

# **BRAZOS COUNTY, TEXAS**

## **Comprehensive Annual Financial Report**

**For The Year Ended September 30, 2008**



Prepared by:

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



# **BRAZOS COUNTY, TEXAS**

## **Comprehensive Annual Financial Report**

**For The Year Ended September 30, 2008**

Prepared by:

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



**BRAZOS COUNTY, TEXAS**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2008**

**TABLE OF CONTENTS**

	<u>Page No.</u>
Table of Contents .....	i-v
 <b>INTRODUCTORY SECTION</b>	
County Auditor’s Letter of Transmittal .....	1-8
GFOA Certificate of Achievement .....	9
Principal Officials .....	10
Brazos County Organizational Chart .....	11
 <b>FINANCIAL SECTION</b>	
Independent Auditors’ Report .....	12-13
Management’s Discussion and Analysis (Unaudited) .....	14-26
 Basic Financial Statements:	
Government-wide Statement of Net Assets .....	27-28
Government-wide Statement of Activities .....	29-30
Balance Sheet – Governmental Funds .....	31-32
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Assets .....	33
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	34-35
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	36
Statement of Net Assets – Proprietary Funds .....	37
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds .....	38
Statement of Cash Flows – Proprietary Funds .....	39
Statement of Fiduciary Assets and Liabilities – Agency Funds .....	40
Notes to the Basic Financial Statements .....	41-65
 Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget (GAAP basis) and Actual – General Fund .....	66-79
Retirement System .....	80
Notes to Required Supplementary Information .....	81-82

**BRAZOS COUNTY, TEXAS**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2008**

**TABLE OF CONTENTS**

<b>FINANCIAL SECTION (Continued)</b>	<u>Page No.</u>
Supplementary Information	
Combining and Individual Fund Financial Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds -Summary .....	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Summary .....	84
Special Revenues:	
Combining Balance Sheet – Nonmajor Governmental Funds .....	85-89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	90-94
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual:	
Hotel Occupancy Tax .....	95
State Lateral Road.....	96
Unclaimed Property .....	97
Law Library .....	98
Alternative Dispute Resolution.....	99
Law Enforcement Education.....	100
County Records Management and Preservation.....	101
County Clerk Records Management and Preservation .....	102
Time Payment Fee .....	103
Courthouse Security.....	104
Justice Court Security .....	105
District Clerk Records Management and Preservation.....	106
Justice of the Peace Technology .....	107
Special Forfeitures .....	108
District Attorney Hot Check Collection .....	109
Bail Bond Board Fees .....	110
Voter Registration.....	111
Chapter 19 State Fund.....	112
Vehicle Inventory Tax Interest .....	113
Sheriff Department Crime Fund .....	114
District Attorney Crime Fund .....	115
Primary Election Service Fund .....	116
Grants.....	117

**BRAZOS COUNTY, TEXAS**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2008**

**TABLE OF CONTENTS**

<b>FINANCIAL SECTION (Continued)</b>	<u>Page No.</u>
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual.....	118
Capital Project Funds:	
Combining Balance Sheet.....	119-120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	121-122
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual:	
Judicial Software.....	123
Certificates of Obligation 2003.....	124
Certificates of Obligation 2004.....	125
Capital Improvement .....	126
Exposition Center .....	127
Jail Expansion 2007 .....	128
Proprietary Fund Type:	
Internal Service Fund:	
Health and Life Insurance – Statement of Net Assets .....	129
Health and Life Insurance – Schedule of Revenues, Expenses and Changes in Fund Net Assets – Budget (GAAP Basis) and Actual.....	130
Health and Life Insurance – Statement of Cash Flows.....	131
Fiduciary Fund Types:	
Combining Balance Sheet.....	132
Combining Statement of Changes in Assets and Liabilities.....	133-134
Capital Assets Used in Operations of Governmental Funds:	
By Source.....	135
Schedule of Changes by Function and Activity .....	136-137
Schedule by Function and Activity.....	138-139

**BRAZOS COUNTY, TEXAS**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2008**

**TABLE OF CONTENTS**

<b>STATISTICAL SECTION</b>	<u>Table No.</u>	<u>Page No.</u>
<b>Financial Trends</b>		
Net Assets by Component.....	I .....	140
Changes in Net Assets .....	II .....	141-142
Fund Balances, Governmental Funds .....	III .....	143
Changes in Fund Balance, Governmental Funds.....	IV .....	144
<b>Revenue Capacity</b>		
Assessed Value and Actual Value of Taxable Property .....	V .....	145
Direct and Overlapping Property Tax Rates.....	VI .....	146
Principal Property Taxpayers.....	VII .....	147
Property Tax Levies and Collections.....	VIII .....	148
<b>Debt Capacity</b>		
Ratios of Outstanding Debt by Type .....	IX .....	149
Ratios of General Bonded Debt Outstanding .....	X .....	150
Direct and Overlapping Governmental Activities Debt .....	XI .....	151
Legal Debt Margin Information.....	XII .....	152-153
Pledged – Revenue Coverage .....	XIII .....	154
<b>Demographic and Economic Information</b>		
Demographic and Economic Statistics .....	XIV .....	155
Principal Employers.....	XV .....	156
<b>Operating Information</b>		
County Employees by Function.....	XVI .....	157
Operating Indicators by Function/Program .....	XVII.....	158
Capital Asset and Infrastructure Statistics by Function.....	XVIII.....	159

**BRAZOS COUNTY, TEXAS**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2008**

**TABLE OF CONTENTS**

Page No.

**INDEPENDENT AUDITORS' REPORTS ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	160-161
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 <i>State of Texas Single Audit Circular</i> .....	162-163
Schedule of Expenditures of Federal and State Awards for the Year Ended September 30, 2008.....	164-166
Notes to the Schedule of Expenditures of Federal and State Awards for the Year Ended September 30, 2008 .....	167
Schedule of Findings and Questioned Costs for the Year Ended September 30, 2008 .....	168-169
Schedule of Findings and Questioned Costs for the Year Ended September 30, 2007 – Status of Prior Year Findings and Questioned Costs.....	170



**I  
N  
T  
R  
O  
D  
U  
C  
T  
O  
R  
Y**

**S  
E  
C  
T  
I  
O  
N**





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

200 East S. Texas Avenue – Suite 218  
Bryan, Texas 77803  
(979) 361-4350  
Fax (979) 361-4188  
Email: Auditor@co.brazos.tx.us

March 20, 2009

The Honorable Board of District Judges

J. D. Langley, Judge, 85th Judicial District  
Travis Bryan, III, 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, 2008, 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, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of Brazos County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal 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 Auditors' Reports on Compliance and on Internal Control over Financial Reporting".

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

## **PROFILE OF BRAZOS COUNTY**

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 159,000.

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, 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 has an independent board that provides operational control. This entity is not legally separate from the County and is included in the operations and activities of the County's General Fund. The Commissioners' Court approves the operating budgets and the expenditures of this entity. Operational funding is derived from state, federal, and local funds.

The Brazos County Health Facilities Development Corporation, the Brazos County Industrial Development Corporation and the Brazos County Housing 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 18 years the population in the County has grown 37% and the Texas State Data Center is projecting the population to increase up to 5% from now until the year 2015.

In September 2008, Brazos County had an unemployment estimate of 3,722 persons which represents a rate of 4.1% compared to a Texas statewide unemployment rate of 5.2% for the same month. The current labor force figures for the County as established by the Texas Workforce Commission are 89,940 of which 86,218 are currently employed.

The following schedule is an estimate of the number of employees and the corresponding percentage per industry as of September 2008.

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

<u>Employer Group</u>	<u>Number Of Employees</u>	<u>Percentage</u>
State, Local, Federal Government	33,500	35%
Trade, Transportation and Utilities	13,900	15%
Leisure and Hospitality	10,300	11%
Education and Health Services	9,900	11%
Natural Resources, Mining and Construction	7,300	8%
Manufacturing	6,100	6%
Professional and Business Services	5,900	6%
Financial Activities	3,400	4%
Other Services	2,900	3%
Information	<u>1,000</u>	<u>1%</u>
TOTAL	<u>94,200</u>	<u>100%</u>

*Source: Texas Workforce Commission*

From September 2007 to September 2008 the area has added approximately 2,100 jobs in nonagricultural industries which is 3,000 less, comparable to the increase in the period August 2006 to September 2007. The largest growth has been in the natural resources, mining and construction jobs (900 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 46,000 students on a 5,200-acre campus. The University offers degrees in more than 170 fields 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 more than \$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. Texas A&M University System based in Brazos County has more than \$2 billion overall economic impact on the county each year.

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.

Brazos County is a member of the Research Valley Partnership (the RVP, [www.researchvalley.org](http://www.researchvalley.org)), a private non-profit economic development corporation dedicated to promoting the seven county area surrounding Brazos County and the cities of Bryan and College Station. The RVP focuses its efforts on creating jobs and new 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 5,000 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:**

October 2008 - Toyo Ink Manufacturing America, LLC, a member of the Toyo Ink Group, celebrated the grand opening of its new \$20-million manufacturing facility in Bryan, Texas. The modern, 55,000-square-foot facility is expected to significantly bolster the company's product development, production and customer service capabilities. Principle products to be manufactured at the new facility are specialty polymers and related products, such as packaging inks, adhesives and coatings.

March 2008 - The construction officially starts for the state-of –the-art facility to house the Texas A&M Institute for Preclinical Studies (TIPS). TIPS is intended to foster multi-disciplinary service, research and education initiatives. It will be instrumental in training veterinarians, physicians, scientists, engineers and technicians to help meet the needs of the state's biomedical industry and will also serve as a key resource for training undergraduate and graduate students, along with industry personnel, in regulatory issues. The TIPS facility, totaling about 104,000 square feet, is expected to be completed by June of 2009.

## **CAPITAL IMPROVEMENT PROGRAM**

In 2008, 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 2008, the County continued construction of county roads to connect major thoroughfares. The County upgraded and reconstructed miles of road during the year at a cost of over \$2.5 million dollars and expended over \$5.8 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 2008 to include \$6.5 million (includes personnel services, supplies and other charges, repairs and maintenance, contract services, and professional services) for routine maintenance, and \$3.4 million for improvements and upgrades.

During 2008, the County completed the renovation of the First Baptist Church building that was purchased in fiscal year 2005. The building is now accommodating all administration including the Auditor's Office, Treasurer's Office, Budget Officer, Risk Management, Purchasing, the Commissioners' Court, the County Judge and Human Resources as well as the Justices of the Peace, Precinct 2-1, 2-2 and Constable offices for Precinct 2, 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.

\$55 million general obligation bonds were issued in May 2008 for the jail expansion project. The main jail complex will be expanded by building three "pods" around it, creating a capacity of 960 beds, which should satisfy the County's needs until the population reaches about 218,000. The 15,000 square foot expansion was started in February 2008 and is expected to be completed by 2011.

## **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 certificates of obligation agreements, the County maintains separate accountability. The tax rate set each year is calculated to provide sufficient funding to meet current year obligations. At September 30, 2008, the County has \$2.8 million reserved in the Debt Service Fund to meet future obligations. For the 2008-2009 fiscal year the County's debt service portion of its property tax rate is \$0.0813 per \$100 valuation, which represents a \$0.0193 increase from the rate of 2007-2008 fiscal year.

## **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, 2008, the County had cash and cash equivalents of \$99.2 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 comparable liquid investments. At September 30, 2008, the County also had approximately \$4.5 million of agency funds invested in money market and time deposits and \$2.3 million invested in a state wide investment pool. During the fiscal year, the County earned approximately \$2 million interest over the funds invested, a decrease from fiscal year 2007 due to the effect of the overall decreasing interest rates.

## **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, 2008, 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  
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, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enner".

Executive Director

**BRAZOS COUNTY, TEXAS**  
**PRINCIPAL OFFICIALS**  
September 30, 2008

**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
Travis Bryan, III*	Judge, 272nd Judicial District
Steve Smith	Judge, 361st Judicial District

**County Court-at-Law:**

Amanda Matzke	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:**

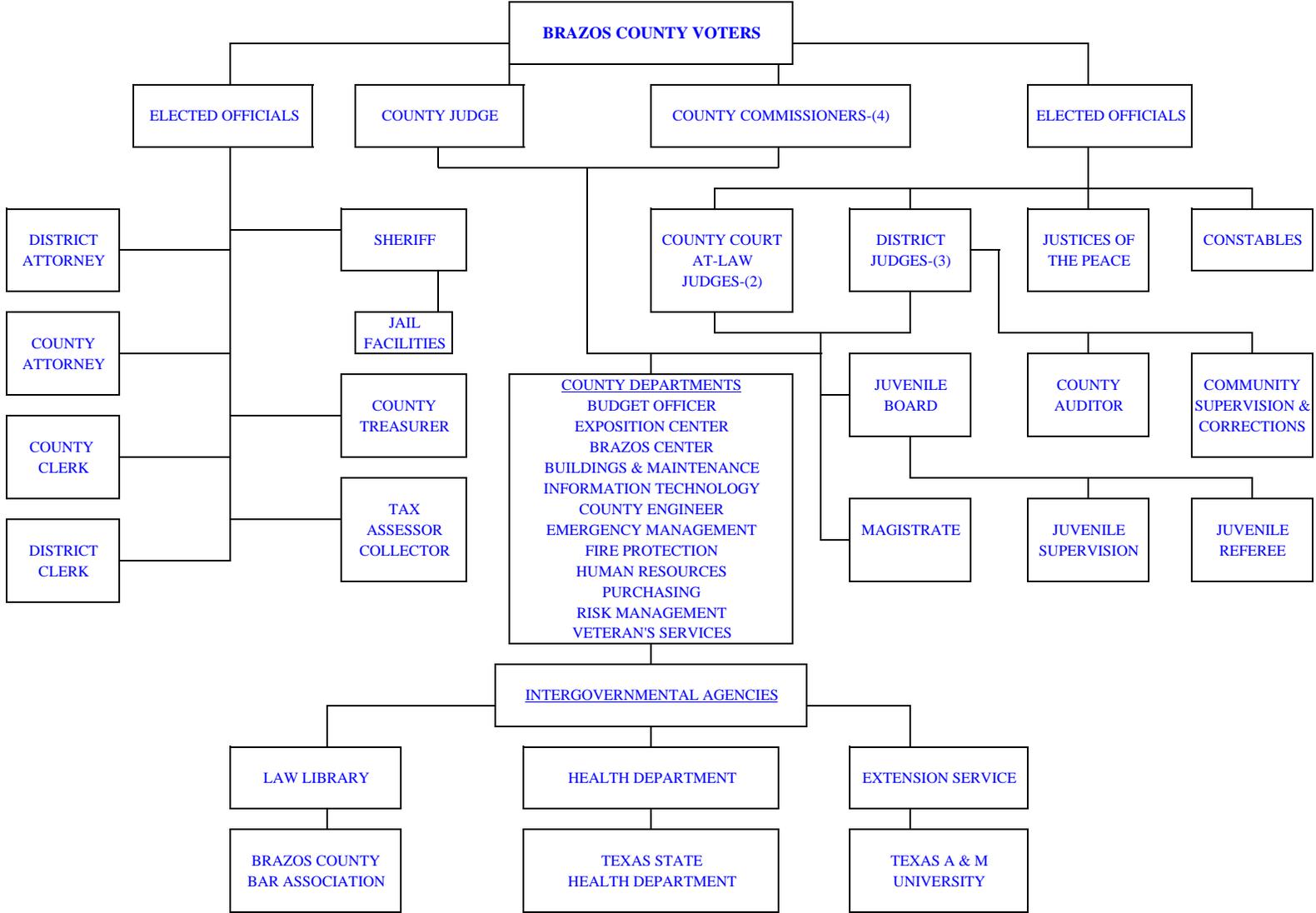
Kay Hamilton	Treasurer
Kristeen Roe*	Tax Assessor-Collector
Katie Conner *	Auditor

**Recording Offices:**

Karen McQueen	County Clerk
Marc Hamlin	District Clerk

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

# BRAZOS COUNTY ORGANIZATIONAL CHART





**F  
I  
N  
A  
N  
C  
I  
A  
L**

**S  
E  
C  
T  
I  
O  
N**





# 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, 2008, 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, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in

12

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

Melissa M. Suesh • Donald B. Browning • Diana K. Wagner • Rosanne P. Ely • Teja Templeton • Clayton A. Sheppard

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

The management's discussion and analysis, retirement system information and budgetary comparison information on pages 14 through 26 and 66 through 79, 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

March 20, 2009

Ingram, Wallis & Company

## **MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)** **For the Year Ending September 30, 2008**

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, 2008. 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, 2008 by \$123,409,641, and are reported as total net assets of the primary government. This is comparable to the previous year when assets exceeded liabilities by \$110,839,684.
- The government-wide total net assets increased \$12,569,957 during the fiscal year ending September 30, 2008. The increase can be attributed to governmental activities (\$12,496,485) and to business-type activities (\$73,472).
- Total net assets of the primary government are comprised of the following:

<u>Net Assets by Category</u>	<u>September 30, 2008</u>	<u>% to Total</u>	<u>September 30, 2007</u>	<u>% to Total</u>
Capital Assets, Net of Related Debt	21,611,253	18%	63,809,415	57%
Restricted Net Assets	6,420,810	5%	5,377,356	5%
Unrestricted Net Assets	95,377,578	77%	41,652,913	38%
Total Net Assets	<u>123,409,641</u>	<u>100%</u>	<u>110,839,684</u>	<u>100%</u>

#### **Fund Financial Statements**

- As of September 30, 2008, the County governmental funds reported combined fund balances of \$96,385,594. This reflects an increase of \$54,851,728 from the previous fiscal years, primarily due to the \$55,000,000 debt issuance for the jail expansion project. Approximately 88% of the combined fund balances at September 30, 2008 (\$85,047,923) 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 \$30,017,153 or 54% of the General Fund’s total expenditures and 49% of the revenues.
- The total fund balance for the nonmajor governmental funds was \$5,368,330 at September 30, 2008. Of this amount, \$3,581,524 is reserved for grant programs and the remaining \$1,786,806 is unreserved and designated for capital projects.

## **FINANCIAL HIGHLIGHTS (Continued)**

### **Long-Term Debt**

- The total debt retired during the year was \$3,445,000, or 7.5% of the existing debt at the beginning of the fiscal year.
- In May 2008, a limited tax bond of \$55,000,000 was issued for the jail expansion project.

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 fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

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, Capital Improvement 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 nonmajor governmental funds is provided in the form of combining schedules elsewhere in this report.

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

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

## 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 41-65 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 66-82 of this report.

**Combining and Individual Fund Schedules** provide information for nonmajor 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 83-134 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 \$123,409,641 for fiscal year 2008 and \$110,839,684 for fiscal year 2007.

### Condensed Statement of Net Assets September 30, 2008

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Current and other assets	\$ 111,365,385	\$ 445,216	\$ 111,810,601
Capital assets, net	120,019,090	10,243	120,029,333
Total assets	<u>231,384,475</u>	<u>455,459</u>	<u>231,839,934</u>
Current and other liabilities	9,957,911	54,302	10,012,213
Long-term liabilities	98,418,080	-	98,418,080
Total liabilities	<u>108,375,991</u>	<u>54,302</u>	<u>108,430,293</u>
Net assets:			
Invested in capital assets, net of related debt	21,601,010	10,243	21,611,253
Restricted net assets	6,420,810	-	6,420,810
Unrestricted net assets	94,986,664	390,914	95,377,578
Total net assets	<u>\$ 123,008,484</u>	<u>\$ 401,157</u>	<u>\$ 123,409,641</u>

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

### Condensed Statement of Net Assets September 30, 2007

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Current and other assets	\$ 61,147,288	\$ 341,609	\$ 61,488,897
Capital assets, net	109,954,382	12,558	109,966,940
Total assets	<u>171,101,670</u>	<u>354,167</u>	<u>171,455,837</u>
Current and other liabilities	14,432,146	26,482	14,458,628
Long-term liabilities	46,157,525	-	46,157,525
Total liabilities	<u>60,589,671</u>	<u>26,482</u>	<u>60,616,153</u>
Net assets:			
Invested in capital assets, net of related debt	63,796,857	12,558	63,809,415
Restricted net assets	5,377,356	-	5,377,356
Unrestricted net assets	41,337,786	315,127	41,652,913
Total net assets	<u>\$ 110,511,999</u>	<u>\$ 327,685</u>	<u>\$ 110,839,684</u>

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 \$95,377,578 (77% of the total net assets), which reflects an increase of \$53,724,665 over the prior year mainly because of the general obligation bond of \$55,000,000 issued for the jail expansion project in May 2008.

Another significant portion of the County's current fiscal year net assets reflects investment in capital assets (e.g. land, improvements, buildings, equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. 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 County's net assets invested in capital assets, net of related debt for fiscal year 2008 are \$21,611,253, which consists of 18% of the total net assets for the primary government. It decreased \$42,198,162 over the prior year, which is due primarily to the new debt issuance of \$55,000,000.

The remaining balance of \$6,420,810 represents resources that are subject to external restrictions on how they may be used, which consists of 15% of the total net assets of the County's governmental activities. The net increase of restricted net assets of \$1,043,454 is mainly due to the hotel occupancy taxes collection during the year, which is expected to be used for exposition center expansion and marketing in fiscal year 2009.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

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 \$12.6 million from the prior year, which consisted of a \$12,496,485 increase in governmental activities and \$73,472 increase in business-type activities.

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

**Condensed Statement of Activities  
For the Year Ended September 30, 2008**

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 11,112,812	\$ 468,890	\$ 11,581,702
Operating grants and contributions	3,579,957	-	3,579,957
Capital grants and contributions	3,129,863	-	3,129,863
General revenues:			
Property taxes	41,847,095	-	41,847,095
Sales taxes	11,396,068	-	11,396,068
Motor vehicle taxes	1,288,958	-	1,288,958
Mixed drink taxes	491,078	-	491,078
Hotel occupancy taxes	1,102,929	-	1,102,929
Unrestricted investment earnings	1,936,657	7,207	1,943,864
Total revenues	<u>75,885,417</u>	<u>476,097</u>	<u>76,361,514</u>
Expenses:			
General Government	15,690,144	-	15,690,144
Justice System	13,128,593	33,905	13,162,498
Law Enforcement	15,731,013	367,270	16,098,283
Juvenile Services	4,557,144	-	4,557,144
Public Transportation	5,410,967	-	5,410,967
Public Health	1,948,410	-	1,948,410
Human Services	4,028,992	-	4,028,992
Interest and Other Fees	2,895,119	-	2,895,119
Total expenses	<u>63,390,382</u>	<u>401,175</u>	<u>63,791,557</u>
Transfers	1,450	(1,450)	-
Change in net assets	12,496,485	73,472	12,569,957
Net assets - beginning	<u>110,511,999</u>	<u>327,685</u>	<u>110,839,684</u>
Net assets - ending	<u>\$123,008,484</u>	<u>\$ 401,157</u>	<u>\$ 123,409,641</u>

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Condensed Statement of Activities  
For the Year Ended September 30, 2007**

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 10,329,836	\$ 439,167	\$ 10,769,003
Operating grants and contributions	3,326,407	-	3,326,407
Capital grants and contributions	176,516	-	176,516
General revenues:			
Property taxes	37,131,017	-	37,131,017
Sales taxes	10,429,681	-	10,429,681
Motor vehicle taxes	1,217,804	-	1,217,804
Mixed drink taxes	440,482	-	440,482
Hotel occupancy taxes	84,594	-	84,594
Unrestricted investment earnings	3,021,597	11,397	3,032,994
Gain on sale of capital assets	111,290	2,000	113,290
Total revenues and transfers	<u>66,269,224</u>	<u>452,564</u>	<u>66,721,788</u>
Expenses:			
General Government	12,631,298	-	12,631,298
Justice System	11,522,627	40,144	11,562,771
Law Enforcement	14,054,470	318,321	14,372,791
Juvenile Services	4,288,459	-	4,288,459
Public Transportation	6,429,692	-	6,429,692
Public Health	2,148,409	-	2,148,409
Human Services	2,918,972	-	2,918,972
Interest and Other Fees	2,044,191	-	2,044,191
Total expenses	<u>56,038,118</u>	<u>358,465</u>	<u>56,396,583</u>
Transfers	5,000	(5,000)	-
Change in net assets	10,236,106	89,099	10,325,205
Net assets - beginning	<u>100,275,893</u>	<u>238,586</u>	<u>100,514,479</u>
Net assets - ending	<u>\$110,511,999</u>	<u>\$ 327,685</u>	<u>\$ 110,839,684</u>

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

### Revenue Analysis

For fiscal year ended September 30, 2008, revenues for the primary government totaled \$76,361,514. The revenues are categorized by activity type: governmental activities totaled \$75,885,417 and business-type activities totaled \$476,097.

Program revenues are derived from the program itself and thereby reduce the cost of the function to the County. Total program revenues were \$18,291,522, and 24% of total revenues. The largest portion of program revenues is charges for services of \$11,581,702 (15% of the total revenues). Of that \$11,112,812 is from governmental activities, which represents the fees collected by the tax collector, the clerks of the courts and other departments. The business-type charges for services were \$468,890, which represents primarily commissary sales to the inmates held in County jails. The other portions of program revenues are operating grants and contributions of \$3,579,957 received from various federal, state, and local agencies. During the year the County accepted the capital contributions of \$3,104,713 from the local developers and individuals and capital grants of \$25,150 from various federal, state and local agencies.

General revenues are revenues that cannot be assigned to a specific function. Property taxes were the largest revenue source for governmental activities and 55% of total revenues. The tax rate was \$0.4650 per \$100 of assessed value for fiscal year 2008 and \$0.4550 for fiscal year 2007. The assessed value increased in fiscal year 2008 to \$10,172,482,136 from the assessed value in the prior fiscal year of \$9,227,810,179. Besides the property taxes, the general revenues also consist of sales taxes, motor vehicle taxes, mixed drink taxes, hotel occupancy taxes, investment earnings and gain on sale of capital assets, which in total are 24% of the total revenues.

	<u>Year Ended</u> <u>September 30, 2008</u>		<u>Year Ended</u> <u>September 30, 2007</u>	
<b><u>Program Revenues</u></b>				
Charges for services - governmental	\$ 11,112,812	14.6%	\$ 10,329,836	15.4%
Charges for services - business-type	468,890	0.6%	439,167	0.7%
Operating grants and contributions	3,579,957	4.7%	3,326,407	5.0%
Capital grants and contributions	3,129,863	4.1%	176,516	0.3%
<b><u>General Revenues</u></b>				
Property taxes	41,847,095	54.8%	37,131,017	55.7%
Sales taxes	11,396,068	14.9%	10,429,681	15.6%
Motor vehicle taxes	1,288,958	1.7%	1,217,804	1.8%
Mixed drink taxes	491,078	0.6%	440,482	0.7%
Hotel occupancy taxes	1,102,929	1.4%	84,594	0.1%
Unrestricted investment earnings	1,943,864	2.6%	3,032,994	4.5%
Gain on sale of capital assets	-	0.0%	113,290	0.2%
<b>Total Revenues</b>	<b>\$ 76,361,514</b>	<b>100.0%</b>	<b>\$ 66,721,788</b>	<b>100.0%</b>

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

### Revenue Analysis (Continued)

In fiscal year of 2008, the County's revenues increased by \$9.6 million, or 14.4 percent. The key elements of this increase are as follows:

- Property tax revenue increased \$4.7 million mainly due to the Commissioners' Court approving a Maintenance and Operation tax rate that exceeded the effective tax rate by \$0.01 or 2.5 percent. In addition, there was a 10.2 percent increase in the County's taxable assessed property values.
- Capital grants and contributions increased \$3.0 million chiefly due to the roads contributed from local developers and individuals.
- The County's hotel occupancy tax is a new tax imposed effective September 1, 2007 for the promotion and expansion of the Exposition Center. In fiscal year 2008, the hotel occupancy tax collection increased \$1.0 million. The County's sales tax collection also increased \$1.0 million during the year.

### Expense Analysis

For the year ended September 30, 2008, the function and program costs for the primary government were \$63,390,382 for the governmental activities and \$401,175 for the business-type activities. A comparative overview of expenses for the County's primary government for the current and previous year is as follows:

	<u>Year Ended</u> <u>September 30, 2008</u>		<u>Year Ended</u> <u>September 30, 2007</u>	
<b><u>Function</u></b>				
General Government	\$15,690,144	24.7%	\$ 12,631,298	22.5%
Justice System	13,128,593	20.7%	11,522,627	20.6%
Law Enforcement	15,731,013	24.8%	14,054,470	25.1%
Juvenile Services	4,557,144	7.2%	4,288,459	7.7%
Public Transportation	5,410,967	8.5%	6,429,692	11.5%
Public Health	1,948,410	3.1%	2,148,409	3.8%
Human Services	4,028,992	6.4%	2,918,972	5.2%
Interest and Other Fees	2,895,119	4.6%	2,044,191	3.6%
<b>Total Governmental Activities</b>	<b>\$63,390,382</b>	<b>100.0%</b>	<b>\$ 56,038,118</b>	<b>100.0%</b>
<b><u>Business-Type Activities</u></b>				
County Attorney	33,905	8.5%	40,144	11.2%
Jail Commissary	367,270	91.5%	318,321	88.8%
<b>Total Business-Type Activities</b>	<b>\$ 401,175</b>	<b>100.0%</b>	<b>\$ 358,465</b>	<b>100.0%</b>

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

### **Expense Analysis (Continued)**

In fiscal year 2008, the County's expenses increased \$7.4 million or 13.0 percent. The key elements of the increase are as follows:

- Salaries and benefits increased \$3.4 million mainly due to the County-wide cost-of-living salary increase of 5.0 percent.
- Depreciation expense increased \$1.0 million as a result of the increase in the County's capital assets.
- The County reported a loss of \$1.6 million as a result of the annexation of roads by City of College Station.
- The operating expenses, including department support costs, healthcare costs, maintenance costs and minor requisition costs, increased \$0.5 million during the year.
- The \$0.8 million increase in interests and fees is directly related to the \$55,000,000 debt issuance in May 2008.

## **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, 2008, the County's governmental funds reported combined fund balances of \$96,385,594, an increase of \$54,851,728 or 132% in comparison with the prior year. The change was primarily due to the debt issuance of \$55,000,000 for the jail expansion project. Approximately \$85,047,923 (88%) 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 and the Court-designated corpus of the Health Endowment Fund (See page 48, Note 1-N).

### **The General Fund**

The General Fund is the chief operating fund of the County. At September 30, 2008, the General Fund reported revenues of \$61,740,630, an increase of \$4,185,945 or 7.3% over the prior year. The increase is due to a \$5,092,483 increase in ad valorem and sales taxes, an increase in charges for services of \$208,297, a decrease in intergovernmental revenues of \$140,753, a decrease in interest revenue of \$998,622 due to the interest rate drop and an increase of \$24,540 in other revenue.

Expenditures in the General Fund increased by approximately \$6,592,205 or about 13.5% over the prior year. Increases in the majority of functions are results of performance pay allowances and increased expenditures in different classifications as needed.

## **FINANCIAL ANALYSIS OF FUNDS (Continued)**

### **The Debt Service Fund**

The Debt Service Fund is used to account for receipts and disbursements of funds relating to the County's long-term bonded debt obligations. At the end of fiscal year 2008, the fund balance decreased \$77,249 or 2.7% from fiscal year 2007. This decrease represents the excess of debt-related expenditures over the realization of revenues. During the year ended September 30, 2008, the County retired principal on its outstanding bonded debt of \$3,445,000.

For fiscal year 2009 the County's debt service requirements for the governmental activities are \$3,540,000 in principal and \$4,098,157 in interest. Additional information is available to the readers in Note 8 (Long-Term Debt) to the Financial Statements.

### **The Jail Expansion Fund**

The County issued general obligation bonds of \$55,000,000 for the jail expansion project in May 2008. The 15,000 square foot project is to expand the current jail facility located on Sandy Point Road. The expansion will create a capacity of 960 beds, which should satisfy the County's needs until the population reaches about 218,000. The project started in February 2008 and is expected to be completed by 2011. At the end of fiscal year 2008, the total fund balance for the fund was \$53,243,964.

## **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, 2008, amounted to \$120,029,336 (net of accumulated depreciation) and at September 30, 2007 it was \$109,966,940. Depreciation on capital assets is recognized in the government-wide financial statements. Depreciation provided for the current fiscal period was \$3,235,284 as compared to \$2,264,211 for the year ended September 30, 2007.

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

- The County has completed the renovation of the County's Administration Building at a total cost of \$4.3 million. The Juvenile Portable Buildings, totaling \$1.1 million, were put in use during fiscal year 2008.
- The County has spent \$1.4 million on Jail Expansion project, which started in February 2008 and is expected to be completed by 2011. The estimated total cost of the project is about \$55 million.
- A total of \$3.1 million in land and infrastructure were donated to the County. These donated roads, sidewalks, and right-of-ways were built by developers when constructing new subdivisions and donated to the County for ongoing maintenance.

## CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

### Capital Assets (Continued)

- The County has lost \$1.6 million on land and infrastructure to City of College Station as a result of annexation.
- Approximately \$2.8 million in infrastructure were added during the year.

The County has elected to use the “Modified Approach” as defined by GASB 34 for reporting infrastructure assets, which include 472 miles of roads and 59 bridges. The County has adopted a minimum condition level of 80% for all County roads. In fiscal year 2008 over 98% of the County roads meet the targeted condition level. For the year ended September 30, 2008, the actual amounts of expense incurred for the annual maintenance and preservation of the roads and bridges at the targeted condition level is \$5.8 million and the amount estimated to be necessary for the purpose is \$6.9 million. The \$1.1 million variance is due to the delays in the acquisition of right-of-way, road preparation and weather delays.

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

	<b>Balance</b>	<b>Balance</b>
	<b>September 30, 2008</b>	<b>September 30, 2007</b>
<u>Governmental Activities:</u>		
Land	\$ 11,430,407	\$ 10,434,806
Construction in progress	4,043,382	2,043,763
Infrastructure	45,857,586	42,234,977
Buildings	62,432,942	58,007,245
Improvements other than buildings	5,273,157	5,157,558
Machinery and equipment	18,754,064	16,899,055
	<u>147,791,538</u>	<u>134,777,404</u>
Less: Accumulated depreciation	(27,772,448)	(24,823,022)
Governmental activities capital assets, net	<u>\$ 120,019,090</u>	<u>\$ 109,954,382</u>
<u>Business-type activities:</u>		
Machinery and equipment	\$ 13,893	\$ 13,893
	<u>13,893</u>	<u>13,893</u>
Less: Accumulated depreciation	(3,650)	(1,335)
Business-type activities capital assets, net	<u>\$ 10,243</u>	<u>\$ 12,558</u>

## **CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)**

### **Long-Term Debt**

At September 30, 2008, the County had total long-term debt outstanding of \$97,680,000 as compared to \$46,125,000 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 2008-2009 budget on September 19, 2008. The budget was adopted based on anticipated resources and estimated uses in fiscal year 2009. The total available resources for all funds are anticipated to be \$160,100,000. For the County's General Fund total resources are estimated to be \$74,300,000 including the appropriated fund balance of \$11,200,000.

For 2008-2009, the property tax rate will increase from \$0.4650 to \$0.4800 per \$100 valuation. For the past three years, the County has maintained an estimated collection rate of 98% on property taxes.

The unemployment rate for Brazos County for calendar year 2008 was 4.1%. This is an unfavorable increase from the prior year rate of 3.6%. However the number of people employed with Brazos County increased by 39 during the year.

### **REQUESTS FOR INFORMATION**

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



## **BASIC FINANCIAL STATEMENTS**

**BRAZOS COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2008**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 95,997,843	\$ 415,688	\$ 96,413,531
Investments	2,319,521	-	2,319,521
Prepaid Expenses	1,256,035	-	1,256,035
Receivables, net of allowance for uncollectible amounts			
Taxes	3,271,690	-	3,271,690
Accounts and Other	4,927,869	980	4,928,849
Inventories	761,239	26,086	787,325
Internal Balances	(2,462)	2,462	-
Restricted Assets			
Cash and Cash Equivalents	2,816,281	-	2,816,281
Receivables			
Taxes	6,549	-	6,549
Accounts and Other	10,820	-	10,820
Capital Assets (net of accumulated depreciation)			
Land	11,430,407	-	11,430,407
Buildings	48,271,987	-	48,271,987
Improvements Other than Buildings	1,213,678	-	1,213,678
Machinery and Equipment	9,202,050	10,243	9,212,293
Infrastructure	45,857,586	-	45,857,586
Construction in Progress	4,043,382	-	4,043,382
<b>TOTAL ASSETS</b>	<b>\$ 231,384,475</b>	<b>\$ 455,459</b>	<b>\$ 231,839,934</b>

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

**BRAZOS COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS - Continued**  
**September 30, 2008**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>TOTAL</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ 6,540,897	\$ 48,540	\$ 6,589,437
Accrued Salaries and Wages	1,366,665	2,903	1,369,568
Accrued Interest Payable	346,386	-	346,386
Unclaimed Funds	216,677	-	216,677
Unearned Revenue	723,334	-	723,334
Liabilities for Compensated Absences	763,952	2,859	766,811
Noncurrent Liabilities			
Due within one year	3,540,000	-	3,540,000
Due in more than one year	94,878,080	-	94,878,080
<b>TOTAL LIABILITIES</b>	<u>108,375,991</u>	<u>54,302</u>	<u>108,430,293</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	21,601,010	10,243	21,611,253
Restricted for:			
Debt Service	2,831,378	-	2,831,378
Booneville Cemetery	7,907	-	7,907
Exposition Center Expansion	1,144,829	-	1,144,829
Justice System Support	1,351,032	-	1,351,032
Law Enforcement Support	429,890	-	429,890
Other Purposes	655,774	-	655,774
Unrestricted	94,986,664	390,914	95,377,578
<b>TOTAL NET ASSETS</b>	<u>\$ 123,008,484</u>	<u>\$ 401,157</u>	<u>\$ 123,409,641</u>

**BRAZOS COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2008**

<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	\$ 15,690,144	\$ 2,317,212	\$ 27,668
Justice System	13,128,593	6,202,462	612,443
Law Enforcement	15,731,013	791,070	446,537
Juvenile Services	4,557,144	17,057	1,356,927
Public Transportation	5,410,967	1,220,213	333,597
Public Health	1,948,410	30,545	167,373
Human Services	4,028,992	534,253	635,412
Interest and Other Fees	2,895,119	-	-
Total Governmental Activities	<u>63,390,382</u>	<u>11,112,812</u>	<u>3,579,957</u>
Business-Type Activities:			
County Attorney	33,905	57,191	-
Jail Commissary	367,270	411,699	-
Total Business-Type Activities	<u>401,175</u>	<u>468,890</u>	<u>-</u>
Total Government	<u>\$ 63,791,557</u>	<u>\$ 11,581,702</u>	<u>\$ 3,579,957</u>

**General revenues:**

## Taxes:

Property taxes

Sales taxes

Motor vehicle taxes

Mixed drink taxes

Hotel occupancy taxes

Unrestricted investment earnings

## Transfers

Total general revenues and transfers

Change in net assets

Net assets-beginning

Net assets-ending

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

<b>Program Revenues</b>	<b>Net (Expense) Revenue and Changes in Net Assets</b>		
	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business - Type Activities</b>
\$ 3,104,713	\$ (10,240,551)	\$ -	\$ (10,240,551)
-	(6,313,688)	-	(6,313,688)
8,230	(14,485,176)	-	(14,485,176)
-	(3,183,160)	-	(3,183,160)
-	(3,857,157)	-	(3,857,157)
-	(1,750,492)	-	(1,750,492)
16,920	(2,842,407)	-	(2,842,407)
-	(2,895,119)	-	(2,895,119)
<u>3,129,863</u>	<u>(45,567,750)</u>	<u>-</u>	<u>(45,567,750)</u>
-	-	23,286	23,286
-	-	44,429	44,429
<u>-</u>	<u>-</u>	<u>67,715</u>	<u>67,715</u>
<u>\$ 3,129,863</u>	<u>(45,567,750)</u>	<u>67,715</u>	<u>(45,500,035)</u>
	41,847,095	-	41,847,095
	11,396,068	-	11,396,068
	1,288,958	-	1,288,958
	491,078	-	491,078
	1,102,929	-	1,102,929
	1,936,657	7,207	1,943,864
	1,450	(1,450)	-
	<u>58,064,235</u>	<u>5,757</u>	<u>58,069,992</u>
	12,496,485	73,472	12,569,957
	<u>110,511,999</u>	<u>327,685</u>	<u>110,839,684</u>
	<u>\$ 123,008,484</u>	<u>\$ 401,157</u>	<u>\$ 123,409,641</u>

**BRAZOS COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2008**

	<b>Major Funds</b>	
	<b>General</b>	<b>Debt Service</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 35,034,822	\$ 2,816,281
Investments	2,319,521	-
Prepaid Expenditures	259,323	-
Receivables:		
Taxes	2,621,660	193,900
Officials	249,213	6,581
Interest	56,846	4,239
Accounts	181,862	-
State	541,447	-
Federal	109,938	-
Due From Other Funds	111,025	-
Inventories	761,239	-
<b>TOTAL ASSETS</b>	<b>\$ 42,246,896</b>	<b>\$ 3,021,001</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts Payable	\$ 3,503,809	\$ -
Accrued Salary and Compensated Leave	1,448,105	-
Unclaimed Funds	-	-
Due To Other Funds	2,462	2,272
Deferred Revenues	2,350,598	187,351
<b>Total Liabilities</b>	<b>7,304,974</b>	<b>189,623</b>
Fund Balances:		
Reserved		
For Debt Service	-	2,831,378
For Prepaid Expenditures	259,323	-
For Inventories	761,239	-
For Vital Statistics	28,685	-
For Boonville Cemetery	7,907	-
For Research Valley	1,662,057	-
For Title IV-E	1,301,417	-
For Indigent Health Care	904,141	-
For Special Purpose Programs	-	-
Unreserved		
Designated for Capital Project Funds	-	-
Designated for Health Endowment Fund	2,755,728	-
Undesignated	27,261,425	-
<b>Total Fund Balances</b>	<b>34,941,922</b>	<b>2,831,378</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 42,246,896</b>	<b>\$ 3,021,001</b>

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

<u>Major Funds (Continued)</u> <u>Jail</u> <u>Expansion</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ 53,394,235	\$ 6,067,136	\$ 97,312,474
-	-	2,319,521
-	8,050	267,373
-	-	2,815,560
-	-	255,794
83,191	6,507	150,783
-	203,639	385,501
-	758,217	1,299,664
-	-	109,938
-	-	111,025
-	-	761,239
<u>\$ 53,477,426</u>	<u>\$ 7,043,549</u>	<u>\$ 105,788,872</u>
\$ 233,462	\$ 1,272,310	\$ 5,009,581
-	38,042	1,486,147
-	216,362	216,362
-	108,753	113,487
-	39,752	2,577,701
<u>233,462</u>	<u>1,675,219</u>	<u>9,403,278</u>
-	-	2,831,378
-	-	259,323
-	-	761,239
-	-	28,685
-	-	7,907
-	-	1,662,057
-	-	1,301,417
-	-	904,141
-	3,581,524	3,581,524
53,243,964	1,786,806	55,030,770
-	-	2,755,728
-	-	27,261,425
<u>53,243,964</u>	<u>5,368,330</u>	<u>96,385,594</u>
<u>\$ 53,477,426</u>	<u>\$ 7,043,549</u>	<u>\$ 105,788,872</u>

**BRAZOS COUNTY, TEXAS**  
**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**September 30, 2008**

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

<b>Total fund balances--governmental funds</b>		<b>\$ 96,385,594</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		120,019,090
Certain receivables are not available and, therefore, are deferred in governmental funds.		3,064,492
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.		1,261,778
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.		831,953
Liabilities for compensated absences are due within one year but are not reported as liabilities in the funds.		(763,952)
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	(15,958)	
Bonds payable	(97,680,000)	
Deferred charge for issuance cost (to be amortized as interest expense)	988,663	
Issuance premium (to be amortized as interest expense)	(736,790)	
Accrued interest payable	(346,386)	
	<u>                    </u>	<u>(97,790,471)</u>
<b>Total net assets--governmental activities</b>		<b>\$ <u>123,008,484</u></b>

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, 2008**

	<b>Major Funds</b>	
	<b>General</b>	<b>Debt Service</b>
<b>REVENUES</b>		
Taxes	\$ 47,949,177	\$ 5,692,380
Charges for Services	10,419,960	-
Intergovernmental	1,732,447	-
Interest	1,148,574	368,070
Other Revenue	490,472	-
<b>TOTAL REVENUES</b>	<b>61,740,630</b>	<b>6,060,450</b>
<b>EXPENDITURES</b>		
Current		
General Government	11,356,310	-
Justice System	12,551,753	-
Law Enforcement	14,157,337	-
Juvenile Services	3,526,743	-
Public Transportation	5,836,721	-
Public Health	1,928,564	-
Human Services	3,007,396	-
Capital Outlay	2,922,823	-
Debt Service		
Principal Retirement	-	3,445,000
Interest and Other Fees	-	2,692,699
<b>TOTAL EXPENDITURES</b>	<b>55,287,647</b>	<b>6,137,699</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,452,983</u>	<u>(77,249)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Debt Issuance	-	-
Transfers In	791,475	-
Transfers Out	(4,283,312)	-
Sale of Capital Assets	96,557	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,395,280)</b>	<b>-</b>
Net Change in Fund Balances	3,057,703	(77,249)
<b>FUND BALANCES, OCTOBER 1</b>	<b>31,884,219</b>	<b>2,908,627</b>
<b>FUND BALANCES, SEPTEMBER 30</b>	<b>\$ 34,941,922</b>	<b>\$ 2,831,378</b>

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

<u>Major Funds (Continued)</u> <u>Jail</u> <u>Expansion</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ 1,104,105	\$ 54,745,662
-	613,789	11,033,749
-	1,872,658	3,605,105
327,573	92,440	1,936,657
-	-	490,472
<u>327,573</u>	<u>3,682,992</u>	<u>71,811,645</u>
-	338,798	11,695,108
-	386,209	12,937,962
41,226	599,226	14,797,789
-	848,929	4,375,672
-	305,593	6,142,314
-	-	1,928,564
-	214,734	3,222,130
1,421,764	6,354,179	10,698,766
-	-	3,445,000
-	-	2,692,699
<u>1,462,990</u>	<u>9,047,668</u>	<u>71,936,004</u>
<u>(1,135,417)</u>	<u>(5,364,676)</u>	<u>(124,359)</u>
55,000,000	-	55,000,000
-	4,781,997	5,573,472
(620,619)	(790,024)	(5,693,955)
-	13	96,570
<u>54,379,381</u>	<u>3,991,986</u>	<u>54,976,087</u>
53,243,964	(1,372,690)	54,851,728
-	6,741,020	41,533,866
<u>\$ 53,243,964</u>	<u>\$ 5,368,330</u>	<u>\$ 96,385,594</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, 2008**

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

<b>Net change in fund balances--total governmental funds</b>	<b>\$</b>	<b>54,851,728</b>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount that expenditures for capital outlay exceeded depreciation expense.</p>		
Capital outlay	12,126,087	
Acceptance of subdivision roads from other governmental entity	2,747,251	
Roads annexed by other governmental entity	(1,575,658)	
Depreciation expense	<u>(3,232,969)</u>	
		10,064,711
<p>Revenues and contributed assets in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(493,433)
<p>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.</p>		
		(67,634)
<p>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.</p>		
		(51,700,031)
<p>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.</p>		
		<u>(158,856)</u>
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>12,496,485</u></b>

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, 2008**

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney	Jail Commissary	Totals	Internal Service Fund
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 67,295	\$ 348,393	\$ 415,688	\$ 1,501,650
Accounts Receivable	-	980	980	13,973
Inventories	-	26,086	26,086	-
Due From Other Funds	2,410	52	2,462	-
<b>Total Current Assets</b>	<b>69,705</b>	<b>375,511</b>	<b>445,216</b>	<b>1,515,623</b>
<b>Noncurrent Assets</b>				
Property, Plant and Equipment	-	13,893	13,893	-
Less: Accumulated Depreciation	-	(3,650)	(3,650)	-
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>10,243</b>	<b>10,243</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>69,705</b>	<b>385,754</b>	<b>455,459</b>	<b>1,515,623</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	-	48,540	48,540	677,249
Accrued Salaries and Wages	879	2,024	2,903	-
Liability for Compensated Absences	-	2,859	2,859	-
Deferred Revenues	-	-	-	6,421
<b>TOTAL LIABILITIES</b>	<b>879</b>	<b>53,423</b>	<b>54,302</b>	<b>683,670</b>
<b>NET ASSETS</b>				
Invested in Capital Assets	-	10,243	10,243	-
Unrestricted	68,826	322,088	390,914	831,953
<b>TOTAL NET ASSETS</b>	<b>\$ 68,826</b>	<b>\$ 332,331</b>	<b>\$ 401,157</b>	<b>\$ 831,953</b>

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, 2008**

	<b>Business - Type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>County Attorney</b>	<b>Jail Commissary</b>	<b>Totals</b>	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 47,591	\$ -	\$ 47,591	\$ -
Commissary Sales	-	407,754	407,754	-
Employee Dependents	-	-	-	1,026,524
Self Pays	-	-	-	15,815
Excess Risk Benefits	-	-	-	83,680
Participant Payments	-	-	-	236,726
Brazos County	-	-	-	3,975,070
Retirees	-	-	-	120,427
Other Revenue	9,600	3,945	13,545	-
<b>TOTAL OPERATING REVENUES</b>	<b>57,191</b>	<b>411,699</b>	<b>468,890</b>	<b>5,458,242</b>
<b>OPERATING EXPENSES</b>				
Personnel Services	31,890	83,116	115,006	-
Departmental Support	1,767	61,270	63,037	-
Cost of Goods Sold	-	196,397	196,397	-
Repairs & Maintenance	248	-	248	-
Life Insurance	-	-	-	33,197
Stop Loss Premiums	-	-	-	817,244
Benefit Claims	-	-	-	4,548,797
Administrative Fees	-	-	-	351,088
Professional Services	-	24,172	24,172	23,000
Depreciation	-	2,315	2,315	-
<b>TOTAL OPERATING EXPENSES</b>	<b>33,905</b>	<b>367,270</b>	<b>401,175</b>	<b>5,773,326</b>
<b>OPERATING INCOME (LOSS)</b>	<b>23,286</b>	<b>44,429</b>	<b>67,715</b>	<b>(315,084)</b>
<b>NONOPERATING REVENUES</b>				
Interest	-	7,207	7,207	34,294
<b>TOTAL NONOPERATING REVENUES</b>	<b>-</b>	<b>7,207</b>	<b>7,207</b>	<b>34,294</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>23,286</b>	<b>51,636</b>	<b>74,922</b>	<b>(280,790)</b>
Transfers In	-	-	-	121,934
Transfers Out	(1,450)	-	(1,450)	-
<b>CHANGE IN NET ASSETS</b>	<b>21,836</b>	<b>51,636</b>	<b>73,472</b>	<b>(158,856)</b>
<b>TOTAL NET ASSETS - OCTOBER 1</b>	<b>46,990</b>	<b>280,695</b>	<b>327,685</b>	<b>990,809</b>
<b>TOTAL NET ASSETS - SEPTEMBER 30</b>	<b>\$ 68,826</b>	<b>\$ 332,331</b>	<b>\$ 401,157</b>	<b>\$ 831,953</b>

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, 2008**

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney	Jail Commissary	Totals	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 59,731	\$ 411,383	\$ 471,114	\$ 1,397,108
Receipts from interfund services provided	-	-	-	3,975,070
Payments to contractors and vendors	(2,015)	(259,963)	(261,978)	(1,729,644)
Claims paid	-	-	-	(3,829,557)
Payments to employees for services	(32,144)	(82,596)	(114,740)	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>25,572</u>	<u>68,824</u>	<u>94,396</u>	<u>(187,023)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from General Fund	-	-	-	121,934
Transfers to General Fund	(1,450)	-	(1,450)	-
<b>NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(1,450)</u>	<u>-</u>	<u>(1,450)</u>	<u>121,934</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	-	7,578	7,578	37,525
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>-</u>	<u>7,578</u>	<u>7,578</u>	<u>37,525</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	24,122	76,402	100,524	(27,564)
<b>CASH AND CASH EQUIVALENTS, OCTOBER 1</b>	43,173	271,991	315,164	1,529,214
<b>CASH AND CASH EQUIVALENTS, SEPTEMBER 30</b>	<u>\$ 67,295</u>	<u>\$ 348,393</u>	<u>\$ 415,688</u>	<u>\$ 1,501,650</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 23,286	\$ 44,429	\$ 67,715	\$ (315,084)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	-	2,315	2,315	-
(Increase) Decrease in accounts receivable	-	(334)	(334)	9,872
Decrease in due from other funds	2,180	18	2,198	-
(Increase) in inventory	-	(5,318)	(5,318)	-
Increase in accounts payable	-	27,194	27,194	118,152
Increase in accrued salaries and compensated absences	106	520	626	-
Increase in deferred revenues	-	-	-	37
Total adjustments	<u>2,286</u>	<u>24,395</u>	<u>26,681</u>	<u>128,061</u>
Net cash provided by operating activities	<u>\$ 25,572</u>	<u>\$ 68,824</u>	<u>\$ 94,396</u>	<u>\$ (187,023)</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, 2008**

<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 4,485,783
Investments	1,233,860
Accounts Receivable	429
<b>TOTAL ASSETS</b>	<u>5,720,072</u>
<b>LIABILITIES</b>	
Accounts Payable	429
Funds Held in Trust	5,719,643
<b>TOTAL LIABILITIES</b>	<u>\$ 5,720,072</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, 2008**

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

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

## 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, 2008:

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.

Jail Expansion 2007 – This fund is established to account for the construction of the expanded jail facility.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **D. Fund Level Financial Statements (Continued)**

#### ***Proprietary Funds***

Proprietary funds are used to account for operations that are financed in a manner similar to those in the private sector, where the determination of net income is appropriate for sound financial administration. The County reports one internal service fund and two enterprise funds, 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.

#### ***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. 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).

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **G. 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.

### **H. Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1 of a given year. Taxes levied on October 1 are payable by January 31 of the following year, and by statute become delinquent on February 1 at which time they begin accruing penalty and interest. The enforceable legal claim date for property taxes is the assessment date and therefore the County did not record a receivable for taxes assessed after September 30, 2008. 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, 2008, the tax rate to finance general governmental services was \$0.4030 per \$100.00 valuation. The tax rate for the payment of principal and interest on long-term debt was \$0.0620 per \$100.00 valuation. Under provisions adopted by the State, the maximum rate that can be set to service governmental services is \$0.80 per \$100 of assessed value.

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

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

### **I. Inventories and Prepaid Items**

Payments made to vendors for services that will benefit periods beyond September 30, 2008, 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.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **J. 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.

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

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

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

### **K. Compensated Absences**

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

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **K. Compensated Absences (Continued)**

All employees except temporary employees of the County are granted vacation benefits in varying annual amounts up to a maximum allowable accumulation of 240 hours. Sick leave benefits are earned by all employees except temporary employees at a rate up to twelve days per year and may be accumulated without limit. In the event of termination, an employee is entitled to receive accumulated vacation pay but not the accumulated sick leave pay. The vacation payable is accrued as “liability for compensated absences” in the government-wide statements at year-end. It is classified as a current liability because the County’s policy requires that the vacation hours accumulated from the previous year must be used up first in the current year so that the maturity of the liability won’t exceed one year.

### **L. 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.

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

### **M. 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.

### **N. 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 \$215,000 for anticipated program needs during the 2008-2009 fiscal year and has designated \$540,728 available for future programs.

## NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. Budgetary Policy and Procedures

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

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

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

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

## NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

### A. Budgetary Policy and Procedures (Continued)

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

	Original Budgeted Expenditures and Other Financing Uses	Supplemental Appropriations	Original As Amended
General Fund	\$ 63,324,447	\$ 3,664,467	\$ 66,988,914
Special Revenue	5,517,276	491,357	6,008,633
Debt Service	8,429,000	-	8,429,000
Capital Projects	62,791,420	1,152,907	63,944,327
Totals	<u>\$ 140,062,143</u>	<u>\$ 5,308,731</u>	<u>\$ 145,370,874</u>

### B. Excess of Expenditures Over Appropriations

During the year ended September 30, 2008, the County had an excess of expenditures over appropriations in Grant Funds. It was noted during year-end review that an annual software license expenditure of \$42,732 should have been appropriately accrued at the end of the year.

## NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

### A. Cash and Cash Equivalents

Chapter 2257 of the Texas Government Code, also known as the Public Funds Collateral Act, provides guidelines for the amount of collateral that is required to secure the deposit of public funds. It requires that the deposit of public funds be collateralized in an amount not less than the total deposit, reduced by the amount of Federal Depository insurance (FDIC) available. The County’s depository agreement with Citibank requires collateralization with a fair market value equal to at least 102 percent of County funds in excess of \$100,000 on deposit in the bank. At September 30, 2008, the carrying amounts of the County’s deposits were \$103,684,768, reported as “Cash and Cash Equivalents” on the balance sheets.

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

#### B. Investments

The County is authorized to invest its funds in accordance with the Texas Public Funds Act, Government Code Chapter 2256 and its subsequent amendments. The County's investment policy is strictly based on the State law. During the year ended September 30, 2008, County investments consisted of participation in TexPool solely. TexPool is a local government investment pool under the oversight of the State Comptroller of Public Accounts of Texas.

*Interest-Rate Risk.* TexPool's portfolio has low interest rate risk due to restrictions on weighted average maturity and maximum maturity of any one investment. It maintains the weighted average maturity at sixty (60) days or less and no security will exceed thirteen (13) months in maturity.

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

Investments at September 30, 2008 are as follows:

Pooled Investments	\$ 2,319,521
Property	<u>1,233,860</u>
Total Investments	<u>\$ 3,553,381</u>

The \$2,319,521 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 nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General	Debt Service	Jail Expansion	Nonmajor	Internal Service	Fiduciary	Total
Taxes	\$ 2,363,693	\$ 202,079	\$ -	\$ -	\$ -	\$ -	\$ 2,565,772
Penalty & Interest - Taxes	937,818	111,578	-	-	-	-	1,049,396
Court Fines & Fees	10,776,714	-	-	-	-	-	10,776,714
Interest	56,846	4,239	83,191	6,507	2,150	-	152,933
Accounts	1,082,460	6,581	-	961,856	11,823	429	2,063,149
Gross Receivables	<u>15,217,531</u>	<u>324,477</u>	<u>83,191</u>	<u>968,363</u>	<u>13,973</u>	<u>429</u>	<u>16,607,964</u>
Less:							
Allowance	<u>(8,354,275)</u>	<u>(36,332)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,390,607)</u>
Net Receivable	<u>\$ 6,863,256</u>	<u>\$ 288,145</u>	<u>\$ 83,191</u>	<u>\$ 968,363</u>	<u>\$ 13,973</u>	<u>\$ 429</u>	<u>\$ 8,217,357</u>

## NOTE 5 – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2008 was as follows:

	Balance at October 1, 2007	Additions	Deletions & Adjustments	Balance at September 30, 2008
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 10,434,806	\$ 1,098,227	\$ (102,626)	\$ 11,430,407
Construction in progress	2,043,763	7,484,690	(5,485,071)	4,043,382
Infrastructure	42,234,977	5,091,640	(1,469,031)	45,857,586
Total capital assets, not being depreciated	<u>54,713,546</u>	<u>13,674,557</u>	<u>(7,056,728)</u>	<u>61,331,375</u>
Capital assets, being depreciated:				
Buildings	58,007,245	-	4,425,697	62,432,942
Improvements other than buildings	5,157,558	-	115,599	5,273,157
Machinery and equipment	16,899,055	1,724,572	130,437	18,754,064
Total capital assets, being depreciated	<u>80,063,858</u>	<u>1,724,572</u>	<u>4,671,733</u>	<u>86,460,163</u>
Less accumulated depreciation for:				
Buildings	(12,684,042)	(1,483,320)	6,407	(14,160,955)
Improvements other than buildings	(3,866,463)	(221,693)	28,677	(4,059,479)
Machinery and equipment	(8,272,517)	(1,527,956)	248,459	(9,552,014)
Total accumulated depreciation	<u>(24,823,022)</u>	<u>(3,232,969)</u>	<u>283,543</u>	<u>(27,772,448)</u>
Total capital assets, being depreciated, net	<u>55,240,836</u>	<u>(1,508,397)</u>	<u>4,955,276</u>	<u>58,687,715</u>
Governmental activities capital assets, net	<u>\$ 109,954,382</u>	<u>\$ 12,166,160</u>	<u>\$ (2,101,452)</u>	<u>\$ 120,019,090</u>
<u>Business-type activities:</u>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 13,893	\$ -	\$ -	\$ 13,893
Total capital assets, being depreciated	<u>13,893</u>	<u>-</u>	<u>-</u>	<u>13,893</u>
Less accumulated depreciation for:				
Machinery and equipment	(1,335)	(2,315)	-	(3,650)
Total accumulated depreciation	<u>(1,335)</u>	<u>(2,315)</u>	<u>-</u>	<u>(3,650)</u>
Total capital assets, being depreciated, net	<u>12,558</u>	<u>(2,315)</u>	<u>-</u>	<u>10,243</u>
Business-type activities capital assets, net	<u>\$ 12,558</u>	<u>\$ (2,315)</u>	<u>\$ -</u>	<u>\$ 10,243</u>

## NOTE 5 – CAPITAL ASSETS (Continued)

Depreciation expense for FY 2008 was charged to functions as follows:

Governmental Activities:	
General Government	\$ 617,379
Justice System	190,538
Law Enforcement	993,581
Juvenile Services	202,669
Public Transportation	401,401
Public Health	19,846
Human Services	807,555
	<hr/>
Total depreciation expense - governmental activities	\$ 3,232,969
	<hr/> <hr/>

## NOTE 6 – RESTRICTED ASSETS AND LIABILITIES

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

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 various terms. These leases are for office space and ground storage having minimum annual lease payments of \$185,876. At September 30, 2008, the County had entered into two lease arrangements with outside non-profit entities to provide space within the Brazos Center, a public facility owned by the County. The County's lease arrangement with the Brazos Valley Museum, provides the Museum with space at \$1,248 annually. The lease is a 50-year lease expiring in 2040. The County also provides the office space for Junior Service League of Bryan/College Station at \$7,800 per year with a lease agreement renewable every two years. The current lease was renewed on June 1<sup>st</sup>, 2007. The County has also purchased property with an existing lease, allowing Lamar Companies to set up billboards on the County's property at \$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. Expenditures for these operating leases were \$112,703 in 2008. The County has also entered into one non-cancelable operating lease for facility rental with a 5-year term. Expenditures for this lease were \$13,568 in 2008. The future minimum lease payments for these leases are as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2009	\$ 124,224
2010	116,950
2011	90,948
2012	69,552
2013	<u>38,436</u>
Total	<u>\$ 440,110</u>

**B. Capital Leases**

The County currently has two capital lease agreements for the purchase of one electronic monitoring system and one metal detector. Payments during the fiscal year ended September 30, 2008 totaled \$16,164. Interest rates are 10% per annum for the electronic monitoring system and 8.5% per annum for the metal detector. The following is a summary of capital lease transactions for the year ended September 30, 2008:

<b><u>Governmental Activities:</u></b>	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>			<u>Balance</u>	<u>One Year</u>
Capital Leases	\$ 29,788	-	13,830	\$ 15,958	\$ 14,668

As of September 30, 2008, the County had recorded equipment under capital lease obligations of approximately \$16,904, net of accumulated depreciation.

<b><u>Asset Under Capital Lease:</u></b>	<b><u>Governmental</u></b>
	<b><u>Activities</u></b>
Equipment	\$ 123,840
Less: Accumulated Depreciation	<u>(106,936)</u>
Total	<u>\$ 16,904</u>

Future minimum payments, including interest under this capital lease are:

2009	\$ 15,604
2010	1,300
Total Minimum Lease Payments	<u>16,904</u>
Less Amount Representing Interest	<u>(946)</u>
Total Present Value of Net Minimum Lease Payment	<u>\$ 15,958</u>

## NOTE 8 - LONG-TERM DEBT

The following are debt issues with activity or outstanding balances at September 30, 2008:

Description	Original Amount	Interest Rates (%)	Year of Issue	Year of Maturity	Outstanding at 9/30/08
<u>Certificates of Obligation</u>					
Series 1998 - Various	10,000,000	4.63	1998	2013	4,900,000
Series 2001 - Judicial Software	1,000,000	3.4 - 5.5	2001	2009	125,000
Series 2002 - Various	2,995,000	2.8 - 3.85	2002	2013	1,045,000
Series 2003 - Various	10,000,000	2.5 - 4.55	2003	2023	8,120,000
Series 2004 - Various	5,000,000	2.6 - 4.55	2004	2024	4,605,000
Series 2005 - Various	2,750,000	3.25 - 3.75	2005	2015	2,015,000
<u>Limited Tax Refunding Bonds</u>					
Series 2005 - Debt Refunding	6,005,000	4.0	2005	2016	5,185,000
<u>Limited Tax Bond</u>					
Series 2008 - Jail Expansion	55,000,000	3.25 - 5.0	2008	2028	55,000,000
<u>General Obligation Bonds</u>					
Series 2001 - Exposition Center	8,000,000	4.3 - 6.5	2001	2021	6,610,000
Series 2005 - Exposition Center	10,500,000	4.0 - 6.0	2005	2025	10,075,000
Total Certificate of Obligation and Bonds Payable					<u>\$ 97,680,000</u>

Activity for long-term debt of the County for the year ended September 30, 2008 was as follows:

Description	Balance Outstanding 10/1/2007	Issued During Year	Retired During Year	Balance Outstanding 9/30/2008	Amount Due Within One Year
<u>Certificates of Obligation</u>					
Series 1998 - Various	\$ 5,865,000	\$ -	\$ 965,000	\$ 4,900,000	\$ 1,030,000
Series 2001 - Judicial Software	250,000	-	125,000	125,000	125,000
Series 2002 - Various	1,315,000	-	270,000	1,045,000	230,000
Series 2003 - Various	8,530,000	-	410,000	8,120,000	420,000
Series 2004 - Various	4,805,000	-	200,000	4,605,000	205,000
Series 2005 - Various	2,270,000	-	255,000	2,015,000	260,000
<u>Limited Tax Refunding Bonds</u>					
Series 2005 - Debt Refunding	5,715,000	-	530,000	5,185,000	555,000
<u>Limited Tax Bond</u>					
Series 2008 - Jail Expansion	-	55,000,000	-	55,000,000	-
<u>General Obligation Bonds</u>					
Series 2001 - Exposition Center	6,975,000	-	365,000	6,610,000	380,000
Series 2005 - Exposition Center	10,400,000	-	325,000	10,075,000	335,000
Total Certificate of Obligation and Bonds Payable	<u>\$ 46,125,000</u>	<u>\$ 55,000,000</u>	<u>\$ 3,445,000</u>	<u>\$ 97,680,000</u>	<u>\$ 3,540,000</u>

**NOTE 8 - LONG-TERM DEBT (Continued)**

Annual debt service requirements as of September 30, 2008 are as follows:

Fiscal Year	Principal	Interest	Total
2009	\$ 3,540,000	\$ 4,098,157	\$ 7,638,157
2010	4,320,000	3,947,933	8,267,933
2011	4,640,000	3,768,261	8,408,261
2012	5,290,000	3,577,024	8,867,024
2013	5,485,000	3,387,511	8,872,511
2014-2018	25,385,000	13,999,474	39,384,474
2019-2023	26,655,000	8,838,001	35,493,001
2024-2028	22,365,000	3,013,364	25,378,364
Totals	<u>\$ 97,680,000</u>	<u>\$ 44,629,725</u>	<u>\$ 142,309,725</u>

**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 liquidated its arbitrage rebate liability of \$98,864 in December, 2008.

**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 vacation hours earned but not taken. It is reported as a current liability to the County in the governmental-wide financial statements.

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, 2008, were as follows:

	Balance Outstanding September 30, 2007	Earned	Taken/ Paid	Balance Outstanding September 30, 2008	Amount Due Within One Year
Governmental Activities	\$ 696,318	\$ 1,605,033	\$ (1,537,399)	\$ 763,952	\$ 763,952
Business-type Activities	2,953	2,495	(2,589)	2,859	2,859
Total	<u>\$ 699,271</u>	<u>\$ 1,607,528</u>	<u>\$ (1,539,988)</u>	<u>\$ 766,811</u>	<u>\$ 766,811</u>

**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, 2008:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 2,462	\$ 111,025
Debt Service Fund	2,272	
Nonmajor Governmental Funds	108,753	-
County Attorney Enterprise Fund	-	2,410
Jail Commissary Enterprise Fund	-	52
Total	<u>\$ 113,487</u>	<u>\$ 113,487</u>

The summary of the County’s transfers for the year ended September 30, 2008 is as follows:

	<u>Transfer In:</u>			
	General	Internal	Nonmajor	Total
	Fund	Service Fund	Governmental Funds	
<u>Transfer Out:</u>				
General Fund	\$ -	\$ 121,934	\$ 4,161,378	\$ 4,283,312
Nonmajor Governmental Funds	790,025	-	-	790,025
County Attorney Enterprise Fund	1,450	-	-	1,450
Jail Expansion Fund	-	-	620,619	620,619
	<u>\$ 791,475</u>	<u>\$ 121,934</u>	<u>\$ 4,781,997</u>	<u>\$ 5,695,406</u>

The General Fund transferred out a net of \$4,161,378 to the Capital Improvement Fund and other nonmajor governmental funds for anticipated expenditures in various capital improvements, grant matching and other requirements. It also transferred \$121,934 to the Internal Service Fund to cover higher than anticipated increase in health care costs. \$169,406 was transferred to the General Fund from various nonmajor governmental funds due to the fund closeouts. The General Fund also received a transfer of \$1,450 from the County Attorney Enterprise Fund as a support in expenditure. In addition, \$620,619 were transferred from Jail Expansion Fund to Capital Improvement Fund and then to General Fund for the reimbursement of the expenditure incurred on Jail Expansion that was paid out of General Fund before the bond issuance.

**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.

**NOTE 11 – RISK MANAGEMENT (Continued)**

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 \$3,929,717, and \$3,919,801 for 2008 and 2007 respectively. At September 30, 2008, the County had accrued \$564,885 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.

Changes in the balances of unpaid liability during fiscal years 2007 and 2008 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>
2007	\$359,959	3,919,801	3,815,035	464,725
2008	464,725	3,929,717	3,829,557	564,885

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, 2008, all claims against the County had been paid or accrued for payment, or the County’s underwriter had accepted responsibility for the claim.

## **NOTE 11 – RISK MANAGEMENT (Continued)**

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

## **NOTE 12 - RETIREMENT PLAN**

### **A. Plan Description**

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

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

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

### **B. Funding Policy**

Brazos County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. Brazos County contributed using the actuarially determined rate of 11.80% for fiscal year 2008. For 2008, the County’s rate is anticipated to remain the same. The employee’s member contribution rate remained at 7.00% for 2008.

**NOTE 12 - RETIREMENT PLAN (Continued)**

**C. Annual Pension Cost**

For the County's fiscal year ending September 30, 2008, the County's annual pension cost for the TCDRS plan for its employees was \$3,098,290. The County's annual required contributions were \$3,098,290, and the County's actual contributions were \$3,098,290. The County's annual pension cost for the fiscal year ended September 30, 2007, was \$2,761,603. The annual required contribution for 2008 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, 2005, and December 31, 2006, which is the basis for determining the contribution rate for calendar year 2007 and 2008 respectively. The December 31, 2007 actuarial valuation is the most recent valuation.

Actuarial valuation date	<u>12/31/05</u>	<u>12/31/06</u>	<u>12/31/07</u>
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	16.5 years	12.8 years	11.1 years
Asset valuation method	Long-term appreciation with adjustment	SAF: 10-year smoothed value ESF: Fund Value	SAF: 10-year smoothed value ESF: Fund value
Actuarial assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.3%	5.3%
Includes inflation at	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension 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
09/30/07	\$ 2,761,603	100%	None
09/30/08	\$ 3,098,290	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, 2008, 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 full-time employees that normally work 2,080 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. Employees who retire after January 1, 2007 with eight years of cumulative service may have their premiums paid by the County. 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 2008 totaled \$409,617. At September 30, 2008, there were 89 retirees receiving benefits and 61 employees that qualify for retirement and health related benefits.

### **C. Deferred Compensation**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, as amended, is available to all employees, and permits them to defer a portion of their salary until future years. The Plan funds are not available to employees until termination, retirement, death, or emergency. Brazos County is not the Plan administrator or the trustee, therefore the assets of the Plan are not a reportable fund within the County's financial statements.

## **NOTE 14 - COMMITMENTS AND CONTINGENCIES**

### **A. Construction Contracts**

The County has contracted with Turner Construction and Greenway Construction for the expansion of the jail facility. The expansion project started in February, 2008 and is expected to be completed by February, 2011. The County has spent \$2 million on the expansion as of the end of the fiscal year, and the remaining commitment to contractors totals \$53 million. The 15,000 square foot project is to expand the current jail facility located on Sandy Point Road. The expansion will create a capacity of 960 beds, which should satisfy the County's needs until the population reaches about 218,000.

**NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)**

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

As of September 30, 2008, 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.

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 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, 2008:

Zone	Base Value	Captured Value	Tax Rate*	Captured Tax Revenue
<b>Wolf Pen Creek Corridor</b>				
2008	\$ 18,502,607	\$ 56,077,343	0.4650	\$ 226,247
2007	18,502,607	50,133,589	0.4550	196,932
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

**NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)**

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

*City of Bryan*

Brazos County has entered into three inter-local agreements with the City of Bryan to create Reinvestment Zone Number Eight -“Park Hudson”, Reinvestment Zone Number Ten – “Traditions” and Reinvestment Zone Number Nineteen – “Burton Creek”. 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 122-acre Burton Creek zone is located on the east side of the City of Bryan and is scheduled for 8 years of County participation starting from fiscal year 2008. The following is a schedule of relevant data with regards to these TIFZ's for the fiscal year ended September 30, 2008:

<u>Zone</u>	<u>Base Value</u>	<u>Captured Value</u>	<u>Tax Rate*</u>	<u>Captured Tax Revenue</u>
<b>Park Hudson</b>				
2008	\$ 35,803	\$ 97,189,147	0.4650	\$ 413,813
2007	35,803	82,925,277	0.4550	319,598
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
<b>Traditions</b>				
2008	598,490	65,465,365	0.4650	256,638
2007	598,490	39,106,875	0.4550	150,912
2006	598,490	21,109,164	0.4650	82,829
2005	598,490	3,477,835	0.4725	14,829
2004	598,490	55,473	0.3839	213
2003	598,490	-	0.3723	-
2002	598,490	-	0.3857	-
2001	598,490	-	0.3857	-
2000	-	-	0.3736	-
<b>Burton Creek</b>				
2008	2,045,352	5,786,398	0.4650	22,539

\* per \$100 valuation

## 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, 2008 the County had established abatement agreements with the following property owners.

<u>Property Owner</u>	<u>Date of Abatement</u>	<u>2007 Appraised Value</u>	<u>2007 Taxable Value</u>	<u>2008 Taxes Levied</u>
Dealer Computer Services, Inc.	1997	\$ 10,130,725	\$ 1,024,258	\$ 4,763
Stata Corporation	1999	5,695,535	4,628,385	21,522
Betco	2000	5,674,225	5,470,910	25,440
Heat Transfer Research	2001	3,153,615	2,850,506	13,255
Hewlett Packard Company	2003	462,055	277,233	1,289
Bryan Lumber Remanufacturing	2003	3,025,340	2,891,609	13,446
Coca-Cola Enterprises	2003	5,783,756	4,335,358	20,159
CW CS 1	2003	8,848,080	5,453,120	25,357
Kent Moore	2005	6,272,739	2,512,822	11,685
Schulumberger IPM	2005	155,420	93,252	434
Readfield Meats Inc.	2007	667,670	354,825	1,650
West Telemarketing	2007	1,244,320	497,728	2,314

### 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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
<b>Taxes</b>			
Current Ad Valorem Taxes	\$ 35,719,000	\$ 35,719,000	\$ 35,398,830
Delinquent Ad Valorem Taxes	400,000	400,000	367,367
Penalties & Interest - Taxes	250,000	250,000	295,834
Mixed Drink Taxes	400,000	400,000	491,078
Hotel Occupancy Tax	5,000	5,000	-
County Sales Taxes	9,955,000	9,955,000	11,396,068
<b>Total Taxes</b>	<b>46,729,000</b>	<b>46,729,000</b>	<b>47,949,177</b>
<b>Charges For Services</b>			
Contracted Detention Services	500	500	-
JJAEP Service Fee	-	-	2,916
Contracted Jail Services	85,000	85,000	105,180
Arrest Fees	67,000	67,000	57,656
Brazos Center	185,000	185,000	204,314
Exposition Center	100,000	100,000	251,930
Bond Service/Forfeitures	226,000	226,000	247,734
County Clerk	1,000,000	1,000,000	1,048,739
Vital Statistics Preservation	5,500	5,500	7,391
E-Filing Fee	-	-	528
County Attorney	60,000	60,000	71,072
General Administration Fees	25,000	25,000	48,590
Constables	118,500	118,500	186,069
Court Reporter	35,000	35,000	34,500
Magistrate	90,000	90,000	128,234
County Drug Court Fees	-	11,706	14,410
District Clerk	425,500	429,500	418,893
District Attorney	10,000	10,000	15,858
Family Protection	-	-	8,245
Election Parities	-	-	11,690
Motor Carrier Weight	10,000	10,000	27,610
Inmate Medical Fees	10,000	10,000	14,323
Justice of the Peace	1,478,500	1,480,175	2,236,371
Juvenile Probation Fees	13,000	13,000	13,357
License and Weights	7,500	7,500	7,930
Omnibus Crime Control Fees	85,000	85,000	104,969
Judicial Support Fees	500	500	1,996
Optional License Fees	1,200,000	1,200,000	1,205,693
Probate Fees	2,500	2,500	3,164
Road & Bridge Fees	500	500	5,913
School Crossing Fees	20,000	20,000	23,119
Sheriff	80,500	80,500	73,647
Landfill Fees	25,000	25,000	30,545
Tax Assessor-Collector	545,000	545,000	588,964
Vehicle Registration Fees	1,125,000	1,125,000	1,004,160
Motor Vehicle Sales Taxes	175,000	175,000	284,798
Licenses and Permits	22,000	22,000	28,621
Court Fines	1,455,000	1,455,000	1,900,831
<b>Total Charges For Services</b>	<b>\$ 8,688,000</b>	<b>\$ 8,705,381</b>	<b>\$ 10,419,960</b>

**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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES (continued)</b>			
<b>Intergovernmental - Federal</b>			
Department of Justice	\$ 65,000	\$ 80,854	\$ 57,639
Department of Health & Human Services	42,000	42,000	75,798
Emergency Management Agency	38,000	38,000	96,859
<b>Total Intergovernmental - Federal</b>	<b>145,000</b>	<b>160,854</b>	<b>230,296</b>
<b>Intergovernmental - State</b>			
Attorney General	163,000	163,000	207,746
Department of Justice	240,500	240,500	264,526
D. A. Salary Supplement	34,430	34,430	22,967
Office of the Court Administrator	50,000	50,000	97,730
Texas Juvenile Probation Commission	365,000	365,000	547,239
Texas Youth Commission	45,000	45,000	74,148
Texas Department of Transportation	-	54,718	47,084
Juror Reimbursement	50,000	50,000	73,338
Tobacco Settlement	100,000	100,000	167,373
<b>Total Intergovernmental - State</b>	<b>1,047,930</b>	<b>1,102,648</b>	<b>1,502,151</b>
<b>Total Intergovernmental</b>	<b>1,192,930</b>	<b>1,263,502</b>	<b>1,732,447</b>
<b>Interest</b>	<b>1,760,000</b>	<b>1,760,350</b>	<b>1,148,574</b>
<b>Other Revenue</b>			
Donations	600	42,977	42,377
Road Crossing	-	-	6,591
State Traffic Fee	10,000	10,000	13,594
Reimbursements	95,000	95,000	134,738
Leases and Rentals	8,500	8,500	10,248
Other	17,200	17,200	44,200
Estray Animal Sale/Fee	100	100	8,246
Inmate Phone System	150,000	150,000	218,533
Oil and Gas Lease	3,000	3,000	6,433
Informal Adjudication Probation	4,500	4,500	5,512
<b>Total Other Revenue</b>	<b>288,900</b>	<b>331,277</b>	<b>490,472</b>
<b>TOTAL REVENUES</b>	<b>\$ 58,658,830</b>	<b>\$ 58,789,510</b>	<b>\$ 61,740,630</b>

**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, 2008**

<b>EXPENDITURES</b>	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>General Government</b>			
County Judge			
Personnel Services	\$ 191,344	\$ 190,782	\$ 167,811
Supplies and Other Charges	11,225	11,225	3,385
Repairs and Maintenance	500	500	-
Contract Services	3,550	3,550	3,460
	<u>206,619</u>	<u>206,057</u>	<u>174,656</u>
 Budget Office			
Personnel Services	88,819	88,934	88,902
Supplies and Other Charges	3,870	5,870	3,489
	<u>92,689</u>	<u>94,804</u>	<u>92,391</u>
 Commissioners' Court			
Personnel Services	963,197	992,909	973,539
Discretionary Funding	-	759	-
Supplies and Other Charges	34,900	34,900	28,082
Repairs and Maintenance	100	100	-
Minor Acquisitions	-	696	691
Contract Services	3,000	3,000	490
	<u>1,001,197</u>	<u>1,032,364</u>	<u>1,002,802</u>
 Non-Departmental			
Supplies and Other Charges	1,350,000	1,280,365	1,046,842
Repairs and Maintenance	-	66,630	3,640
Contract Services	900	900	818
Professional Services	140,000	140,000	124,883
	<u>1,490,900</u>	<u>1,487,895</u>	<u>1,176,183</u>
 Community Support			
Contract Services	3,404,959	3,424,558	2,726,583
	<u>3,404,959</u>	<u>3,424,558</u>	<u>2,726,583</u>
 County Treasurer			
Personnel Services	372,117	372,915	365,197
Discretionary Funding	-	5,642	-
Supplies and Other Charges	12,675	12,675	8,713
Repairs and Maintenance	450	450	310
Contract Services	3,000	3,000	450
	<u>388,242</u>	<u>394,682</u>	<u>374,670</u>
 Risk Management			
Personnel Services	113,351	113,579	113,474
Discretionary Funding	-	3,202	-
Supplies and Other Charges	18,900	18,900	6,454
Repairs and Maintenance	847	847	-
Minor Acquisitions	-	1,160	692
Professional Services	8,150	8,150	1,911
	<u>\$ 141,248</u>	<u>\$ 145,838</u>	<u>\$ 122,531</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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>General Government (continued)</b>			
Tax Assessor-Collector			
Personnel Services	\$ 1,457,031	\$ 1,460,907	\$ 1,297,203
Discretionary Funding	-	27,303	-
Supplies and Other Charges	57,250	58,550	46,120
Repairs and Maintenance	1,950	1,950	933
Minor Acquisitions	-	850	745
Contract Services	12,500	12,500	8,989
	<u>1,528,731</u>	<u>1,562,060</u>	<u>1,353,990</u>
Information Technology			
Personnel Services	1,193,057	1,195,350	1,172,070
Discretionary Funding	-	18,630	-
Supplies and Other Charges	106,550	123,481	98,120
Repairs and Maintenance	34,527	34,527	28,084
Minor Acquisitions	238,397	241,672	196,394
Contract Services	489,260	489,260	456,120
	<u>2,061,791</u>	<u>2,102,920</u>	<u>1,950,788</u>
Human Resources			
Personnel Services	238,604	239,174	209,891
Discretionary Funding	-	773	-
Supplies and Other Charges	34,550	34,550	17,804
Repairs and Maintenance	150	150	-
Minor Acquisitions	850	1,102	356
Contract Services	5,400	5,523	5,522
	<u>279,554</u>	<u>281,272</u>	<u>233,573</u>
County Auditor			
Personnel Services	620,875	621,813	588,286
Supplies and Other Charges	16,625	16,146	16,053
Minor Acquisitions	-	479	479
Contract Services	4,450	4,450	4,188
	<u>641,950</u>	<u>642,888</u>	<u>609,006</u>
Purchasing			
Personnel Services	181,138	181,480	178,089
Discretionary Funding	-	1,275	-
Supplies and Other Charges	13,050	13,050	7,248
Repairs and Maintenance	2,100	2,800	2,678
Minor Acquisitions	-	800	797
Professional Services	-	500	188
	<u>\$ 196,288</u>	<u>\$ 199,905</u>	<u>\$ 189,000</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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>General Government (continued)</b>			
Buildings and Grounds			
Personnel Services	\$ 1,127,249	\$ 1,129,529	\$ 1,046,991
Discretionary Funding	-	13,059	-
Supplies and Other Charges	60,750	60,750	54,023
Repairs and Maintenance	275,573	275,573	220,295
Minor Acquisitions	5,000	7,049	6,890
Contract Services	27,500	27,500	21,938
	<u>1,496,072</u>	<u>1,513,460</u>	<u>1,350,137</u>
<b>Total General Government</b>	<u>12,930,240</u>	<u>13,088,703</u>	<u>11,356,310</u>
<b>Justice System</b>			
County Attorney			
Personnel Services	2,205,640	2,209,060	2,072,133
Discretionary Funding	-	10,224	-
Supplies and Other Charges	61,820	56,770	52,018
Repairs and Maintenance	21,032	27,532	22,306
Minor Acquisitions	-	360	360
Contract Services	5,550	5,550	5,472
	<u>2,294,042</u>	<u>2,309,496</u>	<u>2,152,289</u>
District Attorney			
Personnel Services	2,097,614	2,059,255	2,006,757
Discretionary Funding	-	16,292	-
Supplies and Other Charges	98,980	103,971	103,267
Repairs and Maintenance	7,800	7,800	6,423
Minor Acquisitions	-	22,445	21,828
Contract Services	6,000	6,000	5,284
	<u>2,210,394</u>	<u>2,215,763</u>	<u>2,143,559</u>
Child Protective Services			
Personnel Services	48,202	89,867	89,835
Supplies and Other Charges	8,100	8,100	5,495
	<u>56,302</u>	<u>97,967</u>	<u>95,330</u>
District Clerk			
Personnel Services	849,447	851,613	781,254
Discretionary Funding	-	4,985	-
Supplies and Other Charges	44,960	47,943	46,168
Repairs and Maintenance	100	100	-
Contract Services	15,000	15,000	10,687
	<u>\$ 909,507</u>	<u>\$ 919,641</u>	<u>\$ 838,109</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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>Justice System (continued)</b>			
Court and Jury Services			
Personnel Services	\$ 91,202	\$ 91,430	\$ 90,990
Discretionary Funding	-	11,345	-
Supplies and Other Charges	110,250	155,250	138,398
Repairs and Maintenance	100	100	-
	<u>201,552</u>	<u>258,125</u>	<u>229,388</u>
Collections			
Personnel Services	197,981	198,551	189,568
Discretionary Funding	-	2,127	-
Supplies and Other Charges	14,900	14,900	8,252
Contract Services	2,000	2,000	1,279
	<u>214,881</u>	<u>217,578</u>	<u>199,099</u>
County Clerk			
Personnel Services	452,807	454,004	436,249
Discretionary Funding	-	21,224	-
Supplies and Other Charges	132,510	138,060	109,205
Repairs and Maintenance	150	150	75
Minor Acquisitions	-	800	745
Contract Services	4,620	4,620	3,942
	<u>590,087</u>	<u>618,858</u>	<u>550,216</u>
Vital Statistics Preservation			
Supplies and Other Charges	6,500	6,500	900
Repairs and Maintenance	9,000	9,000	-
	<u>15,500</u>	<u>15,500</u>	<u>900</u>
85th District Court			
Personnel Services	244,106	245,712	241,939
Discretionary Funding	-	429	-
Supplies and Other Charges	22,650	22,022	21,537
Repairs and Maintenance	1,100	1,100	462
Contract Services	2,500	2,092	2,092
	<u>270,356</u>	<u>271,355</u>	<u>266,030</u>
272nd District Court			
Personnel Services	244,574	242,144	227,144
Discretionary Funding	-	128	-
Supplies and Other Charges	15,995	18,390	17,964
Repairs and Maintenance	600	855	832
Contract Services	700	1,050	923
	<u>\$ 261,869</u>	<u>\$ 262,567</u>	<u>\$ 246,863</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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>Justice System (continued)</b>			
361st District Court			
Personnel Services	\$ 240,992	\$ 242,706	\$ 235,736
Discretionary Funding	-	9,665	-
Supplies and Other Charges	23,300	22,488	17,781
Repairs and Maintenance	850	850	370
Minor Acquisitions	-	3,826	3,826
Contract Services	1,500	1,368	1,186
	<u>266,642</u>	<u>280,903</u>	<u>258,899</u>
Juvenile Court Referee			
Personnel Services	100,870	100,984	100,978
Discretionary Funding	-	1,705	-
Supplies and Other Charges	5,434	5,833	5,061
	<u>106,304</u>	<u>108,522</u>	<u>106,039</u>
Magistrate			
Personnel Services	205,403	205,745	200,497
Discretionary Funding	-	735	-
Supplies and Other Charges	4,832	4,820	4,557
Repairs and Maintenance	350	100	-
Minor Acquisitions	-	262	262
Contract Services	4,860	4,860	4,768
	<u>215,445</u>	<u>216,522</u>	<u>210,084</u>
County Drug Court Program			
Personnel Services	-	5,361	1,402
Supplies and Other Charges	-	3,000	995
Minor Acquisitions	-	3,995	-
	<u>-</u>	<u>12,356</u>	<u>2,397</u>
County Court At Law #1			
Personnel Services	395,675	392,055	390,004
Discretionary Funding	-	3,784	-
Supplies and Other Charges	19,225	23,288	21,841
Repairs and Maintenance	890	840	816
Minor Acquisitions	-	1,911	1,911
Contract Services	2,000	965	836
	<u>417,790</u>	<u>422,843</u>	<u>415,408</u>
County Court At Law #2			
Personnel Services	390,940	394,944	394,611
Discretionary Funding	-	1,428	-
Supplies and Other Charges	14,720	12,918	11,191
Repairs and Maintenance	450	450	259
Contract Services	800	303	-
	<u>\$ 406,910</u>	<u>\$ 410,043</u>	<u>\$ 406,061</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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>Justice System (continued)</b>			
Justice of the Peace Precinct 1			
Personnel Services	\$ 229,968	\$ 230,538	\$ 221,707
Discretionary Funding	-	21,374	-
Supplies and Other Charges	22,835	22,835	22,387
Repairs and Maintenance	800	800	34
Minor Acquisitions	-	717	716
Contract Services	32,565	32,565	32,502
	<u>286,168</u>	<u>308,829</u>	<u>277,346</u>
Justice of the Peace Precinct 2 Place 1			
Personnel Services	206,977	207,547	183,058
Discretionary Funding	-	5,100	-
Supplies and Other Charges	6,765	7,615	7,294
Contract Services	2,760	2,760	1,972
	<u>216,502</u>	<u>223,022</u>	<u>192,324</u>
Justice of the Peace Precinct 2 Place 2			
Personnel Services	205,329	205,785	200,001
Discretionary Funding	-	2,106	-
Supplies and Other Charges	19,500	18,871	16,398
Repairs and Maintenance	2,125	125	-
Minor Acquisition	-	1,009	1,009
Contract Services	19,900	22,500	22,440
	<u>246,854</u>	<u>250,396</u>	<u>239,848</u>
Justice of the Peace Precinct 3			
Personnel Services	280,396	281,080	247,180
Discretionary Funding	-	19,884	-
Supplies and Other Charges	15,940	17,928	17,928
Repairs and Maintenance	150	150	-
Contract Services	6,910	6,910	6,830
	<u>303,396</u>	<u>325,952</u>	<u>271,938</u>
Justice of the Peace Precinct 4			
Personnel Services	155,963	156,305	154,030
Discretionary Funding	-	107	-
Supplies and Other Charges	6,145	8,509	8,038
Repairs and Maintenance	75	-	-
Contract Services	1,400	1,400	1,391
	<u>\$ 163,583</u>	<u>\$ 166,321</u>	<u>\$ 163,459</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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>Justice System (continued)</b>			
Community Supervision Support			
Supplies and Other Charges	\$ 35,700	\$ 35,170	\$ 28,766
Repairs and Maintenance	100	100	-
Minor Acquisitions	-	530	527
Contract Services	5,951	5,951	5,951
	<u>41,751</u>	<u>41,751</u>	<u>35,244</u>
Judicial Court Support			
Personnel Services	-	1,515	1,487
Supplies and Other Charges	225,200	333,340	332,184
Contract Services	600,000	1,186,083	1,097,910
Professional Services	1,272,000	1,818,522	1,819,342
	<u>2,097,200</u>	<u>3,339,460</u>	<u>3,250,923</u>
<b>Total Justice System</b>	<u>11,793,035</u>	<u>13,293,770</u>	<u>12,551,753</u>
<b>Law Enforcement</b>			
Sheriff Administration			
Personnel Services	3,584,003	3,583,157	3,560,815
Discretionary Funding	-	2,521	-
Supplies and Other Charges	191,782	187,892	162,871
Repairs and Maintenance	238,728	321,228	301,834
Minor Acquisitions	45,520	77,217	71,317
Contract Services	23,820	30,936	27,112
Professional Services	5,500	5,500	2,180
	<u>4,089,353</u>	<u>4,208,451</u>	<u>4,126,129</u>
Joint Terrorism Task Force			
Personnel Services	-	15,854	7,814
	<u>-</u>	<u>15,854</u>	<u>7,814</u>
Sheriff Jail Administration			
Personnel Services	7,577,355	7,595,139	\$ 7,480,319
Discretionary Funding	-	99	-
Supplies and Other Charges	922,873	956,945	951,045
Repairs and Maintenance	60,150	97,950	83,187
Minor Acquisitions	87,104	88,554	74,005
Contract Services	8,500	11,956	11,820
Professional Services	59,500	59,500	57,530
	<u>\$ 8,715,482</u>	<u>\$ 8,810,143</u>	<u>\$ 8,657,906</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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>Law Enforcement (continued)</b>			
Constable Precinct 1			
Personnel Services	\$ 241,867	\$ 242,323	\$ 241,256
Discretionary Funding	-	1,521	-
Supplies and Other Charges	19,660	18,281	17,999
Repairs and Maintenance	24,320	25,885	24,649
Minor Acquisitions	500	1,021	978
Contract Services	24,300	23,093	22,818
	<u>310,647</u>	<u>312,124</u>	<u>307,700</u>
 TxDot Support Agreement			
Personnel Services	-	45,035	41,112
Supplies and Other Charges	-	9,683	6,125
	<u>-</u>	<u>54,718</u>	<u>47,237</u>
 Constable Precinct 2			
Personnel Services	362,177	362,861	360,279
Discretionary Funding	-	80	-
Supplies and Other Charges	17,890	17,763	15,079
Repairs and Maintenance	24,460	31,360	29,806
Minor Acquisitions	700	827	827
	<u>405,227</u>	<u>412,891</u>	<u>405,991</u>
 Constable Precinct 3			
Personnel Services	247,657	248,113	247,241
Supplies and Other Charges	17,825	18,505	17,402
Repairs and Maintenance	17,623	24,554	22,642
Minor Acquisitions	2,500	3,200	2,368
Contract Services	3,410	3,410	3,410
	<u>289,015</u>	<u>297,782</u>	<u>293,063</u>
 Constable Precinct 4			
Personnel Services	276,522	276,978	275,915
Discretionary Funding	-	58	-
Supplies and Other Charges	13,245	13,182	12,398
Repairs and Maintenance	19,500	19,941	19,352
Minor Acquisitions	2,500	2,465	2,440
Contract Services	1,400	1,400	1,392
	<u>313,167</u>	<u>314,024</u>	<u>311,497</u>
 <b>Total Law Enforcement</b>	 <u>\$ 14,122,891</u>	 <u>\$ 14,425,987</u>	 <u>\$ 14,157,337</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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>Juvenile Services</b>			
Juvenile Services			
Personnel Services	\$ 2,721,177	\$ 2,726,877	\$ 2,454,940
Discretionary Funding	-	27,853	-
Supplies and Other Charges	282,140	291,492	278,352
Repairs and Maintenance	10,690	16,555	15,743
Minor Acquisitions	1,150	8,638	8,444
Contract Services	29,240	41,680	40,623
Professional Services	48,700	50,575	48,662
	<u>3,093,097</u>	<u>3,163,670</u>	<u>2,846,764</u>
<b>TYC - Parole</b>			
Personnel Services	117,947	118,175	117,796
Supplies and Other Charges	2,150	2,150	1,587
Repairs and Maintenance	3,400	3,400	2,971
Contract Services	25,000	20,100	19,741
	<u>148,497</u>	<u>143,825</u>	<u>142,095</u>
<b>Juvenile Justice Alternative Education</b>			
Personnel Services	86,702	87,132	87,031
Supplies and Other Charges	1,000	1,000	941
	<u>87,702</u>	<u>88,132</u>	<u>87,972</u>
<b>Juvenile - Title IV E</b>			
Personnel Services	415,217	416,129	396,614
Supplies and Other Charges	55,300	54,400	38,915
Repairs and Maintenance	5,250	5,250	3,627
Contract Services	8,400	8,400	8,000
	<u>484,167</u>	<u>484,179</u>	<u>447,156</u>
<b>TDHS - Commodities</b>			
Supplies and Other Charges	3,000	3,000	2,756
	<u>3,000</u>	<u>3,000</u>	<u>2,756</u>
<b>Total Juvenile Services</b>	<u>\$ 3,816,463</u>	<u>\$ 3,882,806</u>	<u>\$ 3,526,743</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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>Public Transportation</b>			
Road and Bridge Administration			
Personnel Services	\$ 3,034,665	\$ 3,041,277	\$ 2,858,210
Supplies and Other Charges	971,930	722,050	80,010
Repairs and Maintenance	2,628,500	2,881,780	2,644,453
Minor Acquisitions	11,200	11,200	10,132
Contract Services	70,000	87,000	77,493
Professional Services	100,000	175,000	166,423
<b>Total Public Transportation</b>	<b>6,816,295</b>	<b>6,918,307</b>	<b>5,836,721</b>
<b>Public Health</b>			
Environmental Protection			
Supplies and Other Charges	7,900	7,900	7,094
Contract Services	226,400	226,400	207,471
	<u>234,300</u>	<u>234,300</u>	<u>214,565</u>
Indigent Health Care			
Supplies and Other Charges	700,000	700,000	481,723
Professional Services	2,108,820	2,108,820	985,576
Community Contracts	96,700	96,700	96,700
	<u>2,905,520</u>	<u>2,905,520</u>	<u>1,563,999</u>
Community Public Health			
Contract Services	220,000	220,000	150,000
	<u>220,000</u>	<u>220,000</u>	<u>150,000</u>
<b>Total Public Health</b>	<b>3,359,820</b>	<b>3,359,820</b>	<b>1,928,564</b>
<b>Human Services</b>			
Veteran Services			
Personnel Services	16,308	16,308	15,279
Discretionary Funding	-	1,326	-
Supplies and Other Charges	1,575	1,575	872
Repairs and Maintenance	200	200	19
	<u>18,083</u>	<u>19,409</u>	<u>16,170</u>
County Fire Protection			
Contract Services	466,000	466,000	466,000
	<u>466,000</u>	<u>466,000</u>	<u>466,000</u>
County Welfare			
Supplies and Other Charges	5,000	5,000	1,660
	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 1,660</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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>Human Services (continued)</b>			
Elections			
Personnel Services	\$ 94,503	\$ 94,731	\$ 76,037
Outside Labor Costs	89,079	89,079	74,135
Supplies and Other Charges	19,450	19,350	17,639
Contract Services	1,150	1,250	1,170
Professional Services	28,000	28,000	25,900
	<u>232,182</u>	<u>232,410</u>	<u>194,881</u>
Health Department			
Supplies and Other Charges	46,050	51,181	48,623
Professional Services	9,000	7,869	7,869
	<u>55,050</u>	<u>59,050</u>	<u>56,492</u>
Emergency Management			
Personnel Services	130,006	130,340	130,339
Discretionary Funding	-	34,493	-
Supplies and Other Charges	20,725	20,725	11,334
Repairs and Maintenance	2,400	2,400	1,879
Minor Acquisitions	-	3,461	2,753
Contract Services	69,908	48,014	32,345
	<u>223,039</u>	<u>239,433</u>	<u>178,650</u>
Emergency Relief			
Personnel Services	-	94,150	82,024
Supplies and Other Charges	-	13,668	12,731
Repairs and Maintenance	-	200	150
Contract Services	-	75	75
	<u>-</u>	<u>108,093</u>	<u>94,980</u>
Brazos Center			
Personnel Services	518,430	519,684	486,717
Discretionary Funding	-	1,866	-
Supplies and Other Charges	134,842	135,341	121,973
Repairs and Maintenance	73,054	81,893	74,459
Minor Acquisitions	3,350	8,162	8,124
Contract Services	53,850	53,850	40,757
	<u>783,526</u>	<u>800,796</u>	<u>732,030</u>
Exposition Center			
Personnel Services	584,693	586,313	536,193
Discretionary Funding	-	71,136	-
Supplies and Other Charges	352,650	349,332	259,294
Repairs and Maintenance	122,700	104,682	74,207
Minor Acquisitions	46,500	40,189	35,511
Contract Services	47,500	47,500	14,603
Professional Services	-	1,000	333
	<u>\$ 1,154,043</u>	<u>\$ 1,200,152</u>	<u>\$ 920,141</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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>Human Services (continued)</b>			
Agricultural Extension			
Personnel Services	\$ 224,632	\$ 224,974	\$ 217,199
Discretionary Funding	-	2,402	-
Supplies and Other Charges	50,000	50,750	49,526
Repairs and Maintenance	700	713	708
Contract Services	35,395	34,632	29,699
	<u>310,727</u>	<u>313,471</u>	<u>297,132</u>
Child Protective Services			
Supplies and Other Charges	50,000	50,000	49,260
	<u>50,000</u>	<u>50,000</u>	<u>49,260</u>
<b>Total Human Services</b>	<u>3,297,650</u>	<u>3,493,814</u>	<u>3,007,396</u>
<b>Capital Outlay</b>	<u>3,350,000</u>	<u>4,136,191</u>	<u>2,922,823</u>
<b>TOTAL EXPENDITURES</b>	<u>59,486,394</u>	<u>62,599,398</u>	<u>55,287,647</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(827,564)</u>	<u>(3,809,888)</u>	<u>6,452,983</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	791,475	791,475
Transfers Out	(3,838,053)	(4,389,516)	(4,283,312)
Sale of Capital Assets	30,000	30,000	96,557
<b>Total Other Financing (Uses)</b>	<u>(3,808,053)</u>	<u>(3,568,041)</u>	<u>(3,395,280)</u>
Net Change in Fund Balances	(4,635,617)	(7,377,929)	3,057,703
<b>FUND BALANCE, OCTOBER 1</b>	<u>31,884,219</u>	<u>31,884,219</u>	<u>31,884,219</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 27,248,602</u>	<u>\$ 24,506,290</u>	<u>\$ 34,941,922</u>

**BRAZOS COUNTY, TEXAS**

Required Supplementary Information - Retirement System

September 30, 2008

<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>
12/31/98	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%
12/31/06	66,364,299	77,158,127	10,793,828	86.01%	25,073,917	43.05%
12/31/07	72,770,098	84,396,350	11,626,252	86.22%	27,418,935	42.40%

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

**BRAZOS COUNTY, TEXAS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2008**

**BUDGET**

Annual budgets are legally adopted for general, special revenue, debt service, capital project, and internal service funds. Budget amounts represent the original budget for 2008 as subsequently amended by the Commissioners' Court. Budgets are adopted on a basis consistent with GAAP (modified accrual basis). The County employs an encumbrance accounting system as a method of accomplishing budgetary control. At year-end, open encumbrances are closed. The departments are required to re-appropriate those funds within the following year's budget.

**INFRASTRUCTURE ASSETS UNDER MODIFIED APPROACH**

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

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

For the year ended September 30, 2008, annual maintenance and preservation costs of \$5,836,721 for both roads and bridges were less than the estimated amount needed of \$6,918,307. 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	\$5,904,354	\$5,904,354
September 30, 2001	\$5,619,725	\$5,619,725
September 30, 2002	\$5,957,282	\$5,957,282
September 30, 2003	\$7,221,496	\$6,082,584
September 30, 2004	\$5,430,676	\$4,620,767
September 30, 2005	\$5,715,345	\$4,248,681
September 30, 2006	\$5,958,103	\$4,769,113
September 30, 2007	\$6,165,552	\$4,872,636
September 30, 2008	\$6,918,307	\$5,836,721

## 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 2008 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	96%	2%	2%
2	91%	3%	6%
3	98%	1%	1%
4	99%	0%	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, 2008**

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,740,415	\$ 2,326,721	\$ 6,067,136
Prepaid Expenditures	8,050	-	8,050
Receivables			
Interest	6,507	-	6,507
Accounts	183,031	20,608	203,639
State	758,217	-	758,217
<b>TOTAL ASSETS</b>	<b>4,696,220</b>	<b>2,347,329</b>	<b>7,043,549</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	711,787	560,523	1,272,310
Accrued Salary and Compensated Leave	38,042	-	38,042
Unclaimed Funds	216,362	-	216,362
Due to Other Funds	108,753	-	108,753
Deferred Revenues	39,752	-	39,752
<b>Total Liabilities</b>	<b>1,114,696</b>	<b>560,523</b>	<b>1,675,219</b>
<b>Fund Balances</b>			
Reserved			
For Special Purpose Programs	3,581,524	-	3,581,524
Unreserved			
Designated for Capital Improvements	-	1,786,806	1,786,806
<b>Total Fund Balances</b>	<b>3,581,524</b>	<b>1,786,806</b>	<b>5,368,330</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,696,220</b>	<b>\$ 2,347,329</b>	<b>\$ 7,043,549</b>

**BRAZOS COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SUMMARY**  
**For The Year Ended September 30, 2008**

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ 1,104,105	\$ -	\$ 1,104,105
Charges for Services	613,789	-	613,789
Intergovernmental	1,872,658	-	1,872,658
Interest	89,714	2,726	92,440
<b>TOTAL REVENUES</b>	<b>3,680,266</b>	<b>2,726</b>	<b>3,682,992</b>
<b>EXPENDITURES</b>			
General Government	138,643	200,155	338,798
Justice System	382,601	3,608	386,209
Law Enforcement	585,476	13,750	599,226
Juvenile Services	834,229	14,700	848,929
Public Transportation	305,593	-	305,593
Public Health	-	-	-
Human Services	194,149	20,585	214,734
Capital Outlay	452,368	5,901,811	6,354,179
<b>TOTAL EXPENDITURES</b>	<b>2,893,059</b>	<b>6,154,609</b>	<b>9,047,668</b>
Deficiency of Revenues Under Expenditures	787,207	(6,151,883)	(5,364,676)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	341,229	4,440,768	4,781,997
Transfers Out	(7,936)	(782,088)	(790,024)
Sale of Capital Assets	13	-	13
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>333,306</b>	<b>3,658,680</b>	<b>3,991,986</b>
Net Change in Fund Balances	1,120,513	(2,493,203)	(1,372,690)
<b>FUND BALANCES, OCTOBER 1</b>	<b>2,461,011</b>	<b>4,280,009</b>	<b>6,741,020</b>
<b>FUND BALANCES, SEPTEMBER 30</b>	<b>\$ 3,581,524</b>	<b>\$ 1,786,806</b>	<b>\$ 5,368,330</b>

## **SPECIAL REVENUE FUNDS**

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

**Hotel Occupancy Tax** – A fund established to account for the funds received from the local hotels for supporting the Exposition Center programs.

**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.

**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.

**Chapter 19 State Fund** - A fund established to account for funds received from the State to aid in purchasing items or services that will enhance voter registration.

**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 law enforcement grant activities 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 Service Fund** – A fund established to account for the revenues and expenditures related to the election services the County provides for both Democratic and republican Elections (including Primary and Run-off Elections).

**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, 2008**

	<b>Hotel Occupancy Tax</b>	<b>State Lateral Road</b>	<b>Unclaimed Property</b>	<b>Law Library</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 991,314	\$ 71,298	\$ 279,837	\$ 383,161
Prepaid Expenditures	7,735	-	-	35
Receivables				
Interest	1,545	111	436	597
Accounts	146,326	-	313	-
State	-	-	-	-
<b>TOTAL ASSETS</b>	<u>1,146,920</u>	<u>71,409</u>	<u>280,586</u>	<u>383,793</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	575	-	16,661	1,956
Accrued Salary and Compensated Leave	1,516	-	-	-
Unclaimed Funds	-	-	213,375	-
Due to Other Funds	-	-	1,698	-
Deferred Revenues	-	-	-	-
<b>Total Liabilities</b>	<u>2,091</u>	<u>-</u>	<u>231,734</u>	<u>1,956</u>
<b>Fund Balances</b>				
Reserved				
For Special Purpose Programs	1,144,829	71,409	48,852	381,837
<b>Total Fund Balances</b>	<u>1,144,829</u>	<u>71,409</u>	<u>48,852</u>	<u>381,837</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,146,920</u>	<u>\$ 71,409</u>	<u>\$ 280,586</u>	<u>\$ 383,793</u>

<b>Alternative Dispute Resolution</b>	<b>Law Enforcement Education</b>	<b>County Records Management and Preservation</b>	<b>County Clerk Records Management and Preservation</b>	<b>Time Payment Fee</b>	<b>Courthouse Security</b>
\$ 5,700	\$ 18,719	\$ 454,891	\$ 600,179	\$ -	\$ 10,509
-	280	-	-	-	-
-	-	709	935	-	17
15	-	-	-	-	-
-	-	-	-	-	-
<u>5,715</u>	<u>18,999</u>	<u>455,600</u>	<u>601,114</u>	<u>-</u>	<u>10,526</u>
5,715	-	78,900	4,550	-	-
-	-	-	2,384	-	4,332
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,715</u>	<u>-</u>	<u>78,900</u>	<u>6,934</u>	<u>-</u>	<u>4,332</u>
-	18,999	376,700	594,180	-	6,194
-	18,999	376,700	594,180	-	6,194
<u>\$ 5,715</u>	<u>\$ 18,999</u>	<u>\$ 455,600</u>	<u>\$ 601,114</u>	<u>\$ -</u>	<u>\$ 10,526</u>

(continued)

**BRAZOS COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)**  
**September 30, 2008**

	<b>Justice Court Security</b>	<b>District Clerk Records Management and Preservation</b>	<b>J. P. Technology</b>	<b>Special Forfeitures</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 28,303	\$ 55,903	\$ 213,870	\$ 11,726
Prepaid Expenditures	-	-	-	-
Receivables				
Interest	44	87	333	18
Accounts	-	-	-	1,385
State	-	-	-	-
<b>TOTAL ASSETS</b>	<b>28,347</b>	<b>55,990</b>	<b>214,203</b>	<b>13,129</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	-	-	-	-
Accrued Salary and Compensated Leave	-	-	-	-
Unclaimed Funds	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Reserved				
For Special Purpose Programs	28,347	55,990	214,203	13,129
<b>Total Fund Balances</b>	<b>28,347</b>	<b>55,990</b>	<b>214,203</b>	<b>13,129</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 28,347</b>	<b>\$ 55,990</b>	<b>\$ 214,203</b>	<b>\$ 13,129</b>

<b>District Attorney Hot Check Collection</b>	<b>Bail Bond Board Fees</b>	<b>Voter Registration</b>	<b>Chapter 19 State Fund</b>	<b>Vehicle Inventory Tax Interest</b>	<b>Sheriff Department Crime Fund</b>	<b>District Attorney Crime Fund</b>
\$ 217	\$ 73,882	\$ 22,185	\$ -	\$ 115,178	\$ 365,738	\$ 30,734
-	-	-	-	-	-	-
-	115	35	-	875	553	41
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>217</u>	<u>73,997</u>	<u>22,220</u>	<u>-</u>	<u>116,053</u>	<u>366,291</u>	<u>30,775</u>
-	167	-	-	-	83	-
-	-	-	-	-	-	-
-	-	-	-	-	2,987	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,070</u>	<u>-</u>
<u>217</u>	<u>73,830</u>	<u>22,220</u>	<u>-</u>	<u>116,053</u>	<u>363,221</u>	<u>30,775</u>
<u>217</u>	<u>73,830</u>	<u>22,220</u>	<u>-</u>	<u>116,053</u>	<u>363,221</u>	<u>30,775</u>
<u>\$ 217</u>	<u>\$ 73,997</u>	<u>\$ 22,220</u>	<u>\$ -</u>	<u>\$ 116,053</u>	<u>\$ 366,291</u>	<u>\$ 30,775</u>

(continued)

**BRAZOS COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)**  
**September 30, 2008**

	<b>Primary Election Service Fund</b>	<b>Grants</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,071	\$ -	\$ 3,740,415
Prepaid Expenditures	-	-	8,050
Receivables			
Interest	-	56	6,507
Accounts	-	34,992	183,031
State	-	758,217	758,217
<b>TOTAL ASSETS</b>	<u>7,071</u>	<u>793,265</u>	<u>4,696,220</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	-	603,180	711,787
Accrued Salary and Compensated Leave	-	29,810	38,042
Unclaimed Funds	-	-	216,362
Due to Other Funds	-	107,055	108,753
Deferred Revenues	-	39,752	39,752
<b>Total Liabilities</b>	<u>-</u>	<u>779,797</u>	<u>1,114,696</u>
<b>Fund Balances</b>			
Reserved			
For Special Purpose Programs	<u>7,071</u>	<u>13,468</u>	<u>3,581,524</u>
<b>Total Fund Balances</b>	<u>7,071</u>	<u>13,468</u>	<u>3,581,524</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 7,071</u>	<u>\$ 793,265</u>	<u>\$ 4,696,220</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, 2008**

	<b>Hotel Occupancy Tax</b>	<b>State Lateral Road</b>	<b>Unclaimed Property</b>	<b>Law Library</b>
<b>REVENUES</b>				
Taxes	\$ 1,102,929	\$ -	\$ -	\$ -
Charges for Services	-	-	-	46,415
Intergovernmental	-	28,004	-	-
Interest	10,994	1,736	6,678	9,057
<b>TOTAL REVENUES</b>	<b>1,113,923</b>	<b>29,740</b>	<b>6,678</b>	<b>55,472</b>
<b>EXPENDITURES</b>				
General Government	-	-	-	-
Justice System	-	-	-	36,967
Law Enforcement	-	-	-	-
Juvenile Services	-	-	-	-
Public Transportation	-	-	-	-
Human Services	53,688	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>53,688</b>	<b>-</b>	<b>-</b>	<b>36,967</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,060,235	29,740	6,678	18,505
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Sale of Capital Assets	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	1,060,235	29,740	6,678	18,505
<b>FUND BALANCES, OCTOBER 1</b>	<b>84,594</b>	<b>41,669</b>	<b>42,174</b>	<b>363,332</b>
<b>FUND BALANCES, SEPTEMBER 30</b>	<b>\$ 1,144,829</b>	<b>\$ 71,409</b>	<b>\$ 48,852</b>	<b>\$ 381,837</b>

<b>Alternative Dispute Resolution</b>	<b>Law Enforcement Education</b>	<b>County Records Management and Preservation</b>	<b>County Clerk Records Management and Preservation</b>	<b>Time Payment Fee</b>	<b>Courthouse Security</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34,660	-	83,756	177,754	-	96,039
-	18,071	-	-	-	-
-	-	11,015	14,166	-	1,162
<u>34,660</u>	<u>18,071</u>	<u>94,771</u>	<u>191,920</u>	<u>-</u>	<u>97,201</u>
-	-	108,162	-	-	-
42,160	-	-	163,851	-	-
-	18,348	-	-	-	230,582
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	28,492	-	-	-
<u>42,160</u>	<u>18,348</u>	<u>136,654</u>	<u>163,851</u>	<u>-</u>	<u>230,582</u>
<u>(7,500)</u>	<u>(277)</u>	<u>(41,883)</u>	<u>28,069</u>	<u>-</u>	<u>(133,381)</u>
7,500	-	-	-	-	105,985
-	-	-	-	(7,936)	-
-	-	-	-	-	-
<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,936)</u>	<u>105,985</u>
-	(277)	(41,883)	28,069	(7,936)	(27,396)
-	19,276	418,583	566,111	7,936	33,590
<u>\$ -</u>	<u>\$ 18,999</u>	<u>\$ 376,700</u>	<u>\$ 594,180</u>	<u>\$ -</u>	<u>\$ 6,194</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, 2008**

	<b>Justice Court Security</b>	<b>District Clerk Records Management and Preservation</b>	<b>J. P. Technology</b>	<b>Special Forfeitures</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	11,066	17,363	49,431	14,278
Intergovernmental	-	-	-	-
Interest	544	1,401	4,881	200
<b>TOTAL REVENUES</b>	<b>11,610</b>	<b>18,764</b>	<b>54,312</b>	<b>14,478</b>
<b>EXPENDITURES</b>				
General Government	-	-	-	-
Justice System	-	16,043	17,649	-
Law Enforcement	-	-	-	5,540
Juvenile Services	-	-	-	-
Public Transportation	-	-	-	-
Human Services	-	-	-	-
Capital Outlay	-	-	10,576	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>16,043</b>	<b>28,225</b>	<b>5,540</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,610	2,721	26,087	8,938
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Sale of Capital Assets	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	11,610	2,721	26,087	8,938
<b>FUND BALANCES, OCTOBER 1</b>	<b>16,737</b>	<b>53,269</b>	<b>188,116</b>	<b>4,191</b>
<b>FUND BALANCES, SEPTEMBER 30</b>	<b>\$ 28,347</b>	<b>\$ 55,990</b>	<b>\$ 214,203</b>	<b>\$ 13,129</b>

<b>District Attorney Hot Check Collection</b>	<b>Bail Bond Board Fees</b>	<b>Voter Registration</b>	<b>Chapter 19 State Fund</b>	<b>Vehicle Inventory Tax Interest</b>	<b>Sheriff Department Crime Fund</b>	<b>District Attorney Crime Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ 1,176	\$ -	\$ -
377	2,000	-	-	-	2,419	11,913
-	-	-	27,668	-	-	-
44	1,767	544	-	14,277	8,500	706
<u>421</u>	<u>3,767</u>	<u>544</u>	<u>27,668</u>	<u>15,453</u>	<u>10,919</u>	<u>12,619</u>
-	-	1,376	27,668	1,437	-	-
2,165	223	-	-	-	-	11,629
-	-	-	-	-	2,744	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,165</u>	<u>223</u>	<u>1,376</u>	<u>27,668</u>	<u>1,437</u>	<u>2,744</u>	<u>11,629</u>
<u>(1,744)</u>	<u>3,544</u>	<u>(832)</u>	<u>-</u>	<u>14,016</u>	<u>8,175</u>	<u>990</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	13	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>-</u>
(1,744)	3,544	(832)	-	14,016	8,188	990
<u>1,961</u>	<u>70,286</u>	<u>23,052</u>	<u>-</u>	<u>102,037</u>	<u>355,033</u>	<u>29,785</u>
<u>\$ 217</u>	<u>\$ 73,830</u>	<u>\$ 22,220</u>	<u>\$ -</u>	<u>\$ 116,053</u>	<u>\$ 363,221</u>	<u>\$ 30,775</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, 2008**

	<b>Primary Election Service Fund</b>	<b>Grants</b>	<b>Totals</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 1,104,105
Charges for Services	52,861	13,457	613,789
Intergovernmental	-	1,798,915	1,872,658
Interest	-	2,042	89,714
<b>TOTAL REVENUES</b>	<b>52,861</b>	<b>1,814,414</b>	<b>3,680,266</b>
<b>EXPENDITURES</b>			
General Government	-	-	138,643
Justice System	-	91,914	382,601
Law Enforcement	-	328,262	585,476
Juvenile Services	-	834,229	834,229
Public Transportation	-	305,593	305,593
Human Services	45,790	94,671	194,149
Capital Outlay	-	413,300	452,368
<b>TOTAL EXPENDITURES</b>	<b>45,790</b>	<b>2,067,969</b>	<b>2,893,059</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,071	(253,555)	787,207
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	227,744	341,229
Transfers Out	-	-	(7,936)
Sale of Capital Assets	-	-	13
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>227,744</b>	<b>333,306</b>
Net Change in Fund Balances	7,071	(25,811)	1,120,513
<b>FUND BALANCES, OCTOBER 1</b>	<b>-</b>	<b>39,279</b>	<b>2,461,011</b>
<b>FUND BALANCES, SEPTEMBER 30</b>	<b>\$ 7,071</b>	<b>\$ 13,468</b>	<b>\$ 3,581,524</b>

**BRAZOS COUNTY, TEXAS  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
HOTEL OCCUPANCY TAX  
For the Year Ended September 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Taxes	\$ 900,000	\$ 900,000	\$ 1,102,929
Interest	-	-	10,994
<b>TOTAL REVENUES</b>	<u>900,000</u>	<u>900,000</u>	<u>1,113,923</u>
<b>EXPENDITURES</b>			
Personnel Services	53,900	53,900	6,017
Supplies and Other Charges	846,100	800,194	9,459
Minor Acquisitions	-	3,906	3,906
Contract Services	-	25,000	23,785
Professional Services	-	17,000	10,521
<b>TOTAL EXPENDITURES</b>	<u>900,000</u>	<u>900,000</u>	<u>53,688</u>
Excess of Revenues Over Expenditures	-	-	1,060,235
<b>FUND BALANCE, OCTOBER 1</b>	<u>84,594</u>	<u>84,594</u>	<u>84,594</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u><u>\$ 84,594</u></u>	<u><u>\$ 84,594</u></u>	<u><u>\$ 1,144,829</u></u>

**BRAZOS COUNTY, TEXAS  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
STATE LATERAL ROAD  
For the Year Ended September 30, 2008**

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Intergovernmental	\$ 28,000	\$ 28,004
Interest	2,000	1,736
<b>TOTAL REVENUES</b>	<u>30,000</u>	<u>29,740</u>
<b>EXPENDITURES</b>		
<b>Public Transportation</b>		
Repairs and Maintenance	71,000	-
<b>TOTAL EXPENDITURES</b>	<u>71,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,000)	29,740
<b>FUND BALANCE, OCTOBER 1</b>	<u>41,669</u>	<u>41,669</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 669</u>	<u>\$ 71,409</u>

**BRAZOS COUNTY, TEXAS  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
UNCLAIMED PROPERTY  
For the Year Ended September 30, 2008**

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Interest	\$ 9,500	\$ 6,678
<b>TOTAL REVENUES</b>	9,500	6,678
 <b>EXPENDITURES</b>		
<b>General Government</b>		
Supplies and Other Charges	50,500	-
<b>TOTAL EXPENDITURES</b>	50,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,000)	6,678
<b>FUND BALANCE, OCTOBER 1</b>	42,174	42,174
<b>FUND BALANCE, SEPTEMBER 30</b>	\$ 1,174	\$ 48,852

**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, 2008**

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Charges for Services	\$ 49,000	\$ 46,415
Interest	16,000	9,057
<b>TOTAL REVENUES</b>	65,000	55,472
<b>EXPENDITURES</b>		
<b>Justice System</b>		
Supplies and Other Charges	125,500	23,741
Repairs and Maintenance	10,000	248
Minor Acquisitions	160,000	5,778
Contract Services	40,000	7,200
Capital Outlay	80,000	-
<b>TOTAL EXPENDITURES</b>	415,500	36,967
Excess (Deficiency) of Revenues Over (Under) Expenditures	(350,500)	18,505
<b>FUND BALANCE, OCTOBER 1</b>	363,332	363,332
<b>FUND BALANCE, SEPTEMBER 30</b>	\$ 12,832	\$ 381,837

**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, 2008**

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Charges for Services	\$ 37,000	\$ 34,660
<b>TOTAL REVENUES</b>	<u>37,000</u>	<u>34,660</u>
<b>EXPENDITURES</b>		
<b>Justice System</b>		
Contractual Services	44,500	42,160
<b>TOTAL EXPENDITURES</b>	<u>44,500</u>	<u>42,160</u>
Deficiency of Revenues Under Expenditures	(7,500)	(7,500)
<b>OTHER FINANCING SOURCES</b>		
Transfers In	7,500	7,500
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>7,500</u>	<u>7,500</u>
Net Change in Fund Balance	-	-
<b>FUND BALANCE, OCTOBER 1</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BRAZOS COUNTY, TEXAS  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
LAW ENFORCEMENT EDUCATION  
For the Year Ended September 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Intergovernmental	\$ 14,564	\$ 18,071	\$ 18,071
<b>TOTAL REVENUES</b>	<u>14,564</u>	<u>18,071</u>	<u>18,071</u>
<b>EXPENDITURES</b>			
<b>Law Enforcement</b>			
Supplies and Other Charges	35,000	37,347	18,348
<b>TOTAL EXPENDITURES</b>	<u>35,000</u>	<u>37,347</u>	<u>18,348</u>
Deficiency of Revenues Under Expenditures	(20,436)	(19,276)	(277)
<b>FUND BALANCE, OCTOBER 1</b>	<u>19,276</u>	<u>19,276</u>	<u>19,276</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u><u>\$ (1,160)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,999</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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Charges for Services	\$ 94,000	\$ 94,000	\$ 83,756
Interest	17,500	17,500	11,015
<b>TOTAL REVENUES</b>	<u>111,500</u>	<u>111,500</u>	<u>94,771</u>
<b>EXPENDITURES</b>			
<b>General Government</b>			
Personnel Services	-	27,753	20,281
Supplies and Other Charges	50,000	22,247	5,273
Minor Acquisitions	20,000	20,000	3,708
Contract Services	100,000	100,000	-
Professional Services	150,000	100,000	78,900
Capital Outlay	80,000	130,000	28,492
<b>TOTAL EXPENDITURES</b>	<u>400,000</u>	<u>400,000</u>	<u>136,654</u>
Deficiency of Revenues Under Expenditures	(288,500)	(288,500)	(41,883)
<b>FUND BALANCE, OCTOBER 1</b>	<u>418,583</u>	<u>325,688</u>	<u>418,583</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u><u>\$ 130,083</u></u>	<u><u>\$ 37,188</u></u>	<u><u>\$ 376,700</u></u>

**BRAZOS COUNTY, TEXAS  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION  
For the Year Ended September 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Charges for Services	\$ 180,000	\$ 180,000	\$ 177,754
Interest	26,000	26,000	14,166
<b>TOTAL REVENUES</b>	<u>206,000</u>	<u>206,000</u>	<u>191,920</u>
<b>EXPENDITURES</b>			
<b>Justice System</b>			
Personnel Services	91,576	91,861	90,882
Supplies and Other Charges	58,200	48,915	1,131
Repairs and Maintenance	1,500	1,500	-
Minor Acquisitions	12,200	12,200	1,778
Contract Services	94,500	94,500	65,510
Professional Services	-	9,000	4,550
<b>TOTAL EXPENDITURES</b>	<u>257,976</u>	<u>257,976</u>	<u>163,851</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,976)	(51,976)	28,069
<b>FUND BALANCE, OCTOBER 1</b>	<u>566,111</u>	<u>566,111</u>	<u>566,111</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u><u>\$ 514,135</u></u>	<u><u>\$ 514,135</u></u>	<u><u>\$ 594,180</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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Charges for Services	\$ 5,675	\$ -	\$ -
Interest	350	-	-
<b>TOTAL REVENUES</b>	<u>6,025</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
<b>Justice System</b>			
Supplies and Other Charges	6,025	-	-
<b>TOTAL EXPENDITURES</b>	<u>6,025</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
<b>OTHER FINANCING USES</b>			
Transfers Out	<u>(7,000)</u>	<u>(7,936)</u>	<u>(7,936)</u>
<b>TOTAL OTHER FINANCING USES</b>	<u>(7,000)</u>	<u>(7,936)</u>	<u>(7,936)</u>
Net Change in Fund Balance	(7,000)	(7,936)	(7,936)
<b>FUND BALANCE, OCTOBER 1</b>	<u>7,936</u>	<u>7,936</u>	<u>7,936</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u><u>\$ 936</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BRAZOS COUNTY, TEXAS  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
COURTHOUSE SECURITY  
For the Year Ended September 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Charges for Services	\$ 94,000	\$ 94,000	\$ 96,039
Interest	4,000	4,000	1,162
<b>TOTAL REVENUES</b>	<u>98,000</u>	<u>98,000</u>	<u>97,201</u>
<b>EXPENDITURES</b>			
<b>Law Enforcement</b>			
Personnel Services	230,958	231,414	215,434
Supplies and Other Charges	5,137	4,681	2,247
Repairs and Maintenance	10,190	10,190	7,000
Minor Acquisitions	9,700	9,700	5,901
<b>TOTAL EXPENDITURES</b>	<u>255,985</u>	<u>255,985</u>	<u>230,582</u>
Deficiency of Revenues Under Expenditures	(157,985)	(157,985)	(133,381)
<b>OTHER FINANCING SOURCES</b>			
Transfers In	<u>105,985</u>	<u>105,985</u>	<u>105,985</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>105,985</u>	<u>105,985</u>	<u>105,985</u>
Net Change in Fund Balance	(52,000)	(52,000)	(27,396)
<b>FUND BALANCE, OCTOBER 1</b>	<u>33,590</u>	<u>33,590</u>	<u>33,590</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u><u>\$ (18,410)</u></u>	<u><u>\$ (18,410)</u></u>	<u><u>\$ 6,194</u></u>

**BRAZOS COUNTY, TEXAS  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
JUSTICE COURT SECURITY  
For the Year Ended September 30, 2008**

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Charges for Services	\$ 10,500	\$ 11,066
Interest	400	544
<b>TOTAL REVENUES</b>	<u>10,900</u>	<u>11,610</u>
<b>EXPENDITURES</b>		
<b>Justice System</b>		
Capital Outlay	26,900	-
<b>TOTAL EXPENDITURES</b>	<u>26,900</u>	<u>-</u>
Excess of Revenues Over Expenditures	(16,000)	11,610
<b>FUND BALANCE, OCTOBER 1</b>	<u>16,737</u>	<u>16,737</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u><u>\$ 737</u></u>	<u><u>\$ 28,347</u></u>

**BRAZOS COUNTY, TEXAS  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL  
DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION  
For the Year Ended September 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Charges for Services	\$ 18,000	\$ 18,000	\$ 17,363
Interest	2,000	2,000	1,401
<b>TOTAL REVENUES</b>	<u>20,000</u>	<u>20,000</u>	<u>18,764</u>
<b>EXPENDITURES</b>			
<b>Justice System</b>			
Supplies and Other Charges	30,000	33,174	12,499
Repairs and Maintenance	-	2,780	2,775
Minor Acquisitions	-	769	769
Contract Services	51,000	1,000	-
Professional Services	-	43,277	-
<b>TOTAL EXPENDITURES</b>	<u>81,000</u>	<u>81,000</u>	<u>16,043</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,000)	(61,000)	2,721
<b>FUND BALANCE, OCTOBER 1</b>	<u>53,269</u>	<u>53,269</u>	<u>53,269</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u><u>\$ (7,731)</u></u>	<u><u>\$ (7,731)</u></u>	<u><u>\$ 55,990</u></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, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Charges for Services	\$ 49,200	\$ 49,200	\$ 49,431
Interest	7,600	7,600	4,881
<b>TOTAL REVENUES</b>	<u>56,800</u>	<u>56,800</u>	<u>54,312</u>
<b>EXPENDITURES</b>			
<b>Justice System</b>			
Supplies and Other Charges	191,800	181,224	5,436
Minor Acquisitions	45,000	45,000	12,213
Capital Outlay	-	10,576	10,576
<b>TOTAL EXPENDITURES</b>	<u>236,800</u>	<u>236,800</u>	<u>28,225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(180,000)	(180,000)	26,087
<b>FUND BALANCE, OCTOBER 1</b>	<u>188,116</u>	<u>188,116</u>	<u>188,116</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u><u>\$ 8,116</u></u>	<u><u>\$ 8,116</u></u>	<u><u>\$ 214,203</u></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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Charges for Services	\$ 4,400	\$ 12,459	\$ 14,278
Interest	200	200	200
<b>TOTAL REVENUES</b>	<u>4,600</u>	<u>12,659</u>	<u>14,478</u>
<b>EXPENDITURES</b>			
<b>Law Enforcement</b>			
Supplies and Other Charges	1,100	800	-
Repairs and Maintenance	3,000	375	250
Minor Acquisitions	5,500	16,484	5,290
<b>TOTAL EXPENDITURES</b>	<u>9,600</u>	<u>17,659</u>	<u>5,540</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(5,000)	8,938
<b>FUND BALANCE, OCTOBER 1</b>	<u>4,191</u>	<u>4,191</u>	<u>4,191</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u><u>\$ (809)</u></u>	<u><u>\$ (809)</u></u>	<u><u>\$ 13,129</u></u>

**BRAZOS COUNTY, TEXAS  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
DISTRICT ATTORNEY HOT CHECK COLLECTION  
For the Year Ended September 30, 2008**

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Charges for Services	\$ 1,300	\$ 377
Interest	150	44
<b>TOTAL REVENUES</b>	1,450	421
<b>EXPENDITURES</b>		
<b>Justice System</b>		
Supplies and Other Charges	2,450	2,165
Minor Acquisitions	1,000	-
<b>TOTAL EXPENDITURES</b>	3,450	2,165
Deficiency of Revenues Under Expenditures	(2,000)	(1,744)
<b>FUND BALANCE, OCTOBER 1</b>	1,961	1,961
<b>FUND BALANCE, SEPTEMBER 30</b>	\$ (39)	\$ 217

**BRAZOS COUNTY, TEXAS  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
BAIL BOND BOARD FEES  
For the Year Ended September 30, 2008**

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Charges for Services	\$ 3,000	\$ 2,000
Interest	3,300	1,767
<b>TOTAL REVENUES</b>	6,300	3,767
<b>EXPENDITURES</b>		
<b>Justice System</b>		
Personnel Services	4,600	223
Supplies and Other Charges	71,700	-
<b>TOTAL EXPENDITURES</b>	76,300	223
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,000)	3,544
<b>FUND BALANCE, OCTOBER 1</b>	70,286	70,286
<b>FUND BALANCE, SEPTEMBER 30</b>	\$ 286	\$ 73,830

**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, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Interest	\$ 1,100	\$ 1,100	\$ 544
<b>TOTAL REVENUES</b>	<u>1,100</u>	<u>1,100</u>	<u>544</u>
<b>EXPENDITURES</b>			
<b>General Government</b>			
Supplies and Other Charges	19,100	12,800	1,376
Minor Acquisitions	-	10,300	-
Capital Outlay	4,000	-	-
<b>TOTAL EXPENDITURES</b>	<u>23,100</u>	<u>23,100</u>	<u>1,376</u>
Deficiency of Revenues Under Expenditures	(22,000)	(22,000)	(832)
<b>FUND BALANCE, OCTOBER 1</b>	<u>23,052</u>	<u>23,052</u>	<u>23,052</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 1,052</u>	<u>\$ 1,052</u>	<u>\$ 22,220</u>

**BRAZOS COUNTY, TEXAS  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
CHAPTER 19 STATE FUND  
For the Year Ended September 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Intergovernmental	\$ 1,000	\$ 27,853	\$ 27,668
<b>TOTAL REVENUES</b>	<u>1,000</u>	<u>27,853</u>	<u>27,668</u>
<b>EXPENDITURES</b>			
<b>Law Enforcement</b>			
Supplies and Other Charges	1,000	1,000	815
Minor Acquisition	-	9,845	9,845
Contract Services	-	17,008	17,008
<b>TOTAL EXPENDITURES</b>	<u>1,000</u>	<u>27,853</u>	<u>27,668</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
<b>FUND BALANCE, OCTOBER 1</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<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  
VEHICLE INVENTORY TAX INTEREST  
For the Year Ended September 30, 2008**

	<b>Original and Final Budget</b>	<b>Actual</b>
	<u>          </u>	<u>          </u>
<b>REVENUES</b>		
Taxes	\$    3,000	\$    1,176
Interest	<u>          3,000</u>	<u>         14,277</u>
<b>TOTAL REVENUES</b>	<u>          6,000</u>	<u>         15,453</u>
 <b>EXPENDITURES</b>		
<b>General Government</b>		
Personnel Services	13,288	1,303
Supplies and Other Charges	62,712	134
Minor Acquisitions	10,000	-
Professional Services	<u>         20,000</u>	<u>          -</u>
<b>TOTAL EXPENDITURES</b>	<u>         106,000</u>	<u>          1,437</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (100,000)	 14,016
 <b>FUND BALANCE, OCTOBER 1</b>	 <u>         102,037</u>	 <u>         102,037</u>
 <b>FUND BALANCE, SEPTEMBER 30</b>	 <u>          \$    2,037</u>	 <u>          \$  116,053</u>

**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, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Other Revenue	\$ 5,000	\$ 5,000	\$ 2,419
Interest	12,500	12,500	8,500
<b>TOTAL REVENUES</b>	<u>17,500</u>	<u>17,500</u>	<u>10,919</u>
<b>EXPENDITURES</b>			
<b>Law Enforcement</b>			
Personnel Services	32,036	38,012	1,186
Supplies and Other Charges	212,437	206,461	1,558
Repairs and Maintenance	43,406	43,406	-
Minor Acquisitions	22,705	22,705	-
Contract Services	36,472	36,472	-
Professional Services	444	444	-
<b>TOTAL EXPENDITURES</b>	<u>347,500</u>	<u>347,500</u>	<u>2,744</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(330,000)	(330,000)	8,175
<b>OTHER FINANCING SOURCES</b>			
Sale of Capital Assets	-	-	13
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>-</u>	<u>13</u>
<b>FUND BALANCE, OCTOBER 1</b>	<u>355,033</u>	<u>355,033</u>	<u>355,033</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 25,033</u>	<u>\$ 25,033</u>	<u>\$ 363,221</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, 2008**

	<b>Original and Final Budget</b>	<b>Actual</b>
	<u>          </u>	<u>          </u>
<b>REVENUES</b>		
Charges for Services	\$      5,000	\$     11,913
Interest	800	706
<b>TOTAL REVENUES</b>	<u>          5,800</u>	<u>         12,619</u>
<b>EXPENDITURES</b>		
<b>Justice System</b>		
Personnel Services	7,768	7,454
Supplies and Other Charges	13,032	4,175
<b>TOTAL EXPENDITURES</b>	<u>         20,800</u>	<u>         11,629</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,000)	990
<b>FUND BALANCE, OCTOBER 1</b>	<u>         29,785</u>	<u>         29,785</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>         \$  14,785</u>	<u>         \$  30,775</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, 2008**

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Charges for Services	\$ 64,500	\$ 52,861
<b>TOTAL REVENUES</b>	64,500	52,861
<b>EXPENDITURES</b>		
<b>General Government</b>		
Supplies and Other Charges	300	230
Contract Services	9,200	940
Professional Services	55,000	44,620
<b>TOTAL EXPENDITURES</b>	64,500	45,790
Excess of Revenues Over Expenditures	-	7,071
<b>FUND BALANCE, OCTOBER 1</b>	-	-
<b>FUND BALANCE, SEPTEMBER 30</b>	\$ -	\$ 7,071

**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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
<b>Intergovernmental - Federal</b>			
Department of Justice	\$ -	\$ 427,442	\$ 305,421
Department of Transportation	488,500	443,500	285,132
Department of Public Safety	-	30,035	26,071
Federal Election Assistance Commission	526,905	526,905	431,673
<b>Total Intergovernmental - Federal</b>	<u>1,015,405</u>	<u>1,427,882</u>	<u>1,048,297</u>
<b>Intergovernmental - State</b>			
Texas Juvenile Probation Commission	684,089	684,089	659,742
Texas Office of the Attorney General	30,108	30,108	30,108
<b>Total Intergovernmental - State</b>	<u>714,197</u>	<u>714,197</u>	<u>689,850</u>
<b>Intergovernmental - Other</b>			
MPO Contribution	-	60,000	60,000
Program Income	-	-	14,225
<b>Total Intergovernmental - Other</b>	<u>-</u>	<u>60,000</u>	<u>74,225</u>
<b>Interest</b>	<u>-</u>	<u>-</u>	<u>2,042</u>
<b>TOTAL REVENUES</b>	<u>1,729,602</u>	<u>2,202,079</u>	<u>1,814,414</u>
<b>EXPENDITURES</b>			
Justice System	-	-	91,914
Law Enforcement	135,754	554,696	328,262
Juvenile Services	964,534	966,244	834,229
Public Transportation	449,647	449,647	305,593
Human Services	526,905	556,940	94,671
Capital Outlay	-	8,500	413,300
<b>TOTAL EXPENDITURES</b>	<u>2,076,840</u>	<u>2,536,027</u>	<u>2,067,969</u>
Deficiency of Revenues Under Expenditures	(347,238)	(333,948)	(253,555)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	347,238	333,948	227,744
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>347,238</u>	<u>333,948</u>	<u>227,744</u>
Net Change in Fund Balance	-	-	(25,811)
<b>FUND BALANCE, OCTOBER 1</b>	<u>39,279</u>	<u>39,279</u>	<u>39,279</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 39,279</u>	<u>\$ 39,279</u>	<u>\$ 13,468</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, 2008**

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Taxes	\$ 5,409,000	\$ 5,692,380
Interest	220,000	368,070
<b>TOTAL REVENUES</b>	<b>5,629,000</b>	<b>6,060,450</b>
<b>EXPENDITURES</b>		
Debt Service:		
Principal	3,445,000	3,445,000
Interest	4,879,000	2,689,504
Agent Fees	5,000	3,195
Professional Fees - Other	100,000	-
<b>TOTAL EXPENDITURES</b>	<b>8,429,000</b>	<b>6,137,699</b>
Deficiency of Revenues Under Expenditures	(2,800,000)	(77,249)
<b>FUND BALANCE, OCTOBER 1</b>	<b>2,908,627</b>	<b>2,908,627</b>
<b>FUND BALANCE, SEPTEMBER 30</b>	<b>\$ 108,627</b>	<b>\$ 2,831,378</b>

## **CAPITAL PROJECT FUNDS**

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

### **NONMAJOR GOVERNMENTAL FUNDS**

**Judicial Software Fund** – This fund was established to account for the expenditures for acquisition and installation of the criminal justice software system. The expenditures are financed through the issuance of \$1,000,000 Certificates of Obligation in 2001 and other financial resources.

**Certificates of Obligation 2003** – This fund was established to account for the expenditures for the construction of the Sheriff's Administration building. The expenditures are financed through the issuance of \$10,000,000 Certificates of Obligation in 2003.

**Certificates of Obligation 2004** – This fund was established in 2005 to account for various capital projects including the purchase of land, the construction of the Justice of Peace Building, capital road improvements, and the acquisition of heavy equipment for the Road & Bridge Department. The expenditures are financed through the issuance of \$5,000,000 Certificates of Obligation in 2004. In 2007, the funds remaining in this fund were used to purchase heavy equipment for the Road & Bridge Department.

**Capital Improvement Fund** - This fund was 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.

**Exposition Center Fund** – This fund was established to account for the expenditures for the purchase of land and the construction of the Brazos County Exposition Center. The expenditures are financed through the issuance of \$8,000,000 General Obligation Bonds in 2001 and \$10,500,000 in 2005.

### **MAJOR GOVERNMENTAL FUNDS**

**Jail Expansion Fund** – This fund was established to account for the expenditures for the expansion of jail facility. The expenditures are financed through the issuance of \$55,000,000 General Obligation Bonds in 2008.

**BRAZOS COUNTY, TEXAS  
COMBINING BALANCE SHEET  
CAPITAL PROJECT FUNDS  
September 30, 2008**

	<b>Nonmajor Funds</b>	
	<b>Judicial Software</b>	<b>Certificates of Obligation 2003</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 33,040	\$ 18,152
Receivables		
Accounts	-	-
<b>TOTAL ASSETS</b>	<b>33,040</b>	<b>18,152</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts Payable	33,040	18,152
<b>Total Liabilities</b>	<b>33,040</b>	<b>18,152</b>
<b>Fund Balances</b>		
Unreserved		
Designated for Capital Improvements	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 33,040</b>	<b>\$ 18,152</b>

<b>Nonmajor Funds (Continued)</b>			
<b>Certificates of Obligation 2004</b>	<b>Capital Improvement</b>	<b>Exposition Center</b>	<b>Total Nonmajor Funds</b>
\$ -	\$ 2,238,022	\$ 37,507	\$ 2,326,721
-	20,608	-	20,608
-	<u>2,258,630</u>	<u>37,507</u>	<u>2,347,329</u>
-	471,824	37,507	560,523
-	<u>471,824</u>	<u>37,507</u>	<u>560,523</u>
-	1,786,806	-	1,786,806
-	<u>1,786,806</u>	<u>-</u>	<u>1,786,806</u>
<u>\$ -</u>	<u>\$ 2,258,630</u>	<u>\$ 37,507</u>	<u>\$ 2,347,329</u>

**BRAZOS COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECT FUNDS**  
**For The Year Ended September 30, 2008**

	<b>Nonmajor Funds</b>	
	<b>Judicial Software</b>	<b>Certificates of Obligation 2003</b>
<b>REVENUES</b>		
Interest	\$ 2,726	\$ -
<b>TOTAL REVENUES</b>	<u>2,726</u>	<u>-</u>
<b>EXPENDITURES</b>		
Personnel Seivces	-	-
Supplies and Other Charges	-	-
Minor Acquisitions	-	-
Contract Services	(13,280)	-
Capital Outlay	-	11,062
<b>TOTAL EXPENDITURES</b>	<u>(13,280)</u>	<u>11,062</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,006</u>	<u>(11,062)</u>
<b>OTHER FINANCING SOURCES</b>		
Transfers In	-	11,062
Transfers Out	(106,084)	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>(106,084)</u>	<u>11,062</u>
Net Change in Fund Balances	(90,078)	-
<b>FUND BALANCES, OCTOBER 1</b>	<u>90,078</u>	<u>-</u>
<b>FUND BALANCES, SEPTEMBER 30</b>	<u>\$ -</u>	<u>\$ -</u>

<b>Nonmajor Funds (Continued)</b>			
<b>Certificates of Obligation 2004</b>	<b>Capital Improvement</b>	<b>Exposition Center</b>	<b>Total Nonmajor Funds</b>
\$ -	\$ -	\$ -	\$ 2,726
-	-	-	2,726
-	133,936	-	133,936
-	3,967	-	3,967
-	110,790	-	110,790
-	17,385	-	4,105
13,573	5,932,551	(55,375)	5,901,811
13,573	6,198,629	(55,375)	6,154,609
(13,573)	(6,198,629)	55,375	(6,151,883)
-	4,429,706	-	4,440,768
(10)	(620,619)	(55,375)	(782,088)
(10)	3,809,087	(55,375)	3,658,680
(13,583)	(2,389,542)	-	(2,493,203)
13,583	4,176,348	-	4,280,009
\$ -	\$ 1,786,806	\$ -	\$ 1,786,806

**BRAZOS COUNTY, TEXAS  
CAPITAL PROJECT FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
JUDICIAL SOFTWARE  
For The Year Ended September 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Interest	\$ -	\$ 2,726	\$ 2,726
Other Revenue	-	13,280	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>16,006</u>	<u>2,726</u>
<b>EXPENDITURES</b>			
<b>General Government</b>			
Contract Services	72,000	-	(13,280)
<b>TOTAL EXPENDITURES</b>	<u>72,000</u>	<u>-</u>	<u>(13,280)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(72,000)	16,006	16,006
<b>OTHER FINANCING USES</b>			
Transfers Out	-	(106,084)	(106,084)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>(106,084)</u>	<u>(106,084)</u>
Net Change in Fund Balance	(72,000)	(90,078)	(90,078)
<b>FUND BALANCE, OCTOBER 1</b>	<u>90,078</u>	<u>90,078</u>	<u>90,078</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 18,078</u>	<u>\$ -</u>	<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 2003**  
**For The Year Ended September 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	-	-	-
<b>EXPENDITURES</b>			
<b>General Government</b>			
Capital Outlay	-	11,062	11,062
<b>TOTAL EXPENDITURES</b>	-	11,062	11,062
Deficiency of Revenues Under Expenditures	-	(11,062)	(11,062)
<b>OTHER FINANCING SOURCES</b>			
Transfers In	-	11,062	11,062
<b>TOTAL OTHER FINANCING SOURCES</b>	-	11,062	11,062
Net Change in Fund Balance	-	-	-
<b>FUND BALANCE, OCTOBER 1</b>	-	-	-
<b>FUND BALANCE, SEPTEMBER 30</b>	\$ -	\$ -	\$ -

**BRAZOS COUNTY, TEXAS  
CAPITAL PROJECT FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
CERTIFICATES OF OBLIGATION 2004  
For The Year Ended September 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	-	-	-
<b>EXPENDITURES</b>			
<b>General Government</b>			
Capital Outlay	13,573	13,573	13,573
<b>TOTAL EXPENDITURES</b>	13,573	13,573	13,573
Deficiency of Revenues Under Expenditures	(13,573)	(13,573)	(13,573)
<b>OTHER FINANCING USES</b>			
Transfers Out	-	(10)	(10)
<b>TOTAL OTHER FINANCING SOURCES</b>	-	(10)	(10)
Net Change in Fund Balance	(13,573)	(13,583)	(13,583)
<b>FUND BALANCE, OCTOBER 1</b>	13,583	13,583	13,583
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ -</u>

**BRAZOS COUNTY, TEXAS  
CAPITAL PROJECT FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
CAPITAL IMPROVEMENT  
For The Year Ended September 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	-	-	-
<b>EXPENDITURES</b>			
<b>General Government</b>			
Supplies and Other Charges	288,072	191,526	133,936
Repairs & Maintenance	3,247	6,497	3,967
Minor Acquisitions	177,749	209,709	110,790
Professional Services	-	17,700	17,385
Capital Outlay	7,236,779	7,712,172	5,932,551
<b>TOTAL EXPENDITURES</b>	<b>7,705,847</b>	<b>8,137,604</b>	<b>6,198,629</b>
Deficiency of Revenues Under Expenditures	(7,705,847)	(8,137,604)	(6,198,629)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	3,377,330	4,429,706	4,429,706
Transfers Out	-	(620,619)	(620,619)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>3,377,330</b>	<b>3,809,087</b>	<b>3,809,087</b>
Net Change in Fund Balance	(4,328,517)	(4,328,517)	(2,389,542)
<b>FUND BALANCE, OCTOBER 1</b>	<b>4,176,348</b>	<b>4,176,348</b>	<b>4,176,348</b>
<b>FUND BALANCE, SEPTEMBER 30</b>	<b>\$ (152,169)</b>	<b>\$ (152,169)</b>	<b>\$ 1,786,806</b>

**BRAZOS COUNTY, TEXAS  
CAPITAL PROJECT FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
EXPOSITION CENTER  
For The Year Ended September 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Other Revenue	\$ -	\$ 55,375	\$ -
<b>TOTAL REVENUES</b>	<u>-</u>	<u>55,375</u>	<u>-</u>
<b>EXPENDITURES</b>			
<b>General Government</b>			
Capital Outlay	-	-	(55,375)
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(55,375)</u>
Deficiency of Revenues Under Expenditures	-	55,375	55,375
<b>OTHER FINANCING USES</b>			
Transfers Out	-	(55,375)	(55,375)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>(55,375)</u>	<u>(55,375)</u>
Net Change in Fund Balance	-	-	-
<b>FUND BALANCE, OCTOBER 1</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BRAZOS COUNTY, TEXAS**  
**CAPITAL PROJECT FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**JAIL EXPANSION 2007**  
**For The Year Ended September 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Interest	\$ -	\$ -	\$ 327,573
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>327,573</u>
<b>EXPENDITURES</b>			
<b>General Government</b>			
Supplies and Other Charges	-	10,000	-
Contract Services	-	41,226	41,226
Capital Outlay	55,000,000	54,328,155	1,421,764
<b>TOTAL EXPENDITURES</b>	<u>55,000,000</u>	<u>54,379,381</u>	<u>1,462,990</u>
Deficiency of Revenues Under Expenditures	(55,000,000)	(54,379,381)	(1,135,417)
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt Issuance	55,000,000	55,000,000	55,000,000
Transfers Out	-	(620,619)	(620,619)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>55,000,000</u>	<u>54,379,381</u>	<u>54,379,381</u>
Net Change in Fund Balance	-	-	53,243,964
<b>FUND BALANCE, OCTOBER 1</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,243,964</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  
For The Year Ended September 30, 2008**

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$	1,501,650
Accounts Receivable		13,973

<b>TOTAL ASSETS</b>	1,515,623
---------------------	-----------

**LIABILITIES**

**Current Liabilities**

Accounts Payable		677,249
Deferred Revenue		6,421

<b>TOTAL LIABILITIES</b>	683,670
--------------------------	---------

**NET ASSETS**

Unrestricted		831,953
--------------	--	---------

<b>TOTAL NET ASSETS</b>	\$ 831,953
-------------------------	------------

**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, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
<b>OPERATING REVENUES</b>			
Employee Dependents	\$ 871,500	\$ 871,500	\$ 1,026,524
Self Pays	21,000	21,000	15,815
Excess Risk Benefits	-	-	83,680
Participant Payments	217,800	217,800	236,726
Brazos County	3,631,250	3,631,250	3,975,070
Retirees	95,000	95,000	120,427
<b>TOTAL OPERATING REVENUES</b>	<u>4,836,550</u>	<u>4,836,550</u>	<u>5,458,242</u>
<b>OPERATING EXPENSES</b>			
Life Insurance	40,000	40,000	33,197
Stop Loss Premiums	694,000	694,000	817,244
Benefit Claims	4,581,550	4,700,484	4,548,797
Administrative Fees	316,000	316,000	351,088
Professional Services	20,000	23,000	23,000
<b>TOTAL OPERATING EXPENSES</b>	<u>5,651,550</u>	<u>5,773,484</u>	<u>5,773,326</u>
<b>OPERATING LOSS</b>	<u>(815,000)</u>	<u>(936,934)</u>	<u>(315,084)</u>
<b>NONOPERATING REVENUES</b>			
Interest	65,000	65,000	34,294
<b>TOTAL NONOPERATING REVENUES</b>	<u>65,000</u>	<u>65,000</u>	<u>34,294</u>
<b>LOSS BEFORE TRANSFERS</b>	(750,000)	(871,934)	(280,790)
Transfers In	-	121,934	121,934
<b>CHANGE IN NET ASSETS</b>	(750,000)	(750,000)	(158,856)
<b>TOTAL NET ASSETS - BEGINNING</b>	<u>990,809</u>	<u>990,809</u>	<u>990,809</u>
<b>TOTAL NET ASSETS - ENDING</b>	<u>\$ 240,809</u>	<u>\$ 240,809</u>	<u>\$ 831,953</u>

**BRAZOS COUNTY, TEXAS  
INTERNAL SERVICE FUND  
HEALTH AND LIFE INSURANCE  
STATEMENT OF CASH FLOWS  
For The Year Ended September 30, 2008**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 1,397,108
Receipts from interfund services provided	3,975,070
Payments to contractors	(1,729,644)
Claims paid	<u>(3,829,557)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(187,023)</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from General Fund	<u>121,934</u>
<b>NET CASH PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>121,934</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	<u>37,525</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>37,525</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(27,564)
<b>CASH AND CASH EQUIVALENTS, OCTOBER 1</b>	<u>1,529,214</u>
<b>CASH AND CASH EQUIVALENTS, SEPTEMBER 30</b>	<u><u>\$ 1,501,650</u></u>
 <b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating Loss	<u>\$ (315,084)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Decrease in accounts receivable	9,872
Increase in accounts payable	118,152
Increase in deferred revenue	37
Total adjustments	<u>128,061</u>
Net cash used by operating activities	<u><u>\$ (187,023)</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, 2008**

	<u>Narcotics Seizure</u>	<u>District Clerk Trust</u>	<u>County Clerk Trust</u>	<u>Bail Bond Board Trust</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 221,710	\$ 2,279,075	\$ 1,080,200	\$ 904,798	\$ 4,485,783
Investments	-	-	-	1,233,860	1,233,860
Accounts Receivable	-	429	-	-	429
<b>TOTAL ASSETS</b>	<u>221,710</u>	<u>2,279,504</u>	<u>1,080,200</u>	<u>2,138,658</u>	<u>5,720,072</u>
<b>LIABILITIES</b>					
Accounts Payable	-	429	-	-	429
Funds Held in Trust	221,710	2,279,075	1,080,200	2,138,658	5,719,643
<b>TOTAL LIABILITIES</b>	<u>\$ 221,710</u>	<u>\$ 2,279,504</u>	<u>\$ 1,080,200</u>	<u>\$ 2,138,658</u>	<u>\$ 5,720,072</u>

**BRAZOS COUNTY, TEXAS**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**For The Year Ended September 30, 2008**

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2008</u>
<b>NARCOTICS SEIZURE</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 149,630	\$ 124,926	\$ 52,846	\$ 221,710
Total Assets	<u>149,630</u>	<u>124,926</u>	<u>52,846</u>	<u>221,710</u>
<b>Liabilities</b>				
Funds Held In Trust	149,630	82,491	10,411	221,710
Total Liabilities	<u>149,630</u>	<u>82,491</u>	<u>10,411</u>	<u>221,710</u>
<b>DISTRICT CLERK TRUST</b>				
<b>Assets</b>				
Cash and Cash Equivalents	2,270,088	593,716	584,729	2,279,075
Accounts Receivable	429	-	-	429
Total Assets	<u>2,270,517</u>	<u>593,716</u>	<u>584,729</u>	<u>2,279,504</u>
<b>Liabilities</b>				
Accounts Payable	429	-	-	429
Funds Held In Trust	2,270,088	172,076	163,089	2,279,075
Total Liabilities	<u>2,270,517</u>	<u>172,076</u>	<u>163,089</u>	<u>2,279,504</u>
<b>COUNTY CLERK TRUST</b>				
<b>Assets</b>				
Cash and Cash Equivalents	1,215,371	3,584,895	3,720,066	1,080,200
Total Assets	<u>1,215,371</u>	<u>3,584,895</u>	<u>3,720,066</u>	<u>1,080,200</u>
<b>Liabilities</b>				
Funds Held In Trust	1,215,371	1,335,754	1,470,925	1,080,200
Total Liabilities	<u>1,215,371</u>	<u>1,335,754</u>	<u>1,470,925</u>	<u>1,080,200</u>
<b>BAIL BOND BOARD TRUST</b>				
<b>Assets</b>				
Cash and Cash Equivalents	865,579	110,000	70,781	904,798
Investments	1,141,100	92,760	-	1,233,860
Total Assets	<u>2,006,679</u>	<u>202,760</u>	<u>70,781</u>	<u>2,138,658</u>
<b>Liabilities</b>				
Funds Held In Trust	2,006,679	131,979	-	2,138,658
Total Liabilities	<u>\$ 2,006,679</u>	<u>\$ 131,979</u>	<u>\$ -</u>	<u>\$ 2,138,658</u>

**BRAZOS COUNTY, TEXAS**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**For The Year Ended September 30, 2008**

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2008</u>
<b>COMBINED AGENCY FUNDS</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 4,500,668	\$ 4,413,537	\$ 4,428,422	\$ 4,485,783
Investments	1,141,100	92,760	-	1,233,860
Accounts Receivable	429	-	-	429
Total Assets	<u>5,642,197</u>	<u>4,506,297</u>	<u>4,428,422</u>	<u>5,720,072</u>
<b>Liabilities</b>				
Accounts Payable	429	-	-	429
Funds Held In Trust	5,641,768	1,722,300	1,644,425	5,719,643
Total Liabilities	<u>\$ 5,642,197</u>	<u>\$ 1,722,300</u>	<u>\$ 1,644,425</u>	<u>\$ 5,720,072</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, 2008**

	<u>2008</u>	<u>2007</u>
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land	\$ 11,430,407	\$ 10,434,806
Buildings	62,432,942	58,007,245
Improvements	5,273,157	5,157,558
Machinery and Equipment	18,754,064	16,899,055
Infrastructure	45,857,586	42,234,977
Construction Work in Progress	4,043,382	2,043,763
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<u>\$ 147,791,538</u>	<u>\$ 134,777,404</u>
<b>INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE</b>		
General Fund	\$ 11,562,898	\$ 9,151,442
Special Revenue Funds	1,475,656	1,041,927
Capital Project Funds	131,590,184	124,525,949
Donations	3,162,800	58,086
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<u>\$ 147,791,538</u>	<u>\$ 134,777,404</u>

**BRAZOS COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
**For The Year Ended September 30, 2008**

<b>FUNCTION AND ACTIVITY</b>	<b>Governmental Funds Capital Assets 10/01/07</b>	<b>Additions</b>	<b>Retirements</b>	<b>Adjustments And Transfers</b>	<b>Governmental Funds Capital Assets 09/30/08</b>
<b>General Government</b>					
County Judge	\$ 60,363	\$ -	\$ -	\$ 56,767	\$ 117,130
Commissioners' Court	2,580,212	3,994,114	-	(265,973)	6,308,353
Budget Office	-			28,470	28,470
Community Support	87,500	-	-	(87,500)	-
County Treasurer	222,389	-	-	198,709	421,098
Risk Management	60,363	-	-	56,768	117,131
Tax Assessor-Collector	707,607	-	-	(7,611)	699,996
Information Technology	5,417,757	105,628	(12,922)	(160,404)	5,350,059
Human Resources	120,721	-	-	142,030	262,751
County Auditor	362,168	-	-	283,712	645,880
Purchasing Administration	133,797	-	-	85,090	218,887
Building Maintenance	632,363	9,660	-	102,045	744,068
<b>Total General Government</b>	<b>10,385,240</b>	<b>4,109,402</b>	<b>(12,922)</b>	<b>432,103</b>	<b>14,913,823</b>
<b>Justice System</b>					
County Attorney	1,198,675	-	-	(2,744)	1,195,931
District Attorney	879,992	-	(7,460)	(2,166)	870,366
District Clerk	862,272	-	-	(2,252)	860,020
District Clerk Management	5,175	-	-	-	5,175
County Clerk	358,536	12,268	-	(924)	369,880
County Records Management	12,998	-	-	-	12,998
County Clerk Records Preservation	67,835	-	-	-	67,835
District Courts	496,396	-	-	(1,215)	495,181
County Courts At Law	583,841	-	-	(897)	582,944
Justices of the Peace (5)	895,315	14,303	-	69,285	978,903
Community Supervision	706,879	-	-	291,437	998,316
Court Master	60,363	-	-	(172)	60,191
Law Library	20,093	-	-	-	20,093
<b>Total Justice System</b>	<b>6,148,370</b>	<b>26,571</b>	<b>(7,460)</b>	<b>350,352</b>	<b>6,517,833</b>
<b>Law Enforcement</b>					
Sheriff/Jail	25,140,394	1,929,263	(11,802)	(1,211,548)	25,846,307
Courthouse Security	183,959	-	-	(259)	183,700
Constables (4)	1,149,813	81,284	(21,744)	321,480	1,530,833
Clear Team	208,697	8,230	(18,639)	-	198,288
<b>Total Law Enforcement</b>	<b>26,682,863</b>	<b>2,018,777</b>	<b>(52,185)</b>	<b>(890,327)</b>	<b>27,759,128</b>
<b>Juvenile Services</b>					
Juvenile Probation	7,028,973	352,256	(30,163)	70,199	7,421,265
<b>Total Juvenile Services</b>	<b>7,028,973</b>	<b>352,256</b>	<b>(30,163)</b>	<b>70,199</b>	<b>7,421,265</b>
<b>Public Transportation</b>					
Metropolitan Planning	994,180	-	-	-	994,180
Road & Bridge	12,898,645	995,226	(207,433)	13,057	13,699,495
Infrastructure	43,573,122	7,171,866	(1,575,658)	(419,776)	48,749,554
<b>Total Public Transportation</b>	<b>\$ 57,465,947</b>	<b>\$ 8,167,092</b>	<b>\$(1,783,091)</b>	<b>\$ (406,719)</b>	<b>\$ 63,443,229</b>

**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, 2008**

<b>FUNCTION AND ACTIVITY</b>	<b>Governmental Funds Capital Assets 10/01/07</b>	<b>Additions</b>	<b>Retirements</b>	<b>Adjustments And Transfers</b>	<b>Governmental Funds Capital Assets 09/30/08</b>
<b>Public Health</b>					
Environmental Protection	\$ 811,955	\$ -	\$ -	\$ -	\$ 811,955
Health Department	400,774	-	-	-	400,774
<b>Total Public Health</b>	<u>1,212,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,212,729</u>
<b>Human Services</b>					
Emergency Management	209,814	36,814	-	-	246,628
Brazos Center	2,260,821	497,939	(6,407)	-	2,752,353
Agricultural Extension	92,908	-	-	-	92,908
Elections	1,161,505	-	-	-	1,161,505
Exposition Center	22,128,234	190,278	-	(48,375)	22,270,137
<b>Total Human Services</b>	<u>25,853,282</u>	<u>725,031</u>	<u>(6,407)</u>	<u>(48,375)</u>	<u>26,523,531</u>
<b>TOTAL GOVERNMENTAL FUNDS</b>					
<b>CAPITAL ASSETS</b>	<u>\$134,777,404</u>	<u>\$ 15,399,129</u>	<u>\$(1,892,228)</u>	<u>\$ (492,767)</u>	<u>\$147,791,538</u>

**BRAZOS COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
**September 30, 2008**

FUNCTION AND ACTIVITY	Land	Buildings	Improvements	Machinery And Equipment	Infrastructure	Construction Work in Progress	Total
<b>General Government</b>							
County Judge	\$ 12,136	\$ 95,758	\$ 9,236	\$ -	\$ -	\$ -	\$ 117,130
Commissioners' Court	136,463	5,850,925	254,986	39,092	-	26,887	6,308,353
Budget Office	5,694	22,776	-	-	-	-	28,470
County Treasurer	42,476	335,154	32,345	11,123	-	-	421,098
Risk Management	12,136	95,758	9,237	-	-	-	117,131
Tax Assessor-Collector	16,321	119,689	509,670	54,316	-	-	699,996
Information Technology	26,777	1,211,892	40,861	4,070,529	-	-	5,350,059
Human Resources	29,965	214,293	18,493	-	-	-	262,751
County Auditor	61,427	528,999	55,454	-	-	-	645,880
Purchasing Administration	18,578	168,741	18,492	13,076	-	-	218,887
Building Maintenance	187,638	312,880	58,711	184,839	-	-	744,068
<b>Total General Government</b>	<b>549,611</b>	<b>8,956,865</b>	<b>1,007,485</b>	<b>4,372,975</b>	<b>-</b>	<b>26,887</b>	<b>14,913,823</b>
<b>Justice System</b>							
County Attorney	12,342	828,415	152,466	202,708	-	-	1,195,931
District Attorney	9,725	652,691	120,122	87,828	-	-	870,366
District Clerk	10,098	677,794	124,740	47,388	-	-	860,020
District Clerk Management	-	-	-	5,175	-	-	5,175
County Clerk	4,114	276,138	50,814	38,814	-	-	369,880
County Records Management	-	-	-	12,998	-	-	12,998
County Clerk Rec. Preservation	-	-	-	67,835	-	-	67,835
District Courts	5,610	376,551	69,337	43,683	-	-	495,181
County Courts At Law	4,114	522,858	50,839	5,133	-	-	582,944
Justices of the Peace (5)	192,916	747,474	27,937	10,576	-	-	978,903
Community Supervision	250,000	75,000	673,316	-	-	-	998,316
Court Master	748	50,207	9,236	-	-	-	60,191
Law Library	-	-	-	20,093	-	-	20,093
<b>Total Justice System</b>	<b>489,667</b>	<b>4,207,128</b>	<b>1,278,807</b>	<b>542,231</b>	<b>-</b>	<b>-</b>	<b>6,517,833</b>
<b>Law Enforcement</b>							
Sheriff/Jail	572,290	20,095,051	284,192	2,852,392	-	2,042,382	25,846,307
Courthouse Security	1,122	75,310	13,851	93,417	-	-	183,700
Constables (4)	182,274	727,949	37,172	583,438	-	-	1,530,833
Clear Team	-	-	-	198,288	-	-	198,288
<b>Total Law Enforcement</b>	<b>755,686</b>	<b>20,898,310</b>	<b>335,215</b>	<b>3,727,535</b>	<b>-</b>	<b>2,042,382</b>	<b>27,759,128</b>
<b>Juvenile Services</b>							
Juvenile Probation	106,544	6,926,756	37,527	350,438	-	-	7,421,265
<b>Total Juvenile Services</b>	<b>106,544</b>	<b>6,926,756</b>	<b>37,527</b>	<b>350,438</b>	<b>-</b>	<b>-</b>	<b>7,421,265</b>
<b>Public Transportation</b>							
Metropolitan Planning	-	-	994,180	-	-	-	994,180
Road & Bridge	6,870,439	352,390	549,785	7,240,386	45,857,586	1,578,463	62,449,049
<b>Total Public Transportation</b>	<b>\$ 6,870,439</b>	<b>\$ 352,390</b>	<b>\$ 1,543,965</b>	<b>\$ 7,240,386</b>	<b>\$ 45,857,586</b>	<b>\$ 1,578,463</b>	<b>\$ 63,443,229</b>

**BRAZOS COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY (Continued)**  
**September 30, 2008**

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>
<b>Public Health</b>							
Environmental Protection	\$ 569,042	\$ 90,908	\$ 152,005	\$ -	\$ -	\$ -	\$ 811,955
Health Department	122,213	139,824	138,737	-	-	-	400,774
<b>Total Public Health</b>	<u>691,255</u>	<u>230,732</u>	<u>290,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,212,729</u>
<b>Human Services</b>							
Emergency Management	-	-	36,814	209,814	-	-	246,628
Brazos Center	3,084	1,526,004	664,943	170,172	-	388,150	2,752,353
Agricultural Extension	-	63,441	29,467	-	-	-	92,908
Elections	-	-	-	1,161,505	-	-	1,161,505
Exposition Center	1,964,121	19,271,316	48,192	979,008	-	7,500	22,270,137
<b>Total Human Services</b>	<u>1,967,205</u>	<u>20,860,761</u>	<u>779,416</u>	<u>2,520,499</u>	<u>-</u>	<u>395,650</u>	<u>26,523,531</u>
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<u>\$ 11,430,407</u>	<u>\$ 62,432,942</u>	<u>\$ 5,273,157</u>	<u>\$ 18,754,064</u>	<u>\$ 45,857,586</u>	<u>\$ 4,043,382</u>	<u>\$147,791,538</u>



**S  
T  
A  
T  
I  
S  
T  
I  
C  
A  
L**

**S  
E  
C  
T  
I  
O  
N**

# Statistical Section

This part of Brazos County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

## Contents

## Table No.

### **Financial Trends**

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 Six Fiscal Years**  
 (Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 41,438,037	\$ 30,404,623	\$ 24,099,251	\$ 38,924,281	\$ 63,796,857	\$ 21,601,010
Restricted	2,989,935	3,328,283	4,997,987	5,709,087	5,377,356	6,420,810
Unrestricted	29,244,870	43,253,082	59,703,513	55,642,525	41,337,786	94,986,664
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>	<u>\$ 110,511,999</u>	<u>\$ 123,008,484</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 1,612	\$ -	\$ -	\$ -	\$ 12,558	\$ 10,243
Unrestricted	95,996	146,935	172,036	238,586	315,127	390,914
Total business-type activities net assets	<u>\$ 97,608</u>	<u>\$ 146,935</u>	<u>\$ 172,036</u>	<u>\$ 238,586</u>	<u>\$ 327,685</u>	<u>\$ 401,157</u>
Primary government						
Invested in capital assets, net of related debt	\$ 41,439,649	\$ 30,404,623	\$ 24,099,251	\$ 38,924,281	\$ 63,809,415	\$ 21,611,253
Restricted	2,989,935	3,328,283	4,997,987	5,709,087	5,377,356	6,420,810
Unrestricted	29,340,866	43,400,017	59,875,549	55,881,111	41,652,913	95,377,578
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>	<u>\$ 110,839,684</u>	<u>\$ 123,409,641</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Expenses</b>						
Governmental activities:						
General Government	\$ 11,890,781	\$ 12,633,863	\$ 11,371,667	\$ 12,042,697	\$ 12,631,298	\$ 15,690,144
Justice System	8,684,058	9,392,776	8,860,448	10,457,394	11,522,627	13,128,593
Law Enforcement	11,271,954	11,956,232	11,894,495	12,905,488	14,054,470	15,731,013
Juvenile Services	3,802,706	3,739,205	3,809,998	4,179,885	4,288,459	4,557,144
Public Transportation	6,394,828	5,360,370	4,764,927	4,900,621	6,429,692	5,410,967
Public Health	1,761,796	1,726,770	1,693,371	1,705,958	2,148,409	1,948,410
Human Services	1,578,544	1,826,466	2,266,518	2,469,378	2,918,972	4,028,992
Interest and Other Fees	1,349,227	1,648,665	1,831,044	2,326,392	2,044,191	2,895,119
Total governmental activities expenses	<u>46,733,894</u>	<u>48,284,347</u>	<u>46,492,468</u>	<u>50,987,813</u>	<u>56,038,118</u>	<u>63,390,382</u>
Business-type activities:						
County Attorney	93,125	96,878	81,788	67,342	40,144	33,905
Jail Commissary	226,559	207,164	246,840	299,883	318,321	367,270
Total business-type activities expenses	<u>319,684</u>	<u>304,042</u>	<u>328,628</u>	<u>367,225</u>	<u>358,465</u>	<u>401,175</u>
Total primary government expenses	<u>\$ 47,053,578</u>	<u>\$ 48,588,389</u>	<u>\$ 46,821,096</u>	<u>\$ 51,355,038</u>	<u>\$ 56,396,583</u>	<u>\$ 63,791,557</u>
<b>Program Revenues</b>						
Governmental activities:						
Charges for services:						
General Government	\$ 1,782,138	\$ 2,801,415	\$ 2,161,854	\$ 1,802,420	\$ 2,224,028	\$ 2,317,212
Justice System	5,637,540	5,609,315	5,083,409	5,509,185	5,862,626	6,202,462
Law Enforcement	492,034	673,692	768,454	846,828	786,796	791,070
Juvenile Services	52,034	18,103	53,903	81,922	21,955	17,057
Public Transportation	33,905	1,119,824	1,187,532	1,251,841	1,178,077	1,220,213
Public Health	25,827	31,209	30,844	33,060	30,103	30,545
Human Services	182,297	212,895	268,443	281,912	226,251	534,253
Operating grants and contributions:						
General Government	-	-	-	-	24,353	27,668
Justice System	498,507	562,706	504,157	438,130	553,661	612,443
Law Enforcement	1,130,276	1,027,000	997,417	744,033	621,285	446,537
Juvenile Services	1,121,345	1,266,617	1,261,927	1,212,847	1,406,843	1,356,927
Public Transportation	206,525	286,801	260,270	252,928	296,211	333,597
Public Health	38,064	59,520	86,432	153,360	166,419	167,373
Human Services	95,473	91,318	1,586,721	572,788	257,635	635,412
Capital grants and contributions:						
General Government	-	-	-	-	-	3,104,713
Law Enforcement	58,911	37,938	8,386	41,372	77,494	8,230
Human Services	-	253,473	248,295	230,044	99,022	16,920
Total governmental activities program revenue	<u>\$ 11,354,876</u>	<u>\$ 14,051,826</u>	<u>\$ 14,508,044</u>	<u>\$ 13,452,670</u>	<u>\$ 13,832,759</u>	<u>\$ 17,822,632</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Business-type activities:						
Charges for services:						
County Attorney	\$ 114,592	\$ 107,360	\$ 76,778	\$ 74,948	\$ 52,074	\$ 57,191
Jail Commissary	234,411	243,476	269,809	350,779	387,093	411,699
Total business-type activities program revenue	<u>349,003</u>	<u>350,836</u>	<u>346,587</u>	<u>425,727</u>	<u>439,167</u>	<u>468,890</u>
Total primary government program revenues	<u>\$ 11,703,879</u>	<u>\$ 14,402,662</u>	<u>\$ 14,854,631</u>	<u>\$ 13,878,397</u>	<u>\$ 14,271,926</u>	<u>\$ 18,291,522</u>
<b>Net (Expense)/Revenue</b>						
Governmental activities	\$ (35,379,018)	\$ (34,232,521)	\$ (31,984,424)	\$ (37,535,143)	\$ (42,205,359)	\$ (45,567,750)
Business-type activities	29,319	46,794	17,959	58,502	80,702	67,715
Total primary government net expense	<u>\$ (35,349,699)</u>	<u>\$ (34,185,727)</u>	<u>\$ (31,966,465)</u>	<u>\$ (37,476,641)</u>	<u>\$ (42,124,657)</u>	<u>\$ (45,500,035)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental activities:						
Taxes:						
Property taxes	\$ 24,127,005	\$ 26,932,638	\$ 31,751,992	\$ 34,280,093	\$ 37,131,017	\$ 41,847,095
Sales taxes	7,723,285	8,413,179	8,942,049	9,957,049	10,429,681	11,396,068
Motor vehicle taxes	1,147,480	1,136,744	1,126,011	1,212,367	1,217,804	1,288,958
Mixed drink taxes	317,091	348,790	374,123	401,298	440,482	491,078
Hotel occupancy taxes	-	-	-	-	84,594	1,102,929
Unrestricted investment earnings	594,314	684,525	1,592,819	3,120,658	3,021,597	1,936,657
Gain (loss) on disposal of assets	(4,647,004)	29,791	12,193	38,820	111,290	-
Transfers:	636,775	-	-	-	5,000	1,450
Total governmental activities	<u>29,898,946</u>	<u>37,545,667</u>	<u>43,799,187</u>	<u>49,010,285</u>	<u>52,441,465</u>	<u>58,064,235</u>
Business-type activities:						
Unrestricted investment earnings	-	933	3,292	8,048	11,397	7,207
Gain on disposal of assets	-	1,600	3,850	-	2,000	-
Transfers	-	-	-	-	(5,000)	(1,450)
Total business-type activities	<u>-</u>	<u>2,533</u>	<u>7,142</u>	<u>8,048</u>	<u>8,397</u>	<u>5,757</u>
Total primary government	<u>\$ 29,898,946</u>	<u>\$ 37,548,200</u>	<u>\$ 43,806,329</u>	<u>\$ 49,018,333</u>	<u>\$ 52,449,862</u>	<u>\$ 58,069,992</u>
<b>Change in Net Assets</b>						
Governmental activities	\$ (5,480,072)	\$ 3,313,146	\$ 11,814,763	\$ 11,475,142	\$ 10,236,106	\$ 12,496,485
Business-type activities	29,319	49,327	25,101	66,550	89,099	73,472
Total primary government	<u>\$ (5,450,753)</u>	<u>\$ 3,362,473</u>	<u>\$ 11,839,864</u>	<u>\$ 11,541,692</u>	<u>\$ 10,325,205</u>	<u>\$ 12,569,957</u>

NOTE: The requirement for this schedule is 10 Years. Since conversion to GASB 34 occurred in 2003, the information will be reflected back to 2003 until we meet the 10 year criteria.

**Table III**

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund						
Reserved	\$ 2,418,081	\$ 2,483,109	\$ 2,703,506	\$ 3,263,084	\$ 3,823,288	\$ 4,924,769
Unreserved	15,729,973	17,161,250	23,734,561	29,358,945	28,060,931	30,017,153
Total General Fund	<u>18,148,054</u>	<u>19,644,359</u>	<u>26,438,067</u>	<u>32,622,029</u>	<u>31,884,219</u>	<u>34,941,922</u>
All Other Governmental Funds						
Reserved						
Debt Service Fund	1,612,877	1,623,742	1,881,705	2,387,029	2,908,627	2,831,378
Special Purpose Programs	1,405,115	1,698,278	3,109,950	3,314,550	2,461,011	3,581,524
Other Governmental Funds	5,592	-	-	-	-	-
Unreserved						
Capital Improvements	8,011,657	19,040,142	27,440,184	16,686,210	4,280,009	55,030,770
Total All Other Governmental Funds	<u>\$ 11,035,241</u>	<u>\$ 22,362,162</u>	<u>\$ 32,431,839</u>	<u>\$ 22,387,789</u>	<u>\$ 9,649,647</u>	<u>\$ 61,443,672</u>

Table IV

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Revenues</b>						
Taxes	\$ 32,152,880	\$ 35,680,824	\$ 41,005,538	\$ 44,572,996	\$ 48,095,357	\$ 54,745,662
Charges for Services	7,171,392	7,736,038	8,016,868	9,267,257	10,808,583	11,033,749
Intergovernmental	3,149,101	3,578,354	4,953,605	3,645,503	3,502,924	3,605,105
Interest	601,297	674,177	1,571,892	3,050,275	2,951,920	1,936,657
Other Revenue	636,775	589,461	931,107	533,322	465,932	490,472
Total Revenue	<u>43,711,445</u>	<u>48,258,854</u>	<u>56,479,010</u>	<u>61,069,353</u>	<u>65,824,716</u>	<u>71,811,645</u>
<b>Expenditures</b>						
<b>Current</b>						
General Government	8,331,368	9,398,660	9,459,149	10,329,448	10,518,550	11,695,108
Justice System	8,492,929	9,460,213	9,658,261	10,405,154	11,385,426	12,937,962
Law Enforcement	10,542,502	11,550,365	11,544,576	12,282,765	13,357,681	14,797,789
Juvenile Services	3,614,194	3,650,819	3,717,184	4,064,113	4,120,105	4,375,672
Public Transportation	6,345,972	4,878,592	4,481,106	5,080,480	6,230,521	6,142,314
Public Health	1,747,062	1,533,065	1,673,525	1,686,112	2,128,563	1,928,564
Human Services	1,397,062	1,831,381	2,089,260	2,265,385	2,742,753	3,222,130
Capital Outlay	3,188,316	4,338,542	5,580,780	13,980,609	24,351,811	10,698,766
Debt Service						
Principal Retirement	1,664,880	2,031,142	2,390,000	2,785,000	2,795,000	3,445,000
Interest and Fiscal Agent Fees	1,380,272	1,602,689	1,787,895	2,322,768	2,034,535	2,692,699
Total Expenditures	<u>46,704,557</u>	<u>50,275,468</u>	<u>52,381,736</u>	<u>65,201,834</u>	<u>79,664,945</u>	<u>71,936,004</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,993,112)	(2,016,614)	4,097,274	(4,132,481)	(13,840,229)	(124,359)
<b>Other Financing Sources (Uses)</b>						
Transfers In	905,192	529,838	345,969	2,637,411	13,530,376	5,573,472
Transfers Out	(1,835,492)	(729,838)	(845,969)	(2,637,411)	(13,525,376)	(5,693,955)
Sale of Capital Assets	61,628	39,840	16,111	77,393	359,277	96,570
Redemption of Certificates of Obligation	-	-	-	(5,810,000)	-	-
Issuance of Debt	2,995,000	15,000,000	13,250,000	6,005,000	-	55,000,000
Total Other Financing Sources (Uses)	<u>2,126,328</u>	<u>14,839,840</u>	<u>12,766,111</u>	<u>272,393</u>	<u>364,277</u>	<u>54,976,087</u>
Net Change in Fund Balances	<u>\$ (866,784)</u>	<u>\$ 12,823,226</u>	<u>\$ 16,863,385</u>	<u>\$ (3,860,088)</u>	<u>\$ (13,475,952)</u>	<u>\$ 54,851,728</u>
Debt service as a percentage of noncapital expenditures	7.00%	7.91%	8.93%	9.97%	8.73%	10.02%

NOTE: Implementation of GASB 34 occurred in 2003.



# **REVENUE CAPACITY INFORMATION**



**Table V**

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

<b>Fiscal Year Ended September 30,</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Personal Property</b>	<b>Minerals</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2003	3,443,514,250	3,133,357,857	478,976,879	866,349,323	115,279,900	(1,846,508,484)	6,190,969,725	\$ 0.4146
2004	3,815,683,939	3,341,559,461	509,172,760	953,147,220	123,817,227	(1,994,142,969)	6,749,237,638	\$ 0.4350
2005	4,132,023,358	3,737,402,092	584,305,230	994,411,852	143,039,148	(2,141,945,933)	7,449,235,747	\$ 0.4725
2006	4,662,875,098	4,009,134,429	630,812,160	1,090,082,565	186,746,987	(2,276,298,695)	8,303,352,544	\$ 0.4650
2007	5,092,640,911	4,503,381,487	715,213,160	1,154,789,218	206,807,369	(2,445,021,966)	9,227,810,179	\$ 0.4550
2008	5,704,848,431	4,855,575,655	796,868,780	1,249,455,413	244,657,985	(2,678,924,128)	10,172,482,136	\$ 0.4650

**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>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>County Direct Rate:</b>										
General Obligation										
Debt Service	0.0432	0.0397	0.0364	0.0343	0.0423	0.0511	0.0632	0.0701	0.0620	0.0620
Basic Rate	<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>	<u>0.3930</u>	<u>0.4030</u>
<b>Total Direct Rate:</b>	<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>	<u>0.4550</u>	<u>0.4650</u>
<b>Overlapping Rates:</b>										
<b>City and Town Rate:</b>										
City of Bryan	0.6367	0.6367	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364
City of College Station	0.4293	0.4293	0.4293	0.4777	0.4777	0.4653	0.4640	0.4394	0.4394	0.4394
<b>School District Rates:</b>										
Bryan I. S. D.	1.6820	1.5880	1.6150	1.6680	1.7120	1.6800	1.6700	1.7800	1.6300	1.2900
College Station I. S. D.	<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>	<u>1.4800</u>	<u>1.2411</u>
<b>Total Overlapping Rate:</b>	<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>	<u>4.1858</u>	<u>3.6069</u>
<b>Total Property Tax Rate -</b>										
<b>Direct and Overlapping</b>										
<b>Governments:</b>	<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>	<u>4.6408</u>	<u>4.0719</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.

All 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	2008			1999		
	Taxable Assessed	Rank	% of Assessed Value to Total Assessed	Taxable Assessed	Rank	% of Assessed Value to Total Assessed
	Values (1)		Values (2)	Values (1)		Values (3)
Verizon Communications	\$ 62,783,890	1	0.62%	--		0.00%
College Station Hospital, L.P.	62,242,880	2	0.61%	\$ 19,111,705	10	0.00%
POM-College Station, LLC	55,651,375	3	0.55%	--		0.00%
Sanderson Farms	46,016,990	4	0.45%	--		0.00%
Alkasser, David / Weinberg	44,634,530	5	0.44%	29,412,750	6	0.69%
Andarko E&P Company L.P.	41,017,490	6	0.40%	--		0.00%
Wal-Mart Stores East Inc	37,453,430	7	0.37%	33,256,269	5	0.78%
Woodlands of College Station LP	36,846,840	8	0.36%	--		0.00%
Well Services Division of	30,347,570	9	0.30%	--		0.00%
Enervest Operating LLC	34,558,716	10	0.34%	--		0.00%
GTE Southwest Inc	--		0.00%	89,756,730	1	2.11%
CBL Management	--		0.00%	50,068,184	2	1.18%
W9/JP-M Real Estate Limited	--		0.00%	36,811,270	3	0.87%
Ferguson-Burleson	--		0.00%	35,851,370	4	0.84%
Scott & White Hospital/Clinic	--		0.00%	23,139,270	7	0.54%
Union Pacific Resources	--		0.00%	21,609,210	8	0.51%
Melrose Apartments	--		0.00%	20,596,000	9	0.48%
	<u>\$ 451,553,711</u>		<u>4.44%</u>	<u>\$ 359,612,758</u>		<u>8.00%</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 - \$10,172,482,136  
(3) Total adjusted assessed valuation net of exempt properties as certified by the Appraisal Review Board - \$4,252,470,333

**Table VIII**

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

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years (1)</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
1999	17,749,856	17,360,005	97.80%	167,523	17,527,528	98.75%
2000	18,933,265	18,552,512	97.99%	344,729	18,897,241	99.81%
2001	20,732,000	20,004,504	96.49%	684,955	20,689,459	99.79%
2002	22,629,312	21,988,027	97.17%	600,238	22,588,265	99.82%
2003	24,066,065	22,721,649	94.41%	1,287,009	24,008,658	99.76%
2004	26,929,514	26,564,663	98.65%	285,751	26,850,414	99.71%
2005	31,890,149	31,394,200	98.44%	385,050	31,779,250	99.65%
2006	34,562,219	34,018,184	98.43%	313,924	34,332,108	99.33%
2007	37,528,035	36,914,865	98.37%	312,802	37,227,667	99.20%
2008	42,551,185	41,894,859	98.46%	(6,558)	41,888,301	98.44%

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)**

<b>Governmental Activities</b>						
<b>Fiscal Year</b>	<b>Certificates of Obligation and Limited Tax Refunding Bonds</b>	<b>Limited Tax and General Obligation Bonds</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income <sup>a</sup></b>	<b>Per Capita <sup>a</sup></b>
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
2007	28,750,000	17,375,000	29,788	46,154,788	1.89%	287
2008	25,995,000	71,685,000	15,958	97,695,958	3.69%	573

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

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

Table X

**Brazos County, Texas**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<u>General Bonded Debt Outstanding</u>						
<u>Fiscal Year</u>	<u>General Obligation Bonded Debt</u>	<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Assessed Value</u>	<u>Percentage of Actual Taxable Value</u>	<u>Per Capita<sup>a</sup></u>
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
2007	17,375,000	2,908,627	14,543,622	9,227,810,179	0.16%	85.33
2008	71,685,000	2,831,378	68,853,622	10,172,482,136	0.68%	402.76

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

**a** Population data can be found in Table XIV.

Table XI

**Brazos County, Texas**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2008**

<u><b>Taxing Jurisdiction</b></u>	<u><b>Total Direct and Overlapping Funded Debt</b></u>
Brazos County	\$ 97,680,000
City of Bryan	93,815,000
City of College Station	100,660,000
Independent School Districts:	
College Station School District	157,824,456
Bryan Independent School District	138,105,000
Total estimated overlapping funded debt	<u><u>\$ 588,084,456</u></u>
Ratio overlapping debt to 100% assessed valuation	<u><u>6.37%</u></u>
Per capita overlapping funded debt	<u><u>\$ 3,450.47</u></u>

Sources: 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)**

	Fiscal Year				
	1999	2000	2001	2002	2003
<b>Debt Limit</b>	\$ 849,047,316	\$ 916,386,735	\$ 1,006,650,123	\$ 1,101,090,930	\$ 1,302,335,126
<b>Total net debt applicable to limit</b>	-	-	-	6,038,690	6,387,123
<b>Legal debt margin</b>	<u>\$ 849,047,316</u>	<u>\$ 916,386,735</u>	<u>\$ 1,006,650,123</u>	<u>\$ 1,107,129,620</u>	<u>\$ 1,308,722,249</u>
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	0.00%	0.00%	0.00%	0.55%	0.49%

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 - \$8,678,368,738  
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 2008**

(Note 1)	Assessed Value	<u>\$ 10,172,482,136</u>
(Note 2)	Debt limit (25% of assessed value)	2,169,592,185
	Debt applicable to limit:	
(Note 3)	Gross bonded debt	71,685,000
	Less: Amount available from Debt Service Fund	<u>2,831,378</u>
	Total net debt applicable to limit	68,853,622
	Legal debt margin	<u><u>\$ 2,238,445,807</u></u>

<b>Fiscal Year</b>				
<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
\$ 1,418,068,298	\$ 1,577,946,187	\$ 1,756,630,748	\$ 1,966,553,398	\$ 2,169,592,185
6,376,258	16,288,295	20,167,029	20,283,627	68,853,622
<u>\$ 1,424,444,556</u>	<u>\$ 1,594,234,482</u>	<u>\$ 1,776,797,777</u>	<u>\$ 1,986,837,025</u>	<u>\$ 2,238,445,807</u>
0.45%	1.03%	1.15%	1.03%	3.17%

Table XIII

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

Fiscal Year	Certificates of Obligation						Capital Leases <sup>a</sup>				
	Property Tax		Less: Agent Fees &	Debt Service			Property Tax		Debt Service		Coverage
	Revenue	Interest	Issuance Cost	Principal	Interest	Coverage	Revenue	Principal	Interest		
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	
2007	4,326,890	168,062	2,045	2,390,000	1,233,526	1.24	20,791	14,114	3,730	1.17	
2008	4,098,514	265,010	3,195	2,755,000	1,137,030	1.12	20,553	13,830	2,334	1.27	

<sup>a</sup> The County has two capital lease agreements for the purchase of one electronic monitoring systems and one metal detector. Payments during the fiscal year ended September 30, 2008 totaled \$16,164. Interest rates are 10% per annum for the electronic monitoring system 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)**

<b>Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal <sup>(2)</sup> Income</b>	<b>Per Capita Personal Income</b>	<b>Public School Enrollment <sup>(3)</sup></b>	<b>Texas A &amp; M Enrollment <sup>(4)</sup></b>	<b>Blinn College Enrollment <sup>(5)</sup></b>	<b>Unemployment Rate <sup>(6)</sup></b>
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%
2007	170,436	2,647,397,704	15,533	22,357	46,540	29,482	3.60%
2008	170,954	2,827,827,879	16,541	22,603	48,039	30,016	4.10%

**Sources:**

- <sup>(1)</sup> Population information provided by the Texas State Data Center. The information is an estimation. In 2008 information received from ERS/USDA. Population is based on previous year.
- <sup>(2)</sup> Personal Income and unemployment rate information provided by the Texas Workforce Commission.
- <sup>(3)</sup> 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. Head count based on Fall session.
- <sup>(4)</sup> Current year is based on TAMU Enrollment profile. Years 1998 to 2005 enrollment information is from City of College Station CAFR. Year 2006 from Wikipedia. Enrollment information is based on fall semesters.
- <sup>(5)</sup> Years 2006-2007 are from Blinn College Administration. Years 1998 to 2005 enrollment information obtained from Blinn's Financial Report. Head count based on Fall session.
- <sup>(6)</sup> Source: Texas Workforce Commission

Table XV

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

Employer <sup>(1)</sup>	2008			1999		
	Employees	Rank	Percentage of Total County Employment <sup>(2)</sup>	Employees	Rank	Percentage of Total County Employment
Texas A&M University & System	16,248	1	15.96%	19,971	1	26.34%
Bryan ISD	2,070	2	2.03%	1,868	2	2.46%
St. Joseph's Regional Health Center	2,197	3	2.16%	1,170	4	1.54%
Sanderson Farms	1,574	4	1.55%	1,400	3	1.85%
College Station ISD	1,530	5	1.50%	958	6	1.26%
Reynolds & Reynolds	1,059	6	1.04%	-	-	0.00%
City of College Station	1,027	7	1.01%	636	10	0.84%
City of Bryan	789	8	0.78%	900	7	1.19%
Brazos County	900	9	0.88%	661	9	0.87%
Wal-Mart	650	10	0.64%	-	-	0.00%
Hamilton State School	-	-	0.00%	670	8	0.88%
Alenco Division, Redman Industries	-	-	0.00%	1,000	5	1.32%
	<u>28,044</u>		<u>27.55%</u>	<u>29,234</u>		<u>38.55%</u>

**Source:** <sup>(1)</sup> Research Valley Partnership as of December 16, 2008.

<sup>(2)</sup> Employment no. from Texas Workforce Commission.

# **OPERATING INFORMATION**



Table XVI

**Brazos County, Texas  
County Employees by Function <sup>(1)</sup>  
Last Ten Fiscal Years**

<u>Function</u>	<u>Employees as of September 30,</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government	105	106	110	120	121	124	124	126	133	134
Justice System	137	139	142	143	145	153	153	158	164	171
Law Enforcement	164	173	185	200	215	217	222	223	234	249
Juvenile Services	77	85	86	88	88	90	91	89	91	91
Human Services	25	24	24	24	24	25	26	26	39	42
Public Transportation	69	69	69	69	70	70	70	70	70	71
Total	<u>577</u>	<u>596</u>	<u>616</u>	<u>644</u>	<u>663</u>	<u>679</u>	<u>686</u>	<u>692</u>	<u>731</u>	<u>758</u>

**Source:** County Auditor's Office

<sup>(1)</sup> 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 Six Fiscal Years**

Function	2003	2004	2005	2006	2007	2008
<b>Justice System</b>						
Birth Certificates Filed <sup>(1)</sup>	2,795	2,972	2,978	2,971	3,276	3,188
Marriage License Applications <sup>(1)</sup>	1,435	1,419	1,374	1,444	1,493	1,637
Death Certificates Issued	375	743	713	812	757	929
Registered Voters <sup>(1)</sup>	86,558	86,283	83,894	86,771	82,180	88,758
<b>Court Activity: <sup>(2)</sup></b>						
<b>District Court:</b>						
Cases Added	9,496	7,679	8,047	7,863	8,241	6,215
Cases Disposed	8,314	6,763	6,295	8,041	8,120	6,190
Cases Pending	5,649	6,009	8,013	8,281	8,814	4,486
<b>County Court at Law Courts:</b>						
Cases Added	181	3,658	6,019	5,706	6,820	4,258
Cases Disposed	113	3,072	4,560	4,856	5,999	4,441
Cases Pending	230	1,185	2,342	3,142	3,948	4,283
<b>Justice of the Peace Courts:</b>						
Cases Added	18,179	20,105	22,085	19,387	22,965	23,375
Cases Disposed	13,783	16,272	16,868	18,497	21,117	19,986
<b>Law Enforcement</b>						
<b>Sheriff's Department:</b>						
Average Daily Inmate Population <sup>(3)</sup>	445	425	492	550	553	536
Arrest Totals <sup>(3)</sup>	12,369	13,915	14,328	15,541	15,769	14,584
<b>Human Services</b>						
<b>Cooperative Agricultural Extension Office: <sup>(4)</sup></b>						
Number of Educational Programs Conducted	356	602	622	779	772	528
Number of Participants in Educational Programs	12,540	21,660	22,487	49,229	16,850	60,589
<b>Brazos Center:</b>						
No. of Events held: <sup>(5)</sup>	582	531	532	578	522	493
<b>Exposition Center:</b>						
No. of Events held: <sup>(6)</sup>	0	0	0	0	3	85
<b>Public Transportation</b>						
<b>Miles of Roads:</b>						
Paved	N/A	N/A	N/A	330	341	342
Unpaved	N/A	N/A	N/A	146	137	129

(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.

(6) Source: Exposition Center

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

Table XVIII

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

<u>Function</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Government</b>						
Office Buildings / Courthouse	4	4	4	4	5	6
Maintenance Vehicles	5	4	5	7	8	9
IT Vehicles	1	1	1	1	1	1
<b>Justice System</b>						
Office Buildings	0	0	0	1	2	2
County Attorney Vehicles	2	5	6	8	10	8
District Attorney Vehicles	3	3	4	7	4	4
<b>Law Enforcement</b>						
Sheriff's Administration Facility	0	0	0	0	0	1
Sheriff's Detention Facility	1	(1)	1	(1)	1	(1)
Vehicles:						
Sheriff's	36	47	53	63	62	72
Sheriff's - Jail Division	5	6	6	7	9	10
Constable	13	18	18	21	24	22
Heavy Equipment:						
Sheriff	1	1	1	1	1	1
Sheriff's - Jail Division	1	1	3	3	4	4
<b>Juvenile Services</b>						
Juvenile Facilities	1	1	1	1	1	1
Juvenile Dept Vehicles	7	6	8	8	8	7
<b>Human Services</b>						
Buildings	3	3	3	3	4	4
Emergency Management Vehicles	1	1	1	1	1	1
Brazos Center:						
Vehicles	2	2	2	3	2	4
Equipment	3	4	4	4	3	4
Exposition Center:						
Vehicles	0	0	0	0	1	3
Equipment	0	0	0	0	2	12
Collection Citizen Sites	7	7	7	7	7	7
<b>Public Transportation</b>						
Road and Bridge Building	1	1	1	1	1	1
Road and Bridge Vehicles	38	40	41	44	46	48
Road and Bridge Heavy Equipment	83	84	94	95	95	93
County Roads (miles)	461	450	453	476	478	472
Bridges	58	58	58	63	59	59

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

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



**INDEPENDENT AUDITORS' REPORTS ON  
COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING  
SEPTEMBER 30, 2008**



## 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, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 20, 2009. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs, as item 2008-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above, 2008-1, to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department'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*.

We noted certain matters that we reported to management of the County in a separate letter dated March 20, 2009.

This report is intended solely for the information and use of management, the audit committee, Commissioners' Court, 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  
March 20, 2009

*J. 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, 2008. 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, 2008.

## 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

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

Melissa M. Suehs • Donald B. Browning • Diana K. Wagner • Rosanne P. Ely • Teja Templeton • Clayton A. Sheppard

federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

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

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

Bryan, Texas  
March 20, 2008

*D. Ingram, Wallis ; Company*

**BRAZOS COUNTY, TEXAS**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended September 30, 2008**

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2007	Receipts	Expenditures	Grant Funds Refunded in 2008	Accounts Receivable (Payable) September 30, 2008
<u>U. S. Department of Justice</u>								
Edward Byrne Memorial Justice Assistance Grant	16.738	2006-DJ-BX-0107	17,818	\$ (1,445)	\$ --	\$ 1,445	\$ --	\$ --
Edward Byrne Memorial Justice Assistance Grant	16.738	2007-F5636-TX-DJ	30,220	--	30,220	20,962	--	(9,258)
State Criminal Alien Assistance Program	16.606	2006-AP-BX-0723	92,405	9,563	9,563	--	--	--
		07/01/04-06/30/05						
State Criminal Alien Assistance Program	16.606	2007-AP-BX-0229	81,211	81,211	81,211	--	--	--
		07/01/05-06/30/06						
State Criminal Alien Assistance Program	16.606	2008-AP-BX-1035	58,571	--	--	58,571	--	58,571
		07/01/06-06/30/07						
				89,329	120,994	80,978	--	49,313
<u>Passed through Office of the Governor of Texas,</u>								
<u>Criminal Justice Division</u>								
CLEAR Team	16.738	DJ-05-A10-18448-01	743,777	92,908	92,908	(1,847)	1,847	--
		04/01/06-09/30/07						
Special Investigations Unit	16.738	1986101	395,778	--	164,814	284,862	--	120,048
				92,908	257,722	283,015	1,847	120,048
<u>U. S. Department of Transportation</u>								
<u>Passed through State Department of</u>								
<u>Highways and Public Transportation</u>								
Metropolitan Planning Organization	20.205	508XXF0024	389,647	--	191,691	245,593	--	53,902
Metropolitan Planning Organization	20.205	507XXF0024	394,092	31,906	31,906	--	--	--
Comprehensive Underage Drinking Education Program	20.600	588XXF5132	53,853	--	28,920	40,252	--	11,332
Comprehensive Underage Drinking Education Program	20.600	587XXF5002	50,000	9,539	9,539	--	--	--
Comprehensive Underage Drinking Education Program	20.600	585XXF5009	50,000	--	--	--	--	--
Local Rail Economic Feasibility & Location Study	20.205	2000-014	1,131,345	67,882	--	--	--	67,882
				109,327	262,056	285,845	--	133,116
<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	962	962	1,544	--	1,544
Help America Vote Act - General HAVA Compliance	90.401		1,132,036	--	--	430,129	--	430,129
Help America Vote Act - TEAM Compatibility	39.011		8,000	2,293	2,293	--	--	--
				\$ 3,255	\$ 3,255	\$ 431,673	\$ --	\$ 431,673

**BRAZOS COUNTY, TEXAS**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**For the Year Ended September 30, 2008**

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2007	Receipts	Expenditures	Grant Funds Refunded in 2008	Accounts Receivable (Payable) September 30, 2008
<u>Department of Homeland Security</u>								
<u>Passed through Texas Department of Public Safety</u>								
Division of Emergency Management	97.042	EMT-2007-GR-0105	42,979	42,979	42,979	--	--	--
Division of Emergency Management	97.042	08TX-EMPG-1328	47,965	--	--	47,965	--	47,965
Emergency Preparedness Grant	97.073	2005 SHSP	110,000	--	383	383	--	--
Emergency Preparedness Grant	97.074	2005 LETPP	125,000	2,595	3,506	911	--	--
Emergency Preparedness Grant	97.073	2006 SHSP	17,750	--	--	17,687	--	17,687
				45,574	46,868	66,946	--	65,652
<u>Federal Emergency Management Agency</u>								
<u>Passed through Texas Department of Public Safety</u>								
Division of Emergency Management-Hurricane Relief	97.036	1791 DR TX	--	--	--	48,894	--	48,894
				--	--	48,894	--	48,894
<u>U. S. Department of Health and Human Services</u>								
<u>Passed through the Texas Department of Family and Protective Services</u>								
Title IV-E-Legal (CPS)	93.658	09/01/06-08/31/07	--	8,981	8,981	--	--	--
	93.658	09/01/07-09/30/07	--	967	967	--	--	--
	93.658	10/01/07-09/30/08	--	--	13,814	20,331	--	6,517
Title IV-E-Foster Care Maintenance	93.658	09/01/06-09/31/07	--	3,006	2,995	(11)	--	--
	93.658	10/01/07-08/31/08	--	--	1,560	2,080	--	520
				12,954	28,317	22,400	--	7,037
<u>Passed through the Texas Juvenile Probation Commission</u>								
Title IV- E- Administration	93.658	09/01/06-08/31/07	--	467,735	467,735	--	--	--
	93.658	09/01/07-09/30/07	--	33,519	33,519	--	--	--
	93.658	10/01/07-09/30/08	--	--	78,660	337,456	--	258,796
Title IV-E - Maintenance - Juvenile	93.658	TJPC-E-2007-021	--	38,601	63,453	30,464	--	5,612
	93.658	TJPC-E-2008-021	--	--	56,805	68,267	--	11,462
				539,855	700,172	436,187	--	275,870
<u>Passed through the Texas Department of Agriculture</u>								
National School Lunch Program	10.555	07/01/08-06/30/09	--	--	1,684	6,001	--	4,317
	10.555	07/01/07-06/30/08	--	5,072	29,611	24,539	--	--
School Breakfast Program	10.553	07/01/08-06/30/09	--	--	1,102	3,751	--	2,649
	10.553	07/01/07-06/30/08	--	3,244	19,595	16,351	--	--
Food Services Division Commodities	10.550	07/01/08-06/30/09	--	--	771	771	--	--
	10.550	07/01/07-06/30/08	--	--	1,986	1,986	--	--
				8,316	54,749	53,399	--	6,966
Total Federal Assistance				\$ 901,518	\$ 1,474,133	\$ 1,709,337	\$ 1,847	\$ 1,138,569

**BRAZOS COUNTY, TEXAS**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**For the Year Ended September 30, 2008**

State Grant or Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2007	Receipts	Expenditures	Grant Funds Refunded in 2008	Accounts Receivable (Payable) September 30, 2008
<u>Texas Juvenile Probation Commission</u>								
State Aid	N/A	TJPC-A-2008-021 09/01/07-08/31/08	119,859	6,787	119,859	113,072	--	--
State Aid	N/A	TJPC-A-2009-021 09/01/08-08/31/09	119,859	--	--	8,012	--	8,012
Community Corrections Assistance Program	N/A	TJPC-Y-2008-021 09/01/07-08/31/08	225,994	10,505	225,994	204,040	11,449	--
Community Corrections Assistance Program	N/A	TJPC-Y-2009-021 09/01/08-08/31/09	225,994	--	--	13,910	--	13,910
State Supplement	N/A	TJPC-Z-2008-021 09/01/07-08/31/08	123,975	6,331	123,975	105,395	12,249	--
State Supplement	N/A	TJPC-Z-2009-021 09/01/08-08/31/09	123,975	--	--	6,742	--	6,742
JJAEP	N/A	TJPC - P - 2008 - 021 08/01/07-5/31/08	14,814	1,106	14,814	4,977	--	(8,731)
Progressive Sanctions Juvenile Probation Officers	N/A	TJPC-F-2008-021 09/01/07-08/31/08	94,104	11,139	94,104	82,965	--	--
Progressive Sanctions Juvenile Probation Officers	N/A	TJPC-F-2009-021 09/01/08-08/31/09	94,104	--	--	11,427	--	11,427
Progressive Sanctions Level 1-2-3 Program	N/A	TJPC-G-2008-021 09/01/07-08/31/08	38,525	--	38,525	38,525	--	--
Progressive Sanctions Level 1-2-3 Program	N/A	TJPC-G-2009-021 09/01/08-08/31/09	38,525	--	--	2,347	--	2,347
Progressive Sanctions ISJPO	N/A	TJPC-O-2008-021 09/01/07-08/31/08	27,240	2,879	27,240	24,361	--	--
Progressive Sanctions ISJPO	N/A	TJPC-O-2009-021 09/01/08-08/31/09	27,240	--	--	2,773	--	2,773
Intensive Community Based Program - Regional	N/A	TJPC-X-2008-021 09/01/07-08/31/08	54,395	--	54,395	42,780	11,615	--
Intensive Community Based Program - Regional	N/A	TJPC-X-2009-021 09/01/08-08/31/09	54,395	--	--	3,393	--	3,393
Diversory Placement	N/A	TJPC-H-2008-021 09/01/08-08/31/08	--	--	109,620	107,550	2,070	--
<u>Office of Attorney General</u>								
VINE Program	N/A	08-00540 09/01/07-08/31/08	30,108	--	30,108	30,108	--	--
Total State Assistance				38,747	838,634	802,377	37,383	39,873
Total Federal and State Assistance				\$ 940,265	\$ 2,312,767	\$ 2,511,714	\$ 39,230	\$ 1,178,442

BRAZOS COUNTY, TEXAS  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

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, 2008, the County received \$2,757 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  
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

SECTION I - SUMMARY OF AUDITORS' RESULTS

*Financial Statements*

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  yes  no

*Federal and State Awards*

Internal control over major programs:

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

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

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

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal or State Program or Cluster</i>
90.401	Help America Vote Act
93.658	Foster Care Title IV-E

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

Auditee qualified as low-risk auditee?  yes  no

BRAZOS COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

SECTION II - FINANCIAL STATEMENT FINDINGS

**2008-1 Accrual of License Expense**

License expense for fiscal year's 2007 and 2008 had not been properly accrued.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

BRAZOS COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2007-01      Criteria – When employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages need to be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. The certifications need to be prepared at least semi-annually and signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

Condition – During testing of payroll for the Edward Byrne Memorial Justice Assistance (CLEAR) grant and the Highway Planning & Construction grant for the Brazos County MPO, we noted that certifications that employees worked solely on a single Federal award were not obtained on at least a semi-annual basis.

Recommendation - We recommend that certifications be performed on at least a semi-annual basis when employees are expected to spend their time working solely on a single Federal award in order to comply with OMB Circular A-87.

Status – This recommendation has been implemented.

2007-02      Criteria – Costs charged to a grant need to be for actual costs and need to be adequately documented.

Condition – During testing of expenditures charged to the Edward Byrne Memorial Justice Assistance grant, we found where vehicle insurance was charged to the grant based on a spreadsheet calculation of costs per vehicle. When insurance costs per vehicle were agreed to amounts per policy documentation, we found that incorrect cost amounts were used in the spreadsheet calculation resulting in an overcharge to the grant of \$1,846.58.

Recommendation – We recommend that all amounts to be charged to a grant be vouched to supporting documentation of actual costs before requesting reimbursement for charges.

Status – This recommendation has been implemented.

