

BROOKS COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2012



Brooks County, Texas
Annual Financial Report
For The Year Ended September 30, 2012

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
INTRODUCTORY SECTION		
List of Principal Officials.....	1	
FINANCIAL SECTION		
Independent Auditors' Report.....	2	
Management's Discussion and Analysis (Required Supplementary Information).....	4	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Assets.....	16	A-1
Statement of Activities.....	17	A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	18	A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	20	A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	21	A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	23	A-6
Statement of Net Assets - Internal Service Fund.....		
Statement of Revenues, Expenses, and Changes in	24	A-7
Fund Net Assets - Internal Service Fund.....	25	A-8
Statement of Cash Flows - Proprietary Funds.....	26	A-9
Statement of Fiduciary Net Assets - Fiduciary Funds.....	27	A-10
Notes to the Financial Statements	28	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund.....	42	B-1
Federal Arrest Drug Fund.....	46	B-2
LCS / I.C.E.....	47	B-3
Schedule of Funding Progress - Pension Plan.....	48	
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	49	C-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	50	C-2
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	51	C-3

Brooks County, Texas
Annual Financial Report
For The Year Ended September 30, 2012

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	60	C-4
Budgetary Comparison Schedules:		
Road & Bridge Fund.....	69	C-5
Courthouse Security Fund.....	70	C-6
Lateral Road.....	71	C-7
Prevention & Treatment Fund.....	72	C-8
County Airport.....	73	C-9
Sheriff Seizure Fund.....	74	C-10
LEOSE State Allocation.....	75	C-11
Justice Crt Technology Fund.....	76	C-12
Health Use Sales Tax.....	77	C-13
Debt Service Funds:		
Budgetary Comparison Schedule:		
Debt Service Fund.....	78	C-14
Capital Projects Funds:		
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	79	C-15
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	80	C-16
Budgetary Comparison Schedule:		
Courthouse Renovation.....	81	C-17
Fiduciary Funds:		
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities.....	82	C-18
Combining Statement of Changes in Assets and Liabilities.....	85	C-19
 OTHER SUPPLEMENTARY INFORMATION SECTION		
Bond Schedule.....	88	D-1
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>	90	
Schedule of Findings and Questioned Costs	92	
Summary Schedule of Prior Audit Findings.....	93	
Corrective Action Plan.....	94	

BROOKS COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2012

Elected Officials

<u>Name</u>	<u>Office</u>
RICHARD C. TERRELL	DISTRICT JUDGE
RAUL RAMIREZ	COUNTY JUDGE
GLORIA GARZA	COMMISSIONER PCT. 1
LUIS AREVALO	COMMISSIONER PCT. 2
CARLOS VILLARREAL	COMMISSIONER PCT. 3
TONY MARTINEZ	COMMISSIONER PCT. 4
HORACIO VILLARREAL III	COUNTY TREASURER
FRUTOSO "PEPE" GARZA, JR	COUNTY CLERK
NOE GUERRA, JR.	DISTRICT CLERK
REYNALDO RODRIGUEZ	COUNTY SHERIFF/ TAX ASSESSOR-COLLECTOR
ARMANDO BARERRA	DISTRICT ATTORNEY
HOMER MORA	COUNTY ATTORNEY
LUIS R. SOLIZ, JR.	JUSTICE OF THE PEACE #1
ORALIA V. MORALES	JUSTICE OF THE PEACE #2
ROEL VILLARREAL	JUSTICE OF THE PEACE #3
LORETTA G. CABRERA	JUSTICE OF THE PEACE #4
ARTURO "ART" GARCIA	CONSTABLE PCT #1
ANTONIO "TONY" VILLARREAL	CONSTABLE PCT #2
JOSE F. "JOE" GARZA	CONSTABLE PCT #3
RUBEN M. LONGORIA	CONSTABLE PCT #4

Appointed Officials

<u>Name</u>	<u>Position</u>
CYNTHIA SANCHEZ	COUNTY AUDITOR

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Financial Section

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RAUL HERNANDEZ & COMPANY, P.C.
Certified Public Accountants
5422 Holly Rd
Corpus Christi, Texas 78411
Office (361) 980-0428 Fax (361) 980-1002

Independent Auditors' Report on Financial Statements

Commissioner's Court
Brooks County, Texas
P.O. Box 517
Falfurrias, Texas 78355

Members of the Commissioner's Court:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brooks County, Texas as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Brooks County, Texas'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 the 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, each major fund, and the aggregate remaining fund information of Brooks County, Texas as of September 30, 2012, 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 August 5, 2013, on our consideration of Brooks County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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 and budgetary comparison information identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Raul Hernandez & Company, P.C." in a cursive script.

Raul Hernandez & Company, P.C.

August 5, 2013

BROOKS COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) offers readers of the County financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended September 30, 2012. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, and in the financial statements and notes to the financial statements (which immediately follow this discussion). The implementation of the new financial reporting requirements of GASB Statement No. 34 (Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments) makes the County's September 30, 2012 Comprehensive Annual Financial Report significantly different than those of previous years. New sections include this Management's Discussion and Analysis, the Government-wide Statement of Net Assets, the Government-wide Statement of Activities, the concept of major fund reporting, and the reporting of infrastructure capital assets and long term debt liabilities in the governmental activities. These concepts are explained throughout this discussion and analysis.

FINANCIAL HIGHLIGHTS

- The assets of the County of Brooks exceeded its liabilities at the close of the most recent fiscal year by \$7,099,252 (net assets). Of this amount, \$1,273,941 represents unrestricted net assets.
- As of the close of the current fiscal year, the County of Brooks governmental funds reported combined ending fund balances of \$815,136, which is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$401,090.
- The County of Brooks' total debt decreased by a net of \$210,000 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.

BROOKS COUNTY, TEXAS

- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*. The County maintains one type of proprietary fund, an internal service fund. The Internal service fund is used to report activities of the County's self-insurance program. Because these services predominately benefit governmental rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund is presented as a single, aggregated presentation in the proprietary fund financial statements.
- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Figure A-1 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1 Major Features of the County's Government-wide and Fund Financial Statements

<u>Type of Statements</u>	<u>Government-wide</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
<u>Scope</u>	Entire county Government (except Fiduciary funds) and the county's component units	The activities of the county that are not proprietary or fiduciary	Activities of County similar to private business; self insurance	Instances in which county or agent for someone else's resources
<u>Required Financial Statements</u>	<i>Statement of Net assets</i> <i>Statement of Activities</i>	<i>Balance Sheet</i> <i>Statement of revenues, expenditures & changes in fund balances</i> <i>Statement of cash flows</i>	<i>Statement of net assets</i> <i>Statement of rev, exp, & changes in net assets</i> <i>Statement of flows</i>	<i>Statement of fiduciary net assets</i> <i>Statement of in fiduciary net assets</i>
<u>Accounting basis and measurement focus</u>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial	Accrual accounting and economic focus	Accrual accounting economic resources focus

BROOKS COUNTY, TEXAS

Government-wide Statements

The two government-wide statements report the County's net assets and how they have changed. Net assets—the difference between the County's assets and liabilities—is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general government, public safety, highways and streets, sanitation, economic development, culture and recreation, and interest on long-term debt. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Commissioner's Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary funds*—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

BROOKS COUNTY, TEXAS

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets. The County's combined net assets were \$7,099,252 at September 30, 2012. (See Table A-1).

**Table A-1
County's Net Assets**

	Governmental Activities		Increase (Decrease)
	<u>2012</u>	<u>2011</u>	<u>2012-2011</u>
Current assets:			
Cash/Cash equivalents	\$ 2,907,152	\$ 3,270,614	\$ (363,462)
Restricted Cash	120,201	101,139	19,062
Taxes receivable	750,337	711,920	38,417
Intergovernmental Receivable	374,457	40,000	334,457
Total current assets:	<u>\$ 4,152,147</u>	<u>\$ 4,123,673</u>	<u>\$ 28,474</u>
Non-current assets:			
Capital Assets	15,636,267	15,598,670	37,597
Less: Accumulated Depreciation	(6,708,004)	(6,365,324)	(342,680)
Total non-current assets:	<u>8,928,263</u>	<u>9,233,346</u>	<u>(305,083)</u>
Total Assets	<u>\$ 13,080,410</u>	<u>\$ 13,357,019</u>	<u>\$ (276,609)</u>
Current Liabilities			
Accounts payable and other current liabilities	985,521	1,244,100	(258,579)
Accrued Interest Payable	11,709	12,214	(505)
Due to Other Government & Agencies	1,077,892	1,072,892	5,000
Total current liabilities	<u>2,075,122</u>	<u>2,329,206</u>	<u>(254,084)</u>
Long-term Liabilities			
Due within one year	266,036	283,700	(17,664)
Due in more than one year	3,640,000	3,855,000	(215,000)
Total Liabilities	<u>\$ 5,981,158</u>	<u>\$ 6,467,906</u>	<u>\$ (486,748)</u>
Net Assets:			
Invested in capital assets, net of related debt	5,022,227	5,094,646	(72,419)
Restricted For:			
Debt Service	395,492	374,493	20,999
Capital Projects	407,592	(405,716)	813,308
Unrestricted	1,273,941	1,825,690	(551,749)
Total Net Assets	<u>\$ 7,099,252</u>	<u>\$ 6,889,113</u>	<u>\$ 210,139</u>

BROOKS COUNTY, TEXAS

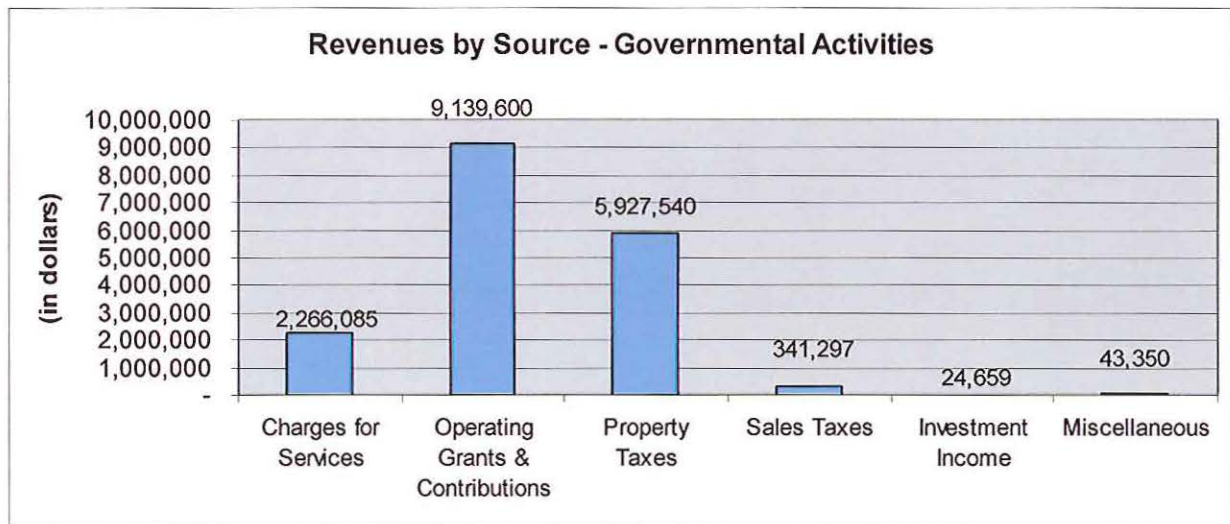
\$395,492 of the County's restricted net assets represents funds available for the debt service, while \$407,592 represents funds for capital project funds. These funds when spent are restricted for repayment of debt and capital asset acquisitions respectively. Unrestricted net asset represents resources available to fund the programs of the County for the following year. The balance for unrestricted net assets at September 30, 2012 was \$1,273,941.

Revenues. The County's total revenues were \$17,742,531. A significant portion, \$9,139,600, of the County's revenue comes from operating grants & contributions. \$5,927,540 comes from property taxes and \$2,266,085 relates to charges for services. (See Figure A-2 and Table A-2)

Governmental Activities

- Sales taxes had revenue of \$341,297 while investment income had revenues of \$24,659.

Figure A-2



BROOKS COUNTY, TEXAS

**Table A-2
Brooks County's Changes in Net Assets - Governmental Activities**

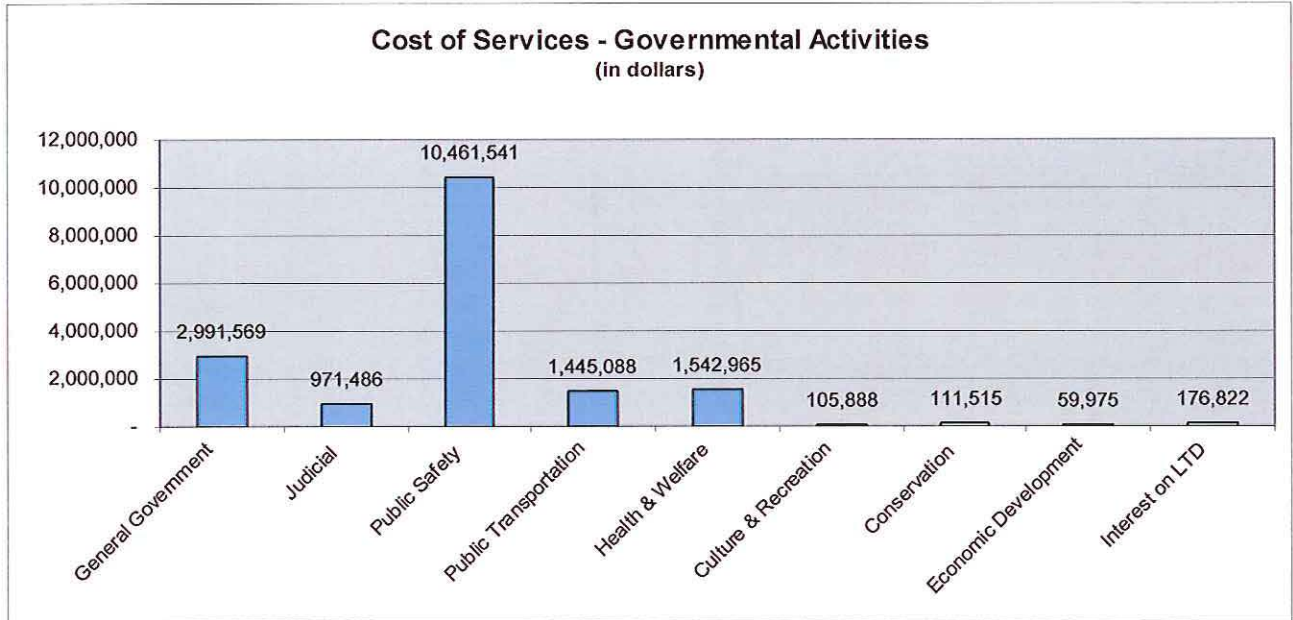
	Governmental Activities		Increase (Decrease)
	<u>2012</u>	<u>2011</u>	<u>2012-2011</u>
Revenues:			
Program:			
Charges for services	\$ 2,266,085	\$ 2,039,513	226,572
Operating Grants and Contributions	9,139,600	8,852,746	286,854
General:			
Property Taxes	5,927,540	5,412,413	515,127
Sales Taxes	341,297	353,882	(12,585)
Investment Income	24,659	22,692	1,967
Miscellaneous	43,350	30,138	13,212
Total Revenues	<u>\$ 17,742,531</u>	<u>\$ 16,711,384</u>	<u>1,031,147</u>
Cost of Services:			
General Government	2,991,569	2,773,339	218,230
Judicial	971,486	981,970	(10,484)
Public Safety	10,461,541	11,746,708	(1,285,167)
Public Transportation	1,445,088	1,591,756	(146,668)
Health and Welfare	1,542,965	1,321,231	221,734
Culture and Recreation	105,888	102,354	3,534
Conservation	111,515	112,184	(669)
Economic Development and Assistance	59,975	193,802	(133,827)
Interest on Long-term Debt	176,822	136,807	40,015
Total Cost of Services	<u>\$ 17,866,849</u>	<u>\$ 18,960,151</u>	<u>(1,093,302)</u>
Change in net assets	(124,318)	(2,248,767)	(2,373,085)
Net assets - beginning	6,889,113	9,137,880	(2,248,767)
Prior Period Adjustment	334,457	-	334,457
Net assets-beginning-restated	<u>7,223,570</u>	<u>6,889,113</u>	<u>334,457</u>
Net assets - ending	<u>\$ 7,099,252</u>	<u>\$ 6,889,113</u>	<u>\$ 210,139</u>

Table A-2 and Figure A-3 present the cost of each of the County's largest functions.

- The cost of all governmental activities this year was \$17,866,849.
- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$5,927,540.
- Due to the lack of activity in the Federal Arrest fund in 2012, public safety had a large variance of (\$1,285,167).
- \$10,461,541 of these costs is public safety. The majority of these are related to LCS/I.C.E. fund.

BROOKS COUNTY, TEXAS

Figure A-3



FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls has been the framework of the County's strong fiscal management and accountability.

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$815,136, an increase of \$506,291, with \$334,457 being a prior period adjustment representing an understatement of a due from government (claims on federally prosecuted cases), compared with the prior year. The claims are on "Hold Pay" by the SWBPI, management believes that the claims will be ultimately released. The *unassigned fund balance*, used as a management and budgetary tool, is available for spending at the County's discretion.

The General fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$401,090. As a measure of the general fund's liquidity, we compare both unreserved fund balance and total fund balance to total fund expenditures.

BROOKS COUNTY, TEXAS

The Debt Service Fund (county-wide) has a total fund balance of \$219,961. The reserves for the payment of debt service combined with the estimated collections on current year assessments will account for next year's scheduled debt of \$436,962.

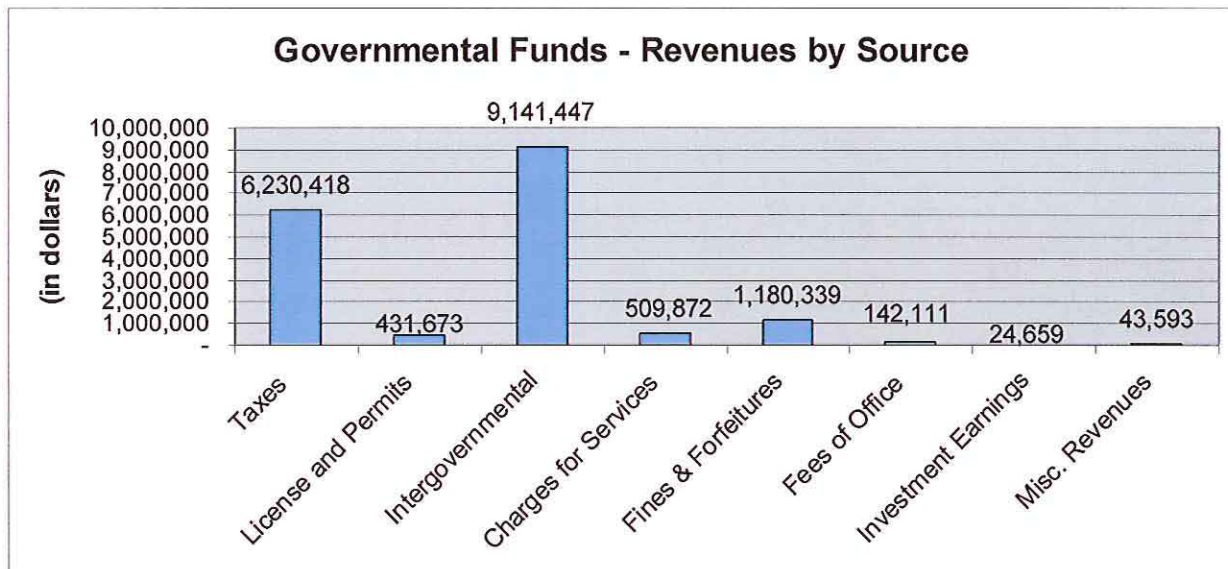
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues

Revenues from governmental fund types totaled \$17,704,112. The most significant portion in governmental fund revenue sources was derived from intergovernmental revenues, which totaled \$9,141,447. Taxes consisted of general property taxes, and general sales & use taxes, which totaled \$6,230,418.

The County's primary source of revenue consists of intergovernmental revenues, which comprise 51.7% of the County's total revenues. In addition, taxes, and fines & forfeitures comprise 35.2% and 6.6% of total revenues, respectively. The county departments that charge for services include park & recreational, fees of office from justice of the peace precincts, and constables, which are all an important part of the County's revenues. They are an integral part of the County's ability to provide the services to which citizens have become accustomed. (See Figure A-4 and Table A-3)

Figure A-4



BROOKS COUNTY, TEXAS

**Table A-3
Governmental Funds – Revenues by Source**

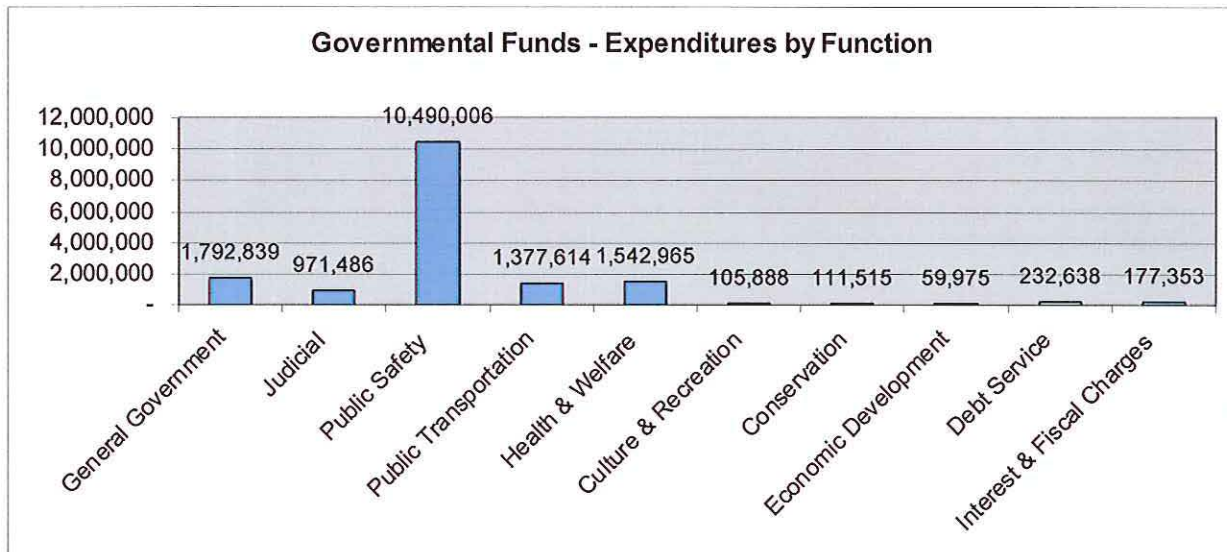
	FY 2012	FY 2011	Increase (Decrease)
Taxes	\$ 6,230,418	\$ 5,762,951	\$ 467,467
License and Permits	431,673	401,028	30,645
Intergovernmental	9,141,447	8,636,307	505,140
Charges for Services	509,872	426,851	83,021
Fines & Forfeitures	1,180,339	1,212,025	(31,686)
Fees of Office	142,111	215,813	(73,702)
Investment Earnings	24,659	22,692	1,967
Misc. Revenues	43,593	30,373	13,220
Total Revenues	\$ 17,704,112	\$ 16,708,040	\$ 996,072

Expenditures

Compared to the prior year, public safety had a significant decrease of (\$1,354,598) due to decrease in monies spent for the Federal Arrest Drug & the LCS/I.C.E. funds. Furthermore, economic development & assistance expenditures also had a significant decrease of (\$233,827).

The County's primary expenditures were for public safety, general government, and public transportation. Public safety now accounts for 62.2% of total expenditures. General government expenditures accounted for 10.6% of total expenditures. (See Figure A-5 and Table A-4)

Figure A-5



BROOKS COUNTY, TEXAS

**Table A-4
Governmental Funds – Expenditures by Function**

	FY 2012	FY 2011	Increase (Decrease)
General Government	\$ 1,792,839	\$ 1,987,251	\$ (194,412)
Judicial	971,486	981,970	(10,484)
Public Safety	10,490,006	11,844,604	(1,354,598)
Public Transportation	1,377,614	1,524,282	(146,668)
Health and Welfare	1,542,965	1,321,231	221,734
Culture and Recreation	105,888	102,354	3,534
Conservation	111,515	112,184	(669)
Economic Development and Assistance	59,975	293,802	(233,827)
Debt Service:			
Principal	232,638	212,113	20,525
Interest and Fiscal Charges	177,353	135,401	41,952
Total Expenditures	\$ 16,862,279	\$ 18,515,192	\$ (1,652,913)

Other financing sources from the County came from:

**Table A-5
Other Financing Resources**

	FY 2012	FY 2011	Increase (Decrease)
Operating Transfers In	\$ 1,199,044	\$ 556,394	\$ 642,650
Operating Transfers Out	(1,199,044)	(556,394)	(642,650)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$6,364,356 and expenditures of \$6,027,007, which both include transfers.

The following are significant variations between the final budget and actual amount.

- Actual revenues (including transfers) were lower than budgeted figures by (\$401,875). Intergovernmental, fees of office, investment earnings, and miscellaneous revenues surpassed budget expectations.
- Actual expenditures (including transfers) were (\$145,191), higher than final budget amounts, which was due primarily to the expenditures in the indigent department, which exceeded its budgeted expenditures by (\$535,713), as shown on page 44. County departments were encouraged to hold line on expenditures to support the overall County

BROOKS COUNTY, TEXAS

budget since the County was incurring higher costs of items such as indigent services and medical insurance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2012, the County had invested \$15,636,268 in a broad range of capital assets, including land, road network, buildings & improvements, vehicles, and equipment. (See Table A-6.)

The capital assets of the County are those assets (land, road network, buildings & improvements, vehicles, and equipment), which are used in the performance of the County's functions including infrastructure assets. At September 30, 2012 net capital assets of the governmental activities totaled \$8,928,264. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation for road network, buildings & improvements, vehicles, and equipment totaled \$6,708,004.

Table A-6
County's Capital Assets

	Governmental Activities		Increase (Decrease)
	2012	2011	2012-2011
Land	\$ 236,742	\$ 236,742	\$ -
Road Network	3,120,798	3,120,798	-
Buildings and Improvements	9,161,729	9,161,729	-
Vehicles	1,069,770	1,053,870	15,900
Equipment	2,047,229	2,025,531	21,698
Total at historical cost	15,636,268	15,598,670	37,598
Total Accumulated Depreciation	(6,708,004)	(6,365,324)	(342,680)
Net Capital Assets	<u>\$ 8,928,264</u>	<u>\$ 9,233,346</u>	<u>\$ (305,082)</u>

Additional details on capital assets can be found in the notes to the financial statements on page 35.

Long Term Debt

At year-end the County had \$3,855,000 in bonds and notes outstanding as shown in Table A-7. The County's total debt decreased by \$210,000 compared to 2011. More detailed information about the County's debt is presented in the notes to the financial statements.

BROOKS COUNTY, TEXAS

**Table A-7
Long Term Debt**

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Certificates of Obligation	<u>\$ 3,855,000</u>	<u>\$ 4,065,000</u>
Total governmental activities	<u>\$ 3,855,000</u>	<u>\$ 4,065,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2013 budget preparation increased from the prior year. The County's tax rate increased as compared to 2012 resulting at .960400.
- General operating fund spending in the 2013 budget is expected to have a slight increase as compared to 2012.

These indicators were taken into account when adopting the general fund budget for 2013. Property taxes will increase, while the assessed valuation has decreased. The 2012-2013 tax rate is .960400 and the assessed valuation \$639,651,796.

Revenues are expected to have a slight increase of \$744,384, while expenditures are budgeted to experience a slight increase of \$436,549.

If these estimates are realized, the County's budgetary general fund balance is expected to change depreciably by the close of 2013.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Department at 200 Calixto Mora Drive, Falfurrias, Texas 78355.

Basic Financial Statements

BROOKS COUNTY, TEXAS

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2012

	Governmental Activities
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 2,907,152
<i>Restricted Cash</i>	120,201
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	750,337
<i>Intergovernmental Receivable</i>	374,457
<i>Internal Balances</i>	--
Capital Assets (net of accumulated depreciation):	
<i>Land</i>	236,742
<i>Buildings and System</i>	6,048,516
<i>Machinery and Equipment</i>	416,347
<i>Infrastructure</i>	2,226,658
Total Assets	<u>13,080,410</u>
LIABILITIES:	
<i>Accounts Payable and Other Current Liabilities</i>	985,521
<i>Accrued Interest Payable</i>	11,709
<i>Due to Other Government and Agencies</i>	1,077,892
<i>Deferred Revenue</i>	--
Noncurrent Liabilities-	
<i>Due within one year</i>	266,036
<i>Due in more than one year</i>	3,640,000
Total Liabilities	<u>5,981,158</u>
NET ASSETS	
Invested in Capital Assets	5,022,227
Restricted For:	
Debt Service	395,492
Capital Projects	407,592
Unrestricted	1,273,941
Total Net Assets	<u>\$ 7,099,252</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Governmental Activities
PRIMARY GOVERNMENT:				
Governmental Activities:				
<i>General Government</i>	\$ 2,991,569	\$ 731,581	\$ 6,600	\$ (2,253,388)
<i>Judicial</i>	971,486	542,496	--	(428,990)
<i>Public Safety</i>	10,461,541	706,421	8,733,861	(1,021,259)
<i>Public Transportation</i>	1,445,088	285,587	9,014	(1,150,487)
<i>Health and Welfare</i>	1,542,965	--	13,167	(1,529,798)
<i>Culture and Recreation</i>	105,888	--	--	(105,888)
<i>Conservation</i>	111,515	--	15,000	(96,515)
<i>Economic Development and Assistance</i>	59,975	--	361,958	301,983
<i>Interest on Long-term Debt</i>	176,822	--	--	(176,822)
Total Governmental Activities	17,866,849	2,266,085	9,139,600	(6,461,164)
Total Primary Government	<u>\$ 17,866,849</u>	<u>\$ 2,266,085</u>	<u>\$ 9,139,600</u>	<u>(6,461,164)</u>
General Revenues:				
				5,927,540
<i>Property Taxes</i>				341,297
<i>Sales Taxes</i>				24,659
<i>Investment Income</i>				43,350
<i>Miscellaneous Revenues</i>				6,336,846
Total General Revenues and Transfers				(124,318)
Change in Net Assets				6,889,113
Net Assets - Beginning				334,457
Prior Period Adjustment				<u>\$ 7,099,252</u>
Net Assets - Ending				

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	<u>General Fund</u>	<u>Federal Arrest Drug Fund</u>
ASSETS AND OTHER DEBITS		
Assets:		
<i>Cash and Cash Equivalents</i>	\$ 176,648	\$ 12,988
<i>Restricted Cash</i>	--	--
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	691,284	--
<i>Intergovernmental Receivable</i>	334,457	--
<i>Due from Other Funds</i>	--	167,786
Total Assets	<u>\$ 1,202,389</u>	<u>\$ 180,774</u>
LIABILITIES AND FUND BALANCES:		
Liabilities:		
<i>Accounts Payable</i>	\$ 73,765	\$ --
<i>Due to Other Funds</i>	--	--
<i>Due to Other Governments and Agencies</i>	36,250	1,001,642
<i>Deferred Revenue</i>	691,284	--
Total Liabilities	<u>801,299</u>	<u>1,001,642</u>
Fund Balances:		
Restricted Fund Balance:		
Federal or State Funds Grant Restriction	--	(820,868)
Retirement of Long-Term Debt	--	--
Committed Fund Balance:		
Construction	--	--
Other Committed Fund Balance	--	--
Assigned Fund Balance:		
Other Assigned Fund Balance	--	--
Unassigned Fund Balance	<u>401,090</u>	<u>--</u>
Total Fund Balance	<u>401,090</u>	<u>(820,868)</u>
Total Liabilities and Fund Balance	<u>\$ 1,202,389</u>	<u>\$ 180,774</u>

LCS/ I.C.E. Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 810,799	\$ 1,292,036	\$ 2,292,471
--	--	120,201	120,201
--	--	59,051	750,335
--	--	40,000	374,457
--	--	12,853	180,639
<u>\$ --</u>	<u>\$ 810,799</u>	<u>\$ 1,524,141</u>	<u>\$ 3,718,103</u>
\$ 718,558	\$ --	\$ 101,776	\$ 894,099
--	--	180,639	180,639
--	--	40,000	1,077,892
--	--	59,053	750,337
<u>718,558</u>	<u>--</u>	<u>381,468</u>	<u>2,902,967</u>
(718,558)	--	914,371	(625,055)
--	--	219,961	219,961
--	810,799	8,341	819,140
--	--	--	--
--	--	--	--
<u>(718,558)</u>	<u>810,799</u>	<u>1,142,673</u>	<u>401,090</u>
<u>\$ --</u>	<u>\$ 810,799</u>	<u>\$ 1,524,141</u>	<u>\$ 3,718,103</u>

BROOKS COUNTY, TEXAS

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012*

Total fund balances - governmental funds balance sheet	\$ 815,136
<p>Amounts reported for governmental activities in the Statement of Net Assets ("SNA") are different because:</p>	
Capital assets used in governmental activities are not reported in the funds.	8,928,263
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	750,339
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	523,259
Payables for bond principal which are not due in the current period are not reported in the funds.	(3,928,674)
Payables for bond interest which are not due in the current period are not reported in the funds.	(11,709)
Payables for notes which are not due in the current period are not reported in the funds.	<u>22,638</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 7,099,252</u>

The accompanying notes are an integral part of this statement.

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BROOKS COUNTY, TEXAS**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	General Fund	Federal Arrest Drug Fund
Revenue:		
Taxes:		
<i>General Property Taxes</i>	\$ 4,314,684	\$ --
<i>General Sales and Use Taxes</i>	--	--
<i>License and Permits</i>	5,563	--
<i>Intergovernmental</i>	238,370	--
<i>Charges for Services</i>	489,926	--
<i>Fines and Forfeitures</i>	693,044	--
<i>Fees of Office</i>	93,777	--
<i>Investment Earnings</i>	14,554	65
<i>Miscellaneous Revenues</i>	35,725	--
Total revenues	<u>5,885,643</u>	<u>65</u>
Expenditures:		
Current:		
<i>General Government</i>	1,792,839	--
<i>Judicial</i>	897,500	--
<i>Public Safety</i>	1,451,896	--
<i>Public Transportation</i>	59,697	--
<i>Health and Welfare</i>	850,218	--
<i>Culture and Recreation</i>	95,441	--
<i>Conservation</i>	98,607	--
<i>Economic Development and Assistance</i>	--	--
Debt Service:		
<i>Principal</i>	--	--
<i>Interest and Fiscal Charges</i>	--	--
Total Expenditures	<u>5,246,198</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>639,445</u>	<u>65</u>
Other Financing Sources (Uses):		
<i>Transfers In</i>	76,838	--
<i>Transfers Out</i>	(926,000)	--
Total Other Financing Sources (Uses)	<u>(849,162)</u>	<u>--</u>
Net Change in Fund Balances	(209,717)	65
Fund Balances - Beginning	276,350	(820,933)
Prior Period Adjustment	334,457	--
Fund Balances - Ending	<u>\$ 401,090</u>	<u>\$ (820,868)</u>

The accompanying notes are an integral part of this statement.

LCS/ I.C.E. Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 1,574,437	\$ 5,889,121
--	--	341,297	341,297
--	--	426,110	431,673
7,927,515	--	975,562	9,141,447
--	--	19,946	509,872
--	--	487,295	1,180,339
--	--	48,334	142,111
711	2,186	7,143	24,659
--	--	7,868	43,593
<u>7,928,226</u>	<u>2,186</u>	<u>3,887,992</u>	<u>17,704,112</u>
--	--	--	1,792,839
--	--	73,986	971,486
7,650,473	120,244	1,267,393	10,490,006
--	--	1,317,917	1,377,614
--	--	692,747	1,542,965
--	--	10,447	105,888
--	--	12,908	111,515
--	--	59,975	59,975
--	--	232,638	232,638
--	--	177,353	177,353
<u>7,650,473</u>	<u>120,244</u>	<u>3,845,364</u>	<u>16,862,279</u>
<u>277,753</u>	<u>(118,058)</u>	<u>42,628</u>	<u>841,833</u>
--	--	452,206	529,044
(76,838)	(101,206)	(95,000)	(1,199,044)
<u>(76,838)</u>	<u>(101,206)</u>	<u>357,206</u>	<u>(670,000)</u>
200,915	(219,264)	399,834	171,833
(919,473)	1,030,063	742,839	308,846
--	--	--	334,457
<u>\$ (718,558)</u>	<u>\$ 810,799</u>	<u>\$ 1,142,673</u>	<u>\$ 815,136</u>

BROOKS COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Net change in fund balances - total governmental funds	\$ 171,833
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	37,597
The depreciation of capital assets used in governmental activities is not reported in the funds.	(342,680)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	38,419
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	210,026
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	22,638
(Increase) decrease in accrued interest from beginning of period to end of period.	505
The net revenue (expense) of internal service funds is reported with governmental activities.	<u>(262,656)</u>
'Change in net assets of governmental activities - Statement of Activities	<u>\$ (124,318)</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS

STATEMENT OF NET ASSETS

INTERNAL SERVICE FUND

SEPTEMBER 30, 2012

Nonmajor
Internal Service
Fund

Insurance
Fund

ASSETS:

Current Assets:

Cash with Fiscal Agent

\$ 614,681

Total Current Assets

614,681

Noncurrent Assets:

Restricted Cash, Cash Equivalents and Investments-

Total Noncurrent Assets

--

Total Assets

\$ 614,681**LIABILITIES:**

Current Liabilities:

Accounts payable

\$ 91,422

Total Current Liabilities

91,422

Current Liabilities Payable from Restricted Assets-

Total Liabilities

91,422**NET ASSETS:**

Total Net Assets

\$ 523,259

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Nonmajor Internal Service Fund
	Insurance Fund
OPERATING REVENUES:	
Charges for Sales and Services:	
<i>Premiums and reimbursements</i>	\$ 534,222
Total Operating Revenues	<u>534,222</u>
OPERATING EXPENSES:	
<i>Insurance premiums and Claims</i>	1,444,950
<i>Administration</i>	21,928
Total Operating Expenses	<u>1,466,878</u>
Operating Income	<u>(932,656)</u>
NON-OPERATING REVENUES (EXPENSES):	
Total Non-operating Revenues (Expenses)	<u>--</u>
Income before Transfers	<u>(932,656)</u>
<i>Interfund Transfers In</i>	670,000
Change in Net Assets	<u>(262,656)</u>
Total Net Assets - Beginning	785,915
Total Net Assets - Ending	<u>\$ 523,259</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY*STATEMENT OF CASH FLOWS**Internal Service Fund**FOR THE YEAR ENDED SEPTEMBER 30, 2012*

	Internal Service Funds
Cash Flows from Operating Activities:	
<i>Cash Received from Employee Insurance and Medical Expense</i>	\$ 534,222
<i>Cash Paid to Employee Insurance</i>	<u>(\$1,466,878)</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$932,656)</u>
Cash Flows from Non-capital Financing Activities:	
<i>Operating Transfers From (To) Primary Government</i>	\$670,000
<i>Operating Transfers From (To) Other Funds</i>	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>\$670,000</u>
Cash Flows from Capital and Related Financing Activities:	
<i>Proceeds from Issuance of Long-term Debt</i>	--
<i>Principal and Interest Paid</i>	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>--</u>
Cash Flows from Investing Activities:	
<i>Interest and Dividends on Investments</i>	--
Net Cash Provided (Used) for Investing Activities	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(\$262,656)
Cash and Cash Equivalents at Beginning of Year	\$785,915
Cash and Cash Equivalents at End of Year	<u>\$ 523,259</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (\$932,656)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
<i>Depreciation</i>	--
Change in Assets and Liabilities:	
<i>Increase (Decrease) in Accounts Payable</i>	--
<i>Increase (Decrease) in Accrued Wages Payable</i>	--
<i>Increase (Decrease) in Interfund Payables</i>	--
<i>Increase (Decrease) in Deferred Revenue</i>	--
Total Adjustments	<u>--</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (\$932,656)</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2012

	<u>Agency Funds</u>
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 1,086,422
Total Assets	<u>\$ 1,086,422</u>
LIABILITIES:	
<i>Due to Other Governments and Agencies</i>	\$ 1,086,422
Total Liabilities	<u>\$ 1,086,422</u>
NET ASSETS	

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

A. Summary of Significant Accounting Policies

The combined financial statements of Brooks County, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County
- the exclusion of the organization would result in misleading or incomplete financial statements

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units or its constituents; and 2) The County or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the County.

Based on these criteria, the County has no component units. Additionally, the County is not a component unit of any other reporting entity as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial major governmental funds, each displayed in a separate column. All remaining governmental and aggregated and reported as nonmajor funds.

BROOKS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

Road and Bridge. The Road and Bridge Fund accounts for are constitutional funds established to account for current funds used for the purpose of constructing and maintaining road and bridges. The principle source of revenue for this fund is ad valorem taxes, auto registration and intergovernmental revenues.

Health Use Sales Tax Fund. The Health Use Sales Tax Fund is used primarily to account for collection of state sales tax revenue to be used for the purpose of subsidizing the county emergency medical services and expenditures for indigent costs.

LSC FUND. The LSC fund is used to account for federal monies received for the housing of federal inmates in the County jail; the funds are use for the purpose operating costs incurred to operate the jail facilities.

Courthouse Renovation Fund. The Courthouse Renovation Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities and are principally financed by capital grants, certificates of obligation, from sale of bonds, and donation.

In addition, the County reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

BROOKS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The County has chosen

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories and Prepaid Items

Inventories on the balance sheet are stated at weighted average cost. Inventory items are recorded as expenditures when they are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

e. Receivable and Payable Balances

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

h. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

3. Budgetary Data

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

The commissioners court may levy taxes only in accordance with the budget. After final approval of the budget, the commissioners court may spend county funds only in strict compliance with the budget, except in any emergency. The commissioners court may authorize an emergency expenditure as an amendment to the original budget only in case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonable diligent thought and attention. If the court amends the original budget to meet an emergency, the court must file a copy of its order amending the budget with the county clerk and the county clerk shall attach the copy to the original budget. Only the commissioner's court may amend the budget and shift funds from one budget account to another.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

The original budget is adopted by commissioners court and filed with the county clerk. Amendments are made during the year and approved by commissioners court. The budget should not be exceeded in any expenditures category under state law. The budget was amended to reflect as close as possible revenues and expenditures for the twelve-month period. Certain categories exceeded the budget estimates. These variances were due to the fluctuations in revenues and expenditures as opposed to the prorated budget estimates.

The county judge is by statute, the budget officer of the county. He usually requests and relies on the assistance of the county auditor to prepare the annual budget. After being furnished budget guidelines by commissioners court, the county judge, with the help of the county auditor, prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to commissioners court.

The commissioners court invites various department heads to appear for a hearing concerning the department's budget request. Before determining the final budget, commissioners court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available resources. Also, amendments can be made within the above guidelines.

When the budget had been adopted by commissioners' court, the county auditor is responsible for monitoring the expenditures of the various departments of the county to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the commissioners court advised of the condition of the various funds and accounts. Appropriations lapse at year-end.

Budgets for the general fund and budgeted special revenue, debt service and budgeted capital projects funds are adopted in accordance with generally accepted accounting principles (GAAP).

The following funds had adopted budgets for the fiscal year ended September 30, 2012:

- General Fund
- Road and Bridge Fund
- Health Use Sales Tax Fund
- Courthouse Security Fund
- LCS/I.C.E. Fund
- Federal Arrest Fund
- Lateral Road Fund
- Prevention and Treatment Fund
- County Airport Fund
- Sheriff Seizure Fund
- LEOSE State Allocation Fund
- Debt Service Fund
- Justice Crt Technology Fund
- Courthouse Renovation

The level of control is the fund. By state law expenditures can exceed appropriations as long as the amounts do not exceed the available revenues and cash balances. Since revenues and expenditures are carefully monitored, it is felt that with GAAP basis the county will be in compliance with state law.

The legal level of budgetary control (the level on which expenditures may not exceed appropriations) is on an object class basis. If total expenditures exceed appropriations and are in excess of revenues and available cash then transfers of appropriated amounts must be made and approval must be obtained from the commissioners court. Management may not amend the budget. All amendments must be made by and approved by the commissioners' court.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

5. Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at September 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

The County had no outstanding end-of-year encumbrances.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation None reported</u>	<u>Action Taken</u>
	Not applicable

2. Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>
Federal Arrest Drug Fund	\$ (820,868)
LCS/I.C.E. Fund	(718,558)
Border Prosecutor's Program	(23,920)
Sheriff Seizure Fund	(78,167)

C. Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits:

At September 30, 2012, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$4,114,175 and the bank balance was \$4,172,152. The County's cash deposits at September 30, 2012 and during the year ended September 30, 2012, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

Investments:

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

BROOKS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The County's investments at September 30, 2012 are shown below.

Investment or Investment Type	Maturity
N/A	N/A
Total Investments	

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

D. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 236,742	\$ --	\$ --	\$ 236,742
Total capital assets not being depreciated	<u>236,742</u>	<u>--</u>	<u>--</u>	<u>236,742</u>
<i>Capital assets being depreciated:</i>				
Road Network	3,120,798	--	--	3,120,798
Buildings and improvements	9,161,729	--	--	9,161,729
Equipment	2,025,531	21,697	--	2,047,228
Vehicles	1,053,870	15,900	--	1,069,770
Total capital assets being depreciated	<u>15,361,928</u>	<u>37,597</u>	<u>--</u>	<u>15,399,525</u>
Less accumulated depreciation for:				
Road Network	(826,666)	(67,474)	--	(894,140)
Buildings and improvements	(2,942,652)	(170,561)	--	(3,113,213)
Equipment	(1,687,701)	(52,669)	--	(1,740,370)
Vehicles	(908,305)	(51,976)	--	(960,281)
Total accumulated depreciation	<u>(6,365,324)</u>	<u>(342,680)</u>	<u>--</u>	<u>(6,708,004)</u>
Total capital assets being depreciated, net	<u>8,996,604</u>	<u>(305,083)</u>	<u>--</u>	<u>8,691,521</u>
Governmental activities capital assets, net	<u>\$ 9,233,346</u>	<u>\$ (305,083)</u>	<u>\$ --</u>	<u>\$ 8,928,263</u>

Depreciation was charged to functions as follows:

General Government	\$ 342,680
	<u>\$ 342,680</u>

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2012, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
Federal Arrest Fund	Sheriff Seizure Fund	\$ 132,786	Short-term loans
Sheriff Seizure Fund	Community Safety Fund	12,853	Short-term loans
Federal Arrest Fund	Border Prosecution Fund	35,000	Short-term loans
	Total	<u>\$ 180,639</u>	

All amounts due are scheduled to be repaid within one year.

BROOKS COUNTY, TEXAS

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012*

1. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2012, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General fund	Drug Prevention	\$ 200,000	Supplement other funds sources
General fund	Juvenile Probation	126,000	Supplement other funds sources
General fund	Airport Fund	25,000	Supplement other funds sources
General fund	Medical Insurance	575,000	Supplement other funds sources
Road & Bridge	Medical Insurance	95,000	Supplement other funds sources
LCS/I.C.E.	General fund	76,838	Supplement other funds sources
Certificate of Obligation	Capital Improvement	101,206	Supplement other funds sources
	Total	<u>\$ 1,199,044</u>	

F. Short-Term Debt Activity

The County entered into a note payable in the amount of \$51,036 from First National Bank in Falfurrias dated January 11, 2012, which has an interest rate of 3.25% and matures on January 11, 2013.

G. Long-Term Obligations

1. Long-Term Obligation Activity

The County accounts for long-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources.

In 2004, the County issued Certificates of Obligation, Series 2004 in the amount of \$4,000,000 due in annual installments of 115,000 to \$295,000 through March 1, 2024. Interest range of 3.60% to 5.00% due semi-annually on March 1, and September 1, of each year. The proceeds of the above debt were received during September 2004 and were for the building improvements to the county courthouse, county airport, to construct and make improvements to various streets, roads and bridges within the county and county drainage facilities.

The following is the certificates of obligation outstanding at September 30, 2012:

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
Certificates of Obligation	3.60% - 5.00%	August 9, 2004	March 1, 2024	\$2,790,000
Certificates of Obligation	4.59%	September 16, 2011	September 30, 2031	\$1,065,000

In 2011, the County issued Certificates of Obligation, Series 2011 in the amount of \$1,100,000 due in annual installments of \$35,000 to \$80,000 through March 1, 2031. Interest rate of 4.59% due semi-annually on March 1, and September 1, of each year. The proceeds of the above debt were received during September 2011 and were for Courthouse renovations.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2012, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Certificates of Obligation	\$ 4,065,000	\$ --	\$ 210,000	\$ 3,855,000	215,000
Total governmental activities	\$ 4,065,000	\$ --	\$ 210,000	\$ 3,855,000	\$ 215,000

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2012, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2013	\$ 215,000	\$ 168,563	\$ 383,563
2014	230,000	159,762	389,762
2015	235,000	150,321	385,321
2016	245,000	140,382	385,382
2017	260,000	129,713	389,713
2018-2022	1,480,000	459,895	1,939,895
2023-2027	885,000	134,775	1,019,775
2028-2031	305,000	28,802	333,802
Totals	\$ 3,855,000	\$ 1,372,213	\$ 5,227,213

H. Fund Balances

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of September 30, 2012, as follows:

The County has restricted, committed, assigned, and unassigned fund balance as follows.

Restricted Fund Balance:

Federal or State Funds Grant Restriction	(\$625,055)
Retirement of Long-Term Debt	219,961
	<u>(405,094)</u>

Committed Fund Balance:

Construction	819,140
Other Committed Fund Balance	--
	<u>819,140</u>

Assigned Fund Balance:

Other Assigned Fund Balance	--
	<u>--</u>

Unassigned Fund Balance

	401,090
	<u>401,090</u>

Total Fund Balance \$ 815,136

BROOKS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

I. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2012, the County purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for any of the past three fiscal years.

J. Pension Plan

1. Plan Description

The County's pension plan ("Plan") is a non-traditional, joint contributory, defined benefit plan which provides retirement, disability and death benefits to Plan members and beneficiaries. Kleberg County provides retirement, disability, and death for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). TCDRS is a qualified pension plan under Section 401(a) of Internal Revenue Code. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 535 non-traditional defined benefit plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) is available upon request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034. The plan provisions are adopted by the governing body of the employer, within the options available in the Texas statutes governing TCDRS (TCDRS ACT). Members can retire at ages 60 and above with 10 or more years of service with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more.

Members are vested after 8 years of employment with any organization with an accredited plan (not just the County), but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer. Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Funding Policy

The employer has elected the annually determined contribution rate (variable-rate) 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. It was 7.05% for the calendar year 2012. The deposit rate payable by the employee members is the rate of 9.00% as adopted by the governing body of the employer within the options available in the TCDRS.

3. Annual Pension Cost

For the employers accounting ending September 30, 2012, the annual pension cost for the TCDRS plan for its employees was \$212,244 and the actual contributions were \$214,402.

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

BROOKS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Actuarial	Valuation	Information
Actuarial valuation date	12/31/2009	12/31/2010	12/31/2011
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, open	level percentage of payroll, open
Amortization period	30 yrs	30 yrs	30 yrs
Asset valuation method	10 yr Smoothed ESF Fund Value	10 yr Smoothed ESF Fund Value	10 yr Smoothed ESF Fund Value
Actuarial Assumptions:			
Investment return*	8.00%	8.00%	8.00%
Projected salary incr.*	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%

4. Trend Information for the Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2010	\$ 215,410	100%	\$ --
September 30, 2011	214,378	100%	--
September 30, 2012	212,244	100%	--

K. Health Care Coverage

During the year ended September 30, 2012, employees of the County were covered by a health insurance plan (the Plan). The County contributed \$178 per pay period per employee and dependents to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third party administrator, acting on behalf of the self-funded pool. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the County and the third party administrator is renewable September 1, 2012, and terms of coverage and contribution costs are included in the contractual provisions.

In accordance with state statute, the County was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Pan-American Life Insurance, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$50,000 and for aggregate loss. Other Countys and/or their employees contributed to the self-insurance pool which was operated under contractual provisions of Article 4413(32c), Interlocal Cooperation Act. According to the latest actuarial opinion dated December 31, 2011, the unfunded claim benefit obligation included no reported claims that were unpaid and no estimated claims incurred, but not reported.

Latest financial statements for the self insurance fund are available for the year ended , have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

L. Commitments and Contingencies

1. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the County at September 30, 2012.

M. Closure and Postclosure Care Cost

State and federal laws and regulations require the County to place a final cover on its Brooks County Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$105,295. reported as landfill closure and postclosure care liability at September 30, 2012, represents the cumulative amount reported to date based on the use of 80 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$100,000.00 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2012. The landfill is still open as of 2012. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at September 30, 2012, investments of \$120,201. fair value are held for these purposes. These are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

N. Other Information

During July 2007, the Office of the Inspector General, Audit Division, conducted an audit of the County's Southwest Border Prosecution Initiative (SWBPI) funding which was awarded to the County by the U.S. Department of Justice (DOJ) Office of Justice Programs (OJP). The objective of the audit was to determine whether the SWBPI reimbursements received by the County were allowable, supported, and in accordance with applicable laws, regulations, and terms and conditions of the SWBPI guidelines. As a result of the audit, auditors identified questioned costs totaling \$1,921,274. The audit also disclosed that the County claimed and was reimbursed for cases for which the supporting case data could not be provided and cases that were ineligible under the SWBPI guidelines. The audit found that reimbursement requests were not always supported by the County's master case list, resulting in an excess number of cases submitted for reimbursement.

BROOKS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

As of 2012, the U.S. Department of the Treasury has garnished/withheld \$718,557.59 (the "Garnished Amount") owed to Brooks County on behalf of LCS Corrections Services ("LCS") by the U.S. Marshal Service and the Federal Bureau of Prisons. However, these funds were primarily for further Reimbursement to LCS, a private detention company, for providing services to federal inmates. In addition, The Office of Justice Programs is also withholding funds which were submitted for reimbursement by the County for SWBPI claims submitted after the federal audit from 2007 was completed as referenced above. As of the date of this report, the amount garnished from Brooks County bank accounts totaled \$718,557.59. The County has taken steps to negotiate a lump sum payment with the U.S. Department of the Treasury. Brooks County will propose a settlement agreement (the "Settlement Agreement") with the proper federal entity whereby (1) Brooks County agrees to pay the Settlement Agreement and agrees to add such Settlement Amount to the already submitted prior payment; (2) the federal entity agrees to release the Garnished Amount upon receiving the Settlement Amount; (3) the federal entity agrees to final settlement of all issues relating to Audit, including final settlement of questioned costs and all related parties, interests and any other

O. Subsequent Events

The Organization has evaluated subsequent events through August 5, 2013, the date which the financial statements were available to be issued.

P. Prior Period Adjustment

The balance of net assets at the beginning of the fiscal year 2012 has been restated from the balance previously reported in 2011, to reflect an adjustment of \$334,457 for an understatement of due from government. Therefore, net assets for 2011 have been restated to reflect this increase. The effect of the correction of this error is an increase to ending net assets at September 30, 2012.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

BROOKS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT B-1
Page 1 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 4,413,664	\$ 4,413,664	\$ 4,314,684	\$ (98,980)
License and Permits	12,400	12,400	5,563	(6,837)
Intergovernmental	217,068	221,732	238,370	16,638
Charges for Services	493,310	493,310	489,926	(3,384)
Fines and Forfeitures	721,500	721,500	693,044	(28,456)
Fees of Office	89,750	89,750	93,777	4,027
Investment Earnings	10,000	10,000	14,554	4,554
Miscellaneous Revenues	2,000	2,000	35,725	33,725
Total revenues	<u>5,959,692</u>	<u>5,964,356</u>	<u>5,885,643</u>	<u>(78,713)</u>
EXPENDITURES:				
General Government				
Commissioners' Court				
<i>Supplies</i>	1,050	1,050	487	563
<i>Other Services and Charges</i>	6,925	6,925	5,192	1,733
Total Commissioners' Court	<u>7,975</u>	<u>7,975</u>	<u>5,679</u>	<u>2,296</u>
County Judge				
<i>Personal Services</i>	115,067	115,067	111,159	3,908
<i>Supplies</i>	2,000	2,000	1,099	901
<i>Other Services and Charges</i>	5,950	5,950	4,557	1,393
Total County Judge	<u>123,017</u>	<u>123,017</u>	<u>116,815</u>	<u>6,202</u>
County Clerk				
<i>Personal Services</i>	156,715	156,715	130,366	26,349
<i>Supplies</i>	4,700	4,700	2,096	2,604
<i>Other Services and Charges</i>	4,000	4,000	1,853	2,147
Total County Clerk	<u>165,415</u>	<u>165,415</u>	<u>134,315</u>	<u>31,100</u>
County Service Officer				
<i>Personal Services</i>	20,016	20,016	19,761	255
<i>Supplies</i>	1,000	1,000	1,246	(246)
<i>Other Services and Charges</i>	10,000	10,000	7,189	2,811
Total County Service Officer	<u>31,016</u>	<u>31,016</u>	<u>28,196</u>	<u>2,820</u>
County Auditor				
<i>Personal Services</i>	272,654	272,654	175,952	96,702
<i>Supplies</i>	7,500	7,500	3,972	3,528
<i>Other Services and Charges</i>	7,700	7,700	3,465	4,235
Total County Auditor	<u>287,854</u>	<u>287,854</u>	<u>183,389</u>	<u>104,465</u>
County Treasurer				
<i>Personal Services</i>	106,982	106,982	100,661	6,321
<i>Supplies</i>	1,500	1,500	987	513
<i>Other Services and Charges</i>	3,000	3,000	3,222	(222)
Total County Treasurer	<u>111,482</u>	<u>111,482</u>	<u>104,870</u>	<u>6,612</u>
Tax Assessor-Collector				
<i>Personal Services</i>	119,840	119,840	115,303	4,537
<i>Supplies</i>	1,400	1,400	364	1,036
<i>Other Services and Charges</i>	23,000	23,000	22,235	765
Total Tax Assessor-Collector	<u>144,240</u>	<u>144,240</u>	<u>137,902</u>	<u>6,338</u>
Courthouse and Buildings				
<i>Personal Services</i>	33,463	33,463	33,912	(449)
<i>Supplies</i>	13,800	13,800	13,725	75
<i>Other Services and Charges</i>	269,310	269,310	274,519	(5,209)
Total Courthouse and Buildings	<u>316,573</u>	<u>316,573</u>	<u>322,156</u>	<u>(5,583)</u>

BROOKS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT B-1
Page 2 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Voter Registration				
<i>Personal Services</i>	56,829	61,493	67,247	(5,754)
<i>Supplies</i>	1,000	1,000	415	585
<i>Other Services and Charges</i>	15,582	15,582	20,132	(4,550)
<i>Total Voters Registration</i>	<u>73,411</u>	<u>78,075</u>	<u>87,794</u>	<u>(9,719)</u>
Non-Departmental				
<i>Other Services and Charges</i>	799,506	799,506	671,723	127,783
<i>Total Non-Departmental</i>	<u>799,506</u>	<u>799,506</u>	<u>671,723</u>	<u>127,783</u>
Total General Government	<u>2,060,489</u>	<u>2,065,153</u>	<u>1,792,839</u>	<u>272,314</u>
Judicial				
County court				
<i>Personal Services</i>	38,685	38,685	38,144	541
<i>Supplies</i>	200	200	--	200
<i>Other Services and Charges</i>	10,200	10,200	5,185	5,015
<i>Total County Court</i>	<u>49,085</u>	<u>49,085</u>	<u>43,329</u>	<u>5,756</u>
District Court				
<i>Personal Services</i>	121,115	121,115	90,325	30,790
<i>Supplies</i>	81,000	81,000	81,694	(694)
<i>Other Services and Charges</i>	50,970	50,970	13,975	36,995
<i>Total District Court</i>	<u>253,085</u>	<u>253,085</u>	<u>185,994</u>	<u>67,091</u>
District Clerk				
<i>Personal Services</i>	133,848	133,848	131,184	2,664
<i>Supplies</i>	6,000	6,000	3,236	2,764
<i>Other Services and Charges</i>	5,300	5,300	3,681	1,619
<i>Total District Clerk</i>	<u>145,148</u>	<u>145,148</u>	<u>138,101</u>	<u>7,047</u>
Justice of the Peace				
<i>Personal Services</i>	298,323	298,323	289,286	9,037
<i>Supplies</i>	4,600	4,600	4,626	(26)
<i>Other Services and Charges</i>	10,800	10,800	8,490	2,310
<i>Total Justice of the Peace</i>	<u>313,723</u>	<u>313,723</u>	<u>302,402</u>	<u>11,321</u>
County Attorney				
<i>Personal Services</i>	121,818	121,818	117,754	4,064
<i>Supplies</i>	3,000	3,000	1,302	1,698
<i>Other Services and Charges</i>	4,850	4,850	1,455	3,395
<i>Total County Attorney</i>	<u>129,668</u>	<u>129,668</u>	<u>120,511</u>	<u>9,157</u>
District Attorney				
<i>Personal Services</i>	91,529	91,529	89,881	1,648
<i>Supplies</i>	5,500	5,500	4,465	1,035
<i>Other Services and Charges</i>	4,500	4,500	1,367	3,133
<i>Total District Attorney</i>	<u>101,529</u>	<u>101,529</u>	<u>95,713</u>	<u>5,816</u>
Juvenile Court				
<i>Personal Services</i>	11,600	11,600	11,450	150
<i>Total Juvenile Court</i>	<u>11,600</u>	<u>11,600</u>	<u>11,450</u>	<u>150</u>
Total Judicial	<u>1,003,838</u>	<u>1,003,838</u>	<u>897,500</u>	<u>106,338</u>
Public Safety				
911 Addressing				
<i>Personal Services</i>	41,954	41,954	42,056	(102)
<i>Supplies</i>	500	500	109	391
<i>Other Services and Charges</i>	2,500	2,500	1,142	1,358
<i>Total 911 Addressing</i>	<u>44,954</u>	<u>44,954</u>	<u>43,307</u>	<u>1,647</u>

BROOKS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT B-1
Page 3 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Adult Probation				
<i>Supplies</i>	100	100	46	54
<i>Other Services and Charges</i>	93,500	93,500	92,543	957
<i>Total Adult Probation</i>	93,600	93,600	92,589	1,011
Constables				
<i>Personal Services</i>	77,397	77,397	72,611	4,786
<i>Supplies</i>	2,000	2,000	1,022	978
<i>Other Services and Charges</i>	16,600	16,600	19,150	(2,550)
<i>Total Constables</i>	95,997	95,997	92,783	3,214
Sheriff				
<i>Personal Services</i>	591,632	591,632	584,776	6,856
<i>Supplies</i>	11,000	8,154	59,758	(51,604)
<i>Other Services and Charges</i>	79,100	86,946	30,800	56,146
<i>Total Sheriff</i>	681,732	686,732	675,334	11,398
County Jail				
<i>Personal Services</i>	382,230	382,230	384,256	(2,026)
<i>Supplies</i>	13,950	13,950	45,194	(31,244)
<i>Other Services and Charges</i>	90,000	90,000	74,098	15,902
<i>Total County Jail</i>	486,180	486,180	503,548	(17,368)
Fire Marshall & LEPC Coordinator				
<i>Personal Services</i>	38,460	38,460	37,419	1,041
<i>Supplies</i>	500	500	370	130
<i>Other Services and Charges</i>	6,850	6,850	6,546	304
<i>Total Fire Marshall & LEPC</i>	45,810	45,810	44,335	1,475
<i>Total Public Safety</i>	1,448,273	1,453,273	1,451,896	1,377
Public Transportation				
Texas Department of Public Safety				
<i>Personal Services</i>	24,390	24,390	22,027	2,363
<i>Supplies</i>	1,500	1,500	498	1,002
<i>Other Services and Charges</i>	6,400	6,400	3,714	2,686
<i>Total Texas Department of Public Safety</i>	32,290	32,290	26,239	6,051
Weigh Station				
<i>Personal Services</i>	30,948	30,948	29,699	1,249
<i>Supplies</i>	1,500	1,500	466	1,034
<i>Other Services and Charges</i>	4,250	4,250	3,293	957
<i>Total Weigh Station</i>	36,698	36,698	33,458	3,240
<i>Total Public Transportation</i>	68,988	68,988	59,697	9,291
Health and Welfare				
<i>Other Services and Charges</i>	38,250	38,250	119,819	(81,569)
<i>Total Health and Welfare</i>	38,250	38,250	119,819	(81,569)
Out-Patient Clinic				
<i>Personal Services</i>	--	--	50,011	(50,011)
<i>Supplies</i>	--	--	643	(643)
<i>Other Services and Charges</i>	59,408	59,408	1,225	58,183
<i>Total Out-Patient Clinic</i>	59,408	59,408	51,879	7,529
Indigent				
<i>Other Services and Charges</i>	107,000	107,000	642,713	(535,713)
<i>Total Indigent</i>	107,000	107,000	642,713	(535,713)
Commodities Distribution				
<i>Personal Services</i>	23,915	23,915	26,450	(2,535)
<i>Supplies</i>	500	500	125	375
<i>Other Services and Charges</i>	12,900	12,900	9,232	3,668
<i>Total Commodities Distribution</i>	37,315	37,315	35,807	1,508
<i>Total Health and Welfare</i>	241,973	241,973	850,218	(608,245)

BROOKS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT B-1
Page 4 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture and Recreation				
Library				
<i>Personal Services</i>	116,318	116,318	81,372	34,946
<i>Supplies</i>	12,000	12,000	11,988	12
<i>Other Services and Charges</i>	16,575	16,575	2,081	14,494
<i>Total Library</i>	<u>144,893</u>	<u>144,893</u>	<u>95,441</u>	<u>49,452</u>
Total Culture and Recreation	<u>144,893</u>	<u>144,893</u>	<u>95,441</u>	<u>49,452</u>
Conservation				
County Extension Agent				
<i>Personal Services</i>	88,089	88,089	82,763	5,326
<i>Supplies</i>	5,000	5,000	4,451	549
<i>Other Services and Charges</i>	11,800	11,800	11,393	407
<i>Total County Extension Agent</i>	<u>104,889</u>	<u>104,889</u>	<u>98,607</u>	<u>6,282</u>
Total Conservation	<u>104,889</u>	<u>104,889</u>	<u>98,607</u>	<u>6,282</u>
Total Expenditures	<u>5,073,343</u>	<u>5,083,007</u>	<u>5,246,198</u>	<u>(163,191)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>886,349</u>	<u>881,349</u>	<u>639,445</u>	<u>(241,904)</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	400,000	400,000	76,838	(323,162)
<i>Transfers Out</i>	(944,000)	(944,000)	(926,000)	(18,000)
Total Other Financing Sources (Uses)	<u>(544,000)</u>	<u>(544,000)</u>	<u>(849,162)</u>	<u>305,162</u>
Net Change in Fund Balances	<u>342,349</u>	<u>337,349</u>	<u>(209,717)</u>	<u>(547,066)</u>
Fund Balances - Beginning	276,350	276,350	276,350	--
Increase (Decrease) in Fund Balance	--	--	334,457	334,457
Fund Balances - Ending	<u>\$ 618,699</u>	<u>\$ 613,699</u>	<u>\$ 401,090</u>	<u>\$ (212,609)</u>

BROOKS COUNTY, TEXAS
FEDERAL ARREST DRUG FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Fines and Forfeitures	\$ 90,000	\$ 90,000	\$ --	\$ (90,000)
Investment Earnings	200	200	65	(135)
Total revenues	<u>90,200</u>	<u>90,200</u>	<u>65</u>	<u>(90,135)</u>
EXPENDITURES:				
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>90,200</u>	<u>90,200</u>	<u>65</u>	<u>(90,135)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(75,000)</u>	<u>(75,000)</u>	<u>--</u>	<u>(75,000)</u>
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>--</u>	<u>(75,000)</u>
Net Change in Fund Balances	15,200	15,200	65	(15,135)
Fund Balances - Beginning	180,709	180,709	(820,933)	(1,001,642)
Fund Balances - Ending	<u>\$ 195,909</u>	<u>\$ 195,909</u>	<u>\$ (820,868)</u>	<u>\$ (1,016,777)</u>

BROOKS COUNTY, TEXAS
LCS / I.C.E.
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT B-3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 7,357,000	\$ 7,357,000	\$ 7,927,515	\$ 570,515
Investment Earnings	1,500	1,500	711	(789)
Total revenues	<u>7,358,500</u>	<u>7,358,500</u>	<u>7,928,226</u>	<u>569,726</u>
EXPENDITURES:				
Public Safety				
<i>Other Services and Charges</i>	7,025,000	7,025,000	7,650,473	(625,473)
<i>Total Public Safety</i>	<u>7,025,000</u>	<u>7,025,000</u>	<u>7,650,473</u>	<u>(625,473)</u>
Total Public Safety	<u>7,025,000</u>	<u>7,025,000</u>	<u>7,650,473</u>	<u>(625,473)</u>
Total Expenditures	<u>7,025,000</u>	<u>7,025,000</u>	<u>7,650,473</u>	<u>(625,473)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>333,500</u>	<u>333,500</u>	<u>277,753</u>	<u>(55,747)</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	<u>(325,000)</u>	<u>(325,000)</u>	<u>(76,838)</u>	<u>(248,162)</u>
Total Other Financing Sources (Uses)	<u>(325,000)</u>	<u>(325,000)</u>	<u>(76,838)</u>	<u>(248,162)</u>
Net Change in Fund Balances	8,500	8,500	200,915	192,415
Fund Balances - Beginning	159	159	(919,473)	(919,632)
Fund Balances - Ending	<u>\$ 8,659</u>	<u>\$ 8,659</u>	<u>\$ (718,558)</u>	<u>\$ (727,217)</u>

BROOKS COUNTY, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

YEAR ENDED SEPTEMBER 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
9/30/09	\$ 12,044,442	\$ 10,857,927	\$ (1,186,515)	110.9%	\$ 3,149,488	-37.7%
9/30/10	12,372,477	11,405,240	(967,237)	108.5%	3,247,654	-29.8%
9/30/11	13,096,866	12,424,059	(672,807)	105.4%	3,162,062	-21.3%

*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 1,063,734	\$ 219,961	\$ 8,341	\$ 1,292,036
<i>Restricted Cash</i>	120,201	--	--	120,201
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	59,051	--	--	59,051
<i>Intergovernmental Receivable</i>	40,000	--	--	40,000
<i>Due from Other Funds</i>	12,853	--	--	12,853
Total Assets	<u>\$ 1,295,839</u>	<u>\$ 219,961</u>	<u>\$ 8,341</u>	<u>\$ 1,524,141</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 101,776	\$ --	\$ --	\$ 101,776
<i>Due to Other Funds</i>	180,639	--	--	180,639
<i>Due to Other Governments and Agencies</i>	40,000	--	--	40,000
<i>Deferred Revenue</i>	59,053	--	--	59,053
Total Liabilities	<u>381,468</u>	<u>--</u>	<u>--</u>	<u>381,468</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	914,371	--	--	914,371
Retirement of Long-Term Debt	--	219,961	--	219,961
Committed Fund Balance:				
Construction	--	--	8,341	8,341
Other Committed Fund Balance	--	--	--	--
Assigned Fund Balance:				
Other Assigned Fund Balance	--	--	--	--
Unassigned Fund Balance				
Total Fund Balance	<u>914,371</u>	<u>219,961</u>	<u>8,341</u>	<u>1,142,673</u>
Total Liabilities and Fund Balance	<u>\$ 1,295,839</u>	<u>\$ 219,961</u>	<u>\$ 8,341</u>	<u>\$ 1,524,141</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:				
Taxes:				
<i>General Property Taxes</i>	\$ 1,259,453	\$ 314,984	\$ --	\$ 1,574,437
<i>General Sales and Use Taxes</i>	341,297	--	--	341,297
<i>License and Permits</i>	426,110	--	--	426,110
<i>Intergovernmental</i>	673,579	--	301,983	975,562
<i>Charges for Services</i>	19,946	--	--	19,946
<i>Fines and Forfeitures</i>	487,295	--	--	487,295
<i>Fees of Office</i>	48,334	--	--	48,334
<i>Investment Earnings</i>	5,657	1,486	--	7,143
<i>Miscellaneous Revenues</i>	7,868	--	--	7,868
Total revenues	<u>3,269,539</u>	<u>316,470</u>	<u>301,983</u>	<u>3,887,992</u>
Expenditures:				
Current:				
<i>Judicial</i>	73,986	--	--	73,986
<i>Public Safety</i>	1,267,393	--	--	1,267,393
<i>Public Transportation</i>	1,317,917	--	--	1,317,917
<i>Health and Welfare</i>	692,747	--	--	692,747
<i>Culture and Recreation</i>	10,426	--	21	10,447
<i>Conservation</i>	12,908	--	--	12,908
<i>Economic Development and Assistance</i>	59,975	--	--	59,975
Debt Service:				
<i>Principal</i>	57,638	175,000	--	232,638
<i>Interest and Fiscal Charges</i>	49,945	127,408	--	177,353
Total Expenditures	<u>3,542,935</u>	<u>302,408</u>	<u>21</u>	<u>3,845,364</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(273,396)</u>	<u>14,062</u>	<u>301,962</u>	<u>42,628</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	351,000	--	101,206	452,206
<i>Transfers Out</i>	(95,000)	--	--	(95,000)
Total Other Financing Sources (Uses)	<u>256,000</u>	<u>--</u>	<u>101,206</u>	<u>357,206</u>
Net Change in Fund Balances	<u>(17,396)</u>	<u>14,062</u>	<u>403,168</u>	<u>399,834</u>
Fund Balances - Beginning	931,767	205,899	(394,827)	742,839
Fund Balances - Ending	<u>\$ 914,371</u>	<u>\$ 219,961</u>	<u>\$ 8,341</u>	<u>\$ 1,142,673</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2012

	<u>Road & Bridge Fund</u>	<u>Management & Preservation Fund</u>	<u>Courthouse Security</u>	<u>Lateral Road Fund</u>
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 125,531	\$ 58,856	\$ 13,228	\$ 4,325
<i>Restricted Cash</i>	--	--	--	--
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	59,051	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
Total Assets	<u>\$ 184,582</u>	<u>\$ 58,856</u>	<u>\$ 13,228</u>	<u>\$ 4,325</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 1,273	\$ --	\$ --	\$ --
<i>Due to Other Funds</i>	--	--	--	--
<i>Due to Other Governments and Agencies</i>	--	--	--	--
<i>Deferred Revenue</i>	59,053	--	--	--
Total Liabilities	<u>60,326</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	124,256	58,856	13,228	4,325
Retirement of Long-Term Debt	--	--	--	--
Committed Fund Balance:				
Construction	--	--	--	--
Other Committed Fund Balance	--	--	--	--
Assigned Fund Balance:				
Other Assigned Fund Balance	--	--	--	--
Unassigned Fund Balance				
Unassigned Fund Balance	--	--	--	--
Total Fund Balance	<u>124,256</u>	<u>58,856</u>	<u>13,228</u>	<u>4,325</u>
Total Liabilities and Fund Balance	<u>\$ 184,582</u>	<u>\$ 58,856</u>	<u>\$ 13,228</u>	<u>\$ 4,325</u>

<u>Prevention & Treatment Fund</u>	<u>County Attorney Hot Check Fund</u>	<u>Homeland Security</u>	<u>Ed Rachal Sheriff Grant</u>	<u>Employee Vending Machine Commission Fund</u>
\$ 4,214	\$ 23,981	\$ 30,108	\$ 6,837	\$ 674
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 4,214</u>	<u>\$ 23,981</u>	<u>\$ 30,108</u>	<u>\$ 6,837</u>	<u>\$ 674</u>
\$ 25	\$ --	\$ --	\$ 380	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>25</u>	<u>--</u>	<u>--</u>	<u>380</u>	<u>--</u>
4,189	23,981	30,108	6,457	674
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>4,189</u>	<u>23,981</u>	<u>30,108</u>	<u>6,457</u>	<u>674</u>
<u>\$ 4,214</u>	<u>\$ 23,981</u>	<u>\$ 30,108</u>	<u>\$ 6,837</u>	<u>\$ 674</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2012

	Border Prosecutor's Program	Election Service Contract Fund	Disaster Relief	County Airport
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 51,080	\$ 10,588	\$ --	\$ 5,269
<i>Restricted Cash</i>	--	--	--	--
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
Total Assets	<u>\$ 51,080</u>	<u>\$ 10,588</u>	<u>\$ --</u>	<u>\$ 5,269</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ 2,231
<i>Due to Other Funds</i>	35,000	--	--	--
<i>Due to Other Governments and Agencies</i>	40,000	--	--	--
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	<u>75,000</u>	<u>--</u>	<u>--</u>	<u>2,231</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	(23,920)	10,588	--	3,038
Retirement of Long-Term Debt	--	--	--	--
Committed Fund Balance:				
Construction	--	--	--	--
Other Committed Fund Balance	--	--	--	--
Assigned Fund Balance:				
Other Assigned Fund Balance	--	--	--	--
Unassigned Fund Balance				
Total Fund Balance	<u>(23,920)</u>	<u>10,588</u>	<u>--</u>	<u>3,038</u>
Total Liabilities and Fund Balance	<u>\$ 51,080</u>	<u>\$ 10,588</u>	<u>\$ --</u>	<u>\$ 5,269</u>

Law Library Fund	Sheriff Seizure	LEOSE State Allocations	Historical & Development Fund	Justice Crt Technology Fund
\$ 26,110	\$ 51,335	\$ 29,887	\$ 4,462	\$ 157,177
--	--	--	--	--
--	--	--	--	--
--	12,853	--	--	--
<u>\$ 26,110</u>	<u>\$ 64,188</u>	<u>\$ 29,887</u>	<u>\$ 4,462</u>	<u>\$ 157,177</u>
\$ 593	\$ 9,569	\$ --	\$ --	\$ 11,334
--	132,786	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>593</u>	<u>142,355</u>	<u>--</u>	<u>--</u>	<u>11,334</u>
25,517	(78,167)	29,887	4,462	145,843
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>25,517</u>	<u>(78,167)</u>	<u>29,887</u>	<u>4,462</u>	<u>145,843</u>
<u>\$ 26,110</u>	<u>\$ 64,188</u>	<u>\$ 29,887</u>	<u>\$ 4,462</u>	<u>\$ 157,177</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2012

	Parents Helping Parents Fund	Health Use Sales Tax Fund	Ed Rachal Audio Visual Fund	TDHCA#720015 HWY 281 Water Project
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 269	\$ 40,367	\$ 1,490	\$ --
<i>Restricted Cash</i>	--	120,201	--	--
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
Total Assets	<u>\$ 269</u>	<u>\$ 160,568</u>	<u>\$ 1,490</u>	<u>\$ --</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ 69,624	\$ --	\$ --
<i>Due to Other Funds</i>	--	--	--	--
<i>Due to Other Governments and Agencies</i>	--	--	--	--
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>69,624</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	269	90,944	1,490	--
Retirement of Long-Term Debt	--	--	--	--
Committed Fund Balance:				
Construction	--	--	--	--
Other Committed Fund Balance	--	--	--	--
Assigned Fund Balance:				
Other Assigned Fund Balance	--	--	--	--
Unassigned Fund Balance	--	--	--	--
Total Fund Balance	<u>269</u>	<u>90,944</u>	<u>1,490</u>	<u>--</u>
Total Liabilities and Fund Balance	<u>\$ 269</u>	<u>\$ 160,568</u>	<u>\$ 1,490</u>	<u>\$ --</u>

	<u>79th Judicial Dist/Drug Alcohol Fund</u>	<u>Drug Alcohol Court Diversion Program</u>	<u>TCDP #726055 Colonia Construction</u>	<u>Brush Country Water District</u>	<u>Sheriff Local Border Security Fund</u>
	\$ 24,044	\$ 100,931	\$ --	\$ 5,592	\$ 2,268
	--	--	--	--	--
	--	--	--	--	--
	--	--	--	--	--
	<u>\$ 24,044</u>	<u>\$ 100,931</u>	<u>\$ --</u>	<u>\$ 5,592</u>	<u>\$ 2,268</u>
	\$ --	\$ --	\$ --	\$ 509	\$ --
	--	--	--	--	--
	--	--	--	--	--
	--	--	--	--	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>509</u>	<u>--</u>
	24,044	100,931	--	5,083	2,268
	--	--	--	--	--
	--	--	--	--	--
	--	--	--	--	--
	<u>24,044</u>	<u>100,931</u>	<u>--</u>	<u>5,083</u>	<u>2,268</u>
	<u>\$ 24,044</u>	<u>\$ 100,931</u>	<u>\$ --</u>	<u>\$ 5,592</u>	<u>\$ 2,268</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2012

	<u>Sheriff Federal Seizure Fund</u>	<u>Constable Seizure Fund</u>	<u>Community Safety Initiative Grant</u>	<u>Juvenile Probation Match</u>
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 157	\$ 92,120	\$ 12,853	\$ 164,719
<i>Restricted Cash</i>	--	--	--	--
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
Total Assets	<u>\$ 157</u>	<u>\$ 92,120</u>	<u>\$ 12,853</u>	<u>\$ 164,719</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ (93)	\$ 1,394	\$ --	\$ 4,937
<i>Due to Other Funds</i>	--	--	12,853	--
<i>Due to Other Governments and Agencies</i>	--	--	--	--
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	<u>(93)</u>	<u>1,394</u>	<u>12,853</u>	<u>4,937</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	250	90,726	--	159,782
Retirement of Long-Term Debt	--	--	--	--
Committed Fund Balance:				
Construction	--	--	--	--
Other Committed Fund Balance	--	--	--	--
Assigned Fund Balance:				
Other Assigned Fund Balance	--	--	--	--
Unassigned Fund Balance				
Total Fund Balance	<u>250</u>	<u>90,726</u>	<u>--</u>	<u>159,782</u>
Total Liabilities and Fund Balance	<u>\$ 157</u>	<u>\$ 92,120</u>	<u>\$ 12,853</u>	<u>\$ 164,719</u>

TJPC-E VERTEX FUND	Certificate of Obligation Series 2011	Celebration Fund	Ed Rachal Carter Family Foundation	Encino Water Plant Back Up Generator
\$ 1,338	\$ 3,336	\$ 4,413	\$ 4,000	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 1,338</u>	<u>\$ 3,336</u>	<u>\$ 4,413</u>	<u>\$ 4,000</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1,338	3,336	4,413	4,000	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>1,338</u>	<u>3,336</u>	<u>4,413</u>	<u>4,000</u>	<u>--</u>
<u>\$ 1,338</u>	<u>\$ 3,336</u>	<u>\$ 4,413</u>	<u>\$ 4,000</u>	<u>\$ --</u>

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2012

	J.M. Alaniz Fairgrounds Fees Fund	TXCDBG #727025 Phase 2 Septic	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS AND OTHER DEBITS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 2,175	\$ --	\$ 1,063,734
<i>Restricted Cash</i>	--	--	120,201
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	--	--	59,051
<i>Intergovernmental Receivable</i>	--	40,000	40,000
<i>Due from Other Funds</i>	--	--	12,853
Total Assets	<u>\$ 2,175</u>	<u>\$ 40,000</u>	<u>\$ 1,295,839</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
<i>Accounts Payable</i>	\$ --	\$ --	\$ 101,776
<i>Due to Other Funds</i>	--	--	180,639
<i>Due to Other Governments and Agencies</i>	--	--	40,000
<i>Deferred Revenue</i>	--	--	59,053
Total Liabilities	<u>--</u>	<u>--</u>	<u>381,468</u>
Fund Balances:			
Restricted Fund Balance:			
Federal or State Funds Grant Restriction	2,175	40,000	914,371
Retirement of Long-Term Debt	--	--	--
Committed Fund Balance:			
Construction	--	--	--
Other Committed Fund Balance	--	--	--
Assigned Fund Balance:			
Other Assigned Fund Balance	--	--	--
Unassigned Fund Balance	--	--	--
Total Fund Balance	<u>2,175</u>	<u>40,000</u>	<u>914,371</u>
Total Liabilities and Fund Balance	<u>\$ 2,175</u>	<u>\$ 40,000</u>	<u>\$ 1,295,839</u>

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BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Road & Bridge Fund	Management & Preservation Fund	Courthouse Security	Lateral Road Fund
Revenue:				
Taxes:				
<i>General Property Taxes</i>	\$ 1,173,654	\$ --	\$ --	\$ --
<i>General Sales and Use Taxes</i>	--	--	--	--
<i>License and Permits</i>	267,319	--	--	--
<i>Intergovernmental</i>	--	--	--	9,014
<i>Charges for Services</i>	16,421	--	--	--
<i>Fines and Forfeitures</i>	--	--	--	--
<i>Fees of Office</i>	--	11,697	17,509	--
<i>Investment Earnings</i>	1,735	278	108	33
<i>Miscellaneous Revenues</i>	7,625	--	--	--
Total revenues	<u>1,466,754</u>	<u>11,975</u>	<u>17,617</u>	<u>9,047</u>
Expenditures:				
Current:				
<i>Judicial</i>	--	--	--	--
<i>Public Safety</i>	--	--	33,126	4,831
<i>Public Transportation</i>	1,280,957	--	--	--
<i>Health and Welfare</i>	--	--	--	--
<i>Culture and Recreation</i>	--	4,768	--	--
<i>Conservation</i>	--	--	--	--
<i>Economic Development and Assistance</i>	--	--	--	--
Debt Service:				
<i>Principal</i>	22,638	--	--	--
<i>Interest and Fiscal Charges</i>	2,362	--	--	--
Total Expenditures	<u>1,305,957</u>	<u>4,768</u>	<u>33,126</u>	<u>4,831</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>160,797</u>	<u>7,207</u>	<u>(15,509)</u>	<u>4,216</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	--	--	--	--
<i>Transfers Out</i>	(95,000)	--	--	--
Total Other Financing Sources (Uses)	<u>(95,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	65,797	7,207	(15,509)	4,216
Fund Balances - Beginning	58,459	51,649	28,737	109
Fund Balances - Ending	<u>\$ 124,256</u>	<u>\$ 58,856</u>	<u>\$ 13,228</u>	<u>\$ 4,325</u>

Prevention & Treatment Fund	County Attorney Hot Check Fund	Homeland Security	Ed Rachal Sheriff Grant	Employee Vending Machine Commission Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
13,167	--	58,218	40,000	--
--	--	--	--	--
--	--	--	--	--
--	2,916	--	--	--
86	117	--	151	--
--	--	--	--	--
<u>13,253</u>	<u>3,033</u>	<u>58,218</u>	<u>40,151</u>	<u>243</u>
--	1,575	--	--	--
--	--	28,216	35,264	--
--	--	--	--	--
210,543	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>210,543</u>	<u>1,575</u>	<u>28,216</u>	<u>35,264</u>	<u>--</u>
<u>(197,290)</u>	<u>1,458</u>	<u>30,002</u>	<u>4,887</u>	<u>243</u>
200,000	--	--	--	--
--	--	--	--	--
<u>200,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
2,710	1,458	30,002	4,887	243
1,479	22,523	106	1,570	431
<u>\$ 4,189</u>	<u>\$ 23,981</u>	<u>\$ 30,108</u>	<u>\$ 6,457</u>	<u>\$ 674</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Border Prosecutor's Program	Election Service Contract Fund	Disaster Relief	County Airport
Revenue:				
Taxes:				
<i>General Property Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>General Sales and Use Taxes</i>	--	--	--	--
<i>License and Permits</i>	--	--	--	--
<i>Intergovernmental</i>	114,998	--	79,594	1,847
<i>Charges for Services</i>	--	--	--	--
<i>Fines and Forfeitures</i>	--	--	--	--
<i>Fees of Office</i>	--	--	--	--
<i>Investment Earnings</i>	--	53	--	48
<i>Miscellaneous Revenues</i>	--	--	--	--
Total revenues	<u>114,998</u>	<u>53</u>	<u>79,594</u>	<u>1,895</u>
Expenditures:				
Current:				
<i>Judicial</i>	--	--	--	--
<i>Public Safety</i>	96,587	--	79,594	--
<i>Public Transportation</i>	--	--	--	36,960
<i>Health and Welfare</i>	--	--	--	--
<i>Culture and Recreation</i>	--	--	--	--
<i>Conservation</i>	--	--	--	--
<i>Economic Development and Assistance</i>	--	--	--	--
Debt Service:				
<i>Principal</i>	--	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--	--
Total Expenditures	<u>96,587</u>	<u>--</u>	<u>79,594</u>	<u>36,960</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,411</u>	<u>53</u>	<u>--</u>	<u>(35,065)</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	--	--	--	25,000
<i>Transfers Out</i>	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,000</u>
Net Change in Fund Balances	18,411	53	--	(10,065)
Fund Balances - Beginning	(42,331)	10,535	--	13,103
Fund Balances - Ending	<u>\$ (23,920)</u>	<u>\$ 10,588</u>	<u>\$ --</u>	<u>\$ 3,038</u>

Law Library Fund	Sheriff Seizure	LEOSE State Allocations	Historical & Development Fund	Justice Crt Technology Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
3,525				
--	453,853			
--	--			
127	242	151	22	16,212
--	--	--	--	861
<u>3,652</u>	<u>454,095</u>	<u>151</u>	<u>22</u>	<u>17,073</u>
--	--	--	--	46,579
3,836	420,569	1,367	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>3,836</u>	<u>420,569</u>	<u>1,367</u>	<u>--</u>	<u>46,579</u>
<u>(184)</u>	<u>33,526</u>	<u>(1,216)</u>	<u>22</u>	<u>(29,506)</u>
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(184)	33,526	(1,216)	22	(29,506)
25,701	(111,693)	31,103	4,440	175,349
<u>\$ 25,517</u>	<u>\$ (78,167)</u>	<u>\$ 29,887</u>	<u>\$ 4,462</u>	<u>\$ 145,843</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Parents Helping Parents Fund	Health Use Sales Tax Fund	Ed Rachal Audio Visual Fund	79th Judicial Dist/Drug Alcohol Fund
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	341,297	--	--
License and Permits	--	--	--	--
Intergovernmental	--	--	--	133,776
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	--	--	--	--
Investment Earnings	--	571	30	--
Miscellaneous Revenues	--	--	--	--
Total revenues	<u>--</u>	<u>341,868</u>	<u>30</u>	<u>133,776</u>
Expenditures:				
Current:				
Judicial	--	--	--	--
Public Safety	--	--	--	133,776
Public Transportation	--	--	--	--
Health and Welfare	--	482,204	--	--
Culture and Recreation	--	--	5,658	--
Conservation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>--</u>	<u>482,204</u>	<u>5,658</u>	<u>133,776</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(140,336)</u>	<u>(5,628)</u>	<u>--</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	<u>--</u>	<u>(140,336)</u>	<u>(5,628)</u>	<u>--</u>
Fund Balances - Beginning	269	231,280	7,118	24,044
Fund Balances - Ending	<u>\$ 269</u>	<u>\$ 90,944</u>	<u>\$ 1,490</u>	<u>\$ 24,044</u>

<u>Drug Alcohol Court Diversion Program</u>	<u>TCDP #726055 Colonia Construction</u>	<u>Brush Country Water District</u>	<u>Sheriff Local Border Security Fund</u>	<u>Sheriff Federal Seizure Fund</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	1,925	15,000	--	--
--	--	--	--	--
33,442	--	--	--	--
--	--	--	--	--
476	--	--	--	12
--	--	--	--	--
<u>33,918</u>	<u>1,925</u>	<u>15,000</u>	<u>--</u>	<u>12</u>
25,832	--	--	--	--
--	--	--	--	9,971
--	--	--	--	--
--	--	--	--	--
--	--	12,908	--	--
--	1,925	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>25,832</u>	<u>1,925</u>	<u>12,908</u>	<u>--</u>	<u>9,971</u>
<u>8,086</u>	<u>--</u>	<u>2,092</u>	<u>--</u>	<u>(9,959)</u>
--	--	--	--	--
--	--	--	--	--
<u>8,086</u>	<u>--</u>	<u>2,092</u>	<u>--</u>	<u>(9,959)</u>
92,845	--	2,991	2,268	10,209
<u>\$ 100,931</u>	<u>\$ --</u>	<u>\$ 5,083</u>	<u>\$ 2,268</u>	<u>\$ 250</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Constable Seizure Fund	Community Safety Initiative Grant	Juvenile Probation Match
Revenue:			
Taxes:			
General Property Taxes	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	--
License and Permits	158,791	--	--
Intergovernmental	--	133	140,657
Charges for Services	--	--	--
Fines and Forfeitures	--	--	--
Fees of Office	--	--	--
Investment Earnings	478	--	--
Miscellaneous Revenues	--	--	--
Total revenues	<u>159,269</u>	<u>133</u>	<u>140,657</u>
Expenditures:			
Current:			
Judicial	--	--	--
Public Safety	171,908	--	246,005
Public Transportation	--	--	--
Health and Welfare	--	--	--
Culture and Recreation	--	--	--
Conservation	--	--	--
Economic Development and Assistance	--	--	--
Debt Service:			
Principal	--	--	--
Interest and Fiscal Charges	--	--	--
Total Expenditures	<u>171,908</u>	<u>--</u>	<u>246,005</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,639)</u>	<u>133</u>	<u>(105,348)</u>
Other Financing Sources (Uses):			
Transfers In	--	--	126,000
Transfers Out	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>126,000</u>
Net Change in Fund Balances	(12,639)	133	20,652
Fund Balances - Beginning	103,365	(133)	139,130
Fund Balances - Ending	<u>\$ 90,726</u>	<u>\$ --</u>	<u>\$ 159,782</u>

TJPC-E VERTEX FUND	Certificate of Obligation Series 2011	Celebration Fund	Ed Rachal Carter Family Foundation	Encino Water Plant Back Up Generator
\$ --	\$ 85,799	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	2,600	4,000	58,050
--	--	--	--	--
--	78	--	--	--
--	--	--	--	--
<u>--</u>	<u>85,877</u>	<u>2,600</u>	<u>4,000</u>	<u>58,050</u>
--	--	--	--	--
13	--	2,330	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	58,050
--	35,000	--	--	--
--	47,583	--	--	--
<u>13</u>	<u>82,583</u>	<u>2,330</u>	<u>--</u>	<u>58,050</u>
<u>(13)</u>	<u>3,294</u>	<u>270</u>	<u>4,000</u>	<u>--</u>
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(13)	3,294	270	4,000	--
1,351	42	4,143	--	--
<u>\$ 1,338</u>	<u>\$ 3,336</u>	<u>\$ 4,413</u>	<u>\$ 4,000</u>	<u>\$ --</u>

BROOKS COUNTY, TEXAS
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	J.M. Alaniz Fairgrounds Fees Fund	TXCDBG #727025 Phase 2 Septic	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:			
Taxes:			
<i>General Property Taxes</i>	\$ --	\$ --	\$ 1,259,453
<i>General Sales and Use Taxes</i>	--	--	341,297
<i>License and Permits</i>	--	--	426,110
<i>Intergovernmental</i>	600	--	673,579
<i>Charges for Services</i>	--	--	19,946
<i>Fines and Forfeitures</i>	--	--	487,295
<i>Fees of Office</i>	--	--	48,334
<i>Investment Earnings</i>	--	--	5,657
<i>Miscellaneous Revenues</i>	--	--	7,868
Total revenues	<u>600</u>	<u>--</u>	<u>3,269,539</u>
Expenditures:			
Current:			
<i>Judicial</i>	--	--	73,986
<i>Public Safety</i>	--	--	1,267,393
<i>Public Transportation</i>	--	--	1,317,917
<i>Health and Welfare</i>	--	--	692,747
<i>Culture and Recreation</i>	--	--	10,426
<i>Conservation</i>	--	--	12,908
<i>Economic Development and Assistance</i>	--	--	59,975
Debt Service:			
<i>Principal</i>	--	--	57,638
<i>Interest and Fiscal Charges</i>	--	--	49,945
Total Expenditures	<u>--</u>	<u>--</u>	<u>3,542,935</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>600</u>	<u>--</u>	<u>(273,396)</u>
Other Financing Sources (Uses):			
<i>Transfers In</i>	--	--	351,000
<i>Transfers Out</i>	--	--	(95,000)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>256,000</u>
Net Change in Fund Balances	600	--	(17,396)
Fund Balances - Beginning	1,575	40,000	931,767
Fund Balances - Ending	<u>\$ 2,175</u>	<u>\$ 40,000</u>	<u>\$ 914,371</u>

BROOKS COUNTY, TEXAS
ROAD & BRIDGE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 1,183,671	\$ 1,183,671	\$ 1,173,654	\$ (10,017)
License and Permits	266,000	266,000	267,319	1,319
Charges for Services	8,000	8,000	16,421	8,421
Investment Earnings	2,000	2,000	1,735	(265)
Miscellaneous Revenues	6,500	6,500	7,625	1,125
Total revenues	<u>1,466,171</u>	<u>1,466,171</u>	<u>1,466,754</u>	<u>583</u>
EXPENDITURES:				
Public Transportation				
<i>Public Transportation</i>				
<i>Personal Services</i>	1,035,544	1,035,544	921,832	113,712
<i>Supplies</i>	25,100	25,100	195,732	(170,632)
<i>Other Services and Charges</i>	335,790	335,790	163,393	172,397
Total Public Transportation	<u>1,396,434</u>	<u>1,396,434</u>	<u>1,280,957</u>	<u>115,477</u>
Total Public Transportation	<u>1,396,434</u>	<u>1,396,434</u>	<u>1,280,957</u>	<u>115,477</u>
<i>Debt Service:</i>				
<i>Principal</i>	25,000	25,000	22,638	2,362
<i>Interest and Fiscal Charges</i>	--	--	2,362	(2,362)
Total Expenditures	<u>1,421,434</u>	<u>1,421,434</u>	<u>1,305,957</u>	<u>115,477</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>44,737</u>	<u>44,737</u>	<u>160,797</u>	<u>116,060</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	(95,000)	(95,000)	(95,000)	--
Total Other Financing Sources (Uses)	<u>(95,000)</u>	<u>(95,000)</u>	<u>(95,000)</u>	<u>--</u>
Net Change in Fund Balances	<u>(50,263)</u>	<u>(50,263)</u>	<u>65,797</u>	<u>116,060</u>
Fund Balances - Beginning	58,459	58,459	58,459	--
Fund Balances - Ending	<u>\$ 8,196</u>	<u>\$ 8,196</u>	<u>\$ 124,256</u>	<u>\$ 116,060</u>

BROOKS COUNTY, TEXAS
COURTHOUSE SECURITY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Fees of Office	\$ 20,300	\$ 20,300	\$ 17,509	\$ (2,791)
Investment Earnings	300	300	108	(192)
Total revenues	<u>20,600</u>	<u>20,600</u>	<u>17,617</u>	<u>(2,983)</u>
EXPENDITURES:				
Public Safety				
<i>Personal Services</i>	50,567	50,567	33,126	17,441
<i>Total Public Safety</i>	<u>50,567</u>	<u>50,567</u>	<u>33,126</u>	<u>17,441</u>
Total Public Safety	<u>50,567</u>	<u>50,567</u>	<u>33,126</u>	<u>17,441</u>
Total Expenditures	<u>50,567</u>	<u>50,567</u>	<u>33,126</u>	<u>17,441</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(29,967)</u>	<u>(29,967)</u>	<u>(15,509)</u>	<u>14,458</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(29,967)	(29,967)	(15,509)	14,458
Fund Balances - Beginning	28,737	28,737	28,737	--
Fund Balances - Ending	<u>\$ (1,230)</u>	<u>\$ (1,230)</u>	<u>\$ 13,228</u>	<u>\$ 14,458</u>

BROOKS COUNTY, TEXAS
LATERAL ROAD
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 9,014	\$ 1,014
Investment Earnings	50	50	33	(17)
Total revenues	<u>8,050</u>	<u>8,050</u>	<u>9,047</u>	<u>997</u>
EXPENDITURES:				
Public Safety				
<i>Other Services and Charges</i>	8,000	8,000	4,831	3,169
<i>Total Public Safety</i>	<u>8,000</u>	<u>8,000</u>	<u>4,831</u>	<u>3,169</u>
Total Public Safety	<u>8,000</u>	<u>8,000</u>	<u>4,831</u>	<u>3,169</u>
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>4,831</u>	<u>3,169</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>50</u>	<u>50</u>	<u>4,216</u>	<u>4,166</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	50	50	4,216	4,166
Fund Balances - Beginning	109	109	109	--
Fund Balances - Ending	<u>\$ 159</u>	<u>\$ 159</u>	<u>\$ 4,325</u>	<u>\$ 4,166</u>

BROOKS COUNTY, TEXAS
PREVENTION & TREATMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 17,000	\$ 17,000	\$ 13,167	\$ (3,833)
Investment Earnings	100	100	86	(14)
Total revenues	<u>17,100</u>	<u>17,100</u>	<u>13,253</u>	<u>(3,847)</u>
EXPENDITURES:				
Health and Welfare				
<i>Other Services and Charges</i>	<u>83,000</u>	<u>83,000</u>	<u>210,543</u>	<u>(127,543)</u>
<i>Total Health and Welfare</i>	<u>83,000</u>	<u>83,000</u>	<u>210,543</u>	<u>(127,543)</u>
Total Health and Welfare	<u>83,000</u>	<u>83,000</u>	<u>210,543</u>	<u>(127,543)</u>
Total Expenditures	<u>83,000</u>	<u>83,000</u>	<u>210,543</u>	<u>(127,543)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(65,900)</u>	<u>(65,900)</u>	<u>(197,290)</u>	<u>(131,390)</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	<u>75,000</u>	<u>75,000</u>	<u>200,000</u>	<u>125,000</u>
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>75,000</u>	<u>200,000</u>	<u>(125,000)</u>
Net Change in Fund Balances	9,100	9,100	2,710	(6,390)
Fund Balances - Beginning	<u>1,479</u>	<u>1,479</u>	<u>1,479</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 10,579</u>	<u>\$ 10,579</u>	<u>\$ 4,189</u>	<u>\$ (6,390)</u>

BROOKS COUNTY, TEXAS
 COUNTY AIRPORT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 1,847	\$ (153)
Investment Earnings	50	50	48	(2)
Total revenues	<u>2,050</u>	<u>2,050</u>	<u>1,895</u>	<u>(155)</u>
EXPENDITURES:				
Public Transportation				
Public Transportation				
<i>Supplies</i>	2,800	2,800	621	2,179
<i>Other Services and Charges</i>	36,300	36,300	36,339	(39)
<i>Total Public Transportation</i>	<u>39,100</u>	<u>39,100</u>	<u>36,960</u>	<u>2,140</u>
Total Public Transportation	<u>39,100</u>	<u>39,100</u>	<u>36,960</u>	<u>2,140</u>
Total Expenditures	<u>39,100</u>	<u>39,100</u>	<u>36,960</u>	<u>2,140</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(37,050)</u>	<u>(37,050)</u>	<u>(35,065)</u>	<u>1,985</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	43,000	43,000	25,000	(18,000)
Total Other Financing Sources (Uses)	<u>43,000</u>	<u>43,000</u>	<u>25,000</u>	<u>18,000</u>
Net Change in Fund Balances	5,950	5,950	(10,065)	(16,015)
Fund Balances - Beginning	13,103	13,103	13,103	--
Fund Balances - Ending	<u>\$ 19,053</u>	<u>\$ 19,053</u>	<u>\$ 3,038</u>	<u>\$ (16,015)</u>

BROOKS COUNTY, TEXAS
SHERIFF SEIZURE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Fines and Forfeitures	\$ 402,500	\$ 402,500	\$ 453,853	\$ 51,353
Investment Earnings	500	500	242	(258)
Total revenues	<u>403,000</u>	<u>403,000</u>	<u>454,095</u>	<u>51,095</u>
EXPENDITURES:				
Public Safety				
<i>Personal Services</i>	161,425	161,425	137,667	23,758
<i>Supplies</i>	7,300	7,300	4,257	3,043
<i>Other Services and Charges</i>	273,000	273,000	278,645	(5,645)
<i>Total Public Safety</i>	<u>441,725</u>	<u>441,725</u>	<u>420,569</u>	<u>21,156</u>
Total Public Safety	<u>441,725</u>	<u>441,725</u>	<u>420,569</u>	<u>21,156</u>
Total Expenditures	<u>441,725</u>	<u>441,725</u>	<u>420,569</u>	<u>21,156</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(38,725)</u>	<u>(38,725)</u>	<u>33,526</u>	<u>72,251</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(38,725)	(38,725)	33,526	72,251
Fund Balances - Beginning	(111,693)	(111,693)	(111,693)	--
Fund Balances - Ending	<u>\$ (150,418)</u>	<u>\$ (150,418)</u>	<u>\$ (78,167)</u>	<u>\$ 72,251</u>

BROOKS COUNTY, TEXAS
 LEOSE STATE ALLOCATION
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 5,392	\$ 5,392	\$ --	\$ (5,392)
Investment Earnings	250	250	151	(99)
Total revenues	<u>5,642</u>	<u>5,642</u>	<u>151</u>	<u>(5,491)</u>
EXPENDITURES:				
Public Safety				
<i>Personal Services</i>	23,659	23,659	1,367	22,292
<i>Total Public Safety</i>	<u>23,659</u>	<u>23,659</u>	<u>1,367</u>	<u>22,292</u>
Total Public Safety	<u>23,659</u>	<u>23,659</u>	<u>1,367</u>	<u>22,292</u>
Total Expenditures	<u>23,659</u>	<u>23,659</u>	<u>1,367</u>	<u>22,292</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(18,017)</u>	<u>(18,017)</u>	<u>(1,216)</u>	<u>16,801</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(18,017)	(18,017)	(1,216)	16,801
Fund Balances - Beginning	31,103	31,103	31,103	--
Fund Balances - Ending	<u>\$ 13,086</u>	<u>\$ 13,086</u>	<u>\$ 29,887</u>	<u>\$ 16,801</u>

BROOKS COUNTY, TEXAS
JUSTICE CRT TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-12

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Fees of Office	\$ 19,500	\$ 19,500	\$ 16,212	\$ (3,288)
Investment Earnings	1,000	1,000	861	(139)
Total revenues	<u>20,500</u>	<u>20,500</u>	<u>17,073</u>	<u>(3,427)</u>
EXPENDITURES:				
Judicial				
County court				
Other Services and Charges	85,000	85,000	46,579	38,421
Total County Court	<u>85,000</u>	<u>85,000</u>	<u>46,579</u>	<u>38,421</u>
Total Judicial	<u>85,000</u>	<u>85,000</u>	<u>46,579</u>	<u>38,421</u>
Total Expenditures	<u>85,000</u>	<u>85,000</u>	<u>46,579</u>	<u>38,421</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(64,500)</u>	<u>(64,500)</u>	<u>(29,506)</u>	<u>34,994</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(64,500)</u>	<u>(64,500)</u>	<u>(29,506)</u>	<u>34,994</u>
Fund Balances - Beginning	175,349	175,349	175,349	--
Fund Balances - Ending	<u>\$ 110,849</u>	<u>\$ 110,849</u>	<u>\$ 145,843</u>	<u>\$ 34,994</u>

BROOKS COUNTY, TEXAS
HEALTH USE SALES TAX
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-13

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Sales and Use Taxes</i>	\$ 330,000	\$ 330,000	\$ 341,297	\$ 11,297
Investment Earnings	2,000	2,000	571	(1,429)
Total revenues	<u>332,000</u>	<u>332,000</u>	<u>341,868</u>	<u>9,868</u>
EXPENDITURES:				
Health and Welfare				
<i>Other Services and Charges</i>	452,000	452,000	482,204	(30,204)
<i>Total Health and Welfare</i>	<u>452,000</u>	<u>452,000</u>	<u>482,204</u>	<u>(30,204)</u>
Total Health and Welfare	<u>452,000</u>	<u>452,000</u>	<u>482,204</u>	<u>(30,204)</u>
Total Expenditures	<u>452,000</u>	<u>452,000</u>	<u>482,204</u>	<u>(30,204)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(120,000)</u>	<u>(120,000)</u>	<u>(140,336)</u>	<u>(20,336)</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(120,000)	(120,000)	(140,336)	(20,336)
Fund Balances - Beginning	230,141	230,141	231,280	1,139
Fund Balances - Ending	<u>\$ 110,141</u>	<u>\$ 110,141</u>	<u>\$ 90,944</u>	<u>\$ (19,197)</u>

BROOKS COUNTY, TEXAS
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
<i>General Property Taxes</i>	\$ 316,711	\$ 316,711	\$ 314,984	\$ (1,727)
Investment Earnings	1,000	1,000	1,486	486
Total revenues	<u>317,711</u>	<u>317,711</u>	<u>316,470</u>	<u>(1,241)</u>
EXPENDITURES:				
<i>Debt Service:</i>				
<i>Principal</i>	302,008	302,008	175,000	127,008
<i>Interest and Fiscal Charges</i>	400	400	127,408	(127,008)
Total Expenditures	<u>302,408</u>	<u>302,408</u>	<u>302,408</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,303</u>	<u>15,303</u>	<u>14,062</u>	<u>(1,241)</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	15,303	15,303	14,062	(1,241)
Fund Balances - Beginning	205,899	205,899	205,899	--
Fund Balances - Ending	<u>\$ 221,202</u>	<u>\$ 221,202</u>	<u>\$ 219,961</u>	<u>\$ (1,241)</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2012

	<u>Ed Rachal Memorial Library Grant</u>	<u>Courthouse Renovation</u>	<u>Total Nonmajor Capital Projects Funds (See Exhibit C-1)</u>
ASSETS AND OTHER DEBITS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 8,338	\$ 3	\$ 8,341
Total Assets	<u>\$ 8,338</u>	<u>\$ 3</u>	<u>\$ 8,341</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Fund Balances:			
Restricted Fund Balance:			
Federal or State Funds Grant Restriction	--	--	--
Retirement of Long-Term Debt	--	--	--
Committed Fund Balance:			
Construction	8,338	3	8,341
Other Committed Fund Balance	--	--	--
Assigned Fund Balance:			
Other Assigned Fund Balance	--	--	--
Unassigned Fund Balance	\$ --	\$ --	\$ --
Total Fund Balance	<u>8,338</u>	<u>3</u>	<u>8,341</u>
Total Liabilities and Fund Balance	<u>\$ 8,338</u>	<u>\$ 3</u>	<u>\$ 8,341</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Ed Rachal Memorial Library Grant	Courthouse Renovation	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:			
<i>Intergovernmental</i>	\$ --	\$ 301,983	\$ 301,983
Total revenues	<u> --</u>	<u> 301,983</u>	<u> 301,983</u>
Expenditures:			
Current:			
<i>Culture and Recreation</i>	21	--	21
Total Expenditures	<u> 21</u>	<u> --</u>	<u> 21</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> (21)</u>	<u> 301,983</u>	<u> 301,962</u>
Other Financing Sources (Uses):			
<i>Transfers In</i>	--	101,206	101,206
Total Other Financing Sources (Uses)	<u> --</u>	<u> 101,206</u>	<u> 101,206</u>
Net Change in Fund Balances	(21)	403,189	403,168
Fund Balances - Beginning	8,359	(403,186)	(394,827)
Fund Balances - Ending	<u>\$ 8,338</u>	<u>\$ 3</u>	<u>\$ 8,341</u>

BROOKS COUNTY, TEXAS
COURTHOUSE RENOVATION
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-17

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 301,983	\$ 301,983	\$ 301,983	\$ --
Total revenues	<u>301,983</u>	<u>301,983</u>	<u>301,983</u>	<u>--</u>
EXPENDITURES:				
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>301,983</u>	<u>301,983</u>	<u>301,983</u>	<u>--</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	<u>101,206</u>	<u>101,206</u>	<u>101,206</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>101,206</u>	<u>101,206</u>	<u>101,206</u>	<u>--</u>
Net Change in Fund Balances	403,189	403,189	403,189	--
Fund Balances - Beginning	(403,186)	(403,186)	(403,186)	--
Fund Balances - Ending	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ --</u>

BROOKS COUNTY, TEXAS*COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**AGENCY FUNDS**SEPTEMBER 30, 2012*

	<u>District Attorney Escrow</u>	<u>Sheriff Bond Account</u>	<u>Payroll Fund</u>	<u>State Fees Fund</u>
ASSETS:				
<i>Cash and Cash Equivalents</i>	\$ 183,093	\$ 79,783	\$ 70,260	\$ 102,197
Total Assets	<u>\$ 183,093</u>	<u>\$ 79,783</u>	<u>\$ 70,260</u>	<u>\$ 102,197</u>
LIABILITIES:				
<i>Due to Other Governments and Agencies</i>	\$ 183,093	\$ 79,783	\$ 70,260	\$ 102,197
Total Liabilities	<u>\$ 183,093</u>	<u>\$ 79,783</u>	<u>\$ 70,260</u>	<u>\$ 102,197</u>

NET ASSETS

Appellate Judicial System	County Clerk Fund	District Clerk Fund	FICA Tax Fund	Withholding Tax Fund
\$ 40	\$ 51,614	\$ 353,861	\$ --	\$ --
\$ 40	\$ 51,614	\$ 353,861	\$ --	\$ --
\$ 40	\$ 51,614	\$ 353,861	\$ --	\$ --
\$ 40	\$ 51,614	\$ 353,861	\$ --	\$ --

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2012

	Tax Assessor Collector Fund	Sheriff Regular Account	TCDRS Fund	Total Agency Funds (See Exhibit A-10)
ASSETS:				
<i>Cash and Cash Equivalents</i>	\$ 206,480	\$ 4,429	\$ 34,665	\$ 1,086,422
Total Assets	<u>\$ 206,480</u>	<u>\$ 4,429</u>	<u>\$ 34,665</u>	<u>\$ 1,086,422</u>
LIABILITIES:				
<i>Due to Other Governments and Agencies</i>	\$ 206,480	\$ 4,429	\$ 34,665	\$ 1,086,422
Total Liabilities	<u>\$ 206,480</u>	<u>\$ 4,429</u>	<u>\$ 34,665</u>	<u>\$ 1,086,422</u>
NET ASSETS				

BROOKS COUNTY, TEXAS

EXHIBIT C-19

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2012

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
Payroll Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 63,942	\$ 4,411,054	\$ 4,404,736	\$ 70,260
	--	--	--	--
Total Assets	<u>\$ 63,942</u>	<u>\$ 4,411,054</u>	<u>\$ 4,404,736</u>	<u>\$ 70,260</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 63,942	\$ 4,411,054	\$ 4,404,736	\$ 70,260
	--	--	--	--
Total Liabilities	<u>\$ 63,942</u>	<u>\$ 4,411,054</u>	<u>\$ 4,404,736</u>	<u>\$ 70,260</u>
State Fees Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 140,771	\$ 393,224	\$ 431,798	\$ 102,197
	--	--	--	--
Total Assets	<u>\$ 140,771</u>	<u>\$ 393,224</u>	<u>\$ 431,798</u>	<u>\$ 102,197</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 140,771	\$ 393,224	\$ 431,798	\$ 102,197
	--	--	--	--
Total Liabilities	<u>\$ 140,771</u>	<u>\$ 393,224</u>	<u>\$ 431,798</u>	<u>\$ 102,197</u>
Appellate Judicial System				
ASSETS				
<i>Cash & Investments</i>	\$ 60	\$ 225	\$ 245	\$ 40
	--	--	--	--
Total Assets	<u>\$ 60</u>	<u>\$ 225</u>	<u>\$ 245</u>	<u>\$ 40</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 60	\$ 225	\$ 245	\$ 40
	--	--	--	--
Total Liabilities	<u>\$ 60</u>	<u>\$ 225</u>	<u>\$ 245</u>	<u>\$ 40</u>
District Attorney Escrow Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 331,608	\$ 1,010	\$ 149,525	\$ 183,093
	--	--	--	--
Total Assets	<u>\$ 331,608</u>	<u>\$ 1,010</u>	<u>\$ 149,525</u>	<u>\$ 183,093</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 331,608	\$ 1,010	\$ 149,525	\$ 183,093
	--	--	--	--
Total Liabilities	<u>\$ 331,608</u>	<u>\$ 1,010</u>	<u>\$ 149,525</u>	<u>\$ 183,093</u>
County Clerk Funds				
ASSETS				
<i>Cash & Investments</i>	\$ 62,346	\$ 149,248	\$ 159,981	\$ 51,613
	--	--	--	--
Total Assets	<u>\$ 62,346</u>	<u>\$ 149,248</u>	<u>\$ 159,981</u>	<u>\$ 51,613</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 62,346	\$ 149,248	\$ 159,981	\$ 51,613
	--	--	--	--
Total Liabilities	<u>\$ 62,346</u>	<u>\$ 149,248</u>	<u>\$ 159,981</u>	<u>\$ 51,613</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-19

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
District Clerk Funds				
ASSETS				
<i>Cash & Investments</i>	\$ 583,506	\$ 352,170	\$ 581,815	\$ 353,861
	--	--	--	--
Total Assets	<u>\$ 583,506</u>	<u>\$ 352,170</u>	<u>\$ 581,815</u>	<u>\$ 353,861</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 583,506	\$ 352,170	\$ 581,815	\$ 353,861
	--	--	--	--
Total Liabilities	<u>\$ 583,506</u>	<u>\$ 352,170</u>	<u>\$ 581,815</u>	<u>\$ 353,861</u>
FICA Tax Fund				
ASSETS				
<i>Cash & Investments</i>	\$ --	\$ 467,943	\$ 467,943	\$ --
	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 467,943</u>	<u>\$ 467,943</u>	<u>\$ --</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ --	\$ 469,246	\$ 469,246	\$ --
	--	--	--	--
Total Liabilities	<u>\$ --</u>	<u>\$ 469,246</u>	<u>\$ 469,246</u>	<u>\$ --</u>
Withholding Tax Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 10,183	\$ 234,696	\$ 244,879	\$ --
	--	--	--	--
Total Assets	<u>\$ 10,183</u>	<u>\$ 234,696</u>	<u>\$ 244,879</u>	<u>\$ --</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 10,183	\$ 234,696	\$ 244,879	\$ --
	--	--	--	--
Total Liabilities	<u>\$ 10,183</u>	<u>\$ 234,696</u>	<u>\$ 244,879</u>	<u>\$ --</u>

BROOKS COUNTY, TEXAS

EXHIBIT C-19

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2012

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
Tax Assessor Collector Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 84,928	\$ 7,114,961	\$ 6,993,409	\$ 206,480
	--	--	--	--
Total Assets	<u>\$ 84,928</u>	<u>\$ 7,114,961</u>	<u>\$ 6,993,409</u>	<u>\$ 206,480</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 84,928	\$ 7,114,961	\$ 6,993,409	\$ 206,480
	--	--	--	--
Total Liabilities	<u>\$ 84,928</u>	<u>\$ 7,114,961</u>	<u>\$ 6,993,409</u>	<u>\$ 206,480</u>
Sheriff Regular Account				
ASSETS				
<i>Cash & Investments</i>	\$ 4,227	\$ 24,761	\$ 24,560	\$ 4,428
	--	--	--	--
Total Assets	<u>\$ 4,227</u>	<u>\$ 24,761</u>	<u>\$ 24,560</u>	<u>\$ 4,428</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 4,227	\$ 24,761	\$ 24,560	\$ 4,428
	--	--	--	--
Total Liabilities	<u>\$ 4,227</u>	<u>\$ 24,761</u>	<u>\$ 24,560</u>	<u>\$ 4,428</u>
Sheriff Bond Account				
ASSETS				
<i>Cash & Investments</i>	\$ 79,785	\$ 398	\$ 400	\$ 79,783
	--	--	--	--
Total Assets	<u>\$ 79,785</u>	<u>\$ 398</u>	<u>\$ 400</u>	<u>\$ 79,783</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 79,785	\$ 398	\$ 400	\$ 79,783
	--	--	--	--
Total Liabilities	<u>\$ 79,785</u>	<u>\$ 398</u>	<u>\$ 400</u>	<u>\$ 79,783</u>
TCDRS Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 35,427	\$ 484,374	\$ 485,136	\$ 34,665
	--	--	--	--
Total Assets	<u>\$ 35,427</u>	<u>\$ 484,374</u>	<u>\$ 485,136</u>	<u>\$ 34,665</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 35,427	\$ 484,374	\$ 485,136	\$ 34,665
	--	--	--	--
Total Liabilities	<u>\$ 35,427</u>	<u>\$ 484,374</u>	<u>\$ 485,136</u>	<u>\$ 34,665</u>
TOTAL AGENCY FUNDS:				
ASSETS				
<i>Cash & Investments</i>	\$ 1,396,783	\$ 13,634,064	\$ 13,944,427	\$ 1,086,420
	--	--	--	--
Total Assets	<u>\$ 1,396,783</u>	<u>\$ 13,634,064</u>	<u>\$ 13,944,427</u>	<u>\$ 1,086,420</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 1,396,783	\$ 13,635,367	\$ 13,945,730	\$ 1,086,420
	--	--	--	--
Total Liabilities	<u>\$ 1,396,783</u>	<u>\$ 13,635,367</u>	<u>\$ 13,945,730</u>	<u>\$ 1,086,420</u>

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Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

BROOKS COUNTY, TEXAS
BOND SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Date of Issue	Description	Interest Rate Payable	Amounts Original Issue	10 Amounts Outstanding 10/1/11	20 Issued Current Year	30 Retired Current Year
March 2004	Certificates of Obligation	3.60% - 5.1%	4,000,000	\$ 2,965,000	\$ --	\$ 175,000
September 2011	Certificates of Obligation	4.59%	1,100,000	1,100,000	--	35,000
1000 Totals			\$ 5,100,000	\$ 4,065,000	\$ --	\$ 210,000

40 Amounts Outstanding 9/30/12	50 Interest Current Year	60		70		80		90		I 10/1/12 To Maturity Interest
		Requirements								
		Year Ending 9/30/13		Year Ending 9/30/14						
		Principal	Interest	Principal	Interest					
\$ 2,790,000	\$ 127,008	\$ 180,000	\$ 120,483	\$ 190,000	\$ 113,403	\$	\$	\$ 843,101		
1,065,000	47,583	35,000	48,080	40,000	46,359			529,112		
<u>\$ 3,855,000</u>	<u>\$ 174,591</u>	<u>\$ 215,000</u>	<u>\$ 168,563</u>	<u>\$ 230,000</u>	<u>\$ 159,762</u>			<u>\$ 1,372,213</u>		

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RAUL HERNANDEZ & COMPANY, P.C.
Certified Public Accountants
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Independent Auditors' Report

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*

Commissioner's Court
Brooks County, Texas
P.O. Box 517
Falfurrias, Texas 78355

Members of the Commissioner's Court:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brooks County, Texas as of and for the year ended September 30, 2012, which collectively comprise the Brooks County, Texas's basic financial statements and have issued our report thereon dated August 5, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Brooks County, Texas is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Brooks County, Texas'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 Brooks County, Texas's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Brooks County, Texas'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 Brooks County, Texas'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*.

Brooks County, Texas's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Brooks County, Texas's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the entity and the Commissioner's Court and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Raul Hernandez & Company, P.C.

Raul Hernandez & Company, P.C.

August 5, 2013

BROOKS COUNTY, TEXAS

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012*

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards - N/A

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies 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:

CFDA Number(s) Name of Federal Program or Cluster

N/A

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

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

BROOKS COUNTY, TEXAS
*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2012*

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
N/A		

BROOKS COUNTY, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2012

N/A

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