

BRAZORIA COUNTY, TEXAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2018

BRAZORIA COUNTY, TEXAS
AUDITOR'S OFFICE
BRAZORIA COUNTY COURTHOUSE
111 E. Locust, Room 303
Angleton, Texas 77515



BRAZORIA COUNTY, TEXAS

Comprehensive Annual Financial Report
For the Year Ended September 30, 2018

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INTRODUCTORY SECTION



CONNIE GARNER
BRAZORIA COUNTY AUDITOR
111 E. LOCUST, ROOM 303
ANGLETON, TX 77515



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Brazosport (979) 388-1275
Houston (281) 756-1275

March 28, 2019

The Honorable Board of District Judges
The Honorable Commissioners' Court
Brazoria County, Texas

Greetings:

The Comprehensive Annual Financial Report of Brazoria County, Texas, for the fiscal year ended September 30, 2018, is submitted herewith in accordance with Chapter 114.025 of the Local Government Code. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

Management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, Brazoria County management has established a comprehensive internal control framework designed both to protect governmental assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Brazoria County's comprehensive framework, because the cost of internal controls should not outweigh their benefits, has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Kennemer, Masters & Lunsford, LLC, Certified Public Accountants, have issued an unmodified (clean) opinion on Brazoria County's financial statements for the year ended September 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of Brazoria County was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements. Specific emphasis was placed on internal controls and compliance with laws and regulations involving the administration of federal awards. These reports are included in the single audit section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report, and it provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal, and it should be read in conjunction with it.

PROFILE OF BRAZORIA COUNTY

The County of Brazoria is located on the Gulf Coast. Brazoria County is "Where Texas Began". It takes its name from the Brazos River, which flows through it. Brazoria County became one of Texas original counties at independence in 1836. The County has a land area of 1,386 square miles. The decennial census levels in Texas determine which of the various State statutes apply to each particular Texas County. Neighboring counties are Matagorda, Wharton, Fort Bend, Harris and Galveston.

The County operates as specified under the Constitution of the State of Texas and Vernon's Texas Code Annotated, which provide for a Commissioners Court consisting of the County Judge and four Commissioners, one from each of four geographical precincts. The County Judge is elected for a term of four years and the Commissioners for four-year staggered terms. Policy-making authority is vested in the Commissioners Court and the Commissioners Court is responsible, among other things, for adopting the budget and for setting county policies.

The County provides a full range of services authorized by statute. Such services include general governmental functions such as recording and licensing, maintaining the county and district court systems, maintaining public facilities, ensuring public safety, maintaining public health and welfare, aiding conservation, and maintaining county roads and bridges.

The annual budget serves as the foundation for Brazoria County's financial planning and control. All departments of the County are required to submit budget requests to the budget officer during May each year. The budget officer uses these requests as the starting point for developing a proposed budget. The proposed budget is then presented to the Commissioners Court for review. The Commissioners Court is required to hold public hearings on the proposed budget. The appropriated budget is prepared by fund, function (e.g., public safety), department and by the categories of salaries and benefits, operating expenditures, capital outlay and debt services. All transfers of appropriations, either between departments or within an individual department's budget, require the approval of the Commissioners Court. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Brazoria County operates.

Local Economy

Brazoria County is one of Texas' most fertile agricultural areas, one of the regions, more prolific fuel and mineral areas, and in recent decades, the location of one of the world's largest basic chemical manufacturing complexes. The primary economic bases of the county include chemical manufacturing, petroleum processing, offshore production maintenance services, diversified manufacturing including pacemakers and computer chips, biochemical and electronic industries, commercial fishing and agriculture. In addition, the area's deep waterway and port facilities, sports fishing services and tourism are major components of the county's economic base.

Brazoria County continues to experience strong growth in population and in its economic base. This is evident by the increases in new home sales, labor force and employment rate. Major industrial investments continue at levels never experienced by the County.

Long-term Financial Planning

Brazoria County has adopted several financial management policies to provide guidelines to insure its long-term financial health. The General Fund Balance policy sets a level for reserve funds in the General Fund at 30% of operating expenditures. The Debt Management policy establishes guidelines for debt issuance, debt levels, appropriate types of debt to issue, and debt repayment schedules. These policies have been adopted in the last several years, and the County has remained in compliance with them.

Relevant Financial Policies

Due to the County's large investment in capital projects financed by tax exempt bonded debt, Brazoria County has adopted a debt management policy and a compliance policy for the use and accounting for the proceeds from our debt issues. The debt management policy formalizes the types of debt the County will incur, the preferred method of selling our bonds, guidelines for refinancing existing debt, and the maximum levels of debt permissible. The compliance policy seeks to insure that bond proceeds will be spent for permissible purposes, that debt proceeds will not be co-mingled with local funds, and that the County will meet its continuing disclosure and arbitrage rebate obligations.

Major Initiatives

The long-term financial plans of the County include multiple capital projects. In 2018, the County purchased land and building for future Courthouse Complex expansion. New buildings were completed at the Detention Center, South Service Center and West Service Center. A new phone system and security upgrades for the courthouse were completed.

Various projects are in progress including Airport drainage improvements, a fueling station at West Service Center, Detention Center equipment upgrades, Museum renovations, and Park improvements, as well as a truck weigh station on State Highway 288.

As part of future planning, the Commissioners' Court created the Brazoria County Toll Road Authority (BCTRA) in December, 2003. BCTRA is charged with the planning for the 288 managed toll lanes. This project will add two lanes in each direction and will run from CR58 near Manvel and extend north to Beltway 8. Construction bid was awarded in 2017 with construction to be complete in 2019. Revenues generated are anticipated to be used to retire a portion of the debt and/or to fund future improvements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Brazoria County for its comprehensive annual financial report for the fiscal year ended September 30, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County has received this prestigious award for the last 25 consecutive fiscal years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the County Auditor's Office. I want to express my appreciation to all staff members who have assisted in the maintenance of the accounting records of the County, and to the members of the Commissioners' Court for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "Connie Garner".

Connie Garner
County Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

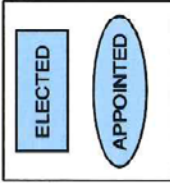
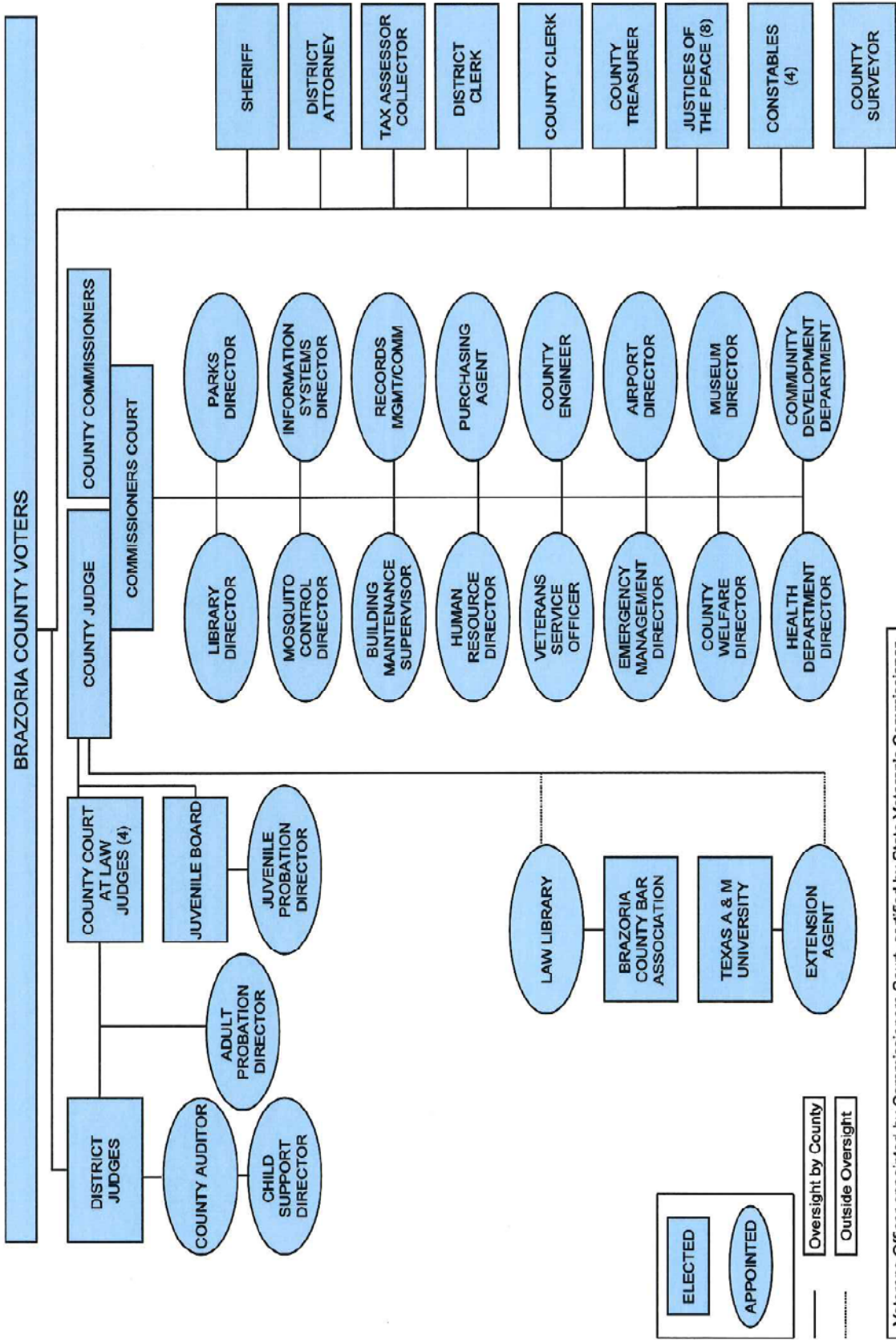
Brazoria County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrill

Executive Director/CEO



Veterans Officer appointed by Commissioners Court, certified by State Veteran's Commissioner

County Agriculture Agent & Home Demo Agent appointed by Texas A&M Extension Service

BRAZORIA COUNTY, TEXAS
PRINCIPAL OFFICIALS

GOVERNING BODY

Honorable Matthew Sebesta, Jr., County Judge

Donald Payne, Commissioner, Precinct 1

Ryan Cade, Commissioner, Precinct 2

Stacy Adams, Commissioner, Precinct 3

David Linder, Commissioner, Precinct 4

OTHER PRINCIPAL OFFICIALS

Ro'Vin Garrett, Tax Assessor-Collector

Connie Garner, County Auditor

Cathy Campbell, County Treasurer

Joyce Hudman, County Clerk

Rhonda Barchak, District Clerk

Jeri Yenne, District Attorney

Raethella Jones, District Attorney - Chief Civil Division

Charles Wagner, Sheriff



FINANCIAL SECTION



Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

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979-543-6836

Independent Auditor's Report

The Honorable County Judge,
and Members of Commissioners
Court of Brazoria County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Brazoria County, Texas (the "County"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

www.kmandl.com – Email: kmkw@kmandl.com

Members: American Institute of Certified Public Accountants, Texas Society of Certified Public Accountants,
Partnering for CPA Practice Success

The Honorable County Judge,
and Members of Commissioners
Court of Brazoria County, Texas

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Brazoria County, Texas, as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, in the year ended September 30, 2018, the County adopted new accounting guidance, GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, required pension schedules and required OPEB schedules on pages 5 through 19 and pages 108 through 113 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the Financial Data Schedule as required by the Department of Housing and Urban Development, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Texas Single Audit Circular (*Uniform Grant Management Standards*) and is also not a required part of the basic financial statements.

The Honorable County Judge,
and Members of Commissioners
Court of Brazoria County, Texas

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Kennemer, Masters & Hungford, LLC

Lake Jackson, Texas
March 28, 2019



BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2018*

As management of Brazoria County, Texas (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - iv of this report.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year for governmental and business-type activities by \$ 316,373,495 and \$ 17,943,094 (net position), respectively. Of this amount, \$ 25,194,681 and \$ (962,440) (unrestricted net position/(deficit)), respectively, may be used to meet the government's ongoing obligations to citizens and creditors within the County's fund designations.
- The County's total net position increased for governmental activities by \$ 3,733,143 and decreased for business-type activities by \$ 1,312,193.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 159,491,649 and its enterprise fund reported ending net position of \$ 18,007,424. 61.38% and (4.99%) of these total amounts, \$ 97,889,948 (unassigned fund balance) and \$ 898,110 (unrestricted net deficit), respectively, were available for use within the County's fund designations.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 102,210,746 or 81.43% of the total general fund expenditures.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2018

The *statement of activities* presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The *governmental activities* of the County include general administration, judicial and legal, financial administration, elections, public facilities, public safety, corrections, public transportation, health and welfare, public assistance, culture and recreation, conservation, environmental protection, and community development. The *business-type activities* of the County include airport operations.

The government-wide financial statements include not only the County itself (known as the primary government), but also legally separate entities for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The County's one discretely presented component consists of the Brazoria County Toll Road Authority.

The government-wide financial statements can be found on pages 22 through 25 of this report.

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

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

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

BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2018

The County maintains ninety-eight (98) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road & Bridge Fund and the FEMA Flood Disaster 2017 Fund; all of which are considered to be major funds. Data from the other ninety-five (95) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 26 through 32 of this report.

- **Proprietary Funds.** The County maintains two categories of *proprietary funds*. The *enterprise fund* is used to report the same functions presented as *business-type activities* in government-wide financial statements. The County uses an *enterprise fund* to account for its airport operations. The second type of proprietary fund is the *internal service fund*. Internal service funds are an accounting device used to accumulate and allocate costs of its self-funded health, liability insurance, and health clinic internally among various funds and functions. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary funds financial statements can be found on pages 34 through 39 of this report.
- **Fiduciary Funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's operations. The County is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position that can be found on pages 40 and 41.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 44 through 105 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 108 through 113 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 128 through 227 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 334,316,589 as of September 30, 2018.

BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2018*

The largest portion of the County's net position, \$ 259,928,601 (77.75%) reflects its investments in capital assets (e.g., land; land improvements; buildings and improvements; furniture, equipment and vehicles; runways, taxiways and aprons; infrastructure; and construction in progress), less any debt used to acquire those assets that is still outstanding. The County uses capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

BRAZORIA COUNTY'S NET POSITION

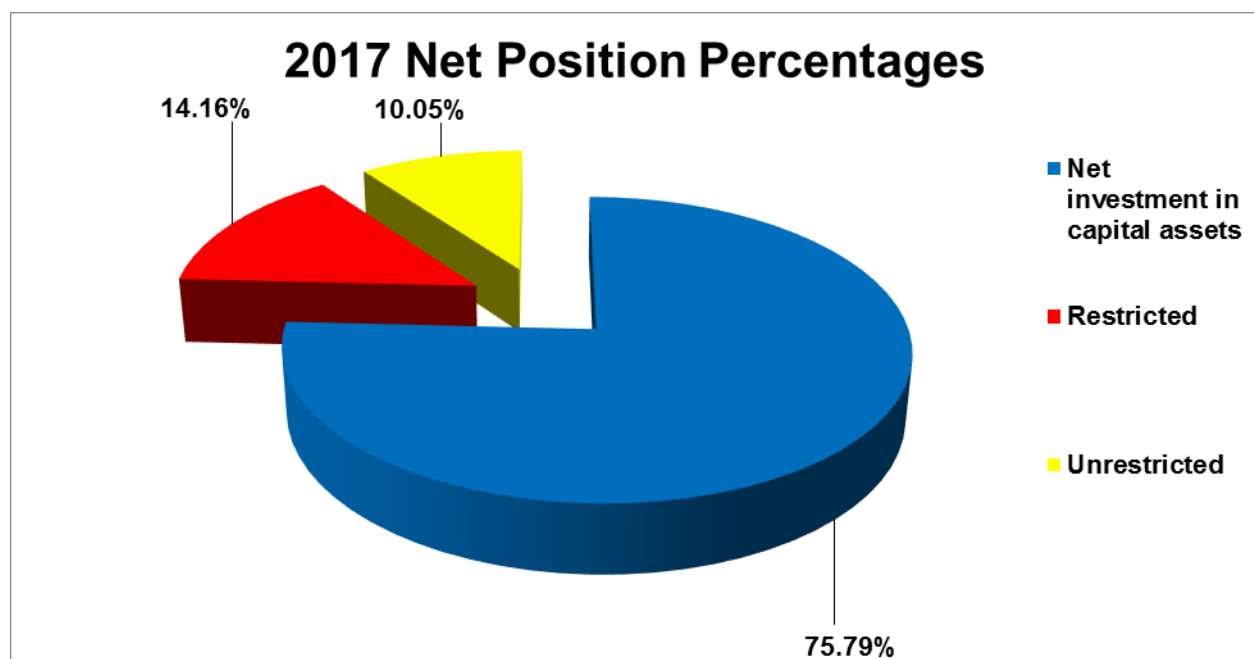
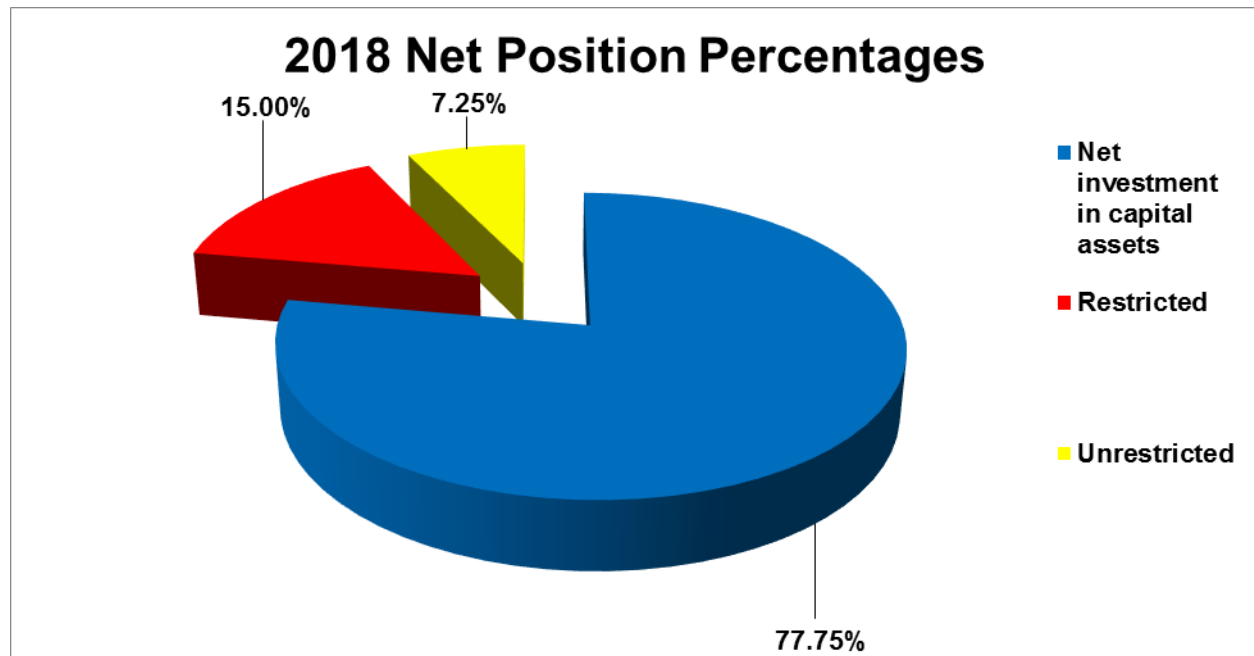
| | Governmental Activities | | Business-type Activities | | Totals | |
|---------------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | | Restated | | Restated | | Restated |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| ASSETS | | | | | | |
| Current and other assets | \$ 198,283,040 | \$ 188,872,661 | \$(23,869) | \$ 91,535 | \$ 198,259,171 | \$ 188,964,196 |
| Capital assets | <u>311,468,108</u> | <u>306,622,999</u> | <u>18,905,534</u> | <u>20,086,292</u> | <u>330,373,642</u> | <u>326,709,291</u> |
| Total assets | <u>509,751,148</u> | <u>495,495,660</u> | <u>18,881,665</u> | <u>20,177,827</u> | <u>528,632,813</u> | <u>515,673,487</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred outflows of resources | <u>24,987,480</u> | <u>29,099,899</u> | <u>218,508</u> | <u>240,741</u> | <u>25,205,988</u> | <u>29,340,640</u> |
| Total deferred outflows of resources | <u>24,987,480</u> | <u>29,099,899</u> | <u>218,508</u> | <u>240,741</u> | <u>25,205,988</u> | <u>29,340,640</u> |
| LIABILITIES | | | | | | |
| Current and other liabilities | 22,135,793 | 23,196,997 | 117,065 | 161,528 | 22,252,858 | 23,358,525 |
| Long-term liabilities | <u>173,926,119</u> | <u>187,517,576</u> | <u>819,644</u> | <u>991,243</u> | <u>174,745,763</u> | <u>188,508,819</u> |
| Total liabilities | <u>196,061,912</u> | <u>210,714,573</u> | <u>936,709</u> | <u>1,152,771</u> | <u>196,998,621</u> | <u>211,867,344</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred inflows of resources | <u>22,303,221</u> | <u>1,240,634</u> | <u>220,370</u> | <u>10,510</u> | <u>22,523,591</u> | <u>1,251,144</u> |
| Total deferred inflows of resources | <u>22,303,221</u> | <u>1,240,634</u> | <u>220,370</u> | <u>10,510</u> | <u>22,523,591</u> | <u>1,251,144</u> |
| NET POSITION | | | | | | |
| Net investment in capital assets | 241,023,067 | 231,459,172 | 18,905,534 | 20,086,292 | 259,928,601 | 251,545,464 |
| Restricted | 50,155,747 | 46,956,431 | | 23,333 | 50,155,747 | 46,979,764 |
| Unrestricted | <u>25,194,681</u> | <u>34,224,749</u> | <u>(962,440)</u> | <u>(854,338)</u> | <u>24,232,241</u> | <u>33,370,411</u> |
| Total net position | <u>\$ 316,373,495</u> | <u>\$ 312,640,352</u> | <u>\$ 17,943,094</u> | <u>\$ 19,255,287</u> | <u>\$ 334,316,589</u> | <u>\$ 331,895,639</u> |

BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2018

An additional portion of the County's net position of \$ 50,155,747 (15.00%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$ 24,232,241 (7.25%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2018, the County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate categories—governmental and business-type activities, with the exception of the unrestricted net deficit in the business-type activities of \$ 962,440, caused primarily by losses on operations.



BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2018*

Analysis of the County's Operations. Overall the County had an increase in net position of \$ 2,420,950. Governmental activities reported an increase in net position in the amount of \$ 3,733,143, while the business-type activities reported a decrease in net position in the amount of \$ 1,312,193. The reasons for the increase of net position in the governmental activities is primarily related to capital assets balances. Net capital asset balances increased by \$ 3,664,351, substantially due to the receipt of federal grant funds such as the U.S. Department of Transportation - Highway Planning and Construction Program of \$ 606,330 for roads, the Texas Department of Transportation - Transportation Infrastructure Fund Grant Program of \$ 924,141 and the acceptance of roads to the County road system of \$ 2,014,900. The reason for the decrease of net position in the business-type activities is primarily related to the \$ 1,314,858 of depreciation expense for the current year.

The following table provides a summary of the County's operations for the years ended September 30, 2018 and 2017:

BRAZORIA COUNTY'S CHANGES IN NET POSITION

| | Governmental Activities | | Business-type Activities | | Totals | |
|--|-------------------------|--------------------|--------------------------|------------------|--------------------|--------------------|
| | September 30, | | September 30, | | September 30, | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 23,257,111 | \$ 28,487,150 | \$ 2,912,439 | \$ 2,465,723 | \$ 26,169,550 | \$ 30,952,873 |
| Operating grants and contributions | 17,459,322 | 27,063,149 | 50,000 | 49,999 | 17,509,322 | 27,113,148 |
| Capital grants and contributions | 3,800,879 | 12,904,515 | | 310,613 | 3,800,879 | 13,215,128 |
| General Revenues: | | | | | | |
| Property taxes | 122,695,031 | 118,684,474 | | | 122,695,031 | 118,684,474 |
| Sales and other taxes | 34,953,712 | 33,270,942 | | | 34,953,712 | 33,270,942 |
| Grants and contributions not restricted to specific programs | 77,234 | 47,527 | | | 77,234 | 47,527 |
| Investment income | 2,557,533 | 1,373,196 | 373 | | 2,557,906 | 1,373,196 |
| Gain on disposition of capital assets | 73,625 | 59,747 | | | 73,625 | 59,747 |
| Miscellaneous | 651,734 | 1,010,116 | | | 651,734 | 1,010,116 |
| Total revenues | <u>205,526,181</u> | <u>222,900,816</u> | <u>2,962,812</u> | <u>2,826,335</u> | <u>208,488,993</u> | <u>225,727,151</u> |

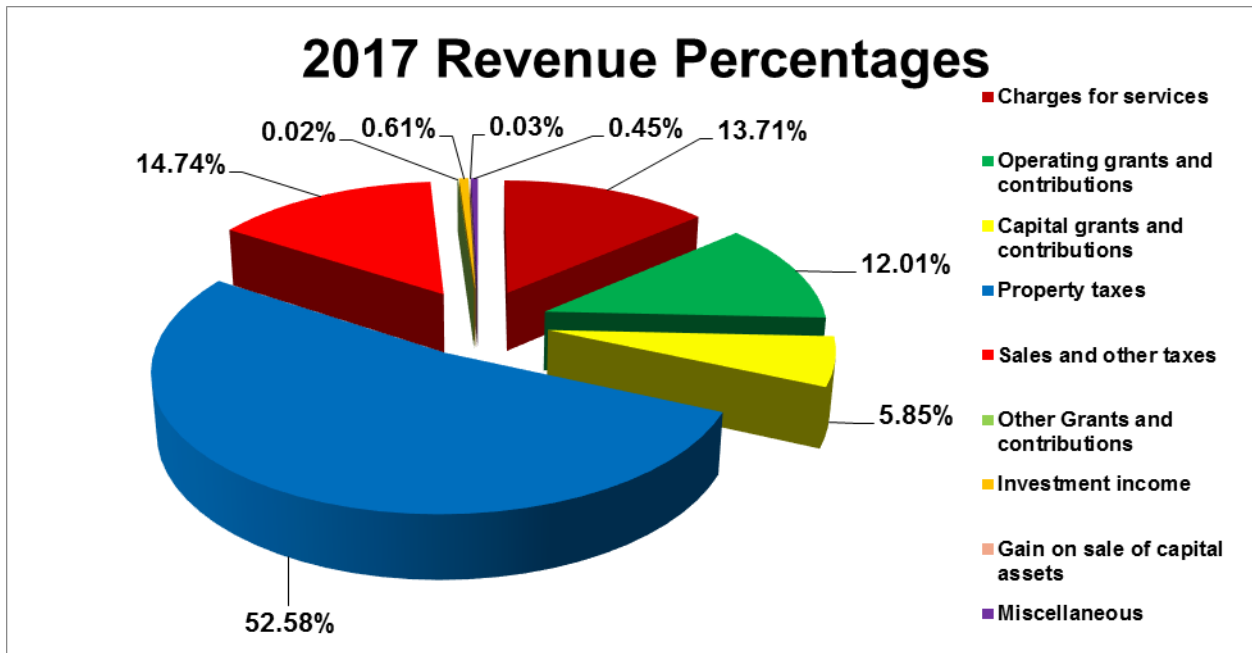
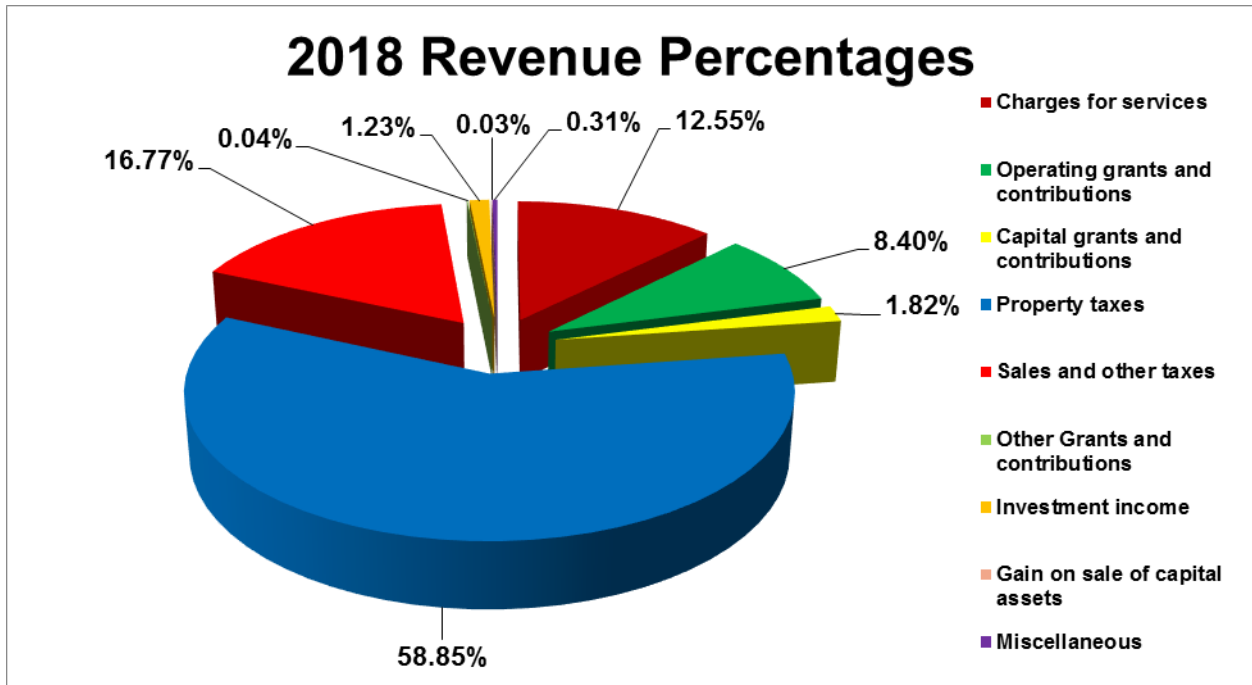
(continued)

BRAZORIA COUNTY, TEXAS

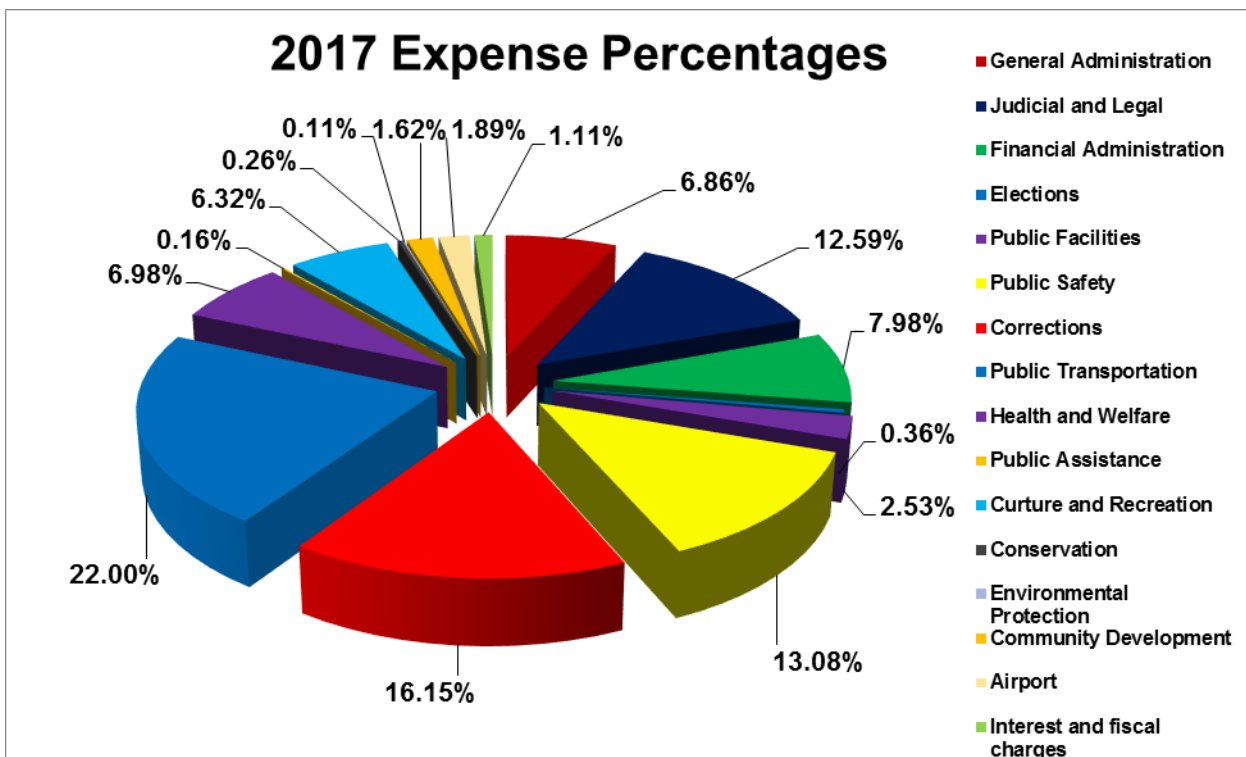
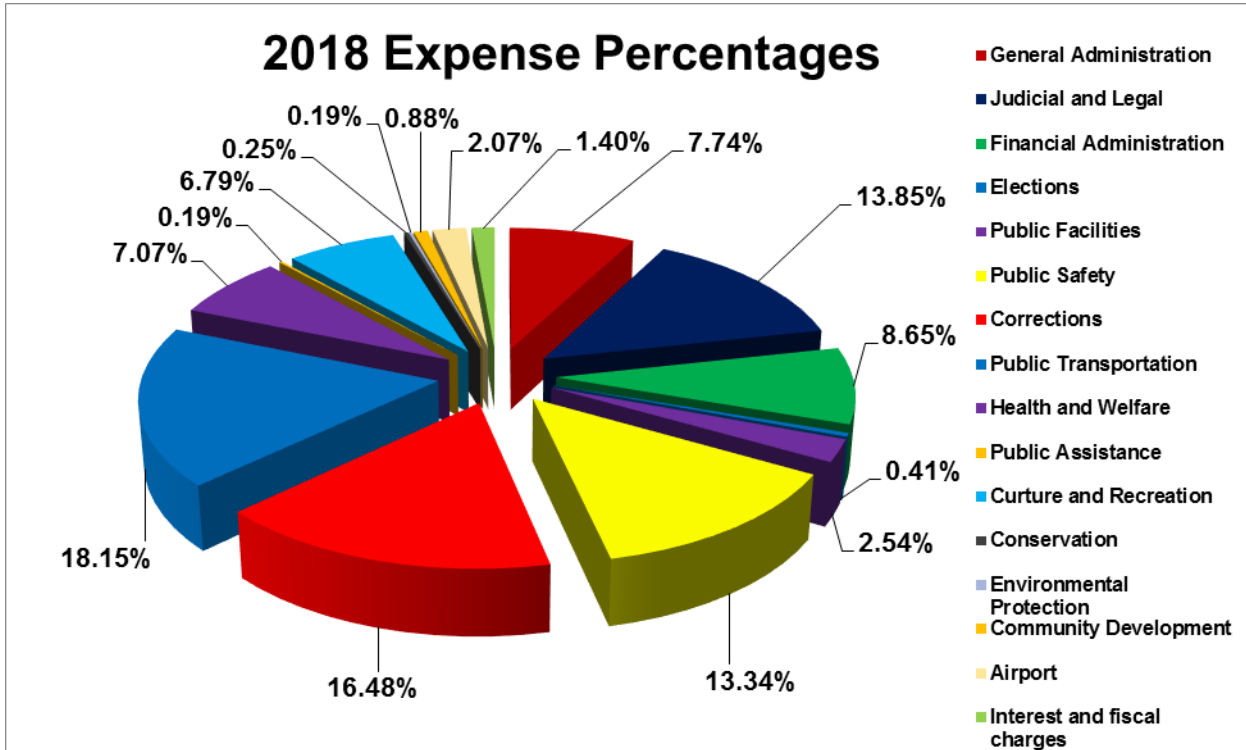
*Management's Discussion and Analysis
For the Year Ended September 30, 2018*

| | Governmental Activities | | Business-type Activities | | Totals | |
|---------------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | September 30, | | September 30, | | September 30, | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Expenses: | | | | | | |
| General administration | \$ 15,943,484 | \$ 14,256,255 | \$ | \$ | \$ 15,943,484 | \$ 14,256,255 |
| Judicial and legal | 28,537,150 | 26,160,276 | | | 28,537,150 | 26,160,276 |
| Financial administration | 17,830,059 | 16,585,661 | | | 17,830,059 | 16,585,661 |
| Elections | 836,365 | 754,753 | | | 836,365 | 754,753 |
| Public facilities | 5,225,522 | 5,259,745 | | | 5,225,522 | 5,259,745 |
| Public safety | 27,482,318 | 27,179,614 | | | 27,482,318 | 27,179,614 |
| Corrections | 33,957,749 | 33,551,741 | | | 33,957,749 | 33,551,741 |
| Public transportation | 37,398,020 | 45,740,054 | | | 37,398,020 | 45,740,054 |
| Health and welfare | 14,577,622 | 14,497,556 | | | 14,577,622 | 14,497,556 |
| Public assistance | 403,000 | 332,676 | | | 403,000 | 332,676 |
| Culture and recreation | 13,987,290 | 13,131,875 | | | 13,987,290 | 13,131,875 |
| Conservation | 506,265 | 535,470 | | | 506,265 | 535,470 |
| Environmental protection | 392,236 | 237,091 | | | 392,236 | 237,091 |
| Community development | 1,820,655 | 3,372,148 | | | 1,820,655 | 3,372,148 |
| Airport | | | 4,275,005 | 3,918,718 | 4,275,005 | 3,918,718 |
| Interest and fiscal charges | <u>2,895,303</u> | <u>2,297,450</u> | | | <u>2,895,303</u> | <u>2,297,450</u> |
| Total expenses | <u>201,793,038</u> | <u>203,892,365</u> | <u>4,275,005</u> | <u>3,918,718</u> | <u>206,068,043</u> | <u>207,811,083</u> |
| Increase (decrease) in net position | 3,733,143 | 19,008,451 | (1,312,193) | (1,092,383) | 2,420,950 | 17,916,068 |
| Net position – October 1, as restated | <u>312,640,352</u> | <u>321,582,408</u> | <u>19,255,287</u> | <u>20,618,628</u> | <u>331,895,639</u> | <u>342,201,036</u> |
| Net position – Sept. 30, | <u>\$ 316,373,495</u> | <u>\$ 340,590,859</u> | <u>\$ 17,943,094</u> | <u>\$ 19,526,245</u> | <u>\$ 334,316,589</u> | <u>\$ 360,117,104</u> |

The fiscal year ending September 30, 2017 net position was restated in accordance with the implementation of GASB Statement No. 75. Due to the availability of the information related to the implementation of this standard, the fiscal year ending September 30, 2016 could not be restated.



BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2018



BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2018*

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 159,491,649. The unassigned fund balance of \$ 97,889,948 constitutes 61.38% of ending fund balance. The remainder of the fund balance is categorized as 1) non-spendable \$ 2,287,883, 2) restricted \$ 57,660,008, and 3) committed \$ 1,653,810.

Fund balance of the General Fund increased by \$ 9,089,764; the Road & Bridge Fund increased by \$ 2,448,288; the FEMA Flood Disaster 2017 Fund decreased by \$ 3,734,761; and, other (non-major) governmental funds increased by \$ 6,823,257. The General Fund revenue decreased by \$3.8 million from a combination of increased property taxes of \$3.3 million on higher property tax values and decreased intergovernmental revenue of \$9.7 million related to the FY 17 Texas Department of Transportation intergovernmental revenue of \$10 million passed through the County to the Brazoria County Toll Road Authority. The General Fund expenditures decreased by \$6.0 million from a combination of increased salaries and benefit costs and decreased public transportation expenditures of \$10 million related to the FY 17 Texas Department of Transportation concession fee passed through the County to the Brazoria County Toll Road Authority. The Road & Bridge revenue and expenditures decreased from the delayed timing of planned road projects resulting from diversion of resources related to post Hurricane Harvey activity.

Proprietary funds. The County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The enterprise fund is used to account for airport operations. Net position at September 30, 2018 amounted to \$ 18,007,424. Total net position decreased \$ 1,297,513 (approximately 6.63%), and the decrease was primarily due to the depreciation expense.

General Fund Budgetary Highlights. Over the course of the year, the County recommended and the Commissioners approved several revisions to budgeted revenue and appropriations. Differences between the original budget and the final amended budget were a \$ 1 million increase in estimated revenues, and a \$ 5.7 million increase in appropriations and were primarily for the following:

- The re-appropriation of funds for prior year-end encumbrances.
- The \$ 2.5 million approval for a transfer to the Self-Insurance Health Care Fund for the fiscal year 2017 shortage of \$ 1.5 million and the fiscal year 2018 shortage of \$ 1 million.
- The \$ 3.2 million approval for the one-time lump sum payment to Texas County & District Retirement System to reduce the net pension liability.

BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2018

During the year, revenues were more than budgetary estimates and expenditures were less than budgetary estimates. Major variances include:

- Intergovernmental revenue exceeded budget due to various grants.
- Fines and forfeitures revenue exceeded budget due to an increased number of cases.
- Investment income increased due to an increase in investable cash.
- Expenditures in public safety were less than budgeted due to turnover and the inability to fill vacant positions. Fuel costs were also less than anticipated.
- Expenditures in financial administration were less than budgeted due to a decision to delay some financial software upgrades.
- Expenditures in health and welfare were less than budgeted due to a decrease in indigent health care costs.
- Expenditures in capital outlay were less than budgeted due to post Hurricane Harvey activity.

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$ 330,373,642 (net of accumulated depreciation). This investment in capital assets includes land; land improvements; buildings and improvements; furniture, equipment and vehicles; runways, taxiways and aprons; infrastructure; and construction in progress.

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

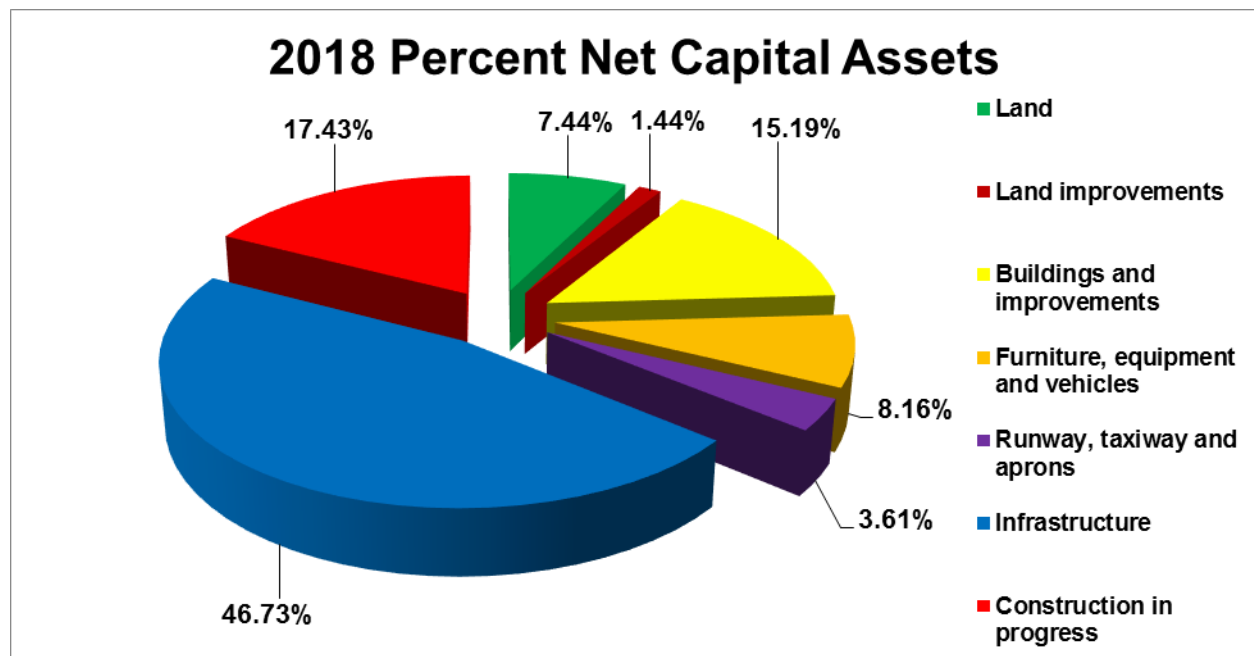
- Purchase of land and building for \$89,180 and \$736,381, respectively
- Completion of new building projects including: Detention Center - \$243,487, South Service Center - \$568,555, and West Service Center - \$688,450
- Security improvements - Courthouse and Sheriff's office - \$520,465
- Purchase of computer equipment - \$880,211, Elections voting equipment - \$4,386,981, PBX telephone system - \$810,383 and Park playground equipment - \$106,831
- Vehicles and equipment were acquired, primarily as replacements to vehicles and road and bridge equipment, for \$6,139,366
- Acceptance of roads to the County's road system and completion of roads for \$2,014,900 and \$12,611,039, respectively
- Road and bridge projects were initiated or continued at costs of \$49,666,126 and \$835,489, respectively
- A variety of other construction in progress projects including: Airport drainage improvements - \$233,506, Detention Center (Heating and Air Conditioning System) - \$1,114,436, Museum renovations - \$958,185, Odyssey courts and justice software - \$150,364, Park projects - \$275,646, Precinct 1 Annex building in Lake Jackson - \$258,449, Restore Act grants - Quintana fishing pier - \$119,419 and San Bernard River jetties - \$729,766, South and West Service Center improvements - \$1,187,550, State Highway 288 truck weigh station - \$1,043,426, and West Service Center fueling station - \$786,121.

BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2018

BRAZORIA COUNTY'S CAPITAL ASSETS
Net of Accumulated Depreciation

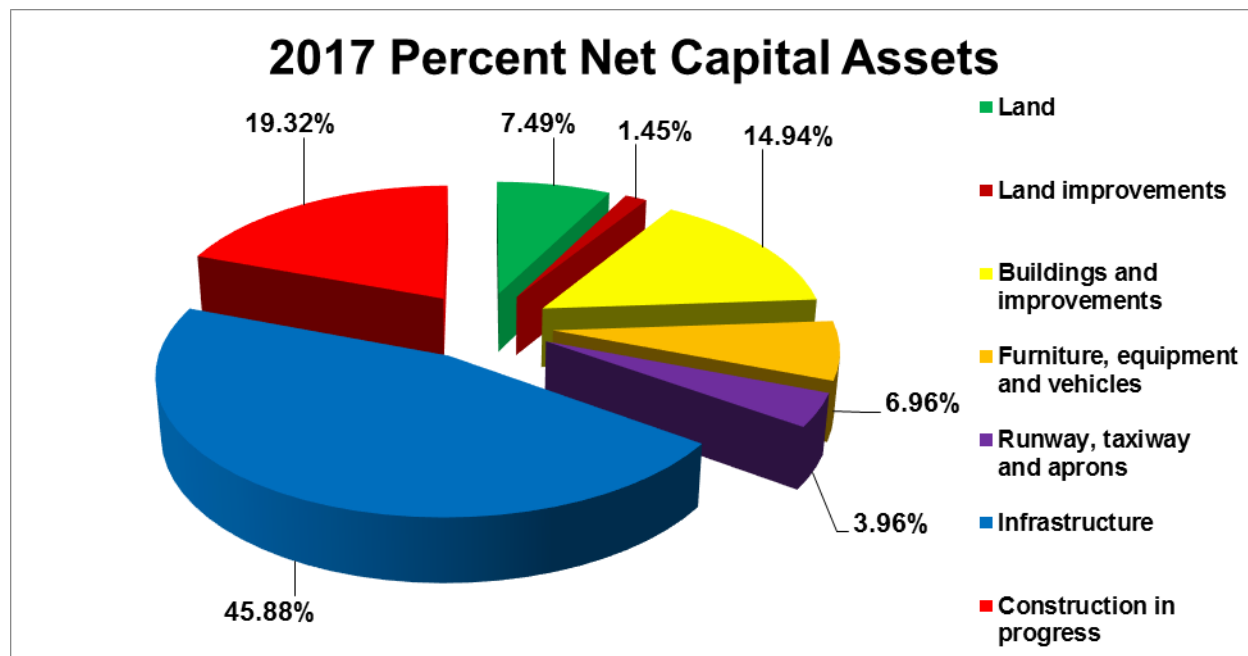
| | Governmental Activities | | Business-type Activities | | Totals | |
|-----------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | September 30, 2018 | 2017 | September 30, 2018 | 2017 | September 30, 2018 | 2017 |
| Land | \$ 23,008,192 | \$ 22,908,590 | \$ 1,558,687 | \$ 1,558,687 | \$ 24,566,879 | \$ 24,467,277 |
| Land improvements | 4,742,962 | 4,743,366 | | | 4,742,962 | 4,743,366 |
| Buildings & improvements | 45,116,696 | 44,847,533 | 5,078,186 | 3,966,999 | 50,194,882 | 48,814,532 |
| Furniture, equipment and vehicles | 26,691,428 | 22,485,052 | 280,293 | 268,874 | 26,971,721 | 22,753,926 |
| Runway, taxiway and aprons | | | 11,942,868 | 12,934,201 | 11,942,868 | 12,934,201 |
| Infrastructure | 154,373,042 | 149,873,614 | | | 154,373,042 | 149,873,614 |
| Construction in progress | <u>57,535,788</u> | <u>61,764,844</u> | <u>45,500</u> | <u>1,357,531</u> | <u>57,581,288</u> | <u>63,122,375</u> |
| Total | <u>\$ 311,468,108</u> | <u>\$ 306,622,999</u> | <u>\$ 18,905,534</u> | <u>\$ 20,086,292</u> | <u>\$ 330,373,642</u> | <u>\$ 326,709,291</u> |

Additional information on the County's capital assets can be found in Note 7 on pages 75 through 80 of this report.



BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2018



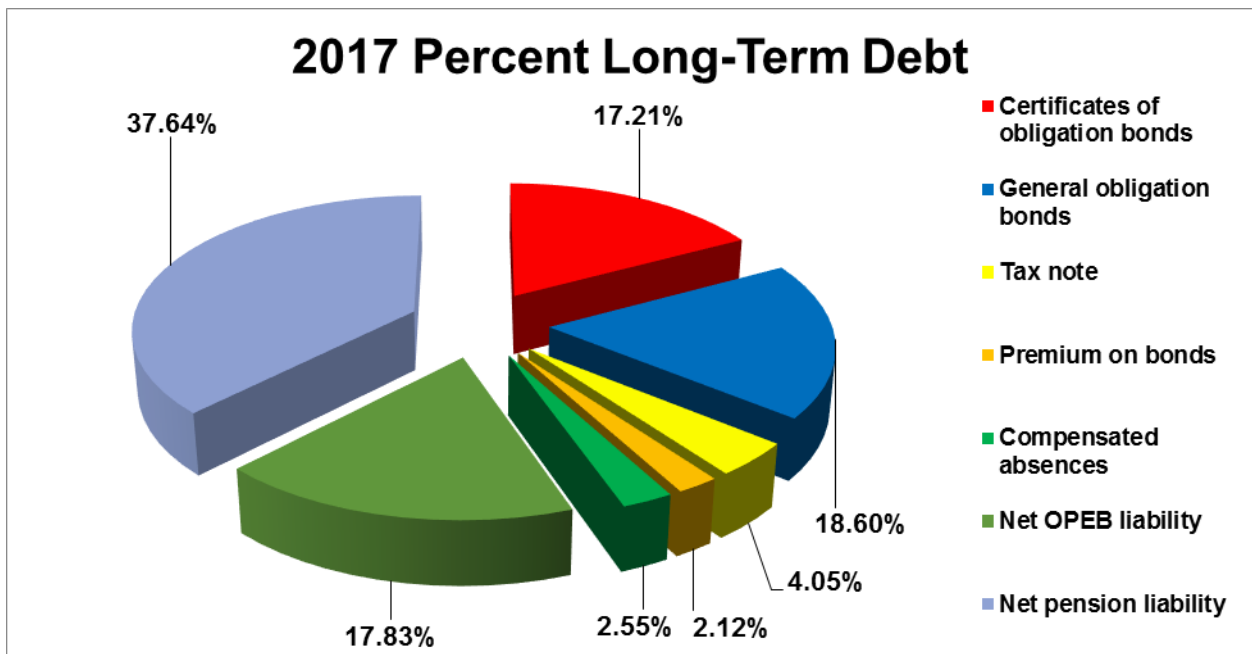
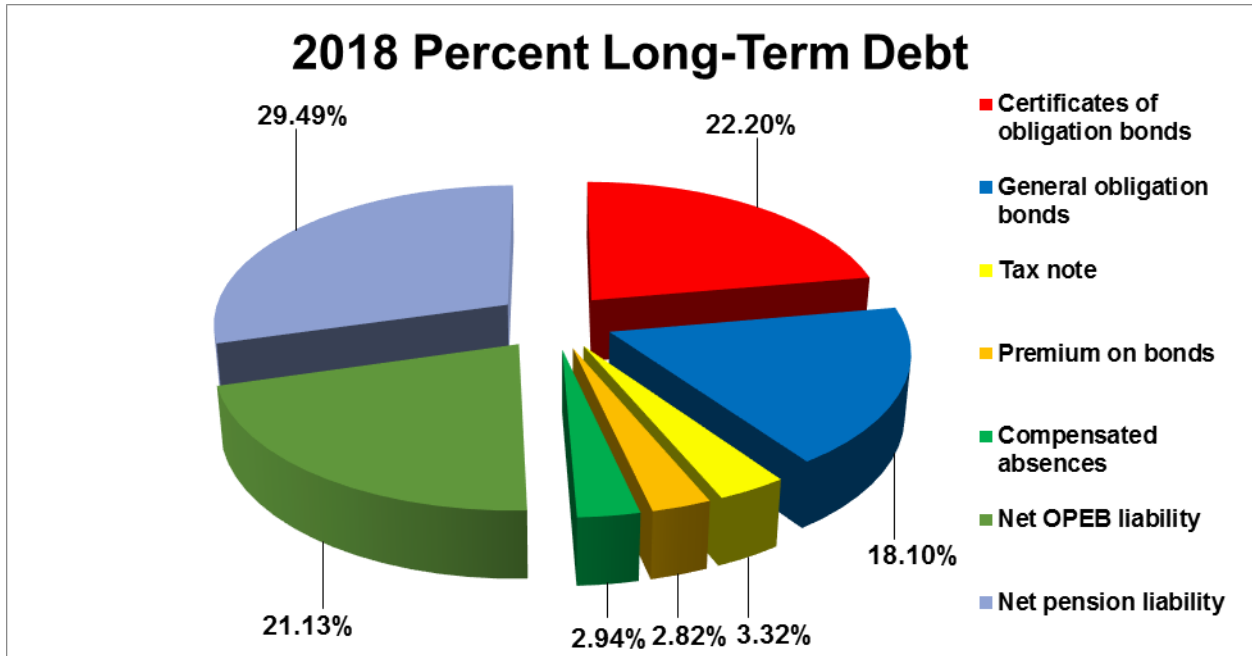
DEBT ADMINISTRATION

At the end of the current fiscal year, the County had a total bonded debt of \$ 76,230,000 which, comprises bonded debt backed by the full faith and credit of the County. These bonds and tax note will be retired with revenues from property and sales taxes, and fees for services.

BRAZORIA COUNTY'S LONG-TERM DEBT

| | Governmental Activities | | Business-type Activities | | Totals | |
|----------------------------------|-------------------------|-----------------------|--------------------------|-------------------|-----------------------|-----------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Certificates of obligation bonds | \$ 38,795,000 | \$ 32,440,000 | \$ | \$ | \$ 38,795,000 | \$ 32,440,000 |
| General obligation bonds | 31,630,000 | 35,075,000 | | | 31,630,000 | 35,075,000 |
| Tax note | 5,805,000 | 7,635,000 | | | 5,805,000 | 7,635,000 |
| Premium on bonds | 4,923,161 | 3,994,390 | | | 4,923,161 | 3,994,390 |
| Compensated absences | 5,078,003 | 4,748,111 | 54,878 | 62,887 | 5,132,881 | 4,810,998 |
| Net OPEB liability | 36,562,627 | 33,277,551 | 361,441 | 330,938 | 36,924,068 | 33,608,489 |
| Net pension liability | <u>51,132,328</u> | <u>70,347,524</u> | <u>403,325</u> | <u>597,418</u> | <u>51,535,653</u> | <u>70,944,942</u> |
| Total | <u>\$ 173,926,119</u> | <u>\$ 187,517,576</u> | <u>\$ 819,644</u> | <u>\$ 991,243</u> | <u>\$ 174,745,763</u> | <u>\$ 188,508,819</u> |

During the fiscal year, the County's total debt decreased \$ 13,763,056 or 7.30%. The decrease was due primarily to the decrease in the net pension liability after the most recent actuarial valuations.



BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2018*

All of the outstanding Bonds of the County payable from its limited taxes are insured and are, therefore, rated "Aa1" by Moody's Investors Service Inc. ("Moody's"), "AA+" by Standard & Poor's ("S&P"), and "AA+" by Fitch.

Additional information on the County's long-term debt can be found in Note 9 on pages 81 through 86 of this report.

Economic Factors and Next Year's Budgets and Rates

The County continues to enjoy growth during these current economic times. The population of the County is estimated at 365,453 in 2018 and is expected to grow to 394,679 by 2023.

The number of households has increased to 124,920 in 2018 and is expected to grow to 136,967 by 2023. Estimated average (mean) household income from 2018 is \$ 96,510 and is expected to grow to \$ 112,586 by 2023. Income per capita is currently at \$ 33,339 and is expected to grow to \$ 39,395.

All of these factors were considered in preparing Brazoria County's budget for the 2019 fiscal year. At the end of the current fiscal year, fund balances in the governmental funds increased to \$ 159,491,649. Brazoria County has appropriated \$ 20.8 million of this amount for spending in the 2019 fiscal year budget. It is expected that conservative revenue budgets will serve to make the actual decrease in fund balance far less than budgeted. The overall tax rate decreased from 0.440234 per \$ 100 of assessed valuation for 2018 to 0.427914 per \$ 100 valuation for 2019.

Request for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Brazoria County Auditor, 111 E. Locust, Room 303, Angleton, Texas, 77515, or call (979) 864-1275.



BASIC FINANCIAL STATEMENTS

BRAZORIA COUNTY, TEXAS
STATEMENT OF NET POSITION
September 30, 2018

Exhibit 1
Page 1 of 2

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|--------------------|--------------------|
| | Governmental Activities | Business-type Activities | Total | |
| ASSETS | | | | |
| Cash and temporary investments | \$ 124,477,707 | \$ | \$ 124,477,707 | \$ 78,268,138 |
| Receivables (Net of Allowance for Uncollectibles): | | | | |
| Taxes | 1,488,047 | | 1,488,047 | |
| Accounts | 14,927,829 | 313,196 | 15,241,025 | 307 |
| Special assessments | 1,606,492 | | 1,606,492 | |
| Due from other governments | 9,797,449 | | 9,797,449 | 778,729 |
| Accrued interest | 71,212 | | 71,212 | |
| Interfund balances | 405,987 | (405,987) | -0- | |
| Inventories | 805,319 | 63,417 | 868,736 | |
| Prepaid expenses | 1,473,564 | 5,505 | 1,479,069 | 11,575 |
| Investments | 21,797,440 | | 21,797,440 | |
| Due from component units | 21,422,994 | | 21,422,994 | |
| Long-term receivables | 9,000 | | 9,000 | |
| Capital Assets: | | | | |
| Land | 23,008,192 | 1,558,687 | 24,566,879 | 88,425 |
| Land improvements (net) | 4,742,962 | | 4,742,962 | |
| Buildings and improvements (net) | 45,116,696 | 5,078,186 | 50,194,882 | |
| Furniture, equipment and vehicles (net) | 26,691,428 | 280,293 | 26,971,721 | |
| Runways, taxiways and aprons (net) | | 11,942,868 | 11,942,868 | |
| Infrastructure (net) | 154,373,042 | | 154,373,042 | |
| Construction in progress | <u>57,535,788</u> | <u>45,500</u> | <u>57,581,288</u> | <u>55,981,059</u> |
| Total assets | <u>509,751,148</u> | <u>18,881,665</u> | <u>528,632,813</u> | <u>135,128,233</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows of resources | <u>24,987,480</u> | <u>218,508</u> | <u>25,205,988</u> | |
| Total deferred outflows of resources | <u>24,987,480</u> | <u>218,508</u> | <u>25,205,988</u> | <u>-0-</u> |

BRAZORIA COUNTY, TEXAS
STATEMENT OF NET POSITION - Continued
September 30, 2018

Exhibit 1
Page 2 of 2

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|-----------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total | |
| LIABILITIES | | | | |
| Accounts and accrued liabilities payable | \$ 18,615,413 | \$ 88,165 | \$ 18,703,578 | \$ 7,866,109 |
| Estimated health claims payable | 943,603 | | 943,603 | |
| Due to others | 518,556 | | 518,556 | |
| Accrued interest payable | 273,987 | | 273,987 | 164,013 |
| Unearned revenue | 1,784,234 | 28,900 | 1,813,134 | 50,000 |
| Due to primary government | | | | 21,422,994 |
| Noncurrent Liabilities: | | | | |
| Due within one year | 12,335,375 | 54,878 | 12,390,253 | 220,594 |
| Due in more than one year | 73,895,789 | | 73,895,789 | 88,509,340 |
| Net pension liability | 51,132,328 | 403,325 | 51,535,653 | |
| Net OPEB liability | <u>36,562,627</u> | <u>361,441</u> | <u>36,924,068</u> | |
| Total liabilities | <u>196,061,912</u> | <u>936,709</u> | <u>196,998,621</u> | <u>118,233,050</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows of resources | <u>22,303,221</u> | <u>220,370</u> | <u>22,523,591</u> | |
| Total deferred inflows of resources | <u>22,303,221</u> | <u>220,370</u> | <u>22,523,591</u> | <u>-0-</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 241,023,067 | 18,905,534 | 259,928,601 | 2,527,383 |
| Restricted: | | | | |
| Capital projects | | | | 9,691,919 |
| Debt service | 10,229,673 | | 10,229,673 | 4,656,623 |
| Public transportation projects | 29,026,604 | | 29,026,604 | |
| Records management | 4,181,205 | | 4,181,205 | |
| Health services | 2,225,949 | | 2,225,949 | |
| Other | 4,492,316 | | 4,492,316 | |
| Unrestricted | <u>25,194,681</u> | <u>(962,440)</u> | <u>24,232,241</u> | <u>19,258</u> |
| Total net position | <u>\$ 316,373,495</u> | <u>\$ 17,943,094</u> | <u>\$ 334,316,589</u> | <u>\$ 16,895,183</u> |

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

BRAZORIA COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

| Functions/Programs | Expenses | Program Revenues | | |
|--|-----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| General administration | \$ 15,943,484 | \$ 3,473,990 | \$ 1,007,606 | \$ |
| Judicial and legal | 28,537,150 | 5,671,148 | 3,372,024 | 20,540 |
| Financial administration | 17,830,059 | 4,180,739 | 35,491 | |
| Elections | 836,365 | 228,514 | | |
| Public facilities | 5,225,522 | 275,973 | 9,360 | 164 |
| Public safety | 27,482,318 | 1,760,985 | 250,975 | 70,232 |
| Corrections | 33,957,749 | 2,032,401 | 224,096 | 37,124 |
| Public transportation | 37,398,020 | 4,592,759 | 2,908,241 | 3,550,169 |
| Health and welfare | 14,577,622 | 536,992 | 6,255,916 | 29,507 |
| Public assistance | 403,000 | | | |
| Culture and recreation | 13,987,290 | 464,922 | 1,351,148 | 93,143 |
| Conservation | 506,265 | 19,107 | 164 | |
| Environmental protection | 392,236 | 9,952 | | |
| Community development | 1,820,655 | 9,629 | 1,806,228 | |
| Interest and fiscal charges | <u>2,895,303</u> | | <u>238,073</u> | |
| Total governmental activities | 201,793,038 | 23,257,111 | 17,459,322 | 3,800,879 |
| Business-type Activities: | | | | |
| Airport | <u>4,275,005</u> | <u>2,912,439</u> | <u>50,000</u> | |
| Total primary government | <u>\$ 206,068,043</u> | <u>\$ 26,169,550</u> | <u>\$ 17,509,322</u> | <u>\$ 3,800,879</u> |
| Component Unit: | | | | |
| Brazoria County Toll Road Authority | <u>\$ 2,612,793</u> | <u>\$</u> | <u>\$</u> | <u>\$ 2,311,462</u> |
| Total component unit | <u>\$ 2,612,793</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 2,311,462</u> |
| General Revenue: | | | | |
| Property taxes | | | | |
| Sales and other taxes | | | | |
| Grants and contributions not restricted to specific programs | | | | |
| Investment income | | | | |
| Gain on disposition of capital assets | | | | |
| Miscellaneous | | | | |
| Total general revenues, special items and transfers | | | | |
| Change in net position | | | | |
| Net position – beginning | | | | |
| Prior period adjust required by GASB 75 | | | | |
| Net position – beginning, as restated | | | | |
| Net position – ending | | | | |

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

| Net (Expense) Revenue and Changes In Net Position | | | |
|---|---------------------------------|-----------------------|----------------------|
| Primary Government | | | |
| Governmental Activities | Business- Type Activities | Total | Component Unit |
| \$(11,461,888) | \$ | \$(11,461,888) | \$ |
| (19,473,438) | | (19,473,438) | |
| (13,613,829) | | (13,613,829) | |
| (607,851) | | (607,851) | |
| (4,940,025) | | (4,940,025) | |
| (25,400,126) | | (25,400,126) | |
| (31,664,128) | | (31,664,128) | |
| (26,346,851) | | (26,346,851) | |
| (7,755,207) | | (7,755,207) | |
| (403,000) | | (403,000) | |
| (12,078,077) | | (12,078,077) | |
| (486,994) | | (486,994) | |
| (382,284) | | (382,284) | |
| (4,798) | | (4,798) | |
| <u>(2,657,230)</u> | | <u>(2,657,230)</u> | |
| (157,275,726) | -0- | (157,275,726) | -0- |
| | (1,312,566) | (1,312,566) | |
| <u>(157,275,726)</u> | <u>(1,312,566)</u> | <u>(158,588,292)</u> | <u>-0-</u> |
| | | | (301,331) |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>(301,331)</u> |
| 122,695,031 | | 122,695,031 | |
| 34,953,712 | | 34,953,712 | |
| 77,234 | | 77,234 | |
| 2,557,533 | 373 | 2,557,906 | 1,465,825 |
| 73,625 | | 73,625 | |
| <u>651,734</u> | | <u>651,734</u> | |
| <u>161,008,869</u> | <u>373</u> | <u>161,009,242</u> | <u>1,465,825</u> |
| 3,733,143 | (1,312,193) | 2,420,950 | 1,164,494 |
| 340,590,859 | 19,526,245 | 360,117,104 | 15,730,689 |
| <u>(27,950,507)</u> | <u>(270,958)</u> | <u>(28,221,465)</u> | <u>-0-</u> |
| <u>312,640,352</u> | <u>19,255,287</u> | <u>331,895,639</u> | <u>15,730,689</u> |
| <u>\$ 316,373,495</u> | <u>\$ 17,943,094</u> | <u>\$ 334,316,589</u> | <u>\$ 16,895,183</u> |

BRAZORIA COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2018

Exhibit 3
Page 1 of 2

| | Major Funds | | | Non-Major Funds | Total Governmental Funds |
|--|-----------------------|----------------------|-------------------------------|--------------------------|--------------------------|
| | General Fund | Road & Bridge Fund | FEMA Flood Disaster 2017 Fund | Other Governmental Funds | |
| Assets and Deferred Outflows of Resources | | | | | |
| Assets: | | | | | |
| Cash and temporary investments | \$ 68,742,197 | \$ 28,475,356 | \$ | \$ 25,367,957 | \$ 122,585,510 |
| Investments | 21,797,440 | | | | 21,797,440 |
| Receivables (Net of Allowance for Uncollectibles): | | | | | |
| Taxes | 985,248 | 368,205 | | 134,594 | 1,488,047 |
| Accounts | 150,739 | 19,731 | | 39,205 | 209,675 |
| Special assessments | | 1,606,492 | | | 1,606,492 |
| Due from other governments | 7,298,281 | 323,285 | 184,985 | 1,990,898 | 9,797,449 |
| Accrued interest | 71,212 | | | | 71,212 |
| Due from other funds | 6,240,503 | | 564,836 | | 6,805,339 |
| Inventories | 6,693 | 250,236 | | 548,390 | 805,319 |
| Prepaid expenditures | 1,419,622 | 2,155 | | 51,787 | 1,473,564 |
| Due from component units | 13,894,778 | | | 7,528,216 | 21,422,994 |
| Long-Term Receivables: | | | | | |
| Accounts | <u>9,000</u> | | | | <u>9,000</u> |
| Total assets | <u>120,615,713</u> | <u>31,045,460</u> | <u>749,821</u> | <u>35,661,047</u> | <u>188,072,041</u> |
| Deferred Outflows of Resources: | | | | | |
| Deferred outflows of resources | | | | | -0- |
| Total deferred outflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total assets and deferred outflows of resources | <u>\$ 120,615,713</u> | <u>\$ 31,045,460</u> | <u>\$ 749,821</u> | <u>\$ 35,661,047</u> | <u>\$ 188,072,041</u> |

BRAZORIA COUNTY, TEXAS**BALANCE SHEET - GOVERNMENTAL FUNDS - Continued**

September 30, 2018

Exhibit 3
Page 2 of 2

| | Major Funds | | | Non-Major Funds | Total Governmental Funds |
|--|-----------------------|----------------------|-------------------------------|--------------------------|--------------------------|
| | General Fund | Road & Bridge Fund | FEMA Flood Disaster 2017 Fund | Other Governmental Funds | |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts and accrued liabilities payable | \$ 13,414,058 | \$ 1,567,014 | \$ 164,788 | \$ 2,092,419 | \$ 17,238,279 |
| Due to others | 518,556 | | | | 518,556 |
| Due to other funds | 564,836 | | 4,288,094 | 1,254,702 | 6,107,632 |
| Unearned revenue | <u>748,263</u> | <u>451,842</u> | <u>31,700</u> | <u>552,429</u> | <u>1,784,234</u> |
| Total liabilities | <u>15,245,713</u> | <u>2,018,856</u> | <u>4,484,582</u> | <u>3,899,550</u> | <u>25,648,701</u> |
| Deferred Inflows of Resources: | | | | | |
| Deferred inflows of resources | <u>877,205</u> | <u>1,934,729</u> | | <u>119,757</u> | <u>2,931,691</u> |
| Total deferred inflows of resources | <u>877,205</u> | <u>1,934,729</u> | <u>-0-</u> | <u>119,757</u> | <u>2,931,691</u> |
| Fund Balances: | | | | | |
| Nonspendable | 1,435,315 | 252,391 | | 600,177 | 2,287,883 |
| Restricted | 93,390 | 26,839,484 | | 30,727,134 | 57,660,008 |
| Committed | 753,344 | | | 900,466 | 1,653,810 |
| Unassigned | <u>102,210,746</u> | | <u>(3,734,761)</u> | <u>(586,037)</u> | <u>97,889,948</u> |
| Total fund balances | <u>104,492,795</u> | <u>27,091,875</u> | <u>(3,734,761)</u> | <u>31,641,740</u> | <u>159,491,649</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 120,615,713</u> | <u>\$ 31,045,460</u> | <u>\$ 749,821</u> | <u>\$ 35,661,047</u> | <u>\$ 188,072,041</u> |

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

BRAZORIA COUNTY, TEXAS**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION**

Exhibit 3R

September 30, 2018

Total fund balances - governmental funds balance sheet (Exhibit 3) \$ 159,491,649

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Assets and Deferred Outflows of Resources (Excluding Internal Service Funds):

Capital assets less accumulated depreciation. 311,468,108

Judicial accounts receivables net of related allowance for uncollectible accounts. 13,155,210

Property taxes receivable net of allowance for uncollectible account and sixty day collections. 1,346,678

Special assessments receivable net of allowance for uncollectible accounts. 1,585,013

Pension and OPEB Deferred Outflows/(Inflows) of Resources:

| | | |
|--|------------------|-----------|
| Deferred outflows of resources - pension | \$ 14,010,340 | |
| Deferred inflows of resources - pension | (18,135,549) | |
| Deferred outflows of resources - OPEB | 2,766,954 | |
| Deferred inflows of resources - OPEB | (4,167,672) | |
| Subsequent pension contributions | <u>7,203,665</u> | 1,677,738 |

Bond refunding costs less accumulated amortization. 1,006,521

Liabilities and Deferred Inflows of Resources (Excluding Internal Service Funds):

Payables for bond principal. (70,425,000)

Payables for tax note principal. (5,805,000)

Premium on the issuance of bonds less accumulated amortization. (4,923,161)

Payables for bond accrued interest. (259,101)

Payables for tax note accrued interest (14,886)

Payables for compensated absences. (5,078,003)

Payables for net OPEB liability (36,562,627)

Payables for net pension liability. (51,132,328)

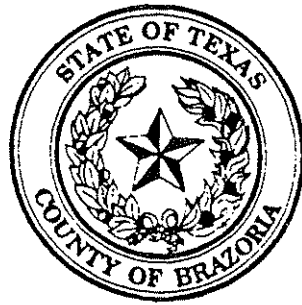
Internal Service Funds (Net Positions):

Self-Insurance Funds:

| | | |
|--------------------|---------------|----------------|
| Liability Fund | \$ 982,008 | |
| Health Fund | (175,957) | |
| Health Clinic Fund | <u>36,633</u> | <u>842,684</u> |

Net position of governmental activities – statement of net position (Exhibit 1) \$ 316,373,495

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



BRAZORIA COUNTY, TEXAS**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2018

Exhibit 4
Page 1 of 2

| | Major Funds | | | Non-Major Funds | Total Governmental Funds |
|--|--------------------|--------------------------|--|--------------------------------|--------------------------------|
| | General Fund | Road & Bridge Fund | FEMA Flood Disaster 2017 Fund | Other Governmental Funds | |
| REVENUES | | | | | |
| Property taxes | \$ 81,301,925 | \$ 30,505,616 | \$ | \$ 10,634,782 | \$ 122,442,323 |
| Sales taxes | 34,195,142 | | | | 34,195,142 |
| Intergovernmental | 1,767,924 | 200,816 | 1,822,721 | 12,658,157 | 16,449,618 |
| Charges for services | 9,439,797 | 1,051 | | 3,703,237 | 13,144,085 |
| Licenses and permits | 2,164,183 | 4,016,067 | | 156,366 | 6,336,616 |
| Fines and forfeitures | 4,340,724 | | | 332,627 | 4,673,351 |
| Special assessments | | 170,576 | | | 170,576 |
| Investment income | 1,640,065 | 568,493 | | 314,362 | 2,522,920 |
| Miscellaneous | 1,386,167 | 2,949,298 | 274,463 | 1,595,331 | 6,205,259 |
| Total revenues | <u>136,235,927</u> | <u>38,411,917</u> | <u>2,097,184</u> | <u>29,394,862</u> | <u>206,139,890</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General administration | 12,471,539 | | 160,309 | 1,840,172 | 14,472,020 |
| Judicial and legal | 22,433,332 | | | 1,890,415 | 24,323,747 |
| Financial administration | 15,827,051 | | | 57,827 | 15,884,878 |
| Elections | 229,057 | | | 151,251 | 380,308 |
| Public facilities | 4,468,515 | | 18,933 | | 4,487,448 |
| Public safety | 22,533,601 | | 6,075 | 317,359 | 22,857,035 |
| Corrections | 26,002,325 | | 6,300 | 3,613,620 | 29,622,245 |
| Public transportation | | 19,396,254 | 3,607,171 | 1,486,794 | 24,490,219 |
| Health and welfare | 4,213,201 | | 26,566 | 8,801,128 | 13,040,895 |
| Public assistance | 403,000 | | | | 403,000 |
| Culture and recreation | 11,645,154 | | 256,024 | 193,613 | 12,094,791 |
| Conservation | 436,831 | | 333 | | 437,164 |
| Environmental protection | 251,522 | | | 107,980 | 359,502 |
| Community development | | | | 1,806,228 | 1,806,228 |
| Capital outlay | 4,610,810 | 16,222,891 | 160,407 | 2,883,431 | 23,877,539 |
| Debt Service: | | | | | |
| Principal | | | | 6,645,000 | 6,645,000 |
| Interest and fiscal charges | | | | 3,143,310 | 3,143,310 |
| Total expenditures | <u>125,525,938</u> | <u>35,619,145</u> | <u>4,242,118</u> | <u>32,938,128</u> | <u>198,325,329</u> |
| Excess (deficiency) of revenues over expenditures | <u>10,709,989</u> | <u>2,792,772</u> | <u>(2,144,934)</u> | <u>(3,543,266)</u> | <u>7,814,561</u> |

BRAZORIA COUNTY, TEXAS**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - Continued**

For the Year Ended September 30, 2018

Exhibit 4
Page 2 of 2

| | Major Funds | | | Non-Major Funds | Total Governmental Funds |
|--|-----------------------|--------------------------|--|--------------------------------|--------------------------------|
| | General Fund | Road & Bridge Fund | FEMA Flood Disaster 2017 Fund | Other Governmental Funds | |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from sale of capital assets | \$ 213,701 | \$ 27,255 | \$ | \$ 129,381 | \$ 370,337 |
| Issuance of general obligation bonds | | | | 12,535,000 | 12,535,000 |
| Premium on bonds | | | | 1,329,158 | 1,329,158 |
| Payment to escrow agent | | | | (4,922,508) | (4,922,508) |
| Transfers in | 1,791,827 | | | 1,610,492 | 3,402,319 |
| Transfers out | (3,625,753) | (371,739) | (1,589,827) | (315,000) | (5,902,319) |
| Total other financing sources and (uses) | (1,620,225) | (344,484) | (1,589,827) | 10,366,523 | 6,811,987 |
| Net change in fund balances | 9,089,764 | 2,448,288 | (3,734,761) | 6,823,257 | 14,626,548 |
| Fund balances - beginning | <u>95,403,031</u> | <u>24,643,587</u> | <u></u> | <u>24,818,483</u> | <u>144,865,101</u> |
| Fund balances - ending | <u>\$ 104,492,795</u> | <u>\$ 27,091,875</u> | <u>\$ (3,734,761)</u> | <u>\$ 31,641,740</u> | <u>\$ 159,491,649</u> |

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

BRAZORIA COUNTY, TEXAS**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE GOVERNMENTAL
ACTIVITIES STATEMENT OF ACTIVITIES**

Exhibit 4R

For the Year Ended September 30, 2018

| | | |
|--|----|------------|
| Net change in fund balances - total governmental funds (Exhibit 4) | \$ | 14,626,548 |
|--|----|------------|

Amounts reported for *governmental activities* in the statement of activities (Exhibit 2) are different because:

Revenues and Other Resources (Excluding Internal Service Funds):

| | |
|--|---------------|
| Property tax revenues | 252,708 |
| Special assessment revenues | 587,994 |
| Loss on the retirement of capital assets | (296,712) |
| Judicial revenues | (5,712,452) |
| Bond proceeds | (12,535,000) |

Expenditures/Expenses and Other Uses (Excluding Internal Service Funds):

| | |
|---|---------------|
| Capital expenditures | 23,877,539 |
| Depreciation of capital assets | (18,735,718) |
| Bond refunding cost | 4,793,535 |
| Tax note principal payments | 1,830,000 |
| Bond principal payments | 4,815,000 |
| Premium on the issuance of bonds and amortization | (937,468) |
| Bond interest | (19,403) |
| Tax note interest | 4,693 |
| Compensated absences | (329,892) |
| Net OPEB liability | (4,685,794) |
| Net pension liability | (4,533,930) |

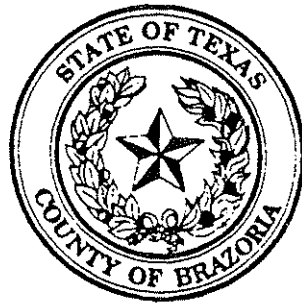
Internal Service Funds Statement of Revenues, Expenses and Changes in Net Position:

Self-Insurance Funds:

| | | |
|--------------------|---------------|----------------|
| Liability Fund | \$(60,321) | |
| Health Fund | 762,264 | |
| Health Clinic Fund | <u>29,552</u> | <u>731,495</u> |

| | | |
|---|----|-------------------------|
| Change in net position of governmental activities (see Exhibit 2) | \$ | <u><u>3,733,143</u></u> |
|---|----|-------------------------|

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



BRAZORIA COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

Exhibit 5
Page 1 of 2

| | <u>Airport Fund</u> | <u>Internal Service Funds</u> |
|---|-------------------------|---------------------------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | |
| Current Assets: | | |
| Cash and temporary investments | \$ | \$ 1,892,197 |
| Accounts receivable | 313,196 | 1,562,944 |
| Inventories | 63,417 | |
| Prepaid expense | <u>5,505</u> | |
| Total current assets | <u>382,118</u> | <u>3,455,141</u> |
| Noncurrent Assets: | | |
| Capital Assets: | | |
| Land | 1,558,687 | |
| Buildings and improvements | 10,387,243 | |
| Furniture, equipment and vehicles | 1,276,964 | |
| Runways, taxiways and aprons | 30,388,673 | |
| Construction in progress | 45,500 | |
| Accumulated depreciation | <u>(24,751,533)</u> | |
| Total capital assets (net of accumulated depreciation) | <u>18,905,534</u> | <u>-0-</u> |
| Total assets | <u>19,287,652</u> | <u>3,455,141</u> |
| Deferred Outflows of Resources: | | |
| Deferred outflows of resources | <u>218,508</u> | |
| Total deferred outflows of resources | <u>\$ 218,508</u> | <u>\$ -0-</u> |

BRAZORIA COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - Continued
September 30, 2018

Exhibit 5
Page 2 of 2

| | <u>Airport Fund</u> | <u>Internal Service Funds</u> |
|--|-------------------------|---------------------------------------|
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITIONS | | |
| Current Liabilities: | | |
| Accounts and accrued liabilities payable | \$ 88,165 | \$ 2,320,737 |
| Compensated absences | 54,878 | |
| Due to other funds | 341,657 | 356,050 |
| Unearned revenue | <u>28,900</u> | |
| Total current liabilities | <u>513,600</u> | <u>2,676,787</u> |
| Noncurrent Liabilities: | | |
| Net OPEB liability | 403,325 | |
| Net pension liability | <u>361,441</u> | |
| Total non-current liabilities | <u>764,766</u> | <u>-0-</u> |
| Total liabilities | <u>1,278,367</u> | <u>2,676,787</u> |
| Deferred Inflows of Resources: | | |
| Deferred inflows of resources | <u>220,370</u> | |
| Total deferred inflows of resources | <u>220,370</u> | <u>-0-</u> |
| Net Position: | | |
| Net investment in capital assets | 18,905,534 | |
| Unrestricted | <u>(898,110)</u> | <u>778,354</u> |
| Total net position | 18,007,424 | <u>\$ 778,354</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | <u>(64,330)</u> | |
| Net position of business-type activities | <u>\$ 17,943,094</u> | |

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

BRAZORIA COUNTY, TEXAS**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS**

For the Year Ended September 30, 2018

Exhibit 6
Page 1 of 2

| | <u>Airport Fund</u> | <u>Internal Service Funds</u> |
|--|-----------------------------|---------------------------------------|
| Operating Revenues: | | |
| Sales of fuel and supplies | \$ 1,819,665 | \$ |
| Cost of sales | <u>1,496,275</u> | <u> </u> |
| Gross profit | 323,390 | -0- |
| Other Operating Revenue: | | |
| Contributions for self-insurance | | 20,831,968 |
| Operating grants | 50,000 | |
| Rentals | 554,866 | |
| Fees | 450,365 | |
| Miscellaneous | <u>52,156</u> | <u> </u> |
| Net operating revenue | <u>1,430,777</u> | <u>20,831,968</u> |
| Operating Expenses: | | |
| Salaries and wages | 659,711 | |
| Employee benefits | 358,198 | |
| Supplies | 181,577 | |
| Other charges | 214,319 | 22,649,766 |
| Depreciation | <u>1,314,858</u> | <u> </u> |
| Total operating expenses | <u>2,728,663</u> | <u>22,649,766</u> |
| Operating loss | <u>(1,297,886)</u> | <u>(1,817,798)</u> |
| Non-Operating Revenues: | | |
| Investment income | <u>373</u> | <u>34,613</u> |
| Total non-operating revenue | <u>373</u> | <u>34,613</u> |
| Net loss before transfers | <u>(1,297,513)</u> | <u>(1,783,185)</u> |
| Transfers in | <u> </u> | <u>2,500,000</u> |
| Change in net position | <u>(1,297,513)</u> | <u>716,815</u> |
| Net Position: | | |
| Total net position – beginning of year | 19,575,895 | 61,539 |
| Prior period adjustment required by GASB 75 | <u>(270,958)</u> | <u> </u> |
| Total net position – beginning year, as restated | <u>19,304,937</u> | <u>61,539</u> |
| Total net position - end of year | <u>\$ 18,007,424</u> | <u>\$ 778,354</u> |

BRAZORIA COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS - Continued
For the Year Ended September 30, 2018

Exhibit 6
Page 2 of 2

| | <u>Airport Fund</u> | <u>Internal Service Funds</u> |
|---|-------------------------|---------------------------------------|
| Business-type Activities: | | |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | \$(<u>14,680</u>) | |
| Change in net position of business-type activities | (1,312,193) | |
| Net Position (Business-type Activities): | | |
| Total net position - beginning of year | 19,526,245 | |
| Prior period adjustment required by GASB 75 | (<u>270,958</u>) | |
| Total net position – beginning of year, as restated | <u>19,255,287</u> | |
| Total net position - end of year | <u>\$ 17,943,094</u> | |

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

BRAZORIA COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2018

Exhibit 7
Page 1 of 2

| | <u>Airport Fund</u> | <u>Internal Service Funds</u> |
|--|-------------------------|---------------------------------------|
| Cash Flows from Operating Activities: | | |
| Cash flows received from customers and other funds | \$ 2,814,080 | \$ |
| Cash receipts from interfund services provided | | 20,712,586 |
| Cash paid to and on behalf of employees | (957,415) | (20,101,410) |
| Cash paid to suppliers and others | (1,922,031) | (2,066,075) |
| Cash received from other funds | <u>175,660</u> | <u>(1,143,950)</u> |
| Net cash provided (used) by operating activities | <u>110,294</u> | <u>(2,598,849)</u> |
| Cash Flows from Noncapital Financing Activities: | | |
| Transfers from other funds | | <u>2,500,000</u> |
| Net cash provided by noncapital financing activities | <u>-0-</u> | <u>2,500,000</u> |
| Cash Flows from Capital and Financing Activities: | | |
| Acquisition of capital assets | <u>(134,100)</u> | |
| Net cash used by capital financing activities | <u>(134,100)</u> | <u>-0-</u> |
| Cash Flows from Investing Activities: | | |
| Investment income | <u>373</u> | <u>34,613</u> |
| Net cash provided by investment activities | <u>373</u> | <u>34,613</u> |
| Net decrease in cash | <u>(23,433)</u> | <u>(64,236)</u> |
| Cash and temporary investments – beginning of year | <u>23,433</u> | <u>1,956,433</u> |
| Cash and temporary investments - end of year | <u><u>\$ -0-</u></u> | <u><u>\$ 1,892,197</u></u> |

BRAZORIA COUNTY, TEXAS
COMPARATIVE STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - Continued
For the Year Ended September 30, 2018

Exhibit 7
Page 2 of 2

| | <u>Airport Fund</u> | <u>Internal Service Funds</u> |
|--|-------------------------|---------------------------------------|
| Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities: | | |
| Operating Activities: | | |
| Operating loss | \$(1,297,886) | \$(1,817,798) |
| Depreciation | 1,314,858 | |
| Changes in Assets and Liabilities: | | |
| (Increase) Decrease In: | | |
| Accounts receivable | (125,608) | (119,382) |
| Due from other governments | 5,286 | |
| Inventory | 23,597 | |
| Prepaid expenses | (1,644) | |
| Pension and OPEB deferred outflows | 22,233 | |
| Increase (Decrease) In: | | |
| Accounts and accrued liabilities payable | (51,813) | 482,281 |
| Compensated absences | (8,009) | |
| Due to other funds | 175,660 | 1,143,950 |
| Unearned revenue | 7,350 | |
| Net OPEB liability | 30,503 | |
| Net pension liability | (194,093) | |
| Pension and OPEB deferred inflows | <u>209,860</u> | |
| Net cash provided (used) by operating activities | <u>\$ 110,294</u> | <u>\$(2,598,849)</u> |

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

BRAZORIA COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2018

Exhibit 8

| | Private-Purpose Trust Fund <hr/> Historical Commission Fund <hr/> | Agency Funds <hr/> |
|--|--|--------------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | |
| Current Assets: | | |
| Cash and temporary investments | \$ 16,396 | \$ 11,660,444 |
| Receivables: | | |
| Accounts receivable | | 55,893 |
| Prepaid expenses | | <u>9,740</u> |
| Total current assets | <u>16,396</u> | <u>\$ 11,726,077</u> |
| Deferred Outflows of Resources: | | |
| Deferred outflows of resources | | |
| Total deferred outflows of resources | <u>\$ -0-</u> | |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | |
| Liabilities: | | |
| Accounts and accrued liabilities payable | \$ | \$ 374,676 |
| Amounts held for others | | <u>11,351,401</u> |
| Total liabilities | <u>-0-</u> | <u>\$ 11,726,077</u> |
| Deferred Inflows of Resources: | | |
| Deferred inflows of resources | | |
| Total deferred outflows of resources | <u>-0-</u> | |
| Net Position: | | |
| Held in trust for historical commission | <u>16,396</u> | |
| Total net position | <u>\$ 16,396</u> | |

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

BRAZORIA COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2018

Exhibit 9

| | Private-Purpose Trust Fund <hr/> Historical Commission Funds <hr/> |
|--|---|
| <u>Additions</u> | |
| Contributions: | |
| Private donations and sales | \$ 100 |
| Investment Earnings: | |
| Interest | <hr/> 248 |
| Total additions | <hr/> 348 |
| <u>Deductions</u> | |
| Culture and recreation (historical commission) | <hr/> |
| Total deductions | <hr/> -0- |
| Change in net position | 348 |
| <u>Net Position</u> | |
| Net position - beginning of the year | <hr/> 16,048 |
| Net position - end of the year | \$ <u><u>16,396</u></u> |

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



BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2018

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BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Brazoria County, Texas (the "County") related to the funds in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), and the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units. The County applies all applicable GASB pronouncements. The more significant accounting policies of the County are described below.

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the County's reporting entity. Financial statements for component units can be obtained from the office of the County Auditor.

Included in the reporting entity:

Brazoria County, Texas (Primary Government)

The County is a political subdivision of the State of Texas. The County is governed by the Commissioners Court, composed of four elected County Commissioners and an elected County Judge. Each of these officials serve a term of four years. The primary activities of the County include: the construction and maintenance of county roads, provision of public safety through a sheriff's department, support of area fire protection and ambulance service, administration of justice, correctional facilities, health and welfare services, culture and recreation through libraries, parks and a museum, operation and maintenance of an airport, and other social and administrative services.

Discretely Presented Component Units

Discretely presented component units are presented in a separate column in the government-wide financial statements to emphasize that they are legally separated from the County. Each of the County's discretely presented component units has a September 30 year-end. The following component unit has been identified and is presented in a discrete format in the County's government-wide financial statements.

Brazoria County Toll Road Authority ("BCTRA")

BCTRA was created by order of the County on December 16, 2003, to aid, assist and act on behalf of the County, in development of transportation projects within the County, including the Brazoria County Expressway, which subsequently may be extended and pooled with other projects as part of the Brazoria County Toll Road System. BCTRA is a local government corporation established under Chapter 284 and 431 of the Texas Transportation Code. The County has financial accountability because it appoints a voting majority of the Board and the County can impose its will. Financial information is available at the Brazoria County Auditor's Office located at 111 E. Locust, Room 303, Angleton, TX 77515.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Reporting Entity - continued

Excluded from the reporting entity:

Adult Probation

This entity is considered a separate agency of the State of Texas. While the County provides office space, utilities, telephone and certain supplies, the operations of this unit are primarily provided for by the State. A separate board develops the operating budget, which is also approved and controlled by the State of Texas. Required County expenditures are disclosed as a department within the General Fund function of Corrections. Due to custodial responsibility, the accounts of this entity are reported as an Agency Fund of the County.

Brazoria County Fair Association

The County owns the premises where the annual County Fair is held; however, all financial matters related to the Fair and the Fair Association operating policies are the responsibility of a separate board.

Brazoria County Appraisal District

This is a separate entity providing property appraisal services to all taxing units within the county. This entity has its own governing board, elected by the various taxing units, which it serves; however, the taxing units do not designate management or significantly influence operations. The Appraisal District's cost of operations is divided on a prorated basis among the various taxing units within the county. Brazoria County's share of this cost is disclosed within the General Fund under the Financial Administration function.

City Libraries

The only library owned and operated by Brazoria County is the central library located in the city of Angleton. There are other libraries located in municipalities throughout the County. The County provides for employee salaries in these libraries and the purchase of books and some supplies. The various municipal library premises are owned and maintained by the various municipalities.

Brazoria County Children's Protective Services

Brazoria County Children's Protective Services (CPS) was created by a mandate from the Texas Legislature, Title II, Section 34. CPS investigates reports of neglected and abused children and provides foster care, institutional care and adoptive placements for children who cannot live with their parents. The Commissioners Court appoints the CPS Board. The CPS Board appoints an Executive Director to administer the day-to-day operation. CPS is excluded from the reporting entity because the County does not have the ability to exercise influence over its daily operations. The State of Texas directly pays all salaries and related personnel costs of this organization. The County pays some related expenditures, which are disclosed under the department of Child Welfare within the General Fund function of Health and Welfare.

Other entities within the county which provide similar services but are not included in the reporting entity because they do not meet the criteria are: municipalities, school districts, drainage districts, hospital districts, water districts and various non-profit organizations.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities report financial information on all of the non-fiduciary activities of the primary government). For the most part, interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The County has one enterprise fund.

Measurement Focus, Basis Of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund (excluding agency funds) financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues from property and sales taxes, grants and contracts, charges for services, licenses and permits, fines and forfeitures, and interest associated with the current fiscal period are all considered to be susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus, Basis Of Accounting, and Financial Statement Presentation - continued

Revenue from investments, including governmental external investment pools, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

Grant funds are considered earned to the extent of the expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the County to refund all or part of the unused amount.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise fund are charges to customers for sales and services and rentals.

Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

The County has presented the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

The *Road & Bridge, special revenue fund* accounts for the property taxes and fees from auto registration, certificates of title, and gross weight and axle fees, and approved expenditures for public transportation projects.

The *FEMA Harvey 2017 Fund* accounts for grant proceeds awarded through the Department of Homeland Security office of Federal Emergency Management Agency to assist State, Tribal and local governments and eligible private non-profits in responding to and recovering from the devastating effects of disasters by providing assistance for debris removal, emergency protective measures and the repair, restoration, reconstruction or replacement of public facilities or infrastructure damaged or destroyed as the result of federally declared disaster or emergencies. These funds were awarded to assist with Hurricane Harvey.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus, Basis Of Accounting, and Financial Statement Presentation - continued

The County reports the following major proprietary funds:

An *enterprise fund* is used to account for airport operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing services be financed primarily through user charges, or where periodic determination of net income is appropriate. Activities of the fund include administration, operations and maintenance of the airport and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest. All costs are financed through charges to airport customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

Additionally, the County reports the following fiduciary funds:

The *Historical Commission fiduciary fund* is a private purpose trust fund, which accounts for grant revenues, publication sales, and private donations used by the Historical Commission Board of Directors to preserve Brazoria County's heritage.

The *agency funds* account for assets that the government holds on behalf of others as their agent. The County's agency funds include payroll clearing, Brazoria County Freshwater Supply District #2, Brazoria County Groundwater Conservation District, TDCJ-CJAD, District/County Clerk Trusts and BC Industrial Development Corporation.

New Pronouncements

GASB issues statements on a routine basis with the intent to provide authoritative guidance on the preparation of financial statements and to improve governmental accounting and financial reporting of governmental entities. Management reviews these statements to ensure that preparation of its financial statements are in conformity with generally accepted accounting principles and to anticipate changes in those requirements. The following recent GASB Statements reflect the action and consideration of management regarding these requirements:

GASB No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was issued June 2015. This statement was implemented and impacted the County's financial statements as described in Note 2. This statement is effective for periods beginning after June 15, 2017.

GASB No. 83 "Certain Asset Retirement Obligations" was issued in November 2016. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for periods beginning after June 15, 2018.

GASB No. 84 "Fiduciary Activities" was issued in January 2017. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for periods beginning after December 15, 2018.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

New Pronouncements - continued

GASB No. 85 "Omnibus 2017" was issued in March 2017. This statement was implemented and did not have a material effect on the County's financial statements. The requirements of this statement are effective for periods beginning after June 15, 2017.

GASB No. 86 "Certain Debt Extinguishment Issues" was issued in May 2017. This statement was implemented and did not have a material effect on the County's financial statements. The requirements of this statement are effective for periods beginning after June 15, 2017.

GASB No. 87 "Leases" was issued in June 2017. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for periods beginning after December 15, 2019.

GASB No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements" was issued in April 2018. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period" was issued in June 2018. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB No. 90 "Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61" was issued in August 2018. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

Budgetary Data

The budget law of the State of Texas provides that amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in the funds, plus the anticipated revenues for the current year as estimated by the County Auditor. The legal level of budgetary control is at the category level (salaries and wages, and employee benefits; operating expenditures/expenses, and capital outlay) within departments of each fund. Any expenditure, which alters the total budgeted amounts of a fund, must be approved by Commissioners Court, and the budget amended. Budgets are adopted on a basis consistent with generally accepted accounting principles.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgetary Data - continued

Annual appropriated budgets are adopted for the General Fund, certain special revenue funds (Road & Bridge Fund, Emergency Management Fire Code Fund, Vital Statistics Fee Fund, Records Management County Clerk Fund, Records Archive County Clerk Fund, Civil, Criminal and Probate Records Management Fund, County/District Court Technology Fund, Records Preservation County/District Clerk Fund, Family Protection Fund, Records Management District Clerk Fund, Records Archive District Clerk Fund, Justice Court Building Security Fund, Justice Court Technology Fund, Courthouse Security Fund, District Attorney Hot Check Collection Fund, District Attorney Supplemental Fund, District Attorney Forfeiture CCP Chapter 59 Fund, Voter Registration Tax Office Fund, Special Inventory Dealer Escrow Tax Fund, Sheriff Contraband Forfeiture Fund, Brazoria County Narcotics Task Force Fund, Sheriff Commissary Fund, Sheriff Federal Forfeiture Fund, CSCD Bond Supervision Fund, Book Sale Fund, Library Special Projects Fund, Law Library Fund, Mosquito Control District Fund), and certain debt service funds (2012 GO Refunding I & S Fund, 2016 Limited Tax Refunding I & S Fund, 2012 Certificate of Obligation I & S Fund, 2018 Certificate of Obligation I & S Fund, Tax Note Series 2013 I & S Fund, Toll Road I & S Fund, Road Bond Mobility I & S Fund, and the Mobility Build America, I & S Fund).

Prior to May 1 of each year, or as soon thereafter as practical, the County Judge, assisted by the County Auditor, prepares a proposed operating budget for the subsequent fiscal year beginning the following October 1st. The proposed operating budget establishes estimated revenues and other resources available for appropriation. Proposed expenditures may not exceed estimated revenues, other resources, and available fund balances.

Subsequent to May 15 and after proper publication of notice, a public hearing is conducted by the Commissioners Court to obtain taxpayer comments. If an increase to the effective tax rate of more than 3% is proposed as a result of the proposed budget, additional notices and public hearings are required. After the public hearing(s) the Commissioners Court makes appropriate budget changes and adopts the budget through the passage of an order at a regularly scheduled meeting. A separate order is adopted to levy the taxes necessary to finance the budgeted expenditures.

Although the level of budgetary control is total revenues plus available fund balance, the County adopts its budget at a line-item level for managerial control purposes. Line item level is defined for revenue purposes as the type of revenue to be derived and for expenditure purposes by department and type of expenditures (salaries and wages, employee benefits; operating expenses/expenditures; and capital outlay).

Budget amendments to transfer budgeted amounts from one line item to another may be made at the discretion of Commissioners Court. Amendments to provide for items not included in the original budget may be made by the Commissioners Court upon finding and declaration of the existence of an emergency sufficient to require action. County management has no prerogative to amend the budget without the approval of Commissioners Court. Appropriations not exercised in the current year lapse at the end of the year.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized. Encumbrances outstanding at year-end are reported as a reservation of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

The following outstanding encumbrances were provided for in the subsequent year's budget:

| | <u>General Fund</u> | <u>Road & Bridge Fund</u> | <u>Non-Major Funds</u> | <u>Total</u> |
|---------------|-------------------------|---------------------------------------|-----------------------------|---------------------|
| Encumbrances: | | | | |
| Restricted | \$ 7,636 | \$ 1,624,493 | \$ 267,842 | \$ 1,899,971 |
| Unassigned | <u>1,205,689</u> | <u> </u> | <u> </u> | <u>1,205,689</u> |
| | <u>\$ 1,213,325</u> | <u>\$ 1,624,493</u> | <u>\$ 267,842</u> | <u>\$ 3,105,660</u> |

The airport fund also had outstanding encumbrances of \$ 19,862 as of September 30, 2018.

Cash and Investments

Cash and temporary investments include amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the County. For purposes of the cash flow statement, cash and temporary investments are considered cash equivalents. In accordance with GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are stated at fair value.

The County maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and temporary investments under each fund's caption. Funds are allowed to exceed the amount of their equity in the pooled cash account. Funds with overdrawn accounts are disclosed as an interfund payable in the liability section of the balance sheet.

Restricted Assets

Restricted assets consist of debt service restrictions. Restricted assets for debt service consist of amounts placed in interest and sinking funds from operations and residual balances from proceeds of certificates of obligations and general obligations of the County.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property Taxes

Property taxes are levied as of October 1st of each year with statements prepared and mailed at that date or soon thereafter. The tax levy is based upon appraised property values as of each previous January 1st for all taxable property within the County. Payments are due and payable when taxes are levied and may be timely paid through January 31st. On February 1st, taxes become delinquent and subject to penalty and interest charges. After June 30th, any uncollected taxes are subject to tax suit and additional charges to offset related legal costs. The lien date for property taxes is July 1st.

The appraisal of property within the county is the responsibility of the Brazoria County Appraisal District. The Texas Legislature established the Appraisal District and the related Appraisal Review Board in 1979 through the adoption of a comprehensive Property Tax Code. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Real property is reappraised at least every four years. Under certain circumstances, taxpayers and taxing units including the County, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Under the Code, the Commissioners Court will continue to set annual tax rates on the property. The Code also provides that, if approved by the qualified voters in the Appraisal District, collection functions may be placed with the Appraisal District. The County bills and collects its property taxes and those of certain other taxing entities. Collections of those taxes pending distribution are accounted for in an agency fund.

The County is permitted by Article VIII; Section 9 of the State of Texas Constitution to levy taxes up to \$ 0.80 per \$ 100 assessed valuation for general governmental services including payment of principal and interest on general long-term debt and maintenance of roads and bridges. Article 6790 of Vernon's Civil Statutes permits the County to collect an additional \$ 0.15 per \$ 100 valuation for road and bridge purposes. Article 7048a of Vernon's Civil Statutes permits the County to collect \$ 0.30 per \$ 100 valuation for road, bridge and flood control purposes.

The County's 2017 tax levy, supporting the 2018 fiscal period budget, totaled \$ 0.440234 per \$ 100 valuation and was comprised as follows:

| | |
|---|--------------------|
| Constitutional Levy: | |
| General Fund | \$ 0.292097 |
| Road and Bridge | 0.050000 |
| Mosquito Control | 0.003000 |
| Special Road and Bridge: | |
| Article 6790 | 0.060000 |
| Debt Service: | |
| General Obligation Refunding, Series 2012 | 0.001600 |
| Limited Tax Refunding, Series 2016 | 0.003090 |
| Certificate of Obligation, Series 2012 | 0.008500 |
| Tax Notes, Series 2013 | 0.007300 |
| Brazoria County Toll Road | 0.007300 |
| Mobility Bonds | <u>0.007347</u> |
| Combined tax rate | \$ <u>0.440234</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All outstanding balances between funds are reported as "due to/from other funds". The County had no advances between funds. All activity between funds was for short-term cash flow requirements. See Note 6 for additional discussion of interfund receivables and payables.

Inventories

The County utilizes the consumption method to account for inventory. Under this method, inventory is considered an expenditure when used rather than when purchased. Significant inventories are reported on the balance sheet at cost, using the first-in, first-out method, with an offsetting reservation of fund balance in the governmental fund financial statements since they do not constitute "available spendable resources" even though they are a component of current assets. Inventories in the governmental funds are comprised of road materials, bulk fuel and chemicals. Inventory of the proprietary fund type, Enterprise Fund (Airport), is comprised of bulk fuel held for sale. Changes in inventory balances for a proprietary fund type have a direct effect on respective cost of sales.

Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, furniture, equipment and vehicles, runways, taxiways and aprons, infrastructure, and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest cost to be capitalized on assets with tax-exempt borrowing is equal to the cost of the borrowing less interest earned on the related tax-exempt borrowing. During the year ended September 30, 2018, no capitalized interest was included in the cost of capital assets under construction.

Assets capitalized have an original cost of \$ 5,000 or more and over two years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Leased assets are depreciated over the lesser of the term of the related lease or the estimated useful lives of the assets. Estimated useful lives are as follows:

| | |
|-----------------------------------|-------------|
| Land improvements | 12-40 Years |
| Buildings and improvements | 9-40 Years |
| Furniture, equipment and vehicles | 2-20 Years |
| Runways, taxiways and aprons | 15-20 Years |
| Infrastructure | 20-50 Years |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Compensated Absences

Employees are allowed paid absences due to sickness, vacation and compensatory time. As of January 1, 2000, sick leave benefits are earned by all full time employees at a rate of 96 hours annually. The leave policy allows employees to accumulate up to sixty days of sick leave benefit. Sick leave benefits are recognized in the period in which time off is actually taken. Vacation benefits accrue monthly at rates depending upon an employee's length of service. Vacation benefits must be taken annually and are limited to a carryover period depending upon the employee's length of service.

Effective January 1, 2000, the County implemented a sick leave pool. The sick leave pool provides additional sick leave days to employees in the event of a catastrophic illness or injury, surgery, or disability that prevents an employee from active employment. Days are applied from the pool only after the employee exhausts all accrued sick, vacation and compensatory time. The Sick Leave Pool Committee, an elected body of pool members who serve as the pool administrator, authorizes benefits from the pool.

Compensatory time represents time worked by employees in excess of 40 hours per week, and is earned at one and one-half times such hours worked. This applies to all non-exempt employees. Exempt employees are all department heads, supervisory personnel, and certain other professional or administrative positions. The maximum compensatory time an employee may accumulate is 240 hours. All such paid absences are paid at the employee's regular pay rate. The liability for compensated absences disclosed in the financial statements represents accumulated vacation and compensatory time at September 30, 2018, computed at pay rates in effect at that time.

The following is a summary of compensated absences as of September 30, 2018:

| | |
|--------------------------|---------------------|
| Governmental activities | \$ 5,078,003 |
| Business-type activities | <u>54,878</u> |
| | <u>\$ 5,132,881</u> |

Compensated absence liabilities for governmental activities have been paid from the general fund and various special revenue funds, and liabilities for business-type activities have been paid by the enterprise fund. These liabilities are expected to turn over completely during the next fiscal year; therefore, they are reported as current liabilities.

Deferred Outflows and Inflows of Resources

Guidance for deferred outflows of resources and deferred inflows of resources is provided by GASB No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net position by the government that is applicable to a future reporting period, and an acquisition of net position by the government that is applicable to a future period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Further, GASB No. 65, "Items Previously Reported as Assets and Liabilities", had an objective to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Pension Plans

The fiduciary net position of the Texas County & District Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCDRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Brazoria County Retiree Benefits Plan (BCRBP) and additions to/deductions from BCRBP's fiduciary net position have been determined on the same basis as they are reported by BCRBP. For this purpose, BCRBP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Long-Term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures and expenses at the time of the transaction.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt is reported as other financing resources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

The County's Commissioners Court meets on a regular basis to manage and review cash financial activities and to ensure compliance with established policies. The County's Unassigned General Fund Balance is maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The unassigned General fund balance may only be appropriated by resolution of the County's Commissioners Court. Fund balance of the County may be committed for a specific source by formal action of the County's Commissioners Court. Amendments or modifications of the committed fund balance must also be approved by formal action by the County's Commissioners Court. When it is appropriate for fund balance to be assigned, the County's Commissioners Court has delegated authority to the County Judge or the County Auditor. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Equity - Continued

Fund Balance Classifications:

The *nonspendable* fund balance includes portion of net resources that cannot be spent because of their form or because they must be maintained intact. Resources not in spendable form include supplies inventories, prepaid items, and long-term receivables net of unearned interest revenue.

The *restricted* fund balance includes net resources that can be spent only for the specific purposes stipulated by constitution, external resource providers (creditors, grantors, and contributors), laws and regulations of other governments, or through enabling legislation.

The enabling legislation authorizes the County to access, levy, charge or otherwise mandate payment of resources from external resource providers; those resources can be used only for the specific purposes stipulated in the legislation. The County's fee revenue generated through enabling legislations include auto registration fees, birth/death certificate fees, adult bond supervision fees, child abuse protection fees, graffiti eradication fees, court technology fees, election service fees, family protection fees, financial security fees, juvenile case management fees, law library fees, records archive fees, and records management and preservation fees reported under Non-major Special Revenue Funds, and auto registration fees, certificates of title, and gross weight and axle fees reported under the Road and Bridge Major Fund.

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by formal Commissioners Court actions, no later than the close of the fiscal year. These actions must be in the form of a resolution approved by Commissioners Court. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources, which was formal action of Commissioners Court.

The *assigned* fund balance includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Such intent should be expressed by Commissioners Court or its designated officials to assign amounts to be used. Constraints imposed on the use of assigned amounts can be removed with no formal Commissioners Court actions. At September 30, 2018, there were no assignments of fund balance.

The *unassigned* fund balance represents spendable net resources that have not been restricted, committed, or assigned to specific purposes. The general fund is the only fund that reports a positive fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Governmental Fund Financial Statements:

The following schedule presents details of fund balance components at September 30, 2018:

| | Major Funds | | | Non-Major Funds | Total Governmental Funds |
|-----------------------------------|----------------------|-----------------------------|-------------------------------|--------------------------|--------------------------|
| | General Fund | Road & Bridge Fund | FEMA Flood Disaster 2017 Fund | Other Governmental Funds | |
| Fund Balances: | | | | | |
| Non-spendable: | | | | | |
| Inventories | \$ 6,693 | \$ 250,236 | \$ | \$ 548,390 | \$ 805,319 |
| Prepaid expenditures | 1,419,622 | 2,155 | | 51,787 | 1,473,564 |
| Long-term receivables | 9,000 | | | | 9,000 |
| Restricted: | | | | | |
| Capital projects | | | | 10,126,153 | 10,126,153 |
| Contributor purposes | 16,195 | | | 753,819 | 770,014 |
| Court improvements and operations | | | | 596,947 | 596,947 |
| Debt service | | | | 10,398,182 | 10,398,182 |
| Election services | | | | 332,636 | 332,636 |
| Family protection services | 28,490 | | | 47,231 | 75,721 |
| Federal grants | | | | 1,171,793 | 1,171,793 |
| Health services | | | | 1,715,836 | 1,715,836 |
| Inmate services | | | | 349,758 | 349,758 |
| Juvenile services | 10,510 | | | 8,256 | 18,766 |
| Library services | | | | 532,195 | 532,195 |
| Public safety personnel training | 38,195 | | | 110,394 | 148,589 |
| Public transportation projects | | 26,839,484 | | | 26,839,484 |
| Records management | | | | 4,175,829 | 4,175,829 |
| State grants and appropriations | | | | 93,848 | 93,848 |
| Other | | | | 314,257 | 314,257 |
| Committed: | | | | | |
| District attorney supplement | | | | 38,926 | 38,926 |
| District clerk supplement | 649,534 | | | | 649,534 |
| Narcotics operations | | | | 317,233 | 317,233 |
| Juvenile services | 103,810 | | | | 103,810 |
| Sheriff supplement | | | | 470,349 | 470,349 |
| Tax Collector supplement | | | | 73,958 | 73,958 |
| Unassigned | <u>102,210,746</u> | <u> </u> | <u>(3,734,761)</u> | <u>(586,037)</u> | <u>97,889,948</u> |
| Total fund balances | <u>\$104,492,795</u> | <u>\$ 27,091,875</u> | <u>\$(3,734,761)</u> | <u>\$ 31,641,740</u> | <u>\$159,491,649</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position invested in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position are reported as restricted when there is limitations imposed on the use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

| | Primary Government | | | Component Unit |
|-----------------------------------|----------------------------|-----------------------------|----------------|-------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Net Position: | | | | |
| Net investment in capital assets | \$ 241,023,067 | \$ 18,905,534 | \$ 259,928,601 | \$ 2,527,383 |
| Restricted: | | | | |
| Capital projects | | | | 9,691,919 |
| Debt service | 10,229,673 | | 10,229,673 | 4,656,623 |
| Public transportation projects | 29,026,604 | | 29,026,604 | |
| Records management | 4,181,205 | | 4,181,205 | |
| Health services | 2,225,949 | | 2,225,949 | |
| Other: | | | | |
| Contributor purposes | 770,409 | | 770,409 | |
| Court improvements and operations | 596,947 | | 596,947 | |
| Elections services | 332,636 | | 332,636 | |
| Family protection services | 75,721 | | 75,721 | |
| Federal grants | 1,171,793 | | 1,171,793 | |
| Inmate services | 402,314 | | 402,314 | |
| Juvenile services | 18,766 | | 18,766 | |
| Library services | 567,036 | | 567,036 | |
| Public safety personnel training | 148,589 | | 148,589 | |
| State grants and appropriations | 92,617 | | 92,617 | |
| Other | 315,488 | | 315,488 | |
| Unrestricted | 25,194,681 | (962,440) | 24,232,241 | 19,258 |
| Total | \$ 316,373,495 | \$ 17,943,094 | \$ 334,316,589 | \$ 16,895,183 |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 2 - CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENT

During the year ended September 30, 2018, the County implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement replaces the requirements of Statements No. 45 and No, 57 and requires the liability of employers and non-employers contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employee's past periods of service (net OPEB liability). It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures. It requires a government employer to recognize a net OPEB liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a government employer makes a contribution to a defined benefit OPEB plan between the measurement date of the reported net OPEB liability and the end of the government's reporting period, it requires that the government recognize its contribution as a deferred outflow of resources.

The following represents the retroactive restatement of net position at September 30, 2018 as a result of the implementation of GASB No. 75 and prior period adjustment:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Proprietary Funds</u> |
|--|------------------------------------|-------------------------------------|------------------------------|
| Net position, September 30, 2017 previously reported | \$ 340,590,859 | \$ 19,526,245 | \$ 19,575,895 |
| Addition of net OPEB liability | <u>(27,950,507)</u> | <u>(270,958)</u> | <u>(270,958)</u> |
| Net position, September 30 2017 restated | <u>\$ 312,640,352</u> | <u>\$ 19,255,287</u> | <u>\$ 19,304,937</u> |

The net OPEB obligation reported under GASB Statement 45 as of September 30, 2017 was \$ 5,387,024 and the net OPEB liability reported under GASB Statement 75 as of September 30, 2017 was \$ 33,608,489. The increase in OPEB from GASB Statement 45 to Statement 75 was \$ 28,221,465, which is the prior period adjustment above.

NOTE 3 - RECONCILIATION OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES FINANCIAL STATEMENTS

Reconciliation of Governmental Funds Balance Sheet to the Governmental Activities Statement of Net Position

| | |
|--|----------------|
| Total fund balances - governmental funds balance sheet (Exhibit 3) | \$ 159,491,649 |
|--|----------------|

Amounts reported for *governmental activities* in the statement of net position (Exhibit 1) are different because:

Assets and Deferred Outflows of Resources (Excluding Internal Service Funds):

| | |
|--|-------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital assets include \$ 551,973,887 in assets less \$ 240,505,779 in accumulated depreciation. | 311,468,108 |
|--|-------------|

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 3 - RECONCILIATION OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES FINANCIAL STATEMENTS - Continued

Reconciliation of Governmental Funds Balance Sheet to the Governmental Activities Statement of Net Position - Continued

| | |
|---|--------------|
| Judicial accounts receivables net of related allowance for uncollectible are unavailable to pay for current period expenditures and availability of funds are uncertain as to availability are not recorded in the funds. Judicial receivables of \$ 21,427,322 net of allowance for uncollectible accounts of \$ 8,272,112 of the general fund amounted to \$ 13,155,210. | 13,155,210 |
| Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds. Deferred property tax revenues for the General fund, Road and Bridge special revenue fund, Mosquito Control District, 2012 GO Refunding I & S Fund, 2016 Limited Tax Refunding I & S Fund, 2012 Certificates of Obligation Bonds, I & S Fund, Tax Notes Series 2013, I & S Fund, Toll Road I & S Fund and Road Bonds Mobility I & S Fund amounted to \$ 877,205, \$ 349,716, \$ 14,279, \$ 7,017, \$ 9,816, \$ 20,823, \$ 16,057, \$ 23,374, and \$ 28,391, respectively. | 1,346,678 |
| Special assessments receivable unavailable to pay for current period expenditures are deferred in the funds. Deferred special assessment tax revenues for Brazos Oaks/Forest Assessment, Brazos Bend Assessment, Bonnie Lane Assessment, Laura Lane Assessment, Sherwood Land Assessment, Norris Road Special Assessment, Brazos Bend 2 Special Assessment, Oakwood Creek Assessment, Manvel Assessment, Hampton Road Assessment, Pecan Estates Assessment, Westwood Road Assessment, Sally Lake Road Assessment, Rose Mary Street Assessment , Oakwood Creek Estates Assessment, Benefield Assessment 313 County Road 64 Assessment, Wink Wynn Assessment and Vivian Street Assessment reported in the Road and Bridge special revenue fund in the amount of \$ 1,585,013. | 1,585,013 |
| Pension deferred outflows of resources are not reported based upon the measurement date of December 31, 2017 and are unavailable at September 30, 2018 to pay for current period expenditures and are not recorded in the funds. Pension deferred outflows of resources of \$ 14,010,340 (differences between expected and actual earnings of \$ 11,274,297, differences between expected and actual experience of \$ 1,362,897, and changes in assumptions of \$ 1,373,146) less pension deferred inflows of \$ 18,135,549 (differences between expected and actual earnings of \$ 15,315,283, changes in assumptions of \$ 643,574, and economic/demographic gains or losses of \$ 2,176,692). | (4,125,209) |
| Deferred outflows of resources for subsequent pension contributions of \$ 7,203,665 made during the period January 1, 2018 through September 30, 2018 are charged to expenditures in the funds but do not reduce the amount of net pension liability. | 7,203,665 |
| OPEB deferred outflows and inflows are reported based upon the measurement date of September 30, 2018 unavailable at September 30, 2018 to pay for current period expenditures and are not recorded in the funds. OPEB deferred outflows of \$ 2,766,954 (differences between expected and actual experience of \$ 560,252, changes in assumptions of \$ 2,116,482, differences between projected and actual earnings on OPEB plan investments of \$ 90,220) less OPEB deferred inflows of \$ 4,167,672 (changes in assumptions of \$ 4,167,672). | (1,400,718) |
| Bond refunding costs are reported as current financial uses for governmental funds but the expenditures increase long-term assets in the statement of net position. This amount is amortized over the life of the bonds. Bond refunding costs of \$ 1,486,651 less accumulated amortization of \$ 480,130. | 1,006,521 |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 3 - RECONCILIATION OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES FINANCIAL STATEMENTS - Continued

Reconciliation of Governmental Funds Balance Sheet to the Governmental Activities Statement of Net Position - Continued

Liabilities and Deferred Inflows of Resources (Excluding Internal Service Funds):

| | |
|---|-----------------|
| Payables for bonds (\$ 70,425,000) and tax note (\$ 5,805,000) principal are not reported in the funds. | \$(76,230,000) |
| Premium on the issuance of bonds provide current financial resources to governmental funds but the proceeds decrease long-term assets in the statement of net position. This amount is amortized over the life of the bonds. Net premium on the issuance of bonds were \$ 4,923,161 (premium on the sale of bonds of \$ 6,758,720 less amortization of \$ 1,835,559). | (4,923,161) |
| Payables for bond and tax note interest is not reported in the funds except for amounts received from the sale of bonds or issuance of tax notes after the issuance date. Total accrued interest payable of \$ 273,897 (\$ 259,101 for bonds and \$ 14,886 for tax notes). | (273,987) |
| Payables for compensated absences are not reported in the funds. | (5,078,003) |
| Payables for net OPEB liability are not reported in the funds. | (36,562,627) |
| Payables for net pension liability are not reported in the funds. | (51,132,328) |

Internal Service Funds Net Position:

Internal service funds are used by management to charge the cost of certain activities, such as health insurance and liability insurance, to individual funds. The assets and liabilities of the service funds are not reported separately from the funds statements. The internal service funds balances (net of amount allocated to business-type activities and fiduciary funds) not included in other reconciling items:

| | <u>Self-Insurance</u> | | | |
|--|-----------------------------|---------------------|------------------|----------------|
| | <u>Liability</u> | <u>Health</u> | <u>Clinic</u> | |
| Current assets | \$ 1,384,112 | \$ 468,085 | \$ 40,000 | |
| Accounts receivable | | 1,540,357 | 22,587 | |
| Accounts and accrued liabilities payable | (2,104) | (1,349,371) | (25,659) | |
| Estimated claims payable | (400,000) | (543,603) | | |
| Due to other funds | | (356,050) | | |
| Net amount allocated to business-type activities | <u> </u> | <u>64,625</u> | <u>(295)</u> | |
| Net | <u>\$ 982,008</u> | <u>\$(175,957)</u> | <u>\$ 36,633</u> | <u>842,684</u> |

Net position of governmental activities – statement of net position (Exhibit 1). \$ 316,373,495

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 3 - RECONCILIATION OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES FINANCIAL STATEMENTS - Continued

Reconciliation of Governmental Funds Balance Sheet to the Governmental Activities Statement of Net Position - Continued

Net change in fund balances - total governmental funds (Exhibit 4) \$ 14,626,548

Amounts reported for *governmental activities* in the statement of activities (Exhibit 2) are different because:

Revenues and Other Resources (Excluding Internal Service Funds):

Property tax revenues in the governmental activities statement of activities do not provide current available resources and are not reported as revenues in the funds. Deferred property tax revenues for the General fund, Road and Bridge special revenue fund, Mosquito Control District, 2012 GO Refunding I & S Fund, 2016 Limited Tax Refunding I & S Fund, 2012 Certificates of Obligations Bonds, I & S Fund, Tax Notes Series 2013, I & S Fund, Toll Road I & S Fund, Road Bonds Mobility I & S Fund and Sheriff & Detention Complex I & S Fund amounted to \$ 157,316, \$ 80,583, \$(4,434), \$(1,945), \$ 1,153, \$(4,332), \$ 10,805, \$ 11,781 and \$ 1,781 respectively. 252,708

Special assessment revenues in the governmental activities statement of activities do not provide current available resources and are not reported as revenues in the funds. Deferred special assessment tax revenues for Brazos Oaks/Forest Assessment, Bonnie Lane Assessment, Laura Lane Assessment, Sherwood Lane Assessment, Norris Road Special Assessment, Brazos Bend 2 Special Assessment, Oakwood Creek Assessment, Manvel Assessment, Hampton Road Assessment, Pecan Estates Road Assessment, Westwood Road Assessment, Sally Lake Road Assessment, Rose Mary Street Assessment, Oakwood Creek Estates Assessment, Benefield Assessment, 313 County Road 64 Assessment, Wink Wynn Assessment and Vivian Street Assessment were reported in the Road and Bridge special revenue fund in the amount of \$ 587,994. 587,994

Governmental funds report proceeds from the sale of assets as revenue. However, in the governmental activities statement of activities, the cost of the assets disposed is offset against the proceeds to report gain or loss on the disposition of assets. The cost of assets disposed were \$ 296,712. (Cost of \$ 3,389,613 less accumulated depreciation of \$ 3,092,901). (296,712)

Judicial revenues (resulting from accounts receivables net of related allowance for uncollectible) in the governmental activities statement of activities does not provide current available resources and are not reported as revenues in the funds. The change in these net receivables resulted in a decrease in revenues reported in the governmental activities statement of activities. (5,712,452)

Deferred refunding costs is another use in the governmental funds, but the costs increase long-term assets in the statement of net position. This amount is amortized over the life of the refunding bonds or the refunded bonds, whichever is shorter. The payments to the escrow agent of \$ 4,922,508, less current amortization of \$ 128,973 is the deferred refunding costs. 4,793,535

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 3 - RECONCILIATION OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES FINANCIAL STATEMENTS - Continued

Reconciliation of Governmental Funds Balance Sheet to the Governmental Activities Statement of Net Position - Continued

Expenditures/Expenses and Other Uses (Excluding Internal Service Funds):

| | |
|--|---------------|
| Governmental funds report capital outlays as expenditures. However, in the governmental activities statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays \$ 23,877,539 exceeded depreciation \$ 18,735,718 in the current period. | \$ 5,141,821 |
| Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the governmental activities statement of net position. The funds statements reported \$ 1,830,000 in tax note principal payments. | 1,830,000 |
| Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the governmental activities statement of net position. The funds statements reported \$ 4,815,000 in bond principal payments. | 4,815,000 |
| Long-term debt proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the governmental activities statement of net position. Long-term proceeds in the governmental fund were \$ 12,535,000 for bonds. | (12,535,000) |
| Premium on the issuance of bonds provide current financial resources to governmental funds, but the proceeds decrease long-term assets in the statement of net position. This amount is amortized over the life of the bonds. Net premium on the issuance of bonds was \$ 937,468 (premium on sale of bonds of \$ 1,329,158 less amortization of \$ 391,690). | (937,468) |
| Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the amount of accrued interest and fiscal charges. Change in accrued interest of \$ 14,710 (\$ 19,403 increase in bonds and \$ 4,693 decrease in tax notes). | (14,710) |
| Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the amount of change in compensated absences. | (329,892) |
| Governmental funds report OPEB payments as expenditures. However, in the governmental activities statement of activities, the OPEB cost is calculated actuarially and involves multiple factors. The amount of OPEB expense reported was \$ 4,685,794 more than the amount reported in the funds. | (4,685,794) |
| Governmental funds report pension payments as expenditures. However, in the governmental activities statement of activities, the pension cost is calculated actuarially and involves multiple factors. The amount of pension expense reported was \$ 4,533,930 more than the amount reported in the funds. | (4,533,930) |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 3 - RECONCILIATION OF THE GOVERNMENTAL FUNDS TO GOVERNMENTAL ACTIVITIES FINANCIAL STATEMENTS - Continued

Reconciliation of Governmental Funds Balance Sheet to the Governmental Activities Statement of Net Position - Continued

Internal Service Funds Statement of Revenues, Expenses and Changes in Net Position:

Internal service funds are used by management to charge the cost of insurance, health and liability to individual funds. The net revenue (expense) of the internal service funds is reported in the governmental activities statement of activities (net of amounts allocated to business-type activities and fiduciary funds) not included in other reconciling items:

| | Self-Insurance | | | |
|--|--------------------|-------------------|------------------|----------------|
| | Liability | Health | Clinic | |
| Investment income | \$ 21,233 | \$ 13,380 | \$ | |
| Operating expenses | (81,554) | (19,944,227) | (635,565) | |
| Contributions for self-insurance | | 18,178,179 | 665,369 | |
| Transfers in | | 2,500,000 | | |
| Net amount allocated to business-type activities | | <u>14,932</u> | <u>(252)</u> | |
| Net | <u>\$(60,321)</u> | <u>\$ 762,264</u> | <u>\$ 29,552</u> | <u>731,495</u> |

Change in net position of governmental activities (see Exhibit 2). \$ 3,733,143

NOTE 4 - DEPOSITS, INVESTMENTS AND DERIVATIVES

The County classifies deposits and investments for financial statement purposes as cash and temporary investments, and investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose, a temporary investment is one that when purchased had a maturity date of three months or less. See Note 1 for additional Governmental Accounting Standards Board Statement No. 31 disclosures. Cash and temporary investments as reported on the financial statements at September 30, 2018 are as follows:

| | Governmental Funds | Proprietary Funds | Fiduciary Funds | Primary Government | Component Unit | Totals |
|---|-----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|
| Cash and Temporary Investments: | | | | | | |
| Cash (petty cash accounts) | \$ 32,110 | \$ | \$ 300 | \$ 32,410 | \$ | \$ 32,410 |
| Cash with fiscal agent | 441,090 | | | 441,090 | | 441,090 |
| Financial Institution Deposits: | | | | | | |
| Demand deposits | 21,651,364 | 1,022,447 | 11,662,576 | 34,336,387 | 11,545,295 | 45,881,682 |
| Local Government Investment Pools: | | | | | | |
| Texpool | 47,765,629 | 869,750 | 13,964 | 48,649,343 | 33,886,233 | 82,535,576 |
| MBIA Texas Class Pool | 52,695,317 | | | 52,695,317 | 32,665,368 | 85,360,685 |
| U.S. Bank Government Obligation Fund | | | | | <u>171,242</u> | <u>171,242</u> |
| Cash and temporary investments | 122,585,510 | 1,892,197 | 11,676,840 | 136,154,547 | 78,268,138 | 214,422,685 |
| Investments: | | | | | | |
| Government agency securities | <u>21,797,440</u> | | | <u>21,797,440</u> | | <u>21,797,440</u> |
| Cash, Temporary Investments and Investment totals | <u>\$144,382,950</u> | <u>\$ 1,892,197</u> | <u>\$ 11,676,840</u> | <u>\$157,951,987</u> | <u>\$ 78,268,138</u> | <u>\$236,220,125</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 4 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to them. The County requires that all deposits with financial institutions be collateralized in an amount equal to 100 percent of uninsured balances.

At year-end, in addition to petty cash of \$ 32,410, the carrying amount, of the County's deposits, was \$ 45,881,682, while the financial institution balances totaled \$ 49,591,667. Of these balances, \$ 9,189,665 represents amounts controlled by County courts and held by various financial institutions jointly under the name of the County and the court's beneficiaries and carrying the identification number of the beneficiaries. These accounts are entirely covered by federal deposit insurance. Of the financial institution balances, \$ 10,130,755 was covered by federal depository insurance coverage, and \$ 39,460,912 was covered by collateral held by the County's agent in the County's name.

Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under written investment policy (the "investment policy") that primarily emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel. This investment policy defines what constitutes the legal list of investments allowed under the policies, which excludes certain instruments allowed under chapter 2256 of the Texas Government Code.

The County's deposits and investments are invested pursuant to the investment policy, which is approved by Commissioners Court. The investment policy includes lists of authorized investment instruments and allowable stated maturity of individual investments. In addition it includes an "Investment Strategy Statement" that specifically addresses each investment option and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification and yield. Additionally, the soundness of financial institutions (including broker/dealers) in which the County will deposit funds is addressed. The County's investment policy and types of investments are governed by the Public Funds Investment Act (PFIA). The County's management believes it complied with the requirements of the PFIA and the County's investment policy.

The County's Investment Officer submits an investment report each quarter to the Commissioners Court. The report details the investment positions of the County and the compliance of the investment portfolio's as they relate to both the adopted investment strategy statements and Texas State law.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 4 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

The County is authorized to invest in the following investment instruments provided that they meet the guidelines of the investment policy:

1. Obligations of the United States or its agencies and instrumentalities;
2. Direct obligations of the State of Texas or its agencies and instrumentalities;
3. No-load money market mutual funds: regulated by SEC, with a dollar-weighted average stated maturity of 90 days or less, includes in its investment objectives the maintenance of a stable \$ 1.00 net asset value per each share, and limited in quantity to the requirements, set forth in Chapter 2256, Government Code Section 2256.014;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
6. Certificates of deposit if issued by a state or national bank domiciled in the State of Texas and is: guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, secured in any manner and amount provided by law for deposits of the County;
7. Fully collateralized repurchase agreements, if it: has a defined termination date, is secured by obligations described by Section 2256.009(a)(1) of the Public Funds Investment Act, requires the securities being purchased by the County to be pledged to the County, held in the County's name, and deposited at the time the investment is made with the County or with a third party selected and approved by the County, is placed through a primary government securities dealer, approved by the County, or a financial institution doing business in the State of Texas;
8. Commercial paper is an authorized investment, if the commercial paper: has a stated maturity of 270 days or fewer from the date of its issuance, and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state;
9. Eligible investment pools if the Commissioners Court by resolution authorizes investment in the particular pool. An investment pool shall invest funds it receives from entities in authorized investments permitted by the Public Funds Investment Act. The County by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds; and,

The County participates in three Local Government Investment Pools (LGIPs): Texpool, Texas Class and U.S. Bank Government Obligation Fund. The State Comptroller oversees Texpool with Federated Securities Corporation managing the daily operations of the pool under a contract with the State Comptroller. Advisory boards consisting of participants or their designees, maintains oversight responsibility for Texas Class. The U.S. Bank Government Obligation Fund is managed by U.S. Bancorp Asset Management, Inc. for its daily operations. These external investment pools are not registered with the Securities and Exchange Commission, and the County's fair value of its position in these pools are not same as the value of the pool shares. These funds seek to maintain a constant net asset value of \$ 1.00, although this cannot be fully guaranteed.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 4 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

The County invests in Texpool, Texas Class and U.S. Bank Government Obligation Fund to provide its liquidity needs. Texpool, Texas Class and U.S. Bank Government Obligation Fund are local government investment pools that were established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. Texpool and Texas Class are 2(a)7 like funds, meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$ 1.00, although this cannot be fully guaranteed. Texpool and Texas Class are rated AAA and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit. At September 30, 2018 Texpool, Texas Class and U.S. Bank Government Obligation Fund had a weighted average maturity of 37 days, 52 days and 26 days, respectively. Although Texpool, Texas Class and U.S. Bank Government Obligation Fund portfolios had a weighted average maturity of 37 days, 52 days and 26 days, respectively, the County considers holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

As of September 30, 2018, the County had the following investments:

| <u>Investment Type</u> | <u>Interest Rate</u> | <u>Fair Value</u> | <u>Weighted Avg. Maturity (Days)</u> |
|---|----------------------|-----------------------|--------------------------------------|
| Local Government Investment Pools: | | | |
| Texpool | Varies | \$ 82,535,576 | 61 |
| MBIA Texas Class Pool | Varies | 85,360,685 | 52 |
| U.S. Bank Government Overnight Fund | Varies | <u>171,242</u> | 25 |
| Total Local Government Investment Pools | | <u>168,067,503</u> | 45 |
| Government Agency Securities: | | | |
| FFCB – Callable | 1.010% | 1,998,000 | 26 |
| FMLMC - Callable | 1.100% | 1,998,180 | 29 |
| FNMA – Callable | 1.300% | 1,989,000 | 173 |
| FNMA – Callable | 1.400% | 1,983,200 | 264 |
| FNMA – Callable | 1.250% | 1,978,000 | 299 |
| FHLB – Callable | 1.200% | 1,977,000 | 299 |
| FHLB – Callable | 1.200% | 1,969,800 | 376 |
| FHLB – Callable | 1.500% | 1,969,600 | 456 |
| FFCB – Callable | 1.720% | 1,974,400 | 463 |
| FHLMC – Callable | 1.850% | 1,963,660 | 663 |
| FHLB – Callable | 2.000% | <u>1,996,600</u> | 156 |
| Total agency securities | | <u>21,797,440</u> | 290 |
| Total investments | | <u>\$ 189,864,943</u> | 73 |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 4 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

Credit Risk - As of September 30, 2018, the LGIPs (which represent approximately 88.52% of the investment portfolio) are rated AAAM by Standard and Poor's or AAA by Finch. The government agency securities rated A-1 by Standard and Poor's and P-1 by Moody's (represent approximately 11.48% of the investment portfolio) are registered and the County's agent holds the securities in the County's name; therefore, the County is not exposed to credit risk.

Interest rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that investment maturities will not exceed the lesser of a dollar weighted average maturity of 365 days or the anticipated cash flow requirements of the funds. Quality short-to-medium term securities should be purchased, which complement each other in a structured manner that minimizes risk and meets the County's cash flow requirements.

Fair Value Measures

Financial Accounting Standards Board Accounting Standards Codification 820-10, *Fair Value Measurements* (FASB Codification 820-10), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Codification 820-10 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 4 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Fair Value Measures - continued

The following table sets forth by level, within the fair value hierarchy, the County's assets at fair value as of September 30, 2018:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-----------------------------------|----------------------|----------------|----------------|----------------------|
| U.S. Government agency securities | \$ <u>21,797,440</u> | \$ _____ | \$ _____ | \$ <u>21,797,440</u> |
| Total assets at fair value | \$ <u>21,797,440</u> | \$ <u>-0-</u> | \$ <u>-0-</u> | \$ <u>21,797,440</u> |

Derivatives

Interest in derivative products has increased in recent years. Derivatives are investment products, which may be a security or contract, which derives its value from another security, currency, commodity, or index, regardless of the source of funds used. The County made no direct investments in derivatives during the year ended September 30, 2018, and holds no direct investments in derivatives at September 30, 2018.

NOTE 5 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES

Receivables and Allowances

Receivables as of September 30, 2018, for the government's individual governmental major and nonmajor funds, proprietary major funds, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | <u>General Fund</u> | <u>Road & Bridge Fund</u> | <u>FEMA Flood Disaster 2017 Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-----------------------------------|---------------------|-------------------------------|--------------------------------------|---------------------------------|---------------------------------|
| Receivables: | | | | | |
| Property Taxes | \$ 1,979,462 | \$ 724,290 | \$ _____ | \$ 276,665 | \$ 2,980,417 |
| Accounts | 150,739 | 19,731 | _____ | 39,205 | 209,675 |
| Special assessments | _____ | 1,902,290 | _____ | _____ | 1,902,290 |
| Due from other governments | 7,298,281 | 323,285 | 184,985 | 1,990,898 | 9,797,449 |
| Accrued interest | <u>71,212</u> | _____ | _____ | _____ | <u>71,212</u> |
| Gross receivables | 9,499,694 | 2,969,596 | 184,985 | 2,306,768 | 14,961,043 |
| Less Allowance for Uncollectible: | | | | | |
| Property taxes | 994,214 | 356,085 | _____ | 142,071 | 1,492,370 |
| Special assessments | _____ | <u>295,798</u> | _____ | _____ | <u>295,798</u> |
| Net receivables | <u>\$ 8,505,480</u> | <u>\$ 2,317,713</u> | <u>\$ 184,985</u> | <u>\$ 2,164,697</u> | <u>\$ 13,172,875</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 5 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued

Receivables and Allowances - continued

| | Proprietary Funds | | | Fiduciary Funds |
|-----------------------------------|-------------------|------------------------|---------------------|------------------|
| | Enterprise Fund | Internal Service Funds | Total | |
| Receivables: | | | | |
| Accounts: | | | | |
| Airport customers | \$ 357,859 | \$ | \$ 357,859 | \$ |
| Stop loss insurance | | 1,562,944 | 1,562,944 | |
| Other | | | -0- | 55,893 |
| Gross receivables | 357,859 | 1,562,944 | 1,920,803 | 55,893 |
| Less Allowance for Uncollectible: | | | | |
| Accounts: | | | | |
| Airport customers | 44,663 | | 44,663 | |
| Net total receivables | <u>\$ 313,196</u> | <u>\$ 1,562,944</u> | <u>\$ 1,876,140</u> | <u>\$ 55,893</u> |

The component unit reported \$ 778,729 due from other governments as of September 30, 2018.

Receivables From Other Governments

The County participates in a variety of federal and state programs from which it receives grants to, partially or fully, finance certain activities. In addition, the County receives entitlements from the State through the legislative actions and taxes collected by the State on behalf of the County (sales and other taxes). All federal grants shown below are either direct or passed through state or local agencies and are reported on the financial statements as due from other governments.

Amounts due from federal, state, and local governments as of September 30, 2018 are summarized below:

| | State Entitlements and Taxes | Federal Grants | State Grants | Other | Total |
|------------------------------|------------------------------|---------------------|-------------------|-------------------|---------------------|
| Major Governmental Funds: | | | | | |
| General | \$ 6,152,161 | \$ 940,807 | \$ 57,331 | \$ 147,982 | \$ 7,298,281 |
| Road & Bridge | 95,166 | 228,119 | | | 323,285 |
| FEMA Flood Disaster 2017 | | 184,985 | | | 184,985 |
| Non major governmental Funds | | 1,733,684 | 250,568 | 6,646 | 1,990,898 |
| Total | <u>\$ 6,247,327</u> | <u>\$ 3,087,595</u> | <u>\$ 307,899</u> | <u>\$ 154,628</u> | <u>\$ 9,797,449</u> |

The component unit reported \$ 778,729 from federal grant sources as of September 30, 2018.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 5 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued

Judicial Receivables

Judicial receivables are reported in the governmental activities statement of net position accounts line. Since these receivables do not represent current available resources, they are not reported in the governmental funds balance sheet. The allowance for uncollectible receivables related to the County's various court assessments is determined based on historical experience and evaluation of collectability in relation to the aging of customer accounts. The following is a summary of the receivable and allowance for uncollectible as of September 30, 2018:

| | <u>Governmental Activities</u> | | |
|-----------------------|--------------------------------|---|---------------------------|
| | <u>Judicial Receivable</u> | <u>Allowance for Uncollectible Accounts</u> | <u>Net Receivable</u> |
| Judicial Receivables: | | | |
| Justice of the peace | \$ 8,838,454 | \$ 2,209,613 | \$ 6,628,841 |
| County courts | 2,319,350 | 927,740 | 1,391,610 |
| District courts | 9,957,053 | 4,978,527 | 4,978,526 |
| Juvenile probation | <u>312,465</u> | <u>156,232</u> | <u>156,233</u> |
| | <u>\$ 21,427,322</u> | <u>\$ 8,272,112</u> | <u>\$ 13,155,210</u> |

Deferred Outflows and Inflows of Resources and Unearned Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of September 30, 2018, the various components of deferred outflows and inflows of resources and unearned revenue reported in the governmental and proprietary funds were as follows:

| | <u>General Fund</u> | <u>Road & Bridge Fund</u> | <u>FEMA Flood Disaster 2017 Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|-----------------------------|---------------------------------------|--|---|---|
| Deferred Inflows of Resources: | | | | | |
| Delinquent property taxes receivable | \$ 877,205 | \$ 349,716 | \$ | \$ 119,757 | \$ 1,346,678 |
| Delinquent special assessment taxes receivable | <u> </u> | <u>1,585,013</u> | <u> </u> | <u> </u> | <u>1,585,013</u> |
| | <u>\$ 877,205</u> | <u>\$ 1,934,729</u> | <u>\$ -0-</u> | <u>\$ 119,757</u> | <u>\$ 2,931,691</u> |
| Unearned Revenue: | | | | | |
| Federal grants | \$ 11,061 | \$ 252,090 | \$ 31,700 | \$ 109,869 | \$ 404,720 |
| State grants | | | | 212,453 | 212,453 |
| Bail bonds | 693,002 | | | | 693,002 |
| Public safety seizures | 25,585 | | | 205,822 | 231,407 |
| Developer advances | | 199,752 | | | 199,752 |
| Rental deposits | 13,200 | | | | 13,200 |
| Other | <u>5,415</u> | <u> </u> | <u> </u> | <u>24,285</u> | <u>29,700</u> |
| Net receivables | <u>\$ 748,263</u> | <u>\$ 451,842</u> | <u>\$ 31,700</u> | <u>\$ 552,429</u> | <u>\$ 1,784,234</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 5 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued

Deferred Outflows and Inflows of Resources and Unearned Revenue - Continued

| | <u>Proprietary Fund</u> Airport Enterprise Fund |
|--|--|
| Deferred Outflows of Resources: | |
| Pension: | |
| Net difference between expected and actual investment earnings | \$ 97,133 |
| Net difference between expected and actual experience | 11,735 |
| Changes in assumptions | 11,911 |
| Subsequent contributions | 72,037 |
| OPEB: | |
| Net difference between expected and actual investment earnings | 838 |
| Net difference between expected and actual experience | 5,202 |
| Changes in assumptions | <u>19,652</u> |
| | <u>\$ 218,508</u> |
| Deferred Inflows of Resources: | |
| Pension: | |
| Differences between projected and actual investment earnings | \$ 154,700 |
| Changes in assumptions | 6,501 |
| Economic/demographic gains or losses | 20,470 |
| OPEB: | |
| Changes in assumptions | <u>38,699</u> |
| | <u>\$ 220,370</u> |
| Unearned Revenue: | |
| Rental deposits | <u>\$ 28,900</u> |

Governmental and business-type activities defer the recognition of pension expense for contributions made subsequent to the measurement date to the current year-end of September 30, 2018 and report these as deferred outflows of resources. Governmental and business-type activities also defer revenue recognition in connections with resources that have been received, but not yet earned and report these amounts as a deferred inflow of resources. Further, for governmental and business-type activities, like governmental funds, defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a liability (unearned revenue).

As of September 30, 2018, the various components of deferred inflows and outflows of resources reported in the governmental and business-type activities were as follows:

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 5 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued

Deferred Outflows and Inflows of Resources and Unearned Revenue - Continued

| | Governmental Activities | | | Business-Type Activities | | |
|--|--------------------------------|-------------------------------|---------------------|--------------------------------|-------------------------------|------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Unearned Revenue | Deferred Outflows of Resources | Deferred Inflows of Resources | Unearned Revenue |
| Bond refunding cost (net of accumulated amortization) | \$ 1,006,521 | \$ | \$ | \$ | \$ | \$ |
| Pension Related: | | | | | | |
| Differences between expected and actual experience | 1,362,897 | | | 11,735 | | |
| Differences between projected and actual investment earnings | 11,274,297 | 15,315,283 | | 97,133 | 154,700 | |
| Changes in assumptions | 1,373,146 | 643,574 | | 11,911 | 6,501 | |
| Subsequent contributions | 7,203,665 | | | 72,037 | | |
| Economic/demographic gains or losses | | 2,176,692 | | | 20,470 | |
| OPEB Related: | | | | | | |
| Net difference between expected and actual investment earnings | 90,220 | | | 838 | | |
| Net difference between expected and actual experience | 560,252 | | | 5,202 | | |
| Changes in assumptions | 2,116,482 | 4,167,672 | | 19,652 | 38,699 | |
| Unearned Revenue: | | | | | | |
| Federal grants | | | 404,720 | | | |
| State grants | | | 212,453 | | | |
| Bail bonds | | | 693,002 | | | |
| Public safety seizures | | | 231,407 | | | |
| Developer advances | | | 199,752 | | | |
| Rental deposits | | | 13,200 | | | 28,900 |
| Other | | | 29,700 | | | |
| | <u>\$ 24,987,480</u> | <u>\$ 22,303,221</u> | <u>\$ 1,784,234</u> | <u>\$ 218,508</u> | <u>\$ 220,370</u> | <u>\$ 28,900</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2018 consisted of the following:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>9-30-18</u> |
|-------------------------------|-------------------------------|---------------------|
| General | Other governmental | \$ 1,254,702 |
| General | Internal service funds | 356,050 |
| General | Enterprise funds | 341,657 |
| General | FEMA Flood Disaster 2017 fund | 4,288,094 |
| FEMA Flood Disaster 2017 Fund | General | <u>564,836</u> |
| | | <u>\$ 6,805,339</u> |

Interfund receivables and payables represent short-term borrowings primarily for cash flow purposes. These include short-term borrowings for reimbursement grants and some revenue or expenditures/expense adjustments between funds at or near year-end.

The Primary Government (Brazoria County) has a receivable due from the component unit in the amount of \$ 21,422,994 as of September 30, 2018.

Interfund transfers for the year ended September 30, 2018 consisted of the following individual fund transfers in and transfers out:

| <u>Transferring Fund</u> | <u>Receiving Fund</u> | <u>9-30-18</u> |
|-------------------------------|------------------------|---------------------|
| General | Other governmental | \$ 1,125,753 |
| General | Internal service funds | 2,500,000 |
| Other governmental | General | 202,000 |
| FEMA Flood Disaster 2017 Fund | General | 1,589,827 |
| Road & Bridge | Other governmental | 371,739 |
| Other governmental | Other governmental | <u>113,000</u> |
| Total | | <u>\$ 5,902,319</u> |

The Commissioners Court approved these transfers, as transfers of operational funds to cover planned expenditures/expenses. Transfers to special revenue funds covered expenditures necessary to maintain budgeted shortfalls.

BRAZORIA COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2018

NOTE 7 - CAPITAL ASSETSCapital Transactions

| | <u>Balance 10-01-17</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>Balance 09-30-18</u> |
|--|-----------------------------|---------------------|--------------------|----------------------|-----------------------------|
| Governmental Activities: | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | \$ 22,908,590 | \$ 102,910 | \$ 3,308 | \$ | \$ 23,008,192 |
| Construction in progress | <u>61,764,844</u> | <u>7,839,110</u> | <u>51,260</u> | <u>(12,016,906)</u> | <u>57,535,788</u> |
| Total capital assets not being depreciated | <u>84,673,434</u> | <u>7,942,020</u> | <u>54,568</u> | <u>(12,016,906)</u> | <u>80,543,980</u> |
| Capital Assets, Being Depreciated: | | | | | |
| Land improvements | 6,620,772 | 275,968 | | 79,242 | 6,975,982 |
| Buildings and improvements | 75,131,425 | 1,097,683 | | 1,500,492 | 77,729,600 |
| Furniture, equipment and vehicles | 75,287,954 | 6,602,065 | 3,335,045 | 5,743,319 | 84,298,293 |
| Infrastructure | <u>289,772,376</u> | <u>7,959,803</u> | | <u>4,693,853</u> | <u>302,426,032</u> |
| Total capital assets being depreciated | <u>446,812,527</u> | <u>15,935,519</u> | <u>3,335,045</u> | <u>12,016,906</u> | <u>471,429,907</u> |
| Less Accumulated Depreciation For: | | | | | |
| Land improvements | 1,877,406 | 355,614 | | | 2,233,020 |
| Buildings and improvements | 30,283,892 | 2,329,012 | | | 32,612,904 |
| Furniture, equipment and vehicles | 52,802,902 | 7,896,864 | 3,092,901 | | 57,606,865 |
| Infrastructure | <u>139,898,762</u> | <u>8,154,228</u> | | | <u>148,052,990</u> |
| Total accumulated depreciation | <u>224,862,962</u> | <u>18,735,718</u> | <u>3,092,901</u> | <u>-0-</u> | <u>240,505,779</u> |
| Total capital assets being depreciated, net | <u>221,949,565</u> | <u>(2,800,199)</u> | <u>242,144</u> | <u>12,016,906</u> | <u>230,924,128</u> |
| Governmental activities capital assets, net | <u>\$ 306,622,999</u> | <u>\$ 5,141,821</u> | <u>\$ 296,712</u> | <u>\$ -0-</u> | <u>\$ 311,468,108</u> |

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
For The Year Ended September 30, 2018

NOTE 7 - CAPITAL ASSETS - Continued

Capital Transactions - continued

| | <u>Balance</u> <u>10-01-17</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>Balance</u> <u>09-30-18</u> |
|---|-----------------------------------|-----------------------|--------------------|---------------------|-----------------------------------|
| Business-type Activities: | | | | | |
| Airport Fund: | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | \$ 1,558,687 | \$ | \$ | \$ | \$ 1,558,687 |
| Construction in progress | <u>1,357,531</u> | <u>23,650</u> | <u></u> | <u>(1,335,681)</u> | <u>45,500</u> |
| Total capital assets not being depreciated | <u>2,916,218</u> | <u>23,650</u> | <u>-0-</u> | <u>(1,335,681)</u> | <u>1,604,187</u> |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings and improvements | 9,029,062 | 22,500 | | 1,335,681 | 10,387,243 |
| Furniture, equipment and vehicles | 1,246,357 | 87,950 | 57,343 | | 1,276,964 |
| Runways, taxiways and aprons | <u>30,388,673</u> | <u></u> | <u></u> | <u></u> | <u>30,388,673</u> |
| Total capital assets being depreciated | <u>40,664,092</u> | <u>110,450</u> | <u>57,343</u> | <u>1,335,681</u> | <u>42,052,880</u> |
| Less Accumulated Depreciation For: | | | | | |
| Buildings and improvements | 5,062,064 | 246,993 | | | 5,309,057 |
| Furniture, equipment and vehicles | 977,482 | 76,532 | 57,343 | | 996,671 |
| Runways, taxiways and aprons | <u>17,454,472</u> | <u>991,333</u> | <u></u> | <u></u> | <u>18,445,805</u> |
| Total accumulated depreciation | <u>23,494,018</u> | <u>1,314,858</u> | <u>57,343</u> | <u>-0-</u> | <u>24,751,533</u> |
| Total capital assets being depreciated, net | <u>17,170,074</u> | <u>(1,204,408)</u> | <u>-0-</u> | <u>1,335,681</u> | <u>17,301,347</u> |
| Airport capital assets, net | <u>\$ 20,086,292</u> | <u>\$(1,180,758)</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 18,905,534</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 7 - CAPITAL ASSETS - Continued

Depreciation

Depreciation expense was charged as direct expense to functional categories of the County as follows:

| | <u>09-30-18</u> |
|---------------------------|----------------------|
| Governmental Activities: | |
| General administration | \$ 560,288 |
| Judicial and legal | 1,273,143 |
| Financial administration | 623,960 |
| Elections | 456,057 |
| Public facilities | 441,828 |
| Public safety | 1,781,649 |
| Corrections | 1,295,521 |
| Public transportation | 10,962,097 |
| Health and welfare | 687,328 |
| Culture and recreation | 646,739 |
| Conservation | <u>7,108</u> |
| | <u>\$ 18,735,718</u> |
| Business-type Activities: | |
| Airport | <u>\$ 1,314,858</u> |

Function and Activity - Original Cost

| | <u>Balance</u> <u>10-01-17</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers and</u> <u>Adjustments</u> | <u>Balance</u> <u>09-30-18</u> |
|-------------------------------|-----------------------------------|----------------------|---------------------|--|-----------------------------------|
| Governmental Activities: | | | | | |
| Function and Activity: | | | | | |
| General administration | \$ 16,780,391 | \$ 884,402 | \$ 5,865 | \$ | \$ 17,658,928 |
| Judicial and legal | 8,433,449 | 50,385 | 58,732 | (17,902) | 8,407,200 |
| Financial administration | 7,392,997 | 954,541 | 283,450 | 859,104 | 8,923,192 |
| Elections | 333,437 | | | 4,386,981 | 4,720,418 |
| Public facilities | 12,770,558 | 99,143 | 26,292 | 520,465 | 13,363,874 |
| Public safety | 17,101,950 | 1,444,395 | 1,357,804 | 194,767 | 17,383,308 |
| Corrections | 42,571,088 | 391,649 | 119,345 | 32,412 | 42,875,804 |
| Public transportation | 339,513,670 | 11,427,821 | 1,176,814 | 5,939,478 | 355,704,155 |
| Health and welfare | 8,527,583 | 53,135 | 58,024 | (14,509) | 8,508,185 |
| Culture and recreation | 16,060,323 | 700,878 | 252,027 | 116,110 | 16,625,284 |
| Conservation | 207,869 | 32,080 | | | 239,949 |
| Environmental protection | <u>27,802</u> | | | | <u>27,802</u> |
| | 469,721,117 | 16,038,429 | 3,338,353 | 12,016,906 | 494,438,099 |
| Non-Functional: | | | | | |
| Construction in progress | <u>61,764,844</u> | <u>7,839,110</u> | <u>51,260</u> | <u>(12,016,906)</u> | <u>57,535,788</u> |
| Total governmental activities | <u>\$531,485,961</u> | <u>\$ 23,877,539</u> | <u>\$ 3,389,613</u> | <u>\$ -0-</u> | <u>\$551,973,887</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 7 - CAPITAL ASSETS - Continued

Function and Activity - Original Cost - continued

| | <u>Balance</u> <u>10-01-17</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers and</u> <u>Adjustments</u> | <u>Balance</u> <u>09-30-18</u> |
|--------------------------------|-----------------------------------|------------------------------------|---|--|---|
| Business-type Activities: | | | | | |
| Function and Activity: | | | | | |
| Airport | \$ 42,222,779 | \$ 110,450 | \$ 57,343 | \$ 1,335,681 | \$ 43,611,567 |
| Non-Functional: | | | | | |
| Construction in progress | <u>1,357,531</u> | <u>23,650</u> | <u> </u> | <u>(1,335,681)</u> | <u>45,500</u> |
| Total business-type activities | <u>\$ 43,580,310</u> | <u>\$ 134,100</u> | <u>\$ 57,343</u> | <u>\$ -0-</u> | <u>\$ 43,657,067</u> |
| | <u>Land</u> | <u>Land</u> <u>Improvements</u> | <u>Buildings</u> <u>and</u> <u>Improvements</u> | <u>Furniture,</u> <u>Equipment</u> <u>and</u> <u>Vehicles</u> | <u>Infrastructure/</u> <u>Runways,</u> <u>Taxiways</u> <u>and Aprons</u> |
| Governmental Activities: | | | | | |
| Function and Activity: | | | | | |
| General administration | \$ 3,691,370 | \$ 731,979 | \$ 10,585,116 | \$ 1,977,186 | \$ 673,277 |
| Judicial and legal | 223,781 | 15,319 | 1,349,465 | 6,818,635 | |
| Financial administration | 26,875 | | 159,614 | 8,736,703 | |
| Elections | | | 89,196 | 4,631,222 | |
| Public facilities | 1,377,281 | 622,909 | 9,989,707 | 1,373,977 | |
| Public safety | 10,963 | 65,898 | 1,347,495 | 14,426,388 | 1,532,564 |
| Corrections | 147,014 | 442,128 | 39,576,346 | 2,710,316 | |
| Public transportation | 13,626,763 | 447,501 | 5,546,304 | 36,682,172 | 299,401,415 |
| Health and welfare | 1,221,732 | 15,795 | 2,731,341 | 4,533,364 | 5,953 |
| Culture and recreation | 2,672,636 | 4,634,453 | 6,177,217 | 2,328,155 | 812,823 |
| Conservation | 8,935 | | 177,799 | 53,215 | |
| Environmental protection | <u>842</u> | <u> </u> | <u> </u> | <u>26,960</u> | <u> </u> |
| Total governmental activities | <u>\$ 23,008,192</u> | <u>\$ 6,975,982</u> | <u>\$ 77,729,600</u> | <u>\$ 84,298,293</u> | <u>\$ 302,426,032</u> |
| Business-type Activities: | | | | | |
| Function and Activity: | | | | | |
| Airport | <u>\$ 1,558,687</u> | <u>\$ -0-</u> | <u>\$ 10,387,243</u> | <u>\$ 1,276,964</u> | <u>\$ 30,388,673</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 7 - CAPITAL ASSETS - Continued

Construction Commitments

| | <u>Projects Authorized</u> | <u>Expended To Date</u> | <u>Commitment</u> | <u>Requiring Further Financing</u> |
|--|--------------------------------|-----------------------------|----------------------|--|
| September 30, 2018: | | | | |
| Governmental Activities: | | | | |
| Annex Building – Lake Jackson | \$ 226,200 | \$ 17,301 | \$ 208,899 | \$ |
| Parks – Boat Ramp and Boardwalk | 439,419 | 197,739 | 241,680 | |
| Restore Acts – Quintana fishing pier | 240,500 | 104,397 | 136,103 | |
| Restore Acts – San Bernard jetties | 807,850 | 471,677 | 336,173 | |
| Restore Acts – San Luis Pass Park - Boat Launch | 318,094 | | 318,094 | |
| Road and Bridge Projects: | | | | |
| CR 4 culvert replacements | 225,102 | | 225,102 | |
| CR 48 improvements | 169,443 | | 169,443 | |
| CR 58 improvements | 680,098 | | 680,098 | |
| CR 58 and 59 improvements | 1,011,520 | 100,171 | 911,349 | |
| CR 59 improvements | 571,853 | 143,071 | 428,782 | |
| CR 64 improvements | 1,731,000 | | 1,731,000 | |
| CR 101 improvements | 825,503 | 610,013 | 215,490 | |
| CR 192 improvements | 453,574 | | 453,574 | |
| CR 203 at CR 959 improvements | 156,428 | 17,301 | 139,127 | |
| CR 288 Improvements | 2,934,728 | | 2,934,728 | |
| CR 288 railroad crossing improvements | 240,903 | | 240,903 | |
| CR 90 bridge over mustang bayou | 262,258 | 128,494 | 133,764 | |
| CR 146 bridge over Mustang Bayou | 1,007,678 | 140,383 | 867,295 | |
| CR 180 bridge over Gulf Coast water authority canal | 119,819 | 102,428 | 17,391 | |
| CR 969F (Longhorn Trail) reconstruction | 128,145 | | 128,145 | |
| SH 288 frontage road improvements | 1,500,000 | | 1,500,000 | |
| Drainage improvements - Airport | 1,386,542 | 225,586 | 1,160,956 | |
| Facility upgrades – various locations | 364,664 | 97,997 | 266,667 | |
| School zone equipment flashers | 173,476 | 139,102 | 34,374 | |
| Truck weigh station – Hwy 288 | <u>3,891,432</u> | <u>1,112,740</u> | <u>2,778,692</u> | |
| Total governmental activities | <u>\$ 19,866,229</u> | <u>\$ 3,608,400</u> | <u>\$ 16,257,829</u> | <u>\$ -0-</u> |
| Business-type Activities: | | | | |
| Airport – water and sewer improvements | <u>\$ 952,269</u> | <u>\$</u> | <u>\$ 952,269</u> | <u>\$</u> |
| Total business-type activities | <u>\$ 952,269</u> | <u>\$ -0-</u> | <u>\$ 952,269</u> | <u>\$ -0-</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 7 - CAPITAL ASSETS - Continued

| | <u>Balance 10-01-17</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers and Adjustments</u> | <u>Balance 09-30-18</u> |
|---|-----------------------------|---------------------|----------------------------------|--------------------------------------|-----------------------------|
| Component Unit: | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | \$ 66,715 | \$ 21,710 | \$ | \$ | \$ 88,425 |
| Construction in progress | <u>15,753,359</u> | <u>40,227,700</u> | <u> </u> | <u> </u> | <u>55,981,059</u> |
| Total capital assets not being depreciated | <u>15,820,074</u> | <u>40,249,410</u> | <u> -0-</u> | <u> -0-</u> | <u>56,069,484</u> |
| Airport Authority Toll Road capital assets, net | <u>\$15,820,074</u> | <u>\$40,249,410</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$58,069,484</u> |

Additions to toll road construction in progress were a result of construction activities on the Brazoria County Expressway.

Construction Commitments

| | <u>Projects Authorized</u> | <u>Expended To Date</u> | <u>Commitment</u> | <u>Requiring Further Financing</u> |
|----------------------------|--------------------------------|-----------------------------|----------------------|--|
| Brazoria County Expressway | <u>\$115,055,857</u> | <u>\$ 43,263,589</u> | <u>\$ 71,792,268</u> | <u>\$ -0-</u> |
| Total component unit | <u>\$115,055,857</u> | <u>\$ 43,263,589</u> | <u>\$ 71,792,268</u> | <u>\$ -0-</u> |

NOTE 8 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE

Accounts and accrued liabilities payable as of September 30, 2018, for the government's individual governmental major and nonmajor funds, proprietary major fund, internal service funds, and fiduciary funds in the aggregate are as follows:

| | <u>General Fund</u> | <u>Road & Bridge Fund</u> | <u>FEMA Flood Disaster 2017 Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|---------------------------------------|--|---|---|
| Accounts and Accrued Liabilities Payable: | | | | | |
| Vendors | \$ 8,841,115 | \$ 1,058,615 | \$ 164,788 | \$ 1,837,261 | \$ 11,901,779 |
| Other governments | 972,201 | 61 | | 5,750 | 978,012 |
| Accrued compensation | 1,691,977 | 231,118 | | 117,413 | 2,040,508 |
| Accrued benefits | 1,846,101 | 277,220 | | 131,995 | 2,255,316 |
| Other accrued liabilities | <u>62,664</u> | <u> </u> | <u> </u> | <u> </u> | <u>62,664</u> |
| Totals | <u>\$ 13,414,058</u> | <u>\$ 1,567,014</u> | <u>\$ 164,788</u> | <u>\$ 2,092,419</u> | <u>\$ 17,238,279</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 8 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE - Continued

| | Proprietary Funds | | | Fiduciary Funds |
|---|-------------------|------------------------|---------------------|-------------------|
| | Airport Fund | Internal Service Funds | Total | |
| Accounts and Accrued Liabilities Payable: | | | | |
| Vendors | \$ 23,149 | \$ 1,377,134 | \$ 1,400,283 | \$ 201,227 |
| Other governments | 25,846 | | 25,846 | 1,125 |
| Accrued compensation | 17,183 | | 17,183 | 100,336 |
| Accrued benefits | 21,987 | | 21,987 | 71,988 |
| Estimated claims payable | | 943,603 | 943,603 | |
| Totals | <u>\$ 88,165</u> | <u>\$ 2,320,737</u> | <u>\$ 2,408,902</u> | <u>\$ 374,676</u> |

NOTE 9 - LONG-TERM DEBT

General Obligation Debt

General obligation and certificates of obligations payable at September 30, 2018, are summarized as follows:

| | Interest Rate % | Series Dates | | | Bonds Outstanding 09-30-18 |
|--|-----------------|--------------|----------|----------|----------------------------|
| | | Issued | Maturity | Callable | |
| General Obligation: | | | | | |
| Unlimited Tax Road Bonds, (Build America Bonds) Series 2010B | 4.594 - 6.026 | 2010 | 2030 | | \$ 13,225,000 |
| Unlimited Tax Road Bonds, Series 2012 | 2.000 - 3.625 | 2012 | 2032 | | 6,765,000 |
| Refunding Bonds, Series 2016 | 2.000 - 5.000 | 2016 | 2027 | | 7,225,000 |
| Refunding Bonds, Series 2018 | 4.000 - 5.000 | 2018 | 2028 | | 4,415,000 |
| Combination Tax and Revenue Certificates of Obligation Bonds Series 2012 | 3.500 - 5.000 | 2012 | 2032 | 2022 | 23,930,000 |
| Combination Tax and Revenue Certificates of Obligation Bonds Series 2016 | 2.000 - 5.000 | 2016 | 2026 | | 6,745,000 |
| Certificates of Obligation Bonds, Series 2018 | 4.000 - 5.000 | 2018 | 2038 | | <u>8,120,000</u> |
| Total | | | | | <u>\$ 70,425,000</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 9 - LONG-TERM DEBT - Continued

General Obligation Debt - continued

General obligation and certificates of obligation bond transactions for the year ended September 30, 2018 were as follows:

| | |
|---|--------------------------|
| Bonds outstanding, October 1, 2017 | \$ 67,515,000 |
| Issued | 12,535,000 |
| Refunded | (4,810,000) |
| Matured | <u>(4,815,000)</u> |
| Bonds outstanding, September 30, 2018 | \$ <u>70,425,000</u> |

The bond ordinances require that a tax be levied sufficient to pay current interest and create a sinking fund of not less than the amount to pay current principal and interest. For the year ended September 30, 2018, the amount of ad valorem taxes collected for interest and sinking were \$ 7,758,241, while the debt service requirements for principal and interest was \$ 7,853,478. The bond resolutions provide no express remedies in the event of default and make no provision for acceleration of maturity of the bonds.

The following is a summary of general obligation bond requirements by year as of September 30, 2018:

| <u>September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Requirement</u> |
|----------------------|----------------------|----------------------|--------------------------|
| 2019 | \$ 3,950,000 | \$ 3,089,650 | \$ 7,039,650 |
| 2020 | 4,080,000 | 2,922,965 | 7,002,965 |
| 2021 | 4,545,000 | 2,739,257 | 7,284,257 |
| 2022 | 5,325,000 | 2,521,182 | 7,846,182 |
| 2023 | 5,560,000 | 2,274,638 | 7,834,638 |
| 2024-2028 | 28,295,000 | 7,250,774 | 35,545,774 |
| 2029-2033 | 15,710,000 | 1,843,334 | 17,553,334 |
| 2034-2038 | <u>2,960,000</u> | <u>305,400</u> | <u>3,265,400</u> |
| | <u>\$ 70,425,000</u> | <u>\$ 22,947,200</u> | <u>\$ 93,372,200</u> |

The scheduled federal subsidy for the 2010 Unlimited Tax Road Bonds (Build America Bonds) to be received at September 30, 2018 is as follows:

| <u>September 30,</u> | <u>Federal Subsidy</u> |
|----------------------|------------------------|
| 2019 | \$ 229,754 |
| 2020 | 215,761 |
| 2021 | 200,810 |
| 2022 | 184,870 |
| 2023 | 167,991 |
| 2024-2028 | 542,717 |
| 2029-2030 | <u>51,964</u> |
| | <u>\$ 1,593,867</u> |

During the year ended September 30, 2018, the County received \$ 238,073 in federal subsidy under the Build America Bond program. The federal subsidy is provided to offset the interest paid on the bonds.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 9 - LONG-TERM DEBT - Continued

General Obligation Debt - continued

On July 26, 2012 the County sold \$ 25,115,000 of Certificates of Obligation Bonds, Series 2012. These bonds were issued for the purpose of generating funds for numerous facilities projects with an estimated cost of \$ 27,500,000.

On July 26, 2012 the County sold \$ 4,435,000 of General Obligation Refunding Bonds, Series 2012. The net proceeds of \$ 4,590,372 along with \$ 70,458 from the general fund, a total of \$ 4,660,830, were placed in escrow for the defeasement of \$ 4,490,000 in Certificates of Obligation Bonds, Series 2003.

On July 26, 2012 the County sold \$ 8,575,000 of Unlimited Tax Road Bonds, Series 2012. These bonds were issued to provide funding for the following road projects:

| | |
|--|---------------------|
| County Road 48 South from State Highway 6 to County Road 894 (4 lanes divided) | \$ 3,098,812 |
| County Road 220 from Farm to Market Road 523 to State Highway 288 (2 lanes each) | 3,328,000 |
| State Highway 288 from location to be determined to Harris County line (2 lanes) | 1,000,000 |
| Other County general mobility projects | <u>1,148,188</u> |
| | <u>\$ 8,575,000</u> |

On January 28, 2016, the County issued two refunding bond issues, the Unlimited Tax Refunding Series 2016 and the Limited Tax Refunding Bond, Series 2016 in the amount of \$ 8,425,000 and \$ 8,125,000, respectively. These bonds will provide funds to advance refund the Combination Tax and Revenue Certificates of Obligation Series 2006 and the Unlimited Tax Road Bonds, Series 2006 in the amounts of \$ 9,235,000 and \$ 8,770,000, respectively. The advance refunding occurred on the call date of March 1, 2016. These refunding bonds are calculated to provide cash flow savings of \$ 2,983,437 and an economic gain (net present value of savings) of \$ 2,786,546.

On August 23, 2018, the County sold \$ 8,120,000 of Certificates of Obligation Bonds, Series 2018. These bonds were issued for the purpose of generating funds for numerous facilities project improvements.

On August 23, 2018, the County issued one refunding bond issues, the Unlimited Tax Refunding Series 2018 in the amount of \$ 4,415,000. These bonds will provide funds to advance refund the Unlimited Tax Road Bonds, Series 2008 in the amounts of \$ 4,810,000. The advance refunding occurred on the call date of March 1, 2019. These refunding bonds are calculated to provide cash flow savings of \$ 382,786 and an economic gain (net present value of savings) of \$ 323,910.

Tax Note Debt

The tax notes payable at September 30, 2018, is summarized as follows:

| | Interest Rate % | Series Dates | | | Tax Notes Outstanding 09-30-18 |
|-----------------------|--------------------|--------------|----------|----------|--------------------------------------|
| | | Issued | Maturity | Callable | |
| Tax Note: | | | | | |
| Tax Note, Series 2013 | 1.560 | 2013 | 2020 | | \$ <u>5,805,000</u> |
| Total | | | | | \$ <u>5,805,000</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 9 - LONG-TERM DEBT - Continued

Tax Note Debt – continued

Tax note transactions for the year ended September 30, 2018 were as follows:

| | |
|--|----------------------|
| Tax Note outstanding, October 1, 2017 | \$ 7,635,000 |
| Matured | <u>(1,830,000)</u> |
| Tax Note outstanding, September 30, 2018 | <u>\$ 5,805,000</u> |

The tax note agreement requires that a tax be levied sufficient to pay current interest and create a sinking fund of not less than the amount to pay current principal and interest. For the year ended September 30, 2018, the amount of ad valorem taxes collected for interest and sinking were \$ 2,017,680, while the debt service requirements for principal and interest were \$ 1,934,832.

The following is a summary of general obligation bond requirements by year as of September 30, 2018:

| <u>September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Requirement</u> |
|----------------------|---------------------|------------------|--------------------------|
| 2019 | \$ 2,855,000 | \$ 68,289 | \$ 2,923,289 |
| 2020 | <u>2,950,000</u> | <u>23,010</u> | <u>2,973,010</u> |
| | <u>\$ 5,805,000</u> | <u>\$ 91,299</u> | <u>\$ 5,896,299</u> |

Proprietary Debt

Other than accrued compensated absences, net OPEB liability, and net pension liability, there was no proprietary long-term debt at or during the year ended September 30, 2018.

Changes in Long-Term Debt

Transactions for the year ended September 30, 2018 are summarized as follows:

| | <u>Balance 10-01-17</u> | <u>Issues or Additions</u> | <u>Payments or Expenditures</u> | <u>Balance 09-30-18</u> | <u>Due Within One Year</u> |
|--------------------------------------|-----------------------------|--------------------------------|-------------------------------------|-----------------------------|--------------------------------|
| Governmental Type Activities: | | | | | |
| Certificates of obligation bonds | \$ 32,440,000 | \$ 8,120,000 | \$ 1,765,000 | \$ 38,795,000 | \$ 1,820,000 |
| General obligation bonds | 35,075,000 | 4,415,000 | 2,105,000 | 31,630,000 | 2,130,000 |
| Tax notes | 7,635,000 | | 1,830,000 | 5,805,000 | 2,855,000 |
| Premium on bonds | 3,994,390 | 1,329,158 | 400,387 | 4,923,161 | 452,372 |
| Compensated absences | 4,748,111 | 5,078,003 | 4,748,111 | 5,078,003 | 5,078,003 |
| Net OPEB liability | 33,277,551 | 6,810,352 | 3,525,276 | 36,562,627 | |
| Net pension liability | <u>70,347,524</u> | <u>7,349,107</u> | <u>25,564,303</u> | <u>51,132,328</u> | |
| Total governmental activities | <u>187,517,576</u> | <u>33,101,620</u> | <u>46,693,077</u> | <u>173,926,119</u> | <u>12,335,375</u> |
| Business-Type Activities: | | | | | |
| Compensated absences | 62,887 | 54,878 | 62,887 | 54,878 | 54,878 |
| Net OPEB liability | 330,938 | 63,237 | 32,734 | 361,441 | |
| Net pension liability | <u>597,418</u> | <u>74,233</u> | <u>268,326</u> | <u>403,325</u> | |
| Total business-type activities | <u>991,243</u> | <u>192,348</u> | <u>363,947</u> | <u>819,644</u> | <u>54,878</u> |
| Total government | <u>\$188,508,819</u> | <u>\$ 33,293,968</u> | <u>\$ 47,057,024</u> | <u>\$174,745,763</u> | <u>\$ 12,390,253</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 9 - LONG-TERM DEBT - Continued

Discretely presented component unit long-term bonded debt as of September 30, 2018 is listed below:

Brazoria County Toll Road Authority (the "Authority") issued limited contract tax and subordinate lien revenue bonds, which were issued in part as current interest bonds and in part as convertible capital appreciation bonds. The convertible capital appreciation bonds have a conversion date of March 1, 2025, where they will convert to current interest bonds. The Authority also issued limited contract tax and subordinate lien revenue bond anticipation notes. These subordinate lien revenue bonds and notes are paid through the Authority's Debt Service Fund from toll fees collected by the Authority. The following is a summary of the outstanding subordinate lien revenues bonds as of September 30, 2018:

| | Interest Rate % | Series Dates | | | Outstanding 09-30-18 |
|---|--------------------|--------------|----------|----------|-------------------------|
| | | Issued | Maturity | Callable | |
| Revenue Bonds: | | | | | |
| Limited Contract Tax Subordinate Lien 2017A Current Interest Bonds | 4.000 - 5.000 | 2017 | 2049 | 2027 | \$ 34,150,000 |
| Limited Contract Tax Subordinate Lien 2017A Capital Appreciation Bonds | 4.000 | 2017 | 2045 | 2030 | 20,673,828 |
| Limited Contract Tax Subordinate Lien 2017B Bond Anticipation Notes | 5.000 | 2017 | 2020 | | <u>29,700,000</u> |
| Total Revenue Bonds | | | | | <u>\$ 84,523,828</u> |

Revenue bond transactions for the year ended September 30, 2018 were as follows:

| | |
|---------------------------------------|----------------------|
| Bonds outstanding, October 1, 2017 | \$ 83,720,978 |
| Accretion | <u>802,850</u> |
| Bonds outstanding, September 30, 2018 | <u>\$ 84,523,828</u> |

The following is a summary of revenue bond requirements by year as of September 30, 2018:

| <u>September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Requirement</u> |
|----------------------|----------------------|----------------------|------------------------------|
| 2019 | \$ | \$ 1,968,150 | \$ 1,968,150 |
| 2020 | 29,700,000 | 1,752,825 | 31,452,825 |
| 2021 | | 1,537,500 | 1,537,500 |
| 2022 | | 1,537,500 | 1,537,500 |
| 2023 | | 1,537,500 | 1,537,500 |
| 2024-2028 | 1,550,000 | 11,386,750 | 12,936,750 |
| 2029-2033 | 9,020,000 | 11,556,750 | 20,576,750 |
| 2034-2038 | 11,915,000 | 9,033,200 | 20,948,200 |
| 2039-2043 | 15,370,000 | 6,185,400 | 21,555,400 |
| 2044-2048 | 18,770,000 | 2,782,000 | 21,552,000 |
| 2049 | <u>4,225,000</u> | <u>84,500</u> | <u>4,309,500</u> |
| | <u>\$ 90,550,000</u> | <u>\$ 49,362,075</u> | <u>\$ 139,912,075</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 9 - LONG-TERM DEBT - Continued

The difference between bonds payable and the future principal payments is due to \$ 6,026,172 of accretion, which will occur in future years prior to payment.

A summary of the long-term liability transactions of the Authority for the year ended September 30, 2018 is as follows:

| | <u>Balance</u> 10-01-17 | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> 09-30-18 | <u>Due Within</u> <u>One Year</u> |
|-------------------------------|----------------------------|-------------------|--------------------|----------------------------|--------------------------------------|
| Revenue bonds | \$ 83,720,978 | \$ 802,850 | \$ | \$ 84,523,828 | \$ |
| Premium on bonds | <u>4,426,700</u> | <u></u> | <u>220,594</u> | <u>4,206,106</u> | <u>220,594</u> |
| Total governmental activities | <u>\$ 88,147,678</u> | <u>\$ 802,850</u> | <u>\$ 220,594</u> | <u>\$ 88,729,934</u> | <u>\$ 220,594</u> |

NOTE 10 - LEASING OPERATIONS

Operating Leases - Lessor

The County is involved in various operating leases as lessor. These leases are for properties such as airport facilities and other facilities. Some of the airport facilities are leased for periods through 2026. Other facilities and the coffee shop are leased on either a month-to-month or year-to-year arrangement. The County has not determined the cost of these facilities as of September 30, 2018.

Governmental Funds:

There are no minimum future rentals to be received on noncancelable leases, as of September 30, 2018.

Gross rental income for operating leases, including one-time or month-to-month, for the year ended September 30, 2018 was as follows:

| | <u>2018</u> |
|-------------|---------------|
| Coffee shop | \$ <u>600</u> |
| | <u>\$ 600</u> |

Proprietary Funds (Enterprise Fund - Airport):

Minimum future rentals to be received on noncancelable leases, as of September 30, 2018, for each of the next five years and in the aggregate are:

| <u>Year Ended</u> <u>September 30,</u> | <u>2018</u> |
|---|-------------------|
| 2019 | \$ 297,929 |
| 2020 | 243,134 |
| 2021 | 88,650 |
| 2022 | 44,441 |
| 2023 | 41,148 |
| 2024-2026 | <u>128,450</u> |
| | <u>\$ 843,752</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 10 - LEASING OPERATIONS - Continued

Operating Leases – Lessor - continued

Gross rental income for operating leases, including one-time and month-to-month, for the year ended September 30, 2018 was as follows:

| | <u>2018</u> |
|-----------------|-------------------|
| Building rental | \$ 339,956 |
| Hangar rental | 214,909 |
| Ground rental | 37,359 |
| Car rental | 110,436 |
| Other rental | <u>63,887</u> |
| | <u>\$ 766,547</u> |

Operating Leases - Lessee

Governmental Funds:

The County is involved in various operating leases as lessee. These leases are for properties such as buildings, copiers, grounds, equipment and other facilities. Most are on month-to-month or year-to-year; however one building lease expires in 2020.

Minimum future rentals to be paid on non-cancelable leases, as of September 30, 2018, for each of the next five years and in the aggregate are as follows:

| <u>Year Ended September 30,</u> | <u>2018</u> |
|-------------------------------------|------------------|
| 2019 | \$ 65,953 |
| 2020 | <u>33,129</u> |
| | <u>\$ 99,082</u> |

Gross rental expenditures for operating leases, including month-to-month for the year ended September 30, 2018 was as follows:

| | <u>2018</u> |
|--|---------------------|
| Building rental | \$ 109,817 |
| Ground rental | 49,119 |
| Equipment rental | 635,950 |
| Section 8 Housing Voucher Choice rentals | <u>2,899,879</u> |
| | <u>\$ 3,694,765</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 10 - LEASING OPERATIONS - Continued

Operating Leases - Lessee - continued

Proprietary Funds (Enterprise Fund):

The County is involved in various operating leases as lessee. These leases are for properties such as buildings, copiers, ground, equipment and other facilities. Most are on month-to-month or year-to-year, therefore, there are no minimum future rentals required to be paid on non-cancelable leases, as of September 30, 2018.

Gross rental expenditure for operating leases for the year ended September 30, 2018 were as follows:

| | |
|------------------|-----------------|
| | <u>2018</u> |
| Equipment rental | \$ <u>1,297</u> |
| | <u>\$ 1,297</u> |

NOTE 11. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN

Plan Description - The County provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of more than 760 non-traditional defined benefit plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 79768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

All eligible employees of the County are required to participate in TCDRS.

The plan provisions are adopted by Commissioner's Court of the County, within the options available in the state statutes governing TCDRS. Plan provisions for the County were as follows:

| | <u>Plan Year 2017</u> | <u>Plan Year 2018</u> |
|---|-----------------------|-----------------------|
| Employee deposit rate | 7.00% | 7.00% |
| Employer deposit rate | 12.09% | 12.58% |
| Matching ratio (County to employee) | 2 to 1 | 2 to 1 |
| Years required for vesting | 8 | 8 |
| Service retirement eligibility (expressed as age/years of service) | 60/8, 0/20 | 60/8, 0/20 |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 11. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Employees Covered by Benefit Terms:

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|---------------------|
| Inactive employees or beneficiaries currently receiving benefits | 797 |
| Inactive employees entitled to but not yet receiving benefits | 1,022 |
| Active employees | <u>1,542</u> |
| | <u><u>3,361</u></u> |

Contributions - The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee compensation, and the employer matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the employer. Under the state laws governing TCDRS, the contribution rate for each employer is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. Participating employers are required to contribute at the actuarially determined rates to ensure adequate funding for each employer’s plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

Employees of the County were required to contribute 7% of their annual compensation during the fiscal year. The County’s required contribution rates of 12.58% and 12.09% in calendar years 2018 and 20167 respectively. The County’s contributions to TCDRS for the year ended September 30, 2018 were \$ 12,989,586.

Net Pension Liability/Asset - The County’s Net Pension Liability/Asset (NPL/NPA) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability/Asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|--|
| Inflation | 2.75% per year |
| Overall payroll growth | 3.25% per year |
| Investment Rate of Return | 8.00%, net of pension plan investment expense, including inflation |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 11. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Except where indicated in the section of this GASB 68 report entitled “Actuarial Methods and Assumptions Used for GASB Calculations”, the assumptions used in this analysis for the December 31, 2017 financial reporting metrics are the same as those used in the December 31, 2017 actuarial valuation analysis for Brazoria County.

Following is a description of the assumptions used in the December 31, 2017 actuarial valuation analysis for Brazoria County. This information may also be found in the Brazoria County December 31, 2017 Summary Valuation Report.

Economic Assumptions:

TCDRS System-Wide Economic Assumptions

| | |
|-----------------------------|-------|
| Real rate of return | 5.25% |
| Inflation | 5.75% |
| Long-term investment return | 8.00% |

The assumed long-term investment return of 8% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 8% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.25% (made up of 2.75% inflation and 0.5% productivity increase assumptions) and a merit promotion and longevity component that on average approximates 1.6% per year for a career employee.

Employer Specific Economic Assumptions

| | |
|----------------------|-------|
| Growth in membership | 0.00% |
| Payroll growth | 3.25% |

The payroll growth assumption is for the aggregate covered payroll of an employer.

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS’ investment consultant, Cliffwater LLC. The numbers shown are based on the January 2018 information for a 10 year horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon. The most recent analysis was performed in 2017. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 11. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

| Asset Class | Benchmark | Target Allocation ⁽¹⁾ | Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾ |
|------------------------------------|--|----------------------------------|---|
| US Equities | Dow Jones U.S. Total Stock Market Index | 11.50% | 4.55% |
| Private Equities | Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾ | 16.00% | 7.55% |
| Global Equities | MSCI World (net) index | 1.50% | 4.85% |
| International Equities – Developed | MSCI World Ex USA (net) index | 11.00% | 4.55% |
| International Equities - Emerging | MSCI EM Standard (net) index | 8.00% | 5.55% |
| Investment-Grade Bonds | Bloomberg Barclays U.S. Aggregate Bond Index | 3.00% | 0.75% |
| Strategic Credit | FTSE High-Yield Cash-Pay Capped Index | 8.00% | 4.12% |
| Direct Lending | S&P/LSTA Leveraged Loan Index | 10.00% | 8.06% |
| Distressed Debt | Cambridge Associates Distressed Securities Index ⁽⁴⁾ | 2.00% | 6.30% |
| REIT Equities | 67% FTSE NAREIT Equity REITs Index + 33% FTSE EPRA/NAREIT Global Real Estate Index | 2.00% | 4.05% |
| Master Limited Partnerships (MLPs) | Alerian MLP Index | 3.00% | 6.00% |
| Private Real Estate Partnerships | Cambridge Associates Real Estate Index ⁽⁵⁾ | 6.00% | 6.25% |
| Hedge Funds | Hedge Fund Research, Inc. (HFRI) Fund Of Funds Composite Index | 18.00% | 4.10% |

⁽¹⁾ Target asset allocation adopted at the April 2018 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return in addition to assumed inflation of 2.0% per Cliffwater's 2017 capital market assumptions.

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Discount Rate – The discount rate is the single rate of return that, when applied to all projected benefit payment results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where that is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 11. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future value, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 11. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

| | Increase (Decrease) | | |
|--|--------------------------------------|--|-------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| Balance as of December 31, 2016 | \$ 367,973,794 | \$ 297,028,852 | \$ 70,944,942 |
| Changes for the Year: | | | |
| Service cost | 10,945,405 | | 10,945,405 |
| Interest on total pension liability ⁽¹⁾ | 30,047,206 | | 30,047,206 |
| Effect of plan changes ⁽²⁾ | | | -0- |
| Effect of economic/demographic gains or losses | (1,573,507) | | (1,573,507) |
| Effect of assumptions changes or inputs | (812,594) | | (812,594) |
| Refunds of contributions | (721,340) | (721,340) | -0- |
| Contributions – employer | | 9,453,766 | (9,453,766) |
| Contributions – employee | | 5,473,648 | (5,473,648) |
| Net investment income | | 43,334,581 | (43,334,581) |
| Benefit payment, | (15,527,069) | (15,527,069) | -0- |
| Administrative expense | | (225,310) | 225,310 |
| Other changes ⁽³⁾ | | (20,886) | 20,886 |
| Balance as of December 31, 2017 | <u>\$ 390,331,895</u> | <u>\$ 338,796,242</u> | <u>\$ 51,535,653</u> |

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ No plan changes valued.

⁽³⁾ Relates to allocation of system-wide items.

Sensitivity Analysis - The following presents the net pension liability of the county, calculated using the discount rate of 8.10%, as well as what the County's net pension liability would be if it were calculated using a discount rate of 1 percentage-point lower (7.10%) or 1 percentage-point higher (9.10%) than the current rate:

| | 1% Decrease In Discount Rate (7.10%) | Discount Rate (8.10%) | 1% Increase In Discount Rate (9.10%) |
|-------------------------|--|--------------------------|--|
| Total pension liability | \$ 443,075,618 | \$ 390,331,895 | \$ 346,124,317 |
| Fiduciary net position | <u>338,796,242</u> | <u>338,796,242</u> | <u>338,796,242</u> |
| Net pension liability | <u>\$ 104,279,376</u> | <u>\$ 51,535,653</u> | <u>\$ 7,328,075</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 11. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

| <i>Pension Expense (Income):</i> | <u>Year Ended 12-31-17</u> |
|--|--------------------------------|
| Service cost | \$ 10,945,405 |
| Interest on total pension liability ⁽¹⁾ | 30,047,206 |
| Effect of plan changes | -0- |
| Administrative expenses | 225,310 |
| Member contributions | (5,473,648) |
| Expected investment return net of investment expenses | (23,997,102) |
| Recognition of deferred inflows/outflows of resources: | |
| Recognition of economic/demographic gains or losses | 131,535 |
| Recognition of assumption changes or inputs | 530,010 |
| Recognition of investment gains or losses | 1,993,955 |
| Other ⁽²⁾ | <u>20,886</u> |
| Pension expense | <u>\$ 14,423,557</u> |

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ Related to allocation of system-wide items.

Deferred Inflows and Outflows - At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between projected and actual investment earnings | \$ 11,371,431 | \$ 15,469,983 |
| Changes in assumptions | 1,385,057 | 650,075 |
| Economic/demographic gains or losses | 1,374,632 | 2,197,163 |
| Contributions subsequent to the measurement date ⁽³⁾ | <u>7,203,665</u> | <u> </u> |
| Totals | <u>\$ 21,334,785</u> | <u>\$ 18,317,221</u> |

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expenses as follows:

| <u>Year Ended September 30,</u> | |
|-------------------------------------|--------------|
| 2018 | \$ 2,655,500 |
| 2019 | 1,785,810 |
| 2020 | (4,282,692) |
| 2021 | (4,344,716) |
| 2022 | -0- |
| Thereafter ⁽⁴⁾ | -0- |

⁽³⁾ If eligible employer contributions were made subsequent to the measurement date through the employer's fiscal year end, the employer should reflect these contributions, adjusted as outlined in GASB No. 71.

⁽⁴⁾ Total remaining balance to be recognized in future years, if any. Note that additional deferred inflows and outflows of resources may impact these numbers

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 12 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description - The County's defined benefit OPEB plan, Brazoria County Retiree Benefits Plan (BCRBP), provides OPEB for all permanent full-time employees of the County. BCRBP is a single-employer defined benefit OPEB plan administered by the County. Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to Commissioners Court. A separate audited report is not available.

Benefits Provided – BCRBP provides healthcare benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan. To be eligible for retiree health coverage, the employee must be 60 years of age with 8 years of service, 33 years of service at any age or age plus service must be at least 75. The following table is an abbreviated summary of the medical and pharmacy benefits available for the plan year:

| Plan Type | Buy Up Plan | HRA Plan |
|--|---|------------------------------|
| HRA Contribution (Individual/Family) | n/a | \$1,000 / \$2,000 |
| Deductible | | |
| Network (Individual/Family) | \$1,750 / \$5,250 | \$2,750 / \$8,250 |
| Non-Network (Individual/Family) | No Coverage Offered | No Coverage Offered |
| Out of Pocket Maximum | | |
| Network (Individual/Family) | \$7,150 / \$14,700 | \$5,000 / \$14,700 |
| Non-Network (Individual/Family) | No Coverage Offered | No Coverage Offered |
| Coinsurance | | |
| Network | 20% | 20% |
| Non-Network | 100% | 100% |
| Lifetime Maximum | Unlimited | Unlimited |
| Office Visit | | |
| Network | \$40 / \$60 Copay | Deductible / 20% |
| Non-Network | No Coverage Offered | No Coverage Offered |
| Specialist Visit / Urgent Care | | |
| Network | \$40 / \$60 Copay | Deductible / 20% |
| Non-Network | No Coverage Offered | No Coverage Offered |
| Wellness Visit | | |
| Network | Covered 100% | Covered 100% |
| Non-Network | No Coverage Offered | No Coverage Offered |
| In-Patient & Out-Patient Hospital | | |
| Network | \$200 / 20% | \$500 / 20% after Deductible |
| Non-Network | No Coverage Offered | No Coverage Offered |
| Emergency Room | | |
| Network | \$500 / 20% after Deductible | \$500 / 20% after Deductible |
| Non-Network | No Coverage Offered | No Coverage Offered |
| Pharmacy Benefits – Honest RX | | |
| Formulary Based | Deductible of %150 then: | Deductible of \$150 then: |
| Generic/Pref Brand/Non-Pref Brand | \$5 / \$30 / \$60 | \$5 / \$30 / \$60 |
| Specialty | \$150 | \$150 |
| Mail Order and Retail | Deductible then: 3 months for the price of 2 | 3 months for the price of 2 |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 12 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

The following table provides a summary of the number of participants in the plan as of September 30, 2018:

| | |
|---|---------------------|
| Inactive plan members or beneficiaries currently receiving benefits | 353 |
| Inactive plan members entitled to but not yet receiving benefits | 0 |
| Active plan members | <u>1,249</u> |
| | <u><u>1,602</u></u> |

Contributions - Local Government Code Section 157.102 assigns to Commissioners Court the authority to establish and amend contribution requirements of the plan members. The County may contribute all, part of, or none of the premium payment. The County establishes rates based on an actuarially determined rate. For the year ended September 30, 2018, the County's average contribution rate was 5.00% of covered employee payroll. Employees are not required to contribute to the plan.

Net OPEB Liability - The County's net OPEB liability of \$ 36,924,068 was measured as of September 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs - The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---------------------------|--|
| Inflation | 2.50% |
| Salary increases | 3.00%, per annum |
| Investment rate of return | 4.50%, per annum |
| Health care trend rates | Initial rate of 6.10% declining to an ultimate rate of 3.82% |

Mortality rates were based on the sex distinct RP-2014h mortality table with mortality improvement scale MP-2018.

The actuarial assumptions used in the September 30, 2018 valuation were based on the experience study covering the four-year period ending December 31, 2016, as conducted for the Texas County and District Retirement System.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 12 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|-------------------|--|
| Domestic Equity | 18% | 4.55% |
| International Equity | 17% | 6.35% |
| Fixed Income | 30% | 2.93% |
| Private Equity | 5% | 7.75% |
| Real Estate | 10% | 4.50% |
| Cash | 20% | 3.78% |
| Total | 100% | 4.50% |

Discount Rate – The discount rate used to measure the total OPEB liability was 4.22 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in net OPEB Liability - The changes in the net OPEB liability as of September 30, 2018 are as follows:

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a)-(b) |
|--|--------------------------|---------------------------------|----------------------------|
| Balance at 9/30/17 | \$ 45,483,261 | \$ 11,874,772 | \$ 33,608,489 |
| Charges for the Year: | | | |
| Service cost | 2,243,731 | | 2,243,731 |
| Interest | 1,691,370 | | 1,691,370 |
| Difference in expected and actual experience | 646,233 | | 646,233 |
| Change in assumptions | 2,441,296 | | 2,441,296 |
| Contributions - employer | | 1,089,738 | (1,089,738) |
| Contributions – other | | 2,468,272 | (2,468,272) |
| Net investment income | | 455,289 | (455,269) |
| Benefit payments | (3,558,010) | (3,558,010) | -0- |
| Administrative expense | | (306,228) | 306,228 |
| Net changes | 3,464,620 | 149,041 | 3,315,579 |
| Balance at 9/30/18 | \$ 48,947,881 | \$ 12,023,813 | \$ 36,924,068 |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 12 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

Sensitivity of the net OPEB liability to changes in the discount rate and health-care cost trend rates - The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated 1 percentage point lower (3.22%) or 1 percentage point higher (5.22%) than the current discount rate:

| | 1% Decrease in Discount Rate <u>(3.22%)</u> | Discount Rate <u>(4.22%)</u> | 1% Increase in Discount Rate <u>(5.22%)</u> |
|--------------------|---|---------------------------------|---|
| Net OPEB liability | \$ 42,760,831 | \$ 36,924,068 | \$ 31,874,688 |

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.10% decreasing to 4.70%) or 1 percentage point higher (7.10% decreasing to 6.70%) than the current healthcare cost trend rates:

| | 1% Decrease <u>(5.10% decreasing to 4.70%)</u> | Healthcare Cost Trend Rates <u>(6.10% decreasing to 5.70%)</u> | 1% Increase <u>(7.10% decreasing to 6.70%)</u> |
|--------------------|---|--|---|
| Net OPEB liability | \$ 33,101,724 | \$ 36,924,068 | \$ 41,559,549 |

OPEB plan fiduciary net position - Detailed information about the OPEB plan's fiduciary net position is available in the Actuarial Valuation Report.

Deferred Inflows and Outflows - For the year ended September 30, 2018, the County recognized OPEB expense of \$ 3,273,072. At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 565,454 | \$ |
| Changes in assumptions | 2,136,134 | 4,206,371 |
| Net differences between projected and actual earnings | <u>91,058</u> | <u> </u> |
| Totals | <u>\$ 2,792,646</u> | <u>\$ 4,206,371</u> |

The County did not have any contributions subsequent to the measurement date due to the measurement date and the date of this report both ending as of September 30, 2018.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 12 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ended</u> <u>September 30,</u> | |
|---|--------------|
| 2019 | \$(134,554) |
| 2020 | (134,553) |
| 2021 | (151,200) |
| 2022 | (151,199) |
| 2023 | (165,641) |
| Thereafter | (1,842,345) |

Payable to the OPEB Plan – At September 30, 2018, the County did not have a payable for any outstanding contributions to BCRBP.

NOTE 13 - DEFERRED COMPENSATION AND POST-RETIREMENT LIFE INSURANCE BENEFITS

The County provides participating eligible employees the alternate plans of disability, survivorship and delayed compensation created in accordance with Internal Revenue Code Section 457. The Plans are administered by First Financial Benefits, Inc. (FFB). The plans are funded through tax-delayed employee contributions of 6.7% of eligible gross annual compensation. The County contributes an additional 6.7% of the total eligible gross annual compensation of all participating employees. The employee contribution is deposited into the employee’s retirement annuity account. The County contribution is applied to disability and survivorship benefit premiums with the remaining amounts contributed to the employee’s retirement annuity.

The County funds all amounts of compensation delayed under the plan through investment in a fixed rate group annuity contract underwritten by American United Life Insurance Company. Investments in these funds are reported at market value. The delayed compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Transactions within the annuity for the year are summarized below:

| | |
|-------------------------------------|--------------------------|
| Balance - October 1, 2017 | \$ 89,164,628 |
| Contributions and earnings | 15,103,880 |
| Withdrawals, premiums, and benefits | <u>(7,040,945)</u> |
| Balance - September 30, 2018 | \$ <u>97,227,563</u> |

Participants may make additional contributions to their Delayed Compensation Retirement Plan Account. These contributions will be in addition to the employees 6.7% contribution and the County's matching contribution.

The alternate plan also provides plan participants with long-term disability benefits through Lincoln Financial Group. The policy generally provides the totally disabled insured with benefits of 60 percent of base pay up to a maximum benefit of \$ 1,500 per month.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 13 - DEFERRED COMPENSATION AND POST-RETIREMENT LIFE INSURANCE BENEFITS - Continued

A Group Term Life Insurance Policy is in effect which covers all participating employees. Benefits are a multiple of annual salary with maximum benefit of \$ 150,000. The plan also provides a paid-up death benefit of \$ 50,000 to employees who retire under certain provisions. Premiums are provided for the benefit through a portion of the County's contribution to the alternate plan. The funds are invested in an annuity with Standard Life Insurance Company referred to as the Retired Lives Reserve (RLR). Funds required for benefits payable under this plan are drawn from the annuity as needed.

A Group Annuity Contract to reimburse TCDRS eligible employees for amounts paid for health insurance benefits became effective on October 1, 1990. The plan provides \$ 295 per month until age 65 and then \$ 200 per month age 65 and over towards the cost of health insurance premiums.

Transactions within the annuities for the year are summarized below:

| | <u>Retired Lives Reserve</u> | <u>Retiree Medical Plan</u> |
|---------------------------------|----------------------------------|---------------------------------|
| Balance - October 1, 2017 | \$ 7,617,549 | \$ 11,874,772 |
| Contributions and earnings | 1,386,317 | 1,545,007 |
| Withdrawals, premiums, benefits | <u>(1,294,808)</u> | <u>(1,395,967)</u> |
| Balance - September 30, 2018 | <u>\$ 7,709,058</u> | <u>\$ 12,023,812</u> |

Two additional delayed compensation plans are available to employees. The two plans are Nationwide and Lincoln National. The County does not participate and match benefits in these two plans. Transactions for these two plans are summarized below:

| | <u>Nationwide</u> | <u>Lincoln</u> |
|---|---------------------|-------------------|
| Balance - October 1, 2017 | \$ 2,380,735 | \$ 128,210 |
| Contribution and earnings | 320,428 | 10,418 |
| Withdrawals, premiums, benefits, and losses | <u>(227,787)</u> | <u>(1,068)</u> |
| Balance - September 30, 2018 | <u>\$ 2,923,376</u> | <u>\$ 137,560</u> |

The County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

The County maintains a Group Annuity Contract to reimburse TCDRS eligible employees for amounts paid for health insurance benefits. The plan is a single-employer defined benefit plan. The Group Annuity Contract became effective on October 1, 1990. The plan provides \$ 295 per month until age 65 and then \$ 200 per month towards the cost of health insurance premiums. A separate, audited GAAP-basis post-employment benefit plan report is not available for this plan.

Funding Policy - The contribution requirements of the County are adopted by Commissioner's Court and may be amended at any time. For the years ended September 30, 2018, the County contributed \$ 1,654,437 to the Group Annuity Contract which includes net investment earnings, respectively.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 14 - SELF INSURANCE

Health Insurance

The County implemented a limited self-insured health care benefit and life AD&D coverage plan that became effective August 1, 1989. The plan was established to provide for the payment or reimbursement of all or a portion of eligible medical, dental and prescription drug expenses incurred by eligible participants and eligible dependents of such participants. The County is the named fiduciary and plan administrator and has the authority to control and manage the operation and administration of the plan. The County has the authority to amend the plan, to determine its policies, to appoint and remove plan supervisors and exercise general administrative authority over them.

The County, under the direction of the plan supervisor, Third Party Administrators, shall evaluate the cost of the plan and determine the amount to be contributed to the plan. The current contribution to the plan by the County was \$ 950 per eligible employee per month for the period October 1, 2017 through September 30, 2018. The contributions, or interfund premiums paid into the Group Health Insurance Fund (Internal Service Fund) are available to pay claims and administrative costs of the plan with a portion of the premiums set aside as reserves for anticipated claims. The total contribution to the plan for the fiscal year ended September 30, 2018 was \$ 20,121,123. The plan provides limited medical care benefits to the eligible participants up to \$ 1,000,000 lifetime maximum benefit. The plan has in place an excess loss insurance policy through SA Benefit Services LLC, which covers claims in excess of \$ 250,000 per participant in any calendar year, with a maximum aggregate benefit of \$ 1,000,000 per coverage period. Estimated claims payable at September 30, 2018 was \$ 543,603.

The following is a reconciliation of changes in the aggregate liabilities for claims for the years ended September 30, 2018 and 2017.

| | <u>2018</u> | <u>2017</u> |
|--------------------------------|----------------------|----------------------|
| Claims payable - October 1, | \$ 1,385,464 | \$ 1,898,641 |
| Incurred claims | 19,959,852 | 17,378,564 |
| Payment of claims | <u>(19,452,342)</u> | <u>(17,891,741)</u> |
| Claims payable - September 30, | <u>\$ 1,892,974</u> | <u>\$ 1,385,464</u> |

The following is a reconciliation of claims payable at September 30, 2018 and 2017.

| | <u>2018</u> | <u>2017</u> |
|----------------------|---------------------|---------------------|
| Claims payable: | | |
| Actual | \$ 1,349,371 | \$ 39,664 |
| Estimated | <u>543,603</u> | <u>1,345,800</u> |
| Total claims payable | <u>\$ 1,892,974</u> | <u>\$ 1,385,464</u> |

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 14 - SELF INSURANCE - Continued

Insurance Reserve

Brazoria County established a self-insurance reserve within the General Fund in 1979. This reserve was established to provide coverage for general liability and automobile risks including settlements, claims and costs in defense of torts, civil rights, contractual suits, environmental protection and defense of County employees not covered by or in excess of commercial insurance limits. In the fiscal year ended September 30, 1989, the Commissioners Court transferred the balance of \$ 789,486 into a self-insurance internal service fund. This was done to facilitate control where all costs and claims can be charged to the fund from which the related liability arose. The repayment of these claims and expenses is reported as expenditures/expenses in the respective funds. The self-insurance fund reports the receipt of the interfund repayment as operating revenue with all legal costs and claims reported as an operating expense. Estimated claims payable at September 30, 2018 was \$ 400,000.

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains commercial coverage for these risks and self-insures amounts in excess of insurance coverage. There have been no significant changes in insurance coverage and settlements (related to self-insurance). For the years ended September 30, 2018, claims and settlements in excess of insurance coverage amounted to \$ 127,030.

The following is a reconciliation of changes in the aggregate liabilities for claims for the years ended September 30, 2018 and 2017 for both actual and estimated liabilities:

| | <u>2018</u> | <u>2017</u> |
|--------------------------------|-------------------|-------------------|
| Claims payable - October 1, | \$ 403,347 | \$ 400,000 |
| Incurred claims | 127,030 | 141,331 |
| Payment of claims | <u>(128,273)</u> | <u>(137,984)</u> |
| Claims payable - September 30, | <u>\$ 402,104</u> | <u>\$ 403,347</u> |
| Claims payable: | | |
| Actual | \$ 2,104 | \$ 3,347 |
| Estimated | <u>400,000</u> | <u>400,000</u> |
| Total claims payable | <u>\$ 402,104</u> | <u>\$ 403,347</u> |

These estimated claims are considered current liabilities based on the fact that no clear estimate is available to determine the timing of settlements in the future.

Health Clinic

Brazoria County established a Wellness Clinic on October 3, 2012, in an effort to reduce health insurance costs. Participation is voluntary if you are enrolled in the County’s medical plan either as an employee, their dependent or retiree. The clinic offers a range of health and wellness services such as primary health care, health screenings, laboratory services, preventative care support, health education and more. Services are free to all County health insurance plan members. The County is contracting with a third party to manage the clinic.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 14 - SELF INSURANCE - Continued

Health Clinic - continued

The following is a reconciliation of changes in the aggregate liabilities for claims for the years ended September 30, 2018 and 2017 for actual liabilities:

| | <u>2018</u> | <u>2017</u> |
|--------------------------------|-------------------|-------------------|
| Claims payable - October 1, | \$ 49,645 | \$ 27,507 |
| Incurred claims | 635,565 | 682,032 |
| Payment of claims | <u>(659,551)</u> | <u>(659,894)</u> |
| Claims payable - September 30, | <u>\$ 25,659</u> | <u>\$ 49,645</u> |
| Claims payable: | | |
| Actual | <u>\$ 25,659</u> | <u>\$ 49,645</u> |
| Total claims payable | <u>\$ 25,659</u> | <u>\$ 49,645</u> |

NOTE 15 - CONTINGENCIES

The County is contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. Such lawsuits include various civil claims that are currently between the stages of discovery and pleadings. The outcome of these lawsuits and other claims are not presently determinable and the resolutions of these matters are not expected to have a material effect on the financial condition of the County. The County has recorded a contingent estimated liability of \$ 400,000 in the Self Insurance Liability Fund (Internal Service Fund) as of September 30, 2018 to account for any unexpected outcomes related to these civil lawsuit claims.

NOTE 16 - DEFICIT FUND BALANCES AND NET POSITION

As of September 30, 2018, various funds of the County had deficit fund balances as itemized below:

| | <u>2018</u> |
|---|--------------|
| Fund Balances: | |
| Major Governmental Funds: | |
| FEMA Flood Disaster 2017 Fund | \$ 3,734,761 |
| Non-Major Governmental Funds: | |
| FEMA Hazard Mitigation Grant Program Fund | 107,980 |
| Emergency Management Fire Code Fund | 26,401 |
| SEP Wastewater Environmental Health - TCEQ Fund | 15,927 |
| USTREAS Restore Act Projects Fund | 154,400 |
| TXDOT SH 288 Truck Weight Station Fund | 151,583 |
| TXDOT CR-59 CSJ 305 Fund | 100,171 |
| USDA NRCS Oyster Creek Ditch 10 Fund | 18,400 |
| Net Position: | |
| Internal Service Funds: | |
| Self-Insurance Health Fund | 240,582 |

Deficit balances will either be offset by future revenues or reimbursed by other funds. The special revenue fund would be reimbursed by the Road and Bridge Fund, while the other funds would be reimbursed by the General Fund.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 17 - GRANTS, ENTITLEMENTS AND SHARED REVENUES

During the year ended September 30, 2018, the County applied for and received federal and state grants related to various activities. The operations of these grants are reported in the general fund, various special revenue funds, capital projects fund, and the enterprise fund. These grants are reimbursement type grants, therefore, revenues equal expenditures. Grant revenues are classified as intergovernmental revenues. The federal grants are covered by the requirements of the Single Audit Act and the Uniform Guidance. The state grants are covered by the State of Texas Single Audit Circular and the Uniform Grant Management Standards.

NOTE 18 - BAIL BOND COLLATERAL

The County holds, as collateral, time deposits and other cash equivalents and real property pledged toward bail bonds. The County does not have access to the assets unless the bond is violated; therefore, these assets are not reported in the financial statements of the County as of September 30, 2018. As of September 30, 2018, bail bonds outstanding totaled \$ 37,677,563 and collateral pledged against these bonds amounted to \$ 4,671,269.

NOTE 19 - PEARLAND-MANVEL LANDFILL

The Pearland-Manvel Landfill site is a five-acre tract deeded from Brazoria County to the City of Pearland for use as a landfill during the 1950's and 60's. Upon completion of its use as a landfill the tract reverted to Brazoria County pursuant to the original instrument of conveyance. In the mid 1980's the Texas Department of Health reviewed the site, which was also the subject of some litigation because of the presence of some radioactive materials. These materials apparently were placed on the property by third parties illegally. No action was taken at that time against Brazoria County. In 2001, the then Texas Natural Resources Conservation Commission reopened its review of the site and mandated further investigation and remediation if appropriate. Brazoria County and the City of Pearland agreed to split evenly the costs of such investigation and remediation because of the fact that both entities at one time had dominion over the property. A phase one study has been presented to the Texas Commission on Environmental Quality (TCEQ). The scope of work in compliance with the findings of the phase one study has also been submitted to the Commission. They responded with another comment letter on November 17, 2004 to which the County responded with a letter to the Commission dated December 30, 2004, agreeing to the installation of a fourth additional groundwater monitoring well. The County's legal and technical representatives met with the Commission on April 20, 2005 and agreed to relocate the three wells. Another comment letter dated October 11, 2005 was received from the Commission after that meeting, and the County's environmental consultants responded by letter on December 14, 2005 and proceeded to install the new monitoring wells in December 2005. Additional sampling was conducted in March 2006, and the new wells were found to not have contamination above applicable TCEQ standards. Results of the latest sampling were reported to TCEQ on October 31, 2006, but no response has been received. At this time the County proposes to leave all existing solid waste and radioactive material deposited at the landfill (as opposed to excavating and removing the same) coupled with a restriction of access and prohibition against future residential use of the site. Periodic future testing and financial assurance may also be necessary. Since the TCEQ has not yet responded to the last submission by the County, the County is not in a position to determine the extent of remediation activities that will ultimately be required in connection with the Landfill. Environmental consultants have been paid \$ 276,736 for their work to date. Half of that expense has been shared by the City of Pearland. The consultant estimates that the costs for additional work suggested by the Commission would total an additional \$ 27,338.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 19 - PEARLAND-MANVEL LANDFILL - Continued

Further, Brazoria County has retained outside assistance in the environmental legal aspects of this matter. To date the County has spent \$ 51,632 in such legal expenses. An additional \$ 10,326 has been authorized for further legal services. At September 30, 2018, the County has recorded an accrued liability in the amount of \$ 62,664, which includes its portion of estimated costs as well as \$ 25,000 for estimated ongoing costs of monitoring.

NOTE 20 - TAX ABATEMENTS

The County enters into property tax abatement agreements with taxpayers under the State Property Tax Abatement Act, Tax Code Chapter 312. Under the act, the County may enter into a local agreement with a taxpayer that exempts all or part of the increase in the value of the real property and/or tangible personal property from taxation for a period not to exceed 10 years. Tax abatements are an economic development tool available to the County to attract new industries and to engage in the retention and development of existing businesses through property tax exemptions or reductions.

For the year ended September 30, 2018, the County abated property taxes totaling \$ 25,697,222 under this program, including the following tax abatement agreements that exceed 10 percent of the total amount abated:

- A 100 percent property tax abatement to an integrated manufacturing complex to engineer, procure and construct a project to produce caustic soda and chlorine. The project generated about 500 jobs during construction and provides long-term, full-time employment for 50 people. The property taxes abated in the current year amounted to \$ 3,427,440. This abatement agreement is set to expire on December 31, 2019.
- A 100 percent property tax abatement to an integrated manufacturing complex to engineer, procure and construct a chemical manufacturing facility. The property taxes abated in the current fiscal year amounted to \$ 3,370,523. This abatement agreement is set to expire on December 31, 2023.
- A 100 percent property tax abatement to a chemical complex for the construction of a production facility that produces polyethylene resin to be used in a multitude of applications. The property taxes abated in the current fiscal year amounts to \$ 3,158,286. This abatement agreement is set to expire on December 31, 2024.
- A 100 percent property tax abatement for the construction of a natural gas liquefaction and liquified natural gas export facility and pretreatment facilities. The property taxes abated in the current fiscal year amounts to \$ 2,679,812. This abatement agreement is set to expire on December 31, 2024.
- A 100 percent property tax abatement to a refinery for the construction of a multi-product import/export terminal and support facilities for liquified petroleum natural gas. The property taxes abated in the current fiscal year amounts to \$ 3,849,514. This abatement is set to expire on December 31, 2024.

NOTE 21 - EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 28, 2019, the date which the financial statements were available to be issued.



**REQUIRED SUPPLEMENTARY
INFORMATION**

BRAZORIA COUNTY, TEXAS**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
(ROAD AND BRIDGE FUND)**

For the Year Ended September 30, 2018

| | General Fund | | | Variance with Final Budget Positive (Negative) |
|---|----------------------|----------------------|-----------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$ 82,290,711 | \$ 82,290,711 | \$ 81,301,925 | \$(988,786) |
| Sales taxes | 34,250,000 | 34,250,000 | 34,195,142 | (54,858) |
| Intergovernmental | 1,098,000 | 1,098,000 | 1,767,924 | 669,924 |
| Charges for services | 9,086,050 | 9,121,050 | 9,439,797 | 318,747 |
| Licenses and permits | 1,845,300 | 1,945,300 | 2,164,183 | 218,883 |
| Fines and forfeitures | 3,520,050 | 3,520,050 | 4,340,724 | 820,674 |
| Special assessments | | | | -0- |
| Investment income | 600,000 | 1,246,800 | 1,640,065 | 393,265 |
| Miscellaneous | <u>1,350,100</u> | <u>1,539,147</u> | <u>1,386,167</u> | <u>(152,980)</u> |
| Total revenues | <u>134,040,211</u> | <u>135,011,058</u> | <u>136,235,927</u> | <u>1,224,869</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General administration | 11,109,719 | 13,358,566 | 12,471,539 | 887,027 |
| Judicial and legal | 22,311,152 | 23,068,862 | 22,433,332 | 635,530 |
| Financial administration | 16,849,214 | 17,454,984 | 15,827,051 | 1,627,933 |
| Elections | 465,560 | 465,778 | 229,057 | 236,721 |
| Public facilities | 5,148,364 | 5,155,345 | 4,468,515 | 686,830 |
| Public safety | 24,321,641 | 25,062,458 | 22,533,601 | 2,528,857 |
| Corrections | 27,041,890 | 27,568,132 | 26,002,325 | 1,565,807 |
| Public transportation | | | | -0- |
| Health and welfare | 6,020,725 | 6,241,182 | 4,213,201 | 2,027,981 |
| Public assistance | 346,000 | 403,000 | 403,000 | -0- |
| Culture and recreation | 12,387,724 | 12,277,499 | 11,645,154 | 632,345 |
| Conservation | 515,730 | 518,823 | 436,831 | 81,992 |
| Environmental protection | 217,610 | 267,610 | 251,522 | 16,088 |
| Capital outlay | <u>5,997,882</u> | <u>6,562,692</u> | <u>4,610,810</u> | <u>1,951,882</u> |
| Total expenditures | <u>132,733,211</u> | <u>138,404,931</u> | <u>125,525,938</u> | <u>12,878,993</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,307,000</u> | <u>(3,393,873)</u> | <u>10,709,989</u> | <u>14,103,862</u> |
| Other Financing Sources (Uses): | | | | |
| Sale of capital assets | 100,000 | 100,000 | 213,701 | 113,701 |
| Transfers in | 200,000 | 265,000 | 1,791,827 | 1,526,827 |
| Transfers out | <u>(1,607,000)</u> | <u>(4,107,000)</u> | <u>(3,625,753)</u> | <u>481,247</u> |
| Total other financing sources (uses) | <u>(1,307,000)</u> | <u>(3,742,000)</u> | <u>(1,620,225)</u> | <u>2,121,775</u> |
| Net change in fund balances | -0- | (7,135,873) | 9,089,764 | 16,225,637 |
| Fund balances – beginning | <u>95,403,031</u> | <u>95,403,031</u> | <u>95,403,031</u> | <u>-0-</u> |
| Fund balances – ending | <u>\$ 95,403,031</u> | <u>\$ 88,267,158</u> | <u>\$ 104,492,795</u> | <u>\$ 16,225,637</u> |

Note: Budgets are adopted on a basis consistent with generally accepted accounting principles.

| Road and Bridge Fund | | | | |
|-----------------------|-----------------------|----------------------|---|--|
| Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) | |
| Original | Final | | | |
| \$ 30,860,526 | \$ 30,860,526 | \$ 30,505,616 | \$(354,910) | |
| | | | -0- | |
| 85,000 | 85,000 | 200,816 | 115,816 | |
| 1,500 | 1,500 | 1,051 | (449) | |
| | 710,000 | 4,016,067 | 3,306,067 | |
| | | | -0- | |
| | | 170,576 | 170,576 | |
| 100,000 | 100,000 | 568,493 | 468,493 | |
| 200,000 | 200,000 | 2,949,298 | 2,749,298 | |
| <u>31,247,026</u> | <u>31,957,026</u> | <u>38,411,917</u> | <u>6,454,891</u> | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| 47,110,156 | 23,800,754 | 19,396,254 | 4,404,500 | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| | | | -0- | |
| <u>5,986,500</u> | <u>30,920,395</u> | <u>16,222,891</u> | <u>14,697,504</u> | |
| <u>53,096,656</u> | <u>54,721,149</u> | <u>35,619,145</u> | <u>19,102,004</u> | |
| (<u>21,849,630</u>) | (<u>22,764,123</u>) | <u>2,792,772</u> | <u>25,556,895</u> | |
| | | | , | |
| 50,000 | 50,000 | 27,255 | (22,745) | |
| | | | -0- | |
| | (371,739) | (371,739) | -0- | |
| <u>50,000</u> | (<u>321,739</u>) | (<u>344,484</u>) | (<u>22,745</u>) | |
| (21,799,630) | (23,085,862) | 2,448,288 | 25,534,150 | |
| <u>24,643,587</u> | <u>24,643,587</u> | <u>24,643,587</u> | <u>-0-</u> | |
| <u>\$ 2,843,957</u> | <u>\$ 1,557,725</u> | <u>\$ 27,091,875</u> | <u>\$ 25,534,150</u> | |

BRAZORIA COUNTY, TEXAS

Exhibit 11

REQUIRED SUPPLEMENTARY INFORMATION**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM****SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS ⁽¹⁾**

For the Ten Years Ended September 30, 2018 as of measurement date of December 31, 2017

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | |
| Service cost | \$ 10,945,405 | \$ 11,011,415 | \$ 9,208,083 | \$ 8,642,622 |
| Interest (on the Total Pension Liability) | 30,047,206 | 27,865,882 | 25,022,175 | 22,575,881 |
| Effect of plan changes | | | 19,339,348 | |
| Effect of assumption changes or inputs | (812,594) | | 3,462,644 | |
| Effect of economic/demographic (gains) or losses | (1,573,507) | (1,563,930) | 3,078,052 | 717,058 |
| Benefit payments/refunds of contributions | <u>(16,248,409)</u> | <u>(15,624,381)</u> | <u>(13,826,449)</u> | <u>(12,579,115)</u> |
| Net Change in Total Pension Liability | 22,358,101 | 21,688,986 | 46,283,853 | 19,356,446 |
| Total Pension Liability – Beginning | <u>367,973,794</u> | <u>346,284,808</u> | <u>300,000,955</u> | <u>280,644,509</u> |
| Total Pension Liability – Ending (a) | <u>\$390,331,895</u> | <u>\$367,973,794</u> | <u>\$346,284,808</u> | <u>\$300,000,955</u> |
| Plan Fiduciary Net Position | | | | |
| Employer contributions | \$ 9,453,766 | \$ 8,732,404 | \$ 8,780,780 | \$ 7,985,929 |
| Member contributions | 5,473,648 | 5,035,162 | 4,989,108 | 4,544,842 |
| Investment Income net of investment expenses | 43,334,581 | 20,589,644 | (964,311) | 17,794,613 |
| Benefit payments/refunds of contributions | (16,248,409) | (15,624,381) | (13,826,449) | (12,579,115) |
| Administrative expense | (225,310) | (223,860) | (200,829) | (208,696) |
| Other | <u>(20,886)</u> | <u>334,355</u> | <u>(361,456)</u> | <u>319,860</u> |
| Net Change in Fiduciary Net Position | 41,767,390 | 18,843,324 | (1,583,157) | 17,857,433 |
| Fiduciary Net Position – Beginning | <u>297,028,852</u> | <u>278,185,528</u> | <u>279,768,685</u> | <u>261,911,252</u> |
| Fiduciary Net Position – Ending (b) | <u>\$338,796,242</u> | <u>\$297,028,852</u> | <u>\$278,185,528</u> | <u>\$279,768,685</u> |
| Net Pension Liability (a-b) | <u>\$ 51,535,653</u> | <u>\$ 70,944,942</u> | <u>\$ 68,099,280</u> | <u>\$ 20,232,270</u> |
| Fiduciary Net Position as a Percentage of Total Pension Liability | <u>86.80%</u> | <u>80.72%</u> | <u>80.33%</u> | <u>93.26%</u> |
| Pensionable Covered Payroll | <u>\$ 78,194,973</u> | <u>\$ 71,930,888</u> | <u>\$ 71,272,649</u> | <u>\$ 64,926,320</u> |
| Net Pension Liability as a Percentage of Covered Payroll | <u>65.91%</u> | <u>98.63%</u> | <u>95.55%</u> | <u>31.16%</u> |

Note:

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 68, they should not be shown. Therefore, we have shown only years for which the new GASB statements have been implemented.

BRAZORIA COUNTY, TEXAS

Exhibit 12

*REQUIRED SUPPLEMENTARY INFORMATION
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the Ten Years Ended September 30, 2018*

| <u>Year Ended September 30,</u> | <u>Actuarially Determined Contribution⁽¹⁾</u> | <u>Actual Employer Contribution⁽¹⁾</u> | <u>Contribution Deficiency (Excess)</u> | <u>Pensionable Covered Payroll⁽²⁾</u> | <u>Actual Contribution as a % of Covered Payroll</u> |
|-------------------------------------|--|---|---|--|--|
| 2009 | \$ 5,179,878 | \$ 5,179,878 | \$ -0- | \$ 55,697,618 | 9.3% |
| 2010 | 5,256,101 | 5,256,101 | -0- | 56,517,212 | 9.3% |
| 2011 | 5,824,844 | 5,824,844 | -0- | 56,717,078 | 10.3% |
| 2012 | 6,367,021 | 6,367,021 | -0- | 58,723,289 | 10.8% |
| 2013 | 6,955,933 | 6,955,933 | -0- | 60,618,759 | 11.5% |
| 2014 | 7,715,329 | 7,715,329 | -0- | 63,505,858 | 12.1% |
| 2015 | 8,374,157 | 8,374,157 | -0- | 67,997,984 | 12.3% |
| 2016 | 8,649,954 | 8,649,954 | -0- | 70,970,186 | 12.2% |
| 2017 | 9,288,895 | 9,288,895 | -0- | 76,748,647 | 12.1% |
| 2018 | 7,203,665 | 10,386,729 | (3,183,064) | 78,676,652 | 13.2% |

⁽¹⁾ TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer.

⁽²⁾ Payroll is calculated based on contributions as reported to TCDRS.

BRAZORIA COUNTY, TEXAS

Exhibit 13

*REQUIRED SUPPLEMENTARY INFORMATION**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS*

For the Last Ten Years Ended September 30, 2018

| | <u>2018</u> |
|---|----------------------|
| Total OPEB Liability | |
| Service cost | \$ 2,243,731 |
| Interest on total pension liability | 1,691,370 |
| Differences between expected and actual experience | 646,233 |
| Changes in assumptions | 2,441,296 |
| Benefit payments | <u>(3,558,010)</u> |
| Net Change in Total OPEB Liability | 3,464,620 |
| Total OPEB Liability – Beginning | <u>45,483,261</u> |
| Total OPEB Liability – Ending (a) | <u>\$ 48,947,881</u> |
| Plan Fiduciary Net Position | |
| Contributions - employer | \$ 1,089,738 |
| Contributions - other | 2,468,272 |
| Net investment income | 455,269 |
| Benefit payments | (3,558,010) |
| Administrative expense | <u>(306,228)</u> |
| Net change in plan fiduciary net position | 149,041 |
| Plan fiduciary net position – Beginning | <u>11,874,772</u> |
| Plan fiduciary net position – Ending (b) | <u>\$ 12,023,813</u> |
| Net OPEB Liability – Ending | <u>\$ 36,924,068</u> |
| Plan Fiduciary Net Position as a Percentage of the total OPEB liability | <u>75.40%</u> |
| Covered Employee Payroll | <u>\$ 71,222,305</u> |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | <u>51.84%</u> |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

BRAZORIA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
For the Last Ten Years Ended September 30, 2018

Exhibit 14

| | <u>2018</u> |
|--|----------------------|
| Actuarially determined contribution | \$ 3,250,211 |
| Contributions in relation to the actuarially determined contribution | <u>3,558,010</u> |
| Contribution deficiency (excess) | <u>\$ (307,799)</u> |
| Covered employee payroll | <u>\$ 71,222,305</u> |
| Contributions as a percentage of covered employee payroll | <u>5.00%</u> |

Notes to Schedule of Contributions

Valuation date

Notes Actuarially determined contribution rates are calculated as of September 30

Methods and Assumptions Used to Determine Contribution Rates

| | |
|------------------------------|---|
| Actuarial cost method | Entry age normal |
| Amortization method | Level Percentage of Payroll, Closed |
| Amortization period | 30 years |
| Asset valuation method | Market value |
| Inflation | 2.50% |
| Healthcare cost trends rates | 6.10% initial, decreasing to an ultimate rate of 3.82%. |
| Salary increases | 3.00% per annum |
| Investment rate of return | 4.50% per annum |
| Retirement Age | In the 2018 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience. |
| Mortality | Sex distinct RP-2014h mortality table with mortality improvement scale MP-2018 |

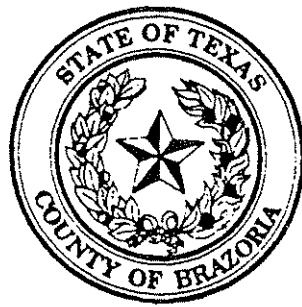
Other Information

Notes: There were no benefit changes during the year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.



**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

HHS-Women, Infants & Children Programs Fund (30100) – This fund accounts for grant proceeds awarded from the United States Department of Health and Human Services (HHS) through the Texas Department of State Health Services to provide supplemental food vouchers, nutrition education and immunizations as an adjunct to good health care at no cost to low income pregnant and postpartum women, infants, and children identified at nutritional risk. This fund also accounts for supplemental funding for training and salaries of peer counselors who assist pregnant and breastfeeding, services of a registered dietitian, lactation supplies, and obesity prevention education.

HHS-Cities Readiness Initiative Fund (30500) – This fund accounts for grant proceeds awarded from Texas Health and Human Services Commission to aid cities in increasing their capacity to deliver medicines and medical supplies during a large-scale public health emergency such as a bioterrorism attack or a nuclear accident. The initiative focuses on the ability to distribute medicine to a population in a very short time.

HHS-RLSS Local Public Health Services Fund (30600) – This fund accounts for grant proceeds awarded from Texas Health and Human Services Commission to provide outreach, education, and testing & tracking sexually transmitted diseases/tuberculosis (STD/TB).

HHS-PHEP Hazards (Bioterrorism Grant) Fund (30700) – This fund accounts for grant proceeds awarded from Texas Health and Human Services Commission that allows Brazoria County to assist the Office of Public Health in the implementation of activities associated with the FY 04 Centers for Disease Control (CDC) and Prevention Public Health Preparedness and Response for Bioterrorism Cooperative Agreement. This project is designed to upgrade state and local public health jurisdictions' preparedness for a response to bioterrorism, other outbreaks of infectious disease, and other public health threats and emergencies.

HHS-Infectious Disease Control Unit Fund (30710) – This fund accounts for grant proceeds awarded from Texas Health and Human Services Commission to provide funding to conduct surveillance for all foodborne and waterborne illnesses as required in Texas Administrative Code RULE 97.3 and conduct telephone interviews of patients with foodborne and waterborne illnesses who are determined by the Emerging and Acute Infectious Disease Branch (EAID) of the DSHS to be part of a cluster or outbreak to ascertain possible risk factors. Surveillance and epidemiological activities may also be performed during other major outbreaks and/or disasters.

HHS-CPS Title IV-E Foster Care Maintenance Fund (30800) – This fund accounts for grant proceeds awarded through the Texas Department of Family and Protective Services for federal Child Protective Services.

HHS-CPS Title IV-E Legal Services Fund (30850) – This fund accounts for grant proceeds awarded through the Texas Department of Family and Protective Services for administration and training for services rendered to foster care children under provisions of Title IV-E of the Social Security Act and is also authorized by Chapter 40 of the health care code.

DHS-Buffer Zone Protection Fund (31300) – This fund accounts for grant proceeds awarded through the United States Department of Homeland Security (DHS) to provide funding for the planning, equipment and management of protective actions, with the objective of protecting, securing and reducing the vulnerabilities of identified critical infrastructure and key resource sites.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

DHS Homeland Security UASI Fund (31500) – This fund accounts for grant proceeds awarded through the United States Department of Homeland Security (DHS) for law enforcement and the office of emergency management to purchase equipment and other activities involving preparedness planning, training, and exercises to prevent terrorist attacks, reduce vulnerability to terrorism and minimize the damage from potential attacks and natural disaster. HGAC controls the allocation of these funds.

2005 – 2018 Section 8 Housing Choice Voucher Program Funds (32005-32113) – These funds account for the activities of the Brazoria County Housing Agency (BCHA) established in 2004 and empowered with the responsibility and authority to maintain the Public Housing Program for the County. In 2004, BCHA established the Section 8 Housing program. The BCHA mission is to serve the needs of low-income, very low-income and extremely low-income families by increasing the availability of decent, safe and affordable housing in its communities, by ensuring equal opportunity in housing, by promoting self-sufficiency and asset development of families and individuals and by improving community quality of life and economic viability. Through federal funding from the United States Department of Housing and Urban Development (HUD) and landlord participation, BCHA provides low-income families with rental assistance; job training; education opportunities; and support services to obtain housing in a courteous, patient and efficient manner, while promoting self-sufficiency for County growth.

CDBG County (HUD) Funds (32213-32215) – These funds account for direct grant proceeds awarded for projects conducted throughout the County. The County is the fiscal agent for these projects which are performed for municipalities and other non-profit organizations.

HUD Texas CDBG Recovery Fund (32600) – This fund accounts for grant proceeds from Texas General Land Office for non-housing hurricane recovery activities funded by the United States Department of Housing and Urban Development (HUD).

USDOJ-CJD-Juvenile Incentive Block Fund (33000) – This fund accounts for grant proceeds awarded through the Criminal Justice Division Juvenile Accountability Incentive Block Grant Program for the improvement of local juvenile law enforcement.

USDOJ-Crime Victim Assistance VOCA Fund (33200) – This fund accounts for intergovernmental revenues from the State of Texas for the purpose of providing legal assistance to victims of crime.

USDOJ-CSCD Victim Services Program Fund (33251) – This fund accounts for Community Supervision and Corrections Department (CSCD) intergovernmental revenues from the State of Texas for the purpose of providing legal assistance to victims of crime.

Drug Court Program Fund (33300) – This fund accounts for grant proceeds awarded through the State of Texas Office of the Governor Criminal Justice Division to create a Drug Treatment Court. Drug courts identify non-violent drug offenders and place them in an intensive program of judicially-supervised substance abuse treatment, case management and drug testing designed to break the cycle of substance abuse and crime.

DWI Court Program Fund (33310) – This fund accounts for grant proceeds awarded through the State of Texas Office of the Governor Criminal Justice Division to create a DWI Court. DWI courts are dedicated to changing the behavior of the DWI offenders through intensive supervision and treatment. The Court's goal is to promote more responsible and productive members of the community.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Veterans Court Program Fund (33320) – This fund accounts for grants awarded through the State of Texas Office of the Governor Criminal Justice Division to create a Veterans Court Program to assist those veterans with felony and misdemeanor offenses through the cooperative use of support, treatment and accountability in an effort to reduce recidivism, and to promote a productive lifestyle that leaves no veteran behind.

USDOJ Domestic Violence Court Fund (33330) – This fund accounts for grants awarded through the United States Department of Justice, Office on Violence Against Women, passed through the Texas Office of the Governor Criminal Justice Division for projects that promote a coordinated, multi-disciplinary approach to improve the justice system's response to violent crimes against women, including domestic violence, commercial sex trafficking, sexual assault, dating violence, and stalking.

USDOJ DEA Narcotics OT Expense Fund (33500) – This fund accounts for an agreement between Brazoria County, United States Department of Justice (DOJ) and United States Drug Enforcement Agency (DEA) to provide funding for payment of overtime costs for law enforcement officers assigned to specified narcotics investigations.

USDOJ State Criminal Alien Assistance Fund (33900) – This fund accounts for grant proceeds awarded through the Bureau of Justice Assistance (BJA), Office of Justice Programs (OJP), and the United States Department of Justice (DOJ), to States and localities who incurred correctional officer salary costs for incarcerating undocumented criminal aliens with at least one felony or two misdemeanor convictions for violations of State or local law and incarcerated for at least four consecutive days during the reporting period.

FEMA Flood Disaster 2016 Fund (34610) – This fund accounts for grant proceeds awarded through the Department of Homeland Security office of Federal Emergency Management Agency to assist State, Tribal and local governments and eligible private non-profits in responding to and recovering from the devastating effects of disasters by providing assistance for debris removal, emergency protective measures and the repair, restoration, reconstruction or replacement of public facilities or infrastructure damaged or destroyed as the result of federally declared disaster or emergencies. These funds were awarded to assist with the May 2016 Flood.

FEMA Hazard Mitigation Grant Program Fund (34616) – This fund accounts for potential Hazard Mitigation Grant Program (HMGP) grant proceeds funded by the Federal Emergency Management Agency (FEMA) and administered by the State of Texas through the Texas Division of Emergency Management to prevent or reduce future losses to lives and property through the identification and funding of cost-effective mitigation measures and minimize the costs of future disaster response and recovery.

TJJD State Aid Fund (35000) – This fund accounts for revenues received from the Texas Juvenile Justice Department (TJJD) to supplement County expenditures in administering a Juvenile Justice Department. The County operates under an approved TJJD budget and submits reports quarterly with an annual contract report submitted as of each fiscal year ended August 31.

TJJD JJAEP Boot Camp Fund (35650) – This fund accounts for intergovernmental revenues from the Texas Juvenile Justice Department to fund mandatory Juvenile Justice Alternative Education Programs (JJAEP) as required under Chapter 37 of the Texas Education Code.

TJJD RDA Regional Diversion Alternative Fund (35950) – This fund accounts for revenues from the Texas Juvenile Justice Department to reimburse the County for approved juvenile residential placements.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

TCEQ Local Initiatives Program Fund (36400) – This fund accounts for a portion of Texas Commission on Environmental Quality (TCEQ) grant proceeds received from the Low Income Vehicle Replacement & Repair Assistance Program (LIRAP) for Local Initiative Projects (LIP) Programs. The proceeds are used to help fund the Southern Brazoria County Bus Transit.

Veterans Treatment Court Program Fund (36410) – This fund accounts for grant funding from the Texas Veterans Commission to provide specific relief to veterans, surviving spouses, and dependents of veterans who are facing complex legal issues and are unable to afford a private attorney.

TXDOT CR 48 Project Fund (36801) – This fund accounts for grant proceeds from Texas Department of Transportation, under the County Transportation Infrastructure Fund Grant Program, for transportation infrastructure projects located in areas of the state affected by increased oil and gas production.

OAG Victim Assistance Grant Fund (37000) – This fund accounts for intergovernmental grant revenues from the State of Texas Office of the Attorney General (OAG) for the purpose of providing victim assistance coordinators or crime victim liaisons to victims of crime.

OAG Texas VINE Contract Fund (37100) – This fund accounts for grant proceeds awarded from the State of Texas Office of the Attorney General (OAG) – Victim Information & Notification Everyday (VINE) for reimbursement for certain costs incurred in the participation in a statewide crime victim notification service.

HHS-CPS Title IV-B Concrete Services Fund (37200) – This fund accounts for grant proceeds awarded through the Texas Department of Family and Protective Services for State Child Protective Services (CPS).

HHS-Immunization Fund (37400) – This fund accounts for grant proceeds awarded from the Texas Department of State Health Services for the implementation of an immunization program with emphasis on children two years old or younger. The goal is to prevent, control, and eliminate indigenous vaccine-preventable diseases by providing and administering biologicals, promoting immunizations, and applying epidemiological principles and outbreak control within budgetary constraints.

OAG Regional Juvenile Mental Health Services Fund (37800) – This fund accounts for proceeds from the State Criminal Justice Planning Fund (SF-421) through the Criminal Justice Department for the Regional Juvenile Mental Health Services project contracted between the Houston Galveston Area Council (H-GAC) and Brazoria County Juvenile Justice Department.

Emergency Management Fire Code Fund (38000) – This fund accounts for fees collected for inspection and issuance of fire code permit applications pursuant to Texas Local Government Code § 233.065. Expenditures are restricted to the reasonable cost of inspection personnel, materials and administrative overhead related to code enforcement.

Economic Development Tax Abatement Fund (38010) – This fund accounts for local revenues (contributions) for the furtherance of economic development as related to tax abatement programs.

Vital Statistics Fee Fund (38100) – This fund accounts for an optional \$1 fee collected for death and/or birth certificates by Justice of the Peace officers and/or County Clerk pursuant to Texas Local Government Code § 118.015.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Records Management County Clerk Fund (38110) – This fund accounts for fees collected by the County Clerk pursuant to Texas Local Government Code § 118.011(b)(2), Section 118.0216 and Code of Criminal Procedure Article 102.005(f)(2) for filing or recording services for non-court related documents. Expenditures are restricted to specific records management and preservation costs including automation purposes.

Records Archive County Clerk Fund (38120) – This fund accounts for fees collected by the County Clerk pursuant to Texas Local Government Code § 118.011 (f), Section 118.025 and is restricted for the preservation and restoration services performed by the County Clerk in connection with maintaining a County Clerk's records archive on public documents.

Civil, Criminal and Probate Records Management Fund (38200) – This fund accounts for fees collected by the County and District Clerks pursuant to Texas Government Code §51.317 (b)(4) & (c)(1) and Code of Criminal Procedure, Article 102.005 (f)(1) for filing civil cases or imposed on defendants convicted of an offense in a county court, county court at law or a district court. Expenditures are restricted to records management preservation or automation purposes.

County Graffiti Eradication Fund (38210) – This fund accounts for fees collected by the County and District Clerks pursuant to Texas Government Code § 102.041 and Subchapter A, Chapter 102, and Article 102.0171 of the Texas Code of Criminal Procedure and is designated for the purpose of graffiti eradication in the County.

County/District Court Technology Fund (38220) – This fund accounts for fees collected by the County and District Clerks pursuant to Subchapter A, Chapter 102, and Article 102.0169 of the Texas Code of Criminal Procedure. These funds are restricted to technological enhancements to pay the cost of continuing education and training for county court, statutory county court, or district court judges and clerks regarding technological enhancements; purchase and maintenance of technological enhancements including: computer systems, networks, hardware and software; imaging systems; electronic kiosks; and docket management systems.

Records Preservation County/District Clerk Fund (38230) – This fund accounts for fees collected by the District and County Clerks pursuant to Government Code 51.708, where the District Clerk shall collect a filing fee of \$ 10 in each civil case filed. The County Clerk shall collect a filing fee of \$ 5 in each civil case filed. These funds are restricted to digitize and preserve court records from natural disasters.

Child Abuse Prevention Fund (38300) – This fund accounts for fees collected by the District Clerk pursuant to Subchapter A, Chapter 102, and Article 102.0186 of the Texas Code of Criminal Procedure from defendants convicted of certain sexual offenses against a child. Expenditures are restricted to child abuse prevention programs in the County.

Family Protection Fund (38310) – This fund accounts for fees collected by the District Clerk pursuant to Texas Government Code § 51.961 at the time a suit for dissolution of a marriage is filed. Expenditures are restricted to a service provider located in the County or an adjacent county who provides family violence and child abuse prevention, intervention, family strengthening, mental health, counseling, legal, and marriage preservation services to families at risk of experiencing or have experienced family violence or the abuse or neglect of a child. Commissioners Court may provide funding to a nonprofit organization that provides these services.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Records Management District Clerk Fund (38320) – This fund accounts for fees collected by the District Clerk pursuant to Texas Government Code § 51.317(b)(4) and (5) and Article 102.005(f)(2) of the Texas Code of Criminal Procedure. Expenditures are restricted to pay for specific records management and preservation purposes including automation costs.

Records Archive District Clerk Fund (38330) – This fund accounts for fees collected by the District Clerk pursuant to Texas Government Code § 51.708. Expenditures are restricted to digitize court records and preserve the records from natural disasters.

Justice Court Building Security Fund (38400) – This fund accounts for fees collected by the County and District Clerks pursuant to Texas Local Government Code § 291.008 and Article 102.017 of the Texas Code of Criminal Procedure to provide security personnel, services and items for a justice court located in a building outside of the county courthouse. Expenditures are restricted to pay for security personnel, services, and items related to a building housing a court, including: x-ray machines; metal detectors; identification cards and systems; electronic locking and surveillance equipment; video teleconferencing systems; signage; confiscated weapons inventory and tracking systems; locks, chains, alarms or similar security devices; bulletproof glass; continuing education on security issues of court and security personnel; and warrant officers and related equipment.

Justice Court Technology Fund (38410) – This fund accounts for fees collected by justice courts pursuant to Subchapter A, Chapter 102, and Article 102.0173 of the Texas Code of Criminal Procedure. Expenditures are restricted to the cost of continuing education for justice court judges and clerks regarding technological enhancements for justice courts and purchase and maintenance of technological enhancements for a justice court, including: computer systems, networks, hardware and software; imaging system; electronic kiosks and ticket writer; and docket management systems.

Courthouse Security Fund (38500) – This fund accounts for fees collected by the County and District Clerks pursuant to Texas Local Government Code § 291.008 and Article 102.017 of the Texas Code of Criminal Procedure to pay for security personnel, services, and items related to a building housing a court, including: x-ray machines; metal detectors; identification cards and systems; electronic locking and surveillance equipment; video teleconferencing systems; signage; confiscated weapons inventory and tracking systems; locks, chains, alarms or similar security devices; bulletproof glass; continuing education on security issues of court and security personnel; and warrant officers and related equipment.

Law Enforcement Officers Standards and Education Fund (38600) – This fund accounts for the State of Texas revenue allocation received pursuant to Texas Occupations Code § 1701.157 to pay for continuing education of licensed peace officer or training for full-time law enforcement support personnel.

District Attorney Hot Check Collection Fund (38710) – This fund accounts for fees collected pursuant to Subchapter A, Chapter 102, and Article 102.007 of the Texas Code of Criminal Procedure by a defendant convicted of an offense involving hot checks or similar sight orders. Expenditures are restricted to operation improvements of the District Attorney's office and Hot Check collections.

District Attorney Supplemental Fund (38720) – This fund accounts for proceeds from the Texas Comptroller of Public Accounts – Judiciary Section to help defray the expenditures of the District Attorney's office pursuant to Texas Government Code § 46.004.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

District Attorney Forfeiture CCP Chapter 59 Fund (38730) – This fund accounts for contraband seized by law enforcement authorities, including property used in the commission of a crime, proceeds of a crime and property purchased with the proceeds of a crime pursuant to Texas Code of Criminal Procedure Chapter 59 - Forfeiture of Contraband - § 59.06. Expenditures are restricted to use for official purposes of the District Attorney's office using seized funds awarded by court order.

Voter Registration Tax Office Fund (38810) – This fund accounts for the commission fee received from the Texas Secretary of State pursuant to Texas Election Code Chapter 19 and is restricted to defray expenditures of the registrar's office in connection with voter registration.

Special Inventory Dealer Escrow Tax Fund (38820) – This fund accounts for interest earned on prepayments of vehicle inventory taxes by automobile dealers and is used to defray the cost of administering the prepayment procedure pursuant to Texas Tax Code § 23.122.

Scofflaw Fees TTC Section 502.01 Fund (38830) – This fund accounts for additional fee collected by the Tax Office from a person registering a motor vehicle with an outstanding fine, fee, or tax due to Brazoria County pursuant to Texas Transportation Code (TTC) Subchapter A § 502.01.

Elections Services Contract Fund (38910) – This fund accounts for surplus funds from Election Service Contracts under the Texas Election Code § 31.100. Funds are used only to defray expenses of the county election officer's office in connection with election-related duties or functions.

Election Equipment Rental Fund (38920) – This fund accounts for revenue and related expenditures from election equipment rental under the Texas Election Code § 31.100. Funds are used only for the purchase of voting equipment changes or upgrades, and technology upgrades for the election office.

Sheriff Contraband Forfeiture Fund (39100) – This fund accounts for contraband seized by law enforcement authorities, including property used in the commission of a crime, proceeds of a crime and property purchased with the proceeds of a crime pursuant to Texas Code of Criminal Procedure Chapter 59 - Forfeiture of Contraband - § 59.06. Expenditures are restricted to use for law enforcement purposes of the Sheriff's office using seized funds awarded by court order.

Brazoria County Narcotics Task Force Fund (39110) – This fund accounts for contraband seized by law enforcement authorities, including property used in the commission of a crime, proceeds of a crime and property purchased with the proceeds of a crime pursuant to Texas Code of Criminal Procedure Chapter 59 - Forfeiture of Contraband - § 59.06. Expenditures are restricted to use for undercover law enforcement purposes of the Brazoria County Narcotics Task Force using seized funds awarded by court order.

Sheriff Commissary Fund (39120) – This fund accounts for inmate commissary purchases pursuant to Texas Local Government Code § 351.0415 and 351.04155. Expenditures are restricted to costs for the inmates' benefit.

Sheriff Federal Forfeiture Fund (39130) – This fund accounts for grant funds received from the United States Department of Justice Equitable Sharing Program for seized funds awarded by court order. Expenditures are restricted to law enforcement purposes.

Juvenile Case Manager Fund (39200) – This fund accounts for fees collected pursuant to Subchapter A, Chapter 102, and Article 102.0174 of the Texas Code of Criminal Procedure. Expenditures are restricted to pay for the necessary costs of the juvenile case manager.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

CSCD Bond Supervision Fund (39210) – This fund accounts for program income and expenditures related to the operation of the Community Supervision and Corrections Department (CSCD) surety and personal recognizance bond supervision program pursuant to the Texas Code of Criminal Procedure §17.42 and approved by commissioners court. Expenditures are restricted to the costs of the personal bond office.

Reliant Energy CARE/RELIEF Program Fund (39300) – This fund accounts for local contributions from Reliant Energy to provide needy Brazoria County residents with utility assistance.

United Way Emergency Assistance Fund (39310) – This fund accounts for grant proceeds awarded from United Way of Brazoria County to provide emergency assistance to qualified residents.

SETH-SE TX Housing Finance Corporation Fund (39390) – This fund accounts for funding provided by the Southeast Texas Housing Finance Corporation to create and promote affordable housing opportunities for the citizens of Texas and its subscribing governmental jurisdictions. Funding is used to help low income homeowners with failing septic systems.

Book Sale Fund (39400) – This fund accounts for proceeds received from the annual used book sale used for the benefit of the libraries.

Library Special Projects Fund (39410) – This fund accounts for proceeds from public donations and used specifically for special projects.

SEP Wastewater Environmental Health - TCEQ Fund (39500) – This fund accounts for proceeds awarded through the Texas Commission on Environmental Quality (TCEQ) to provide assistance to low income homeowners to repair or replace failing or inadequately designed on-site sewage facilities within the County.

SEP Parks TCEQ Fund (39600) – This fund accounts for proceeds awarded through the Texas Commission on Environmental Quality (TCEQ) for replacement of gasoline and diesel powered lawn mowers, heavy equipment and vehicles with lower-emission items to reduce air pollution.

Shoreline Restoration Task Force Fund (39620) – This fund accounts for administration of funds as a result of a letter of understanding (LOU) between Brazoria County, Port of Freeport, Town of Quintana, Village of Surfside Beach and Treasure Island Municipal Utility District to create a task force to evaluate shoreline erosion problems in Brazoria County, identify and investigate feasible alternatives to restore the shoreline, and maximize state assistance to the region for shoreline restoration projects under the CEPRA, CIAP and other applicable and appropriate state programs.

2006 GoM Energy Security Act Fund (39630) – This fund accounts for revenue from the United States Department of the Interior under the Gulf of Mexico Energy Security Act of 2006 (GOMESA) which provides certain states and counties receive 37.5% of the oil and gas qualified leasing revenues from certain Outer Continental Shelf areas. Funds are designated for coastal protection.

Law Library Fund (39800) – This fund accounts for the cost of operating and maintaining a law library for public use pursuant to Texas Local Government Code § 323.023. Revenues are derived from law library fees assessed against each civil case filed in District and County courts.

Mosquito Control District Fund (39900) – This fund accounts for the district approved by Brazoria County voters in April, 1955 authorizing a separate tax not to exceed five cents per one dollar of valuations. In 1949, Mosquito control districts were introduced in the State of Texas by House Bill 127.

Debt Service Funds

Debt service funds account for the accumulation of resources from governmental resources and the payments of general obligation debt principal, interest and related costs.

2012 GO Refunding, I & S Fund (40000) – This fund accounts for the accumulation of resources and the payment of those resources related to the retiring of the Series 2003 – General Obligation issued for construction and acquisition projects accounted for in the 2003 General Obligation Construction and Maintenance capital project fund, and the retiring of the Refunding Bonds, Series 2012 issued for partial defeasance of the Series 2003 Bonds.

2016 Limited Tax Refunding, I & S Fund (41000) – This fund accounts for the accumulation of resources and the payment of those resources related to the retiring of the Series 2006 - Certificates of Obligation issued for construction and acquisition projects accounted for in the 2006 Certificate of Obligation Construction and Maintenance capital project fund.

2012 Certificate of Obligation Bonds, I & S Fund (42000) – This fund accounts for the accumulation of resources and the payment of those resources related to the retiring of the Series 2012 Certificates of Obligations, issued for construction and acquisition projects.

2018 Certificate of Obligation, I & S Fund (42100) – This fund accounts for the accumulation of resources and the payment of those resources related to the retiring of the Series 2018 Certificates of Obligations, issued for construction and acquisition projects.

Tax Notes Series 2013, I & S Fund (43000) – This fund accounts for the accumulation of resources and the payment of those resources related to the retiring of the Series 2013 Tax Notes issued for construction, acquisition projects, and professional services.

Toll Road, I & S Fund (44000) – This fund accounts for the accumulation of resources and the payment of those resources related to retiring future bonds issued for construction accounted for in Brazoria County's discretely presented component unit, Brazoria County Toll Road Authority (BCTRA).

Road Bonds Mobility, I & S Fund (45000) – This fund accounts for the accumulation of resources and the payment of those resources related to the retiring of the Series 2006, 2010A, and 2012 – Unlimited Tax Road Bonds issued for construction and acquisition projects accounted for in the Mobility Plan Construction and Maintenance capital project fund. Additionally, this fund accounts for the accumulation of resources and the payment of those resources related to the retiring of the Series 2018 – Unlimited Tax Refunding Bonds issued for defeasance of the 2008 Unlimited Tax Road Bonds.

Mobility Build America Bonds, I & S Fund (45100) – This fund accounts for the accumulation of resources and the payment of those resources related to the retiring of the Series 2010B – Unlimited Tax Road Bonds issued for construction and acquisition projects accounted for in the Mobility Plan (Build America Bonds) Construction and Maintenance capital project fund.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

USTREAS Restore Act Projects Fund (34850) – The Resources and Ecosystem Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast State Act (RESTORE ACT) created a Gulf Coast Restoration Trust Fund. The fund will receive 80% of any civil penalties paid under the Clean Water Act to support a variety of projects aimed at helping the Gulf recover from environmental and economic injuries experienced as a result of decades of oil and gas development in the region, including the effects of Deepwater Horizon.

DOI Parks CIAP Grant Fund (34860) – This fund accounts for grant funding from the United States Department of Interior (DOI) , U.S. Fish and Wildlife Service (USFWS) through the Texas General Land Office to develop the Coastal Impact Assistance Program (CIAP) for projects and activities related to conservation, protection and/or restoration of coastal areas.

TXDOT SH 288 Truck Weigh Station Fund (34880) – This fund accounts for grant funding from the State of Texas through the Texas Department of Transportation for an estimated \$4,040,915 project cost to construct a truck weigh facility on SH 288.

TXDOT CR-59 CSJ 305 Fund (34882) – This fund accounts for grant funding from the State of Texas for an estimated \$2,465,113 highway improvement project generally described as the reconstruction and widening of CR 59 from two to four lanes with raised medians, curb and gutter from CR 48 to Kirby Drive.

USDA NRCS Oyster Creek Ditch 10 Rehabilitation Fund (34890) – This fund accounts for the grant funding from the United States Department of Agriculture (USDA), Natural Resources Conservation Service (NRCS) for an estimated \$ 726,471 project cost to remove and dispose of sediment and debris in defined areas of Oyster Creek and ditch 10.

2012 Certificate of Obligation C & M Fund (52000) – This fund accounts for the accumulation of resources and the payment of proceeds of Certificate of Obligation Bonds – Series 2012 bond issue totaling \$ 25,115,000 and resulting interest earned on related deposit balances. This issue was approved for the purpose of construction and improvement of numerous facility projects.

2018 Certificate of Obligation C & M Fund (52100) – This fund accounts for the accumulation of resources and the payment of proceeds of Certificate of Obligation Bonds – Series 2018 bond issue totaling \$8,120,000 and resulting interest earned on related deposit balances. This issue was approved for the purpose of construction, acquisition and improvement of numerous facility projects.

2013 Tax Note C & M Fund (53000) – This fund accounts for the accumulation of resources and the payment of proceeds of a Tax Note – Series 2013 totaling \$ 9,900,000 and resulting interest earned on related deposit balances. This issue was approved for construction, acquisition projects, and professional services.

Mobility Plan C & M Fund (55000) – This fund accounts for bond proceeds for the purpose of the construction and improvement of transportation projects within Brazoria County including State highways, county roads, bridges and related drainage, and specifically the construction and improvement of roads, bridges and related drainage that constitute connecting links and integral parts of County roads and State highways located both within Brazoria County and also within the corporate limits of Brazoria County cities.

Capital Projects Funds - Continued

Highway 6 Right-of-Way Acquisition C & M Fund (57000) – This fund accounts for the acquisition of rights-of-way for authorized county purposes and for the payment of contractual obligations for professional services.

Ring of Honor C & M Fund (57200) – This fund accounts for the activity related to the war memorial at the northwest corner of the Brazoria County courthouse.

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

| | Special | | |
|---|---|--|--|
| | HHS Women, Infants & Children Programs Fund-30100 | HHS Cities Readiness Initiative Fund-30500 | HHS-RLSS Local Public Health Services Fund-30600 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and temporary investments | \$ | \$ | \$ |
| Receivables (Net of Allowance for Uncollectibles): | | | |
| Taxes | | | |
| Accounts | | | |
| Due from other governments | 317,546 | 25,118 | 5,606 |
| Inventories | | | |
| Prepaid expenditures | 5,469 | 255 | |
| Due from component unit | | | |
| Total assets | <u>323,015</u> | <u>25,373</u> | <u>5,606</u> |
| Deferred Outflows of Resources: | | | |
| Deferred outflows of resources | | | |
| Total deferred outflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total assets and deferred outflows of resources | <u>\$ 323,015</u> | <u>\$ 25,373</u> | <u>\$ 5,606</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts and accrued liabilities payable | \$ 102,966 | \$ 3,056 | \$ 1,574 |
| Due to other funds | 220,049 | 22,317 | 4,032 |
| Unearned revenue | | | |
| Total liabilities | <u>323,015</u> | <u>25,373</u> | <u>5,606</u> |
| Deferred Inflows of Resources: | | | |
| Deferred inflows of resources | | | |
| Total deferred inflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Fund Balance (Deficit): | | | |
| Non-spendable | 5,469 | 255 | |
| Restricted | | | |
| Committed | | | |
| Unassigned | (5,469) | (255) | |
| Total fund balance | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 323,015</u> | <u>\$ 25,373</u> | <u>\$ 5,606</u> |

Revenue Funds

| HHS-PHEP Hazards (Bioterrorism Grant) Fund-30700 | HHS- Infectious Disease Control Unit Fund-30710 | HHS-CPS Title IV-E Foster Care Maintenance Fund-30800 | HHS-CPS Title IV-E Legal Services Fund-30850 | DHS Buffer Zone Protection Fund-31300 | DHS State Homeland Security- UASI Fund-31500 |
|--|---|---|--|---|--|
| \$ | \$ | \$ | \$ | \$ | \$ |
| | | | | 105,619 | |
| 52,855 | 16,149 | 21,927 | 48,607 | | 36,674 |
| 878 | 623 | | | | |
| <u>53,733</u> | <u>16,772</u> | <u>21,927</u> | <u>48,607</u> | <u>105,619</u> | <u>36,674</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>\$ 53,733</u> | <u>\$ 16,772</u> | <u>\$ 21,927</u> | <u>\$ 48,607</u> | <u>\$ 105,619</u> | <u>\$ 36,674</u> |
| \$ | \$ | \$ | \$ | \$ | \$ |
| 10,048 | 3,243 | 8,412 | 17,658 | | 35,500 |
| 43,685 | 13,529 | 13,436 | 30,949 | | 1,174 |
| <u>53,733</u> | <u>16,772</u> | <u>21,848</u> | <u>48,607</u> | <u>-0-</u> | <u>36,674</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| 878 | 623 | | | | |
| (878) | (623) | 79 | | 105,619 | |
| <u>-0-</u> | <u>-0-</u> | <u>79</u> | <u>-0-</u> | <u>105,619</u> | <u>-0-</u> |
| <u>\$ 53,733</u> | <u>\$ 16,772</u> | <u>\$ 21,927</u> | <u>\$ 48,607</u> | <u>\$ 105,619</u> | <u>\$ 36,674</u> |

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

| | 2005-2018 Section 8 Housing Choice Voucher Program Funds <u>32005-32113</u> | CDBG County (HUD) Funds <u>32213-32215</u> | Special HUD- Texas CDBG Recovery Fund-32600 <u> </u> |
|---|---|--|---|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and temporary investments | \$ 1,022,902 | \$ | \$ |
| Receivables (Net of Allowance for Uncollectable): | | | |
| Taxes | | | |
| Accounts | 5,857 | | |
| Due from other governments | 7,060 | 464,324 | 564 |
| Inventories | | | |
| Prepaid expenditures | | 298 | |
| Due from component unit | | | |
| Total assets | <u>1,035,819</u> | <u>464,622</u> | <u>564</u> |
| Deferred Outflows of Resources: | | | |
| Deferred outflows of resources | | | |
| Total deferred outflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total assets and deferred outflows of resources | <u>\$ 1,035,819</u> | <u>\$ 464,622</u> | <u>\$ 564</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts and accrued liabilities payable | \$ 24,318 | \$ 439,175 | \$ |
| Due to other funds | | 25,447 | 564 |
| Unearned revenue | | | |
| Total liabilities | <u>24,318</u> | <u>464,622</u> | <u>564</u> |
| Deferred Inflows of Resources: | | | |
| Deferred inflows of resources | | | |
| Total deferred inflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Fund Balance (Deficit): | | | |
| Non-spendable | | 298 | |
| Restricted | 1,011,501 | | |
| Committed | | | |
| Unassigned | | (298) | |
| Total fund balance | <u>1,011,501</u> | <u>-0-</u> | <u>-0-</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 1,035,819</u> | <u>\$ 464,622</u> | <u>\$ 564</u> |

Revenue Funds

| USDOJ- CJD-Juv Incentive Block Fund-33000 | USDOJ- Crime Victim Assistance VOCA Fund-33200 | USDOJ-CSCD Victim Services Program Fund-33251 | Drug Court Program Fund-33300 | DWI Court Program Fund-33310 | Veterans Court Program Fund-33320 |
|---|--|---|--|---------------------------------------|--|
| \$ | \$ | \$ | \$ 50,246 | \$ 13,109 | \$ |
| | 7,666 | 13,675 | 7,913 | 18,902 | 18,405 |
| <u>-0-</u> | <u>7,666</u> | <u>13,675</u> | <u>58,159</u> | <u>32,011</u> | <u>18,405</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>\$ -0-</u> | <u>\$ 7,666</u> | <u>\$ 13,675</u> | <u>\$ 58,159</u> | <u>\$ 32,011</u> | <u>\$ 18,405</u> |
| \$ | \$ 4,506 3,160 | \$ 6,428 7,247 | \$ 5,009 | \$ 4,388 | \$ 17 18,388 |
| <u>-0-</u> | <u>7,666</u> | <u>13,675</u> | <u>5,009</u> | <u>4,388</u> | <u>18,405</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| | | | 53,150 | 27,623 | |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>53,150</u> | <u>27,623</u> | <u>-0-</u> |
| <u>\$ -0-</u> | <u>\$ 7,666</u> | <u>\$ 13,675</u> | <u>\$ 58,159</u> | <u>\$ 32,011</u> | <u>\$ 18,405</u> |

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

| | Special | | |
|---|--|---|--|
| | USDOJ Domestic Violence Court Fund-33330 | USDOJ DEA Narcotics OT Expense Fund-33500 | USDOJ State Criminal Alien Assistance Fund-33900 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and temporary investments | \$ 703 | \$ | \$ 29,757 |
| Receivables (Net of Allowance for Uncollectable): | | | |
| Taxes | | | |
| Accounts | | | |
| Due from other governments | 6,190 | 457 | |
| Inventories | | | |
| Prepaid expenditures | | | |
| Due from component unit | | | |
| Total assets | <u>6,893</u> | <u>457</u> | <u>29,757</u> |
| Deferred Outflows of Resources: | | | |
| Deferred outflows of resources | | | |
| Total deferred outflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total assets and deferred outflows of resources | <u>\$ 6,893</u> | <u>\$ 457</u> | <u>\$ 29,757</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts and accrued liabilities payable | \$ 6,893 | \$ | \$ |
| Due to other funds | | 457 | |
| Unearned revenue | | | 29,757 |
| Total liabilities | <u>6,893</u> | <u>457</u> | <u>29,757</u> |
| Deferred Inflows of Resources: | | | |
| Deferred inflows of resources | | | |
| Total deferred inflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Fund Balance (Deficit): | | | |
| Non-spendable | | | |
| Restricted | | | |
| Committed | | | |
| Unassigned | | | |
| Total fund balance | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 6,893</u> | <u>\$ 457</u> | <u>\$ 29,757</u> |

Revenue Funds

| FEMA Flood Disaster 2016 Fund-34610 | FEMA Hazard Mitigation Grant Program Fund-34616 | TJJD State Aid Fund-35000 | TJJD JJAEP Boot Camp Fund-35650 | TJJD-RDA Regional Diversion Alternative Fund-35950 | TCEQ Local Initiatives Program Fund-36400 |
|--|---|---------------------------------|--|--|---|
| \$ 240,823 | \$ | \$ | \$ | \$ 51,523 | \$ 151,560 |
| 54,666 | | 113,439 | 81,496 | | |
| <u>295,489</u> | <u>-0-</u> | <u>113,439</u> | <u>81,496</u> | <u>51,523</u> | <u>151,560</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>\$ 295,489</u> | <u>\$ -0-</u> | <u>\$ 113,439</u> | <u>\$ 81,496</u> | <u>\$ 51,523</u> | <u>\$ 151,560</u> |
| \$ 234,533 | \$ 45,471 | \$ 91,178 | \$ 26,058 | \$ 4,869 | \$ 15,535 |
| 6,362 | 62,509 | 22,261 | 47,162 | | |
| <u>240,895</u> | <u>107,980</u> | <u>113,439</u> | <u>81,496</u> | <u>51,523</u> | <u>151,560</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| 54,594 | | | | | |
| | (107,980) | | | | |
| <u>54,594</u> | <u>(107,980)</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>\$ 295,489</u> | <u>\$ -0-</u> | <u>\$ 113,439</u> | <u>\$ 81,496</u> | <u>\$ 51,523</u> | <u>\$ 151,560</u> |

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

| | Special | | |
|---|--|---|--|
| | Veterans Treatment Court Program Fund-36410 | TXDOT CR 48 Project Fund-36801 | OAG Victim Assistance Grant Fund-37000 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and temporary investments | \$ 15,874 | \$ | \$ |
| Receivables (Net of Allowance for Uncollectable): | | | |
| Taxes | | | |
| Accounts | | | |
| Due from other governments | | | 5,945 |
| Inventories | | | |
| Prepaid expenditures | | | |
| Due from component unit | | | |
| Total assets | <u>15,874</u> | <u>-0-</u> | <u>5,945</u> |
| Deferred Outflows of Resources: | | | |
| Deferred outflows of resources | | | |
| Total deferred outflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total assets and deferred outflows of resources | <u>\$ 15,874</u> | <u>\$ -0-</u> | <u>\$ 5,945</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts and accrued liabilities payable | \$ | \$ | \$ 3,768 |
| Due to other funds | | | 2,177 |
| Unearned revenue | <u>15,874</u> | | |
| Total liabilities | <u>15,874</u> | <u>-0-</u> | <u>5,945</u> |
| Deferred Inflows of Resources: | | | |
| Deferred inflows of resources | | | |
| Total deferred inflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Fund Balance (Deficit): | | | |
| Non-spendable | | | |
| Restricted | | | |
| Committed | | | |
| Unassigned | | | |
| Total fund balance | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 15,874</u> | <u>\$ -0-</u> | <u>\$ 5,945</u> |

Revenue Funds

| OAG Texas VINE Contract Fund-37100 | HHS CPS Title IV-B Concrete Services Fund-37200 | HHS Immunization Fund-37400 | OAG Regional Juvenile Mental Health Services Fund-37800 | Emergency Management Fire Code Fund-38000 | Economic Development Tax Abatement Fund-38010 |
|--|---|-----------------------------------|---|---|---|
| \$ | \$ | \$ | \$ | \$ | \$ 513 |
| | | 54 47,309 | | | |
| 2,379 | | | | 300 | |
| <u>2,379</u> | <u>-0-</u> | <u>47,363</u> | <u>-0-</u> | <u>300</u> | <u>513</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>\$ 2,379</u> | <u>\$ -0-</u> | <u>\$ 47,363</u> | <u>\$ -0-</u> | <u>\$ 300</u> | <u>\$ 513</u> |
| \$ | \$ | \$ 10,840 | \$ | \$ 18,236 | \$ |
| 2,379 | | 36,523 | | 8,465 | |
| <u>2,379</u> | <u>-0-</u> | <u>47,363</u> | <u>-0-</u> | <u>26,701</u> | <u>-0-</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| | | | | 300 | 513 |
| | | | | (26,701) | |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>(26,401)</u> | <u>513</u> |
| <u>\$ 2,379</u> | <u>\$ -0-</u> | <u>\$ 47,363</u> | <u>\$ -0-</u> | <u>\$ 300</u> | <u>\$ 513</u> |

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

| | Vital Statistics Fee Fund-38100 | Records Management County Clerk Fund-38110 | Special Records Archive County Clerk Fund-38120 |
|---|--|--|--|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and temporary investments | \$ 33,504 | \$ 2,865,043 | \$ 642,551 |
| Receivables (Net of Allowance for Uncollectable): | | | |
| Taxes | | | |
| Accounts | | | |
| Due from other governments | | | |
| Inventories | | | |
| Prepaid expenditures | | 5,376 | |
| Due from component unit | | | |
| Total assets | <u>33,504</u> | <u>2,870,419</u> | <u>642,551</u> |
| Deferred Outflows of Resources: | | | |
| Deferred outflows of resources | | | |
| Total deferred outflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total assets and deferred outflows of resources | <u>\$ 33,504</u> | <u>\$ 2,870,419</u> | <u>\$ 642,551</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts and accrued liabilities payable | \$ | \$ 29,575 | \$ 103,124 |
| Due to other funds | | | |
| Unearned revenue | | | |
| Total liabilities | <u>-0-</u> | <u>29,575</u> | <u>103,124</u> |
| Deferred Inflows of Resources: | | | |
| Deferred inflows of resources | | | |
| Total deferred inflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Fund Balance (Deficit): | | | |
| Non-spendable | | 5,376 | |
| Restricted | 33,504 | 2,835,468 | 539,427 |
| Committed | | | |
| Unassigned | | | |
| Total fund balance | <u>33,504</u> | <u>2,840,844</u> | <u>539,427</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 33,504</u> | <u>\$ 2,870,419</u> | <u>\$ 642,551</u> |

Revenue Funds

| Civil, Criminal & Probate Records Management Fund-38200 | County Graffiti Eradication Fund-38210 | County/ District Court Technology Fund-38220 | Records Preservation County/District Clerk Fund-38230 | Child Abuse Prevention Fund-38300 | Family Protection Fund-38310 |
|---|---|--|---|--|------------------------------------|
| \$ 481,811 | \$ 2,620 | \$ 105,002 | \$ 175,104 | \$ 16,641 | \$ 30,590 |
| <u>481,811</u> | <u>2,620</u> | <u>105,002</u> | <u>175,104</u> | <u>16,641</u> | <u>30,590</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>\$ 481,811</u> | <u>\$ 2,620</u> | <u>\$ 105,002</u> | <u>\$ 175,104</u> | <u>\$ 16,641</u> | <u>\$ 30,590</u> |
| \$ 39 | \$ | \$ | \$ 2,770 | \$ | \$ |
| <u>39</u> | <u>-0-</u> | <u>-0-</u> | <u>2,770</u> | <u>-0-</u> | <u>-0-</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| 481,772 | 2,620 | 105,002 | 172,334 | 16,641 | 30,590 |
| <u>481,772</u> | <u>2,620</u> | <u>105,002</u> | <u>172,334</u> | <u>16,641</u> | <u>30,590</u> |
| <u>\$ 481,811</u> | <u>\$ 2,620</u> | <u>\$ 105,002</u> | <u>\$ 175,104</u> | <u>\$ 16,641</u> | <u>\$ 30,590</u> |

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

| | Records Management District Clerk Fund-38320 | Records Archive District Clerk Fund-38330 | Special Justice Court Building Security Fund-38400 |
|---|--|---|---|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and temporary investments | \$ 52,354 | \$ 62,918 | \$ 127,739 |
| Receivables (Net of Allowance for Uncollectable): | | | |
| Taxes | | | |
| Accounts | | | |
| Due from other governments | | | |
| Inventories | | | |
| Prepaid expenditures | | | |
| Due from component unit | | | |
| Total assets | <u>52,354</u> | <u>62,918</u> | <u>127,739</u> |
| Deferred Outflows of Resources: | | | |
| Deferred outflows of resources | | | |
| Total deferred outflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total assets and deferred outflows of resources | <u>\$ 52,354</u> | <u>\$ 62,918</u> | <u>\$ 127,739</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts and accrued liabilities payable | \$ 915 | \$ 1,033 | \$ |
| Due to other funds | | | |
| Unearned revenue | | | |
| Total liabilities | <u>915</u> | <u>1,033</u> | <u>-0-</u> |
| Deferred Inflows of Resources: | | | |
| Deferred inflows of resources | | | |
| Total deferred inflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Fund Balance (Deficit): | | | |
| Non-spendable | | | |
| Restricted | 51,439 | 61,885 | 127,739 |
| Committed | | | |
| Unassigned | | | |
| Total fund balance | <u>51,439</u> | <u>61,885</u> | <u>127,739</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 52,354</u> | <u>\$ 62,918</u> | <u>\$ 127,739</u> |

Revenue Funds

| Justice Court Technology Fund-38410 | Courthouse Security Fund-38500 | Law Enforcement Officers Standards & Education Fund-38600 | District Attorney Hot Check Collection Fund-38710 | District Attorney Supplemental Fund-38720 | District Attorney Forfeiture CCP Chapter 59 Fund-38730 |
|-------------------------------------|--------------------------------|---|---|---|--|
| \$ 364,206 | \$ 265,396 | \$ 110,394 | \$ 14,439 | \$ 7,341 | \$ 22,466 |
| | | | | | 4,301 |
| <u>364,206</u> | <u>265,396</u> | <u>110,394</u> | <u>14,439</u> | <u>7,341</u> | <u>26,767</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>\$ 364,206</u> | <u>\$ 265,396</u> | <u>\$ 110,394</u> | <u>\$ 14,439</u> | <u>\$ 7,341</u> | <u>\$ 26,767</u> |
| \$ | \$ 5 | \$ | \$ 915 | \$ 485 | \$ 1,365 |
| | | | | 5,625 | |
| <u>-0-</u> | <u>5</u> | <u>-0-</u> | <u>915</u> | <u>6,110</u> | <u>1,365</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| 364,206 | 265,391 | 110,394 | 13,524 | 1,231 | 25,402 |
| <u>364,206</u> | <u>265,391</u> | <u>110,394</u> | <u>13,524</u> | <u>1,231</u> | <u>25,402</u> |
| <u>\$ 364,206</u> | <u>\$ 265,396</u> | <u>\$ 110,394</u> | <u>\$ 14,439</u> | <u>\$ 7,341</u> | <u>\$ 26,767</u> |

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

| | Voter Registration Tax Office Fund-38810 | Special Inventory Dealer Escrow - Tax Fund-38820 | Special Scofflan Fees TTC Section 502.01 Fund-38830 |
|---|--|--|---|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and temporary investments | \$ | \$ 73,986 | \$ 920 |
| Receivables (Net of Allowance for Uncollectable): | | | |
| Taxes | | | |
| Accounts | | | |
| Due from other governments | 6,646 | | |
| Inventories | | | |
| Prepaid expenditures | 3,352 | | |
| Due from component unit | | | |
| Total assets | <u>9,998</u> | <u>73,986</u> | <u>920</u> |
| Deferred Outflows of Resources: | | | |
| Deferred outflows of resources | | | |
| Total deferred outflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total assets and deferred outflows of resources | <u>\$ 9,998</u> | <u>\$ 73,986</u> | <u>\$ 920</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts and accrued liabilities payable | \$ 2,844 | \$ 28 | \$ |
| Due to other funds | 3,802 | | |
| Unearned revenue | 3,352 | | |
| Total liabilities | <u>9,998</u> | <u>28</u> | <u>-0-</u> |
| Deferred Inflows of Resources: | | | |
| Deferred inflows of resources | | | |
| Total deferred inflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Fund Balance (Deficit): | | | |
| Non-spendable | 3,352 | | |
| Restricted | | | 920 |
| Committed | | 73,958 | |
| Unassigned | (3,352) | | |
| Total fund balance | <u>-0-</u> | <u>73,958</u> | <u>920</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 9,998</u> | <u>\$ 73,986</u> | <u>\$ 920</u> |

Revenue Funds

| Elections Services Contract Fund-38910 | Elections Equipment Rental Fund-38920 | Sheriff Contraband Forfeiture Fund-39100 | Brazoria County Narcotics Task Force Fund-39110 | Sheriff Commissary Fund-39120 | Sheriff Federal Forfeiture Fund-39130 |
|---|--|---|---|-------------------------------------|--|
| \$ 133,492 | \$ 220,077 | \$ 341,399 | \$ 498,892 | \$ 392,705 | \$ 143,333 |
| | | 170 | 10,746 | 52,556 | |
| <u>133,492</u> | <u>220,077</u> | <u>341,569</u> | <u>509,638</u> | <u>445,261</u> | <u>143,333</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>\$ 133,492</u> | <u>\$ 220,077</u> | <u>\$ 341,569</u> | <u>\$ 509,638</u> | <u>\$ 445,261</u> | <u>\$ 143,333</u> |
| \$ 20,933 | | \$ 737 | \$ 400 | \$ 42,947 | \$ |
| <u>20,933</u> | | <u>13,816</u> | <u>192,005</u> | | |
| <u>20,933</u> | <u>-0-</u> | <u>14,553</u> | <u>192,405</u> | <u>42,947</u> | <u>-0-</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| 112,559 | 220,077 | 327,016 | 317,233 | 52,556 349,758 | 143,333 |
| <u>112,559</u> | <u>220,077</u> | <u>327,016</u> | <u>317,233</u> | <u>402,314</u> | <u>143,333</u> |
| <u>\$ 133,492</u> | <u>\$ 220,077</u> | <u>\$ 341,569</u> | <u>\$ 509,638</u> | <u>\$ 445,261</u> | <u>\$ 143,333</u> |

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

| | Special | | |
|--|---|---|---|
| | Juvenile Case Manager Fund-39200 | CSCD Bond Supervision Fund-39210 | Reliant Energy CARE/RELIEF Program Fund-39300 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and temporary investments | \$ 8,256 | \$ 46,860 | \$ 36,763 |
| Receivables (Net of Allowance for Uncollectable): | | | |
| Taxes | | | |
| Accounts | | | |
| Due from other governments | | | |
| Inventories | | | |
| Prepaid expenditures | | | |
| Due from component unit | | | |
| Total assets | <u>8,256</u> | <u>46,860</u> | <u>36,763</u> |
| Deferred Outflows of Resources: | | | |
| Deferred outflows of resources | | | |
| Total deferred outflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total assets and deferred outflows of resources | <u>\$ 8,256</u> | <u>\$ 46,860</u> | <u>\$ 36,763</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts and accrued liabilities payable | \$ | \$ 1,534 | \$ 3,061 |
| Due to other funds | | | |
| Unearned revenue | | | |
| Total liabilities | <u>-0-</u> | <u>1,534</u> | <u>3,061</u> |
| Deferred Inflows of Resources: | | | |
| Deferred inflows of resources | | | |
| Total deferred inflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Fund Balance (Deficit): | | | |
| Non-spendable | | | |
| Restricted | 8,256 | 45,326 | 33,702 |
| Committed | | | |
| Unassigned | | | |
| Total fund balance | <u>8,256</u> | <u>45,326</u> | <u>33,702</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 8,256</u> | <u>\$ 46,860</u> | <u>\$ 36,763</u> |

Revenue Funds

| United Way Emergency Assistance Fund-39310 | SETH-SE Tx Housing Finance Corporation Fund-39390 | Book Sale Fund-39400 | Library Special Projects Fund-39410 | SEP Wastewater Environmental Health - TCEQ Fund-39500 | SEP Parks TCEQ Fund-39600 |
|--|--|-------------------------|---|--|---------------------------------|
| \$ 1,733 | \$ 257 | \$ 9,376 | \$ 240,716 | \$ | \$ 11,844 |
| | | | 34,841 | | |
| <u>1,733</u> | <u>257</u> | <u>9,376</u> | <u>275,557</u> | <u>-0-</u> | <u>11,844</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>\$ 1,733</u> | <u>\$ 257</u> | <u>\$ 9,376</u> | <u>\$ 275,557</u> | <u>\$ -0-</u> | <u>\$ 11,844</u> |
| \$ | \$ | \$ | \$ | \$ 15,927 | \$ |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>15,927</u> | <u>-0-</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| 1,733 | 257 | 9,376 | 240,716 | | 11,844 |
| | | | | (15,927) | |
| <u>1,733</u> | <u>257</u> | <u>9,376</u> | <u>275,557</u> | <u>(15,927)</u> | <u>11,844</u> |
| <u>\$ 1,733</u> | <u>\$ 257</u> | <u>\$ 9,376</u> | <u>\$ 275,557</u> | <u>\$ -0-</u> | <u>\$ 11,844</u> |

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

| | Special | | |
|---|---|---|------------------------------|
| | Shoreline Restoration Task Force Fund-39620 | 2006 GoM Energy Security Fund-39630 | Law Library Fund-39800 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and temporary investments | \$ 42,282 | \$ 675,332 | \$ 301,854 |
| Receivables (Net of Allowance for Uncollectable): | | | |
| Taxes | | | |
| Accounts | | | |
| Due from other governments | | | |
| Inventories | | | |
| Prepaid expenditures | 395 | | |
| Due from component unit | | | |
| Total assets | <u>42,677</u> | <u>675,332</u> | <u>301,854</u> |
| Deferred Outflows of Resources: | | | |
| Deferred outflows of resources | | | |
| Total deferred outflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total assets and deferred outflows of resources | <u>\$ 42,677</u> | <u>\$ 675,332</u> | <u>\$ 301,854</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts and accrued liabilities payable | \$ | \$ | \$ 19,751 |
| Due to other funds | | | |
| Unearned revenue | | | |
| Total liabilities | <u>-0-</u> | <u>-0-</u> | <u>19,751</u> |
| Deferred Inflows of Resources: | | | |
| Deferred inflows of resources | | | |
| Total deferred inflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Fund Balance (Deficit): | | | |
| Non-spendable | 395 | | |
| Restricted | 42,282 | 675,332 | 282,103 |
| Committed | | | |
| Unassigned | | | |
| Total fund balance | <u>42,677</u> | <u>675,332</u> | <u>282,103</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 42,677</u> | <u>\$ 675,332</u> | <u>\$ 301,854</u> |

| Revenue Funds | | Debt Service Funds | | | |
|--------------------------------------|-----------------------------|------------------------------------|---|---|---|
| Mosquito Control District Fund-39900 | Total Special Revenue Funds | 2012 GO Refunding I & S Fund-40000 | 2016 Limited Tax Refunding I & S Fund-41000 | 2012 Certificate of Obligation I & S Fund-42000 | 2018 Certificate of Obligation I & S Fund-42100 |
| \$ 1,807,855 | \$ 12,050,680 | \$ 25,350 | \$ 718,977 | \$ 138,340 | \$ |
| 16,133 | 16,133 | 7,893 | 11,063 | 23,361 | 10,108 |
| | 21,128 | | | | |
| | 1,381,518 | | | | |
| 495,834 | 548,390 | | | | |
| | 51,787 | | | | |
| | -0- | | | | |
| <u>2,319,822</u> | <u>14,069,636</u> | <u>33,243</u> | <u>730,040</u> | <u>161,701</u> | <u>10,108</u> |
| | | | | | |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>\$ 2,319,822</u> | <u>\$ 14,069,636</u> | <u>\$ 33,243</u> | <u>\$ 730,040</u> | <u>\$ 161,701</u> | <u>\$ 10,108</u> |
| | | | | | |
| \$ 93,873 | \$ 1,194,547 | \$ | \$ | \$ | \$ |
| | 840,172 | | | | |
| | <u>478,679</u> | | | | |
| <u>93,873</u> | <u>2,513,398</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| | | | | | |
| <u>14,279</u> | <u>14,279</u> | <u>7,017</u> | <u>9,816</u> | <u>20,823</u> | |
| <u>14,279</u> | <u>14,279</u> | <u>7,017</u> | <u>9,816</u> | <u>20,823</u> | <u>-0-</u> |
| | | | | | |
| 495,834 | 600,177 | | | | |
| 1,715,836 | 10,202,799 | 26,226 | 720,224 | 140,878 | 10,108 |
| | 900,466 | | | | |
| | (161,483) | | | | |
| <u>2,211,670</u> | <u>11,541,959</u> | <u>26,226</u> | <u>720,224</u> | <u>140,878</u> | <u>10,108</u> |
| | | | | | |
| <u>\$ 2,319,822</u> | <u>\$ 14,069,636</u> | <u>\$ 33,243</u> | <u>\$ 730,040</u> | <u>\$ 161,701</u> | <u>\$ 10,108</u> |

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

| | Debt | | |
|--|--|-------------------------------------|--|
| | Tax Notes Series 2013 I & S Fund-43000 | Toll Road I & S Fund-44000 | Road Bonds Mobility I & S Fund-45000 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and temporary investments | \$ 135,769 | \$ 130,823 | \$ 2,296,840 |
| Receivables (Net of Allowance for Uncollectable): | | | |
| Taxes | 18,061 | 25,925 | 32,158 |
| Accounts | | | 7,969 |
| Due to other governments | | | |
| Inventories | | | |
| Prepaid expenditures | | | |
| Due from component unit | | 6,921,023 | |
| Total assets | <u>153,830</u> | <u>7,077,771</u> | <u>2,336,967</u> |
| Deferred Outflows of Resources: | | | |
| Deferred outflows of resources | | | |
| Total deferred outflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total assets and deferred outflows of resources | <u>\$ 153,830</u> | <u>\$ 7,077,771</u> | <u>\$ 2,336,967</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts and accrued liabilities payable | \$ | \$ | \$ |
| Due to other funds | | | |
| Unearned revenue | | | |
| Total liabilities | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Deferred Inflows of Resources: | | | |
| Deferred inflows of resources | <u>16,057</u> | <u>23,374</u> | <u>28,391</u> |
| Total deferred inflows of resources | <u>16,057</u> | <u>23,374</u> | <u>28,391</u> |
| Fund Balance (Deficit): | | | |
| Non-spendable | | | |
| Restricted | 137,773 | 7,054,397 | 2,308,576 |
| Committed | | | |
| Unassigned | | | |
| Total fund balance | <u>137,773</u> | <u>7,054,397</u> | <u>2,308,576</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 153,830</u> | <u>\$ 7,077,771</u> | <u>\$ 2,336,967</u> |

| Service Funds | | Capital Projects Funds | | | |
|---|-----------------------------------|---|---|---|---|
| Mobility Build America I & S Fund-45100 | Total Debt Service Funds | USTREAS Restore Act Projects Fund-34850 | DOI Parks CIAP Grant Fund-34860 | TXDOT SH 288 Truck Weigh Station Fund-34880 | TXDOT CR-59 CSJ 305 Fund-34882 |
| \$ | \$ 3,446,099 | \$ | \$ 73,750 | \$ | \$ |
| | 118,461 | | | | |
| | 18,077 | | | 606,330 | |
| | -0- | | | | |
| | -0- | | | | |
| | -0- | | | | |
| | <u>6,921,023</u> | | | | |
| <u>-0-</u> | <u>10,503,660</u> | <u>-0-</u> | <u>73,750</u> | <u>606,330</u> | <u>-0-</u> |
| | -0- | | | | |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>\$ -0-</u> | <u>\$ 10,503,660</u> | <u>\$ -0-</u> | <u>\$ 73,750</u> | <u>\$ 606,330</u> | <u>\$ -0-</u> |
| \$ | \$ -0- | \$ 4,205 | \$ | \$ 493,578 | \$ 100,171 |
| | -0- | 150,195 | | 264,335 | |
| | -0- | | <u>73,750</u> | | |
| <u>-0-</u> | <u>-0-</u> | <u>154,400</u> | <u>73,750</u> | <u>757,913</u> | <u>100,171</u> |
| | 105,478 | | | | |
| <u>-0-</u> | <u>105,478</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| | -0- | | | | |
| | 10,398,182 | | | | |
| | -0- | (154,400) | | (151,583) | (100,171) |
| <u>-0-</u> | <u>10,398,182</u> | <u>(154,400)</u> | <u>-0-</u> | <u>(151,583)</u> | <u>(100,171)</u> |
| <u>\$ -0-</u> | <u>\$ 10,503,660</u> | <u>\$ -0-</u> | <u>\$ 73,750</u> | <u>\$ 606,330</u> | <u>\$ -0-</u> |

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

| | Capital | | |
|--|--|--|---|
| | USDA NRCS Oyster Creek Ditch 10 Fund-34890 | 2012 Certificates of Obligation C & M Fund-52000 | 2018 Certificate of Obligation C & M Fund-52100 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and temporary investments | \$ | \$ 1,132,621 | \$ 7,917,593 |
| Receivables (Net of Allowance for Uncollectable): | | | |
| Taxes | | | |
| Accounts | | | |
| Due from other governments | 3,050 | | |
| Inventories | | | |
| Prepaid expenditures | | | |
| Due from component unit | | | |
| Total assets | <u>3,050</u> | <u>1,132,621</u> | <u>7,917,593</u> |
| Deferred Outflows of Resources: | | | |
| Deferred outflows of resources | | -0- | |
| Total deferred outflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total assets and deferred outflows of resources | <u>\$ 3,050</u> | <u>\$ 1,132,621</u> | <u>\$ 7,917,593</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts and accrued liabilities payable | \$ 21,450 | \$ 278,468 | \$ |
| Due to other funds | | | |
| Unearned revenue | | | |
| Total liabilities | <u>21,450</u> | <u>278,468</u> | <u>-0-</u> |
| Deferred Inflows of Resources: | | | |
| Deferred inflows of resources | | | -0- |
| Total deferred inflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Fund Balance (Deficit): | | | |
| Non-spendable | | | |
| Restricted | | 854,153 | 7,917,593 |
| Committed | | | |
| Unassigned | (18,400) | | |
| Total fund balance | <u>(18,400)</u> | <u>854,153</u> | <u>7,917,593</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 3,050</u> | <u>\$ 1,132,621</u> | <u>\$ 7,917,593</u> |

Projects Funds

| 2013 Tax Note C & M Fund-53000 | Mobility Plan C & M Fund-55000 | Highway 6 Right-of-Way Acquisition C & M Fund-57000 | Ring of Honor C & M Fund-57200 | Total Capital Projects Funds | Total Non-Major Governmental Funds |
|---|---|---|--|---------------------------------------|---|
| \$ 2,274 | \$ 697,713 | \$ 109 | \$ 47,118 | \$ 9,871,178 | \$ 25,367,957 |
| | | | | -0- | 134,594 |
| | | | | -0- | 39,205 |
| | | | | 609,380 | 1,990,898 |
| | | | | -0- | 548,390 |
| | | | | -0- | 51,787 |
| | <u>607,193</u> | | | <u>607,193</u> | <u>7,528,216</u> |
| <u>2,274</u> | <u>1,304,906</u> | <u>109</u> | <u>47,118</u> | <u>11,087,751</u> | <u>35,661,047</u> |
| | | | | | |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>\$ 2,274</u> | <u>\$ 1,304,906</u> | <u>\$ 109</u> | <u>\$ 47,118</u> | <u>\$ 11,087,751</u> | <u>\$ 35,661,047</u> |
| | | | | | |
| \$ | \$ | \$ | \$ | \$ 897,872 | \$ 2,092,419 |
| | | | | 414,530 | 1,254,702 |
| | | | | <u>73,750</u> | <u>552,429</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>1,386,152</u> | <u>3,899,550</u> |
| | | | | | |
| | | | | -0- | 119,757 |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>119,757</u> |
| | | | | | |
| 2,274 | 1,304,906 | 109 | 47,118 | -0- | 600,177 |
| | | | | 10,126,153 | 30,727,134 |
| | | | | -0- | 900,466 |
| | | | | (424,554) | (586,037) |
| <u>2,274</u> | <u>1,304,906</u> | <u>109</u> | <u>47,118</u> | <u>9,701,599</u> | <u>31,641,740</u> |
| | | | | | |
| <u>\$ 2,274</u> | <u>\$ 1,304,906</u> | <u>\$ 109</u> | <u>\$ 47,118</u> | <u>\$ 11,087,751</u> | <u>\$ 35,661,047</u> |

BRAZORIA COUNTY, TEXAS

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS*

For the Year Ended September 30, 2018

| | Special | | |
|--|---|--|--|
| | HHS Women, Infants & Children Programs Fund-30100 | HHS-PPCPS Cities Readiness Initiative Fund-30500 | HHS-RLSS Local Public Health Services Fund-30600 |
| Revenues: | | | |
| Taxes | \$ | \$ | \$ |
| Intergovernmental | 1,166,880 | 71,552 | 37,329 |
| Charges for services | | | |
| Licenses and permits | | | |
| Fines and forfeitures | | | |
| Investment income | | | |
| Miscellaneous | | | |
| Total revenues | <u>1,166,880</u> | <u>71,552</u> | <u>37,329</u> |
| Expenditures: | | | |
| Current: | | | |
| General administration | | | |
| Judicial and legal | | | |
| Financial administration | | | |
| Elections | | | |
| Public safety | | | |
| Corrections | | | |
| Public transportation | | | |
| Health and welfare | 1,137,373 | 73,511 | 37,329 |
| Culture and recreation | | | |
| Environmental protection | | | |
| Community development | | | |
| Capital outlay | 29,507 | | |
| Debt Service: | | | |
| Principal | | | |
| Interest and fiscal charges | | | |
| Total expenditures | <u>1,166,880</u> | <u>73,511</u> | <u>37,329</u> |
| Excess (deficiency) of revenue over expenditures | <u>-0-</u> | <u>(1,959)</u> | <u>-0-</u> |
| Other Financing Sources (Uses): | | | |
| Sale of capital assets | | | |
| Issuance of general obligation bonds | | | |
| Bond premium | | | |
| Payment to escrow agent | | | |
| Transfers in | | 1,959 | |
| Transfers out | | | |
| Total other financing sources (uses) | <u>-0-</u> | <u>1,959</u> | <u>-0-</u> |
| Net change in fund balances | -0- | -0- | -0- |
| Fund Balance (Deficits): | | | |
| Beginning of year | | | |
| End of year | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

Revenue Funds

| HHS-PHEP Hazards (Bioterrorism Grant) Fund-30700 | HHS- Infectious Disease Control Unit Fund-30710 | HHS-CPS Title IV-E Foster Care Maintenance Fund-30800 | HHS-CPS Title IV-E Legal Services Fund-30850 | DHS Buffer Zone Protection Fund-31300 | DHS State Homeland Security- UASI Fund-31500 |
|--|---|---|--|---|--|
| \$ 198,945 | \$ 64,526 | \$ 39,801 | \$ 64,188 | \$ | \$ 174,103 |
| <u>198,945</u> | <u>64,526</u> | <u>39,801</u> | <u>64,188</u> | <u>-0-</u> | <u>174,103</u> |
| | | | | | 166,444 |
| | | | 350,736 | | 7,659 |
| | | | | 544 | |
| 201,161 | 64,526 | 133,088 | | | |
| <u>201,161</u> | <u>64,526</u> | <u>133,088</u> | <u>350,736</u> | <u>544</u> | <u>174,103</u> |
| <u>(2,216)</u> | <u>-0-</u> | <u>(93,287)</u> | <u>(286,548)</u> | <u>(544)</u> | <u>-0-</u> |
| | | | | 106,163 | |
| 2,216 | | 93,287 | 286,548 | | |
| <u>2,216</u> | <u>-0-</u> | <u>93,287</u> | <u>286,548</u> | <u>106,163</u> | <u>-0-</u> |
| -0- | -0- | -0- | -0- | 105,619 | -0- |
| | | 79 | | | |
| <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 79</u> | <u>\$ -0-</u> | <u>\$ 105,619</u> | <u>\$ -0-</u> |

BRAZORIA COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2018

| | 2005-2018 Section 8 Housing Choice Voucher Program Funds 32005-32113 | CDBG County (HUD) Funds 32213-32215 | Special HUD- Texas CDBG Recovery Fund-32600 |
|--|--|---|--|
| Revenues: | | | |
| Taxes | \$ | \$ | \$ |
| Intergovernmental | 4,115,022 | 1,594,055 | 212,173 |
| Charges for services | | | |
| Licenses and permits | | | |
| Fines and forfeitures | | | |
| Investment income | 15,348 | | |
| Miscellaneous | 16,138 | | |
| Total revenues | <u>4,146,508</u> | <u>1,594,055</u> | <u>212,173</u> |
| Expenditures: | | | |
| Current: | | | |
| General administration | | | |
| Judicial and legal | | | |
| Financial administration | | | |
| Elections | | | |
| Public safety | | | |
| Corrections | | | |
| Public transportation | | | |
| Health and welfare | 4,060,326 | | |
| Culture and recreation | | | |
| Environmental protection | | | |
| Community development | | 1,594,055 | 212,173 |
| Capital outlay | | | |
| Debt Service: | | | |
| Principal | | | |
| Interest and fiscal charges | | | |
| Total expenditures | <u>4,060,326</u> | <u>1,594,055</u> | <u>212,173</u> |
| Excess (deficiency) of revenue over expenditures | <u>86,182</u> | <u>-0-</u> | <u>-0-</u> |
| Other Financing Sources (Uses): | | | |
| Sale of capital assets | | | |
| Issuance of general obligation bonds | | | |
| Bond premium | | | |
| Payment to escrow agent | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses) | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Net change in fund balances | 86,182 | -0- | -0- |
| Fund Balance (Deficits): | | | |
| Beginning of year | <u>925,319</u> | | |
| End of year | <u>\$ 1,011,501</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

Revenue Funds

| USDOJ- CJD-Juv Incentive Block Fund-33000 | USDOJ- Crime Victim Assistance VOCA Fund-33200 | USDOJ-CSCD Victim Services Program Fund-33251 | Drug Court Program Fund-33300 | DWI Court Program Fund-33310 | Veterans Court Program Fund-33320 |
|---|--|---|--|---------------------------------------|--|
| \$ | \$ | \$ | \$ | \$ | \$ |
| | 120,368 | 73,726 | 143,315 65,257 | 68,740 90 | 142,256 |
| | | 28,961 | 3,705 | 23,100 623 | 5,355 |
| <u>-0-</u> | <u>120,368</u> | <u>102,687</u> | <u>212,277</u> | <u>92,553</u> | <u>147,611</u> |
| | 136,911 | | 193,907 | 117,680 | 147,611 |
| | | 102,687 | | | |
| <u>-0-</u> | <u>136,911</u> | <u>102,687</u> | <u>193,907</u> | <u>117,680</u> | <u>147,611</u> |
| <u>-0-</u> | <u>(16,543)</u> | <u>-0-</u> | <u>18,370</u> | <u>(25,127)</u> | <u>-0-</u> |
| 435 | 16,543 | | | | |
| <u>435</u> | <u>16,543</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| 435 | -0- | -0- | 18,370 | (25,127) | -0- |
| <u>(435)</u> | | | <u>34,780</u> | <u>52,750</u> | |
| <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 53,150</u> | <u>\$ 27,623</u> | <u>\$ -0-</u> |

BRAZORIA COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2018

| | USDOJ Domestic Violence Court Fund-33330 | USDOJ DEA Narcotics OT Expense Fund-33500 | Special USDOJ State Criminal Alien Assistance Fund-33900 |
|--|--|---|---|
| Revenues: | | | |
| Taxes | \$ | \$ | \$ |
| Intergovernmental | 94,897 | 6,551 | 22,521 |
| Charges for services | | | |
| Licenses and permits | | | |
| Fines and forfeitures | | | |
| Investment income | | | 765 |
| Miscellaneous | <u>36,532</u> | | |
| Total revenues | <u>131,429</u> | <u>6,551</u> | <u>23,286</u> |
| Expenditures: | | | |
| Current: | | | |
| General administration | | | |
| Judicial and legal | 147,898 | | |
| Financial administration | | | |
| Elections | | | |
| Public safety | | 6,551 | |
| Corrections | | | |
| Public transportation | | | |
| Health and welfare | | | |
| Culture and recreation | | | |
| Environmental protection | | | |
| Community development | | | |
| Capital outlay | | | 27,328 |
| Debt Service: | | | |
| Principal | | | |
| Interest and fiscal charges | | | |
| Total expenditures | <u>147,898</u> | <u>6,551</u> | <u>27,328</u> |
| Excess (deficiency) of revenue over expenditures | <u>(16,469)</u> | <u>-0-</u> | <u>(4,042)</u> |
| Other Financing Sources (Uses): | | | |
| Sale of capital assets | | | 4,042 |
| Issuance of general obligation bonds | | | |
| Bond premium | | | |
| Payment to escrow agent | | | |
| Transfers in | 16,469 | | |
| Transfers out | | | |
| Total other financing sources (uses) | <u>16,469</u> | <u>-0-</u> | <u>4,042</u> |
| Net change in fund balances | -0- | -0- | -0- |
| Fund Balance (Deficits): | | | |
| Beginning of year | | | |
| End of year | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

Revenue Funds

| FEMA Flood Disaster 2016 Fund-34610 | FEMA Hazard Mitigation Grant Program Fund-34616 | TJJD State Aid Fund-35000 | TJJD JJAEP Boot Camp Fund-35650 | TJJD-RDA Regional Diversion Alternative Fund-35950 | TCEQ Local Initiatives Program Fund-36400 |
|--|---|---------------------------------|--|--|---|
| \$ 54,594 | \$ | \$ 1,450,814 | \$ 416,666 | \$ 36,284 | \$ 71,365 |
| <u>54,594</u> | <u>-0-</u> | <u>1,450,814</u> | <u>416,666</u> | <u>36,284</u> | <u>71,365</u> |
| | | 1,499,876 | 808,957 | 36,284 | 71,365 |
| | 107,980 | | | | |
| <u>-0-</u> | <u>107,980</u> | <u>1,499,876</u> | <u>808,957</u> | <u>36,284</u> | <u>71,365</u> |
| <u>54,594</u> | <u>(107,980)</u> | <u>(49,062)</u> | <u>(392,291)</u> | <u>-0-</u> | <u>-0-</u> |
| | | 49,062 | 392,291 | | |
| <u>-0-</u> | <u>-0-</u> | <u>49,062</u> | <u>392,291</u> | <u>-0-</u> | <u>-0-</u> |
| 54,594 | (107,980) | -0- | -0- | -0- | -0- |
| <u>\$ 54,594</u> | <u>\$(107,980)</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

BRAZORIA COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2018

| | Veterans Treatment Court Program Fund-36410 | TXDOT CR 48 Project Fund-36801 | Special OAG Victim Assistance Grant Fund-37000 |
|--|--|---|---|
| Revenues: | | | |
| Taxes | \$ | \$ | \$ |
| Intergovernmental | 3,915 | 924,141 | 41,771 |
| Charges for services | | | |
| Licenses and permits | | | |
| Fines and forfeitures | | | |
| Investment income | | | |
| Miscellaneous | | | |
| Total revenues | <u>3,915</u> | <u>924,141</u> | <u>41,771</u> |
| Expenditures: | | | |
| Current: | | | |
| General administration | | | |
| Judicial and legal | 3,915 | | 64,309 |
| Financial administration | | | |
| Elections | | | |
| Public safety | | | |
| Corrections | | | |
| Public transportation | | 1,295,880 | |
| Health and welfare | | | |
| Culture and recreation | | | |
| Environmental protection | | | |
| Community development | | | |
| Capital outlay | | | |
| Debt Service: | | | |
| Principal | | | |
| Interest and fiscal charges | | | |
| Total expenditures | <u>3,915</u> | <u>1,295,880</u> | <u>64,309</u> |
| Excess (deficiency) of revenue over expenditures | <u>-0-</u> | <u>(371,739)</u> | <u>(22,538)</u> |
| Other Financing Sources (Uses): | | | |
| Sale of capital assets | | | |
| Issuance of general obligation bonds | | | |
| Bond premium | | | |
| Payment to escrow agent | | | |
| Transfers in | | 371,739 | 22,538 |
| Transfers out | | | |
| Total other financing sources (uses) | <u>-0-</u> | <u>371,739</u> | <u>22,538</u> |
| Net change in fund balances | -0- | -0- | -0- |
| Fund Balance (Deficits): | | | |
| Beginning of year | | | |
| End of year | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

| Revenue Funds | | | | | |
|--|---|-----------------------------------|---|---|---|
| OAG Texas VINE Contract Fund-37100 | HHS CPS Title IV-B Concrete Services Fund-37200 | HHS Immunization Fund-37400 | OAG Regional Juvenile Mental Health Services Fund-37800 | Emergency Management Fire Code Fund-38000 | Economic Development Tax Abatement Fund-38010 |
| \$ 28,547 | \$ 870 | \$ 188,901 | \$ 4,560 | \$ | \$ |
| | | | | 156,366 | 1,500 |
| | | | | | 86 |
| | | | | | 281,712 |
| <u>28,547</u> | <u>870</u> | <u>188,901</u> | <u>4,560</u> | <u>156,366</u> | <u>283,298</u> |
| 28,547 | | | | 307,484 | 283,850 |
| | | | 4,560 | | |
| | 870 | 213,806 | | | |
| | | | | 24,520 | |
| <u>28,547</u> | <u>870</u> | <u>213,806</u> | <u>4,560</u> | <u>332,004</u> | <u>283,850</u> |
| <u>-0-</u> | <u>-0-</u> | <u>(24,905)</u> | <u>-0-</u> | <u>(175,638)</u> | <u>(552)</u> |
| | | 24,905 | | 120,000 | |
| <u>-0-</u> | <u>-0-</u> | <u>24,905</u> | <u>-0-</u> | <u>120,000</u> | <u>-0-</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>(55,638)</u> | <u>(552)</u> |
| | | | | 29,237 | 1,065 |
| <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$(26,401)</u> | <u>\$ 513</u> |

BRAZORIA COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2018

| | Vital Statistics Fee Fund-38100 | Records Management County Clerk Fund-38110 | Special Records Archive County Clerk Fund-38120 |
|--|--|--|--|
| Revenues: | | | |
| Taxes | \$ | \$ | \$ |
| Intergovernmental | | | |
| Charges for services | 14,017 | 746,749 | 672,939 |
| Licenses and permits | | | |
| Fines and forfeitures | | | |
| Investment income | 368 | 40,407 | 9,359 |
| Miscellaneous | | | |
| Total revenues | <u>14,385</u> | <u>787,156</u> | <u>682,298</u> |
| Expenditures: | | | |
| Current: | | | |
| General administration | 1,654 | 327,964 | 665,747 |
| Judicial and legal | | | |
| Financial administration | | | |
| Elections | | | |
| Public safety | | | |
| Corrections | | | |
| Public transportation | | | |
| Health and welfare | | | |
| Culture and recreation | | | |
| Environmental protection | | | |
| Community development | | | |
| Capital outlay | | | |
| Debt Service: | | | |
| Principal | | | |
| Interest and fiscal charges | | | |
| Total expenditures | <u>1,654</u> | <u>327,964</u> | <u>665,747</u> |
| Excess (deficiency) of revenue over expenditures | <u>12,731</u> | <u>459,192</u> | <u>16,551</u> |
| Other Financing Sources (Uses): | | | |
| Sale of capital assets | | | |
| Issuance of general obligation bonds | | | |
| Bond premium | | | |
| Payment to escrow agent | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses) | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Net change in fund balances | 12,731 | 459,192 | 16,551 |
| Fund Balance (Deficits): | | | |
| Beginning of year | <u>20,773</u> | <u>2,381,652</u> | <u>522,876</u> |
| End of year | <u>\$ 33,504</u> | <u>\$ 2,840,844</u> | <u>\$ 539,427</u> |

Revenue Funds

| Civil, Criminal & Probate Records Management Fund-38200 | County Graffiti Eradication Fund-38210 | County/ District Court Technology Fund-38220 | Records Preservation County/District Clerk Fund-38230 | Child Abuse Prevention Fund-38300 | Family Protection Fund-38310 |
|---|---|--|---|--|------------------------------------|
| \$ | \$ | \$ | \$ | \$ | \$ |
| 65,400 | | 14,870 | 43,346 | 1,548 | 21,929 |
| 7,000 | 39 | 1,498 | 2,798 | 241 | 357 |
| <u>72,400</u> | <u>39</u> | <u>16,368</u> | <u>46,144</u> | <u>1,789</u> | <u>22,286</u> |
| 15,664 | | 1,219 | 55,885 | | 34,000 |
| <u>15,664</u> | <u>-0-</u> | <u>1,219</u> | <u>55,885</u> | <u>-0-</u> | <u>34,000</u> |
| <u>56,736</u> | <u>39</u> | <u>15,149</u> | <u>(9,741)</u> | <u>1,789</u> | <u>(11,714)</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| 56,736 | 39 | 15,149 | (9,741) | 1,789 | (11,714) |
| <u>425,036</u> | <u>2,581</u> | <u>89,853</u> | <u>182,075</u> | <u>14,852</u> | <u>42,304</u> |
| <u>\$ 481,772</u> | <u>\$ 2,620</u> | <u>\$ 105,002</u> | <u>\$ 172,334</u> | <u>\$ 16,641</u> | <u>\$ 30,590</u> |

BRAZORIA COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2018

| | Records Management District Clerk Fund-38320 | Records Archive District Clerk Fund-38330 | Special Justice Court Building Security Fund-38400 |
|--|--|---|---|
| Revenues: | | | |
| Taxes | \$ | \$ | \$ |
| Intergovernmental | | | |
| Charges for services | 43,189 | 46,370 | 25,698 |
| Licenses and permits | | | |
| Fines and forfeitures | | | |
| Investment income | 687 | 747 | 2,239 |
| Miscellaneous | | | |
| Total revenues | <u>43,876</u> | <u>47,117</u> | <u>27,937</u> |
| Expenditures: | | | |
| Current: | | | |
| General administration | | | |
| Judicial and legal | 18,650 | 17,604 | 65,925 |
| Financial administration | | | |
| Elections | | | |
| Public safety | | | |
| Corrections | | | |
| Public transportation | | | |
| Health and welfare | | | |
| Culture and recreation | | | |
| Environmental protection | | | |
| Community development | | | |
| Capital outlay | | | |
| Debt Service: | | | |
| Principal | | | |
| Interest and fiscal charges | | | |
| Total expenditures | <u>18,650</u> | <u>17,604</u> | <u>65,925</u> |
| Excess (deficiency) of revenue over expenditures | <u>25,226</u> | <u>29,513</u> | <u>(37,988)</u> |
| Other Financing Sources (Uses): | | | |
| Sale of capital assets | | | |
| Issuance of general obligation bonds | | | |
| Bond premium | | | |
| Payment to escrow agent | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses) | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Net change in fund balances | 25,226 | 29,513 | (37,988) |
| Fund Balance (Deficits): | | | |
| Beginning of year | <u>26,213</u> | <u>32,372</u> | <u>165,727</u> |
| End of year | <u>\$ 51,439</u> | <u>\$ 61,885</u> | <u>\$ 127,739</u> |

Revenue Funds

| Justice Court Technology Fund-38410 | Courthouse Security Fund-38500 | Law Enforcement Officers Standards & Education Fund-38600 | District Attorney Hot Check Collection Fund-38710 | District Attorney Supplemental Fund-38720 | District Attorney Forfeiture CCP Chapter 59 Fund-38730 |
|-------------------------------------|--------------------------------|---|---|---|--|
| \$ | \$ | \$ | \$ | \$ | \$ |
| 102,896 | 190,968 | 29,460 | 14,184 | 23,096 | |
| 5,051 | 6,784 | 1,650 | | 84 | 89,427 |
| | 164 | | | | 756 |
| <u>107,947</u> | <u>197,916</u> | <u>31,110</u> | <u>14,184</u> | <u>23,180</u> | <u>77,415</u> |
| | | | | | |
| 32,178 | | 600 | 18,877 | 22,082 | 139,514 |
| | | 18,567 | | | |
| | 94,916 | | | | 50,385 |
| <u>32,178</u> | <u>94,916</u> | <u>19,167</u> | <u>18,877</u> | <u>22,082</u> | <u>189,899</u> |
| <u>75,769</u> | <u>103,000</u> | <u>11,943</u> | <u>(4,693)</u> | <u>1,098</u> | <u>(22,301)</u> |
| | | | | | |
| | (200,000) | | | | (2,000) |
| <u>-0-</u> | <u>(200,000)</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>(2,000)</u> |
| 75,769 | (97,000) | 11,943 | (4,693) | 1,098 | (24,301) |
| <u>288,437</u> | <u>362,391</u> | <u>98,451</u> | <u>18,217</u> | <u>133</u> | <u>49,703</u> |
| <u>\$ 364,206</u> | <u>\$ 265,391</u> | <u>\$ 110,394</u> | <u>\$ 13,524</u> | <u>\$ 1,231</u> | <u>\$ 25,402</u> |

BRAZORIA COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2018

| | Voter Registration Tax Office Fund-38810 | Special Inventory Dealer Escrow - Tax Fund-38820 | Special Scofflan Fees TTC Section 502.01 Fund-38830 |
|--|--|--|---|
| Revenues: | | | |
| Taxes | \$ | \$ 9,715 | \$ |
| Intergovernmental | 27,832 | | |
| Charges for services | | | |
| Licenses and permits | | | |
| Fines and forfeitures | | | 70 |
| Investment income | | 16,154 | 13 |
| Miscellaneous | | | |
| Total revenues | <u>27,832</u> | <u>25,869</u> | <u>83</u> |
| Expenditures: | | | |
| Current: | | | |
| General administration | | | |
| Judicial and legal | | | |
| Financial administration | 27,832 | 22,336 | |
| Elections | | | |
| Public safety | | | |
| Corrections | | | |
| Public transportation | | | |
| Health and welfare | | | |
| Culture and recreation | | | |
| Environmental protection | | | |
| Community development | | | |
| Capital outlay | | | |
| Debt Service: | | | |
| Principal | | | |
| Interest and fiscal charges | | | |
| Total expenditures | <u>27,832</u> | <u>22,336</u> | <u>-0-</u> |
| Excess (deficiency) of revenue over expenditures | <u>-0-</u> | <u>3,533</u> | <u>83</u> |
| Other Financing Sources (Uses): | | | |
| Sale of capital assets | | | |
| Issuance of general obligation bonds | | | |
| Bond premium | | | |
| Payment to escrow agent | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses) | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Net change in fund balances | -0- | 3,533 | 83 |
| Fund Balance (Deficits): | | | |
| Beginning of year | <u>-0-</u> | <u>70,425</u> | <u>837</u> |
| End of year | <u>\$ -0-</u> | <u>\$ 73,958</u> | <u>\$ 920</u> |

Revenue Funds

| Elections Services Contract Fund-38910 | Elections Equipment Rental Fund-38920 | Sheriff Contraband Forfeiture Fund-39100 | Brazoria County Narcotics Task Force Fund-39110 | Sheriff Commisary Fund-39120 | Sheriff Federal Forfeiture Fund-39130 |
|---|--|---|---|------------------------------------|--|
| \$ | \$ | \$ | \$ | \$ | \$ |
| 167,602 | 60,912 | | | 1,184,684 | 85,960 |
| 2,592 | 2,685 | 16,150 | 194,820 | 6,234 | 1,959 |
| | | 5,007 | 6,262 | 143 | |
| | | 7,869 | 203,889 | | |
| <u>170,194</u> | <u>63,597</u> | <u>29,026</u> | <u>404,971</u> | <u>1,191,061</u> | <u>87,919</u> |
| 151,251 | | 45,483 | 240,363 | 1,132,201 | 5,851 |
| | | 15,525 | | 88,858 | 155,013 |
| <u>151,251</u> | <u>-0-</u> | <u>61,008</u> | <u>240,363</u> | <u>1,221,059</u> | <u>160,864</u> |
| <u>18,943</u> | <u>63,597</u> | <u>(31,982)</u> | <u>164,608</u> | <u>(29,998)</u> | <u>(72,945)</u> |
| | | | | | 7,332 |
| | | 113,000 | (113,000) | | |
| <u>-0-</u> | <u>-0-</u> | <u>113,000</u> | <u>(113,000)</u> | <u>-0-</u> | <u>7,332</u> |
| 18,943 | 63,597 | 81,018 | 51,608 | (29,998) | (65,613) |
| <u>93,616</u> | <u>156,480</u> | <u>245,998</u> | <u>265,625</u> | <u>432,312</u> | <u>208,946</u> |
| <u>\$ 112,559</u> | <u>\$ 220,077</u> | <u>\$ 327,016</u> | <u>\$ 317,233</u> | <u>\$ 402,314</u> | <u>\$ 143,333</u> |

BRAZORIA COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2018

| | Juvenile Case Manager Fund-39200 | CSCD Bond Supervision Fund-39210 | Special Reliant Energy CARE/RELIEF Program Fund-39300 |
|--|---|---|--|
| Revenues: | | | |
| Taxes | \$ | \$ | \$ |
| Intergovernmental | | | 10,980 |
| Charges for services | 1,202 | 16,063 | |
| Licenses and permits | | | |
| Fines and forfeitures | | | |
| Investment income | | | |
| Miscellaneous | | | |
| Total revenues | <u>1,202</u> | <u>16,063</u> | <u>10,980</u> |
| Expenditures: | | | |
| Current: | | | |
| General administration | | | |
| Judicial and legal | | | |
| Financial administration | | | |
| Elections | | | |
| Public safety | | | |
| Corrections | | 29,055 | |
| Public transportation | | | |
| Health and welfare | | | 27,510 |
| Culture and recreation | | | |
| Environmental protection | | | |
| Community development | | | |
| Capital outlay | | | |
| Debt Service: | | | |
| Principal | | | |
| Interest and fiscal charges | | | |
| Total expenditures | <u>-0-</u> | <u>29,055</u> | <u>27,510</u> |
| Excess (deficiency) of revenue over expenditures | <u>1,202</u> | <u>(12,992)</u> | <u>(16,530)</u> |
| Other Financing Sources (Uses): | | | |
| Sale of capital assets | | | |
| Issuance of general obligation bonds | | | |
| Bond premium | | | |
| Payment to escrow agent | | | |
| Transfers in | | 40,000 | |
| Transfers out | | | |
| Total other financing sources (uses) | <u>-0-</u> | <u>40,000</u> | <u>-0-</u> |
| Net change in fund balances | 1,202 | 27,008 | (16,530) |
| Fund Balance (Deficits): | | | |
| Beginning of year | <u>7,054</u> | <u>18,318</u> | <u>50,232</u> |
| End of year | <u>\$ 8,256</u> | <u>\$ 45,326</u> | <u>\$ 33,702</u> |

Revenue Funds

| United Way Emergency Assistance Fund-39310 | SETH-SE Tx Housing Finance Corporation Fund-39390 | Book Sale Fund-39400 | Library Special Projects Fund-39410 | SEP Wastewater Environmental Health - TCEQ Fund-39500 | SEP Parks TCEQ Fund-39600 |
|--|---|----------------------------|--|---|------------------------------------|
| \$ | \$ | \$ | \$ | \$ | \$ |
| 34 | 30 | 141 | 3,379 | | |
| | | | 232,294 | | |
| <u>34</u> | <u>30</u> | <u>141</u> | <u>235,294</u> | <u>-0-</u> | <u>-0-</u> |
| 919 | 19,068 | | 192,863 | 9,710 | |
| | | | 12,220 | | |
| <u>919</u> | <u>19,068</u> | <u>-0-</u> | <u>205,083</u> | <u>9,710</u> | <u>-0-</u> |
| <u>(885)</u> | <u>(19,038)</u> | <u>141</u> | <u>30,590</u> | <u>(9,710)</u> | <u>-0-</u> |
| | | | | | 11,844 |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>11,844</u> |
| <u>(885)</u> | <u>(19,038)</u> | <u>141</u> | <u>30,590</u> | <u>(9,710)</u> | <u>11,844</u> |
| <u>2,618</u> | <u>19,295</u> | <u>9,235</u> | <u>244,967</u> | <u>(6,217)</u> | <u>-0-</u> |
| <u>\$ 1,733</u> | <u>\$ 257</u> | <u>\$ 9,376</u> | <u>\$ 275,557</u> | <u>\$(15,927)</u> | <u>\$ 11,844</u> |

BRAZORIA COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2018

| | Shoreline Restoration Task Force Fund-39620 | 2006 GoM Energy Security Fund-39630 | Special Law Library Fund-39800 |
|--|---|---|---|
| Revenues: | | | |
| Taxes | \$ | \$ | \$ |
| Intergovernmental | | | |
| Charges for services | | | 201,824 |
| Licenses and permits | | | |
| Fines and forfeitures | | | |
| Investment income | 568 | 5,458 | 4,332 |
| Miscellaneous | <u>30,000</u> | <u>662,730</u> | <u>10,682</u> |
| Total revenues | <u>30,568</u> | <u>668,188</u> | <u>216,838</u> |
| Expenditures: | | | |
| Current: | | | |
| General administration | | | |
| Judicial and legal | | | 292,367 |
| Financial administration | | | |
| Elections | | | |
| Public safety | | | |
| Corrections | | | |
| Public transportation | | | |
| Health and welfare | | | |
| Culture and recreation | 750 | | |
| Environmental protection | | | |
| Community development | | | |
| Capital outlay | | | |
| Debt Service: | | | |
| Principal | | | |
| Interest and fiscal charges | | | |
| Total expenditures | <u>750</u> | <u>-0-</u> | <u>292,367</u> |
| Excess (deficiency) of revenue over expenditures | <u>29,818</u> | <u>668,188</u> | <u>(75,529)</u> |
| Other Financing Sources (Uses): | | | |
| Sale of capital assets | | | |
| Issuance of general obligation bonds | | | |
| Bond premium | | | |
| Payment to escrow agent | | | |
| Transfers in | 7,500 | | 52,000 |
| Transfers out | | | |
| Total other financing sources (uses) | <u>7,500</u> | <u>-0-</u> | <u>52,000</u> |
| Net change in fund balances | 37,318 | 668,188 | (23,529) |
| Fund Balance (Deficits): | | | |
| Beginning of year | <u>5,359</u> | <u>7,144</u> | <u>305,632</u> |
| End of year | <u>\$ 42,677</u> | <u>\$ 675,332</u> | <u>\$ 282,103</u> |

| Revenue Funds | | Debt Service Funds | | | |
|--------------------------------------|-----------------------------|------------------------------------|---|---|---|
| Mosquito Control District Fund-39900 | Total Special Revenue Funds | 2012 GO Refunding I & S Fund-40000 | 2016 Limited Tax Refunding I & S Fund-41000 | 2012 Certificate of Obligation I & S Fund-42000 | 2018 Certificate of Obligation I & S Fund-42100 |
| \$ 849,146 | \$ 858,861 | \$ 450,521 | \$ 861,647 | \$ 2,353,348 | \$ |
| | 11,810,704 | | | | |
| | 3,703,237 | | | | |
| | 156,366 | | | | |
| | 332,627 | | | | |
| 46,622 | 198,357 | 1,619 | 11,854 | 6,250 | |
| 1,692 | 1,590,221 | | | | |
| <u>897,460</u> | <u>18,650,373</u> | <u>452,140</u> | <u>873,501</u> | <u>2,359,598</u> | <u>-0-</u> |
| | 1,840,172 | | | | |
| | 1,890,415 | | | | |
| | 57,827 | | | | |
| | 151,251 | | | | |
| | 317,359 | | | | |
| | 3,613,620 | | | | |
| | 1,295,880 | | | | |
| 2,821,931 | 8,801,128 | | | | |
| | 193,613 | | | | |
| | 107,980 | | | | |
| | 1,806,228 | | | | |
| 21,350 | 519,622 | | | | |
| | -0- | 945,000 | 580,000 | 1,185,000 | |
| | -0- | 14,175 | 262,650 | 1,086,650 | 175,711 |
| <u>2,843,281</u> | <u>20,595,095</u> | <u>959,175</u> | <u>842,650</u> | <u>2,271,650</u> | <u>175,711</u> |
| <u>(1,945,821)</u> | <u>(1,944,722)</u> | <u>(507,035)</u> | <u>30,851</u> | <u>87,948</u> | <u>(175,711)</u> |
| | 129,381 | | | | |
| | -0- | | | | |
| | -0- | | | | 185,819 |
| | -0- | | | | |
| | 1,610,492 | | | | |
| | (315,000) | | | | |
| <u>-0-</u> | <u>1,424,873</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>185,819</u> |
| <u>(1,945,821)</u> | <u>(519,849)</u> | <u>(507,035)</u> | <u>30,851</u> | <u>87,948</u> | <u>10,108</u> |
| <u>4,157,491</u> | <u>12,061,808</u> | <u>533,261</u> | <u>689,373</u> | <u>52,930</u> | |
| <u>\$ 2,211,670</u> | <u>\$ 11,541,959</u> | <u>\$ 26,226</u> | <u>\$ 720,224</u> | <u>\$ 140,878</u> | <u>\$ 10,108</u> |

BRAZORIA COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2018

| | Tax Notes Series 2013 I & S <u>Fund-43000</u> | Toll Road I & S <u>Fund-44000</u> | Debt Road Bonds Series Mobility I & S <u>Fund-45000</u> |
|--|---|--|--|
| Revenues: | | | |
| Taxes | \$ 2,017,680 | \$ 2,028,469 | \$ 1,700,393 |
| Intergovernmental | | | |
| Charges for services | | | |
| Licenses and permits | | | |
| Fines and forfeitures | | | |
| Investment income | 1,073 | 1,577 | 43,040 |
| Miscellaneous | | | |
| Total revenues | <u>2,018,753</u> | <u>2,030,046</u> | <u>1,743,433</u> |
| Expenditures: | | | |
| Current: | | | |
| General administration | | | |
| Judicial and legal | | | |
| Financial administration | | | |
| Elections | | | |
| Public safety | | | |
| Corrections | | | |
| Public transportation | | | |
| Health and welfare | | | |
| Culture and recreation | | | |
| Environmental protection | | | |
| Community development | | | |
| Capital outlay | | | |
| Debt Service: | | | |
| Principal | 1,830,000 | | 2,105,000 |
| Interest and fiscal charges | <u>104,832</u> | | <u>771,018</u> |
| Total expenditures | <u>1,934,832</u> | <u>-0-</u> | <u>2,876,018</u> |
| Excess (deficiency) of revenue over expenditures | <u>83,921</u> | <u>2,030,046</u> | <u>(1,132,585)</u> |
| Other Financing Sources (Uses): | | | |
| Sale of capital assets | | | |
| Issuance of general obligation bonds | | | 4,415,000 |
| Bond premium | | | 538,339 |
| Payment to escrow agent | | | (4,922,508) |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses) | <u>-0-</u> | <u>-0-</u> | <u>30,831</u> |
| Net change in fund balances | 83,821 | 2,030,046 | (1,101,754) |
| Fund Balance (Deficits): | | | |
| Beginning of year | <u>53,852</u> | <u>5,024,351</u> | <u>3,410,330</u> |
| End of year | <u>\$ 137,773</u> | <u>\$ 7,054,397</u> | <u>\$ 2,308,576</u> |

| Service Funds | | Capital Projects Funds | | | |
|---|-----------------------------------|---|---|---|---|
| Mobility Build America I & S Fund-45100 | Total Debt Service Funds | USTREAS Restore Act Projects Fund-34850 | DOI Parks CIAP Grant Fund-34860 | TXDOT SH 288 Truck Weigh Station Fund-34880 | TXDOT CR-59 CSJ 305 Fund-34882 |
| \$ 363,863 | \$ 9,775,921 | \$ | \$ | \$ | \$ |
| 238,073 | 238,073 | | | 606,330 | |
| | -0- | | | | |
| | -0- | | | | |
| | -0- | | | | |
| | 65,413 | | | | |
| | -0- | | | | |
| <u>601,936</u> | <u>10,079,407</u> | <u>-0-</u> | <u>-0-</u> | <u>606,330</u> | <u>-0-</u> |
| | -0- | | | | |
| | -0- | | | | |
| | -0- | | | | |
| | -0- | | | | |
| | -0- | | | | |
| | -0- | | | | |
| | -0- | | | | |
| | -0- | | | | 100,171 |
| | -0- | | | | |
| | -0- | | | | |
| | 6,645,000 | | | | |
| <u>728,274</u> | <u>3,143,310</u> | | | | |
| <u>728,274</u> | <u>9,788,310</u> | <u>71,760</u> | <u>-0-</u> | <u>757,913</u> | <u>100,171</u> |
| <u>(126,338)</u> | <u>291,097</u> | <u>(71,760)</u> | <u>-0-</u> | <u>(151,583)</u> | <u>(100,171)</u> |
| | -0- | | | | |
| | 4,415,000 | | | | |
| | 724,158 | | | | |
| | (4,922,508) | | | | |
| | -0- | | | | |
| | -0- | | | | |
| <u>-0-</u> | <u>216,650</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>(126,338)</u> | <u>507,747</u> | <u>(71,760)</u> | <u>-0-</u> | <u>(151,583)</u> | <u>(100,171)</u> |
| <u>126,338</u> | <u>9,890,435</u> | <u>(82,640)</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>\$ -0-</u> | <u>\$ 10,398,182</u> | <u>\$(154,400)</u> | <u>\$ -0-</u> | <u>\$(151,583)</u> | <u>\$(100,171)</u> |

BRAZORIA COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2018

| | Capital | | |
|--|--|---|---|
| | USDA NRCS Oyster Creek Ditch 10 Fund-34890 | 2012 Certificate of Obligation C & M Fund-52000 | 2018 Certificate of obligation C & M Fund-52100 |
| Revenues: | | | |
| Taxes | \$ | \$ | \$ |
| Intergovernmental | 3,050 | | |
| Charges for services | | | |
| Licenses and permits | | | |
| Fines and forfeitures | | | |
| Investment income | | 22,391 | 18,154 |
| Miscellaneous | | | |
| Total revenues | <u>3,050</u> | <u>22,391</u> | <u>18,154</u> |
| Expenditures: | | | |
| Current: | | | |
| General administration | | | |
| Judicial and legal | | | |
| Financial administration | | | |
| Elections | | | |
| Public safety | | | |
| Corrections | | | |
| Public transportation | | | |
| Health and welfare | | | |
| Culture and recreation | | | |
| Environmental protection | | | |
| Community development | | | |
| Capital outlay | 21,450 | 687,125 | 825,561 |
| Debt Service: | | | |
| Principal | | | |
| Interest and fiscal charges | | | |
| Total expenditures | <u>21,450</u> | <u>687,125</u> | <u>825,561</u> |
| Excess (deficiency) of revenue over expenditures | <u>(18,400)</u> | <u>(664,734)</u> | <u>(807,407)</u> |
| Other Financing Sources (Uses): | | | |
| Sale of capital assets | | | |
| Issuance of general obligation bonds | | | 8,120,000 |
| Bond premium | | | 605,000 |
| Payment to escrow agent | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses) | <u>-0-</u> | <u>-0-</u> | <u>8,725,000</u> |
| Net change in fund balances | <u>(18,400)</u> | <u>(664,734)</u> | <u>7,917,593</u> |
| Fund Balance (Deficits): | | | |
| Beginning of year | | <u>1,518,887</u> | |
| End of year | <u>\$(18,400)</u> | <u>\$ 854,153</u> | <u>\$ 7,917,593</u> |

Projects Funds

| 2013 Tax Note C & M Fund-53000 | Mobility Plan C & M Fund-55000 | Highway 6 Right-of-Way Acquisition C & M Fund-57000 | Ring of Honor C & M Fund-57200 | Total Capital Projects Funds | Total Non-Major Governmental Funds |
|---|---|---|--|---------------------------------------|---|
| \$ | \$ | \$ | \$ | \$ -0- | \$ 10,634,782 |
| | | | | 609,380 | 12,658,157 |
| | | | | -0- | 3,703,237 |
| | | | | -0- | 156,366 |
| | | | | -0- | 332,627 |
| 40 | 9,325 | | 682 | 50,592 | 314,362 |
| | | | 5,110 | 5,110 | 1,595,331 |
| 40 | 9,325 | -0- | 5,792 | 665,082 | 29,394,862 |
| | | | | -0- | 1,840,172 |
| | | | | -0- | 1,890,415 |
| | | | | -0- | 57,827 |
| | | | | -0- | 151,251 |
| | | | | -0- | 317,359 |
| | | | | -0- | 3,613,620 |
| | 90,743 | | | 190,914 | 1,486,794 |
| | | | | -0- | 8,801,128 |
| | | | | -0- | 193,613 |
| | | | | -0- | 107,980 |
| | | | | -0- | 1,806,228 |
| | | | | 2,363,809 | 2,883,431 |
| | | | | -0- | 6,645,000 |
| | | | | -0- | 3,143,310 |
| -0- | 90,743 | -0- | -0- | 2,554,723 | 32,938,128 |
| 40 | (81,418) | -0- | 5,792 | (1,889,641) | (3,543,266) |
| | | | | -0- | 129,381 |
| | | | | 8,120,000 | 12,535,000 |
| | | | | 605,000 | 1,329,158 |
| | | | | -0- | (4,922,508) |
| | | | | -0- | 1,610,492 |
| | | | | -0- | (315,000) |
| -0- | -0- | -0- | -0- | 8,725,000 | 10,366,523 |
| 40 | (81,418) | | 5,792 | 6,835,359 | 6,823,257 |
| 2,234 | 1,386,324 | 109 | 41,326 | 2,866,240 | 24,818,483 |
| \$ 2,274 | \$ 1,304,906 | \$ 109 | \$ 47,118 | \$ 9,701,599 | \$ 31,641,740 |



BRAZORIA COUNTY, TEXAS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND**

For the Year Ended September 30, 2018

Exhibit 17
Page 1 of 9

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|------------|-------------------|---|
| | Original | Final | | |
| General Administration: | | | | |
| County Judge: | | | | |
| Salaries and wages, and employee benefits | \$ 690,277 | \$ 690,277 | \$ 672,831 | \$ 17,446 |
| Operating expenditures | 64,150 | 61,150 | 20,081 | 41,069 |
| Total County Judge | 754,427 | 751,427 | 692,912 | 58,515 |
| South Service Center: | | | | |
| Salaries and wages, and employee benefits | 434,340 | 444,340 | 436,070 | 8,270 |
| Operating expenditures | 16,375 | 16,375 | 10,795 | 5,580 |
| Total South Service Center | 450,715 | 460,715 | 446,865 | 13,850 |
| Central Service Center: | | | | |
| Salaries and wages, and employee benefits | 402,423 | 404,423 | 399,592 | 4,831 |
| Operating expenditures | 14,450 | 14,450 | 3,654 | 10,796 |
| Total Central Service Center | 416,873 | 418,873 | 403,246 | 15,627 |
| North Service Center: | | | | |
| Salaries and wages, and employee benefits | 419,613 | 424,613 | 418,823 | 5,790 |
| Operating expenditures | 22,900 | 22,900 | 10,007 | 12,893 |
| Total North Service Center | 442,513 | 447,513 | 428,830 | 18,683 |
| West Service Center: | | | | |
| Salaries and wages, and employee benefits | 428,024 | 436,024 | 430,626 | 5,398 |
| Operating expenditures | 22,100 | 22,100 | 7,114 | 14,986 |
| Capital outlay | 35,000 | 35,000 | 34,322 | 678 |
| Total West Service Center | 485,124 | 493,124 | 472,062 | 21,062 |
| County Clerk: | | | | |
| Salaries and wages, and employee benefits | 2,877,454 | 2,877,454 | 2,774,919 | 102,535 |
| Operating expenditures | 53,900 | 55,575 | 50,084 | 5,491 |
| Total County Clerk | 2,931,354 | 2,933,029 | 2,825,003 | 108,026 |
| Veteran's Service: | | | | |
| Salaries and wages, and employee benefits | 199,925 | 203,925 | 200,184 | 3,741 |
| Operating expenditures | 7,536 | 7,536 | 5,932 | 1,604 |
| Total veteran's service | 207,461 | 211,461 | 206,116 | 5,345 |

(continued)

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**
For the Year Ended September 30, 2018

Exhibit 17
Page 2 of 9

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|------------|-------------------|---|
| | Original | Final | | |
| General Administration - Continued: | | | | |
| Emergency Management: | | | | |
| Salaries and wages, and employee benefits | \$ 259,771 | \$ 259,771 | \$ 224,693 | \$ 35,078 |
| Operating expenditures | 76,604 | 68,712 | 53,376 | 15,336 |
| Total emergency management | 336,375 | 328,483 | 278,069 | 50,414 |
| Non-departmental: | | | | |
| Salaries and wages, and employee benefits | | 3,183,064 | 3,183,064 | |
| Operating expenditures | 5,119,877 | 4,165,877 | 3,569,694 | 596,183 |
| Total non-departmental | 5,119,877 | 7,348,941 | 6,752,758 | 596,183 |
| Total general administration | 11,144,719 | 13,393,566 | 12,505,861 | 887,705 |
| Judicial and Legal: | | | | |
| County Court at Law 1: | | | | |
| Salaries and wages, and employee benefits | 433,041 | 438,041 | 433,042 | 4,999 |
| Operating expenditures | 196,200 | 196,242 | 94,753 | 101,489 |
| Total County Court at Law 1 | 629,241 | 634,283 | 527,795 | 106,488 |
| County Court at Law 2: | | | | |
| Salaries and wages, and employee benefits | 433,114 | 437,114 | 431,812 | 5,302 |
| Operating expenditures | 206,000 | 206,243 | 202,494 | 3,749 |
| Total County Court at Law 2 | 639,114 | 643,357 | 634,306 | 9,051 |
| County Court at Law 3: | | | | |
| Salaries and wages, and employee benefits | 411,317 | 413,317 | 409,095 | 4,222 |
| Operating expenditures | 189,059 | 224,059 | 222,219 | 1,840 |
| Total County Court at Law 3 | 600,376 | 637,376 | 631,314 | 6,062 |
| County Court at Law 4: | | | | |
| Salaries and wages, and employee benefits | 431,796 | 438,796 | 433,401 | 5,395 |
| Operating expenditures | 219,200 | 219,200 | 183,362 | 35,838 |
| Total County Court at Law 4 | 650,996 | 657,996 | 616,763 | 41,233 |
| Probate Court Investigations: | | | | |
| Salaries and wages, and employee benefits | 150,355 | 154,355 | 150,483 | 3,872 |
| Operating expenditures | 11,022 | 15,739 | 9,269 | 6,470 |
| Total probate court investigations | 161,377 | 170,094 | 159,752 | 10,342 |
| District Courts: | | | | |
| Salaries and wages, and employee benefits | 1,643,064 | 1,643,064 | 1,593,145 | 49,919 |
| Operating expenditures | 1,785,805 | 1,936,165 | 1,895,377 | 40,788 |
| Total district courts | 3,428,869 | 3,579,229 | 3,488,522 | 90,707 |

(continued)

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**
For the Year Ended September 30, 2018

Exhibit 17
Page 3 of 9

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|--------------|-------------------|---|
| | Original | Final | | |
| Judicial and Legal - Continued: | | | | |
| District Clerk: | | | | |
| Salaries and wages, and employee benefits | \$ 2,722,930 | \$ 2,772,930 | \$ 2,728,232 | \$ 44,698 |
| Operating expenditures | 78,147 | 79,873 | 61,067 | 18,806 |
| Total District Clerk | 2,801,077 | 2,852,803 | 2,789,299 | 63,504 |
| Justice of the Peace Pct. 1, Pl. 1: | | | | |
| Salaries and wages, and employee benefits | 489,995 | 489,995 | 467,788 | 22,207 |
| Operating expenditures | 11,933 | 12,378 | 5,716 | 6,662 |
| Total Justice of the Peace Pct. 1, Pl. 1 | 501,928 | 502,373 | 473,504 | 28,869 |
| Justice of the Peace Pct. 1, Pl. 2: | | | | |
| Salaries and wages, and employee benefits | 451,485 | 458,485 | 451,097 | 7,388 |
| Operating expenditures | 11,300 | 11,454 | 6,171 | 5,283 |
| Total Justice of the Peace Pct. 1, Pl. 2 | 462,785 | 469,939 | 457,268 | 12,671 |
| Justice of the Peace Pct. 2, Pl. 1: | | | | |
| Salaries and wages, and employee benefits | 492,897 | 502,897 | 487,779 | 15,118 |
| Operating expenditures | 13,200 | 13,200 | 4,994 | 8,206 |
| Total Justice of the Peace Pct. 2, Pl. 1 | 506,097 | 516,097 | 492,773 | 23,324 |
| Justice of the Peace Pct. 2, Pl. 2: | | | | |
| Salaries and wages, and employee benefits | 500,514 | 505,514 | 493,715 | 11,799 |
| Operating expenditures | 19,050 | 19,050 | 8,278 | 10,772 |
| Total Justice of the Peace Pct. 2, Pl. 2 | 519,564 | 524,564 | 501,993 | 22,571 |
| Justice of the Peace Pct. 3, Pl. 1: | | | | |
| Salaries and wages, and employee benefits | 439,307 | 447,307 | 439,670 | 7,637 |
| Operating expenditures | 36,850 | 36,850 | 24,751 | 12,099 |
| Total Justice of the Peace Pct. 3, Pl. 1 | 476,157 | 484,157 | 464,421 | 19,736 |
| Justice of the Peace Pct. 3, Pl. 2: | | | | |
| Salaries and wages, and employee benefits | 346,890 | 346,890 | 330,709 | 16,181 |
| Operating expenditures | 13,750 | 13,750 | 7,134 | 6,616 |
| Total Justice of the Peace Pct. 3, Pl. 2 | 360,640 | 360,640 | 337,843 | 22,797 |
| Justice of the Peace Pct. 4, Pl. 1: | | | | |
| Salaries and wages, and employee benefits | 438,306 | 440,306 | 433,981 | 6,325 |
| Operating expenditures | 15,350 | 15,479 | 9,730 | 5,749 |
| Total Justice of the Peace Pct. 4, Pl. 1 | 453,656 | 455,785 | 443,711 | 12,074 |

(continued)

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**
For the Year Ended September 30, 2018

Exhibit 17
Page 4 of 9

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Judicial and Legal - Continued: | | | | |
| Justice of the Peace Pct. 4, Pl. 2: | | | | |
| Salaries and wages, and employee benefits | \$ 578,126 | \$ 578,126 | \$ 555,255 | \$ 22,871 |
| Operating expenditures | <u>22,350</u> | <u>22,350</u> | <u>11,521</u> | <u>10,829</u> |
| Total Justice of the Peace Pct. 4, Pl. 2 | <u>600,476</u> | <u>600,476</u> | <u>566,776</u> | <u>33,700</u> |
| District Attorney: | | | | |
| Salaries and wages, and employee benefits | 6,986,924 | 6,986,924 | 6,862,449 | 124,475 |
| Operating expenditures | <u>125,064</u> | <u>125,958</u> | <u>117,605</u> | <u>8,353</u> |
| Total District Attorney | <u>7,111,988</u> | <u>7,112,882</u> | <u>6,980,054</u> | <u>132,828</u> |
| Judicial Miscellaneous: | | | | |
| Salaries and wages, and employee benefits | 306,513 | 306,513 | 274,103 | 32,410 |
| Operating expenditures | <u>1,810,000</u> | <u>2,260,000</u> | <u>2,306,336</u> | <u>(46,336)</u> |
| Total judicial miscellaneous | <u>2,116,513</u> | <u>2,566,513</u> | <u>2,580,439</u> | <u>(13,926)</u> |
| Indigent Defense: | | | | |
| Salaries and wages, and employee benefits | 141,392 | 148,392 | 144,131 | 4,261 |
| Operating expenditures | <u>5,571</u> | <u>5,571</u> | <u>3,331</u> | <u>2,240</u> |
| Total indigent defense | <u>146,963</u> | <u>153,963</u> | <u>147,462</u> | <u>6,501</u> |
| Bail Bond Board: | | | | |
| Salaries and wages, and employee benefits | 137,835 | 140,835 | 137,884 | 2,951 |
| Operating expenditures | <u>5,500</u> | <u>5,500</u> | <u>1,453</u> | <u>4,047</u> |
| Total bail bond board | <u>143,335</u> | <u>146,335</u> | <u>139,337</u> | <u>6,998</u> |
| Total judicial and legal | <u>22,311,152</u> | <u>23,068,862</u> | <u>22,433,332</u> | <u>635,530</u> |
| Financial Administration: | | | | |
| County Auditor: | | | | |
| Salaries and wages, and employee benefits | 1,816,878 | 1,816,878 | 1,749,907 | 66,971 |
| Operating expenditures | <u>18,915</u> | <u>18,927</u> | <u>11,971</u> | <u>6,956</u> |
| Total county auditor | <u>1,835,793</u> | <u>1,835,805</u> | <u>1,761,878</u> | <u>73,927</u> |
| Purchasing: | | | | |
| Salaries and wages, and employee benefits | 658,605 | 667,105 | 658,249 | 8,856 |
| Operating expenditures | <u>22,585</u> | <u>25,585</u> | <u>23,445</u> | <u>2,140</u> |
| Total purchasing | <u>681,190</u> | <u>692,690</u> | <u>681,694</u> | <u>10,996</u> |
| County Treasurer: | | | | |
| Salaries and wages, and employee benefits | 343,970 | 348,970 | 344,317 | 4,653 |
| Operating expenditures | <u>155,276</u> | <u>155,296</u> | <u>130,069</u> | <u>25,227</u> |
| Total County Treasurer | <u>499,246</u> | <u>504,266</u> | <u>474,386</u> | <u>29,880</u> |

(continued)

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**
For the Year Ended September 30, 2018

Exhibit 17
Page 5 of 9

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Financial Administration - Continued: | | | | |
| Human Resources: | | | | |
| Salaries and wages, and employee benefits | \$ 649,096 | \$ 649,096 | \$ 622,739 | \$ 26,357 |
| Operating expenditures | 58,300 | 59,349 | 41,406 | 17,943 |
| Total human resources | <u>707,396</u> | <u>708,445</u> | <u>664,145</u> | <u>44,300</u> |
| Tax Assessor-Collector: | | | | |
| Salaries and wages, and employee benefits | 3,478,291 | 3,478,291 | 3,355,980 | 122,311 |
| Operating expenditures | 510,552 | 510,592 | 451,580 | 59,012 |
| Capital outlay | 25,000 | 25,000 | 22,000 | 3,000 |
| Total Tax Assessor-Collector | <u>4,013,843</u> | <u>4,013,883</u> | <u>3,829,560</u> | <u>184,323</u> |
| Information Systems: | | | | |
| Salaries and wages, and employee benefits | 2,766,807 | 2,792,807 | 2,761,881 | 30,926 |
| Operating expenditures | 5,519,939 | 6,082,088 | 4,857,623 | 1,224,465 |
| Capital outlay | 859,378 | 1,201,702 | 1,028,031 | 173,671 |
| Total information systems | <u>9,146,124</u> | <u>10,076,597</u> | <u>8,647,535</u> | <u>1,429,062</u> |
| Appraisal District Assessment: | | | | |
| Operating expenditures | 850,000 | 850,000 | 817,884 | 32,116 |
| Total appraisal district assessment | <u>850,000</u> | <u>850,000</u> | <u>817,884</u> | <u>32,116</u> |
| Total financial administration | <u>17,733,592</u> | <u>18,681,686</u> | <u>16,877,082</u> | <u>1,804,604</u> |
| Elections: | | | | |
| Salaries and wages, and employee benefits | 209,210 | 209,210 | 152,788 | 56,422 |
| Operating expenditures | 256,350 | 256,568 | 76,269 | 180,299 |
| Capital outlay | | 36,894 | 36,894 | |
| Total elections | <u>465,560</u> | <u>502,672</u> | <u>265,951</u> | <u>236,721</u> |
| Public Facilities: | | | | |
| Courthouses and Associated Buildings: | | | | |
| Salaries and wages, and employee benefits | 2,024,413 | 2,024,413 | 1,968,149 | 56,264 |
| Operating expenditures | 2,123,951 | 2,130,932 | 1,658,766 | 472,166 |
| Capital outlay | 460,000 | 525,952 | 219,355 | 306,597 |
| Total courthouses and associated buildings | <u>4,608,364</u> | <u>4,681,297</u> | <u>3,846,270</u> | <u>835,027</u> |
| Property Insurance: | | | | |
| Operating expenditures | 1,000,000 | 1,000,000 | 841,600 | 158,400 |
| Total property insurance | <u>1,000,000</u> | <u>1,000,000</u> | <u>841,600</u> | <u>158,400</u> |
| Total public facilities | <u>5,608,364</u> | <u>5,681,297</u> | <u>4,687,870</u> | <u>993,427</u> |

(continued)

BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**

For the Year Ended September 30, 2018

Exhibit 17
Page 7 of 9

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|------------|-------------------|---|
| | Original | Final | | |
| Public Safety - Continued: | | | | |
| Ambulance EMS: | | | | |
| Operating expenditures | \$ 96,000 | \$ 96,000 | \$ 96,000 | \$ -0- |
| Total ambulance EMS | 96,000 | 96,000 | 96,000 | -0- |
| Fire Protection: | | | | |
| Salaries and wages, and employee benefits | 62,790 | 81,790 | 77,525 | 4,265 |
| Operating expenditures | 566,000 | 576,000 | 568,281 | 7,719 |
| Total fire protection | 628,790 | 657,790 | 645,806 | 11,984 |
| Total public safety | 26,978,577 | 27,334,290 | 24,547,164 | 2,787,126 |
| Corrections: | | | | |
| Detention Center: | | | | |
| Salaries and wages, and employee benefits | 13,002,920 | 13,257,920 | 13,199,968 | 57,952 |
| Operating expenditures | 5,389,542 | 5,589,542 | 5,359,658 | 229,884 |
| Capital outlay | 248,229 | 248,229 | 179,219 | 69,010 |
| Total detention center | 18,640,691 | 19,095,691 | 18,738,845 | 356,846 |
| Juvenile Probation: | | | | |
| Salaries and wages, and employee benefits | 7,461,225 | 7,461,225 | 6,941,199 | 520,026 |
| Operating expenditures | 1,130,613 | 1,201,007 | 452,600 | 748,407 |
| Capital outlay | 50,000 | 69,560 | 68,915 | 645 |
| Total juvenile probation | 8,641,838 | 8,731,792 | 7,462,714 | 1,269,078 |
| Adult Probation: | | | | |
| Operating expenditures | 57,950 | 58,438 | 48,900 | 9,538 |
| Total adult probation | 57,950 | 58,438 | 48,900 | 9,538 |
| Total corrections | 27,340,119 | 27,885,921 | 26,250,459 | 1,635,462 |
| Health and Welfare: | | | | |
| Health Department: | | | | |
| Salaries and wages, and employee benefits | 1,037,037 | 1,037,037 | 958,032 | 79,005 |
| Operating expenditures | 91,900 | 92,294 | 59,017 | 33,277 |
| Capital outlay | | | 2,277 | (2,277) |
| Total health department | 1,128,937 | 1,129,331 | 1,019,326 | 110,005 |
| Environmental Health: | | | | |
| Salaries and wages, and employee benefits | 1,059,673 | 1,239,673 | 1,196,287 | 43,386 |
| Other charges | 66,352 | 66,436 | 36,171 | 30,265 |
| Total environmental health | 1,126,025 | 1,306,109 | 1,232,458 | 73,651 |

(continued)

BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**

For the Year Ended September 30, 2018

Exhibit 17
Page 8 of 9

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|------------|-------------------|---|
| | Original | Final | | |
| Health and Welfare - Continued: | | | | |
| Child Protective Services: | | | | |
| Operating expenditures | \$ 119,870 | \$ 150,280 | \$ 95,324 | \$ 54,956 |
| Total child protective services | 119,870 | 150,280 | 95,324 | 54,956 |
| Water Lab: | | | | |
| Salaries and wages, and employee benefits | 196,437 | 204,437 | 199,072 | 5,365 |
| Operating expenditures | 57,650 | 58,045 | 42,543 | 15,502 |
| Total water lab | 254,087 | 262,482 | 241,615 | 20,867 |
| County Welfare: | | | | |
| Salaries and wages, and employee benefits | 152,622 | 152,622 | 122,231 | 30,391 |
| Operating expenditures | 13,400 | 13,400 | 2,235 | 11,165 |
| Total county welfare | 166,022 | 166,022 | 124,466 | 41,556 |
| Indigent Health Care: | | | | |
| Salaries and wages, and employee benefits | 123,645 | 123,645 | 113,267 | 10,378 |
| Operating expenditures | 3,102,139 | 3,103,313 | 1,389,022 | 1,714,291 |
| Total indigent health care | 3,225,784 | 3,226,958 | 1,502,289 | 1,724,669 |
| Total health and welfare | 6,020,725 | 6,241,182 | 4,215,478 | 2,025,704 |
| Public Assistance: | | | | |
| Mental Health-Mental Retardation: | | | | |
| Operating expenditures | 270,000 | 327,000 | 327,000 | -0- |
| Total mental health-mental retardation | 270,000 | 327,000 | 327,000 | -0- |
| Actions, Inc.: | | | | |
| Operating expenditures | 50,000 | 50,000 | 50,000 | -0- |
| Total Actions, Inc. | 50,000 | 50,000 | 50,000 | -0- |
| Brazoria County Marine Protection: | | | | |
| Operating expenditures | 12,000 | 12,000 | 12,000 | -0- |
| Total Brazoria County marine protection | 12,000 | 12,000 | 12,000 | -0- |
| Helpline: | | | | |
| Operating expenditures | 14,000 | 14,000 | 14,000 | -0- |
| Total helpline | 14,000 | 14,000 | 14,000 | -0- |
| Total public assistance | 346,000 | 403,000 | 403,000 | -0- |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND**

For the Year Ended September 30, 2018

Exhibit 17
Page 9 of 9

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|----------------|-------------------|---|
| | Original | Final | | |
| Culture and Recreation: | | | | |
| Library: | | | | |
| Salaries and wages, and employee benefits | \$ 5,693,461 | \$ 5,693,461 | \$ 5,545,321 | \$ 148,140 |
| Operating expenditures | 1,862,983 | 1,814,296 | 1,735,315 | 78,981 |
| Capital outlay | 87,100 | 58,350 | 58,350 | |
| Total library | 7,643,544 | 7,566,107 | 7,338,986 | 227,121 |
| Parks and Recreation: | | | | |
| Salaries and wages, and employee benefits | 2,839,300 | 2,839,300 | 2,727,303 | 111,997 |
| Operating expenditures | 1,127,600 | 1,056,010 | 824,194 | 231,816 |
| Capital outlay | 916,700 | 1,242,429 | 517,732 | 724,697 |
| Total parks and recreation | 4,883,600 | 5,137,739 | 4,069,229 | 1,068,510 |
| Fairgrounds: | | | | |
| Salaries and wages, and employee benefits | 89,720 | 91,220 | 89,425 | 1,795 |
| Operating expenditures | 155,000 | 155,000 | 104,938 | 50,062 |
| Capital outlay | 300,000 | 339,800 | 230,780 | 109,020 |
| Total fairgrounds | 544,720 | 586,020 | 425,143 | 160,877 |
| Museum Supplement: | | | | |
| Salaries and wages, and employee benefits | 602,725 | 610,725 | 603,481 | 7,244 |
| Operating expenditures | 16,935 | 17,487 | 15,177 | 2,310 |
| Capital outlay | 319,539 | 467,944 | 167,292 | 300,652 |
| Total museum supplement | 939,199 | 1,096,156 | 785,950 | 310,206 |
| Total culture and recreation | 14,011,063 | 14,386,022 | 12,619,308 | 1,766,714 |
| Conservation: | | | | |
| Agriculture Extension: | | | | |
| Salaries and wages, and employee benefits | 457,130 | 457,130 | 391,609 | 65,521 |
| Operating expenditures | 58,600 | 61,693 | 45,222 | 16,471 |
| Capital outlay | 40,000 | 40,000 | 32,080 | 7,920 |
| Total agriculture extension | 555,730 | 558,823 | 468,911 | 89,912 |
| Total conservation | 555,730 | 558,823 | 468,911 | 89,912 |
| Environmental protection: | | | | |
| Flood Plain Administrator: | | | | |
| Salaries and wages, and employee benefits | 203,248 | 253,248 | 242,897 | 10,351 |
| Operating expenditures | 14,362 | 14,362 | 8,625 | 5,737 |
| Total flood plain administrator | 217,610 | 267,610 | 251,522 | 16,088 |
| Total environmental protection | 217,610 | 267,610 | 251,522 | 16,088 |
| Total current expenditures | \$ 132,733,211 | \$ 138,404,931 | \$ 125,525,938 | \$ 12,878,993 |



BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT
AND LEGAL LEVEL OF BUDGETARY CONTROL - MAJOR SPECIAL REVENUE FUND
(ROAD AND BRIDGE FUND)**

Exhibit 18

For the Year Ended September 30, 2018

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| Public Transportation: | | | | |
| Engineers Office: | | | | |
| Salaries and wages, and employee benefits | \$ 14,519,487 | \$ 12,736,236 | \$ 12,055,524 | \$ 680,712 |
| Operating expenditures | <u>32,590,669</u> | <u>11,064,518</u> | <u>7,340,730</u> | <u>3,723,788</u> |
| Total public transportation | 47,110,156 | 23,800,754 | 19,396,254 | 4,404,500 |
| Capital outlay | <u>5,986,500</u> | <u>30,920,395</u> | <u>16,222,891</u> | <u>14,697,504</u> |
| Total expenditures | <u>\$ 53,096,656</u> | <u>\$ 54,721,149</u> | <u>\$ 35,619,145</u> | <u>\$ 19,102,004</u> |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | Emergency Management Fire Code Fund (38000) | | | |
|---|---|---------------------|--------------------|---|
| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ | \$ | \$ | \$ -0- |
| Licenses and permits | 80,000 | 105,000 | 156,366 | 51,366 |
| Investment income | | | | -0- |
| Total revenues | <u>80,000</u> | <u>105,000</u> | <u>156,366</u> | <u>51,366</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Administration: | | | | |
| Salaries and wages, and employee benefits | 273,732 | 478,732 | 275,252 | 203,480 |
| Operating expenditures | 45,570 | 60,570 | 32,232 | 28,338 |
| Capital outlay | <u>134,000</u> | <u>134,000</u> | <u>24,520</u> | <u>109,480</u> |
| Total general administration | <u>453,302</u> | <u>673,302</u> | <u>332,004</u> | <u>341,298</u> |
| Excess (deficiency) of revenues over expenditures | <u>(373,302)</u> | <u>(568,302)</u> | <u>(175,638)</u> | <u>392,664</u> |
| Other Financing Sources (Uses): | | | | |
| Transfer in | 120,000 | 120,000 | 120,000 | -0- |
| Transfer out | | | | -0- |
| Total other financing sources (uses) | <u>120,000</u> | <u>120,000</u> | <u>120,000</u> | <u>-0-</u> |
| Net change in fund balances | <u>(253,302)</u> | <u>(448,302)</u> | <u>(55,638)</u> | <u>392,664</u> |
| Fund balances – beginning | <u>29,237</u> | <u>29,237</u> | <u>29,237</u> | <u>-0-</u> |
| Fund balances – ending | <u>\$(224,065)</u> | <u>\$(419,065)</u> | <u>\$(26,401)</u> | <u>\$ 392,664</u> |

| Vital Statistics Fee Fund (38100) | | | |
|-----------------------------------|------------------|------------------|---|
| Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | |
| \$ | \$ 13,000 | \$ 14,017 | \$ 1,017 |
| | | | -0- |
| | | <u>368</u> | <u>368</u> |
| | <u>-0-</u> | <u>14,385</u> | <u>1,385</u> |
| | | | -0- |
| | <u>3,500</u> | <u>1,654</u> | <u>(1,846)</u> |
| | | | -0- |
| | <u>-0-</u> | <u>3,500</u> | <u>(1,846)</u> |
| | <u>-0-</u> | <u>9,500</u> | <u>(461)</u> |
| | | | -0- |
| | <u>-0-</u> | | <u>-0-</u> |
| | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| | <u>-0-</u> | <u>12,731</u> | <u>(461)</u> |
| | <u>20,773</u> | <u>20,773</u> | <u>-0-</u> |
| \$ | \$ <u>20,773</u> | \$ <u>33,504</u> | <u>(461)</u> |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | Records Management County Clerk Fund (38110) | | | Variance with Final Budget Positive (Negative) |
|---|--|--------------|--------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ | \$ 700,000 | \$ 746,749 | \$ 46,749 |
| Investment income | | | 40,407 | 40,407 |
| Total revenues | -0- | 700,000 | 787,156 | 87,156 |
| Expenditures: | | | | |
| Current: | | | | |
| General Administration: | | | | |
| Salaries and wages, and employee benefits | | 25,000 | 25,474 | (474) |
| Operating expenditures | | 798,821 | 302,490 | 496,331 |
| Total general administration | -0- | 823,821 | 327,964 | 495,857 |
| Excess (deficiency) of revenues over expenditures | -0- | (123,821) | 459,192 | 583,013 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | | | | |
| Transfers out | | | | -0- |
| Total other financing sources (uses) | -0- | -0- | -0- | -0- |
| Net change in fund balances | -0- | (123,821) | 459,192 | 583,013 |
| Fund balances – beginning | 2,381,652 | 2,381,652 | 2,381,652 | -0- |
| Fund balances – ending | \$ 2,381,652 | \$ 2,257,831 | \$ 2,840,844 | \$ 583,013 |

| <u>Records Archive County Clerk Fund (38120)</u> | | | |
|--|--------------|---------------|---|
| <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
| <u>Original</u> | <u>Final</u> | | |
| \$ | \$ 700,000 | \$ 672,939 | \$ (27,061) |
| | | 9,359 | 9,359 |
| | 700,000 | 682,298 | (17,702) |
| | 150,000 | 65,747 | 84,253 |
| | 600,000 | 600,000 | -0- |
| -0- | 750,000 | 665,747 | 84,253 |
| -0- | (50,000) | 16,551 | 66,551 |
| | | | -0- |
| | | | -0- |
| -0- | -0- | -0- | -0- |
| -0- | (50,000) | 16,551 | 66,551 |
| 522,876 | 522,876 | 522,876 | -0- |
| \$ 522,876 | \$ 472,876 | \$ 539,427 | \$ 66,551 |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | <u>Civil, Criminal and Probate Records Management Fund (38200)</u> | | | Variance with Final Budget Positive (Negative) |
|---|--|-------------------|-------------------|---|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> | |
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Charges for services | \$ | \$ 70,000 | \$ 65,400 | \$(4,600) |
| Investment income | | | 7,000 | 7,000 |
| Total revenues | <u>-0-</u> | <u>70,000</u> | <u>72,400</u> | <u>2,400</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Administration: | | | | |
| Operating expenditures | | 47,500 | 15,664 | 31,836 |
| Total general administration | <u>-0-</u> | <u>47,500</u> | <u>15,664</u> | <u>31,836</u> |
| Judicial and Legal: | | | | |
| Operating expenditures | | | | -0- |
| Total judicial and legal | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Excess (deficiency) of revenues over expenditures | <u>-0-</u> | <u>22,500</u> | <u>56,736</u> | <u>34,236</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | | | | |
| Transfers out | | | | -0- |
| Total other financing sources (uses) | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Net change in fund balances | -0- | 22,500 | 56,736 | 34,236 |
| Fund balances – beginning | <u>425,036</u> | <u>425,036</u> | <u>425,036</u> | <u>-0-</u> |
| Fund balances – ending | <u>\$ 425,036</u> | <u>\$ 447,536</u> | <u>\$ 481,772</u> | <u>\$ 34,236</u> |

| <u>County/District Court Technology Fund (38220)</u> | | | |
|--|--------------|---------------|---|
| <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
| <u>Original</u> | <u>Final</u> | | |
| \$ | \$ 16,000 | \$ 14,870 | \$(1,130) |
| | | 1,498 | 1,498 |
| | 16,000 | 16,368 | 368 |
| | | | -0- |
| | -0- | -0- | -0- |
| | 22,000 | 1,219 | 20,781 |
| | 22,000 | 1,219 | 20,781 |
| | (6,000) | 15,149 | 21,149 |
| | | | -0- |
| | | | -0- |
| | -0- | -0- | -0- |
| | (6,000) | 15,149 | 21,149 |
| 89,853 | 89,853 | 89,853 | -0- |
| \$ 89,853 | \$ 83,853 | \$ 105,002 | \$ 21,149 |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | Records Preservation County/District Clerk Fund (38230) | | | Variance with Final Budget Positive (Negative) |
|---|---|------------|------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ | \$ 45,000 | \$ 43,346 | \$(1,654) |
| Investment income | | | 2,798 | 2,798 |
| Total revenues | -0- | 45,000 | 46,144 | 1,144 |
| Expenditures: | | | | |
| Current: | | | | |
| Judicial and Legal: | | | | |
| Salaries and wages, and employee benefits | | 60,000 | 55,885 | 4,115 |
| Operating expenditures | | | | -0- |
| Total judicial and legal | -0- | 60,000 | 55,885 | 4,115 |
| Excess (deficiency) of revenues over expenditures | -0- | (15,000) | (9,741) | 5,259 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Total other financing sources (uses) | -0- | -0- | -0- | -0- |
| Net change in fund balances | -0- | (15,000) | (9,741) | 5,259 |
| Fund balances – beginning | 182,075 | 182,075 | 182,075 | -0- |
| Fund balances – ending | \$ 182,075 | \$ 167,075 | \$ 172,334 | \$ 5,259 |

| Family Protection Fund (38310) | | | |
|--------------------------------|------------|------------|---|
| Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | |
| \$ | \$ 22,000 | \$ 21,929 | \$(71) |
| | | 357 | 357 |
| -0- | 22,000 | 22,286 | 286 |
| | 40,000 | 34,000 | -0- 6,000 |
| -0- | 40,000 | 34,000 | 6,000 |
| -0- | (18,000) | (11,714) | 6,286 |
| | | | -0- -0- |
| -0- | -0- | -0- | -0- |
| -0- | (18,000) | (11,714) | 6,286 |
| 42,304 | 42,304 | 42,304 | -0- |
| \$ 42,304 | \$ 24,304 | \$ 30,590 | \$ 6,286 |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | Records Management District Clerk Fund (38320) | | | Variance with Final Budget Positive (Negative) |
|---|--|------------------|------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ | \$ 40,000 | \$ 43,189 | \$ 3,189 |
| Investment income | | | 687 | 687 |
| Total revenues | <u>-0-</u> | <u>40,000</u> | <u>43,876</u> | <u>3,876</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Judicial and Legal: | | | | |
| Salaries and wages, and employee benefits | | 42,000 | 18,650 | 23,350 |
| Total judicial and legal | <u>-0-</u> | <u>42,000</u> | <u>18,650</u> | <u>23,350</u> |
| Excess (deficiency) of revenues over expenditures | <u>-0-</u> | <u>(2,000)</u> | <u>25,226</u> | <u>27,226</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | | | | -0- |
| Transfers out | | | | -0- |
| Total other financing sources (uses) | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Net change in fund balances | -0- | (2,000) | 25,226 | 27,226 |
| Fund balances – beginning | <u>26,213</u> | <u>26,213</u> | <u>26,213</u> | <u>-0-</u> |
| Fund balances – ending | <u>\$ 26,213</u> | <u>\$ 24,213</u> | <u>\$ 51,439</u> | <u>\$ 27,226</u> |

| <u>Records Archive District Clerk Fund (38330)</u> | | | |
|--|--------------|---------------|---|
| <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
| <u>Original</u> | <u>Final</u> | | |
| \$ | \$ 45,000 | \$ 46,370 | \$ 1,370 |
| | | 747 | 747 |
| | 45,000 | 47,117 | 2,117 |
| | 35,000 | 17,604 | 17,396 |
| -0- | 35,000 | 17,604 | 17,396 |
| -0- | 10,000 | 29,513 | 19,513 |
| | | | -0- |
| | | | -0- |
| -0- | -0- | -0- | -0- |
| -0- | 10,000 | 29,513 | 19,513 |
| 32,372 | 32,372 | 32,372 | -0- |
| \$ 32,372 | \$ 42,372 | \$ 61,885 | \$ 19,513 |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued**

For the Year Ended September 30, 2018

| | Justice Court Building Security Fund (38400) | | | Variance with Final Budget Positive (Negative) |
|---|--|------------------|-------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ | \$ 25,000 | \$ 25,698 | \$ 698 |
| Investment income | | | 2,239 | 2,239 |
| Total revenues | -0- | 25,000 | 27,937 | 2,937 |
| Expenditures: | | | | |
| Current: | | | | |
| Judicial and Legal: | | | | |
| Operating expenditures | | 94,000 | 65,925 | 28,075 |
| Capital outlay | | | | -0- |
| Total judicial and legal | -0- | 94,000 | 65,925 | 28,075 |
| Excess (deficiency) of revenues over expenditures | -0- | (69,000) | (37,988) | 31,012 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | | | | -0- |
| Transfers out | | | | -0- |
| Total other financing sources (uses) | -0- | -0- | -0- | -0- |
| Net change in fund balances | -0- | (69,000) | (37,988) | 31,012 |
| Fund balances – beginning | 165,727 | 165,727 | 165,727 | -0- |
| Fund balances – ending | <u>\$ 165,727</u> | <u>\$ 96,727</u> | <u>\$ 127,739</u> | <u>\$ 31,012</u> |

| Justice Court Technology Fund (38410) | | | |
|---------------------------------------|------------|------------|---|
| Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | |
| \$ | \$ 85,000 | \$ 102,896 | \$ 17,896 |
| | | 5,051 | 5,051 |
| -0- | 85,000 | 107,947 | 22,947 |
| | 70,000 | 32,178 | 37,822 |
| | 100,000 | | 100,000 |
| -0- | 170,000 | 32,178 | 137,822 |
| -0- | (85,000) | 75,769 | 160,769 |
| | | | -0- |
| | | | -0- |
| -0- | -0- | -0- | -0- |
| -0- | (85,000) | 75,769 | 160,769 |
| 288,437 | 288,437 | 288,437 | -0- |
| \$ 288,437 | \$ 203,437 | \$ 364,206 | \$ 160,769 |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | Courthouse Security Fund (38500) | | | Variance with Final Budget Positive (Negative) |
|---|----------------------------------|------------|------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ | \$ 170,000 | \$ 190,968 | \$ 20,968 |
| Investment income | | | 6,784 | 6,784 |
| Miscellaneous | | | 164 | 164 |
| Total revenues | -0- | 170,000 | 197,916 | 27,916 |
| Expenditures: | | | | |
| Current: | | | | |
| Judicial and Legal: | | | | |
| Salaries and wages, and employee benefits | | | | -0- |
| Operating expenditures | | | | -0- |
| Total judicial and legal | -0- | -0- | -0- | -0- |
| Public Facilities: | | | | |
| Operating expenditures | | 20,000 | | 20,000 |
| Capital outlay | | 135,059 | 94,916 | 40,143 |
| Total public facilities | -0- | 155,059 | 94,916 | 60,143 |
| Excess (deficiency) of revenues over expenditures | -0- | 14,941 | 103,000 | 88,059 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | | | | -0- |
| Transfers out | | | (200,000) | 200,000 |
| Total other financing sources (uses) | -0- | -0- | (200,000) | (200,000) |
| Net change in fund balances | -0- | 14,941 | (97,000) | (111,941) |
| Fund balances – beginning | 362,391 | 362,391 | 362,391 | -0- |
| Fund balances – ending | \$ 362,391 | \$ 377,332 | \$ 265,391 | \$(111,941) |

| District Attorney Hot Check Collection Fund (38710) | | | |
|---|-------------|-----------|---|
| Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | |
| \$ | \$ 20,000 | \$ 14,184 | \$(5,816) |
| | | | -0- |
| | | | -0- |
| -0- | 20,000 | 14,184 | (5,816) |
| | 16,500 | 13,440 | 3,060 |
| | 40,750 | 5,437 | 35,313 |
| -0- | 57,250 | 18,877 | 38,373 |
| | | | -0- |
| | | | -0- |
| -0- | -0- | -0- | -0- |
| -0- | (37,250) | (4,693) | 32,557 |
| | | | -0- |
| | | | -0- |
| -0- | -0- | -0- | -0- |
| -0- | (37,250) | (4,693) | 32,557 |
| 18,217 | 18,217 | 18,217 | -0- |
| \$ 18,217 | \$(19,033) | \$ 13,524 | \$ 32,557 |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | District Attorney Supplemental Fund (38720) | | | Variance with Final Budget Positive (Negative) |
|---|---|-----------|-----------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ | \$ 33,000 | \$ 23,096 | \$(9,904) |
| Fines and forfeitures | | | | -0- |
| Investment income | | | 84 | 84 |
| Miscellaneous | | | | -0- |
| Total revenues | -0- | 33,000 | 23,180 | (9,820) |
| Expenditures: | | | | |
| Current: | | | | |
| Judicial and Legal: | | | | |
| Salaries and wages, and employee benefits | | 20,820 | 17,525 | 3,295 |
| Operating expenditures | | 6,680 | 4,557 | 2,123 |
| Capital outlay | | | | -0- |
| Total judicial and legal | -0- | 27,500 | 22,082 | 5,418 |
| Excess (deficiency) of revenues over expenditures | -0- | 5,500 | 1,098 | (4,402) |
| Other Financing Sources (Uses): | | | | |
| Transfer in | | | | -0- |
| Transfer out | | | | -0- |
| Total other financing sources (uses) | -0- | -0- | -0- | -0- |
| Net change in fund balances | -0- | 5,500 | 1,098 | (4,402) |
| Fund balances – beginning | 133 | 133 | 133 | -0- |
| Fund balances – ending | \$ 133 | \$ 5,633 | \$ 1,231 | \$(4,402) |

| District Attorney Forfeiture CCP Chapter 59 Fund (38730) | | | |
|--|---------------------|-------------------|---|
| Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | |
| \$ | \$ | \$ | \$ |
| | 120,000 | 89,427 | (30,573) |
| | | 756 | 756 |
| | | <u>77,415</u> | <u>77,415</u> |
| <u>-0-</u> | <u>120,000</u> | <u>167,598</u> | <u>47,598</u> |
| | 10,000 | | 10,000 |
| | 162,450 | 139,514 | 22,936 |
| | <u>60,000</u> | <u>50,385</u> | <u>9,615</u> |
| <u>-0-</u> | <u>232,450</u> | <u>189,899</u> | <u>42,551</u> |
| <u>-0-</u> | <u>(112,450)</u> | <u>(22,301)</u> | <u>90,149</u> |
| <u>-0-</u> | <u>(6,000)</u> | <u>(2,000)</u> | <u>-0-</u> <u>4,000</u> |
| <u>-0-</u> | <u>(6,000)</u> | <u>(2,000)</u> | <u>4,000</u> |
| <u>-0-</u> | <u>(118,450)</u> | <u>(24,301)</u> | <u>94,149</u> |
| <u>49,703</u> | <u>49,703</u> | <u>49,703</u> | <u>-0-</u> |
| <u>\$ 49,703</u> | <u>\$(68,747)</u> | <u>\$ 25,402</u> | <u>\$ 94,149</u> |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | Voter Registration Tax Office Fund (38810) | | | Variance with Final Budget Positive (Negative) |
|---|--|--------|--------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ | \$ | \$ | \$ -0- |
| Intergovernmental | | 55,320 | 27,832 | (27,488) |
| Investment income | | | | -0- |
| Total revenues | -0- | 55,320 | 27,832 | (27,488) |
| Expenditures: | | | | |
| Current: | | | | |
| Financial Administration: | | | | |
| Salaries and wages, and employee benefits | | 10,320 | | 10,320 |
| Operating expenditures | | 45,000 | 27,832 | 17,168 |
| Total financial administration | -0- | 55,320 | 27,832 | 27,488 |
| Excess (deficiency) of revenues over expenditures | -0- | -0- | -0- | -0- |
| Other Financing Sources (Uses): | | | | |
| Transfer in | | | | -0- |
| Transfer out | | | | -0- |
| Total other financing sources (uses) | -0- | -0- | -0- | -0- |
| Net change in fund balances | -0- | -0- | -0- | -0- |
| Fund balances – beginning | -0- | -0- | -0- | -0- |
| Fund balances – ending | \$ -0- | \$ -0- | \$ -0- | \$ -0- |

| <u>Special Inventory Dealer Escrow Tax Fund (38820)</u> | | | |
|---|-------------------|------------------|---|
| <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
| <u>Original</u> | <u>Final</u> | | |
| \$ | \$ 18,000 | \$ 9,715 | \$ (8,285) |
| | | <u>16,154</u> | <u>16,154</u> |
| <u>-0-</u> | <u>18,000</u> | <u>25,869</u> | <u>7,869</u> |
| | <u>45,000</u> | <u>22,336</u> | <u>22,664</u> |
| <u>-0-</u> | <u>45,000</u> | <u>22,336</u> | <u>22,664</u> |
| <u>-0-</u> | <u>(27,000)</u> | <u>3,533</u> | <u>30,533</u> |
| <u>-0-</u> | | | <u>-0-</u> |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>-0-</u> | <u>(27,000)</u> | <u>3,533</u> | <u>30,533</u> |
| <u>70,425</u> | <u>70,425</u> | <u>70,425</u> | <u>-0-</u> |
| <u>\$ 70,425</u> | <u>\$ 43,425</u> | <u>\$ 73,958</u> | <u>\$ 30,533</u> |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | Sheriff Contraband Forfeiture Fund (39100) | | | Variance with Final Budget Positive (Negative) |
|---|--|-------------|------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ | \$ 5,000 | \$ 16,150 | \$ 11,150 |
| Investment income | | | 5,007 | 5,007 |
| Miscellaneous | | | 7,869 | 7,869 |
| Total revenues | -0- | 5,000 | 29,026 | 24,026 |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Operating expenditures | | 157,091 | 45,483 | 111,608 |
| Capital outlay | | 100,000 | 15,525 | 84,475 |
| Total general administration | -0- | 257,091 | 61,008 | 196,083 |
| Excess (deficiency) of revenues over expenditures | -0- | (252,091) | (31,982) | 220,109 |
| Other Financing Sources (Uses): | | | | |
| Transfer in | | 113,000 | 113,000 | -0- |
| Transfer out | | | | -0- |
| Total other financing sources (uses) | -0- | 113,000 | 113,000 | -0- |
| Net change in fund balances | -0- | (139,091) | 81,018 | 220,109 |
| Fund balances – beginning | 245,998 | 245,998 | 245,998 | -0- |
| Fund balances – ending | \$ 245,998 | \$ 106,907 | \$ 327,016 | \$ 220,109 |

| <u>Brazoria County Narcotics Task Force Fund (39110)</u> | | | |
|--|-------------------|-------------------|---|
| <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
| <u>Original</u> | <u>Final</u> | | |
| \$ | \$ 250,000 | \$ 194,820 | \$ (55,180) |
| | | 6,262 | 6,262 |
| | <u>80,000</u> | <u>203,889</u> | <u>123,889</u> |
| | <u>-0-</u> | <u>404,971</u> | <u>74,971</u> |
| | <u>330,000</u> | <u>240,363</u> | <u>89,637</u> |
| | | | <u>-0-</u> |
| | <u>-0-</u> | <u>240,363</u> | <u>89,637</u> |
| | <u>-0-</u> | <u>164,609</u> | <u>164,608</u> |
| | <u>(113,000)</u> | <u>(113,000)</u> | <u>-0-</u> |
| | <u>(113,000)</u> | <u>51,608</u> | <u>-0-</u> |
| | <u>(113,000)</u> | <u>51,608</u> | <u>164,608</u> |
| | <u>265,625</u> | <u>265,625</u> | <u>-0-</u> |
| \$ | \$ <u>265,625</u> | \$ <u>317,233</u> | \$ <u>164,608</u> |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | Sheriff Commissary Fund (39120) | | | Variance with Final Budget Positive (Negative) |
|---|---------------------------------|--------------|------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ | \$ | \$ | \$ |
| Charge for services | | 1,100,000 | 1,184,684 | 84,684 |
| Investment income | | | 6,234 | 6,234 |
| Miscellaneous | | | 143 | 143 |
| Total revenues | -0- | 1,100,000 | 1,191,061 | 91,061 |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Operating expenditures | | | | -0- |
| Capital outlay | | | | -0- |
| Total public safety | -0- | -0- | -0- | -0- |
| Corrections: | | | | |
| Salaries and wages, and employee benefits | | 250,000 | 208,534 | 41,466 |
| Operating expenditures | | 1,119,534 | 923,667 | 195,867 |
| Capital outlay | | 200,000 | 88,858 | 111,142 |
| Total corrections | -0- | 1,569,534 | 1,221,059 | 348,475 |
| Excess (deficiency) of revenues over expenditures | -0- | (469,534) | (29,998) | 439,536 |
| Other Financing Sources (Uses): | | | | |
| Sale of capital assets | | | | -0- |
| Transfers in | | | | -0- |
| Transfers out | | | | -0- |
| Total other financing sources (uses) | -0- | -0- | -0- | -0- |
| Net change in fund balances | -0- | (469,534) | (29,998) | 439,536 |
| Fund balances – beginning | 432,312 | 432,312 | 432,312 | -0- |
| Fund balances – ending | \$ 432,312 | \$ (37,222) | \$ 402,314 | \$ 439,536 |

| Sheriff Federal Forfeiture Fund (39130) | | | |
|---|----------------|-------------------|---|
| Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | |
| \$ | \$ 90,000 | \$ 85,960 | \$(4,040) |
| | | | -0- |
| | | 1,959 | 1,959 |
| | | | -0- |
| | <u>-0-</u> | <u>87,919</u> | <u>(2,081)</u> |
| | 90,000 | 5,851 | 84,149 |
| | <u>239,108</u> | <u>127,684</u> | <u>111,424</u> |
| | <u>-0-</u> | <u>133,535</u> | <u>195,573</u> |
| | | | -0- |
| | | | -0- |
| | | <u>27,329</u> | <u>(27,329)</u> |
| | <u>-0-</u> | <u>27,329</u> | <u>(27,329)</u> |
| | <u>-0-</u> | <u>(239,108)</u> | <u>166,163</u> |
| | | 7,332 | (7,332) |
| | | | -0- |
| | | | -0- |
| | <u>-0-</u> | <u>7,332</u> | <u>(7,332)</u> |
| | <u>-0-</u> | <u>(239,108)</u> | <u>158,831</u> |
| | <u>208,946</u> | <u>208,946</u> | <u>-0-</u> |
| \$ | <u>208,946</u> | <u>143,333</u> | <u>158,831</u> |

BRAZORIA COUNTY, TEXAS

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)*

For the Year Ended September 30, 2018

| | CSCD Bond Supervision Fund (39210) | | | Variance with Final Budget Positive (Negative) |
|---|------------------------------------|-----------|-----------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ | \$ 12,000 | \$ 16,063 | \$ 4,063 |
| Investment income | | | | -0- |
| Miscellaneous | | | | -0- |
| Total revenues | -0- | 12,000 | 16,063 | 4,063 |
| Expenditures: | | | | |
| Current: | | | | |
| Corrections: | | | | |
| Salaries and wages, and employee benefits | | 50,000 | 28,668 | 21,332 |
| Operating expenditures | | 2,000 | 387 | 1,613 |
| Total corrections | -0- | 52,000 | 29,055 | 22,945 |
| Culture and Recreation: | | | | |
| Operating expenditures | | | | -0- |
| Total culture and recreation | -0- | -0- | -0- | -0- |
| Excess (deficiency) of revenues over expenditures | -0- | (40,000) | (12,992) | 27,008 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | | 40,000 | 40,000 | -0- |
| Transfers out | | | | -0- |
| Total other financing sources (uses) | -0- | 40,000 | 40,000 | -0- |
| Net change in fund balances | -0- | -0- | 27,008 | 27,008 |
| Fund balances – beginning | 18,318 | 18,318 | 18,318 | -0- |
| Fund balances – ending | \$ 18,318 | \$ 18,318 | \$ 45,326 | \$ 27,008 |

| Book Sale Fund (39400) | | | |
|------------------------|----------|----------|---|
| Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | |
| \$ | \$ | \$ | \$ |
| | | 141 | -0- 141 |
| | 5,000 | | (5,000) |
| -0- | 5,000 | 141 | (4,859) |
| | | | -0- |
| | | | -0- |
| -0- | -0- | -0- | -0- |
| | 5,000 | | 5,000 |
| -0- | 5,000 | -0- | 5,000 |
| -0- | -0- | 141 | 141 |
| | | | -0- |
| | | | -0- |
| -0- | -0- | -0- | -0- |
| -0- | -0- | 141 | 141 |
| 9,235 | 9,235 | 9,235 | -0- |
| \$ 9,235 | \$ 9,235 | \$ 9,376 | \$ 141 |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | Library Special Projects Fund (39410) | | | Variance with Final Budget Positive (Negative) |
|---|---------------------------------------|------------|------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ | \$ | \$ | \$ -0- |
| Investment income | | | 3,379 | 3,379 |
| Miscellaneous | | 530,700 | 232,294 | (298,406) |
| Total revenues | -0- | 530,700 | 235,673 | (295,027) |
| Expenditures: | | | | |
| Current: | | | | |
| Judicial and Legal: | | | | |
| Salaries and wages, and employee benefits | | | | -0- |
| Operating expenditures | | | | -0- |
| Capital outlay | | | | -0- |
| Total judicial and legal | -0- | -0- | -0- | -0- |
| Culture and Recreation: | | | | |
| Salaries and wages, and employee benefits | | | | -0- |
| Operating expenditures | | 552,700 | 192,863 | 359,837 |
| Capital outlay | | 15,000 | 12,220 | 2,780 |
| Total culture and recreation | -0- | 567,700 | 205,083 | 362,617 |
| Excess (deficiency) of revenues over expenditures | -0- | (37,000) | 30,590 | 67,590 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | | | | -0- |
| Transfers out | | | | -0- |
| Total other financing sources (uses) | -0- | -0- | -0- | -0- |
| Net change in fund balances | -0- | (37,000) | 30,590 | 67,590 |
| Fund balances – beginning | 244,967 | 244,967 | 244,967 | -0- |
| Fund balances – ending | \$ 244,967 | \$ 207,967 | \$ 275,557 | \$ 67,590 |

| Law Library Fund (39800) | | | |
|--------------------------|--------------------|-------------------|---|
| Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | |
| \$ 185,000 | \$ 187,000 | \$ 201,824 | \$ 14,824 |
| 500 | 500 | 4,332 | 3,832 |
| <u>14,000</u> | <u>14,000</u> | <u>10,682</u> | <u>(3,318)</u> |
| <u>199,500</u> | <u>201,500</u> | <u>216,838</u> | <u>15,338</u> |
| 79,596 | 81,596 | 79,735 | 1,861 |
| 326,600 | 326,600 | 212,632 | 113,968 |
| <u>20,000</u> | <u>20,000</u> | <u></u> | <u>20,000</u> |
| <u>426,196</u> | <u>428,196</u> | <u>292,367</u> | <u>135,829</u> |
| | | | -0- |
| | | | -0- |
| | | | -0- |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>(226,696)</u> | <u>(226,696)</u> | <u>(75,529)</u> | <u>151,167</u> |
| 54,000 | 54,000 | 52,000 | 2,000 |
| <u></u> | <u></u> | <u></u> | <u>-0-</u> |
| <u>54,000</u> | <u>54,000</u> | <u>52,000</u> | <u>2,000</u> |
| <u>(172,696)</u> | <u>(172,696)</u> | <u>(23,529)</u> | <u>153,167</u> |
| <u>305,632</u> | <u>305,632</u> | <u>305,632</u> | <u>-0-</u> |
| <u>\$ 132,936</u> | <u>\$ 132,936</u> | <u>\$ 282,103</u> | <u>\$ 153,167</u> |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)**

Exhibit 19
Page 14 of 14

For the Year Ended September 30, 2018

| | Mosquito Control District Fund (39900) | | | Variance with Final Budget Positive (Negative) |
|---|--|---------------------|---------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 850,650 | \$ 850,650 | \$ 849,146 | \$(1,504) |
| Investment income | 7,500 | 44,500 | 46,622 | 2,122 |
| Miscellaneous | 500 | 500 | 1,692 | 1,192 |
| Total revenues | <u>858,650</u> | <u>895,650</u> | <u>897,460</u> | <u>1,810</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Health and welfare: | | | | |
| Salaries and wages, and employee benefits | 1,208,941 | 1,208,941 | 1,139,273 | 69,668 |
| Operating expenditures | 1,566,429 | 1,671,609 | 1,682,658 | (11,049) |
| Capital outlay | 35,800 | 21,350 | 21,350 | -0- |
| Total health and welfare | <u>2,811,170</u> | <u>2,901,900</u> | <u>2,843,281</u> | <u>58,619</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,952,520)</u> | <u>(2,006,250)</u> | <u>(1,945,821)</u> | <u>60,429</u> |
| Other Financing Sources (Uses): | | | | |
| Transfer in | | | | -0- |
| Transfer out | | | | -0- |
| Total other financing sources (uses) | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Net change in fund balances | <u>(1,952,520)</u> | <u>(2,006,250)</u> | <u>(1,945,821)</u> | <u>60,429</u> |
| Fund balances – beginning | <u>4,157,491</u> | <u>4,157,491</u> | <u>4,157,491</u> | <u>-0-</u> |
| Fund balances – ending | <u>\$ 2,204,971</u> | <u>\$ 2,151,241</u> | <u>\$ 2,211,670</u> | <u>\$ 60,429</u> |



BRAZORIA COUNTY, TEXAS**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | 2012 GO Refunding I & S Fund (40000) | | | Variance with Final Budget Positive (Negative) |
|---|--------------------------------------|-------------------|-------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 448,280 | \$ 448,280 | \$ 450,521 | \$ 2,241 |
| Investment income | 1,000 | 1,000 | 1,619 | 619 |
| Total revenues | <u>449,280</u> | <u>449,280</u> | <u>452,140</u> | <u>2,860</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal | 910,000 | 945,000 | 945,000 | -0- |
| Interest and fiscal charges | <u>43,000</u> | <u>16,000</u> | <u>14,175</u> | <u>1,825</u> |
| Total expenditures | <u>953,000</u> | <u>961,000</u> | <u>959,175</u> | <u>1,825</u> |
| Excess (deficiency) of revenues over expenditures | <u>(503,720)</u> | <u>(511,720)</u> | <u>(507,035)</u> | <u>4,685</u> |
| Other Financing Sources (Uses): | | | | |
| Issuance of certificates of obligation bonds | | | | -0- |
| Bond premium | | | | -0- |
| Payment to escrow agent | | | | -0- |
| Total other financing sources (uses) | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Net change in fund balances | <u>(503,720)</u> | <u>(511,720)</u> | <u>(507,035)</u> | <u>4,685</u> |
| Fund balances – beginning | <u>533,261</u> | <u>533,261</u> | <u>533,261</u> | <u>-0-</u> |
| Fund balances – ending | <u>\$ 29,541</u> | <u>\$ 21,541</u> | <u>\$ 26,226</u> | <u>\$ 4,685</u> |

| 2016 Limited Tax Refunding I & S Fund (41000) | | | |
|---|-------------------|-------------------|---|
| Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | |
| \$ 864,809 | \$ 864,809 | \$ 861,647 | \$ (3,162) |
| <u>1,000</u> | <u>1,000</u> | <u>11,854</u> | <u>10,854</u> |
| <u>865,809</u> | <u>865,809</u> | <u>873,501</u> | <u>7,692</u> |
| 570,000 | 580,000 | 580,000 | -0- |
| <u>274,700</u> | <u>263,700</u> | <u>262,650</u> | <u>1,050</u> |
| <u>844,700</u> | <u>843,700</u> | <u>842,650</u> | <u>1,050</u> |
| <u>21,109</u> | <u>22,109</u> | <u>30,851</u> | <u>8,742</u> |
| | | | -0- |
| | | | -0- |
| | | | -0- |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| 21,109 | 22,109 | 30,851 | 8,742 |
| <u>689,373</u> | <u>689,373</u> | <u>689,373</u> | <u>-0-</u> |
| <u>\$ 710,482</u> | <u>\$ 711,482</u> | <u>\$ 720,224</u> | <u>\$ 8,742</u> |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | 2012 Certificates of Obligation Bonds I & S Fund (42000) | | | Variance with Final Budget Positive (Negative) |
|---|--|-------------------|-------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 2,364,151 | \$ 2,364,151 | \$ 2,353,348 | \$(10,803) |
| Investment income | 200 | 200 | 6,250 | 6,050 |
| Total revenues | <u>2,364,351</u> | <u>2,364,351</u> | <u>2,359,598</u> | <u>(4,753)</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal | | 1,185,000 | 1,185,000 | -0- |
| Interest on long-term debt | <u>1,110,350</u> | <u>1,087,350</u> | <u>1,086,650</u> | <u>700</u> |
| Total expenditures | <u>1,110,350</u> | <u>2,272,350</u> | <u>2,271,650</u> | <u>700</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,254,001</u> | <u>92,001</u> | <u>87,948</u> | <u>(4,053)</u> |
| Other Financing Sources (Uses): | | | | |
| Issuance of certificates of obligation bonds | | | | -0- |
| Bond premium | | | | -0- |
| Payment to escrow agent | | | | -0- |
| Total other financing sources (uses) | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Net change in fund balances | 1,254,001 | 92,001 | 87,948 | (4,053) |
| Fund balances – beginning | <u>52,930</u> | <u>52,930</u> | <u>52,930</u> | <u>-0-</u> |
| Fund balances – ending | <u>\$ 1,306,931</u> | <u>\$ 144,931</u> | <u>\$ 140,878</u> | <u>\$(4,053)</u> |

| 2018 Certificate of Obligation I & S Fund (42100) | | | |
|---|------------|------------|---|
| Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | |
| \$ | \$ | \$ | \$ -0- |
| | | | -0- |
| -0- | -0- | -0- | -0- |
| | 186,000 | 175,711 | -0- 10,289 |
| -0- | 186,000 | 175,711 | 10,289 |
| -0- | (186,000) | (175,711) | 10,289 |
| | 186,000 | 185,819 | -0- (181) |
| -0- | 186,000 | 185,819 | (181) |
| -0- | -0- | 10,108 | 10,108 |
| 47,221 | 47,221 | -0- | (47,221) |
| \$ 47,221 | \$ 47,221 | \$ 10,108 | \$ (37,113) |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | Tax Notes Series 2013 I & S Fund (43000) | | | Variance with Final Budget Positive (Negative) |
|---|--|-------------------|-------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 2,024,901 | \$ 2,024,901 | \$ 2,017,680 | \$(7,221) |
| Investment income | | | 1,073 | 1,073 |
| Total revenues | <u>2,024,901</u> | <u>2,024,901</u> | <u>2,018,753</u> | <u>(6,148)</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal on long-term debt | 250,000 | 1,830,000 | 1,830,000 | -0- |
| Interest on long-term debt | <u>122,056</u> | <u>122,056</u> | <u>104,832</u> | <u>17,224</u> |
| Total expenditures | <u>372,056</u> | <u>1,952,056</u> | <u>1,934,832</u> | <u>17,224</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,652,845</u> | <u>72,845</u> | <u>83,921</u> | <u>11,076</u> |
| Other Financing Sources (Uses): | | | | |
| Issuance of certificates of obligation bonds | | | | -0- |
| Bond premium | | | | -0- |
| Payment to escrow agent | | | | -0- |
| Total other financing sources (uses) | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Net change in fund balances | 1,652,845 | 72,845 | 83,921 | 11,076 |
| Fund balances – beginning | <u>53,852</u> | <u>53,852</u> | <u>53,852</u> | <u>-0-</u> |
| Fund balances – ending | <u>\$ 1,706,697</u> | <u>\$ 126,697</u> | <u>\$ 137,773</u> | <u>\$ 11,076</u> |

| Toll Road I & S Fund (44000) | | | |
|------------------------------|---------------------|---------------------------|---|
| Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | |
| \$ 2,040,715 | \$ 2,040,715 | \$ 2,028,469 | \$(12,246) |
| <u>500</u> | <u>500</u> | <u>1,577</u> | <u>1,077</u> |
| <u>2,041,215</u> | <u>2,041,215</u> | <u>2,030,046</u> | <u>(11,169)</u> |
| | | | -0- |
| <u>1,970,150</u> | <u>1,970,150</u> | <u> </u> | <u>1,970,150</u> |
| <u>1,970,150</u> | <u>1,970,150</u> | <u>-0-</u> | <u>1,970,150</u> |
| <u>71,065</u> | <u>71,065</u> | <u>2,030,046</u> | <u>1,958,981</u> |
| | | | -0- |
| | | | -0- |
| | | | -0- |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| 71,065 | 71,065 | 2,030,046 | 1,958,981 |
| <u>2,061,841</u> | <u>2,061,841</u> | <u>5,024,351</u> | <u>2,962,510</u> |
| <u>\$ 2,132,906</u> | <u>\$ 2,132,906</u> | <u>\$ 7,054,397</u> | <u>\$ 4,921,491</u> |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2018

| | Road Bonds Mobility I & S Fund (45000) | | | Variance with Final Budget Positive (Negative) |
|---|--|---------------------|---------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 2,054,854 | \$ 2,054,854 | \$ 1,700,393 | \$(354,461) |
| Intergovernmental | | | | -0- |
| Investment income | <u>1,000</u> | <u>1,000</u> | <u>43,040</u> | <u>42,040</u> |
| Total revenues | <u>2,055,854</u> | <u>2,055,854</u> | <u>1,743,433</u> | <u>(312,421)</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal on long-term debt | 2,050,000 | 2,105,000 | 2,105,000 | -0- |
| Interest on long-term debt | <u>813,859</u> | <u>885,859</u> | <u>771,018</u> | <u>114,841</u> |
| Total expenditures | <u>2,863,859</u> | <u>2,990,859</u> | <u>2,876,018</u> | <u>114,841</u> |
| Excess (deficiency) of revenues over expenditures | <u>(808,005)</u> | <u>(935,005)</u> | <u>(1,132,585)</u> | <u>(197,580)</u> |
| Other Financing Sources (Uses): | | | | |
| Issuance of certificates of obligation bonds | | 4,415,000 | 4,415,000 | -0- |
| Bond premium | | 539,000 | 538,339 | (661) |
| Payment to escrow agent | | <u>(4,923,000)</u> | <u>(4,922,508)</u> | <u>492</u> |
| Total other financing sources (uses) | <u>-0-</u> | <u>31,000</u> | <u>30,831</u> | <u>(169)</u> |
| Net change in fund balances | <u>(808,005)</u> | <u>(904,005)</u> | <u>(1,101,754)</u> | <u>(197,749)</u> |
| Fund balances – beginning | <u>3,410,330</u> | <u>3,410,330</u> | <u>3,410,330</u> | <u>-0-</u> |
| Fund balances – ending | <u>\$ 2,602,325</u> | <u>\$ 2,506,325</u> | <u>\$ 2,308,576</u> | <u>\$(197,749)</u> |

| Mobility Build America I & S Fund (45100) | | | |
|---|---------------|-------------|---|
| Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | |
| \$ | \$ | \$ 363,863 | \$ 363,863 |
| | 238,000 | 238,073 | 73 |
| | | | -0- |
| -0- | 238,000 | 601,936 | 363,936 |
| | | | -0- |
| 491,986 | 728,986 | 728,274 | 712 |
| 491,986 | 728,986 | 728,274 | 712 |
| (491,986) | (490,986) | (126,338) | 364,648 |
| | | | -0- |
| | | | -0- |
| | | | -0- |
| -0- | -0- | -0- | -0- |
| (491,986) | (490,986) | (126,338) | 364,648 |
| 126,338 | 126,338 | 126,338 | -0- |
| \$(365,648) | \$(364,648) | \$ -0- | \$ 364,648 |

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL - ENTERPRISE FUND (AIRPORT)**

For the Year Ended September 30, 2018

Exhibit 21

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| Operating Revenues: | | | | |
| Sales: | | | | |
| Fuel and supplies | \$ 2,300,000 | \$ 2,300,000 | \$ 1,819,665 | \$(480,335) |
| Cost of sales | <u>2,000,000</u> | <u>2,000,000</u> | <u>1,496,275</u> | <u>503,725</u> |
| Gross profit | 300,000 | 300,000 | 323,390 | 23,390 |
| Other Revenue: | | | | |
| Operating grants | | 26,080 | 50,000 | 23,920 |
| Rentals | 439,200 | 439,200 | 554,866 | 115,666 |
| Fees | 327,000 | 327,000 | 450,365 | 123,365 |
| Miscellaneous | <u>60,000</u> | <u>60,000</u> | <u>52,156</u> | <u>(7,844)</u> |
| Net operating revenue | <u>1,126,200</u> | <u>1,152,280</u> | <u>1,430,777</u> | <u>278,497</u> |
| Operating Expenses: | | | | |
| Salaries and wages | 682,946 | 682,946 | 659,711 | 23,235 |
| Employee benefits | 308,716 | 308,716 | 358,198 | (49,482) |
| Supplies | 154,390 | 188,527 | 181,577 | 6,950 |
| Other charges | 249,619 | 249,619 | 214,319 | 35,300 |
| Depreciation | | <u>1,400,000</u> | <u>1,314,858</u> | <u>85,142</u> |
| Total operating expenses | <u>1,395,671</u> | <u>2,829,808</u> | <u>2,728,663</u> | <u>101,145</u> |
| Operating loss | <u>(269,471)</u> | <u>(1,677,528)</u> | <u>(1,297,886)</u> | <u>379,642</u> |
| Non-Operating Revenues: | | | | |
| Interest | | | <u>373</u> | <u>373</u> |
| Total non-operating revenues | <u>-0-</u> | <u>-0-</u> | <u>373</u> | <u>373</u> |
| Net loss before transfers | <u>(269,471)</u> | <u>(1,677,528)</u> | <u>(1,297,513)</u> | <u>380,015</u> |
| Transfers in | | | <u>-0-</u> | <u>-0-</u> |
| Transfers out | <u>(50,000)</u> | <u>(50,000)</u> | <u>-0-</u> | <u>50,000</u> |
| Change in net position | <u>(319,471)</u> | <u>(1,727,528)</u> | <u>(1,297,513)</u> | <u>430,015</u> |
| Net Position: | | | | |
| Total net position – beginning of year, as restated | <u>19,304,937</u> | <u>19,304,937</u> | <u>19,304,937</u> | <u>-0-</u> |
| Total net position – end of year | <u>\$ 18,985,466</u> | <u>\$ 17,577,409</u> | <u>\$ 18,007,424</u> | <u>\$ 430,015</u> |

BRAZORIA COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION -
INTERNAL SERVICE FUNDS
September 30, 2018

Exhibit 22

| | <u>Self Insurance Liability</u> | <u>Self Insurance Health</u> | <u>Self Insurance Health Clinic</u> | <u>Total</u> |
|--|---|--------------------------------------|---|---------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Current Assets: | | | | |
| Cash and temporary investments | \$ 1,384,112 | \$ 468,085 | \$ 40,000 | \$ 1,892,197 |
| Accounts receivable | | <u>1,540,357</u> | <u>22,587</u> | <u>1,562,944</u> |
| Total current assets | <u>1,384,112</u> | <u>2,008,442</u> | <u>62,587</u> | <u>3,455,141</u> |
| Deferred Outflows of Resources: | | | | |
| Deferred outflows of resources | | | | -0- |
| Total deferred outflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total assets and deferred outflows of resources | <u>\$ 1,384,112</u> | <u>\$ 2,008,442</u> | <u>\$ 62,587</u> | <u>\$ 3,455,141</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | | | |
| Current Liabilities: | | | | |
| Accounts and accrued liabilities payable | \$ 2,104 | \$ 1,349,371 | \$ 25,659 | \$ 1,377,134 |
| Due to other funds | | 356,050 | | 356,050 |
| Estimated claims payable | <u>400,000</u> | <u>543,603</u> | | <u>943,603</u> |
| Total current liabilities | <u>402,104</u> | <u>2,249,024</u> | <u>25,659</u> | <u>2,676,787</u> |
| Deferred Inflows of Resources: | | | | |
| Deferred inflows of resources | | | | -0- |
| Total deferred inflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total liabilities and deferred inflows of resources | <u>402,104</u> | <u>2,249,024</u> | <u>25,659</u> | <u>2,676,787</u> |
| Net Position: | | | | |
| Unrestricted net position | <u>982,008</u> | <u>(240,582)</u> | <u>36,928</u> | <u>778,354</u> |
| Total net position | <u>982,008</u> | <u>(240,582)</u> | <u>36,928</u> | <u>778,354</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 1,384,112</u> | <u>\$ 2,008,442</u> | <u>\$ 62,587</u> | <u>\$ 3,455,141</u> |

BRAZORIA COUNTY, TEXAS**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUNDS**

For the Year Ended September 30, 2018

Exhibit 23

| | Self Insurance Liability | Self Insurance Health | Self Insurance Health Clinic | Total |
|------------------------------------|--------------------------------|-----------------------------|------------------------------------|-------------------|
| Operating Revenues: | | | | |
| Contributions for self-insurance | \$ 45,476 | \$ 20,121,123 | \$ 665,369 | \$ 20,831,968 |
| Total operating revenues | <u>45,476</u> | <u>20,121,123</u> | <u>665,369</u> | <u>20,831,968</u> |
| Operating Expenses: | | | | |
| Legal expenses and settlements | 127,030 | | | 127,030 |
| Health claims expense | | 19,959,852 | | 19,959,852 |
| Health services expense | | | 625,082 | 625,082 |
| Administrative expense | | <u>1,927,319</u> | <u>10,483</u> | <u>1,937,802</u> |
| Total operating expenses | <u>127,030</u> | <u>21,887,171</u> | <u>635,565</u> | <u>22,649,766</u> |
| Operating income (loss) | (81,554) | (1,766,048) | 29,804 | (1,817,798) |
| Non-Operating Revenue: | | | | |
| Investment income | <u>21,233</u> | <u>13,380</u> | | <u>34,613</u> |
| Net income (loss) before transfers | (60,321) | (1,752,668) | 29,804 | (1,783,185) |
| Transfers in | | <u>2,500,000</u> | | <u>2,500,000</u> |
| Change in net position | (60,321) | 747,332 | 29,804 | 716,815 |
| Net position – beginning of year | <u>1,042,329</u> | <u>(987,914)</u> | <u>7,124</u> | <u>61,539</u> |
| Net position – end of year | <u>\$ 982,008</u> | <u>\$ (240,582)</u> | <u>\$ 36,928</u> | <u>\$ 778,354</u> |

BRAZORIA COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2018

Exhibit 24

| | Self Insurance Liability | Self Insurance Health | Self Insurance Health Clinic | Total |
|---|--------------------------------|-----------------------------|------------------------------------|-----------------------|
| Cash Flows from Operating Activities: | | | | |
| Cash flows received from employees and other funds | \$ 45,476 | \$ 20,024,328 | \$ 642,782 | \$ 20,712,586 |
| Cash paid to and on behalf of employees | (128,273) | (19,452,342) | (649,068) | (20,101,410) |
| Cash paid to suppliers and others | (1,927,319) | (1,143,950) | (10,483) | (2,066,075) |
| Cash paid to other funds | <u> </u> | <u>(1,143,950)</u> | <u> </u> | <u>(1,143,950)</u> |
| Net cash used by operating activities | <u>(82,797)</u> | <u>(2,499,283)</u> | <u>(16,769)</u> | <u>(2,598,849)</u> |
| Cash Flows from Non-Capital Financing Activities: | | | | |
| Transfers from other funds | <u> </u> | <u>2,500,000</u> | <u> </u> | <u>2,500,000</u> |
| Net cash provided by non-capital financing activities | <u>-0-</u> | <u>2,500,000</u> | <u>-0-</u> | <u>2,500,000</u> |
| Cash Flows from Capital and Financing Activities: | | | | |
| Net cash provided (used) by capital and financing activities | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Cash Flows from Investing Activities: | | | | |
| Investment income | <u>21,233</u> | <u>13,380</u> | <u> </u> | <u>34,613</u> |
| Net cash provided by investment activities | <u>21,233</u> | <u>13,380</u> | <u>-0-</u> | <u>34,613</u> |
| Net increase (decrease) in cash | (61,564) | 14,097 | (16,769) | (64,236) |
| Cash and temporary investments - beginning of year | <u>1,445,676</u> | <u>453,988</u> | <u>56,769</u> | <u>1,956,433</u> |
| Cash and temporary investments - end of year | <u>\$ 1,384,112</u> | <u>\$ 468,085</u> | <u>\$ 40,000</u> | <u>\$ 1,892,197</u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities: | | | | |
| Operating Activities: | | | | |
| Operating income (loss) | \$(81,554) | \$(1,766,048) | \$ 29,804 | \$(1,817,798) |
| Changes in Assets and Deferred Outflows of Resources, and Liabilities and Deferred Inflows of Resources: | | | | |
| Increase in: | | | | |
| Accounts receivable | <u> </u> | <u>(96,795)</u> | <u>(22,587)</u> | <u>(119,382)</u> |
| Increase (Decrease) in: | | | | |
| Accounts and accrued liabilities payable | <u>(1,243)</u> | <u>1,309,707</u> | <u>(23,986)</u> | <u>1,284,478</u> |
| Estimated claims payable | <u> </u> | <u>(802,197)</u> | <u> </u> | <u>(802,197)</u> |
| Due to other funds | <u> </u> | <u>(1,143,950)</u> | <u> </u> | <u>(1,143,950)</u> |
| Net cash used for operating activities | <u>\$(82,797)</u> | <u>\$(2,499,283)</u> | <u>\$(16,769)</u> | <u>\$(2,598,849)</u> |

BRAZORIA COUNTY, TEXAS**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS**

For the Year Ended September 30, 2018

Exhibit 25
Page 1 of 2

| | Balance 10-01-17 | Additions | Deductions | Balance 09-30-18 |
|---|---------------------|---------------------|---------------------|---------------------|
| BRAZORIA COUNTY FRESH WATER SUPPLY DISTRICT #2: | | | | |
| <i>Assets</i> | | | | |
| Accounts receivable | \$ 25,000 | \$ | \$ | \$ 25,000 |
| Total assets | <u>\$ 25,000</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 25,000</u> |
| <i>Liabilities</i> | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued expenses | \$ 25,000 | \$ | \$ | \$ 25,000 |
| Total liabilities | <u>\$ 25,000</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 25,000</u> |
| BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT: | | | | |
| <i>Assets</i> | | | | |
| Cash and temporary investments | \$ 1,117,293 | \$ 651,948 | \$ 403,763 | \$ 1,365,478 |
| Accounts receivable | <u>91,555</u> | <u>30,893</u> | <u>91,555</u> | <u>30,893</u> |
| Total assets | <u>\$ 1,208,848</u> | <u>\$ 682,841</u> | <u>\$ 495,318</u> | <u>\$ 1,396,371</u> |
| <i>Liabilities</i> | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued expenses | \$ 26,031 | \$ 22,576 | \$ 26,031 | \$ 22,576 |
| Due to others | <u>1,182,817</u> | <u>594,741</u> | <u>403,763</u> | <u>1,373,795</u> |
| Total liabilities | <u>\$ 1,208,848</u> | <u>\$ 617,317</u> | <u>\$ 429,794</u> | <u>\$ 1,396,371</u> |
| TDCJ-CJAD: | | | | |
| <i>Assets</i> | | | | |
| Cash and temporary investments | \$ 1,740,897 | \$ 5,377,894 | \$ 5,528,677 | \$ 1,590,114 |
| Prepaid expenses | <u>10,692</u> | <u>9,740</u> | <u>10,692</u> | <u>9,740</u> |
| Total assets | <u>\$ 1,751,589</u> | <u>\$ 5,387,634</u> | <u>\$ 5,539,369</u> | <u>\$ 1,599,854</u> |
| <i>Liabilities</i> | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued expenses | \$ 375,776 | \$ 327,100 | \$ 375,776 | \$ 327,100 |
| Due to others | <u>1,375,813</u> | <u>4,888,067</u> | <u>4,991,126</u> | <u>1,272,754</u> |
| Total liabilities | <u>\$ 1,751,589</u> | <u>\$ 5,215,167</u> | <u>\$ 5,366,902</u> | <u>\$ 1,599,854</u> |

BRAZORIA COUNTY, TEXAS**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS**

For the Year Ended September 30, 2018

Exhibit 25
Page 2 of 2

| | <u>Balance 10-01-17</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance 09-30-18</u> |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| DISTRICT/COUNTY CLERKS TRUSTS: | | | | |
| <i>Assets</i> | | | | |
| Cash and temporary investments | \$ <u>7,944,454</u> | \$ <u>8,702,339</u> | \$ <u>7,944,454</u> | \$ <u>8,702,339</u> |
| Total assets | \$ <u><u>7,944,454</u></u> | \$ <u><u>8,702,339</u></u> | \$ <u><u>7,994,454</u></u> | \$ <u><u>8,702,339</u></u> |
| <i>Liabilities</i> | | | | |
| Liabilities: | | | | |
| Due to others | \$ <u>7,944,454</u> | \$ <u>8,702,339</u> | \$ <u>7,944,454</u> | \$ <u>8,702,339</u> |
| Total liabilities | \$ <u><u>7,944,454</u></u> | \$ <u><u>8,702,339</u></u> | \$ <u><u>7,944,454</u></u> | \$ <u><u>8,702,339</u></u> |
| BC INDUSTRIAL DEVELOPMENT CORPORATION: | | | | |
| <i>Assets</i> | | | | |
| Cash and temporary investments | \$ _____ | \$ <u>2,513</u> | \$ _____ | \$ <u>2,513</u> |
| Total assets | \$ <u><u>-0-</u></u> | \$ <u><u>2,513</u></u> | \$ <u><u>-0-</u></u> | \$ <u><u>2,513</u></u> |
| <i>Liabilities</i> | | | | |
| Liabilities: | | | | |
| Due to others | \$ _____ | \$ <u>2,513</u> | \$ _____ | \$ <u>2,513</u> |
| Total liabilities | \$ <u><u>-0-</u></u> | \$ <u><u>2,513</u></u> | \$ <u><u>-0-</u></u> | \$ <u><u>2,513</u></u> |
| TOTALS - ALL AGENCY FUNDS: | | | | |
| <i>Assets</i> | | | | |
| Cash and temporary investments | \$ 10,802,644 | \$ 14,734,694 | \$ 13,876,894 | \$ 11,660,444 |
| Accounts receivable | 116,555 | 30,893 | 91,555 | 55,893 |
| Prepaid expense | <u>10,692</u> | <u>9,740</u> | <u>10,692</u> | <u>9,740</u> |
| Total assets | \$ <u><u>10,929,891</u></u> | \$ <u><u>14,775,327</u></u> | \$ <u><u>13,979,141</u></u> | \$ <u><u>11,726,077</u></u> |
| <i>Liabilities</i> | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued expenses | \$ 426,807 | \$ 349,676 | \$ 401,807 | \$ 374,676 |
| Due to others | <u>10,503,084</u> | <u>14,187,660</u> | <u>13,339,343</u> | <u>11,351,401</u> |
| Total liabilities | \$ <u><u>10,929,891</u></u> | \$ <u><u>14,537,336</u></u> | \$ <u><u>13,741,150</u></u> | \$ <u><u>11,726,077</u></u> |

HOUSING AUTHORITY OF BRAZORIA COUNTY, TEXAS (TX484)

Exhibit 26

FINANCIAL DATA SCHEDULE (FDS)

SUPPLEMENTARY INFORMATION

STATEMENT OF NET POSITION

September 30, 2018

| FDS Line# | FDS Line Account Title | 14.871 Housing Choice Vouchers |
|--------------|--|-----------------------------------|
| 111 | Cash – unrestricted | \$ 1,008,573 |
| 113 | Cash – other restricted | |
| 115 | Cash – restricted for payment of current liabilities | <u>24,121</u> |
| 100 | Total cash | <u>1,032,694</u> |
| 121 | Accounts receivable – PHA projects | <u>2,928</u> |
| 120 | Total receivables net of allowance for doubtful accounts | <u>2,928</u> |
| 150 | Total current assets | <u>1,035,622</u> |
| 190 | Total assets | 1,035,622 |
| 200 | Deferred outflow of resources | <u> </u> |
| 290 | Total assets and deferred outflow of resources | \$ <u><u>1,035,622</u></u> |
| 345 | Other current liabilities | \$ <u>24,121</u> |
| 310 | Total current liabilities | <u>24,121</u> |
| 350 | Total non-current liabilities | <u>-0-</u> |
| 300 | Total liabilities | <u>24,121</u> |
| 400 | Deferred inflow of resources | <u>-0-</u> |
| 509.3 | Restricted fund balance | |
| 512.3 | Unassigned fund balance | <u>1,011,501</u> |
| 513 | Total equity – Net assets/position | <u>1,011,501</u> |
| 600 | Total liabilities, deferred inflows of resources and equity – Net assets/position | \$ <u><u>1,035,622</u></u> |

HOUSING AUTHORITY OF BRAZORIA COUNTY, TEXAS (TX484)

Exhibit 27

FINANCIAL DATA SCHEDULE (FDS)

SUPPLEMENTARY INFORMATION

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2018

| FDS Line# | FDS Line Account Title | 14.871 Housing Choice Vouchers |
|--------------|--|-----------------------------------|
| 70600 | HUD PHA operating grants | \$ 3,972,075 |
| 71100 | Investment income - unrestricted | 15,349 |
| 71400 | Fraud recovery | 16,138 |
| 71500 | Other revenue | <u>140,364</u> |
| 70000 | Total revenue | <u>4,143,926</u> |
| 91100 | Administrative salaries | 228,105 |
| 91400 | Advertising and marketing | 2,736 |
| 91500 | Employee benefit contributions – administrative | 92,064 |
| 91600 | Office expenses | 9,045 |
| 91800 | Travel | 1,565 |
| 91810 | Allocated overhead | 1,746 |
| 91900 | Other | <u>21,359</u> |
| 91000 | Total operating – administrative | <u>356,620</u> |
| 96900 | Total operating expenses | <u>356,620</u> |
| 97000 | Excess of operating revenue over operating expenses | <u>3,787,306</u> |
| 97300 | Housing assistance payments | 3,570,576 |
| 97350 | HAP Portability-In | <u>133,130</u> |
| 90000 | Total expenses | <u>4,060,326</u> |
| 10000 | Excess (deficiency) of total revenue over (under) total expenses | 83,600 |
| 11030 | Beginning equity | 927,901 |
| 11170 | Administrative fee equity | <u>1,011,501</u> |
| 11180 | Housing assistance payments equity | \$ <u><u>-0-</u></u> |
| 11190 | Unit months available | <u>7,032</u> |
| 11210 | Number of unit months leased | <u>6,880</u> |



STATISTICAL SECTION



BRAZORIA COUNTY, TEXAS

Statistical Section
(unaudited)

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

| Contents | <u>Page</u> |
|-----------------|-------------|
|-----------------|-------------|

| | |
|-------------------------|---------|
| <u>Financial Trends</u> | 232-243 |
|-------------------------|---------|

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

| | |
|-------------------------|---------|
| <u>Revenue Capacity</u> | 244-251 |
|-------------------------|---------|

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

| | |
|----------------------|---------|
| <u>Debt Capacity</u> | 252-257 |
|----------------------|---------|

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

| | |
|--|---------|
| <u>Demographic and Economic Indicators</u> | 258-259 |
|--|---------|

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

| | |
|------------------------------|---------|
| <u>Operating Information</u> | 260-268 |
|------------------------------|---------|

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

BRAZORIA COUNTY, TEXAS
NET POSITION BY COMPONENTS
 Last Nine Fiscal Years
 (accrual basis of accounting)

Table 1

| | Fiscal Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Governmental Activities: | | | | | |
| Net investment in capital assets | \$ 118,386,142 | \$ 107,946,044 | \$ 125,443,284 | \$ 137,905,630 | \$ 167,975,425 |
| Restricted For: | | | | | |
| Public transportation projects | 14,812,978 | 28,317,997 | 12,899,517 | 29,463,484 | 13,593,152 |
| Debt service | 2,674,027 | 2,642,145 | 5,589,069 | 3,745,648 | 3,570,603 |
| Capital projects | | | | 2,793,607 | 2,551,020 |
| Records management | | | | | |
| Health services | | | | | |
| Other purposes | 11,038,528 | 9,138,277 | 7,857,542 | 4,313,104 | 4,257,142 |
| Unrestricted | <u>29,373,464</u> | <u>35,504,190</u> | <u>45,667,087</u> | <u>51,242,021</u> | <u>60,069,501</u> |
| Total governmental activities net position | <u>\$ 176,285,139</u> | <u>\$ 183,548,653</u> | <u>\$ 197,456,499</u> | <u>\$ 229,463,494</u> | <u>\$ 252,016,843</u> |
| Business-type Activities: | | | | | |
| Net investment in capital assets | \$ 10,262,087 | \$ 17,932,099 | \$ 18,063,644 | \$ 17,090,784 | \$ 18,782,258 |
| Restricted For: | | | | | |
| Debt service | | | | | |
| Other purposes | | | | | |
| Unrestricted | <u>1,240,854</u> | <u>936,146</u> | <u>859,249</u> | <u>2,700,569</u> | <u>759,597</u> |
| Total business-type activities net position | <u>\$ 11,502,941</u> | <u>\$ 18,868,245</u> | <u>\$ 18,922,893</u> | <u>\$ 19,791,353</u> | <u>\$ 19,541,855</u> |
| Primary Government: | | | | | |
| Net investment in capital assets | \$ 128,648,229 | \$ 125,878,143 | \$ 143,506,928 | \$ 154,996,414 | \$ 186,757,683 |
| Restricted | 28,525,533 | 40,098,419 | 26,346,128 | 40,315,843 | 23,971,917 |
| Unrestricted | <u>30,614,318</u> | <u>36,440,336</u> | <u>46,526,336</u> | <u>53,942,590</u> | <u>60,829,098</u> |
| Total primary government net position | <u>\$ 187,788,080</u> | <u>\$ 202,416,898</u> | <u>\$ 216,379,392</u> | <u>\$ 249,254,847</u> | <u>\$ 271,558,698</u> |

Notes:

GASB 65 was implemented in fiscal year 2013, and only fiscal year 2013 has been restated.

GASB 68 was implemented in fiscal year 2015, and only fiscal year 2014 ending balances have been restated.

GASB 75 was implemented in fiscal year 2018, and only fiscal year 2017 ending balances have been restated.

| Fiscal Year | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2014 | 2015 | 2016 | 2017 | 2018 |
| \$ 177,510,442 | \$ 190,567,382 | \$ 210,188,517 | \$ 231,459,172 | \$ 241,023,067 |
| 16,721,519 | 21,553,918 | 27,346,470 | 25,909,740 | 29,026,604 |
| 3,742,201 | 4,278,259 | 7,674,598 | 9,717,391 | 10,229,673 |
| | 3,105,754 | 3,495,356 | 3,680,850 | 4,181,205 |
| | 2,467,837 | 3,778,813 | 4,176,204 | 2,225,949 |
| 7,582,694 | 2,753,405 | 3,365,612 | 3,472,246 | 4,492,316 |
| <u>67,556,823</u> | <u>76,975,016</u> | <u>65,733,042</u> | <u>62,175,256</u> | <u>25,194,681</u> |
| <u>\$ 273,113,679</u> | <u>\$ 301,701,571</u> | <u>\$ 321,582,408</u> | <u>\$ 340,590,859</u> | <u>\$ 316,373,495</u> |
| \$ 19,869,765 | \$ 21,210,397 | \$ 20,323,878 | \$ 20,086,292 | \$ 18,905,534 |
| | | | 23,333 | |
| <u>328,977</u> | <u>592,390</u> | <u>294,750</u> | <u>(583,380)</u> | <u>(962,440)</u> |
| <u>\$ 20,198,742</u> | <u>\$ 21,802,787</u> | <u>\$ 20,618,628</u> | <u>\$ 19,526,245</u> | <u>\$ 17,943,094</u> |
| \$ 197,380,207 | \$ 211,777,779 | \$ 230,512,395 | \$ 251,545,464 | \$ 259,928,601 |
| 28,046,414 | 34,159,173 | 45,660,849 | 46,979,764 | 50,155,747 |
| <u>67,885,800</u> | <u>77,567,406</u> | <u>66,027,792</u> | <u>61,591,876</u> | <u>24,232,241</u> |
| <u>\$ 293,312,421</u> | <u>\$ 323,504,358</u> | <u>\$ 342,201,036</u> | <u>\$ 360,117,104</u> | <u>\$ 334,316,589</u> |

BRAZORIA COUNTY, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

| | Fiscal Year | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General administration | \$ 8,402,752 | \$ 9,765,100 | \$ 9,367,760 | \$ 8,531,830 | \$ 9,096,823 |
| Judicial and legal | 17,095,026 | 17,108,112 | 17,185,013 | 17,444,241 | 18,506,367 |
| Financial administration | 9,274,787 | 9,417,717 | 9,421,715 | 9,885,427 | 11,048,456 |
| Elections | 460,608 | 471,550 | 436,854 | 429,119 | 501,530 |
| Public facilities | 3,726,303 | 4,007,936 | 4,145,921 | 4,295,595 | 4,482,211 |
| Public safety | 16,565,137 | 17,203,454 | 17,825,709 | 17,808,208 | 19,121,946 |
| Corrections | 23,084,589 | 23,167,977 | 25,415,355 | 24,663,264 | 26,263,608 |
| Public transportation | 33,663,115 | 30,129,895 | 27,572,896 | 27,267,696 | 28,234,409 |
| Health and welfare | 11,379,348 | 12,684,269 | 11,619,175 | 9,624,531 | 8,643,077 |
| Public assistance | 296,000 | 296,000 | 296,000 | 296,000 | 296,000 |
| Culture and recreation | 8,501,264 | 8,514,714 | 8,690,800 | 8,785,859 | 10,096,986 |
| Conservation | 433,198 | 389,848 | 352,487 | 348,908 | 528,928 |
| Environmental protection | 211,300 | 204,162 | 261,926 | 543,559 | 205,288 |
| Community development | 2,477,725 | 3,433,743 | 5,965,680 | 7,371,072 | 8,985,728 |
| Interest on long-term debt | <u>2,242,764</u> | <u>2,650,328</u> | <u>2,842,829</u> | <u>2,811,695</u> | <u>3,563,248</u> |
| Total governmental activities expenses | <u>137,813,916</u> | <u>139,444,805</u> | <u>141,400,120</u> | <u>140,107,004</u> | <u>148,574,605</u> |
| Business-type Activities: | | | | | |
| Airport | <u>3,746,623</u> | <u>3,273,887</u> | <u>3,898,445</u> | <u>4,297,478</u> | <u>4,512,936</u> |
| Total business-type activities expenses | <u>3,746,623</u> | <u>3,273,887</u> | <u>3,898,445</u> | <u>4,297,478</u> | <u>4,512,936</u> |
| Total primary government expenses | <u>\$ 141,560,539</u> | <u>\$ 142,718,692</u> | <u>\$ 145,298,565</u> | <u>\$ 144,404,482</u> | <u>\$ 154,087,541</u> |
| Program Revenues | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services: | | | | | |
| General administration | \$ 3,078,349 | \$ 3,068,103 | \$ 2,916,705 | \$ 3,570,554 | \$ 3,006,250 |
| Judicial and legal | 6,719,465 | 7,562,837 | 8,806,300 | 7,245,046 | 7,563,630 |
| Financial administration | 1,782,317 | 1,774,714 | 2,472,605 | 2,838,356 | 3,305,013 |
| Elections | 163,679 | 213,801 | 139,755 | 185,989 | 165,038 |
| Public facilities | 1,168,851 | 36,305 | 1,610,574 | 955,404 | 726,709 |
| Public safety | 735,649 | 1,285,185 | 725,934 | 1,476,484 | 1,719,624 |
| Corrections | 395,555 | 786,547 | 691,574 | 581,751 | 617,597 |
| Public transportation | 4,092,757 | 3,467,955 | 4,881,755 | 4,911,763 | 4,588,703 |
| Health and welfare | 501,588 | 613,305 | 351,506 | 459,708 | 908,637 |
| Culture and recreation | 320,080 | 329,062 | 353,387 | 337,249 | 331,142 |
| Conservation | 11,448 | 106,364 | 113,441 | 5,308 | 5,347 |
| Environmental protection | 6,759 | 6,728 | 7,420 | 6,783 | 5,644 |
| Community development | | | | | |
| Operating grants and contributions | 20,615,452 | 17,275,047 | 18,663,189 | 15,345,237 | 15,898,124 |
| Capital grants and contributions | <u>15,200,393</u> | <u>6,058,920</u> | <u>3,315,829</u> | <u>26,617,632</u> | <u>11,995,116</u> |
| Total governmental activities program revenues | <u>54,792,342</u> | <u>42,584,873</u> | <u>45,049,974</u> | <u>64,537,264</u> | <u>50,836,574</u> |

| Fiscal Year | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2014 | 2015 | 2016 | 2017 | 2018 |
| \$ 9,482,542 | \$ 9,819,841 | \$ 13,333,069 | \$ 14,256,255 | \$ 15,943,484 |
| 19,631,411 | 20,702,777 | 27,480,125 | 26,160,276 | 28,537,150 |
| 12,903,144 | 14,199,026 | 16,962,227 | 16,585,661 | 17,830,059 |
| 424,419 | 593,251 | 755,090 | 754,753 | 836,365 |
| 4,552,789 | 4,247,946 | 5,161,249 | 5,259,745 | 5,225,522 |
| 20,547,826 | 20,549,314 | 27,044,603 | 27,179,614 | 27,482,318 |
| 27,590,517 | 28,672,523 | 35,532,021 | 33,551,741 | 33,957,749 |
| 32,301,984 | 27,695,529 | 37,065,270 | 45,740,054 | 37,398,020 |
| 12,719,101 | 10,961,502 | 13,335,024 | 14,497,556 | 14,577,622 |
| 321,000 | 341,462 | 346,000 | 332,676 | 403,000 |
| 9,749,878 | 10,516,642 | 13,188,901 | 13,131,875 | 13,987,290 |
| 399,428 | 394,293 | 508,036 | 535,470 | 506,265 |
| 248,221 | 248,480 | 321,618 | 237,091 | 392,236 |
| 3,662,694 | 6,165,252 | 3,388,193 | 3,372,148 | 1,820,655 |
| <u>4,401,503</u> | <u>3,640,139</u> | <u>1,143,440</u> | <u>2,297,450</u> | <u>2,895,303</u> |
| <u>158,936,457</u> | <u>158,747,977</u> | <u>195,564,866</u> | <u>203,892,365</u> | <u>201,793,038</u> |
| <u>4,812,519</u> | <u>3,788,609</u> | <u>3,772,731</u> | <u>3,918,718</u> | <u>4,275,005</u> |
| <u>4,812,519</u> | <u>3,788,609</u> | <u>3,772,731</u> | <u>3,918,718</u> | <u>4,275,005</u> |
| <u>\$ 163,748,976</u> | <u>\$ 162,536,586</u> | <u>\$ 199,337,597</u> | <u>\$ 207,811,083</u> | <u>\$ 206,068,043</u> |

| | | | | |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 4,858,893 | \$ 3,447,340 | \$ 3,546,875 | \$ 3,344,021 | \$ 3,473,990 |
| 9,459,558 | 15,767,444 | 10,678,104 | 12,217,919 | 5,671,148 |
| 3,242,108 | 3,413,795 | 3,828,331 | 3,807,513 | 4,180,739 |
| 213,604 | 159,259 | 217,783 | 204,982 | 228,514 |
| 44,544 | 50,769 | 65,568 | 241,048 | 275,973 |
| 1,319,332 | 1,257,535 | 1,597,103 | 1,676,667 | 1,760,985 |
| 1,321,862 | 1,432,280 | 1,801,471 | 1,825,059 | 2,032,401 |
| 7,959,239 | 4,355,858 | 4,312,980 | 4,284,827 | 4,592,759 |
| 375,082 | 390,289 | 447,359 | 465,259 | 536,992 |
| 356,613 | 376,878 | 381,621 | 385,641 | 464,922 |
| 5,578 | 8,120 | 10,526 | 16,799 | 19,107 |
| 7,350 | 8,544 | 11,232 | 8,315 | 9,952 |
| | 6,680 | 8,691 | 9,100 | 9,629 |
| 15,336,408 | 17,034,646 | 15,483,005 | 27,063,149 | 17,459,322 |
| <u>9,227,520</u> | <u>7,324,038</u> | <u>22,400,581</u> | <u>12,904,515</u> | <u>3,800,879</u> |
| <u>53,727,691</u> | <u>55,033,475</u> | <u>64,791,230</u> | <u>68,454,814</u> | <u>44,517,312</u> |

BRAZORIA COUNTY, TEXAS*CHANGES IN NET POSITION - Continued*

Last Ten Fiscal Years

(accrual basis of accounting)

Table 2

| | Fiscal Year | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Business-type Activities: | | | | | |
| Charges for Services | \$ 3,281,882 | \$ 2,523,391 | \$ 3,091,375 | \$ 3,096,897 | \$ 3,275,992 |
| Operating Grants and Contributions | 43,086 | | 46,750 | 8,509 | |
| Capital Grants and Contributions | <u>354,225</u> | <u>8,085,786</u> | <u>807,418</u> | <u>157,535</u> | <u>964,718</u> |
| Total business-type activities program revenues | <u>3,679,193</u> | <u>10,609,177</u> | <u>3,945,543</u> | <u>3,262,941</u> | <u>4,240,710</u> |
| Total primary government program revenues | <u>\$ 58,471,535</u> | <u>\$ 53,194,050</u> | <u>\$ 48,995,517</u> | <u>\$ 67,800,205</u> | <u>\$ 55,077,284</u> |
| Net (Expense)/Revenue: | | | | | |
| Governmental activities | \$(83,021,574) | \$(96,859,932) | \$(96,350,146) | \$(75,569,740) | \$(98,738,031) |
| Business-type activities | <u>(67,430)</u> | <u>7,335,290</u> | <u>47,098</u> | <u>(1,034,537)</u> | <u>(272,226)</u> |
| Total primary governmental net expense | <u>(83,089,004)</u> | <u>(89,524,642)</u> | <u>(96,303,048)</u> | <u>(76,604,277)</u> | <u>(99,010,257)</u> |
| General Revenues & Other Changes in Net Position | | | | | |
| Governmental Activities: | | | | | |
| Property taxes | 81,235,296 | 86,026,984 | 90,322,731 | 92,323,262 | 100,582,765 |
| Sales and other taxes | 16,794,059 | 15,538,547 | 16,971,997 | 18,244,871 | 20,439,065 |
| Grants and contributions not restricted to specific programs | 78,956 | | 370,307 | 254,896 | 243,808 |
| Investment income | 1,686,538 | 1,304,639 | 1,178,754 | 341,652 | 563,572 |
| Gain on disposition of capital assets | 10,106 | | 69,146 | 671,000 | |
| Miscellaneous | 1,894,054 | 1,253,276 | 1,345,057 | | 1,010,487 |
| Transfers | <u>(349,500)</u> | | | <u>(1,894,000)</u> | <u>(20,145)</u> |
| Total governmental activities | <u>101,349,509</u> | <u>104,123,446</u> | <u>110,257,992</u> | <u>109,941,681</u> | <u>122,819,552</u> |
| Business-type Activities: | | | | | |
| Unrestricted investment earnings | 10,326 | 16,585 | 7,550 | 2,760 | 2,583 |
| Gain on disposition of capital assets | | 13,429 | | 3,563 | |
| Transfers | <u>349,500</u> | | | <u>1,894,000</u> | <u>20,145</u> |
| Total business-type activities | <u>359,826</u> | <u>30,014</u> | <u>7,550</u> | <u>1,900,323</u> | <u>22,728</u> |
| Total primary government | <u>101,709,335</u> | <u>104,153,460</u> | <u>110,265,542</u> | <u>111,842,004</u> | <u>122,842,280</u> |
| Change in Net Position | | | | | |
| Governmental activities | 18,327,935 | 7,263,514 | 13,907,846 | 34,371,941 | 24,081,521 |
| Business-type activities | <u>292,396</u> | <u>7,365,304</u> | <u>54,648</u> | <u>865,786</u> | <u>(249,498)</u> |
| Total primary government | <u>\$ 18,620,331</u> | <u>\$ 14,628,818</u> | <u>\$ 13,962,494</u> | <u>\$ 35,237,727</u> | <u>\$ 23,832,023</u> |

| | | Fiscal Year | | | | | | | |
|-----|----------------------|-------------|----------------------|------|----------------------|------|----------------------|-----|----------------------|
| | | 2014 | 2015 | 2016 | 2017 | 2018 | | | |
| \$ | 3,409,103 | \$ | 2,552,465 | \$ | 2,214,867 | \$ | 2,465,723 | \$ | 2,912,439 |
| | 57,014 | | 56,643 | | 50,000 | | 49,999 | | 50,000 |
| | <u>1,999,330</u> | | <u>2,194,205</u> | | <u>65,169</u> | | <u>310,613</u> | | |
| | <u>5,465,447</u> | | <u>4,803,313</u> | | <u>2,330,036</u> | | <u>2,826,335</u> | | <u>2,962,439</u> |
| \$ | <u>59,193,138</u> | \$ | <u>59,836,788</u> | \$ | <u>67,121,266</u> | \$ | <u>71,281,149</u> | \$ | <u>47,479,751</u> |
| \$(| 105,208,766) | \$(| 103,714,502) | \$(| 130,773,636) | \$(| 135,437,551) | \$(| 157,275,726) |
| | <u>652,928</u> | | <u>1,014,704</u> | | <u>(1,442,695)</u> | | <u>(1,092,383)</u> | | <u>(1,312,566)</u> |
| | <u>(104,555,838)</u> | | <u>(102,699,798)</u> | | <u>(132,216,331)</u> | | <u>(136,529,934)</u> | | <u>(158,588,292)</u> |
| | 104,524,246 | | 110,895,732 | | 116,355,826 | | 118,684,474 | | 122,695,031 |
| | 22,400,586 | | 28,255,671 | | 31,299,375 | | 33,270,942 | | 34,953,712 |
| | 321,088 | | 709,617 | | 1,607,901 | | 47,527 | | 77,234 |
| | 429,659 | | 499,740 | | 775,821 | | 1,373,196 | | 2,557,533 |
| | 280,921 | | 99,302 | | 217,277 | | 59,747 | | 73,625 |
| | 305,676 | | 1,934,315 | | 656,809 | | 1,010,116 | | 651,734 |
| | | | <u>(690,800)</u> | | <u>(258,536)</u> | | | | |
| | <u>128,262,176</u> | | <u>141,703,577</u> | | <u>150,654,473</u> | | <u>154,446,002</u> | | <u>161,008,869</u> |
| | 168 | | | | | | | | 373 |
| | 3,791 | | | | | | | | |
| | | | <u>690,800</u> | | <u>258,536</u> | | | | |
| | <u>3,959</u> | | <u>690,800</u> | | <u>258,536</u> | | <u>-0-</u> | | <u>373</u> |
| | <u>128,266,135</u> | | <u>142,394,377</u> | | <u>150,913,009</u> | | <u>154,446,002</u> | | <u>161,009,242</u> |
| | 23,053,410 | | 37,989,075 | | 19,880,837 | | 19,008,451 | | 3,733,143 |
| | <u>656,887</u> | | <u>1,705,504</u> | | <u>(1,184,159)</u> | | <u>(1,092,383)</u> | | <u>(1,312,193)</u> |
| \$ | <u>23,710,297</u> | \$ | <u>39,694,579</u> | \$ | <u>18,696,678</u> | \$ | <u>17,916,068</u> | \$ | <u>2,420,950</u> |

BRAZORIA COUNTY, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Table 3

| | Fiscal Year | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Fund: | | | | | |
| Reserved | \$ 3,668,508 | \$ 4,099,579 | \$ | \$ | \$ |
| Unreserved | 22,719,603 | 27,121,283 | | | |
| Non-spendable | | | 1,158,255 | 1,165,424 | 1,351,205 |
| Restricted | | | 1,530,251 | 1,453,855 | 935,285 |
| Committed | | | 1,553,849 | 1,467,868 | 1,741,708 |
| Unassigned | | | 34,200,927 | 41,062,932 | 50,715,965 |
| Total general fund | <u>\$ 26,388,111</u> | <u>\$ 31,220,862</u> | <u>\$ 38,443,282</u> | <u>\$ 45,150,079</u> | <u>\$ 54,744,163</u> |
| All Other Governmental Funds: | | | | | |
| Reserved | \$ 29,103,256 | \$ 41,438,332 | \$ | \$ | \$ |
| Unreserved: | | | | | |
| Designated: | | | | | |
| Capital projects funds | 792,514 | 776,374 | | | |
| Undesignated: | | | | | |
| Capital projects funds | | | | | |
| Special revenue funds | | | | | |
| Non-spendable | | | 1,053,294 | 1,542,479 | 1,312,148 |
| Restricted | | | 31,269,960 | 63,146,748 | 53,067,517 |
| Committed | | | 778,699 | | |
| Unassigned | | | (13,309) | (249,837) | (1,179,913) |
| Total all other governmental funds | <u>\$ 29,895,770</u> | <u>\$ 42,214,706</u> | <u>\$ 33,088,644</u> | <u>\$ 64,439,390</u> | <u>\$ 53,199,752</u> |

Note:

In 2011, the County implemented GASB 54, under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned, compared to reserved and unreserved. The County has not restated prior years.

| Fiscal Year | | | | |
|----------------------|----------------------|----------------------|----------------------|-----------------------|
| 2014 | 2015 | 2016 | 2017 | 2018 |
| \$ | \$ | \$ | \$ | \$ |
| 9,863,383 | 12,549,827 | 13,860,880 | 1,147,613 | 1,435,315 |
| 102,797 | 94,151 | 96,059 | 101,041 | 93,390 |
| 938,565 | 808,460 | 775,536 | 803,179 | 753,344 |
| <u>52,891,607</u> | <u>64,255,372</u> | <u>75,587,237</u> | <u>93,351,198</u> | <u>102,210,746</u> |
| \$ <u>63,796,352</u> | \$ <u>77,707,810</u> | \$ <u>90,319,712</u> | \$ <u>95,403,031</u> | \$ <u>104,492,795</u> |

\$ \$ \$ \$ \$

| | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1,217,016 | 1,335,749 | 819,182 | 1,095,455 | 852,568 |
| 39,060,016 | 41,894,278 | 51,674,914 | 47,605,744 | 57,566,618 |
| 6,387,244 | 1,008,271 | 897,615 | 858,914 | 900,466 |
| (122,709) | (15,673) | (523,030) | (98,043) | (4,320,798) |
| \$ <u>46,541,567</u> | \$ <u>44,222,625</u> | \$ <u>52,868,681</u> | \$ <u>49,462,070</u> | \$ <u>54,998,854</u> |

BRAZORIA COUNTY, TEXAS**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 4

Page 1 of 2

| | Fiscal Year | | | | |
|--|---------------------|---------------------|---------------------|--------------------|---------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Revenues: | | | | | |
| Taxes | \$ 97,948,315 | \$ 101,144,578 | \$ 107,106,700 | \$ 110,958,850 | \$ 121,080,797 |
| Intergovernmental | 23,271,447 | 19,425,363 | 21,252,449 | 36,457,092 | 25,990,993 |
| Charges for services | 8,513,053 | 8,825,218 | 9,312,082 | 9,630,462 | 10,326,829 |
| Licenses and permits | 4,364,604 | 4,632,972 | 4,748,920 | 4,876,770 | 5,245,553 |
| Fines and forfeitures | 2,999,714 | 3,349,587 | 3,868,556 | 3,772,795 | 4,332,729 |
| Special assessments | 65,891 | 127,307 | 221,773 | 193,309 | 196,203 |
| Investment income | 1,670,081 | 1,299,600 | 1,197,606 | 330,704 | 531,586 |
| Miscellaneous | 2,461,330 | 1,837,188 | 2,131,525 | 2,259,033 | 2,360,819 |
| Total revenues | <u>141,294,435</u> | <u>140,641,813</u> | <u>149,839,611</u> | <u>168,479,015</u> | <u>170,065,509</u> |
| Expenditures: | | | | | |
| Current Expenditures: | | | | | |
| General administration | 8,316,067 | 8,967,373 | 9,161,421 | 8,086,323 | 8,548,201 |
| Judicial and legal | 16,581,752 | 16,795,972 | 16,748,044 | 16,980,083 | 17,856,724 |
| Financial administration | 9,014,398 | 9,234,021 | 9,204,212 | 10,309,390 | 11,374,699 |
| Elections | 433,657 | 441,531 | 413,086 | 412,593 | 487,833 |
| Public facilities | 3,716,015 | 3,762,477 | 4,428,992 | 4,876,561 | 4,288,098 |
| Public safety | 16,101,590 | 16,467,367 | 17,115,173 | 17,558,737 | 18,673,646 |
| Corrections | 21,802,308 | 21,811,543 | 23,659,629 | 23,475,441 | 24,472,837 |
| Public transportation | 26,550,726 | 19,813,342 | 20,420,257 | 18,796,758 | 20,085,745 |
| Health and welfare | 10,964,979 | 12,373,186 | 11,255,659 | 9,296,836 | 8,233,428 |
| Public assistance | 296,000 | 296,000 | 296,000 | 296,000 | 296,000 |
| Culture and recreation | 8,429,724 | 8,872,828 | 8,647,754 | 8,977,994 | 9,978,916 |
| Conservation | 411,494 | 376,220 | 337,521 | 334,459 | 509,363 |
| Environmental protection | 203,304 | 196,019 | 272,161 | 532,919 | 9,176,406 |
| Community development | 2,476,674 | 3,433,742 | 5,964,892 | 7,369,411 | 15,956,234 |
| Capital outlay | 17,780,454 | 13,286,022 | 15,687,513 | 29,094,764 | 12,420,735 |
| Debt Service: | | | | | |
| Principal | 4,240,000 | 4,450,000 | 5,030,000 | 5,590,000 | 5,520,000 |
| Interest and fiscal charges | 2,391,636 | 2,510,730 | 3,319,324 | 3,187,785 | 3,956,542 |
| Total expenditures | <u>149,710,778</u> | <u>143,088,373</u> | <u>151,961,638</u> | <u>165,176,054</u> | <u>171,835,407</u> |
| Excess of revenues over (under) expenditures | <u>(8,416,343)</u> | <u>(2,446,560)</u> | <u>(2,122,027)</u> | <u>3,302,961</u> | <u>(1,769,898)</u> |

(continued)

| Fiscal Year | | | | |
|---------------------|--------------------|--------------------|--------------------|--------------------|
| 2014 | 2015 | 2016 | 2017 | 2018 |
| \$ 127,161,551 | \$ 138,766,567 | \$ 147,866,922 | \$ 151,822,127 | \$ 156,637,465 |
| 24,277,946 | 23,501,265 | 22,995,395 | 29,188,892 | 16,449,618 |
| 10,883,414 | 11,565,888 | 12,103,145 | 12,580,108 | 13,144,085 |
| 5,655,291 | 5,523,340 | 5,904,986 | 5,897,453 | 6,336,616 |
| 4,168,138 | 3,825,950 | 3,924,628 | 3,951,481 | 4,673,351 |
| 195,833 | 103,907 | 106,388 | 59,424 | 170,576 |
| 415,901 | 492,533 | 766,417 | 1,358,178 | 2,522,920 |
| <u>5,742,304</u> | <u>4,612,592</u> | <u>18,458,808</u> | <u>12,472,269</u> | <u>6,205,259</u> |
| <u>178,500,378</u> | <u>188,392,042</u> | <u>212,126,689</u> | <u>217,329,932</u> | <u>206,139,890</u> |
| 10,301,303 | 9,246,389 | 11,074,339 | 12,877,768 | 14,472,020 |
| 19,011,805 | 20,340,488 | 21,059,499 | 22,443,315 | 24,323,747 |
| 12,083,956 | 13,174,716 | 12,632,942 | 14,207,371 | 15,884,878 |
| 417,732 | 609,346 | 742,970 | 740,275 | 380,308 |
| 4,253,519 | 4,364,603 | 4,286,261 | 4,565,395 | 4,487,448 |
| 19,446,981 | 20,264,608 | 20,095,975 | 22,448,522 | 22,857,035 |
| 25,275,267 | 27,032,437 | 27,862,534 | 28,872,444 | 29,622,245 |
| 23,512,232 | 18,559,567 | 23,452,938 | 33,730,772 | 24,490,219 |
| 12,288,441 | 10,750,567 | 11,483,007 | 13,023,794 | 13,040,895 |
| 321,000 | 346,000 | 346,000 | 393,500 | 403,000 |
| 9,344,677 | 10,369,672 | 10,469,790 | 11,276,542 | 12,094,791 |
| 432,729 | 386,447 | 428,328 | 459,633 | 437,162 |
| 235,250 | 233,191 | 242,319 | 211,045 | 359,502 |
| 3,648,487 | 6,155,624 | 3,371,875 | 3,352,989 | 1,806,228 |
| 38,547,549 | 25,703,879 | 32,159,320 | 40,393,990 | 23,877,541 |
| 3,500,000 | 5,385,000 | 4,495,000 | 3,780,000 | 6,645,000 |
| <u>3,757,309</u> | <u>3,613,673</u> | <u>3,326,676</u> | <u>3,089,439</u> | <u>3,143,310</u> |
| <u>186,378,237</u> | <u>176,536,207</u> | <u>187,529,773</u> | <u>215,866,794</u> | <u>198,325,329</u> |
| <u>(7,877,859)</u> | <u>11,855,835</u> | <u>24,596,916</u> | <u>1,463,138</u> | <u>7,814,561</u> |

BRAZORIA COUNTY, TEXAS*CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - Continued*

Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 4

Page 2 of 2

| | Fiscal Year | | | | |
|---|----------------|---------------|----------------|---------------|----------------|
| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Other Financing Sources (Uses): | | | | | |
| Issuance of general obligation bonds | \$ | \$ 19,425,000 | \$ | \$ 38,125,000 | \$ |
| Issuance of tax note | | | | | |
| Premium on the sale of bonds | | 101,722 | | 3,076,953 | |
| Sale of capital assets | 45,020 | 71,525 | 218,385 | 107,459 | 144,489 |
| Payments to escrow agent | | | | (4,660,830) | |
| Transfers in | 2,097,774 | 1,204,557 | 7,686,208 | 4,097,912 | 2,065,045 |
| Transfers out | (2,447,274) | (1,204,557) | (7,686,208) | (5,991,912) | (2,085,190) |
| Total other financing sources (uses) | (304,480) | 19,598,247 | 218,385 | 34,754,582 | 124,344 |
| Net change in fund balances | \$(8,720,823) | \$ 17,151,687 | \$(1,903,642) | \$ 38,057,543 | \$(1,645,554) |
| Debt service as a percentage of noncapital expenditures | 5.0% | 5.4% | 6.1% | 6.5% | 5.9% |

| | | Fiscal Year | | | | |
|----|-------------------|-------------------|-------------------|------------------|-------------------|--|
| | 2014 | 2015 | 2016 | 2017 | 2018 | |
| \$ | | \$ | \$ 16,550,000 | \$ | \$ 12,535,000 | |
| | 9,900,000 | | | | | |
| | | | 2,250,887 | | 1,329,158 | |
| | 371,862 | 427,481 | 388,849 | 213,570 | 370,337 | |
| | | | (18,432,305) | | (4,922,508) | |
| | 4,675,224 | 10,464,194 | 2,439,057 | 7,102,652 | 3,402,319 | |
| | (4,675,224) | (11,154,994) | (6,535,446) | (7,102,652) | (5,902,319) | |
| | <u>10,271,862</u> | (263,319) | (3,338,958) | <u>213,570</u> | <u>6,811,987</u> | |
| \$ | <u>2,394,003</u> | <u>11,592,516</u> | <u>21,257,958</u> | <u>1,676,708</u> | <u>14,626,548</u> | |
| | 4.9% | 6.10% | 5.0% | 3.9% | 5.6% | |

BRAZORIA COUNTY, TEXAS**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

Table 5

Last Ten Fiscal Years
 (Amounts in thousands)

| Fiscal Year | Real Property | | | Less: Exemptions | Net Real Property | Minerals | Personal Property | Total Taxable Assessed Value | Total Direct Tax Rate |
|-------------|---------------|---------------|---------------|------------------|-------------------|------------|-------------------|------------------------------|-----------------------|
| | Residential | Commercial | Total | | | | | | |
| 2018 | \$ 17,446,320 | \$ 19,715,537 | \$ 37,161,857 | \$ 13,490,658 | \$ 23,671,199 | \$ 206,496 | \$ 4,077,303 | \$ 27,954,998 | \$ 0.440234 |
| 2017 | 16,177,230 | 15,881,822 | 32,059,052 | 10,198,519 | 21,860,533 | 202,589 | 4,011,134 | 26,074,256 | 0.457405 |
| 2016 | 14,329,627 | 13,518,352 | 27,847,979 | 8,476,232 | 19,371,474 | 339,818 | 4,175,919 | 23,887,484 | 0.486000 |
| 2015 | 13,200,329 | 11,856,666 | 25,056,995 | 7,688,726 | 17,368,269 | 581,582 | 4,223,915 | 22,173,766 | 0.498500 |
| 2014 | 12,533,490 | 11,331,528 | 23,865,018 | 6,892,577 | 16,972,441 | 506,779 | 4,091,190 | 21,570,410 | 0.492020 |
| 2013 | 12,262,875 | 11,064,702 | 23,327,577 | 7,382,439 | 15,945,138 | 378,102 | 3,897,896 | 20,221,136 | 0.485860 |
| 2012 | 12,144,343 | 10,995,245 | 23,139,588 | 7,556,250 | 15,583,338 | 391,224 | 3,599,879 | 19,574,441 | 0.473101 |
| 2011 | 11,317,327 | 13,509,869 | 24,827,196 | 7,405,684 | 17,421,512 | 453,986 | 2,320,561 | 20,196,059 | 0.463101 |
| 2010 | 11,551,683 | 13,546,817 | 25,098,500 | 7,174,101 | 17,924,399 | 512,177 | 2,435,863 | 20,872,439 | 0.426286 |
| 2009 | 10,501,274 | 12,734,892 | 23,236,166 | 6,223,999 | 17,012,167 | 443,245 | 2,250,737 | 19,706,149 | 0.390000 |

Source: Brazoria County Appraisal District

Note: Brazoria County assesses property annually. Property is assessed at actual market value.
 Tax rates are per \$ 100 of assessed value.



BRAZORIA COUNTY, TEXAS**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Last Ten Fiscal Years

(rate per \$100 of assessed value)

Table 6

Page 1 of 2

| | 2008 Tax Rate for 9/30/09 | 2009 Tax Rate for 9/30/10 | 2010 Tax Rate for 9/30/11 | 2011 Tax Rate for 9/30/12 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| County Direct Rates: | | | | |
| General Fund | 0.255767 | 0.288745 | 0.319268 | 0.323617 |
| Road & Bridge | 0.035500 | 0.035000 | 0.032800 | 0.036500 |
| Mosquito Control | 0.008550 | 0.008000 | 0.008000 | 0.010000 |
| Special R&B - Article 6790 | 0.060000 | 0.060000 | 0.060000 | 0.060000 |
| Debt Service Fund - Jail Building Bonds | 0.011404 | 0.015141 | 0.015141 | 0.015000 |
| General Obligation – 2012 Refunding | 0.004650 | 0.005200 | 0.005200 | 0.006000 |
| Certificate of Obligation - Series 2006 | 0.005129 | 0.005600 | 0.005600 | 0.005784 |
| Certificate of Obligation - Series 2012 | | | | |
| 2013 Tax Notes | | | | |
| 2016 Limited Tax Refunding | | | | |
| Toll Road | | | | |
| Mobility Bonds | 0.009000 | 0.008600 | 0.017092 | 0.016200 |
| Total direct rate | <u>0.390000</u> | <u>0.426286</u> | <u>0.463101</u> | <u>0.473101</u> |
| City Rates: | | | | |
| Alvin | 0.803600 | 0.803600 | 0.803600 | 0.843600 |
| Angleton | 0.706000 | 0.706000 | 0.706000 | 0.723500 |
| Brazoria | 0.728300 | 0.728300 | 0.762300 | 0.762300 |
| Brookside Village | 0.460000 | 0.460000 | 0.500000 | 0.500000 |
| Clute | 0.693000 | 0.672000 | 0.672000 | 0.672000 |
| Danbury | 0.760600 | 0.762014 | 0.769538 | 0.826940 |
| Freeport | 0.700000 | 0.708266 | 0.708266 | 0.680000 |
| City of Hillcrest Village | 0.374512 | 0.374512 | 0.377754 | 0.389106 |
| Town of Holiday Lakes | 0.924070 | 0.950737 | 0.983434 | 1.035704 |
| Village of Jones Creek | 0.340000 | 0.340000 | 0.380000 | 0.380000 |
| Lake Jackson | 0.390000 | 0.390000 | 0.390000 | 0.390000 |
| Liverpool | 0.175800 | 0.236852 | 0.236850 | 0.236850 |
| City of Iowa Colony | | | | |
| Manvel | 0.587863 | 0.587863 | 0.587863 | 0.587863 |
| City of Oyster Creek | 0.395000 | 0.401142 | 0.423154 | 0.431106 |
| Pearland | 0.652600 | 0.652600 | 0.665100 | 0.685100 |
| Town of Quintana | 0.027140 | 0.033365 | 0.024413 | 0.24413 |
| Richwood | 0.693660 | 0.693660 | 0.693660 | 0.693660 |
| Village of Bailey's Prairie | | | | |
| Village of Surfside Beach | 0.352392 | 0.442056 | 0.408801 | 0.402610 |
| Sweeny | 0.762105 | 0.741595 | 0.772818 | 0.782818 |
| West Columbia | 0.831900 | 0.831900 | 0.831900 | 0.831900 |
| School District Rates: | | | | |
| Alvin ISD | 1.328200 | 1.304100 | 1.304100 | 1.344100 |
| Angleton ISD | 1.314000 | 1.455200 | 1.455200 | 1.455200 |
| Brazosport ISD | 1.192000 | 1.228500 | 1.241500 | 1.241500 |
| Columbia-Brazoria ISD | 1.296500 | 1.296500 | 1.296500 | 1.296500 |
| Damon ISD | 1.170000 | 1.170000 | 1.170000 | 1.170000 |
| Danbury ISD | 1.134900 | 1.143900 | 1.135400 | 1.137000 |
| Pearland ISD | 1.419400 | 1.419400 | 1.419400 | 1.419400 |
| Sweeny ISD | 1.211700 | 1.211700 | 1.211700 | 1.211700 |
| Special District Rates: | | | | |
| Alvin Community College | 0.199832 | 0.199830 | 0.199830 | 0.199485 |
| Angleton-Danbury Hospital | 0.246500 | 0.246500 | 0.279998 | 0.299592 |
| Brazoria Co. DD # 1 (Angleton) | 0.183900 | 0.183900 | 0.183900 | 0.176563 |
| Brazoria Co. DD # 2 (Velasco) | 0.082075 | 0.087130 | 0.090907 | 0.094214 |
| Brazoria Co. DD # 3 (Alvin or C&R #3) | 0.150000 | 0.150000 | 0.150000 | 0.150000 |
| Brazoria Co. DD # 4 (Pearland) | 0.143845 | 0.143845 | 0.156000 | 0.156000 |
| Brazoria Co. DD # 5 (Iowa Colony) | 0.186897 | 0.189727 | 0.189098 | 0.188304 |
| Brazoria Co. DD # 8 (Danbury) | 0.361000 | 0.366000 | 0.366000 | 0.366000 |
| Brazoria Co. DD #11 (W. Brazoria Co.) | 0.020000 | 0.020000 | 0.020000 | 0.020000 |
| Brazoria Co. FWSD # 1 | 0.300000 | 0.295000 | 0.280000 | 0.280000 |
| Brazoria Co. MUD # 1 (Pearland) | | | | |
| Brazoria Co. MUD # 2 (Southwyck) | 0.500000 | 0.500000 | 0.500000 | 0.500000 |
| Brazoria Co. MUD # 3 (Silverlake) | 0.630000 | 0.630000 | 0.630000 | 0.630000 |
| Brazoria Co. MUD # 4 (Country Place) | 0.628000 | 0.630000 | 0.630000 | 0.660000 |
| Brazoria Co. MUD # 5 (Southdown) | | | | |
| Brazoria Co. MUD # 6 (Weatherford) | 0.630000 | 0.630000 | 0.630000 | 0.630000 |
| Brazoria Co. MUD #16 | 0.950000 | 0.950000 | 0.950000 | 0.950000 |

| 2012 Tax Rate for 9/30/13 | 2013 Tax Rate for 9/30/14 | 2014 Tax Rate for 9/30/15 | 2015 Tax Rate for 9/30/16 | 2016 Tax Rate for 9/30/17 | 2017 Tax Rate for 9/30/18 |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 0.323913 | 0.335050 | 0.326841 | 0.317704 | 0.300829 | 0.292097 |
| 0.045000 | 0.050000 | 0.056480 | 0.055000 | 0.055000 | 0.050000 |
| 0.013947 | 0.013540 | 0.013540 | 0.011690 | 0.006500 | 0.003000 |
| 0.060000 | 0.060000 | 0.060000 | 0.060000 | 0.060000 | 0.060000 |
| 0.011587 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 0.002800 | 0.004600 | 0.004410 | 0.004100 | 0.003700 | 0.001600 |
| 0.005363 | 0.005350 | 0.005070 | 0.004700 | 0.000000 | 0.000000 |
| 0.006250 | 0.005360 | 0.005120 | 0.004700 | 0.004026 | 0.008500 |
| | | 0.008800 | 0.001606 | 0.001450 | 0.007300 |
| | | | | 0.003300 | 0.003090 |
| | | | 0.010700 | 0.009600 | 0.007300 |
| <u>0.017000</u> | <u>0.018120</u> | <u>0.018239</u> | <u>0.015800</u> | <u>0.013000</u> | <u>0.007347</u> |
| <u>0.485860</u> | <u>0.492020</u> | <u>0.498500</u> | <u>0.486000</u> | <u>0.457405</u> | <u>0.440234</u> |
| 0.843800 | 0.843600 | 0.838600 | 0.838600 | 0.798000 | 0.788000 |
| 0.723500 | 0.723500 | 0.723500 | 0.717598 | 0.707598 | 0.707598 |
| 0.762300 | 0.770700 | 0.770700 | 0.790700 | 0.790700 | 0.721976 |
| 0.500000 | 0.500000 | 0.500000 | 0.528600 | 0.528600 | 0.528600 |
| 0.672000 | 0.672000 | 0.672000 | 0.659000 | 0.643000 | 0.625000 |
| 0.826940 | 0.829169 | 0.829169 | 0.799313 | 0.768701 | 0.765672 |
| 0.700000 | 0.675586 | 0.675586 | 0.645642 | 0.628005 | 0.628005 |
| 0.391781 | 0.432600 | 0.448415 | 0.412180 | 0.407932 | 0.407932 |
| 1.085564 | 1.062565 | 1.046788 | 0.965516 | 0.869048 | 1.010761 |
| 0.380000 | 0.410000 | 0.410000 | 0.410000 | 0.410000 | 0.410000 |
| 0.390000 | 0.390000 | 0.216473 | 0.360000 | 0.337500 | 0.337500 |
| 0.230463 | 0.230463 | 0.387500 | 0.215304 | 0.193770 | 0.189288 |
| | | | | 0.444372 | 0.429500 |
| 0.587863 | 0.587863 | 0.580000 | 0.580000 | 0.570000 | 0.570000 |
| 0.473161 | 0.476394 | 0.476394 | 0.332273 | 0.303816 | 0.303816 |
| 0.705100 | 0.705100 | 0.712100 | 0.705300 | 0.681200 | 0.685059 |
| 0.023640 | 0.022882 | 0.013046 | 0.013046 | 0.012938 | 0.013830 |
| 0.735680 | 0.735680 | 0.735680 | 0.735680 | 0.672580 | 0.634444 |
| | | | | 0.069164 | 0.069706 |
| 0.432601 | 0.432601 | 0.397940 | 0.375204 | 0.359506 | 0.359506 |
| 0.744034 | 0.887456 | 0.908000 | 0.842869 | 0.747062 | 0.747062 |
| 0.831900 | 0.831900 | 0.831900 | 0.830000 | 0.830000 | 0.820000 |
| 1.329100 | 0.329100 | 1.417000 | 1.417000 | 1.450000 | 1.450000 |
| 1.455200 | 1.455200 | 1.455200 | 1.455200 | 1.455200 | 1.455200 |
| 0.125950 | 1.255300 | 1.255300 | 1.255300 | 1.255300 | 1.255300 |
| 1.296500 | 1.296500 | 1.284700 | 1.284700 | 1.284700 | 1.269500 |
| 1.170000 | 1.170000 | 1.170000 | 1.170000 | 1.170000 | 1.170000 |
| 1.136445 | 1.141081 | 1.240000 | 1.255000 | 1.256600 | 1.250700 |
| 1.419400 | 1.415700 | 1.415700 | 1.415600 | 1.415600 | 1.415600 |
| 1.211700 | 1.211700 | 1.211700 | 1.211700 | 1.211700 | 1.211700 |
| 0.199756 | 0.199756 | 0.204009 | 0.204009 | 0.191744 | 0.180750 |
| 0.359592 | 0.362678 | 0.346854 | 0.321751 | 0.302817 | 0.273681 |
| 0.176563 | 0.175448 | 0.176597 | 0.166619 | 0.155164 | 0.146855 |
| 0.094805 | 0.100226 | 0.098018 | 0.093878 | 0.091501 | 0.085000 |
| 0.150000 | 0.150000 | 0.150000 | 0.150000 | 0.150000 | 0.150000 |
| 0.156000 | 0.156000 | 0.156000 | 0.155500 | 0.146000 | 0.146000 |
| 0.193966 | 0.193194 | 0.186402 | 0.171667 | 0.156283 | 0.150131 |
| 0.366000 | 0.349474 | 0.325442 | 0.307812 | 0.276115 | 0.252063 |
| 0.020000 | 0.020000 | 0.020000 | 0.020000 | 0.020000 | 0.020000 |
| 0.250000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 0.490000 | 0.490000 | 0.490000 | 0.440000 | 0.440000 | 0.400000 |
| 0.630000 | 0.630000 | 0.630000 | 0.620000 | 0.620000 | 0.590000 |
| 0.630000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 0.630000 | 0.630000 | 0.630000 | 0.600000 | 0.600000 | 0.600000 |
| 0.940000 | 0.940000 | 0.940000 | 0.940000 | 0.940000 | 0.940000 |

(continued)

BRAZORIA COUNTY, TEXAS*DIRECT AND OVERLAPPING PROPERTY TAX RATES - Continued*

Last Ten Fiscal Years

(rate per \$100 of assessed value)

Table 6

Page 2 of 2

| | 2008 Tax Rate for 9/30/09 | 2009 Tax Rate for 9/30/10 | 2010 Tax Rate for 9/30/11 | 2011 Tax Rate for 9/30/12 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <u>Special Districts: (continued)</u> | | | | |
| Brazoria Co. MUD #17 | 0.630000 | 0.600000 | 0.547000 | 0.547000 |
| Brazoria Co. MUD #18 | 0.570000 | 0.560000 | 0.550000 | 0.545000 |
| Brazoria Co. MUD #19 | 0.660000 | 0.630000 | 0.620000 | 0.600000 |
| Brazoria Co. MUD #21 | 1.350000 | 1.450000 | 1.430000 | 1.430000 |
| Brazoria Co. MUD #22 | | | | |
| Brazoria Co. MUD #23 | 0.820000 | 0.800000 | 0.770000 | 0.630000 |
| Brazoria Co. MUD #24 | | | | |
| Brazoria Co. MUD #25 | 1.100000 | 1.100000 | 1.100000 | 1.100000 |
| Brazoria Co. MUD #26 | 0.710000 | 0.710000 | 0.710000 | 0.690000 |
| Brazoria Co. MUD #28 | 0.820000 | 0.820000 | 0.820000 | 0.820000 |
| Brazoria Co. MUD #29 | 0.750000 | 0.800000 | 0.800000 | 0.800000 |
| Brazoria Co. MUD #31 | 1.402040 | 1.300000 | 1.300000 | 1.300000 |
| Brazoria Co. MUD #32 | | | | |
| Brazoria Co. MUD #34 | 0.850000 | 0.850000 | 0.850000 | 0.850000 |
| Brazoria Co. MUD #35 | 0.850000 | 0.890000 | 1.020000 | 1.020000 |
| Brazoria Co. MUD #36 | 0.700000 | 0.700000 | 0.700000 | 0.700000 |
| Brazoria Co. MUD #39 | | | | |
| Brazoria Co. MUD #40 | | | | |
| Brazoria Co. MUD #55 | | | | |
| Brazoria Co. MUD #61 | | | | |
| Brazoria/Ft. Bend MUD #1 | 0.850000 | 0.850000 | 0.850000 | 0.850000 |
| Harris-Brazoria MUD #509 | | | | |
| Sedona Lakes MUD #100 | | 1.250000 | 1.250000 | 1.250000 |
| Port Freeport | 0.053500 | 0.053500 | 0.053500 | 0.053500 |
| Brazosport College | 0.156488 | 1.175754 | 0.190175 | 0.239198 |
| Commodore Cove Improvement District | 0.597220 | 0.620318 | 0.472234 | 0.475693 |
| Oak Manor MUD | 0.421852 | 0.451178 | 0.480000 | 0.500000 |
| Pearland Municipal Management Dist. 32 | | | | |
| Brazoria Co. Fresh Water Supply District #2 | | | | |
| Treasure Island MUD | 0.563556 | 1.258218 | 0.576368 | 0.604590 |
| Varner Creek Utility District | 0.814000 | 0.858000 | 0.858000 | 0.888220 |
| Sweeny Hospital | 0.323170 | 0.349917 | 0.380692 | 0.393133 |
| Rural Fire District #1 | | | | |
| Emergency Svc District #1 | 0.080000 | 0.080000 | 0.080000 | 0.080000 |
| Emergency Svc District #2 | 0.029987 | 0.030000 | 0.030000 | 0.030000 |
| Emergency Svc District #3 | 0.093410 | 0.093700 | 0.095000 | 0.097200 |

Source: Brazoria County Appraisal District (www.brazoriacad.org)
 Brazoria County Commissioner's Court minutes

| <u>2012 Tax Rate for 9/30/13</u> | <u>2013 Tax Rate for 9/30/14</u> | <u>2014 Tax Rate for 9/30/15</u> | <u>2015 Tax Rate for 9/30/16</u> | <u>2016 Tax Rate for 9/30/17</u> | <u>2017 Tax Rate for 9/30/18</u> |
|--|--|--|--|--|--|
| 0.544000 | 0.544000 | 0.520000 | 0.460000 | 0.460000 | 0.380000 |
| 0.530000 | 0.510000 | 0.470000 | 0.390000 | 0.390000 | 0.310000 |
| 0.580000 | 0.550000 | 0.510000 | 0.450000 | 0.450000 | 0.380000 |
| 1.430000 | 1.430000 | 1.430000 | 1.320000 | 1.320000 | 1.140000 |
| | 1.400000 | 1.400000 | 1.400000 | 1.400000 | 1.400000 |
| 0.610000 | 0.600000 | 0.580000 | 0.540000 | 0.540000 | 0.470000 |
| | | | | | 1.500000 |
| 1.050000 | 1.000000 | 0.950000 | 0.870000 | 0.870000 | 0.740000 |
| 0.690000 | 0.690000 | 0.690000 | 0.690000 | 0.690000 | 0.690000 |
| 0.820000 | 0.820000 | 0.820000 | 0.820000 | 0.820000 | 0.820000 |
| 0.900000 | 0.940000 | 0.940000 | 0.940000 | 0.940000 | 0.940000 |
| 1.300000 | 1.300000 | 1.280000 | 1.250000 | 1.250000 | 1.220000 |
| | | | | | 1.350000 |
| 0.850000 | 0.850000 | 0.850000 | 0.820000 | 0.820000 | 0.800000 |
| 1.020000 | 1.020000 | 1.020000 | 1.020000 | 1.020000 | 1.000000 |
| 0.700000 | 0.700000 | 0.700000 | 0.700000 | 0.700000 | 0.700000 |
| | | | | | 1.500000 |
| | | | | | 1.500000 |
| | | 1.000000 | 1.000000 | 1.000000 | 0.885000 |
| | | 0.910000 | 0.910000 | 0.910000 | 0.910000 |
| 0.850000 | 0.850000 | 0.850000 | 0.850000 | 0.850000 | 0.848000 |
| | | | | | 0.850000 |
| 1.250000 | 1.250000 | 1.250000 | 1.250000 | 1.250000 | 1.250000 |
| 0.051500 | 0.045000 | 0.045000 | 0.041304 | 0.040100 | 0.040100 |
| 0.259436 | 0.267309 | 0.280878 | 0.277510 | 0.285040 | 0.303249 |
| 0.461570 | 0.467538 | 0.439336 | 0.399327 | 0.205984 | 0.204235 |
| 0.505000 | 0.520000 | 0.510000 | 0.540000 | 0.500000 | 0.500000 |
| | | | 0.100000 | 0.100000 | 0.100000 |
| | | | | | 0.405000 |
| 0.551848 | 0.575262 | 0.553152 | 0.518997 | 0.503878 | 0.531270 |
| 0.928000 | 0.890000 | 0.830000 | 0.760000 | 0.710000 | 0.650000 |
| 0.429109 | 0.470003 | 0.483126 | 0.510351 | 0.527302 | 0.516523 |
| | | | | | |
| 0.080000 | 0.080000 | 0.080000 | 0.080000 | 0.080000 | 0.079218 |
| 0.030000 | 0.030000 | 0.065000 | 0.065000 | 0.061570 | 0.075000 |
| 0.098322 | 0.098322 | 0.097500 | 0.100000 | 0.100000 | 0.100000 |

BRAZORIA COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago
 (Amounts in thousands)

Table 7

| <u>2018 Taxpayer</u> | <u>Type of Business</u> | <u>2018 Assessed Valuation</u> | <u>Percentage of Total Assessed Valuation</u> |
|------------------------------------|-------------------------|--------------------------------|---|
| Dow Chemical Company | Chemical Manufacturer | \$ 2,476,881 | 8.86% |
| Blue Cube Operations LLC | Chemical Manufacturer | 709,930 | 2.54% |
| Phillips 66 Comopany | Petroleum Refinery | 568,853 | 2.03% |
| Chevron Phillips Chemical Co LP | Petroleum Refinery | 505,626 | 1.81% |
| Ineos USA LLC | Chemical Manufacturer | 464,181 | 1.66% |
| BASF Corp Chemicals Division | Chemical Manufacturer | 414,028 | 1.48% |
| Freeport LNG | Natural Gas Company | 158,809 | 0.57% |
| Centerpoint Energy Inc. | Utility Company | 151,596 | 0.54% |
| Shintech Inc. | Chemical Manufacturer | 131,338 | 0.47% |
| Air Liquide Large Industries US LP | Industrial Gases | 118,804 | 0.42% |
| | | <u>\$ 5,700,046</u> | <u>\$ 20.39%</u> |

| <u>2009 Taxpayer</u> | <u>Type of Business</u> | <u>2009 Assessed Valuation</u> | <u>Percentage of Total Assessed Valuation</u> |
|---------------------------------|-------------------------|--------------------------------|---|
| Dow Chemical Company | Chemical Manufacturer | \$ 3,112,095 | 23.63% |
| BASF Corp - Chemical Division | Chemical Manufacturer | 766,664 | 5.82% |
| Conoco/Phillips Company | Petroleum Refinery | 634,980 | 4.82% |
| Ineos USA LLC | Chemical Manufacturer | 464,067 | 3.52% |
| Chevron Phillips Chemical Co LP | Petroleum Refinery | 337,208 | 2.56% |
| Equistar Chemical LP | Chemical Manufacturer | 237,993 | 1.81% |
| Solutia Inc. | Chemical Manufacturer | 227,244 | 1.73% |
| Shintech Inc. | Chemical Manufacturer | 166,784 | 1.27% |
| Centerpoint Energy Inc. | Utility Company | 125,530 | 0.95% |
| Hillcorp Energy Company | Utility Company | 118,187 | 0.90% |
| | | <u>\$ 6,190,752</u> | <u>\$ 47.01%</u> |

Source: Brazoria County Appraisal District
 Assessed Valuation - 2018 \$ 27,954,998
 Assessed Valuation - 2009 \$ 13,168,827

BRAZORIA COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years
 (Amounts in thousands)

Table 8

| Fiscal Year | Taxes Levied For the Fiscal Year (Original Levy) | | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | | | | |
|-------------|--|---------|--|-----------------------------|---------------------------------|---------------------------|--------------------|----|---------|--------|
| | | | Amount Collected | Percentage of Original Levy | | Amount | Percentage of Levy | | | |
| 2018 | \$ | 121,836 | \$ | 120,719 | 99.08% | \$ | -- | \$ | 120,719 | 99.08% |
| 2017 | | 117,970 | | 116,889 | 99.08% | | 471 | | 117,360 | 99.48% |
| 2016 | | 115,243 | | 114,341 | 99.22% | | 420 | | 114,761 | 99.58% |
| 2015 | | 110,020 | | 109,046 | 99.11% | | 559 | | 109,605 | 99.62% |
| 2014 | | 103,852 | | 102,913 | 99.10% | | 448 | | 103,361 | 99.53% |
| 2013 | | 98,767 | | 97,705 | 98.92% | | 546 | | 98,251 | 99.48% |
| 2012 | | 92,716 | | 90,896 | 98.04% | | 1,309 | | 92,205 | 99.45% |
| 2011 | | 89,443 | | 88,280 | 98.70% | | 573 | | 88,853 | 99.34% |
| 2010 | | 85,056 | | 83,846 | 98.58% | | 670 | | 84,516 | 99.37% |
| 2009 | | 80,634 | | 79,473 | 98.56% | | 629 | | 80,102 | 98.34% |

Source: Brazoria County Tax Assessor-Collector

Note: The information in this schedule relates to the County's own property tax levies, and does not include those it collected on behalf of other governments.

BRAZORIA COUNTY, TEXAS**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

Table 9

| Fiscal Year | Governmental Activities | | | | | | | Total Taxable Assessed Value Plus Exemptions |
|-------------|--------------------------|----------------------------|------------------|-----------|------------------------------------|----------------------|--------------------|--|
| | General Obligation Bonds | Certificates of Obligation | Premium on Bonds | Tax Note | Amounts Available for Debt Service | Gross Long-Term Debt | Net Long-Term Debt | |
| 2009 | \$ 31,115,000 | \$ 20,280,000 | \$ 867,766 | \$ -0- | \$ 2,947,736 | \$ 52,262,766 | \$ 49,315,030 | \$ 19,706,149,000 |
| 2010 | 47,320,000 | 19,050,000 | 865,857 | -0- | 3,354,187 | 67,235,857 | 63,881,670 | 20,872,439,000 |
| 2011 | 43,565,000 | 17,775,000 | 756,931 | -0- | 5,589,069 | 62,096,931 | 56,507,862 | 20,196,059,000 |
| 2012 | 52,310,000 | 37,075,000 | 3,690,314 | -0- | 3,745,648 | 93,075,314 | 89,329,666 | 19,574,441,000 |
| 2013 | 48,015,000 | 35,850,000 | 3,394,545 | -0- | 3,570,603 | 87,259,545 | 83,688,942 | 20,221,136,000 |
| 2014 | 45,140,000 | 35,225,000 | 3,153,740 | 9,900,000 | 3,742,201 | 93,418,740 | 89,676,539 | 21,570,410,000 |
| 2015 | 42,175,000 | 34,570,000 | 2,912,935 | 8,135,000 | 4,278,259 | 87,792,935 | 83,514,676 | 22,173,766,000 |
| 2016 | 38,035,000 | 33,010,000 | 4,411,736 | 7,885,000 | 7,674,598 | 83,341,736 | 75,667,138 | 23,887,484,000 |
| 2017 | 35,075,000 | 32,440,000 | 3,994,390 | 7,635,000 | 9,717,391 | 79,144,390 | 69,426,999 | 26,074,256,000 |
| 2018 | 31,630,000 | 38,795,000 | 4,922,535 | 5,805,000 | 10,229,673 | 81,152,535 | 70,922,862 | 27,954,998,000 |

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

| Percent of Actual Value | Population | General Long-Term Debt Per Capita | Personal Income (thousands of dollars) | Percent of Personal Income |
|-------------------------|------------|-----------------------------------|--|----------------------------|
| 0.26% | 309,208 | 159 | \$ 8,228,571 | 0.64% |
| 0.35% | 313,166 | 204 | 8,306,728 | 0.81% |
| 0.32% | 319,781 | 177 | 8,184,475 | 0.76% |
| 0.48% | 323,185 | 276 | 8,573,092 | 0.97% |
| 0.43% | 330,460 | 253 | 9,463,383 | 0.92% |
| 0.43% | 335,943 | 267 | 9,718,831 | 0.96% |
| 0.40% | 339,455 | 246 | 9,968,436 | 0.88% |
| 0.35% | 354,355 | 214 | 11,198,681 | 0.74% |
| 0.30% | 357,982 | 194 | 11,885,360 | 0.67% |
| 0.29% | 365,453 | 194 | 12,183,838 | 0.67% |

BRAZORIA COUNTY, TEXAS

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

As of September 30, 2018

Table 10

| Governmental Unit | Debt As Of | Debt Outstanding | Estimated Percentage Applicable ** | Estimated Share of Direct and Overlapping Debt |
|-----------------------------------|---------------|-----------------------|--|---|
| Special Districts: | | | | |
| Angleton-Danbury Medical Center | 07/31/2018 | \$ 6,625,000 * | 100.00% | \$ 6,625,000 |
| Brazoria Co. MUD #3 | 07/31/2018 | 4,580,000 * | 100.00% | 4,580,000 |
| Brazoria Co. MUD #6 (Weatherford) | 12/31/2018 | 16,064,310 | 100.00% | 16,064,310 |
| Brazoria Co. MUD #16 | 11/28/2017 | 13,690,655 | 100.00% | 13,690,655 |
| Brazoria Co. MUD #17 | 03/01/2018 | 20,123,235 | 100.00% | 20,123,235 |
| Brazoria Co. MUD #18 | 03/30/2017 | 21,043,374 | 53.40% | 11,237,162 |
| Brazoria Co. MUD #19 | 03/01/2018 | 25,890,339 | 100.00% | 25,890,339 |
| Brazoria Co. MUD #21 | 09/01/2017 | 29,602,921 | 100.00% | 29,602,921 |
| Brazoria Co. MUD #22 | 01/16/2018 | 14,616,886 | 98.52% | 14,400,556 |
| Brazoria Co. MUD #23 | 01/10/2018 | 13,554,576 | 100.00% | 13,554,576 |
| Brazoria Co. MUD #25 | 06/21/2017 | 20,129,787 | 100.00% | 20,129,787 |
| Brazoria Co. MUD #26 | 02/07/2017 | 26,866,678 | 100.00% | 26,866,678 |
| Brazoria Co. MUD #28 | 12/20/2017 | 56,046,712 | 75.98% | 42,584,292 |
| Brazoria Co. MUD #29 | 07/21/2017 | 21,714,076 | 100.00% | 21,714,076 |
| Brazoria Co. MUD #31 | 07/31/2018 | 26,050,000 * | 100.00% | 26,050,000 |
| Brazoria Co. MUD #34 | 09/28/2017 | 37,556,156 | 100.00% | 37,556,156 |
| Brazoria Co. MUD #35 | 07/31/2018 | 9,025,000 | 100.00% | 9,025,000 |
| Brazoria Co. MUD #36 | 07/31/2018 | 4,250,000 * | 100.00% | 4,250,000 |
| Brazoria Co. MUD #39 | 04/24/2018 | 14,371,946 | 100.00% | 14,371,946 |
| Brazoria Co. MUD #55 | 11/09/2017 | 10,922,574 | 100.00% | 10,922,574 |
| Brazoria Co. MUD #61 | 07/31/2018 | 9,440,000 * | 100.00% | 9,440,000 |
| Brazoria-Fort Bend Co. MUD #1 | 04/07/2017 | 75,827,612 | 55.84% | 42,342,139 |
| Brazosport College District | 07/31/2018 | 53,760,000 * | 100.00% | 53,760,000 |
| Harris-Brazoria Co MUD #509 | 04/16/2018 | 20,725,795 | 17.83% | 3,695,409 |
| Varner Creek Utility District | 07/31/2018 | 6,980,000 * | 100.00% | 6,980,000 |
| Sedona Lakes MUD #1 | 09/28/2017 | 25,081,861 | 100.00% | 25,081,861 |
| Velasco Drainage District | 07/31/2018 | 5,420,000 | 100.00% | 5,420,000 |
| Total Special Districts | | \$ 589,959,493 | | \$ 515,958,671 |
| Cities: | | | | |
| Alvin | 09/30/2017 | \$ 5,701,961 | 100.00% | \$ 5,701,961 |
| Angleton | 09/30/2017 | 9,855,079 | 100.00% | 9,855,079 |
| Brazoria | 07/31/2018 | 310,000 * | 100.00% | 310,000 |
| Clute | 07/31/2018 | 13,295,000 * | 100.00% | 13,295,000 |
| Danbury | 07/31/2018 | 1,109,000 * | 100.00% | 1,109,000 |
| Freeport | 07/31/2018 | 1,797,000 * | 100.00% | 1,797,000 |
| Hillcrest Village | 07/31/2018 | 20,000 * | 100.00% | 20,000 |
| Lake Jackson | 09/30/2017 | 20,231,421 | 100.00% | 20,231,421 |
| Manvel | 07/31/2018 | 21,885,000 * | 100.00% | 21,885,000 |
| Pearland | 07/31/2018 | 310,500,000 | 87.26% | 270,942,300 |
| Richwood | 07/31/2018 | 2,170,000 * | 100.00% | 2,170,000 |
| Sweeny | 07/31/2018 | 3,903,000 * | 100.00% | 3,903,000 |
| Surfside Beach | 07/31/2018 | 1,958,000 * | 100.00% | 1,958,000 |
| Total Cities | | \$ 392,735,461 | | \$ 353,177,761 |

(continued)

BRAZORIA COUNTY, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT - Continued

As of September 30, 2018

| Governmental Unit | Debt As Of | Debt Outstanding | Estimated Percentage Applicable ** | Estimated Share of Direct and Overlapping Debt |
|-------------------------------------|---------------|-------------------------|--|---|
| School Districts: | | | | |
| Alvin CCD | 08/31/2017 | \$ 9,521,668 | 100.00% | \$ 9,521,668 |
| Alvin ISD | 07/31/2018 | 668,210,000 * | 100.00% | 668,510,000 |
| Angleton ISD | 07/31/2018 | 119,175,000 | 100.00% | 119,175,000 |
| Brazosport ISD | 07/31/2018 | 213,844,985 * | 100.00% | 213,844,985 |
| Columbia-Brazoria ISD | 12/01/2017 | 32,913,408 | 100.00% | 32,913,408 |
| Damon ISD | 07/31/2018 | 635,000 * | 100.00% | 635,000 |
| Danbury ISD | 08/31/2017 | 15,648,938 | 100.00% | 15,648,938 |
| Pearland ISD | 04/30/2017 | 362,019,517 | 97.38% | 352,534,606 |
| Sweeny ISD | 08/31/2017 | <u>39,242,307</u> | 100.00% | <u>39,242,307</u> |
| Total School Districts | | <u>\$ 1,461,510,823</u> | | <u>\$ 1,452,025,912</u> |
| Subtotal, overlapping debt | | | | \$ 2,321,162,344 |
| Total direct debt - Brazoria County | | | 9/30/2018 | <u>81,152,535</u> |
| Total direct and overlapping debt | | | | <u>\$ 2,402,314,879</u> |

Source: Brazoria County Auditor's office and Municipal Advisory Council of Texas, *Texas Municipal Reports*.

* Gross Debt

** The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were /estimated by determining the portion another governmental unit's taxable assessed value that is within the County's boundaries and /dividing it by each unit's total taxable assessed value.

BRAZORIA COUNTY, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
 Last Ten Fiscal Years
 (Unaudited)
 (Amounts in thousands)

Table 11

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|---|---------------------|---------------------|---------------------|---------------------|
| Assessed Value | \$ 20,872,439 | \$ 20,196,059 | \$ 19,596,750 | \$ 19,574,441 |
| Debt Limit 25% | <u>25%</u> | <u>25%</u> | <u>25%</u> | <u>25%</u> |
| Debt Limit | <u>\$ 5,218,110</u> | <u>\$ 5,049,015</u> | <u>\$ 4,899,188</u> | <u>\$ 4,893,610</u> |
| Total bonded debt | \$ 51,395 | \$ 66,370 | \$ 61,340 | \$ 89,385 |
| Less: Amount available-repayment of General obligation bonds | <u>2,948</u> | <u>3,354</u> | <u>3,795</u> | <u>4,182</u> |
| Total net debt applicable to limit | <u>\$ 48,447</u> | <u>\$ 63,016</u> | <u>\$ 57,545</u> | <u>\$ 85,203</u> |
| Legal debt margin | <u>\$ 5,169,663</u> | <u>\$ 4,985,999</u> | <u>\$ 4,841,643</u> | <u>\$ 4,808,407</u> |
| Total net debt applicable to the limit As a percentage of debt limit | 0.9% | 1.2% | 1.2% | 1.7% |

Texas Constitution Article 3 Section 52b

Under Legislative provision, any county, political subdivision of a county, number of adjoining counties, political subdivision of the State, or defined district now or hereafter to be described and defined within the State of Texas, and which may or may not include, towns, villages or municipal corporations, upon a vote of two-thirds majority of the voting qualified voters or such district or territory to be affected thereby, may issue bonds or otherwise lend its credit in any amount not to exceed one-fourth of the assessed valuation of the real property of such district or territory, except that the total bonded indebtedness of any city or town shall never exceed the limits imposed by other provisions of this Constitution, and levy and collect taxes to pay the interest thereon and provide a sinking fund for the redemption thereof.

| <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| \$ 20,221,136 <u>25%</u> | \$ 21,570,410 <u>25%</u> | \$ 22,173,766 <u>25%</u> | \$ 23,887,484 <u>25%</u> | \$ 26,074,256 <u>25%</u> | \$ 27,954,998 <u>25%</u> |
| <u>\$ 5,055,284</u> | <u>\$ 5,392,603</u> | <u>\$ 5,543,442</u> | <u>\$ 5,971,871</u> | <u>\$ 6,518,564</u> | <u>\$ 6,988,750</u> |
| \$ 83,865 | \$ 90,265 | \$ 84,880 | \$ 78,930 | \$ 75,150 | \$ 76,230 |
| <u>3,884</u> | <u>4,099</u> | <u>4,597</u> | <u>7,379</u> | <u>9,890</u> | <u>10,398</u> |
| <u>\$ 79,981</u> | <u>\$ 86,166</u> | <u>\$ 80,283</u> | <u>\$ 71,551</u> | <u>\$ 65,260</u> | <u>\$ 65,832</u> |
| <u>\$ 4,975,303</u> | <u>\$ 5,306,437</u> | <u>\$ 5,463,159</u> | <u>\$ 5,900,320</u> | <u>\$ 6,453,304</u> | <u>\$ 6,922,918</u> |
| 1.6% | 1.6% | 1.4% | 1.2% | 1.0% | 0.9% |

BRAZORIA COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Table 12

| <u>Fiscal Year</u> | <u>Population*</u> | <u>Personal Income** (thousands of dollars)</u> | <u>Per Capita Personal Income*</u> | <u>School Enrollment***</u> | <u>Unemployment Rate*</u> |
|--------------------|--------------------|---|------------------------------------|-----------------------------|---------------------------|
| 2009 | 309,208 | \$ 8,229,571 | \$ 26,615 | 59,074 | 8.2 |
| 2010 | 313,166 | 8,306,728 | 26,525 | 60,251 | 8.3 |
| 2011 | 319,781 | 8,184,475 | 25,594 | 61,341 | 8.9 |
| 2012 | 323,185 | 9,572,093 | 29,618 | 62,244 | 7.0 |
| 2013 | 330,460 | 9,463,383 | 28,637 | 63,460 | 6.5 |
| 2014 | 335,943 | 9,718,831 | 28,930 | 64,712 | 5.4 |
| 2015 | 339,455 | 9,968,436 | 29,366 | 66,521 | 4.5 |
| 2016 | 354,355 | 11,198,681 | 31,603 | 68,497 | 5.1 |
| 2017 | 357,982 | 11,885,360 | 33,201 | 70,609 | 5.4 |
| 2018 | 365,453 | 12,183,838 | 33,339 | 71,766 | 4.5 |

* Information from The Economic Development Alliance for Brazoria County – Gary Basinger, CEcD
 ** Years 2009-2018 Information from The Economic Development Alliance for Brazoria County.
 *** Information from <http://www.tea.state.tx.us/>

BRAZORIA COUNTY, TEXAS

PRINCIPAL EMPLOYERS

Current Year

Table 13

| Employer | 2018 | | | 2009 | | |
|--------------------------------------|---------------------|------|------------------------------|---------------------|------|------------------------------|
| | Number of Employees | Rank | % of Total County Employment | Number of Employees | Rank | % of Total County Employment |
| Alvin ISD | 3,648 | 1 | 2.2% | 2,379 | 3 | 1.8% |
| The Dow Chemical Company | 3,605 | 2 | 2.1% | 4,300 | 1 | 3.3% |
| Pearland ISD | 2,689 | 3 | 1.6% | 2,196 | 4 | 1.7% |
| Texas Department of Criminal Justice | 2,409 | 4 | 1.5% | 2,641 | 2 | 2.0% |
| Wood Group | 2,387 | 5 | 1.4% | | | |
| Brazosport ISD | 1,780 | 6 | 1.1% | 2,073 | 5 | 1.6% |
| Brazoria County | 1,407 | 7 | 0.8% | 1,432 | 10 | 1.1% |
| Olin Corporation | 1,200 | 8 | 0.7% | | | |
| Phillips 66 | 1,035 | 9 | 0.6% | | | |
| Angleton ISD | 939 | 10 | 0.6% | | | |
| Infinity Group | | | | 1,957 | 6 | 1.5% |
| Brand Energy Solutions LLC | | | | 1,914 | 7 | 1.5% |
| Wal-Mart Associates Inc. | | | | 1,757 | 8 | 1.3% |
| T.E.I. Staffing | | | | 1,600 | 9 | 1.2% |
| Total | <u>21,099</u> | | <u>12.6%</u> | <u>22,249</u> | | <u>16.9%</u> |
| Total County Employment | <u>168,003</u> | | | <u>131,751</u> | | |

Source: Economic Development Alliance of Brazoria County
 Texas Workforce Commission website <http://www.tracer2.com>

Note: Total 2018 employers exclude retail. All 2009 employers include retail.

BRAZORIA COUNTY, TEXAS**FULL-TIME COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**

Last Ten Fiscal Years

Table 14

| Function | Full-time Equivalent Employees as of September 30, | | | | | | | | | |
|--------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| General administration | 73 | 72 | 70 | 70 | 73 | 66 | 70 | 75 | 75 | 80 |
| Judicial and legal | 191 | 187 | 192 | 196 | 200 | 196 | 220 | 221 | 225 | 229 |
| Financial administration | 111 | 108 | 105 | 113 | 112 | 113 | 118 | 125 | 124 | 128 |
| Elections | 42 | 46 | 48 | 58 | 63 | 11 | 11 | 12 | 13 | 12 |
| Public facilities | 24 | 24 | 25 | 24 | 23 | 23 | 23 | 25 | 27 | 25 |
| Public safety | 197 | 206 | 204 | 204 | 207 | 207 | 231 | 225 | 224 | 224 |
| Corrections | 335 | 358 | 351 | 350 | 354 | 342 | 347 | 273 | 277 | 267 |
| Public transportation | 172 | 164 | 167 | 163 | 164 | 168 | 173 | 165 | 174 | 180 |
| Health and welfare | 91 | 91 | 86 | 85 | 82 | 77 | 82 | 81 | 81 | 81 |
| Culture and recreation | 132 | 136 | 133 | 133 | 135 | 110 | 140 | 147 | 155 | 157 |
| Conservation | 11 | 9 | 8 | 10 | 9 | 9 | 10 | 10 | 13 | 12 |
| Environmental protection | 4 | 4 | 4 | 3 | 4 | 4 | 4 | 4 | 3 | 3 |
| Community development | 5 | 6 | 5 | 5 | 5 | 5 | 4 | 4 | 4 | 4 |
| Airport | 9 | 8 | 11 | 11 | 11 | 11 | 11 | 12 | 12 | 12 |
| Total | <u>1,397</u> | <u>1,419</u> | <u>1,409</u> | <u>1,425</u> | <u>1,442</u> | <u>1,342</u> | <u>1,444</u> | <u>1,379</u> | <u>1,407</u> | <u>1,414</u> |

Source: Brazoria County Human Resource

Note: Totals have changes due to who qualifies as a full time employee. This table was revised in 2012.



BRAZORIA COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Table 15
 Page 1 of 3

| Function | Fiscal Year | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Administration: | | | | | |
| County Clerk: | | | | | |
| Marriage License applications | 1,978 | 1,979 | 1,998 | 2,087 | 2,076 |
| Birth certificates filed | 1,251 | 1,262 | 1,044 | 1,222 | 1,176 |
| Death certificates filed | 1,248 | 1,251 | 1,347 | 1,461 | 1,446 |
| Probate cases filed | 763 | 773 | 747 | 753 | 824 |
| Beer license applications | 126 | 88 | 89 | 71 | 67 |
| Judicial and Legal: | | | | | |
| District Court Level: | | | | | |
| Beginning civil cases pending | 5,171 | 6,332 | 6,544 | 7,025 | 6,345 |
| Civil cases docket adjustment | (132) | (387) | 232 | 2 | |
| Civil cases filed | 6,686 | 6,709 | 7,085 | 6,634 | 5,655 |
| Civil cases disposed | <u>5,393</u> | <u>6,110</u> | <u>6,836</u> | <u>7,316</u> | <u>5,935</u> |
| Ending civil cases pending | <u>6,332</u> | <u>6,544</u> | <u>7,025</u> | <u>6,345</u> | <u>6,065</u> |
| Beginning criminal cases pending | 2,334 | 2,312 | 2,448 | 2,134 | 2,137 |
| Criminal cases docket adjustment | | 2 (| 290) | 5 | 2 |
| Criminal cases filed | 3,201 | 2,918 | 3,548 | 3,306 | 3,435 |
| Criminal cases disposed | <u>3,223</u> | <u>2,784</u> | <u>3,572</u> | <u>3,308</u> | <u>3,346</u> |
| Ending criminal cases pending | <u>2,312</u> | <u>2,448</u> | <u>2,134</u> | <u>2,137</u> | <u>2,228</u> |
| County Court Level: | | | | | |
| Beginning civil cases pending | 1,760 | 1,260 | 1,053 | 1,167 | 1,189 |
| Civil cases docket adjustment | 89 | 1 | 92 (| 14) | 1 |
| Civil cases filed | 1,891 | 1,863 | 1,951 | 1,885 | 1,796 |
| Civil cases disposed | <u>2,420</u> | <u>2,071</u> | <u>1,929</u> | <u>1,849</u> | <u>1,790</u> |
| Ending civil cases pending | <u>1,260</u> | <u>1,053</u> | <u>1,167</u> | <u>1,189</u> | <u>1,196</u> |
| Beginning criminal cases pending | 5,266 | 5,758 | 6,007 | 5,022 | 4,766 |
| Criminal cases docket adjustment | 18 (| 4) (| 866) (| 8) | 14 |
| Criminal cases filed | 7,650 | 6,707 | 7,578 | 7,971 | 7,845 |
| Criminal cases disposed | <u>7,176</u> | <u>6,454</u> | <u>7,697</u> | <u>8,219</u> | <u>8,046</u> |
| Ending criminal cases pending | <u>5,758</u> | <u>6,007</u> | <u>5,022</u> | <u>4,766</u> | <u>4,579</u> |
| Beginning juvenile cases pending | 197 | 181 | 135 | 165 | 116 |
| Juvenile cases docket adjustment | | | 86 | 98 | 90 |
| Juvenile cases filed | 519 | 462 | 593 | 561 | 515 |
| Juvenile cases disposed | <u>535</u> | <u>508</u> | <u>649</u> | <u>708</u> | <u>567</u> |
| Ending juvenile cases pending | <u>181</u> | <u>135</u> | <u>165</u> | <u>116</u> | <u>154</u> |

| Fiscal Year | | | | | |
|--------------|--------------|--------------|--------------|--------------|--|
| 2014 | 2015 | 2016 | 2017 | 2018 | |
| 2,487 | 2,345 | 2,413 | 2,378 | 2,335 | |
| 1,385 | 1,023 | 1,074 | 1,235 | 1,193 | |
| 1,890 | 1,502 | 1,604 | 1,662 | 1,789 | |
| 855 | 894 | 951 | 912 | 931 | |
| 72 | 76 | 81 | 89 | 91 | |
| 6,065 | 5,560 | 4,934 | 5,160 | 5,496 | |
| (1,377) | (84) | (5) | (38) | (29) | |
| 6,475 | 6,106 | 6,461 | 6,321 | 6,841 | |
| <u>5,603</u> | <u>6,648</u> | <u>6,230</u> | <u>5,947</u> | <u>6,236</u> | |
| <u>5,560</u> | <u>4,934</u> | <u>5,160</u> | <u>5,496</u> | <u>6,072</u> | |
| 2,228 | 2,282 | 2,022 | 2,021 | 2,085 | |
| (374) | (69) | (28) | (174) | | |
| 3,146 | 3,432 | 3,603 | 3,590 | 3,736 | |
| <u>3,092</u> | <u>3,318</u> | <u>3,535</u> | <u>3,498</u> | <u>3,358</u> | |
| <u>2,282</u> | <u>2,022</u> | <u>2,021</u> | <u>2,085</u> | <u>2,289</u> | |
| 1,196 | 1,213 | 1,077 | 1,210 | 1,539 | |
| (28) | (17) | (12) | (17) | (30) | |
| 1,669 | 1,371 | 1,461 | 1,612 | 1,635 | |
| <u>1,624</u> | <u>1,490</u> | <u>1,316</u> | <u>1,266</u> | <u>1,724</u> | |
| <u>1,213</u> | <u>1,077</u> | <u>1,210</u> | <u>1,539</u> | <u>1,420</u> | |
| 4,579 | 4,926 | 4,506 | 4,326 | 4,513 | |
| (14) | (531) | (249) | (148) | (161) | |
| 8,268 | 7,612 | 7,493 | 7,412 | 7,122 | |
| <u>7,907</u> | <u>7,501</u> | <u>7,424</u> | <u>7,077</u> | <u>6,974</u> | |
| <u>4,926</u> | <u>4,506</u> | <u>4,326</u> | <u>4,513</u> | <u>4,500</u> | |
| 154 | 142 | 143 | 94 | 115 | |
| 88 | (26) | 31 | 56 | 44 | |
| 505 | 515 | 402 | 389 | 362 | |
| <u>605</u> | <u>488</u> | <u>482</u> | <u>424</u> | <u>418</u> | |
| <u>142</u> | <u>143</u> | <u>94</u> | <u>115</u> | <u>103</u> | |

(continued)

BRAZORIA COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Table 15
 Page 2 of 3

| Function | Fiscal Year | | | | |
|----------------------------------|-------------|---------|---------|---------|---------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Judicial and Legal: | | | | | |
| Justice of the Peace Level: | | | | | |
| Cases Filed: | | | | | |
| Traffic | 26,236 | 22,763 | 24,317 | 50,384 | 43,565 |
| Non-traffic | 9,857 | 8,467 | 7,779 | 35,067 | 33,162 |
| Small claims suits | 528 | 455 | 421 | 681 | 568 |
| Forcible entry & detainer | 2,322 | 2,481 | 2,177 | 3,008 | 2,752 |
| Other civil suits | 1,787 | 1,226 | 1,429 | 3,072 | 2,779 |
| Cases Disposed: | | | | | |
| Traffic | 24,556 | 24,329 | 23,823 | 21,937 | 19,835 |
| Non-traffic | 9,079 | 8,914 | 7,988 | 13,503 | 13,285 |
| Small claims suits | 473 | 513 | 378 | 438 | 310 |
| Forcible entry and detainer | 2,257 | 2,388 | 2,105 | 2,722 | 2,428 |
| Other civil suits | 1,712 | 1,487 | 1,208 | 1,696 | 1,294 |
| Inquests | 335 | 311 | 278 | 311 | 318 |
| Financial Administration: | | | | | |
| County Auditor: | | | | | |
| Accounts payable check issued | 20,242 | 20,199 | 19,317 | 18,329 | 18,434 |
| Accounts payable wires issued | | | | | |
| Accounts payable ACH's issued | | | | | |
| Human Resources: | | | | | |
| Pre-employment drug screens | 185 | 166 | 288 | 178 | 181 |
| Employee random drug screen | 99 | 89 | 70 | 89 | 164 |
| Payroll checks | 4,071 | 3,382 | 3,170 | 2,834 | 2,212 |
| Payroll advices | 33,051 | 33,764 | 33,911 | 34,853 | 35,853 |
| Purchasing: | | | | | |
| Number of purchase orders issued | 8,026 | 8,305 | 7,662 | 7,943 | 7,241 |
| Tax Assessor-Collector: | | | | | |
| Registered voters | 167,921 | 164,625 | 168,769 | 181,576 | 179,063 |
| Voting precincts | 72 | 72 | 62 | 66 | 68 |
| Elections: | | | | | |
| Computerized Voting Equipment: | | | | | |
| Judges booths | 135 | 135 | 135 | 135 | 135 |
| Regular voting machines | 623 | 623 | 623 | 623 | 623 |
| ADA compliant voting machine | 125 | 125 | 125 | 125 | 125 |

| Fiscal Year | | | | |
|-------------|---------|---------|---------|---------|
| 2014 | 2015 | 2016 | 2017 | 2018 |
| 39,962 | 40,033 | 38,434 | 41,957 | 51,183 |
| 15,828 | 14,983 | 9,437 | 8,614 | 8,428 |
| 1,601 | 2,305 | 2,534 | 2,946 | 3,812 |
| 2,876 | 2,806 | 3,060 | 3,106 | 3,384 |
| 1,644 | 1,268 | 1,305 | 1,425 | 1,518 |
| 23,774 | 23,115 | 21,937 | 24,016 | 30,072 |
| 7,082 | 8,638 | 3,822 | 3,425 | 3,594 |
| 937 | 1,238 | 1,493 | 1,586 | 2,145 |
| 2,642 | 2,527 | 2,784 | 2,786 | 3,012 |
| 878 | 565 | 575 | 638 | 698 |
| 341 | 387 | 405 | 483 | 503 |
| 18,557 | 17,441 | 16,867 | 17,212 | 17,837 |
| 120 | 122 | 109 | 91 | 86 |
| 1,190 | 2,333 | 3,628 | 4,198 | 4,673 |
| 180 | 205 | 256 | 230 | 219 |
| 190 | 168 | 115 | 113 | 97 |
| 1,866 | 1,278 | 1,069 | 1,235 | 1,105 |
| 36,799 | 37,820 | 39,474 | 38,935 | 39,410 |
| 7,072 | 7,482 | 7,350 | 7,828 | 7,410 |
| 179,445 | 187,525 | 201,682 | 200,914 | 205,206 |
| 65 | 63 | 63 | 63 | 63 |
| 135 | 135 | 135 | 125 | 125 |
| 623 | 623 | 679 | 675 | 675 |
| 125 | 125 | 125 | 125 | 125 |

(continued)

BRAZORIA COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Table 15
 Page 3 of 3

| Function | Fiscal Year | | | | |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Corrections: | | | | | |
| Detention Center - Adult: | | | | | |
| Facility square footage | 209,962 | 209,962 | 209,962 | 209,962 | 209,962 |
| Number of Male beds | 1,073 | 1,073 | 1,073 | 1,073 | 1,073 |
| Number of Female beds | 96 | 96 | 96 | 96 | 96 |
| Detention Center - Juvenile: | | | | | |
| Capacity: | | | | | |
| Detention | 32 | 52 | 52 | 52 | 52 |
| Residential | 24 | 24 | 24 | 24 | 24 |
| Health and Welfare: | | | | | |
| Environmental Health: | | | | | |
| Septic permits issued | 409 | 419 | 388 | 400 | 454 |
| Indigent Health Care: | | | | | |
| Indigent patients | 406 | 526 | 412 | 394 | 351 |
| Water Lab: | | | | | |
| Water test performed | 8,395 | 8,234 | 8,129 | 7,942 | 7,621 |
| Culture and Recreation: | | | | | |
| Library: | | | | | |
| Library locations | 11 | 12 | 12 | 12 | 12 |
| Collection inventory | 608,484 | 610,028 | 608,127 | 587,243 | 609,649 |
| Items checked out | 1,305,167 | 1,424,178 | 1,460,912 | 1,444,729 | 1,436,680 |
| Library program attendance | 45,046 | 41,586 | 41,893 | 45,978 | 55,458 |
| Internet usage | 316,054 | 337,804 | 286,277 | 270,668 | 250,548 |
| Parks and Recreation: | | | | | |
| Museum | 1 | 1 | 1 | 1 | 1 |
| Environmental Protection: | | | | | |
| Flood Plain Administrator: | | | | | |
| Construction permits issued | 1,708 | 1,895 | 2,157 | 1,936 | 2,209 |
| Estimated value of construction | 423,848,799 | 405,085,040 | 379,466,135 | 434,749,197 | 595,509,275 |
| Community Development: | | | | | |
| First time homebuyers | 23 | 22 | 20 | 19 | 17 |
| Reconstructions (home replacement) | 4 | 3 | 2 | 7 | 5 |
| Rehabilitation (home repair) | 2 | 3 | 1 | 2 | 1 |

Sources: Various County departments. Case data is reported to the Texas Office of Court Administration. In addition to the Flood Plain Administrator, cities within the County provided construction permit information. For the Indigent Health Care patients, the numbers reflect a decrease from 100% coverage of the federal poverty guidelines to the present coverage of 21%.

Note: N/A - Data is not available for the year.

| Fiscal Year | | | | |
|-------------|-------------|-------------|-------------|-------------|
| 2014 | 2015 | 2016 | 2017 | 2018 |
| 209,962 | 209,962 | 209,962 | 209,962 | 209,962 |
| 1,073 | 1,073 | 1,073 | 1,073 | 1,073 |
| 96 | 96 | 96 | 96 | 96 |
| 52 | 52 | 52 | 52 | 52 |
| 24 | 24 | 24 | 24 | 24 |
| 565 | 575 | 619 | 689 | 830 |
| 279 | 246 | 303 | 297 | 282 |
| 7,921 | 7,804 | 9,155 | 11,215 | 9,972 |
| 12 | 12 | 12 | 12 | 12 |
| 631,477 | 736,265 | 737,455 | 645,114 | 526,636 |
| 1,492,341 | 1,591,214 | 1,830,903 | 1,787,335 | 1,580,421 |
| 68,577 | 49,845 | 64,461 | 61,312 | 57,329 |
| 248,388 | 229,613 | 217,959 | 247,563 | 66,459 |
| 1 | 1 | 1 | 1 | 1 |
| 2,677 | 3,144 | 3,325 | 3,087 | 2,975 |
| 804,291,178 | 983,002,659 | 928,457,847 | 866,321,272 | 842,628,500 |
| 10 | 9 | 7 | 3 | 6 |
| 0 | 4 | 2 | 2 | 0 |
| 0 | 0 | 2 | 0 | 2 |

BRAZORIA COUNTY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Table 16

| Function/Program | Fiscal Year | | | | | | | | | |
|-------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Airport: | | | | | | | | | | |
| 7,000 Runway | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Health and Welfare: | | | | | | | | | | |
| Health clinic locations | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Public Facilities: | | | | | | | | | | |
| County Parks | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 10 | 10 | 10 |
| Public Safety: | | | | | | | | | | |
| Sheriff Vehicles | 119 | 116 | 123 | 124 | 103 | 150 | 123 | 129 | 138 | 128 |
| Constable Vehicles | 25 | 28 | 26 | 27 | 28 | 35 | 40 | 40 | 40 | 46 |
| Public Transportation: | | | | | | | | | | |
| Roads - Paved (miles) | 1042.69 | 1048.04 | 1048.65 | 1055.34 | 1057.75 | 1057.78 | 1058.29 | 1058.29 | 1072.46 | 1074.49 |
| Roads - Unpaved (miles) | 169.95 | 167.82 | 167.82 | 168.82 | 168.82 | 168.82 | 168.82 | 168.82 | 168.82 | 168.82 |
| Bridges | 127 | 128 | 130 | 131 | 131 | 131 | 131 | 131 | 131 | 131 |

Source: Various County departments, Brazoria County Auditor's office capital assets listing.

FEDERAL AND STATE AWARDS SECTION



Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

Lake Jackson Office:
8 West Way Court
Lake Jackson, Texas 77566
979-297-4075

Angleton Office:
2801 N. Velasco Suite C
Angleton, Texas 77515
979-849-8297

El Campo Office:
201 W. Webb
El Campo, Texas 77437
979-543-6836

Independent Auditor's Report

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

The Honorable County Judge
and Members of Commissioners
Court of Brazoria County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Brazoria County, Texas (the "County"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 28, 2019.

Internal Control over Financial Reporting

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

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

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

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The Honorable County Judge
and Members of Commissioners
Court of Brazoria County, Texas

Compliance and Other Matters

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

Purpose of this Report

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

Kennemer, Masters & Hungford, LLC

Lake Jackson, Texas
March 28, 2019

Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

Lake Jackson Office:
8 West Way Court
Lake Jackson, Texas 77566
979-297-4075

Angleton Office:
2801 N. Velasco Suite C
Angleton, Texas 77515
979-849-8297

El Campo Office:
201 W. Webb
El Campo, Texas 77437
979-543-6836

Independent Auditor's Report

On Compliance for each Major Program and on Internal
Control over Compliance Required by the Uniform Guidance
and the State of Texas Single Audit Circular (*Uniform Grant Management Standards*)

The Honorable County Judge
and Members of Commissioners
Court of Brazoria County, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Brazoria County's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *Texas Single Audit Circular (Uniform Grant Management Standards)* that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2018. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements of the *Texas Single Audit Circular (Uniform Grant Management Standards)*. Those standards, the Uniform Guidance and the *Texas Single Audit Circular (Uniform Grant Management Standards)* 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 and state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the County's compliance.

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The Honorable County Judge
and Members of Commissioners
Court of Brazoria County, Texas

Opinion on Each Major Federal and State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2018.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *Texas Single Audit Circular (Uniform Grant Management Standards)*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *Texas Single Audit Circular (Uniform Grant Management Standards)*. Accordingly, this report is not suitable for any other purpose.

Kennemer, Masters & Hunzford, LLC

Lake Jackson, Texas
March 28, 2019

BRAZORIA COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2018

I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unmodified.
2. No internal control findings, that were required to be reported in this schedule, was disclosed in the audit of the financial statements.
3. Noncompliance, which is material to the financial statements: None.
4. No internal control findings, that were required to be reported in this schedule, was disclosed in the audit of the major programs.
5. Type of auditor's report on compliance for major programs: Unmodified.
6. Did the audit disclose findings which are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a): No; *Texas Single Audit Circular (Uniform Grant Management Standards)* section 510(a): No
7. Major Programs Include:
 - Federal:
 - 14.218 Community Development Block Grant
 - 14.871 Section 8 Housing Voucher Program
 - 97.036 Public Assistance Grant
 - State:
 - TJJD Cluster Programs
 - TXDOT County Transportation Infrastructure Fund Grant Program
8. Dollar threshold used to distinguish between Type A and Type B programs: Federal \$ 750,000; State \$ 300,000.
9. Low Risk Auditee: Federal – Yes; State – Yes.

II. Findings related to the financial statements

None.

III. Findings and questioned costs related to the federal and state awards.

None.

BRAZORIA COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR FINDINGS
Year Ended September 30, 2018

None.

BRAZORIA COUNTY, TEXAS
CORRECTIVE ACTION PLAN
Year Ended September 30, 2018

None.

BRAZORIA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2018

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal CFDA Number | Contract/ Program Number | Expenditures Indirect Costs or Award Amount |
|---|---------------------------|--------------------------------|--|
| U.S. Department of Agriculture: | | | |
| Passed Through Texas Department of State Health Services: | | | |
| Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program) | 10.557 | 2017-04797 | \$ <u>1,215,146</u> 1,215,146 |
| Passed Through Texas Health and Human Services Commission: | | | |
| School Breakfast Program (1) | 10.553 | TX-020-2018 | 29,637 |
| School Breakfast Program (1) | 10.553 | TX-020-2019 | <u>2,942</u> |
| | | | <u>32,579</u> |
| National School Lunch Program (1) | 10.555 | TX-020-2018 | 47,136 |
| National School Lunch Program (1) | 10.555 | TX-020-2019 | <u>4,688</u> |
| | | | <u>51,824</u> |
| Passed Through Natural Resources Conservation Service: | | | |
| Emergency Watershed Protection Program | 10.923 | CJS 305 | <u>3,050</u> |
| TOTAL DEPARTMENT OF AGRICULTURE | | | <u>\$ 1,302,599</u> |
| U.S. Department of Housing and Urban Development: | | | |
| Direct Program: | | | |
| Community Development Block Grant | 14.218 | B-15-UC-48-0005 | \$ 169,916 |
| Community Development Block Grant | 14.218 | B-16-UC-48-0005 | 345,428 |
| Community Development Block Grant | 14.218 | B-17-UC-48-0005 | <u>800,854</u> |
| | | | <u>1,316,198</u> |
| Home Program | 14.239 | M-16-UC-48-0230 | 114,694 |
| Home Program | 14.239 | M-17-UC-48-0230 | <u>54,549</u> |
| | | | <u>169,243</u> |
| Emergency Shelter Program (ESG) | 14.231 | S-16-UC-48-0006 | 4,610 |
| Emergency Shelter Program (ESG) | 14.231 | S-17-UC-48-0006 | <u>104,004</u> |
| | | | <u>108,614</u> |
| Section 8 Housing Choice Voucher Program | 14.871 | TX484VO 0017 | <u>4,115,022</u> |
| Passed Through Texas Department of Rural Affairs: | | | |
| Community Development Block Grant – Recovery Alternative | 14.228 | DRS010014 | <u>212,173</u> |
| TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | <u>\$ 5,921,250</u> |

BRAZORIA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2018

Exhibit 28
Page 2 of 3

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal CFDA Number | Contract/ Program Number | Expenditures Indirect Costs or Award Amount |
|--|---------------------------|--------------------------------|--|
| U.S. Department of Justice: | | | |
| Passed Through the Bureau of Justice Assistance | | | |
| State Criminal Alien Assistance Program | 16.606 | 2015-AP-BX-0540 | \$ 20,825 |
| State Criminal Alien Assistance Program | 16.606 | 2016-AP-BX-0801 | <u>1,696</u> |
| | | | <u>22,521</u> |
| Passed Through Office of the Governor - Criminal Justice Division: | | | |
| Domestic Violence Court Program Supplement | 16.588 | 2336602 | 88,706 |
| Domestic Violence Court Program Supplement | 16.588 | 2336603 | <u>6,191</u> |
| | | | <u>94,897</u> |
| Crime Victim Assistance Program | 16.575 | VA-16-V30-13535-17 | 120,368 |
| Victim Services Program | 16.575 | VA-17-V30-13536-17 | <u>73,727</u> |
| | | | <u>194,095</u> |
| Equitable Sharing Program | 16.922 | -- | <u>85,960</u> |
| TOTAL U.S. DEPARTMENT OF JUSTICE | | | <u>\$ 397,473</u> |
| U.S. Department of Transportation: | | | |
| Passed Through Texas Department of Transportation: | | | |
| Highway Planning and Construction Program | 20.205 | CSJ0912-31-305 | <u>\$ 606,330</u> |
| TOTAL U.S. DEPARTMENT OF TRANSPORTATION | | | <u>\$ 606,330</u> |
| Federal Communications Commission: | | | |
| Passed Through the Universal Service Administration Company: | | | |
| E-Rate Library Program | 32.001 | 44301995 | <u>\$ 221,464</u> |
| TOTAL FEDERAL COMMUNICATIONS COMMISSION | | | <u>\$ 221,464</u> |

BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended September 30, 2018

Exhibit 28

Page 3 of 3

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal CFDA Number | Contract/ Program Number | Expenditures Indirect Costs or Award Amount |
|--|---------------------------|--------------------------------|--|
| U.S. Department of Health and Human Services: | | | |
| Passed Through Texas Department of State Health Services: | | | |
| CPS - Cities Readiness Initiative | 93.069 | 537-18-0182-00001 | \$ 73,794 |
| Bioterrorism | 93.069 | 537-18-0103-00001 | 203,788 |
| Preventative Health and Health Services Block Grant | 93.991 | 537-18-0201-00001 | <u>37,329</u> |
| | | | <u>314,911</u> |
| Passed Through Texas Department of Family and Protective Services: | | | |
| Foster Care Title IV-E | 93.658 | 23940142 | 41,556 |
| Foster Care Title IV-E Legal Costs | 93.658 | 23940143 | <u>73,592</u> |
| | | | <u>115,148</u> |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | <u>\$ 430,059</u> |
| U.S. Department of Homeland Security: | | | |
| Direct: | | | |
| Public Assistance Grant – Hurricane Ike | 97.036 | Various | \$ 115,584 |
| Public Assistance Grant – 2015 Flooding | 97.036 | FEMA-4223-DT-TX | 2,365 |
| Public Assistance Grant – 2016 Flooding | 97.036 | FEMA-4272-DT-TX | 360,061 |
| Public Assistance Grant – 2017 Hurricane Harvey | 97.036 | FEMA-4332-DT-TX | <u>1,642,972</u> |
| | | | <u>2,120,982</u> |
| Passed Through Texas Department of Public Safety's Division Of Emergency Management: | | | |
| Emergency Management Performance Grant | 97.042 | 18TX-EMPG-0310 | <u>47,850</u> |
| Passed Through the Department of Public Safety's Division of Homeland Security Grants (HSGD): | | | |
| 2016 – UASI Management & Administration Program | 97.067 | 2985902 | 7,659 |
| 2016 – UASI Community Preparedness Program | 97.067 | 2970802 | <u>166,444</u> |
| | | | <u>174,103</u> |
| TOTAL DEPARTMENT OF HOMELAND SECURITY | | | <u>\$ 2,342,935</u> |
| TOTAL FEDERAL ASSISTANCE | | | <u>\$ 11,222,110</u> |
| TOTAL MAJOR PROGRAMS | | | <u>\$ 7,552,202</u> |
| TYPE A PROGRAM | | | <u>\$ 750,000</u> |
| (1) Child Nutrition Cluster | | | |

BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF STATE AWARDS**

For the Year Ended September 30, 2018

Exhibit 29

Page 1 of 3

| State Grantor/ Pass-Through Grantor/ Program Title | Contract/ Program Number | Expenditures or Award Amount |
|--|--------------------------------|------------------------------------|
| Texas Department of State Health Services: | | |
| Direct Programs: | | |
| Immunization OPTS/LHS | HHS000097600001 | \$ 16,849 |
| Immunization OPTS/LHS | 537-18-0072-00001 | <u>170,037</u> |
| | | <u>186,886</u> |
| | | |
| Infectious Disease Control Unit – Food Borne Associated Infestations | 537-18-0301-00001 | <u>64,526</u> |
| | | |
| TOTAL TEXAS DEPARTMENT OF STATE HEALTH SERVICES | | \$ <u>251,412</u> |
| Texas Juvenile Justice Department: | | |
| Direct Programs: | | |
| State Aid Program (1) | TJJD-A-18-020 | \$ 1,337,375 |
| State Aid Program (1) | TJJD-A-19-020 | 113,439 |
| Juvenile Justice Alternative Education Program (Boot Camp) (1) | TJJD-P-18-020 | 244,396 |
| Juvenile Justice Alternative Education Program (Boot Camp) (1) | TJJD-P-19-020 | 21,070 |
| Regional Diversion Alternative Program (1) | TJJD-R-18-020 | <u>36,284</u> |
| | | |
| TOTAL TEXAS JUVENILE JUSTICE DEPARTMENT | | \$ <u>1,752,564</u> |
| Texas Commission on Environmental Quality: | | |
| Direct: | | |
| Local Initiatives Program | 582-14-40127 | \$ 71,365 |
| Brazos River Flooding Debris Removal – Hurricane Harvey | TCEQ-4332-PW0040 | <u>179,749</u> |
| | | |
| TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY | | \$ <u>251,114</u> |
| Texas Department of Family and Protective Services: | | |
| Direct Program: | | |
| Title IV-B Concrete Services | 24184790 | <u>870</u> |
| | | |
| TOTAL TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES | | \$ <u>870</u> |
| Texas Department of Transportation: | | |
| Direct Program: | | |
| Transportation Infrastructure Fund Grant Program | CTIR-01-020 | \$ 924,141 |
| Routine Airport Maintenance | M1712ANGLEFY17RAMP | <u>50,000</u> |
| | | |
| TOTAL TEXAS DEPARTMENT OF TRANSPORTATION | | \$ <u>974,141</u> |

BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF STATE AWARDS**

For the Year Ended September 30, 2018

Exhibit 29

Page 2 of 3

| State Grantor/ Pass-Through Grantor/ Program Title | Contract/ Program Number | Expenditures or Award Amount |
|---|--------------------------------|------------------------------------|
| Office of Attorney General: | | |
| Direct Program: | | |
| Victim Coordinator Liaison Grant (VCLG) | 18-80319 | \$ 38,279 |
| Victim Coordinator Liaison Grant (VCLG) | 19-85795 | 3,491 |
| Texas Victim Information and Notification Everyday (VINE) | 18-76606 | 26,168 |
| Texas Victim Information and Notification Everyday (VINE) | 19-89466 | <u>2,379</u> |
| TOTAL OFFICE OF ATTORNEY GENERAL | | <u>\$ 70,317</u> |
| Texas Task Force on Indigent Defense: | | |
| Direct Program: | | |
| Indigent Defense Services | 212-18-020 | <u>\$ 229,325</u> |
| TOTAL TEXAS TASK FORCE ON INDIGENT DEFENSE | | <u>\$ 229,325</u> |
| General Land Office: | | |
| Direct Program: | | |
| Beach Cleaning and Maintenance Assistance | 16-124-001 | <u>\$ 27,586</u> |
| TOTAL GENERAL LAND OFFICE | | <u>\$ 27,586</u> |
| Office of the Governor (Criminal Justice Division): | | |
| Direct: | | |
| Drug Court Program | 2052710 | \$ 136,721 |
| Drug Court Program | 2052711 | <u>6,594</u> |
| | | <u>143,315</u> |
| DWI Court Program | 2808005 | 5,731 |
| DWI Court Program | 2808004 | <u>63,009</u> |
| | | <u>68,740</u> |
| Veterans Court Program | 3106202 | 135,771 |
| Veterans Court Program | 3106203 | <u>6,485</u> |
| | | <u>142,256</u> |
| Passed Through Houston-Galveston Area Council: | | |
| Regional Mental Health Services | SF421#26067-18 | <u>4,560</u> |
| TOTAL OFFICE OF THE GOVERNOR (CRIMINAL JUSTICE DIVISION) | | <u>\$ 358,871</u> |
| Texas Veterans Commission: | | |
| Direct Program: | | |
| Brazoria County Veterans Court Program | VTC-18-0596 | <u>\$ 3,915</u> |
| TOTAL TEXAS VETERANS COMMISSION | | <u>\$ 3,915</u> |

BRAZORIA COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended September 30, 2018

Exhibit 29

Page 3 of 3

| State Grantor/ Pass-Through Grantor/ Program Title | Contract/ Program Number | Expenditures or Award Amount |
|--|--------------------------------|------------------------------------|
| TOTAL STATE ASSISTANCE | | \$ <u>3,920,115</u> |
| TOTAL MAJOR PROGRAMS | | \$ <u>2,676,705</u> |
| TYPE A PROGRAM | | \$ <u>300,000</u> |
| (1) TJJD Cluster Programs | | |

BRAZORIA COUNTY, TEXAS

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AND STATE AWARDS

Year Ended September 30, 2018

1. The County uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designated to provide accountability for certain assets and deferred outflows of resources, and liabilities and deferred inflows of resources that are not recorded in the funds because they do not directly affect net expendable available resources. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn is divided into separate "fund types". The following fund types were utilized to account for federal awards.

Governmental Fund Types:

General Fund - is the general operating fund of the County. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. Federal financial assistance not required to be reported in other funds is accounted for in the General Fund.

Special Revenue Funds - used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Federal financial assistance generally is accounted for in a Special Revenue Fund unless required to be reported in a Capital Projects Fund or a proprietary fund type. Generally, unused balances are returned to the grantor at the close of specified project periods.

Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary and Trust Funds. Federal financial assistance for the construction of major capital facilities generally is accounted for in a Capital Projects Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

Proprietary Fund Types:

Enterprise Fund - used to account for activities similar to those found in the private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing services be financed primarily through user charges, or where periodic determination of net income is appropriate. Federal financial assistance for the benefiting enterprise operations generally is accounted for in the Enterprise Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. Federal and State grant funds were accounted for in the General Fund, Special Revenue Fund, and the Capital Projects Fund, a component of the Governmental Fund type.

BRAZORIA COUNTY, TEXAS

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AND STATE AWARDS - Continued

Year Ended September 30, 2018

The Proprietary Fund Types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources, and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the balance sheet. Fund equity (net total position) is segregated into contributed capital and retained earnings components for proprietary funds. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position. Federal grant funds were accounted for in the Enterprise Fund (Airport), a component of the Proprietary Fund type.

The modified accrual basis of accounting is used for the Governmental Fund Types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The accrual basis of accounting is used for the Proprietary Fund Types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Federal grant funds are considered to be earned to the extent of expenditures/expenses made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

- 3. The period of availability for federal and state grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal and state project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Compliance Supplement and the *Texas Single Audit Circular (Uniform Grant Management Standards)*..
- 4. Indirect Costs - Brazoria County, Texas received \$ 30,191 in reimbursements for indirect costs during the year ended September 30, 2017, \$ 12,417 for the Women, Infants and Children programs (WIC) CFDA #10.557, \$ 5,900 for the CPS – Cities Readiness Initiative CFDA #93.069 and \$ 11,874 Foster Care Title IV-E CFDA #93.658.

The following schedules are reimbursements the County received for indirect costs incurred during the year ended September 30, 2018:

| <u>Program Title</u> | <u>CFDA Number</u> | <u>Amount</u> |
|-----------------------------------|--------------------|------------------|
| Women, Infants and Children (WIC) | 10.557 | \$ 48,266 |
| CPS-Cities Readiness Initiative | 93.069 | 7,085 |
| Foster Care Title IV-E | 93.658 | <u>11,157</u> |
| Total | | <u>\$ 66,508</u> |

- 5. As of September 30, 2018, the County included \$ 2,120,982 on the schedule of expenditures of federal awards from the Public Assistance Grant CFDA #97.036 for expenditures that were incurred in previous fiscal years. The Federal Emergency Management Agency approved the project worksheets related to the \$ 2,120,982 in the current fiscal year.
- 6. The County has elected to use the 10 percent de minimis indirect cost rate.

