

BRAZOS COUNTY, TEXAS

Comprehensive Annual Financial Report

For The Year Ended September 30, 2006



Prepared by:

**Katie Conner, C. P. A.
County Auditor**

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

300 East 26th Street, Suite 314

Bryan, Texas 77803

(979) 361-4350

Fax (979) 361-4347

Email: Auditor@co.brazos.tx.us

March 8, 2007

The Honorable Board of District Judges

J. D. Langley, Judge, 85th Judicial District

Rick Davis, Judge, 272nd Judicial District

Steve Smith, Judge, 361st Judicial District

The Honorable Commissioners' Court

Randy Sims, County Judge

Lloyd Wasserman, Commissioner, Precinct 1

Duane Peters, Commissioner, Precinct 2

G. Kenny Mallard Jr., Commissioner, Precinct 3

Carey Cauley, Jr., Commissioner, Precinct 4

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, 2006, 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, 2006, 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 auditor's 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 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 awards. These reports are contained in this report in the section titled "Independent Auditor's 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

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. Approximately 75 percent of the Texas and 10 percent of the Louisiana populations, a combined total of 16 million people, reside within a 200-mile radius of Brazos County. 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 147,000.

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. The average elevation in the County is 300 feet above sea level.

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.

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. The final budget includes contingency and emergency reserves line items. Unencumbered appropriations lapse at fiscal year-end. 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.

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, account groups, 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.

There are several entities that function under the umbrella and control of the Commissioners’ Court, for which the Commissioners’ Court has fiscal responsibility. The Brazos County Juvenile Services and the Brazos Valley Narcotics Task Force have independent boards that

provide operational control. These two entities are not legally separate from the County and are included in the operations and activities of the County's General Fund. The Commissioners' Court approves the operating budgets and the expenditures of these entities. 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 Development Corporation are related organizations. 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.

FACTORS AFFECTING FINANCIAL CONDITION

The official census for 2000 established the population of the County at 152,415, with 55,202 households and approximately 108,000 persons between the ages of 18 and 65. Of the population that is over age 25, 81.3% are high school graduates and 37% have obtained a bachelor's degree or higher. These numbers compare to 75.7% and 23.2% respectively, for the state of Texas as a whole. Over the last 16 years the population in the County has grown 32% and the Texas State Data Center is projecting the population to increase by 4% from now until the year 2015.

In August 2006 Brazos County had an unemployment estimate of 3,587 persons which represents a rate of 4.2% compared to a Texas statewide unemployment rate of 5.1% for the same month. The current labor force figures for the County as established by the Texas Workforce Commission are 86,358 of which 82,771 are currently employed.

The following schedule is an estimate of the number of employees and the corresponding percentage per industry as of August 2006.

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	29,600	34%
Trade, Transportation and Utilities	12,200	14%
Leisure and Hospitality	10,100	12%
Education and Health Services	9,400	11%
Manufacturing	6,300	7%
Natural Resources, Mining and Construction	6,300	7%
Professional and Business Services	5,400	6%
Financial Activities	3,800	5%
Other Services	2,800	3%
Information	<u>1,100</u>	<u>1%</u>
TOTAL	<u>87,000</u>	<u>100%</u>

Source: Texas Workforce Commission

From August 2005 to August 2006 the area has added approximately 1500 jobs in nonagricultural industries which is 500 more than the period December 2004 to December 2005. The largest growth has been in the leisure and hospitality industry (600 jobs).

Brazos County is the home of Texas A&M University, the sixth largest university in enrollment in the United States. The University employs 16,248 permanent and part time employees and serves an enrollment of more than 44,000 on a 5,200-acre campus. The University offers degrees in almost 160 courses of study through the various colleges on campus. Texas A&M University is ranked among the top ten research institutions in the nation. Each year, faculty and graduate students conduct approximately \$500 million in sponsored research projects. The permanent plant for the university is valued at more than \$1 billion. The University records in excess of 880,000 visitors annually. The University has announced plans to expand the Texas A&M Health Science Center. The new initiatives include a nursing program, expansion of the College of Medicine and the establishment of a Health Science Center Campus. The expansion of the Health Science Center is expected to have a total direct economic impact of over \$295.8 million by the year 2010. This total includes \$90 million in personnel expenditures and \$128 million in capital expenditures.

The University 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 is hosting in excess of 300,000 visitors annually. This facility, along with the 324-acre University Research Park, provides an attraction for both national and international visitors. 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.

In addition to the four-year program Texas A&M offers, Blinn College offers two-year programs and two locations to choose from: 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. The Blinn "TEAM" program allows select students to take courses at both Texas A&M and Blinn College in an effort to prepare them to become full-time students at TAMU (www.researchvalley.org).

Brazos County is a member of the Research Valley Partnership (the RVP), 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 investment 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. Since the early 90's, the RVP has assisted more than 52 companies and organizations in selecting The Research Valley as a site for new and expanding facilities. These companies have created more than 5000 jobs and with capital investments of over \$250 million. 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.

Some economic headlines for Brazos County, Texas:

June 2006 – Governor Perry breaks ground on a new building for the Texas Institute for Genomic Medicine, which will pioneer the development of life-changing medical innovations, accelerate the pace of medical discoveries and foster development of the biotechnology industry in Texas.

September 2006 – TomorrowNow Inc., third party provider of maintenance and support for Siebel, J.D. Edwards and PeopleSoft, announced expansion of its worldwide headquarters in Bryan/College Station.

January 2007 – Toyo Ink and RVP enter into agreement to build a \$20 million manufacturing site in the City of Bryan, Texas. The facility will manufacture and sell specialty polymers and related products, such as coatings, fluid inks and adhesives for the US market.

CAPITAL IMPROVEMENT PROGRAM

In 2006, 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 2006 the County continued construction of county roads to connect major thoroughfares. The County upgraded over 8 miles of road and reconstructed over 7 miles of road during the year at a cost of over \$2.8 million dollars and expended over \$4.76 million dollars in maintaining County 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 2006 to include \$5.9 million (includes personnel services, supplies and other charges, repairs and maintenance, contract services, and professional services) for routine maintenance, and \$2.18 million for improvements and upgrades.

During the year the County continued progress on several capital improvement projects designed to increase the available office and work space for the County. These projects include the construction of a 28,000 square foot Sheriff's Administration facility next to the existing Detention Center on Sandy Point Road. The Sheriff's Administration building will allow virtually all of the services under the responsibility of the Sheriff to be in one location and is expected to serve the office needs of the Sheriff for the next 10 years if not longer.

For many years the County has leased facilities for the Justice of the Peace Pct. 3 from the College Station Independent School district at the corner of George Bush Drive and Anderson street in College Station. During the 2005 fiscal year the County agreed to purchase the land and existing facilities from the school district as part of the County's space expansion program. During the 2006 fiscal year the County almost completed construction on a new Justice of the Peace and Constable building adjacent to the existing facility. The new building is approximately double the size of the old facility.

During the 2005 fiscal year the County contracted to purchase the First Baptist Church building and land located at 200 Texas Avenue, approximately one block from the location of the Brazos County Courthouse. The County took possession of the building known as the Maxwell Center in June of 2006 and the County immediately began renovations to accommodate the County's Information Technology Department. Renovations and move in were completed by February 2007. The County is expected to take possession of the remainder of the property in March 2007 and plans to move all administration including the Auditor's office, Treasurer's Office, Purchasing, the Commissioners' Court, the County Judge and Human Resources as well as the Justices of the Peace and Constable offices for Precinct 2 to the new facility, thereby freeing space in the Courthouse for expansion of the various judicial departments including the three District Courts, two County Courts, District Attorney, County Attorney and the Clerks of Court.

During 2006 the County began construction of the Exposition Center. The County also hired a facility manager for the Center and is in the process of marketing and scheduling events for the multi-use venue. It is anticipated that the facility will be completed in fiscal year 2007. The facility is scheduled to include an exhibit hall (50,000 square feet) a covered arena (70,000 square feet) and a pavilion (60,000 square feet) on a 150 acre site.

DEBT ADMINISTRATION

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. The County currently enjoys a Standard and Poor rating of AA. In compliance with the requirements of the bond order and certificate 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. The County has \$2.3 million reserved in the Debt Service Fund to meet future obligations. In November 2001, the voters of Brazos County passed a proposition which allowed Commissioners' Court to sell \$18.5 million in General Revenue Bonds to be used for the construction of a County Exposition Center. The Court sold \$8,000,000 of the bonds in December 2001 and the remaining \$10,500,000 in September 2005. For the 2006-2007 fiscal

year the County debt service portion of its property tax rate is \$.0620 per \$100 valuation. In December 2005 the County sold \$6,005,000 in Limited Tax Refunding Bonds which refunded the 1996 Certificates of Obligation. The Refunding resulted in a savings to the County of over \$200,000. These funds will remain in the Debt Service fund and be used to reduce the future debt service portion of the property tax rate.

CASH MANAGEMENT

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, 2006, the County had cash and cash equivalents of \$55.2 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 comparably liquid investments. The County also had approximately \$6.0 million of agency funds invested in money market, time deposits and property. At September 30, 2006 the County had \$5.5 million invested in a state wide investment pool. During the fiscal year, the County had an average of \$52.3 million invested, which earned approximately \$3,129,000, a significant increase from fiscal year 2005 due to continually improving interest rates and an increase in cash and cash equivalents due to the many construction projects for which debt was issued.

RISK MANAGEMENT

The County's Risk Management Department is responsible for assessing exposure to risk that the County may have and is responsible for obtaining coverage against that risk. The County practices risk management through a combination of self-insurance and traditional insurance. The Commissioners' Court evaluates management risks and a prescribed direction is assessed. Property and casualty insurance are obtained at reasonable premium rates and purchased through traditional insurance carriers. The County's property and casualty insurance coverage includes general liability, auto liability, law enforcement, workers' compensation, fire, theft, and public officials' errors and omissions. The County, for the year ended September 30, 2006, did not reduce any of its insurance coverage, and all claims against the County had been settled or the underwriter had accepted responsibility for them. The County insures all its buildings at estimated replacement cost.

For several years, Brazos County has been self-insured with reinsurance available for major claims related to health insurance. This procedure allows the County to retain and invest all reserves and premium payments. The County has retained a third party administrator to handle all claims. The County's plan is similar to a preferred provider organization plan with a deductible applicable to some types of claims.

The County's workers' compensation insurance program is through the Texas Association of Counties. The program provides medical and indemnity payments as required by law for on-the-

job related injuries. Each department is charged monthly for the cost to cover the employees. All department assessments are transferred to the Internal Service Fund (Health and Life Insurance). The Internal Service Fund is responsible for settling all claims.

The Commissioners' Court has developed a "safety loss control program" designed to reduce risks to County employees. Programs are developed and implemented by an established steering committee. To date, the programs (defensive driving, facility safety audits, preventive maintenance for all buildings and grounds, personnel training classes and incentives for loss prevention) have been successful in reducing the number of injuries and the County's worker's compensation reimbursement rate for the past three years. Industry forecasts of future increases in the cost of insurance have prompted the Commissioners' Court to obtain the services of a "risk management consultant." The consultant's expertise will help the County reduce and/or hold increases to a minimum by adjusting liability limits and levels of self-insurance.

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, CPA
County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Brazos County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

BRAZOS COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2006

Commissioners' Court:

Randy Sims	County Judge
Lloyd Wasserman	Commissioner, Precinct 1
Duane Peters	Commissioner, Precinct 2
G. Kenny Mallard, Jr.	Commissioner, Precinct 3
Carey Cauley, Jr.	Commissioner, Precinct 4

District Court:

J. D. Langley	Judge, 85th Judicial District
Rick Davis	Judge, 272nd Judicial District
Steve Smith	Judge, 361st Judicial District

County Court-at-Law:

Bill Ballard, Jr. *	Judge, County Court-at-Law No. 1
James Locke	Judge, County Court-at-Law No. 2

Law Enforcement and Correction:

Christopher C. Kirk	Sheriff
James Kuboviak	County Attorney
Bill Turner	District Attorney
Doug Vance *	Chief Juvenile Probation Officer
Arlene Parchman *	Chief Adult Probation Officer

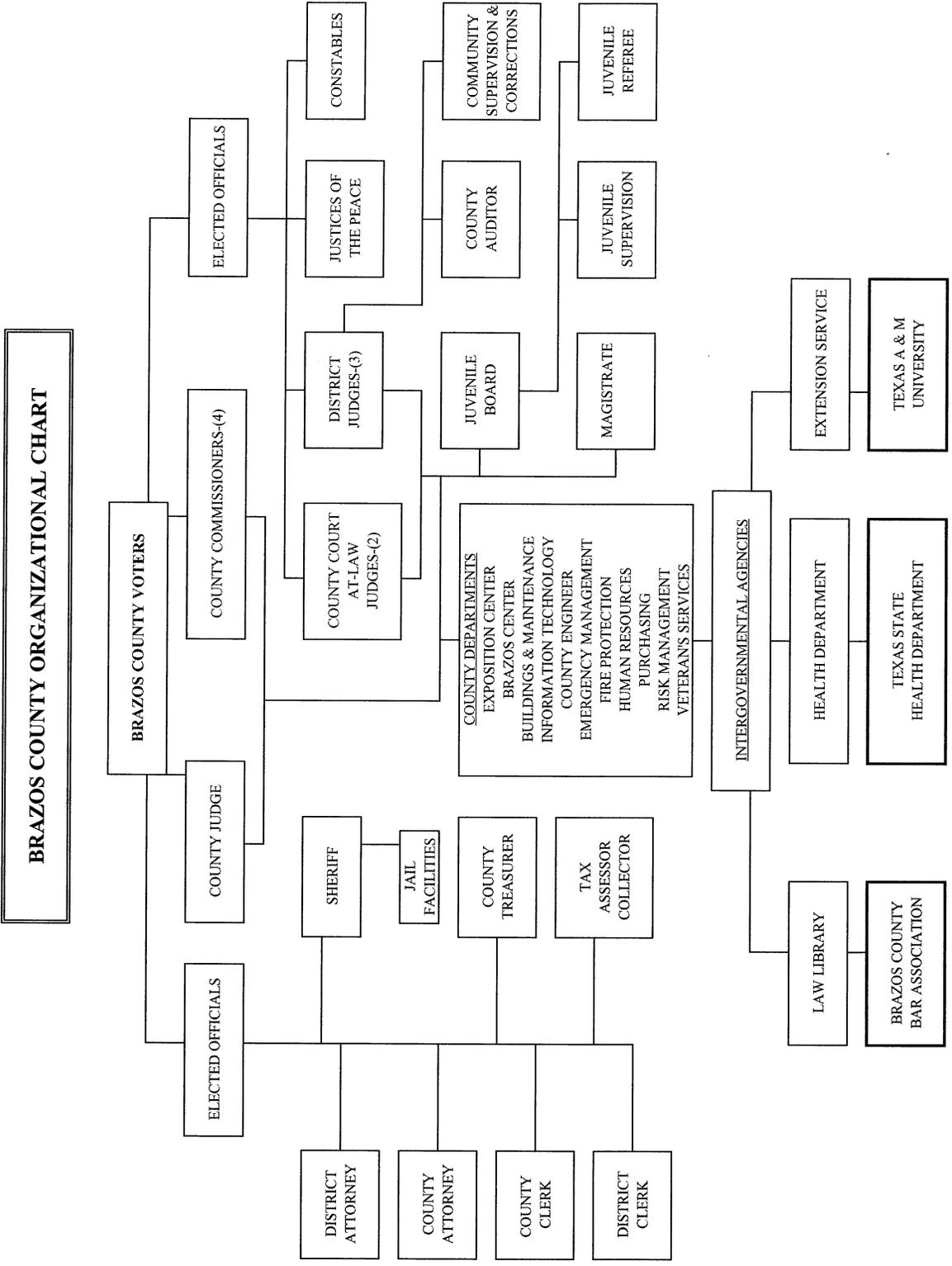
Financial Administration:

Kay Hamilton	Treasurer
Gerald L. Winn	Tax Assessor-Collector
Katie Conner *	Auditor

Recording Offices:

Karen McQueen	County Clerk
Marc Hamlin	District Clerk

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



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Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Randy Sims, County Judge
and the Honorable County Commissioners
of Brazos County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brazos County, Texas (the "County"), as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated January 5, 2007, 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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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James D. Ingram, III | Thomas A. Wallis | James D. Ingram, IV | Richard L. Webb

Judith W. Childs • Jennifer A. Stillman • Melissa M. Suehs • Donald B. Browning • Diana K. Wagner • Rosanne P. Ely

The management's discussion and analysis, retirement system information and budgetary comparison information on pages 15 through 27 and 69 through 85, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the basic financial statements of the County taken as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the 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 not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Bryan, Texas

January 5, 2007

Ingram, Wallis & Company

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ending September 30, 2006

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, 2006. 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

- The total government-wide assets of the County exceeded the liabilities at September 30, 2006 by \$100,514,479, and are reported as total net assets of the primary government. This is comparable to the previous year when assets exceeded liabilities by \$88,972,787. The total net assets is comprised of unrestricted net assets (funds that may be used to meet ongoing obligations to citizens and creditors), restricted net assets (funds to be used for a specified purpose), and amounts invested in capital assets, net of related debt.
- The County's total net assets increased by \$11,541,692, of which mainly is attributable to the debt issuance of \$2,750,000 of Certificates of Obligation and \$10,500,000 of General Obligation Bonds at the end of the fiscal year 2005.
- Total net assets of the primary government are comprised of:

<u>Net Assets by Category</u>	<u>September 30, 2006</u>	<u>% to Total</u>	<u>September 30, 2005</u>	<u>% to Total</u>
Capital Assets, Net of Related Debt	38,924,281	39%	24,099,251	27%
Restricted Net Assets	5,709,087	6%	4,997,987	6%
Unrestricted Net Assets	55,642,525	55%	59,703,513	67%
Total Net Assets	100,275,893	100%	88,800,751	100%

Fund Financial Statements

- As of September 30, 2006, the County governmental funds reported combined fund balances of \$55,009,818. This reflects a decrease of \$3,860,088 from the previous fiscal years, primarily due to decreases in unreserved fund balances designated for capital project funds. Approximately 84% of the combined fund balances at September 30, 2006 (\$46,045,155) is available to meet the County's current and future needs (unreserved fund balances).
- At the end of the fiscal year, the unreserved fund balance of the County's General Fund was \$26,835,163 or 62% of the total of the General Fund's total expenditures and 52% of the revenues.
- The total fund balance for the non-major governmental funds was \$9,602,054 at September 30, 2006. Of this amount, \$6,287,504 is unreserved and designated for capital projects and the remaining \$3,314,550 is reserved for grant programs.

FINANCIAL HIGHLIGHTS (Continued)

Long-Term Debt

- Brazos County's total debt decreased \$2,590,000, or 5% during the current fiscal year. The County made total principal payments on outstanding debt related to Governmental Activities of \$2,785,000. The County also issued \$6,005,000 of Limited Tax Refunding Bonds to refund and defease the outstanding Series 1996 Certificates of Obligation, which had an outstanding balance of \$5,810,000 in principal at the time. Note 8 to the financial statements provides details of long-term debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of net assets presents information on all County assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. However, other non-financial factors, such as changes in the County's property tax base and the condition of the County's roads, should be considered to assess the overall health of the County.

The statement of activities presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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 County Attorney, and the Jail Commissary activities.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 funds 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.

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 balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 33 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Debt Service and Exposition Center, 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 non-major 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.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 42-68 of this report.

Required Supplementary Information is presented concerning the County's General Fund budgetary schedule and valuation information about the County retirement system and condition assessment information for county roads and bridges. The County adopts an annual budget for the General fund. A budgetary comparison schedule, which includes the original and final amended budget and actual figures, has been provided to demonstrate compliance with this budget. Required supplementary information can be found on pages 69-85 of this report.

Combining and Individual Fund Schedules provide information for non-major governmental funds, capital project funds, debt service fund, internal service funds and agency funds and are presented immediately following the required supplementary information. Additionally, the County legally adopts budgets for a number of other governmental funds. Budgetary comparison schedules and combining and individual fund statements and schedules can be found on pages 69-82 and 86-140 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as useful indicators of a government's financial position. Assets exceeded liabilities by \$100,514,479 for fiscal year 2006 and \$88,972,787 for fiscal year 2005.

Condensed Statement of Net Assets					
September 30, 2006					
Primary Government					
		Governmental	Business-type		
		Activities	Activities	Total	
Current and other assets		\$ 71,245,043	\$ 272,848	\$ 71,517,891	
Capital assets, net		87,891,367	-	87,891,367	
Total assets		159,136,410	272,848	159,409,258	
Current and other liabilities		12,702,545	34,262	12,736,807	
Long-term liabilities		46,157,972	-	46,157,972	
Total liabilities		58,860,517	34,262	58,894,779	
Net assets:					
Invested in capital assets, net of related debt		38,924,281	-	38,924,281	
Restricted net assets		5,709,087	-	5,709,087	
Unrestricted net assets		55,642,525	238,586	55,881,111	
Total net assets		\$ 100,275,893	\$ 238,586	\$ 100,514,479	

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Condensed Statement of Net Assets				
September 30, 2005				
		Primary Government		
		Governmental	Business-type	
		Activities	Activities	Total
Current and other assets		\$ 69,154,065	\$ 190,912	\$ 69,344,977
Capital assets, net		75,679,726	-	75,679,726
Total assets		144,833,791	190,912	145,024,703
Current and other liabilities		7,145,933	18,876	7,164,809
Long-term liabilities		48,887,107	-	48,887,107
Total liabilities		56,033,040	18,876	56,051,916
Net assets:				
Invested in capital assets, net of related debt		24,099,251	-	24,099,251
Restricted net assets		4,997,987	-	4,997,987
Unrestricted net assets		59,703,513	172,036	59,875,549
Total net assets		\$ 88,800,751	\$ 172,036	\$ 88,972,787

The largest portion of the County's current fiscal year net assets represents unrestricted net assets, which may be used to meet the County's ongoing obligations to citizens and creditors. The unrestricted net assets are about 55% of the total net assets of governmental activities and 100% of the total net assets of business-type activities, respectively.

Another significant portion of the County's current fiscal year net assets reflects its investment in capital assets (e.g. land, improvements, buildings, equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. It consists of 39% of the total net assets for the County's governmental activities. The main use of these capital assets is 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 resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance represents resources that are subject to external restrictions on how they may be used, which consists of 6% of the total net assets of the County's governmental activities. The restricted net assets are mainly for grant programs and debt service payments.

At the end of the current fiscal year, the County reported positive net assets in all three categories of net assets for its governmental and business-type activities. Total net assets of the County have increased by \$11.5 million from the prior year, which is consisted of an \$11,475,142 increase in governmental activities and \$66,550 increase in business-type activities. The primary reason for this increase government-wide was due to the fact that total assets increased \$14.4 million while total liabilities only increased \$2.8 million during the fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

Condensed Statement of Activities			
For the Year Ended September 30, 2006			
	Governmental	Business-Type	
	Activities	Activities	Total
Revenues:			
Program revenues:			
Charges for service	\$ 9,807,168	\$ 425,727	\$ 10,232,895
Operating grants and contributions	3,374,086	-	3,374,086
Capital grants and contributions	271,416	-	271,416
General revenues:			
Property taxes	34,280,093	-	34,280,093
Sales taxes	9,957,049	-	9,957,049
Motor vehicle taxes	1,212,367	-	1,212,367
Mixed drink taxes	401,298	-	401,298
Unrestricted investment earnings	3,120,658	8,048	3,128,706
Gain on sale of capital assets	38,820	-	38,820
Total revenues	62,462,955	433,775	62,896,730
Expenses:			
General Government	12,042,697	-	12,042,697
Justice System	10,457,394	67,342	10,524,736
Law Enforcement	12,905,488	299,883	13,205,371
Juvenile Services	4,179,885	-	4,179,885
Public Transportation	4,900,621	-	4,900,621
Public Health	1,705,958	-	1,705,958
Human Services	2,469,378	-	2,469,378
Interest and Other Fees	2,326,392	-	2,326,392
Total expenses	50,987,813	367,225	51,355,038
Change in net assets	11,475,142	66,550	11,541,692
Net assets - beginning	88,800,751	172,036	88,972,787
Net assets - ending	\$ 100,275,893	\$ 238,586	\$ 100,514,479

GOVERNMENT – WIDE FINANCIAL ANALYSIS (Continued)

Condensed Statement of Activities			
For the Year Ended September 30, 2005			
	Governmental	Business-Type	
	Activities	Activities	Total
Revenues:			
Program revenues:			
Charges for service	\$ 9,554,439	\$ 346,587	\$ 9,901,026
Operating grants and contributions	4,696,924	-	4,696,924
Capital grants and contributions	256,681	-	256,681
General revenues:			
Property taxes	31,751,992	-	31,751,992
Sales taxes	8,942,049	-	8,942,049
Motor vehicle taxes	1,126,011	-	1,126,011
Mixed drink taxes	374,123	-	374,123
Unrestricted investment earnings	1,592,819	3,292	1,596,111
Gain on sale of capital assets	12,193	3,850	16,043
Total revenues	58,307,231	353,729	58,660,960
Expenses:			
General Government	11,371,667	-	11,371,667
Justice System	8,860,448	81,788	8,942,236
Law Enforcement	11,894,495	246,840	12,141,335
Juvenile Services	3,809,998	-	3,809,998
Public Transportation	4,764,927	-	4,764,927
Public Health	1,693,371	-	1,693,371
Human Services	2,266,518	-	2,266,518
Interest and Other Fees	1,831,044	-	1,831,044
Total expenses	46,492,468	328,628	46,821,096
Change in net assets	11,814,763	25,101	11,839,864
Net assets - beginning	76,985,988	146,935	77,132,923
Net assets - ending	\$ 88,800,751	\$ 172,036	\$ 88,972,787

GOVERNMENT – WIDE FINANCIAL ANALYSIS (Continued)

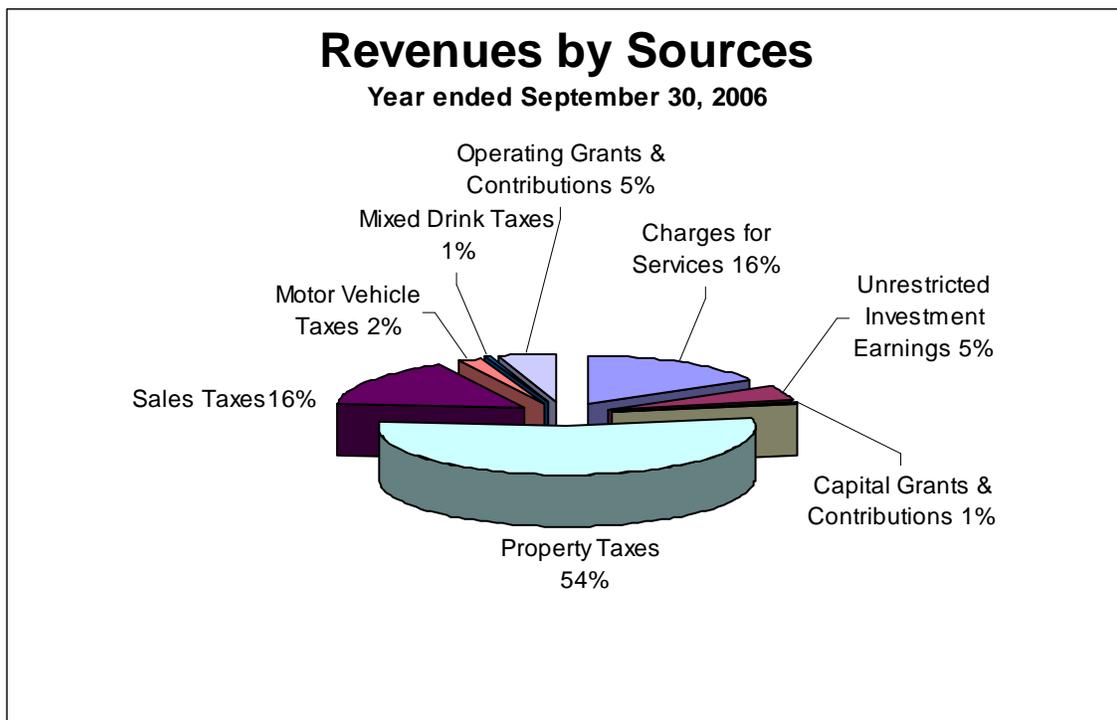
Revenue Analysis

For fiscal year ended September 30, 2006, revenues for the primary government totaled \$62,896,730. The revenues are categorized by activity type: governmental activities totaled \$62,462,955 and business-type activities totaled \$433,775.

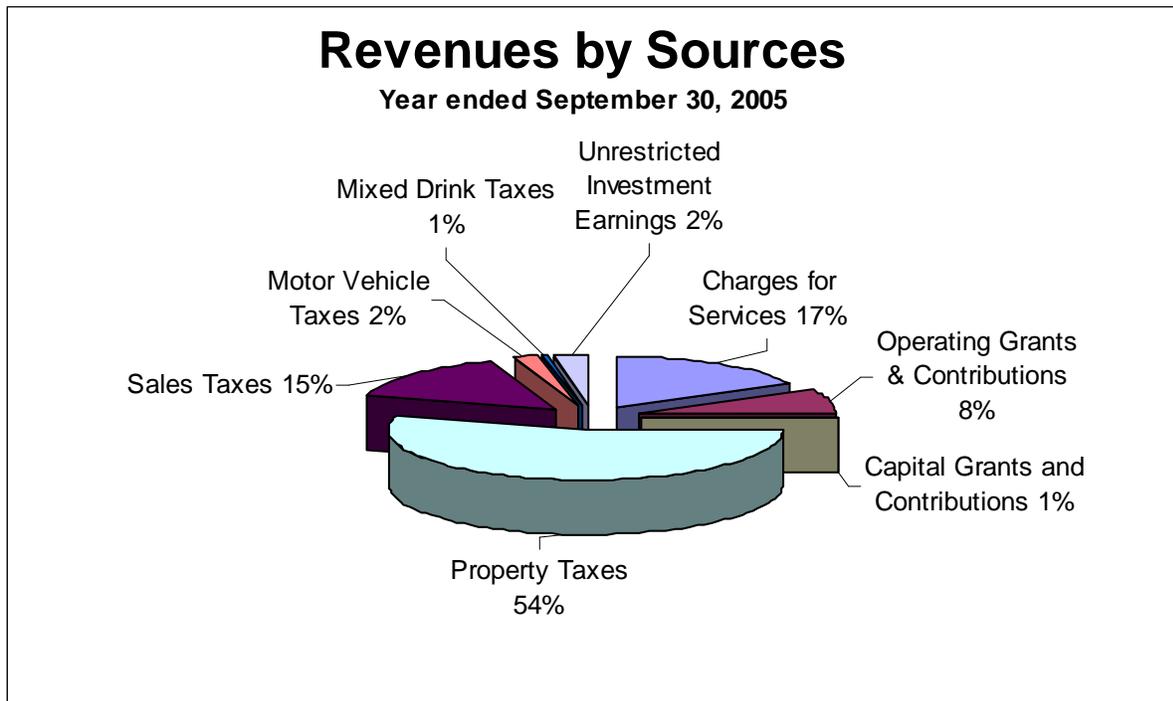
Property taxes were the largest revenue source for governmental activities and 54% of total revenues. The tax rate was \$0.4650 per \$100 of assessed value for fiscal year 2006 and \$0.4725 for fiscal year 2005. The assessed value increased in fiscal year 2006 to \$8,303,352,544 from the assessed value in the prior fiscal year of \$7,449,235,747.

Program revenues are derived from the program itself and reduce the cost of the function to the County. Total program revenues were \$13,878,397 and 22% of total revenues. The largest portion of program revenues is charges for services of \$10,232,895 (16%). Of that \$9,807,168 is from governmental activities, which represents fees collected by the tax collector, the clerks of the courts and other departments. The business-type charges for services were \$425,727, which are primarily commissary sales to the inmates held in County jails. The other portions of program revenues are operating grants and contributions of \$3,374,086 (5%) and capital grants and contributions of \$271,416 (1%). They represent receipts from various federal, state, and local agencies.

General revenues are revenues that cannot be assigned to a specific function. They consist of property taxes (discussed above), sales taxes, motor vehicle taxes, mixed drink taxes, investment earnings and gain on disposal of assets.



GOVERNMENT – WIDE FINANCIAL ANALYSIS (Continued)



Expense Analysis

For the year ended September 30, 2006, the function and program costs for the primary government were \$50,987,813 for the governmental activities and \$367,225 for the business-type activities.

A comparative overview of expenditures for the County’s governmental activities for the current and previous year is as follows:

<u>Function</u>	Year Ended		Year Ended	
	<u>September 30, 2006</u>		<u>September 30, 2005</u>	
General Government	\$ 12,042,697	23.6%	\$ 11,371,667	24.5%
Justice System	10,457,394	20.5%	8,860,448	19.1%
Law Enforcement	12,905,488	25.3%	11,894,495	25.6%
Juvenile Services	4,179,885	8.2%	3,809,998	8.2%
Public Transportation	4,900,621	9.6%	4,764,927	10.2%
Public Health	1,705,958	3.3%	1,693,371	3.6%
Human Services	2,469,378	4.8%	2,266,518	4.9%
Interest and Other Fees	2,326,392	4.6%	1,831,044	3.9%
Total Governmental Activities	\$ 50,987,813	100.0%	\$ 46,492,468	100.0%

FINANCIAL ANALYSIS OF FUNDS

The County's major general governmental functions are contained in the General, Special Revenue, Debt Service, and Capital Project Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At September 30, 2006, the County's governmental funds reported combined fund balances of \$55,009,818, a decrease of \$3,860,088 (6.6%) in comparison with the prior year. The change was primarily due to an increase in expenditures which exceeded the increase in revenues in the current year. The increase in expenditures is a reflection of increased debt service payments and disbursements for the Exposition Center, which started construction in May 2006. Approximately \$46,045,155 (83.7%) of the combined fund balance constitutes unreserved fund balance, which is available to meet the County's current and future needs including the County's capital project needs and the moneys the Court has designated as corpus of the Health Endowment Fund (See page 50, Note 1-O).

The General Fund

The General Fund is the chief operating fund of the County. At September 30, 2006, the General Fund reported revenues of \$51,937,907, an increase of \$4,273,219 or 9.0% over the prior year. The increase is due to a \$2,633,158 million increase in ad valorem and sales taxes, an increase in charges for services of \$1,170,349, an increase in intergovernmental revenues of \$106,822, an increase in interest revenue of \$760,675 and a decrease of \$397,785 in other revenue.

Expenditures in the General Fund increased by approximately \$3,200,382 or less than 8.0% of the prior year. Increases in the majority of functions are the results of performance pay allowances and increased expenditures in different classifications as needed.

The ending budget for the General Fund reflected an anticipated excess of expenditures over revenues of \$2.3 million. Actual realized revenues exceeded budgeted revenues by \$5.3 million. Actual realized expenditures were \$5.6 million less than the appropriated budget for the fiscal period.

The Debt Service Fund

The Debt Service Fund is used to account for receipts and disbursements of funds relating to the County's long-term bonded debt obligations. At the end of fiscal year 2006, the fund balance increased \$505,324 or 26.9% from fiscal year 2005. This increase is due to the realization of revenues in excess of anticipated for delinquent ad valorem taxes. During the year ended September 30, 2006, the County retired principal on its outstanding bonded debt of \$2,785,000.

Additionally, the County issued \$6,005,000 of Limited Tax Refunding Bonds on December 1st, 2005, to refund and defease the outstanding Series 1996 Certificates of Obligation and to pay costs incurred in connection with the issuance of the bonds.

FINANCIAL ANALYSIS OF FUNDS (Continued)

For fiscal year 2007 the County's debt service requirements for the governmental activities are \$2,795,000 principal and \$2,032,841 in interest. Additional information is available to the reader in Note 8 (Long-Term Debt) in the Notes to the Financial Statements.

The Exposition Center Fund

The Exposition Center Fund accounts for receipts and disbursements relating to the acquisition or construction of the County Exposition Center. At the end of fiscal year 2006, the total fund balances for all capital project funds was \$10,398,706 and the fund balance at the end of 2005 was \$15,835,617. The decrease in fund balance of \$5,436,911 represents the beginning construction expenditure of the Center. The majority of the financing for the current projects was derived from issuance of \$8,000,000 General Obligation Bonds in 2001 and \$10,500,000 in 2005.

Additional funding was provided through the interest revenues from TexPool investment.

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, 2006, amounted to \$87,891,367 (net of accumulated depreciation) and at September 30, 2005 it was \$75,679,726. Depreciation on capital assets is recognized in the government-wide financial statements. Depreciation provided for the current fiscal period was \$2,211,119 as compared to \$1,272,247 for the year ended September 30, 2005.

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

- The County has several ongoing capital improvement projects, including the construction of the Sheriff's Administration Building and the County's Exposition Center, and the renovation of the building purchased by the County.
- The Justice of Peace Building was 99% completed during this fiscal year.

The County has elected to use the "Modified Approach" as defined by GASB 34 for reporting infrastructure assets, which include 453 miles of roads and 58 bridges.

For further information regarding capital assets, see Note 5 to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

	Balance	Balance
	September 30, 2006	September 30, 2005
Governmental Activities:		
Land	\$ 7,854,682	\$ 7,341,543
Construction in progress	12,757,220	4,636,684
Infrastructure	40,773,998	37,929,330
Buildings	28,721,029	26,727,593
Improvements other than Buildings	5,039,804	5,039,804
Machinery and Equipment	16,168,794	15,772,020
	111,315,527	97,446,974
Less: Accumulated depreciation	(23,424,160)	(21,767,248)
Governmental activities capital assets, net	\$ 87,891,367	\$ 75,679,726
Business-type activities:		
Machinery and Equipment	\$ 23,025	\$ 23,025
	23,025	23,025
Less: Accumulated depreciation	(23,025)	(23,025)
Business-type activities capital assets, net	\$ -	\$ -

Long-term debt

At September 30, 2006, the County had total long-term debt outstanding of \$48,920,000 as compared to \$51,510,000 in the prior year. Refer to Note 8 in the Notes to the Basic Financial Statements for a detailed breakdown of long-term debt owed by the County. County officials, citizens and investors will find the ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita as useful indicators of the County's debt position and is shown in the statistical section of this report.

ECONOMIC FACTORS

The Commissioners' Court adopted the 2006-2007 budget on September 12, 2006. The budget was adopted based on anticipated resources and estimated uses in fiscal year 2007. The total available resources for all funds are anticipated to be \$107,000,000. For the County's General Fund total resources are estimated to be \$65,500,000. In addition the Commissioners' Court appropriated the available fund balance of \$12,800,000 at September 30, 2006.

For 2006-2007, the property tax rate will decrease from \$0.4650 to \$0.4550 per \$100 valuation. The Commissioner's Court considered the following factors in establishing this tax rate:

ECONOMIC FACTORS (Continued)

- For several years the County had budgeted the use of fund balance reserves to pay for operational expenditures. In fiscal year 2005 the Commissioners' Court attempted to replenish fund balance reserves by increasing the tax rate from \$0.4350 per \$100 valuation to \$0.4725 per \$100 valuation. This resulted in an increase in the unreserved fund balance of the General Fund of over \$6 million. This increase along with increases in property valuations made it possible for the Commissioner's Court to lower the tax rate in later years without significantly affecting the fund balance reserves;
- Tax revenue from all sources is expected to increase 11.6% over the 2006 budgeted revenue, and overall expenditures are anticipated to increase 11.7%;
- The County's Health and Life fund has experienced a slowing in the continuing increases in health care costs. This slowing is due to a restructuring of the health care plan, and a favorable year in the occurrence of catastrophic illnesses. The plan has also experienced a reduction in both revenues and expenditures due to one entity opting for other health care plans. The Commissioner's Court is continuing to monitor the reserves in the Health and Life fund.

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, 300 East 26th Street, Suite 314, Bryan, Texas, 77803.

BASIC FINANCIAL STATEMENTS

BRAZOS COUNTY, TEXAS
STATEMENT OF NET ASSETS
September 30, 2006

	Governmental Activities	Business-Type Activities	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 52,609,830	\$ 242,780	\$ 52,852,610
Investments	5,525,043	-	5,525,043
Prepaid Expenses	761,776	-	761,776
Receivables, net of allowance for uncollectible amounts			
Taxes	2,156,916	-	2,156,916
Accounts and Other	7,303,975	6,816	7,310,791
Inventories	503,017	20,204	523,221
Internal Balances	(3,048)	3,048	-
Restricted Assets:			
Cash and Cash Equivalents	2,365,947	-	2,365,947
Receivables:			
Taxes	6,549	-	6,549
Accounts and Other	15,038	-	15,038
Capital Assets (net of accumulated depreciation):			
Land	7,854,682	-	7,854,682
Buildings	16,722,240	-	16,722,240
Improvements Other than Buildings	1,374,383	-	1,374,383
Machinery and Equipment	8,408,844	-	8,408,844
Infrastructure	40,773,998	-	40,773,998
Construction in Progress	12,757,220	-	12,757,220
TOTAL ASSETS	\$ 159,136,410	\$ 272,848	\$ 159,409,258

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

BRAZOS COUNTY, TEXAS
STATEMENT OF NET ASSETS - Continued
September 30, 2006

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>TOTAL</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 7,365,816	\$ 25,585	\$ 7,391,401
Accrued Salaries and Wages	572,032	6,131	578,163
Accrued Interest Payable	179,682	-	179,682
Unclaimed Funds	159,085	-	159,085
Unearned Revenue	947,069	-	947,069
Liabilities for Compensated Absences	669,747	2,546	672,293
Noncurrent Liabilities:			
Due within one year	2,809,114	-	2,809,114
Due in more than one year	46,157,972	-	46,157,972
TOTAL LIABILITIES	<u>58,860,517</u>	<u>34,262</u>	<u>58,894,779</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	38,924,281	-	38,924,281
Restricted for:			
Debt Service	2,387,029	-	2,387,029
Booneville Cemetery	7,508	-	7,508
Special Purpose Programs	3,314,550	-	3,314,550
Unrestricted	55,642,525	238,586	55,881,111
TOTAL NET ASSETS	<u>\$ 100,275,893</u>	<u>\$ 238,586</u>	<u>\$ 100,514,479</u>

BRAZOS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2006

<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	\$ 12,042,697	\$ 1,802,420	\$ -
Justice System	10,457,394	5,509,185	438,130
Law Enforcement	12,905,488	846,828	744,033
Juvenile Services	4,179,885	81,922	1,212,847
Public Transportation	4,900,621	1,251,841	252,928
Public Health	1,705,958	33,060	153,360
Human Services	2,469,378	281,912	572,788
Interest and Other Fees	2,326,392	-	-
Total Governmental Activities	<u>50,987,813</u>	<u>9,807,168</u>	<u>3,374,086</u>
Business - Type Activities:			
County Attorney	67,342	74,948	-
Jail Commissary	299,883	350,779	-
Total Business - Type Activities	<u>367,225</u>	<u>425,727</u>	<u>-</u>
Total Government	<u>\$ 51,355,038</u>	<u>\$ 10,232,895</u>	<u>\$ 3,374,086</u>

General revenues:

Taxes:

Property taxes

Sales taxes

Motor vehicle taxes

Mixed drink taxes

Unrestricted investment earnings

Gain on sale of capital assets

Total general revenues

Change in net assets

Net assets-beginning

Net assets-ending

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

Program Revenues	Net (Expense) Revenue and		
	Changes in Net Assets		
Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
\$ -	\$ (10,240,277)	\$ -	\$ (10,240,277)
-	(4,510,079)	-	(4,510,079)
41,372	(11,273,255)	-	(11,273,255)
-	(2,885,116)	-	(2,885,116)
-	(3,395,852)	-	(3,395,852)
-	(1,519,538)	-	(1,519,538)
230,044	(1,384,634)	-	(1,384,634)
-	(2,326,392)	-	(2,326,392)
<u>271,416</u>	<u>(37,535,143)</u>	<u>-</u>	<u>(37,535,143)</u>
-	-	7,606	7,606
-	-	50,896	50,896
-	-	58,502	58,502
<u>\$ 271,416</u>	<u>\$ (37,535,143)</u>	<u>\$ 58,502</u>	<u>\$ (37,476,641)</u>
	\$ 34,280,093	\$ -	\$ 34,280,093
	9,957,049	-	9,957,049
	1,212,367	-	1,212,367
	401,298	-	401,298
	3,120,658	8,048	3,128,706
	38,820	-	38,820
	<u>49,010,285</u>	<u>8,048</u>	<u>49,018,333</u>
	11,475,142	66,550	11,541,692
	<u>88,800,751</u>	<u>172,036</u>	<u>88,972,787</u>
	<u>\$ 100,275,893</u>	<u>\$ 238,586</u>	<u>\$ 100,514,479</u>

**BRAZOS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2006**

	Major Funds	
	General	Debt Service
ASSETS		
Cash and Cash Equivalents	\$ 35,024,008	\$ 2,365,947
Investments	-	-
Prepaid Expenditures	208,260	-
Receivables:		
Taxes	1,462,004	183,409
Officials	228,925	5,499
Interest	148,832	9,539
Accounts	106,571	-
State	1,467,169	-
Federal	62,404	-
Due From Other Funds	1,945	-
Inventories	503,017	-
TOTAL ASSETS	\$ 39,213,135	\$ 2,564,394
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 3,634,221	\$ 300
Accrued Salary and Compensated Leave	542,289	-
Unclaimed Funds	-	-
Due To Other Funds	3,466	205
Deferred Revenues	2,411,130	176,860
Total Liabilities	6,591,106	177,365
Fund Balances:		
Reserved		
For Debt Service	-	2,387,029
For Prepaid Expenditures	208,260	-
For Inventories	503,017	-
For Vital Statistics	11,418	-
For Boonville Cemetery	7,508	-
For Research Valley	532,056	-
For Title IV-E	1,096,684	-
For Indigent Health Care	904,141	-
For Special Purpose Programs	-	-
Unreserved		
Designated for Capital Project Funds	-	-
Designated for Health Endowment Fund	2,523,782	-
Undesignated	26,835,163	-
Total Fund Balances	32,622,029	2,387,029
TOTAL LIABILITIES AND FUND BALANCES	\$ 39,213,135	\$ 2,564,394

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

<u>Major Funds Exposition Center</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 9,399,565	\$ 6,752,624	\$ 53,542,144
2,152,692	3,372,351	5,525,043
-	300,375	508,635
-	-	1,645,413
-	-	234,424
40,277	30,044	228,692
-	23,817	130,388
-	656,595	2,123,764
-	-	62,404
-	211,728	213,673
-	-	503,017
<u>\$ 11,592,534</u>	<u>\$ 11,347,534</u>	<u>\$ 64,717,597</u>
\$ 1,193,828	\$ 1,311,774	\$ 6,140,123
-	29,743	572,032
-	159,085	159,085
-	213,051	216,722
-	31,827	2,619,817
<u>1,193,828</u>	<u>1,745,480</u>	<u>9,707,779</u>
-	-	2,387,029
-	-	208,260
-	-	503,017
-	-	11,418
-	-	7,508
-	-	532,056
-	-	1,096,684
-	-	904,141
-	3,314,550	3,314,550
10,398,706	6,287,504	16,686,210
-	-	2,523,782
-	-	26,835,163
<u>10,398,706</u>	<u>9,602,054</u>	<u>55,009,818</u>
<u>\$ 11,592,534</u>	<u>\$ 11,347,534</u>	<u>\$ 64,717,597</u>

BRAZOS COUNTY, TEXAS
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET ASSETS
September 30, 2006

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

Total fund balances--governmental funds	\$	55,009,818
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		87,891,367
Certain receivables are not available and, therefore, are deferred in governmental funds.		4,654,991
Certain receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		1,292,307
Internal service funds are used by the County's management for self insurance. The assets and liabilities of the funds are included with governmental activities in the Statement of Net Assets but are not included at the fund level.		990,784
Liabilities for compensated absences are due within one year but are not reported as liabilities in the funds.		(669,747)
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:		
Capital lease payable	(43,903)	
Bonds payable	(48,920,000)	
Deferred charge for issuance cost (to be amortized as interest expense)	253,141	
Issuance premium (to be amortized as interest expense)	(3,183)	
Accrued interest payable	(179,682)	
		(48,893,627)
Total net assets--governmental activities	\$	100,275,893

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, 2006

	Major Funds	
	General	Debt Service
REVENUES		
Taxes	\$ 39,341,760	\$ 5,228,328
Charges for Services	8,669,182	-
Intergovernmental	1,743,385	-
Interest	1,650,258	184,511
Other Revenue	526,765	-
TOTAL REVENUES	51,931,350	5,412,839
EXPENDITURES		
Current		
General Government	9,882,253	-
Justice System	10,095,674	-
Law Enforcement	11,316,844	-
Juvenile Services	3,312,091	-
Public Transportation	4,769,113	-
Public Health	1,686,112	-
Human Services	2,128,304	-
Capital Outlay	53,072	-
Debt Service		
Principal Retirement	-	2,785,000
Interest and Other Fees	-	2,322,768
TOTAL EXPENDITURES	43,243,463	5,107,768
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,687,887</u>	<u>305,071</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	16,363	5,253
Transfers Out	(2,604,238)	-
Proceeds From Sale of Capital Assets	83,950	-
Payment to Refunded Bond Escrow Agent	-	(5,810,000)
Proceeds From Refunding Bonds	-	6,005,000
TOTAL OTHER FINANCING SOURCES (USES)	(2,503,925)	200,253
Net Change in Fund Balances	6,183,962	505,324
FUND BALANCES, OCTOBER 1	26,438,067	1,881,705
FUND BALANCES, SEPTEMBER 30	\$ 32,622,029	\$ 2,387,029

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

<u>Major Funds Exposition Center</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 2,908	\$ 44,572,996
-	598,075	9,267,257
-	1,902,118	3,645,503
672,287	543,219	3,050,275
-	-	526,765
<u>672,287</u>	<u>3,046,320</u>	<u>61,062,796</u>
-	447,195	10,329,448
-	309,480	10,405,154
-	965,921	12,282,765
-	752,022	4,064,113
-	311,367	5,080,480
-	-	1,686,112
-	137,081	2,265,385
6,109,198	7,818,339	13,980,609
-	-	2,785,000
-	-	2,322,768
<u>6,109,198</u>	<u>10,741,405</u>	<u>65,201,834</u>
<u>(5,436,911)</u>	<u>(7,695,085)</u>	<u>(4,139,038)</u>
-	2,615,795	2,637,411
-	(33,173)	(2,637,411)
-	-	83,950
-	-	(5,810,000)
-	-	6,005,000
-	<u>2,582,622</u>	<u>278,950</u>
(5,436,911)	(5,112,463)	(3,860,088)
15,835,617	14,714,517	58,869,906
<u>\$ 10,398,706</u>	<u>\$ 9,602,054</u>	<u>\$ 55,009,818</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, 2006

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

Net change in fund balances--total governmental funds	\$	(3,860,088)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount that expenditures for capital outlay exceeded depreciation expense.		12,211,641
Revenues and contributed assets in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		305,322
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.		(77,765)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.		2,684,421
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.		211,611
Change in net assets of governmental activities	\$	<u>11,475,142</u>

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

BRAZOS COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2006

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney	Jail Commissary	Totals	Internal Service Fund
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 36,622	\$ 206,158	\$ 242,780	\$ 1,433,633
Accounts Receivable	-	6,816	6,816	63,516
Inventories	-	20,204	20,204	-
Due From Other Funds	2,978	70	3,048	-
Total Current Assets	39,600	233,248	272,848	1,497,149
Noncurrent Assets				
Property, Plant and Equipment	23,025	-	23,025	-
Less: Accumulated Depreciation	(23,025)	-	(23,025)	-
Total Noncurrent Assets	-	-	-	-
TOTAL ASSETS	39,600	233,248	272,848	1,497,149
LIABILITIES				
Current Liabilities				
Accounts Payable	-	25,585	25,585	425,093
Accrued Salaries and Wages	1,540	4,591	6,131	-
Liability for Compensated Absences	-	2,546	2,546	-
Deferred Revenues	-	-	-	81,272
TOTAL LIABILITIES	1,540	32,722	34,262	506,365
NET ASSETS				
Unrestricted	38,060	200,526	238,586	990,784
TOTAL NET ASSETS	\$ 38,060	\$ 200,526	\$ 238,586	\$ 990,784

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

BRAZOS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
PROPRIETARY FUNDS

For The Year Ended September 30, 2006

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney	Jail Commissary	Totals	Internal Service Fund
OPERATING REVENUES				
Charges for Services	\$ 68,584	\$ -	\$ 68,584	\$ -
Commissary Sales	-	342,081	342,081	-
Employee Dependents	-	-	-	843,428
Self Pays	-	-	-	10,297
Excess Risk Benefits	-	-	-	49,949
Participant Payments	-	-	-	44,115
Brazos County	-	-	-	3,598,120
Retirees	-	-	-	92,735
Other Revenue	6,364	8,698	15,062	-
TOTAL OPERATING REVENUES	74,948	350,779	425,727	4,638,644
OPERATING EXPENSES				
Personnel Services	65,434	74,246	139,680	-
Departmental Support	1,094	43,692	44,786	-
Cost of Goods Sold	-	163,623	163,623	-
Repairs and Maintenance	509	-	509	-
Minor Acquisition	305	-	305	-
Life Insurance	-	-	-	42,274
Stop Loss Premiums	-	-	-	674,949
Benefit Claims	-	-	-	3,479,564
Administrative Fees	-	-	-	273,726
Professional Services	-	18,322	18,322	18,000
TOTAL OPERATING EXPENSES	67,342	299,883	367,225	4,488,513
OPERATING INCOME	7,606	50,896	58,502	150,131
NONOPERATING REVENUES				
Interest	-	8,048	8,048	60,694
TOTAL NONOPERATING REVENUES	-	8,048	8,048	60,694
CHANGE IN NET ASSETS	7,606	58,944	66,550	210,825
TOTAL NET ASSETS - OCTOBER 1	30,454	141,582	172,036	779,959
TOTAL NET ASSETS - SEPTEMBER 30	\$ 38,060	\$ 200,526	\$ 238,586	\$ 990,784

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, 2006

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney	Jail Commissary	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 79,655	\$ 347,109	\$ 426,764	\$ 991,207
Receipts from interfund services provided	-	-	-	3,577,658
Payments to contractors and vendors	(1,908)	(220,656)	(222,564)	(1,026,705)
Claims paid	-	-	-	(3,242,278)
Payments to employees for services	(65,341)	(68,987)	(134,328)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>12,406</u>	<u>57,466</u>	<u>69,872</u>	<u>299,882</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	-	7,631	7,631	57,528
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>-</u>	<u>7,631</u>	<u>7,631</u>	<u>57,528</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,406	65,097	77,503	357,410
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>24,216</u>	<u>141,061</u>	<u>165,277</u>	<u>1,076,223</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>\$ 36,622</u>	<u>\$ 206,158</u>	<u>\$ 242,780</u>	<u>\$ 1,433,633</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 7,606	\$ 50,896	\$ 58,502	\$ 150,131
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Decrease (Increase) in accounts receivable	2,118	(3,600)	(1,482)	157,840
Decrease (Increase) in due from other funds	2,588	(70)	2,518	-
(Increase) in inventory	-	(5,052)	(5,052)	-
Increase in accounts payable	-	10,033	10,033	11,310
Increase in accrued salaries and compensated absences	94	5,259	5,353	-
(Decrease) in deferred revenues	-	-	-	(19,399)
Total adjustments	<u>4,800</u>	<u>6,570</u>	<u>11,370</u>	<u>149,751</u>
Net cash provided by operating activities	<u>\$ 12,406</u>	<u>\$ 57,466</u>	<u>\$ 69,872</u>	<u>\$ 299,882</u>

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

BRAZOS COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2006

ASSETS	
Cash and Cash Equivalents	\$ 5,398,695
Investments	678,100
Accounts Receivable	762
TOTAL ASSETS	<u>6,077,557</u>
LIABILITIES	
Accounts Payable	429
Funds Held in Trust	6,077,128
TOTAL LIABILITIES	<u>\$ 6,077,557</u>

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

BRAZOS COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2006

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. Government Accounting Standards Board Statement 14 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.

The relationship of the following corporations and the County meet the criteria of related organizations.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Related Organizations(Continued)

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 Corporation Act. 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 three member Board of Directors which is comprised of three members of the Brazos County Commissioners’ Court.

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. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-wide Financial Statements

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The effect of inter-fund activity has been eliminated for the government-wide financial statements.

D. Fund Level Financial Statements

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

Property tax revenues, the County's primary revenue source, are susceptible to accrual and are considered available to the extent of delinquent taxes collected within sixty (60) days of the fiscal year end. Grant and entitlement revenues are also susceptible to accrual. Encumbrances are used during the year and any un-liquidated items are reported at year-end as a reservation of fund balance.

The fund level financial statements are accounted for on a spending "financial flow" 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements (Continued)

All proprietary funds, including the enterprise fund and internal service funds, 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' balance sheets.

The agency 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 agency funds are always matched by liabilities to the owners of the assets and involve no measurement of results of operations.

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

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

Governmental Funds

Governmental funds are used to account for all or most of a government's general activity. The County has reported three major funds under this category for the year ended September 30, 2006:

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. The fund accumulates reserves for future capital improvements and unforeseen catastrophic events.

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, interest and related costs.

Exposition Center Fund – This fund is established to account for purchase of land and the construction of the Brazos County Exposition Center.

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, both 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements (Continued)

Fiduciary Funds

The Agency Funds are used to account for assets held by the County as agent for individuals, private organizations, and other governmental units and/or other funds. The County reports 4 agency funds as nonmajor fiduciary funds. Assets have been held in these funds on behalf of individuals involving certain legal processes, employees, victims of crimes, bail bondsmen, inmates and other governmental units.

E. Proprietary Fund Accounting

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

F. Implementation of New Standards

In the current year the County implemented the following new standard:

GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" ("GASB 42"), establishes guidance for accounting and reporting for the impairment of capital assets and for insurance recoveries. Implementation of GASB 42 did not have an impact on the County's financial statements for the year ended September 30, 2006.

GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section" ("GASB 44") establishes and modifies requirements related to the supplementary information presented in the statistical section. Implementation of GASB 44 is reflected in the Statistical Section.

GASB Statement No. 47, "Accounting for Termination Benefits" ("GASB 47") provides guidance on how employers should account for benefits associated with either voluntary or involuntary terminations. Implementation of GASB 47 did not have an impact on the County's financial statements for the year ended September 30, 2006. Detailed information of the County's policy on post employment benefits can be found in Note 13-A.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash, Cash Equivalents and Investments

The County defines all cash, money market accounts, and certificates of deposit that have an original maturity date of ninety days or less as cash or cash equivalents. Cash and cash equivalents related to restricted assets are also included. Cash and cash equivalents are short term, highly liquid investments, which may be converted to cash (see Note 3). The County maintains a cash and investment pool that is available for use by all funds. Equity in cash and cash equivalents and interest income from the cash pool is allocated to the participating funds on a monthly basis. The amount of the allocation is determined by calculating a ratio of each fund's equity in the pool to the total pool.

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

H. 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. 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, 2006. Accordingly, there are no current taxes receivable reported. On July 1, unpaid taxes are subject to additional penalties and collection expenses.

Taxes have been reported in the government-wide financial statements net of the allowance for uncollectible taxes. At the governmental fund level, taxes are recognized as revenue when they become available and the amount not yet available (not collectible within sixty days) has been reported as deferred revenue. For the year ended September 30, 2006, the tax rate to finance general governmental services was \$0.3949 per \$100.00 valuation. The tax rate for the payment of principal and interest on long-term debt was \$0.0701 per \$100.00 valuation. Under provisions adopted by the State, the maximum rate that can be set to service governmental services is \$0.80 per \$100 of assessed value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Property Taxes (Continued)

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

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

J. Inventories and Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2006, are recorded as prepaid items, and amortized as expenditures as consumed.

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

K. 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. 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 capitalized and depreciated in the government-wide financial statements and the proprietary fund statements. Capital assets 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets (Continued)

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

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

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

L. Compensated Absences

All full-time employees are granted vacation and sick leave benefits based on length of service. Non-exempt employees may earn compensatory time off for overtime worked. Employees are entitled to receive accumulated vacation pay in a lump sum payment if their employment is terminated. The related accrued vacation payable and accumulated compensatory time has been accrued as an expense and a liability at year-end in the government-wide statements as a liability for compensated absences. Accumulated sick leave benefits are not recorded, being lost upon termination of employment.

Non-exempt, non-law enforcement employees earn compensatory time at one and one-half times the excess of 40 hours per week worked. These employees can accrue a maximum of 240 hours. Non-exempt, law enforcement employees earn compensatory time at one and one-half times the excess of 171 hours in a 28-day work cycle. Non-exempt, law enforcement employees can accrue a maximum of 480 hours. At termination, all compensatory time is paid at the wage rate in place at termination. The maximum amount of vacation time an employee can accrue is 240 hours. At termination, an employee is paid for all vacation time earned up to the date of separation at the current wage rate.

M. Revenues and Expenses

Program revenues for governmental activities include those generated from general government, justice system, law enforcement, juvenile services, public transportation, public health and human services.

N. Long-Term Obligations

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance Designated for Health Endowment Fund

The County elected to create the Brazos County Community Healthcare Endowment Fund with the funds received from the statewide "Tobacco Settlement." Commissioners' Court designated the corpus of the funds received (\$2,000,000) to be invested and the interest earned to be used to provide funding for various County health programs. Commissioners' Court has appropriated \$130,000 for anticipated program needs during the 2006-2007 fiscal year and has designated \$393,782 available for future programs.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 15 each year.
- Informal departmental hearings are held with the budget officer.
- The budget officer prepares the proposed annual operating budget to be presented to the Commissioners' Court for consideration. The budget represents the financial plan for the new fiscal year.
- Formal public hearings are held on the proposed budget.
- The adopted budget must be balanced; i.e., available resources must be sufficient to support annual appropriations. The adopted budget must be approved by a majority of the Commissioners' Court on or before November 1 each year.
- The budget is adopted using classifications within each department. The operating department is the legal level of budgetary control.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

- The budget may not be increased through the use of supplemental appropriations each year, unless the County Auditor certifies to the Commissioners’ Court that supplemental receipts have been realized, and are available to support disbursements, which were not included in the budget for the fiscal year.

- Transfer of appropriations between departments requires the expressed permission of Commissioners’ Court, and all appropriations lapse at year-end.

Appropriations for total budget cannot exceed total resources that will be available for the year as forecast by the County Auditor. This is the legal level of control for the County budget. Expenditures may not exceed budgeted appropriations at the fund level except for General Fund, which is appropriated at the classification level. Administrative control is maintained through the establishment of more detailed line-item budgets. Amendments increasing budget appropriations are restricted to those for “emergency expenditures, in case of grave public necessity, to meet unusual and unforeseen conditions that could not, by reasonably diligent thought and attention, have been included in the original budget.”

The Commissioners’ Court must approve the original budget appropriations and subsequent amendments and adjustments. The County Auditor is required to monitor the expenditures of all the funds in comparison to that which has been appropriated. The following schedule of changes in the original budget appropriations includes those funds for which the Commissioners’ Court has legally adopted a budget, as well as funds with managerial budgets.

	Original Budgeted		
	Expenditures and Other	Supplemental	Original As
	Financing Uses	Appropriations	Amended
General Fund	\$ 48,884,547	\$ 2,601,556	\$ 51,486,103
Special Revenue	4,979,499	547,775	5,527,274
Debt Service	5,116,185	6,005,000	11,121,185
Capital Projects	28,931,973	1,003,453	29,935,426
Totals	\$ 87,912,204	\$ 10,157,784	\$ 98,069,988

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. FDIC is available for funds deposited at any one financial institution up to a maximum of \$100,000 each for demand deposits, time and savings deposits, and deposits pursuant to indenture. At September 30, 2006, the carrying amounts of the County's deposits were \$60,617,252. The County's deposits are not exposed to custodial credit risk since all deposits are either covered by FDIC insurance or 100% to 110% collateralized.

B. Investments

The County's investment policy is based on Section 116.112 of the Local Government Code and Government Code Chapter 2256, Subchapters A and B. Investments authorized by the investment policy are as follows:

- direct debt securities of the United States, its agencies and instrumentalities.
- fully collateralized security repurchase agreements with the County depository or with state or national banks domiciled in Texas.
- certificates of deposit if issued by a state or a national bank domiciled in this state, or a savings and loan association domiciled in this state, if the certificate is 102% collateralized.
- a bankers' acceptance if it has a stated maturity of 270 days or fewer from the date of issuance and is eligible for collateral for borrowing from a Federal Reserve Bank.
- commercial paper is an authorized investment if the commercial paper has a stated maturity of 90 days or fewer from the date of issuance and is rated not less than A-1 and P-1.
- money market funds if the Commissioners' Court by resolution authorizes investment in the fund with limitations.
- eligible investment pools if the Commissioners' Court by resolution authorizes investment in the particular pool.

During the year ended September 30, 2006, County investments included funds deposited in TexPool. TexPool is a local government investment pool under the oversight of the State Comptroller of Public Accounts of Texas. It 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. TexPool's portfolio has low interest 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.

Investments at September 30, 2006 are as follows:

Pooled Investments	\$ 5,525,043
Property	<u>678,100</u>
Total Investments	<u>\$ 6,203,143</u>

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

B. Investments (Continued)

The \$5,525,043 pooled investments are reflected as investments on the balance sheet at its fair value, which is the same as the value of the pool shares.

The listed property is the property recorded in the Bail Bond Board Agency Fund. The property is held by the County as security for the bail bondsman operating in the County and is not classified in accordance with GASB Statement 3.

NOTE 4 – TAXES AND OTHER RECEIVABLES

The following is a summary of the gross delinquent taxes receivable, penalties and interest on taxes receivable, and other receivables at year-end for the County’s individual major funds and non-major, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General	Debt Service	Major Capital Projects	Nonmajor	Internal Service	Fiduciary	Total
Taxes	\$ 1,253,884	\$ 193,094	\$ -	\$ -	\$ -	\$ -	\$ 1,446,978
Penalty & Interest - Taxes	862,458	102,405	-	-	-	-	964,863
Court Fines & Fees	9,424,775	-	-	-	-	-	9,424,775
Interest	148,832	9,539	40,277	30,044	-	-	228,692
Accounts	1,865,069	5,499	-	680,412	63,516	762	2,615,258
Gross Receivables	13,555,018	310,537	40,277	710,456	63,516	762	14,680,566
Less:							
Allowance	(5,170,258)	(27,069)	-	-	-	-	(5,197,327)
Net Receivable	\$ 8,384,760	\$ 283,468	\$ 40,277	\$ 710,456	\$ 63,516	\$ 762	\$ 9,483,239

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NOTE 5 – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2006 was as follows:

	Balance at October 1, 2005	Additions	Deletions & Adjustments	Balance at September 30, 2006
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 7,341,543	\$ 654,558	\$ (141,419)	\$ 7,854,682
Construction in progress	4,636,684	9,235,652	(1,115,116)	12,757,220
Infrastructure	37,929,330	2,844,668	-	40,773,998
Total capital assets, not being depreciated	49,907,557	12,734,878	(1,256,535)	61,385,900
Capital assets, being depreciated:				
Buildings	26,727,593	1,993,436	-	28,721,029
Improvements other than Buildings	5,039,804	-	-	5,039,804
Machinery and Equipment	15,772,020	996,111	(599,337)	16,168,794
Total capital assets, being depreciated	47,539,417	2,989,547	(599,337)	49,929,627
Less accumulated depreciation for:				
Buildings	(11,329,915)	(668,874)	-	(11,998,789)
Improvements other than Buildings	(3,429,781)	(235,640)	-	(3,665,421)
Machinery and Equipment	(7,007,552)	(1,306,605)	554,207	(7,759,950)
Total accumulated depreciation	(21,767,248)	(2,211,119)	554,207	(23,424,160)
Total capital assets, being depreciated, net	25,772,169	778,428	(45,130)	26,505,467
Governmental activities capital assets, net	\$ 75,679,726	\$ 13,513,306	\$ (1,301,665)	\$ 87,891,367
Business-type activities:				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 23,025	\$ -	\$ -	\$ 23,025
Total capital assets, being depreciated	23,025	-	-	23,025
Less accumulated depreciation for:				
Machinery and Equipment	(23,025)	-	-	(23,025)
Total accumulated depreciation	(23,025)	-	-	(23,025)
Total capital assets, being depreciated, net	-	-	-	-
Business-type activities capital assets, net	\$ -	\$ -	\$ -	\$ -

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NOTE 5 – CAPITAL ASSETS (Continued)

Depreciation expense for FY 2006 was charged to functions as follows:

Governmental Activities:				
General Government				\$ 517,145
Justice System				136,723
Law Enforcement				781,026
Juvenile Services				189,561
Public Transportation				355,262
Public Health				19,845
Human Services				211,557
Total depreciation expense - governmental activities				<u>2,211,119</u>

NOTE 6 – RESTRICTED ASSETS AND LIABILITIES

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various designations are established by actions of the Commissioners’ Court and management and can be increased, reduced or eliminated by similar actions.

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 each annual anniversary date. These leases are for office space and ground storage having minimum annual lease payments of \$101,435. At September 30, 2006, 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 the annual cost of \$1,248. The lease is a 50-year lease expiring in 2040. The County had entered a year-to-year lease with the Junior Service League of Bryan/College Station for \$7,200 per year. The lease was renewed in May 2005 for two years. Also, the County had purchased property with an existing lease with Lamar Companies for billboards on the County’s property with \$1,200 per year. The lease will expire in 2010.

NOTE 7 – LEASES (Continued)

A. Operating Leases (Continued)

The County had entered into twenty non-cancelable operating leases for the use of photocopying equipment. The leases are for a 48 to 60 month period. Expenditure for these operating leases was \$93,924 in 2006. The County has also entered three non-cancelable operating leases for the facility rental with various terms. Expenditure for such leases was \$33,182 in 2006. The future minimum lease payments for these leases are as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2007	137,114
2008	61,200
2009	10,344
2010	<u>7,644</u>
Total	<u>\$ 216,302</u>

B. Capital Leases

The County has entered into three capital lease agreements for the purchase of two electronic monitoring systems and one metal detector. Payments during the fiscal year ended September 30, 2006 totaled \$20,925. Interest rates are 10% per annum for the two electronic monitoring systems and 8.5% per annum for the metal detector. Payments, including interest are due as follows as of September 30, 2006:

<u>Fiscal Year</u>	<u>Equipments</u>
2007	17,844
2008	16,164
2009	15,604
2010	1,300
Total Future Lease Payments	50,912
Less: Interest	(7,009)
	<u>\$ 43,903</u>

As of September 30, 2006, the County had recorded equipment under capital lease obligations of approximately \$50,912, net of accumulated depreciation.

	<u>Asset Balance</u>	<u>Accumulated</u>	
	<u>September 30, 2006</u>	<u>Depreciation</u>	<u>Net</u>
<u>Governmental Activities:</u>			
Equipment	\$123,840	\$72,928	\$50,912

NOTE 8 - LONG-TERM DEBT

The following are debt issues with activity or outstanding balances at September 30, 2006.

Description	Original Amount	Interest Rates (%)	Year of Issue	Year of Maturity	Outstanding at 9/30/06
Certificates of Obligation					
Series 1996 - Various	\$ 8,500,000	5.3 - 7.25	1996	2016	\$ -
Series 1998 - Various	10,000,000	4.63	1998	2013	6,775,000
Series 2001 - Judicial Software	1,000,000	3.4 - 5.5	2001	2009	375,000
Series 2002 - Various	2,995,000	2.8 - 3.85	2002	2013	1,615,000
Series 2003 - Various	10,000,000	2.5 - 4.55	2003	2023	8,935,000
Series 2004 - Various	5,000,000	2.6 - 4.55	2004	2024	5,000,000
Series 2005 - Various	2,750,000	3.25 - 3.75	2005	2015	2,515,000
Limited Tax Refunding Bonds					
Series 2005 - Debt Refunding	6,005,000	4.0	2005	2016	5,925,000
General Obligation Bonds					
Series 2001 - Exposition Center	8,000,000	4.3 - 6.5	2001	2021	7,330,000
Series 2005 - Exposition Center	10,500,000	4.0 - 6.0	2005	2025	10,450,000
Total General Obligation Debt					\$ 48,920,000

Activity for long-term debt of the County for the year ended September 30, 2006 was as follows:

Description	Balance	Issued	Retired	Balance	Amount
	Outstanding			Outstanding	Due Within
	10/1/2005	During Year	During Year	9/30/2006	One Year
Certificates of Obligation					
Series 1996 - Various	\$ 6,220,000	\$ -	\$ 6,220,000	\$ -	\$ -
Series 1998 - Various	7,625,000	-	850,000	6,775,000	910,000
Series 2001 - Judicial Software	500,000	-	125,000	375,000	125,000
Series 2002 - Various	1,915,000	-	300,000	1,615,000	300,000
Series 2003 - Various	9,330,000	-	395,000	8,935,000	405,000
Series 2004 - Various	5,000,000	-	-	5,000,000	195,000
Series 2005 - Various	2,750,000	-	235,000	2,515,000	245,000
Limited Tax Refunding Bonds					
Series 2005 - Debt Refunding	-	6,005,000	80,000	5,925,000	210,000
General Obligation Bonds					
Series 2001 - Exposition Center	7,670,000	-	340,000	7,330,000	355,000
Series 2005 - Exposition Center	10,500,000	-	50,000	10,450,000	50,000
Total General Obligation Debt	\$ 51,510,000	\$ 6,005,000	\$ 8,595,000	\$ 48,920,000	\$ 2,795,000

NOTE 8 - LONG-TERM DEBT (Continued)

Annual debt service requirements as of September 30, 2006 are as follows:

Fiscal Year	Principal	Interest	Total
2007	\$ 2,795,000	\$ 2,032,841	\$ 4,827,841
2008	3,445,000	1,912,580	5,357,580
2009	3,540,000	1,766,639	5,306,639
2010	3,680,000	1,616,415	5,296,415
2011	3,800,000	1,457,542	5,257,542
2012-2016	15,385,000	5,173,529	20,558,529
2017-2021	10,735,000	2,615,009	13,350,009
2022-2025	5,540,000	535,158	6,075,158
Totals	\$ 48,920,000	\$ 17,109,713	\$ 66,029,713

Refunding

The County issued \$8,500,000 of Certificates of Obligation, Series 2006 on July 1st, 1996. The bonds had variable interest rates range from 5.30% to 7.25%. The bonds mature on September 1st 2016 and are callable September 1st, 2006 or any date thereafter. On December 1st, 2005, the County issued \$6,005,000 of Limited Tax Refunding Bonds to refund and defease the outstanding Series 1996 Certificates of Obligation and to pay costs incurred in connection with the issuance of the bonds. The annual interest rate is at 4%. Interest accrues semiannually and the bonds mature in fiscal year 2016. The advance refunding met the requirements of an in-substance debt defeasance and the Certificate of Obligation bonds were removed from the County's government-wide financial statements. The refunding resulted in a decrease in the cash flow requirements of \$312,864 and an economic gain of \$294,544.

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 any liability during the 2006 fiscal year. However, the County has estimated the liability of \$44,648 to be paid off in 2006-2007 fiscal year.

NOTE 9 – 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 hours earned but not taken. It is reported as an obligation on the statement of net assets of the government-wide financial statements. It is considered a current liability due to the following facts:

- The County’s policy for vacation limits the hours that can be retained from one calendar year to the next on a first earned first used basis
- The County’s policy for compensatory time requires that earned compensatory time be used or cashed out within a 28-day work cycle

The County began accruing the associated benefits for compensated absences since fiscal year 2005. Typically, the General Fund, Jail Commissary Fund and some Special Revenue Funds have been used during the year to liquidate the liability for compensated absences. Changes in compensated absences for the year ended September 30, 2006, were as follows:

	Balance Outstanding September 30, 2005	Earned	Taken/ Paid	Balance Outstanding September 30, 2006	Amount Due Within One Year
Governmental Activities	\$ 591,982	\$ 1,347,554	\$ (1,269,789)	\$ 669,747	\$ 669,747
Business-type Activities	663	2,983	(1,100)	2,546	2,546
Total	\$ 592,645	\$ 1,350,537	\$ (1,270,889)	\$ 672,293	\$ 672,293

NOTE 10 – 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, 2006:

	Due From	Due To
General Fund	\$ 3,466	\$ 1,945
Debt Service Fund	205	-
Nonmajor Governmental Funds	213,051	211,729
County Attorney Enterprise Fund	-	2,978
Jail Commissary Enterprise Fund	-	70
Total	\$ 216,722	\$ 216,722

The summary of the County’s transfers for the year ended September 30, 2006 is as follows:

	Transfer In:			
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Transfer Out:				
General Fund	\$ -	\$ -	\$ 2,604,238	\$ 2,604,238
Nonmajor Governmental Funds	16,363	5,253	11,557	33,173
	\$ 16,363	\$ 5,253	\$ 2,615,795	\$ 2,637,411

NOTE 10 – INTERFUND BALANCES AND TRANSFERS (Continued)

General Fund transferred out a net of \$2,303,153 to a Capital Project Fund for anticipated expenditures in various capital improvements for the County. It also transferred \$301,085 to Special Revenue Funds for grant matching and other requirements. \$11,557 was transferred between two special revenue funds. Debt Service Fund received a transfer of \$5,253 from a Capital Project Fund and General Fund received \$15,788 from a Special Revenue Fund and \$575 from a Capital Project Fund for the close-out of the funds.

NOTE 11 – RISK MANAGEMENT

The County participates in a worker’s 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 worker’s 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 worker’s 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 is self-insured for medical claims only. 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 County currently provides medical and dental programs for its employees with basic prescription and life benefits attached. The County pays the full cost for all qualifying employees. The individual pays for dependent and retiree premium expenses (Note 13).

The Internal Service Fund acts as a clearing account to collect the premium payments from the County, the employee, and the retiree. The fund pays all claims and administrative fees. The County has purchased reinsurance that provides a \$75,000 stop loss on an individual claim, and an aggregate at \$60,000 after the initial individual claim has reached the \$75,000. All funds are available to pay claims and have been reserved for such purpose. The County experienced premium cost and claims of \$3,458,653, and \$3,713,370 for 2006 and 2005 respectively. At September 30, 2006, the County had accrued \$359,959 for anticipated claims that had not been filed at year-end. This estimate is based on the number of claims filed subsequent to year-end that were for services rendered prior to year-end. The three months subsequent to the end of the fiscal year were used in this review. In addition, the County has accumulated \$990,784 in retained earnings to be used to offset unanticipated costs in future periods.

Changes in the balances of unpaid liability during fiscal years 2005 and 2006 were as follows:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	<u>Claims Paid</u>	Balance at Fiscal <u>Year End</u>
2005	\$633,598	3,713,370	3,994,746	352,222
2006	352,222	3,250,015	3,242,278	359,959

NOTE 11 – RISK MANAGEMENT (Continued)

The Commissioners' Court of Brazos County is aware that the County has risk of loss exposure to liability and accidental loss of real and personal property as well as human resources. County operations involve a variety of high-risk activities including, but not limited to, cash collections, road and bridge maintenance, law enforcement, and construction. The Commissioners' Court has created the office of Risk Management, whose responsibility it 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, 2006, 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.

NOTE 12 - RETIREMENT PLAN (Continued)

A. Plan Description (Continued)

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

B. Funding Policy

Brazos County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. Brazos County contributed using the actuarially determined rate of 10.96% for fiscal year 2006. For 2007, the County's rate is anticipated to increase to 11.04%. The employee's member contribution rate remained at 7.00% for 2006.

C. Annual Pension Cost

For the County's fiscal year ending September 30, 2006, the County's annual pension cost for the TCDRS plan for its employees was \$2,361,751. The County's annual required contributions were \$2,361,751, and the County's actual contributions were \$2,361,751. The County's annual pension cost for the fiscal year ended September 30, 2005, was \$2,214,209. The annual required contribution for 2006 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, 2003, and December 31, 2004, which is the basis for determining the contribution rate for calendar year 2005 and 2006 respectively. The December 31, 2005 actuarial valuation is the most recent valuation.

	<u>12/31/03</u>	<u>12/31/04</u>	<u>12/31/05</u>
Actuarial valuation date	Entry Age	Entry Age	Entry Age
Actuarial cost method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Remaining amortization period	20 years	20 years	20 years
Asset valuation method	Long-term appreciation with adjustment	Long-term appreciation with adjustment	Long-term appreciation with adjustment
Actuarial assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.5%	5.5%	5.3%
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</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
09/30/00	\$ 1,669,144	100%	None
09/30/01	\$ 1,741,765	100%	None
09/30/02	\$ 1,910,033	100%	None
09/30/03	\$ 2,040,628	100%	None
09/30/04	\$ 2,224,886	100%	None
09/30/05	\$ 2,214,209	100%	None
09/30/06	\$ 2,361,751	100%	None

NOTE 13 - OTHER EMPLOYMENT BENEFITS

A. Post Employment Benefits

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. COBRA participants are reimbursed at the same levels as active employees. At September 30, 2006, the County had been fully reimbursed for costs related to COBRA participants. The County also permits employees to accumulate unused vacation and compensatory time to be added at the employee’s final pay level upon termination of employment.

B. Post Retirement Benefits

Brazos County has elected to offer post-retirement health care benefits to certain retirees. County policy allows employees to become eligible for post retirement health care benefits after meeting the service and retirement age requirements of the TCDRS retirement plan.

County policy restricts post retirement health care benefits to those employees that qualified for health coverage during employment. Health care benefits are available to employees that normally work 1,664 or more hours annually. The County opted to extend health care benefits to retirees that maintained coverage through the County’s health care plan as of January 1, 2000. The County provides funding for the post retirement health care benefits. The County recognizes expenditures for post retirement health care benefits as paid, which during fiscal year 2006 totaled \$309,543. At September 30, 2006, there were 73 retirees receiving benefits and 55 employees that qualify for retirement and health related benefits.

NOTE 13 - OTHER EMPLOYMENT BENEFITS (Continued)

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

At the November 2000 general election, the voters of Brazos County passed a proposition to allow the County to sell \$18.5 million in General Revenue Bonds to be used for the construction of a County Exposition Center. During the fiscal year ended September 30, 2002 the County issued an initial bond series for \$8,000,000. Approximately \$2.9 million of these funds have been used to purchase the land for the Exposition Center and for the architectural design. During the fiscal year ending September 30, 2005, the County issued the remaining \$10.5 million General Obligation Bonds for use as planned. This amount along with the remaining \$5.1 million is to be used to construct the Center. The County has contracted with Hunt Construction Group, Inc. to act as "construction manager at risk" for this project. The construction manager serves as the general contractor providing pre-construction and construction services, provides design phase consultation in evaluating costs, schedule, implications of alternative designs, systems and materials during design and serves as a single point of responsibility contracting directly with the subcontractors during construction. The construction of Exposition Center started in May 2006 and is expected to be completed in August 2007.

During the year ended September 30, 2004 the County issued \$10,000,000 in Certificates of Obligation to fund various capital projects including the construction of an Administration building for the Sheriff's Department. The County has also entered a contract with Hunt Construction Group, Inc as the construction manager-at-risk for the construction of the Administration Building of Sheriff's Department. The construction of the Administration Building began in May 2006 and is expected to be completed in July 2007.

A portion of the proceeds of the Certificates of Obligation issued in fiscal year 2004 was budgeted for the construction of a Justice of Peace Building in 2006. The building was completed in October 2006 and is now in use.

B. Tax Increment Financing Zones (TIFZ's)

As of September 30, 2006, the County had entered into several inter-local agreements with the cities of Bryan and College Station 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.

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

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

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 Tax Increment Financing Zone 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.

City of Bryan

Brazos County has entered into two inter-local agreements with the City of Bryan to create Reinvestment Zone Number Eight –“Park Hudson” and Reinvestment Zone Number Ten – “Traditions”. Park Hudson represents approximately 450 acres located on the east side of the City of Bryan and is a 20-year contract. 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 following is a schedule of relevant data with regards to these TIFZ's:

Zone	Base Value	Captured Value	Tax Rate*	Captured Tax Revenue
Park Hudson				
2006	\$ 35,803	\$ 69,874,197	0.4650	\$ 290,405
2005	35,803	60,087,186	0.4725	255,574
2004	35,803	50,717,536	0.3839	198,180
2003	35,803	45,966,540	0.3723	172,732
2002	35,803	35,356,812	0.3857	137,567
2001	35,803	34,357,265	0.3857	132,516
2000	35,803	15,387,041	0.3736	57,486
Traditions				
2006	598,490	21,109,164	0.4650	82,829
2005	598,490	653,963	0.4725	213
2004	598,490	-	0.3839	-
2003	598,490	-	0.3723	-
2002	598,490	-	0.3857	-
2001	598,490	-	0.3857	-
2000	-	-	0.3736	-
			* per \$100 valuation	

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

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

City of College Station

Brazos County has entered into one inter-local agreement with the City of College Station to create Reinvestment Zone Number One -“Wolf Pen Creek Corridor”. It is scheduled for a 20-year duration. The following is a schedule of relevant data with regards to this TIFZ for the fiscal year ended September 30, 2006:

Zone	Base Value	Captured Value	Tax Rate*	Captured Tax Revenue
Wolf Pen Creek:				
Corridor				
2006	\$18,502,607	\$45,752,018	0.4650	\$ 179,293
2005	18,502,607	40,776,091	0.4725	166,170
2004	18,502,607	39,950,673	0.3839	151,815
2003	18,502,607	30,533,129	0.3723	113,675
2002	18,502,607	25,325,687	0.4200	106,368
2001	18,502,607	25,325,687	0.4200	106,368
2000	18,502,607	23,743,340	0.4100	97,348
			* per \$100 valuation	

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NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

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, 2006 the County had established abatement agreements with the following property owners.

Property Owner	Date of Abatement	2005 Appraised Value	2005 Taxable Value	2006 Taxes Levied
Conoco, Inc.	1995	\$ 10,698,445	\$ 3,984,785	\$ 18,529
Dealer Computer Services, Inc.	1997	34,647,815	4,908,180	22,823
O I Corporation	1997	2,522,420	2,060,040	9,579
Rental Systems, Inc.	1997	2,125,250	325,030	1,511
Saint-Gobain Norporo	1997	12,506,740	7,838,130	36,447
Universal Computer	1997	787,040	120,040	558
Hy-Line International	1998	4,369,305	3,534,885	16,437
Stata Corporation	1999	3,689,015	2,304,475	10,716
Betco	2000	4,563,445	4,127,693	19,194
Heat Transfer Research	2001	3,038,940	2,163,651	10,061
Hewlett Packard Company	2003	188,975	75,590	351
Bryan Lumber Remanufacturing	2003	2,257,340	1,937,670	9,010
Coca-Cola Enterprises	2003	5,155,307	3,298,921	15,340
CW CS 1	2003	8,575,220	3,646,500	16,956
Kent Moore	2005	3,792,570	1,142,122	5,311
Schulumberger IPM	2005	342,890	137,160	638
Key-Trak Inc.	2005	1,771,530	371,840	1,729

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 – NEW ACCOUNTING PRONOUNCEMENT

The Governmental Accounting Standards Board has issued Statement No. 45 (“GASB 45”), “Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions” which will be effective for the County in the fiscal year ending September 30, 2009. GASB 45 establishes financial reporting standards for other post employment benefit plans. Currently the County has established a post employment healthcare plan for full time regular employees that retire after January 1, 2000. This statement will require the County to accumulate assets for the payment of post-employment healthcare benefits. The County is currently in the process of determining the financial impact of this requirement.

REQUIRED SUPPLEMENTARY INFORMATION

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2006

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Taxes			
Current Ad Valorem Taxes	\$ 27,980,000	\$ 27,980,000	\$ 28,372,889
Delinquent Ad Valorem Taxes	430,000	430,000	348,664
Penalties & Interest - Taxes	250,000	250,000	261,860
Mixed Drink Tax	350,000	350,000	401,298
County Sales Tax	8,500,000	8,500,000	9,957,049
Total Taxes	37,510,000	37,510,000	39,341,760
Charges For Services			
Contracted Detention Services	35,000	35,000	62,000
Contracted Jail Services	75,000	75,000	90,825
Arrest Fees	70,000	70,000	65,112
Brazos Center	175,000	175,000	205,623
Bond Service/Forfeitures	120,100	120,100	189,406
County Clerk	625,000	625,000	953,061
Vital Statistics Preservation	4,500	4,500	5,960
County Attorney	55,000	55,000	63,001
General Administration Fees	9,200	9,200	29,872
Constables	101,000	101,000	132,117
Court Reporter	27,500	27,500	37,140
Magistrate	75,000	75,000	99,699
District Clerk	330,600	330,600	518,961
District Attorney	6,500	6,500	13,784
Family Protection	6,000	6,000	-
Motor Carrier Weight	5,000	5,000	26,301
Inmate Medical Fees	5,000	5,000	11,298
Justice of the Peace	1,213,500	1,213,500	1,405,667
Juvenile Probation Fees	17,000	17,000	19,007
License and Weights	10,000	10,000	8,910
Omnibus Crime Control Fees	70,000	70,000	84,453
Optional License Fees	1,000,000	1,000,000	1,219,733
Probate Fees	100	100	2,699
School Crossing Fees	22,000	22,000	23,696
Sheriff	81,000	81,000	88,245
Landfill Fees	25,000	25,000	33,060
Tax Assessor-Collector	518,000	518,000	699,583
Vehicle Registration Fees	1,115,000	1,115,000	1,127,703
Licenses and Permits	25,000	25,000	32,904
Court Fines	1,020,000	1,020,000	1,419,362
Total Charges For Services	\$ 6,842,000	\$ 6,842,000	\$ 8,669,182

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, 2006

	Budgeted Amounts		Actual
	Original	Final	
REVENUES (continued)			
Intergovernmental - Federal			
Department of Justice	\$ 55,000	\$ 55,000	\$ 75,403
Department of Health & Human Services	66,500	66,500	88,801
Emergency Management Agency	42,000	492,000	501,330
Total Intergovernmental - Federal	163,500	613,500	665,534
Intergovernmental - State			
Attorney General	115,000	115,000	206,926
Department of Justice	156,850	165,588	110,688
D. A. Salary Supplement	33,000	33,000	35,682
Indigent Defense - Office of Court Administration	35,000	35,000	-
Texas Juvenile Probation Commission	305,000	305,000	474,669
Texas Youth Commission	45,000	45,000	58,174
Juror Reimbursement	-	-	38,352
Tobacco Settlement	75,000	75,000	153,360
Total Intergovernmental - State	764,850	773,588	1,077,851
Total Intergovernmental	928,350	1,387,088	1,743,385
Interest	536,000	536,000	1,650,258
Other Revenue			
Donations	1,100	4,100	3,000
Road Crossing	500	500	23,198
State Traffic Fee	10,000	10,000	10,301
FEMA Program Income	-	-	20,850
Reimbursements	71,600	71,600	100,897
Leases and Rentals	8,000	8,000	8,086
Other	11,700	11,700	33,303
Estray Animal Sale/Fee	100	100	-
Inmate Phone System	200,000	200,000	317,432
Oil and Gas Lease	3,000	3,000	4,015
Informal Adjudication Probation	5,000	5,000	5,683
Total Other Revenue	311,000	314,000	526,765
TOTAL REVENUES	\$ 46,127,350	\$ 46,589,088	\$ 51,931,350

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, 2006

EXPENDITURES	Budgeted Amounts		Actual
	Original	Final	
General Government			
County Judge			
Personnel Services	\$ 204,651	\$ 172,895	\$ 147,352
Supplies and Other Charges	5,875	5,585	2,400
Repairs and Maintenance	650	940	885
	211,176	179,420	150,637
Commissioners' Court			
Personnel Services	809,946	806,426	793,782
Employment Services	-	4,816	3,475
Discretionary Funding	-	2,376	-
Supplies and Other Charges	30,420	30,805	27,428
Repairs and Maintenance	100	100	50
Minor Acquisitions	-	1,333	1,243
Community Contracts	-	327,112	327,112
	840,466	1,172,968	1,153,090
Non-Departmental			
Personnel Services	5,365	4,078	-
Discretionary Funding	1,000,000	348,743	-
Supplies and Other Charges	1,095,000	1,202,000	1,020,366
Repairs and Maintenance	-	575	502
Professional Services	125,000	135,000	78,708
	2,225,365	1,690,396	1,099,576
Community Support			
Contract Services	2,506,697	2,492,234	2,271,062
	2,506,697	2,492,234	2,271,062
County Treasurer			
Personnel Services	324,882	324,882	310,341
Discretionary Funding	-	4,830	-
Supplies and Other Charges	14,500	14,340	10,312
Repairs and Maintenance	400	410	410
Professional Services	-	150	150
	339,782	344,612	321,213
Risk Management			
Personnel Services	102,321	102,321	101,625
Discretionary Funding	-	323	-
Supplies and Other Charges	9,835	8,383	5,718
Repairs and Maintenance	500	500	-
Minor Acquisitions	826	5,778	4,630
	113,482	117,305	111,973

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, 2006

	Budgeted Amounts		Actual
	Original	Final	
General Government (continued)			
Tax Assessor-Collector			
Personnel Services	\$ 1,345,455	\$ 1,345,455	\$ 1,230,690
Discretionary Funding	-	11,856	-
Supplies and Other Charges	51,150	55,970	45,538
Repairs and Maintenance	3,400	3,400	642
Minor Acquisitions	7,500	2,680	734
Contract Services	12,500	12,515	12,515
	<u>1,420,005</u>	<u>1,431,876</u>	<u>1,290,119</u>
Information Technology			
Personnel Services	868,728	869,874	787,102
Discretionary Funding	-	112,643	-
Supplies and Other Charges	63,310	72,164	62,350
Repairs and Maintenance	44,800	45,700	15,764
Minor Acquisitions	228,600	263,471	256,158
Contract Services	453,700	453,700	388,806
Professional Services	6,000	6,000	3,800
	<u>1,665,138</u>	<u>1,823,552</u>	<u>1,513,980</u>
Personnel			
Personnel Services	161,623	168,050	156,952
Discretionary Funding	-	2,497	-
Supplies and Other Charges	16,650	16,650	9,706
Repairs and Maintenance	150	150	-
Minor Acquisitions	150	150	-
Contract Services	5,460	5,460	5,400
	<u>184,033</u>	<u>192,957</u>	<u>172,058</u>
County Auditor			
Personnel Services	538,817	538,817	491,569
Supplies and Other Charges	19,225	19,225	18,403
Repairs and Maintenance	200	64	-
Contract Services	4,860	4,996	4,996
	<u>563,102</u>	<u>563,102</u>	<u>514,968</u>
Purchasing			
Personnel Services	182,402	182,402	165,253
Discretionary Funding	-	307	-
Supplies and Other Charges	11,285	11,285	9,535
Repairs and Maintenance	2,100	2,100	1,670
Contracts Services	2,000	2,000	-
	<u>197,787</u>	<u>198,094</u>	<u>176,458</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, 2006

	Budgeted Amounts		Actual
	Original	Final	
General Government (continued)			
Buildings and Grounds			
Personnel Services	\$ 885,495	\$ 885,495	\$ 846,048
Discretionary Funding	-	26,584	-
Supplies and Other Charges	42,180	45,100	43,513
Repairs and Maintenance	202,780	239,280	195,483
Minor Acquisitions	1,900	4,700	2,084
Contract Services	22,695	23,995	19,991
	<u>1,155,050</u>	<u>1,225,154</u>	<u>1,107,119</u>
Total General Government	\$ 11,422,083	\$ 11,431,670	\$ 9,882,253
Justice System			
County Attorney			
Personnel Services	\$ 1,734,866	\$ 1,749,512	\$ 1,607,845
Discretionary Funding	-	7,211	-
Supplies and Other Charges	63,220	57,275	48,091
Repairs and Maintenance	9,440	19,229	14,778
Minor Acquisitions	1,000	1,000	736
Contract Services	5,550	5,550	5,544
	<u>1,814,076</u>	<u>1,839,777</u>	<u>1,676,994</u>
District Attorney			
Personnel Services	1,765,592	1,767,572	1,714,245
Discretionary Funding	-	25,427	-
Supplies and Other Charges	109,630	109,630	93,032
Repairs and Maintenance	6,100	6,100	3,925
Minor Acquisitions	700	4,700	3,036
Contract Services	6,000	6,000	4,860
Professional Services	5,000	5,000	-
	<u>1,893,022</u>	<u>1,924,429</u>	<u>1,819,098</u>
Child Protective Services			
Personnel Services	61,409	61,409	49,487
Supplies and Other Charges	8,100	8,100	2,230
	<u>69,509</u>	<u>69,509</u>	<u>51,717</u>
District Clerk			
Personnel Services	745,154	745,154	704,072
Discretionary Funding	-	5,534	-
Supplies and Other Charges	32,135	32,135	28,805
Repairs and Maintenance	100	100	-
Minor Acquisitions	450	450	-
Contract Services	13,075	13,075	11,462
	<u>790,914</u>	<u>796,448</u>	<u>744,339</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, 2006

	Budgeted Amounts		Actual
	Original	Final	
Justice System (continued)			
Court and Jury Services			
Personnel Services	\$ 83,056	\$ 83,056	\$ 82,506
Discretionary Funding	-	8,774	-
Supplies and Other Charges	79,700	79,700	74,759
Repairs and Maintenance	100	100	-
	<u>162,856</u>	<u>171,630</u>	<u>157,265</u>
Collections			
Personnel Services	119,215	149,675	137,500
Discretionary Funding	-	1,060	-
Supplies and Other Charges	3,900	7,400	6,933
Repairs and Maintenance	-	400	170
Minor Acquisitions	-	2,800	2,800
Contract Services	1,200	1,200	1,001
	<u>124,315</u>	<u>162,535</u>	<u>148,404</u>
County Clerk			
Personnel Services	380,112	380,112	349,089
Discretionary Funding	-	26,196	-
Supplies and Other Charges	131,890	138,090	123,285
Repairs and Maintenance	1,850	2,500	2,367
Minor Acquisitions	-	10,000	7,662
Contract Services	4,620	4,620	4,284
	<u>518,472</u>	<u>561,518</u>	<u>486,687</u>
Vital Statistics Preservation			
Contract Services	11,200	11,200	-
	<u>11,200</u>	<u>11,200</u>	<u>-</u>
85th District Court			
Personnel Services	220,994	220,994	208,299
Employment Services	1,500	3,500	3,387
Discretionary Funding	-	2,330	-
Supplies and Other Charges	18,650	17,300	17,225
Repairs and Maintenance	1,000	350	322
Minor Acquisitions	-	650	612
	<u>242,144</u>	<u>245,124</u>	<u>229,845</u>
272nd District Court			
Personnel Services	219,447	219,447	216,993
Employment Services	400	1,320	1,317
Discretionary Funding	-	1	-
Supplies and Other Charges	14,850	14,021	13,564
Repairs and Maintenance	1,000	415	412
Minor Acquisitions	200	1,294	1,294
	<u>235,897</u>	<u>236,498</u>	<u>233,580</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, 2006

	Budgeted Amounts		Actual
	Original	Final	
Justice System (continued)			
361st District Court			
Personnel Services	\$ 217,214	\$ 217,214	\$ 212,663
Employment Services	1,500	1,500	1,160
Discretionary Funding	-	6,766	-
Supplies and Other Charges	22,250	23,250	16,815
Repairs and Maintenance	1,660	1,060	596
Minor Acquisitions	-	900	880
	<u>242,624</u>	<u>250,690</u>	<u>232,114</u>
Juvenile Court Referee			
Personnel Services	90,925	90,925	79,072
Discretionary Funding	-	32	-
Supplies and Other Charges	4,100	5,250	5,179
Minor Acquisitions	250	230	-
	<u>95,275</u>	<u>96,437</u>	<u>84,251</u>
Magistrate			
Personnel Services	140,768	140,768	133,726
Employment Services	3,000	3,000	-
Supplies and Other Charges	3,500	3,992	3,731
Repairs and Maintenance	270	470	370
	<u>147,538</u>	<u>148,230</u>	<u>137,827</u>
County Court At Law #1			
Personnel Services	352,958	352,958	336,546
Employment Services	2,000	2,400	2,243
Supplies and Other Charges	18,745	19,082	15,463
Repairs and Maintenance	440	503	402
Minor Acquisitions	-	1,100	-
	<u>374,143</u>	<u>376,043</u>	<u>354,654</u>
County Court At Law #2			
Personnel Services	353,772	353,772	352,365
Employment Services	1,000	1,000	605
Discretionary Funding	-	2,497	-
Supplies and Other Charges	14,060	14,060	12,833
Repairs and Maintenance	450	450	289
	<u>369,282</u>	<u>371,779</u>	<u>366,092</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
UD
For The Year Ended September 30, 2006

	Budgeted Amounts		Actual
	Original	Final	
Justice System (continued)			
Justice of the Peace Precinct 1			
Personnel Services	\$ 205,929	\$ 205,929	\$ 187,073
Discretionary Funding	-	9,722	-
Supplies and Other Charges	19,800	20,880	18,234
Repairs and Maintenance	500	500	483
Minor Acquisitions	600	600	-
Contract Services	19,930	19,930	19,921
	<u>246,759</u>	<u>257,561</u>	<u>225,711</u>
Justice of the Peace Precinct 2 Place 1			
Personnel Services	159,828	159,828	152,758
Discretionary Funding	-	3,168	-
Supplies and Other Charges	5,510	5,445	5,009
Repairs and Maintenance	50	615	563
Contract Services	2,760	2,260	-
	<u>168,148</u>	<u>171,316</u>	<u>158,330</u>
Justice of the Peace Precinct 2 Place 2			
Personnel Services	161,366	161,366	139,643
Discretionary Funding	-	4,384	-
Supplies and Other Charges	16,530	17,571	14,637
Repairs and Maintenance	1,000	1,000	751
Contract Services	20,560	20,800	20,796
	<u>199,456</u>	<u>205,121</u>	<u>175,827</u>
Justice of the Peace Precinct 3			
Personnel Services	216,217	216,217	214,296
Discretionary Funding	-	6,311	-
Supplies and Other Charges	14,240	14,430	13,761
Repairs and Maintenance	250	250	-
Contract Services	18,700	16,000	5,863
	<u>249,407</u>	<u>253,208</u>	<u>233,920</u>
Justice of the Peace Precinct 4			
Personnel Services	133,848	133,848	133,144
Discretionary Funding	-	2,032	-
Supplies and Other Charges	6,635	6,394	6,364
Repairs and Maintenance	75	-	-
Minor Acquisitions	-	316	316
Contract Services	1,400	1,400	1,392
	<u>141,958</u>	<u>143,990</u>	<u>141,216</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, 2006

	Budgeted Amounts		Actual
	Original	Final	
Justice System (continued)			
Community Supervision Support			
Supplies and Other Charges	\$ 35,700	\$ 43,670	\$ 41,646
Repairs and Maintenance	100	100	-
Minor Acquisitions	2,655	1,185	1,158
Contract Services	5,820	5,820	5,544
	<u>44,275</u>	<u>50,775</u>	<u>48,348</u>
Judicial Court Support			
Supplies and Other Charges	218,500	321,000	315,551
Contract Services	800,000	815,000	805,619
Professional Services	1,180,500	1,300,500	1,268,285
	<u>2,199,000</u>	<u>2,436,500</u>	<u>2,389,455</u>
Total Justice System	<u>\$ 10,340,270</u>	<u>\$ 10,780,318</u>	<u>\$ 10,095,674</u>
Law Enforcement			
Sheriff Administration			
Personnel Services	\$ 2,904,826	\$ 2,953,306	\$ 2,815,008
Supplies and Other Charges	77,352	83,583	81,995
Repairs and Maintenance	188,935	253,775	252,287
Minor Acquisitions	5,020	2,709	2,709
Contract Services	7,820	8,245	5,964
Professional Services	2,000	3,640	2,660
	<u>3,185,953</u>	<u>3,305,258</u>	<u>3,160,623</u>
Joint Terrorism Task Force			
Personnel Services	18,081	18,081	4,041
	<u>18,081</u>	<u>18,081</u>	<u>4,041</u>
Sheriff Jail Administration			
Personnel Services	6,494,254	6,498,190	\$ 6,109,112
Discretionary Funding	-	8,832	-
Supplies and Other Charges	823,565	851,632	850,555
Repairs and Maintenance	16,170	16,920	12,093
Minor Acquisitions	15,640	15,640	13,604
Contract Services	7,800	8,358	8,358
Professional Services	47,590	49,540	48,372
	<u>7,405,019</u>	<u>7,449,112</u>	<u>7,042,094</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, 2006

	Budgeted Amounts		Actual
	Original	Final	
Law Enforcement (continued)			
Constable Precinct 1			
Personnel Services	\$ 212,412	\$ 211,246	\$ 207,292
Discretionary Funding	-	1,398	-
Supplies and Other Charges	13,640	12,722	12,224
Repairs and Maintenance	15,920	20,029	19,953
Minor Acquisitions	700	-	-
Contract Services	6,700	6,700	6,641
	<u>249,372</u>	<u>252,095</u>	<u>246,110</u>
Constable Precinct 2			
Personnel Services	325,241	323,035	311,667
Supplies and Other Charges	14,893	16,068	14,552
Repairs and Maintenance	20,685	25,285	23,812
Minor Acquisitions	3,090	1,340	1,337
	<u>363,909</u>	<u>365,728</u>	<u>351,368</u>
Constable Precinct 3			
Personnel Services	216,751	217,541	213,983
Discretionary Funding	-	727	-
Supplies and Other Charges	14,575	14,489	14,485
Repairs and Maintenance	12,195	13,426	13,405
Minor Acquisitions	1,325	1,338	1,332
Contract Services	12,960	12,960	2,443
	<u>257,806</u>	<u>260,481</u>	<u>245,648</u>
Constable Precinct 4			
Personnel Services	245,581	243,666	238,173
Supplies and Other Charges	9,345	9,235	8,891
Repairs and Maintenance	13,920	18,597	18,504
Contract Services	1,400	1,400	1,392
	<u>270,246</u>	<u>272,898</u>	<u>266,960</u>
Total Law Enforcement	<u>\$ 11,750,386</u>	<u>\$ 11,923,653</u>	<u>\$ 11,316,844</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, 2006

	Budgeted Amounts		Actual
	Original	Final	
Juvenile Services			
Juvenile Services			
Personnel Services	\$ 2,529,975	\$ 2,528,144	\$ 2,342,011
Discretionary Funding	-	13,862	-
Supplies and Other Charges	301,780	308,515	291,130
Repairs and Maintenance	9,650	12,150	10,941
Minor Acquisitions	1,450	7,061	5,504
Contract Services	45,230	41,930	40,729
Professional Services	50,400	51,100	49,711
	<u>2,938,485</u>	<u>2,962,762</u>	<u>2,740,026</u>
TYC - Parole			
Personnel Services	106,413	106,413	105,213
Supplies and Other Charges	2,300	2,300	2,157
Repairs and Maintenance	2,300	2,300	1,056
Contract Services	35,000	23,800	23,745
	<u>146,013</u>	<u>134,813</u>	<u>132,171</u>
Juvenile Justice Alternative Education			
Personnel Services	78,673	78,673	66,450
Supplies and Other Charges	1,000	350	-
Minor Acquisitions	-	650	646
	<u>79,673</u>	<u>79,673</u>	<u>67,096</u>
Juvenile - Title IV E			
Personnel Services	248,344	251,382	248,425
Supplies and Other Charges	56,700	56,700	29,753
Repairs and Maintenance	5,250	5,250	4,761
Contract Services	8,400	8,400	7,981
Professional Services	116,200	116,200	80,275
	<u>434,894</u>	<u>437,932</u>	<u>371,195</u>
TDHS - Commodities			
Supplies and Other Charges	3,000	3,000	1,603
	<u>3,000</u>	<u>3,000</u>	<u>1,603</u>
Total Juvenile Services	\$ 3,602,065	\$ 3,618,180	\$ 3,312,091

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, 2006

	Budgeted Amounts		Actual
	Original	Final	
Public Transportation			
Road and Bridge Administration			
Personnel Services	\$ 2,781,475	\$ 2,781,475	\$ 2,557,397
Supplies and Other Charges	961,480	967,143	81,196
Repairs and Maintenance	1,895,710	2,026,295	1,983,475
Minor Acquisitions	14,755	18,590	16,052
Contract Services	62,000	62,000	59,592
Professional Services	100,000	102,600	71,401
Total Public Transportation	\$ 5,815,420	\$ 5,958,103	\$ 4,769,113
Public Health			
Environmental Protection			
Supplies and Other Charges	\$ 8,000	\$ 8,000	\$ 6,711
Contract Services	173,400	184,422	184,422
	<u>181,400</u>	<u>192,422</u>	<u>191,133</u>
Indigent Health Care			
Supplies and Other Charges	600,000	600,000	541,721
Professional Services	1,525,220	1,525,220	743,815
Community Contracts	92,700	92,700	92,693
	<u>2,217,920</u>	<u>2,217,920</u>	<u>1,378,229</u>
Community Public Health			
Contract Services	120,000	120,000	116,750
	<u>120,000</u>	<u>120,000</u>	<u>116,750</u>
Total Public Health	\$ 2,519,320	\$ 2,530,342	\$ 1,686,112
Human Services			
Veteran Services			
Personnel Services	\$ 14,330	\$ 14,330	\$ 14,298
Discretionary Funding	-	844	-
Supplies and Other Charges	1,575	1,575	1,109
Repairs and Maintenance	200	200	193
	<u>16,105</u>	<u>16,949</u>	<u>15,600</u>
County Fire Protection			
Contract Services	416,000	416,000	416,000
	<u>416,000</u>	<u>416,000</u>	<u>416,000</u>
County Welfare			
Supplies and Other Charges	5,000	5,000	2,260
	<u>5,000</u>	<u>5,000</u>	<u>2,260</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, 2006

	Budgeted Amounts		Actual
	Original	Final	
Human Services (continued)			
Elections			
Personnel Services	\$ 45,362	\$ 52,783	\$ 40,503
Outside Labor Costs	95,000	87,579	68,170
Supplies and Other Charges	17,500	17,100	7,626
Contract Services	1,000	1,000	995
Professional Services	22,500	22,900	22,895
	<u>181,362</u>	<u>181,362</u>	<u>140,189</u>
Health Department			
Supplies and Other Charges	41,450	50,334	48,424
Professional Services	13,000	7,116	7,116
	<u>54,450</u>	<u>57,450</u>	<u>55,540</u>
Emergency Management			
Personnel Services	101,192	112,898	109,884
Discretionary Funding	-	4,594	-
Supplies and Other Charges	15,550	563,650	489,298
Repairs and Maintenance	4,350	3,350	565
Minor Acquisitions	300	300	-
Contract Services	4,250	7,150	6,950
Professional Services	1,700	1,700	1,300
	<u>127,342</u>	<u>693,642</u>	<u>607,997</u>
Brazos Center			
Personnel Services	380,439	380,439	348,993
Discretionary Funding	-	22,051	-
Supplies and Other Charges	140,945	141,590	125,979
Repairs and Maintenance	53,240	53,240	47,516
Minor Acquisitions	1,850	9,150	8,620
Contract Services	49,000	49,000	40,996
	<u>625,474</u>	<u>655,470</u>	<u>572,104</u>
Exposition Center			
Personnel Services	120,289	120,289	18,987
Supplies and Other Charges	36,000	34,700	2,176
Repairs and Maintenance	-	1,300	441
	<u>156,289</u>	<u>156,289</u>	<u>21,604</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, 2006

	Budgeted Amounts		Actual
	Original	Final	
Human Services (continued)			
Agricultural Extension			
Personnel Services	\$ 198,134	\$ 198,134	\$ 175,651
Discretionary Funding	-	465	-
Supplies and Other Charges	39,750	44,635	44,635
Repairs and Maintenance	400	681	681
Minor Acquisitions	2,600	2,250	2,250
Contract Services	18,500	16,802	16,802
	<u>259,384</u>	<u>262,967</u>	<u>240,019</u>
Child Protective Services			
Supplies and Other Charges	50,000	60,000	56,991
	<u>50,000</u>	<u>60,000</u>	<u>56,991</u>
Family Protection Services			
Supplies and Other Charges	6,000	6,000	-
	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total Human Services	<u>\$ 1,897,406</u>	<u>\$ 2,511,129</u>	<u>\$ 2,128,304</u>
Capital Outlay	<u>\$ -</u>	<u>\$ 126,469</u>	<u>\$ 53,072</u>
TOTAL EXPENDITURES	<u>\$ 47,346,950</u>	<u>\$ 48,879,864</u>	<u>\$ 43,243,463</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,219,600)</u>	<u>(2,290,776)</u>	<u>8,687,887</u>
Other Financing Sources (Uses)			
Operating Transfers In	-	16,546	16,363
Operating Transfers Out	(1,537,597)	(2,606,239)	(2,604,238)
Sale of Fixed Assets	25,000	25,000	83,950
Total Other Financing (Uses)	<u>(1,512,597)</u>	<u>(2,564,693)</u>	<u>(2,503,925)</u>
Net Change in Fund Balances	(2,732,197)	(4,855,469)	6,183,962
FUND BALANCE, OCTOBER 1	<u>26,438,067</u>	<u>26,438,067</u>	<u>26,438,067</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 23,705,870</u>	<u>\$ 21,582,598</u>	<u>\$ 32,622,029</u>

BRAZOS COUNTY, TEXAS

Required Supplementary Information - Retirement System

September 30, 2006

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll (1)</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/96	22,756,204	29,946,254	7,190,050	75.99%	13,287,813	54.11%
12/31/97 (2)	25,596,813	34,465,968	8,869,155	74.27%	14,554,927	60.94%
12/31/98	28,670,100	38,192,134	9,522,034	75.07%	15,418,101	61.76%
12/31/99	32,951,466	42,652,282	9,700,816	77.26%	16,620,858	58.37%
12/31/00	37,287,534	47,146,262	9,858,728	79.09%	17,804,155	55.37%
12/31/01	40,804,100	51,952,718	11,148,618	78.54%	19,149,679	58.22%
12/31/02	44,733,516	57,057,239	12,323,723	78.40%	20,610,362	59.79%
12/31/03	50,448,656	62,151,023	11,702,367	81.17%	21,311,160	54.91%
12/31/04	53,265,455	65,034,345	11,768,890	81.90%	22,451,645	52.42%
12/31/05	58,722,885	71,434,678	12,711,793	82.21%	22,848,273	55.64%

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

(2) Valuation reflects revised economic and demographic assumptions due to experience review.

BRAZOS COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2006

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, 2006, annual maintenance and preservation costs of \$4,769,113 for both roads and bridges were less than the estimated amount needed of \$5,815,420. This variance is due to the delays in the acquisition of right of way, road preparation and weather delays.

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, 2000	\$6,834,334	\$5,904,354
September 30, 2001	\$6,692,267	\$5,619,725
September 30, 2002	\$7,173,310	\$5,957,282
September 30, 2003	\$6,865,961	\$6,082,584
September 30, 2004	\$5,336,680	\$4,620,767
September 30, 2005	\$5,340,225	\$4,248,681

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 and 4 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 2006 condition assessment are as follows:

Precinct	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	93%	2%	5%
2	93%	3%	4%
3	95%	0%	5%
4	97%	2%	1%

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 58 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.

Total Bridges : 58

	Rating	Number	%
Very Good	6.0 - 9.0	54	93%
Good	4.0 - 5.9	4	7%
Fair	3.0 - 3.9	0	0%
Poor	0.0 - 2.9	0	0%
	Total	58	100%

NONMAJOR GOVERNMENTAL FUNDS

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
September 30, 2006

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 3,081,846	\$ 3,670,778	\$ 6,752,624
Investments	-	3,372,351	3,372,351
Prepaid Expenditures	375	300,000	300,375
Receivables:			
Interest	14,758	15,286	30,044
Accounts	23,817	-	23,817
State	656,595	-	656,595
Due From Other Funds	211,728	-	211,728
Debt Proceeds	-	-	-
TOTAL ASSETS	3,989,119	7,358,415	11,347,534
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	240,863	1,070,911	1,311,774
Accrued Salary and Compensated Leave	29,743	-	29,743
Unclaimed Funds	159,085	-	159,085
Due to Other Funds	213,051	-	213,051
Deferred Revenues	31,827	-	31,827
Total Liabilities	674,569	1,070,911	1,745,480
Fund Balances			
Reserved			
For Special Purpose Programs	3,314,550	-	3,314,550
Unreserved			
Designated for Capital Improvements	-	6,287,504	6,287,504
Total Fund Balances	3,314,550	6,287,504	9,602,054
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,989,119	\$ 7,358,415	\$ 11,347,534

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
For The Year Ended September 30, 2006

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 2,908	\$ -	\$ 2,908
Charges for Service	598,075	-	598,075
Intergovernmental	1,902,118	-	1,902,118
Interest	151,369	391,850	543,219
TOTAL REVENUES	2,654,470	391,850	3,046,320
EXPENDITURES			
General Government	16,990	430,205	447,195
Justice System	309,480	-	309,480
Law Enforcement	965,921	-	965,921
Juvenile Services	752,022	-	752,022
Public Transportation	311,367	-	311,367
Human Services	137,081	-	137,081
Capital Outlay	242,306	7,576,033	7,818,339
TOTAL EXPENDITURES	2,735,167	8,006,238	10,741,405
Deficiency of Revenues Under Expenditures	(80,697)	(7,614,388)	(7,695,085)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	312,642	2,303,153	2,615,795
Operating Transfers Out	(27,345)	(5,828)	(33,173)
TOTAL OTHER FINANCING SOURCES	285,297	2,297,325	2,582,622
Net Change in Fund Balances	204,600	(5,317,063)	(5,112,463)
FUND BALANCES, OCTOBER 1	3,109,950	11,604,567	14,714,517
FUND BALANCES, SEPTEMBER 30	\$ 3,314,550	\$ 6,287,504	\$ 9,602,054

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.

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.

Unclaimed Property Fund – A fund established to account for property with a value of \$100 or less that is presumed to be abandoned under the laws of the State of Texas. 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.

Appellate Judicial Fund - A fund established to account for the \$5.00 fee assessed by County Courts in civil cases used to support the County's participation in its appellate districts.

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.

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 expressed purpose of records management and preservation.

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. 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.

Time Payment Fund – A fund established to account for fees assessed and collected by the District, County and Justice Courts for cases in which the defendant has opted to pay the ordered amounts in installments. These funds can be used to improve the efficiency of the administration of justice.

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.

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.

SPECIAL REVENUE FUNDS (continued)

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. Monies are used for records management and preservation services performed by the District Clerk's office.

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.

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.

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.

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. 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 in support of the Narcotics Trafficking Task Force grant administered by the Sheriff.

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 for the litigation of seizures incurred in law enforcement activities.

Primary Election Services 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).

Child Abuse Prevention Fund – A fund established to account for the revenues and expenditures related to the child abuse prevention programs provided by the County.

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

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2006

	State Lateral Road	Unclaimed Property	Law Library	Appellate Judicial
ASSETS				
Cash and Cash Equivalents	\$ 11,476	\$ 189,813	\$ 327,074	\$ -
Prepaid Expenditures	-	-	-	-
Receivables:				
Interest	49	813	1,402	-
Accounts	-	-	-	-
State	-	-	-	-
Due From Other Funds	-	-	-	-
TOTAL ASSETS	11,525	190,626	328,476	-
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	-	946	3,547	-
Accrued Salary and Compensated Leave	-	-	-	-
Unclaimed Funds	-	156,098	-	-
Due to Other Funds	-	1,740	-	-
Deferred Revenues	-	-	-	-
Total Liabilities	-	158,784	3,547	-
Fund Balances				
Reserved				
For Special Purpose Programs	11,525	31,842	324,929	-
Total Fund Balances	11,525	31,842	324,929	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,525	\$ 190,626	\$ 328,476	\$ -

Alternative Dispute Resolution	Law Enforcement Education	County Records Management and Preservation	County Clerk Records Management and Preservation	Time Payment Fee	Courthouse Security
\$ 3,600	\$ 11,107	\$ 324,298	\$ 532,113	\$ 40,189	\$ 83,702
-	-	-	-	-	-
-	-	1,390	2,280	172	296
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,600</u>	<u>11,107</u>	<u>325,688</u>	<u>534,393</u>	<u>40,361</u>	<u>83,998</u>
3,600	-	-	8,325	-	23
-	-	-	946	-	3,080
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,600</u>	<u>-</u>	<u>-</u>	<u>9,271</u>	<u>-</u>	<u>3,103</u>
-	11,107	325,688	525,122	40,361	80,895
-	11,107	325,688	525,122	40,361	80,895
<u>\$ 3,600</u>	<u>\$ 11,107</u>	<u>\$ 325,688</u>	<u>\$ 534,393</u>	<u>\$ 40,361</u>	<u>\$ 83,998</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
September 30, 2006

	Justice Court Security	District Clerk Records Management and Preservation	J. P. Technology	Special Forfeitures
ASSETS				
Cash and Cash Equivalents	\$ 5,008	\$ 37,352	\$ 133,957	\$ 2,135
Prepaid Expenditures	-	-	-	-
Receivables:				
Interest	22	160	574	8
Accounts	-	-	-	-
State	-	-	-	-
Due From Other Funds	-	-	-	-
TOTAL ASSETS	5,030	37,512	134,531	2,143
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	-	-	-	-
Accrued Salary and Compensated Leave	-	-	-	-
Unclaimed Funds	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances				
Reserved				
For Special Purpose Programs	5,030	37,512	134,531	2,143
Total Fund Balances	5,030	37,512	134,531	2,143
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,030	\$ 37,512	\$ 134,531	\$ 2,143

District Attorney Hot Check Collection	Bail Bond Board Fees	Voter Registration	Vehicle Inventory Tax Interest	Sheriff Department Crime Fund	District Attorney Crime Fund
\$ 4,475	\$ 64,871	\$ 24,044	\$ 83,483	\$ 107,925	\$ 21,180
-	-	-	-	-	-
19	278	103	2,547	513	61
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	211,327	401
<u>4,494</u>	<u>65,149</u>	<u>24,147</u>	<u>86,030</u>	<u>319,765</u>	<u>21,642</u>
-	-	-	-	1,347	-
951	67	-	240	-	104
-	-	-	-	2,987	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>951</u>	<u>67</u>	<u>-</u>	<u>240</u>	<u>4,334</u>	<u>104</u>
<u>3,543</u>	<u>65,082</u>	<u>24,147</u>	<u>85,790</u>	<u>315,431</u>	<u>21,538</u>
<u>3,543</u>	<u>65,082</u>	<u>24,147</u>	<u>85,790</u>	<u>315,431</u>	<u>21,538</u>
<u>\$ 4,494</u>	<u>\$ 65,149</u>	<u>\$ 24,147</u>	<u>\$ 86,030</u>	<u>\$ 319,765</u>	<u>\$ 21,642</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
September 30, 2006

	<u>Primary Election Services</u>	<u>Child Abuse Prevention Fund</u>	<u>Grants</u>	<u>Totals</u>
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ 1,074,044	\$ 3,081,846
Prepaid Expenditures	-	-	375	375
Receivables:				
Interest	-	-	4,071	14,758
Accounts	-	-	23,817	23,817
State	-	-	656,595	656,595
Due From Other Funds	-	-	-	211,728
TOTAL ASSETS	<u>-</u>	<u>-</u>	<u>1,758,902</u>	<u>3,989,119</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	-	-	223,075	240,863
Accrued Salary and Compensated Leave	-	-	24,355	29,743
Unclaimed Funds	-	-	-	159,085
Due to Other Funds	-	-	211,311	213,051
Deferred Revenues	-	-	31,827	31,827
Total Liabilities	<u>-</u>	<u>-</u>	<u>490,568</u>	<u>674,569</u>
Fund Balances				
Reserved				
For Special Purpose Programs	-	-	1,268,334	3,314,550
Total Fund Balances	<u>-</u>	<u>-</u>	<u>1,268,334</u>	<u>3,314,550</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,758,902</u>	<u>\$ 3,989,119</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, 2006

	<u>State Lateral Road</u>	<u>Unclaimed Property</u>	<u>Law Library</u>	<u>Appellate Judicial</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	49,920	315
Intergovernmental	28,241	-	-	-
Interest	3,089	8,079	14,226	429
TOTAL REVENUES	<u>31,330</u>	<u>8,079</u>	<u>64,146</u>	<u>744</u>
EXPENDITURES				
General Government	-	-	-	-
Justice System	-	-	38,851	-
Law Enforcement	-	-	-	-
Juvenile Services	-	-	-	-
Public Transportation	82,842	-	-	-
Human Services	-	-	-	-
Capital Outlay	-	-	20,093	-
TOTAL EXPENDITURES	<u>82,842</u>	<u>-</u>	<u>58,944</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(51,512)</u>	<u>8,079</u>	<u>5,202</u>	<u>744</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	(15,788)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,788)</u>
Net Change in Fund Balances	(51,512)	8,079	5,202	(15,044)
FUND BALANCES, OCTOBER 1	<u>63,037</u>	<u>23,763</u>	<u>319,727</u>	<u>15,044</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 11,525</u>	<u>\$ 31,842</u>	<u>\$ 324,929</u>	<u>\$ -</u>

Alternative Dispute Resolution	Law Enforcement Education	County Records Management and Preservation	County Clerk Records Management and Preservation	Time Payment Fee	Courthouse Security
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34,760	-	72,787	187,600	4,581	90,426
-	18,548	-	-	-	-
-	-	12,834	21,961	1,668	4,354
<u>34,760</u>	<u>18,548</u>	<u>85,621</u>	<u>209,561</u>	<u>6,249</u>	<u>94,780</u>
-	-	3,389	-	-	-
39,760	-	-	115,717	-	-
-	16,098	-	-	-	169,365
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>39,760</u>	<u>16,098</u>	<u>3,389</u>	<u>115,717</u>	<u>-</u>	<u>169,365</u>
<u>(5,000)</u>	<u>2,450</u>	<u>82,232</u>	<u>93,844</u>	<u>6,249</u>	<u>(74,585)</u>
5,000	-	-	-	-	14,468
-	-	-	-	-	-
<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,468</u>
-	2,450	82,232	93,844	6,249	(60,117)
-	8,657	243,456	431,278	34,112	141,012
<u>\$ -</u>	<u>\$ 11,107</u>	<u>\$ 325,688</u>	<u>\$ 525,122</u>	<u>\$ 40,361</u>	<u>\$ 80,895</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, 2006

	<u>Justice Court Security</u>	<u>District Clerk Records Management and Preservation</u>	<u>J. P. Technology</u>	<u>Special Forfeitures</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	4,937	15,634	39,278	928
Intergovernmental	-	-	-	-
Interest	93	1,309	5,406	74
TOTAL REVENUES	<u>5,030</u>	<u>16,943</u>	<u>44,684</u>	<u>1,002</u>
EXPENDITURES				
General Government	-	-	-	-
Justice System	-	-	7,068	-
Law Enforcement	-	-	-	208
Juvenile Services	-	-	-	-
Public Transportation	-	-	-	-
Human Services	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>7,068</u>	<u>208</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,030</u>	<u>16,943</u>	<u>37,616</u>	<u>794</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	5,030	16,943	37,616	794
FUND BALANCES, OCTOBER 1	<u>-</u>	<u>20,569</u>	<u>96,915</u>	<u>1,349</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 5,030</u>	<u>\$ 37,512</u>	<u>\$ 134,531</u>	<u>\$ 2,143</u>

District Attorney Hot Check Collection	Bail Bond Board Fees	Voter Registration	Vehicle Inventory Tax Interest	Sheriff Department Crime Fund	District Attorney Crime Fund
\$ -	\$ -	\$ -	\$ 2,908	\$ -	\$ -
750	3,000	-	-	20,955	16,765
-	-	-	-	-	-
276	2,822	1,077	23,970	12,071	812
1,026	5,822	1,077	26,878	33,026	17,577
-	-	1,214	12,387	-	-
4,396	2,084	-	-	-	14,971
-	-	-	-	12,419	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,396	2,084	1,214	12,387	12,419	14,971
(3,370)	3,738	(137)	14,491	20,607	2,606
-	-	-	-	-	-
-	-	-	-	(11,557)	-
-	-	-	-	(11,557)	-
(3,370)	3,738	(137)	14,491	9,050	2,606
6,913	61,344	24,284	71,299	306,381	18,932
\$ 3,543	\$ 65,082	\$ 24,147	\$ 85,790	\$ 315,431	\$ 21,538

(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, 2006

	Primary Election Services	Child Abuse Prevention Fund	Grants	Totals
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 2,908
Charges for Service	55,439	-	-	598,075
Intergovernmental	-	-	1,855,329	1,902,118
Interest	-	-	36,819	151,369
TOTAL REVENUES	55,439	-	1,892,148	2,654,470
EXPENDITURES				
General Government	-	-	-	16,990
Justice System	-	-	86,633	309,480
Law Enforcement	-	-	767,831	965,921
Juvenile Services	-	-	752,022	752,022
Public Transportation	-	-	228,525	311,367
Human Services	55,439	-	81,642	137,081
Capital Outlay	-	-	222,213	242,306
TOTAL EXPENDITURES	55,439	-	2,138,866	2,735,167
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	-	-	(246,718)	(80,697)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	293,174	312,642
Operating Transfers Out	-	-	-	(27,345)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	293,174	285,297
Net Change in Fund Balances	-	-	46,456	204,600
FUND BALANCES, OCTOBER 1	-	-	1,221,878	3,109,950
FUND BALANCES, SEPTEMBER 30	\$ -	\$ -	\$ 1,268,334	\$ 3,314,550

**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, 2006**

	Original and Final Budget	Actual
REVENUES		
Intergovernmental	\$ 28,000	\$ 28,241
Interest	900	3,089
TOTAL REVENUES	28,900	31,330
EXPENDITURES		
Public Transportation		
Repairs and Maintenance	90,900	82,842
TOTAL EXPENDITURES	90,900	82,842
Deficiency of Revenues Under Expenditures	(62,000)	(51,512)
FUND BALANCE, OCTOBER 1	63,037	63,037
FUND BALANCE, SEPTEMBER 30	\$ 1,037	\$ 11,525

**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, 2006**

	Original and Final Budget	Actual
REVENUES		
Interest	\$ 2,700	\$ 8,079
TOTAL REVENUES	<u>2,700</u>	<u>8,079</u>
EXPENDITURES		
General Government		
Supplies and Other Charges	20,000	-
TOTAL EXPENDITURES	<u>20,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,300)	8,079
FUND BALANCE, OCTOBER 1	<u>23,763</u>	<u>23,763</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 6,463</u>	<u>\$ 31,842</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
LAW LIBRARY
For the Year Ended September 30, 2006**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Service	\$ -	\$ -	\$ 49,920
Interest	4,500	4,500	14,226
TOTAL REVENUES	<u>4,500</u>	<u>4,500</u>	<u>64,146</u>
EXPENDITURES			
Justice System			
Personnel Services	-	3,120	579
Employment Services	10,000	10,000	-
Supplies and Other Charges	228,500	194,080	19,414
Contract Services	-	6,200	6,000
Minor Acquisitions	30,000	50,100	12,858
Capital Outlay	<u>50,000</u>	<u>55,000</u>	<u>20,093</u>
TOTAL EXPENDITURES	<u>318,500</u>	<u>318,500</u>	<u>58,944</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(314,000)	(314,000)	5,202
FUND BALANCE, OCTOBER 1	<u>319,727</u>	<u>319,727</u>	<u>319,727</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 5,727</u></u>	<u><u>\$ 5,727</u></u>	<u><u>\$ 324,929</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
APPELLATE JUDICIAL
For the Year Ended September 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Service	\$ -	\$ 305	\$ 315
Interest	200	366	429
TOTAL REVENUES	<u>200</u>	<u>671</u>	<u>744</u>
EXPENDITURES			
Justice System			
Supplies and Other Charges	<u>15,500</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>15,500</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,300)	671	744
OTHER FINANCING USES			
Transfers Out	<u>-</u>	<u>(15,971)</u>	<u>(15,788)</u>
TOTAL OTHER FINANCING USES	<u>-</u>	<u>(15,971)</u>	<u>(15,788)</u>
Net Change in Fund Balance	(15,300)	(15,300)	(15,044)
FUND BALANCE, OCTOBER 1	<u>15,044</u>	<u>15,044</u>	<u>15,044</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (256)</u></u>	<u><u>\$ (256)</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
ALTERNATIVE DISPUTE RESOLUTION
For the Year Ended September 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Service	\$ 17,000	\$ 34,760	\$ 34,760
TOTAL REVENUES	<u>17,000</u>	<u>34,760</u>	<u>34,760</u>
EXPENDITURES			
Justice System			
Contractual Services	<u>22,000</u>	<u>39,760</u>	<u>39,760</u>
TOTAL EXPENDITURES	<u>22,000</u>	<u>39,760</u>	<u>39,760</u>
Deficiency of Revenues Under Expenditures	(5,000)	(5,000)	(5,000)
OTHER FINANCING SOURCES			
Transfers In	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
TOTAL OTHER FINANCING SOURCES	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Net Change in Fund Balance	-	-	-
FUND BALANCE, OCTOBER 1	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
LAW ENFORCEMENT EDUCATION
For the Year Ended September 30, 2006**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	\$ 17,720	\$ 18,548	\$ 18,548
TOTAL REVENUES	<u>17,720</u>	<u>18,548</u>	<u>18,548</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	<u>26,070</u>	<u>27,205</u>	<u>16,098</u>
TOTAL EXPENDITURES	<u>26,070</u>	<u>27,205</u>	<u>16,098</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,350)	(8,657)	2,450
FUND BALANCE, OCTOBER 1	<u>8,657</u>	<u>8,657</u>	<u>8,657</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 307</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,107</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY RECORDS MANAGEMENT AND PRESERVATION
For the Year Ended September 30, 2006**

	Original and Final Budget	Actual
REVENUES		
Charges for Service	\$ 45,000	\$ 72,787
Interest	3,000	12,834
TOTAL REVENUES	48,000	85,621
EXPENDITURES		
General Government		
Supplies and Other Charges	15,000	3,389
Contract Services	10,000	-
Professional Services	135,000	-
TOTAL EXPENDITURES	160,000	3,389
Excess (Deficiency) of Revenues Over (Under) Expenditures	(112,000)	82,232
FUND BALANCE, OCTOBER 1	243,456	243,456
FUND BALANCE, SEPTEMBER 30	\$ 131,456	\$ 325,688

**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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Service	\$ 120,000	\$ 120,000	\$ 187,600
Interest	5,000	5,000	21,961
TOTAL REVENUES	<u>125,000</u>	<u>125,000</u>	<u>209,561</u>
EXPENDITURES			
Justice System			
Personnel Services	56,050	56,050	52,083
Supplies and Other Charges	13,300	13,600	1,795
Repairs and Maintenance	1,500	1,500	-
Minor Acquisitions	12,200	11,900	1,434
Contract Services	105,000	105,000	60,405
TOTAL EXPENDITURES	<u>188,050</u>	<u>188,050</u>	<u>115,717</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,050)	(63,050)	93,844
FUND BALANCE, OCTOBER 1	<u>431,278</u>	<u>431,278</u>	<u>431,278</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 368,228</u></u>	<u><u>\$ 368,228</u></u>	<u><u>\$ 525,122</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
TIME PAYMENT FEE
For the Year Ended September 30, 2006**

	Original and Final Budget	Actual
REVENUES		
Charges for Service	\$ 2,320	\$ 4,581
Interest	400	1,668
TOTAL REVENUES	<u>2,720</u>	<u>6,249</u>
EXPENDITURES		
Justice System		
Supplies and Other Charges	<u>35,900</u>	<u>-</u>
TOTAL EXPENDITURES	<u>35,900</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,180)	6,249
FUND BALANCE, OCTOBER 1	<u>34,112</u>	<u>34,112</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 932</u></u>	<u><u>\$ 40,361</u></u>

**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, 2006**

	Original and Final Budget	Actual
	<u> </u>	<u> </u>
REVENUES		
Charges for Service	\$ 70,000	\$ 90,426
Interest	2,900	4,354
TOTAL REVENUES	<u>72,900</u>	<u>94,780</u>
 EXPENDITURES		
Law Enforcement		
Personnel Services	163,541	161,335
Supplies and Other Charges	4,960	837
Repairs and Maintenance	10,190	7,193
Minor Acquisitions	677	-
TOTAL EXPENDITURES	<u>179,368</u>	<u>169,365</u>
 Deficiency of Revenues Under Expenditures	(106,468)	(74,585)
 OTHER FINANCING SOURCES		
Transfers In	<u>14,468</u>	<u>14,468</u>
TOTAL OTHER FINANCING SOURCES	<u>14,468</u>	<u>14,468</u>
 Net Change in Fund Balance	(92,000)	(60,117)
 FUND BALANCE, OCTOBER 1	<u>141,012</u>	<u>141,012</u>
 FUND BALANCE, SEPTEMBER 30	<u>\$ 49,012</u>	<u>\$ 80,895</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL*
JUSTICE COURT SECURITY FUND
For the Year Ended September 30, 2006**

	Original and Final Budget	Actual
REVENUES		
Charges for Service	\$ -	\$ 4,937
Interest	-	93
TOTAL REVENUES	<u>-</u>	<u>5,030</u>
EXPENDITURES		
Justice System	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	5,030
FUND BALANCE, OCTOBER 1	<u>-</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ -</u></u>	<u><u>\$ 5,030</u></u>

* A budget was not legally adopted for this fund.

**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, 2006**

	Original and Final Budget	Actual
REVENUES		
Charges for Service	\$ 7,300	\$ 15,634
Interest	200	1,309
TOTAL REVENUES	<u>7,500</u>	<u>16,943</u>
EXPENDITURES		
Justice System		
Professional Services	15,400	-
TOTAL EXPENDITURES	<u>15,400</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,900)	16,943
FUND BALANCE, OCTOBER 1	<u>20,569</u>	<u>20,569</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 12,669</u>	<u>\$ 37,512</u>

**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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Service	\$ 32,000	\$ 32,000	\$ 39,278
Interest	1,000	1,000	5,406
TOTAL REVENUES	<u>33,000</u>	<u>33,000</u>	<u>44,684</u>
EXPENDITURES			
Justice System			
Supplies and Other Charges	-	2,634	2,634
Minor Acquisitions	113,000	110,366	4,434
TOTAL EXPENDITURES	<u>113,000</u>	<u>113,000</u>	<u>7,068</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80,000)	(80,000)	37,616
FUND BALANCE, OCTOBER 1	<u>96,915</u>	<u>96,915</u>	<u>96,915</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 16,915</u>	<u>\$ 16,915</u>	<u>\$ 134,531</u>

**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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Service	\$ -	\$ 413	\$ 928
Interest	-	-	74
TOTAL REVENUES	<u>-</u>	<u>413</u>	<u>1,002</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	-	413	208
Minor Acquisitions	1,330	1,330	-
TOTAL EXPENDITURES	<u>1,330</u>	<u>1,743</u>	<u>208</u>
Excess (Deficiency) of Revenues (Under) Expenditures	(1,330)	(1,330)	794
FUND BALANCE, OCTOBER 1	<u>1,349</u>	<u>1,349</u>	<u>1,349</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 19</u>	<u>\$ 19</u>	<u>\$ 2,143</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, 2006**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 600	\$ 600	\$ 750
Interest	100	100	276
TOTAL REVENUES	<u>700</u>	<u>700</u>	<u>1,026</u>
EXPENDITURES			
Justice System			
Personnel Services	-	1,901	1,901
Employment Services	500	500	-
Supplies and Other Charges	5,400	4,499	2,495
Minor Acquisitions	1,500	500	-
TOTAL EXPENDITURES	<u>7,400</u>	<u>7,400</u>	<u>4,396</u>
Deficiency of Revenues Under Expenditures	(6,700)	(6,700)	(3,370)
FUND BALANCE, OCTOBER 1	<u>6,913</u>	<u>6,913</u>	<u>6,913</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 213</u></u>	<u><u>\$ 213</u></u>	<u><u>\$ 3,543</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
BAIL BOND BOARD FEES
For the Year Ended September 30, 2006**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 2,004	\$ 3,000
Interest	950	2,822
TOTAL REVENUES	2,954	5,822
EXPENDITURES		
Justice System		
Personnel Services	5,294	1,779
Supplies and Other Charges	58,660	305
TOTAL EXPENDITURES	63,954	2,084
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,000)	3,738
FUND BALANCE, OCTOBER 1	61,344	61,344
FUND BALANCE, SEPTEMBER 30	\$ 344	\$ 65,082

**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, 2006**

	Original and Final Budget	Actual
REVENUES		
Interest	\$ 400	\$ 1,077
TOTAL REVENUES	<u>400</u>	<u>1,077</u>
EXPENDITURES		
General Government		
Employment Services	650	-
Supplies and Other Charges	10,750	1,214
Capital Outlay	<u>16,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>27,400</u>	<u>1,214</u>
Deficiency of Revenues Under Expenditures	(27,000)	(137)
FUND BALANCE, OCTOBER 1	<u>24,284</u>	<u>24,284</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (2,716)</u></u>	<u><u>\$ 24,147</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, 2006**

	Original and Final Budget	Actual
REVENUES		
Taxes	\$ 4,000	\$ 2,908
Interest	7,000	23,970
TOTAL REVENUES	11,000	26,878
EXPENDITURES		
General Government		
Personnel Services	12,473	12,387
Supplies and Other Charges	62,315	-
Minor Acquisitions	1,000	-
Professional Services	2,000	-
TOTAL EXPENDITURES	77,788	12,387
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,788)	14,491
FUND BALANCE, OCTOBER 1	71,299	71,299
FUND BALANCE, SEPTEMBER 30	\$ 4,511	\$ 85,790

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
SHERIFF DEPARTMENT CRIME FUND
For the Year Ended September 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Service	\$ 50,000	\$ 50,000	\$ 20,955
Interest	3,000	3,000	12,071
TOTAL REVENUES	<u>53,000</u>	<u>53,000</u>	<u>33,026</u>
EXPENDITURES			
Law Enforcement			
Personnel Services	-	200,700	-
Supplies and Other Charges	26,600	59,975	-
Repairs and Maintenance	16,400	37,600	12,419
Minor Acquisitions	19,600	19,600	-
Contract Services	-	19,000	-
Professional Services	-	300	-
TOTAL EXPENDITURES	<u>62,600</u>	<u>337,175</u>	<u>12,419</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,600)	(284,175)	20,607
OTHER FINANCING USES			
Transfers Out	<u>(308,400)</u>	<u>(33,825)</u>	<u>(11,557)</u>
TOTAL OTHER FINANCING USES	<u>(308,400)</u>	<u>(33,825)</u>	<u>(11,557)</u>
Net Change in Fund Balance	(318,000)	(318,000)	9,050
FUND BALANCE, OCTOBER 1	<u>306,381</u>	<u>306,381</u>	<u>306,381</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ (11,619)</u>	<u>\$ (11,619)</u>	<u>\$ 315,431</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT ATTORNEY CRIME FUND
For the Year Ended September 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Service	\$ 5,370	\$ 5,370	\$ 16,765
Interest	250	250	812
TOTAL REVENUES	<u>5,620</u>	<u>5,620</u>	<u>17,577</u>
EXPENDITURES			
Justice System			
Personnel Services	12,974	13,574	11,764
Supplies and Other Charges	8,946	8,346	3,207
TOTAL EXPENDITURES	<u>21,920</u>	<u>21,920</u>	<u>14,971</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,300)	(16,300)	2,606
FUND BALANCE, OCTOBER 1	<u>18,932</u>	<u>18,932</u>	<u>18,932</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 2,632</u></u>	<u><u>\$ 2,632</u></u>	<u><u>\$ 21,538</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
PRIMARY ELECTION SERVICES FUND
For the Year Ended September 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Service	\$ 63,550	\$ 63,550	\$ 55,439
TOTAL REVENUES	<u>63,550</u>	<u>63,550</u>	<u>55,439</u>
EXPENDITURES			
Human Services			
Employment Services	2,200	2,200	1,739
Supplies and Other Charges	1,500	1,500	174
Contract Services	9,850	8,050	1,795
Professional Services	50,000	51,800	51,731
TOTAL EXPENDITURES	<u>63,550</u>	<u>63,550</u>	<u>55,439</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
FUND BALANCE, OCTOBER 1	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CHILD ABUSE PREVENTION FUND
For the Year Ended September 30, 2006**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 1,000	\$ -
TOTAL REVENUES	<u>1,000</u>	<u>-</u>
EXPENDITURES		
General Government		
Supplies and Other Charges	<u>1,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
FUND BALANCE, OCTOBER 1	<u>-</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ -</u>	<u>\$ -</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GRANTS**

For the Year Ended September 30, 2006

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental - Federal			
Department of Justice	\$ 242,303	\$ 272,706	\$ 151,694
Department of Transportation	314,855	405,387	267,832
Federal Election Assistance Commission	817,063	817,063	170,000
CLEAR Team	-	227,170	222,275
Narcotics Task Force	455,000	455,000	230,336
Total Intergovernmental - Federal	<u>1,829,221</u>	<u>2,177,326</u>	<u>1,042,137</u>
Intergovernmental - State			
Texas Juvenile Probation Commission	601,727	601,727	591,204
Texas Office of the Attorney General	34,438	25,880	25,880
Texas Commission on Environmental Quality	-	16,036	-
Total Intergovernmental - State	<u>636,165</u>	<u>643,643</u>	<u>617,084</u>
Intergovernmental - Other			
Matching Funds	126,605	228,576	202,062
Program Income	50,000	50,000	(5,954)
Total Intergovernmental - Other	<u>176,605</u>	<u>278,576</u>	<u>196,108</u>
Interest	-	-	36,819
TOTAL REVENUES	<u>2,641,991</u>	<u>3,099,545</u>	<u>1,892,148</u>
EXPENDITURES			
Justice System	93,750	93,750	86,633
Law Enforcement	938,845	1,333,344	767,831
Juvenile Services	770,314	771,307	752,022
Public Transportation	264,855	355,387	228,525
Public Health	-	16,036	-
Human Services	817,063	728,993	81,642
Capital Outlay	<u>274,642</u>	<u>388,648</u>	<u>222,213</u>
TOTAL EXPENDITURES	<u>3,159,469</u>	<u>3,687,465</u>	<u>2,138,866</u>
Deficiency of Revenues Under Expenditures	(517,478)	(587,920)	(246,718)
OTHER FINANCING SOURCES			
Transfers In	<u>517,478</u>	<u>587,920</u>	<u>293,174</u>
TOTAL OTHER FINANCING SOURCES	<u>517,478</u>	<u>587,920</u>	<u>293,174</u>
Net Change in Fund Balance	-	-	46,456
FUND BALANCE, OCTOBER 1	<u>1,221,878</u>	<u>1,221,878</u>	<u>1,221,878</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 1,221,878</u>	<u>\$ 1,221,878</u>	<u>\$ 1,268,334</u>

DEBT SERVICE FUND

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

BRAZOS COUNTY, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2006

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Taxes	\$ 5,055,000	\$ 5,055,000	\$ 5,228,328
Interest	50,000	44,747	184,511
TOTAL REVENUES	<u>5,105,000</u>	<u>5,099,747</u>	<u>5,412,839</u>
EXPENDITURES			
Professional Services	-	67,432	67,432
Debt Service:			
Principal	2,705,000	2,785,000	2,785,000
Interest	2,196,815	2,324,383	2,253,591
Agent Fees	214,370	134,370	1,745
TOTAL EXPENDITURES	<u>5,116,185</u>	<u>5,311,185</u>	<u>5,107,768</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,185)	(211,438)	305,071
OTHER FINANCING SOURCES (USES)			
Transfer from Road & Bridge Infrastructure CO's 2002	-	5,253	5,253
Redemption of Certificate of Obligation	-	(5,810,000)	(5,810,000)
Proceeds from Tax Refunding Bonds	-	6,005,000	6,005,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>200,253</u>	<u>200,253</u>
Net Change in Fund Balances	(11,185)	(11,185)	505,324
FUND BALANCE, OCTOBER 1	<u>1,881,705</u>	<u>1,881,705</u>	<u>1,881,705</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 1,870,520</u>	<u>\$ 1,870,520</u>	<u>\$ 2,387,029</u>

CAPITAL PROJECT FUNDS

NON MAJOR GOVERNMENTAL FUNDS

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

Judicial Software Fund – This fund is established to account for the expenditures for acquisition and installation of the criminal justice software system. The expenditures are financed through the issuance of Certificates of Obligation and other financial resources.

Capital Improvement Fund - This fund is established to provide funding for the construction and acquisition of fixed 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.

Road and Bridge Infrastructure – Certificates of Obligation 2002 - This fund is established to account for expenditures for new construction and upgrading of the County's road and bridge infrastructure, financed through the issuance of Certificates of Obligation and related financial resources.

Certificates of Obligation 2003 – This fund is established to account for the expenditures for the construction of Sheriff's Administration building, to begin the design phase for a third jail expansion, to upgrade the mobile communication system used by the law enforcement and emergency response personnel, to perform various facility modifications, and to support various road and bridge capital improvement programs. The expenditures are financed through the issuance of \$10,000,000 in Certificates of Obligation in 2003.

Certificates of Obligation 2004 – This fund is established to account for the expenditures for the purchase of land for the Sheriff's Administration building, to acquire real estate for other county growth needs, to purchase land and construct a new Justice of the Peace building, and to support various road and bridge capital improvement programs. The expenditures are financed through the issuance of \$5,000,000 in Certificates of Obligation in 2004.

Certificates of Obligation 2005 – This fund is established to provide funding for various capital projects. Funds will be used to support capital road improvements, and to fund building improvements, replacement and modifications. The expenditures are financed through the issuance of \$2,750,000 in Certificates of Obligation.

CAPITAL PROJECT FUNDS (continued)

MAJOR GOVERNMENTAL FUNDS

Exposition Center Fund – This fund is established to account for the expenditures for the purchase of land and the construction of the Brazos County Exposition Center.

**BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS
September 30, 2006**

	Nonmajor Funds	
	Judicial Software	Capital Improvement
ASSETS		
Cash and Cash Equivalents	\$ 136,632	\$ 103,478
Investment	-	-
Prepaid Expenditures	-	300,000
Receivables:		
Interest	586	-
TOTAL ASSETS	137,218	403,478
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	47,414	24,300
Total Liabilities	47,414	24,300
Fund Balances		
Unreserved		
Designated for Capital Improvements	89,804	379,178
Total Fund Balances	89,804	379,178
TOTAL LIABILITIES AND FUND BALANCES	\$ 137,218	\$ 403,478

Nonmajor Funds (Continued)

Road and Bridge Infrastructure C.O.'s 2002	Certificates of Obligation 2003	Certificates of Obligation 2004	Certificates of Obligation 2005	Total Nonmajor Funds
\$ -	\$ 2,203,460	\$ 73,704	\$ 1,153,504	\$ 3,670,778
-	3,286,363	85,988	-	3,372,351
-	-	-	-	300,000
-	9,442	316	4,942	15,286
-	5,499,265	160,008	1,158,446	7,358,415
-	470,749	45,596	482,852	1,070,911
-	470,749	45,596	482,852	1,070,911
-	5,028,516	114,412	675,594	6,287,504
-	5,028,516	114,412	675,594	6,287,504
\$ -	\$ 5,499,265	\$ 160,008	\$ 1,158,446	\$ 7,358,415

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
For The Year Ended September 30, 2006

	<u>Nonmajor Funds</u>	
	<u>Judicial Software</u>	<u>Capital Improvement</u>
REVENUES		
Interest	\$ 5,987	\$ -
TOTAL REVENUES	<u>5,987</u>	<u>-</u>
EXPENDITURES		
Supplies and Other Charges	-	14,395
Repairs & Maintenance	-	397,460
Minor Acquisitions	-	23,855
Contract Services	(33,779)	15,960
Capital Outlay	-	742,060
TOTAL EXPENDITURES	<u>(33,779)</u>	<u>1,193,730</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>39,766</u>	<u>(1,193,730)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	-	1,492,153
Transfers Out	-	(575)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,491,578</u>
Net Change in Fund Balances	39,766	297,848
FUND BALANCES, OCTOBER 1	<u>50,038</u>	<u>81,330</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 89,804</u>	<u>\$ 379,178</u>

Nonmajor Funds (Continued)				
Road and Bridge Infrastructure C.O.'s 2002	Certificates of Obligation 2003	Certificates of Obligation 2004	Certificates of Obligation 2005	Total Nonmajor Funds
\$ 103	\$ 262,065	\$ 42,537	\$ 81,158	\$ 391,850
103	262,065	42,537	81,158	391,850
-	-	11,694	-	26,089
-	-	-	-	397,460
-	-	620	-	24,475
-	-	-	-	(17,819)
-	2,071,539	2,315,121	2,447,313	7,576,033
-	2,071,539	2,327,435	2,447,313	8,006,238
103	(1,809,474)	(2,284,898)	(2,366,155)	(7,614,388)
-	500,000	-	311,000	2,303,153
(5,253)	-	-	-	(5,828)
(5,253)	500,000	-	311,000	2,297,325
(5,150)	(1,309,474)	(2,284,898)	(2,055,155)	(5,317,063)
5,150	6,337,990	2,399,310	2,730,749	11,604,567
\$ -	\$ 5,028,516	\$ 114,412	\$ 675,594	\$ 6,287,504

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
JUDICIAL SOFTWARE FUND
For The Year Ended September 30, 2006**

	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES		
Interest	\$ 1,000	\$ 5,987
TOTAL REVENUES	<u>1,000</u>	<u>5,987</u>
EXPENDITURES		
General Government		
Contract Services	<u>50,420</u>	<u>(33,779)</u>
TOTAL EXPENDITURES	<u>50,420</u>	<u>(33,779)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,420)	39,766
FUND BALANCE, OCTOBER 1	<u>50,038</u>	<u>50,038</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 618</u></u>	<u><u>\$ 89,804</u></u>

BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CAPITAL IMPROVEMENT FUND
For The Year Ended September 30, 2006

	Budgeted Amounts		Actual
	Original	Final	
REVENUES	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-
EXPENDITURES			
General Government			
Personnel Services	-	1,680	-
Supplies and Other Charges	-	18,000	14,395
Repairs & Maintenance	445,000	448,100	397,460
Minor Acquisitions	12,300	24,651	23,855
Contract Services	-	15,960	15,960
Capital Outlay	921,653	1,057,187	742,060
TOTAL EXPENDITURES	1,378,953	1,565,578	1,193,730
Deficiency of Revenues Under Expenditures	(1,378,953)	(1,565,578)	(1,193,730)
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	(575)	(575)
Transfers In	1,304,953	1,492,153	1,492,153
TOTAL OTHER FINANCING SOURCES	1,304,953	1,491,578	1,491,578
Net Change in Fund Balance	(74,000)	(74,000)	297,848
FUND BALANCE, OCTOBER 1	81,330	81,330	81,330
FUND BALANCE, SEPTEMBER 30	\$ 7,330	\$ 7,330	\$ 379,178

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
ROAD AND BRIDGE INFRASTRUCTURE
CERTIFICATES OF OBLIGATION ISSUE 2002
For The Year Ended September 30, 2006**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Interest	\$ -	\$ -	\$ 103
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>103</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	103
OTHER FINANCING USES			
Transfers Out	-	(5,253)	(5,253)
TOTAL OTHER FINANCING USES	<u>-</u>	<u>(5,253)</u>	<u>(5,253)</u>
Net Change in Fund Balance	-	(5,253)	(5,150)
FUND BALANCE, OCTOBER 1	<u>5,150</u>	<u>5,150</u>	<u>5,150</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 5,150</u>	<u>\$ (103)</u>	<u>\$ -</u>

BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CERTIFICATE OF OBLIGATION ISSUE 2003
For The Year Ended September 30, 2006

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Interest	\$ 20,000	\$ 20,000	\$ 262,065
TOTAL REVENUES	<u>20,000</u>	<u>20,000</u>	<u>262,065</u>
EXPENDITURES			
General Government			
Personnel Services	-	20,000	-
Capital Outlay	<u>6,731,600</u>	<u>6,895,290</u>	<u>2,071,539</u>
TOTAL EXPENDITURES	<u>6,731,600</u>	<u>6,915,290</u>	<u>2,071,539</u>
Deficiency of Revenues Under Expenditures	(6,711,600)	(6,895,290)	(1,809,474)
OTHER FINANCING SOURCES			
Transfers In	-	500,000	500,000
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>500,000</u>	<u>500,000</u>
Net Change in Fund Balance	(6,711,600)	(6,395,290)	(1,309,474)
FUND BALANCE, OCTOBER 1	<u>6,337,990</u>	<u>6,337,990</u>	<u>6,337,990</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (373,610)</u></u>	<u><u>\$ (57,300)</u></u>	<u><u>\$ 5,028,516</u></u>

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CERTIFICATES OF OBLIGATION ISSUE 2004
For The Year Ended September 30, 2006**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Interest	\$ -	\$ -	\$ 42,537
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>42,537</u>
EXPENDITURES			
General Government			
Personnel Services	-	7,650	-
Supplies and Other Charges	-	11,694	11,694
Minor Acquisitions	-	764	620
Capital Outlay	<u>2,083,000</u>	<u>2,379,202</u>	<u>2,315,121</u>
TOTAL EXPENDITURES	<u>2,083,000</u>	<u>2,399,310</u>	<u>2,327,435</u>
Deficiency of Revenues Under Expenditures	(2,083,000)	(2,399,310)	(2,284,898)
FUND BALANCE, OCTOBER 1	<u>2,399,310</u>	<u>2,399,310</u>	<u>2,399,310</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 316,310</u>	<u>\$ -</u>	<u>\$ 114,412</u>

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CERTIFICATES OF OBLIGATION ISSUE 2005
For The Year Ended September 30, 2006**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Interest	\$ -	\$ -	\$ 81,158
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>81,158</u>
EXPENDITURES			
General Government			
Personnel Services	-	3,445	-
Capital Outlay	2,750,000	3,057,555	2,447,313
TOTAL EXPENDITURES	<u>2,750,000</u>	<u>3,061,000</u>	<u>2,447,313</u>
Deficiency of Revenues Under Expenditures	(2,750,000)	(3,061,000)	(2,366,155)
OTHER FINANCING SOURCES			
Transfers In	-	311,000	311,000
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>311,000</u>	<u>311,000</u>
Net Change in Fund Balance	(2,750,000)	(2,750,000)	(2,055,155)
FUND BALANCE, OCTOBER 1	<u>2,730,749</u>	<u>2,730,749</u>	<u>2,730,749</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ (19,251)</u>	<u>\$ (19,251)</u>	<u>\$ 675,594</u>

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
EXPOSITION CENTER FUND
For The Year Ended September 30, 2006**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Interest	\$ 65,000	\$ 65,000	\$ 672,287
TOTAL REVENUES	<u>65,000</u>	<u>65,000</u>	<u>672,287</u>
EXPENDITURES			
General Government			
Personnel Services	-	13,190	-
Capital Outlay	<u>15,938,000</u>	<u>15,924,810</u>	<u>6,109,198</u>
TOTAL EXPENDITURES	<u>15,938,000</u>	<u>15,938,000</u>	<u>6,109,198</u>
Deficiency of Revenues Under Expenditures	(15,873,000)	(15,873,000)	(5,436,911)
Net Change in Fund Balance	(15,873,000)	(15,873,000)	(5,436,911)
FUND BALANCE, OCTOBER 1	<u>15,835,617</u>	<u>15,835,617</u>	<u>15,835,617</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (37,383)</u></u>	<u><u>\$ (37,383)</u></u>	<u><u>\$ 10,398,706</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 ASSETS
September 30, 2006**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 1,433,633
Accounts Receivable	63,516

TOTAL ASSETS 1,497,149

LIABILITIES

Current Liabilities

Accounts Payable	425,093
Deferred Revenue	81,272

TOTAL LIABILITIES 506,365

NET ASSETS

Unrestricted	990,784
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TOTAL NET ASSETS \$ 990,784

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2006**

	Budgeted Amounts		Actual
	Original	Final	
OPERATING REVENUES			
Employee Dependents	\$ 800,000	\$ 800,000	\$ 843,428
Self Pays	30,000	30,000	10,297
Excess Risk Benefits	-	-	49,949
Participant Payments	31,000	31,000	44,115
Brazos County	4,113,625	4,113,625	3,598,120
Retirees	100,000	100,000	92,735
TOTAL OPERATING REVENUES	5,074,625	5,074,625	4,638,644
OPERATING EXPENSES			
Life Insurance	36,000	36,000	42,274
Stop Loss Premiums	550,000	623,625	674,949
Benefit Claims	5,240,000	5,160,000	3,479,564
Administrative Fees	250,000	250,000	273,726
Professional Services	11,625	18,000	18,000
TOTAL OPERATING EXPENSES	6,087,625	6,087,625	4,488,513
OPERATING INCOME (LOSS)	(1,013,000)	(1,013,000)	150,131
NONOPERATING REVENUES			
Interest	13,000	13,000	60,694
TOTAL NONOPERATING REVENUES	13,000	13,000	60,694
LOSS BEFORE OPERATING TRANSFER	(1,000,000)	(1,000,000)	-
Transfer From General Fund	1,000,000	1,000,000	-
CHANGE IN NET ASSETS	-	-	210,825
TOTAL NET ASSETS - BEGINNING	-	-	779,959
TOTAL NET ASSETS - ENDING	\$ -	\$ -	\$ 990,784

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2006**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 991,207
Receipts from interfund services provided	3,577,658
Payments to contractors	(1,026,705)
Claims paid	<u>(3,242,278)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>299,882</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>57,528</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>57,528</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	357,410
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>1,076,223</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u><u>\$ 1,433,633</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ 150,131</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	157,840
Increase in accounts payable	11,310
(Decrease) in deferred revenue	<u>(19,399)</u>
Total adjustments	<u>149,751</u>
Net cash provided by operating activities	<u><u>\$ 299,882</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.

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. 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.

**BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2006**

	<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	\$ 89,155	\$ 2,618,331	\$ 1,734,830	\$ 956,379	\$ 5,398,695
Investments	-	-	-	678,100	678,100
Accounts Receivable	333	429	-	-	762
TOTAL ASSETS	<u>89,488</u>	<u>2,618,760</u>	<u>1,734,830</u>	<u>1,634,479</u>	<u>6,077,557</u>
LIABILITIES					
Accounts Payable	-	429	-	-	429
Funds Held in Trust	89,488	2,618,331	1,734,830	1,634,479	6,077,128
TOTAL LIABILITIES	<u>\$ 89,488</u>	<u>\$ 2,618,760</u>	<u>\$ 1,734,830</u>	<u>\$ 1,634,479</u>	<u>\$ 6,077,557</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For The Year Ended September 30, 2006

	Balance October 1, 2005	Additions	Deductions	Balance September 30, 2006
NARCOTICS SEIZURE				
Assets				
Cash and Cash Equivalents	\$ 91,659	\$ 88,304	\$ 90,808	\$ 89,155
Accounts Receivable	275	333	275	333
Total Assets	<u>91,934</u>	<u>88,637</u>	<u>91,083</u>	<u>89,488</u>
Liabilities				
Funds Held In Trust	91,934	37,365	39,811	89,488
Total Liabilities	<u>91,934</u>	<u>37,365</u>	<u>39,811</u>	<u>89,488</u>
PAYROLL				
Assets				
Cash and Cash Equivalents	521,842	-	521,842	-
Accounts Receivable	581	-	581	-
Prepaid Insurance	97,374	-	97,374	-
Total Assets	<u>619,797</u>	<u>-</u>	<u>619,797</u>	<u>-</u>
Liabilities				
Accounts Payable	505,693	-	505,693	-
Funds Held In Trust	114,104	-	114,104	-
Total Liabilities	<u>619,797</u>	<u>-</u>	<u>619,797</u>	<u>-</u>
FLEXIBLE BENEFIT CAFETERIA				
Assets				
Cash and Cash Equivalents	10,000	-	10,000	-
Total Assets	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Liabilities				
Funds Held In Trust	10,000	-	10,000	-
Total Liabilities	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
BRAZOS CENTER				
Assets				
Cash and Cash Equivalents	50,670	-	50,670	-
Accounts Receivable	525	-	525	-
Total Assets	<u>51,195</u>	<u>-</u>	<u>51,195</u>	<u>-</u>
Liabilities				
Accounts Payable	16,230	-	16,230	-
Funds Held In Trust	34,965	-	34,965	-
Total Liabilities	<u>\$ 51,195</u>	<u>\$ -</u>	<u>\$ 51,195</u>	<u>\$ -</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
For The Year Ended September 30, 2006

	Balance October 1, 2005	Additions	Deductions	Balance September 30, 2006
BAIL BONDS				
Assets				
Cash and Cash Equivalents	\$ 746,745	\$ -	\$ 746,745	\$ -
Total Assets	<u>746,745</u>	<u>-</u>	<u>746,745</u>	<u>-</u>
Liabilities				
Accounts Payable	38,668	-	38,668	-
Funds Held In Trust	708,077	-	708,077	-
Total Liabilities	<u>746,745</u>	<u>-</u>	<u>746,745</u>	<u>-</u>
DISTRICT CLERK TRUST				
Assets				
Cash and Cash Equivalents	2,658,019	745,025	784,713	2,618,331
Accounts Receivable	429	-	-	429
Total Assets	<u>2,658,448</u>	<u>745,025</u>	<u>784,713</u>	<u>2,618,760</u>
Liabilities				
Accounts Payable	429	-	-	429
Funds Held In Trust	2,658,019	230,576	270,264	2,618,331
Total Liabilities	<u>2,658,448</u>	<u>230,576</u>	<u>270,264</u>	<u>2,618,760</u>
COUNTY CLERK TRUST				
Assets				
Cash and Cash Equivalents	1,889,998	4,467,136	4,622,304	1,734,830
Total Assets	<u>1,889,998</u>	<u>4,467,136</u>	<u>4,622,304</u>	<u>1,734,830</u>
Liabilities				
Funds Held In Trust	1,889,998	1,876,611	2,031,779	1,734,830
Total Liabilities	<u>1,889,998</u>	<u>1,876,611</u>	<u>2,031,779</u>	<u>1,734,830</u>
JUVENILE SERVICES				
Assets				
Cash and Cash Equivalents	5,476	-	5,476	-
Accounts Receivable	10	-	10	-
Total Assets	<u>5,486</u>	<u>-</u>	<u>5,486</u>	<u>-</u>
Liabilities				
Funds Held In Trust	5,486	-	5,486	-
Total Liabilities	<u>\$ 5,486</u>	<u>\$ -</u>	<u>\$ 5,486</u>	<u>\$ -</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
For The Year Ended September 30, 2006

	Balance October 1, 2005	Additions	Deductions	Balance September 30, 2006
TAX ASSESSOR-COLLECTOR				
Assets				
Cash and Cash Equivalents	\$ 1,639,577	\$ -	\$ 1,639,577	\$ -
Total Assets	<u>1,639,577</u>	<u>-</u>	<u>1,639,577</u>	<u>-</u>
Liabilities				
Accounts Payable	1,639,577	-	1,639,577	-
Total Liabilities	<u>1,639,577</u>	<u>-</u>	<u>1,639,577</u>	<u>-</u>
COUNTY ATTORNEY				
Assets				
Cash and Cash Equivalents	14,093	-	14,093	-
Total Assets	<u>14,093</u>	<u>-</u>	<u>14,093</u>	<u>-</u>
Liabilities				
Accounts Payable	2,810	-	2,810	-
Funds Held In Trust	11,283	-	11,283	-
Total Liabilities	<u>14,093</u>	<u>-</u>	<u>14,093</u>	<u>-</u>
INMATE TRUST				
Assets				
Cash and Cash Equivalents	15,994	-	15,994	-
Accounts Receivable	1,784	-	1,784	-
Total Assets	<u>17,778</u>	<u>-</u>	<u>17,778</u>	<u>-</u>
Liabilities				
Accounts Payable	412	-	412	-
Funds Held In Trust	17,366	-	17,366	-
Total Liabilities	<u>17,778</u>	<u>-</u>	<u>17,778</u>	<u>-</u>
DISTRICT ATTORNEY				
Assets				
Cash and Cash Equivalents	104,774	-	104,774	-
Total Assets	<u>104,774</u>	<u>-</u>	<u>104,774</u>	<u>-</u>
Liabilities				
Accounts Payable	695	-	695	-
Funds Held In Trust	104,079	-	104,079	-
Total Liabilities	<u>\$ 104,774</u>	<u>\$ -</u>	<u>\$ 104,774</u>	<u>\$ -</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
For The Year Ended September 30, 2006

	Balance October 1, 2005	Additions	Deductions	Balance September 30, 2006
BAIL BOND BOARD TRUST				
Assets				
Cash and Cash Equivalents	\$ 925,929	\$ 80,650	\$ 50,200	\$ 956,379
Investments	607,600	70,500	-	678,100
Total Assets	<u>1,533,529</u>	<u>151,150</u>	<u>50,200</u>	<u>1,634,479</u>
Liabilities				
Funds Held In Trust	<u>1,533,529</u>	<u>151,150</u>	<u>50,200</u>	<u>1,634,479</u>
Total Liabilities	<u>\$ 1,533,529</u>	<u>\$ 151,150</u>	<u>\$ 50,200</u>	<u>\$ 1,634,479</u>
COMBINED AGENCY FUNDS				
Assets				
Cash and Cash Equivalents	\$ 8,674,776	\$ 5,381,115	\$ 8,657,196	\$ 5,398,695
Investments	607,600	70,500	-	678,100
Prepaid Assets	97,374	-	97,374	-
Accounts Receivable	<u>3,604</u>	<u>333</u>	<u>3,175</u>	<u>762</u>
Total Assets	<u>9,383,354</u>	<u>5,451,948</u>	<u>8,757,745</u>	<u>6,077,557</u>
Liabilities				
Accounts Payable	2,204,514	-	2,204,085	429
Funds Held In Trust	<u>7,178,840</u>	<u>2,295,702</u>	<u>3,397,414</u>	<u>6,077,128</u>
Total Liabilities	<u>\$ 9,383,354</u>	<u>\$ 2,295,702</u>	<u>\$ 5,601,499</u>	<u>\$ 6,077,557</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, 2006

	2006	2005
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 7,854,682	\$ 7,341,543
Buildings	28,721,029	26,727,593
Improvements	5,039,804	5,039,804
Machinery and Equipment	16,168,794	15,772,020
Infrastructure	40,773,998	37,929,330
Construction Work in Progress	12,757,220	4,636,684
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	\$ 111,315,527	\$ 97,446,974
 INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General Fund	\$ 7,776,994	\$ 7,753,464
Special Revenue Funds	856,609	720,046
Capital Project Funds	102,623,838	88,915,378
Donations	58,086	58,086
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	\$ 111,315,527	\$ 97,446,974

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, 2006

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets 10/01/05	Additions	Retirements	Adjustments And Transfers	Governmental Funds Capital Assets 9/30/06
General Government					
County Judge	\$ 60,363	\$ -	\$ -	\$ -	\$ 60,363
Commissioners' Court	347,128	1,788,345	-	-	2,135,473
Community Support	87,500	-	-	-	87,500
County Treasurer	224,490	-	-	-	224,490
Risk Management	75,002	-	7,450	-	67,552
Tax Assessor-Collector	690,822	31,694	14,909	-	707,607
Information Technology	4,307,278	432,097	11,808	-	4,727,567
Human Resources	120,721	-	-	-	120,721
County Auditor	368,984	-	6,816	-	362,168
Purchasing Administration	133,797	-	-	-	133,797
Building Maintenance	569,220	18,683	15,927	14,717	586,693
Total General Government	6,985,305	2,270,819	56,910	14,717	9,213,931
Justice System					
County Attorney	1,152,368	22,237	-	28,645	1,203,250
District Attorney	892,360	49,512	61,880	-	879,992
District Clerk	880,698	-	11,495	-	869,203
County Clerk	358,536	-	-	-	358,536
County Clerk Records Preservation	15,396	-	-	-	15,396
District Courts	496,396	-	-	-	496,396
County Courts At Law	583,841	-	-	-	583,841
Justices of the Peace (5)	690,453	274,997	5,850	-	959,600
Community Supervision	706,879	-	-	-	706,879
Court Master	60,363	-	-	-	60,363
Law Library	-	20,093	-	-	20,093
Total Justice System	5,837,290	366,839	79,225	28,645	6,153,549
Law Enforcement					
Sheriff/Jail	16,799,734	2,330,741	238,533	(28,645)	18,863,297
Courthouse Security	183,959	-	-	-	183,959
Constables (4)	695,051	349,832	42,101	-	1,002,782
Narcotics Task Force	314,119	-	105,743	-	208,376
Total Law Enforcement	17,992,863	2,680,573	386,377	(28,645)	20,258,414
Juvenile Services					
Juvenile Probation	6,796,180	5,069	-	-	6,801,249
Total Juvenile Services	6,796,180	5,069	-	-	6,801,249
Public Transportation					
Metropolitan Planning	999,521	-	-	-	999,521
Road & Bridge	12,499,844	210,160	62,014	(156,136)	12,491,854
Infrastructure	38,564,846	2,620,682	-	141,419	41,326,947
Total Public Transportation	52,064,211	2,830,842	62,014	(14,717)	54,818,322

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, 2006

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets 10/01/05	Additions	Retirements	Adjustments And Transfers	Governmental Funds Capital Assets 09/30/06
Public Health					
Environmental Protection	811,955	-	-	-	811,955
Health Department	400,774	-	-	-	400,774
Total Public Health	<u>1,212,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,212,729</u>
Human Services					
Emergency Management	145,268	64,546	-	-	209,814
Brazos Center	2,298,573	13,433	14,810	-	2,297,196
Agricultural Extension	92,908	-	-	-	92,908
Elections	1,034,936	126,569	-	-	1,161,505
Exposition Center	2,986,711	6,109,199	-	-	9,095,910
Total Human Services	<u>6,558,396</u>	<u>6,313,747</u>	<u>14,810</u>	<u>-</u>	<u>12,857,333</u>
Capital Projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 97,446,974</u>	<u>\$ 14,467,889</u>	<u>\$ 599,336</u>	<u>\$ -</u>	<u>\$111,315,527</u>

BRAZOS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
September 30, 2006

FUNCTION AND ACTIVITY	Land	Buildings	Improvements	Machinery And Equipment	Infrastructure	Construction Work in Progress	Total
General Government							
County Judge	\$ 748	\$ 50,207	\$ 9,408	\$ -	\$ -	\$ -	\$ 60,363
Commissioners' Court	411,892	1,638,033	42,331	-	-	43,218	2,135,474
Community Support	25,375	62,125	-	-	-	-	87,500
County Treasurer	2,618	175,724	32,924	13,224	-	-	224,490
Risk Management	748	50,207	9,408	7,189	-	-	67,552
Tax Assessor-Collector	16,321	119,689	517,281	54,316	-	-	707,607
Information Technology	62,500	18,750	210,187	4,004,032	-	432,097	4,727,566
Human Resources	1,496	100,414	18,811	-	-	-	120,721
County Auditor	4,488	301,242	56,438	-	-	-	362,168
Purchasing Administration	1,496	100,414	18,811	13,076	-	-	133,797
Building Maintenance	170,556	244,553	59,376	112,208	-	-	586,693
Total General Government	698,238	2,861,358	974,975	4,204,045	-	475,315	9,213,931
Justice System							
County Attorney	12,342	828,415	155,210	207,283	-	-	1,203,250
District Attorney	9,725	652,691	122,288	95,288	-	-	879,992
District Clerk	10,098	677,794	126,992	54,319	-	-	869,203
County Clerk	4,114	276,138	51,737	26,547	-	-	358,536
County Clerk Rec. Preservation	-	-	-	15,396	-	-	15,396
District Courts	5,610	376,551	70,552	43,683	-	-	496,396
County Courts At Law	4,114	522,858	51,737	5,132	-	-	583,841
Justices of the Peace (5)	441,945	406,878	22,436	14,909	-	73,432	959,600
Community Supervision	187,500	56,250	463,129	-	-	-	706,879
Court Master	748	50,207	9,408	-	-	-	60,363
Law Library	-	-	-	20,093	-	-	20,093
Total Justice System	676,196	3,847,782	1,073,489	482,650	-	73,432	6,153,549
Law Enforcement							
Sheriff/Jail	106,604	13,005,026	438,715	2,378,706	-	2,934,246	18,863,297
Courthouse Security	1,122	75,310	14,110	93,417	-	-	183,959
Constables (4)	30,172	432,906	31,844	507,860	-	-	1,002,782
Narcotics Task Force	-	-	-	208,376	-	-	208,376
Total Law Enforcement	137,898	13,513,242	484,669	3,188,359	-	2,934,246	20,258,414
Juvenile Services							
Juvenile Probation	81,169	6,319,673	32,173	368,234	-	-	6,801,249
Total Juvenile Services	81,169	6,319,673	32,173	368,234	-	-	6,801,249
Public Transportation							
Metropolitan Planning	-	-	994,180	5,341	-	-	999,521
Road & Bridge	5,541,842	352,390	549,785	6,422,469	40,773,998	178,317	53,818,801
Total Public Transportation	5,541,842	352,390	1,543,965	6,427,810	40,773,998	178,317	54,818,322

BRAZOS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY - Continued
September 30, 2006

FUNCTION AND ACTIVITY	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Machinery And Equipment</u>	<u>Infrastructure</u>	<u>Construction Work in Progress</u>	<u>Total</u>
Public Health							
Environmental Protection	569,042	90,908	152,005	-	-	-	811,955
Health Department	122,213	139,824	138,737	-	-	-	400,774
Total Public Health	<u>691,255</u>	<u>230,732</u>	<u>290,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,212,729</u>
Human Services							
Emergency Management	-	-	-	209,814	-	-	209,814
Brazos Center	28,084	1,532,411	610,324	126,377	-	-	2,297,196
Agricultural Extension	-	63,441	29,467	-	-	-	92,908
Elections	-	-	-	1,161,505	-	-	1,161,505
Exposition Center	-	-	-	-	-	9,095,910	9,095,910
Total Human Services	<u>28,084</u>	<u>1,595,852</u>	<u>639,791</u>	<u>1,497,696</u>	<u>-</u>	<u>9,095,910</u>	<u>12,857,333</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 7,854,682</u>	<u>\$ 28,721,029</u>	<u>\$ 5,039,804</u>	<u>\$ 16,168,794</u>	<u>\$ 40,773,998</u>	<u>\$ 12,757,220</u>	<u>\$ 111,315,527</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 city's overall financial health.

Contents

Table No.

Financial Trends

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

I, II, III, IV

Revenue Capacity

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

V, VI, VII, VIII

Debt Capacity

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.

IX, X, XI, XII, XIII

Demographic and Economic Information

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

XIV, XV

Operating Information

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.

XVI, XVII, XVIII

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

FINANCIAL TRENDS

Table I

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

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$ 41,438,037	\$ 30,404,623	\$ 24,099,251	\$ 38,924,281
Restricted	2,989,935	3,328,283	4,997,987	5,709,087
Unrestricted	29,244,870	43,253,082	59,703,513	55,642,525
Total governmental activities net assets	<u>\$ 73,672,842</u>	<u>\$ 76,985,988</u>	<u>\$ 88,800,751</u>	<u>\$ 100,275,893</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 1,612	\$ -	\$ -	\$ -
Unrestricted	95,996	146,935	172,036	238,586
Total business-type activities net assets	<u>\$ 97,608</u>	<u>\$ 146,935</u>	<u>\$ 172,036</u>	<u>\$ 238,586</u>
Primary government				
Invested in capital assets, net of related debt	\$ 41,439,649	\$ 30,404,623	\$ 24,099,251	\$ 38,924,281
Restricted	2,989,935	3,328,283	4,997,987	5,709,087
Unrestricted	29,340,866	43,400,017	59,875,549	55,881,111
Total primary government net assets	<u>\$ 73,770,450</u>	<u>\$ 77,132,923</u>	<u>\$ 88,972,787</u>	<u>\$ 100,514,479</u>

Brazos County, Texas
Changes in Net Assets, Last Four Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
Governmental activities:				
General Government	\$ 11,890,781	\$ 12,633,863	\$ 11,371,667	\$ 12,042,697
Justice System	8,684,058	9,392,776	8,860,448	10,457,394
Law Enforcement	11,271,954	11,956,232	11,894,495	12,905,488
Juvenile Services	3,802,706	3,739,205	3,809,998	4,179,885
Public Transportation	6,394,828	5,360,370	4,764,927	4,900,621
Public Health	1,761,796	1,726,770	1,693,371	1,696,959
Human Services	1,578,544	1,826,466	2,266,518	2,478,377
Interest and Other Fees	1,349,227	1,648,665	1,831,044	2,326,392
Total governmental activities expenses	<u>\$ 46,733,894</u>	<u>\$ 48,284,347</u>	<u>\$ 46,492,468</u>	<u>\$ 50,987,813</u>
Business Type activities:				
County Attorney	\$ 93,125	\$ 96,878	\$ 81,788	\$ 67,342
Jail Commissary	226,559	207,164	246,840	299,883
Total business type expenses	<u>\$ 319,684</u>	<u>\$ 304,042</u>	<u>\$ 328,628</u>	<u>\$ 367,225</u>
Total primary government expenses	<u>\$ 47,053,578</u>	<u>\$ 48,588,389</u>	<u>\$ 46,821,096</u>	<u>\$ 51,355,038</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	\$ 1,782,138	\$ 2,801,415	\$ 2,161,854	\$ 1,808,977
Justice System	5,637,540	5,609,315	5,083,409	5,509,185
Law Enforcement	492,034	673,692	768,454	846,828
Juvenile Services	52,034	18,103	53,903	81,922
Public Transportation	33,905	1,119,824	1,187,532	1,251,841
Public Health	25,827	31,209	30,844	33,060
Human Services	182,297	212,895	268,443	281,912
Operating grants and contributions:				
Justice System	498,507	562,706	504,157	438,130
Law Enforcement	1,130,276	1,027,000	997,417	744,033
Juvenile Services	1,121,345	1,266,617	1,261,927	1,212,847
Public Transportation	206,525	286,801	260,270	252,928
Public Health	38,064	59,520	86,432	153,360
Human Services	95,473	91,318	1,586,721	572,788
Capital grants and contributions:				
Law Enforcement	\$ 58,911	\$ 37,938	\$ 8,386	\$ 41,372
Human Services	-	253,473	248,295	230,044
Total governmental activities program revenue	<u>\$ 11,354,876</u>	<u>\$ 14,051,826</u>	<u>\$ 14,508,044</u>	<u>\$ 13,459,227</u>

Brazos County, Texas
Changes in Net Assets, Last Four Years
(Accrual Basis of Accounting)

Business-type activities:				
Charges for services:				
County Attorney	\$ 114,592	\$ 107,360	\$ 76,778	\$ 74,948
Jail Commissary	\$ 234,411	\$ 243,476	\$ 269,809	\$ 350,779
Total business-type activities	<u>\$ 349,003</u>	<u>\$ 350,836</u>	<u>\$ 346,587</u>	<u>\$ 425,727</u>
Total primary government program revenues	<u>\$ 11,703,879</u>	<u>\$ 14,402,662</u>	<u>\$ 14,854,631</u>	<u>\$ 13,884,954</u>
Net (Expense)/Revenue				
Governmental activities	\$ (35,379,018)	\$ (34,232,521)	\$ (31,984,424)	\$ (37,528,586)
Business-type activities	\$ 29,319	\$ 46,794	\$ 17,959	\$ 58,502
Total primary government net expense	<u>\$ (35,349,699)</u>	<u>\$ (34,185,727)</u>	<u>\$ (31,966,465)</u>	<u>\$ (37,470,084)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes	\$ 24,127,005	\$ 26,932,638	\$ 31,751,992	\$ 34,280,093
Sales taxes	7,723,285	8,413,179	8,942,049	9,957,049
Motor vehicle taxes	1,147,480	1,136,744	1,126,011	1,212,367
Mixed drink taxes	317,091	348,790	374,123	401,298
Unrestricted investment earnings	594,314	684,525	1,592,819	3,120,658
Miscellaneous	636,775	-	-	-
Gain on disposal of assets	-	29,791	12,193	32,263
Loss on disposal of assets	(4,647,004)	-	-	-
Total governmental activities	<u>\$ 29,898,946</u>	<u>\$ 37,545,667</u>	<u>\$ 43,799,187</u>	<u>\$ 49,003,728</u>
Business-type activities:				
Unrestricted investment earnings	-	933	3,292	8,048
Gain on disposal of assets	-	1,600	3,850	-
Total business-type activities	<u>\$ -</u>	<u>\$ 2,533</u>	<u>\$ 7,142</u>	<u>\$ 8,048</u>
Total primary government	<u>\$ 29,898,946</u>	<u>\$ 37,548,200</u>	<u>\$ 43,806,329</u>	<u>\$ 49,011,776</u>
Change in Net Assets				
Governmental activities	\$ (5,480,072)	\$ 3,313,146	\$ 11,814,763	\$ 11,475,142
Business-type activities	29,319	49,327	25,101	66,550
Total Primary Government	<u>\$ (5,450,753)</u>	<u>\$ 3,362,473</u>	<u>\$ 11,839,864</u>	<u>\$ 11,541,692</u>

Table III

**Brazos County, Texas
Fund Balances, Governmental Funds,
Last Four Fiscal Years
(Modified Accrual Basis of Accounting)**

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved	\$ 2,418,081	\$ 2,483,109	\$ 2,703,506	\$ 3,263,084
Unreserved	15,729,973	17,161,250	23,734,561	29,358,945
Total General Fund	<u>\$ 18,148,054</u>	<u>\$ 19,644,359</u>	<u>\$ 26,438,067</u>	<u>\$ 32,622,029</u>
All Other Governmental Funds				
Reserved				
Debt Service Fund	1,612,877	1,623,742	1,881,705	2,387,029
Special Purpose Programs	1,405,115	1,698,278	3,109,950	3,314,550
Other Governmental Funds	5,592	-	-	-
Unreserved				
Capital Improvements	8,011,657	19,040,142	27,440,184	16,686,210
Total all other governmental funds	<u>\$ 11,035,241</u>	<u>\$ 22,362,162</u>	<u>\$ 32,431,839</u>	<u>\$ 22,387,789</u>

Table IV

Brazos County, Texas
Changes in Fund Balance, Governmental Funds,
Last Four Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
Revenues				
Taxes	\$ 32,152,880	\$ 35,680,824	\$ 41,005,538	\$ 44,572,996
Charges for Services	7,171,392	7,736,038	8,016,868	9,267,257
Intergovernmental	3,149,101	3,578,354	4,953,605	3,645,503
Interest	601,297	674,177	1,571,892	3,050,275
Other revenue	636,775	589,461	931,107	533,322
Total Revenue	<u>\$ 43,711,445</u>	<u>\$ 48,258,854</u>	<u>\$ 56,479,010</u>	<u>\$ 61,069,353</u>
Expenditures				
Current				
General Government	\$ 8,331,368	\$ 9,398,660	\$ 9,459,149	\$ 10,329,448
Justice System	8,492,929	9,460,213	9,658,261	10,405,154
Law Enforcement	10,542,502	11,550,365	11,544,576	12,282,765
Juvenile Services	3,614,194	3,650,819	3,717,184	4,064,113
Public Transportation	6,345,972	4,878,592	4,481,106	5,080,480
Public Health	1,747,062	1,533,065	1,673,525	1,686,112
Human Services	1,397,062	1,831,381	2,089,260	2,265,385
Capital Outlay	3,188,316	4,338,542	5,580,780	13,980,609
Debt Service				
Principal Retirement	1,664,880	2,031,142	2,390,000	2,785,000
Interest and Fiscal agent fees	1,380,272	1,602,689	1,787,895	2,322,768
Total Expenditures	<u>\$ 46,704,557</u>	<u>\$ 50,275,468</u>	<u>\$ 52,381,736</u>	<u>\$ 65,201,834</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,993,112)	(2,016,614)	4,097,274	(4,132,481)
Other Financing Sources (Uses)				
Operating Transfers In	905,192	529,838	345,969	2,637,411
Operating Transfers Out	(1,835,492)	(729,838)	(845,969)	(2,637,411)
Proceeds from sale of fixed assets	61,628	39,840	16,111	77,393
Redemption of Certificate of Obligation	-	-	-	(5,810,000)
Proceeds from debt obligations	2,995,000	15,000,000	13,250,000	6,005,000
Total other financing sources (Uses)	<u>\$ 2,126,328</u>	<u>\$ 14,839,840</u>	<u>\$ 12,766,111</u>	<u>\$ 272,393</u>
Net change in fund Balances	<u>\$ (866,784)</u>	<u>\$ 12,823,226</u>	<u>\$ 16,863,385</u>	<u>\$ (3,860,088)</u>
Debt service as a percentage of noncapital expenditures	7.00%	7.91%	8.93%	9.97%

REVENUE CAPACITY INFORMATION

Table V

**Brazos County, Texas
Assessed Value and Actual Value of Taxable Property,
Last Four Years**

Fiscal Year Ended Sept 30	Residential Property	Commercial Property	Industrial Property	Personal Property	Minerals	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2003	3,443,514,250	3,133,357,857	478,976,879	866,349,323	115,279,900	(1,846,508,484)	6,190,969,725	\$ 0.4146
2004	3,815,683,939	3,341,559,461	509,172,760	953,147,220	123,817,227	(1,994,142,969)	6,749,237,638	\$ 0.4350
2005	4,132,023,358	3,737,402,092	584,305,230	994,411,852	143,039,148	(2,141,945,933)	7,449,235,747	\$ 0.4725
2006	4,662,875,098	4,009,134,429	630,812,160	1,090,082,565	186,746,987	(2,276,298,695)	8,303,352,544	\$ 0.4650

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.

Table VI

Brazos County, Texas
Direct and Overlapping Property Tax Rates
Last Ten Years

Name of Government	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
County Direct Rate:										
General Obligation										
Debt Service	0.0430	0.0452	0.0432	0.0397	0.0364	0.0343	0.0423	0.0511	0.0632	0.0701
Basic Rate	<u>0.3750</u>	<u>0.3722</u>	<u>0.3742</u>	<u>0.3777</u>	<u>0.3736</u>	<u>0.3857</u>	<u>0.3723</u>	<u>0.3839</u>	<u>0.4093</u>	<u>0.3949</u>
Total direct rate:	<u>0.4180</u>	<u>0.4174</u>	<u>0.4174</u>	<u>0.4174</u>	<u>0.4100</u>	<u>0.4200</u>	<u>0.4146</u>	<u>0.4350</u>	<u>0.4725</u>	<u>0.4650</u>
Overlapping Rates:										
City and town Rate:										
City of Bryan	0.6324	0.6295	0.6367	0.6367	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364
City of College Station	0.4427	0.4293	0.4293	0.4293	0.4293	0.4777	0.4777	0.4653	0.4640	0.4394
School District Rates:										
Bryan I. S. D.	1.5340	1.6440	1.6820	1.5880	1.6150	1.6680	1.7120	1.6800	1.6700	1.7800
College Station I. S. D.	<u>1.6900</u>	<u>1.7400</u>	<u>1.7500</u>	<u>1.7500</u>	<u>1.7500</u>	<u>1.7900</u>	<u>1.7900</u>	<u>1.7700</u>	<u>1.7700</u>	<u>1.6750</u>
Total overlapping rate:	<u>4.2991</u>	<u>4.4428</u>	<u>4.4980</u>	<u>4.4040</u>	<u>4.4307</u>	<u>4.5721</u>	<u>4.6161</u>	<u>4.5517</u>	<u>4.5404</u>	<u>4.5308</u>
Total Property Tax Rate -										
Direct and Overlapping										
Governments:	<u>4.7171</u>	<u>4.8602</u>	<u>4.9154</u>	<u>4.8214</u>	<u>4.8407</u>	<u>4.9921</u>	<u>5.0307</u>	<u>4.9867</u>	<u>5.0129</u>	<u>4.9958</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.

(1) These property tax rates are expressed in dollars per \$100 assessed valuation.

TABLE VII

BRAZOS COUNTY, TEXAS
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2006			1997		
	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)
College Station Hospital LP	\$ 64,508,610	1	0.78%			
Verizon Communications	\$ 61,982,460	2	0.75%			
Anadarko E & P Co. LP	\$ 60,995,640	3	0.73%			
C B L & Associates	\$ 52,820,675	4	0.64%			
Wal-Mart Stores East Inc	\$ 47,864,700	5	0.58%	37,645,640	5	0.99%
Sanderson Farms	\$ 38,607,600	6	0.46%			
Alkossler, David / Weinberg	\$ 36,677,160	7	0.44%	24,015,640	6	0.63%
Dowell Schlumberger Inc.	\$ 33,901,144	8	0.41%			
Adam Development Properties, LP	\$ 32,533,100	9	0.35%			
ETC Texas Pipeline LTD	\$ 29,452,820	10	0.39%			
GTE Southwest Inc.	--		--	83,822,080	1	2.20%
Union Pacific Resources	--		--	62,664,590	2	1.64%
CBL Management	--		--	48,259,180	3	1.26%
Ferguson-Burleson	--		--	43,854,830	4	1.15%
Scott & White Hospital/Clinic	--		--	19,525,340	7	0.51%
G G Enterprises	--		--	17,033,860	8	0.45%
Brazos Valley Medical Center	--		--	16,948,737	9	0.44%
Jefferson Enclave L P	--		--	15,000,000	10	0.39%
	<u>\$ 459,343,909</u>		<u>4.76%</u>	<u>\$ 368,769,897</u>		<u>9.66%</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 - \$ 8,303,352,544
(3) Total adjusted assessed valuation net of exempt properties as certified by the Appraisal Review Board - \$3,817,495,232

Table VIII

**BRAZOS COUNTY, TEXAS
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	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
1997	15,968,203	15,671,528	98.14%	72,116	15,743,644	98.59%
1998	17,061,045	16,625,071	97.44%	408,009	17,033,080	99.84%
1999	17,749,856	17,360,005	97.80%	355,082	17,715,087	99.80%
2000	18,933,265	18,552,512	97.99%	337,034	18,889,546	99.77%
2001	20,732,000	20,004,504	96.49%	673,911	20,678,415	99.74%
2002	22,629,312	21,988,027	97.17%	579,237	22,567,264	99.73%
2003	24,066,065	22,721,649	94.41%	1,245,710	23,967,359	99.59%
2004	26,929,514	26,564,663	98.65%	199,106	26,763,769	99.38%
2005	31,890,149	31,394,200	98.44%	214,037	31,608,237	99.12%
2006	34,562,219	34,018,184	98.43%	(108,370)	33,909,814	98.11%

NOTE: (1) Changes in Tax since issued.

Source: Brazos County Tax Office and Brazos County Auditor's Office

DEBT CAPACITY INFORMATION

Table IX

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

<u>Governmental Activities</u>						
<u>Fiscal Year</u>	<u>Certificates of Obligations Bonds</u>	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income ^a</u>	<u>Per Capita ^a</u>
1997	10,740,000	1,080,000	-	11,820,000	N/A	N/A
1998	20,420,000	-	-	20,420,000	N/A	N/A
1999	19,735,000	-	-	19,735,000	N/A	N/A
2000	18,935,000	-	-	18,935,000	N/A	N/A
2001	18,075,000	-	-	18,075,000	N/A	N/A
2002	18,015,000	8,000,000	354,926	26,369,926	1.36%	\$ 170
2003	19,510,000	8,000,000	177,643	27,687,643	1.40%	177
2004	32,650,000	8,000,000	-	40,650,000	1.97%	250
2005	33,340,000	18,170,000	59,726	51,569,726	2.39%	319
2006	31,140,000	17,780,000	43,902	48,963,902	2.08%	303

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

^a See Schedule 13 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**

General Bonded Debt Outstanding

Fiscal Year	General Obligation Bonded Debt	Debt Service Funds Available	Net Bonded Debt	Assessed Value	Percentage of Actual Taxable Value	Per Capita ^a
1997	1,080,000	182,540	897,460	3,817,495,232	0.02%	6.46
1998	-	-	-	4,080,587,991	-	-
1999	-	-	-	4,252,470,333	-	-
2000	-	-	-	4,532,209,513	-	-
2001	-	-	-	4,947,154,148	-	-
2002	8,000,000	1,961,310	6,038,690	5,387,860,063	0.11%	38.61
2003	8,000,000	1,612,877	6,387,123	6,190,969,725	0.10%	39.24
2004	8,000,000	1,623,742	6,376,258	6,749,237,638	0.09%	39.41
2005	18,170,000	1,881,705	16,288,295	7,449,235,747	0.22%	100.93
2006	17,780,000	2,387,029	15,392,971	8,303,352,544	0.19%	95.81

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 Schedule 13.

Table XI

**Brazos County, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2006**

<u>Taxing Jurisdiction</u>	<u>Total Direct and Overlapping Funded Debt</u>	<u>Estimated Percentage Applicable</u>
Brazos County	\$ 48,920,000	100%
City of Bryan	77,569,872	100%
City of College Station	188,780,000	100%
Independent School Districts:		
College Station School District	54,605,000	100%
Bryan Independent School District	98,440,000	100%
Total estimated overlapping funded debt	<u>\$ 468,314,872</u>	
Ratio overlapping debt to 100% assessed valuation	<u>5.64%</u>	
Per capita overlapping funded debt	<u>2,914.93</u>	

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

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 government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Debt Limit	\$ 758,492,159	\$ 808,632,741	\$ 849,047,316	\$ 916,386,735
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 758,492,159</u>	<u>\$ 808,632,741</u>	<u>\$ 849,047,316</u>	<u>\$ 916,386,735</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

- NOTE: (1) Total adjusted assessed valuation net of exempt properties as certified by the Appraisal Review Board.
 (2) Debt Limit 25% of assessed value of real property - \$7,026,522,992 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 2006

(Note 1)	Assessed Value	<u>\$ 8,303,352,544</u>
(Note 2)	Debt limit (25% of assessed value)	1,756,630,748
	Debt applicable to limit:	
(Note 3)	Gross bonded debt	17,780,000
	Less: Amount available from	
	Debt Service Fund	<u>2,387,029</u>
	Total net debt applicable to limit	20,167,029
	Legal debt margin	<u><u>1,776,797,777</u></u>

Fiscal Year					
2001	2002	2003	2004	2005	2006
\$ 1,006,650,123	\$ 1,101,090,930	\$ 1,302,335,126	\$ 1,418,068,298	\$ 1,577,946,187	\$ 1,756,630,748
-	6,038,690	6,387,123	6,376,258	16,288,295	20,167,029
<u>\$ 1,006,650,123</u>	<u>\$ 1,107,129,620</u>	<u>\$ 1,308,722,249</u>	<u>\$ 1,424,444,556</u>	<u>\$ 1,594,234,482</u>	<u>\$ 1,776,797,777</u>
0.00%	0.55%	0.49%	0.45%	1.03%	1.15%

Table XIII

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

Fiscal Year	Certificate of Obligations						Capital Leases ^a			
	Property Tax		Less: Agent Fees & Issuance Cost	Debt Service		Coverage	Property Tax		Debt Service	
	Revenue	Interest	Principal	Interest	Revenue		Principal	Interest	Coverage	
1997	690,006	35,027	2,968	305,000	360,759	1.08	-	-	-	-
1998	859,562	46,138	2,722	320,000	641,555	0.94	-	-	-	-
1999	1,890,375	98,340	1,854	685,000	1,122,989	1.10	-	-	-	-
2000	1,825,609	132,604	2,018	800,000	1,025,123	1.07	-	-	-	-
2001	1,833,954	109,633	5,425	860,000	972,192	1.06	-	-	-	-
2002	1,632,535	65,376	2,047	1,060,000	943,021	0.85	166,086	161,880	15,763	0.93
2003	2,124,621	41,785	1,707	1,500,000	969,344	0.88	173,136	164,880	12,763	0.97
2004	2,943,715	61,974	1,758	1,860,000	1,197,974	0.98	166,034	171,142	6,502	0.93
2005	3,351,610	108,359	2,408	2,060,000	1,399,755	1.00	27,392	18,737	6,304	1.09
2006	4,025,812	142,074	1,745	2,395,000	1,429,040	1.09	26,375	15,823	5,102	1.26

^a The County has entered into three capital lease agreements for the purchase of two electronic monitoring systems and one metal detector. Payments during the fiscal year ended September 30, 2006 totaled \$20,925. Interest rates are 10% per annum for the two electronic monitoring systems and 8.5% per annum for the metal detector.

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⁾
1996	138,093	N/A	N/A	20,302	41,892	20,987	2.20%
1997	138,985	N/A	N/A	20,554	41,491	21,556	2.20%
1998	140,025	N/A	N/A	20,569	43,389	22,162	1.80%
1999	143,436	N/A	N/A	20,901	43,442	23,102	1.80%
2000	152,415	N/A	N/A	20,689	44,026	24,471	1.60%
2001	155,449	1,933,590,718	\$ 12,439	21,015	44,618	26,438	1.60%
2002	156,415	1,973,780,282	\$ 12,619	20,858	45,143	29,006	1.80%
2003	162,787	2,058,880,973	\$ 12,648	21,610	44,813	31,682	2.30%
2004	161,779	2,162,050,461	\$ 13,364	21,549	44,435	32,787	1.70%
2005	161,380	2,356,388,400	\$ 14,601	21,712	45,089	30,483	4.10%
2006	160,661	2,437,361,696	\$ 15,171	22,149	45,487	29,609	3.50%

Sources:

- ⁽¹⁾ Population information provided by the Texas State Data Center. The information is an estimation.
- ⁽²⁾ Personal Income and unemployment rate information provided by the Texas Workforce Commission.
- ⁽³⁾ Enrollment information is for Bryan ISD and College Station ISD. Current enrollment information is from the school districts websites and previous years enrollment information is from the Cities CAFR's from previous years and from schools.
- ⁽⁴⁾ Previous years enrollment information is from City of College Station CAFR. Current year from Wikipedia. Enrollment information is based on fall semesters.
- ⁽⁵⁾ Enrollment information obtained from Blinn's Financial Report.
- ⁽⁶⁾ Two quarters were available for calendar year 2006. Therefore the first two quarters were averaged and then added as the fourth quarter.

Table XV

Brazos County, Texas
Principal Employers,
Current Year and Nine Years Ago

Employer ⁽¹⁾	2006			1997		
	Employees	Rank	Percentage of Total County Employment ⁽²⁾	Employees	Rank	Percentage of Total County Employment
Texas A&M University & System	16,248	1	15.70%	19,971	1	28.52%
Bryan ISD	1,949	2	1.88%	1,868	2	2.67%
St. Joseph's Regional Health Center	1,590	3	1.54%	1,170	3	1.67%
Sanderson Farms	1,539	4	1.49%	700	7	1.00%
College Station ISD	1,400	5	1.35%	800	6	1.14%
Universal Computer System	959	6	0.93%			
City of Bryan	889	7	0.86%	859	5	1.23%
City of College Station	865	8	0.84%	636	9	0.91%
Brazos County	751	9	0.73%	626	10	0.89%
Alenco	611	10	0.59%	869	4	1.24%
Hamilton State School				670	8	0.96%
	<u>26,801</u>		<u>25.91%</u>	<u>28,169</u>		<u>40.23%</u>

Source: ⁽¹⁾ Research Valley Partnership as of the fourth quarter of 2005.

⁽²⁾ Employment no. from Texas Workforce Commission.

OPERATING INFORMATION

Table XVI

Brazos County, Texas
County Employees by function ⁽¹⁾
Last Ten Fiscal Years

Function	Employees as of September 30									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government	102	103	105	106	110	120	121	124	124	126
Justice System	130	134	137	139	142	143	145	153	153	158
Law Enforcement	154	156	164	173	185	200	215	217	222	223
Juvenile Services	63	77	77	85	86	88	88	90	91	89
Human Services	27	26	25	24	24	24	24	25	26	26
Public Transportation	71	70	69	69	69	69	70	70	70	70
Total	<u>547</u>	<u>566</u>	<u>577</u>	<u>596</u>	<u>616</u>	<u>644</u>	<u>663</u>	<u>679</u>	<u>686</u>	<u>692</u>

Source: County Auditor's Office

⁽¹⁾ Information compiled from Brazos County Budget position control

Note: Positions fully funded by grants are not included in calculations. The numbers of positions are a reflection of approved budgeted positions.

Table XVII

**Brazos County, Texas
Operating Indicators by Function/Program
Last Four Fiscal Years**

Function	2003	2004	2005	2006
Justice System				
Birth Certificates filed ⁽¹⁾	2,795	2,934	3,084	2,971
Marriage License applications ⁽¹⁾	1,435	1,438	1,375	1,444
Death Certificates Issued	375	796	636	806
Registered Voters ⁽¹⁾	86,558	86,283	83,894	86,771
Court Activity: ⁽²⁾				
District Court:				
Cases Added	9,496	7,679	8,047	7,863
Cases Disposed	8,314	6,763	6,295	8,041
Cases Pending	5,649	6,009	8,013	8,281
County Court at Law Courts:				
Cases Added	181	3,658	6,019	5,706
Cases Disposed	113	3,072	4,560	4,856
Cases Pending	230	1,185	2,342	3,142
Justice of the Peace Courts:				
Cases Added	18,179	20,105	22,085	19,387
Cases Disposed	13,783	16,272	16,868	18,497
Law Enforcement				
Sheriff's Department:				
Average Daily Inmate Population ⁽³⁾	445	425	492	550
Arrest Totals ⁽³⁾	12,369	13,915	14,328	15,541
Human Services				
Cooperative Agricultural Extension Office: ⁽⁴⁾				
Number of Educational				
Programs Conducted	356	602	622	779
Number of Participants				
in Educational Programs	12,540	21,660	22,487	49,229
Brazos Center:				
No. of Events held: ⁽⁵⁾	582	531	532	578
Public Transportation				
Miles of Roads:				
Paved	N/A	N/A	N/A	330
Unpaved	N/A	N/A	N/A	146

(1) Source: Brazos County Clerk and Brazos County Treasurer.

(2) Source: Office of Court Administration

(3) Source: Sheriff's Office

(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.

Table XVIII

Brazos County, Texas
Capital Asset and Infrastructure Statistics by Function
Last Four Fiscal Years

<u>Function</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Government				
Office Buildings / Courthouse	4	4	4	4
Maintenance Vehicles	5	4	5	7
IT Vehicles	1	1	1	1
Justice System				
Office Buildings	0	0	0	1
County Attorney Vehicles	2	5	6	8
District Attorney Vehicles	3	3	4	7
Law Enforcement				
Sheriff's Detention Facility	1	(1)	1	(1)
Vehicles:				
Sheriff's	36	47	53	63
Sheriff's - Jail Division	5	6	6	7
Constable	13	18	18	21
Heavy Equipment				
Sheriff	1	1	1	1
Sheriff's - Jail Division	1	1	3	3
Juvenile Services				
Juvenile Facilities	1	1	1	1
Juvenile Dept Vehicles	7	6	8	8
Human Services				
Buildings	3	3	3	3
Emergency Management	1	1	1	1
Brazos Center:				
Vehicles	2	2	2	3
Equipment	3	4	4	4
Collection Citizen Sites	7	7	7	7
Public Transportation				
Road and Bridge Building	1	1	1	1
Road and Bridge Vehicles	38	40	41	44
Road and Bridge Heavy Equipment	83	84	94	95
County Roads (miles)	461	450	453	476
Bridges	58	58	58	63

Note: Implementation of GASB 34 was in 2003. Therefore, the information only reflects four years of data.

(1) The Sheriff's Administration and maximum security jail facility are located in the courthouse.

**INDEPENDENT AUDITORS' REPORTS ON
COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING
SEPTEMBER 30, 2006**



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Randy Sims, County Judge
and the Honorable County Commissioners
Brazos County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brazos County, Texas (the "County") as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 5, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Bryan, Texas
January 5, 2007

Ingram, Wallis & Company



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

To the Honorable Randy Sims, County Judge
and the Honorable County Commissioners
Brazos County, Texas

Compliance

We have audited the compliance of Brazos County, Texas (the "County") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the *State of Texas Single Audit Circular* that are applicable to each of its major federal and state programs for the year ended September 30, 2006.

The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended September 30, 2006. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with

OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2006-01.

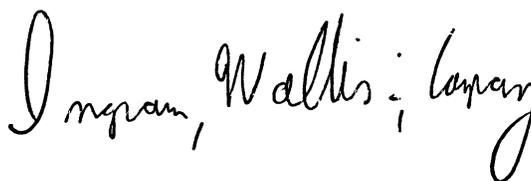
Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and the *State of Texas Single Audit Circular*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal or state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Bryan, Texas
January 5, 2007

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

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2006

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2005	Receipts	Expenditures	Grant Funds Refunded in 2006	Accounts Receivable (Payable) September 30, 2006
<u>U. S. Department of Justice</u>								
Local Law Enforcement Block Grant	16.592	2004-LB-BX-0913	8,386	\$ (7,411)	\$ --	\$ 7,411	\$ --	\$ --
Bulletproof Vest Partnership Program	16.607	2002	217	--	--	217	--	217
Bulletproof Vest Partnership Program	16.607	2004	4,826	--	--	4,826	--	4,826
Bulletproof Vest Partnership Program	16.607	2005	1,804	--	--	1,804	--	1,804
State Criminal Alien Assistance Program	16.606	2005-AP-BX-0161 07/01/03-06/30/04	87,090	87,090	87,090	--	--	--
				79,679	87,090	14,258	--	6,847
<u>Passed through the Texas Engineering Extension Service</u>								
Emergency Preparedness Grant	97.004	2004 LETPP	45,001	34,500	34,500	--	--	--
Emergency Preparedness Grant	97.073	2005 SHSP	110,000	--	--	64,546	--	64,546
Emergency Preparedness Grant	97.074	2005 LETPP	125,000	--	--	38,929	--	38,929
				34,500	34,500	103,475	--	103,475
<u>Passed through Office of the Governor of Texas, Criminal Justice Division</u>								
Narcotics Task Force	16.579	DB-04-A10-13867-06 06/01/04-09/30/05	650,000	159,683	159,683	--	--	--
Narcotics Task Force	16.579	PI-04-A10-13867-07 10/01/05-03/31/06	325,000	--	230,336	230,336	--	--
CLEAR Team	16.738	DJ-05-A10-18448-01 04/01/06-09/30/07	743,777	--	--	222,275	--	222,275
				159,683	390,019	452,611	--	222,275
<u>U. S. Department of Transportation</u>								
<u>Passed through State Department of Highways and Public Transportation</u>								
Metropolitan Planning Organization	20.205	506XXF0024	355,387	--	183,082	224,687	--	41,605
Metropolitan Planning Organization	20.205	505XXF0024	260,052	26,229	26,229	--	--	--
Comprehensive Underage Drinking Education Program	20.600	586XXF5002	50,000	--	28,764	43,145	--	14,381
Comprehensive Underage Drinking Education Program	20.600	585XXF5009	50,000	11,731	11,686	--	--	45
Local Rail Economic Feasibility & Location Study	20.205	2000-014	1,131,345	67,882	--	--	--	67,882
				105,842	249,761	267,832	--	123,913
<u>Federal Election Assistance Commission</u>								
<u>Passed through Secretary of State of Texas</u>								
Help America Vote Act - County Education Fund	39.011		9,000	922	2,974	2,831	--	779
Help America Vote Act - Voting System Accessibility	90.401		327,000	327,000	327,000	--	--	--
Help America Vote Act - Voting System Replacement	39.011		347,952	347,952	347,952	--	--	--
Help America Vote Act - General HAVA Compliance	90.401		1,132,036	416,673	416,673	167,169	--	167,169
				\$ 1,092,547	\$ 1,094,599	\$ 170,000	\$ --	\$ 167,948

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2006

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/Award Amount	Accounts			Grant Funds Refunded in 2006	Accounts Receivable (Payable) September 30, 2006
				Receivable (Payable) October 1, 2005	Receipts	Expenditures		
<u>U. S. Federal Emergency Management Agency</u>								
<u>Passed through Texas Department of Public Safety</u>								
Division of Emergency Management	97.042	EMT-2005-GR-0105	39,795	\$ 19,897	\$ 19,897	\$ --	\$ --	\$ --
Division of Emergency Management	97.042	EMT-2006-GR-0105	39,795	--	9,949	39,795	--	29,846
<u>Passed through Office of the Governor</u>								
Division of Emergency Management	97.036	Wildfires	--	--	10,150	10,150	--	--
Division of Emergency Management	97.036	Rita-Emergency Measures	--	40,742	1,854	(38,888)	--	--
Division of Emergency Management	97.036	Katrina-Sheltering	--	12,738	230,407	217,669	--	--
Division of Emergency Management	97.036	PW-55 & 55-1 Housing	--	292,239	625,289	333,050	--	--
Division of Emergency Management	97.036	PW-571 Housing	--	--	134,996	134,996	--	--
				<u>365,616</u>	<u>1,032,542</u>	<u>696,772</u>	<u>--</u>	<u>29,846</u>
<u>U. S. and Regulatory Services</u>								
<u>Passed through the Texas Department of Family and Protective Services</u>								
Title IV-E-Legal (CPS)	93.658	09/01/04-08/31/05	--	40,498	40,498	--	--	--
	93.658	09/01/05-08/31/06	--	3,630	--	36,751	--	40,381
	93.658	09/01/06-08/31/07	--	--	--	2,615	--	2,615
Title IV-E-Foster Care Maintenance	93.658	09/01/04-08/31/05	--	3,769	3,769	--	--	--
	93.658	09/01/05-08/31/06	--	--	5,884	10,590	--	4,706
	93.658	09/01/06-08/31/07	--	--	--	1,134	--	1,134
				<u>47,897</u>	<u>50,151</u>	<u>51,090</u>	<u>--</u>	<u>48,836</u>
<u>Passed through the Texas Juvenile Probation Commission</u>								
Title IV- E- Administration	93.658	09/01/04-08/31/05	--	196,719	198,166	1,447	--	--
	93.658	09/01/05-08/31/06	--	--	105,195	395,673	--	290,478
Title IV-E - Maintenance - Juvenile	93.658	TJPC-E-2004-021	--	2,173	2,173	--	--	--
	93.658	TJPC-E-2005-021	--	10,917	20,113	9,196	--	--
	93.658	TJPC-E-2006-021	--	--	17,895	42,147	--	24,252
				<u>209,809</u>	<u>343,542</u>	<u>448,463</u>	<u>--</u>	<u>314,730</u>
<u>Passed through the Texas Health and Human Services Commission</u>								
National School Lunch Program	10.555	07/01/06-06/30/07	--	--	--	3,371	--	3,371
	10.555	07/01/05-06/30/06	--	2,752	21,470	18,718	--	--
School Breakfast Program	10.553	07/01/06-06/30/07	--	--	--	2,250	--	2,250
	10.553	07/01/05-06/30/06	--	1,832	14,263	12,431	--	--
Food Services Division Commodities	10.550	07/01/05-06/30/06	--	--	1,391	1,391	--	--
				<u>4,584</u>	<u>37,124</u>	<u>38,161</u>	<u>--</u>	<u>5,621</u>
Total Federal Assistance				<u>\$ 2,100,157</u>	<u>\$ 3,319,328</u>	<u>\$ 2,242,662</u>	<u>\$ --</u>	<u>\$ 1,023,491</u>

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2006

State Grant or Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2005	Receipts	Expenditures	Grant Funds Refunded in 2006	Accounts Receivable (Payable) September 30, 2006
<u>Texas Juvenile Probation Commission</u>								
State Aid	N/A	TJPC-A-2006-021 09/01/05-08/31/06	119,859	\$ 7,529	\$ 119,859	\$ 112,330	\$ --	\$ --
State Aid	N/A	TJPC-A-2007-021 09/01/06-08/31/07	119,859	--	--	7,486	--	7,486
Community Corrections Assistance Program	N/A	TJPC-Y-2006-021 09/01/05-08/31/06	198,024	13,321	198,024	184,703	--	--
Community Corrections Assistance Program	N/A	TJPC-Y-2007-021 09/01/06-08/31/07	198,024	--	--	11,878	--	11,878
State Supplement	N/A	TJPC-Z-2005-021 09/01/04-08/31/05	123,975	(14,709)	--	--	14,709	--
State Supplement	N/A	TJPC-Z-2006-021 09/01/05-08/31/06	123,975	8,631	123,975	109,527	5,817	--
State Supplement	N/A	TJPC-Z-2007-021 09/01/06-08/31/07	123,975	--	--	7,001	--	7,001
JJAEP	N/A	TJPC - P - 2006 - 021	11,146	4,838	30,503	25,665	--	--
JJAEP	N/A	TJPC - P - 2007 - 021	11,146	--	14,814	885	--	(13,929)
Progressive Sanctions Juvenile Probation Officers	N/A	TJPC-F-2006-021 09/01/05-08/31/06	94,104	10,247	94,104	83,857	--	--
Progressive Sanctions Juvenile Probation Officers	N/A	TJPC-F-2007-021 09/01/06-08/31/07	94,104	--	--	10,217	--	10,217
Progressive Sanctions Level 1-2-3 Program	N/A	TJPC-G-2005-021 09/01/04-08/31/05	38,525	(121)	--	--	121	--
Progressive Sanctions Level 1-2-3 Program	N/A	TJPC-G-2006-021 09/01/05-08/31/06	38,525	1,358	38,525	37,167	--	--
Progressive Sanctions ISJPO	N/A	TJPC-O-2006-021 09/01/05-08/31/06	27,240	2,603	27,240	24,637	--	--
Progressive Sanctions ISJPO	N/A	TJPC-O-2007-021 09/01/06-08/31/07	27,240	--	--	2,401	--	2,401
<u>Office of Attorney General</u>								
VINE Program	N/A	06-03523 09/01/05-08/31/06	25,880	--	25,880	25,880	--	--
Total State Assistance				33,697	672,924	643,634	20,647	25,054
Total Federal and State Assistance				\$ 2,133,854	\$ 3,992,252	\$ 2,886,296	\$ 20,647	\$ 1,048,545

BRAZOS COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

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 Human Services. In fiscal year ended September 30, 2006, the County received \$1,391 in commodities.

SUMMARY OF INSURANCE RELATED TO GRANT FUNDS

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

SUMMARY OF INSURANCE FEDERAL LOANS OR LOAN GUARANTEES

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

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2006

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- 2006-01 Criteria – Expenditures charged to grant must be incurred during period of availability.
- Condition - During review of invoice, we noted long distance phone charges totaling \$45.38 charged to the Edward Byrne Memorial Justice Assistance (CLEAR) grant that were not incurred during the grant period of availability.
- Recommendation - We recommend that all expenditures be reviewed for incurrence in proper period of availability prior to submission of the reimbursement request.

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None