

BRAZOS COUNTY, TEXAS

Comprehensive Annual Financial Report

For The Year Ended September 30, 2010



Prepared by:

Katie Conner, C. P. A.
County Auditor



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TABLE OF CONTENTS

	<u>Page No.</u>
Table of Contents	i-v
 INTRODUCTORY SECTION	
County Auditor’s Letter of Transmittal	1-9
GFOA Certificate of Achievement	10
Principal Officials	11
Brazos County Organizational Chart	12
 FINANCIAL SECTION	
Independent Auditors’ Report.....	13-14
Management’s Discussion and Analysis (Unaudited)	15-26
 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 – Fiduciary Funds.....	40
Notes to the Basic Financial Statements	41-69
 Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP basis) and Actual – General Fund	70-83
Retirement System and OPEB Schedule of Funding Progress	84
Notes to Required Supplementary Information	85-87

BRAZOS COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2010

TABLE OF CONTENTS

FINANCIAL SECTION (Continued)	<u>Page No.</u>
Supplementary Information	
Combining and Individual Fund Financial Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds -Summary	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Summary	89
Special Revenues:	
Combining Balance Sheet – Nonmajor Governmental Funds	90-94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	95-99
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual:	
Hotel Occupancy Tax.....	100
State Lateral Road	101
Unclaimed Property	102
Law Library.....	103
Alternative Dispute Resolution.....	104
Law Enforcement Education.....	105
County Records Management and Preservation	106
County Clerk Records Management and Preservation	107
County Clerk Archival Fund.....	108
Courthouse Security.....	109
Justice Court Security	110
District Clerk Records Management and Preservation	111
District Clerk Archival Fund	112
Justice of the Peace Technology	113
County & District Court Technology.....	114
Special Forfeitures	115
District Attorney Hot Check Collection.....	116
Bail Bond Board Fees	117
Voter Registration.....	118
Chapter 19 State Fund.....	119
Vehicle Inventory Tax Interest.....	120
Sheriff Department Crime Fund	121
District Attorney Crime Fund	122
Primary Election Service Fund	123
Grants.....	124

BRAZOS COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2010

TABLE OF CONTENTS

FINANCIAL SECTION (Continued)	<u>Page No.</u>
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual.....	125
Capital Project Funds:	
Balance Sheet – Expo Center Expansion.....	126
Statement of Revenues, Expenditures and Changes in Fund Balance – Expo Center Expansion.....	127
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual:	
Capital Improvement.....	128
Expo Center Expansion	129
Jail Expansion	130
Proprietary Fund Type:	
Internal Service Fund:	
Health and Life Insurance – Statement of Net Assets.....	131
Health and Life Insurance – Schedule of Revenues, Expenses and Changes in Fund Net Assets – Budget (GAAP Basis) and Actual	132
Health and Life Insurance – Statement of Cash Flows	133
Fiduciary Fund Types:	
Combining Balance Sheet.....	134
Combining Statement of Changes in Assets and Liabilities	135-136
Capital Assets Used in the Operation of Governmental Funds:	
By Source	137
Schedule of Changes by Function and Activity.....	138-139
Schedule by Function and Activity	140-141

BRAZOS COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2010

TABLE OF CONTENTS

STATISTICAL SECTION	<u>Table No.</u>	<u>Page No.</u>
Financial Trends		
Net Assets by Component.....	I	142
Changes in Net Assets	II	143-144
Fund Balances, Governmental Funds	III	145
Changes in Fund Balance, Governmental Funds	IV	146-147
Revenue Capacity		
Assessed Value and Actual Value of Taxable Property.....	V	148
Direct and Overlapping Property Tax Rates	VI	149
Principal Property Taxpayers.....	VII	150
Property Tax Levies and Collections	VIII	151
Debt Capacity		
Ratios of Outstanding Debt by Type.....	IX	152
Ratios of General Bonded Debt Outstanding.....	X	153
Direct and Overlapping Governmental Activities Debt.....	XI	154
Legal Debt Margin Information	XII	155-156
Pledged – Revenue Coverage	XIII	157
Demographic and Economic Information		
Demographic and Economic Statistics	XIV	158
Principal Employers.....	XV	159
Operating Information		
County Employees by Function	XVI	160
Operating Indicators by Function/Program.....	XVII.....	161
Capital Asset and Infrastructure Statistics by Function	XVIII.....	162

BRAZOS COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2010

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>	163-164
Independent Auditors' Report on Compliance with Requirements that Could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and the <i>State of Texas Single Audit Circular</i>	165-166
Schedule of Expenditures of Federal and State Awards for the Year Ended September 30, 2010.....	167-169
Notes to the Schedule of Expenditures of Federal and State Awards for the Year Ended September 30, 2010.....	170
Schedule of Findings and Questioned Costs for the Year Ended September 30, 2010.....	171-172
Schedule of Findings and Questioned Costs for the Year Ended September 30, 2009 – Status of Prior Year Findings and Questioned Costs	173



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

200 East S. Texas Avenue – Suite 218

Bryan, Texas 77803

(979) 361-4350

Fax (979) 361-4188

Email: Auditor@co.brazos.tx.us

March 10, 2011

The Honorable Board of District Judges
The Honorable Commissioners' Court

Honorable Judges and Commissioners of Brazos County, Texas:

In compliance with Section 114.025 of the Texas Local Government Code, the Comprehensive Annual Financial Report of Brazos County, Texas (the "County") for the fiscal year ended September 30, 2010, 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, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

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

PROFILE OF BRAZOS COUNTY

Geographic Information

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

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

County Structure and Services

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

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

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

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

Budget Process

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

Primary Government and Related Organizations

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

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

In September 2010, Brazos County had an unemployment rate of 5.7% compared to a Texas statewide unemployment rate of 7.9% for the same month. The unemployment rate at September 2009 was 6.2%. As of September 2010, the labor force figures for the County, as established by the Texas Workforce Commission, are 101,285 of which 95,518 are currently employed. The following schedule is an estimate of the number of employees and the corresponding percentage per industry as of September 2010.

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	38,300	39%
Trade, Transportation and Utilities	13,300	14%
Education and Health Services	11,000	11%
Leisure and Hospitality	10,900	11%
Natural Resources, Mining and Construction	6,600	7%
Professional and Business Services	5,900	6%
Manufacturing	5,400	5%
Financial Activities	3,400	3%
Other Services	3,200	3%
Information	<u>1,100</u>	<u>1%</u>
TOTAL	<u>99,100</u>	<u>100%</u>

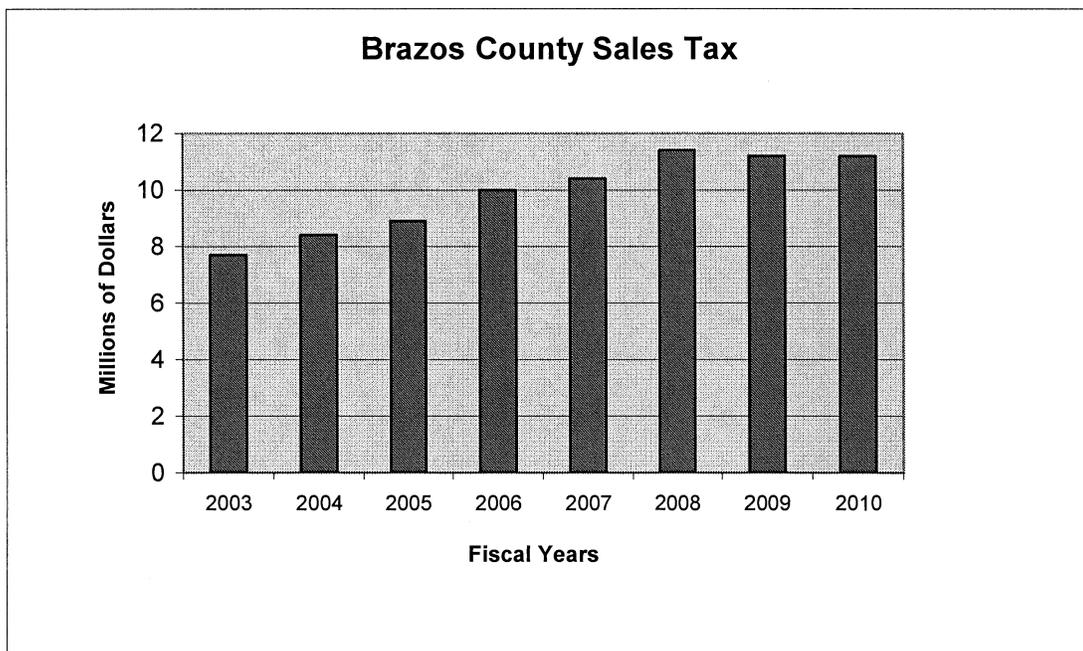
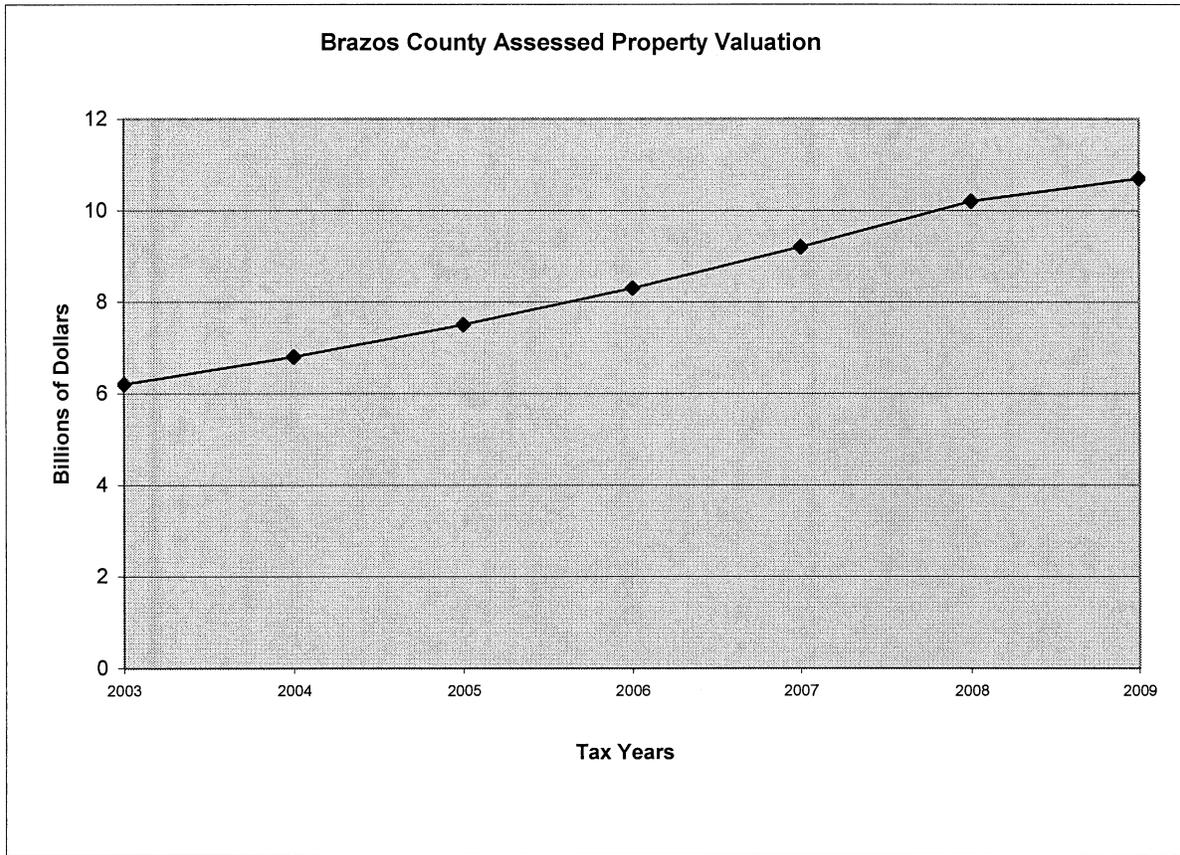
Source: Texas Workforce Commission

Economists attribute the lower unemployment rate in Brazos County to the stability of the area's government jobs. The above schedule supports such an argument. Eight of Bryan-College Station's 16 top employers are government agencies paid for by state or local taxes. From September 2009 to September 2010 the area has added approximately 6,200 jobs in nonagricultural industries. The largest growth has been in local, state, and federal government (4,200 jobs) and leisure and hospitality (900 jobs).

Although the U. S. economy is recovering from the worst economic downturn since the Great Depression, it has proved to be a slow process. Recently the State of Texas announced a revenue shortfall of at least \$15 billion for its 2012-2013 biennium budget. As a result, the state universities, the community colleges, and the school districts may face tough budget cuts. Some layoffs may become inevitable in the near future. The local economy may be affected more when that happens.

The housing market of Brazos County has been resilient despite the fact of slow sales and sinking home prices. The increased demand of alumni moving back to retire, college student housing and the low mortgage interest rate are major contributors to resiliency. The County's assessed

property valuation for tax year 2009 increased 5.5% compared to tax year 2008. Sales tax receipts for fiscal year 2010 decreased 0.4% compared to fiscal year 2009. The following charts show the changes in the two categories:



Brazos County is the home of Texas A&M University, the seventh largest university in enrollment in the United States. Opened in 1876 as Texas' first public institution of higher learning, Texas A&M University is the research-intensive flagship university with more than 38,000 undergraduates and over 9,000 graduate students studying in over 250 degree programs in 10 colleges. The faculty and graduate students of Texas A&M University conduct more than \$630 million in research expenditures, which is ranked third nationally among universities without medical schools.

The University records in excess of 880,000 visitors annually. More than 1,200 public events are hosted through the University each year in addition to hundreds of Big 12 athletic contests. The permanent plant for the University is valued at more than \$1 billion. Texas A&M University System has more than 23,000 employees. From an in-house study conducted by Texas A&M's Division of Finance, Texas A&M University and other members of the Texas A&M University System based in Brazos County had an estimated \$3.7 billion overall economic impact on the local economy during 2010. The presence of Texas A&M has consistently provided incentive for residential development and growth and offered the area some insulation from adverse economic effects.

The University's main campus is one of the largest in America, spanning 5,200 acres and has the distinction of providing space for the George Bush Presidential Library Center and the George Bush School of International Study. The Library provides a tremendous research center, and hosts in excess of 300,000 visitors annually. This facility, along with the 324-acre University Research Park, provides an attraction for both national and international visitors.

In addition to the four-year program Texas A&M offers, Blinn College offers a two-year program at two locations: the main campus in Brenham and a branch location in Bryan. Both locations offer various technical certificates and associates degrees in arts and sciences. The Bryan location offers the same programs and degrees as the main campus, but also takes part in a joint collaborative effort with Texas A&M University. More than 12,000 students enrolled in Blinn College for the fall semester of 2010. Blinn's Bryan campus adds \$94.4 million into the Brazos County economy each year according to a study conducted by Economic Modeling Specialists, Inc.

Brazos County is a member of the Research Valley Partnership (the RVP, www.researchvalley.org), a private, non-profit economic development corporation dedicated to promoting the seven county area surrounding Brazos County and the cities of Bryan and College Station. The RVP focuses its efforts on creating jobs and new 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 worked on 65 projects that led to \$2.5 billion in total payroll and \$324 million in capital investment.

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

to creating thousands of jobs for Texans, the Biocorridor will provide an ideal atmosphere for new product development, biosecurity and biomanufacturing that will improve global health.

Brazos County partnered with the City of Bryan to create the City of Bryan and Brazos County Economic Development Foundation, Inc. In 2009, the Foundation purchased 191 acres of land and the infrastructure improvements have begun. The County is looking forward to drawing quality businesses, encouraging and maintaining employment, and expanding both entities' tax base through Foundation activities.

CAPITAL IMPROVEMENT PROGRAM

In 2010, 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 2010, the County continued the construction of County roads to connect major thoroughfares. The County upgraded and reconstructed roads during the year at a cost of over \$3.4 million dollars and expended over \$6.8 million dollars in maintaining the roads. The Commissioners' Court has continued to provide adequate funding so that the road and bridge improvement program to upgrade and widen rural County roads could be continued. The program has been in place since 1996 and Commissioners' Court appropriated a public transportation budget for fiscal year 2010 to include \$9.0 million (includes personnel services, supplies and other charges, contingencies, repairs and maintenance, minor acquisitions, contract services, and professional services) for routine maintenance and \$3.8 million for improvements and upgrades.

The 15,000 square foot jail expansion project is substantially completed. The main jail complex was 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 County issued \$55 million general obligation bonds in May 2008 to fund the project. The remaining funds will be used to support small improvement projects to the County's jail facilities and remodeling of the inmate holding portion of the courthouse.

The County's Expo Center expansion project is expected to be completed in March 2011. The County issued \$12 million certificates of obligation in November 2009 to fund the project. Some hotel occupancy tax revenues were also used to support the construction costs. The project is designed to increase the capacity of the Expo Center to handle national events that have expressed interest in coming to the Brazos Valley. The expansion will build a second covered arena, a stall barn, covered walkways between buildings, a covered warm-up area for horse shows and other events, additional parking and more offices.

As an effort to help the local economic recovery, the County restrained its debt issuance on some major capital projects. The County allocated funds to continue its courthouse renovation project. The project will have at least five phases and is expected to be completed in 2013. The estimated cost in 2011 is about \$7 million. The bid process will start in fiscal year 2011 for phases III and IV. Once the renovation is finished, the courthouse building will provide more courtroom spaces and house three district courts, two county courts, the County Attorney's Office, the District Attorney's Office, the County Clerk's Office and the District Clerk's Office.

The construction of the new Tax Office building is expected to start by the end of fiscal year 2011. The estimated cost for the building is \$2.9 million, and it may take up to two years to complete the construction once it starts. \$2.5 million of the funding will come from the health endowment fund.

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

The County has adopted an investment policy as required by state law and in conformity with state investment statutes. The investment policy as adopted by the County employs the prudent person concept in that priorities were established as to the investment vehicles the County would use. Safety was established as the first priority, followed by liquidity, low risk and diversification. The County Treasurer is responsible for administering all of the investment of idle funds in the County. At September 30, 2010, the County had cash and cash equivalents of \$58.8 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, 2010, the County also had \$2.3 million invested in a state wide investment pool. During the fiscal year, the County earned approximately \$0.4 million interest on the funds invested.

Debt administration is monitored through the Debt Service Fund. The County has never defaulted on the payment of principal or interest on its bonds or certificates of obligation. At September 30, 2010, the County had been assigned a bond rating of AA by Standard & Poor's Rating Service. In compliance with the requirements of the bond order and certificates of obligation agreements, the County maintains separate accountability. The tax rate set each year is calculated to provide sufficient funding to meet current year obligations. At September 30, 2010, the County has \$4.1 million reserved in the Debt Service Fund to meet future obligations.

The County is responsible for establishing its tax rate. For the fiscal year ended September 30, 2010, the tax rate to finance general governmental services was \$0.3966 per \$100 valuation and the tax rate for the payment of principal and interest on long-term debt was \$0.0834 per \$100 of valuation. For the fiscal year ended September 30, 2011, the tax rate to finance general government services is \$0.4012 per \$100 valuation and the tax rate for the payment of principal and interest on long-term debt is \$0.0844 per \$100 of valuation.

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

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

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

Significant budget initiatives in fiscal year 2010 included:

- The County issued \$12 million certificates of obligation in November 2009 to fund the Expo Center expansion project.
- The County continued its courthouse renovation project.
- The County continued and substantially completed its jail expansion project.
- The County provided funding of \$1 million for the development of the new judicial software.
- The County added a few new positions as needed in various County departments; however, no cost-of-living adjustment was given to County employees to keep expenditures down.
- The County decreased the budget for community support about \$0.9 million.

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, 2009

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



President

Executive Director

BRAZOS COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2010

Commissioners' Court:

Randy Sims	County Judge
Lloyd Wassermann	Commissioner, Precinct 1
Duane Peters	Commissioner, Precinct 2
G. Kenny Mallard, Jr.	Commissioner, Precinct 3
Irma Cauley*	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
Rodney Anderson	County Attorney
Bill Turner	District Attorney
Doug Vance *	Chief Juvenile Probation Officer
John McGuire *	Chief Adult Probation Officer

Financial Administration:

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

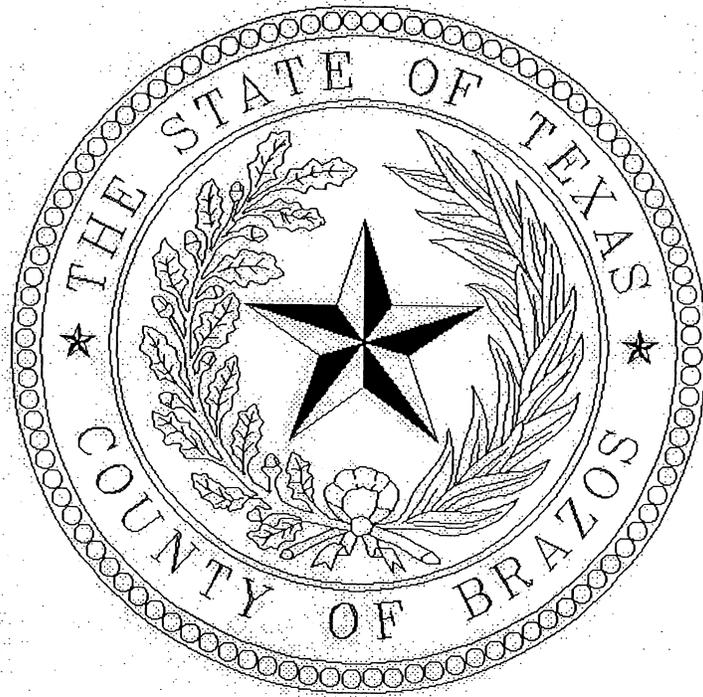
Recording Offices:

Karen McQueen	County Clerk
Marc Hamlin	District Clerk

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

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Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brazos County, Texas (the "County"), as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2010, and the respective changes in financial position, and cash flows, where applicable, 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 10, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, retirement system information and budgetary comparison information on pages 15 through 26 and 70 through 87 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Bryan, Texas
March 10, 2011

D. Ingram, Wallis, Company

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

For the Year Ending September 30, 2010

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, 2010. 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, 2010 by \$126,801,162, and are reported as total net assets of the primary government. This is comparable to the previous year when assets exceeded liabilities by \$125,100,850.
- The government-wide total net assets increased \$1,700,312 during the fiscal year ending September 30, 2010. The net assets from the governmental activities increased \$1,715,873, while the net assets from business-type activities decreased \$15,561.
- Total net assets of the primary government are comprised of the following:

<u>Net Assets by Category</u>	<u>September 30, 2010</u>	<u>% to Total</u>	<u>September 30, 2009</u>	<u>% to Total</u>
Capital Assets, Net of Related Debt	92,866,901	74%	84,079,387	67%
Restricted Net Assets	18,214,659	14%	35,231,264	28%
Unrestricted Net Assets	15,719,602	12%	5,790,199	5%
Total Net Assets	<u>126,801,162</u>	<u>100%</u>	<u>125,100,850</u>	<u>100%</u>

The September 30, 2009 figures were restated to conform to the implementation of GASB Statement 54.

Fund Financial Statements

- As of September 30, 2010, the County governmental funds reported combined fund balances of \$51,248,471. This reflects a decrease of \$19,084,754 from the previous fiscal year, primarily due to the \$22 million spent on the jail expansion project. Approximately 43% of the combined fund balances at September 30, 2010 (\$22,265,677) is available to meet the County's current and future needs (unassigned fund balances).
- At the end of the fiscal year, the unassigned fund balance of the County's General Fund was \$22,265,677 or 36% of the General Fund's total expenditures and 34% of the revenues.
- The total fund balance for the nonmajor governmental funds was \$8,187,054 at September 30, 2010. Of this amount, \$5,299 is nonspendable (for prepaids), \$3,056,523 is restricted by the legislature, \$4,993,290 is restricted by the debt covenant for the Expo Center Expansion project and the remaining \$131,942 is assigned to support Expo Center marketing or serve the debt related to the Expo Center Expansion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The statement of activities presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement may result in cash flows in future fiscal periods.

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

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 30 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Debt Service, Capital Improvement and Jail Expansion, which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining schedules elsewhere in this report.

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

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

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 41-69 of this report.

Required Supplementary Information is presented concerning the County's General Fund budgetary schedule. The schedule, which includes the original and final amended budget and actual figures, has been provided to demonstrate compliance with this budget. Also presented in this section are the Schedule of Funding Progress for Other Post Employment Benefits and the Schedule of Funding Progress for Texas County and District Retirement System. The condition assessment information for county roads and bridges can also be found in this section. Required supplementary information can be found on pages 70-87 of this report.

Combining and Individual Fund schedules provide information for nonmajor governmental funds, internal service funds and agency funds and are presented immediately following the required supplementary information. The combining/individual fund statements and schedules including budgetary comparison can be found on pages 88-136 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 \$126,801,162 for fiscal year 2010 and \$125,100,850 for fiscal year 2009.

Condensed Statement of Net Assets September 30, 2010

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Current and other assets	\$ 70,569,567	\$ 415,374	\$ 70,984,941
Capital assets, net	187,296,966	44,919	187,341,885
Total assets	<u>257,866,533</u>	<u>460,293</u>	<u>258,326,826</u>
Current and other liabilities	13,444,555	73,464	13,518,019
Long-term liabilities	118,007,336	309	118,007,645
Total liabilities	<u>131,451,891</u>	<u>73,773</u>	<u>131,525,664</u>
Net assets:			
Invested in capital assets, net of related debt	92,821,982	44,919	92,866,901
Restricted net assets	18,214,659	-	18,214,659
Unrestricted net assets	15,378,001	341,601	15,719,602
Total net assets	<u>\$ 126,414,642</u>	<u>\$ 386,520</u>	<u>\$ 126,801,162</u>

Condensed Statement of Net Assets September 30, 2009

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Current and other assets	\$ 89,991,954	\$ 404,008	\$ 90,395,962
Capital assets, net	151,779,417	26,502	151,805,919
Total assets	<u>241,771,371</u>	<u>430,510</u>	<u>242,201,881</u>
Current and other liabilities	14,073,040	27,837	14,100,877
Long-term liabilities	102,999,562	592	103,000,154
Total liabilities	<u>117,072,602</u>	<u>28,429</u>	<u>117,101,031</u>
Net assets:			
Invested in capital assets, net of related debt	84,052,885	26,502	84,079,387
Restricted net assets	35,231,264	-	35,231,264
Unrestricted net assets	5,414,620	375,579	5,790,199
Total net assets	<u>\$ 124,698,769</u>	<u>\$ 402,081</u>	<u>\$ 125,100,850</u>

(The 2009 statement was restated to conform to GASB Statement 54.)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The largest portion of the County's current fiscal year net assets (73%) reflects its investment of \$92,866,901 in capital assets (e.g., land, buildings, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

An additional portion of the County's net assets, \$18,214,659 (15%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$15,719,602 (12%) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the County was able to report positive balances in all three categories of net assets for its governmental and business-type activities. The same situation held true for the prior fiscal year. The County's net assets increased by \$1,700,312 as a result of fiscal year 2010 operations. The increase is primarily attributable to increases in ongoing revenues and relatively stable expenses.

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

Condensed Statement of Activities			
For the Year Ended September 30, 2010			
	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 12,653,027	\$ 459,657	\$ 13,112,684
Operating grants and contributions	2,851,157	-	2,851,157
Capital grants and contributions	356,062	-	356,062
General revenues:			
Property taxes	49,915,485	-	49,915,485
Sales taxes	11,175,994	-	11,175,994
Motor vehicle taxes	1,098,278	-	1,098,278
Mixed drink taxes	505,783	-	505,783
Hotel occupancy taxes	1,064,670	-	1,064,670
Unrestricted investment earnings	386,812	1,188	388,000
Total revenues	<u>80,007,268</u>	<u>460,845</u>	<u>80,468,113</u>
Expenses:			
General Government	15,959,538	-	15,959,538
Justice System	16,190,532	39,959	16,230,491
Law Enforcement	20,922,115	436,447	21,358,562
Juvenile Services	6,053,405	-	6,053,405
Public Transportation	7,110,355	-	7,110,355
Public Health	2,460,827	-	2,460,827
Human Services	4,992,850	-	4,992,850
Interest and Other Fees	4,601,773	-	4,601,773
Total expenses	<u>78,291,395</u>	<u>476,406</u>	<u>78,767,801</u>
Change in net assets	1,715,873	(15,561)	1,700,312
Net assets - beginning	<u>124,698,769</u>	<u>402,081</u>	<u>125,100,850</u>
Net assets - ending	<u>\$ 126,414,642</u>	<u>\$ 386,520</u>	<u>\$ 126,801,162</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Condensed Statement of Activities For the Year Ended September 30, 2009

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 12,295,700	\$ 467,781	\$ 12,763,481
Operating grants and contributions	2,959,642	-	2,959,642
Capital grants and contributions	294,527	-	294,527
General revenues:			
Property taxes	47,182,845	-	47,182,845
Sales taxes	11,225,816	-	11,225,816
Motor vehicle taxes	1,259,992	-	1,259,992
Mixed drink taxes	528,915	-	528,915
Hotel occupancy taxes	1,075,806	-	1,075,806
Unrestricted investment earnings	593,961	1,827	595,788
Gain on sale of capital assets	54,503	-	54,503
Total revenues	<u>77,471,707</u>	<u>469,608</u>	<u>77,941,315</u>
Expenses:			
General Government	16,266,899	-	16,266,899
Justice System	15,654,079	33,681	15,687,760
Law Enforcement	20,208,475	435,003	20,643,478
Juvenile Services	5,933,794	-	5,933,794
Public Transportation	6,226,814	-	6,226,814
Public Health	2,206,618	-	2,206,618
Human Services	5,176,330	-	5,176,330
Interest and Other Fees	4,108,413	-	4,108,413
Total expenses	<u>75,781,422</u>	<u>468,684</u>	<u>76,250,106</u>
Change in net assets	1,690,285	924	1,691,209
Net assets - beginning	123,008,484	401,157	123,409,641
Net assets - ending	<u>\$ 124,698,769</u>	<u>\$ 402,081</u>	<u>\$ 125,100,850</u>

Revenue Analysis

For fiscal year ended September 30, 2010, revenues for the primary government totaled \$80,468,113. The revenues are categorized by activity type: governmental activities totaled \$80,007,268 and business-type activities totaled \$460,845.

Program revenues are derived from the program itself and thereby reduce the cost of the function to the County. Total program revenues were \$16,319,903, and 20% of total revenues. The largest portion of program revenues is charges for services of \$13,112,684 (16% of the total revenues). Of that \$12,653,027 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 \$459,657, which represents primarily commissary sales to the inmates held in County jails. The other portions of program revenues are operating grants and contributions of \$2,851,157 received from various federal, state, and local agencies. During the year the County accepted \$356,062 capital grants 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 62% of total revenues. Besides the property taxes, the general revenues also consist of sales taxes, motor vehicle taxes, mixed drink taxes, hotel occupancy taxes and investment earnings, which in total are \$14,232,725 or 18% of the total revenues.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Revenue Analysis (Continued)

	<u>Year Ended</u> <u>September 30, 2010</u>		<u>Year Ended</u> <u>September 30, 2009</u>	
<u>Program Revenues</u>				
Charges for services - governmental	\$ 12,653,027	15.7%	\$ 12,295,700	15.7%
Charges for services - business-type	459,657	0.6%	467,781	0.6%
Operating grants and contributions	2,851,157	3.6%	2,959,642	3.8%
Capital grants and contributions	356,062	0.4%	294,527	0.4%
<u>General Revenues</u>				
Property taxes	49,915,485	62.0%	47,182,845	60.5%
Sales taxes	11,175,994	13.9%	11,225,816	14.4%
Motor vehicle taxes	1,098,278	1.4%	1,259,992	1.6%
Mixed drink taxes	505,783	0.6%	528,915	0.7%
Hotel occupancy taxes	1,064,670	1.3%	1,075,806	1.4%
Unrestricted investment earnings	388,000	0.5%	595,788	0.8%
Gain on sale of capital assets	-	0.0%	54,503	0.1%
Total Revenues	\$ 80,468,113	100.0%	\$ 77,941,315	100.0%

In fiscal year 2010, the County's revenues increased by \$2.5 million, or 3.2 percent as a result of an unexpected higher collection rate in property tax during the current fiscal year. The property tax revenue of fiscal year 2010 increased \$2.7 million from fiscal year 2009 in spite of a 0.3 percent decrease in the County's taxable assessed property values.

Expense Analysis

For the year ended September 30, 2010, the function and program expenses for the primary government were \$78,291,395 for the governmental activities and \$476,406 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, 2010</u>		<u>Year Ended</u> <u>September 30, 2009</u>	
<u>Function</u>				
General Government	\$15,959,538	20.4%	\$ 16,266,899	21.5%
Justice System	16,190,532	20.7%	15,654,079	20.7%
Law Enforcement	20,922,115	26.7%	20,208,475	26.7%
Juvenile Services	6,053,405	7.7%	5,933,794	7.8%
Public Transportation	7,110,355	9.1%	6,226,814	8.2%
Public Health	2,460,827	3.1%	2,206,618	2.9%
Human Services	4,992,850	6.4%	5,176,330	6.8%
Interest and Other Fees	4,601,773	5.9%	4,108,413	5.4%
Total Governmental Activities	\$78,291,395	100.0%	\$ 75,781,422	100.0%
<u>Business-Type Activities</u>				
County Attorney	\$ 39,959	8.4%	\$ 33,681	7.2%
Jail Commissary	436,447	91.6%	435,003	92.8%
Total Business-Type Activities	\$ 476,406	100.0%	\$ 468,684	100.0%

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Expense Analysis (Continued)

In fiscal year 2010, the County's expenses increased \$2.5 million or 3.3 percent. The key elements of the increase are as follows:

- Salaries and benefits increased \$2.1 million due to the new positions added and vacant positions filled at various County departments, more employees switching to or choosing the County's health insurance, the contribution rate hike of the County's pension plan and the merit raises given to certain employees.
- The net OPEB obligation of the County for fiscal year 2010 decreased \$0.7 million from fiscal year 2009.
- The operating expenses, including department support costs, maintenance costs, contract services costs and minor requisition costs, increased \$0.7 million during the year.
- The \$0.5 million increase in interest and fees is directly related to the new debt issuance in fiscal year 2010.
- The County also incurred a loss of \$0.1 million in sale of capital assets.

FINANCIAL ANALYSIS OF MAJOR FUNDS

The County's major general governmental functions are contained in the General, Special Revenue, Debt Service, and Capital Project Funds. At September 30, 2010, the County's governmental funds reported combined fund balances of \$51,248,471, a decrease of \$19,084,754 or 27% in comparison with the prior year. The change was primarily due to construction expenditures for the jail expansion project. Of the combined fund balance, \$932,324 (2%) were nospensible for prepaids and inventory, \$17,282,335 (34%) were restricted to various purposes by the external restrictions imposed, \$2,695,145 (5%) were committed to the Health Endowment Fund, \$8,072,990 (16%) were assigned to the County's capital improvement plans and other programs as directed by the Commissioners' Court, and \$22,265,677 (43%) constitutes unassigned fund balance, which is available to meet the County's current and future needs without any restrictions.

The General Fund

The General Fund is the chief operating fund of the County. At September 30, 2010, the General Fund reported a net fund balance of \$27,761,702, a decrease of \$3,789,494 from fiscal year 2009. The key factors in this change follow:

- The tax revenues came in more than anticipated in fiscal year 2010.
- The overall expenditures in fiscal year 2010 stayed stable.
- The County took advantage of the low construction costs in the market and transferred more funds out of General Fund to support capital improvement projects in fiscal year 2010.

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 2010, the fund balance increased \$646,298 or 18.9% from fiscal year 2009. The key elements of the increase are as follows:

- The ad valorem taxes collections in fiscal year 2010 increased 9% over fiscal year 2009 due to a higher collection rate.
- The debt principal and interest expenditures in fiscal year 2010 increased 22% due to the new debt issuance in fiscal year 2010.
- The funds transferred from the General Fund and Hotel Occupancy Tax Fund increased approximately \$670,000 in fiscal year 2010.

For fiscal year 2011 the County's debt service requirements for the governmental activities are \$5,035,000 in principal and \$4,165,253 in interest. Additional information is available to the readers in Note 7 (Long-Term Debt) to the Financial Statements.

The Capital Improvement Fund

The fund balance of the Capital Improvement Fund increased \$2,111,250 in fiscal year 2010. The resources of the Fund have been mainly provided by transfers from the General Fund. To take advantage of the low construction costs during the economic downturn, the County started several capital improvement projects, including the courthouse renovation, the new tax building, other improvements on County facilities, etc. The funds transferred to the Capital Improvement Fund increased by 30% during the current fiscal year.

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 was substantially completed at the end of fiscal year 2010. As a result, the Fund reported a fund balance of \$4,353,760, a decrease of \$22,386,705 from fiscal year 2009. The fund balance is restricted to small capital improvement projects that will enhance the County's jail facilities in the future.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County adopts an annual budget for the General Fund. Budget amounts represent the original budget for 2010 as subsequently amended by the Commissioners' Court. Budgets are adopted on a basis consistent with GAAP (modified accrual basis). Budget variances are not expected to impact future services or liquidity.

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

The following table summarizes General Fund budgeted and actual amounts for fiscal year 2010:

Brazos County, Texas			
FY 2010 General Fund Budget Vs. Actual Amounts - GAAP Basis			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>Revenues and Transfers In</u>			
Taxes	\$ 51,335,000	\$ 51,335,000	\$ 52,652,105
Charges for Services	9,902,300	9,902,300	10,557,236
Intergovernmental	1,033,895	1,075,798	1,295,102
Interest	272,000	272,000	193,165
Other	393,750	434,233	614,430
Sale of Capital Assets	45,000	45,000	270,138
Total	<u>62,981,945</u>	<u>63,064,331</u>	<u>65,582,176</u>
<u>Expenditures and Transfers Out</u>			
Expenditures	66,587,963	68,879,506	61,731,713
Transfers Out	6,064,131	7,829,705	7,639,957
Total	<u>72,652,094</u>	<u>76,709,211</u>	<u>69,371,670</u>
Net Change in Fund Balance	<u>\$ (9,670,149)</u>	<u>\$ (13,644,880)</u>	<u>\$ (3,789,494)</u>

Differences between the original budget and the final amended budget reflected an increase of \$82,386 in available resources. Differences between the original budget and the final amended budget resulted in \$4,057,117 (5.6%) increase in appropriations.

Actual revenues and transfers in increased by \$2,517,845 (4.0%) over the final budget mainly due to the better collection rate in taxes and charges for services. Actual expenditures and transfers out were \$7,337,541 (9.6%) under the final budget as a result of the restrained spending of the County.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the County are those assets (land, right-of-way, buildings, improvements, roads, bridges, machinery, and equipment) which are used by the County in performance of the County's functions. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2010, amounted to \$187,341,885 (net of accumulated depreciation) and at September 30, 2009 it was \$151,805,919. Depreciation on capital assets is recognized in the government-wide financial statements. Depreciation provided for the current fiscal period was \$3,534,840 as compared to \$3,593,847 for the year ended September 30, 2009.

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

- As of September 30, 2010, the County had substantially completed the \$50.8 million Jail Expansion project.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

- The County started the Expo Center Expansion project in December 2008 and the construction is expected to be completed by March 2011. The County had spent \$8.2 million on the project as of September 30, 2010.
- Approximately \$4.6 million in infrastructure was added during the current fiscal year.
- The County spent \$3.1 million and disposed of \$1.3 million in machinery and equipment in fiscal year 2010.

The County has elected to use the “Modified Approach” as defined by GASB 34 for reporting infrastructure assets, which include 474 miles of roads and 60 bridges. The County has adopted a minimum condition level of 80% for all County roads. In fiscal year 2010 over 96% of the County roads meet the targeted condition level. For the year ended September 30, 2010, the actual amounts of expense incurred for the annual maintenance and preservation of the roads and bridges at the targeted condition level is \$6.8 million and the amount estimated to be necessary for the purpose is \$9.0 million. The \$2.2 million variance is mainly due to the Department’s contingency budget, the delays in the road preparation and weather delays.

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

	Balance	Balance
	September 30, 2010	September 30, 2009
Governmental Activities:		
Land	\$ 12,490,958	\$ 11,822,036
Construction in progress	13,205,830	32,995,392
Infrastructure	53,896,023	49,253,232
Buildings	113,246,142	63,128,452
Improvements other than buildings	5,941,533	5,298,963
Machinery and equipment	21,801,623	19,980,046
	220,582,109	182,478,121
Less: Accumulated depreciation	(33,285,152)	(30,698,704)
Governmental activities capital assets, net	\$ 187,296,957	\$ 151,779,417
Business-type activities:		
Machinery and equipment	\$ 56,684	\$ 32,729
	56,684	32,729
Less: Accumulated depreciation	(11,765)	(6,227)
Business-type activities capital assets, net	\$ 44,919	\$ 26,502

Debt Administration

At September 30, 2010, the County had total long-term debt outstanding of \$101,495,000 as compared to \$94,140,000 in the prior year. The amount comprised debt backed by the full faith and credit of the County.

The County’s total debt increased by \$7,355,000 (7.8%) during the current fiscal year. The change in total debt was a result of the following:

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Debt Administration (Continued)

- Issuance of \$12,000,000 in a certificate of obligation and \$7,365,000 in a general obligation bond; and
- Retirement of \$5,365,000 in certificates of obligation and \$6,645,000 in general obligation bonds.

Refer to Note 7 in the Notes to the Basic Financial Statements for a detailed breakdown of long-term debt owed by the County. County officials, citizens and investors will find the ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita as useful indicators of the County's debt position and is shown in the statistical section of this report.

ECONOMIC FACTORS

The Commissioners' Court adopted the fiscal year 2011 budget on September 14, 2010. With the effects of the national economy slowdown finally being felt at the local level, the key focus of the fiscal year 2011 budget was to provide the core services for the citizens and visitors of Brazos County with limited revenue resources, in an uncertain economy. The budget was adopted based on anticipated resources and estimated uses in fiscal year 2011. The total resources of the County's General Fund are estimated to be \$76,800,000 including the appropriated fund balance of \$17,700,000, a \$1,600,000 increase from fiscal year 2010.

The property tax rate for fiscal year 2011 is \$0.4856 per \$100 valuation compared to \$0.4800 in fiscal year 2010. For the past three years, the County has maintained an estimated collection rate of 98% on property taxes.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

BRAZOS COUNTY, TEXAS
STATEMENT OF NET ASSETS
September 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 54,595,848	\$ 373,567	\$ 54,969,415
Investments	2,343,042	-	2,343,042
Joint Venture	236,756	-	236,756
Prepaid Expenses	105,162	-	105,162
Deferred Charges	1,094,692	-	1,094,692
Receivables, net of allowance for uncollectible amounts of \$11,448,381			
Taxes	3,136,095	-	3,136,095
Accounts and Other	4,028,422	4,646	4,033,068
Inventories	827,162	26,147	853,309
Internal Balances	(11,014)	11,014	-
Restricted Assets			
Cash and Cash Equivalents	3,887,018	-	3,887,018
Receivables			
Taxes	321,803	-	321,803
Accounts and Other	4,581	-	4,581
Capital Assets (net of accumulated depreciation)			
Land	12,490,958	-	12,490,958
Buildings	95,941,847	-	95,941,847
Improvements Other than Buildings	1,405,519	-	1,405,519
Machinery and Equipment	10,356,782	44,919	10,401,701
Infrastructure	53,896,023	-	53,896,023
Construction in Progress	13,205,837	-	13,205,837
TOTAL ASSETS	<u>\$ 257,866,533</u>	<u>\$ 460,293</u>	<u>\$ 258,326,826</u>

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

BRAZOS COUNTY, TEXAS
STATEMENT OF NET ASSETS - Continued
September 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>TOTAL</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 9,433,334	\$ 68,845	\$ 9,502,179
Accrued Salaries and Wages	1,800,765	3,385	1,804,150
Accrued Interest Payable	350,384	-	350,384
Unclaimed Funds	244,730	-	244,730
Unearned Revenue	923,468	-	923,468
Liabilities for Compensated Absences	691,874	1,234	693,108
Noncurrent Liabilities			
Due within one year	5,207,968	309	5,208,277
Due in more than one year	112,799,368	-	112,799,368
TOTAL LIABILITIES	<u>131,451,891</u>	<u>73,773</u>	<u>131,525,664</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	92,821,982	44,919	92,866,901
Restricted for:			
Debt Service	4,075,186	-	4,075,186
Joint Venture	236,756	-	236,756
Capital Projects	9,347,050	-	9,347,050
Legislative	3,623,343	-	3,623,343
Other Purposes	932,324	-	932,324
Unrestricted	15,378,001	341,601	15,719,602
TOTAL NET ASSETS	<u>\$ 126,414,642</u>	<u>\$ 386,520</u>	<u>\$ 126,801,162</u>

BRAZOS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

<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	\$ 15,959,538	\$ 2,880,925	\$ 110,940
Justice System	16,190,532	6,880,940	649,216
Law Enforcement	20,922,115	804,839	261,014
Juvenile Services	6,053,405	89,261	998,850
Public Transportation	7,110,355	1,179,615	342,202
Public Health	2,460,827	30,748	81,026
Human Services	4,992,850	786,699	407,909
Interest and Other Fees	4,601,773	-	-
Total Governmental Activities	<u>78,291,395</u>	<u>12,653,027</u>	<u>2,851,157</u>
Business-Type Activities:			
County Attorney	39,959	37,909	-
Jail Commissary	436,447	421,748	-
Total Business-Type Activities	<u>476,406</u>	<u>459,657</u>	<u>-</u>
Total Government	<u>\$ 78,767,801</u>	<u>\$ 13,112,684</u>	<u>\$ 2,851,157</u>

General revenues:

- Taxes:
 - Property taxes
 - Sales taxes
 - Motor vehicle taxes
 - Mixed drink taxes
 - Hotel occupancy taxes
- Unrestricted investment earnings
- Total general revenues

Change in net assets

Net assets-beginning

Net assets-ending

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

Program Revenues Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business - Type Activities	Total
\$ -	\$ (12,967,673)	\$ -	\$ (12,967,673)
-	(8,660,376)	-	(8,660,376)
190,645	(19,665,617)	-	(19,665,617)
-	(4,965,294)	-	(4,965,294)
10,015	(5,578,523)	-	(5,578,523)
2,100	(2,346,953)	-	(2,346,953)
153,302	(3,644,940)	-	(3,644,940)
-	(4,601,773)	-	(4,601,773)
<u>356,062</u>	<u>(62,431,149)</u>	<u>-</u>	<u>(62,431,149)</u>
-	-	(2,050)	(2,050)
-	-	(14,699)	(14,699)
-	-	(16,749)	(16,749)
<u>\$ 356,062</u>	<u>(62,431,149)</u>	<u>(16,749)</u>	<u>(62,447,898)</u>
	49,915,485	-	49,915,485
	11,175,994	-	11,175,994
	1,098,278	-	1,098,278
	505,783	-	505,783
	1,064,670	-	1,064,670
	386,812	1,188	388,000
	<u>64,147,022</u>	<u>1,188</u>	<u>64,148,210</u>
	1,715,873	(15,561)	1,700,312
	<u>124,698,769</u>	<u>402,081</u>	<u>125,100,850</u>
<u>\$ 126,414,642</u>	<u>\$ 126,414,642</u>	<u>\$ 386,520</u>	<u>\$ 126,801,162</u>

**BRAZOS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010**

	Major Funds	
	General	Debt Service
ASSETS		
Cash and Cash Equivalents	\$ 28,661,470	\$ 3,887,018
Investments	2,343,042	-
Joint Venture	236,756	-
Prepaid Expenditures	99,863	-
Receivables:		
Taxes	2,872,120	321,803
Officials	242,239	3,135
Interest	12,864	1,446
Accounts	198,852	-
State	419,135	-
Federal	56,927	-
Due From Other Funds	60,500	177,087
Inventories	827,162	-
TOTAL ASSETS	\$ 36,030,930	\$ 4,390,489
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 3,648,816	\$ -
Accrued Salary and Compensated Leave	1,734,249	-
Unclaimed Funds	-	-
Due To Other Funds	68,402	-
Deferred Revenues	2,817,761	315,303
Total Liabilities	8,269,228	315,303
Fund Balances:		
Nonspendable		
Prepaid Expenditures	99,863	-
Inventories	827,162	-
Restricted to		
General Government	-	-
Justice System	58,749	-
Law Enforcement	-	-
Juvenile Services	508,071	-
Public Transportation	-	-
Human Services	-	-
Debt Services	-	4,075,186
Capital Projects	-	-
Joint Venture	236,756	-
Committed to		
Health Endowment Fund	2,695,145	-
Assigned to		
Capital Improvements	-	-
Boonville Cemetery	7,985	-
Research Valley	158,153	-
Indigent Health Care	904,141	-
Other Purposes	-	-
Unassigned	22,265,677	-
Total Fund Balances	27,761,702	4,075,186
TOTAL LIABILITIES AND FUND BALANCES	\$ 36,030,930	\$ 4,390,489

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

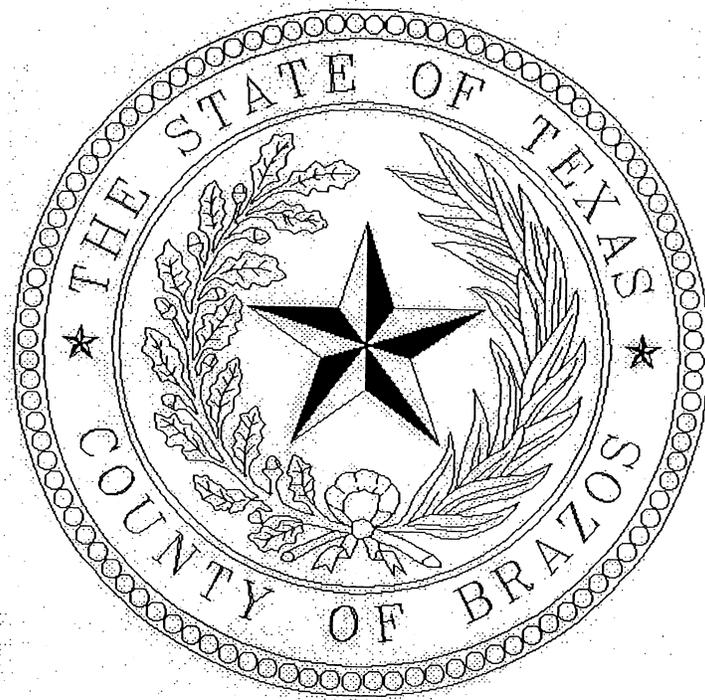
Major Funds (Continued)		Other	Total
Capital	Jail	Governmental	Governmental
Improvement	Expansion	Funds	Funds
\$ 7,545,748	\$ 6,480,050	\$ 9,736,880	\$ 56,311,166
-	-	-	2,343,042
-	-	-	236,756
-	-	5,299	105,162
-	-	114,967	3,308,890
-	-	-	245,374
-	-	3,871	18,181
-	2,491	65,644	266,987
-	-	355,446	774,581
-	-	-	56,927
-	810	-	238,397
-	-	-	827,162
<u>\$ 7,545,748</u>	<u>\$ 6,483,351</u>	<u>\$ 10,282,107</u>	<u>\$ 64,732,625</u>
\$ 674,979	\$ 2,129,591	\$ 1,534,055	\$ 7,987,441
-	-	66,516	1,800,765
-	-	244,730	244,730
-	-	181,009	249,411
-	-	68,743	3,201,807
<u>674,979</u>	<u>2,129,591</u>	<u>2,095,053</u>	<u>13,484,154</u>
-	-	5,299	105,162
-	-	-	827,162
-	-	348,490	348,490
-	-	1,345,814	1,404,563
-	-	438,602	438,602
-	-	-	508,071
-	-	28,233	28,233
-	-	895,384	895,384
-	-	-	4,075,186
-	4,353,760	4,993,290	9,347,050
-	-	-	236,756
-	-	-	2,695,145
6,870,769	-	-	6,870,769
-	-	-	7,985
-	-	-	158,153
-	-	-	904,141
-	-	131,942	131,942
-	-	-	22,265,677
<u>6,870,769</u>	<u>4,353,760</u>	<u>8,187,054</u>	<u>51,248,471</u>
<u>\$ 7,545,748</u>	<u>\$ 6,483,351</u>	<u>\$ 10,282,107</u>	<u>\$ 64,732,625</u>

BRAZOS COUNTY, TEXAS
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2010

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

Total fund balances - governmental funds	\$	51,248,471
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		187,296,966
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.		4,361,482
Internal service funds are used by the County's management for self insurance. The assets and liabilities of the funds are included with governmental activities in the Statement of Net Assets but are not included at the fund level.		1,462,625
Liabilities for compensated absences are due within one year but are not reported as liabilities in the funds.		(691,874)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds:		
Bonds payable		(101,495,000)
Deferred charge for issuance cost (to be amortized as interest expense)		1,094,692
Issuance premium (to be amortized as interest expense)		(1,089,980)
Accrued interest payable		(350,384)
Liabilities for compensated absences		(172,968)
OPEB obligation		(15,249,388)
		(117,263,028)
Total net assets--governmental activities	\$	126,414,642

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, 2010

	Major Funds	
	General	Debt Service
REVENUES		
Taxes	\$ 52,652,105	\$ 8,829,261
Charges for Services	10,557,236	-
Intergovernmental	1,295,102	-
Interest	193,165	66,848
Other Revenue	614,430	-
TOTAL REVENUES	65,312,038	8,896,109
EXPENDITURES		
Current		
General Government	12,174,280	-
Justice System	13,794,883	-
Law Enforcement	15,965,754	-
Juvenile Services	3,863,113	-
Public Transportation	6,798,595	-
Public Health	2,442,180	-
Human Services	3,307,485	-
Capital Outlay	3,385,423	-
Debt Service		
Principal Retirement	-	4,710,000
Interest and Other Fees	-	4,679,134
TOTAL EXPENDITURES	61,731,713	9,389,134
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,580,325</u>	<u>(493,025)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	-	766,884
Transfers Out	(7,639,957)	-
Premium on Debt Issuance	-	307,439
Debt Issuance	-	-
Debt Issuance - Refunding Bonds	-	7,365,000
Payment to Refunded Bonds Escrow Agent	-	(7,300,000)
Sale of Capital Assets	270,138	-
TOTAL OTHER FINANCING SOURCES (USES)	(7,369,819)	1,139,323
Net Change in Fund Balances	(3,789,494)	646,298
FUND BALANCES, OCTOBER 1	31,551,196	3,428,888
FUND BALANCES, SEPTEMBER 30	\$ 27,761,702	\$ 4,075,186

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

Major Funds (Continued)		Other Governmental Funds	Total Governmental Funds
Capital Improvement	Jail Expansion		
\$ -	\$ -	\$ 1,065,933	\$ 62,547,299
-	-	869,922	11,427,158
-	-	1,765,118	3,060,220
-	63,008	54,456	377,477
-	-	-	614,430
-	63,008	3,755,429	78,026,584
10,479	-	61,067	12,245,826
92,727	-	434,994	14,322,604
33,196	351,746	653,872	17,004,568
8,157	-	1,152,058	5,023,328
16,064	-	313,263	7,127,922
-	-	-	2,442,180
2,294	-	609,676	3,919,455
4,433,133	22,097,967	8,308,508	38,225,031
-	-	-	4,710,000
-	-	-	4,679,134
4,596,050	22,449,713	11,533,438	109,700,048
(4,596,050)	(22,386,705)	(7,778,009)	(31,673,464)
6,707,300	-	1,343,787	8,817,971
-	-	(1,378,014)	(9,017,971)
-	-	146,133	453,572
-	-	12,000,000	12,000,000
-	-	-	7,365,000
-	-	-	(7,300,000)
-	-	-	270,138
6,707,300	-	12,111,906	12,588,710
2,111,250	(22,386,705)	4,333,897	(19,084,754)
4,759,519	26,740,465	3,853,157	70,333,225
\$ 6,870,769	\$ 4,353,760	\$ 8,187,054	\$ 51,248,471

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, 2010

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

Net change in fund balances - total governmental funds	\$	(19,084,754)
<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	38,225,031	
Depreciation expense	<u>(3,529,302)</u>	34,695,729
Revenues and contributed assets in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		91,823
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to affect net assets		821,821
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.		(33,189)
The OPEB obligation per GASB 45 are accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.		(7,256,283)
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.		(7,597,166)
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.		<u>77,892</u>
Change in net assets of governmental activities	\$	<u>1,715,873</u>

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

BRAZOS COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2010

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney	Jail Commissary	Totals	Internal Service Fund
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 69,959	\$ 303,608	\$ 373,567	\$ 2,171,694
Accounts Receivable	-	4,646	4,646	20,868
Inventories	-	26,147	26,147	-
Due From Other Funds	1,518	10,306	11,824	-
Total Current Assets	<u>71,477</u>	<u>344,707</u>	<u>416,184</u>	<u>2,192,562</u>
Noncurrent Assets				
Property, Plant and Equipment	-	56,684	56,684	-
Less: Accumulated Depreciation	-	(11,765)	(11,765)	-
Total Noncurrent Assets	<u>-</u>	<u>44,919</u>	<u>44,919</u>	<u>-</u>
TOTAL ASSETS	<u>71,477</u>	<u>389,626</u>	<u>461,103</u>	<u>2,192,562</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	-	68,845	68,845	725,584
Accrued Salaries and Wages	1,471	1,914	3,385	-
Due To Other Funds	-	810	810	-
Liability for Compensated Absences	-	1,234	1,234	-
Deferred Revenues	-	-	-	4,353
Noncurrent Liabilities				
Due within one year	-	309	309	-
TOTAL LIABILITIES	<u>1,471</u>	<u>73,112</u>	<u>74,583</u>	<u>729,937</u>
NET ASSETS				
Invested in Capital Assets	-	44,919	44,919	-
Unrestricted	70,006	271,595	341,601	1,462,625
TOTAL NET ASSETS	<u>\$ 70,006</u>	<u>\$ 316,514</u>	<u>\$ 386,520</u>	<u>\$ 1,462,625</u>

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

BRAZOS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
PROPRIETARY FUNDS
For The Year Ended September 30, 2010

	Business - Type Activities - Enterprise Funds		Totals	Governmental Activities
	County Attorney	Jail Commissary		Internal Service Fund
OPERATING REVENUES				
Charges for Services	\$ 37,909	\$ -	\$ 37,909	\$ -
Commissary Sales	-	420,081	420,081	-
Employee Dependents	-	-	-	1,284,858
Self Pays	-	-	-	22,313
Excess Risk Benefits	-	-	-	32,441
Participant Payments	-	-	-	332,175
Brazos County	-	-	-	5,033,239
Retirees	-	-	-	158,967
Other Revenue	-	1,667	1,667	-
TOTAL OPERATING REVENUES	37,909	421,748	459,657	6,863,993
OPERATING EXPENSES				
Personnel Services	39,759	92,511	132,270	-
Departmental Support	200	92,395	92,595	-
Cost of Goods Sold	-	213,235	213,235	-
Repairs & Maintenance	-	-	-	-
Life Insurance	-	-	-	27,376
Stop Loss Premiums	-	-	-	918,806
Benefit Claims	-	-	-	5,591,543
Administrative Fees	-	-	-	410,557
Professional Services	-	32,768	32,768	47,152
Depreciation	-	5,538	5,538	-
TOTAL OPERATING EXPENSES	39,959	436,447	476,406	6,995,434
OPERATING LOSS	(2,050)	(14,699)	(16,749)	(131,441)
NONOPERATING REVENUES				
Interest	-	1,188	1,188	9,333
TOTAL NONOPERATING REVENUES	-	1,188	1,188	9,333
LOSS BEFORE TRANSFERS	(2,050)	(13,511)	(15,561)	(122,108)
Transfers In	-	-	-	200,000
CHANGE IN NET ASSETS	(2,050)	(13,511)	(15,561)	77,892
TOTAL NET ASSETS - OCTOBER 1	72,056	330,025	402,081	1,384,733
TOTAL NET ASSETS - SEPTEMBER 30	\$ 70,006	\$ 316,514	\$ 386,520	\$ 1,462,625

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, 2010

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney	Jail Commissary	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 37,021	\$ 415,877	\$ 452,898	\$ 1,799,860
Receipts from interfund services provided	-	-	-	5,033,239
Payments to contractors and vendors	(200)	(300,412)	(300,612)	(1,401,465)
Claims paid	-	-	-	(5,550,963)
Payments to employees for services	(39,111)	(94,431)	(133,542)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(2,290)</u>	<u>21,034</u>	<u>18,744</u>	<u>(119,329)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from General Fund	-	-	-	200,000
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	1,205	1,205	9,337
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>-</u>	<u>1,205</u>	<u>1,205</u>	<u>9,337</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	(23,954)	(23,954)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>(23,954)</u>	<u>(23,954)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,290)	(1,715)	(4,005)	90,008
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>72,249</u>	<u>305,323</u>	<u>377,572</u>	<u>2,081,686</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>\$ 69,959</u>	<u>\$ 303,608</u>	<u>\$ 373,567</u>	<u>\$ 2,171,694</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating loss	\$ (2,050)	\$ (14,699)	\$ (16,749)	\$ (131,441)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation expense	-	5,538	5,538	-
Change in accounts receivable	-	(4,551)	(4,551)	1,765
Change in due from other funds	(564)	(5,870)	(6,434)	-
Change in inventory	-	(5,213)	(5,213)	-
Change in accounts payable	-	46,940	46,940	11,183
Change in due to other funds	-	810	810	-
Change in accrued salaries and compensated absences	324	(1,921)	(1,597)	-
Change in deferred revenues	-	-	-	(836)
Total adjustments	<u>(240)</u>	<u>35,733</u>	<u>35,493</u>	<u>12,112</u>
Net cash provided (used) by operating activities	<u>\$ (2,290)</u>	<u>\$ 21,034</u>	<u>\$ 18,744</u>	<u>\$ (119,329)</u>

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

BRAZOS COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
September 30, 2010

ASSETS	
Cash and Cash Equivalents	\$ 3,907,281
Investments	1,238,100
TOTAL ASSETS	<u>\$ 5,145,381</u>
LIABILITIES	
Funds Held for Others	\$ 5,145,381
TOTAL LIABILITIES	<u>\$ 5,145,381</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, 2010

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 statement of activities demonstrates the degree to which the expenses of a given function are offset by program revenues. Expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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 all outstanding encumbrances lapse at the end of each fiscal year.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements (Continued)

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

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

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

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

Governmental Funds

Governmental funds are used to account for all or most of a government's general activity. The County has reported four major funds under this category for the year ended September 30, 2010:

General Fund - The General Fund is the principal operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund. The fund accumulates reserves for future capital improvements and unforeseen catastrophic events.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements (Continued)

Jail Expansion – This fund is established to account for the construction of the expanded jail facility. The funding source came from a limited tax bond of \$55,000,000.00 issued in 2008. The project started in February 2008 and was substantially completed at the end of fiscal year 2010.

The County reports the following nonmajor governmental funds:

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

Expo Center Expansion Fund - This fund was established to account for the expansion of the Brazos County Exposition Center. The expenditures are being financed through the issuance of \$12,000,000 certificates of obligation in November 2009 and a portion of the hotel occupancy taxes collected. The project is expected to be completed in March 2011.

Proprietary Funds

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

Fiduciary Funds

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

E. Implementation of New Standards

In fiscal year 2010, the County implemented the following new standards:

GASB Statement No.51, "Accounting and Financial Reporting for Intangible Assets", establishes financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. Implementation of GASB 51 did not have an impact on the County's financial statements for the year ended September 30, 2010.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Implementation of New Standards (Continued)

GASB Statement No.53, "Accounting and Financial Reporting for Derivative Instruments", establishes financial reporting requirements for derivative instruments entered into by state and local governments. Implementation of GASB 53 did not have an impact on the County's financial statements for the year ended September 30, 2010.

GASB Statement No.54, "Fund Balance Reporting and Governmental Fund Type Definitions", establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The implementation of GASB 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. The County has reclassified the fund balances of its governmental funds following the early implementation of GASB 54 in fiscal year 2010.

GASB Statement No.58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies", establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. Implementation of GASB 58 did not have an impact on the County's financial statements for the year ended September 30, 2010.

F. 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.

G. Cash, Cash Equivalents and Investments

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Interfund Transactions

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

I. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 of a given year. Taxes levied on October 1 are payable by January 31 of the following year, and by statute become delinquent on February 1 at which time they begin accruing penalty and interest. The enforceable legal claim date for property taxes is the assessment date and therefore the County did not record a receivable for taxes assessed after September 30, 2010. 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, 2010, the tax rate to finance general governmental services was \$0.3966 per \$100.00 valuation. The tax rate for the payment of principal and interest on long-term debt was \$0.0834 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.

J. Inventories and Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2010, 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)

K. Capital Assets

Capital assets include land, land improvements, right-of-way land, infrastructure, buildings, building improvements, site improvements, leasehold improvements, vehicles, machinery, furniture, equipment, other systems, works of art and intangible assets that are used in operations and benefit more than a single fiscal period. Infrastructure assets are long-lived assets that normally are stationary in nature and typically can be preserved for a significantly greater number of years than most capital assets, such as roads, bridges, and sewer systems. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Building improvements with an estimated cost to exceed \$25,000 are capitalized while infrastructure assets with an estimated cost to exceed \$50,000 are capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Capital assets are valued at cost where historical records are available and at an estimated historical cost where no records exist. Donated capital assets are valued at their estimated fair market value on the date received.

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

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.

L. 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 period in September of each fiscal year so that no liability is accrued at year-end. At termination, all compensatory time is paid at the wage rate in place at termination.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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. 80% of the vacation payable is accrued as "liability for compensated absences" in the government-wide statements at year-end, while 20% is reported as a "noncurrent liability due within one year". 80% 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 and 20% represents the maximum possibly accrued in the prior year but not used up in the current year.

M. Investment in Joint Venture

The County's investment in joint venture is recorded using the equity method of accounting. Required disclosure concerning the joint venture is presented in Note 9.

N. Long-Term Obligations

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

O. Fund Balances/Net Assets

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Net Assets/Fund Balances (Continued)

In the fiscal year ended September 30, 2010, the County has elected to early implement GASB 54, "Fund Balance, Reporting and Governmental Fund Type Definitions", for its governmental funds. Under GASB 54, fund balances are required to be reported according to the following classifications:

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

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

Committed Fund Balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority.

Assigned Fund Balance – Amounts that are constrained by the County's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

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

The government-wide and business-type activities financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted. Net assets invested in capital assets, net of related debt represents capital assets, net of accumulated depreciation and is reduced by outstanding balances for bonds and other debt that is attributed to the acquisition, construction, or improvement of those assets. Restricted net assets represent assets that have externally imposed restrictions by creditors, grantors, contributors, or laws or regulations of other governments. Assets may also be restricted as imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The amount that represents the County's net assets restricted by enabling legislation was \$3,623,343, as reported in the Statement of Net Assets. Any remaining balance of net assets is to be reported as unrestricted net assets.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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)

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	\$ 75,402,094	\$ 1,486,466	\$ 76,888,560
Special Revenue	6,355,191	494,862	6,850,053
Debt Service	9,589,400	7,706,054	17,295,454
Capital Projects	51,621,390	1,708,655	53,330,045
Totals	<u>\$ 142,968,075</u>	<u>\$ 11,396,037</u>	<u>\$ 154,364,112</u>

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. Cash and Cash Equivalents

Chapter 2257 of the Texas Government Code, also known as the Public Funds Collateral Act, provides guidelines for the amount of collateral that is required to secure the deposit of public funds. It requires that the deposit of public funds be collateralized in an amount not less than the total deposit, reduced by the amount of Federal Depository insurance (FDIC) available. The County’s depository agreement with Citibank requires collateralization with a fair market value equal to at least 102 percent of County funds in excess of \$250,000 on deposit in the bank. At September 30, 2010, the carrying amounts of the County’s deposits were \$58,856,433, reported as “Cash and Cash Equivalents” on the balance sheets.

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, 2010, 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.

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

B. Investments (Continued)

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

Investments at September 30, 2010 are as follows:

Pooled Investments	\$ 2,343,042
Property	<u>1,238,100</u>
Total Investments	<u>\$ 3,581,142</u>

The \$2,343,042 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:

	<u>General</u>	<u>Debt Service</u>	<u>Jail Expansion</u>	<u>Nonmajor</u>	<u>Jail Commissary</u>	<u>Internal Service</u>	<u>Total</u>
Taxes	\$ 2,872,120	\$ 321,803	\$ -	\$ 114,967	\$ -	\$ -	\$ 3,308,890
Officials	242,239	3,135	-	-	-	-	245,374
Interest	12,864	1,446	-	3,871	95	835	19,111
Accounts	198,852	-	2,491	65,644	4,551	20,033	291,571
State	419,135	-	-	355,446	-	-	774,581
Federal	56,927	-	-	-	-	-	56,927
Total Receivable	<u>\$ 3,802,137</u>	<u>\$ 326,384</u>	<u>\$ 2,491</u>	<u>\$ 539,928</u>	<u>\$ 4,646</u>	<u>\$ 20,868</u>	<u>\$ 4,696,454</u>

NOTE 5 – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2010 was as follows:

	Balance at September 30, 2009	Additions	Deletions & Adjustments	Balance at September 30, 2010
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,822,036	\$ 668,922	\$ -	\$ 12,490,958
Construction in progress	32,995,392	33,878,534	(53,668,089)	13,205,837
Infrastructure	49,253,232	4,642,791	-	53,896,023
Total capital assets, not being depreciated	<u>94,070,660</u>	<u>39,190,247</u>	<u>(53,668,089)</u>	<u>79,592,818</u>
Capital assets, being depreciated:				
Buildings	63,128,452	50,579,273	(461,583)	113,246,142
Improvements other than buildings	5,298,963	180,987	461,583	5,941,533
Machinery and equipment	19,980,046	3,145,885	(1,324,306)	21,801,625
Total capital assets, being depreciated	<u>88,407,461</u>	<u>53,906,145</u>	<u>(1,324,306)</u>	<u>140,989,300</u>
Less accumulated depreciation for:				
Buildings	(15,734,579)	(1,569,716)	-	(17,304,295)
Improvements other than buildings	(4,294,073)	(241,941)	-	(4,536,014)
Machinery and equipment	(10,670,052)	(1,717,645)	942,854	(11,444,843)
Total accumulated depreciation	<u>(30,698,704)</u>	<u>(3,529,302)</u>	<u>942,854</u>	<u>(33,285,152)</u>
Total capital assets, being depreciated, net	<u>57,708,757</u>	<u>50,376,843</u>	<u>(381,452)</u>	<u>107,704,148</u>
Governmental activities capital assets, net	<u>\$ 151,779,417</u>	<u>\$ 89,567,090</u>	<u>\$ (54,049,541)</u>	<u>\$ 187,296,966</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 32,729	\$ 23,955	\$ -	\$ 56,684
Total capital assets, being depreciated	<u>32,729</u>	<u>23,955</u>	<u>-</u>	<u>56,684</u>
Less accumulated depreciation for:				
Machinery and equipment	(6,227)	(5,538)	-	(11,765)
Total accumulated depreciation	<u>(6,227)</u>	<u>(5,538)</u>	<u>-</u>	<u>(11,765)</u>
Total capital assets, being depreciated, net	<u>26,502</u>	<u>18,417</u>	<u>-</u>	<u>44,919</u>
Business-type activities capital assets, net	<u>\$ 26,502</u>	<u>\$ 18,417</u>	<u>\$ -</u>	<u>\$ 44,919</u>

Depreciation expense for fiscal year 2010 was charged to functions as follows:

Governmental Activities:	
General Government	\$ 385,300
Justice System	286,035
Law Enforcement	1,266,121
Juvenile Services	197,688
Public Transportation	506,003
Public Health	18,647
Human Services	869,508
Total depreciation expense - governmental activities	<u>\$ 3,529,302</u>

NOTE 6 – 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, 2010, 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 1st, 2009. 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 expired in 2010.

The County had entered into thirty-eight non-cancelable operating leases for the use of photocopying equipment. The leases are for a 36 to 60 month period. Expenditures for these operating leases were \$144,497 in 2010. The County has also entered into one non-cancelable operating lease for facility rental with a 5-year term. Expenditures for this lease were \$13,920 in 2010. The future minimum lease payments for these leases are as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2011	\$ 165,692
2012	149,171
2013	111,725
2014	53,112
2015	<u>39,023</u>
Total	<u>\$ 518,723</u>

B. Capital Leases

The County has completed the only capital lease agreement for the purchase of an electronic monitoring system. As of September 30, 2010, the County has no capital lease obligations. Payments during the fiscal year ended September 30, 2010 totaled \$1,300. Interest rate is 10% per annum for the electronic monitoring system. The following is a summary of capital lease transactions for the year ended September 30, 2010:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital Leases	\$ 1,289	-	1,289	\$ -

NOTE 7 – LONG-TERM DEBT

A. Bonded Debt

Bonded debt of the County consists of various issues of General Obligation Bonds and Certificates of Obligation. General Obligation Bonds and Certificates of Obligation are direct obligations of the County with the County's full faith and credit pledged towards the payment of this obligation. General Obligation Bonds are issued upon approval by the public at an election. Certifications of Obligation are issued by the vote of commissioners' court as allowed under the Certificates of Obligation Act. Debt service is primarily paid from ad valorem taxes. The following are debt issues with activity or outstanding balances at September 30, 2010:

Description	Original Amount	Interest Rates (%)	Year of Issue	Year of Maturity	Outstanding at 9/30/10
<u>Certificates of Obligation</u>					
Series 1998 - Various	10,000,000	4.63	1998	2013	\$ -
Series 2001 - Judicial Software	1,000,000	3.4 - 5.5	2001	2009	-
Series 2002 - Various	2,995,000	2.8 - 3.85	2002	2013	585,000
Series 2003 - Various	10,000,000	2.5 - 4.55	2003	2023	7,270,000
Series 2004 - Various	5,000,000	2.6 - 4.55	2004	2024	4,185,000
Series 2005 - Various	2,750,000	3.25 - 3.75	2005	2015	1,485,000
Series 2009 - Various	12,000,000	3.0 - 4.5	2009	2034	11,650,000
<u>Limited Tax Refunding Bonds</u>					
Series 2005 - Debt Refunding	6,005,000	4.0	2005	2016	4,050,000
Series 2009 - Debt Refunding	7,365,000	3.0 - 4.0	2009	2021	7,325,000
<u>Limited Tax Bond</u>					
Series 2008 - Jail Expansion	55,000,000	3.25 - 5.0	2008	2028	54,360,000
<u>General Obligation Bonds</u>					
Series 2001 - Exposition Center	8,000,000	4.3 - 6.5	2001	2021	1,305,000
Series 2005 - Exposition Center	10,500,000	4.0 - 6.0	2005	2025	9,280,000
Total Certificate of Obligation and Bonds Payable					<u>\$ 101,495,000</u>

NOTE 7 – LONG-TERM DEBT (Continued)

A. Bonded Debt (Continued)

Activity for long-term debt of the County for the year ended September 30, 2010 was as follows:

Description	Balance Outstanding 10/1/2009	Issued During Year	Retired During Year	Balance Outstanding 9/30/2010	Amount Due Within One Year
<u>Certificates of Obligation</u>					
Series 1998 - Various	\$ 3,870,000	\$ -	\$ 3,870,000	\$ -	\$ -
Series 2001 - Judicial Software	-	-	-	-	-
Series 2002 - Various	815,000	-	230,000	585,000	195,000
Series 2003 - Various	7,700,000	-	430,000	7,270,000	445,000
Series 2004 - Various	4,400,000	-	215,000	4,185,000	220,000
Series 2005 - Various	1,755,000	-	270,000	1,485,000	280,000
Series 2009 - Various	-	12,000,000	350,000	11,650,000	350,000
<u>Limited Tax Refunding Bonds</u>					
Series 2005 - Debt Refunding	4,630,000	-	580,000	4,050,000	600,000
Series 2009 - Debt Refunding	-	7,365,000	40,000	7,325,000	1,215,000
<u>Limited Tax Bond</u>					
Series 2008 - Jail Expansion	55,000,000	-	640,000	54,360,000	840,000
<u>General Obligation Bonds</u>					
Series 2001 - Exposition Center	6,230,000	-	4,925,000	1,305,000	415,000
Series 2005 - Exposition Center	9,740,000	-	460,000	9,280,000	475,000
Total Certificate of Obligation and Bonds Payable	<u>\$ 94,140,000</u>	<u>\$ 19,365,000</u>	<u>\$ 12,010,000</u>	<u>\$ 101,495,000</u>	<u>\$ 5,035,000</u>

Annual debt service requirements as of September 30, 2010 are as follows:

Fiscal Year	Principal	Interest	Total
2011	5,035,000	4,165,253	9,200,253
2012	5,675,000	3,982,151	9,657,151
2013	5,870,000	3,794,423	9,664,423
2014	5,540,000	3,589,650	9,129,650
2015-2019	27,565,000	14,843,885	42,408,885
2020-2024	28,755,000	9,145,112	37,900,112
2025-2029	19,945,000	2,980,545	22,925,545
2030-2034	3,110,000	416,363	3,526,363
Totals	<u>\$ 101,495,000</u>	<u>\$ 42,917,382</u>	<u>\$ 144,412,382</u>

NOTE 7 – LONG-TERM DEBT (Continued)

B. Current and Advance Refunding

In November 2009, the County issued \$7,365,000 Limited Tax Refunding Bonds, Series 2009 to refund and defease a portion of the County’s outstanding Certificate of Obligation, Series 1998 (\$2,775,000) (current refunding) and General Obligation Improvement Bonds, Series 2001 (\$4,525,000) (advance refunding) and to pay costs of such issuance. The annual interest rates range from 3.0% to 4.0%. The issuance had a premium of \$307,439. Interest accrues semiannually and the bonds mature in fiscal year 2021. The refunding resulted in a decrease in cash flow requirements of \$344,785 and had an economic gain of \$279,709.

C. 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 lease every five years. The county has not incurred such a liability in the fiscal year 2010.

NOTE 8 – COMPENSATED ABSENCES

The cost of the County’s liability for compensated absences is calculated at the end of the fiscal year based on the employee’s pay rate and the accumulated vacation hours earned but not taken. 80% of the cost is reported as a current liability to the County and 20% is reported as noncurrent liability due within one year 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, 2010, were as follows:

	Balance Outstanding September 30, 2009	Earned	Taken/ Paid	Balance Outstanding September 30, 2010	Amount Due Within One Year
Governmental Activities	\$ 831,653	\$ 1,755,395	\$ (1,722,206)	\$ 864,842	\$ 691,874
Business-type Activities	2,962	2,480	(3,899)	1,543	1,234
Total	<u>\$ 834,615</u>	<u>\$ 1,757,875</u>	<u>\$ (1,726,105)</u>	<u>\$ 866,385</u>	<u>\$ 693,108</u>

NOTE 9 – INVESTMENT IN JOINT VENTURE

The City of Bryan and Brazos County Economic Development Foundation Inc., a public, non-profit corporation, was formed under a joint agreement between the City of Bryan and Brazos County to promote, develop, encourage and maintain employment, commerce, and economic development in the City and the County.

NOTE 9 – INVESTMENT IN JOINT VENTURE (Continued)

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

The funding sources of the Corporation come from the investments from Brazos County and City of Bryan, the grants from the U. S. Department of Commerce and Twin Cities Endowment Inc. and cash contributions from Research Valley Partnership (RVP).

Besides the entity’s investment in the Corporation, each entity also reports a 50% ownership in the retained earnings of the Corporation. The County’s share of the Corporation’s owners’ equity for the current fiscal year was \$236,756.

The following is a summary of information from the unaudited financial statements of the Corporation as of September 30, 2010:

Assets		
Current Assets		
A/R U.S Dept of Commerce	\$	121,484
Capital Assets		
Land		2,430,000
Total Assets	\$	<u>2,551,484</u>
Liabilities		
Current Liabilities		
Payable to City of Bryan	\$	121,484
Noncurrent Liabilities		
Note Payable		1,912,117
Total Liabilities		<u>2,033,601</u>
Owners' Equity		
Brazos County		128,198
City of Bryan		172,568
Retained Earnings		217,117
Total Owners' Equity		<u>517,883</u>
Total Liabilities & Owners' Equity	\$	<u>2,551,484</u>
Revenues		
Grant from Twin Cities Endowment Inc.	\$	400,000
Cash Contribution - RVP		30,000
Grant from U.S. Dept of Commerce		121,484
Total Revenues		<u>551,484</u>
Expenses		
Property Taxes		60
Interest Expense		131,833
Grant Expenditure		202,474
Total Expenses		<u>334,367</u>
Net Income	\$	<u>217,117</u>

A copy of the Corporation’s unaudited financial statements may be obtained from the County Auditor’s Office.

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, 2010:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 68,402	\$ 60,500
Debt Service Fund	-	177,087
Jail Expansion Fund	-	810
Nonmajor Governmental Funds	181,009	-
County Attorney Enterprise Fund	-	1,518
Jail Commissary Enterprise Fund	810	10,306
Total	<u>\$ 250,221</u>	<u>\$ 250,221</u>

The summary of the County’s transfers for the year ended September 30, 2010 is as follows:

	<u>Debt Service Fund</u>	<u>Capital Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
<u>Transfer Out:</u>					
General Fund	\$ 178,870	\$ 6,707,300	\$ 553,787	\$ 200,000	\$ 7,639,957
Nonmajor Governmental Funds	588,014	-	790,000	-	1,378,014
	<u>\$ 766,884</u>	<u>\$ 6,707,300</u>	<u>\$ 1,343,787</u>	<u>\$ 200,000</u>	<u>\$ 9,017,971</u>

The General Fund transferred out \$6,707,300 to the Capital Improvement Fund, \$200,000 to the Internal Service Fund and \$553,787 to other nonmajor governmental funds for anticipated expenditures in various capital improvements, grant matching and other requirements. It also transferred \$178,870 to Debt Service Fund on the anticipated debt principal and interest payment for Expo Center Expansion Project. In addition, \$588,014 was transferred from the Hotel & Occupancy Tax Fund to Debt Service Fund for the same purpose. The Hotel & Occupancy Tax Fund also transferred \$790,000 to the Expo Center Expansion Fund in financing the project.

NOTE 11 – RISK MANAGEMENT

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

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

NOTE 11 – RISK MANAGEMENT (Continued)

The County has established a Health and Life Insurance Internal Service Fund to account for the costs associated with various health-related insurance programs. The 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 \$5,559,719, and \$4,697,593 for 2010 and 2009 respectively. At September 30, 2010, the County had accrued \$611,184 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 2009 and 2010 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>
2009	\$ 546,885	\$ 4,697,593	\$ 4,642,050	\$ 602,428
2010	602,428	5,559,719	5,550,963	611,184

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, 2010, all claims against the County had been paid or accrued for payment, or the County’s underwriter had accepted responsibility for the claim.

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

NOTE 12 – RETIREMENT PLAN

A. Plan Description

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

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

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

B. Funding Policy

Brazos County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. Brazos County contributed using the actuarially determined rate of 11.8 % from October 1, 2009 through December 31, 2009 and increased to 11.93% beginning January 1, 2010. For 2011, the employer’s rate is anticipated to remain unchanged at 11.93%. The employee’s member contribution rate remained at 7.00% for 2010.

C. Annual Pension Cost

For the County’s fiscal year ending September 30, 2010, the County’s annual pension cost for the TCDRS plan for its employees was \$3,484,334. The County’s annual required contributions were \$3,484,334, and the County’s actual contributions were \$3,484,334. The County’s annual pension cost for the fiscal year ended September 30, 2009, was \$3,340,775.

NOTE 12 - RETIREMENT PLAN (Continued)

D. Annual Pension Cost (Continued)

The annual required contribution for 2010 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, 2007, and December 31, 2008, which is the basis for determining the contribution rate for calendar year 2009 and 2010 respectively. The December 31, 2009 actuarial valuation is the most recent valuation.

Actuarial valuation date	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/09</u>
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	11.1 years	20.0 years	18.5 years
Asset valuation method	SAF: 10-year smoothed value ESF: Fund value	SAF: 10-year smoothed value ESF: Fund value	SAF: 10-year smoothed value ESF: Fund value
Actuarial assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.3%	5.4%
Includes inflation at	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/08	\$ 3,098,290	100%	None
09/30/09	\$ 3,340,775	100%	None
09/30/10	\$ 3,484,334	100%	None

Schedule of Funding

Actuarial Valuation Date	12/31/2009
Actuarial Value of Assets	\$82,845,882
Actuarial Accrued Liability (AAL)	\$101,254,691
Unfunded Actuarial Accrued Liability (UAAL)	\$18,408,809
Funded Ratio	81.82%
Annual Covered Payroll (Actuarial)	\$33,133,259
UAAL as Percentage of Covered Payroll	55.56%

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

NOTE 13 - OTHER 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, 2010, 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

The County implemented the requirements of GASB Statement No. 45 starting fiscal year 2009.

Plan Description

Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to Commissioners’ Court. Brazos County has elected to offer post-retirement healthcare benefits to certain retirees. County policy allows employees to become eligible for post retirement healthcare benefits after meeting the service and retirement age requirements of the TCDRS retirement plan.

County policy restricts post retirement healthcare benefits to those employees that qualified for healthcare coverage during employment. Healthcare benefits are available to full-time employees that normally work 2,080 or more hours annually. The County opted to extend healthcare benefits to retirees that maintained coverage through the County’s healthcare 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. All healthcare benefits are provided through the County’s self-insured health plan. The benefit levels are the same as those afforded to active employees.

As of September 30, 2010, Membership Consisted of:	
Retirees and Beneficiaries Receiving Benefits	134
Active Employees	593
Total	<u>727</u>
Participating Employers	<u>1</u>

Funding Policy

Local Government Code Section 157.102 assigns to Commissioners’ Court the authority to establish and amend contribution requirements of the plan members and the participating employers. The Plan rates charged to retirees are set annually by Commissioners’ Court based on the combination of premiums and prior year costs of the self-funded portion of the plan. The Plan is funded on a pay-as-you-go basis. The total contributions for the year ended September 30, 2010 was \$836,051.

NOTE 13 - OTHER EMPLOYMENT BENEFITS (Continued)

B. Post Retirement Benefits (Continued)

Annual OPEB Costs and Net OPEB Obligation

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended September 30, 2010 were as follows:

Annual Required Contribution	\$	8,217,074
Add interest on Net OPEB Obligation		319,724
Less adjustment to Annual Required Contribution		<u>(444,464)</u>
Annual OPEB Cost		8,092,334
Less Contributions made		<u>(836,051)</u>
Change in Net OPEB Obligation		7,256,283
Net OPEB Obligation beginning of the year		<u>7,993,105</u>
Net OPEB Obligation end of the year	\$	<u><u>15,249,388</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

Trend Information

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net Ending OPEB Obligation
9/30/2009	\$ 8,791,943	\$ 798,838	9.1%	\$ 7,993,105
9/30/2010	\$ 8,092,334	\$ 836,051	10.3%	\$ 15,249,388

Note that this is the second year of implementation of GASB 45, which requires three years of data in the trend information table.

Funded Status and Funding Progress

The funded status of the plan as of September 30, 2009 (most recent actuarial valuation) was as follows:

Actuarial value of assets	-
Actuarial accrued liability (AAL)	54,930,178
Unfunded actuarial accrued liability (UAAL)	54,930,178
Funded ratio (actuarial value of plan assets /AAL)	0%
Covered payroll (active plan members)	26,368,299
UAAL as percentage of covered payroll	208.3%

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial assumptions used in calculating the County's UAAL and ARC are elaborated later in this note. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

NOTE 13 - OTHER EMPLOYMENT BENEFITS (Continued)

B. Post Retirement Benefits (Continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are made on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In order to perform the valuation, it was necessary for the County and the actuary to make certain assumptions regarding such items as rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare trend and interest rates. Significant methods and assumptions used for this fiscal year valuation were as follows:

Actuarial Valuation Date	September 30, 2009
Actuarial Cost Method	Unprojected Unit Credit
Amortization Method	Closed
Remaining Amortization period	29 years
Asset Valuation Method	N/A
Actuarial Assumptions:	
Discount Rate for Valuing Liabilities	4%
Projected Salary Increases	N/A
Healthcare Inflation Rate (5-year) - Medical	6.5% initial rate, 6.2% ultimate rate
Healthcare Inflation Rate (5-year) - Dental	5.8% initial rate, 5.3% ultimate rate

Additional Disclosure

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

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

NOTE 13 - OTHER EMPLOYMENT BENEFITS (Continued)

B. Post Retirement Benefits (Continued)

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

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

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 is committed under various contracts in connection with the construction of County facilities, buildings and roads of \$22,188,307 for the fiscal year 2011. The commitment to contractors totals \$3.3 million on the projects related to the Jail Expansion, which was substantially completed in 2010. The commitment on the Expo Center expansion project is about \$4.8 million. The expansion started in December 2008 and will be completed by March 2011. \$8.0 million is committed to the renovation of the County's courthouse building. The County will start the construction of a new Tax Office building in 2011 and \$2.9 million is committed to the project. \$3.2 million is committed to the new construction of the County roads.

B. Tax Increment Financing Zones (TIFZ's)

As of September 30, 2010, the County had entered into several inter-local agreements with the cities of Bryan and College Station for the creation of Tax Increment Financing Zones as allowed by Chapter 311 of the Texas Tax Code. Tax Increment Financing Zones (TIFZ) are statutory tools available to municipalities in Texas to promote development or redevelopment in an area that would not occur in the foreseeable future solely through private investment. TIFZ are also means to allow a community, both city and county, to enhance their ability to attract economic development or to allow businesses currently located within their area to expand. Once a city has designated a TIFZ, the Commissioners' Court must decide whether the County is to participate in the TIFZ and to what extent.

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

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

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

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. Brazos County has also entered into four inter-local agreements with the City of Bryan to create Reinvestment Zone Number Eight - "Park Hudson", Reinvestment Zone Number Ten - "Traditions", Reinvestment Zone Number Nineteen - "Burton Creek" and Reinvestment Zone Number Twenty-Two - "Bryan Towne Center". 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. The Bryan Towne Center on the east side of the City is scheduled for 20 years of County participation.

During fiscal year 2010 (for the tax year ended 12/31/09), the County reimbursed \$271,809 to the City of College Station and \$897,918 to the City of Bryan on the TIFZs.

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, 2010 the County had established abatement agreements with the following property owners.

Property Owner	2010 Appraised Value	2010 Taxable Value	2010 Taxes Levied
Dealer Computer Services, Inc.	\$ 9,166,120	\$ 1,838,142	8,823
Coca-Cola Enterprises	6,419,750	5,487,420	26,340
CW CS 1	9,069,152	7,305,570	35,067
Kent Moore	11,361,950	5,284,361	25,365
Schulumberger IPM	382,640	306,112	1,469
Readfield Meats Inc.	832,100	668,572	3,209
West Telemarketing	1,081,930	865,544	4,155
Toyo Ink International	13,268,580	5,420,832	26,020
North American Packaging	8,178,960	6,708,156	32,199

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

D. Contingent Liabilities

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

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



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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Taxes				
Current Ad Valorem Taxes	\$ 39,350,000	\$ 39,350,000	\$ 40,159,387	\$ 809,387
Delinquent Ad Valorem Taxes	350,000	350,000	487,009	137,009
Penalties & Interest - Taxes	260,000	260,000	323,932	63,932
Mixed Drink Taxes	500,000	500,000	505,783	5,783
County Sales Taxes	10,875,000	10,875,000	11,175,994	300,994
Total Taxes	<u>51,335,000</u>	<u>51,335,000</u>	<u>52,652,105</u>	<u>1,317,105</u>
Charges For Services				
JJAEP Service Fee	50,000	50,000	73,498	23,498
Contracted Jail Services	95,000	95,000	109,480	14,480
Arrest Fees	55,000	55,000	72,077	17,077
Brazos Center	200,000	200,000	216,420	16,420
Exposition Center	400,000	400,000	454,532	54,532
Bond Service/Forfeitures	152,500	152,500	343,626	191,126
County Clerk	900,000	900,000	1,005,259	105,259
Vital Statistics Preservation	5,500	5,500	6,586	1,086
County Attorney	65,000	65,000	61,515	(3,485)
General Administration Fees	44,000	44,000	47,516	3,516
Constables	175,000	175,000	201,988	26,988
Court Reporter	30,000	30,000	36,885	6,885
Magistrate	120,000	120,000	119,639	(361)
County Drug Court Fees	14,000	14,000	16,251	2,251
District Clerk	405,500	405,500	401,436	(4,064)
District Attorney	15,000	15,000	15,402	402
Family Protection	8,000	8,000	8,670	670
Election Parties	-	-	(10,717)	(10,717)
Motor Carrier Weight	15,000	15,000	24,141	9,141
Inmate Medical Fees	10,000	10,000	13,083	3,083
Justice of the Peace	2,094,300	2,094,300	1,868,930	(225,370)
Juvenile Probation Fees	12,000	12,000	13,721	1,721
License and Weights	10,000	10,000	5,330	(4,670)
Omnibus Crime Control Fees	100,000	100,000	101,900	1,900
Judicial Support Fees	1,500	1,500	2,619	1,119
Optional License Fees	1,100,000	1,100,000	1,170,335	70,335
Probate Fees	2,500	2,500	3,366	866
Road & Bridge Fees	-	-	22,778	22,778
School Crossing Fees	20,000	20,000	23,078	3,078
Sheriff	65,000	65,000	77,509	12,509
Landfill Fees	27,500	27,500	30,748	3,248
Tax Assessor-Collector	535,000	535,000	625,622	90,622
Vehicle Registration Fees	885,000	885,000	720,122	(164,878)
Motor Vehicle Sales Taxes	330,000	330,000	378,155	48,155
Licenses and Permits	30,000	30,000	95,250	65,250
Court Fines	1,930,000	1,930,000	2,200,486	270,486
Total Charges For Services	<u>\$ 9,902,300</u>	<u>\$ 9,902,300</u>	<u>\$ 10,557,236</u>	<u>\$ 654,936</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES (continued)				
Intergovernmental - Federal				
Department of Justice	\$ 55,000	\$ 71,903	\$ 57,615	\$ (14,288)
Department of Health & Human Services	49,000	49,000	75,011	26,011
Emergency Management Agency	47,965	47,965	76,676	28,711
Total Intergovernmental - Federal	<u>151,965</u>	<u>168,868</u>	<u>209,302</u>	<u>40,434</u>
Intergovernmental - State & Local				
Attorney General	155,500	155,500	195,909	40,409
Department of Justice	252,000	252,000	284,267	32,267
D. A. Salary Supplement	34,430	34,430	22,967	(11,463)
Office of the Court Administrator	85,000	85,000	312,333	227,333
Texas Juvenile Probation Commission	135,000	135,000	54,292	(80,708)
Texas Youth Commission	20,000	20,000	23,895	3,895
Juror Reimbursement	50,000	50,000	90,304	40,304
Soil & Water Conservation Board	-	-	1,176	1,176
MHMR	-	25,000	25,000	-
Tobacco Settlement	150,000	150,000	75,657	(74,343)
Total Intergovernmental - State	<u>881,930</u>	<u>906,930</u>	<u>1,085,800</u>	<u>178,870</u>
Total Intergovernmental	<u>1,033,895</u>	<u>1,075,798</u>	<u>1,295,102</u>	<u>219,304</u>
Interest	<u>272,000</u>	<u>272,000</u>	<u>193,165</u>	<u>(78,835)</u>
Other Revenue				
Donations	-	40,483	40,583	100
Joint Venture	-	-	108,558	108,558
Road Crossing	-	-	2,000	2,000
State Traffic Fee	12,500	12,500	12,649	149
Reimbursements	145,000	145,000	162,843	17,843
Leases and Rentals	10,000	10,000	10,298	298
Other	20,250	20,250	100,908	80,658
Estray Animal Sale/Fee	-	-	(1,180)	(1,180)
Inmate Phone System	200,000	200,000	167,574	(32,426)
Oil and Gas Lease	2,000	2,000	4,513	2,513
Informal Adjudication Probation	4,000	4,000	5,684	1,684
Total Other Revenue	<u>393,750</u>	<u>434,233</u>	<u>614,430</u>	<u>180,197</u>
TOTAL REVENUES	<u>\$ 62,936,945</u>	<u>\$ 63,019,331</u>	<u>\$ 65,312,038</u>	<u>\$ 2,292,707</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government				
County Judge				
Personnel Services	\$ 210,559	\$ 210,559	\$ 195,340	\$ 15,219
Supplies and Other Charges	7,700	7,700	3,158	4,542
Repairs and Maintenance	100	100	-	100
Contract Services	3,200	3,200	3,043	157
	<u>221,559</u>	<u>221,559</u>	<u>201,541</u>	<u>20,018</u>
Budget Office				
Personnel Services	160,470	160,470	136,556	23,914
Supplies and Other Charges	5,800	5,800	2,965	2,835
	<u>166,270</u>	<u>166,270</u>	<u>139,521</u>	<u>26,749</u>
Commissioners' Court				
Personnel Services	1,205,602	1,205,602	1,119,320	86,282
Discretionary Funding	-	9	-	9
Supplies and Other Charges	34,550	34,450	22,949	11,501
Repairs and Maintenance	100	200	178	22
Contract Services	3,000	3,000	2,977	23
	<u>1,243,252</u>	<u>1,243,261</u>	<u>1,145,424</u>	<u>97,837</u>
Non-Departmental				
Supplies and Other Charges	1,177,475	1,177,475	1,117,153	60,322
Repairs and Maintenance	2,000	3,152	(51)	3,203
Contract Services	18,900	28,008	27,816	192
Professional Services	151,000	140,740	75,746	64,994
	<u>1,349,375</u>	<u>1,349,375</u>	<u>1,220,664</u>	<u>128,711</u>
Community Support				
Contract Services	3,082,157	3,082,187	2,731,945	350,242
	<u>3,082,157</u>	<u>3,082,187</u>	<u>2,731,945</u>	<u>350,242</u>
County Treasurer				
Personnel Services	400,281	400,281	396,119	4,162
Discretionary Funding	-	5,624	-	5,624
Supplies and Other Charges	11,825	10,313	9,236	1,077
Repairs and Maintenance	400	550	542	8
Minor Acquisitions	-	3,700	-	3,700
Contract Services	3,000	3,000	2,734	266
	<u>415,506</u>	<u>423,468</u>	<u>408,631</u>	<u>14,837</u>
Risk Management				
Personnel Services	120,278	120,278	119,590	688
Discretionary Funding	-	3,706	-	3,706
Supplies and Other Charges	15,625	15,625	8,658	6,967
Minor Acquisitions	-	3,320	3,317	3
Professional Services	3,000	3,000	2,322	678
	<u>\$ 138,903</u>	<u>\$ 145,929</u>	<u>\$ 133,887</u>	<u>\$ 12,042</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued)				
Tax Assessor-Collector				
Personnel Services	\$ 1,599,493	\$ 1,599,493	\$ 1,469,212	\$ 130,281
Discretionary Funding	-	30,015	-	30,015
Supplies and Other Charges	57,250	54,219	50,226	3,993
Repairs and Maintenance	1,950	2,000	1,424	576
Minor Acquisitions	500	3,481	3,256	225
Contract Services	18,500	18,500	8,357	10,143
	<u>1,677,693</u>	<u>1,707,708</u>	<u>1,532,475</u>	<u>175,233</u>
Information Technology				
Personnel Services	1,291,067	1,291,067	1,176,070	114,997
Discretionary Funding	-	23,115	-	23,115
Supplies and Other Charges	99,075	99,229	96,909	2,320
Repairs and Maintenance	41,814	63,325	48,160	15,165
Minor Acquisitions	264,305	192,985	165,122	27,863
Contract Services	545,635	545,635	515,358	30,277
	<u>2,241,896</u>	<u>2,215,356</u>	<u>2,001,619</u>	<u>213,737</u>
Human Resources				
Personnel Services	254,321	254,321	239,208	15,113
Discretionary Funding	-	848	-	848
Supplies and Other Charges	30,700	30,700	19,499	11,201
Repairs and Maintenance	100	100	-	100
Contract Services	5,400	5,400	4,735	665
	<u>290,521</u>	<u>291,369</u>	<u>263,442</u>	<u>27,927</u>
County Auditor				
Personnel Services	658,337	658,337	623,084	35,253
Supplies and Other Charges	16,111	14,361	13,705	656
Minor Acquisitions	-	1,750	1,486	264
Contract Services	4,200	4,200	4,188	12
	<u>678,648</u>	<u>678,648</u>	<u>642,463</u>	<u>36,185</u>
Purchasing				
Personnel Services	229,616	231,341	230,171	1,170
Discretionary Funding	-	283	-	283
Supplies and Other Charges	13,400	13,400	9,595	3,805
Repairs and Maintenance	1,800	1,800	1,141	659
Contract Services	2,436	2,436	2,234	202
	<u>\$ 247,252</u>	<u>\$ 249,260</u>	<u>\$ 243,141</u>	<u>\$ 6,119</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued)				
Buildings and Grounds Maintenance				
Personnel Services	\$ 1,189,433	\$ 1,189,433	\$ 1,165,663	\$ 23,770
Discretionary Funding	-	34,620	-	34,620
Supplies and Other Charges	58,730	58,730	56,998	1,732
Repairs and Maintenance	246,600	240,400	210,839	29,561
Minor Acquisitions	5,000	8,200	8,021	179
Contract Services	68,360	71,360	66,836	4,524
Professional Services	2,400	2,400	1,170	1,230
	<u>1,570,523</u>	<u>1,605,143</u>	<u>1,509,527</u>	<u>95,616</u>
Total General Government	<u>13,323,555</u>	<u>13,379,533</u>	<u>12,174,280</u>	<u>1,205,253</u>
Justice System				
County Attorney				
Personnel Services	2,325,651	2,325,651	2,146,751	178,900
Discretionary Funding	-	41	-	41
Supplies and Other Charges	63,250	63,250	43,455	19,795
Repairs and Maintenance	22,032	22,032	11,765	10,267
Contract Services	7,674	7,674	5,472	2,202
	<u>2,418,607</u>	<u>2,418,648</u>	<u>2,207,443</u>	<u>211,205</u>
District Attorney				
Personnel Services	2,358,864	2,358,864	2,307,226	51,638
Discretionary Funding	-	12,644	-	12,644
Supplies and Other Charges	134,126	133,410	130,943	2,467
Repairs and Maintenance	10,300	10,300	6,444	3,856
Minor Acquisitions	-	1,383	1,383	-
Contract Services	11,870	11,814	8,357	3,457
	<u>2,515,160</u>	<u>2,528,415</u>	<u>2,454,353</u>	<u>74,062</u>
D.A. - Child Protective Services				
Personnel Services	98,738	98,738	93,904	4,834
Supplies and Other Charges	8,900	8,900	7,520	1,380
	<u>107,638</u>	<u>107,638</u>	<u>101,424</u>	<u>6,214</u>
District Clerk				
Personnel Services	859,423	857,231	793,304	63,927
Discretionary Funding	-	5,943	-	5,943
Supplies and Other Charges	43,818	42,968	37,002	5,966
Repairs and Maintenance	100	-	-	-
Minor Acquisitions	-	850	850	-
Contract Services	15,000	15,000	10,251	4,749
	<u>\$ 918,341</u>	<u>\$ 921,992</u>	<u>\$ 841,407</u>	<u>\$ 80,585</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Justice System (continued)				
Court and Jury Services				
Personnel Services	\$ 104,701	\$ 104,701	\$ 103,970	\$ 731
Discretionary Funding	-	12,241	-	12,241
Supplies and Other Charges	168,000	185,674	165,032	20,642
Repairs and Maintenance	100	278	278	-
Contract Services	7,700	7,876	6,938	938
	<u>280,501</u>	<u>310,770</u>	<u>276,218</u>	<u>34,552</u>
Collections				
Personnel Services	217,953	220,145	200,080	20,065
Discretionary Funding	-	4,383	-	4,383
Supplies and Other Charges	11,500	12,985	9,814	3,171
Contract Services	1,800	1,800	1,349	451
	<u>231,253</u>	<u>239,313</u>	<u>211,243</u>	<u>28,070</u>
County Clerk				
Personnel Services	567,834	567,834	541,588	26,246
Discretionary Funding	-	23,923	-	23,923
Supplies and Other Charges	122,160	125,160	96,069	29,091
Repairs and Maintenance	100	100	-	100
Contract Services	4,620	4,620	3,780	840
	<u>694,714</u>	<u>721,637</u>	<u>641,437</u>	<u>80,200</u>
Vital Statistics Preservation				
Supplies and Other Charges	5,000	5,000	3,196	1,804
Contract Services	2,500	2,500	-	2,500
	<u>7,500</u>	<u>7,500</u>	<u>3,196</u>	<u>4,304</u>
85th District Court				
Personnel Services	272,733	271,433	263,788	7,645
Discretionary Funding	-	679	-	679
Supplies and Other Charges	23,025	24,325	24,008	317
Repairs and Maintenance	850	850	555	295
	<u>296,608</u>	<u>297,287</u>	<u>288,351</u>	<u>8,936</u>
272nd District Court				
Personnel Services	264,394	241,866	240,772	1,094
Discretionary Funding	-	467	-	467
Supplies and Other Charges	21,500	46,703	38,612	8,091
Repairs and Maintenance	200	200	-	200
Minor Acquisitions	-	325	325	-
Contract Services	2,560	2,560	2,015	545
	<u>\$ 288,654</u>	<u>\$ 292,121</u>	<u>\$ 281,724</u>	<u>\$ 10,397</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Justice System (continued)				
361st District Court				
Personnel Services	\$ 266,212	\$ 266,212	\$ 259,822	\$ 6,390
Discretionary Funding	-	10,903	-	10,903
Supplies and Other Charges	25,225	25,135	17,824	7,311
Repairs and Maintenance	100	-	-	-
Minor Acquisitions	-	325	325	-
Contract Services	3,822	3,822	3,281	541
	<u>295,359</u>	<u>306,397</u>	<u>281,252</u>	<u>25,145</u>
Juvenile Court Referee				
Personnel Services	117,708	117,708	116,485	1,223
Discretionary Funding	-	1,195	-	1,195
Supplies and Other Charges	4,670	4,635	4,630	5
Minor Acquisitions	-	545	536	9
	<u>122,378</u>	<u>124,083</u>	<u>121,651</u>	<u>2,432</u>
Magistrate				
Personnel Services	221,112	221,210	214,017	7,193
Supplies and Other Charges	5,432	4,774	4,715	59
Repairs and Maintenance	300	50	-	50
Minor Acquisitions	-	1,792	1,792	-
Contract Services	4,860	4,860	3,883	977
	<u>231,704</u>	<u>232,686</u>	<u>224,407</u>	<u>8,279</u>
County Drug Court Program				
Personnel Services	13,797	13,797	8,872	4,925
Supplies and Other Charges	6,330	6,330	5,830	500
Minor Acquisitions	770	770	-	770
	<u>20,897</u>	<u>20,897</u>	<u>14,702</u>	<u>6,195</u>
Magistrate #2				
Personnel Services	214,099	214,099	180,248	33,851
Supplies and Other Charges	7,200	6,100	5,881	219
Repairs and Maintenance	300	300	60	240
Minor Acquisitions	5,000	2,100	1,996	104
Contract Services	4,860	4,860	1,758	3,102
Professional Services	-	230	230	-
	<u>231,459</u>	<u>227,689</u>	<u>190,173</u>	<u>37,516</u>
Brazos County Family Court Annex				
Personnel Services	-	4,934	4,891	43
Supplies and Other Charges	26,100	26,204	22,456	3,748
Contract Services	85,840	88,440	87,429	1,011
Professional Services	18,000	72,000	55,478	16,522
	<u>\$ 129,940</u>	<u>\$ 191,578</u>	<u>\$ 170,254</u>	<u>\$ 21,324</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
County Court At Law #1				
Personnel Services	\$ 435,172	\$ 435,172	\$ 428,968	\$ 6,204
Discretionary Funding	-	4,471	-	4,471
Supplies and Other Charges	13,375	12,855	8,153	4,702
Repairs and Maintenance	-	370	370	-
Contract Services	-	150	120	30
	<u>448,547</u>	<u>453,018</u>	<u>437,611</u>	<u>15,407</u>
County Court At Law #2				
Personnel Services	420,840	420,840	415,912	4,928
Discretionary Funding	-	1,196	-	1,196
Supplies and Other Charges	15,300	15,427	11,143	4,284
Repairs and Maintenance	450	450	304	146
Minor Acquisitions	-	372	372	-
	<u>436,590</u>	<u>438,285</u>	<u>427,731</u>	<u>10,554</u>
Justice of the Peace Precinct 1				
Personnel Services	256,255	256,255	241,037	15,218
Discretionary Funding	-	22,456	-	22,456
Supplies and Other Charges	27,540	27,540	23,876	3,664
Repairs and Maintenance	800	800	30	770
Contract Services	32,565	32,565	32,314	251
	<u>317,160</u>	<u>339,616</u>	<u>297,257</u>	<u>42,359</u>
Justice of the Peace Precinct 2 Place 1				
Personnel Services	198,635	198,635	185,822	12,813
Discretionary Funding	-	4,271	-	4,271
Supplies and Other Charges	6,365	6,365	6,238	127
Contract Services	2,760	2,760	2,274	486
	<u>207,760</u>	<u>212,031</u>	<u>194,334</u>	<u>17,697</u>
Justice of the Peace Precinct 2 Place 2				
Personnel Services	203,235	203,235	193,787	9,448
Discretionary Funding	-	4,560	-	4,560
Supplies and Other Charges	10,000	10,000	8,874	1,126
Repairs and Maintenance	125	125	-	125
Contract Services	2,000	2,000	1,992	8
	<u>215,360</u>	<u>219,920</u>	<u>204,653</u>	<u>15,267</u>
Justice of the Peace Precinct 3				
Personnel Services	297,333	297,333	294,173	3,160
Discretionary Funding	-	21,635	-	21,635
Supplies and Other Charges	11,600	17,600	17,495	105
Repairs and Maintenance	150	150	-	150
Contract Services	6,910	6,910	5,815	1,095
	<u>\$ 315,993</u>	<u>\$ 343,628</u>	<u>\$ 317,483</u>	<u>\$ 26,145</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Justice System (continued)				
Justice of the Peace Precinct 4				
Personnel Services	\$ 164,791	\$ 164,791	\$ 157,934	\$ 6,857
Discretionary Funding	-	1	-	1
Supplies and Other Charges	10,300	11,655	8,657	2,998
Repairs and Maintenance	75	80	80	-
Minor Acquisitions	250	250	219	31
Contract Services	1,400	1,400	1,349	51
	<u>176,816</u>	<u>178,177</u>	<u>168,239</u>	<u>9,938</u>
Community Supervision Support				
Supplies and Other Charges	35,700	34,589	24,044	10,545
Repairs and Maintenance	100	100	-	100
Minor Acquisitions	-	611	611	-
Contract Services	5,951	6,451	5,513	938
	<u>41,751</u>	<u>41,751</u>	<u>30,168</u>	<u>11,583</u>
Judicial Court Support				
Supplies and Other Charges	283,600	383,600	381,796	1,804
Contract Services	600,000	950,000	909,973	40,027
Professional Services	1,602,000	2,122,100	2,116,403	5,697
	<u>2,485,600</u>	<u>3,455,700</u>	<u>3,408,172</u>	<u>47,528</u>
Total Justice System	<u>13,436,290</u>	<u>14,630,777</u>	<u>13,794,883</u>	<u>835,894</u>
Law Enforcement				
Sheriff Administration				
Personnel Services	3,795,831	3,795,831	3,743,544	52,287
Supplies and Other Charges	161,761	167,265	158,097	9,168
Repairs and Maintenance	296,275	296,275	265,034	31,241
Minor Acquisitions	12,200	12,200	10,904	1,296
Contract Services	15,700	15,700	15,348	352
Professional Services	6,690	6,690	4,346	2,344
	<u>4,288,457</u>	<u>4,293,961</u>	<u>4,197,273</u>	<u>96,688</u>
Joint Terrorism Task Force				
Personnel Services	-	16,903	11,309	5,594
	<u>-</u>	<u>16,903</u>	<u>11,309</u>	<u>5,594</u>
Sheriff Jail Administration				
Personnel Services	8,522,117	8,625,277	8,556,119	69,158
Supplies and Other Charges	1,068,450	1,136,460	1,126,339	10,121
Repairs and Maintenance	61,400	78,400	76,753	1,647
Minor Acquisitions	37,000	44,053	29,264	14,789
Contract Services	111,820	233,820	233,626	194
Professional Services	73,250	70,750	67,827	2,923
	<u>\$ 9,874,037</u>	<u>\$ 10,188,760</u>	<u>\$ 10,089,928</u>	<u>\$ 98,832</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Law Enforcement (continued)				
Constable Precinct 1				
Personnel Services	\$ 322,806	\$ 322,806	\$ 321,162	\$ 1,644
Supplies and Other Charges	18,100	18,100	16,027	2,073
Repairs and Maintenance	21,948	23,912	23,409	503
Minor Acquisitions	500	500	-	500
Contract Services	21,000	21,000	19,794	1,206
	<u>384,354</u>	<u>386,318</u>	<u>380,392</u>	<u>5,926</u>
Constable Precinct 2				
Personnel Services	446,928	446,928	443,944	2,984
Discretionary Funding	-	657	-	657
Supplies and Other Charges	19,590	16,647	12,900	3,747
Repairs and Maintenance	26,210	29,410	28,922	488
Minor Acquisitions	1,100	1,925	1,635	290
	<u>493,828</u>	<u>495,567</u>	<u>487,401</u>	<u>8,166</u>
Constable Precinct 3				
Personnel Services	262,577	262,577	261,220	1,357
Discretionary Funding	-	49	-	49
Supplies and Other Charges	18,350	18,350	15,386	2,964
Repairs and Maintenance	20,550	20,550	19,030	1,520
Minor Acquisitions	1,700	1,700	425	1,275
Contract Services	4,526	4,526	3,325	1,201
	<u>307,703</u>	<u>307,752</u>	<u>299,386</u>	<u>8,366</u>
Constable Precinct 4				
Personnel Services	438,500	450,064	449,833	231
Supplies and Other Charges	14,975	14,900	14,085	815
Repairs and Maintenance	23,250	30,619	30,348	271
Minor Acquisitions	1,670	4,696	4,450	246
Contract Services	1,400	1,400	1,349	51
	<u>479,795</u>	<u>501,679</u>	<u>500,065</u>	<u>1,614</u>
Total Law Enforcement	<u>\$ 15,828,174</u>	<u>\$ 16,190,940</u>	<u>\$ 15,965,754</u>	<u>\$ 225,186</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Juvenile Services				
Juvenile Services				
Personnel Services	\$ 2,999,330	\$ 2,996,611	\$ 2,731,764	\$ 264,847
Discretionary Funding	-	16,420	-	16,420
Supplies and Other Charges	316,130	319,392	277,002	42,390
Repairs and Maintenance	15,825	27,825	21,932	5,893
Minor Acquisitions	2,000	1,505	1,500	5
Contract Services	16,580	20,876	13,540	7,336
Professional Services	44,680	45,980	34,289	11,691
	<u>3,394,545</u>	<u>3,428,609</u>	<u>3,080,027</u>	<u>348,582</u>
TYC - Parole				
Personnel Services	125,138	125,138	124,990	148
Supplies and Other Charges	2,550	2,550	2,334	216
Repairs and Maintenance	3,280	3,280	3,248	32
Minor Acquisitions	-	1,235	744	491
Contract Services	56,500	36,650	17,630	19,020
	<u>187,468</u>	<u>168,853</u>	<u>148,946</u>	<u>19,907</u>
Juvenile Justice Alternative Education				
Personnel Services	188,805	188,805	180,575	8,230
Supplies and Other Charges	1,000	1,000	925	75
	<u>189,805</u>	<u>189,805</u>	<u>181,500</u>	<u>8,305</u>
Juvenile - Title IV E				
Personnel Services	422,718	422,718	402,759	19,959
Supplies and Other Charges	48,200	48,200	32,297	15,903
Repairs and Maintenance	5,250	5,250	5,086	164
Contract Services	10,400	10,400	8,523	1,877
	<u>486,568</u>	<u>486,568</u>	<u>448,665</u>	<u>37,903</u>
TDHS - Commodities				
Supplies and Other Charges	3,000	3,976	3,975	1
	<u>3,000</u>	<u>3,976</u>	<u>3,975</u>	<u>1</u>
Total Juvenile Services	\$ 4,261,386	\$ 4,277,811	\$ 3,863,113	\$ 414,698

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Transportation				
Road and Bridge Administration				
Personnel Services	\$ 3,477,910	\$ 3,477,910	\$ 3,364,329	\$ 113,581
Supplies and Other Charges	1,410,800	1,914,648	85,434	1,829,214
Repairs and Maintenance	3,752,275	3,367,367	3,190,686	176,681
Minor Acquisitions	6,200	6,200	4,510	1,690
Contract Services	83,000	87,600	75,517	12,083
Professional Services	100,000	101,800	78,119	23,681
Total Public Transportation	8,830,185	8,955,525	6,798,595	2,156,930
Public Health				
Environmental Protection				
Supplies and Other Charges	7,900	7,900	7,239	661
Minor Acquisitions	-	2,600	2,541	59
Contract Services	236,400	236,400	233,797	2,603
	<u>244,300</u>	<u>246,900</u>	<u>243,577</u>	<u>3,323</u>
Indigent Health Care				
Supplies and Other Charges	700,000	700,000	540,636	159,364
Professional Services	2,108,820	1,728,120	615,224	1,112,896
Community Contracts	516,000	896,700	882,743	13,957
	<u>3,324,820</u>	<u>3,324,820</u>	<u>2,038,603</u>	<u>1,286,217</u>
Community Public Health				
Contract Services	200,000	200,000	160,000	40,000
	<u>200,000</u>	<u>200,000</u>	<u>160,000</u>	<u>40,000</u>
Total Public Health	3,769,120	3,771,720	2,442,180	1,329,540
Human Services				
Veteran Services				
Personnel Services	15,691	17,431	17,421	10
Discretionary Funding	-	1,742	-	1,742
Supplies and Other Charges	1,725	1,725	406	1,319
Repairs and Maintenance	200	200	111	89
	<u>17,616</u>	<u>21,098</u>	<u>17,938</u>	<u>3,160</u>
County Fire Protection				
Contract Services	633,062	633,062	633,062	-
	<u>633,062</u>	<u>633,062</u>	<u>633,062</u>	<u>-</u>
County Welfare				
Supplies and Other Charges	5,000	6,500	6,228	272
	<u>\$ 5,000</u>	<u>\$ 6,500</u>	<u>\$ 6,228</u>	<u>\$ 272</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Human Services (continued)				
Elections				
Personnel Services	\$ 102,002	\$ 102,002	\$ 81,769	\$ 20,233
Outside Labor Costs	87,579	87,579	82,119	5,460
Supplies and Other Charges	20,900	26,400	22,846	3,554
Repairs and Maintenance	14,000	14,000	6,679	7,321
Contract Services	2,500	2,500	1,984	516
Professional Services	82,000	76,500	74,972	1,528
	<u>308,981</u>	<u>308,981</u>	<u>270,369</u>	<u>38,612</u>
 Health Department				
Supplies and Other Charges	46,050	49,450	49,021	429
Professional Services	9,000	7,116	7,116	-
	<u>55,050</u>	<u>56,566</u>	<u>56,137</u>	<u>429</u>
 Emergency Management				
Personnel Services	138,574	138,941	138,774	167
Discretionary Funding	-	22,507	-	22,507
Supplies and Other Charges	19,700	19,333	15,926	3,407
Repairs and Maintenance	3,200	3,200	3,055	145
Contract Services	70,738	70,738	66,983	3,755
	<u>232,212</u>	<u>254,719</u>	<u>224,738</u>	<u>29,981</u>
 Brazos Center				
Personnel Services	595,115	595,115	555,595	39,520
Supplies and Other Charges	92,122	96,934	96,359	575
Repairs and Maintenance	91,944	82,021	80,479	1,542
Minor Acquisitions	5,730	8,641	8,387	254
Contract Services	73,390	73,390	58,201	15,189
Professional Services	-	2,000	1,499	501
	<u>858,301</u>	<u>858,101</u>	<u>800,520</u>	<u>57,581</u>
 Exposition Center				
Personnel Services	608,760	608,760	474,758	134,002
Discretionary Funding	-	3	-	3
Supplies and Other Charges	305,400	305,400	154,865	150,535
Repairs and Maintenance	98,800	98,750	33,307	65,443
Minor Acquisitions	45,000	45,000	4,352	40,648
Contract Services	287,030	287,030	265,420	21,610
	<u>\$ 1,344,990</u>	<u>\$ 1,344,943</u>	<u>\$ 932,702</u>	<u>\$ 412,241</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Human Services (continued)				
Agricultural Extension				
Personnel Services	\$ 266,316	\$ 266,316	\$ 242,931	\$ 23,385
Discretionary Funding	-	3,444	-	3,444
Supplies and Other Charges	51,800	52,442	52,047	395
Repairs and Maintenance	1,100	945	945	-
Contract Services	39,825	39,337	34,912	4,425
	<u>359,041</u>	<u>362,484</u>	<u>330,835</u>	<u>31,649</u>
Child Protective Services				
Supplies and Other Charges	50,000	50,000	34,956	15,044
	<u>50,000</u>	<u>50,000</u>	<u>34,956</u>	<u>15,044</u>
Total Human Services	<u>3,864,253</u>	<u>3,896,454</u>	<u>3,307,485</u>	<u>588,969</u>
Contingency	2,750,000	179,349	-	179,349
Capital Outlay	<u>3,275,000</u>	<u>3,776,746</u>	<u>3,385,423</u>	<u>391,323</u>
TOTAL EXPENDITURES	<u>69,337,963</u>	<u>69,058,855</u>	<u>61,731,713</u>	<u>7,147,793</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,401,018)</u>	<u>(6,039,524)</u>	<u>3,580,325</u>	<u>9,619,849</u>
Other Financing Sources (Uses)				
Transfers Out	(6,064,131)	(7,829,705)	(7,639,957)	189,748
Sale of Capital Assets	45,000	45,000	270,138	225,138
Total Other Financing Sources (Uses)	<u>(6,019,131)</u>	<u>(7,784,705)</u>	<u>(7,369,819)</u>	<u>414,886</u>
Net Change in Fund Balances	(12,420,149)	(13,824,229)	(3,789,494)	10,034,735
FUND BALANCE, OCTOBER 1	<u>31,551,196</u>	<u>31,551,196</u>	<u>31,551,196</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 19,131,047</u>	<u>\$ 17,726,967</u>	<u>\$ 27,761,702</u>	<u>\$ 10,034,735</u>

BRAZOS COUNTY, TEXAS
 Required Supplementary Information
 Texas County and District Retirement System
 Schedule of Funding Progress
 September 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c) (1)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	72,770,098	84,396,350	11,626,252	86.22%	27,418,935	42.40%
12/31/08	72,672,746	91,172,263	18,499,517	79.71%	29,841,851	61.99%
12/31/09	82,845,882	101,254,691	18,408,809	81.82%	33,133,259	55.56%

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

BRAZOS COUNTY, TEXAS
 Required Supplementary Information
 Other Post Employment Benefits
 Schedule of Funding Progress
 September 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2007	-	55,216,379	55,216,379	0.00%	21,352,864	258.6%
9/30/2009	-	54,930,178	54,930,178	0.00%	26,368,299	208.3%

Note: This is the second year of implementation of GASB45, which requires 3 years of data in this table. Additional years will be added to the disclosure as they become available.

BRAZOS COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2010

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 2010 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, 2010, annual maintenance and preservation costs of \$6,798,595 for both roads and bridges were less than the estimated amount needed of \$8,955,525. This variance is mainly due to a contingency budget of \$1.8 million (roll-over of prior years' positive variance), the delays in maintenance work and employee turnover \$0.4 million.

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, 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
September 30, 2009	\$9,492,050	\$6,349,394
September 30, 2010	\$8,955,525	\$6,798,595

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 2010 condition assessment are as follows:

Precinct	Fiscal Year	Percentage of Miles at 80% or greater condition level	Percentage of Miles at 70% or greater condition level	Percentage of Miles at 60% or greater condition level
1	2008	96%	2%	2%
2	2008	91%	3%	6%
3	2008	98%	1%	1%
4	2008	99%	0%	1%
1	2009	99%	0%	1%
2	2009	96%	0%	4%
3	2009	97%	0%	3%
4	2009	99%	0%	1%
1	2010	97%	0%	3%
2	2010	96%	0%	4%
3	2010	94%	0%	6%
4	2010	97%	0%	3%

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 60 bridges in the County were rated. Brazos County policy requires that bridges be maintained at a minimum of good condition. The chart below shows that the County's bridges are well maintained and in good or very good condition.

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

NONMAJOR GOVERNMENTAL FUNDS



**BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
September 30, 2010**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,455,900	\$ 6,280,980	\$ 9,736,880
Prepaid Expenditures	5,299	-	5,299
Receivables			
Taxes	114,967	-	114,967
Interest	1,457	2,414	3,871
Accounts	65,644	-	65,644
State	355,446	-	355,446
Due from Other Funds	-	-	-
TOTAL ASSETS	<u>\$ 3,998,713</u>	<u>\$ 6,283,394</u>	<u>\$ 10,282,107</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 243,951	\$ 1,290,104	\$ 1,534,055
Accrued Salary and Compensated Leave	66,516	-	66,516
Unclaimed Funds	244,730	-	244,730
Due to Other Funds	181,009	-	181,009
Deferred Revenues	68,743	-	68,743
Total Liabilities	<u>804,949</u>	<u>1,290,104</u>	<u>2,095,053</u>
Fund Balances			
Nonspendable			
Prepaid Expenditures	5,299	-	5,299
Restricted to			
General Government	348,490	-	348,490
Justice System	1,345,814	-	1,345,814
Law Enforcement	438,602	-	438,602
Juvenile Services	-	-	-
Public Transportation	28,233	-	28,233
Human Services	895,384	-	895,384
Capital Projects	-	4,993,290	4,993,290
Assigned to			
Other Purposes	131,942	-	131,942
Total Fund Balances	<u>3,193,764</u>	<u>4,993,290</u>	<u>8,187,054</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,998,713</u>	<u>\$ 6,283,394</u>	<u>\$ 10,282,107</u>

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
For The Year Ended September 30, 2010

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 1,065,933	\$ -	\$ 1,065,933
Charges for Services	869,922	-	869,922
Intergovernmental	1,765,118	-	1,765,118
Interest	16,562	37,894	54,456
Other Revenue	-	-	-
TOTAL REVENUES	3,717,535	37,894	3,755,429
EXPENDITURES			
General Government	61,067	-	61,067
Justice System	434,994	-	434,994
Law Enforcement	653,872	-	653,872
Juvenile Services	1,152,058	-	1,152,058
Public Transportation	313,263	-	313,263
Human Services	476,931	132,745	609,676
Capital Outlay	460,516	7,847,992	8,308,508
TOTAL EXPENDITURES	3,552,701	7,980,737	11,533,438
Excess (Deficiency) of Revenues Over (Under) Expenditures	164,834	(7,942,843)	(7,778,009)
OTHER FINANCING SOURCES (USES)			
Transfers In	553,787	790,000	1,343,787
Transfers Out	(1,378,014)	-	(1,378,014)
Debt Issuance	-	12,000,000	12,000,000
Premium on Debt Issuance	-	146,133	146,133
TOTAL OTHER FINANCING SOURCES (USES)	(824,227)	12,936,133	12,111,906
Net Change in Fund Balances	(659,393)	4,993,290	4,333,897
FUND BALANCES, OCTOBER 1	3,853,157	-	3,853,157
FUND BALANCES, SEPTEMBER 30	\$ 3,193,764	\$ 4,993,290	\$ 8,187,054

SPECIAL REVENUE FUNDS

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

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.

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

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.

District Clerk Archival Fund - A fund established to account for fees assessed for supporting preservation and restoration in connection with a district court records archive.

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.

County & District Court Technology Fund – A fund created to account for the collection of fees charged as part of court costs to fund the technological needs of the county and district courts.

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, 2010

	Hotel Occupancy Tax	State Lateral Road	Unclaimed Property	Law Library
ASSETS				
Cash and Cash Equivalents	\$ 995,962	\$ 28,222	\$ 276,750	\$ 342,050
Prepaid Expenditures	2,754	-	-	2,206
Receivables				
Taxes	114,967	-	-	-
Interest	386	11	106	132
Accounts	755	-	18,710	-
State	-	-	-	-
Due from Other Funds	-	-	-	-
TOTAL ASSETS	<u>\$ 1,114,824</u>	<u>\$ 28,233</u>	<u>\$ 295,566</u>	<u>\$ 344,388</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 1,510	\$ -	\$ 2,534	\$ 9,433
Accrued Salary and Compensated Leave	7,066	-	-	-
Unclaimed Funds	-	-	241,743	-
Due to Other Funds	120,509	-	-	-
Deferred Revenues	-	-	-	-
Total Liabilities	<u>129,085</u>	<u>-</u>	<u>244,277</u>	<u>9,433</u>
Fund Balances				
Nonspendable				
Prepaid Expenditures	2,754	-	-	2,206
Restricted to				
General Government	-	-	51,289	-
Justice System	-	-	-	332,749
Law Enforcement	-	-	-	-
Public Transportation	-	28,233	-	-
Human Services	851,043	-	-	-
Assigned to				
Other Purposes	131,942	-	-	-
Total Fund Balances	<u>985,739</u>	<u>28,233</u>	<u>51,289</u>	<u>334,955</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,114,824</u>	<u>\$ 28,233</u>	<u>\$ 295,566</u>	<u>\$ 344,388</u>

Alternative Dispute Resolution	Law Enforcement Education	County Records Management and Preservation	County Clerk Records Management and Preservation	County Clerk Archival	Courthouse Security	Justice Court Security
\$ 3,375	\$ 23,486	\$ 182,748	\$ 571,527	\$ 85,482	\$ 18,319	\$ 14,563
-	295	-	-	-	-	-
-	-	-	-	-	-	-
-	-	70	220	33	7	6
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 3,375</u>	<u>\$ 23,781</u>	<u>\$ 182,818</u>	<u>\$ 571,747</u>	<u>\$ 85,515</u>	<u>\$ 18,326</u>	<u>\$ 14,569</u>
\$ 3,375	\$ 596	\$ 24,500	\$ 4,340	\$ 9,515	\$ -	\$ -
-	-	1,792	3,179	-	10,059	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,375</u>	<u>596</u>	<u>26,292</u>	<u>7,519</u>	<u>9,515</u>	<u>10,059</u>	<u>-</u>
-	295	-	-	-	-	-
-	-	156,526	-	-	-	-
-	-	-	564,228	76,000	-	-
-	22,890	-	-	-	8,267	14,569
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>23,185</u>	<u>156,526</u>	<u>564,228</u>	<u>76,000</u>	<u>8,267</u>	<u>14,569</u>
<u>\$ 3,375</u>	<u>\$ 23,781</u>	<u>\$ 182,818</u>	<u>\$ 571,747</u>	<u>\$ 85,515</u>	<u>\$ 18,326</u>	<u>\$ 14,569</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
September 30, 2010

	District Clerk Records Management and Preservation	District Clerk Archival	J. P. Technology	County Court & District Court Technology
ASSETS				
Cash and Cash Equivalents	\$ 88,655	\$ 3,701	\$ 145,377	\$ 1,475
Prepaid Expenditures	-	-	-	-
Receivables				
Taxes	-	-	-	-
Interest	34	2	56	1
Accounts	-	-	-	-
State	-	-	-	-
Due from Other Funds	-	-	-	-
TOTAL ASSETS	<u>\$ 88,689</u>	<u>\$ 3,703</u>	<u>\$ 145,433</u>	<u>\$ 1,476</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ 601	\$ -
Accrued Salary and Compensated Leave	-	-	-	-
Unclaimed Funds	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>601</u>	<u>-</u>
Fund Balances				
Nonspendable				
Prepaid Expenditures	-	-	-	-
Restricted to				
General Government	-	-	-	-
Justice System	88,689	3,703	144,832	1,476
Law Enforcement	-	-	-	-
Public Transportation	-	-	-	-
Human Services	-	-	-	-
Assigned to				
Other Purposes	-	-	-	-
Total Fund Balances	<u>88,689</u>	<u>3,703</u>	<u>144,832</u>	<u>1,476</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 88,689</u>	<u>\$ 3,703</u>	<u>\$ 145,433</u>	<u>\$ 1,476</u>

Special Forfeitures	District Attorney Hot Check Collection	Bail Bond Board Fees	Voter Registration	Chapter 19 State Fund	Vehicle Inventory Tax Interest	Sheriff Department Crime Fund
\$ 30,796	\$ 3,203	\$ 77,355	\$ 22,437	\$ -	\$ 118,040	\$ 365,705
-	-	-	-	-	-	44
-	-	-	-	-	-	-
11	1	30	9	-	189	131
-	80	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 30,807</u>	<u>\$ 3,284</u>	<u>\$ 77,385</u>	<u>\$ 22,446</u>	<u>\$ -</u>	<u>\$ 118,229</u>	<u>\$ 365,880</u>
\$ 652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128
-	-	-	-	-	-	-
-	-	-	-	-	-	2,987
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,115</u>
-	-	-	-	-	-	44
-	-	-	22,446	-	118,229	-
-	3,284	77,385	-	-	-	-
30,155	-	-	-	-	-	362,721
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>30,155</u>	<u>3,284</u>	<u>77,385</u>	<u>22,446</u>	<u>-</u>	<u>118,229</u>	<u>362,765</u>
<u>\$ 30,807</u>	<u>\$ 3,284</u>	<u>\$ 77,385</u>	<u>\$ 22,446</u>	<u>\$ -</u>	<u>\$ 118,229</u>	<u>\$ 365,880</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
For The Year Ended September 30, 2010

	District Attorney Crime Fund	Primary Election Service Fund	Grants	Totals
ASSETS				
Cash and Cash Equivalents	\$ 53,708	\$ 2,964	\$ -	\$ 3,455,900
Prepaid Expenditures	-	-	-	5,299
Receivables				
Taxes	-	-	-	114,967
Interest	21	1	-	1,457
Accounts	297	27,503	18,299	65,644
State	-	-	355,446	355,446
Due from Other Funds	-	-	-	-
TOTAL ASSETS	<u>\$ 54,026</u>	<u>\$ 30,468</u>	<u>\$ 373,745</u>	<u>\$ 3,998,713</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 558	\$ -	\$ 186,209	\$ 243,951
Accrued Salary and Compensated Leave	-	-	44,420	66,516
Unclaimed Funds	-	-	-	244,730
Due to Other Funds	-	-	60,500	181,009
Deferred Revenues	-	-	68,743	68,743
Total Liabilities	<u>558</u>	<u>-</u>	<u>359,872</u>	<u>804,949</u>
Fund Balances				
Nonspendable				
Prepaid Expenditures	-	-	-	5,299
Restricted to				
General Government	-	-	-	348,490
Justice System	53,468	-	-	1,345,814
Law Enforcement	-	-	-	438,602
Public Transportation	-	-	-	28,233
Human Services	-	30,468	13,873	895,384
Assigned to				
Other Purposes	-	-	-	131,942
Total Fund Balances	<u>53,468</u>	<u>30,468</u>	<u>13,873</u>	<u>3,193,764</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 54,026</u>	<u>\$ 30,468</u>	<u>\$ 373,745</u>	<u>\$ 3,998,713</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, 2010

	Hotel Occupancy Tax	State Lateral Road	Unclaimed Property	Law Library
REVENUES				
Taxes	\$ 1,064,670	\$ -	\$ -	\$ -
Charges for Services	-	-	-	49,382
Intergovernmental	-	27,762	-	-
Interest	4,446	472	1,177	1,496
TOTAL REVENUES	<u>1,069,116</u>	<u>28,234</u>	<u>1,177</u>	<u>50,878</u>
EXPENDITURES				
General Government	-	-	-	-
Justice System	-	-	-	76,751
Law Enforcement	-	-	-	-
Juvenile Services	-	-	-	-
Public Transportation	-	-	-	-
Human Services	377,072	-	-	-
Capital Outlay	-	100,000	-	-
TOTAL EXPENDITURES	<u>377,072</u>	<u>100,000</u>	<u>-</u>	<u>76,751</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>692,044</u>	<u>(71,766)</u>	<u>1,177</u>	<u>(25,873)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(1,378,014)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,378,014)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(685,970)	(71,766)	1,177	(25,873)
FUND BALANCES, OCTOBER 1	<u>1,671,709</u>	<u>99,999</u>	<u>50,112</u>	<u>360,828</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 985,739</u>	<u>\$ 28,233</u>	<u>\$ 51,289</u>	<u>\$ 334,955</u>

Alternative Dispute Resolution	Law Enforcement Education	County Records Management and Preservation	County Clerk Records Management and Preservation	County Clerk Archival	Courthouse Security	Justice Court Security
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36,945	-	97,886	163,079	151,876	89,933	11,489
-	17,264	-	-	-	-	-
-	-	728	2,400	244	488	39
<u>36,945</u>	<u>17,264</u>	<u>98,614</u>	<u>165,479</u>	<u>152,120</u>	<u>90,421</u>	<u>11,528</u>
-	-	56,229	-	-	-	-
44,445	-	-	162,742	76,120	-	-
-	20,756	-	-	-	314,515	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	64,400	-	-	-	-
<u>44,445</u>	<u>20,756</u>	<u>120,629</u>	<u>162,742</u>	<u>76,120</u>	<u>314,515</u>	<u>-</u>
<u>(7,500)</u>	<u>(3,492)</u>	<u>(22,015)</u>	<u>2,737</u>	<u>76,000</u>	<u>(224,094)</u>	<u>11,528</u>
7,500	-	-	-	-	224,910	-
-	-	-	-	-	-	-
<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,910</u>	<u>-</u>
-	(3,492)	(22,015)	2,737	76,000	816	11,528
-	26,677	178,541	561,491	-	7,451	3,041
<u>\$ -</u>	<u>\$ 23,185</u>	<u>\$ 156,526</u>	<u>\$ 564,228</u>	<u>\$ 76,000</u>	<u>\$ 8,267</u>	<u>\$ 14,569</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, 2010

	District Clerk Records Management and Preservation	District Clerk Archival	J. P. Technology	County Court & District Court Technology
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	18,798	3,696	46,774	1,474
Intergovernmental	-	-	6,720	-
Interest	343	7	624	2
TOTAL REVENUES	<u>19,141</u>	<u>3,703</u>	<u>54,118</u>	<u>1,476</u>
EXPENDITURES				
General Government	-	-	-	-
Justice System	-	-	51,845	-
Law Enforcement	-	-	-	-
Juvenile Services	-	-	-	-
Public Transportation	-	-	-	-
Human Services	-	-	-	-
Capital Outlay	-	-	802	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>52,647</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,141</u>	<u>3,703</u>	<u>1,471</u>	<u>1,476</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	19,141	3,703	1,471	1,476
FUND BALANCES, OCTOBER 1	<u>69,548</u>	<u>-</u>	<u>143,361</u>	<u>-</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 88,689</u>	<u>\$ 3,703</u>	<u>\$ 144,832</u>	<u>\$ 1,476</u>

Special Forfeitures	District Attorney Hot Check Collection	Bail Bond Board Fees	Voter Registration	Chapter 19 State Fund	Vehicle Inventory Tax Interest	Sheriff Department Crime Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,263	\$ -
21,698	1,375	2,500	-	-	-	114
-	-	-	-	2,382	-	-
111	11	332	96	-	1,712	1,482
<u>21,809</u>	<u>1,386</u>	<u>2,832</u>	<u>96</u>	<u>2,382</u>	<u>2,975</u>	<u>1,596</u>
-	-	-	-	2,382	2,456	-
-	-	1,251	-	-	-	-
3,069	-	-	-	-	-	1,610
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,013	-	-	-	-	-	-
<u>5,082</u>	<u>-</u>	<u>1,251</u>	<u>-</u>	<u>2,382</u>	<u>2,456</u>	<u>1,610</u>
<u>16,727</u>	<u>1,386</u>	<u>1,581</u>	<u>96</u>	<u>-</u>	<u>519</u>	<u>(14)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
16,727	1,386	1,581	96	-	519	(14)
<u>13,428</u>	<u>1,898</u>	<u>75,804</u>	<u>22,350</u>	<u>-</u>	<u>117,710</u>	<u>362,779</u>
<u>\$ 30,155</u>	<u>\$ 3,284</u>	<u>\$ 77,385</u>	<u>\$ 22,446</u>	<u>\$ -</u>	<u>\$ 118,229</u>	<u>\$ 362,765</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, 2010

	District Attorney Crime Fund	Primary Election Service Fund	Grants	Totals
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 1,065,933
Charges for Services	38,225	68,255	66,423	869,922
Intergovernmental	-	-	1,710,990	1,765,118
Interest	183	120	49	16,562
TOTAL REVENUES	38,408	68,375	1,777,462	3,717,535
EXPENDITURES				
General Government	-	-	-	61,067
Justice System	21,840	-	-	434,994
Law Enforcement	-	-	313,922	653,872
Juvenile Services	-	-	1,152,058	1,152,058
Public Transportation	-	-	313,263	313,263
Human Services	-	54,385	45,474	476,931
Capital Outlay	-	-	293,301	460,516
TOTAL EXPENDITURES	21,840	54,385	2,118,018	3,552,701
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,568	13,990	(340,556)	164,834
OTHER FINANCING SOURCES (USES)				
Transfers In	-	5,800	315,577	553,787
Transfers Out	-	-	-	(1,378,014)
TOTAL OTHER FINANCING SOURCES (USES)	-	5,800	315,577	(824,227)
Net Change in Fund Balances	16,568	19,790	(24,979)	(659,393)
FUND BALANCES, OCTOBER 1	36,900	10,678	38,852	3,853,157
FUND BALANCES, SEPTEMBER 30	\$ 53,468	\$ 30,468	\$ 13,873	\$ 3,193,764

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Taxes	\$ 1,000,000	\$ 1,033,614	\$ 1,064,670
Interest	8,000	8,000	4,446
TOTAL REVENUES	<u>1,008,000</u>	<u>1,041,614</u>	<u>1,069,116</u>
EXPENDITURES			
Human Services			
Personnel Services	324,848	298,448	207,619
Supplies and Other Charges	146,552	149,602	121,591
Repairs & Maintenance	3,800	16,800	14,275
Minor Acquisitions	100	3,450	2,206
Contract Services	25,300	7,300	6,381
Professional Services	3,000	3,000	-
Community Support	-	25,000	25,000
TOTAL EXPENDITURES	<u>503,600</u>	<u>503,600</u>	<u>377,072</u>
Excess of Revenues			
Over Expenditures	504,400	538,014	692,044
OTHER FINANCING USES			
Transfers Out	<u>(1,344,400)</u>	<u>(1,378,014)</u>	<u>(1,378,014)</u>
TOTAL OTHER FINANCING USES	<u>(1,344,400)</u>	<u>(1,378,014)</u>	<u>(1,378,014)</u>
Net Change in Fund Balance	(840,000)	(840,000)	(685,970)
FUND BALANCE, OCTOBER 1	<u>1,671,709</u>	<u>1,671,709</u>	<u>1,671,709</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 831,709</u></u>	<u><u>\$ 831,709</u></u>	<u><u>\$ 985,739</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ 28,000	\$ 28,000	\$ 27,762
Interest	600	600	472
TOTAL REVENUES	<u>28,600</u>	<u>28,600</u>	<u>28,234</u>
EXPENDITURES			
Public Transportation			
Repairs and Maintenance	100,800	800	-
Capital Outlay	-	100,000	100,000
TOTAL EXPENDITURES	<u>100,800</u>	<u>100,800</u>	<u>100,000</u>
Deficiency of Revenues Under Expenditures	(72,200)	(72,200)	(71,766)
FUND BALANCE, OCTOBER 1	<u>99,999</u>	<u>99,999</u>	<u>99,999</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 27,799</u></u>	<u><u>\$ 27,799</u></u>	<u><u>\$ 28,233</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
UNCLAIMED PROPERTY
For the Year Ended September 30, 2010**

	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES		
Interest	\$ 1,600	\$ 1,177
TOTAL REVENUES	<u>1,600</u>	<u>1,177</u>
EXPENDITURES		
General Government		
Supplies and Other Charges	<u>51,900</u>	<u>-</u>
TOTAL EXPENDITURES	<u>51,900</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,300)	1,177
FUND BALANCE, OCTOBER 1	<u>50,112</u>	<u>50,112</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ (188)</u>	<u>\$ 51,289</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
LAW LIBRARY
For the Year Ended September 30, 2010**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 47,500	\$ 49,382
Interest	2,000	1,496
TOTAL REVENUES	49,500	50,878
EXPENDITURES		
Justice System		
Supplies and Other Charges	100,000	69,351
Repairs and Maintenance	2,000	-
Minor Acquisitions	53,000	-
Contract Services	20,000	7,400
TOTAL EXPENDITURES	175,000	76,751
Deficiency of Revenues Under Expenditures	(125,500)	(25,873)
FUND BALANCE, OCTOBER 1	360,828	360,828
FUND BALANCE, SEPTEMBER 30	\$ 235,328	\$ 334,955

**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, 2010**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 37,000	\$ 36,945
TOTAL REVENUES	37,000	36,945
EXPENDITURES		
Justice System		
Contractual Services	44,500	44,445
TOTAL EXPENDITURES	44,500	44,445
Deficiency of Revenues Under Expenditures	(7,500)	(7,500)
OTHER FINANCING SOURCES		
Transfers In	7,500	7,500
TOTAL OTHER FINANCING SOURCES	7,500	7,500
Net Change in Fund Balance	-	-
FUND BALANCE, OCTOBER 1	-	-
FUND BALANCE, SEPTEMBER 30	\$ -	\$ -

**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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ 17,750	\$ 17,264	\$ 17,264
TOTAL REVENUES	<u>17,750</u>	<u>17,264</u>	<u>17,264</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	36,900	43,941	20,756
TOTAL EXPENDITURES	<u>36,900</u>	<u>43,941</u>	<u>20,756</u>
Deficiency of Revenues			
Under Expenditures	(19,150)	(26,677)	(3,492)
FUND BALANCE, OCTOBER 1	<u>26,677</u>	<u>26,677</u>	<u>26,677</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 7,527</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 23,185</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, 2010

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 80,000	\$ 97,886
Interest	2,000	728
TOTAL REVENUES	82,000	98,614
EXPENDITURES		
General Government		
Personnel Services	60,938	54,978
Supplies and Other Charges	3,500	1,251
Minor Acquisitions	50,000	-
Contract Services	10,000	-
Professional Services	10,000	-
Capital Outlay	74,562	64,400
TOTAL EXPENDITURES	209,000	120,629
Deficiency of Revenues Under Expenditures	(127,000)	(22,015)
FUND BALANCE, OCTOBER 1	178,541	178,541
FUND BALANCE, SEPTEMBER 30	\$ 51,541	\$ 156,526

**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, 2010**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 145,000	\$ 145,000	\$ 163,079
Interest	3,500	3,500	2,400
TOTAL REVENUES	<u>148,500</u>	<u>148,500</u>	<u>165,479</u>
EXPENDITURES			
Justice System			
Personnel Services	98,023	98,023	96,220
Supplies and Other Charges	82,000	82,000	1,517
Repairs and Maintenance	500	500	-
Minor Acquisitions	6,000	10,000	5,065
Contract Services	83,500	79,500	59,940
TOTAL EXPENDITURES	<u>270,023</u>	<u>270,023</u>	<u>162,742</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(121,523)	(121,523)	2,737
FUND BALANCE, OCTOBER 1	<u>561,491</u>	<u>561,491</u>	<u>561,491</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 439,968</u></u>	<u><u>\$ 439,968</u></u>	<u><u>\$ 564,228</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY CLERK ARCHIVAL FUND
For the Year Ended September 30, 2010**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 160,000	\$ 151,876
Interest	-	244
TOTAL REVENUES	160,000	152,120
EXPENDITURES		
Justice System		
Professional Services	160,000	76,120
TOTAL EXPENDITURES	160,000	76,120
Excess of Revenues Over Expenditures	-	76,000
FUND BALANCE, OCTOBER 1	-	-
FUND BALANCE, SEPTEMBER 30	\$ -	\$ 76,000

**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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 88,000	\$ 88,000	\$ 89,933
Interest	400	400	488
TOTAL REVENUES	<u>88,400</u>	<u>88,400</u>	<u>90,421</u>
EXPENDITURES			
Law Enforcement			
Personnel Services	310,110	310,130	310,126
Supplies and Other Charges	7,700	7,680	4,389
TOTAL EXPENDITURES	<u>317,810</u>	<u>317,810</u>	<u>314,515</u>
Deficiency of Revenues Under Expenditures	(229,410)	(229,410)	(224,094)
OTHER FINANCING SOURCES			
Transfers In	<u>224,910</u>	<u>224,910</u>	<u>224,910</u>
TOTAL OTHER FINANCING SOURCES	<u>224,910</u>	<u>224,910</u>	<u>224,910</u>
Net Change in Fund Balance	(4,500)	(4,500)	816
FUND BALANCE, OCTOBER 1	<u>7,451</u>	<u>7,451</u>	<u>7,451</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 2,951</u></u>	<u><u>\$ 2,951</u></u>	<u><u>\$ 8,267</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, 2010**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 12,400	\$ 11,489
Interest	150	39
TOTAL REVENUES	12,550	11,528
EXPENDITURES		
Justice System		
Repairs and Maintenance	5,000	-
Capital Outlay	11,050	-
TOTAL EXPENDITURES	16,050	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,500)	11,528
FUND BALANCE, OCTOBER 1	3,041	3,041
FUND BALANCE, SEPTEMBER 30	\$ (459)	\$ 14,569

**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, 2010**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 17,000	\$ 18,798
Interest	300	343
TOTAL REVENUES	17,300	19,141
EXPENDITURES		
Justice System		
Supplies and Other Charges	25,000	-
Minor Acquisitions	10,000	-
Contract Services	23,000	-
Professional Services	29,300	-
TOTAL EXPENDITURES	87,300	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,000)	19,141
FUND BALANCE, OCTOBER 1	69,548	69,548
FUND BALANCE, SEPTEMBER 30	\$ (452)	\$ 88,689

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT CLERK ARCHIVAL FUND
For the Year Ended September 30, 2010**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 7,000	\$ 3,696
Interest	-	7
TOTAL REVENUES	7,000	3,703
EXPENDITURES		
Justice System		
Professional Services	7,000	-
TOTAL EXPENDITURES	7,000	-
Excess of Revenues Over Expenditures	-	3,703
FUND BALANCE, OCTOBER 1	-	-
FUND BALANCE, SEPTEMBER 30	\$ -	\$ 3,703

**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, 2010**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 49,200	\$ 49,200	\$ 46,774
Intergovernmental	-	-	6,720
Interest	1,100	1,100	624
TOTAL REVENUES	<u>50,300</u>	<u>50,300</u>	<u>54,118</u>
EXPENDITURES			
Justice System			
Personnel Services	5,025	5,025	3,250
Supplies and Other Charges	95,121	88,029	8,599
Repairs and Maintenance	3,000	3,000	-
Minor Acquisitions	27,154	32,504	26,556
Contract Services	25,000	25,940	13,440
Capital Outlay	50,000	50,802	802
TOTAL EXPENDITURES	<u>205,300</u>	<u>205,300</u>	<u>52,647</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(155,000)	(155,000)	1,471
FUND BALANCE, OCTOBER 1	<u>143,361</u>	<u>143,361</u>	<u>143,361</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (11,639)</u></u>	<u><u>\$ (11,639)</u></u>	<u><u>\$ 144,832</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL*
COUNTY & DISTRICT COURT TECHNOLOGY FUND
For the Year Ended September 30, 2010**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ -	\$ 1,474
Interest	-	2
TOTAL REVENUES	-	1,476
EXPENDITURES		
Justice System	-	-
TOTAL EXPENDITURES	-	-
Excess of Revenues Over Expenditures	-	1,476
FUND BALANCE, OCTOBER 1	-	-
FUND BALANCE, SEPTEMBER 30	\$ -	\$ 1,476

* A budget was not legally adopted for this fund.

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL FORFEITURES
For the Year Ended September 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ -	\$ -	\$ 21,698
Interest	1,000	1,000	111
TOTAL REVENUES	<u>1,000</u>	<u>1,000</u>	<u>21,809</u>
EXPENDITURES			
Law Enforcement			
Repairs and Maintenance	5,500	3,487	3,069
Minor Acquisitions	6,500	6,500	-
Capital Outlay	-	2,013	2,013
TOTAL EXPENDITURES	<u>12,000</u>	<u>12,000</u>	<u>5,082</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,000)	(11,000)	16,727
FUND BALANCE, OCTOBER 1	<u>13,428</u>	<u>13,428</u>	<u>13,428</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 2,428</u>	<u>\$ 2,428</u>	<u>\$ 30,155</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, 2010

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 300	\$ 1,375
Interest	-	11
TOTAL REVENUES	300	1,386
EXPENDITURES		
Justice System		
Supplies and Other Charges	900	-
TOTAL EXPENDITURES	900	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600)	1,386
FUND BALANCE, OCTOBER 1	1,898	1,898
FUND BALANCE, SEPTEMBER 30	\$ 1,298	\$ 3,284

**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, 2010**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 2,000	\$ 2,500
Interest	400	332
TOTAL REVENUES	<u>2,400</u>	<u>2,832</u>
EXPENDITURES		
Justice System		
Personnel Services	4,602	369
Supplies and Other Charges	72,798	882
TOTAL EXPENDITURES	<u>77,400</u>	<u>1,251</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,000)	1,581
FUND BALANCE, OCTOBER 1	<u>75,804</u>	<u>75,804</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 804</u></u>	<u><u>\$ 77,385</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
VOTER REGISTRATION
For the Year Ended September 30, 2010**

	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES		
Interest	\$ 100	\$ 96
TOTAL REVENUES	<u>100</u>	<u>96</u>
EXPENDITURES		
General Government		
Supplies and Other Charges	<u>21,100</u>	<u>-</u>
TOTAL EXPENDITURES	<u>21,100</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,000)	96
FUND BALANCE, OCTOBER 1	<u>22,350</u>	<u>22,350</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 1,350</u></u>	<u><u>\$ 22,446</u></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, 2010**

	Original and Final Budget	Actual
REVENUES		
Intergovernmental	\$ 32,182	\$ 2,382
TOTAL REVENUES	32,182	2,382
EXPENDITURES		
General Government		
Supplies and Other Charges	22,182	2,382
Minor Acquisition	10,000	-
TOTAL EXPENDITURES	32,182	2,382
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
FUND BALANCE, OCTOBER 1	-	-
FUND BALANCE, SEPTEMBER 30	\$ -	\$ -

**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, 2010**

	Original and Final Budget	Actual
REVENUES		
Taxes	\$ -	\$ 1,263
Interest	2,850	1,712
TOTAL REVENUES	2,850	2,975
EXPENDITURES		
General Government		
Personnel Services	13,293	-
Supplies and Other Charges	80,557	2,456
Minor Acquisitions	7,000	-
Professional Services	20,000	-
TOTAL EXPENDITURES	120,850	2,456
Excess (Deficiency) of Revenues Over (Under) Expenditures	(118,000)	519
FUND BALANCE, OCTOBER 1	117,710	117,710
FUND BALANCE, SEPTEMBER 30	\$ (290)	\$ 118,229

**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, 2010**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 50	\$ 114
Interest	2,000	1,482
TOTAL REVENUES	2,050	1,596
 EXPENDITURES		
Law Enforcement		
Supplies and Other Charges	260,250	1,610
Repairs and Maintenance	43,500	-
Minor Acquisitions	22,800	-
Contract Services	37,000	-
Professional Services	500	-
TOTAL EXPENDITURES	364,050	1,610
Deficiency of Revenues Under Expenditures	(362,000)	(14)
FUND BALANCE, OCTOBER 1	362,779	362,779
FUND BALANCE, SEPTEMBER 30	\$ 779	\$ 362,765

**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, 2010**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 10,000	\$ 10,000	\$ 38,225
Interest	100	100	183
TOTAL REVENUES	<u>10,100</u>	<u>10,100</u>	<u>38,408</u>
EXPENDITURES			
Justice System			
Personnel Services	15,902	15,902	12,476
Supplies and Other Charges	10,198	10,098	9,264
Contract Services	-	100	100
TOTAL EXPENDITURES	<u>26,100</u>	<u>26,100</u>	<u>21,840</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,000)	(16,000)	16,568
FUND BALANCE, OCTOBER 1	<u>36,900</u>	<u>36,900</u>	<u>36,900</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 20,900</u></u>	<u><u>\$ 20,900</u></u>	<u><u>\$ 53,468</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
PRIMARY ELECTION SERVICE FUND
For the Year Ended September 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 50,000	\$ 50,000	\$ 68,255
Interest	-	-	120
TOTAL REVENUES	<u>50,000</u>	<u>50,000</u>	<u>68,375</u>
EXPENDITURES			
Human Services			
Supplies and Other Charges	2,500	300	77
Contract Services	2,500	2,500	2,275
Professional Services	45,000	53,000	52,033
TOTAL EXPENDITURES	<u>50,000</u>	<u>55,800</u>	<u>54,385</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(5,800)	13,990
OTHER FINANCING SOURCES			
Transfers In	-	5,800	5,800
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>5,800</u>	<u>5,800</u>
Net Change in Fund Balance	-	-	19,790
FUND BALANCE, OCTOBER 1	<u>10,678</u>	<u>10,678</u>	<u>10,678</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 10,678</u>	<u>\$ 10,678</u>	<u>\$ 30,468</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GRANTS
For the Year Ended September 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental - Federal			
Department of Justice	\$ 320,910	\$ 382,332	\$ 294,121
Department of Transportation	425,567	440,567	316,439
Department of Public Safety	169,392	169,392	169,263
Federal Election Assistance Commission	30,629	227,150	2,939
Total Intergovernmental - Federal	<u>946,498</u>	<u>1,219,441</u>	<u>782,762</u>
Intergovernmental - State			
Texas Juvenile Probation Commission	684,089	860,964	845,651
Texas Office of the Attorney General	30,108	30,108	30,108
Total Intergovernmental - State	<u>714,197</u>	<u>891,072</u>	<u>875,759</u>
Intergovernmental - Other			
MPO Contribution	60,000	60,000	45,000
BVCOG	-	7,469	7,469
Donations	-	2,450	2,450
Program Income	-	-	63,973
Total Intergovernmental - Other	<u>60,000</u>	<u>69,919</u>	<u>118,892</u>
Interest	-	-	49
TOTAL REVENUES	<u>1,720,695</u>	<u>2,180,432</u>	<u>1,777,462</u>
EXPENDITURES			
Law Enforcement	351,018	379,397	313,922
Juvenile Services	1,015,556	1,187,854	1,152,058
Public Transportation	554,431	428,951	313,263
Human Services	200,021	47,503	45,474
Capital Outlay	-	525,728	293,301
TOTAL EXPENDITURES	<u>2,121,026</u>	<u>2,569,433</u>	<u>2,118,018</u>
Deficiency of Revenues Under Expenditures	(400,331)	(389,001)	(340,556)
OTHER FINANCING SOURCES			
Transfers In	400,331	384,195	315,577
TOTAL OTHER FINANCING SOURCES	<u>400,331</u>	<u>384,195</u>	<u>315,577</u>
Net Change in Fund Balance	-	(4,806)	(24,979)
FUND BALANCE, OCTOBER 1	<u>38,852</u>	<u>38,852</u>	<u>38,852</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 38,852</u>	<u>\$ 34,046</u>	<u>\$ 13,873</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Taxes	\$ 8,207,000	\$ 8,207,000	\$ 8,829,261
Interest	28,000	28,000	66,848
TOTAL REVENUES	<u>8,235,000</u>	<u>8,235,000</u>	<u>8,896,109</u>
EXPENDITURES			
Debt Service:			
Principal	4,550,000	4,710,000	4,710,000
Interest	4,997,933	5,136,877	4,570,074
Bond Issuance Cost	-	107,110	107,110
Agent Fees	5,000	5,000	1,950
Professional Fees - Other	36,467	36,467	-
TOTAL EXPENDITURES	<u>9,589,400</u>	<u>9,995,454</u>	<u>9,389,134</u>
Deficiency of			
Revenues Under Expenditures	(1,354,400)	(1,760,454)	(493,025)
OTHER FINANCING SOURCES (USES)			
Transfers In	854,400	888,014	766,884
Premium on Debt Issuance	-	307,440	307,439
Payment to Refunded Bond Escrow Agent	-	(7,300,000)	(7,300,000)
Refunding Bonds Issued	-	7,365,000	7,365,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>854,400</u>	<u>1,260,454</u>	<u>1,139,323</u>
Net Change in Fund Balance	(500,000)	(500,000)	646,298
FUND BALANCE, OCTOBER 1	<u>3,428,888</u>	<u>3,428,888</u>	<u>3,428,888</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 2,928,888</u>	<u>\$ 2,928,888</u>	<u>\$ 4,075,186</u>

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

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

MAJOR GOVERNMENTAL FUNDS

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.

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

**BRAZOS COUNTY, TEXAS
BALANCE SHEET
EXPO CENTER EXPANSION
September 30, 2010**

	Nonmajor Fund
	Expo Center
	Expansion
ASSETS	
Cash and Cash Equivalents	\$ 6,280,980
Receivables	
Interest	2,414
TOTAL ASSETS	\$ 6,283,394
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ 1,290,104
Total Liabilities	1,290,104
 Fund Balance	
Restricted to Capital Projects	4,993,290
Total Fund Balance	4,993,290
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,283,394

BRAZOS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
EXPO CENTER EXPANSION
For The Year Ended September 30, 2010

	<u>Nonmajor Fund</u> <u>Expo Center</u> <u>Expansion</u>
REVENUES	
Interest	\$ 37,894
TOTAL REVENUES	<u>37,894</u>
EXPENDITURES	
Human Services	132,745
Capital Outlay	<u>7,847,992</u>
TOTAL EXPENDITURES	<u>7,980,737</u>
Deficiency of Revenues Under Expenditures	<u>(7,942,843)</u>
OTHER FINANCING SOURCES	
Debt Issuance	12,000,000
Premium on Debt Issuance	146,133
Transfers In	<u>790,000</u>
TOTAL OTHER FINANCING SOURCES	<u>12,936,133</u>
Net Change in Fund Balance	4,993,290
FUND BALANCE, OCTOBER 1	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 4,993,290</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Supplies and Other Charges	97,800	181,060	81,654
Repairs & Maintenance	72,015	82,172	34,598
Minor Acquisitions	30,145	67,728	46,665
Capital Outlay	<u>9,231,430</u>	<u>10,676,340</u>	<u>4,433,133</u>
TOTAL EXPENDITURES	<u>9,431,390</u>	<u>11,007,300</u>	<u>4,596,050</u>
Deficiency of Revenues Under Expenditures	(9,431,390)	(11,007,300)	(4,596,050)
OTHER FINANCING SOURCES (USES)			
Transfers In	5,131,390	6,707,300	6,707,300
TOTAL OTHER FINANCING SOURCES	<u>5,131,390</u>	<u>6,707,300</u>	<u>6,707,300</u>
Net Change in Fund Balance	(4,300,000)	(4,300,000)	2,111,250
FUND BALANCE, OCTOBER 1	<u>4,759,519</u>	<u>4,759,519</u>	<u>4,759,519</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 459,519</u>	<u>\$ 459,519</u>	<u>\$ 6,870,769</u>

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
EXPO CENTER EXPANSION
For The Year Ended September 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Interest	\$ -	\$ -	\$ 37,894
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>37,894</u>
EXPENDITURES			
Bond Issuance Costs	-	132,745	132,745
Capital Outlay	12,790,000	12,790,000	7,847,992
TOTAL EXPENDITURES	<u>12,790,000</u>	<u>12,922,745</u>	<u>7,980,737</u>
Deficiency of Revenues Under Expenditures	(12,790,000)	(12,922,745)	(7,942,843)
OTHER FINANCING SOURCES			
Debt Issuance	12,000,000	12,000,000	12,000,000
Premium on Debt Issuance	-	132,745	146,133
Transfers In	790,000	790,000	790,000
TOTAL OTHER FINANCING SOURCES	<u>12,790,000</u>	<u>12,922,745</u>	<u>12,936,133</u>
Net Change in Fund Balance	-	-	4,993,290
FUND BALANCE, OCTOBER 1	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,993,290</u>

BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
JAIL EXPANSION
For The Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Interest	\$ 200,000	\$ 200,000	\$ 63,008
TOTAL REVENUES	<u>200,000</u>	<u>200,000</u>	<u>63,008</u>
EXPENDITURES			
Supplies and Other Charges	-	158,719	142,020
Minor Acquisition	-	223,870	208,826
Contract Services	-	900	900
Capital Outlay	29,400,000	29,016,511	22,097,967
TOTAL EXPENDITURES	<u>29,400,000</u>	<u>29,400,000</u>	<u>22,449,713</u>
Deficiency of Revenues Under Expenditures	(29,200,000)	(29,200,000)	(22,386,705)
FUND BALANCE, OCTOBER 1	<u>26,740,465</u>	<u>26,740,465</u>	<u>26,740,465</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ (2,459,535)</u>	<u>\$ (2,459,535)</u>	<u>\$ 4,353,760</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, 2010**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 2,171,694
Accounts Receivable	20,868

TOTAL ASSETS	2,192,562
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LIABILITIES

Current Liabilities

Accounts Payable	725,584
Deferred Revenue	4,353

TOTAL LIABILITIES	729,937
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NET ASSETS

Unrestricted	1,462,625
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TOTAL NET ASSETS	\$ 1,462,625
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BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2010

	Budgeted Amounts		Actual
	Original	Final	
OPERATING REVENUES			
Employee Dependents	\$ 1,003,000	\$ 1,003,000	\$ 1,284,858
Self Pays	12,000	12,000	22,313
Excess Risk Benefits	-	-	32,441
Participant Payments	256,500	256,500	332,175
Brazos County	4,401,350	4,501,350	5,033,239
Retirees	120,000	120,000	158,967
TOTAL OPERATING REVENUES	5,792,850	5,892,850	6,863,993
OPERATING EXPENSES			
Life Insurance	30,000	30,000	27,376
Stop Loss Premiums	750,000	750,000	918,806
Benefit Claims	5,537,300	5,822,800	5,591,543
Administrative Fees	400,000	399,897	410,557
Professional Services	32,550	47,153	47,152
TOTAL OPERATING EXPENSES	6,749,850	7,049,850	6,995,434
OPERATING LOSS	(957,000)	(1,157,000)	(131,441)
NONOPERATING REVENUES			
Interest	7,000	7,000	9,333
TOTAL NONOPERATING REVENUES	7,000	7,000	9,333
LOSS BEFORE TRANSFERS	(950,000)	(1,150,000)	(122,108)
Transfers In	-	200,000	200,000
CHANGE IN NET ASSETS	(950,000)	(950,000)	77,892
TOTAL NET ASSETS - BEGINNING	1,384,733	1,384,733	1,384,733
TOTAL NET ASSETS - ENDING	\$ 434,733	\$ 434,733	\$ 1,462,625

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2010**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 1,799,860
Receipts from interfund services provided	5,033,239
Payments to contractors	(1,401,465)
Claims paid	<u>(5,550,963)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(119,329)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from General Fund	<u>200,000</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>200,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>9,337</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>9,337</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	90,008
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>2,081,686</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u><u>\$ 2,171,694</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	<u>\$ (131,441)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Change in accounts receivable	1,765
Change in accounts payable	11,183
Change in deferred revenue	<u>(836)</u>
Total adjustments	<u>12,112</u>
 Net cash used by operating activities	 <u><u>\$ (119,329)</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, 2010**

	<u>Narcotics Seizure</u>	<u>District Clerk Trust</u>	<u>County Clerk Trust</u>	<u>Bail Bond Board Trust</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 220,109	\$ 1,855,999	\$ 900,773	\$ 930,400	\$ 3,907,281
Investments	-	-	-	1,238,100	1,238,100
TOTAL ASSETS	<u>\$ 220,109</u>	<u>\$ 1,855,999</u>	<u>\$ 900,773</u>	<u>\$ 2,168,500</u>	<u>\$ 5,145,381</u>
LIABILITIES					
Funds Held for Others	\$ 220,109	\$ 1,855,999	\$ 900,773	\$ 2,168,500	\$ 5,145,381
TOTAL LIABILITIES	<u>\$ 220,109</u>	<u>\$ 1,855,999</u>	<u>\$ 900,773</u>	<u>\$ 2,168,500</u>	<u>\$ 5,145,381</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For The Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
NARCOTICS SEIZURE				
Assets				
Cash and Cash Equivalents	\$ 292,394	\$ 118,191	\$ 190,476	\$ 220,109
Total Assets	<u>292,394</u>	<u>118,191</u>	<u>190,476</u>	<u>220,109</u>
Liabilities				
Funds Held for Others	292,394	51,966	124,251	220,109
Total Liabilities	<u>292,394</u>	<u>51,966</u>	<u>124,251</u>	<u>220,109</u>
DISTRICT CLERK TRUST				
Assets				
Cash and Cash Equivalents	2,119,271	657,826	921,098	1,855,999
Total Assets	<u>2,119,271</u>	<u>657,826</u>	<u>921,098</u>	<u>1,855,999</u>
Liabilities				
Funds Held for Others	2,119,271	346,534	609,806	1,855,999
Total Liabilities	<u>2,119,271</u>	<u>346,534</u>	<u>609,806</u>	<u>1,855,999</u>
COUNTY CLERK TRUST				
Assets				
Cash and Cash Equivalents	1,023,236	1,652,178	1,774,641	900,773
Total Assets	<u>1,023,236</u>	<u>1,652,178</u>	<u>1,774,641</u>	<u>900,773</u>
Liabilities				
Funds Held for Others	1,023,236	733,691	856,154	900,773
Total Liabilities	<u>1,023,236</u>	<u>733,691</u>	<u>856,154</u>	<u>900,773</u>
BAIL BOND BOARD TRUST				
Assets				
Cash and Cash Equivalents	940,407	80,000	90,007	930,400
Investments	1,238,100	-	-	1,238,100
Total Assets	<u>2,178,507</u>	<u>80,000</u>	<u>90,007</u>	<u>2,168,500</u>
Liabilities				
Funds Held for Others	2,178,507	80,000	90,007	2,168,500
Total Liabilities	<u>\$ 2,178,507</u>	<u>\$ 80,000</u>	<u>\$ 90,007</u>	<u>\$ 2,168,500</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
For The Year Ended September 30, 2010

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
COMBINED AGENCY FUNDS				
Assets				
Cash and Cash Equivalents	\$ 4,375,308	\$ 2,508,195	\$ 2,976,222	\$ 3,907,281
Investments	1,238,100	-	-	1,238,100
Total Assets	<u>\$ 5,613,408</u>	<u>\$ 2,508,195</u>	<u>\$ 2,976,222</u>	<u>\$ 5,145,381</u>
Liabilities				
Funds Held for Others	\$ 5,613,408	\$ 1,212,191	\$ 1,680,218	\$ 5,145,381
Total Liabilities	<u>\$ 5,613,408</u>	<u>\$ 1,212,191</u>	<u>\$ 1,680,218</u>	<u>\$ 5,145,381</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, 2010

	<u>2010</u>	<u>2009</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 12,490,958	\$ 11,822,036
Buildings	113,246,142	63,128,452
Improvements	5,941,533	5,298,963
Machinery and Equipment	21,801,625	19,980,046
Infrastructure	53,896,023	49,253,232
Construction Work in Progress	13,205,837	32,995,392
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 220,582,118</u>	<u>\$ 182,478,121</u>
INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General Fund	\$ 22,293,386	\$ 18,139,846
Special Revenue Funds	2,310,309	1,949,794
Capital Project Funds	192,619,210	159,067,708
Donations	3,359,213	3,320,773
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 220,582,118</u>	<u>\$ 182,478,121</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, 2010

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets 10/1/09	Additions	Retirements	Adjustments And Transfers	Governmental Funds Capital Assets 09/30/10
General Government					
County Judge	\$ 203,281	\$ -	\$ -	\$ -	\$ 203,281
Commissioners' Court	1,725,990	1,369,225	-	-	3,095,215
County Records Management	113,981	-	-	(12,998)	100,983
Veterans' Office	5,435	-	-	-	5,435
Budget Office	100,983	-	-	-	100,983
County Treasurer	717,691	-	-	11,079	728,770
Risk Management	203,280	12,100	-	-	215,380
Tax Assessor-Collector	781,845	383,192	-	-	1,165,037
Information Technology	5,632,013	100,416	(211,834)	18,431	5,539,026
Human Resources	507,568	-	-	-	507,568
County Auditor	1,019,083	-	-	-	1,019,083
Purchasing Administration	413,395	26,016	-	-	439,411
Building Maintenance	1,002,993	-	(16,946)	(3,591)	982,456
Total General Government	12,427,538	1,890,949	(228,780)	12,921	14,102,628
Justice System					
County Attorney	1,678,506	-	(28,645)	25,348	1,675,209
District Attorney	1,603,748	-	-	-	1,603,748
District Clerk	1,336,098	-	(5,596)	15,833	1,346,335
District Clerk Records Management	5,175	-	-	(5,175)	-
County Clerk	636,565	17,025	-	67,835	721,425
County Clerk Records Management	184,510	-	-	(67,835)	116,675
District Courts	750,671	-	-	-	750,671
County Courts At Law	728,244	-	-	-	728,244
Justices of the Peace (5)	1,494,150	26,158	-	-	1,520,308
Community Supervision	1,013,225	-	-	-	1,013,225
Magistrate (2)	141,763	6,848	-	-	148,611
Law Library	20,093	-	-	-	20,093
Total Justice System	9,592,748	50,031	(34,241)	36,006	9,644,544
Law Enforcement					
Sheriff/Jail	52,088,235	73,171,590	(171,433)	(50,525,795)	74,562,597
Courthouse Security	321,342	31,225	-	582	353,149
Constables (4)	2,297,833	196,369	(72,285)	(90,743)	2,331,174
SIU	225,541	73,120	-	(34,570)	264,091
Total Law Enforcement	54,932,951	73,472,304	(243,718)	(50,650,526)	77,511,011
Juvenile Services					
Juvenile Probation	7,449,297	57,537	-	-	7,506,834
Total Juvenile Services	7,449,297	57,537	-	-	7,506,834
Public Transportation					
Metropolitan Planning	994,180	10,015	-	-	1,004,195
Road & Bridge	9,340,128	1,517,453	(805,507)	20,803	10,072,877
Infrastructure	59,319,732	7,661,199	-	(3,088,815)	63,892,116
Total Public Transportation	\$ 69,654,040	\$ 9,188,667	\$ (805,507)	\$ (3,068,012)	\$ 74,969,188

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, 2010

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets 10/1/09	Additions	Retirements	Adjustments And Transfers	Governmental Funds Capital Assets 9/30/10
Public Health					
Environmental Protection	\$ 811,955	\$ -	\$ -	\$ -	\$ 811,955
Health Department	400,774	-	-	-	400,774
Total Public Health	<u>1,212,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,212,729</u>
Human Services					
Emergency Management	368,065	175,048	-	(27,936)	515,177
Brazos Center	2,837,034	27,743	-	22,494	2,887,271
Agricultural Extension	92,908	-	-	-	92,908
Elections	1,231,750	-	(5,094)	-	1,226,656
Exposition Center	22,679,061	8,234,111	-	-	30,913,172
Total Human Services	<u>27,208,818</u>	<u>8,436,902</u>	<u>(5,094)</u>	<u>(5,442)</u>	<u>35,635,184</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$182,478,121</u>	<u>\$ 93,096,390</u>	<u>\$(1,317,340)</u>	<u>\$ (53,675,053)</u>	<u>\$220,582,118</u>

BRAZOS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
September 30, 2010

FUNCTION AND ACTIVITY	Land	Buildings	Improvements	Machinery And Equipment	Infrastructure	Construction Work in Progress	Total
General Government							
County Judge	\$ 11,010	\$ 189,565	\$ 2,706	\$ -	\$ -	\$ -	\$ 203,281
Commissioners' Court	110,541	948,263	47,120	209,066	-	1,780,225	3,095,215
County Records Management	5,504	95,001	478	-	-	-	100,983
Veterans' Office	-	-	-	5,435	-	-	5,435
Budget Office	5,504	95,001	478	-	-	-	100,983
County Treasurer	38,529	664,132	9,502	16,607	-	-	728,770
Risk Management	11,009	189,565	2,706	12,100	-	-	215,380
Tax Assessor-Collector	399,513	119,689	612,989	32,846	-	-	1,165,037
Information Technology	26,777	1,211,893	40,859	4,259,497	-	-	5,539,026
Human Resources	27,520	474,131	5,917	-	-	-	507,568
County Auditor	55,041	948,699	15,343	-	-	-	1,019,083
Purchasing Administration	22,016	379,567	5,441	32,387	-	-	439,411
Building Maintenance	187,191	530,763	57,982	206,520	-	-	982,456
Total General Government	900,155	5,846,269	801,521	4,774,458	-	1,780,225	14,102,628
Justice System							
County Attorney	19,311	1,255,327	201,160	199,411	-	-	1,675,209
District Attorney	19,935	1,295,821	200,546	87,446	-	-	1,603,748
District Clerk	17,442	1,133,845	179,215	15,833	-	-	1,346,335
District Clerk Management	-	-	-	-	-	-	-
County Clerk	7,787	506,180	79,075	128,383	-	-	721,425
County Clerk Rec. Preservation	1,557	101,237	13,881	-	-	-	116,675
District Courts	9,345	607,416	96,514	37,396	-	-	750,671
County Courts At Law	6,230	651,662	65,219	5,133	-	-	728,244
Justices of the Peace (5)	189,900	1,223,987	42,151	64,270	-	-	1,520,308
Community Supervision	250,000	75,000	673,316	14,909	-	-	1,013,225
Magistrate	1,869	121,483	25,259	-	-	-	148,611
Law Library	-	-	-	20,093	-	-	20,093
Total Justice System	523,376	6,971,958	1,576,336	572,874	-	-	9,644,544
Law Enforcement							
Sheriff/Jail	784,095	70,435,526	327,632	3,015,344	-	-	74,562,597
Courthouse Security	3,115	202,472	30,392	117,170	-	-	353,149
Constables (4)	184,397	1,104,371	43,423	998,983	-	-	2,331,174
SIU	-	-	-	264,091	-	-	264,091
Total Law Enforcement	971,607	71,742,369	401,447	4,395,588	-	-	77,511,011
Juvenile Services							
Juvenile Probation	106,544	6,926,756	37,527	436,007	-	-	7,506,834
Total Juvenile Services	106,544	6,926,756	37,527	436,007	-	-	7,506,834
Public Transportation							
Metropolitan Planning	-	-	994,180	10,015	-	-	1,004,195
Road & Bridge	7,309,525	586,308	583,802	8,360,917	53,896,023	3,228,418	73,964,993
Total Public Transportation	\$ 7,309,525	\$ 586,308	\$ 1,577,982	\$ 8,370,932	\$ 53,896,023	\$ 3,228,418	\$ 74,969,188

BRAZOS COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY (Continued)
September 30, 2010

	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Machinery And Equipment</u>	<u>Infrastructure</u>	<u>Construction Work in Progress</u>	<u>Total</u>
Public Health							
Environmental Protection	\$ 569,042	\$ 90,908	\$ 152,005	\$ -	\$ -	\$ -	\$ 811,955
Health Department	122,213	139,824	138,737	-	-	-	400,774
Total Public Health	<u>691,255</u>	<u>230,732</u>	<u>290,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,212,729</u>
Human Services							
Emergency Management	-	-	40,688	474,489	-	-	515,177
Brazos Center	23,129	1,526,004	1,126,526	211,612	-	-	2,887,271
Agricultural Extension	-	63,441	29,467	-	-	-	92,908
Elections	1,246	80,989	11,105	1,133,316	-	-	1,226,656
Exposition Center	1,964,121	19,271,316	48,192	1,432,349	-	8,197,194	30,913,172
Total Human Services	<u>1,988,496</u>	<u>20,941,750</u>	<u>1,255,978</u>	<u>3,251,766</u>	<u>-</u>	<u>8,197,194</u>	<u>35,635,184</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 12,490,958</u>	<u>\$113,246,142</u>	<u>\$ 5,941,533</u>	<u>\$ 21,801,625</u>	<u>\$ 53,896,023</u>	<u>\$ 13,205,837</u>	<u>\$220,582,118</u>



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Statistical Section

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

Contents

Table No.

Financial Trends

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 Eight Fiscal Years
 (Accrual Basis of Accounting)

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

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

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

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

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

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 Eight 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>	<u>2009</u>	<u>2010</u>
General Fund								
NonSpendable	\$ 406,236	\$ 453,479	\$ 604,834	\$ 711,277	\$ 738,496	\$ 1,020,562	\$ 1,202,076	\$ 927,025
Restricted	1,101,447	1,119,227	1,188,199	1,108,102	1,139,030	1,330,102	931,374	803,576
Committed	2,362,705	2,345,512	2,378,061	2,523,782	2,672,107	2,755,728	2,767,788	2,695,145
Assigned	910,398	910,403	910,473	1,443,705	1,945,762	2,574,105	1,814,061	1,070,279
Unassigned	13,367,268	14,815,738	21,356,500	26,835,163	25,388,824	27,261,425	24,835,897	22,265,677
Total General Fund	<u>18,148,054</u>	<u>19,644,359</u>	<u>26,438,067</u>	<u>32,622,029</u>	<u>31,884,219</u>	<u>34,941,922</u>	<u>31,551,196</u>	<u>27,761,702</u>
All Other Governmental Funds								
NonSpendable	5,592	-	-	-	-	-	-	5,299
Restricted	1,612,877	19,722,478	24,055,312	12,785,735	2,908,627	56,075,342	33,097,814	16,478,759
Assigned	9,416,772	2,639,684	8,376,527	9,602,054	6,741,020	5,368,330	5,684,215	7,002,711
Total All Other Governmental Funds	<u>\$ 11,035,241</u>	<u>\$ 22,362,162</u>	<u>\$ 32,431,839</u>	<u>\$ 22,387,789</u>	<u>\$ 9,649,647</u>	<u>\$ 61,443,672</u>	<u>\$ 38,782,029</u>	<u>\$ 23,486,769</u>

Note: The County implemented GASB Statement 54 in 2010. Prior year balances have been restated to conform to GASB 54.

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

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

NOTE: Implementation of GASB 34 occurred in 2003.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues				
Taxes	\$ 48,095,357	\$ 54,745,662	\$ 60,031,219	\$ 62,547,299
Charges for Services	10,808,583	11,033,749	11,171,081	11,427,158
Intergovernmental	3,502,924	3,605,105	3,090,888	3,060,220
Interest	2,951,920	1,936,657	593,961	377,477
Other Revenue	465,932	490,472	629,787	614,430
Total Revenue	<u>65,824,716</u>	<u>71,811,645</u>	<u>75,516,936</u>	<u>78,026,584</u>
Expenditures				
Current				
General Government	10,518,550	11,695,108	12,727,888	12,245,826
Justice System	11,385,426	12,937,962	13,715,644	14,322,604
Law Enforcement	13,357,681	14,797,789	16,365,787	17,004,568
Juvenile Services	4,120,105	4,375,672	4,853,347	5,023,328
Public Transportation	6,230,521	6,142,314	6,672,577	7,127,922
Public Health	2,128,563	1,928,564	2,187,971	2,442,180
Human Services	2,742,753	3,222,130	3,961,591	3,919,455
Capital Outlay	24,351,811	10,698,766	33,724,110	38,225,031
Debt Service				
Principal Retirement	2,795,000	3,445,000	3,540,000	4,710,000
Interest and Fiscal Agent Fees	2,034,535	2,692,699	4,099,774	4,679,134
Total Expenditures	<u>79,664,945</u>	<u>71,936,004</u>	<u>101,848,689</u>	<u>109,700,048</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,840,229)	(124,359)	(26,331,753)	(31,673,464)
Other Financing Sources (Uses)				
Transfers In	13,530,376	5,573,472	6,165,033	8,817,971
Transfers Out	(13,525,376)	(5,693,955)	(6,165,033)	(9,017,971)
Premium on Debt Issuance	-	-	-	453,572
Debt Issuance - Refunding Bonds	-	-	-	7,365,000
Sale of Capital Assets	359,277	96,570	279,384	270,138
Payments to Refunded Bonds Escrow Agent	-	-	-	(7,300,000)
Debt Issuance	-	55,000,000	-	12,000,000
Total Other Financing Sources (Uses)	<u>364,277</u>	<u>54,976,087</u>	<u>279,384</u>	<u>12,588,710</u>
Net Change in Fund Balances	<u>\$ (13,475,952)</u>	<u>\$ 54,851,728</u>	<u>\$ (26,052,369)</u>	<u>\$ (19,084,754)</u>
Debt service as a percentage of noncapital expenditures	8.73%	10.02%	11.21%	13.14%

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 Seven Tax Years

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

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
County Direct Rate:										
General Obligation										
Debt Service	0.0364	0.0343	0.0423	0.0511	0.0632	0.0701	0.0620	0.0620	0.0813	0.0834
Basic Rate	<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>	<u>0.3987</u>	<u>0.3966</u>
Total Direct Rate:	<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>	<u>0.4800</u>	<u>0.4800</u>
Overlapping Rates:										
City and Town Rate:										
City of Bryan	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364
City of College Station	0.4293	0.4777	0.4777	0.4653	0.4640	0.4394	0.4394	0.4394	0.4394	0.4394
School District Rates:										
Bryan I. S. D.	1.6150	1.6680	1.7120	1.6800	1.6700	1.7800	1.6300	1.2900	1.2900	1.2900
College Station I. S. D.	<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>	<u>1.2534</u>	<u>1.2534</u>
Total Overlapping Rate:	<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>	<u>3.6192</u>	<u>3.6192</u>
Total Property Tax Rate -										
Direct and Overlapping										
Governments:	<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>	<u>4.0992</u>	<u>4.0992</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	2010			2001		
	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)
Jamespoint Management	\$ 75,932,280	1	0.71%	\$ --		0.00%
SHP - The Callaway House L.P.	67,069,480	2	0.62%	--		0.00%
College Station Hospital, L.P.	60,273,470	3	0.56%	26,866,605	8	0.54%
SW Meadows Point L.P.	59,661,100	4	0.56%	--		0.00%
POM-College Station, LLC	55,547,960	5	0.52%	--		0.00%
Wal-Mart Real Estate Business Trust	53,207,690	6	0.50%	35,391,760	5	0.72%
Weinberg Israel & et al.	49,794,030	7	0.46%	--		0.00%
Sanderson Farms	49,509,155	8	0.46%	--		0.00%
Verizon Southwest	43,979,880	9	0.41%	77,678,120	1	1.57%
Jefferson Enclave L.P.	43,603,750	10	0.41%	--		0.00%
CBL Management	--		0.00%	48,617,375	2	0.98%
W9/JP-M Real Estate Limited	--		0.00%	40,630,000	3	0.82%
RME Petroleum Co	--		0.00%	36,161,810	4	0.73%
Alkossler, David / Weinberg	--		0.00%	31,035,815	6	0.63%
Mitchell Energy	--		0.00%	27,591,300	7	0.56%
GG Enterprises	--		0.00%	20,436,910	9	0.41%
University Commons-CS	--		0.00%	18,408,250	10	0.37%
	<u>\$ 558,578,795</u>		<u>5.21%</u>	<u>\$ 362,817,945</u>		<u>7.33%</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 - \$10,733,308,422
(3) Total adjusted assessed valuation net of exempt properties as certified by the Appraisal Review Board - \$4,947,154,148

Table VIII

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

Tax Year/ Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years (1)	Total Collections to Date	
		Fiscal Year of the Levy Amount	Percentage of Levy		Amount	Percentage of Levy
2000 / 2001	20,732,000	20,004,504	96.49%	693,955	20,698,459	99.84%
2001 / 2002	22,629,312	21,988,027	97.17%	595,707	22,583,734	99.80%
2002 / 2003	24,066,065	22,721,649	94.41%	1,286,057	24,007,706	99.76%
2003 / 2004	26,929,514	26,564,663	98.65%	289,240	26,853,903	99.72%
2004 / 2005	31,890,149	31,394,200	98.44%	316,601	31,710,801	99.44%
2005 / 2006	34,562,219	34,018,184	98.43%	342,914	34,361,098	99.42%
2006 / 2007	37,528,035	36,914,865	98.37%	334,185	37,249,050	99.26%
2007 / 2008	42,551,185	41,894,859	98.46%	275,405	42,170,264	99.10%
2008 / 2009	48,091,960	47,365,802	98.49%	(42,870)	47,322,932	98.40%
2009 / 2010	50,701,042	50,008,637	98.63%	(76,623)	49,932,014	98.48%

NOTE: (1) Changes in tax since issued.

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

DEBT CAPACITY INFORMATION



Table IX

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

<u>Governmental Activities</u>						
<u>Fiscal Year</u>	<u>Certificates of Obligation</u>	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income ^a</u>	<u>Per Capita ^a</u>
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	25,215,000	23,705,000	43,902	48,963,902	2.08%	303
2007	23,035,000	23,090,000	29,788	46,154,788	1.89%	287
2008	20,810,000	76,870,000	15,958	97,695,958	3.69%	573
2009	18,540,000	75,600,000	1,289	94,141,289	3.22%	538
2010	25,175,000	76,320,000	-	101,495,000	3.38%	521

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

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

Table X

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

Fiscal Year	General Bonded Debt Outstanding			Assessed Value	Percentage of Actual Taxable Value	Per Capita ^a
	General Obligation Bonded Debt	Debt Service Funds Available	Net Bonded Debt			
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	23,705,000	2,387,029	21,317,971	8,303,352,544	0.26%	132.69
2007	23,090,000	2,908,627	20,181,373	9,227,810,179	0.22%	118.41
2008	76,870,000	2,831,378	68,853,622	10,172,482,136	0.68%	402.76
2009	75,600,000	3,428,888	72,171,112	10,762,638,113	0.67%	412.12
2010	76,320,000	4,075,186	72,244,814	9,211,691,695	0.78%	370.77

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.

Brazos County, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2010

Table XI

<u>Direct Debt</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Brazos County	\$ 101,495,000	100%	\$ 101,495,000
<u>Overlapping Debt</u>			
Cities:			
Bryan	108,180,156.00	100%	108,180,156
College Station	110,695,000.00	100%	110,695,000
Kurten	-	100%	-
Independent School Districts:			
College Station School District	133,140,000.00	100%	133,140,000
Bryan Independent School District	162,258,000.00	100%	162,258,000
Navasota Independent School District	29,685,000.00	1.2% ^a	356,220
Special Districts:			
Brazos County EDS #1	-	100%	-
Brazos County EDS #2	-	100%	-
Brazos County EDS #3	-	100%	-
Brazos County EDS #4	-	100%	-
Total Overlapping Debt:			<u>\$ 514,629,376</u>
Total Direct and Overlapping Debt:			<u>\$ 616,124,376</u>

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Brazos County. This process recognizes that, when considering the county's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

^a For debt repaid with property taxes, the percentage of overlapping debt for NISD is estimated using taxable assessed property values. NISD's percentage was estimated by determining the portion of the Independent School District's taxable assessed value within the county's boundaries and dividing it by NISD's total taxable assessed value.

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

	Fiscal Year				
	2001	2002	2003	2004	2005
Debt Limit	\$ 916,386,735	\$ 1,006,650,123	\$ 1,101,090,930	\$ 1,302,335,126	\$ 1,418,068,298
Total net debt applicable to limit	-	6,038,690	6,387,123	6,376,258	16,288,295
Legal debt margin	<u>\$ 916,386,735</u>	<u>\$ 1,012,688,813</u>	<u>\$ 1,107,478,053</u>	<u>\$ 1,308,711,384</u>	<u>\$ 1,434,356,593</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.60%	0.58%	0.49%	1.15%

NOTE: (1) Total assessed valuation of real property as certified by the Appraisal Review Board.

(2) Debt Limit 25% of assessed value of real property 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 2010

(Note 1)	Assessed Value		\$ 9,211,691,695
(Note 2)	Debt limit (25% of assessed value)		2,302,922,924
	Debt applicable to limit:		
(Note 3)	Gross bonded debt	76,320,000	
	Less: Amount available from Debt Service Fund	4,075,186	
	Total net debt applicable to limit		72,244,814
	Legal debt margin		2,375,167,738

Fiscal Year				
2006	2007	2008	2009	2010
\$ 1,577,946,187	\$ 1,756,630,748	\$ 1,966,553,398	\$ 2,169,592,185	\$ 2,302,922,924
20,167,029	20,283,627	68,853,622	72,171,112	72,244,814
\$ 1,598,113,216	\$ 1,776,914,375	\$ 2,035,407,020	\$ 2,241,763,297	\$ 2,375,167,738
1.28%	1.15%	3.50%	3.33%	3.14%

Table XIII

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

Fiscal Year	Certificates of Obligation						Capital Leases ^a				
	Property Tax		Less: Agent Fees & Issuance Cost	Debt Service			Property Tax		Debt Service		Coverage
	Revenue	Interest		Principal	Interest	Coverage	Revenue	Principal	Interest		
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	2,315,000	1,084,442	1.23	26,375	15,823	5,102	1.26	
2007	4,326,890	168,062	2,045	2,180,000	1,000,726	1.41	20,791	14,114	3,730	1.17	
2008	4,098,514	265,010	3,195	2,225,000	919,030	1.12	20,553	13,830	2,334	1.27	
2009	4,138,412	13,489	2,147	2,270,000	832,632	1.34	19,543	14,668	936	1.25	
2010	6,092,191	46,125	109,060	2,590,000	1,036,027	1.66	1,311	1,289	11	1.01	

^a The County has one capital lease agreement for the purchase of one electronic monitoring system. Payments during the fiscal year ended September 30, 2010 totaled \$1,300. Interest rate is 10% per annum for the electronic monitoring system.

DEMOGRAPHIC AND ECONOMIC INFORMATION



Table XIV

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

Year	Population ⁽¹⁾	Per Capita		Public School Enrollment ⁽³⁾	Texas A & M Enrollment ⁽⁴⁾	Blinn College Enrollment ⁽⁵⁾	Unemployment Rate ⁽⁶⁾
		Personal ⁽²⁾ Income	Personal Income				
2001	155,449	1,933,590,718	12,439	21,015	44,618	9,180	1.60%
2002	156,415	1,973,780,282	12,619	20,858	45,143	10,103	1.80%
2003	162,787	2,058,880,973	12,648	21,610	44,813	10,328	2.30%
2004	161,779	2,162,050,461	13,364	21,549	44,435	10,421	1.70%
2005	161,380	2,356,388,400	14,601	21,712	45,089	10,535	4.10%
2006	160,661	2,437,361,696	15,171	22,149	45,487	10,189	3.50%
2007	170,436	2,647,397,704	15,533	22,357	46,540	10,563	3.60%
2008	170,954	2,827,827,879	16,541	22,603	48,039	11,408	4.10%
2009	175,122	2,927,844,375	16,719	25,125	48,885	12,441	6.20%
2010	194,851	3,001,972,053	15,407	25,597	49,129	12,145	5.70%

Sources:

- (1) For years 2008 and previous, population information provided by the Texas State Data Center. The information is an estimation of the population. For the year 2009, information received from ERS/USDA. Population estimation is based on previous years. For the year 2010, information was received from US Census Bureau.
- (2) Personal Income and unemployment rate information provided by the Texas Workforce Commission.
- (3) Public School Enrollment information is for Bryan ISD and College Station ISD. Enrollment information is from the school districts websites. Head count is based on fall session.
- (4) 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.
- (5) Previous CAFRS reflected enrollment for Blinn Campuses based on all campuses. The information now reflects just the enrollment for the campus in Brazos County and is based on the Fall semester.
- (6) Source: Texas Workforce Commission

Table XV

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

2010	2001
Employer ⁽¹⁾	Employer ⁽²⁾
Blinn College	Alenco Holding Corporation, Inc.
Brazos County	Brazos County
Bryan Independent School District	Bryan Independent School District
City of Bryan	City of College Station
City of College Station	College Station Independent School District
College Station Independent School District	Sanderson Farms
College Station Medical Center	St. Joseph Regional Hospital
Penncro & Associates	Texas A&M University & System
Reynolds & Reynolds	Universal Computer Systems
Sanderson Farms	
Scott & White Clinic	
St. Joseph Regional Hospital	
Texas A&M Health Science Center	
Texas A&M University System	
Wal-mart	

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

Source: (1) Research Valley Partnership

(2) 2001 Brazos County CAFR

OPERATING INFORMATION



Table XVI

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

Function	Employees as of September 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	110	120	121	124	124	126	133	134	135	138
Justice System	142	143	145	153	153	158	164	171	168	172
Law Enforcement	185	200	215	217	222	223	234	249	257	265
Juvenile Services	86	88	88	90	91	89	91	91	97	98
Human Services	24	24	24	25	26	26	39	42	46	50
Public Transportation	69	69	70	70	70	70	70	71	75	75
Total	<u>616</u>	<u>644</u>	<u>663</u>	<u>679</u>	<u>686</u>	<u>692</u>	<u>731</u>	<u>758</u>	<u>778</u>	<u>798</u>

Source: County Auditor's Office

⁽¹⁾ Information compiled from Brazos County Budget position control

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

Table XVII

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

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

(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

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

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

Table XVIII

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

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

Note: Implementation of GASB 34 was in 2003. Therefore, the information only reflects eight 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 moved to the new Jail Facility in FY 10.



**INDEPENDENT AUDITORS' REPORTS ON
COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING
SEPTEMBER 30, 2010**



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brazos County, Texas (the "County") as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 10, 2011. 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.

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

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

Compliance and Other Matters

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

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

Bryan, Texas
March 10, 2011

Ingram, Wallis & Company



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Compliance

We have audited the compliance of Brazos County, Texas (the "County") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2010. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2010.

Internal Control Over Compliance

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

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

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined above.

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

Bryan, Texas
March 10, 2011

Imgram, Wallis, Company

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2010

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2009	Receipts	Expenditures	Grant Funds Refunded in 2010	Accounts Receivable (Payable) September 30, 2010
<u>U. S. Department of Justice</u>								
Edward Byrne Memorial Justice Assistance Grant	16.738	2007-F5636-TX-DJ	30,220	\$ (9,258)	\$ --	\$ 9,214	\$ --	\$ (44)
Edward Byrne Memorial Justice Assistance Grant-ARRA	16.804	2009-SB-B9-0783	84,001	(84,001)	--	22,680	--	(61,321)
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-DJ-BX0600	14,655	--	14,655	14,624	--	(31)
Edward Byrne Memorial Justice Assistance Grant-ARRA	16.803	SU-09-A10-22514-01	12,495	--	12,119	12,119	--	--
State Criminal Alien Assistance Program	16.606	2009-AP-BX-0493	64,088	64,088	64,088	--	--	--
		07/01/07-06/30/08						
State Criminal Alien Assistance Program	16.606	2010-AP-BX-0682	56,689	--	--	56,689	--	56,689
		07/01/08-06/30/09						
Bulletproof Vest Partnership	16.607	2006BOBX06134104	1,573	--	1,573	1,573	--	--
Bulletproof Vest Partnership	16.607	2007BOBX07038987	2,281	--	1,738	1,738	--	--
Bulletproof Vest Partnership	16.607	2009BOBX08043455	1,412	--	889	889	--	--
				(29,171)	95,062	119,526	--	(4,707)
<u>Passed through Office of the Governor of Texas,</u>								
<u>Criminal Justice Division</u>								
Special Investigations Unit	16.738	1986102	296,828	51,625	51,625	--	--	--
Special Investigations Unit	16.738	1986103	257,555	--	169,128	231,283	--	62,155
				51,625	220,753	231,283	--	62,155
<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	509XXF0024	440,052	32,773	32,773	--	--	--
Metropolitan Planning Organization	20.205	510XXF0024	438,966	--	199,608	278,278	--	78,670
Comprehensive Underage Drinking Education Program	20.600	589XXEGF5158	61,140	20,933	20,933	--	--	--
Comprehensive Underage Drinking Education Program	20.600	589XXEGF5137	61,600	--	28,785	38,160	--	9,375
				53,706	282,099	316,438	--	88,045
<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	5,387	4,286	(1,101)	--	--
Help America Vote Act - General HAVA Compliance	90.401		1,132,036	543,389	547,429	4,040	--	--
Help America Vote Act - Polling Place Accessibility	93.617		8,500	8,500	8,500	--	--	--
				557,276	560,215	2,939	--	--
<u>Department of Homeland Security</u>								
<u>Passed through Texas Department of Public Safety</u>								
Division of Emergency Management	97.042	09TX-EMPG-1440	47,965	47,965	47,965	--	--	--
Division of Emergency Management	97.042	10TX-EMPG-1440	47,965	--	--	47,965	--	47,965
Emergency Preparedness Grant	97.073	2007 SHSP	146,232	81,707	84,304	2,597	--	--
Emergency Preparedness Grant	97.074	2007 LETPP	42,568	42,568	42,568	--	--	--
Emergency Preparedness Grant	97.073	2008 SHSP	127,671	--	--	127,671	--	127,671
Emergency Preparedness Grant	97.073	2008 SHSP LEAP	38,996	--	13,364	38,996	--	25,632
				172,240	188,201	217,229	--	201,268
<u>U.S. General Services Administration</u>								
<u>Passed through Texas Facilities Commission/</u>								
<u>Federal Surplus Program</u>								
Donation of Federal Surplus Personal Property	39.003		--	--	67,598	67,598	--	--
				\$ --	\$ 67,598	\$ 67,598	\$ --	\$ --

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2010

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/Award Amount	Accounts			Grant Funds Refunded in 2010	Accounts Receivable (Payable) September 30, 2010
				Receivable (Payable) October 1, 2009	Receipts	Expenditures		
Federal Emergency Management Agency								
<u>Passed through Texas Department of Public Safety</u>								
Division of Emergency Management-Hurricane Relief	97.036	3290 EM TX	--	\$ (16,298)	\$ --	\$ 16,298	\$ --	\$ --
Division of Emergency Management-Hurricane Relief	97.036	1791 DR TX	--	47,875	108,299	60,424	--	--
				<u>31,577</u>	<u>108,299</u>	<u>76,722</u>	<u>--</u>	<u>--</u>
<u>U. S. Department of Health and Human Services</u>								
<u>Passed through the Texas Department of Family and Protective Services</u>								
Title IV-E-Legal (CPS)	93.658	10/01/08-09/30/09	--	16,184	16,184	--	--	--
Title IV-E-Legal (CPS)	93.658	10/01/09-09/30/10	--	--	16,722	23,320	--	6,598
Title IV-E-Foster Care Maintenance	93.658	10/01/08-09/30/09	--	2,797	2,797	--	--	--
Title IV-E-Foster Care Maintenance - ARRA	93.658	10/01/08-09/30/09	--	343	343	--	--	--
Title IV-E-Foster Care Maintenance	93.658	10/01/09-09/30/10	--	--	2,401	4,348	--	1,947
Title IV-E-Foster Care Maintenance - ARRA	93.658	10/01/09-09/30/10	--	--	327	592	--	265
				<u>19,324</u>	<u>38,774</u>	<u>28,260</u>	<u>--</u>	<u>8,810</u>
<u>Passed through the Texas Juvenile Probation Commission</u>								
Title IV- E- Administration	93.658	10/01/07-09/30/08	--	258,796	1,491	(257,305)	--	--
	93.658	10/01/08-09/30/09	--	--	--	--	--	--
Title IV-E - Maintenance - Juvenile	93.658	TJPC-E-2009-021	--	29,210	24,866	(4,344)	--	--
Title IV-E - Maintenance - Juvenile - ARRA	93.658	TJPC-E-2009-021	--	3,610	3,073	(537)	--	--
Title IV-E - Maintenance - Juvenile	93.658	TJPC-E-2010-021	--	--	62,217	151,041	--	88,824
Title IV-E - Maintenance - Juvenile - ARRA	93.658	TJPC-E-2010-021	--	--	8,484	20,597	--	12,113
Title IV-E - Maintenance - Juvenile	93.658	TJPC-E-2011-021	--	--	--	14,201	--	14,201
Title IV-E - Maintenance - Juvenile - ARRA	93.658	TJPC-E-2011-021	--	--	--	1,937	--	1,937
				<u>291,616</u>	<u>100,131</u>	<u>(74,410)</u>	<u>--</u>	<u>117,075</u>
<u>Passed through the Texas Department of Agriculture</u>								
National School Lunch Program	10.555	07/01/09-06/30/10	--	6,472	28,347	21,875	--	--
	10.555	07/01/10-06/30/11	--	--	--	4,617	--	4,617
School Breakfast Program	10.553	07/01/09-06/30/10	--	3,979	17,762	13,783	--	--
	10.553	07/01/10-06/30/11	--	--	--	2,503	--	2,503
Food Services Division Commodities	10.550	07/01/09-06/30/10	--	--	2,232	2,232	--	--
		07/01/10-06/30/11	--	--	1,743	1,743	--	--
				<u>10,451</u>	<u>50,084</u>	<u>46,753</u>	<u>--</u>	<u>7,120</u>
<u>Passed through the Health and Human Services Commission</u>								
Administration of Social Services Block Grant	93.667	HHSC-529-09-0098-00001	14,816	--	--	5,969	--	5,969
				--	--	5,969	--	5,969
Total Federal Assistance				<u>\$ 1,158,644</u>	<u>\$ 1,711,216</u>	<u>\$ 1,038,307</u>	<u>\$ --</u>	<u>\$ 485,735</u>

BRAZOS COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

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

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

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

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

SUMMARY OF NON-CASH ASSISTANCE

The County receives non-cash assistance in the form of commodities from the U.S. Department of Health and Human Services passed through the Texas Department of Agriculture. In fiscal year ended September 30, 2010, the County received \$3,975 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, 2010

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ___ yes X no

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ___ yes X 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 X no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal or State Program or Cluster</i>
<u>20.205</u>	<u>Highway Planning and Construction</u>
<u>TJPC-X-2010-021</u>	<u>Intensive Community-Based Program</u>
<u>TJPC-Y-2010-021</u>	<u>Community Corrections Assistance Program</u>

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

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

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS

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

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SECTION II - FINANCIAL STATEMENT FINDINGS

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

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2009-01 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 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.

Response – County management and staff concur with this finding. In order to comply with OMB Circular A-87, the grantee is required to perform the certifications on at least a semi-annual basis when employees are expected to spend their time working solely on a single Federal award. The County has implemented procedures to meet the requirement in the future.

Status – Corrective action was taken with regard to the condition noted above.

