

COUNTY OF BROOKS, TEXAS

ANNUAL FINANCIAL REPORT

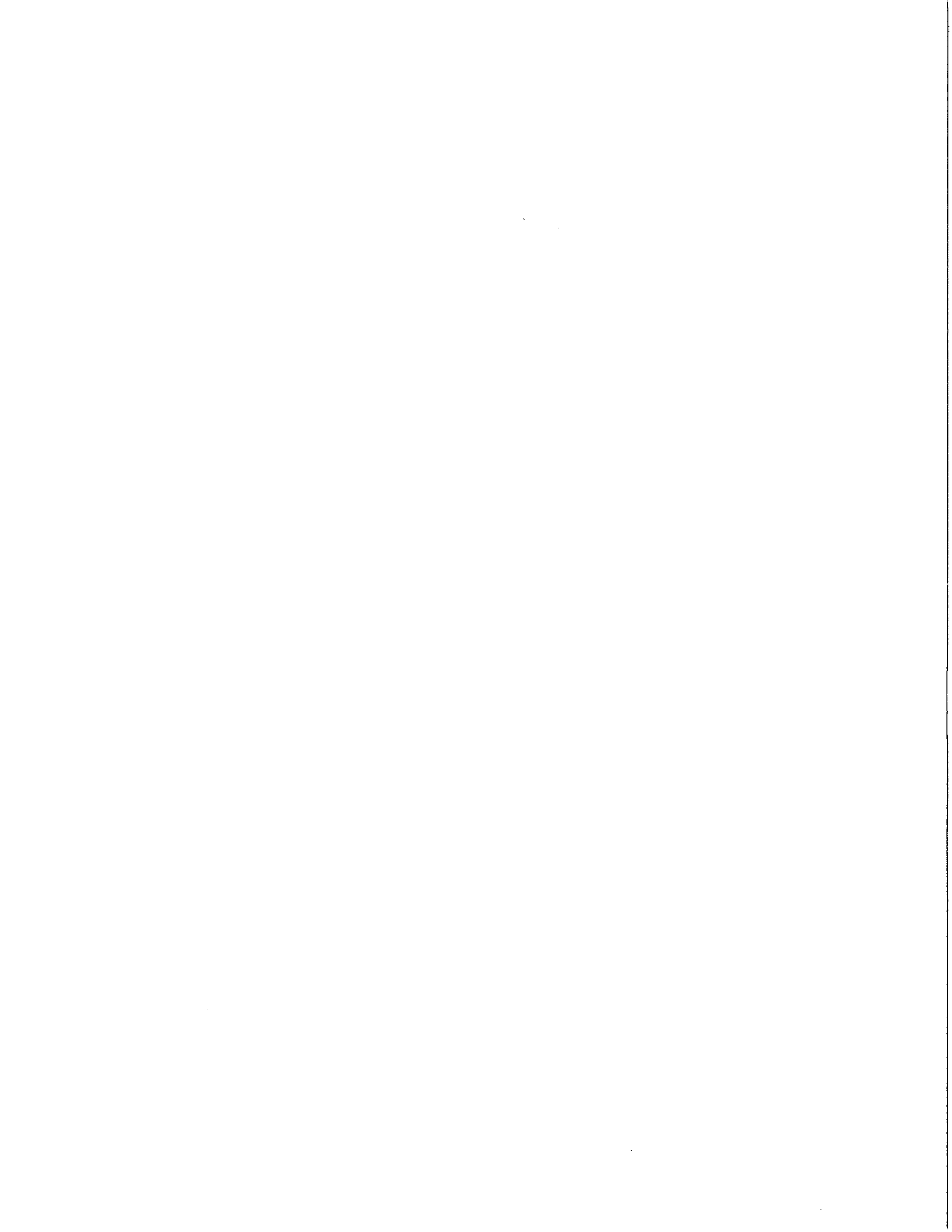
FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2014

BROOKS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014



Brooks County, Texas
Annual Financial Report
For The Year Ended September 30, 2014

TABLE OF CONTENTS

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

Brooks County, Texas
 Annual Financial Report
 For The Year Ended September 30, 2014

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
in Fund Balances - Nonmajor Special Revenue Funds.....	62	C-4
Budgetary Comparison Schedules:		
Lateral Road Fund.....	72	C-5
Health Use Sales Tax Fund.....	73	C-6
Debt Service Funds:		
Budgetary Comparison Schedule:		
Debt Service Fund.....	74	C-7
Capital Projects Funds:		
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	75	C-8
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	76	C-9
Budgetary Comparison Schedule:		
Capital Improvements Fund.....	77	C-10
Fiduciary Funds:		
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities.....	78	C-11
Combining Statement of Changes in Assets and Liabilities.....	81	C-12
 OTHER SUPPLEMENTARY INFORMATION SECTION		
Bond Schedule.....	84	D-1
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	86	
Schedule of Findings and Questioned Costs	88	
Summary Schedule of Prior Audit Findings.....	89	
Corrective Action Plan.....	90	

BROOKS COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2014

Elected Officials

<u>Name</u>	<u>Office</u>
RICHARD C. TERRELL	DISTRICT JUDGE
IMELDA BARRERA-AREVALO	COUNTY JUDGE
GLORIA GARZA	COMMISSIONER PCT. 1
VINCE VARGAS	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
ADELA QUINTANILLA	JUSTICE OF THE PEACE #1
ORALIA V. MORALES	JUSTICE OF THE PEACE #2
SYLVIA DONNELLY	JUSTICE OF THE PEACE #3
ROLANDO GARZA	JUSTICE OF THE PEACE #4
ARTURO "ART" GARCIA	CONSTABLE PCT #1
ANTONIO "TONY" VILLARREAL	CONSTABLE PCT #2
RUBY ALLEN-SANDOVAL	CONSTABLE PCT #3
RUBEN M. LONGORIA	CONSTABLE PCT #4

Appointed Officials

<u>Name</u>	<u>Position</u>
AUGUST PATROELJ	COUNTY AUDITOR

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Financial Section

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

Independent Auditors' Report

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 the Brooks County, Texas ("the County") as of and for the year ended September 30, 2014, 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.

Auditors' 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, 2014, 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note P to the financial statements, in 2014, Brooks County, Texas adopted new accounting guidance, Government Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information and schedule of funding progress for OPEB benefits 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 June 8, 2015 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
June 8, 2015

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, 2014. 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, 2014 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 \$8,350,403 (Net Position). Of this amount, \$3,542,041 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 \$3,118,327. Of this amount, \$1,465,927 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,465,927.
- The County of Brooks' total debt decreased by a net of (\$563,244) 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 and 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 \$8,350,403 at September 30, 2014. (See Table A-1).

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

	Governmental Activities		Increase (Decrease)
	<u>2014</u>	<u>2013</u>	<u>2014-2013</u>
Current assets:			
Cash/Cash equivalents	\$ 3,081,941	\$ 2,913,685	\$ 168,256
Restricted Cash	120,502	120,377	125
Taxes receivable	943,074	847,111	95,963
Intergovernmental Receivable	374,457	374,457	-
Total current assets:	<u>\$ 4,519,974</u>	<u>\$ 4,255,630</u>	<u>\$ 264,344</u>
Non-current assets:			
Capitalized Bond Issuance Costs	-	92,389	92,389
Capital Assets	16,155,592	15,945,292	210,300
Less: Accumulated Depreciation	(7,510,143)	(7,107,960)	(402,183)
Total non-current assets:	<u>8,645,449</u>	<u>8,929,721</u>	<u>(99,494)</u>
Total Assets	<u>\$ 13,165,423</u>	<u>\$ 13,185,351</u>	<u>\$ 164,850</u>
Current Liabilities			
Accounts payable and other current liabilities	282,557	971,299	(688,742)
Accrued Interest Payable	39,761	45,344	(5,583)
Tax Notes Payable - Current	-	600,000	(600,000)
Due to Other Government & Agencies	36,250	46,250	(10,000)
Total current liabilities	<u>358,568</u>	<u>1,662,893</u>	<u>(1,304,325)</u>
Long-term Liabilities			
Due within one year	282,466	369,472	(87,006)
Due in more than one year	4,173,986	4,650,224	(476,238)
Total Liabilities	<u>\$ 4,815,020</u>	<u>\$ 6,682,589</u>	<u>\$ (1,867,569)</u>
Net Position:			
Invested in capital assets, net of related debt	4,188,997	3,817,636	371,361
Restricted For:			
Debt Service	219,919	382,783	(162,864)
Capital Projects	399,446	686,140	(286,694)
Unrestricted	3,542,041	1,616,202	1,925,839
Total Net Position	<u>\$ 8,350,403</u>	<u>\$ 6,502,761</u>	<u>\$ 1,847,642</u>

BROOKS COUNTY, TEXAS

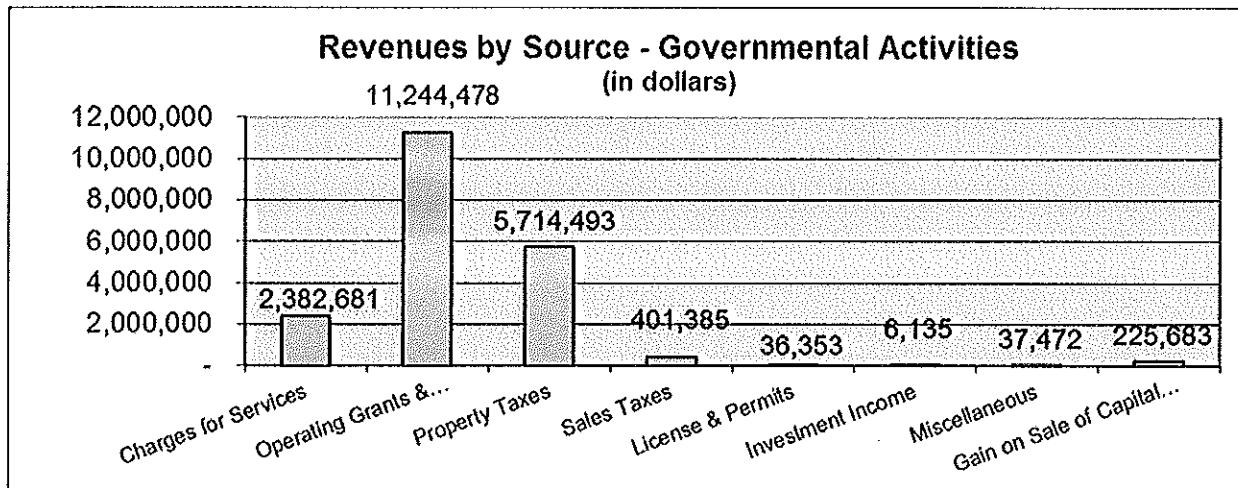
The increase of \$402,183 in accumulated depreciation was due to depreciation expense. The decrease of (\$600,000) in tax notes payable was due to the payoff of a short-term loan. \$219,919 of the County's restricted Net Position represents funds available for the debt service, while \$399,446 represents 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, 2014 was \$3,542,041, which is an increase of \$1,925,839 from the prior year.

Revenues. The County's total revenues were \$20,048,680. A significant portion, \$11,244,478 of the County's revenue comes from operating grants & contributions. \$5,714,493 comes from property taxes and \$2,382,681 relates to charges for services. (See Figure A-2 and Table A-2).

Governmental Activities

- Sales taxes had revenue of \$401,385 while miscellaneous revenues had revenues of \$37,472. In 2014, the County had a gain on sale of capital assets in the amount of \$225,683.

Figure A-2



BROOKS COUNTY, TEXAS

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

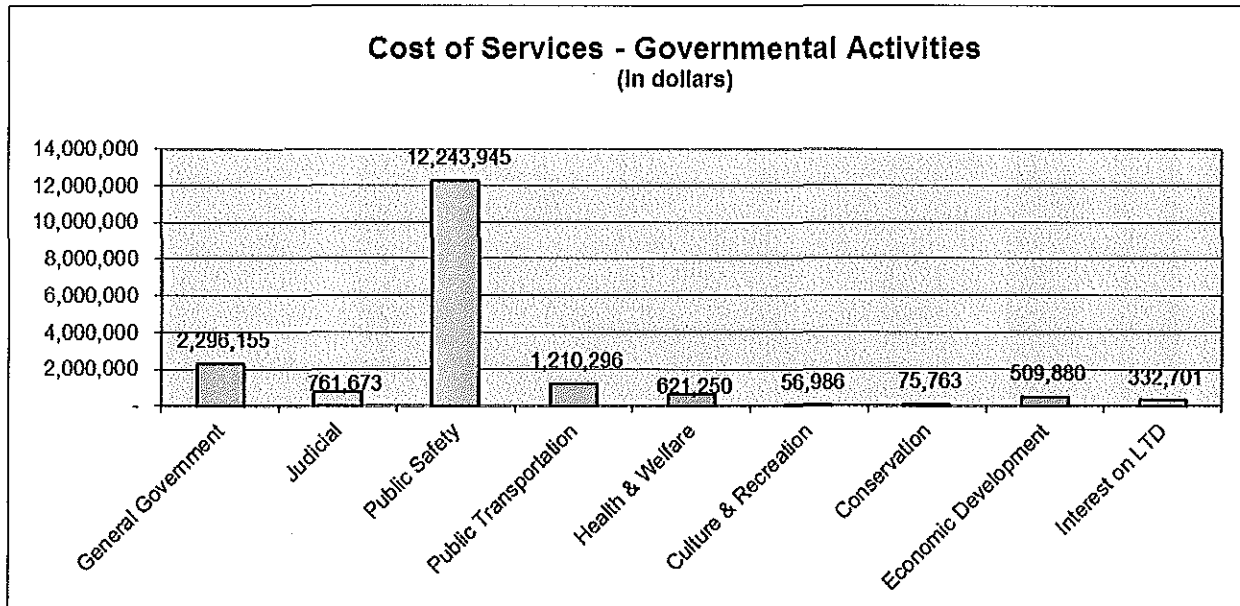
	Governmental Activities		Increase (Decrease)
	<u>2014</u>	<u>2013</u>	<u>2014-2013</u>
Revenues:			
Program:			
Charges for services	\$ 2,382,681	\$ 1,941,851	440,830
Operating Grants and Contributions	11,244,478	9,239,023	2,005,455
General:			
Property Taxes	5,714,493	6,000,695	(286,202)
Sales Taxes	401,385	402,457	(1,072)
Licenses and Permits	36,353	-	36,353
Investment Income	6,135	17,351	(11,216)
Miscellaneous	37,472	247,552	(210,080)
Gain on Sale of Capital Assets	225,683	-	225,683
Total Revenues	<u>\$ 20,048,680</u>	<u>\$ 17,848,929</u>	<u>2,199,751</u>
Cost of Services:			
General Government	2,296,155	3,101,140	(804,985)
Judicial	761,673	932,027	(170,354)
Public Safety	12,243,945	11,234,059	1,009,886
Public Transportation	1,210,296	1,396,286	(185,990)
Health and Welfare	621,250	1,282,736	(661,486)
Culture and Recreation	56,986	75,826	(18,840)
Conservation	75,763	121,118	(45,355)
Economic Development and Assistance	509,880	91,374	418,506
Interest on Long-term Debt	332,701	290,960	41,741
Total Cost of Services	<u>\$ 18,108,649</u>	<u>\$ 18,525,526</u>	<u>(416,877)</u>
Change in net position	1,940,031	(676,597)	1,263,434
Net position - beginning	6,502,761	7,099,252	(596,491)
Reclassification of Beginning Net Position	(92,389)	80,106	(172,495)
Net position-beginning-restated	<u>6,410,372</u>	<u>7,179,358</u>	<u>(768,986)</u>
Net position - ending	<u>\$ 8,350,403</u>	<u>\$ 6,502,761</u>	<u>\$ 1,847,642</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 \$18,108,649.
- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$5,714,493.
- \$12,243,945 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 \$3,118,327, an increase of \$1,569,117. 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 \$1,465,927. As a measure of the general fund's liquidity, we compare both unreserved fund balance and total fund balance to total fund expenditures.

The Debt Service Fund (county-wide) has a total fund balance of \$24,336, which is a decrease of (\$202,082) due to two payments of bonds. 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 \$647,171.

BROOKS COUNTY, TEXAS

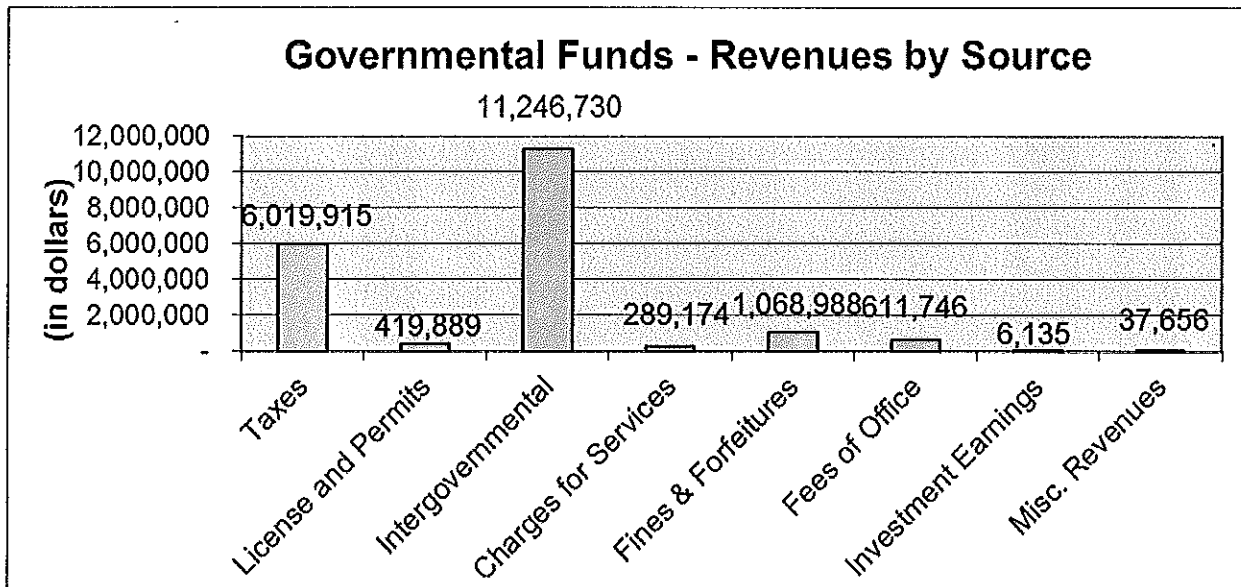
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues

Revenues from governmental fund types totaled \$19,700,233. The most significant portion in governmental fund revenue sources was derived from intergovernmental revenues, which totaled \$11,246,730. Taxes consisted of general property taxes, and general sales & use taxes, which totaled \$6,019,915.

The County's primary source of revenue consists of intergovernmental revenues, which comprise 57% of the County's total revenues. In addition, taxes and fines & forfeitures comprise 30.5% and 5.4% of total revenues, respectively. The county departments that charge for services include park & recreational, fees of office from justice of the peace precincts, and constables, which are all an important part of the County's revenues. They are an integral part of the County's ability to provide the services to which citizens have become accustomed. (See Figure A-4 and Table A-3).

Figure A-4



BROOKS COUNTY, TEXAS

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

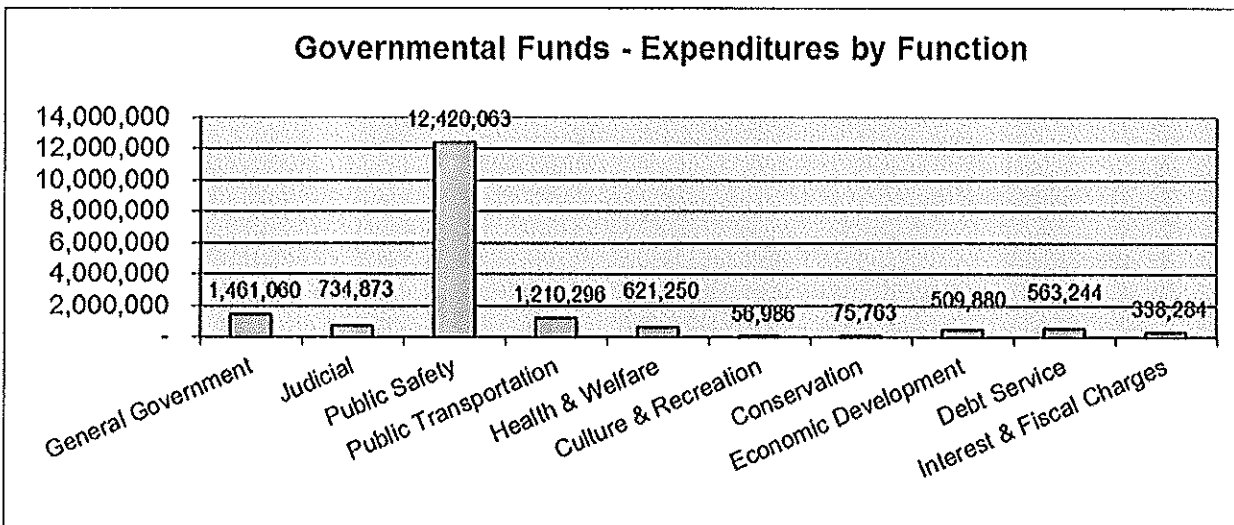
	FY 2014	FY 2013	Increase (Decrease)
Taxes	\$ 6,019,915	\$ 6,306,377	\$ (286,462)
License and Permits	419,889	572,592	(152,703)
Intergovernmental	11,246,730	9,240,924	2,005,806
Charges for Services	289,174	452,369	(163,195)
Fines & Forfeitures	1,068,988	796,937	272,051
Fees of Office	611,746	117,852	493,894
Investment Earnings	6,135	17,351	(11,216)
Misc. Revenues	37,656	247,752	(210,096)
Total Revenues	<u>\$ 19,700,233</u>	<u>\$ 17,752,154</u>	<u>\$ 1,948,079</u>

Expenditures

Compared to the prior year, public safety had an increase of \$1,121,000 due to an increase in monies spent for the Federal Arrest Drug & the LCS/I.C.E. funds. In contrast, health & welfare expenditures had a decrease of (\$661,486).

The County’s primary expenditures were for public safety, general government, and public transportation. Public safety now accounts for 69% of total expenditures. General government expenditures accounted for 8.1% of total expenditures. (See Figure A-5 and Table A-4)

Figure A-5



BROOKS COUNTY, TEXAS

Actual expenditures (including transfers) were \$862,770 lower than final budget amounts, in which the majority of the difference was due to the public safety department. This particular department were below budgeted expenditures by \$168,411, as shown on page 44.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2014, the County had invested \$16,155,592 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, 2014 net capital assets of the governmental activities totaled \$8,645,449. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation for road network, buildings & improvements, vehicles, and equipment totaled \$7,510,143.

**Table A-6
County's Capital Assets**

	Governmental Activities		Increase (Decrease)
	2014	2013	2014-2013
Land	\$ 236,742	\$ 236,742	\$ -
Road Network	3,120,798	3,120,798	-
Buildings and Improvements	9,161,729	9,161,729	-
Vehicles	1,331,254	1,175,807	155,447
Equipment	2,305,069	2,250,216	54,853
Total at historical cost	<u>16,155,592</u>	<u>15,945,292</u>	210,300
Total Accumulated Depreciation	<u>(7,510,143)</u>	<u>(7,107,960)</u>	<u>(402,183)</u>
Net Capital Assets	<u>\$ 8,645,449</u>	<u>\$ 8,837,332</u>	<u>\$ (191,883)</u>

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

Long Term Debt

At year-end the County had \$4,456,452 in bonds and capital leases as shown in Table A-7. The County's total debt decreased by (\$563,244) compared to 2013. 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	
	<u>2014</u>	<u>2013</u>
Certificates of Obligation	\$ 4,380,000	\$ 4,840,000
Capital Leases	<u>76,452</u>	<u>179,696</u>
Total governmental activities	<u>\$ 4,456,452</u>	<u>\$ 5,019,696</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2015 budget preparation increased from the prior year. The County's tax rate decreased as compared to 2015 resulting at 0.885808.
- General operating fund spending in the 2015 budget is expected to have a substantial increase as compared to 2014.

These indicators were taken into account when adopting the general fund budget for 2015. Property taxes will decrease, while the assessed valuation has increased. The 2015-2016 tax rate is .885808 and the assessed valuation \$666,392,953.

The County experienced an increase in salaries because of an overhaul of the salary Time/Grade scale. The County employees were considerably underpaid in comparison to surrounding areas.

Revenues are expected to have a significant increase, while expenditures are budgeted to experience a significant increase as well. The Justice of the Peace office was divided up and, as a result, should continue to increase revenues.

The County will incorporate a fully funded health insurance plan with Blue Cross Blue Shield.

The County will purchase new vehicles and equipment for the Road and Bridge Fund.

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.

BROOKS COUNTY, TEXAS

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

	FY 2014	FY 2013	Increase (Decrease)
General Government	\$ 1,461,060	\$ 1,966,477	\$ (505,417)
Judicial	734,873	932,027	(197,154)
Public Safety	12,420,063	11,299,063	1,121,000
Public Transportation	1,210,296	1,328,812	(118,516)
Health and Welfare	621,250	1,282,736	(661,486)
Culture and Recreation	56,986	75,826	(18,840)
Conservation	75,763	121,118	(45,355)
Economic Development and Assistance	509,880	91,374	418,506
Debt Service:			
Principal	563,244	342,220	221,024
Interest and Fiscal Charges	338,284	180,743	157,541
Bond Issuance Costs	-	107,787	(107,787)
Total Expenditures	\$ 17,991,699	\$ 17,728,183	\$ 263,516

Other financing sources from the County came from:

**Table A-5
Other Financing Resources**

	FY 2014	FY 2013	Increase (Decrease)
Operating Transfers In	\$ 888,451	\$ 2,050,494	\$ (1,162,043)
Operating Transfers Out	(1,253,553)	(2,050,494)	796,941
Issuance of Bonds	-	1,200,000	(1,200,000)
Capital Leases	-	155,102	(155,102)
Sale of Capital Assets	225,683	-	225,683
	\$ (139,419)	\$ 1,355,102	\$ (1,494,521)

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$5,927,174 and expenditures of \$5,291,297, 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 (\$283,577). License & Permits, Charges for Services, Fines & forfeitures, Investment earnings, and miscellaneous revenues were below budget expectations.

Basic Financial Statements

BROOKS COUNTY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

	Governmental Activities
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 3,081,941
<i>Restricted Cash</i>	120,502
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	943,074
<i>Intergovernmental Receivable</i>	374,457
Capital Assets (net of accumulated depreciation):	
<i>Land</i>	236,742
<i>Buildings and System</i>	5,707,394
<i>Machinery and Equipment</i>	609,603
<i>Infrastructure</i>	2,091,710
Total Assets	<u>13,165,423</u>
LIABILITIES:	
<i>Accounts Payable and Other Current Liabilities</i>	282,557
<i>Accrued Interest Payable</i>	39,761
<i>Due to Other Government and Agencies</i>	36,250
Noncurrent Liabilities-	
<i>Due within one year</i>	282,466
<i>Due in more than one year</i>	4,173,986
Total Liabilities	<u>4,815,020</u>
NET POSITION:	
Net Investment in Capital Assets	4,188,997
Restricted For:	
Debt Service	219,919
Capital Projects	399,446
Unrestricted	3,542,041
Total Net Position	<u>\$ 8,350,403</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT:				
Governmental Activities:				
General Government	\$ 2,296,155	\$ 529,681	\$ 2,845	\$ (1,763,629)
Judicial	761,673	299,453	--	(462,220)
Public Safety	12,243,945	1,208,137	11,224,006	188,198
Public Transportation	1,210,296	345,410	9,361	(855,525)
Health and Welfare	621,250	--	8,266	(612,984)
Culture and Recreation	56,986	--	--	(56,986)
Conservation	75,763	--	--	(75,763)
Economic Development and Assistance	509,880	--	--	(509,880)
Interest on Long-term Debt	332,701	--	--	(332,701)
Total Governmental Activities	<u>18,108,649</u>	<u>2,382,681</u>	<u>11,244,478</u>	<u>(4,481,490)</u>
Total Primary Government	<u>\$ 18,108,649</u>	<u>\$ 2,382,681</u>	<u>\$ 11,244,478</u>	<u>(4,481,490)</u>
General Revenues:				
Property Taxes				5,714,493
Sales Taxes				401,386
Licenses and Permits				36,353
Investment Income				6,135
Miscellaneous Revenues				37,472
Gain on Sale of Capital Assets				225,683
Transfers				--
Total General Revenues and Transfers				<u>6,421,521</u>
Change in Net Position				<u>1,940,031</u>
Net Position - Beginning				6,502,761
Reclassification of Beginning Net Position				(92,389)
Net Position - Ending				<u>\$ 8,350,403</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	<u>General Fund</u>	<u>Road & Bridge Fund</u>
ASSETS AND OTHER DEBITS		
Assets:		
<i>Cash and Cash Equivalents</i>	\$ 1,210,710	\$ 590,556
<i>Restricted Cash</i>	--	--
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	815,760	127,314
<i>Intergovernmental Receivable</i>	334,457	--
<i>Due from Other Funds</i>	18,000	--
Total Assets	<u><u>\$ 2,378,927</u></u>	<u><u>\$ 717,870</u></u>
LIABILITIES AND FUND BALANCES:		
Liabilities:		
<i>Accounts Payable</i>	\$ 60,990	\$ 51,620
<i>Due to Other Funds</i>	--	--
<i>Due to Other Governments and Agencies</i>	36,250	--
Total Liabilities	<u>97,240</u>	<u>51,620</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue -- Property Taxes	<u>815,760</u>	<u>127,314</u>
Total Deferred Inflows of Resources	<u>815,760</u>	<u>127,314</u>
Fund Balances:		
Restricted Fund Balances:		
Federal or State Funds Grant Restriction	--	538,936
Retirement of Long-Term Debt		
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>	<u>1,465,927</u>	<u>--</u>
Total Fund Balance	<u>1,465,927</u>	<u>538,936</u>
Total Liabilities and Fund Balance	<u><u>\$ 2,378,927</u></u>	<u><u>\$ 717,870</u></u>

LCS/ I.C.E. Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 1,140,085	\$ 2,941,351
--	120,502	120,502
--	--	943,074
--	40,000	374,457
--	6,337	24,337
<u>\$ --</u>	<u>\$ 1,306,924</u>	<u>\$ 4,403,721</u>
\$ 101,253	\$ 67,870	\$ 281,733
--	24,337	24,337
--	--	36,250
<u>101,253</u>	<u>92,207</u>	<u>342,320</u>
<u>--</u>	<u>--</u>	<u>943,074</u>
<u>--</u>	<u>--</u>	<u>943,074</u>
(101,253)	784,197	1,221,880
--	24,336	24,336
--	406,184	406,184
--	--	--
<u>--</u>	<u>--</u>	<u>1,465,927</u>
<u>(101,253)</u>	<u>1,214,717</u>	<u>3,118,327</u>
<u>\$ --</u>	<u>\$ 1,306,924</u>	<u>\$ 4,403,721</u>

BROOKS COUNTY, TEXAS

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014*

Total fund balances - governmental funds balance sheet	\$ 3,118,327
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.	8,645,449
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	943,074
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	139,765
Payables for bond principal which are not due in the current period are not reported in the funds.	(4,456,451)
Payables for bond interest which are not due in the current period are not reported in the funds.	<u>(39,761)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 8,350,403</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, 2014

	<u>General Fund</u>	<u>Road & Bridge Fund</u>
Revenue:		
Taxes:		
General Property Taxes	\$ 3,586,317	\$ 1,255,473
General Sales and Use Taxes	--	--
License and Permits	984	274,747
Intergovernmental	199,068	--
Charges for Services	217,068	68,411
Fines and Forfeitures	500,699	--
Fees of Office	604,598	--
Investment Earnings	3,872	479
Miscellaneous Revenues	27,370	5,433
Gain on Sale of Assets	225,683	--
Total revenues	<u>5,365,659</u>	<u>1,604,543</u>
Expenditures:		
Current:		
General Government	1,457,644	--
Judicial	623,431	--
Public Safety	1,550,023	--
Public Transportation	55,549	1,098,802
Health and Welfare	149,579	--
Culture and Recreation	56,167	--
Conservation	75,763	--
Economic Development and Assistance	36,381	--
Debt Service:		
Principal	13,132	--
Interest and Fiscal Charges	6,840	--
Total Expenditures	<u>4,024,509</u>	<u>1,098,802</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,341,150</u>	<u>505,741</u>
Other Financing Sources (Uses):		
Transfers In	503,621	--
Transfers Out	(404,018)	(189,083)
Total Other Financing Sources (Uses)	<u>99,603</u>	<u>(189,083)</u>
Net Change in Fund Balances	1,440,753	316,658
Fund Balances - Beginning	25,174	222,278
Fund Balances - Ending	<u>\$ 1,465,927</u>	<u>\$ 538,936</u>

The accompanying notes are an integral part of this statement.

LCS/ I.C.E. Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 776,739	\$ 5,618,529
--	401,386	401,386
--	144,158	419,889
9,858,218	1,189,444	11,246,730
--	3,695	289,174
--	568,289	1,068,988
--	33,948	638,546
351	1,433	6,135
--	4,853	37,656
--	--	225,683
<u>9,858,569</u>	<u>3,123,945</u>	<u>19,952,716</u>
--	3,416	1,461,060
--	138,242	761,673
9,517,561	1,352,479	12,420,063
--	55,945	1,210,296
--	471,671	621,250
--	819	56,986
--	--	75,763
--	473,499	509,880
--	550,112	563,244
--	331,444	338,284
<u>9,517,561</u>	<u>3,377,627</u>	<u>18,018,499</u>
<u>341,008</u>	<u>(253,682)</u>	<u>1,934,217</u>
--	384,830	888,451
--	(660,452)	(1,253,553)
--	<u>(275,622)</u>	<u>(365,102)</u>
341,008	(529,304)	1,569,115
(442,261)	1,744,021	1,549,212
<u>\$ (101,253)</u>	<u>\$ 1,214,717</u>	<u>\$ 3,118,327</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, 2014*

Net change in fund balances - total governmental funds	\$ 1,569,115
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	210,301
The depreciation of capital assets used in governmental activities is not reported in the funds.	(402,184)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	95,964
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	563,244
(Increase) decrease in accrued interest from beginning of period to end of period.	5,583
The net revenue (expense) of internal service funds is reported with governmental activities.	<u>(101,993)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 1,940,031</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS

STATEMENT OF NET POSITION

INTERNAL SERVICE FUND

SEPTEMBER 30, 2014

Nonmajor
Internal Service
Fund

Insurance
Fund

ASSETS:

Current Assets:

Cash with Fiscal Agent

\$ 140,589

Total Current Assets

140,589

Noncurrent Assets:

Restricted Cash, Cash Equivalents and Investments-

Total Noncurrent Assets

--

Total Assets

\$

140,589**LIABILITIES:**

Current Liabilities:

Accounts payable

\$ 824

Total Current Liabilities

824

Current Liabilities Payable from Restricted Assets-

Total Liabilities

824**NET POSITION:**

Total Net Position

\$

139,765

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, 2014

	Nonmajor Internal Service Fund
	Insurance Fund
OPERATING REVENUES:	
Charges for Sales and Services:	
<i>Premiums and reimbursements</i>	\$ 199,699
Total Operating Revenues	<u>199,699</u>
OPERATING EXPENSES:	
<i>Insurance premiums and Claims</i>	516,744
<i>Administration</i>	150,050
Total Operating Expenses	<u>666,794</u>
Operating Income	<u>(467,095)</u>
NON-OPERATING REVENUES (EXPENSES):	
Total Non-operating Revenues (Expenses)	<u>--</u>
Income before Transfers	<u>(467,095)</u>
<i>Interfund Transfers In</i>	365,102
Change in Net Assets	<u>(101,993)</u>
Total Net Assets - Beginning	241,758
Total Net Assets - Ending	<u>\$ 139,765</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, 2014

	Internal Service Funds
Cash Flows from Operating Activities:	
Cash Received from Employee Insurance and Medical Expense	\$ 199,699
Cash Paid to Employee Insurance	(\$677,999)
Net Cash Provided (Used) by Operating Activities	<u>(\$478,300)</u>
Cash Flows from Non-capital Financing Activities:	
Operating Transfers From (To) Primary Government	\$365,102
Operating Transfers From (To) Other Funds	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>\$365,102</u>
Cash Flows from Capital and Related Financing Activities:	
Proceeds from Issuance of Long-term Debt	--
Principal and Interest Paid	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>--</u>
Cash Flows from Investing Activities:	
Interest and Dividends on Investments	--
Net Cash Provided (Used) for Investing Activities	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(\$113,198)
Cash and Cash Equivalents at Beginning of Year	\$253,787
Cash and Cash Equivalents at End of Year	<u>\$140,589</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (\$467,095)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	--
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	(\$11,205)
Increase (Decrease) in Due from other funds	\$150,000
Increase (Decrease) in Due to other funds	(\$150,000)
Increase (Decrease) in Deferred Revenue	--
Total Adjustments	<u>(\$11,205)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (\$478,300)</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2014

	<u>Agency Funds</u>
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 1,336,500
Total Assets	<u>\$ 1,336,500</u>
LIABILITIES:	
<i>Due to Other Governments and Agencies</i>	\$ 1,336,500
Total Liabilities	<u>\$ 1,336,500</u>
NET POSITION	

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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, 2014

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

The County reports the following major governmental funds:

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

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

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.

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, 2014

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, 2014

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, 2014

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, 2014:

- 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, 2014

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</u>	<u>Action Taken</u>
None reported	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>
La Parrita Water Main #712015	\$ (48,093)
LCS/I.C.E. Fund	(101,253)
Alien Death Processing	(13,827)
Constable Seizure Fund	(750)
Brush Country Water District	(43)

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, 2014, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$4,538,943 and the bank balance was \$4,109,158. The County's cash deposits at September 30, 2014 and during the year ended September 30, 2014, 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, 2014

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, 2014 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, 2014

D. Capital Assets

Capital asset activity for the year ended September 30, 2014, 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	2,250,216	54,853	--	2,305,069
Vehicles	1,175,807	155,448	--	1,331,255
Total capital assets being depreciated	<u>15,708,550</u>	<u>210,301</u>	<u>--</u>	<u>15,918,851</u>
Less accumulated depreciation for:				
Road Network	(961,614)	(67,474)	--	(1,029,088)
Buildings and improvements	(3,283,774)	(170,561)	--	(3,454,335)
Equipment	(1,842,016)	(87,000)	--	(1,929,016)
Vehicles	(1,020,556)	(77,149)	--	(1,097,705)
Total accumulated depreciation	<u>(7,107,960)</u>	<u>(402,184)</u>	<u>--</u>	<u>(7,510,144)</u>
Total capital assets being depreciated, net	<u>8,600,590</u>	<u>(191,883)</u>	<u>--</u>	<u>8,408,707</u>
Governmental activities capital assets, net	<u>\$ 8,837,332</u>	<u>\$ (191,883)</u>	<u>\$ --</u>	<u>\$ 8,645,449</u>

Depreciation was charged to functions as follows:

General Government	\$ 402,184
	<u>\$ 402,184</u>

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2014, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Sheriff Seizure Fund	\$ 18,000	Short-term loans
Sheriff Seizure Fund	Homeland Security Fund	6,337	Short-term loans
	Total	<u>\$ 24,337</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, 2014*

1. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2014, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General fund	Drug Prevention	\$ 75,000	Supplement other funds sources
General fund	Juvenile Probation	114,000	Supplement other funds sources
General fund	Airport Fund	38,000	Supplement other funds sources
General fund	Medical Insurance	176,018	Supplement other funds sources
General fund	Consolidation fund	1,000	Supplement other funds sources
Road & Bridge	Medical Insurance	189,083	Supplement other funds sources
Federal Arrest Drug fund	Sheriff Seizure fund	132,786	Supplement other funds sources
Federal Arrest Drug fund	General fund	340,059	Supplement other funds sources
Certificate of Obligation	Capital Improvement	159,080	Supplement other funds sources
Historical & Development	General fund	4,482	Supplement other funds sources
79th Judicial Dist Atty	DACDP	24,044	Supplement other funds sources
	Total	<u>\$ 1,253,552</u>	

F. Short-Term Debt Activity

The County did not have any short-term debt outstanding for year ended September 30, 2014.

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, 2014:

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
Certificates of Obligation	3.60% - 5.00%	August 9, 2004	March 1, 2024	\$2,420,000
Certificates of Obligation	4.59%	September 16, 2011	September 30, 2031	\$990,000
Certificates of Obligation	5.00% - 8.50%	September 15, 2013	March 1, 2020	\$970,000

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

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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.

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2014, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Certificates of Obligation	\$ 4,840,000	\$ --	\$ 460,000	\$ 4,380,000	235,000
Capital leases	179,696	--	103,244	76,452	47,466
Total governmental activities	\$ 5,019,696	\$ --	\$ 563,244	\$ 4,456,452	\$ 282,466

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2014, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2015	\$ 235,000	\$ 150,321	\$ 385,321
2016	435,000	210,182	645,182
2017	465,000	185,176	650,176
2018	490,000	157,271	647,271
2019	525,000	126,084	651,084
2020-2024	1,730,000	319,270	2,049,270
2025-2029	340,000	77,342	417,342
2028-2031	160,000	7,344	167,344
Totals	\$ 4,380,000	\$ 1,232,990	\$ 5,612,990

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 installements 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. Payements 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%

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Asset:		
Machinery and Equipment		\$192,649
Vehicles		86,987
Total		<u>279,636</u>
Less: accumulated depreciation		(108,968)
Total		<u><u>\$170,668</u></u>

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2014, as follows:

<u>Year Ending September 30:</u>		
2015	\$	50,414
2016		15,096
2017		15,096
Total Minimum Rentals	\$	80,606
Less: amount representing interest		(4,154)
Present Value of Minimum Lease Payments	\$	<u><u>76,452</u></u>

H. Fund Balances

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of September 30, 2014, as follows:

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

Restricted Fund Balance:	
Federal or State Funds Grant Restriction	\$1,221,880
Retirement of Long-Term Debt	24,336
	<u>1,246,216</u>
Committed Fund Balance:	
Construction	406,184
Other Committed Fund Balance	--
	<u>406,184</u>
Assigned Fund Balance:	
Other Assigned Fund Balance	--
	<u>--</u>
Unassigned Fund Balance	1,465,927
	<u>1,465,927</u>
Total Fund Balance	<u><u>\$ 3,118,327</u></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 2014, 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, 2014

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 8.23% for the calendar year 2014. 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, 2014, the annual pension cost for the TCDRS plan for its employees was \$203,546 and the actual contributions were \$175,489.

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, 2013, the basis for determining the contribution rate for the calendar year 2014. The December 31, 2013 actuarial valuation is the most recent valuation.

BROOKS COUNTY, TEXAS

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014*

	Actuarial	Valuation	Information
Actuarial valuation date	12/31/2011	12/31/2012	12/31/2013
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open 30 yrs	level percentage of payroll, open 30 yrs	level percentage of payroll, open 30 yrs
Amortization period	30 yrs	30 yrs	30 yrs
Asset valuation method	10 yr Smoothed ESF Fund Value	10 yr Smoothed ESF Fund Value	5 yr Smoothed ESF Fund Value
Actuarial Assumptions:			
Investment return*	8.00%	8.00%	8.00%
Projected salary incr.*	5.4%	5.4%	4.9%
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, 2012	\$ 212,244	100%	\$ --
September 30, 2013	236,468	100%	--
September 30, 2014	203,546	100%	--

K. Health Care Coverage

During the year ended September 30, 2014, the County Commissioners elected to temporarily postpone health care coverage due to major budget constraints within the County. As of the date of this report, the County does have health care coverage under Blue Cross Blue Shield.

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, 2014.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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, 2014, 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 2014. The landfill is still open as of 2014. 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, 2014, 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. Subsequent Events

The Organization has evaluated subsequent events through June 8, 2015, the date which the financial statements were available to be issued.

O. Reclassification of Beginning Net Position

The balance of net position at the beginning of the fiscal year 2014 has been restated from the balance previously reported in 2013, to reflect a reclassification of net assets of \$92,389 to implement the new GASB pronouncement number 65. Consequently, net position for 2013 has been restated to reflect this decrease. The effect of the implementation is a decrease to ending net position as of September 30, 2014.

P. GASB 63

GASB 63 -- Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources are the consumption of net assets by the government that is applicable to a future reporting period and deferred inflows of resources are the acquisition of net assets by the government that is applicable to future reporting period. Deferred outflows of resources and deferred inflows of resources are incorporated into the definitions of the required components of the residual measure and that measure is renamed as net position, rather than net assets.

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, 2014

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>	\$ 3,239,982	\$ 3,239,982	\$ 3,586,317	\$ 346,335
License and Permits	4,150	4,150	984	(3,166)
Intergovernmental	168,736	168,736	199,068	30,332
Charges for Services	394,382	394,382	217,068	(177,314)
Fines and Forfeitures	626,000	626,000	500,699	(125,301)
Fees of Office	79,900	469,541	604,598	135,057
Investment Earnings	10,000	10,000	3,872	(6,128)
Miscellaneous Revenues	601,000	631,926	27,370	(604,556)
Gain on Sale of Assets	--	--	225,683	225,683
Total revenues	5,124,150	5,544,717	5,365,659	(179,058)
EXPENDITURES:				
General Government				
Commissioners' Court				
<i>Supplies</i>	50	50	36	14
<i>Other Services and Charges</i>	3,925	4,925	4,207	718
Total Commissioners' Court	3,975	4,975	4,243	732
County Judge				
<i>Personal Services</i>	73,927	74,174	71,608	2,566
<i>Supplies</i>	1,000	868	313	555
<i>Other Services and Charges</i>	4,950	4,983	2,933	2,050
Total County Judge	79,877	80,026	74,854	5,172
County Clerk				
<i>Personal Services</i>	119,479	116,438	114,325	2,113
<i>Supplies</i>	1,700	2,909	2,216	693
<i>Other Services and Charges</i>	3,350	3,850	1,381	2,469
Total County Clerk	124,529	123,197	117,922	5,275
County Service Officer				
<i>Personal Services</i>	13,234	15,157	12,443	2,714
<i>Supplies</i>	800	644	476	168
<i>Other Services and Charges</i>	4,500	9,656	7,090	2,566
Total County Service Officer	18,534	25,457	20,009	5,448
County Auditor				
<i>Personal Services</i>	232,647	207,394	200,780	6,614
<i>Supplies</i>	5,500	6,566	5,879	687
<i>Other Services and Charges</i>	7,200	6,134	4,265	1,869
Total County Auditor	245,347	220,094	210,924	9,170
County Treasurer				
<i>Personal Services</i>	72,264	75,881	75,644	237
<i>Supplies</i>	1,000	1,302	1,302	--
<i>Other Services and Charges</i>	2,390	2,498	2,425	73
Total County Treasurer	75,654	79,681	79,371	310
Tax Assessor-Collector				
<i>Personal Services</i>	80,312	80,560	79,694	866
<i>Supplies</i>	1,000	1,800	1,034	766
<i>Other Services and Charges</i>	16,800	16,000	14,642	1,358
Total Tax Assessor-Collector	98,112	98,360	95,370	2,990

BROOKS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Courthouse and Buildings				
<i>Personal Services</i>	53,732	38,071	28,375	9,696
<i>Supplies</i>	11,000	14,578	14,578	--
<i>Other Services and Charges</i>	198,998	220,997	191,345	29,652
<i>Total Courthouse and Buildings</i>	<u>263,730</u>	<u>273,645</u>	<u>234,298</u>	<u>39,347</u>
Grants Management				
<i>Personal Services</i>	11,780	6,512	5,773	739
<i>Total Grants Management</i>	<u>11,780</u>	<u>6,512</u>	<u>5,773</u>	<u>739</u>
Voter Registration				
<i>Personal Services</i>	35,309	36,649	35,346	1,303
<i>Supplies</i>	800	1,770	1,661	109
<i>Other Services and Charges</i>	2,150	20,309	20,130	179
<i>Total Voters Registration</i>	<u>38,259</u>	<u>58,728</u>	<u>57,137</u>	<u>1,591</u>
Non-Departmental				
<i>Other Services and Charges</i>	497,213	650,673	557,743	92,930
<i>Total Non-Departmental</i>	<u>497,213</u>	<u>650,673</u>	<u>557,743</u>	<u>92,930</u>
Total General Government	<u>1,457,010</u>	<u>1,621,347</u>	<u>1,457,644</u>	<u>163,703</u>
Judicial				
County court				
<i>Personal Services</i>	38,685	23,116	19,956	3,160
<i>Other Services and Charges</i>	7,000	7,000	3,006	3,994
<i>Total County Court</i>	<u>45,685</u>	<u>30,116</u>	<u>22,962</u>	<u>7,154</u>
District Court				
<i>Personal Services</i>	110,434	73,393	56,723	16,670
<i>Supplies</i>	82,500	82,487	82,054	433
<i>Other Services and Charges</i>	19,963	19,963	11,765	8,198
<i>Total District Court</i>	<u>212,897</u>	<u>175,844</u>	<u>150,542</u>	<u>25,302</u>
District Clerk				
<i>Personal Services</i>	96,409	95,421	93,437	1,984
<i>Supplies</i>	3,000	4,143	3,802	341
<i>Other Services and Charges</i>	2,900	2,900	1,299	1,601
<i>Total District Clerk</i>	<u>102,309</u>	<u>102,464</u>	<u>98,538</u>	<u>3,926</u>
Justice of the Peace				
<i>Personal Services</i>	175,137	175,887	170,565	5,322
<i>Supplies</i>	4,400	4,031	2,314	1,717
<i>Other Services and Charges</i>	6,000	6,000	1,083	4,917
<i>Total Justice of the Peace</i>	<u>185,537</u>	<u>185,918</u>	<u>173,962</u>	<u>11,956</u>
County Attorney				
<i>Personal Services</i>	107,252	111,086	110,207	879
<i>Supplies</i>	1,500	1,500	1,064	436
<i>Other Services and Charges</i>	3,400	3,363	2,021	1,342
<i>Total County Attorney</i>	<u>112,152</u>	<u>115,950</u>	<u>113,292</u>	<u>2,658</u>
District Attorney				
<i>Personal Services</i>	58,953	59,016	57,738	1,278
<i>Supplies</i>	3,000	3,000	79	2,921
<i>Other Services and Charges</i>	2,450	2,131	455	1,676
<i>Total District Attorney</i>	<u>64,403</u>	<u>64,147</u>	<u>58,272</u>	<u>5,875</u>
Juvenile Court				
<i>Personal Services</i>	10,800	10,800	5,863	4,937
<i>Other Services and Charges</i>	300	300	--	300
<i>Total Juvenile Court</i>	<u>11,100</u>	<u>11,100</u>	<u>5,863</u>	<u>5,237</u>
Total Judicial	<u>734,083</u>	<u>685,538</u>	<u>623,431</u>	<u>62,107</u>

BROOKS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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>	29,394	6,580	6,445	135
<i>Supplies</i>	500	--	--	--
<i>Other Services and Charges</i>	1,000	--	--	--
<i>Total 911 Addressing</i>	<u>30,894</u>	<u>6,580</u>	<u>6,445</u>	<u>135</u>
Adult Probation				
<i>Supplies</i>	100	100	58	42
<i>Other Services and Charges</i>	74,300	74,300	88,338	(14,038)
<i>Total Adult Probation</i>	<u>74,400</u>	<u>74,400</u>	<u>88,396</u>	<u>(13,996)</u>
Constables				
<i>Personal Services</i>	60,174	132,592	69,518	63,074
<i>Supplies</i>	400	14,965	10,374	4,591
<i>Other Services and Charges</i>	11,300	191,334	122,823	68,511
<i>Total Constables</i>	<u>71,874</u>	<u>338,890</u>	<u>202,715</u>	<u>136,175</u>
Sheriff				
<i>Personal Services</i>	510,530	512,811	502,579	10,232
<i>Supplies</i>	72,000	120,156	116,899	3,257
<i>Other Services and Charges</i>	32,050	62,199	57,942	4,257
<i>Total Sheriff</i>	<u>614,580</u>	<u>695,166</u>	<u>677,420</u>	<u>17,746</u>
County Jail				
<i>Personal Services</i>	434,339	402,664	395,762	6,902
<i>Supplies</i>	40,450	50,703	42,765	7,938
<i>Other Services and Charges</i>	66,800	84,039	80,621	3,418
<i>Total County Jail</i>	<u>541,589</u>	<u>537,406</u>	<u>519,148</u>	<u>18,258</u>
Fire Marshall & LEPC Coordinator				
<i>Personal Services</i>	36,395	44,427	41,483	2,944
<i>Supplies</i>	850	5,666	1,742	3,924
<i>Other Services and Charges</i>	13,650	15,900	12,674	3,226
<i>Total Fire Marshall & LEPC</i>	<u>50,895</u>	<u>65,993</u>	<u>55,899</u>	<u>10,094</u>
<i>Total Public Safety</i>	<u>1,384,232</u>	<u>1,718,434</u>	<u>1,550,023</u>	<u>168,411</u>
Public Transportation				
Texas Department of Public Safety				
<i>Personal Services</i>	23,732	23,880	22,949	931
<i>Supplies</i>	500	300	298	2
<i>Other Services and Charges</i>	3,950	4,032	2,385	1,647
<i>Total Texas Department of Public Safety</i>	<u>28,182</u>	<u>28,212</u>	<u>25,632</u>	<u>2,580</u>
Weigh Station				
<i>Personal Services</i>	27,974	28,133	26,981	1,152
<i>Supplies</i>	500	359	301	58
<i>Other Services and Charges</i>	3,800	3,886	2,635	1,251
<i>Total Weigh Station</i>	<u>32,274</u>	<u>32,378</u>	<u>29,917</u>	<u>2,461</u>
<i>Total Public Transportation</i>	<u>60,456</u>	<u>60,590</u>	<u>55,549</u>	<u>5,041</u>
Health and Welfare				
<i>Other Services and Charges</i>	38,250	34,250	29,471	4,779
<i>Total Health and Welfare</i>	<u>38,250</u>	<u>34,250</u>	<u>29,471</u>	<u>4,779</u>
Out-Patient Clinic				
<i>Personal Services</i>	27,275	12,772	11,158	1,614
<i>Supplies</i>	700	700	206	494
<i>Other Services and Charges</i>	2,100	2,700	1,891	809
<i>Total Out-Patient Clinic</i>	<u>30,075</u>	<u>16,172</u>	<u>13,255</u>	<u>2,917</u>
Indigent				
<i>Other Services and Charges</i>	107,000	107,000	106,637	363
<i>Total Indigent</i>	<u>107,000</u>	<u>107,000</u>	<u>106,637</u>	<u>363</u>

BROOKS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT B-1
Page 4 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Commodities Distribution				
<i>Personal Services</i>	--	216	216	--
<i>Total Commodities Distribution</i>	--	216	216	--
Total Health and Welfare	<u>175,325</u>	<u>157,638</u>	<u>149,579</u>	<u>8,059</u>
Culture and Recreation				
Library				
<i>Personal Services</i>	56,698	56,852	51,562	5,290
<i>Supplies</i>	5,500	5,287	3,515	1,772
<i>Other Services and Charges</i>	2,750	2,750	1,090	1,660
<i>Total Library</i>	<u>64,948</u>	<u>64,889</u>	<u>56,167</u>	<u>8,722</u>
Total Culture and Recreation	<u>64,948</u>	<u>64,889</u>	<u>56,167</u>	<u>8,722</u>
Conservation				
County Extension Agent				
<i>Personal Services</i>	74,822	66,635	54,952	11,683
<i>Supplies</i>	5,000	7,600	6,877	723
<i>Other Services and Charges</i>	19,500	25,249	13,934	11,315
<i>Total County Extension Agent</i>	<u>99,322</u>	<u>99,484</u>	<u>75,763</u>	<u>23,721</u>
Total Conservation	<u>99,322</u>	<u>99,484</u>	<u>75,763</u>	<u>23,721</u>
Economic Development and Assistance				
<i>Personal Services</i>	36,734	36,406	36,381	25
Total Economic Development and Assistance	<u>36,734</u>	<u>36,406</u>	<u>36,381</u>	<u>25</u>
Debt Service:				
<i>Principal</i>	615,096	619,971	13,132	606,839
<i>Interest and Fiscal Charges</i>	--	--	6,840	(6,840)
Total Expenditures	<u>4,627,206</u>	<u>5,064,297</u>	<u>4,024,509</u>	<u>1,039,788</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>496,944</u>	<u>480,420</u>	<u>1,341,150</u>	<u>860,730</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	382,457	382,457	503,621	121,164
<i>Transfers Out</i>	(227,000)	(227,000)	(404,018)	177,018
Total Other Financing Sources (Uses)	<u>155,457</u>	<u>155,457</u>	<u>99,603</u>	<u>55,854</u>
Net Change in Fund Balances	652,401	635,877	1,440,753	804,876
Fund Balances - Beginning	25,174	25,174	25,174	--
Fund Balances - Ending	<u>\$ 677,575</u>	<u>\$ 661,051</u>	<u>\$ 1,465,927</u>	<u>\$ 804,876</u>

BROOKS COUNTY, TEXAS
ROAD & BRIDGE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 1,152,277	\$ 1,152,277	\$ 1,255,473	\$ 103,196
License and Permits	250,000	250,000	274,747	24,747
Charges for Services	23,000	50,871	68,411	17,540
Investment Earnings	2,000	2,000	479	(1,521)
Miscellaneous Revenues	6,500	8,443	5,433	(3,010)
Total revenues	<u>1,433,777</u>	<u>1,463,591</u>	<u>1,604,543</u>	<u>140,952</u>
EXPENDITURES:				
Public Transportation				
Public Transportation				
<i>Personal Services</i>	878,082	907,897	740,742	167,155
<i>Supplies</i>	146,908	146,908	115,078	31,830
<i>Other Services and Charges</i>	237,386	237,386	242,982	(5,596)
Total Public Transportation	<u>1,262,377</u>	<u>1,292,191</u>	<u>1,098,802</u>	<u>193,389</u>
Total Public Transportation	<u>1,262,377</u>	<u>1,292,191</u>	<u>1,098,802</u>	<u>193,389</u>
Total Expenditures	<u>1,262,377</u>	<u>1,292,191</u>	<u>1,098,802</u>	<u>193,389</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>171,400</u>	<u>171,400</u>	<u>505,741</u>	<u>334,341</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(189,083)</u>	<u>39,083</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(189,083)</u>	<u>39,083</u>
Net Change in Fund Balances	21,400	21,400	316,658	295,258
Fund Balances - Beginning	222,278	222,278	222,278	--
Fund Balances - Ending	<u>\$ 243,678</u>	<u>\$ 243,678</u>	<u>\$ 538,936</u>	<u>\$ 295,258</u>

BROOKS COUNTY, TEXAS
LCS / I.C.E.
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT B-3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 7,032,000	\$ 7,032,000	\$ 9,858,218	\$ 2,826,218
Investment Earnings	1,500	1,500	351	(1,149)
Total revenues	<u>7,033,500</u>	<u>7,033,500</u>	<u>9,858,569</u>	<u>2,825,069</u>
EXPENDITURES:				
Public Safety				
<i>Other Services and Charges</i>	7,025,000	7,025,000	9,517,561	(2,492,561)
<i>Total Public Safety</i>	<u>7,025,000</u>	<u>7,025,000</u>	<u>9,517,561</u>	<u>(2,492,561)</u>
Total Public Safety	<u>7,025,000</u>	<u>7,025,000</u>	<u>9,517,561</u>	<u>(2,492,561)</u>
Total Expenditures	<u>7,025,000</u>	<u>7,025,000</u>	<u>9,517,561</u>	<u>(2,492,561)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,500</u>	<u>8,500</u>	<u>341,008</u>	<u>332,508</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	8,500	8,500	341,008	332,508
Fund Balances - Beginning	(442,261)	(442,261)	(442,261)	--
Fund Balances - Ending	<u>\$ (433,761)</u>	<u>\$ (433,761)</u>	<u>\$ (101,253)</u>	<u>\$ 332,508</u>

BROOKS COUNTY, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

YEAR ENDED SEPTEMBER 30, 2014

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)
9/30/11	\$ 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%
9/30/13	12,452,730	11,720,988	(731,742)	106.2%	2,817,739	-26.0%

*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, 2014

	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>	\$ 709,565	\$ 24,336	\$ 406,184	\$ 1,140,085
<i>Restricted Cash</i>	120,502	--	--	120,502
<i>Intergovernmental Receivable</i>	40,000	--	--	40,000
<i>Due from Other Funds</i>	6,337	--	--	6,337
Total Assets	<u>\$ 876,404</u>	<u>\$ 24,336</u>	<u>\$ 406,184</u>	<u>\$ 1,306,924</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 67,870	\$ --	\$ --	\$ 67,870
<i>Due to Other Funds</i>	24,337	--	--	24,337
Total Liabilities	<u>92,207</u>	<u>--</u>	<u>--</u>	<u>92,207</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue -- Property Taxes	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	784,197	--	--	784,197
Restriction of Long-Term Debt	--	24,336	--	24,336
Committed Fund Balance:				
Construction	--	--	406,184	406,184
Other Committed Fund Balance	--	--	--	--
Assigned Fund Balance				
Other Assigned Fund Balance	--	--	--	--
Unassigned Fund Balance	--	--	--	--
Total Fund Balance	<u>784,197</u>	<u>24,336</u>	<u>406,184</u>	<u>1,214,717</u>
Total Liabilities and Fund Balance	<u>\$ 876,404</u>	<u>\$ 24,336</u>	<u>\$ 406,184</u>	<u>\$ 1,306,924</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:				
Taxes:				
<i>General Property Taxes</i>	\$ 516,073	\$ 260,666	\$ --	\$ 776,739
<i>General Sales and Use Taxes</i>	401,386	--	--	401,386
<i>License and Permits</i>	144,158	--	--	144,158
<i>Intergovernmental</i>	1,189,444	--	--	1,189,444
<i>Charges for Services</i>	3,695	--	--	3,695
<i>Fines and Forfeitures</i>	568,289	--	--	568,289
<i>Fees of Office</i>	33,948	--	--	33,948
<i>Investment Earnings</i>	787	135	511	1,433
<i>Miscellaneous Revenues</i>	4,853	--	--	4,853
Total revenues	<u>2,862,633</u>	<u>260,801</u>	<u>511</u>	<u>3,123,945</u>
Expenditures:				
Current:				
<i>General Government</i>	3,416	--	--	3,416
<i>Judicial</i>	138,242	--	--	138,242
<i>Public Safety</i>	1,064,493	--	287,986	1,352,479
<i>Public Transportation</i>	55,945	--	--	55,945
<i>Health and Welfare</i>	471,671	--	--	471,671
<i>Culture and Recreation</i>	--	--	819	819
<i>Economic Development and Assistance</i>	473,499	--	--	473,499
Debt Service:				
<i>Principal</i>	360,112	190,000	--	550,112
<i>Interest and Fiscal Charges</i>	217,641	113,803	--	331,444
Total Expenditures	<u>2,785,019</u>	<u>303,803</u>	<u>288,805</u>	<u>3,377,627</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>77,614</u>	<u>(43,002)</u>	<u>(288,294)</u>	<u>(253,682)</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	384,830	--	--	384,830
<i>Transfers Out</i>	(501,372)	(159,080)	--	(660,452)
Total Other Financing Sources (Uses)	<u>(116,542)</u>	<u>(159,080)</u>	<u>--</u>	<u>(275,622)</u>
Net Change in Fund Balances	(38,928)	(202,082)	(288,294)	(529,304)
Fund Balances - Beginning	823,125	226,418	694,478	1,744,021
Fund Balances - Ending	<u>\$ 784,197</u>	<u>\$ 24,336</u>	<u>\$ 406,184</u>	<u>\$ 1,214,717</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	Texas DSHS Grant	La Parrita Water Main #712015	Consolidation Fund	Airport Improvement Fund
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ --	\$ --	\$ 888	\$ 3,296
<i>Restricted Cash</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 888</u>	<u>\$ 3,296</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ 48,093	\$ --	\$ --
<i>Due to Other Funds</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>48,093</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue -- Property Taxes	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	--	(48,093)	888	3,296
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>(48,093)</u>	<u>888</u>	<u>3,296</u>
Total Liabilities and Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 888</u>	<u>\$ 3,296</u>

<u>Alien Death Processing</u>	<u>Chapter 19</u>	<u>Radio Antenna & Repeater Grant</u>	<u>Management & Preservation Fund</u>	<u>Courthouse Security</u>
\$ 148	\$ --	\$ --	\$ 56,380	\$ 15,806
--	--	--	--	--
--	--	--	--	--
<u>\$ 148</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 56,380</u>	<u>\$ 15,806</u>
\$ 13,975	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>13,975</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(13,827)	--	--	56,380	15,806
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>(13,827)</u>	<u>--</u>	<u>--</u>	<u>56,380</u>	<u>15,806</u>
<u>\$ 148</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 56,380</u>	<u>\$ 15,806</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	<u>Lateral Road Fund</u>	<u>Prevention & Treatment Fund</u>	<u>County Attorney Hot Check Fund</u>	<u>Homeland Security</u>
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 14,150	\$ 3,017	\$ 15,577	\$ 12,915
<i>Restricted Cash</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
Total Assets	<u>\$ 14,150</u>	<u>\$ 3,017</u>	<u>\$ 15,577</u>	<u>\$ 12,915</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Due to Other Funds</i>	--	--	--	6,337
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,337</u>
DEFERRED INFLOWS OF RESOURCES				
<i>Unavailable Revenue -- Property Taxes</i>	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	14,150	3,017	15,577	6,578
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>14,150</u>	<u>3,017</u>	<u>15,577</u>	<u>6,578</u>
Total Liabilities and Fund Balance	<u>\$ 14,150</u>	<u>\$ 3,017</u>	<u>\$ 15,577</u>	<u>\$ 12,915</u>

Ed Rachal Sheriff Grant	Employee Vending Machine Commission Fund	Border Prosecutor's Program	Election Service Contract Fund	Disaster Relief
\$ 10,042	\$ 1,057	\$ --	\$ 3,464	\$ --
--	--	--	--	--
--	--	--	--	--
<u>\$ 10,042</u>	<u>\$ 1,057</u>	<u>\$ --</u>	<u>\$ 3,464</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
10,042	1,057	--	3,464	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>10,042</u>	<u>1,057</u>	<u>--</u>	<u>3,464</u>	<u>--</u>
<u>\$ 10,042</u>	<u>\$ 1,057</u>	<u>\$ --</u>	<u>\$ 3,464</u>	<u>\$ --</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	County Airport	Law Library Fund	Sheriff Seizure	Federal Arrest Drug Fund
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 5,357	\$ 22,244	\$ 19,293	\$ 48,472
<i>Restricted Cash</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	6,337	--
Total Assets	<u>\$ 5,357</u>	<u>\$ 22,244</u>	<u>\$ 25,630</u>	<u>\$ 48,472</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 1,554	\$ 131	\$ 780	\$ --
<i>Due to Other Funds</i>	--	--	18,000	--
Total Liabilities	<u>1,554</u>	<u>131</u>	<u>18,780</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue -- Property Taxes	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	3,803	22,113	6,850	48,472
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>3,803</u>	<u>22,113</u>	<u>6,850</u>	<u>48,472</u>
Total Liabilities and Fund Balance	<u>\$ 5,357</u>	<u>\$ 22,244</u>	<u>\$ 25,630</u>	<u>\$ 48,472</u>

<u>LEOSE State Allocations</u>	<u>Historical & Development Fund</u>	<u>Justice Crt Technology Fund</u>	<u>Parents Helping Parents Fund</u>	<u>Health Use Sales Tax Fund</u>
\$ 28,703	\$ --	\$ 134,902	\$ --	\$ 6,961
--	--	--	--	120,502
--	--	--	--	--
--	--	--	--	--
<u>\$ 28,703</u>	<u>\$ --</u>	<u>\$ 134,902</u>	<u>\$ --</u>	<u>\$ 127,463</u>
\$ --	\$ --	\$ --	\$ --	\$ 104
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>104</u>
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
28,703	--	134,902	--	127,359
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>28,703</u>	<u>--</u>	<u>134,902</u>	<u>--</u>	<u>127,359</u>
<u>\$ 28,703</u>	<u>\$ --</u>	<u>\$ 134,902</u>	<u>\$ --</u>	<u>\$ 127,463</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	<u>Ed Rachal Audio Visual Fund</u>	<u>TDHCA #720015 HWY 281 Water Project</u>	<u>79th Judicial Dist/Drug Alcohol Fund</u>	<u>Drug Alcohol Court Diversion Program</u>
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 1,288	\$ --	\$ --	\$ 139,688
<i>Restricted Cash</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
Total Assets	<u>\$ 1,288</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 139,688</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Due to Other Funds</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES				
<i>Unavailable Revenue -- Property Taxes</i>	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	1,288	--	--	139,688
Retirement of Long-Term Debt	--	--	--	--
Committed Fund Balance:				
Construction	--	--	--	--
Other Committed Fund Balance	--	--	--	--
Assigned Fund Balance:				
Other Assigned Fund Balance	--	--	--	--
Unassigned Fund Balance	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Fund Balance	<u>1,288</u>	<u>--</u>	<u>--</u>	<u>139,688</u>
Total Liabilities and Fund Balance	<u>\$ 1,288</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 139,688</u>

TCDP #726055 Colonia Construction	Brush Country Water District	Sheriff Local Border Security Fund	Sheriff Federal Seizure Fund	Constable Seizure Fund
\$ --	\$ 50	\$ 25,366	\$ 17,137	\$ 119
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ 50</u>	<u>\$ 25,366</u>	<u>\$ 17,137</u>	<u>\$ 119</u>
\$ --	\$ 93	\$ --	\$ 1,350	\$ 869
--	--	--	--	--
<u>--</u>	<u>93</u>	<u>--</u>	<u>1,350</u>	<u>869</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	(43)	25,366	15,787	(750)
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>(43)</u>	<u>25,366</u>	<u>15,787</u>	<u>(750)</u>
<u>\$ --</u>	<u>\$ 50</u>	<u>\$ 25,366</u>	<u>\$ 17,137</u>	<u>\$ 119</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	<u>Community Safety Initiative Grant</u>	<u>Juvenile Probation Match</u>	<u>TJPC-E VERTEX FUND</u>
ASSETS AND OTHER DEBITS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ --	\$ 70,960	\$ 1,337
<i>Restricted Cash</i>	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--
<i>Due from Other Funds</i>	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 70,960</u>	<u>\$ 1,337</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
<i>Accounts Payable</i>	\$ --	\$ 921	\$ --
<i>Due to Other Funds</i>	--	--	--
Total Liabilities	<u>--</u>	<u>921</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES			
<i>Unavailable Revenue -- Property Taxes</i>	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:			
Restricted Fund Balance:			
Federal or State Funds Grant Restriction	--	70,039	1,337
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>70,039</u>	<u>1,337</u>
Total Liabilities and Fund Balance	<u>\$ --</u>	<u>\$ 70,960</u>	<u>\$ 1,337</u>

Certificate of Obligation Series 2011	Gen Operating Refunding Bonds Series 2013	Celebration Fund	Ed Rachal Carter Family Foundation	Encino Water Plant Back Up Generator
\$ 1,121	\$ 39,795	\$ 4,414	\$ 4,000	\$ --
--	--	--	--	--
--	--	--	--	--
<u>1,121</u>	<u>39,795</u>	<u>4,414</u>	<u>4,000</u>	<u>--</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1,121	39,795	4,414	4,000	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>1,121</u>	<u>39,795</u>	<u>4,414</u>	<u>4,000</u>	<u>--</u>
<u>\$ 1,121</u>	<u>\$ 39,795</u>	<u>\$ 4,414</u>	<u>\$ 4,000</u>	<u>\$ --</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	J.M. Alaniz Fairgrounds Fees Fund	TXCDBG #727025 Phase 2 Septic	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS AND OTHER DEBITS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 1,618	\$ --	\$ 709,565
<i>Restricted Cash</i>	--	--	120,502
<i>Intergovernmental Receivable</i>	--	40,000	40,000
<i>Due from Other Funds</i>	--	--	6,337
Total Assets	<u>\$ 1,618</u>	<u>\$ 40,000</u>	<u>\$ 876,404</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
<i>Accounts Payable</i>	\$ --	\$ --	\$ 67,870
<i>Due to Other Funds</i>	--	--	24,337
Total Liabilities	<u>--</u>	<u>--</u>	<u>92,207</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue -- Property Taxes	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:			
Restricted Fund Balance:			
Federal or State Funds Grant Restriction	1,618	40,000	784,197
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>1,618</u>	<u>40,000</u>	<u>784,197</u>
Total Liabilities and Fund Balance	<u>\$ 1,618</u>	<u>\$ 40,000</u>	<u>\$ 876,404</u>

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BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Texas DSHS Grant	La Parrita Water Main #712015	Consolidation Fund	Airport Improvement Fund
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	--	--
License and Permits	--	--	--	23,500
Intergovernmental	38,254	396,152	43,535	--
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	--	--	--	--
Investment Earnings	--	--	--	--
Miscellaneous Revenues	--	--	--	--
Total revenues	<u>38,254</u>	<u>396,152</u>	<u>43,535</u>	<u>23,500</u>
Expenditures:				
Current:				
General Government	--	--	--	--
Judicial	--	--	--	--
Public Safety	--	--	43,647	--
Public Transportation	--	--	--	20,204
Health and Welfare	--	--	--	--
Economic Development and Assistance	38,254	435,245	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>38,254</u>	<u>435,245</u>	<u>43,647</u>	<u>20,204</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(39,093)</u>	<u>(112)</u>	<u>3,296</u>
Other Financing Sources (Uses):				
Transfers In	--	--	1,000	--
Transfers Out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>1,000</u>	<u>--</u>
Net Change in Fund Balances	--	(39,093)	888	3,296
Fund Balances - Beginning	--	(9,000)	--	--
Fund Balances - Ending	<u>\$ --</u>	<u>\$ (48,093)</u>	<u>\$ 888</u>	<u>\$ 3,296</u>

<u>Alien Death Processing</u>	<u>Chapter 19</u>	<u>Management & Preservation Fund</u>	<u>Courthouse Security</u>	<u>Lateral Road Fund</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
137,043	3,416	--	--	9,361
--	--	--	--	--
--	--	14,052	10,067	--
--	--	75	10	16
--	--	--	--	--
<u>137,043</u>	<u>3,416</u>	<u>14,127</u>	<u>10,077</u>	<u>9,377</u>
--	3,416	--	--	--
--	--	26,800	--	--
150,870	--	--	758	4,336
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>150,870</u>	<u>3,416</u>	<u>26,800</u>	<u>758</u>	<u>4,336</u>
<u>(13,827)</u>	<u>--</u>	<u>(12,673)</u>	<u>9,319</u>	<u>5,041</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>(13,827)</u>	<u>--</u>	<u>(12,673)</u>	<u>9,319</u>	<u>5,041</u>
--	--	69,053	6,487	9,109
<u>\$ (13,827)</u>	<u>\$ --</u>	<u>\$ 56,380</u>	<u>\$ 15,806</u>	<u>\$ 14,150</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Prevention & Treatment Fund	County Attorney Hot Check Fund	Homeland Security	Ed Rachal Sheriff Grant
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	--	--
License and Permits	--	--	--	--
Intergovernmental	8,266	--	29,264	83,578
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	--	957	--	--
Investment Earnings	21	15	--	10
Miscellaneous Revenues	--	--	--	--
Total revenues	<u>8,287</u>	<u>972</u>	<u>29,264</u>	<u>83,588</u>
Expenditures:				
Current:				
General Government	--	--	--	--
Judicial	--	239	--	--
Public Safety	--	--	19,663	75,874
Public Transportation	--	--	--	--
Health and Welfare	90,968	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>90,968</u>	<u>239</u>	<u>19,663</u>	<u>75,874</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(82,681)</u>	<u>733</u>	<u>9,601</u>	<u>7,714</u>
Other Financing Sources (Uses):				
Transfers In	75,000	--	--	--
Transfers Out	--	--	--	--
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(7,681)	733	9,601	7,714
Fund Balances - Beginning	10,698	14,844	(3,023)	2,328
Fund Balances - Ending	<u>\$ 3,017</u>	<u>\$ 15,577</u>	<u>\$ 6,578</u>	<u>\$ 10,042</u>

<u>Employee Vending Machine Commission Fund</u>	<u>Border Prosecutor's Program</u>	<u>Election Service Contract Fund</u>	<u>County Airport</u>	<u>Law Library Fund</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	16,357	--	2,252	--
--	--	--	--	3,695
--	--	--	--	--
--	--	2	12	24
184	--	4,669	--	--
<u>184</u>	<u>16,357</u>	<u>4,671</u>	<u>2,264</u>	<u>3,719</u>
--	--	--	--	--
--	--	--	--	--
--	208	5,155	--	6,132
--	--	--	35,741	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>208</u>	<u>5,155</u>	<u>35,741</u>	<u>6,132</u>
184	16,149	(484)	(33,477)	(2,413)
--	--	--	38,000	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>38,000</u>	<u>--</u>
184	16,149	(484)	4,523	(2,413)
873	(16,149)	3,948	(720)	24,526
<u>\$ 1,057</u>	<u>\$ --</u>	<u>\$ 3,464</u>	<u>\$ 3,803</u>	<u>\$ 22,113</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Sheriff Seizure	Federal Arrest Drug Fund	LEOSE State Allocations	Historical & Development Fund
Revenue:				
Taxes:				
<i>General Property Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>General Sales and Use Taxes</i>	--	--	--	--
<i>License and Permits</i>	--	--	--	--
<i>Intergovernmental</i>	--	--	2,845	--
<i>Charges for Services</i>	--	--	--	--
<i>Fines and Forfeitures</i>	155,273	340,460	--	--
<i>Fees of Office</i>	--	--	--	--
<i>Investment Earnings</i>	11	37	28	3
<i>Miscellaneous Revenues</i>	--	--	--	--
Total revenues	<u>155,284</u>	<u>340,497</u>	<u>2,873</u>	<u>3</u>
Expenditures:				
Current:				
<i>General Government</i>	--	--	--	--
<i>Judicial</i>	--	--	--	--
<i>Public Safety</i>	143,932	--	1,315	--
<i>Public Transportation</i>	--	--	--	--
<i>Health and Welfare</i>	--	--	--	--
<i>Economic Development and Assistance</i>	--	--	--	--
Debt Service:				
<i>Principal</i>	29,747	--	--	--
<i>Interest and Fiscal Charges</i>	3,221	--	--	--
Total Expenditures	<u>176,900</u>	<u>--</u>	<u>1,315</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(21,616)</u>	<u>340,497</u>	<u>1,558</u>	<u>3</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	132,786	--	--	--
<i>Transfers Out</i>	--	(472,846)	--	(4,482)
Total Other Financing Sources (Uses)	<u>132,786</u>	<u>(472,846)</u>	<u>--</u>	<u>(4,482)</u>
Net Change in Fund Balances	111,170	(132,349)	1,558	(4,479)
Fund Balances - Beginning	(104,320)	180,821	27,145	4,479
Fund Balances - Ending	<u>\$ 6,850</u>	<u>\$ 48,472</u>	<u>\$ 28,703</u>	<u>\$ --</u>

Justice Crt Technology Fund	Parents Helping Parents Fund	Health Use Sales Tax Fund	Ed Rachal Audio Visual Fund	79th Judicial Dist/Drug Alcohol Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	401,386	--	--
--	--	--	--	170,594
--	--	--	--	--
--	--	--	--	--
8,872	--	--	--	--
142	--	145	1	--
--	--	--	--	--
<u>9,014</u>	<u>--</u>	<u>401,531</u>	<u>1</u>	<u>170,594</u>
--	--	--	--	--
17,352	--	--	--	--
--	--	--	--	144,117
--	--	--	--	--
--	269	380,434	--	--
--	--	--	--	--
--	--	--	--	--
<u>17,352</u>	<u>269</u>	<u>380,434</u>	<u>--</u>	<u>144,117</u>
<u>(8,338)</u>	<u>(269)</u>	<u>21,097</u>	<u>1</u>	<u>26,477</u>
--	--	--	--	--
--	--	--	--	(24,044)
--	--	--	--	<u>(24,044)</u>
(8,338)	(269)	21,097	1	2,433
143,240	269	106,262	1,287	(2,433)
<u>\$ 134,902</u>	<u>\$ --</u>	<u>\$ 127,359</u>	<u>\$ 1,288</u>	<u>\$ --</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Drug Alcohol Court Diversion Program	Brush Country Water District	Sheriff Local Border Security Fund	Sheriff Federal Seizure Fund
Revenue:				
Taxes:				
<i>General Property Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>General Sales and Use Taxes</i>	--	--	--	--
<i>License and Permits</i>	--	--	--	--
<i>Intergovernmental</i>	--	--	28,968	95,360
<i>Charges for Services</i>	--	--	--	--
<i>Fines and Forfeitures</i>	72,556	--	--	--
<i>Fees of Office</i>	--	--	--	--
<i>Investment Earnings</i>	139	--	--	15
<i>Miscellaneous Revenues</i>	--	--	--	--
Total revenues	<u>72,695</u>	<u>--</u>	<u>28,968</u>	<u>95,375</u>
Expenditures:				
Current:				
<i>General Government</i>	--	--	--	--
<i>Judicial</i>	93,851	--	--	--
<i>Public Safety</i>	--	--	--	81,316
<i>Public Transportation</i>	--	--	--	--
<i>Health and Welfare</i>	--	--	--	--
<i>Economic Development and Assistance</i>	--	--	--	--
Debt Service:				
<i>Principal</i>	--	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--	--
Total Expenditures	<u>93,851</u>	<u>--</u>	<u>--</u>	<u>81,316</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(21,156)</u>	<u>--</u>	<u>28,968</u>	<u>14,059</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	24,044	--	--	--
<i>Transfers Out</i>	--	--	--	--
Total Other Financing Sources (Uses)	<u>24,044</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	2,888	--	28,968	14,059
Fund Balances - Beginning	136,800	(43)	(3,602)	1,728
Fund Balances - Ending	<u>\$ 139,688</u>	<u>\$ (43)</u>	<u>\$ 25,366</u>	<u>\$ 15,787</u>

Constable Seizure Fund	Community Safety Initiative Grant	Juvenile Probation Match	TJPC-E VERTEX FUND	Certificate of Obligation Series 2011
\$ --	\$ --	\$ --	\$ --	\$ 82,161
--	--	--	--	--
107,805	12,853	--	--	--
--	--	124,199	--	--
--	--	--	--	--
--	--	--	--	--
62	--	--	--	19
--	--	--	--	--
<u>107,867</u>	<u>12,853</u>	<u>124,199</u>	<u>--</u>	<u>82,180</u>
--	--	--	--	--
--	--	--	--	--
148,767	--	238,403	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
60,365	--	--	--	40,000
3,944	--	--	--	46,359
<u>213,076</u>	<u>--</u>	<u>238,403</u>	<u>--</u>	<u>86,359</u>
(105,209)	12,853	(114,204)	--	(4,179)
--	--	114,000	--	--
--	--	--	--	--
--	--	<u>114,000</u>	<u>--</u>	<u>--</u>
(105,209)	12,853	(204)	--	(4,179)
104,459	(12,853)	70,243	1,337	5,300
<u>\$ (750)</u>	<u>\$ --</u>	<u>\$ 70,039</u>	<u>\$ 1,337</u>	<u>\$ 1,121</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Gen Operating Refunding Bonds Series 2013	Celebration Fund
Revenue:		
Taxes:		
<i>General Property Taxes</i>	\$ 433,912	\$ --
<i>General Sales and Use Taxes</i>	--	--
<i>License and Permits</i>	--	--
<i>Intergovernmental</i>	--	--
<i>Charges for Services</i>	--	--
<i>Fines and Forfeitures</i>	--	--
<i>Fees of Office</i>	--	--
<i>Investment Earnings</i>	--	--
<i>Miscellaneous Revenues</i>	--	--
Total revenues	<u>433,912</u>	<u>--</u>
Expenditures:		
Current:		
<i>General Government</i>	--	--
<i>Judicial</i>	--	--
<i>Public Safety</i>	--	--
<i>Public Transportation</i>	--	--
<i>Health and Welfare</i>	--	--
<i>Economic Development and Assistance</i>	--	--
Debt Service:		
<i>Principal</i>	230,000	--
<i>Interest and Fiscal Charges</i>	164,117	--
Total Expenditures	<u>394,117</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>39,795</u>	<u>--</u>
Other Financing Sources (Uses):		
<i>Transfers In</i>	--	--
<i>Transfers Out</i>	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>
Net Change in Fund Balances	39,795	--
Fund Balances - Beginning	--	4,414
Fund Balances - Ending	<u>\$ 39,795</u>	<u>\$ 4,414</u>

Ed Rachal Carter Family Foundation	J.M. Alaniz Fairgrounds Fees Fund	TXCDBG #727025 Phase 2 Septic	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ --	\$ 516,073
--	--	--	401,386
--	--	--	144,158
--	--	--	1,189,444
--	--	--	3,695
--	--	--	568,289
--	--	--	33,948
--	--	--	787
--	--	--	4,853
<u>--</u>	<u>--</u>	<u>--</u>	<u>2,862,633</u>
--	--	--	3,416
--	--	--	138,242
--	--	--	1,064,493
--	--	--	55,945
--	--	--	471,671
--	--	--	473,499
--	--	--	360,112
--	--	--	217,641
<u>--</u>	<u>--</u>	<u>--</u>	<u>2,785,019</u>
--	--	--	77,614
--	--	--	384,830
--	--	--	(501,372)
<u>--</u>	<u>--</u>	<u>--</u>	<u>(116,542)</u>
--	--	--	(38,928)
<u>4,000</u>	<u>1,618</u>	<u>40,000</u>	<u>823,125</u>
<u>\$ 4,000</u>	<u>\$ 1,618</u>	<u>\$ 40,000</u>	<u>\$ 784,197</u>

BROOKS COUNTY, TEXAS
LATERAL ROAD
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 9,361	\$ 1,361
Investment Earnings	50	50	16	(34)
Total revenues	<u>8,050</u>	<u>8,050</u>	<u>9,377</u>	<u>1,327</u>
EXPENDITURES:				
Public Safety				
<i>Other Services and Charges</i>	15,000	15,000	4,336	10,664
<i>Total Public Safety</i>	<u>15,000</u>	<u>15,000</u>	<u>4,336</u>	<u>10,664</u>
Total Public Safety	<u>15,000</u>	<u>15,000</u>	<u>4,336</u>	<u>10,664</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>4,336</u>	<u>10,664</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,950)</u>	<u>(6,950)</u>	<u>5,041</u>	<u>11,991</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(6,950)	(6,950)	5,041	11,991
Fund Balances - Beginning	9,109	9,109	9,109	--
Fund Balances - Ending	<u>\$ 2,159</u>	<u>\$ 2,159</u>	<u>\$ 14,150</u>	<u>\$ 11,991</u>

BROOKS COUNTY, TEXAS
HEALTH USE SALES TAX
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Sales and Use Taxes</i>	\$ 330,000	\$ 330,000	\$ 401,386	\$ 71,386
Investment Earnings	1,000	1,000	145	(855)
Total revenues	<u>331,000</u>	<u>331,000</u>	<u>401,531</u>	<u>70,531</u>
EXPENDITURES:				
Health and Welfare				
<i>Other Services and Charges</i>	391,000	391,000	380,434	10,566
<i>Total Health and Welfare</i>	391,000	391,000	380,434	10,566
Total Health and Welfare	<u>391,000</u>	<u>391,000</u>	<u>380,434</u>	<u>10,566</u>
Total Expenditures	<u>391,000</u>	<u>391,000</u>	<u>380,434</u>	<u>10,566</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(60,000)</u>	<u>(60,000)</u>	<u>21,097</u>	<u>81,097</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(60,000)	(60,000)	21,097	81,097
Fund Balances - Beginning	106,262	106,262	106,262	--
Fund Balances - Ending	<u>\$ 46,262</u>	<u>\$ 46,262</u>	<u>\$ 127,359</u>	<u>\$ 81,097</u>

BROOKS COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
<i>General Property Taxes</i>	\$ 303,530	\$ 303,530	\$ 260,666	\$ (42,864)
Investment Earnings	1,400	1,400	135	(1,265)
Total revenues	<u>304,930</u>	<u>304,930</u>	<u>260,801</u>	<u>(44,129)</u>
EXPENDITURES:				
<i>Debt Service:</i>				
<i>Principal</i>	303,403	303,403	190,000	113,403
<i>Interest and Fiscal Charges</i>	400	400	113,803	(113,403)
Total Expenditures	<u>303,803</u>	<u>303,803</u>	<u>303,803</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,127</u>	<u>1,127</u>	<u>(43,002)</u>	<u>(44,129)</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	--	--	(159,080)	159,080
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(159,080)</u>	<u>159,080</u>
Net Change in Fund Balances	1,127	1,127	(202,082)	(203,209)
Fund Balances - Beginning	226,418	226,418	226,418	--
Fund Balances - Ending	<u>\$ 227,545</u>	<u>\$ 227,545</u>	<u>\$ 24,336</u>	<u>\$ (203,209)</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2014

	Ed Rachal Memorial Library Grant	Capital Improvements Fund	Courthouse Renovation	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS AND OTHER DEBITS				
Assets:				
Cash and Cash Equivalents	\$ 5,919	\$ 400,262	\$ 3	\$ 406,184
Total Assets	<u>\$ 5,919</u>	<u>\$ 400,262</u>	<u>\$ 3</u>	<u>\$ 406,184</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue -- Property Taxes	--	--	--	--
Total Deferred Inflows or Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Committed Fund Balance				
Construction	\$ 5,919	\$ 400,262	\$ 3	\$ 406,184
Total Fund Balance	<u>5,919</u>	<u>400,262</u>	<u>3</u>	<u>406,184</u>
Total Liabilities and Fund Balance	<u>\$ 5,919</u>	<u>\$ 400,262</u>	<u>\$ 3</u>	<u>\$ 406,184</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Ed Rachal Memorial Library Grant	Capital Improvements Fund	Courthouse Renovation	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:				
<i>Investment Earnings</i>	\$ --	\$ 511	\$ --	\$ 511
Total revenues	<u>--</u>	<u>511</u>	<u>--</u>	<u>511</u>
Expenditures:				
Current:				
<i>Public Safety</i>	--	287,986	--	287,986
<i>Culture and Recreation</i>	819	--	--	819
Total Expenditures	<u>819</u>	<u>287,986</u>	<u>--</u>	<u>288,805</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(819)</u>	<u>(287,475)</u>	<u>--</u>	<u>(288,294)</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(819)	(287,475)	--	(288,294)
Fund Balances - Beginning	6,738	687,737	3	694,478
Fund Balances - Ending	<u>\$ 5,919</u>	<u>\$ 400,262</u>	<u>\$ 3</u>	<u>\$ 406,184</u>

BROOKS COUNTY, TEXAS
 CAPITAL IMPROVEMENTS FUND
 CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Investment Earnings	\$ 2,000	\$ 2,000	\$ 511	\$ (1,489)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>511</u>	<u>(1,489)</u>
EXPENDITURES:				
Public Safety				
Total Public Safety	<u>678,291</u>	<u>678,291</u>	<u>287,986</u>	<u>390,305</u>
Total Public Safety	<u>678,291</u>	<u>678,291</u>	<u>287,986</u>	<u>390,305</u>
Total Expenditures	<u>678,291</u>	<u>678,291</u>	<u>287,986</u>	<u>390,305</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(676,291)</u>	<u>(676,291)</u>	<u>(287,475)</u>	<u>388,816</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(676,291)</u>	<u>(676,291)</u>	<u>(287,475)</u>	<u>388,816</u>
Fund Balances - Beginning	<u>687,737</u>	<u>687,737</u>	<u>687,737</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 11,446</u>	<u>\$ 11,446</u>	<u>\$ 400,262</u>	<u>\$ 388,816</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2014

	<u>District Attorney Escrow</u>	<u>Sheriff Bond Account</u>	<u>Payroll Fund</u>	<u>State Fees Fund</u>
ASSETS:				
<i>Cash and Cash Equivalents</i>	\$ 626,855	\$ 19,259	\$ 104,250	\$ 46,212
Total Assets	<u>\$ 626,855</u>	<u>\$ 19,259</u>	<u>\$ 104,250</u>	<u>\$ 46,212</u>
LIABILITIES:				
<i>Due to Other Governments and Agencies</i>	\$ 626,855	\$ 19,259	\$ 104,250	\$ 46,212
Total Liabilities	<u>\$ 626,855</u>	<u>\$ 19,259</u>	<u>\$ 104,250</u>	<u>\$ 46,212</u>
NET POSITION				

Appellate Judicial System	County Clerk Fund	District Clerk Fund	FICA Tax Fund	Withholding Tax Fund
\$ 35	\$ 74,283	\$ 224,127	\$ --	\$ --
\$ 35	\$ 74,283	\$ 224,127	\$ --	\$ --
\$ 35	\$ 74,283	\$ 224,127	\$ --	\$ --
\$ 35	\$ 74,283	\$ 224,127	\$ --	\$ --

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2014

	Tax Assessor Collector Fund	Sheriff Regular Account	TCDRS Fund	Total Agency Funds (See Exhibit A-10)
ASSETS:				
<i>Cash and Cash Equivalents</i>	\$ 199,963	\$ 8,281	\$ 33,235	\$ 1,336,500
Total Assets	<u>\$ 199,963</u>	<u>\$ 8,281</u>	<u>\$ 33,235</u>	<u>\$ 1,336,500</u>
LIABILITIES:				
<i>Due to Other Governments and Agencies</i>	\$ 199,963	\$ 8,281	\$ 33,235	\$ 1,336,500
Total Liabilities	<u>\$ 199,963</u>	<u>\$ 8,281</u>	<u>\$ 33,235</u>	<u>\$ 1,336,500</u>
NET POSITION				

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-12

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Payroll Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 57,886	\$ 3,575,617	\$ 3,529,253	\$ 104,250
	--	--	--	--
Total Assets	<u>\$ 57,886</u>	<u>\$ 3,575,617</u>	<u>\$ 3,529,253</u>	<u>\$ 104,250</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 57,886	\$ 3,575,617	\$ 3,529,253	\$ 104,250
	--	--	--	--
Total Liabilities	<u>\$ 57,886</u>	<u>\$ 3,575,617</u>	<u>\$ 3,529,253</u>	<u>\$ 104,250</u>
State Fees Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 27,719	\$ 234,467	\$ 215,974	\$ 46,212
	--	--	--	--
Total Assets	<u>\$ 27,719</u>	<u>\$ 234,467</u>	<u>\$ 215,974</u>	<u>\$ 46,212</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 27,719	\$ 234,467	\$ 215,974	\$ 46,212
	--	--	--	--
Total Liabilities	<u>\$ 27,719</u>	<u>\$ 234,467</u>	<u>\$ 215,974</u>	<u>\$ 46,212</u>
Appellate Judicial System				
ASSETS				
<i>Cash & Investments</i>	\$ 30	\$ 270	\$ 265	\$ 35
	--	--	--	--
Total Assets	<u>\$ 30</u>	<u>\$ 270</u>	<u>\$ 265</u>	<u>\$ 35</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 30	\$ 270	\$ 265	\$ 35
	--	--	--	--
Total Liabilities	<u>\$ 30</u>	<u>\$ 270</u>	<u>\$ 265</u>	<u>\$ 35</u>
District Attorney Escrow Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 203,854	\$ 423,136	\$ 135	\$ 626,855
	--	--	--	--
Total Assets	<u>\$ 203,854</u>	<u>\$ 423,136</u>	<u>\$ 135</u>	<u>\$ 626,855</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 203,854	\$ 423,136	\$ 135	\$ 626,855
	--	--	--	--
Total Liabilities	<u>\$ 203,854</u>	<u>\$ 423,136</u>	<u>\$ 135</u>	<u>\$ 626,855</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
County Clerk Funds				
ASSETS				
<i>Cash & Investments</i>	\$ 61,902	\$ 139,214	\$ 126,833	\$ 74,283
	--	--	--	--
Total Assets	<u>\$ 61,902</u>	<u>\$ 139,214</u>	<u>\$ 126,833</u>	<u>\$ 74,283</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 61,902	\$ 139,214	\$ 126,833	\$ 74,283
	--	--	--	--
Total Liabilities	<u>\$ 61,902</u>	<u>\$ 139,214</u>	<u>\$ 126,833</u>	<u>\$ 74,283</u>
District Clerk Funds				
ASSETS				
<i>Cash & Investments</i>	\$ 220,598	\$ 218,445	\$ 214,916	\$ 224,127
	--	--	--	--
Total Assets	<u>\$ 220,598</u>	<u>\$ 218,445</u>	<u>\$ 214,916</u>	<u>\$ 224,127</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 220,598	\$ 218,445	\$ 214,916	\$ 224,127
	--	--	--	--
Total Liabilities	<u>\$ 220,598</u>	<u>\$ 218,445</u>	<u>\$ 214,916</u>	<u>\$ 224,127</u>
FICA Tax Fund				
ASSETS				
<i>Cash & Investments</i>	\$ --	\$ 388,184	\$ 388,184	\$ --
	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 388,184</u>	<u>\$ 388,184</u>	<u>\$ --</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ --	\$ 388,184	\$ 388,184	\$ --
	--	--	--	--
Total Liabilities	<u>\$ --</u>	<u>\$ 388,184</u>	<u>\$ 388,184</u>	<u>\$ --</u>
Withholding Tax Fund				
ASSETS				
<i>Cash & Investments</i>	\$ --	\$ 191,804	\$ 191,804	\$ --
	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 191,804</u>	<u>\$ 191,804</u>	<u>\$ --</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ --	\$ 191,804	\$ 191,804	\$ --
	--	--	--	--
Total Liabilities	<u>\$ --</u>	<u>\$ 191,804</u>	<u>\$ 191,804</u>	<u>\$ --</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Tax Assessor Collector Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 90,611	\$ 15,295,087	\$ 15,185,735	\$ 199,963
	--	--	--	--
Total Assets	<u>\$ 90,611</u>	<u>\$ 15,295,087</u>	<u>\$ 15,185,735</u>	<u>\$ 199,963</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 90,611	\$ 15,295,087	\$ 15,185,735	\$ 199,963
	--	--	--	--
Total Liabilities	<u>\$ 90,611</u>	<u>\$ 15,295,087</u>	<u>\$ 15,185,735</u>	<u>\$ 199,963</u>
Sheriff Regular Account				
ASSETS				
<i>Cash & Investments</i>	\$ 4,428	\$ 26,016	\$ 22,163	\$ 8,281
	--	--	--	--
Total Assets	<u>\$ 4,428</u>	<u>\$ 26,016</u>	<u>\$ 22,163</u>	<u>\$ 8,281</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 4,428	\$ 26,016	\$ 22,163	\$ 8,281
	--	--	--	--
Total Liabilities	<u>\$ 4,428</u>	<u>\$ 26,016</u>	<u>\$ 22,163</u>	<u>\$ 8,281</u>
Sheriff Bond Account				
ASSETS				
<i>Cash & Investments</i>	\$ 19,256	\$ 19	\$ 16	\$ 19,259
	--	--	--	--
Total Assets	<u>\$ 19,256</u>	<u>\$ 19</u>	<u>\$ 16</u>	<u>\$ 19,259</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 19,256	\$ 19	\$ 16	\$ 19,259
	--	--	--	--
Total Liabilities	<u>\$ 19,256</u>	<u>\$ 19</u>	<u>\$ 16</u>	<u>\$ 19,259</u>
TCDRS Fund				
ASSETS				
<i>Cash & Investments</i>	\$ 36,011	\$ 398,334	\$ 401,110	\$ 33,235
	--	--	--	--
Total Assets	<u>\$ 36,011</u>	<u>\$ 398,334</u>	<u>\$ 401,110</u>	<u>\$ 33,235</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 36,011	\$ 398,334	\$ 401,110	\$ 33,235
	--	--	--	--
Total Liabilities	<u>\$ 36,011</u>	<u>\$ 398,334</u>	<u>\$ 401,110</u>	<u>\$ 33,235</u>
TOTAL AGENCY FUNDS:				
ASSETS				
<i>Cash & Investments</i>	\$ 722,295	\$ 20,890,593	\$ 20,276,388	\$ 1,336,500
	--	--	--	--
Total Assets	<u>\$ 722,295</u>	<u>\$ 20,890,593</u>	<u>\$ 20,276,388</u>	<u>\$ 1,336,500</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 722,295	\$ 20,890,593	\$ 20,276,388	\$ 1,336,500
	--	--	--	--
Total Liabilities	<u>\$ 722,295</u>	<u>\$ 20,890,593</u>	<u>\$ 20,276,388</u>	<u>\$ 1,336,500</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, 2014

Date of Issue	Description	Interest Rate Payable	Amounts Original Issue	10 Amounts Outstanding 10/1/13	20 Issued Current Year	30 Retired Current Year
March 2004	Certificates of Obligation	3.60% - 5.0%	\$ 4,000,000	\$ 2,610,000	\$ --	\$ 190,000
September 2011	Certificates of Obligation	4.59%	1,100,000	1,030,000	--	40,000
September 2013	Certificates of Obligation	5.00% - 8.50%	1,200,000	1,200,000	--	230,000
1000 Totals			<u>\$ 6,300,000</u>	<u>\$ 4,840,000</u>	<u>\$ --</u>	<u>\$ 460,000</u>

40 Amounts Outstanding 9/30/14	50 Interest Current Year	60		70		80		90		I 10/1/14 To Maturity Interest
		Requirements								
		Year Ending 9/30/15		Year Ending 9/30/16						
		Principal	Interest	Principal	Interest					
\$ 2,420,000	\$ 113,403	\$ 195,000	\$ 105,798	\$ 205,000	\$ 97,695	\$ 405,722				
990,000	46,359	40,000	44,523	40,000	42,687	347,463				
970,000	164,117	--	--	190,000	69,800	119,301				
<u>\$ 4,380,000</u>	<u>\$ 323,879</u>	<u>\$ 235,000</u>	<u>\$ 150,321</u>	<u>\$ 435,000</u>	<u>\$ 210,182</u>	<u>\$ 872,486</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 Auditors' 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, 2014, 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 June 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Brooks County, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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,


Raul Hernandez & Company, P.C.

Corpus Christi, Texas
June 8, 2015

BROOKS COUNTY, TEXAS

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014*

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

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, 2014*

<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, 2014

N/A

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