

BRAZOS COUNTY, TEXAS

Comprehensive Annual Financial Report

For The Year Ended September 30, 2015



Prepared by:

Katie Butler, C. P. A.
County Auditor



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**Office of the Brazos County Auditor
Brazos County Courthouse**

200 East S. Texas Avenue – Suite 218

Bryan, Texas 77803

(979) 361-4350

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March 10, 2016

The Honorable Board of District Judges

The Honorable Commissioners' Court

Honorable Judges and Commissioners of Brazos County, Texas:

In compliance with Section 114.025 of the Texas Local Government Code, the Comprehensive Annual Financial Report of Brazos County, Texas (the "County") for the fiscal year ended September 30, 2015, is hereby submitted.

This report consists of management's representation concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the basic financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the basic financial statements will be free from material misstatement. The responsibility for internal controls is shared by the Commissioners' Court, which is the governing body, the County Auditor, who is appointed by the District Judges, and the County Treasurer. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's basic financial statements have been audited by Ingram, Wallis & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for the fiscal year ended September 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of Brazos County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to

report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are contained in the section titled "Independent Auditors' Reports on Compliance and on Internal Control over Financial Reporting".

Generally accepted accounting principles require a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The introduction includes this transmittal letter, the County's organizational chart and a list of principal officials. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Brazos County's MD&A can be found immediately following the report of the independent auditors. The financial section also includes government-wide financial statements, fund financial statements, notes to the basic financial statements, required supplementary information and the combining and individual fund financial statements and schedules in addition to the report of the independent auditors. The statistical section of this report includes selected financial and demographic information, which is generally presented on a multi-year basis.

PROFILE OF BRAZOS COUNTY

Geographic Information

Brazos County is located in East Central Texas, in an area bounded on all sides by large metropolitan areas. Dallas-Ft. Worth is 180 miles to the north, Houston 95 miles to the southeast, Austin 104 miles to the west, and San Antonio 166 miles to the southwest. There are two major cities in the County that make up the business and cultural center, Bryan and College Station. They have a combined population of approximately 175,000.

The County lies in what is often referred to as the "Post Oak Belt," where fields, valleys and rolling green hills have an abundance of trees including post oak, live oak, red oak, elm and hickory. It comprises 588 square miles of rolling prairie and woodland with elevations that range from 200 to 350 feet above sea level.

County Structure and Services

The County is a public corporation and a political subdivision of the State of Texas. The general governing body of the County is the elected five-member Commissioners' Court in accordance with Article 5 Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term.

The Commissioners' Court sets the tax rates, establishes policies for County operations, approves contracts for the County and develops and adopts the County budget within the resources as estimated by the County Auditor. The Commissioners' Court is also responsible for development of policies and procedures, approving financial commitments and appointment of various department heads. The management and leadership provided by members of the Commissioners' Court and the elected and appointed officials of other key County offices is crucial to the success of the County in financial management and growth.

The County Auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County and “examining, auditing and approving” all disbursements from County funds prior to their submission to the Commissioners’ Court for approval.

The County provides a full range of services as authorized by the Constitution and Statutes of the State of Texas. The primary functions include general government, justice system, law enforcement, juvenile services, public transportation, public health, human services, and debt service.

Budget Process

The annual budget serves as the foundation of the County’s planning and control. Budget hearings are posted annually in July with the final budget approved by the Commissioners’ Court following the hearings. After adoption of the budget by the Commissioners’ Court, the County Auditor is responsible for ensuring expenditures are made in compliance with budgeted appropriations. The final budget includes contingency and emergency reserves line items. Most appropriated budgets are prepared by fund, function, department and classification. Capital expenditures are approved on a line item basis. All budget transfers between departments must follow special approval processes. Budget to actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. Encumbrances are utilized to ensure effective budgetary control and accountability, and all outstanding encumbrances lapse at fiscal year-end.

Primary Government and Related Organizations

The Governmental Accounting Standards Board defines the reporting entity as the primary government and its component units. Brazos County is a primary governmental unit, and the financial statements include all funds, agencies, boards, commissions and authorities for which the elected officials of the County are financially accountable. The statements include all items that, by the nature and significance of the relationship between the entity and the County, are such that their exclusion from the financial reporting format would render the financial statements misleading or incomplete.

The Brazos County Juvenile Services functions under the umbrella and control of the Commissioners’ Court, for which the Commissioners’ Court has fiscal responsibility. It has an independent board that provides operational control. This entity is not legally separate from the County and is included in the operations and activities of the County’s General Fund. The Commissioners’ Court approves the operating budgets and the expenditures of this entity. Operational funding is derived from state, federal, and local funds.

The Brazos County Health Facilities Development Corporation, the Brazos County Industrial Development Corporation and the Brazos County Housing Finance Corporation are related organizations to the County. These corporations were created by resolutions of the Commissioners’ Court to enable the various third party organizations the ability to issue tax-exempt bonds to provide low cost funding to promote and improve the health and welfare of the public. The tax-exempt bonds issued by these corporations do not constitute a debt or a pledge of faith or credit of the corporation or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Each corporation is governed by a Board of Directors made up of members of the Commissioners’ Court. None of the corporations are reported in the County’s financial statements.

The Brazos Valley Fair & Exposition is another related organization to the County. This 501(c)3 organization was established for educational, scientific and charitable purposes in 2010 and is currently governed by a seven member Executive Committee which was appointed by the Brazos County Commissioners' Court.

FACTORS AFFECTING FINANCIAL CONDITION

The official census for 2010 established the population of the County at 194,851, which is up from 152,415 in 2000. The 28% increase is larger than the overall growth of Texas (21%) in the past decade.

In September 2015, Brazos County had an unemployment rate of 3.3% compared to a Texas statewide unemployment rate of 4.4% for the same month. The unemployment rate at September 2014 was 3.8 %. As of September 2015, the labor force figures for the County, as established by the Texas Workforce Commission, are 103,207 of which 99,813 are currently employed. The following schedule is an estimate of the number of employees and the corresponding percentage per industry as of September 2015.

The employment base of the area by industry classification is as follows:

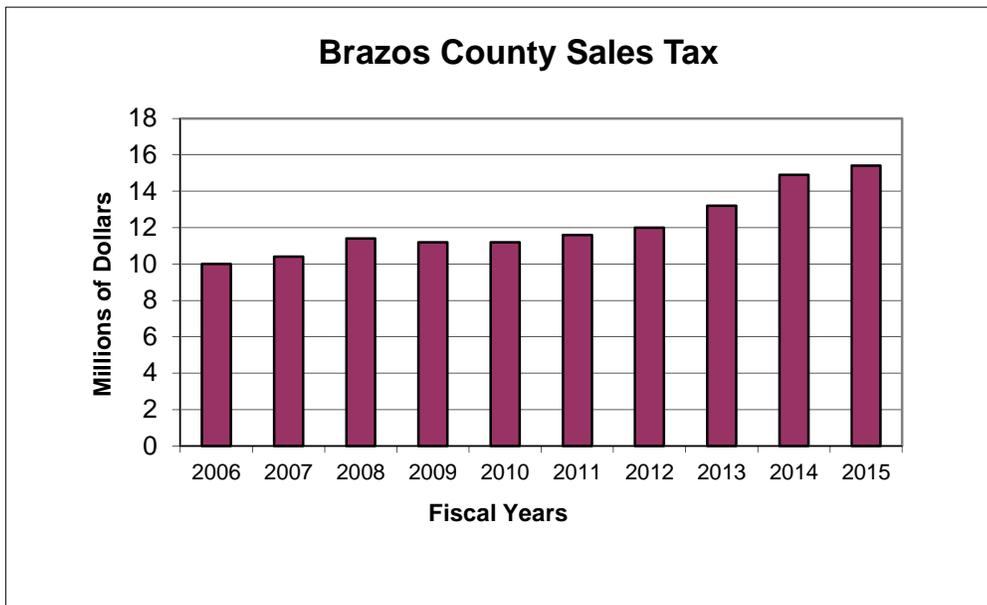
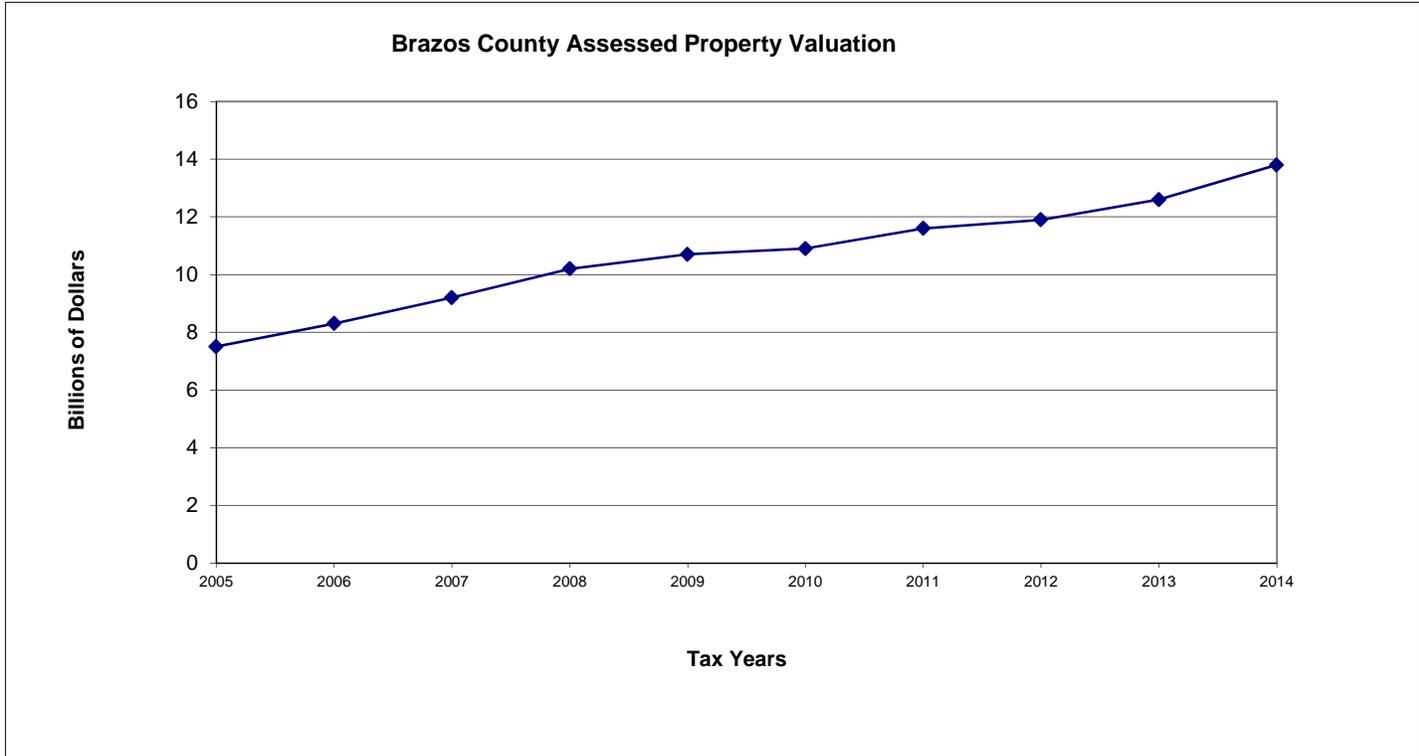
<u>Employer Group</u>	<u>Number Of Employees</u>	<u>Percentage</u>
State, Local, Federal Government	35,000	33%
Trade, Transportation and Utilities	16,800	16%
Education and Health Services	10,300	10%
Leisure and Hospitality	14,500	13%
Mining, Logging and Construction	7,400	7%
Professional and Business Services	7,300	7%
Manufacturing	6,500	6%
Financial Activities	3,900	4%
Other Services	3,600	3%
Information	1,500	1%
TOTAL	<u>106,800</u>	<u>100%</u>

Source: Texas Workforce Commission

According to the recent Employment Statistics Highlights released by the Bureau of Labor Statistics of the United States Department of Labor, US labor market conditions kept improving. From October 2014 to September 2015 the area has added approximately 1,100 non-farm jobs, and 2,000 private sector jobs, reflecting the trend.

According to the Real Estate Center at Texas A&M University, the Bryan-College Station area showed strong sales growth in its real estate market in 2015. Home sales in the area increased 7% for 2015 compared to 2014 and the average sale price for houses in this area increased about 6%.

The County's assessed property valuation for tax year 2014 increased 9.6% compared to tax year 2013. Sales tax receipts for fiscal year 2015 increased 3.0% compared to fiscal year 2014. The following charts show the changes in the two categories:



Brazos County is the home of Texas A&M University, the sixth largest university in enrollment in the United States. Opened in 1876 as Texas' first public institution of higher learning, Texas A&M University is the research-intensive flagship university with about 50,000 undergraduates and 15,000 graduate students studying in over 130 undergraduate and 260 graduate degree programs in 16 colleges and schools. The faculty and graduate students of Texas A&M University conduct about \$850 million in research expenditures. The University has an endowment valued at more than \$5 billion, which ranks fourth among U.S. public universities and 10th overall. More than 1,200 public events are hosted through the University each year. The presence of Texas A&M has consistently provided incentive for residential development and growth and offered the area some insulation from adverse economic effects.

The University's main campus is one of the largest in America, spanning 5,200 acres and has the distinction of providing space for the George Bush Presidential Library Center and the George Bush School of International Study. The Library provides a tremendous research center, and hosted in excess of 145,000 visitors in 2015. This facility, along with the 324-acre University Research Park, provides an attraction for both national and international visitors.

The University completed the redevelopment of its football stadium, Kyle Field, in September 2015. The \$483 million project is the largest collegiate athletic construction project in history to date.

In addition to the four-year program Texas A&M offers, Blinn College offers a two-year program at two locations: the main campus in Brenham and a branch location in Bryan. Both locations offer various technical certificates and associates degrees in arts and sciences. The Bryan location offers the same programs and degrees as the main campus, but also takes part in a joint collaborative effort with Texas A&M University. About 13,200 students enrolled in Blinn's Bryan campus for the fall semester of 2015.

A comprehensive community college committed to educational excellence and to individual and community enhancement, Blinn College has served its 13-county Central Texas region since 1883. Blinn ranks among the nation's leaders in transferring students to leading four-year universities and has received national recognition for affordable educational excellence. Blinn's Bryan campus adds \$247.4 million into the Brazos County economy according to a study conducted by Economic Modeling Specialists, Inc.

Brazos County is a member of the Research Valley Partnership (the RVP, www.researchvalley.org), a private, non-profit economic development corporation dedicated to promoting the seven county area surrounding Brazos County and the cities of Bryan and College Station. The RVP focuses its efforts on creating jobs and new investments primarily in the industry sectors of technology transfer/research development, information technology, life sciences and biotechnology, corporate and regional headquarters operation, value-added agricultural processing, customer support, manufacturing and logistics.

One of the key factors in the progress of the RVP has been its ability to utilize and market the large skilled workforce in the areas surrounding Texas A&M University which includes students, faculty, researchers and technological innovators and entrepreneurs. The development of the BioCorridor area has been a focus under the leadership of the Research Valley Partnership. A unique vision has emerged for biotechnology, encompassing research, preclinical studies, clinical

studies and manufacturing all in one corridor. Many of the elements are already in place: the Texas A&M Institute for Genomic Medicine, the Texas A&M Institute for Preclinical Studies, the Texas A&M Health Science Center, the National Center for Therapeutic Manufacturing and Project GreenVax all have an established presence in this area. The momentum and vision for the BioCorridor continues to grow.

Brazos County partnered with the City of Bryan to create the City of Bryan and Brazos County Economic Development Foundation, Inc. The County is looking forward to drawing quality businesses, encouraging and maintaining employment, and expanding both entities' tax base through Foundation activities. The industrial site, formed by the 1,000-acre tract of land and outfitted with infrastructure and utilities, is marketed as the Texas Triangle Park, named for its excellent geographic location. Currently, two companies, Axis Pipe and Tube and Kristen Distributing Company, are in full operation in the park.

CAPITAL IMPROVEMENT PROGRAM

In 2015, the Commissioners' Court of Brazos County continued the strategic planning program concerning capital improvements and expansion that was begun in 1996. This program focuses on meeting current and future needs of the County.

During 2015, the County continued the construction of County roads to connect major thoroughfares. The Commissioners' Court has continued to provide adequate funding so that the road and bridge improvement program to upgrade and widen rural County roads could be continued. The program has been in place since 1996 and the Commissioners' Court appropriated a public transportation budget for fiscal year 2015 to include \$11.3 million (includes personnel services, supplies and other charges, contingencies, repairs and maintenance, minor acquisitions, contract services, and professional services) for routine maintenance and \$3.9 million for improvements and upgrades. The County expended approximately \$9.2 million dollars in maintaining the roads and upgraded and reconstructed roads at a cost of over \$1.5 million dollars during the year.

The County issued \$9.7 million of certificates of obligation in October 2012 to fund the County courthouse renovation project and the new tax office building construction. The new tax office building was completed in the spring of 2015 with a total cost of \$4.3 million. The total cost of the courthouse renovation was \$13.1 million as of the end of fiscal year 2015. In October 2015, the County issued \$9.1 million Certificates of Obligation, Series 2015 through private placement to further fund the County courthouse renovation project and support the Exposition Center expansion. The estimated cost of the courthouse renovation project in 2016 is about \$9.2 million. The project has at least six phases and is expected to be completed in 2016. Once the renovation is finished, the courthouse building will provide more courtroom spaces and house three district courts, two county courts, the County Attorney's Office, the District Attorney's Office, the County Clerk's Office and the District Clerk's Office.

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

The County has adopted an investment policy as required by state law and in conformity with state investment statutes. The investment policy as adopted by the County employs the prudent person concept in that priorities were established as to the investment vehicles the County would use.

Safety was established as the first priority, followed by liquidity, low risk and diversification. The County Treasurer is responsible for administering all of the investment of idle funds in the County. At September 30, 2015, the County had cash and cash equivalents of \$75.9 million in governmental and business-type activities, the majority of which was invested in the County's depository. For the last several years, the County's depository has provided better interest rates than comparable liquid investments. At September 30, 2015, the County also had \$2.4 million invested in a state wide investment pool. During the fiscal year, the County earned approximately \$205,000 interest.

Debt administration is monitored through the Debt Service Fund. The County has never defaulted on the payment of principal or interest on its bonds or certificates of obligation. At September 30, 2015, the County had been assigned a bond rating of AA by Standard & Poor's Rating Service. In compliance with the requirements of the bond order and certificates of obligation agreements, the County maintains separate accountability. The tax rate set each year is calculated to provide sufficient funding to meet current year obligations. At September 30, 2015, the County has \$5.8 million reserved in the Debt Service Fund to meet future obligations.

The County is responsible for establishing its tax rate. For the fiscal year ended September 30, 2015, the tax rate to finance general governmental services was \$0.4266 per \$100 valuation and the tax rate for the payment of principal and interest on long-term debt was \$0.0624 per \$100 of valuation. For the fiscal year ended September 30, 2016, the tax rate to finance general government services is \$0.4247 per \$100 valuation and the tax rate for the payment of principal and interest on long-term debt is \$0.0603 per \$100 of valuation.

In addition, the County also has the following financial policies:

- The Commissioners' Court of the County shall review and formally adopt the annual budget prepared by the Budget Officer.
- Expenditures are controlled to not exceed available resources. All elected officials and department heads are required to keep expenditures within allocated budgets.
- Balanced financial operations will be maintained. Adequate internal accounting controls are developed and maintained to safeguard assets and provide reasonable assurance of proper recording of financial transactions.
- Technological solutions are used to improve operations.
- Provide an equitable justice system that is responsive to the needs of the County. The County continues its effort on the replacement of the current judicial software.
- Delivery of service to the constituents.
- Take advantage of the low market price on construction work to satisfy the County's needs on capital improvements and expansion.
- Restrain the debt issuance to keep the tax rate low.
- Maintain full disclosure and open lines of communication with the rating agencies and seek to obtain a high debt rating with a stable outlook.

Significant budget initiatives in fiscal year 2015 included:

- The County added 32 full-time positions, eliminated 20 part-time positions, and approved a 3% cost-of-living adjustment.
- The County acquired a visual visitation system for inmates to allow them to be able to visit with families, attorneys, and probation officers via video link. The funding came from

various sources, including the remaining funds of the 2008 general obligation bonds, transfers from the inmate jail commissary fund, and capital improvement fund.

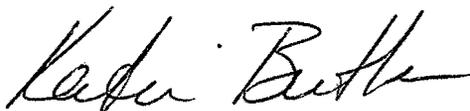
- The County started the development of its judicial system software funded by the capital improvement fund. The estimated cost of the software is about \$4.0 million.
- The County continued the courthouse renovation project and completed construction of the new tax office building with funding from the capital improvement fund and the debt issuance of Certificates of Obligation, Series 2012.

CERTIFICATE OF ACHIEVEMENT

This report has been prepared following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. The GFOA awards a certificate of achievement to those governments whose annual financial reports are judged to conform substantially to high standards of public financial reporting, including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The County has been awarded the Certificate of Achievement for its annual financial report since 1988. The report has historically presented the financial information of the County in an easily readable and efficient manner. A Certificate of Achievement is valid for one year. This office believes that the current year report continues to meet the program standards, and it will be submitted to the GFOA to determine County eligibility for another certificate.

We wish to express our thanks to the Commissioners' Court and the District Judges for their support and interest in planning and conducting the financial affairs of the County in a responsible and professional manner. This report could not have been completed in a timely manner without the dedicated efforts of all County elected officials, the Commissioners' Court, the County Auditor's staff, and the independent auditors, Ingram, Wallis & Company, P. C.

Respectfully submitted,



Katie Butler
County Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Brazos County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

BRAZOS COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2015

Commissioners' Court:

Duane Peters	County Judge
Lloyd Wassermann	Commissioner, Precinct 1
Sammy Catalena	Commissioner, Precinct 2
G. Kenny Mallard, Jr.	Commissioner, Precinct 3
Irma Cauley	Commissioner, Precinct 4

District Court:

Kyle Hawthorne	Judge, 85th Judicial District
Travis Bryan, III	Judge, 272nd Judicial District
Steve Smith	Judge, 361st Judicial District

County Court-at-Law:

Amanda Matzke	Judge, County Court-at-Law No. 1
James Locke	Judge, County Court-at-Law No. 2

Law Enforcement and Correction:

Christopher C. Kirk	Sheriff
Rodney Anderson	County Attorney
Jarvis Parsons	District Attorney
Doug Vance *	Chief Juvenile Probation Officer
Jennifer Goerig *	Chief Adult Probation Officer

Financial Administration:

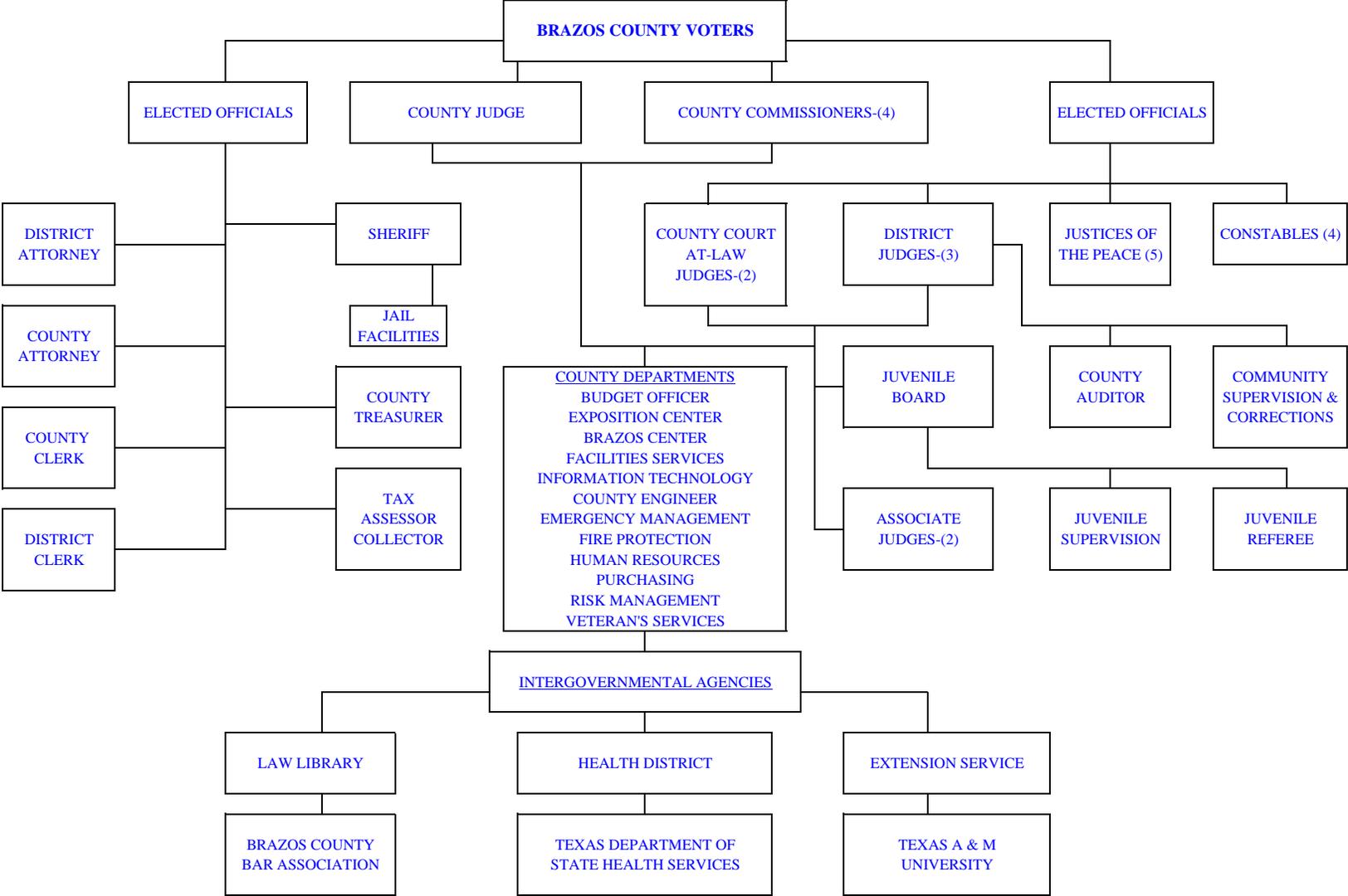
Laura Davis	Treasurer
Kristeen Roe	Tax Assessor-Collector
Katie Butler *	Auditor

Recording Offices:

Karen McQueen	County Clerk
Marc Hamlin	District Clerk

* Designates appointed officials. All others listed are elected officials.

BRAZOS COUNTY ORGANIZATIONAL CHART



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Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Duane Peters, County Judge
and the Honorable County Commissioners
of Brazos County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brazos County, Texas (the "County"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1-S to the financial statements, in fiscal year 2015, the County adopted new accounting guidance related to the accounting for pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan information, other post-employment benefits information, infrastructure condition data, and budgetary comparison information on pages 16 through 27 and 77 through 96 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. 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 schedule of expenditures of federal and state 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 the *State of Texas Single Audit Circular*, issued by the Office of the Governor of the State, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Bryan, Texas
March 10, 2016

A handwritten signature in cursive script that reads "Ingram, Wallis, Company". The signature is written in dark ink and is positioned to the right of the typed text.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

For the Year Ending September 30, 2015

This section of the Brazos County comprehensive annual financial report presents management's discussion and analysis ("MD&A") of the financial performance of the primary government during the fiscal year ended September 30, 2015. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

- The total government-wide assets (and deferred outflows of resources) of the County exceeded the liabilities (and deferred inflows of resources) by \$164,269,688 at September 30, 2015, and are reported as the total net position of the primary government. This is comparable to the total net position of \$150,571,753 at September 30, 2014.
- The government-wide total net position increased \$13,697,935 during the fiscal year ending September 30, 2015. The net position from the governmental activities increased \$13,595,805 while the net position from business-type activities increased \$102,130.
- Total net position of the primary government are comprised of the following:

<u>Net Position by Category</u>	<u>September 30, 2015</u>	<u>% to Total</u>	<u>September 30, 2014</u>	<u>% to Total</u>
Net Investment in Capital Assets	\$ 148,550,767	90%	\$ 135,595,244	90%
Restricted	11,485,488	7%	15,302,060	10%
Unrestricted	4,233,433	3%	(325,551)	0%
Total Net Position	<u>\$ 164,269,688</u>	<u>100%</u>	<u>\$ 150,571,753</u>	<u>100%</u>

Fund Financial Statements

- As of September 30, 2015, the County governmental funds reported combined fund balances of \$67,875,587. This reflects an increase of \$3,250,926 from the previous fiscal year, primarily due to more tax revenue collected for the year. \$39,747,932 or 59% of the combined fund balances at September 30, 2015 are available to meet the County's current and future needs (unassigned fund balances).
- At the end of the fiscal year, the unassigned fund balance of the County's General Fund was \$39,747,932 or 55% of the General Fund's total expenditures and 46% of the revenues.
- The total fund balance for the nonmajor governmental funds was \$5,299,678 at September 30, 2015. Of this amount, \$5,239,079 is restricted by the legislature, \$46,091 is restricted by bond covenant, and \$14,508 is nonspendable.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements. The report also contains other supplementary information and statistical data.

Government-Wide Financial Statements – These are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business. They include a Statement of Net Position and a Statement of Activities. Both of these statements are presented using the accrual method of accounting; therefore, revenues and expenses are taken into account regardless of when cash is received or paid.

The statement of net position presents information on all County assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. However, other non-financial factors, such as changes in the County's property tax base and the condition of the County's roads, should be considered to assess the overall health of the County.

The statement of activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement may result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, justice system, law enforcement, juvenile services, public transportation, public health and human services. The business-type activities of the County include the business-type operations of the County Attorney and the Jail Commissary.

Fund Financial Statements – Funds are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 30 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Debt Service, and Capital Improvement funds, which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining schedules elsewhere in this report.

Proprietary Funds are maintained two ways. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the county attorney administration of the returned check activities and the jail commissary activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its administration of the County's self-insurance programs for health services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County's only fiduciary funds are agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 42-76 of this report.

Required Supplementary Information is presented concerning the County's General Fund budgetary schedule. The schedule, which includes the original and final amended budget and actual figures, has been provided to demonstrate compliance with this budget. Also presented in this section are the OPEB Schedule of Funding Progress and the pension related schedules required by GASB 68. The condition assessment information for county roads and bridges can also be found in this section. Required supplementary information can be found on pages 77-96 of this report.

Combining and Individual Fund Schedules provide information for nonmajor governmental funds, internal service funds and agency funds and are presented immediately following the required supplementary information. The combining/individual fund statements and schedules including budgetary comparison can be found on pages 97-147 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. The total net position of the County was \$164,269,688 for fiscal year 2015 and \$150,571,753 for fiscal year 2014.

Condensed Statement of Net Position September 30, 2015

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Current and other assets	\$ 87,338,435	\$ 620,145	\$ 87,958,580
Capital assets, net	233,120,851	27,547	233,148,398
Total assets	<u>320,459,286</u>	<u>647,692</u>	<u>321,106,978</u>
Deferred outflows of resources	6,020,188	8,767	6,028,955
Total deferred outflows of resources	<u>6,020,188</u>	<u>8,767</u>	<u>6,028,955</u>
Current and other liabilities	14,046,475	18,527	14,065,002
Long-term liabilities	148,301,439	92,466	148,393,905
Total liabilities	<u>162,347,914</u>	<u>110,993</u>	<u>162,458,907</u>
Deferred inflows of resources	406,640	698	407,338
Total deferred inflows of resources	<u>406,640</u>	<u>698</u>	<u>407,338</u>
Net position:			
Net investment in capital assets	148,523,220	27,547	148,550,767
Restricted	11,485,488	-	11,485,488
Unrestricted	3,716,212	517,221	4,233,433
Total net position	<u>\$ 163,724,920</u>	<u>\$ 544,768</u>	<u>\$ 164,269,688</u>

Condensed Statement of Net Position September 30, 2014

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Current and other assets	\$ 85,833,165	\$ 497,701	\$ 86,330,866
Capital assets, net	222,364,724	39,176	222,403,900
Total assets	<u>308,197,889</u>	<u>536,877</u>	<u>308,734,766</u>
Deferred outflows of resources	4,280,792	5,575	4,286,367
Total deferred outflows of resources	<u>4,280,792</u>	<u>5,575</u>	<u>4,286,367</u>
Current and other liabilities	14,873,541	16,465	14,890,006
Long-term liabilities	147,534,534	83,349	147,617,883
Total liabilities	<u>162,408,075</u>	<u>99,814</u>	<u>162,507,889</u>
Net position:			
Net investment in capital assets	135,556,068	39,176	135,595,244
Restricted	15,302,060	-	15,302,060
Unrestricted	(729,013)	403,462	(325,551)
Total net position, as restated	<u>\$ 150,129,115</u>	<u>\$ 442,638</u>	<u>\$ 150,571,753</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The largest portion of the County's current fiscal year net position (90%) reflects its investment of \$148,550,767 in capital assets (e.g., land, buildings, equipment, and infrastructure, net of accumulated depreciation), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

The restricted net position of \$11,485,488 (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position, \$4,233,433 (3%) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the County was able to report positive balances in all three categories of net position for its governmental and business-type activities. The prior fiscal year's unrestricted net position was restated from a positive balance to a negative balance as the result of the implementation of GASB Statement 68 and 71. The County's net position increased by \$13,697,935 as a result of fiscal year 2015 operations. It is primarily attributable to the increase in various tax collections.

The following table indicates changes in net position for governmental and business-type activities:

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 15,509,718	\$ 732,170	\$ 16,241,888
Operating grants and contributions	2,810,784	-	2,810,784
Capital grants and contributions	2,516,041	-	2,516,041
General revenues:			
Property taxes	65,242,899	-	65,242,899
Sales taxes	15,351,017	-	15,351,017
Motor vehicle taxes	1,644,229	-	1,644,229
Mixed drink taxes	966,894	-	966,894
Hotel occupancy taxes	2,612,474	-	2,612,474
Unrestricted investment earnings	204,186	1,120	205,306
Total revenues	<u>106,858,242</u>	<u>733,290</u>	<u>107,591,532</u>
Expenses:			
General Government	23,815,316	-	23,815,316
Justice System	18,957,600	8,391	18,965,991
Law Enforcement	23,565,577	622,769	24,188,346
Juvenile Services	6,776,468	-	6,776,468
Public Transportation	9,063,760	-	9,063,760
Public Health	1,501,080	-	1,501,080
Human Services	6,018,603	-	6,018,603
Interest and Other Fees	3,564,033	-	3,564,033
Total expenses	<u>93,262,437</u>	<u>631,160</u>	<u>93,893,597</u>
Change in net position	13,595,805	102,130	13,697,935
Net position - beginning, as restated	<u>150,129,115</u>	<u>442,638</u>	<u>150,571,753</u>
Net position - ending	<u>\$ 163,724,920</u>	<u>\$ 544,768</u>	<u>\$ 164,269,688</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Condensed Statement of Activities For the Year Ended September 30, 2014

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 15,647,235	\$ 743,996	\$ 16,391,231
Operating grants and contributions	2,768,837	-	2,768,837
Capital grants and contributions	3,382,238	-	3,382,238
General revenues:			
Property taxes	60,333,777	-	60,333,777
Sales taxes	14,900,374	-	14,900,374
Motor vehicle taxes	1,519,577	-	1,519,577
Mixed drink taxes	532,822	-	532,822
Hotel occupancy taxes	2,441,385	-	2,441,385
Unrestricted investment earnings	209,089	1,055	210,144
Gain on sale of capital assets	34,889	-	34,889
Total revenues	101,770,223	745,051	102,515,274
Expenses:			
General Government	22,017,696	-	22,017,696
Justice System	21,308,471	18,378	21,326,849
Law Enforcement	22,530,372	624,465	23,154,837
Juvenile Services	6,022,762	-	6,022,762
Public Transportation	8,831,911	-	8,831,911
Public Health	1,756,849	-	1,756,849
Human Services	5,993,599	-	5,993,599
Interest and Other Fees	3,501,978	-	3,501,978
Total expenses	91,963,638	642,843	92,606,481
Increase in net position before transfers	9,806,585	102,208	9,908,793
Transfers	100,000	(100,000)	-
Change in net position	9,906,585	2,208	9,908,793
Net position - beginning	151,390,326	518,204	151,908,530
Prior period adjustment - GASB 45	58,509	(58,509)	-
Impact of change in accounting principle	(11,226,305)	(19,265)	(11,245,570)
Net position - ending	\$ 150,129,115	\$ 442,638	\$ 150,571,753

Revenue Analysis

For fiscal year ended September 30, 2015, revenues for the primary government totaled \$107,591,532. The revenues are categorized by activity type: governmental activities totaled \$106,858,242 and business-type activities totaled \$733,290.

Program revenues are derived from the program itself and thereby reduce the cost of the function to the County. Total program revenues were \$21,568,713 and 20% of total revenues. Of that \$20,836,543 is from governmental activities, which represents the fees collected by the tax collector, the clerks of the courts and other departments. The business-type charges for services were \$732,170, which represents primarily commissary sales to the inmates held in County jails. The largest portion of program revenues is charges for services of \$16,241,888 (15% of the total revenues). The other portions of program revenues are operating grants and contributions of \$2,810,784 and \$2,516,041 capital contributions from various federal, state and local agencies, which in total are 5% of the total revenues.

General revenues are revenues that cannot be assigned to a specific function. Property taxes of \$65,242,899 were the largest revenue source for governmental activities and 61% of total revenues. Besides the property taxes, the general revenues also consist of sales taxes, motor vehicle taxes, mixed drink taxes, hotel occupancy taxes and investment earnings, which in total are \$20,779,920 or 19% of the total revenues.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Revenue Analysis (Continued)

	<u>Year Ended</u> <u>September 30, 2015</u>		<u>Year Ended</u> <u>September 30, 2014</u>	
<u>Program Revenues</u>				
Charges for services - governmental	\$ 15,509,718	14.4%	\$ 15,647,235	15.2%
Charges for services - business-type	732,170	0.7%	743,996	0.7%
Operating grants and contributions	2,810,784	2.6%	2,768,837	2.7%
Capital grants and contributions	2,516,041	2.3%	3,382,238	3.3%
<u>General Revenues</u>				
Property taxes	65,242,899	60.7%	60,333,777	58.9%
Sales taxes	15,351,017	14.3%	14,900,374	14.5%
Motor vehicle taxes	1,644,229	1.5%	1,519,577	1.5%
Mixed drink taxes	966,894	0.9%	532,822	0.5%
Hotel occupancy taxes	2,612,474	2.4%	2,441,385	2.4%
Unrestricted investment earnings	205,306	0.2%	210,144	0.2%
Gain on sale of capital assets	-	0.0%	34,889	0.1%
Total Revenues	\$ 107,591,532	100.0%	\$ 102,515,274	100.0%

In fiscal year 2015, the County's revenues increased by \$5.1 million, or 4.9 percent as a result of a higher collection in property tax and sales tax. The property tax revenue for fiscal year 2015 increased \$4.9 million from fiscal year 2014 in correlation to the increase in the County's taxable assessed property values. The sales tax increased by \$0.5 million from the previous year.

Expense Analysis

For the year ended September 30, 2015, the function and program expenses for the primary government were \$93,262,437 for the governmental activities and \$631,160 for the business-type activities. A comparative overview of expenses for the County's primary government for the current and previous year is as follows:

	<u>Year Ended</u> <u>September 30, 2015</u>		<u>Year Ended</u> <u>September 30, 2014</u>	
<u>Function</u>				
General Government	\$23,815,316	25.5%	\$ 22,017,696	23.9%
Justice System	18,957,600	20.3%	21,308,471	23.2%
Law Enforcement	23,565,577	25.3%	22,530,372	24.5%
Juvenile Services	6,776,468	7.3%	6,022,762	6.6%
Public Transportation	9,063,760	9.7%	8,831,911	9.6%
Public Health	1,501,080	1.6%	1,756,849	1.9%
Human Services	6,018,603	6.5%	5,993,599	6.5%
Interest and Other Fees	3,564,033	3.8%	3,501,978	3.8%
Total Governmental Activities	\$93,262,437	100.0%	\$ 91,963,638	100.0%
<u>Business-Type Activities</u>				
County Attorney Operating Fund	\$ 8,391	1.3%	\$ 18,378	2.9%
Jail Commissary Fund	622,769	98.7%	624,465	97.1%
Total Business-Type Activities	\$ 631,160	100.0%	\$ 642,843	100.0%

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Expense Analysis (Continued)

In fiscal year 2015, the County's expenses increased \$1.3 million or 1.4 percent from the prior year. The key elements of the increase are as follows:

- Employee salaries and wages increased \$1.9 million due to more positions added and a 3% cost-of-living adjustment made to the employees during 2015.
- Employee benefits increased \$3.1 million due to the salary base increase, contribution rate hike of the County's health insurance, and accrued OPEB obligations during 2015.
- The operating expenses, including supplies and other charges, repairs and maintenance, minor acquisition, contract services, professional services, and community support, increased \$0.5 million during the year.
- The County's investment in joint venture experienced a gain during fiscal year 2015, while a loss of \$1.7 million was reported in fiscal year 2014.
- Expense associated with loss on retirement of capital assets was \$0.2 million in fiscal year 2015, while an impairment loss of \$2.8 million was reported in fiscal year 2014.

FINANCIAL ANALYSIS OF MAJOR FUNDS

The County's major general governmental functions are contained in the General, Special Revenue, Debt Service, and Capital Project Funds. At September 30, 2015, the County's governmental funds reported combined fund balances of \$67,875,587, an increase of \$3,250,926 or 5% in comparison with the prior year. The change was primarily due to the increase in the tax collections. Of the combined fund balance, \$1,446,748 (2%) were nonspendable for prepaids and inventory, \$11,485,488 (17%) were restricted to various purposes by external restrictions imposed, \$469,028 (1%) were committed to the Health Endowment Fund, \$14,726,391 (22%) were assigned to the County's capital improvement plans and other programs as directed by the Commissioners' Court, and \$39,747,932 (58%) constitutes unassigned fund balance, which is available to meet the County's current and future needs without any restrictions.

General Fund

The General Fund is the chief operating fund of the County. At September 30, 2015, the General Fund reported a net fund balance of \$43,032,481, a decrease of \$313,788 from fiscal year 2014 primarily as a result of the fact that the more funds were transferred out of General Fund to support the County's various capital improvement projects in fiscal year 2015.

Debt Service Fund

The Debt Service Fund is used to account for receipts and disbursements of funds relating to the County's long-term bonded debt obligations. At the end of fiscal year 2015, the fund balance decreased \$320,010 or 5% from fiscal year 2014 due to the following factors:

- The funds transferred from the County's Hotel Occupancy Tax Fund were the minimum required to meet the debt service requirements for the Certificates of Obligation, Series 2009 in 2015.
- Less tax revenue was collected during the year as a result of a lower I&S (Interest & Sinking) tax rate being adopted.

FINANCIAL ANALYSIS OF MAJOR FUNDS (Continued)

Debt Service Fund (Continued)

For fiscal year 2016, the County's debt service requirements for the governmental activities are \$6,115,000 in principal and \$3,457,974 in interest. Additional information is available to the readers in Note 9 (Long-Term Debt) to the Financial Statements.

Capital Improvement Fund

The Capital Improvement Fund is established to provide accountability for the construction and acquisition of specific capital assets to support departmental needs, and to replace existing capital assets as needed. The resources of the Fund have mainly been provided by transfers from the General Fund. The funds transferred to the Capital Improvement Fund increased by 353% and the fund balance of the Capital Improvement increased \$7,358,409 in fiscal year 2015.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County adopts an annual budget for the General Fund. Budget amounts represent the original budget for 2015 as subsequently amended by the Commissioners' Court. Budgets are adopted on a basis consistent with GAAP (modified accrual basis). Budget variances are not expected to impact future services or liquidity.

The following table summarizes General Fund budgeted and actual amounts for fiscal year 2015:

Brazos County, Texas			
FY 2015 General Fund Budget Vs. Actual Amounts - GAAP Basis			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>Revenues and Other Financing Sources</u>			
Taxes	\$ 70,765,000	\$ 70,765,000	\$ 72,934,928
Charges for Services	11,229,850	11,229,850	11,682,640
Intergovernmental	919,600	919,921	1,285,839
Interest	151,900	151,900	160,983
Other	486,600	652,423	949,010
Capital Leases	-	-	475,100
Sale of Capital Assets	-	-	148,560
Total	<u>83,552,950</u>	<u>83,719,094</u>	<u>87,637,060</u>
<u>Expenditures and Other Financing Uses</u>			
Expenditures	85,247,994	84,954,586	72,862,140
Transfers Out	14,745,222	15,204,774	15,088,708
Total	<u>99,993,216</u>	<u>100,159,360</u>	<u>87,950,848</u>
Net Change in Fund Balance	<u>\$ (16,440,266)</u>	<u>\$ (16,440,266)</u>	<u>\$ (313,788)</u>

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Differences between the original budget and the final amended budget reflected an increase of \$166,144 in available resources and the same amount of increase in appropriations.

Actual revenues and transfers increased by \$3,917,966 (4.7%) over the final budget mainly due to the better collection rate in all revenue categories. Actual expenditures and transfers out were \$12,208,514 (12.2%) under the final budget as a result of the restrained spending of the County.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the County are those assets (land, right-of-way, buildings, improvements, roads, bridges, machinery, and equipment) which are used by the County in performance of the County's functions. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2015 amounted to \$233,148,399 (net of accumulated depreciation) and at September 30, 2014 it was \$222,403,900. Depreciation on capital assets is recognized in the government-wide financial statements. Depreciation provided for the current fiscal period was \$5,181,508 as compared to \$5,126,530 for the year ended September 30, 2014.

Major capital asset events during the current fiscal year included the following:

- The County completed the new tax building project and continued the courthouse renovation project during fiscal year 2015. The total cost spent on all these projects for the year was \$5.2 million.
- The County started the justice software system development during 2015 and the total cost for the year was \$1.5 million.
- The County's infrastructure and land (right-of-way) increased by about \$5.7 million during the current fiscal year. \$1.0 million of the increase is related to the acceptance of subdivision roads for maintenance.
- The County acquired approximately \$2.7 million and disposed of approximately \$0.8 million in intangible assets and machinery and equipment in fiscal year 2015.
- The County started or completed several minor capital improvement projects with costs of \$1.2 million during the year. The projects include the construction of the fleet maintenance building, the citizen's collection site, the new office building for Justice of the Peace, Precinct 1 and Constable Precinct 1, the building renovation for the Election Administration Department and the Medical Clinic, etc.

The County has elected to use the "Modified Approach" as defined by GASB 34 for reporting infrastructure assets, which include 472 miles of roads and 69 bridges. The County has adopted a minimum condition level of 80% for all County roads. In fiscal year 2015 approximately 90% of the County roads meet the targeted condition level. For the year ended September 30, 2015, the actual amounts of expense incurred for the annual maintenance and preservation of the roads and bridges at the targeted condition level was \$9.2 million and the amount estimated to be necessary for the purpose was \$11.3 million. The \$2.1 million variance was mainly due to the Department's contingency budget, the delays in the road preparation and weather delays.

The following table provides a comparative overview of the County's capital assets for the current and previous year. For further information regarding capital assets, see Note 6 to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

	Balance	Balance
	September 30, 2015	September 30, 2014
<u>Governmental Activities:</u>		
Land	\$ 23,157,422	\$ 22,570,408
Construction in progress	21,529,423	16,314,696
Infrastructure	75,154,348	72,516,623
Buildings	130,344,640	126,040,198
Improvements other than buildings	10,067,433	9,726,097
Intangible assets - computer software	3,208,502	2,918,865
Machinery and equipment	22,330,178	20,556,576
	285,791,946	270,643,463
Less: Accumulated depreciation	(52,671,095)	(48,278,739)
Governmental activities capital assets, net	\$ 233,120,851	\$ 222,364,724
 <u>Business-type activities:</u>		
Machinery and equipment	\$ 93,836	\$ 93,836
	93,836	93,836
Less: Accumulated depreciation	(66,289)	(54,660)
Business-type activities capital assets, net	\$ 27,547	\$ 39,176

Debt Administration

At September 30, 2015, the County had total long-term debt outstanding of \$82,990,000 as compared to \$88,720,000 in the prior year. The decrease of \$5,730,000 (6%) relates to the debt principal paid during the year.

Refer to Note 9 in the Notes to the Basic Financial Statements for a detailed breakdown of long-term debt owed by the County. County officials, citizens and investors will find the ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita as useful indicators of the County's debt position. These are shown in the statistical section of this report.

ECONOMIC FACTORS

The Commissioners' Court adopted the fiscal year 2016 budget on September 8, 2015. Like most governmental agencies across the country, Brazos County continues to feel the effects of the national economic downturn. Economic forecasts continue to indicate a fragile recovery. While the local economy shows signs of stabilization, the fiscal year 2016 budget was prepared in a conservative manner with an emphasis on maintaining current service levels and rebuilding reserves. The budget was adopted based on anticipated resources and estimated uses in fiscal year 2016. The total resources of the County's General Fund are estimated to be \$102,800,000 including the appropriated fund balance of \$14,200,000.

The property tax rate for fiscal year 2016 is \$0.4850 per \$100 valuation, which remains the same as for fiscal year 2015. For the past three years, the County has maintained an estimated collection rate of 98% on property taxes.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 200 S. Texas Avenue, Suite 218, Bryan, Texas, 77803.



BASIC FINANCIAL STATEMENTS

BRAZOS COUNTY, TEXAS
STATEMENT OF NET POSITION
September 30, 2015

	Governmental Activities	Business-Type Activities	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 69,565,764	\$ 516,836	\$ 70,082,600
Investments	2,352,943	-	2,352,943
Prepaid Expenses	634,272	-	634,272
Receivables, net of allowance for uncollectible amounts of \$13,630,121			
Taxes	4,517,147	-	4,517,147
Accounts and Other	2,900,102	145	2,900,247
Inventories	812,476	47,105	859,581
Internal Balances	(56,059)	56,059	-
Restricted Assets			
Cash and Cash Equivalents	5,830,995	-	5,830,995
Receivables, net of allowance for uncollectible amounts of \$87,650			
Taxes	466,518	-	466,518
Accounts and Other	2,683	-	2,683
Joint Venture	311,594	-	311,594
Capital Assets (net of accumulated depreciation)			
Land	23,157,422	-	23,157,422
Buildings	97,664,382	-	97,664,382
Improvements Other than Buildings	5,459,959	-	5,459,959
Intangible Assets - Computer Software	304,019	-	304,019
Machinery and Equipment	9,851,298	27,547	9,878,845
Infrastructure	75,154,348	-	75,154,348
Construction in Progress	21,529,423	-	21,529,423
TOTAL ASSETS	320,459,286	647,692	321,106,978
DEFERRED OUTFLOWS OF RESOURCES			
Difference Between Projected and Actual Earnings on Pension Plan	1,606,951	2,758	1,609,709
Change in Pension Allocated Share	86,222	148	86,370
Pension Contributions After the Measurement Date	3,415,334	5,861	3,421,195
Deferred Charges - Refunding	911,681	-	911,681
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 6,020,188	\$ 8,767	\$ 6,028,955

The accompanying notes to the financial statements are an integral part of this statement.

BRAZOS COUNTY, TEXAS
STATEMENT OF NET POSITION - Continued
September 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>TOTAL</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 8,663,481	\$ 12,342	\$ 8,675,823
Accrued Salaries and Wages	2,428,233	4,440	2,432,673
Accrued Interest Payable	305,376	-	305,376
Unclaimed Funds	193,531	-	193,531
Unearned Revenue	1,316,671	-	1,316,671
Liabilities for Compensated Absences	1,139,183	1,745	1,140,928
Noncurrent Liabilities			
Due within one year	6,379,974	-	6,379,974
Due in more than one year	141,921,465	92,466	142,013,931
TOTAL LIABILITIES	<u>162,347,914</u>	<u>110,993</u>	<u>162,458,907</u>
DEFERRED INFLOWS OF RESOURCES			
Differences Between Expected and Actual Pension Experience	406,640	698	407,338
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>406,640</u>	<u>698</u>	<u>407,338</u>
NET POSITION			
Net Investment in Capital Assets	148,523,220	27,547	148,550,767
Restricted for:			
Debt Service	5,840,178	-	5,840,178
Capital Projects	46,091	-	46,091
Legislative	5,599,219	-	5,599,219
Unrestricted	3,716,212	517,221	4,233,433
TOTAL NET POSITION	<u>\$ 163,724,920</u>	<u>\$ 544,768</u>	<u>\$ 164,269,688</u>

BRAZOS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental Activities:			
General Government	\$ 23,815,316	\$ 4,625,773	\$ 6,080
Justice System	18,957,600	6,861,890	548,180
Law Enforcement	23,565,577	1,055,354	118,864
Juvenile Services	6,776,468	50,739	1,345,059
Public Transportation	9,063,760	1,507,870	340,822
Public Health	1,501,080	36,554	67,357
Human Services	6,018,603	1,371,538	384,422
Interest and Other Fees	3,564,033	-	-
Total Governmental Activities	<u>93,262,437</u>	<u>15,509,718</u>	<u>2,810,784</u>
Business-Type Activities:			
County Attorney Operating Fund	8,391	11,217	-
Jail Commissary Fund	622,769	720,953	-
Total Business-Type Activities	<u>631,160</u>	<u>732,170</u>	<u>-</u>
Total Government	<u>\$ 93,893,597</u>	<u>\$ 16,241,888</u>	<u>\$ 2,810,784</u>

General revenues:

Taxes:

Property taxes

Sales taxes

Motor vehicle taxes

Mixed drink taxes

Hotel occupancy taxes

Unrestricted investment earnings

Total general revenues

Change in net position

Net position - beginning, as restated

Net position - ending

The accompanying notes to the financial statements are an integral part of this statement.

<u>Program Revenues</u> <u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Net (Expense) Revenue and</u> <u>Changes in Net Position</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business - Type</u> <u>Activities</u>	<u>Total</u>
\$ -	\$ (19,183,463)	\$ -	\$ (19,183,463)
-	(11,547,530)	-	(11,547,530)
-	(22,391,359)	-	(22,391,359)
-	(5,380,670)	-	(5,380,670)
2,516,041	(4,699,027)	-	(4,699,027)
-	(1,397,169)	-	(1,397,169)
-	(4,262,643)	-	(4,262,643)
-	(3,564,033)	-	(3,564,033)
<u>2,516,041</u>	<u>(72,425,894)</u>	<u>-</u>	<u>(72,425,894)</u>
-	-	2,826	2,826
-	-	98,184	98,184
<u>-</u>	<u>-</u>	<u>101,010</u>	<u>101,010</u>
<u>\$ 2,516,041</u>	<u>(72,425,894)</u>	<u>101,010</u>	<u>(72,324,884)</u>
	65,242,899	-	65,242,899
	15,351,017	-	15,351,017
	1,644,229	-	1,644,229
	966,894	-	966,894
	2,612,474	-	2,612,474
	204,186	1,120	205,306
	<u>86,021,699</u>	<u>1,120</u>	<u>86,022,819</u>
	13,595,805	102,130	13,697,935
	<u>150,129,115</u>	<u>442,638</u>	<u>150,571,753</u>
	<u>\$ 163,724,920</u>	<u>\$ 544,768</u>	<u>\$ 164,269,688</u>

**BRAZOS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2015**

	Major Funds	
	General	Debt Service
ASSETS		
Cash and Cash Equivalents	\$ 45,450,055	\$ 5,830,995
Investments	2,352,943	-
Prepaid Expenditures	619,764	-
Receivables		
Taxes, net	4,223,674	466,518
Officials	65,020	1,494
Interest	11,750	1,189
Accounts, net	1,684,498	-
State	416,748	-
Federal	44,719	-
Due from Other Funds	-	-
Inventories	812,476	-
TOTAL ASSETS	\$ 55,681,647	\$ 6,300,196
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 6,251,910	\$ -
Accrued Salaries and Wages	2,305,602	-
Unclaimed Funds	-	-
Due To Other Funds	56,089	-
Unearned Revenues	80,157	-
Total Liabilities	8,693,758	-
Deferred Inflows of Resources		
Unavailable Revenues	3,955,408	460,018
Total Deferred Inflows of Resources	3,955,408	460,018
Fund Balances		
Nonspendable	1,432,240	-
Restricted	360,140	5,840,178
Committed	469,028	-
Assigned	1,023,141	-
Unassigned	39,747,932	-
Total Fund Balances	43,032,481	5,840,178
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 55,681,647	\$ 6,300,196

The accompanying notes to the financial statements are an integral part of this statement.

<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 14,469,276	\$ 6,743,951	\$ 72,494,277
-	-	2,352,943
-	14,508	634,272
-	293,473	4,983,665
-	-	66,514
-	1,259	14,198
-	133,864	1,818,362
-	-	416,748
-	-	44,719
-	30	30
-	-	812,476
<u>\$ 14,469,276</u>	<u>\$ 7,187,085</u>	<u>\$ 83,638,204</u>
\$ 766,026	\$ 356,352	\$ 7,374,288
-	115,909	2,421,511
-	193,531	193,531
-	-	56,089
-	1,221,615	1,301,772
<u>766,026</u>	<u>1,887,407</u>	<u>11,347,191</u>
-	-	4,415,426
<u>-</u>	<u>-</u>	<u>4,415,426</u>
-	14,508	1,446,748
-	5,285,170	11,485,488
-	-	469,028
13,703,250	-	14,726,391
-	-	39,747,932
<u>13,703,250</u>	<u>5,299,678</u>	<u>67,875,587</u>
<u>\$ 14,469,276</u>	<u>\$ 7,187,085</u>	<u>\$ 83,638,204</u>

BRAZOS COUNTY, TEXAS
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2015

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$	67,875,587
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		233,078,795
Deferred outflows of resources represent a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources until then. Deferred outflows of resources are not reported in the governmental funds:		
Difference Between Projected and Actual Earnings on Pension Plan	1,606,478	
Change in Pension Allocated Share	86,197	
Pension Contributions After the Measurement Date	3,414,330	
Deferred Charges - Refunding	911,681	
		6,018,686
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		4,415,426
Internal service funds are used by the County's management for self insurance. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the funds are included with governmental activities in the Statement of Net Position but are not included at the fund level.		2,172,842
The County's equity interest in a joint venture is included in the Statement of Net Position but is not included at the fund level.		311,594
Liabilities for compensated absences are considered current but are not reported as liabilities in the funds.		(1,139,183)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds:		
Bonds Payable	(85,509,312)	
Accrued Interest Payable	(305,376)	
Capital Leases	(710,958)	
OPEB Obligation	(46,747,270)	
Net Pension Liability	(15,329,391)	
		(148,602,307)
Deferred inflows of resources represent an acquisition of net position that applies to future periods and therefore will not be recognized as an inflow of resources until then. Deferred inflows of resources are not reported in the governmental funds:		
Differences Between Expected and Actual Pension Experience		(406,520)
Total net position - governmental activities	\$	<u>163,724,920</u>

The accompanying notes to the financial statements are an integral part of this statement.



BRAZOS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended September 30, 2015

	Major Funds	
	General	Debt Service
REVENUES		
Taxes	\$ 72,934,928	\$ 8,509,833
Charges for Services	11,682,640	-
Intergovernmental	1,285,839	-
Interest	160,983	23,752
Other Revenue	949,010	-
TOTAL REVENUES	87,013,400	8,533,585
EXPENDITURES		
Current		
General Government	15,788,500	-
Justice System	16,938,425	-
Law Enforcement	18,981,741	-
Juvenile Services	4,647,880	-
Public Transportation	9,231,560	-
Public Health	1,493,183	-
Human Services	3,599,264	-
Capital Outlay	1,961,942	-
Debt Service		
Principal Retirement	208,365	5,730,000
Interest and Other Fees	11,280	3,669,574
TOTAL EXPENDITURES	72,862,140	9,399,574
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,151,260	(865,989)
OTHER FINANCING SOURCES (USES)		
Transfers In	-	545,979
Transfers Out	(15,088,708)	-
Capital Leases	475,100	-
Sale of Capital Assets	148,560	-
TOTAL OTHER FINANCING SOURCES (USES)	(14,465,048)	545,979
Net Change in Fund Balances	(313,788)	(320,010)
FUND BALANCES, OCTOBER 1	43,346,269	6,160,188
FUND BALANCES, SEPTEMBER 30	\$ 43,032,481	\$ 5,840,178

The accompanying notes to the financial statements are an integral part of this statement.

<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 2,644,417	\$ 84,089,178
-	961,099	12,643,739
-	3,006,718	4,292,557
-	19,451	204,186
-	24	949,034
-	6,631,709	102,178,694
1,276,510	258,009	17,323,019
-	716,776	17,655,201
101,722	476,057	19,559,520
1,100	1,329,421	5,978,401
3,774	590,402	9,825,736
-	-	1,493,183
26,313	1,103,822	4,729,399
5,833,696	5,572,112	13,367,750
-	-	5,938,365
-	-	3,680,854
7,243,115	10,046,599	99,551,428
(7,243,115)	(3,414,890)	2,627,266
14,601,524	487,184	15,634,687
-	(545,979)	(15,634,687)
-	-	475,100
-	-	148,560
14,601,524	(58,795)	623,660
7,358,409	(3,473,685)	3,250,926
6,344,841	8,773,363	64,624,661
<u>\$ 13,703,250</u>	<u>\$ 5,299,678</u>	<u>\$ 67,875,587</u>

BRAZOS 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, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	3,250,926
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount that expenditures for capital outlay exceeded depreciation expense.</p>		
Capital outlay	13,367,750	
Depreciation expense	(5,169,879)	8,197,871
Revenues and contributed assets in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(8,118)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to affect net position.		2,516,204
The County's investment in a joint venture is reported at the government-wide level but not at the fund level. This amount represents the current year change.		311,594
The liabilities for compensated absences are accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.		(144,708)
The OPEB obligation per GASB 45 is accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.		(5,655,303)
The net pension liability per GASB 68 is accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.		594,096
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premium, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		5,580,086
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		(1,046,843)
Change in net position of governmental activities	\$	<u>13,595,805</u>

The accompanying notes to the financial statements are an integral part of this statement.

BRAZOS COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2015

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney Operating	Jail Commissary	Totals	Internal Service Fund
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 47,457	\$ 469,379	\$ 516,836	\$ 2,902,482
Accounts Receivable	-	145	145	542,244
Inventories	-	47,105	47,105	-
Due from Other Funds	672	55,387	56,059	-
Total Current Assets	<u>48,129</u>	<u>572,016</u>	<u>620,145</u>	<u>3,444,726</u>
Noncurrent Assets				
Property, Plant and Equipment	-	93,836	93,836	42,056
Less: Accumulated Depreciation	-	(66,289)	(66,289)	-
Total Noncurrent Assets	<u>-</u>	<u>27,547</u>	<u>27,547</u>	<u>42,056</u>
TOTAL ASSETS	<u>48,129</u>	<u>599,563</u>	<u>647,692</u>	<u>3,486,782</u>
DEFERRED OUTFLOWS OF RESOURCES				
Difference Between Projected and Actual Earnings on Pension Plan	276	2,482	2,758	473
Change in Pension Allocated Share	15	133	148	25
Pension Contributions After the Measurement Date	586	5,275	5,861	1,004
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>877</u>	<u>7,890</u>	<u>8,767</u>	<u>1,502</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	-	12,342	12,342	1,295,915
Accrued Salaries and Wages	300	4,140	4,440	-
Compensated Absences	-	1,745	1,745	-
Unearned Revenues	-	-	-	14,899
Total Current Liabilities	<u>300</u>	<u>18,227</u>	<u>18,527</u>	<u>1,310,814</u>
Noncurrent Liabilities				
Due in more than one year	2,633	89,833	92,466	4,508
Total Noncurrent Liabilities	<u>2,633</u>	<u>89,833</u>	<u>92,466</u>	<u>4,508</u>
TOTAL LIABILITIES	<u>2,933</u>	<u>108,060</u>	<u>110,993</u>	<u>1,315,322</u>
DEFERRED INFLOWS OF RESOURCES				
Differences Between Expected and Actual Pension Experience	70	628	698	120
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>70</u>	<u>628</u>	<u>698</u>	<u>120</u>
NET POSITION				
Net Investment in Capital Assets Unrestricted	-	27,547	27,547	42,056
	46,003	471,218	517,221	2,130,786
TOTAL NET POSITION	<u>\$ 46,003</u>	<u>\$ 498,765</u>	<u>\$ 544,768</u>	<u>\$ 2,172,842</u>

The accompanying notes to the financial statements are an integral part of this statement.

BRAZOS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended September 30, 2015

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney Operating	Jail Commissary	Totals	Internal Service Fund
OPERATING REVENUES				
Charges for Services	\$ 11,217	\$ -	\$ 11,217	\$ -
Commissary Sales	-	720,268	720,268	-
Employee Dependents	-	-	-	1,981,308
Self Pays	-	-	-	14,419
Excess Risk Benefits	-	-	-	1,570,861
Participant Payments	-	-	-	558,876
Brazos County	-	-	-	8,478,304
Retirees	-	-	-	316,595
Other Revenue	-	685	685	-
TOTAL OPERATING REVENUES	<u>11,217</u>	<u>720,953</u>	<u>732,170</u>	<u>12,920,363</u>
OPERATING EXPENSES				
Personnel Services	6,148	101,475	107,623	13,616
Supplies and Other Charges	188	90,431	90,619	-
Cost of Goods Sold	-	357,324	357,324	-
Repairs and Maintenance	-	7,588	7,588	-
Minor Acquisitions	2,055	-	2,055	-
Life Insurance	-	-	-	27,175
Stop Loss Premiums	-	-	-	1,876,720
Benefit Claims	-	-	-	11,402,269
Administrative Fees	-	-	-	626,781
Professional Services	-	54,322	54,322	29,498
Depreciation	-	11,629	11,629	-
TOTAL OPERATING EXPENSES	<u>8,391</u>	<u>622,769</u>	<u>631,160</u>	<u>13,976,059</u>
OPERATING INCOME (LOSS)	2,826	98,184	101,010	(1,055,696)
NONOPERATING REVENUES (EXPENSES)				
Interest	-	1,120	1,120	8,853
TOTAL NONOPERATING REVENUES	<u>-</u>	<u>1,120</u>	<u>1,120</u>	<u>8,853</u>
CHANGE IN NET POSITION	2,826	99,304	102,130	(1,046,843)
TOTAL NET POSITION - OCTOBER 1, AS RESTATED	<u>43,177</u>	<u>399,461</u>	<u>442,638</u>	<u>3,219,685</u>
TOTAL NET POSITION - SEPTEMBER 30	<u>\$ 46,003</u>	<u>\$ 498,765</u>	<u>\$ 544,768</u>	<u>\$ 2,172,842</u>

The accompanying notes to the financial statements are an integral part of this statement.

BRAZOS COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended September 30, 2015

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney Operating	Jail Commissary	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 11,135	\$ 735,756	\$ 746,891	\$ 2,873,004
Receipts from interfund services provided	-	-	-	8,478,304
Payments to contractors and vendors	(2,243)	(525,155)	(527,398)	(2,562,864)
Claims paid	-	-	-	(9,933,918)
Payments to employees for services	(6,990)	(95,994)	(102,984)	(7,069)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,902</u>	<u>114,607</u>	<u>116,509</u>	<u>(1,152,543)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	1,094	1,094	9,119
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>-</u>	<u>1,094</u>	<u>1,094</u>	<u>9,119</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	-	-	(15,842)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,842)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,902	115,701	117,603	(1,159,266)
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>45,555</u>	<u>353,678</u>	<u>399,233</u>	<u>4,061,748</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>\$ 47,457</u>	<u>\$ 469,379</u>	<u>\$ 516,836</u>	<u>\$ 2,902,482</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 2,826	\$ 98,184	\$ 101,010	\$ (1,055,696)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	-	11,629	11,629	-
Change in accounts receivable	-	-	-	(308,884)
Change in due from other funds	(82)	14,803	14,721	-
Change in inventory	-	(19,537)	(19,537)	-
Change in pension related deferred outflows of resources	(320)	(2,874)	(3,194)	(547)
Change in accounts payable	-	4,047	4,047	202,332
Change in accrued salaries and compensated absences	(740)	(1,243)	(1,983)	6,722
Change in unearned revenues	-	-	-	3,158
Change in noncurrent liabilities	148	8,970	9,118	252
Change in pension related deferred inflows of resources	70	628	698	120
Total adjustments	<u>(924)</u>	<u>16,423</u>	<u>15,499</u>	<u>(96,847)</u>
Net cash provided (used) by operating activities	<u>\$ 1,902</u>	<u>\$ 114,607</u>	<u>\$ 116,509</u>	<u>\$ (1,152,543)</u>

The accompanying notes to the financial statements are an integral part of this statement.

BRAZOS COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
September 30, 2015

ASSETS	
Cash and Cash Equivalents	\$ 3,993,504
Investments	1,012,510
TOTAL ASSETS	<u>\$ 5,006,014</u>
LIABILITIES	
Funds Held for Others	\$ 5,006,014
TOTAL LIABILITIES	<u>\$ 5,006,014</u>

The accompanying notes to the financial statements are an integral part of this statement.

BRAZOS COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Brazos County, Texas (“County”) have been developed to be in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for local government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

A. Reporting Entity

The Brazos County Government (the “County”) was created in 1841. The County is a public corporation and a political subdivision of the State of Texas. It performs governmental functions as required or authorized by the Texas Constitution and the Laws of the State. A Commissioners’ Court composed of an elected County Judge and four elected Commissioners governs the County. The combined financial statements include all departments, funds or accounts for the County, the primary government.

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The financial statements should allow users to distinguish between the primary government (the County) and its component units. GASB Statement 14 as amended by GASB Statement 61 defines the reporting entity as the primary government and its component units. Brazos County is the primary governmental unit. The financial statements include all funds, agencies, boards, commissions, and authorities for which the elected officials of the County are financially accountable. The financial statements include those entities for which the nature and significance of the relationship between the entity and the County are such that to exclude the entity from the financial reporting entity would render the financial statements misleading or incomplete.

B. Related Organizations

Related organizations provide services within the County that are administered by separate boards or commissions, but the County is not financially accountable, and such organizations are therefore not component units of the County, even though the Commissioners’ Court may appoint a voting majority of an organization’s board. Consequently, financial information for the following entities is not included within the scope of these financial statements.

Brazos County Health Facilities Development Corporation

The Brazos County Health Facilities Development Corporation (“BCHFDC”) is a Texas public, non-profit corporation created in accordance with the Texas Health Facilities Development Act of 1981. The BCHFDC’s purpose is to acquire, construct, provide, improve, finance and refinance health facilities to assist in the maintenance of the public health. The tax-exempt bonds issued by the BCHFDC do not constitute a debt or a pledge of faith or credit of the BCHFDC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Related Organizations (Continued)

The BCHFDC is governed by a five member Board of Directors which is comprised of the members of the Brazos County Commissioners' Court.

Brazos County Industrial Development Corporation

The Brazos County Industrial Development Corporation ("BCIDC") is a Texas public, non-profit corporation created in accordance with the Texas Development Corporation Act of 1979. The BCIDC's purpose is to issue bonds on behalf of the Corporation, to promote and develop industrial and manufacturing enterprises, to promote and encourage employment and the public welfare, and to finance projects as defined by the Act. The tax-exempt bonds issued by the BCIDC do not constitute a debt or a pledge of faith or credit of the BCIDC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code. The BCIDC is governed by a three member Board of Directors which is comprised of three members of the Brazos County Commissioners' Court.

Brazos County Housing Finance Corporation

The Brazos County Housing Finance Corporation ("BCHFC") is a Texas public, non-profit corporation created in accordance with the Texas Housing Finance Corporations Act in 1980. This Act authorizes the BCHFC to finance residential housing by issuing tax-exempt revenue bonds to acquire mortgage loans made to low or moderate income persons, and to pledge such mortgage loans as security for the payment of the principal and interest of such revenue bonds. The tax-exempt bonds issued by the BCHFC do not constitute a debt or a pledge of faith or credit of the BCHFC or Brazos County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code. The BCHFC is governed by a five member Board of Directors, three of which are members of the Brazos County Commissioners' Court.

Brazos Valley Fair & Exposition

The Brazos Valley Fair & Exposition (the "Fair") is a non-profit, 501(c)3 corporation that was organized in 2010 for educational, scientific and charitable purposes to encourage, promote and maintain agricultural science, research, and education. It is a mid-major or regional fair whose reach or scope encompasses the entire state of Texas and surrounding states. Initially, the Executive Committee of the Fair consisted of seven members, all of which were appointed by the Brazos County Commissioners' Court. Currently, the Executive Committee consists of nine members, the last two selected by the Committee in 2015. Future additions and replacements to the Board of Directors will be determined by the Executive Committee at the time the changes are made.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Related Organizations (Continued)

The start-up funding for the Fair came from the Hotel Occupancy Tax (“HOT”) Fund, a special revenue fund of the County. The amount of the funding is approved first by the HOT Committee and subsequently by the Brazos County Commissioners’ Court. The HOT Fund has funded the Fair \$490,000 from fiscal year 2011 to fiscal year 2015. The budgeted funding for fiscal year 2016 is \$100,000, if and when all or part of it is needed. In addition, the County pays the salaries and wages of the three primary employees of the Fair and provides various resources to the Fair at no charge, such as office space, utilities, telephone services, internet services, periodic use of a County vehicle, etc. The future funding from the HOT Fund is expected to decrease until the Fair becomes a standalone entity.

The annual fair generated enough revenue to pay all of its direct expenses and the facility rental fees for the Exposition Complex. It is the general policy of the Fair that the majority of the excess of its revenue over expenses will be used for the furtherance of its exempt purpose, including the granting of scholarships and the funding of related capital additions and improvements at the Brazos County Exposition Center.

C. Government-Wide Financial Statements

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities are supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the expenses of a given function are offset by program revenues. Expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements

All governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. If accrued revenue is not yet available, the related receivable is matched by a deferred inflow of resources for unavailable revenue and revenue recognition occurs only when the revenue eventually does become available. Debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property tax revenues, the County's primary revenue source, are susceptible to accrual and are considered available to the extent of delinquent taxes collected within sixty (60) days of the fiscal year end. Grant and entitlement revenues are also susceptible to accrual. Encumbrances are used during the year and all outstanding encumbrances lapse at the end of each fiscal year.

The fund level financial statements are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

For proprietary funds, all revenues and expenses are classified as operating revenues and expenses except for taxes, investment income and interest expense, which are classified as non-operating revenues and expenses.

All proprietary funds, including the enterprise fund and internal service fund, are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses. These funds are accounted for using economic resources measurement focus. This means that all assets and liabilities (whether current or non-current) associated with their activity are included in the funds' statement of net position.

The fiduciary funds are used to account for assets held solely in a custodial capacity and are accounted for using the accrual basis of accounting. As a result, assets in fiduciary funds are always matched by liabilities to the owners of the assets and involve no measurement of results of operations.

The County's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements (Continued)

Funds are classified into three categories: Governmental, Proprietary and Fiduciary. The major funds of the County are noted within each category.

Governmental Funds

Governmental funds are used to account for all or most of a government's general activity. The County has reported three major funds under this category for the year ended September 30, 2015:

General Fund - The General Fund is the principal operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund. The fund accumulates reserves for future capital improvements and unforeseen catastrophic events.

Debt Service Fund – The Debt Service Fund accounts for the financial resources that are restricted, committed, or assigned to expenditure for the payment of principal and interest on long-term debt paid primarily from taxes levied by the County. Financial resources that are being accumulated for principal and interest in future years are also reported in the Debt Service Fund.

Capital Improvement Fund – The Capital Improvement Fund is established to account for expenditures for new construction and acquisition of capital assets to support the County's various functions.

The County reports the following nonmajor governmental funds:

Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Jail Expansion Fund - This fund was established to account for the construction of the expanded jail facility. The funding source came from a limited tax bond of \$55,000,000 issued in 2008. The \$50.9 million major jail expansion project was completed in fiscal year 2010 and the \$3.9 million renovation of the inmate holding area in the County's courthouse was completed in fiscal year 2014. The remaining funds were used to support the acquisition of a video visitation system in fiscal year 2015. The fund is anticipated to be closed out in fiscal year 2016.

Expo Center Expansion Fund - This fund was established to account for the expansion of the Brazos County Exposition Center. The expenditures are being financed through the issuance of \$12,000,000 certificates of obligation in November 2009 and a portion of the hotel occupancy taxes collected. The fund was permanently closed during 2015.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements (Continued)

CO 2012 Fund – CO 2012 Fund was established to account for the expenditures of the County courthouse renovation project and the new tax office building construction. The expenditures are financed through the issuance of \$9,700,000 of Certificates of Obligation, Series 2012. The fund was permanently closed during 2015.

Proprietary Funds

Proprietary funds are used to account for operations that are financed in a manner similar to those in the private sector, where the determination of net income is appropriate for sound financial administration. The County reports one internal service fund and two enterprise funds. Both enterprise funds are classified as major funds. The internal service fund is used to account for the provision of health, dental and life insurance to the departments of the County as well as to outside entities that have contracted with the County for this service. Two enterprise funds are used to account for the business-type operations of the County Attorney and Jail Commissary.

Fiduciary Funds

The County reports four agency funds as nonmajor fiduciary funds. Agency funds are used to account for situations where the government's role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Assets have been held in these funds on behalf of individuals involving certain legal processes, bail bondsmen, and other governmental units.

E. Implementation of New Standards

In fiscal year 2015, the County evaluated and implemented the following new standards:

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions: An Amendment of GASB Statement No. 27", replaces the requirements of Statement No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements.

GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68", addresses an issue regarding application of the transition provisions of Statement No. 68. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68.

The implementation of GASB Statements No. 68 and No.71 had significant impact on the County's financial statements for the year ended September 30, 2015. See Note 1-S for further information.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash, Cash Equivalents and Investments

The County defines all cash, money market accounts, and certificates of deposit that have an original maturity date of ninety days or less as cash or cash equivalents. Cash and cash equivalents related to restricted assets are also included. Cash and cash equivalents are short term, highly liquid investments, which may be converted to cash (see Note 3). The County maintains a cash and investment pool that is available for use by all funds. Equity in cash and cash equivalents and interest income from the cash pool is allocated to the participating funds on a monthly basis. The amount of the allocation is determined by calculating a ratio of each fund's equity in the pool to the total pool.

All County funds must be on deposit with the County depository unless the Commissioners' Court directs the County Treasurer to invest funds as otherwise provided by law. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. Investments are stated at fair value or amortized cost (see Note 3).

G. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 of a given year. Taxes levied on October 1 are payable by January 31 of the following year, and by statute become delinquent on February 1 at which time they begin accruing penalty and interest. The enforceable legal claim date for property taxes is the assessment date and therefore the County did not record a receivable for taxes assessed after September 30. Accordingly, there are no current taxes receivable reported. On July 1, unpaid taxes are subject to additional penalties and collection expenses.

Taxes have been reported in the government-wide financial statements net of the allowance for uncollectible taxes. At the governmental fund level, taxes are recognized as revenue when they become available and the amount not yet available (not collectible within sixty days) has been reported as unavailable revenue. For the year ended September 30, 2015, the tax rate to finance general governmental services was \$0.4226 per \$100.00 valuation. The tax rate for the payment of principal and interest on long-term debt was \$0.624 per \$100.00 valuation. Under provisions adopted by the State, the maximum rate that can be set to service governmental services is \$0.80 per \$100 of assessed value.

The Brazos County Appraisal District is responsible for the recording and appraisal of property for all taxing units in the County. The Appraisal District is required to assess property at 100% of its appraised value. Real property is subject to reappraisal on a four-year cycle.

The County's Tax Assessor-Collector acts as agent in the billing and collecting of taxes for the Brazos County Water Control Improvement District - Big Creek, the City of Bryan, the City of College Station, the City of Kurten, the City of Navasota, the Bryan Independent School District, the College Station Independent School District, the Navasota Independent School District, Brazos County Education District, and Brazos County Emergency Services Districts 1, 2, 3, and 4. These transactions are recorded in an agency account.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Interfund Transactions

The County has many transactions between funds during its normal course of operations. The accompanying fund level financial statements reflect such transactions as transfers, interfund receivables and payables. The effect of interfund activity has been eliminated in the government-wide financial statements, except for transactions between governmental and business-type activities.

I. Inventory

Inventory is valued at cost using the first-in, first-out method and is accounted for under the consumption method. Inventories of paper, copier supplies and road maintenance materials are maintained within the General Fund. Inventories of consumable food and personal items are maintained within the Jail Commissary Enterprise Fund.

J. Prepays

Certain payments to vendors for services that will benefit future accounting periods are reported as prepaid items in both the government-wide and fund level financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

K. Restricted Assets

The Debt Service Fund's current assets are classified as restricted assets because their use is completely restricted for debt service on bonds issued by applicable bond covenants.

L. Investment in Joint Venture

The County's investment in a joint venture, the City of Bryan and Brazos County Economic Development Foundation, Inc., is reported in the government-wide financial statements using the equity method of accounting. Required disclosure concerning the joint venture is presented in Note 10.

M. Capital Assets

Capital assets include land, land improvements, right-of-way land, infrastructure, buildings, building improvements, site improvements, leasehold improvements, vehicles, machinery, furniture, equipment, other systems, works of art and intangible assets that are used in operations and benefit more than a single fiscal period. Infrastructure assets are long-lived assets that normally are stationary in nature and typically can be preserved for a significantly greater number of years than most capital assets, such as roads, bridges, and sewer systems.

The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Buildings and building improvements with an estimated cost to exceed \$25,000 are capitalized while infrastructure assets with an estimated cost to exceed \$50,000 are capitalized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Capital Assets (Continued)

When capital assets are purchased, they are recorded as expenditures of the current period in the governmental fund financial statements. Capital assets are valued at cost where historical records are available and at an estimated historical cost where no records exist. Donated capital assets are valued at their estimated fair market value on the date received. Capital assets are capitalized and depreciated in the government-wide financial statements and the proprietary fund statements.

Improvements to capital assets that materially extend the life of the asset or add to the value are capitalized. Other repairs and normal maintenance are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized in the governmental activities on the government-wide financial statements.

Capital assets except for land and infrastructure, are depreciated over the useful lives of the assets or classes of assets on a straight-line basis as follows:

Buildings and improvements	20 - 40 years
Machinery and equipment	3 - 10 years
Intangible assets – computer software	8 years

The County uses the modified approach to report its infrastructure assets in the government-wide statement of net position. Infrastructure assets are listed at historical costs but they are not depreciated. Rather, under the modified approach allowed by GASB Statement No. 34, the County reports annual expenses for maintaining roads and bridges and the estimated costs for preserving them at 80% condition level out of a 100% scale.

N. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category.

- Difference between projected and actual earnings on pension plan – This difference is deferred and amortized over a closed five year period.
- Change in pension allocated share – This change results from the disaggregation of the aggregated County results. It is deferred and recognized over a closed five year period.
- Pension contributions after the measurement date – These contributions are deferred and recognized in the following fiscal year.
- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Deferred Inflows/Outflows of Resources (Continued)

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has the following items that qualify for reporting in this category.

- Unavailable revenues – The unavailable revenues which arise only under the modified accrual basis of accounting qualify for reporting in this category in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and court-assessed fines and costs.
- Difference between expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

O. Compensated Absences

All non-exempt employees except temporary employees may earn compensatory time based on FLSA regulations. Compensatory time earned during the fiscal year must be used by the last pay period in September of each fiscal year so that no liability is accrued at year-end. At termination, all compensatory time is paid at the wage rate in place at termination.

All employees except temporary employees of the County are granted vacation benefits in varying annual amounts up to a maximum allowable accumulation of 240 hours per year. Sick leave benefits are earned by all employees except temporary employees at a rate up to twelve days per year and may be accumulated without limit. Sick leave benefits are recognized as they are used by the employees. In the event of termination, an employee is entitled to receive accumulated vacation pay but not the accumulated sick leave pay.

The County's policy requires that only half of the vacation hours accumulated from the previous year can be carried over but must be used first in the current year. The liability of the County's vacation pay is calculated at the end of each fiscal year and reported as "Liabilities for Compensated Absences", a current liability item in the County's government-wide statements due to the fact that the accumulated vacation pay has an average maturity of less than one year.

P. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities. Bonds payable are reported net of the applicable bond premium or discount. On new bond issues, bond premiums and discounts are amortized on a straight-line basis over the life of the bonds. On refunding bond issues, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense on a straight-line basis over the remaining life of the old debt or the life of the new debt, whichever is shorter.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows of resources and deferred inflows of resources, and pension expense, County specific information about its fiduciary net position in the Texas County and District Retirement System (“TCDRS”) and additions to/deductions from the County’s fiduciary net position have been determined on the same basis as they are reported by TCERS, administrator of the statewide agent multiple-employer pension plan system. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the County’s total pension liability is obtained from TCERS through a report prepared for the County by TCERS consulting actuary, Milliman, Inc., in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

R. Fund Balances and Net Position

Fund Balance Classifications

The County’s Commissioners’ Court meets on a regular basis to manage and review cash financial activities and to ensure compliance with established policies. It is the County’s policy to fund current expenditures with current revenues and the County’s mission is to strive to maintain a diversified and stable revenue stream to protect the government from problematic fluctuations in any single revenue source and provide stability to ongoing services.

Under GASB 54, fund balances are required to be reported according to the following classifications in descending order, from most constraining to least constraining:

Nonspendable Fund Balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, long-term receivables, the principal of an endowment or a revolving loan fund, etc.

Restricted Fund Balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed Fund Balance – Amounts that can only be used for specific purposes imposed by a formal action of the government’s highest level of decision-making authority. The County’s highest level of decision-making authority resides with the Commissioners’ Court. The constraints imposed by the resolution of the Commissioners’ Court remain binding unless removed or changed in the same manner employed to previously commit those resources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balances and Net Position (Continued)

Assigned Fund Balance – Amounts that are constrained by the County’s intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. According to the County’s policy, the Commissioners’ Court, which is the governing body of the County, authorizes the County Judge, who is the County’s budget officer by Texas Statute, to assign amounts for particular purposes during the budget process or throughout the year in the normal course of business.

Unassigned Fund Balance – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification as a result of overspending for specific purposes for which amount had been restricted, committed or assigned.

For the classification of fund balance in the governmental funds, the County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The County’s unassigned fund balances will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

Net Position Classifications

The government-wide and business-type activities financial statements utilize a net position presentation. Net position represents the difference between all other elements in a statement of financial position and should be displayed by its components: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, adjusted by the capital-related deferred outflows of resources and deferred inflows of resources, and reduced by outstanding balances for bonds and other debt that is attributed to the acquisition, construction, or improvement of those assets.

Restricted - The restricted net position represents the difference between (1) non-capital assets whose use is restricted and (2) related liabilities and deferred inflows of resources. The use of noncapital assets is considered to be restricted only if the limitation is externally enforceable. Externally enforceable limitations result from constraints imposed by:

- Parties outside the government (grantors, donors, other governments);
- Constitutional provisions; or
- Enabling legislation (legislation that raises resources from external parties subject to a legally enforceable requirement that those resources “be used only for the specific purpose stipulated in the legislation”).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balances and Net Position (Continued)

The amount that represents the County’s net position restricted by enabling legislation was \$5,599,219 as reported in the Statement of Net Position.

Unrestricted - Any portion of net position not already classified as either net investment in capital assets or restricted is automatically classified as unrestricted.

S. Restatement of Beginning Net Position

As a result of the implementation of GASB 68 and GASB 71, the beginning net position of the County at October 1, 2014 has been restated for the change in accounting principle. In addition, a prior period adjustment related to GASB 45 was also made during fiscal year 2015 to reclassify the OPEB obligation for a full-time employee working at the County’s Jail Commissary.

	Government-Wide Statement of Activities			Fund Level
	Governmental Activities	Business-Type Activities County Attorney Operating	Jail Commissary	Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund Internal Service Fund
Net position at September 30, 2014, as previously reported	\$ 161,296,911	\$ 45,104	\$ 475,308	\$ 3,222,986
Recording of net pension liability as of September 30, 2014	(14,474,444)	(2,485)	(22,355)	(4,256)
Deferral for pension contributions made after the measurement date	3,248,139	558	5,017	955
OPEB prior period adjustment	58,509	-	(58,509)	-
Net position at September 30, 2014, as restated	<u>\$ 150,129,115</u>	<u>\$ 43,177</u>	<u>\$ 399,461</u>	<u>\$ 3,219,685</u>

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Policy and Procedures

Annual budgets are legally adopted for general, special revenue, debt service, and capital project funds. Budgets are adopted on a basis consistent with GAAP (modified accrual basis). The County employs an encumbrance accounting system as a method of accomplishing budgetary control. At year-end, open encumbrances are closed. The department is required to re-appropriate the funds within the following year’s budget.

The County Judge is recognized by State statutes as the budget officer for the County and responsible for the preparation of the proposed budget. The proposed expenditures may not exceed the revenue estimates prepared by the County Auditor. The County, in the preparation of the budget, adheres to the following procedures:

- Departmental annual budget requests are submitted by the department head to the budget officer during the third quarter of the current fiscal year for the fiscal year beginning October 1.
- The County Auditor prepares an estimate of available resources for the coming fiscal year and presents the estimates to the budget officer by July 25 each year.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Policy and Procedures (Continued)

- Informal departmental hearings are held with the budget officer.
- The budget officer prepares the proposed annual operating budget to be presented to the Commissioners’ Court for consideration. The budget represents the financial plan for the new fiscal year.
- Formal public hearings are held on the proposed budget.
- The adopted budget must be balanced; i.e., available resources must be sufficient to support annual appropriations. The adopted budget must be approved by a majority of the Commissioners’ Court on or before November 1 each year.
- The budget is adopted using classifications within each department. The operating department is the legal level of budgetary control.
- The budget may not be increased through the use of supplemental appropriations each year unless the County Auditor certifies to the Commissioners’ Court that supplemental receipts have been realized and are available to support disbursements that were not included in the budget for the fiscal year.
- Transfer of appropriations between departments requires the expressed permission of the Commissioners’ Court, and all appropriations lapse at year-end.

Appropriations for total budget cannot exceed total resources that will be available for the year as forecasted by the County Auditor. This is the legal level of control for the County budget. Expenditures may not exceed budgeted appropriations at the fund level except for the General Fund, which is appropriated at the classification level. Administrative control is maintained through the establishment of more detailed line-item budgets.

Amendments increasing budget appropriations are restricted to those for “emergency expenditures, in case of grave public necessity, to meet unusual and unforeseen conditions that could not, by reasonably diligent thought and attention, have been included in the original budget.” The Commissioners’ Court must approve the original budget appropriations and subsequent amendments and adjustments. The County Auditor is required to monitor the expenditures of all the funds in comparison to that which has been appropriated. The following schedule of changes in the original budget appropriations includes those funds for which the Commissioners’ Court has legally adopted a budget, as well as funds with managerial budgets:

	Original Budgeted Expenditures and Other Financing Uses	Supplemental Appropriations	Original As Amended
General Fund	\$ 99,993,216	\$ 166,144	\$ 100,159,360
Special Revenue	9,402,067	770,478	10,172,545
Debt Service	10,356,000	805	10,356,805
Capital Projects	27,385,642	490,377	27,876,019
Totals	<u>\$ 147,136,925</u>	<u>\$ 1,427,804</u>	<u>\$ 148,564,729</u>

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. Cash and Cash Equivalents

Chapter 2257 of the Texas Government Code, also known as the Public Funds Collateral Act, provides guidelines for the amount of collateral that is required to secure the deposit of public funds. It requires that the deposit of public funds be collateralized in an amount not less than the total deposit, reduced by the amount of Federal Depository insurance (FDIC) available. The County's depository agreement with BB&T requires collateralization with a fair market value at 110 percent of County funds in excess of the FDIC coverage of \$250,000. At September 30, 2015, the carrying amounts of the County's deposits were \$75,913,595, reported as "Cash and Cash Equivalents" on the balance sheet of the governmental funds and the statement of net position of the proprietary funds. The collateralized market value of the County's deposits at September 30, 2015 was \$92,950,869. The County had \$76,519,104 on deposit with BB&T at September 30, 2015.

B. Investments

The County is authorized to invest its funds in accordance with the Texas Public Funds Act, Government Code Chapter 2256 and its subsequent amendments. The County's investment policy is strictly based on the State law. During the year ended September 30, 2015, County investments consisted of participation in TexPool.

Interest-Rate Risk. TexPool is a local government investment pool under the oversight of the State Comptroller of Public Accounts of Texas. TexPool's portfolio has low interest rate risk due to restrictions on weighted average maturity and maximum maturity of any one investment. It maintains the weighted average maturity at sixty (60) days or less and no security will exceed thirteen (13) months in maturity.

Credit Risk. State law limits investment in the investment pool to at least an AAA or AAAM rating or an equivalent rating by at least one nationally recognized rating service. TexPool is rated AAAM by Standard & Poor's, the highest rating a local government investment pool can achieve. The pools seek to maintain a \$1.00 value per share as required by the Texas Public Funds Investment Act.

Investments at September 30, 2015 are as follows:

Pooled Investments	\$ 2,352,943
Property	<u>1,012,510</u>
Total Investments	<u>\$ 3,365,453</u>

The \$2,352,943 pooled investments are reflected as investments on the balance sheet/statement of net position. The pooled investment represents its fair value, which is the same as the value of the pool shares.

The \$1,012,510 investment in property, which represents property held by the County as security for the bail bondsman operating in the County, is recorded in the Bail Bond Board Agency Fund. It is not classified in accordance with GASB Statement 3.

NOTE 4 – TAXES AND OTHER RECEIVABLES

Below is the detail of receivables for the major and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible amounts:

	General	Debt Service	Capital Improvement	Nonmajor	Total
Property Taxes	\$ 2,182,688	\$ 370,676	\$ -	\$ -	\$ 2,553,364
Property Tax Penalties & Interest	1,343,579	183,492	-	-	1,527,071
Hotel & Motel Taxes	-	-	-	293,473	293,473
Sales Taxes	1,244,017	-	-	-	1,244,017
Officials	65,020	1,494	-	-	66,514
Interest	11,750	1,189	-	1,259	14,198
Court Fines	14,558,901	-	-	-	14,558,901
Accounts	209,108	-	-	133,864	342,972
State	416,748	-	-	-	416,748
Federal	44,719	-	-	-	44,719
Gross Receivables	<u>20,076,530</u>	<u>556,851</u>	<u>-</u>	<u>428,596</u>	<u>21,061,977</u>
Less: Allowance for Uncollectibles	<u>(13,630,121)</u>	<u>(87,650)</u>	<u>-</u>	<u>-</u>	<u>(13,717,771)</u>
Net Receivables	<u>\$ 6,446,409</u>	<u>\$ 469,201</u>	<u>\$ -</u>	<u>\$ 428,596</u>	<u>\$ 7,344,206</u>

NOTE 5 – INTERFUND BALANCES AND TRANSFERS

In the fund financial statements, interfund balances are the result of normal transactions between funds and will be liquidated in the subsequent fiscal year. The following is a summary of amounts due from and due to other funds as of September 30, 2015:

	Due From	Due To
General Fund	\$ 56,089	\$ -
Nonmajor Governmental Funds	-	30
County Attorney Enterprise Fund	-	672
Jail Commissary Enterprise Fund	-	55,387
Total	<u>\$ 56,089</u>	<u>\$ 56,089</u>

The summary of the County’s transfers for the year ended September 30, 2015 is as follows:

	Debt Service Fund	Capital Improvement	Nonmajor Governmental Funds	Total
<u>Transfer Out:</u>				
General Fund	\$ -	\$ 14,601,524	\$ 487,184	\$ 15,088,708
Nonmajor Governmental Funds	545,979	-	-	545,979
	<u>\$ 545,979</u>	<u>\$ 14,601,524</u>	<u>\$ 487,184</u>	<u>\$ 15,634,687</u>

The General Fund transferred out \$14,601,524 to the Capital Improvement Fund and \$487,184 to other nonmajor governmental funds for anticipated expenditures in various capital improvements, grant matching and other requirements. In addition, \$545,979 was transferred from the Hotel & Occupancy Tax Fund to the Debt Service Fund for the anticipated debt principal and interest payments for the Expo Center Expansion project.

NOTE 6 – CAPITAL ASSETS

Depreciation expense for fiscal year 2015 was charged to functions as follows:

Governmental Activities:	
General Government	\$ 653,336
Justice System	313,101
Law Enforcement	2,314,108
Juvenile Services	205,259
Public Transportation	598,793
Public Health	7,897
Human Services	<u>1,077,385</u>
Total depreciation expense - governmental activities	<u>\$ 5,169,879</u>

Capital Asset activity for the year ended September 30, 2015 was as follows:

	Balance at September 30, 2014	Additions	Deletions & Adjustments	Balance at September 30, 2015
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 22,570,408	\$ 646,533	\$ (59,519)	\$ 23,157,422
Construction in progress	16,314,696	12,850,369	(7,635,642)	21,529,423
Infrastructure	72,516,623	2,847,941	(210,216)	75,154,348
Total capital assets, not being depreciated	<u>111,401,727</u>	<u>16,344,843</u>	<u>(7,905,377)</u>	<u>119,841,193</u>
<u>Capital assets, being depreciated:</u>				
Buildings	126,040,198	4,305,604	(1,162)	130,344,640
Improvements other than buildings	9,726,097	356,926	(15,590)	10,067,433
Machinery and equipment	20,556,576	2,655,002	(881,400)	22,330,178
Intangible assets - computer software	2,918,865	240,684	48,953	3,208,502
Total capital assets, being depreciated	<u>159,241,736</u>	<u>7,558,216</u>	<u>(849,199)</u>	<u>165,950,753</u>
<u>Less accumulated depreciation for:</u>				
Buildings	(29,527,791)	(3,152,467)	-	(32,680,258)
Improvements other than buildings	(4,288,332)	(324,598)	5,456	(4,607,474)
Machinery and equipment	(11,773,737)	(1,518,590)	813,447	(12,478,880)
Intangible assets - computer software	(2,688,879)	(174,224)	(41,380)	(2,904,483)
Total accumulated depreciation	<u>(48,278,739)</u>	<u>(5,169,879)</u>	<u>777,523</u>	<u>(52,671,095)</u>
Total capital assets, being depreciated, net	<u>110,962,997</u>	<u>2,388,337</u>	<u>(71,676)</u>	<u>113,279,658</u>
Governmental activities capital assets, net	<u>\$ 222,364,724</u>	<u>\$ 18,733,180</u>	<u>\$ (7,977,053)</u>	<u>\$ 233,120,851</u>
<u>Business-type activities:</u>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 93,836	\$ -	\$ -	\$ 93,836
Total capital assets, being depreciated	<u>93,836</u>	<u>-</u>	<u>-</u>	<u>93,836</u>
<u>Less accumulated depreciation for:</u>				
Machinery and equipment	(54,660)	(11,629)	-	(66,289)
Total accumulated depreciation	<u>(54,660)</u>	<u>(11,629)</u>	<u>-</u>	<u>(66,289)</u>
Total capital assets, being depreciated, net	<u>39,176</u>	<u>(11,629)</u>	<u>-</u>	<u>27,547</u>
Business-type activities capital assets, net	<u>\$ 39,176</u>	<u>\$ (11,629)</u>	<u>\$ -</u>	<u>\$ 27,547</u>

NOTE 7 – LEASES

A. Operating Leases

The County has entered into operating leases as both lessee and lessor. The County currently has facility leases in force that provide for cancellation at various terms. These leases are for office space and ground storage having minimum annual lease payments of \$78,592. At September 30, 2015, the County had entered into two lease arrangements with outside non-profit entities to provide space within the Brazos Center, a public facility owned by the County. The County's lease arrangement with the Brazos Valley Museum provides the Museum with space at \$1,248 annually. The lease is a 50-year lease expiring in 2040. The County also provides the office space for Junior League of Bryan/College Station at \$7,800 per year with a lease agreement renewable annually. The current lease was renewed on June 1, 2015. The County has also purchased property with an existing lease renewable yearly, allowing Lamar Companies to set up billboards on the County's property at \$1,200 per year.

The County has entered into seventeen non-cancelable operating leases for the use of photocopying equipment. The leases are each for a 60 month period. Expenditures for these operating leases were \$60,669 in 2015. The future minimum lease payments for these leases are as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2016	\$ 32,244
2017	16,684
2018	2,412
Total	<u>\$ 51,340</u>

B. Capital Leases

The County has entered into seven capital lease agreements for the acquisition of heavy equipment. The amounts capitalized total \$1,141,750. Principal payments during the fiscal year 2015 totaled \$208,365. Depreciation expense of \$40,266 was recorded for the year on the equipment. The following is a summary of capital lease activity and outstanding balances at September 30, 2015:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding September 30, 2015</u>	<u>Due Within One Year</u>
Capital Leases	\$ 444,223	\$ 475,100	\$ 208,365	\$ 710,958	\$ 264,974

Payments, including interest at an average rate of 2.6% per annum are due as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2016	\$ 283,242
2017	160,389
2018	304,640
Total future lease payments	<u>748,271</u>
Less: Interest	<u>(37,313)</u>
	<u>\$ 710,958</u>

NOTE 8 – COMPENSATED ABSENCES

The cost of the County’s liability for compensated absences is calculated at the end of the fiscal year based on the employee’s pay rate and the accumulated vacation hours earned but not taken. It is reported as a current liability in the County’s government-wide financial statements due to the fact that the average maturity of the liability is less than one year. The general fund and some special revenue funds have been used in prior years to liquidate the liability for compensated absences in governmental funds.

The amount of compensated absences due within one year of the date of the Statement of Net Position of fiscal year 2015 is \$1,140,928. Changes in compensated absences for the year were as follows:

	Balance Outstanding October 1, 2014	Earned	Taken/ Paid	Balance Outstanding September 30, 2015
Governmental Activities	\$ 994,475	\$ 2,370,516	\$ (2,225,808)	\$ 1,139,183
Business-type Activities	2,993	2,313	(3,561)	1,745
Total	<u>\$ 997,468</u>	<u>\$ 2,372,829</u>	<u>\$ (2,229,369)</u>	<u>\$ 1,140,928</u>

NOTE 9 – LONG-TERM DEBT

A. Bonded Debt

Bonded debt of the County consists of various issues of General Obligation Bonds and Certificates of Obligation. General Obligation Bonds and Certificates of Obligation are direct obligations of the County with the County’s full faith and credit pledged towards the payment of this obligation. General Obligation Bonds are issued upon approval by the public at an election. Certifications of Obligation are issued by the vote of the Commissioners’ Court as allowed under the Certificates of Obligation Act. Debt service is primarily paid from ad valorem taxes. The following are debt issues with activity or outstanding balances at September 30, 2015:

Description	Original Amount	Interest Rates (%)	Year of Issue	Year of Maturity	Outstanding at 9/30/15
<u>Certificates of Obligation</u>					
Series 2005 - Various	\$ 2,750,000	3.25 - 3.75	2005	2015	\$ -
Series 2009 - Expo Expansion	12,000,000	3.0 - 4.5	2009	2034	9,740,000
Series 2012 - Various	9,700,000	2.0 - 5.0	2012	2032	9,175,000
<u>Limited Tax Refunding Bonds</u>					
Series 2005 - Debt Refunding	6,005,000	4.0	2005	2016	755,000
Series 2009 - Debt Refunding	7,365,000	3.0 - 4.0	2009	2021	3,485,000
Series 2012 - Debt Refunding	14,640,000	2.0 - 5.0	2012	2025	13,700,000
<u>Limited Tax Bond</u>					
Series 2008 - Jail Expansion	55,000,000	3.25 - 5.0	2008	2028	44,985,000
<u>General Obligation Bonds</u>					
Series 2005 - Exposition Center	\$10,500,000	4.0 - 6.0	2005	2025	1,150,000
Total Certificates of Obligation and Bonds Payable					<u>\$ 82,990,000</u>

NOTE 9 – LONG-TERM DEBT (Continued)

A. Bonded Debt (Continued)

Activity for long-term debt of the County for the year ended September 30, 2015 was as follows:

Description	Balance Outstanding 10/1/2014	Additions	Reductions	Balance Outstanding 9/30/2015	Amount Due Within One Year
<u>Certificates of Obligation</u>					
Series 2005 - Various	\$ 320,000	\$ -	\$ 320,000	\$ -	\$ -
Series 2009 - Expo Expansion	10,165,000	-	425,000	9,740,000	425,000
Series 2012 - Various	9,350,000	-	175,000	9,175,000	400,000
<u>Limited Tax Refunding Bonds</u>					
Series 2005 - Debt Refunding	1,475,000	-	720,000	755,000	755,000
Series 2009 - Debt Refunding	3,990,000	-	505,000	3,485,000	520,000
Series 2012 - Debt Refunding	14,230,000	-	530,000	13,700,000	830,000
<u>Limited Tax Bond</u>					
Series 2008 - Jail Expansion	47,495,000	-	2,510,000	44,985,000	2,620,000
<u>General Obligation Bonds</u>					
Series 2005 - Exposition Center	1,695,000	-	545,000	1,150,000	565,000
Premium	2,745,392	-	226,080	2,519,312	-
Total Bonds Payable	<u>\$91,465,392</u>	<u>\$ -</u>	<u>\$ 5,956,080</u>	<u>\$ 85,509,312</u>	<u>\$ 6,115,000</u>

Annual debt service requirements as of September 30, 2015 are as follows:

Fiscal Year	Principal	Interest	Total
2016	\$ 6,115,000	\$ 3,457,974	\$ 9,572,974
2017	5,575,000	3,250,199	8,825,199
2018	5,795,000	3,033,549	8,828,549
2019	6,040,000	2,805,549	8,845,549
2020	6,295,000	2,563,349	8,858,349
2021-2025	30,830,000	8,667,651	39,497,651
2026-2030	18,495,000	2,592,737	21,087,737
2031-2034	3,845,000	346,638	4,191,638
Totals	<u>\$82,990,000</u>	<u>\$ 26,717,646</u>	<u>\$ 109,707,646</u>

B. Arbitrage Rebate Liability

The Tax Recovery Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on certain local governmental bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due on an annual basis and remit the amount due at least every five years. The County has not incurred such a liability in the fiscal year 2015.

NOTE 10 – INVESTMENT IN JOINT VENTURE

The City of Bryan and Brazos County Economic Development Foundation, Inc. (the “Foundation”) is a Texas Transportation Code local government corporation formed by the City of Bryan, Texas (the “City”), and Brazos County, Texas (the “County”), to promote, develop, encourage and maintain employment, commerce, and economic development in the City and the County.

The Foundation was formed pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code, as amended. The funding sources of the Foundation have come from contributions from Brazos County and the City of Bryan, a grant from the Twin Cities Endowment, Inc., cash contributions from Research Valley Partnership (RVP) and cash from the sale of land acquired by the Foundation. The affairs of the Foundation are managed by a Board of Directors which is composed of nine persons including the County Judge of Brazos County and three other persons appointed by the Commissioners’ Court of Brazos County, the Mayor of the City of Bryan and three other persons appointed by the City Council of the City of Bryan, and one individual appointed by the Board of Directors of Twin Cities Endowment, Inc. However, the director appointed by the Board of Directors of Twin Cities Endowment, Inc. has no voting rights except in the case of a deadlock in votes by the other directors.

The Foundation is reported as a joint venture in the County’s government-wide financial statements, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39 and GASB Statement No. 61.

The Foundation’s statement of net position and statement of activities for fiscal year 2015 are presented as follows:

**CITY OF BRYAN AND BRAZOS COUNTY
ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015
(UNAUDITED)**

Assets	
Cash and cash equivalents	\$ 244,465
Cash and cash equivalents - restricted	1,032
Prepaid expenses	4,371
Other assets	22,145
Capital assets	
Land	2,942,035
Total Assets	<u>3,214,048</u>
Liabilities	
Accounts payable and accrued expenses	1,406,679
Noncurrent liabilities	
Due within one year	92,973
Due in more than one year	1,257,071
Total Liabilities	<u>2,756,723</u>
Net Position	
Net investment in capital assets	1,591,991
Restricted for contractual requirements	1,032
Unrestricted	(1,135,698)
Total Net Position	<u>\$ 457,325</u>

NOTE 10 – INVESTMENT IN JOINT VENTURE (Continued)

**CITY OF BRYAN AND BRAZOS COUNTY
ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2015
(UNAUDITED)**

Program Activities	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position
		Fees, Fines and Charges for Services	Operating Grants and Contributions		Governmental Activities
Governmental activities					
General government and administration	\$ 856,044	\$ -	\$ 353,671	\$ -	\$ (502,373)
Total primary government	\$ 856,044	\$ -	\$ 353,671	\$ -	(502,373)
General Revenues					
Investment earnings					187
Gain on disposition of capital asset					2,025,974
Total general revenues					2,026,161
Change in net position					1,523,788
Net position (deficit) - beginning of year					(1,066,463)
Net position - end of year					\$ 457,325

Besides the entity’s investment in the Foundation, each entity also reports a 50% ownership in the residual net position of the Foundation. The County reports \$311,594 as its share of the Foundation’s net position for fiscal year 2015.

A copy of the Foundation’s financial statements may be obtained from the Foundation at 200 S. Texas Avenue, Suite 332, Bryan, TX 77803.

NOTE 11 – RISK MANAGEMENT

The County participates in a workers’ compensation pool administered by the Texas Association of Counties. The Texas Association of Counties handles claims adjusting and related administrative services for the program. Premiums are evaluated annually by position class code at actuarially determined rates. The County workers’ compensation program provides medical and indemnity payments as required by law for on-the-job related injuries and is accounted for by the use of departmental expenditures based on a percentage of payroll.

The pool that the County participates in has provided for reinsurance coverage for excess workers’ compensation and employer’s liability. The County does not recognize any liability for outstanding losses for incurred but not reported claims. The Texas Association of Counties assumes this responsibility.

The County currently provides medical and dental insurance for its employees with basic prescription and life benefits attached. The group insurance plan is self-insured. The plan pays the full cost of the claims for its members.

NOTE 11 – RISK MANAGEMENT (Continued)

The County has established a Health and Life Insurance Internal Service Fund to account for the costs associated with various health-related insurance programs. The Internal Service Fund collects the premium payments from the County, the employees, and the retirees. All funds are available to pay claims and administrative fees and have been reserved for such purpose. The County has purchased reinsurance that provides a \$100,000 stop loss on an individual claim, and an aggregate at \$60,000 after the County’s minimum annual aggregate deductible has reached \$100,000. The County experienced claims of \$10,138,941 and \$7,038,076 for fiscal year 2015 and 2014 respectively. At September 30, 2015, the County had accrued \$1,051,552 for anticipated claims that had not been filed at year-end. This amount is classified as a current liability in the Statement of Net Position of the Internal Service Fund and is due within one year of September 30, 2015.

Change in the balance of unpaid liability during fiscal years 2014 and 2015 were as follows:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimated</u>	Claims <u>Paid</u>	Balance at Fiscal <u>Year End</u>	Amount Due Within <u>One Year</u>
2014	\$ 781,606	\$ 7,038,076	\$ (6,973,153)	\$ 846,529	\$ 846,529
2015	846,529	10,138,941	(9,933,918)	1,051,552	1,051,552

The Commissioners’ Court of Brazos County is aware that the County has risk of loss exposure to liability and accidental loss of real and personal property as well as human resources. County operations involve a variety of high-risk activities including, but not limited to, cash collections, road and bridge maintenance, law enforcement, and construction.

The Commissioners’ Court has created the office of Risk Management, whose responsibility is to identify, evaluate, and manage risk in an effort to reduce the liability and accidental loss of property and human services. In the management process, the Risk Manager is assigned the responsibility of ensuring that all County employees are properly trained in safety. Brazos County employs risk-financing activities to include the purchase of insurance for general liability, vehicle liability, and liability from property damage claims. In addition, the County purchases property insurance, errors and omission coverage, professional liability insurance, as well as crime and fidelity coverage. Any liability that arises from the operation of motorized equipment will be considered to fall within the confines of the Texas Tort Claims Act, and thereby limit the County’s exposure. At September 30, 2015, all claims against the County had been paid or accrued for payment, or the County’s underwriter had accepted responsibility for the claim.

The County has not made any significant reductions in insurance coverage from coverage in the previous fiscal year. No settlements exceeded insurance coverage for the past three fiscal years.

NOTE 12 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the Texas County and District Retirement System (“TCDRS” or “System”). The Board of Trustees of the System is responsible for the administration of the statewide agent multiple-employer system consisting of over 500 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. To obtain a copy send a written request for the CAFR to the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

Benefits Provided

The Commissioners’ Court of Brazos County adopts the plan provisions within the options available in the Texas State statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years of service regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but accumulated contributions must be left in the plan. Retirement benefits are based on the members’ final account balance and employer matching. Current employer matching is 225%. Members who withdraw their personal contributions in a lump sum are not entitled to any employer matching. Disability retirement benefits are determined in the same manner as retirement benefits. Death benefits are available to the beneficiaries of the members with four or more years of service. Cost-of-living adjustments to each employee’s retirement allowance subsequent to the employee’s retirement date are at the discretion of the County Commissioners’ Court.

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and County-financed monetary credits. The governing body of Brazos County, within the actuarial constraints imposed by the TCDRS Act, adopts the level of these monetary credits. Therefore, the resulting benefits can be expected to be adequately financed by the County’s commitment to contribute. At retirement, death, or disability the benefit is calculated by converting the sum of the employee’s accumulated contributions and the County-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS.

Employees Covered by Benefit Terms

At September 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	297
Inactive employees entitled to but not yet receiving benefits	497
Active employees	750
	<hr/> <hr/>
	1,544

NOTE 12 - PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

Contributions

Brazos County has elected the annually determined contribution rate (ADCR) 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. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Brazos County's contribution rate was 14% for fiscal year 2015 and is anticipated to remain at 14% for fiscal year 2016. The employee's member contribution rate remained at 7% for 2015. Contributions to the pension plan from the County were \$4,692,679 for the year ended September 30, 2015.

B. Net Pension Liability

The County's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Payroll growth	3.5 percent, including inflation
Investment rate of return	8.1 percent

Mortality rates were based on various RP-2000 Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012 except where required to be different by GASB 68.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The building-block method allows the development of the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimate of geometric real rates of return for each major asset class are summarized in the following table:

NOTE 12 - PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Geometric Real Rate of Return (Expected - Inflation) (2)</u>
US Equities	16.50%	5.35%
Private Equity	12.00%	8.35%
Global Equities	1.50%	5.65%
International Equities - Developed	11.00%	5.35%
International Equities - Emerging	9.00%	6.35%
Investment-Grade Bonds	3.00%	0.55%
High-Yield Bonds	3.00%	3.75%
Opportunistic Credit	5.00%	5.54%
Direct Lending	2.00%	5.80%
Distressed Debt	3.00%	6.75%
REIT Equities	2.00%	4.00%
Commodities	2.00%	-0.20%
Master Limited Partnerships (MLPs)	2.00%	5.30%
Private Real Estate Partnerships	3.00%	7.20%
Hedge Funds	25.00%	5.15%
	100.00%	

(1) Target asset allocation adopted at the April 2015 TCDRS meeting.

(2) Geometric real rates of return in addition to assumed inflation of 1.7%, per Cliffwater's 2015 capital market assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 8.10 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability / (Asset)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2013	\$149,601,628	\$135,102,344	\$14,499,284
Changes for the year:			
Service cost	4,799,043	-	4,799,043
Interest on total pension liability	12,180,043	-	12,180,043
Effect of economic/demographic gains or losses	(509,172)	-	(509,172)
Refund of contributions	(540,823)	(540,823)	-
Benefit payments	(4,961,250)	(4,961,250)	-
Administrative expenses	-	(108,831)	108,831
Member contributions	-	2,262,096	(2,262,096)
Net investment income	-	9,163,233	(9,163,233)
Employer contributions	-	4,525,390	(4,525,390)
Other	-	(232,905)	232,905
Net Changes	10,967,841	10,106,910	860,931
Balances as of December 31, 2014	\$160,569,469	\$145,209,254	\$15,360,215

NOTE 12 – PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 8.10 percent, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (7.10 percent) or 1-percent-point higher (9.10 percent) than the current rate:

	1% Decrease <u>7.10%</u>	Current Discount Rate 8.10%	1% Increase <u>9.10%</u>
County's net pension liability / (asset)	37,827,245	15,360,215	(3,047,214)

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the County recognized pension expense of \$4,075,794. At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual pension experience	\$ -	\$ 407,338
Difference between projected and actual earnings on pension plan	1,609,709	-
Change in pension allocated share	86,370	-
Pension contributions made after the measurement date	3,421,195	-
Total	<u>\$ 5,117,274</u>	<u>\$ 407,338</u>

Deferred outflows of resources related to pensions resulting from pension contributions made after the measurement date of \$3,421,195 will be recognized as a reduction of the net pension liability in the County’s financial statements for the fiscal year ending September 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding pension contributions made after the measurement date, will be recognized in pension expense as follows:

Year ended September 30,	
2016	\$ 322,185
2017	322,185
2018	322,185
2019	322,186
Thereafter	-

D. Payable to the Pension Plan

As of September 30, 2015, the County reported a short-term payable of \$609,441 for the outstanding pension contributions to TCDRS. The amount represents the legally required contributions from both employee member and the employer based on the covered payroll of employee members for the month of September 2015, which was due by October 15, 2015.

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. COBRA

The County provides health care benefits as required by the Federal government under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”). COBRA requires employers that sponsor group health plans to provide continuation of group coverage to terminated employees and their dependents in circumstances where coverage would normally end. The election to be covered is at the request of the employee. The employee is then required to pay the premium costs for themselves and their dependents. Expenditures are recognized as claims are submitted. The benefit levels of the COBRA participants are the same as those afforded to active employees. The County uses the Health and Life Insurance Internal Service fund to liquidate the benefit obligation for COBRA participants. At September 30, 2015, the County had been fully reimbursed for costs related to COBRA participants.

B. Post-Retirement Benefits

Plan Description

Texas Local Government Code Section 157.101 assigns the authority to establish and amend group health benefit provisions to the Commissioners’ Court. Brazos County has elected to offer post-retirement healthcare benefits to certain retirees. County policy allows full-time employees to become eligible for post-retirement healthcare benefits after meeting the service and retirement age requirements of the TCDRS retirement plan. The County’s post-retirement benefit plan is a single-employer defined benefit plan. It includes medical, dental and drug care benefits, all of which are provided through the County’s self-insured healthcare plan. The benefit levels are the same as those afforded to active employees.

As of January 1, 2014, the membership of the County’s self-insured plan consists of:

Retirees and Beneficiaries Receiving Benefits	129
Active Employees	641
Total	<u>770</u>
Participating Employers	<u>1</u>

Funding Policy

The County uses the Health and Life Insurance Internal Service fund to liquidate the post-retirement benefit obligation. The County evaluates and establishes the plan premium amounts, which includes the employee portion and the County’s subsidy, under Texas Local Government Code Section 157.102 on an annual basis. The eligible retirees who retired prior to January 1, 2000 may pay a fixed premium amount to maintain coverage through the County’s healthcare plan. Eligible retirees who were hired before August 30, 2011 and with eight or more years of cumulative services with Brazos County upon retirement are entitled to the County’s subsidy and may pay the employee portion of the premium only to maintain coverage. Eligible retirees who were hired before August 30, 2011 but have less than eight years of cumulative service with Brazos County at retirement must pay the full premium to maintain coverage. Employees hired on or after August 30, 2011 must pay the full premiums to maintain coverage regardless of the years of service. Upon a retiree reaching 65 years of age, the County’s healthcare plan becomes secondary automatically.

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

B. Post-Retirement Benefits (Continued)

Annual OPEB Costs and Net OPEB Obligation

The County’s annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The County’s annual OPEB cost, the County’s contribution, and the net OPEB obligation for the fiscal year ended September 30, 2015 were as follows:

Annual Required Contribution	\$	6,945,944
Add interest on Net OPEB Obligation		1,851,771
Less adjustment to Annual Required Contribution		<u>(1,715,647)</u>
Annual OPEB Cost		7,082,068
Less Contributions made		<u>(1,419,123)</u>
Change in Net OPEB Obligation		5,662,945
Net OPEB Obligation beginning of the year		41,150,475
Net OPEB Obligation end of the year	\$	<u><u>46,813,420</u></u>

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2015 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Trend Information			
	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net Ending OPEB Obligation
9/30/2013	\$ 7,321,521	\$ 687,269	9.4%	\$ 35,449,793
9/30/2014	\$ 6,860,902	\$ 1,160,220	16.9%	\$ 41,150,475
9/30/2015	\$ 7,082,068	\$ 1,419,123	20.0%	\$ 46,813,420

The County’s post-retirement benefits, provided through the County’s self-insured healthcare plan, are funded on a pay-as-you-go basis. The County contributed \$1,419,123 toward it for the year ended September 30, 2015.

Funded Status and Funding Progress

The funded status of the County’s post-retirement healthcare plan, under GASB Statement No. 45 as of January 1, 2014 (the most recent valuation) was as follows:

Actuarial value of assets	\$	-
Actuarial accrued liability (AAL)	\$	63,510,613
Unfunded actuarial accrued liability (UAAL)	\$	63,510,613
Funded ratio (actuarial value of plan assets /AAL)		0%
Covered payroll (active plan members)	\$	32,073,636
UAAL as percentage of covered payroll		198.0%

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

B. Post-Retirement Benefits (Continued)

Under the reporting parameters, the County’s post-retirement healthcare plan is 0.0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$63,510,613 at January 1, 2014. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 198.0%.

Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the annual required contribution of the employer (ARC) for the County’s post-retirement healthcare plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The annual ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Inflation Rate	3.00% per annum
Investment Rate of Return	4.50%, net of expenses
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Level as a percentage of employee payroll
Amortization Period	30-year, open amortization
Payroll Growth	3.00% per annum
Healthcare Cost Trend Rate	7.50% initial rate; 5.50% ultimate rate
Dental Cost Trend Rate	4.50% per year

Additional Disclosure

Texas Local Government Code, Chapter 175 requires counties to make available continued health benefits coverage under certain circumstances to retirees and their dependents beyond the end of an individual’s employment with the County (“Continuation Coverage”) by permitting covered employees to purchase continued health benefits coverage in retirement. Texas law does not require counties to fund all or any portion of such coverage.

Because the County is given the authority to pay OPEB for its retired employees, it may incur a debt obligation to pay for OPEB as long as the County follows the constitutional requirement that it have sufficient taxing authority available at the time such debt is incurred to provide for the payment of the debt and has in fact levied a tax for such purpose concurrently with the incurrence of the debt. Any debt incurred in contravention of this constitutional requirement is considered void and payment will not be due. Brazos County has not incurred a legal debt obligation for OPEB and has not levied a tax for the same.

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

B. Post-Retirement Benefits (Continued)

The County funds the cost associated with OPEB on a current “pay as you go” basis for a single fiscal year through an annual appropriation authorized by the Commissioners’ Court during the County’s annual budget adoption process. GAAP requires governmental organizations to recognize an actuarially calculated accrued liability for OPEB, even though it may not have a legally enforceable obligation to pay OPEB benefits.

Information and amounts presented in the County’s Comprehensive Annual Financial Report relative to OPEB expenses, related liabilities (assets), note disclosures, and supplementary information are only intended to achieve compliance with the requirements of generally accepted accounting principles (GASB 45) and does not constitute or imply that the County is legally obligated to provide OPEB benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the ARC of the County’s post-retirement healthcare plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. Deferred Compensation

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, as amended, is available to all employees, and permits them to defer a portion of their salary until future years. The plan funds are not available to employees until termination, retirement, death, or emergency. Brazos County is not the plan administrator or the trustee, therefore the assets of the plan are not a reportable fund within the County’s financial statements.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

A. Construction Contracts

The County has budgeted \$27.2 million for various contracts in connection with the construction and renovation of County facilities, buildings and the rehabilitation of County roads for fiscal year 2016. They are allocated as follows:

- \$0.5 million for the construction of the new fleet maintenance building to be used for routine maintenance of County-owned vehicles and heavy equipment.
- \$9.2 million for the renovation of the County’s courthouse building.
- \$2.7 million for the renovation of the old Tax Office building to house the County’s medical clinic and election administration office.
- \$9.1 million for the rehabilitation of County roads.
- \$0.1 million for the acquisition of the new citizen collection site.

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

A. Construction Contracts (Continued)

- \$1.0 million for the construction of the new building for the Justice of the Peace and Constable of precinct 1.
- \$4.6 million for the Expo Center improvement and expansion.

The County has also budgeted \$2,974,791 for the acquisition of the judicial software in fiscal year 2016.

B. Tax Increment Financing Zones (TIFZ's)

As of September 30, 2015, the County had entered into several inter-local agreements with the City of Bryan for the creation of Tax Increment Financing Zones as allowed by Chapter 311 of the Texas Tax Code.

Tax Increment Financing Zones (TIFZ) are statutory tools available to municipalities in Texas to promote development or redevelopment in an area that would not occur in the foreseeable future solely through private investment. TIFZ are also means to allow a community, both city and county, to enhance their ability to attract economic development or to allow businesses currently located within their area to expand.

Once a city has designated a TIFZ, the Commissioners' Court must decide whether the County is to participate in the TIFZ and to what extent. After the County has elected to participate, a base value for the property located within the TIFZ is established. At the date of creation the appraised value is normally accepted as the base value. As the property within the TIFZ develops, the County collects taxes based on the appreciated appraised values at the rate established annually by the Commissioners' Court. Once the taxes have been paid each year the County remits the amount of taxes attributable to the increase in the appraised values (captured value) to the TIFZ to be used to fund the project plan. Project plans normally include the creation of infrastructure such as roads, street improvements, light systems, sewer systems, landscaping, parks, etc. A TIFZ can be terminated either on the date designated in the ordinance creating the zone, or the date on which all project costs, tax increment bonds, and interest on the bonds have been paid.

Brazos County has entered into two inter-local agreements with the City of Bryan to create Reinvestment Zone Number Ten – “Traditions” and Reinvestment Zone Number Twenty-Two – “Bryan Towne Center”. The Traditions zone is approximately 790 acres on the west side of the City of Bryan and was originally scheduled for 15 years of County participation. It was extended to 24 years during fiscal year 2015. The Bryan Towne Center on the east side of the City is scheduled for 20 years of County participation. During fiscal year 2015 (for the tax year ended 12/31/14), the County reimbursed \$889,557 to the City of Bryan on the TIFZ's.

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

C. Tax Abatements

Chapter 312 of the Texas Tax Code authorizes the County to provide property tax abatements for limited time periods to encourage development or expansion of property. The terms of each agreement are limited by the guidelines and criteria established by the Commissioners' Court. At September 30, 2015 the County had established abatement agreements with the following property owners.

Property Owner	2015 Appraised Value	2015 Taxable Value	2015 Taxes Levied
Axis Pipe & Tube	\$ 21,428,130	\$ 7,100,000	\$ 34,435
Caliber Biotherapeutics LLC	23,871,800	7,650,959	37,107
Kent Moore	4,515,160	3,160,612	15,329
Penncro Associates	247,810	124,660	605

D. Contingent Liabilities

The County is a defendant in various lawsuits. All are matters that are pending and have arisen in the normal course of the County's operations. Although the outcome of these lawsuits is not presently determinable, the County's various legal counsels are of the opinion that the settlement of these claims and pending litigation will not have a material effect on the County's financial statements. Consequently, there has been no current provision to reserve funds for such claims.

The County receives various grant monies that are subject to audit and adjustment by the grantor agencies. Any disallowed expenditure will become a liability of the County. The amount cannot be determined at this time, but the County expects such amounts, if any, to be immaterial.

NOTE 15 – FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note 1-R. The following is a detail of fund balances for all the major and nonmajor governmental funds at September 30, 2015:

NOTE 15 – FUND BALANCES (Continued)

	General Fund	Debt Service Fund	Capital Improvement Fund	Nonmajor Funds	Total
Fund Balances:					
Nonspendable:					
Prepays	\$ 619,764	\$ -	\$ -	\$ 14,508	\$ 634,272
Inventories	812,476	-	-	-	812,476
Total Nonspendable	<u>1,432,240</u>	<u>-</u>	<u>-</u>	<u>14,508</u>	<u>1,446,748</u>
Restricted for:					
Debt Service	-	5,840,178	-	-	5,840,178
Juvenile Services	40,894	-	-	-	40,894
Human Services	-	-	-	2,615,160	2,615,160
State Lateral Road Fund	-	-	-	26,963	26,963
Unclaimed Property	-	-	-	56,018	56,018
Administration of Justice	318,229	-	-	388,006	706,235
Records Management	-	-	-	1,472,836	1,472,836
Special Forfeitures	-	-	-	34,477	34,477
Law Enforcement	1,017	-	-	-	1,017
District Attorney Hot Check Collection	-	-	-	2,485	2,485
Bail Bond Board Fees	-	-	-	86,733	86,733
Administration of Tax Office	-	-	-	221,994	221,994
Sheriff Department Crime Fund	-	-	-	230,616	230,616
District Attorney Crime Fund	-	-	-	103,791	103,791
Capital Projects	-	-	-	46,091	46,091
Total Restricted	<u>360,140</u>	<u>5,840,178</u>	<u>-</u>	<u>5,285,170</u>	<u>11,485,488</u>
Committed to:					
Health Endowment Fund	469,028	-	-	-	469,028
Total Committed	<u>469,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>469,028</u>
Assigned to:					
Capital Improvements	-	-	13,703,250	-	13,703,250
Research Valley	119,000	-	-	-	119,000
Indigent Health Care	904,141	-	-	-	904,141
Total Assigned	<u>1,023,141</u>	<u>-</u>	<u>13,703,250</u>	<u>-</u>	<u>14,726,391</u>
Unassigned	39,747,932	-	-	-	39,747,932
Total Fund Balances	<u>\$ 43,032,481</u>	<u>\$ 5,840,178</u>	<u>\$ 13,703,250</u>	<u>\$ 5,299,678</u>	<u>\$ 67,875,587</u>

NOTE 16 – SUBSEQUENT EVENTS

In October 2015, the County issued \$9,100,000 Certificates of Obligation, Series 2015 through private placement to fund the County courthouse renovation project and the Exposition Center expansion project. The annual interest rate is 1.92%. Interest accrues annually and the bonds mature in fiscal year 2025.

NOTE 17 – NEW ACCOUNTING PRONOUNCEMENTS

The following new GASB pronouncements will be effective for the County for the fiscal year ending September 30, 2016:

- The Governmental Accounting Standards Board has issued Statement No. 72 (“GASB 72”), “Fair Value Measurement and Application” which will be effective for the County in the fiscal year ending September 30, 2016. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements.

NOTE 17 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)

- The Governmental Accounting Standards Board has issued Statement No. 73 (“GASB 73”), “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68” which will be partially effective for the County in the fiscal year ending September 30, 2016. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities.

The following new GASB pronouncements will be effective for the County for the fiscal year ending September 30, 2018:

- The Governmental Accounting Standards Board has issued Statement No. 75 (“GASB 75”), “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” which will be effective for the County in the fiscal year ending September 30, 2018. This Statement replaces the requirements of Statements No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”, as amended, and No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, for OPEB. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. GASB 75 is expected to have a significant impact on the County, however the full effect is not known at this time.



REQUIRED SUPPLEMENTARY INFORMATION



BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Current Ad Valorem Taxes	\$ 55,735,000	\$ 55,735,000	\$ 55,818,643	\$ 83,643
Delinquent Ad Valorem Taxes	500,000	500,000	472,833	(27,167)
Penalties & Interest - Taxes	300,000	300,000	325,541	25,541
Mixed Drink Taxes	490,000	490,000	966,894	476,894
County Sales Taxes	13,740,000	13,740,000	15,351,017	1,611,017
Total Taxes	70,765,000	70,765,000	72,934,928	2,169,928
Charges For Services				
JJAEP Service Fee	37,500	37,500	39,126	1,626
Contracted Jail Services	105,000	105,000	136,539	31,539
Arrest/Warrant Fees	137,000	137,000	182,502	45,502
Brazos Center	200,000	200,000	187,427	(12,573)
Exposition Center	935,000	935,000	1,098,688	163,688
Bond Service/Forfeitures	182,000	182,000	267,434	85,434
County Clerk	1,300,000	1,300,000	1,304,813	4,813
Vital Statistics Preservation	6,000	6,000	7,514	1,514
County Attorney	50,000	50,000	47,754	(2,246)
General Administration Fees	39,500	39,500	12,470	(27,030)
Constables	181,000	181,000	212,036	31,036
Court Reporter	35,500	35,500	39,752	4,252
Magistrate	30,000	30,000	11,264	(18,736)
County Drug Court Fees	30,000	30,000	31,947	1,947
District Clerk	409,950	409,950	409,632	(318)
District Attorney	6,000	6,000	4,040	(1,960)
Family Protection	8,500	8,500	9,737	1,237
Election Services	55,000	55,000	66,905	11,905
Motor Carrier Weight	10,000	10,000	91,611	81,611
Inmate Medical Fees	16,000	16,000	16,884	884
Justice of the Peace	1,440,400	1,440,400	1,608,715	168,315
Juvenile Probation Fees	10,000	10,000	10,974	974
License and Weights	15,000	15,000	16,980	1,980
Omnibus Crime Control Fees	85,000	85,000	95,354	10,354
Judicial Support Fees	2,000	2,000	2,206	206
Optional License Fees	1,200,000	1,200,000	1,394,421	194,421
Probate Fees	3,000	3,000	4,122	1,122
Road & Bridge Fees	61,500	61,500	33,417	(28,083)
School Crossing Fees	22,000	22,000	26,567	4,567
Sheriff	75,000	75,000	62,544	(12,456)
Landfill Fees	34,000	34,000	36,554	2,554
Tax Assessor-Collector	655,000	655,000	670,080	15,080
Vehicle Registration Fees	675,000	675,000	344,950	(330,050)
Motor Vehicle Sales Taxes	1,000,000	1,000,000	1,299,279	299,279
Licenses and Permits	70,000	70,000	63,076	(6,924)
Pretrial Bond Supervision	103,000	103,000	78,018	(24,982)
Court Fines	2,005,000	2,005,000	1,757,308	(247,692)
Total Charges For Services	\$ 11,229,850	\$ 11,229,850	\$ 11,682,640	\$ 452,790

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES (continued)				
Intergovernmental - Federal				
Department of Justice	\$ 40,000	\$ 40,000	\$ 44,719	\$ 4,719
Department of Agriculture	26,000	26,321	55,146	28,825
Department of Health & Human Services	33,000	33,000	49,125	16,125
Emergency Management Agency	40,000	40,000	55,696	15,696
Total Intergovernmental - Federal	139,000	139,321	204,686	65,365
Intergovernmental - State & Local				
Attorney General	150,000	150,000	151,939	1,939
Department of Justice	282,100	282,100	306,219	24,119
D. A. Salary Supplement	22,500	22,500	22,870	370
Office of the Court Administrator	100,000	100,000	310,518	210,518
Texas Juvenile Justice Department	111,000	111,000	152,924	41,924
Juror Reimbursement	50,000	50,000	69,326	19,326
Tobacco Settlement	65,000	65,000	67,357	2,357
Total Intergovernmental - State	780,600	780,600	1,081,153	300,553
Total Intergovernmental	919,600	919,921	1,285,839	365,918
Interest	151,900	151,900	160,983	9,083
Other Revenue				
Donations	20,000	185,823	192,994	7,171
Road Crossing	5,000	5,000	9,526	4,526
State Traffic Fee	8,500	8,500	10,323	1,823
Reimbursements	236,000	236,000	410,986	174,986
Leases and Rentals	10,000	10,000	17,192	7,192
Other	28,100	28,100	90,652	62,552
Estray Animal Sale/Fee	500	500	47	(453)
Inmate Phone System	170,000	170,000	206,471	36,471
Oil and Gas Lease	1,500	1,500	396	(1,104)
Informal Adjudication Probation	7,000	7,000	10,423	3,423
Total Other Revenue	486,600	652,423	949,010	296,587
TOTAL REVENUES	\$ 83,552,950	\$ 83,719,094	\$ 87,013,400	\$ 3,294,306

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2015

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government				
County Judge				
Personnel Services	\$ 298,698	\$ 298,698	\$ 263,258	\$ 35,440
Supplies and Other Charges	12,900	12,452	5,878	6,574
Repairs and Maintenance	400	400	292	108
Minor Acquisitions	-	448	448	-
	311,998	311,998	269,876	42,122
Budget Office				
Personnel Services	196,884	196,884	196,021	863
Supplies and Other Charges	5,100	5,600	5,511	89
	201,984	202,484	201,532	952
Commissioners' Court				
Personnel Services	1,789,431	2,007,445	2,005,299	2,146
Supplies and Other Charges	39,975	35,549	25,928	9,621
Repairs and Maintenance	1,316	1,316	729	587
Contract Services	305	305	-	305
	1,831,027	2,044,615	2,031,956	12,659
Non-Departmental				
Personnel Services	523,331	523,331	26,221	497,110
Supplies and Other Charges	1,634,750	1,634,750	1,124,481	510,269
Repairs and Maintenance	-	2,817	1,770	1,047
Contract Services	302,105	303,068	291,385	11,683
Professional Services	765,000	677,885	127,435	550,450
	3,225,186	3,141,851	1,571,292	1,570,559
Community Support				
Community Support	3,104,556	3,164,556	2,977,583	186,973
	3,104,556	3,164,556	2,977,583	186,973
Fleet Maintenance				
Personnel Services	-	25,549	24,554	995
Supplies and Other Charges	-	691	671	20
Minor Acquisitions	-	954	953	1
	-	27,194	26,178	1,016
County Treasurer				
Personnel Services	464,065	485,055	453,337	31,718
Discretionary Funding	-	1,077	-	1,077
Supplies and Other Charges	15,200	16,153	13,208	2,945
Repairs and Maintenance	1,330	1,130	351	779
Contract Services	-	200	6	194
	\$ 480,595	\$ 503,615	\$ 466,902	\$ 36,713

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued)				
Risk Management				
Personnel Services	\$ 145,052	\$ 145,052	\$ 144,436	\$ 616
Discretionary Funding	-	2,996	-	2,996
Supplies and Other Charges	11,380	11,380	5,738	5,642
Repairs and Maintenance	-	710	484	226
Professional Services	4,000	4,000	2,678	1,322
	<u>160,432</u>	<u>164,138</u>	<u>153,336</u>	<u>10,802</u>
Tax Assessor-Collector				
Personnel Services	1,857,867	1,857,867	1,604,651	253,216
Supplies and Other Charges	59,825	59,683	46,185	13,498
Repairs and Maintenance	2,420	3,070	1,780	1,290
Contract Services	-	3,200	2,886	314
Professional Services	3,700	175	150	25
	<u>1,923,812</u>	<u>1,923,995</u>	<u>1,655,652</u>	<u>268,343</u>
Information Technology				
Personnel Services	1,640,451	1,668,815	1,527,854	140,961
Supplies and Other Charges	117,617	183,668	162,118	21,550
Repairs and Maintenance	33,314	34,599	34,534	65
Minor Acquisitions	64,700	70,090	66,262	3,828
Contract Services	711,465	686,820	664,433	22,387
Professional Services	-	300	300	-
	<u>2,567,547</u>	<u>2,644,292</u>	<u>2,455,501</u>	<u>188,791</u>
Human Resources				
Personnel Services	297,329	292,929	260,434	32,495
Discretionary Funding	-	848	-	848
Supplies and Other Charges	28,000	26,690	16,234	10,456
Repairs and Maintenance	1,420	1,420	1,320	100
Minor Acquisitions	-	1,310	1,308	2
Contract Services	1,055	5,455	2,814	2,641
Professional Services	25,000	25,000	8,901	16,099
	<u>352,804</u>	<u>353,652</u>	<u>291,011</u>	<u>62,641</u>
County Auditor				
Personnel Services	767,880	767,880	750,501	17,379
Supplies and Other Charges	18,150	18,150	13,497	4,653
Contract Services	4,640	4,640	4,607	33
	<u>790,670</u>	<u>790,670</u>	<u>768,605</u>	<u>22,065</u>
Purchasing				
Personnel Services	338,807	371,440	356,983	14,457
Discretionary Funding	-	283	-	283
Supplies and Other Charges	12,913	13,313	11,294	2,019
Repairs and Maintenance	2,896	2,896	2,692	204
Minor Acquisitions	-	1,931	1,603	328
Contract Services	4,384	3,698	1,090	2,608
Community Support	10,250	10,250	-	10,250
	<u>\$ 369,250</u>	<u>\$ 403,811</u>	<u>\$ 373,662</u>	<u>\$ 30,149</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued)				
Facilities Services				
Personnel Services	\$ 1,603,973	\$ 1,618,176	\$ 1,545,564	\$ 72,612
Discretionary Funding	-	11,157	-	11,157
Supplies and Other Charges	83,900	88,900	79,845	9,055
Repairs and Maintenance	428,682	498,532	438,091	60,441
Minor Acquisitions	22,000	14,500	11,301	3,199
Contract Services	213,100	138,100	95,303	42,797
Professional Services	2,900	3,050	2,940	110
	<u>2,354,555</u>	<u>2,372,415</u>	<u>2,173,044</u>	<u>199,371</u>
Landscaping				
Personnel Services	299,728	299,728	282,253	17,475
Supplies and Other Charges	2,525	2,525	1,674	851
Repairs and Maintenance	85,100	83,100	44,368	38,732
Minor Acquisitions	2,500	4,500	4,305	195
Contract Services	61,000	61,000	39,770	21,230
	<u>450,853</u>	<u>450,853</u>	<u>372,370</u>	<u>78,483</u>
Total General Government	<u>18,125,269</u>	<u>18,500,139</u>	<u>15,788,500</u>	<u>2,711,639</u>
Justice System				
Pre-Trial Bond Supervision				
Personnel Services	66,783	67,363	67,333	30
Supplies and Other Charges	2,520	3,257	307	2,950
Contract Services	7,020	5,703	3,010	2,693
	<u>76,323</u>	<u>76,323</u>	<u>70,650</u>	<u>5,673</u>
County Attorney				
Personnel Services	2,790,738	2,790,738	2,727,650	63,088
Discretionary Funding	-	41	-	41
Supplies and Other Charges	124,910	125,020	101,807	23,213
Repairs and Maintenance	14,000	13,472	9,000	4,472
Contract Services	9,000	9,418	8,865	553
	<u>2,938,648</u>	<u>2,938,689</u>	<u>2,847,322</u>	<u>91,367</u>
District Attorney				
Personnel Services	2,778,117	2,764,383	2,713,131	51,252
Discretionary Funding	-	6,850	-	6,850
Supplies and Other Charges	141,000	154,234	120,566	33,668
Repairs and Maintenance	15,960	15,960	12,708	3,252
Minor Acquisitions	400	900	760	140
Contract Services	7,536	7,536	2,130	5,406
	<u>2,943,013</u>	<u>2,949,863</u>	<u>2,849,295</u>	<u>100,568</u>
D.A. - Child Protective Services				
Personnel Services	232,964	232,964	165,682	67,282
Supplies and Other Charges	8,900	8,900	2,331	6,569
	<u>\$ 241,864</u>	<u>\$ 241,864</u>	<u>\$ 168,013</u>	<u>\$ 73,851</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
District Clerk				
Personnel Services	\$ 885,337	\$ 885,337	\$ 805,631	\$ 79,706
Discretionary Funding	-	5,944	-	5,944
Supplies and Other Charges	44,225	44,225	36,831	7,394
Repairs and Maintenance	2,510	6,510	6,160	350
Contract Services	15,000	11,000	1,812	9,188
	<u>947,072</u>	<u>953,016</u>	<u>850,434</u>	<u>102,582</u>
Court and Jury Services				
Personnel Services	120,922	120,922	114,092	6,830
Discretionary Funding	-	12,241	-	12,241
Supplies and Other Charges	189,800	184,800	150,067	34,733
Repairs and Maintenance	266	366	67	299
Contract Services	10,100	15,000	10,416	4,584
	<u>321,088</u>	<u>333,329</u>	<u>274,642</u>	<u>58,687</u>
Collections				
Personnel Services	302,230	302,230	296,560	5,670
Discretionary Funding	-	2,083	-	2,083
Supplies and Other Charges	12,679	12,679	12,285	394
Contract Services	2,430	2,430	2,049	381
	<u>317,339</u>	<u>319,422</u>	<u>310,894</u>	<u>8,528</u>
County Clerk				
Personnel Services	715,829	715,829	709,004	6,825
Discretionary Funding	-	22,893	-	22,893
Supplies and Other Charges	33,175	33,175	19,206	13,969
Repairs and Maintenance	842	842	792	50
Minor Acquisitions	4,775	4,775	3,006	1,769
Contract Services	89,620	89,620	45,081	44,539
	<u>844,241</u>	<u>867,134</u>	<u>777,089</u>	<u>90,045</u>
Vital Statistics Preservation				
Supplies and Other Charges	7,000	7,000	3,422	3,578
	<u>7,000</u>	<u>7,000</u>	<u>3,422</u>	<u>3,578</u>
85th District Court				
Personnel Services	322,317	323,479	317,750	5,729
Discretionary Funding	-	679	-	679
Supplies and Other Charges	23,825	22,663	11,617	11,046
Repairs and Maintenance	-	165	132	33
Contract Services	1,934	1,934	1,884	50
	<u>\$ 348,076</u>	<u>\$ 348,920</u>	<u>\$ 331,383</u>	<u>\$ 17,537</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
272nd District Court				
Personnel Services	\$ 309,695	\$ 313,287	\$ 313,287	\$ -
Discretionary Funding	-	467	-	467
Supplies and Other Charges	17,650	14,058	8,433	5,625
Repairs and Maintenance	1,114	1,114	264	850
Contract Services	2,560	2,560	410	2,150
	<u>331,019</u>	<u>331,486</u>	<u>322,394</u>	<u>9,092</u>
361st District Court				
Personnel Services	315,242	310,051	307,216	2,835
Discretionary Funding	-	6,763	-	6,763
Supplies and Other Charges	26,050	33,241	24,788	8,453
Repairs and Maintenance	626	626	497	129
	<u>341,918</u>	<u>350,681</u>	<u>332,501</u>	<u>18,180</u>
Juvenile Court Referee				
Personnel Services	149,236	149,236	147,008	2,228
Discretionary Funding	-	1,195	-	1,195
Supplies and Other Charges	4,670	4,670	4,355	315
	<u>153,906</u>	<u>155,101</u>	<u>151,363</u>	<u>3,738</u>
Associate Judge #1				
Personnel Services	269,937	269,937	267,672	2,265
Supplies and Other Charges	7,782	7,412	6,992	420
Repairs and Maintenance	366	736	195	541
Contract Services	4,700	4,700	2,064	2,636
	<u>282,785</u>	<u>282,785</u>	<u>276,923</u>	<u>5,862</u>
County Drug Court Program				
Personnel Services	14,739	24,479	20,072	4,407
Supplies and Other Charges	36,230	26,490	6,551	19,939
	<u>50,969</u>	<u>50,969</u>	<u>26,623</u>	<u>24,346</u>
Associate Judge #2				
Personnel Services	275,747	275,747	252,840	22,907
Supplies and Other Charges	7,700	7,700	4,989	2,711
Repairs and Maintenance	314	314	220	94
Contract Services	4,860	4,860	750	4,110
	<u>288,621</u>	<u>288,621</u>	<u>258,799</u>	<u>29,822</u>
Brazos County Family Court Annex				
Personnel Services	48,109	48,109	6,464	41,645
Supplies and Other Charges	3,550	6,144	5,939	205
Contract Services	25,650	24,756	24,747	9
Professional Services	58,000	96,000	95,697	303
	<u>\$ 135,309</u>	<u>\$ 175,009</u>	<u>\$ 132,847</u>	<u>\$ 42,162</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
County Court At Law #1				
Personnel Services	\$ 502,865	\$ 502,865	\$ 497,896	\$ 4,969
Discretionary Funding	-	4,471	-	4,471
Supplies and Other Charges	12,730	11,471	9,390	2,081
Repairs and Maintenance	732	732	156	576
Minor Acquisitions	-	1,259	1,229	30
	<u>516,327</u>	<u>520,798</u>	<u>508,671</u>	<u>12,127</u>
County Court At Law #2				
Personnel Services	495,800	496,527	491,349	5,178
Discretionary Funding	-	1,196	-	1,196
Supplies and Other Charges	21,250	20,523	12,483	8,040
Contract Services	1,478	1,478	1,428	50
	<u>518,528</u>	<u>519,724</u>	<u>505,260</u>	<u>14,464</u>
Justice of the Peace Precinct 1				
Personnel Services	303,625	303,625	292,887	10,738
Discretionary Funding	-	20,356	-	20,356
Supplies and Other Charges	27,400	27,390	20,803	6,587
Repairs and Maintenance	75	85	75	10
Contract Services	32,977	32,977	29,999	2,978
	<u>364,077</u>	<u>384,433</u>	<u>343,764</u>	<u>40,669</u>
Justice of the Peace Precinct 2				
Personnel Services	207,156	207,156	204,670	2,486
Supplies and Other Charges	12,250	12,099	11,381	718
Repairs and Maintenance	125	125	-	125
Minor Acquisitions	-	151	151	-
Contract Services	2,000	2,000	963	1,037
Professional Services	150	150	-	150
	<u>221,681</u>	<u>221,681</u>	<u>217,165</u>	<u>4,516</u>
Justice of the Peace Precinct 2 Place 1				
Personnel Services	50,515	50,770	50,517	253
Discretionary Funding	-	1,874	-	1,874
Supplies and Other Charges	610	610	575	35
Contract Services	-	321	321	-
	<u>51,125</u>	<u>53,575</u>	<u>51,413</u>	<u>2,162</u>
Justice of the Peace Precinct 2 Place 2				
Personnel Services	71,142	71,142	65,001	6,141
Supplies and Other Charges	2,875	2,875	1,374	1,501
Repairs and Maintenance	75	75	-	75
Contract Services	750	750	321	429
Professional Services	75	75	-	75
	<u>\$ 74,917</u>	<u>\$ 74,917</u>	<u>\$ 66,696</u>	<u>\$ 8,221</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
Justice of the Peace Precinct 3				
Personnel Services	\$ 302,676	\$ 302,676	\$ 293,308	\$ 9,368
Discretionary Funding	-	15,819	-	15,819
Supplies and Other Charges	17,945	21,830	21,464	366
Minor Acquisitions	-	1,400	1,400	-
Contract Services	7,000	7,000	3,556	3,444
	<u>327,621</u>	<u>348,725</u>	<u>319,728</u>	<u>28,997</u>
Justice of the Peace Precinct 4				
Personnel Services	246,715	248,525	248,147	378
Supplies and Other Charges	9,130	10,068	9,678	390
Repairs and Maintenance	232	232	66	166
Minor Acquisitions	350	602	602	-
Contract Services	1,400	1,150	705	445
	<u>257,827</u>	<u>260,577</u>	<u>259,198</u>	<u>1,379</u>
Community Supervision Support				
Supplies and Other Charges	89,100	92,864	72,865	19,999
Repairs and Maintenance	-	2,800	2,706	94
Minor Acquisitions	2,000	1,836	-	1,836
Contract Services	10,100	3,700	317	3,383
	<u>101,200</u>	<u>101,200</u>	<u>75,888</u>	<u>25,312</u>
Judicial Court Support				
Supplies and Other Charges	561,000	561,000	490,561	70,439
Contract Services	600,000	1,470,000	995,053	474,947
Professional Services	3,433,963	3,433,963	3,120,434	313,529
	<u>4,594,963</u>	<u>5,464,963</u>	<u>4,606,048</u>	<u>858,915</u>
Total Justice System	<u>17,597,457</u>	<u>18,620,805</u>	<u>16,938,425</u>	<u>1,682,380</u>
Law Enforcement				
Sheriff Administration				
Personnel Services	4,960,064	4,960,064	4,805,977	154,087
Supplies and Other Charges	181,818	182,671	164,900	17,771
Repairs and Maintenance	252,825	252,825	241,056	11,769
Minor Acquisitions	2,900	54,746	54,483	263
Contract Services	15,520	15,520	10,605	4,915
Professional Services	3,050	3,050	2,845	205
	<u>5,416,177</u>	<u>5,468,876</u>	<u>5,279,866</u>	<u>189,010</u>
Joint Terrorism Task Force				
Personnel Services	10,000	10,000	-	10,000
	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Enforcement (continued)				
Sheriff Jail Administration				
Personnel Services	\$ 9,329,547	\$ 9,274,848	\$ 9,274,847	\$ 1
Supplies and Other Charges	1,391,210	1,433,619	1,364,856	68,763
Repairs and Maintenance	87,850	87,850	72,571	15,279
Minor Acquisitions	-	2,700	2,700	-
Contract Services	16,940	15,440	14,329	1,111
Professional Services	11,350	15,941	14,741	1,200
	<u>10,836,897</u>	<u>10,830,398</u>	<u>10,744,044</u>	<u>86,354</u>
Jail Medical Services				
Personnel Services	733,735	809,209	809,208	1
Supplies and Other Charges	47,840	27,233	27,233	-
Contract Services	2,000	3,500	3,247	253
Professional Services	25,375	32,207	31,601	606
	<u>808,950</u>	<u>872,149</u>	<u>871,289</u>	<u>860</u>
Constable Precinct 1				
Personnel Services	370,259	370,259	368,845	1,414
Supplies and Other Charges	22,585	22,585	20,261	2,324
Repairs and Maintenance	19,000	19,000	11,694	7,306
Minor Acquisitions	500	12,461	11,798	663
Contract Services	25,725	25,175	24,042	1,133
	<u>438,069</u>	<u>449,480</u>	<u>436,640</u>	<u>12,840</u>
Constable Precinct 2				
Personnel Services	588,394	588,394	575,291	13,103
Supplies and Other Charges	21,700	29,644	21,429	8,215
Repairs and Maintenance	36,600	36,600	27,665	8,935
Minor Acquisitions	2,000	12,800	10,800	2,000
Contract Services	4,850	4,850	2,912	1,938
	<u>653,544</u>	<u>672,288</u>	<u>638,097</u>	<u>34,191</u>
Constable Precinct 3				
Personnel Services	299,692	299,692	292,536	7,156
Discretionary Funding	-	49	-	49
Supplies and Other Charges	17,475	17,818	17,706	112
Repairs and Maintenance	13,282	13,282	8,931	4,351
Minor Acquisitions	3,200	6,190	5,400	790
Contract Services	4,710	4,367	1,837	2,530
	<u>338,359</u>	<u>341,398</u>	<u>326,410</u>	<u>14,988</u>
Constable Precinct 4				
Personnel Services	626,407	630,639	630,637	2
Supplies and Other Charges	18,565	19,395	15,644	3,751
Repairs and Maintenance	38,500	29,138	26,109	3,029
Minor Acquisitions	-	10,800	10,800	-
Contract Services	2,980	2,780	2,205	575
	<u>686,452</u>	<u>692,752</u>	<u>685,395</u>	<u>7,357</u>
Total Law Enforcement	\$ 19,188,448	\$ 19,337,341	\$ 18,981,741	\$ 355,600

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Juvenile Services				
Juvenile Services				
Personnel Services	\$ 3,895,259	\$ 3,930,724	\$ 3,850,966	\$ 79,758
Discretionary Funding	-	15,135	-	15,135
Supplies and Other Charges	301,450	314,066	283,234	30,832
Repairs and Maintenance	22,560	27,037	21,273	5,764
Minor Acquisitions	2,600	15,509	12,375	3,134
Contract Services	8,695	5,992	2,575	3,417
Professional Services	42,175	32,900	24,317	8,583
	<u>4,272,739</u>	<u>4,341,363</u>	<u>4,194,740</u>	<u>146,623</u>
TYC - Parole				
Personnel Services	154,469	154,469	139,778	14,691
Supplies and Other Charges	2,300	25	-	25
Repairs and Maintenance	2,650	1,070	264	806
Contract Services	64,380	50,852	43,914	6,938
	<u>223,799</u>	<u>206,416</u>	<u>183,956</u>	<u>22,460</u>
Juvenile Justice Alternative Education				
Personnel Services	214,909	214,909	185,307	29,602
Supplies and Other Charges	1,000	1,000	882	118
	<u>215,909</u>	<u>215,909</u>	<u>186,189</u>	<u>29,720</u>
Juvenile - Title IV E				
Personnel Services	57,520	57,520	49,950	7,570
Supplies and Other Charges	46,150	46,243	28,481	17,762
Repairs and Maintenance	760	1,067	949	118
Minor Acquisitions	5,250	5,250	-	5,250
Contract Services	10,400	10,000	295	9,705
	<u>120,080</u>	<u>120,080</u>	<u>79,675</u>	<u>40,405</u>
TDHS - Commodities				
Supplies and Other Charges	3,000	3,321	3,320	1
	<u>3,000</u>	<u>3,321</u>	<u>3,320</u>	<u>1</u>
Total Juvenile Services	<u>4,835,527</u>	<u>4,887,089</u>	<u>4,647,880</u>	<u>239,209</u>
Public Transportation				
Road and Bridge Administration				
Personnel Services	4,225,871	4,226,215	3,982,226	243,989
Supplies and Other Charges	1,353,362	1,357,320	91,473	1,265,847
Repairs and Maintenance	5,365,830	5,397,873	4,909,520	488,353
Minor Acquisitions	13,500	17,606	13,381	4,225
Contract Services	208,000	202,335	181,359	20,976
Professional Services	90,000	90,000	53,601	36,399
	<u>11,256,563</u>	<u>11,291,349</u>	<u>9,231,560</u>	<u>2,059,789</u>
Total Public Transportation	<u>\$ 11,256,563</u>	<u>\$ 11,291,349</u>	<u>\$ 9,231,560</u>	<u>\$ 2,059,789</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Health				
Environmental Protection				
Supplies and Other Charges	\$ 9,175	\$ 17,675	\$ 16,501	\$ 1,174
Repairs and Maintenance	3,000	3,000	-	3,000
Minor Acquisitions	8,000	8,000	-	8,000
Contract Services	269,900	276,910	266,111	10,799
	<u>290,075</u>	<u>305,585</u>	<u>282,612</u>	<u>22,973</u>
Indigent Health Care				
Supplies and Other Charges	650,000	650,000	425,752	224,248
Professional Services	2,057,959	2,057,959	478,659	1,579,300
Community Support	896,700	896,700	306,160	590,540
	<u>3,604,659</u>	<u>3,604,659</u>	<u>1,210,571</u>	<u>2,394,088</u>
Community Public Health				
Community Support	65,900	65,900	-	65,900
	<u>65,900</u>	<u>65,900</u>	<u>-</u>	<u>65,900</u>
Total Public Health	<u>3,960,634</u>	<u>3,976,144</u>	<u>1,493,183</u>	<u>2,482,961</u>
Human Services				
Veteran Services				
Personnel Services	60,493	60,493	49,905	10,588
Supplies and Other Charges	1,500	1,500	1,051	449
Repairs and Maintenance	362	362	156	206
	<u>62,355</u>	<u>62,355</u>	<u>51,112</u>	<u>11,243</u>
County Fire Protection				
Community Support	459,392	459,422	459,422	-
	<u>459,392</u>	<u>459,422</u>	<u>459,422</u>	<u>-</u>
County Welfare				
Supplies and Other Charges	5,000	5,000	4,200	800
	<u>5,000</u>	<u>5,000</u>	<u>4,200</u>	<u>800</u>
Elections				
Personnel Services	115,139	115,139	111,401	3,738
Outside Labor Costs	125,000	125,000	57,721	67,279
Supplies and Other Charges	22,800	22,800	10,021	12,779
Repairs and Maintenance	10,000	10,000	5,023	4,977
Minor Acquisitions	1,000	1,000	-	1,000
Contract Services	55,100	55,100	53,814	1,286
Professional Services	50,000	50,000	32,000	18,000
	<u>\$ 379,039</u>	<u>\$ 379,039</u>	<u>\$ 269,980</u>	<u>\$ 109,059</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Human Services (continued)				
Health Department				
Supplies and Other Charges	\$ 46,525	\$ 49,793	\$ 49,793	\$ -
Professional Services	8,250	8,902	8,901	1
	<u>54,775</u>	<u>58,695</u>	<u>58,694</u>	<u>1</u>
Emergency Management				
Personnel Services	168,427	168,427	149,853	18,574
Discretionary Funding	-	18,552	-	18,552
Supplies and Other Charges	18,275	16,645	7,607	9,038
Repairs and Maintenance	3,050	3,421	2,814	607
Minor Acquisitions	-	1,259	1,254	5
Contract Services	87,593	87,593	82,783	4,810
Professional Services	25,000	25,000	-	25,000
	<u>302,345</u>	<u>320,897</u>	<u>244,311</u>	<u>76,586</u>
Brazos Center				
Personnel Services	380,423	380,423	356,535	23,888
Supplies and Other Charges	132,850	160,661	153,604	7,057
Repairs and Maintenance	18,050	18,050	13,057	4,993
Minor Acquisitions	4,750	9,584	6,611	2,973
Contract Services	2,950	2,950	2,400	550
	<u>539,023</u>	<u>571,668</u>	<u>532,207</u>	<u>39,461</u>
Exposition Center				
Personnel Services	1,198,183	1,198,183	1,087,794	110,389
Supplies and Other Charges	399,100	408,350	388,971	19,379
Repairs and Maintenance	90,400	90,400	60,834	29,566
Minor Acquisitions	16,000	6,750	2,642	4,108
Contract Services	46,000	46,000	43,948	2,052
	<u>1,749,683</u>	<u>1,749,683</u>	<u>1,584,189</u>	<u>165,494</u>
Agricultural Extension				
Personnel Services	328,476	328,476	284,959	43,517
Discretionary Funding	-	75	-	75
Supplies and Other Charges	46,800	45,910	43,100	2,810
Repairs and Maintenance	4,372	5,462	4,681	781
Contract Services	36,320	36,320	28,715	7,605
	<u>415,968</u>	<u>416,243</u>	<u>361,455</u>	<u>54,788</u>
Boonville Cemetery				
Repairs and Maintenance	300	770	470	300
	<u>300</u>	<u>770</u>	<u>470</u>	<u>300</u>
Child Protective Services				
Supplies and Other Charges	50,000	50,000	33,224	16,776
	<u>50,000</u>	<u>50,000</u>	<u>33,224</u>	<u>16,776</u>
Total Human Services	<u>\$ 4,017,880</u>	<u>\$ 4,073,772</u>	<u>\$ 3,599,264</u>	<u>\$ 474,508</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Contingency	\$ 2,153,516	\$ 133,976	\$ -	\$ 133,976
Capital Outlay	3,890,000	3,911,271	1,961,942	1,949,329
Debt Services				
Capital Lease - Principal	208,756	208,756	208,365	391
Capital Lease - Interest	13,944	13,944	11,280	2,664
TOTAL EXPENDITURES	<u>85,247,994</u>	<u>84,954,586</u>	<u>72,862,140</u>	<u>12,092,446</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,695,044)	(1,235,492)	14,151,260	15,386,752
OTHER FINANCING SOURCES (USES)				
Transfers Out	(14,745,222)	(15,204,774)	(15,088,708)	116,066
Capital Leases	-	-	475,100	475,100
Sale of Capital Assets	-	-	148,560	148,560
TOTAL OTHER FINANCING USES	<u>(14,745,222)</u>	<u>(15,204,774)</u>	<u>(14,465,048)</u>	<u>739,726</u>
Net Change in Fund Balances	(16,440,266)	(16,440,266)	(313,788)	16,126,478
FUND BALANCE, OCTOBER 1	<u>43,346,269</u>	<u>43,346,269</u>	<u>43,346,269</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 26,906,003</u>	<u>\$ 26,906,003</u>	<u>\$ 43,032,481</u>	<u>\$ 16,126,478</u>

BRAZOS COUNTY, TEXAS
 Required Supplementary Information
 Other Postemployment Benefits
 Schedule of Funding Progress
 September 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2012	\$ -	\$ 59,255,841	\$ 59,255,841	0.00%	\$ 25,076,745	236.3%
1/1/2014	-	63,510,613	63,510,613	0.00%	32,073,636	198.0%
1/1/2014	-	63,510,613	63,510,613	0.00%	32,073,636	198.0%

BRAZOS COUNTY, TEXAS

Required Supplementary Information

Schedule of Changes in the County's Net Pension Liability and Related Ratios

September 30, 2015

	Year Ended December 31, 2014
	<hr/>
Total pension liability	
Service cost	4,799,043
Interest on total pension liability	12,180,043
Effect of economic/demographic gains or losses	(509,172)
Benefit payments/refunds of contributions	(5,502,073)
Net change in total pension liability	<hr/> 10,967,841
Total pension liability - beginning	149,601,628
Total pension liability - ending (a)	<hr/> <hr/> 160,569,469
Plan fiduciary net position	
Contributions - employer	4,525,390
Contributions - employee	2,262,096
Net investment income	9,163,233
Benefit payments/refunds of contributions	(5,502,073)
Administrative expenses	(108,831)
Other	(232,905)
Net change in plan fiduciary net position	<hr/> 10,106,910
Plan fiduciary net position - beginning	135,102,344
Plan fiduciary net position - ending (b)	<hr/> <hr/> 145,209,254
County's net pension liability - ending (a) - (b)	15,360,215
Plan fiduciary net position as a percentage of the total pension liability	90.43%
Covered-employee payroll	32,321,377
County's net pension liability as a percentage of covered-employee payroll	47.52%

NOTE: The schedule represents only the year for which the new GASB statements have been implemented.

BRAZOS COUNTY, TEXAS
 Required Supplementary Information
 Schedule of County Contributions
 September 30, 2015

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2005	Not Available	Not Available	Not Available	Not Available	Not Available
2006	\$ 2,430,146	\$ 2,430,146	\$ -	\$ 22,172,865	11.0%
2007	2,760,016	2,866,918	(106,902)	24,295,918	11.8%
2008	3,015,587	3,140,681	(125,094)	26,615,947	11.8%
2009	3,292,380	3,496,858	(204,478)	29,634,387	11.8%
2010	3,525,572	3,525,572	-	29,552,154	11.9%
2011	3,479,077	3,535,814	(56,737)	29,634,387	11.9%
2012	3,747,336	4,681,676	(934,340)	30,293,739	15.5%
2013	4,053,792	4,069,381	(15,589)	31,183,019	13.0%
2014	4,389,243	4,525,390	(136,147)	32,321,377	14.0%

Notes to Schedule

Valuation timing: Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal

Amortization method Level percentage of payroll, closed

Asset valuation method

Smoothing period 5 years
 Recognition method Non-asymptotic
 Corridor None

Inflation 3.0%

Salary increases 3.5%

Investment rate of return 8.1%

Retirement age Members eligible for service retirement are assumed to retire at rates ranging from 4.5% to 30% based on age and gender in the 2014 actuarial valuation,

Mortality Various RP-2000 Mortality Tables are adopted to determine the assumed life expectancies in the 2014 actuarial valuation.

BRAZOS COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

BUDGET

Annual budgets are legally adopted for general, special revenue, debt service, capital project, and internal service funds. Budget amounts represent the original budget for 2015 as subsequently amended by the Commissioners' Court. Budgets are adopted on a basis consistent with GAAP (modified accrual basis). The County employs an encumbrance accounting system as a method of accomplishing budgetary control. At year-end, open encumbrances are closed. The departments are required to re-appropriate those funds within the following year's budget.

INFRASTRUCTURE ASSETS UNDER MODIFIED APPROACH

As permitted by Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, Brazos County has adopted the modified approach for reporting its road and bridge system. Under the modified approach, depreciation is not reported and certain preservation and maintenance costs are expensed.

The modified approach requires that Brazos County maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets, perform condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale in order to document that the eligible infrastructure assets are being preserved approximately at or above the condition level established and disclosed by the government, and estimate each year the annual amount needed to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the government.

For the year ended September 30, 2015, annual maintenance and preservation costs of \$9,231,560 for both roads and bridges were less than the estimated amount needed of \$11,291,350. This variance is mainly due to a contingency budget (roll-over of prior years' positive variance), the delays in maintenance work and employee turnover.

For the Fiscal Year Ended:	Estimated Dollars to Maintain Roads and Bridges at Required Condition Level	Actual Dollars Spent to Maintain Roads and Bridges at Required Condition Level
September 30, 2011	\$9,269,744	\$6,987,382
September 30, 2012	\$9,469,180	\$7,313,835
September 30, 2013	\$9,647,677	\$7,520,740
September 30, 2014	\$9,923,116	\$8,045,933
September 30, 2015	\$11,291,350	\$9,231,560

Roads

The Brazos County Road and Bridge department performs condition assessments of County roads continually throughout the year and evaluates and prioritizes the results annually. The condition assessment team consists of the County Engineer (Registered Professional Engineer), a planning and development supervisor, a general superintendent, an assistant general superintendent and three road supervisors, one for each precinct in the County. This team utilizes various criteria for evaluating the condition of the roads including the traffic volume of the road, the number of man hours used to maintain the road in the last year, the potential traffic on the road based on observed development of properties accessing the road, the number of traffic accidents and the type of accidents, and a visual inspection of the road for settlement spots, rough pavement, areas requiring patching, and the frequency of repair activities on the road. Each road is assessed on a scale of zero to 100 with 100 representing a road in perfect condition. The County has adopted a minimum condition level of 80% for all County roads. The results of the condition assessment are as follows:

Precinct	Fiscal Year	Percentage of Miles at 80% or greater condition level	Percentage of Miles at 70% or greater condition level	Percentage of Miles at 60% or greater condition level
1	2013	93%	5%	2%
2	2013	89%	5%	6%
4	2013	89%	9%	2%
1	2014	89%	3%	8%
2	2014	89%	6%	5%
4	2014	92%	3%	5%
1	2015	86%	10%	4%
2	2015	94%	5%	1%
4	2015	93%	6%	1%

All roads with 60% to 80% of condition level are scheduled for upgrade or reconstruction within the next 2 year period.

Bridges

The condition of the County's bridges is determined using the State of Texas Bridge Inventory Inspection System (BRINSAP). The bridges are inspected by the State every two years. A numerical condition range 0.0 (beyond repair) to 9.0 (excellent condition) is used to assess each of seven elements of the structure. These include deck, superstructure, substructure, channel, culvert, approaches and miscellaneous items. The BRINSAP summary shows 69 bridges in the County were rated. Brazos County policy requires that bridges be maintained at a minimum of good condition. The chart below shows that the County's bridges are well maintained and in good or very good condition.

<u>Year of Inspection</u>	<u>Condition</u>	<u>Rating</u>	<u>Number</u>	<u>%</u>
2011	Very Good	6.0 - 9.0	61	100%
2011	Good	4.0 - 5.9	0	0%
2011	Fair	3.0 - 3.9	0	0%
2011	Poor	0.0 - 2.9	0	0%
		Total	<u>61</u>	<u>100%</u>
2013	Very Good	6.0 - 9.0	67	100%
2013	Good	4.0 - 5.9	0	0%
2013	Fair	3.0 - 3.9	0	0%
2013	Poor	0.0 - 2.9	0	0%
		Total	<u>67</u>	<u>100%</u>
2015	Very Good	6.0 - 9.0	69	100%
2015	Good	4.0 - 5.9	0	0%
2015	Fair	3.0 - 3.9	0	0%
2015	Poor	0.0 - 2.9	0	0%
		Total	<u>69</u>	<u>100%</u>

NONMAJOR GOVERNMENTAL FUNDS



**BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
September 30, 2015**

	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,694,735	\$ 49,216	\$ 6,743,951
Prepaid Expenditures	14,508	-	14,508
Receivables			
Taxes	293,473	-	293,473
Interest	1,259	-	1,259
Accounts	133,864	-	133,864
Due from Other Funds	30	-	30
TOTAL ASSETS	<u>\$ 7,137,869</u>	<u>\$ 49,216</u>	<u>\$ 7,187,085</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 353,227	\$ 3,125	\$ 356,352
Accrued Salaries and Wages	115,909	-	115,909
Unclaimed Funds	193,531	-	193,531
Unearned Revenue	1,221,615	-	1,221,615
Total Liabilities	<u>1,884,282</u>	<u>3,125</u>	<u>1,887,407</u>
Fund Balances			
Nonspendable	14,508	-	14,508
Restricted	5,239,079	46,091	5,285,170
Total Fund Balances	<u>5,253,587</u>	<u>46,091</u>	<u>5,299,678</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,137,869</u>	<u>\$ 49,216</u>	<u>\$ 7,187,085</u>

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
For The Year Ended September 30, 2015

	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Taxes	\$ 2,644,417	\$ -	\$ 2,644,417
Charges for Services	961,099	-	961,099
Intergovernmental	3,006,718	-	3,006,718
Interest	14,234	5,217	19,451
Other Revenue	24	-	24
TOTAL REVENUES	<u>6,626,492</u>	<u>5,217</u>	<u>6,631,709</u>
EXPENDITURES			
General Government	142,482	115,527	258,009
Justice System	565,518	151,258	716,776
Law Enforcement	475,810	247	476,057
Juvenile Services	1,329,421	-	1,329,421
Public Transportation	590,402	-	590,402
Human Services	1,103,822	-	1,103,822
Capital Outlay	1,450,390	4,121,722	5,572,112
TOTAL EXPENDITURES	<u>5,657,845</u>	<u>4,388,754</u>	<u>10,046,599</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	968,647	(4,383,537)	(3,414,890)
OTHER FINANCING SOURCES (USES)			
Transfers In	487,184	-	487,184
Transfers Out	(545,174)	(805)	(545,979)
TOTAL OTHER FINANCING USES	<u>(57,990)</u>	<u>(805)</u>	<u>(58,795)</u>
Net Change in Fund Balances	910,657	(4,384,342)	(3,473,685)
FUND BALANCES, OCTOBER 1	<u>4,342,930</u>	<u>4,430,433</u>	<u>8,773,363</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 5,253,587</u>	<u>\$ 46,091</u>	<u>\$ 5,299,678</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to be expended for specified purposes:

NONMAJOR GOVERNMENTAL FUNDS

Hotel Occupancy Tax Fund – A fund established to account for hotel occupancy taxes received under Chapter 352, Texas Tax Code.

State Lateral Road Fund - A fund established to account for the funds received from the State for maintenance of County roads that join State highways under Section 256.002, Texas Transportation Code.

Unclaimed Property Fund – A fund established to account for property with a value of \$100 or less that is presumed to be abandoned under Section 76.601, Texas Property Code. Expenditures of this fund are limited to the costs associated with publishing and posting of notices to the owners.

Law Library Fund - A fund established to account for fees (assessed and collected by various County Courts) that are used to maintain the County Law Library that is available to the public under Section 323.023, Texas Local Government Code.

Alternative Dispute Resolution Fund - A fund created to account for the \$10.00 fee assessed with each County and District Court civil case filed, used to support the Alternative Dispute Resolution Center. The purpose of the Center is to resolve disputes that do not require formal court action under Chapter 152, Texas Civil Practice and Remedies Code.

Law Enforcement Education Fund - A fund created to account for funding received by the County from the State. The funds received are used to supplement the continuing education and training needs of those employees licensed under Chapter 415 of the Government Code, primarily law enforcement personnel.

County Records Management and Preservation Fund - A fund established to account for fees assessed and collected by the County and District Courts for the express purpose of records management and preservation or automation purposes in the County under Section 203.003, Texas Local Government Code.

County Clerk Records Management and Preservation Fund - A fund established to account for fees assessed for recording of documents in the County Clerk's office under Article 102.005 (f), Texas Code of Criminal Procedure and Section 118.0216, Texas Local Government Code. Filings for real estate transactions, criminal, probate, assumed names and civil court actions are included. Monies are used for records management and preservation services performed by the County Clerk's office.

County Clerk Archival Fund - A fund established to account for fees assessed for the preservation and restoration services performed by the County Clerk in connection with maintaining a county clerk's records archive under Section 118.025, Texas Local Government Code.

Courthouse Security Fund - A fund created to account for the collection of fees charged as part of court costs to provide security services for buildings that house a District or County Court under Article 102.017, Texas code of Criminal Procedure.

SPECIAL REVENUE FUNDS (continued)

Justice Court Security Fund - A fund created to account for the collection of fees charged as part of court costs to provide security services for buildings that house the justice courts which are located outside of the County Courthouse under Article 102.017, Code of Criminal Procedure.

District Clerk Records Management and Preservation Fund - A fund established to account for fees assessed for recording of documents in the District Clerk's office under Article 102.005 (f), Texas Code of Criminal Procedure and Section 51.317, Texas Government Code. Monies are used for records management and preservation services performed by the District Clerk's office.

District Clerk Archival Fund - A fund established to account for fees assessed for supporting preservation and restoration in connection with a district court records archive under Section 51.305, 51.317, Texas Government Code.

Justice of the Peace Technology Fund – A fund created to account for the collection of fees charged as part of court costs to fund the technological needs of the Justices' of the Peace under Article 102.0173, Texas Code of Criminal Procedure.

County & District Court Technology Fund – A fund created to account for the collection of fees charged as part of court costs to fund the technological needs of the county and district courts under Article 102.0169, Texas Code of Criminal Procedure.

Special Forfeitures Fund - A fund established to account for forfeited property receipts as prescribed by Article 59 of the Code of Criminal Procedure. These funds can only be used to support law enforcement activities.

District Attorney Hot Check Collection Fund – A fund established to account for fees collected by the District Attorney for the administration, processing and prosecution of returned checks under Section 118.142, Texas Local Government Code.

Bail Bond Board Fees Fund – A fund established to account for funds received for licensing and expenditures related to monitoring the bond activities of the local bail bondsmen under Section 1704.160, Texas Occupations Code.

Voter Registration Fund - A fund established to account for funds received from the State (before 1991), which represents a fee earned for each voter registered. Funds received can only be used for voter registration activity, and are governed by the Tax Assessor-Collector, the designated Voter Registrar for the County.

Vehicle Inventory Tax Interest Fund - A fund established to account for the interest earned on the Vehicle Inventory Tax collected monthly by the Tax Assessor-Collector under Section 23.122 (c), Texas Tax Code. The Tax Assessor-Collector is allowed to collect the tax from vehicle dealers before the October 1 assessment date. The interest earned on the funds held by the Tax Assessor-Collector can only be used to support the Vehicle Inventory Tax collections and payments.

Sheriff Department Crime Fund – A fund established to account for funds received from the City of Bryan, the City of College Station, and Brazos County restrictively in support of the law enforcement grant activities administered by the Sheriff.

SPECIAL REVENUE FUNDS (continued)

District Attorney Crime Fund – A fund established to account for funds received from the City of Bryan, the City of College Station, and Brazos County in accordance with an inter-local agreement restrictively for the litigation of seizures incurred in law enforcement activities.

Primary Election Service Fund – A fund established to account for the revenues and expenditures related to the election services the County provides for both Democratic and Republican Elections (including Primary and Run-off Elections) under Section 31.100, Texas Election Code.

Grant Fund – A fund established to account for the revenues and expenditures related to grant activities.

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2015

	Hotel Occupancy Tax	State Lateral Road	Unclaimed Property
ASSETS			
Cash and Cash Equivalents	\$ 2,552,049	\$ 26,958	\$ 246,510
Prepaid Expenditures	320	-	-
Receivables			
Taxes	293,473	-	-
Interest	524	5	51
Accounts	1,796	-	-
Due from Other Funds	-	-	-
TOTAL ASSETS	\$ 2,848,162	\$ 26,963	\$ 246,561
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 255,161	\$ -	\$ -
Accrued Salaries and Wages	6,599	-	-
Unclaimed Funds	-	-	190,543
Unearned Revenue	-	-	-
Total Liabilities	261,760	-	190,543
Fund Balances			
Nonspendable	320	-	-
Restricted	2,586,082	26,963	56,018
Total Fund Balances	2,586,402	26,963	56,018
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,848,162	\$ 26,963	\$ 246,561

Law Library	Alternative Dispute Resolution	Law Enforcement Education	County Records Management and Preservation	County Clerk Records Management and Preservation	County Clerk Archival
\$ 144,712	\$ 3,655	\$ 27,420	\$ 162,372	\$ 471,241	\$ 639,396
-	-	-	-	-	-
-	-	-	-	-	-
30	-	-	33	97	131
-	-	-	-	2	-
-	-	-	-	-	-
<u>\$ 144,742</u>	<u>\$ 3,655</u>	<u>\$ 27,420</u>	<u>\$ 162,405</u>	<u>\$ 471,340</u>	<u>\$ 639,527</u>
\$ 9,723	\$ 3,655	\$ -	\$ -	\$ -	\$ -
-	-	-	5,678	5,635	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,723</u>	<u>3,655</u>	<u>-</u>	<u>5,678</u>	<u>5,635</u>	<u>-</u>
-	-	-	-	-	-
135,019	-	27,420	156,727	465,705	639,527
<u>135,019</u>	<u>-</u>	<u>27,420</u>	<u>156,727</u>	<u>465,705</u>	<u>639,527</u>
<u>\$ 144,742</u>	<u>\$ 3,655</u>	<u>\$ 27,420</u>	<u>\$ 162,405</u>	<u>\$ 471,340</u>	<u>\$ 639,527</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
September 30, 2015

	<u>Courthouse Security</u>	<u>Justice Court Security</u>	<u>District Clerk Records Management and Preservation</u>
ASSETS			
Cash and Cash Equivalents	\$ 39,134	\$ 63,567	\$ 162,659
Prepaid Expenditures	-	-	-
Receivables			
Taxes	-	-	-
Interest	8	13	34
Accounts	-	-	-
Due from Other Funds	-	-	-
TOTAL ASSETS	<u>\$ 39,142</u>	<u>\$ 63,580</u>	<u>\$ 162,693</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ -	\$ 19,427	\$ -
Accrued Salaries and Wages	19,366	-	-
Unclaimed Funds	-	-	-
Unearned Revenue	-	-	-
Total Liabilities	<u>19,366</u>	<u>19,427</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	19,776	44,153	162,693
Total Fund Balances	<u>19,776</u>	<u>44,153</u>	<u>162,693</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 39,142</u>	<u>\$ 63,580</u>	<u>\$ 162,693</u>

District Clerk Archival	Justice of the Peace Technology	County & District Court Technology	Special Forfeitures	District Attorney Hot Check Collection	Bail Bond Board Fees
\$ 48,174	\$ 118,829	\$ 43,316	\$ 35,164	\$ 2,484	\$ 86,715
-	-	-	-	-	-
-	-	-	-	-	-
10	24	9	7	1	18
-	23	-	-	-	-
-	-	-	-	-	-
\$ 48,184	\$ 118,876	\$ 43,325	\$ 35,171	\$ 2,485	\$ 86,733
\$ -	\$ 39	\$ -	\$ 694	\$ -	\$ -
-	524	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	563	-	694	-	-
-	-	-	-	-	-
48,184	118,313	43,325	34,477	2,485	86,733
48,184	118,313	43,325	34,477	2,485	86,733
\$ 48,184	\$ 118,876	\$ 43,325	\$ 35,171	\$ 2,485	\$ 86,733

(continued)

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
September 30, 2015

	<u>Voter Registration</u>	<u>Vehicle Inventory Tax Interest</u>	<u>Sheriff Department Crime</u>
ASSETS			
Cash and Cash Equivalents	\$ 22,866	\$ 199,886	\$ 233,529
Prepaid Expenditures	-	-	-
Receivables			
Taxes	-	-	-
Interest	5	187	45
Accounts	2,660	-	-
Due from Other Funds	-	-	30
TOTAL ASSETS	<u>\$ 25,531</u>	<u>\$ 200,073</u>	<u>\$ 233,604</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 2,660	\$ 950	\$ -
Accrued Salaries and Wages	-	-	-
Unclaimed Funds	-	-	2,988
Unearned Revenue	-	-	-
Total Liabilities	<u>2,660</u>	<u>950</u>	<u>2,988</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	22,871	199,123	230,616
Total Fund Balances	<u>22,871</u>	<u>199,123</u>	<u>230,616</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,531</u>	<u>\$ 200,073</u>	<u>\$ 233,604</u>

District Attorney Crime	Primary Election Service	Grants	Totals
\$ 103,770	\$ 27,708	\$ 1,232,621	\$ 6,694,735
-	-	14,188	14,508
-	-	-	293,473
21	6	-	1,259
-	-	129,383	133,864
-	-	-	30
<u>\$ 103,791</u>	<u>\$ 27,714</u>	<u>\$ 1,376,192</u>	<u>\$ 7,137,869</u>
\$ -	\$ -	\$ 60,918	\$ 353,227
-	-	78,107	115,909
-	-	-	193,531
-	-	1,221,615	1,221,615
<u>-</u>	<u>-</u>	<u>1,360,640</u>	<u>1,884,282</u>
-	-	14,188	14,508
103,791	27,714	1,364	5,239,079
<u>103,791</u>	<u>27,714</u>	<u>15,552</u>	<u>5,253,587</u>
<u>\$ 103,791</u>	<u>\$ 27,714</u>	<u>\$ 1,376,192</u>	<u>\$ 7,137,869</u>

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
For The Year Ended September 30, 2015

	Hotel Occupancy Tax	State Lateral Road	Unclaimed Property
REVENUES			
Taxes	\$ 2,612,474	\$ -	\$ -
Charges for Services	-	-	-
Intergovernmental	-	30,140	-
Interest	5,161	282	645
Other Revenue	-	-	-
TOTAL REVENUES	2,617,635	30,422	645
EXPENDITURES			
General Government	-	-	-
Justice System	-	-	-
Law Enforcement	-	-	-
Juvenile Services	-	-	-
Public Transportation	-	150,000	-
Human Services	1,051,153	-	-
Capital Outlay	38,759	-	-
TOTAL EXPENDITURES	1,089,912	150,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,527,723	(119,578)	645
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(545,174)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(545,174)	-	-
Net Change in Fund Balances	982,549	(119,578)	645
FUND BALANCES, OCTOBER 1	1,603,853	146,541	55,373
FUND BALANCES, SEPTEMBER 30	\$ 2,586,402	\$ 26,963	\$ 56,018

Law Library	Alternative Dispute Resolution	Law Enforcement Education	County Records Management and Preservation	County Clerk Records Management and Preservation	County Clerk Archival
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53,402	39,130	-	98,671	269,437	267,027
-	-	19,323	-	-	-
419	-	-	428	1,356	1,276
-	-	-	-	1	-
<u>53,821</u>	<u>39,130</u>	<u>19,323</u>	<u>99,099</u>	<u>270,794</u>	<u>268,303</u>
-	-	-	133,387	-	-
112,989	46,630	-	-	344,303	9,515
-	-	14,775	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>112,989</u>	<u>46,630</u>	<u>14,775</u>	<u>133,387</u>	<u>344,303</u>	<u>9,515</u>
(59,168)	(7,500)	4,548	(34,288)	(73,509)	258,788
-	7,500	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(59,168)	-	4,548	(34,288)	(73,509)	258,788
<u>194,187</u>	<u>-</u>	<u>22,872</u>	<u>191,015</u>	<u>539,214</u>	<u>380,739</u>
<u>\$ 135,019</u>	<u>\$ -</u>	<u>\$ 27,420</u>	<u>\$ 156,727</u>	<u>\$ 465,705</u>	<u>\$ 639,527</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS -SPECIAL REVENUE FUNDS (Continued)
For The Year Ended September 30, 2015

	Courthouse Security	Justice Court Security	District Clerk Records Management and Preservation
REVENUES			
Taxes	\$ -	\$ -	\$ -
Charges for Services	92,095	10,152	17,821
Intergovernmental	-	-	-
Interest	383	147	384
Other Revenue	-	-	-
TOTAL REVENUES	92,478	10,299	18,205
EXPENDITURES			
General Government	-	-	-
Justice System	-	-	-
Law Enforcement	368,223	-	-
Juvenile Services	-	-	-
Public Transportation	-	-	-
Human Services	-	-	-
Capital Outlay	-	19,427	-
TOTAL EXPENDITURES	368,223	19,427	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(275,745)	(9,128)	18,205
OTHER FINANCING SOURCES (USES)			
Transfers In	238,127	-	-
Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	238,127	-	-
Net Change in Fund Balances	(37,618)	(9,128)	18,205
FUND BALANCES, OCTOBER 1	57,394	53,281	144,488
FUND BALANCES, SEPTEMBER 30	\$ 19,776	\$ 44,153	\$ 162,693

District Clerk Archival	Justice of the Peace Technology	County & District Court Technology	Special Forfeitures	District Attorney Hot Check Collection	Bail Bond Board Fees
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,817	40,744	9,521	10,016	551	1,500
-	-	-	-	-	-
102	304	97	80	6	215
-	23	-	-	-	-
<u>14,919</u>	<u>41,071</u>	<u>9,618</u>	<u>10,096</u>	<u>557</u>	<u>1,715</u>
-	-	-	-	-	-
-	40,695	-	-	-	826
-	-	-	2,993	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>40,695</u>	<u>-</u>	<u>2,993</u>	<u>-</u>	<u>826</u>
14,919	376	9,618	7,103	557	889
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
14,919	376	9,618	7,103	557	889
<u>33,265</u>	<u>117,937</u>	<u>33,707</u>	<u>27,374</u>	<u>1,928</u>	<u>85,844</u>
<u>\$ 48,184</u>	<u>\$ 118,313</u>	<u>\$ 43,325</u>	<u>\$ 34,477</u>	<u>\$ 2,485</u>	<u>\$ 86,733</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
For The Year Ended September 30, 2015

	Voter Registration	Vehicle Inventory Tax Interest	Sheriff Department Crime
REVENUES			
Taxes	\$ -	\$ 31,943	\$ -
Charges for Services	-	-	-
Intergovernmental	6,080	-	-
Interest	56	1,899	635
Other Revenue	-	-	-
TOTAL REVENUES	6,136	33,842	635
EXPENDITURES			
General Government	6,087	3,008	-
Justice System	-	-	-
Law Enforcement	-	-	37,170
Juvenile Services	-	-	-
Public Transportation	-	-	-
Human Services	-	-	-
Capital Outlay	-	1,041	39,112
TOTAL EXPENDITURES	6,087	4,049	76,282
Excess (Deficiency) of Revenues Over (Under) Expenditures	49	29,793	(75,647)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
Net Change in Fund Balances	49	29,793	(75,647)
FUND BALANCES, OCTOBER 1	22,822	169,330	306,263
FUND BALANCES, SEPTEMBER 30	\$ 22,871	\$ 199,123	\$ 230,616

District Attorney Crime	Primary Election Service	Grants	Totals
\$ -	\$ -	\$ -	\$ 2,644,417
22,370	7,341	6,504	961,099
-	-	2,951,175	3,006,718
235	124	-	14,234
-	-	-	24
<u>22,605</u>	<u>7,465</u>	<u>2,957,679</u>	<u>6,626,492</u>
-	-	-	142,482
10,560	-	-	565,518
-	-	52,649	475,810
-	-	1,329,421	1,329,421
-	-	440,402	590,402
-	29,633	23,036	1,103,822
-	-	1,352,051	1,450,390
<u>10,560</u>	<u>29,633</u>	<u>3,197,559</u>	<u>5,657,845</u>
12,045	(22,168)	(239,880)	968,647
-	-	241,557	487,184
-	-	-	(545,174)
<u>-</u>	<u>-</u>	<u>241,557</u>	<u>(57,990)</u>
12,045	(22,168)	1,677	910,657
<u>91,746</u>	<u>49,882</u>	<u>13,875</u>	<u>4,342,930</u>
<u>\$ 103,791</u>	<u>\$ 27,714</u>	<u>\$ 15,552</u>	<u>\$ 5,253,587</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
HOTEL OCCUPANCY TAX
For the Year Ended September 30, 2015**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Taxes	\$ 2,200,000	\$ 2,312,412	\$ 2,612,474
Interest	2,200	2,200	5,161
TOTAL REVENUES	<u>2,202,200</u>	<u>2,314,612</u>	<u>2,617,635</u>
EXPENDITURES			
Human Services			
Personnel Services	157,497	157,497	135,777
Supplies and Other Charges	74,903	47,032	31,684
Repairs and Maintenance	431,000	73,150	57,478
Minor Acquisitions	1,500	30,441	29,902
Contract Services	7,000	7,000	3,600
Professional Services	5,300	5,300	5,300
Community Support	675,000	787,412	787,412
Capital Outlay	41,950	398,730	38,759
TOTAL EXPENDITURES	<u>1,394,150</u>	<u>1,506,562</u>	<u>1,089,912</u>
Excess of Revenues Over Expenditures	808,050	808,050	1,527,723
OTHER FINANCING USES			
Transfers Out	<u>(850,000)</u>	<u>(850,000)</u>	<u>(545,174)</u>
TOTAL OTHER FINANCING USES	<u>(850,000)</u>	<u>(850,000)</u>	<u>(545,174)</u>
Net Change in Fund Balance	(41,950)	(41,950)	982,549
FUND BALANCE, OCTOBER 1	<u>1,603,853</u>	<u>1,603,853</u>	<u>1,603,853</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 1,561,903</u></u>	<u><u>\$ 1,561,903</u></u>	<u><u>\$ 2,586,402</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
STATE LATERAL ROAD
For the Year Ended September 30, 2015**

	Original and Final Budget	Actual
REVENUES		
Intergovernmental	\$ 30,000	\$ 30,140
Interest	350	282
TOTAL REVENUES	<u>30,350</u>	<u>30,422</u>
EXPENDITURES		
Public Transportation		
Repairs and Maintenance	<u>176,850</u>	<u>150,000</u>
TOTAL EXPENDITURES	<u>176,850</u>	<u>150,000</u>
Deficiency of Revenues Under Expenditures	(146,500)	(119,578)
FUND BALANCE, OCTOBER 1	<u>146,541</u>	<u>146,541</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 41</u></u>	<u><u>\$ 26,963</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
UNCLAIMED PROPERTY
For the Year Ended September 30, 2015**

	Original and Final Budget	Actual
REVENUES		
Interest	\$ 800	\$ 645
TOTAL REVENUES	<u>800</u>	<u>645</u>
EXPENDITURES		
General Government		
Supplies and Other Charges	45,000	-
TOTAL EXPENDITURES	<u>45,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,200)	645
FUND BALANCE, OCTOBER 1	<u>55,373</u>	<u>55,373</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 11,173</u></u>	<u><u>\$ 56,018</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
LAW LIBRARY
For the Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 49,000	\$ 49,000	\$ 53,402
Interest	500	500	419
TOTAL REVENUES	<u>49,500</u>	<u>49,500</u>	<u>53,821</u>
EXPENDITURES			
Justice System			
Supplies and Other Charges	100,000	121,840	111,210
Repairs and Maintenance	2,000	2,000	336
Minor Acquisitions	63,000	60,160	1,443
Contract Services	20,000	1,000	-
TOTAL EXPENDITURES	<u>185,000</u>	<u>185,000</u>	<u>112,989</u>
Deficiency of Revenues Under Expenditures	(135,500)	(135,500)	(59,168)
FUND BALANCE, OCTOBER 1	<u>194,187</u>	<u>194,187</u>	<u>194,187</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 58,687</u>	<u>\$ 58,687</u>	<u>\$ 135,019</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
ALTERNATIVE DISPUTE RESOLUTION
For the Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 45,500	\$ 39,130	\$ 39,130
TOTAL REVENUES	<u>45,500</u>	<u>39,130</u>	<u>39,130</u>
EXPENDITURES			
Justice System			
Community Support	53,000	46,630	46,630
TOTAL EXPENDITURES	<u>53,000</u>	<u>46,630</u>	<u>46,630</u>
Deficiency of Revenues Under Expenditures	(7,500)	(7,500)	(7,500)
OTHER FINANCING SOURCES			
Transfers In	7,500	7,500	7,500
TOTAL OTHER FINANCING SOURCES	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
Net Change in Fund Balance	-	-	-
FUND BALANCE, OCTOBER 1	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
LAW ENFORCEMENT EDUCATION
For the Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ 19,000	\$ 19,323	\$ 19,323
TOTAL REVENUES	<u>19,000</u>	<u>19,323</u>	<u>19,323</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	<u>37,500</u>	<u>42,195</u>	<u>14,775</u>
TOTAL EXPENDITURES	<u>37,500</u>	<u>42,195</u>	<u>14,775</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,500)	(22,872)	4,548
FUND BALANCE, OCTOBER 1	<u>22,872</u>	<u>22,872</u>	<u>22,872</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 4,372</u>	<u>\$ -</u>	<u>\$ 27,420</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY RECORDS MANAGEMENT AND PRESERVATION
For the Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 92,000	\$ 92,000	\$ 98,671
Interest	500	500	428
TOTAL REVENUES	<u>92,500</u>	<u>92,500</u>	<u>99,099</u>
EXPENDITURES			
General Government			
Personnel Services	102,922	111,537	109,014
Supplies and Other Charges	2,678	1,449	194
Minor Acquisitions	151,000	143,614	22,114
Contract Services	4,900	4,900	2,065
Capital Outlay	20,000	20,000	-
TOTAL EXPENDITURES	<u>281,500</u>	<u>281,500</u>	<u>133,387</u>
Deficiency of Revenues Under Expenditures	(189,000)	(189,000)	(34,288)
FUND BALANCE, OCTOBER 1	<u>191,015</u>	<u>191,015</u>	<u>191,015</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 2,015</u></u>	<u><u>\$ 2,015</u></u>	<u><u>\$ 156,727</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION
For the Year Ended September 30, 2015**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 210,000	\$ 210,000	\$ 269,437
Interest	1,100	1,100	1,356
Other Revenue	-	-	1
TOTAL REVENUES	<u>211,100</u>	<u>211,100</u>	<u>270,794</u>
EXPENDITURES			
Justice System			
Personnel Services	118,080	118,620	118,039
Supplies and Other Charges	206,000	41,000	2,700
Minor Acquisitions	3,500	2,960	-
Contract Services	78,000	243,000	223,564
TOTAL EXPENDITURES	<u>405,580</u>	<u>405,580</u>	<u>344,303</u>
Deficiency of Revenues Under Expenditures	(194,480)	(194,480)	(73,509)
FUND BALANCE, OCTOBER 1	<u>539,214</u>	<u>539,214</u>	<u>539,214</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 344,734</u></u>	<u><u>\$ 344,734</u></u>	<u><u>\$ 465,705</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY CLERK ARCHIVAL
For the Year Ended September 30, 2015**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 210,000	\$ 267,027
Interest	700	1,276
TOTAL REVENUES	210,700	268,303
EXPENDITURES		
Justice System		
Supplies and Other Charges	40,000	-
Contract Services	170,700	9,515
TOTAL EXPENDITURES	210,700	9,515
Excess of Revenues Over Expenditures	-	258,788
FUND BALANCE, OCTOBER 1	380,739	380,739
FUND BALANCE, SEPTEMBER 30	\$ 380,739	\$ 639,527

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COURTHOUSE SECURITY
For the Year Ended September 30, 2015**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 82,500	\$ 92,095
Interest	500	383
TOTAL REVENUES	83,000	92,478
EXPENDITURES		
Law Enforcement		
Personnel Services	360,334	355,117
Supplies and Other Charges	4,793	3,306
Repairs and Maintenance	11,000	9,800
TOTAL EXPENDITURES	376,127	368,223
Deficiency of Revenues Under Expenditures	(293,127)	(275,745)
OTHER FINANCING SOURCES		
Transfers In	238,127	238,127
TOTAL OTHER FINANCING SOURCES	238,127	238,127
Net Change in Fund Balance	(55,000)	(37,618)
FUND BALANCE, OCTOBER 1	57,394	57,394
FUND BALANCE, SEPTEMBER 30	\$ 2,394	\$ 19,776

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
JUSTICE COURT SECURITY
For the Year Ended September 30, 2015**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 9,125	\$ 10,152
Interest	100	147
TOTAL REVENUES	<u>9,225</u>	<u>10,299</u>
EXPENDITURES		
Justice System		
Capital Outlay	<u>62,000</u>	<u>19,427</u>
TOTAL EXPENDITURES	<u>62,000</u>	<u>19,427</u>
Deficiency of Revenues Under Expenditures	(52,775)	(9,128)
FUND BALANCE, OCTOBER 1	<u>53,281</u>	<u>53,281</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 506</u>	<u>\$ 44,153</u>

BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION
For the Year Ended September 30, 2015

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 16,500	\$ 17,821
Interest	250	384
TOTAL REVENUES	16,750	18,205
EXPENDITURES		
Justice System		
Supplies and Other Charges	43,000	-
Minor Acquisitions	10,000	-
Contract Services	23,000	-
Professional Services	29,300	-
Capital Outlay	12,000	-
TOTAL EXPENDITURES	117,300	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,550)	18,205
FUND BALANCE, OCTOBER 1	144,488	144,488
FUND BALANCE, SEPTEMBER 30	\$ 43,938	\$ 162,693

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT CLERK ARCHIVAL
For the Year Ended September 30, 2015**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 10,500	\$ 14,817
Interest	50	102
TOTAL REVENUES	10,550	14,919
EXPENDITURES		
Justice System		
Professional Services	39,550	-
TOTAL EXPENDITURES	39,550	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,000)	14,919
FUND BALANCE, OCTOBER 1	33,265	33,265
FUND BALANCE, SEPTEMBER 30	\$ 4,265	\$ 48,184

BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
JUSTICE OF THE PEACE TECHNOLOGY
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 37,800	\$ 37,800	\$ 40,744
Interest	250	250	304
Other Revenue	-	-	23
TOTAL REVENUES	<u>38,050</u>	<u>38,050</u>	<u>41,071</u>
EXPENDITURES			
Justice System			
Personnel Services	4,359	4,359	3,814
Supplies and Other Charges	37,725	38,449	18,062
Repairs and Maintenance	600	600	382
Minor Acquisitions	58,260	57,536	18,437
Contract Services	2,400	2,400	-
Capital Outlay	58,206	58,206	-
TOTAL EXPENDITURES	<u>161,550</u>	<u>161,550</u>	<u>40,695</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(123,500)	(123,500)	376
FUND BALANCE, OCTOBER 1	<u>117,937</u>	<u>117,937</u>	<u>117,937</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (5,563)</u></u>	<u><u>\$ (5,563)</u></u>	<u><u>\$ 118,313</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY & DISTRICT COURT TECHNOLOGY
For the Year Ended September 30, 2015**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 8,400	\$ 9,521
Interest	50	97
TOTAL REVENUES	8,450	9,618
EXPENDITURES		
Justice System		
Minor Acquisitions	38,250	-
TOTAL EXPENDITURES	38,250	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,800)	9,618
FUND BALANCE, OCTOBER 1	33,707	33,707
FUND BALANCE, SEPTEMBER 30	\$ 3,907	\$ 43,325

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL FORFEITURES
For the Year Ended September 30, 2015**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ -	\$ 4,761	\$ 10,016
Interest	-	-	80
TOTAL REVENUES	<u>-</u>	<u>4,761</u>	<u>10,096</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	10,564	13,014	2,761
Repairs and Maintenance	1,560	1,560	-
Minor Acquisitions	7,931	10,242	232
Capital Outlay	6,000	6,000	-
TOTAL EXPENDITURES	<u>26,055</u>	<u>30,816</u>	<u>2,993</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,055)	(26,055)	7,103
FUND BALANCE, OCTOBER 1	<u>27,374</u>	<u>27,374</u>	<u>27,374</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 1,319</u>	<u>\$ 1,319</u>	<u>\$ 34,477</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT ATTORNEY HOT CHECK COLLECTION
For the Year Ended September 30, 2015**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 200	\$ 551
Interest	-	6
TOTAL REVENUES	200	557
EXPENDITURES		
Justice System		
Supplies and Other Charges	1,900	-
TOTAL EXPENDITURES	1,900	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,700)	557
FUND BALANCE, OCTOBER 1	1,928	1,928
FUND BALANCE, SEPTEMBER 30	\$ 228	\$ 2,485

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
BAIL BOND BOARD FEES
For the Year Ended September 30, 2015**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 3,500	\$ 1,500
Interest	200	215
TOTAL REVENUES	3,700	1,715
EXPENDITURES		
Justice System		
Personnel Services	4,900	826
Supplies and Other Charges	68,000	-
TOTAL EXPENDITURES	72,900	826
Excess (Deficiency) of Revenues Over (Under) Expenditures	(69,200)	889
FUND BALANCE, OCTOBER 1	85,844	85,844
FUND BALANCE, SEPTEMBER 30	\$ 16,644	\$ 86,733

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
VOTER REGISTRATION
For the Year Ended September 30, 2015**

	Original and Final Budget	Actual
REVENUES		
Intergovernmental	\$ -	\$ 6,080
Interest	50	56
TOTAL REVENUES	50	6,136
EXPENDITURES		
General Government		
Supplies and Other Charges	20,350	6,087
Minor Acquisitions	800	-
Professional Services	900	-
TOTAL EXPENDITURES	22,050	6,087
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,000)	49
FUND BALANCE, OCTOBER 1	22,822	22,822
FUND BALANCE, SEPTEMBER 30	\$ 822	\$ 22,871

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
VEHICLE INVENTORY TAX INTEREST
For the Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Taxes	\$ 27,000	\$ 27,000	\$ 31,943
Interest	1,000	1,000	1,899
TOTAL REVENUES	<u>28,000</u>	<u>28,000</u>	<u>33,842</u>
EXPENDITURES			
General Government			
Personnel Services	13,519	13,519	-
Supplies and Other Charges	156,981	155,881	3,008
Repairs and Maintenance	500	500	-
Minor Acquisitions	16,000	16,000	-
Professional Services	10,000	10,000	-
Capital Outlay	-	1,100	1,041
TOTAL EXPENDITURES	<u>197,000</u>	<u>197,000</u>	<u>4,049</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(169,000)	(169,000)	29,793
FUND BALANCE, OCTOBER 1	<u>169,330</u>	<u>169,330</u>	<u>169,330</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 330</u></u>	<u><u>\$ 330</u></u>	<u><u>\$ 199,123</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
SHERIFF DEPARTMENT CRIME
For the Year Ended September 30, 2015**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Interest	\$ 700	\$ 700	\$ 635
TOTAL REVENUES	<u>700</u>	<u>700</u>	<u>635</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	238,900	193,423	18,720
Repairs and Maintenance	4,000	4,000	8
Minor Acquisitions	85,800	84,635	18,442
Contract Services	-	7,500	-
Capital Outlay	-	39,142	39,112
TOTAL EXPENDITURES	<u>328,700</u>	<u>328,700</u>	<u>76,282</u>
Deficiency of Revenues Under Expenditures	(328,000)	(328,000)	(75,647)
FUND BALANCE, OCTOBER 1	<u>306,263</u>	<u>306,263</u>	<u>306,263</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (21,737)</u></u>	<u><u>\$ (21,737)</u></u>	<u><u>\$ 230,616</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT ATTORNEY CRIME
For the Year Ended September 30, 2015**

	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES		
Charges for Services	\$ -	\$ 22,370
Interest	100	235
TOTAL REVENUES	<u>100</u>	<u>22,605</u>
EXPENDITURES		
Justice System		
Personnel Services	17,399	5,998
Supplies and Other Charges	69,641	4,562
TOTAL EXPENDITURES	<u>87,040</u>	<u>10,560</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,940)	12,045
FUND BALANCE, OCTOBER 1	<u>91,746</u>	<u>91,746</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 4,806</u>	<u>\$ 103,791</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
PRIMARY ELECTION SERVICE
For the Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ -	\$ -	\$ 7,341
Interest	50	50	124
TOTAL REVENUES	<u>50</u>	<u>50</u>	<u>7,465</u>
EXPENDITURES			
Human Services			
Supplies and Other Charges	47,000	39,650	22,350
Repairs and Maintenance	1,000	1,000	-
Minor Acquisitions	1,000	8,350	7,283
TOTAL EXPENDITURES	<u>49,000</u>	<u>49,000</u>	<u>29,633</u>
Deficiency of Revenues Under Expenditures	(48,950)	(48,950)	(22,168)
FUND BALANCE, OCTOBER 1	<u>49,882</u>	<u>49,882</u>	<u>49,882</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 932</u>	<u>\$ 932</u>	<u>\$ 27,714</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GRANTS
For the Year Ended September 30, 2015**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental - Federal			
Department of Justice	\$ 19,198	\$ 40,020	\$ 26,041
Department of Transportation	402,400	402,400	302,185
Department of Housing and Urban Development	750,000	750,000	587,307
Department of Public Safety	27,395	20,000	18,208
Total Intergovernmental - Federal	1,198,993	1,212,420	933,741
Intergovernmental - State			
Texas Juvenile Justice Department	1,123,452	1,124,922	1,063,107
Texas Office of the Attorney General	27,715	27,715	27,715
Total Intergovernmental - State	1,151,167	1,152,637	1,090,822
Intergovernmental - Other			
MPO Contribution	10,000	10,000	8,497
CSISD Contribution	-	10,000	10,000
EDF Contribution	1,500,000	2,141,015	894,465
National Rifle Association	-	19,890	13,650
Program Income	8,000	8,000	6,504
Total Intergovernmental - Other	1,518,000	2,188,905	933,116
TOTAL REVENUES	3,868,160	4,553,962	2,957,679
EXPENDITURES			
Law Enforcement			
Minor Acquisitions	19,198	38,053	23,899
Repairs and Maintenance	-	1,035	1,035
Contract Services	27,715	27,715	27,715
Juvenile Services			
Personnel Services	1,401,367	1,401,379	1,320,694
Supplies and Other Charges	23,415	24,873	8,727
Public Transportation			
Discretionary Spending	-	111,196	-
Personnel Services	252,310	252,310	246,945
Supplies and Other Charges	62,990	102,040	16,236
Repairs and Maintenance	1,500	900	-
Minor Acquisitions	4,500	3,550	3,511
Contract Services	261,100	53,600	43,990
Professional Services	30,000	521,665	129,720
Human Services			
Supplies and Other Charges	21,875	17,045	-
Contract Services	27,395	24,830	23,036
Capital Outlay	2,050,000	2,258,154	1,352,051
TOTAL EXPENDITURES	4,183,365	4,838,345	3,197,559
Deficiency of Revenues Under Expenditures	(315,205)	(284,383)	(239,880)
OTHER FINANCING SOURCES			
Transfers In	301,330	270,508	241,557
TOTAL OTHER FINANCING SOURCES	301,330	270,508	241,557
Net Change in Fund Balance	(13,875)	(13,875)	1,677
FUND BALANCE, OCTOBER 1	13,875	13,875	13,875
FUND BALANCE, SEPTEMBER 30	\$ -	\$ -	\$ 15,552

DEBT SERVICE FUND

The **Debt Service Fund** is used to account for the accumulation of resources for the payment of general long-term debt principal and interest related to general obligation bonds, certificates of obligation, and refunding bonds.

**BRAZOS COUNTY, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2015**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Taxes	\$ 7,983,000	\$ 7,983,000	\$ 8,509,833
Interest	23,000	23,000	23,752
TOTAL REVENUES	<u>8,006,000</u>	<u>8,006,000</u>	<u>8,533,585</u>
EXPENDITURES			
Debt Service			
Principal	6,206,613	6,206,613	5,730,000
Interest	4,144,387	4,144,387	3,667,774
Agent Fees	5,000	5,805	1,800
TOTAL EXPENDITURES	<u>10,356,000</u>	<u>10,356,805</u>	<u>9,399,574</u>
Deficiency of Revenues Under Expenditures	(2,350,000)	(2,350,805)	(865,989)
OTHER FINANCING SOURCES			
Transfers In	850,000	850,805	545,979
TOTAL OTHER FINANCING SOURCES	<u>850,000</u>	<u>850,805</u>	<u>545,979</u>
Net Change in Fund Balance	(1,500,000)	(1,500,000)	(320,010)
FUND BALANCE, OCTOBER 1	<u>6,160,188</u>	<u>6,160,188</u>	<u>6,160,188</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 4,660,188</u></u>	<u><u>\$ 4,660,188</u></u>	<u><u>\$ 5,840,178</u></u>

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for the use of bond proceeds and other financial resources that have been aggregated for the acquisition of major capital facilities and/or improvements of the County:

MAJOR GOVERNMENTAL FUND

Capital Improvement Fund - This fund was established to provide funding for the construction and acquisition of capital assets to support the County's general governmental, judicial, law enforcement, and public transportation functions. Resources for the fund have been provided by transfers from the General Fund.

NONMAJOR GOVERNMENTAL FUNDS

Expo Center Expansion Fund – This fund was established to account for the expansion of the Brazos County Exposition Center. The expenditures are financed through the issuance of \$12,000,000 of Certificates of Obligation, Series 2009 and a portion of the hotel occupancy taxes collected.

Jail Expansion Fund – This fund was established to account for the expansion of the County's jail facility and the renovation of the jail inmate holding area in the courthouse. The expenditures are financed through the issuance of \$55,000,000 Limited Tax Bonds, Series 2008.

CO 2012 Fund – This fund was established to account for the County courthouse renovation project and the new tax office building construction. The expenditures are financed through the issuance of \$9,700,000 of Certificates of Obligation, Series 2012.

**BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS
September 30, 2015**

	<u>Nonmajor Funds</u>			Total Nonmajor Funds
	<u>Expo Center Expansion</u>	<u>Jail Expansion</u>	<u>CO 2012</u>	
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 46,091	\$ 3,125	\$ 49,216
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 46,091</u>	<u>\$ 3,125</u>	<u>\$ 49,216</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ 3,125	\$ 3,125
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,125</u>	<u>3,125</u>
Fund Balances				
Restricted	-	46,091	-	46,091
Total Fund Balances	<u>-</u>	<u>46,091</u>	<u>-</u>	<u>46,091</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 46,091</u>	<u>\$ 3,125</u>	<u>\$ 49,216</u>

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
For The Year Ended September 30, 2015

	Nonmajor Funds			Total Nonmajor Funds
	Expo Center Expansion	Jail Expansion	CO 2012	
REVENUES				
Interest	\$ 1	\$ 666	\$ 4,550	\$ 5,217
TOTAL REVENUES	1	666	4,550	5,217
EXPENDITURES				
General Government	-	-	115,527	115,527
Justice System	-	-	151,258	151,258
Law Enforcement	-	247	-	247
Capital Outlay	1,427	308,042	3,812,253	4,121,722
TOTAL EXPENDITURES	1,427	308,289	4,079,038	4,388,754
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,426)	(307,623)	(4,074,488)	(4,383,537)
OTHER FINANCING USES				
Transfers Out	(805)	-	-	(805)
TOTAL OTHER FINANCING USES	(805)	-	-	(805)
Net Change in Fund Balances	(2,231)	(307,623)	(4,074,488)	(4,384,342)
FUND BALANCES, OCTOBER 1	2,231	353,714	4,074,488	4,430,433
FUND BALANCES, SEPTEMBER 30	\$ -	\$ 46,091	\$ -	\$ 46,091

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CAPITAL IMPROVEMENT
For The Year Ended September 30, 2015**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-
EXPENDITURES			
Discretionary Funding	-	417,079	-
General Government			
Supplies and Other Charges	-	180,168	180,168
Repairs and Maintenance	1,480,788	1,058,720	734,243
Minor Acquisitions	137,853	488,761	360,109
Professional Services	2,000	1,990	1,990
Law Enforcement			
Supplies and Other Charges	1,491	15,708	14,949
Repairs and Maintenance	22,801	29,413	24,631
Minor Acquisitions	38,763	65,104	62,142
Juvenile Services			
Minor Acquisition	30,200	2,851	1,100
Human Services			
Minor Acquisitions	740,000	314,066	-
Community Support	52,500	52,500	26,313
Public Transportation			
Minor Acquisitions	4,550	4,550	3,774
Capital Outlay	18,246,558	18,616,968	5,833,696
TOTAL EXPENDITURES	<u>20,757,504</u>	<u>21,247,878</u>	<u>7,243,115</u>
Deficiency of Revenues Under Expenditures	(20,757,504)	(21,247,878)	(7,243,115)
OTHER FINANCING SOURCES (USES)			
Transfers In	14,198,265	14,688,639	14,601,524
Transfers Out	(202,681)	(202,681)	-
TOTAL OTHER FINANCING SOURCES	<u>13,995,584</u>	<u>14,485,958</u>	<u>14,601,524</u>
Net Change in Fund Balance	(6,761,920)	(6,761,920)	7,358,409
FUND BALANCE, OCTOBER 1	<u>6,344,841</u>	<u>6,344,841</u>	<u>6,344,841</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (417,079)</u></u>	<u><u>\$ (417,079)</u></u>	<u><u>\$ 13,703,250</u></u>

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
EXPO CENTER EXPANSION
For The Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Interest	\$ -	\$ -	\$ 1
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>1</u>
EXPENDITURES			
Minor Acquisitions	2,229	-	-
Capital Outlay	-	1,427	1,427
TOTAL EXPENDITURES	<u>2,229</u>	<u>1,427</u>	<u>1,427</u>
Deficiency of Revenues Under Expenditures	(2,229)	(1,427)	(1,426)
OTHER FINANCING USES			
Transfers Out	-	(805)	(805)
TOTAL OTHER FINANCING USES	<u>-</u>	<u>(805)</u>	<u>(805)</u>
Net Change in Fund Balance	(2,229)	(2,232)	(2,231)
FUND BALANCE, OCTOBER 1	<u>2,231</u>	<u>2,231</u>	<u>2,231</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 2</u>	<u>\$ (1)</u>	<u>\$ -</u>

BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
JAIL EXPANSION
For The Year Ended September 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Interest	\$ -	\$ -	\$ 666
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>666</u>
EXPENDITURES			
Law Enforcement			
Repairs and Maintenance	-	247	247
Capital Outlay	310,728	310,481	308,042
TOTAL EXPENDITURES	<u>310,728</u>	<u>310,728</u>	<u>308,289</u>
Deficiency of Revenues Under Expenditures	(310,728)	(310,728)	(307,623)
OTHER FINANCING SOURCES			
Transfers In	202,681	202,681	-
TOTAL OTHER FINANCING SOURCES	<u>202,681</u>	<u>202,681</u>	<u>-</u>
Net Change in Fund Balance	(108,047)	(108,047)	(307,623)
FUND BALANCE, OCTOBER 1	<u>353,714</u>	<u>353,714</u>	<u>353,714</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 245,667</u>	<u>\$ 245,667</u>	<u>\$ 46,091</u>

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CO 2012
For The Year Ended September 30, 2015**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Interest	\$ 15,000	\$ 15,000	\$ 4,550
TOTAL REVENUES	<u>15,000</u>	<u>15,000</u>	<u>4,550</u>
EXPENDITURES			
Discretionary Funding	-	1,778,159	-
General Government			
Supplies and Other Charges	-	68,550	68,550
Minor Acquisition	-	45,437	45,437
Professional Services	-	1,540	1,540
Justice System			
Supplies and Other Charges	-	85,058	85,058
Minor Acquisition	-	68,752	66,200
Capital Outlay	<u>6,112,500</u>	<u>4,065,004</u>	<u>3,812,253</u>
TOTAL EXPENDITURES	<u>6,112,500</u>	<u>6,112,500</u>	<u>4,079,038</u>
Deficiency of Revenues Under Expenditures	(6,097,500)	(6,097,500)	(4,074,488)
FUND BALANCE, OCTOBER 1	<u>4,074,488</u>	<u>4,074,488</u>	<u>4,074,488</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (2,023,012)</u></u>	<u><u>\$ (2,023,012)</u></u>	<u><u>\$ -</u></u>

PROPRIETARY FUND TYPE

INTERNAL SERVICE FUND – is established to account for the financing of goods or services provided by one department to other departments of the County on a cost-reimbursement basis.

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF NET POSITION
September 30, 2015**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 2,902,482
Accounts Receivable	542,244
Total Current Assets	3,444,726

Noncurrent Assets

Property, Plant and Equipment	42,056
Total Noncurrent Assets	42,056

TOTAL ASSETS	3,486,782
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DEFERRED OUTFLOWS OF RESOURCES

Difference Between Projected and Actual Earnings on Pension Plan	473
Change in Pension Allocated Share	25
Pension Contributions After the Measurement Date	1,004
	1,504

TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,502
---------------------------------------------	-------

LIABILITIES

Current Liabilities

Accounts Payable	1,289,193
Accrued Salaries and Wages	6,722
Unearned Revenue	14,899
Total Current Liabilities	1,310,814

Noncurrent Liabilities

Due in more than one year	4,508
Total Noncurrent Liabilities	4,508

TOTAL LIABILITIES	1,315,322
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DEFERRED INFLOWS OF RESOURCES

Differences Between Expected and Actual Pension Experience	120
	120

TOTAL DEFERRED INFLOWS OF RESOURCES	120
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NET POSITION

Net Investment in Capital Assets	42,056
Unrestricted	2,130,786
	2,172,842

TOTAL NET POSITION	\$ 2,172,842
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**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
For The Year Ended September 30, 2015**

	Actual
OPERATING REVENUES	
Employee Dependents	\$ 1,981,308
Self Pays	14,419
Excess Risk Benefits	1,570,861
Participant Payments	558,876
Brazos County	8,478,304
Retirees	316,595
TOTAL OPERATING REVENUES	12,920,363
OPERATING EXPENSES	
Personnel Services	13,616
Life Insurance	27,175
Stop Loss Premiums	1,876,720
Benefit Claims	11,402,269
Administrative Fees	626,781
Professional Services	29,498
TOTAL OPERATING EXPENSES	13,976,059
OPERATING LOSS	(1,055,696)
NONOPERATING REVENUES	
Interest	8,853
TOTAL NONOPERATING REVENUES	8,853
CHANGE IN NET POSITION	(1,046,843)
TOTAL NET POSITION - BEGINNING, AS RESTATED	3,219,685
TOTAL NET POSITION - ENDING	\$ 2,172,842

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 2,873,004
Receipts from interfund services provided	8,478,304
Payments to contractors	(2,562,864)
Claims paid	(9,933,918)
Payments to employees for services	<u>(7,069)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>(1,152,543)</u></u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(15,842)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u><u>(15,842)</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>9,119</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>9,119</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,159,266)
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>4,061,748</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u><u>\$ 2,902,482</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	<u>\$ (1,055,696)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Change in accounts receivable	(308,884)
Change in pension related deferred outflows of resources	(547)
Change in accounts payable	202,332
Change in accrued salaries	6,722
Change in unearned revenue	3,158
Change in noncurrent liabilities	252
Change in pension related deferred inflows of resources	<u>120</u>
Total adjustments	<u><u>(96,847)</u></u>
Net cash used by operating activities	<u><u>\$ (1,152,543)</u></u>

FIDUCIARY FUNDS

AGENCY FUNDS

Narcotics Seizure - A fund used to account for monies and materials that are seized during narcotics interdiction activities. The District Attorney's office evaluates each case and files a civil case to have the seized funds forfeited. Upon receipt of a court judgment, the seized funds are disbursed.

District Clerk Trust - A statutory fund used to account for monies placed with the District Clerk by the District Court(s) and to be held until the Court(s) direct the distribution of the funds under Chapter 117, Texas Local Government Code.

County Clerk Trust - A statutory fund used to account for monies placed with the County Clerk by the County Courts-at-Law and the Probate Court under Chapter 117, Texas Local Government Code. These funds are to be held until the Court(s) direct distribution of the funds.

Bail Bond Board Trust - A fund used to account for property and investments of bail bondsmen doing business in Brazos County. The property and investments act as collateral for bond contracts between the bondsmen and the County.

**BRAZOS COUNTY, TEXAS
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 September 30, 2015**

	<u>Narcotics Seizure</u>	<u>District Clerk Trust</u>	<u>County Clerk Trust</u>	<u>Bail Bond Board Trust</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 181,788	\$ 1,861,869	\$ 742,147	\$ 1,207,700	\$ 3,993,504
Investments	-	-	-	1,012,510	1,012,510
TOTAL ASSETS	<u>\$ 181,788</u>	<u>\$ 1,861,869</u>	<u>\$ 742,147</u>	<u>\$ 2,220,210</u>	<u>\$ 5,006,014</u>
LIABILITIES					
Funds Held for Others	\$ 181,788	\$ 1,861,869	\$ 742,147	\$ 2,220,210	\$ 5,006,014
TOTAL LIABILITIES	<u>\$ 181,788</u>	<u>\$ 1,861,869</u>	<u>\$ 742,147</u>	<u>\$ 2,220,210</u>	<u>\$ 5,006,014</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For The Year Ended September 30, 2015

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
NARCOTICS SEIZURE				
Assets				
Cash and Cash Equivalents	\$ 205,644	\$ 80,492	\$ 104,348	\$ 181,788
Total Assets	<u>205,644</u>	<u>80,492</u>	<u>104,348</u>	<u>181,788</u>
Liabilities				
Funds Held for Others	205,644	47,513	71,369	181,788
Total Liabilities	<u>205,644</u>	<u>47,513</u>	<u>71,369</u>	<u>181,788</u>
DISTRICT CLERK TRUST				
Assets				
Cash and Cash Equivalents	2,228,839	16,244,064	16,611,034	1,861,869
Total Assets	<u>2,228,839</u>	<u>16,244,064</u>	<u>16,611,034</u>	<u>1,861,869</u>
Liabilities				
Funds Held for Others	2,228,839	16,243,907	16,610,877	1,861,869
Total Liabilities	<u>2,228,839</u>	<u>16,243,907</u>	<u>16,610,877</u>	<u>1,861,869</u>
COUNTY CLERK TRUST				
Assets				
Cash and Cash Equivalents	561,004	850,157	669,014	742,147
Total Assets	<u>561,004</u>	<u>850,157</u>	<u>669,014</u>	<u>742,147</u>
Liabilities				
Funds Held for Others	561,004	255,537	74,394	742,147
Total Liabilities	<u>561,004</u>	<u>255,537</u>	<u>74,394</u>	<u>742,147</u>
BAIL BOND BOARD TRUST				
Assets				
Cash and Cash Equivalents	1,141,200	116,500	50,000	1,207,700
Investments	1,218,100	60,000	265,590	1,012,510
Total Assets	<u>2,359,300</u>	<u>176,500</u>	<u>315,590</u>	<u>2,220,210</u>
Liabilities				
Funds Held for Others	2,359,300	176,500	315,590	2,220,210
Total Liabilities	<u>\$ 2,359,300</u>	<u>\$ 176,500</u>	<u>\$ 315,590</u>	<u>\$ 2,220,210</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
For The Year Ended September 30, 2015

	<u>Balance October 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2015</u>
COMBINED AGENCY FUNDS				
Assets				
Cash and Cash Equivalents	\$ 4,136,687	\$ 17,291,213	\$ 17,434,396	\$ 3,993,504
Investments	1,218,100	60,000	265,590	1,012,510
Total Assets	<u>5,354,787</u>	<u>17,351,213</u>	<u>17,699,986</u>	<u>5,006,014</u>
Liabilities				
Funds Held for Others	5,354,787	16,723,457	17,072,230	5,006,014
Total Liabilities	<u>\$ 5,354,787</u>	<u>\$ 16,723,457</u>	<u>\$ 17,072,230</u>	<u>\$ 5,006,014</u>

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Statistical Section

This part of Brazos County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Table No.

Financial Trends.....

I-IV

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity.....

V-VIII

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity.....

IX-XIII

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information.....

XIV-XV

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information.....

XVI-XVIII

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Debt Service.....

XIX-XXI

These schedules contain the County's outstanding debt information to help the reader understand how much outstanding debt the County has and how much is paid toward debt each fiscal year.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

FINANCIAL TRENDS



Table I

Brazos County, Texas
Net Position by Component,
Last Ten Fiscal Years
(Unaudited and Accrual Basis of Accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net Investment in Capital Assets	\$ 38,924,281	\$ 63,796,857	\$ 21,601,010	\$ 56,939,291	\$ 92,821,982	\$ 103,660,227	\$ 116,826,933	\$ 130,240,967	\$ 135,556,068	\$ 148,523,220
Restricted	5,709,087	5,377,356	6,420,810	7,322,778	18,214,659	13,561,350	11,759,611	19,544,730	15,302,060	11,485,488
Unrestricted	55,642,525	41,337,786	94,986,664	60,436,700	15,378,001	8,277,036	9,322,387	1,604,629	10,438,783	3,716,212
Total governmental activities net position	<u>\$ 100,275,893</u>	<u>\$ 110,511,999</u>	<u>\$ 123,008,484</u>	<u>\$ 124,698,769</u>	<u>\$ 126,414,642</u>	<u>\$ 125,498,613</u>	<u>\$ 137,908,931</u>	<u>\$ 151,390,326</u>	<u>\$ 161,296,911</u>	<u>\$ 163,724,920</u>
Business-type activities										
Net Investment in Capital Assets	\$ -	\$ 12,558	\$ 10,243	\$ 26,502	\$ 44,919	\$ 65,749	\$ 53,093	\$ 41,774	\$ 39,176	\$ 27,547
Unrestricted	238,586	315,127	390,914	375,579	341,601	327,551	346,496	476,430	481,236	517,221
Total business-type activities net position	<u>\$ 238,586</u>	<u>\$ 327,685</u>	<u>\$ 401,157</u>	<u>\$ 402,081</u>	<u>\$ 386,520</u>	<u>\$ 393,300</u>	<u>\$ 399,589</u>	<u>\$ 518,204</u>	<u>\$ 520,412</u>	<u>\$ 544,768</u>
Primary government										
Net Investment in Capital Assets	\$ 38,924,281	\$ 63,809,415	\$ 21,611,253	\$ 56,965,793	\$ 92,866,901	\$ 103,725,976	\$ 116,880,026	\$ 130,282,741	\$ 135,595,244	\$ 148,550,767
Restricted	5,709,087	5,377,356	6,420,810	7,322,778	18,214,659	13,561,350	11,759,611	19,544,730	15,302,060	11,485,488
Unrestricted	55,881,111	41,652,913	95,377,578	60,812,279	15,719,602	8,604,587	9,668,883	2,081,059	10,920,019	4,233,433
Total primary government net position	<u>\$ 100,514,479</u>	<u>\$ 110,839,684</u>	<u>\$ 123,409,641</u>	<u>\$ 125,100,850</u>	<u>\$ 126,801,162</u>	<u>\$ 125,891,913</u>	<u>\$ 138,308,520</u>	<u>\$ 151,908,530</u>	<u>\$ 161,817,323</u>	<u>\$ 164,269,688</u>

Note: The County implemented GASB Statement 68 and 71 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of these standards.

Brazos County, Texas
Changes in Net Position, Ten Fiscal Years
(Unaudited and Accrual Basis of Accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General Government	\$ 12,042,697	\$ 12,631,298	\$ 15,690,144	\$ 16,266,899	\$ 15,959,538	\$ 18,757,895	\$ 18,247,125	\$ 21,362,907	\$ 22,017,696	\$ 23,815,316
Justice System	10,457,394	11,522,627	13,128,593	15,654,079	16,190,532	17,270,039	17,146,680	18,083,021	21,308,471	18,957,600
Law Enforcement	12,905,488	14,054,470	15,731,013	20,208,475	20,922,115	21,980,672	21,030,239	21,880,880	22,530,372	23,565,577
Juvenile Services	4,179,885	4,288,459	4,557,144	5,933,794	6,053,405	5,970,962	5,795,413	5,978,536	6,022,762	6,776,468
Public Transportation	4,900,621	6,429,692	5,410,967	6,226,814	7,110,355	7,863,178	7,955,778	6,457,965	8,831,911	9,063,760
Public Health	1,705,958	2,148,409	1,948,410	2,206,618	2,460,827	2,596,961	2,124,420	1,798,582	1,756,849	1,501,080
Human Services	2,469,378	2,918,972	4,028,992	5,176,330	4,992,850	5,770,963	5,858,924	5,523,897	5,993,599	6,018,603
Interest and Other Fees	2,326,392	2,044,191	2,895,119	4,108,413	4,601,773	4,165,066	3,980,198	4,318,458	3,501,978	3,564,033
Total governmental activities expenses	50,987,813	56,038,118	63,390,382	75,781,422	78,291,395	84,375,736	82,138,777	85,404,246	91,963,638	93,262,437
Business-type activities:										
County Attorney	67,342	40,144	33,905	33,681	39,959	39,799	36,515	19,401	18,378	8,391
Jail Commissary	299,883	318,321	367,270	435,003	436,447	479,243	480,762	558,746	624,465	622,769
Total business-type activities expenses	367,225	358,465	401,175	468,684	476,406	519,042	517,277	578,147	642,843	631,160
Total primary government expenses	\$ 51,355,038	\$ 56,396,583	\$ 63,791,557	\$ 76,250,106	\$ 78,767,801	\$ 84,894,778	\$ 82,656,054	\$ 85,982,393	\$ 92,606,481	\$ 93,893,597
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 1,802,420	\$ 2,224,028	\$ 2,317,212	\$ 2,809,396	\$ 2,880,925	\$ 2,900,343	\$ 3,864,014	\$ 4,634,471	\$ 4,372,292	\$ 4,625,773
Justice System	5,509,185	5,862,626	6,202,462	6,683,452	6,880,940	5,903,931	6,417,437	7,024,080	6,878,641	6,861,890
Law Enforcement	846,828	786,796	791,070	800,126	804,839	879,719	946,508	976,397	1,012,604	1,055,354
Juvenile Services	81,922	21,955	17,057	81,834	89,261	43,110	83,648	66,167	48,659	50,739
Public Transportation	1,251,841	1,178,077	1,220,213	1,185,490	1,179,615	1,247,410	1,301,302	1,373,881	1,892,026	1,507,870
Public Health	33,060	30,103	30,545	28,807	30,748	37,608	34,711	39,853	37,300	36,554
Human Services	281,912	226,251	534,253	706,595	786,699	979,624	1,078,279	1,250,832	1,405,713	1,371,538
Operating grants and contributions:										
General Government	-	24,353	27,668	-	110,940	2,145,051	33,576	23,269	2,713	6,080
Justice System	438,130	553,661	612,443	662,369	649,216	631,839	584,036	589,818	546,226	548,180
Law Enforcement	744,033	621,285	446,537	299,401	261,014	90,710	122,515	132,673	100,897	118,864
Juvenile Services	1,212,847	1,406,843	1,356,927	1,075,481	998,850	1,256,263	1,211,533	1,241,821	1,366,626	1,345,059
Public Transportation	252,928	296,211	333,597	351,190	342,202	306,537	293,621	376,007	252,180	340,822
Public Health	153,360	166,419	167,373	161,037	81,026	82,188	82,226	74,248	62,926	67,357
Human Services	572,788	257,635	635,412	410,164	407,909	367,511	291,671	297,275	437,269	384,422
Capital grants and contributions:										
Law Enforcement	41,372	77,494	8,230	16,346	190,645	72,015	138,441	-	10,084	-
Juvenile Services	-	-	-	-	-	-	5,164	-	-	-
Public Transportation	-	-	3,104,713	147,273	10,015	-	7,188,416	7,124,595	3,372,154	2,516,041
Public Health	-	-	-	-	2,100	-	-	-	-	-
Human Services	230,044	99,022	16,920	130,908	153,302	323,396	68,012	-	-	-
Total governmental activities program revenue	\$ 13,452,670	\$ 13,832,759	\$ 17,822,632	\$ 15,549,869	\$ 15,860,246	\$ 17,267,255	\$ 23,745,110	\$ 25,225,387	\$ 21,798,310	\$ 20,836,543

Brazos County, Texas
Changes in Net Position, Ten Fiscal Years
(Unaudited and Accrual Basis of Accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
County Attorney	\$ 74,948	\$ 52,074	\$ 57,191	\$ 36,911	\$ 37,909	\$ 30,052	\$ 22,565	\$ 21,750	\$ 14,824	\$ 11,217
Jail Commissary	350,779	387,093	411,699	430,870	421,748	494,837	500,061	673,784	729,172	720,953
Total business-type activities program revenue	<u>425,727</u>	<u>439,167</u>	<u>468,890</u>	<u>467,781</u>	<u>459,657</u>	<u>524,889</u>	<u>522,626</u>	<u>695,534</u>	<u>743,996</u>	<u>732,170</u>
Total primary government program revenues	<u>\$ 13,878,397</u>	<u>\$ 14,271,926</u>	<u>\$ 18,291,522</u>	<u>\$ 16,017,650</u>	<u>\$ 16,319,903</u>	<u>\$ 17,792,144</u>	<u>\$ 24,267,736</u>	<u>\$ 25,920,921</u>	<u>\$ 22,542,306</u>	<u>\$ 21,568,713</u>
Net (Expense)/Revenue										
Governmental activities	\$ (37,535,143)	\$ (42,205,359)	\$ (45,567,750)	\$ (60,231,553)	\$ (62,431,149)	\$ (67,108,481)	\$ (58,393,667)	\$ (60,178,859)	\$ (70,165,328)	\$ (72,425,894)
Business-type activities	58,502	80,702	67,715	(903)	(16,749)	5,847	5,349	117,387	101,153	101,010
Total primary government net expense	<u>\$ (37,476,641)</u>	<u>\$ (42,124,657)</u>	<u>\$ (45,500,035)</u>	<u>\$ (60,232,456)</u>	<u>\$ (62,447,898)</u>	<u>\$ (67,102,634)</u>	<u>\$ (58,388,318)</u>	<u>\$ (60,061,472)</u>	<u>\$ (70,064,175)</u>	<u>\$ (72,324,884)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 34,280,093	\$ 37,131,017	\$ 41,847,095	\$ 47,182,845	\$ 49,915,485	\$ 51,538,444	\$ 55,591,539	\$ 57,572,056	\$ 60,333,777	\$ 65,242,899
Sales taxes	9,957,049	10,429,681	11,396,068	11,225,816	11,175,994	11,559,363	12,039,620	13,230,652	14,900,374	15,351,017
Motor vehicle taxes	1,212,367	1,217,804	1,288,958	1,259,992	1,098,278	1,188,768	1,290,727	1,409,741	1,519,577	1,644,229
Mixed drink taxes	401,298	440,482	491,078	528,915	505,783	524,240	460,710	534,150	532,822	966,894
Hotel occupancy taxes	-	84,594	1,102,929	1,075,806	1,064,670	1,130,582	1,172,567	1,527,027	2,441,385	2,612,474
Unrestricted investment earnings	3,120,658	3,021,597	1,936,657	593,961	386,812	251,055	248,822	414,701	209,089	204,186
Gain (loss) on disposal of assets	38,820	111,290	-	54,503	-	-	-	-	34,889	-
Transfers:	-	5,000	1,450	-	-	-	-	-	100,000	-
Total governmental activities	<u>49,010,285</u>	<u>52,441,465</u>	<u>58,064,235</u>	<u>61,921,838</u>	<u>64,147,022</u>	<u>66,192,452</u>	<u>70,803,985</u>	<u>74,688,327</u>	<u>80,071,913</u>	<u>86,021,699</u>
Business-type activities:										
Unrestricted investment earnings	8,048	11,397	7,207	1,827	1,188	933	940	1,228	1,055	1,120
Gain on disposal of assets	-	2,000	-	-	-	-	-	-	-	-
Transfers	-	(5,000)	(1,450)	-	-	-	-	-	(100,000)	-
Total business-type activities	<u>8,048</u>	<u>8,397</u>	<u>5,757</u>	<u>1,827</u>	<u>1,188</u>	<u>933</u>	<u>940</u>	<u>1,228</u>	<u>(98,945)</u>	<u>1,120</u>
Total primary government	<u>\$ 49,018,333</u>	<u>\$ 52,449,862</u>	<u>\$ 58,069,992</u>	<u>\$ 61,923,665</u>	<u>\$ 64,148,210</u>	<u>\$ 66,193,385</u>	<u>\$ 70,804,925</u>	<u>\$ 74,689,555</u>	<u>\$ 79,972,968</u>	<u>\$ 86,022,819</u>
Change in Net Position										
Governmental activities	\$ 11,475,142	\$ 10,236,106	\$ 12,496,485	\$ 1,690,285	\$ 1,715,873	\$ (916,029)	\$ 12,410,318	\$ 14,509,468	\$ 9,906,585	\$ 13,595,805
Business-type activities	66,550	89,099	73,472	924	(15,561)	6,780	6,289	118,615	2,208	102,130
Total primary government	<u>\$ 11,541,692</u>	<u>\$ 10,325,205</u>	<u>\$ 12,569,957</u>	<u>\$ 1,691,209</u>	<u>\$ 1,700,312</u>	<u>\$ (909,249)</u>	<u>\$ 12,416,607</u>	<u>\$ 14,628,083</u>	<u>\$ 9,908,793</u>	<u>\$ 13,697,935</u>

Note: The County implemented GASB Statement 68 and 71 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of these standards.

Table III

Brazos County, Texas
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Unaudited and Modified Accrual Basis of Accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Nondspendable	\$ 711,277	\$ 738,496	\$ 1,020,562	\$ 1,202,076	\$ 927,025	\$ 1,061,363	\$ 1,348,027	\$ 1,299,861	\$ 1,413,753	\$ 1,432,240
Restricted	1,108,102	1,139,030	1,330,102	931,374	566,820	422,407	333,381	481,273	378,273	360,140
Committed	2,523,782	2,672,107	2,755,728	2,767,788	2,695,145	208,122	261,295	336,738	400,586	469,028
Assigned	1,443,705	1,945,762	2,574,105	1,814,061	1,070,279	1,169,208	1,131,333	1,067,142	1,023,141	1,023,141
Unassigned	26,835,163	25,388,824	27,261,425	24,835,897	22,265,677	20,299,844	26,456,580	31,664,348	40,130,516	39,747,932
Total General Fund	<u>\$ 32,622,029</u>	<u>\$ 31,884,219</u>	<u>\$ 34,941,922</u>	<u>\$ 31,551,196</u>	<u>\$ 27,524,946</u>	<u>\$ 23,160,944</u>	<u>\$ 29,530,616</u>	<u>\$ 34,849,362</u>	<u>\$ 43,346,269</u>	<u>\$ 43,032,481</u>
All Other Governmental Funds										
Nondspendable	\$ -	\$ -	\$ -	\$ -	\$ 5,299	\$ 30,443	\$ 24,630	\$ 7,340	\$ 9,764	\$ 14,508
Restricted	12,785,735	2,908,627	56,075,342	33,097,814	16,478,759	12,047,137	10,053,573	19,063,457	14,923,787	11,125,348
Assigned	9,602,054	6,741,020	5,368,330	5,684,215	7,002,711	8,811,083	6,814,553	5,564,864	6,344,841	13,703,250
Unassigned	-	-	-	-	-	-	(18,740)	-	-	-
Total All Other Governmental Funds	<u>\$ 22,387,789</u>	<u>\$ 9,649,647</u>	<u>\$ 61,443,672</u>	<u>\$ 38,782,029</u>	<u>\$ 23,486,769</u>	<u>\$ 20,888,663</u>	<u>\$ 16,874,016</u>	<u>\$ 24,635,661</u>	<u>\$ 21,278,392</u>	<u>\$ 24,843,106</u>

Brazos County, Texas
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
(Unaudited and Modified Accrual Basis of Accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues					
Taxes	\$ 44,572,996	\$ 48,095,357	\$ 54,745,662	\$ 60,031,219	\$ 62,547,299
Charges for Services	9,267,257	10,808,583	11,033,749	11,171,081	11,427,158
Intergovernmental	3,645,503	3,502,924	3,605,105	3,090,888	3,060,220
Interest	3,050,275	2,951,920	1,936,657	593,961	377,477
Other Revenue	533,322	465,932	490,472	629,787	505,872
Total Revenue	<u>61,069,353</u>	<u>65,824,716</u>	<u>71,811,645</u>	<u>75,516,936</u>	<u>77,918,026</u>
Expenditures					
Current					
General Government	10,329,448	10,518,550	11,695,108	12,727,888	12,374,024
Justice System	10,405,154	11,385,426	12,937,962	13,715,644	14,322,604
Law Enforcement	12,282,765	13,357,681	14,797,789	16,365,787	17,004,568
Juvenile Services	4,064,113	4,120,105	4,375,672	4,853,347	5,023,328
Public Transportation	5,080,480	6,230,521	6,142,314	6,672,577	7,127,922
Public Health	1,686,112	2,128,563	1,928,564	2,187,971	2,442,180
Human Services	2,265,385	2,742,753	3,222,130	3,961,591	3,919,455
Capital Outlay	13,980,609	24,351,811	10,698,766	33,724,110	38,225,031
Debt Service					
Principal Retirement	2,785,000	2,795,000	3,445,000	3,540,000	4,710,000
Interest and Other Fees	2,322,768	2,034,535	2,692,699	4,099,774	4,679,134
Total Expenditures	<u>65,201,834</u>	<u>79,664,945</u>	<u>71,936,004</u>	<u>101,848,689</u>	<u>109,828,246</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,132,481)	(13,840,229)	(124,359)	(26,331,753)	(31,910,220)
Other Financing Sources (Uses)					
Transfers In	2,637,411	13,530,376	5,573,472	6,165,033	8,817,971
Transfers Out	(2,637,411)	(13,525,376)	(5,693,955)	(6,165,033)	(9,017,971)
Premium on Debt Issuance	-	-	-	-	453,572
Debt Issuance - Refunding Bonds	6,005,000	-	-	-	7,365,000
Sale of Capital Assets	77,393	359,277	96,570	279,384	270,138
Payments to Refunded Bonds Escrow Agent	(5,810,000)	-	-	-	(7,300,000)
Debt Issuance	-	-	55,000,000	-	12,000,000
Capital Leases	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>272,393</u>	<u>364,277</u>	<u>54,976,087</u>	<u>279,384</u>	<u>12,588,710</u>
Net Change in Fund Balances	<u>\$ (3,860,088)</u>	<u>\$ (13,475,952)</u>	<u>\$ 54,851,728</u>	<u>\$ (26,052,369)</u>	<u>\$ (19,321,510)</u>
Debt service as a percentage of noncapital expenditures	9.97%	8.73%	10.02%	11.21%	13.14%

Brazos County, Texas
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
(Unaudited and Modified Accrual Basis of Accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues					
Taxes	\$ 64,771,195	\$ 69,130,347	\$ 72,356,721	\$ 77,810,567	\$ 84,089,178
Charges for Services	11,245,990	11,858,804	12,392,689	12,533,506	12,643,739
Intergovernmental	5,275,509	2,813,922	2,735,115	3,068,059	4,292,557
Interest	242,214	240,668	402,889	199,121	204,186
Other Revenue	491,785	534,401	743,250	1,231,518	949,034
Total Revenue	<u>82,026,693</u>	<u>84,578,142</u>	<u>88,630,664</u>	<u>94,842,771</u>	<u>102,178,694</u>
Expenditures					
Current					
General Government	14,476,472	13,225,501	15,493,215	15,600,712	17,323,019
Justice System	15,550,105	15,653,508	16,529,689	17,189,395	17,655,201
Law Enforcement	17,005,275	16,822,613	17,672,957	18,363,182	19,559,520
Juvenile Services	5,014,270	4,995,530	5,151,366	5,243,254	5,978,401
Public Transportation	7,268,102	7,579,399	7,903,452	8,649,898	9,825,736
Public Health	2,582,618	2,110,077	1,784,239	1,748,952	1,493,183
Human Services	4,483,716	4,269,698	4,020,385	4,639,453	4,729,399
Capital Outlay	13,491,806	8,003,022	7,659,526	9,217,395	13,367,750
Debt Service					
Principal Retirement	5,035,000	5,675,000	6,438,183	5,464,244	5,938,365
Interest and Fiscal Agent Fees	4,168,000	3,984,699	4,415,107	3,873,250	3,680,854
Total Expenditures	<u>89,075,364</u>	<u>82,319,047</u>	<u>87,068,119</u>	<u>89,989,735</u>	<u>99,551,428</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,048,671)	2,259,095	1,562,545	4,853,036	2,627,266
Other Financing Sources (Uses)					
Transfers In	8,929,636	2,634,022	3,333,880	4,285,885	15,634,687
Transfers Out	(8,929,636)	(2,634,022)	(3,333,880)	(4,185,885)	(15,634,687)
Premium on Debt Issuance	-	-	2,214,527	-	-
Debt Issuance - Refunding Bonds	-	-	24,340,000	-	-
Sale of Capital Assets	86,563	95,930	104,757	186,602	148,560
Payments to Refunded Bonds Escrow Agent	-	-	(15,808,088)	-	-
Debt Issuance	-	-	-	-	-
Capital Leases	-	-	666,650	-	475,100
Total Other Financing Sources (Uses)	<u>86,563</u>	<u>95,930</u>	<u>11,517,846</u>	<u>286,602</u>	<u>623,660</u>
Net Change in Fund Balances	<u>\$ (6,962,108)</u>	<u>\$ 2,355,025</u>	<u>\$ 13,080,391</u>	<u>\$ 5,139,638</u>	<u>\$ 3,250,926</u>
Debt service as a percentage of noncapital expenditures	12.17%	13.00%	13.67%	11.56%	11.16%

REVENUE CAPACITY INFORMATION

Table V

Brazos County, Texas
Assessed Value and Actual Value of Taxable Property
Last Ten Tax Years
(Unaudited)

Tax Year	Residential Property	Commercial Property	Industrial Property	Personal Property	Minerals	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2005	\$ 4,132,023,358	\$ 3,737,402,092	\$ 584,305,230	\$ 994,411,852	\$ 143,039,148	\$ (2,141,945,933)	\$ 7,449,235,747	0.4650
2006	4,662,875,098	4,009,134,429	630,812,160	1,090,082,565	186,746,987	(2,276,298,695)	8,303,352,544	0.4550
2007	5,092,640,911	4,503,381,487	715,213,160	1,154,789,218	206,807,369	(2,445,021,966)	9,227,810,179	0.4650
2008	5,704,848,431	4,855,575,655	796,868,780	1,249,455,413	244,657,985	(2,678,924,128)	10,172,482,136	0.4800
2009	6,076,913,875	5,253,969,406	837,700,523	1,314,014,691	207,602,036	(2,956,892,109)	10,733,308,422	0.4800
2010	6,337,888,583	5,327,849,239	933,644,875	1,183,632,550	262,283,016	(3,108,696,116)	10,936,602,147	0.4856
2011	6,706,506,210	5,608,189,371	997,798,061	1,259,299,484	333,339,334	(3,350,981,782)	11,554,150,678	0.4850
2012	6,856,500,798	5,959,776,425	1,024,298,940	1,265,341,250	417,520,103	(3,608,957,759)	11,914,479,757	0.4850
2013	7,221,180,612	6,302,748,738	1,033,315,489	1,322,148,610	462,451,979	(3,792,772,169)	12,549,073,259	0.4875
2014	\$ 7,671,541,666	\$ 6,703,964,362	\$ 1,081,705,297	\$ 1,467,186,020	\$ 803,117,541	\$ (3,979,622,909)	\$ 13,747,891,977	0.4850

Source: Brazos County Appraisal District for Tax Years 2005-2012. Brazos County Tax Assessor Collector for Tax Year 2013-2014.

Note: Property in the County is assessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual values. Tax rates are per \$100 of assessed value.

Table VI

Brazos County, Texas
Direct and Overlapping Property Tax Rates
(per \$100 of Assessed Value)
Last Ten Years
(Unaudited)

Name of Government	Fiscal Years									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
County Direct Rate:										
Debt Service	\$ 0.0701	\$ 0.0620	\$ 0.0620	\$ 0.0813	\$ 0.0834	\$ 0.0844	\$ 0.0813	\$ 0.0779	\$ 0.0707	\$ 0.0624
Basic Rate	0.3949	0.3930	0.4030	0.3987	0.3966	0.4012	0.4037	0.4071	0.4168	0.4226
Total Direct Rate:	<u>0.4650</u>	<u>0.4550</u>	<u>0.4650</u>	<u>0.4800</u>	<u>0.4800</u>	<u>0.4856</u>	<u>0.4850</u>	<u>0.4850</u>	<u>0.4875</u>	<u>0.4850</u>
Overlapping Rates:										
City and Town Rate:										
City of Bryan	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364	0.6364	0.6333	0.6299	0.6299
City of College Station	0.4394	0.4394	0.4394	0.4394	0.4394	0.4475	0.4380	0.4307	0.4259	0.4525
School District Rates:										
Bryan I. S. D.	1.7800	1.6300	1.2900	1.2900	1.2900	1.2900	1.2900	1.2900	1.2900	1.2900
College Station I. S. D.	1.6750	1.4800	1.2411	1.2534	1.2534	1.3099	1.3350	1.3350	1.3200	1.3800
Total Overlapping Rate:	<u>4.5308</u>	<u>4.1858</u>	<u>3.6069</u>	<u>3.6192</u>	<u>3.6192</u>	<u>3.6838</u>	<u>3.6994</u>	<u>3.6890</u>	<u>3.6658</u>	<u>3.7524</u>
Total Property Tax Rate -										
Direct and Overlapping										
Governments:	<u>\$ 4.9958</u>	<u>\$ 4.6408</u>	<u>\$ 4.0719</u>	<u>\$ 4.0992</u>	<u>\$ 4.0992</u>	<u>\$ 4.1694</u>	<u>\$ 4.1844</u>	<u>\$ 4.1740</u>	<u>\$ 4.1533</u>	<u>\$ 4.2374</u>

Source: Brazos County Tax Office

Note: Overlapping rates are those that apply to property owners within the County of Brazos. Not all overlapping rates apply to all County property owners; for example, although the County property tax rates apply to all County property owners, the City of Bryan rates only apply to those whose property is located within the City's geographic boundaries.

Table VII

Brazos County, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	2015			2006		
	Taxable Assessed Values (1)	Rank	% of Assessed Value to Total Assessed Values (2)	Taxable Assessed Values (1)	Rank	% of Assessed Value to Total Assessed Values (3)
Halcon Energy Properties Inc	\$ 215,361,102	1	1.57%	\$ -		0.00%
VOC Brazos Energy Partners LP	89,240,366	2	0.65%	-		0.00%
Anadarko Petroleum Corp.	84,874,900	3	0.62%	-		0.00%
Jamespoint Management Co	70,525,924	4	0.51%	-		0.00%
SW Meadows Point LP	69,820,917	5	0.51%	-		0.00%
SHP - The Callaway House LP	67,227,115	6	0.49%	-		0.00%
Wal-Mart Real Estate Bus. Trust	62,304,350	7	0.45%	47,864,700	5	0.58%
POM - College Station LLC	57,206,360	8	0.42%	-		0.00%
College Station Properties LP	56,622,230	9	0.41%	-		0.00%
College Station Hospital L.P.	56,154,920	10	0.41%	64,508,610	1	0.78%
Verizon Communications	-		0.00%	61,982,460	2	0.75%
Andarko E & P Co. LP	-		0.00%	60,995,640	3	0.73%
C B L & Associates	-		0.00%	52,820,675	4	0.64%
Sanderson Farms	-		0.00%	38,607,600	6	0.46%
Alkossler, David / Weinberg	-		0.00%	36,677,160	7	0.44%
Dowell Schlumberger Inc	-		0.00%	33,901,144	8	0.41%
Adam Development Prop. LP	-		0.00%	32,533,100	9	0.39%
ETC Texas Pipeline LTD	-		0.00%	29,452,820	10	0.35%
	<u>\$ 829,338,184</u>		<u>6.04%</u>	<u>\$ 459,343,909</u>		<u>5.53%</u>

Source: Brazos County Appraisal District

NOTE:

- (1) Brazos County Appraisal District
- (2) Total adjusted assessed valuation net of exempt properties as certified by the Appraisal Review Board - \$13,747,891,977
- (3) Total adjusted assessed valuation net of exempt properties as certified by the Appraisal Review Board - \$8,303,352,544

Table VIII

**Brazos County
Property Tax Levies and Collections
Last Ten Years
(Unaudited)**

Tax Year/ Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Changes & Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005 / 2006	\$ 34,562,219	\$ 34,018,184	98.43%	\$ 428,245	\$ 34,446,429	99.66%
2006 / 2007	37,528,035	36,914,865	98.37%	499,810	37,414,675	99.70%
2007 / 2008	42,551,185	41,894,859	98.46%	527,949	42,422,808	99.70%
2008 / 2009	48,091,960	47,365,802	98.49%	580,597	47,946,399	99.70%
2009 / 2010	50,744,743	50,008,637	98.55%	549,156	50,557,793	99.63%
2010 / 2011	52,321,297	51,559,230	98.54%	558,428	52,117,658	99.61%
2011 / 2012	55,212,341	54,467,213	98.65%	511,825	54,979,038	99.58%
2012 / 2013	56,989,658	56,317,318	98.82%	394,497	56,711,815	99.51%
2013 / 2014	60,353,143	59,556,004	98.68%	412,081	59,668,500	98.93%
2014 / 2015	\$ 65,585,562	\$ 65,063,971	99.20%	\$ (141,799)	\$ 64,922,172	98.99%

NOTE: (1) Changes in tax since issued.

Source: Brazos County Auditor's Office

DEBT CAPACITY INFORMATION

Table IX

Brazos County, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Governmental Activities								
Fiscal Year	Certificates of Obligation	General Obligation Bonds	Premium ^b	Capital Leases	Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a	
2006	\$ 25,215,000	\$ 23,705,000	\$ -	\$ 43,902	\$ 48,963,902	2.08%	\$ 303	
2007	23,035,000	23,090,000	-	29,788	46,154,788	1.89%	287	
2008	20,810,000	76,870,000	-	15,958	97,695,958	3.69%	573	
2009	18,540,000	75,600,000	-	1,289	94,141,289	3.33%	551	
2010	25,175,000	76,320,000	-	-	101,495,000	3.47%	580	
2011	23,685,000	72,775,000	-	-	96,460,000	3.21%	495	
2012	22,155,000	68,630,000	-	-	90,785,000	2.94%	425	
2013	20,965,000	73,115,000	-	548,467	94,628,467	3.01%	525	
2014	19,835,000	68,885,000	2,745,392	444,223	89,164,223	2.70%	488	
2015	\$ 18,915,000	\$ 64,075,000	\$ 2,519,312	\$ 710,958	\$ 86,220,270	2.46%	\$ 409	

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

^a See Table XIV for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

^b Premium was added in FY 2014.

Table X

Brazos County, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

General Bonded Debt Outstanding							
Fiscal Year	General Obligation Bonded Debt	Debt Service Funds Available	Net Bonded Debt	Assessed Value	Percentage of Actual Taxable Value	Population	Per Capita ^a
2006	\$ 23,705,000	\$ 2,387,029	\$ 21,317,971	\$ 7,449,235,747	0.29%	160,661	\$ 132.69
2007	23,090,000	2,908,627	20,181,373	8,303,352,544	0.24%	170,436	118.41
2008	76,870,000	2,831,378	74,038,622	9,227,810,179	0.80%	170,954	433.09
2009	75,600,000	3,428,888	72,171,112	10,172,482,136	0.71%	175,122	412.12
2010	76,320,000	4,075,186	72,244,814	10,733,308,422	0.67%	194,851	370.77
2011	72,775,000	4,920,817	67,854,183	10,936,602,147	0.62%	177,942	381.33
2012	68,630,000	5,514,377	63,115,623	11,554,150,678	0.55%	180,328	350.00
2013	73,115,000	6,075,351	67,039,649	11,914,479,757	0.56%	182,655	367.03
2014	68,885,000	6,160,188	62,724,812	12,549,073,259	0.50%	210,570	297.88
2015	\$ 64,075,000	\$ 5,840,178	\$ 58,234,822	\$ 13,747,891,977	0.42%	214,672	\$ 271.27

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

a Population data can be found in Table XIV.

Table XI

Brazos County, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2015
(Unaudited)

<u>Direct Debt</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Brazos County	\$ 86,220,270	100%	\$ 86,220,270
<u>Overlapping Debt</u>			
Cities:			
Bryan	63,949,655	100%	63,949,655
College Station	101,745,000	100%	101,745,000
Kurten	-	100%	-
Independent School Districts:			
College Station School District	264,555,000	100%	264,555,000
Bryan Independent School District	158,450,000	100%	158,450,000
Navasota Independent School District	\$ 29,311,534	0.87% ^a	\$ 255,010
Special Districts:			
Brazos County ESD #1	-	100%	-
Brazos County ESD #2	-	100%	-
Brazos County ESD #3	-	100%	-
Brazos County ESD #4	-	100%	-
		Total Overlapping Debt:	<u>588,954,665</u>
		Total Direct and Overlapping Debt:	<u>\$ 675,174,935</u>

Sources: Debt outstanding provided by each governmental unit and is reflecting principal only.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Brazos County. This process recognizes that, when considering the county's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

^a For debt repaid with property taxes, the percentage of overlapping debt for NISD is estimated using taxable assessed property values. NISD's percentage was estimated by determining the portion of the Independent School District's taxable assessed value within the county's boundaries and dividing it by NISD's total taxable assessed value.

Brazos County, Texas
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt Limit	\$ 1,577,946,187	\$ 1,756,630,748	\$ 1,966,553,398	\$ 2,169,592,185	\$ 2,302,922,924
Total net debt applicable to limit	20,167,029	20,283,627	68,853,622	72,171,112	72,244,814
Legal debt margin	<u>\$ 1,598,113,216</u>	<u>\$ 1,776,914,375</u>	<u>\$ 2,035,407,020</u>	<u>\$ 2,241,763,297</u>	<u>\$ 2,375,167,738</u>
Total net debt applicable to the limit as a percentage of debt limit	1.28%	1.15%	3.50%	3.33%	3.14%

NOTE: (1) Total assessed valuation of real property as certified by the Appraisal Review Board.

(2) Debt Limit 25% of assessed value of real property - \$11,477,588,416 Article 3, Section 52, of the Texas Constitution.

(3) Includes only general obligation bonds.

**Brazos County, Texas
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)**

Legal Debt Margin Calculation for Fiscal Year 2015

(Note 1)	Assessed Value	\$	11,477,588,416
(Note 2)	Debt limit (25% of assessed value)		2,869,397,104
	Debt applicable to limit:		
(Note 3)	Gross bonded debt		64,075,000
	Less: Amount available from Debt Service Fund		5,840,178
	Total net debt applicable to limit		58,234,822
	Legal debt margin	\$	2,927,631,926

Fiscal Year	2011	2012	2013	2014	2015
\$	2,372,671,645	\$ 2,490,377,965	\$ 2,557,904,601	\$ 2,691,118,168	\$ 2,869,397,104
	67,854,183	63,115,623	67,039,649	62,724,812	58,234,822
\$	2,440,525,828	\$ 2,553,493,588	\$ 2,624,944,250	\$ 2,753,842,980	\$ 2,927,631,926
	2.86%	2.53%	2.62%	2.33%	2.03%

Table XIII

Brazos County, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Certificates of Obligation							Capital Leases			
	Property Tax Revenue	Interest	Less: Agent Fees & Issuance Cost	Debt Service		Coverage	Property Tax Revenue	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
2006	\$ 4,025,812	\$ 142,074	\$ 1,745	\$ 2,315,000	\$ 1,084,442	1.23	\$ 26,375	\$ 15,823	\$ 5,102	1.26	
2007	4,326,890	168,062	2,045	2,180,000	1,000,726	1.41	20,791	14,114	3,730	1.17	
2008	4,098,514	265,010	3,195	2,225,000	919,030	1.12	20,553	13,830	2,334	1.27	
2009	4,138,412	13,489	2,147	2,270,000	832,632	1.34	19,543	14,668	936	1.25	
2010	6,092,191	46,125	109,060	2,590,000	1,036,027	1.66	1,311	1,289	11	1.01	
2011	5,836,067	18,052	2,747	1,490,000	1,018,980	2.33	-	-	-	-	
2012	3,897,319	13,937	2,548	1,530,000	967,646	1.56	-	-	-	-	
2013	4,096,625	67,702	119,309	1,755,000	902,919	1.52	118,925	118,183	-	1.01	
2014	2,044,955	5,568	2,000	1,130,000	792,845	1.07	117,715	104,244	13,939	1.00	
2015	\$ 1,792,681	\$ 5,004	\$ 1,800	\$ 920,000	\$ 755,908	1.07	\$ 118,330	\$ 106,903	\$ 11,280	1.00	

DEMOGRAPHIC AND ECONOMIC INFORMATION

Table XIV

**Brazos County, Texas
Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)**

Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income	Public School Enrollment ⁽³⁾	Texas A & M Enrollment ⁽⁴⁾	Blinn College Enrollment ⁽⁵⁾	Unemployment Rate ⁽⁶⁾
2006	160,661	\$ 2,437,361,696	\$ 15,171	22,149	45,487	10,189	3.50%
2007	170,436	2,647,397,704	15,533	22,357	46,540	10,563	3.60%
2008	170,954	2,827,827,879	16,541	22,603	48,039	11,408	4.10%
2009	175,122	2,927,844,375	16,719	25,125	48,885	12,441	6.20%
2010	194,851	3,001,972,053	15,407	25,597	49,129	12,145	5.70%
2011	177,942	3,089,688,803	17,363	26,604	49,861	12,342	6.40%
2012	180,328	3,147,154,437	17,452	27,248	50,227	12,269	5.30%
2013	182,655	3,303,060,881	18,084	27,961	53,219	12,771	5.20%
2014	210,570	3,507,161,965	16,656	28,735	55,810	13,587	3.80%
2015	214,672	\$ 3,011,585,876	\$ 14,029	29,598	61,279	13,207	3.30%

Sources:

- (1) For years 2008 and previous, population information provided by the Texas State Data Center. The information is an estimation of the population. For the year 2009, information received from ERS/USDA. Population estimation is based on previous years. For the year 2010, information was received from US Census Bureau. For 2011-2013, the projected population came from Texas Department of State Health Services. 2011 and 2012 populations have been corrected to match the Texas Department of State Health Services projected population for the County. Projection for 2014 & 2015 is from the Texas Department of State Health Services.
- (2) Personal Income and unemployment rate information provided by the Texas Workforce Commission.
- (3) Public School Enrollment information is for Bryan ISD, College Station ISD, Arrow Academy and Brazos School for Inquiry and Creativity. Enrollment information is from the Texas Academic Performance Report on TEA's website.
- (4) For years 2007 to current, enrollment is based on TAMU Enrollment profile. Years 2004 to 2005 enrollment information is from City of College Station CAFR. Year 2006 is from Wikipedia. Enrollment information is based on Fall semesters.
- (5) Previous CAFRs reflected enrollment for Blinn Campuses based on all campuses. The information now reflects just the enrollment for the campus in Brazos County and is based on the Fall semester.
- (6) Source: Texas Workforce Commission

Table XV

**Brazos County, Texas
Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

2015	2006
Employer	Employer⁽¹⁾
Baylor Scott & White Health	Alenco
Blinn College	Brazos County
Brazos County	Bryan Independent School District
Bryan Independent School District	City of Bryan
City of Bryan	City of College Station
City of College Station	College Station Independent School District
College Station Independent School District	Hamilton State School
College Station Medical Center	Sanderson Farms
Ply Gem Windows	St. Joseph Regional Hospital
Reynolds & Reynolds	Texas A&M University & System
Sanderson Farms	
St. Joseph Health System	
Texas A&M University System	

NOTE: Data reflects principal employers in Brazos County and are listed in alphabetical order and do not reflect any ranking. The data of TWC ranking and number of employees is confidential.

Source: (1) 2006 Brazos County CAFR

OPERATING INFORMATION

Table XVI

**Brazos County, Texas
County Employees by Function
Last Ten Fiscal Years
(Unaudited)**

Function	Employees as of September 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	126	133	134	135	138	138	138	138	148	146
Justice System	158	164	171	168	172	176	172	177	176	181
Law Enforcement	223	234	249	257	265	264	256	259	262	266
Juvenile Services	89	91	91	97	98	93	92	92	94	93
Human Services	26	39	42	46	50	58	59	60	54	59
Public Transportation	70	70	71	75	75	81	80	80	75	76
Total	692	731	758	778	798	810	797	806	809	821

Source: County Auditor's Office

Note:
Information compiled from Brazos County Budget Ten Year Trend Report.

Table XVII

Brazos County, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Justice System										
Birth Certificates Filed ⁽¹⁾	2,971	3,276	3,188	3,254	2,853	2,480	2,652	2,611	2,871	3,211
Marriage License Applications ⁽¹⁾	1,444	1,493	1,637	1,289	1,275	1,149	1,088	1,528	1,277	1,377
Death Certificates Issued	812	757	929	801	883	967	936	479	580	563
Registered Voters ⁽¹⁾	86,771	82,180	88,758	82,674	88,851	80,834	91,498	88,600	88,388	91,751
Court Activity: ⁽²⁾										
District Court:										
Cases Added	7,863	8,241	6,215	6,774	6,843	6,341	4,920	5,439	5,135	5,675
Cases Disposed	8,041	8,120	6,190	6,291	6,283	6,300	4,817	6,251	5,666	5,791
Cases Pending	8,281	8,814	4,486	6,598	7,113	4,361	2,299	4,507	4,655	4,704
County Court at Law Courts:										
Cases Added	5,706	6,820	4,258	7,137	7,000	5,159	7,347	6,270	6,059	5,818
Cases Disposed	4,856	5,999	4,441	7,403	6,768	4,712	3,761	5,960	5,356	5,558
Cases Pending	3,142	3,948	4,283	3,664	3,250	3,119	1,244	4,132	4,418	4,051
Justice of the Peace Courts:										
Cases Added	19,387	22,965	23,375	23,008	19,583	19,783	13,557	10,198	13,678	14,107
Cases Disposed	18,497	21,117	19,986	20,605	18,111	19,322	15,237	9,926	16,087	16,019
Law Enforcement										
Sheriff's Department:										
Average Daily Inmate Population ⁽³⁾	550	553	536	594 ⁽⁷⁾	538	584	554	592	619	604
Arrest Totals ⁽³⁾	15,541	15,769	14,584	13,944	10,040	15,058	14,841	14,558	14,649	13,673
Human Services										
Cooperative Agricultural Extension Office: ⁽⁴⁾										
Number of Educational Programs Conducted	779	772	528	623	573	383	414	719	731	719
Number of Participants in Educational Programs	49,229	16,850	60,589	220,900	1,104,930	1,515,696	987,046	301,892	414,025	317,850
Brazos Center:										
No. of Events held: ⁽⁵⁾	578	522	493	466	458	581	497	630	649	990
Exposition Center:										
No. of Events held: ⁽⁶⁾	0	3	85	108	118	126	140	155	158	163
No. of Events Days: ⁽⁶⁾							258	309	377	342
Public Transportation										
Miles of Roads:										
Paved	330	341	342	348	364	368	357	356	370	371
Unpaved	146	137	129	124	110	103	103	123	102	101

(1) Source: Brazos County Clerk, Brazos County Treasurer and Brazos County Tax Assessor Collector.

(2) Source: Office of Court Administration

(3) Source: Sheriff's Office. This number represents all arrests made by all entities that bring prisoners to the Jail.

(4) Source: Texas Cooperative Agriculture Extension Contact Summary

(5) Source: Brazos Center - Events reported are held in the Assembly Rooms 1 and 2. Smaller functions were not recorded.

(6) Source: Exposition Center - Number of event days was added in FY 2015 to reflect the utilization of the facility. Each event is counted as a day. For example, if there are 3 events in one day, each event is counted as a day.

(7) The Jail has started housing some inmates at off-site housing facilities. This number includes an average of 53 inmates being housed off-site

Table XVIII

Brazos County, Texas
Capital Asset and Infrastructure Statistics by Function
Last Ten Fiscal Years
(Unaudited)

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Office Buildings / Courthouse	4	5	5	5	5	5	4	4	4	6
Facility Services:										
Vehicles	7	8	9	9	11	12	12	17 ⁽²⁾	17	19
Equipment	0	0	0	0	0	0	0	1	0	1
IT Vehicles	1	1	1	2	2	2	2	2	2	2
Justice System										
Office Buildings / Courthouse	1	2	2	2	2	2	2	2	2	2
County Attorney Vehicles	8	10	8	8	9	8	8	9	9	8
District Attorney Vehicles	7	4	4	4	4	4	4	4	4	4
Law Enforcement										
Sheriff's Administration Facility	0	0	1	1	1	1	1	1	1	1
Sheriff's Detention Facility	(1) 1	(1) 1	(1) 1	(1) 1	2	2	2	2	2	1
Vehicles:										
Sheriff's	63	62	63	62	66	63	54	60	52	62
Sheriff's - Jail Division	7	9	10	11	17	27	24	25	23	28
Constable	21	24	22	22	23	26	26	27	27	26
Heavy Equipment:										
Sheriff's	1	1	1	1	0	2	2	2	2	2
Sheriff's - Jail Division	3	4	4	4	5	1	1	1	0	1
Juvenile Services										
Juvenile Facilities	1	1	1	1	1	1	1	1	1	1
Juvenile Dept. Vehicles	8	8	7	7	7	7	7	7	7	7
Human Services										
Buildings	3	5	5	5	5	5	5	5	5	5
Emergency Management Vehicles	1	1	1	1	0	0	0	0	0	0
Brazos Center:										
Vehicles	3	2	4	4	4	5	5	0 ⁽²⁾	0	0
Equipment	4	3	4	4	4	1	1	0	0	0
Exposition Center:										
Vehicles	0	1	3	3	4	4	4	4	4	4
Equipment	0	2	12	12	13	11	12	12	12	13
Collection Citizen Sites	7	7	7	7	7	7	7	7	7	8
Public Transportation										
Road and Bridge Building	1	1	1	1	1	1	1	1	1	1
Road and Bridge Vehicles	44	46	48	48	53	54	55	54	54	54
Road and Bridge Heavy Equipment	95	95	93	93	95	75	77	83	76	77
County Roads (miles)	476	478	472	472	474	471	460	479	472	472
Bridges	63	59	59	60	60	61	61	67	67	69

(1) The Sheriff's Administration and maximum security jail facility were located in the courthouse. In FY 08, the Sheriff's Administration and Jail Administration moved to the Sheriff's Administration Building. Booking and maximum security moved to the new Jail Facility in FY 10.

(2) In FY 2013, Building Maintenance was changed to Facility Services. The Landscaping subdivision of the Brazos Center was moved from the Brazos Center to Facilities Services.



DEBT SERVICE

Brazos County, Texas
General Long Term Debt Payable by Issue
September 30, 2015
(Unaudited)

Debt Issue	Interest Rates (%) And Dates	Final Issue Date	Debt Maturity Date	Debt Authorized And Issued
Certificates of Obligation				
2005 Series, Issued For: Buildings, Building Renovations, Capital Roads, Equipment, and Right-of-Way Acquisition	3.25/3.75/3.75/3.75/3.5/ 3.5/3.625/3.75/3.75/3.75 3/1 and 9/1	9/1/2005	9/1/2015	\$ 2,750,000
2009 Series, Issued For: Exposition Center Expansion and Costs of issuance of Certificates	4.350/4.45/4.50/4.60 3/1 and 9/1	10/15/2009	9/1/2034	12,000,000
2012 Series, Issued For: Courthouse Renovation, Tax Office, Fleet Maintenance Building, Renovations of Brazos Center and Juvenile Detention Center	2/2/3/3/4/3/4/4/5/5/3 2.8/3/3/3/3.125/3.125/ 3.25/3.25/3.375 3/1 and 9/1	9/1/2012	9/1/2032	9,700,000
General Obligation Bond				
2005 Series, Issued For: Exposition Center	6.0/6.0/6.0/6.0/5.5/5.0/ 4.0/4.0/4.0/4.0/4.0/4.0/ 4.0/4.125/4.125/4.25/4.25 4.375/4.375/4.375 3/1 and 9/1	9/1/2005	9/1/2017	10,500,000
Limited Tax Refunding Bonds				
Series 2005, Issued For: R&B New Construction and Right-Of-Way Acquisition	4.0 3/1 and 9/1	12/1/2005	3/1/2016	6,005,000
Series 2009, Issued For: Exposition Center Expansion and Costs of issuance of Certificates	3.0/4.0 3/1 and 9/1	10/15/2009	9/1/2021	7,365,000
Series 2012, Issued for : Refund portions of the outstanding debt payable from ad valorem taxes and certain costs of issuance of the bonds	2.0/2.0/3.0/3.0/4.0/4.0/4.0/ 5.0/5.0/5.0/3.0/2.8/3.0 3/1 and 9/1	9/1/2012	9/1/2025	14,640,000
Limited Tax Bonds				
Series 2008, Issued For: Jail Expansion	3.25/3.25/3.25/3.25/3.75/ 3.5/3.63/3.77/3.92/4.0/ 4.125/5.00/5.00/5.00/5.0/ 4.50/4.50/4.50 3/1 and 9/1	5/1/2008	9/1/2028	55,000,000
Total Long Term Debt				\$ 117,960,000

Note:

(1) All debt obligations of Brazos County are payable both as to principal and interest solely from and secured by ad valorem taxes levied against all taxable property within the County.

Debt Outstanding			Debt Service Requirements For Fiscal Year 2014-2015		
Principal	Interest	Totals	Principal	Interest	Totals
\$ -	\$ -	\$ -	\$ 320,000	\$ 12,000	\$ 332,000
9,740,000	4,442,126	14,182,126	425,000	424,310	849,310
9,175,000	2,985,193	12,160,193	175,000	319,598	494,598
1,150,000	69,400	1,219,400	545,000	67,800	612,800
755,000	15,100	770,100	720,000	44,600	764,600
3,485,000	436,500	3,921,500	505,000	149,500	654,500
13,700,000	3,051,642	16,751,642	530,000	565,360	1,095,360
44,985,000	15,717,685	60,702,685	2,510,000	2,084,606	4,594,606
<u>\$ 82,990,000</u>	<u>\$ 26,717,646</u>	<u>\$ 109,707,646</u>	<u>\$ 5,730,000</u>	<u>\$ 3,667,774</u>	<u>\$ 9,397,774</u>

(2) The County has the right to call the CO's at any time as long as they "make-whole" the holders of the CO's.

Brazos County, Texas
Debt Retirement by Years
September 30, 2015
(Unaudited)

<u>Fiscal Year</u>	<u>Total Required Principal</u>	<u>Total Required Interest</u>	<u>Total Required</u>
2016	\$ 6,115,000	\$ 3,457,974	\$ 9,572,974
2017	5,575,000	3,250,199	8,825,199
2018	5,795,000	3,033,549	8,828,549
2019	6,040,000	2,805,549	8,845,549
2020	6,295,000	2,563,349	8,858,349
2021-2025	30,830,000	8,667,651	39,497,651
2026-2030	18,495,000	2,592,737	21,087,737
2031-2034	3,845,000	346,638	4,191,638
	<u>\$ 82,990,000</u>	<u>\$ 26,717,646</u>	<u>\$ 109,707,646</u>

Brazos County, Texas
Debt Retirement by Years
September 30, 2015
(Unaudited)

Fiscal Year	Certificates of Obligation Principal		General Obligation Bonds Principal	Limited Tax Refunding Bonds Principal		Limited Tax Bond Principal	Total	
	2009 Issue	2012 Issue	2005 Issue	2005 Issue	2009 Issue	2012 Issue		2008 Issue
	2016	\$ 425,000	\$ 400,000	\$ 565,000	\$ 755,000	\$ 520,000		\$ 830,000
2017	445,000	415,000	585,000	-	540,000	850,000	2,740,000	5,575,000
2018	445,000	430,000	-	-	565,000	1,490,000	2,865,000	5,795,000
2019	465,000	440,000	-	-	590,000	1,555,000	2,990,000	6,040,000
2020	475,000	460,000	-	-	620,000	1,615,000	3,125,000	6,295,000
2021-2025	2,335,000	2,610,000	-	-	650,000	7,360,000	17,875,000	30,830,000
2026-2030	2,665,000	3,060,000	-	-	-	-	12,770,000	18,495,000
2031-2034	2,485,000	1,360,000	-	-	-	-	-	3,845,000
	<u>\$ 9,740,000</u>	<u>\$ 9,175,000</u>	<u>\$ 1,150,000</u>	<u>\$ 755,000</u>	<u>\$ 3,485,000</u>	<u>\$ 13,700,000</u>	<u>\$ 44,985,000</u>	<u>\$ 82,990,000</u>

Brazos County, Texas
Debt Retirement by Years
September 30, 2015
(Unaudited)

Fiscal Year	Certificates of Obligation Interest		General Obligation Bonds Interest	Limited Tax Refunding Bonds Interest			Limited Tax Bond Interest	Total
	2009 Issue	2012 Issue	2005 Issue	2005 Issue	2009 Issue	2012 Issue	2008 Issue	
2016	\$ 407,310	\$ 314,348	\$ 46,000	\$ 15,100	\$ 129,000	\$ 549,460	\$ 1,996,756	\$ 3,457,974
2017	390,310	302,349	23,400	-	107,800	524,561	1,901,779	3,250,199
2018	372,510	285,748	-	-	85,700	490,560	1,799,031	3,033,549
2019	354,710	272,848	-	-	62,600	430,960	1,684,431	2,805,549
2020	336,110	255,248	-	-	38,400	368,760	1,564,831	2,563,349
2021-2025	1,396,150	966,480	-	-	13,000	687,339	5,604,682	8,667,651
2026-2030	906,736	519,823	-	-	-	-	1,166,178	2,592,737
2031-2034	278,287	68,351	-	-	-	-	-	346,638
	<u>\$ 4,442,123</u>	<u>\$ 2,985,195</u>	<u>\$ 69,400</u>	<u>\$ 15,100</u>	<u>\$ 436,500</u>	<u>\$ 3,051,640</u>	<u>\$ 15,717,688</u>	<u>\$ 26,717,646</u>

Table XXI

Brazos County, Texas
Debt Service Fund
Revenues, Expenditures, Restricted Fund Balance
and Respective Debt Service Tax Rates
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Revenues & Other Financing Sources	Expenditures & Other Financing Uses	Restricted Fund Balance	I&S Tax Rates *
2006	\$ 5,613,092	\$ 5,107,768	\$ 2,387,029	0.0701
2007	5,351,133	4,829,535	2,908,627	0.0620
2008	6,060,450	6,137,699	2,831,378	0.0620
2009	8,237,284	7,639,774	3,428,888	0.0813
2010	10,035,432	9,389,134	4,075,186	0.0834
2011	10,048,631	9,203,000	4,920,817	0.0844
2012	10,253,259	9,659,699	5,514,377	0.0813
2013	26,987,310	26,426,336	6,075,351	0.0779
2014	9,304,148	9,219,311	6,160,188	0.0707
2015	\$ 9,079,564	\$ 9,399,574	\$ 5,840,178	0.0624

* I&S tax rates are presented as cents per \$100 of assessed value.



**INDEPENDENT AUDITORS' REPORTS ON
COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING
SEPTEMBER 30, 2015**



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Duane Peters, County Judge
and the Honorable County Commissioners
Brazos County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brazos County, Texas (the "County") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 10, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002.

County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Their response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Bryan, Texas
March 10, 2016

Impram, Wallis, Company



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

To the Honorable Duane Peters, County Judge
and the Honorable County Commissioners
Brazos County, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Brazos County, Texas' (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2015. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State of Texas Single Audit Circular*. 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 or state program occurred. An audit includes examining, on a test basis, evidence about the County'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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State of Texas Single Audit Circular*, 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 the County'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 or state 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 or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002 that we consider to be significant deficiencies.

The County's response to the internal controls over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Bryan, Texas
March 10, 2016

A handwritten signature in cursive script that reads "Bryan, Welles, Company". The signature is written in dark ink and is positioned to the right of the typed text.

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2015

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2014	Receipts	Expenditures	Grant Funds Refunded in 2015	Accounts Receivable (Payable) September 30, 2015
<u>U. S. Department of Justice</u>								
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0704 07/01/13-6/30/14	44,719	\$ -	\$ -	\$ 44,719	\$ -	\$ 44,719
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0294 07/01/12-06/30/13	44,532	44,532	44,532	-	-	-
<u>Passed through City of Bryan</u>								
Edward Byrne Memorial Justice Assistance Grant-ARRA	16.804	2012-DJ-BX-0174	8,346	(2,410)	5	2,408	7	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-DJ-BX-0320	7,898	(7,919)	20	-	-	(7,939)
<u>Passed through City of College Station</u>								
Edward Byrne Memorial Justice Assistance Grant	16.738	2014-DJ-BX-0528	8,876	-	8,885	8,876	-	(9)
Edward Byrne Memorial Justice Assistance Grant	16.738	2015-DJ-BX-0966	8,419	-	-	-	-	-
<u>Passed through Office of the Governor of Texas,</u>								
<u>Criminal Justice Division</u>								
Delinquency/Truancy Prevention Program	16.540	2816301	25,000	2,089	16,846	14,757	-	-
Crimes Against Women Prosecution Unit	N/A	2909701	114,750	-	-	-	-	-
Victim Assistance Coordinator	16.575	2862601	46,583	-	-	-	-	-
				36,292	70,288	70,760	7	36,771
<u>U. S. Department of Transportation</u>								
<u>Passed through State Department of</u>								
<u>Highways and Public Transportation</u>								
Metropolitan Planning Organization	20.205	50-14XF0024	324,334	55,484	55,484	-	-	-
Metropolitan Planning Organization	20.205	50-15XF0024	325,501	-	143,709	225,286	-	81,577
Metropolitan Planning Organization	20.505	50-15XF0024	76,899	-	76,899	76,899	-	-
				55,484	276,092	302,185	-	81,577
<u>U.S. General Services Administration</u>								
<u>Passed through Texas Facilities Commission/</u>								
<u>Federal Surplus Program</u>								
Donation of Federal Surplus Personal Property	39.003	N/A	-	-	1,906	1,906	-	-
				\$ -	\$ 1,906	\$ 1,906	\$ -	\$ -

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2015

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts			Grant Funds Refunded in 2015	Accounts
				Receivable (Payable) October 1, 2014	Receipts	Expenditures		Receivable (Payable) September 30, 2015
<u>Department of Homeland Security</u>								
<u>Passed through Texas Department of Public Safety</u>								
Division of Emergency Management	97.042	14TX-EMPG-1440	56,751	\$ 56,751	\$ 56,751	\$ -	\$ -	\$ -
Division of Emergency Management	97.042	15TX-EMPG-1440	55,696	-	27,848	55,696	-	27,848
Emergency Preparedness Grant	97.067	SHSP						
		EMW-2013-SS-00045	20,000	9,700	17,096	7,396	-	-
Emergency Preparedness Grant	97.067	SHSP						
		EMW-2014-SS-00029	20,000	-	18,535	10,812	-	(7,723)
				66,451	120,230	73,904	-	20,125
<u>U. S. Department of Housing and Urban Development</u>								
<u>Passed through the Texas Department of</u>								
<u>of Agriculture</u>								
Community Development Block Grant	14.228	713032	750,000	126,693	714,000	587,307	-	-
				126,693	714,000	587,307	-	-
<u>U. S. Department of Health and Human Services</u>								
<u>Passed through the Texas Department of Family</u>								
<u>and Protective Services</u>								
Title IV-E-Legal (CPS)	93.658	10/01/13-09/30/14	60,979	46,879	46,879	-	-	-
Title IV-E-Legal (CPS)	93.658	10/01/14-09/30/15	64,713	-	36,399	46,169	-	9,770
Title IV-E-Foster Care Maintenance	93.658	10/01/13-09/30/14	12,759	5,765	5,765	-	-	-
Title IV-E-Foster Care Maintenance	93.658	10/01/14-09/30/15	13,781	-	1,948	2,956	-	1,008
<u>Passed through the Texas Juvenile Justice Department</u>								
Title IV-E - Administration - Juvenile	93.658	TJJD-E-2014-021	-	463	-	-	-	463
Title IV-E - Administration - Juvenile	93.658	TJJD-E-2015-021	-	-	-	1,580	-	1,580
Title IV-E - Maintenance - Juvenile	93.658	TJJD-E-2014-021	-	108,231	106,678	(1,103)	-	450
Title IV-E - Maintenance - Juvenile	93.658	TJJD-E-2015-021	-	-	76,879	126,867	-	49,988
<u>Passed through the Texas Department</u>								
<u>of Agriculture</u>								
National School Lunch Program	10.555	07/01/15-06/30/16	-	-	4,856	7,401	-	2,545
National School Lunch Program	10.555	07/01/14-06/30/15	-	5,383	29,354	23,971	-	-
School Breakfast Program	10.553	07/01/15-06/30/16	-	-	3,078	4,957	-	1,879
School Breakfast Program	10.553	07/01/14-06/30/15	-	3,491	18,989	15,498	-	-
Food Services Division Commodities	10.550	07/01/15-06/30/16	-	-	-	-	-	-
Food Services Division Commodities	10.550	07/01/14-06/30/15	-	-	3,320	3,320	-	-
				170,212	334,145	231,616	-	67,683
Total Federal Assistance				\$ 455,132	\$ 1,516,661	\$ 1,267,678	\$ 7	\$ 206,156

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2015

State Grant or Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2014	Receipts	Expenditures	Grant Funds Refunded in 2015	Accounts Receivable (Payable) September 30, 2015
<u>Texas Juvenile Justice Department</u>								
State Aid	N/A	TJJD-A-2015-021	758,352	\$ 29,700	\$ 758,352	\$ 728,652	\$ -	\$ -
		09/01/14-08/31/15						
State Aid	N/A	TJJD-A-2016-021	1,043,984	-	-	46,680	-	46,680
		09/01/15-08/31/16						
JJAEP	N/A	TJJD-P-2015-021	14,984	-	14,984	14,984	-	-
		08/01/14-5/31/15						
JJAEP	N/A	TJJD-P-2016-021	14,984	-	-	-	-	-
		08/01/15-5/31/16						
Commitment Reduction	N/A	TJJD-C-2015-021	136,257	6,268	136,257	129,989	-	-
		09/01/14-08/31/15						
Mental Health	N/A	TJJD-N-2015-021	180,399	12,820	180,399	157,785	9,794	-
		09/01/14-08/31/15		48,788	1,089,992	1,078,090	9,794	46,680
<u>Office of the Attorney General</u>								
SAVNS Program	N/A	1554377	27,715	-	27,715	27,715	-	-
				-	27,715	27,715	-	-
Total State Assistance				48,788	1,117,707	1,105,805	9,794	46,680
Total Federal and State Assistance				\$ 503,920	\$ 2,634,368	\$ 2,373,483	\$ 9,801	\$ 252,836

BRAZOS COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

General - The accompanying Schedule of Expenditures of Federal and State Awards presents all federal and state expenditures of Brazos County, Texas (the "County").

Basis of Accounting - The expenditures on the accompanying Schedule of Expenditures of Federal and State Awards are presented on the accrual basis.

Relationship to Financial Statements - Expenditures of federal and state awards are reported in the County's basic financial statements on the accrual basis.

Relationship to Federal Financial Reports - Amounts reported in the accompanying Schedule of Expenditures of Federal and State Awards agree with the amounts reported in the related federal and state financial reports in all significant respects.

SUMMARY OF NON-CASH ASSISTANCE

The County receives non-cash assistance in the form of commodities from the U.S. Department of Health and Human Services passed through the Texas Department of Agriculture. In fiscal year ended September 30, 2015, the County received \$3,320 in commodities.

SUMMARY OF INSURANCE RELATED TO GRANT FUNDS

County employees responsible for or with authority to expend or disburse grant funds are covered by various insurance policies. The amounts of these policies vary from \$5,000 to \$10,000.

SUMMARY OF FEDERAL LOANS OR LOAN GUARANTEES

The County had no Federal loans or loan guarantees during this fiscal year.

BRAZOS COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: *unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(s) identified that are not considered to be material weaknesses? none
___ yes X reported

Noncompliance material to financial statements noted? ___ yes X no

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(s) identified that are not considered to be material weaknesses? none
X yes ___ reported

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

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

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal or State Program or Cluster</i>
14.228	Community Development Block Grant
N/A	TJJD Grant A-State Aid

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

Auditee qualified as low-risk auditee? X yes ___ no

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

2015-001 Non-Compliance with Requirements of Davis-Bacon Act

CFDA No: 14.228

Program Title: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Agency: Department of Housing and Urban Development

Pass-through Entity: Texas Department of Agriculture

Contract No.: 713032

Contract Period: 9/21/13-9/20/16

Criteria: Per the terms of the contract agreement with the Texas Department of Agriculture (TDA), the grant is subject to the requirements of the Davis-Bacon Act. This includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls). This must be completed within seven days after the regular pay date for the pay period.

Condition: The prime contractor was made aware of the requirements of the Davis-Bacon Act through the signed contract with Brazos County as well as at the pre-construction meeting that was held with the County's grant administrator. It is the prime contractor's responsibility to make sure that these are completed by all subcontractors on the job as well. We noted multiple instances of the certified payrolls not being timely submitted in accordance with the requirements of the Davis-Bacon Act for the prime contractor and one of the subcontractors.

Questioned Costs: As the certified payrolls were submitted, this finding did not result in any questioned costs.

Context: During the review of the certified payrolls submitted for the project, it was noted that 12 out of the 32 certified payrolls or no work reports for the prime contractor and both of the certified payrolls filed for one of the subcontractors were not timely filed in accordance with the requirements noted above.

Effect: The requirements of the Davis-Bacon Act were not fully adhered to.

Cause: This appears to have resulted primarily from miscommunication between the County's outside engineer, the prime contractor and the grant administrator. The project was originally signed off as being complete on May 1, 2015. However, there was some rework that needed to be done to the portion of the project funded with the grant funds. It was planned that the rework would be done under a different contract that was not funded with federal dollars. The engineer discovered that there were additional funds remaining from the grant that could be used. It doesn't appear that this was communicated to all parties involved until later thus resulting in the certified payrolls not being submitted timely. County staff placed reliance on the third parties involved and did not follow up with questions to ensure that the grant was being administered adequately. With regard to the late certifications by the subcontractor, this appears to have been a result of the prime contractor not notifying the sub that the project was a federally funded project which required following the Davis-Bacon Act.

Recommendation: IWC recommends that County staff remain involved in the administration of its grants and not place complete reliance on third parties that may be hired to assist with grant projects. In addition, procedures at the on-set of a federally funded construction project need to ensure that all parties involved are aware of the compliance requirements, understand them, and are cognizant of the consequences that may result if the requirements are not adhered to.

Response & Planned Corrective Action: We concur with this finding. In order to adhere to the Davis-Bacon Act, the contractors or subcontractors of the grant have to submit their certified payrolls within seven days after the regular pay date for the pay period. Although the finding resulted primarily from miscommunication between the County's primary contractor and the third party grant administrator, it reflected the County staff's lack of experience with construction grants and exposure to the Davis-Bacon Act. The County is determined to 1) be more actively involved in the administration of such grants; 2) be aware of the compliance requirements; and 3) implement procedures to meet specific grant requirements in the future.

2015-002 Non-Compliance with Subcontract Requirements

CFDA No: 14.228

Program Title: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Agency: Department of Housing and Urban Development

Pass-through Entity: Texas Department of Agriculture

Contract No.: 713032

Contract Period: 9/21/13-9/20/16

Criteria: Per the terms of the contract agreement with the Texas Department of Agriculture (TDA), the grantee shall only subcontract for performances described in the contract to which the federal labor standards apply only after submitting a Subcontractor Eligibility form for each proposed subcontract and based on the information submitted, the grantee has obtained TDA's prior written approval to enter into the subcontract.

Condition: The prime contractor was made aware of the requirements to notify the County of any subcontractors that were used on the project at the pre-construction meeting that was held with the

County's grant administrator. It is the prime contractor's responsibility to communicate this information to the appropriate parties. We noted one subcontractor that was used on the project for which approval from TDA was not obtained.

Questioned Costs: As the subcontractor was used without obtaining the required approval from TDA, questioned costs of \$10,120 were noted.

Context: During the review of the three subcontractors that were used on the project by the prime contractor, we noted that the County did not obtain the appropriate approval from TDA prior to using one of the subcontractors.

Effect: The requirements of the Texas Capital Fund Contract with TDA were not fully adhered to resulting in the questioned costs noted above.

Cause: This appears to have resulted from a failure on the part of the prime contractor to adequately report the subcontractors used on the project. County staff working with the project do not appear to have been aware of the requirements. They again placed reliance on the third parties involved and did not follow up with questions to ensure that the grant was being administered adequately.

Recommendation: IWC again recommends that County staff remain involved in the administration of its grants and not place complete reliance on third parties that may be hired to assist with grant projects. In addition, as noted in the previous finding, procedures at the on-set of a federally funded construction project need to ensure that all parties involved are aware of the compliance requirements and contract terms, understand them, and are cognizant of the consequences that may result if the requirements are not adhered to.

Response & Planned Corrective Action: We concur with this finding. In order to comply with the contract agreement with the Texas Department of Agriculture, the County shall only enter into the subcontract after it has obtained TDA's prior written approval. The County will implement procedures to ensure that the County staff are aware of the grant requirements and actively monitoring the administration of the grant.

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal or State award findings and questioned costs which are required to be reported in accordance with Section 510(a) of OMB Circular A-133 or the *State of Texas Single Audit Circular*.





