in the funds' statements of net assets.

The fiduciary funds are used to account for assets held solely in a custodial capacity and are accounted for using the accrual basis of accounting. As a result, assets in fiduciary funds are always matched by liabilities to the owners of the assets and involve no measurement of results of operations.

The County's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund equity, revenues and expenditures or expenses.

Funds are classified into three categories: Governmental, Proprietary and Fiduciary. The major funds of the County are noted within each category.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements (Continued)

Governmental Funds

Governmental funds are used to account for all or most of a government's general activity. The County has reported three major funds under this category for the year ended September 30, 2012:

General Fund - The General Fund is the principal operating fund of the County. It is used to account for all financial resources 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 fund accumulates reserves for future capital improvements and unforeseen catastrophic events.

Debt Service Fund – The Debt Service Fund accounts for the financial resources that are restricted, committed, or assigned to expenditure for the payment of principal and interest on long-term debt paid primarily from taxes levied by the County. Financial resources that are being accumulated for principal and interest in future years are also reported in the Debt Service Fund.

Capital Improvement Fund – This fund is established to account for expenditures for new construction and acquisition of capital assets to support the County's various functions.

The County reports the following nonmajor governmental funds:

Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Expo Center Expansion Fund - This fund was established to account for the expansion of the Brazos County Exposition Center. The expenditures are being financed through the issuance of \$12,000,000 certificates of obligation in November 2009 and a portion of the hotel occupancy taxes collected. Although the construction was substantially completed in June 2011, the fund remains active to provide support for minor additions to the Expo Center with the remaining funds.

Jail Expansion Fund - This fund was established to account for the construction of the expanded jail facility. The funding source came from a limited tax bond of \$55,000,000 issued in 2008. The \$51 million major jail expansion project was completed in fiscal year 2010 and the remaining funds are being used to support the renovation of the inmate holding area in the County's courthouse.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements (Continued)

Proprietary Funds

Proprietary funds are used to account for operations that are financed in a manner similar to those in the private sector, where the determination of net income is appropriate for sound financial administration. The County reports one internal service fund and two enterprise funds, all as major proprietary funds. The internal service fund is used to account for the provision of health, dental and life insurance to the departments of the County as well as to outside entities that have contracted with the County for this service. Two enterprise funds are used to account for the business-type operations of the County Attorney and Jail Commissary.

Fiduciary Funds

The County reports four agency funds as nonmajor fiduciary funds. Agency funds are used to account for situations where the government's role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Assets have been held in these funds on behalf of individuals involving certain legal processes, bail bondsmen, and other governmental units.

E. Proprietary Fund Accounting

The County has implemented Statement No. 20 of the Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting." Pursuant to this statement, the County has elected to follow alternative 1 as set out in GASB 20 for proprietary fund accounting. The County follows: (1) all GASB pronouncements and (2) Financial Accounting Standards Board Statements and Interpretations, APB Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 except those that conflict with GASB pronouncements.

F. Implementation of New Standards

In fiscal year 2012, the County evaluated and implemented GASB Statement No. 61, "The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34". The requirements of this Statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

Brazos County Housing Finance Corporation ("BCHFC") was presented as a blended component unit of the County for the first time in fiscal year 2011. With the implementation of GASB 61, it was determined that BCHFC no longer qualified as a blended component unit of the County. As a result, the beginning fund balances and net assets of the County at October 1, 2011 have been restated. BCHFC is now disclosed as a related organization to the County in Note 1-B.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Implementation of New Standards (Continued)

The restatement is summarized in the schedule below:

	Total Governmental Funds
Fund Balance, October 1, 2011	\$ 44,205,586
Adjustment to Special Revenue Fund	(155,979)
Fund Balance, October 1, 2011	<u>\$ 44,049,607</u>

	Governmental Activities
Net Assets, October 1, 2011	\$ 125,654,592
Adjustment	(155,979)
Net Assets, October 1, 2011	<u>\$ 125,498,613</u>

G. Cash, Cash Equivalents and Investments

The County defines all cash, money market accounts, and certificates of deposit that have an original maturity date of ninety days or less as cash or cash equivalents. Cash and cash equivalents related to restricted assets are also included. Cash and cash equivalents are short term, highly liquid investments, which may be converted to cash (see Note 3). The County maintains a cash and investment pool that is available for use by all funds. 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.

All County funds must be on deposit with the County depository unless the Commissioners' Court directs the County Treasurer to invest funds as otherwise provided by law. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. Investments are stated at fair value or amortized cost (see Note 3).

H. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 of a given year. Taxes levied on October 1 are payable by January 31 of the following year, and by statute become delinquent on February 1 at which time they begin accruing penalty and interest. The enforceable legal claim date for property taxes is the assessment date and therefore the County did not record a receivable for taxes assessed after September 30, 2012. Accordingly, there are no current taxes receivable reported. On July 1, unpaid taxes are subject to additional penalties and collection expenses.

Taxes have been reported in the government-wide financial statements net of the allowance for uncollectible taxes. At the governmental fund level, taxes are recognized as revenue when they become available and the amount not yet available (not collectible within sixty days) has been reported as deferred revenue. For the year ended September 30, 2012, the tax rate to finance general governmental services was \$0.4037 per \$100.00 valuation. The tax rate for the payment of principal and interest on long-term debt was \$0.0813 per \$100.00 valuation. Under provisions adopted by the State, the maximum rate that can be set to service governmental services is \$0.80 per \$100 of assessed value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Property Taxes (Continued)

The Brazos County Appraisal District is responsible for the recording and appraisal of property for all taxing units in the County. The Appraisal District is required to assess property at 100% of its appraised value. Real property is subject to reappraisal on a four-year cycle.

The County's Tax Assessor-Collector acts as agent in the billing and collecting of taxes for the Brazos County Water Control Improvement District - Big Creek, the City of Bryan, the City of College Station, the Bryan Independent School District, the College Station Independent School District, Brazos County Education District, and Brazos County Rural Fire Prevention Districts 1, 2, 3, and 4. These transactions are recorded in an agency account.

I. Interfund Transactions

The County has many transactions between funds during its normal course of operations. The accompanying fund level financial statements reflect such transactions as transfers, interfund receivables and payables. The effect of interfund activity has been eliminated in the government-wide financial statements, except for transactions between governmental and business-type activities.

J. Inventories and Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2012, are recorded as prepaid items, and amortized as expenditures as consumed.

The County maintains inventory at various levels. Inventory is valued at cost using the first-in, first-out method and is accounted for under the consumption method. Inventories of paper, copier supplies and road maintenance materials are maintained for all departments within the General Fund. An inventory of consumable food and personal items is maintained within the Jail Commissary Enterprise Fund.

K. Restricted Assets

The Debt Service Fund's current assets are classified as restricted assets because its use is completely restricted for debt service on bonds issued by applicable bond covenants.

L. Investment in Joint Venture

The County's investment in a joint venture, the City of Bryan and Brazos County Economic Development Foundation, Inc., is reported in the government-wide financial statements using the equity method of accounting. Required disclosure concerning the joint venture is presented in Note 10.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Capital Assets

Capital assets include land, land improvements, right-of-way land, infrastructure, buildings, building improvements, site improvements, leasehold improvements, vehicles, machinery, furniture, equipment, other systems, works of art and intangible assets that are used in operations and benefit more than a single fiscal period. Infrastructure assets are long-lived assets that normally are stationary in nature and typically can be preserved for a significantly greater number of years than most capital assets, such as roads, bridges, and sewer systems.

The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Buildings and building improvements with an estimated cost to exceed \$25,000 are capitalized while infrastructure assets with an estimated cost to exceed \$50,000 are capitalized.

When capital assets are purchased, they are recorded as expenditures of the current period in the governmental fund financial statements. Capital assets are valued at cost where historical records are available and at an estimated historical cost where no records exist. Donated capital assets are valued at their estimated fair market value on the date received. Capital assets are capitalized and depreciated in the government-wide financial statements and the proprietary fund statements.

Improvements to capital assets that materially extend the life of the asset or add to the value are capitalized. Other repairs and normal maintenance are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized in the governmental activities on the government-wide financial statements.

Capital assets except for land and infrastructure, are depreciated over the useful lives of the assets or classes of assets on a straight-line basis as follows:

Buildings and improvements	20 - 40 years
Machinery and equipment	3 - 10 years

The County uses the modified approach to report its infrastructure assets in the government-wide statement of net assets. Infrastructure assets are listed at historical costs but they are not depreciated. Rather, under the modified approach allowed by GASB Statement No. 34, the County reports annual expenses for maintaining roads and bridges and the estimated costs for preserving them at 80% condition level out of a 100% scale.

N. Compensated Absences

All non-exempt employees except temporary employees may earn compensatory time based on FLSA regulations. Compensatory time earned during the fiscal year must be used by the last pay period in September of each fiscal year so that no liability is accrued at year-end. At termination, all compensatory time is paid at the wage rate in place at termination.

All employees except temporary employees of the County are granted vacation benefits in varying annual amounts up to a maximum allowable accumulation of 240 hours per year. Sick leave benefits are earned by all employees except temporary employees at a rate up to twelve days per year and may be accumulated without limit. Sick leave benefits are recognized as they are used by the employees. In the event of termination, an employee is entitled to receive accumulated vacation pay but not the accumulated sick leave pay.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences (Continued)

The County's policy requires that only half of the vacation hours accumulated from the previous year can be carried over but must be used first in the current year. The liability of the County's vacation pay is calculated at the end of each fiscal year and reported as "liabilities for compensated absences", a current liability item in the County's government-wide statements due to the fact that the accumulated vacation pay has an average maturity of less than one year.

O. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities. On new bond issues, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Interest expense is reported in activities of the general government.

P. Fund Balances and Net Assets

Fund Balance Classifications

The County's Commissioners' Court meets on a regular basis to manage and review cash financial activities and to ensure compliance with established policies. It is the County's policy to fund current expenditures with current revenues and the County's mission is to strive to maintain a diversified and stable revenue stream to protect the government from problematic fluctuations in any single revenue source and provide stability to ongoing services. The County's highest level of decision-making authority resides in its Commissioners' Court. The Commissioners' Court can commit and assign amounts as needed for specific purposes. It can also modify or rescind unrestricted fund balance arrangements as needed. It usually requires a special meeting or a resolution for the change in committed fund balance arrangements. When both restricted and unrestricted fund balance are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. For unrestricted fund balance, the committed amount should be used first, assigned amount next, and unassigned amount should be used last. The County's unassigned fund balances will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

Under GASB 54, fund balances are required to be reported according to the following classifications:

Nonspendable Fund Balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted Fund Balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balances and Net Assets (Continued)

Committed Fund Balance – Amounts that can only be used for specific purposes imposed by a formal action of the government’s highest level of decision-making authority. The County’s highest level of decision-making authority resides with the Commissioners’ Court. The constraints imposed by the resolution of the Commissioners’ Court remain binding unless removed or changed in the same manner employed to previously commit those resources.

Assigned Fund Balance – Amounts that are constrained by the County’s intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Such intent should be expressed by the Commissioner’s Court or its designated officials to assign the amount to be used. Constraints imposed on the use of the assigned amounts can be removed with no formal action.

Unassigned Fund Balance – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amount had been restricted, committed or assigned.

Net Assets Classifications

The government-wide and business-type activities financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted. Net assets invested in capital assets, net of related debt represents capital assets, net of accumulated depreciation and is reduced by outstanding balances for bonds and other debt that is attributed to the acquisition, construction, or improvement of those assets. Restricted net assets represent assets that have externally imposed restrictions by creditors, grantors, contributors, or laws or regulations of other governments. Assets may also be restricted as imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The amount that represents the County’s net assets restricted by enabling legislation was \$3,230,394, as reported in the Statement of Net Assets. Any remaining balance of net assets is to be reported as unrestricted net assets.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Policy and Procedures

Annual budgets are legally adopted for general, special revenue, debt service, and capital project funds. Budgets are adopted on a basis consistent with GAAP (modified accrual basis). The County employs an encumbrance accounting system as a method of accomplishing budgetary control. At year-end, open encumbrances are closed. The department is required to re-appropriate the funds within the following year’s budget.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Policy and Procedures (Continued)

The County Judge is recognized by State statutes as the budget officer for the County and responsible for the preparation of the proposed budget. The proposed expenditures may not exceed the revenue estimates prepared by the County Auditor. The County in the preparation of the budget adheres to the following procedures:

- Departmental annual budget requests are submitted by the department head to the budget officer during the third quarter of the current fiscal year, for the fiscal year beginning October 1.
- The County Auditor prepares an estimate of available resources for the coming fiscal year and presents the estimates to the budget officer by July 15 each year.
- Informal departmental hearings are held with the budget officer.
- The budget officer prepares the proposed annual operating budget to be presented to the Commissioners' Court for consideration. The budget represents the financial plan for the new fiscal year.
- Formal public hearings are held on the proposed budget.
- The adopted budget must be balanced; i.e., available resources must be sufficient to support annual appropriations. The adopted budget must be approved by a majority of the Commissioners' Court on or before November 1 each year.
- The budget is adopted using classifications within each department. The operating department is the legal level of budgetary control.
- The budget may not be increased through the use of supplemental appropriations each year, unless the County Auditor certifies to the Commissioners' Court that supplemental receipts have been realized, and are available to support disbursements, which were not included in the budget for the fiscal year.
- Transfer of appropriations between departments requires the expressed permission of Commissioners' Court, and all appropriations lapse at year-end.

Appropriations for total budget cannot exceed total resources that will be available for the year as forecast by the County Auditor. This is the legal level of control for the County budget. Expenditures may not exceed budgeted appropriations at the fund level except for General Fund, which is appropriated at the classification level. Administrative control is maintained through the establishment of more detailed line-item budgets.

Amendments increasing budget appropriations are restricted to those for "emergency expenditures, in case of grave public necessity, to meet unusual and unforeseen conditions that could not, by reasonably diligent thought and attention, have been included in the original budget." The Commissioners' Court must approve the original budget appropriations and subsequent amendments and adjustments. The County Auditor is required to monitor the expenditures of all the funds in comparison to that which has been appropriated. The following schedule of changes in the original budget appropriations includes those funds for which the Commissioners' Court has legally adopted a budget, as well as funds with managerial budgets:

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Policy and Procedures (Continued)

	Original Budgeted Expenditures and Other Financing Uses	Supplemental Appropriations	Original As Amended
General Fund	\$ 74,380,421	\$ (21,269)	\$ 74,359,152
Special Revenue	5,551,810	483,969	6,035,779
Debt Service	10,661,800	157,946	10,819,746
Capital Projects	13,894,160	202,444	14,096,604
Totals	<u>\$ 104,488,191</u>	<u>\$ 823,090</u>	<u>\$ 105,311,281</u>

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. Cash and Cash Equivalents

Chapter 2257 of the Texas Government Code, also known as the Public Funds Collateral Act, provides guidelines for the amount of collateral that is required to secure the deposit of public funds. It requires that the deposit of public funds be collateralized in an amount not less than the total deposit, reduced by the amount of Federal Depository insurance (FDIC) available. The County’s depository agreement with Citibank requires collateralization with a fair market value equal to at least 102 percent of County funds in excess of \$250,000 on deposit in the bank. At September 30, 2012, the carrying amounts of the County’s deposits were \$51,685,168, reported as “Cash and Cash Equivalents” on the balance sheet/statement of net assets.

B. Investments

The County is authorized to invest its funds in accordance with the Texas Public Funds Act, Government Code Chapter 2256 and its subsequent amendments. The County’s investment policy is strictly based on the State law. During the year ended September 30, 2012, County investments consisted of participation in TexPool.

Interest-Rate Risk. TexPool is a local government investment pool under the oversight of the State Comptroller of Public Accounts of Texas. TexPool’s portfolio has low interest rate risk due to restrictions on weighted average maturity and maximum maturity of any one investment. It maintains the weighted average maturity at sixty (60) days or less and no security will exceed thirteen (13) months in maturity.

Credit Risk. State law limits investment in the investment pool to at least an AAA or AAAM rating or an equivalent rating by at least one nationally recognized rating service. TexPool is rated AAAM by Standard & Poor’s, the highest rating a local government investment pool can achieve. The pools seek to maintain a \$1.00 value per share as required by the Texas Public Funds Investment Act.

Investments at September 30, 2012 are as follows:

Pooled Investments	\$ 2,348,707
Property	<u>1,217,100</u>
Total Investments	<u>\$ 3,565,807</u>

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments (Continued)

The \$2,348,707 pooled investments are reflected as investments on the balance sheet/statement of net assets. The pooled investment represents its fair value, which is the same as the value of the pool shares.

The \$1,217,100 investment in property, which represents property held by the County as security for the bail bondsman operating in the County, is recorded in the Bail Bond Board Agency Fund. It is not classified in accordance with GASB Statement 3.

NOTE 4 – TAXES AND OTHER RECEIVABLES

The following is a summary of the gross delinquent taxes receivable, penalties and interest on taxes receivable, and other receivables at year-end for the County’s major, nonmajor, proprietary and internal service funds in the aggregate:

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Jail Commissary</u>	<u>Internal Service</u>	<u>Total</u>
Taxes	\$ 3,109,879	\$ 362,631	\$ 147,022	\$ -	\$ -	\$ 3,619,532
Officials	273,091	4,747	-	-	-	277,838
Interest	13,351	1,918	2,359	89	777	18,494
Accounts	155,462	-	22,254	-	562,018	739,734
State	323,879	-	178,105	-	-	501,984
Federal	41,350	-	-	-	-	41,350
Total Receivable	<u>\$ 3,917,012</u>	<u>\$ 369,296</u>	<u>\$ 349,740</u>	<u>\$ 89</u>	<u>\$562,795</u>	<u>\$ 5,198,932</u>

NOTE 5 – INTERFUND BALANCES AND TRANSFERS

In the fund financial statements, interfund balances are the result of normal transactions between funds and will be liquidated in the subsequent fiscal year. The following is a summary of amounts due from and due to other funds as of September 30, 2012:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 143,405	\$ -
Debt Service Fund	-	232,456
Nonmajor Governmental Funds	133,535	-
County Attorney Enterprise Fund	-	943
Jail Commissary Enterprise Fund	-	43,541
Total	<u>\$ 276,940</u>	<u>\$ 276,940</u>

The summary of the County’s transfers for the year ended September 30, 2012 is as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<u>Transfer Out:</u>					
General Fund	\$ -	\$ 293,983	\$ 1,226,813	\$ 460,663	\$ 1,981,459
Nonmajor Governmental Funds	5,800	646,763	-	-	652,563
	<u>\$ 5,800</u>	<u>\$ 940,746</u>	<u>\$ 1,226,813</u>	<u>\$ 460,663</u>	<u>\$ 2,634,022</u>

NOTE 5 – INTERFUND BALANCES AND TRANSFERS (Continued)

The General Fund transferred out \$1,226,813 to the Capital Improvement Fund, and \$460,663 to other nonmajor governmental funds for anticipated expenditures in various capital improvements, grant matching and other requirements. It also transferred \$293,983 to the Debt Service Fund for the anticipated debt principal and interest payments for the Expo Center Expansion project. In addition, \$646,763 was transferred from the Hotel & Occupancy Tax Fund to the Debt Service Fund for the same purpose. The Primary Election Services Fund transferred \$5,800 to the General Fund for the reimbursement of the funds transferred from the General Fund.

NOTE 6 – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2012 was as follows:

	Balance at September 30, 2011	Additions	Deletions & Adjustments	Balance at September 30, 2012
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 12,714,624	\$ 4,269,837	\$ (345,000)	\$ 16,639,461
Construction in progress	5,971,522	6,325,741	(410,184)	11,887,079
Infrastructure	59,006,913	4,910,891	-	63,917,804
Total capital assets, not being depreciated	<u>77,693,059</u>	<u>15,506,469</u>	<u>(755,184)</u>	<u>92,444,344</u>
Capital assets, being depreciated:				
Buildings	125,947,426	159,110	(75,000)	126,031,536
Improvements other than buildings	6,934,273	-	(806,908)	6,127,365
Machinery and equipment	22,730,660	890,965	(655,048)	22,966,577
Total capital assets, being depreciated	<u>155,612,359</u>	<u>1,050,075</u>	<u>(1,536,956)</u>	<u>155,125,478</u>
Less accumulated depreciation for:				
Buildings	(20,138,077)	(3,154,155)	67,500	(23,224,732)
Improvements other than buildings	(4,754,433)	(187,769)	762,303	(4,179,899)
Machinery and equipment	(12,442,224)	(1,791,871)	357,021	(13,877,074)
Total accumulated depreciation	<u>(37,334,734)</u>	<u>(5,133,795)</u>	<u>1,186,824</u>	<u>(41,281,705)</u>
Total capital assets, being depreciated, net	<u>118,277,625</u>	<u>(4,083,720)</u>	<u>(350,132)</u>	<u>113,843,773</u>
Governmental activities capital assets, net	<u>\$ 195,970,684</u>	<u>\$ 11,422,749</u>	<u>\$ (1,105,316)</u>	<u>\$ 206,288,117</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 86,095	\$ -	\$ -	\$ 86,095
Total capital assets, being depreciated	<u>86,095</u>	<u>-</u>	<u>-</u>	<u>86,095</u>
Less accumulated depreciation for:				
Machinery and equipment	(20,346)	(12,656)	-	(33,002)
Total accumulated depreciation	<u>(20,346)</u>	<u>(12,656)</u>	<u>-</u>	<u>(33,002)</u>
Total capital assets, being depreciated, net	<u>65,749</u>	<u>(12,656)</u>	<u>-</u>	<u>53,093</u>
Business-type activities capital assets, net	<u>\$ 65,749</u>	<u>\$ (12,656)</u>	<u>\$ -</u>	<u>\$ 53,093</u>

NOTE 6 – CAPITAL ASSETS (Continued)

Depreciation expense for fiscal year 2012 was charged to functions as follows:

Governmental Activities:	
General Government	\$ 341,311
Justice System	322,963
Law Enforcement	2,333,787
Juvenile Services	202,169
Public Transportation	592,590
Public Health	14,342
Human Services	1,326,633
	<hr/>
Total depreciation expense - governmental activities	\$ 5,133,795
	<hr/> <hr/>

NOTE 7 – LEASES

Operating Leases

The County has entered into operating leases as both lessee and lessor. The County currently has facility leases in force that provide for cancellation at various terms. These leases are for office space and ground storage having minimum annual lease payments of \$191,322. At September 30, 2012, the County had entered into two lease arrangements with outside non-profit entities to provide space within the Brazos Center, a public facility owned by the County. The County's lease arrangement with the Brazos Valley Museum, provides the Museum with space at \$1,248 annually. The lease is a 50-year lease expiring in 2040. The County also provides the office space for Junior League of Bryan/College Station at \$7,800 per year with a lease agreement renewable every two years. The current lease was renewed on March 28, 2011. The County has also purchased property with an existing lease renewable yearly, allowing Lamar Companies to set up billboards on the County's property at \$1,200 per year.

The County had entered into forty-seven non-cancelable operating leases for the use of photocopying equipment. The leases are for a 36 to 60 month period. Expenditures for these operating leases were \$154,090 in 2012. The County has also entered into one non-cancelable operating lease for facility rental with a 5-year term. Expenditures for this lease were \$13,920 in 2012. The future minimum lease payments for these leases are as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2013	\$ 132,564
2014	73,728
2015	57,999
2016	18,244
2017	4,316
Total	<hr/>
	\$ 286,851
	<hr/> <hr/>

NOTE 8 – COMPENSATED ABSENCES

The cost of the County’s liability for compensated absences is calculated at the end of the fiscal year based on the employee’s pay rate and the accumulated vacation hours earned but not taken. It is reported as a current liability in the County’s government-wide financial statements due to the fact that the average maturity of the liability is less than one year.

Changes in compensated absences for the year ended September 30, 2012, were as follows:

	Balance Outstanding October 1, 2011	Earned	Taken/ Paid	Balance Outstanding September 30, 2012
Governmental Activities	\$ 910,104	\$ 1,817,555	\$ (1,848,562)	\$ 879,097
Business-type Activities	2,639	2,589	(2,855)	2,373
Total	<u>\$ 912,743</u>	<u>\$ 1,820,144</u>	<u>\$ (1,851,417)</u>	<u>\$ 881,470</u>

NOTE 9 – LONG-TERM DEBT

A. Bonded Debt

Bonded debt of the County consists of various issues of General Obligation Bonds and Certificates of Obligation. General Obligation Bonds and Certificates of Obligation are direct obligations of the County with the County’s full faith and credit pledged towards the payment of this obligation. General Obligation Bonds are issued upon approval by the public at an election. Certifications of Obligation are issued by the vote of commissioners’ court as allowed under the Certificates of Obligation Act. Debt service is primarily paid from ad valorem taxes. The following are debt issues with activity or outstanding balances at September 30, 2012:

Description	Original Amount	Interest Rates (%)	Year of Issue	Year of Maturity	Outstanding at 9/30/12
<u>Certificates of Obligation</u>					
Series 2002 - Various	\$ 2,995,000	2.8 - 3.85	2002	2013	\$ 195,000
Series 2003 - Various	10,000,000	2.5 - 4.55	2003	2023	6,365,000
Series 2004 - Various	5,000,000	2.6 - 4.55	2004	2024	3,735,000
Series 2005 - Various	2,750,000	3.25 - 3.75	2005	2015	920,000
Series 2009 - Expo Expansion	12,000,000	3.0 - 4.5	2009	2034	10,940,000
<u>Limited Tax Refunding Bonds</u>					
Series 2005 - Debt Refunding	6,005,000	4.0	2005	2016	2,820,000
Series 2009 - Debt Refunding	7,365,000	3.0 - 4.0	2009	2021	4,845,000
<u>Limited Tax Bond</u>					
Series 2008 - Jail Expansion	55,000,000	3.25 - 5.0	2008	2028	52,195,000
<u>General Obligation Bonds</u>					
Series 2001 - Exposition Center	8,000,000	4.3 - 6.5	2001	2021	455,000
Series 2005 - Exposition Center	10,500,000	4.0 - 6.0	2005	2025	8,315,000
Total Certificates of Obligation and Bonds Payable					<u>\$ 90,785,000</u>

NOTE 9 – LONG-TERM DEBT (Continued)

A. Bonded Debt (Continued)

Activity for long-term debt of the County for the year ended September 30, 2012 was as follows:

Description	Balance Outstanding 10/1/2011	Issued During Year	Retired During Year	Balance Outstanding 9/30/2012	Amount Due Within One Year
<u>Certificates of Obligation</u>					
Series 2002 - Various	\$ 390,000	\$ -	\$ 195,000	\$ 195,000	\$ 195,000
Series 2003 - Various	6,825,000	-	460,000	6,365,000	475,000
Series 2004 - Various	3,965,000	-	230,000	3,735,000	240,000
Series 2005 - Various	1,205,000	-	285,000	920,000	295,000
Series 2009 - Expo Expansion	11,300,000	-	360,000	10,940,000	375,000
<u>Limited Tax Refunding Bonds</u>					
Series 2005 - Debt Refunding	3,450,000	-	630,000	2,820,000	655,000
Series 2009 - Debt Refunding	6,110,000	-	1,265,000	4,845,000	375,000
<u>Limited Tax Bond</u>					
Series 2008 - Jail Expansion	53,520,000	-	1,325,000	52,195,000	2,300,000
<u>General Obligation Bonds</u>					
Series 2001 - Exposition Center	890,000	-	435,000	455,000	455,000
Series 2005 - Exposition Center	8,805,000	-	490,000	8,315,000	505,000
Total Certificates of Obligation and Bonds Payable	<u>\$ 96,460,000</u>	<u>\$ -</u>	<u>\$ 5,675,000</u>	<u>\$ 90,785,000</u>	<u>\$ 5,870,000</u>

Annual debt service requirements as of September 30, 2012 are as follows:

Fiscal Year	Principal	Interest	Total
2013	5,870,000	3,794,423	9,664,423
2014	5,540,000	3,589,650	9,129,650
2015	5,795,000	3,387,938	9,182,938
2016	5,690,000	3,169,648	8,859,648
2017	5,145,000	2,967,123	8,112,123
2018-2022	28,445,000	11,579,040	40,024,040
2023-2027	25,705,000	5,323,148	31,028,148
2028-2032	7,355,000	875,308	8,230,308
2033-2034	1,240,000	83,700	1,323,700
Totals	<u>\$ 90,785,000</u>	<u>\$ 34,769,978</u>	<u>\$ 125,554,978</u>

B. Arbitrage Rebate Liability

The Tax Recovery Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on certain local governmental bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due on an annual basis and remit the amount due at least every five years. The county has not incurred such a liability in the fiscal year 2012.

NOTE 10 – INVESTMENT IN JOINT VENTURE

The City of Bryan and Brazos County Economic Development Foundation, Inc. (the Foundation), is a Texas Transportation Code local government corporation formed by the City of Bryan, Texas (the City), and Brazos County, Texas (the County), to promote, develop, encourage and maintain employment, commerce, and economic development in the City and the County.

The affairs of the Foundation are managed by a Board of Directors which is composed of nine persons including the County Judge of Brazos County and three other persons appointed by the Commissioners' Court of Brazos County, the Mayor of the City of Bryan and three other persons appointed by the City Council of the City of Bryan, and one individual appointed by the Board of Directors of Twin Cities Endowment, Inc.. However, the director appointed by the Board of Directors of Twin Cities Endowment, Inc., has no voting rights except in the case of a deadlock in votes by the other directors.

The Foundation is reported as a joint venture, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. The Foundation was formed pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code, as amended.

The funding sources of the Foundation have come from contributions from Brazos County and the City of Bryan, a grant from the Twin Cities Endowment, Inc. and cash contributions from Research Valley Partnership (RVP).

Besides the entity's investment in the Foundation, each entity also reports a 50% ownership in the residual net assets of the Foundation. The County reports \$795,785 as its share of the Foundation's net assets for fiscal year 2012.

The Foundation's statement of net assets and statement of activities for fiscal year 2012 are presented as follows:

**CITY OF BRYAN AND BRAZOS COUNTY
ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012
(UNAUDITED)**

Assets	
Cash	\$ 396,327
Prepaid expenses and other assets	3,333
Capital assets	
Land	2,711,397
Total Assets	<u>3,111,057</u>
Liabilities	
Accounts payable and accrued expenses	3,879
Noncurrent liabilities	
Due within one year	80,948
Due in more than one year	1,522,976
Total Liabilities	<u>1,607,803</u>
Net Assets	
Invested in capital assets, net of related debt	1,107,473
Unrestricted	395,781
Total Net Assets	<u><u>\$ 1,503,254</u></u>

NOTE 10 – INVESTMENT IN JOINT VENTURE (Continued)

**CITY OF BRYAN AND BRAZOS COUNTY
ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2012
(UNAUDITED)**

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
General government and administration	\$ 58,357	\$ -	\$ 257,803	\$ -	\$ 199,446
Total primary government	\$ 58,357	\$ -	\$ 257,803	\$ -	199,446
General Revenues					
Investment earnings					205
Gain on disposition of capital assets					454,109
Total general revenues					454,314
Change in net assets					653,760
Net assets - beginning of year					849,494
Net assets - end of year					\$ 1,503,254

A copy of the Foundation’s financial statements may be obtained from the Foundation at 200 S. Texas Avenue, Suite 332, Bryan, TX 77803.

NOTE 11 – RISK MANAGEMENT

The County participates in a workers’ compensation pool administered by the Texas Association of Counties. The Texas Association of Counties handles claims adjusting and related administrative services for the program. Premiums are evaluated annually by position class code at actuarially determined rates. The County workers’ compensation program provides medical and indemnity payments as required by law for on-the-job related injuries and is accounted for by the use of departmental expenditures, based on a percentage of payroll.

The pool that the County participates in has provided for reinsurance coverage for excess workers’ compensation and employer’s liability. The County does not recognize any liability for outstanding losses for incurred but not reported claims. The Texas Association of Counties assumes this responsibility.

The County currently provides medical and dental insurances for its employees with basic prescription and life benefits attached. The group insurance plan is self-insured. The Plan pays the full cost of the claims for its members.

NOTE 11 – RISK MANAGEMENT (Continued)

The County has established a Health and Life Insurance Internal Service Fund to account for the costs associated with various health-related insurance programs. The Internal Service Fund collects the premium payments from the County, the employees, and the retirees. All funds are available to pay claims and administrative fees and have been reserved for such purpose. The County has purchased reinsurance that provides a \$75,000 stop loss on an individual claim, and an aggregate at \$60,000 after the initial individual claim has reached the \$75,000. The County experienced claims of \$7,443,491, and \$6,627,192 for fiscal year 2012 and 2011 respectively. At September 30, 2012, the County had accrued \$770,369 for anticipated claims that had not been filed at year-end. This amount is classified as a current liability in the Statement of Net Assets of the Internal Service Fund and is due within one year of September 30, 2012.

Change in the balance of unpaid liability during fiscal years 2011 and 2012 were as follows:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimated</u>	Claims <u>Paid</u>	Balance at Fiscal <u>Year End</u>	Amount Due Within <u>One Year</u>
2011	\$ 611,184	\$ 6,627,192	\$ (6,545,552)	\$ 692,824	\$ 692,824
2012	692,824	7,443,491	(7,365,946)	770,369	770,369

The Commissioners’ Court of Brazos County is aware that the County has risk of loss exposure to liability and accidental loss of real and personal property as well as human resources. County operations involve a variety of high-risk activities including, but not limited to, cash collections, road and bridge maintenance, law enforcement, and construction.

The Commissioners’ Court has created the office of Risk Management, whose responsibility is to identify, evaluate, and manage risk in an effort to reduce the liability and accidental loss of property and human services. In the management process, the Risk Manager is assigned the responsibility of ensuring that all County employees are properly trained in safety. Brazos County employs risk-financing activities to include the purchase of insurance for general liability, vehicle liability, and liability from property damage claims. In addition, the County purchases property insurance, errors and omission coverage, professional liability insurance, as well as crime and fidelity coverage. Any liability that arises from the operation of motorized equipment will be considered to fall within the confines of the Texas Tort Claims Act, and thereby limit the County’s exposure. At September 30, 2012, all claims against the County had been paid or accrued for payment, or the County’s underwriter had accepted responsibility for the claim.

The County has not made any significant reductions in insurance coverage from coverage in the previous fiscal year. No settlements exceeded insurance coverage for the past three fiscal years.

NOTE 12 – RETIREMENT PLAN

A. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the Texas County and District Retirement System (“TCDRS” or “System”). The Board of Trustees of the System is responsible for the administration of the statewide agent multiple-employer system consisting of over 500 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. This report includes the required six-year trend information. To obtain a copy send a written request for the CAFR to the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The Commissioners’ Court of Brazos County adopts the plan provisions, within the options available in the Texas State statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years of service regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but accumulated contributions must be left in the plan. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and County-financed monetary credits. The governing body of Brazos County, within the actuarial constraints imposed by the TCDRS Act, adopts the level of these monetary credits. Therefore, the resulting benefits can be expected to be adequately financed by the County’s commitment to contribute. At retirement, death, or disability the benefit is calculated by converting the sum of the employee’s accumulated contributions and the County-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS.

B. Funding Policy

Brazos County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. Brazos County contributed using the actuarially determined rate of 12.37% for fiscal year 2012. For 2013, the employer’s rate is anticipated to be increased to 13.05%. The employee’s member contribution rate remained at 7.00% for 2012.

C. Annual Pension Cost

For the County’s fiscal year ending September 30, 2012, the County’s annual pension cost for the TCDRS plan for its employees was \$3,623,218. The County’s annual required contributions were \$3,623,218, and the County’s actual contributions were \$3,623,218. The County’s annual pension cost for the fiscal year ended September 30, 2011, was \$3,547,595.

The annual required contribution for 2012 was actuarially determined as a percent of the covered payroll of the participating employees, and was in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2009, and December 31, 2010, which is the basis for determining the contribution rate for calendar year 2011 and 2012 respectively. The December 31, 2011 actuarial valuation is the most recent valuation.

NOTE 12 - RETIREMENT PLAN (Continued)

C. Annual Pension Cost (Continued)

Actuarial valuation date	<u>12/31/09</u>	<u>12/31/10</u>	<u>12/31/11</u>
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	18.5 years	20.0 years	20.0 years
Asset valuation method	SAF: 10-year smoothed value ESF: Fund value	SAF: 10-year smoothed value ESF: Fund value	SAF: 10-year smoothed value ESF: Fund value
Actuarial assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.4%	5.4%	5.4%
Includes inflation at	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

Trend Information for the Retirement Plan for the Employees of Brazos County

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/10	\$ 3,484,334	100%	None
09/30/11	\$ 3,547,595	100%	None
09/30/12	\$ 3,623,218	100%	None

Schedule of Funding

Actuarial Valuation Date	12/31/2011
Actuarial Value of Assets	\$94,715,323
Actuarial Accrued Liability (AAL)	\$117,217,228
Unfunded Actuarial Accrued Liability (UAAL)	\$22,501,905
Funded Ratio	80.80%
Annual Covered Payroll (Actuarial)	\$32,919,781
UAAL as Percentage of Covered Payroll	68.35%

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

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. COBRA

The County provides health care 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 terminated employees and their dependents in circumstances where coverage would normally end. The election to be covered is at the request of the employee. The employee is then required to pay the premium costs for themselves and their dependents. Expenditures are recognized as claims are submitted. The benefit levels of the COBRA participants are the same as those afforded to active employees. At September 30, 2012, the County had been fully reimbursed for costs related to COBRA participants. The County also permits employees to accumulate unused vacation and compensatory time to be added at the employee’s final pay level upon termination of employment.

B. Post-Retirement Benefits

Plan Description

Texas Local Government Code Section 157.101 assigns the authority to establish and amend group health benefit provisions to Commissioners’ Court. Brazos County has elected to offer post-retirement healthcare benefits to certain retirees. County policy allows full-time employees to become eligible for post-retirement healthcare benefits after meeting the service and retirement age requirements of the TCDRS retirement plan. The post-retirement healthcare benefits include medical, dental and drug care benefits, all of which are provided through the County’s self-insured healthcare plan. The benefit levels are the same as those afforded to active employees.

As of January 1, 2012, the membership of the County’s self-insured plan consists of:

Retirees Receiving Benefits	117
Active Employees	668
Total	<u>785</u>
Participating Employer(s)	<u>1</u>

Funding Policy

The County evaluates and establishes the plan premium amounts, which includes the employee portion and the County’s subsidy, under Texas Local Government Code Section 157.102 on annual basis. The eligible retirees who retired prior to January 1, 2000 may pay a fixed premium amount to maintain coverage through the County’s healthcare plan. Eligible retirees who were hired before August 30, 2011 and with eight or more years of cumulative services with Brazos County upon retirement are entitled to the County’s subsidy and may pay the employee portion of the premium only to maintain coverage. Eligible retirees who were hired before August 30, 2011 but have less than eight years of cumulative service with Brazos County at retirement must pay the full premium to maintain coverage. Employees hired on or after August 30, 2011 must pay the full premiums to maintain coverage regardless of the years of service. Upon a retiree reaching 65 years of age, the County’s healthcare plan becomes secondary automatically.

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

B. Post-Retirement Benefits (Continued)

The County's post-retirement benefits, provided through the County's self-insured healthcare plan, are funded on a pay-as-you-go basis. The County contributed \$673,690 toward it for the year ended September 30, 2012.

Annual OPEB Costs and Net OPEB Obligation

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The County's annual OPEB cost, the County's contribution, and the net OPEB obligation for the fiscal year ended September 30, 2012 were as follows:

Annual Required Contribution (ARC)	\$	7,016,407
Add interest on Net OPEB Obligation		1,007,943
Less adjustment to Annual Required Contribution		<u>(933,849)</u>
Annual OPEB Cost		7,090,501
Less Contributions made		<u>(673,690)</u>
Change in Net OPEB Obligation		6,416,811
Net OPEB Obligation beginning of the year		<u>22,398,730</u>
Net OPEB Obligation end of the year	\$	<u><u>28,815,541</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2012 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Trend Information			
	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net Ending OPEB Obligation
9/30/2010	\$ 8,092,334	\$ 836,051	10.3%	\$ 15,249,388
9/30/2011	\$ 7,963,703	\$ 814,361	10.2%	\$ 22,398,730
9/30/2012	\$ 7,090,501	\$ 673,690	9.5%	\$ 28,815,541

Funded Status and Funding Progress

The funded status of the County's post-retirement healthcare plan, under GASB Statement No. 45 as of January 1, 2012 (the most recent valuation) was as follows:

Actuarial value of assets	-
Actuarial accrued liability (AAL)	59,255,841
Unfunded actuarial accrued liability (UAAL)	59,255,841
Funded ratio (actuarial value of plan assets /AAL)	0.0%
Covered payroll (active plan members)	25,076,745
UAAL as percentage of covered payroll	236.3%

Under the reporting parameters, the County's post-retirement healthcare plan is 0.0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$59,255,841 at January 1, 2012. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 236.3%.

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

B. Post-Retirement Benefits (Continued)

Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the annual required contribution of the employer (ARC) for the County's post-retirement healthcare plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The annual ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Inflation Rate	3.00% per annum
Investment Rate of Return	4.50%, net of expenses
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Level as a percentage of employee payroll
Amortization Period	30-year, open amortization
Payroll Growth	3.00% per annum
Healthcare Cost Trend Rate	8.50% initial rate; 4.50% ultimate rate
Dental Cost Trend Rate	4.50% per year

Additional Disclosure

Texas Local Government Code, Chapter 175 requires counties to make available continued health benefits coverage under certain circumstances to retirees and their dependents beyond the end of an individual's employment with the County ("Continuation Coverage") by permitting covered employees to purchase continued health benefits coverage in retirement. Texas law does not require counties to fund all or any portion of such coverage.

Because the County is given the authority to pay OPEB for its retired employees, it may incur a debt obligation to pay for OPEB as long as the County follows the constitutional requirement that it have sufficient taxing authority available at the time such debt is incurred to provide for the payment of the debt and has in fact levied a tax for such purpose concurrently with the incurrence of the debt. Any debt incurred in contravention of this constitutional requirement is considered void and payment will not be due. Brazos County has not incurred a legal debt obligation for OPEB and has not levied a tax for the same. The County funds the cost associated with OPEB on a current "pay as you go" basis for a single fiscal year through an annual appropriation authorized by Commissioners' Court during the County's annual budget adoption process. GAAP requires governmental organizations to recognize an actuarially calculated accrued liability for OPEB, even though it may not have a legally enforceable obligation to pay OPEB benefits.

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

B. Post-Retirement Benefits (Continued)

Information and amounts presented in the County's Comprehensive Annual Financial Report relative to OPEB expenses, related liabilities (assets), note disclosures, and supplementary information are only intended to achieve compliance with the requirements of generally accepted accounting principles (GASB 45) and does not constitute or imply that the County is legally obligated to provide OPEB benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the ARC of the County's post-retirement healthcare plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. Deferred Compensation

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 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. Brazos County is not the Plan administrator or the trustee, therefore the assets of the Plan are not a reportable fund within the County's financial statements.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

A. Construction Contracts

The County has budgeted \$18,724,259 for various contracts in connection with the construction and renovation of County facilities, buildings and the rehabilitation of County roads for fiscal year 2013. The County allocated \$1.5 million on the Jail Inmate Holding Renovation project by using the funding left in the Jail Expansion Fund. The project started in 2011 and is expected to be completed in 2013. The Expo Center expansion started in December 2008 and was substantially completed during 2011. \$200,000 is allocated to the final touch-up work for the project. \$9.4 million is allocated to the renovation of the County's courthouse building. The Courthouse Renovation is a multi-year project that started in 2009. The County started the new Tax Office building project in 2011 and \$3.0 million is allocated to the project in fiscal year 2013. \$800,000 is allocated to a new fleet maintenance building for the routine vehicle maintenance of the County-owned vehicles. \$300,000 is to be used to purchase land for a new citizen collection site. \$3.5 million is allocated to the rehabilitation of the County roads.

B. Tax Increment Financing Zones (TIFZ's)

As of September 30, 2012, the County had entered into several inter-local agreements with the City of Bryan for the creation of Tax Increment Financing Zones as allowed by Chapter 311 of the Texas Tax Code.

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

B. Tax Increment Financing Zones (TIFZ's) (Continued)

Tax Increment Financing Zones (TIFZ) are statutory tools available to municipalities in Texas to promote development or redevelopment in an area that would not occur in the foreseeable future solely through private investment. TIFZ are also means to allow a community, both city and county, to enhance their ability to attract economic development or to allow businesses currently located within their area to expand.

Once a city has designated a TIFZ, the Commissioners' Court must decide whether the County is to participate in the TIFZ and to what extent. After the County has elected to participate, a base value for the property located within the TIFZ is established. At the date of creation the appraised value is normally accepted as the base value. As the property within the TIFZ develops, the County collects taxes based on the appreciated appraised values at the rate established annually by Commissioners' Court. Once the taxes have been paid each year the County remits the amount of taxes attributable to the increase in the appraised values (captured value) to the TIFZ to be used to fund the project plan. Project plans normally include the creation of infrastructure such as roads, street improvements, light systems, sewer systems, landscaping, parks, etc. A TIFZ can be terminated either on the date designated in the ordinance creating the zone, or the date on which all project costs, tax increment bonds, and interest on the bonds have been paid.

Brazos County has entered into three inter-local agreements with the City of Bryan to create Reinvestment Zone Number Ten – "Traditions", Reinvestment Zone Number Nineteen – "Burton Creek" and Reinvestment Zone Number Twenty-Two – "Bryan Towne Center". The Traditions zone is approximately 790 acres on the west side of the City of Bryan and is scheduled for 15 years of County participation. The 122-acre Burton Creek zone is located on the east side of the City of Bryan and is scheduled for 8 years of County participation. The Bryan Towne Center on the east side of the City is scheduled for 20 years of County participation.

During fiscal year 2012 (for the tax year ended 12/31/11), the County reimbursed \$526,382 to the City of Bryan on the TIFZ's.

C. Tax Abatements

Chapter 312 of the Texas Tax Code authorizes the County to provide property tax abatements for limited time periods to encourage development or expansion of property. The terms of each agreement are limited by the guidelines and criteria established by Commissioners' Court. At September 30, 2012 the County had established abatement agreements with the following property owners.

<u>Property Owner</u>	<u>2012 Appraised Value</u>	<u>2012 Taxable Value</u>	<u>2012 Taxes Levied</u>
Caliber Biotherapeutics LLC	\$ 8,210,770	\$ 2,292,460	\$ 11,118
Kent Moore	10,020,080	6,249,446	30,310
Toyo Ink International	16,936,490	9,318,104	45,193
North American Packaging	8,095,260	7,174,085	34,794
Weatherford Artificial Lift System	19,451,570	11,889,638	57,665

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

D. Contingent Liabilities

The County is a defendant in various lawsuits. All are matters that are pending and have arisen in the normal course of the County's operations. Although the outcome of these lawsuits is not presently determinable, the County's various legal counsels are of the opinion that the settlement of these claims and pending litigation will not have a material effect on the County's financial statements. Consequently, there has been no current provision to reserve funds for such claims.

The County receives various grant monies that are subject to audit and adjustment by the grantor agencies. Any disallowed expenditure will become a liability of the County. The amount cannot be determined at this time, but the County expects such amounts, if any, to be immaterial.

NOTE 15 – FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note 1-P. The following is a detail of fund balances for all the major and nonmajor governmental funds at September 30, 2012:

	General Fund	Debt Service Fund	Capital Improvement Fund	Nonmajor Funds	Total
Fund Balances:					
Nonspendable:					
Prepays	\$ 205,735	\$ -	\$ -	\$ 24,630	\$ 230,365
Inventories	1,142,292	-	-	-	1,142,292
Total Nonspendable	<u>1,348,027</u>	<u>-</u>	<u>-</u>	<u>24,630</u>	<u>1,372,657</u>
Restricted for:					
Debt Service	-	5,514,377	-	-	5,514,377
Juvenile Services	252,299	-	-	-	252,299
Human Services	-	-	-	698,655	698,655
State Lateral Road Fund	-	-	-	84,953	84,953
Unclaimed Property	-	-	-	53,694	53,694
Administration of Justice	81,082	-	-	447,156	528,238
Records Management	-	-	-	923,740	923,740
Special Forfeitures	-	-	-	39,244	39,244
District Attorney Hot Check Collection	-	-	-	667	667
Bail Bond Board Fees	-	-	-	81,245	81,245
Administration of Tax Office	-	-	-	141,390	141,390
Sheriff Department Crime Fund	-	-	-	354,853	354,853
District Attorney Crime Fund	-	-	-	71,416	71,416
Capital Projects	-	-	-	1,642,183	1,642,183
Total Restricted	<u>333,381</u>	<u>5,514,377</u>	<u>-</u>	<u>4,539,196</u>	<u>10,386,954</u>
Committed to:					
Health Endowment Fund	261,295	-	-	-	261,295
Total Committed	<u>261,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,295</u>
Assigned to:					
Capital Improvements	-	-	6,679,932	-	6,679,932
Boonville Cemetery	6,539	-	-	-	6,539
Research Valley	220,653	-	-	-	220,653
Indigent Health Care	904,141	-	-	-	904,141
Other Purposes	-	-	-	134,621	134,621
Total Assigned	<u>1,131,333</u>	<u>-</u>	<u>6,679,932</u>	<u>134,621</u>	<u>7,945,886</u>
Unassigned	<u>26,456,580</u>	<u>-</u>	<u>-</u>	<u>(18,740)</u>	<u>26,437,840</u>
Total Fund Balances	<u>\$ 29,530,616</u>	<u>\$ 5,514,377</u>	<u>\$ 6,679,932</u>	<u>\$ 4,679,707</u>	<u>\$ 46,404,632</u>

NOTE 16 – SUBSEQUENT EVENTS

In October 2012, the County issued \$14,640,000 Limited Tax Refunding Bonds, Series 2012 to refund and defease a portion of the County's outstanding bonded debt. The refunded bonds include Certificates of Obligation, Series 2003 (\$5,890,000) and Series 2004 (\$3,245,000), General Obligation Improvement Bonds, Series 2001 (\$455,000) and Limited Tax Refunding Bonds, Series 2005 (\$5,590,000). The annual interest rates range from 2.0% to 5.0%. The issuance had a premium of \$1,796,980. Interest accrues semiannually and the bonds mature in fiscal year 2025. The refunding resulted in a decrease in cash flow requirements of \$954,807 and had an economic gain of \$914,437.

The County also issued \$9,700,000 Certificates of Obligation, Series 2012 in October 2012 to fund the County courthouse renovation project and the new tax office building construction. The issuance had a premium of \$417,547. The annual interest rates range from 2.0% to 5.0%. Interest accrues semiannually and the bonds mature in fiscal year 2032.

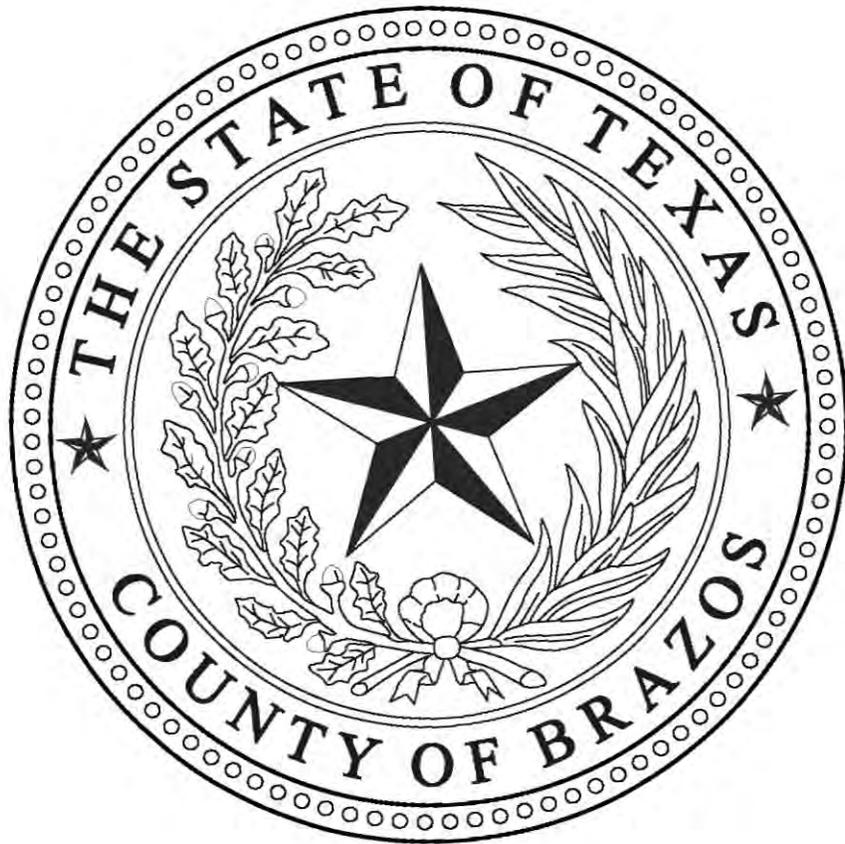
NOTE 17 – NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued Statement No. 62 ("GASB 62"), "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" which will be effective for the County in the fiscal year ending September 30, 2013. GASB 62 improves financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source.

The Governmental Accounting Standards Board has issued Statement No. 63 ("GASB 63"), "The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34" which will be effective for the County in the fiscal year ending September 30, 2013. GASB 63 improves financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.

The Governmental Accounting Standards Board has issued Statement No. 65 ("GASB 65"), "Items Previously Reported as Assets and Liabilities" which will be effective for the County in the fiscal year ending September 30, 2014. GASB 65 improves financial reporting by clarifying the appropriate use of the financial statement elements, deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

REQUIRED SUPPLEMENTARY INFORMATION



BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Current Ad Valorem Taxes	\$ 44,605,000	\$ 44,605,000	\$ 45,399,893	\$ 794,893
Delinquent Ad Valorem Taxes	440,000	440,000	482,878	42,878
Penalties & Interest - Taxes	275,000	275,000	293,183	18,183
Mixed Drink Taxes	470,000	470,000	460,710	(9,290)
County Sales Taxes	10,575,000	10,575,000	12,039,620	1,464,620
Total Taxes	<u>56,365,000</u>	<u>56,365,000</u>	<u>58,676,284</u>	<u>2,311,284</u>
Charges For Services				
JJAEP Service Fee	35,000	35,000	69,062	34,062
Contracted Jail Services	108,000	108,000	106,762	(1,238)
Arrest Fees	60,000	60,000	188,635	128,635
Brazos Center	200,000	200,000	204,202	4,202
Exposition Center	500,000	500,000	760,908	260,908
Bond Service/Forfeitures	202,500	205,534	364,224	158,690
County Clerk	950,000	950,000	1,066,898	116,898
Vital Statistics Preservation	5,000	5,000	6,233	1,233
County Attorney	60,000	60,000	52,813	(7,187)
General Administration Fees	43,500	43,500	43,929	429
Constables	180,000	180,000	186,637	6,637
Court Reporter	28,000	28,000	38,275	10,275
Magistrate	30,000	30,000	114,526	84,526
County Drug Court Fees	15,000	15,000	20,285	5,285
District Clerk	408,500	408,500	432,836	24,336
District Attorney	15,000	15,000	6,508	(8,492)
Family Protection	8,000	8,000	8,340	340
Election Services	30,000	30,000	41,405	11,405
Motor Carrier Weight	15,000	15,000	41,169	26,169
Inmate Medical Fees	12,000	12,000	15,254	3,254
Justice of the Peace	1,771,300	1,771,300	1,609,665	(161,635)
Juvenile Probation Fees	8,500	8,500	14,586	6,086
License and Weights	5,000	5,000	4,500	(500)
Omnibus Crime Control Fees	50,000	50,000	93,578	43,578
Judicial Support Fees	2,000	2,000	2,260	260
Optional License Fees	1,150,000	1,150,000	1,285,531	135,531
Probate Fees	-	-	3,034	3,034
Road & Bridge Fees	3,000	3,000	11,424	8,424
School Crossing Fees	20,000	20,000	25,012	5,012
Sheriff	75,000	75,000	76,458	1,458
Landfill Fees	25,000	25,000	34,711	9,711
Tax Assessor-Collector	577,500	577,500	626,289	48,789
Vehicle Registration Fees	850,000	850,000	625,646	(224,354)
Motor Vehicle Sales Taxes	375,000	375,000	665,081	290,081
Licenses and Permits	50,000	50,000	78,583	28,583
Court Fines	1,950,000	1,950,000	2,142,345	192,345
Total Charges For Services	<u>\$ 9,817,800</u>	<u>\$ 9,820,834</u>	<u>\$ 11,067,604</u>	<u>\$ 1,246,770</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES (continued)				
Intergovernmental - Federal				
Department of Justice	\$ 33,000	\$ 50,202	\$ 44,970	\$ (5,232)
Department of Health & Human Services	41,000	64,223	91,105	26,882
Emergency Management Agency	47,965	47,965	48,277	312
Total Intergovernmental - Federal	121,965	162,390	184,352	21,962
Intergovernmental - State & Local				
Attorney General	175,000	175,000	168,514	(6,486)
Department of Justice	257,500	257,500	273,930	16,430
D. A. Salary Supplement	17,050	17,050	44,606	27,556
Office of the Court Administrator	60,000	60,000	180,710	120,710
Texas Juvenile Probation Commission	185,000	95,000	152,594	57,594
Texas Youth Commission	12,750	12,750	19,713	6,963
Juror Reimbursement	60,000	60,000	52,116	(7,884)
Tobacco Settlement	75,000	75,000	82,226	7,226
Total Intergovernmental - State	842,300	752,300	974,409	222,109
Total Intergovernmental	964,265	914,690	1,158,761	244,071
Interest	158,500	158,500	178,083	19,583
Other Revenue				
Donations	15,000	31,775	38,672	6,897
Road Crossing	-	-	2,500	2,500
State Traffic Fee	10,000	10,000	9,104	(896)
Reimbursements	160,000	160,000	169,310	9,310
Leases and Rentals	10,000	10,000	12,413	2,413
Other	22,750	22,750	62,368	39,618
Estray Animal Sale/Fee	500	500	1,353	853
Inmate Phone System	160,000	160,000	220,035	60,035
Oil and Gas Lease	1,000	1,000	981	(19)
Informal Adjudication Probation	5,000	5,000	8,285	3,285
Total Other Revenue	384,250	401,025	525,021	123,996
TOTAL REVENUES	\$ 67,689,815	\$ 67,660,049	\$ 71,605,753	\$ 3,945,704

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government				
County Judge				
Personnel Services	\$ 272,464	\$ 283,162	\$ 254,976	\$ 28,186
Supplies and Other Charges	12,150	11,246	5,733	5,513
Minor Acquisitions	-	904	904	-
Contract Services	3,200	4,705	4,673	32
	<u>287,814</u>	<u>300,017</u>	<u>266,286</u>	<u>33,731</u>
Budget Office				
Personnel Services	165,862	165,862	164,523	1,339
Supplies and Other Charges	5,400	5,400	4,347	1,053
	<u>171,262</u>	<u>171,262</u>	<u>168,870</u>	<u>2,392</u>
Commissioners' Court				
Personnel Services	1,394,682	1,462,682	1,453,522	9,160
Discretionary Funding	-	9	-	9
Supplies and Other Charges	36,635	36,635	30,830	5,805
Repairs and Maintenance	100	100	75	25
Minor Acquisitions	-	1,000	865	135
Contract Services	3,000	3,000	2,940	60
Professional Services	1,000	-	-	-
	<u>1,435,417</u>	<u>1,503,426</u>	<u>1,488,232</u>	<u>15,194</u>
Non-Departmental				
Supplies and Other Charges	1,277,199	1,174,699	970,485	204,214
Repairs and Maintenance	24,000	24,000	13,082	10,918
Contract Services	30,500	53,000	30,433	22,567
Professional Services	550,000	190,236	88,830	101,406
	<u>1,881,699</u>	<u>1,441,935</u>	<u>1,102,830</u>	<u>339,105</u>
Community Support				
Community Support	3,037,936	3,086,211	2,848,135	238,076
	<u>3,037,936</u>	<u>3,086,211</u>	<u>2,848,135</u>	<u>238,076</u>
County Treasurer				
Personnel Services	415,719	415,719	392,033	23,686
Discretionary Funding	-	5,623	-	5,623
Supplies and Other Charges	15,031	15,031	12,827	2,204
Repairs and Maintenance	785	785	785	-
Contract Services	3,000	3,000	2,700	300
	<u>434,535</u>	<u>440,158</u>	<u>408,345</u>	<u>31,813</u>
Risk Management				
Personnel Services	127,046	127,046	126,769	277
Discretionary Funding	-	3,706	-	3,706
Supplies and Other Charges	12,370	12,370	12,099	271
Professional Services	4,000	4,000	1,818	2,182
	<u>\$ 143,416</u>	<u>\$ 147,122</u>	<u>\$ 140,686</u>	<u>\$ 6,436</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government (continued)				
Tax Assessor-Collector				
Personnel Services	\$ 1,664,831	\$ 1,664,831	\$ 1,543,377	\$ 121,454
Discretionary Funding	-	30,015	-	30,015
Supplies and Other Charges	56,050	53,610	43,053	10,557
Repairs and Maintenance	1,800	1,800	1,215	585
Minor Acquisitions	-	3,640	3,476	164
Contract Services	18,500	23,300	9,969	13,331
	<u>1,741,181</u>	<u>1,777,196</u>	<u>1,601,090</u>	<u>176,106</u>
Information Technology				
Personnel Services	1,401,064	1,403,917	1,340,241	63,676
Discretionary Funding	-	4,619	-	4,619
Supplies and Other Charges	85,282	85,282	68,050	17,232
Repairs and Maintenance	41,118	44,633	41,524	3,109
Minor Acquisitions	252,755	233,809	219,982	13,827
Contract Services	598,696	609,112	600,904	8,208
Professional Services	-	14,100	14,096	4
	<u>2,378,915</u>	<u>2,395,472</u>	<u>2,284,797</u>	<u>110,675</u>
Human Resources				
Personnel Services	264,488	255,988	243,671	12,317
Discretionary Funding	-	848	-	848
Supplies and Other Charges	25,450	25,450	14,777	10,673
Repairs and Maintenance	100	100	-	100
Contract Services	5,400	13,900	12,602	1,298
	<u>295,438</u>	<u>296,286</u>	<u>271,050</u>	<u>25,236</u>
County Auditor				
Personnel Services	683,251	683,251	674,934	8,317
Supplies and Other Charges	13,115	13,115	11,229	1,886
Contract Services	4,100	4,100	4,068	32
	<u>700,466</u>	<u>700,466</u>	<u>690,231</u>	<u>10,235</u>
Purchasing				
Personnel Services	240,810	240,810	229,517	11,293
Discretionary Funding	-	283	-	283
Supplies and Other Charges	15,450	15,450	11,454	3,996
Repairs and Maintenance	2,000	2,000	1,593	407
Contract Services	2,686	2,686	2,142	544
	<u>\$ 260,946</u>	<u>\$ 261,229</u>	<u>\$ 244,706</u>	<u>\$ 16,523</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government (continued)				
Buildings and Grounds Maintenance				
Personnel Services	\$ 1,215,129	\$ 1,215,129	\$ 1,096,385	\$ 118,744
Discretionary Funding	-	34,620	-	34,620
Supplies and Other Charges	64,300	64,300	62,757	1,543
Repairs and Maintenance	295,200	309,900	283,106	26,794
Minor Acquisitions	4,000	8,000	6,571	1,429
Contract Services	88,955	89,955	70,420	19,535
Professional Services	2,400	2,400	-	2,400
	<u>1,669,984</u>	<u>1,724,304</u>	<u>1,519,239</u>	<u>205,065</u>
Total General Government	<u>14,439,009</u>	<u>14,245,084</u>	<u>13,034,497</u>	<u>1,210,587</u>
Justice System				
County Attorney				
Personnel Services	2,475,304	2,475,304	2,373,129	102,175
Discretionary Funding	-	41	-	41
Supplies and Other Charges	102,750	118,750	114,823	3,927
Repairs and Maintenance	24,032	24,032	11,538	12,494
Contract Services	9,036	9,036	8,919	117
	<u>2,611,122</u>	<u>2,627,163</u>	<u>2,508,409</u>	<u>118,754</u>
District Attorney				
Personnel Services	2,484,134	2,481,671	2,388,874	92,797
Discretionary Funding	-	6,850	-	6,850
Supplies and Other Charges	130,976	129,549	124,046	5,503
Repairs and Maintenance	7,600	9,674	9,390	284
Minor Acquisitions	-	7,222	7,222	-
Contract Services	11,870	11,870	9,518	2,352
	<u>2,634,580</u>	<u>2,646,836</u>	<u>2,539,050</u>	<u>107,786</u>
D.A. - Child Protective Services				
Personnel Services	100,957	126,643	126,642	1
Supplies and Other Charges	8,900	8,900	4,684	4,216
	<u>109,857</u>	<u>135,543</u>	<u>131,326</u>	<u>4,217</u>
District Clerk				
Personnel Services	819,295	819,295	802,106	17,189
Discretionary Funding	-	5,944	-	5,944
Supplies and Other Charges	43,818	46,818	41,929	4,889
Repairs and Maintenance	100	100	-	100
Minor Acquisitions	-	784	783	1
Contract Services	15,000	11,216	10,728	488
	<u>\$ 878,213</u>	<u>\$ 884,157</u>	<u>\$ 855,546</u>	<u>\$ 28,611</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
Court and Jury Services				
Personnel Services	\$ 109,316	\$ 110,483	\$ 110,454	\$ 29
Discretionary Funding	-	12,241	-	12,241
Supplies and Other Charges	189,800	184,833	140,714	44,119
Repairs and Maintenance	400	400	277	123
Contract Services	7,700	11,500	9,634	1,866
	<u>307,216</u>	<u>319,457</u>	<u>261,079</u>	<u>58,378</u>
 Collections				
Personnel Services	244,853	244,853	238,032	6,821
Discretionary Funding	-	4,383	-	4,383
Supplies and Other Charges	12,129	12,129	11,450	679
Contract Services	2,430	2,430	2,040	390
	<u>259,412</u>	<u>263,795</u>	<u>251,522</u>	<u>12,273</u>
 County Clerk				
Personnel Services	580,094	580,094	568,901	11,193
Discretionary Funding	-	29,723	-	29,723
Supplies and Other Charges	109,360	109,360	106,843	2,517
Contract Services	4,620	4,620	3,304	1,316
	<u>694,074</u>	<u>723,797</u>	<u>679,048</u>	<u>44,749</u>
 Vital Statistics Preservation				
Supplies and Other Charges	6,000	6,000	4,050	1,950
Contract Services	2,000	2,000	-	2,000
	<u>8,000</u>	<u>8,000</u>	<u>4,050</u>	<u>3,950</u>
 85th District Court				
Personnel Services	283,986	284,296	273,970	10,326
Discretionary Funding	-	679	-	679
Supplies and Other Charges	23,825	28,515	23,006	5,509
Repairs and Maintenance	850	850	-	850
Contract Services	1,884	1,884	1,884	-
	<u>310,545</u>	<u>316,224</u>	<u>298,860</u>	<u>17,364</u>
 272nd District Court				
Personnel Services	273,076	273,154	271,041	2,113
Discretionary Funding	-	467	-	467
Supplies and Other Charges	18,700	18,622	8,492	10,130
Contract Services	2,560	2,560	2,280	280
	<u>\$ 294,336</u>	<u>\$ 294,803</u>	<u>\$ 281,813</u>	<u>\$ 12,990</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
361st District Court				
Personnel Services	\$ 277,690	\$ 277,690	\$ 276,335	\$ 1,355
Discretionary Funding	-	10,903	-	10,903
Supplies and Other Charges	24,700	24,700	22,548	2,152
Repairs and Maintenance	100	100	-	100
Contract Services	3,822	3,822	3,281	541
	<u>306,312</u>	<u>317,215</u>	<u>302,164</u>	<u>15,051</u>
Juvenile Court Referee				
Personnel Services	128,802	128,802	127,448	1,354
Discretionary Funding	-	1,195	-	1,195
Supplies and Other Charges	4,670	4,670	4,085	585
	<u>133,472</u>	<u>134,667</u>	<u>131,533</u>	<u>3,134</u>
Associate Judge #1				
Personnel Services	232,299	232,299	231,581	718
Supplies and Other Charges	5,432	5,401	5,084	317
Repairs and Maintenance	300	331	164	167
Contract Services	4,860	4,860	4,554	306
	<u>242,891</u>	<u>242,891</u>	<u>241,383</u>	<u>1,508</u>
County Drug Court Program				
Personnel Services	14,456	14,456	10,706	3,750
Supplies and Other Charges	6,330	6,330	3,520	2,810
Minor Acquisitions	770	770	-	770
	<u>21,556</u>	<u>21,556</u>	<u>14,226</u>	<u>7,330</u>
Associate Judge #2				
Personnel Services	233,489	235,531	215,426	20,105
Supplies and Other Charges	8,208	8,208	4,178	4,030
Contract Services	4,860	4,860	2,280	2,580
	<u>246,557</u>	<u>248,599</u>	<u>221,884</u>	<u>26,715</u>
Brazos County Family Court Annex				
Personnel Services	44,025	44,025	6,419	37,606
Supplies and Other Charges	13,500	13,500	12,452	1,048
Contract Services	96,906	96,906	92,584	4,322
Professional Services	61,500	69,600	69,447	153
	<u>\$ 215,931</u>	<u>\$ 224,031</u>	<u>\$ 180,902</u>	<u>\$ 43,129</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
County Court At Law #1				
Personnel Services	\$ 447,605	\$ 457,272	\$ 445,826	\$ 11,446
Discretionary Funding	-	4,471	-	4,471
Supplies and Other Charges	10,710	8,210	6,966	1,244
Repairs and Maintenance	370	370	370	-
Contract Services	720	720	720	-
	<u>459,405</u>	<u>471,043</u>	<u>453,882</u>	<u>17,161</u>
County Court At Law #2				
Personnel Services	438,820	440,983	437,768	3,215
Discretionary Funding	-	1,196	-	1,196
Supplies and Other Charges	19,450	16,862	11,551	5,311
Repairs and Maintenance	450	525	334	191
Minor Acquisition	-	350	285	65
	<u>458,720</u>	<u>459,916</u>	<u>449,938</u>	<u>9,978</u>
Justice of the Peace Precinct 1				
Personnel Services	263,858	263,858	263,086	772
Discretionary Funding	-	22,456	-	22,456
Supplies and Other Charges	27,590	27,590	20,586	7,004
Repairs and Maintenance	75	75	-	75
Contract Services	32,040	32,040	29,968	2,072
	<u>323,563</u>	<u>346,019</u>	<u>313,640</u>	<u>32,379</u>
Justice of the Peace Precinct 2 Place 1				
Personnel Services	210,892	210,892	202,441	8,451
Discretionary Funding	-	3,271	-	3,271
Supplies and Other Charges	5,200	6,900	6,369	531
Contract Services	2,760	2,060	1,336	724
	<u>218,852</u>	<u>223,123</u>	<u>210,146</u>	<u>12,977</u>
Justice of the Peace Precinct 2 Place 2				
Personnel Services	209,938	209,938	196,447	13,491
Discretionary Funding	-	1,968	-	1,968
Supplies and Other Charges	7,100	10,531	10,361	170
Repairs and Maintenance	125	241	241	-
Contract Services	2,000	1,295	1,295	-
Professional Services	250	-	-	-
	<u>219,413</u>	<u>223,973</u>	<u>208,344</u>	<u>15,629</u>
Justice of the Peace Precinct 3				
Personnel Services	271,592	271,592	261,667	9,925
Discretionary Funding	-	21,635	-	21,635
Supplies and Other Charges	17,945	17,945	16,840	1,105
Repairs and Maintenance	100	100	-	100
Contract Services	7,000	7,000	3,583	3,417
	<u>\$ 296,637</u>	<u>\$ 318,272</u>	<u>\$ 282,090</u>	<u>\$ 36,182</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Justice System (continued)				
Justice of the Peace Precinct 4				
Personnel Services	\$ 214,331	\$ 214,331	\$ 212,631	\$ 1,700
Discretionary Funding	-	1	-	1
Supplies and Other Charges	10,575	8,829	8,829	-
Repairs and Maintenance	200	-	-	-
Minor Acquisitions	150	2,138	816	1,322
Contract Services	1,400	1,358	1,358	-
	<u>226,656</u>	<u>226,657</u>	<u>223,634</u>	<u>3,023</u>
Community Supervision Support				
Supplies and Other Charges	51,500	76,235	74,477	1,758
Repairs and Maintenance	100	100	-	100
Minor Acquisitions	-	2,000	1,698	302
Contract Services	6,500	6,500	6,466	34
	<u>58,100</u>	<u>84,835</u>	<u>82,641</u>	<u>2,194</u>
Judicial Court Support				
Supplies and Other Charges	425,500	425,500	360,730	64,770
Contract Services	600,000	1,221,682	1,220,759	923
Professional Services	2,108,000	2,637,098	2,449,187	187,911
	<u>3,133,500</u>	<u>4,284,280</u>	<u>4,030,676</u>	<u>253,604</u>
Total Justice System	<u>14,668,920</u>	<u>16,046,852</u>	<u>15,157,786</u>	<u>889,066</u>
Law Enforcement				
Sheriff Administration				
Personnel Services	4,249,822	4,255,126	4,111,634	143,492
Supplies and Other Charges	165,826	165,826	153,072	12,754
Repairs and Maintenance	228,425	286,663	286,663	-
Minor Acquisitions	6,700	6,040	5,782	258
Contract Services	15,520	15,520	10,579	4,941
Professional Services	13,050	13,050	6,897	6,153
	<u>4,679,343</u>	<u>4,742,225</u>	<u>4,574,627</u>	<u>167,598</u>
Joint Terrorism Task Force				
Personnel Services	-	17,202	3,500	13,702
	<u>-</u>	<u>17,202</u>	<u>3,500</u>	<u>13,702</u>
Sheriff Jail Administration				
Personnel Services	8,870,232	8,870,232	8,395,118	475,114
Supplies and Other Charges	1,224,550	1,385,550	1,357,266	28,284
Repairs and Maintenance	82,400	100,185	98,084	2,101
Minor Acquisitions	-	4,525	4,512	13
Contract Services	13,840	13,840	13,610	230
Professional Services	72,250	78,250	74,163	4,087
	<u>\$ 10,263,272</u>	<u>\$ 10,452,582</u>	<u>\$ 9,942,753</u>	<u>\$ 509,829</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Enforcement (continued)				
Constable Precinct 1				
Personnel Services	\$ 271,115	\$ 271,115	\$ 264,136	\$ 6,979
Supplies and Other Charges	17,700	13,675	11,466	2,209
Repairs and Maintenance	15,000	18,219	16,834	1,385
Minor Acquisitions	-	800	728	72
Contract Services	20,694	20,700	20,675	25
	<u>324,509</u>	<u>324,509</u>	<u>313,839</u>	<u>10,670</u>
Constable Precinct 2				
Personnel Services	533,047	533,047	507,598	25,449
Discretionary Funding	-	444	-	444
Supplies and Other Charges	16,370	16,370	13,805	2,565
Repairs and Maintenance	40,191	48,621	41,899	6,722
Minor Acquisitions	3,520	3,733	3,732	1
Contract Services	3,450	3,450	2,080	1,370
	<u>596,578</u>	<u>605,665</u>	<u>569,114</u>	<u>36,551</u>
Constable Precinct 3				
Personnel Services	271,359	271,359	260,561	10,798
Discretionary Funding	-	49	-	49
Supplies and Other Charges	17,265	17,265	15,461	1,804
Repairs and Maintenance	17,200	17,200	15,097	2,103
Minor Acquisitions	1,100	1,100	-	1,100
Contract Services	4,826	4,826	3,159	1,667
	<u>311,750</u>	<u>311,799</u>	<u>294,278</u>	<u>17,521</u>
Constable Precinct 4				
Personnel Services	472,418	472,418	471,200	1,218
Supplies and Other Charges	13,615	13,615	13,129	486
Repairs and Maintenance	32,200	31,948	26,084	5,864
Minor Acquisitions	3,565	3,741	3,741	-
Contract Services	2,170	2,246	2,170	76
	<u>523,968</u>	<u>523,968</u>	<u>516,324</u>	<u>7,644</u>
Total Law Enforcement	<u>\$ 16,699,420</u>	<u>\$ 16,977,950</u>	<u>\$ 16,214,435</u>	<u>\$ 763,515</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Juvenile Services				
Juvenile Services				
Personnel Services	\$ 3,238,103	\$ 3,231,777	\$ 3,051,194	\$ 180,583
Discretionary Funding	-	15,135	-	15,135
Supplies and Other Charges	288,625	295,737	270,217	25,520
Repairs and Maintenance	15,575	19,081	18,241	840
Minor Acquisitions	2,600	11,460	10,266	1,194
Contract Services	15,980	13,480	12,180	1,300
Professional Services	40,810	37,923	32,939	4,984
	<u>3,601,693</u>	<u>3,624,593</u>	<u>3,395,037</u>	<u>229,556</u>
TYC - Parole				
Personnel Services	129,888	129,791	118,358	11,433
Supplies and Other Charges	2,300	2,300	1,662	638
Repairs and Maintenance	3,280	3,280	2,185	1,095
Contract Services	64,000	51,040	40,725	10,315
	<u>199,468</u>	<u>186,411</u>	<u>162,930</u>	<u>23,481</u>
Juvenile Justice Alternative Education				
Personnel Services	194,739	194,739	179,531	15,208
Supplies and Other Charges	1,000	1,000	992	8
	<u>195,739</u>	<u>195,739</u>	<u>180,523</u>	<u>15,216</u>
Juvenile - Title IV E				
Personnel Services	110,185	110,080	109,719	361
Supplies and Other Charges	47,650	47,650	20,796	26,854
Repairs and Maintenance	5,250	5,250	5,085	165
Contract Services	10,400	10,400	9,480	920
	<u>173,485</u>	<u>173,380</u>	<u>145,080</u>	<u>28,300</u>
TDHS - Commodities				
Supplies and Other Charges	3,000	3,000	1,658	1,342
	<u>3,000</u>	<u>3,000</u>	<u>1,658</u>	<u>1,342</u>
Total Juvenile Services	<u>\$ 4,173,385</u>	<u>\$ 4,183,123</u>	<u>\$ 3,885,228</u>	<u>\$ 297,895</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Transportation				
Road and Bridge Administration				
Personnel Services	\$ 3,640,859	\$ 3,641,760	\$ 3,430,201	\$ 211,559
Supplies and Other Charges	1,693,774	1,456,430	72,093	1,384,337
Repairs and Maintenance	3,742,125	4,105,490	3,607,139	498,351
Minor Acquisitions	11,100	23,659	23,270	389
Contract Services	130,900	151,841	126,625	25,216
Professional Services	90,000	90,000	54,507	35,493
Total Public Transportation	9,308,758	9,469,180	7,313,835	2,155,345
Public Health				
Environmental Protection				
Supplies and Other Charges	8,800	8,800	7,006	1,794
Repairs and Maintenance	500	500	-	500
Contract Services	263,400	263,400	254,263	9,137
	<u>272,700</u>	<u>272,700</u>	<u>261,269</u>	<u>11,431</u>
Indigent Health Care				
Supplies and Other Charges	876,600	876,600	428,328	448,272
Professional Services	1,865,100	1,865,100	493,780	1,371,320
Community Support	896,700	896,700	896,700	-
	<u>3,638,400</u>	<u>3,638,400</u>	<u>1,818,808</u>	<u>1,819,592</u>
Community Public Health				
Community Support	75,500	75,500	30,000	45,500
	<u>75,500</u>	<u>75,500</u>	<u>30,000</u>	<u>45,500</u>
Total Public Health	3,986,600	3,986,600	2,110,077	1,876,523
Human Services				
Veteran Services				
Personnel Services	43,028	43,028	34,651	8,377
Discretionary Funding	-	1,742	-	1,742
Supplies and Other Charges	1,500	1,460	1,125	335
Repairs and Maintenance	150	190	185	5
	<u>44,678</u>	<u>46,420</u>	<u>35,961</u>	<u>10,459</u>
County Fire Protection				
Community Support	633,062	633,062	459,422	173,640
	<u>633,062</u>	<u>633,062</u>	<u>459,422</u>	<u>173,640</u>
County Welfare				
Supplies and Other Charges	5,000	5,000	3,970	1,030
	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 3,970</u>	<u>\$ 1,030</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Human Services (continued)				
Elections				
Personnel Services	\$ 103,225	\$ 105,658	\$ 97,128	\$ 8,530
Outside Labor Costs	87,580	119,463	119,463	-
Supplies and Other Charges	18,700	25,500	19,955	5,545
Repairs and Maintenance	14,000	9,600	3,105	6,495
Contract Services	3,100	1,800	1,625	175
Professional Services	97,000	95,900	89,481	6,419
	<u>323,605</u>	<u>357,921</u>	<u>330,757</u>	<u>27,164</u>
 Health Department				
Supplies and Other Charges	48,700	48,700	44,148	4,552
Professional Services	7,100	7,602	7,601	1
	<u>55,800</u>	<u>56,302</u>	<u>51,749</u>	<u>4,553</u>
 Emergency Management				
Personnel Services	144,090	144,090	144,015	75
Discretionary Funding	-	21,052	-	21,052
Supplies and Other Charges	17,195	16,186	13,845	2,341
Repairs and Maintenance	3,150	5,614	4,921	693
Contract Services	73,743	73,743	73,033	710
Professional Services	50	50	-	50
	<u>238,228</u>	<u>260,735</u>	<u>235,814</u>	<u>24,921</u>
 Brazos Center				
Personnel Services	621,186	621,186	579,423	41,763
Supplies and Other Charges	96,372	99,342	95,267	4,075
Repairs and Maintenance	120,505	117,535	95,406	22,129
Minor Acquisitions	6,590	6,590	6,192	398
Contract Services	75,790	75,790	62,737	13,053
	<u>920,443</u>	<u>920,443</u>	<u>839,025</u>	<u>81,418</u>
 Exposition Center				
Personnel Services	745,975	745,975	646,001	99,974
Discretionary Funding	-	3	-	3
Supplies and Other Charges	264,203	279,203	239,002	40,201
Repairs and Maintenance	81,900	47,541	37,299	10,242
Minor Acquisitions	25,500	25,500	6,991	18,509
Contract Services	287,467	297,467	279,830	17,637
	<u>\$ 1,405,045</u>	<u>\$ 1,395,689</u>	<u>\$ 1,209,123</u>	<u>\$ 186,566</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Human Services (continued)				
Agricultural Extension				
Personnel Services	\$ 279,322	\$ 279,322	\$ 233,665	\$ 45,657
Discretionary Funding	-	3,444	-	3,444
Supplies and Other Charges	50,300	50,300	41,143	9,157
Repairs and Maintenance	500	500	-	500
Contract Services	44,040	44,040	41,139	2,901
	<u>374,162</u>	<u>377,606</u>	<u>315,947</u>	<u>61,659</u>
Boonville Cemetery				
Repairs and Maintenance	6,000	6,000	-	6,000
	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Child Protective Services				
Supplies and Other Charges	50,000	49,825	49,805	20
Repairs and Maintenance	-	175	119	56
	<u>50,000</u>	<u>50,000</u>	<u>49,924</u>	<u>76</u>
Total Human Services	<u>4,056,023</u>	<u>4,109,178</u>	<u>3,531,692</u>	<u>577,486</u>
Contingency	1,736,979	-	-	-
Capital Outlay	<u>3,420,605</u>	<u>3,277,817</u>	<u>2,086,012</u>	<u>1,191,805</u>
TOTAL EXPENDITURES	<u>72,489,699</u>	<u>72,295,784</u>	<u>63,333,562</u>	<u>8,962,222</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,799,884)	(4,635,735)	8,272,191	12,907,926
OTHER FINANCING SOURCES (USES)				
Transfers In	5,800	14,297	5,800	(8,497)
Transfers Out	(1,890,722)	(2,063,368)	(1,981,459)	81,909
Sale of Capital Assets	125,000	125,000	73,140	(51,860)
TOTAL OTHER FINANCING USES	<u>(1,759,922)</u>	<u>(1,924,071)</u>	<u>(1,902,519)</u>	<u>21,552</u>
Net Change in Fund Balances	(6,559,806)	(6,559,806)	6,369,672	12,929,478
FUND BALANCE, OCTOBER 1,	<u>23,160,944</u>	<u>23,160,944</u>	<u>23,160,944</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 16,601,138</u>	<u>\$ 16,601,138</u>	<u>\$ 29,530,616</u>	<u>\$ 12,929,478</u>

BRAZOS COUNTY, TEXAS
Required Supplementary Information
Texas County and District Retirement System
Schedule of Funding Progress
September 30, 2012

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) (1)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	82,845,882	101,254,691	18,408,809	81.82%	33,133,259	55.56%
12/31/10	89,262,180	109,342,184	20,080,004	81.64%	32,905,193	61.02%
12/31/11	94,715,323	117,217,228	22,501,905	80.80%	32,919,781	68.35%

(1) The annual covered payroll is based on the employer contributions received by TCDRS for the year ending with the valuation date.

BRAZOS COUNTY, TEXAS
Required Supplementary Information
Other Postemployment Benefits
Schedule of Funding Progress
September 30, 2012

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)
9/30/2009	-	54,930,178	54,930,178	0.00%	26,368,299	208.3%
9/30/2009	-	54,930,178	54,930,178	0.00%	26,368,299	208.3%
1/1/2012	-	59,255,841	59,255,841	0.00%	25,076,745	236.3%

BRAZOS COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2012

BUDGET

Annual budgets are legally adopted for general, special revenue, debt service, capital project, and internal service funds. Budget amounts represent the original budget for 2012 as subsequently amended by the Commissioners' Court. Budgets are adopted on a basis consistent with GAAP (modified accrual basis). The County employs an encumbrance accounting system as a method of accomplishing budgetary control. At year-end, open encumbrances are closed. The departments are required to re-appropriate those funds within the following year's budget.

INFRASTRUCTURE ASSETS UNDER MODIFIED APPROACH

As permitted by Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, Brazos County has adopted the modified approach for reporting its road and bridge system. Under the modified approach, depreciation is not reported and certain preservation and maintenance costs are expensed.

The modified approach requires that Brazos County maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets, perform condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale in order to document that the eligible infrastructure assets are being preserved approximately at or above the condition level established and disclosed by the government, and estimate each year the annual amount needed to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the government.

For the year ended September 30, 2012, annual maintenance and preservation costs of \$7,313,835 for both roads and bridges were less than the estimated amount needed of \$9,469,180. This variance is mainly due to a contingency budget (roll-over of prior years' positive variance), the delays in maintenance work and employee turnover.

For the Fiscal Year Ended:	Estimated Dollars to Maintain Roads and Bridges at Required Condition Level	Actual Dollars Spent to Maintain Roads and Bridges at Required Condition Level
September 30, 2008	\$6,918,307	\$5,836,721
September 30, 2009	\$9,492,050	\$6,349,394
September 30, 2010	\$8,955,525	\$6,798,595
September 30, 2011	\$9,269,744	\$6,987,382
September 30, 2012	\$9,469,180	\$7,313,835

Roads

The Brazos County Road and Bridge department performs condition assessments of County roads continually throughout the year and evaluates and prioritizes the results annually. The condition assessment team consists of the County Engineer (Registered Professional Engineer), a planning and development supervisor, a general superintendent, an assistant general superintendent and three road supervisors, one for each precinct in the County. This team utilizes various criteria for evaluating the condition of the roads including the traffic volume of the road, the number of man hours used to maintain the road in the last year, the potential traffic on the road based on observed development of properties accessing the road, the number of traffic accidents and the type of accidents, and a visual inspection of the road for settlement spots, rough pavement, areas requiring patching, and the frequency of repair activities on the road. Each road is assessed on a scale of zero to 100 with 100 representing a road in perfect condition. The County has adopted a minimum condition level of 80% for all County roads. The results of the condition assessment are as follows:

Precinct	Fiscal Year	Percentage of Miles at 80% or greater condition level	Percentage of Miles at 70% or greater condition level	Percentage of Miles at 60% or greater condition level
1	2009	99%	0%	1%
2	2009	96%	0%	4%
3	2009	97%	0%	3%
4	2009	99%	0%	1%
1	2010	97%	0%	3%
2	2010	96%	0%	4%
3	2010	94%	0%	6%
4	2010	97%	0%	3%
1	2011	96%	3%	1%
2	2011	93%	6%	1%
4	2011	93%	4%	3%
1	2012	93%	3%	4%
2	2012	95%	3%	2%
4	2012	90%	7%	3%

All roads with 60% to 80% of condition level are scheduled for upgrade or reconstruction within the next 2 year period.

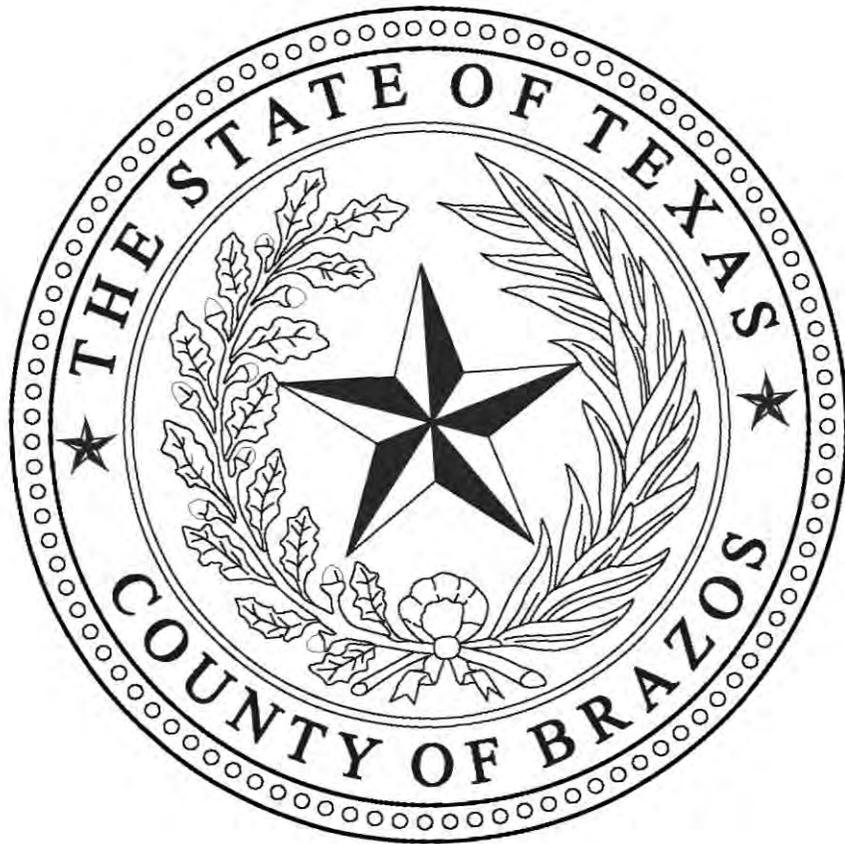
Bridges

The condition of the County's bridges is determined using the State of Texas Bridge Inventory Inspection System (BRINSAP). The bridges are inspected by the State every two years. A numerical condition range 0.0 (beyond repair) to 9.0 (excellent condition) is used to assess each of seven elements of the structure. These include deck, superstructure, substructure, channel, culvert, approaches and miscellaneous items. The BRINSAP summary shows 61 bridges in the County were rated. Brazos County policy requires that bridges be

maintained at a minimum of good condition. The chart below shows that the County's bridges are well maintained and in good or very good condition.

<u>Year of Inspection</u>	<u>Condition</u>	<u>Rating</u>	<u>Number</u>	<u>%</u>
	Very			
2005	Good	6.0 - 9.0	55	95%
2005	Good	4.0 - 5.9	3	5%
2005	Fair	3.0 - 3.9	0	0%
2005	Poor	0.0 - 2.9	0	0%
		Total	58	100%
	Very			
2007	Good	6.0 - 9.0	54	93%
2007	Good	4.0 - 5.9	4	7%
2007	Fair	3.0 - 3.9	0	0%
2007	Poor	0.0 - 2.9	0	0%
		Total	58	100%
	Very			
2009	Good	6.0 - 9.0	59	98%
2009	Good	4.0 - 5.9	1	2%
2009	Fair	3.0 - 3.9	0	0%
2009	Poor	0.0 - 2.9	0	0%
		Total	60	100%
	Very			
2011	Good	6.0 - 9.0	61	100%
2011	Good	4.0 - 5.9	0	0%
2011	Fair	3.0 - 3.9	0	0%
2011	Poor	0.0 - 2.9	0	0%
		Total	61	100%

NONMAJOR GOVERNMENTAL FUNDS



**BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
September 30, 2012**

	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,460,957	\$ 2,439,124	\$ 5,900,081
Prepaid Expenditures	24,630	-	24,630
Receivables			
Taxes	147,022	-	147,022
Interest	1,469	890	2,359
Accounts	22,254	-	22,254
State	178,105	-	178,105
TOTAL ASSETS	<u>\$ 3,834,437</u>	<u>\$ 2,440,014</u>	<u>\$ 6,274,451</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 87,009	\$ 797,831	\$ 884,840
Accrued Salaries and Wages	76,695	-	76,695
Unclaimed Funds	306,055	-	306,055
Due to Other Funds	133,535	-	133,535
Deferred Revenues	193,619	-	193,619
Total Liabilities	<u>796,913</u>	<u>797,831</u>	<u>1,594,744</u>
Fund Balances			
Nonspendable	24,630	-	24,630
Restricted	2,897,013	1,642,183	4,539,196
Assigned	134,621	-	134,621
Unassigned	(18,740)	-	(18,740)
Total Fund Balances	<u>3,037,524</u>	<u>1,642,183</u>	<u>4,679,707</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,834,437</u>	<u>\$ 2,440,014</u>	<u>\$ 6,274,451</u>

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
For The Year Ended September 30, 2012

	Special Revenue	Capital Project	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 1,174,733	\$ -	\$ 1,174,733
Charges for Services	791,200	-	791,200
Intergovernmental	1,655,161	-	1,655,161
Interest	15,475	13,927	29,402
Other Revenue	4,057	-	4,057
TOTAL REVENUES	3,640,626	13,927	3,654,553
EXPENDITURES			
General Government	127,289	-	127,289
Justice System	491,267	-	491,267
Law Enforcement	504,912	-	504,912
Juvenile Services	1,110,302	-	1,110,302
Public Transportation	265,564	-	265,564
Human Services	680,915	-	680,915
Capital Outlay	276,973	2,612,022	2,888,995
TOTAL EXPENDITURES	3,457,222	2,612,022	6,069,244
Excess (Deficiency) of Revenues Over (Under) Expenditures	183,404	(2,598,095)	(2,414,691)
OTHER FINANCING SOURCES (USES)			
Transfers In	460,663	-	460,663
Transfers Out	(652,563)	-	(652,563)
TOTAL OTHER FINANCING USES	(191,900)	-	(191,900)
Net Change in Fund Balances	(8,496)	(2,598,095)	(2,606,591)
FUND BALANCES, OCTOBER 1, AS RESTATED	3,046,020	4,240,278	7,286,298
FUND BALANCES, SEPTEMBER 30	\$ 3,037,524	\$ 1,642,183	\$ 4,679,707

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to be expended for specified purposes:

Hotel Occupancy Tax Fund – A fund established to account for hotel occupancy taxes received under Chapter 352, Texas Tax Code.

State Lateral Road Fund - A fund established to account for the funds received from the State for maintenance of County roads that join State highways under Section 256.002, Texas Transportation Code.

Unclaimed Property Fund – A fund established to account for property with a value of \$100 or less that is presumed to be abandoned under Section 76.601, Texas Property Code. Expenditures of this fund are limited to the costs associated with publishing and posting of notices to the owners.

Law Library Fund - A fund established to account for fees (assessed and collected by various County Courts) that are used to maintain the County Law Library that is available to the public under Section 323.023, Texas Local Government Code.

Alternative Dispute Resolution Fund - A fund created to account for the \$10.00 fee assessed with each County and District Court civil case filed, used to support the Alternative Dispute Resolution Center. The purpose of the Center is to resolve disputes that do not require formal court action under Chapter 152, Texas Civil Practice and Remedies Code.

Law Enforcement Education Fund - A fund created to account for funding received by the County from the State. The funds received are used to supplement the continuing education and training needs of those employees licensed under Chapter 415 of the Government Code, primarily law enforcement personnel.

County Records Management and Preservation Fund - A fund established to account for fees assessed and collected by the County and District Courts for the express purpose of records management and preservation or automation purposes in the County under Section 203.003, Texas Local Government Code.

County Clerk Records Management and Preservation Fund - A fund established to account for fees assessed for recording of documents in the County Clerk's office under Article 102.005 (f), Texas Code of Criminal Procedure and Section 118.0216, Texas Local Government Code. Filings for real estate transactions, criminal, probate, assumed names and civil court actions are included. Monies are used for records management and preservation services performed by the County Clerk's office.

County Clerk Archival Fund - A fund established to account for fees assessed for the preservation and restoration services performed by the County Clerk in connection with maintaining a county clerk's records archive under Section 118.025, Texas Local Government Code.

Courthouse Security Fund - A fund created to account for the collection of fees charged as part of court costs to provide security services for buildings that house a District or County Court under Article 102.017, Texas code of Criminal Procedure.

SPECIAL REVENUE FUNDS (continued)

Justice Court Security Fund - A fund created to account for the collection of fees charged as part of court costs to provide security services for buildings that house the justice courts which are located outside of the County Courthouse under Article 102.017, Code of Criminal Procedure.

District Clerk Records Management and Preservation Fund - A fund established to account for fees assessed for recording of documents in the District Clerk's office under Article 102.005 (f), Texas Code of Criminal Procedure and Section 51.317, Texas Government Code. Monies are used for records management and preservation services performed by the District Clerk's office.

District Clerk Archival Fund - A fund established to account for fees assessed for supporting preservation and restoration in connection with a district court records archive under Section 51.305, 51.317, Texas Government Code.

Justice of the Peace Technology Fund – A fund created to account for the collection of fees charged as part of court costs to fund the technological needs of the Justices' of the Peace under Article 102.0173, Texas Code of Criminal Procedure.

County & District Court Technology Fund – A fund created to account for the collection of fees charged as part of court costs to fund the technological needs of the county and district courts under Article 102.0169, Texas Code of Criminal Procedure.

Special Forfeitures Fund - A fund established to account for forfeited property receipts as prescribed by Article 59 of the Code of Criminal Procedure. These funds can only be used to support law enforcement activities.

District Attorney Hot Check Collection Fund – A fund established to account for fees collected by the District Attorney for the administration, processing and prosecution of returned checks under Section 118.142, Texas Local Government Code.

Bail Bond Board Fees Fund – A fund established to account for funds received for licensing and expenditures related to monitoring the bond activities of the local bail bondsmen under Section 1704.160, Texas Occupations Code.

Voter Registration Fund - A fund established to account for funds received from the State (before 1991), which represents a fee earned for each voter registered. Funds received can only be used for voter registration activity, and are governed by the Tax Assessor-Collector, the designated Voter Registrar for the County.

Vehicle Inventory Tax Interest Fund - A fund established to account for the interest earned on the Vehicle Inventory Tax collected monthly by the Tax Assessor-Collector under Section 23.122 (c), Texas Tax Code. The Tax Assessor-Collector is allowed to collect the tax from vehicle dealers before the October 1 assessment date. The interest earned on the funds held by the Tax Assessor-Collector can only be used to support the Vehicle Inventory Tax collections and payments.

Sheriff Department Crime Fund – A fund established to account for funds received from the City of Bryan, the City of College Station, and Brazos County restrictively in support of the law enforcement grant activities administered by the Sheriff.

SPECIAL REVENUE FUNDS (continued)

District Attorney Crime Fund – A fund established to account for funds received from the City of Bryan, the City of College Station, and Brazos County in accordance with an inter-local agreement restrictively for the litigation of seizures incurred in law enforcement activities.

Primary Election Service Fund – A fund established to account for the revenues and expenditures related to the election services the County provides for both Democratic and Republican Elections (including Primary and Run-off Elections) under Section 31.100, Texas Election Code.

Grants Fund – A fund established to account for the revenues and expenditures related to grant activities.

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2012

	Hotel Occupancy Tax	State Lateral Road	Unclaimed Property
ASSETS			
Cash and Cash Equivalents	\$ 803,472	\$ 84,922	\$ 365,049
Prepaid Expenditures	75	-	-
Receivables			
Taxes	147,022	-	-
Interest	316	31	134
Accounts	1,795	-	-
State	-	-	-
TOTAL ASSETS	<u>\$ 952,680</u>	<u>\$ 84,953</u>	<u>\$ 365,183</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 1,955	\$ -	\$ 8,421
Accrued Salaries and Wages	14,025	-	-
Unclaimed Funds	-	-	303,068
Due to Other Funds	133,535	-	-
Deferred Revenues	-	-	-
Total Liabilities	<u>149,515</u>	<u>-</u>	<u>311,489</u>
Fund Balances			
Nonspendable	75	-	-
Restricted	668,469	84,953	53,694
Assigned	134,621	-	-
Unassigned	-	-	-
Total Fund Balances	<u>803,165</u>	<u>84,953</u>	<u>53,694</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 952,680</u>	<u>\$ 84,953</u>	<u>\$ 365,183</u>

Law Library	Alternative Dispute Resolution	Law Enforcement Education	County Records Management and Preservation	County Clerk Records Management and Preservation	County Clerk Archival
\$ 278,439	\$ 10,755	\$ 12,757	\$ 196,311	\$ 444,163	\$ 159,389
-	-	-	-	-	-
-	-	-	-	-	-
102	-	-	72	163	58
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 278,541</u>	<u>\$ 10,755</u>	<u>\$ 12,757</u>	<u>\$ 196,383</u>	<u>\$ 444,326</u>	<u>\$ 159,447</u>
\$ 5,753	\$ 10,755	\$ -	\$ 106	\$ 185	\$ -
-	-	-	2,976	4,046	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,753</u>	<u>10,755</u>	<u>-</u>	<u>3,082</u>	<u>4,231</u>	<u>-</u>
-	-	-	-	-	-
272,788	-	12,757	193,301	440,095	159,447
-	-	-	-	-	-
-	-	-	-	-	-
<u>272,788</u>	<u>-</u>	<u>12,757</u>	<u>193,301</u>	<u>440,095</u>	<u>159,447</u>
<u>\$ 278,541</u>	<u>\$ 10,755</u>	<u>\$ 12,757</u>	<u>\$ 196,383</u>	<u>\$ 444,326</u>	<u>\$ 159,447</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
September 30, 2012

	<u>Courthouse Security</u>	<u>Justice Court Security</u>	<u>District Clerk Records Management and Preservation</u>
ASSETS			
Cash and Cash Equivalents	\$ 12,112	\$ 34,837	\$ 115,974
Prepaid Expenditures	-	-	-
Receivables			
Taxes	-	-	-
Interest	2	13	42
Accounts	-	-	-
State	-	-	-
TOTAL ASSETS	<u>\$ 12,114</u>	<u>\$ 34,850</u>	<u>\$ 116,016</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Salaries and Wages	12,114	-	-
Unclaimed Funds	-	-	-
Due to Other Funds	-	-	-
Deferred Revenues	-	-	-
Total Liabilities	<u>12,114</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	-	34,850	116,016
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>-</u>	<u>34,850</u>	<u>116,016</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,114</u>	<u>\$ 34,850</u>	<u>\$ 116,016</u>

District Clerk Archival	Justice of the Peace Technology	County & District Court Technology	Special Forfeitures	District Attorney Hot Check Collection	Bail Bond Board Fees
\$ 14,875	\$ 162,150	\$ 16,005	\$ 41,818	\$ 667	\$ 81,216
-	-	-	-	-	-
-	-	-	-	-	-
6	59	6	15	-	29
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,881</u>	<u>\$ 162,209</u>	<u>\$ 16,011</u>	<u>\$ 41,833</u>	<u>\$ 667</u>	<u>\$ 81,245</u>
\$ -	\$ 51,459	\$ -	\$ 2,589	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>51,459</u>	<u>-</u>	<u>2,589</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
14,881	110,750	16,011	39,244	667	81,245
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,881</u>	<u>110,750</u>	<u>16,011</u>	<u>39,244</u>	<u>667</u>	<u>81,245</u>
<u>\$ 14,881</u>	<u>\$ 162,209</u>	<u>\$ 16,011</u>	<u>\$ 41,833</u>	<u>\$ 667</u>	<u>\$ 81,245</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
September 30, 2012

	<u>Voter Registration</u>	<u>Vehicle Inventory Tax Interest</u>	<u>Sheriff Department Crime</u>
ASSETS			
Cash and Cash Equivalents	\$ 22,637	\$ 118,739	\$ 357,365
Prepaid Expenditures	-	250	-
Receivables			
Taxes	-	-	-
Interest	13	251	125
Accounts	-	-	350
State	-	-	-
TOTAL ASSETS	<u>\$ 22,650</u>	<u>\$ 119,240</u>	<u>\$ 357,840</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ -	\$ 250	\$ -
Accrued Salaries and Wages	-	-	-
Unclaimed Funds	-	-	2,987
Due to Other Funds	-	-	-
Deferred Revenues	-	-	-
Total Liabilities	<u>-</u>	<u>250</u>	<u>2,987</u>
Fund Balances			
Nonspendable	-	250	-
Restricted	22,650	118,740	354,853
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>22,650</u>	<u>118,990</u>	<u>354,853</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,650</u>	<u>\$ 119,240</u>	<u>\$ 357,840</u>

District Attorney Crime	Primary Election Service	Grants	Totals
\$ 72,092	\$ 16,920	\$ 38,293	\$ 3,460,957
-	-	24,305	24,630
-	-	-	147,022
26	6	-	1,469
-	14,825	5,284	22,254
-	-	178,105	178,105
<u>\$ 72,118</u>	<u>\$ 31,751</u>	<u>\$ 245,987</u>	<u>\$ 3,834,437</u>
\$ -	\$ 1,565	\$ 3,971	\$ 87,009
702	-	42,832	76,695
-	-	-	306,055
-	-	-	133,535
-	-	193,619	193,619
<u>702</u>	<u>1,565</u>	<u>240,422</u>	<u>796,913</u>
-	-	24,305	24,630
71,416	30,186	-	2,897,013
-	-	-	134,621
-	-	(18,740)	(18,740)
<u>71,416</u>	<u>30,186</u>	<u>5,565</u>	<u>3,037,524</u>
<u>\$ 72,118</u>	<u>\$ 31,751</u>	<u>\$ 245,987</u>	<u>\$ 3,834,437</u>

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
For The Year Ended September 30, 2012

	Hotel Occupancy Tax	State Lateral Road	Unclaimed Property
REVENUES			
Taxes	\$ 1,172,566	\$ -	\$ -
Charges for Services	-	-	-
Intergovernmental	-	28,057	-
Interest	3,366	343	1,358
Other Revenue	-	-	-
TOTAL REVENUES	1,175,932	28,400	1,358
EXPENDITURES			
General Government	-	-	249
Justice System	-	-	-
Law Enforcement	-	-	-
Juvenile Services	-	-	-
Public Transportation	-	-	-
Human Services	532,715	-	-
Capital Outlay	-	-	-
TOTAL EXPENDITURES	532,715	-	249
Excess (Deficiency) of Revenues Over (Under) Expenditures	643,217	28,400	1,109
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(646,763)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(646,763)	-	-
Net Change in Fund Balances	(3,546)	28,400	1,109
FUND BALANCES, OCTOBER 1, AS RESTATED	806,711	56,553	52,585
FUND BALANCES, SEPTEMBER 30	\$ 803,165	\$ 84,953	\$ 53,694

Law Library	Alternative Dispute Resolution	Law Enforcement Education	County Records Management and Preservation	County Clerk Records Management and Preservation	County Clerk Archival
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51,395	38,385	-	100,860	164,848	160,168
-	-	-	-	-	-
1,186	-	-	762	1,871	542
-	-	-	-	-	-
<u>52,581</u>	<u>38,385</u>	<u>-</u>	<u>101,622</u>	<u>166,719</u>	<u>160,710</u>
-	-	-	88,449	-	-
84,918	45,885	-	-	165,242	114,180
-	-	(4,384)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	32,056	-
<u>84,918</u>	<u>45,885</u>	<u>(4,384)</u>	<u>88,449</u>	<u>197,298</u>	<u>114,180</u>
(32,337)	(7,500)	4,384	13,173	(30,579)	46,530
-	7,500	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(32,337)	-	4,384	13,173	(30,579)	46,530
305,125	-	8,373	180,128	470,674	112,917
<u>\$ 272,788</u>	<u>\$ -</u>	<u>\$ 12,757</u>	<u>\$ 193,301</u>	<u>\$ 440,095</u>	<u>\$ 159,447</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS -SPECIAL REVENUE FUNDS (Continued)
For The Year Ended September 30, 2012

	Courthouse Security	Justice Court Security	District Clerk Records Management and Preservation
REVENUES			
Taxes	\$ -	\$ -	\$ -
Charges for Services	84,300	9,623	18,470
Intergovernmental	-	-	-
Interest	418	130	459
Other Revenue	-	-	-
TOTAL REVENUES	84,718	9,753	18,929
EXPENDITURES			
General Government	-	-	-
Justice System	-	1,980	9,898
Law Enforcement	325,856	-	-
Juvenile Services	-	-	-
Public Transportation	-	-	-
Human Services	-	-	-
Capital Outlay	-	-	-
TOTAL EXPENDITURES	325,856	1,980	9,898
Excess (Deficiency) of Revenues Over (Under) Expenditures	(241,138)	7,773	9,031
OTHER FINANCING SOURCES (USES)			
Transfers In	224,412	-	-
Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	224,412	-	-
Net Change in Fund Balances	(16,726)	7,773	9,031
FUND BALANCES, OCTOBER 1, AS RESTATED	16,726	27,077	106,985
FUND BALANCES, SEPTEMBER 30	\$ -	\$ 34,850	\$ 116,016

District Clerk Archival	Justice of the Peace Technology	County & District Court Technology	Special Forfeitures	District Attorney Hot Check Collection	Bail Bond Board Fees
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,944	38,827	8,243	6,811	231	2,000
-	-	-	-	-	-
50	651	48	166	11	326
-	4,057	-	-	-	-
<u>5,994</u>	<u>43,535</u>	<u>8,291</u>	<u>6,977</u>	<u>242</u>	<u>2,326</u>
-	-	-	-	-	-
-	37,850	-	-	3,252	477
-	-	-	4,733	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	50,000	-	-	-	-
<u>-</u>	<u>87,850</u>	<u>-</u>	<u>4,733</u>	<u>3,252</u>	<u>477</u>
5,994	(44,315)	8,291	2,244	(3,010)	1,849
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
5,994	(44,315)	8,291	2,244	(3,010)	1,849
<u>8,887</u>	<u>155,065</u>	<u>7,720</u>	<u>37,000</u>	<u>3,677</u>	<u>79,396</u>
<u>\$ 14,881</u>	<u>\$ 110,750</u>	<u>\$ 16,011</u>	<u>\$ 39,244</u>	<u>\$ 667</u>	<u>\$ 81,245</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
For The Year Ended September 30, 2012

	<u>Voter Registration</u>	<u>Vehicle Inventory Tax Interest</u>	<u>Sheriff Department Crime</u>
REVENUES			
Taxes	\$ -	\$ 2,167	\$ -
Charges for Services	-	-	196
Intergovernmental	33,576	-	-
Interest	115	1,943	1,409
Other Revenue	-	-	-
TOTAL REVENUES	<u>33,691</u>	<u>4,110</u>	<u>1,605</u>
EXPENDITURES			
General Government	33,576	5,015	-
Justice System	-	-	-
Law Enforcement	-	-	5,097
Juvenile Services	-	-	-
Public Transportation	-	-	-
Human Services	-	-	-
Capital Outlay	-	-	-
TOTAL EXPENDITURES	<u>33,576</u>	<u>5,015</u>	<u>5,097</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	115	(905)	(3,492)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	115	(905)	(3,492)
FUND BALANCES, OCTOBER 1, AS RESTATED	<u>22,535</u>	<u>119,895</u>	<u>358,345</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 22,650</u>	<u>\$ 118,990</u>	<u>\$ 354,853</u>

District Attorney Crime	Primary Election Service	Grants	Totals
\$ -	\$ -	\$ -	\$ 1,174,733
33,264	62,161	5,474	791,200
-	-	1,593,528	1,655,161
263	58	-	15,475
-	-	-	4,057
<u>33,527</u>	<u>62,219</u>	<u>1,599,002</u>	<u>3,640,626</u>
-	-	-	127,289
14,145	-	13,440	491,267
-	-	173,610	504,912
-	-	1,110,302	1,110,302
-	-	265,564	265,564
-	58,740	89,460	680,915
-	-	194,917	276,973
<u>14,145</u>	<u>58,740</u>	<u>1,847,293</u>	<u>3,457,222</u>
19,382	3,479	(248,291)	183,404
-	1,770	226,981	460,663
-	(5,800)	-	(652,563)
<u>-</u>	<u>(4,030)</u>	<u>226,981</u>	<u>(191,900)</u>
19,382	(551)	(21,310)	(8,496)
<u>52,034</u>	<u>30,737</u>	<u>26,875</u>	<u>3,046,020</u>
<u>\$ 71,416</u>	<u>\$ 30,186</u>	<u>\$ 5,565</u>	<u>\$ 3,037,524</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
HOTEL OCCUPANCY TAX
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Taxes	\$ 975,000	\$ 1,172,566	\$ 1,172,566
Interest	3,500	3,366	3,366
TOTAL REVENUES	<u>978,500</u>	<u>1,175,932</u>	<u>1,175,932</u>
EXPENDITURES			
Human Services			
Personnel Services	319,513	318,794	310,355
Supplies and Other Charges	88,512	173,762	111,647
Repairs and Maintenance	-	11,327	11,327
Minor Acquisitions	-	2,996	2,996
Contract Services	18,300	7,290	7,290
Professional Services	22,000	23,000	14,100
Community Support	75,000	75,000	75,000
TOTAL EXPENDITURES	<u>523,325</u>	<u>612,169</u>	<u>532,715</u>
Excess of Revenues Over Expenditures	455,175	563,763	643,217
OTHER FINANCING USES			
Transfers Out	<u>(608,175)</u>	<u>(716,763)</u>	<u>(646,763)</u>
TOTAL OTHER FINANCING USES	<u>(608,175)</u>	<u>(716,763)</u>	<u>(646,763)</u>
Net Change in Fund Balance	(153,000)	(153,000)	(3,546)
FUND BALANCE, OCTOBER 1	<u>806,711</u>	<u>806,711</u>	<u>806,711</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 653,711</u></u>	<u><u>\$ 653,711</u></u>	<u><u>\$ 803,165</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
STATE LATERAL ROAD
For the Year Ended September 30, 2012**

	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental	\$ 28,000	\$ 28,057
Interest	-	343
TOTAL REVENUES	<u>28,000</u>	<u>28,400</u>
EXPENDITURES		
Public Transportation		
Repairs and Maintenance	<u>84,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>84,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,000)	28,400
FUND BALANCE, OCTOBER 1	<u>56,553</u>	<u>56,553</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 553</u></u>	<u><u>\$ 84,953</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
UNCLAIMED PROPERTY
For the Year Ended September 30, 2012**

	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES		
Interest	\$ 1,000	\$ 1,358
TOTAL REVENUES	<u>1,000</u>	<u>1,358</u>
EXPENDITURES		
General Government		
Supplies and Other Charges	51,000	249
TOTAL EXPENDITURES	<u>51,000</u>	<u>249</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	1,109
FUND BALANCE, OCTOBER 1	<u>52,585</u>	<u>52,585</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 2,585</u></u>	<u><u>\$ 53,694</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
LAW LIBRARY
For the Year Ended September 30, 2012**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 48,000	\$ 51,395
Interest	1,200	1,186
TOTAL REVENUES	49,200	52,581
EXPENDITURES		
Justice System		
Supplies and Other Charges	100,000	77,518
Repairs and Maintenance	2,000	-
Minor Acquisitions	53,000	-
Contract Services	20,000	7,400
TOTAL EXPENDITURES	175,000	84,918
Deficiency of Revenues Under Expenditures	(125,800)	(32,337)
FUND BALANCE, OCTOBER 1	305,125	305,125
FUND BALANCE, SEPTEMBER 30	\$ 179,325	\$ 272,788

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
ALTERNATIVE DISPUTE RESOLUTION
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 45,000	\$ 38,385	\$ 38,385
TOTAL REVENUES	<u>45,000</u>	<u>38,385</u>	<u>38,385</u>
EXPENDITURES			
Justice System			
Community Support	<u>52,500</u>	<u>45,885</u>	<u>45,885</u>
TOTAL EXPENDITURES	<u>52,500</u>	<u>45,885</u>	<u>45,885</u>
Deficiency of Revenues Under Expenditures	(7,500)	(7,500)	(7,500)
OTHER FINANCING SOURCES			
Transfers In	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
TOTAL OTHER FINANCING SOURCES	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
Net Change in Fund Balance	-	-	-
FUND BALANCE, OCTOBER 1	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
LAW ENFORCEMENT EDUCATION
For the Year Ended September 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	10,000	8,373	(4,384)
TOTAL EXPENDITURES	<u>10,000</u>	<u>8,373</u>	<u>(4,384)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(8,373)	4,384
FUND BALANCE, OCTOBER 1	<u>8,373</u>	<u>8,373</u>	<u>8,373</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (1,627)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,757</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY RECORDS MANAGEMENT AND PRESERVATION
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 100,000	\$ 100,000	\$ 100,860
Interest	500	500	762
TOTAL REVENUES	<u>100,500</u>	<u>100,500</u>	<u>101,622</u>
EXPENDITURES			
General Government			
Personnel Services	77,214	77,214	77,013
Supplies and Other Charges	6,600	3,300	1,157
Minor Acquisitions	26,000	34,560	8,637
Contract Services	1,000	2,300	1,642
Professional Services	18,186	18,186	-
Capital Outlay	70,000	63,440	-
TOTAL EXPENDITURES	<u>199,000</u>	<u>199,000</u>	<u>88,449</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,500)	(98,500)	13,173
FUND BALANCE, OCTOBER 1	<u>180,128</u>	<u>180,128</u>	<u>180,128</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 81,628</u></u>	<u><u>\$ 81,628</u></u>	<u><u>\$ 193,301</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION
For the Year Ended September 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 150,000	\$ 150,000	\$ 164,848
Interest	2,000	2,000	1,871
TOTAL REVENUES	<u>152,000</u>	<u>152,000</u>	<u>166,719</u>
EXPENDITURES			
Justice System			
Personnel Services	105,116	105,116	104,860
Supplies and Other Charges	54,500	21,500	3,003
Repairs and Maintenance	500	500	-
Minor Acquisitions	2,000	2,000	-
Contract Services	78,500	78,500	57,379
Capital Outlay	-	33,000	32,056
TOTAL EXPENDITURES	<u>240,616</u>	<u>240,616</u>	<u>197,298</u>
Deficiency of Revenues			
Under Expenditures	(88,616)	(88,616)	(30,579)
FUND BALANCE, OCTOBER 1	<u>470,674</u>	<u>470,674</u>	<u>470,674</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 382,058</u></u>	<u><u>\$ 382,058</u></u>	<u><u>\$ 440,095</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY CLERK ARCHIVAL
For the Year Ended September 30, 2012**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 140,000	\$ 160,168
Interest	300	542
TOTAL REVENUES	140,300	160,710
EXPENDITURES		
Justice System		
Professional Services	160,000	114,180
TOTAL EXPENDITURES	160,000	114,180
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,700)	46,530
FUND BALANCE, OCTOBER 1	112,917	112,917
FUND BALANCE, SEPTEMBER 30	\$ 93,217	\$ 159,447

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COURTHOUSE SECURITY
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 90,000	\$ 90,000	\$ 84,300
Interest	500	500	418
TOTAL REVENUES	<u>90,500</u>	<u>90,500</u>	<u>84,718</u>
EXPENDITURES			
Law Enforcement			
Personnel Services	325,425	332,870	319,225
Supplies and Other Charges	4,643	4,643	2,231
Repairs and Maintenance	4,400	4,400	4,400
TOTAL EXPENDITURES	<u>334,468</u>	<u>341,913</u>	<u>325,856</u>
Deficiency of Revenues Under Expenditures	(243,968)	(251,413)	(241,138)
OTHER FINANCING SOURCES			
Transfers In	216,968	224,413	224,412
TOTAL OTHER FINANCING SOURCES	<u>216,968</u>	<u>224,413</u>	<u>224,412</u>
Net Change in Fund Balance	(27,000)	(27,000)	(16,726)
FUND BALANCE, OCTOBER 1	<u>16,726</u>	<u>16,726</u>	<u>16,726</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (10,274)</u></u>	<u><u>\$ (10,274)</u></u>	<u><u>\$ -</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
JUSTICE COURT SECURITY
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 12,200	\$ 12,200	\$ 9,623
Interest	100	100	130
TOTAL REVENUES	<u>12,300</u>	<u>12,300</u>	<u>9,753</u>
EXPENDITURES			
Justice System			
Repairs and Maintenance	3,380	188	-
Contract Services	1,620	4,812	1,980
Capital Outlay	34,300	34,300	-
TOTAL EXPENDITURES	<u>39,300</u>	<u>39,300</u>	<u>1,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,000)	(27,000)	7,773
FUND BALANCE, OCTOBER 1	<u>27,077</u>	<u>27,077</u>	<u>27,077</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 77</u>	<u>\$ 77</u>	<u>\$ 34,850</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 15,000	\$ 15,000	\$ 18,470
Interest	200	200	459
TOTAL REVENUES	<u>15,200</u>	<u>15,200</u>	<u>18,929</u>
EXPENDITURES			
Justice System			
Supplies and Other Charges	43,000	43,064	362
Minor Acquisitions	10,000	9,936	9,536
Contract Services	23,000	23,000	-
Professional Services	29,300	29,300	-
TOTAL EXPENDITURES	<u>105,300</u>	<u>105,300</u>	<u>9,898</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90,100)	(90,100)	9,031
FUND BALANCE, OCTOBER 1	<u>106,985</u>	<u>106,985</u>	<u>106,985</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 16,885</u></u>	<u><u>\$ 16,885</u></u>	<u><u>\$ 116,016</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT CLERK ARCHIVAL
For the Year Ended September 30, 2012**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 4,500	\$ 5,944
Interest	-	50
TOTAL REVENUES	4,500	5,994
EXPENDITURES		
Justice System		
Professional Services	7,800	-
TOTAL EXPENDITURES	7,800	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,300)	5,994
FUND BALANCE, OCTOBER 1	8,887	8,887
FUND BALANCE, SEPTEMBER 30	\$ 5,587	\$ 14,881

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
JUSTICE OF THE PEACE TECHNOLOGY
For the Year Ended September 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 48,500	\$ 48,500	\$ 38,827
Interest	500	500	651
Other Revenue	-	-	4,057
TOTAL REVENUES	<u>49,000</u>	<u>49,000</u>	<u>43,535</u>
EXPENDITURES			
Justice System			
Personnel Services	5,050	5,050	3,895
Supplies and Other Charges	56,285	51,139	10,641
Repairs and Maintenance	-	480	-
Minor Acquisitions	24,225	32,150	23,314
Contract Services	23,440	20,181	-
Capital Outlay	50,000	50,000	50,000
TOTAL EXPENDITURES	<u>159,000</u>	<u>159,000</u>	<u>87,850</u>
Deficiency of Revenues Under Expenditures	(110,000)	(110,000)	(44,315)
FUND BALANCE, OCTOBER 1	<u>155,065</u>	<u>155,065</u>	<u>155,065</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 45,065</u></u>	<u><u>\$ 45,065</u></u>	<u><u>\$ 110,750</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY & DISTRICT COURT TECHNOLOGY
For the Year Ended September 30, 2012**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 4,500	\$ 8,243
Interest	-	48
TOTAL REVENUES	4,500	8,291
EXPENDITURES		
Justice System		
Minor Acquisitions	11,800	-
TOTAL EXPENDITURES	11,800	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,300)	8,291
FUND BALANCE, OCTOBER 1	7,720	7,720
FUND BALANCE, SEPTEMBER 30	\$ 420	\$ 16,011

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL FORFEITURES
For the Year Ended September 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ -	\$ 4,800	\$ 6,811
Interest	-	-	166
TOTAL REVENUES	<u>-</u>	<u>4,800</u>	<u>6,977</u>
EXPENDITURES			
Law Enforcement			
Repairs and Maintenance	840	6,875	4,529
Minor Acquisitions	22,366	21,131	204
TOTAL EXPENDITURES	<u>23,206</u>	<u>28,006</u>	<u>4,733</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,206)	(23,206)	2,244
FUND BALANCE, OCTOBER 1	<u>37,000</u>	<u>37,000</u>	<u>37,000</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 13,794</u>	<u>\$ 13,794</u>	<u>\$ 39,244</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT ATTORNEY HOT CHECK COLLECTION
For the Year Ended September 30, 2012**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 500	\$ 231
Interest	-	11
TOTAL REVENUES	<u>500</u>	<u>242</u>
EXPENDITURES		
Justice System		
Supplies and Other Charges	<u>4,000</u>	<u>3,252</u>
TOTAL EXPENDITURES	<u>4,000</u>	<u>3,252</u>
Deficiency of Revenues Under Expenditures	(3,500)	(3,010)
FUND BALANCE, OCTOBER 1	<u>3,677</u>	<u>3,677</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 177</u></u>	<u><u>\$ 667</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
BAIL BOND BOARD FEES
For the Year Ended September 30, 2012**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 1,500	\$ 2,000
Interest	300	326
TOTAL REVENUES	<u>1,800</u>	<u>2,326</u>
EXPENDITURES		
Justice System		
Personnel Services	4,602	477
Supplies and Other Charges	72,798	-
TOTAL EXPENDITURES	<u>77,400</u>	<u>477</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,600)	1,849
FUND BALANCE, OCTOBER 1	<u>79,396</u>	<u>79,396</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 3,796</u>	<u>\$ 81,245</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
VOTER REGISTRATION
For the Year Ended September 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 33,576
Interest	-	-	115
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>33,691</u>
EXPENDITURES			
General Government			
Supplies and Other Charges	21,000	2,500	1,536
Minor Acquisitions	-	32,040	32,040
TOTAL EXPENDITURES	<u>21,000</u>	<u>34,540</u>	<u>33,576</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,000)	(34,540)	115
OTHER FINANCING SOURCES			
Transfers In	-	13,540	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>13,540</u>	<u>-</u>
Net Change in Fund Balance	(21,000)	(21,000)	115
FUND BALANCE, OCTOBER 1	<u>22,535</u>	<u>22,535</u>	<u>22,535</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 1,535</u>	<u>\$ 1,535</u>	<u>\$ 22,650</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
VEHICLE INVENTORY TAX INTEREST
For the Year Ended September 30, 2012**

	Original and Final Budget	Actual
REVENUES		
Taxes	\$ 2,000	\$ 2,167
Interest	1,000	1,943
TOTAL REVENUES	3,000	4,110
EXPENDITURES		
General Government		
Personnel Services	13,338	-
Supplies and Other Charges	75,000	5,015
Minor Acquisitions	10,000	-
Professional Services	20,000	-
TOTAL EXPENDITURES	118,338	5,015
Deficiency of Revenues Under Expenditures	(115,338)	(905)
FUND BALANCE, OCTOBER 1	119,895	119,895
FUND BALANCE, SEPTEMBER 30	\$ 4,557	\$ 118,990

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
SHERIFF DEPARTMENT CRIME
For the Year Ended September 30, 2012**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ -	\$ 196
Interest	-	1,409
TOTAL REVENUES	-	1,605
EXPENDITURES		
Law Enforcement		
Supplies and Other Charges	248,200	2,841
Repairs and Maintenance	43,500	-
Minor Acquisitions	22,800	2,256
Contract Services	37,000	-
Professional Services	500	-
TOTAL EXPENDITURES	352,000	5,097
Deficiency of Revenues Under Expenditures	(352,000)	(3,492)
FUND BALANCE, OCTOBER 1	358,345	358,345
FUND BALANCE, SEPTEMBER 30	\$ 6,345	\$ 354,853

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT ATTORNEY CRIME
For the Year Ended September 30, 2012**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ -	\$ 33,264
Interest	-	263
TOTAL REVENUES	<u>-</u>	<u>33,527</u>
EXPENDITURES		
Justice System		
Personnel Services	17,299	11,105
Supplies and Other Charges	10,126	3,040
TOTAL EXPENDITURES	<u>27,425</u>	<u>14,145</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,425)	19,382
FUND BALANCE, OCTOBER 1	<u>52,034</u>	<u>52,034</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 24,609</u></u>	<u><u>\$ 71,416</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
PRIMARY ELECTION SERVICE
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 57,400	\$ 57,400	\$ 62,161
Interest	-	-	58
TOTAL REVENUES	<u>57,400</u>	<u>57,400</u>	<u>62,219</u>
EXPENDITURES			
Human Services			
Supplies and Other Charges	30,500	28,800	4,205
Repairs and Maintenance	-	1,600	1,565
Contract Services	1,900	2,820	2,820
Professional Services	49,200	50,150	50,150
TOTAL EXPENDITURES	<u>81,600</u>	<u>83,370</u>	<u>58,740</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,200)	(25,970)	3,479
OTHER FINANCING SOURCES (USES)			
Transfers In	-	1,770	1,770
Transfers Out	(5,800)	(5,800)	(5,800)
TOTAL OTHER FINANCING USES	<u>(5,800)</u>	<u>(4,030)</u>	<u>(4,030)</u>
Net Change in Fund Balance	(30,000)	(30,000)	(551)
FUND BALANCE, OCTOBER 1	<u>30,737</u>	<u>30,737</u>	<u>30,737</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 737</u>	<u>\$ 737</u>	<u>\$ 30,186</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GRANTS
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental - Federal			
Department of Justice	\$ 211,131	\$ 214,422	\$ 158,219
Department of Transportation	541,268	543,929	268,700
Department of Public Safety	24,485	154,328	130,596
Total Intergovernmental - Federal	776,884	912,679	557,515
Intergovernmental - State			
Texas Juvenile Probation Commission	855,819	967,168	953,211
Texas Office of the Attorney General	30,710	30,710	30,710
Department of Criminal Justice	15,000	15,000	13,440
Total Intergovernmental - State	901,529	1,012,878	997,361
Intergovernmental - Other			
MPO Contribution	-	99,200	38,652
Program Income	-	-	5,474
Total Intergovernmental - Other	-	99,200	44,126
TOTAL REVENUES	1,678,413	2,024,757	1,599,002
EXPENDITURES			
Justice System	15,000	15,000	13,440
Law Enforcement	365,731	221,911	173,610
Juvenile Services	1,167,541	1,186,034	1,110,302
Public Transportation	480,125	579,325	265,564
Human Services	51,360	113,191	89,460
Capital Outlay	-	223,023	194,917
TOTAL EXPENDITURES	2,079,757	2,338,484	1,847,293
Deficiency of Revenues Under Expenditures	(401,344)	(313,727)	(248,291)
OTHER FINANCING SOURCES (USES)			
Transfers In	374,469	295,349	226,981
Transfers Out	-	(8,497)	-
TOTAL OTHER FINANCING SOURCES	374,469	286,852	226,981
Net Change in Fund Balance	(26,875)	(26,875)	(21,310)
FUND BALANCE, OCTOBER 1	26,875	26,875	26,875
FUND BALANCE, SEPTEMBER 30	\$ -	\$ -	\$ 5,565

DEBT SERVICE FUND

The **Debt Service Fund** is used to account for the accumulation of resources for the payment of general long-term debt principal and interest related to general obligation bonds and certificates of obligation

BRAZOS COUNTY, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Taxes	\$ 8,789,000	\$ 8,789,000	\$ 9,279,330
Interest	20,000	20,000	33,183
TOTAL REVENUES	8,809,000	8,809,000	9,312,513
EXPENDITURES			
Debt Service			
Principal	4,180,526	6,031,321	5,675,000
Interest	6,476,274	4,783,425	3,982,151
Agent Fees	5,000	5,000	2,548
TOTAL EXPENDITURES	10,661,800	10,819,746	9,659,699
Deficiency of			
Revenues Under Expenditures	(1,852,800)	(2,010,746)	(347,186)
OTHER FINANCING SOURCES			
Transfers In	852,800	1,010,746	940,746
TOTAL OTHER FINANCING SOURCES	852,800	1,010,746	940,746
Net Change in Fund Balance	(1,000,000)	(1,000,000)	593,560
FUND BALANCE, OCTOBER 1	4,920,817	4,920,817	4,920,817
FUND BALANCE, SEPTEMBER 30	\$ 3,920,817	\$ 3,920,817	\$ 5,514,377

CAPITOL PROJECT FUNDS

Capital Project Funds are used to account for the use of certificates of obligation proceeds and other financial resources that have been aggregated for the acquisition of major capital facilities and/or improvements of the County:

NONMAJOR GOVERNMENTAL FUNDS

Expo Center Expansion Fund – This fund was established to account for the expansion of the Brazos County Exposition Center. The expenditures are financed through the issuance of a \$12,000,000 Certificates of Obligation in November 2009 and a portion of the hotel occupancy taxes collected in a Special Revenue Fund (Hotel Occupancy Tax).

Jail Expansion Fund – This fund was established to account for the expenditures for the expansion of the County’s jail facility and the renovation of the jail inmate holding area in the courthouse. The expenditures are financed through the issuance of \$55,000,000 General Obligation Bonds in 2008.

MAJOR GOVERNMENTAL FUNDS

Capital Improvement Fund – This fund was established to provide funding for construction and acquisition of capital assets to support the County’s general governmental, judicial, law enforcement, and public transportation functions. Resources for the fund have been provided by transfers from the General Fund.

**BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS
September 30, 2012**

	<u>Nonmajor Funds</u>		<u>Total Nonmajor Funds</u>
	<u>Expo Center Expansion</u>	<u>Jail Expansion</u>	
ASSETS			
Cash and Cash Equivalents	\$ 102,330	\$ 2,336,794	\$ 2,439,124
Receivables			
Interest	38	852	890
TOTAL ASSETS	<u>\$ 102,368</u>	<u>\$ 2,337,646</u>	<u>\$ 2,440,014</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ -	\$ 797,831	\$ 797,831
Total Liabilities	<u>-</u>	<u>797,831</u>	<u>797,831</u>
Fund Balances			
Restricted	102,368	1,539,815	1,642,183
Total Fund Balances	<u>102,368</u>	<u>1,539,815</u>	<u>1,642,183</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 102,368</u>	<u>\$ 2,337,646</u>	<u>\$ 2,440,014</u>

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
For The Year Ended September 30, 2012

	<u>Nonmajor Funds</u>		Total Nonmajor Funds
	<u>Expo Center Expansion</u>	<u>Jail Expansion</u>	
REVENUES			
Interest	\$ 664	\$ 13,263	\$ 13,927
TOTAL REVENUES	<u>664</u>	<u>13,263</u>	<u>13,927</u>
EXPENDITURES			
Capital Outlay	141,948	2,470,074	2,612,022
TOTAL EXPENDITURES	<u>141,948</u>	<u>2,470,074</u>	<u>2,612,022</u>
Deficiency of Revenues Under Expenditures	(141,284)	(2,456,811)	(2,598,095)
FUND BALANCES, OCTOBER 1	<u>243,652</u>	<u>3,996,626</u>	<u>4,240,278</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 102,368</u>	<u>\$ 1,539,815</u>	<u>\$ 1,642,183</u>

BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CAPITAL IMPROVEMENT
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Other Revenue	\$ -	\$ -	\$ 5,323
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>5,323</u>
EXPENDITURES			
Discretionary Funding	-	98,452	-
Supplies and Other Charges	-	27,610	27,525
Repairs and Maintenance	93,961	153,561	56,870
Minor Acquisitions	31,100	124,255	89,376
Contract Services	94,360	94,360	54,756
Capital Outlay	9,607,739	9,531,366	3,028,015
TOTAL EXPENDITURES	<u>9,827,160</u>	<u>10,029,604</u>	<u>3,256,542</u>
Deficiency of Revenues Under Expenditures	(9,827,160)	(10,029,604)	(3,251,219)
OTHER FINANCING SOURCES			
Transfers In	1,047,160	1,226,813	1,226,813
Sale of Capital Assets	-	22,791	22,790
TOTAL OTHER FINANCING SOURCES	<u>1,047,160</u>	<u>1,249,604</u>	<u>1,249,603</u>
Net Change in Fund Balance	(8,780,000)	(8,780,000)	(2,001,616)
FUND BALANCE, OCTOBER 1	<u>8,681,548</u>	<u>8,681,548</u>	<u>8,681,548</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ (98,452)</u>	<u>\$ (98,452)</u>	<u>\$ 6,679,932</u>

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
EXPO CENTER EXPANSION
For The Year Ended September 30, 2012**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Interest	\$ -	\$ -	\$ 664
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>664</u>
EXPENDITURES			
Capital Outlay	167,000	167,000	141,948
TOTAL EXPENDITURES	<u>167,000</u>	<u>167,000</u>	<u>141,948</u>
Deficiency of Revenues Under Expenditures	(167,000)	(167,000)	(141,284)
FUND BALANCE, OCTOBER 1	<u>243,652</u>	<u>243,652</u>	<u>243,652</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 76,652</u></u>	<u><u>\$ 76,652</u></u>	<u><u>\$ 102,368</u></u>

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
JAIL EXPANSION
For The Year Ended September 30, 2012**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Interest	\$ -	\$ -	\$ 13,263
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>13,263</u>
EXPENDITURES			
Capital Outlay	3,900,000	3,900,000	2,470,074
TOTAL EXPENDITURES	<u>3,900,000</u>	<u>3,900,000</u>	<u>2,470,074</u>
Deficiency of Revenues Under Expenditures	(3,900,000)	(3,900,000)	(2,456,811)
FUND BALANCE, OCTOBER 1	<u>3,996,626</u>	<u>3,996,626</u>	<u>3,996,626</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 96,626</u>	<u>\$ 96,626</u>	<u>\$ 1,539,815</u>

PROPRIETARY FUND TYPE

INTERNAL SERVICE FUND – is established to account for the financing of goods or services provided by one department or other departments of the County on a cost-reimbursement basis.

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF NET ASSETS
For The Year Ended September 30, 2012**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 2,125,162
Accounts Receivable	562,795

TOTAL ASSETS	2,687,957
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LIABILITIES

Current Liabilities

Accounts Payable	897,090
Deferred Revenue	6,162

TOTAL LIABILITIES	903,252
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NET ASSETS

Unrestricted	1,784,705
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TOTAL NET ASSETS	\$ 1,784,705
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**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
OPERATING REVENUES			
Employee Dependents	\$ 1,520,000	\$ 1,520,000	\$ 1,648,717
Self Pays	20,000	20,000	6,205
Excess Risk Benefits	-	-	600,468
Participant Payments	423,000	423,000	426,907
Brazos County	6,053,350	6,053,350	6,360,203
Retirees	175,000	175,000	228,640
TOTAL OPERATING REVENUES	<u>8,191,350</u>	<u>8,191,350</u>	<u>9,271,140</u>
OPERATING EXPENSES			
Life Insurance	30,000	30,000	26,038
Stop Loss Premiums	750,000	750,000	1,009,888
Benefit Claims	7,949,850	7,949,850	7,482,800
Administrative Fees	400,000	400,000	443,128
Professional Services	70,000	70,000	31,919
TOTAL OPERATING EXPENSES	<u>9,199,850</u>	<u>9,199,850</u>	<u>8,993,773</u>
OPERATING GAIN (LOSS)	<u>(1,008,500)</u>	<u>(1,008,500)</u>	<u>277,367</u>
NONOPERATING REVENUES			
Interest	8,500	8,500	8,155
TOTAL NONOPERATING REVENUES	<u>8,500</u>	<u>8,500</u>	<u>8,155</u>
CHANGE IN NET ASSETS	(1,000,000)	(1,000,000)	285,522
TOTAL NET ASSETS - BEGINNING	<u>1,499,183</u>	<u>1,499,183</u>	<u>1,499,183</u>
TOTAL NET ASSETS - ENDING	<u>\$ 499,183</u>	<u>\$ 499,183</u>	<u>\$ 1,784,705</u>

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 2,316,392
Receipts from interfund services provided	6,360,203
Payments to contractors	(1,509,332)
Claims paid	<u>(7,365,946)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(198,683)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>8,023</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>8,023</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(190,660)
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>2,315,822</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u><u>\$ 2,125,162</u></u>
Reconciliation of operating gain to net cash used by operating activities:	
Operating gain	<u>\$ 277,367</u>
Adjustments to reconcile operating gain to net cash used by operating activities:	
Change in accounts receivable	(556,469)
Change in accounts payable	79,186
Change in deferred revenue	1,233
Total adjustments	<u>(476,050)</u>
Net cash used by operating activities	<u><u>\$ (198,683)</u></u>

FIDUCIARY FUNDS

AGENCY FUNDS

Narcotics Seizure – A fund used to account for monies and materials that are seized during narcotics interdiction activities. The District Attorney’s office evaluates each case and files a civil case to have the seized funds forfeited. Upon receipt of a court judgment, the seized funds are disbursed.

District Clerk Trust – A statutory fund used to account for monies placed with the District Clerk by the District Court(s) and to be held until the Court(s) direct the distribution of the funds under Chapter 117, Texas Local Government Code.

County Clerk Trust – A statutory fund used to account for monies placed with the County Clerk by the County Courts-at-Law and the Probate Court under Chapter 117, Texas Local Government Code. These funds are to be held until the Court(s) direct distribution of the funds.

Bail Bond Board Trust – A fund used to account for property and investments of bail bondsmen doing business in Brazos County. The property and investments act as collateral for bond contacts between the bondsmen and the County

**BRAZOS COUNTY, TEXAS
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 September 30, 2012**

	<u>Narcotics Seizure</u>	<u>District Clerk Trust</u>	<u>County Clerk Trust</u>	<u>Bail Bond Board Trust</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 170,830	\$ 2,330,710	\$ 802,886	\$ 978,900	\$ 4,283,326
Investments	-	-	-	1,217,100	1,217,100
TOTAL ASSETS	<u>\$ 170,830</u>	<u>\$ 2,330,710</u>	<u>\$ 802,886</u>	<u>\$ 2,196,000</u>	<u>\$ 5,500,426</u>
LIABILITIES					
Funds Held for Others	\$ 170,830	\$ 2,330,710	\$ 802,886	\$ 2,196,000	\$ 5,500,426
TOTAL LIABILITIES	<u>\$ 170,830</u>	<u>\$ 2,330,710</u>	<u>\$ 802,886</u>	<u>\$ 2,196,000</u>	<u>\$ 5,500,426</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For The Year Ended September 30, 2012

	<u>Balance October 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2012</u>
NARCOTICS SEIZURE				
Assets				
Cash and Cash Equivalents	\$ 190,034	\$ 121,454	\$ 140,658	\$ 170,830
Total Assets	<u>190,034</u>	<u>121,454</u>	<u>140,658</u>	<u>170,830</u>
Liabilities				
Funds Held for Others	190,034	38,727	57,931	170,830
Total Liabilities	<u>190,034</u>	<u>38,727</u>	<u>57,931</u>	<u>170,830</u>
DISTRICT CLERK TRUST				
Assets				
Cash and Cash Equivalents	2,368,275	819,737	857,302	2,330,710
Total Assets	<u>2,368,275</u>	<u>819,737</u>	<u>857,302</u>	<u>2,330,710</u>
Liabilities				
Funds Held for Others	2,368,275	798,063	835,628	2,330,710
Total Liabilities	<u>2,368,275</u>	<u>798,063</u>	<u>835,628</u>	<u>2,330,710</u>
COUNTY CLERK TRUST				
Assets				
Cash and Cash Equivalents	599,382	540,740	337,236	802,886
Total Assets	<u>599,382</u>	<u>540,740</u>	<u>337,236</u>	<u>802,886</u>
Liabilities				
Funds Held for Others	599,382	260,767	57,263	802,886
Total Liabilities	<u>599,382</u>	<u>260,767</u>	<u>57,263</u>	<u>802,886</u>
BAIL BOND BOARD TRUST				
Assets				
Cash and Cash Equivalents	990,400	135,500	147,000	978,900
Investments	1,191,100	26,000	-	1,217,100
Total Assets	<u>2,181,500</u>	<u>161,500</u>	<u>147,000</u>	<u>2,196,000</u>
Liabilities				
Funds Held for Others	2,181,500	191,500	177,000	2,196,000
Total Liabilities	<u>\$ 2,181,500</u>	<u>\$ 191,500</u>	<u>\$ 177,000</u>	<u>\$ 2,196,000</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
For The Year Ended September 30, 2012

	<u>Balance October 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2012</u>
COMBINED AGENCY FUNDS				
Assets				
Cash and Cash Equivalents	\$ 4,148,091	\$ 1,617,431	\$ 1,482,196	\$ 4,283,326
Investments	1,191,100	26,000	-	1,217,100
Total Assets	<u>5,339,191</u>	<u>1,643,431</u>	<u>1,482,196</u>	<u>5,500,426</u>
Liabilities				
Funds Held for Others	<u>5,339,191</u>	<u>1,289,057</u>	<u>1,127,822</u>	<u>5,500,426</u>
Total Liabilities	<u>\$ 5,339,191</u>	<u>\$ 1,289,057</u>	<u>\$ 1,127,822</u>	<u>\$ 5,500,426</u>

CAPITAL ASSETS USED IN OPERATION OF
GOVERNMENTAL FUNDS

BRAZOS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
BY SOURCE
September 30, 2012

	<u>2012</u>	<u>2011</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 16,639,461	\$ 12,714,624
Buildings	126,031,536	125,947,426
Improvements	6,127,365	6,934,273
Machinery and Equipment	22,966,577	22,730,660
Infrastructure	63,917,804	59,006,913
Construction Work in Progress	11,887,079	5,971,522
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 247,569,822</u>	<u>\$ 233,305,418</u>
INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General Fund	\$ 26,455,815	\$ 25,010,591
Special Revenue Funds	2,885,422	2,627,557
Capital Project Funds	207,607,929	202,251,730
Donations	10,620,656	3,415,540
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 247,569,822</u>	<u>\$ 233,305,418</u>

BRAZOS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For The Year Ended September 30, 2012

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets 10/1/11	Additions	Retirements	Adjustments And Transfers	Governmental Funds Capital Assets 9/30/12
General Government					
County Judge	\$ 203,281	\$ -	\$ -	\$ -	\$ 203,281
Commissioners' Court	6,017,224	2,981,740	-	-	8,998,964
County Records Management	100,983	-	-	-	100,983
Veterans' Office	5,435	-	-	-	5,435
Budget Office	100,983	-	-	-	100,983
County Treasurer	734,672	-	-	-	734,672
Risk Management	285,247	-	-	-	285,247
Tax Assessor-Collector	1,187,737	34,010	-	-	1,221,747
Information Technology	5,403,619	58,555	(24,922)	1,059	5,438,311
Human Resources	507,568	-	-	-	507,568
County Auditor	1,019,083	-	-	-	1,019,083
Purchasing Administration	407,024	-	-	-	407,024
Building Maintenance	1,050,910	-	(7,495)	(6,069)	1,037,346
Total General Government	17,023,766	3,074,305	(32,417)	(5,010)	20,060,644
Justice System					
County Attorney	1,903,651	-	(46,468)	-	1,857,183
District Attorney	1,854,964	-	(54,425)	-	1,800,539
District Clerk	1,528,059	-	(41,971)	-	1,486,088
County Clerk	869,266	32,056	(32,181)	5,010	874,151
County Clerk Records Management	116,157	-	(3,747)	-	112,410
District Courts	864,766	-	(28,485)	-	836,281
County Courts At Law	804,307	-	(14,990)	-	789,317
Justices of the Peace (5)	1,522,714	-	-	-	1,522,714
Community Supervision	1,031,321	-	(998,316)	-	33,005
Magistrate (2)	188,022	-	(4,497)	-	183,525
Law Library	10,047	-	-	-	10,047
Total Justice System	10,693,274	32,056	(1,225,080)	5,010	9,505,260
Law Enforcement					
Sheriff/Jail	74,922,288	2,624,098	(189,194)	-	77,357,192
Courthouse Security	391,181	-	(7,495)	-	383,686
Constables (4)	2,392,690	-	(33,190)	-	2,359,500
SIU	163,393	-	-	-	163,393
Total Law Enforcement	77,869,552	2,624,098	(229,879)	-	80,263,771
Juvenile Services					
Juvenile Probation	7,467,867	5,830	-	-	7,473,697
Total Juvenile Services	7,467,867	5,830	-	-	7,473,697
Public Transportation					
Metropolitan Planning	1,004,195	-	-	-	1,004,195
Road & Bridge	10,857,349	428,605	(126,444)	(40,401)	11,119,109
Infrastructure and ROW	66,596,002	10,175,900	-	(655,724)	76,116,178
Total Public Transportation	\$ 78,457,546	\$10,604,505	\$ (126,444)	\$ (696,125)	\$ 88,239,482

BRAZOS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY (Continued)
For The Year Ended September 30, 2012

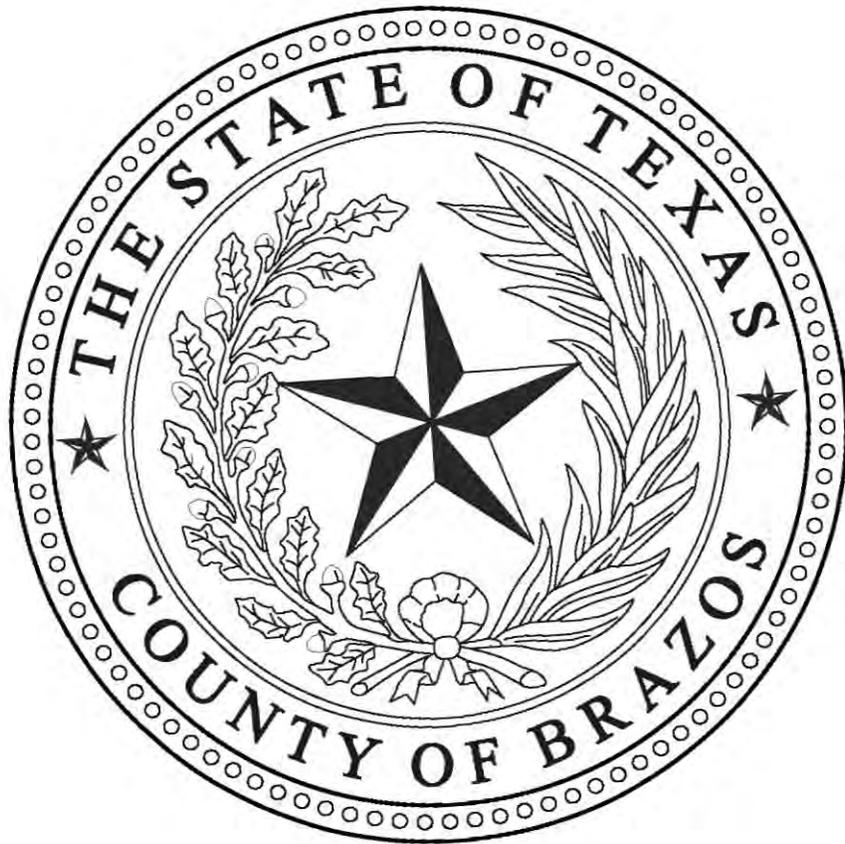
FUNCTION AND ACTIVITY	Governmental Funds Capital Assets 10/1/11	Additions	Retirements	Adjustments And Transfers	Governmental Funds Capital Assets 9/30/12
Public Health					
Environmental Protection	\$ 811,955	\$ -	\$ -	\$ -	\$ 811,955
Health Department	400,774	-	-	-	400,774
Total Public Health	<u>1,212,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,212,729</u>
Human Services					
Emergency Management	829,923	68,012	(7,500)	-	890,435
Brazos Center	2,872,439	-	-	-	2,872,439
Agricultural Extension	92,908	-	-	-	92,908
Elections	1,241,869	-	(2,998)	-	1,238,871
Exposition Center	35,543,545	147,738	(12,098)	40,401	35,719,586
Total Human Services	<u>40,580,684</u>	<u>215,750</u>	<u>(22,596)</u>	<u>40,401</u>	<u>40,814,239</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 233,305,418</u>	<u>\$ 16,556,544</u>	<u>\$ (1,636,416)</u>	<u>\$ (655,724)</u>	<u>\$ 247,569,822</u>

BRAZOS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
September 30, 2012

FUNCTION AND ACTIVITY	Land	Buildings	Improvements	Machinery And Equipment	Infrastructure	Construction Work in Progress	Total
General Government							
County Judge	\$ 11,010	\$ 189,565	\$ 2,706	\$ -	\$ -	\$ -	\$ 203,281
Commissioners' Court	110,541	948,263	28,275	131,161	-	7,780,724	8,998,964
County Records Management	5,504	95,001	478	-	-	-	100,983
Veterans' Office	-	-	-	5,435	-	-	5,435
Budget Office	5,504	95,001	478	-	-	-	100,983
County Treasurer	38,529	664,132	9,502	22,509	-	-	734,672
Risk Management	11,009	189,565	2,706	81,967	-	-	285,247
Tax Assessor-Collector	399,513	119,689	609,187	42,579	-	50,779	1,221,747
Information Technology	26,777	1,211,893	40,859	4,158,782	-	-	5,438,311
Human Resources	27,520	474,131	5,917	-	-	-	507,568
County Auditor	55,041	948,699	15,343	-	-	-	1,019,083
Purchasing Administration	22,016	379,567	5,441	-	-	-	407,024
Building Maintenance	184,076	530,763	91,634	230,873	-	-	1,037,346
Total General Government	897,040	5,846,269	812,526	4,673,306	-	7,831,503	20,060,644
Justice System							
County Attorney	-	1,255,327	401,986	199,870	-	-	1,857,183
District Attorney	-	1,295,821	423,730	80,988	-	-	1,800,539
District Clerk	-	1,133,845	336,410	15,833	-	-	1,486,088
District Clerk Management	-	-	-	-	-	-	-
County Clerk	-	506,180	182,738	185,233	-	-	874,151
County Clerk Rec. Preservation	-	101,237	11,173	-	-	-	112,410
District Courts	-	607,416	197,469	31,396	-	-	836,281
County Courts At Law	-	651,662	132,522	5,133	-	-	789,317
Justices of the Peace (5)	189,900	1,223,987	42,151	66,676	-	-	1,522,714
Community Supervision	-	-	-	33,005	-	-	33,005
Magistrate (2)	-	121,483	62,042	-	-	-	183,525
Law Library	-	-	-	10,047	-	-	10,047
Total Justice System	189,900	6,896,958	1,790,221	628,181	-	-	9,505,260
Law Enforcement							
Sheriff/Jail	780,047	70,498,198	270,957	3,011,581	-	2,796,409	77,357,192
Courthouse Security	-	202,472	64,044	117,170	-	-	383,686
Constables (4)	184,397	1,104,371	43,423	1,027,309	-	-	2,359,500
SIU	-	-	-	163,393	-	-	163,393
Total Law Enforcement	964,444	71,805,041	378,424	4,319,453	-	2,796,409	80,263,771
Juvenile Services							
Juvenile Probation	106,544	6,926,756	37,527	402,870	-	-	7,473,697
Total Juvenile Services	106,544	6,926,756	37,527	402,870	-	-	7,473,697
Public Transportation							
Metropolitan Planning Road & Bridge	-	-	994,180	10,015	-	-	1,004,195
	11,803,028	586,308	560,009	9,108,971	63,917,804	1,259,167	87,235,287
Total Public Transportation	\$11,803,028	\$ 586,308	\$ 1,554,189	\$ 9,118,986	\$ 63,917,804	\$ 1,259,167	\$ 88,239,482

BRAZOS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY (Continued)
September 30, 2012

	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Machinery And Equipment</u>	<u>Infrastructure</u>	<u>Construction Work in Progress</u>	<u>Total</u>
Public Health							
Environmental Protection	\$ 569,042	\$ 90,908	\$ 152,005	\$ -	\$ -	\$ -	\$ 811,955
Health Department	122,213	139,824	138,737	-	-	-	400,774
Total Public Health	<u>691,255</u>	<u>230,732</u>	<u>290,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,212,729</u>
Human Services							
Emergency Management	-	-	40,688	849,747	-	-	890,435
Brazos Center	23,129	1,526,004	1,120,823	202,483	-	-	2,872,439
Agricultural Extension	-	63,441	29,467	-	-	-	92,908
Elections	-	80,989	24,566	1,133,316	-	-	1,238,871
Exposition Center	1,964,121	32,069,038	48,192	1,638,235	-	-	35,719,586
Total Human Services	<u>1,987,250</u>	<u>33,739,472</u>	<u>1,263,736</u>	<u>3,823,781</u>	<u>-</u>	<u>-</u>	<u>40,814,239</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 16,639,461</u>	<u>\$126,031,536</u>	<u>\$ 6,127,365</u>	<u>\$ 22,966,577</u>	<u>\$ 63,917,804</u>	<u>\$ 11,887,079</u>	<u>\$ 247,569,822</u>



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Statistical Section

This part of Brazos County'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 County's overall financial health.

Contents

Table No.

Financial Trends.....

I-IV

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity.....

V-VIII

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity.....

IX-XIII

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information.....

XIV-XV

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information.....

XVI-XVIII

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Debt Service.....

XIX-XXI

These schedules contain the County's outstanding debt information to help the reader understand how much outstanding debt the County has and how much is paid toward debt each fiscal year.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

FINANCIAL TRENDS

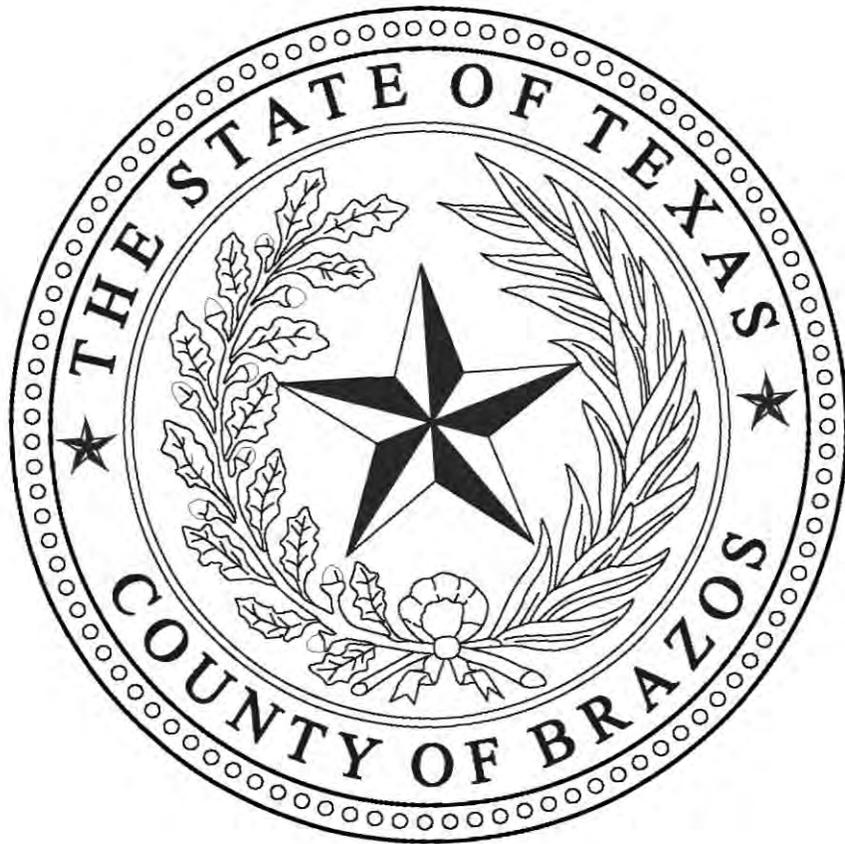


Table I

Brazos County, Texas
Net Assets by Component,
Last Ten Fiscal Years
(Unaudited and Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 41,438,037	\$ 30,404,623	\$ 24,099,251	\$ 38,924,281	\$ 63,796,857	\$ 21,601,010	\$ 56,939,291	\$ 92,821,982	\$ 103,660,227	\$ 116,826,933
Restricted	2,989,935	3,328,283	4,997,987	5,709,087	5,377,356	6,420,810	7,322,778	18,214,659	13,561,350	11,759,611
Unrestricted	29,244,870	43,253,082	59,703,513	55,642,525	41,337,786	94,986,664	60,436,700	15,378,001	8,277,036	9,322,387
Total governmental activities net assets	\$ 73,672,842	\$ 76,985,988	\$ 88,800,751	\$ 100,275,893	\$ 110,511,999	\$ 123,008,484	\$ 124,698,769	\$ 126,414,642	\$ 125,498,613	\$ 137,908,931
Business-type activities										
Invested in capital assets, net of related debt	\$ 1,612	\$ -	\$ -	\$ -	\$ 12,558	\$ 10,243	\$ 26,502	\$ 44,919	\$ 65,749	\$ 53,093
Unrestricted	95,996	146,935	172,036	238,586	315,127	390,914	375,579	341,601	327,551	346,496
Total business-type activities net assets	\$ 97,608	\$ 146,935	\$ 172,036	\$ 238,586	\$ 327,685	\$ 401,157	\$ 402,081	\$ 386,520	\$ 393,300	\$ 399,589
Primary government										
Invested in capital assets, net of related debt	\$ 41,439,649	\$ 30,404,623	\$ 24,099,251	\$ 38,924,281	\$ 63,809,415	\$ 21,611,253	\$ 56,965,793	\$ 92,866,901	\$ 103,725,976	\$ 116,880,026
Restricted	2,989,935	3,328,283	4,997,987	5,709,087	5,377,356	6,420,810	7,322,778	18,214,659	13,561,350	11,759,611
Unrestricted	29,340,866	43,400,017	59,875,549	55,881,111	41,652,913	95,377,578	60,812,279	15,719,602	8,604,587	9,668,883
Total primary government net assets	\$ 73,770,450	\$ 77,132,923	\$ 88,972,787	\$ 100,514,479	\$ 110,839,684	\$ 123,409,641	\$ 125,100,850	\$ 126,801,162	\$ 125,891,913	\$ 138,308,520

Brazos County, Texas
Changes in Net Assets, Ten Fiscal Years
(Unaudited and Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General Government	\$ 11,890,781	\$ 12,633,863	\$ 11,371,667	\$ 12,042,697	\$ 12,631,298	\$ 15,690,144	\$ 16,266,899	\$ 15,959,538	\$ 18,757,895	\$ 18,247,125
Justice System	8,684,058	9,392,776	8,860,448	10,457,394	11,522,627	13,128,593	15,654,079	16,190,532	17,270,039	17,146,680
Law Enforcement	11,271,954	11,956,232	11,894,495	12,905,488	14,054,470	15,731,013	20,208,475	20,922,115	21,980,672	21,030,239
Juvenile Services	3,802,706	3,739,205	3,809,998	4,179,885	4,288,459	4,557,144	5,933,794	6,053,405	5,970,962	5,795,413
Public Transportation	6,394,828	5,360,370	4,764,927	4,900,621	6,429,692	5,410,967	6,226,814	7,110,355	7,863,178	7,955,778
Public Health	1,761,796	1,726,770	1,693,371	1,705,958	2,148,409	1,948,410	2,206,618	2,460,827	2,596,961	2,124,420
Human Services	1,578,544	1,826,466	2,266,518	2,469,378	2,918,972	4,028,992	5,176,330	4,992,850	5,770,963	5,858,924
Interest and Other Fees	1,349,227	1,648,665	1,831,044	2,326,392	2,044,191	2,895,119	4,108,413	4,601,773	4,165,066	3,980,198
Total governmental activities expenses	<u>46,733,894</u>	<u>48,284,347</u>	<u>46,492,468</u>	<u>50,987,813</u>	<u>56,038,118</u>	<u>63,390,382</u>	<u>75,781,422</u>	<u>78,291,395</u>	<u>84,375,736</u>	<u>82,138,777</u>
Business-type activities:										
County Attorney	93,125	96,878	81,788	67,342	40,144	33,905	33,681	39,959	39,799	36,515
Jail Commissary	226,559	207,164	246,840	299,883	318,321	367,270	435,003	436,447	479,243	480,762
Total business-type activities expenses	<u>319,684</u>	<u>304,042</u>	<u>328,628</u>	<u>367,225</u>	<u>358,465</u>	<u>401,175</u>	<u>468,684</u>	<u>476,406</u>	<u>519,042</u>	<u>517,277</u>
Total primary government expenses	<u>\$ 47,053,578</u>	<u>\$ 48,588,389</u>	<u>\$ 46,821,096</u>	<u>\$ 51,355,038</u>	<u>\$ 56,396,583</u>	<u>\$ 63,791,557</u>	<u>\$ 76,250,106</u>	<u>\$ 78,767,801</u>	<u>\$ 84,894,778</u>	<u>\$ 82,656,054</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 1,782,138	\$ 2,801,415	\$ 2,161,854	\$ 1,802,420	\$ 2,224,028	\$ 2,317,212	\$ 2,809,396	\$ 2,880,925	\$ 2,900,343	\$ 3,864,014
Justice System	5,637,540	5,609,315	5,083,409	5,509,185	5,862,626	6,202,462	6,683,452	6,880,940	5,903,931	6,417,437
Law Enforcement	492,034	673,692	768,454	846,828	786,796	791,070	800,126	804,839	879,719	946,508
Juvenile Services	52,034	18,103	53,903	81,922	21,955	17,057	81,834	89,261	43,110	83,648
Public Transportation	33,905	1,119,824	1,187,532	1,251,841	1,178,077	1,220,213	1,185,490	1,179,615	1,247,410	1,301,302
Public Health	25,827	31,209	30,844	33,060	30,103	30,545	28,807	30,748	37,608	34,711
Human Services	182,297	212,895	268,443	281,912	226,251	534,253	706,595	786,699	979,624	1,078,279
Operating grants and contributions:										
General Government	-	-	-	-	24,353	27,668	-	110,940	2,145,051	33,576
Justice System	498,507	562,706	504,157	438,130	553,661	612,443	662,369	649,216	631,839	584,036
Law Enforcement	1,130,276	1,027,000	997,417	744,033	621,285	446,537	299,401	261,014	90,710	122,515
Juvenile Services	1,121,345	1,266,617	1,261,927	1,212,847	1,406,843	1,356,927	1,075,481	998,850	1,256,263	1,211,533
Public Transportation	206,525	286,801	260,270	252,928	296,211	333,597	351,190	342,202	306,537	293,621
Public Health	38,064	59,520	86,432	153,360	166,419	167,373	161,037	81,026	82,188	82,226
Human Services	95,473	91,318	1,586,721	572,788	257,635	635,412	410,164	407,909	367,511	291,671
Capital grants and contributions:										
Law Enforcement	58,911	37,938	8,386	41,372	77,494	8,230	16,346	190,645	72,015	138,441
Juvenile Services	-	-	-	-	-	-	-	-	-	5,164
Public Transportation	-	-	-	-	-	3,104,713	147,273	10,015	-	7,188,416
Public Health	-	-	-	-	-	-	-	2,100	-	-
Human Services	-	253,473	248,295	230,044	99,022	16,920	130,908	153,302	323,396	68,012
Total governmental activities program revenue	<u>\$ 11,354,876</u>	<u>\$ 14,051,826</u>	<u>\$ 14,508,044</u>	<u>\$ 13,452,670</u>	<u>\$ 13,832,759</u>	<u>\$ 17,822,632</u>	<u>\$ 15,549,869</u>	<u>\$ 15,860,246</u>	<u>\$ 17,267,255</u>	<u>\$ 23,745,110</u>

Brazos County, Texas
Changes in Net Assets, Ten Fiscal Years
(Unaudited and Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Business-type activities:										
Charges for services:										
County Attorney	\$ 114,592	\$ 107,360	\$ 76,778	\$ 74,948	\$ 52,074	\$ 57,191	\$ 36,911	\$ 37,909	\$ 30,052	\$ 22,565
Jail Commissary	234,411	243,476	269,809	350,779	387,093	411,699	430,870	421,748	494,837	500,061
Total business-type activities program revenue	<u>349,003</u>	<u>350,836</u>	<u>346,587</u>	<u>425,727</u>	<u>439,167</u>	<u>468,890</u>	<u>467,781</u>	<u>459,657</u>	<u>524,889</u>	<u>522,626</u>
Total primary government program revenues	<u>\$ 11,703,879</u>	<u>\$ 14,402,662</u>	<u>\$ 14,854,631</u>	<u>\$ 13,878,397</u>	<u>\$ 14,271,926</u>	<u>\$ 18,291,522</u>	<u>\$ 16,017,650</u>	<u>\$ 16,319,903</u>	<u>\$ 17,792,144</u>	<u>\$ 24,267,736</u>
Net (Expense)/Revenue										
Governmental activities	\$ (35,379,018)	\$ (34,232,521)	\$ (31,984,424)	\$ (37,535,143)	\$ (42,205,359)	\$ (45,567,750)	\$ (60,231,553)	\$ (62,431,149)	\$ (67,108,481)	\$ (58,393,667)
Business-type activities	29,319	46,794	17,959	58,502	80,702	67,715	(903)	(16,749)	5,847	5,349
Total primary government net expense	<u>\$ (35,349,699)</u>	<u>\$ (34,185,727)</u>	<u>\$ (31,966,465)</u>	<u>\$ (37,476,641)</u>	<u>\$ (42,124,657)</u>	<u>\$ (45,500,035)</u>	<u>\$ (60,232,456)</u>	<u>\$ (62,447,898)</u>	<u>\$ (67,102,634)</u>	<u>\$ (58,388,318)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 24,127,005	\$ 26,932,638	\$ 31,751,992	\$ 34,280,093	\$ 37,131,017	\$ 41,847,095	\$ 47,182,845	\$ 49,915,485	\$ 51,538,444	\$ 55,591,539
Sales taxes	7,723,285	8,413,179	8,942,049	9,957,049	10,429,681	11,396,068	11,225,816	11,175,994	11,559,363	12,039,620
Motor vehicle taxes	1,147,480	1,136,744	1,126,011	1,212,367	1,217,804	1,288,958	1,259,992	1,098,278	1,188,768	1,290,727
Mixed drink taxes	317,091	348,790	374,123	401,298	440,482	491,078	528,915	505,783	524,240	460,710
Hotel occupancy taxes	-	-	-	-	84,594	1,102,929	1,075,806	1,064,670	1,130,582	1,172,567
Unrestricted investment earnings	594,314	684,525	1,592,819	3,120,658	3,021,597	1,936,657	593,961	386,812	251,055	248,822
Miscellaneous	636,775	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of assets	(4,647,004)	29,791	12,193	38,820	111,290	-	54,503	-	-	-
Transfers:	-	-	-	-	5,000	1,450	-	-	-	-
Total governmental activities	<u>29,898,946</u>	<u>37,545,667</u>	<u>43,799,187</u>	<u>49,010,285</u>	<u>52,441,465</u>	<u>58,064,235</u>	<u>61,921,838</u>	<u>64,147,022</u>	<u>66,192,452</u>	<u>70,803,985</u>
Business-type activities:										
Unrestricted investment earnings	-	933	3,292	8,048	11,397	7,207	1,827	1,188	933	940
Gain on disposal of assets	-	1,600	3,850	-	2,000	-	-	-	-	-
Transfers	-	-	-	-	(5,000)	(1,450)	-	-	-	-
Total business-type activities	<u>-</u>	<u>2,533</u>	<u>7,142</u>	<u>8,048</u>	<u>8,397</u>	<u>5,757</u>	<u>1,827</u>	<u>1,188</u>	<u>933</u>	<u>940</u>
Total primary government	<u>\$ 29,898,946</u>	<u>\$ 37,548,200</u>	<u>\$ 43,806,329</u>	<u>\$ 49,018,333</u>	<u>\$ 52,449,862</u>	<u>\$ 58,069,992</u>	<u>\$ 61,923,665</u>	<u>\$ 64,148,210</u>	<u>\$ 66,193,385</u>	<u>\$ 70,804,925</u>
Change in Net Assets										
Governmental activities	\$ (5,480,072)	\$ 3,313,146	\$ 11,814,763	\$ 11,475,142	\$ 10,236,106	\$ 12,496,485	\$ 1,690,285	\$ 1,715,873	\$ (916,029)	\$ 12,410,318
Business-type activities	29,319	49,327	25,101	66,550	89,099	73,472	924	(15,561)	6,780	6,289
Total primary government	<u>\$ (5,450,753)</u>	<u>\$ 3,362,473</u>	<u>\$ 11,839,864</u>	<u>\$ 11,541,692</u>	<u>\$ 10,325,205</u>	<u>\$ 12,569,957</u>	<u>\$ 1,691,209</u>	<u>\$ 1,700,312</u>	<u>\$ (909,249)</u>	<u>\$ 12,416,607</u>

Table III

Brazos County, Texas
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Unaudited and Modified Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund										
Nonspendable	\$ 406,236	\$ 453,479	\$ 604,834	\$ 711,277	\$ 738,496	\$ 1,020,562	\$ 1,202,076	\$ 927,025	\$ 1,061,363	\$ 1,348,027
Restricted	1,101,447	1,119,227	1,188,199	1,108,102	1,139,030	1,330,102	931,374	566,820	422,407	333,381
Committed	2,362,705	2,345,512	2,378,061	2,523,782	2,672,107	2,755,728	2,767,788	2,695,145	208,122	261,295
Assigned	910,398	910,403	910,473	1,443,705	1,945,762	2,574,105	1,814,061	1,070,279	1,169,208	1,131,333
Unassigned	13,367,268	14,815,738	21,356,500	26,835,163	25,388,824	27,261,425	24,835,897	22,265,677	20,299,844	26,456,580
Total General Fund	<u>\$ 18,148,054</u>	<u>\$ 19,644,359</u>	<u>\$ 26,438,067</u>	<u>\$ 32,622,029</u>	<u>\$ 31,884,219</u>	<u>\$ 34,941,922</u>	<u>\$ 31,551,196</u>	<u>\$ 27,524,946</u>	<u>\$ 23,160,944</u>	<u>\$ 29,530,616</u>
All Other Governmental Funds										
Nonspendable	\$ 5,592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,299	\$ 30,443	\$ 24,630
Restricted	1,612,877	19,722,478	24,055,312	12,785,735	2,908,627	56,075,342	33,097,814	16,478,759	12,047,137	10,053,573
Assigned	9,416,772	2,639,684	8,376,527	9,602,054	6,741,020	5,368,330	5,684,215	7,002,711	8,811,083	6,814,553
Unassigned	-	-	-	-	-	-	-	-	-	(18,740)
Total All Other Governmental Funds	<u>\$ 11,035,241</u>	<u>\$ 22,362,162</u>	<u>\$ 32,431,839</u>	<u>\$ 22,387,789</u>	<u>\$ 9,649,647</u>	<u>\$ 61,443,672</u>	<u>\$ 38,782,029</u>	<u>\$ 23,486,769</u>	<u>\$ 20,888,663</u>	<u>\$ 16,874,016</u>

Brazos County, Texas
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
(Unaudited and Modified Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues					
Taxes	\$ 32,152,880	\$ 35,680,824	\$ 41,005,538	\$ 44,572,996	\$ 48,095,357
Charges for Services	7,171,392	7,736,038	8,016,868	9,267,257	10,808,583
Intergovernmental	3,149,101	3,578,354	4,953,605	3,645,503	3,502,924
Interest	601,297	674,177	1,571,892	3,050,275	2,951,920
Other Revenue	636,775	589,461	931,107	533,322	465,932
Total Revenue	<u>43,711,445</u>	<u>48,258,854</u>	<u>56,479,010</u>	<u>61,069,353</u>	<u>65,824,716</u>
Expenditures					
Current					
General Government	8,331,368	9,398,660	9,459,149	10,329,448	10,518,550
Justice System	8,492,929	9,460,213	9,658,261	10,405,154	11,385,426
Law Enforcement	10,542,502	11,550,365	11,544,576	12,282,765	13,357,681
Juvenile Services	3,614,194	3,650,819	3,717,184	4,064,113	4,120,105
Public Transportation	6,345,972	4,878,592	4,481,106	5,080,480	6,230,521
Public Health	1,747,062	1,533,065	1,673,525	1,686,112	2,128,563
Human Services	1,397,062	1,831,381	2,089,260	2,265,385	2,742,753
Capital Outlay	3,188,316	4,338,542	5,580,780	13,980,609	24,351,811
Debt Service					
Principal Retirement	1,664,880	2,031,142	2,390,000	2,785,000	2,795,000
Interest and Fiscal Agent Fees	1,380,272	1,602,689	1,787,895	2,322,768	2,034,535
Total Expenditures	<u>46,704,557</u>	<u>50,275,468</u>	<u>52,381,736</u>	<u>65,201,834</u>	<u>79,664,945</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,993,112)	(2,016,614)	4,097,274	(4,132,481)	(13,840,229)
Other Financing Sources (Uses)					
Transfers In	905,192	529,838	345,969	2,637,411	13,530,376
Transfers Out	(1,835,492)	(729,838)	(845,969)	(2,637,411)	(13,525,376)
Premium on Debt Issuance	-	-	-	-	-
Debt Issuance - Refunding Bonds	-	-	-	6,005,000	-
Sale of Capital Assets	61,628	39,840	16,111	77,393	359,277
Payments to Refunded Bonds Escrow Agent	-	-	-	(5,810,000)	-
Debt Issuance	2,995,000	15,000,000	13,250,000	-	-
Total Other Financing Sources (Uses)	<u>2,126,328</u>	<u>14,839,840</u>	<u>12,766,111</u>	<u>272,393</u>	<u>364,277</u>
Net Change in Fund Balances	<u>\$ (866,784)</u>	<u>\$ 12,823,226</u>	<u>\$ 16,863,385</u>	<u>\$ (3,860,088)</u>	<u>\$ (13,475,952)</u>
Debt service as a percentage of noncapital expenditures	7.00%	7.91%	8.93%	9.97%	8.73%

Brazos County, Texas
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
(Unaudited and Modified Accrual Basis of Accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues					
Taxes	\$ 54,745,662	\$ 60,031,219	\$ 62,547,299	\$ 64,771,195	\$ 69,130,347
Charges for Services	11,033,749	11,171,081	11,427,158	11,245,990	11,858,804
Intergovernmental	3,605,105	3,090,888	3,060,220	5,275,509	2,813,922
Interest	1,936,657	593,961	377,477	242,214	240,668
Other Revenue	490,472	629,787	505,872	491,785	534,401
Total Revenue	<u>71,811,645</u>	<u>75,516,936</u>	<u>77,918,026</u>	<u>82,026,693</u>	<u>84,578,142</u>
Expenditures					
Current					
General Government	11,695,108	12,727,888	12,374,024	14,476,472	13,225,501
Justice System	12,937,962	13,715,644	14,322,604	15,550,105	15,653,508
Law Enforcement	14,797,789	16,365,787	17,004,568	17,005,275	16,822,613
Juvenile Services	4,375,672	4,853,347	5,023,328	5,014,270	4,995,530
Public Transportation	6,142,314	6,672,577	7,127,922	7,268,102	7,579,399
Public Health	1,928,564	2,187,971	2,442,180	2,582,618	2,110,077
Human Services	3,222,130	3,961,591	3,919,455	4,483,716	4,269,698
Capital Outlay	10,698,766	33,724,110	38,225,031	13,491,806	8,003,022
Debt Service					
Principal Retirement	3,445,000	3,540,000	4,710,000	5,035,000	5,675,000
Interest and Fiscal Agent Fees	2,692,699	4,099,774	4,679,134	4,168,000	3,984,699
Total Expenditures	<u>71,936,004</u>	<u>101,848,689</u>	<u>109,828,246</u>	<u>89,075,364</u>	<u>82,319,047</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(124,359)	(26,331,753)	(31,910,220)	(7,048,671)	2,259,095
Other Financing Sources (Uses)					
Transfers In	5,573,472	6,165,033	8,817,971	8,929,636	2,634,022
Transfers Out	(5,693,955)	(6,165,033)	(9,017,971)	(8,929,636)	(2,634,022)
Premium on Debt Issuance	-	-	453,572	-	-
Debt Issuance - Refunding Bonds	-	-	7,365,000	-	-
Sale of Capital Assets	96,570	279,384	270,138	86,563	95,930
Payments to Refunded Bonds Escrow Agent	-	-	(7,300,000)	-	-
Debt Issuance	55,000,000	-	12,000,000	-	-
Total Other Financing Sources (Uses)	<u>54,976,087</u>	<u>279,384</u>	<u>12,588,710</u>	<u>86,563</u>	<u>95,930</u>
Net Change in Fund Balances	<u>\$ 54,851,728</u>	<u>\$ (26,052,369)</u>	<u>\$ (19,321,510)</u>	<u>\$ (6,962,108)</u>	<u>\$ 2,355,025</u>
Debt service as a percentage of noncapital expenditures	10.02%	11.21%	13.14%	12.17%	13.00%

REVENUE CAPACITY INFORMATION

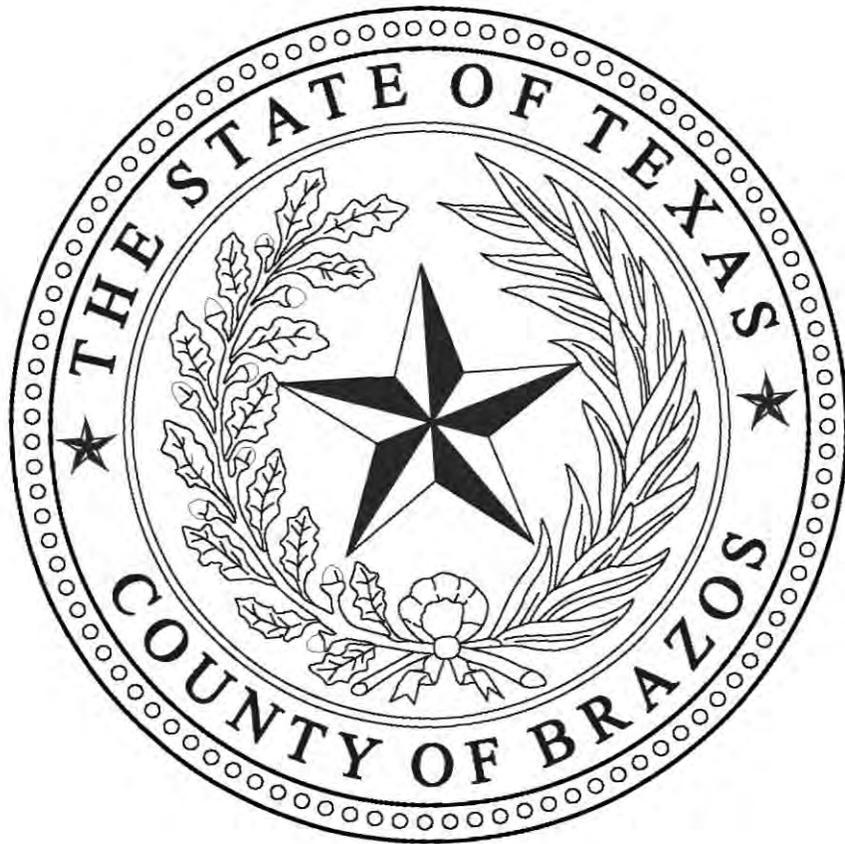


Table V

Brazos County, Texas
Assessed Value and Actual Value of Taxable Property
Last Ten Tax Years
(Unaudited)

Tax Year	Residential Property	Commercial Property	Industrial Property	Personal Property	Minerals	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2003	\$ 3,443,514,250	\$ 3,133,357,857	\$ 478,976,879	\$ 866,349,323	\$ 115,279,900	\$ (1,846,508,484)	\$ 6,190,969,725	\$ 0.4146
2004	3,815,683,939	3,341,559,461	509,172,760	953,147,220	123,817,227	(1,994,142,969)	6,749,237,638	0.4350
2005	4,132,023,358	3,737,402,092	584,305,230	994,411,852	143,039,148	(2,141,945,933)	7,449,235,747	0.4725
2006	4,662,875,098	4,009,134,429	630,812,160	1,090,082,565	186,746,987	(2,276,298,695)	8,303,352,544	0.4650
2007	5,092,640,911	4,503,381,487	715,213,160	1,154,789,218	206,807,369	(2,445,021,966)	9,227,810,179	0.4550
2008	5,704,848,431	4,855,575,655	796,868,780	1,249,455,413	244,657,985	(2,678,924,128)	10,172,482,136	0.4650
2009	6,076,913,875	5,253,969,406	837,700,523	1,314,014,691	207,602,036	(2,956,892,109)	10,733,308,422	0.4800
2010	6,337,888,583	5,327,849,239	933,644,875	1,183,632,550	262,283,016	(3,108,696,116)	10,936,602,147	0.4856
2011	6,706,506,210	5,608,189,371	997,798,061	1,259,299,484	333,339,334	(3,350,981,782)	11,554,150,678	0.4850

Source: Brazos County Appraisal District

Note: Property in the County is assessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual values. Tax rates are per \$100 of assessed value.

This information is reflected back to the conversion to GASB 34. Information will be added each year to reflect 10 years.

Brazos County, Texas
Direct and Overlapping Property Tax Rates
(per \$100 of Assessed Value)
Last Ten Years
(Unaudited)

Name of Government	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
County Direct Rate:										
Debt Service	\$ 0.0423	\$ 0.0511	\$ 0.0632	\$ 0.0701	\$ 0.0620	\$ 0.0620	\$ 0.0813	\$ 0.0834	\$ 0.0844	\$ 0.0813
Basic Rate	0.3723	0.3839	0.4093	0.3949	0.3930	0.4030	0.3987	0.3966	0.4012	0.4037
Total Direct Rate:	<u>0.4146</u>	<u>0.4350</u>	<u>0.4725</u>	<u>0.4650</u>	<u>0.4550</u>	<u>0.4650</u>	<u>0.4800</u>	<u>0.4800</u>	<u>0.4856</u>	<u>0.4850</u>
Overlapping Rates:										
City and Town Rate:										
City of Bryan	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364
City of College Station	0.4777	0.4653	0.4640	0.4394	0.4394	0.4394	0.4394	0.4394	0.4475	0.4380
School District Rates:										
Bryan I. S. D.	1.7120	1.6800	1.6700	1.7800	1.6300	1.2900	1.2900	1.2900	1.2900	1.2900
College Station I. S. D.	1.7900	1.7700	1.7700	1.6750	1.4800	1.2411	1.2534	1.2534	1.3099	1.3350
Total Overlapping Rate:	<u>4.6161</u>	<u>4.5517</u>	<u>4.5404</u>	<u>4.5308</u>	<u>4.1858</u>	<u>3.6069</u>	<u>3.6192</u>	<u>3.6192</u>	<u>3.6838</u>	<u>3.6994</u>
Total Property Tax Rate -										
Direct and Overlapping										
Governments:	<u>\$ 5.0307</u>	<u>\$ 4.9867</u>	<u>\$ 5.0129</u>	<u>\$ 4.9958</u>	<u>\$ 4.6408</u>	<u>\$ 4.0719</u>	<u>\$ 4.0992</u>	<u>\$ 4.0992</u>	<u>\$ 4.1694</u>	<u>\$ 4.1844</u>

Source: Brazos County Tax Office

Note: Overlapping rates are those that apply to property owners within the County of Brazos. Not all overlapping rates apply to all County property owners; for example, although the County property tax rates apply to all County property owners, the City of Bryan rates only apply to those whose property is located within the City's geographic boundaries.

Table VII

Brazos County, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	2012			2003		
	Taxable Assessed Values (1)	Rank	% of Assessed Value to Total Assessed Values (2)	Taxable Assessed Values (1)	Rank	% of Assessed Value to Total Assessed Values (3)
Jamespoint Management	\$ 66,638,660	1	0.58%	\$ --		0.00%
VOC Brazos Energy Partners LP	65,263,677	2	0.56%	--		0.00%
SHP - The Callaway House L.P.	60,541,960	3	0.52%	--		0.00%
SW Meadows Point L.P.	57,944,110	4	0.50%	--		0.00%
Wal-Mart Real Estate Business Trust	56,145,160	5	0.49%	41,145,290	3	0.66%
POM-College Station, LLC	55,414,060	6	0.48%	--		0.00%
Anadarko Petroleum Corp.	55,025,781	7	0.48%	31,952,530	5	0.52%
College Station Hospital, L.P.	54,541,320	8	0.47%	27,470,360	7	0.44%
Adam Development Properties LP	46,972,622	9	0.41%	--		0.00%
Weinberg Israel & et al.	46,834,555	10	0.41%	--		0.00%
Verizon Communications	--		0.00%	78,516,610	1	1.27%
C B L & Associates	--		0.00%	49,331,205	2	0.80%
Alkossler, David / Weinberg	--		0.00%	34,132,895	4	0.55%
Devon Gas Services, LP	--		0.00%	29,115,880	6	0.47%
HEB	--		0.00%	21,695,945	8	0.35%
R&S Leasing	--		0.00%	20,394,061	9	0.33%
Melrose Apartments	--		0.00%	19,400,000	10	0.31%
	<u>\$ 565,321,905</u>		<u>4.90%</u>	<u>\$ 353,154,776</u>		<u>5.70%</u>

Source: Brazos County Appraisal District

NOTE:

- (1) Brazos County Appraisal District
- (2) Total adjusted assessed valuation net of exempt properties as certified by the Appraisal Review Board - \$11,554,150,678
- (3) Total adjusted assessed valuation net of exempt properties as certified by the Appraisal Review Board - \$6,190,969,725

Table VIII

**Brazos County
Property Tax Levies and Collections
Last Ten Years
(Unaudited)**

Tax Year/ Fiscal Year	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
2002 / 2003	\$ 24,066,065	\$ 22,721,649	94.41%	\$ 1,197,700	\$ 23,919,349	99.39%
2003 / 2004	26,929,514	26,564,663	98.65%	318,316	26,882,979	99.83%
2004 / 2005	31,890,149	31,394,200	98.44%	440,272	31,834,472	99.83%
2005 / 2006	34,562,219	34,018,184	98.43%	413,089	34,431,273	99.62%
2006 / 2007	37,528,035	36,914,865	98.37%	473,299	37,388,164	99.63%
2007 / 2008	42,551,185	41,894,859	98.46%	479,694	42,374,553	99.58%
2008 / 2009	48,091,960	47,365,802	98.49%	512,849	47,878,651	99.56%
2009 / 2010	50,744,743	50,008,637	98.55%	421,327	50,429,964	99.38%
2010 / 2011	52,321,297	51,559,230	98.54%	337,509	51,896,739	99.19%
2011 / 2012	55,212,341	54,467,213	98.65%	60,500	54,527,713	98.76%

NOTE: (1) Changes in tax since issued.

Source: Brazos County Auditor's Office

DEBT CAPACITY INFORMATION

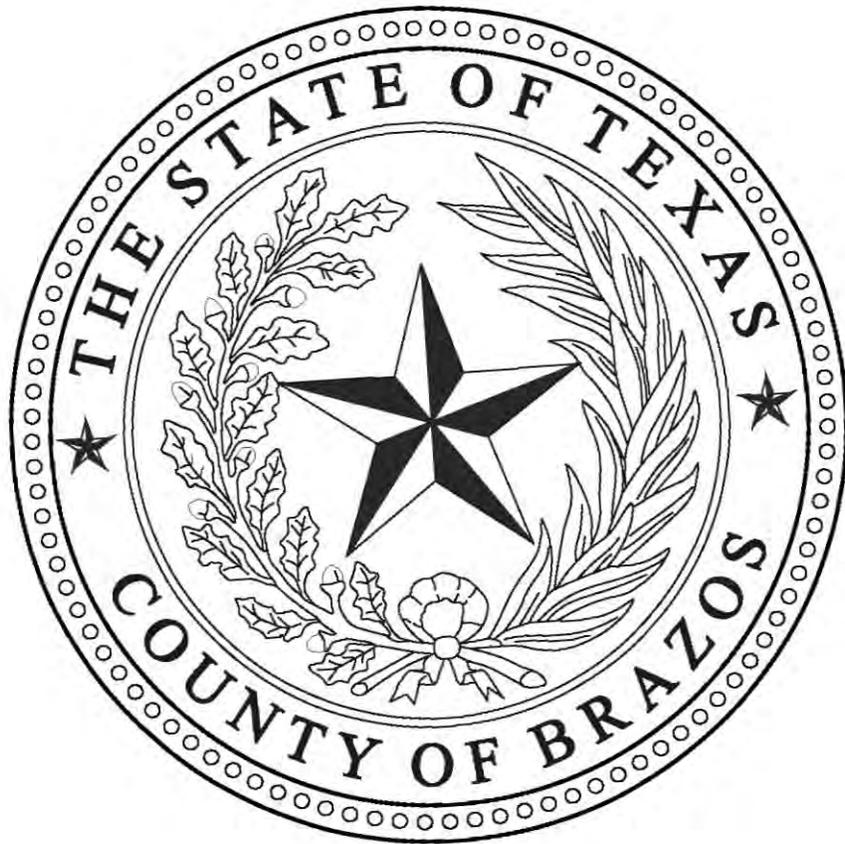


Table IX

Brazos County, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Governmental Activities

Fiscal Year	Certificates of Obligation	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
2003	\$ 19,510,000	\$ 8,000,000	\$ 177,643	\$ 27,687,643	1.40%	\$ 177
2004	32,650,000	8,000,000	-	40,650,000	1.97%	250
2005	33,340,000	18,170,000	59,726	51,569,726	2.39%	319
2006	25,215,000	23,705,000	43,902	48,963,902	2.08%	303
2007	23,035,000	23,090,000	29,788	46,154,788	1.89%	287
2008	20,810,000	76,870,000	15,958	97,695,958	3.69%	573
2009	18,540,000	75,600,000	1,289	94,141,289	3.33%	551
2010	25,175,000	76,320,000	-	101,495,000	3.47%	580
2011	23,685,000	72,775,000	-	96,460,000	3.21%	495
2012	22,155,000	68,630,000	-	90,785,000	2.94%	425

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

^a See Table XIV for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Table X

Brazos County, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

General Bonded Debt Outstanding							
Fiscal Year	General Obligation Bonded Debt	Debt Service Funds Available	Net Bonded Debt	Assessed Value	Percentage of Actual Taxable Value	Population	Per Capita ^a
2003	\$ 8,000,000	\$ 1,612,877	\$ 6,387,123	\$ 5,387,860,063	0.12%	162,787	\$ 39.24
2004	8,000,000	1,623,742	6,376,258	6,190,969,725	0.10%	161,779	39.41
2005	18,170,000	1,881,705	16,288,295	6,749,237,638	0.24%	161,380	100.93
2006	23,705,000	2,387,029	21,317,971	7,449,235,747	0.29%	160,661	132.69
2007	23,090,000	2,908,627	20,181,373	8,303,352,544	0.24%	170,436	118.41
2008	76,870,000	2,831,378	74,038,622	9,227,810,179	0.80%	170,954	402.76
2009	75,600,000	3,428,888	72,171,112	10,172,482,136	0.71%	175,122	412.12
2010	76,320,000	4,075,186	72,244,814	10,733,308,422	0.67%	194,851	370.77
2011	72,775,000	4,920,817	67,854,183	10,936,602,147	0.62%	213,839	317.31
2012	68,630,000	5,514,377	63,115,623	11,554,150,678	0.55%	216,544	291.47

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

a Population data can be found in Table XIV.

Table XI

Brazos County, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2012
(Unaudited)

<u>Direct Debt</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Brazos County	\$ 90,785,000	100%	\$ 90,785,000
<u>Overlapping Debt</u>			
Cities:			
Bryan	96,180,156	100%	96,180,156
College Station	97,110,000	100%	97,110,000
Kurten	-	100%	-
Independent School Districts:			
College Station School District	220,430,000	100%	220,430,000
Bryan Independent School District	150,130,000	100%	150,130,000
Navasota Independent School District	27,935,000	1.04% ^a	290,524
Special Districts:			
Brazos County EDS #1	-	100%	-
Brazos County EDS #2	-	100%	-
Brazos County EDS #3	-	100%	-
Brazos County EDS #4	-	100%	-
		Total Overlapping Debt:	<u>\$ 564,140,680</u>
		Total Direct and Overlapping Debt:	<u><u>\$ 654,925,680</u></u>

Sources: Debt outstanding provided by each governmental unit and is reflecting principal only.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Brazos County. This process recognizes that, when considering the county's ability to issue and repay long-term debt, the entire 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 for NISD is estimated using taxable assessed property values. NISD's percentage was estimated by determining the portion of the Independent School District's taxable assessed value within the county's boundaries and dividing it by NISD's total taxable assessed value.

**Brazos County, Texas
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)**

	<u>2003</u>	<u>2004</u>	<u>Fiscal Year 2005</u>	<u>2006</u>	<u>2007</u>
Debt Limit	\$ 1,101,090,930	\$ 1,302,335,126	\$ 1,418,068,298	\$ 1,577,946,187	\$ 1,756,630,748
Total net debt applicable to limit	6,387,123	6,376,258	16,288,295	20,167,029	20,283,627
Legal debt margin	<u>\$ 1,107,478,053</u>	<u>\$ 1,308,711,384</u>	<u>\$ 1,434,356,593</u>	<u>\$ 1,598,113,216</u>	<u>\$ 1,776,914,375</u>
Total net debt applicable to the limit as a percentage of debt limit	0.58%	0.49%	1.15%	1.28%	1.15%

- NOTE: (1) Total assessed valuation of real property as certified by the Appraisal Review Board.
 (2) Debt Limit 25% of assessed value of real property - \$9,961,511,860 Article 3, Section 52, of the Texas Constitution.
 (3) Includes only general obligation bonds.

**Brazos County, Texas
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)**

Legal Debt Margin Calculation for Fiscal Year 2012

(Note 1)	Assessed Value		\$ 9,961,511,860
(Note 2)	Debt limit (25% of assessed value)		2,490,377,965
	Debt applicable to limit:		
(Note 3)	Gross bonded debt	68,630,000	
	Less: Amount available from Debt Service Fund	5,514,377	
	Total net debt applicable to limit		63,115,623
	Legal debt margin		2,553,493,588

		Fiscal Year				
		2008	2009	2010	2011	2012
	\$	1,966,553,398	\$ 2,169,592,185	\$ 2,302,922,924	\$ 2,372,671,645	\$ 2,490,377,965
		68,853,622	72,171,112	72,244,814	67,854,183	63,115,623
	\$	2,035,407,020	\$ 2,241,763,297	\$ 2,375,167,738	\$ 2,440,525,828	\$ 2,553,493,588
		3.50%	3.33%	3.14%	2.86%	2.53%

Table XIII

**Brazos County, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Certificates of Obligation						Capital Leases				
	Property Tax		Less: Agent Fees & Issuance Cost	Debt Service		Coverage	Property Tax		Debt Service		Coverage
	Revenue	Interest		Principal	Interest		Revenue	Principal	Interest		
2003	\$ 2,124,621	\$ 41,785	\$ 1,707	\$ 1,500,000	\$ 969,344	0.88	\$ 173,136	\$ 164,880	\$ 12,763	0.97	
2004	2,943,715	61,974	1,758	1,860,000	1,197,974	0.98	166,034	171,142	6,502	0.93	
2005	3,351,610	108,359	2,408	2,060,000	1,399,755	1.00	27,392	18,737	6,304	1.09	
2006	4,025,812	142,074	1,745	2,315,000	1,084,442	1.23	26,375	15,823	5,102	1.26	
2007	4,326,890	168,062	2,045	2,180,000	1,000,726	1.41	20,791	14,114	3,730	1.17	
2008	4,098,514	265,010	3,195	2,225,000	919,030	1.12	20,553	13,830	2,334	1.27	
2009	4,138,412	13,489	2,147	2,270,000	832,632	1.34	19,543	14,668	936	1.25	
2010	6,092,191	46,125	109,060	2,590,000	1,036,027	1.66	1,311	1,289	11	1.01	
2011	5,836,067	18,052	2,747	1,490,000	1,018,980	2.33	-	-	-	-	
2012	3,897,319	13,937	2,548	1,530,000	967,646	1.56	-	-	-	-	

DEMOGRAPHIC AND ECONOMIC INFORMATION

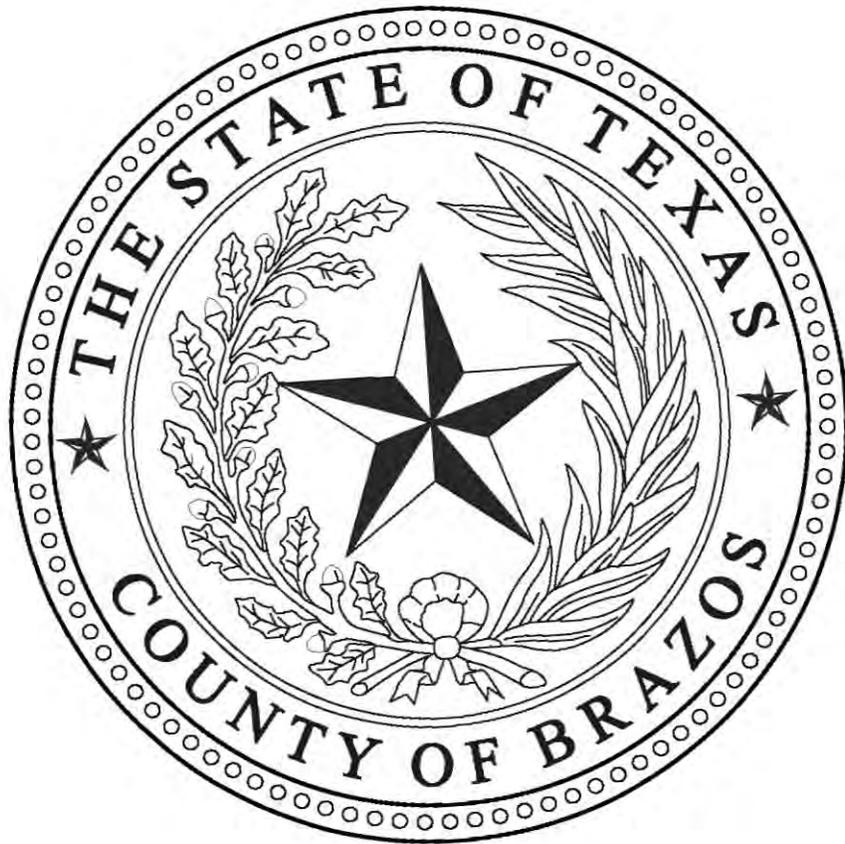


Table XIV

**Brazos County, Texas
Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)**

Year	Population ⁽¹⁾	Personal ⁽²⁾ Income	Per Capita Personal Income	Public School Enrollment ⁽³⁾	Texas A & M Enrollment ⁽⁴⁾	Blinn College Enrollment ⁽⁵⁾	Unemployment Rate ⁽⁶⁾
2003	162,787	\$ 2,058,880,973	\$ 12,648	21,610	44,813	10,328	2.30%
2004	161,779	2,162,050,461	13,364	21,549	44,435	10,421	1.70%
2005	161,380	2,356,388,400	14,601	21,712	45,089	10,535	4.10%
2006	160,661	2,437,361,696	15,171	22,149	45,487	10,189	3.50%
2007	170,436	2,647,397,704	15,533	22,357	46,540	10,563	3.60%
2008	170,954	2,827,827,879	16,541	22,603	48,039	11,408	4.10%
2009	175,122	2,927,844,375	16,719	25,125	48,885	12,441	6.20%
2010	194,851	3,001,972,053	15,407	25,597	49,129	12,145	5.70%
2011	213,839	3,089,688,803	14,449	26,604	49,861	12,342	6.40%
2012	216,544	3,147,154,437	14,534	27,248	50,227	12,269	5.30%

Sources:

- (1) For years 2008 and previous, population information provided by the Texas State Data Center. The information is an estimation of the population. For the year 2009, information received from ERS/USDA. Population estimation is based on previous years. For the year 2010, information was received from US Census Bureau. For 2011-2012, the projected population came from Texas Department of State Health Services.
- (2) Personal Income and unemployment rate information provided by the Texas Workforce Commission.
- (3) Public School Enrollment information is for Bryan ISD, College Station ISD and Brazos School for Inquiry and Creativity. Enrollment information is from the Academic Excellence Indicator System report on TEA's website.
- (4) For years 2007 to current, enrollment is based on TAMU Enrollment profile. Years 1998 to 2005 enrollment information is from City of College Station CAFR. Year 2006 is from Wikipedia. Enrollment information is based on Fall semesters.
- (5) Previous CAFRs reflected enrollment for Blinn Campuses based on all campuses. The information now reflects just the enrollment for the campus in Brazos County and is based on the Fall semester.
- (6) Source: Texas Workforce Commission

Table XV

**Brazos County, Texas
Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

2012	2003
Employer ⁽¹⁾	Employer ⁽²⁾
Brazos County	Alenco Holding Corporation, Inc.
Bryan Independent School District	Brazos County
City of Bryan	Bryan Independent School District
City of College Station	City of Bryan
College Station Independent School District	City of College Station
College Station Medical Center	College Station Independent School District
HEB Grocery	Sanderson Farms
Penncro & Associates	Scott & White Clinic
Reynolds & Reynolds	St. Joseph Regional Hospital
Sanderson Farms	Texas A&M University & System
Scott & White Clinic	UCS/Rentsys
St. Joseph Regional Hospital	
Texas A&M Health Science Center	
Texas A&M University System	
Wal-Mart	

NOTE: Data reflects principal employers in Brazos County and are listed in alphabetical order and do not reflect any ranking. The data of TWC ranking and number of employees is confidential.

Source: (1) Research Valley Partnership
(2) 2003 Brazos County CAFR

OPERATING INFORMATION

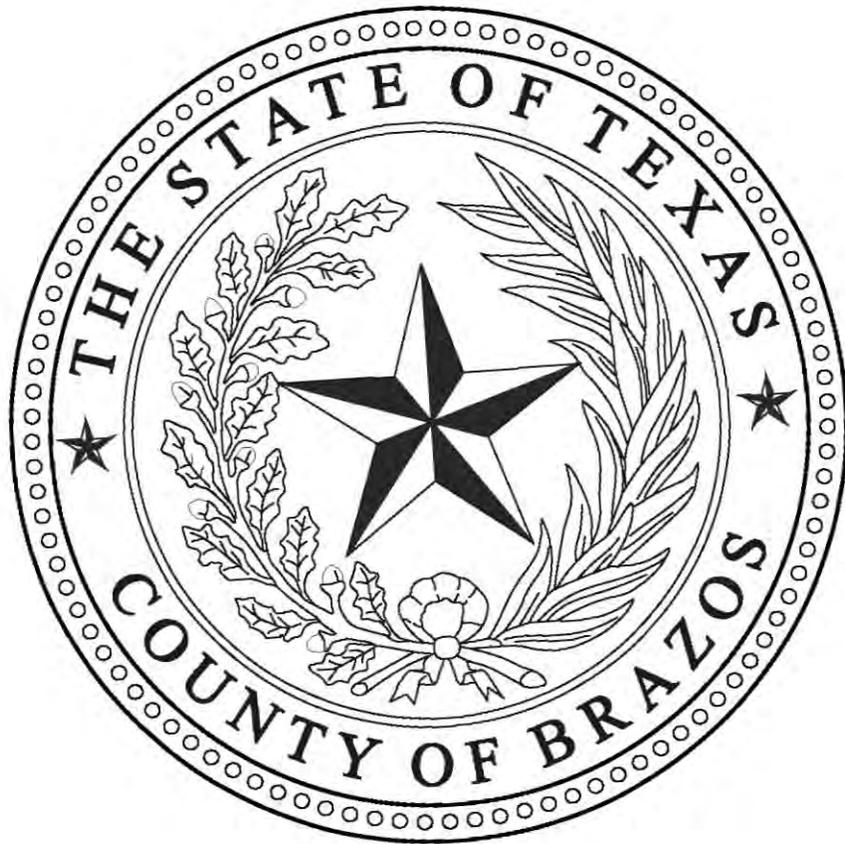


Table XVI

**Brazos County, Texas
County Employees by Function ⁽¹⁾
Last Ten Fiscal Years
(Unaudited)**

Function	Employees as of September 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government	121	124	124	126	133	134	135	138	138	138
Justice System	145	153	153	158	164	171	168	172	176	174
Law Enforcement	215	217	222	223	234	249	257	265	264	256
Juvenile Services	88	90	91	89	91	91	97	98	93	92
Human Services	24	25	26	26	39	42	46	50	58	59
Public Transportation	70	70	70	70	70	71	75	75	81	80
Total	<u>663</u>	<u>679</u>	<u>686</u>	<u>692</u>	<u>731</u>	<u>758</u>	<u>778</u>	<u>798</u>	<u>810</u>	<u>799</u>

Source: County Auditor's Office

⁽¹⁾ Information compiled from Brazos County Budget position control

Table XVII

Brazos County, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Justice System										
Birth Certificates Filed ⁽¹⁾	2,795	2,972	2,978	2,971	3,276	3,188	3,254	2,853	2,480	2,652
Marriage License Applications ⁽¹⁾	1,435	1,419	1,374	1,444	1,493	1,637	1,289	1,275	1,149	1,088
Death Certificates Issued	375	743	713	812	757	929	801	883	967	936
Registered Voters ⁽¹⁾	86,558	86,283	83,894	86,771	82,180	88,758	82,674	88,851	80,834	91,498
Court Activity: ⁽²⁾										
District Court:										
Cases Added	9,496	7,679	8,047	7,863	8,241	6,215	6,774	6,843	6,341	4,920
Cases Disposed	8,314	6,763	6,295	8,041	8,120	6,190	6,291	6,283	6,300	4,817
Cases Pending	5,649	6,009	8,013	8,281	8,814	4,486	6,598	7,113	4,361	2,299
County Court at Law Courts:										
Cases Added	181	3,658	6,019	5,706	6,820	4,258	7,137	7,000	5,159	7,347
Cases Disposed	113	3,072	4,560	4,856	5,999	4,441	7,403	6,768	4,712	3,761
Cases Pending	230	1,185	2,342	3,142	3,948	4,283	3,664	3,250	3,119	1,244
Justice of the Peace Courts:										
Cases Added	18,179	20,105	22,085	19,387	22,965	23,375	23,008	19,583	19,783	13,557
Cases Disposed	13,783	16,272	16,868	18,497	21,117	19,986	20,605	18,111	19,322	15,237
Law Enforcement										
Sheriff's Department:										
Average Daily Inmate Population ⁽³⁾	445	425	492	550	553	536	594 ⁽⁷⁾	538	584	554
Arrest Totals ⁽³⁾	12,369	13,915	14,328	15,541	15,769	14,584	13,944	10,040	15,058	14,841
Human Services										
Cooperative Agricultural Extension Office: ⁽⁴⁾										
Number of Educational Programs Conducted	356	602	622	779	772	528	623	573	383	414
Number of Participants in Educational Programs	12,540	21,660	22,487	49,229	16,850	60,589	220,900	1,104,930	1,515,696	987,046
Brazos Center:										
No. of Events held: ⁽⁵⁾	582	531	532	578	522	493	466	458	581	497
Exposition Center:										
No. of Events held: ⁽⁶⁾	0	0	0	0	3	85	108	118	126	140
Public Transportation										
Miles of Roads:										
Paved	N/A	N/A	N/A	330	341	342	348	364	368	357
Unpaved	N/A	N/A	N/A	146	137	129	124	110	103	103

(1) Source: Brazos County Clerk, Brazos County Treasurer and Brazos County Tax Assessor Collector.

(2) Source: Office of Court Administration

(3) Source: Sheriff's Office. This number represents all arrests made by all entities that bring prisoners to the Jail.

(4) Source: Texas Cooperative Agriculture Extension Contact Summary

(5) Source: Brazos Center - Events reported are held in the Assembly Rooms 1 and 2. Smaller functions were not recorded.

(6) Source: Exposition Center

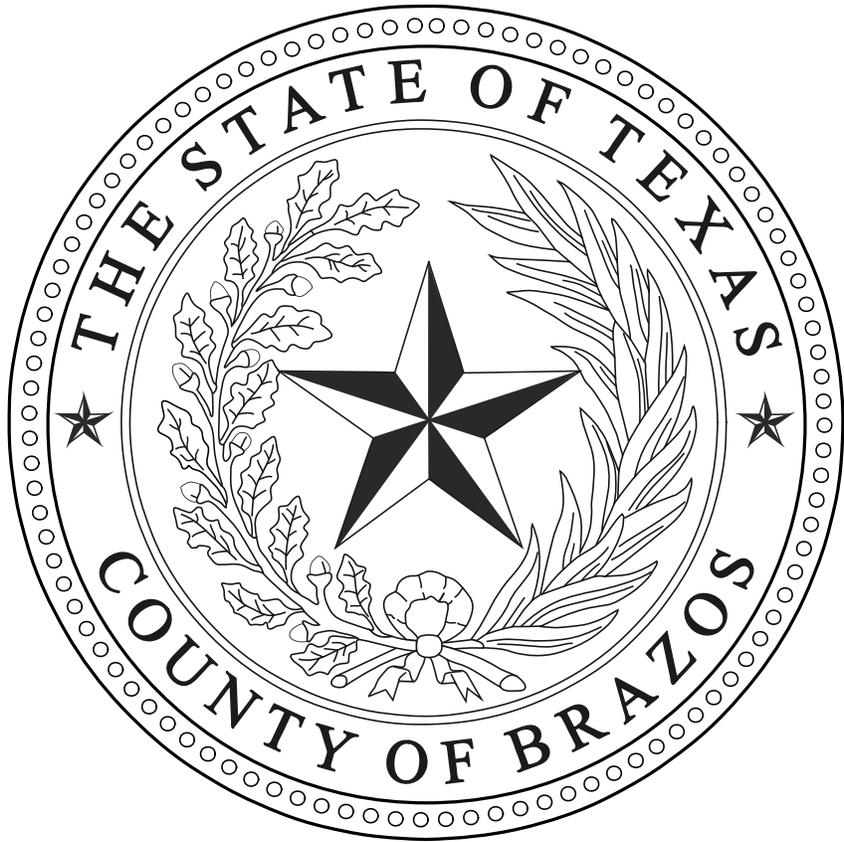
(7) The Jail has started housing some inmates at off-site housing facilities. This number includes an average of 53 inmates being housed off-site

Table XVIII

Brazos County, Texas
Capital Asset and Infrastructure Statistics by Function
Last Ten Fiscal Years
(Unaudited)

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Office Buildings / Courthouse	4	4	4	4	5	5	5	5	5	4
Maintenance Vehicles	5	4	5	7	8	9	9	11	12	12
IT Vehicles	1	1	1	1	1	1	2	2	2	2
Justice System										
Office Buildings / Courthouse	0	0	0	1	2	2	2	2	2	2
County Attorney Vehicles	2	5	6	8	10	8	8	9	8	8
District Attorney Vehicles	3	3	4	7	4	4	4	4	4	4
Law Enforcement										
Sheriff's Administration Facility	0	0	0	0	0	1	1	1	1	1
Sheriff's Detention Facility	1	(1)	1	(1)	1	(1)	1	(1)	1	2
Vehicles:										
Sheriff's	36	47	53	63	62	63	62	66	63	54
Sheriff's - Jail Division	5	6	6	7	9	10	11	17	27	24
Constable	13	18	18	21	24	22	22	23	26	26
Heavy Equipment:										
Sheriff's	1	1	1	1	1	1	1	0	2	2
Sheriff's - Jail Division	1	1	3	3	4	4	4	5	1	1
Juvenile Services										
Juvenile Facilities	1	1	1	1	1	1	1	1	1	1
Juvenile Dept Vehicles	7	6	8	8	8	7	7	7	7	7
Human Services										
Buildings	3	3	3	3	5	5	5	5	5	5
Emergency Management Vehicles	1	1	1	1	1	1	1	0	0	0
Brazos Center:										
Vehicles	2	2	2	3	2	4	4	4	5	5
Equipment	3	4	4	4	3	4	4	4	1	1
Exposition Center:										
Vehicles	0	0	0	0	1	3	3	4	4	4
Equipment	0	0	0	0	2	12	12	13	11	12
Collection Citizen Sites	7	7	7	7	7	7	7	7	7	7
Public Transportation										
Road and Bridge Building	1	1	1	1	1	1	1	1	1	1
Road and Bridge Vehicles	38	40	41	44	46	48	48	53	54	55
Road and Bridge Heavy Equipment	83	84	94	95	95	93	93	95	75	77
County Roads (miles)	461	450	453	476	478	472	472	474	471	460
Bridges	58	58	58	63	59	59	60	60	61	61

(1) The Sheriff's Administration and maximum security jail facility were located in the courthouse. In FY 08, the Sheriff's Administration and Jail Administration moved to the Sheriff's Administration Building. Booking and maximum security moved to the new Jail Facility in FY 10



DEBT SERVICE

Brazos County, Texas
General Long Term Debt Payable by Issue
September 30, 2012
(Unaudited)

Debt Issue	Interest Rates (%) And Dates	Final Issue Date	Debt Maturity Date	Debt Authorized And Issued
Certificates of Obligation				
2002 Series, Issued For:	3.0/3.0/2.8/3.2/3.45/ 3.6/3.7/3.85/3.85	10/15/2002	9/1/2013	\$ 2,995,000
Electronic voting equipment, Information technology, Vehicles, Right-of-Way	3/1 and 9/1			
2003 Series, Issued For:	2.5/2.55/2.65/2.75/3.125/ 3.375/3.625/3.75/3.9/4.0/ 4.2/4.3/4.375/4.45/4.5/4.55	11/15/2003	9/1/2023	10,000,000
Real Estate Acquisition, Vehicles, R&B Equipment, Communication Conversion	3/1 and 9/1			
2004 Series, Issued For:	2.6/4.0/3.75/3.8/3.9/ 4.0/4.2/4.25/4.3/4.4/ 4.5/4.55	8/15/2004	9/1/2024	5,000,000
Real Estate Acquisition, R&B Equipment, Building Improvements, Right-of-Way Acquisition	3/1 and 9/1			
2005 Series, Issued For:	3.25/3.75/3.75/3.75/3.5/ 3.5/3.625/3.75/3.75/3.75	9/1/2005	9/1/2015	2,750,000
Buildings, Building Renovations, Capital Roads, Equipment, and Right-of-Way Acquisition	3/1 and 9/1			
2009 Series, Issued For:	4.350/4.45/4.50/4.60	10/15/2009	9/1/2034	12,000,000
Exposition Center Expansion and Costs of issuance of Certificates	3/1 and 9/1			
General Obligation Bond				
2001 Series, Issued For:	6.5/6.5/6.5/5.0/4.3/4.4/ 4.5/4.6/4.6/4.6/4.7 4.75/4.8/4.9/4.9/4.9/ 3/1 and 9/1	12/1/2001	3/30/2021	8,000,000
Exposition Center				
2005 Series, Issued For:	6.0/6.0/6.0/6.0/5.5/5.0/ 4.0/4.0/4.0/4.0/4.0/4.0/ 4.0/4.125/4.125/4.25/4.25 4.375/4.375/4.375	9/1/2005	9/1/2025	10,500,000
Exposition Center	3/1 and 9/1			
Limited Tax Refunding Bonds				
Series 2005, Issued For:	4.0	12/1/2005	9/1/2016	6,005,000
R&B New Construction and Right-Of-Way Acquisition	3/1 and 9/1			
Series 2009, Issued For:	3.00 / 4.00	10/15/2009	9/1/2021	7,365,000
Exposition Center Expansion and Costs of issuance of Certificates	3/1 and 9/1			
Limited Tax Bonds				
Series 2008, Issued For:	3.25/3.25/3.25/3.25/3.75/ 3.5/3.63/3.77/3.92/4.0/ 4.125/5.00/5.00/5.00/5.0/ 4.50/4.50/4.50	5/1/2008	9/1/2028	55,000,000
Jail Expansion	3/1 and 9/1			
Total Long Term Debt				<u>\$ 119,615,000</u>

Note:

(1) All debt obligations of Brazos County are payable both as to principal and interest solely from and secured by ad valorem taxes levied against all taxable property within the County.

Brazos County, Texas
General Long Term Debt Payable by Issue
September 30, 2012
(Unaudited)

Debt Outstanding			Debt Service Requirements For Fiscal Year 2011-2012		
Principal	Interest	Totals	Principal	Interest	Totals
\$ 195,000	\$ 7,508	\$ 202,508	\$ 195,000	\$ 15,016	\$ 210,016
6,365,000	1,766,443	8,131,443	460,000	284,308	744,308
3,735,000	1,129,752	4,864,752	230,000	165,132	395,132
920,000	69,938	989,938	285,000	44,832	329,832
10,940,000	5,750,303	16,690,303	360,000	458,360	818,360
455,000	10,465	465,465	435,000	30,718	465,718
8,315,000	2,655,487	10,970,487	490,000	365,944	855,944
2,820,000	232,200	3,052,200	630,000	125,400	755,400
4,845,000	939,625	5,784,625	1,265,000	209,025	1,474,025
52,195,000	22,208,257	74,403,257	1,325,000	2,283,418	3,608,418
<u>\$ 90,785,000</u>	<u>\$ 34,769,978</u>	<u>\$ 125,554,978</u>	<u>\$ 5,675,000</u>	<u>\$ 3,982,153</u>	<u>\$ 9,657,153</u>

(2) The County has the right to call the CO's at any time as long as they "make-whole" the holders of the CO's.

Brazos County, Texas
Debt Retirement by Years
September 30, 2012
(Unaudited)

Fiscal Year	Total Required Principal	Total Required Interest	Total Required
2013	\$ 5,870,000	\$ 3,794,423	\$ 9,664,423
2014	5,540,000	3,589,650	9,129,650
2015	5,795,000	3,387,938	9,182,938
2016	5,690,000	3,169,648	8,859,648
2017	5,145,000	2,967,123	8,112,123
2018-2022	28,445,000	11,579,040	40,024,040
2023-2027	25,705,000	5,323,148	31,028,148
2028-2032	7,355,000	875,308	8,230,308
2033-2034	1,240,000	83,700	1,323,700
	<u>\$ 90,785,000</u>	<u>\$ 34,769,978</u>	<u>\$ 125,554,978</u>

Brazos County, Texas
Debt Retirement by Years
September 30, 2012
(Unaudited)

Fiscal Year	Certificates of Obligation					General Obligation Bonds		Limited Tax Refunding Bonds		Limited Tax Bond	Total
	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal		
	2002 Issue	2003 Issue	2004 Issue	2005 Issue	2009 Issue	2001 Issue	2005 Issue	2005 Issue	2009 Issue	2008 Issue	
2013	\$ 195,000	\$ 475,000	\$ 240,000	\$ 295,000	\$ 375,000	\$ 455,000	\$ 505,000	\$ 655,000	\$ 375,000	\$ 2,300,000	\$ 5,870,000
2014	-	490,000	250,000	305,000	400,000	-	525,000	690,000	480,000	2,400,000	5,540,000
2015	-	510,000	260,000	320,000	425,000	-	545,000	720,000	505,000	2,510,000	5,795,000
2016	-	530,000	275,000	-	425,000	-	565,000	755,000	520,000	2,620,000	5,690,000
2017	-	550,000	285,000	-	445,000	-	585,000	-	540,000	2,740,000	5,145,000
2018-2022	-	3,105,000	1,645,000	-	2,330,000	-	3,280,000	-	2,425,000	15,660,000	28,445,000
2023-2027	-	705,000	780,000	-	2,390,000	-	2,310,000	-	-	19,520,000	25,705,000
2028-2032	-	-	-	-	2,910,000	-	-	-	-	4,445,000	7,355,000
2033-2034	-	-	-	-	1,240,000	-	-	-	-	-	1,240,000
	<u>\$ 195,000</u>	<u>\$ 6,365,000</u>	<u>\$ 3,735,000</u>	<u>\$ 920,000</u>	<u>\$ 10,940,000</u>	<u>\$ 455,000</u>	<u>\$ 8,315,000</u>	<u>\$ 2,820,000</u>	<u>\$ 4,845,000</u>	<u>\$ 52,195,000</u>	<u>\$ 90,785,000</u>

Brazos County, Texas
Debt Retirement by Years
September 30, 2012
(Unaudited)

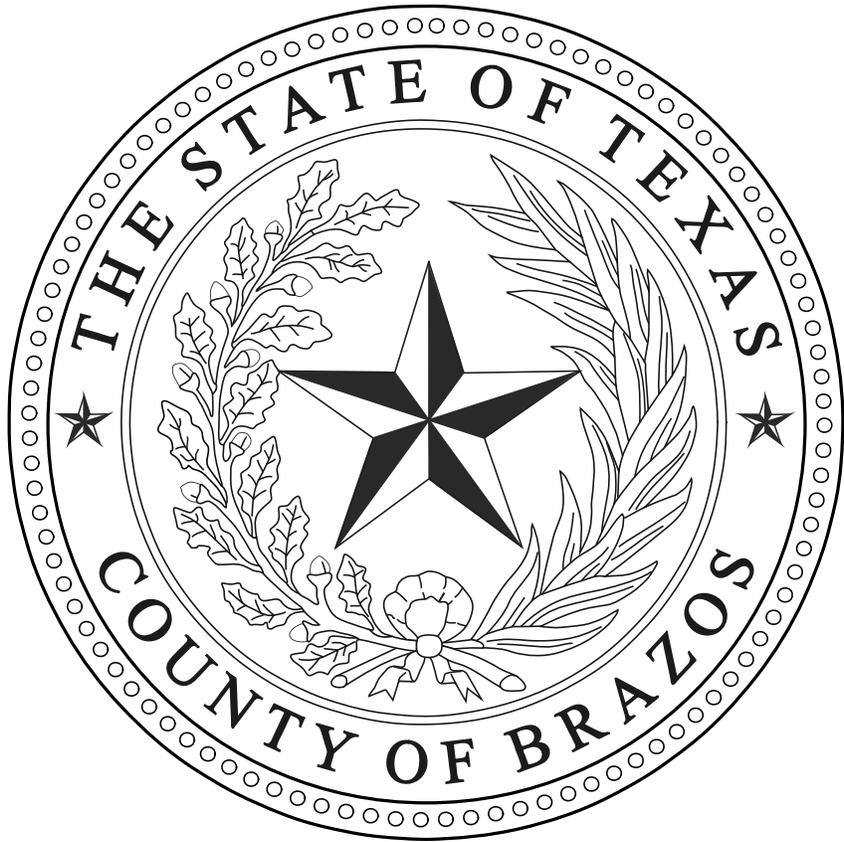
Fiscal Year	Certificates of Obligation					General Obligation Bonds		Limited Tax Refunding Bonds		Limited Tax Bond	Total
	Interest					Interest		Interest		Interest	
	2002 Issue	2003 Issue	2004 Issue	2005 Issue	2009 Issue	2001 Issue	2005 Issue	2005 Issue	2009 Issue	2008 Issue	
2013	\$ 7,508	\$ 267,632	\$ 155,932	\$ 34,500	\$ 447,560	\$ 10,465	\$ 346,344	\$ 99,700	\$ 184,425	\$ 2,240,357	\$ 3,794,423
2014	-	249,820	146,332	23,438	436,310	-	326,144	72,800	169,200	2,165,606	3,589,650
2015	-	231,446	136,332	12,000	424,310	-	305,144	44,600	149,500	2,084,606	3,387,938
2016	-	211,556	126,582	-	407,310	-	283,344	15,100	129,000	1,996,756	3,169,648
2017	-	190,356	116,132	-	390,310	-	260,744	-	107,800	1,901,781	2,967,123
2018-2022	-	583,555	394,942	-	1,678,549	-	929,017	-	199,700	7,793,277	11,579,040
2023-2027	-	32,078	53,500	-	1,206,971	-	204,750	-	-	3,825,849	5,323,148
2028-2032	-	-	-	-	675,283	-	-	-	-	200,025	875,308
2033-2034	-	-	-	-	83,700	-	-	-	-	-	83,700
	<u>\$ 7,508</u>	<u>\$ 1,766,443</u>	<u>\$ 1,129,752</u>	<u>\$ 69,938</u>	<u>\$ 5,750,303</u>	<u>\$ 10,465</u>	<u>\$ 2,655,487</u>	<u>\$ 232,200</u>	<u>\$ 939,625</u>	<u>\$ 22,208,257</u>	<u>\$ 34,769,978</u>

Table XXI

**Brazos County, Texas
Debt Service Fund
Revenues, Expenditures, Restricted Fund Balance
and Respective Debt Service Tax Rates
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Revenues	Expenditures	Restricted Fund Balance	I&S Tax Rates *
2003	\$ 2,519,076	\$ 2,867,509	\$ 1,612,877	\$ 0.0423
2004	3,467,053	3,456,188	1,623,742	0.0511
2005	4,435,858	4,177,895	1,881,705	0.0632
2006	5,613,092	5,107,768	2,387,029	0.0701
2007	5,351,133	4,829,535	2,908,627	0.0620
2008	6,060,450	6,137,699	2,831,378	0.0620
2009	8,237,284	7,639,774	3,428,888	0.0813
2010	10,035,432	9,389,134	4,075,186	0.0834
2011	10,048,631	9,203,000	4,920,817	0.0844
2012	10,253,259	9,659,699	5,514,377	0.0813

* I&S tax rates are presented as cents per \$100 of assessed value.



**INDEPENDENT AUDITORS' REPORTS ON
COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING
SEPTEMBER 30, 2012**



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Duane Peters, County Judge
and the Honorable County Commissioners
Brazos County, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brazos County, Texas (the "County") as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 12, 2013. 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.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, Commissioners' Court, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bryan, Texas
March 12, 2013

A handwritten signature in cursive script that reads "Ingram, Wallis; Company". The signature is written in black ink and is positioned to the right of the typed text.



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

To the Honorable Duane Peters, County Judge
and the Honorable County Commissioners
Brazos County, Texas

Compliance

We have audited Brazos County, Texas' (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2012. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State of Texas Single Audit Circular*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2012.

Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the audit committee, Commissioners' Court, others within the entity, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bryan, Texas
March 12, 2013

Ingram, Wallis ; Cappon

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2012

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2011	Receipts	Expenditures	Grant Funds Refunded in 2012	Accounts Receivable (Payable) September 30, 2012	
<u>U. S. Department of Justice</u>									
State Criminal Alien Assistance Program	16.606	2011-H3736-TX-AP 07/01/09-06/30/10	\$ 45,510	\$ 45,510	\$ 45,510	\$ --	\$ --	\$ --	
State Criminal Alien Assistance Program	16.606	2012-AP-BX-0561 07/01/11-06/30/12	40,683	--	--	40,683	--	40,683	
Bulletproof Vest Partnership	16.607	2007BOBX07038987	2,281	543	543	--	--	--	
Bulletproof Vest Partnership	16.607	2009BOBX08043455	1,412	--	--	1,412	--	1,412	
Bulletproof Vest Partnership	16.607	2010	1,131	535	535	1,131	--	1,131	
Bulletproof Vest Partnership	16.607	2011	644	--	--	644	--	644	
Public Safety Partnership and Community Policing Grants	16.710	2010CKWX0552 12/16/09-12/15/12	200,000	1,410	84,477	125,528	--	42,461	
<u>Passed through City of Bryan</u>									
Edward Byrne Memorial Justice Assistance Grant-ARRA	16.804	2009-SB-B9-0783	84,001	(10,933)	--	10,910	23	--	
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-DJ-BX0600	14,655	(31)	--	--	31	--	
<u>Passed through City of College Station</u>									
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-DJ-BX-0423	13,740	(13,740)	--	--	--	(13,740)	
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-DJ-BX-2704	18,659	--	18,659	18,595	--	(64)	
					23,294	149,724	198,903	54	72,527
<u>U. S. Department of Transportation</u>									
<u>Passed through State Department of Highways and Public Transportation</u>									
Metropolitan Planning Organization	20.205	50-11XF0024	480,125	58,747	58,747	--	--	--	
Metropolitan Planning Organization	20.205	50-12XF0024	480,125	--	189,026	226,913	--	37,887	
Comprehensive Underage Drinking Education Program	20.600	589XXEGF5158	61,601	43,614	43,613	(1)	--	--	
Comprehensive Underage Drinking Education Program	20.600	582XXEGF5034	61,143	--	24,080	39,599	--	15,519	
<u>National Highway Traffic Safety Administration</u>									
<u>Passed through Texas Department of Transportation</u>									
STEP - Click It or Ticket	20.602	2012-BrazosCoSO-CIOT-00011	2,894	--	--	2,190	--	2,190	
					102,361	315,466	268,701	--	55,596
<u>Federal Election Assistance Commission</u>									
<u>Passed through Secretary of State of Texas</u>									
Help America Vote Act - General HAVA Compliance	90.401		1,132,036	202,092	202,092	--	--	--	
					\$ 202,092	\$ 202,092	\$ --	\$ --	\$ --

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2012

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/Award Amount	Accounts Receivable (Payable) October 1, 2011	Receipts	Expenditures	Grant Funds Refunded in 2012	Accounts Receivable (Payable) September 30, 2012
<u>Department of Homeland Security</u>								
<u>Passed through Texas Department of Public Safety</u>								
Division of Emergency Management	97.042	11TX-EMPG-1440	\$ 48,277	\$ 48,277	\$ 48,277	\$ --	\$ --	\$ --
Division of Emergency Management	97.042	12TX-EMPG-1440	48,277	--	--	48,277	--	48,277
Emergency Preparedness Grant	97.073	2009-SS-T9-0064 SHSP	174,024	159,704	160,322	618	--	--
Emergency Preparedness Grant	97.073	2009-SS-T9-0064 SHSP LEAP	14,024	(3,738)	7,501	11,239	--	--
Emergency Preparedness Grant	97.073	2010-SS-T0-0008 SHSP	199,238	57,914	71,233	91,319	--	78,000
Emergency Preparedness Grant	97.067	EMW-2011-SS-00019 SHSP						
Emergency Preparedness Grant	97.067	LETPA	25,371	--	25,371	25,371	--	--
Emergency Preparedness Grant	97.067	EMW-2011-SS-00019 SHSP	25,372	--	--	2,049	--	2,049
				262,157	312,704	178,873	-	128,326
<u>U. S. Department of Health and Human Services</u>								
<u>Passed through the Texas Department of Family and Protective Services</u>								
Title IV-E-Legal (CPS)	93.658	10/01/10-09/30/11	--	10,840	10,840	--	--	--
Title IV-E-Legal (CPS)	93.658	10/01/11-09/30/12	--	--	18,873	40,609	--	21,736
Title IV-E-Foster Care Maintenance	93.658	10/01/10-09/30/11	--	2,979	2,979	--	--	--
Title IV-E-Foster Care Maintenance	93.658	10/01/11-09/30/12	--	--	2,718	3,518	--	800
				13,819	35,410	44,127	--	22,536
<u>Passed through the Texas Juvenile Justice Department</u>								
Title IV-E - Maintenance - Juvenile	93.658	TJJD-E-2011-021	--	39,421	30,889	(8,532)	--	--
Title IV-E - Maintenance - Juvenile	93.658	TJJD-E-2012-021	--	18,302	113,213	134,645	--	39,734
Title IV-E - Maintenance - Juvenile	93.658	TJJD-E-2013-021	--	--	--	4,757	--	4,757
				57,723	144,102	130,870	--	44,491
<u>Passed through the Texas Department of Agriculture</u>								
National School Lunch Program	10.555	07/01/11-06/30/12	--	6,637	28,706	22,069	--	--
National School Lunch Program	10.555	07/01/12-06/30/13	--	--	--	6,008	--	6,008
School Breakfast Program	10.553	07/01/11-06/30/12	--	4,165	18,294	14,129	--	--
School Breakfast Program	10.553	07/01/12-06/30/13	--	--	--	3,115	--	3,115
Food Services Division Commodities	10.550	07/01/11-06/30/12	--	--	1,654	1,654	--	--
				10,802	48,654	46,975	--	9,123
Total Federal Assistance				\$ 672,248	\$ 1,208,152	\$ 868,449	\$ 54	\$ 332,599

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2012

State Grant or Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2011	Receipts	Expenditures	Grant Funds Refunded in 2012	Accounts Receivable (Payable) September 30, 2012
<u>Texas Juvenile Justice Department</u>								
State Aid	N/A	TJJD-A-2012-021	\$ 830,911	\$ 45,572	\$ 830,911	\$ 785,339	\$ --	\$ --
		09/01/11-08/31/12						
State Aid	N/A	TJJD-A-2013-021	809,562	--	134,927	34,190	--	(100,737)
		09/01/12-08/31/13						
JJAEP	N/A	TJJD-P-2012-021	21,725	1,501	23,226	21,725	--	--
		08/01/11-5/31/12						
Commitment Reduction	N/A	TJJD-C-2012-021	136,257	6,788	136,257	129,469	--	--
		09/01/11-08/31/12						
Commitment Reduction	N/A	TJJD-C-2013-021	136,257	--	22,710	4,288	--	(18,422)
		09/01/12-08/31/13						
<u>Office of Attorney General</u>								
SAVNS Program	N/A	1223981	30,710	--	30,710	30,710	--	--
<u>Office of the Governor</u>								
Brazos County Attendance Improvement Management Truancy Intervention and Prevention	N/A	2482401	15,000	--	13,440	13,440	--	--
Total State Assistance				53,861	1,192,181	1,019,161	--	(119,159)
Total Federal and State Assistance				\$ 726,109	\$ 2,400,333	\$ 1,887,610	\$ 54	\$ 213,440

BRAZOS COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

General - The accompanying Schedule of Expenditures of Federal and State Awards presents all federal and state expenditures of Brazos County, Texas (the "County").

Basis of Accounting - The expenditures on the accompanying Schedule of Expenditures of Federal and State Awards are presented on the accrual basis.

Relationship to Financial Statements - Expenditures of federal and state awards are reported in the County's basic financial statements on the accrual basis.

Relationship to Federal Financial Reports - Amounts reported in the accompanying Schedule of Expenditures of Federal and State Awards agree with the amounts reported in the related federal and state financial reports in all significant respects.

SUMMARY OF NON-CASH ASSISTANCE

The County receives non-cash assistance in the form of commodities from the U.S. Department of Health and Human Services passed through the Texas Department of Agriculture. In fiscal year ended September 30, 2012, the County received \$1,654 in commodities.

SUMMARY OF INSURANCE RELATED TO GRANT FUNDS

County employees responsible for or with authority to expend or disburse grant funds are covered by various insurance policies. The amounts of these policies vary from \$5,000 to \$10,000.

SUMMARY OF INSURANCE FEDERAL LOANS OR LOAN GUARANTEES

The County had no Federal loans or loan guarantees during this fiscal year.

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal or State award findings and questioned costs which are required to be reported in accordance with Section 510(a) of Circular A-133 or the State of Texas Single Audit Circular.

BRAZOS COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012
 STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

2011-01 Noncompliance with Suspension & Disbarment Requirements

	Questioned Costs
<u>Department of Homeland Security</u>	---
Passed through Texas Department of Public Safety CFDA No. 97.073 – State Homeland Security Program (SHSP); Federal Grant Award Nos. 2009-SS-T9-0064 & 2010-SS-T0-0008; SAA Award Nos. 09-SR 48041-02 & 10-SR 48041-01; Grant Period – 8/1/09-4/15/12 & 8/1/10-7/31/12	
<u>Office of the Governor, Texas Military Preparedness Commission</u>	---
Grant No. 300-1-0734; Grant Period – 8/19/10-8/31/14	

Criteria: Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include those procurement contracts for goods and services awarded under a nonprocurement transaction (i.e. grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. All nonprocurement transactions (i.e. subawards to subrecipients), irrespective of award amount, are considered covered transactions. When a non-federal entity enters into a covered transaction, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity.

Condition: During review of this compliance requirement, it was noted that the County failed to properly verify that contracting parties were not suspended or debarred.

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2012
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Recommendation: We recommend that the County verify suspension and debarment for all required covered transactions.

Management's Response & Corrective Action Planned: County management and staff concur with the findings. In order to comply with the suspension and debarment requirements, the County has added the suspension/debarment verification measures for the federal and state grant funds to its purchasing policy.

Status: Corrective action was taken.

