

Brazos County, Texas Comprehensive Annual Financial Report



For The Year Ended September 30, 2002

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Artist Michael Brown**

BRAZOS COUNTY, TEXAS

Comprehensive Annual Financial Report For The Year Ended September 30, 2002

Prepared by:

**John T. Reynolds, C. P. A.
County Auditor**

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For the Fiscal Year Ended September 30, 2002

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

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December 13, 2002

The Honorable Board of District Judges

J. D. Langley, Judge, 85th Judicial District
Rick Davis, Judge, 272nd Judicial District
Steve Smith, Judge, 361st Judicial District

The Honorable Commissioners' Court

Alvin W. Jones, County Judge
Tony Jones, Commissioner, Precinct 1
Bill Thornton, Commissioner, Precinct 2
Charles Jones, Commissioner, Precinct 3
Carey Cauley, Jr., Commissioner, Precinct 4

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, 2002, is hereby submitted.

The County Auditor's staff prepared this report. Responsibility for the accuracy of the data contained within this report, as well as the completeness and fairness of the presentation, including all the required disclosures rests with the County. It is the County Auditor's position that all data as presented is accurate in all material respects. The manner of presentation selected is designed to present fairly the financial position and the results of operations of the various funds and account groups of the County. Furthermore, all disclosures, both required and necessary, are present to enable the reader to gain an understanding of the County's financial activities.

REPORT FORMAT

The Comprehensive Annual Financial Report is composed of three sections: the introductory, financial and statistical.

- The **introductory section** includes the transmittal letter, an organization chart, a list of the principal officials of the County, (both elected and appointed), and the Certificate of Achievement for Excellence in Financial Reporting for the year ended September 30, 2001.
- The **financial section** includes the Independent Auditor's Report, the general-purpose financial statements, the combining and individual fund and account group financial statements, and schedules. The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.
- The **statistical section** includes selected financial and demographic information, presented on a multi-year basis for reader comparability.

The notes to the general-purpose financial statements are required so that there may be adequate disclosure to the reader in order that the financial report may be fully understood. All significant accounting policies employed by the County are set out in the notes. All other matters relevant to a complete understanding of the financial statements are also disclosed. The notes are essential to the presentation and should be treated as an integral part of this report.

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.

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, account groups, 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.

Brazos County does not have any reportable component units. There are, however, two entities that function under the umbrella and control of the Commissioners' Court, for which the Commissioners' Court has fiscal responsibility. Independent boards provide operational control of these entities. These entities are included in the operations and activities of the County's General Fund. They are Brazos County Juvenile Services and the Brazos Valley Narcotics Task Force. These entities are not legally separate from the County. Commissioners' Court approves the operating budgets and the expenditures of these entities. Operational funding is derived from State, Federal, and local funds.

FINANCIAL ADMINISTRATION

The officials having responsibility for the financial administration of the County are the County Judge and four Commissioners that make up the Commissioners' Court, the County Tax Assessor-Collector, the County Treasurer, and the County Auditor. Except for the County Auditor, the voters of Brazos County elect all. The presiding District Judges appoints the County Auditor.

THE COUNTY JUDGE is the chief executive officer and the chief budget officer for the County, and is elected for a four-year term by the voters of the County.

THE COUNTY COMMISSIONERS represent the four precincts into which the County is divided, and are elected for four-year terms by the voters of the precinct that the Commissioner represents. Two commissioners are elected every two years.

THE TAX ASSESSOR-COLLECTOR is responsible for collecting all the ad valorem taxes assessed in the County. The Assessor-Collector's office collects various taxes and fees assessed by the State and County. The Assessor-Collector is also responsible for registering County voters. The County voters elect the Assessor-Collector for a term of four years.

THE COUNTY TREASURER as directed by Commissioners' Court has the sole power to disburse funds for the County. The Treasurer is the custodian of funds, and is responsible for the investing and managing of the County's money. The Commissioners' Court has appointed the Treasurer as the chief payroll officer for the County. The County voters elect the Treasurer to a four-year term.

THE COUNTY AUDITOR is the chief financial officer for the County. The auditor is responsible for the oversight of County finance and accounting controls. These include internal auditing, accounting system design, financial planning, budgetary oversight, and financial relations. The State District Judges appoint the Auditor for a two-year term.

Internal accounting controls are developed to evaluate the County's accounting system. Consideration is given to the adequacy of internal controls as well as the cost of implementation. Internal accounting controls are developed to provide a reasonable, but not an absolute, assurance regarding the following: (1) safeguarding of assets against loss from unauthorized use or disposition, (2) reliability of financial records used to prepare the financial statements and (3) maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived; the evaluation of costs and benefits requires estimates and judgments by management.

BUDGETARY CONTROL and ACCOUNTING SYSTEM

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled at regular intervals to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The County Auditor's office considers the County's internal control structure to be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgements by management.

The County employs a governmental accounting system for all accounting activity. Each operational fund is maintained as a separate group of accounts and is a distinct self-balancing accounting entity. The County uses various funds as described in Note 1 to the general-purpose financial statements.

The Commissioners' Court is responsible for adopting budgetary controls to be exercised over the operating departments. Appropriations for the total budget cannot exceed the total available resources that will be available for the year as estimated 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 that is appropriated at the departmental level. In the General Fund, administrative control is maintained through the establishment of a classified budget for each department. The Commissioners' Court may authorize the transfer of available funds between various department classifications; however, at no time may a transfer increase the total appropriation of a fund without certified realized revenues. The County employs an encumbrance accounting system as a method of accomplishing budgetary control. At year-end all open purchase orders are reviewed and evaluated for propriety. Those encumbrances that have inadequate completion are cancelled. A new purchase order will be required for the new budget year should the department wish to pursue the expenditure. Those that have partial completion at year-end are held open for 30 days. If invoices for goods and/or services dated prior to year-end are not received within the 30-day period the purchase order is closed. Any goods or services not received may then need to be re-ordered in the new fiscal year. At year-end the County has no outstanding encumbrances.

ECONOMIC CONDITIONS

Overview

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. Approximately 75 percent of the Texas and 10 percent of the Louisiana populations, a combined total of 16 million people, reside within a 200-mile radius of Brazos County. 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 135,000.

Overview (con't)

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. The average elevation in the County is 300 feet above sea level.

For the last five years, the County has enjoyed the lowest unemployment rate in the State (1.8% for 2002). The current work force figures for the County as established by the Texas Workforce Commission are 78,073 - 38.7% of the workforce is employed in government, 21.3% in service related industry, 16.3% in agriculture, construction and manufacturing, and 19.9% in wholesale and retail trade. From 1993 to 1998 the County saw its workforce increase 6.5% and from 1998 to 2002 the workforce expanded 9.1%.

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

<u>Employer Group</u>	<u>Number Of Employees</u>
State, Local, Federal Government	30,214
Services	10,259
Retail and Wholesale Trade	15,560
Health Services	5,330
Manufacturing	5,200
Agriculture	3,690
Construction and Mining	3,880
Finance, Insurance, Real Estate	2,720
Transportation, Utilities	<u>1,220</u>
	<u>78,073</u>

Source: Texas Workforce Commission

The top ten employers (non-retail) in Brazos County are:

Texas A & M	12,000
Bryan Independent School District	2,090
Sanderson Farms	1,857
St. Joseph Hospital	1,560
College Station Independent School District	980
City of Bryan	771
UCS/Rentsys	750
City of College Station	715
Brazos County	710
Alenco Holding Corp. Inc.	530

ECONOMIC CONDITIONS

Continued

Overview (con't)

The official census for 2000 established the population of the County at 152,415 - there are 55,202 households; there is a labor force of 78,073; and of that 76,656 are currently employed. Over the last 10 years the population in the County has grown 25% and 18,000 new jobs have been created. This is a 32.2% growth, and is the highest of all metro areas in the State. The Texas State Data Center is projecting the population to increase by 20% over the next decade.

**Civilian Labor Force
Brazos County 1997-2001**

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Labor Force	71,839	75,815	76,181	76,884	78,073
Unemployed	1,254	1,351	1,211	1,245	1,417
% Unemployed	1.8	1.8	1.6	1.6	1.8
Employed	70,585	74,464	74,970	75,639	76,656

Source: Texas Workforce Commission

In 1991 the gross consumption sales reported for all retail and wholesale establishments in the County were \$1.6 billion. In 1997 the *Sales and Use Analysis Report* of the Comptroller of Public Accounts for the State of Texas reflected \$2.6 billion for gross consumption sales in the County. And, for the twelve months ended December 2002 the Comptroller’s office estimates the gross sales to approach \$3.2 billion for the County. Thus, over the last 10 years the gross consumption in the County as related to retail and wholesale sales has doubled. The County’s current pace of growth has exceeded *Sales & Marketing Management’s* report that by 2004 the total effective buying income for the County should reach \$2.9 billion.

Current economic forecasts indicate that the area will maintain the healthy economic growth it has enjoyed. This is attributed chiefly to an available work force, increasing retail sales, opportunity to recruit manufacturing and industry, the presence of a major university, excellent medical facilities and a high quality of life. The *Editor & Publisher Market Guide* has consistently listed the Bryan-College Station area as one of the top five livable metro areas in the United States. In the October 2002 issue of *Business Week* Bryan-College Station was listed as the number one “pocket of prosperity.” The community had “set the example with its humming economy.” And, *Money* magazine has consistently listed the metroplex as one of the top fifty “recession proof” metropolitan areas in the United States. *Kiplinger’s Personal Finance* newsletter has reflected the Bryan/College Station Metro area to be the fifth fastest growing area in the United States (30% increase in 1980s and 18% increase in the 1990s).

Overview (con't)

The County has four local business parks, featuring affordable and conveniently located facilities for light industry, research and development, and high-tech industries. Two parks are in Bryan (340 and 610 acres) and two are in College Station (434 and 200 acres). There has been a good response to all economic incentives within the Brazos Valley. This has contributed to healthy competitive growth in all segments of the community.

Texas A&M University

Brazos County is the home of Texas A&M University, the fourth largest university in the United States. The University employs 12,000 permanent and part time employees and serves an enrollment of 44,000 on a 5,200-acre campus. The University directly contributes \$750 million dollars annually to the local economy. Texas A&M is ranked in the top ten nationally among public institutions in both enrollment and research grants. The University leads all universities in the Southwest in expenditures for research. The permanent plant for the university is valued at more than \$1.2 billion. The University records in excess of 600,000 visitors annually.

The University 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 is hosting in excess of 300,000 visitors annually. Since it has opened statisticians have indicated that the library has provided a direct economic impact of roughly \$28,000,000 to the Bryan/College Station area. This facility, along with the 434-acre University Research Park, provides an attraction for both national and international visitors. The University has expanded the Research Park by constructing 147,000 square feet of office and laboratory facilities, and an additional 48,000 square feet was added last year. The expansion added The Texas Transportation Institute and The Dairy Research Technology and Teaching Laboratory. Recent additions allowed for the Biomedical Research Center and the Health Care System to be added. 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.

Blinn Community College

In addition to Texas A&M University, the County has a campus of Blinn Community College supporting the needs of the part-time college student. Blinn is an accredited, state supported, two-year college. The Blinn campus was first introduced into the County in 1970. Courses in arts and sciences are offered leading to an associate's degree. The College has moved into permanent facilities on a 50-acre campus. The College currently has an enrollment of 9,100 with administrative and instructional staff of 307. The College's recent expansion program added two buildings to the existing complex. The new buildings provided 30 classrooms and 9 laboratories. The completed construction brings the campus to five facilities. The master plan for the College is 11 buildings, two of which are to be dormitories. During 2001 Blinn completed negotiations for the acquisition of additional land, and plans are being made to build a dormitory and an additional education building.

Banking and Finance

In today's environment it is important to have an economic development program that includes supportive banks and financial institutions. The County is fortunate to have local as well as national and international banks that are committed to helping the business community. Financial services are being provided locally for small business, large business, corporate, procurement, export/import, manufacturing, agriculture and federal and state loan guarantee programs.

Over the last five years FDIC deposits in the County have increased an average of 4.9% per year. Currently there is an estimated \$1.3 billion on deposit with the area banks. The increase in deposits is primarily due to continual effort of the municipal entities in the County to seek quality and enduring economic development partners.

Industrial Facilities and Research Activities

Brazos County has enjoyed the re-location of new businesses to the area over the last decade. With the expansion of the local and national economy, existing businesses have elected to expand to take advantage of increased sales potential. Internal expansion of existing businesses has been relatively constant for the last 10 years. The community has three publicly owned industrial parks consisting of over 1,100 acres. Each has ingress and egress routes and each has full utility service. Businesses may purchase tracts within the sites or they may lease an area to fit their needs.

Adjacent to the Bryan-College Station Chamber of Commerce is the Research & Development Incubator. Operated by the Chamber of Commerce, the incubator has been in existence now for 10 years. The incubator exists to foster and assist new business ventures through the critical first years of existence. These ventures must support product oriented research and development opportunities, and tax-based expansion in Bryan-College Station and Brazos County. A major source of incubator tenants, and prospective tenants has been Texas A & M University. The incubator is an excellent setting to provide the technological transfer from the university setting to the private for-profit business world.

Texas A&M is the number one research public institution of higher learning in the South and the Southwest. Research activities at A&M have increased 15% in the past five years. The University is expending \$400 million annually in research activity. The University over the last 20 years has invested \$1 billion in its research facilities on its 434-acre Research Park. Texas A&M has entered into formal agreements with 70 institutions in the United States and on all continents in an effort to create a multidisciplinary center for sharing information and for facilitating research. Currently, 14 departments have major research projects on-going.

Transportation

The County and both of the major cities are dedicated to providing superior transportation services. The Texas Department of Transportation is currently evaluating North-South and East-West arteries for additions and upgrades. A recently completed East-West bypass connects the metroplex with an Austin arterial route (State Highway 21). Expansion projects have begun to provide four-lane divided State highways to connect the County with ready access to Austin to the west, Houston to the South, Waco to the North, as well as Dallas via Interstate 35 and 45. And, the County recently completed an arterial roadway south of College Station that connects two major State highways and facilitates east-west movement

All major commercial trucking carriers serve the County on a daily basis. Many of these carriers authorized by the Texas Railroad Commission provide service to every part of the country. Commercial bus service is provided by the **Greyhound Bus Line**, which connects Brazos County with Dallas and Houston. There are three northbound and two southbound buses daily. **Union Pacific Railroad** system headquarters are located in Spring, Texas, with a regional freight terminal located in Bryan. Union Pacific now serves a 17-state area. Brazos County is provided with daily freight service. On an average the number of daily trains through the County has increased from 28 in 1996 to 52 in 2002. Union Pacific connects the community with major metropolitan areas: Houston, Dallas, Fort Worth, San Antonio, Los Angeles, Sacramento, San Diego, San Francisco, Portland, Salt Lake City, Little Rock, Tulsa, Omaha, Memphis, St. Louis, Kansas City, and Chicago.

The County has an airport facility, **Easterwood Airport**, which is owned and operated by Texas A&M University. The airport has two 5,150-foot runways and one 7,000-foot runway. All three are fully lighted and all weather and capable of handling a model 747 commercial aircraft. There is land available for the expansion of hanger space. Facilities at the airport include a FAA control tower, FAA radio communication and an Omni-Range-ILS Navigation Aid. In addition Easterwood offers all services normally associated with an airport. Easterwood now offers 304 seats a day to Dallas-Fort Worth International Airport (American Airlines) and 152 seats to Houston Intercontinental Airport (Continental Airlines). Due to the September 11, 2001 occurrence in New York, the number of passengers decreased 11.5% from the 2000 level, but by August 2002 both airlines noted they are seeing a return to pre 911 levels. **Coulter Field** is located north of the City of Bryan and provides a 4,000-foot lighted runway for use by civil aviators. Coulter offers a full line of services for the private aircraft owner, including on-site maintenance, covered hangers, tie down facilities, and all types of fuel.

Health Care

As the population of the County continues to grow, so do the three largest medical providers in the community. The community has developed into a regional health provider due to the efforts of **St. Joseph Regional Health Center**, **College Station Medical Center** and the **Scott & White Clinic**. The expanded scope and sophistication of health care services offered in the County has eliminated the need to travel to major urban centers.

Health Care (con't)

The College Station Medical Center recent addition of an ambulatory service center, and a cardiovascular care laboratory, is now being complemented with the construction of a physician office building. College Station Medical Center will begin construction of a \$12 million four-story medical office building that will improve access to physician services. The 88,000 square-foot structure will be the third medical office building on the hospital campus, increasing the facility's medical office space by approximately 45 percent and raising the campus' overall medical office space to over 200,000 square feet. The new office building will allow the addition of up to 30 new physicians over the next few years to meet the increasing needs of the rapidly growing Brazos Valley residents. The Med Center has completed a \$5,000,000 expansion phase providing a complete independent cancer treatment facility that was built adjacent to the existing hospital.

St. Joseph's Hospital and Health Center has entered an alliance with various facilities located in other counties in the Brazos Valley. To complement this alliance, St. Joseph installed a computer network system (Meditech), allowing instant access to patient information by any of its neighboring hospital facilities. The Hospital has completed a 15,800 square foot expansion of the Radiology-Oncology Department, and constructed a new rehabilitation center. The Hospital's new nursing home, assisted living center, and an Alzheimer's unit have all reached capacity. Construction has begun on a \$34 million dollar 4-story bed tower, which will add 72 beds and double the number of critical care beds the facility now offers. Construction began in August and is expected to be complete in the summer of 2004. The tower will offer new space for support services such as pharmacy, house a new day surgery unit, 36 critical care beds and 36 medical/surgical beds, complete with new equipment and furniture. It will feature a large open lobby area with a registration desk and an outpatient entrance for ambulatory surgery and imaging patients.

The Scott & White Clinic in College Station is a multi-specialty clinic serving the health-care needs of all Brazos Valley residents. Care is provided for patients of all ages, from the newborn to the elderly. With over 90 physicians and other providers representing more than twenty-five medical specialties, Scott & White Clinic, College Station offers a full range of care. Scott & White continues to expand services being provided locally. Scott & White (a primary medical service provider with their major hospital facility located in Temple, Texas) has completed the addition of a new ambulatory surgery center, and a new pharmacy to serve Scott & White health plan members.

The Brazos Valley Physicians Organization opened its Physicians Center. A 30,000 square foot facility that provides residents with an ambulatory medical and surgical hospital that focuses on outpatient procedures. The new facility has 6 operating rooms and the capability of serving all diagnostic, pathology and pharmacy needs of its patients. The facility is now fully occupied.

ECONOMIC CONDITIONS

Continued

Health Care (con't)

Currently there are 355 health care businesses in Brazos County, providing jobs for 4,567 employees and 228 physicians representing every specialty. The health service industry accounts for about \$780 million of gross revenues in the County. In addition there are 35 dentists in the County providing 5 specialties and employing a work force of 500.

Agriculture

Brazos County is fortunate to have the rich Brazos River bottomland within the western section of the County. Brazos County is the largest agri-business center on the Brazos River. The County is comprised of 376,678 acres with 240,000 devoted to both farming and ranching. The County has food processors such as Lilly Dairy, New Southwest Baking Co., Ruffino Meats, Feathercrest Farms and Sanderson Farms. There are 1,084 agri-businesses in the County providing employment for 3,690. The County is home to a variety of agricultural production - from Christmas trees and grapes, to hay and row crops, to beef and poultry. The economic impact on the County by agri-business is estimated at \$320 million by the Agricultural Extension Service.

With the addition of Sanderson Farms as an employer in 1995, the broiler industry has grown. Sanderson Farms invested \$68 million in a processing facility and contract growers have invested an additional \$56 million. Sanderson Farms is currently processing 1.2 million chickens per week, producing \$100 million of agricultural economy.

GENERAL GOVERNMENT FUNCTIONS

The general government functions of the County include the activities accounted for within the General Fund, Special Revenue Funds, Debt Service Fund, and the Capital Project Funds. For the year ended September 30, 2002, sources of revenues were \$42.2 million from current operations and uses of revenues were \$48.1 million. The undesignated fund balance was \$14.1 million at year-end. The following schedule summarizes the changes for the last two fiscal years.

Sources of Revenues:	Year Ended <u>09/30/02</u>	Year Ended <u>09/30/01</u>	Increase <u>(Decrease)</u>	% of <u>Change</u>
Taxes	\$ 30,383,866	\$ 27,943,430	\$ 2,440,436	8.7
Charges For Service	7,444,715	7,340,467	104,248	1.4
Intergovernmental	3,155,142	3,585,094	(429,952)	(12.0)
Interest	864,888	1,734,424	(869,536)	(50.1)
Other Revenue	<u>381,200</u>	<u>543,993</u>	<u>(162,793)</u>	<u>(29.9)</u>
Total Sources	<u>\$ 42,229,811</u>	<u>\$ 41,147,408</u>	<u>\$ 1,082,403</u>	<u>2.6</u>

GENERAL GOVERNMENT FUNCTIONS*Continued*

	Year Ended 09/30/02	Year Ended 09/30/01	Increase (Decrease)	% of Change
Uses of Revenues:				
General Government	\$ 8,491,208	\$ 6,803,843	\$ 1,687,365	24.8
Justice System	7,977,099	7,351,632	625,467	8.5
Law Enforcement	9,800,657	8,904,725	895,932	10.1
Juvenile Services	3,742,505	4,386,392	(643,887)	(14.7)
Public Transportation	7,653,911	7,813,063	(159,152)	(2.0)
Public Health	1,727,396	1,629,373	98,023	6.0
Human Services	1,355,005	1,192,880	162,125	13.6
Capital Outlay	5,053,281	2,108,711	2,944,570	139.6
Debt Service	<u>2,302,411</u>	<u>1,833,627</u>	<u>468,784</u>	<u>25.6</u>
Total Uses	<u>\$ 48,103,473</u>	<u>\$ 42,024,246</u>	<u>\$ 6,079,227</u>	<u>14.5</u>

The uses of revenues in excess of sources were properly budgeted by the Commissioners' Court, and available fund balances were reserved for the anticipated short fall.

Significant Changes in Revenue

The County realized an overall increase in operating revenues of 2.6% for the year ended September 30, 2002, compared to 7.4% for the year ended September 30, 2001. County assessed property valuations increased 10% and the effective tax rate was increased 2%, and accordingly the County had an 11% increase in ad valorem revenues. The County's mixed drink and sales tax revenue increased \$260,000 (3.5 %) as compared to the prior year. The County has enjoyed five consecutive years of increases in sales tax revenue. The County's economic growth has continued to remain strong for the past ten years. The County has continued to improve internal controls and accountability related to fines and fees, and for the past three years the County has been able to collect additional service related revenue. The County continued to apply for participation in both federal and state grant programs, which provided \$1,189,000 in revenues. Interest income decreased for the second consecutive year ended September 30, 2002, and is projected to decrease in the following year.

Significant Changes In Expenditures

Operating expenditures for the fiscal year (Total Expenditures less Capital Outlay) was \$43,050,192 compared to \$39,915,535 for the previous year. This reflects an overall increase in operating expenditures of 7.8% (\$3,134,657). The increases in expenditures were fairly well distributed across all County functions. The majority of the increases are attributed to employee salary and benefits and the additional cost incurred by the County to provide residential placement for juveniles ordered by the court to be placed out of county.

Employee salary and benefit expenditures represented the largest major increase that the County experienced for the year. During fiscal year 2002, the County expended \$22.7 million for salary and benefits. For the same fiscal period in 2001, the County expended \$20.3 million. The increase in expenditures (\$2.4 million) represented an 11.8% increase over the previous year and is consistent with increases for the prior period.

GENERAL GOVERNMENT FUNCTIONS

Continued

Significant Changes In Expenditures (con't)

During the year ended September 30, 2002, the County experienced a \$600,000 decrease in Juvenile Probation due to the County re-evaluation of juvenile placement contracts. It is also noted that the County's debt service requirements increased \$468,000. In future years the juvenile placement contracts will continue to fluctuate, and debt service requirements are budgeted to remain fairly constant.

GENERAL FIXED ASSETS

The General Fixed Assets of the County are those fixed assets held by the County used in the performance of general governmental functions. At September 30, 2002, the County held General Fixed Assets with an original cost of \$45,054,680. In some instances, the County has been required to estimate original cost where actual historical cost was not available. The County invested \$5,053, 281 during the year in additions and replacements of County equipment. The County does not record as a General Fixed Asset either its investment in rights-of-way, or investments made in road and bridge infrastructure. The County's governmental funds do not recognize depreciation within its accounting system. This is in keeping with generally accepted accounting principles. During the year the County recorded \$2,384,037 of adjustments and retirements from its Fixed Asset ledger. Commissioners' Court adjusted the County's minimal level for capitalization from \$1,000 to \$5,000. In preparation for conversion to the New Reporting Model in 2003, the County has completed a detailed inventory of all General Fixed Assets during the year and all required retirements and/or adjustments of capitalized value have been posted.

At September 30, 2002, the County is nearing completion of a three-year program to evaluate all infrastructures (roads, bridges and right-of-way) in the County in compliance with the Governmental Accounting Standards Board Statement Number 34 and amendments. The County Auditor's office is working closely with Commissioners' Court and the County engineer to ensure that all infrastructure is correctly identified and that reasonable values are ascertained for inclusion in the Fixed Asset ledger at September 30, 2003.

CAPITAL IMPROVEMENT PROGRAM

In 2002, 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 2002 the County continued construction of county roads to connect major thoroughfares. The total cost of construction during the year devoted to upgrades and improvements exceeds \$2 million. The County continued to upgrade the internal electronic network system during the year and to replace outdated computer equipment. The County's contract to provide the internal capability for the County to move forward with the imagery of documents for the courts' system was on stream and moving forward rapidly. To compliment this activity, the contract with the Software Group to provide software and implementation of a new electronic criminal justice system was 85% complete by the end of the fiscal year. The contract is due for completion in November 2003, and the total anticipated cost for hardware, software and internal wiring will approximate \$2.8

CAPITAL IMPROVEMENT PROGRAM

Continued

million. The new system will allow for the full integration of all the courts, the sheriff's office and jail, community supervision, justices of the peace and constables, the county attorney, and the district attorney. Commissioners' Court provided an additional \$200,000 for enhancements in the 2002-03 budget.

During the current fiscal year the County paid \$1.3 million to acquire 150 acres of land to be used for the construction of the Exposition Center, and the County paid the architect \$300,000 for site development and construction plans. The County anticipates construction to begin in 2003.

The Commissioners' Court has continued to provide adequate funding in order 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 Commissioners' Court appropriated a construction budget to include \$1.1 million for routine maintenance and \$2.2 million for improvements.

DEBT ADMINISTRATION

Debt administration is monitored through the Debt Service Fund and the General Long-Term Debt Account Group. The County has never defaulted on the payment of principal or interest on its bonds or certificates of obligation. The County currently enjoys a Moody's Investor Service rating of Aaa, and a Standard and Poor rating of AA+. In compliance with the requirements of the bond order and certificate 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. The County has \$1.9 million reserved in the Debt Service Fund to meet future obligations. The County's bonded debt per capita is \$38.61, and its overall debt per capita is \$153.78. However, there is \$1,598.08 of additional overlapping per capita debt. In November 2001, the voters of Brazos County passed a proposition which allows Commissioners' Court to sell up to \$18.5 million in General Revenue Bonds to be used for the construction of a County Exposition Center. The Court sold \$8,000,000 of the bonds in December 2001. An additional \$8,000,000 is anticipated to be sold in February 2004, and the final \$2,500,000 in 2005. The additional debt will raise the County's current debt service rate from \$0.0343 per \$100 valuation to \$0.0423 per \$100 valuation in 2003 and \$0.055 in 2004, assuming that there is no increase in property values during the period

CASH MANAGEMENT

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, 2002, investments being maintained by the County were approximately \$32.7 million – 53.2% was invested in pooled investments, 37.9% was

CASH MANAGEMENT

Continued

invested with the County's depository and 9.1% was invested in money market, time deposits and property. During the fiscal year, the County had an average of \$29.7 million invested, which earned approximately \$864,000 million.

The County is required by State statutes to solicit bids from banks for awarding of a depository contract biennially. The contract is awarded to the institution that offers the best value for price and service. The depository agreement requires collateralization of all funds on deposit. The collateral to be provided must have a fair market value equal to or greater than 105% of the value of County funds on deposit. The collateral is held by the Federal Home Loan Bank, Dallas and is pledged to Brazos County. All investments outside the designated depository are collateralized by the securities received.

RISK MANAGEMENT

The County's Risk Management Department is responsible for assessing exposure to risk that the County may have and is responsible for obtaining coverage against that risk. The County practices risk management through a combination of self-insurance and traditional insurance. The Commissioners' Court evaluates management risks and a prescribed direction is assessed. All insurance is purchased through the competitive bidding process. Property and casualty insurance are obtained at reasonable premium rates and purchased through traditional insurance carriers. The County's property and casualty insurance coverage includes general liability, auto liability, law enforcement, workers' compensation, fire, theft, and public officials' errors and omissions. The County, for the year ended September 30, 2002, did not reduce any of its insurance coverage, and all claims against the County had been settled or the underwriter had accepted responsibility for them. The County insures all its buildings at replacement cost.

For several years, Brazos County has been self insured with reinsurance available for major claims related to health insurance. This procedure allows the County to retain and invest all reserves and premium payments. The County has retained a third party administrator to handle all claims. The County's plan gives the employee the option to choose between conventional major medical coverage with a deductible or a plan similar to a health maintenance organization.

The County's workers' compensation insurance program is through the Texas Association of Counties. The program provides medical and indemnity payments as required by law for on-the-job related injuries. Each department is charged monthly for the cost to cover the employees. All department assessments are transferred to the Internal Service Fund (Health and Life Insurance). The Internal Service Fund is responsible for settling all claims.

The Commissioners' Court has developed a "safety loss control program" designed to reduce risks to County employees. Programs are developed and implemented by an established steering committee. To date the programs (defensive driving, facility safety audits, preventive maintenance for all buildings and grounds, personnel training classes and incentives for loss prevention) have been successful in reducing the number of injuries and the County's worker's compensation reimbursement rate for the past three years. Industry forecasts of future increases in the cost of insurance have prompted the Commissioners' Court to obtain the services of a "risk management consultant." The consultant's expertise will help the County reduce and/or hold increases to a minimum by adjusting liability limits and levels of self-insurance.

INDEPENDENT AUDIT

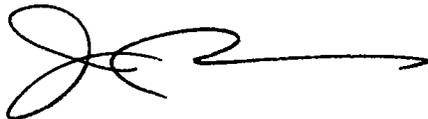
In accordance with state statute, the Commissioners' Court of Brazos County requires that an annual audit by independent certified public accountants be performed on the financial records of the County. The accounting firm of Ingram, Wallis, & Company, P. C., has been retained by the County to administer the engagement for the current year. The overall objective of the audit design is to meet the requirements of the Federal Single Audit Act, as Amended, and the related OMB Circular A-133. The auditor's report on the general-purpose financial statements and the combining and individual fund statements and schedules are included in the financial section of this report. The independent auditor's reports on compliance and internal control over financial reporting as required by Government Auditing Standards and related specifically to the single audit are included in this report.

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 read 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, Commissioners' Court, the County Auditor's staff, and the independent auditors, Ingram, Wallis & Company, P. C.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'John T. Reynolds', with a long horizontal flourish extending to the right.

John T. Reynolds, CPA
County Auditor

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, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



William Patrick Pate
President

Jeffrey L. Esser
Executive Director

BRAZOS COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2002

Commissioners' Court:

Alvin W. Jones	County Judge
Tony Jones	Commissioner, Precinct 1
Bill Thornton	Commissioner, Precinct 2
Charles B. Jones	Commissioner, Precinct 3
Carey Cauley, Jr.	Commissioner, Precinct 4

District Court:

J. D. Langley	Judge, 85th Judicial District
Rick Davis	Judge, 272nd Judicial District
Steve Smith	Judge, 361st Judicial District

County Court-at-Law:

Randy Michel	Judge, County Court-at-Law No. 1
James Locke	Judge, County Court-at-Law No. 2

Law Enforcement and Correction:

Christopher C. Kirk	Sheriff
James Kuboviak	County Attorney
Bill Turner	District Attorney
E. A. Wentreck *	Chief Juvenile Probation Officer
Arlene Parchman *	Chief Adult Probation Officer

Financial Administration:

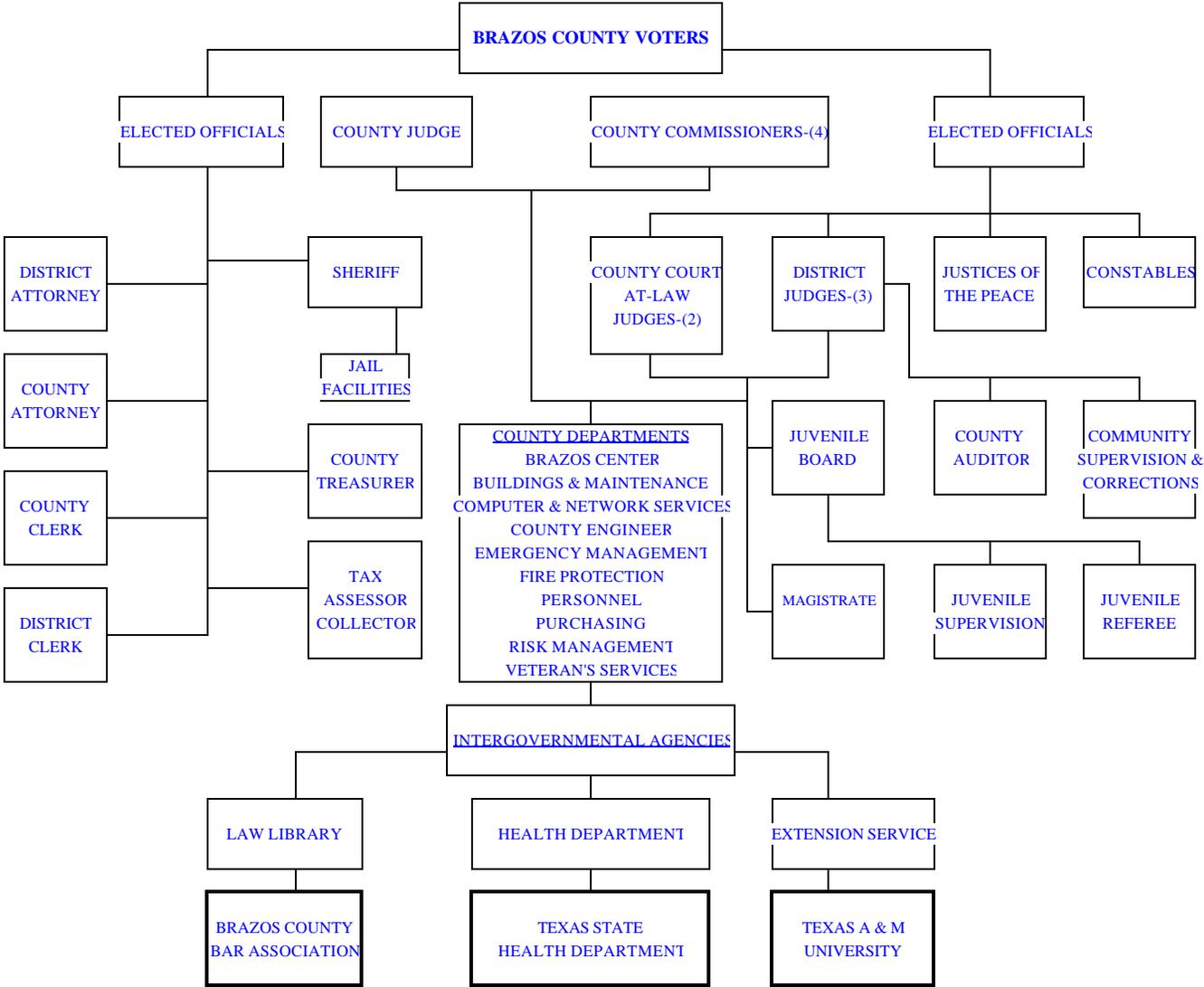
Kay Hamilton	Treasurer
Gerald L. Winn	Tax Assessor-Collector
John T. Reynolds *	Auditor

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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Office of the Brazos County Auditor Brazos County Courthouse

300 East 26th Street, Suite 314

Bryan, Texas 77803

(979) 361-4350

Fax (979) 361-4347

Email: Auditor@co.brazos.tx.us

FINANCIAL STATEMENT RESPONSIBILITY

The Brazos County Auditor is responsible for the preparation of the financial statements and supplemental information included in this report for the fiscal year ended September 30, 2002. The financial statements have been prepared in accordance with generally accepted accounting principles. The County Auditor is responsible for the integrity and objectivity of the data presented in the statements and schedules, including the making of informed judgments and estimates of the expected effects of events and transactions that are not concluded by year end.

The management of the County is responsible for maintaining an internal control system designed to ensure that the assets of the County are protected from loss or misuse and to provide reasonable assurance as to the integrity and reliability of the financial statements. The system of internal control provides for segregation of duties and is documented by written policies and procedures. To complement the system of internal control, the Brazos County Auditor's office also has an internal audit function to review the operations of the County for effective internal control and compliance with statutory requirements. To the best of our knowledge, management has considered the recommendations of the internal audit reports of the Brazos County Auditor's office in developing the system of internal controls. Management believes that the County's internal control system is, as of September 30, 2002, adequate to accomplish the specific objectives as set out above.

The County's combined financial statements, known as the *General Purpose Financial Statements*, have been audited by Ingram, Wallis & Company, P. C., independent certified public accountants. They were engaged by the Brazos County Commissioners' Court for the purpose of expressing an opinion on those statements. County management has made available to the independent auditors direct access to County officers, employees, all the County's financial records, related data, and the minutes of the Commissioners' Court meetings. Brazos County believes that all representations made to Ingram, Wallis & Company P.C., were valid and appropriate.

A handwritten signature in black ink, appearing to read "John T. Reynolds", with a long horizontal flourish extending to the right.

John T. Reynolds, C.P.A.

County Auditor

December 13, 2002

INGRAM, WALLIS & COMPANY

A PROFESSIONAL CORPORATION

Certified Public Accountants

2100 E. Villa Maria, Suite 100

BRYAN, TEXAS 77802

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INDEPENDENT AUDITOR'S REPORT

Honorable Randy Sims, County Judge
and the Honorable County Commissioners
Brazos County, Texas
Bryan, Texas

We have audited the accompanying general purpose financial statements of Brazos County, Texas (the "County"), as of and for the year ended September 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County, as of September 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the County, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The retirement system supplementary information on page 58 is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The statistical section, listed in the table of contents, was not audited by us and, accordingly, we express no opinion thereon.

Ingram, Walling Company

Bryan, Texas
December 13, 2002

BRAZOS COUNTY, TEXAS
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 2002
(With Comparative Totals For September 30, 2001)

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals Memorandum Only		
	General	Special Revenue	Debt Service	Capital Projects	Internal Service	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	September 30, 2002	September 30, 2001
	ASSETS AND OTHER DEBITS										
Assets											
Cash and Cash Equivalents	\$ 20,504,504	\$ 1,348,813	\$ 1,864,658	\$ 7,863,846	\$ 342,656	\$ 73,999	\$ 5,659,628	\$ --	\$ --	\$ 37,658,104	\$ 26,960,079
Investments	--	--	--	--	--	--	2,954,844	--	--	2,954,844	9,964,575
Prepaid Expenditures	364,116	125	--	--	--	--	58,825	--	--	423,066	314,255
Receivables:											
Taxes	1,210,275	--	181,247	--	--	--	--	--	--	1,391,522	1,241,009
Officials	273,571	--	2,047	--	--	--	--	--	--	275,618	222,570
Interest	12,095	2,901	1,702	--	--	--	--	--	--	16,698	10,101
Accounts	122,406	33,536	--	11,585	789	91	704	--	--	169,111	342,109
State	997,232	411,003	--	--	--	--	--	--	--	1,408,235	1,385,794
Federal	8,348	--	--	--	--	--	--	--	--	8,348	83,511
Due From Other Funds	70,282	14,992	85,164	--	237,000	13,588	--	--	--	421,026	403,362
Inventories	360,494	--	--	--	--	7,025	--	--	--	367,519	336,413
Property, Plant and Equipment - Net	--	--	--	--	--	6,440	--	45,054,680	--	45,061,120	42,400,039
Other Debits											
Amount Available in Debt Service Funds	--	--	--	--	--	--	--	--	1,961,310	1,961,310	2,312,101
Amount to be Provided:											
For General Obligation Bonds, Certificates of Obligation, and Capital Leases	--	--	--	--	--	--	--	--	24,389,710	24,389,710	15,762,899
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 23,923,323</u>	<u>\$ 1,811,370</u>	<u>\$ 2,134,818</u>	<u>\$ 7,875,431</u>	<u>\$ 580,445</u>	<u>\$ 101,143</u>	<u>\$ 8,674,001</u>	<u>\$ 45,054,680</u>	<u>\$ 26,351,020</u>	<u>\$ 116,506,231</u>	<u>\$ 101,738,817</u>

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

BRAZOS COUNTY, TEXAS
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 2002
(With Comparative Totals For September 30, 2001)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals Memorandum Only	
	General	Special Revenue	Debt Service	Capital Projects	Internal Service	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	September 30, 2002	September 30, 2001
LIABILITIES, EQUITY AND OTHER CREDITS											
Liabilities											
Accounts Payable	\$ 1,695,935	\$ 243,305	\$ --	\$ 170,729	\$ 530,527	\$ 13,348	\$2,117,958	\$ --	\$ --	\$ 4,771,802	\$ 5,556,198
Contracts Payable	--	--	--	361,166	--	--	--	--	--	361,166	\$ --
Accrued Salary and Compensated Leave	1,230,930	72,045	--	--	--	9,169	--	--	--	1,312,144	800,801
Unclaimed Funds	--	156,110	--	--	--	--	--	--	--	156,110	139,137
Due To Other Funds	336,137	--	--	--	--	10,337	74,552	--	--	421,026	403,362
Deferred Revenues	1,220,570	112,964	173,508	--	--	--	--	--	--	1,507,042	1,561,364
General Obligation Bonds Payable	--	--	--	--	--	--	--	--	8,000,000	8,000,000	--
Certificates of Obligation Payable	--	--	--	--	--	--	--	--	18,015,000	18,015,000	18,075,000
Capital Leases Payable	--	--	--	--	--	--	--	--	336,020	336,020	--
Funds Held in Trust	--	--	--	--	--	--	6,402,955	--	--	6,402,955	5,325,408
Total Liabilities	4,483,572	584,424	173,508	531,895	530,527	32,854	8,595,465	--	26,351,020	41,283,265	31,861,270
Equity and Other Credits											
Investment in General Fixed Assets	--	--	--	--	--	--	--	45,054,680	--	45,054,680	42,385,436
Retained Earnings	--	--	--	--	49,918	68,289	--	--	--	118,207	272,435
Fund Balances:											
Reserved											
For Debt Service	--	--	1,961,310	--	--	--	--	--	--	1,961,310	2,312,101
For Prepaid Expenditures	364,116	--	--	--	--	--	--	--	--	364,116	311,167
For Inventories	360,494	--	--	--	--	--	--	--	--	360,494	326,073
For Trusts and Endowments	--	--	--	--	--	--	78,536	--	--	78,536	85,628
For Boonville Cemetery	6,254	--	--	--	--	--	--	--	--	6,254	6,224
For Title IV-E	1,004,227	--	--	--	--	--	--	--	--	1,004,227	452,212
For Texas Youth Commission	97,219	--	--	--	--	--	--	--	--	97,219	185,934
For Indigent Health Care	904,141	--	--	--	--	--	--	--	--	904,141	904,141
For Special Purpose Programs	--	1,226,946	--	--	--	--	--	--	--	1,226,946	1,252,007
Unreserved											
Designated for Capital Improvements	60,000	--	--	7,343,536	--	--	--	--	--	7,403,536	4,780,302
Designated for Health Endowment Fund	2,446,512	--	--	--	--	--	--	--	--	2,446,512	2,477,128
Undesignated	14,196,788	--	--	--	--	--	--	--	--	14,196,788	14,126,759
Total Equity and Other Credits	19,439,751	1,226,946	1,961,310	7,343,536	49,918	68,289	78,536	45,054,680	--	75,222,966	69,877,547
TOTAL LIABILITIES, EQUITY AND OTHER CRE	\$23,923,323	\$1,811,370	\$2,134,818	\$ 7,875,431	\$ 580,445	\$ 101,143	\$8,674,001	\$45,054,680	\$ 26,351,020	\$116,506,231	\$ 101,738,817

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

BRAZOS COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For The Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	Governmental Fund Types		Governmental Fund Types		Fiduciary	Totals	
	General	Special Revenue	Debt Service	Capital Projects	Fund Types Expendable Trust	September 30, 2002	September 30, 2001
REVENUES							
Taxes	\$ 28,507,391	\$ --	\$ 1,876,475	\$ --	\$ --	\$ 30,383,866	\$ 27,943,430
Charges for Services	7,079,201	365,514	--	--	4,355	7,449,070	7,344,015
Intergovernmental	1,189,138	1,965,997	--	--	--	3,155,135	3,585,094
Interest	623,336	33,096	75,145	133,318	1,314	866,209	1,738,077
Other Revenue	381,200	--	--	--	4,242	385,442	550,487
TOTAL REVENUES	37,780,266	2,364,607	1,951,620	133,318	9,911	42,239,722	41,161,103
EXPENDITURES							
Current							
General Government	7,696,211	415,277	--	202,077	--	8,313,565	6,828,581
Justice System	7,763,840	213,259	--	--	--	7,977,099	7,351,632
Law Enforcement	8,848,247	952,410	--	--	--	9,800,657	8,904,725
Juvenile Services	2,960,507	781,998	--	--	--	3,742,505	4,386,392
Public Transportation	5,957,282	440,879	--	1,255,750	--	7,653,911	7,813,063
Public Health	1,727,396	--	--	--	--	1,727,396	1,629,373
Human Services	1,332,972	22,033	--	--	--	1,355,005	1,192,880
Capital Outlay	63,499	20,575	--	4,969,208	--	5,053,282	2,116,250
Debt Service							
Principal Retirement	161,880	--	1,060,000	--	--	1,221,880	860,000
Interest and Fiscal Agent Fees	15,763	--	1,242,411	--	--	1,258,174	973,627
TOTAL EXPENDITURES	36,527,597	2,846,431	2,302,411	6,427,035	--	48,103,474	42,056,523
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,252,669	(481,824)	(350,791)	(6,293,717)	9,911	(5,863,752)	(895,420)
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	19,147	477,045	--	1,163,482	--	1,659,674	2,830,857
Operating Transfers Out	(2,517,245)	(20,282)	--	(14,431)	--	(2,551,958)	(2,830,857)
Proceeds From Sale of Fixed Assets	105,542	--	--	--	--	105,542	81,797
Proceeds From Debt Obligations	--	--	--	9,497,900	--	9,497,900	--
TOTAL OTHER FINANCING SOURCES (USES)	(2,392,556)	456,763	--	10,646,951	--	8,711,158	81,797
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other (Uses)	(1,139,887)	(25,061)	(350,791)	4,353,234	9,911	2,847,406	(813,623)
FUND BALANCES, OCTOBER 1	20,579,638	1,252,007	2,312,101	2,990,302	--	27,134,048	28,033,299
Residual Equity Transfer -							
Transfer In	--	--	--	--	--	--	10,798
Transfer Out	--	--	--	--	--	--	(10,798)
FUND BALANCES, SEPTEMBER 30	\$ 19,439,751	\$ 1,226,946	\$ 1,961,310	\$ 7,343,536	\$ 9,911	\$ 29,981,454	\$ 27,219,676

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

BRAZOS COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUND TYPES
For the Year Ended September 30, 2002

	General		Special Revenue		Debt Service		Capital Projects		Totals Memorandum Only	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES										
Taxes	\$ 27,792,000	\$ 28,507,391	\$ --	\$ --	\$ 1,800,000	\$ 1,876,475	\$ --	\$ --	\$ 29,592,000	\$ 30,383,866
Charges for Services	6,303,900	7,079,201	338,195	365,514	--	--	--	--	6,642,095	7,444,715
Intergovernmental	985,023	1,189,138	2,307,289	1,965,997	--	--	--	--	3,292,312	3,155,135
Interest	1,163,000	623,336	55,000	33,096	65,000	75,145	222,000	133,318	1,505,000	864,895
Other Revenue	292,700	381,200	--	--	--	--	--	--	292,700	381,200
TOTAL REVENUES	36,536,623	37,780,266	2,700,484	2,364,607	1,865,000	1,951,620	222,000	133,318	41,324,107	42,229,811
EXPENDITURES										
Current										
General Government	8,504,943	7,696,211	535,570	415,277	--	--	2,325,138	202,077	11,365,651	8,313,565
Justice System	8,541,486	7,763,840	517,608	213,259	--	--	--	--	9,059,094	7,977,099
Law Enforcement	9,175,938	8,848,247	1,171,581	952,410	--	--	--	--	10,347,519	9,800,657
Juvenile Services	2,968,383	2,960,507	787,424	781,998	--	--	--	--	3,755,807	3,742,505
Public Transportation	7,173,310	5,957,282	671,471	440,879	--	--	1,261,800	1,255,750	9,106,581	7,653,911
Public Health	2,027,050	1,727,396	--	--	--	--	--	--	2,027,050	1,727,396
Human Services	1,435,643	1,332,972	24,000	22,033	--	--	--	--	1,459,643	1,355,005
Capital Outlay	68,367	63,499	265,318	20,575	--	--	9,506,862	4,969,208	9,840,547	5,053,282
Debt Service										
Principal Retirement	165,000	161,880	--	--	1,060,000	1,060,000	--	--	1,225,000	1,221,880
Interest and Fiscal Agent Fees	16,000	15,763	--	--	1,248,000	1,242,411	--	--	1,264,000	1,258,174
TOTAL EXPENDITURES	40,076,120	36,527,597	3,972,972	2,846,431	2,308,000	2,302,411	13,093,800	6,427,035	59,450,892	48,103,474
Excess (Deficiency) of Revenues Over Expenditures	(3,539,497)	1,252,669	(1,272,488)	(481,824)	(443,000)	(350,791)	(12,871,800)	(6,293,717)	(18,126,785)	(5,873,663)
OTHER FINANCING SOURCES (USES)										
Operating Transfers In	84,720	19,147	479,670	477,045	--	--	1,171,800	1,163,482	1,736,190	1,659,674
Operating Transfers Out	(2,530,820)	(2,517,245)	(16,920)	(20,282)	--	--	(80,000)	(14,431)	(2,627,740)	(2,551,958)
Proceeds From Sale of Fixed Assets	50,000	105,542	--	--	--	--	--	--	50,000	105,542
Proceeds From Debt Obligations	--	--	--	--	--	--	9,497,900	9,497,900	9,497,900	9,497,900
TOTAL OTHER FINANCING SOURCES (USES)	(2,396,100)	(2,392,556)	462,750	456,763	--	--	10,589,700	10,646,951	8,656,350	8,711,158
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other (Uses)	(5,935,597)	(1,139,887)	(809,738)	(25,061)	(443,000)	(350,791)	(2,282,100)	4,353,234	(9,470,435)	2,837,495
FUND BALANCES, OCTOBER 1	20,579,638	20,579,638	1,252,007	1,252,007	2,312,101	2,312,101	2,990,302	2,990,302	27,134,048	27,134,048
FUND BALANCES, SEPTEMBER 30	\$ 14,644,041	\$ 19,439,751	\$ 442,269	\$ 1,226,946	\$ 1,869,101	\$ 1,961,310	\$ 708,202	\$ 7,343,536	\$ 17,663,613	\$ 29,971,543

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

BRAZOS COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
For The Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	Internal Service	Enterprise	Totals (Memorandum Only)	
			2002	2001
OPERATING REVENUES				
Fees of Service	\$ --	\$ 106,934	\$ 106,934	\$ 132,458
Commissary Sales	--	188,644	188,644	201,662
Employee Dependents	493,643	--	493,643	463,107
Self Pays	379,000	--	379,000	311,526
Excess Risk Benefits	378	--	378	1,037,281
Brazos County	2,608,487	--	2,608,487	2,329,920
Retirees	48,134	--	48,134	58,291
Other Revenue	--	--	--	190
TOTAL OPERATING REVENUES	<u>3,529,642</u>	<u>295,578</u>	<u>3,825,220</u>	<u>4,534,435</u>
OPERATING EXPENSES				
Personnel Services	--	197,030	197,030	190,016
Departmental Support	--	30,116	30,116	27,079
Cost of Goods Sold	--	103,914	103,914	112,524
Life Insurance	29,101	--	29,101	28,038
Stop Loss Premiums	289,711	--	289,711	263,159
Benefit Claims	4,096,852	--	4,096,852	4,565,474
Administrative Fees	130,108	--	130,108	109,325
Depreciation	--	8,163	8,163	10,308
TOTAL OPERATING EXPENSES	<u>4,545,772</u>	<u>339,223</u>	<u>4,884,995</u>	<u>5,305,923</u>
OPERATING LOSS	<u>(1,016,130)</u>	<u>(43,645)</u>	<u>(1,059,775)</u>	<u>(771,488)</u>
NONOPERATING REVENUES				
Interest	12,182	1,081	13,263	59,935
TOTAL NONOPERATING REVENUES	<u>12,182</u>	<u>1,081</u>	<u>13,263</u>	<u>59,935</u>
LOSS BEFORE OPERATING TRANSFERS	<u>(1,003,948)</u>	<u>(42,564)</u>	<u>(1,046,512)</u>	<u>(711,553)</u>
Transfer From General Fund	897,000	--	897,000	--
Transfer To General Fund	--	(4,716)	(4,716)	--
NET LOSS	<u>(106,948)</u>	<u>(47,280)</u>	<u>(154,228)</u>	<u>(711,553)</u>
RETAINED EARNINGS, OCTOBER 1	<u>156,866</u>	<u>115,569</u>	<u>272,435</u>	<u>983,988</u>
RETAINED EARNINGS, SEPTEMBER 30	<u>\$ 49,918</u>	<u>\$ 68,289</u>	<u>\$ 118,207</u>	<u>\$ 272,435</u>

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

BRAZOS COUNTY, TEXAS
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For The Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	Internal	Enterprise	Totals	
			(Memorandum Only)	
	Service		2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Operating (Loss)	\$ (1,016,130)	\$ (43,645)	\$ (1,059,775)	\$ (771,488)
(Increase) Decrease in Receivables	114,064	107	114,171	(80,014)
(Increase) in Due From Other Funds	(237,000)	(8,608)	(245,608)	(1,174)
(Increase) Decrease in Inventory	--	3,315	3,315	(1,405)
Increase (Decrease) in Accounts Payable	(193,725)	(1,310)	(195,035)	208,139
Increase (Decrease) in Accrued Salary and Compensatory Leave	--	5,784	5,784	(4,883)
Increase in Due To Other Funds	--	10,258	10,258	79
Depreciation Expense	--	8,163	8,163	10,308
NET CASH USED				
BY OPERATING ACTIVITIES	<u>(1,332,791)</u>	<u>(25,936)</u>	<u>(1,358,727)</u>	<u>(640,438)</u>
CASH FLOWS FROM NONCAPITAL				
FINANCING ACTIVITIES				
Transfer From Other Fund	897,000	--	897,000	--
Transfer To Other Fund	--	(4,716)	(4,716)	--
NET CASH PROVIDED (USED) BY NONCAPITAL				
FINANCING ACTIVITIES	<u>897,000</u>	<u>(4,716)</u>	<u>892,284</u>	<u>--</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	12,182	1,081	13,263	59,935
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>12,182</u>	<u>1,081</u>	<u>13,263</u>	<u>59,935</u>
DECREASE IN CASH AND				
CASH EQUIVALENTS	(423,609)	(29,571)	(453,180)	(580,503)
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>766,265</u>	<u>103,570</u>	<u>869,835</u>	<u>1,450,338</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>\$ 342,656</u>	<u>\$ 73,999</u>	<u>\$ 416,655</u>	<u>\$ 869,835</u>

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

BRAZOS COUNTY, TEXAS
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended September 30, 2002

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BRAZOS COUNTY, TEXAS
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

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. Government Accounting Standards Board Statement 14 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, account groups, 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. The County is financially accountable if it appoints a voting majority of an organization’s governing body and (1) it is able to impose its will on that organization or (2) there is potential for the organization to provide specific financial benefits to or impose specific financial burdens on the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has a separately elected or appointed board. There are no entities that meet the criteria as a component unit of Brazos County.

B. Basis For Presentation

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

continued

B. Basis for Presentation

continued

allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements into three broad fund categories. Each category is further subdivided into separate fund types, and two account groups as follows:

Governmental Funds are accounted for using a spending (or financial flow) measurement focus. Only current assets and current liabilities are generally included on their balance sheets. The operating statements present the sources and uses of these available resources during a given time period.

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. The fund accumulates reserves for future capital improvements and unforeseen catastrophic events.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts and capital projects) which are legally restricted to expenditures for a specified purpose.

Debt Service Funds – The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, and interest and related costs.

Capital Projects Fund - Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital assets and infrastructure. Principal sources of funds for expenditure are general obligation bonds, proceeds from certificates of obligation, and interest income.

Proprietary Funds use an economic resources measurement focus, much as is seen in the private sector. The accounting objectives are determination of net income, financial position, and cash flows. The County's focus is to insure that the cost of providing goods and services on a continuing basis be financed and recovered primarily through user charges. All assets and all liabilities (whether current or non-current) associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is shown as retained earnings, per GASB pronouncements on accounting and reporting for proprietary funds. The County has elected to follow alternative 1 as set out in GASB 20 for proprietary fund accounting. The County follows: (1) all GASB pronouncements and (2) Financial Accounting Standards Board Statements and Interpretations, APB Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with GASB pronouncements.

Internal Service Fund - The Internal Service Fund is used to account for the financing of goods or services provided by one department to other departments of the County on a cost reimbursement basis.

Enterprise Fund - The Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

continued

B. Basis for Presentation

continued

Fiduciary Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and other governmental funds. These include Expendable Trust and Agency Funds.

Expendable Trust Funds are accounted for in essentially the same manner as governmental funds.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups established by the County are primarily for control purposes and include the General Fixed Assets Account Group and the General Long-Term Debt Account Group. These two account groups are not “funds” in that they are concerned only with the measurement of financial position and do not involve measurement of results of operations.

General Fixed Asset Account Group is used to account for general government fixed assets having a useful life of longer than three years and a cost of \$5,000 or more.

General Long-Term Debt Account Group is used to account for outstanding general obligations of the County and certificates of obligation.

C. Basis Of Accounting

Basis of accounting refers to the time at which revenues and expenditures are recognized and reported in the financial statements. All governmental funds, expendable trust funds and agency funds are accounted for on the modified accrual basis of accounting. The governmental and expendable trust funds use a current financial resource measurement focus. Agency Funds are custodial in nature and do not involve measurement of operations. Under the modified accrual basis of accounting, certain revenues are recorded when susceptible to accrual, both measurable and available. In this context, “available” should be taken to mean collectible within the current period, or soon thereafter, so as to be “available” to pay liabilities of the current period. Grants in aid received from other governmental units are recognized as revenue in the period the related expenditures are incurred, or when the County is entitled to the aid. All other revenues are recognized as cash is received. Major revenues that have been accrued are charges for service and fee assessments, intergovernmental revenues, and interest earnings on cash and investments. Expenditures are recognized as incurred except for principal and interest on general long-term debt that are recognized as expenditures when due.

The Proprietary Fund is accounted for on a flow of economic resources measurement focus. The accrual basis of accounting is used recognizing revenues in the period when they are earned and become measurable. Expenses are recognized when they are incurred, if measurable. This means that all assets and liabilities associated with the activity being measured are included on its balance sheet. The operating statement presents increases and decreases in net assets.

D. Budget

Annual budgets are legally adopted for general, special revenue, debt service, and capital projects funds. Budgeted amounts represent the original budget for 2002 as subsequently amended by the Commissioners' Court (see Note 2). 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 15 each year.
- 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, which were not included in the budget for the fiscal year.
- Transfer of appropriations between departments requires the expressed permission of Commissioners' Court, and all appropriations lapse at year-end.

E. Encumbrances

Encumbrances represent commitments related to goods and services that were budgeted, appropriated and ordered at year end, but which had not been received or completed at that date. Encumbrance accounting is utilized in governmental funds and therefore encumbrances are recorded for these commitments to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are recorded as reservations of fund balances. These

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

continued

E. Encumbrances

continued

amounts do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. As of September 30, 2002, there were no outstanding encumbrances.

F. Fund Balance Designated for Health Endowment Fund

The County elected to create the Brazos County Community Healthcare Endowment Fund with the funds received from the statewide "Tobacco Settlement." Commissioner's Court designated the corpus of the funds received (\$2,000,000) to be invested and the interest earned to be used to provide funding for various County health programs. Commissioner's Court has appropriated \$155,166 for anticipated program needs during the 2002-2003 fiscal year and has designated \$291,346 available for future programs.

G. Cash And Cash Equivalents

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.

H. Investments

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. Investments are stated at fair value or amortized cost (see Note 3).

The County's investment policy is based on Section 116.112 of the Local Government Code and Government Code Chapter 2256, Subchapters A and B. This document sets forth (1) investment authority, scope of policy and investment objectives; (2) investment types and investment strategies; (3) investment responsibility, control, collateral, and investment safekeeping; and (4) investment reporting and performance evaluation.

Investments authorized by the investment policy are set forth in the Local Government Code:

- direct debt securities of the United States, its agencies and instrumentalities.
- fully collateralized security repurchase agreements with the County depository or with state or national banks domiciled in Texas.
- certificates of deposit if issued by a state or a national bank domiciled in this state, or a savings and loan association domiciled in this state, if the certificate is 102% collateralized.
- a bankers' acceptance if it has a stated maturity of 270 days or fewer from the date of issuance and is eligible for collateral for borrowing from a Federal Reserve Bank.
- commercial paper is an authorized investment if the commercial paper has a stated maturity of 90 days or fewer from the date of issuance and is rated not less than A-1 and P-1.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

continued

H. Investments

continued

- money market funds if the Commissioners' Court by resolution authorizes investment in the fund with limitations.
- eligible investment pools if the Commissioners' Court by resolution authorizes investment in the particular pool.

To protect against fraud and embezzlement, the County's investment policy requires that the assets of the County shall be secured through third party custody and safekeeping procedures. Bearer instruments shall be held only through third party institutions. Investment officials shall be bonded to protect the public against possible embezzlement and malfeasance.

I. Short Term Interfund Receivables/Payables

The County has numerous transactions between funds, including expenditures and transfers of resources. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Current interfund loans are classified as "interfund receivable/payables" (see Note 9).

Transactions that constitute reimbursements to a fund for expenditures and/or expenses initially made from it, which are properly applicable to another fund are recorded as expenditures and/or expenses in the reimbursing fund. They are recorded as reductions of expenditures and/or expenses in the fund that is reimbursed.

J. Inventory

The County maintains inventory at various levels. All inventory is valued at cost and is accounted for under the consumption method. Inventories of paper, copier supplies and road maintenance materials are maintained for all departments within the General Fund. An inventory of consumable food and personal items is maintained within the Jail Commissary Enterprise Fund.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2002, are recorded as prepaid items, and amortized as expenditures as consumed.

L. Fixed Assets

The governmental funds reflect fixed asset acquisitions as expenditures and therefore are not capitalized within these funds. Fixed assets, other than public domain (infrastructure) assets such as roads, bridges and rights-of-way, etc., are recorded when acquired in the General Fixed Asset Account Group. This establishes continued control over and accountability for these assets. The general fixed assets are stated at historical cost or estimated historical cost if the actual is not known. Donated fixed assets are valued at their fair value on the date donated. Assets in the general fixed asset account group are not depreciated (see Note 5).

In compliance with the current GASB Pronouncements, the County is in the process of accumulating data to report previously acquired infrastructure assets on an estimated or historical cost basis. The County believes that reporting infrastructure assets will help users of the financial statements to assess long and short-term capital needs. This will provide

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

continued

L. Fixed Assets

continued

more accurate information about the County’s physical resources that have useful lives extending beyond the current period.

Fixed assets in the proprietary funds of the government are recorded at cost. Fixed assets are depreciated in the proprietary funds of the government using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles	5
Office equipment	5
Computer equipment	5

M. Compensated Absences

All full-time employees are granted vacation and sick leave benefits based on length of service. Non-exempt employees may earn compensatory time off for overtime worked. Employees are entitled to receive accumulated vacation pay in a lump sum payment if their employment is terminated. The related accrued vacation payable and accumulated compensatory time has been accrued as an expense and a liability at year-end in the appropriate fund. Accumulated sick leave benefits are not recorded, being lost upon termination of employment.

Non-exempt, non-law enforcement employees earn compensatory time at one and one-half times the excess of 40 hours per week worked. These employees can accrue a maximum of 240 hours. Non-exempt, law enforcement employees earn compensatory time at one and one-half times the excess of 171 hours in a 28 day work cycle. Non-exempt, law enforcement employees can accrue a maximum of 480 hours. At termination, all compensatory time is paid at the wage rate in place at termination. The maximum amount of vacation time an employee can accrue is 240 hours. At termination, an employee is paid for all vacation time earned up to the date of separation at the current wage rate.

N. Interfund Transactions

There are essentially four forms of interfund transactions:

1. Loans – Transfers of monies between funds that are accounted for as balance sheet transactions and reflect a due from/due to.
2. Reimbursements - Transfers which comprise reimbursement of expenditures initially made by one fund, but properly attributable to another fund. Interfund transfers represent reimbursement for an expenditure if the reimbursement is for a specific or directly allocable cost applicable to the reimbursing fund.
3. Quasi-external - Transactions that would be accounted for as revenues or expenditures if they involved an entity external to the government. The receiving fund records the monies as an other financing source (revenue) and the disbursing fund records the monies as an other financing use (expenditure).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

continued

N. Interfund Transactions

continued

4. Transfers – There are two types of transfers. Residual equity transfers are nonrecurring transfers between funds, which represent a transfer (contribution) of equity between the represented funds. These transactions are recorded directly to fund balance or, in the case of a proprietary fund, to retained earnings. Operating transfers reflect all transfers that do not fall into one of the previous categories. They are generally ongoing operating subsidies between funds, such as matching funds required by a grant agreement.

O. Long Term Obligations

General obligation bonds and other forms of long-term debt are obligations of the County as a whole and not of specific funds. The proceeds of such debt are spent on facilities set out in bond resolutions and benefit the County’s entire operation. Such debt is included in a separate self-balancing General Long-Term Debt Account Group. The County does not use long-term debt to support normal operations (see Note 7).

P. Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of the interest earned from the investment of certain debt proceeds over the yield rate of the applicable debt. The County has an annual arbitrage evaluation. The County uses the “revenue reduction” approach in accounting for rebatable arbitrage. This approach treats excess earnings as a reduction of revenue. Based on arbitrage calculations for the year ended September 30, 2002 the County has a liability of \$195,413 recorded in the General Fund. Payment to the Federal Government is due in June 2003.

Q. Memorandum Only - Total Columns

Total columns on the Combined Statements - Overviews are captioned “Memorandum Only” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles, and such data is not comparable to a consolidation. Interfund elimination’s have not been made in aggregating the data.

Comparative total date and certain comparative data by fund type for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the County’s financial position and operations.

NOTE 2 - BUDGETARY LEGAL COMPLIANCE

A. Budgetary Information

Appropriations for total budget cannot exceed total resources that will be available for the year as forecast 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 General Fund, which is appropriated at the department level. Administrative control is maintained through the establishment of more detailed line-item budgets. Amendments

NOTE 2 – BUDGETARY LEGAL COMPLIANCE**continued****A. Budgetary Information****continued**

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	\$ 42,133,655	\$ 473,285	\$ 42,606,940
Special Revenue	3,915,598	74,294	3,989,892
Debt Service	2,335,000	(27,000)	2,308,000
Capital Projects	22,828,300	(9,654,500)	13,173,800
Totals	<u>\$ 71,212,553</u>	<u>\$ (9,133,921)</u>	<u>\$ 62,078,632</u>

The Commissioners’ Court budgets by fund, department, and classification within each department. This report does not detail compliance at the classification level. Budgetary compliance at the classification level is presented in a supplementary report entitled “Budget Control Status” and is available upon request. The County Auditor’s office monitors the budget at the required level of legal compliance and will not approve requisitions, purchase orders, or invoices unless appropriated funds are available within the departmental classification. Supplemental appropriations during the year were due to realized revenues (as certified by the County Auditor) in excess of anticipated levels.

B. Excess of Expenditures Over Appropriations

During the year ended September 30, 2002, the expenditures for the Juvenile Services Title IV-E program in the General Fund exceed budget by \$44,805. The expenditure budget for this program is based on estimated revenues. The County realized in excess of \$300,000 in Title IV-E revenues for the year ended September 30, 2002, however failed to amend the expenditure budget to reflect this increase. The County Fire Protection department provides funding to both the volunteer fire departments of the County and the cities of Bryan and College Station for inter-local support of fire and ambulance services for County residents. Expenditures for this department exceeded budget by \$19,990 due to higher than normal needs for services.

C. Deficit Fund Equity

The Grants Fund of the special revenue funds had a deficit fund balance of \$17,680 as of September 30, 2002. The fund incurred expenditures that are anticipated to be partially funded through the grant; however, at year end, the expenditures did not qualify for reimbursement due to contractual requirements that match funds be expended before State funds. If the State elects not to fund the deficit the Sheriff Department Crime special revenue fund will be responsible for funding the deficit.

NOTE 3 – CASH AND INVESTMENTS

A. Cash and Cash Equivalents

The County's depository agreement with First American Bank requires collateralization for all funds on deposit. The Federal Deposit Insurance Corporation does not cover County deposits. The value of collateral must be equal to or greater than the average daily balance of funds on deposit or 105% of the prior month's average deposit. State statutes require that the collateral be government securities that are acceptable to the Commissioners' Court. All of the pledged collateral for the County's demand deposits and time deposits is U. S. Government securities.

The GASB requires that deposits be classified as to credit risk by three categories. Category 1 deposits are insured or collateralized, with securities held by the County or its agent in the County's name. Category 2 deposits are collateralized, with securities held by the counter party's trust department or agent in the County's name. Category 3 deposits are uncollateralized.

At September 30, 2002, bank balances of deposits were entirely collateralized with securities held with the County's agent, the Federal Home Loan Bank in Dallas, Texas in a fiduciary account in the name of the County. These are classified as a Category 1 credit risk. All deposits and time deposits (less than 90 days) are stated at cost and reflected on the balance sheet as "Cash and Cash Equivalents". Certificates of Deposits and Money Market accounts held by the Agency Funds are reflected on the balance sheet as "Investments" but are classified as Category 1 deposits.

B. Investments

The GASB requires that investments represented by specific identifiable securities be classified as to credit risk by three categories as described below:

- Category 1 Insured or registered, with securities held by the County or its agent in the County's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name
- Category 3 Uninsured and unregistered, with securities held by the counterparty in the County's name, or held by the counterparty's trust department or agent, but not in the County's name.

The County is authorized (by the Texas Public Funds Investment Act, Texas Civil Statutes, Article 842a-2, as amended) to purchase, sell and invest its funds and funds under its control. During the year ended September 30, 2002, County investments included funds deposited in a local government investment pool, direct debt securities of the United States, and mutual funds. Investments in direct debt securities of the United States mature within one year of acquisition, and therefore are reported at amortized cost. The pooled investments are reported at fair value. Those subject to classification are Category 1 investments. The Money Market and Certificates of Deposit are classified as Category 1 deposits. The pooled investments are not identifiable investments and therefore not classified, in accordance with GASB Statement 3. The pooled investments are reflected as Cash and Cash Equivalents on the balance sheet.

NOTE 3 – CASH AND INVESTMENTS

continued

B. Investments

continued

Investments at September 30, 2002 are as follows:

Pooled Investments	\$ 17,394,960
Money Market and Certificates of Deposit	1,914,324
Property	<u>1,040,520</u>
Total Investments	<u>\$ 20,349,804</u>

The Money Market and Certificate of Deposit investments are recorded in the Agency Funds and are those funds held in a custodial relationship by the District Clerk as required by the District Courts and are categorized as Category 1 deposits. The listed property is that property recorded in the Bail Bond Board Expendable Trust Fund. The property is held by the County as security for the bail bondsman operating in the County and is not classified in accordance with GASB Statement 3.

NOTE 4 - PROPERTY TAXES RECEIVABLE

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. Estimated taxes to be collected are recorded as taxes receivable on October 1. When taxes are collected, they are recorded as revenue, and as a reduction of taxes receivable. For the year ended September 30, 2002, the tax rate to finance general governmental services was \$0.3857 per \$100.00 valuation. The tax rate for the payment of principal and interest on long-term debt was \$0.0343 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.

At September 30, 2002, delinquent taxes receivable by fund are as follows:

General	\$ 1,210,275
Debt Service	<u>181,247</u>
Totals	<u>\$ 1,391,522</u>

The County reflects the receivable as an asset, but no allowance is provided for uncollectible taxes. Accordingly, the County has accounted for the receivable as deferred revenue, since it will be collected in some future period.

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 Bryan Independent School District, the College Station Independent School District, Brazos County Education District, and Brazos County Rural Fire Prevention Districts 1, 2, 3, and 4. These transactions are recorded in an agency account.

NOTE 5 – CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets for the year ended September 30, 2002, is as follows:

	Balance 10/01/01	Additions	Retirements and Adjustments	Balance 09/30/02
Land	\$ 1,132,293	\$ --	\$ 569,992	\$ 1,702,285
Buildings	30,460,530	28,998	(4,093,367)	26,396,161
Improvements	1,376,363	--	3,504,111	4,880,474
Machinery and Equipment	9,339,268	3,248,267	(2,364,773)	10,222,762
Construction Work in Progress	76,982	1,776,016	--	1,852,998
Totals	<u>\$ 42,385,436</u>	<u>\$ 5,053,281</u>	<u>\$ (2,384,037)</u>	<u>\$ 45,054,680</u>

A summary of changes in fixed assets in the enterprise funds for the year ended September 30, 2002, is as follows:

	Balance 10/01/01	Additions	Retirements and Adjustments	Balance 09/30/02
Machinery and Equipment	\$ 86,348	\$ --	\$ --	\$ 86,348
Accumulated Depreciation	(71,745)	(8,163)	--	(79,908)
Totals	<u>\$ 14,603</u>	<u>\$ (8,163)</u>	<u>\$ --</u>	<u>\$ 6,440</u>

During the fiscal year ending September 30, 2002, the County elected to change its fixed asset capitalization policy from \$1,000, with a useful life of three years, to \$5,000 with a useful life of three years. The County also elected to evaluate the existing values for land, buildings, and other improvements for accuracy of classification and amount. These changes and activities resulted in a reclassification of \$4,093,367 in building assets to land and improvements assets at October 1, 2001. Additionally, \$1,672,295 in machinery and equipment was removed from the General Fixed Asset Account Group at October 1, 2001.

NOTE 6 – 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 each annual anniversary date. These leases are for office space and ground storage having minimum annual lease payments of \$55,000. At September 30, 2002, the County had entered into three 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 the annual cost of \$1,348. The lease is a 50-year lease expiring in 2040. The County had entered a year to year lease with the Junior Service League of Bryan/College Station for \$7,200 per year. The lease was renewed in June 2001 for two years. The Brazos Valley Art League maintains an annual lease with the County, expiring each September in the amount of \$5,760.

NOTE 6 - LEASES**continued****A. Operating Leases****continued**

The County has entered into five non-cancelable operating leases for the use of photocopying equipment. The leases are for a 60-month period at an annual cost of \$31,190. The future minimum lease payments for these leases are as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2003	31,190
2004	31,190
2005	14,631
2006	6,482
2007	<u>541</u>
Total	<u>\$ 84,034</u>

B. Capital Leases

In October 2001, the County entered into a 3 year, \$497,900 lease purchase agreement with Wells Fargo Bank for the purchase of 24 vehicles for various County departments. Payments during the fiscal year ended September 30, 2002, totaled \$177,463. The interest rate on this loan is 3.799%. The principal balance on the loan at year end was \$336,020 and payments are due as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2003	177,463
2004	<u>177,463</u>
Total future lease payments	\$ 354,926
Less: Interest	<u>(18,906)</u>
Net present value of future minimum lease payments	<u>\$336,020</u>

NOTE 7- LONG-TERM DEBT

The future annual requirements to amortize all general obligation bonds and certificates of obligation at September 30, 2002, including principal and interest payments, are as follows:

<u>FISCAL YEAR</u>	<u>TOTAL REQUIRED PRINCIPAL</u>	<u>TOTAL REQUIRED INTEREST</u>	<u>TOTAL REQUIREMENTS</u>
2003	1,140,000	1,292,674	2,432,674
2004	1,225,000	1,223,556	2,448,556
2005	1,635,000	1,144,817	2,779,817
2006	1,725,000	1,054,002	2,779,002
2007	1,825,000	961,784	2,786,784
2008	1,920,000	867,437	2,787,437
2009	2,030,000	769,937	2,799,937
2010	2,020,000	670,547	2,690,547
2011	2,140,000	569,201	2,709,201
2012	2,265,000	461,428	2,726,428
2013-2021	<u>8,090,000</u>	<u>1,482,362</u>	<u>9,572,362</u>
Totals	<u>\$ 26,015,000</u>	<u>\$10,497,745</u>	<u>\$ 36,512,745</u>

NOTE 7- LONG-TERM DEBT**continued**

The following is a summary of long-term debt transactions of the County for the year ended September 30, 2002:

	OUT- STANDING <u>10/01/01</u>	ADDITIONS (<u>RETIREMENTS</u>)	OUT- STANDING <u>09/30/02</u>
Certificates of Obligation, Series 1987 6.30% - 6.7%, due 12/01 and 06/01, original amount authorized and issued \$4,500,000	\$ 840,000	\$ (405,000)	\$ 435,000
Certificates of Obligation, Series 1996, 5.30% - 7.25%, due 03/01 and 09/01 original amount authorized and issued \$8,500,000	7,640,000	(325,000)	7,315,000
Certificates of Obligation, Series 1998, 4.6336%, due 03/01 and 09/01 original amount authorized and issued \$10,000,000	9,595,000	(205,000)	9,390,000
Certificates of Obligation, Series 2001, 3.9749%, due 03/01 and 09/01 original amount authorized and issued \$1,000,000	--	875,000	875,000
General Obligation Bonds, Series 2001, 4.8425%, due 03/01 and 09/01 original amount authorized and issued \$8,000,000	<u> -- </u>	<u>8,000,000</u>	<u>8,000,000</u>
Totals	<u>\$ 18,075,000</u>	<u>\$ 7,940,000</u>	<u>\$ 26,015,000</u>

NOTE 8- CONTINGENT LIABILITIES

The County is a defendant in various lawsuits, as well as matters in current litigation. 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 counsel 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 became self-insured for employee and dependent health insurance on September 1, 1993. The County has completely reserved all funds in the Internal Service Fund for the purpose of funding current and future liabilities related to health insurance.

NOTE 8- CONTINGENT LIABILITIES**continued**

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 9- INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances at September 30, 2002 are as follows:

Due to/from other funds at September 30, 2002:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 70,282	\$ 336,137
Special Revenue Funds:		
Grant Fund	13,039	
Unclaimed Property	1,953	--
Debt Service Fund	85,164	
Proprietary Funds:		
Internal Service Fund	237,000	--
Enterprise Funds:		
Jail Commissary	10,379	10,337
County Attorney Operating	3,209	--
Trust and Agency Funds:		
Brazos Center	--	21,277
Bail Bonds	--	38,667
County Attorney	--	2,276
Inmate	--	12,332
Totals	<u>\$ 421,026</u>	<u>\$ 421,026</u>

Individual operating transfers in and transfers out at September 30, 2002, are as follows:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund		
Special Revenue Funds:		
Appellate Judicial System	\$ --	\$ 38,300
Alternative Dispute	--	5,000
County Records Management	--	250,000
Grants	--	163,463
Capital Project Funds:		
Capital Improvements	14,431	200,000
Judicial Software	--	800,000
Capital Road	--	163,482
Proprietary Fund:		
Internal Service Fund	--	897,000
Enterprise Fund:		
County Attorney Operating	4,716	--
Sub-Total	<u>19,147</u>	<u>2,517,245</u>

NOTE 9- INTERFUND RECEIVABLES AND PAYABLES

continued

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Special Revenue		
Appellate Judicial System	38,300	--
Alternative Dispute	5,000	--
County Records Management	250,000	--
Sheriff Department Crime Fund	--	20,282
Grants	<u>183,745</u>	<u>--</u>
Sub-Total	<u>477,045</u>	<u>20,282</u>
Capital Projects		
Capital Improvement	200,000	14,431
Judicial Software	800,000	--
Capital Road	<u>163,482</u>	<u>--</u>
Sub-Total	<u>1,163,482</u>	<u>14,431</u>
Proprietary Fund		
Internal Service	897,000	--
Enterprise Fund:		
County Attorney Operating	<u>--</u>	<u>4,716</u>
Sub-Total	<u>897,000</u>	<u>4,716</u>
Totals	<u>\$ 2,556,674</u>	<u>\$ 2,556,674</u>

NOTE 10 - 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 11- EMPLOYEE RETIREMENT SYSTEM**A. 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. This report includes the required six-year trend information. 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.

NOTE 11- EMPLOYEE RETIREMENT SYSTEM

continued

A. Plan Description

continued

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. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

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.

B. Funding Policy

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. Brazos County contributed using the actuarially determined rate of 10.60% for fiscal year 2002. For 2003, the County's rate is anticipated to increase to 11.19%. The employee's member contribution rate remained at 7.00% for 2002.

C. Annual Pension Cost

For the County's fiscal year ending September 30, 2002, the County's annual pension cost for the TCDRS plan for its employees was \$1,910,033. The County's annual required contributions were \$1,910,033, and the County's actual contributions were \$1,910,033. The County's annual pension cost for the fiscal year ended September 30, 2001, was \$1,741,765. The annual required contribution for 2002 was actuarially determined as a percent of the covered payroll of the participating employees, and, was in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 1999, and December 31, 2000, which is the basis for determining the contribution rate for calendar year 2001 and 2002 respectively. The December 31, 2001 actuarial valuation is the most recent valuation.

NOTE 11- EMPLOYEE RETIREMENT SYSTEM**continued****C. Annual Pension Cost****continued**

Actuarial valuation date	<u>12/31/99</u>	<u>12/31/00</u>	<u>12/31/01</u>
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Remaining amortization period	20 years	20 years	20 years
Asset valuation method	Long-term appreciation with adjustment	Long-term appreciation with adjustment	Long-term appreciation with adjustment
Actuarial assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.9%	5.9%	5.5%
Includes inflation at	4.0%	4.0%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

Trend Information for the Retirement Plan for the Employees of Brazos County

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/98	\$ 1,249,221	100%	None
09/30/99	\$ 1,505,335	100%	None
09/30/00	\$ 1,669,144	100%	None
09/30/01	\$ 1,741,765	100%	None
09/30/02	\$ 1,910,033	100%	None

NOTE 12 - POST EMPLOYMENT AND RETIREMENT BENEFITS

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. COBRA participants are reimbursed at the same levels as active employees. At September 30, 2002, the County had been fully reimbursed for costs related to COBRA participants.

Brazos County has elected to offer post-retirement health care benefits to certain retirees. County policy allows employees to become eligible for post retirement health care benefits after meeting the service and retirement age requirements of the TCDRS retirement plan. County policy restricts post retirement health

NOTE 12 - POST EMPLOYMENT AND RETIREMENT BENEFITS**continued**

care benefits to those employees that qualified for health coverage during employment. Health care benefits are available to employees that normally work 1,664 or more hours annually. The County opted to extend health care benefits to retirees that maintained coverage through the County's health care plan as of January 1, 2000. The County provides funding for the post retirement health care benefits. The County recognizes expenditures for post retirement health care benefits as paid, which during fiscal year 2002 totaled \$41,196. At September 30, 2002 there were 31 retirees receiving benefits and 57 employees that qualify for retirement and health related benefits.

NOTE 13 – SEGMENT INFORMATION OF ENTERPRISE FUNDS

The County maintains enterprise funds that are intended to be self-supporting through user fees charged for services. Segment information for the fiscal year ended September 30, 2002, is as follows:

	<u>Jail Commissary</u>	<u>County Attorney Operating</u>	<u>Total</u>
Operating revenues	\$ 188,644	\$ 106,934	\$ 295,578
Depreciation expense	--	8,163	8,163
Operating loss	(3,967)	(44,394)	(48,361)
Net income (loss)	(2,886)	(44,394)	(47,280)
Net working capital	70,224	(8,375)	61,849
Total assets	87,247	13,896	101,143
Total equity	70,224	(1,935)	68,289

NOTE 14 - RISK MANAGEMENT

The County participates in a worker's 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 worker's 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 worker's 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 is self-insured for medical claims only. 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 County currently provides medical and dental programs for its employees with basic prescription and life benefits attached. The County pays the full cost for all qualifying employees. The individual pays for dependent and retiree premium expenses.

The Internal Service Fund acts as a clearing account to collect the premium payments from the County, the employee, and the retiree. The fund pays all claims and administrative fees. The County has purchased reinsurance that provides a \$65,000 stop loss on an individual claim, and an aggregate at 125% of expected claims (\$4,000,000). All funds are available to pay claims and have been reserved for such purpose. The County experienced premium cost and claims of

NOTE 14 - RISK MANAGEMENT**continued**

\$4,096,852 and \$4,565,474 for 2002 and 2001 respectively. At September 30, 2002, the County had accrued approximately \$409,000 for anticipated claims that had not been filed at year-end. This estimate is based on the number of claims filed subsequent to year-end that were for services rendered prior to year-end. The three months subsequent to the end of the fiscal year were used in this review. In addition, the County has accumulated \$49,918 in retained earnings to be used to offset unanticipated costs in future periods.

Changes in the balances of unpaid liability during fiscal years 2001 and 2002 were as follows:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claims <u>Paid</u>	Balance at Fiscal <u>Year End</u>
2001	\$371,034	\$ 4,565,474	\$4,349,681	\$ 586,827
2002	586,827	4,096,852	4,274,664	409,015

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 it 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, 2002, 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 15- CONTRACTS AND COMMITMENTS**A. Contracts*****The Software Group Inc.***

On August 21, 2001 the County entered into a contract with The Software Group Inc. for the purchase of a integrated criminal justice software package. The contract is for a term of 5 years with substantial completion of installation, training, and modifications within 18 months. At September 30, 2002, installation and training were complete and the modification stage was begun. All contractual expenditures have been accrued at September 30, 2002, and Commissioner's Court has set aside an additional \$200,000 for further modifications.

NOTE 15- CONTRACTS AND COMMITMENTS

continued

A. Contracts

continued

Greens Prairie Road Extension

During the fiscal year ended September 30, 2002, the County completed construction on the Greens Prairie Road extension in the southern part of the county that connects two major State thoroughfares, State Highway 6 and State Highway 30. As of September 30, 2002, the County had expended \$4,678,000 in right of way acquisition and construction costs of the project.

County Exposition Center

At the November 2000 general election, the voters of Brazos County passed a proposition to allow the County to sell \$18.5 million in General Revenue Bonds to be used for the construction of a County Exposition Center. The County has entered into a contract with an architect for the design and construction of the Exposition Center. At September 30, 2002 the County had expended \$420,000 in architectural fees and \$1,432,997 in legal fees and land acquisition costs. In 2001, the County sold \$8,000,000 in General Obligation Bonds with a true interest cost of 4.84% and a 20 year repayment schedule to be used for land acquisition and construction of the Center. It is anticipated that construction will begin in fiscal year 2003. The County plans to issue an additional \$8,000,000 in General Revenue Bonds in 2003, with the final \$2,500,000 to be issued in 2004.

B. Tax Increment Financing Zones

As of September 30, 2002, the County had entered into several interlocal agreements with the cities of Bryan and College Station 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 Commissioner's 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 Tax Increment Financing Zone 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.

NOTE 15– CONTRACTS AND COMMITMENTS

continued

B. Tax Increment Financing Zones

continued

City of Bryan

Brazos County has entered into two interlocal agreements with the City of Bryan to create Reinvestment Zone Number Eight -“Park Hudson” and Reinvestment Zone Number Ten – “Traditions”. Park Hudson represents approximately 450 acres located on the east side of the City of Bryan and is a 20 year contract. The Traditions zone is approximately 790 acres on the west side of the City of Bryan and is scheduled for 15 years of County participation. The following is a 3 year schedule of relevant data with regards to these TIFZ’s:

Zone	Base Value	Captured Value	Tax Rate*	Captured Tax Revenue
Park Hudson				
2002	\$ 35,803	\$ 35,356,812	\$.3857	\$ 137,567
2001	\$ 35,803	\$ 34,357,265	\$.3857	\$ 132,516
2000	\$ 35,803	\$ 15,387,041	\$.3736	\$ 57,486
Traditions				
2002	\$ 598,490	\$ --	\$.3857	\$ --
2001	\$ 598,490	\$ --	\$.3857	\$ --
2000	\$ --	\$ --	\$.3736	\$ --

**per \$100 valuation*

City of College Station

Brazos County has entered into three inter-local agreements with the City of College Station to create Reinvestment Zone Number One -“Wolf Pen Creek Corridor”, Reinvestment Zone Number Seven “Wolf Pen Creek Office, Hotel, and Conference Center” and Reinvestment Zone Number Fifteen “30/60 Corridor”. The Wolf Pen Creek Corridor is commonly described as the area south of Harvey Road, bounded on the west by Texas Avenue, the east by Dartmouth Drive and on the south by Holleman Drive. The zone also includes the area south of Holleman Drive bounded on the east by Highway 6, on the south by Colgate Drive and on the west by Dartmouth Drive. The Wolf Pen Creek Office, Hotel and Conference Center Reinvestment Zone consists of approximately 15 acres on the north by Holleman Drive and bounded on the east by Dartmouth Drive. The 30/60 Corridor is to fund the construction and equipping of a city owned 60,000 square foot conference center, the development of 24,000 square feet of space to be shared with a 315 room hotel, and the construction of infrastructure to serve the hotel/ conference center and an additional 250,000 square foot office building. The center is to be located on the north-east side of the city. TIFZ’s number one and seven are scheduled for a 20 year duration, and TIFZ fifteen is scheduled for a 15 year period. The following is a schedule of relevant data with regards to these TIFZ’s for the fiscal year ended September 30, 2002:

NOTE 15– CONTRACTS AND COMMITMENTS

continued

B. Tax Increment Financing Zones

continued

City of College Station

Zone	Base Value	Captured Value	Tax Rate*	Captured Tax Revenue
Wolf Pen Creek				
Corridor				
2002	\$ 18,502,607	\$ 25,325,687	\$.4200	\$ 106,368
2001	\$ 18,502,607	\$ 25,325,687	\$.4200	\$ 106,368
2000	\$ 18,502,607	\$ 23,743,340	\$.4100	\$ 97,348
Wolf Pen Creek				
Hotel/Conference				
2002	\$ 313,640	\$ --	\$.3857	\$ --
2001	\$ 313,640	\$ --	\$.3857	\$ --
2000	\$ 313,640	\$ --	\$.3736	\$ --
30/60 Corridor				
2002	\$ 3,444,610	\$ --	\$.3857	\$ --

**per \$100 valuation*

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 Commissioner’s Court. At September 30, 2002 the County had established abatement agreements with the following property owners.

Property Owner	Date of Abatement	2002 Appraised Values	2002 Taxable Value	2002 Taxes Levied
Conoco, Inc.	1995	\$ 11,176,140	\$ 4,064,500	\$ 17,071
Sanderson Farms	1995	\$ 45,691,210	\$ 4,650,300	\$ 19,531
Dealer Computer Services, Inc.	1997	\$ 443,405	\$ 37,135	\$ 156

NOTE 15– CONTRACTS AND COMMITMENTS
C. Tax Abatements

continued
continued

Property Owner	Date of Abatement	2002 Appraised Values	2002 Taxable Value	2002 Taxes Levied
O I Corporation	1997	\$ 2,156,480	\$ 1,087,000	\$ 4,565
Rental Systems, Inc.	1997	\$ 1,093,640	\$ 393,080	\$ 1,651
Saint-Gobain Norpro Corp.	1997	\$ 18,706,080	\$ 16,491,175	\$ 69,263
Universal Computer	1997	\$ 23,147,970	\$ 1,548,105	\$ 6,502
CS Development Group L.P.	1998	\$ 4,216,110	\$ 3,648,174	\$ 15,322
Hy-Line International	1998	\$ 4,600,145	\$ 2,244,945	\$ 9,429
Prodigene, Inc.	1998	\$ 1,023,620	\$ 411,250	\$ 1,727
B-CS Economic Development Corp.	1999	\$ 4,530,710	\$ 2,021,680	\$ 8,491
Decision One	1999	\$ 2,035,225	\$ 757,346	\$ 3,181
Stata Corporation	1999	\$ 1,395,460	\$ 448,010	\$ 1,881
Betco	2000	\$ 4,889,230	\$ 2,433,599	\$
Heat Transfer Research	2001	\$ 924,600	\$ 341,430	\$ 1,434

NOTE 16 – RECENT ACCOUNTING PRONOUNCEMENTS

With the fiscal year ending September 30, 2003, the County will implement the provisions of Governmental Accounting Standards Board Statement 34. The County is nearing completion of the process to evaluate the impact that the new financial reporting requirements will have on the County. The County is therefore unable to disclose the impact that adopting The New Reporting Model will have on the financial position and results of operations of the County when such statement is adopted. The County intends to adopt all requirements at the same time.

GASB has issued Statement No. 37, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local governments: Omnibus – an Amendment of GASB Statement No. 21 and 34.” The amendments to Statement 21 are necessary due to the changes to the fiduciary fund structure required by Statement 34. The amendments either (1) clarify certain provisions that, in retrospect, may not be sufficiently clear for consistent application or (2) modify other provisions that the GASB board believes may have unintended consequences. This statement will become effective for the County for the year ending September 30, 2003.

GASB has issued statement No.38, “Certain Financial Statement Note Disclosures,” which modifies, establishes, and rescinds certain financial statement disclosure requirements. This statement will become effective for the County for the year ending September 30, 2003.

REQUIRED SUPPLEMENTARY INFORMATION

BRAZOS COUNTY, TEXAS

Required Supplementary Information - Retirement System

September 30, 2002

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll (1)	UAAL as a Percentage of Covered Payroll
12/31/95	\$19,981,341	\$ 22,818,313	\$ 2,836,972	87.57%	\$ 12,604,354	22.51%
12/31/96	22,756,204	29,946,254	7,190,050	75.99%	13,287,813	54.11%
12/31/97 (2)	25,596,813	34,465,968	8,869,155	74.27%	14,554,927	60.94%
12/31/98	28,670,100	38,192,134	9,522,034	75.07%	15,418,101	61.76%
12/31/99	32,951,466	42,652,282	9,700,816	77.26%	16,620,858	58.37%
12/31/00	37,287,534	47,146,262	9,858,728	79.09%	17,804,155	55.37%
12/31/01	40,804,100	51,952,718	11,148,618	78.54%	19,149,679	58.22%

(1) The annual covered payroll is based on the employer contributions received by TCDRS for the year ending with the valuation date.

(2) Valuation reflects revised economic and demographic assumptions due to experience review.

The **General Fund** is used to account for all financial resources traditionally associated with governments related to general operations. Exceptions are those which are required to be accounted for in other separate funds as prescribed by the Commissioners' Court of Brazos County.

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**BRAZOS COUNTY, TEXAS
GENERAL FUND
BALANCE SHEET
September 30, 2002**

(With Comparative Totals For September 30, 2001)

	<u>September 30, 2002</u>	<u>September 30, 2001</u>
ASSETS		
Cash and Cash Equivalents	\$ 20,504,504	\$ 15,462,081
Investments	--	6,082,740
Prepaid Expenditures	364,116	311,167
Receivables:		
Taxes	1,210,275	1,112,034
Officials	273,571	222,570
Interest	12,095	9,388
Accounts	122,406	167,242
State	997,232	1,026,938
Federal	8,348	83,511
Due From Other Funds	70,282	140,166
Inventories	360,494	326,073
TOTAL ASSETS	<u>\$ 23,923,323</u>	<u>\$ 24,943,910</u>
LIABILITIES		
Accounts Payable	\$ 1,695,935	\$ 2,015,115
Accrued Salary and Compensated Leave	1,230,930	743,756
Due To Other Funds	336,137	253,368
Deferred Revenues	1,220,570	1,352,033
TOTAL LIABILITIES	<u>4,483,572</u>	<u>4,364,272</u>
FUND BALANCES		
Reserved:		
For Prepaid Expenditures	364,116	311,167
For Inventories	360,494	326,073
For Boonville Cemetery	6,254	6,224
For Title IV-E	1,004,227	452,212
For Texas Youth Commission	97,219	185,934
For Indigent Health Care	904,141	904,141
Unreserved		
Designated for Capital Improvements	60,000	1,790,000
Designated for Health Endowment Fund	2,446,512	2,477,128
Undesignated	14,196,788	14,126,759
TOTAL FUND BALANCES	<u>19,439,751</u>	<u>20,579,638</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,923,323</u>	<u>\$ 24,943,910</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2002
(With Actual Amounts For The Year Ended September 30, 2001)

REVENUES	Budget	Actual	2001
Taxes			
Current Ad Valorem Taxes	\$ 20,072,000	\$ 20,090,617	\$ 17,871,156
Delinquent Ad Valorem Taxes	340,000	420,089	516,273
Penalties & Interest - Taxes	200,000	249,987	237,848
Mixed Drink Tax	280,000	301,051	265,230
County Sales Tax	6,900,000	7,445,647	7,218,970
Total Taxes	27,792,000	28,507,391	26,109,477
Charges For Services			
Licenses and Permits	20,000	24,136	23,600
Sheriff	60,000	70,436	70,458
Contracted Jail Services	91,500	101,915	107,890
Contracted Detention Services	60,000	67,200	58,594
Tax Assessor-Collector	375,000	542,078	481,079
County Clerk	375,000	532,511	483,820
County Attorney	100,000	57,349	82,414
Court Reporter	28,500	28,068	27,274
District Clerk	375,000	299,287	390,607
District Attorney	2,500	1,530	1,975
County Courts At Law	1,200	376	160
Arrest/Probate Fees	43,200	87,374	76,047
Brazos Center	150,000	163,693	150,488
Bond Service/Forfeitures	155,000	133,915	205,536
Magistrate	65,000	--	--
Justice of the Peace	770,000	1,217,802	1,021,290
Constables	55,000	101,838	101,110
License and Weights	9,000	20,465	19,190
Omnibus Crime Control Fees	50,000	67,026	75,158
School Crossing Fees	16,000	20,304	17,494
Landfill Fees	19,000	26,065	26,650
Motor Carrier Weight	15,000	28,327	22,308
Optional License Fees	970,000	1,145,428	956,988
Vehicle Registration Fees	1,180,000	1,099,933	1,083,572
Technology Fees	--	--	1,347
Court Fines	1,318,000	1,242,145	1,540,785
Total Charges For Services	6,303,900	7,079,201	7,025,834

BRAZOS COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2002
(With Actual Amounts For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES (continued)			
Intergovernmental - Federal			
Department of Justice	\$ 26,660	\$ 92,056	\$ 77,791
Department of Health & Human Services	394,387	615,963	596,281
Emergency Management Agency	31,500	31,555	31,555
Total Intergovernmental - Federal	<u>452,547</u>	<u>739,574</u>	<u>705,627</u>
Intergovernmental - State			
Department of Justice	135,850	144,115	141,503
D. A. Salary Supplement	43,280	48,125	34,450
Indigent Defense- Office of Court Administration	--	49,926	--
Texas Juvenile Probation Commission	118,346	91,776	3,979
Texas Youth Commission	100,000	56,952	78,122
Tobacco Settlement	110,000	33,252	129,153
Total Intergovernmental - State	<u>507,476</u>	<u>424,146</u>	<u>387,207</u>
Intergovernmental - Other			
Crime Stoppers	25,000	25,418	27,753
Total Intergovernmental - Other	<u>25,000</u>	<u>25,418</u>	<u>27,753</u>
Total Intergovernmental	<u>985,023</u>	<u>1,189,138</u>	<u>1,120,587</u>
Interest	<u>1,163,000</u>	<u>623,336</u>	<u>1,326,801</u>
Other Revenue			
Road Crossing	--	500	500
Reimbursements	60,200	71,368	102,133
Leases and Rentals	14,000	14,434	15,730
Other	9,400	71,700	167,526
Estray Animal Sale/Fee	100	--	--
Phone System	200,000	214,975	243,185
Oil and Gas Lease	5,000	2,578	6,209
Informal Adjudication Probation	4,000	5,645	8,710
Total Other Revenue	<u>292,700</u>	<u>381,200</u>	<u>543,993</u>
TOTAL REVENUES	<u>\$ 36,536,623</u>	<u>\$ 37,780,266</u>	<u>\$ 36,126,692</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2002
(With Actual Amounts For The Year Ended September 30, 2001)

EXPENDITURES	Budget	Actual	2001
General Government			
Commissioners' Court	\$ 580,676	\$ 517,081	\$ 525,084
County Judge	135,905	125,328	123,782
County Treasurer	277,138	274,760	261,791
Tax Assessor-Collector	1,107,596	1,020,110	864,922
County Auditor	470,707	448,597	414,712
Personnel	146,630	130,459	109,716
Information Technology	1,662,391	1,461,869	638,935
Buildings and Grounds	948,020	890,990	830,185
Non-Departmental	1,091,200	1,069,300	909,958
Risk Management	103,808	100,275	94,206
Purchasing	172,602	169,514	157,775
Community Support	1,808,270	1,487,928	1,631,265
Total General Government	8,504,943	7,696,211	6,562,331
Justice System			
County Clerk	530,529	478,362	507,094
County Court at Law 1	331,760	324,520	312,117
County Court at Law 2	330,316	322,956	310,852
85th District Court	207,099	202,885	189,816
272nd District Court	199,259	196,637	179,563
361st District Court	207,592	197,910	186,731
Juvenile Court Referee	126,895	126,119	120,913
Magistrate	64,773	--	--
District Clerk	652,165	601,387	542,158
Court and Jury Services	155,538	146,697	148,894
Collections	105,486	98,995	100,678
District Attorney	1,396,160	1,360,438	1,277,598
Child Protective Services	67,322	60,231	14,351
Gun Prosecution	22,800	3,108	--
County Attorney	1,528,920	1,446,644	1,322,096
Justices of the Peace	783,854	749,644	737,456
Judicial Court Support	1,786,500	1,416,875	1,103,958
Community Supervision Support	44,518	30,432	36,902
Total Justice System	8,541,486	7,763,840	7,091,177

BRAZOS COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2002
(With Actual Amounts For The Year Ended September 30, 2001)

EXPENDITURES (continued)	Budget	Actual	2001
Law Enforcement			
Sheriff Administration	\$ 2,373,576	\$ 2,319,187	\$ 2,131,811
Sheriff Jail Administration	6,012,230	5,754,585	5,094,814
Constable	790,132	774,475	723,507
Total Law Enforcement	9,175,938	8,848,247	7,950,132
Juvenile Services			
Juvenile Services	2,650,079	2,624,052	3,512,394
TYC - Parole	155,552	130,202	76,309
Juvenile Justice Alternative Education	74,290	72,988	--
Juvenile - Title IV E	85,232	130,037	112,889
TDHS - Commodities	3,230	3,228	5,799
Total Juvenile Services	2,968,383	2,960,507	3,707,391
Public Transportation			
Road and Bridge Administration	7,173,310	5,957,282	5,619,725
Total Public Transportation	7,173,310	5,957,282	5,619,725
Public Health			
Environmental Protection	155,550	145,063	137,506
Indigent Health Care	1,672,000	1,456,896	1,375,617
Community Public Health	199,500	125,437	116,250
Total Public Health	2,027,050	1,727,396	1,629,373
Human Services			
Brazos Center	584,452	558,615	514,690
Agriculture Extension Service	247,242	203,727	182,829
Elections	137,091	95,366	81,315
Veteran Services	13,080	12,536	8,927
County Fire Protection	266,000	285,990	236,409
Emergency Management	88,828	84,525	81,753
Health Department	48,950	48,758	45,211
Child Protective Services	50,000	43,455	41,746
Total Human Services	1,435,643	1,332,972	1,192,880
Capital Outlay	68,367	63,499	56,327

BRAZOS COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2002
(With Actual Amounts For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
EXPENDITURES (continued)			
Debt Service:			
Principal	165,000	161,880	--
Interest	16,000	15,763	--
Total Debt Service	<u>181,000</u>	<u>177,643</u>	<u>--</u>
TOTAL EXPENDITURES	<u>\$ 40,076,120</u>	<u>\$ 36,527,597</u>	<u>\$ 33,809,336</u>
Current Period Excess (Deficit)	<u>(3,539,497)</u>	<u>1,252,669</u>	<u>2,317,356</u>
Other Financing Sources (Uses)			
Operating Transfers In	84,720	19,147	44,485
Operating Transfers Out	(2,530,820)	(2,517,245)	(957,305)
Sale of Fixed Assets	50,000	105,542	81,797
Total Other Financing Sources (Uses)	<u>(2,396,100)</u>	<u>(2,392,556)</u>	<u>(831,023)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(5,935,597)</u>	<u>(1,139,887)</u>	<u>1,486,333</u>
FUND BALANCE, OCTOBER 1	20,579,638	20,579,638	19,104,103
Residual Equity Transfer Out	<u>--</u>	<u>--</u>	<u>(10,798)</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 14,644,041</u>	<u>\$ 19,439,751</u>	<u>\$ 20,579,638</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.

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.

Unclaimed Property Fund – A fund established to account for property with a value of \$100 or less that is presumed to be abandoned under the laws of the State of Texas. Expenditures of this fund are limited to the costs associated with publishing and postage 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.

Appellate Judicial Fund - A fund established to account for the \$5.00 fee assessed by County Courts in civil cases used to support the County's participation in its appellate districts.

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.

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 expressed purpose of records management and preservation. Receipt and expenditure of collected funds are monitored.

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. 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.

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SPECIAL REVENUE FUNDS

(continued)

Time Payment Fund – A fund established to account for fees assessed and collected by the District, County and Justice courts for cases in which the defendant has opted to pay the ordered amounts in installments. These funds can be used to improve the efficiency of the administration of justice.

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.

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.

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.

Voter Registration Fund - A fund established to account for funds received from the State (before 1991), which represent 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.

VIT Interest Fund - A fund established to account for the interest earned on the Vehicle Inventory Tax collected monthly by the Tax Assessor-Collector. 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 in support of the Narcotics Trafficking Task Force grant administered by the Sheriff. These funds were previously accounted for in the District Attorney Administration Expendable Trust Fund.

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

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**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2002**
(With Comparative Totals For September 30, 2001)

	State Lateral Road	Unclaimed Property	Law Library	Appellate Judicial	Alternative Dispute Resolution	Law Enforcement Education	County	County Clerk	Time Payment Fee	Courthouse Security	J. P. Technology	Special Forfeitures	Voter Registration	Vehicle	Sheriff	Grants	Combined Totals	
							Records Management and Preservation	Records Management and Preservation						Inventory Tax Interest	Department Crime Fund		2002	2001
ASSETS																		
Cash and Cash Equivalents	\$ 60,795	\$ 169,080	\$144,229	\$ 9,098	\$ 1,570	\$ 22,981	\$ 191,920	\$ 147,476	\$ 22,036	\$294,180	\$ 11,005	\$ 2,181	\$ 31,457	\$ 72,848	\$ 235,853	\$ (67,896)	\$1,348,813	\$1,655,206
Prepaid Expenditures	--	--	--	--	--	125	--	--	--	--	--	--	--	--	--	--	125	130
Receivables:																		
Interest	91	283	236	14	--	--	317	231	36	11	18	3	--	737	361	563	2,901	505
Accounts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	33,536	33,536	7,313
State	--	--	--	--	--	--	--	--	--	--	--	--	5	--	--	410,998	411,003	358,856
Due From Other Funds	--	1,953	--	--	--	--	--	--	--	--	--	--	--	--	--	13,039	14,992	4,848
TOTAL ASSETS	<u>\$ 60,886</u>	<u>\$ 171,316</u>	<u>\$144,465</u>	<u>\$ 9,112</u>	<u>\$ 1,570</u>	<u>\$ 23,106</u>	<u>\$ 192,237</u>	<u>\$ 147,707</u>	<u>\$ 22,072</u>	<u>\$294,191</u>	<u>\$ 11,023</u>	<u>\$ 2,184</u>	<u>\$ 31,462</u>	<u>\$ 73,585</u>	<u>\$ 236,214</u>	<u>\$390,240</u>	<u>\$1,811,370</u>	<u>\$2,026,858</u>
LIABILITIES AND FUND BALANCES																		
Liabilities																		
Accounts Payable	\$ --	\$ --	\$ 1,037	\$ --	\$ 1,570	\$ 151	\$ 7,998	\$ 400	\$ --	\$ 172	\$ --	\$ --	\$ --	\$ --	\$ --	\$231,977	\$ 243,305	\$ 372,188
Accrued Salary and Compensated Leave	--	--	--	--	--	--	--	2,074	--	6,547	--	--	--	445	--	62,979	72,045	53,660
Unclaimed Funds	--	156,110	--	--	--	--	--	--	--	--	--	--	--	--	--	--	156,110	139,137
Due to Other Funds	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	129,510
Deferred Revenues	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	112,964	112,964	80,356
Total Liabilities	<u>--</u>	<u>156,110</u>	<u>1,037</u>	<u>--</u>	<u>1,570</u>	<u>151</u>	<u>7,998</u>	<u>2,474</u>	<u>--</u>	<u>6,719</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>445</u>	<u>--</u>	<u>407,920</u>	<u>584,424</u>	<u>774,851</u>
Fund Balances																		
Reserved																		
For Special Purpose Programs	60,886	15,206	143,428	9,112	--	22,955	184,239	145,233	22,072	287,472	11,023	2,184	31,462	73,140	236,214	(17,680)	1,226,946	1,252,007
Total Fund Balances	<u>60,886</u>	<u>15,206</u>	<u>143,428</u>	<u>9,112</u>	<u>--</u>	<u>22,955</u>	<u>184,239</u>	<u>145,233</u>	<u>22,072</u>	<u>287,472</u>	<u>11,023</u>	<u>2,184</u>	<u>31,462</u>	<u>73,140</u>	<u>236,214</u>	<u>(17,680)</u>	<u>1,226,946</u>	<u>1,252,007</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 60,886</u>	<u>\$ 171,316</u>	<u>\$144,465</u>	<u>\$ 9,112</u>	<u>\$ 1,570</u>	<u>\$ 23,106</u>	<u>\$ 192,237</u>	<u>\$ 147,707</u>	<u>\$ 22,072</u>	<u>\$294,191</u>	<u>\$ 11,023</u>	<u>\$ 2,184</u>	<u>\$ 31,462</u>	<u>\$ 73,585</u>	<u>\$ 236,214</u>	<u>\$390,240</u>	<u>\$1,811,370</u>	<u>\$2,026,858</u>

BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	State Lateral Road	Unclaimed Property	Law Library	Appellate Judicial	Alternative Dispute Resolution	Law Enforcement Education	County Records	County Clerk Records	Time Payment	Courthouse Security	J. P. Technology	Special Forfeitures	Voter Registration	Vehicle Inventory	Sheriff Department	Grants	Combined Totals	
							Management and Preservation	Management and Preservation						Tax Interest	Crime Fund		2002	2001
REVENUES																		
Charges for Service	\$ --	\$ --	\$ 37,600	\$ 8,410	\$ 18,800	\$ --	\$ 53,277	\$ 71,592	\$ 4,853	\$ 87,911	\$ 10,882	\$ --	\$ --	\$ 995	\$ 71,194	\$ --	\$ 365,514	\$ 314,633
Intergovernmental	24,984	--	--	--	--	19,722	--	--	--	--	--	--	--	--	--	1,921,291	1,965,997	2,464,507
Interest	1,037	3,314	2,255	156	--	--	5,435	2,173	335	6,049	141	37	661	4,052	4,638	2,813	33,096	85,602
TOTAL REVENUES	26,021	3,314	39,855	8,566	18,800	19,722	58,712	73,765	5,188	93,960	11,023	37	661	5,047	75,832	1,924,104	2,364,607	2,864,742
EXPENDITURES																		
General Government	--	69	--	--	--	--	400,871	--	--	--	--	--	1,369	12,968	--	--	415,277	157,575
Justice System	--	--	16,835	38,129	23,800	--	--	46,767	--	--	--	--	--	--	--	87,728	213,259	260,455
Law Enforcement	--	--	--	--	--	11,048	--	--	--	118,167	--	--	--	--	4,680	818,515	952,410	954,593
Juvenile Services	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	781,998	781,998	679,001
Public Transportation	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	440,879	440,879	186,530
Human Services	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	22,033	22,033	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	20,575	20,575	876,791
TOTAL EXPENDITURES	--	69	16,835	38,129	23,800	11,048	400,871	46,767	--	118,167	--	--	1,369	12,968	4,680	2,171,728	2,846,431	3,114,945
Excess (Deficiency) of Revenues Over Expenditures	26,021	3,245	23,020	(29,563)	(5,000)	8,674	(342,159)	26,998	5,188	(24,207)	11,023	37	(708)	(7,921)	71,152	(247,624)	(481,824)	(250,203)
OTHER FINANCING SOURCES																		
Operating Transfers In	--	--	--	38,300	5,000	--	250,000	--	--	--	--	--	--	--	--	183,745	477,045	359,056
Operating Transfers Out	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(20,282)	--	(20,282)	--
TOTAL OTHER FINANCING SOURCES	--	--	--	38,300	5,000	--	250,000	--	--	--	--	--	--	--	(20,282)	183,745	456,763	359,056
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	26,021	3,245	23,020	8,737	--	8,674	(92,159)	26,998	5,188	(24,207)	11,023	37	(708)	(7,921)	50,870	(63,879)	(25,061)	108,853
FUND BALANCES, OCTOBER 1	34,865	11,961	120,408	375	--	14,281	276,398	118,235	16,884	311,679	--	2,147	32,170	81,061	185,344	46,199	1,252,007	1,132,356
Residual Equity Transfers In	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	10,798
FUND BALANCES, SEPTEMBER 30	\$ 60,886	\$ 15,206	\$ 143,428	\$ 9,112	\$ --	\$ 22,955	\$ 184,239	\$ 145,233	\$ 22,072	\$ 287,472	\$ 11,023	\$ 2,184	\$ 31,462	\$ 73,140	\$ 236,214	\$ (17,680)	\$ 1,226,946	\$ 1,252,007

BRAZOS COUNTY, TEXAS
STATE LATERAL ROAD
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	Budget	Actual	2001
REVENUES			
Intergovernmental	\$ 24,000	\$ 24,984	\$ 24,918
Interest	1,000	1,037	1,521
TOTAL REVENUES	25,000	26,021	26,439
EXPENDITURES			
Public Transportation			
Repairs and Maintenance	59,500	--	--
TOTAL EXPENDITURES	59,500	--	--
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(34,500)	26,021	26,439
FUND BALANCE, OCTOBER 1	34,865	34,865	8,426
FUND BALANCE, SEPTEMBER 30	\$ 365	\$ 60,886	\$ 34,865

BRAZOS COUNTY, TEXAS
UNCLAIMED PROPERTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Interest	\$ 8,000	\$ 3,314	\$ 10,600
TOTAL REVENUES	<u>8,000</u>	<u>3,314</u>	<u>10,600</u>
EXPENDITURES			
General Government			
Supplies and Other Charges	19,360	69	--
TOTAL EXPENDITURES	<u>19,360</u>	<u>69</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,360)	3,245	10,600
FUND BALANCE, OCTOBER 1	<u>11,961</u>	<u>11,961</u>	<u>1,361</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 601</u>	<u>\$ 15,206</u>	<u>\$ 11,961</u>

BRAZOS COUNTY, TEXAS
LAW LIBRARY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Charges for Service	\$ 30,000	\$ 37,600	\$ 34,627
Interest	<u>2,500</u>	<u>2,255</u>	<u>4,835</u>
TOTAL REVENUES	<u>32,500</u>	<u>39,855</u>	<u>39,462</u>
EXPENDITURES			
Justice System			
Supplies and Other Charges	<u>158,500</u>	<u>16,835</u>	<u>24,644</u>
TOTAL EXPENDITURES	<u>158,500</u>	<u>16,835</u>	<u>24,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(126,000)	23,020	14,818
FUND BALANCE, OCTOBER 1	<u>120,408</u>	<u>120,408</u>	<u>105,590</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ (5,592)</u>	<u>\$ 143,428</u>	<u>\$ 120,408</u>

BRAZOS COUNTY, TEXAS
APPELLATE JUDICIAL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Charges for Service	\$ 7,650	\$ 8,410	\$ 8,295
Interest	50	156	282
TOTAL REVENUES	<u>7,700</u>	<u>8,566</u>	<u>8,577</u>
EXPENDITURES			
Justice System			
Supplies and Other Charges	<u>46,500</u>	<u>38,129</u>	<u>37,422</u>
TOTAL EXPENDITURES	<u>46,500</u>	<u>38,129</u>	<u>37,422</u>
Deficiency of Revenues Under Expenditures	<u>(38,800)</u>	<u>(29,563)</u>	<u>(28,845)</u>
OTHER FINANCING SOURCES			
Operating Transfers In	<u>38,300</u>	<u>38,300</u>	<u>36,940</u>
TOTAL OTHER FINANCING SOURCES	<u>38,300</u>	<u>38,300</u>	<u>36,940</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(500)	8,737	8,095
FUND BALANCE, OCTOBER 1	<u>375</u>	<u>375</u>	<u>(7,720)</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ (125)</u>	<u>\$ 9,112</u>	<u>\$ 375</u>

BRAZOS COUNTY, TEXAS
ALTERNATIVE DISPUTE RESOLUTION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Charges for Service	<u>\$ 18,800</u>	<u>\$ 18,800</u>	<u>\$ 18,195</u>
TOTAL REVENUES	<u>18,800</u>	<u>18,800</u>	<u>18,195</u>
EXPENDITURES			
Justice System			
Supplies and Other Charges	<u>23,800</u>	<u>23,800</u>	<u>23,195</u>
TOTAL EXPENDITURES	<u>23,800</u>	<u>23,800</u>	<u>23,195</u>
Deficiency of Revenues Over (Under) Expenditures	(5,000)	(5,000)	(5,000)
OTHER FINANCING SOURCES			
Operating Transfers In	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
TOTAL OTHER FINANCING SOURCES	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Excess of Revenues and Other Financing Sources Over Expenditures	--	--	--
FUND BALANCE, OCTOBER 1	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

BRAZOS COUNTY, TEXAS
LAW ENFORCEMENT EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Intergovernmental	\$ 19,008	\$ 19,722	\$ 19,560
TOTAL REVENUES	<u>19,008</u>	<u>19,722</u>	<u>19,560</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	<u>32,608</u>	<u>11,048</u>	<u>26,861</u>
TOTAL EXPENDITURES	<u>32,608</u>	<u>11,048</u>	<u>26,861</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,600)	8,674	(7,301)
FUND BALANCE, OCTOBER 1	<u>14,281</u>	<u>14,281</u>	<u>21,582</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 681</u>	<u>\$ 22,955</u>	<u>\$ 14,281</u>

BRAZOS COUNTY, TEXAS
COUNTY RECORDS MANAGEMENT AND PRESERVATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Charges for Service	\$ 50,000	\$ 53,277	\$ 67,711
Interest	4,000	5,435	13,261
TOTAL REVENUES	<u>54,000</u>	<u>58,712</u>	<u>80,972</u>
EXPENDITURES			
General Government			
Supplies and Other Charges	5,000	590	1,399
Repairs and Maintenance	--	--	3,903
Contract Services	20,000	--	(655)
Professional Services	450,000	400,281	146,444
TOTAL EXPENDITURES	<u>475,000</u>	<u>400,871</u>	<u>151,091</u>
Deficiency of Revenues Under Expenditures	(421,000)	(342,159)	(70,119)
OTHER FINANCING SOURCES			
Operating Transfers In	<u>250,000</u>	<u>250,000</u>	<u>200,000</u>
TOTAL OTHER FINANCING SOURCES	<u>250,000</u>	<u>250,000</u>	<u>200,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(171,000)	(92,159)	129,881
FUND BALANCE, OCTOBER 1	<u>276,398</u>	<u>276,398</u>	<u>146,517</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 105,398</u>	<u>\$ 184,239</u>	<u>\$ 276,398</u>

BRAZOS COUNTY, TEXAS
COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Charges for Service	\$ 55,330	\$ 71,592	\$ 60,660
Interest	3,000	2,173	5,401
TOTAL REVENUES	<u>58,330</u>	<u>73,765</u>	<u>66,061</u>
EXPENDITURES			
Justice System			
Personnel Services	39,510	38,270	42,063
Supplies and Other Charges	41,620	1,928	722
Repairs and Maintenance	1,500	--	--
Minor Equipment	12,200	--	--
Contract Services	63,500	6,569	28,260
TOTAL EXPENDITURES	<u>158,330</u>	<u>46,767</u>	<u>71,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000)	26,998	(4,984)
FUND BALANCE, OCTOBER 1	<u>118,235</u>	<u>118,235</u>	<u>123,219</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 18,235</u>	<u>\$ 145,233</u>	<u>\$ 118,235</u>

BRAZOS COUNTY, TEXAS
TIME PAYMENT FEE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Charges for Service	\$ 6,495	\$ 4,853	\$ 5,571
Interest	400	335	515
TOTAL REVENUES	<u>6,895</u>	<u>5,188</u>	<u>6,086</u>
EXPENDITURES			
Justice System			
Supplies and Other Charges	24,695	--	--
TOTAL EXPENDITURES	<u>24,695</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,800)	5,188	6,086
FUND BALANCE, OCTOBER 1	16,884	16,884	--
Residual Equity Transfer In	--	--	10,798
FUND BALANCE, SEPTEMBER 30	<u>\$ (916)</u>	<u>\$ 22,072</u>	<u>\$ 16,884</u>

**BRAZOS COUNTY, TEXAS
COURTHOUSE SECURITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)**

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Charges for Service	\$ 75,000	\$ 87,911	\$ 86,018
Interest	9,000	6,049	15,840
TOTAL REVENUES	<u>84,000</u>	<u>93,960</u>	<u>101,858</u>
EXPENDITURES			
Law Enforcement			
Personnel Services	111,920	111,425	104,017
Supplies and Other Charges	6,953	2,912	4,354
Repairs and Maintenance	2,997	2,997	--
Minor Equipment	1,100	833	--
TOTAL EXPENDITURES	<u>122,970</u>	<u>118,167</u>	<u>108,371</u>
Deficiency of Revenues Under Expenditures	(38,970)	(24,207)	(6,513)
FUND BALANCE, OCTOBER 1	<u>311,679</u>	<u>311,679</u>	<u>318,192</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 272,709</u></u>	<u><u>\$ 287,472</u></u>	<u><u>\$ 311,679</u></u>

**BRAZOS COUNTY, TEXAS
JUSTICE OF THE PEACE TECHNOLOGY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002**

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Charges for Service	\$ 28,000	\$ 10,882
Interest	--	141
TOTAL REVENUES	<u>28,000</u>	<u>11,023</u>
EXPENDITURES		
Capital Outlay	28,000	--
TOTAL EXPENDITURES	<u>28,000</u>	<u>--</u>
Excess of Revenues Over Expenditures	--	11,023
FUND BALANCE, OCTOBER 1	<u>--</u>	<u>--</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ --</u>	<u>\$ 11,023</u>

BRAZOS COUNTY, TEXAS
SPECIAL FORFEITURES
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Charges for Service	\$ --	\$ --	\$ 116
Interest	50	37	86
TOTAL REVENUES	<u>50</u>	<u>37</u>	<u>202</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	1,000	--	--
Capital Outlay	<u>1,050</u>	<u>--</u>	<u>--</u>
TOTAL EXPENDITURES	<u>2,050</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over Expenditures Over (Under) Expenditures	(2,000)	37	202
FUND BALANCE, OCTOBER 1	<u>2,147</u>	<u>2,147</u>	<u>1,945</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 147</u>	<u>\$ 2,184</u>	<u>\$ 2,147</u>

BRAZOS COUNTY, TEXAS
VOTER REGISTRATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Intergovernmental	\$ --	\$ --	\$ 225
Interest	1,000	661	1,705
TOTAL REVENUES	<u>1,000</u>	<u>661</u>	<u>1,930</u>
EXPENDITURES			
General Government			
Personnel Services	3,500	--	--
Supplies and Other Charges	9,500	1,369	3,979
Capital Outlay	<u>17,000</u>	<u>--</u>	<u>--</u>
TOTAL EXPENDITURES	<u>30,000</u>	<u>1,369</u>	<u>3,979</u>
Deficiency of Revenues Under Expenditures	(29,000)	(708)	(2,049)
FUND BALANCE, OCTOBER 1	<u>32,170</u>	<u>32,170</u>	<u>34,219</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 3,170</u>	<u>\$ 31,462</u>	<u>\$ 32,170</u>

BRAZOS COUNTY, TEXAS
VEHICLE INVENTORY TAX INTEREST
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Charges for Services	\$ --	\$ 995	\$ --
Interest	15,000	4,052	14,507
TOTAL REVENUES	<u>15,000</u>	<u>5,047</u>	<u>14,507</u>
EXPENDITURES			
General Government			
Personnel Services	13,210	12,027	2,505
Supplies and Other Charges	2,000	--	--
Minor Acquisitions	8,000	941	--
Professional Services	5,000	--	--
TOTAL EXPENDITURES	<u>28,210</u>	<u>12,968</u>	<u>2,505</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(13,210)	(7,921)	12,002
FUND BALANCE, OCTOBER 1	<u>81,061</u>	<u>81,061</u>	<u>69,059</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 67,851</u>	<u>\$ 73,140</u>	<u>\$ 81,061</u>

BRAZOS COUNTY, TEXAS
SHERIFF DEPARTMENT CRIME FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Charges for Services	\$ 66,920	\$ 71,194	\$ 33,440
Interest	4,000	4,638	5,554
TOTAL REVENUES	<u>70,920</u>	<u>75,832</u>	<u>38,994</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	63,000	4,680	3,700
Repairs and Maintenance	16,400	--	(10)
Contract Services	--	--	783
Professional Services	4,800	--	--
Capital Outlay	<u>115,800</u>	<u>--</u>	<u>23,958</u>
TOTAL EXPENDITURES	<u>200,000</u>	<u>4,680</u>	<u>28,431</u>
Excess (Deficiency) of Revenues Over Over (Under) Expenditures	(129,080)	71,152	10,563
OTHER FINANCING USES			
Operating Transfers Out	<u>(16,920)</u>	<u>(20,282)</u>	<u>--</u>
TOTAL OTHER FINANCING USES	<u>(16,920)</u>	<u>(20,282)</u>	<u>--</u>
Excess (Deficiency) of Revenues Over Over (Under) Expenditures and Other Financing Uses	(146,000)	50,870	10,563
FUND BALANCE, OCTOBER 1	185,344	185,344	174,781
FUND BALANCE, SEPTEMBER 30	<u>\$ 39,344</u>	<u>\$ 236,214</u>	<u>\$ 185,344</u>

BRAZOS COUNTY, TEXAS
GRANTS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Intergovernmental - Federal			
Department of Justice	\$ 45,538	\$ 4,579	\$ 67,003
Department of Transportation	572,151	425,672	797,503
U. S. Federal Transit Administration	33,982	33,339	39,253
Narcotics Task Force	509,697	481,981	575,537
Juvenile Accountability Incentive	65,547	51,024	38,410
Emergency Management Agency	19,200	17,626	--
Total Intergovernmental - Federal	<u>1,246,115</u>	<u>1,014,221</u>	<u>1,517,706</u>
Intergovernmental - State			
Texas Juvenile Probation Commission	587,040	576,568	546,470
Texas Office of the Attorney General	--	--	22,477
D. A. Salary Supplement	5,370	--	--
Total Intergovernmental - State	<u>592,410</u>	<u>576,568</u>	<u>568,947</u>
Intergovernmental - Other			
Matching Funds	425,756	330,502	333,151
Total Intergovernmental - Other	<u>425,756</u>	<u>330,502</u>	<u>333,151</u>
Interest	<u>7,000</u>	<u>2,813</u>	<u>11,495</u>
TOTAL REVENUES	<u>2,271,281</u>	<u>1,924,104</u>	<u>2,431,299</u>
EXPENDITURES			
Justice System	105,783	87,728	104,149
Law Enforcement	930,803	818,515	814,888
Juvenile Services	787,424	781,998	679,001
Public Transportation	611,971	440,879	186,530
Human Services	24,000	22,033	--
Capital Outlay	103,468	20,575	852,833
TOTAL EXPENDITURES	<u>2,563,449</u>	<u>2,171,728</u>	<u>2,637,401</u>
Deficiency of Revenues Under Expenditures	(292,168)	(247,624)	(206,102)
OTHER FINANCING SOURCES			
Operating Transfers In	<u>186,370</u>	<u>183,745</u>	<u>117,116</u>
TOTAL OTHER FINANCING SOURCES	<u>186,370</u>	<u>183,745</u>	<u>117,116</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures	(105,798)	(63,879)	(88,986)
FUND BALANCE, OCTOBER 1	<u>46,199</u>	<u>46,199</u>	<u>135,185</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ (59,599)</u>	<u>\$ (17,680)</u>	<u>\$ 46,199</u>

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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 and certificates of obligation.

BRAZOS COUNTY, TEXAS
DEBT SERVICE FUND
BALANCE SHEET
September 30, 2002
(With Comparative Totals For September 30, 2001)

	2002	2001
ASSETS		
Cash and Cash Equivalents	\$ 1,864,658	\$ 903,000
Investments	--	1,155,525
Receivable-Taxes	181,247	128,975
Receivable- Officials	2,047	--
Receivable-Interest	1,702	208
Due From Other Funds	85,164	253,368
TOTAL ASSETS	\$ 2,134,818	\$ 2,441,076
 LIABILITIES AND FUND BALANCE		
Liabilities		
Deferred Revenues	\$ 173,508	\$ 128,975
Total Liabilities	173,508	128,975
 Fund Balance		
Reserved For Debt Service	1,961,310	2,312,101
Total Fund Balance	1,961,310	2,312,101
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,134,818	\$ 2,441,076

BRAZOS COUNTY, TEXAS
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	Budget	Actual	2001
REVENUES			
Taxes	\$ 1,800,000	\$ 1,876,475	\$ 1,833,953
Interest	65,000	75,145	109,633
TOTAL REVENUES	1,865,000	1,951,620	1,943,586
EXPENDITURES			
Debt Service:			
Principal	1,060,000	1,060,000	860,000
Interest	1,243,060	1,240,364	972,192
Agent Fees	4,940	2,047	1,435
TOTAL EXPENDITURES	2,308,000	2,302,411	1,833,627
Excess (Deficiency) of Revenues Over (Under) Expenditures	(443,000)	(350,791)	109,959
FUND BALANCE, OCTOBER 1	2,312,101	2,312,101	2,202,142
FUND BALANCE, SEPTEMBER 30	\$ 1,869,101	\$ 1,961,310	\$ 2,312,101

CAPITAL PROJECT FUNDS

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

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

Judicial Software Fund – This fund is established to account for the expenditures for acquisition and installation of the criminal justice software system. The expenditures are financed through the issuance of Certificates of Obligation and other financial resources.

Exposition Center Fund – This fund is established to account for the expenditures for the purchase of land and the construction of the Brazos County Exposition Center.

Capital Road Fund - This fund is established to account for expenditures for new construction and upgrading of the County's road and bridge infrastructure, financed through the issuance of Certificates of Obligation and related financial resources.

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET**

September 30, 2002

(With Comparative Totals For September 30, 2001)

	<u>Capital Improvement</u>	<u>Judicial Software</u>	<u>Exposition Center</u>	<u>Capital Road</u>	<u>Combined Totals</u>	
					<u>2002</u>	<u>2001</u>
ASSETS						
Cash and Cash Equivalents	\$ 946,940	\$ 689,696	\$ 6,227,210	\$ --	\$ 7,863,846	\$ 3,429,946
Receivables:						
Accounts	--	1,155	10,430	--	11,585	2,958
TOTAL ASSETS	<u>\$ 946,940</u>	<u>\$ 690,851</u>	<u>\$ 6,237,640</u>	<u>\$ --</u>	<u>\$ 7,875,431</u>	<u>\$ 3,432,904</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ --	\$ 168,655	\$ 2,074	\$ --	\$ 170,729	\$ 442,058
Contracts Payable	--	361,166	--	--	361,166	\$ --
Due to Other Funds	--	--	--	--	--	544
Total Liabilities	<u>--</u>	<u>529,821</u>	<u>2,074</u>	<u>--</u>	<u>531,895</u>	<u>442,602</u>
Fund Balances						
Unreserved						
Designated For Capital Improvements	946,940	161,030	6,235,566	--	7,343,536	2,990,302
Total Fund Balances	<u>946,940</u>	<u>161,030</u>	<u>6,235,566</u>	<u>--</u>	<u>7,343,536</u>	<u>2,990,302</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 946,940</u>	<u>\$ 690,851</u>	<u>\$ 6,237,640</u>	<u>\$ --</u>	<u>\$ 7,875,431</u>	<u>\$ 3,432,904</u>

BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Capital Improvement</u>	<u>Judicial Software</u>	<u>Exposition Center</u>	<u>Capital Road</u>	<u>Combined Totals</u>	
					2002	2001
REVENUES						
Interest	\$ 18,527	\$ 14,031	\$ 88,564	\$ 12,196	\$ 133,318	\$ 212,388
TOTAL REVENUES	<u>18,527</u>	<u>14,031</u>	<u>88,564</u>	<u>12,196</u>	<u>133,318</u>	<u>212,388</u>
EXPENDITURES						
General Government	4,280	197,797	--	--	202,077	83,937
Public Transportation	--	--	--	1,255,750	1,255,750	2,006,808
Capital Outlay	945,554	2,170,656	1,852,998	--	4,969,208	1,175,593
TOTAL EXPENDITURES	<u>949,834</u>	<u>2,368,453</u>	<u>1,852,998</u>	<u>1,255,750</u>	<u>6,427,035</u>	<u>3,266,338</u>
Deficiency of Revenues Under Expenditures	(931,307)	(2,354,422)	(1,764,434)	(1,243,554)	(6,293,717)	(3,053,950)
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	200,000	800,000	--	163,482	1,163,482	2,427,316
Operating Transfer Out	(14,431)	--	--	--	(14,431)	(1,871,801)
Proceeds From Debt Obligations	497,900	1,000,000	8,000,000	--	9,497,900	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>683,469</u>	<u>1,800,000</u>	<u>8,000,000</u>	<u>163,482</u>	<u>10,646,951</u>	<u>555,515</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(247,838)	(554,422)	6,235,566	(1,080,072)	4,353,234	(2,498,435)
FUND BALANCES, OCTOBER 1	1,194,778	715,452	--	1,080,072	2,990,302	5,488,737
FUND BALANCES, SEPTEMBER 30	<u>\$ 946,940</u>	<u>\$ 161,030</u>	<u>\$ 6,235,566</u>	<u>\$ --</u>	<u>\$ 7,343,536</u>	<u>\$ 2,990,302</u>

BRAZOS COUNTY, TEXAS
CAPITAL IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Interest	\$ 80,000	\$ 18,527	\$ 59,040
TOTAL REVENUES	<u>80,000</u>	<u>18,527</u>	<u>59,040</u>
EXPENDITURES			
General Government			
Repairs and Maintenance	--	--	45,624
Minor Acquisitions	--	4,280	18,187
Capital Outlay	<u>1,200,000</u>	<u>945,554</u>	<u>1,072,645</u>
TOTAL EXPENDITURES	<u>1,200,000</u>	<u>949,834</u>	<u>1,136,456</u>
Deficiency of Revenues Under Expenditures	(1,120,000)	(931,307)	(1,077,416)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	200,000	200,000	600,000
Operating Transfers Out	(80,000)	(14,431)	(844,485)
Proceeds From Debt Obligations	497,900	497,900	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>617,900</u>	<u>683,469</u>	<u>(244,485)</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(502,100)	(247,838)	(1,321,901)
FUND BALANCE, OCTOBER 1	<u>1,194,778</u>	<u>1,194,778</u>	<u>2,516,679</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 692,678</u>	<u>\$ 946,940</u>	<u>\$ 1,194,778</u>

BRAZOS COUNTY, TEXAS
JUDICIAL SOFTWARE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Interest	\$ 32,000	\$ 14,031	\$ 12,560
TOTAL REVENUES	<u>32,000</u>	<u>14,031</u>	<u>12,560</u>
EXPENDITURES			
General Government			
Supplies and Other Charges	118,000	16,219	18,320
Repairs and Maintenance	4,854	4,854	--
Minor Acquisitions	215,284	176,724	1,806
Professional Services	1,987,000	--	--
Capital Outlay	<u>206,862</u>	<u>2,170,656</u>	<u>76,982</u>
TOTAL EXPENDITURES	<u>2,532,000</u>	<u>2,368,453</u>	<u>97,108</u>
Deficiency of Revenues Under Expenditures	(2,500,000)	(2,354,422)	(84,548)
OTHER FINANCING SOURCES			
Operating Transfers In	800,000	800,000	800,000
Proceeds From Certificates of Obligation	1,000,000	1,000,000	--
TOTAL OTHER FINANCING SOURCES	<u>1,800,000</u>	<u>1,800,000</u>	<u>800,000</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures	(700,000)	(554,422)	715,452
FUND BALANCE, OCTOBER 1	<u>715,452</u>	<u>715,452</u>	<u>--</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 15,452</u>	<u>\$ 161,030</u>	<u>\$ 715,452</u>

BRAZOS COUNTY, TEXAS
EXPOSITION CENTER FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2002

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Interest	\$ 100,000	\$ 88,564
TOTAL REVENUES	<u>100,000</u>	<u>88,564</u>
 EXPENDITURES		
Capital Outlay	<u>8,100,000</u>	<u>1,852,998</u>
TOTAL EXPENDITURES	<u>8,100,000</u>	<u>1,852,998</u>
 Deficiency of Revenues Under Expenditures	(8,000,000)	(1,764,434)
 OTHER FINANCING SOURCES		
Proceed From General Obligations Bonds	<u>8,000,000</u>	<u>8,000,000</u>
TOTAL OTHER FINANCING SOURCES	<u>8,000,000</u>	<u>8,000,000</u>
 Excess of Revenues and Other Financing Sources Over Expenditures	--	6,235,566
 FUND BALANCE, OCTOBER 1	<u>--</u>	<u>--</u>
 FUND BALANCE, SEPTEMBER 30	<u>\$ --</u>	<u>\$ 6,235,566</u>

BRAZOS COUNTY, TEXAS
CAPITAL ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Budget</u>	<u>Actual</u>	<u>2001</u>
REVENUES			
Interest	\$ 10,000	\$ 12,196	\$ 140,788
TOTAL REVENUES	<u>10,000</u>	<u>12,196</u>	<u>140,788</u>
EXPENDITURES			
Public Transportation			
Minor Acquisitions	--	--	216
Right of Way Acquisition	454,700	448,943	216,422
Road and Bridge Cost	807,100	806,807	1,790,170
Capital Outlay	--	--	25,966
TOTAL EXPENDITURES	<u>1,261,800</u>	<u>1,255,750</u>	<u>2,032,774</u>
Deficiency of Revenues Under Expenditures	(1,251,800)	(1,243,554)	(1,891,986)
OTHER FINANCING SOURCES			
Operating Transfers In	<u>171,800</u>	<u>163,482</u>	<u>1,027,316</u>
TOTAL OTHER FINANCING SOURCES	<u>171,800</u>	<u>163,482</u>	<u>1,027,316</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures	(1,080,000)	(1,080,072)	(864,670)
FUND BALANCE, OCTOBER 1	<u>1,080,072</u>	<u>1,080,072</u>	<u>1,944,742</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 72</u>	<u>\$ --</u>	<u>\$ 1,080,072</u>

PROPRIETARY FUNDS

A **Proprietary Fund** is established to account for activities that are similar to those found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to these activities are accounted for through proprietary funds.

Internal Service Fund - This fund is established to account for the financing of goods and services provided by one department to another department or agency of County government, on a cost reimbursement basis.

Health and Life Insurance Fund - This fund has been created to account for Brazos County's self-insured health insurance program and its group life insurance plan. The fund has partnered with three governmental entities that represent approximately 760 employees.

Enterprise Fund - This fund is established to account for operations that are financed and operated in a manner similar to private businesses. The intent of the governing body is to ensure that the costs of providing goods and services on a continuing basis to the general public are financed or recovered through user charges.

Jail Commissary Fund - This fund is used to account for the Sheriff's operation of a commissary for jail inmates. Monies belonging to inmates are held in a separate trust fund by the Sheriff, and used by inmates to purchase goods and services offered by the commissary. The commissary is funded entirely through profits on sales of commissary items. Medical services provided to inmates are paid for at cost.

County Attorney Operating Fund - This fund is used to account for the collection of fees associated with the County Attorney's effort to assist merchants in the collection of insufficient checks delivered to the merchants. The fees collected are used to support the costs of both collection efforts, and the County Attorney's office.

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**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
BALANCE SHEET
September 30, 2002**

(With Comparative Totals For September 30, 2001)

	2002	2001
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 342,656	\$ 766,265
Accounts Receivable	789	114,853
Due From Other Funds	237,000	--
TOTAL ASSETS	\$ 580,445	\$ 881,118
 LIABILITIES AND FUND EQUITY		
Current Liabilities		
Accounts Payable	\$ 530,527	\$ 724,252
Total Liabilities	530,527	724,252
Fund Equity		
Retained Earnings	49,918	156,866
Total Fund Equity	49,918	156,866
TOTAL LIABILITIES AND FUND EQUITY	\$ 580,445	\$ 881,118

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
For The Year Ended September 30, 2002**

(With Comparative Totals For The Year Ended September 30, 2001)

	2002	2001
OPERATING REVENUES		
Employee Dependents	\$ 493,643	\$ 463,107
Self Pays	379,000	311,526
Excess Risk Benefits	378	1,037,281
Brazos County	2,608,487	2,329,920
Retirees	48,134	58,291
Other Revenue	--	190
TOTAL OPERATING REVENUES	3,529,642	4,200,315
OPERATING EXPENSES		
Life Insurance	29,101	28,038
Stop Loss Premiums	289,711	263,159
Benefit Claims	4,096,852	4,565,474
Administrative Fees	130,108	109,325
TOTAL OPERATING EXPENSES	4,545,772	4,965,996
OPERATING LOSS	(1,016,130)	(765,681)
NONOPERATING REVENUES		
Interest	12,182	58,174
TOTAL NONOPERATING REVENUES BEFORE TRANSFERS	12,182	58,174
LOSS BEFORE OPERATING TRANSFER	(1,003,948)	(707,507)
Transfer From General Fund	897,000	--
NET LOSS	(106,948)	(707,507)
RETAINED EARNINGS, OCTOBER 1	156,866	864,373
RETAINED EARNINGS, SEPTEMBER 30	\$ 49,918	\$ 156,866

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF CASH FLOWS**

For The Year Ended September 30, 2002

(With Comparative Totals For The Year Ended September 30, 2001)

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Operating Loss	\$ (1,016,130)	\$ (765,681)
(Increase) Decrease In Receivables	114,064	(80,432)
Increase In Due From Other Funds	(237,000)	--
Increase (Decrease) in Accounts Payable	(193,725)	205,046
NET CASH USED BY OPERATING ACTIVITIES	(1,332,791)	(641,067)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer From General Fund	897,000	--
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	897,000	--
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	12,182	58,174
NET CASH PROVIDED BY INVESTING ACTIVITIES	12,182	58,174
DECREASE IN CASH AND CASH EQUIVALENTS	(423,609)	(582,893)
CASH AND CASH EQUIVALENTS, OCTOBER 1	766,265	1,349,158
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	\$ 342,656	\$ 766,265

**BRAZOS COUNTY, TEXAS
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
September 30, 2002**

(With Comparative Totals For September 30, 2001)

	Jail Commissary Fund	County Attorney Operating Fund	Combined 2002	Combined 2001
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 69,752	\$ 4,247	\$ 73,999	\$ 103,570
Accounts Receivable	91	-	91	198
Due From Other Funds	10,379	3,209	13,588	4,980
Inventory	7,025	--	7,025	10,340
Fixed Assets				
Machinery and Equipment	--	86,348	86,348	86,348
Accumulated Depreciation Machinery and Equipment	--	(79,908)	(79,908)	(71,745)
TOTAL ASSETS	\$ 87,247	\$ 13,896	\$ 101,143	\$ 133,691
LIABILITIES AND FUND EQUITY				
Current Liabilities				
Accounts Payable	\$ 13,348	\$ --	\$ 13,348	\$ 14,658
Accrued Salary and Compensatory Leave	3,675	5,494	9,169	3,385
Due To Other Funds	--	10,337	10,337	79
Total Liabilities	17,023	15,831	32,854	18,122
Fund Equity				
Retained Earnings	70,224	(1,935)	68,289	115,569
Total Fund Equity	70,224	(1,935)	68,289	115,569
TOTAL LIABILITIES AND FUND EQUITY	\$ 87,247	\$ 13,896	\$ 101,143	\$ 133,691

BRAZOS COUNTY, TEXAS
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
For The Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>Jail Commissary Fund</u>	<u>County Attorney Operating Fund</u>	<u>Combined 2002</u>	<u>Combined 2001</u>
OPERATING REVENUES				
Fees of Services	\$ --	\$ 106,934	\$ 106,934	\$ 132,458
Commissary Sales	<u>188,644</u>	<u>--</u>	<u>188,644</u>	<u>201,662</u>
TOTAL OPERATING REVENUES	<u>188,644</u>	<u>106,934</u>	<u>295,578</u>	<u>334,120</u>
OPERATING EXPENSES				
Personnel Services	59,661	137,369	197,030	190,016
Departmental Support	29,036	1,080	30,116	27,079
Cost of Goods Sold	103,914	--	103,914	112,524
Depreciation Expense	<u>--</u>	<u>8,163</u>	<u>8,163</u>	<u>10,308</u>
TOTAL OPERATING EXPENSES	<u>192,611</u>	<u>146,612</u>	<u>339,223</u>	<u>339,927</u>
OPERATING LOSS	<u>(3,967)</u>	<u>(39,678)</u>	<u>(43,645)</u>	<u>(5,807)</u>
NONOPERATING REVENUES				
Interest Revenue	<u>1,081</u>	<u>--</u>	<u>1,081</u>	<u>1,761</u>
TOTAL NONOPERATING REVENUES	<u>1,081</u>	<u>--</u>	<u>1,081</u>	<u>1,761</u>
LOSS BEFORE OPERATING TRANSFERS	(2,886)	(39,678)	(42,564)	(4,046)
Transfer to General Fund	<u>--</u>	<u>(4,716)</u>	<u>(4,716)</u>	<u>--</u>
NET LOSS	(2,886)	(44,394)	(47,280)	(4,046)
RETAINED EARNINGS, OCTOBER 1,	<u>73,110</u>	<u>42,459</u>	<u>115,569</u>	<u>119,615</u>
RETAINED EARNINGS, SEPTEMBER 30	<u>\$ 70,224</u>	<u>\$ (1,935)</u>	<u>\$ 68,289</u>	<u>\$ 115,569</u>

BRAZOS COUNTY, TEXAS
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	Jail Commissary Fund	County Attorney Operating Fund	Combined 2002	Combined 2001
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Operating Loss	\$ (3,967)	\$ (39,678)	\$ (43,645)	\$ (5,807)
Decrease In Accounts Receivable	42	65	107	418
(Increase) Decrease In Inventory	3,315	--	3,315	(1,405)
(Increase) Decrease In Due From Other Funds	(9,352)	744	(8,608)	(1,174)
Increase (Decrease) In Accounts Payable	(1,310)	--	(1,310)	3,093
Increase (Decrease) In Accrued Salary/Compensatory Leave	933	4,851	5,784	(4,883)
Increase In Due To Other Funds	--	10,258	10,258	79
Depreciation Expense	--	8,163	8,163	10,308
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(10,339)</u>	<u>(15,597)</u>	<u>(25,936)</u>	<u>629</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to General Fund	--	(4,716)	(4,716)	--
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>--</u>	<u>(4,716)</u>	<u>(4,716)</u>	<u>--</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	1,081	--	1,081	1,761
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,081</u>	<u>--</u>	<u>1,081</u>	<u>1,761</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,258)	(20,313)	(29,571)	2,390
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>79,010</u>	<u>24,560</u>	<u>103,570</u>	<u>101,180</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>\$ 69,752</u>	<u>\$ 4,247</u>	<u>\$ 73,999</u>	<u>\$ 103,570</u>

BRAZOS COUNTY, TEXAS
JAIL COMMISSARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
For The Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES		
Commissary Sales	\$ 188,644	\$ 201,662
TOTAL OPERATING REVENUES	<u>188,644</u>	<u>201,662</u>
OPERATING EXPENSES		
Personnel Services	59,661	55,338
Departmental Support	29,036	26,579
Cost of Goods Sold	103,914	112,524
TOTAL OPERATING EXPENSES	<u>192,611</u>	<u>194,441</u>
OPERATING INCOME (LOSS)	<u>(3,967)</u>	<u>7,221</u>
NONOPERATING REVENUES		
Interest	1,081	1,761
TOTAL NONOPERATING REVENUES	<u>1,081</u>	<u>1,761</u>
NET INCOME (LOSS)	(2,886)	8,982
RETAINED EARNINGS, OCTOBER 1	<u>73,110</u>	<u>64,128</u>
RETAINED EARNINGS, SEPTEMBER 30	<u>\$ 70,224</u>	<u>\$ 73,110</u>

**BRAZOS COUNTY, TEXAS
COUNTY ATTORNEY OPERATING FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
For The Year Ended September 30, 2002**

(With Comparative Totals For The Year Ended September 30, 2001)

	2002	2001
OPERATING REVENUES		
Fees of Services	\$ 106,934	\$ 132,458
TOTAL OPERATING REVENUES	106,934	132,458
OPERATING EXPENSES		
Personnel Services	137,369	134,678
Supplies and Other Charges	1,080	500
Depreciation Expense	8,163	10,308
TOTAL OPERATING EXPENSES	146,612	145,486
LOSS BEFORE OPERATING TRANSFERS	(39,678)	(13,028)
Transfer To Other Fund	(4,716)	--
RETAINED EARNINGS, OCTOBER 1	42,459	55,487
RETAINED EARNINGS, SEPTEMBER 30	\$ (1,935)	\$ 42,459

FIDUCIARY FUNDS

Trust Funds are used by Brazos County to account for assets held by the County in capacity as trustee for individuals and for other governmental units.

EXPENDABLE TRUST FUNDS

District Attorney Administration – A trust used to provide accountability for a drug enforcement and prevention program the District Attorney maintains. Funding is provided through confiscations taking place in drug raids, and is made available by the State of Texas. In addition, the Trust is used to account for the collection of returned checks processed by the District Attorney’s office and the related collection fees.

Bail Bond Board - A trust used to account for fees collected, and administration costs related to licensing bail bond agents doing business in the County.

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.

Payroll - A fund used to account for all payroll and related costs for the entire County. Funds are transferred in at the end of each payroll period. The fund is required to make distributions that include: payroll, Federal taxes withheld, retirement, deferred compensation, group insurance premiums and other employee benefit deductions.

Brazos Center - A fund created to account for and maintain the room rental deposits at the County-maintained convention center. Deposits are refunded at the completion of the function.

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FIDUCIARY FUNDS

(continued)

Agency Funds (continued)

Bail Bonds - A statutory fund created to account for and monitor the cash bail bonds collected by the District Clerk, County Clerk, and the Justices of the Peace in Brazos County. Once a case is disposed, the bond is either refunded or transferred to revenue in satisfaction of court ordered costs and fines.

District Clerk - 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.

County Clerk – A statutory fund used to account for monies placed with the County Clerk by the County Courts-at-Law and the Probate Court. These funds are to be held until the Court(s) directs distribution of the funds.

Juvenile Services - A fund used to account for restitution, court costs, fines, fees, and attorney fees that are collected from probationers and subsequently distributed to the victims of crime and the respective fee offices.

Tax Assessor-Collector - A fund used to account for tax revenues, license and permit fees collected for the County, State, and other governmental units within the County. These funds are subsequently audited and disbursed to the applicable governmental jurisdictions.

County Attorney - A fund used to account for the funds collected and distributed on behalf of the victims of returned checks.

Inmate Trust – A fund used to account for the funds received on behalf of inmates housed in the County Jail. Funds are returned to the inmate upon leaving the County Jail. Funds are used to support inmate purchases through the Commissary.

**BRAZOS COUNTY, TEXAS
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2002**

(With Comparative Totals For September 30, 2001)

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Prepaid</u>	<u>Accounts Receivable</u>	<u>Total Assets</u>
ASSETS					
Expendable Trust Funds					
District Attorney Administration	\$ 125,056	\$ --	\$ --	\$ 13	\$ 125,069
Bail Bond Board	61,805	1,040,520	--	103	1,102,428
Agency Funds					
Narcotics Seizure	109,117	--	--	--	109,117
Payroll	390,589	--	58,825	588	450,002
Brazos Center	74,277	--	--	--	74,277
Bail Bonds	618,882	--	--	--	618,882
District Clerk	329,002	1,914,324	--	--	2,243,326
County Clerk	2,214,145	--	--	--	2,214,145
Juvenile Services	1,178	--	--	--	1,178
Tax Assessor-Collector	1,667,645	--	--	--	1,667,645
County Attorney	47,385	--	--	--	47,385
Inmate Trust	20,547	--	--	--	20,547
Combining Totals - September 30, 2002	<u>\$ 5,659,628</u>	<u>\$ 2,954,844</u>	<u>\$ 58,825</u>	<u>\$ 704</u>	<u>\$ 8,674,001</u>
Combining Totals - September 30, 2001	<u>\$ 4,640,011</u>	<u>\$ 2,726,310</u>	<u>\$ --</u>	<u>\$ 52,503</u>	<u>\$ 7,418,824</u>

**BRAZOS COUNTY, TEXAS
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2002**

(With Comparative Totals For September 30, 2001)

	<u>Accounts Payable</u>	<u>Due To Other Funds</u>	<u>Funds Held In Trust</u>	<u>Total Liabilities</u>	<u>Fund Balances Reserved for Trusts and Endowments</u>	<u>Total Liabilities And Fund Balances</u>
LIABILITIES AND FUND BALANCES						
Expendable Trust Funds						
District Attorney Administration	\$ --	\$ --	\$ 108,186	\$ 108,186	\$ 16,883	\$ 125,069
Bail Bond Board	255	--	1,040,520	1,040,775	61,653	1,102,428
Agency Funds						
Narcotics Seizure	--	--	109,117	109,117	--	109,117
Payroll	450,002	--	--	450,002	--	450,002
Brazos Center	--	21,277	53,000	74,277	--	74,277
Bail Bonds	--	38,667	580,215	618,882	--	618,882
District Clerk	--	--	2,243,326	2,243,326	--	2,243,326
County Clerk	--	--	2,214,145	2,214,145	--	2,214,145
Juvenile Services	--	--	1,178	1,178	--	1,178
Tax Assessor-Collector	1,667,645	--	--	1,667,645	--	1,667,645
County Attorney	56	2,276	45,053	47,385	--	47,385
Inmate Trust	--	12,332	8,215	20,547	--	20,547
Combining Totals - September 30, 2002	<u>\$ 2,117,958</u>	<u>\$ 74,552</u>	<u>\$ 6,402,955</u>	<u>\$ 8,595,465</u>	<u>\$ 78,536</u>	<u>\$ 8,674,001</u>
Combining Totals - September 30, 2001	<u>\$ 1,987,927</u>	<u>\$ 19,861</u>	<u>\$ 5,325,408</u>	<u>\$ 7,333,196</u>	<u>\$ 85,628</u>	<u>\$ 7,418,824</u>

BRAZOS COUNTY, TEXAS
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended September 30, 2002
(With Comparative Totals For The Year Ended September 30, 2001)

	District Attorney Administration	Bail Bond Board	Totals	
			2002	2001
REVENUES				
Charges for Services	\$ 1,355	\$ 3,000	\$ 4,355	\$ 3,548
Interest	237	1,077	1,314	3,653
Other Revenue	4,242	--	4,242	6,494
TOTAL REVENUES	<u>5,834</u>	<u>4,077</u>	<u>9,911</u>	<u>13,695</u>
EXPENDITURES				
Personnel Services	--	5,109	5,109	10,557
Supplies and Other Charges	7,311	202	7,513	10,077
Repairs and Maintenance	--	--	--	105
Minor Acquisitions	3,671	--	3,671	3,999
Professional Services	710	--	710	--
Capital Outlay	--	--	--	7,539
TOTAL EXPENDITURES	<u>11,692</u>	<u>5,311</u>	<u>17,003</u>	<u>32,277</u>
Deficiency of Revenues Under Expenditures	<u>(5,858)</u>	<u>(1,234)</u>	<u>(7,092)</u>	<u>(18,582)</u>
OTHER FINANCING USES				
Operating Transfers Out	--	--	--	(1,751)
TOTAL OTHER FINANCING USES	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,751)</u>
Deficiency of Revenues Under Expenditures and Other Financing Uses	<u>(5,858)</u>	<u>(1,234)</u>	<u>(7,092)</u>	<u>(20,333)</u>
FUND BALANCES, OCTOBER 1	<u>22,741</u>	<u>62,887</u>	<u>85,628</u>	<u>105,961</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 16,883</u>	<u>\$ 61,653</u>	<u>\$ 78,536</u>	<u>\$ 85,628</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For The Year Ended September 30, 2002

	Balance October 1, 2001	Additions	Deductions	Balance September 30, 2002
NARCOTICS SEIZURE				
Assets				
Cash and Cash Equivalents	\$ 114,989	\$ 88,854	\$ 94,726	\$ 109,117
Accounts Receivable	228	159	387	--
Total Assets	<u>115,217</u>	<u>89,013</u>	<u>95,113</u>	<u>109,117</u>
Liabilities				
Funds Held In Trust	115,217	52,752	58,852	109,117
Total Liabilities	<u>115,217</u>	<u>52,752</u>	<u>58,852</u>	<u>109,117</u>
PAYROLL				
Assets				
Cash and Cash Equivalents	431,253	12,482,833	12,523,497	390,589
Accounts Receivable	588	--	--	588
Prepaid Insurance	--	58,825	--	58,825
Total Assets	<u>431,841</u>	<u>12,541,658</u>	<u>12,523,497</u>	<u>450,002</u>
Liabilities				
Accounts Payable	431,841	12,541,658	12,523,497	450,002
Total Liabilities	<u>431,841</u>	<u>12,541,658</u>	<u>12,523,497</u>	<u>450,002</u>
BRAZOS CENTER				
Assets				
Cash and Cash Equivalents	60,198	220,752	206,673	74,277
Accounts Receivable	--	133	133	--
Total Assets	<u>60,198</u>	<u>220,885</u>	<u>206,806</u>	<u>74,277</u>
Liabilities				
Due To Other Funds	10,033	178,127	166,883	21,277
Funds Held In Trust	50,165	33,370	30,535	53,000
Total Liabilities	<u>60,198</u>	<u>211,497</u>	<u>197,418</u>	<u>74,277</u>
BAIL BONDS				
Assets				
Cash and Cash Equivalents	698,189	811,633	890,940	618,882
Total Assets	<u>698,189</u>	<u>811,633</u>	<u>890,940</u>	<u>618,882</u>
Liabilities				
Due To Other Funds	--	38,667	--	38,667
Funds Held In Trust	698,189	161,452	279,426	580,215
Total Liabilities	<u>698,189</u>	<u>200,119</u>	<u>279,426</u>	<u>618,882</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For The Year Ended September 30, 2002

	Balance October 1, 2001	Additions	Deductions	Balance September 30, 2002
DISTRICT CLERK TRUST				
Assets				
Cash and Cash Equivalents	\$ 296,855	\$ 1,016,761	\$ 984,614	\$ 329,002
Investments	1,869,979	468,688	424,343	1,914,324
Total Assets	<u>2,166,834</u>	<u>1,485,449</u>	<u>1,408,957</u>	<u>2,243,326</u>
Liabilities				
Funds Held In Trust	2,166,834	674,597	598,105	2,243,326
Total Liabilities	<u>2,166,834</u>	<u>674,597</u>	<u>598,105</u>	<u>2,243,326</u>
COUNTY CLERK TRUST				
Assets				
Cash and Cash Equivalents	1,238,168	4,859,322	3,883,345	2,214,145
Total Assets	<u>1,238,168</u>	<u>4,859,322</u>	<u>3,883,345</u>	<u>2,214,145</u>
Liabilities				
Funds Held In Trust	1,238,168	2,184,470	1,208,493	2,214,145
Total Liabilities	<u>1,238,168</u>	<u>2,184,470</u>	<u>1,208,493</u>	<u>2,214,145</u>
JUVENILE SERVICES				
Assets				
Cash and Cash Equivalents	3,295	6,486	8,603	1,178
Total Assets	<u>3,295</u>	<u>6,486</u>	<u>8,603</u>	<u>1,178</u>
Liabilities				
Funds Held In Trust	3,295	6,356	8,473	1,178
Total Liabilities	<u>3,295</u>	<u>6,356</u>	<u>8,473</u>	<u>1,178</u>
TAX ASSESSOR-COLLECTOR				
Assets				
Cash and Cash Equivalents	1,551,525	165,522,700	165,406,580	1,667,645
Total Assets	<u>1,551,525</u>	<u>165,522,700</u>	<u>165,406,580</u>	<u>1,667,645</u>
Liabilities				
Accounts Payable	1,551,525	34,690,934	34,574,814	1,667,645
Total Liabilities	<u>1,551,525</u>	<u>34,690,934</u>	<u>34,574,814</u>	<u>1,667,645</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For The Year Ended September 30, 2002

	<u>Balance October 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2002</u>
COUNTY ATTORNEY				
Assets				
Cash and Cash Equivalents	\$ 32,453	\$ 492,286	\$ 477,354	\$ 47,385
Accounts Receivable	8,004	--	8,004	--
Total Assets	<u>40,457</u>	<u>492,286</u>	<u>485,358</u>	<u>47,385</u>
Liabilities				
Accounts Payable	51	5	--	56
Due To Other Funds	3,953	--	1,677	2,276
Funds Held In Trust	36,453	100,594	91,994	45,053
Total Liabilities	<u>40,457</u>	<u>100,599</u>	<u>93,671</u>	<u>47,385</u>
INMATE TRUST				
Assets				
Cash and Cash Equivalents	17,268	463,847	460,568	20,547
Total Assets	<u>17,268</u>	<u>463,847</u>	<u>460,568</u>	<u>20,547</u>
Liabilities				
Due To Other Funds	5,875	12,331	5,874	12,332
Funds Held In Trust	11,393	453,469	456,647	8,215
Total Liabilities	<u>17,268</u>	<u>465,800</u>	<u>462,521</u>	<u>20,547</u>
COMBINED AGENCY FUNDS				
Assets				
Cash and Cash Equivalents	\$ 4,444,193	\$ 185,965,474	\$ 184,936,900	\$ 5,472,767
Investments	1,869,979	468,688	424,343	1,914,324
Accounts Receivable	8,820	292	8,524	588
Prepaid Insurance	--	58,825	--	58,825
Total Assets	<u>\$ 6,322,992</u>	<u>\$ 186,493,279</u>	<u>\$ 185,369,767</u>	<u>\$ 7,446,504</u>
Liabilities				
Accounts Payable	\$ 1,983,417	\$ 47,232,597	\$ 47,098,311	\$ 2,117,703
Due To Other Funds	19,861	229,125	174,434	74,552
Funds Held In Trust	4,319,714	3,667,060	2,732,525	5,254,249
Total Liabilities	<u>\$ 6,322,992</u>	<u>\$ 51,128,782</u>	<u>\$ 50,005,270</u>	<u>\$ 7,446,504</u>

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The **General Fixed Asset Account Group** is used to account for the County's investment in fixed assets. An account group is a self balancing set of accounts used to establish management control and system accountability for the County's investment. General fixed assets are not subject to depreciation.

The **General Long-Term Debt Account Group** is a self balancing set of accounts used to account for the County's long-term debt that is to be financed with expendable financial resources available to the governmental funds.

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BRAZOS COUNTY, TEXAS
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE

September 30, 2002

(With Comparative Totals For September 30, 2001)

	2002	2001
GENERAL FIXED ASSETS		
Land	\$ 1,702,285	\$ 1,132,293
Buildings	26,396,161	30,460,530
Improvements Other than Buildings	4,880,474	1,376,363
Machinery and Equipment	10,222,762	9,339,268
Construction Work in Progress	1,852,998	76,982
TOTAL GENERAL FIXED ASSETS	\$ 45,054,680	\$ 42,385,436
 INVESTMENT IN GENERAL FIXED ASSETS		
General Fund	\$ 7,792,229	\$ 8,651,784
Special Revenue Funds	411,241	1,337,142
Capital Project Funds	36,793,124	32,303,601
Donations	58,086	58,086
Trust and Agency Funds	--	34,823
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	\$ 45,054,680	\$ 42,385,436

BRAZOS COUNTY, TEXAS
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For The Year Ended September 30, 2002

FUNCTION AND ACTIVITY	General Fixed Assets 10/01/01	Additions	Retirements	Adjustments And Transfers	General Fixed Assets 9/30/02
General Government					
County Judge	\$ 8,169	\$ --	\$ --	\$ (8,169)	\$ --
Commissioners' Court	17,305	--	--	(11,020)	6,285
County Treasurer	26,268	7,628	--	(20,672)	13,224
Tax Assessor-Collector	33,962	--	--	(11,340)	22,622
Information Technology	823,543	2,199,878	--	(98,339)	2,925,082
Personnel	3,608	--	--	(3,608)	--
County Auditor	33,260	--	--	(20,861)	12,399
Building Maintenance	91,606	--	12,922	(5,047)	73,637
Risk Management	20,087	--	--	(5,448)	14,639
Purchasing Administration	31,948	6,706	--	(21,157)	17,497
Total General Government	1,089,756	2,214,212	12,922	(205,661)	3,085,385
Justice System					
County Attorney	100,115	20,075	12,594	(56,923)	50,673
District Attorney	128,869	20,123	16,313	(58,693)	73,986
Child Protective Services	2,665	--	--	(2,665)	--
District Clerk	119,804	--	--	(53,002)	66,802
Court and Jury Services	2,000	--	--	(2,000)	--
Collections	3,000	--	--	(3,000)	--
County Clerk	56,417	--	--	(14,961)	41,456
County Clerk Records Preservation	8,376	--	--	(8,376)	--
85th District Court	31,509	--	--	(25,509)	6,000
272nd District Court	38,512	--	--	(22,512)	16,000
361st District Court	17,138	--	--	(10,388)	6,750
County Court-At-Law #1	14,148	--	--	(14,148)	--
County Court-At-Law #2	16,885	--	--	(16,885)	--
Justices of the Peace (5)	49,366	--	--	(43,516)	5,850
Community Supervision	40,440	--	--	(40,440)	--
Law Library	4,531	--	--	(4,531)	--
Total Justice System	633,775	40,198	28,907	(377,549)	267,517
Law Enforcement					
Sheriff/Jail	1,388,459	243,569	90,770	(334,759)	1,206,499
Courthouse Security	100,972	--	--	(7,555)	93,417
Sheriff Crime Fund	16,250	--	--	(16,250)	--
Constables (6)	265,901	86,978	108,094	91,029	335,814
Narcotics Task Force	456,467	15,996	--	(151,289)	321,174
District Attorney Crime Fund	34,823	--	--	(34,823)	--
Total Law Enforcement	2,262,872	346,543	198,864	(453,647)	1,956,904

BRAZOS COUNTY, TEXAS
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For The Year Ended September 30, 2002

FUNCTION AND ACTIVITY	General Fixed Assets 10/01/01	Additions	Retirements	Adjustments And Transfers	General Fixed Assets 09/30/02
Juvenile Services					
Juvenile Probation	544,207	58,624	12,541	(449,346)	140,944
Juvenile Court Referee	3,807	--	--	(3,807)	--
Total Juvenile Services	<u>548,014</u>	<u>58,624</u>	<u>12,541</u>	<u>(453,153)</u>	<u>140,944</u>
Public Transportation					
Metropolitan Planning	58,844	--	--	(53,503)	5,341
Road & Bridge	4,588,383	511,708	439,244	(60,523)	4,600,324
Total Public Transportation	<u>4,647,227</u>	<u>511,708</u>	<u>439,244</u>	<u>(114,026)</u>	<u>4,605,665</u>
Public Health					
Environmental Protection	24,189	--	--	(24,189)	--
Total Public Health	<u>24,189</u>	<u>--</u>	<u>--</u>	<u>(24,189)</u>	<u>--</u>
Human Services					
Emergency Management	47,311	--	--	(14,181)	33,130
Brazos Center	125,127	--	--	(6,910)	118,217
Veteran Services	3,645	--	--	(3,645)	--
Elections	22,973	--	--	(7,973)	15,000
Agricultural Extension Service	11,361	--	--	(11,361)	--
Total Human Services	<u>210,417</u>	<u>--</u>	<u>--</u>	<u>(44,070)</u>	<u>166,347</u>
Capital Projects					
General Permanent Improvement	32,969,186	1,881,996	--	(19,264)	34,831,918
Total Capital Projects	<u>32,969,186</u>	<u>1,881,996</u>	<u>--</u>	<u>(19,264)</u>	<u>34,831,918</u>
TOTAL FIXED ASSETS	<u>\$ 42,385,436</u>	<u>\$ 5,053,281</u>	<u>\$ 692,478</u>	<u>\$ (1,691,559)</u>	<u>\$ 45,054,680</u>

BRAZOS COUNTY, TEXAS
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
September 30, 2002

FUNCTION AND ACTIVITY	Land	Buildings	Other Improvements	Machinery And Equipment	Construction Work in Progress	Total
General Government						
County Judge	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Commissioners' Court	--	--	--	6,285	--	6,285
County Treasurer	--	--	--	13,224	--	13,224
Tax Assessor-Collector	--	--	--	22,622	--	22,622
Information Technology	--	--	--	2,925,082	--	2,925,082
Personnel	--	--	--	--	--	--
County Auditor	--	--	--	12,399	--	12,399
Building Maintenance	--	--	--	73,637	--	73,637
Risk Management	--	--	--	14,639	--	14,639
Purchasing Administration	--	--	--	17,497	--	17,497
Total General Government	--	--	--	3,085,385	--	3,085,385
Justice System						
County Attorney	--	--	--	50,673	--	50,673
District Attorney	--	--	--	73,986	--	73,986
Child Protective Services	--	--	--	--	--	--
District Clerk	--	--	--	66,802	--	66,802
Court and Jury Services	--	--	--	--	--	--
Collections	--	--	--	--	--	--
County Clerk	--	--	--	41,456	--	41,456
County Clerk Records Preservatic	--	--	--	--	--	--
District Courts	--	--	--	28,750	--	28,750
County Courts-At-Law	--	--	--	--	--	--
Justices of the Peace (7)	--	--	--	5,850	--	5,850
Community Supervision	--	--	--	--	--	--
Law Library	--	--	--	--	--	--
Total Justice System	--	--	--	267,517	--	267,517
Law Enforcement						
Sheriff/Jail	--	--	--	1,206,499	--	1,206,499
Courthouse Security	--	--	--	93,417	--	93,417
Sheriff Crime Fund	--	--	--	--	--	--
Constables (6)	--	--	--	335,814	--	335,814
Narcotics Task Force	--	--	--	321,174	--	321,174
District Attorney Crime Fund	--	--	--	--	--	--
Total Law Enforcement	--	--	--	1,956,904	--	1,956,904

BRAZOS COUNTY, TEXAS
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
September 30, 2002

FUNCTION AND ACTIVITY	<u>Land</u>	<u>Buildings</u>	<u>Other Improvements</u>	<u>Machinery And Equipment</u>	<u>Construction Work in Progress</u>	<u>Total</u>
Juvenile Services						
Juvenile Probation	--	--	--	140,944	--	140,944
Juvenile Court Referee	--	--	--	--	--	--
Total Juvenile Services	--	--	--	140,944	--	140,944
Public Transportation						
Metropolitan Planning	--	--	--	5,341	--	5,341
Road & Bridge	--	--	--	4,600,324	--	4,600,324
Total Public Transportation	--	--	--	4,605,665	--	4,605,665
Public Health						
Environmental Protection	--	--	--	--	--	--
Total Public Health	--	--	--	--	--	--
Human Services						
Emergency Management	--	--	--	33,130	--	33,130
Brazos Center	--	--	--	118,217	--	118,217
Veteran Services	--	--	--	--	--	--
Elections	--	--	--	15,000	--	15,000
Agricultural Extension Service	--	--	--	--	--	--
Total Human Services	--	--	--	166,347	--	166,347
Capital Projects	1,702,285	26,396,161	4,880,474	--	1,852,998	34,831,918
TOTAL FIXED ASSETS	<u>\$1,702,285</u>	<u>\$26,396,161</u>	<u>\$ 4,880,474</u>	<u>\$ 10,222,762</u>	<u>\$ 1,852,998</u>	<u>\$ 45,054,680</u>

BRAZOS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT
September 30, 2002
(With Comparative Totals For September 30, 2001)

	2002	2001
OTHER DEBITS		
Amount Available in Debt Service Fund	\$ 1,961,310	\$ 2,312,101
Amount to be Provided for the Retirement of General Obligation Bonds, Certificates of Obligation and Capital Leases	24,389,710	15,762,899
OTHER DEBITS	\$ 26,351,020	\$ 18,075,000
 GENERAL LONG-TERM DEBT		
General Obligation Bonds Payable	\$ 8,000,000	\$ --
Certificates of Obligation Payable	18,015,000	18,075,000
Capital Lease Payable	336,020	--
TOTAL GENERAL LONG-TERM DEBT	\$ 26,351,020	\$ 18,075,000

BRAZOS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT TO MATURITY
BY TYPE
September 30, 2002

The following schedule reflects the debt service requirements as of September 30, 2002 by type and in total.

Certificates Of Obligation

Fiscal Year	Series 1987		Total Debt Service
	Principal	Interest	
2003	435,000	14,572	449,572
Total	\$ 435,000	\$ 14,572	\$ 449,572

Fiscal Year	Series 1996		Total Debt Service
	Principal	Interest	
2003	345,000	408,261	753,261
2004	365,000	382,524	747,524
2005	385,000	355,336	740,336
2006	410,000	329,798	739,798
2007	435,000	306,688	741,688
2008	465,000	282,605	747,605
2009	495,000	256,438	751,438
2010	525,000	228,388	753,388
2011	555,000	198,688	753,688
2012	590,000	167,200	757,200
2013-2016	2,745,000	313,364	3,058,364
Total	\$ 7,315,000	\$ 3,229,290	\$ 10,544,290

BRAZOS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT TO MATURITY
BY TYPE
September 30, 2002

Certificates Of Obligation

Fiscal Year	Series 1998		Total Debt Service
	Principal	Interest	
2003	235,000	441,445	676,445
2004	735,000	418,355	1,153,355
2005	795,000	381,935	1,176,935
2006	850,000	342,777	1,192,777
2007	910,000	300,882	1,210,882
2008	965,000	256,250	1,221,250
2009	1,030,000	208,761	1,238,761
2010	1,095,000	158,177	1,253,177
2011	1,170,000	104,261	1,274,261
2012	1,240,000	46,893	1,286,893
2013	365,000	8,688	373,688
Total	<u>\$ 9,390,000</u>	<u>\$ 2,668,424</u>	<u>\$ 12,058,424</u>

Fiscal Year	Series 2001		Total Debt Service
	Principal	Interest	
2003	125,000	31,938	156,938
2004	125,000	26,219	151,219
2005	125,000	21,813	146,813
2006	125,000	17,469	142,469
2007	125,000	12,844	137,844
2008	125,000	7,875	132,875
2009	125,000	2,656	127,656
Total	<u>\$ 875,000</u>	<u>\$ 120,814</u>	<u>\$ 995,814</u>

BRAZOS COUNTY, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT TO MATURITY
BY TYPE
September 30, 2002

General Obligation Bonds

Fiscal Year	Series 2001		Total Debt Service
	Principal	Interest	
2003	--	396,458	396,458
2004	--	396,458	396,458
2005	330,000	385,733	715,733
2006	340,000	363,958	703,958
2007	355,000	341,370	696,370
2008	365,000	320,707	685,707
2009	380,000	302,082	682,082
2010	400,000	283,982	683,982
2011	415,000	266,252	681,252
2012	435,000	247,335	682,335
2013-2021	4,980,000	1,160,310	6,140,310
Total	\$ 8,000,000	\$ 4,464,645	\$ 12,464,645

Total Debt Service Requirements

Fiscal Year	Bonds and Certificates of Obligation		Total Debt Service
	Principal	Interest	
2003	1,140,000	1,292,674	2,432,674
2004	1,225,000	1,223,556	2,448,556
2005	1,635,000	1,144,817	2,779,817
2006	1,725,000	1,054,002	2,779,002
2007	1,825,000	961,784	2,786,784
2008	1,920,000	867,437	2,787,437
2009	2,030,000	769,937	2,799,937
2010	2,020,000	670,547	2,690,547
2011	2,140,000	569,201	2,709,201
2012	2,265,000	461,428	2,726,428
2013-2021	8,090,000	1,482,362	9,572,362
Total	\$ 26,015,000	\$ 10,497,745	\$ 36,512,745

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The statistical tables and related data provide detail on the physical, economic, social and political characteristics of Brazos County.

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TABLE 1

BRAZOS COUNTY, TEXAS
 General Governmental Operating Revenues by Source (1)
 Last Ten Fiscal Years

Year	Taxes	Charges For Services	Inter- Governmental	Other Revenues	Total Revenues
1993	18,822,279	3,076,604	3,989,146	1,958,980	27,847,009
1994	19,408,073	4,313,812	4,588,937	2,546,202	30,857,024
1995	19,973,481	4,495,882	2,764,068	1,652,919	28,886,350
1996	20,947,817	4,532,552	1,606,924	1,677,282	28,764,575
1997	22,241,409	4,905,587	1,772,849	1,941,429	30,861,274
1998	23,604,383	5,385,904	1,726,895	1,984,415	32,701,597
1999	24,758,878	5,826,637	4,119,599	2,171,859	36,876,973
2000	26,345,581	6,540,655	2,777,633	2,641,456	38,305,325
2001	27,943,430	7,340,467	3,585,094	2,278,417	41,147,408
2002	30,383,866	7,444,715	3,155,142	1,246,088	42,229,811

NOTE: (1) Includes all governmental fund types.

BRAZOS COUNTY, TEXAS
General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

Year	General Government	Justice System	Law Enforcement	Juvenile Services	Public Transportation
1993	6,869,949	4,579,125	5,683,857	1,994,743	3,235,030
1994	7,464,834	4,725,449	5,839,144	2,068,168	3,398,544
1995	5,840,390	4,998,729	6,300,471	2,402,581	5,099,246
1996	5,089,108	5,003,765	5,846,936	2,095,425	5,107,220
1997	6,323,514	5,370,526	6,044,899	2,629,158	4,475,856
1998	8,215,152	5,984,026	5,881,313	2,971,105	4,519,192
1999	8,022,647	6,358,865	6,502,196	3,298,091	5,593,200
2000	6,164,034	6,900,094	8,153,475	3,576,044	8,076,525
2001	6,803,843	7,351,632	8,904,725	4,386,392	7,813,063
2002	8,491,208	7,977,099	9,800,657	3,742,505	7,653,911

NOTE: (1) Includes all governmental fund types.

Public Health	Human Services	Capital Outlay	Debt Service	Total Expenditures
569,202	1,365,631	770,049	1,589,830	26,657,416
975,604	1,526,784	920,575	1,625,183	28,544,285
772,347	1,538,417	1,524,802	1,800,958	30,277,941
710,274	1,419,807	2,552,377	1,626,479	29,451,391
696,832	1,316,479	5,829,926	1,831,620	34,518,810
687,894	1,090,016	1,059,773	2,074,517	32,482,988
932,440	1,081,526	4,653,824	1,809,843	38,252,632
1,477,284	1,285,436	5,290,608	1,827,141	42,750,641
1,629,373	1,192,880	2,108,711	1,833,627	42,024,246
1,727,396	1,355,005	5,053,281	2,302,411	48,103,473

BRAZOS COUNTY, TEXAS
Property Tax Levies and Collections
And Schedule of Property Taxes Receivable
Last Ten Years

Tax Year/ Fiscal Year	Total Tax Levy	Current Tax Collections	Current Collections as Percent of Tax Levy	Delinquent Tax Changes and Collections (1)
1945 through 1992/1993 (2)	\$ --	\$ --	--	\$ --
1993/1994	13,374,337	13,083,556	97.83%	258,399
1994/1995	14,212,104	13,878,216	97.65%	298,839
1995/1996	15,071,727	14,794,691	98.16%	237,570
1996/1997	15,968,203	15,671,528	98.14%	244,960
1997/1998	17,061,045	16,625,071	97.44%	369,681
1998/1999	17,749,856	17,360,005	97.80%	310,565
1999/2000	18,933,265	18,552,512	97.99%	261,939
2000/2001	20,732,000	20,004,504	96.49%	466,359
2001/2002	22,629,312	21,988,027	97.17%	142,420

NOTE: (1) Changes in Tax Roll since issued.

(2) Amount of delinquent taxes from 1945 to 1993.

Total Collections	Total Collections as Percent of Tax Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Tax Levy
\$ --	--	\$ 208,515	\$ --
13,341,955	99.76%	32,382	0.24%
14,177,055	99.75%	35,049	0.25%
15,032,261	99.74%	39,466	0.26%
15,916,488	99.68%	51,715	0.32%
16,994,752	99.61%	66,293	0.39%
17,670,570	99.55%	79,286	0.45%
18,814,451	99.37%	118,814	0.63%
20,470,863	98.74%	261,137	1.26%
22,130,447	97.80%	498,865	2.20%
	Balance:	<u>1,391,522</u>	

Taxes receivable by fund:

General	\$ 1,210,275
Debt Service	<u>181,247</u>
Total	<u>\$ 1,391,522</u>

BRAZOS COUNTY, TEXAS
Assessed and Estimated Actual Value of Taxable Property (1-2)
Last Ten Years

Tax Year/ Fiscal Year	Actual Assessed Value		
	Real Property	Personal Property	Total
1992/1993	2,380,903,368	519,554,614	2,900,457,982
1993/1994	2,359,823,632	720,374,124	3,080,197,756
1994/1995	2,662,916,207	733,810,212	3,396,726,419
1995/1996	2,906,482,819	769,522,658	3,676,005,477
1996/1997	3,033,968,634	783,526,598	3,817,495,232
1997/1998	3,234,530,962	846,057,029	4,080,587,991
1998/1999	3,396,189,264	856,281,069	4,252,470,333
1999/2000	3,665,546,939	866,662,574	4,532,209,513
2000/2001	4,026,600,490	920,553,658	4,947,154,148
2001/2002	4,404,363,720	983,496,343	5,387,860,063

NOTE: (1) The assessed value is the total adjusted assessed valuation net of exempt properties as certified by the Appraisal Review Board.

(2) All property assessed at 100 percent of value as certified by the Central Appraisal District.

BRAZOS COUNTY, TEXAS
Property Tax Rates - All Direct and Overlapping Governments
Last Ten Years

TAX RATES *							
Tax Year/ Fiscal Year	Brazos County	City of Bryan	Bryan I. S. D.	City of College Station	College Station I. S. D.	County Education District	Total
1992/1993	0.4399	0.6092	0.4695	0.4125	1.6800	0.8500	4.4611
1993/1994	0.4342	0.6092	1.4850	0.4450	1.6300	--	4.6034
1994/1995	0.4184	0.6100	1.5200	0.4450	1.6100	--	4.6034
1995/1996	0.4100	0.6100	1.5200	0.4450	1.6100	--	4.5950
1996/1997	0.4180	0.6324	1.5340	0.4427	1.6900	--	4.7171
1997/1998	0.4174	0.6295	1.6440	0.4293	1.7400	--	4.8602
1998/1999	0.4174	0.6367	1.5880	0.4329	1.7800	--	4.8550
1999/2000	0.4174	0.6367	1.6150	0.4293	1.7500	--	4.8484
2000/2001	0.4100	0.6364	1.6680	0.4293	1.7500	--	4.8937
2001/2002	0.4200	0.6364	1.6680	0.4777	1.7900	--	4.9921

* Per \$100 of Assessed Value

TABLE 6

BRAZOS COUNTY, TEXAS

Ten Largest Taxpayers

September 30, 2002

Taxpayer	Type of Business	Assessed Values (1)	% of Assessed Value to Total Assessed Values (2)
Verizon Communications	Communications	\$ 82,746,090	1.54%
C B L & Associates	Mall Development	48,629,050	0.90%
W9/JP-M Real Estate LTD	Apartment Holdings	39,272,000	0.73%
Wal-Mart/Sam's	Retail/Wholesale	38,142,010	0.71%
RME Petroleum Co	Gas Production	35,553,730	0.66%
Alkossler/Weinberg Etal	Apartment Holdings	31,322,340	0.58%
Devon Gas Services, LP	Gas Production	29,835,960	0.55%
College Station Hospital LP	Health Care	27,136,605	0.50%
Melrose Apartments	Apartment Holdings	21,799,500	0.40%
G G Enterprises	Investment	20,854,820	0.39%
Total Assessed Values		<u>\$ 375,292,105</u>	<u>6.96%</u>

NOTE: (1) Brazos County Appraisal District

(2) Total adjusted assessed valuation net of exempt properties as certified
by the Appraisal Review Board - \$ 5,387,860,063

BRAZOS COUNTY, TEXAS
 Computation of Legal Debt Margin
 September 30, 2002

Assessed Value (Note 1)		<u>\$5,387,860,063</u>
Debt Limit (Note 2)		1,101,090,930
Less amount of debt applicable to debt limit		
Gross bonded debt (Note 3)	8,000,000	
Less available from Debt Service Fund	<u>1,961,310</u>	
Total applicable to debt limit		<u>6,038,690</u>
Legal Debt Margin		<u>\$1,107,129,620</u>

NOTE: (1) Total adjusted assessed valuation net of exempt properties as certified by the Appraisal Review Board.

(2) Debt Limit 25% of assessed value of real property - \$ 4,404,363,720
 Article 3, Section 52, of the Texas Constitution.

(3) Includes only general obligation bonds.

BRAZOS COUNTY, TEXAS
Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures
Last Ten Years

Fiscal Year	(1) Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service To Total General Expenditures
1993	705,000	332,864	1,037,864	26,657,416	3.9%
1994	945,000	221,587	1,166,587	28,544,285	4.1%
1995	980,000	183,280	1,163,280	30,277,941	3.8%
1996	1,025,000	138,880	1,163,880	29,451,391	4.0%
1997	1,075,000	87,893	1,162,893	34,518,810	3.4%
1998	1,080,000	30,240	1,110,240	32,482,988	3.4%
1999	--	--	--	38,252,632	--
2000	--	--	--	42,750,641	--
2001	--	--	--	42,024,246	--
2002	--	297,343	297,343	48,103,473	0.6%

NOTE: (1) Includes all governmental fund types.

BRAZOS COUNTY, TEXAS
Ratio of Net General Bonded Debt
to Assessed Value and Net Bonded Debt Per Capita
Last Ten Years

Tax Year/ Fiscal Year	Population		Assessed Value	General Obligation Bonded Debt
1992/1993	134,558	(1)	2,900,457,982	5,105,000
1993/1994	134,750	(1)	3,080,197,756	4,160,000
1994/1995	135,003	(1)	3,396,726,419	3,180,000
1995/1996	138,093	(1)	3,676,005,477	2,155,000
1996/1997	138,985	(1)	3,817,495,232	1,080,000
1997/1998	140,025	(1)	4,080,587,991	--
1998/1999	143,436	(1)	4,252,470,333	--
1999/2000	152,415	(1)	4,532,209,513	--
2000/2001	155,449	(2)	4,947,154,148	--
2001/2002	156,415	(1)	5,387,860,063	8,000,000

NOTE: (1) As estimated by the Texas State Data Center.
(2) Official Census Data

<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
943,382	4,161,618	0.14%	30.93
937,661	3,222,339	0.10%	23.91
898,049	2,281,951	0.07%	16.90
302,705	1,852,295	0.05%	13.41
182,540	897,460	0.02%	6.46
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
1,961,310	6,038,690	0.11%	38.61

BRAZOS COUNTY, TEXAS
 Computation of Direct and Overlapping Debt
 September 30, 2002

<u>Taxing Jurisdiction</u>	<u>Total Direct and Overlapping Funded Debt (1)</u>	<u>Estimated Percent Applicable</u>
Brazos County	\$ 6,038,690	100%
City of Bryan	50,379,245	100%
City of College Station	74,945,000	100%
Independent School Districts (2)	<u>124,639,712</u>	100%
Total estimated overlapping funded debt	<u><u>\$ 256,002,647</u></u>	
Ratio overlapping debt to 100% assessed valuation	<u><u>4.75%</u></u>	
Per capita overlapping funded debt	<u><u>\$ 1,636.69</u></u>	

(1) General Obligation Bonds outstanding less amount available in Debt Service Fund

(2) Independent School District debt includes:

College Station Independent School District - \$ 61,922,354

Bryan Independent School District - \$ 62,717,358

BRAZOS COUNTY, TEXAS
Miscellaneous Statistical Data
September 30, 2002

Organization	Brazos County was created in 1841 and named for the Brazos River, which is the southwest border of the County.
Government	The County is governed by four (4) elected Commissioners and one (1) County Judge. It is audited by the County Auditor who is appointed by the 85th, 272nd, and 361st Judicial District Judges of the State of Texas.
Area	586 square miles, bounded by the Brazos River on the southwest, the Old San Antonio Road on the northwest, and the Navasota River on the east.
Miles of Roads	462.5 miles of County maintained roads.
Fire Protection	Each precinct has a voluntary Fire Department, and when needed, has the assistance of the Bryan and College Station Fire Departments.
Police Protection	The County Sheriff's Department, 5 precinct constables, the Cities of Bryan and College Station Police Departments, Campus Security at Texas A & M University, Campus Security at Blinn College and the Texas Department of Public Safety comprise most of the law enforcement of the County. The County maintains the jail at the courthouse, a detention facility on Sandy Point Road and a juvenile detention facility.
Education	Independent School Districts of: Bryan College Station Navasota Texas A & M University Blinn Junior College at Bryan Private Schools: Aggieland Country School Allen Academy St. Michael's Academy St. Joseph Schools Bethel Temple Christian School Brazos Christian School Montessori School House Keystone Montessori School, Inc.

BRAZOS COUNTY, TEXAS
Miscellaneous Statistical Data
September 30, 2002

Population		
1940	Census	26,977
1950	Census	38,390
1960	Census	44,895
1970	Census	57,978
1980	Census	93,588
1990	Census	121,862
2000	Census	152,415
2001	(1)	155,449
2002	(1)	156,415

(1) Population as estimated by the Texas State Data Center.

<u>General Election</u>	<u>Registered Voters</u>	<u>Voted in Election</u>	<u>Percent Participation</u>
11/02/93	62,984	6,027	9.57%
11/08/94	58,036	32,884	56.66%
11/07/95	61,663	9,219	14.95%
11/07/96	70,204	39,422	56.15%
11/04/97	73,389	8,094	11.03%
11/03/98	75,516	26,981	35.73%
11/02/99	72,182	5,449	7.55%
11/07/00	84,945	47,606	56.04%
11/07/01	88,331	3,929	4.45%
11/05/02	91,220	29,175	31.98%

BRAZOS COUNTY, TEXAS
Miscellaneous Statistical Data
September 30, 2002

Labor Force Statistics *

	1997	1998	1999	2000	2001	2002
Labor Force	71,600	71,839	75,815	76,181	76,884	78,073
Unemployed	1,575	1,254	1,351	1,211	1,245	1,417
% Unemployed	2.2	1.8	1.8	1.6	1.6	1.8
Employed	70,025	70,585	74,464	74,970	75,639	76,656

* Includes resident wage and salary workers, self-employed, unpaid family workers and domestics in private households, agricultural workers and workers involved in labor-management disputes. Source: Texas Workforce Commission, Bryan, Texas.

Major Employers (Non Retail)**	Employees
Texas A&M University & System	12,000
Bryan Independent School District	2,090
Sanderson Farms	1,857
St. Joseph Regional Hospital	1,560
College Station Independent School District	980
City of Bryan	771
UCS/Rentsys	750
City of College Station	715
Brazos County***	710
Alenco Holding Corporation, INC.	530

** Figures provided by Bryan/College Station Chamber of Commerce.

*** Figure provided by Brazos County records.

Employed by the County	Elected Officials	Appointed Officials	Employees
On September 30, 1993	30	1	545
On September 30, 1994	30	1	575
On September 30, 1995	30	1	596
On September 30, 1996	30	1	644
On September 30, 1997	30	1	627
On September 30, 1998	30	1	635
On September 30, 1999	27	1	661
On September 30, 2000	27	1	651
On September 30, 2001	27	1	668
On September 30, 2002	27	1	710

BRAZOS COUNTY, TEXAS
Property Value and Building Permits
Last Ten Years

Fiscal Year	Property Value (1)	Building Permits (2)
1993	2,900,457,982	118,630,145
1994	3,080,197,756	121,754,509
1995	3,396,726,419	134,304,842
1996	3,676,005,477	146,821,676
1997	3,817,495,232	193,363,182
1998	4,080,587,991	188,890,435
1999	4,252,470,333	255,218,735
2000	4,532,209,513	274,644,286
2001	4,947,154,148	201,458,617
2002	5,387,860,063	236,811,128

NOTE: (1) Net as certified by the Appraisal Review Board.
(2) Total value of all building permits issued by the
City of Bryan and the City of College Station.

BRAZOS COUNTY, TEXAS
 Annual Compensation and Surety Bonds for Principal Officials
 For the Twelve Month Period Ended September 30, 2002

<u>Elected Official</u>	<u>Title</u>	<u>Annual Salary</u>	<u>Amount of Surety Bond</u>
Alvin Jones	County Judge	\$ 62,496	\$ 5,000
J.D. Langley	85th District Court Judge	8,290	--
Rick Davis	272nd District Court Judge	7,570	--
Steven Smith	361st District Court Judge	7,810	--
James Locke	County Court-at-Law Judge	110,776	5,000
Randy Michel	County Court-at-Law Judge	110,296	5,000
Tony Jones	Precinct 1 Commissioner	53,384	3,000
Bill Thornton	Precinct 2 Commissioner	53,384	3,000
Charles B. Jones (1)	Precinct 3 Commissioner	53,144	3,000
Carey Cauley, Jr.	Precinct 4 Commissioner	53,384	3,000
Karen McQueen (1)	County Clerk	52,154	180,000
Gerald L. Winn	Tax Assessor-Collector	54,916	100,000
Marc Hamlin	District Clerk	54,346	100,000
Bill Turner	District Attorney	8,550	5,000
James Kuboviak	County Attorney	92,995	2,500
Kay Hamilton	County Treasurer	50,394	25,000
Christopher C. Kirk	County Sheriff	68,560	5,000
Justices of the Peace:			
Charles Ellis (1)	Precinct 1	44,200	3,000
Patrick Meece (1)	Precinct 2 Place 1	44,200	5,000
Ray M. Truelove (1)	Precinct 2 Place 2	44,920	5,000
George H. Boyett (1)	Precinct 3	44,680	5,000
Ramero Quintero (1)	Precinct 4	44,200	5,000
Constables:			
James Marrow (1)	Precinct 1	38,310	1,500
E. Duane Peters (1)	Precinct 2	38,070	5,000
Dee W. Thompson (1)	Precinct 3	38,310	2,000
Isaac Butler, Jr. (1)	Precinct 4	38,310	5,000
Phil Sikes	Precinct 6	38,310	5,000
<u>Appointed Official</u>			
John T. Reynolds	County Auditor	63,621	5,000

(1) Due to Redistricting these officials were appointed at September 30, 2002

TABLE 14

BRAZOS COUNTY, TEXAS
 General Fund
 Salary and Wages By Function
 Last Five Fiscal Years

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
General Government	\$ 3,028,014	\$ 2,705,066	\$ 2,516,478	\$ 2,397,625	\$ 2,267,073
Justice System	4,387,470	4,083,747	3,869,961	3,512,730	3,146,544
Law Enforcement	5,739,872	5,079,575	4,588,267	4,164,488	3,738,597
Juvenile Services	1,936,131	1,621,877	1,542,051	1,377,786	1,183,293
Public Transportation	1,580,327	1,473,654	1,441,536	1,393,649	1,359,679
Human Services	<u>432,310</u>	<u>448,487</u>	<u>456,193</u>	<u>431,398</u>	<u>433,603</u>
TOTALS	<u><u>17,104,124</u></u>	<u><u>15,412,406</u></u>	<u><u>14,414,486</u></u>	<u><u>13,277,676</u></u>	<u><u>12,128,789</u></u>

BRAZOS COUNTY, TEXAS
 General Fund
 Annual Salary and Benefits By Function
 For the Year Ended September 30, 2002

	Salary	Social Security	Retirement	Health & Dental Insurance	Worker's Compensation	Cafeteria Plan Administration Fees	TOTAL
General Government	\$ 3,028,014	\$ 222,936	\$ 318,026	\$ 397,764	\$ 23,202	\$ 1,835	\$ 3,991,777
Justice System	4,387,470	321,398	459,543	525,402	15,308	2,348	5,711,469
Law Enforcement	5,739,872	424,289	607,149	803,701	133,570	2,896	7,711,477
Juvenile Services	1,936,131	143,911	189,765	240,550	7,784	873	2,519,014
Public Transportation	1,580,327	116,057	159,836	231,782	62,030	869	2,150,901
Human Services	432,310	30,519	36,698	65,708	6,375	198	571,808
TOTALS	<u>17,104,124</u>	<u>1,259,110</u>	<u>1,771,017</u>	<u>2,264,907</u>	<u>248,269</u>	<u>9,019</u>	<u>22,656,446</u>

**INDEPENDENT AUDITOR'S REPORTS ON
COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING
SEPTEMBER 30, 2002**

INGRAM, WALLIS & COMPANY

A PROFESSIONAL CORPORATION

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

Honorable Randy Sims, County Judge
and Honorable County Commissioners
Brazos County, Texas
Bryan, Texas

We have audited the general purpose financial statements of Brazos County, Texas (the "County") as of and for the year ended September 30, 2002, and have issued our report thereon dated December 13, 2002. 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material

weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Sigam, Wallis & Company

Bryan, Texas
December 13, 2002

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Randy Sims, County Judge
and Honorable County Commissioners
Brazos County, Texas
Bryan, Texas

Compliance

We have audited the compliance of Brazos County, Texas (the "County") with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2002. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2002.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal and State Awards

We have audited the general purpose financial statements of the County as of and for the year ended September 30, 2002, and have issued our report thereon dated December 13, 2002. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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



Bryan, Texas
December 13, 2002

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2002

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2001	Receipts	Expenditures	Grant Funds Refunded in 2002	Accounts Receivable (Payable) September 30, 2002
<u>U. S. Department of Justice</u>								
Local Law Enforcement Block Grant	16.592	2000-LB-BX-2193	43,927	(23,219)	--	4,579	--	(18,640)
	16.592	2001-LB-BX-2756	45,538	--	45,538	--	--	(45,538)
State Criminal Alien Assistance Program	16.572	10/01/00-09/30/01	--	77,791	77,791	--	--	--
	16.572	10/01/01-09/30/02	--	--	102,329	102,329	--	--
Gun Violence Prosecution Grant	16.609	2002-GP-CX-0172	120,000	--	--	3,108	--	3,108
				54,572	225,658	110,016		(61,070)
<u>Passed through Office of the Governor of Texas</u>								
<u>Criminal Justice Division</u>								
Narcotics Trafficking Task Force	16.579	DB-01-A10-13867-03 06/01/01-05/31/02	529,167	79,702	444,961	365,259	--	--
Narcotics Trafficking Task Force	16.579	DB-01-A10-13867-04 06/01/02-05/31/03	649,991	--	--	116,722	--	116,722
Juvenile Accountability Incentive Block Grant	16.523	JB-00-J20-15463-02	55,941	2,468	35,905	46,971	--	13,534
Juvenile Accountability Incentive Block Grant	16.523	JB-00-J20-15463-03	51,817	--	--	4,054	--	4,054
				82,170	480,866	533,006	--	134,310
<u>U. S. Department of Transportation</u>								
<u>Passed through State Department of Highways and Public Transportation</u>								
Metropolitan Planning Organization	20.205	501XXF0024	196,629	27,317	27,317	--	--	--
Metropolitan Planning Organization	20.205	502XXF0024	219,989	--	155,502	194,103	--	38,601
Sale to Intoxicated Persons	20.600	589XXF5006	30,958	5,000	5,000	--	--	--
Sale to Intoxicated Persons	20.600	581XXF5006	30,958	--	13,782	27,015	--	13,233
Comprehensive Underage Drinking Education Program	20.600	581XXF5004	61,605	9,532	9,532	--	--	--
Comprehensive Underage Drinking Education Program	20.600	581XXF5003	46,204	--	22,308	32,162	--	9,854
Local Rail Economic Feasibility & Location Study	20.205	2000-014	1,131,345	187,774	212,898	172,692	--	147,568
				229,623	446,339	425,972	--	209,256
<u>U.S. Federal Transit Administration</u>								
<u>Passed through Brazos Valley Community Action Agency/Brazos Transit District</u>								
Metropolitan Planning Organization	20.505	N/A	39,936	6,701	6,701	--	--	--
Metropolitan Planning Organization	20.505	N/A	33,982	--	30,663	33,339	--	2,676
				6,701	37,364	33,339	--	2,676

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2002

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2001	Receipts	Expenditures	Grant Funds Refunded in 2002	Accounts Receivable (Payable) September 30, 2002
<u>U. S. Federal Emergency Management Agency</u>								
<u>Passed through Texas Department of Public Safety</u>								
Division of Emergency Management	83.544	EMT-2001-GR-0005	31,555	7,889	7,889	--	--	--
Division of Emergency Management	83.552	EMT-2002-GR-0005	31,555	--	23,666	31,555	--	7,889
HMEP	83.552		17,626	--	12,800	17,626	--	4,826
				7,889	44,355	49,181	--	12,715
<u>U. S. Department of Health and Human Services</u>								
<u>Passed through the Texas Department of Protective and Regulatory Services</u>								
Title IV-E-Legal(CPS)	93.658	09/01/00-08/31/01	--	23,184	31,443	8,259	--	--
	93.658	09/01/01-08/31/02	--	--	24,520	48,186	--	23,666
	93.658	09/01/02-08/31/03	--	--	--	3,715	--	3,715
Title IV-E-Foster Care Maintenance	93.658	09/01/00-08/31/01	--	5,259	5,211	(48)	--	--
	93.658	09/01/01-08/31/02	--	--	1,926	8,510	--	6,584
	93.658	09/01/02-08/31/03	--	--	--	--	--	--
				28,443	63,100	68,622	--	33,965
<u>Passed through the Texas Juvenile Probation Commission</u>								
Title IV- E- Administration	93.658	09/01/00-08/31/01	--	133,900	133,900	--	--	--
	93.658	09/01/01-08/31/02	--	--	173,784	324,591	--	150,807
Title IV-E - Maintenance - Juvenile	93.658	TJPC-E-2001-021	--	81,031	78,283	(2,748)	--	--
	93.658	TJPC-E-2002-021	--	--	39,204	53,580	--	14,376
				214,931	425,171	375,423	--	165,183
<u>Passed through the Texas Department of Human Services</u>								
National School Lunch Program	10.555	07/01/01-06/30/02	--	4,552	22,353	17,801	--	--
	10.555	07/01/02-06/30/03	--	--	1,769	4,920	--	3,151
School Breakfast Program	10.553	07/01/01-06/30/02	--	2,642	12,721	10,079	--	--
	10.553	07/01/02-06/30/03	--	--	1,156	3,286	--	2,130
Food Services Division Commodities	10.550	07/01/01-06/30/02	--	--	3,228	3,228	--	--
	10.550	07/01/02-06/30/03	--	--	--	545	--	545
				7,194	41,227	39,859	--	5,826
Total Federal Assistance				\$ 631,523	\$ 1,764,080	\$ 1,635,418	\$ -	\$ 502,861

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2002

State Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2001	Receipts	Expenditures	Grant Funds Refunded in 2002	Accounts Receivable (Payable) September 30, 2002
<u>Texas Juvenile Probation Commission</u>								
State Aid	N/A	TJPC-A-2001-021 09/01/00-08/31/01	252,488	\$ (9,409)	\$ --	\$ --	\$ 9,409	\$ --
State Aid	N/A	TJPC-A-2002-021 09/01/01-08/31/02	253,689	24,264	253,689	220,346	--	(9,079)
State Aid	N/A	TJPC-A-2003-021 09/01/02-08/31/03	376,463	--	--	36,267	--	36,267
Community Corrections Assistance Program	N/A	TJPC-Y-2001-021 09/01/00-08/31/01	225,264	(6,519)	--	--	6,519	--
Community Corrections Assistance Program	N/A	TJPC-Y-2002-021 09/01/01-08/31/02	225,264	17,285	225,264	202,063	--	(5,916)
Community Corrections Assistance Program	N/A	TJPC-Y-2003-021 09/01/02-08/31/03	225,264	--	--	15,926	--	15,926
Challenge	N/A	TJPC-C-2002-021 09/01/01-08/31/02	49,632	--	49,632	47,555	--	(2,077)
Challenge	N/A	TJPC-C-2003-021 09/01/02-08/31/03	47,311	--	--	1,897	--	1,897
State Supplement	N/A	TJPC-Z-2002-021 09/01/01-08/31/02	123,975	--	123,975	119,590	--	(4,385)
Progressive Sanctions Level 5 Placement	N/A	N/A	14,175	--	12,049	14,175	--	2,126
Substance Abuse & Weapons Placement	N/A	N/A	14,504	--	11,676	14,504	--	2,828
JJAEP		TJPC - P - 2002 - 021	N/A	--	32,273	32,273	--	--
				25,621	708,558	704,596	15,928	37,587
<u>Attorney General of the State of Texas</u>								
Coordinating Victim Services	N/A	01-G00160 09/01/00-08/31/01	32,325	4,209	4,209	--	--	--
				4,209	4,209	--	--	--
Total State Assistance				29,830	712,767	704,596	15,928	37,587
Total Federal and State Assistance				\$ 661,353	\$ 2,476,847	\$ 2,340,014	\$ 15,928	\$ 540,448

BRAZOS COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

General - The accompanying Supplementary 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 Supplementary Schedule of Expenditures of Federal and State Awards are presented on the accrual basis.

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

Relationship to Federal Financial Reports - Amounts reported in the accompanying Supplementary 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.

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 AWARD FINDINGS AND QUESTIONED COSTS

There were no findings required to be reported by Section 510(a) of OMB Circular A-133.

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS

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

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings required to be reported by Section 510(a) of OMB Circular A-133.