

**BROOKS COUNTY, TEXAS**

*COMPREHENSIVE ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED SEPTEMBER 30, 2010*



Brooks County, Texas  
 Comprehensive Annual Financial Report  
 For The Year Ended September 30, 2010

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**BROOKS COUNTY**  
*LIST OF PRINCIPAL OFFICIALS*

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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 Auditor's Report on Financial Statements**

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

Members of the Commissioners' 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, 2010, 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, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2011, on our consideration of Brooks County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Respectfully submitted,

  
Raul Hernandez & Company, P.C.

July 7, 2011

# BROOKS COUNTY, TEXAS

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## 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, 2010. 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, 2010 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 \$9,137,880 (net assets). Of this amount, \$2,689,965 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 \$942,297, which is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was (\$53,271).
- The County of Brooks' total debt decreased by a net of \$201,295 during the current fiscal year. The key factor in this decrease was a result of the county's payments on its' bond principal payments.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

# BROOKS COUNTY, TEXAS

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

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

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

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

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

# BROOKS COUNTY, TEXAS

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## 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 \$9,137,880 at September 30, 2010. (See Table A-1).

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

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>
	<u>2010</u>	<u>2009</u>	<u>2010-2009</u>
<b>Current assets:</b>			
Cash/Cash equivalents	\$ 2,937,321	\$ 4,010,977	\$ (1,073,656)
Restricted Cash	100,361	-	100,361
Taxes receivable	708,578	695,470	13,108
Intergovernmental Receivable	40,000	-	40,000
<b>Total current assets:</b>	<u>\$ 3,786,260</u>	<u>\$ 4,706,447</u>	<u>\$ (920,187)</u>
<b>Non-current assets:</b>			
Capital Assets	15,400,775	14,699,111	701,664
Less: Accumulated Depreciation	<u>(5,989,744)</u>	<u>(5,662,625)</u>	<u>(327,119)</u>
<b>Total non-current assets:</b>	<u>9,411,031</u>	<u>9,036,486</u>	<u>374,545</u>
<b>Total Assets</b>	<u>\$ 13,197,291</u>	<u>\$ 13,742,933</u>	<u>\$ (545,642)</u>
<b>Current Liabilities</b>			
Accounts payable and other current liabilities	810,238	365,540	444,698
Accrued Interest Payable	10,810	11,484	(674)
Deferred Revenue	-	41,250	(41,250)
Due to Other Government & Agencies	61,250	-	61,250
<b>Total current liabilities</b>	<u>882,298</u>	<u>418,274</u>	<u>464,024</u>
<b>Long-term Liabilities</b>			
Due within one year	212,114	201,295	10,819
Due in more than one year	<u>2,964,999</u>	<u>3,177,113</u>	<u>(212,114)</u>
<b>Total Liabilities</b>	<u>\$ 4,059,411</u>	<u>\$ 3,796,682</u>	<u>\$ 262,729</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	6,233,918	5,658,078	575,840
Restricted For:			
Debt Service	212,829	217,291	(4,462)
Capital Projects	1,168	998,173	(997,005)
Unrestricted	<u>2,689,965</u>	<u>3,072,709</u>	<u>(382,744)</u>
<b>Total Net Assets</b>	<u>\$ 9,137,880</u>	<u>\$ 9,946,251</u>	<u>\$ (808,371)</u>

# BROOKS COUNTY, TEXAS

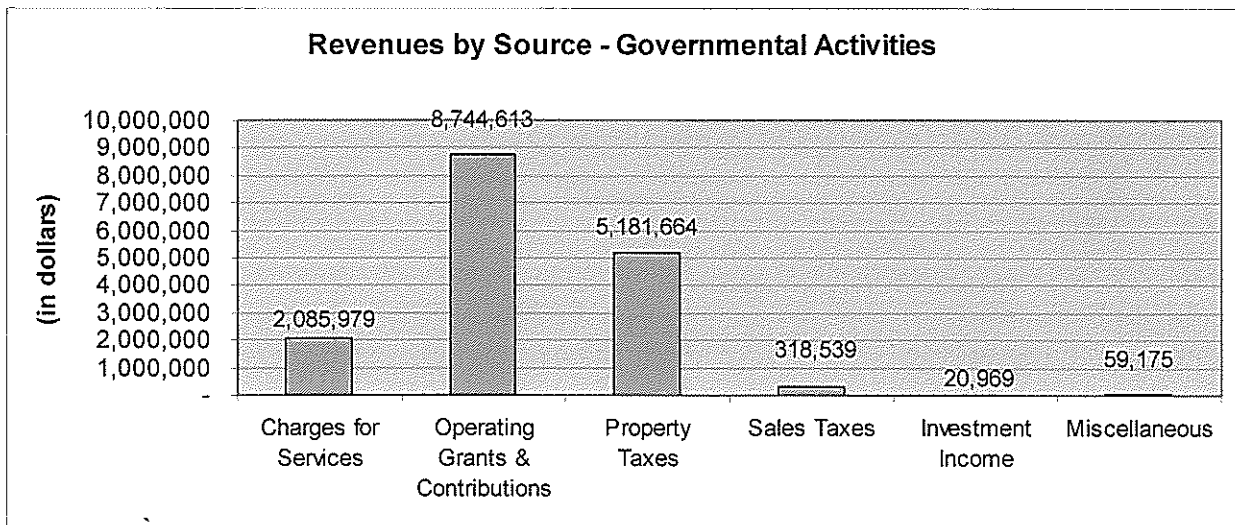
\$212,829 of the County's restricted net assets represents funds available for the debt service, while \$1,168 represents funds for capital project funds. These funds when spent are restricted for repayment of debt and capital asset acquisitions respectively. Unrestricted net asset represents resources available to fund the programs of the County for the following year. The balance for unrestricted net assets at September 30, 2010 were \$2,689,965.

**Revenues.** The County's total revenues were \$16,410,939. A significant portion, \$8,744,613, of the County's revenue comes from operating grants & contributions. \$5,181,664 comes from property taxes and \$2,085,979 relates to charges for services. (See Figure A-2 and Table A-2)

## Governmental Activities

- Sales taxes had revenue of \$318,539, while investment income had revenues of \$20,969.

Figure A-2



# BROOKS COUNTY, TEXAS

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

	Governmental Activities		Increase (Decrease)
	2010	2009	2010-2009
<b>Revenues:</b>			
<b>Program:</b>			
Charges for services	\$ 2,085,979	\$ 2,182,093	(96,114)
Operating Grants and Contributions	8,744,613	10,649,901	(1,905,288)
<b>General:</b>			
Property Taxes	5,181,664	5,049,219	132,445
Sales Taxes	318,539	423,917	(105,378)
Investment Income	20,969	55,995	(35,026)
Miscellaneous	59,175	26,531	32,644
<b>Total Revenues</b>	<b>\$ 16,410,939</b>	<b>\$ 18,387,656</b>	<b>(1,976,717)</b>
<b>Cost of Services:</b>			
General Government	3,021,099	2,952,555	68,544
Judicial	943,484	927,556	15,928
Public Safety	9,831,513	10,989,160	(1,157,647)
Public Transportation	1,384,526	1,418,856	(34,330)
Health and Welfare	1,118,474	1,147,865	(29,391)
Culture and Recreation	156,015	160,409	(4,394)
Conservation	82,980	93,155	(10,175)
Economic Development and Assistance	539,032	157,825	381,207
Interest on Long-term Debt	142,187	147,894	(5,707)
<b>Total Cost of Services</b>	<b>\$ 17,219,310</b>	<b>\$ 17,995,275</b>	<b>(775,965)</b>
Change in net assets	(808,371)	392,381	(1,200,752)
Net assets - beginning	9,946,251	9,553,870	392,381
Net assets - ending	<b>\$ 9,137,880</b>	<b>\$ 9,946,251</b>	<b>(808,371)</b>

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

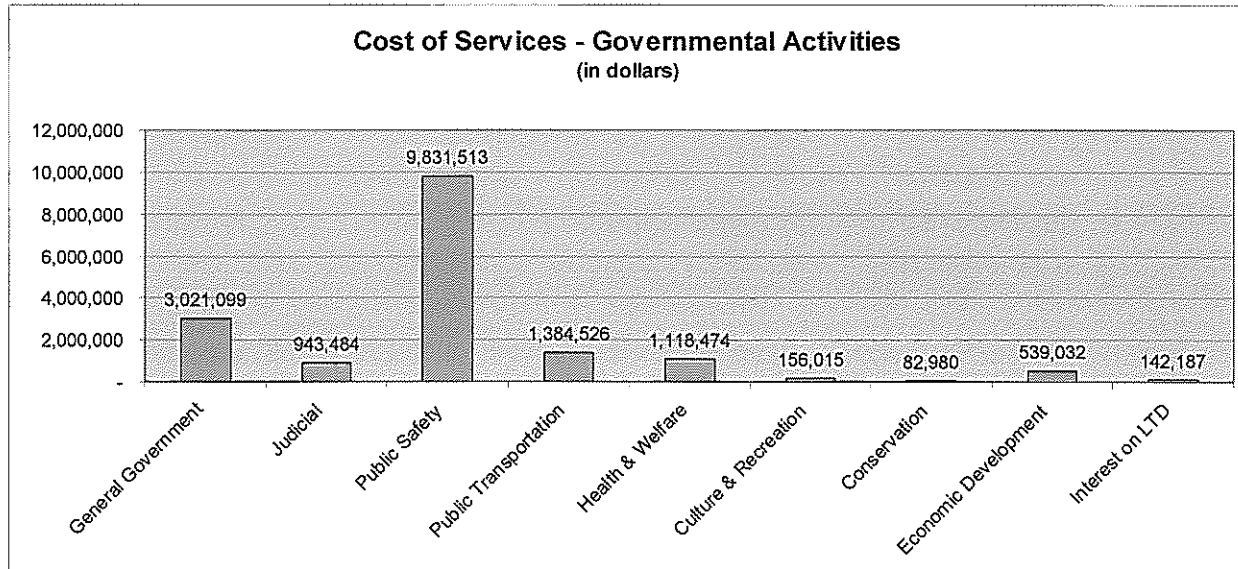
- The cost of all governmental activities this year was \$17,219,310.
- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$5,181,664.
- Some of the cost was paid by those who directly benefited from the programs such as human services, public safety, and fees of office.



# BROOKS COUNTY, TEXAS

- \$9,831,513 of these costs is public safety. This amount was due to decreases in the County Sheriff, LCS Detention, and the County Jail 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, *unreserved 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 \$942,297, a decrease of (\$1,283,869) compared with the prior year. The *unreserved 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, unreserved fund balance of the General Fund was (\$53,271) in contrast to \$164,331 in the prior year. 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 \$212,829. 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 \$347,150.

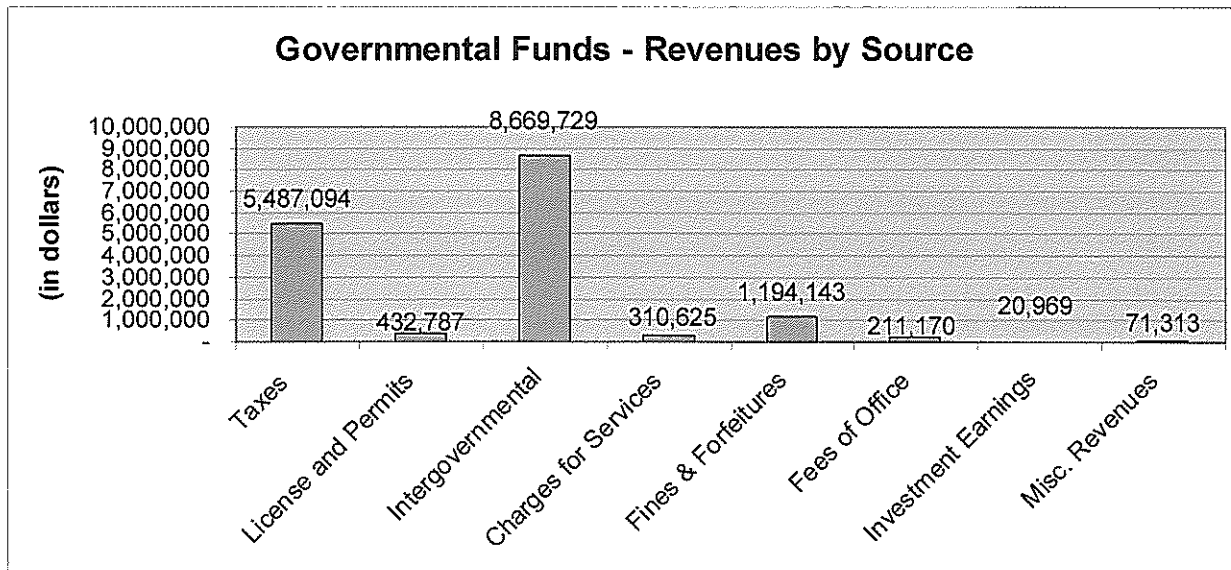
## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

### Revenues

Revenues from governmental fund types totaled \$16,397,830. The most significant portion in governmental fund revenue sources was derived from intergovernmental revenues, which totaled \$8,669,729. Taxes consisted of general property taxes, and general sales & use taxes, which totaled \$5,487,094.

The County's primary source of revenue consists of intergovernmental revenues, which comprise 53% of the County's total revenues. In addition, taxes, and fines & forfeitures comprise 34% 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**

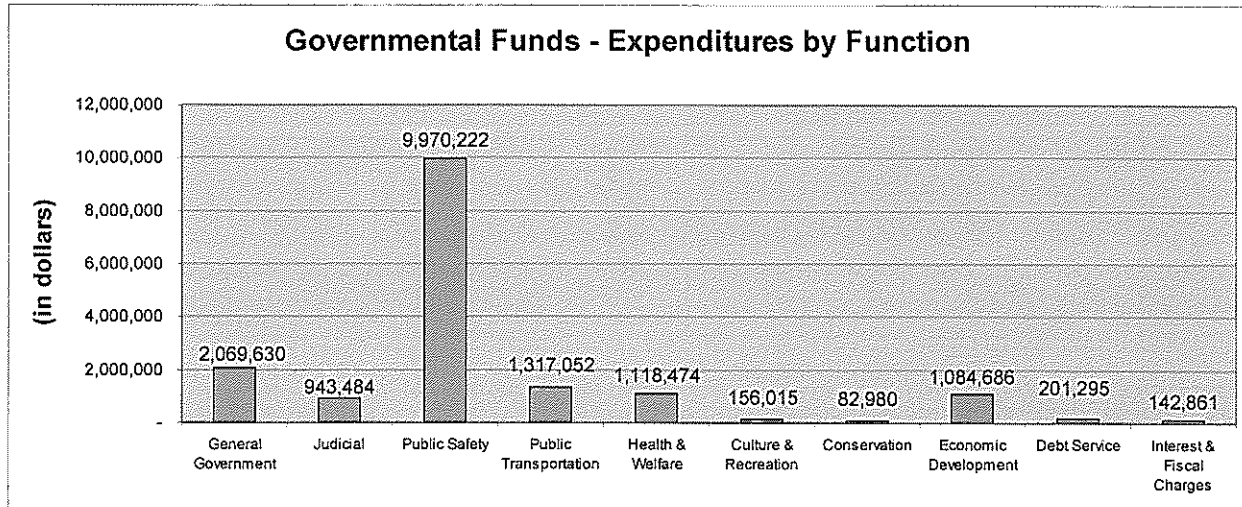
	FY 2010	FY 2009	Increase (Decrease)
Taxes	\$ 5,487,094	\$ 5,533,484	\$ (46,390)
License and Permits	432,787	386,366	46,421
Intergovernmental	8,669,729	10,667,025	(1,997,296)
Charges for Services	310,625	224,681	85,944
Fines & Forfeitures	1,194,143	1,253,171	(59,028)
Fees of Office	211,170	257,186	(46,016)
Investment Earnings	20,969	55,995	(35,026)
Misc. Revenues	71,313	70,096	1,217
<b>Total Revenues</b>	<b>\$ 16,397,830</b>	<b>\$ 18,448,004</b>	<b>\$ (2,050,174)</b>

## Expenditures

Compared to the prior year, public safety had a significant decrease of (\$1,303,613) due to decrease in monies spent for the County Sheriff, LCS Detention, and County Jail funds. Furthermore, economic development & assistance expenditures also had a significant decrease of (\$877,059).

The County's primary expenditures were for general government, public safety, and public transportation. Public safety now accounts for 59% of total expenditures. General government expenditures accounted for 12% of total expenditures. (See Figure A-5 and Table A-4)

**Figure A-5**



# BROOKS COUNTY, TEXAS

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

	FY 2010	FY 2009	Increase (Decrease)
General Government	\$ 2,069,630	\$ 2,160,120	\$ (90,490)
Judicial	943,484	927,556	15,928
Public Safety	9,970,222	11,273,835	(1,303,613)
Public Transportation	1,317,052	1,351,382	(34,330)
Health and Welfare	1,118,474	1,147,865	(29,391)
Culture and Recreation	156,015	160,409	(4,394)
Conservation	82,980	93,155	(10,175)
Economic Development and Assistance	1,084,686	1,961,745	(877,059)
Debt Service:			
Principal	201,295	195,492	5,803
Interest and Fiscal Charges	142,861	148,549	(5,688)
<b>Total Expenditures</b>	<b>\$ 17,086,699</b>	<b>\$ 19,420,108</b>	<b>\$ (2,333,409)</b>

Other financing sources from the County came from:

**Table A-5  
Other Financing Resources**

	FY 2010	FY 2009	Increase (Decrease)
Operating Transfers In	\$ 1,143,616	\$ 1,106,113	\$ 37,503
Operating Transfers Out	(1,738,616)	(1,701,113)	(37,503)
	<b>\$ (595,000)</b>	<b>\$ (595,000)</b>	<b>\$ -</b>

## General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$5,868,430 and expenditures of \$5,800,699, 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 (\$157,105). Miscellaneous revenues and transfers-in surpassed budget expectations.
- Actual expenditures (including transfers) were \$128,228, higher 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 2010, the County had invested \$15,400,775 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, 2010 net capital assets of the governmental activities totaled \$9,411,031. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation for road network, buildings & improvements, vehicles, and equipment totaled \$5,989,744.

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

	Governmental Activities		Increase (Decrease)
	2010	2009	2010-2009
Land	\$ 236,742	\$ 236,742	\$ -
Construction in Progress	-	4,249,341	(4,249,341)
Road Network	3,120,798	3,120,798	-
Buildings and Improvements	9,061,729	4,249,434	4,812,295
Vehicles	1,029,674	969,268	60,406
Equipment	1,951,832	1,873,528	78,304
Total at historical cost	15,400,775	14,699,111	701,664
Total Accumulated Depreciation	(5,989,744)	(5,662,626)	(327,118)
Net Capital Assets	<u>\$ 9,411,031</u>	<u>\$ 9,036,485</u>	<u>\$ 374,546</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 \$3,117,113 in bonds and notes outstanding as shown in Table A-7. The County's total debt decreased by \$261,295 compared to 2009. More detailed information about the County's debt is presented in the notes to the financial statements.

# BROOKS COUNTY, TEXAS

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**Table A-7  
Long Term Debt**

	<b>Governmental Activities</b>	
	<b><u>2010</u></b>	<b><u>2009</u></b>
Certificates of Obligation	\$ 3,135,000	\$ 3,295,000
Notes Payable	<u>42,113</u>	<u>83,408</u>
<b>Total governmental activities</b>	<b><u>\$ 3,177,113</u></b>	<b><u>\$ 3,378,408</u></b>

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

- Appraised value used for the 2011 budget preparation increased from the prior year. The County's tax rate increased as compared to 2010 resulting at .705200.
- General operating fund spending in the 2011 budget is expected to have a slight increase as compared to 2010.

These indicators were taken into account when adopting the general fund budget for 2011. Property taxes will increase, while the assessed valuation has decreased. The 2010-2011 tax rate is .705200 and the assessed valuation \$794,422,988.

Revenues are expected to have a slight increase of \$1,022,289, while expenditures are budgeted to experience a slight increase of \$717,224.

If these estimates are realized, the County's budgetary general fund balance is expected to change appreciably by the close of 2011.

## **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, 2010

	Governmental Activities
<b>ASSETS:</b>	
<i>Cash and Cash Equivalents</i>	\$ 2,937,321
<i>Restricted Cash</i>	100,361
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	708,578
<i>Intergovernmental Receivable</i>	40,000
<b>Capital Assets ( net of accumulated depreciation):</b>	
<i>Land</i>	236,742
<i>Buildings and System</i>	6,288,388
<i>Machinery and Equipment</i>	524,295
<i>Infrastructure</i>	2,361,606
<b>Total Assets</b>	<u>13,197,291</u>
<b>LIABILITIES:</b>	
<i>Accounts Payable and Other Current Liabilities</i>	810,238
<i>Accrued Interest Payable</i>	10,810
<i>Due to Other Government and Agencies</i>	61,250
<b>Noncurrent Liabilities-</b>	
<i>Due within one year</i>	212,114
<i>Due in more than one year</i>	2,964,999
<b>Total Liabilities</b>	<u>4,059,411</u>
<b>NET ASSETS</b>	
Invested in Capital Assets	6,233,918
<b>Restricted For:</b>	
Debt Service	212,829
Capital Projects	1,168
Unrestricted	2,689,965
<b>Total Net Assets</b>	<u>\$ 9,137,880</u>

The accompanying notes are an integral part of this statement.



**BROOKS COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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:				
<i>General Government</i>	\$ 3,021,099	\$ 771,362	\$ 11,583	\$ (2,238,154)
<i>Judicial</i>	943,484	65,646	287,992	(589,846)
<i>Public Safety</i>	9,831,513	971,775	7,522,280	(1,337,458)
<i>Public Transportation</i>	1,384,526	277,196	9,020	(1,098,310)
<i>Health and Welfare</i>	1,118,474	--	8,975	(1,109,499)
<i>Culture and Recreation</i>	156,015	--	--	(156,015)
<i>Conservation</i>	82,980	--	--	(82,980)
<i>Economic Development and Assistance</i>	539,032	--	904,763	365,731
<i>Interest on Long-term Debt</i>	142,187	--	--	(142,187)
Total Governmental Activities	17,219,310	2,085,979	8,744,613	(6,388,718)
Total Primary Government	\$ 17,219,310	\$ 2,085,979	\$ 8,744,613	(6,388,718)
General Revenues:				
<i>Property Taxes</i>				5,181,664
<i>Sales Taxes</i>				318,539
<i>Investment Income</i>				20,969
<i>Miscellaneous Revenues</i>				59,175
Total General Revenues				5,580,347
Change in Net Assets				(808,371)
Net Assets - Beginning				9,946,251
Net Assets - Ending				\$ 9,137,880

The accompanying notes are an integral part of this statement.

**BROOKS COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2010**

	<u>General Fund</u>	<u>Health Use Sales Tax Fund</u>
<b>ASSETS AND OTHER DEBITS</b>		
<b>Assets:</b>		
<i>Cash and Cash Equivalents</i>	\$ 196,002	\$ 249,108
<i>Restricted Cash</i>	--	100,361
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	650,363	--
<i>Intergovernmental Receivable</i>	--	--
<i>Due from Other Funds</i>	--	--
<b>Total Assets</b>	<u>\$ 846,365</u>	<u>\$ 349,469</u>
<b>LIABILITIES AND FUND BALANCES:</b>		
<b>Liabilities:</b>		
<i>Accounts Payable</i>	\$ 213,023	\$ 43,684
<i>Due to Other Funds</i>	--	--
<i>Due to Other Governments and Agencies</i>	36,250	--
<i>Deferred Revenue</i>	650,363	--
<b>Total Liabilities</b>	<u>899,636</u>	<u>43,684</u>
<b>Fund Balances:</b>		
<b>Reserved Fund Balances:</b>		
Unreserved	(53,271)	305,785
<b>Unreserved, reported in nonmajor:</b>		
<i>Special Revenue Funds</i>	--	--
<i>Capital Project Funds</i>	--	--
<i>Debt Service Fund</i>	--	--
<b>Total Fund Balance</b>	<u>(53,271)</u>	<u>305,785</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 846,365</u>	<u>\$ 349,469</u>

The accompanying notes are an integral part of this statement.

LCS/ I.C.E. Fund	Courthouse Renovation	Other Governmental Funds	Total Governmental Funds
\$ 172	\$ 67,303	\$ 1,160,840	\$ 1,673,425
--	--	--	100,361
--	--	58,214	708,577
--	--	40,000	40,000
--	--	192,578	192,578
<u>\$ 172</u>	<u>\$ 67,303</u>	<u>\$ 1,451,632</u>	<u>\$ 2,714,941</u>
\$ --	\$ 403,189	\$ 150,342	\$ 810,238
--	--	192,578	192,578
--	--	25,000	61,250
--	--	58,215	708,578
<u>--</u>	<u>403,189</u>	<u>426,135</u>	<u>1,772,644</u>
172	(335,886)	--	(83,200)
--	--	804,416	804,416
--	--	8,252	8,252
--	--	212,829	212,829
<u>172</u>	<u>(335,886)</u>	<u>1,025,497</u>	<u>942,297</u>
<u>\$ 172</u>	<u>\$ 67,303</u>	<u>\$ 1,451,632</u>	<u>\$ 2,714,941</u>

**BROOKS COUNTY, TEXAS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2010

Total fund balances - governmental funds balance sheet	\$ 942,297
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.	9,411,031
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	708,579
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	1,263,896
Payables for bond principal which are not due in the current period are not reported in the funds.	(3,093,705)
Payables for bond interest which are not due in the current period are not reported in the funds.	(10,810)
Payables for notes which are not due in the current period are not reported in the funds.	<u>(83,408)</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 9,137,880</u>

The accompanying notes are an integral part of this statement.

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# BROOKS COUNTY, TEXAS

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	General Fund	Health Use Sales Tax Fund
Revenue:		
Taxes:		
General Property Taxes	\$ 3,634,431	\$ --
General Sales and Use Taxes	--	318,539
License and Permits	7,104	--
Intergovernmental	198,899	--
Charges for Services	287,992	--
Fines and Forfeitures	710,823	--
Fees of Office	147,950	--
Investment Earnings	9,418	3,457
Miscellaneous Revenues	11,942	--
Total revenues	<u>5,008,559</u>	<u>321,996</u>
Expenditures:		
Current:		
General Government	2,066,780	--
Judicial	898,894	--
Public Safety	1,484,949	--
Public Transportation	72,164	--
Health and Welfare	481,749	582,399
Culture and Recreation	129,161	--
Conservation	82,980	--
Economic Development and Assistance	--	--
Debt Service:		
Principal	--	--
Interest and Fiscal Charges	--	--
Total Expenditures	<u>5,216,677</u>	<u>582,399</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(208,118)</u>	<u>(260,403)</u>
Other Financing Sources (Uses):		
Transfers In	702,766	--
Transfers Out	(712,250)	(320,000)
Total Other Financing Sources (Uses)	<u>(9,484)</u>	<u>(320,000)</u>
Net Change in Fund Balances	(217,602)	(580,403)
Fund Balances - Beginning	164,331	886,188
Fund Balances - Ending	<u>\$ (53,271)</u>	<u>\$ 305,785</u>

The accompanying notes are an integral part of this statement.

LCS/ I.C.E. Fund	Courthouse Renovation	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 1,534,124	\$ 5,168,555
--	--	--	318,539
--	--	425,683	432,787
7,150,501	--	1,320,329	8,669,729
--	--	22,633	310,625
--	--	483,320	1,194,143
--	--	63,220	211,170
1,796	--	6,298	20,969
--	--	59,371	71,313
<u>7,152,297</u>	<u>--</u>	<u>3,914,978</u>	<u>16,397,830</u>
--	--	2,850	2,069,630
--	--	44,590	943,484
6,852,029	--	1,633,244	9,970,222
--	--	1,244,888	1,317,052
--	--	54,326	1,118,474
--	--	26,854	156,015
--	--	--	82,980
--	545,654	539,032	1,084,686
--	--	201,295	201,295
--	--	142,861	142,861
<u>6,852,029</u>	<u>545,654</u>	<u>3,889,940</u>	<u>17,086,699</u>
300,268	(545,654)	25,038	(688,869)
--	208,600	232,250	1,143,616
(302,766)	--	(403,600)	(1,738,616)
<u>(302,766)</u>	<u>208,600</u>	<u>(171,350)</u>	<u>(595,000)</u>
(2,498)	(337,054)	(146,312)	(1,283,869)
2,670	1,168	1,171,809	2,226,166
<u>\$ 172</u>	<u>\$ (335,886)</u>	<u>\$ 1,025,497</u>	<u>\$ 942,297</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, 2010

Net change in fund balances - total governmental funds	\$ (1,283,869)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	701,663
The depreciation of capital assets used in governmental activities is not reported in the funds.	(327,117)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	13,109
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	160,000
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	41,295
(Increase) decrease in accrued interest from beginning of period to end of period.	674
The net revenue (expense) of internal service funds is reported with governmental activities.	<u>(114,126)</u>
Change in net assets of governmental activities - Statement of Activities	<u>\$ (808,371)</u>

The accompanying notes are an integral part of this statement.



**BROOKS COUNTY, TEXAS**

## STATEMENT OF NET ASSETS

## INTERNAL SERVICE FUND

SEPTEMBER 30, 2010

	Nonmajor Internal Service Fund
	Insurance Fund
<b>ASSETS:</b>	
Current Assets:	
<i>Cash with Fiscal Agent</i>	\$ 1,263,896
Total Current Assets	<u>1,263,896</u>
Noncurrent Assets:	
Restricted Cash, Cash Equivalents and Investments-	
Total Noncurrent Assets	<u>--</u>
Total Assets	<u>\$ 1,263,896</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Current Liabilities Payable from Restricted Assets-	
Total Liabilities	<u>--</u>
<b>NET ASSETS:</b>	
Total Net Assets	<u>\$ 1,263,896</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, 2010

	Nonmajor Internal Service Fund
	Insurance Fund
OPERATING REVENUES:	
Charges for Sales and Services:	
<i>Premiums and reimbursements</i>	\$ 1,579,747
Total Operating Revenues	<u>1,579,747</u>
OPERATING EXPENSES:	
<i>Insurance premiums and Claims</i>	2,288,873
Total Operating Expenses	<u>2,288,873</u>
Operating Income	<u>(709,126)</u>
NON-OPERATING REVENUES (EXPENSES):	
Total Non-operating Revenues (Expenses)	<u>--</u>
Income before Transfers	<u>(709,126)</u>
<i>Interfund Transfers In</i>	595,000
Change in Net Assets	<u>(114,126)</u>
Total Net Assets - Beginning	1,378,022
Total Net Assets - Ending	<u>\$ 1,263,896</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, 2010**

	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>	
Cash Received from Employee Insurance and Medical Expense	\$ 1,579,747
Cash Paid to Employee Insurance	(\$2,288,873)
Net Cash Provided (Used) by Operating Activities	<u>(\$709,126)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
Operating Transfers From (To) Primary Government	\$595,000
Operating Transfers From (To) Other Funds	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>\$595,000</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Proceeds from Issuance of Long-term Debt	--
Principal and Interest Paid	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>--</u>
<b>Cash Flows from Investing Activities:</b>	
Interest and Dividends on Investments	--
Net Cash Provided (Used) for Investing Activities	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(\$114,126)
Cash and Cash Equivalents at Beginning of Year	\$1,378,022
Cash and Cash Equivalents at End of Year	<u>\$ 1,263,896</u>
<b>Reconciliation of Operating Income to Net Cash     Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ (\$709,126)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	--
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	--
Increase (Decrease) in Accrued Wages Payable	--
Increase (Decrease) in Interfund Payables	--
Increase (Decrease) in Deferred Revenue	--
Total Adjustments	--
Net Cash Provided (Used) by Operating Activities	<u>\$ (\$709,126)</u>

The accompanying notes are an integral part of this statement.

**BROOKS COUNTY, TEXAS**  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2010

	Agency Funds
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 1,086,117
Total Assets	<u>\$ 1,086,117</u>
LIABILITIES:	
<i>Due to Other Governments and Agencies</i>	\$ 1,086,117
Total Liabilities	<u>\$ 1,086,117</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, 2010*

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, 2010*

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 us for the acquisition and contruction 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.

**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

**BROOKS COUNTY, TEXAS**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED SEPTEMBER 30, 2010*

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, 2010**

d. Capital Assets

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

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

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

e. Receivable and Payable Balances

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

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

g. Interfund Activity

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

h. Use of Estimates

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

3. Budgetary Data

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

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



**BROOKS COUNTY, TEXAS**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED SEPTEMBER 30, 2010*

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

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

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

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

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

The following funds had adopted budgets for the fiscal year ended September 30, 2010:

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

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

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

**BROOKS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

5. Encumbrance Accounting

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

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

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

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

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

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

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

<u>Fund Name</u>	<u>Deficit Amount</u>
Courthouse Renovation Fund	\$ (335,886)
Border Prosecutor's Program	(59,274)
J.A.G. Rural Crime Initiative Grant	(7,974)
Sheriff Seizure Fund	(123,893)
79th Judicial District/Drug Alcohol Fund	(17,736)
Community Safety Initiative Grant	(4,970)

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, 2010, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$4,123,798 and the bank balance was \$4,062,807. The County's cash deposits at September 30, 2010 and during the year ended September 30, 2010, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

Investments:

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

**BROOKS COUNTY, TEXAS**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED SEPTEMBER 30, 2010*

Investment Accounting Policy

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

The County's investments at September 30, 2010 are shown below.

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

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

a. Credit Risk

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

b. Custodial Credit Risk

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

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

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

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

**BROOKS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

D. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Governmental activities:</i>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 236,742	\$ --	\$ --	\$ 236,742
Construction in progress	4,249,341	545,654	4,794,995	--
Total capital assets not being depreciated	<u>4,486,083</u>	<u>545,654</u>	<u>4,794,995</u>	<u>236,742</u>
<i>Capital assets being depreciated:</i>				
Road Network	3,120,798	--	--	3,120,798
Buildings and improvements	4,249,434	4,812,295	--	9,061,729
Equipment	1,873,528	78,303	--	1,951,831
Vehicles	969,268	60,406	--	1,029,674
Total capital assets being depreciated	<u>10,213,028</u>	<u>4,951,004</u>	<u>--</u>	<u>15,164,032</u>
Less accumulated depreciation for:				
Road Network	(691,718)	(67,474)	--	(759,192)
Buildings and improvements	(2,655,324)	(118,017)	--	(2,773,341)
Equipment	(1,488,500)	(106,442)	--	(1,594,942)
Vehicles	(827,084)	(35,184)	--	(862,268)
Total accumulated depreciation	<u>(5,662,626)</u>	<u>(327,117)</u>	<u>--</u>	<u>(5,989,743)</u>
Total capital assets being depreciated, net	<u>4,550,402</u>	<u>4,623,887</u>	<u>--</u>	<u>9,174,289</u>
Governmental activities capital assets, net	<u>\$ 9,036,485</u>	<u>\$ 5,169,541</u>	<u>\$ 4,794,995</u>	<u>\$ 9,411,031</u>

Depreciation was charged to functions as follows:

General Government	\$ 327,117
	<u>\$ 327,117</u>

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2010, 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	12,792	Short-term loans
Sheriff Seizure Fund	JAG Rural Crime Fund	12,000	Short-term loans
Federal Arrest Fund	Border Prosecution Fund	35,000	Short-term loans
	Total	<u>\$ 192,578</u>	

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

**BROOKS COUNTY, TEXAS**

*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010*

1. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2010, 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	32,250	Supplement other funds sources
General fund	Medical Insurance	500,000	Supplement other funds sources
Road & Bridge	Medical Insurance	95,000	Supplement other funds sources
Federal Arrest Drug	General fund	100,000	Supplement other funds sources
Health & Use Sales Tax	General fund	300,000	Supplement other funds sources
Health & Use Sales Tax	Road & Bridge	20,000	Supplement other funds sources
LCS/I.C.E.	General fund	302,766	Supplement other funds sources
Certificate of Obligation	Capital Improvement	208,600	Supplement other funds sources
Juvenile Probation Match	TJPC-E-Vertex	98,985	Supplement other funds sources
	Total	\$ 1,837,601	

F. 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.

The County entered into an unsecured note payable in the amount of \$123,900.13 from First National Bank in Falfurrias dated April 9, 2008, due in annual installments of \$42,962.95 with interest at 2.00%. The note payable has a maturity date of April 9, 2011.

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, 2010:

Description	Interest Rates (%)	Date of Issuance	Date of Maturity	Bonds Outstanding
Certificates of Obligation	3.60% - 5.00%	August 9, 2004	March 1, 2024	\$3,135,000

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2010, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Certificates of Obligation	\$ 3,295,000	\$ --	\$ 160,000	\$ 3,135,000	170,000
Notes	83,408	--	41,295	42,113	42,113
Total governmental activities	\$ 3,378,408	\$ --	\$ 201,295	\$ 3,177,113	\$ 212,113

**BROOKS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2010, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2011	\$ 212,113	\$ 135,037	\$ 347,150
2012	175,000	127,008	302,008
2013	180,000	120,483	300,483
2014	190,000	113,403	303,403
2015	195,000	105,798	300,798
2016-2020	1,125,000	394,850	1,519,850
2021-2025	1,100,000	108,567	1,208,567
Totals	\$ 3,177,113	\$ 1,105,146	\$ 4,282,259

G. 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 2010, 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

H. Pension Plan

1. Plan Description

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

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

2. Funding Policy

The employer has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 7.15% for the calendar year 2010. 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.

**BROOKS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

3. Annual Pension Cost

For the employers accounting ending September 30, 2010, the annual pension cost for the TCDRS plan for its employees was \$215,410 and the actual contributions were \$225,354.

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, 2009, the basis for determining the contribution rate for the calendar year 2010. The December 31, 2009 actuarial valuation is the most recent valuation.

	Actuarial	Valuation	Information
Actuarial valuation date	12/31/2007	12/31/2008	12/31/2009
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%
Projected salary incr.*	8.00%	5.3%	5.3%
Inflation	5.3%	3.5%	3.5%

4. Trend Information for the Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2008	\$ 242,725	\$ 100%	\$ --
September 30, 2009	234,650	100%	--
September 30, 2010	215,410	100%	--

I. Health Care Coverage

During the year ended September 30, 2010, 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, 2010, 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, 2009, the unfunded claim benefit obligation included no reported claims that were unpaid and no estimated claims incurred, but not reported.

**BROOKS COUNTY, TEXAS**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED SEPTEMBER 30, 2010*

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.

J. 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 30,2010.

K. 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, 2010, represents the cumulative amount reported to date based on the use of 80 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$100,000.00 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2010. The County expects to close the landfill in the year 2010. 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, 2010, investments of \$100,361.00 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.



**BROOKS COUNTY, TEXAS**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED SEPTEMBER 30, 2010*

L. Subsequent Events

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 \$919,631.59. 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, interests 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 the Audit, including final settlement of questioned costs and all related penalties, interests and any other costs.

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### *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, 2010**

**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>	\$ 3,750,980	\$ 3,750,980	\$ 3,634,431	\$ (116,549)
License and Permits	21,700	21,700	7,104	(14,596)
Intergovernmental	193,250	193,250	198,899	5,649
Charges for Services	202,500	202,500	287,992	85,492
Fines and Forfeitures	818,500	818,500	710,823	(107,677)
Fees of Office	160,000	160,000	147,950	(12,050)
Investment Earnings	20,000	20,000	9,418	(10,582)
Miscellaneous Revenues	1,500	1,500	11,942	10,442
<b>Total revenues</b>	<b>5,168,430</b>	<b>5,168,430</b>	<b>5,008,559</b>	<b>(159,871)</b>
<b>EXPENDITURES:</b>				
<b>General Government</b>				
<b>Commissioners' Court</b>				
<i>Supplies</i>	1,050	1,050	329	721
<i>Other Services and Charges</i>	4,300	4,300	5,369	(1,069)
<b>Total Commissioners' Court</b>	<b>5,350</b>	<b>5,350</b>	<b>5,698</b>	<b>(348)</b>
<b>County Judge</b>				
<i>Personal Services</i>	115,245	115,245	107,016	8,229
<i>Supplies</i>	2,000	2,000	1,195	805
<i>Other Services and Charges</i>	6,250	6,250	5,908	342
<b>Total County Judge</b>	<b>123,495</b>	<b>123,495</b>	<b>114,119</b>	<b>9,376</b>
<b>County Clerk</b>				
<i>Personal Services</i>	158,815	158,815	140,776	18,039
<i>Supplies</i>	5,000	5,000	2,712	2,288
<i>Other Services and Charges</i>	4,000	4,000	3,002	998
<b>Total County Clerk</b>	<b>167,815</b>	<b>167,815</b>	<b>146,490</b>	<b>21,325</b>
<b>County Service Officer</b>				
<i>Personal Services</i>	19,958	19,958	20,413	(455)
<i>Supplies</i>	100	100	1,028	(928)
<i>Other Services and Charges</i>	7,000	7,000	13,035	(6,035)
<b>Total County Service Officer</b>	<b>27,058</b>	<b>27,058</b>	<b>34,476</b>	<b>(7,418)</b>
<b>County Auditor</b>				
<i>Personal Services</i>	264,078	264,078	215,381	48,697
<i>Supplies</i>	7,500	7,500	4,823	2,677
<i>Other Services and Charges</i>	12,200	12,200	4,929	7,271
<b>Total County Auditor</b>	<b>283,778</b>	<b>283,778</b>	<b>225,133</b>	<b>58,645</b>
<b>County Treasurer</b>				
<i>Personal Services</i>	109,699	109,699	105,296	4,403
<i>Supplies</i>	1,500	1,500	1,543	(43)
<i>Other Services and Charges</i>	3,515	3,515	2,906	609
<b>Total County Treasurer</b>	<b>114,714</b>	<b>114,714</b>	<b>109,745</b>	<b>4,969</b>
<b>Tax Assessor-Collector</b>				
<i>Personal Services</i>	123,675	123,675	122,855	820
<i>Supplies</i>	2,500	2,500	1,964	536
<i>Other Services and Charges</i>	24,000	24,000	20,917	3,083
<b>Total Tax Assessor-Collector</b>	<b>150,175</b>	<b>150,175</b>	<b>145,736</b>	<b>4,439</b>
<b>Courthouse and Buildings</b>				
<i>Personal Services</i>	34,468	34,468	32,664	1,804
<i>Supplies</i>	7,800	7,800	12,251	(4,451)
<i>Other Services and Charges</i>	264,500	264,500	293,156	(28,656)
<b>Total Courthouse and Buildings</b>	<b>306,768</b>	<b>306,768</b>	<b>338,071</b>	<b>(31,303)</b>

**BROOKS COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**EXHIBIT B-1**  
Page 2 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Grants Management</b>				
<i>Personal Services</i>	21,831	21,831	14,612	7,219
<i>Supplies</i>	2,000	2,000	--	2,000
<i>Other Services and Charges</i>	1,500	1,500	--	1,500
<i>Total Grants Management</i>	25,331	25,331	14,612	10,719
<b>Voter Registration</b>				
<i>Personal Services</i>	53,735	53,735	54,964	(1,229)
<i>Supplies</i>	1,000	1,000	618	382
<i>Other Services and Charges</i>	13,500	13,500	13,133	367
<i>Total Voters Registration</i>	68,235	68,235	68,715	(480)
<b>Non-Departmental</b>				
<i>Personal Services</i>	123,072	123,072	109,339	13,733
<i>Other Services and Charges</i>	667,953	667,953	754,646	(86,693)
<i>Total Non-Departmental</i>	791,025	791,025	863,985	(72,960)
<b>Total General Government</b>	2,063,744	2,063,744	2,066,780	(3,036)
<b>Judicial</b>				
<b>County court</b>				
<i>Personal Services</i>	28,692	28,692	39,556	(10,864)
<i>Supplies</i>	400	400	--	400
<i>Other Services and Charges</i>	7,000	7,000	9,381	(2,381)
<i>Total County Court</i>	36,092	36,092	48,937	(12,845)
<b>District Court</b>				
<i>Personal Services</i>	132,348	132,348	141,488	(9,140)
<i>Supplies</i>	82,500	82,500	24,643	57,857
<i>Other Services and Charges</i>	26,800	26,800	19,490	7,310
<i>Total District Court</i>	241,648	241,648	185,621	56,027
<b>District Clerk</b>				
<i>Personal Services</i>	132,393	132,393	129,347	3,046
<i>Supplies</i>	6,000	6,000	4,915	1,085
<i>Other Services and Charges</i>	5,750	5,750	6,113	(363)
<i>Total District Clerk</i>	144,143	144,143	140,375	3,768
<b>Justice of the Peace</b>				
<i>Personal Services</i>	302,816	302,816	266,052	36,764
<i>Supplies</i>	5,200	5,200	3,965	1,235
<i>Other Services and Charges</i>	13,300	13,300	12,032	1,268
<i>Total Justice of the Peace</i>	321,316	321,316	282,049	39,267
<b>County Attorney</b>				
<i>Personal Services</i>	119,223	119,223	120,008	(785)
<i>Supplies</i>	3,600	3,600	3,014	586
<i>Other Services and Charges</i>	8,325	8,325	8,119	206
<i>Total County Attorney</i>	131,148	131,148	131,141	7
<b>District Attorney</b>				
<i>Personal Services</i>	91,300	91,300	89,446	1,854
<i>Supplies</i>	5,500	5,500	3,708	1,792
<i>Other Services and Charges</i>	6,500	6,500	2,167	4,333
<i>Total District Attorney</i>	103,300	103,300	95,321	7,979
<b>Juvenile Court</b>				
<i>Personal Services</i>	10,800	10,800	15,450	(4,650)
<i>Other Services and Charges</i>	800	800	--	800
<i>Total Juvenile Court</i>	11,600	11,600	15,450	(3,850)
<b>Total Judicial</b>	989,247	989,247	898,894	90,353

**BROOKS COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**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>				
<i>Personal Services</i>	41,852	41,852	41,507	345
<i>Supplies</i>	800	800	673	127
<i>Other Services and Charges</i>	3,200	3,200	3,350	(150)
<i>Total 911 Addressing</i>	45,852	45,852	45,530	322
<b>Adult Probation</b>				
<i>Supplies</i>	1,000	1,000	665	335
<i>Other Services and Charges</i>	94,000	94,000	93,765	235
<i>Total Adult Probation</i>	95,000	95,000	94,430	570
<b>Constables</b>				
<i>Personal Services</i>	77,222	77,222	74,571	2,651
<i>Supplies</i>	2,000	2,000	1,531	469
<i>Other Services and Charges</i>	22,400	22,400	18,057	4,343
<i>Total Constables</i>	101,622	101,622	94,159	7,463
<b>Sheriff</b>				
<i>Personal Services</i>	559,041	559,041	532,306	26,735
<i>Supplies</i>	60,000	60,000	60,916	(916)
<i>Other Services and Charges</i>	32,050	32,050	81,896	(49,846)
<i>Total Sheriff</i>	651,091	651,091	675,118	(24,027)
<b>County Jail</b>				
<i>Personal Services</i>	409,544	409,544	398,262	11,282
<i>Supplies</i>	43,250	43,250	58,220	(14,970)
<i>Other Services and Charges</i>	62,200	62,200	76,947	(14,747)
<i>Total County Jail</i>	514,994	514,994	533,429	(18,435)
<b>Fire Marshall &amp; LEPC Coordinator</b>				
<i>Personal Services</i>	40,284	40,284	35,910	4,374
<i>Supplies</i>	500	500	434	66
<i>Other Services and Charges</i>	4,700	4,700	5,939	(1,239)
<i>Total Fire Marshall &amp; LEPC</i>	45,484	45,484	42,283	3,201
<b>Total Public Safety</b>	1,454,043	1,454,043	1,484,949	(30,906)
<b>Public Transportation</b>				
<b>Texas Department of Public Safety</b>				
<i>Personal Services</i>	24,326	24,326	24,179	147
<i>Supplies</i>	1,500	1,500	1,380	120
<i>Other Services and Charges</i>	6,400	6,400	8,230	(1,830)
<i>Total Texas Department of Public Safety</i>	32,226	32,226	33,789	(1,563)
<b>Weigh Station</b>				
<i>Personal Services</i>	30,870	30,870	30,289	581
<i>Supplies</i>	1,500	1,500	2,395	(895)
<i>Other Services and Charges</i>	4,493	4,493	5,691	(1,198)
<i>Total Weigh Station</i>	36,863	36,863	38,375	(1,512)
<b>Total Public Transportation</b>	69,089	69,089	72,164	(3,075)
<b>Health and Welfare</b>				
<i>Other Services and Charges</i>	34,500	34,500	41,873	(7,373)
<i>Total Health and Welfare</i>	34,500	34,500	41,873	(7,373)
<b>Out-Patient Clinic</b>				
<i>Personal Services</i>	71,348	71,348	47,158	24,190
<i>Supplies</i>	1,500	1,500	824	676
<i>Other Services and Charges</i>	2,800	2,800	3,370	(570)
<i>Total Out-Patient Clinic</i>	75,648	75,648	51,352	24,296
<b>Indigent</b>				
<i>Other Services and Charges</i>	62,500	62,500	351,624	(289,124)
<i>Total Indigent</i>	62,500	62,500	351,624	(289,124)

**BROOKS COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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	24,339	1,997
<i>Supplies</i>	500	500	547	(47)
<i>Other Services and Charges</i>	11,500	11,500	12,014	(514)
<i>Total Commodities Distribution</i>	38,336	38,336	36,900	1,436
<b>Total Health and Welfare</b>	210,984	210,984	481,749	(270,765)
<b>Culture and Recreation</b>				
<b>Library</b>				
<i>Personal Services</i>	141,363	141,363	100,344	41,019
<i>Supplies</i>	28,500	28,500	17,899	10,601
<i>Other Services and Charges</i>	12,775	12,775	10,918	1,857
<i>Total Library</i>	182,638	182,638	129,161	53,477
<b>Total Culture and Recreation</b>	182,638	182,638	129,161	53,477
<b>Conservation</b>				
<b>County Extension Agent</b>				
<i>Personal Services</i>	87,204	87,204	66,861	20,343
<i>Supplies</i>	6,250	6,250	4,208	2,042
<i>Other Services and Charges</i>	14,500	14,500	11,911	2,589
<i>Total County Extension Agent</i>	107,954	107,954	82,980	24,974
<b>Total Conservation</b>	107,954	107,954	82,980	24,974
<b>Total Expenditures</b>	5,077,699	5,077,699	5,216,677	(138,978)
Excess (Deficiency) of Revenues Over (Under) Expenditures	90,731	90,731	(208,118)	(298,849)
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	700,000	700,000	702,766	2,766
<i>Transfers Out</i>	(723,000)	(723,000)	(712,250)	(10,750)
<b>Total Other Financing Sources (Uses)</b>	(23,000)	(23,000)	(9,484)	(13,516)
<b>Net Change in Fund Balances</b>	67,731	67,731	(217,602)	(285,333)
Fund Balances - Beginning	164,331	164,331	164,331	--
Fund Balances - Ending	\$ 232,062	\$ 232,062	\$ (53,271)	\$ (285,333)

**BROOKS COUNTY, TEXAS**  
**HEALTH USE SALES TAX**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Taxes:				
<i>General Sales and Use Taxes</i>	\$ 304,000	\$ 304,000	\$ 318,539	\$ 14,539
Investment Earnings	8,000	8,000	3,457	(4,543)
<b>Total revenues</b>	<u>312,000</u>	<u>312,000</u>	<u>321,996</u>	<u>9,996</u>
<b>EXPENDITURES:</b>				
<b>Health and Welfare</b>				
<i>Health &amp; Welfare</i>				
<i>Personal Services</i>	513,533	513,533	56,682	456,851
<i>Supplies</i>	2,500	2,500	3,983	(1,483)
<i>Other Services and Charges</i>	581,852	581,852	521,734	60,118
<i>Total Health and Welfare</i>	<u>1,103,885</u>	<u>1,103,885</u>	<u>582,399</u>	<u>521,486</u>
<b>Total Health and Welfare</b>	<u>1,103,885</u>	<u>1,103,885</u>	<u>582,399</u>	<u>521,486</u>
<b>Total Expenditures</b>	<u>1,103,885</u>	<u>1,103,885</u>	<u>582,399</u>	<u>521,486</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(791,885)</u>	<u>(791,885)</u>	<u>(260,403)</u>	<u>531,482</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers Out</i>	(320,000)	(320,000)	(320,000)	--
<b>Total Other Financing Sources (Uses)</b>	<u>(320,000)</u>	<u>(320,000)</u>	<u>(320,000)</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	<u>(1,111,885)</u>	<u>(1,111,885)</u>	<u>(580,403)</u>	<u>531,482</u>
Fund Balances - Beginning	886,188	886,188	886,188	--
Fund Balances - Ending	<u>\$ (225,697)</u>	<u>\$ (225,697)</u>	<u>\$ 305,785</u>	<u>\$ 531,482</u>



**BROOKS COUNTY, TEXAS**

EXHIBIT B-3

LCS / I.C.E.

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Intergovernmental	\$ 6,943,500	\$ 6,943,500	\$ 7,150,501	\$ 207,001
Investment Earnings	3,500	3,500	1,796	(1,704)
Total revenues	<u>6,947,000</u>	<u>6,947,000</u>	<u>7,152,297</u>	<u>205,297</u>
<b>EXPENDITURES:</b>				
<b>Public Safety</b>				
Other Services and Charges	6,560,000	6,560,000	6,852,029	(292,029)
Total Public Safety	<u>6,560,000</u>	<u>6,560,000</u>	<u>6,852,029</u>	<u>(292,029)</u>
Total Public Safety	<u>6,560,000</u>	<u>6,560,000</u>	<u>6,852,029</u>	<u>(292,029)</u>
Total Expenditures	<u>6,560,000</u>	<u>6,560,000</u>	<u>6,852,029</u>	<u>(292,029)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>387,000</u>	<u>387,000</u>	<u>300,268</u>	<u>(86,732)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	(325,000)	(325,000)	(302,766)	(22,234)
Total Other Financing Sources (Uses)	<u>(325,000)</u>	<u>(325,000)</u>	<u>(302,766)</u>	<u>(22,234)</u>
Net Change in Fund Balances	62,000	62,000	(2,498)	(64,498)
Fund Balances - Beginning	2,670	2,670	2,670	--
Fund Balances - Ending	<u>\$ 64,670</u>	<u>\$ 64,670</u>	<u>\$ 172</u>	<u>\$ (64,498)</u>

**BROOKS COUNTY, TEXAS**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

YEAR ENDED SEPTEMBER 30, 2010

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)
9/30/07	\$ 11,405,826	\$ 9,520,973	\$ (1,884,853)	119.8%	\$ 3,347,024	-56.3%
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%

*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, 2010**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
<i>Cash and Cash Equivalents</i>	\$ 939,759	\$ 212,829	\$ 8,252	\$ 1,160,840
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	58,214	--	--	58,214
<i>Intergovernmental Receivable</i>	40,000	--	--	40,000
<i>Due from Other Funds</i>	192,578	--	--	192,578
<b>Total Assets</b>	<u>\$ 1,230,551</u>	<u>\$ 212,829</u>	<u>\$ 8,252</u>	<u>\$ 1,451,632</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<i>Accounts Payable</i>	\$ 150,342	\$ --	\$ --	\$ 150,342
<i>Due to Other Funds</i>	192,578	--	--	192,578
<i>Due to Other Governments and Agencies</i>	25,000	--	--	25,000
<i>Deferred Revenue</i>	58,215	--	--	58,215
<b>Total Liabilities</b>	<u>426,135</u>	<u>--</u>	<u>--</u>	<u>426,135</u>
<b>Fund Balances:</b>				
<b>Reserved Fund Balances:</b>				
<b>Unreserved, reported in nonmajor:</b>				
<i>Special Revenue Funds</i>	804,416	--	--	804,416
<i>Capital Project Funds</i>	--	--	8,252	8,252
<i>Debt Service Fund</i>	--	212,829	--	212,829
<b>Total Fund Balance</b>	<u>804,416</u>	<u>212,829</u>	<u>8,252</u>	<u>1,025,497</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,230,551</u>	<u>\$ 212,829</u>	<u>\$ 8,252</u>	<u>\$ 1,451,632</u>

**BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
<b>Revenue:</b>				
<i>Taxes:</i>				
General Property Taxes	\$ 1,082,520	\$ 451,604	\$ --	\$ 1,534,124
License and Permits	425,683	--	--	425,683
Intergovernmental	1,314,081	--	6,248	1,320,329
Charges for Services	22,633	--	--	22,633
Fines and Forfeitures	483,320	--	--	483,320
Fees of Office	63,220	--	--	63,220
Investment Earnings	5,424	782	92	6,298
Miscellaneous Revenues	59,371	--	--	59,371
Total revenues	<u>3,456,252</u>	<u>452,386</u>	<u>6,340</u>	<u>3,914,978</u>
<b>Expenditures:</b>				
<i>Current:</i>				
General Government	2,850	--	--	2,850
Judicial	44,590	--	--	44,590
Public Safety	1,633,244	--	--	1,633,244
Public Transportation	1,244,888	--	--	1,244,888
Health and Welfare	54,326	--	--	54,326
Culture and Recreation	20,859	--	5,995	26,854
Economic Development and Assistance	539,032	--	--	539,032
<i>Debt Service:</i>				
Principal	41,295	160,000	--	201,295
Interest and Fiscal Charges	1,668	141,193	--	142,861
Total Expenditures	<u>3,582,752</u>	<u>301,193</u>	<u>5,995</u>	<u>3,889,940</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(126,500)</u>	<u>151,193</u>	<u>345</u>	<u>25,038</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	232,250	--	--	232,250
Transfers Out	(195,000)	--	(208,600)	(403,600)
Total Other Financing Sources (Uses)	<u>37,250</u>	<u>--</u>	<u>(208,600)</u>	<u>(171,350)</u>
Net Change in Fund Balances	(89,250)	151,193	(208,255)	(146,312)
Fund Balances - Beginning	893,666	61,636	216,507	1,171,809
Fund Balances - Ending	<u>\$ 804,416</u>	<u>\$ 212,829</u>	<u>\$ 8,252</u>	<u>\$ 1,025,497</u>

**BROOKS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2010

	Road & Bridge Fund	Tobacco Compliance Grant	Management & Preservation Fund	Courthouse Security
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
<i>Cash and Cash Equivalents</i>	\$ 134,270	\$ 2,697	\$ 38,998	\$ 44,055
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	58,214	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
<b>Total Assets</b>	<b>\$ 192,484</b>	<b>\$ 2,697</b>	<b>\$ 38,998</b>	<b>\$ 44,055</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<i>Accounts Payable</i>	\$ 52,377	\$ --	\$ --	\$ 259
<i>Due to Other Funds</i>	--	--	--	--
<i>Due to Other Governments and Agencies</i>	--	--	--	--
<i>Deferred Revenue</i>	58,215	--	--	--
<b>Total Liabilities</b>	<b>110,592</b>	<b>--</b>	<b>--</b>	<b>259</b>
<b>Fund Balances:</b>				
<b>Reserved Fund Balances:</b>				
<b>Unreserved, reported in nonmajor:</b>				
<i>Special Revenue Funds</i>	81,892	2,697	38,998	43,796
<b>Total Fund Balance</b>	<b>81,892</b>	<b>2,697</b>	<b>38,998</b>	<b>43,796</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 192,484</b>	<b>\$ 2,697</b>	<b>\$ 38,998</b>	<b>\$ 44,055</b>

<u>Lateral Road Fund</u>	<u>Prevention &amp; Treatment Fund</u>	<u>County Attorney Hot Check Fund</u>	<u>Homeland Security</u>	<u>Ed Rachal Sheriff Grant</u>
\$ 853	\$ 28,424	\$ 20,487	\$ 106	\$ 145
--	--	--	--	--
--	--	--	--	--
<u>\$ 853</u>	<u>\$ 28,424</u>	<u>\$ 20,487</u>	<u>\$ 106</u>	<u>\$ 145</u>
\$ --	\$ 15,842	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>15,842</u>	<u>--</u>	<u>--</u>	<u>--</u>
853	12,582	20,487	106	145
<u>853</u>	<u>12,582</u>	<u>20,487</u>	<u>106</u>	<u>145</u>
<u>\$ 853</u>	<u>\$ 28,424</u>	<u>\$ 20,487</u>	<u>\$ 106</u>	<u>\$ 145</u>

**BROOKS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2010

	Employee Vending Machine Commissio Fund	Border Prosecutor's Program	J.A.G. Rural Crime Initiative Grant	Election Service Contract Fund
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
<i>Cash and Cash Equivalents</i>	\$ 196	\$ 797	\$ 4,026	\$ 4,360
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
<b>Total Assets</b>	<u>\$ 196</u>	<u>\$ 797</u>	<u>\$ 4,026</u>	<u>\$ 4,360</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<i>Accounts Payable</i>	\$ --	\$ 71	\$ --	\$ --
<i>Due to Other Funds</i>	--	35,000	12,000	--
<i>Due to Other Governments and Agencies</i>	--	25,000	--	--
<i>Deferred Revenue</i>	--	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>60,071</u>	<u>12,000</u>	<u>--</u>
<b>Fund Balances:</b>				
<b>Reserved Fund Balances:</b>				
<b>Unreserved, reported in nonmajor:</b>				
<i>Special Revenue Funds</i>	196	(59,274)	(7,974)	4,360
<b>Total Fund Balance</b>	<u>196</u>	<u>(59,274)</u>	<u>(7,974)</u>	<u>4,360</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 196</u>	<u>\$ 797</u>	<u>\$ 4,026</u>	<u>\$ 4,360</u>



County Airport	Law Library Fund	Sheriff Seizure	Federal Arrest Drug Fund	LEOSE State Allocations
\$ 12,207	\$ 23,424	\$ 11,389	\$ 60,458	\$ 38,693
--	--	--	--	--
--	--	--	--	--
<u>\$ 12,207</u>	<u>\$ 23,424</u>	<u>\$ 36,181</u>	<u>\$ 228,244</u>	<u>\$ 38,693</u>
\$ 4,134	\$ 382	\$ 27,288	\$ --	\$ --
--	--	132,786	--	--
--	--	--	--	--
<u>4,134</u>	<u>382</u>	<u>160,074</u>	<u>--</u>	<u>--</u>
8,073	23,042	(123,893)	228,244	38,693
<u>8,073</u>	<u>23,042</u>	<u>(123,893)</u>	<u>228,244</u>	<u>38,693</u>
<u>\$ 12,207</u>	<u>\$ 23,424</u>	<u>\$ 36,181</u>	<u>\$ 228,244</u>	<u>\$ 38,693</u>

**BROOKS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2010

	<u>Historical &amp; Development Fund</u>	<u>Justice Crt Technology Fund</u>	<u>Parents Helping Parents Fund</u>	<u>Ed Rachal Audio Visual Fund</u>
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
<i>Cash and Cash Equivalents</i>	\$ 4,418	\$ 165,980	\$ 269	\$ 8,256
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	--	--	--	--
<i>Intergovernmental Receivable</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
<b>Total Assets</b>	<u>\$ 4,418</u>	<u>\$ 165,980</u>	<u>\$ 269</u>	<u>\$ 8,256</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ 413
<i>Due to Other Funds</i>	--	--	--	--
<i>Due to Other Governments and Agencies</i>	--	--	--	--
<i>Deferred Revenue</i>	--	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>413</u>
<b>Fund Balances:</b>				
<b>Reserved Fund Balances:</b>				
<b>Unreserved, reported in nonmajor:</b>				
<i>Special Revenue Funds</i>	4,418	165,980	269	7,843
<b>Total Fund Balance</b>	<u>4,418</u>	<u>165,980</u>	<u>269</u>	<u>7,843</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 4,418</u>	<u>\$ 165,980</u>	<u>\$ 269</u>	<u>\$ 8,256</u>

<u>79th Judicial Dist/Drug Alcohol Fund</u>	<u>Drug Alcohol Court Diversion Program</u>	<u>Constable Seizure Fund</u>	<u>Community Safety Initiative Grant</u>	<u>Juvenile Probation Match</u>
\$ 12,044	\$ 62,517	\$ 108,546	\$ 7,822	\$ 128,026
--	--	--	--	--
--	--	--	--	--
<u>\$ 12,044</u>	<u>\$ 62,517</u>	<u>\$ 108,546</u>	<u>\$ 7,822</u>	<u>\$ 128,026</u>
\$ 29,780	\$ 10,702	\$ 4,569	\$ --	\$ 4,525
--	--	--	12,792	--
--	--	--	--	--
--	--	--	--	--
<u>29,780</u>	<u>10,702</u>	<u>4,569</u>	<u>12,792</u>	<u>4,525</u>
(17,736)	51,815	103,977	(4,970)	123,501
<u>(17,736)</u>	<u>51,815</u>	<u>103,977</u>	<u>(4,970)</u>	<u>123,501</u>
<u>\$ 12,044</u>	<u>\$ 62,517</u>	<u>\$ 108,546</u>	<u>\$ 7,822</u>	<u>\$ 128,026</u>

**BROOKS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2010

	TJPC-E VERTEX FUND	J.M. Alaniz Fairgrounds Fees Fund	TXCDBG #727025 Phase 2 Septic	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
<i>Cash and Cash Equivalents</i>	\$ 14,721	\$ 1,575	\$ --	\$ 939,759
<i>Taxes Receivables ( net of allowances for uncollectibles):</i>	--	--	--	58,214
<i>Intergovernmental Receivable</i>	--	--	40,000	40,000
<i>Due from Other Funds</i>	--	--	--	192,578
<b>Total Assets</b>	<u>\$ 14,721</u>	<u>\$ 1,575</u>	<u>\$ 40,000</u>	<u>\$ 1,230,551</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ 150,342
<i>Due to Other Funds</i>	--	--	--	192,578
<i>Due to Other Governments and Agencies</i>	--	--	--	25,000
<i>Deferred Revenue</i>	--	--	--	58,215
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>426,135</u>
<b>Fund Balances:</b>				
<b>Reserved Fund Balances:</b>				
<b>Unreserved, reported in nonmajor:</b>				
<i>Special Revenue Funds</i>	<u>14,721</u>	<u>1,575</u>	<u>40,000</u>	<u>804,416</u>
<b>Total Fund Balance</b>	<u>14,721</u>	<u>1,575</u>	<u>40,000</u>	<u>804,416</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 14,721</u>	<u>\$ 1,575</u>	<u>\$ 40,000</u>	<u>\$ 1,230,551</u>

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**BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Road & Bridge Fund	Tobacco Compliance Grant	Management & Preservation Fund	Courthouse Security
Revenue:				
Taxes:				
General Property Taxes	\$ 1,082,520	\$ --	\$ --	\$ --
License and Permits	248,275	--	--	--
Intergovernmental	--	3,000	--	--
Charges for Services	14,712	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	--	--	14,108	19,268
Investment Earnings	1,898	--	216	274
Miscellaneous Revenues	3,429	--	--	--
Total revenues	<u>1,350,834</u>	<u>3,000</u>	<u>14,324</u>	<u>19,542</u>
Expenditures:				
Current:				
General Government	--	--	--	--
Judicial	--	--	--	--
Public Safety	--	--	--	41,161
Public Transportation	1,205,618	--	--	--
Health and Welfare	--	303	--	--
Culture and Recreation	--	--	13,525	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	41,295	--	--	--
Interest and Fiscal Charges	1,668	--	--	--
Total Expenditures	<u>1,248,581</u>	<u>303</u>	<u>13,525</u>	<u>41,161</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>102,253</u>	<u>2,697</u>	<u>799</u>	<u>(21,619)</u>
Other Financing Sources (Uses):				
Transfers In	20,000	--	--	--
Transfers Out	(95,000)	--	--	--
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	27,253	2,697	799	(21,619)
Fund Balances - Beginning	54,639	--	38,199	65,415
Fund Balances - Ending	<u>\$ 81,892</u>	<u>\$ 2,697</u>	<u>\$ 38,998</u>	<u>\$ 43,796</u>

Lateral Road Fund	Prevention & Treatment Fund	County Attorney Hot Check Fund	Homeland Security	Ed Rachal Sheriff Grant
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
9,020	5,975	--	37,575	--
--	--	--	--	--
--	--	12,902	--	--
38	56	60	--	3
--	--	--	--	676
<u>9,058</u>	<u>6,031</u>	<u>12,962</u>	<u>37,575</u>	<u>679</u>
--	--	--	--	--
--	--	4,464	--	--
14,350	--	--	37,575	534
--	--	--	--	--
--	53,303	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>14,350</u>	<u>53,303</u>	<u>4,464</u>	<u>37,575</u>	<u>534</u>
<u>(5,292)</u>	<u>(47,272)</u>	<u>8,498</u>	<u>--</u>	<u>145</u>
--	50,000	--	--	--
--	--	--	--	--
<u>--</u>	<u>50,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
(5,292)	2,728	8,498	--	145
6,145	9,854	11,989	106	--
<u>\$ 853</u>	<u>\$ 12,582</u>	<u>\$ 20,487</u>	<u>\$ 106</u>	<u>\$ 145</u>

**BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Employee Vending Machine Commissio Fund	Border Prosecutor's Program	J.A.G. Rural Crime Initiative Grant	Election Service Contract Fund
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
License and Permits	--	--	--	--
Intergovernmental	--	--	143,858	--
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	--	--	--	--
Investment Earnings	--	--	--	16
Miscellaneous Revenues	196	--	--	7,217
Total revenues	<u>196</u>	<u>--</u>	<u>143,858</u>	<u>7,233</u>
Expenditures:				
Current:				
General Government	--	--	--	--
Judicial	--	--	--	--
Public Safety	--	59,274	151,832	2,873
Public Transportation	--	--	--	--
Health and Welfare	--	--	--	--
Culture and Recreation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>--</u>	<u>59,274</u>	<u>151,832</u>	<u>2,873</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>196</u>	<u>(59,274)</u>	<u>(7,974)</u>	<u>4,360</u>
Other Financing Sources (Uses):				
Transfers In	--	--	--	--
Transfers Out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	196	(59,274)	(7,974)	4,360
Fund Balances - Beginning	--	--	--	--
Fund Balances - Ending	<u>\$ 196</u>	<u>\$ (59,274)</u>	<u>\$ (7,974)</u>	<u>\$ 4,360</u>



County Airport	Law Library Fund	Sheriff Seizure	Federal Arrest Drug Fund	LEOSE State Allocations
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
14,209	--	--	--	5,335
--	7,921	--	--	--
--	--	429,681	17,837	--
--	--	--	--	--
40	104	156	800	234
--	--	--	--	--
<u>14,249</u>	<u>8,025</u>	<u>429,837</u>	<u>18,637</u>	<u>5,569</u>
--	--	--	--	--
--	--	--	--	--
--	3,287	433,300	--	18,581
39,270	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>39,270</u>	<u>3,287</u>	<u>433,300</u>	<u>--</u>	<u>18,581</u>
(25,021)	4,738	(3,463)	18,637	(13,012)
32,250	--	--	--	--
--	--	--	(100,000)	--
<u>32,250</u>	<u>--</u>	<u>--</u>	<u>(100,000)</u>	<u>--</u>
7,229	4,738	(3,463)	(81,363)	(13,012)
844	18,304	(120,430)	309,607	51,705
<u>\$ 8,073</u>	<u>\$ 23,042</u>	<u>\$ (123,893)</u>	<u>\$ 228,244</u>	<u>\$ 38,693</u>

**BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Historical & Development Fund	Justice Crt Technology Fund	Parents Helping Parents Fund	Ed Rachal Audio Visual Fund
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
License and Permits	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	--	16,942	--	--
Investment Earnings	22	805	--	53
Miscellaneous Revenues	--	--	--	--
Total revenues	<u>22</u>	<u>17,747</u>	<u>--</u>	<u>53</u>
Expenditures:				
Current:				
General Government	--	--	--	--
Judicial	--	8,041	--	--
Public Safety	--	--	--	--
Public Transportation	--	--	--	--
Health and Welfare	--	--	--	--
Culture and Recreation	--	--	--	7,334
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>--</u>	<u>8,041</u>	<u>--</u>	<u>7,334</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22</u>	<u>9,706</u>	<u>--</u>	<u>(7,281)</u>
Other Financing Sources (Uses):				
Transfers In	--	--	--	--
Transfers Out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	22	9,706	--	(7,281)
Fund Balances - Beginning	4,396	156,274	269	15,124
Fund Balances - Ending	<u>\$ 4,418</u>	<u>\$ 165,980</u>	<u>\$ 269</u>	<u>\$ 7,843</u>

79th Judicial Dist/Drug Alcohol Fund	Border Colonia Access Program Grant	Hospital Bioterrorism Planning Fund	Drug Alcohol Court Diversion Program	TCDP #726055 Colonia Construction
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
154,312	219,023	--	--	94,052
--	--	--	--	--
--	--	--	35,802	--
--	--	--	311	--
--	--	--	--	--
<u>154,312</u>	<u>219,023</u>	<u>--</u>	<u>36,113</u>	<u>94,052</u>
--	--	--	--	--
--	--	--	32,085	--
172,489	219,023	--	--	--
--	--	--	--	--
--	--	720	--	--
--	--	--	--	--
--	--	--	--	94,052
--	--	--	--	--
<u>172,489</u>	<u>219,023</u>	<u>720</u>	<u>32,085</u>	<u>94,052</u>
(18,177)	--	(720)	4,028	--
--	--	--	--	--
--	--	--	--	--
<u>(18,177)</u>	<u>--</u>	<u>(720)</u>	<u>4,028</u>	<u>--</u>
441	--	720	47,787	--
<u>\$ (17,736)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 51,815</u>	<u>\$ --</u>

**BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Constable Seizure Fund	Community Safety Initiative Grant	Juvenile Probation Match	TJPC-E VERTEX FUND
Revenue:				
Taxes:				
General Property Taxes	\$ --	\$ --	\$ --	\$ --
License and Permits	177,408	--	--	--
Intergovernmental	--	42,411	137,481	--
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	--	--	--	--
Investment Earnings	338	--	--	--
Miscellaneous Revenues	--	--	--	7,853
Total revenues	<u>177,746</u>	<u>42,411</u>	<u>137,481</u>	<u>7,853</u>
Expenditures:				
Current:				
General Government	--	--	--	--
Judicial	--	--	--	--
Public Safety	116,812	47,381	223,908	90,864
Public Transportation	--	--	--	--
Health and Welfare	--	--	--	--
Culture and Recreation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>116,812</u>	<u>47,381</u>	<u>223,908</u>	<u>90,864</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>60,934</u>	<u>(4,970)</u>	<u>(86,427)</u>	<u>(83,011)</u>
Other Financing Sources (Uses):				
Transfers In	--	--	130,000	--
Transfers Out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>130,000</u>	<u>--</u>
Net Change in Fund Balances	60,934	(4,970)	43,573	(83,011)
Fund Balances - Beginning	43,043	--	79,928	97,732
Fund Balances - Ending	<u>\$ 103,977</u>	<u>\$ (4,970)</u>	<u>\$ 123,501</u>	<u>\$ 14,721</u>

<u>Courthouse Rededication</u>	<u>J.M. Alaniz Fairgrounds Fees Fund</u>	<u>TXCDBG #727031 New Water Well</u>	<u>TXCDBG #727025 Phase 2 Septic</u>	<u>Total Nonmajor Special Revenue Funds (See Exhibit C-2)</u>
\$ --	\$ --	\$ --	\$ --	\$ 1,082,520
--	--	--	--	425,683
2,850	--	444,980	--	1,314,081
--	--	--	--	22,633
--	--	--	--	483,320
--	--	--	--	63,220
--	--	--	--	5,424
--	--	--	40,000	59,371
<u>2,850</u>	<u>--</u>	<u>444,980</u>	<u>40,000</u>	<u>3,456,252</u>
2,850	--	--	--	2,850
--	--	--	--	44,590
--	--	--	--	1,633,244
--	--	--	--	1,244,888
--	--	--	--	54,326
--	--	--	--	20,859
--	--	444,980	--	539,032
--	--	--	--	41,295
--	--	--	--	1,668
<u>2,850</u>	<u>--</u>	<u>444,980</u>	<u>--</u>	<u>3,582,752</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>40,000</u>	<u>(126,500)</u>
--	--	--	--	232,250
--	--	--	--	(195,000)
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>37,250</u>
--	--	--	40,000	(89,250)
<u>--</u>	<u>1,575</u>	<u>--</u>	<u>--</u>	<u>893,666</u>
<u>\$ --</u>	<u>\$ 1,575</u>	<u>\$ --</u>	<u>\$ 40,000</u>	<u>\$ 804,416</u>

**BROOKS COUNTY, TEXAS**  
ROAD & BRIDGE FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Taxes:				
<i>General Property Taxes</i>	\$ 1,131,181	\$ 1,131,181	\$ 1,082,520	\$ (48,661)
License and Permits	230,000	230,000	248,275	18,275
Charges for Services	16,000	16,000	14,712	(1,288)
Investment Earnings	7,000	7,000	1,898	(5,102)
Miscellaneous Revenues	6,500	6,500	3,429	(3,071)
<b>Total revenues</b>	<u>1,390,681</u>	<u>1,390,681</u>	<u>1,350,834</u>	<u>(39,847)</u>
<b>EXPENDITURES:</b>				
<b>Public Transportation</b>				
<b>Public Transportation</b>				
<i>Personal Services</i>	916,867	916,867	891,760	25,107
<i>Supplies</i>	118,000	118,000	143,784	(25,784)
<i>Other Services and Charges</i>	279,440	279,440	170,074	109,366
<b>Total Public Transportation</b>	<u>1,314,307</u>	<u>1,314,307</u>	<u>1,205,618</u>	<u>108,689</u>
<b>Total Public Transportation</b>	<u>1,314,307</u>	<u>1,314,307</u>	<u>1,205,618</u>	<u>108,689</u>
<i>Debt Service:</i>				
<i>Principal</i>	44,000	44,000	41,295	2,705
<i>Interest and Fiscal Charges</i>	--	--	1,668	(1,668)
<b>Total Expenditures</b>	<u>1,358,307</u>	<u>1,358,307</u>	<u>1,248,581</u>	<u>109,726</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>32,374</u>	<u>32,374</u>	<u>102,253</u>	<u>69,879</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	50,000	50,000	20,000	(30,000)
<i>Transfers Out</i>	--	--	(95,000)	95,000
<b>Total Other Financing Sources (Uses)</b>	<u>50,000</u>	<u>50,000</u>	<u>(75,000)</u>	<u>125,000</u>
<b>Net Change in Fund Balances</b>	<u>82,374</u>	<u>82,374</u>	<u>27,253</u>	<u>(55,121)</u>
Fund Balances - Beginning	54,639	54,639	54,639	--
Fund Balances - Ending	<u>\$ 137,013</u>	<u>\$ 137,013</u>	<u>\$ 81,892</u>	<u>\$ (55,121)</u>

**BROOKS COUNTY, TEXAS**  
**COURTHOUSE SECURITY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Fees of Office	\$ 16,000	\$ 16,000	\$ 19,268	\$ 3,268
Investment Earnings	500	500	274	(226)
<b>Total revenues</b>	<u>16,500</u>	<u>16,500</u>	<u>19,542</u>	<u>3,042</u>
<b>EXPENDITURES:</b>				
<b>Public Safety</b>				
<i>Personal Services</i>	52,623	52,623	41,161	11,462
<i>Total Public Safety</i>	<u>52,623</u>	<u>52,623</u>	<u>41,161</u>	<u>11,462</u>
<b>Total Public Safety</b>	<u>52,623</u>	<u>52,623</u>	<u>41,161</u>	<u>11,462</u>
<b>Total Expenditures</b>	<u>52,623</u>	<u>52,623</u>	<u>41,161</u>	<u>11,462</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36,123)</u>	<u>(36,123)</u>	<u>(21,619)</u>	<u>14,504</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	 (36,123)	 (36,123)	 (21,619)	 14,504
Fund Balances - Beginning	65,415	65,415	65,415	--
Fund Balances - Ending	<u>\$ 29,292</u>	<u>\$ 29,292</u>	<u>\$ 43,796</u>	<u>\$ 14,504</u>

**BROOKS COUNTY, TEXAS**

LATERAL ROAD

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 9,020	\$ 1,020
Investment Earnings	100	100	38	(62)
<b>Total revenues</b>	<u>8,100</u>	<u>8,100</u>	<u>9,058</u>	<u>958</u>
<b>EXPENDITURES:</b>				
<b>Public Safety</b>				
<i>Other Services and Charges</i>	20,000	20,000	14,350	5,650
<i>Total Public Safety</i>	<u>20,000</u>	<u>20,000</u>	<u>14,350</u>	<u>5,650</u>
<b>Total Public Safety</b>	<u>20,000</u>	<u>20,000</u>	<u>14,350</u>	<u>5,650</u>
<b>Total Expenditures</b>	<u>20,000</u>	<u>20,000</u>	<u>14,350</u>	<u>5,650</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,900)</u>	<u>(11,900)</u>	<u>(5,292)</u>	<u>6,608</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	<u>(11,900)</u>	<u>(11,900)</u>	<u>(5,292)</u>	<u>6,608</u>
Fund Balances - Beginning	6,145	6,145	6,145	--
Fund Balances - Ending	<u>\$ (5,755)</u>	<u>\$ (5,755)</u>	<u>\$ 853</u>	<u>\$ 6,608</u>



**BROOKS COUNTY, TEXAS**  
 PREVENTION & TREATMENT FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Intergovernmental	\$ 1,200	\$ 1,200	\$ 5,975	\$ 4,775
Investment Earnings	200	200	56	(144)
<b>Total revenues</b>	<u>1,400</u>	<u>1,400</u>	<u>6,031</u>	<u>4,631</u>
<b>EXPENDITURES:</b>				
<b>Health and Welfare</b>				
<i>Other Services and Charges</i>	57,500	57,500	53,303	4,197
<i>Total Health and Welfare</i>	<u>57,500</u>	<u>57,500</u>	<u>53,303</u>	<u>4,197</u>
<b>Total Health and Welfare</b>	<u>57,500</u>	<u>57,500</u>	<u>53,303</u>	<u>4,197</u>
<b>Total Expenditures</b>	<u>57,500</u>	<u>57,500</u>	<u>53,303</u>	<u>4,197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(56,100)</u>	<u>(56,100)</u>	<u>(47,272)</u>	<u>8,828</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	50,000	50,000	50,000	--
<b>Total Other Financing Sources (Uses)</b>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	<u>(6,100)</u>	<u>(6,100)</u>	<u>2,728</u>	<u>8,828</u>
Fund Balances - Beginning	9,854	9,854	9,854	--
Fund Balances - Ending	<u>\$ 3,754</u>	<u>\$ 3,754</u>	<u>\$ 12,582</u>	<u>\$ 8,828</u>

**BROOKS COUNTY, TEXAS**  
 COUNTY AIRPORT  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 14,209	\$ 12,209
Investment Earnings	100	100	40	(60)
<b>Total revenues</b>	<b>2,100</b>	<b>2,100</b>	<b>14,249</b>	<b>12,149</b>
<b>EXPENDITURES:</b>				
<b>Public Transportation</b>				
<b>Public Transportation</b>				
Supplies	2,800	2,800	1,337	1,463
Other Services and Charges	33,300	33,300	37,933	(4,633)
<b>Total Public Transportation</b>	<b>38,100</b>	<b>38,100</b>	<b>39,270</b>	<b>(1,170)</b>
<b>Total Public Transportation</b>	<b>38,100</b>	<b>38,100</b>	<b>39,270</b>	<b>(1,170)</b>
<b>Total Expenditures</b>	<b>38,100</b>	<b>38,100</b>	<b>39,270</b>	<b>(1,170)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,000)	(36,000)	(25,021)	10,979
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	43,000	43,000	32,250	(10,750)
<b>Total Other Financing Sources (Uses)</b>	<b>43,000</b>	<b>43,000</b>	<b>32,250</b>	<b>10,750</b>
<b>Net Change in Fund Balances</b>	<b>7,000</b>	<b>7,000</b>	<b>7,229</b>	<b>229</b>
Fund Balances - Beginning	844	844	844	--
Fund Balances - Ending	\$ 7,844	\$ 7,844	\$ 8,073	\$ 229

**BROOKS COUNTY, TEXAS**  
**SHERIFF SEIZURE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Fines and Forfeitures	\$ 241,000	\$ 241,000	\$ 429,681	\$ 188,681
Investment Earnings	1,000	1,000	156	(844)
Total revenues	<u>242,000</u>	<u>242,000</u>	<u>429,837</u>	<u>187,837</u>
<b>EXPENDITURES:</b>				
<b>Public Safety</b>				
<i>Personal Services</i>	23,328	23,328	164,257	(140,929)
<i>Supplies</i>	4,200	4,200	10,604	(6,404)
<i>Other Services and Charges</i>	233,000	233,000	258,439	(25,439)
<i>Total Public Safety</i>	<u>260,528</u>	<u>260,528</u>	<u>433,300</u>	<u>(172,772)</u>
<b>Total Public Safety</b>	<u>260,528</u>	<u>260,528</u>	<u>433,300</u>	<u>(172,772)</u>
<b>Total Expenditures</b>	<u>260,528</u>	<u>260,528</u>	<u>433,300</u>	<u>(172,772)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(18,528)</u>	<u>(18,528)</u>	<u>(3,463)</u>	<u>15,065</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	(18,528)	(18,528)	(3,463)	15,065
Fund Balances - Beginning	(120,430)	(120,430)	(120,430)	--
Fund Balances - Ending	<u>\$ (138,958)</u>	<u>\$ (138,958)</u>	<u>\$ (123,893)</u>	<u>\$ 15,065</u>

**BROOKS COUNTY, TEXAS**  
 FEDERAL ARREST DRUG FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Fines and Forfeitures	\$ --	\$ --	\$ 17,837	\$ 17,837
Investment Earnings	5,000	5,000	800	(4,200)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>18,637</u>	<u>13,637</u>
<b>EXPENDITURES:</b>				
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,000	5,000	18,637	13,637
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	(150,000)	(150,000)	(100,000)	(50,000)
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(100,000)</u>	<u>(50,000)</u>
Net Change in Fund Balances	(145,000)	(145,000)	(81,363)	63,637
Fund Balances - Beginning	309,607	309,607	309,607	--
Fund Balances - Ending	<u>\$ 164,607</u>	<u>\$ 164,607</u>	<u>\$ 228,244</u>	<u>\$ 63,637</u>

**BROOKS COUNTY, TEXAS**  
 LEOSE STATE ALLOCATION  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT C-12

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Intergovernmental	\$ 63,241	\$ 63,241	\$ 5,335	\$ (57,906)
Investment Earnings	600	600	234	(366)
Total revenues	<u>63,841</u>	<u>63,841</u>	<u>5,569</u>	<u>(58,272)</u>
<b>EXPENDITURES:</b>				
<b>Public Safety</b>				
<i>Personal Services</i>	17,652	17,652	18,581	(929)
<i>Total Public Safety</i>	<u>17,652</u>	<u>17,652</u>	<u>18,581</u>	<u>(929)</u>
<b>Total Public Safety</b>	<u>17,652</u>	<u>17,652</u>	<u>18,581</u>	<u>(929)</u>
<b>Total Expenditures</b>	<u>17,652</u>	<u>17,652</u>	<u>18,581</u>	<u>(929)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>46,189</u>	<u>46,189</u>	<u>(13,012)</u>	<u>(59,201)</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	46,189	46,189	(13,012)	(59,201)
Fund Balances - Beginning	51,705	51,705	51,705	--
Fund Balances - Ending	<u>\$ 97,894</u>	<u>\$ 97,894</u>	<u>\$ 38,693</u>	<u>\$ (59,201)</u>

**BROOKS COUNTY, TEXAS**  
**JUSTICE CRT TECHNOLOGY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

EXHIBIT C-13

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
Fees of Office	\$ 20,050	\$ 20,050	\$ 16,942	\$ (3,108)
Investment Earnings	1,000	1,000	805	(195)
Total revenues	<u>21,050</u>	<u>21,050</u>	<u>17,747</u>	<u>(3,303)</u>
<b>EXPENDITURES:</b>				
<b>Judicial</b>				
County court				
Other Services and Charges	86,174	86,174	8,041	78,133
Total County Court	<u>86,174</u>	<u>86,174</u>	<u>8,041</u>	<u>78,133</u>
Total Judicial	<u>86,174</u>	<u>86,174</u>	<u>8,041</u>	<u>78,133</u>
Total Expenditures	<u>86,174</u>	<u>86,174</u>	<u>8,041</u>	<u>78,133</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(65,124)</u>	<u>(65,124)</u>	<u>9,706</u>	<u>74,830</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>(65,124)</u>	<u>(65,124)</u>	<u>9,706</u>	<u>74,830</u>
Fund Balances - Beginning	156,274	156,274	156,274	--
Fund Balances - Ending	<u>\$ 91,150</u>	<u>\$ 91,150</u>	<u>\$ 165,980</u>	<u>\$ 74,830</u>

**BROOKS COUNTY, TEXAS**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
<i>General Property Taxes</i>	\$ 324,000	\$ 324,000	\$ 451,604	\$ 127,604
Investment Earnings	1,500	1,500	782	(718)
Total revenues	<u>325,500</u>	<u>325,500</u>	<u>452,386</u>	<u>126,886</u>
<b>EXPENDITURES:</b>				
<i>Debt Service:</i>				
<i>Principal</i>	301,193	301,193	160,000	141,193
<i>Interest and Fiscal Charges</i>	--	--	141,193	(141,193)
<b>Total Expenditures</b>	<u>301,193</u>	<u>301,193</u>	<u>301,193</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>24,307</u>	<u>24,307</u>	<u>151,193</u>	<u>126,886</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	24,307	24,307	151,193	126,886
Fund Balances - Beginning	61,636	61,636	61,636	--
Fund Balances - Ending	<u>\$ 85,943</u>	<u>\$ 85,943</u>	<u>\$ 212,829</u>	<u>\$ 126,886</u>

**BROOKS COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 SEPTEMBER 30, 2010

	<u>Ed Rachal Memorial Library Grant</u>	<u>Total Nonmajor Capital Projects Funds (See Exhibit C-1)</u>
<b>ASSETS AND OTHER DEBITS</b>		
<b>Assets:</b>		
<i>Cash and Cash Equivalents</i>	\$ 8,252	\$ 8,252
<b>Total Assets</b>	<u>\$ 8,252</u>	<u>\$ 8,252</u>
<b>LIABILITIES AND FUND BALANCES:</b>		
<b>Liabilities:</b>		
<b>Fund Balances:</b>		
<b>Reserved Fund Balances:</b>		
<b>Unreserved, reported in nonmajor:</b>		
<i>Capital Project Funds</i>	\$ 8,252	\$ 8,252
<b>Total Fund Balance</b>	<u>8,252</u>	<u>8,252</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 8,252</u>	<u>\$ 8,252</u>



**BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Ed Rachal Memorial Library Grant	Capital Improvements Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:			
<i>Intergovernmental</i>	\$ 6,248	\$ --	\$ 6,248
<i>Investment Earnings</i>	--	92	92
Total revenues	<u>6,248</u>	<u>92</u>	<u>6,340</u>
Expenditures:			
Current:			
<i>Culture and Recreation</i>	5,995	--	5,995
Total Expenditures	<u>5,995</u>	<u>--</u>	<u>5,995</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>253</u>	<u>92</u>	<u>345</u>
Other Financing Sources (Uses):			
<i>Transfers Out</i>	--	(208,600)	(208,600)
Total Other Financing Sources (Uses)	<u>--</u>	<u>(208,600)</u>	<u>(208,600)</u>
Net Change in Fund Balances	253	(208,508)	(208,255)
Fund Balances - Beginning	7,999	208,508	216,507
Fund Balances - Ending	<u>\$ 8,252</u>	<u>\$ --</u>	<u>\$ 8,252</u>

**BROOKS COUNTY, TEXAS**  
 COURTHOUSE RENOVATION  
 CAPITAL PROJECTS FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT C-17

	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>480,516</u>	<u>480,516</u>	<u>545,654</u>	<u>(65,138)</u>
<b>Total Expenditures</b>	<u>480,516</u>	<u>480,516</u>	<u>545,654</u>	<u>(65,138)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(178,532)</u>	<u>(178,532)</u>	<u>(545,654)</u>	<u>(367,122)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	<u>208,400</u>	<u>208,400</u>	<u>208,600</u>	<u>200</u>
<b>Total Other Financing Sources (Uses)</b>	<u>208,400</u>	<u>208,400</u>	<u>208,600</u>	<u>(200)</u>
Net Change in Fund Balances	29,868	29,868	(337,054)	(366,922)
Fund Balances - Beginning	1,167	1,167	1,168	1
Fund Balances - Ending	<u>\$ 31,035</u>	<u>\$ 31,035</u>	<u>\$ (335,886)</u>	<u>\$ (366,921)</u>

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**BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2010

	District Attorney Escrow	Sheriff Bond Account	Payroll Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 141,750	\$ 79,785	\$ 71,870
<b>Total Assets</b>	<u>\$ 141,750</u>	<u>\$ 79,785</u>	<u>\$ 71,870</u>
<b>LIABILITIES:</b>			
<i>Due to Other Governments and Agencies</i>	\$ 141,750	\$ 79,785	\$ 71,870
<b>Total Liabilities</b>	<u>\$ 141,750</u>	<u>\$ 79,785</u>	<u>\$ 71,870</u>
<b>NET ASSETS</b>			

State Fees Fund	Appellate Judicial System	County Clerk Fund	District Clerk Fund	Tax Assessor Collector Fund
\$ 110,965	\$ 185	\$ 52,568	\$ 538,745	\$ 47,689
\$ 110,965	\$ 185	\$ 52,568	\$ 538,745	\$ 47,689
\$ 110,965	\$ 185	\$ 52,568	\$ 538,745	\$ 47,689
\$ 110,965	\$ 185	\$ 52,568	\$ 538,745	\$ 47,689

**BROOKS COUNTY, TEXAS**

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2010

	Sheriff Regular Account	TCDRS Fund	Total Agency Funds (See Exhibit A-10)
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 4,167	\$ 38,393	\$ 1,086,117
<b>Total Assets</b>	<u>\$ 4,167</u>	<u>\$ 38,393</u>	<u>\$ 1,086,117</u>
<b>LIABILITIES:</b>			
<i>Due to Other Governments and Agencies</i>	\$ 4,167	\$ 38,393	\$ 1,086,117
<b>Total Liabilities</b>	<u>\$ 4,167</u>	<u>\$ 38,393</u>	<u>\$ 1,086,117</u>
<b>NET ASSETS</b>			

**BROOKS COUNTY, TEXAS**

EXHIBIT C-19

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2010

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
<b>Payroll Fund</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 44,874	\$ 4,424,605	\$ 4,397,609	\$ 71,870
Total Assets	\$ 44,874	\$ 4,424,605	\$ 4,397,609	\$ 71,870
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 44,874	\$ 4,424,605	\$ 4,397,609	\$ 71,870
Total Liabilities	\$ 44,874	\$ 4,424,605	\$ 4,397,609	\$ 71,870
<b>State Fees Fund</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 157,923	\$ 403,397	\$ 450,355	\$ 110,965
Total Assets	\$ 157,923	\$ 403,397	\$ 450,355	\$ 110,965
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 157,923	\$ 403,397	\$ 450,355	\$ 110,965
Total Liabilities	\$ 157,923	\$ 403,397	\$ 450,355	\$ 110,965
<b>Appellate Judicial System</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 77	\$ 736	\$ 628	\$ 185
Total Assets	\$ 77	\$ 736	\$ 628	\$ 185
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 77	\$ 736	\$ 628	\$ 185
Total Liabilities	\$ 77	\$ 736	\$ 628	\$ 185
<b>District Attorney Escrow Fund</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 310,593	\$ 124,963	\$ 293,806	\$ 141,750
Total Assets	\$ 310,593	\$ 124,963	\$ 293,806	\$ 141,750
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 310,593	\$ 124,963	\$ 293,806	\$ 141,750
Total Liabilities	\$ 310,593	\$ 124,963	\$ 293,806	\$ 141,750
<b>County Clerk Funds</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 44,511	\$ 123,989	\$ 115,932	\$ 52,568
Total Assets	\$ 44,511	\$ 123,989	\$ 115,932	\$ 52,568
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 44,511	\$ 123,989	\$ 115,932	\$ 52,568
Total Liabilities	\$ 44,511	\$ 123,989	\$ 115,932	\$ 52,568

**BROOKS COUNTY, TEXAS**

EXHIBIT C-19

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2010

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
<b>District Clerk Funds</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 574,183	\$ 439,663	\$ 475,101	\$ 538,745
	--	--	--	--
Total Assets	<u>\$ 574,183</u>	<u>\$ 439,663</u>	<u>\$ 475,101</u>	<u>\$ 538,745</u>
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 574,183	\$ 439,663	\$ 475,101	\$ 538,745
	--	--	--	--
Total Liabilities	<u>\$ 574,183</u>	<u>\$ 439,663</u>	<u>\$ 475,101</u>	<u>\$ 538,745</u>
<b>FICA Tax Fund</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ --	\$ 499,136	\$ 499,136	\$ --
	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 499,136</u>	<u>\$ 499,136</u>	<u>\$ --</u>
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ --	\$ 499,136	\$ 499,136	\$ --
	--	--	--	--
Total Liabilities	<u>\$ --</u>	<u>\$ 499,136</u>	<u>\$ 499,136</u>	<u>\$ --</u>
<b>Withholding Tax Fund</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ --	\$ 143,351	\$ 143,351	\$ --
	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 143,351</u>	<u>\$ 143,351</u>	<u>\$ --</u>
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ --	\$ 143,351	\$ 143,351	\$ --
	--	--	--	--
Total Liabilities	<u>\$ --</u>	<u>\$ 143,351</u>	<u>\$ 143,351</u>	<u>\$ --</u>



**BROOKS COUNTY, TEXAS**

EXHIBIT C-19

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2010

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
<b>Tax Assessor Collector Fund</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 38,652	\$ 5,867,939	\$ 5,858,902	\$ 47,689
Total Assets	\$ 38,652	\$ 5,867,939	\$ 5,858,902	\$ 47,689
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 38,652	\$ 5,867,939	\$ 5,858,902	\$ 47,689
Total Liabilities	\$ 38,652	\$ 5,867,939	\$ 5,858,902	\$ 47,689
<b>Sheriff Regular Account</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 290	\$ 18,435	\$ 14,558	\$ 4,167
Total Assets	\$ 290	\$ 18,435	\$ 14,558	\$ 4,167
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 290	\$ 18,435	\$ 14,558	\$ 4,167
Total Liabilities	\$ 290	\$ 18,435	\$ 14,558	\$ 4,167
<b>Sheriff Bond Account</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 88,764	\$ 1,363	\$ 10,342	\$ 79,785
Total Assets	\$ 88,764	\$ 1,363	\$ 10,342	\$ 79,785
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 88,764	\$ 1,363	\$ 10,342	\$ 79,785
Total Liabilities	\$ 88,764	\$ 1,363	\$ 10,342	\$ 79,785
<b>TCDRS Fund</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ --	\$ 76,192	\$ 37,799	\$ 38,393
Total Assets	\$ --	\$ 76,192	\$ 37,799	\$ 38,393
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ --	\$ 76,192	\$ 37,799	\$ 38,393
Total Liabilities	\$ --	\$ 76,192	\$ 37,799	\$ 38,393
<b>TOTAL AGENCY FUNDS:</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 1,259,867	\$ 12,123,769	\$ 12,297,519	\$ 1,086,117
Total Assets	\$ 1,259,867	\$ 12,123,769	\$ 12,297,519	\$ 1,086,117
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 1,259,867	\$ 12,123,769	\$ 12,297,519	\$ 1,086,117
Total Liabilities	\$ 1,259,867	\$ 12,123,769	\$ 12,297,519	\$ 1,086,117

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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, 2010

Date of Issue	Description	Interest Rate Payable	Amounts Original Issue	10 Amounts Outstanding 10/1/09	20 Issued Current Year	30 Retired Current Year
March 2004	Certificates of Obligation	3.60% - 5. \$	\$ 4,000,000	\$ 3,295,000	\$ --	\$ 160,000
1000 Totals			<u>\$ 4,000,000</u>	<u>\$ 3,295,000</u>	<u>\$ --</u>	<u>\$ 160,000</u>

40 Amounts Outstanding 9/30/10	50 Interest Current Year	Requirements				I 10/1/10 To Maturity Interest		
		60		70			90	
		Year Ending 9/30/11		Year Ending 9/30/12				
		Principal	Interest	Principal	Interest			
\$ 3,135,000	\$ 140,792	\$ 170,000	\$ 134,195	\$ 175,000	\$ 127,008	\$ 1,104,304		
<u>\$ 3,135,000</u>	<u>\$ 140,792</u>	<u>\$ 170,000</u>	<u>\$ 134,195</u>	<u>\$ 175,000</u>	<u>\$ 127,008</u>	<u>\$ 1,104,304</u>		

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

### **Independent Auditor's Report**

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*

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

Members of the Commissioners' 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, 2010, which collectively comprise the Brooks County, Texas's basic financial statements and have issued our report thereon dated July 7, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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, the Commissioners' Court, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

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

Raul Hernandez & Company, P.C.

July 7, 2011



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

### **Independent Auditor's Report**

Report on Compliance with Requirements That Could Have a Direct and  
Material Effect on each Major Program and on Internal Control Over Compliance  
In Accordance With OMB Circular A-133

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

Members of the Commissioners' Court:

#### Compliance

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

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

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

#### Internal Control Over Compliance

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

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

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Raul Hernandez & Company, P.C." The signature is written in black ink and is positioned above the typed name of the company.

Raul Hernandez & Company, P.C.

July 7, 2011

**BROOKS COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified?      Yes   X   No

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

Noncompliance material to financial statements noted?      Yes   X   No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?      Yes   X   No

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

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?      Yes   X   No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	CDBG-727031
14.228	CDBG-726055

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, 2010*

<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, 2010*

N/A

**BROOKS COUNTY, TEXAS***SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010*

EXHIBIT E-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U. S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u>			
Passed Through Office of Rural Community Affairs:			
TCDP Colonia Construction *	14.228	726055	\$ 94,052
CDBG New Water Well *	14.228	727031	444,980
Total Passed Through Office of Rural Community Affairs			<u>539,032</u>
Total U. S. Department of Housing & Urban Development			<u>539,032</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>539,032</u>

\* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

**BROOKS COUNTY, TEXAS**

*NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010*

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Brooks County, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

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