

BRAZOS COUNTY, TEXAS

Comprehensive Annual Financial Report

For The Year Ended September 30, 2013



Prepared by:

Katie Conner, C. P. A.
County Auditor



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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

Email: kconner@co.brazos.tx.us

March 7, 2014

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, 2013, 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, 2013, 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 are 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 2013, Brazos County had an unemployment rate of 5.2% compared to a Texas statewide unemployment rate of 6.3% for the same month. The unemployment rate at September 2012 was 5.3 %. As of September 2013, the labor force figures for the County, as established by the Texas Workforce Commission, are 101,521 of which 96,238 are currently employed. The following schedule is an estimate of the number of employees and the corresponding percentage per industry as of September 2013.

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

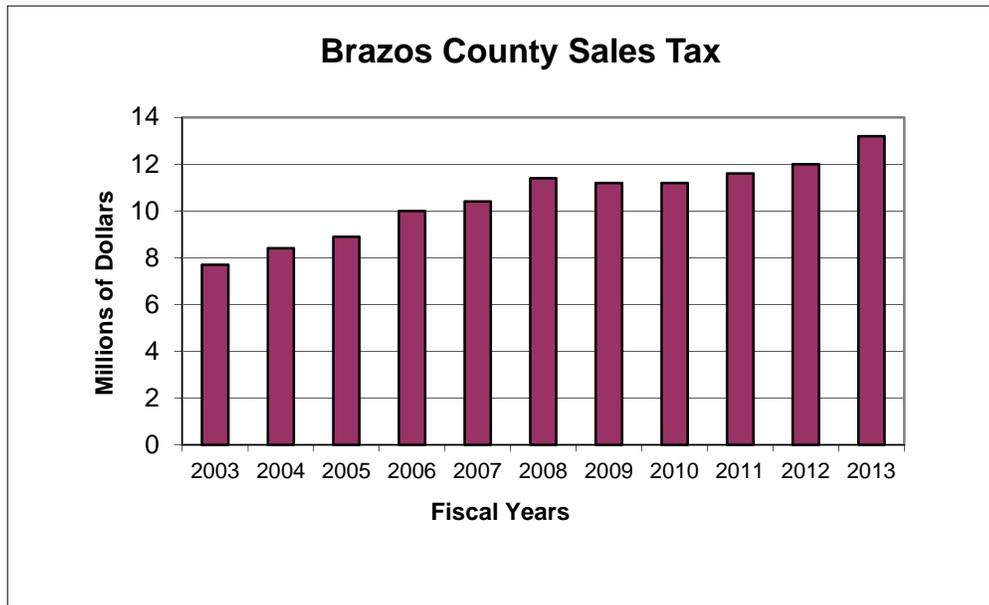
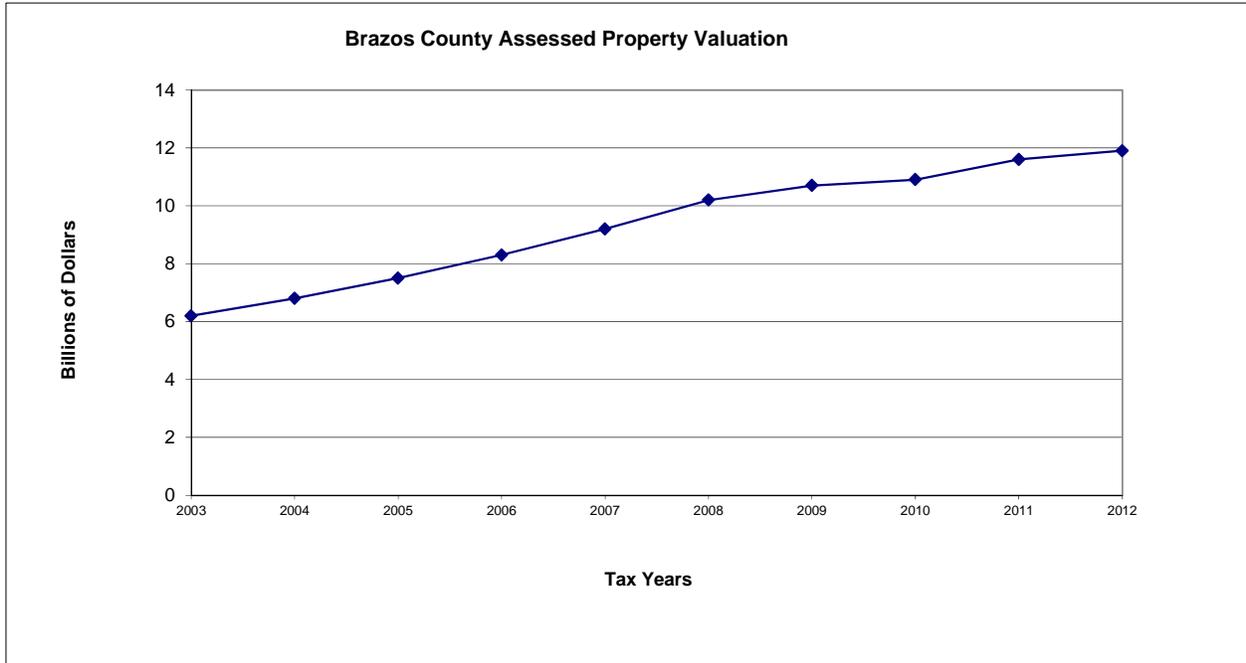
<u>Employer Group</u>	<u>Number Of Employees</u>	<u>Percentage</u>
State, Local, Federal Government	33,700	34%
Trade, Transportation and Utilities	14,800	15%
Education and Health Services	10,600	10%
Leisure and Hospitality	13,100	13%
Natural Resources, Mining and Construction	7,000	7%
Professional and Business Services	6,600	7%
Manufacturing	5,700	6%
Financial Activities	3,600	4%
Other Services	3,400	3%
Information	<u>1,300</u>	<u>1%</u>
TOTAL	<u>99,800</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 recent Employment Statistics Highlights released by the Bureau of Labor Statistics of the United States Department of Labor, while the private sector continues to generate employment, government keeps shedding jobs in 2013. Seven of Bryan-College Station's 15 top employers are government agencies. From October 2012 to September 2013 the area has lost approximately 1,100 government jobs, meanwhile the private sector added 5,300 jobs, reflecting the trend.

The Bryan-College Station area showed positive signs of growth in its real estate market in 2013 according to the Real Estate Center at Texas A&M University. Home sales in the area increased 23% for 2013 compared to 2012. The median home price increased 4.0%. Single-family building permits decreased 5.0% in 2013, and multifamily permits decreased 18%.

The County's assessed property valuation for tax year 2012 increased 3.1% compared to tax year 2011. Sales tax receipts for fiscal year 2013 increased 9.9% compared to fiscal year 2012. 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 \$782 million in research expenditures, which is ranked first in the State in research investment.

The University recorded in excess of 1.3 million visitors attending sporting events and other campus activities for 2013. 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 21,000 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 \$4.4 billion overall economic impact on the local economy during 2013. 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 hosted in excess of 143,000 visitors in 2013. 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 12,800 students enrolled in Blinn's Bryan campus for the fall semester of 2013. 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.

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 development of the BioCorridor area has been a focus under the leadership of the Research Valley Partnership. A unique vision has emerged for biotechnology, encompassing research, preclinical studies, clinical studies and manufacturing all in one corridor. Many of the elements are already in place: the Texas A&M Institute for Genomic Medicine, the Texas A&M Institute for Preclinical Studies, the Texas A&M Health Science Center, the National Center for Therapeutic Manufacturing and

Project GreenVax all have an established presence in this area. The momentum and vision for the BioCorridor continues to grow.

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. It was designated a foreign trade zone in 2013. A record big business, Axis Pipe and Tube started its construction on a state-of-the-art steel mill plant at Texas Triangle Park in August 2013. In the short term the plant will create at least 285 jobs with upwards of 500 indirect and direct positions within the next ten years. Wages at the steel mill will average around \$40,000 a year and the plant is expected to spur other business including trucking, machine shops and coating services.

CAPITAL IMPROVEMENT PROGRAM

In 2013, 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 2013, 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 \$2.7 million dollars and expended approximately \$7.5 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 2013 to include \$9.6 million (includes personnel services, supplies and other charges, contingencies, repairs and maintenance, minor acquisitions, contract services, and professional services) for routine maintenance and \$3.5 million for improvements and upgrades.

The remodeling of the inmate holding portion of the courthouse, which started in 2011, was substantially completed in fiscal year 2013. The County spent \$1.2 million on the inmate holding area renovation during fiscal year 2013, and the estimated cost for the project in fiscal year 2014 is about \$0.3 million. The funding for the project came from the \$4.0 million remaining of the general obligation bonds issued in May 2008.

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 2014 is about \$6.9 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, 2013, the County had cash and cash equivalents of \$67.7 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, 2013, the County also had \$2.4 million invested in a state wide investment pool. During the fiscal year, the County earned approximately \$420,000 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, 2013, 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, 2013, the County has \$6.1 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, 2013, the tax rate to finance general governmental services was \$0.4071 per \$100 valuation and the tax rate for the payment of principal and interest on long-term debt was \$0.0779 per \$100 of valuation. For the fiscal year ended September 30, 2014, the tax rate to finance general government services is \$0.4168 per \$100 valuation and the tax rate for the payment of principal and interest on long-term debt is \$0.0707 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 2013 included:

- 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 added seven full-time positions in various County departments, approved a 1% merit pay allowance, and applied a 2% cost-of-living adjustment to all County employees.
- The County issued \$14,640,000 Limited Tax Refunding Bonds, Series 2012 in October 2012 to redeem a portion of the County's outstanding bonded debt.
- The County 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.

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



Government Finance Officers Association

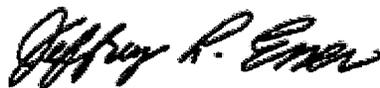
Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Brazos County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012



Executive Director/CEO

BRAZOS COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2013

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
Jarvis Parsons
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

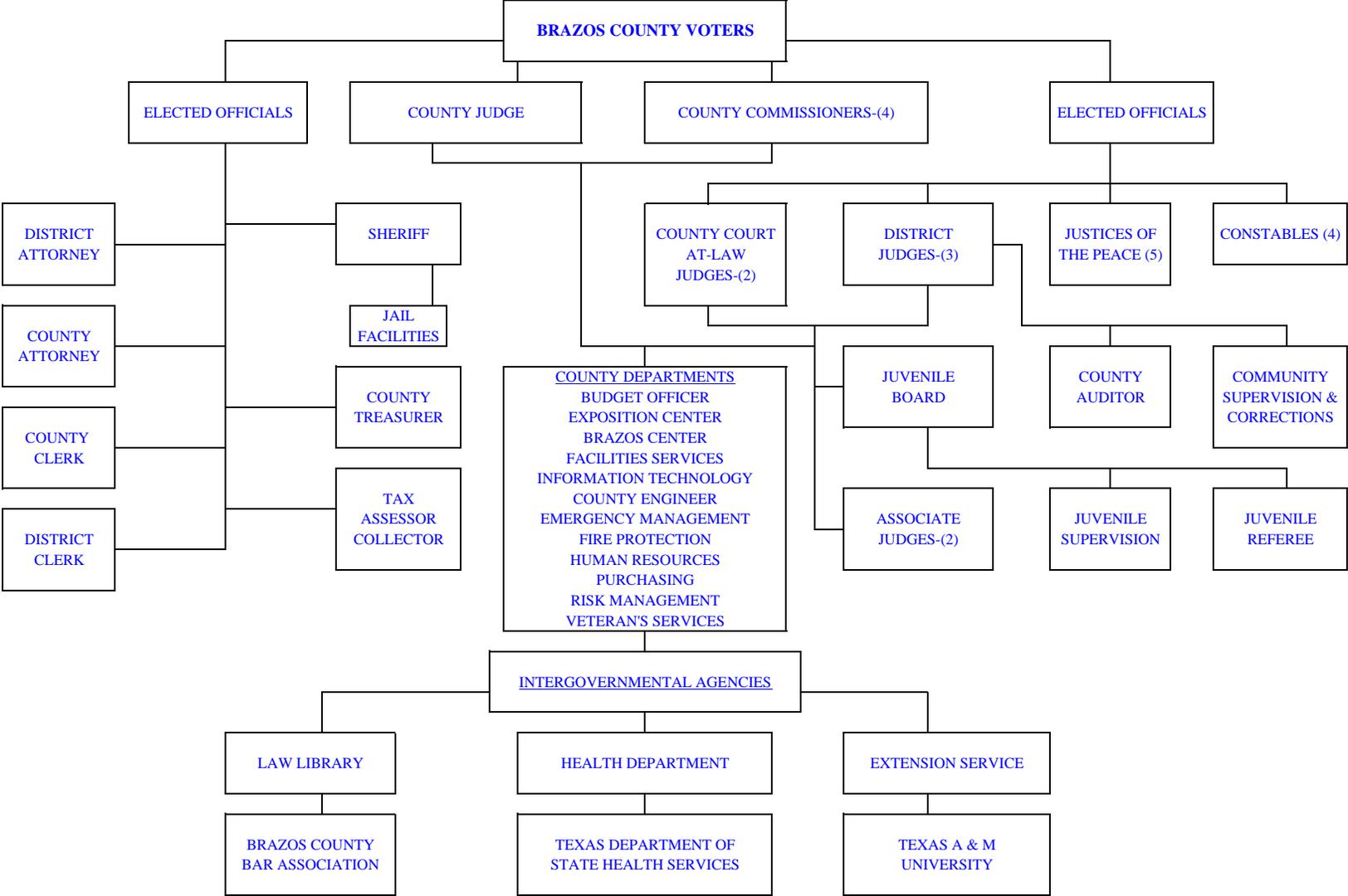
Recording Offices:

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1E to the financial statements, in fiscal year 2013, the County adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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 infrastructure condition data, and budgetary comparison information on pages 16 through 27 and 75 through 93 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Bryan, Texas
March 7, 2014

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

For the Year Ending September 30, 2013

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, 2013. 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 (and deferred outflows of resources) of the County exceeded the liabilities (and deferred inflows of resources) by \$151,908,530 at September 30, 2013, and are reported as the total net position of the primary government. This is comparable to the total net position of \$137,280,447 at September 30, 2012.
- The government-wide total net position increased \$14,628,083 during the fiscal year ending September 30, 2013. The net position from the governmental activities increased \$14,509,468 while the net position from business-type activities increased \$118,615.
- Total net position of the primary government are comprised of the following:

<u>Net Position by Category</u>	<u>September 30, 2013</u>	<u>% to Total</u>	<u>September 30, 2012</u>	<u>% to Total</u>
Net Investment in Capital Assets	\$ 130,282,741	86%	\$ 116,880,026	85%
Restricted	19,544,730	13%	11,759,611	9%
Unrestricted	2,081,059	1%	8,640,810	6%
Total Net Position	<u>\$ 151,908,530</u>	<u>100%</u>	<u>\$ 137,280,447</u>	<u>100%</u>

Fund Financial Statements

- As of September 30, 2013, the County governmental funds reported combined fund balances of \$59,485,023. This reflects an increase of \$13,080,391 from the previous fiscal year, primarily due to the \$9.7 million Certificates of Obligation, Series 2012 issued in October, 2012 and more tax revenue collected for the year. \$31,664,348 or 53% of the combined fund balances at September 30, 2013 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 \$31,664,348 or 46% of the General Fund's total expenditures and 42% of the revenues.
- The total fund balance for the nonmajor governmental funds was \$9,087,862 at September 30, 2013. Of this amount, \$975 is nonspendable (for prepaids), \$3,147,370 is restricted by the legislature, \$374,653 is restricted by bond covenant, and \$5,564,864 is assigned to support various capital improvement projects of the County.

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 Position 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 position presents information on all County assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 30 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, Grant, and CO 2012 funds, 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 42-74 of this report.

Required Supplementary Information is presented concerning the budgetary schedules of the County's General Fund and Grant Fund. The schedules, which include the original and final amended budget and actual figures, have 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 75-93 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 94-143 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as useful indicators of a government's financial position. The total net position of the County was \$151,908,530 for fiscal year 2013 and \$137,280,447 for fiscal year 2012.

Condensed Statement of Net Position September 30, 2013

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Current and other assets	\$ 79,402,032	\$ 503,118	\$ 79,905,150
Capital assets, net	217,157,684	41,774	217,199,458
Total assets	<u>296,559,716</u>	<u>544,892</u>	<u>297,104,608</u>
Deferred outflows of resources	905,415	-	905,415
Total deferred outflows of resources	<u>905,415</u>	<u>-</u>	<u>905,415</u>
Current and other liabilities	13,025,039	26,688	13,051,727
Long-term liabilities	133,049,766	-	133,049,766
Total liabilities	<u>146,074,805</u>	<u>26,688</u>	<u>146,101,493</u>
Net position:			
Net investment in capital assets	130,240,967	41,774	130,282,741
Restricted	19,544,730	-	19,544,730
Unrestricted	1,604,629	476,430	2,081,059
Total net position	<u>\$ 151,390,326</u>	<u>\$ 518,204</u>	<u>\$ 151,908,530</u>

Condensed Statement of Net Position September 30, 2012

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Current and other assets	\$ 62,529,269	\$ 357,768	\$ 62,887,037
Capital assets, net	206,288,117	53,093	206,341,210
Total assets	<u>268,817,386</u>	<u>410,861</u>	<u>269,228,247</u>
Current and other liabilities	11,370,865	11,272	11,382,137
Long-term liabilities	120,565,663	-	120,565,663
Total liabilities	<u>131,936,528</u>	<u>11,272</u>	<u>131,947,800</u>
Net position:			
Net investment in capital assets	116,826,933	53,093	116,880,026
Restricted	11,759,611	-	11,759,611
Unrestricted	8,294,314	346,496	8,640,810
Total net position	<u>\$ 136,880,858</u>	<u>\$ 399,589</u>	<u>\$ 137,280,447</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The largest portion of the County's current fiscal year net position (86%) reflects its investment of \$130,282,741 in capital assets (e.g., land, buildings, equipment, and infrastructure, net of accumulated depreciation), 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.

The restricted net position of \$19,544,730 (13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position, \$2,081,059 (1%) 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 position for its governmental and business-type activities. The same situation held true for the prior fiscal year. The County's net position increased by \$14,628,083 as a result of fiscal year 2013 operations. It is primarily attributable to developer contributions, the increase in property tax collection and reduced spending.

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

Condensed Statement of Activities			
For the Year Ended September 30, 2013			
	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 15,365,681	\$ 695,534	\$ 16,061,215
Operating grants and contributions	2,735,111	-	2,735,111
Capital grants and contributions	7,124,595	-	7,124,595
General revenues:			
Property taxes	57,572,056	-	57,572,056
Sales taxes	13,230,652	-	13,230,652
Motor vehicle taxes	1,409,741	-	1,409,741
Mixed drink taxes	534,150	-	534,150
Hotel occupancy taxes	1,527,027	-	1,527,027
Unrestricted investment earnings	414,701	1,228	415,929
Total revenues	99,913,714	696,762	100,610,476
Expenses:			
General Government	21,362,907	-	21,362,907
Justice System	18,083,021	19,401	18,102,422
Law Enforcement	21,880,880	558,746	22,439,626
Juvenile Services	5,978,536	-	5,978,536
Public Transportation	6,457,965	-	6,457,965
Public Health	1,798,582	-	1,798,582
Human Services	5,523,897	-	5,523,897
Interest and Other Fees	4,318,458	-	4,318,458
Total expenses	85,404,246	578,147	85,982,393
Change in net position	14,509,468	118,615	14,628,083
Net position - beginning, as restated	136,880,858	399,589	137,280,447
Net position - ending	\$ 151,390,326	\$ 518,204	\$ 151,908,530

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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	5,008,271	-	5,008,271
Total expenses	<u>83,166,850</u>	<u>517,277</u>	<u>83,684,127</u>
Change in net position	11,382,245	6,289	11,388,534
Net position - beginning	<u>125,498,613</u>	<u>393,300</u>	<u>125,891,913</u>
Net position - ending	<u>\$ 136,880,858</u>	<u>\$ 399,589</u>	<u>\$ 137,280,447</u>

Revenue Analysis

For fiscal year ended September 30, 2013, revenues for the primary government totaled \$100,610,476. The revenues are categorized by activity type: governmental activities totaled \$99,913,714 and business-type activities totaled \$696,762.

Program revenues are derived from the program itself and thereby reduce the cost of the function to the County. Total program revenues were \$25,920,921 and 26% of total revenues. Of that \$25,225,387 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 \$695,534, which represents primarily commissary sales to the inmates held in County jails. The largest portion of program revenues is charges for services of \$16,061,215 (16% of the total revenues). The other portions of program revenues are operating grants and contributions of \$2,735,111 and \$7,124,595 capital contributions from various federal, state and local agencies, which in total are 10% of the total revenues.

General revenues are revenues that cannot be assigned to a specific function. Property taxes of \$57,572,056 were the largest revenue source for governmental activities and 57% 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 \$17,117,499 or 17% of the total revenues.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Revenue Analysis (Continued)

	Year Ended		Year Ended	
	September 30, 2013		September 30, 2012	
<u>Program Revenues</u>				
Charges for services - governmental	\$ 15,365,681	15.3%	\$ 13,725,899	14.4%
Charges for services - business-type	695,534	0.7%	522,626	0.5%
Operating grants and contributions	2,735,111	2.7%	2,619,178	2.8%
Capital grants and contributions	7,124,595	7.1%	7,400,033	7.8%
<u>General Revenues</u>				
Property taxes	57,572,056	57.2%	55,591,539	58.5%
Sales taxes	13,230,652	13.2%	12,039,620	12.7%
Motor vehicle taxes	1,409,741	1.4%	1,290,727	1.3%
Mixed drink taxes	534,150	0.5%	460,710	0.5%
Hotel occupancy taxes	1,527,027	1.5%	1,172,567	1.2%
Unrestricted investment earnings	415,929	0.4%	249,762	0.3%
Total Revenues	\$ 100,610,476	100.0%	\$ 95,072,661	100.0%

In fiscal year 2013, the County's revenues increased by \$5.5 million, or 5.8 percent as a result of a higher collection in charges for services, property tax, and sales tax. The property tax revenue for fiscal year 2013 increased \$2.0 million from fiscal year 2012 in correlation to the increase in the County's taxable assessed property values. The sales tax increased by \$1.2 million and the collections on charges for services increased by \$1.8 million from the previous year.

Expense Analysis

For the year ended September 30, 2013, the function and program expenses for the primary government were \$85,404,246 for the governmental activities and \$578,147 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:

	Year Ended		Year Ended	
	September 30, 2013		September 30, 2012	
<u>Function</u>				
General Government	\$21,362,907	25.0%	\$ 18,247,125	21.9%
Justice System	18,083,021	21.2%	17,146,680	20.6%
Law Enforcement	21,880,880	25.6%	21,030,239	25.3%
Juvenile Services	5,978,536	7.0%	5,795,413	7.0%
Public Transportation	6,457,965	7.5%	7,955,778	9.6%
Public Health	1,798,582	2.1%	2,124,420	2.6%
Human Services	5,523,897	6.5%	5,858,924	7.0%
Interest and Other Fees	4,318,458	5.1%	5,008,271	6.0%
Total Governmental Activities	\$85,404,246	100.0%	\$ 83,166,850	100.0%
<u>Business-Type Activities</u>				
County Attorney Operating Fund	\$ 19,401	3.4%	\$ 36,515	7.1%
Jail Commissary Fund	558,746	96.6%	480,762	92.9%
Total Business-Type Activities	\$ 578,147	100.0%	\$ 517,277	100.0%

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Expense Analysis (Continued)

In fiscal year 2013, the County's expenses increased \$2.3 million or 2.7 percent from the prior year. The key elements of the increase are as follows:

- Employee salaries and wages increased \$1.2 million due to more positions added, a 2% cost-of-living increase given to all employees, and a 1% merit allowance granted to certain employees.
- Employee benefits increased \$1.6 million due to the salary base increase, contribution rate hike of the County's health and dental insurance and the retirement plan, and the increase in the estimated net OPEB obligation for fiscal year 2013.
- The operating expenses, including supplies and other charges, repairs and maintenance, minor acquisition, contract services, professional services, and community supports, decreased \$0.4 million during the year.
- The depreciation expense of the County's capital assets for fiscal year 2013 decreased \$0.5 million from fiscal year 2012.
- The interest and fees directly related to debt service in fiscal year 2013 decreased \$0.7 million from fiscal year 2012.
- The County also incurred a loss of \$1.4 million in the retirement of the County's capital assets, an increase of \$1.1 million 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, 2013, the County's governmental funds reported combined fund balances of \$59,485,023, an increase of \$13,080,391 or 28% in comparison with the prior year. The change was primarily due to the issuance of \$9.7 million of Certificates of Obligation, Series 2012. Of the combined fund balance, \$1,307,201 (2%) were nonspendable for prepaids and inventory, \$19,544,730 (33%) were restricted to various purposes by external restrictions imposed, \$336,738 (1%) were committed to the Health Endowment Fund, \$6,632,006 (11%) were assigned to the County's capital improvement plans and other programs as directed by the Commissioners' Court, and \$31,664,348 (53%) constitutes unassigned fund balance, which is available to meet the County's current and future needs without any restrictions.

General Fund

The General Fund is the chief operating fund of the County. At September 30, 2013, the General Fund reported a net fund balance of \$34,849,362, an increase of \$5,318,746 from fiscal year 2012 primarily as a result of the fact that the tax revenues were higher than anticipated in fiscal year 2013.

FINANCIAL ANALYSIS OF MAJOR FUNDS (Continued)

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 2013, the fund balance increased \$560,974 or 10.2% from fiscal year 2012 due to the following factors:

- The County collected more property taxes in 2013.
- The County transferred more funds from the Hotel Occupancy Tax Fund in 2013.
- The County issued Limited Tax Refunding Bonds, Series 2012 to refund and defease a portion of the County's outstanding bonded debt.

For fiscal year 2014, the County's debt service requirements for the governmental activities are \$5,360,000 in principal and \$3,857,311 in interest. Additional information is available to the readers in Note 9 (Long-Term Debt) to the Financial Statements.

Grant Fund

Grant Fund is established to account for the revenues and expenditures related to grant activities. The County received a \$2.1 million grant from the City of Bryan and Brazos County Economic Development Foundation, Inc. (the Foundation) in fiscal year 2013 for the construction of a part of Mikulin Road within the industrial site of the Foundation. In addition, the County will receive a \$750,000 grant from the Texas Department of Agriculture for the same purpose in fiscal year 2014. The construction of the road will start in fiscal year 2014 and is expected to be completed in fiscal year 2015.

CO 2012 Fund

CO 2012 Fund is established to account for the expenditures for the County courthouse renovation project and the new tax office building construction. The expenditures are financed through the issuance of \$9,700,000 of Certificates of Obligation, Series 2012.

To take advantage of low interest rates in the bond market, the County issued \$9.7 million of Certificates of Obligation, Series 2012 to support the construction of the new tax building and the courthouse renovation project. The fund balance of the CO 2012 Fund is \$9,464,446 at September 30, 2013.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County adopts an annual budget for the General Fund. Budget amounts represent the original budget for 2013 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 2013:

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Brazos County, Texas FY 2013 General Fund Budget Vs. Actual Amounts - GAAP Basis

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>Revenues and Transfers In</u>			
Taxes	\$ 59,220,000	\$ 59,220,000	\$ 61,583,010
Charges for Services	10,108,150	10,119,714	11,554,891
Intergovernmental	821,300	862,452	1,225,030
Interest	158,700	158,700	190,593
Other	463,750	463,750	608,207
Sale of Capital Assets	60,000	60,000	104,757
Capital Leases	-	666,650	666,650
Transfers In	1,770	15,852	7,980
Total	<u>70,833,670</u>	<u>71,567,118</u>	<u>75,941,118</u>
<u>Expenditures and Transfers Out</u>			
Expenditures	78,367,460	78,795,340	68,212,728
Transfers Out	3,202,136	3,507,704	2,409,644
Total	<u>81,569,596</u>	<u>82,303,044</u>	<u>70,622,372</u>
Net Change in Fund Balance	<u>\$ (10,735,926)</u>	<u>\$ (10,735,926)</u>	<u>\$ 5,318,746</u>

Differences between the original budget and the final amended budget reflected a increase of \$733,448 in available resources and the same amount of increase in appropriations.

Actual revenues and transfers in increased by \$4,374,000 (6.1%) over the final budget mainly due to the better collection rate in taxes and charges for services. Actual expenditures and transfers out were \$11,680,672 (14.2%) 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, 2013 amounted to \$217,199,458 (net of accumulated depreciation) and at September 30, 2012 it was \$206,341,210. Depreciation on capital assets is recognized in the government-wide financial statements. Depreciation provided for the current fiscal period was \$4,640,270 as compared to \$5,146,451 for the year ended September 30, 2012.

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

- The inmate holding area remodeling project was substantially completed in fiscal year 2013. The total cost for the year was \$1.1 million.
- The County continued the new tax building project, the courthouse renovation project, and the development of the judicial software system during fiscal year 2013. The total cost spent on all these projects for the year was \$1.6 million.
- The County's infrastructure and land (right-of-way) increased by about \$10.1 million during the current fiscal year. \$7.1 million of the increase is related to the acceptance of subdivision roads for maintenance.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

- The County spent approximately \$1.8 million and disposed of approximately \$700,000 in machinery and equipment in fiscal year 2013.

The County has elected to use the “Modified Approach” as defined by GASB 34 for reporting infrastructure assets, which include 479 miles of roads and 67 bridges. The County has adopted a minimum condition level of 80% for all County roads. In fiscal year 2013 approximately 90% of the County roads meet the targeted condition level. For the year ended September 30, 2013, the actual amounts of expense incurred for the annual maintenance and preservation of the roads and bridges at the targeted condition level was \$7.5 million and the amount estimated to be necessary for the purpose was \$9.6 million. The \$2.1 million variance was 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.

	Balance	Balance
	September 30, 2013	September 30, 2012
<u>Governmental Activities:</u>		
Land	\$ 5,371,411	\$ 5,378,283
Construction in progress	15,606,752	11,887,079
Infrastructure	69,965,405	63,917,804
Buildings	126,039,036	126,031,536
Improvements other than buildings	6,033,282	6,127,365
Intangible assets - land - right-of-way	15,271,784	11,261,178
Intangible assets - computer software	2,844,411	2,823,066
Machinery and equipment	21,209,693	20,143,511
	<u>262,341,774</u>	<u>247,569,822</u>
Less: Accumulated depreciation	(45,184,090)	(41,281,705)
Governmental activities capital assets, net	<u>\$ 217,157,684</u>	<u>\$ 206,288,117</u>
<u>Business-type activities:</u>		
Machinery and equipment	\$ 86,095	\$ 86,095
	<u>86,095</u>	<u>86,095</u>
Less: Accumulated depreciation	(44,321)	(33,002)
Business-type activities capital assets, net	<u>\$ 41,774</u>	<u>\$ 53,093</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Debt Administration

At September 30, 2013, the County had total long-term debt outstanding of \$94,080,000 as compared to \$90,785,000 in the prior year. The increase of \$3,295,000 (4%) relates to the debt issuance of Certificates of Obligation, Series 2012 and the Limited Tax Refunding Bonds, Series 2012 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. These are shown in the statistical section of this report.

ECONOMIC FACTORS

The Commissioners' Court adopted the fiscal year 2014 budget on September 10, 2013. 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 2014 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 2014. The total resources of the County's General Fund are estimated to be \$81,900,000 including the appropriated fund balance of \$6,100,000.

The property tax rate for fiscal year 2014 is \$0.4875 per \$100 valuation compared to \$0.4850 in fiscal year 2013. 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 POSITION
September 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 61,552,875	\$ 403,344	\$ 61,956,219
Investments	2,350,935	-	2,350,935
Prepaid Expenses	366,056	-	366,056
Receivables, net of allowance for uncollectible amounts of \$13,219,648			
Taxes	4,013,100	-	4,013,100
Accounts and Other	2,558,297	1,943	2,560,240
Inventories	941,145	37,220	978,365
Internal Balances	(60,611)	60,611	-
Restricted Assets			
Cash and Cash Equivalents	5,728,685	-	5,728,685
Receivables, net of allowance for uncollectible amounts of \$91,025			
Taxes	413,016	-	413,016
Accounts and Other	5,253	-	5,253
Joint Venture	1,533,281	-	1,533,281
Capital Assets (net of accumulated depreciation)			
Land	5,371,411	-	5,371,411
Intangible Assets - Land - Right-of-Way	15,271,784	-	15,271,784
Buildings	99,663,712	-	99,663,712
Improvements Other than Buildings	1,786,766	-	1,786,766
Intangible Assets - Computer Software	156,342	-	156,342
Machinery and Equipment	9,335,512	41,774	9,377,286
Infrastructure	69,965,405	-	69,965,405
Construction in Progress	15,606,752	-	15,606,752
TOTAL ASSETS	<u>296,559,716</u>	<u>544,892</u>	<u>297,104,608</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges - Refunding	905,415	-	905,415
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 905,415</u>	<u>\$ -</u>	<u>\$ 905,415</u>

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

BRAZOS COUNTY, TEXAS
STATEMENT OF NET POSITION - Continued
September 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>TOTAL</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 7,328,162	\$ 19,173	\$ 7,347,335
Accrued Salaries and Wages	1,827,202	4,484	1,831,686
Accrued Interest Payable	335,008	-	335,008
Unclaimed Funds	302,849	-	302,849
Unearned Revenue	2,268,804	-	2,268,804
Liabilities for Compensated Absences	963,014	3,031	966,045
Noncurrent Liabilities			
Due within one year	5,464,244	-	5,464,244
Due in more than one year	127,585,522	-	127,585,522
TOTAL LIABILITIES	<u>146,074,805</u>	<u>26,688</u>	<u>146,101,493</u>
NET POSITION			
Net Investment in Capital Assets	130,240,967	41,774	130,282,741
Restricted for:			
Debt Service	6,075,351	-	6,075,351
Capital Projects	9,839,099	-	9,839,099
Legislative	3,630,280	-	3,630,280
Unrestricted	<u>1,604,629</u>	<u>476,430</u>	<u>2,081,059</u>
TOTAL NET POSITION	<u>\$ 151,390,326</u>	<u>\$ 518,204</u>	<u>\$ 151,908,530</u>

BRAZOS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2013

<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	\$ 21,362,907	\$ 4,634,471	\$ 23,269
Justice System	18,083,021	7,024,080	589,818
Law Enforcement	21,880,880	976,397	132,673
Juvenile Services	5,978,536	66,167	1,241,821
Public Transportation	6,457,965	1,373,881	376,007
Public Health	1,798,582	39,853	74,248
Human Services	5,523,897	1,250,832	297,275
Interest and Other Fees	4,318,458	-	-
Total Governmental Activities	85,404,246	15,365,681	2,735,111
Business-Type Activities:			
County Attorney Operating Fund	19,401	21,750	-
Jail Commissary Fund	558,746	673,784	-
Total Business-Type Activities	578,147	695,534	-
Total Government	\$ 85,982,393	\$ 16,061,215	\$ 2,735,111

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 position

Net position - beginning, as restated

Net position - 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 Position</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business - Type</u> <u>Activities</u>	<u>Total</u>
\$ -	\$ (16,705,167)	\$ -	\$ (16,705,167)
-	(10,469,123)	-	(10,469,123)
-	(20,771,810)	-	(20,771,810)
-	(4,670,548)	-	(4,670,548)
7,124,595	2,416,518	-	2,416,518
-	(1,684,481)	-	(1,684,481)
-	(3,975,790)	-	(3,975,790)
-	(4,318,458)	-	(4,318,458)
<u>7,124,595</u>	<u>(60,178,859)</u>	<u>-</u>	<u>(60,178,859)</u>
-	-	2,349	2,349
-	-	115,038	115,038
<u>-</u>	<u>-</u>	<u>117,387</u>	<u>117,387</u>
<u>\$ 7,124,595</u>	<u>(60,178,859)</u>	<u>117,387</u>	<u>(60,061,472)</u>
	57,572,056	-	57,572,056
	13,230,652	-	13,230,652
	1,409,741	-	1,409,741
	534,150	-	534,150
	1,527,027	-	1,527,027
	414,701	1,228	415,929
	<u>74,688,327</u>	<u>1,228</u>	<u>74,689,555</u>
	14,509,468	118,615	14,628,083
	<u>136,880,858</u>	<u>399,589</u>	<u>137,280,447</u>
	<u>\$ 151,390,326</u>	<u>\$ 518,204</u>	<u>\$ 151,908,530</u>

**BRAZOS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2013**

	Major Funds	
	General	Debt Service
ASSETS		
Cash and Cash Equivalents	\$ 36,352,809	\$ 5,728,685
Investments	2,350,935	-
Prepaid Expenditures	358,716	-
Receivables		
Taxes, net	3,778,940	413,016
Officials	238,886	4,118
Interest	8,736	1,135
Accounts, net	1,682,503	-
State	385,017	-
Federal	57,547	-
Due From Other Funds	-	334,914
Inventories	941,145	-
TOTAL ASSETS	\$ 46,155,234	\$ 6,481,868
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 5,787,045	\$ -
Accrued Salaries and Wages	1,751,692	-
Unclaimed Funds	-	-
Due To Other Funds	60,857	-
Unearned Revenues	71,456	-
Total Liabilities	7,671,050	-
Deferred Inflows of Resources		
Unavailable Revenues	3,634,822	406,517
Total Deferred Inflows of Resources	3,634,822	406,517
Fund Balances		
Nonspendable	1,299,861	-
Restricted	481,273	6,075,351
Committed	336,738	-
Assigned	1,067,142	-
Unassigned	31,664,348	-
Total Fund Balances	34,849,362	6,075,351
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 46,155,234	\$ 6,481,868

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

<u>Grant</u>	<u>CO 2012</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,094,886	\$ 9,603,332	\$ 9,955,788	\$ 63,735,500
-	-	-	2,350,935
6,365	-	975	366,056
-	-	234,160	4,426,116
-	-	-	243,004
-	1,977	949	12,797
104	-	2,386	1,684,993
177,143	-	-	562,160
-	-	-	57,547
246	-	-	335,160
-	-	-	941,145
<u>\$ 2,278,744</u>	<u>\$ 9,605,309</u>	<u>\$ 10,194,258</u>	<u>\$ 74,715,413</u>
\$ 34,399	\$ 140,863	\$ 441,757	\$ 6,404,064
48,634	-	26,876	1,827,202
-	-	302,849	302,849
-	-	334,914	395,771
2,187,709	-	-	2,259,165
<u>2,270,742</u>	<u>140,863</u>	<u>1,106,396</u>	<u>11,189,051</u>
-	-	-	4,041,339
-	-	-	4,041,339
6,365	-	975	1,307,201
1,637	9,464,446	3,522,023	19,544,730
-	-	-	336,738
-	-	5,564,864	6,632,006
-	-	-	31,664,348
<u>8,002</u>	<u>9,464,446</u>	<u>9,087,862</u>	<u>59,485,023</u>
<u>\$ 2,278,744</u>	<u>\$ 9,605,309</u>	<u>\$ 10,194,258</u>	<u>\$ 74,715,413</u>

BRAZOS COUNTY, TEXAS
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2013

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

Total fund balances - governmental funds	\$	59,485,023
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		217,157,684
Deferred outflows of resources represent a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.		905,415
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		4,041,339
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 Position but are not included at the fund level.		2,615,371
The County's equity interest in a joint venture is included in the Statement of Net Position but is not included at the fund level.		1,533,281
Liabilities for compensated absences are considered current but are not reported as liabilities in the funds.		(963,014)
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	(94,080,000)	
Issuance premium (to be amortized as interest expense)	(2,971,505)	
Accrued interest payable	(335,008)	
Capital leases	(548,467)	
OPEB obligation	<u>(35,449,793)</u>	
		<u>(133,384,773)</u>
Total net position - governmental activities	\$	<u>151,390,326</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, 2013

	Major Funds	
	General	Debt Service
REVENUES		
Taxes	\$ 61,583,010	\$ 9,217,498
Charges for Services	11,554,891	-
Intergovernmental	1,225,030	-
Interest	190,593	152,330
Other Revenue	608,207	-
TOTAL REVENUES	75,161,731	9,369,828
EXPENDITURES		
Current		
General Government	14,814,819	-
Justice System	16,008,144	-
Law Enforcement	17,087,207	-
Juvenile Services	4,100,058	-
Public Transportation	7,520,740	-
Public Health	1,784,239	-
Human Services	3,293,082	-
Capital Outlay	3,486,256	-
Debt Service		
Principal Retirement	118,183	6,320,000
Interest and Other Fees	-	4,298,248
TOTAL EXPENDITURES	68,212,728	10,618,248
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,949,003	(1,248,420)
OTHER FINANCING SOURCES (USES)		
Transfers In	7,980	1,180,502
Transfers Out	(2,409,644)	-
Premium on Debt Issuance	-	1,796,980
Debt Issuance - Refunding Bonds	-	14,640,000
Payments to Refunded Bond Escrow Agent	-	(15,808,088)
Capital Leases	666,650	-
Sale of Capital Assets	104,757	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,630,257)	1,809,394
Net Change in Fund Balances	5,318,746	560,974
FUND BALANCES, OCTOBER 1	29,530,616	5,514,377
FUND BALANCES, SEPTEMBER 30	\$ 34,849,362	\$ 6,075,351

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

Major Funds (Continued)		Other	Total
Grant	CO 2012	Governmental	Governmental
		Funds	Funds
\$ -	\$ -	\$ 1,556,213	\$ 72,356,721
4,763	-	833,035	12,392,689
1,456,887	-	53,198	2,735,115
-	39,195	20,771	402,889
36,633	-	98,410	743,250
<u>1,498,283</u>	<u>39,195</u>	<u>2,561,627</u>	<u>88,630,664</u>
-	-	678,396	15,493,215
-	-	521,545	16,529,689
181,691	-	404,059	17,672,957
1,030,469	-	20,839	5,151,366
382,712	-	-	7,903,452
-	-	-	1,784,239
38,553	-	688,750	4,020,385
-	575,437	3,597,833	7,659,526
-	-	-	6,438,183
-	116,859	-	4,415,107
<u>1,633,425</u>	<u>692,296</u>	<u>5,911,422</u>	<u>87,068,119</u>
(135,142)	(653,101)	(3,349,795)	1,562,545
137,579	-	2,007,819	3,333,880
-	-	(924,236)	(3,333,880)
-	417,547	-	2,214,527
-	9,700,000	-	24,340,000
-	-	-	(15,808,088)
-	-	-	666,650
-	-	-	104,757
<u>137,579</u>	<u>10,117,547</u>	<u>1,083,583</u>	<u>11,517,846</u>
2,437	9,464,446	(2,266,212)	13,080,391
5,565	-	11,354,074	46,404,632
<u>\$ 8,002</u>	<u>\$ 9,464,446</u>	<u>\$ 9,087,862</u>	<u>\$ 59,485,023</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, 2013

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

Net change in fund balances - total governmental funds **\$** **13,080,391**

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.

Capital outlay	7,659,526	
Depreciation expense	(4,628,951)	
		3,030,575

Revenues and contributed assets in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 587,775

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to affect net position. 7,838,990

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. 737,496

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. (83,917)

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. (6,634,252)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments. (4,878,256)

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. 830,666

Change in net position of governmental activities **\$** **14,509,468**

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

BRAZOS COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2013

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney Operating	Jail Commissary	Totals	Internal Service Fund
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 49,168	\$ 354,176	\$ 403,344	\$ 3,546,060
Accounts Receivable	-	1,943	1,943	3,049
Inventories	-	37,220	37,220	-
Due from Other Funds	477	60,380	60,857	-
Total Current Assets	49,645	453,719	503,364	3,549,109
Noncurrent Assets				
Property, Plant and Equipment	-	86,095	86,095	-
Less: Accumulated Depreciation	-	(44,321)	(44,321)	-
Total Noncurrent Assets	-	41,774	41,774	-
TOTAL ASSETS	49,645	495,493	545,138	3,549,109
LIABILITIES				
Current Liabilities				
Accounts Payable	-	19,173	19,173	924,099
Accrued Salaries and Wages	741	3,743	4,484	-
Compensated Absences	-	3,031	3,031	-
Unearned Revenues	-	-	-	9,639
Due to Other Funds	246	-	246	-
Total Current Liabilities	987	25,947	26,934	933,738
TOTAL LIABILITIES	987	25,947	26,934	933,738
NET POSITION				
Net Investment in Capital Assets	-	41,774	41,774	-
Unrestricted	48,658	427,772	476,430	2,615,371
TOTAL NET POSITION	\$ 48,658	\$ 469,546	\$ 518,204	\$ 2,615,371

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 POSITION
PROPRIETARY FUNDS
For The Year Ended September 30, 2013

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney Operating	Jail Commissary	Totals	Internal Service Fund
OPERATING REVENUES				
Charges for Services	\$ 21,750	\$ -	\$ 21,750	\$ -
Commissary Sales	-	673,510	673,510	-
Employee Dependents	-	-	-	1,739,871
Self Pays	-	-	-	17,481
Excess Risk Benefits	-	-	-	841,267
Participant Payments	-	-	-	415,137
Brazos County	-	-	-	6,668,325
Retirees	-	-	-	249,048
Other Revenue	-	274	274	-
TOTAL OPERATING REVENUES	21,750	673,784	695,534	9,931,129
OPERATING EXPENSES				
Personnel Services	17,201	100,514	117,715	-
Departmental Support	2,200	77,722	79,922	-
Cost of Goods Sold	-	327,217	327,217	-
Repairs and Maintenance	-	517	517	-
Life Insurance	-	-	-	26,381
Stop Loss Premiums	-	-	-	1,133,634
Benefit Claims	-	-	-	7,450,801
Administrative Fees	-	-	-	461,955
Professional Services	-	41,457	41,457	39,501
Depreciation	-	11,319	11,319	-
TOTAL OPERATING EXPENSES	19,401	558,746	578,147	9,112,272
OPERATING INCOME	2,349	115,038	117,387	818,857
NONOPERATING REVENUES				
Interest	-	1,228	1,228	11,809
TOTAL NONOPERATING REVENUES	-	1,228	1,228	11,809
CHANGE IN NET POSITION	2,349	116,266	118,615	830,666
TOTAL NET POSITION - OCTOBER 1	46,309	353,280	399,589	1,784,705
TOTAL NET POSITION - SEPTEMBER 30	\$ 48,658	\$ 469,546	\$ 518,204	\$ 2,615,371

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, 2013

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney Operating	Jail Commissary	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 22,216	\$ 655,081	\$ 677,297	\$ 2,423,553
Receipts from interfund services provided	-	-	-	6,668,325
Payments to contractors and vendors	(2,200)	(438,056)	(440,256)	(1,645,698)
Claims paid	-	-	-	(6,037,138)
Payments to employees for services	(17,439)	(99,114)	(116,553)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,577</u>	<u>117,911</u>	<u>120,488</u>	<u>1,409,042</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	1,238	1,238	11,856
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>-</u>	<u>1,238</u>	<u>1,238</u>	<u>11,856</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,577	119,149	121,726	1,420,898
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>46,591</u>	<u>235,027</u>	<u>281,618</u>	<u>2,125,162</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>\$ 49,168</u>	<u>\$ 354,176</u>	<u>\$ 403,344</u>	<u>\$ 3,546,060</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 2,349	\$ 115,038	\$ 117,387	\$ 818,857
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	-	11,319	11,319	-
Change in accounts receivable	-	(1,864)	(1,864)	559,698
Change in due from other funds	466	(16,839)	(16,373)	-
Change in inventory	-	(5,641)	(5,641)	-
Change in accounts payable	-	14,498	14,498	27,010
Change in due to other funds	246	-	246	-
Change in accrued salaries and compensated absences	(484)	1,400	916	-
Change in unearned revenues	-	-	-	3,477
Total adjustments	<u>228</u>	<u>2,873</u>	<u>3,101</u>	<u>590,185</u>
Net cash provided by operating activities	<u>\$ 2,577</u>	<u>\$ 117,911</u>	<u>\$ 120,488</u>	<u>\$ 1,409,042</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, 2013

ASSETS

Cash and Cash Equivalents	\$	3,810,130
Investments		1,339,610

TOTAL ASSETS

\$	<u>5,149,740</u>
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LIABILITIES

Accounts Payable	\$	30
Funds Held for Others		5,149,710

TOTAL LIABILITIES

\$	<u>5,149,740</u>
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The accompanying notes to the financial statements are an integral part of this statement.

BRAZOS COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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 has funded the Fair \$340,000 from fiscal year 2011 to fiscal year 2013. The budgeted funding for fiscal year 2014 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 annual fairs 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. In fiscal year 2013, the Fair donated \$89,410 to the County to fund a rock parking lot at the Expo Center.

C. Government-Wide Financial Statements

Government-wide financial statements consist of the Statement of Net Position 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. If accrued revenue is not yet available, the related receivable is matched by a deferred inflow of resources for unavailable revenue and revenue recognition occurs only when the revenue eventually does become available. 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 position.

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements (Continued)

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

Governmental Funds

Governmental funds are used to account for all or most of a government's general activity. The County has reported four major funds under this category for the year ended September 30, 2013:

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.

Grant Fund – Grant Fund is established to account for the revenues and expenditures related to grant activities.

CO 2012 Fund – CO 2012 Fund was established to account for the expenditures of the County courthouse renovation project and the new tax office building construction. The expenditures are financed through the issuance of \$9,700,000 of Certificates of Obligation, Series 2012.

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.

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

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. During 2013, the County used the remaining funds for a rock parking lot at the Expo Center.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements (Continued)

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.

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. Implementation of New Standards

In fiscal year 2013, the County evaluated and implemented the following new standards:

GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements", codifies into GASB accounting and financial reporting standards, the "legacy" standards from the private-section. The County follows GASB Statement No. 62 on proprietary fund accounting.

GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", established standards for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and also requires related disclosures. The County has identified and reported those financial statement elements following the implementation of GASB 63 in fiscal year 2013.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Implementation of New Standards (Continued)

GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities”, specifies the items that were previously reported as assets and liabilities that should now be reported as deferred outflows of resources, deferred inflows of resources, outflows of resources, or inflows of resources. According to GASB 65, certain debt issuance costs should be recognized as an expense in the period incurred rather than recorded as a deferred charge and amortized over the life of the debt. As a result, the beginning net position of the County at October 1, 2012 has been restated:

	Governmental Activities
Net Position - Beginning	\$ 137,908,931
Adjustment	(1,028,073)
Net Position - Beginning, as Restated	<u>\$ 136,880,858</u>

GASB Statement No. 66, “Technical Corrections – 2012 - an amendment of GASB Statements No. 10 and No. 62”, resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. Implementation of GASB 66 did not have a significant impact on the County’s financial statements for the year ended September 30, 2013.

F. 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).

G. 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, 2013. Accordingly, there are no current taxes receivable reported. On July 1, unpaid taxes are subject to additional penalties and collection expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property Taxes (Continued)

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 unavailable revenue. For the year ended September 30, 2013, the tax rate to finance general governmental services was \$0.4071 per \$100.00 valuation. The tax rate for the payment of principal and interest on long-term debt was \$0.0779 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.

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 City of Kurten, the City of Navasota, the Bryan Independent School District, the College Station Independent School District, the Navasota Independent School District, Brazos County Education District, and Brazos County Emergency Services Districts 1, 2, 3, and 4. These transactions are recorded in an agency account.

H. 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.

I. Inventories and Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2013 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.

J. Restricted Assets

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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.

L. 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
Intangible assets – computer software	8 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Deferred Inflows/Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County's unavailable revenues which arise only under the modified accrual basis of accounting qualify for reporting in this category in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and court-assessed fines and costs.

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.

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. Bonds payable are reported net of the applicable bond premium or discount. On new bond issues, bond premiums and discounts are amortized on a straight-line basis over the life of the bonds. On refunding bond issues, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense on a straight-line basis over the remaining life of the old debt or the life of the new debt, whichever is shorter.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balances and Net Position

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.

Under GASB 54, fund balances are required to be reported according to the following classifications in descending order, from most constraining to least constraining:

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, long-term receivables, the principal of an endowment or a revolving loan fund, etc.

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).

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 Commissioners' Court or its designated officials to assign the amount to be used. The County Budget Officer has the authority to assign fund balance for particular purposes. Assignments made by the County Budget Officer can occur during the budget process or throughout the year in the normal course of business. Commissioners' Court, at their discretion, may make assignments of fund balance or direct other County officials to do so. 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 a result of overspending for specific purposes for which amount had been restricted, committed or assigned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balances and Net Position (Continued)

For the classification of fund balance in the governmental funds, the County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. 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.

Net Position Classifications

The government-wide and business-type activities financial statements utilize a net position presentation. Net position represents the difference between all other elements in a statement of financial position and should be displayed by its components: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, adjusted by the capital-related deferred outflows of resources and deferred inflows of resources, and reduced by outstanding balances for bonds and other debt that is attributed to the acquisition, construction, or improvement of those assets.

Restricted - The restricted net position represents the difference between (1) non-capital assets whose use is restricted and (2) related liabilities and deferred inflows of resources. The use of noncapital assets is considered to be restricted only if the limitation is externally enforceable. Externally enforceable limitations result from constraints imposed by:

- Parties outside the government (grantors, donors, other governments);
- Constitutional provisions; or
- Enabling legislation (legislation that raises resources from external parties subject to a legally enforceable requirement that those resources “be used only for the specific purpose stipulated in the legislation”).

The amount that represents the County's net position restricted by enabling legislation was \$3,630,280 as reported in the Statement of Net Position.

Unrestricted - Any portion of net position not already classified as either net investment in capital assets or restricted is automatically classified as unrestricted.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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.

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 25 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 that 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 forecasted 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 the General Fund, which is appropriated at the classification level. Administrative control is maintained through the establishment of more detailed line-item budgets.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Policy and Procedures (Continued)

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:

	Original Budgeted Expenditures and Other Financing Uses	Supplemental Appropriations	Original As Amended
General Fund	\$ 81,569,596	\$ 733,448	\$ 82,303,044
Special Revenue	5,391,153	2,770,403	8,161,556
Debt Service	11,221,582	16,815,323	28,036,905
Capital Projects	19,265,471	490,408	19,755,879
Totals	<u>\$ 117,447,802</u>	<u>\$ 20,809,582</u>	<u>\$ 138,257,384</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 at 110 percent of County funds in excess of the FDIC coverage of \$250,000. At September 30, 2013, the carrying amounts of the County’s deposits were \$67,684,904, reported as “Cash and Cash Equivalents” on the balance sheet of the governmental funds and the statement of net position of the proprietary funds. The collateralized market value of the County’s deposits at September 30, 2013 was \$77,808,788. The County had \$70,735,207 on deposit with Citibank at September 30, 2013.

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, 2013, 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.

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

B. Investments (Continued)

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, 2013 are as follows:

Pooled Investments	\$ 2,350,935
Property	<u>1,339,610</u>
Total Investments	<u>\$ 3,690,545</u>

The \$2,350,935 pooled investments are reflected as investments on the balance sheet/statement of net position. The pooled investment represents its fair value, which is the same as the value of the pool shares.

The \$1,339,610 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

Below is the detail of receivables for the major and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible amounts:

	<u>General</u>	<u>Debt Service</u>	<u>Grant</u>	<u>CO 2012</u>	<u>Nonmajor</u>	<u>Total</u>
Property Taxes	\$ 1,927,174	\$ 352,726	\$ -	\$ -	\$ -	\$ 2,279,900
Property Tax Penalties & Interest	1,157,637	151,315	-	-	-	1,308,952
Hotel & Motel Taxes	-	-	-	-	234,160	234,160
Sales Taxes	1,227,679	-	-	-	-	1,227,679
Officials	238,886	4,118	-	-	-	243,004
Interest	8,736	1,135	-	1,977	949	12,797
Court Fines	14,218,261	-	-	-	-	14,218,261
Accounts	150,340	-	104	-	2,386	152,830
State	385,017	-	177,143	-	-	562,160
Federal	<u>57,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,547</u>
Gross Receivables	19,371,277	509,294	177,247	1,977	237,495	20,297,290
Less: Allowance for Uncollectibles	<u>(13,219,648)</u>	<u>(91,025)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,310,673)</u>
Net Receivables	<u>\$ 6,151,629</u>	<u>\$ 418,269</u>	<u>\$ 177,247</u>	<u>\$ 1,977</u>	<u>\$ 237,495</u>	<u>\$ 6,986,617</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, 2013:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 60,857	\$ -
Debt Service Fund	-	334,914
Grant Fund	-	246
Nonmajor Governmental Funds	334,914	-
County Attorney Enterprise Fund	246	477
Jail Commissary Enterprise Fund	-	60,380
Total	<u>\$ 396,017</u>	<u>\$ 396,017</u>

The summary of the County’s transfers for the year ended September 30, 2013 is as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Grant Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<u>Transfer Out:</u>					
General Fund	\$ -	\$ 264,246	\$ 137,579	\$ 2,007,819	\$ 2,409,644
Nonmajor Governmental Funds	7,980	916,256	-	-	924,236
	<u>\$ 7,980</u>	<u>\$ 1,180,502</u>	<u>\$ 137,579</u>	<u>\$ 2,007,819</u>	<u>\$ 3,333,880</u>

The General Fund transferred out \$1,728,202 to the Capital Improvement Fund, \$137,579 to Grant Fund, and \$279,617 to other nonmajor governmental funds for anticipated expenditures in various capital improvements, grant matching and other requirements. It also transferred \$264,246 to the Debt Service Fund for the anticipated debt principal and interest payments for the Expo Center Expansion project. In addition, \$916,256 was transferred from the Hotel & Occupancy Tax Fund to the Debt Service Fund for the same purpose. The nonmajor funds transferred \$7,980 to the General Fund for various purposes.

NOTE 6 – CAPITAL ASSETS

Depreciation expense for fiscal year 2013 was charged to functions as follows:

Governmental Activities:	
General Government	\$ 406,596
Justice System	316,622
Law Enforcement	2,172,036
Juvenile Services	203,992
Public Transportation	312,045
Public Health	14,342
Human Services	1,203,318
Total depreciation expense - governmental activities	<u>\$ 4,628,951</u>

NOTE 6 – CAPITAL ASSETS (Continued)

Capital Asset activity for the year ended September 30, 2013 was as follows:

	Balance at September 30, 2012	Additions	Deletions & Adjustments	Balance at September 30, 2013
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,378,283	\$ 788	\$ (7,660)	\$ 5,371,411
Construction in progress	11,887,079	4,948,856	(1,229,183)	15,606,752
Infrastructure	63,917,804	5,393,049	654,552	69,965,405
Intangible assets - land - right-of-way	11,261,178	4,642,154	(631,548)	15,271,784
Total capital assets, not being depreciated	92,444,344	14,984,847	(1,213,839)	106,215,352
Capital assets, being depreciated:				
Buildings	126,031,536	7,500	-	126,039,036
Improvements other than buildings	6,127,365	-	(94,083)	6,033,282
Machinery and equipment	20,143,511	1,806,372	(740,190)	21,209,693
Intangible assets - computer software	2,823,066	21,345	-	2,844,411
Total capital assets, being depreciated	155,125,478	1,835,217	(834,273)	156,126,422
Less accumulated depreciation for:				
Buildings	(23,224,732)	(3,150,592)	-	(26,375,324)
Improvements other than buildings	(4,179,899)	(160,700)	94,083	(4,246,516)
Machinery and equipment	(11,218,258)	(1,288,405)	632,483	(11,874,180)
Intangible assets - computer software	(2,658,816)	(29,254)	-	(2,688,070)
Total accumulated depreciation	(41,281,705)	(4,628,951)	726,566	(45,184,090)
Total capital assets, being depreciated, net	113,843,773	(2,793,734)	(107,707)	110,942,332
Governmental activities capital assets, net	\$ 206,288,117	\$ 12,191,113	\$ (1,321,546)	\$ 217,157,684
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 86,095	\$ -	\$ -	\$ 86,095
Total capital assets, being depreciated	86,095	-	-	86,095
Less accumulated depreciation for:				
Machinery and equipment	(33,002)	(11,319)	-	(44,321)
Total accumulated depreciation	(33,002)	(11,319)	-	(44,321)
Total capital assets, being depreciated, net	53,093	(11,319)	-	41,774
Business-type activities capital assets, net	\$ 53,093	\$ (11,319)	\$ -	\$ 41,774

NOTE 7 – LEASES

A. 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 \$196,414. At September 30, 2013, 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 annually. The current lease was renewed on May 28, 2013. 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 has entered into forty-two 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 \$128,296 in 2013. 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 2013. The future minimum lease payments for these leases are as follows:

<u>Year Ended September 30.</u>	<u>Amount</u>
2014	\$ 78,368
2015	57,999
2016	18,244
2017	4,316
Total	<u>\$ 158,927</u>

B. Capital Leases

During fiscal year 2013, the County entered into three capital lease agreements for the acquisition of heavy equipment. The amounts capitalized total \$666,650. Principal payments during the fiscal year totaled \$118,183. Depreciation expense of \$31,542 was recorded for the year on the equipment. The following is a summary of capital lease activity and outstanding balances at September 30, 2013:

<u>Governmental Activities:</u>	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Outstanding</u> <u>September 30, 2013</u>	<u>Due Within</u> <u>One Year</u>
Capital Leases	\$ -	\$ 666,650	\$ 118,183	\$ 548,467	\$ 104,244

Payments, including interest at an average rate of 2.6% per annum are due as follows:

<u>Year Ended September 30.</u>	<u>Amount</u>
2014	\$ 118,183
2015	118,183
2016	181,780
2017	58,927
2018	112,000
Total future lease payments	<u>589,073</u>
Less: Interest	<u>(40,606)</u>
	<u>\$ 548,467</u>

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. The general fund, grant fund and some special revenue funds have been used in prior years to liquidate the liability for compensated absences.

Changes in compensated absences for the year ended September 30, 2013, were as follows:

	Balance Outstanding October 1, 2012	Earned	Taken/ Paid	Balance Outstanding September 30, 2013
Governmental Activities	\$ 879,097	\$ 1,912,498	\$ (1,828,581)	\$ 963,014
Business-type Activities	2,373	2,634	(1,976)	3,031
Total	<u>\$ 881,470</u>	<u>\$ 1,915,132</u>	<u>\$ (1,830,557)</u>	<u>\$ 966,045</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, 2013:

Description	Original Amount	Interest Rates (%)	Year of Issue	Year of Maturity	Outstanding at 9/30/13
<u>Certificates of Obligation</u>					
Series 2002 - Various	\$ 2,995,000	2.8 - 3.85	2002	2013	\$ -
Series 2003 - Various	10,000,000	2.5 - 4.55	2003	2023	-
Series 2004 - Various	5,000,000	2.6 - 4.55	2004	2024	250,000.00
Series 2005 - Various	2,750,000	3.25 - 3.75	2005	2015	625,000.00
Series 2009 - Expo Expansion	12,000,000	3.0 - 4.5	2009	2034	10,565,000.00
Series 2012 - Various	9,700,000	2.0 - 5.0	2012	2032	9,525,000
<u>Limited Tax Refunding Bonds</u>					
Series 2005 - Debt Refunding	6,005,000	4.0	2005	2016	2,165,000
Series 2009 - Debt Refunding	7,365,000	3.0 - 4.0	2009	2021	4,470,000
Series 2012 - Debt Refunding	14,640,000	2.0 - 5.0	2012	2025	14,365,000
<u>Limited Tax Bond</u>					
Series 2008 - Jail Expansion	55,000,000	3.25 - 5.0	2008	2028	49,895,000
<u>General Obligation Bonds</u>					
Series 2001 - Exposition Center	8,000,000	4.3 - 6.5	2001	2021	-
Series 2005 - Exposition Center	10,500,000	4.0 - 6.0	2005	2025	2,220,000
Total Certificates of Obligation and Bonds Payable					<u>\$ 94,080,000</u>

NOTE 9 – LONG-TERM DEBT (Continued)

A. Bonded Debt (Continued)

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.

Activity for long-term debt of the County for the year ended September 30, 2013 was as follows:

Description	Balance Outstanding 10/1/2012	Issued During Year	Retired During Year	Balance Outstanding 9/30/2013	Amount Due Within One Year
<u>Certificates of Obligation</u>					
Series 2002 - Various	\$ 195,000	\$ -	\$ 195,000	\$ -	\$ -
Series 2003 - Various	6,365,000	-	6,365,000	-	-
Series 2004 - Various	3,735,000	-	3,485,000	250,000.00	250,000.00
Series 2005 - Various	920,000	-	295,000	625,000.00	305,000.00
Series 2009 - Expo Expansion	10,940,000	-	375,000	10,565,000.00	400,000.00
Series 2012 - Various	-	9,700,000.00	175,000	9,525,000.00	175,000.00
<u>Limited Tax Refunding Bonds</u>					
Series 2005 - Debt Refunding	2,820,000	-	655,000	2,165,000.00	690,000.00
Series 2009 - Debt Refunding	4,845,000	-	375,000	4,470,000.00	480,000.00
Series 2012 - Debt Refunding	-	14,640,000.00	275,000	14,365,000.00	135,000.00
<u>Limited Tax Bond</u>					
Series 2008 - Jail Expansion	52,195,000	-	2,300,000	49,895,000.00	2,400,000.00
<u>General Obligation Bonds</u>					
Series 2001 - Exposition Center	455,000	-	455,000	-	-
Series 2005 - Exposition Center	8,315,000	-	6,095,000	2,220,000.00	525,000.00
Total Certificates of Obligation and Bonds Payable	<u>\$ 90,785,000</u>	<u>\$ 24,340,000</u>	<u>\$ 21,045,000</u>	<u>\$ 94,080,000</u>	<u>\$ 5,360,000</u>

NOTE 9 – LONG-TERM DEBT (Continued)

A. Bonded Debt (Continued)

Annual debt service requirements as of September 30, 2013 are as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 5,360,000	\$ 3,857,311	\$ 9,217,311
2015	5,730,000	3,667,774	9,397,774
2016	6,115,000	3,457,974	9,572,974
2017	5,575,000	3,250,199	8,825,199
2018	5,795,000	3,033,549	8,828,549
2019-2023	31,515,000	11,398,633	42,913,633
2024-2028	27,710,000	4,779,915	32,489,915
2029-2033	5,660,000	769,476	6,429,476
2034	620,000	27,900	647,900
Totals	<u>\$94,080,000</u>	<u>\$ 34,242,731</u>	<u>\$128,322,731</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 2013.

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*, GASB Statement No. 39 and GASB Statement No. 61. 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).

NOTE 10 – INVESTMENT IN JOINT VENTURE (Continued)

Besides the entity’s investment in the Foundation, each entity also reports a 50% ownership in the residual net position of the Foundation. The County reports \$1,533,281 as its share of the Foundation’s net position for fiscal year 2013.

The Foundation’s statement of net position and statement of activities for fiscal year 2013 are presented as follows:

**CITY OF BRYAN AND BRAZOS COUNTY
ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013
(UNAUDITED)**

Assets			
Cash and cash equivalents		\$	455,163
Cash and cash equivalents - restricted			1,973,647
Other assets			18,301
Capital assets			
Land			2,792,579
Total Assets			<u>5,239,690</u>
Liabilities			
Accounts payable and accrued expenses			764,017
Noncurrent liabilities			
Due within one year			84,563
Due in more than one year			1,438,713
Total Liabilities			<u>2,287,293</u>
Net Position			
Net investment in capital assets			1,269,303
Restricted for contractual requirements			1,973,647
Unrestricted			(290,553)
Total Net Position		<u>\$</u>	<u>2,952,397</u>

**CITY OF BRYAN AND BRAZOS COUNTY
ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2013
(UNAUDITED)**

<u>Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenue and Changes in Net Position</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Governmental Activities</u>
Governmental activities					
General government and administration	\$ 2,955,569	\$ -	\$ 831,009	\$ -	\$ (2,124,560)
Total primary government	<u>\$ 2,955,569</u>	<u>\$ -</u>	<u>\$ 831,009</u>	<u>\$ -</u>	<u>(2,124,560)</u>
General Revenues					
Investment earnings					447
Gain on disposition of capital assets					3,573,256
Total general revenues					<u>3,573,703</u>
Change in net position					1,449,143
Net position - beginning of year					1,503,254
Net position - end of year					<u>\$ 2,952,397</u>

NOTE 10 – INVESTMENT IN JOINT VENTURE (Continued)

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.

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 \$75,000. The County experienced claims of \$5,592,350, and \$7,443,491 for fiscal year 2013 and 2012 respectively. At September 30, 2013, the County had accrued \$781,606 for anticipated claims that had not been filed at year-end. This amount is classified as a current liability in the Statement of Net Position of the Internal Service Fund and is due within one year of September 30, 2013.

Change in the balance of unpaid liability during fiscal years 2012 and 2013 were as follows:

	Beginning of Fiscal Year <u>Liability</u>	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>
2012	\$ 692,824	\$ 7,443,491	\$ (7,365,946)	\$ 770,369	\$ 770,369
2013	770,369	5,592,350	(5,581,113)	781,606	781,606

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.

NOTE 11 – RISK MANAGEMENT (Continued)

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, 2013, 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.

NOTE 12 - RETIREMENT PLAN (Continued)

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% from October 1, 2012 to December 31, 2012 and 13.05% from January 1, 2013 to September 30, 2013. For 2014, the employer's rate is anticipated to be increased to 14.00%. The employee's member contribution rate remained at 7.00% for 2013.

C. Annual Pension Cost

The general fund has been used in prior years to liquidate the net pension obligation for the County. For the County's fiscal year ending September 30, 2013, the County's annual pension cost for the TCDRS plan for its employees was \$5,005,459. The County's annual required contributions were \$4,005,459 and the County's actual contributions were \$5,005,459. The County made an additional optional contribution of \$1,000,000 to decrease the County's unfunded liability and thus reduce the required contribution rate of the County in future years. The County's annual pension cost for the fiscal year ended September 30, 2012 was \$3,623,218.

The annual required contribution for 2013 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, 2010, and December 31, 2011, which is the basis for determining the contribution rate for calendar year 2012 and 2013 respectively. The December 31, 2012 actuarial valuation is the most recent valuation.

	<u>12/31/10</u>	<u>12/31/11</u>	<u>12/31/12</u>
Actuarial valuation date	Entry Age	Entry Age	Entry Age
Actuarial cost method	Level percentage	Level percentage	Level percentage
Amortization method	of payroll, closed	of payroll, closed	of payroll, closed
Remaining amortization period	20.0 years	17.2 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%

NOTE 12 - RETIREMENT PLAN (Continued)

C. Annual Pension Cost (Continued)

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
09/30/11	\$ 3,547,595	100%	None
09/30/12	\$ 3,623,218	100%	None
09/30/13	\$ 5,005,459	100%	None

Schedule of Funding

Actuarial Valuation Date	12/31/12
Actuarial Value of Assets	\$102,131,870
Actuarial Accrued Liability (AAL)	\$126,193,283
Unfunded Actuarial Accrued Liability (UAAL)	\$24,061,413
Funded Ratio	80.93%
Annual Covered Payroll (Actuarial)	\$33,042,909
UAAL as Percentage of Covered Payroll	72.82%

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. The County uses the Health and Life Insurance Internal Service fund to liquidate the benefit obligation for COBRA participants. At September 30, 2013, the County had been fully reimbursed for costs related to COBRA participants.

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

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 uses the Health and Life Insurance Internal Service fund to liquidate the post-retirement benefit obligation. 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 an 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.

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, 2013 were as follows:

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

B. Post-Retirement Benefits (Continued)

Annual Required Contribution	\$ 7,226,899
Add interest on Net OPEB Obligation	1,287,185
Less adjustment to Annual Required Contribution	<u>(1,192,563)</u>
Annual OPEB Cost	7,321,521
Less Contributions made	<u>(687,269)</u>
Change in Net OPEB Obligation	6,634,252
Net OPEB Obligation beginning of the year	<u>28,815,541</u>
Net OPEB Obligation end of the year	<u><u>\$ 35,449,793</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, 2013 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
9/30/2011	\$ 7,963,703	\$ 814,361	10.2%	\$ 22,398,730
9/30/2012	\$ 7,090,501	\$ 673,690	9.5%	\$ 28,815,541
9/30/2013	\$ 7,321,521	\$ 687,269	9.4%	\$ 35,449,793

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 \$687,269 toward it for the year ended September 30, 2013.

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 \$19,647,779 for various contracts in connection with the construction and renovation of County facilities, buildings and the rehabilitation of County roads for fiscal year 2014. The County allocated \$0.3 million to the Jail Inmate Holding Renovation project by using the funding left in the Jail Expansion Fund. The project started in 2011 and was substantially completed in 2013. \$0.8 million is allocated to the construction of the new fleet maintenance building for the routine vehicle maintenance of the County-owned vehicles. \$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 \$2.8 million is allocated to the project in fiscal year 2014. \$0.3 million is to be used to purchase land for a new citizen collection site. \$6.0 million is allocated to the rehabilitation of the County roads.

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

B. Tax Increment Financing Zones (TIFZ's)

As of September 30, 2013, 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.

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 2013 (for the tax year ended 12/31/12), the County reimbursed \$604,102 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, 2013 the County had established abatement agreements with the following property owners.

<u>Property Owner</u>	<u>2013 Appraised Value</u>	<u>2013 Taxable Value</u>	<u>2013 Taxes Levied</u>
Caliber Biotherapeutics LLC	\$ 31,503,530	\$ 470,840	\$ 2,284
Kent Moore	9,690,140	6,960,883	33,760
North American Packaging	8,499,560	7,872,148	38,180
Penncro Associates	316,250	158,880	771
Toyo Ink International	20,022,650	9,343,114	45,314
Weatherford Artificial Lift System	17,109,660	13,797,076	66,916

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, 2013:

	General Fund	Debt Service Fund	Grant Fund	CO 2012 Fund	Nonmajor Funds	Total
Fund Balances:						
Nonspendable:						
Prepays	\$ 358,716	\$ -	\$ 6,365	\$ -	\$ 975	\$ 366,056
Inventories	941,145	-	-	-	-	941,145
Total Nonspendable	<u>1,299,861</u>	<u>-</u>	<u>6,365</u>	<u>-</u>	<u>975</u>	<u>1,307,201</u>
Restricted for:						
Debt Service	-	6,075,351	-	-	-	6,075,351
Juvenile Services	140,762	-	-	-	-	140,762
Human Services	-	-	1,637	-	740,981	742,618
State Lateral Road Fund	-	-	-	-	115,345	115,345
Unclaimed Property	-	-	-	-	55,146	55,146
Administration of Justice	135,121	-	-	-	462,630	597,751
Records Management	-	-	-	-	1,062,081	1,062,081
Special Forfeitures	-	-	-	-	29,262	29,262
District Attorney Hot Check Collection	-	-	-	-	1,217	1,217
Bail Bond Board Fees	-	-	-	-	82,131	82,131
Administration of Tax Office	-	-	-	-	166,321	166,321
Sheriff Department Crime Fund	-	-	-	-	340,928	340,928
District Attorney Crime Fund	-	-	-	-	91,328	91,328
Payroll Disbursement Service	205,390	-	-	-	-	205,390
Capital Projects	-	-	-	9,464,446	374,653	9,839,099
Total Restricted	<u>481,273</u>	<u>6,075,351</u>	<u>1,637</u>	<u>9,464,446</u>	<u>3,522,023</u>	<u>19,544,730</u>
Committed to:						
Health Endowment Fund	336,738	-	-	-	-	336,738
Total Committed	<u>336,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>336,738</u>
Assigned to:						
Capital Improvements	-	-	-	-	5,564,864	5,564,864
Boonville Cemetery	348	-	-	-	-	348
Research Valley	162,653	-	-	-	-	162,653
Indigent Health Care	904,141	-	-	-	-	904,141
Total Assigned	<u>1,067,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,564,864</u>	<u>6,632,006</u>
Unassigned	<u>31,664,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,664,348</u>
Total Fund Balances	<u>\$ 34,849,362</u>	<u>\$ 6,075,351</u>	<u>\$ 8,002</u>	<u>\$ 9,464,446</u>	<u>\$ 9,087,862</u>	<u>\$ 59,485,023</u>

NOTE 16 – NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued Statement No. 67 (“GASB 67”), “Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25” which will be effective for the County in the fiscal year ending September 30, 2014. This Statement replaces the requirements of Statement No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements.

The Governmental Accounting Standards Board has issued Statement No. 68 (“GASB 68”), “Accounting and Financial Reporting for Pensions: an amendment of GASB Statement No. 27” which will be effective for the County in the fiscal year ending September 30, 2015. This Statement replaces the requirements of Statement No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements.



REQUIRED SUPPLEMENTARY INFORMATION



GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Current Ad Valorem Taxes	\$ 46,805,000	\$ 46,805,000	\$ 46,933,135	\$ 128,135
Delinquent Ad Valorem Taxes	440,000	440,000	550,911	110,911
Penalties & Interest - Taxes	275,000	275,000	334,162	59,162
Mixed Drink Taxes	500,000	500,000	534,150	34,150
County Sales Taxes	11,200,000	11,200,000	13,230,652	2,030,652
Total Taxes	59,220,000	59,220,000	61,583,010	2,363,010
Charges For Services				
JJAEP Service Fee	37,500	37,500	57,124	19,624
Contracted Jail Services	110,000	110,000	119,745	9,745
Arrest/Warrant Fees	120,000	120,000	170,350	50,350
Brazos Center	200,000	200,000	219,317	19,317
Exposition Center	800,000	800,000	899,075	99,075
Bond Service/Forfeitures	188,000	188,000	175,008	(12,992)
County Clerk	950,000	950,000	1,437,724	487,724
Vital Statistics Preservation	5,000	5,000	6,567	1,567
County Attorney	48,000	48,000	57,623	9,623
General Administration Fees	42,000	42,000	48,118	6,118
Constables	183,000	183,000	186,103	3,103
Court Reporter	35,000	35,000	38,079	3,079
Magistrate	30,000	30,000	56,003	26,003
County Drug Court Fees	15,000	18,361	30,031	11,670
District Clerk	381,250	381,250	434,411	53,161
District Attorney	10,000	10,000	5,948	(4,052)
Family Protection	8,000	8,000	8,987	987
Election Services	35,000	35,000	73,521	38,521
Motor Carrier Weight	20,000	20,000	48,245	28,245
Inmate Medical Fees	12,000	12,000	15,262	3,262
Justice of the Peace	1,494,900	1,494,900	1,528,130	33,230
Juvenile Probation Fees	10,000	10,000	9,044	(956)
License and Weights	5,000	5,000	19,300	14,300
Omnibus Crime Control Fees	85,000	85,000	93,178	8,178
Judicial Support Fees	2,000	2,000	2,526	526
Optional License Fees	1,200,000	1,200,000	1,295,340	95,340
Probate Fees	2,500	2,500	3,168	668
Road & Bridge Fees	4,500	4,500	23,553	19,053
School Crossing Fees	22,000	22,000	25,660	3,660
Sheriff	75,000	75,000	81,152	6,152
Landfill Fees	32,500	32,500	39,852	7,352
Tax Assessor-Collector	600,000	600,000	686,064	86,064
Vehicle Registration Fees	700,000	700,000	554,536	(145,464)
Motor Vehicle Sales Taxes	500,000	500,000	855,204	355,204
Licenses and Permits	50,000	50,000	83,892	33,892
Pretrial Bond Supervision	45,000	53,203	112,058	58,855
Court Fines	2,050,000	2,050,000	2,054,993	4,993
Total Charges For Services	\$ 10,108,150	\$ 10,119,714	\$ 11,554,891	\$ 1,435,177

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, 2013

	<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	\$ 58,149	\$ 7,947
Department of Agriculture	36,500	36,500	44,390	7,890
Department of Health & Human Services	20,000	43,950	70,902	26,952
Emergency Management Agency	47,000	47,000	63,123	16,123
Total Intergovernmental - Federal	136,500	177,652	236,564	58,912
Intergovernmental - State & Local				
Attorney General	140,000	140,000	172,586	32,586
Department of Justice	275,000	275,000	279,738	4,738
D. A. Salary Supplement	33,000	33,000	22,500	(10,500)
Office of the Court Administrator	40,000	40,000	197,834	157,834
Texas Juvenile Justice Department	97,500	97,500	151,869	54,369
Texas Youth Commission	15,000	15,000	12,050	(2,950)
Juror Reimbursement	45,000	45,000	77,640	32,640
Tobacco Settlement	39,300	39,300	74,249	34,949
Total Intergovernmental - State	684,800	684,800	988,466	303,666
Total Intergovernmental	821,300	862,452	1,225,030	362,578
Interest	158,700	158,700	190,593	31,893
Other Revenue				
Donations	15,000	15,000	25,707	10,707
Road Crossing	2,000	2,000	10,500	8,500
State Traffic Fee	8,500	8,500	8,014	(486)
Reimbursements	150,000	150,000	177,156	27,156
Leases and Rentals	12,500	12,500	10,183	(2,317)
Other	68,250	68,250	127,236	58,986
Estray Animal Sale/Fee	500	500	1,323	823
Inmate Phone System	200,000	200,000	239,258	39,258
Oil and Gas Lease	1,000	1,000	804	(196)
Informal Adjudication Probation	6,000	6,000	8,026	2,026
Total Other Revenue	463,750	463,750	608,207	144,457
TOTAL REVENUES	\$ 70,771,900	\$ 70,824,616	\$ 75,161,731	\$ 4,337,115

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government				
County Judge				
Personnel Services	\$ 259,749	\$ 263,372	\$ 237,771	\$ 25,601
Supplies and Other Charges	12,150	12,150	7,004	5,146
Contract Services	3,200	3,200	3,043	157
	<u>275,099</u>	<u>278,722</u>	<u>247,818</u>	<u>30,904</u>
Budget Office				
Personnel Services	179,700	179,700	179,326	374
Supplies and Other Charges	4,750	4,448	3,934	514
Repairs and Maintenance	-	302	302	-
	<u>184,450</u>	<u>184,450</u>	<u>183,562</u>	<u>888</u>
Commissioners' Court				
Personnel Services	1,534,132	1,557,195	1,551,529	5,666
Discretionary Funding	-	9	-	9
Supplies and Other Charges	37,435	37,435	29,891	7,544
Repairs and Maintenance	100	100	-	100
Contract Services	3,000	3,000	2,940	60
	<u>1,574,667</u>	<u>1,597,739</u>	<u>1,584,360</u>	<u>13,379</u>
Non-Departmental				
Personnel Services	-	1,851,319	1,000,000	851,319
Supplies and Other Charges	2,230,603	1,674,865	959,871	714,994
Repairs and Maintenance	1,677,200	3,065	633	2,432
Contract Services	50,000	305,105	291,501	13,604
Professional Services	765,000	764,310	85,054	679,256
	<u>4,722,803</u>	<u>4,598,664</u>	<u>2,337,059</u>	<u>2,261,605</u>
Community Support				
Community Support	3,165,771	3,192,148	2,867,673	324,475
	<u>3,165,771</u>	<u>3,192,148</u>	<u>2,867,673</u>	<u>324,475</u>
County Treasurer				
Personnel Services	430,855	432,443	408,735	23,708
Discretionary Funding	-	5,623	-	5,623
Supplies and Other Charges	15,175	15,175	13,112	2,063
Repairs and Maintenance	860	860	785	75
Contract Services	3,000	3,000	2,700	300
	<u>449,890</u>	<u>457,101</u>	<u>425,332</u>	<u>31,769</u>
Risk Management				
Personnel Services	132,514	133,528	133,222	306
Discretionary Funding	-	3,706	-	3,706
Supplies and Other Charges	11,370	11,370	7,461	3,909
Professional Services	4,000	4,000	2,361	1,639
	<u>\$ 147,884</u>	<u>\$ 152,604</u>	<u>\$ 143,044</u>	<u>\$ 9,560</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, 2013

	<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	\$ 1,710,382	\$ 1,719,786	\$ 1,579,067	\$ 140,719
Discretionary Funding	-	30,015	-	30,015
Supplies and Other Charges	56,550	53,730	45,981	7,749
Repairs and Maintenance	1,000	1,000	573	427
Minor Acquisitions	-	820	819	1
Contract Services	6,000	6,000	5,901	99
	<u>1,773,932</u>	<u>1,811,351</u>	<u>1,632,341</u>	<u>179,010</u>
Information Technology				
Personnel Services	1,521,113	1,506,846	1,354,264	152,582
Supplies and Other Charges	78,645	80,012	80,012	-
Repairs and Maintenance	37,238	45,904	43,101	2,803
Minor Acquisitions	224,545	217,474	188,730	28,744
Contract Services	630,261	670,594	644,392	26,202
Professional Services	-	2,400	2,400	-
	<u>2,491,802</u>	<u>2,523,230</u>	<u>2,312,899</u>	<u>210,331</u>
Human Resources				
Personnel Services	272,050	274,178	272,584	1,594
Discretionary Funding	-	848	-	848
Supplies and Other Charges	25,600	25,600	19,393	6,207
Repairs and Maintenance	100	100	-	100
Contract Services	5,400	5,400	4,734	666
Professional Services	5,000	5,000	-	5,000
	<u>308,150</u>	<u>311,126</u>	<u>296,711</u>	<u>14,415</u>
County Auditor				
Personnel Services	709,966	709,966	703,222	6,744
Supplies and Other Charges	14,735	14,730	14,409	321
Contract Services	4,100	4,105	4,102	3
	<u>728,801</u>	<u>728,801</u>	<u>721,733</u>	<u>7,068</u>
Purchasing				
Personnel Services	250,434	251,828	246,943	4,885
Discretionary Funding	-	283	-	283
Supplies and Other Charges	12,210	10,862	9,538	1,324
Repairs and Maintenance	2,000	4,100	3,212	888
Contract Services	2,686	4,034	3,410	624
	<u>\$ 267,330</u>	<u>\$ 271,107</u>	<u>\$ 263,103</u>	<u>\$ 8,004</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government (continued)				
Facilities Services				
Personnel Services	\$ 1,250,371	\$ 1,261,937	\$ 1,196,326	\$ 65,611
Discretionary Funding	-	11,157	-	11,157
Supplies and Other Charges	78,350	76,650	69,822	6,828
Repairs and Maintenance	353,200	377,774	345,939	31,835
Minor Acquisitions	6,000	19,000	18,016	984
Contract Services	108,700	103,700	60,691	43,009
Professional Services	3,000	-	-	-
	<u>1,799,621</u>	<u>1,850,218</u>	<u>1,690,794</u>	<u>159,424</u>
Landscaping				
Personnel Services	-	77,092	72,386	4,706
Supplies and Other Charges	-	1,304	1,095	209
Repairs and Maintenance	-	40,069	19,080	20,989
Minor Acquisitions	-	2,349	933	1,416
Contract Services	-	27,335	14,896	12,439
	<u>-</u>	<u>148,149</u>	<u>108,390</u>	<u>39,759</u>
Total General Government	<u>17,890,200</u>	<u>18,105,410</u>	<u>14,814,819</u>	<u>3,290,591</u>
Justice System				
Pre-Trial Bond Supervision				
Personnel Services	39,507	46,307	46,210	97
Supplies and Other Charges	8,540	2,970	2,400	570
Minor Acquisitions	-	800	719	81
Contract Services	-	6,657	6,364	293
	<u>48,047</u>	<u>56,734</u>	<u>55,693</u>	<u>1,041</u>
Child Representation Officer				
Personnel Services	184,838	184,838	-	184,838
	<u>184,838</u>	<u>184,838</u>	<u>-</u>	<u>184,838</u>
County Attorney				
Personnel Services	2,565,247	2,592,124	2,463,892	128,232
Discretionary Funding	-	41	-	41
Supplies and Other Charges	120,250	127,750	120,090	7,660
Repairs and Maintenance	24,032	23,432	13,357	10,075
Contract Services	9,036	9,636	9,106	530
	<u>2,718,565</u>	<u>2,752,983</u>	<u>2,606,445</u>	<u>146,538</u>
District Attorney				
Personnel Services	2,564,979	2,564,115	2,479,017	85,098
Discretionary Funding	-	6,850	-	6,850
Supplies and Other Charges	133,100	156,100	139,321	16,779
Repairs and Maintenance	10,600	12,600	10,407	2,193
Contract Services	11,870	11,870	9,665	2,205
	<u>\$ 2,720,549</u>	<u>\$ 2,751,535</u>	<u>\$ 2,638,410</u>	<u>\$ 113,125</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
D.A. - Child Protective Services				
Personnel Services	\$ 103,980	\$ 150,098	\$ 150,095	\$ 3
Supplies and Other Charges	8,900	8,900	3,090	5,810
	<u>112,880</u>	<u>158,998</u>	<u>153,185</u>	<u>5,813</u>
District Clerk				
Personnel Services	832,464	835,009	794,884	40,125
Discretionary Funding	-	5,944	-	5,944
Supplies and Other Charges	43,818	43,818	36,417	7,401
Repairs and Maintenance	100	100	-	100
Contract Services	15,000	15,000	10,652	4,348
	<u>891,382</u>	<u>899,871</u>	<u>841,953</u>	<u>57,918</u>
Court and Jury Services				
Personnel Services	112,226	113,177	110,638	2,539
Discretionary Funding	-	12,241	-	12,241
Supplies and Other Charges	189,800	180,800	161,514	19,286
Repairs and Maintenance	400	400	316	84
Contract Services	7,700	16,700	12,878	3,822
	<u>310,126</u>	<u>323,318</u>	<u>285,346</u>	<u>37,972</u>
Collections				
Personnel Services	260,340	261,937	254,682	7,255
Discretionary Funding	-	3,753	-	3,753
Supplies and Other Charges	12,329	11,354	10,214	1,140
Minor Acquisitions	-	1,605	1,585	20
Contract Services	2,430	2,430	2,049	381
	<u>275,099</u>	<u>281,079</u>	<u>268,530</u>	<u>12,549</u>
County Clerk				
Personnel Services	603,693	617,473	606,172	11,301
Discretionary Funding	-	28,723	-	28,723
Supplies and Other Charges	110,210	111,210	26,437	84,773
Contract Services	4,620	4,620	3,782	838
	<u>718,523</u>	<u>762,026</u>	<u>636,391</u>	<u>125,635</u>
Vital Statistics Preservation				
Supplies and Other Charges	6,200	6,200	2,938	3,262
Contract Services	1,000	1,000	-	1,000
	<u>7,200</u>	<u>7,200</u>	<u>2,938</u>	<u>4,262</u>
85th District Court				
Personnel Services	291,371	295,852	285,472	10,380
Discretionary Funding	-	679	-	679
Supplies and Other Charges	23,825	22,778	14,185	8,593
Repairs and Maintenance	850	850	-	850
Contract Services	1,884	1,892	1,892	-
	<u>\$ 317,930</u>	<u>\$ 322,051</u>	<u>\$ 301,549</u>	<u>\$ 20,502</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
272nd District Court				
Personnel Services	\$ 280,120	\$ 283,073	\$ 283,038	\$ 35
Discretionary Funding	-	467	-	467
Supplies and Other Charges	17,350	17,312	6,849	10,463
Contract Services	2,560	2,560	2,294	266
	<u>300,030</u>	<u>303,412</u>	<u>292,181</u>	<u>11,231</u>
361st District Court				
Personnel Services	285,317	288,814	286,250	2,564
Discretionary Funding	-	10,903	-	10,903
Supplies and Other Charges	24,100	24,100	20,053	4,047
Repairs and Maintenance	100	100	-	100
Contract Services	3,822	3,822	3,281	541
	<u>313,339</u>	<u>327,739</u>	<u>309,584</u>	<u>18,155</u>
Juvenile Court Referee				
Personnel Services	132,320	132,320	130,267	2,053
Discretionary Funding	-	1,195	-	1,195
Supplies and Other Charges	4,670	4,670	2,117	2,553
	<u>136,990</u>	<u>138,185</u>	<u>132,384</u>	<u>5,801</u>
Associate Judge #1				
Personnel Services	238,719	239,986	238,806	1,180
Supplies and Other Charges	7,782	7,532	7,041	491
Repairs and Maintenance	300	550	503	47
Contract Services	4,700	4,700	3,381	1,319
	<u>251,501</u>	<u>252,768</u>	<u>249,731</u>	<u>3,037</u>
County Drug Court Program				
Personnel Services	14,539	16,539	15,031	1,508
Supplies and Other Charges	6,330	7,891	6,374	1,517
Minor Acquisitions	770	570	-	570
	<u>21,639</u>	<u>25,000</u>	<u>21,405</u>	<u>3,595</u>
Associate Judge #2				
Personnel Services	243,812	246,371	224,778	21,593
Supplies and Other Charges	7,700	7,156	4,249	2,907
Minor Acquisitions	-	543	543	-
Contract Services	4,860	4,860	2,280	2,580
	<u>256,372</u>	<u>258,930</u>	<u>231,850</u>	<u>27,080</u>
Brazos County Family Court Annex				
Personnel Services	46,187	46,187	6,576	39,611
Supplies and Other Charges	13,100	14,195	14,173	22
Contract Services	96,568	96,568	96,286	282
Professional Services	49,000	70,700	68,054	2,646
	<u>\$ 204,855</u>	<u>\$ 227,650</u>	<u>\$ 185,089</u>	<u>\$ 42,561</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Justice System (continued)				
County Court At Law #1				
Personnel Services	\$ 460,117	\$ 464,288	\$ 457,945	\$ 6,343
Discretionary Funding	-	4,471	-	4,471
Supplies and Other Charges	11,560	11,460	7,828	3,632
Repairs and Maintenance	370	470	421	49
Contract Services	720	720	720	-
	<u>472,767</u>	<u>481,409</u>	<u>466,914</u>	<u>14,495</u>
County Court At Law #2				
Personnel Services	451,545	456,335	454,132	2,203
Discretionary Funding	-	1,196	-	1,196
Supplies and Other Charges	20,050	19,411	14,181	5,230
Repairs and Maintenance	100	100	-	100
Contract Services	1,430	1,430	1,202	228
	<u>473,125</u>	<u>478,472</u>	<u>469,515</u>	<u>8,957</u>
Justice of the Peace Precinct 1				
Personnel Services	271,422	273,055	272,844	211
Discretionary Funding	-	20,356	-	20,356
Supplies and Other Charges	27,400	29,500	25,414	4,086
Repairs and Maintenance	75	75	33	42
Contract Services	32,040	32,040	30,010	2,030
	<u>330,937</u>	<u>355,026</u>	<u>328,301</u>	<u>26,725</u>
Justice of the Peace Precinct 2 Place 1				
Personnel Services	217,120	218,919	204,670	14,249
Discretionary Funding	-	2,129	-	2,129
Supplies and Other Charges	5,200	6,395	6,395	-
Contract Services	2,500	2,447	1,295	1,152
	<u>224,820</u>	<u>229,890</u>	<u>212,360</u>	<u>17,530</u>
Justice of the Peace Precinct 2 Place 2				
Personnel Services	213,962	215,508	188,849	26,659
Discretionary Funding	-	1,968	-	1,968
Supplies and Other Charges	8,100	8,100	6,771	1,329
Repairs and Maintenance	125	125	-	125
Contract Services	2,000	2,000	1,295	705
Professional Services	250	250	-	250
	<u>224,437</u>	<u>227,951</u>	<u>196,915</u>	<u>31,036</u>
Justice of the Peace Precinct 3				
Personnel Services	278,820	281,000	276,617	4,383
Discretionary Funding	-	21,104	-	21,104
Supplies and Other Charges	17,945	18,476	16,535	1,941
Repairs and Maintenance	100	100	-	100
Contract Services	7,000	7,000	3,599	3,401
	<u>\$ 303,865</u>	<u>\$ 327,680</u>	<u>\$ 296,751</u>	<u>\$ 30,929</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, 2013

	<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	\$ 220,090	\$ 221,940	\$ 221,631	\$ 309
Discretionary Funding	-	1	-	1
Supplies and Other Charges	9,875	6,478	5,553	925
Repairs and Maintenance	100	100	-	100
Minor Acquisitions	350	3,747	3,397	350
Contract Services	1,400	1,400	1,358	42
	<u>231,815</u>	<u>233,666</u>	<u>231,939</u>	<u>1,727</u>
Community Supervision Support				
Supplies and Other Charges	73,100	75,127	63,640	11,487
Repairs and Maintenance	100	73	-	73
Minor Acquisitions	2,000	-	-	-
Contract Services	6,500	9,300	6,585	2,715
	<u>81,700</u>	<u>84,500</u>	<u>70,225</u>	<u>14,275</u>
Judicial Court Support				
Supplies and Other Charges	475,500	486,939	435,435	51,504
Contract Services	600,000	1,100,000	1,067,923	32,077
Professional Services	2,465,062	3,240,623	3,019,202	221,421
	<u>3,540,562</u>	<u>4,827,562</u>	<u>4,522,560</u>	<u>305,002</u>
Total Justice System	<u>15,673,893</u>	<u>17,280,473</u>	<u>16,008,144</u>	<u>1,272,329</u>
Law Enforcement				
Sheriff Administration				
Personnel Services	4,442,406	4,477,503	4,330,340	147,163
Supplies and Other Charges	167,859	167,859	149,768	18,091
Repairs and Maintenance	238,425	325,925	323,168	2,757
Minor Acquisitions	2,300	800	766	34
Contract Services	15,520	12,520	8,973	3,547
Professional Services	3,050	3,050	2,556	494
	<u>4,869,560</u>	<u>4,987,657</u>	<u>4,815,571</u>	<u>172,086</u>
Joint Terrorism Task Force				
Personnel Services	10,000	10,000	602	9,398
	<u>10,000</u>	<u>10,000</u>	<u>602</u>	<u>9,398</u>
Safe Streets Task Force				
Personnel Services	-	17,202	-	17,202
	<u>\$ -</u>	<u>\$ 17,202</u>	<u>\$ -</u>	<u>\$ 17,202</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Law Enforcement (continued)				
Sheriff Jail Administration				
Personnel Services	\$ 9,044,675	\$ 9,111,295	\$ 8,838,301	\$ 272,994
Supplies and Other Charges	1,277,250	1,386,350	1,377,435	8,915
Repairs and Maintenance	91,500	108,085	94,744	13,341
Contract Services	13,840	16,940	16,349	591
Professional Services	72,250	80,775	76,324	4,451
	<u>10,499,515</u>	<u>10,703,445</u>	<u>10,403,153</u>	<u>300,292</u>
Constable Precinct 1				
Personnel Services	298,670	300,622	279,175	21,447
Supplies and Other Charges	19,139	19,639	16,646	2,993
Repairs and Maintenance	17,800	17,800	16,153	1,647
Minor Acquisitions	1,000	500	240	260
Contract Services	25,619	25,619	23,677	1,942
	<u>362,228</u>	<u>364,180</u>	<u>335,891</u>	<u>28,289</u>
Constable Precinct 2				
Personnel Services	549,280	552,695	544,839	7,856
Discretionary Funding	-	444	-	444
Supplies and Other Charges	16,370	19,690	15,527	4,163
Repairs and Maintenance	41,100	52,485	50,748	1,737
Minor Acquisitions	2,000	2,015	2,015	-
Contract Services	3,850	3,850	2,621	1,229
	<u>612,600</u>	<u>631,179</u>	<u>615,750</u>	<u>15,429</u>
Constable Precinct 3				
Personnel Services	279,159	281,110	279,211	1,899
Discretionary Funding	-	49	-	49
Supplies and Other Charges	17,340	16,795	14,747	2,048
Repairs and Maintenance	20,200	20,200	17,607	2,593
Minor Acquisitions	-	545	545	-
Contract Services	4,710	4,710	2,899	1,811
	<u>321,409</u>	<u>323,409</u>	<u>315,009</u>	<u>8,400</u>
Constable Precinct 4				
Personnel Services	553,019	556,947	547,738	9,209
Supplies and Other Charges	14,575	16,652	15,175	1,477
Repairs and Maintenance	39,200	40,544	35,455	5,089
Minor Acquisitions	-	-	-	-
Contract Services	2,380	2,959	2,863	96
	<u>609,174</u>	<u>617,102</u>	<u>601,231</u>	<u>15,871</u>
Total Law Enforcement	<u>\$ 17,284,486</u>	<u>\$ 17,654,174</u>	<u>\$ 17,087,207</u>	<u>\$ 566,967</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, 2013

	<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	\$ 3,414,443	\$ 3,448,952	\$ 3,278,731	\$ 170,221
Discretionary Funding	-	15,135	-	15,135
Supplies and Other Charges	301,300	300,900	260,043	40,857
Repairs and Maintenance	15,250	18,350	16,895	1,455
Minor Acquisitions	2,600	21,770	16,935	4,835
Contract Services	15,980	13,480	12,555	925
Professional Services	41,310	38,310	30,284	8,026
	<u>3,790,883</u>	<u>3,856,897</u>	<u>3,615,443</u>	<u>241,454</u>
TYC - Parole				
Personnel Services	136,847	136,808	122,376	14,432
Supplies and Other Charges	2,300	2,300	1,331	969
Repairs and Maintenance	3,280	3,280	1,053	2,227
Contract Services	64,000	41,130	29,115	12,015
	<u>206,427</u>	<u>183,518</u>	<u>153,875</u>	<u>29,643</u>
Juvenile Justice Alternative Education				
Personnel Services	199,999	199,999	195,422	4,577
Supplies and Other Charges	1,000	1,000	835	165
	<u>200,999</u>	<u>200,999</u>	<u>196,257</u>	<u>4,742</u>
Juvenile - Title IV E				
Personnel Services	116,946	113,879	95,426	18,453
Supplies and Other Charges	46,150	43,450	21,237	22,213
Repairs and Maintenance	5,250	7,950	7,515	435
Contract Services	10,400	10,400	9,480	920
	<u>178,746</u>	<u>175,679</u>	<u>133,658</u>	<u>42,021</u>
TDHS - Commodities				
Supplies and Other Charges	3,000	3,000	825	2,175
	<u>3,000</u>	<u>3,000</u>	<u>825</u>	<u>2,175</u>
Total Juvenile Services	<u>4,380,055</u>	<u>4,420,093</u>	<u>4,100,058</u>	<u>320,035</u>
Public Transportation				
Road and Bridge Administration				
Personnel Services	3,741,364	3,792,081	3,708,494	83,587
Supplies and Other Charges	1,455,331	1,315,331	72,866	1,242,465
Repairs and Maintenance	4,303,875	4,261,103	3,594,097	667,006
Minor Acquisitions	9,000	24,940	22,277	2,663
Contract Services	290,574	170,779	114,656	56,123
Professional Services	90,000	83,443	8,350	75,093
	<u>9,890,144</u>	<u>9,647,677</u>	<u>7,520,740</u>	<u>2,126,937</u>
Total Public Transportation	<u>\$ 9,890,144</u>	<u>\$ 9,647,677</u>	<u>\$ 7,520,740</u>	<u>\$ 2,126,937</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Health				
Environmental Protection				
Supplies and Other Charges	\$ 8,800	\$ 8,800	\$ 7,558	\$ 1,242
Repairs and Maintenance	500	500	-	500
Minor Acquisitions	-	5,000	4,098	902
Contract Services	269,900	299,900	278,977	20,923
	<u>279,200</u>	<u>314,200</u>	<u>290,633</u>	<u>23,567</u>
Indigent Health Care				
Supplies and Other Charges	506,032	506,032	345,712	160,320
Professional Services	1,480,000	1,480,000	616,194	863,806
Community Support	896,700	896,700	531,700	365,000
	<u>2,882,732</u>	<u>2,882,732</u>	<u>1,493,606</u>	<u>1,389,126</u>
Community Public Health				
Community Support	40,000	40,000	-	40,000
	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total Public Health	<u>3,201,932</u>	<u>3,236,932</u>	<u>1,784,239</u>	<u>1,452,693</u>
Human Services				
Veteran Services				
Personnel Services	49,779	49,779	41,295	8,484
Discretionary Funding	-	1,742	-	1,742
Supplies and Other Charges	1,500	1,404	1,111	293
Repairs and Maintenance	150	246	211	35
	<u>51,429</u>	<u>53,171</u>	<u>42,617</u>	<u>10,554</u>
County Fire Protection				
Community Support	521,179	521,179	459,422	61,757
	<u>521,179</u>	<u>521,179</u>	<u>459,422</u>	<u>61,757</u>
County Welfare				
Supplies and Other Charges	-	5,000	2,333	2,667
	<u>-</u>	<u>5,000</u>	<u>2,333</u>	<u>2,667</u>
Elections				
Personnel Services	105,837	105,837	97,283	8,554
Outside Labor Costs	87,580	87,580	73,091	14,489
Supplies and Other Charges	22,750	22,750	17,336	5,414
Repairs and Maintenance	14,000	14,000	5,597	8,403
Contract Services	3,000	3,000	1,865	1,135
Professional Services	97,000	97,000	82,439	14,561
	<u>\$ 330,167</u>	<u>\$ 330,167</u>	<u>\$ 277,611</u>	<u>\$ 52,556</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Human Services (continued)				
Health Department				
Supplies and Other Charges	\$ 53,625	\$ 47,963	\$ 47,954	\$ 9
Professional Services	7,602	7,852	7,851	1
	<u>61,227</u>	<u>55,815</u>	<u>55,805</u>	<u>10</u>
Emergency Management				
Personnel Services	151,735	153,104	152,975	129
Discretionary Funding	-	21,052	-	21,052
Supplies and Other Charges	18,650	18,069	12,775	5,294
Repairs and Maintenance	3,100	3,681	3,609	72
Contract Services	77,509	77,509	74,672	2,837
	<u>250,994</u>	<u>273,415</u>	<u>244,031</u>	<u>29,384</u>
Brazos Center				
Personnel Services	633,927	562,045	546,094	15,951
Supplies and Other Charges	96,532	103,854	98,328	5,526
Repairs and Maintenance	101,975	61,506	56,618	4,888
Minor Acquisitions	4,850	4,313	4,313	-
Contract Services	76,290	49,355	37,335	12,020
Professional Services	300	300	-	300
	<u>913,874</u>	<u>781,373</u>	<u>742,688</u>	<u>38,685</u>
Exposition Center				
Personnel Services	756,864	825,987	722,121	103,866
Discretionary Funding	-	3	-	3
Supplies and Other Charges	292,200	287,818	280,167	7,651
Repairs and Maintenance	84,950	70,289	46,223	24,066
Minor Acquisitions	24,500	24,500	8,345	16,155
Contract Services	296,105	33,738	22,591	11,147
	<u>1,454,619</u>	<u>1,242,335</u>	<u>1,079,447</u>	<u>162,888</u>
Agricultural Extension				
Personnel Services	286,071	303,284	251,596	51,688
Discretionary Funding	-	3,444	-	3,444
Supplies and Other Charges	50,600	51,000	44,267	6,733
Repairs and Maintenance	500	500	482	18
Minor Acquisitions	400	-	-	-
Contract Services	44,040	44,040	40,447	3,593
	<u>381,611</u>	<u>402,268</u>	<u>336,792</u>	<u>65,476</u>
Boonville Cemetery				
Repairs and Maintenance	6,400	6,400	6,208	192
	<u>\$ 6,400</u>	<u>\$ 6,400</u>	<u>\$ 6,208</u>	<u>\$ 192</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Human Services (continued)				
Child Protective Services				
Supplies and Other Charges	\$ 50,000	\$ 50,000	\$ 46,128	\$ 3,872
	<u>50,000</u>	<u>50,000</u>	<u>46,128</u>	<u>3,872</u>
Total Human Services	<u>4,021,500</u>	<u>3,721,123</u>	<u>3,293,082</u>	<u>428,041</u>
Contingency	2,500,000	379,224	-	379,224
Capital Outlay	3,525,250	4,232,050	3,486,256	745,794
Debt Services				
Capital Lease - Principal	-	118,184	118,183	1
TOTAL EXPENDITURES	<u>78,367,460</u>	<u>78,795,340</u>	<u>68,212,728</u>	<u>10,582,612</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,595,560)	(7,970,724)	6,949,003	14,919,727
OTHER FINANCING SOURCES (USES)				
Transfers In	1,770	15,852	7,980	(7,872)
Transfers Out	(3,202,136)	(3,507,704)	(2,409,644)	1,098,060
Capital Leases	-	666,650	666,650	-
Sale of Capital Assets	60,000	60,000	104,757	44,757
TOTAL OTHER FINANCING USES	<u>(3,140,366)</u>	<u>(2,765,202)</u>	<u>(1,630,257)</u>	<u>1,134,945</u>
Net Change in Fund Balances	(10,735,926)	(10,735,926)	5,318,746	16,054,672
FUND BALANCE, OCTOBER 1	<u>29,530,616</u>	<u>29,530,616</u>	<u>29,530,616</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 18,794,690</u>	<u>\$ 18,794,690</u>	<u>\$ 34,849,362</u>	<u>\$ 16,054,672</u>

GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental - Federal				
Department of Justice	\$ 42,355	\$ 42,355	\$ 24,383	\$ (17,972)
Department of Transportation	449,774	526,973	384,755	(142,218)
Department of Public Safety	39,826	39,826	36,318	(3,508)
Total Intergovernmental - Federal	<u>531,955</u>	<u>609,154</u>	<u>445,456</u>	<u>(163,698)</u>
Intergovernmental - State				
Texas Juvenile Justice Department	945,819	964,257	962,611	(1,646)
Texas Office of the Attorney General	29,174	29,174	29,174	-
Department of Criminal Justice	13,825	22,171	19,646	(2,525)
Total Intergovernmental - State	<u>988,818</u>	<u>1,015,602</u>	<u>1,011,431</u>	<u>(4,171)</u>
Intergovernmental - Other				
MPO Contribution	161,751	161,751	34,633	(127,118)
EDF Contribution	-	2,100,000	2,000	(2,098,000)
Program Income	-	-	4,763	4,763
Total Intergovernmental - Other	<u>161,751</u>	<u>2,261,751</u>	<u>41,396</u>	<u>(2,220,355)</u>
TOTAL REVENUES	<u>1,682,524</u>	<u>3,886,507</u>	<u>1,498,283</u>	<u>(2,388,224)</u>
EXPENDITURES				
Law Enforcement				
Personnel Services	119,366	119,366	99,591	19,775
Supplies and Other Charges	11,450	11,450	8,758	2,692
Repairs and Maintenance	708	708	708	-
Minor Acquisitions	27,366	51,818	43,460	8,358
Contract Services	29,174	29,174	29,174	-
Juvenile Services				
Personnel Services	1,102,989	1,084,663	993,031	91,632
Contract Services	-	37,438	37,438	-
Public Transportation				
Personnel Services	249,050	227,065	214,854	12,211
Supplies and Other Charges	37,330	36,015	11,664	24,351
Repairs and Maintenance	5,000	4,000	3,559	441
Minor Acquisitions	10,000	9,000	1,805	7,195
Contract Services	188,251	202,751	66,394	136,357
Professional Services	61,001	187,000	84,436	102,564
Human Services				
Supplies and Other Charges	26,296	26,296	23,322	2,974
Contract Services	19,004	19,004	15,231	3,773
Capital Outlay	<u>28,106</u>	<u>2,074,000</u>	<u>-</u>	<u>2,074,000</u>
TOTAL EXPENDITURES	<u>1,915,091</u>	<u>4,119,748</u>	<u>1,633,425</u>	<u>2,486,323</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(232,567)	(233,241)	(135,142)	98,099
OTHER FINANCING SOURCES (USES)				
Transfers In	227,093	235,639	137,579	(98,060)
Transfers Out	-	(7,872)	-	7,872
TOTAL OTHER FINANCING SOURCES (USES)	<u>227,093</u>	<u>227,767</u>	<u>137,579</u>	<u>(90,188)</u>
Net Change in Fund Balance	(5,474)	(5,474)	2,437	7,911
FUND BALANCE, OCTOBER 1	<u>5,565</u>	<u>5,565</u>	<u>5,565</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 91</u>	<u>\$ 91</u>	<u>\$ 8,002</u>	<u>\$ 7,911</u>

BRAZOS COUNTY, TEXAS
Required Supplementary Information
Texas County and District Retirement System
Schedule of Funding Progress
September 30, 2013

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)
12/31/10	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%
12/31/12	102,131,870	126,193,283	24,061,413	80.93%	33,042,909	72.82%

(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, 2013

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%
1/1/2012	-	59,255,841	59,255,841	0.00%	25,076,745	236.3%
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, 2013

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 2013 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, 2013, annual maintenance and preservation costs of \$7,520,740 for both roads and bridges were less than the estimated amount needed of \$9,647,677. 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, 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
September 30, 2013	\$9,647,677	\$7,520,740

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	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%
1	2013	93%	5%	2%
2	2013	89%	5%	6%
4	2013	89%	9%	2%

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 67 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>
2009	Very 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	<u>60</u>	<u>100%</u>
2011	Very 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	<u>61</u>	<u>100%</u>
2013	Very Good	6.0 - 9.0	67	100%
2013	Good	4.0 - 5.9	0	0%
2013	Fair	3.0 - 3.9	0	0%
2013	Poor	0.0 - 2.9	0	0%
		Total	<u>67</u>	<u>100%</u>



NONMAJOR GOVERNMENTAL FUNDS



**BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
September 30, 2013**

	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,647,273	\$ 6,308,515	\$ 9,955,788
Prepaid Expenditures	975	-	975
Receivables			
Taxes	234,160	-	234,160
Interest	872	77	949
Accounts	1,796	590	2,386
TOTAL ASSETS	<u>\$ 3,885,076</u>	<u>\$ 6,309,182</u>	<u>\$ 10,194,258</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 72,092	\$ 369,665	\$ 441,757
Accrued Salaries and Wages	26,876	-	26,876
Unclaimed Funds	302,849	-	302,849
Due to Other Funds	334,914	-	334,914
Total Liabilities	<u>736,731</u>	<u>369,665</u>	<u>1,106,396</u>
Fund Balances			
Nonspendable	975	-	975
Restricted	3,147,370	374,653	3,522,023
Assigned	-	5,564,864	5,564,864
Total Fund Balances	<u>3,148,345</u>	<u>5,939,517</u>	<u>9,087,862</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,885,076</u>	<u>\$ 6,309,182</u>	<u>\$ 10,194,258</u>

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
For The Year Ended September 30, 2013

	Special Revenue	Capital Project	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 1,556,213	\$ -	\$ 1,556,213
Charges for Services	833,035	-	833,035
Intergovernmental	53,198	-	53,198
Interest	16,828	3,943	20,771
Other Revenue	9,000	89,410	98,410
TOTAL REVENUES	2,468,274	93,353	2,561,627
EXPENDITURES			
General Government	127,766	550,630	678,396
Justice System	497,550	23,995	521,545
Law Enforcement	346,550	57,509	404,059
Juvenile Services	-	20,839	20,839
Human Services	613,929	74,821	688,750
Capital Outlay	127,684	3,470,149	3,597,833
TOTAL EXPENDITURES	1,713,479	4,197,943	5,911,422
Excess (Deficiency) of Revenues Over (Under) Expenditures	754,795	(4,104,590)	(3,349,795)
OTHER FINANCING SOURCES (USES)			
Transfers In	279,617	1,728,202	2,007,819
Transfers Out	(918,026)	(6,210)	(924,236)
TOTAL OTHER FINANCING SOURCES (USES)	(638,409)	1,721,992	1,083,583
Net Change in Fund Balances	116,386	(2,382,598)	(2,266,212)
FUND BALANCES, OCTOBER 1	3,031,959	8,322,115	11,354,074
FUND BALANCES, SEPTEMBER 30	\$ 3,148,345	\$ 5,939,517	\$ 9,087,862

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:

NONMAJOR GOVERNMENTAL FUNDS

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.

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2013

	Hotel Occupancy Tax	State Lateral Road	Unclaimed Property
ASSETS			
Cash and Cash Equivalents	\$ 869,659	\$ 115,321	\$ 354,935
Prepaid Expenditures	375	-	-
Receivables			
Taxes	234,160	-	-
Interest	179	24	73
Accounts	1,796	-	-
TOTAL ASSETS	\$ 1,106,169	\$ 115,345	\$ 355,008
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 55,969	\$ -	\$ -
Accrued Salaries and Wages	5,308	-	-
Unclaimed Funds	-	-	299,862
Due to Other Funds	334,914	-	-
Total Liabilities	396,191	-	299,862
Fund Balances			
Nonspendable	375	-	-
Restricted	709,603	115,345	55,146
Total Fund Balances	709,978	115,345	55,146
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,106,169	\$ 115,345	\$ 355,008

Law Library	Alternative Dispute Resolution	Law Enforcement Education	County Records Management and Preservation	County Clerk Records Management and Preservation	County Clerk Archival
\$ 240,801	\$ 3,585	\$ 9,397	\$ 205,840	\$ 475,281	\$ 241,172
-	-	600	-	-	-
-	-	-	-	-	-
50	-	-	43	98	49
-	-	-	-	-	-
<u>\$ 240,851</u>	<u>\$ 3,585</u>	<u>\$ 9,997</u>	<u>\$ 205,883</u>	<u>\$ 475,379</u>	<u>\$ 241,221</u>
\$ 9,397	\$ 3,585	\$ -	\$ -	\$ -	\$ -
-	-	-	3,454	4,552	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,397</u>	<u>3,585</u>	<u>-</u>	<u>3,454</u>	<u>4,552</u>	<u>-</u>
-	-	600	-	-	-
231,454	-	9,397	202,429	470,827	241,221
<u>231,454</u>	<u>-</u>	<u>9,997</u>	<u>202,429</u>	<u>470,827</u>	<u>241,221</u>
<u>\$ 240,851</u>	<u>\$ 3,585</u>	<u>\$ 9,997</u>	<u>\$ 205,883</u>	<u>\$ 475,379</u>	<u>\$ 241,221</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
September 30, 2013

	Courthouse Security	Justice Court Security	District Clerk Records Management and Preservation
ASSETS			
Cash and Cash Equivalents	\$ 54,204	\$ 43,750	\$ 126,919
Prepaid Expenditures	-	-	-
Receivables			
Taxes	-	-	-
Interest	11	9	27
Accounts	-	-	-
TOTAL ASSETS	\$ 54,215	\$ 43,759	\$ 126,946
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Salaries and Wages	13,562	-	-
Unclaimed Funds	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	13,562	-	-
Fund Balances			
Nonspendable	-	-	-
Restricted	40,653	43,759	126,946
Assigned	-	-	-
Total Fund Balances	40,653	43,759	126,946
TOTAL LIABILITIES AND FUND BALANCES	\$ 54,215	\$ 43,759	\$ 126,946

District Clerk Archival	Justice of the Peace Technology	County & District Court Technology	Special Forfeitures	District Attorney Hot Check Collection	Bail Bond Board Fees
\$ 20,654	\$ 113,677	\$ 26,299	\$ 29,759	\$ 1,217	\$ 82,115
-	-	-	-	-	-
-	-	-	-	-	-
4	24	5	6	-	16
-	-	-	-	-	-
<u>\$ 20,658</u>	<u>\$ 113,701</u>	<u>\$ 26,304</u>	<u>\$ 29,765</u>	<u>\$ 1,217</u>	<u>\$ 82,131</u>
\$ -	\$ 2,638	\$ -	\$ 503	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,638	-	503	-	-
-	-	-	-	-	-
20,658	111,063	26,304	29,262	1,217	82,131
-	-	-	-	-	-
<u>20,658</u>	<u>111,063</u>	<u>26,304</u>	<u>29,262</u>	<u>1,217</u>	<u>82,131</u>
<u>\$ 20,658</u>	<u>\$ 113,701</u>	<u>\$ 26,304</u>	<u>\$ 29,765</u>	<u>\$ 1,217</u>	<u>\$ 82,131</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
September 30, 2013

	Voter Registration	Vehicle Inventory Tax Interest	Sheriff Department Crime
ASSETS			
Cash and Cash Equivalents	\$ 23,011	\$ 143,149	\$ 343,848
Prepaid Expenditures	-	-	-
Receivables			
Taxes	-	-	-
Interest	5	156	67
Accounts	-	-	-
TOTAL ASSETS	\$ 23,016	\$ 143,305	\$ 343,915
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Salaries and Wages	-	-	-
Unclaimed Funds	-	-	2,987
Due to Other Funds	-	-	-
Total Liabilities	-	-	2,987
Fund Balances			
Nonspendable	-	-	-
Restricted	23,016	143,305	340,928
Total Fund Balances	23,016	143,305	340,928
TOTAL LIABILITIES AND FUND BALANCES	\$ 23,016	\$ 143,305	\$ 343,915

District Attorney Crime	Primary Election Service	Totals
\$ 91,309	\$ 31,371	\$ 3,647,273
-	-	975
-	-	234,160
19	7	872
-	-	1,796
<u>\$ 91,328</u>	<u>\$ 31,378</u>	<u>\$ 3,885,076</u>
-	-	72,092
-	-	26,876
-	-	302,849
-	-	334,914
<u>-</u>	<u>-</u>	<u>736,731</u>
-	-	975
91,328	31,378	3,147,370
<u>91,328</u>	<u>31,378</u>	<u>3,148,345</u>
<u>\$ 91,328</u>	<u>\$ 31,378</u>	<u>\$ 3,885,076</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, 2013

	Hotel Occupancy Tax	State Lateral Road	Unclaimed Property
REVENUES			
Taxes	\$ 1,527,027	\$ -	\$ -
Charges for Services	-	-	-
Intergovernmental	-	29,929	-
Interest	3,797	463	1,452
Other Revenue	9,000	-	-
TOTAL REVENUES	1,539,824	30,392	1,452
EXPENDITURES			
General Government	-	-	-
Justice System	-	-	-
Law Enforcement	-	-	-
Human Services	607,300	-	-
Capital Outlay	109,455	-	-
TOTAL EXPENDITURES	716,755	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	823,069	30,392	1,452
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(916,256)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(916,256)	-	-
Net Change in Fund Balances	(93,187)	30,392	1,452
FUND BALANCES, OCTOBER 1	803,165	84,953	53,694
FUND BALANCES, SEPTEMBER 30	\$ 709,978	\$ 115,345	\$ 55,146

Law Library	Alternative Dispute Resolution	Law Enforcement Education	County Records Management and Preservation	County Clerk Records Management and Preservation	County Clerk Archival
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50,996	38,190	-	105,857	203,613	198,981
-	-	-	-	-	-
1,010	-	-	820	1,815	792
-	-	-	-	-	-
<u>52,006</u>	<u>38,190</u>	<u>-</u>	<u>106,677</u>	<u>205,428</u>	<u>199,773</u>
-	-	-	97,549	-	-
93,340	45,690	-	-	174,696	117,999
-	-	2,760	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>93,340</u>	<u>45,690</u>	<u>2,760</u>	<u>97,549</u>	<u>174,696</u>	<u>117,999</u>
(41,334)	(7,500)	(2,760)	9,128	30,732	81,774
-	7,500	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(41,334)	-	(2,760)	9,128	30,732	81,774
<u>272,788</u>	<u>-</u>	<u>12,757</u>	<u>193,301</u>	<u>440,095</u>	<u>159,447</u>
<u>\$ 231,454</u>	<u>\$ -</u>	<u>\$ 9,997</u>	<u>\$ 202,429</u>	<u>\$ 470,827</u>	<u>\$ 241,221</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, 2013

	<u>Courthouse Security</u>	<u>Justice Court Security</u>	<u>District Clerk Records Management and Preservation</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Charges for Services	92,603	8,750	18,607
Intergovernmental	-	-	-
Interest	655	159	503
Other Revenue	-	-	-
TOTAL REVENUES	<u>93,258</u>	<u>8,909</u>	<u>19,110</u>
EXPENDITURES			
General Government	-	-	-
Justice System	-	-	8,180
Law Enforcement	324,722	-	-
Human Services	-	-	-
Capital Outlay	-	-	-
TOTAL EXPENDITURES	<u>324,722</u>	<u>-</u>	<u>8,180</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(231,464)	8,909	10,930
OTHER FINANCING SOURCES (USES)			
Transfers In	272,117	-	-
Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>272,117</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	40,653	8,909	10,930
FUND BALANCES, OCTOBER 1	<u>-</u>	<u>34,850</u>	<u>116,016</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 40,653</u>	<u>\$ 43,759</u>	<u>\$ 126,946</u>

District Clerk Archival	Justice of the Peace Technology	County & District Court Technology	Special Forfeitures	District Attorney Hot Check Collection	Bail Bond Board Fees
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,705	35,146	10,207	6,354	546	1,000
-	-	-	-	-	-
72	474	86	136	4	328
-	-	-	-	-	-
<u>5,777</u>	<u>35,620</u>	<u>10,293</u>	<u>6,490</u>	<u>550</u>	<u>1,328</u>
-	-	-	-	-	-
-	33,272	-	-	-	442
-	-	-	10,472	-	-
-	-	-	-	-	-
-	2,035	-	6,000	-	-
-	<u>35,307</u>	-	<u>16,472</u>	-	<u>442</u>
5,777	313	10,293	(9,982)	550	886
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,777</u>	<u>313</u>	<u>10,293</u>	<u>(9,982)</u>	<u>550</u>	<u>886</u>
<u>14,881</u>	<u>110,750</u>	<u>16,011</u>	<u>39,244</u>	<u>667</u>	<u>81,245</u>
<u>\$ 20,658</u>	<u>\$ 111,063</u>	<u>\$ 26,304</u>	<u>\$ 29,262</u>	<u>\$ 1,217</u>	<u>\$ 82,131</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, 2013

	Voter Registration	Vehicle Inventory Tax Interest	Sheriff Department Crime
REVENUES			
Taxes	\$ -	\$ 29,186	\$ -
Charges for Services	-	-	3,480
Intergovernmental	23,269	-	-
Interest	66	2,377	1,385
Other Revenue	-	-	-
TOTAL REVENUES	23,335	31,563	4,865
EXPENDITURES			
General Government	22,969	7,248	-
Justice System	-	-	-
Law Enforcement	-	-	8,596
Human Services	-	-	-
Capital Outlay	-	-	10,194
TOTAL EXPENDITURES	22,969	7,248	18,790
Excess (Deficiency) of Revenues Over (Under) Expenditures	366	24,315	(13,925)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
Net Change in Fund Balances	366	24,315	(13,925)
FUND BALANCES, OCTOBER 1	22,650	118,990	354,853
FUND BALANCES, SEPTEMBER 30	\$ 23,016	\$ 143,305	\$ 340,928

District Attorney Crime	Primary Election Service	Totals
\$ -	\$ -	\$ 1,556,213
43,541	9,459	833,035
-	-	53,198
302	132	16,828
-	-	9,000
<u>43,843</u>	<u>9,591</u>	<u>2,468,274</u>
-	-	127,766
23,931	-	497,550
-	-	346,550
-	6,629	613,929
-	-	127,684
<u>23,931</u>	<u>6,629</u>	<u>1,713,479</u>
19,912	2,962	754,795
-	-	279,617
-	(1,770)	(918,026)
<u>-</u>	<u>(1,770)</u>	<u>(638,409)</u>
19,912	1,192	116,386
71,416	30,186	3,031,959
<u>\$ 91,328</u>	<u>\$ 31,378</u>	<u>\$ 3,148,345</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, 2013**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Taxes	\$ 1,000,000	\$ 1,527,027	\$ 1,527,027
Interest	2,700	3,797	3,797
Other Revenue	-	-	9,000
TOTAL REVENUES	<u>1,002,700</u>	<u>1,530,824</u>	<u>1,539,824</u>
EXPENDITURES			
Human Services			
Personnel Services	344,978	310,862	294,214
Supplies and Other Charges	116,657	221,932	101,818
Repairs and Maintenance	7,800	15,933	15,933
Minor Acquisitions	9,580	2,577	2,577
Contract Services	3,000	7,262	7,262
Professional Services	10,000	7,151	5,300
Community Support	110,000	190,196	180,196
Capital Outlay	100,000	109,455	109,455
TOTAL EXPENDITURES	<u>702,015</u>	<u>865,368</u>	<u>716,755</u>
Excess of Revenues Over Expenditures	300,685	665,456	823,069
OTHER FINANCING USES			
Transfers Out	<u>(551,485)</u>	<u>(916,256)</u>	<u>(916,256)</u>
TOTAL OTHER FINANCING USES	<u>(551,485)</u>	<u>(916,256)</u>	<u>(916,256)</u>
Net Change in Fund Balance	(250,800)	(250,800)	(93,187)
FUND BALANCE, OCTOBER 1	<u>803,165</u>	<u>803,165</u>	<u>803,165</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 552,365</u>	<u>\$ 552,365</u>	<u>\$ 709,978</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, 2013**

	Original and Final Budget	Actual
REVENUES		
Intergovernmental	\$ 28,000	\$ 29,929
Interest	300	463
TOTAL REVENUES	28,300	30,392
EXPENDITURES		
Public Transportation		
Repairs and Maintenance	84,800	-
TOTAL EXPENDITURES	84,800	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,500)	30,392
FUND BALANCE, OCTOBER 1	84,953	84,953
FUND BALANCE, SEPTEMBER 30	\$ 28,453	\$ 115,345

**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, 2013**

	Original and Final Budget	Actual
REVENUES		
Interest	\$ 1,200	\$ 1,452
TOTAL REVENUES	1,200	1,452
 EXPENDITURES		
General Government		
Supplies and Other Charges	51,000	-
TOTAL EXPENDITURES	51,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,800)	1,452
FUND BALANCE, OCTOBER 1	53,694	53,694
FUND BALANCE, SEPTEMBER 30	\$ 3,894	\$ 55,146

**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, 2013**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 49,000	\$ 50,996
Interest	1,000	1,010
TOTAL REVENUES	50,000	52,006
EXPENDITURES		
Justice System		
Supplies and Other Charges	100,000	88,540
Repairs and Maintenance	2,000	-
Minor Acquisitions	53,000	-
Contract Services	20,000	4,800
TOTAL EXPENDITURES	175,000	93,340
Deficiency of Revenues Under Expenditures	(125,000)	(41,334)
FUND BALANCE, OCTOBER 1	272,788	272,788
FUND BALANCE, SEPTEMBER 30	\$ 147,788	\$ 231,454

**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, 2013**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 37,000	\$ 38,190	\$ 38,190
TOTAL REVENUES	<u>37,000</u>	<u>38,190</u>	<u>38,190</u>
EXPENDITURES			
Justice System			
Community Support	44,500	45,690	45,690
TOTAL EXPENDITURES	<u>44,500</u>	<u>45,690</u>	<u>45,690</u>
Deficiency of Revenues Under Expenditures	(7,500)	(7,500)	(7,500)
OTHER FINANCING SOURCES			
Transfers In	7,500	7,500	7,500
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>\$ -</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, 2013**

	<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	12,672	12,757	2,760
TOTAL EXPENDITURES	<u>12,672</u>	<u>12,757</u>	<u>2,760</u>
Deficiency of Revenues Under Expenditures	(12,672)	(12,757)	(2,760)
FUND BALANCE, OCTOBER 1	<u>12,757</u>	<u>12,757</u>	<u>12,757</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 85</u>	<u>\$ -</u>	<u>\$ 9,997</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, 2013**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 90,000	\$ 105,857
Interest	500	820
TOTAL REVENUES	90,500	106,677
EXPENDITURES		
General Government		
Personnel Services	81,772	80,603
Supplies and Other Charges	5,100	503
Minor Acquisitions	60,000	14,627
Contract Services	2,272	1,816
Capital Outlay	38,000	-
TOTAL EXPENDITURES	187,144	97,549
Excess (Deficiency) of Revenues Over (Under) Expenditures	(96,644)	9,128
FUND BALANCE, OCTOBER 1	193,301	193,301
FUND BALANCE, SEPTEMBER 30	\$ 96,657	\$ 202,429

**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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 152,000	\$ 152,000	\$ 203,613
Interest	1,500	1,500	1,815
TOTAL REVENUES	<u>153,500</u>	<u>153,500</u>	<u>205,428</u>
EXPENDITURES			
Justice System			
Personnel Services	109,427	109,877	109,649
Supplies and Other Charges	14,500	11,550	1,565
Repairs and Maintenance	500	500	-
Minor Acquisitions	2,000	4,500	3,173
Contract Services	78,500	78,500	60,309
TOTAL EXPENDITURES	<u>204,927</u>	<u>204,927</u>	<u>174,696</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,427)	(51,427)	30,732
FUND BALANCE, OCTOBER 1	<u>440,095</u>	<u>440,095</u>	<u>440,095</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 388,668</u></u>	<u><u>\$ 388,668</u></u>	<u><u>\$ 470,827</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, 2013**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 145,000	\$ 198,981
Interest	400	792
TOTAL REVENUES	145,400	199,773
EXPENDITURES		
Justice System		
Professional Services	160,000	117,999
TOTAL EXPENDITURES	160,000	117,999
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,600)	81,774
FUND BALANCE, OCTOBER 1	159,447	159,447
FUND BALANCE, SEPTEMBER 30	\$ 144,847	\$ 241,221

**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, 2013**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 77,500	\$ 92,603
Interest	400	655
TOTAL REVENUES	77,900	93,258
EXPENDITURES		
Law Enforcement		
Personnel Services	340,074	315,528
Supplies and Other Charges	4,643	4,494
Repairs and Maintenance	5,300	4,700
TOTAL EXPENDITURES	350,017	324,722
Deficiency of Revenues Under Expenditures	(272,117)	(231,464)
OTHER FINANCING SOURCES		
Transfers In	272,117	272,117
TOTAL OTHER FINANCING SOURCES	272,117	272,117
Net Change in Fund Balance	-	40,653
FUND BALANCE, OCTOBER 1	-	-
FUND BALANCE, SEPTEMBER 30	\$ -	\$ 40,653

**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, 2013**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 9,450	\$ 8,750
Interest	100	159
TOTAL REVENUES	<u>9,550</u>	<u>8,909</u>
EXPENDITURES		
Justice System		
Repairs and Maintenance	200	-
Contract Services	5,000	-
Capital Outlay	31,427	-
TOTAL EXPENDITURES	<u>36,627</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,077)	8,909
FUND BALANCE, OCTOBER 1	<u>34,850</u>	<u>34,850</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 7,773</u>	<u>\$ 43,759</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, 2013**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 16,000	\$ 18,607
Interest	300	503
TOTAL REVENUES	16,300	19,110
EXPENDITURES		
Justice System		
Supplies and Other Charges	43,000	2,918
Minor Acquisitions	10,000	5,262
Contract Services	23,000	-
Professional Services	29,300	-
TOTAL EXPENDITURES	105,300	8,180
Excess (Deficiency) of Revenues Over (Under) Expenditures	(89,000)	10,930
FUND BALANCE, OCTOBER 1	116,016	116,016
FUND BALANCE, SEPTEMBER 30	\$ 27,016	\$ 126,946

**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, 2013**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 5,500	\$ 5,705
Interest	13	72
TOTAL REVENUES	5,513	5,777
EXPENDITURES		
Justice System		
Professional Services	14,400	-
TOTAL EXPENDITURES	14,400	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,887)	5,777
FUND BALANCE, OCTOBER 1	14,881	14,881
FUND BALANCE, SEPTEMBER 30	\$ 5,994	\$ 20,658

**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, 2013**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 39,500	\$ 39,500	\$ 35,146
Interest	500	500	474
TOTAL REVENUES	<u>40,000</u>	<u>40,000</u>	<u>35,620</u>
EXPENDITURES			
Justice System			
Personnel Services	5,080	5,080	4,192
Supplies and Other Charges	84,763	75,539	9,391
Repairs and Maintenance	600	600	-
Minor Acquisitions	48,117	58,486	19,689
Contract Services	13,440	10,260	-
Capital Outlay	-	2,035	2,035
TOTAL EXPENDITURES	<u>152,000</u>	<u>152,000</u>	<u>35,307</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(112,000)	(112,000)	313
FUND BALANCE, OCTOBER 1	<u>110,750</u>	<u>110,750</u>	<u>110,750</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (1,250)</u></u>	<u><u>\$ (1,250)</u></u>	<u><u>\$ 111,063</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, 2013**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 7,155	\$ 10,207
Interest	25	86
TOTAL REVENUES	7,180	10,293
 EXPENDITURES		
Justice System		
Minor Acquisitions	14,900	-
TOTAL EXPENDITURES	14,900	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,720)	10,293
 FUND BALANCE, OCTOBER 1	16,011	16,011
 FUND BALANCE, SEPTEMBER 30	\$ 8,291	\$ 26,304

**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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ -	\$ -	\$ 6,354
Interest	-	-	136
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>6,490</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	16,893	11,985	3,506
Repairs and Maintenance	1,546	1,546	-
Minor Acquisitions	9,561	14,469	6,966
Capital Outlay	6,000	6,000	6,000
TOTAL EXPENDITURES	<u>34,000</u>	<u>34,000</u>	<u>16,472</u>
Deficiency of Revenues Under Expenditures	(34,000)	(34,000)	(9,982)
FUND BALANCE, OCTOBER 1	<u>39,244</u>	<u>39,244</u>	<u>39,244</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 5,244</u></u>	<u><u>\$ 5,244</u></u>	<u><u>\$ 29,262</u></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, 2013**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ -	\$ 546
Interest	-	4
TOTAL REVENUES	-	550
EXPENDITURES		
Justice System		
Supplies and Other Charges	100	-
TOTAL EXPENDITURES	100	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100)	550
FUND BALANCE, OCTOBER 1	667	667
FUND BALANCE, SEPTEMBER 30	\$ 567	\$ 1,217

**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, 2013**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 1,000	\$ 1,000
Interest	150	328
TOTAL REVENUES	<u>1,150</u>	<u>1,328</u>
EXPENDITURES		
Justice System		
Personnel Services	4,900	442
Supplies and Other Charges	67,900	-
TOTAL EXPENDITURES	<u>72,800</u>	<u>442</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,650)	886
FUND BALANCE, OCTOBER 1	<u>81,245</u>	<u>81,245</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 9,595</u>	<u>\$ 82,131</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ -	\$ 20,475	\$ 23,269
Interest	100	100	66
TOTAL REVENUES	<u>100</u>	<u>20,575</u>	<u>23,335</u>
EXPENDITURES			
General Government			
Supplies and Other Charges	19,300	19,166	1,560
Minor Acquisitions	400	21,409	21,409
Professional Services	900	900	-
Capital Outlay	400	-	-
TOTAL EXPENDITURES	<u>21,000</u>	<u>41,475</u>	<u>22,969</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,900)	(20,900)	366
FUND BALANCE, OCTOBER 1	<u>22,650</u>	<u>22,650</u>	<u>22,650</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 1,750</u></u>	<u><u>\$ 1,750</u></u>	<u><u>\$ 23,016</u></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, 2013**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Taxes	\$ 2,000	\$ 2,000	\$ 29,186
Interest	1,100	1,100	2,377
TOTAL REVENUES	<u>3,100</u>	<u>3,100</u>	<u>31,563</u>
EXPENDITURES			
General Government			
Personnel Services	13,414	13,414	-
Supplies and Other Charges	78,700	74,880	933
Minor Acquisitions	10,000	10,820	3,421
Contract Services	-	3,000	2,894
Professional Services	16,062	16,062	-
TOTAL EXPENDITURES	<u>118,176</u>	<u>118,176</u>	<u>7,248</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(115,076)	(115,076)	24,315
FUND BALANCE, OCTOBER 1	<u>118,990</u>	<u>118,990</u>	<u>118,990</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 3,914</u></u>	<u><u>\$ 3,914</u></u>	<u><u>\$ 143,305</u></u>

**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, 2013**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ -	\$ 3,480
Interest	1,000	1,385
TOTAL REVENUES	1,000	4,865
EXPENDITURES		
Law Enforcement		
Supplies and Other Charges	229,675	8,443
Repairs and Maintenance	3,400	153
Minor Acquisitions	70,800	-
Professional Services	-	-
Capital Outlay	42,125	10,194
TOTAL EXPENDITURES	346,000	18,790
Deficiency of Revenues Under Expenditures	(345,000)	(13,925)
FUND BALANCE, OCTOBER 1	354,853	354,853
FUND BALANCE, SEPTEMBER 30	\$ 9,853	\$ 340,928

**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, 2013**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>
REVENUES			
Charges for Services	\$ -	\$ 8,000	\$ 43,541
Interest	100	100	302
TOTAL REVENUES	<u>100</u>	<u>8,100</u>	<u>43,843</u>
EXPENDITURES			
Justice System			
Personnel Services	17,303	20,332	16,383
Supplies and Other Charges	10,126	15,097	7,548
TOTAL EXPENDITURES	<u>27,429</u>	<u>35,429</u>	<u>23,931</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,329)	(27,329)	19,912
FUND BALANCE, OCTOBER 1	<u>71,416</u>	<u>71,416</u>	<u>71,416</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 44,087</u></u>	<u><u>\$ 44,087</u></u>	<u><u>\$ 91,328</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, 2013**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 9,770	\$ 9,459
Interest	-	132
TOTAL REVENUES	9,770	9,591
EXPENDITURES		
Human Services		
Supplies and Other Charges	7,000	6,547
Repairs and Maintenance	1,000	82
TOTAL EXPENDITURES	8,000	6,629
Excess of Revenues Over Expenditures	1,770	2,962
OTHER FINANCING USES		
Transfers Out	(1,770)	(1,770)
TOTAL OTHER FINANCING USES	(1,770)	(1,770)
Net Change in Fund Balance	-	1,192
FUND BALANCE, OCTOBER 1	30,186	30,186
FUND BALANCE, SEPTEMBER 30	\$ 30,186	\$ 31,378

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, certificates of obligation, and refunding bonds.

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Taxes	\$ 8,706,000	\$ 8,706,000	\$ 9,217,498
Interest	25,000	25,000	152,330
TOTAL REVENUES	<u>8,731,000</u>	<u>8,731,000</u>	<u>9,369,828</u>
EXPENDITURES			
Debt Service			
Principal	6,800,994	7,179,336	6,320,000
Interest	4,415,588	4,415,588	4,140,212
Bond Issuance Cost	-	173,892	155,586
Agent Fees	5,000	5,000	2,450
TOTAL EXPENDITURES	<u>11,221,582</u>	<u>11,773,816</u>	<u>10,618,248</u>
Deficiency of Revenues Under Expenditures	(2,490,582)	(3,042,816)	(1,248,420)
OTHER FINANCING SOURCES (USES)			
Transfers In	802,160	1,180,502	1,180,502
Premium on Debt Issuance	-	1,796,981	1,796,980
Debt Issuance - Refunding Bonds	-	14,640,000	14,640,000
Payment to Refunded Bond Escrow Agent	-	(16,263,089)	(15,808,088)
TOTAL OTHER FINANCING SOURCES	<u>802,160</u>	<u>1,354,394</u>	<u>1,809,394</u>
Net Change in Fund Balance	(1,688,422)	(1,688,422)	560,974
FUND BALANCE, OCTOBER 1	<u>5,514,377</u>	<u>5,514,377</u>	<u>5,514,377</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 3,825,955</u>	<u>\$ 3,825,955</u>	<u>\$ 6,075,351</u>

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for the use of bond 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, Series 2009 and a portion of the hotel occupancy taxes collected.

Jail Expansion Fund – This fund was established to account 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 Limited Tax Bonds, Series 2008.

Capital Improvement Fund - This fund was established to provide funding for the 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.

MAJOR GOVERNMENTAL FUND

CO 2012 Fund – This fund was established to account for the County courthouse renovation project and the new tax office building construction. The expenditures are financed through the issuance of \$9,700,000 of Certificates of Obligation, Series 2012.

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS
September 30, 2013

	Nonmajor Funds			Total Nonmajor Funds
	Capital Improvement	Expo Center Expansion	Jail Expansion	
ASSETS				
Cash and Cash Equivalents	\$ 5,933,116	\$ 2,225	\$ 373,174	\$ 6,308,515
Receivables				
Interest	-	1	76	77
Accounts	590	-	-	590
TOTAL ASSETS	\$ 5,933,706	\$ 2,226	\$ 373,250	\$ 6,309,182
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 368,842	\$ -	\$ 823	\$ 369,665
Total Liabilities	368,842	-	823	369,665
Fund Balances				
Restricted	-	2,226	372,427	374,653
Assigned	5,564,864	-	-	5,564,864
Total Fund Balances	5,564,864	2,226	372,427	5,939,517
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,933,706	\$ 2,226	\$ 373,250	\$ 6,309,182

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
For The Year Ended September 30, 2013

	Nonmajor Funds			Total Nonmajor Funds
	Capital Improvement	Expo Center Expansion	Jail Expansion	
REVENUES				
Interest	\$ -	\$ 358	\$ 3,585	\$ 3,943
Other Revenue	89,410	-	-	89,410
TOTAL REVENUES	89,410	358	3,585	93,353
EXPENDITURES				
General Government	550,630	-	-	550,630
Justice System	23,995	-	-	23,995
Law Enforcement	49,675	-	7,834	57,509
Juvenile Services	20,839	-	-	20,839
Human Services	74,821	-	-	74,821
Capital Outlay	2,206,510	100,500	1,163,139	3,470,149
TOTAL EXPENDITURES	2,926,470	100,500	1,170,973	4,197,943
Deficiency of Revenues Under Expenditures	(2,837,060)	(100,142)	(1,167,388)	(4,104,590)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,728,202	-	-	1,728,202
Transfers Out	(6,210)	-	-	(6,210)
TOTAL OTHER FINANCING SOURCES	1,721,992	-	-	1,721,992
Net Change in Fund Balance	(1,115,068)	(100,142)	(1,167,388)	(2,382,598)
FUND BALANCE, OCTOBER 1	6,679,932	102,368	1,539,815	8,322,115
FUND BALANCES, SEPTEMBER 30	\$ 5,564,864	\$ 2,226	\$ 372,427	\$ 5,939,517

**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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Other Revenue	\$ -	\$ 89,410	\$ 89,410
TOTAL REVENUES	<u>-</u>	<u>89,410</u>	<u>89,410</u>
EXPENDITURES			
General Government			
Supplies and Other Charges	-	17,413	17,413
Repairs and Maintenance	459,740	465,483	151,223
Minor Acquisition	210,550	617,382	381,994
Contract Services	37,960	37,960	-
Justice System			
Supplies and Other Charges	-	29,354	14,207
Minor Acquisition	27,781	21,020	9,788
Law Enforcement			
Minor Acquisition	30,930	53,285	49,675
Juvenile Services			
Repairs and Maintenance	-	18,659	18,659
Minor Acquisition	2,156	2,180	2,180
Contract Services	20,360	1,701	-
Human Services			
Repairs and Maintenance	62,338	62,338	43,849
Community Support	31,042	31,042	30,972
Capital Outlay	<u>6,777,114</u>	<u>6,668,805</u>	<u>2,206,510</u>
TOTAL EXPENDITURES	<u>7,659,971</u>	<u>8,026,622</u>	<u>2,926,470</u>
Deficiency of Revenues Under Expenditures	(7,659,971)	(7,937,212)	(2,837,060)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,444,751	1,728,202	1,728,202
Transfers Out	-	(6,210)	(6,210)
TOTAL OTHER FINANCING SOURCES	<u>1,444,751</u>	<u>1,721,992</u>	<u>1,721,992</u>
Net Change in Fund Balance	(6,215,220)	(6,215,220)	(1,115,068)
FUND BALANCE, OCTOBER 1	<u>6,679,932</u>	<u>6,679,932</u>	<u>6,679,932</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 464,712</u>	<u>\$ 464,712</u>	<u>\$ 5,564,864</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, 2013**

	Original and Final Budget	Actual
REVENUES		
Interest	\$ 500	\$ 358
TOTAL REVENUES	500	358
EXPENDITURES		
Capital Outlay	100,500	100,500
TOTAL EXPENDITURES	100,500	100,500
Deficiency of Revenues Under Expenditures	(100,000)	(100,142)
FUND BALANCE, OCTOBER 1	102,368	102,368
FUND BALANCE, SEPTEMBER 30	\$ 2,368	\$ 2,226

**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, 2013**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Interest	\$ 5,000	\$ 5,000	\$ 3,585
TOTAL REVENUES	<u>5,000</u>	<u>5,000</u>	<u>3,585</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	-	3,055	3,038
Minor Acquisitions	-	4,828	4,796
Capital Outlay	1,505,000	1,497,117	1,163,139
TOTAL EXPENDITURES	<u>1,505,000</u>	<u>1,505,000</u>	<u>1,170,973</u>
Deficiency of Revenues Under Expenditures	(1,500,000)	(1,500,000)	(1,167,388)
FUND BALANCE, OCTOBER 1	<u>1,539,815</u>	<u>1,539,815</u>	<u>1,539,815</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 39,815</u></u>	<u><u>\$ 39,815</u></u>	<u><u>\$ 372,427</u></u>

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CO 2012
For The Year Ended September 30, 2013**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Interest	\$ -	\$ -	\$ 39,195
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>39,195</u>
EXPENDITURES			
Capital Outlay	10,000,000	10,000,000	575,437
Debt Service			
Bond Issuance Costs	-	117,547	116,859
TOTAL EXPENDITURES	<u>10,000,000</u>	<u>10,117,547</u>	<u>692,296</u>
Deficiency of Revenues Under Expenditures	(10,000,000)	(10,117,547)	(653,101)
OTHER FINANCING SOURCES			
Premium on Debt Issuance	-	417,547	417,547
Debt Issuance	10,000,000	9,700,000	9,700,000
TOTAL OTHER FINANCING SOURCES	<u>10,000,000</u>	<u>10,117,547</u>	<u>10,117,547</u>
Net Change in Fund Balance	-	-	9,464,446
FUND BALANCE, OCTOBER 1	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,464,446</u></u>

PROPRIETARY FUND TYPE

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

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF NET POSITION
September 30, 2013**

ASSETS

Current Assets

Cash and Cash Equivalents	\$	3,546,060
Accounts Receivable		3,049

TOTAL ASSETS	3,549,109
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LIABILITIES

Current Liabilities

Accounts Payable		924,099
Unearned Revenue		9,639

TOTAL LIABILITIES	933,738
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NET POSITION

Unrestricted		2,615,371
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TOTAL NET POSITION	\$ 2,615,371
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**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2013**

	Budgeted Amounts		Actual
	Original	Final	
OPERATING REVENUES			
Employee Dependents	\$ 1,638,000	\$ 1,638,000	\$ 1,739,871
Self Pays	5,500	5,500	17,481
Excess Risk Benefits	-	-	841,267
Participant Payments	521,500	521,500	415,137
Brazos County	6,400,700	6,400,700	6,668,325
Retirees	258,000	258,000	249,048
TOTAL OPERATING REVENUES	8,823,700	8,823,700	9,931,129
OPERATING EXPENSES			
Life Insurance	27,000	27,000	26,381
Stop Loss Premiums	1,010,000	1,010,000	1,133,634
Benefit Claims	9,205,600	9,205,600	7,450,801
Administrative Fees	449,900	449,900	461,955
Professional Services	1,039,000	1,039,000	39,501
TOTAL OPERATING EXPENSES	11,731,500	11,731,500	9,112,272
OPERATING INCOME (LOSS)	(2,907,800)	(2,907,800)	818,857
NONOPERATING REVENUES			
Interest	7,800	7,800	11,809
TOTAL NONOPERATING REVENUES	7,800	7,800	11,809
INCOME (LOSS) BEFORE TRANSFERS	(2,900,000)	(2,900,000)	830,666
Transfers In	1,000,000	1,000,000	-
CHANGE IN NET POSITION	(1,900,000)	(1,900,000)	830,666
TOTAL NET POSITION - BEGINNING	1,784,705	1,784,705	1,784,705
TOTAL NET POSITION - ENDING	\$ (115,295)	\$ (115,295)	\$ 2,615,371

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2013**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 2,423,553
Receipts from interfund services provided	6,668,325
Payments to contractors	(1,645,698)
Claims paid	<u>(6,037,138)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,409,042</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>11,856</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>11,856</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,420,898
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>2,125,162</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u><u>\$ 3,546,060</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ 818,857</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in accounts receivable	559,698
Change in accounts payable	27,010
Change in unearned revenue	<u>3,477</u>
Total adjustments	<u>590,185</u>
 Net cash provided by operating activities	 <u><u>\$ 1,409,042</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 contracts between the bondsmen and the County.

**AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2013**

	<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	\$ 194,039	\$ 2,206,681	\$ 426,010	\$ 983,400	\$ 3,810,130
Investments	-	-	-	1,339,610	1,339,610
TOTAL ASSETS	<u>\$ 194,039</u>	<u>\$ 2,206,681</u>	<u>\$ 426,010</u>	<u>\$ 2,323,010</u>	<u>\$ 5,149,740</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 30	\$ -	\$ 30
Funds Held for Others	194,039	2,206,681	425,980	2,323,010	5,149,710
TOTAL LIABILITIES	<u>\$ 194,039</u>	<u>\$ 2,206,681</u>	<u>\$ 426,010</u>	<u>\$ 2,323,010</u>	<u>\$ 5,149,740</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For The Year Ended September 30, 2013

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2013</u>
NARCOTICS SEIZURE				
Assets				
Cash and Cash Equivalents	\$ 170,830	\$ 123,609	\$ 100,400	\$ 194,039
Total Assets	<u>170,830</u>	<u>123,609</u>	<u>100,400</u>	<u>194,039</u>
Liabilities				
Funds Held for Others	170,830	83,971	60,762	194,039
Total Liabilities	<u>170,830</u>	<u>83,971</u>	<u>60,762</u>	<u>194,039</u>
DISTRICT CLERK TRUST				
Assets				
Cash and Cash Equivalents	2,330,710	1,343,468	1,467,497	2,206,681
Total Assets	<u>2,330,710</u>	<u>1,343,468</u>	<u>1,467,497</u>	<u>2,206,681</u>
Liabilities				
Funds Held for Others	2,330,710	1,288,256	1,412,285	2,206,681
Total Liabilities	<u>2,330,710</u>	<u>1,288,256</u>	<u>1,412,285</u>	<u>2,206,681</u>
COUNTY CLERK TRUST				
Assets				
Cash and Cash Equivalents	802,886	100,126	477,002	426,010
Total Assets	<u>802,886</u>	<u>100,126</u>	<u>477,002</u>	<u>426,010</u>
Liabilities				
Accounts Payable	-	30	-	30
Funds Held for Others	802,886	36,583	413,489	425,980
Total Liabilities	<u>802,886</u>	<u>36,613</u>	<u>413,489</u>	<u>426,010</u>
BAIL BOND BOARD TRUST				
Assets				
Cash and Cash Equivalents	978,900	94,500	90,000	983,400
Investments	1,217,100	122,510	-	1,339,610
Total Assets	<u>2,196,000</u>	<u>217,010</u>	<u>90,000</u>	<u>2,323,010</u>
Liabilities				
Funds Held for Others	2,196,000	217,010	90,000	2,323,010
Total Liabilities	<u>\$ 2,196,000</u>	<u>\$ 217,010</u>	<u>\$ 90,000</u>	<u>\$ 2,323,010</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
For The Year Ended September 30, 2013

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2013</u>
COMBINED AGENCY FUNDS				
Assets				
Cash and Cash Equivalents	\$ 4,283,326	\$ 1,661,703	\$ 2,134,899	\$ 3,810,130
Investments	1,217,100	122,510	-	1,339,610
Total Assets	<u>5,500,426</u>	<u>1,784,213</u>	<u>2,134,899</u>	<u>5,149,740</u>
Liabilities				
Accounts Payable	-	30	-	30
Funds Held for Others	5,500,426	1,625,820	1,976,536	5,149,710
Total Liabilities	<u>\$ 5,500,426</u>	<u>\$ 1,625,850</u>	<u>\$ 1,976,536</u>	<u>\$ 5,149,740</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, 2013

	2013	2012
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 5,371,411	\$ 5,378,283
Buildings	126,039,036	126,031,536
Improvements	6,033,282	6,127,365
Machinery and Equipment	21,209,693	20,143,511
Intangible Assets - Land - Right-of-Way	15,271,784	11,261,178
Intangible Assets - Computer Software	2,844,411	2,823,066
Infrastructure	69,965,405	63,917,804
Construction Work in Progress	15,606,752	11,887,079
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	\$ 262,341,774	\$ 247,569,822
 INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General Fund	\$ 30,633,638	\$ 26,455,815
Special Revenue Funds	2,987,349	2,885,422
Capital Project Funds	210,975,536	207,607,929
Donations	17,745,251	10,620,656
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	\$ 262,341,774	\$ 247,569,822

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, 2013

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets 10/1/12	Additions	Retirements	Adjustments And Transfers	Governmental Funds Capital Assets 9/30/13
General Government					
County Judge	\$ 203,281	\$ -	\$ -	\$ -	\$ 203,281
Commissioners' Court	8,998,964	1,310,983	-	3,309,204	13,619,151
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	1,221,747	311,187	(6,285)	-	1,526,649
Information Technology	5,438,311	155,409	(589,101)	36,399	5,041,018
Human Resources	507,568	-	-	-	507,568
County Auditor	1,019,083	-	-	-	1,019,083
Purchasing Administration	407,024	-	-	-	407,024
Facilities Services	1,037,346	37,689	-	-	1,075,035
Lanscaping	-	-	-	126,387	126,387
Total General Government	20,060,644	1,815,268	(595,386)	3,471,990	24,752,516
Justice System					
County Attorney	1,857,183	22,403	-	-	1,879,586
District Attorney	1,800,539	-	(6,285)	-	1,794,254
District Clerk	1,486,088	-	(5,175)	-	1,480,913
County Clerk	874,151	-	(7,585)	-	866,566
County Clerk Records Management	112,410	-	-	-	112,410
District Courts	836,281	-	-	-	836,281
County Courts At Law	789,317	-	-	-	789,317
Justices of the Peace (5)	1,522,714	2,035	-	-	1,524,749
Community Supervision	33,005	-	-	-	33,005
Magistrate (2)	183,525	-	-	-	183,525
Law Library	10,047	-	-	-	10,047
Total Justice System	9,505,260	24,438	(19,045)	-	9,510,653
Law Enforcement					
Sheriff/Jail	77,357,192	1,419,575	(138,990)	(3,311,765)	75,326,012
Courthouse Security	383,686	-	-	-	383,686
Constables (4)	2,359,500	78,306	-	-	2,437,806
SIU	163,393	-	-	(33,838)	129,555
Total Law Enforcement	80,263,771	1,497,881	(138,990)	(3,345,603)	78,277,059
Juvenile Services					
Juvenile Probation	7,473,697	6,072	(65,195)	65,195	7,479,769
Total Juvenile Services	7,473,697	6,072	(65,195)	65,195	7,479,769
Public Transportation					
Metropolitan Planning	1,004,195	-	-	-	1,004,195
Road & Bridge	11,119,109	1,269,844	(80,851)	-	12,308,102
Infrastructure and ROW	76,116,178	11,905,250	(1,256,875)	50,695	86,815,248
Total Public Transportation	\$ 88,239,482	\$13,175,094	\$(1,337,726)	\$ 50,695	\$100,127,545

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, 2013

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets 10/1/12	Additions	Retirements	Adjustments And Transfers	Governmental Funds Capital Assets 9/30/13
Public Health					
Environmental Protection	\$ 811,955	\$ -	\$ (7,660)	\$ -	\$ 804,295
Health Department	400,774	-	-	-	400,774
Total Public Health	<u>1,212,729</u>	<u>-</u>	<u>(7,660)</u>	<u>-</u>	<u>1,205,069</u>
Human Services					
Emergency Management	890,435	-	-	-	890,435
Brazos Center	2,872,439	1,946	-	(126,387)	2,747,998
Agricultural Extension	92,908	-	-	-	92,908
Elections	1,238,871	-	-	-	1,238,871
Exposition Center	35,719,586	299,365	-	-	36,018,951
Total Human Services	<u>40,814,239</u>	<u>301,311</u>	<u>-</u>	<u>(126,387)</u>	<u>40,989,163</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 247,569,822</u>	<u>\$ 16,820,064</u>	<u>\$(2,164,002)</u>	<u>\$ 115,890</u>	<u>\$ 262,341,774</u>

BRAZOS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
September 30, 2013

FUNCTION AND ACTIVITY	Land	Buildings	Improvements	Machinery And Equipment	Intangible Assets	Infrastructure	Construction Work in Progress	Total
General Government								
County Judge	\$ 11,010	\$ 189,565	\$ 2,706	\$ -	\$ -	\$ -	\$ -	\$ 203,281
Commissioners' Court	110,541	4,257,467	28,275	98,261	32,900	-	9,091,707	13,619,151
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	400,301	119,689	609,187	10,224	26,070	-	361,178	1,526,649
Information Technology	26,777	1,211,893	40,859	1,065,899	2,695,590	-	-	5,041,018
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
Facilities Services	184,076	530,763	91,634	268,562	-	-	-	1,075,035
Lanscaping	-	-	-	126,387	-	-	-	126,387
Total General Government	897,828	9,155,473	812,526	1,679,244	2,754,560	-	9,452,885	24,752,516
Justice System								
County Attorney	-	1,255,327	401,986	222,273	-	-	-	1,879,586
District Attorney	-	1,295,821	423,730	74,703	-	-	-	1,794,254
District Clerk	-	1,133,845	336,410	10,658	-	-	-	1,480,913
District Clerk Management	-	-	-	-	-	-	-	-
County Clerk	-	506,180	182,738	158,074	19,574	-	-	866,566
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	68,711	-	-	-	1,524,749
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	614,000	19,574	-	-	9,510,653
Law Enforcement								
Sheriff/Jail	780,047	67,196,494	176,874	3,197,121	29,373	-	3,946,104	75,326,013
Courthouse Security	-	202,472	64,044	117,170	-	-	-	383,686
Constables (4)	184,397	1,104,371	43,423	1,105,614	-	-	-	2,437,805
SIU	-	-	-	129,555	-	-	-	129,555
Total Law Enforcement	964,444	68,503,337	284,341	4,549,460	29,373	-	3,946,104	78,277,059
Juvenile Services								
Juvenile Probation	106,544	6,926,756	37,527	408,942	-	-	-	7,479,769
Total Juvenile Services	106,544	6,926,756	37,527	408,942	-	-	-	7,479,769
Public Transportation								
Metropolitan Planning	-	-	994,180	-	10,015	-	-	1,004,195
Road & Bridge	541,850	586,308	560,009	10,275,653	15,278,218	69,965,405	1,915,907	99,123,350
Total Public Transportation	\$ 541,850	\$ 586,308	\$ 1,554,189	\$ 10,275,653	\$ 15,288,233	\$ 69,965,405	\$ 1,915,907	\$ 100,127,545

BRAZOS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY (Continued)
September 30, 2013

	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Machinery And Equipment</u>	<u>Intangible Assets</u>	<u>Infrastructure</u>	<u>Construction Work in Progress</u>	<u>Total</u>
Public Health								
Environmental Protection	\$ 561,382	\$ 90,908	\$ 152,005	\$ -	\$ -	\$ -	\$ -	\$ 804,295
Health Department	122,213	139,824	138,737	-	-	-	-	400,774
Total Public Health	<u>683,595</u>	<u>230,732</u>	<u>290,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,205,069</u>
Human Services								
Emergency Management	-	-	40,688	849,747	-	-	-	890,435
Brazos Center	23,129	1,526,004	1,120,823	76,096	-	-	1,946	2,747,998
Agricultural Extension	-	63,441	29,467	-	-	-	-	92,908
Elections	-	80,989	24,566	1,118,316	15,000	-	-	1,238,871
Exposition Center	1,964,121	32,069,038	48,192	1,638,235	9,455	-	289,910	36,018,951
Total Human Services	<u>1,987,250</u>	<u>33,739,472</u>	<u>1,263,736</u>	<u>3,682,394</u>	<u>24,455</u>	<u>-</u>	<u>291,856</u>	<u>40,989,163</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 5,371,411</u>	<u>\$ 126,039,036</u>	<u>\$ 6,033,282</u>	<u>\$ 21,209,693</u>	<u>\$ 18,116,195</u>	<u>\$ 69,965,405</u>	<u>\$ 15,606,752</u>	<u>\$ 262,341,774</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 Position by Component,
Last Ten Fiscal Years
(Unaudited and Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net Investment in Capital Assets	\$ 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	\$ 130,240,967
Restricted	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	19,544,730
Unrestricted	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	1,604,629
Total governmental activities net position	<u>\$ 76,985,988</u>	<u>\$ 88,800,751</u>	<u>\$ 100,275,893</u>	<u>\$ 110,511,999</u>	<u>\$ 123,008,484</u>	<u>\$ 124,698,769</u>	<u>\$ 126,414,642</u>	<u>\$ 125,498,613</u>	<u>\$ 137,908,931</u>	<u>\$ 151,390,326</u>
Business-type activities										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ 12,558	\$ 10,243	\$ 26,502	\$ 44,919	\$ 65,749	\$ 53,093	\$ 41,774
Unrestricted	146,935	172,036	238,586	315,127	390,914	375,579	341,601	327,551	346,496	476,430
Total business-type activities net position	<u>\$ 146,935</u>	<u>\$ 172,036</u>	<u>\$ 238,586</u>	<u>\$ 327,685</u>	<u>\$ 401,157</u>	<u>\$ 402,081</u>	<u>\$ 386,520</u>	<u>\$ 393,300</u>	<u>\$ 399,589</u>	<u>\$ 518,204</u>
Primary government										
Net Investment in Capital Assets	\$ 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	\$ 130,282,741
Restricted	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	19,544,730
Unrestricted	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	2,081,059
Total primary government net position	<u>\$ 77,132,923</u>	<u>\$ 88,972,787</u>	<u>\$ 100,514,479</u>	<u>\$ 110,839,684</u>	<u>\$ 123,409,641</u>	<u>\$ 125,100,850</u>	<u>\$ 126,801,162</u>	<u>\$ 125,891,913</u>	<u>\$ 138,308,520</u>	<u>\$ 151,908,530</u>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General Government	\$ 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	\$ 21,362,907
Justice System	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	18,083,021
Law Enforcement	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	21,880,880
Juvenile Services	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	5,978,536
Public Transportation	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	6,457,965
Public Health	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	1,798,582
Human Services	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	5,523,897
Interest and Other Fees	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	4,318,458
Total governmental activities expenses	48,284,347	46,492,468	50,987,813	56,038,118	63,390,382	75,781,422	78,291,395	84,375,736	82,138,777	85,404,246
Business-type activities:										
County Attorney	96,878	81,788	67,342	40,144	33,905	33,681	39,959	39,799	36,515	19,401
Jail Commissary	207,164	246,840	299,883	318,321	367,270	435,003	436,447	479,243	480,762	558,746
Total business-type activities expenses	304,042	328,628	367,225	358,465	401,175	468,684	476,406	519,042	517,277	578,147
Total primary government expenses	\$ 48,588,389	\$ 46,821,096	\$ 51,355,038	\$ 56,396,583	\$ 63,791,557	\$ 76,250,106	\$ 78,767,801	\$ 84,894,778	\$ 82,656,054	\$ 85,982,393
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 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	\$ 4,634,471
Justice System	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	7,024,080
Law Enforcement	673,692	768,454	846,828	786,796	791,070	800,126	804,839	879,719	946,508	976,397
Juvenile Services	18,103	53,903	81,922	21,955	17,057	81,834	89,261	43,110	83,648	66,167
Public Transportation	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	1,373,881
Public Health	31,209	30,844	33,060	30,103	30,545	28,807	30,748	37,608	34,711	39,853
Human Services	212,895	268,443	281,912	226,251	534,253	706,595	786,699	979,624	1,078,279	1,250,832
Operating grants and contributions:										
General Government	-	-	-	24,353	27,668	-	110,940	2,145,051	33,576	23,269
Justice System	562,706	504,157	438,130	553,661	612,443	662,369	649,216	631,839	584,036	589,818
Law Enforcement	1,027,000	997,417	744,033	621,285	446,537	299,401	261,014	90,710	122,515	132,673
Juvenile Services	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	1,241,821
Public Transportation	286,801	260,270	252,928	296,211	333,597	351,190	342,202	306,537	293,621	376,007
Public Health	59,520	86,432	153,360	166,419	167,373	161,037	81,026	82,188	82,226	74,248
Human Services	91,318	1,586,721	572,788	257,635	635,412	410,164	407,909	367,511	291,671	297,275
Capital grants and contributions:										
Law Enforcement	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	7,124,595
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	\$ 14,051,826	\$ 14,508,044	\$ 13,452,670	\$ 13,832,759	\$ 17,822,632	\$ 15,549,869	\$ 15,860,246	\$ 17,267,255	\$ 23,745,110	\$ 25,225,387

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

	<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>	<u>2013</u>
Business-type activities:										
Charges for services:										
County Attorney	\$ 107,360	\$ 76,778	\$ 74,948	\$ 52,074	\$ 57,191	\$ 36,911	\$ 37,909	\$ 30,052	\$ 22,565	\$ 21,750
Jail Commissary	243,476	269,809	350,779	387,093	411,699	430,870	421,748	494,837	500,061	673,784
Total business-type activities program revenue	<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>	<u>695,534</u>
Total primary government program revenues	<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>	<u>\$ 25,920,921</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (60,178,859)
Business-type activities	46,794	17,959	58,502	80,702	67,715	(903)	(16,749)	5,847	5,349	117,387
Total primary government net expense	<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>	<u>\$ (60,061,472)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 57,572,056
Sales taxes	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	13,230,652
Motor vehicle taxes	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	1,409,741
Mixed drink taxes	348,790	374,123	401,298	440,482	491,078	528,915	505,783	524,240	460,710	534,150
Hotel occupancy taxes	-	-	-	84,594	1,102,929	1,075,806	1,064,670	1,130,582	1,172,567	1,527,027
Unrestricted investment earnings	684,525	1,592,819	3,120,658	3,021,597	1,936,657	593,961	386,812	251,055	248,822	414,701
Gain (loss) on disposal of assets	29,791	12,193	38,820	111,290	-	54,503	-	-	-	-
Transfers:	-	-	-	5,000	1,450	-	-	-	-	-
Total governmental activities	<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>	<u>74,688,327</u>
Business-type activities:										
Unrestricted investment earnings	933	3,292	8,048	11,397	7,207	1,827	1,188	933	940	1,228
Gain on disposal of assets	1,600	3,850	-	2,000	-	-	-	-	-	-
Transfers	-	-	-	(5,000)	(1,450)	-	-	-	-	-
Total business-type activities	<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>	<u>1,228</u>
Total primary government	<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>	<u>\$ 74,689,555</u>
Change in Net Position										
Governmental activities	\$ 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	\$ 14,509,468
Business-type activities	49,327	25,101	66,550	89,099	73,472	924	(15,561)	6,780	6,289	118,615
Total primary government	<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>	<u>\$ 14,628,083</u>

Table III

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

	<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>	<u>2013</u>
General Fund										
Nonspendable	\$ 453,479	\$ 604,834	\$ 711,277	\$ 738,496	\$ 1,020,562	\$ 1,202,076	\$ 927,025	\$ 1,061,363	\$ 1,348,027	\$ 1,299,861
Restricted	1,119,227	1,188,199	1,108,102	1,139,030	1,330,102	931,374	566,820	422,407	333,381	481,273
Committed	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	336,738
Assigned	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	1,067,142
Unassigned	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	31,664,348
Total General Fund	<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>	<u>\$ 34,849,362</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,299	\$ 30,443	\$ 24,630	\$ 7,340
Restricted	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	19,063,457
Assigned	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	5,564,864
Unassigned	-	-	-	-	-	-	-	-	(18,740)	-
Total All Other Governmental Funds	<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>	<u>\$ 24,635,661</u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues					
Taxes	\$ 35,680,824	\$ 41,005,538	\$ 44,572,996	\$ 48,095,357	\$ 54,745,662
Charges for Services	7,736,038	8,016,868	9,267,257	10,808,583	11,033,749
Intergovernmental	3,578,354	4,953,605	3,645,503	3,502,924	3,605,105
Interest	674,177	1,571,892	3,050,275	2,951,920	1,936,657
Other Revenue	589,461	931,107	533,322	465,932	490,472
Total Revenue	<u>48,258,854</u>	<u>56,479,010</u>	<u>61,069,353</u>	<u>65,824,716</u>	<u>71,811,645</u>
Expenditures					
Current					
General Government	9,398,660	9,459,149	10,329,448	10,518,550	11,695,108
Justice System	9,460,213	9,658,261	10,405,154	11,385,426	12,937,962
Law Enforcement	11,550,365	11,544,576	12,282,765	13,357,681	14,797,789
Juvenile Services	3,650,819	3,717,184	4,064,113	4,120,105	4,375,672
Public Transportation	4,878,592	4,481,106	5,080,480	6,230,521	6,142,314
Public Health	1,533,065	1,673,525	1,686,112	2,128,563	1,928,564
Human Services	1,831,381	2,089,260	2,265,385	2,742,753	3,222,130
Capital Outlay	4,338,542	5,580,780	13,980,609	24,351,811	10,698,766
Debt Service					
Principal Retirement	2,031,142	2,390,000	2,785,000	2,795,000	3,445,000
Interest and Fiscal Agent Fees	1,602,689	1,787,895	2,322,768	2,034,535	2,692,699
Total Expenditures	<u>50,275,468</u>	<u>52,381,736</u>	<u>65,201,834</u>	<u>79,664,945</u>	<u>71,936,004</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,016,614)	4,097,274	(4,132,481)	(13,840,229)	(124,359)
Other Financing Sources (Uses)					
Transfers In	529,838	345,969	2,637,411	13,530,376	5,573,472
Transfers Out	(729,838)	(845,969)	(2,637,411)	(13,525,376)	(5,693,955)
Premium on Debt Issuance	-	-	-	-	-
Debt Issuance - Refunding Bonds	-	-	6,005,000	-	-
Sale of Capital Assets	39,840	16,111	77,393	359,277	96,570
Payments to Refunded Bonds Escrow Agent	-	-	(5,810,000)	-	-
Debt Issuance	15,000,000	13,250,000	-	-	55,000,000
Capital Leases	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>14,839,840</u>	<u>12,766,111</u>	<u>272,393</u>	<u>364,277</u>	<u>54,976,087</u>
Net Change in Fund Balances	<u>\$ 12,823,226</u>	<u>\$ 16,863,385</u>	<u>\$ (3,860,088)</u>	<u>\$ (13,475,952)</u>	<u>\$ 54,851,728</u>
Debt service as a percentage of noncapital expenditures	7.91%	8.93%	9.97%	8.73%	10.02%

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues					
Taxes	\$ 60,031,219	\$ 62,547,299	\$ 64,771,195	\$ 69,130,347	\$ 72,356,721
Charges for Services	11,171,081	11,427,158	11,245,990	11,858,804	12,392,689
Intergovernmental	3,090,888	3,060,220	5,275,509	2,813,922	2,735,115
Interest	593,961	377,477	242,214	240,668	402,889
Other Revenue	629,787	505,872	491,785	534,401	743,250
Total Revenue	<u>75,516,936</u>	<u>77,918,026</u>	<u>82,026,693</u>	<u>84,578,142</u>	<u>88,630,664</u>
Expenditures					
Current					
General Government	12,727,888	12,374,024	14,476,472	13,225,501	15,493,215
Justice System	13,715,644	14,322,604	15,550,105	15,653,508	16,529,689
Law Enforcement	16,365,787	17,004,568	17,005,275	16,822,613	17,672,957
Juvenile Services	4,853,347	5,023,328	5,014,270	4,995,530	5,151,366
Public Transportation	6,672,577	7,127,922	7,268,102	7,579,399	7,903,452
Public Health	2,187,971	2,442,180	2,582,618	2,110,077	1,784,239
Human Services	3,961,591	3,919,455	4,483,716	4,269,698	4,020,385
Capital Outlay	33,724,110	38,225,031	13,491,806	8,003,022	7,659,526
Debt Service					
Principal Retirement	3,540,000	4,710,000	5,035,000	5,675,000	6,438,183
Interest and Fiscal Agent Fees	4,099,774	4,679,134	4,168,000	3,984,699	4,415,107
Total Expenditures	<u>101,848,689</u>	<u>109,828,246</u>	<u>89,075,364</u>	<u>82,319,047</u>	<u>87,068,119</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,331,753)	(31,910,220)	(7,048,671)	2,259,095	1,562,545
Other Financing Sources (Uses)					
Transfers In	6,165,033	8,817,971	8,929,636	2,634,022	3,333,880
Transfers Out	(6,165,033)	(9,017,971)	(8,929,636)	(2,634,022)	(3,333,880)
Premium on Debt Issuance	-	453,572	-	-	2,214,527
Debt Issuance - Refunding Bonds	-	7,365,000	-	-	24,340,000
Sale of Capital Assets	279,384	270,138	86,563	95,930	104,757
Payments to Refunded Bonds Escrow Agent	-	(7,300,000)	-	-	(15,808,088)
Debt Issuance	-	12,000,000	-	-	-
Capital Leases	-	-	-	-	666,650
Total Other Financing Sources (Uses)	<u>279,384</u>	<u>12,588,710</u>	<u>86,563</u>	<u>95,930</u>	<u>11,517,846</u>
Net Change in Fund Balances	<u>\$ (26,052,369)</u>	<u>\$ (19,321,510)</u>	<u>\$ (6,962,108)</u>	<u>\$ 2,355,025</u>	<u>\$ 13,080,391</u>
Debt service as a percentage of noncapital expenditures	11.21%	13.14%	12.17%	13.00%	13.67%

REVENUE CAPACITY INFORMATION



Table V

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

<u>Tax Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Personal Property</u>	<u>Minerals</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
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
2012	\$ 6,856,500,798	\$ 5,959,776,425	\$ 1,024,298,940	\$ 1,265,341,250	\$ 417,520,103	\$ (3,608,957,759)	\$ 11,914,479,757	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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
County Direct Rate:										
Debt Service	\$ 0.0511	\$ 0.0632	\$ 0.0701	\$ 0.0620	\$ 0.0620	\$ 0.0813	\$ 0.0834	\$ 0.0844	\$ 0.0813	\$ 0.0779
Basic Rate	0.3839	0.4093	0.3949	0.3930	0.4030	0.3987	0.3966	0.4012	0.4037	0.4071
Total Direct Rate:	<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>	<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	0.6333
City of College Station	0.4653	0.4640	0.4394	0.4394	0.4394	0.4394	0.4394	0.4475	0.4380	0.4307
School District Rates:										
Bryan I. S. D.	1.6800	1.6700	1.7800	1.6300	1.2900	1.2900	1.2900	1.2900	1.2900	1.2900
College Station I. S. D.	1.7700	1.7700	1.6750	1.4800	1.2411	1.2534	1.2534	1.3099	1.3350	1.3350
Total Overlapping Rate:	<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>	<u>3.6890</u>
Total Property Tax Rate -										
Direct and Overlapping										
Governments:	<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>	<u>\$ 4.1740</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	2013			2004		
	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)
VOC Brazos Energy Partners LP	\$ 92,469,518	1	0.78%	\$ -		0.00%
Jamespoint Management	67,482,010	2	0.57%	-		0.00%
SHP - The Callaway House L.P.	63,806,500	3	0.54%	-		0.00%
Wal-Mart Real Estate Business Trust	62,177,540	4	0.52%	43,859,465	3	0.65%
SW Meadows Point L.P.	60,356,990	5	0.51%	-		0.00%
POM-College Station, LLC	57,025,440	6	0.48%	-		0.00%
College Station Hospital, L.P.	56,167,890	7	0.47%	32,787,670	7	0.49%
Anadarko Petroleum Corp.	54,618,722	8	0.46%	34,147,695	5	0.51%
Adam Development Properties LP	50,989,271	9	0.43%	41,208,280	4	0.61%
Weinberg Israel & et al.	47,013,080	10	0.39%	-		0.00%
Verizon Communications	--		0.00%	79,968,580	1	1.18%
C B L & Associates	--		0.00%	49,331,205	2	0.73%
Alkossler, David / Weinberg	--		0.00%	33,666,285	6	0.50%
Devon Gas Services, LP	--		0.00%	27,834,305	8	0.41%
HEB	--		0.00%	23,033,730	9	0.34%
R&S Leasing	--		0.00%	20,716,926	10	0.31%
	<u>\$ 612,106,961</u>		<u>5.15%</u>	<u>\$ 386,554,141</u>		<u>5.73%</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 - \$11,914,479,757
- (3) Total adjusted assessed valuation net of exempt properties as certified by the Appraisal Review Board - \$6,749,237,638

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 (1)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003 / 2004	\$ 26,929,514	\$ 26,564,663	98.65%	\$ 334,743	\$ 26,899,406	99.89%
2004 / 2005	31,890,149	31,394,200	98.44%	447,848	31,842,048	99.85%
2005 / 2006	34,562,219	34,018,184	98.43%	423,582	34,441,766	99.65%
2006 / 2007	37,528,035	36,914,865	98.37%	487,304	37,402,169	99.66%
2007 / 2008	42,551,185	41,894,859	98.46%	507,618	42,402,477	99.65%
2008 / 2009	48,091,960	47,365,802	98.49%	555,399	47,921,201	99.64%
2009 / 2010	50,744,743	50,008,637	98.55%	499,782	50,508,419	99.53%
2010 / 2011	52,321,297	51,559,230	98.54%	459,073	52,018,303	99.42%
2011 / 2012	55,212,341	54,467,213	98.65%	373,317	54,840,530	99.33%
2012 / 2013	\$ 56,989,658	\$ 56,317,318	98.82%	\$ 69,301	\$ 56,386,619	98.94%

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
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
2013	\$ 20,965,000	\$ 73,115,000	\$ 548,467	\$ 94,628,467	3.01%	\$ 525

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
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%	177,942	381.33
2012	68,630,000	5,514,377	63,115,623	11,554,150,678	0.55%	180,328	350.00
2013	\$ 73,115,000	\$ 6,075,351	\$ 67,039,649	\$ 11,914,479,757	0.56%	182,655	\$ 367.03

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.

Note: Changed population for 2011 and 2012 to match the projected population for the County per the Department of State Health Services.

Table XI

Brazos County, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2013
(Unaudited)

<u>Direct Debt</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Brazos County	\$ 94,080,000	100%	\$ 94,080,000
<u>Overlapping Debt</u>			
Cities:			
Bryan	90,666,646	100%	90,666,646
College Station	96,870,000	100%	96,870,000
Kurten	-	100%	-
Independent School Districts:			
College Station School District	210,040,000	100%	210,040,000
Bryan Independent School District	146,570,000	100%	146,570,000
Navasota Independent School District	\$ 32,722,121	0.96% ^a	314,132
Special Districts:			
Brazos County ESD #1	-	100%	-
Brazos County ESD #2	-	100%	-
Brazos County ESD #3	-	100%	-
Brazos County ESD #4	-	100%	-
Total Overlapping Debt:			<u>544,460,778</u>
Total Direct and Overlapping Debt:			<u>\$ 638,540,778</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)**

	Fiscal Year				
	2004	2005	2006	2007	2008
Debt Limit	\$ 1,302,335,126	\$ 1,418,068,298	\$ 1,577,946,187	\$ 1,756,630,748	\$ 1,966,553,398
Total net debt applicable to limit	6,376,258	16,288,295	20,167,029	20,283,627	68,853,622
Legal debt margin	<u>\$ 1,308,711,384</u>	<u>\$ 1,434,356,593</u>	<u>\$ 1,598,113,216</u>	<u>\$ 1,776,914,375</u>	<u>\$ 2,035,407,020</u>
Total net debt applicable to the limit as a percentage of debt limit	0.49%	1.15%	1.28%	1.15%	3.50%

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 - \$10,231,618,404 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 2013

(Note 1)	Assessed Value		\$	10,231,618,404
(Note 2)	Debt limit (25% of assessed value)			2,557,904,601
	Debt applicable to limit:			
(Note 3)	Gross bonded debt	73,115,000		
	Less: Amount available from Debt Service Fund	6,075,351		
	Total net debt applicable to limit			67,039,649
	Legal debt margin			2,624,944,250

Fiscal Year				
2009	2010	2011	2012	2013
\$ 2,169,592,185	\$ 2,302,922,924	\$ 2,372,671,645	\$ 2,490,377,965	\$ 2,557,904,601
72,171,112	72,244,814	67,854,183	63,115,623	67,039,649
\$ 2,241,763,297	\$ 2,375,167,738	\$ 2,440,525,828	\$ 2,553,493,588	\$ 2,624,944,250
3.33%	3.14%	2.86%	2.53%	2.62%

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		
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	-	-	-	-	
2013	\$ 4,096,625	\$ 67,702	\$ 119,309	\$ 1,755,000	\$ 902,919	1.52	\$ 118,925	\$ 118,183	\$ -	1.01	

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⁾
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	177,942	3,089,688,803	17,363	26,604	49,861	12,342	6.40%
2012	180,328	3,147,154,437	17,452	27,248	50,227	12,269	5.30%
2013	182,655	\$ 3,303,060,881	\$ 18,084	27,961	53,219	12,771	5.20%

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 2011-2013, the projected population came from Texas Department of State Health Services. 2011 and 2012 populations have been corrected to match the Texas Department of State Health Services projected population for the County.
- (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 2004 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)**

2013	2004
Employer ⁽¹⁾	Employer ⁽²⁾
Baylor Scott & White Health	Blinn College
Blinn College	Brazos County
Brazos County	Bryan Independent School District
Bryan Independent School District	City of Bryan
City of Bryan	City of College Station
City of College Station	College Station Independent School District
College Station Independent School District	Sanderson Farms
College Station Medical Center	St. Joseph Regional Hospital
Ply Gem Windows	Texas A&M University & System
Reynolds & Reynolds	UCS/Rentsys
Sanderson Farms	
St. Joseph Health System	
Texas A&M University System	

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) 2004 Brazos County CAFR

OPERATING INFORMATION



Table XVI

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

Function	Employees as of September 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	124	124	126	133	134	135	138	138	138	138
Justice System	153	153	158	164	171	168	172	176	172	177
Law Enforcement	217	222	223	234	249	257	265	264	256	259
Juvenile Services	90	91	89	91	91	97	98	93	92	92
Human Services	25	26	26	39	42	46	50	58	59	60
Public Transportation	70	70	70	70	71	75	75	81	80	80
Total	<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>797</u>	<u>806</u>

Source: County Auditor's Office

Note:

Information compiled from Brazos County Budget Ten Year Trend Report. Year 2012 was corrected to match information collected.

Table XVII

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

<u>Function</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>	<u>2013</u>
Justice System										
Birth Certificates Filed ⁽¹⁾	2,972	2,978	2,971	3,276	3,188	3,254	2,853	2,480	2,652	2,611
Marriage License Applications ⁽¹⁾	1,419	1,374	1,444	1,493	1,637	1,289	1,275	1,149	1,088	1,528
Death Certificates Issued	743	713	812	757	929	801	883	967	936	479
Registered Voters ⁽¹⁾	86,283	83,894	86,771	82,180	88,758	82,674	88,851	80,834	91,498	88,600
Court Activity: ⁽²⁾										
District Court:										
Cases Added	7,679	8,047	7,863	8,241	6,215	6,774	6,843	6,341	4,920	5,439
Cases Disposed	6,763	6,295	8,041	8,120	6,190	6,291	6,283	6,300	4,817	6,251
Cases Pending	6,009	8,013	8,281	8,814	4,486	6,598	7,113	4,361	2,299	4,507
County Court at Law Courts:										
Cases Added	3,658	6,019	5,706	6,820	4,258	7,137	7,000	5,159	7,347	6,270
Cases Disposed	3,072	4,560	4,856	5,999	4,441	7,403	6,768	4,712	3,761	5,960
Cases Pending	1,185	2,342	3,142	3,948	4,283	3,664	3,250	3,119	1,244	4,132
Justice of the Peace Courts:										
Cases Added	20,105	22,085	19,387	22,965	23,375	23,008	19,583	19,783	13,557	10,198
Cases Disposed	16,272	16,868	18,497	21,117	19,986	20,605	18,111	19,322	15,237	9,926
Law Enforcement										
Sheriff's Department:										
Average Daily Inmate Population ⁽³⁾	425	492	550	553	536	594 ⁽⁷⁾	538	584	554	592
Arrest Totals ⁽³⁾	13,915	14,328	15,541	15,769	14,584	13,944	10,040	15,058	14,841	14,558
Human Services										
Cooperative Agricultural Extension Office: ⁽⁴⁾										
Number of Educational Programs Conducted	602	622	779	772	528	623	573	383	414	719
Number of Participants in Educational Programs	21,660	22,487	49,229	16,850	60,589	220,900	1,104,930	1,515,696	987,046	301,892
Brazos Center:										
No. of Events held: ⁽⁵⁾	531	532	578	522	493	466	458	581	497	630
Exposition Center:										
No. of Events held: ⁽⁶⁾	0	0	0	3	85	108	118	126	140	155
Public Transportation										
Miles of Roads:										
Paved	N/A	N/A	330	341	342	348	364	368	357	356
Unpaved	N/A	N/A	146	137	129	124	110	103	103	123

(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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Office Buildings / Courthouse	4	4	4	5	5	5	5	5	4	4
Facility Services:										
Vehicles	4	5	7	8	9	9	11	12	12	17 ⁽²⁾
Equipment	0	0	0	0	0	0	0	0	0	1
IT Vehicles	1	1	1	1	1	2	2	2	2	2
Justice System										
Office Buildings / Courthouse	0	0	1	2	2	2	2	2	2	2
County Attorney Vehicles	5	6	8	10	8	8	9	8	8	9
District Attorney Vehicles	3	4	7	4	4	4	4	4	4	4
Law Enforcement										
Sheriff's Administration Facility	0	0	0	0	1	1	1	1	1	1
Sheriff's Detention Facility	1 ⁽¹⁾	2	2	2	2					
Vehicles:										
Sheriff's	47	53	63	62	63	62	66	63	54	60
Sheriff's - Jail Division	6	6	7	9	10	11	17	27	24	25
Constable	18	18	21	24	22	22	23	26	26	27
Heavy Equipment:										
Sheriff's	1	1	1	1	1	1	0	2	2	2
Sheriff's - Jail Division	1	3	3	4	4	4	5	1	1	1
Juvenile Services										
Juvenile Facilities	1	1	1	1	1	1	1	1	1	1
Juvenile Dept. Vehicles	6	8	8	8	7	7	7	7	7	7
Human Services										
Buildings	3	3	3	5	5	5	5	5	5	5
Emergency Management Vehicles	1	1	1	1	1	1	0	0	0	
Brazos Center:										
Vehicles	2	2	3	2	4	4	4	5	5	0 ⁽²⁾
Equipment	4	4	4	3	4	4	4	1	1	0
Exposition Center:										
Vehicles	0	0	0	1	3	3	4	4	4	4
Equipment	0	0	0	2	12	12	13	11	12	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	40	41	44	46	48	48	53	54	55	54
Road and Bridge Heavy Equipment	84	94	95	95	93	93	95	75	77	83
County Roads (miles)	450	453	476	478	472	472	474	471	460	479
Bridges	58	58	63	59	59	60	60	61	61	67

(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

(2) In FY 2013, Building Maintenance was changed to Facility Services. The Landscaping subdivision of the Brazos Center was moved from the Brazos Center to Facilities Services.



DEBT SERVICE

Brazos County, Texas
General Long Term Debt Payable by Issue
September 30, 2013
(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 3/1 and 9/1	10/15/2002	9/1/2013	\$ 2,995,000
Electronic voting equipment, Information technology, Vehicles, Right-of-Way				
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 3/1 and 9/1	11/15/2003	9/1/2023	10,000,000
Real Estate Acquisition, Vehicles, R&B Equipment, Communication Conversion				
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 3/1 and 9/1	8/15/2004	9/1/2024	5,000,000
Real Estate Acquisition, R&B Equipment, Building Improvements, Right-of-Way Acquisition				
2005 Series, Issued For:	3.25/3.75/3.75/3.75/3.5/ 3.5/3.625/3.75/3.75/3.75 3/1 and 9/1	9/1/2005	9/1/2015	2,750,000
Buildings, Building Renovations, Capital Roads, Equipment, and Right-of-Way Acquisition				
2009 Series, Issued For:	4.350/4.45/4.50/4.60 3/1 and 9/1	10/15/2009	9/1/2034	12,000,000
Exposition Center Expansion and Costs of issuance of Certificates				
2012 Series, Issued For:	2/2/3/3/4/3/4/4/5/5/3 2.8/3/3/3/3.125/3.125/ 3.25/3.25/3.375 3/1 and 9/1	9/1/2012	9/1/2032	9,700,000
Courthouse Renovation, Tax Office, Fleet Maintenance Building, Renovations of Brazos Center and Juvenile Detention Center				
General Obligation Bond				
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 3/1 and 9/1	9/1/2005	9/1/2025	10,500,000
Exposition Center				
Limited Tax Refunding Bonds				
Series 2005, Issued For:	4.0 3/1 and 9/1	12/1/2005	9/1/2016	6,005,000
R&B New Construction and Right-Of-Way Acquisition				
Series 2009, Issued For:	3.0/4.0 3/1 and 9/1	10/15/2009	9/1/2021	7,365,000
Exposition Center Expansion and Costs of issuance of Certificates				
Series 2012, Issued for :	2.0/2.0/3.0/3.0/4.0/4.0/4.0/ 5.0/5.0/5.0/3.0/2.8/3.0 3/1 and 9/1	9/1/2012	9/1/2025	14,640,000
Refund portions of the outstanding debt payable from ad valorem taxes and certain costs of issuance of the bonds				
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 3/1 and 9/1	5/1/2008	9/1/2028	55,000,000
Jail Expansion				
Total Long Term Debt				<u>\$ 135,955,000</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, 2013
(Unaudited)

Debt Outstanding			Debt Service Requirements For Fiscal Year 2012-2013		
Principal	Interest	Totals	Principal	Interest	Totals
\$ -	\$ -	\$ -	\$ 195,000	\$ 7,508	\$ 202,508
-	-	-	475,000	17,813	492,813
250,000	10,000	260,000	240,000	19,600	259,600
625,000	35,438	660,438	295,000	34,500	329,500
10,565,000	5,302,743	15,867,743	375,000	447,560	822,560
9,525,000	3,627,886	13,152,886	175,000	326,598	501,598
2,220,000	226,000	2,446,000	505,000	109,000	614,000
2,165,000	132,500	2,297,500	655,000	99,700	754,700
4,470,000	755,200	5,225,200	375,000	184,425	559,425
14,365,000	4,185,060	18,550,060	275,000	570,810	845,810
49,895,000	19,967,904	69,862,904	2,300,000	2,240,356	4,540,356
<u>\$ 94,080,000</u>	<u>\$ 34,242,731</u>	<u>\$ 128,322,731</u>	<u>\$ 5,865,000</u>	<u>\$ 4,057,870</u>	<u>\$ 9,922,870</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, 2013
(Unaudited)

<u>Fiscal Year</u>	<u>Total Required Principal</u>	<u>Total Required Interest</u>	<u>Total Required</u>
2014	\$ 5,360,000	\$ 3,857,311	\$ 9,217,311
2015	5,730,000	3,667,774	9,397,774
2016	6,115,000	3,457,974	9,572,974
2017	5,575,000	3,250,199	8,825,199
2018	5,795,000	3,033,549	8,828,549
2019	6,040,000	2,805,549	8,845,549
2020	6,295,000	2,563,349	8,858,349
2020-2034	<u>53,170,000</u>	<u>11,607,026</u>	<u>64,777,026</u>
	<u>\$ 94,080,000</u>	<u>\$ 34,242,731</u>	<u>\$ 128,322,731</u>

Brazos County, Texas
Debt Retirement by Years
September 30, 2013
(Unaudited)

Fiscal Year	Certificates of Obligation Principal				General Obligation Bonds Principal	Limited Tax Refunding Bonds Principal			Limited Tax Bond Principal	Total
	2004 Issue	2005 Issue	2009 Issue	2012 Issue	2005 Issue	2005 Issue	2009 Issue	2012 Issue	2008 Issue	
2014	\$ 250,000	\$ 305,000	\$ 400,000	\$ 175,000	\$ 525,000	\$ 690,000	\$ 480,000	\$ 135,000	\$ 2,400,000	\$ 5,360,000
2015	-	320,000	425,000	175,000	545,000	720,000	505,000	530,000	2,510,000	5,730,000
2016	-	-	425,000	400,000	565,000	755,000	520,000	830,000	2,620,000	6,115,000
2017	-	-	445,000	415,000	585,000	-	540,000	850,000	2,740,000	5,575,000
2018	-	-	445,000	430,000	-	-	565,000	1,490,000	2,865,000	5,795,000
2019	-	-	465,000	440,000	-	-	590,000	1,555,000	2,990,000	6,040,000
2020	-	-	475,000	460,000	-	-	620,000	1,615,000	3,125,000	6,295,000
2020-2034	-	-	7,485,000	7,030,000	-	-	650,000	7,360,000	30,645,000	53,170,000
	<u>\$ 250,000</u>	<u>\$ 625,000</u>	<u>\$ 10,565,000</u>	<u>\$ 9,525,000</u>	<u>\$ 2,220,000</u>	<u>\$ 2,165,000</u>	<u>\$ 4,470,000</u>	<u>\$ 14,365,000</u>	<u>\$ 49,895,000</u>	<u>\$ 94,080,000</u>

Brazos County, Texas
Debt Retirement by Years
September 30, 2013
(Unaudited)

Fiscal Year	Certificates of Obligation Interest				General Obligation Bonds Interest	Limited Tax Refunding Bonds Interest			Limited Tax Bond Interest	Total
	2004 Issue	2005 Issue	2009 Issue	2012 Issue	2005 Issue	2005 Issue	2009 Issue	2012 Issue	2008 Issue	
2014	\$ 10,000	\$ 23,438	\$ 436,310	\$ 323,098	\$ 88,800	\$ 72,800	\$ 169,200	\$ 568,060	\$ 2,165,605	\$ 3,857,311
2015	-	12,000	424,310	319,598	67,800	44,600	149,500	565,360	2,084,606	3,667,774
2016	-	-	407,310	314,348	46,000	15,100	129,000	549,460	1,996,756	3,457,974
2017	-	-	390,310	302,349	23,400	-	107,800	524,561	1,901,779	3,250,199
2018	-	-	372,510	285,748	-	-	85,700	490,560	1,799,031	3,033,549
2019	-	-	354,710	272,848	-	-	62,600	430,960	1,684,431	2,805,549
2020	-	-	336,110	255,248	-	-	38,400	368,760	1,564,831	2,563,349
2020-2034	-	-	2,581,173	1,554,649	-	-	13,000	687,339	6,770,865	11,607,026
	<u>\$ 10,000</u>	<u>\$ 35,438</u>	<u>\$ 5,302,743</u>	<u>\$ 3,627,886</u>	<u>\$ 226,000</u>	<u>\$ 132,500</u>	<u>\$ 755,200</u>	<u>\$ 4,185,060</u>	<u>\$ 19,967,904</u>	<u>\$ 34,242,731</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 & Other Financing Sources	Expenditures & Other Financing Uses	Restricted Fund Balance	I&S Tax Rates *
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
2013	\$ 26,987,310	\$ 26,426,336	\$ 6,075,351	0.0779

* 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, 2013**



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' 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, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 7, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

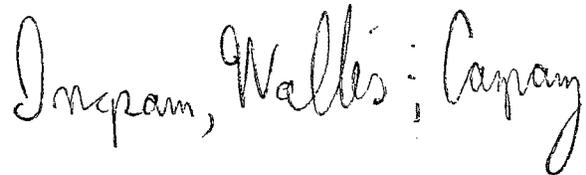
Compliance and Other Matters

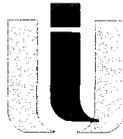
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bryan, Texas
March 7, 2014





Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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

Report on Compliance for Each Major Federal and State Program

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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the County complied, in all material respects, with the types of 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, 2013.

Report on Internal Control Over Compliance

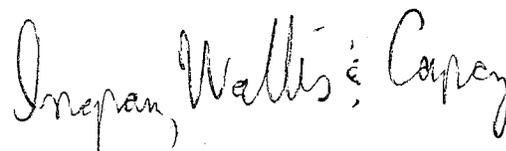
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Bryan, Texas
March 7, 2014



BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2013

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2012	Receipts	Expenditures	Grant Funds Refunded in 2013	Accounts Receivable (Payable) September 30, 2013
<u>U. S. Department of Justice</u>								
State Criminal Alien Assistance Program	16.606	2012-AP-BX-0561	\$ 40,683	\$ 40,683	\$ 40,683	\$ --	\$ --	\$ --
		07/01/11-06/30/12						
State Criminal Alien Assistance Program	16.606	2013-AP-BX-0357	57,547	--	--	57,547	--	57,547
		07/01/12-06/30/13						
Bulletproof Vest Partnership	16.607	2009BOBX08043455	1,412	1,412	1,412	--	--	--
Bulletproof Vest Partnership	16.607	2010	1,131	1,131	1,131	--	--	--
Bulletproof Vest Partnership	16.607	2011	644	644	644	--	--	--
Public Safety Partnership and Community Policing Grants	16.710	2010CKWX0552	200,000	42,461	66,844	24,383	--	--
		12/16/09-12/15/13						
<u>Passed through City of Bryan</u>								
Edward Byrne Memorial Justice Assistance Grant-ARRA	16.804	2012-DJ-BX-0174	8,346	--	8,346	5,942	--	(2,404)
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-DJ-BX-0320	7,898	--	7,898	--	--	(7,898)
<u>Passed through City of College Station</u>								
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-DJ-BX-0423	13,740	(13,740)	--	13,704	36	--
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-DJ-BX-2704	18,659	(64)	--	--	--	(64)
				72,527	126,958	101,576	36	47,181
<u>U. S. Department of Transportation</u>								
<u>Passed through State Department of Highways and Public Transportation</u>								
Metropolitan Planning Organization	20.205	50-12XF0024	480,125	37,887	37,887	--	--	--
Metropolitan Planning Organization	20.205	50-13XF0024	404,706	--	167,169	284,705	--	117,536
Metropolitan Planning Organization	20.505	50-13XF0024	61,374	--	61,374	61,374	--	--
Comprehensive Underage Drinking Education Program	20.600	582XXEGF5034	61,143	15,519	15,519	--	--	--
Comprehensive Underage Drinking Education Program	20.600	583XXEGF5004	60,893	--	15,901	38,676	--	22,775
<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	--	--	--
				55,596	300,040	384,755	--	140,311

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2013

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/Award Amount	Accounts Receivable (Payable) October 1, 2012	Receipts	Expenditures	Grant Funds Refunded in 2013	Accounts Receivable (Payable) September 30, 2013
<u>Department of Homeland Security</u>								
<u>Passed through Texas Department of Public Safety</u>								
Division of Emergency Management	97.042	12TX-EMPG-1440	\$ 53,105	\$ 48,277	\$ 53,105	\$ 4,828	\$ --	\$ --
Division of Emergency Management	97.042	13TX-EMPG-1440	58,295	--	14,574	58,295	--	43,721
Emergency Preparedness Grant	97.073	2010-SS-T0-0008 SHSP	199,238	78,000	78,000	--	--	--
Emergency Preparedness Grant	97.067	EMW-2011-SS-00019 SHSP	25,372	2,049	25,371	23,322	--	--
		EMW-2012-SS-00018-S01						
Emergency Preparedness Grant	97.073	SHSP LETPA	9,658	--	9,468	6,149	--	(3,319)
		EMW-2012-SS-00018-S01						
Emergency Preparedness Grant	97.073	SHSP	6,847	--	6,847	6,847	--	--
				128,326	187,365	99,441	--	40,402
<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	10/01/11-09/30/12	58,291	21,736	21,736	--	--	--
Title IV-E-Legal (CPS)	93.658	10/01/12-09/30/13	63,508	--	41,950	58,090	--	16,140
Title IV-E-Foster Care Maintenance	93.658	10/01/11-09/30/12	12,522	800	6,406	5,606	--	--
Title IV-E-Foster Care Maintenance	93.658	10/01/11-09/30/12	8,435	--	5,048	7,205	--	2,157
				22,536	75,140	70,901	--	18,297
<u>Passed through the Texas Juvenile Justice Department</u>								
Title IV-E - Administration - Juvenile	93.658	TJJD-E-2012-021	--	--	--	362	--	362
Title IV-E - Administration - Juvenile	93.658	TJJD-E-2013-021	--	--	--	648	--	648
Title IV-E - Maintenance - Juvenile	93.658	TJJD-E-2012-021	--	39,734	40,612	878	--	--
Title IV-E - Maintenance - Juvenile	93.658	TJJD-E-2013-021	--	4,757	83,913	132,679	--	53,523
				44,491	124,525	134,567	--	54,533
<u>Passed through the Texas Department of Agriculture</u>								
National School Lunch Program	10.555	07/01/12-06/30/13	--	6,008	29,411	23,403	--	--
National School Lunch Program	10.555	07/01/13-06/30/14	--	--	--	4,958	--	4,958
School Breakfast Program	10.553	07/01/12-06/30/13	--	3,115	15,321	12,206	--	--
School Breakfast Program	10.553	07/01/13-06/30/14	--	--	--	2,998	--	2,998
Food Services Division Commodities	10.550	07/01/12-06/30/13	--	--	825	825	--	--
				9,123	45,557	44,390	--	7,956
Total Federal Assistance				\$ 332,599	\$ 859,585	\$ 835,630	\$ 36	\$ 308,680

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2013

State Grant or Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2012	Receipts	Expenditures	Grant Funds Refunded in 2013	Accounts Receivable (Payable) September 30, 2013
<u>Texas Juvenile Justice Department</u>								
State Aid	N/A	TJJD-A-2013-021 09/01/12-08/31/13	\$ 878,000	\$ (100,737)	\$ 743,073	\$ 793,810	\$ --	\$ (50,000)
State Aid	N/A	TJJD-A-2014-021 09/01/13-08/31/14	768,408	--	--	31,227	--	31,227
JJAEP	N/A	TJJD-P-2013-021 08/01/12-5/31/13	17,301	--	17,301	17,301	--	--
Commitment Reduction	N/A	TJJD-C-2013-021 09/01/12-08/31/13	136,257	(18,422)	113,547	131,969	--	--
Commitment Reduction	N/A	TJJD-C-2014-021 09/01/13-08/31/14	136,257	--	--	5,605	--	5,605
<u>Office of Attorney General</u>								
SAVNS Program	N/A	1336353	29,174	--	29,174	29,174	--	--
Total State Assistance				(119,159)	903,095	1,009,086	--	(13,168)
Total Federal and State Assistance				\$ 213,440	\$ 1,762,680	\$ 1,844,716	\$ 36	\$ 295,512

BRAZOS COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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, 2013, the County received \$825 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 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
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(s) identified that are not considered to be material weaknesses? none
___ yes X reported

Noncompliance material to financial statements noted? ___ yes X no

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(s) identified that are not considered to be material weaknesses? none
___ yes X reported

Type of auditor's report issued on compliance for major programs: *unqualified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ___ yes X no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal or State Program or Cluster</i>
20.205	Highway Planning and Construction
N/A	TJJD Grant A-State Aid

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes ___ no

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 OMB 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, 2013
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

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

