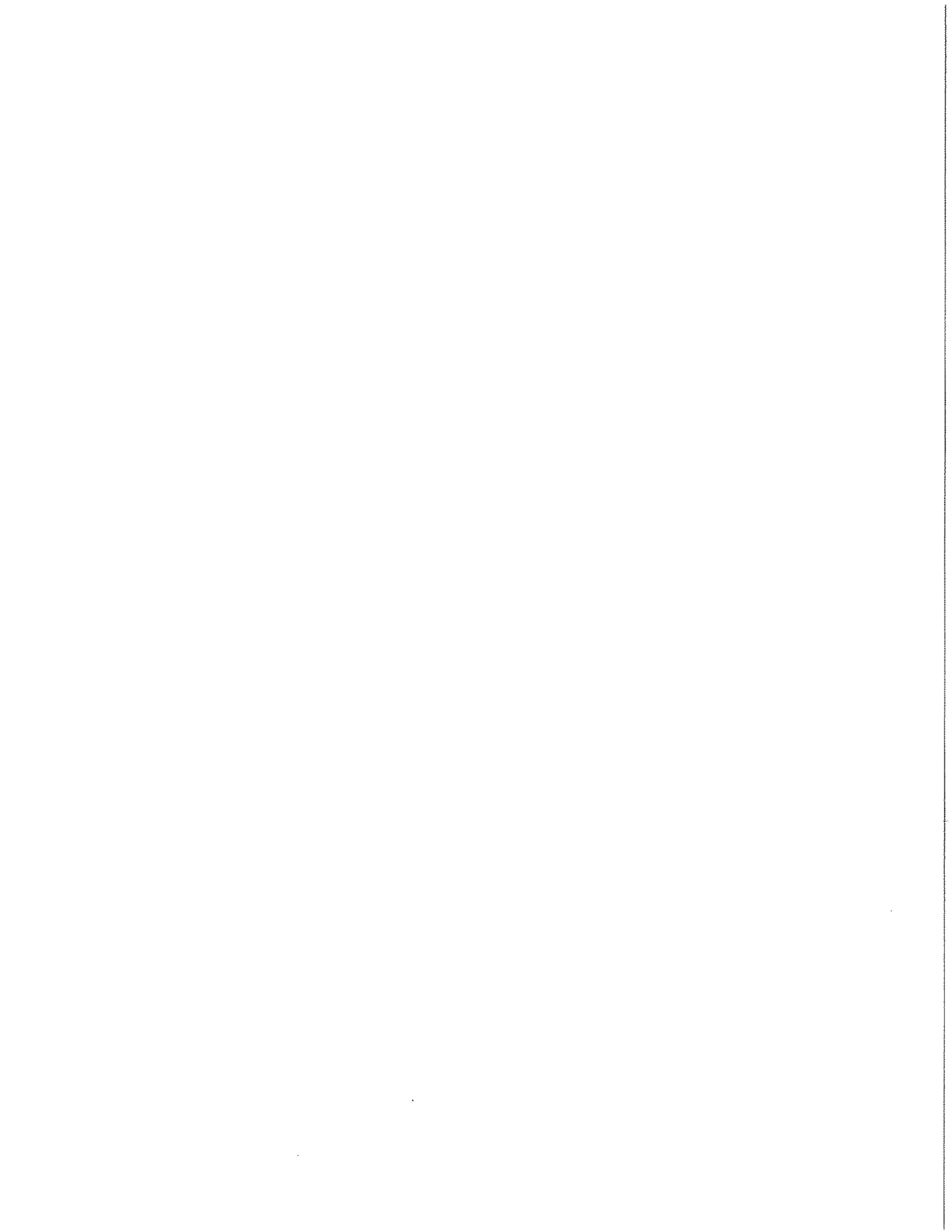


BROOKS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2013



Brooks County, Texas
Annual Financial Report
For The Year Ended September 30, 2013

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BROOKS COUNTY, TEXAS

*LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2013*

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
CARLOS O. GARCIA	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
PABLO SOLIZ	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 Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brooks County, Texas ("the County") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Brooks County, Texas as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brooks County, Texas's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2014 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* in considering Brooks County, Texas's internal control over financial reporting and compliance.

Respectfully submitted,



Raul Hernandez & Company, P.C.

Corpus Christi, Texas
April 3, 2014

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, 2013. 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, 2013 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 Position, 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 \$6,502,761 (Net Position). Of this amount, \$1,616,202 represents unrestricted Net Position.
- As of the close of the current fiscal year, the County of Brooks governmental funds reported combined ending fund balances of \$1,549,210, 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 \$25,174.
- The County of Brooks' total debt increased by a net of \$1,164,696 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 Position</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 Position</i> <i>Statement of rev, exp, & changes in Net Position</i> <i>Statement of flows</i>	<i>Statement of fiduciary Net Position</i> <i>Statement of in fiduciary Net Position</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 Position and how they have changed. Net Position—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 Position 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 Position and a statement of changes in fiduciary Net Position. 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 position. The County's combined net position were \$6,502,761 at September 30, 2013. (See Table A-1).

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

	Governmental Activities		Increase (Decrease)
	<u>2013</u>	<u>2012</u>	<u>2013-2012</u>
Current assets:			
Cash/Cash equivalents	\$ 2,913,685	\$ 2,907,152	\$ 6,533
Restricted Cash	120,377	120,201	176
Taxes receivable	847,111	750,337	96,774
Intergovernmental Receivable	374,457	374,457	-
Total current assets:	<u>\$ 4,255,630</u>	<u>\$ 4,152,147</u>	<u>\$ 103,483</u>
Non-current assets:			
Capitalized Bond Issuance Costs	92,389	-	92,389
Capital Assets	15,945,292	15,636,267	309,025
Less: Accumulated Depreciation	(7,107,960)	(6,708,004)	(399,956)
Total non-current assets:	<u>8,929,721</u>	<u>8,928,263</u>	<u>1,458</u>
Total Assets	<u>\$ 13,185,351</u>	<u>\$ 13,080,410</u>	<u>\$ 104,941</u>
Current Liabilities			
Accounts payable and other current liabilities	971,299	985,521	(14,222)
Accrued Interest Payable	45,344	11,709	33,635
Tax Notes Payable - Current	600,000	-	600,000
Due to Other Government & Agencies	46,250	1,077,892	(1,031,642)
Total current liabilities	<u>1,662,893</u>	<u>2,075,122</u>	<u>(412,229)</u>
Long-term Liabilities			
Due within one year	369,472	266,036	103,436
Due in more than one year	4,650,224	3,640,000	1,010,224
Total Liabilities	<u>\$ 6,682,589</u>	<u>\$ 5,981,158</u>	<u>\$ 701,431</u>
Net Position:			
Invested in capital assets, net of related debt	3,817,636	5,022,227	(1,204,591)
Restricted For:			
Debt Service	382,783	395,492	(12,709)
Capital Projects	686,140	407,592	278,548
Unrestricted	1,616,202	1,273,941	342,261
Total Net Position	<u>\$ 6,502,761</u>	<u>\$ 7,099,252</u>	<u>\$ (596,491)</u>

BROOKS COUNTY, TEXAS

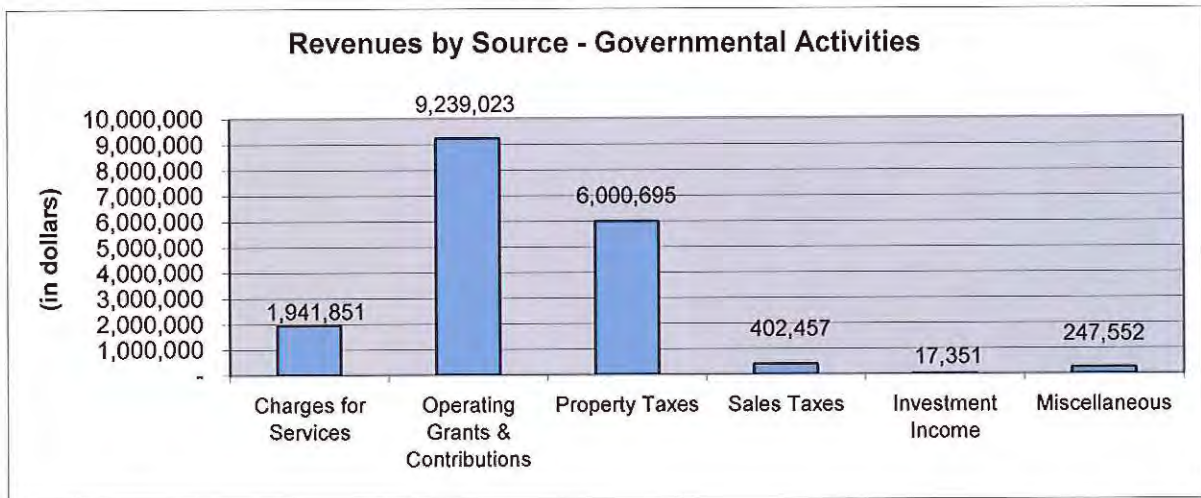
The increase of \$399,956 in accumulated depreciation was due to depreciation expense. The decrease of \$1,031,642 in due to other government and agencies was directly related to the Department of Justice payment. The net decrease of \$1,204,591 in invested in capital assets, net of related debt was caused by the issuance of new long-term debt. \$382,783 of the County's restricted Net Position represents funds available for the debt service, while \$686,140 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 position at September 30, 2013 was \$1,616,202.

Revenues. The County's total revenues were \$17,848,929. A significant portion, \$9,239,023 of the County's revenue comes from operating grants & contributions. \$6,000,695 comes from property taxes and \$1,941,851 relates to charges for services. (See Figure A-2 and Table A-2). During 2013, the North & South bound Highway 281 License & Weight Stations were closed temporarily.

Governmental Activities

- Sales taxes had revenue of \$402,457 while investment income had revenues of \$17,351.

Figure A-2



BROOKS COUNTY, TEXAS

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

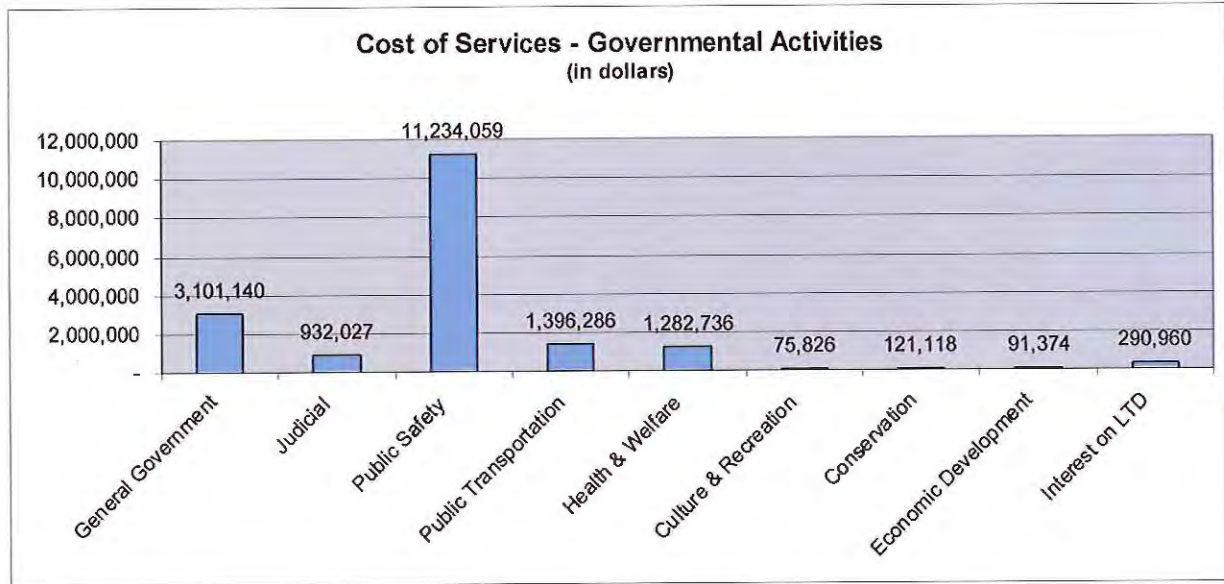
	Governmental Activities		Increase (Decrease)
	<u>2013</u>	<u>2012</u>	<u>2013-2012</u>
Revenues:			
Program:			
Charges for services	\$ 1,941,851	\$ 2,266,085	(324,234)
Operating Grants and Contributions	9,239,023	9,139,600	99,423
General:			
Property Taxes	6,000,695	5,927,540	73,155
Sales Taxes	402,457	341,297	61,160
Investment Income	17,351	24,659	(7,308)
Miscellaneous	247,552	43,350	204,202
Total Revenues	<u>\$ 17,848,929</u>	<u>\$ 17,742,531</u>	<u>106,398</u>
Cost of Services:			
General Government	3,101,140	2,991,569	109,571
Judicial	932,027	971,486	(39,459)
Public Safety	11,234,059	10,461,541	772,518
Public Transportation	1,396,286	1,445,088	(48,802)
Health and Welfare	1,282,736	1,542,965	(260,229)
Culture and Recreation	75,826	105,888	(30,062)
Conservation	121,118	111,515	9,603
Economic Development and Assistance	91,374	59,975	31,399
Interest on Long-term Debt	290,960	176,822	114,138
Total Cost of Services	<u>\$ 18,525,526</u>	<u>\$ 17,866,849</u>	<u>658,677</u>
Change in net position	(676,597)	(124,318)	(800,915)
Net position - beginning	7,099,252	7,099,252	-
Prior Period Adjustment	80,106	334,457	(254,351)
Net position-beginning-restated	<u>7,179,358</u>	<u>7,099,252</u>	<u>80,106</u>
Net position - ending	<u>\$ 6,502,761</u>	<u>\$ 6,974,934</u>	<u>\$ (472,173)</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 \$18,525,526.
- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$6,000,695.
- \$11,234,059 of these costs is public safety. The majority of these are related to LCS/I.C.E. fund, which increased from last year.
- Health & Welfare decreased due to cut backs in Indigent claims.

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 \$1,549,210, an increase of \$734,074, with \$80,106 being a prior period adjustment representing an inadvertent omission of a capital lease and an overstatement of long-term debt. 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 \$25,174. 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 \$226,418. 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 \$522,029.

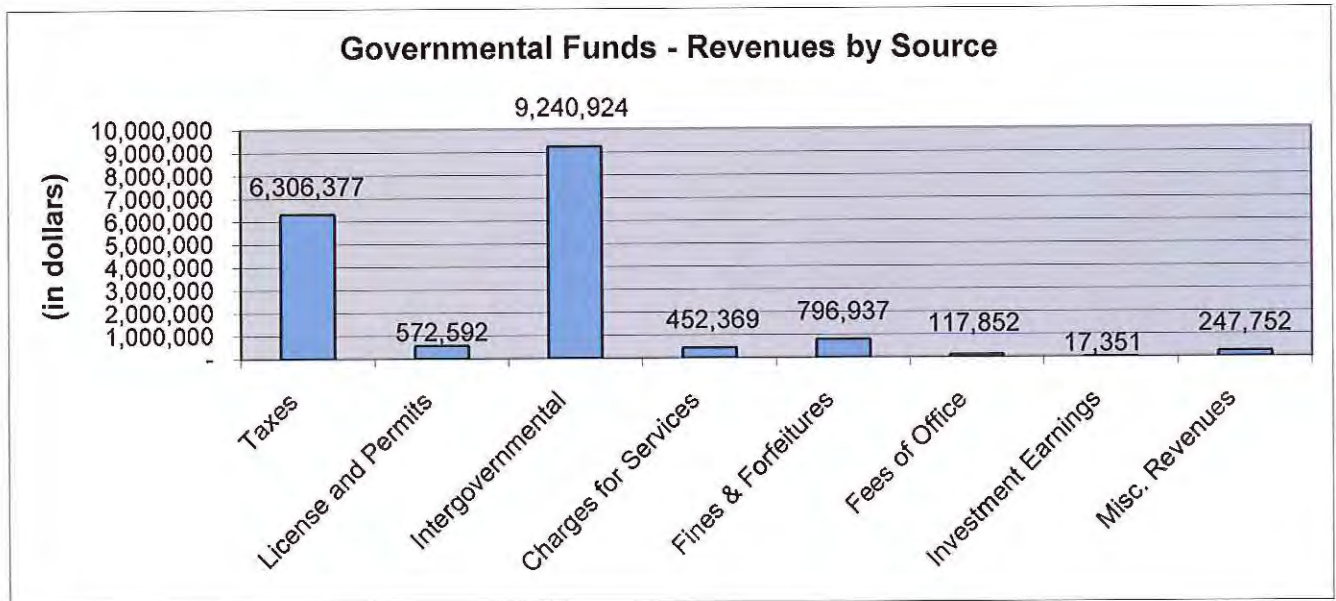
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues

Revenues from governmental fund types totaled \$17,752,154. The most significant portion in governmental fund revenue sources was derived from intergovernmental revenues, which totaled \$9,240,924. Taxes consisted of general property taxes, and general sales & use taxes, which totaled \$6,306,377.

The County's primary source of revenue consists of intergovernmental revenues, which comprise 52.1% of the County's total revenues. In addition, taxes and fines & forfeitures comprise 35.5% and 4.5% 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). During 2013, the North & South bound Highway 281 License & Weight Stations were closed temporarily.

Figure A-4



BROOKS COUNTY, TEXAS

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

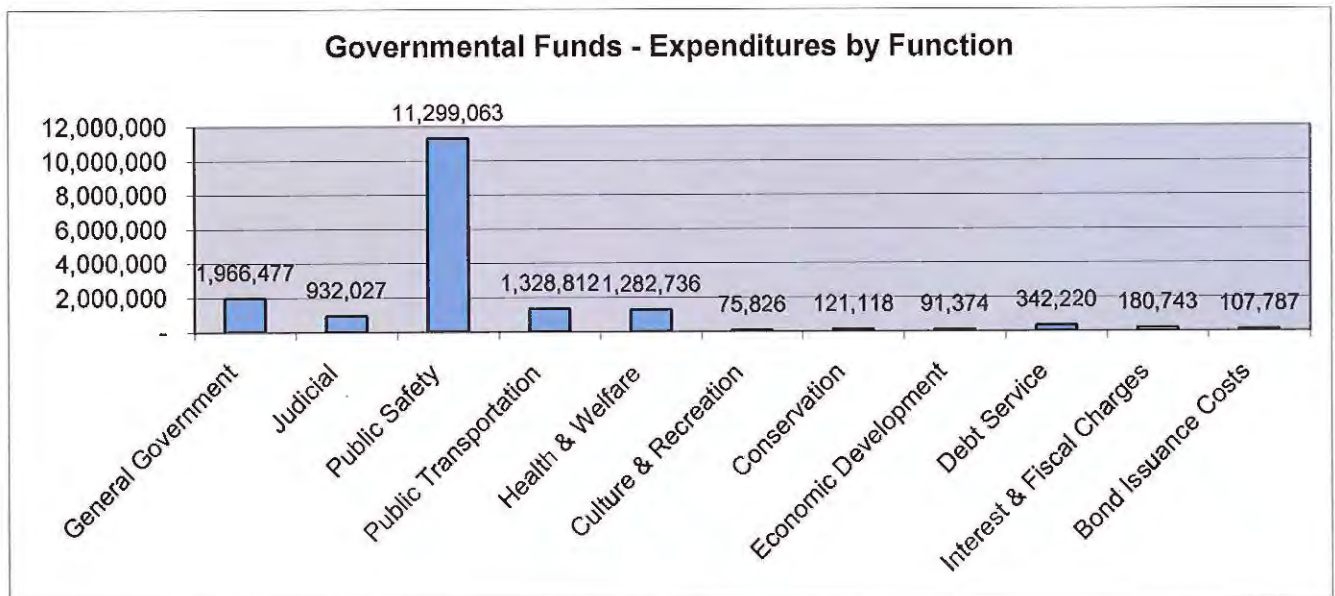
	FY 2013	FY 2012	Increase (Decrease)
Taxes	\$ 6,306,377	\$ 6,230,418	\$ 75,959
License and Permits	572,592	431,673	140,919
Intergovernmental	9,240,924	9,141,447	99,477
Charges for Services	452,369	509,872	(57,503)
Fines & Forfeitures	796,937	1,180,339	(383,402)
Fees of Office	117,852	142,111	(24,259)
Investment Earnings	17,351	24,659	(7,308)
Misc. Revenues	247,752	43,593	204,159
Total Revenues	<u>\$ 17,752,154</u>	<u>\$ 17,704,112</u>	<u>\$ 48,042</u>

Expenditures

Compared to the prior year, public safety had an increase of \$619,118 due to an increase in monies spent for the Federal Arrest Drug & the LCS/I.C.E. funds. Furthermore, health & welfare expenditures also had a decrease of (\$361,618).

The County's primary expenditures were for public safety, general government, and public transportation. Public safety now accounts for 63.7% of total expenditures. General government expenditures accounted for 11.1% 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 2013	FY 2012	Increase (Decrease)
General Government	\$ 1,966,477	\$ 1,792,839	\$ 173,638
Judicial	932,027	971,486	(39,459)
Public Safety	11,299,063	10,490,006	809,057
Public Transportation	1,328,812	1,377,614	(48,802)
Health and Welfare	1,282,736	1,542,965	(260,229)
Culture and Recreation	75,826	105,888	(30,062)
Conservation	121,118	111,515	9,603
Economic Development and Assistance	91,374	59,975	31,399
Debt Service:			
Principal	342,220	232,638	109,582
Interest and Fiscal Charges	180,743	177,353	3,390
Bond Issuance Costs	107,787	-	107,787
Total Expenditures	\$ 17,728,183	\$ 16,862,279	\$ 865,904

Other financing sources from the County came from:

Table A-5
Other Financing Resources

	FY 2013	FY 2012	Increase (Decrease)
Operating Transfers In	\$ 2,050,494	\$ 1,199,044	\$ 851,450
Operating Transfers Out	(2,050,494)	(1,199,044)	(851,450)
Issuance of Bonds	1,200,000	-	1,200,000
Capital Leases	155,102	-	155,102
	\$ 1,355,102	\$ -	\$ 1,355,102

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$6,480,728 and expenditures of \$6,157,005, 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 (\$737,314). Intergovernmental, fines & forfeitures, license & permits, and investment earnings were below budget expectations.
- Actual expenditures (including transfers) were \$30,690 lower than final budget amounts, in which the majority of the change was due to the general government department. This

BROOKS COUNTY, TEXAS

particular department were below budgeted expenditures by \$132,616, as shown on page 43. County departments were encouraged to hold line on expenditures to support the overall County 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 2013, the County had invested \$15,945,292 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, 2013 net capital assets of the governmental activities totaled \$8,837,332. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation for road network, buildings & improvements, vehicles, and equipment totaled \$7,107,960.

Table A-6
County's Capital Assets

	Governmental Activities		Increase (Decrease)
	2013	2012	2013-2012
Land	\$ 236,742	\$ 236,742	\$ -
Road Network	3,120,798	3,120,798	-
Buildings and Improvements	9,161,729	9,161,729	-
Vehicles	1,175,807	1,069,770	106,037
Equipment	2,250,216	2,047,229	202,987
Total at historical cost	15,945,292	15,636,268	309,024
Total Accumulated Depreciation	(7,107,960)	(6,708,004)	(399,956)
Net Capital Assets	\$ 8,837,332	\$ 8,928,264	\$ (90,932)

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 \$5,019,696 in bonds and capital leases as shown in Table A-7. The County's total debt increased by \$1,164,696 compared to 2012. 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**

	Governmental Activities	
	2013	2012
Certificates of Obligation	\$ 4,840,000	\$ 3,855,000
Capital Leases	179,696	-
Total governmental activities	\$ 5,019,696	\$ 3,855,000

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2014 budget preparation increased from the prior year. The County's tax rate increased as compared to 2013 resulting at 1.026075.
- General operating fund spending in the 2014 budget is expected to have a significant decrease as compared to 2013.

These indicators were taken into account when adopting the general fund budget for 2014. Property taxes will increase, while the assessed valuation has decreased. The 2013-2014 tax rate is 1.026075 and the assessed valuation \$531,387,155.

The Internal Service Fund has been eliminated by the County.

The County also experienced a 3% decrease in salaries except for the county auditor's office because they are under the jurisdiction of the district judge and the jailers whose salaries are mandated by the state. In addition, all elected officials received a 10% decrease in salaries.

Revenues are expected to have a slight increase, while expenditures are budgeted to experience a slight increase as well.

If these estimates are realized, the County's budgetary general fund balance is expected to experience a moderate increase by the close of 2014.

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 POSITION

SEPTEMBER 30, 2013

	Governmental Activities
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 2,913,684
<i>Restricted Cash</i>	120,377
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	847,111
<i>Intergovernmental Receivable</i>	374,457
<i>Internal Balances</i>	--
<i>Capitalized Bond Issuance Costs</i>	92,389
Capital Assets (net of accumulated depreciation):	
<i>Land</i>	236,742
<i>Buildings and System</i>	5,877,955
<i>Machinery and Equipment</i>	563,451
<i>Infrastructure</i>	2,159,184
Total Assets	<u>13,185,350</u>
LIABILITIES:	
<i>Accounts Payable and Other Current Liabilities</i>	971,299
<i>Accrued Interest Payable</i>	45,344
<i>Tax Notes Payable - Current</i>	600,000
<i>Due to Other Government and Agencies</i>	46,250
Noncurrent Liabilities-	
<i>Due within one year</i>	369,472
<i>Due in more than one year</i>	4,650,224
Total Liabilities	<u>6,682,589</u>
NET POSITION	
Net Investment in Capital Assets	3,817,636
Restricted For:	
Debt Service	382,783
Capital Projects	686,140
Unrestricted	1,616,202
Total Net Position	<u>\$ 6,502,761</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
PRIMARY GOVERNMENT:				
Governmental Activities:				
<i>General Government</i>	\$ 3,101,140	\$ 460,664	\$ --	\$ (2,640,476)
<i>Judicial</i>	932,027	534,331	--	(397,696)
<i>Public Safety</i>	11,234,059	656,941	9,206,913	(1,370,205)
<i>Public Transportation</i>	1,396,286	289,915	9,068	(1,097,303)
<i>Health and Welfare</i>	1,282,736	--	8,042	(1,274,694)
<i>Culture and Recreation</i>	75,826	--	--	(75,826)
<i>Conservation</i>	121,118	--	15,000	(106,118)
<i>Economic Development and Assistance</i>	91,374	--	--	(91,374)
<i>Interest on Long-term Debt</i>	290,960	--	--	(290,960)
Total Governmental Activities	18,525,526	1,941,851	9,239,023	(7,344,652)
Total Primary Government	\$ 18,525,526	\$ 1,941,851	\$ 9,239,023	(7,344,652)
General Revenues:				
<i>Property Taxes</i>				6,000,695
<i>Sales Taxes</i>				402,457
<i>Investment Income</i>				17,351
<i>Miscellaneous Revenues</i>				247,552
<i>Transfers</i>				--
Total General Revenues and Transfers				6,668,055
Change in Net Assets				(676,597)
Net Assets - Beginning				7,179,358
Net Assets - Ending				\$ 6,502,761

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	<u>General Fund</u>	<u>LCS/ I.C.E. Fund</u>
ASSETS AND OTHER DEBITS		
Assets:		
<i>Cash and Cash Equivalents</i>	\$ 812,950	\$ --
<i>Restricted Cash</i>	--	--
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	847,113	--
<i>Intergovernmental Receivable</i>	334,457	--
<i>Due from Other Funds</i>	--	--
Total Assets	<u>\$ 1,994,520</u>	<u>\$ --</u>
LIABILITIES AND FUND BALANCES:		
Liabilities:		
<i>Accounts Payable</i>	\$ 335,983	\$ 442,261
<i>Due to Other Funds</i>	150,000	--
<i>Current Tax Notes Payable</i>	600,000	--
<i>Due to Other Governments and Agencies</i>	36,250	--
<i>Deferred Revenue</i>	847,113	--
Total Liabilities	<u>1,969,346</u>	<u>442,261</u>
Fund Balances:		
Restricted Fund Balance:		
Federal or State Funds Grant Restriction	--	(442,261)
Retirement of Long-Term Debt	--	--
Committed Fund Balance:		
Construction	--	--
Other Committed Fund Balance	--	--
Assigned Fund Balance:		
Other Assigned Fund Balance	--	--
Unassigned Fund Balance	25,174	--
Total Fund Balance	<u>25,174</u>	<u>(442,261)</u>
Total Liabilities and Fund Balance	<u>\$ 1,994,520</u>	<u>\$ --</u>

Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
\$ 687,737	\$ 1,159,210	\$ 2,659,897
--	120,377	120,377
--	117,581	964,694
--	40,000	374,457
--	332,786	332,786
<u>\$ 687,737</u>	<u>\$ 1,769,954</u>	<u>\$ 4,452,211</u>
\$ --	\$ 181,026	\$ 959,270
--	182,786	332,786
--	--	600,000
--	10,000	46,250
--	117,582	964,695
<u>--</u>	<u>491,394</u>	<u>2,903,001</u>
--	1,045,401	603,140
--	226,418	226,418
687,737	6,741	694,478
--	--	--
--	--	--
--	--	25,174
<u>687,737</u>	<u>1,278,560</u>	<u>1,549,210</u>
<u>\$ 687,737</u>	<u>\$ 1,769,954</u>	<u>\$ 4,452,211</u>

BROOKS COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2013

Total fund balances - governmental funds balance sheet	\$ 1,549,210
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	8,746,702
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	847,111
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	241,758
Payables for bond principal which are not due in the current period are not reported in the funds.	(4,929,065)
Payables for bond interest which are not due in the current period are not reported in the funds.	(45,344)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	<u>92,389</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 6,502,761</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, 2013

	General Fund	LCS/ I.C.E. Fund
Revenue:		
Taxes:		
<i>General Property Taxes</i>	\$ 4,329,265	\$ --
<i>General Sales and Use Taxes</i>	--	--
<i>License and Permits</i>	3,450	--
<i>Intergovernmental</i>	136,269	8,471,886
<i>Charges for Services</i>	427,768	--
<i>Fines and Forfeitures</i>	433,690	--
<i>Fees of Office</i>	87,526	--
<i>Investment Earnings</i>	9,022	1,073
<i>Miscellaneous Revenues</i>	235,643	--
Total revenues	<u>5,662,633</u>	<u>8,472,959</u>
Expenditures:		
Current:		
<i>General Government</i>	1,966,477	--
<i>Judicial</i>	859,631	--
<i>Public Safety</i>	1,514,901	8,127,002
<i>Public Transportation</i>	57,126	--
<i>Health and Welfare</i>	818,711	--
<i>Culture and Recreation</i>	74,019	--
<i>Conservation</i>	99,234	--
<i>Economic Development and Assistance</i>	--	--
Debt Service:		
<i>Principal</i>	12,587	--
<i>Interest and Fiscal Charges</i>	2,509	--
<i>Bond Issuance Costs</i>	--	--
Total Expenditures	<u>5,405,195</u>	<u>8,127,002</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>257,438</u>	<u>345,957</u>
Other Financing Sources (Uses):		
<i>Transfers In</i>	80,781	--
<i>Transfers Out</i>	(782,500)	(69,660)
<i>Issuance of Bonds</i>	--	--
<i>Capital Leases</i>	68,365	--
Total Other Financing Sources (Uses)	<u>(633,354)</u>	<u>(69,660)</u>
Net Change in Fund Balances	(375,916)	276,297
Fund Balances - Beginning	401,090	(718,558)
Fund Balances - Ending	<u>\$ 25,174</u>	<u>\$ (442,261)</u>

The accompanying notes are an integral part of this statement.

Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 1,574,655	\$ 5,903,920
--	402,457	402,457
--	569,142	572,592
--	632,769	9,240,924
--	24,601	452,369
--	363,247	796,937
--	30,326	117,852
1,777	5,479	17,351
--	12,109	247,752
<u>1,777</u>	<u>3,614,785</u>	<u>17,752,154</u>
--	--	1,966,477
--	72,396	932,027
124,839	1,532,321	11,299,063
--	1,271,686	1,328,812
--	464,025	1,282,736
--	1,807	75,826
--	21,884	121,118
--	91,374	91,374
--	329,633	342,220
--	178,234	180,743
--	107,787	107,787
<u>124,839</u>	<u>4,071,147</u>	<u>17,728,183</u>
<u>(123,062)</u>	<u>(456,362)</u>	<u>23,971</u>
--	1,324,713	1,405,494
--	(1,198,334)	(2,050,494)
--	1,200,000	1,200,000
--	86,737	155,102
<u>--</u>	<u>1,413,116</u>	<u>710,102</u>
<u>(123,062)</u>	<u>956,754</u>	<u>734,073</u>
<u>810,799</u>	<u>321,806</u>	<u>815,137</u>
<u>\$ 687,737</u>	<u>\$ 1,278,560</u>	<u>\$ 1,549,210</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, 2013

Net change in fund balances - total governmental funds	\$ 734,073
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	30,549
The depreciation of capital assets used in governmental activities is not reported in the funds.	(241,181)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	96,774
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	107,787
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	230,000
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	51,037
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(15,398)
(Increase) decrease in accrued interest from beginning of period to end of period.	(33,635)
The net revenue (expense) of internal service funds is reported with governmental activities.	(281,501)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(1,200,000)
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(155,102)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ (676,597)</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS

STATEMENT OF NET POSITION

INTERNAL SERVICE FUND

SEPTEMBER 30, 2013

	Nonmajor Internal Service Fund	Insurance Fund
ASSETS:		
Current Assets:		
<i>Cash with Fiscal Agent</i>	\$ 253,787	
<i>Due from other funds</i>	150,000	
Total Current Assets	<u>403,787</u>	
Noncurrent Assets:		
Restricted Cash, Cash Equivalents and Investments-		
Total Noncurrent Assets	<u>--</u>	
Total Assets	<u>\$ 403,787</u>	
LIABILITIES:		
Current Liabilities:		
<i>Accounts payable</i>	\$ 12,029	
<i>Due to other funds</i>	150,000	
Total Current Liabilities	<u>162,029</u>	
Current Liabilities Payable from Restricted Assets-		
Total Liabilities	<u>162,029</u>	
NET ASSETS:		
Total Net Assets	<u>\$ 241,758</u>	

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET POSITION - INTERNAL SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Nonmajor Internal Service Fund
	Insurance Fund
OPERATING REVENUES:	
Charges for Sales and Services:	
<i>Premiums and reimbursements</i>	\$ 524,138
Total Operating Revenues	<u>524,138</u>
OPERATING EXPENSES:	
<i>Insurance premiums and Claims</i>	1,429,135
<i>Administration</i>	21,504
Total Operating Expenses	<u>1,450,639</u>
Operating Income	<u>(926,501)</u>
NON-OPERATING REVENUES (EXPENSES):	
Total Non-operating Revenues (Expenses)	<u>--</u>
Income before Transfers	<u>(926,501)</u>
<i>Interfund Transfers In</i>	645,000
Change in Net Assets	<u>(281,501)</u>
Total Net Assets - Beginning	523,259
Total Net Assets - Ending	<u>\$ 241,758</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, 2013

	Internal Service Funds
Cash Flows from Operating Activities:	
<i>Cash Received from Employee Insurance and Medical Expense</i>	\$ 524,138
<i>Cash Paid to Employee Insurance</i>	(1,438,610)
Net Cash Provided (Used) by Operating Activities	<u>(914,472)</u>
Cash Flows from Non-capital Financing Activities:	
<i>Operating Transfers From (To) Primary Government</i>	645,000
<i>Operating Transfers From (To) Other Funds</i>	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</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	(269,472)
Cash and Cash Equivalents at Beginning of Year	\$523,259
Cash and Cash Equivalents at End of Year	<u>\$ 253,787</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (926,501)
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>	12,029
<i>Increase (Decrease) in Due from other funds</i>	(150,000)
<i>Increase (Decrease) in Due to other funds</i>	150,000
<i>Increase (Decrease) in Deferred Revenue</i>	--
Total Adjustments	<u>12,029</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (914,472)</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2013

	<u>Agency Funds</u>
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 722,296
Total Assets	<u>\$ 722,296</u>
LIABILITIES:	
<i>Due to Other Governments and Agencies</i>	\$ 722,296
Total Liabilities	<u>\$ 722,296</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, 2013

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 position 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, 2013

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.

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.

Capital Improvements Fund. The Capital Improvements Fund is used to account for financial resources to be used for the continuation of the construction & renovation of the courthouse.

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, 2013

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, 2013

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, 2013

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, 2013:

- General Fund
- Road and Bridge Fund
- Health Use Sales Tax Fund
- Debt Service Fund
- LCS/I.C.E. Fund
- Capital Improvements Fund
- Lateral Road Fund

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.

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.

BROOKS COUNTY, TEXAS

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013*

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>
Sheriff Local Border Security	\$ (3,602)
LCS/I.C.E. Fund	(442,261)
Homeland Security Fund	(3,023)
Sheriff Seizure Fund	(117,231)
County Airport	(720)
Brush Country Water District	(43)
Community Safety Initiative Grant	(12,853)

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, 2013, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$3,756,357 and the bank balance was \$3,738,467. The County's cash deposits at September 30, 2013 and during the year ended September 30, 2013, 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, 2013

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, 2013 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, 2013

D. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Governmental activities:</i>				
<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	2,047,228	202,988	--	2,250,216
Vehicles	1,069,770	106,037	--	1,175,807
Total capital assets being depreciated	<u>15,399,525</u>	<u>309,025</u>	<u>--</u>	<u>15,708,550</u>
Less accumulated depreciation for:				
Road Network	(894,140)	(67,474)	--	(961,614)
Buildings and improvements	(3,113,213)	(170,561)	--	(3,283,774)
Equipment	(1,740,370)	(101,646)	--	(1,842,016)
Vehicles	(960,281)	(60,275)	--	(1,020,556)
Total accumulated depreciation	<u>(6,708,004)</u>	<u>(399,956)</u>	<u>--</u>	<u>(7,107,960)</u>
Total capital assets being depreciated, net	8,691,521	(90,931)	--	8,600,590
Governmental activities capital assets, net	<u>\$ 8,928,263</u>	<u>\$ (90,931)</u>	<u>\$ --</u>	<u>\$ 8,837,332</u>

Depreciation was charged to functions as follows:

General Government	\$ 399,956
	<u>\$ 399,956</u>

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2013, 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	Homeland Security Fund	15,000	Short-term loans
Medical Insurance Fund	General Fund	150,000	Short-term loans
Road and Bridge Fund	Medical Insurance Fund	150,000	Short-term loans
Federal Arrest Fund	Border Prosecution Fund	35,000	Short-term loans
	Total	<u>\$ 482,786</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, 2013

1. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2013, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General fund	Drug Prevention	\$ 75,000	Supplement other funds sources
General fund	Juvenile Probation	126,000	Supplement other funds sources
General fund	Airport Fund	31,500	Supplement other funds sources
General fund	Medical Insurance	550,000	Supplement other funds sources
Hot Check Fund	General fund	11,121	Supplement other funds sources
Road & Bridge	Medical Insurance	95,000	Supplement other funds sources
LCS/I.C.E.	General fund	69,660	Supplement other funds sources
	Total	\$ 2,050,494	

F. Short-Term Debt Activity

The County entered into a short-term tax notes payable in the amount of \$600,000 from First National Bank in Falfurrias dated September 15, 2013, which has an interest rate of 3.25% and matures on December 31, 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, 2013:

Description	Interest Rates (%)	Date of Issuance	Date of Maturity	Bonds Outstanding
Certificates of Obligation	3.60% - 5.00%	August 9, 2004	March 1, 2024	\$2,610,000
Certificates of Obligation	4.59%	September 16, 2011	September 30, 2031	\$1,030,000
Certificates of Obligation	5.00% - 8.50%	September 15, 2013	March 1, 2020	\$1,200,000

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.

In 2013, the County issued General Obligation Refunding Bonds, Taxable Series 2013 in the amount of \$1,200,000 due in annual installments of \$50,000 to \$240,000 through March 1, 2020. Interest rate of 5.00% to 8.50% due semi-annually on March 1 and September 1, of each year. The proceeds of the above debt were to received and used to pay the Settlement Agreement with the Department of Justice.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2013, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Certificates of Obligation	\$ 3,855,000	\$ 1,200,000	\$ 215,000	\$ 4,840,000	280,000
Capital leases	--	252,301	72,605	179,696	100,639
Total governmental activities	\$ 3,855,000	\$ 1,452,301	\$ 287,605	\$ 5,019,696	\$ 380,639

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2013, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2014	\$ 280,000	\$ 242,029	\$ 522,029
2015	415,000	232,171	647,171
2016	435,000	210,182	645,182
2017	465,000	185,176	650,176
2018	490,000	157,271	647,271
2019-2023	1,900,000	414,021	2,314,021
2024-2028	620,000	99,609	719,609
2028-2031	235,000	16,409	251,409
Totals	\$ 4,840,000	\$ 1,556,868	\$ 6,396,868

3. Capital Leases

The County has entered into three lease agreements as lessee for financing the acquisition of a phone system, hardware, software, and three police vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

1) On May 14, 2013, the County entered into a five year lease agreement, secured with 3 vehicles with Government Capital Corporation, with a maturity of May 1, 2018. Payments are due in annual installments of \$19,606.37, including interest of 5.25%.

2) On October 9, 2012, the County entered into a five year lease agreement, secured with a phone system with Government Capital Corporation, with a maturity of September 15, 2017. Payments are due in sixty monthly payments of \$1,258.00, including interest of 4.9%.

3) On December 29, 2011, the County entered into a four year lease agreement, secured with hardware and software, with Government Capital Corporation, with a maturity of October 1, 2015, payments are due in four annual installments of \$32,968.55, including interest of 4.5%

Asset:

Machinery and Equipment	\$192,649
Vehicles	86,987
Total	279,636
Less: accumulated depreciation	(34,266)
Total	<u>\$245,370</u>

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2013, as follows:

<u>Year Ending September 30:</u>	
2014	\$ 100,639
2015	65,691
2016	15,096
2017	15,096
Total Minimum Rentals	\$ 196,523
Less: amount representing interest	(16,827)
Present Value of Minimum Lease Payments	<u>\$ 179,696</u>

H. Fund Balances

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

Restricted Fund Balance:	
Federal or State Funds Grant Restriction	\$603,140
Retirement of Long-Term Debt	226,418
	<u>829,558</u>
Committed Fund Balance:	
Construction	694,478
Other Committed Fund Balance	--
	<u>694,478</u>
Assigned Fund Balance:	
Other Assigned Fund Balance	--
	<u>--</u>
Unassigned Fund Balance	25,174
	<u>25,174</u>
Total Fund Balance	<u>\$ 1,549,210</u>

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 2013, 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.

BROOKS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 qualified pension 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 7.79% for the calendar year 2013. 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, 2013, the annual pension cost for the TCDRS plan for its employees was \$236,468 and the actual contributions were \$218,731.

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, 2012, the basis for determining the contribution rate for the calendar year 2013. The December 31, 2012 actuarial valuation is the most recent valuation.

BROOKS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Actuarial	Valuation	Information
Actuarial valuation date	12/31/2010	12/31/2011	12/31/2012
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, 2011	\$ 214,378	100%	\$ --
September 30, 2012	212,244	100%	--
September 30, 2013	236,468	100%	--

K. Health Care Coverage

During the year ended September 30, 2013, 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, 2013, 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, 2012, 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, 2013

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, 2013.

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, 2013, 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 2013. The landfill is still open as of 2013. 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, 2013, 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

O. Subsequent Events

The Organization has evaluated subsequent events through April 3, 2014, 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 2013 has been restated from the balance previously reported in 2012, to reflect an adjustment of \$80,106 for an inadvertent omission of a capital lease and an overstatement of long-term debt. Therefore, the balance of net assets for 2012 have been restated to reflect this increase. This correction of errors has increased ending net assets at September 30, 2013.

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, 2013

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>	\$ 4,286,035	\$ 4,286,035	\$ 4,329,265	\$ 43,230
License and Permits	6,650	6,650	3,450	(3,200)
Intergovernmental	272,168	272,168	136,269	(135,899)
Charges for Services	408,810	408,810	427,768	18,958
Fines and Forfeitures	800,294	800,294	433,690	(366,604)
Fees of Office	90,650	84,650	87,526	2,876
Investment Earnings	10,000	10,000	9,022	(978)
Miscellaneous Revenues	201,000	201,000	235,643	34,643
Total revenues	<u>6,075,607</u>	<u>6,069,607</u>	<u>5,662,633</u>	<u>(406,974)</u>
EXPENDITURES:				
General Government				
Commissioners' Court				
<i>Supplies</i>	1,050	1,050	41	1,009
<i>Other Services and Charges</i>	6,425	6,425	5,831	594
Total Commissioners' Court	<u>7,475</u>	<u>7,475</u>	<u>5,872</u>	<u>1,603</u>
County Judge				
<i>Personal Services</i>	115,067	115,067	110,581	4,486
<i>Supplies</i>	2,000	2,000	816	1,184
<i>Other Services and Charges</i>	5,950	5,950	3,360	2,590
Total County Judge	<u>123,017</u>	<u>123,017</u>	<u>114,757</u>	<u>8,260</u>
County Clerk				
<i>Personal Services</i>	156,715	156,715	131,472	25,243
<i>Supplies</i>	4,200	4,200	2,279	1,921
<i>Other Services and Charges</i>	3,800	3,800	2,516	1,284
Total County Clerk	<u>164,715</u>	<u>164,715</u>	<u>136,267</u>	<u>28,448</u>
County Service Officer				
<i>Personal Services</i>	22,130	22,130	22,699	(569)
<i>Supplies</i>	1,000	1,000	960	40
<i>Other Services and Charges</i>	10,000	10,000	5,616	4,384
Total County Service Officer	<u>33,130</u>	<u>33,130</u>	<u>29,275</u>	<u>3,855</u>
County Auditor				
<i>Personal Services</i>	276,841	205,136	178,045	27,091
<i>Supplies</i>	9,500	9,500	2,585	6,915
<i>Other Services and Charges</i>	9,200	9,200	2,928	6,272
Total County Auditor	<u>295,541</u>	<u>223,836</u>	<u>183,558</u>	<u>40,278</u>
County Treasurer				
<i>Personal Services</i>	106,517	106,517	100,621	5,896
<i>Supplies</i>	1,500	1,500	769	731
<i>Other Services and Charges</i>	3,465	3,465	1,772	1,693
Total County Treasurer	<u>111,482</u>	<u>111,482</u>	<u>103,162</u>	<u>8,320</u>
Tax Assessor-Collector				
<i>Personal Services</i>	119,040	119,040	114,583	4,457
<i>Supplies</i>	1,000	1,000	807	193
<i>Other Services and Charges</i>	23,800	23,800	16,902	6,898
Total Tax Assessor-Collector	<u>143,840</u>	<u>143,840</u>	<u>132,292</u>	<u>11,548</u>
Courthouse and Buildings				
<i>Personal Services</i>	34,713	34,713	33,239	1,474
<i>Supplies</i>	12,800	12,800	12,673	127
<i>Other Services and Charges</i>	273,760	273,760	255,124	18,636
Total Courthouse and Buildings	<u>321,273</u>	<u>321,273</u>	<u>301,036</u>	<u>20,237</u>

BROOKS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-1
Page 2 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Grants Management				
<i>Personal Services</i>	21,920	21,920	20,887	1,033
<i>Total Grants Management</i>	21,920	21,920	20,887	1,033
Voter Registration				
<i>Personal Services</i>	46,829	46,829	47,281	(452)
<i>Supplies</i>	1,000	1,000	389	611
<i>Other Services and Charges</i>	25,582	25,582	20,251	5,331
<i>Total Voters Registration</i>	73,411	73,411	67,921	5,490
Non-Departmental				
<i>Personal Services</i>	88,744	88,744	80,569	8,175
<i>Other Services and Charges</i>	769,426	786,250	790,881	(4,631)
<i>Total Non-Departmental</i>	858,170	874,994	871,450	3,544
<i>Total General Government</i>	2,153,974	2,099,093	1,966,477	132,616
Judicial				
County court				
<i>Personal Services</i>	38,685	38,685	27,392	11,293
<i>Supplies</i>	200	200	--	200
<i>Other Services and Charges</i>	10,000	10,000	4,741	5,259
<i>Total County Court</i>	48,885	48,885	32,133	16,752
District Court				
<i>Personal Services</i>	145,065	104,757	80,236	24,521
<i>Supplies</i>	81,000	81,000	73,473	7,527
<i>Other Services and Charges</i>	26,310	26,310	11,653	14,657
<i>Total District Court</i>	252,375	212,067	165,362	46,705
District Clerk				
<i>Personal Services</i>	133,398	133,398	132,332	1,066
<i>Supplies</i>	5,500	5,500	2,258	3,242
<i>Other Services and Charges</i>	5,000	5,000	2,935	2,065
<i>Total District Clerk</i>	143,898	143,898	137,525	6,373
Justice of the Peace				
<i>Personal Services</i>	297,923	297,923	282,677	15,246
<i>Supplies</i>	4,600	4,852	3,050	1,802
<i>Other Services and Charges</i>	10,200	9,948	5,352	4,596
<i>Total Justice of the Peace</i>	312,723	312,723	291,079	21,644
County Attorney				
<i>Personal Services</i>	135,517	135,517	122,278	13,239
<i>Supplies</i>	2,200	2,200	1,663	537
<i>Other Services and Charges</i>	4,400	4,400	3,372	1,028
<i>Total County Attorney</i>	142,117	142,117	127,313	14,804
District Attorney				
<i>Personal Services</i>	91,529	91,529	93,767	(2,238)
<i>Supplies</i>	5,500	5,500	1,999	3,501
<i>Other Services and Charges</i>	3,250	3,250	653	2,597
<i>Total District Attorney</i>	100,279	100,279	96,419	3,860
Juvenile Court				
<i>Personal Services</i>	10,800	10,800	9,800	1,000
<i>Other Services and Charges</i>	300	300	--	300
<i>Total Juvenile Court</i>	11,100	11,100	9,800	1,300
Total Judicial	1,011,377	971,069	859,631	111,438

BROOKS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-1
Page 3 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety				
911 Addressing				
<i>Personal Services</i>	41,954	41,954	40,578	1,376
<i>Supplies</i>	500	500	64	436
<i>Other Services and Charges</i>	2,500	2,500	670	1,830
<i>Total 911 Addressing</i>	44,954	44,954	41,312	3,642
Adult Probation				
<i>Supplies</i>	100	100	48	52
<i>Other Services and Charges</i>	93,000	93,000	84,484	8,516
<i>Total Adult Probation</i>	93,100	93,100	84,532	8,568
Constables				
<i>Personal Services</i>	77,197	77,197	72,438	4,759
<i>Supplies</i>	2,000	2,000	376	1,624
<i>Other Services and Charges</i>	16,800	16,800	10,968	5,832
<i>Total Constables</i>	95,997	95,997	83,782	12,215
Sheriff				
<i>Personal Services</i>	589,682	589,682	571,703	17,979
<i>Supplies</i>	64,000	64,000	59,831	4,169
<i>Other Services and Charges</i>	33,050	33,050	34,262	(1,212)
<i>Total Sheriff</i>	686,732	686,732	665,796	20,936
County Jail				
<i>Personal Services</i>	434,339	474,647	434,482	40,165
<i>Supplies</i>	41,450	39,450	50,663	(11,213)
<i>Other Services and Charges</i>	64,000	66,000	94,952	(28,952)
<i>Total County Jail</i>	539,789	580,097	580,097	--
Fire Marshall & LEPC Coordinator				
<i>Personal Services</i>	57,440	57,440	48,533	8,907
<i>Supplies</i>	850	850	204	646
<i>Other Services and Charges</i>	11,650	11,650	10,645	1,005
<i>Total Fire Marshall & LEPC</i>	69,940	69,940	59,382	10,558
Total Public Safety	1,530,512	1,570,820	1,514,901	55,919
Public Transportation				
Texas Department of Public Safety				
<i>Personal Services</i>	24,390	24,390	22,612	1,778
<i>Supplies</i>	1,000	1,000	330	670
<i>Other Services and Charges</i>	6,150	6,150	2,705	3,445
<i>Total Texas Department of Public Safety</i>	31,540	31,540	25,647	5,893
Weigh Station				
<i>Personal Services</i>	30,948	30,948	28,409	2,539
<i>Supplies</i>	1,000	1,000	146	854
<i>Other Services and Charges</i>	3,800	3,800	2,924	876
<i>Total Weigh Station</i>	35,748	35,748	31,479	4,269
Total Public Transportation	67,288	67,288	57,126	10,162
Health and Welfare				
<i>Other Services and Charges</i>	38,250	93,131	93,130	1
<i>Total Health and Welfare</i>	38,250	93,131	93,130	1
Out-Patient Clinic				
<i>Personal Services</i>	55,108	55,108	46,129	8,979
<i>Supplies</i>	1,000	1,000	302	698
<i>Other Services and Charges</i>	2,300	2,300	2,044	256
<i>Total Out-Patient Clinic</i>	58,408	58,408	48,475	9,933
Indigent				
<i>Other Services and Charges</i>	107,000	107,000	643,278	(536,278)
<i>Total Indigent</i>	107,000	107,000	643,278	(536,278)

BROOKS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-1
Page 4 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Commodities Distribution				
<i>Personal Services</i>	24,546	24,546	20,848	3,698
<i>Supplies</i>	500	500	--	500
<i>Other Services and Charges</i>	11,700	11,700	12,980	(1,280)
<i>Total Commodities Distribution</i>	36,746	36,746	33,828	2,918
Total Health and Welfare	240,404	295,285	818,711	(523,426)
Culture and Recreation				
Library				
<i>Personal Services</i>	85,574	85,574	61,937	23,637
<i>Supplies</i>	15,000	15,000	7,427	7,573
<i>Other Services and Charges</i>	7,825	7,825	4,655	3,170
<i>Total Library</i>	108,399	108,399	74,019	34,380
Total Culture and Recreation	108,399	108,399	74,019	34,380
Conservation				
County Extension Agent				
<i>Personal Services</i>	83,051	83,051	83,038	13
<i>Supplies</i>	3,500	3,500	3,484	16
<i>Other Services and Charges</i>	13,000	14,500	12,712	1,788
<i>Total County Extension Agent</i>	99,551	101,051	99,234	1,817
Total Conservation	99,551	101,051	99,234	1,817
Debt Service:				
<i>Principal</i>	--	--	12,587	(12,587)
<i>Interest and Fiscal Charges</i>	--	--	2,509	(2,509)
Total Expenditures	5,211,505	5,213,005	5,405,195	(192,190)
Excess (Deficiency) of Revenues Over (Under) Expenditures	864,102	856,602	257,438	(599,164)
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	736,121	411,121	80,781	(330,340)
<i>Transfers Out</i>	(944,000)	(944,000)	(782,500)	(161,500)
<i>Capital Leases</i>	--	--	68,365	(68,365)
Total Other Financing Sources (Uses)	(207,879)	(532,879)	(633,354)	100,475
Net Change in Fund Balances	656,223	323,723	(375,916)	(699,639)
Fund Balances - Beginning	401,090	401,090	401,090	--
Fund Balances - Ending	\$ 1,057,313	\$ 724,813	\$ 25,174	\$ (699,639)

BROOKS COUNTY, TEXAS

LCS / I.C.E.

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 7,357,000	\$ 7,357,000	\$ 8,471,886	\$ 1,114,886
Investment Earnings	1,500	1,500	1,073	(427)
Total revenues	<u>7,358,500</u>	<u>7,358,500</u>	<u>8,472,959</u>	<u>1,114,459</u>
EXPENDITURES:				
Public Safety				
<i>Other Services and Charges</i>	7,025,000	7,025,000	8,127,002	(1,102,002)
<i>Total Public Safety</i>	<u>7,025,000</u>	<u>7,025,000</u>	<u>8,127,002</u>	<u>(1,102,002)</u>
Total Public Safety	<u>7,025,000</u>	<u>7,025,000</u>	<u>8,127,002</u>	<u>(1,102,002)</u>
Total Expenditures	<u>7,025,000</u>	<u>7,025,000</u>	<u>8,127,002</u>	<u>(1,102,002)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	333,500	333,500	345,957	12,457
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	(325,000)	(325,000)	(69,660)	(255,340)
Total Other Financing Sources (Uses)	<u>(325,000)</u>	<u>(325,000)</u>	<u>(69,660)</u>	<u>(255,340)</u>
Net Change in Fund Balances	8,500	8,500	276,297	267,797
Fund Balances - Beginning	--	--	(718,558)	(718,558)
Fund Balances - Ending	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ (442,261)</u>	<u>\$ (450,761)</u>

BROOKS COUNTY, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

YEAR ENDED SEPTEMBER 30, 2013

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)
9/30/10	\$ 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%
9/30/12	13,435,542	12,964,684	(470,858)	103.6%	3,101,894	-15.2%

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*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, 2013

	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>	\$ 926,051	\$ 226,418	\$ 6,741	\$ 1,159,210
<i>Restricted Cash</i>	120,377	--	--	120,377
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	117,581	--	--	117,581
<i>Intergovernmental Receivable</i>	40,000	--	--	40,000
<i>Due from Other Funds</i>	332,786	--	--	332,786
Total Assets	<u>\$ 1,536,795</u>	<u>\$ 226,418</u>	<u>\$ 6,741</u>	<u>\$ 1,769,954</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 181,026	\$ --	\$ --	\$ 181,026
<i>Due to Other Funds</i>	182,786	--	--	182,786
<i>Due to Other Governments and Agencies</i>	10,000	--	--	10,000
<i>Deferred Revenue</i>	117,582	--	--	117,582
Total Liabilities	<u>491,394</u>	<u>--</u>	<u>--</u>	<u>491,394</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	1,045,401	--	--	1,045,401
Restriction of Long-Term Debt	--	226,418	--	226,418
Committed Fund Balance:				
Construction	--	--	6,741	6,741
Other Committed Fund Balance	--	--	--	--
Assigned Fund Balance				
Other Assigned Fund Balance	--	--	--	--
Unassigned Fund Balance				
Unassigned Fund Balance	--	--	--	--
Total Fund Balance	<u>1,045,401</u>	<u>226,418</u>	<u>6,741</u>	<u>1,278,560</u>
Total Liabilities and Fund Balance	<u>\$ 1,536,795</u>	<u>\$ 226,418</u>	<u>\$ 6,741</u>	<u>\$ 1,769,954</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:				
Taxes:				
<i>General Property Taxes</i>	\$ 1,268,488	\$ 306,167	\$ --	\$ 1,574,655
<i>General Sales and Use Taxes</i>	402,457	--	--	402,457
<i>License and Permits</i>	569,142	--	--	569,142
<i>Intergovernmental</i>	632,769	--	--	632,769
<i>Charges for Services</i>	24,601	--	--	24,601
<i>Fines and Forfeitures</i>	363,247	--	--	363,247
<i>Fees of Office</i>	30,326	--	--	30,326
<i>Investment Earnings</i>	4,305	1,174	--	5,479
<i>Miscellaneous Revenues</i>	12,109	--	--	12,109
Total revenues	<u>3,307,444</u>	<u>307,341</u>	<u>--</u>	<u>3,614,785</u>
Expenditures:				
Current:				
<i>Judicial</i>	72,396	--	--	72,396
<i>Public Safety</i>	1,532,321	--	--	1,532,321
<i>Public Transportation</i>	1,271,686	--	--	1,271,686
<i>Health and Welfare</i>	464,025	--	--	464,025
<i>Culture and Recreation</i>	207	--	1,600	1,807
<i>Conservation</i>	21,884	--	--	21,884
<i>Economic Development and Assistance</i>	91,374	--	--	91,374
Debt Service:				
<i>Principal</i>	149,633	180,000	--	329,633
<i>Interest and Fiscal Charges</i>	57,351	120,883	--	178,234
<i>Bond Issuance Costs</i>	107,787	--	--	107,787
Total Expenditures	<u>3,768,664</u>	<u>300,883</u>	<u>1,600</u>	<u>4,071,147</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(461,220)</u>	<u>6,458</u>	<u>(1,600)</u>	<u>(456,362)</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	1,324,713	--	--	1,324,713
<i>Transfers Out</i>	(1,198,334)	--	--	(1,198,334)
<i>Issuance of Bonds</i>	1,200,000	--	--	1,200,000
<i>Capital Leases</i>	86,737	--	--	86,737
Total Other Financing Sources (Uses)	<u>1,413,116</u>	<u>--</u>	<u>--</u>	<u>1,413,116</u>
Net Change in Fund Balances	951,896	6,458	(1,600)	956,754
Fund Balances - Beginning	93,505	219,960	8,341	321,806
Fund Balances - Ending	<u>\$ 1,045,401</u>	<u>\$ 226,418</u>	<u>\$ 6,741</u>	<u>\$ 1,278,560</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2013

	<u>Texas DSHS Grant</u>	<u>La Parrita Water Main #712015</u>	<u>Road & Bridge Fund</u>	<u>Management & Preservation Fund</u>
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ --	\$ --	\$ 96,678	\$ 69,053
<i>Restricted Cash</i>	--	--	--	--
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	--	--	117,581	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	150,000	--
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 364,259</u>	<u>\$ 69,053</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ 9,000	\$ 24,400	\$ --
<i>Due to Other Funds</i>	--	--	--	--
<i>Due to Other Governments and Agencies</i>	--	--	--	--
<i>Deferred Revenue</i>	--	--	117,582	--
Total Liabilities	<u>--</u>	<u>9,000</u>	<u>141,982</u>	<u>--</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	--	(9,000)	222,277	69,053
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>--</u>	<u>(9,000)</u>	<u>222,277</u>	<u>69,053</u>
Total Liabilities and Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 364,259</u>	<u>\$ 69,053</u>

<u>Courthouse Security</u>	<u>Lateral Road Fund</u>	<u>Prevention & Treatment Fund</u>	<u>County Attorney Hot Check Fund</u>	<u>Homeland Security</u>
\$ 6,894	\$ 9,109	\$ 11,047	\$ 14,847	\$ 11,977
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>6,894</u>	<u>9,109</u>	<u>11,047</u>	<u>14,847</u>	<u>11,977</u>
\$ 408	\$ --	\$ 348	\$ 3	\$ --
--	--	--	--	15,000
--	--	--	--	--
--	--	--	--	--
<u>408</u>	<u>--</u>	<u>348</u>	<u>3</u>	<u>15,000</u>
6,486	9,109	10,699	14,844	(3,023)
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>6,486</u>	<u>9,109</u>	<u>10,699</u>	<u>14,844</u>	<u>(3,023)</u>
<u>\$ 6,894</u>	<u>\$ 9,109</u>	<u>\$ 11,047</u>	<u>\$ 14,847</u>	<u>\$ 11,977</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2013

	<u>Ed Rachal Sheriff Grant</u>	<u>Employee Vending Machine Commission Fund</u>	<u>Border Prosecutor's Program</u>	<u>Election Service Contract Fund</u>
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 3,743	\$ 873	\$ 55,329	\$ 11,107
<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>\$ 3,743</u>	<u>\$ 873</u>	<u>\$ 55,329</u>	<u>\$ 11,107</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 1,415	\$ --	\$ 26,477	\$ 7,158
<i>Due to Other Funds</i>	--	--	35,000	--
<i>Due to Other Governments and Agencies</i>	--	--	10,000	--
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	<u>1,415</u>	<u>--</u>	<u>71,477</u>	<u>7,158</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	2,328	873	(16,148)	3,949
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>2,328</u>	<u>873</u>	<u>(16,148)</u>	<u>3,949</u>
Total Liabilities and Fund Balance	<u>\$ 3,743</u>	<u>\$ 873</u>	<u>\$ 55,329</u>	<u>\$ 11,107</u>

t	<u>Disaster Relief</u>	<u>County Airport</u>	<u>Law Library Fund</u>	<u>Sheriff Seizure</u>	<u>Federal Arrest Drug Fund</u>
	\$ --	\$ 3,626	\$ 24,982	\$ 28,238	\$ 13,035
	--	--	--	--	--
	--	--	--	--	--
	--	--	--	15,000	167,786
	<u>\$ --</u>	<u>\$ 3,626</u>	<u>\$ 24,982</u>	<u>\$ 43,238</u>	<u>\$ 180,821</u>
	\$ --	\$ 4,346	\$ 457	\$ 14,772	\$ --
	--	--	--	132,786	--
	--	--	--	--	--
	--	--	--	--	--
	<u>--</u>	<u>4,346</u>	<u>457</u>	<u>147,558</u>	<u>--</u>
	--	(720)	24,525	(104,320)	180,821
	--	--	--	--	--
	--	--	--	--	--
	--	--	--	--	--
	<u>--</u>	<u>(720)</u>	<u>24,525</u>	<u>(104,320)</u>	<u>180,821</u>
	<u>\$ --</u>	<u>\$ 3,626</u>	<u>\$ 24,982</u>	<u>\$ 43,238</u>	<u>\$ 180,821</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2013

	<u>LEOSE State Allocations</u>	<u>Historical & Development Fund</u>	<u>Justice Crt Technology Fund</u>	<u>Parents Helping Parents Fund</u>
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 27,145	\$ 4,478	\$ 143,635	\$ 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>\$ 27,145</u>	<u>\$ 4,478</u>	<u>\$ 143,635</u>	<u>\$ 269</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ --	\$ 396	\$ --
<i>Due to Other Funds</i>	--	--	--	--
<i>Due to Other Governments and Agencies</i>	--	--	--	--
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>396</u>	<u>--</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	27,145	4,478	143,239	269
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>27,145</u>	<u>4,478</u>	<u>143,239</u>	<u>269</u>
Total Liabilities and Fund Balance	<u>\$ 27,145</u>	<u>\$ 4,478</u>	<u>\$ 143,635</u>	<u>\$ 269</u>

Health Use Sales Tax Fund	Ed Rachal Audio Visual Fund	TDHCA #720015 HWY 281 Water Project	79th Judicial Dist/Drug Alcohol Fund	Drug Alcohol Court Diversion Program
\$ 1,135 120,377	\$ 1,288 -- -- --	\$ -- -- -- --	\$ 24,044 -- -- --	\$ 138,705 -- -- --
<u>\$ 121,512</u>	<u>\$ 1,288</u>	<u>\$ --</u>	<u>\$ 24,044</u>	<u>\$ 138,705</u>
\$ 15,250 -- --	\$ -- -- --	\$ -- -- --	\$ 26,477 -- --	\$ 1,906 -- --
<u>15,250</u>	<u>--</u>	<u>--</u>	<u>26,477</u>	<u>1,906</u>
106,262	1,288	--	(2,433)	136,799
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>106,262</u>	<u>1,288</u>	<u>--</u>	<u>(2,433)</u>	<u>136,799</u>
<u>\$ 121,512</u>	<u>\$ 1,288</u>	<u>\$ --</u>	<u>\$ 24,044</u>	<u>\$ 138,705</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2013

	TCDP #726055 Colonia Construction	Brush Country Water District	Sheriff Local Border Security Fund	Sheriff Federal Seizure Fund
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ --	\$ 85	\$ (3,602)	\$ 1,635
<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>\$ --</u>	<u>\$ 85</u>	<u>\$ (3,602)</u>	<u>\$ 1,635</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ 128	\$ --	\$ (93)
<i>Due to Other Funds</i>	--	--	--	--
<i>Due to Other Governments and Agencies</i>	--	--	--	--
<i>Deferred Revenue</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>128</u>	<u>--</u>	<u>(93)</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	--	(43)	(3,602)	1,728
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>--</u>	<u>(43)</u>	<u>(3,602)</u>	<u>1,728</u>
Total Liabilities and Fund Balance	<u>\$ --</u>	<u>\$ 85</u>	<u>\$ (3,602)</u>	<u>\$ 1,635</u>

<u>Constable Seizure Fund</u>	<u>Community Safety Initiative Grant</u>	<u>Juvenile Probation Match</u>	<u>TJPC-E VERTEX FUND</u>	<u>Certificate of Obligation Series 2011</u>
\$ 113,915	\$ --	\$ 95,762	\$ 1,337	\$ 5,300
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 113,915</u>	<u>\$ --</u>	<u>\$ 95,762</u>	<u>\$ 1,337</u>	<u>\$ 5,300</u>
\$ 9,456	\$ 12,853	\$ 25,519	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>9,456</u>	<u>12,853</u>	<u>25,519</u>	<u>--</u>	<u>--</u>
104,459	(12,853)	70,243	1,337	5,300
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>104,459</u>	<u>(12,853)</u>	<u>70,243</u>	<u>1,337</u>	<u>5,300</u>
<u>\$ 113,915</u>	<u>\$ --</u>	<u>\$ 95,762</u>	<u>\$ 1,337</u>	<u>\$ 5,300</u>

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2013

	Gen Operating Refunding Bonds Series 2013	Celebration Fund	Ed Rachal Carter Family Foundation
ASSETS AND OTHER DEBITS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ --	\$ 4,414	\$ 4,000
<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>\$ --</u>	<u>\$ 4,414</u>	<u>\$ 4,000</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
<i>Accounts Payable</i>	\$ --	\$ --	\$ --
<i>Due to Other Funds</i>	--	--	--
<i>Due to Other Governments and Agencies</i>	--	--	--
<i>Deferred Revenue</i>	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:			
Restricted Fund Balance:			
<i>Federal or State Funds Grant Restriction</i>	--	4,414	4,000
<i>Retirement of Long-Term Debt</i>	--	--	--
Committed Fund Balance:			
<i>Construction</i>	--	--	--
<i>Other Committed Fund Balance</i>	--	--	--
Assigned Fund Balance:			
<i>Other Assigned Fund Balance:</i>	--	--	--
<i>Unassigned Fund Balance</i>	--	--	--
Total Fund Balance	<u>--</u>	<u>4,414</u>	<u>4,000</u>
Total Liabilities and Fund Balance	<u>\$ --</u>	<u>\$ 4,414</u>	<u>\$ 4,000</u>

Encino Water Plant Back Up Generator	J.M. Alaniz Fairgrounds Fees Fund	TXCDBG #727025 Phase 2 Septic	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ --	\$ 1,968	\$ --	\$ 926,051
--	--	--	120,377
--	--	--	117,581
--	--	40,000	40,000
--	--	--	332,786
<u>\$ --</u>	<u>\$ 1,968</u>	<u>\$ 40,000</u>	<u>\$ 1,536,795</u>
\$ --	\$ 350	\$ --	\$ 181,026
--	--	--	182,786
--	--	--	10,000
--	--	--	117,582
<u>--</u>	<u>350</u>	<u>--</u>	<u>491,394</u>
--	1,618	40,000	1,045,401
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>--</u>	<u>1,618</u>	<u>40,000</u>	<u>1,045,401</u>
<u>\$ --</u>	<u>\$ 1,968</u>	<u>\$ 40,000</u>	<u>\$ 1,536,795</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Texas DSHS Grant	La Parrita Water Main #712015	Road & Bridge Fund	Management & Preservation Fund
Revenue:				
<i>Taxes:</i>				
General Property Taxes	\$ --	\$ --	\$ 1,183,527	\$ --
General Sales and Use Taxes	--	--	--	--
License and Permits	--	--	266,975	--
Intergovernmental	37,374	45,000	--	--
Charges for Services	--	--	21,039	--
Fines and Forfeitures	--	--	--	--
Fees of Office	--	--	--	9,971
Investment Earnings	--	--	1,653	226
Miscellaneous Revenues	--	--	7,909	--
Total revenues	<u>37,374</u>	<u>45,000</u>	<u>1,481,103</u>	<u>10,197</u>
Expenditures:				
<i>Current:</i>				
Judicial	--	--	--	--
Public Safety	--	--	--	--
Public Transportation	--	--	1,234,490	--
Health and Welfare	--	--	--	--
Culture and Recreation	--	--	--	--
Conservation	--	--	--	--
Economic Development and Assistance	37,374	54,000	--	--
<i>Debt Service:</i>				
Principal	--	--	51,036	--
Interest and Fiscal Charges	--	--	2,557	--
Bond Issuance Costs	--	--	--	--
Total Expenditures	<u>37,374</u>	<u>54,000</u>	<u>1,288,083</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(9,000)</u>	<u>193,020</u>	<u>10,197</u>
Other Financing Sources (Uses):				
Transfers In	--	--	--	--
Transfers Out	--	--	(95,000)	--
Issuance of Bonds	--	--	--	--
Capital Leases	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(95,000)</u>	<u>--</u>
Net Change in Fund Balances	--	(9,000)	98,020	10,197
Fund Balances - Beginning	--	--	124,257	58,856
Fund Balances - Ending	<u>\$ --</u>	<u>\$ (9,000)</u>	<u>\$ 222,277</u>	<u>\$ 69,053</u>

Courthouse Security	Lateral Road Fund	Prevention & Treatment Fund	County Attorney Hot Check Fund	Homeland Security
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	9,068	8,042	--	39,276
--	--	--	--	--
9,791	--	--	1,941	--
23	33	55	53	--
--	--	--	--	--
<u>9,814</u>	<u>9,101</u>	<u>8,097</u>	<u>1,994</u>	<u>39,276</u>
--	--	--	10	--
16,556	4,317	--	--	41,309
--	--	76,587	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	30,669
--	--	--	--	429
--	--	--	--	--
<u>16,556</u>	<u>4,317</u>	<u>76,587</u>	<u>10</u>	<u>72,407</u>
<u>(6,742)</u>	<u>4,784</u>	<u>(68,490)</u>	<u>1,984</u>	<u>(33,131)</u>
--	--	75,000	--	--
--	--	--	(11,121)	--
--	--	--	--	--
--	--	--	--	--
--	--	<u>75,000</u>	<u>(11,121)</u>	<u>--</u>
(6,742)	4,784	6,510	(9,137)	(33,131)
13,228	4,325	4,189	23,981	30,108
<u>\$ 6,486</u>	<u>\$ 9,109</u>	<u>\$ 10,699</u>	<u>\$ 14,844</u>	<u>\$ (3,023)</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Ed Rachal Sheriff Grant	Employee Vending Machine Commission Fund	Border Prosecutor's Program	Election Service Contract Fund
Revenue:				
<i>Taxes:</i>				
<i>General Property Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>General Sales and Use Taxes</i>	--	--	--	--
<i>License and Permits</i>	--	--	--	--
<i>Intergovernmental</i>	30,000	--	122,458	--
<i>Charges for Services</i>	--	--	--	--
<i>Fines and Forfeitures</i>	--	--	--	--
<i>Fees of Office</i>	--	--	--	--
<i>Investment Earnings</i>	23	--	--	39
<i>Miscellaneous Revenues</i>	--	200	--	4,000
Total revenues	<u>30,023</u>	<u>200</u>	<u>122,458</u>	<u>4,039</u>
Expenditures:				
<i>Current:</i>				
<i>Judicial</i>	--	--	--	--
<i>Public Safety</i>	34,152	--	114,686	10,678
<i>Public Transportation</i>	--	--	--	--
<i>Health and Welfare</i>	--	--	--	--
<i>Culture and Recreation</i>	--	--	--	--
<i>Conservation</i>	--	--	--	--
<i>Economic Development and Assistance</i>	--	--	--	--
<i>Debt Service:</i>				
<i>Principal</i>	--	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--	--
<i>Bond Issuance Costs</i>	--	--	--	--
Total Expenditures	<u>34,152</u>	<u>--</u>	<u>114,686</u>	<u>10,678</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,129)</u>	<u>200</u>	<u>7,772</u>	<u>(6,639)</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	--	--	--	--
<i>Transfers Out</i>	--	--	--	--
<i>Issuance of Bonds</i>	--	--	--	--
<i>Capital Leases</i>	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(4,129)</u>	<u>200</u>	<u>7,772</u>	<u>(6,639)</u>
Fund Balances - Beginning	6,457	673	(23,920)	10,588
Fund Balances - Ending	<u>\$ 2,328</u>	<u>\$ 873</u>	<u>\$ (16,148)</u>	<u>\$ 3,949</u>

County Airport	Law Library Fund	Sheriff Seizure	Federal Arrest Drug Fund	LEOSE State Allocations
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
1,901	--	--	--	--
--	3,562	--	--	--
--	--	267,248	--	--
--	--	--	--	--
36	93	90	47	103
--	--	--	--	--
<u>1,937</u>	<u>3,655</u>	<u>267,338</u>	<u>47</u>	<u>103</u>
--	--	--	--	--
--	4,647	293,491	90,571	2,845
37,196	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>37,196</u>	<u>4,647</u>	<u>293,491</u>	<u>90,571</u>	<u>2,845</u>
<u>(35,259)</u>	<u>(992)</u>	<u>(26,153)</u>	<u>(90,524)</u>	<u>(2,742)</u>
31,500	--	--	1,092,213	--
--	--	--	--	--
--	--	--	--	--
<u>31,500</u>	<u>--</u>	<u>--</u>	<u>1,092,213</u>	<u>--</u>
(3,759)	(992)	(26,153)	1,001,689	(2,742)
3,039	25,517	(78,167)	(820,868)	29,887
<u>\$ (720)</u>	<u>\$ 24,525</u>	<u>\$ (104,320)</u>	<u>\$ 180,821</u>	<u>\$ 27,145</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Historical & Development Fund	Justice Cr Technology Fund	Parents Helping Parents Fund	Health Use Sales Tax Fund
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	--	402,457
License and Permits	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	--	8,623	--	--
Investment Earnings	16	538	--	299
Miscellaneous Revenues	--	--	--	--
Total revenues	<u>16</u>	<u>9,161</u>	<u>--</u>	<u>402,756</u>
Expenditures:				
Current:				
Judicial	--	11,765	--	--
Public Safety	--	--	--	--
Public Transportation	--	--	--	--
Health and Welfare	--	--	--	387,438
Culture and Recreation	--	--	--	--
Conservation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Bond Issuance Costs	--	--	--	--
Total Expenditures	<u>--</u>	<u>11,765</u>	<u>--</u>	<u>387,438</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16</u>	<u>(2,604)</u>	<u>--</u>	<u>15,318</u>
Other Financing Sources (Uses):				
Transfers In	--	--	--	--
Transfers Out	--	--	--	--
Issuance of Bonds	--	--	--	--
Capital Leases	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	16	(2,604)	--	15,318
Fund Balances - Beginning	4,462	145,843	269	90,944
Fund Balances - Ending	<u>\$ 4,478</u>	<u>\$ 143,239</u>	<u>\$ 269</u>	<u>\$ 106,262</u>

Ed Rachal Audio Visual Fund	79th Judicial Dist/Drug Alcohol Fund	Drug Alcohol Court Diversion Program	Brush Country Water District	Sheriff Local Border Security Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	144,644	--	15,000	40,273
--	--	95,999	--	--
--	--	490	--	--
5	--	--	--	--
<u>5</u>	<u>144,644</u>	<u>96,489</u>	<u>15,000</u>	<u>40,273</u>
--	--	60,621	--	--
--	171,121	--	--	46,143
--	--	--	--	--
207	--	--	--	--
--	--	--	20,127	--
--	--	--	--	--
--	--	--	--	--
<u>207</u>	<u>171,121</u>	<u>60,621</u>	<u>20,127</u>	<u>46,143</u>
<u>(202)</u>	<u>(26,477)</u>	<u>35,868</u>	<u>(5,127)</u>	<u>(5,870)</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>(202)</u>	<u>(26,477)</u>	<u>35,868</u>	<u>(5,127)</u>	<u>(5,870)</u>
1,490	24,044	100,931	5,084	2,268
<u>\$ 1,288</u>	<u>\$ (2,433)</u>	<u>\$ 136,799</u>	<u>\$ (43)</u>	<u>\$ (3,602)</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Sheriff Federal Seizure Fund	Constable Seizure Fund	Community Safety Initiative Grant	Juvenile Probation Match
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	--	--
License and Permits	--	302,167	--	--
Intergovernmental	21,864	--	--	116,669
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	--	--	--	--
Investment Earnings	22	378	--	--
Miscellaneous Revenues	--	--	--	--
Total revenues	<u>21,886</u>	<u>302,545</u>	<u>--</u>	<u>116,669</u>
Expenditures:				
Current:				
Judicial	--	--	--	--
Public Safety	20,408	336,336	12,853	332,208
Public Transportation	--	--	--	--
Health and Welfare	--	--	--	--
Culture and Recreation	--	--	--	--
Conservation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	32,928	--	--
Interest and Fiscal Charges	--	6,285	--	--
Bond Issuance Costs	--	--	--	--
Total Expenditures	<u>20,408</u>	<u>375,549</u>	<u>12,853</u>	<u>332,208</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,478</u>	<u>(73,004)</u>	<u>(12,853)</u>	<u>(215,539)</u>
Other Financing Sources (Uses):				
Transfers In	--	--	--	126,000
Transfers Out	--	--	--	--
Issuance of Bonds	--	--	--	--
Capital Leases	--	86,737	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>86,737</u>	<u>--</u>	<u>126,000</u>
Net Change in Fund Balances	1,478	13,733	(12,853)	(89,539)
Fund Balances - Beginning	250	90,726	--	159,782
Fund Balances - Ending	<u>\$ 1,728</u>	<u>\$ 104,459</u>	<u>\$ (12,853)</u>	<u>\$ 70,243</u>

TJPC-E VERTEX FUND	Certificate of Obligation Series 2011	Gen Operating Refunding Bonds Series 2013	Celebration Fund	Ed Rachal Carter Family Foundation
\$ --	\$ 84,961	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	83	--	--	--
--	--	--	--	--
<u>--</u>	<u>85,044</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	35,000	--	--	--
--	48,080	--	--	--
--	--	107,787	--	--
<u>--</u>	<u>83,080</u>	<u>107,787</u>	<u>--</u>	<u>--</u>
--	1,964	(107,787)	--	--
--	--	--	--	--
--	--	(1,092,213)	--	--
--	--	1,200,000	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>107,787</u>	<u>--</u>	<u>--</u>
--	1,964	--	--	--
1,337	3,336	--	4,414	4,000
<u>\$ 1,337</u>	<u>\$ 5,300</u>	<u>\$ --</u>	<u>\$ 4,414</u>	<u>\$ 4,000</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	J.M. Alaniz Fairgrounds Fees Fund	TXCDBG #727025 Phase 2 Septic	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:			
Taxes:			
General Property Taxes	\$ --	\$ --	\$ 1,268,488
General Sales and Use Taxes	--	--	402,457
License and Permits	--	--	569,142
Intergovernmental	1,200	--	632,769
Charges for Services	--	--	24,601
Fines and Forfeitures	--	--	363,247
Fees of Office	--	--	30,326
Investment Earnings	--	--	4,305
Miscellaneous Revenues	--	--	12,109
Total revenues	<u>1,200</u>	<u>--</u>	<u>3,307,444</u>
Expenditures:			
Current:			
Judicial	--	--	72,396
Public Safety	--	--	1,532,321
Public Transportation	--	--	1,271,686
Health and Welfare	--	--	464,025
Culture and Recreation	--	--	207
Conservation	1,757	--	21,884
Economic Development and Assistance	--	--	91,374
Debt Service:			
Principal	--	--	149,633
Interest and Fiscal Charges	--	--	57,351
Bond Issuance Costs	--	--	107,787
Total Expenditures	<u>1,757</u>	<u>--</u>	<u>3,768,664</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(557)</u>	<u>--</u>	<u>(461,220)</u>
Other Financing Sources (Uses):			
Transfers In	--	--	1,324,713
Transfers Out	--	--	(1,198,334)
Issuance of Bonds	--	--	1,200,000
Capital Leases	--	--	86,737
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>1,413,116</u>
Net Change in Fund Balances	(557)	--	951,896
Fund Balances - Beginning	2,175	40,000	93,505
Fund Balances - Ending	<u>\$ 1,618</u>	<u>\$ 40,000</u>	<u>\$ 1,045,401</u>

BROOKS COUNTY, TEXAS
ROAD & BRIDGE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 1,173,330	\$ 1,173,330	\$ 1,183,527	\$ 10,197
License and Permits	230,000	230,000	266,975	36,975
Charges for Services	16,000	16,000	21,039	5,039
Investment Earnings	2,000	2,000	1,653	(347)
Miscellaneous Revenues	6,500	6,500	7,909	1,409
Total revenues	1,427,830	1,427,830	1,481,103	53,273
EXPENDITURES:				
Public Transportation				
<i>Personal Services</i>	918,006	918,006	869,014	48,992
<i>Supplies</i>	141,500	141,500	171,336	(29,836)
<i>Other Services and Charges</i>	253,510	253,510	194,140	59,370
Total Public Transportation	1,313,016	1,313,016	1,234,490	78,526
Total Public Transportation	1,313,016	1,313,016	1,234,490	78,526
<i>Debt Service:</i>				
<i>Principal</i>	25,000	25,000	51,036	(26,036)
<i>Interest and Fiscal Charges</i>	--	--	2,557	(2,557)
Total Expenditures	1,338,016	1,338,016	1,288,083	49,933
Excess (Deficiency) of Revenues Over (Under) Expenditures	89,814	89,814	193,020	103,206
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	(95,000)	(95,000)	(95,000)	--
Total Other Financing Sources (Uses)	(95,000)	(95,000)	(95,000)	--
Net Change in Fund Balances	(5,186)	(5,186)	98,020	103,206
Fund Balances - Beginning	124,257	124,257	124,257	--
Fund Balances - Ending	\$ 119,071	\$ 119,071	\$ 222,277	\$ 103,206

BROOKS COUNTY, TEXAS
LATERAL ROAD
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 9,068	\$ 1,068
Investment Earnings	50	50	33	(17)
Total revenues	<u>8,050</u>	<u>8,050</u>	<u>9,101</u>	<u>1,051</u>
EXPENDITURES:				
Public Safety				
<i>Other Services and Charges</i>	10,000	10,000	4,317	5,683
<i>Total Public Safety</i>	<u>10,000</u>	<u>10,000</u>	<u>4,317</u>	<u>5,683</u>
<i>Total Public Safety</i>	<u>10,000</u>	<u>10,000</u>	<u>4,317</u>	<u>5,683</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>4,317</u>	<u>5,683</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,950)</u>	<u>(1,950)</u>	<u>4,784</u>	<u>6,734</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(1,950)	(1,950)	4,784	6,734
Fund Balances - Beginning	4,325	4,325	4,325	--
Fund Balances - Ending	<u>\$ 2,375</u>	<u>\$ 2,375</u>	<u>\$ 9,109</u>	<u>\$ 6,734</u>

BROOKS COUNTY, TEXAS
 HEALTH USE SALES TAX
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Sales and Use Taxes</i>	\$ 330,000	\$ 330,000	\$ 402,457	\$ 72,457
Investment Earnings	1,000	1,000	299	(701)
Total revenues	<u>331,000</u>	<u>331,000</u>	<u>402,756</u>	<u>71,756</u>
EXPENDITURES:				
Health and Welfare				
<i>Other Services and Charges</i>	450,500	450,500	387,438	63,062
<i>Total Health and Welfare</i>	<u>450,500</u>	<u>450,500</u>	<u>387,438</u>	<u>63,062</u>
<i>Total Health and Welfare</i>	<u>450,500</u>	<u>450,500</u>	<u>387,438</u>	<u>63,062</u>
Total Expenditures	<u>450,500</u>	<u>450,500</u>	<u>387,438</u>	<u>63,062</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(119,500)</u>	<u>(119,500)</u>	<u>15,318</u>	<u>134,818</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(119,500)</u>	<u>(119,500)</u>	<u>15,318</u>	<u>134,818</u>
Fund Balances - Beginning	<u>89,743</u>	<u>89,743</u>	<u>90,944</u>	<u>1,201</u>
Fund Balances - Ending	<u><u>\$ (29,757)</u></u>	<u><u>\$ (29,757)</u></u>	<u><u>\$ 106,262</u></u>	<u><u>\$ 136,019</u></u>

BROOKS COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
<i>General Property Taxes</i>	\$ 299,521	\$ 299,521	\$ 306,167	\$ 6,646
Investment Earnings	1,000	1,000	1,174	174
Total revenues	<u>300,521</u>	<u>300,521</u>	<u>307,341</u>	<u>6,820</u>
EXPENDITURES:				
<i>Debt Service:</i>				
<i>Principal</i>	300,483	300,483	180,000	120,483
<i>Interest and Fiscal Charges</i>	400	400	120,883	(120,483)
Total Expenditures	<u>300,883</u>	<u>300,883</u>	<u>300,883</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(362)</u>	<u>(362)</u>	<u>6,458</u>	<u>6,820</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(362)	(362)	6,458	6,820
Fund Balances - Beginning	219,960	219,960	219,960	--
Fund Balances - Ending	<u>\$ 219,598</u>	<u>\$ 219,598</u>	<u>\$ 226,418</u>	<u>\$ 6,820</u>

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2013

	<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>	\$ 6,738	\$ 3	\$ 6,741
Total Assets	<u>\$ 6,738</u>	<u>\$ 3</u>	<u>\$ 6,741</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Fund Balances:			
Reserved Fund Balances:			
Unreserved, reported in nonmajor:			
<i>Capital Project Funds</i>	\$ 6,738	\$ 3	\$ 6,741
Total Fund Balance	<u>6,738</u>	<u>3</u>	<u>6,741</u>
Total Liabilities and Fund Balance	<u>\$ 6,738</u>	<u>\$ 3</u>	<u>\$ 6,741</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Ed Rachal Memorial Library Grant	Courthouse Renovation	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:			
Total revenues	\$ --	\$ --	\$ --
Expenditures:			
Current:			
<i>Culture and Recreation</i>	1,600	--	1,600
Total Expenditures	1,600	--	1,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,600)	--	(1,600)
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	--	--	--
Net Change in Fund Balances	(1,600)	--	(1,600)
Fund Balances - Beginning	8,338	3	8,341
Fund Balances - Ending	\$ 6,738	\$ 3	\$ 6,741

BROOKS COUNTY, TEXAS
CAPITAL IMPROVEMENTS FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Investment Earnings	\$ 2,000	\$ 2,000	\$ 1,777	\$ (223)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>1,777</u>	<u>(223)</u>
EXPENDITURES:				
Public Safety				
<i>Total Public Safety</i>	<u>803,130</u>	<u>803,130</u>	<u>124,839</u>	<u>678,291</u>
Total Expenditures	<u>803,130</u>	<u>803,130</u>	<u>124,839</u>	<u>678,291</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(801,130)</u>	<u>(801,130)</u>	<u>(123,062)</u>	<u>678,068</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(801,130)</u>	<u>(801,130)</u>	<u>(123,062)</u>	<u>678,068</u>
Fund Balances - Beginning	<u>810,799</u>	<u>810,799</u>	<u>810,799</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 9,669</u>	<u>\$ 9,669</u>	<u>\$ 687,737</u>	<u>\$ 678,068</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2013

	District Attorney Escrow	Sheriff Bond Account	Payroll Fund	State Fees Fund
ASSETS:				
<i>Cash and Cash Equivalents</i>	\$ 203,854	\$ 19,256	\$ 57,886	\$ 27,719
Total Assets	<u>\$ 203,854</u>	<u>\$ 19,256</u>	<u>\$ 57,886</u>	<u>\$ 27,719</u>
LIABILITIES:				
<i>Due to Other Governments and Agencies</i>	\$ 203,854	\$ 19,256	\$ 57,886	\$ 27,719
Total Liabilities	<u>\$ 203,854</u>	<u>\$ 19,256</u>	<u>\$ 57,886</u>	<u>\$ 27,719</u>
NET ASSETS				

Appellate Judicial System	County Clerk Fund	District Clerk Fund	FICA Tax Fund	Withholding Tax Fund
\$ 30	\$ 61,902	\$ 220,598	\$ --	\$ --
\$ 30	\$ 61,902	\$ 220,598	\$ --	\$ --
\$ 30	\$ 61,902	\$ 220,598	\$ --	\$ --
\$ 30	\$ 61,902	\$ 220,598	\$ --	\$ --

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 SEPTEMBER 30, 2013

	Tax Assessor Collector Fund	Sheriff Regular Account	TCDRS Fund	Total Agency Funds (See Exhibit A-10)
ASSETS:				
<i>Cash and Cash Equivalents</i>	\$ 90,611	\$ 4,429	\$ 36,011	\$ 722,296
Total Assets	<u>\$ 90,611</u>	<u>\$ 4,429</u>	<u>\$ 36,011</u>	<u>\$ 722,296</u>
LIABILITIES:				
<i>Due to Other Governments and Agencies</i>	\$ 90,611	\$ 4,429	\$ 36,011	\$ 722,296
Total Liabilities	<u>\$ 90,611</u>	<u>\$ 4,429</u>	<u>\$ 36,011</u>	<u>\$ 722,296</u>
NET ASSETS				

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-13

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
Payroll Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 70,260	\$ 4,379,055	\$ 4,391,429	\$ 57,886
	--	--	--	--
Total Assets	<u>\$ 70,260</u>	<u>\$ 4,379,055</u>	<u>\$ 4,391,429</u>	<u>\$ 57,886</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 70,260	\$ 4,379,055	\$ 4,391,429	\$ 57,886
	--	--	--	--
Total Liabilities	<u>\$ 70,260</u>	<u>\$ 4,379,055</u>	<u>\$ 4,391,429</u>	<u>\$ 57,886</u>
State Fees Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 102,197	\$ 215,309	\$ 289,787	\$ 27,719
	--	--	--	--
Total Assets	<u>\$ 102,197</u>	<u>\$ 215,309</u>	<u>\$ 289,787</u>	<u>\$ 27,719</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 102,197	\$ 215,309	\$ 289,787	\$ 27,719
	--	--	--	--
Total Liabilities	<u>\$ 102,197</u>	<u>\$ 215,309</u>	<u>\$ 289,787</u>	<u>\$ 27,719</u>
Appellate Judicial System				
ASSETS				
<i>Cash & Investments</i>	\$ 40	\$ 195	\$ 205	\$ 30
	--	--	--	--
Total Assets	<u>\$ 40</u>	<u>\$ 195</u>	<u>\$ 205</u>	<u>\$ 30</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 40	\$ 195	\$ 205	\$ 30
	--	--	--	--
Total Liabilities	<u>\$ 40</u>	<u>\$ 195</u>	<u>\$ 205</u>	<u>\$ 30</u>
District Attorney Escrow Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 183,093	\$ 20,761	\$ --	\$ 203,854
	--	--	--	--
Total Assets	<u>\$ 183,093</u>	<u>\$ 20,761</u>	<u>\$ --</u>	<u>\$ 203,854</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 183,093	\$ 20,761	\$ --	\$ 203,854
	--	--	--	--
Total Liabilities	<u>\$ 183,093</u>	<u>\$ 20,761</u>	<u>\$ --</u>	<u>\$ 203,854</u>
County Clerk Funds				
ASSETS				
<i>Cash & Investments</i>	\$ 51,613	\$ 133,076	\$ 122,787	\$ 61,902
	--	--	--	--
Total Assets	<u>\$ 51,613</u>	<u>\$ 133,076</u>	<u>\$ 122,787</u>	<u>\$ 61,902</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 51,613	\$ 133,076	\$ 122,787	\$ 61,902
	--	--	--	--
Total Liabilities	<u>\$ 51,613</u>	<u>\$ 133,076</u>	<u>\$ 122,787</u>	<u>\$ 61,902</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-13

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
District Clerk Funds				
ASSETS				
<i>Cash & Investments</i>	\$ 353,861	\$ 657,902	\$ 791,165	\$ 220,598
	--	--	--	--
Total Assets	<u>\$ 353,861</u>	<u>\$ 657,902</u>	<u>\$ 791,165</u>	<u>\$ 220,598</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 353,861	\$ 657,902	\$ 791,165	\$ 220,598
	--	--	--	--
Total Liabilities	<u>\$ 353,861</u>	<u>\$ 657,902</u>	<u>\$ 791,165</u>	<u>\$ 220,598</u>
FICA Tax Fund				
ASSETS				
<i>Cash & Investments</i>	\$ --	\$ 504,014	\$ 504,014	\$ --
	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 504,014</u>	<u>\$ 504,014</u>	<u>\$ --</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ --	\$ 504,014	\$ 504,014	\$ --
	--	--	--	--
Total Liabilities	<u>\$ --</u>	<u>\$ 504,014</u>	<u>\$ 504,014</u>	<u>\$ --</u>
Withholding Tax Fund				
ASSETS				
<i>Cash & Investments</i>	\$ --	\$ 240,619	\$ 240,619	\$ --
	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 240,619</u>	<u>\$ 240,619</u>	<u>\$ --</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ --	\$ 240,619	\$ 240,619	\$ --
	--	--	--	--
Total Liabilities	<u>\$ --</u>	<u>\$ 240,619</u>	<u>\$ 240,619</u>	<u>\$ --</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-13

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
Tax Assessor Collector Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 206,480	\$ 7,049,385	\$ 7,165,254	\$ 90,611
	--	--	--	--
Total Assets	<u>\$ 206,480</u>	<u>\$ 7,049,385</u>	<u>\$ 7,165,254</u>	<u>\$ 90,611</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 206,480	\$ 7,049,385	\$ 7,165,254	\$ 90,611
	--	--	--	--
Total Liabilities	<u>\$ 206,480</u>	<u>\$ 7,049,385</u>	<u>\$ 7,165,254</u>	<u>\$ 90,611</u>
Sheriff Regular Account				
ASSETS				
<i>Cash & Investments</i>	\$ 4,428	\$ 23,076	\$ 23,076	\$ 4,428
	--	--	--	--
Total Assets	<u>\$ 4,428</u>	<u>\$ 23,076</u>	<u>\$ 23,076</u>	<u>\$ 4,428</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 4,428	\$ 23,076	\$ 23,076	\$ 4,428
	--	--	--	--
Total Liabilities	<u>\$ 4,428</u>	<u>\$ 23,076</u>	<u>\$ 23,076</u>	<u>\$ 4,428</u>
Sheriff Bond Account				
ASSETS				
<i>Cash & Investments</i>	\$ 79,783	\$ 288	\$ 60,815	\$ 19,256
	--	--	--	--
Total Assets	<u>\$ 79,783</u>	<u>\$ 288</u>	<u>\$ 60,815</u>	<u>\$ 19,256</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 79,783	\$ 288	\$ 60,815	\$ 19,256
	--	--	--	--
Total Liabilities	<u>\$ 79,783</u>	<u>\$ 288</u>	<u>\$ 60,815</u>	<u>\$ 19,256</u>
TCDRS Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 34,665	\$ 477,573	\$ 476,227	\$ 36,011
	--	--	--	--
Total Assets	<u>\$ 34,665</u>	<u>\$ 477,573</u>	<u>\$ 476,227</u>	<u>\$ 36,011</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 34,665	\$ 477,573	\$ 476,227	\$ 36,011
	--	--	--	--
Total Liabilities	<u>\$ 34,665</u>	<u>\$ 477,573</u>	<u>\$ 476,227</u>	<u>\$ 36,011</u>
TOTAL AGENCY FUNDS:				
ASSETS				
<i>Cash & Investments</i>	\$ 1,086,420	\$ 13,701,253	\$ 14,065,378	\$ 722,295
	--	--	--	--
Total Assets	<u>\$ 1,086,420</u>	<u>\$ 13,701,253</u>	<u>\$ 14,065,378</u>	<u>\$ 722,295</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 1,086,420	\$ 13,701,253	\$ 14,065,378	\$ 722,295
	--	--	--	--
Total Liabilities	<u>\$ 1,086,420</u>	<u>\$ 13,701,253</u>	<u>\$ 14,065,378</u>	<u>\$ 722,295</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, 2013

Date of Issue	Description	Interest Rate Payable	Amounts Original Issue	10 Amounts Outstanding 10/1/12	20 Issued Current Year	30 Retired Current Year
March 2004	Certificates of Obligation	3.60% - 5.0%	\$ 4,000,000	\$ 2,790,000	\$ --	\$ 180,000
September 2011	Certificates of Obligation	4.59%	1,100,000	1,065,000	--	35,000
September 2013	Certificates of Obligation	5.00% - 8.50%	1,200,000	--	1,200,000	--
1000 Totals			<u>\$ 6,300,000</u>	<u>\$ 3,855,000</u>	<u>\$ 1,200,000</u>	<u>\$ 215,000</u>

40 Amounts Outstanding 9/30/13	50 Interest Current Year	Requirements				I 10/1/13 To Maturity Interest				
		60		70			80		90	
		Year Ending 9/30/14		Year Ending 9/30/15			Year Ending 9/30/14		Year Ending 9/30/15	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
\$ 2,610,000	\$ 120,483	\$ 190,000	\$ 113,403	\$ 195,000	\$ 105,798	\$ 195,000	\$ 105,798	\$ 195,000	\$ 105,798	\$ 503,417
1,030,000	48,080	40,000	46,359	40,000	44,523	40,000	44,523	40,000	44,523	390,150
1,200,000	--	50,000	82,267	180,000	81,850	180,000	81,850	180,000	81,850	189,101
<u>\$ 4,840,000</u>	<u>\$ 168,563</u>	<u>\$ 280,000</u>	<u>\$ 242,029</u>	<u>\$ 415,000</u>	<u>\$ 232,171</u>	<u>\$ 415,000</u>	<u>\$ 232,171</u>	<u>\$ 415,000</u>	<u>\$ 232,171</u>	<u>\$ 1,082,668</u>

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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 Auditor's 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brooks County, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Brooks County, Texas's basic financial statements, and have issued our report thereon dated April 3, 2014.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

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

Raul Hernandez & Company, P.C.

Corpus Christi, Texas
April 3, 2014

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

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

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: Unmodified

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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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, 2013

<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, 2013

N/A

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