

**BROOKS COUNTY, TEXAS**

*COMPREHENSIVE ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED SEPTEMBER 30, 2011*



Brooks County, Texas  
Comprehensive Annual Financial Report  
For The Year Ended September 30, 2011

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**BROOKS COUNTY, TEXAS****LIST OF PRINCIPAL OFFICIALS****SEPTEMBER 30, 2011**

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**Elected Officials**

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

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**Appointed Officials**

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

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## *Financial Section*

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**Raul Hernandez & Company, P.C.**  
Certified Public Accountants  
5422 Holly Rd.  
Corpus Christi, Texas 78411  
Office (361) 980-0428 Fax (361) 980-1002

**Independent Auditors' Report on Financial Statements**

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

**Members of the Commissioner's Court:**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brooks County, Texas as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Brooks County, Texas's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Brooks County, Texas as of September 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2012, on our consideration of Brooks County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Respectfully submitted,

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

Raul Hernandez & Company, P.C.

July 13, 2012

# 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, 2011. 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, 2011 Comprehensive Annual Financial Report significantly different than those of previous years. New sections include this Management's Discussion and Analysis, the Government-wide Statement of Net Assets, the Government-wide Statement of Activities, the concept of major fund reporting, and the reporting of infrastructure capital assets and long term debt liabilities in the governmental activities. These concepts are explained throughout this discussion and analysis.

## FINANCIAL HIGHLIGHTS

- The assets of the County of Brooks exceeded its liabilities at the close of the most recent fiscal year by \$6,889,113 (net assets). Of this amount, \$1,825,690 represents unrestricted net assets.
- As of the close of the current fiscal year, the County of Brooks governmental funds reported combined ending fund balances of \$308,845, which is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$276,350.
- The County of Brooks' total debt increased by a net of \$887,887 during the current fiscal year. The key factor in this amount was a result of the county's increase of a certificate of obligation in the amount of \$1,100,000.

## 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**

Type of Statements	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<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>	Statement of Net assets Statement of Activities	Balance Sheet Statement of revenues, expenditures & changes in fund balances Statement of cash flows	Statement of net assets Statement of rev, exp, & changes in net assets Statement of flows	Statement of fiduciary net assets Statement of in fiduciary net assets
<u>Accounting basis and measurement focus</u>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial	Accrual accounting and economic focus	Accrual accounting economic resources focus

# BROOKS COUNTY, TEXAS

## Government-wide Statements

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

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

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

## Fund Financial Statements

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

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

The County has the following kinds of funds:

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

# BROOKS COUNTY, TEXAS

## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

**Net assets.** The County's combined net assets were \$6,889,113 at September 30, 2011. (See Table A-1).

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

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2011-2010</u></b>
<b>Current assets:</b>			
Cash/Cash equivalents	\$ 3,270,614	\$ 2,937,321	\$ 333,293
Restricted Cash	101,139	100,361	778
Taxes receivable	711,920	708,578	3,342
Intergovernmental Receivable	40,000	40,000	-
<b>Total current assets:</b>	<b><u>\$ 4,123,673</u></b>	<b><u>\$ 3,786,260</u></b>	<b><u>\$ 337,413</u></b>
<b>Non-current assets:</b>			
Capital Assets	15,598,670	15,400,775	197,895
Less: Accumulated Depreciation	<u>(6,365,324)</u>	<u>(5,989,744)</u>	<u>(375,580)</u>
<b>Total non-current assets:</b>	<b><u>9,233,346</u></b>	<b><u>9,411,031</u></b>	<b><u>(177,685)</u></b>
<b>Total Assets</b>	<b><u>\$ 13,357,019</u></b>	<b><u>\$ 13,197,291</u></b>	<b><u>\$ 159,728</u></b>
<b>Current Liabilities</b>			
Accounts payable and other current liabilities	1,244,100	810,238	433,862
Accrued Interest Payable	12,214	10,810	1,404
Due to Other Government & Agencies	1,072,892	61,250	1,011,642
<b>Total current liabilities</b>	<b><u>2,329,206</u></b>	<b><u>882,298</u></b>	<b><u>1,446,908</u></b>
<b>Long-term Liabilities</b>			
Due within one year	283,700	212,114	71,586
Due in more than one year	3,855,000	2,964,999	890,001
<b>Total Liabilities</b>	<b><u>\$ 6,467,906</u></b>	<b><u>\$ 4,059,411</u></b>	<b><u>\$ 2,408,495</u></b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	5,094,646	6,233,918	(1,139,272)
Restricted For:			
Debt Service	374,493	212,829	161,664
Capital Projects	(405,716)	1,168	(406,884)
Unrestricted	<u>1,825,690</u>	<u>2,689,965</u>	<u>(864,275)</u>
<b>Total Net Assets</b>	<b><u>\$ 6,889,113</u></b>	<b><u>\$ 9,137,880</u></b>	<b><u>\$ (2,248,767)</u></b>

## BROOKS COUNTY, TEXAS

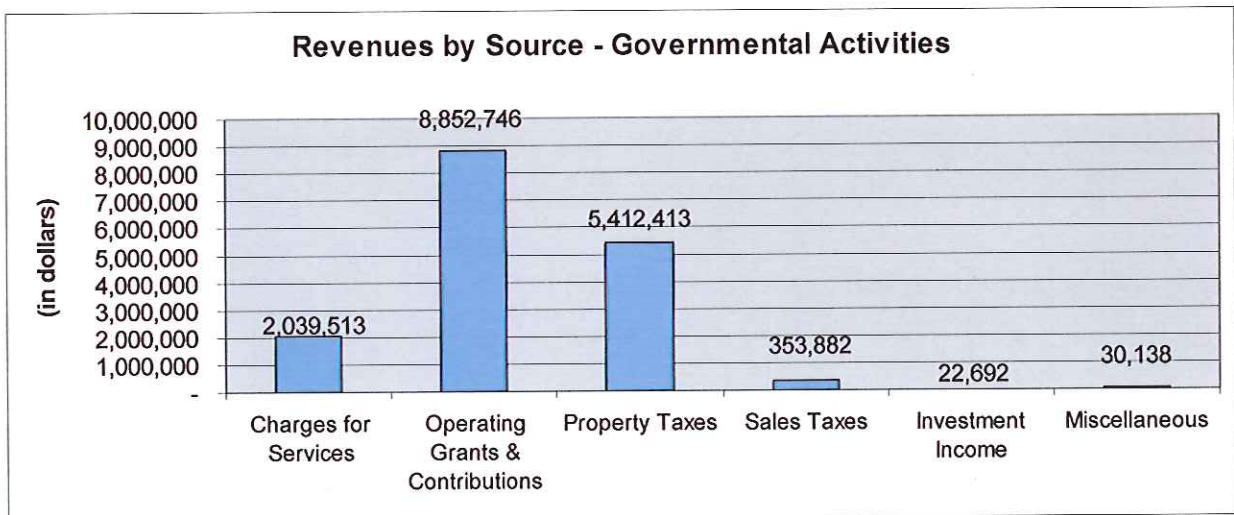
\$374,493 of the County's restricted net assets represents funds available for the debt service, while (\$405,716) represents funds for capital project funds. These funds when spent are restricted for repayment of debt and capital asset acquisitions respectively. Unrestricted net asset represents resources available to fund the programs of the County for the following year. The balance for unrestricted net assets at September 30, 2011 was \$1,825,690.

**Revenues.** The County's total revenues were \$16,711,384. A significant portion, \$8,852,746, of the County's revenue comes from operating grants & contributions. \$5,412,413 comes from property taxes and \$2,039,513 relates to charges for services. (See Figure A-2 and Table A-2)

### Governmental Activities

- Sales taxes had revenue of \$353,882, while investment income had revenues of \$22,692.

Figure A-2



# BROOKS COUNTY, TEXAS

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

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2011-2010</u></b>
<b>Revenues:</b>			
<b>Program:</b>			
Charges for services	\$ 2,039,513	\$ 2,085,979	(46,466)
Operating Grants and Contributions	8,852,746	8,744,613	108,133
<b>General:</b>			
Property Taxes	5,412,413	5,181,664	230,749
Sales Taxes	353,882	318,539	35,343
Investment Income	22,692	20,969	1,723
Miscellaneous	30,138	59,175	(29,037)
<b>Total Revenues</b>	<b><u>\$ 16,711,384</u></b>	<b><u>\$ 16,410,939</u></b>	<b><u>300,445</u></b>
 <b>Cost of Services:</b>			
General Government	2,773,339	3,021,099	(247,760)
Judicial	981,970	943,484	38,486
Public Safety	11,746,708	9,831,513	1,915,195
Public Transportation	1,591,756	1,384,526	207,230
Health and Welfare	1,321,231	1,118,474	202,757
Culture and Recreation	102,354	156,015	(53,661)
Conservation	112,184	82,980	29,204
Economic Development and Assistance	193,802	539,032	(345,230)
Interest on Long-term Debt	136,807	142,187	(5,380)
<b>Total Cost of Services</b>	<b><u>\$ 18,960,151</u></b>	<b><u>\$ 17,219,310</u></b>	<b><u>1,740,841</u></b>
 Change in net assets	(2,248,767)	(808,371)	(1,440,396)
Net assets - beginning	9,137,880	9,946,251	(808,371)
Net assets - ending	<b><u>\$ 6,889,113</u></b>	<b><u>\$ 9,137,880</u></b>	<b><u>(2,248,767)</u></b>

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

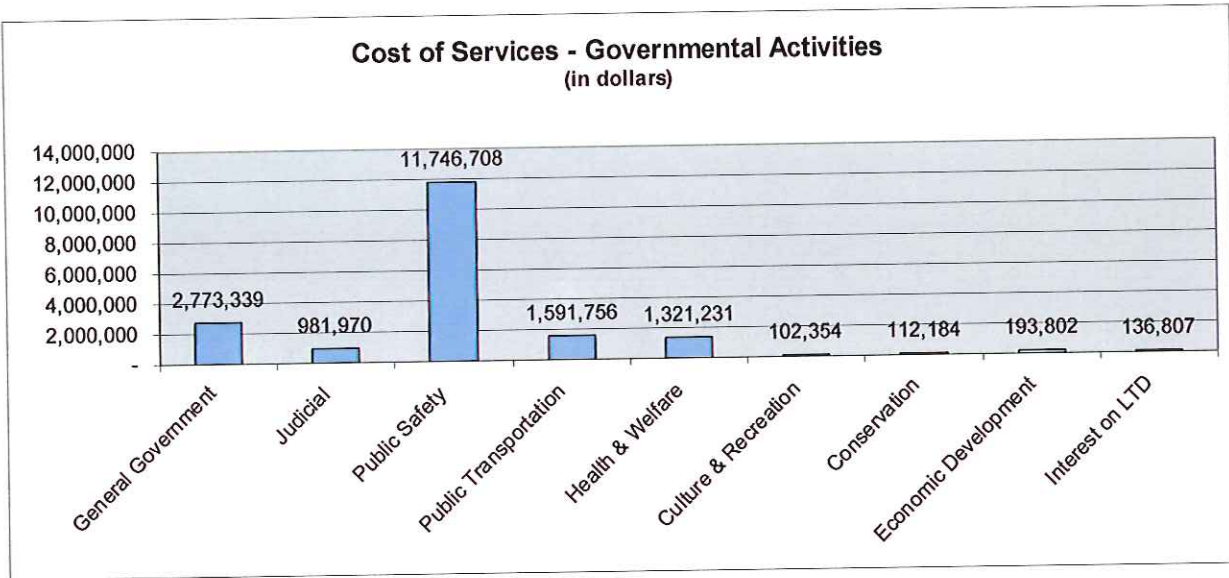
- The cost of all governmental activities this year was \$18,960,151.
- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$5,412,413.
- Some of the cost was paid by those who directly benefited from the programs such as human services, public safety, and fees of office.



## BROOKS COUNTY, TEXAS

- \$11,746,708 of these costs is public safety. This amount was due to increases in the Federal Arrest Drug, and the LCS/I.C.E. funds.

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 \$308,845, a decrease of (\$633,452) compared with the prior year. 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 \$276,350. As a measure of the general fund's liquidity, we compare both unreserved fund balance and total fund balance to total fund expenditures.

## BROOKS COUNTY, TEXAS

The Debt Service Fund (county-wide) has a total fund balance of \$205,899. 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 \$384,591.

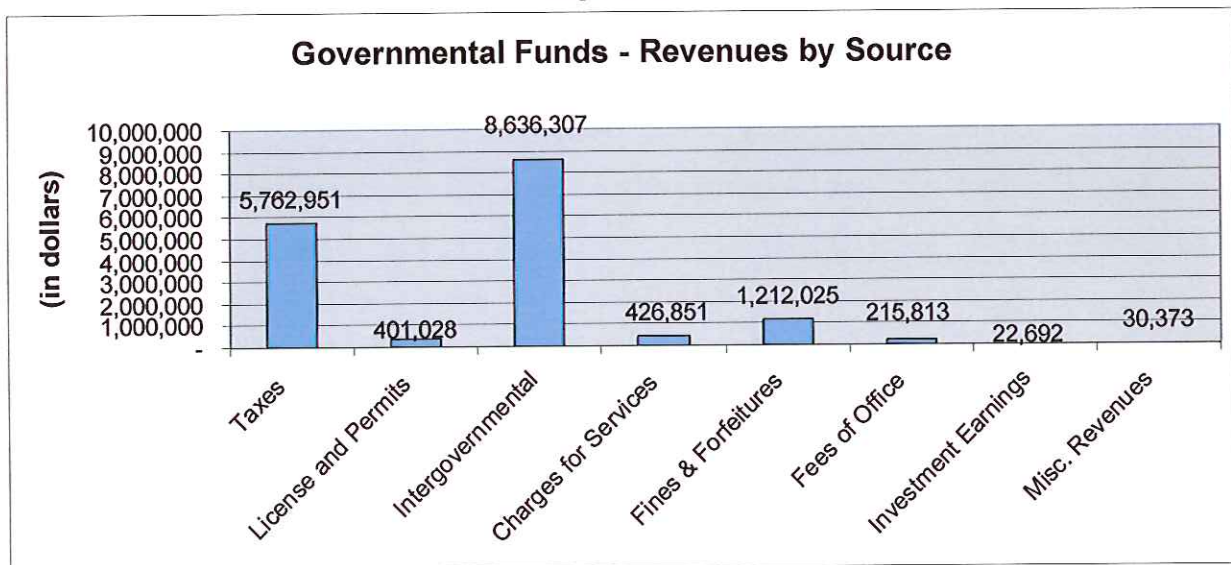
### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

#### Revenues

Revenues from governmental fund types totaled \$16,708,040. The most significant portion in governmental fund revenue sources was derived from intergovernmental revenues, which totaled \$8,636,307. Taxes consisted of general property taxes, and general sales & use taxes, which totaled \$5,762,951.

The County's primary source of revenue consists of intergovernmental revenues, which comprise 51.7% of the County's total revenues. In addition, taxes, and fines & forfeitures comprise 34.5% and 7% 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**

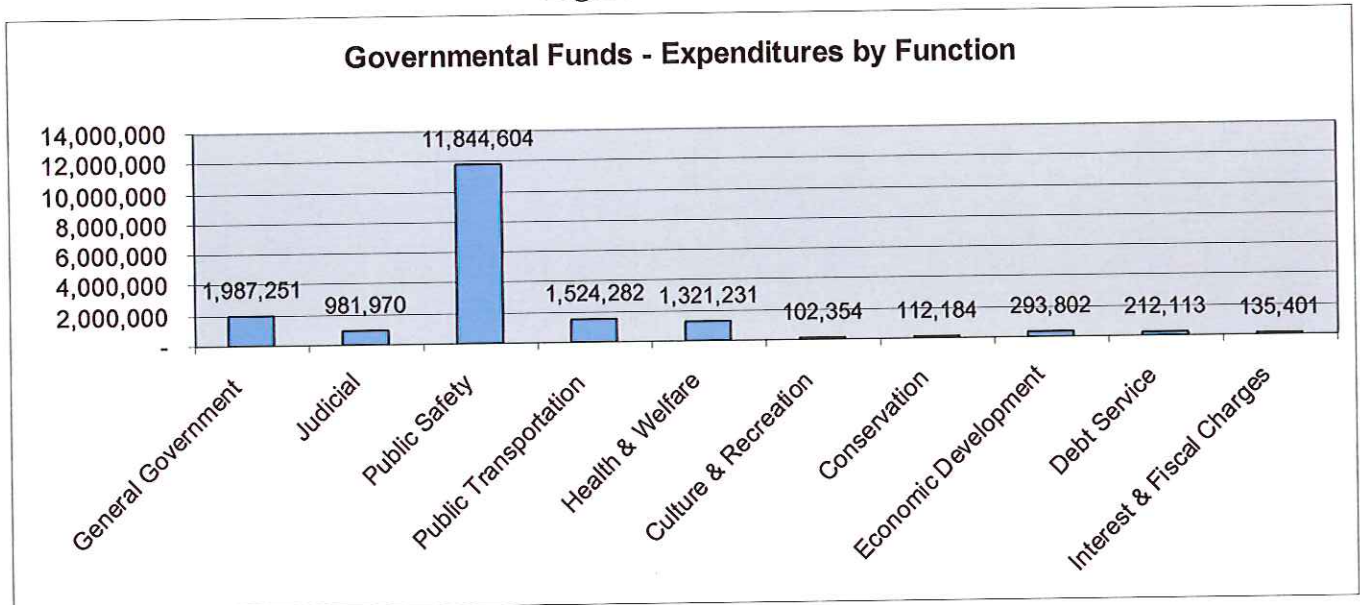
	FY 2011	FY 2010	Increase (Decrease)
Taxes	\$ 5,762,951	\$ 5,487,094	\$ 275,857
License and Permits	401,028	432,787	(31,759)
Intergovernmental	8,636,307	8,669,729	(33,422)
Charges for Services	426,851	310,625	116,226
Fines & Forfeitures	1,212,025	1,194,143	17,882
Fees of Office	215,813	211,170	4,643
Investment Earnings	22,692	20,969	1,723
Misc. Revenues	30,373	71,313	(40,940)
<b>Total Revenues</b>	<b>\$ 16,708,040</b>	<b>\$ 16,397,830</b>	<b>\$ 310,210</b>

## Expenditures

Compared to the prior year, public safety had a significant increase of \$1,874,382 due to increase in monies spent for the Federal Arrest Drug & the LCS/I.C.E. funds. Furthermore, economic development & assistance expenditures also had a significant decrease of (\$790,884).

The County's primary expenditures were for public safety, general government, and public transportation. Public safety now accounts for 64% of total expenditures. General government expenditures accounted for 10.8% of total expenditures. (See Figure A-5 and Table A-4)

**Figure A-5**



# BROOKS COUNTY, TEXAS

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

	<b>FY 2011</b>	<b>FY 2010</b>	<b>Increase (Decrease)</b>
General Government	\$ 1,987,251	\$ 2,069,630	\$ (82,379)
Judicial	981,970	943,484	38,486
Public Safety	11,844,604	9,970,222	1,874,382
Public Transportation	1,524,282	1,317,052	207,230
Health and Welfare	1,321,231	1,118,474	202,757
Culture and Recreation	102,354	156,015	(53,661)
Conservation	112,184	82,980	29,204
Economic Development and Assistance	293,802	1,084,686	(790,884)
Debt Service:			
Principal	212,113	201,295	10,818
Interest and Fiscal Charges	135,401	142,861	(7,460)
<b>Total Expenditures</b>	<b>\$ 18,515,192</b>	<b>\$ 17,086,699</b>	<b>\$ 1,428,493</b>

Other financing sources from the County came from:

**Table A-5**  
**Other Financing Resources**

	<b>FY 2011</b>	<b>FY 2010</b>	<b>Increase (Decrease)</b>
Operating Transfers In	\$ 556,394	\$ 1,143,616	\$ (587,222)
Operating Transfers Out	(556,394)	(1,738,616)	1,182,222
	<b>\$ -</b>	<b>\$ (595,000)</b>	<b>\$ 595,000</b>

## General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$5,990,719 and expenditures of \$5,794,923, 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 (\$95,518). Charges for Services, fees of office, investment earnings, and miscellaneous revenues surpassed budget expectations.
- Actual expenditures (including transfers) were \$229,343, lower than final budget amounts. County departments were encouraged to hold line on expenditures to support the overall County budget since the County was incurring higher costs of items such as medical insurance, data services and utilities.

# BROOKS COUNTY, TEXAS

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2011, the County had invested \$15,598,670 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, 2011 net capital assets of the governmental activities totaled \$9,233,346. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation for road network, buildings & improvements, vehicles, and equipment totaled \$6,365,324.

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

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>
	<b>2011</b>	<b>2010</b>	<b>2011-2010</b>
Land	\$ 236,742	\$ 236,742	\$ -
Road Network	3,120,798	3,120,798	-
Buildings and Improvements	9,161,729	9,061,729	100,000
Vehicles	1,053,870	1,029,674	24,196
Equipment	2,025,531	1,951,832	73,699
Total at historical cost	15,598,670	15,400,775	197,895
Total Accumulated Depreciation	(6,365,324)	(5,989,744)	(375,580)
Net Capital Assets	<u>\$ 9,233,346</u>	<u>\$ 9,411,031</u>	<u>\$ (177,685)</u>

Additional details on capital assets can be found in the notes to the financial statements on page 36.

### Long Term Debt

At year-end the County had \$4,065,000 in bonds and notes outstanding as shown in Table A-7. The County's total debt increased by \$887,887 compared to 2010. 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**

	<b>Governmental Activities</b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>
Certificates of Obligation	\$ 4,065,000	\$ 3,135,000
Notes Payable	-	42,113
<b>Total governmental activities</b>	<b><u>\$ 4,065,000</u></b>	<b><u>\$ 3,177,113</u></b>

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Appraised value used for the 2012 budget preparation increased from the prior year. The County's tax rate increased as compared to 2011 resulting at .894100.
- General operating fund spending in the 2012 budget is expected to have a slight increase as compared to 2011.

These indicators were taken into account when adopting the general fund budget for 2012. Property taxes will increase, while the assessed valuation has decreased. The 2011-2012 tax rate is .894100 and the assessed valuation \$686,225,355.

Revenues are expected to have a slight increase of \$1,003,219, while expenditures are budgeted to experience a slight increase of \$1,005,806.

If these estimates are realized, the County's budgetary general fund balance is expected to change depreciably by the close of 2012.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

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

## *Basic Financial Statements*

**BROOKS COUNTY, TEXAS****STATEMENT OF NET ASSETS**

SEPTEMBER 30, 2011

	Governmental Activities
<b>ASSETS:</b>	
<i>Cash and Cash Equivalents</i>	\$ 3,270,614
<i>Restricted Cash</i>	101,139
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	711,920
<i>Intergovernmental Receivable</i>	40,000
<i>Capital Assets ( net of accumulated depreciation):</i>	
<i>Land</i>	236,742
<i>Buildings and System</i>	6,219,077
<i>Machinery and Equipment</i>	483,395
<i>Infrastructure</i>	2,294,132
<b>Total Assets</b>	<u>13,357,019</u>
<b>LIABILITIES:</b>	
<i>Accounts Payable and Other Current Liabilities</i>	1,244,100
<i>Accrued Interest Payable</i>	12,214
<i>Due to Other Government and Agencies</i>	1,072,892
<i>Noncurrent Liabilities-</i>	
<i>Due within one year</i>	283,700
<i>Due in more than one year</i>	3,855,000
<b>Total Liabilities</b>	<u>6,467,906</u>
<b>NET ASSETS</b>	
<i>Invested in Capital Assets</i>	5,094,646
<i>Restricted For:</i>	
<i>Debt Service</i>	374,493
<i>Capital Projects</i>	(405,716)
<i>Unrestricted</i>	1,825,690
<b>Total Net Assets</b>	<u>\$ 6,889,113</u>

The accompanying notes are an integral part of this statement.



**BROOKS COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
<b>PRIMARY GOVERNMENT:</b>				
Governmental Activities:				
General Government	\$ 2,773,339	\$ 824,500	\$ 26,736	\$ (1,922,103)
Judicial	981,970	72,391	408,948	(500,631)
Public Safety	11,746,708	884,106	8,141,744	(2,720,858)
Public Transportation	1,591,756	258,516	9,013	(1,324,227)
Health and Welfare	1,321,231	--	8,446	(1,312,785)
Culture and Recreation	102,354	--	--	(102,354)
Conservation	112,184	--	15,000	(97,184)
Economic Development and Assistance	193,802	--	242,859	49,057
Interest on Long-term Debt	136,807	--	--	(136,807)
Total Governmental Activities	<u>18,960,151</u>	<u>2,039,513</u>	<u>8,852,746</u>	<u>(8,067,892)</u>
Total Primary Government	<u>\$ 18,960,151</u>	<u>\$ 2,039,513</u>	<u>\$ 8,852,746</u>	<u>(8,067,892)</u>
General Revenues:				
Property Taxes				5,412,413
Sales Taxes				353,882
Investment Income				22,692
Miscellaneous Revenues				30,138
Total General Revenues				<u>5,819,125</u>
Change in Net Assets				<u>(2,248,767)</u>
Net Assets - Beginning				<u>9,137,880</u>
Net Assets - Ending				<u>\$ 6,889,113</u>

The accompanying notes are an integral part of this statement.

**BROOKS COUNTY, TEXAS****BALANCE SHEET - GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2011

	General Fund	Federal Arrest Drug Fund	LCS/ I.C.E. Fund
<b>ASSETS AND OTHER DEBITS</b>			
<b>Assets:</b>			
<i>Cash and Cash Equivalents</i>	\$ 134,901	\$ 12,923	\$ 159
<i>Restricted Cash</i>	--	--	--
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	654,746	--	--
<i>Intergovernmental Receivable</i>	--	--	--
<i>Due from Other Funds</i>	403,189	167,786	--
<b>Total Assets</b>	<u>\$ 1,192,836</u>	<u>\$ 180,709</u>	<u>\$ 159</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>Liabilities:</b>			
<i>Accounts Payable</i>	\$ 225,490	\$ --	\$ 919,632
<i>Due to Other Funds</i>	--	--	--
<i>Due to Other Governments and Agencies</i>	36,250	1,001,642	--
<i>Deferred Revenue</i>	654,746	--	--
<b>Total Liabilities</b>	<u>916,486</u>	<u>1,001,642</u>	<u>919,632</u>
<b>Fund Balances:</b>			
<b>Restricted Fund Balance:</b>			
Federal or State Funds Grant Restriction	--	(820,933)	(919,473)
Retirement of Long-Term Debt	--	--	--
<b>Committed Fund Balance:</b>			
Construction	--	--	--
Other Committed Fund Balance	--	--	--
<b>Assigned Fund Balance:</b>			
Other Assigned Fund Balance	--	--	--
<b>Unassigned Fund Balance</b>	<u>276,350</u>	<u>--</u>	<u>--</u>
<b>Total Fund Balance</b>	<u>276,350</u>	<u>(820,933)</u>	<u>(919,473)</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,192,836</u>	<u>\$ 180,709</u>	<u>\$ 159</u>

Capital Improvements Fund	Courthouse Renovation	Other Governmental Funds	Total Governmental Funds
\$ 1,030,063	\$ 3	\$ 1,306,650	\$ 2,484,699
--	--	101,139	101,139
--	--	57,174	711,920
--	--	40,000	40,000
--	--	12,853	583,828
<u>\$ 1,030,063</u>	<u>\$ 3</u>	<u>\$ 1,517,816</u>	<u>\$ 3,921,586</u>
\$ --	\$ --	\$ 98,978	\$ 1,244,100
--	403,189	180,639	583,828
--	--	35,000	1,072,892
--	--	57,175	711,921
<u>--</u>	<u>403,189</u>	<u>371,792</u>	<u>3,612,741</u>
--	--	931,766	(808,640)
--	--	205,899	205,899
1,030,063	(403,186)	8,359	635,236
--	--	--	--
--	--	--	--
--	--	--	276,350
<u>1,030,063</u>	<u>(403,186)</u>	<u>1,146,024</u>	<u>308,845</u>
<u>\$ 1,030,063</u>	<u>\$ 3</u>	<u>\$ 1,517,816</u>	<u>\$ 3,921,586</u>

**BROOKS COUNTY, TEXAS**

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2011*

Total fund balances - governmental funds balance sheet	\$ 308,845
--	------------

Amounts reported for governmental activities in the Statement of Net Assets  
("SNA") are different because:

Capital assets used in governmental activities are not reported in the funds.	9,233,346
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	711,921
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	785,915
Payables for bond principal which are not due in the current period are not reported in the funds.	(4,065,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(12,214)
Payables for notes which are not due in the current period are not reported in the funds.	(73,700)

Net assets of governmental activities - Statement of Net Assets	\$ <u>6,889,113</u>
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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, 2011

	General Fund	Federal Arrest Drug Fund	LCS/ I.C.E. Fund
Revenue:			
Taxes:			
General Property Taxes	\$ 4,025,562	\$ --	\$ --
General Sales and Use Taxes	--	--	--
License and Permits	12,522	--	--
Intergovernmental	190,717	--	7,553,261
Charges for Services	408,948	--	--
Fines and Forfeitures	774,882	--	--
Fees of Office	162,370	--	--
Investment Earnings	12,533	165	1,145
Miscellaneous Revenues	6,973	--	--
Total revenues	<u>5,594,507</u>	<u>165</u>	<u>7,554,406</u>
Expenditures:			
Current:			
General Government	1,917,251	--	--
Judicial	960,614	--	--
Public Safety	1,381,895	1,016,642	8,173,357
Public Transportation	67,460	--	--
Health and Welfare	818,381	--	--
Culture and Recreation	96,804	--	--
Conservation	100,175	--	--
Economic Development and Assistance	--	--	--
Debt Service:			
Principal	--	--	--
Interest and Fiscal Charges	--	--	--
Total Expenditures	<u>5,342,580</u>	<u>1,016,642</u>	<u>8,173,357</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>251,927</u>	<u>(1,016,477)</u>	<u>(618,951)</u>
Other Financing Sources (Uses):			
Transfers In	300,694	--	--
Transfers Out	(223,000)	(32,700)	(300,694)
Issuance of Bonds	--	--	--
Loan Proceeds	--	--	--
Total Other Financing Sources (Uses)	<u>77,694</u>	<u>(32,700)</u>	<u>(300,694)</u>
Net Change in Fund Balances	329,621	(1,049,177)	(919,645)
Fund Balances - Beginning	(53,271)	228,244	172
Fund Balances - Ending	<u>\$ 276,350</u>	<u>\$ (820,933)</u>	<u>\$ (919,473)</u>

The accompanying notes are an integral part of this statement.

Capital Improvements Fund	Courthouse Renovation	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 1,383,507	\$ 5,409,069
--	--	353,882	353,882
--	--	388,506	401,028
--	--	892,329	8,636,307
--	--	17,903	426,851
--	--	437,143	1,212,025
--	--	53,443	215,813
63	--	8,786	22,692
--	--	23,400	30,373
<u>63</u>	<u>--</u>	<u>3,558,899</u>	<u>16,708,040</u>
70,000	--	--	1,987,251
--	--	21,356	981,970
--	--	1,272,710	11,844,604
--	--	1,456,822	1,524,282
--	--	502,850	1,321,231
--	--	5,550	102,354
--	--	12,009	112,184
--	100,000	193,802	293,802
--	--	212,113	212,113
--	--	135,401	135,401
<u>70,000</u>	<u>100,000</u>	<u>3,812,613</u>	<u>18,515,192</u>
<u>(69,937)</u>	<u>(100,000)</u>	<u>(253,714)</u>	<u>(1,807,152)</u>
--	32,700	223,000	556,394
--	--	--	(556,394)
1,100,000	--	--	1,100,000
--	--	73,700	73,700
<u>1,100,000</u>	<u>32,700</u>	<u>296,700</u>	<u>1,173,700</u>
1,030,063	(67,300)	42,986	(633,452)
--	(335,886)	1,103,038	942,297
<u>\$ 1,030,063</u>	<u>\$ (403,186)</u>	<u>\$ 1,146,024</u>	<u>\$ 308,845</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, 2011

Net change in fund balances - total governmental funds	\$ (633,452)
--	--------------

Amounts reported for governmental activities in the Statement of Activities  
("SOA") are different because:

Capital outlays are not reported as expenses in the SOA.	197,896
The depreciation of capital assets used in governmental activities is not reported in the funds.	(375,581)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	3,344
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	170,000
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	42,113
(Increase) decrease in accrued interest from beginning of period to end of period.	(1,406)
The net revenue (expense) of internal service funds is reported with governmental activities.	(477,981)
Proceeds of notes do not provide revenue in the SOA, but are reported as current resources in the funds.	(73,700)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(1,100,000)</u>

Change in net assets of governmental activities - Statement of Activities	\$ <u>(2,248,767)</u>
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The accompanying notes are an integral part of this statement.



**BROOKS COUNTY, TEXAS****STATEMENT OF NET ASSETS****INTERNAL SERVICE FUND****SEPTEMBER 30, 2011**

	Nonmajor Internal Service Fund
	Insurance Fund
<b>ASSETS:</b>	
Current Assets:	
<i>Cash with Fiscal Agent</i>	\$ 785,915
Total Current Assets	<u>785,915</u>
Noncurrent Assets:	
Restricted Cash, Cash Equivalents and Investments-	
Total Noncurrent Assets	<u>--</u>
Total Assets	<u>\$ 785,915</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Current Liabilities Payable from Restricted Assets-	
Total Liabilities	<u>--</u>
<b>NET ASSETS:</b>	
Total Net Assets	<u>\$ 785,915</u>

The accompanying notes are an integral part of this statement.

**BROOKS COUNTY, TEXAS**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS - INTERNAL SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Nonmajor Internal Service Fund
	Insurance Fund
OPERATING REVENUES:	
Charges for Sales and Services:	
<i>Premiums and reimbursements</i>	\$ 1,288,699
Total Operating Revenues	<u>1,288,699</u>
OPERATING EXPENSES:	
<i>Insurance premiums and Claims</i>	1,744,100
<i>Administration</i>	22,580
Total Operating Expenses	<u>1,766,680</u>
Operating Income	<u>(477,981)</u>
NON-OPERATING REVENUES (EXPENSES):	
Total Non-operating Revenues (Expenses)	--
Income before Transfers	<u>(477,981)</u>
Change in Net Assets	<u>(477,981)</u>
Total Net Assets - Beginning	1,263,896
Total Net Assets - Ending	<u>\$ 785,915</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, 2011*

	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>	
<i>Cash Received from Employee Insurance         and Medical Expense</i>	\$ 1,288,699
<i>Cash Paid to Employee Insurance</i>	(\$1,766,680)
Net Cash Provided (Used) by Operating Activities	<u>(\$477,981)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
<i>Operating Transfers From (To) Primary Government</i>	--
<i>Operating Transfers From (To) Other Funds</i>	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
<i>Proceeds from Issuance of Long-term Debt</i>	--
<i>Principal and Interest Paid</i>	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>--</u>
<b>Cash Flows from Investing Activities:</b>	
<i>Interest and Dividends on Investments</i>	--
Net Cash Provided (Used) for Investing Activities	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(\$477,981)
Cash and Cash Equivalents at Beginning of Year	\$1,263,896
Cash and Cash Equivalents at End of Year	<u>\$ 785,915</u>
<b>Reconciliation of Operating Income to Net Cash     Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ (\$477,981)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
<i>Depreciation</i>	--
Change in Assets and Liabilities:	
<i>Increase (Decrease) in Accounts Payable</i>	--
<i>Increase (Decrease) in Accrued Wages Payable</i>	--
<i>Increase (Decrease) in Interfund Payables</i>	--
<i>Increase (Decrease) in Deferred Revenue</i>	--
Total Adjustments	<u>--</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (\$477,981)</u>

The accompanying notes are an integral part of this statement.

**BROOKS COUNTY, TEXAS****STATEMENT OF FIDUCIARY NET ASSETS****FIDUCIARY FUNDS****SEPTEMBER 30, 2011**

	Agency Funds
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 1,396,783
Total Assets	<u>\$ 1,396,783</u>
LIABILITIES:	
<i>Due to Other Governments and Agencies</i>	\$ 1,396,783
Total Liabilities	<u>\$ 1,396,783</u>
NET ASSETS	

The accompanying notes are an integral part of this statement.

**BROOKS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**A. Summary of Significant Accounting Policies**

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

**1. Reporting Entity**

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

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

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

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

**2. Basis of Presentation, Basis of Accounting**

**a. Basis of Presentation**

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

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

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

**BROOKS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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

The County reports the following major governmental funds:

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

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

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

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

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

In addition, the County reports the following fund types:

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

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

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

**b. Measurement Focus, Basis of Accounting**

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

## **BROOKS COUNTY, TEXAS**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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, 2011**

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.

i. Fund balances of the governmental funds are classified as follows:

Non spendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.



**BROOKS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Committed Fund Balance - represents amounts that can only be used for specific purpose because of a formal action by the County's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints of their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spend for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**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.

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.

**BROOKS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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, 2011:

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

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:

Violation None reported

Action Taken  
Not applicable

**BROOKS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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:

Fund Name	Deficit Amount
Federal Arrest Drug Fund	\$ (820,933)
LCS/ICE Fund	(919,473)
Courthouse Renovation	(403,186)
Border Prosecutor's Program	(42,331)
Sheriff Seizure	(111,693)
Community Safety Initiative Grant	(133)

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, 2011, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$3,320,931 and the bank balance was \$3,506,701. The County's cash deposits at September 30, 2011 and during the year ended September 30, 2011, 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.

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 had no investments at September 30, 2011.

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:

**BROOKS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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, 2011**

### **D. Capital Assets**

Capital asset activity for the year ended September 30, 2011, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 236,742	\$ --	\$ --	\$ 236,742
Total capital assets not being depreciated	236,742	--	--	236,742
<i>Capital assets being depreciated:</i>				
Road Network	3,120,798	--	--	3,120,798
Buildings and improvements	9,061,729	100,000	--	9,161,729
Equipment	1,951,831	73,700	--	2,025,531
Vehicles	1,029,674	24,196	--	1,053,870
Total capital assets being depreciated	15,164,032	197,896	--	15,361,928
<i>Less accumulated depreciation for:</i>				
Road Network	(759,192)	(67,474)	--	(826,666)
Buildings and improvements	(2,773,341)	(169,311)	--	(2,942,652)
Equipment	(1,594,942)	(92,759)	--	(1,687,701)
Vehicles	(862,268)	(46,037)	--	(908,305)
Total accumulated depreciation	(5,989,743)	(375,581)	--	(6,365,324)
Total capital assets being depreciated, net	9,174,289	(177,685)	--	8,996,604
Governmental activities capital assets, net	\$ 9,411,031	\$ (177,685)	\$ --	\$ 9,233,346

Depreciation was charged to functions as follows:

General Government	\$ 375,581
	<u>\$ 375,581</u>

### **E. Interfund Balances and Activity**

#### **1. Due To and From Other Funds**

Balances due to and due from other funds at September 30, 2011, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
Federal Arrest Fund	Sheriff Seizure Fund	\$ 132,786	Short-term loans
Sheriff Seizure Fund	Community Safety Fund	12,853	Short-term loans
Federal Arrest Fund	Border Prosecution Fund	35,000	Short-term loans
General Fund	Courthouse Renovation	403,189	Short-term loans
	Total	<u>\$ 583,828</u>	

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

#### **1. Transfers To and From Other Funds**

Transfers to and from other funds at September 30, 2011, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General fund	Drug Prevention	\$ 50,000	Supplement other funds sources
General fund	Juvenile Probation	130,000	Supplement other funds sources
General fund	Airport Fund	43,000	Supplement other funds sources
Federal Arrest Drug	Building Fund	32,700	Supplement other funds sources
LCS/I.C.E.	General fund	300,694	Supplement other funds sources
	Total	<u>\$ 556,394</u>	

**BROOKS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**F. Short-Term Debt Activity**

The County entered into a note payable in the amount of \$73,700 from First National Bank in Falfurrias dated January 20, 2011, which has an interest rate of 3.25% and matures on January 5, 2012.

**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, 2011:

<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	\$2,965,000
Certificates of Obligation	4.59%	September 16, 2011	September 30, 2031	\$1,100,000

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.

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2011, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b><u>Governmental activities:</u></b>					
Certificates of Obligation	\$ 3,135,000	\$ 1,100,000	\$ 170,000	\$ 4,065,000	210,000
Notes	42,113	--	42,113	--	--
<b>Total governmental activities</b>	<b>\$ 3,177,113</b>	<b>\$ 1,100,000</b>	<b>\$ 212,113</b>	<b>\$ 4,065,000</b>	<b>\$ 210,000</b>

**BROOKS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2011, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2012	\$ 210,000	\$ 174,591	\$ 384,591
2013	215,000	168,563	383,563
2014	230,000	159,762	389,762
2015	235,000	150,321	385,321
2016	245,000	140,382	385,382
2017-2021	1,415,000	526,196	1,941,196
2022-2026	1,140,000	182,581	1,322,581
2027-2031	375,000	44,408	419,408
Totals	<u>\$ 4,065,000</u>	<u>\$ 1,546,804</u>	<u>\$ 5,611,804</u>

H. Fund Balances

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

Restricted Fund Balance:

Federal or State Funds Grant Restriction	(\$808,640)
Retirement of Long-Term Debt	205,899
	<u>(602,741)</u>

Committed Fund Balance:

Construction	635,236
Other Committed Fund Balance	--
	<u>635,236</u>

Assigned Fund Balance:

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

Unassigned Fund Balance

276,350
<u>276,350</u>

Total Fund Balance \$ 308,845

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 2011, 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. liability coverage at

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

## BROOKS COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2011

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 6.64% for the calendar year 2011. The deposit rate payable by the employee members is the rate of 7.00% 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, 2011, the annual pension cost for the TCDRS plan for its employees was \$214,378 and the actual contributions were \$221,176.

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, 2010, the basis for determining the contribution rate for the calendar year 2011. The December 31, 2010 actuarial valuation is the most recent valuation.

	Actuarial	Valuation	Information
Actuarial valuation date	12/31/2008	12/31/2009	12/31/2010
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, open	level percentage of payroll, open
Amortization period	30 yrs	30 yrs	30 yrs
Asset valuation method	10 yr Smoothed ESF Fund Value	10 yr Smoothed ESF Fund Value	10 yr Smoothed ESF Fund Value
Actuarial Assumptions:			
Investment return*	8.00%	8.00%	8.00%
Projected salary incr.*	5.3%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%



## BROOKS COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2011

#### 4. Trend Information for the Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2009	\$ 234,650	100%	\$ --
September 30, 2010	215,410	100%	--
September 30, 2011	214,378	100%	--

#### K. Health Care Coverage

During the year ended September 30, 2011, employees of the County were covered by a health insurance plan (the Plan). The County contributed \$178 per pay period per employee and dependents to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third party administrator, acting on behalf of the self-funded pool. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the County and the third party administrator is renewable September 1, 2011, and terms of coverage and contribution costs are included in the contractual provisions.

In accordance with state statute, the County was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Pan-American Life Insurance, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$50,000 and for aggregate loss. Other Countys and/or their employees contributed to the self-insurance pool which was operated under contractual provisions of Article 4413(32c), Interlocal Cooperation Act. According to the latest actuarial opinion dated December 31, 2010, the unfunded claim benefit obligation included no reported claims that were unpaid and no estimated claims incurred, but not reported.

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

#### 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, 2011.

#### 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 \$60,402.00 reported as landfill closure and postclosure care liability at September 30, 2011, 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

## **BROOKS COUNTY, TEXAS**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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 2011. The landfill is still open as of September 30, 2011. 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, 2011, investments of \$101,139.00 fair value are held for these purposes. These are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

#### **N. Other Information**

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

During 2011, the U.S. Department of the Treasury has garnished/withheld \$919,632.59 (the "Garnished Amount") owed to Brooks County on behalf of LCS Corrections Services ("LCS") by the U.S. Marshal Service and the Federal Bureau of Prisons. However, these funds were primarily for further Reimbursement to LCS, a private detention company, for providing services to federal inmates. In addition, The Office of Justice Programs is also withholding funds which were submitted for reimbursement by the County for SWBPI claims submitted after the federal audit from 2007 was completed as referenced above. As of the date of this report, the amount garnished from Brooks County bank accounts totaled \$919,632.59. The County has taken steps to negotiate a lump sum payment with the U.S. Department of the Treasury through the CBE Group as the duly authorized sole collection agent on this matter and that this proposed settlement was properly submitted to the CBE Group for further, and immediate, delivery to the U.S. Department of Treasury on June 22, 2011. The County proposed a onetime lump sum settlement payment of \$1,000,000 (the "Settlement Amount") to finally resolve this matter relating to the Audit, including final settlement of questioned costs and all related penalties, interest and any other costs. Brooks County would like to enter into a settlement agreement (the "Settlement Agreement") with the proper federal entity whereby (1) Brooks County agrees to pay the Settlement Amount and agrees to add such Settlement Amount to the already submitted good faith amount of \$15,000 for a total settlement amount of \$1,015,000; (2) the federal entity agrees to release the Garnished Amount upon receiving the Settlement Amount; (3) the federal entity agrees to final settlement of all issues relating to Audit, including final settlement of questioned costs and all related parties, interests and any other costs.

#### **O. Subsequent Events**

The Organization has evaluated subsequent events through July 13, 2012, the date which the financial statements were available to be issued.

### *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, 2011**

**EXHIBIT B-1**  
**Page 1 of 4**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Taxes:				
<i>General Property Taxes</i>	\$ 4,151,951	\$ 4,151,951	\$ 3,984,714	\$ (167,237)
<i>Penalty and Interest on Delinquent Taxes</i>	75,000	75,000	40,848	(34,152)
License and Permits	11,700	11,700	12,522	822
Intergovernmental	207,568	207,568	190,717	(16,851)
Charges for Services	211,500	211,500	408,948	197,448
Fines and Forfeitures	782,000	782,000	774,882	(7,118)
Fees of Office	89,500	89,500	162,370	72,870
Investment Earnings	10,000	10,000	12,533	2,533
Miscellaneous Revenues	1,500	1,500	6,973	5,473
Total revenues	5,540,719	5,540,719	5,594,507	53,788
<b>EXPENDITURES:</b>				
<b>General Government</b>				
<b>Commissioners' Court</b>				
<i>Supplies</i>	1,050	1,050	351	699
<i>Other Services and Charges</i>	6,850	6,850	5,567	1,283
Total Commissioners' Court	7,900	7,900	5,918	1,982
<b>County Judge</b>				
<i>Personal Services</i>	115,245	115,245	110,306	4,939
<i>Supplies</i>	2,000	2,000	1,547	453
<i>Other Services and Charges</i>	5,950	5,950	6,301	(351)
Total County Judge	123,195	123,195	118,154	5,041
<b>County Clerk</b>				
<i>Personal Services</i>	156,642	156,642	130,248	26,394
<i>Supplies</i>	4,700	4,700	2,812	1,888
<i>Other Services and Charges</i>	4,000	4,000	2,140	1,860
Total County Clerk	165,342	165,342	135,200	30,142
<b>County Service Officer</b>				
<i>Personal Services</i>	19,958	19,958	20,060	(102)
<i>Supplies</i>	1,000	1,000	1,327	(327)
<i>Other Services and Charges</i>	10,000	10,000	8,957	1,043
Total County Service Officer	30,958	30,958	30,344	614
<b>County Auditor</b>				
<i>Personal Services</i>	267,800	267,800	212,744	55,056
<i>Supplies</i>	7,500	7,500	4,181	3,319
<i>Other Services and Charges</i>	11,700	11,700	4,836	6,864
Total County Auditor	287,000	287,000	221,761	65,239
<b>County Treasurer</b>				
<i>Personal Services</i>	106,648	106,648	101,747	4,901
<i>Supplies</i>	1,500	1,500	1,426	74
<i>Other Services and Charges</i>	3,465	3,465	4,081	(616)
Total County Treasurer	111,613	111,613	107,254	4,359
<b>Tax Assessor-Collector</b>				
<i>Personal Services</i>	118,911	118,911	118,059	852
<i>Supplies</i>	1,500	1,500	1,401	99
<i>Other Services and Charges</i>	24,000	24,000	21,500	2,500
Total Tax Assessor-Collector	144,411	144,411	140,960	3,451

**BROOKS COUNTY, TEXAS**  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-1  
Page 2 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Courthouse and Buildings</b>				
Personal Services	34,544	34,544	33,180	1,364
Supplies	12,800	12,800	11,603	1,197
Other Services and Charges	294,760	294,760	265,773	28,987
Total Courthouse and Buildings	342,104	342,104	310,556	31,548
<b>Grants Management</b>				
Personal Services	21,831	21,831	7,274	14,557
Supplies	2,000	2,000	--	2,000
Other Services and Charges	1,500	1,500	--	1,500
Total Grants Management	25,331	25,331	7,274	18,057
<b>Voter Registration</b>				
Personal Services	62,167	62,167	58,704	3,463
Supplies	1,000	1,000	1,014	(14)
Other Services and Charges	10,000	10,000	9,212	788
Total Voters Registration	73,167	73,167	68,930	4,237
<b>Non-Departmental</b>				
Other Services and Charges	837,079	837,079	770,900	66,179
Total Non-Departmental	837,079	837,079	770,900	66,179
<b>Total General Government</b>	2,148,100	2,148,100	1,917,251	230,849
<b>Judicial</b>				
<b>County court</b>				
Personal Services	28,692	28,692	46,996	(18,304)
Other Services and Charges	7,400	7,400	10,650	(3,250)
Total County Court	36,092	36,092	57,646	(21,554)
<b>District Court</b>				
Personal Services	144,348	144,348	126,141	18,207
Supplies	82,500	82,500	81,915	585
Other Services and Charges	26,700	26,700	24,164	2,536
Total District Court	253,548	253,548	232,220	21,328
<b>District Clerk</b>				
Personal Services	133,393	133,393	131,201	2,192
Supplies	6,000	6,000	5,043	957
Other Services and Charges	5,750	5,750	4,423	1,327
Total District Clerk	145,143	145,143	140,667	4,476
<b>Justice of the Peace</b>				
Personal Services	298,480	298,480	283,548	14,932
Supplies	4,600	4,600	4,925	(325)
Other Services and Charges	11,200	11,200	12,319	(1,119)
Total Justice of the Peace	314,280	314,280	300,792	13,488
<b>County Attorney</b>				
Personal Services	121,551	121,551	118,325	3,226
Supplies	3,600	3,600	1,731	1,869
Other Services and Charges	5,000	5,000	2,856	2,144
Total County Attorney	130,151	130,151	122,912	7,239
<b>District Attorney</b>				
Personal Services	91,300	91,300	89,524	1,776
Supplies	5,500	5,500	2,817	2,683
Other Services and Charges	4,500	4,500	1,986	2,514
Total District Attorney	101,300	101,300	94,327	6,973
<b>Juvenile Court</b>				
Personal Services	11,600	11,600	12,050	(450)
Total Juvenile Court	11,600	11,600	12,050	(450)
<b>Total Judicial</b>	992,114	992,114	960,614	31,500

**BROOKS COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT B-1**  
**Page 3 of 4**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Public Safety</b>				
<b>911 Addressing</b>				
Personal Services	41,852	41,852	40,935	917
Supplies	600	600	311	289
Other Services and Charges	2,900	2,900	1,770	1,130
Total 911 Addressing	45,352	45,352	43,016	2,336
<b>Adult Probation</b>				
Supplies	--	--	44	(44)
Other Services and Charges	94,000	94,000	92,928	1,072
Total Adult Probation	94,000	94,000	92,972	1,028
<b>Constables</b>				
Personal Services	77,222	77,222	72,736	4,486
Supplies	2,000	2,000	1,883	117
Other Services and Charges	15,300	15,300	12,338	2,962
Total Constables	94,522	94,522	86,957	7,565
<b>Sheriff</b>				
Personal Services	588,506	588,506	545,287	43,219
Supplies	60,000	60,000	52,737	7,263
Other Services and Charges	32,050	32,050	28,973	3,077
Total Sheriff	680,556	680,556	626,997	53,559
<b>County Jail</b>				
Personal Services	379,554	379,554	361,972	17,582
Supplies	40,750	40,750	44,352	(3,602)
Other Services and Charges	64,700	64,700	80,768	(16,068)
Total County Jail	485,004	485,004	487,092	(2,088)
<b>Fire Marshall &amp; LEPC Coordinator</b>				
Personal Services	40,284	40,284	38,776	1,508
Supplies	500	500	204	296
Other Services and Charges	5,200	5,200	5,881	(681)
Total Fire Marshall & LEPC	45,984	45,984	44,861	1,123
<b>Total Public Safety</b>	<b>1,445,418</b>	<b>1,445,418</b>	<b>1,381,895</b>	<b>63,523</b>
<b>Public Transportation</b>				
<b>Texas Department of Public Safety</b>				
Personal Services	24,326	24,326	24,147	179
Supplies	1,500	1,500	1,516	(16)
Other Services and Charges	6,400	6,400	5,211	1,189
Total Texas Department of Public Safety	32,226	32,226	30,874	1,352
<b>Weigh Station</b>				
Personal Services	30,870	30,870	30,292	578
Supplies	1,500	1,500	2,144	(644)
Other Services and Charges	4,250	4,250	4,150	100
Total Weigh Station	36,620	36,620	36,586	34
<b>Total Public Transportation</b>	<b>68,846</b>	<b>68,846</b>	<b>67,460</b>	<b>1,386</b>
<b>Health and Welfare</b>				
Other Services and Charges	34,500	34,500	69,493	(34,993)
Total Health and Welfare	34,500	34,500	69,493	(34,993)
<b>Out-Patient Clinic</b>				
Personal Services	55,097	55,097	43,179	11,918
Supplies	1,500	1,500	1,310	190
Other Services and Charges	2,800	2,800	2,820	(20)
Total Out-Patient Clinic	59,397	59,397	47,309	12,088
<b>Indigent</b>				
Other Services and Charges	57,000	57,000	668,484	(611,484)
Total Indigent	57,000	57,000	668,484	(611,484)

**BROOKS COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT B-1**  
**Page 4 of 4**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Commodities Distribution</b>				
<i>Personal Services</i>	26,336	26,336	23,438	2,898
<i>Supplies</i>	500	500	526	(26)
<i>Other Services and Charges</i>	11,500	11,500	9,131	2,369
<i>Total Commodities Distribution</i>	38,336	38,336	33,095	5,241
<b>Total Health and Welfare</b>	189,233	189,233	818,381	(629,148)
<b>Culture and Recreation</b>				
<b>Library</b>				
<i>Personal Services</i>	143,307	143,307	83,284	60,023
<i>Supplies</i>	19,500	19,500	9,540	9,960
<i>Other Services and Charges</i>	10,775	10,775	3,980	6,795
<i>Total Library</i>	173,582	173,582	96,804	76,778
<b>Total Culture and Recreation</b>	173,582	173,582	96,804	76,778
<b>Conservation</b>				
<b>County Extension Agent</b>				
<i>Personal Services</i>	86,630	86,630	83,225	3,405
<i>Supplies</i>	5,000	5,000	3,816	1,184
<i>Other Services and Charges</i>	13,000	13,000	13,134	(134)
<i>Total County Extension Agent</i>	104,630	104,630	100,175	4,455
<b>Total Conservation</b>	104,630	104,630	100,175	4,455
<b>Total Expenditures</b>	5,121,923	5,121,923	5,342,580	(220,657)
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	418,796	418,796	251,927	(166,869)
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	450,000	450,000	300,694	(149,306)
<i>Transfers Out</i>	(673,000)	(673,000)	(223,000)	(450,000)
<b>Total Other Financing Sources (Uses)</b>	(223,000)	(223,000)	77,694	(300,694)
<b>Net Change in Fund Balances</b>	195,796	195,796	329,621	133,825
<b>Fund Balances - Beginning</b>	(53,271)	(53,271)	(53,271)	--
<b>Fund Balances - Ending</b>	<u>\$ 142,525</u>	<u>\$ 142,525</u>	<u>\$ 276,350</u>	<u>\$ 133,825</u>

**BROOKS COUNTY, TEXAS**  
**FEDERAL ARREST DRUG FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT B-2**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Fines and Forfeitures	\$ 90,000	\$ 90,000	\$ --	\$ (90,000)
Investment Earnings	1,000	1,000	165	(835)
Total revenues	<u>91,000</u>	<u>91,000</u>	<u>165</u>	<u>(90,835)</u>
<b>EXPENDITURES:</b>				
<b>Public Safety</b>				
<i>Other Services and Charges</i>	--	--	1,016,642	(1,016,642)
<i>Total Public Safety</i>	--	--	1,016,642	(1,016,642)
<b>Total Public Safety</b>	--	--	1,016,642	(1,016,642)
<b>Total Expenditures</b>	--	--	1,016,642	(1,016,642)
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>91,000</u>	<u>91,000</u>	<u>(1,016,477)</u>	<u>(1,107,477)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers Out</i>	(140,000)	(140,000)	(32,700)	(107,300)
Total Other Financing Sources (Uses)	<u>(140,000)</u>	<u>(140,000)</u>	<u>(32,700)</u>	<u>(107,300)</u>
Net Change in Fund Balances	(49,000)	(49,000)	(1,049,177)	(1,000,177)
Fund Balances - Beginning	228,244	228,244	228,244	--
Fund Balances - Ending	<u>\$ 179,244</u>	<u>\$ 179,244</u>	<u>\$ (820,933)</u>	<u>\$ (1,000,177)</u>



# BROOKS COUNTY, TEXAS

EXHIBIT B-3

LCS / I.C.E.

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Intergovernmental	\$ 7,357,000	\$ 7,357,000	\$ 7,553,261	\$ 196,261
Investment Earnings	1,500	1,500	1,145	(355)
Total revenues	<u>7,358,500</u>	<u>7,358,500</u>	<u>7,554,406</u>	<u>195,906</u>
<b>EXPENDITURES:</b>				
Public Safety				
<i>Other Services and Charges</i>	<u>7,025,000</u>	<u>7,025,000</u>	<u>8,173,357</u>	<u>(1,148,357)</u>
<i>Total Public Safety</i>	<u>7,025,000</u>	<u>7,025,000</u>	<u>8,173,357</u>	<u>(1,148,357)</u>
<i><b>Total Public Safety</b></i>	<u>7,025,000</u>	<u>7,025,000</u>	<u>8,173,357</u>	<u>(1,148,357)</u>
<b>Total Expenditures</b>	<u>7,025,000</u>	<u>7,025,000</u>	<u>8,173,357</u>	<u>(1,148,357)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>333,500</u>	<u>333,500</u>	<u>(618,951)</u>	<u>(952,451)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers Out</i>	<u>(325,000)</u>	<u>(325,000)</u>	<u>(300,694)</u>	<u>(24,306)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(325,000)</u>	<u>(325,000)</u>	<u>(300,694)</u>	<u>(24,306)</u>
Net Change in Fund Balances	8,500	8,500	(919,645)	(928,145)
Fund Balances - Beginning	172	172	172	--
Fund Balances - Ending	<u>\$ 8,672</u>	<u>\$ 8,672</u>	<u>\$ (919,473)</u>	<u>\$ (928,145)</u>

**BROOKS COUNTY, TEXAS***REQUIRED SUPPLEMENTARY INFORMATION**SCHEDULE OF FUNDING PROGRESS**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**YEAR ENDED SEPTEMBER 30, 2011*

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)
9/30/08	\$ 11,115,142	\$ 10,291,287	\$ (823,855)	108.0%	\$ 3,434,127	-24.0%
9/30/09	12,044,442	10,857,927	(1,186,515)	110.9%	3,149,488	-37.7%
9/30/10	12,372,477	11,405,240	(967,237)	108.5%	3,247,654	-29.8%

*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, 2011**

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund Ed Rachal Memorial Library Grant	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
<i>Cash and Cash Equivalents</i>	\$ 1,092,392	\$ 205,899	\$ 8,359	\$ 1,306,650
<i>Restricted Cash</i>	101,139	--	--	101,139
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	57,174	--	--	57,174
<i>Intergovernmental Receivable</i>	40,000	--	--	40,000
<i>Due from Other Funds</i>	12,853	--	--	12,853
<b>Total Assets</b>	<u>\$ 1,303,558</u>	<u>\$ 205,899</u>	<u>\$ 8,359</u>	<u>\$ 1,517,816</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<i>Accounts Payable</i>	\$ 98,978	\$ --	\$ --	\$ 98,978
<i>Due to Other Funds</i>	180,639	--	--	180,639
<i>Due to Other Governments and Agencies</i>	35,000	--	--	35,000
<i>Deferred Revenue</i>	57,175	--	--	57,175
<b>Total Liabilities</b>	<u>371,792</u>	<u>--</u>	<u>--</u>	<u>371,792</u>
<b>Fund Balances:</b>				
<b>Restricted Fund Balance:</b>				
Federal or State Funds Grant Restriction	931,766	--	--	931,766
Retirement of Long-Term Debt	--	205,899	--	205,899
<b>Committed Fund Balance:</b>				
Construction	--	--	8,359	8,359
Other Committed Fund Balance	--	--	--	--
<b>Assigned Fund Balance:</b>				
Other Assigned Fund Balance	--	--	--	--
<b>Unassigned Fund Balance</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Fund Balance</b>	<u>931,766</u>	<u>205,899</u>	<u>8,359</u>	<u>1,146,024</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,303,558</u>	<u>\$ 205,899</u>	<u>\$ 8,359</u>	<u>\$ 1,517,816</u>

**BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund Ed Rachal Memorial Library Grant	Total Nonmajor Governmental Funds (See Exhibit A-5)
<b>Revenue:</b>				
<b>Taxes:</b>				
General Property Taxes	\$ 1,087,294	\$ 296,213	\$ --	\$ 1,383,507
General Sales and Use Taxes	353,882	--	--	353,882
License and Permits	388,506	--	--	388,506
Intergovernmental	887,436	--	4,893	892,329
Charges for Services	17,903	--	--	17,903
Fines and Forfeitures	437,143	--	--	437,143
Fees of Office	53,443	--	--	53,443
Investment Earnings	7,334	1,452	--	8,786
Miscellaneous Revenues	23,400	--	--	23,400
Total revenues	<u>3,256,341</u>	<u>297,665</u>	<u>4,893</u>	<u>3,558,899</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Judicial	21,356	--	--	21,356
Public Safety	1,272,710	--	--	1,272,710
Public Transportation	1,456,822	--	--	1,456,822
Health and Welfare	502,850	--	--	502,850
Culture and Recreation	764	--	4,786	5,550
Conservation	12,009	--	--	12,009
Economic Development and Assistance	193,802	--	--	193,802
<b>Debt Service:</b>				
Principal	42,113	170,000	--	212,113
Interest and Fiscal Charges	806	134,595	--	135,401
Total Expenditures	<u>3,503,232</u>	<u>304,595</u>	<u>4,786</u>	<u>3,812,613</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(246,891)</u>	<u>(6,930)</u>	<u>107</u>	<u>(253,714)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	223,000	--	--	223,000
Loan Proceeds	73,700	--	--	73,700
Total Other Financing Sources (Uses)	<u>296,700</u>	<u>--</u>	<u>--</u>	<u>296,700</u>
<b>Net Change in Fund Balances</b>	<b>49,809</b>	<b>(6,930)</b>	<b>107</b>	<b>42,986</b>
<b>Fund Balances - Beginning</b>	<b>881,957</b>	<b>212,829</b>	<b>8,252</b>	<b>1,103,038</b>
<b>Fund Balances - Ending</b>	<b>\$ <u>931,766</u></b>	<b>\$ <u>205,899</u></b>	<b>\$ <u>8,359</u></b>	<b>\$ <u>1,146,024</u></b>

**BROOKS COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2011**

	Road & Bridge Fund	Management & Preservation Fund	Courthouse Security	Lateral Road Fund
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
<i>Cash and Cash Equivalents</i>	\$ 118,526	\$ 51,649	\$ 28,976	\$ 109
<i>Restricted Cash</i>	--	--	--	--
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	57,174	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
<b>Total Assets</b>	<u>\$ 175,700</u>	<u>\$ 51,649</u>	<u>\$ 28,976</u>	<u>\$ 109</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<i>Accounts Payable</i>	\$ 60,066	\$ --	\$ 239	\$ --
<i>Due to Other Funds</i>	--	--	--	--
<i>Due to Other Governments and Agencies</i>	--	--	--	--
<i>Deferred Revenue</i>	57,175	--	--	--
<b>Total Liabilities</b>	<u>117,241</u>	<u>--</u>	<u>239</u>	<u>--</u>
<b>Fund Balances:</b>				
<b>Restricted Fund Balance:</b>				
Federal or State Funds Grant Restriction	58,459	51,649	28,737	109
Retirement of Long-Term Debt	--	--	--	--
<b>Committed Fund Balance:</b>				
Construction	--	--	--	--
Other Committed Fund Balance	--	--	--	--
<b>Assigned Fund Balance:</b>				
Other Assigned Fund Balance	--	--	--	--
<b>Unassigned Fund Balance</b>	--	--	--	--
<b>Total Fund Balance</b>	<u>58,459</u>	<u>51,649</u>	<u>28,737</u>	<u>109</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 175,700</u>	<u>\$ 51,649</u>	<u>\$ 28,976</u>	<u>\$ 109</u>

<u>Prevention &amp; Treatment Fund</u>	<u>County Attorney Hot Check Fund</u>	<u>Homeland Security</u>	<u>Ed Rachal Sheriff Grant</u>	<u>Employee Vending Machine Commission Fund</u>
\$ 1,595	\$ 22,523	\$ 106	\$ 1,570	\$ 431
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 1,595</u>	<u>\$ 22,523</u>	<u>\$ 106</u>	<u>\$ 1,570</u>	<u>\$ 431</u>
\$ 116	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>116</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1,479	22,523	106	1,570	431
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>1,479</u>	<u>22,523</u>	<u>106</u>	<u>1,570</u>	<u>431</u>
<u>\$ 1,595</u>	<u>\$ 22,523</u>	<u>\$ 106</u>	<u>\$ 1,570</u>	<u>\$ 431</u>

**BROOKS COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2011**

	Border Prosecutor's Program	Election Service Contract Fund	County Airport	Law Library Fund
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
<i>Cash and Cash Equivalents</i>	\$ 27,773	\$ 10,535	\$ 15,373	\$ 26,001
<i>Restricted Cash</i>	--	--	--	--
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
<b>Total Assets</b>	<u>\$ 27,773</u>	<u>\$ 10,535</u>	<u>\$ 15,373</u>	<u>\$ 26,001</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<i>Accounts Payable</i>	\$ 104	\$ --	\$ 2,270	\$ 299
<i>Due to Other Funds</i>	35,000	--	--	--
<i>Due to Other Governments and Agencies</i>	35,000	--	--	--
<i>Deferred Revenue</i>	--	--	--	--
<b>Total Liabilities</b>	<u>70,104</u>	<u>--</u>	<u>2,270</u>	<u>299</u>
<b>Fund Balances:</b>				
<b>Restricted Fund Balance:</b>				
<i>Federal or State Funds Grant Restriction</i>	(42,331)	10,535	13,103	25,702
<i>Retirement of Long-Term Debt</i>	--	--	--	--
<b>Committed Fund Balance:</b>				
<i>Construction</i>	--	--	--	--
<i>Other Committed Fund Balance</i>	--	--	--	--
<b>Assigned Fund Balance:</b>				
<i>Other Assigned Fund Balance</i>	--	--	--	--
<b>Unassigned Fund Balance</b>	--	--	--	--
<b>Total Fund Balance</b>	<u>(42,331)</u>	<u>10,535</u>	<u>13,103</u>	<u>25,702</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 27,773</u>	<u>\$ 10,535</u>	<u>\$ 15,373</u>	<u>\$ 26,001</u>



<u>Sheriff Seizure</u>	<u>LEOSE State Allocations</u>	<u>Historical &amp; Development Fund</u>	<u>Justice Crt Technology Fund</u>	<u>Parents Helping Parents Fund</u>
\$ 17,807	\$ 31,102	\$ 4,440	\$ 175,349	\$ 269
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
12,853	--	--	--	--
<u>\$ 30,660</u>	<u>\$ 31,102</u>	<u>\$ 4,440</u>	<u>\$ 175,349</u>	<u>\$ 269</u>
\$ 9,567	\$ --	\$ --	\$ --	\$ --
132,786	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>142,353</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(111,693)	31,102	4,440	175,349	269
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>(111,693)</u>	<u>31,102</u>	<u>4,440</u>	<u>175,349</u>	<u>269</u>
<u>\$ 30,660</u>	<u>\$ 31,102</u>	<u>\$ 4,440</u>	<u>\$ 175,349</u>	<u>\$ 269</u>

**BROOKS COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2011**

	Health Use Sales Tax Fund	Ed Rachal Audio Visual Fund	79th Judicial Dist/Drug Alcohol Fund	Drug Alcohol Court Diversion Program
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
<i>Cash and Cash Equivalents</i>	\$ 146,941	\$ 7,118	\$ 24,044	\$ 96,147
<i>Restricted Cash</i>	101,139	--	--	--
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
<b>Total Assets</b>	<u>\$ 248,080</u>	<u>\$ 7,118</u>	<u>\$ 24,044</u>	<u>\$ 96,147</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<i>Accounts Payable</i>	\$ 16,800	\$ --	\$ --	\$ 3,302
<i>Due to Other Funds</i>	--	--	--	--
<i>Due to Other Governments and Agencies</i>	--	--	--	--
<i>Deferred Revenue</i>	--	--	--	--
<b>Total Liabilities</b>	<u>16,800</u>	<u>--</u>	<u>--</u>	<u>3,302</u>
<b>Fund Balances:</b>				
<b>Restricted Fund Balance:</b>				
<i>Federal or State Funds Grant Restriction</i>	231,280	7,118	24,044	92,845
<i>Retirement of Long-Term Debt</i>	--	--	--	--
<b>Committed Fund Balance:</b>				
<i>Construction</i>	--	--	--	--
<i>Other Committed Fund Balance</i>	--	--	--	--
<b>Assigned Fund Balance:</b>				
<i>Other Assigned Fund Balance</i>	--	--	--	--
<i>Unassigned Fund Balance</i>	--	--	--	--
<b>Total Fund Balance</b>	<u>231,280</u>	<u>7,118</u>	<u>24,044</u>	<u>92,845</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 248,080</u>	<u>\$ 7,118</u>	<u>\$ 24,044</u>	<u>\$ 96,147</u>

<u>Brush Country Water District</u>	<u>Sheriff Local Border Security Fund</u>	<u>Sheriff Federal Seizure Fund</u>	<u>Constable Seizure Fund</u>	<u>Community Safety Initiative Grant</u>
\$ 3,401	\$ 2,268	\$ 13,913	\$ 105,288	\$ 12,720
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 3,401</u>	<u>\$ 2,268</u>	<u>\$ 13,913</u>	<u>\$ 105,288</u>	<u>\$ 12,720</u>
\$ 410	\$ --	\$ 3,704	\$ 1,924	\$ --
--	--	--	--	12,853
--	--	--	--	--
--	--	--	--	--
<u>410</u>	<u>--</u>	<u>3,704</u>	<u>1,924</u>	<u>12,853</u>
2,991	2,268	10,209	103,364	(133)
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>2,991</u>	<u>2,268</u>	<u>10,209</u>	<u>103,364</u>	<u>(133)</u>
<u>\$ 3,401</u>	<u>\$ 2,268</u>	<u>\$ 13,913</u>	<u>\$ 105,288</u>	<u>\$ 12,720</u>

**BROOKS COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2011**

	Juvenile Probation Match	TJPC-E VERTEX FUND	Certificate of Obligation Series 2011
<b>ASSETS AND OTHER DEBITS</b>			
<b>Assets:</b>			
<i>Cash and Cash Equivalents</i>	\$ 139,147	\$ 1,351	\$ 42
<i>Restricted Cash</i>	--	--	--
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--
<i>Due from Other Funds</i>	--	--	--
<b>Total Assets</b>	<u>\$ 139,147</u>	<u>\$ 1,351</u>	<u>\$ 42</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>Liabilities:</b>			
<i>Accounts Payable</i>	\$ 17	\$ --	\$ --
<i>Due to Other Funds</i>	--	--	--
<i>Due to Other Governments and Agencies</i>	--	--	--
<i>Deferred Revenue</i>	--	--	--
<b>Total Liabilities</b>	<u>17</u>	<u>--</u>	<u>--</u>
<b>Fund Balances:</b>			
<b>Restricted Fund Balance:</b>			
Federal or State Funds Grant Restriction	139,130	1,351	42
Retirement of Long-Term Debt	--	--	--
<b>Committed Fund Balance:</b>			
Construction	--	--	--
Other Committed Fund Balance	--	--	--
<b>Assigned Fund Balance:</b>			
Other Assigned Fund Balance	--	--	--
<b>Unassigned Fund Balance</b>	--	--	--
<b>Total Fund Balance</b>	<u>139,130</u>	<u>1,351</u>	<u>42</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 139,147</u>	<u>\$ 1,351</u>	<u>\$ 42</u>

Celebration Fund	J.M. Alaniz Fairgrounds Fees Fund	TXCDBG #727025 Phase 2 Septic	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 4,303	\$ 1,575	\$ --	\$ 1,092,392
--	--	--	101,139
--	--	--	57,174
--	--	40,000	40,000
--	--	--	12,853
<u>\$ 4,303</u>	<u>\$ 1,575</u>	<u>\$ 40,000</u>	<u>\$ 1,303,558</u>
\$ 160	\$ --	\$ --	\$ 98,978
--	--	--	180,639
--	--	--	35,000
--	--	--	57,175
<u>160</u>	<u>--</u>	<u>--</u>	<u>371,792</u>
4,143	1,575	40,000	931,766
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>4,143</u>	<u>1,575</u>	<u>40,000</u>	<u>931,766</u>
<u>\$ 4,303</u>	<u>\$ 1,575</u>	<u>\$ 40,000</u>	<u>\$ 1,303,558</u>

# **BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Road & Bridge Fund	Tobacco Compliance Grant	Management & Preservation Fund	Courthouse Security
Revenue:				
Taxes:				
General Property Taxes	\$ 1,087,294	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	--	--
License and Permits	243,466	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	13,258	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	--	--	12,429	19,787
Investment Earnings	1,929	--	222	177
Miscellaneous Revenues	16,852	--	--	--
Total revenues	<u>1,362,799</u>	<u>--</u>	<u>12,651</u>	<u>19,964</u>
Expenditures:				
Current:				
Judicial	--	--	--	--
Public Safety	--	--	--	35,023
Public Transportation	1,417,013	--	--	--
Health and Welfare	--	2,697	--	--
Culture and Recreation	--	--	--	--
Conservation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	42,113	--	--	--
Interest and Fiscal Charges	806	--	--	--
Total Expenditures	<u>1,459,932</u>	<u>2,697</u>	<u>--</u>	<u>35,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(97,133)</u>	<u>(2,697)</u>	<u>12,651</u>	<u>(15,059)</u>
Other Financing Sources (Uses):				
Transfers In	--	--	--	--
Loan Proceeds	73,700	--	--	--
Total Other Financing Sources (Uses)	<u>73,700</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(23,433)</u>	<u>(2,697)</u>	<u>12,651</u>	<u>(15,059)</u>
Fund Balances - Beginning	81,892	2,697	38,998	43,796
Fund Balances - Ending	<u>\$ 58,459</u>	<u>\$ --</u>	<u>\$ 51,649</u>	<u>\$ 28,737</u>

Lateral Road Fund	Prevention & Treatment Fund	County Attorney Hot Check Fund	Homeland Security	Ed Rachal Sheriff Grant
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
9,013	8,446	--	24,833	35,905
--	--	--	--	--
--	--	--	--	--
--	--	3,090	--	--
38	82	108	--	20
--	--	--	--	--
<u>9,051</u>	<u>8,528</u>	<u>3,198</u>	<u>24,833</u>	<u>35,925</u>
--	--	1,162	--	--
9,795	--	--	24,833	34,500
--	--	--	--	--
--	69,631	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>9,795</u>	<u>69,631</u>	<u>1,162</u>	<u>24,833</u>	<u>34,500</u>
<u>(744)</u>	<u>(61,103)</u>	<u>2,036</u>	<u>--</u>	<u>1,425</u>
--	50,000	--	--	--
--	--	--	--	--
<u>--</u>	<u>50,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
(744)	(11,103)	2,036	--	1,425
853	12,582	20,487	106	145
<u>\$ 109</u>	<u>\$ 1,479</u>	<u>\$ 22,523</u>	<u>\$ 106</u>	<u>\$ 1,570</u>

**BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Employee Vending Machine Commission Fund	Border Prosecutor's Program	J.A.G. Rural Crime Initiative Grant	Election Service Contract Fund
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	--	--
License and Permits	--	--	--	--
Intergovernmental	--	107,590	49,057	--
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	--	--	--	--
Investment Earnings	--	--	--	25
Miscellaneous Revenues	235	--	--	6,150
Total revenues	<u>235</u>	<u>107,590</u>	<u>49,057</u>	<u>6,175</u>
Expenditures:				
Current:				
Judicial	--	--	--	--
Public Safety	--	90,647	41,083	--
Public Transportation	--	--	--	--
Health and Welfare	--	--	--	--
Culture and Recreation	--	--	--	--
Conservation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>--</u>	<u>90,647</u>	<u>41,083</u>	<u>--</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>235</u>	<u>16,943</u>	<u>7,974</u>	<u>6,175</u>
Other Financing Sources (Uses):				
Transfers In	--	--	--	--
Loan Proceeds	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	235	16,943	7,974	6,175
Fund Balances - Beginning	196	(59,274)	(7,974)	4,360
Fund Balances - Ending	<u>\$ 431</u>	<u>\$ (42,331)</u>	<u>\$ --</u>	<u>\$ 10,535</u>



County Airport	Law Library Fund	Sheriff Seizure	LEOSE State Allocations	Historical & Development Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
1,792	--	--	5,596	--
--	4,645	--	--	--
--	--	385,979	--	--
--	--	--	--	--
47	122	228	174	22
--	--	--	--	--
<u>1,839</u>	<u>4,767</u>	<u>386,207</u>	<u>5,770</u>	<u>22</u>
--	--	--	--	--
--	2,107	374,007	13,361	--
39,809	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>39,809</u>	<u>2,107</u>	<u>374,007</u>	<u>13,361</u>	<u>--</u>
<u>(37,970)</u>	<u>2,660</u>	<u>12,200</u>	<u>(7,591)</u>	<u>22</u>
43,000	--	--	--	--
--	--	--	--	--
<u>43,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
5,030	2,660	12,200	(7,591)	22
8,073	23,042	(123,893)	38,693	4,418
<u>\$ 13,103</u>	<u>\$ 25,702</u>	<u>\$ (111,693)</u>	<u>\$ 31,102</u>	<u>\$ 4,440</u>

**BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Justice Crt Technology Fund	Parents Helping Parents Fund	Health Use Sales Tax Fund	Ed Rachal Audio Visual Fund
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	353,882	--
License and Permits	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	18,137	--	--	--
Investment Earnings	845	--	2,135	39
Miscellaneous Revenues	--	--	--	--
Total revenues	<u>18,982</u>	<u>--</u>	<u>356,017</u>	<u>39</u>
Expenditures:				
Current:				
Judicial	9,613	--	--	--
Public Safety	--	--	--	--
Public Transportation	--	--	--	--
Health and Welfare	--	--	430,522	--
Culture and Recreation	--	--	--	764
Conservation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>9,613</u>	<u>--</u>	<u>430,522</u>	<u>764</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,369</u>	<u>--</u>	<u>(74,505)</u>	<u>(725)</u>
Other Financing Sources (Uses):				
Transfers In	--	--	--	--
Loan Proceeds	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>9,369</u>	<u>--</u>	<u>(74,505)</u>	<u>(725)</u>
Fund Balances - Beginning	165,980	269	305,785	7,843
Fund Balances - Ending	<u>\$ 175,349</u>	<u>\$ 269</u>	<u>\$ 231,280</u>	<u>\$ 7,118</u>

79th Judicial Dist/Drug Alcohol Fund	Drug Alcohol Court Diversion Program	TCDP #726055 Colonia Construction	Brush Country Water District	Sheriff Local Border Security Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
163,828	--	183,982	15,000	28,773
--	--	--	--	--
--	51,164	--	--	--
--	--	--	--	--
--	447	--	--	--
--	--	--	--	--
<u>163,828</u>	<u>51,611</u>	<u>183,982</u>	<u>15,000</u>	<u>28,773</u>
--	10,581	--	--	--
122,048	--	--	--	26,505
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	12,009	--
--	--	183,982	--	--
--	--	--	--	--
--	--	--	--	--
<u>122,048</u>	<u>10,581</u>	<u>183,982</u>	<u>12,009</u>	<u>26,505</u>
<u>41,780</u>	<u>41,030</u>	<u>--</u>	<u>2,991</u>	<u>2,268</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
41,780	41,030	--	2,991	2,268
(17,736)	51,815	--	--	--
<u>\$ 24,044</u>	<u>\$ 92,845</u>	<u>\$ --</u>	<u>\$ 2,991</u>	<u>\$ 2,268</u>

**BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Sheriff Federal Seizure Fund	Constable Seizure Fund	Community Safety Initiative Grant	Juvenile Probation Match
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	--	--
License and Permits	--	145,040	--	--
Intergovernmental	46,144	--	62,002	119,408
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	--	--	--	--
Investment Earnings	55	577	--	--
Miscellaneous Revenues	--	--	--	--
Total revenues	<u>46,199</u>	<u>145,617</u>	<u>62,002</u>	<u>119,408</u>
Expenditures:				
Current:				
Judicial	--	--	--	--
Public Safety	35,990	146,230	57,165	233,779
Public Transportation	--	--	--	--
Health and Welfare	--	--	--	--
Culture and Recreation	--	--	--	--
Conservation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>35,990</u>	<u>146,230</u>	<u>57,165</u>	<u>233,779</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,209</u>	<u>(613)</u>	<u>4,837</u>	<u>(114,371)</u>
Other Financing Sources (Uses):				
Transfers In	--	--	--	130,000
Loan Proceeds	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>130,000</u>
Net Change in Fund Balances	10,209	(613)	4,837	15,629
Fund Balances - Beginning	--	103,977	(4,970)	123,501
Fund Balances - Ending	<u>\$ 10,209</u>	<u>\$ 103,364</u>	<u>\$ (133)</u>	<u>\$ 139,130</u>

TJPC-E VERTEX FUND	Certificate of Obligation Series 2011	Celebration Fund	Encino Generator Project Fund	J.M. Alaniz Fairgrounds Fees Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	16,247	6,270	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	42	--	--	--
163	--	--	--	--
<u>163</u>	<u>42</u>	<u>16,247</u>	<u>6,270</u>	<u>--</u>
--	--	--	--	--
13,533	--	12,104	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	6,270	--
--	--	--	--	--
--	--	--	--	--
<u>13,533</u>	<u>--</u>	<u>12,104</u>	<u>6,270</u>	<u>--</u>
(13,370)	42	4,143	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
(13,370)	42	4,143	--	--
14,721	--	--	--	1,575
<u>\$ 1,351</u>	<u>\$ 42</u>	<u>\$ 4,143</u>	<u>\$ --</u>	<u>\$ 1,575</u>

**BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	TXCDBG #727031 New Water Well	TXCDBG #727025 Phase 2 Septic	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:			
Taxes:			
General Property Taxes	\$ --	\$ --	\$ 1,087,294
General Sales and Use Taxes	--	--	353,882
License and Permits	--	--	388,506
Intergovernmental	3,550	--	887,436
Charges for Services	--	--	17,903
Fines and Forfeitures	--	--	437,143
Fees of Office	--	--	53,443
Investment Earnings	--	--	7,334
Miscellaneous Revenues	--	--	23,400
Total revenues	<u>3,550</u>	<u>--</u>	<u>3,256,341</u>
Expenditures:			
Current:			
Judicial	--	--	21,356
Public Safety	--	--	1,272,710
Public Transportation	--	--	1,456,822
Health and Welfare	--	--	502,850
Culture and Recreation	--	--	764
Conservation	--	--	12,009
Economic Development and Assistance	3,550	--	193,802
Debt Service:			
Principal	--	--	42,113
Interest and Fiscal Charges	--	--	806
Total Expenditures	<u>3,550</u>	<u>--</u>	<u>3,503,232</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>--</u>	<u>(246,891)</u>
Other Financing Sources (Uses):			
Transfers In	--	--	223,000
Loan Proceeds	--	--	73,700
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>296,700</u>
Net Change in Fund Balances	--	--	49,809
Fund Balances - Beginning	--	40,000	881,957
Fund Balances - Ending	<u>\$ --</u>	<u>\$ 40,000</u>	<u>\$ 931,766</u>

**BROOKS COUNTY, TEXAS**

EXHIBIT C-5

ROAD &amp; BRIDGE FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Taxes:				
<i>General Property Taxes</i>	\$ 1,137,251	\$ 1,137,251	\$ 1,087,294	\$ (49,957)
License and Permits	230,000	230,000	243,466	13,466
Charges for Services	16,000	16,000	13,258	(2,742)
Investment Earnings	2,000	2,000	1,929	(71)
Miscellaneous Revenues	34,500	34,500	16,852	(17,648)
<b>Total revenues</b>	<b>1,419,751</b>	<b>1,419,751</b>	<b>1,362,799</b>	<b>(56,952)</b>
<b>EXPENDITURES:</b>				
Public Transportation				
Public Transportation				
<i>Personal Services</i>	1,010,886	1,010,886	931,652	79,234
<i>Supplies</i>	121,500	121,500	183,097	(61,597)
<i>Other Services and Charges</i>	214,640	214,640	302,264	(87,624)
<b>Total Public Transportation</b>	<b>1,347,026</b>	<b>1,347,026</b>	<b>1,417,013</b>	<b>(69,987)</b>
<b>Total Public Transportation</b>	<b>1,347,026</b>	<b>1,347,026</b>	<b>1,417,013</b>	<b>(69,987)</b>
Debt Service:				
<i>Principal</i>	69,000	69,000	42,113	26,887
<i>Interest and Fiscal Charges</i>	--	--	806	(806)
<b>Total Expenditures</b>	<b>1,416,026</b>	<b>1,416,026</b>	<b>1,459,932</b>	<b>(43,906)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,725	3,725	(97,133)	(100,858)
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers Out</i>	(95,000)	(95,000)	--	(95,000)
<i>Loan Proceeds</i>	--	--	73,700	(73,700)
<b>Total Other Financing Sources (Uses)</b>	<b>(95,000)</b>	<b>(95,000)</b>	<b>73,700</b>	<b>(168,700)</b>
Net Change in Fund Balances	(91,275)	(91,275)	(23,433)	67,842
Fund Balances - Beginning	81,892	81,892	81,892	--
Fund Balances - Ending	\$ (9,383)	\$ (9,383)	\$ 58,459	\$ 67,842

**BROOKS COUNTY, TEXAS**  
**COURTHOUSE SECURITY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-6**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Fees of Office	\$ 60,300	\$ 60,300	\$ 19,787	\$ (40,513)
Investment Earnings	300	300	177	(123)
Total revenues	60,600	60,600	19,964	(40,636)
<b>EXPENDITURES:</b>				
<b>Public Safety</b>				
<i>Personal Services</i>	52,623	52,623	35,023	17,600
<i>Total Public Safety</i>	52,623	52,623	35,023	17,600
<i>Total Public Safety</i>	52,623	52,623	35,023	17,600
<b>Total Expenditures</b>	52,623	52,623	35,023	17,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,977	7,977	(15,059)	(23,036)
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	--	--	--	--
Net Change in Fund Balances	7,977	7,977	(15,059)	(23,036)
Fund Balances - Beginning	43,796	43,796	43,796	--
Fund Balances - Ending	\$ 51,773	\$ 51,773	\$ 28,737	\$ (23,036)



**BROOKS COUNTY, TEXAS**

EXHIBIT C-7

LATERAL ROAD

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Intergovernmental	\$ 8,850	\$ 8,850	\$ 9,013	\$ 163
Investment Earnings	50	50	38	(12)
Total revenues	<u>8,900</u>	<u>8,900</u>	<u>9,051</u>	<u>151</u>
<b>EXPENDITURES:</b>				
<b>Public Safety</b>				
Other Services and Charges	8,000	8,000	9,795	(1,795)
Total Public Safety	<u>8,000</u>	<u>8,000</u>	<u>9,795</u>	<u>(1,795)</u>
Total Public Safety	<u>8,000</u>	<u>8,000</u>	<u>9,795</u>	<u>(1,795)</u>
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>9,795</u>	<u>(1,795)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>900</u>	<u>900</u>	<u>(744)</u>	<u>(1,644)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	900	900	(744)	(1,644)
Fund Balances - Beginning	853	853	853	--
Fund Balances - Ending	<u>\$ 1,753</u>	<u>\$ 1,753</u>	<u>\$ 109</u>	<u>\$ (1,644)</u>

**BROOKS COUNTY, TEXAS**  
**PREVENTION & TREATMENT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-8**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 8,446	\$ 6,446
Investment Earnings	100	100	82	(18)
Total revenues	<u>2,100</u>	<u>2,100</u>	<u>8,528</u>	<u>6,428</u>
<b>EXPENDITURES:</b>				
<b>Health and Welfare</b>				
<i>Other Services and Charges</i>	<u>57,500</u>	<u>57,500</u>	<u>69,631</u>	<u>(12,131)</u>
<i>Total Health and Welfare</i>	<u>57,500</u>	<u>57,500</u>	<u>69,631</u>	<u>(12,131)</u>
<i>Total Health and Welfare</i>	<u>57,500</u>	<u>57,500</u>	<u>69,631</u>	<u>(12,131)</u>
<b>Total Expenditures</b>	<u>57,500</u>	<u>57,500</u>	<u>69,631</u>	<u>(12,131)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(55,400)</u>	<u>(55,400)</u>	<u>(61,103)</u>	<u>(5,703)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>--</u>
<i>Total Other Financing Sources (Uses)</i>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>--</u>
Net Change in Fund Balances	<u>(5,400)</u>	<u>(5,400)</u>	<u>(11,103)</u>	<u>(5,703)</u>
Fund Balances - Beginning	12,582	12,582	12,582	--
Fund Balances - Ending	<u>\$ 7,182</u>	<u>\$ 7,182</u>	<u>\$ 1,479</u>	<u>\$ (5,703)</u>

**BROOKS COUNTY, TEXAS**  
COUNTY AIRPORT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 1,792	\$ (208)
Investment Earnings	50	50	47	(3)
Total revenues	<u>2,050</u>	<u>2,050</u>	<u>1,839</u>	<u>(211)</u>
<b>EXPENDITURES:</b>				
Public Transportation				
Public Transportation				
Supplies	2,800	2,800	2,040	760
Other Services and Charges	33,300	33,300	37,769	(4,469)
Total Public Transportation	<u>38,100</u>	<u>38,100</u>	<u>39,809</u>	<u>(1,709)</u>
Total Public Transportation	<u>38,100</u>	<u>38,100</u>	<u>39,809</u>	<u>(1,709)</u>
Total Expenditures	<u>38,100</u>	<u>38,100</u>	<u>39,809</u>	<u>(1,709)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36,050)</u>	<u>(36,050)</u>	<u>(37,970)</u>	<u>(1,920)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	43,000	43,000	43,000	--
Total Other Financing Sources (Uses)	<u>43,000</u>	<u>43,000</u>	<u>43,000</u>	<u>--</u>
Net Change in Fund Balances	6,950	6,950	5,030	(1,920)
Fund Balances - Beginning	8,073	8,073	8,073	--
Fund Balances - Ending	<u>\$ 15,023</u>	<u>\$ 15,023</u>	<u>\$ 13,103</u>	<u>\$ (1,920)</u>

**BROOKS COUNTY, TEXAS**  
**SHERIFF SEIZURE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-10**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Fines and Forfeitures	\$ 392,000	\$ 392,000	\$ 385,979	\$ (6,021)
Investment Earnings	1,000	1,000	228	(772)
Total revenues	<u>393,000</u>	<u>393,000</u>	<u>386,207</u>	<u>(6,793)</u>
<b>EXPENDITURES:</b>				
<b>Public Safety</b>				
<i>Personal Services</i>	137,250	137,250	138,321	(1,071)
<i>Supplies</i>	7,306	7,306	5,343	1,963
<i>Other Services and Charges</i>	262,000	262,000	230,343	31,657
<i>Total Public Safety</i>	<u>406,556</u>	<u>406,556</u>	<u>374,007</u>	<u>32,549</u>
<b>Total Public Safety</b>	<u>406,556</u>	<u>406,556</u>	<u>374,007</u>	<u>32,549</u>
<b>Total Expenditures</b>	<u>406,556</u>	<u>406,556</u>	<u>374,007</u>	<u>32,549</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,556)</u>	<u>(13,556)</u>	<u>12,200</u>	<u>25,756</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(13,556)</u>	<u>(13,556)</u>	<u>12,200</u>	<u>25,756</u>
Fund Balances - Beginning	<u>(123,893)</u>	<u>(123,893)</u>	<u>(123,893)</u>	<u>--</u>
Fund Balances - Ending	<u>\$ (137,449)</u>	<u>\$ (137,449)</u>	<u>\$ (111,693)</u>	<u>\$ 25,756</u>

**BROOKS COUNTY, TEXAS**  
**LEOSE STATE ALLOCATION**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-11**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Intergovernmental	\$ 5,392	\$ 5,392	\$ 5,596	\$ 204
Investment Earnings	250	250	174	(76)
Total revenues	<u>5,642</u>	<u>5,642</u>	<u>5,770</u>	<u>128</u>
<b>EXPENDITURES:</b>				
<b>Public Safety</b>				
<i>Personal Services</i>	13,361	13,361	13,361	--
<i>Total Public Safety</i>	13,361	13,361	13,361	--
<b>Total Public Safety</b>	13,361	13,361	13,361	--
<b>Total Expenditures</b>	<u>13,361</u>	<u>13,361</u>	<u>13,361</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,719)</u>	<u>(7,719)</u>	<u>(7,591)</u>	<u>128</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(7,719)	(7,719)	(7,591)	128
Fund Balances - Beginning	38,693	38,693	38,693	--
Fund Balances - Ending	<u>\$ 30,974</u>	<u>\$ 30,974</u>	<u>\$ 31,102</u>	<u>\$ 128</u>

**BROOKS COUNTY, TEXAS**  
**JUSTICE CRT TECHNOLOGY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT C-12

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Fees of Office	\$ 19,550	\$ 19,550	\$ 18,137	\$ (1,413)
Investment Earnings	1,000	1,000	845	(155)
Total revenues	<u>20,550</u>	<u>20,550</u>	<u>18,982</u>	<u>(1,568)</u>
<b>EXPENDITURES:</b>				
Judicial				
County court				
Other Services and Charges	86,174	86,174	9,613	76,561
Total County Court	<u>86,174</u>	<u>86,174</u>	<u>9,613</u>	<u>76,561</u>
Total Judicial	<u>86,174</u>	<u>86,174</u>	<u>9,613</u>	<u>76,561</u>
Total Expenditures	<u>86,174</u>	<u>86,174</u>	<u>9,613</u>	<u>76,561</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(65,624)</u>	<u>(65,624)</u>	<u>9,369</u>	<u>74,993</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(65,624)</u>	<u>(65,624)</u>	<u>9,369</u>	<u>74,993</u>
Fund Balances - Beginning	165,980	165,980	165,980	--
Fund Balances - Ending	<u>\$ 100,356</u>	<u>\$ 100,356</u>	<u>\$ 175,349</u>	<u>\$ 74,993</u>

**BROOKS COUNTY, TEXAS**

EXHIBIT C-13

HEALTH USE SALES TAX

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUE:</b>				
Taxes:				
<i>General Sales and Use Taxes</i>	\$ 329,000	\$ 329,000	\$ 353,882	\$ 24,882
Investment Earnings	4,000	4,000	996	(3,004)
Total revenues	<u>333,000</u>	<u>333,000</u>	<u>354,878</u>	<u>21,878</u>
<b>EXPENDITURES:</b>				
Health and Welfare				
<i>Health &amp; Welfare</i>				
<i>Personal Services</i>	10,000	10,000	--	10,000
<i>Other Services and Charges</i>	673,500	673,500	430,522	242,978
<i>Total Health and Welfare</i>	<u>683,500</u>	<u>683,500</u>	<u>430,522</u>	<u>252,978</u>
<i>Total Health and Welfare</i>	<u>683,500</u>	<u>683,500</u>	<u>430,522</u>	<u>252,978</u>
Total Expenditures	<u>683,500</u>	<u>683,500</u>	<u>430,522</u>	<u>252,978</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(350,500)</u>	<u>(350,500)</u>	<u>(75,644)</u>	<u>274,856</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(350,500)</u>	<u>(350,500)</u>	<u>(75,644)</u>	<u>274,856</u>
Fund Balances - Beginning	305,785	305,785	305,785	--
Fund Balances - Ending	<u>\$ (44,715)</u>	<u>\$ (44,715)</u>	<u>\$ 230,141</u>	<u>\$ 274,856</u>

**BROOKS COUNTY, TEXAS**

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
<i>General Property Taxes</i>	\$ 308,662	\$ 308,662	\$ 296,213	\$ (12,449)
Investment Earnings	1,000	1,000	1,452	452
Total revenues	<u>309,662</u>	<u>309,662</u>	<u>297,665</u>	<u>(11,997)</u>
<b>EXPENDITURES:</b>				
<i>Debt Service:</i>				
<i>Principal</i>	304,195	304,195	170,000	134,195
<i>Interest and Fiscal Charges</i>	400	400	134,595	(134,195)
<b>Total Expenditures</b>	<u>304,595</u>	<u>304,595</u>	<u>304,595</u>	<u>--</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>5,067</u>	<u>5,067</u>	<u>(6,930)</u>	<u>(11,997)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	5,067	5,067	(6,930)	(11,997)
Fund Balances - Beginning	212,829	212,829	212,829	--
Fund Balances - Ending	<u>\$ 217,896</u>	<u>\$ 217,896</u>	<u>\$ 205,899</u>	<u>\$ (11,997)</u>



**BROOKS COUNTY, TEXAS**  
**COURTHOUSE RENOVATION**  
**CAPITAL PROJECTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-15**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Intergovernmental	\$ 301,984	\$ 301,984	\$ --	\$ (301,984)
Total revenues	<u>301,984</u>	<u>301,984</u>	<u>--</u>	<u>(301,984)</u>
<b>EXPENDITURES:</b>				
<b>Economic Development and Assistance</b>				
<i>Total Economic Development and Assistance</i>	<u>455,539</u>	<u>455,539</u>	<u>100,000</u>	<u>355,539</u>
<b>Total Expenditures</b>	<u>455,539</u>	<u>455,539</u>	<u>100,000</u>	<u>355,539</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(153,555)</u>	<u>(153,555)</u>	<u>(100,000)</u>	<u>53,555</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	<u>90,000</u>	<u>90,000</u>	<u>32,700</u>	<u>(57,300)</u>
Total Other Financing Sources (Uses)	<u>90,000</u>	<u>90,000</u>	<u>32,700</u>	<u>57,300</u>
Net Change in Fund Balances	<u>(63,555)</u>	<u>(63,555)</u>	<u>(67,300)</u>	<u>(3,745)</u>
Fund Balances - Beginning	<u>(335,886)</u>	<u>(335,886)</u>	<u>(335,886)</u>	<u>--</u>
Fund Balances - Ending	<u>\$ (399,441)</u>	<u>\$ (399,441)</u>	<u>\$ (403,186)</u>	<u>\$ (3,745)</u>

**BROOKS COUNTY, TEXAS****COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****AGENCY FUNDS****SEPTEMBER 30, 2011**

	<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>	\$ 331,608	\$ 79,785	\$ 63,942	\$ 140,771
Total Assets	<u>\$ 331,608</u>	<u>\$ 79,785</u>	<u>\$ 63,942</u>	<u>\$ 140,771</u>
LIABILITIES:				
<i>Due to Other Governments and Agencies</i>	\$ 331,608	\$ 79,785	\$ 63,942	\$ 140,771
Total Liabilities	<u>\$ 331,608</u>	<u>\$ 79,785</u>	<u>\$ 63,942</u>	<u>\$ 140,771</u>
NET ASSETS				

Appellate Judicial System	County Clerk Fund	District Clerk Fund	Withholding Tax Fund	Tax Assessor Collector Fund
\$ 60	\$ 62,346	\$ 583,506	\$ 10,183	\$ 84,928
\$ 60	\$ 62,346	\$ 583,506	\$ 10,183	\$ 84,928
\$ 60	\$ 62,346	\$ 583,506	\$ 10,183	\$ 84,928
\$ 60	\$ 62,346	\$ 583,506	\$ 10,183	\$ 84,928

**BROOKS COUNTY, TEXAS****COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****AGENCY FUNDS****SEPTEMBER 30, 2011**

	Sheriff Regular Account	TCDRS Fund	Total Agency Funds (See Exhibit A-10)
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 4,227	\$ 35,427	\$ 1,396,783
<b>Total Assets</b>	<u>\$ 4,227</u>	<u>\$ 35,427</u>	<u>\$ 1,396,783</u>
<b>LIABILITIES:</b>			
<i>Due to Other Governments and Agencies</i>	\$ 4,227	\$ 35,427	\$ 1,396,783
<b>Total Liabilities</b>	<u>\$ 4,227</u>	<u>\$ 35,427</u>	<u>\$ 1,396,783</u>
<b>NET ASSETS</b>			

**BROOKS COUNTY, TEXAS**

EXHIBIT C-17

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
<b>Payroll Fund</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 71,870	\$ 4,391,102	\$ 4,399,030	\$ 63,942
	--	--	--	--
Total Assets	\$ 71,870	\$ 4,391,102	\$ 4,399,030	\$ 63,942
<b>LIABILITIES</b>				
Due to Other Governments	\$ 71,870	\$ 4,391,102	\$ 4,399,030	\$ 63,942
	--	--	--	--
Total Liabilities	\$ 71,870	\$ 4,391,102	\$ 4,399,030	\$ 63,942
<b>State Fees Fund</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 110,965	\$ 430,536	\$ 400,730	\$ 140,771
	--	--	--	--
Total Assets	\$ 110,965	\$ 430,536	\$ 400,730	\$ 140,771
<b>LIABILITIES</b>				
Due to Other Governments	\$ 110,965	\$ 430,536	\$ 400,730	\$ 140,771
	--	--	--	--
Total Liabilities	\$ 110,965	\$ 430,536	\$ 400,730	\$ 140,771
<b>Appellate Judicial System</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 185	\$ 310	\$ 435	\$ 60
	--	--	--	--
Total Assets	\$ 185	\$ 310	\$ 435	\$ 60
<b>LIABILITIES</b>				
Due to Other Governments	\$ 185	\$ 310	\$ 435	\$ 60
	--	--	--	--
Total Liabilities	\$ 185	\$ 310	\$ 435	\$ 60
<b>District Attorney Escrow Fund</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 141,750	\$ 348,335	\$ 158,477	\$ 331,608
	--	--	--	--
Total Assets	\$ 141,750	\$ 348,335	\$ 158,477	\$ 331,608
<b>LIABILITIES</b>				
Due to Other Governments	\$ 141,750	\$ 348,335	\$ 158,477	\$ 331,608
	--	--	--	--
Total Liabilities	\$ 141,750	\$ 348,335	\$ 158,477	\$ 331,608
<b>County Clerk Funds</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 52,568	\$ 141,675	\$ 131,897	\$ 62,346
	--	--	--	--
Total Assets	\$ 52,568	\$ 141,675	\$ 131,897	\$ 62,346
<b>LIABILITIES</b>				
Due to Other Governments	\$ 52,568	\$ 141,675	\$ 131,897	\$ 62,346
	--	--	--	--
Total Liabilities	\$ 52,568	\$ 141,675	\$ 131,897	\$ 62,346

**BROOKS COUNTY, TEXAS****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES****ALL AGENCY FUNDS****YEAR ENDED SEPTEMBER 30, 2011****EXHIBIT C-17**

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
<b>District Clerk Funds</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 538,745	\$ 429,886	\$ 385,125	\$ 583,506
	--	--	--	--
Total Assets	<u>\$ 538,745</u>	<u>\$ 429,886</u>	<u>\$ 385,125</u>	<u>\$ 583,506</u>
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 538,745	\$ 429,886	\$ 385,125	\$ 583,506
	--	--	--	--
Total Liabilities	<u>\$ 538,745</u>	<u>\$ 429,886</u>	<u>\$ 385,125</u>	<u>\$ 583,506</u>
<b>FICA Tax Fund</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ --	\$ 469,246	\$ 469,246	\$ --
	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 469,246</u>	<u>\$ 469,246</u>	<u>\$ --</u>
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ --	\$ 469,246	\$ 469,246	\$ --
	--	--	--	--
Total Liabilities	<u>\$ --</u>	<u>\$ 469,246</u>	<u>\$ 469,246</u>	<u>\$ --</u>
<b>Withholding Tax Fund</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ --	\$ 220,426	\$ 210,243	\$ 10,183
	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 220,426</u>	<u>\$ 210,243</u>	<u>\$ 10,183</u>
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ --	\$ 220,426	\$ 210,243	\$ 10,183
	--	--	--	--
Total Liabilities	<u>\$ --</u>	<u>\$ 220,426</u>	<u>\$ 210,243</u>	<u>\$ 10,183</u>

**BROOKS COUNTY, TEXAS**

EXHIBIT C-17

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
<b>Tax Assessor Collector Fund</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 47,689	\$ 6,285,370	\$ 6,248,131	\$ 84,928
	--	--	--	--
Total Assets	\$ 47,689	\$ 6,285,370	\$ 6,248,131	\$ 84,928
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 47,689	\$ 6,285,370	\$ 6,248,131	\$ 84,928
	--	--	--	--
Total Liabilities	\$ 47,689	\$ 6,285,370	\$ 6,248,131	\$ 84,928
<b>Sheriff Regular Account</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 4,167	\$ 29,801	\$ 29,741	\$ 4,227
	--	--	--	--
Total Assets	\$ 4,167	\$ 29,801	\$ 29,741	\$ 4,227
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 4,167	\$ 29,801	\$ 29,741	\$ 4,227
	--	--	--	--
Total Liabilities	\$ 4,167	\$ 29,801	\$ 29,741	\$ 4,227
<b>Sheriff Bond Account</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 79,785	\$ 373	\$ 373	\$ 79,785
	--	--	--	--
Total Assets	\$ 79,785	\$ 373	\$ 373	\$ 79,785
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 79,785	\$ 373	\$ 373	\$ 79,785
	--	--	--	--
Total Liabilities	\$ 79,785	\$ 373	\$ 373	\$ 79,785
<b>TCDRS Fund</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 38,393	\$ 457,394	\$ 460,360	\$ 35,427
	--	--	--	--
Total Assets	\$ 38,393	\$ 457,394	\$ 460,360	\$ 35,427
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 38,393	\$ 457,394	\$ 460,360	\$ 35,427
	--	--	--	--
Total Liabilities	\$ 38,393	\$ 457,394	\$ 460,360	\$ 35,427
<b>TOTAL AGENCY FUNDS:</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 1,086,117	\$ 13,204,454	\$ 12,893,788	\$ 1,396,783
	--	--	--	--
Total Assets	\$ 1,086,117	\$ 13,204,454	\$ 12,893,788	\$ 1,396,783
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 1,086,117	\$ 13,204,454	\$ 12,893,788	\$ 1,396,783
	--	--	--	--
Total Liabilities	\$ 1,086,117	\$ 13,204,454	\$ 12,893,788	\$ 1,396,783

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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, 2011**

<u>Date of Issue</u>	<u>Description</u>	<u>Interest Rate Payable</u>	<u>Amounts Original Issue</u>	<u>10 Amounts Outstanding 10/1/10</u>	<u>20 Issued Current Year</u>	<u>30 Retired Current Year</u>
March 2004	Certificates of Obligation	3.60% - 5. \$	4,000,000	\$ 3,135,000	\$ 1,100,000	\$ 170,000
1000 Totals			<u>\$ 4,000,000</u>	<u>\$ 3,135,000</u>	<u>\$ 1,100,000</u>	<u>\$ 170,000</u>

40 Amounts Outstanding 9/30/11	50 Interest Current Year	60		70		80 Requirements		90	10/1/11 To Maturity Interest
		Year Ending 9/30/12		Year Ending 9/30/13		Year Ending 9/30/13			
		Principal	Interest	Principal	Interest	Principal	Interest		
\$ 4,065,000	\$ 134,195	\$ 210,000	\$ 174,591	\$ 215,000	\$ 168,563	\$ 215,000	\$ 168,563	\$ 1,206,013	
<u>\$ 4,065,000</u>	<u>\$ 134,195</u>	<u>\$ 210,000</u>	<u>\$ 174,591</u>	<u>\$ 215,000</u>	<u>\$ 168,563</u>	<u>\$ 215,000</u>	<u>\$ 168,563</u>	<u>\$ 1,206,013</u>	

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**Raul Hernandez & Company, P.C.**  
Certified Public Accountants  
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Corpus Christi, Texas 78411  
Office (361) 980-0428 Fax (361) 980-1002

**Independent Auditors' Report**

Report on Internal Control over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards

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

Members of the Commissioner's Court:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brooks County, Texas as of and for the year ended September 30, 2011, which collectively comprise the Brooks County, Texas's basic financial statements and have issued our report thereon dated July 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Brooks County, Texas is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Brooks County, Texas's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Brooks County, Texas's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Brooks County, Texas's internal control over financial reporting.

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

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

Compliance and Other Matters

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

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

Respectfully submitted,

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

Raul Hernandez & Company, P.C.

July 13, 2012

**BROOKS COUNTY, TEXAS****SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011****A. Summary of Auditor's Results****1. Financial Statements**

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

One or more material weaknesses identified?

       Yes   X   NoOne or more significant deficiencies identified that  
are not considered to be material weaknesses?       Yes   X   None ReportedNoncompliance material to financial  
statements noted?       Yes   X   No**2. Federal Awards N/A**

Internal control over major programs:

One or more material weaknesses identified?

       Yes   X   NoOne or more significant deficiencies identified that  
are not considered to be material weaknesses?       Yes   X   None ReportedType of auditor's report issued on compliance for  
major programs:UnqualifiedAny audit findings disclosed that are required  
to be reported in accordance with section 510(a)  
of Circular A-133?       Yes   X   No

Identification of major programs:

CFDA Number(s)Name of Federal Program or Cluster

N/A

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

Auditee qualified as low-risk auditee?

  X   Yes        No**B. Financial Statement Findings**

NONE

**C. Federal Award Findings and Questioned Costs**

NONE

**BROOKS COUNTY, TEXAS****SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

<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, 2011*

N/A

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