

DATE: APRIL 14, 2009

BRAZORIA COUNTY COMMISSIONERS COURT

REGULAR/~~SPECIAL~~ SESSION

ORDER NO. 52

RE: APPROVE FISCAL YEAR 2008 FINANCIAL AUDIT

MOTION BY COMMISSIONER Rhodenbaugh

SECONDED BY COMMISSIONER Payne

That the 2008 Comprehensive Annual Financial Report for Brazoria County be approved and filed with the County Clerk.

VOTING:

AYE

NAY

- County Judge King
- Commissioner Payne
- Commissioner Sebesta
- Commissioner Adams
- Commissioner Rhodenbaugh

AYE	NAY
<u>/</u>	



BRAZORIA COUNTY, TEXAS

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2008

BRAZORIA COUNTY, TEXAS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended
September 30, 2008

**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, 2008

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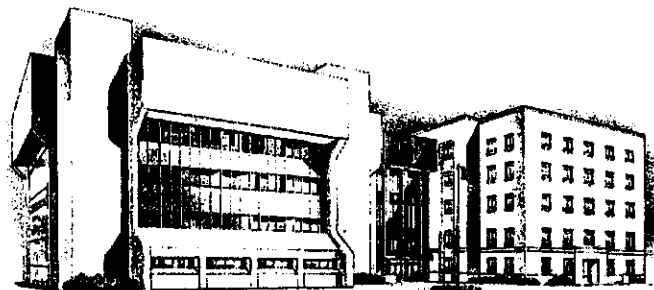
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INTRODUCTORY SECTION



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



TELEPHONE
(409) 849-5711 EXT. 1275
(409) 285-4261 EXT. 1275
(713) 331-6101 EXT. 1275

BRAZORIA COUNTY
ANGLETON, TEXAS 77515

March 17, 2009

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

Gentlemen:

The Comprehensive Annual Financial Report of Brazoria County, Texas, for the fiscal year ended September 30, 2008, 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 State of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of American by a firm of licensed public accountants.

This report consists of management's representations concerning the finances of Brazoria County, Texas. 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. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Brazoria County's financial statements have been audited by Kennemer, Masters & Lunsford, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion on Brazoria County's financial statements for the fiscal year ended September 30, 2008 that they are fairly presented in conformity with generally accepted accounting principles. The independent auditors' report is presented as the first component 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.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. Brazoria County's MD&A can be found immediately following the report of the independent auditors.

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 1386 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.

Budget

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.

Long Term Financial Planning

The long term financial plans of the County include multiple capital projects. To meet the needs of the growing population, the Commissioners' Court is very active in infrastructure development, specifically road improvements, to help insure economic growth. In July, 2008, the County issued \$ 8M of the \$ 50M mobility bonds approved by voters in 2004. Previously, the County sold \$ 14M of the bonds in November, 2006. The County plans to issue the remaining \$ 28M mobility bonds in the upcoming years.

In an effort to meet the current, as well as future needs of the Juvenile Detention and County Jail, expansion projects were begun in 2008 using Certificates of Obligation issued for that purpose. Additional Certificates of Obligation capital expenditures include the relocation of the North Service Center to meet the increased County's road and bridge needs.

The County is currently working on establishing a capital improvement program which will assist in planning for facilities construction or remodeling and mobility projects.

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.

Cash Management

The primary objectives of the county's investment policy are the safety of principal followed by liquidity and yield. Accordingly, deposits were either insured by federal depository insurance or collateralized with securities pledged to the County and held by an independent third-party financial institution. Demand deposits are covered by pledged collateral maintained in a joint safekeeping account at a third party bank.

Risk Management

Brazoria County provides for the management of risks through a combination of self-insurance and traditional insurance. In addition, the County has instituted a number of risk and loss control techniques such as safety training, and accident investigation. The County currently has traditional insurance for property damage and some professional liability. Other risks are either self-insured or uncovered.

Pension and Other Post Employment Benefits

Brazoria County provides retirement, disability and death benefits for all of its employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the TCDRS). Specific plan provisions are adopted by the County within the options available in the state statues governing the TCDRS. Benefits amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed.

Awards

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, 2007. 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 fifteen 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.

Acknowledgements

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.

I would especially like to thank the District Judges for their support and guidance in matters relating to the discharge of my duties as County Auditor.

Respectfully submitted,



Connie Garner
County Auditor

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, 2007

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



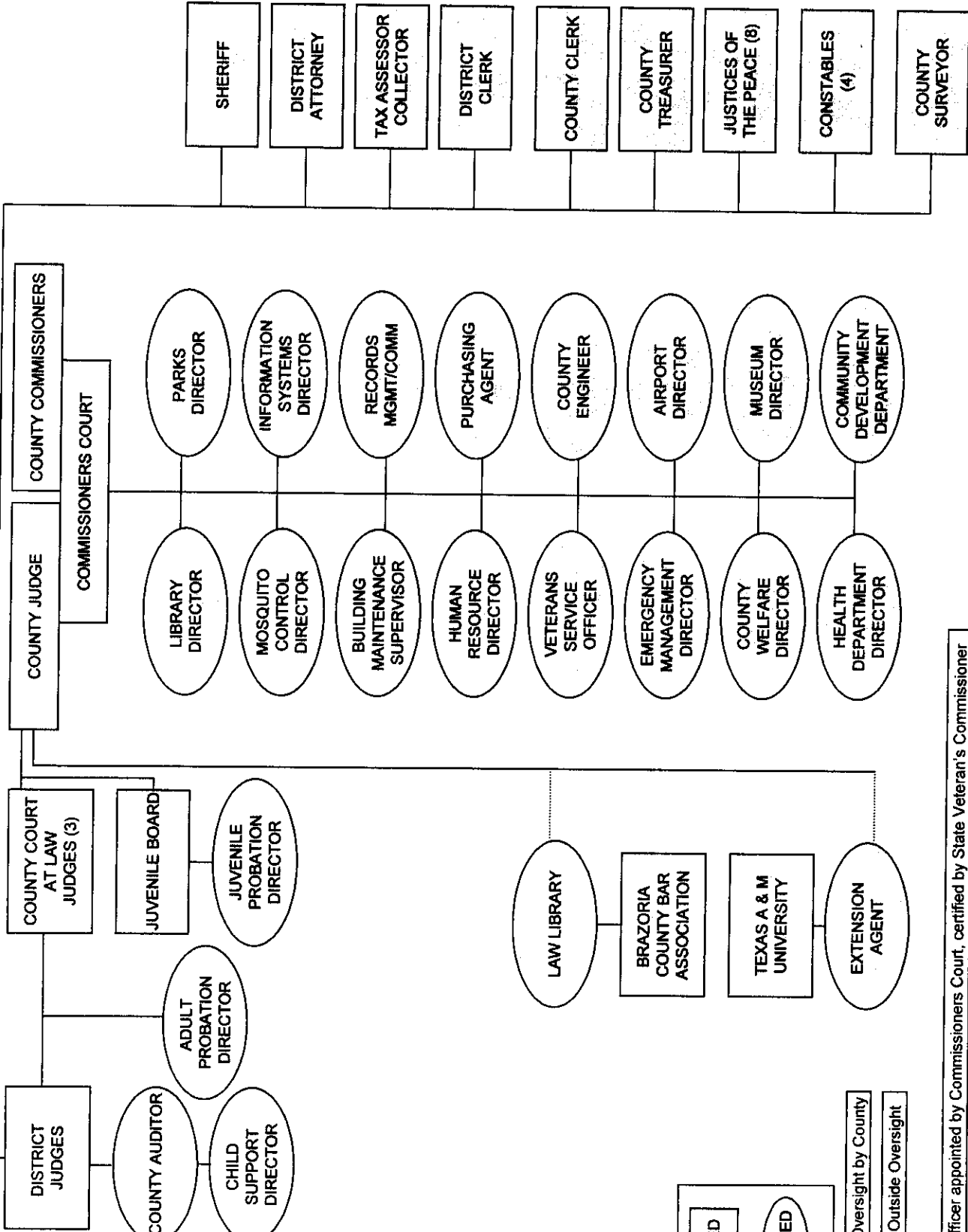
A handwritten signature in black ink, appearing to read "M. L. R.", is written above the title "President".

President

A handwritten signature in black ink, reading "Jeffrey R. Emer", is written above the title "Executive Director".

Executive Director

BRAZORIA COUNTY VOTERS



ELECTED (rectangle)
 APPOINTED (oval)

— Oversight by County
 Outside Oversight

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 Emory Joseph King, County Judge

Donald Payne, Commissioner, Precinct 1

Matthew Sebesta, Commissioner, Precinct 2

Jack Harris, Commissioner, Precinct 3

Mary Ruth Rhodenbaugh, Commissioner, Precinct 4

OTHER PRINCIPAL OFFICIALS

Ro'Vin Garrett, Tax Assessor-Collector

Connie Garner, County Auditor

Sharon Reynolds, County Treasurer

Joyce Hudman, County Clerk

Jerry Deere, District Clerk

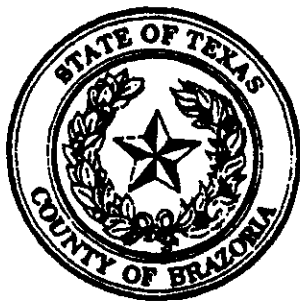
Jeri Yenne, District Attorney

Jim Wiginton, District Attorney - Chief Civil Division

Charles Wagner, Sheriff



FINANCIAL SECTION



Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS
Limited Liability Company

Lake Jackson Office:
8 West Way Court
Lake Jackson, Texas 77566
(979) 297-4075 Fax: (979) 297-6648
(800) 399-4075

Houston Office:
10850 Richmond Avenue, Suite 250
Houston, Texas 77042
(713) 974-3030 Fax: (713) 974-3513

Independent Auditor's Report

March 5, 2009

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brazoria County, Texas (the "County") as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brazoria County, Texas as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2009 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

The Honorable County Judge,
and Members of Commissioners' Court
of Brazoria County, Texas
March 5, 2009
Page 2

Required Supplementary Information

The Management's Discussion and Analysis and Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund and Major Special Revenue Fund, and the Texas County and District Retirement System Schedule of Funding – Last Three Years on pages 3 through 14 and 82 through 84, respectively, are not a required part of the basic financial statements but is supplementary information required by accounting principals generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Combining and Individual Fund Statements and Schedules, and Federal and State Awards Section

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying information identified in the table of contents as combining and individual fund statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Similarly, the accompanying schedules of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the State of Texas *Single Audit Circular*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Introductory and Statistical Sections

The information identified in the table of contents as Introductory and Statistical Sections is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the County. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

Kerremeyer, Masters & Hunzford, LLC

BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2008

As management of Brazoria County, Texas ("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, 2008. 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 of the County exceeded its liabilities at the close of the most recent fiscal year for governmental and business-type activities by \$ 158,679,036 and \$ 11,216,163 (net assets), respectively. Of this amount, \$ 31,697,078 and \$ 494,005 (unrestricted net assets), respectively, may be used to meet the government's ongoing obligations to citizens and creditors with the County's fund designation.
- The County's total net assets increased for governmental activities by \$ 6,997,589 and decreased for business-type activities by \$ 324,197.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 65,004,704 and its enterprise fund reported ending net assets of \$ 11,216,163. 91.74% and 4.40% of these total amounts, \$ 59,632,699 (unreserved fund balance) and \$ 494,005 (unrestricted net assets), respectively, were available for use within the County's fund designations. Of the governmental funds amount, \$ 21,869,934 has been designated for specific uses.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$ 21,345,280 or 26.56% of the total general fund expenditure. Of this amount, \$ 2,712,375 has been designated for specific uses.

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 assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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, 2008*

The *statement of activities* presents information showing how the County's net assets changed during the fiscal year. All changes in net assets 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 can be found on pages 17 through 19 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.

The County maintains one hundred and ten (110) 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 and Road and Bridge (special revenue fund), 2006 Certificate of Obligation C&M (capital projects fund), and Mobility Plan C&M (capital projects fund); all of which are considered to be major funds. Data from the other one hundred and six (106) 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 20 through 29 of this report.

BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2008

- **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 and liability insurance 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 30 through 35 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 assets and a statement of changes in fiduciary net assets that can be found on pages 36 and 37.

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 38 through 80 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 82 through 84 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 87 through 176 of this report.

Government-wide Financial Analysis

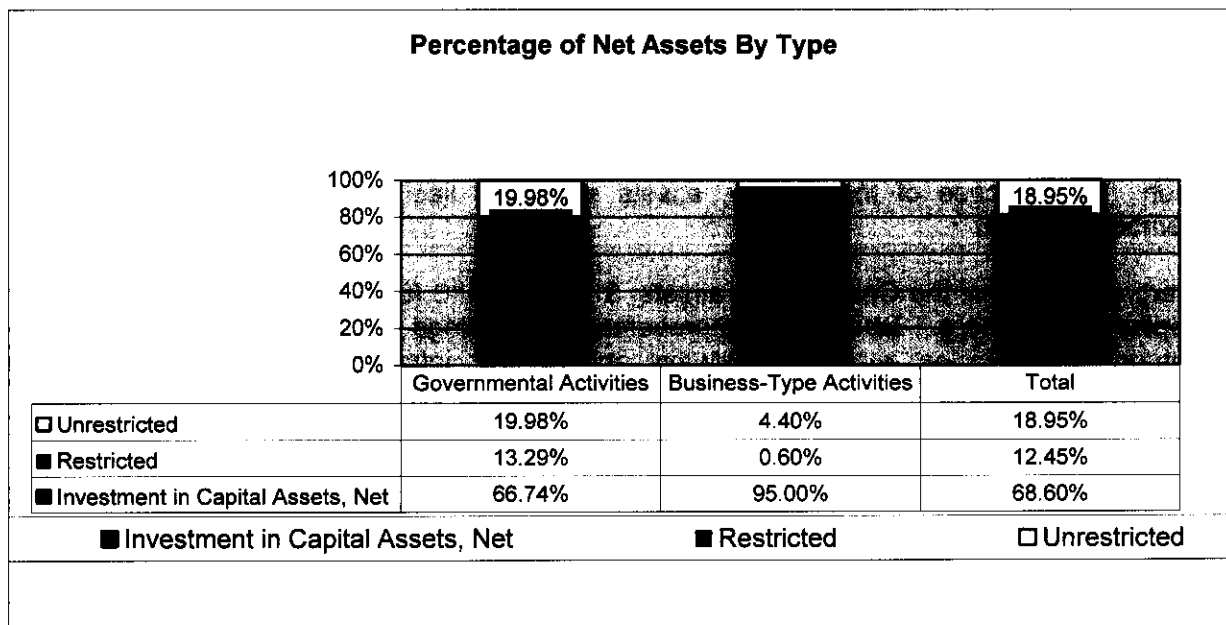
As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the County, assets exceeded liabilities by \$ 169,895,199 as of September 30, 2008.

The largest portion of the County's net assets, \$ 116,550,413 (68.60%) 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, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2008

BRAZORIA COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	September 30,		September 30,		September 30,	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 94,703,436	\$ 91,931,915	\$ 846,640	\$ 524,473	\$ 95,550,076	\$ 92,456,388
Capital assets	<u>142,389,775</u>	<u>128,203,527</u>	<u>10,744,957</u>	<u>11,269,843</u>	<u>153,134,732</u>	<u>139,473,370</u>
Total assets	<u>237,093,211</u>	<u>220,135,442</u>	<u>11,591,597</u>	<u>11,794,316</u>	<u>248,684,808</u>	<u>231,929,758</u>
Current and other liabilities	19,348,548	13,846,744	270,080	63,867	19,618,628	13,910,611
Long-term liabilities	<u>59,065,627</u>	<u>54,607,251</u>	<u>105,354</u>	<u>190,089</u>	<u>59,170,981</u>	<u>54,797,340</u>
Total liabilities	<u>78,414,175</u>	<u>68,453,995</u>	<u>375,434</u>	<u>253,956</u>	<u>78,789,609</u>	<u>68,707,951</u>
Net Assets:						
Invest in capital assets, net of related debt	105,895,455	99,498,617	10,654,958	11,094,843	116,550,413	110,593,460
Restricted	21,086,503	20,826,040	67,200	102,148	21,153,703	20,928,188
Unrestricted	<u>31,697,078</u>	<u>31,356,790</u>	<u>494,005</u>	<u>343,369</u>	<u>32,191,083</u>	<u>31,700,159</u>
Total net assets	<u>\$ 158,679,036</u>	<u>\$ 151,681,447</u>	<u>\$ 11,216,163</u>	<u>\$ 11,540,360</u>	<u>\$ 169,895,199</u>	<u>\$ 163,221,807</u>



BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2008

An additional portion of the County's net assets of \$ 21,153,703 (12.45%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$ 32,191,083 (18.95%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2008, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate categories—governmental and business-type activities.

Analysis of the County's Operations. Overall the County had an increase in net assets of \$ 6,673,392. Governmental activities reported an increase in net assets in the amount of \$ 6,997,589, while the business-type activities decreased the County's net assets in the amount of \$ 324,197. Assets increased primarily due to capital assets such as new building construction and road projects.

The following table provides a summary of the County's operations for the years ended September 30, 2008 and 2007.

BRAZORIA COUNTY'S CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	September 30,		September 30,		September 30,	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for services	\$ 19,054,049	\$ 19,951,787	\$ 2,696,391	\$ 1,715,941	\$ 21,750,440	\$ 21,667,728
Operating grants and contributions	14,474,328	9,672,233	5,498	45,940	14,479,826	9,718,173
Capital grants and contributions	7,102,464	7,163,245	141,668	561,342	7,244,132	7,724,587
General Revenues:						
Property taxes	72,549,360	68,739,287			72,549,360	68,739,287
Sales & other taxes	16,825,916	17,543,873			16,825,916	17,543,873
Grants and contributions not restricted to specific programs	217,066	245,477			217,066	245,477
Unrestricted investment earnings	2,950,658	4,516,924	13,227	4,723	2,963,885	4,521,647
Gain on disposition of capital assets	111,195	520	500		111,695	520
Miscellaneous	<u>1,607,369</u>	<u>1,737,063</u>			<u>1,607,369</u>	<u>1,737,063</u>
Total revenues	<u>134,892,405</u>	<u>129,570,409</u>	<u>2,857,284</u>	<u>2,327,946</u>	<u>137,749,689</u>	<u>131,898,355</u>

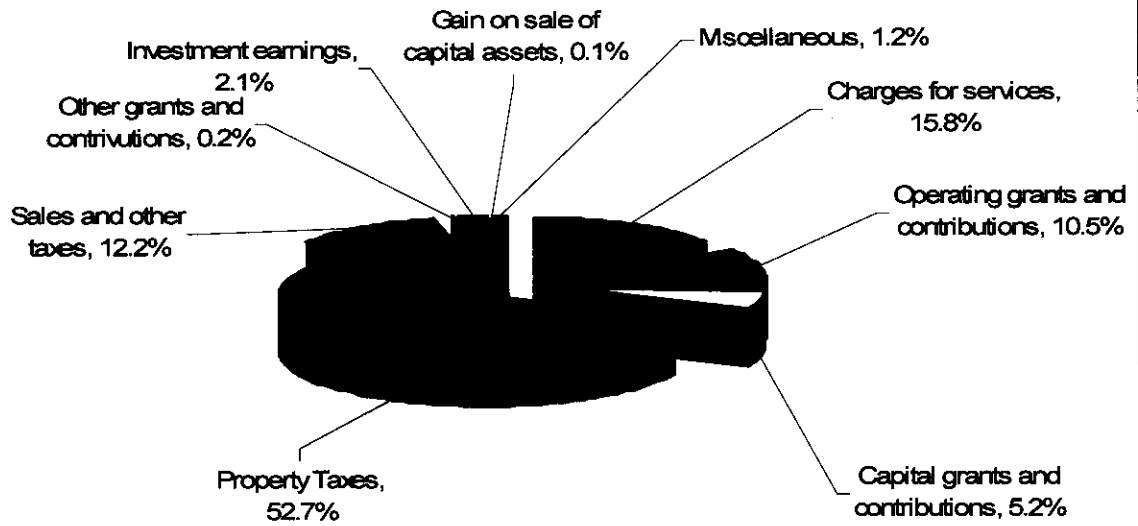
(continued)

BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2008

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	September 30,		September 30,		September 30,	
	2008	2007	2008	2007	2008	2007
Expenses:						
General administration	\$ 7,486,015	\$ 5,782,142	\$	\$	\$ 7,486,015	\$ 5,781,892
Judicial and legal	16,376,192	15,147,866			16,376,192	15,147,866
Financial administration	8,798,119	8,058,664			8,798,119	8,058,664
Elections	717,673	402,710			717,673	402,710
Public facilities	3,603,168	3,515,672			3,603,168	3,515,672
Public safety	16,661,965	13,961,584			16,661,965	13,961,584
Corrections	22,418,422	20,185,077			22,418,422	20,185,077
Public transportation	28,072,576	24,420,943			28,072,576	24,420,943
Health and welfare	10,246,427	10,141,695			10,246,427	10,141,695
Public assistance	296,000	296,000			296,000	296,000
Culture and recreation	7,782,083	7,281,317			7,782,083	7,281,317
Conservation	405,565	364,654			405,565	364,654
Environmental protection	204,640	188,339			204,640	188,339
Community development	2,228,027	2,320,743			2,228,027	2,320,743
Airport			3,281,481	2,341,771	3,281,481	2,341,771
Interest on long-term debt	<u>2,497,944</u>	<u>2,408,476</u>			<u>2,497,944</u>	<u>2,408,476</u>
Total expenses	<u>127,794,816</u>	<u>114,475,882</u>	<u>3,281,481</u>	<u>2,341,771</u>	<u>131,076,297</u>	<u>116,817,403</u>
Increase (decrease) in net assets before contributions and transfers	7,097,589	15,094,527	(424,197)	(13,825)	6,673,392	15,080,952
Transfers	(100,000)		100,000		-0-	-0-
Increase (decrease) in net assets	6,997,589	15,094,527	(324,197)	(13,825)	6,673,392	15,080,952
Net assets - October 1, Restated	<u>151,681,447</u>	<u>136,586,920</u>	<u>11,540,360</u>	<u>11,554,185</u>	<u>163,221,807</u>	<u>148,140,855</u>
Net assets - September 30,	<u>\$ 158,679,036</u>	<u>\$ 151,681,447</u>	<u>\$ 11,216,163</u>	<u>\$ 11,540,360</u>	<u>\$ 169,895,199</u>	<u>\$ 163,221,807</u>

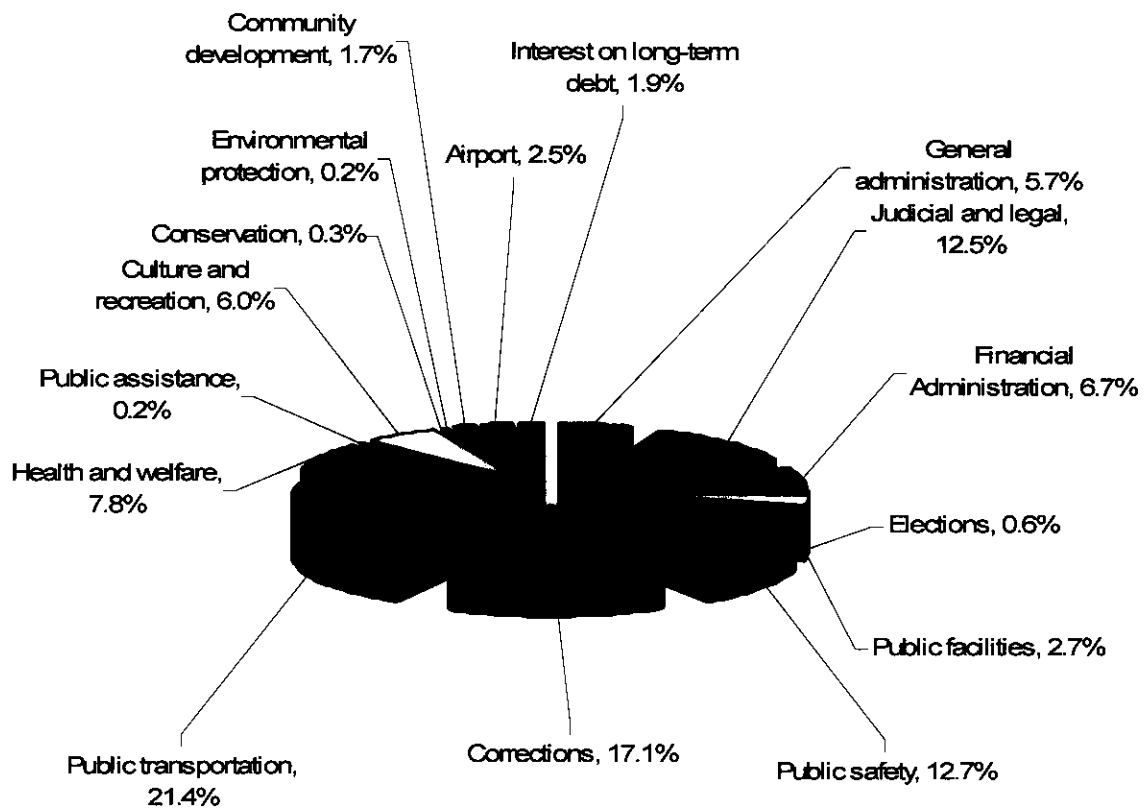
BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2008

Total Revenue Percentages



BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2008

Total Expense Percentages



BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2008

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 65,004,704. 91.74% of this total amount (\$ 59,632,699) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) for prepaid expenditures (\$ 618,989), 2) for the expenditure of inventories (\$ 1,239,141), 3) for the expenditure of encumbrances (\$ 653,617), 4) for long-term receivables (\$ 50,476), and 5) to pay for debt service (\$ 2,809,782).

Fund balance of the General Fund decreased by \$ 350,043; the Road and Bridge (special revenue fund) increased by \$ 914,515; the 2006 Certificate of Obligation C & M (capital project fund) decreased by \$ 3,938,448; the Mobility Plan C & M (capital projects fund) increased by \$ 9,767; and, other (non-major) governmental funds decreased by \$ 278,638. Road & Bridge increased mostly due to Hurricane Ike related activities. The decrease in the 2006 Certificates of Obligation C & M was due to construction projects at North Service Center and Justice of the Peace Precinct 3, Place 2/Health facilities.

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 assets at September 30, 2008 amounted to \$ 11,216,163. Total net assets decreased \$ 331,132 (approximately 2.87%), and were due to increased cost of fuel sales.

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 \$ 3.7 million increase in appropriations and were primarily for the following:

- The re-appropriation of funds for prior year-end encumbrances.
- Increased indigent defense costs.
- Increased personnel and operating expenditures related to Hurricane Ike.
- Increased generator rental costs associated with the hurricane season.
- Increased fuel costs.
- Increased juror expenditures.
- Increased "Tax Increment Reinvestment Zone" (TIRZ) expenditures.
- Purchased E-slates and caddies for Elections.
- Decreased indigent health care.

BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2008

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

- Charges for services exceeded budget by 18.5% (\$ 1.2 million).
- Investment income was short of budget projections by 36% due to declining rates.
- Fines and fees were below estimated by 23% as a result of lower numbers of cases.

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2008, amounts to \$ 153,134,732 (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:

- Construction of the Justice of the Peace Precinct 3, Place 2 and Health building located in Pearland was completed in fiscal year 2008 and moved from construction in progress at a value of \$ 901,021.
- A variety of transportation construction projects were initiated or continued at a cost of \$ 8 million, much of which was financed by road bonds.
- Vehicle and equipment were added to capital assets, primarily as replacements to vehicles and road and bridge equipment during the year, at a cost of almost \$3.8 million.
- Purchase of new software for Sheriff's office for \$ 197,500.
- A variety of construction in progress projects including the relocation of the North Service Center - \$ 1,833,664, the Juvenile Probation Detention Center renovation - \$ 1,548,361, and the preliminary work on the female Detention Center - \$ 337,607.
- Construction of a bridge replacement on CR 290 at Oyster Creek was completed at a cost of \$ 689,916.
- Continued improvement of the East Annex building was completed for County Welfare and Section 8 Housing and Elections for \$ 115,135.

BRAZORIA COUNTY'S CAPITAL ASSETS
Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Totals	
	September 30,		September 30,		September 30,	
	2008	2007	2008	2007	2008	2007
Land	\$ 12,519,794	\$ 10,462,322	\$ 1,558,686	\$ 1,558,686	\$ 14,078,480	\$ 12,021,008
Land improvements	1,199,303	1,121,572			1,199,303	1,121,572
Buildings & improvements	27,440,173	27,558,051	3,324,421	3,486,447	30,764,594	31,044,498
Furniture, equipment & vehicles	8,136,233	7,224,737	633,758	593,556	8,769,991	7,818,293
Runway, taxiway & aprons			5,126,238	5,631,154	5,126,238	5,631,154
Infrastructure	79,166,416	77,272,024			79,166,416	77,272,024
Construction in progress	13,927,856	4,564,821	101,854		14,029,710	4,564,821
Total	\$ 142,389,775	\$ 128,203,527	\$ 10,744,957	\$ 11,269,843	\$ 153,134,732	\$ 139,473,370

BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2008

Additional information on the County's capital assets can be found in note 5 on pages 60 through 63 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the County had a total bonded debt of \$ 55,725,000, which, compromises bonded debt backed by the full faith and credit of the County. These bonds will be retired with revenues from property and sales taxes, and fees for services.

BRAZORIA COUNTY'S LONG-TERM DEBT
Bonds, Capital Leases, Components of Debt, and Compensated Absences

	Governmental Activities		Business-type Activities		Totals	
	September 30,		September 30,		September 30,	
	2008	2007	2008	2007	2008	2007
Certificates of obligation bonds	\$ 21,465,000	\$ 22,510,000	\$ 90,000	\$ 175,000	\$ 21,555,000	\$ 22,685,000
General obligation bonds	34,170,000	29,060,000			34,170,000	29,060,000
Components of Debt:						
Premium on bonds	963,977	688,029			963,977	688,029
Accrued interest payable	486,042	346,172	450	875	486,492	347,047
Compensated absences	<u>1,980,608</u>	<u>2,003,050</u>	<u>15,354</u>	<u>15,089</u>	<u>1,995,962</u>	<u>2,018,139</u>
Total	\$ <u>59,065,627</u>	\$ <u>54,607,251</u>	\$ <u>105,804</u>	\$ <u>190,964</u>	\$ <u>59,171,431</u>	\$ <u>54,798,215</u>

During the fiscal year, the County's total debt increased \$ 4,097,268 or 7.57%. The increase was due primarily to the issuance of 2008 Unlimited Tax Road Bonds in the amount of \$ 8,000,000.

All of the outstanding Bonds of the County payable from its limited taxes are insured and are, therefore, rated "Aaa" by Moody's Investors Service Inc. ("Moody's"), and "AAA" by Standard & Poor's ("S&P"). The underlying rating on all of such Bonds and other obligations payable from such source are "Aa3" by Moody's and "AA" by S&P.

Additional information on the County's long-term debt can be found in note 7 on pages 65 through 68 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Brazoria County is currently 5.2% which is an increase from a rate of 4.4% a year ago.
- New construction and improvements to the County's tax rolls provided an additional \$ 5 million in property tax revenues with a slight tax rate decrease for 2008.
- Cost of living and salary market adjustments were approved for the 2008 fiscal year.
- Population growth in the County continues to give rise to higher sales tax collections.
- In an effort to improve collections of delinquent fines and fees, warrant officers were hired to serve the Judge of the Peace courts.

BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2008*

All of these factors were considered in preparing Brazoria County's budget for the 2008 fiscal year. At the end of the current fiscal year, fund balances in the governmental funds increased to \$ 68,653,287. Brazoria County has appropriated \$ 3.3 million of this amount for spending in the 2008 fiscal year budget. It is expected that conservative revenue budgets will serve to make the actual decrease in fund balance far less than budgeted.

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 ASSETS
September 30, 2008

Exhibit 1

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 58,476,051	\$ 366,324	\$ 58,842,375
Receivables (Net of Allowance for Uncollectibles):			
Taxes	1,387,332		1,387,332
Accounts	7,011,591	293,278	7,304,869
Special assessments	374,044		374,044
Due from other governments	7,480,118	30,952	7,511,070
Accrued interest	153,079		153,079
Loans receivable	15,531		15,531
Agency fund receivables	3,899,455	34,359	3,933,814
Prepaid items	677,194	2,441	679,635
Inventories	1,239,141	51,636	1,290,777
Investments	13,010,705		13,010,705
Bond issuance cost (net of accumulated amortization)	947,098		947,098
Discounted loans receivable (net of current)	32,097		32,097
Restricted Assets:			
Cash and temporary investments		67,650	67,650
Capital Assets:			
Land	12,519,794	1,558,686	14,078,480
Land improvements (net)	1,199,303		1,199,303
Buildings and improvements (net)	27,440,173	3,324,421	30,764,594
Furniture, equipment and vehicles (net)	8,136,233	633,758	8,769,991
Runways, taxiways and aprons (net)		5,126,238	5,126,238
Infrastructure (net)	79,166,416		79,166,416
Construction in progress	13,927,856	101,854	14,029,710
Total assets	<u>237,093,211</u>	<u>11,591,597</u>	<u>248,684,808</u>
Liabilities			
Accounts and accrued liabilities payable	15,576,407	256,945	15,833,352
Estimated health claims payable	1,138,961		1,138,961
Due to others	446,186		446,186
Unearned revenue	2,186,994	12,685	2,199,679
Payable from restricted assets		450	450
Noncurrent Liabilities:			
Due within one year	6,802,861	105,354	6,908,215
Due in more than one year	52,262,766		52,262,766
Total liabilities	<u>78,414,175</u>	<u>375,434</u>	<u>78,789,609</u>
Net Assets			
Invested in capital assets, net of related debt	105,895,455	10,654,958	116,550,413
Restricted For:			
Roads and bridges	11,785,704		11,785,704
Debt service	2,397,569	49,419	2,446,988
Subsequent years expenditures	6,903,230	17,781	6,921,011
Unrestricted	31,697,078	494,005	32,191,083
Total net assets	<u>\$ 158,679,036</u>	<u>\$ 11,216,163</u>	<u>\$ 169,895,199</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, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General administration	\$ 7,486,015	\$ 3,592,174	\$ 1,087,138	\$
Judicial and legal	16,376,192	6,510,075	1,078,327	
Financial administration	8,798,119	1,607,565	52,391	
Elections	717,673	216,604	10,938	
Public facilities	3,603,168	32,625	130,487	
Public safety	16,661,965	1,690,817	239,416	85,000
Corrections	22,418,422	585,301	2,316,037	
Public transportation	28,072,576	3,910,942	2,896,488	4,470,057
Health and welfare	10,246,427	531,764	6,283,304	320,128
Public assistance	296,000			
Culture and recreation	7,782,083	303,660	296,149	
Conservation	405,565	10,147		
Environmental protection	204,640	62,375	83,653	
Community development	2,228,027			2,227,279
Interest on long-term debt	2,497,944			
Total governmental activities	127,794,816	19,054,049	14,474,328	7,102,464
Business-type Activities:				
Airport	3,281,481	2,696,391	5,498	141,668
Total primary government	\$ 131,076,297	\$ 21,750,440	\$ 14,479,826	\$ 7,244,132
General Revenue:				
Property taxes				
Sales and other taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Gain on disposition of capital assets				
Miscellaneous				
Transfers				
Total general revenues, special items, and transfers				
Change in net assets				
Net assets – beginning (restated)				
Net assets – ending				

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

Net (Expense) Revenue and Changes In Net Assets

<u>Primary Government</u>		
<u>Governmental</u>	<u>Business-</u>	<u>Total</u>
<u>Activities</u>	<u>Type</u>	
<u>Activities</u>	<u>Activities</u>	
\$(2,806,703)	\$	\$(2,806,703)
(8,787,790)		(8,787,790)
(7,138,163)		(7,138,163)
(490,131)		(490,131)
(3,440,056)		(3,440,056)
(14,646,732)		(14,646,732)
(19,517,084)		(19,517,084)
(16,795,089)		(16,795,089)
(3,111,231)		(3,111,231)
(296,000)		(296,000)
(7,182,274)		(7,182,274)
(395,418)		(395,418)
(58,612)		(58,612)
(748)		(748)
<u>(2,497,944)</u>		<u>(2,497,944)</u>
(87,163,975)	-0-	(87,163,975)
	<u>(437,924)</u>	<u>(437,924)</u>
<u>(87,163,975)</u>	<u>(437,924)</u>	<u>(87,601,899)</u>
72,549,360		72,549,360
16,825,916		16,825,916
217,066		217,066
2,950,658	13,227	2,963,885
111,195	500	111,695
1,607,369		1,607,369
<u>(100,000)</u>	<u>100,000</u>	<u>-0-</u>
<u>94,161,564</u>	<u>113,727</u>	<u>94,275,291</u>
6,997,589	(324,197)	6,673,392
<u>151,681,447</u>	<u>11,540,360</u>	<u>163,221,807</u>
<u>\$ 158,679,036</u>	<u>\$ 11,216,163</u>	<u>\$ 169,895,199</u>

BRAZORIA COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2008

	Major Funds			
	General Fund	Road & Bridge Fund	2006 Certificate of Obligation C & M Fund	Mobility Plan C & M Fund
ASSETS				
Cash and temporary investments	\$ 15,590,411	\$ 6,837,966	\$ 10,568,082	\$ 8,830,172
Investments	13,010,705			
Receivables (Net of Allowance for Uncollectibles):				
Taxes	937,811	334,483		
Accounts	156,327	23,342		
Special assessments		374,044		
Due from other governments	2,993,831	2,835,978		
Accrued interest	153,079			
Due from other funds	3,993,781	774,757		8,000
Prepaid expenditures	614,989			
Inventories	68,257	499,334		
Long-Term Receivables:				
Accounts	50,476			
Total assets	<u>\$ 37,569,667</u>	<u>\$ 11,679,904</u>	<u>\$ 10,568,082</u>	<u>\$ 8,838,172</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and accrued liabilities payable	\$ 10,457,543	\$ 1,890,008	\$ 1,170,498	\$ 526,930
Due to others	446,186			
Due to other funds	1,071			
Deferred revenue	1,661,523	645,310		
Total liabilities	<u>12,566,323</u>	<u>2,535,318</u>	<u>1,170,498</u>	<u>526,930</u>
Fund Balances:				
Reserved:				
Prepaid expenditures	614,989			
Inventories	68,257	499,334		
Encumbrances	211,967	437,515		
Long-term receivables	50,476			
Unreserved:				
Designated:				
Capital projects			9,397,584	8,311,242
Subsequent years expenditures	2,712,375			
Undesignated, Reported In:				
General fund	21,345,280			
Special revenue funds		8,207,737		
Total fund balances	<u>25,003,344</u>	<u>9,144,586</u>	<u>9,397,584</u>	<u>8,311,242</u>
Total liabilities and fund balance	<u>\$ 37,569,667</u>	<u>\$ 11,679,904</u>	<u>\$ 10,568,082</u>	<u>\$ 8,838,172</u>

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

<u>Non-Major Funds</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 14,331,151	\$	56,157,782	13,010,705
		115,038	1,387,332
		48,150	227,819
			374,044
		1,650,309	7,480,118
			153,079
		246,830	5,023,368
		4,000	618,989
		671,550	1,239,141
			<u>50,476</u>
<u>\$ 17,067,028</u>	<u>\$</u>	<u>85,722,833</u>	
\$ 1,471,850	\$	15,516,829	
		446,186	
		1,064,094	1,065,165
		<u>1,383,136</u>	<u>3,689,969</u>
		<u>3,919,080</u>	<u>20,718,149</u>
		4,000	618,989
		671,550	1,239,141
		4,135	653,617
			50,476
		2,809,782	2,809,782
		1,448,733	19,157,559
			2,712,375
			21,345,280
		<u>8,209,748</u>	<u>16,417,485</u>
		<u>13,147,948</u>	<u>65,004,704</u>
<u>\$ 17,067,028</u>	<u>\$</u>	<u>85,722,853</u>	

BRAZORIA COUNTY, TEXAS**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET ASSETS
September 30, 2008**Exhibit 3R
Page 1

Total fund balances - governmental funds balance sheet (Exhibit 3)	\$ 65,004,704
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital assets include \$ 268,087,325 in assets less \$ 125,697,550 in accumulated depreciation.	142,389,775
Long-term loans receivable from other entities unavailable to pay for current period expenditures are not recorded in the funds. Loans receivable discounted for present value of \$ 2,848.	(2,848)
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 \$ 8,667,649 net of allowance for uncollectible accounts of \$ 2,625,560 of the general fund amounted to \$ 6,042,089.	6,042,089
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, Certificate Mosquito Control District, Certificate of Obligation Sheriff & Detention Complex Series 1993 debt service fund, Certificate of Obligation Construction and Maintenance Series 2003 debt service fund, Certificate of Obligation Construction and Maintenance Series 2006 debt service fund, and Unlimited Road Bonds Series 2006 debt service fund amounted to \$ 763,281, \$ 271,268, \$ 20,555, \$ 33,414, \$ 15,755, \$ 13,173, and \$ 11,487, respectively.	1,128,933
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 and Sherwood Land Assessment, Norris Road Special Assessment, and Brazos Bend 2 Special Assessment reported in the Road and Bridge special revenue fund amounted to \$ 374,042.	374,042
Bond issuance costs are reported as current financial uses for governmental funds but the expenditures increases long-term assets in the statement of net assets. This amount is amortized over the life of the bonds. Bond issuance costs of \$ 1,092,110 less accumulated amortization of \$ 145,012.	947,098
Payables for bond principal are not reported in the funds.	(55,635,000)
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 assets. This amount is amortized over the life of the bonds. Net premium on the issuance of bonds were \$ 963,977 (premium on the sale of bonds of \$ 1,053,927 less amortization of \$ 89,950).	(963,977)
Payables for bond interest is not reported in the funds except for amounts received from the sale of bonds or issuance of capital leases after the issuance date. Total accrued interest payable of \$ 486,042.	(486,042)
Payables for compensated absences are not reported in the funds.	(1,980,608)

(continued)

BRAZORIA COUNTY, TEXAS**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET ASSETS - Continued**
September 30, 2008Exhibit 3R
Page 2

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>	
Current assets	\$ 1,595,863	\$ 1,522,294	
Accounts and accrued liabilities payable	(24,898)	(34,680)	
Due to other funds		(58,748)	
Estimated claims payable	(400,000)	(738,961)	
Net amount allocated to business-type activities	<u>(4,464)</u>	<u>4,464</u>	
Net	<u>\$ 1,166,501</u>	<u>\$ 694,369</u>	<u>1,860,870</u>
Net assets of governmental activities – statement of net assets (Exhibit 1).			<u>\$ 158,679,036</u>

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, 2008

	Major Funds			
	General Fund	Road & Bridge Fund	2006 Certificate of Obligation C & M Fund	Mobility Plan C & M Fund
Revenues:				
Taxes	\$ 64,250,957	\$ 17,386,208	\$	\$
Intergovernmental	1,976,521	2,795,971		
Charges for services	7,469,547			
Licenses and permits	946,778	724,894		
Fines and forfeitures	2,932,468			
Special assessments		39,947		
Investment income	1,606,169	312,111	327,317	145,770
Miscellaneous	1,493,891	294,738		
Total revenues	<u>80,676,331</u>	<u>21,553,869</u>	<u>327,317</u>	<u>145,770</u>
Expenditures:				
Current:				
General administration	5,727,126		3,532	
Judicial and legal	15,471,195			
Financial administration	8,565,447			
Elections	511,814			
Public facilities	3,355,377			
Public safety	16,851,522			
Corrections	18,499,728			
Public transportation		17,771,014		
Health and welfare	2,909,376			
Public assistance	296,000			
Culture and recreation	7,575,851			
Conservation	393,215			
Environmental protection	199,402			
Community development				
Capital outlay		2,792,972	4,262,233	7,951,989
Debt Service:				
Principal				
Interest and fiscal charges				
Total expenditures	<u>80,356,053</u>	<u>20,563,986</u>	<u>4,265,765</u>	<u>7,951,989</u>
Excess (deficiency) of revenues over expenditures	<u>320,278</u>	<u>989,883</u>	<u>(3,938,448)</u>	<u>(7,806,219)</u>

(continued)

<u>Non-Major Funds</u>		
<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
\$ 8,096,168	\$ 89,733,333	
12,189,924	16,962,416	
1,700,982	9,170,529	
2,506,507	4,178,179	
	2,932,468	
1,419	41,366	
519,519	2,910,886	
<u>467,564</u>	<u>2,256,193</u>	
<u>25,482,083</u>	<u>128,185,370</u>	
1,607,398	7,338,056	
553,011	16,024,206	
53,420	8,618,867	
180,465	692,279	
73,027	3,428,404	
207,924	17,059,446	
2,962,481	21,462,209	
3,402,771	21,173,785	
7,036,155	9,945,531	
	296,000	
84,799	7,660,650	
	393,215	
	199,402	
2,227,279	2,227,279	
2,255,992	17,263,186	
3,760,000	3,760,000	
<u>2,472,201</u>	<u>2,472,201</u>	
<u>26,876,923</u>	<u>140,014,716</u>	
<u>(1,394,840)</u>	<u>(11,829,346)</u>	

BRAZORIA COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS - Continued

For the Year Ended September 30, 2008

	Major Funds			
	General Fund	Road & Bridge Fund	2006 Certificate of Obligation C & M Fund	Mobility Plan C & M Fund
Other Financing Sources (Uses):				
Issuance of bonds	\$	\$	\$	\$ 7,810,000
Premium on the sale of bonds				
Proceeds from sale of capital assets	273,044	71,525		
Payment to escrow agent				
Transfers in	406,201			
Transfers out	(1,349,566)	(146,893)		
Total other financing sources and (uses)	(670,321)	(75,368)	-0-	7,810,000
Net change in fund balances	(350,043)	914,515	(3,938,448)	3,781
Fund balances - beginning (restated)	25,353,387	8,230,071	13,336,032	8,307,461
Fund balances - ending	\$ 25,003,344	\$ 9,144,586	\$ 9,397,584	\$ 8,311,242

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

<u>Non-Major Funds</u>		
<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
\$ 10,140,000	\$ 17,950,000	
330,304	330,304	
	344,569	
(10,344,360)	(10,344,360)	
1,396,459	1,802,660	
<u>(406,201)</u>	<u>(1,902,660)</u>	
<u>1,116,202</u>	<u>8,180,513</u>	
(278,638)	(3,648,833)	
<u>13,426,586</u>	<u>68,653,537</u>	
<u>\$ 13,147,948</u>	<u>\$ 65,004,704</u>	

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2008

Exhibit 4R
Page 1

Net change in fund balances - total governmental funds (Exhibit 4) \$(3,648,833)

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

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 \$ 18,951,067 exceeded depreciation \$ 9,001,502 in the current period. 9,949,565

Contributions of capital assets are not reported in the funds, however, contributions of capital assets are reported as capital contributions in the governmental activities statement of activities. During the current year, \$ 4,470,057 of roads were contributed to and accepted by the County. 4,470,057

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, the Mosquito Control District, the Certificate of Obligation Detention Complex Series 1993 debt service fund, the Certificate of Obligation Construction and Maintenance Series 2003 debt service fund, and the Certificate of Obligation Construction and Maintenance Series 2006 debt service fund, and the Unlimited Road Tax Series 2006 debt service fund amounted to \$(14,404), \$(158,897), \$ 20,555, \$(5,584), \$(428), \$ 3,613, and \$ 11,487, respectively. (143,658)

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 revenues for Brazos Oaks/Forest Assessment, Brazos Bend Assessment, Bonnie Lane Assessment, Laura Lane Assessment, Sherwood Land Assessment and Norris Road Special Assessment and Brazos Bend 2 Special Assessment reported in the Road and Bridge special revenue fund amounted to \$ 111,484. 111,484

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 was \$ 274,548. (Cost of \$ 3,436,116 less accumulated depreciation of \$ 3,161,568), less trade-in allowance of \$ 41,174. (233,374)

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. 324,191

Bond issuance cost is an expenditure in the governmental fund, but the cost increases long-term assets in the statement of net assets. This amount is amortized over the life of the bond. Bond issuance costs of \$ 330,466 less current amortization of \$ 51,335. 279,131

Long-term debt issuance provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the governmental activities statement of net assets. Long-term proceeds in the governmental fund were \$ 17,950,000 for bonds, less \$ 10,125,000 paid to refunding bond escrow agent. (7,825,000)

(continued)

BRAZORIA COUNTY, TEXAS

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

Exhibit 4R
Page 2

For the Year Ended September 30, 2008

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 assets. The funds statements reported \$ 3,760,000 in bond principal payments.	\$	3,760,000
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 assets. This amount is amortized over the life of the bonds. Net premium on the issuance of bonds was \$ 275,948 (premium on sale of bonds of \$ 330,304 less amortization of \$ 54,356).	(	275,948)
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 on long-term debt. Change in accrued interest on bonds of \$ 139,870	(	139,870)
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.		22,442
The change in noncurrent loan advance discounts does not produce current financial resources to governmental funds but these changes increase long-term assets in the statement of net assets. The current change in noncurrent loan discounts was \$ 2,384 (prior discount of \$ 5,232 less current discount of \$ 2,848).		2,384
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:		

	<u>Self Insurance</u>		
	<u>Liability</u>	<u>Health</u>	
Investment income	\$ 48,864	\$ 9	
Operating expenses	(108,083)	(9,612,748)	
Contributions for self-insurance	80,000	9,943,911	
Net amount allocated to business-type activities	<u>(4,464)</u>	<u>(2,471)</u>	
Net	<u>\$ 16,317</u>	<u>\$ 328,701</u>	<u>345,018</u>
Change in net assets of governmental activities (Exhibit 2)			<u>\$ 6,997,589</u>

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

BRAZORIA COUNTY, TEXAS
COMPARATIVE STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2008

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Funds
	2008	2007	
Assets:			
Current Assets:			
Cash and temporary investments	\$ 366,324	\$ 250,775	\$ 2,318,269
Accounts receivable	293,278	123,682	741,683
Due from other governments	30,952		
Due from other funds	34,359		
Prepaid expense	2,441	868	58,205
Inventory	51,636	53,060	
Total current assets	<u>778,990</u>	<u>428,385</u>	<u>3,118,157</u>
Restricted Assets:			
Restricted cash and temporary investments	<u>67,650</u>	<u>103,023</u>	
Total restricted assets	<u>67,650</u>	<u>103,023</u>	<u>-0-</u>
Total current assets	<u>846,640</u>	<u>531,408</u>	<u>3,118,157</u>
Noncurrent Assets:			
Capital Assets:			
Land, buildings and runways	23,221,780	23,156,780	
Equipment	1,200,985	924,218	
Construction in progress	101,854		
Accumulated depreciation	<u>(13,779,662)</u>	<u>(12,811,155)</u>	
Total capital assets (net of accumulated depreciation)	<u>10,744,957</u>	<u>11,269,843</u>	<u>-0-</u>
Total noncurrent assets	<u>10,744,957</u>	<u>11,269,843</u>	<u>-0-</u>
Total assets	<u>11,591,597</u>	<u>11,801,251</u>	<u>3,118,157</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMPARATIVE STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - Continued
September 30, 2008

Exhibit 5

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Funds
	2008	2007	
Liabilities:			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 256,945	\$ 47,282	\$ 1,198,539
General obligation bonds payable - current	90,000	85,000	
Compensated absences	15,354	15,089	
Due to other funds			58,748
Deferred revenue	12,685	15,710	
	374,984	163,081	1,257,287
Current Liabilities Payable from Restricted Assets:			
Accrued interest payable	450	875	
	450	875	-0-
Total current liabilities	375,434	163,956	1,257,287
Noncurrent Liabilities:			
General obligation bonds payable - net of current		90,000	
Total liabilities	375,434	253,956	1,257,287
Net Assets:			
Invested in capital assets, net of related debt	10,654,958	11,094,843	
Restricted for debt service	49,419	43,582	
Restricted for land acquisition	17,781	58,566	
Unrestricted	494,005	350,304	1,860,870
Total net assets	11,216,163	11,547,295	\$ <u>1,860,870</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		(6,935)	
Net assets of business-type activities	\$ 11,216,163	\$ 11,540,360	

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 ASSETS - PROPRIETARY FUNDS**

For the Year Ended September 30, 2008

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Funds
	2008	2007	
Operating Revenues:			
Sales of fuel and supplies	\$ 2,010,408	\$ 1,093,774	\$
Cost of sales	<u>1,610,354</u>	<u>755,557</u>	
Gross profit	400,054	338,217	-0-
Other Operating Revenue:			
Contributions for self insurance			10,023,911
Rentals	364,605	327,882	
Fees	281,009	276,622	
Miscellaneous	<u>26,882</u>	<u>5,181</u>	
Net operating revenue	<u>1,072,550</u>	<u>947,902</u>	<u>10,023,911</u>
Operating Expenses:			
Salaries and wages	375,794	330,682	
Employee benefits	136,244	121,663	
Supplies	112,863	109,656	
Other charges	207,406	241,974	9,720,831
Depreciation	<u>810,028</u>	<u>758,890</u>	
Total operating expenses	<u>1,642,335</u>	<u>1,562,865</u>	<u>9,720,831</u>
Operating income (loss)	<u>(569,785)</u>	<u>(614,963)</u>	<u>303,080</u>
Non-Operating Revenues (Expenses):			
Investment income	1,742	4,723	48,873
Gain (loss) on sale of assets	500		
Operating grant revenue	5,498	45,940	
Interest and fiscal charges	<u>(10,755)</u>	<u>(15,628)</u>	
Total non-operating revenues (expenses)	<u>(3,015)</u>	<u>35,035</u>	<u>48,873</u>
Net income (loss) before contributions and transfers	<u>(572,800)</u>	<u>(579,928)</u>	<u>351,953</u>
Capital contributions	141,668	561,342	
Transfers in	<u>100,000</u>		
Change in net assets	<u>(331,132)</u>	<u>(18,586)</u>	<u>351,953</u>
Net Assets:			
Total net assets - beginning of year	<u>11,547,295</u>	<u>11,565,881</u>	<u>1,508,917</u>
Total net assets - end of year	<u>\$ 11,216,163</u>	<u>\$ 11,547,295</u>	<u>\$ 1,860,870</u>

BRAZORIA COUNTY, TEXAS

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES

IN NET ASSETS - PROPRIETARY FUNDS - Continued

For the Year Ended September 30, 2008

Exhibit 6

	<u>Business-Type Activities - Enterprise Fund</u>	
	<u>2008</u>	<u>2007</u>
Business-type Activities:		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ <u>6,935</u>	\$ <u>4,761</u>
Change in net assets of business-type activities	(324,197)	(13,825)
Net Assets (Business-type Activities):		
Total net assets - beginning of year	<u>11,540,360</u>	<u>11,554,185</u>
Total net assets - end of year	<u>\$ 11,216,163</u>	<u>\$ 11,540,360</u>

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

BRAZORIA COUNTY, TEXAS
COMPARATIVE STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2008

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	2008	2007	
Cash Flows from Operating Activities:			
Cash flows received from customers	\$ 2,479,331	\$ 1,742,916	\$ 9,409,770
Cash receipts from interfund services provided			(7,976,365)
Cash paid to and on behalf of employees	(484,700)	(452,345)	(1,700,577)
Cash paid to suppliers and others	(1,748,182)	(1,116,007)	
Cash paid to other funds	(34,359)		
Net cash provided (used) by operating activities	<u>212,090</u>	<u>174,564</u>	<u>(267,172)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	100,000		
Cash received from operating grants	<u>5,498</u>	<u>45,940</u>	
Net cash provided (used) by noncapital financing activities	<u>105,498</u>	<u>45,940</u>	<u>-0-</u>
Cash Flows from Capital and Financing Activities:			
Cash received from capital grants	141,668	561,342	
Cash received from sale of capital assets	500		
Acquisition of fixed assets	(285,142)	(817,329)	
Principal payments on bonds	(85,000)	(80,000)	
Interest and fees on bonds	(11,180)	(16,026)	
Net cash provided (used) by capital financing activities	<u>(239,154)</u>	<u>(352,013)</u>	<u>-0-</u>
Cash Flows from Investing Activities:			
Investment income	<u>1,742</u>	<u>4,723</u>	<u>48,873</u>
Net cash provided (used) by investment activities	<u>1,742</u>	<u>4,723</u>	<u>48,873</u>
Net increase (decrease) in cash	80,176	(126,786)	(218,299)
Cash and temporary investments - beginning of year (including \$ 103,023 reported as restricted assets)	<u>353,798</u>	<u>480,584</u>	<u>2,536,568</u>
Cash and temporary investments - end of year (including \$ 67,650 reported as restricted assets)	<u>\$ 433,974</u>	<u>\$ 353,798</u>	<u>\$ 2,318,269</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMPARATIVE STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - Continued
For the Year Ended September 30, 2008

Exhibit 7

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Funds
	2008	2007	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Activities:			
Operating income (loss)	\$(569,785)	\$(614,963)	\$ 303,080
Depreciation	810,028	758,890	
Changes in Assets and Liabilities:			
(Increase) Decrease In:			
Accounts receivable	(169,596)	30,504	(672,889)
Due from other governments	(30,952)	8,383	
Due from other funds	(34,359)		58,748
Prepaid expenses	(1,573)	3,267	(5,366)
Inventory	1,424	707	
Increase (Decrease) In:			
Accounts and accrued liabilities payable	209,663	(11,032)	49,255
Compensated absences	265	(1,762)	
Deferred revenue	(3,025)	570	
Net cash provided (used) for operating activities	<u>\$ 212,090</u>	<u>\$ 174,564</u>	<u>\$(267,172)</u>
Noncash Transactions Affecting Financial Position:			
Net noncash transactions affecting financial position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

BRAZORIA COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2008

Exhibit 8

	Private-Purpose Trust Fund <hr/> Historical Commission Fund <hr/>	Agency Funds <hr/>
<u>Assets</u>		
Cash and temporary investments	\$ 16,973	\$ 16,045,485
Receivables:		
Accounts receivable		31,472
Due from other funds		<hr/> 215,651
Total assets	<hr/> 16,973	<hr/> \$ 16,292,608
<u>Liabilities</u>		
Accounts and accrued liabilities payable		\$ 841,868
Due to other funds		4,149,465
Amounts held for others		<hr/> 11,301,275
Total liabilities	<hr/> -0-	<hr/> \$ 16,292,608
<u>Net Assets</u>		
Held in trust for historical commission	<hr/> 16,973	
Total net assets	<hr/> \$ 16,973	

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

BRAZORIA COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended September 30, 2008

Exhibit 9

	<u>Private-Purpose Trust Fund Historical Commission Funds</u>
<u>Additions</u>	
Contributions:	
Private donations and sales	\$ 2,161
Investment Earnings:	
Interest	<u>593</u>
Total additions	<u>2,754</u>
<u>Deductions</u>	
Culture and recreation (historical commission)	<u>3,464</u>
Total deductions	<u>3,464</u>
Change in net assets	(710)
<u>Net Assets</u>	
Net assets - beginning of the year	<u>17,683</u>
Net assets - end of the year	<u>\$ 16,973</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, 2008

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BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Brazoria County, Texas (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), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the County has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. 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 serves 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.

For the year ended September 30, 2008, no other organizations have been combined for either blended or discrete presentation in the County's financial statements. The following organizations are not considered "related organizations."

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, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Reporting Entity - continued

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.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities report financial information on all of the nonfiduciary 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*.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Government-Wide and Fund Financial Statements - continued

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 only 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.

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 deferred 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.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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 and 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 *2006 Certificate of Obligation C & M fund* accounts for bond proceeds authorized for acquisition and construction, including the purchase and renovation of a building located in Angleton for the purpose of housing various County departments; relocation of the North Service Center; construction of the West Service Center and Annex; expansion of the Juvenile Detention Center; renovation of a Park Administration building; renovation of Courthouse for additional courtrooms; expansion of parking lots; and expansion of the Adult Detention Center.

The *Mobility Plan C & M 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.

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
For The Year Ended September 30, 2008

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 fund:

The *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, child support, District and County Clerk trusts, Gulf Coast Spaceport Development, Brazoria County Groundwater Conservation District, and Community Corrections and Supervision (Adult Probation) funds.

New Pronouncements

GASB No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," was issued June 2004. This statement establishes standards for the measurement, recognition, and display of other postemployment benefits (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. This statement is effective for periods beginning after December 15, 2007. Management of the County has not determined the impact, if any, upon its financial position, results of operations or its cash flows upon adoption.

GASB No. 46, "Net Assets Restricted by Enabling Legislation: an amendment of GASB Statement No. 34", was issued December 2004. This statement clarifies the meaning of legally enforceable as applied to restrictions on net asset use imposed by enabling legislation. This statement is effective for periods beginning after June 15, 2006. The statement was implemented and did not have a material impact on the County's financial statements.

GASB No. 47, "Accounting for Termination Benefits", was issued April 2005. This statement provides guidance for measuring, recognizing, and reporting liabilities and expense/expenditures related to all termination benefits, both voluntary and involuntary. This statement is effective for periods beginning after June 15, 2005. This statement was implemented during the year ended August 31, 2006. This statement has been implemented and did not have a material effect on the financial statements of the County.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

New Pronouncements - continued

GASB No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra Entity Transfers of Assets and Future Revenues", was issued September 2006. This statement provides guidance for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. This statement is effective for periods beginning after December 15, 2006. The statement was implemented and did not have an impact on the County's financial statements.

GASB No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", was issued November 2006. This statement provides guidance for pollution remediation obligations. This statement is effective for periods beginning after December 15, 2007. The management of the County does not believe that the implementation of this statement will have a material effect on the financial statements of the County.

GASB No. 50, "Pension Disclosures", was issued May 2007. This statement provides guidance for financial reporting by pension plans and by employers that provide defined benefit and contribution plans. This statement is effective for periods beginning after June 15, 2007. The statement was implemented and did not have an impact on the County's financial statements.

GASB No. 51, "Accounting and Financial Reporting for Intangible Assets", was issued June 2007. This statement provides guidance for financial reporting of intangible assets for all state and local governments. This statement is effective for periods beginning after June 15, 2009. The management of the County does not believe that the implementation of this statement will have a material effect on the financial statements of the County.

GASB No. 52, "Land and Other Real Estate Held as Investments by Endowments", was issued November 2007. This statement does not apply to the County as it holds no endowment funds. This statement is effective for periods beginning after June 15, 2008.

GASB No. 53, "Accounting and Financial Reporting for Derivative Instruments", was issued June 2008. This statement provides guidance for financial reporting of derivative instruments for all state and local governments. This statement is effective for periods beginning after June 15, 2009. The management of the County does not believe that the implementation of this statement will affect the financial statements of the County since it does not make direct investments in derivative instruments.

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 expenditures, which alter 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, 2008

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 and Bridge Fund, Lateral Roads Fund, Road and Bridge Tax Code Chapter 152 Fund, Special Road and Bridge Projects Fund, Law Library Fund, and Mosquito Control District Fund, and debt service funds.

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, and 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. Twenty-three supplemental budget amendments in the general and special revenue funds were deemed necessary due to the timing of planned expenditures and construction projects.

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:

Major Funds:	
General Fund	\$ 211,967
Road and Bridge (Special Revenue Fund)	437,515
Nonmajor funds	<u>4,135</u>
 Total	 \$ <u>653,617</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 capital and debt service restrictions. Restricted capital assets consist of the residual balances of funds received under the 1994 Airport Improvement Program (AIP) grant. 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.

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.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The County's 2007 tax levy, supporting the 2008 fiscal period budget, totaled \$ 0.371396 per \$ 100 valuation and was comprised as follows:

Constitutional Levy:	
General Fund	\$ 0.247671
Road and Bridge	0.028800
Mosquito Control	0.010200
Special Road and Bridge:	
Article 6790	0.060000
Article 7048a	-0-
Debt Service:	
General Obligation Refunding	
Bonds Series 1998	0.008925
Combination Tax and Revenue	
Certificates of Obligation Series 2003	0.004950
Combination Tax and Revenue	
Certificates of Obligation Series 2006	0.005150
Unlimited Tax Road Bonds Series 2008	<u>0.005700</u>
Combined tax rate	<u>\$ 0.371396</u>

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 4 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 is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets - continued

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, 2008, 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

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, 2008, computed at pay rates in effect at that time.

The following is a summary of benefits payable as of September 30, 2008:

Governmental activities	\$ 1,980,608
Business-type activities	<u>15,354</u>
	<u>\$ 1,995,962</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Compensated Absences - continued

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.

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and 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 deferred charges and amortized over the term of the related debt.

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets

Net assets represent the differences between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciations, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Restricted net assets, as presented in the government-wide Statement of Net Assets, are reported when constraints placed on the use of net assets are either 1) externally imposed by creditors (such as through debt covenants, grantors, contributors, or laws or regulations of other governments), or 2) imposed by law through constitutional provisions or enabling legislation.

NOTE 2 - 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, 2008 are as follows:

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2008

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash and Temporary Investments:			
Cash (petty cash accounts)	\$ 21,915	\$	\$ 21,915
Financial Institution Deposits:			
Demand deposits	43,738,856	62,934	43,801,790
Local Government Investment Pools:			
Texpool	28,782,654	4,716	28,787,370
MBIA Texas Class Pool	<u>2,361,408</u>	<u> </u>	<u>2,361,408</u>
	74,904,833	67,650	74,972,483
Investments:			
Government agency securities	<u>13,010,705</u>	<u> </u>	<u>13,010,705</u>
	<u>\$ 87,915,538</u>	<u>\$ 67,650</u>	<u>\$ 87,983,188</u>

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 \$ 21,915, the carrying amount, of the County's deposits, was \$ 43,801,790, while the financial institution balances totaled \$ 61,583,547. Of these balances, \$ 10,311,249 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, \$ 10,511,249 was covered by federal depository insurance coverage, and \$ 51,072,298 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.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

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.

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 two Local Government Investment Pools (LGIPs): Texpool and MBIA Texas Class. The State Comptroller oversees Texpool with Lehman Brothers and Federated Investors 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 MBIA Texas Class.

BRAZORIA COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2008

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - ContinuedInvestments - continued

The County invests in Texpool and MBIA Texas Class to provide its liquidity needs. Texpool and MBIA Texas Class 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 MBIA 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 MBIA 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, 2008 Texpool and MBIA Texas Class had a weighted average maturity of 24 days and 28 days, respectively. Although Texpool and MBIA Texas Class portfolios had a weighted average maturity of 24 days and 28 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.

During the year ended September 30, 2008, the County invested in the direct purchase of government agency securities (FNBA and FHLMC Discount Notes) within the General Fund and the 2006 Certificate of Obligation C&M Fund (capital projects fund). These securities have staggered maturity dates beginning on October 9, 2008 through April 21, 2011 correspond with estimated timing of project construction and had a market value of \$ 13,010,705 at September 30, 2008.

As of September 30, 2008, the County had the following investments:

<u>Investment Type</u>	<u>Interest Rate</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Local Government Investment Pools:			
Texpool	Varies	\$ 28,787,370	1.00
MBIA Texas Class Pool	Varies	<u>2,361,408</u>	<u>1.00</u>
		<u>31,148,778</u>	<u>0.71</u>
Government Agency Securities:			
FHLB - Non Callable	4.028%	1,001,800	9
FHLB - Callable	3.916%	1,000,630	45
FHLB - Callable	3.000%	998,700	316
FHLB - Callable	3.200%	1,995,600	612
FHLMC Discount Note	5.400%	1,040,775	623
FNMA Discount Note	3.750%	1,990,000	745
FHLMC Discount Note	3.500%	1,995,800	899
FHLB - Callable	3.380%	<u>2,987,400</u>	<u>933</u>
		<u>13,010,705</u>	<u>188.03</u>
		<u>\$ 44,159,483</u>	<u>188.74</u>

BRAZORIA COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2008

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - ContinuedInvestments - continued

Credit Risk – As of September 30, 2008, the LGIPs (which represent approximately 70.54% 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 29.46% 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.

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, 2008, and holds no direct investments in derivatives at September 30, 2008.

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, AND DEFERRED REVENUESReceivables and Allowances

Receivables as of September 30, 2008, for the government's individual governmental major and nonmajor funds, proprietary major fund, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Other Governmental Funds</u>	
Receivables:				
Property Taxes	\$ 1,919,368	\$ 773,178	\$ 213,051	\$ 2,905,597
Accounts	156,327	23,342	48,150	227,819
Special assessments		460,450		460,450
Due from other governments	2,993,831	2,835,978	1,650,309	7,480,118
Accrued interest	<u>153,079</u>			<u>153,079</u>
Gross receivables	5,222,605	4,092,948	1,911,510	11,227,063
Less Allowance For Uncollectibles:				
Property Taxes	981,557	438,695	98,013	1,518,265
Special assessments		<u>86,406</u>		<u>86,406</u>
Net receivables	<u>\$ 4,241,048</u>	<u>\$ 3,567,847</u>	<u>\$ 1,813,497</u>	<u>\$ 9,622,392</u>

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
For The Year Ended September 30, 2008

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, AND DEFERRED REVENUES - Continued

Receivables and Allowances - continued

	<u>Proprietary Funds</u>			<u>Fiduciary Funds</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>	<u>Total</u>	
Receivables:				
Accounts:				
Airport customers	\$ 293,278	\$	\$ 293,278	\$
Stop loss insurance		680,367	680,367	
Other		61,316	61,316	31,472
Due from other governments	<u>30,952</u>	<u></u>	<u>30,952</u>	<u></u>
Gross receivables	324,230	741,683	1,065,913	31,472
Less Allowance For Uncollectibles:				
Airport customers	<u></u>	<u></u>	<u>-0-</u>	<u></u>
Net total receivables	<u>\$ 324,230</u>	<u>\$ 741,683</u>	<u>\$ 1,065,913</u>	<u>\$ 31,472</u>

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, 2008 are summarized below:

	<u>State Entitlements and Taxes</u>	<u>Federal Grants</u>	<u>State Grants</u>	<u>Local Governments</u>	<u>Total</u>
Major Governmental Funds:					
General Fund	\$ 2,363,320	\$ 573,907	\$ 56,604	\$	\$ 2,993,831
Road & Bridge Fund	40,007	2,795,971			2,835,978
Nonmajor governmental Funds	<u></u>	<u>1,382,588</u>	<u>167,042</u>	<u>100,679</u>	<u>1,650,309</u>
Total	<u>\$ 2,403,327</u>	<u>\$ 4,752,466</u>	<u>\$ 223,646</u>	<u>\$ 100,679</u>	<u>\$ 7,480,118</u>
Major Proprietary Funds:					
Airport Fund	\$	\$ 5,498	\$ 25,454	\$	\$ 30,952
Total	<u>\$ -0-</u>	<u>\$ 5,498</u>	<u>\$ 25,454</u>	<u>\$ -0-</u>	<u>\$ 30,952</u>

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2008

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, AND DEFERRED REVENUES - Continued

Loans Receivable (Discounted)

Beginning on September 29, 2005, the County advanced funds in the amount of \$ 55,800 to Brazoria County Groundwater Conservation District ("BCGCD") to provide initial cash flow to organize the entity. During the year ended September 30, 2006, the County advanced an additional \$ 21,855 bringing the total to \$ 77,655 at September 30, 2006. The BCGCD has agreed to pay back the County over a five year period beginning October 1, 2006 and ending September 30, 2011, without interest. During the year ended September 30, 2008, the County received \$ 15,531 in principal payments. Since this is a long term receivable without interest, the County has discounted the loan receivable as follows:

	<u>2008</u>
Receivable in less than one year	\$ 15,531
Receivable in one to five years	<u>34,945</u>
Total loan receivable	50,476
Less discounts to net present value	(<u>2,848</u>)
Net loan receivable at September 30, 2008	\$ <u>47,628</u>

The discount rate used on long-term loans was 5.27% for the year ended September 30, 2008.

The loan receivable (discounted) is reported as an asset in the governmental activities statement of net assets and is reported (without discount) in the governmental fund balance sheet. Similarly, the discount is reported as a reduction of investment earnings in the governmental activities statement of activities.

Judicial Receivables

Judicial receivables are reported in the governmental activities statement of net assets. 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 collectibility in relation to the aging of customer accounts. The following is a summary of the receivable and allowance for uncollectible as of September 30, 2008:

	<u>Judicial Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
Judicial Receivables:			
Justice of the Peace	\$ 5,609,564	\$ 1,402,391	\$ 4,207,173
County courts	761,614	190,404	571,210
District courts	1,911,569	955,785	955,784
Juvenile probation	<u>384,902</u>	<u>76,980</u>	<u>307,922</u>
	<u>\$ 8,667,649</u>	<u>\$ 2,625,560</u>	<u>\$ 6,042,089</u>

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
For The Year Ended September 30, 2008

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, AND DEFERRED REVENUES - Continued

Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are 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, 2008, the various components of deferred revenue and unearned revenue reported in the governmental and proprietary funds were as follows:

	Governmental Funds			Total	Proprietary Funds
	General Fund	Road & Bridge Fund	Other Governmental Funds		Enterprise Fund
Unavailable:					
Delinquent property taxes receivable	\$ 763,281	\$ 271,268	\$ 94,384	\$ 1,128,933	\$
Special assessment receivable		374,042		374,042	
Unearned:					
Federal grants			1,226,502	1,226,502	
State grants			62,250	62,250	
Bail bonds	802,722			802,722	
Public safety seizures	75,495			75,495	
Rental deposits	18,728			18,728	
Other deposits	1,297			1,297	
Airport hangar deposits				-0-	12,685
Total	\$ 1,661,523	\$ 645,310	\$ 1,383,136	\$ 3,689,969	\$ 12,685

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2008 consisted of the following:

Receivable Fund	Payable Fund	09-30-08
Governmental Funds:		
General	Other Governmental	\$ 1,003,129
General	Fiduciary	2,990,652
Road and Bridge	Fiduciary	774,757
Mobility Plan C&M	Other Governmental	8,000
Other Governmental	General	1,071
Other Governmental	Other Governmental	52,815
Other Governmental	Fiduciary	192,944
Proprietary Funds:		
Enterprise	Fiduciary	34,359
Fiduciary	Other Governmental	150
Fiduciary	Internal Service	58,748
Fiduciary	Fiduciary	156,753
		\$ 5,273,378

BRAZORIA COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2008

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Detail interfund receivables and payables at September 30, 2008 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>09-30-08</u>
General	Westwood Road Special Assessment	\$ 55,281
General	Pecan Estates Road Special Assessment	28,869
General	Hampton Road Special Assessment	39,758
General	Rose Mary Street Special Assessment	5,371
General	TXDOT CR 403 Project	12,037
General	TJPC Diversionary Placement	27,522
General	JJAEP Boot Camp	112,333
General	CJD Juvenile Incentive Block Grant	618
General	TDSHS Immunization	23,529
General	TDSHS Supplementary Food Program WIC	215,980
General	TDSHS Community and Rural Health	4,522
General	TDSHS Peer Counseling	5,515
General	TDSHS WIC Registered Dietician	5,162
General	TDSHS WIC Lactation Reimbursement	4,335
General	TDSHS WIC-OA Vendor Activities	1,620
General	TDSHS WIC Special Allocation	29,982
General	TDSHS WIC Obesity SHOP	2,954
General	TDSHS WIC Obesity FIT	5,372
General	TDSHS Cities Readiness Initiative	9,313
General	CPS Title IV-E	36,896
General	CPS Title IV-E Legal Services	7,504
General	CPS Title IV-B (Concrete)	2,300
General	Victim Assistance Grant 02G00551	1,351
General	Crime Victim Assistance	28,065
General	DEA Narcotics OT Expense Program	866
General	State Homeland Security	27,250
General	Bioterrorism Grant	43,796
General	2005 CDBG County (HUD)	10,292
General	2006 CDBG County (HUD)	7,792
General	2007 CDBG County (HUD)	47,088
General	Elections HAVA Equipment Management	5,975
General	Elections Services Contract	3,983
General	Lone Star Library Grant	3,931
General	Brazoria County Toll Road Authority	81,190
General	FEMA Welfare	8,092
General	Flood Protection Study	45,000
General	Voter Registration Tax Office	13,952
General	Buffer Zone Protection Program	14,501
General	Parks CIAP Grant	17,739
General	Sheriff & Detention Complex	5,493
General	Payroll Clearing	2,990,652
Road and Bridge	Payroll Clearing	774,757
Mobility Plan C & M	Unlimited Tax Road Bonds Series 2006	8,000

(continued)

BRAZORIA COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2008

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>09-30-08</u>
TJPC State Aid	TJPC Progressive Sanctions JPO	\$ 244
TJPC State Aid	TJPC Progressive Sanctions Level 1-2-3	52
TJPC State Aid	Payroll Clearing	5,535
TJPC Community Corrections	TJPC Progressive Sanctions ISP	64
TJPC Community Corrections	Payroll Clearing	19,883
TJPC Salary Adjustment Funding	Payroll Clearing	5,700
TJPC Title IV-E Foster Care	Payroll Clearing	6,982
TJPC Progressive Sanctions JPO	Payroll Clearing	7,452
TJPC Progressive Sanctions 1-2-3	Payroll Clearing	3,956
TJPC Progressive Sanctions ISP	Payroll Clearing	1,918
JJAEP Boot Camp	Payroll Clearing	15,248
Juvenile Case Manager	Payroll Clearing	3,587
TDSHS Immunization	Payroll Clearing	4,433
TDSHS Supplemental Food Program WIC	Payroll Clearing	29,638
TDSHS Cities Readiness Initiative	Payroll Clearing	2,128
CPS Title IV-E	General	15
CPS Title IV-E	Payroll Clearing	1,200
CPS Title IV-E Legal Services	Payroll Clearing	1,473
Victim Assistance Grant 02G00551	Payroll Clearing	1,584
Crime Victim Assistance	Payroll Clearing	1,964
Crime Victim Assistance	Payroll Clearing	3,309
Bioterrorism Grant	Payroll Clearing	9,498
2005 CDBG County (HUD)	Payroll Clearing	8,654
2006 CDBG County (HUD)	Payroll Clearing	2,901
2007 Section 8 Housing Choice Vouchers	2008 Section 8 Housing Choice Vouchers	15,540
2008 Section 8 Housing Choice Vouchers	Payroll Clearing	4,922
Civil, Criminal & Probate Records Mgt	Payroll Clearing	282
Elections HAVA Equipment Rental	Election Services Contract	6,209
Election Services Contract	General	1,056
Law Library	Payroll Clearing	1,761
Mosquito Control District	Payroll Clearing	47,238
C of O Const & Maint Series 2003	2003 C of O Const & Maint	21,206
Parks CIAP Grant	Payroll Clearing	1,698
Sheriff & Detention Complex	C of O Sheriff & Detention Complex	9,500
Airport	Payroll Clearing	34,359
Payroll Clearing	Wall of Honor	150
Payroll Clearing	Health Care Benefits	58,748
Brazoria Cnty Groundwater Cons District	Payroll Clearing	1,816
CSCD Substance Abuse - Outpatient - DP	Payroll Clearing	1,671
CSCD Mental Health Caseloads	Payroll Clearing	3,785
CSCD Supervision	Payroll Clearing	101,592
CSCD Comm Corrections Op Hab Caseload	Payroll Clearing	6,501
CSCD Comm Corrections Sex Offender	Payroll Clearing	2,028
CSCD Comm Corrections Substance Abuse	Payroll Clearing	7,839
CSCD Operation Habilitation DP	Payroll Clearing	2,341

(continued)

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2008

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>09-30-08</u>
CSCD Operation Habilitation DP	CSCD Spanish Speaker	\$ 14,000
CSCD Operation Habilitation DP	CSCD Supervision	996
CSCD New Caseload Reduction DP	Payroll Clearing	6,493
CSCD New Caseload Reduction DP	CSCD Spanish Speaker	2,651
CSCD Community Corrections Life	CSCD Community Corrections Sex Offender	<u>5,040</u>
Total		<u>\$ 5,273,378</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.

Interfund transfers for the year ended September 30, 2008 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>09-30-08</u>
General	Other Governmental	\$ 1,249,566
General	Road and Bridge	100,000
Road and Bridge	Other Governmental	146,893
Other Governmental	General	<u>406,201</u>
Total		<u>\$ 1,902,660</u>

Detail interfund transfers for the year ended September 30, 2008 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>09-30-08</u>
General	TJPC State Aid	\$ 71,103
General	TJPC Community Corrections	120,804
General	TJPC Progressive Sanctions JPO	8,092
General	TJPC Progressive Sanctions 1-2-3	28,329
General	TJPC Progressive Sanctions ISP	14,996
General	JJAEP Boot Camp	311,175
General	CJD Juvenile Incentive Block Grant	1,039
General	TDSHS Community and Rural Health	8,587
General	CPS Title IV-E	71,295
General	CPS Title IV-E Legal Services	44,788
General	Victim Assistance Grant 02G000551	29,903
General	Crime Victim Assistance	32,327
General	Law Library	24,000
General	Mosquito Control District	482,228
General	Multipurpose Facility	900
General	Airport	100,000

(continued)

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>09-30-08</u>
Road & Bridge	Brazos Bend 2 Special Assessment	\$ 143,884
Road & Bridge	TXDOT CR 403 Project	3,009
Financial Security	General	200,000
Elections HAVA Grant	General	64,000
Elections Services Contract	General	11,000
Excess Sales Tax	General	<u>131,201</u>
Total		<u>\$ 1,902,660</u>

The Commissioners' Court approved these transfers, as transfers of operational funds to cover planned expenditures/expenses.

NOTE 5 - CAPITAL ASSETSCapital Transactions

	<u>Balance 10-01-07</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance 09-30-08</u>
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 10,462,322	\$ 2,199,104	\$ 141,632	\$	\$ 12,519,794
Construction in progress	<u>4,564,821</u>	<u>9,604,447</u>	<u>241,412</u>	<u></u>	<u>13,927,856</u>
Total capital assets not being depreciated	<u>15,027,143</u>	<u>11,803,551</u>	<u>383,044</u>	<u>-0-</u>	<u>26,447,650</u>
Capital Assets, Being Depreciated:					
Land improvements	1,337,680	21,925		141,015	1,500,620
Buildings and improvements	40,839,759	1,091,112		(141,015)	41,789,856
Furniture, equipment and vehicles	35,579,259	3,927,246	2,602,686	(184,756)	36,719,063
Infrastructure	<u>155,462,058</u>	<u>6,859,876</u>	<u>691,798</u>	<u></u>	<u>161,630,136</u>
Total capital assets being depreciated	<u>233,218,756</u>	<u>11,900,159</u>	<u>3,294,484</u>	<u>(184,756)</u>	<u>241,639,675</u>
Less Accumulated Depreciation For:					
Land improvements	216,108	85,209			301,317
Buildings and improvements	13,281,708	1,067,975			14,349,683
Furniture, equipment and vehicles	28,354,522	2,882,834	2,469,770	(184,756)	28,582,830
Infrastructure	<u>78,190,034</u>	<u>4,965,484</u>	<u>691,798</u>	<u></u>	<u>82,463,720</u>
Total accumulated depreciation	<u>120,042,372</u>	<u>9,001,502</u>	<u>3,161,568</u>	<u>(184,756)</u>	<u>125,697,550</u>
Total capital assets being depreciated, net	<u>113,176,384</u>	<u>2,898,657</u>	<u>132,916</u>	<u>-0-</u>	<u>115,942,125</u>
Governmental activities capital assets, net	<u>\$ 128,203,527</u>	<u>\$ 14,702,208</u>	<u>\$ 515,960</u>	<u>\$ -0-</u>	<u>\$ 142,389,775</u>

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
For The Year Ended September 30, 2008

NOTE 5 - CAPITAL ASSETS - Continued

Capital Transactions - continued

	<u>Balance 10-01-07</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Balance 09-30-08</u>
Business-type Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 1,558,686				\$ 1,558,686
Construction in progress		101,854			101,854
Total capital assets not being depreciated	<u>1,558,686</u>	<u>101,854</u>	<u>-0-</u>	<u>-0-</u>	<u>1,660,540</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	6,673,514				6,673,514
Furniture, equipment and vehicles	924,218	118,288	26,277	184,756	1,200,985
Runways, taxiways and aprons	<u>14,924,580</u>	<u>65,000</u>			<u>14,989,580</u>
Total capital assets being depreciated	<u>22,522,312</u>	<u>183,288</u>	<u>26,277</u>	<u>184,756</u>	<u>22,864,079</u>
Less Accumulated Depreciation For:					
Buildings and improvements	3,187,067	162,026			3,349,093
Furniture, equipment and vehicles	330,662	78,086	26,277	184,756	567,227
Runways, taxiways and aprons	<u>9,293,426</u>	<u>569,916</u>			<u>9,863,342</u>
Total accumulated depreciation	<u>12,811,155</u>	<u>810,028</u>	<u>26,277</u>	<u>184,756</u>	<u>13,779,662</u>
Total capital assets being depreciated, net	<u>9,711,157</u>	<u>(626,740)</u>	<u>-0-</u>	<u>-0-</u>	<u>9,084,417</u>
Business-type activities capital assets, net	<u>\$ 11,269,843</u>	<u>\$(524,886)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 10,744,957</u>

Depreciation

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

	<u>09-30-08</u>
Governmental Activities:	
General government	\$ 50,917
Judicial and legal	131,492
Financial administration	63,512
Elections	25,394
Public facilities	202,447
Public safety	492,980
Corrections	966,220
	(continued)

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2008

NOTE 5 - CAPITAL ASSETS - Continued

Depreciation - continued

	<u>09-30-08</u>
Public transportation	\$ 6,682,641
Health and welfare	213,532
Culture and recreation	164,259
Conservation	6,080
Environmental protection	<u>2,028</u>
	\$ <u>9,001,502</u>
Business-type Activities:	
Airport	<u>\$ 810,028</u>

Function and Activity

	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers and</u>	<u>Adjustments</u>	<u>Balance</u>
	<u>10-01-07</u>					<u>09-30-08</u>
Governmental Activities:						
Function and Activity:						
General government	\$ 2,667,565	\$ 642,212	\$ 247,502	\$(408,805)		\$ 2,653,470
Judicial and legal	3,572,458	390,387	10,063	516,528		4,469,310
Financial administration	1,544,392	19,476	794,829	(20,667)		748,372
Elections	156,833		37,617	89,196		208,412
Public facilities	7,464,253	41,018	100,959	(226,039)		7,178,273
Public safety	5,704,715	1,445,327	544,358	26,527		6,632,211
Corrections	33,324,255	315,952	39,250	(51,898)		33,549,059
Public transportation	179,910,939	10,934,185	1,432,621	(174,310)		189,238,193
Health and welfare	4,040,958	143,181	78,125	1,230		4,107,244
Culture and recreation	5,064,619	167,525	133,881	63,482		5,161,745
Conservation	203,645		16,911			186,734
Environmental protection	<u>26,446</u>					<u>26,446</u>
	243,681,078	14,099,263	3,436,116	(184,756)		254,159,469
Non-Functional:						
Construction in progress	<u>4,564,821</u>	<u>9,604,447</u>	<u>241,412</u>			<u>13,927,856</u>
Total governmental activities	<u>\$248,245,899</u>	<u>\$ 23,703,710</u>	<u>\$ 3,677,528</u>	<u>\$(184,756)</u>		<u>\$268,087,325</u>
Business-type Activities:						
Function and Activity:						
Airport	\$ 24,080,998	\$ 183,288	\$ 26,277	\$ 184,756		\$ 24,422,765
Non-Functional:						
Construction in progress		<u>101,854</u>				<u>101,854</u>
Total business-type activities	<u>\$ 24,080,998</u>	<u>\$ 285,142</u>	<u>\$ 26,277</u>	<u>\$ 184,756</u>		<u>\$ 24,524,619</u>

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
For The Year Ended September 30, 2008

NOTE 5 - CAPITAL ASSETS - Continued

Function and Activity - continued

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>	<u>Furniture, Equipment and Vehicles</u>	<u>Infrastructure/ Runways, Taxiways and Aprons</u>
Governmental Activities:					
Function and Activity:					
General government	\$ 1,486,632	\$ 411,453	\$ 423,353	\$ 332,032	\$
Judicial and legal	232,206	140,319	1,268,840	2,827,945	
Financial administration	26,875	49,048	57,497	614,952	
Elections			89,196	119,216	
Public facilities	1,377,281	17,962	5,253,625	529,405	
Public safety	10,963	9,092	175,843	4,921,239	1,515,074
Corrections	173,170	37,057	30,968,225	2,370,607	
Public transportation	6,348,845	87,063	695,352	22,353,368	159,753,565
Health and welfare	1,604,732		1,243,434	1,253,124	5,954
Culture and recreation	1,250,155	748,626	1,436,692	1,370,729	355,543
Conservation	8,935		177,799		
Environmental protection				26,446	
Total governmental activities	<u>\$ 12,519,794</u>	<u>\$ 1,500,620</u>	<u>\$ 41,789,856</u>	<u>\$ 36,719,063</u>	<u>\$ 161,630,136</u>
Business-type Activities:					
Function and Activity:					
Airport	<u>\$ 1,558,686</u>	<u>\$</u>	<u>\$ 6,673,514</u>	<u>\$ 1,200,985</u>	<u>\$ 14,989,580</u>

Construction Commitments

	<u>Projects Authorized</u>	<u>Expended To Date</u>	<u>Commitment</u>	<u>Requiring Further Financing</u>
September 30, 2008:				
Governmental Activities:				
North Service Center relocation - Pearland	\$ 2,564,564	\$ 1,656,439	\$ 908,125	\$
Juvenile Detention - Expansion	1,656,439	1,519,922	136,517	
Mobility Plan	75,000	64,476	10,524	
CR 101 - Bailey Oiler Road	5,868,746	3,991,535	1,877,211	
CR 220	2,344,152	2,298,106	46,046	
CR 403 - Hughes Ranch Road	822,442	533,194	289,248	
Total governmental activities	<u>\$ 13,331,343</u>	<u>\$ 10,063,672</u>	<u>\$ 3,267,671</u>	<u>\$ -0-</u>
Business-type Activities:				
None				

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2008

NOTE 6 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE

Accounts and accrued liabilities payable as of September 30, 2008, 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>Governmental Funds</u>		
	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>2006 Certificate of Obligation C & M Fund</u>
Accounts and Accrued Liabilities Payable:			
Vendors	\$ 6,231,726	\$ 994,835	\$ 1,170,498
Other governments	676,036		
Accrued compensation	2,943,202	755,334	
Accrued benefits	543,915	139,839	
Other accrued liabilities	<u>62,664</u>		
Totals	<u>\$ 10,457,543</u>	<u>\$ 1,890,008</u>	<u>\$ 1,170,498</u>

	<u>Governmental Funds</u>		
	<u>Mobility Plan C & M Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Accounts and Accrued Liabilities Payable:			
Vendors	\$ 526,930	\$ 1,247,357	\$ 10,171,346
Other governments		524	676,560
Accrued compensation		191,067	3,889,603
Accrued benefits		32,902	716,656
Other accrued liabilities			<u>62,664</u>
Totals	<u>\$ 526,930</u>	<u>\$ 1,471,850</u>	<u>\$ 15,516,829</u>

	<u>Proprietary Funds</u>			
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Total</u>	<u>Fiduciary Funds</u>
Accounts and Accrued Liabilities Payable:				
Vendors	\$ 217,692	\$ 59,578	\$ 277,270	\$ 12,168
Other governments	67		67	78
Accrued compensation	33,011		33,011	138,396
Accrued benefits	6,175		6,175	691,226
Estimated claims payable		<u>1,138,961</u>	<u>1,138,961</u>	
Totals	<u>\$ 256,945</u>	<u>\$ 1,198,539</u>	<u>\$ 1,455,484</u>	<u>\$ 841,868</u>

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2008

NOTE 7 - LONG-TERM DEBT

General Obligation Debt

General obligation and certificates of obligations payable at September 30, 2008, are summarized as follows:

	Interest Rate %	Series Dates			Bonds Outstanding 09-30-08
		Issued	Maturity	Callable	
General Obligation:					
Refunding Bonds, Series 1998	3.80 - 5.50	1998	2013	2008	\$ 2,665,000
Unlimited Tax Road Bonds, Series 2006	4.25 - 5.25	2006	2027		13,555,000
Unlimited Tax Road Bonds, Series 2008	3.00 - 5.00	2008	2028		8,000,000
Refunding Bonds, Series 2008	3.50 - 5.00	2008	2013		9,950,000
Certificate of Obligations:					
Combination Tax and Revenue Certificates of Obligation Series 2003	3.80 - 5.50	2003	2018	2013	7,970,000
Combination Tax and Revenue Certificates of Obligation Series 2006	4.20 - 5.00	2006	2026	2017	<u>13,495,000</u>
Total					<u>\$ 55,635,000</u>

General obligation and certificates of obligation bond transactions for the year ended September 30, 2008 were as follows:

Bonds outstanding, October 1, 2007	\$ 51,570,000
Issued	17,950,000
Refunded	(10,125,000)
Maturities	<u>(3,760,000)</u>
Bonds outstanding, September 30, 2008	<u>\$ 55,635,000</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, 2008, the amount of ad valorem taxes collected for interest and sinking were \$ 4,848,590, while the debt service requirements for principal and interest was \$ 6,232,201. The bond resolutions provide no express remedies in the event of default and make no provision for acceleration of maturity of the bonds.

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2008

NOTE 7 - LONG-TERM DEBT - Continued

General Obligation Debt - continued

The following is a summary of general obligation bond requirements by year as of September 30, 2008:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2009	\$ 4,240,000	\$ 2,390,436	\$ 6,630,436
2010	4,450,000	2,196,984	6,646,984
2011	4,560,000	2,040,893	6,600,893
2012	4,820,000	1,879,340	6,699,340
2013	4,890,000	1,648,174	6,538,174
2014-2018	12,650,000	6,123,031	18,773,031
2019-2023	10,335,000	3,640,526	13,975,526
2024-2028	<u>9,690,000</u>	<u>992,958</u>	<u>10,682,958</u>
	<u>\$ 55,635,000</u>	<u>\$ 20,912,342</u>	<u>\$ 76,547,342</u>

On November 2, 2004, the voters of Brazoria County approved the issuance of Brazoria County general obligation bonds for roads and bridges in the amount of \$ 50,000,000. This issue was approved for the purpose of 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. On November 28, 2006, the County sold \$ 14,000,000 of Unlimited Road Tax Bonds, Series 2006. On July 17, 2008, the County sold \$ 8,000,000 of Unlimited Road Tax Bonds, Series 2008. As of the date of this report, no specific date(s) have been established for the sale of the remaining bonds.

On May 6, 1998 the County sold \$ 24,185,000 of General Obligation Refunding Bonds, Series 1998. The net proceeds of \$ 23,568,899 along with \$ 850,199 from the general fund, a total of \$ 24,419,098, were placed in escrow for the defeasement of \$ 22,860,000 in Certificate of Obligation, Series 1993 bonds (Sheriff and Detention Center). These refunding bonds (Series 1998) were issued for the purpose of generating resources and decreasing the total debt service payments. This refunding issue defeased a portion of the outstanding certificates of obligation bonds from the original issue of 1993. All future debt service payments on the original bonds were provided for by placing the proceeds of the refunding bonds in an irrevocable trust. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's basic financial statements. The difference between the cash flow required to service the old debt and that required to service the new debt and complete the refunding was a decrease of \$ 1,177,529. The economic gain resulting from the transaction was \$ 858,221. The balance of the escrow account and the liability for the defeased bonds as of September 30, 2008, was \$ 13,167,786 and \$ 12,800,000, respectively.

On July 17, 2008 the County sold \$ 9,950,000 of General Obligation Refunding Bonds, Series 2008. The net proceeds of \$ 10,344,360 were placed in escrow for the defeasement of \$ 10,125,000 in General Obligation Refunding Bonds, Series 1998. On September 1, 2008, the funds in escrow were utilized to call the refunded bonds totaling \$ 10,125,000. The difference between the cash flow required to service the old debt and that required to service the new debt and complete the refunding was a decrease of \$ 422,244. The economic gain resulting from the transaction was \$ 379,898.

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2008

NOTE 7 - LONG-TERM DEBT - Continued

Proprietary Debt

Certificates of obligations payable at September 30, 2008 are summarized as follows:

	Interest Rate %	Series Dates			Bonds Outstanding 09-30-08
		Issued	Maturity	Callable	
Certificates of Obligations:					
Airport Improvement Series 1999A	5.75	1999	2009		\$ 75,000
Airport Improvement Series 1999B	6.00 - 7.75	1999	2009		<u>15,000</u>
Total					<u>\$ 90,000</u>

General obligation and certificate of obligation transactions for the year ended September 30, 2008 were as follows:

Bonds outstanding, October 1, 2007	\$ 175,000
Maturities	<u>(85,000)</u>
Bonds outstanding, September 30, 2008	<u>\$ 90,000</u>

On October 7, 1999 the County sold \$ 720,000 of Certificated of Obligation (\$ 595,000 Series 1999A and \$ 125,000 Series 1999B). These funds are to be utilized for airport construction and improvement. The intent of the County is that the Enterprise Fund (Airport) pay the principal, interest and fees associated with these issuances.

The following is a summary of certificate of obligation bond requirements by year as of September 30, 2008:

Year Ending September 30,	Total	
	Principal	Interest Requirement
2009	\$ <u>90,000</u>	\$ <u>5,475</u>
	\$ <u>90,000</u>	\$ <u>5,475</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 7 - LONG-TERM DEBT - Continued

Changes in Outstanding Debt

Transactions for the year ended September 30, 2008 are summarized as follows:

	<u>Balance 10-01-07</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance 09-30-08</u>	<u>Due Within One Year</u>
Governmental Type Activities:					
Certificates of obligation bonds	\$ 22,510,000	\$	\$ 1,045,000	\$ 21,465,000	\$ 1,185,000
General obligation bonds	29,060,000	17,950,000	12,840,000	34,170,000	3,055,000
Component of Bonded Debt:					
Premium on bonds	688,029	330,305	54,357	963,977	96,211
Accrued interest	346,172	486,042	346,172	486,042	486,042
Compensated absences	<u>2,003,050</u>	<u>2,406,750</u>	<u>2,429,192</u>	<u>1,980,608</u>	<u>1,980,608</u>
Total governmental activities	<u>54,607,251</u>	<u>21,173,097</u>	<u>16,714,721</u>	<u>59,065,627</u>	<u>6,802,861</u>
Business-Type Activities:					
Certificate of obligation bonds	175,000		85,000	90,000	90,000
Component of Bonded Debt:					
Accrued interest	875	450	875	450	450
Compensated absences	<u>15,089</u>	<u>18,636</u>	<u>18,371</u>	<u>15,354</u>	<u>15,354</u>
Total business-type activities	190,964	19,086	104,246	105,804	105,804
Less Portion Payable from Restricted Assets:					
Accrued interest	<u>875</u>	<u>450</u>	<u>875</u>	<u>450</u>	<u>450</u>
Net business-type activities	<u>190,089</u>	<u>18,636</u>	<u>103,371</u>	<u>105,354</u>	<u>105,354</u>
Total government (net)	<u>\$ 54,797,340</u>	<u>\$ 21,191,733</u>	<u>\$ 16,818,092</u>	<u>\$ 59,170,981</u>	<u>\$ 6,908,215</u>

NOTE 8 - 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 2022. Other facilities and 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, 2008.

Governmental Funds (General Fund):

Minimum future rentals to be received on noncancelable leases, as of September 30, 2008, for each of the next five years and in the aggregate are as follows:

<u>Year Ended September 30,</u>	<u>2008</u>
2009	\$ <u>1,760</u>

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2008

NOTE 8 - LEASING OPERATIONS - Continued

Operating Leases - Lessor - continued

Gross rental income for operating leases, including month-to-month, for the year ended September 30, 2008 was \$ 5,820.

Proprietary Funds (Enterprise Fund - Airport):

Minimum future rentals to be received on noncancelable leases, as of September 30, 2008, for each of the next five years and in the aggregate are:

<u>Year Ended</u> <u>September 30,</u>	<u>2008</u>
2009	\$ 74,765
2010	76,589
2011	78,425
2012	54,374
2013	37,036
2014-2018	195,580
2019-2023	210,949
2024-2026	<u>128,449</u>
	<u>\$ 856,167</u>

Gross rental income for operating leases, including month-to-month for the year ended September 30, 2008 was as follows:

	<u>2008</u>
Building rental	\$ 138,498
Hangar rental	192,294
Ground rental	<u>3,813</u>
	<u>\$ 364,605</u>

Operating Leases - Lessee

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, however one ground lease expires in 2016.

BRAZORIA COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2008

NOTE 8 - LEASING OPERATIONS - Continued

Minimum future rentals to be paid on noncancelable leases, as of September 30, 2008, for each of the next five years and in the aggregate are as follows:

<u>Year Ended September 30,</u>	<u>2008</u>
2009	\$ 41,788
2010	22,060
2011	10,672
2012	10,672
2013	10,672
2014-2015	<u>24,546</u>
	<u>\$ 120,410</u>

Gross rental expenditures for operating leases, including month-to-month for the year ended September 30, 2008 was as follows:

	<u>2008</u>
Building rental	\$ 79,023
Copier rental	217,632
Ground rental	22,879
Equipment rental	195,698
Other rental	<u>66,884</u>
	<u>\$ 582,116</u>

Proprietary Funds (Enterprise Fund - Airport):

All operating leases within the Enterprise Fund (Airport) are month-to-month. Gross rental expenses for copier operating lease for the year ended September 30, 2008 was \$ 5,229.

NOTE 9 - PENSION PLANPlan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the 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 574 nontraditional defined benefit pension 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, Texas 78768-2034.

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 ages 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.

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2008

NOTE 9 - PENSION PLAN - Continued

Plan Description - continued

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

Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of the employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 9.58% for the months of the accounting year in 2007, and 9.30% for the months of the accounting year in 2008.

The contribution rate payable by the employee members for calendar years 2008 and 2007 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost

For the employer's accounting years ending September 30, 2008 and 2007, the annual pension cost for the TCDRS plan for its employees was \$ 8,015,137 and \$ 7,578,992, and the actual contributions were \$ 8,015,137 and \$ 7,578,992, respectively.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2006 and December 31, 2007, the basis for determining the contribution rates for calendar years 2007 and 2008. The December 31, 2007 actuarial valuation is the most recent valuation.

Actuarial Valuation Information			
Actuarial valuation date	12/31/05	12/31/06	12/31/07
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, open	level percentage of payroll, open
Amortization period in years	20	20	20
Asset valuation method	Long-term appreciation with adjustment	Long-term appreciation with adjustment	Long-term appreciation with adjustment

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
For The Year Ended September 30, 2008

NOTE 9 - PENSION PLAN - Continued

Annual Pension Cost - continued

	<u>12/31/05</u>	<u>12/31/06</u>	<u>12/31/07</u>
Actuarial Assumptions:			
Investment return ¹	8.0%	8.0%	8.0%
Projected salary increases ¹	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

¹Includes inflation at the stated rate

Trend Information

<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/05	\$ 6,876,278	100.00%	\$ -0-
9/30/06	7,196,882	100.00%	-0-
9/30/07	8,015,037	100.00%	-0-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll¹ (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/05	\$ 105,996,023	\$ 120,300,963	\$ 14,304,940	88.11%	\$ 42,742,921	33.47%
12/31/06	117,431,187	127,562,880	10,131,693	92.06%	45,012,309	22.51%
12/31/07	128,397,451	139,737,492	11,340,041	91.88%	50,021,958	22.67%

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

NOTE 10 - DEFERRED COMPENSATION AND POST-RETIREMENT LIFE INSURANCE BENEFITS

The County provides participating eligible employees the alternate plans of disability, survivorship and deferred 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-deferred 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.

BRAZORIA COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2008

NOTE 10 - DEFERRED COMPENSATION AND POST-RETIREMENT LIFE INSURANCE BENEFITS - Continued

The County funds all amounts of compensation deferred 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 deferred 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, 2007	\$ 41,157,846
Contributions and earnings	4,579,664
Withdrawals, premiums, and benefits	<u>(3,608,852)</u>
Balance - September 30, 2008	<u>\$ 42,128,658</u>

Participants may make additional contributions to their Deferred 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 Pilot Life Insurance Company. 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.

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 for Post Retirement Death Benefits for active full time employees enrolled prior to age 56 who work 40 hours per week and retire at or after age 65 with reduced benefits for eligible participating employees who retire prior to age 65. 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 \$ 250 per month until age 65 and then \$ 125 per month 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, 2007	\$ 7,457,861	\$ 7,819,423
Contributions and earnings	859,087	1,159,199
Withdrawals, premiums, benefits	<u>(847,299)</u>	<u>(524,198)</u>
Balance - September 30, 2008	<u>\$ 7,469,649</u>	<u>\$ 8,454,424</u>

BRAZORIA COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2008

**NOTE 10 - DEFERRED COMPENSATION AND POST-RETIREMENT LIFE INSURANCE BENEFITS -
Continued**

Two additional deferred compensation plans are available to employees. The two plans are Public Employees Benefits Service Corporation (PEBSCO) and Lincoln National. The County does not participate and match benefits in these two plans. Transactions for these two plans are summarized below:

	<u>PEBSCO</u>	<u>Lincoln</u>
Balance - October 1, 2007	\$ 2,021,986	\$ 620,010
Contribution and earnings	74,649	17,277
Withdrawals, premiums, benefits, and losses	<u>(266,243)</u>	<u>(206,694)</u>
Balance - September 30, 2008	<u>\$ 1,830,392</u>	<u>\$ 430,593</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.

NOTE 11 - SELF INSURANCEHealth 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 \$ 578.20 per eligible employee per month for the period October 1, 2006 through September 30, 2008. 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, 2008 was \$ 9,943,911. 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 the Standard Security Life Insurance Company of New York which covers claims in excess of \$ 125,000 per participant in any calendar year, with an annual aggregate attachment point of \$ 11,358,036 and a maximum aggregate benefit of \$ 1,000,000 per coverage period. Estimated claims payable at September 30, 2008 was \$ 738,961.

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2008

NOTE 11 - SELF INSURANCE - Continued

Health Insurance - continued

The following is a reconciliation of changes in the aggregate liabilities for claims for the years ended September 30, 2008 and 2007.

	<u>2008</u>	<u>2007</u>
Claims payable - October 1,		
Incurred claims	\$ 749,162	\$ 1,321,154
Payment of claims	8,000,844	7,617,963
	<u>(7,976,365)</u>	<u>(8,189,955)</u>
Claims payable - September 30,	<u>\$ 773,641</u>	<u>\$ 749,162</u>
Claims payable:		
Actual	\$ 34,680	\$ 11,846
Estimated	<u>738,961</u>	<u>737,316</u>
Total claims payable	<u>\$ 773,641</u>	<u>\$ 749,162</u>

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 an operating revenue with all legal costs and claims reported as an operating expense. Estimated claims payable at September 30, 2008 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 year's ended September 30, 2008, 2007, and 2006 claims and settlements in excess of insurance coverage amounted to \$ 108,083, \$ 130,988, and \$ 152,070, respectively.

BRAZORIA COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2008

NOTE 11 - SELF INSURANCE - ContinuedInsurance Reserve - continued

The following is a reconciliation of changes in the aggregate liabilities for claims for the years ended September 30, 2008 and 2007 for both actual and estimated liabilities:

	<u>2008</u>	<u>2007</u>
Claims payable - October 1,	\$ 400,122	\$ 401,820
Incurred claims	108,083	130,988
Payment of claims	<u>(83,307)</u>	<u>(132,686)</u>
Claims payable - September 30,	<u>\$ 424,898</u>	<u>\$ 400,122</u>
Claims payable:		
Actual	\$ 24,898	\$ 122
Estimated	<u>400,000</u>	<u>400,000</u>
Total claims payable	<u>\$ 424,898</u>	<u>\$ 400,122</u>

NOTE 12 - CONTINGENCIES

The County is contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. The potential settlement (if any) of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and in the opinion of the County management would not materially affect the financial position of the County at September 30, 2008.

NOTE 13 - DEFICIT FUND BALANCES AND NET ASSETS

As of September 30, 2008, various funds of the County had deficit fund balances or net assets as itemized below:

	<u>2008</u>
Fund Balances:	
Special Revenue Funds:	
Westwood Road Special Assessment	\$ 55,281
Pecan Estates Road Special Assessment	28,869
Hampton Road Special Assessment	49,535
Rose Mary Street Special Assessment	8,771
Brazoria County Toll Road Authority	81,190
Flood Protection Study	45,000
Voter Registration Tax Office	17,239

Deficit balances will either be offset by future revenues or reimbursed by the General Fund.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 14 - GRANTS, ENTITLEMENTS AND SHARED REVENUES

During the year ended September 30, 2008, 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. For the most part, 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 OMB Circular A-133. The state grants are covered by the State of Texas Single Audit Circular.

NOTE 15 - RESTRICTED ASSETS

Restricted assets, in the amount of \$ 17,781, as of September 30, 2008, reported in the enterprise fund represent residual balances of funds received during the year ended September 30, 1994 under the 1994 Airport Improvement Program (AIP) grant. These funds may be used for the following purposes listed in order of priority:

1. Eligible items of airport development set forth in the current Airport Grant program and reflected in the County's Airport Capital Improvement program (CIP).
2. Any aeronautical items of airport development not eligible under an AIP grant.
3. Development of common use facilities, utilities, and other improvements on dedicated revenue production property that clearly enhances the revenue production capabilities of the property.

All of the above improvements must be accomplished in accordance with FAA design criteria or such State standards that have been approved by FAA. Basically, the funds may not be used for an improvement or investment, which does not benefit the airport or civil aviation.

Restricted assets, in the amount of \$ 49,869 as of September 30, 2008, reported in the enterprise fund represents cash held in the Certificate of Obligation - Series 1999A and 1999B interest and sinking account and related capital construction account.

Liabilities as of September 30, 2008, in the amounts of \$ 450 are payable from restricted assets resulting in restricted net assets within the enterprise fund in the amount of \$ 67,200 at September 30, 2008.

NOTE 16 - 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, 2007. As of September 30, 2008, bail bonds outstanding totaled \$ 43,745,633 and collateral pledged against these bonds amounted to \$ 4,374,563 (10 percent of bonds outstanding), respectively.

NOTE 17 - LITIGATION

The County is involved in the following legal actions, and is represented by legal counsel. The stated probable outcome and the possible effect are the opinion of legal counsel based upon conditions existing as of February 13, 2009.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 17 - LITIGATION - Continued

Cause No. 42414 styled *James Robert Parker v. Herman Wood, Mathew West, Brazoria County*. Plaintiff claims his civil rights were violated (excessive force). County contests liability. Liability is improbable. Potential loss, if any, cannot be fully assessed at this time.

Cause No. 44547 styled *Van Gelder, Kim v. Brazoria County*. Plaintiff claims personal injury from automobile accident was caused by road conditions. Plaintiff seeking \$ 100,000 and has to date incurred \$ 80,888 in medical costs. Liability is unknown. Potential loss, if any, cannot be fully assessed at this time.

Cause No. 48354 styled *Marcia Jones v. Brazoria County*. Plaintiff claims personal injury from automobile accident involving a County Sheriff's vehicle. Plaintiff is seeking \$ 60,000 for personal injury. County settled the property damages for \$ 14,000. Liability is unknown. Potential loss, if any, cannot be fully assessed at this time.

Claim No. C60403 styled *Struther Claim*. Terminated former employee (Pct. 3) who was claiming worker's compensation benefits has stated plans to claim wrongful termination (alleged retaliation for claiming worker's compensation). County contests liability. Liability is unlikely. Potential loss, if any, cannot be fully assessed at this time.

Claim No. C50514 styled *Malone Claim*. Swing at a County Park broke, hitting Claimant on head. Claimant claims personal injury. County contests liability. Liability is unlikely due to immunity/limitations of the Recreational Use Statute.

Claim No. C50501 styled *Argo Claim*. Arrestee claims Sheriff Office used excessive force during course of arrest. County contests liability. Potential for liability or loss cannot be fully assessed at this time.

Claim No. C71071 styled *Marty Deleon Claim*. Claims notice sent regarding non-contact accident with Precinct 1 Deputy Constable. Claims automobile hit curb when it swerved. Claim is for property damages and personal injury. County contests liability. Potential for liability or loss cannot be fully assessed at this time.

Claim No. C71428 styled *Yanara Ou Claim*. Claims notice sent regarding accident with Precinct 1 Deputy Constable. Claim is for property damages and personal injury. County has settled property damage for \$ 10,000, but contests personal injury liability. Potential for liability or loss cannot be fully assessed at this time.

Claim No. C71409 styled *Joseph Hollifield Claim*. Claims notice sent stating a Brazoria County Sheriff's Officer deprived him of medical care (Failure to treat resulted in stage III cancer). County contests liability. Potential for liability or loss cannot be fully assessed at this time.

Claim No. C71381 styled *Tracee Alexander Claim*. Claims notice sent stating that while an inmate, she was denied proper medical care. County contests liability. Potential for liability or loss cannot be fully assessed at this time.

Claim No. C71348 styled *Demetrio Salinas Claim*. Claims notice sent stating that while an inmate, he broke his hand in a jail fight and was denied proper medical care. County contests liability. Potential for liability or loss cannot be fully assessed at this time.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 17 - LITIGATION - Continued

Automobile accident involving a County vehicle and two other vehicles with three passengers occurred on December 27, 2007. Passengers may claim personal injury. Some liability may be possible; however liability or loss cannot be fully assessed at this time.

Actual payables at September 30, 2008 were \$ 24,898. In addition, the County has recorded a contingent estimated liability of \$ 400,000 in the Self Insurance Liability Fund (Internal Service Fund) at September 30, 2008.

NOTE 18 - 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 (TCEQ) 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. 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's estimate that the costs for additional work suggested by the Commission would total an additional \$ 27,338. 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, 2008, 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.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2008

NOTE 19 - RESTATEMENT OF FUND BALANCE AND NET ASSETS

During the year ended September 30, 2008, the County determined that the Brazoria County Fresh Water District #2 Fund was improperly reported as a special revenue fund. The County determined that the fund was, in fact, an agency fund and has restated (increased) beginning fund balance in other governmental funds, and net assets in governmental activities by \$ 250.

**REQUIRED SUPPLEMENTARY
INFORMATION**

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2008

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 63,531,415	\$ 63,822,760	\$ 63,980,516	\$ 157,756
Intergovernmental	997,300	2,723,162	1,976,521	(746,641)
Charges for services	6,193,350	6,303,350	7,469,547	1,166,197
Licenses and permits	796,500	816,500	1,217,219	400,719
Fines and forfeitures	3,750,050	3,820,050	2,932,468	(887,582)
Investment income	2,500,000	2,500,000	1,606,169	(893,831)
Miscellaneous	1,507,800	1,796,257	1,493,891	(302,366)
Total revenues	79,276,415	81,782,079	80,676,331	(1,105,748)
Expenditures:				
Current:				
General administration	5,541,255	5,989,778	5,727,126	262,652
Judicial and legal	15,167,210	16,080,606	15,471,195	609,411
Financial administration	8,868,054	8,975,733	8,565,447	410,286
Elections	268,650	538,726	511,814	26,912
Public facilities	3,578,311	3,673,842	3,355,377	318,465
Public safety	14,990,585	17,227,718	16,851,522	376,196
Corrections	17,518,939	19,162,671	18,499,728	662,943
Public transportation				-0-
Health and welfare	4,053,163	3,319,336	2,909,376	409,960
Public assistance	296,000	296,000	296,000	-0-
Culture and recreation	7,637,965	8,121,427	7,575,851	545,576
Conservation	411,584	411,984	393,215	18,769
Environmental protection	195,131	201,031	199,402	1,629
Total expenditures	78,526,847	83,998,852	80,356,053	3,642,799
Excess (deficiency) of revenues over expenditures	749,568	(2,216,773)	320,278	2,537,051
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	30,000	40,000	273,044	233,044
Transfers in	200,000	406,202	406,201	(1)
Transfers out	(979,568)	(916,139)	(1,349,566)	(433,427)
Total other financing sources (uses)	(749,568)	(469,937)	(670,321)	(200,384)
Net change in fund balances		(2,686,710)	(350,043)	2,336,667
Fund balances – beginning (restated)	25,353,387	25,353,387	25,353,387	-0-
Fund balances – ending	\$ 25,353,387	\$ 22,666,677	\$ 25,003,344	\$ 2,336,667

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		
\$ 17,561,091	\$ 17,561,091	\$ 17,386,208	\$(174,883)
	630,000	2,795,971	2,165,971
1,500	1,500		(1,500)
610,000	610,000	724,894	114,894
		39,947	39,947
450,000	450,000	312,111	(137,889)
15,000	226,261	294,738	68,477
<u>18,637,591</u>	<u>19,478,852</u>	<u>21,553,869</u>	<u>2,075,017</u>
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
17,541,344	21,068,761	17,771,014	3,297,747
			-0-
			-0-
			-0-
			-0-
<u>3,191,756</u>	<u>3,388,981</u>	<u>2,792,972</u>	<u>596,009</u>
<u>20,733,100</u>	<u>24,457,742</u>	<u>20,563,986</u>	<u>3,893,756</u>
(<u>2,095,509</u>)	(<u>4,978,890</u>)	<u>989,883</u>	<u>5,968,773</u>
50,000	102,600	71,525	(31,075)
(<u>20,000</u>)	(<u>23,010</u>)	(<u>146,893</u>)	(<u>123,883</u>)
<u>30,000</u>	<u>79,590</u>	(<u>75,368</u>)	(<u>154,958</u>)
(2,065,509)	(4,899,300)	914,515	5,813,815
<u>6,741,992</u>	<u>6,741,992</u>	<u>8,230,071</u>	<u>1,488,079</u>
<u>\$ 4,676,483</u>	<u>\$ 1,842,692</u>	<u>\$ 9,144,586</u>	<u>\$ 7,301,894</u>

BRAZORIA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS
LAST THREE YEARS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets*</u>	<u>Actuarial Accrued Liability* (AAL)-</u>	<u>Unfunded AAL (UAAL)</u>	<u>Percentage Funded</u>	<u>Annual Covered Payroll**</u>	<u>UAAL as a Percentage of Covered Payroll</u>
	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/(c)
12-31-05	\$ 105,996,023	\$ 120,300,963	\$ 14,304,940	88.11%	\$ 42,742,921	33.47%
12-31-06	117,431,187	127,562,880	10,131,693	92.06%	45,012,309	22.51%
12-31-07	128,397,451	139,737,492	11,340,041	91.88%	50,021,958	22.67%

* As of December 31 of the preceding year, the date of the actuarial valuation.

** Annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

**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.

Lateral Road - This fund accounts for intergovernmental revenue received from the State of Texas for use restricted to lateral roads as defined by the State Department of Highways and Public Transportation. Reports concerned with the use of these resources are filed annually each fiscal year ended August 31 with the State Treasurer's office.

Road & Bridge Tax Code, Chapter 152 - This fund accounts for funds retained in an amount equal to five percent (5%) of the motor vehicle sales tax and penalties collected in the preceding year, and the use of these funds for county road and bridge purposes. Senate Bill 3 also stipulated that on or before January 30th of each year, the County shall file a report promulgated by the Texas Department of Transportation, with the State Engineer-Director that accurately sets forth the amounts and purposes of all expenditures of the tax and penalties collected and retained by the County.

Special Road and Bridge Projects - This fund accounts for an annual fee assessed against each motor vehicle registered in the County. The Commissioners restricted the use of this revenue to approved road and bridge special projects.

Brazos Bend 2 Special Assessment - This fund accounts for the expenditures required to upgrade roads in the unincorporated area to County specifications. The one-time assessment covers material cost used in upgrading the roads to a condition to where they can be brought into the County road system.

Westwood Road Special Assessment - This fund accounts for the expenditures required to upgrade roads in the unincorporated area to County specifications. The one-time assessment covers material cost used in upgrading the roads to a condition to where they can be brought into the County road system.

Pecan Estates Road Special Assessment - This fund accounts for the expenditures required to upgrade roads in the unincorporated area to County specifications. The one-time assessment covers material cost used in upgrading the roads to a condition to where they can be brought into the County road system.

Hampton Road Special Assessment - This fund accounts for the expenditures required to upgrade roads in the unincorporated area to County specifications. The one-time assessment covers material cost used in upgrading the roads to a condition to where they can be brought into the County road system.

Rosemary Street Special Assessment - This fund accounts for the expenditures required to upgrade roads in the unincorporated area to County specifications. The one-time assessment covers material cost used in upgrading the roads to a condition to where they can be brought into the County road system.

TXDOT CR 403 Project – This fund accounts for grant proceeds from the State of Texas Department of Transportation to conduct a preliminary engineering project for improvements to county road 403.

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

TJPC - Community Corrections - This fund accounts for revenues received from the Texas Juvenile Probation Commission to supplement expenditures of the County in administering a Juvenile Probation Department. The County operates under an approved budget with the TJPC and submits reports quarterly with an annual contract report submitted as of each fiscal year ended August 31.

TJPC - Salary Adjustment Funding - This fund accounts for revenues received from the Texas Juvenile Probation Commission to adjust the salaries of eligible full time certified juvenile probation officers and juvenile detention officers. The County operates under an approved budget and submits reports as of each fiscal year end.

TJPC Title IV-E Federal Foster Care - This fund accounts for an interagency agreement between TJPC and Texas Department of Protective and Regulatory Services (TDPRS) that set up a system to allow juvenile boards to recoup federal monies for eligible juvenile probation children and for administrative costs related to administering the Title IV-E program.

TJPC - Progressive Sanctions JPO - This fund pays only for salaries and/or fringe benefits, supplies or other miscellaneous expenses of Juvenile Probation Officers (JPO) hired under this grant. The JPO duties include supervising juveniles on Levels I, II, or III of the Progressive Sanctions Model.

TJPC - Progressive Sanctions Level 1-2-3 - This fund is solely for the provision of probation services within the three budget categories of staff services, non-residential services and residential services. This program provides funds for the creation of new programs or to enhance existing programs for juveniles who are assigned to Levels I, II, or III of the Progressive Sanctions Model.

TJPC - Progressive Sanctions ISP - This program provides services as an intermediate sanctions alternative for juveniles who require a higher level of control than youth receiving standard probation services. The program requires frequent reporting to a probation officer who carries a limited caseload. If the program was unavailable, the youth would be otherwise placed out of the home in a residential placement facility or committed to the Texas Youth Commission.

TJPC Level 5 Funding - This fund accounts for reimbursement from the Texas Juvenile Probation Commission for Level 5 Placement Funds for a juvenile who has been court ordered into a secure post-adjudication correctional facility.

TJPC Diversionary Placement - This fund accounts for reimbursement from the Texas Juvenile Probation Commission to provide secure post-adjudication or non-secure residential placement resources to local juvenile probation departments as a diversionary placement.

TJPC Intensive Community Based Program - This fund accounts for grant proceeds received from the Texas Juvenile Probation Commission to provide services for habitual misdemeanor youth. Grant funds are intended to serve a priority population of juvenile offenders placed under supervision for a misdemeanor offense who have had at least one prior supervision.

Juvenile Justice Alternative Education Program (JJAEP) Boot Camp - This fund accounts for intergovernmental revenues from the Texas Juvenile Probation Commission to fund mandatory juvenile justice alternative education programs as required under Chapter 37, Texas Education Code.

Criminal Justice Division (CJD) Juvenile Incentive Block Grant - 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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Juvenile Case Manager - This fund accounts for the \$ 5 fee collected on convicted fine-only misdemeanor offenses by the Justice of Peace provides for the salary and benefits of a Juvenile Case Manager. The Commissioners' Court approved the fee collection on February 28, 2006 in accordance with Code of Criminal Procedure Art. 102.074.

Family Protection - The family protection fee of \$ 30 collected by the District Clerk in accordance with Texas Government Code, § 51.961 and approved in Commissioners' Court on December 13, 2005 is collected at the time a suit for dissolution of a marriage under Chapter 6, Family Code, is filed. After sending one half of the fee to the State Comptroller, the County uses the fund for a service provider located in the County or an adjacent county. The service provider may provide family violence and child abuse prevention, intervention, family strengthening, mental health, counseling, legal, and marriage preservation services to families that are at risk of experiencing or that have experienced family violence or the abuse or neglect of a child. Commissioner's court may provide funding to a nonprofit organization that provides services described above.

State Criminal Alien Assistance Program (SCAAP) - 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 that have incurred correctional officer salary costs for incarcerating undocumented criminal aliens that have 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.

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

Texas Department of State Health Services (TDSHS) - Supplemental Food Program Women, Infants and Children (WIC) - This fund accounts for grant proceeds awarded 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 to be at nutritional risk.

Texas Department of State Health Services (TDSHS) - Community and Rural Health - This fund accounts for grant proceeds awarded to supplement the delivery of comprehensive public health services. Brazoria County utilizes these proceeds to offset County Health Department expenditures related to a salaried inspector.

Texas Department of State Health Services (TDSHS) - WIC (Women, Infants and Children) Peer Counseling Program - This fund accounts for supplemental funding for training and salaries of peer counselors who assist pregnant and breastfeeding WIC participants.

Texas Department of State Health Services (TDSHS) - WIC (Women, Infants and Children) Registered Dietitian Program - This fund accounts for supplemental funding for the services of a registered dietitian to WIC participants.

Texas Department of State Health Services (TDSHS) - WIC (Women, Infants and Children) Lactation Reimbursement - This fund accounts for supplemental funding for lactation supplies for WIC participants.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Texas Department of State Health Services (TDSHS) - WIC-OA Vendor Activities - This fund accounts for grant proceeds awarded for supporting vendor activities associated with the WIC program.

Texas Department of State Health Services (TDSHS) – WIC (Women, Infants and Children) Special Allocation - This fund accounts for grant proceeds awarded for Outreach client services, one-time personnel merit adjustments, reallocation of payroll expenditures from the regular WIC program, nutrition education supplies, facility improvements/funding, automation/communications equipment and services, a vehicle, medical/office supplies and furniture/furnishings for all locations.

Texas Department of State Health Services (TDSHS) – WIC (Women, Infants and Children) Obesity Shopping for Healthy Foods – This fund accounts for grant proceeds awarded for obesity prevention education related to “shopping for healthy foods” for WIC participants.

Texas Department of State Health Services (TDSHS) – WIC (Women, Infants and Children) Obesity Play to be Fit - This fund accounts for grant proceeds awarded for obesity prevention education related to “playing to be fit” for WIC participants

Texas Department of State Health Services (TDSHS) – WIC (Women, Infants and Children) Electronic Benefits - This fund accounts for supplemental funding for the implementation of the WIC electronic benefits transfer system.

TDSHS Cities Readiness Initiative - This fund accounts for grant proceeds awarded through the Department of State Health Services 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.

TDSHS Mosquito Abatement Activities - This fund accounts for grant proceeds awarded through the Texas Department of State Health Services to provide financial support to local governments to conduct mosquito abatement activities.

CPS Title IV E - This fund accounts for grant proceeds awarded for federal Child Protective Services.

CPS Title IV-E Legal Services - This fund accounts 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.

CPS Title IV-B (Concrete) - This fund accounts for grant proceeds awarded for State Child Protective Services.

Victim Assistance Grant 02G00551 - This fund accounts for intergovernmental revenues from the State of Texas for the purpose of providing victim assistance coordinators or crime victim liaisons to victims of crime.

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

Justice Assistance Grant (JAG) - This fund accounts for grant proceeds awarded through the United States Department of Justice to support a broad range of activities to prevent and control crime and to improve the criminal justice system. JAG replaces the LLEBG grant.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Justice Court Technology Fund - This fund accounts for the mandate that each Brazoria County justice court assess a technology fee of \$ 4.00 as cost of court on each conviction, as defined by Art. 102.0173 Code of Criminal Procedure, for a fine-only misdemeanor committed on or after January 1, 2002. The use of this fee is restricted to the purchase of technological enhancements for a justice court.

Drug Enforcement Agency (DEA) Narcotics Overtime Expense Program - This fund accounts for an agreement between Brazoria County and the United States Department of Justice (DEA) to provide funding for payment of overtime costs for law enforcement officers assigned to specified narcotics investigations.

JP Building Security - The State Legislature amended the Court of Criminal Procedures Art. 102.017 by adding \$ 1 to the existing Courthouse Security Fund. The Justice of Peace collect the funds and deposit them in a Justice Court building security fund for providing security services for a Justice Court located in a building that is not in the County Courthouse.

Shoreline Restoration Task Force – 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.

State Homeland Security – Urban Areas Security Initiative (UASI) – This fund accounts for grant proceeds awarded through the United States Department of Homeland Security 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.

Tobacco Compliance - This fund accounts for funding from the Texas Comptroller's Office to counties and municipalities to be used by local law enforcement agencies to enforce the Texas Health and Safety Code in a manner that can reasonably be expected to reduce the extent to which cigarettes and tobacco products are illegally sold or distributed to persons who are younger than 18 years of age.

TDSHS Bioterrorism Grant - This fund accounts for grant proceeds 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 and Prevention (CDC) 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.

Law Enforcement Officers Standards & Education Fund - This fund accounts for fees utilized for law enforcement officers' educational expenditures.

Organized Crime Drug Enforcement Fund - This fund accounts for revenue collected from the U.S. Department of Justice, Drug Enforcement Administration (DEA) to conduct comprehensive, multi-level attacks on major drug trafficking and money laundering organizations.

Texas VINE (Victim's Information Notification Everyday) Contract - This fund accounts for grant proceeds awarded for reimbursement for certain costs incurred in the participation in a statewide crime victim notification service.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

HGAC Solid Waste Grant - This fund accounts for grant proceeds awarded through the Texas Commission on Environmental Quality (TCEQ) for recycling, local enforcement, composting, household hazardous waste, education, and local plans for reducing solid waste disposal.

2002 - 2007 CDBG County (HUD) - This fund accounts 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 within Brazoria County, Texas.

2005 – 2008 Section 8 Housing Choice Voucher Program - This fund accounts for the activities of the Brazoria County Housing Agency (BCHA) that was 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 in the County 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 U.S. Department of Housing and Urban Development (HUD) and landlord participation, BDHA 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.

Records Management and Preservation County Clerk - The "Records Management and Preservation" fee collected by the County and District Clerks pursuant to Local Government Code 118.011 is for the records management and preservation services performed after the filing and recording of a document in the records of the office of the clerk. The fee is used to provide funds for specific records preservation and automation projects.

Financial Security - The Financial Security fee collected by the county and district clerks is pursuant to Article 102.017 of the Code of Criminal Procedure and Local Government Code 291.007. Article 102.017 of the Code of Criminal Procedure mandates a \$ 5 fee to court costs of a defendant convicted in trial for a felony offense in a district court and adds a \$ 3 fee to court costs of a defendant convicted in trial for a misdemeanor offense in a county court. Local Government Code 291.007 allows Commissioners' Court to set a \$ 5 fee to be collected at the time of filing in each county or district court civil case. The use of this fee is restricted to specific items used for providing security services for buildings housing a district or county court.

Records Archive County Clerk – The "Records Archive" fee collected by the County Clerk, pursuant to Local Government Code 118.011 (f) is for the preservation and restoration services performed by the County Clerk in connection with maintaining a County Clerk's records archive.

Records Archive District Clerk – The "Records Management and Preservation" fee collected by the District Clerk pursuant to Local Government Code 51.317 (c)(2) is for records management and preservation services performed by the District Clerk. The fee is used to provide funds for specific records preservation and automation projects.

Civil, Criminal and Probate Records Management – The fee collected by the County and District Clerks pursuant to Local Government Code 118.011 and Government Code 51.317 (c)(2) respectively. This fee is for the civil, criminal and probate records management and preservation services performed after the filing and recording of a document in the records of the office of the clerk. The fee is used to provide funds for specific records preservation and automation projects.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Elections HAVA (Help America Vote Act) Equipment Rental - This fund accounts for surplus funds from Election Service Contracts under the Texas Election Code 31.003. Funds are used only for the purchase of voting equipment changes or upgrades, and technology upgrades for the election office.

Elections Services Contract - This fund accounts for surplus funds from Election Service Contracts under the Texas Election Code 31.003. Funds are used only to defray expenses of the county election officer's office in connection with election-related duties or functions.

Elections HAVA Grant - This fund accounts for grant proceeds awarded through the State of Texas for use by the County's Elections division to improve polling place accessibility for people with disabilities.

Lone Star Library Grant - This fund accounts for funding from the Texas State Library and Archives Commission (TSLAC) to maintain, improve, and enhance local library services.

Law Library - This fund accounts for the cost of operating and maintaining a law library for public use. Revenues are derived from law library fees assessed against each civil case filed in District and County courts.

County Graffiti Eradication - This fund accounts for local revenues designated for the purpose of graffiti eradication in the County.

Brazoria County Toll Road Authority - The authority is organized and is to be operated to assist Brazoria County in conjunction with the appropriate local governmental entities where necessary to provide county roads, highways and other transportation related projects.

Mosquito Control District - This fund accounts for the district approved by Brazoria County voters in April, 1955 that authorized a separate tax not to exceed five cents per one dollar of valuations. Mosquito control districts were introduced to the State of Texas by House Bill 127 which was passed by the 1949 Texas Legislature. Prior to October 2007, the County accounted for the district in the general fund.

FEMA (Federal Emergency Management Agency) Welfare - This fund accounts for grant proceeds awarded through FEMA for emergency food and shelter assistance for qualified residences. Brazoria County Welfare department administers the funds.

HGAC - 911 Address Project - This fund accounts for the costs incurred in establishing uniform guidelines for 911 addressing needs within Brazoria County. The objective of E911 addressing is to enable all public safety agencies to quickly respond and locate all residences and businesses throughout Brazoria County. All structures are assigned a physical address or road address.

Excess Sales Tax - This fund accounts for amounts received in excess of projections for the first three years in which a county imposes a sales tax as required by state statute.

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

Mutual Fire Protection & Disbursement Assistance - This fund accounts for grant proceeds received from the United States Fish and Wildlife department to cover expenditures relating to any natural disasters and/or wildfires that occur.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Reliant Energy CARE/RELIEF Program - This fund accounts for local contributions from Reliant Energy for use in providing needy Brazoria County residents with utility assistance.

Vital Statistics Fee - This fund accounts for an optional one dollar local fee collected for death and/or birth certificates by justice of the Peace officers and/or County Clerk.

Flood Protection Study - This fund accounts for the interlocal agreement among the City of Friendswood, the City of Pearland, Brazoria County, Brazoria Drainage District #4, and Galveston County supporting the City of Friendswood in the submittal of a grant request to the Texas Water Development Board for flood protection planning for the Cowards Creek Watershed. Local share of costs will be allocated among the parties.

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

United Way Hurricane Ike – This fund accounts for grant proceeds awarded from United Way of Brazoria County to provide emergency assistance to Hurricane Ike victims.

Teen Court – This fund accounts for the voluntary program which assists teenage offenders in assuming responsibility for their behavior through their involvement in the judicial process and work in the community.

TCEQ LIRAP Program - This fund accounts for grant proceeds received from TCEQ for low income repair assistance, retrofit, and accelerated vehicle retirement program that pays for necessary repairs to bring vehicles into emissions compliance and for replacement vehicles when existing vehicles are retired.

Child Abuse Prevention - This fund accounts for funds collected from private donations and jurors' reimbursement donations to the CPS child welfare board of the county.

Voter Registration Tax Office Fund - This fund accounts for the commission fee received from the Texas State Comptroller and is used to defray expenditures of the Registrar's office.

Buffer Zone Protection Program - This fund accounts for grant proceeds awarded through the U.S. Department of Homeland Security 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.

Parks Improvement - This fund accounts for a pending Texas Parks & Wildlife grant application for several parks projects. The current donation revenue is from Wal-Mart for a specific project.

NONMAJOR GOVERNMENTAL FUNDS

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.

Certificates of Obligation Sheriff and Detention Center Complex - Series 1993 General Obligation Refunding Bonds - Series 1998 - This fund accounts for the accumulation of resources and the payment of those resources related to the retiring of the Series 1993 - Certificates of Obligation issued to build a Sheriff and Detention Center Complex, and the retiring of the General Obligation Refunding Bonds, Series 1998 which were utilized to defease a portion of the Series 1993 Bonds.

Certificates of Obligation Construction and Maintenance - Series 2003 - This fund accounts for the accumulation of resources and the payment of those resources related to the retiring of the Series 2003 - Certificates of Obligation issued for construction and acquisition projects accounted for in the 2003 Certificate of Obligation Construction and Maintenance capital project fund.

Certificates of Obligation Construction and Maintenance - Series 2006 - 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.

Unlimited Tax Road Bonds - Series 2006 - This fund accounts for the accumulation of resources and the payment of those resources related to the retiring of the Series 2006 - Unlimited Tax Road Bonds issued for construction and acquisition projects accounted for in the Mobility Plan 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.

Hwy 6 Right-of-Way Acquisition (Series 1991A) - This fund accounts for the acquisition of rights-of-way for authorized county purposes and for the payment of contractual obligations for professional services. Certificates of Obligation in the amount of \$ 1,800,000 were authorized and issued on January 14, 1991. Brazoria County has agreed to contribute funds to the State Department of Highways and Public Transportation pursuant to CSJ No. 0192-01-040 in an amount equal to ten percent (10%) of the cost of the right of way to be acquired.

County Wide Road Construction - This fund accounts for the proceeds of a 1968 road bond issue totaling \$ 6,900,000 and resulting interest earned on related deposit balances. This issue was approved by the voters for the purpose of construction, maintenance and operation of roads within Brazoria County.

Parks CIAP Grant - This fund accounts for funding from the General Land Office to develop the Coastal Impact Assistance Plan for projects and activities for conservation, protection and/or restoration of costal areas.

2003 Certificate of Obligation C & M (Construction and Maintenance) - This fund accounts for the resources accumulated for Commissioner authorized acquisition and construction, including the Front Street Building and an integrated judicial software system. The major revenue source includes investment earnings and other resources from proceeds from the sale of certificate of obligation bonded debt.

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds - Continued

Sheriff and Detention Center Complex Construction - The Sheriff and Detention Center Complex Construction fund accounts for the construction of a new county jail facility, the construction of associated administrative offices, improving the existing County jail facility, purchasing communications equipment and other costs associated with the construction.

Quintana Boat Ramp - This fund accounts for funds received from Freeport LNG as a donation to purchase a 6.89 acre tract from the General Land Office for construction of the replacement of the Quintana public boat ramp.

Multi-Purpose Facility - This fund accounts for the activity related to the potential multi-purpose facility currently considered through the use of a feasibility study and economic impact assessment. If constructed, the facility is anticipated to accommodate year round use for events and activities such as community celebrations, high school graduations, trade shows, conventions, concerts and other uses recommended by the study while also serving as the site for the annual Brazoria County Fair.

Wall of Honor - This fund accounts for the activity related to the new war memorial planned for the northwest corner of the Brazoria County courthouse.



BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2008

	Special		
	Lateral Road Fund	Road and Bridge Tax Code Chapter 152 Fund	Special Road and Bridge Projects Fund
<u>Assets</u>			
Cash and temporary investments	\$ 190,788	\$ 603,865	\$ 1,494,291
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Inventory			
Prepaid expenditures			
Total assets	\$ 190,788	\$ 603,865	\$ 1,494,291
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 152,099	\$
Due to other funds			
Deferred revenue			
Total liabilities	-0-	152,099	-0-
Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated	190,788	451,766	1,494,291
Total fund balance	190,788	451,766	1,494,291
Total liabilities and fund balance	\$ 190,788	\$ 603,865	\$ 1,494,291

Revenue Funds

Brazos Bend 2 Special Assessment Fund	Westwood Road Special Assessment Fund	Pecan Estates Road Special Assessment Fund	Hampton Road Special Assessment Fund	Rosemary Street Special Assessment Fund	TXDOT CR 403 Project Fund
\$ 1,419	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
					12,037
<u>\$ 1,419</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 12,037</u>
\$ -0-	\$ 55,281	\$ 28,869	\$ 9,777 39,758	\$ 3,400 5,371	\$ 12,037
<u>-0-</u>	<u>55,281</u>	<u>28,869</u>	<u>49,535</u>	<u>8,771</u>	<u>12,037</u>
<u>1,419</u>	<u>(55,281)</u>	<u>(28,869)</u>	<u>(49,535)</u>	<u>(8,771)</u>	<u>-0-</u>
<u>1,419</u>	<u>(55,281)</u>	<u>(28,869)</u>	<u>(49,535)</u>	<u>(8,771)</u>	<u>-0-</u>
<u>\$ 1,419</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 12,037</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2008

	<u>Special</u>		
	<u>TJPC State Aid Fund</u>	<u>TJPC Community Corrections Fund</u>	<u>TJPC Salary Adjustment Funding Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$ 12,081	\$ 19,834	\$ 21,380
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds	5,831	19,947	5,700
Inventory			
Prepaid expenditures			
Total assets	<u>\$ 17,912</u>	<u>\$ 39,781</u>	<u>\$ 27,080</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 6,926	\$ 23,508	\$ 13,020
Due to other funds			
Deferred revenue	<u>10,986</u>	<u>16,273</u>	<u>14,060</u>
Total liabilities	<u>17,912</u>	<u>39,781</u>	<u>27,080</u>
Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated			
Total fund balance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities and fund balance	<u>\$ 17,912</u>	<u>\$ 39,781</u>	<u>\$ 27,080</u>

Revenue Funds

TJPC Title IV-E Foster Care Fund	TJPC Progressive Sanctions JPO Fund	TJPC Progressive Sanctions Level 1-2-3 Fund	TJPC Progressive Sanctions ISP Fund	TJPC Level 5 Funding Fund	TJPC Diversionary Placement Fund
\$ 323,250	\$ 11,920	\$ 3,907	\$ 1,284	\$ 123,734	\$ 42,169
6,982	7,452	3,956	1,918		30,282
<u>\$ 330,232</u>	<u>\$ 19,372</u>	<u>\$ 7,863</u>	<u>\$ 3,202</u>	<u>\$ -0-</u>	<u>\$ 30,282</u>
\$ 8,343	\$ 8,669	\$ 4,237	\$ 2,237	\$	\$ 2,760
	244	52	64		27,522
<u>321,889</u>	<u>10,459</u>	<u>3,574</u>	<u>901</u>		
<u>330,232</u>	<u>19,372</u>	<u>7,863</u>	<u>3,202</u>	<u>-0-</u>	<u>30,282</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 330,232</u>	<u>\$ 19,372</u>	<u>\$ 7,863</u>	<u>\$ 3,202</u>	<u>\$ -0-</u>	<u>\$ 30,282</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2008

	<u>Special</u>		
	<u>TJPC Intensive Community Based Program Fund</u>	<u>JJAEP Boot Camp Fund</u>	<u>CJD Juvenile Incentive Block Grant Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$ 70,543	\$	\$
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments	3,113	116,659	730
Due from other funds		15,248	
Inventory			
Prepaid expenditures			
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 73,656</u>	<u>\$ 131,907</u>	<u>\$ 730</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 73,656	\$ 19,574	\$ 112
Due to other funds		112,333	618
Deferred revenue			
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>73,656</u>	<u>131,907</u>	<u>730</u>
 Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated			
	<hr/>	<hr/>	<hr/>
Total fund balance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 73,656</u>	<u>\$ 131,907</u>	<u>\$ 730</u>

Revenue Funds

Juvenile Case Manager Fund	Family Protection Fund	State Criminal Alien Assistance Program (SCAAP) Fund	TDSHS Immunization Fund	TDSHS Supplemental Food Program WIC Fund	TDSHS Community and Rural Health Fund
\$ 138,781	\$ 65,203	\$ 13,170	\$	\$	\$
3,587			362 24,427 4,433	217,968 29,638	4,897
				3,847	
<u>\$ 142,368</u>	<u>\$ 65,203</u>	<u>\$ 13,170</u>	<u>\$ 29,222</u>	<u>\$ 251,453</u>	<u>\$ 4,897</u>
\$ 4,305	\$	\$	\$ 5,693 23,529	\$ 35,473 215,980	\$ 375 4,522
		13,170			
<u>4,305</u>	<u>-0-</u>	<u>13,170</u>	<u>29,222</u>	<u>251,453</u>	<u>4,897</u>
				3,847	
<u>138,063</u>	<u>65,203</u>			<u>(3,847)</u>	
<u>138,063</u>	<u>65,203</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 142,368</u>	<u>\$ 65,203</u>	<u>\$ 13,170</u>	<u>\$ 29,222</u>	<u>\$ 251,453</u>	<u>\$ 4,897</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2008

	<u>Special</u>		
	<u>TDSHS Peer Counseling Program Fund</u>	<u>TDSHS WIC Registered Dietician Fund</u>	<u>TDSHS WIC Lactation Reimbursement Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$	\$	\$
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments	5,515	5,165	4,182
Due from other funds			
Inventory			
Prepaid expenditures			<u>153</u>
Total assets	<u>\$ 5,515</u>	<u>\$ 5,165</u>	<u>\$ 4,335</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 3	\$
Due to other funds	5,515	5,162	4,335
Deferred revenue			
Total liabilities	<u>5,515</u>	<u>5,165</u>	<u>4,335</u>
Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			153
Inventory			
Encumbrances			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated			<u>(153)</u>
Total fund balance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities and fund balance	<u>\$ 5,515</u>	<u>\$ 5,165</u>	<u>\$ 4,335</u>

Revenue Funds

TDSHS WIC-OA Vendor Activities Fund	TDSHS WIC Special Allocation Fund	TDSHS WIC Obesity SHOP Fund	TDSHS WIC Obesity FIT Fund	TDSHS WIC Electronic Benefits Fund	TDSHS Cities Readiness Initiative Fund
\$	\$	\$	\$	\$	\$
2,076	40,032	2,954	5,372		9,698 2,128
<u>\$ 2,076</u>	<u>\$ 40,032</u>	<u>\$ 2,954</u>	<u>\$ 5,372</u>	<u>\$ -0-</u>	<u>\$ 11,826</u>
\$ 456 1,620	\$ 10,050 29,982	\$ 2,954	\$ 5,372	\$	\$ 2,513 9,313
<u>2,076</u>	<u>40,032</u>	<u>2,954</u>	<u>5,372</u>	<u>-0-</u>	<u>11,826</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 2,076</u>	<u>\$ 40,032</u>	<u>\$ 2,954</u>	<u>\$ 5,372</u>	<u>\$ -0-</u>	<u>\$ 11,826</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2008

	<u>Special</u>		
	<u>TDSHS Mosquito Abatement Activities Fund</u>	<u>CPS Title IV-E Fund</u>	<u>CPS Title IV-E Legal Services Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$	\$	\$
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments		40,257	9,565
Due from other funds		1,215	1,473
Inventory			
Prepaid expenditures			
	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>-0-</u>	\$ <u>41,472</u>	\$ <u>11,038</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 4,576	\$ 3,534
Due to other funds		36,896	7,504
Deferred revenue			
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-0-</u>	<u>41,472</u>	<u>11,038</u>
 Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated			
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	 <u> </u>	 <u> </u>	 <u> </u>
Total liabilities and fund balance	\$ <u>-0-</u>	\$ <u>41,472</u>	\$ <u>11,038</u>

Revenue Funds

CPS Title IV-B (Concrete) Fund	Victim Assistance Grant 02G00551 Fund	Crime Victim Assistance Fund	Justice Assistance Grant (JAG) Fund	Justice Court Technology Fund	DEA Narcotics OT Expense Program Fund
\$	\$	\$	\$ 11,547	\$ 492,741	\$
2,375	1,667 1,584	29,102 5,273			866
<u>\$ 2,375</u>	<u>\$ 3,251</u>	<u>\$ 34,375</u>	<u>\$ 11,547</u>	<u>\$ 492,741</u>	<u>\$ 866</u>
\$ 75 2,300	\$ 1,900 1,351	\$ 6,310 28,065	\$ 522	\$ 1,592	\$ 866
			11,025		
<u>2,375</u>	<u>3,251</u>	<u>34,375</u>	<u>11,547</u>	<u>1,592</u>	<u>866</u>
				491,149	
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>491,149</u>	<u>-0-</u>
<u>\$ 2,375</u>	<u>\$ 3,251</u>	<u>\$ 34,375</u>	<u>\$ 11,547</u>	<u>\$ 492,741</u>	<u>\$ 866</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2008

	<u>Special</u>		
	<u>JP Building Security Fund</u>	<u>Shoreline Restoration Task Force Fund</u>	<u>State Homeland Security Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$ 38,424	\$ 20,417	\$
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			224,750
Due from other funds			
Inventory			
Prepaid expenditures			
	<u>38,424</u>	<u>20,417</u>	<u>224,750</u>
Total assets	<u>\$ 38,424</u>	<u>\$ 20,417</u>	<u>\$ 224,750</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 150	\$	\$ 197,500
Due to other funds			27,250
Deferred revenue			
	<u>150</u>	<u>-0-</u>	<u>224,750</u>
Total liabilities	<u>150</u>	<u>-0-</u>	<u>224,750</u>
Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated	<u>38,274</u>	<u>20,417</u>	<u>-0-</u>
Total fund balance	<u>38,274</u>	<u>20,417</u>	<u>-0-</u>
Total liabilities and fund balance	<u>\$ 38,424</u>	<u>\$ 20,417</u>	<u>\$ 224,750</u>

Revenue Funds

Tobacco Compliance Fund	Bioterrorism Grant Fund	Law Enforcement Officers Standards & Education Fund	Organized Crime Drug Enforcement Fund	Texas VINE Contract Fund	HGAC Solid Waste Grant Fund
\$ 6,005	\$	\$ 68,233	\$	\$	\$
	45,602 9,498	410		2,509	
<u>\$ 6,005</u>	<u>\$ 55,100</u>	<u>\$ 68,643</u>	<u>\$ -0-</u>	<u>\$ 2,509</u>	<u>\$ -0-</u>
\$	\$ 11,304 43,796	\$	\$	\$ 2,509	\$
<u>6,000</u>					
<u>6,000</u>	<u>55,100</u>	<u>-0-</u>	<u>-0-</u>	<u>2,509</u>	<u>-0-</u>
<u>5</u>		<u>68,643</u>			
<u>5</u>	<u>-0-</u>	<u>68,643</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 6,005</u>	<u>\$ 55,100</u>	<u>\$ 68,643</u>	<u>\$ -0-</u>	<u>\$ 2,509</u>	<u>\$ -0-</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2008

	Special		
	2002 CDBG County (HUD) Fund	2003 CDBG County (HUD) Fund	2004 CDBG County (HUD) Fund
<u>Assets</u>			
Cash and temporary investments	\$	\$	\$
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Inventory			
Prepaid expenditures			
Total assets	\$ -0-	\$ -0-	\$ -0-
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Deferred revenue			
Total liabilities	-0-	-0-	-0-
Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated			
Total fund balance	-0-	-0-	-0-
Total liabilities and fund balance	\$ -0-	\$ -0-	\$ -0-

Revenue Funds

2005 CDBG County (HUD) Fund	2006 CDBG County (HUD) Fund	2007 CDBG County (HUD) Fund	2005 Section 8 Housing Choice Vouchers Fund	2006 Section 8 Housing Choice Vouchers Fund	2007 Section 8 Housing Choice Vouchers Fund
\$	\$	\$	\$ 320,567	\$ 428,077	\$ 191,006
5,501	67,997	86,901			
8,654	2,901				15,540
<u>14,155</u>	<u>70,898</u>	<u>86,901</u>	<u>320,567</u>	<u>428,077</u>	<u>206,546</u>
\$ 3,863	\$ 63,106	\$ 39,813	\$	\$	\$
10,292	7,792	47,088			
			276,616	394,638	189,320
<u>14,155</u>	<u>70,898</u>	<u>86,901</u>	<u>276,616</u>	<u>394,638</u>	<u>189,320</u>
			43,951	33,439	17,226
-0-	-0-	-0-	42,951	33,439	17,226
<u>14,155</u>	<u>70,898</u>	<u>86,901</u>	<u>320,567</u>	<u>428,077</u>	<u>206,546</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2008

	<u>Special</u>		
	<u>2008 Section 8 Housing Choice Vouchers Fund</u>	<u>Records Management County Clerk Fund</u>	<u>Financial Security Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$ 67,978	\$ 1,185,183	\$ 18,442
Receivable (Net of Allowance for Uncollectibles):			
Taxes	5,680		
Accounts	5,680		
Due from other governments	4,922		
Due from other funds	4,922		
Inventory			
Prepaid expenditures			
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 78,580</u>	<u>\$ 1,185,183</u>	<u>\$ 18,442</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 10,438	\$ 8,200	\$ 297
Due to other funds	15,540		
Deferred revenue	<u>5,296</u>		
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>31,274</u>	<u>8,200</u>	<u>297</u>
Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances		3,032	
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated	<u>47,306</u>	<u>1,173,951</u>	<u>18,145</u>
	<hr/>	<hr/>	<hr/>
Total fund balance	<u>47,306</u>	<u>1,176,983</u>	<u>18,145</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 78,580</u>	<u>\$ 1,185,183</u>	<u>\$ 18,442</u>

Revenue Funds

Record Archive County Clerk Fund	Record Archive District Clerk Fund	Civil, Criminal & Probate Records Management Fund	Elections HAVA Equipment Rental Funds	Elections Services Contract Fund	Elections HAVA Grant Fund
\$ 1,885,260	\$ 144,316	\$ 916,661	\$	\$	\$
				30,130	
		282	2,875 6,209	1,056	
<u>\$ 1,885,260</u>	<u>\$ 144,316</u>	<u>\$ 916,943</u>	<u>\$ 9,084</u>	<u>\$ 31,186</u>	<u>\$ -0-</u>
\$	\$	\$ 556	\$	\$	\$
			5,975	10,192	
<u>-0-</u>	<u>-0-</u>	<u>556</u>	<u>5,975</u>	<u>10,192</u>	<u>-0-</u>
<u>1,885,260</u>	<u>144,316</u>	<u>916,387</u>	<u>3,109</u>	<u>20,994</u>	
<u>1,885,260</u>	<u>144,316</u>	<u>916,387</u>	<u>3,109</u>	<u>20,994</u>	<u>-0-</u>
<u>\$ 1,885,260</u>	<u>\$ 144,316</u>	<u>\$ 916,943</u>	<u>\$ 9,084</u>	<u>\$ 31,186</u>	<u>\$ -0-</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2008

	<u>Special</u>		
	<u>Lone Star Library Grant Fund</u>	<u>Law Library Fund</u>	<u>Graffiti Eradication Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$	\$ 293,869	\$ 790
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments	4,034		
Due from other funds		1,761	
Inventory			
Prepaid expenditures			
Total assets	<u>\$ 4,034</u>	<u>\$ 295,630</u>	<u>\$ 790</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 103	\$ 19,658	\$
Due to other funds	3,931		
Deferred revenue			
Total liabilities	<u>4,034</u>	<u>19,658</u>	<u>-0-</u>
Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances		400	
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated		275,572	790
Total fund balance	<u>-0-</u>	<u>275,972</u>	<u>790</u>
Total liabilities and fund balance	<u>\$ 4,034</u>	<u>\$ 295,630</u>	<u>\$ 790</u>

Revenue Funds

Brazoria County Toll Road Authority Fund	Mosquito Control District Fund	FEMA Welfare Fund	HGAC 911 Addressing Fund	Excess Sales Tax Fund	Economic Development Tax Abatement Fund
\$	\$ 711,058	\$	\$ 2,262	\$	\$ 16,662
	24,745				500
	474,556	8,092	20,326		
	47,238				
	671,550				
<u>\$ -0-</u>	<u>\$ 1,929,147</u>	<u>\$ 8,092</u>	<u>\$ 22,588</u>	<u>\$ -0-</u>	<u>\$ 17,162</u>
\$ 81,190	\$ 534,924	\$ 8,092	\$ 21,724	\$	\$
	20,555				
<u>81,190</u>	<u>555,479</u>	<u>8,092</u>	<u>21,724</u>	<u>-0-</u>	<u>-0-</u>
	671,550				
	703				
(81,190)	701,415		864		17,162
(81,190)	1,373,668	-0-	864	-0-	17,162
<u>\$ -0-</u>	<u>\$ 1,929,147</u>	<u>\$ 8,092</u>	<u>\$ 22,588</u>	<u>\$ -0-</u>	<u>\$ 17,162</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2008

	<u>Special</u>		
	<u>Mutual Fire Protection & Disbursement Assistance Fund</u>	<u>Reliant Energy CARE/RELIEF Program Fund</u>	<u>Vital Statistics Fee Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$ 14,545	\$ 109,632	\$ 63,178
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Inventory			
Prepaid expenditures			
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 14,545</u>	<u>\$ 109,632</u>	<u>\$ 63,178</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Deferred revenue	<hr/>	<hr/>	<hr/>
	14,545		
Total liabilities	<hr/>	<hr/>	<hr/>
	14,545	-0-	-0-
 Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated	<hr/>	<hr/>	<hr/>
	-0-	109,632	63,178
Total fund balance	<hr/>	<hr/>	<hr/>
	-0-	109,632	63,178
 Total liabilities and fund balance	 <u>\$ 14,545</u>	 <u>\$ 109,632</u>	 <u>\$ 63,178</u>

Revenue Funds

<u>Flood Protection Study Fund</u>	<u>United Way Emergency Assistance Fund</u>	<u>United Way Hurricane Ike Fund</u>	<u>Teen Court Fund</u>	<u>TCEQ LIRAP Program Fund</u>	<u>Child Abuse Prevention Fund</u>
\$	\$ 16,949	\$	\$ 38,118	\$	\$ 783
		10,000	68		
<u>\$ -0-</u>	<u>\$ 16,949</u>	<u>\$ 10,000</u>	<u>\$ 38,186</u>	<u>\$ -0-</u>	<u>\$ 783</u>
\$ 45,000	\$	\$	\$	\$	\$
<u>45,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>(45,000)</u>	<u>16,949</u>	<u>10,000</u>	<u>38,186</u>		<u>783</u>
<u>(45,000)</u>	<u>16,949</u>	<u>10,000</u>	<u>38,186</u>	<u>-0-</u>	<u>783</u>
<u>\$ -0-</u>	<u>\$ 16,949</u>	<u>\$ 10,000</u>	<u>\$ 38,186</u>	<u>\$ -0-</u>	<u>\$ 783</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2008

	Special Revenue		
	Voter Registration Tax Office Fund	Buffer Zone Protection Program Fund	Parks Improvement Fund
<u>Assets</u>			
Cash and temporary investments	\$	\$	\$
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments		112,141	1,000
Due from other funds			
Inventory			
Prepaid expenditures			
Total assets	\$ -0-	\$ 112,141	\$ 1,000
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 3,287	\$ 97,640	\$
Due to other funds	13,952	14,501	
Deferred revenue			
Total liabilities	17,239	112,141	-0-
 Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated	(17,239)		1,000
Total fund balance	(17,239)	-0-	1,000
Total liabilities and fund balance	\$ -0-	\$ 112,141	\$ 1,000

Funds	Debt Service Funds					
Total Special Revenue Fund	C of O Sheriff & Detention Complex Series 1993	C of O Construction and Maintenance Series 2003	C of O Construction and Maintenance Series 2006	Unlimited Tax Road Bonds Series 2006	Total Debt Service Funds	
\$ 10,034,419	\$ 2,313,263	\$ 162,075	\$ 261,796	\$ 63,974	\$ 2,804,108	
24,745	41,387	19,246	15,832	13,828	90,293	
48,150					-0-	
1,624,223					-0-	
214,426		21,206			21,206	
671,550					-0-	
4,000					-0-	
<u>\$ 12,621,513</u>	<u>\$ 2,354,650</u>	<u>\$ 205,527</u>	<u>\$ 227,628</u>	<u>\$ 77,802</u>	<u>\$ 2,915,607</u>	
\$ 1,420,767	\$	\$	\$	\$ 14,496	\$ 14,496	
1,002,006	9,500			8,000	17,500	
<u>1,309,307</u>	<u>33,414</u>	<u>15,755</u>	<u>13,173</u>	<u>11,487</u>	<u>73,829</u>	
<u>3,732,080</u>	<u>42,914</u>	<u>15,755</u>	<u>13,173</u>	<u>33,983</u>	<u>105,825</u>	
4,000					-0-	
671,550					-0-	
4,135					-0-	
-0-	2,311,736	189,772	264,455	43,819	2,809,782	
-0-					-0-	
<u>8,209,748</u>					<u>-0-</u>	
<u>8,889,433</u>	<u>2,311,736</u>	<u>189,772</u>	<u>264,455</u>	<u>43,819</u>	<u>2,809,782</u>	
<u>\$ 12,621,513</u>	<u>\$ 2,354,650</u>	<u>\$ 205,527</u>	<u>\$ 277,628</u>	<u>\$ 77,802</u>	<u>\$ 2,915,607</u>	

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2008

	Capital		
	Highway Right-of-Way Acquisition Fund	County Wide Road Fund	Parks CIAP Grant Fund
<u>Assets</u>			
Cash and temporary investments	\$ 683,324	\$ 301,988	
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			26,086
Due from other funds			1,698
Inventory			
Prepaid expenditures			
Total assets	\$ 683,324	\$ 301,988	\$ 27,784
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 4,000	\$	\$ 10,045
Due to other funds			17,739
Deferred revenue			
Total liabilities	4,000	-0-	27,784
 Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
Debt service			
Unreserved:			
Designated for capital projects	679,324	301,988	
Undesignated			
Total fund balance	679,324	301,988	-0-
Total liabilities and fund balance	\$ 683,324	\$ 301,988	\$ 27,784

Projects Funds

2003 Certificate of Obligation C & M Fund	Sheriff & Detention Complex Fund	Quintana Boat Ramp Fund	Multi-Purpose Facility Fund	Wall of Honor Fund	Total Capital Projects Funds
\$ 481,663	\$	\$ 13,102	\$ 50	\$ 12,497	\$ 1,492,624
					-0-
					-0-
	9,500				26,806
					11,198
					-0-
					-0-
<u>\$ 481,663</u>	<u>\$ 9,500</u>	<u>\$ 13,102</u>	<u>\$ 50</u>	<u>\$ 12,497</u>	<u>\$ 1,529,908</u>
\$ 22,542	\$	\$	\$	\$	\$ 36,587
21,206	5,493			150	44,588
					-0-
<u>43,748</u>	<u>5,493</u>	<u>-0-</u>	<u>-0-</u>	<u>150</u>	<u>81,175</u>
					-0-
					-0-
					-0-
					-0-
437,915	4,007	13,102	50	12,347	1,448,733
					-0-
<u>437,915</u>	<u>4,007</u>	<u>13,102</u>	<u>50</u>	<u>12,347</u>	<u>1,448,733</u>
<u>\$ 481,663</u>	<u>\$ 9,500</u>	<u>\$ 13,102</u>	<u>\$ 50</u>	<u>\$ 12,497</u>	<u>\$ 1,529,908</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2008

Exhibit 12
Page 13 of 13

	<u>Total Non-Major Governmental Funds</u>
<u>Assets</u>	
Cash and temporary investments	\$ 14,331,151
Receivable (Net of Allowance for Uncollectibles):	
Taxes	115,038
Accounts	48,150
Due from other governments	1,650,309
Due from other funds	246,830
Inventory	671,550
Prepaid expenditures	<u>4,000</u>
Total assets	<u>\$ 17,067,028</u>
 <u>Liabilities and Fund Balance</u>	
Liabilities:	
Accounts and accrued liabilities payable	\$ 1,471,850
Due to other funds	1,064,094
Deferred revenue	<u>1,383,136</u>
Total liabilities	<u>3,919,080</u>
Fund Balance (Deficit):	
Reserved:	
Prepaid expenditures	4,000
Inventory	671,550
Encumbrances	4,135
Debt service	2,809,782
Unreserved:	
Designated for capital projects	1,448,733
Undesignated	<u>8,209,748</u>
Total fund balance	<u>13,147,948</u>
Total liabilities and fund balance	<u>\$ 17,067,028</u>



BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2008

	Special		
	Lateral Road Fund	Road and Bridge Tax Code Chapter 152 Fund	Special Road and Bridge Projects Fund
Revenues:			
Taxes	\$	\$ 1,274,161	\$
Intergovernmental	88,480		
Charges for services			
Licenses and permits			2,477,844
Special assessment			
Investment income	5,808	42,712	19,570
Miscellaneous			
Total revenues	<u>94,288</u>	<u>1,316,873</u>	<u>2,497,414</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation	111,701	1,173,315	1,946,896
Health and welfare			
Culture and recreation			
Community development			
Capital outlay		487,544	860,137
Debt Service:			
Principal			
Interest			
Total expenditures	<u>111,701</u>	<u>1,660,859</u>	<u>2,807,033</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(17,413)</u>	<u>(343,986)</u>	<u>(309,619)</u>
Other Financing Sources (Uses):			
Issuance of bonds			
Premium on the sale of bonds			
Payment to escrow agent			
Transfers in			
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenue and other financing sources over (under)expenditures and other financing uses	<u>(17,413)</u>	<u>(343,986)</u>	<u>(309,619)</u>
Fund Balance (Deficits):			
Beginning of year	<u>208,201</u>	<u>795,752</u>	<u>1,803,910</u>
End of year	<u>\$ 190,788</u>	<u>\$ 451,766</u>	<u>\$ 1,494,291</u>

Revenue Funds

Brazos Bend 2 Special Assessment Fund	Westwood Road Special Assessment Fund	Pecan Estates Road Special Assessment Fund	Hampton Road Special Assessment Fund	Rosemary Street Special Assessment Fund	TXDOT CR 403 Project Fund
\$	\$	\$	\$	\$	\$
					12,037
1,419					
<u>1,419</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>12,037</u>
12,882	55,281	28,869	49,535	8,771	15,046
<u>12,882</u>	<u>55,281</u>	<u>28,869</u>	<u>49,535</u>	<u>8,771</u>	<u>15,046</u>
<u>(11,463)</u>	<u>(55,281)</u>	<u>(28,869)</u>	<u>(49,535)</u>	<u>(8,771)</u>	<u>(3,009)</u>
143,884					3,009
<u>143,884</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,009</u>
132,421	(55,281)	(28,869)	(49,535)	(8,771)	-0-
<u>(131,002)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 1,419</u>	<u>\$(55,281)</u>	<u>\$(28,869)</u>	<u>\$(49,535)</u>	<u>\$(8,771)</u>	<u>\$ -0-</u>

(continued)

BRAZORIA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS - Continued

For the Year Ended September 30, 2008

	TJPC State Aid Fund	TJPC Community Corrections Fund	Special TJPC Salary Adjustment Funding Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	188,481	398,449	154,559
Charges for services			
Licenses and permits			
Special assessments			
Investment income			289
Miscellaneous			
Total revenues	<u>188,481</u>	<u>398,449</u>	<u>154,848</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections	259,584	519,253	154,848
Public transportation			
Health and welfare			
Culture and recreation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>259,584</u>	<u>519,253</u>	<u>154,848</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(71,103)</u>	<u>(120,804)</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Issuance of bonds			
Premium on the sale of bonds			
Payment to escrow agent			
Transfers in	71,103	120,804	
Transfers out			
Total other financing sources (uses)	<u>71,103</u>	<u>120,804</u>	<u>-0-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-0-	-0-	-0-
Fund Balance (Deficits):			
Beginning of year			
End of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Revenue Funds

TJPC Title IV-E Foster Care Fund	TJPC Progressive Sanctions JPO Fund	TJPC Progressive Sanctions Level 1-2-3 Fund	TJPC Progressive Sanctions ISP Fund	TJPC Level 5 Funding Fund	TJPC Diversionary Placement Fund
\$ 371,131	\$ 148,317	\$ 50,395	\$ 26,918	\$ 26,315	\$ 127,302
11,243	36				
<u>382,374</u>	<u>148,353</u>	<u>50,395</u>	<u>26,918</u>	<u>26,315</u>	<u>127,302</u>
382,374	156,445	78,724	41,914	26,315	127,302
<u>382,374</u>	<u>156,445</u>	<u>78,724</u>	<u>41,914</u>	<u>26,315</u>	<u>127,302</u>
<u>-0-</u>	<u>(8,092)</u>	<u>(28,329)</u>	<u>(14,996)</u>	<u>-0-</u>	<u>-0-</u>
	8,092	28,329	14,996		
<u>-0-</u>	<u>8,092</u>	<u>28,329</u>	<u>14,996</u>	<u>-0-</u>	<u>-0-</u>
-0-	-0-	-0-	-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

(continued)

BRAZORIA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS - Continued

For the Year Ended September 30, 2008

	Special		
	TJPC Intensive Community Based Program Fund	JJAEP Boot Camp Fund	CJD Juvenile Incentive Block Grant Fund
Revenues:			
Taxes	\$ 70,417	\$ 638,259	\$ 10,081
Intergovernmental			
Charges for services			
Licenses and permits			
Special assessment			
Investment income	1,528		
Miscellaneous			
Total revenues	<u>71,945</u>	<u>638,529</u>	<u>10,081</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			11,120
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections	71,945	949,704	
Public transportation			
Health and welfare			
Culture and recreation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>71,945</u>	<u>949,704</u>	<u>11,120</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>(311,175)</u>	<u>(1,039)</u>
Other Financing Sources (Uses):			
Issuance of bonds			
Premium on the sale of bonds			
Payment to escrow agent			
Transfers in		311,175	1,039
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>311,175</u>	<u>1,039</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (Deficits):			
Beginning of year			
End of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Revenue Funds

Juvenile Case Manager Fund	Family Protection Fund	State Criminal Alien Assistance Program (SCAAP) Fund	TDSHS Immunization Fund	TDSHS Supplemental Food Program WIC Fund	TDSHS Community and Rural Health Fund
\$	\$	\$	\$	\$	\$
117,009	21,180	49,812	140,702	844,349	54,399
4,265	1,854	188			28,663
161					
<u>121,435</u>	<u>23,034</u>	<u>50,000</u>	<u>140,702</u>	<u>844,349</u>	<u>83,062</u>
105,308		50,000			
			140,702	844,349	91,649
<u>105,308</u>	<u>-0-</u>	<u>50,000</u>	<u>140,702</u>	<u>844,349</u>	<u>91,649</u>
<u>16,127</u>	<u>23,034</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(8,587)</u>
					8,587
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>8,587</u>
16,127	23,034	-0-	-0-	-0-	-0-
<u>121,936</u>	<u>42,169</u>				
<u>\$ 138,063</u>	<u>\$ 65,203</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

(continued)

BRAZORIA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS - Continued

For the Year Ended September 30, 2008

	TDSHS Peer Counseling Program Fund	TDSHS WIC Registered Dietician Fund	Special TDSHS WIC Lactation Reimbursement Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	58,000	21,690	14,644
Charges for services			
Licenses and permits			
Special assessment			
Investment income			
Miscellaneous			
Total revenues	<u>58,000</u>	<u>21,690</u>	<u>14,644</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare	58,000	21,690	14,644
Culture and recreation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest			
Total expenditures	<u>58,000</u>	<u>21,690</u>	<u>14,644</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Issuance of bonds			
Premium on the sale of bonds			
Payment to escrow agent			
Transfers in			
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (Deficits):			
Beginning of year			
End of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Revenue Funds					
TDSHS WIC-OA Vendor Activities Fund	TDSHS WIC Special Allocation Fund	TDSHS WIC Obesity SHOP Fund	TDSHS WIC Obesity FIT Fund	TDSHS WIC Electronic Benefits Fund	TDSHS Cities Readiness Initiative Fund
\$ 4,314	\$ 158,443	\$ 11,370	\$ 24,956	\$ 1,332	\$ 114,263
<u>4,314</u>	<u>158,443</u>	<u>11,370</u>	<u>24,956</u>	<u>1,332</u>	<u>114,263</u>
4,314	158,443	11,370	24,956	1,332	114,263
<u>4,314</u>	<u>158,443</u>	<u>11,370</u>	<u>24,956</u>	<u>1,332</u>	<u>114,263</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>	<u>-0-</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>	<u>-0-</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

(continued)

BRAZORIA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS - Continued

For the Year Ended September 30, 2008

	TDSHS Mosquito Abatement Activities Fund	CPS Title IV-E Fund	Special CPS Title IV-E Legal Services Fund
Revenues:			
Taxes	\$ 91,519	\$ 48,257	\$ 12,371
Intergovernmental			
Charges for services			
Licenses and permits			
Special assessment			
Investment income			
Miscellaneous			
Total revenues	91,519	48,257	12,371
Expenditures:			
Current:			
General administration			57,159
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare	66,000	119,552	
Culture and recreation			
Community development			
Capital outlay	25,519		
Debt Service:			
Principal			
Interest			
Total expenditures	91,519	119,552	57,159
Excess (deficiency) of revenue over (under) expenditures	-0-	(71,295)	(44,788)
Other Financing Sources (Uses):			
Issuance of bonds			
Premium on the sale of bonds			
Payment to escrow agent			
Transfers in		71,295	44,788
Transfers out			
Total other financing sources (uses)	-0-	71,295	44,788
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses			
Fund Balance (Deficits):			
Beginning of year			
End of year	\$ -0-	\$ -0-	\$ -0-

Revenue Funds

CPS Title IV-B (Concrete) Fund	Victim Assistance Grant 02G00551 Fund	Crime Victim Assistance Fund	Justice Assistance Grant (JAG) Fund	Justice Court Technology Fund	DEA Narcotics OT Expense Program Fund
\$ 6,883	\$ 19,004	\$ 119,499	\$ 1,496	\$ 98,523	\$ 14,542
		38,387	474	16,198	
<u>6,883</u>	<u>19,004</u>	<u>157,886</u>	<u>1,970</u>	<u>114,721</u>	<u>14,542</u>
	48,907	102,738		43,039	
6,883		87,475	1,970		14,542
				10,820	
<u>6,883</u>	<u>48,907</u>	<u>190,213</u>	<u>1,970</u>	<u>53,859</u>	<u>14,542</u>
<u>-0-</u>	<u>(29,903)</u>	<u>(32,327)</u>	<u>-0-</u>	<u>60,862</u>	<u>-0-</u>
	29,903	32,327			
<u>-0-</u>	<u>29,903</u>	<u>32,327</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	-0-	-0-	-0-	60,862	-0-
				430,287	
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 491,149</u>	<u>\$ -0-</u>

(continued)

BRAZORIA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS - Continued

For the Year Ended September 30, 2008

	JP Building Security Fund	Shoreline Restoration Task Force Fund	Special State Homeland Security Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			244,788
Charges for services	23,547		
Licenses and permits			
Special assessment			
Investment income	1,075		
Miscellaneous			
Total revenues	<u>24,622</u>	<u>-0-</u>	<u>244,788</u>
Expenditures:			
Current:			
General administration			
Judicial and legal	1,607		
Financial administration			
Elections			
Public facilities			
Public safety	170		775
Corrections			
Public transportation			
Health and welfare			19,263
Culture and recreation		950	
Community development			
Capital outlay	8,869		224,750
Debt Service:			
Principal			
Interest			
Total expenditures	<u>10,646</u>	<u>950</u>	<u>244,788</u>
Excess (deficiency) of revenue over (under) expenditures	<u>13,976</u>	<u>(950)</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Issuance of bonds			
Premium on the sale of bonds			
Payment to escrow agent			
Transfers in			
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	<u>13,976</u>	<u>(950)</u>	<u>-0-</u>
Fund Balance (Deficits):			
Beginning of year	<u>24,298</u>	<u>21,367</u>	
End of year	<u>\$ 38,274</u>	<u>\$ 20,417</u>	<u>\$ -0-</u>

Revenue Funds

Tobacco Compliance Fund	Bioterrorism Grant Fund	Law Enforcement Officers Standards & Education Fund	Organized Crime Drug Enforcement Fund	Texas VINE Contract Fund	HGAC Solid Waste Grant Fund
\$	\$	\$	\$	\$	\$
	239,159	26,319	25,441	30,108	1,060
5		3,690			
		410			
5	239,159	30,419	25,441	30,108	1,060
		1,691		30,108	1,060
		75,714	25,441		
	239,159				
-0-	239,159	77,405	25,441	30,108	1,060
5-	-0-	(46,986)	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-
5	-0-	(46,986)	-0-	-0-	-0-
		115,629			
\$ 5	\$ -0-	\$ 68,643	\$ -0-	\$ -0-	\$ -0-

(continued)

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2008

	Special		
	2002 CDBG County (HUD) Fund	2003 CDBG County (HUD) Fund	2004 CDBG County (HUD) Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	4,991	4,055	42,244
Charges for services			
Licenses and permits			
Special assessment			
Investment income			
Miscellaneous			
Total revenues	<u>4,991</u>	<u>4,055</u>	<u>42,244</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Community development	4,991	4,055	42,244
Capital outlay			
Debt Service:			
Principal			
Interest			
Total expenditures	<u>4,991</u>	<u>4,055</u>	<u>42,244</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Issuance of bonds			
Premium on the sale of bonds			
Payment to escrow agent			
Transfers in			
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (Deficits):			
Beginning of year			
End of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Revenue Funds

2005 CDBG County (HUD) Fund	2006 CDBG County (HUD) Fund	2007 CDBG County (HUD) Fund	2005 Section 8 Housing Choice Vouchers Fund	2006 Section 8 Housing Choice Vouchers Fund	2007 Section 8 Housing Choice Vouchers Fund
\$ 338,178	\$ 657,074	\$ 1,180,737	\$	\$	\$ 793,153
			1,606	2,718	5,562
					3,456
<u>338,178</u>	<u>657,074</u>	<u>1,180,737</u>	<u>1,606</u>	<u>2,718</u>	<u>802,171</u>
				1,488	801,801
338,178	657,074	1,180,737			
<u>338,178</u>	<u>657,074</u>	<u>1,180,737</u>	<u>-0-</u>	<u>1,488</u>	<u>801,801</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,606</u>	<u>1,230</u>	<u>370</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	-0-	-0-	1,606	1,230	370
			42,345	32,209	16,856
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 43,951</u>	<u>\$ 33,439</u>	<u>\$ 17,226</u>

(continued)

BRAZORIA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS - Continued

For the Year Ended September 30, 2008

	<u>Special</u>		
	<u>2008 Section 8 Housing Choice Vouchers Fund</u>	<u>Records Management County Clerk Fund</u>	<u>Financial Security Fund</u>
Revenues:			
Taxes	\$ 2,605,101	\$	\$
Intergovernmental		332,196	186,958
Charges for services			
Licenses and permits			
Special assessment			
Investment income	524	37,496	3,129
Miscellaneous	<u>14,127</u>	<u> </u>	<u>356</u>
Total revenues	<u>2,619,752</u>	<u>369,692</u>	<u>190,443</u>
Expenditures:			
Current:			
General administration		173,069	
Judicial and legal			5,096
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare	2,572,446		
Culture and recreation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest			
Total expenditures	<u>2,572,446</u>	<u>173,069</u>	<u>5,096</u>
Excess (deficiency) of revenue over (under) expenditures	<u>47,306</u>	<u>196,623</u>	<u>185,347</u>
Other Financing Sources (Uses):			
Issuance of bonds			
Premium on the sale of bonds			
Payment to escrow agent			
Transfers in			
Transfers out			(200,000)
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>(200,000)</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	47,306	196,623	(14,653)
Fund Balance (Deficits):			
Beginning of year		<u>980,360</u>	<u>32,798</u>
End of year	<u>\$ 47,306</u>	<u>\$ 1,176,983</u>	<u>\$ 18,145</u>

Revenue Funds

Record Archive County Clerk Fund	Record Archive District Clerk Fund	Civil, Criminal & Probate Records Management Fund	Elections HAVA Equipment Rental Funds	Elections Services Contract Fund	Elections HAVA Grant Fund
\$	\$	\$	\$	\$	\$
324,913	27,821	130,663	62,179	154,425	6,305
64,358	4,556	26,878	1,023	1,160	
<u>389,271</u>	<u>32,377</u>	<u>157,591</u>	<u>63,202</u>	<u>155,585</u>	<u>6,305</u>
56,958		70,987			
			29,170	144,990	6,305
<u>56,958</u>	<u>-0-</u>	<u>70,987</u>	<u>29,170</u>	<u>144,990</u>	<u>6,305</u>
<u>332,313</u>	<u>32,377</u>	<u>86,604</u>	<u>34,032</u>	<u>10,595</u>	<u>-0-</u>
			(64,000)	(11,000)	
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(64,000)</u>	<u>(11,000)</u>	<u>-0-</u>
332,313	32,377	86,604	(29,968)	(405)	-0-
<u>1,552,947</u>	<u>111,939</u>	<u>829,783</u>	<u>33,077</u>	<u>21,399</u>	
<u>\$ 1,885,260</u>	<u>\$ 144,316</u>	<u>\$ 916,387</u>	<u>\$ 3,109</u>	<u>\$ 20,994</u>	<u>\$ -0-</u>

(continued)

BRAZORIA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS - Continued

For the Year Ended September 30, 2008

	Special		
	Lone Star Library Grant Fund	Law Library Fund	Graffiti Eradication Fund
Revenues:			
Taxes	\$ 58,746	\$	\$
Intergovernmental			325
Charges for services		199,285	
Licenses and permits			
Special assessment		7,909	23
Investment income		13,586	
Miscellaneous			
Total revenues	<u>58,746</u>	<u>220,780</u>	<u>348</u>
Expenditures:			
Current:			
General administration			
Judicial and legal		223,739	
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation	58,746		
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest			
Total expenditures	<u>58,746</u>	<u>223,739</u>	<u>-0-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>(2,959)</u>	<u>348</u>
Other Financing Sources (Uses):			
Issuance of bonds			
Premium on the sale of bonds			
Payment to escrow agent			
Transfers in		24,000	
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>24,000</u>	<u>-0-</u>
Excess of revenue and other financing sources over (under) expenditures and other financing uses	<u>-0-</u>	<u>21,041</u>	<u>348</u>
Fund Balance (Deficits):			
Beginning of year		254,931	442
End of year	<u>\$ -0-</u>	<u>\$ 275,972</u>	<u>\$ 790</u>

Revenue Funds

Brazoria County Toll Road Authority Fund	Mosquito Control District Fund	FEMA Welfare Fund	HGAC 911 Addressing Fund	Excess Sales Tax Fund	Economic Development Tax Abatement Fund
\$	\$ 1,973,417	\$	\$	\$	\$
	474,556	30,287	61,554		2,000
	19,294	37	360	3,939	1,224
	6,359				102,310
<u>-0-</u>	<u>2,473,626</u>	<u>30,324</u>	<u>61,914</u>	<u>3,939</u>	<u>105,534</u>
63,387					100,430
			61,554		
	1,507,830	30,324			
	69,859				
<u>63,387</u>	<u>1,577,689</u>	<u>30,324</u>	<u>61,554</u>	<u>-0-</u>	<u>100,430</u>
<u>(63,387)</u>	<u>895,937</u>	<u>-0-</u>	<u>360</u>	<u>3,939</u>	<u>5,104</u>
	482,228			(131,201)	
<u>-0-</u>	<u>482,228</u>	<u>-0-</u>	<u>-0-</u>	<u>(131,201)</u>	<u>-0-</u>
(63,387)	1,378,165	-0-	360	(127,262)	5,104
(17,803)	(4,497)		504	127,262	12,058
<u>\$(81,190)</u>	<u>\$ 1,373,668</u>	<u>\$ -0-</u>	<u>\$ 864</u>	<u>\$ -0-</u>	<u>\$ 17,162</u>

(continued)

BRAZORIA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS - Continued

For the Year Ended September 30, 2008

	Mutual Fire Protection & Disbursement Assistance Fund	Reliant Energy CARE/RELIEF Program Fund	Special Vital Statistics Fee Fund
Revenues:			
Taxes	\$ 35,657	\$	\$
Intergovernmental			18,333
Charges for services			
Licenses and permits			
Special assessment	1,135		2,027
Investment income		157,425	
Miscellaneous			
Total revenues	<u>36,792</u>	<u>157,425</u>	<u>20,360</u>
Expenditures:			
Current:	36,792		5,962
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation		113,146	
Health and welfare			
Culture and recreation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>36,792</u>	<u>113,146</u>	<u>5,962</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>44,279</u>	<u>14,398</u>
Other Financing Sources (Uses):			
Issuance of bonds		-0-	
Premium on the sale of bonds			
Payment to escrow agent			
Transfers in			
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>-0-</u>	<u>44,279</u>	<u>14,398</u>
Fund Balance (Deficits):			
Beginning of year (restated)		65,353	48,780
End of year	<u>\$ -0-</u>	<u>\$ 109,632</u>	<u>\$ 63,178</u>

Revenue Funds

Flood Protection Study Fund	United Way Emergency Assistance Fund	United Way Hurricane Ike Fund	Teen Court Fund	TCEQ LIRAP Program Fund	Child Abuse Prevention Fund
\$	\$	\$	\$	\$	\$
			950	1,019,984	675
	89,500	10,000			8
-0-	89,500	10,000	950	1,019,984	683
				1,019,984	
			3,286		
	72,551				
-0-	72,551	-0-	3,286	1,019,984	-0-
-0-	16,949	10,000	(2,336)	-0-	683
-0-	-0-	-0-	-0-	-0-	-0-
	16,949	10,000	(2,336)		683
(45,000)			40,522		100
\$(45,000)	\$ 16,949	\$ 10,000	\$ 38,186	\$ -0-	\$ 783

(continued)

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2008

	Special Revenue		
	Voter Registration Tax Office Fund	Buffer Zone Protection Program Fund	Parks Improvement Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	49,927	112,141	
Charges for services			
Licenses and permits			
Special assessment			
Investment income			
Miscellaneous			1,000
Total revenues	<u>49,927</u>	<u>112,141</u>	<u>1,000</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration	53,420		
Elections			
Public facilities			
Public safety		27,141	
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Community development			
Capital outlay	13,597	85,000	
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>67,017</u>	<u>112,141</u>	<u>-0-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(17,090)</u>	<u>-0-</u>	<u>1,000</u>
Other Financing Sources (Uses):			
Issuance of bonds			
Premium on the sale of bonds			
Payment to escrow agent			
Transfers in			
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(17,090)</u>	<u>-0-</u>	<u>1,000</u>
Fund Balance (Deficits):			
Beginning of year	<u>(149)</u>		
End of year	<u>\$(17,239)</u>	<u>\$ -0-</u>	<u>\$ 1,000</u>

Funds	Debt Service Funds				
Total Special Revenue Fund	C of O Sheriff & Detention Complex Series 1993	C of O Construction and Maintenance Series 2003	C of O Construction and Maintenance Series 2006	Unlimited Tax Road Bonds Series 2006	Total Debt Service Funds
\$ 3,247,578	\$ 1,769,636	\$ 971,725	\$ 1,004,437	\$ 1,102,792	\$ 4,848,590
12,164,821					-0-
1,700,982					-0-
2,506,507					-0-
1,419					-0-
293,901	130,996	26,354	15,653	5,256	178,259
437,127					-0-
<u>20,352,335</u>	<u>1,900,632</u>	<u>998,079</u>	<u>1,020,090</u>	<u>1,108,048</u>	<u>5,026,849</u>
1,528,629	59,007				59,007
528,490					-0-
53,420					-0-
180,465					-0-
61,554					-0-
195,753					-0-
2,961,191					-0-
3,402,296					-0-
7,036,155					-0-
59,696					-0-
2,227,279					-0-
1,786,095					-0-
-0-	2,270,000	660,000	385,000	445,000	3,760,000
-0-	683,948	296,599	610,820	880,834	2,472,201
<u>20,021,023</u>	<u>3,012,955</u>	<u>956,599</u>	<u>995,820</u>	<u>1,325,834</u>	<u>6,291,208</u>
<u>331,312</u>	<u>(1,112,323)</u>	<u>41,480</u>	<u>24,270</u>	<u>(217,786)</u>	<u>(1,264,359)</u>
-0-	9,950,000			190,000	10,140,000
-0-	312,285			18,019	330,304
-0-	(10,344,360)				(10,344,360)
1,395,559					-0-
(406,201)					-0-
<u>989,358</u>	<u>(82,075)</u>	<u>-0-</u>	<u>-0-</u>	<u>208,019</u>	<u>125,944</u>
1,320,670	(1,194,398)	41,480	24,270	(9,767)	(1,138,415)
<u>7,568,763</u>	<u>3,506,134</u>	<u>148,292</u>	<u>240,185</u>	<u>53,586</u>	<u>3,948,197</u>
<u>\$ 8,889,433</u>	<u>\$ 2,311,736</u>	<u>\$ 189,772</u>	<u>\$ 264,455</u>	<u>\$ 43,819</u>	<u>\$ 2,809,782</u>

(continued)

BRAZORIA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS - Continued

For the Year Ended September 30, 2008

	Capital Projects Funds		
	Highway Right-of-Way Acquisition Fund	County Wide Road Fund	Park CIAP Grant Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			25,103
Charges for services			
Licenses and permits			
Special assessment			
Investment income	22,980	10,200	
Miscellaneous			
Total revenues	<u>22,980</u>	<u>10,200</u>	<u>25,103</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			25,103
Community development			
Capital outlay	26,685		
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>26,685</u>	<u>-0-</u>	<u>25,103</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(3,705)</u>	<u>10,200</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Issuance of bonds			
Premium on the sale of bonds			
Payment to escrow agent			
Transfers in			
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(3,705)</u>	<u>10,200</u>	<u>-0-</u>
Fund Balance (Deficits):			
Beginning of year	<u>683,029</u>	<u>291,788</u>	<u></u>
End of year	<u>\$ 679,324</u>	<u>\$ 301,988</u>	<u>\$ -0-</u>

Projects Funds					
2003 Certificate of Obligation C & M Fund	Sheriff & Detention Complex Fund	Quintana Boat Ramp Fund	Multi-Purpose Facility Fund	Wall of Honor Fund	Total Capital Projects Funds
\$	\$	\$	\$	\$	\$
					-0-
					25,103
					-0-
					-0-
					-0-
13,274	105	479	49	272	47,359
			13,600	16,837	30,437
13,274	105	479	13,649	17,109	102,889
			15,000	4,762	19,762
24,521					24,521
					-0-
					-0-
11,473					11,473
12,171					12,171
1,290					1,290
475					475
					-0-
					25,103
					-0-
443,212					469,897
					-0-
					-0-
493,142	-0-	-0-	15,000	4,762	564,692
(479,868)	105	479	(1,351)	12,347	(461,793)
					-0-
					-0-
					-0-
			900		900
					-0-
-0-	-0-	-0-	900	-0-	900
(479,868)	105	479	(451)	12,347	(460,893)
917,783	3,902	12,623	501		1,909,626
\$ 437,915	\$ 4,007	\$ 13,102	\$ 50	\$ 12,347	\$ 1,448,733

(continued)

BRAZORIA COUNTY, TEXAS**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS - Continued
For the Year Ended September 30, 2008**Exhibit 13
Page 13 of 13

	<u>Total Non-Major Governmental Funds</u>
Revenues:	
Taxes	\$ 8,096,168
Intergovernmental	12,189,924
Charges for services	1,700,982
Licenses and permits	2,506,507
Special assessment	1,419
Investment income	519,519
Miscellaneous	<u>467,564</u>
Total revenues	<u>25,482,083</u>
Expenditures:	
Current:	
General administration	1,607,398
Judicial and legal	553,011
Financial administration	53,420
Elections	180,465
Public facilities	73,027
Public safety	207,924
Corrections	2,962,481
Public transportation	3,402,771
Health and welfare	7,036,155
Culture and recreation	84,799
Community development	2,227,279
Capital outlay	2,255,992
Debt Service:	
Principal	3,760,000
Interest and fiscal charges	<u>2,472,201</u>
Total expenditures	<u>26,876,923</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,394,840)</u>
Other Financing Sources (Uses):	
Issuance of bonds	10,140,000
Premium on the sale of bonds	330,304
Payment to escrow agent	(10,344,360)
Transfers in	1,396,459
Transfers out	<u>(406,201)</u>
Total other financing sources (uses)	<u>1,116,202</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(278,638)</u>
Fund Balance (Deficits):	
Beginning of year	<u>13,426,586</u>
End of year	<u>\$ 13,147,948</u>

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, 2008

Exhibit 14
Page 1 of 10

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration:				
County Judge:				
Salaries and wages, and employee benefits	\$ 345,890	\$ 350,690	\$ 337,992	\$ 12,698
Operating expenditures	<u>17,600</u>	<u>17,600</u>	<u>8,071</u>	<u>9,529</u>
Total County Judge	<u>363,490</u>	<u>368,290</u>	<u>346,063</u>	<u>22,227</u>
South Service Center:				
Salaries and wages, and employee benefits	271,352	277,352	268,238	9,114
Operating expenditures	<u>13,265</u>	<u>13,265</u>	<u>10,378</u>	<u>2,887</u>
Total South Service Center	<u>284,617</u>	<u>290,617</u>	<u>278,616</u>	<u>12,001</u>
Central Service Center:				
Salaries and wages, and employee benefits	314,246	316,446	304,179	12,267
Operating expenditures	<u>18,011</u>	<u>18,011</u>	<u>9,321</u>	<u>8,690</u>
Total Central Service Center	<u>332,257</u>	<u>334,457</u>	<u>313,500</u>	<u>20,957</u>
North Service Center:				
Salaries and wages, and employee benefits	330,469	331,769	321,361	10,408
Operating expenditures	24,700	24,700	14,125	10,575
Capital outlay	<u>250</u>	<u>250</u>		<u>250</u>
Total North Service Center	<u>355,419</u>	<u>356,719</u>	<u>335,486</u>	<u>21,233</u>
West Service Center:				
Salaries and wages, and employee benefits	312,008	317,308	296,644	20,664
Operating expenditures	<u>9,785</u>	<u>9,785</u>	<u>8,951</u>	<u>834</u>
Total West Service Center	<u>321,793</u>	<u>327,093</u>	<u>305,595</u>	<u>21,498</u>
Records Management:				
Salaries and wages, and employee benefits	59,304	62,104	61,976	128
Operating expenditures	<u>2,801</u>	<u>2,801</u>	<u>2,545</u>	<u>256</u>
Total records management	<u>62,105</u>	<u>64,905</u>	<u>64,521</u>	<u>384</u>
County Clerk:				
Salaries and wages, and employee benefits	2,029,362	2,037,762	1,927,812	109,950
Operating expenditures	<u>77,750</u>	<u>91,785</u>	<u>74,539</u>	<u>17,246</u>
Total County Clerk	<u>2,107,112</u>	<u>2,129,547</u>	<u>2,002,351</u>	<u>127,196</u>
Veteran's Service:				
Salaries and wages, and employee benefits	121,645	122,895	122,766	129
Operating expenditures	<u>5,180</u>	<u>5,180</u>	<u>5,337</u>	<u>(157)</u>
Total veteran's service	<u>126,825</u>	<u>128,075</u>	<u>128,103</u>	<u>(28)</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, 2008

Exhibit 14
Page 2 of 10

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration - Continued:				
Emergency Management:				
Salaries and wages, and employee benefits	\$ 188,887	\$ 285,037	\$ 253,317	\$ 31,720
Operating expenditures	48,850	156,650	142,317	14,333
Capital outlay	30,000	21,200	21,135	65
Total emergency management	267,737	462,887	416,769	46,118
Non-departmental:				
Salaries and wages, and employee benefits	250,000			-0-
Operating expenditures	1,069,900	1,527,188	1,536,122	(8,934)
Total non-departmental	1,319,900	1,527,188	1,536,122	(8,934)
Total general administration	5,541,255	5,989,778	5,727,126	262,652
Judicial and Legal:				
County Court at Law 1:				
Salaries and wages, and employee benefits	243,520	301,520	295,311	6,209
Operating expenditures	59,229	44,229	43,227	1,002
Total County Court at Law 1	302,749	345,749	338,538	7,211
County Court at Law 2:				
Salaries and wages, and employee benefits	328,474	330,674	330,564	110
Operating expenditures	34,000	34,044	29,709	4,335
Total County Court at Law 2	362,474	364,718	360,273	4,445
County Court at Law 3:				
Salaries and wages, and employee benefits	329,190	314,190	313,523	667
Operating expenditures	40,000	40,000	31,269	8,731
Total County Court at Law 3	369,190	354,190	344,792	9,398
County Court at Law 4:				
Salaries and wages, and employee benefits	327,204	328,904	328,804	100
Operating expenses	36,000	36,000	23,938	12,062
Total County Court at Law 4	363,204	364,904	352,742	12,162
Probate Court Investigations:				
Salaries and wages, and employee benefits	117,707	118,607	118,494	113
Operating expenditures	3,371	3,371	2,155	1,216
Total probate court investigations	121,078	121,978	120,649	1,329
District Courts:				
Salaries and wages, and employee benefits	1,069,696	1,069,696	1,045,211	24,485
Operating expenditures	289,605	289,605	258,234	31,371
Total district courts	1,359,301	1,359,301	1,303,445	55,856

(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, 2008

Exhibit 14
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	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Judicial and Legal - Continued:				
District Clerk:				
Salaries and wages, and employee benefits	\$ 1,587,573	\$ 1,593,873	\$ 1,488,988	\$ 104,885
Operating expenditures	<u>73,574</u>	<u>75,172</u>	<u>66,688</u>	<u>8,484</u>
Total District Clerk	<u>1,661,147</u>	<u>1,669,045</u>	<u>1,555,676</u>	<u>113,369</u>
Justice of the Peace Pct. 1, Pl. 1:				
Salaries and wages, and employee benefits	316,178	317,428	317,347	81
Operating expenditures	<u>8,225</u>	<u>8,225</u>	<u>5,948</u>	<u>2,277</u>
Total Justice of the Peace Pct. 1, Pl. 1	<u>324,403</u>	<u>325,653</u>	<u>323,295</u>	<u>2,358</u>
Justice of the Peace Pct. 1, Pl. 2:				
Salaries and wages, and employee benefits	334,716	334,716	320,898	13,818
Operating expenditures	<u>7,180</u>	<u>7,375</u>	<u>5,261</u>	<u>2,114</u>
Total Justice of the Peace Pct. 1, Pl. 2	<u>341,896</u>	<u>342,091</u>	<u>326,159</u>	<u>15,932</u>
Justice of the Peace Pct. 2, Pl. 1:				
Salaries and wages, and employee benefits	341,884	342,884	323,740	19,144
Operating expenditures	<u>10,825</u>	<u>11,332</u>	<u>10,158</u>	<u>1,174</u>
Total Justice of the Peace Pct. 2, Pl. 1	<u>352,709</u>	<u>354,216</u>	<u>333,898</u>	<u>20,318</u>
Justice of the Peace Pct. 2, Pl. 2:				
Salaries and wages, and employee benefits	376,909	400,168	391,786	8,382
Operating expenditures	<u>29,900</u>	<u>31,156</u>	<u>29,503</u>	<u>1,653</u>
Total Justice of the Peace Pct. 2, Pl. 2	<u>406,809</u>	<u>431,324</u>	<u>421,289</u>	<u>10,035</u>
Justice of the Peace Pct. 3, Pl. 1:				
Salaries and wages, and employee benefits	306,797	306,797	289,155	17,642
Operating expenditures	<u>9,475</u>	<u>9,475</u>	<u>8,692</u>	<u>783</u>
Total Justice of the Peace Pct. 3, Pl. 1	<u>316,272</u>	<u>316,272</u>	<u>297,847</u>	<u>18,425</u>
Justice of the Peace Pct. 3, Pl. 2:				
Salaries and wages, and employee benefits	251,146	251,146	246,355	4,791
Operating expenditures	<u>8,325</u>	<u>8,325</u>	<u>6,423</u>	<u>1,902</u>
Total Justice of the Peace Pct. 3, Pl. 2	<u>259,471</u>	<u>259,471</u>	<u>252,778</u>	<u>6,693</u>
Justice of the Peace Pct. 4, Pl. 1:				
Salaries and wages, and employee benefits	360,639	361,039	344,636	16,403
Operating expenditures	<u>22,896</u>	<u>22,896</u>	<u>19,009</u>	<u>3,887</u>
Total Justice of the Peace Pct. 4, Pl. 1	<u>383,535</u>	<u>383,935</u>	<u>363,645</u>	<u>20,290</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, 2008

Exhibit 14
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	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	\$ 317,184	\$ 317,184	\$ 310,891	\$ 6,293
Operating expenditures	<u>17,250</u>	<u>17,250</u>	<u>13,693</u>	<u>3,557</u>
Total Justice of the Peace Pct. 4, Pl. 2	<u>334,434</u>	<u>334,434</u>	<u>324,584</u>	<u>9,850</u>
District Attorney:				
Salaries and wages, and employee benefits	4,115,405	4,300,645	4,269,456	31,189
Operating expenditures	<u>106,460</u>	<u>252,990</u>	<u>196,299</u>	<u>56,691</u>
Total District Attorney	<u>4,221,865</u>	<u>4,553,635</u>	<u>4,465,755</u>	<u>87,880</u>
Juror Fees and Costs:				
Operating expenditures	<u>320,000</u>	<u>409,000</u>	<u>388,360</u>	<u>20,640</u>
Total juror fees and costs	<u>320,000</u>	<u>409,000</u>	<u>388,360</u>	<u>20,640</u>
Judicial Miscellaneous:				
Salaries and wages, and employee benefits	15,000	32,500	32,748	(248)
Operating expenditures	<u>1,317,500</u>	<u>1,293,367</u>	<u>1,192,882</u>	<u>100,485</u>
Total judicial miscellaneous	<u>1,332,500</u>	<u>1,325,867</u>	<u>1,225,630</u>	<u>100,237</u>
Indigent Defense:				
Operating expenditures	<u>1,734,000</u>	<u>2,164,000</u>	<u>2,074,964</u>	<u>89,036</u>
Total indigent defense	<u>1,734,000</u>	<u>2,164,000</u>	<u>2,074,964</u>	<u>89,036</u>
Child Support:				
Salaries and wages, and employee benefits	197,501	197,501	195,746	1,755
Operating expenditures	<u>6,342</u>	<u>6,342</u>	<u>4,476</u>	<u>1,866</u>
Total child support	<u>203,843</u>	<u>203,843</u>	<u>200,222</u>	<u>3,621</u>
Bail Bond Board:				
Salaries and wages, and employee benefits	94,235	94,885	94,827	58
Operating expenditures	<u>2,095</u>	<u>2,095</u>	<u>1,827</u>	<u>268</u>
Total bail bond board	<u>96,330</u>	<u>96,980</u>	<u>96,654</u>	<u>326</u>
Total judicial and legal	<u>15,167,210</u>	<u>16,080,606</u>	<u>15,471,195</u>	<u>609,411</u>
Financial Administration:				
County Auditor:				
Salaries and wages, and employee benefits	998,422	1,001,822	941,359	60,463
Operating expenditures	<u>16,705</u>	<u>16,705</u>	<u>6,487</u>	<u>10,218</u>
Total county auditor	<u>1,015,127</u>	<u>1,018,527</u>	<u>947,846</u>	<u>70,681</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, 2008

Exhibit 14
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	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Financial Administration - Continued:				
Purchasing:				
Salaries and wages, and employee benefits	\$ 405,470	\$ 411,370	\$ 392,766	\$ 18,604
Operating expenditures	<u>21,063</u>	<u>21,502</u>	<u>16,896</u>	<u>4,606</u>
Total purchasing	<u>426,533</u>	<u>432,872</u>	<u>409,662</u>	<u>23,210</u>
County Treasurer:				
Salaries and wages, and employee benefits	236,464	236,964	236,924	40
Operating expenditures	<u>167,399</u>	<u>167,399</u>	<u>155,931</u>	<u>11,468</u>
Total County Treasurer	<u>403,863</u>	<u>404,363</u>	<u>392,855</u>	<u>11,508</u>
Human Resources:				
Salaries and wages, and employee benefits	396,470	356,970	351,719	5,251
Operating expenditures	<u>35,713</u>	<u>38,713</u>	<u>34,897</u>	<u>3,186</u>
Total human resources	<u>432,183</u>	<u>385,683</u>	<u>386,616</u>	<u>9,067</u>
Tax Assessor-Collector:				
Salaries and wages, and employee benefits	2,382,946	2,408,946	2,260,063	148,883
Operating expenditures	<u>208,242</u>	<u>251,245</u>	<u>194,353</u>	<u>56,892</u>
Total Tax Assessor-Collector	<u>2,591,188</u>	<u>2,660,191</u>	<u>2,454,416</u>	<u>205,775</u>
Information Systems:				
Salaries and wages, and employee benefits	1,625,644	1,636,444	1,624,095	12,349
Operating expenditures	1,859,516	1,919,774	1,842,166	77,608
Capital outlay		<u>5,879</u>	<u>5,879</u>	<u>-0-</u>
Total information systems	<u>3,485,160</u>	<u>3,562,097</u>	<u>3,472,140</u>	<u>89,957</u>
Appraisal District Assessment:				
Operating expenditures	<u>514,000</u>	<u>502,000</u>	<u>501,912</u>	<u>88</u>
Total appraisal district assessment	<u>514,000</u>	<u>502,000</u>	<u>501,912</u>	<u>88</u>
Total financial administration	<u>8,868,054</u>	<u>8,975,733</u>	<u>8,565,447</u>	<u>410,286</u>
Elections:				
Salaries and wages, and employee benefits	153,000	133,000	123,216	9,784
Operating expenditures	<u>115,650</u>	<u>405,726</u>	<u>388,598</u>	<u>17,128</u>
Total elections	<u>268,650</u>	<u>538,726</u>	<u>511,814</u>	<u>26,912</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, 2008

Exhibit 14
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	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Facilities:				
Courthouses and Associated Buildings:				
Salaries and wages, and employee benefits	\$ 1,359,841	\$ 1,302,041	\$ 1,222,920	\$ 79,121
Operating expenditures	1,388,470	1,495,401	1,308,185	187,216
Capital outlay	30,000	64,648	57,314	7,334
Total courthouses and associated buildings	<u>2,778,311</u>	<u>2,862,090</u>	<u>2,288,419</u>	<u>273,671</u>
Construction Management:				
Salaries and wages, and employee benefits		71,500	50,102	21,398
Operating expenditures		2,000	962	1,038
Total construction management	<u>-0-</u>	<u>73,500</u>	<u>51,064</u>	<u>22,436</u>
Property Insurance:				
Operating expenditures	800,000	738,252	715,894	22,358
Total property insurance	<u>800,000</u>	<u>738,252</u>	<u>715,894</u>	<u>22,358</u>
Total public facilities	<u>3,578,311</u>	<u>3,673,842</u>	<u>3,355,377</u>	<u>318,465</u>
Public Safety:				
County Sheriff:				
Salaries and wages, and employee benefits	10,375,770	11,928,770	11,666,264	262,506
Operating expenditures	1,638,128	1,839,585	1,815,036	24,549
Capital outlay	566,015	861,050	858,125	2,925
Total County Sheriff	<u>12,579,913</u>	<u>14,629,405</u>	<u>14,339,425</u>	<u>289,980</u>
Texas Department of Public Safety:				
Salaries and wages, and employee benefits	121,920	124,820	113,299	11,521
Operating expenditures		200	94	106
Total Texas Department of Public Safety:	<u>121,920</u>	<u>125,020</u>	<u>113,393</u>	<u>11,627</u>
Constable – Precinct 1:				
Salaries and wages, and employee benefits	289,408	308,508	308,167	341
Operating expenditures	15,200	16,335	8,722	7,613
Capital outlay	60,000	60,000	59,779	221
Total Constable – Precinct 1	<u>364,608</u>	<u>384,843</u>	<u>376,668</u>	<u>8,175</u>
Constable – Precinct 2:				
Salaries and wages, and employee benefits	291,020	307,620	307,550	70
Operating expenditures	33,358	33,284	29,073	4,211
Capital outlay	40,000	42,210	42,208	2
Total Constable – Precinct 2	<u>364,378</u>	<u>383,114</u>	<u>378,831</u>	<u>4,283</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, 2008

Exhibit 14
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	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Safety - Continued:				
Constable – Precinct 3:				
Salaries and wages, and employee benefits	\$ 290,875	\$ 309,275	\$ 304,722	\$ 4,553
Operating expenditures	34,715	35,340	29,450	5,890
Capital outlay	80,000	82,300	77,321	4,979
Total Constable – Precinct 3	<u>405,590</u>	<u>426,915</u>	<u>411,493</u>	<u>15,422</u>
Constable – Precinct 4:				
Salaries and wages, and employee benefits	290,237	308,337	307,403	934
Operating expenses	30,758	32,984	23,091	9,893
Capital outlay	80,000	83,910	73,935	9,975
Total Constable – Precinct 4	<u>400,995</u>	<u>425,231</u>	<u>404,429</u>	<u>20,802</u>
Inmate Community Service Work Program:				
Salaries and wages, and employee benefits	80,172	80,172	75,800	4,372
Operating expenditures	41,309	42,809	41,368	1,441
Capital outlay	23,700	24,209	24,209	-0-
Total inmate community service work program	<u>145,181</u>	<u>147,190</u>	<u>141,377</u>	<u>5,813</u>
Ambulance EMS:				
Operating expenditures	72,000	72,000	72,000	-0-
Total ambulance EMS	<u>72,000</u>	<u>72,000</u>	<u>72,000</u>	<u>-0-</u>
Fire Protection:				
Operating expenditures	536,000	634,000	613,906	20,094
Total fire protection	<u>536,000</u>	<u>634,000</u>	<u>613,906</u>	<u>20,094</u>
Total public safety	<u>14,990,585</u>	<u>17,227,718</u>	<u>16,851,522</u>	<u>376,196</u>
Corrections:				
Detention Center:				
Salaries and wages, and employee benefits	8,865,887	9,509,087	9,390,915	118,172
Operating expenditures	4,023,642	4,777,149	4,643,595	133,554
Capital outlay	142,342	411,328	238,128	173,200
Total detention center	<u>13,031,871</u>	<u>14,697,564</u>	<u>14,272,638</u>	<u>424,926</u>
Juvenile Probation:				
Salaries and wages, and employee benefits	3,819,264	3,694,864	3,543,832	151,032
Operating expenditures	558,330	638,444	552,753	85,691
Capital outlay	40,000	62,325	62,324	1
Total juvenile probation	<u>4,417,594</u>	<u>4,395,633</u>	<u>4,158,909</u>	<u>236,724</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, 2008

Exhibit 14
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	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Adult Probation:				
Operating expenditures	\$ 69,474	\$ 69,474	\$ 68,181	\$ 1,293
Total adult probation	69,474	69,474	68,181	1,293
Total corrections	17,518,939	19,162,671	18,499,728	662,943
Health and Welfare:				
Health Department:				
Salaries and wages, and employee benefits	748,408	758,008	698,894	59,114
Operating expenditures	59,023	74,966	63,139	11,827
Total health department	807,431	832,974	762,033	70,941
Environmental Health:				
Salaries and wages, and employee benefits	634,557	722,157	686,127	36,030
Other charges	42,792	102,792	59,104	43,688
Total environmental health	677,349	824,949	745,231	79,718
Child Protective Services:				
Operating expenditures	92,300	99,940	70,965	28,975
Total child protective services	92,300	99,940	70,965	28,975
Water Lab:				
Salaries and wages, and employee benefits	165,441	172,441	172,254	187
Operating expenditures	42,825	42,825	37,702	5,123
Total water lab	208,266	215,266	209,956	5,310
County Welfare:				
Salaries and wages, and employee benefits	114,546	144,946	147,123	(2,177)
Operating expenditures	16,550	16,550	9,117	7,433
Total county welfare	131,096	161,496	156,240	5,256
Indigent Health Care:				
Salaries and wages, and employee benefits	77,494	79,194	76,916	2,278
Operating expenditures	2,059,227	1,105,517	888,035	217,482
Total indigent health care	2,136,721	1,184,711	964,951	219,760
Total health and welfare	4,053,163	3,319,336	2,909,376	409,960
Public Assistance:				
Mental Health-Mental Retardation:				
Operating expenditures	220,000	220,000	220,000	-0-
Total mental health-mental retardation	220,000	220,000	220,000	-0-
Actions, Inc.:				
Operating expenditures	50,000	50,000	50,000	-0-
Total Actions, Inc.	50,000	50,000	50,000	-0-

(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, 2008

Exhibit 14
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	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Assistance - Continued:				
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	296,000	296,000	296,000	-0-
Culture and Recreation:				
Library:				
Salaries and wages, and employee benefits	3,763,590	3,767,990	3,637,807	130,183
Operating expenditures	952,087	1,249,545	1,041,911	207,634
Capital outlay	8,300	15,145	15,145	-0-
Total library	4,723,977	5,032,680	4,694,863	337,817
Parks and Recreation:				
Salaries and wages, and employee benefits	1,545,415	1,588,635	1,561,290	27,345
Operating expenditures	608,200	723,105	595,576	157,529
Capital outlay	92,139	152,383	152,379	4
Total parks and recreation	2,245,754	2,464,123	2,309,245	154,878
Fairgrounds:				
Salaries and wages, and employee benefits	29,209	31,409	30,884	525
Operating expenditures	72,000	137,000	134,298	2,702
Capital outlay	100,000	34,100		34,100
Total fairgrounds	201,209	202,509	165,182	37,327
Museum Supplement:				
Salaries and wages, and employee benefits	395,890	397,690	386,639	11,051
Operating expenditures	24,425	24,425	19,922	4,503
Capital outlay	46,710			-0-
Total museum supplement	467,025	422,115	406,561	15,554
Total culture and recreation	7,637,965	8,121,427	7,575,851	545,576
Conservation:				
Salaries and wages, and employee benefits	385,934	386,334	366,900	19,434
Operating expenditures	25,650	25,650	26,315	(665)
Total conservation	411,584	411,984	393,215	18,769

(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, 2008

Exhibit 14
Page 10 of 10

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Environmental protection:				
Flood Plain Administrator:				
Salaries and wages, and employee benefits	\$ 189,666	\$ 195,566	\$ 194,766	\$ 800
Operating expenditures	5,465	5,564	4,636	829
Total flood plan administrator	195,131	201,031	199,402	1,629
Total environmental protection	195,131	201,031	199,402	1,629
Total current expenditures	\$ 78,526,847	\$ 83,998,852	\$ 80,356,053	\$ 3,642,799

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 15

For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Transportation:				
Engineers Office:				
Salaries and wages, and employee benefits	\$ 9,582,345	\$ 10,212,345	\$ 9,803,385	\$ 408,960
Operating expenditures	7,958,999	10,856,416	7,967,629	2,888,787
Capital outlay	<u>3,191,756</u>	<u>3,388,981</u>	<u>2,792,972</u>	<u>596,009</u>
Total public transportation	<u>20,733,100</u>	<u>24,457,742</u>	<u>20,563,986</u>	<u>3,893,756</u>
Total current expenditures	<u>\$ 20,733,100</u>	<u>\$ 24,457,742</u>	<u>\$ 20,563,986</u>	<u>\$ 3,893,756</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, 2008

	Lateral Road Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$	\$	\$	\$ -0-
Intergovernmental	86,500	86,500	88,480	1,980
Investment income	<u>5,000</u>	<u>5,000</u>	<u>5,808</u>	<u>808</u>
Total revenues	<u>91,500</u>	<u>91,500</u>	<u>94,288</u>	<u>2,788</u>
Expenditures:				
Current:				
Public Transportation:				
Operating expenditures	212,000	219,595	111,701	107,894
Capital outlay	<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
Total public transportation	<u>212,000</u>	<u>219,595</u>	<u>111,701</u>	<u>107,894</u>
Total expenditures	<u>212,000</u>	<u>219,595</u>	<u>111,701</u>	<u>107,894</u>
Excess (deficiency) of revenues over expenditures	(120,500)	(128,095)	(17,413)	110,682
Other Financing Sources (Uses):				
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
Net change in fund balances	(120,500)	(128,095)	(17,413)	110,682
Fund balances – beginning	<u>208,201</u>	<u>208,201</u>	<u>208,201</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 87,701</u>	<u>\$ 80,106</u>	<u>\$ 190,788</u>	<u>\$ 110,682</u>

<u>Road and Bridge Tax Code Chapter 152 Fund</u>			
<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<u>Original</u>	<u>Final</u>		
\$ 1,400,000	\$ 1,400,000	\$ 1,274,161	\$ (125,839)
<u>100,000</u>	<u>100,000</u>	<u>42,712</u>	<u>(57,288)</u>
<u>1,500,000</u>	<u>1,500,000</u>	<u>1,316,873</u>	<u>(183,127)</u>
1,900,000	1,963,150	1,173,315	789,835
<u>1,900,000</u>	<u>1,963,150</u>	<u>487,544</u>	<u>(487,544)</u>
<u>1,900,000</u>	<u>1,963,150</u>	<u>1,660,859</u>	<u>302,291</u>
<u>1,900,000</u>	<u>1,963,150</u>	<u>1,660,859</u>	<u>302,291</u>
(400,000)	(463,150)	(343,986)	119,164
<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
(400,000)	(463,150)	(343,986)	119,164
<u>795,752</u>	<u>795,752</u>	<u>795,752</u>	<u>-0-</u>
<u>\$ 395,752</u>	<u>\$ 332,602</u>	<u>\$ 451,766</u>	<u>\$ 119,164</u>

(continued)

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, 2008

	Special Road and Bridge Projects Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Charges for services	\$	\$	\$	\$ -0-
Licenses and permits	2,200,000	2,200,000	2,477,844	277,844
Investment income	30,000	30,000	19,570	(10,430)
Miscellaneous				-0-
Total revenues	<u>2,230,000</u>	<u>2,230,000</u>	<u>2,497,414</u>	<u>267,414</u>
Expenditures:				
Current:				
Judicial and Legal:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
Capital outlay				-0-
Total judicial and legal	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Public Transportation:				
Operating expenditures	3,000,000	3,120,132	1,946,896	1,173,236
Capital outlay			<u>860,137</u>	<u>(860,137)</u>
Total public transportation	<u>3,000,000</u>	<u>3,120,132</u>	<u>2,807,033</u>	<u>313,099</u>
Total expenditures	<u>3,000,000</u>	<u>3,120,132</u>	<u>2,807,033</u>	<u>313,099</u>
Excess (deficiency) of revenues over expenditures	<u>(770,000)</u>	<u>(890,132)</u>	<u>(309,619)</u>	<u>580,513</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u>(770,000)</u>	<u>(890,132)</u>	<u>(309,619)</u>	<u>580,513</u>
Fund balances – beginning	<u>1,803,910</u>	<u>1,803,910</u>	<u>1,803,910</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 1,033,910</u>	<u>\$ 913,778</u>	<u>\$ 1,494,291</u>	<u>\$ 580,513</u>

Law Library Fund

Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 200,000	\$ 200,000	\$ 199,285	\$(715)
			-0-
10,000	10,000	7,909	(2,091)
<u>9,500</u>	<u>9,500</u>	<u>13,586</u>	<u>4,086</u>
<u>219,500</u>	<u>219,500</u>	<u>220,780</u>	<u>1,280</u>
52,853	53,223	53,207	16
149,600	186,600	170,532	16,068
<u>13,000</u>	<u>12,630</u>		<u>12,630</u>
<u>215,453</u>	<u>252,453</u>	<u>223,739</u>	<u>28,714</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>215,453</u>	<u>253,453</u>	<u>223,739</u>	<u>28,714</u>
<u>4,047</u>	<u>(32,953)</u>	<u>(2,959)</u>	<u>29,994</u>
<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>-0-</u>
<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>-0-</u>
28,047	(8,953)	21,041	29,994
<u>254,931</u>	<u>254,931</u>	<u>254,931</u>	<u>-0-</u>
<u>\$ 282,978</u>	<u>\$ 245,978</u>	<u>\$ 275,972</u>	<u>\$ 29,994</u>

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, 2008

	Mosquito Control District Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 2,010,028	\$ 2,010,028	\$ 1,973,417	\$(36,611)
Intergovernmental	15,700	15,700	474,556	458,856
Investment income	7,728	7,728	19,294	11,566
Miscellaneous			6,359	6,359
Total revenues	<u>2,033,456</u>	<u>2,033,456</u>	<u>2,473,626</u>	<u>440,170</u>
Expenditures:				
Current:				
Judicial and Legal:				
Salaries and wages, and employee benefits	1,066,496	1,082,196	942,900	139,296
Operating expenditures	908,760	917,439	564,930	352,509
Capital outlay	42,500	70,495	69,589	636
Total judicial and legal	<u>2,017,756</u>	<u>2,070,130</u>	<u>1,577,689</u>	<u>492,441</u>
Total expenditures	<u>2,017,756</u>	<u>2,070,130</u>	<u>1,577,689</u>	<u>492,441</u>
Excess (deficiency) of revenues over expenditures	<u>15,700</u>	<u>(36,674)</u>	<u>895,937</u>	<u>932,611</u>
Other Financing Sources (Uses):				
Transfers in			482,228	(482,228)
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>482,228</u>	<u>(482,228)</u>
Net change in fund balances	15,700	(36,674)	1,378,165	450,383
Fund balances – beginning	(4,497)	(4,497)	(4,497)	-0-
Fund balances – ending	<u>\$ 11,203</u>	<u>\$(41,171)</u>	<u>\$ 1,373,668</u>	<u>\$ 450,383</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, 2008

	<u>C of O Sheriff & Detention Complex – Series 1993</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,769,273	\$ 1,769,273	\$ 1,769,636	\$ 363
Investment income	<u>50,000</u>	<u>50,000</u>	<u>130,996</u>	<u>80,996</u>
Total revenues	<u>1,819,273</u>	<u>1,819,273</u>	<u>1,900,632</u>	<u>81,359</u>
Expenditures:				
Current:				
General administration		59,100	59,007	93
Debt Service:				
Principal on long-term debt	2,270,000	2,270,000	2,270,000	-0-
Interest on long-term debt	<u>747,444</u>	<u>861,894</u>	<u>683,948</u>	<u>177,946</u>
Total expenditures	<u>3,017,444</u>	<u>3,190,994</u>	<u>3,012,955</u>	<u>178,039</u>
Excess (deficiency) of revenues over expenditures	<u>(1,198,171)</u>	<u>(1,371,721)</u>	<u>(1,112,323)</u>	<u>259,398</u>
Other Financing Sources (Uses):				
Issuance of bonds			9,950,000	9,950,000
Premium on the sale of bonds			312,285	312,285
Payment to escrow agent		<u>(10,345,000)</u>	<u>(10,344,360)</u>	<u>640</u>
Total other financing sources (uses)	<u>-0-</u>	<u>(10,345,000)</u>	<u>(82,075)</u>	<u>10,262,925</u>
Net change in fund balances	<u>(1,198,171)</u>	<u>(11,716,721)</u>	<u>(1,194,398)</u>	<u>10,522,323</u>
Fund balances – beginning	<u>3,506,134</u>	<u>3,506,134</u>	<u>3,506,134</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 2,307,963</u>	<u>\$ (8,210,587)</u>	<u>\$ 2,311,736</u>	<u>\$ 10,522,323</u>

C of O Construction and Maintenance – Series 2003

<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<u>Original</u>	<u>Final</u>		
\$ 975,454	\$ 975,454	\$ 971,725	\$ (3,729)
<u>50,000</u>	<u>50,000</u>	<u>26,354</u>	<u>(23,646)</u>
<u>1,025,454</u>	<u>1,025,454</u>	<u>998,079</u>	<u>(27,375)</u>
			-0-
660,000	660,000	660,000	-0-
<u>297,299</u>	<u>297,299</u>	<u>296,599</u>	<u>700</u>
<u>957,299</u>	<u>957,299</u>	<u>956,599</u>	<u>700</u>
<u>68,155</u>	<u>68,155</u>	<u>41,480</u>	<u>(26,675)</u>
			-0-
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
68,155	68,155	41,480	(26,675)
<u>148,292</u>	<u>148,292</u>	<u>148,292</u>	<u>-0-</u>
<u>\$ 216,447</u>	<u>\$ 216,447</u>	<u>\$ 189,772</u>	<u>\$ (26,675)</u>

(continued)

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2008

Exhibit 17
Page 2 of 2

	<u>C of O Construction and Maintenance – Series 2006</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,015,866	\$ 1,015,866	\$ 1,004,437	\$(11,439)
Investment income	<u>100,000</u>	<u>100,000</u>	<u>15,653</u>	<u>(84,347)</u>
Total revenues	<u>1,115,866</u>	<u>1,115,866</u>	<u>1,020,090</u>	<u>(95,776)</u>
Expenditures:				
Debt Service:				
Principal on long-term debt	385,000	385,000	385,000	-0-
Interest on long-term debt	<u>611,820</u>	<u>611,820</u>	<u>610,820</u>	<u>1,000</u>
Total expenditures	<u>996,820</u>	<u>996,820</u>	<u>995,820</u>	<u>1,000</u>
Excess (deficiency) of revenues over expenditures	<u>119,046</u>	<u>119,046</u>	<u>24,270</u>	<u>(94,776)</u>
Other Financing Sources (Uses):				
Issuance of bonds				-0-
Premium on the sale of bonds				<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	119,046	119,046	24,270	(94,776)
Fund balances – beginning	<u>240,185</u>	<u>240,185</u>	<u>240,185</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 359,231</u>	<u>\$ 359,231</u>	<u>\$ 264,455</u>	<u>\$(94,776)</u>

Unlimited Tax Road Bonds – Series 2006

Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 1,123,250	\$ 1,123,250	\$ 1,102,792	\$(20,458)
<u>15,000</u>	<u>15,000</u>	<u>5,256</u>	<u>(9,744)</u>
<u>1,138,250</u>	<u>1,138,250</u>	<u>1,108,048</u>	<u>(30,202)</u>
445,000	445,000	445,000	-0-
<u>656,756</u>	<u>872,876</u>	<u>880,834</u>	<u>(7,958)</u>
<u>1,101,756</u>	<u>1,317,876</u>	<u>1,325,834</u>	<u>(7,958)</u>
<u>36,494</u>	<u>(179,626)</u>	<u>(217,786)</u>	<u>(38,160)</u>
	190,000	190,000	-0-
	<u>18,020</u>	<u>18,019</u>	<u>(1)</u>
<u>-0-</u>	<u>208,020</u>	<u>208,019</u>	<u>(1)</u>
36,494	28,394	(9,767)	(38,161)
<u>53,586</u>	<u>53,586</u>	<u>53,586</u>	<u>-0-</u>
<u>\$ 90,080</u>	<u>\$ 81,980</u>	<u>\$ 43,819</u>	<u>\$(38,161)</u>

BRAZORIA COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL - ENTERPRISE FUND (AIRPORT)**

For the Year Ended September 30, 2008

Exhibit 18

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Sales:				
Fuel and supplies	\$ 1,212,388	\$ 1,857,183	\$ 2,010,408	\$ 153,225
Cost of sales	<u>971,133</u>	<u>1,566,033</u>	<u>1,610,354</u>	<u>(44,321)</u>
Gross profit	241,255	291,150	400,054	108,904
Other Revenue:				
Rentals	361,320	361,320	364,605	3,285
Fees	293,324	293,324	281,009	(12,315)
Miscellaneous	<u>25,200</u>	<u>25,200</u>	<u>26,882</u>	<u>1,682</u>
Net operating revenue	<u>921,099</u>	<u>970,994</u>	<u>1,072,550</u>	<u>101,556</u>
Operating Expenses:				
Salaries and wages	423,188	389,130	375,974	13,156
Employee benefits	153,353	141,011	136,244	4,767
Supplies	73,045	125,779	112,863	12,916
Other charges	170,437	293,482	207,406	86,076
Depreciation			<u>810,028</u>	<u>(810,028)</u>
Total operating expenses	<u>820,023</u>	<u>949,402</u>	<u>1,642,515</u>	<u>(693,113)</u>
Operating income (loss)	<u>101,076</u>	<u>21,592</u>	<u>(569,965)</u>	<u>(591,557)</u>
Non-Operating Revenues (Expenses):				
Interest			1,742	1,742
Gain (loss) in sale of assets			500	500
Operating grant revenue			5,498	5,498
Interest and fiscal charges	<u>(10,755)</u>	<u>(10,755)</u>	<u>(10,755)</u>	
Total non-operating revenues (expenses)	<u>(10,755)</u>	<u>(10,755)</u>	<u>(3,015)</u>	<u>7,740</u>
Net income (loss) before contributions and transfers	90,321	10,837	(572,980)	(583,817)
Capital contributions			141,668	141,668
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-0-</u>
Change in net assets	190,321	110,837	(331,312)	(442,149)
Net Assets:				
Total net assets – beginning of year	<u>11,547,295</u>	<u>11,547,295</u>	<u>11,547,295</u>	<u>-0-</u>
Total net assets – end of year	<u>\$ 11,737,616</u>	<u>\$ 11,658,132</u>	<u>\$ 11,215,983</u>	<u>\$ (442,149)</u>

BRAZORIA COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS -
INTERNAL SERVICE FUNDS
September 30, 2008

Exhibit 19

	<u>Self Insurance Liability</u>	<u>Self Insurance Health</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Cash and temporary investments	\$ 1,595,863	\$ 722,406	\$ 2,318,269
Accounts receivable		741,683	741,683
Prepaid expenses		<u>58,205</u>	<u>58,205</u>
Total assets	<u>\$ 1,595,863</u>	<u>\$ 1,522,294</u>	<u>\$ 3,118,157</u>
 <u>Liabilities and Fund Balance</u>			
Current Liabilities:			
Accounts and accrued liabilities payable	\$ 24,898	\$ 34,680	\$ 59,578
Due to other funds		58,748	58,748
Estimated claims payable	<u>400,000</u>	<u>738,961</u>	<u>1,138,961</u>
Total liabilities	<u>424,898</u>	<u>832,389</u>	<u>1,257,287</u>
 <u>Net Assets</u>			
Unrestricted	<u>1,170,965</u>	<u>689,905</u>	<u>1,860,870</u>
Total net assets	<u>1,170,965</u>	<u>689,905</u>	<u>1,860,870</u>
Total liabilities and net assets	<u>\$ 1,595,863</u>	<u>\$ 1,522,294</u>	<u>\$ 3,118,157</u>

BRAZORIA COUNTY, TEXAS**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - INTERNAL SERVICE FUNDS**

For the Year Ended September 30, 2008

Exhibit 20

	<u>Self Insurance Liability</u>	<u>Self Insurance Health</u>	<u>Total</u>
Operating Revenues:			
Contributions for self insurance	\$ 80,000	\$ 9,943,911	\$ 10,023,911
Total operating revenues	<u>80,000</u>	<u>9,943,911</u>	<u>10,023,911</u>
Operating Expenses:			
Legal expenses and settlements	108,083		108,083
Health claims expense		8,000,844	8,000,844
Administrative expense		<u>1,611,904</u>	<u>1,611,904</u>
Total operating expenses	<u>108,083</u>	<u>9,612,748</u>	<u>9,720,831</u>
Operating income (loss)	(28,083)	331,163	303,080
Non-Operating Revenue (Expense):			
Investment income	<u>48,864</u>	<u>9</u>	<u>48,873</u>
Net income (loss)	20,781	331,172	351,953
Net assets – beginning of year	<u>1,150,184</u>	<u>358,733</u>	<u>1,508,917</u>
Net assets – end of year	<u>\$ 1,170,965</u>	<u>\$ 689,905</u>	<u>\$ 1,860,870</u>

BRAZORIA COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2008

Exhibit 21

	<u>Self Insurance Liability</u>	<u>Self Insurance Health</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash flows received from employees and other funds	\$ 80,000	\$ 9,329,770	\$ 9,409,770
Cash paid to and on behalf of employees	(83,307)	(7,976,365)	(7,976,365)
Cash paid to suppliers and others	<u>(83,307)</u>	<u>(1,617,270)</u>	<u>(1,700,577)</u>
Net cash provided (used) by operating activities	<u>(3,307)</u>	<u>(263,865)</u>	<u>(267,172)</u>
Cash Flows From Non-Capital Financing Activities:			
Net cash provided (used) by non-capital financing activities	<u> </u>	<u> </u>	<u>-0-</u>
Cash Flows from Capital and Financing Activities:			
Net cash provided (used) by capital and financing activities	<u> </u>	<u> </u>	<u>-0-</u>
Cash Flows from Investing Activities:			
Investment income	<u>48,864</u>	<u>9</u>	<u>48,873</u>
Net cash provided (used) by investment activities	<u>48,864</u>	<u>9</u>	<u>48,873</u>
Net increase (decrease) in cash	45,557	(263,856)	(218,299)
Cash and temporary investments - beginning of year	<u>1,550,306</u>	<u>986,262</u>	<u>2,536,568</u>
Cash and temporary investments - end of year	<u>\$ 1,595,863</u>	<u>\$ 722,406</u>	<u>\$ 2,318,269</u>
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:			
Operating Activities:			
Operating income (loss)	\$(28,083)	\$ 331,163	\$ 303,080
Changes in Assets and Liabilities:			
(Increase) Decrease In:			
Accounts receivable		(672,889)	(672,889)
Due from other funds		58,748	58,748
Prepaid expenses		(5,366)	(5,366)
Increase (Decrease) In:			
Accounts and accrued liabilities payable	<u>24,776</u>	<u>24,479</u>	<u>49,225</u>
Net cash provided (used) for operating activities	<u>\$(3,307)</u>	<u>\$(263,865)</u>	<u>\$(267,172)</u>
Noncash Transactions Affecting Financial Position:			
Net noncash transactions affecting financial position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

BRAZORIA COUNTY, TEXAS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS**

For the Year Ended September 30, 2008

Exhibit 22
Page 1 of 3

	<u>Balance</u> <u>10-01-07</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>09-30-08</u>
PAYROLL CLEARING:				
<i>Assets</i>				
Cash and temporary investments	\$ 633,525	\$ 60,136,713	\$ 56,020,223	\$ 4,750,015
Due from other funds	<u>-0-</u>	<u>58,898</u>	<u> </u>	<u>58,898</u>
Total assets	<u>\$ 633,525</u>	<u>\$ 60,195,611</u>	<u>\$ 56,020,223</u>	<u>\$ 4,808,913</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$ 981	\$ 4,125,797	\$	\$ 4,126,778
Accounts payable and accrued expense	<u>632,544</u>	<u>56,069,814</u>	<u>56,020,223</u>	<u>682,135</u>
Total liabilities	<u>\$ 633,525</u>	<u>\$ 60,195,611</u>	<u>\$ 56,020,223</u>	<u>\$ 4,808,913</u>

BRAZORIA COUNTY FRESH WATER SUPPLY DISTRICT #2:

<i>Assets</i>				
Cash and temporary investments	\$ <u>-0-</u>	\$ <u>5,940</u>	\$ <u>5,940</u>	\$ <u>-0-</u>
Total assets	<u>\$ -0-</u>	<u>\$ 5,940</u>	<u>\$ 5,940</u>	<u>\$ -0-</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>-0-</u>	\$ <u>5,940</u>	\$ <u>5,940</u>	\$ <u>-0-</u>
Total liabilities	<u>\$ -0-</u>	<u>\$ 5,940</u>	<u>\$ 5,940</u>	<u>\$ -0-</u>

BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT:

<i>Assets</i>				
Cash and temporary investments	\$ 22,296	\$ 286,873	\$ 288,868	\$ 20,301
Accounts receivable	-0-	31,080		31,080
Due from other funds	<u>-0-</u>	<u>1,816</u>	<u> </u>	<u>1,816</u>
Total assets	<u>\$ 22,296</u>	<u>\$ 319,769</u>	<u>\$ 288,868</u>	<u>\$ 53,197</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 3,864	\$ 37,956	\$ 36,901	\$ 4,919
Due to others	<u>18,432</u>	<u>281,813</u>	<u>251,967</u>	<u>48,278</u>
Total liabilities	<u>\$ 22,296</u>	<u>\$ 319,769</u>	<u>\$ 288,868</u>	<u>\$ 53,197</u>

BRAZORIA COUNTY, TEXAS**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -****AGENCY FUNDS - Continued**

For the Year Ended September 30, 2008

Exhibit 22
Page 2 of 3

	<u>Balance</u> 10-01-07	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 09-30-08
CHILD SUPPORT:				
<i>Assets</i>				
Cash and temporary investments	\$ 170	\$	\$ 170	\$ -0-
Total assets	<u>\$ 170</u>	<u>\$ -0-</u>	<u>\$ 170</u>	<u>\$ -0-</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ 170	\$	\$ 170	\$ -0-
Total liabilities	<u>\$ 170</u>	<u>\$ -0-</u>	<u>\$ 170</u>	<u>\$ -0-</u>

TDCJ-CJAD:

	<u>Balance</u> 10-01-07	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 09-30-08
<i>Assets</i>				
Cash and temporary investments	\$ 924,915	\$ 3,845,350	\$ 3,806,345	\$ 963,920
Accounts receivable	35	357		392
Accrued interest receivable	623		623	-0-
Due from other funds	<u>-0-</u>	<u>154,937</u>		<u>154,937</u>
Total assets	<u>\$ 925,573</u>	<u>\$ 4,000,644</u>	<u>\$ 3,806,968</u>	<u>\$ 1,119,249</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 284,790	\$ 299,030	\$ 429,006	\$ 154,814
Due to other funds	-0-	22,687		22,687
Due to others	<u>640,783</u>	<u>3,678,927</u>	<u>3,377,962</u>	<u>941,748</u>
Total liabilities	<u>\$ 925,573</u>	<u>\$ 4,000,644</u>	<u>\$ 3,806,968</u>	<u>\$ 1,119,249</u>

DISTRICT/COUNTY CLERKS TRUSTS:

	<u>Balance</u> 10-01-07	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 09-30-08
<i>Assets</i>				
Cash and temporary investments	\$ 13,503,969	\$ 19,559,461	\$ 22,752,181	\$ 10,311,249
Total assets	<u>\$ 13,503,969</u>	<u>\$ 19,559,461</u>	<u>\$ 22,752,181</u>	<u>\$ 10,311,249</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ 13,503,969	\$ 19,559,461	\$ 22,752,181	\$ 10,311,249
Total liabilities	<u>\$ 13,503,969</u>	<u>\$ 19,559,461</u>	<u>\$ 22,752,181</u>	<u>\$ 10,311,249</u>

BRAZORIA COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -

AGENCY FUNDS - Continued

For the Year Ended September 30, 2008

Exhibit 22

Page 3 of 3

	<u>Balance</u> 10-01-07	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 09-30-08
TOTALS - ALL AGENCY FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 15,084,875	\$ 83,834,337	\$ 82,873,727	\$ 16,045,485
Accounts receivable	35	31,437		31,472
Accrued interest receivable	623		623	-0-
Due from other funds	<u>-0-</u>	<u>215,651</u>	<u></u>	<u>215,651</u>
Total assets	<u>\$ 15,085,533</u>	<u>\$ 84,081,425</u>	<u>\$ 82,874,350</u>	<u>\$ 16,292,608</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 921,198	\$ 56,406,800	\$ 56,486,130	\$ 841,868
Due to other funds	981	4,148,484		4,149,465
Due to others	<u>14,163,354</u>	<u>23,526,141</u>	<u>26,388,220</u>	<u>11,301,275</u>
Total liabilities	<u>\$ 15,085,533</u>	<u>\$ 84,081,425</u>	<u>\$ 82,874,350</u>	<u>\$ 16,292,608</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.

<u>Content</u>	<u>Table</u>
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Financial Trends	1-4
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These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity	5-8
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These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity	9-11
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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.

Demographic and Economic Indicators	12-14
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These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information	15-16
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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.

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; tables presenting government-wide information include information beginning in that year.

BRAZORIA COUNTY, TEXAS
NET ASSETS BY COMPONENTS
 Last Five Fiscal Years
 (accrual basis of accounting)

Table 1

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities:					
Invested in capital assets, net of related debt	\$ 71,768,258	\$ 74,343,083	\$ 75,898,996	\$ 80,090,157	\$ 99,498,617
Restricted For:					
Roads and bridges	9,003,081	8,055,178	7,847,782	9,671,499	11,599,655
Debt service	1,052,575	1,341,841	2,157,744	3,310,158	4,334,733
Capital projects	11,183,126	7,288,634	5,567,367	16,578,804	
Other purposes	2,240,136	2,717,710	3,237,218	3,863,186	4,891,652
Unrestricted	<u>12,729,881</u>	<u>11,482,088</u>	<u>13,911,427</u>	<u>23,072,866</u>	<u>31,356,540</u>
Total governmental activities net assets	<u>\$107,977,057</u>	<u>\$105,228,534</u>	<u>\$108,620,534</u>	<u>\$136,586,670</u>	<u>\$151,681,197</u>
Business-type Activities:					
Invested in capital assets, net of related debt	\$ 7,886,581	\$ 10,293,274	\$ 9,617,689	\$ 10,871,918	\$ 11,094,843
Restricted For:					
Debt service	63,174	50,168	52,674	56,663	43,582
Other purposes	99,211	72,637	48,102	18,835	58,566
Unrestricted	<u>122,827</u>	<u>142,989</u>	<u>1,666,061</u>	<u>606,769</u>	<u>343,369</u>
Total business-type activities	<u>\$ 8,171,793</u>	<u>\$ 10,559,068</u>	<u>\$ 11,384,526</u>	<u>\$ 11,554,185</u>	<u>\$ 11,540,360</u>
Primary Government:					
Invested in capital assets, net of related debt	\$ 79,654,839	\$ 84,636,357	\$ 85,516,685	\$ 90,962,075	\$ 110,593,460
Restricted	23,641,303	19,526,168	18,910,887	33,499,145	20,928,188
Unrestricted	<u>12,852,708</u>	<u>11,625,077</u>	<u>15,577,488</u>	<u>23,679,635</u>	<u>31,699,909</u>
Total primary government	<u>\$116,148,850</u>	<u>\$115,787,602</u>	<u>\$120,005,060</u>	<u>\$148,140,855</u>	<u>\$163,221,557</u>

Note: The County did not begin reporting government-wide statements until it implemented GASB Statement 34 in 2003.

2008

\$105,895,455

11,785,704
2,397,569

6,903,230
31,697,078

\$158,679,036

\$ 10,654,958

49,419
17,781
494,005

\$ 11,216,163

\$116,550,413

21,153,703
32,191,083

\$169,895,199

BRAZORIA COUNTY, TEXAS
CHANGES IN NET ASSETS
 Last Five Fiscal Years
 (accrual basis of accounting)

Table 2

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental Activities:					
General administration	\$ 4,105,945	\$ 4,588,331	\$ 5,292,979	\$ 4,974,768	\$ 5,782,142
Judicial and legal	12,002,634	12,540,748	13,078,631	13,797,943	15,147,866
Financial administration	6,433,818	7,017,884	7,441,233	7,726,563	8,058,664
Elections	156,447	77,817	109,644	2,169,341	402,710
Public facilities	2,313,530	2,732,495	2,826,693	2,809,843	3,515,672
Public safety	10,535,578	11,064,291	12,177,212	13,317,747	13,961,584
Corrections	16,251,641	17,824,167	18,334,618	18,966,237	20,185,077
Public transportation	20,038,508	22,626,704	22,519,813	22,351,045	24,420,943
Health and welfare	6,644,933	7,844,979	8,081,835	9,745,180	10,141,695
Public assistance	226,000	226,000	296,000	296,000	296,000
Culture and recreation	5,822,897	6,437,956	6,262,357	6,652,453	7,281,317
Conservation	377,647	408,329	350,218	393,433	364,654
Environmental protection	125,604	132,419	142,928	150,987	188,339
Community development	2,502,382	3,458,661	3,956,237	2,937,926	2,320,743
Interest on long-term debt	1,531,282	1,455,717	1,386,006	1,477,364	2,408,476
Total governmental activities expenses	<u>89,068,846</u>	<u>98,436,498</u>	<u>102,256,404</u>	<u>107,948,830</u>	<u>114,475,882</u>
Business-type Activities:					
Airport	<u>1,379,687</u>	<u>1,477,476</u>	<u>1,819,390</u>	<u>2,124,407</u>	<u>2,341,771</u>
Total business-type activities expenses	<u>1,379,687</u>	<u>1,477,476</u>	<u>1,819,390</u>	<u>2,124,407</u>	<u>2,341,771</u>
Total primary government expenses	<u>\$ 90,448,533</u>	<u>\$ 99,913,974</u>	<u>\$ 104,075,794</u>	<u>\$ 110,073,237</u>	<u>\$ 116,817,653</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General administration	\$ 2,372,556	\$ 1,986,196	\$ 3,023,513	\$ 3,831,544	\$ 4,140,190
Judicial and legal	4,476,802	5,695,541	5,936,348	6,314,663	6,824,945
Financial administration	920,919	897,500	915,332	1,140,119	1,392,176
Elections	3,302	3,512	11,604	74,959	198,739
Public facilities		22,116	31,385	29,897	31,464
Public safety	1,049,565	1,516,419	1,314,159	1,355,560	1,688,373
Corrections	50,305	533,296	401,742	496,467	653,232
Public transportation	1,979,526	2,172,502	2,921,637	3,369,217	3,795,045
Health and welfare	410,076	433,374	401,182	402,469	663,374
Culture and recreation	227,312	397,668	390,327	436,156	482,471
Conservation		10,683	12,777	12,662	11,572
Environmental protection	40,309	45,485	49,706	76,386	70,206
Operating grants and contributions	6,646,814	6,392,287	8,765,064	11,055,123	9,672,233
Capital grants and contributions	<u>3,019,603</u>	<u>4,149,354</u>	<u>4,562,373</u>	<u>19,032,936</u>	<u>7,163,245</u>
Total governmental activities program revenues	<u>21,197,089</u>	<u>24,255,933</u>	<u>28,737,149</u>	<u>47,628,158</u>	<u>36,787,265</u>

2008

\$ 7,488,015
16,376,192
8,798,119
717,673
3,603,168
16,661,965
22,418,422
28,072,576
10,246,427
296,000
7,782,083
405,565
204,640
2,228,027
2,497,944

127,794,816

3,281,481

3,281,481

\$131,076,297

\$ 3,592,174
6,510,075
1,607,565
216,604
32,625
1,690,817
585,301
3,910,942
531,764
303,660
10,147
62,375
14,474,328
7,102,464

40,630,841

BRAZORIA COUNTY, TEXAS
CHANGES IN NET ASSETS - Continued
 Last Five Fiscal Years
 (accrual basis of accounting)

Table 2

	Fiscal Year				
	2003	2004	2005	2006	2007
Business-type Activities:					
Charges for Services:					
Airport	\$ 1,101,170	\$ 1,178,963	\$ 1,269,237	\$ 1,616,331	\$ 1,715,941
Operating Grants and Contributions:					
Airport	13,325			29,461	45,940
Capital Grants and Contributions:					
Airport	<u>2,080,660</u>	<u>2,691,254</u>	<u>1,224,318</u>	<u>408,153</u>	<u>561,342</u>
Total business-type activities program revenues	<u>3,195,155</u>	<u>3,870,217</u>	<u>2,493,555</u>	<u>2,053,945</u>	<u>2,323,223</u>
Total primary government program revenues	<u>\$ 24,392,244</u>	<u>\$ 28,126,150</u>	<u>\$ 31,230,704</u>	<u>\$ 49,682,103</u>	<u>\$ 39,110,488</u>
Net (Expense)/Revenue:					
Governmental activities	\$(67,871,757)	\$(74,180,565)	\$(73,519,255)	\$(60,320,672)	\$(77,688,617)
Business-type activities	<u>1,815,468</u>	<u>2,392,741</u>	<u>674,165</u>	<u>(70,462)</u>	<u>(18,458)</u>
Total primary governmental net expense	<u>(66,056,289)</u>	<u>(71,787,824)</u>	<u>(72,845,090)</u>	<u>(60,391,134)</u>	<u>(77,707,165)</u>
General Revenues & Other Changes in Net Assets					
Governmental Activities:					
Property taxes	52,610,118	56,725,407	60,611,489	67,484,298	68,739,287
Sales and other taxes	11,558,370	11,874,486	13,541,179	12,625,575	17,543,873
Special assessments				63,471	
Grants and contributions not restricted to specific programs	193,472	244,538	199,006	314,168	245,477
Unrestricted investment earnings	960,571	928,391	1,227,165	2,615,731	4,516,924
Gain (loss) on disposition of capital assets	114,143	117,822	(171,537)	85,872	520
Miscellaneous	1,414,756	1,691,398	1,954,155	1,666,557	1,737,063
Contributions to BCCSCD health benefits			(96,324)		
Transfers		(150,000)	(150,000)	(237,475)	
Total governmental activities	<u>66,851,430</u>	<u>71,432,042</u>	<u>77,115,133</u>	<u>84,618,197</u>	<u>92,783,144</u>
Business-type Activities:					
Unrestricted investment earnings	11,229	2,125	1,293	2,646	4,723
Gain (loss) on disposition of capital assets					
Transfers		<u>150,000</u>	<u>150,000</u>	<u>237,475</u>	
Total business-type activities	<u>11,229</u>	<u>152,125</u>	<u>151,293</u>	<u>240,121</u>	<u>4,723</u>
Total primary government	<u>66,862,659</u>	<u>71,584,167</u>	<u>77,266,426</u>	<u>84,858,318</u>	<u>92,787,867</u>
Change in Net Assets					
Governmental activities	(1,020,327)	(2,748,523)	3,595,878	24,297,525	15,094,527
Business-type activities	<u>1,826,697</u>	<u>2,544,866</u>	<u>825,458</u>	<u>169,659</u>	<u>(13,825)</u>
Total primary government	<u>\$ 806,370</u>	<u>\$ (203,657)</u>	<u>\$ 4,421,336</u>	<u>\$ 24,467,184</u>	<u>\$ 15,080,702</u>

Note: Accrual-basis financial information for the County government as a whole is only available back to 2003, the year GASB Statement 34 was implemented.

2008

\$ 2,696,391

5,498

141,668

2,843,557

43,474,398

(87,163,975)

(437,924)

(87,601,899)

72,549,360

16,825,916

217,066

2,950,658

111,195

1,607,369

(100,000)

94,161,564

13,227

500

100,000

113,727

94,275,291

6,997,589

(324,197)

\$ 6,673,392

BRAZORIA COUNTY, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Table 3

	Fiscal Year				
	1999	2000	2001	2002	2003
General Fund:					
Reserved	\$ 909,305	\$ 1,297,240	\$ 449,786	\$ 417,389	\$ 776,941
Unreserved	<u>11,152,722</u>	<u>12,973,717</u>	<u>13,567,130</u>	<u>11,217,028</u>	<u>10,628,263</u>
Total general fund	<u>\$ 12,062,027</u>	<u>\$ 14,270,957</u>	<u>\$ 14,016,916</u>	<u>\$ 11,634,417</u>	<u>\$ 11,405,204</u>
All Other Governmental Funds:					
Reserved	\$ 2,697,151	\$ 1,821,216	\$ 2,223,468	\$ 2,430,409	\$ 2,127,108
Unreserved:					
Designated:					
Capital projects funds	4,413,012	4,545,851	4,081,595	3,077,085	10,894,981
Undesignated:					
Capital projects funds					
Special revenue funds	<u>9,087,950</u>	<u>9,661,576</u>	<u>9,230,435</u>	<u>8,906,476</u>	<u>10,506,768</u>
Total all other governmental funds	<u>\$ 16,198,113</u>	<u>\$ 16,028,643</u>	<u>\$ 15,535,496</u>	<u>\$ 14,413,970</u>	<u>\$ 23,528,857</u>

Fiscal Year				
2004	2005	2006	2007	2008
\$ 1,149,125	\$ 1,035,239	\$ 1,181,546	\$ 1,536,623	\$ 945,689
<u>10,119,747</u>	<u>12,398,370</u>	<u>17,368,350</u>	<u>23,816,764</u>	<u>24,057,655</u>
<u>\$ 11,268,872</u>	<u>\$ 13,433,609</u>	<u>\$ 18,549,896</u>	<u>\$ 25,353,387</u>	<u>\$ 25,003,344</u>
\$ 2,341,383	\$ 2,904,897	\$ 3,780,614	\$ 5,025,466	\$ 4,426,316
7,288,634	5,482,269	16,542,134	23,553,119	19,157,559
	85,098			
<u>9,262,935</u>	<u>9,825,608</u>	<u>12,453,432</u>	<u>14,721,315</u>	<u>16,417,485</u>
<u>\$ 18,892,952</u>	<u>\$ 18,297,872</u>	<u>\$ 32,776,180</u>	<u>\$ 43,299,900</u>	<u>\$ 40,001,360</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				
	1999	2000	2001	2002	2003
Revenues:					
Taxes	\$ 46,755,467	\$ 49,204,769	\$ 56,699,556	\$ 59,790,710	\$ 64,712,267
Intergovernmental	9,942,349	9,441,805	7,338,760	9,225,776	9,673,483
Charges for services	4,311,444	4,841,263	5,409,779	5,607,940	5,497,608
Licenses and permits	2,274,424	2,660,696	2,587,552	2,688,644	3,061,146
Fines and forfeitures	2,460,161	2,676,439	2,678,575	2,418,302	2,480,513
Special assessments	137,593	101,138	125,512	89,692	388,636
Investment income	2,016,105	2,392,116	2,202,631	1,207,685	812,240
Miscellaneous	1,345,556	1,760,047	2,056,121	1,684,999	1,593,134
Total revenues	69,243,099	73,078,273	79,098,486	82,713,748	88,219,027
Expenditures:					
General administration	2,883,904	3,211,799	3,879,933	3,659,565	3,944,682
Judicial and legal	8,009,020	8,454,436	9,225,510	10,763,642	11,784,197
Financial administration	4,919,919	5,149,707	5,848,340	6,138,232	6,436,503
Elections	80,359	73,343	109,165	103,424	156,447
Public facilities	2,099,026	1,846,804	2,307,260	2,168,715	2,300,228
Public safety	7,103,652	7,811,951	9,485,636	9,535,724	10,260,660
Corrections	11,161,797	13,083,514	14,296,310	14,482,329	15,468,693
Public transportation	16,529,786	15,361,634	18,201,208	17,391,246	19,091,164
Health and welfare	3,974,467	4,370,727	5,206,659	5,786,983	6,628,407
Public assistance	244,017	256,798	226,000	226,000	226,000
Culture and recreation	4,097,647	4,020,031	5,229,308	5,859,727	5,954,913
Conservation	297,289	285,396	319,262	367,473	377,852
Environmental protection	79,476	86,792	100,412	133,460	123,226
Community development					2,502,382
Capital outlay	1,795,799	3,844,863	2,583,567	5,943,962	2,650,785
Debt Service:					
Principal	1,390,203	1,411,866	1,520,306	1,430,650	2,305,504
Interest and fiscal charges	1,750,323	1,872,851	1,943,958	2,022,063	1,581,102
Total expenditures	66,416,684	71,142,512	80,482,834	86,013,195	91,792,745
Excess of revenues over (under) expenditures	2,826,415	1,935,761	(1,384,348)	(3,299,447)	(3,573,718)

(continued)

Fiscal Year				
2004	2005	2006	2007	2008
\$ 68,926,987	\$ 74,871,254	\$ 80,618,481	\$ 85,899,285	\$ 89,733,333
10,554,254	13,154,480	14,658,241	12,553,652	16,962,416
6,777,239	6,946,094	8,505,724	9,339,206	9,170,529
2,716,482	3,510,492	4,192,040	4,319,103	4,178,179
2,755,884	2,681,213	2,937,726	3,030,492	2,932,468
40,622	21,142	20,355	39,984	41,366
896,098	1,189,482	2,558,836	4,437,291	2,910,886
<u>2,775,181</u>	<u>2,168,765</u>	<u>1,650,000</u>	<u>2,707,950</u>	<u>2,256,193</u>
<u>95,442,747</u>	<u>104,542,922</u>	<u>115,141,403</u>	<u>122,326,963</u>	<u>128,185,370</u>
4,490,510	5,036,224	5,193,392	5,647,182	7,338,056
11,702,822	12,132,962	13,101,418	14,720,532	16,024,206
6,825,415	7,307,863	7,477,425	7,895,801	8,618,867
77,817	109,644	2,276,634	378,867	692,279
2,644,981	2,757,631	2,667,167	3,379,986	3,428,404
10,726,572	12,224,147	13,229,168	13,543,831	17,059,446
16,441,503	16,995,740	17,823,526	19,110,690	21,462,209
20,101,559	20,923,768	20,482,267	19,549,824	21,173,785
7,724,836	8,014,313	9,779,785	9,925,766	9,945,531
226,000	296,000	296,000	296,000	296,000
6,724,925	6,114,890	6,335,099	7,046,649	7,660,650
388,549	334,836	373,006	350,210	393,215
122,224	135,140	142,056	179,182	199,402
3,469,450	3,954,932	2,930,819	2,319,293	2,227,278
3,416,104	1,720,896	2,841,843	9,988,904	17,263,186
3,016,366	3,164,604	2,975,208	2,805,000	3,760,000
<u>1,565,351</u>	<u>1,395,797</u>	<u>1,556,717</u>	<u>2,617,009</u>	<u>2,472,201</u>
<u>99,664,984</u>	<u>102,619,387</u>	<u>109,481,530</u>	<u>119,754,726</u>	<u>140,014,716</u>
<u>(4,222,237)</u>	<u>1,923,535</u>	<u>5,659,873</u>	<u>2,572,237</u>	<u>(11,829,346)</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				
	1999	2000	2001	2002	2003
Other Financing Sources (Uses):					
Proceeds from sale of bonds	\$	\$	\$	\$	\$ 11,000
Premium on the sale of bonds					
Proceeds from sale of capital assets					
Loans to other entities					
Proceeds from lease purchase	152,000		502,200		1,459,392
Proceeds from refunding bonds					
Payments to escrow agent					
Other					
Transfers in	867,054	3,400,932	1,017,564	1,012,089	1,101,179
Transfers out	(1,067,054)	(3,283,351)	(1,017,564)	(1,293,667)	(1,101,179)
Total other financing sources (uses)	(48,000)	117,581	502,200	(281,578)	12,459,392
Net change in fund balances	\$ 2,778,415	\$ 2,053,342	\$ (882,148)	\$ (3,581,025)	\$ 8,885,674
Debt service as a percentage of noncapital expenditures	4.9%	4.9%	4.4%	4.3%	4.4%

		Fiscal Year				
	2004	2005	2006	2007	2008	
\$		\$	\$ 13,880,000	\$ 14,000,000	\$ 17,950,000	
			117,050	606,572	330,304	
			134,081	70,747	344,569	
			(21,855)			
					(10,344,360)	
	1,859,610	1,266,797	1,496,992	988,139	1,802,660	
	(2,409,610)	(1,416,797)	(2,784,467)	(988,139)	(1,902,660)	
	(550,000)	(150,000)	12,821,801	14,677,319	8,180,513	
\$	(4,772,237)	\$ 1,773,535	\$ 18,481,674	\$ 17,249,556	\$ (3,648,833)	
	4.8%	4.8%	4.5%	5.1%	5.1%	

BRAZORIA COUNTY, TEXAS**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

Table 5

Last Ten Fiscal Years

(Amounts in thousands)

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Less: Exemptions</u>	<u>Net Real Property</u>	<u>Minerals</u>	<u>Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>Assessment Ratio</u>	<u>Total Direct Tax Rate</u>
2008	\$ 14,968,145	\$ 6,223,999	\$ 8,744,146	\$ 477,961	\$ 3,345,609	\$ 12,567,716	100%	\$ 0.321701
2007	14,821,157	6,276,486	8,544,671	426,116	2,761,263	11,732,050	100%	0.381701
2006	13,144,026	4,253,551	8,890,475	405,716	2,481,436	11,777,627	100%	0.407987
2005	12,041,514	4,103,928	7,937,586	326,557	2,153,146	10,417,289	100%	0.421955
2004	11,200,894	4,259,355	6,941,539	234,929	2,062,985	9,239,453	100%	0.419500
2003	10,510,667	3,868,691	6,641,976	182,140	1,919,120	8,743,236	100%	0.419500
2002	9,928,021	3,644,314	6,283,707	214,943	1,960,210	8,458,860	100%	0.399500
2001	9,672,240	3,515,504	6,156,736	156,078	1,785,436	8,098,250	100%	0.399500
2000	9,026,349	2,787,814	6,238,535	136,709	1,702,562	8,077,806	100%	0.357500
1999	8,402,303	2,413,264	5,989,039	201,429	1,826,765	8,017,233	100%	0.357500

Source: Brazoria County Tax Office
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

	1999 Tax Rate	2000 Tax Rate	2001 Tax Rate	2002 Tax Rate
County Direct Rates:				
General Fund	0.215485	0.212730	0.251975	0.257269
Road & Bridge	0.060000	0.060000	0.600000	0.060000
Mosquito Control				
Special R&B - Article 6790	0.060000	0.060000	0.060000	0.060000
Debt Service Fund - Jail Building Bonds	0.022015	0.024770	0.027525	0.022231
Certificate of Obligation - Series 2003				
Certificate of Obligation - Series 2006				
Unlimited Tax Road Bonds - Series 2008				
Total direct rate	0.357500	0.357500	0.399500	0.399500
City Rates:				
Alvin	0.803600	0.803600	0.803600	0.803600
Angleton	0.750000	0.732138	0.705310	0.754774
Brazoria	0.766200	0.741800	0.741800	0.728300
Brookside Village	0.460000	0.460000	0.460000	0.460000
Clute	0.726000	0.723000	0.723000	0.723000
Danbury	0.988700	0.923091	0.834605	0.804816
Freeport	0.781900	0.781900	0.777000	0.764000
Hillcrest Village	0.414997	0.414997	0.414997	0.374512
Town of Holiday Lakes	1.407653	1.336983	1.270863	1.306045
Village of Jones Creek	0.250000	0.250000	0.280000	0.310000
Lake Jackson	0.350000	0.350000	0.350000	0.375000
Liverpool	0.175800	0.175800	0.175800	0.175800
Manvel	0.656445	0.750000	0.734803	0.713231
Village of Oyster Creek	0.394700	0.394700	0.394700	0.394700
Pearland	0.695000	0.695000	0.686000	0.686000
Town of Quintana	0.172200	0.160000	0.160000	0.160000
Richwood	0.569210	0.691200	0.691200	0.691200
Village of Surfside Beach	0.400353	0.400354	0.400354	0.400354
Sweeny	0.810950	0.810950	0.790950	0.790950
West Columbia	0.837699	0.838837	0.838837	0.838837
School District Rates:				
Alvin ISD	1.439000	1.478589	1.566000	1.586116
Angleton ISD	1.430000	1.530000	1.530000	1.630000
Brazosport ISD	1.372800	1.372800	1.422800	1.422800
Columbia-Brazoria ISD	1.740000	1.686300	1.576300	1.576300
Damon ISD	1.220000	1.320000	1.360000	1.360000
Danbury ISD	1.488725	1.562181	1.580000	1.540000
Pearland ISD	1.643400	1.650000	1.820000	1.837200
Sweeny ISD	1.624140	1.515000	1.478300	1.673588
Special District Rates:				
Alvin Community College	0.238900	0.238900	0.241100	0.255300
Angleton-Danbury Hospital	0.199999	0.196463	0.193494	0.193494
Brazoria Co. DD # 1 (Angleton)	0.214965	0.212570	0.209420	0.200000
Brazoria Co. DD # 2 (Velasco)	0.068950	0.068950	0.071370	0.071370
Brazoria Co. DD # 3 (Alvin or C&R #3)	0.096000	0.096000	0.110000	0.116623
Brazoria Co. DD # 4 (Pearland)	0.141431	0.134078	0.125871	0.150934
Brazoria Co. DD # 5 (Iowa Colony)	0.303410	0.289868	0.284592	0.288048
Brazoria Co. DD # 8 (Danbury)	0.301817	0.375782	0.375782	0.361863
Brazoria Co. DD #11 (W. Brazoria Co.)	0.020000	0.020000	0.020000	0.020000
Brazoria Co. FWSD # 1	0.730000	0.730000	0.730000	0.730000
Brazoria Co. MUD # 1 (Pearland)	0.820000	0.660000	0.670000	0.550000
Brazoria Co. MUD # 2 (Southwyck)	0.870000	0.780000	0.740000	0.740000
Brazoria Co. MUD # 3 (Silverlake)			0.967000	0.917000
Brazoria Co. MUD # 4 (Country Place)	1.098000	0.998000	0.918000	0.888000
Brazoria Co. MUD # 5 (Southdown)	0.860000	0.680000	0.670000	0.670000
Brazoria Co. MUD # 6 (Weatherford)			0.987500	0.987500
Brazoria Co. MUD #16				
Brazoria Co. MUD #17			0.750000	0.750000
Brazoria Co. MUD #18			0.650000	0.650000
Brazoria Co. MUD #19			0.800000	0.800000
Brazoria Co. MUD #21				
Brazoria Co. MUD #23	0.078430	0.072500	0.072500	0.850000

<u>2003 Tax Rate</u>	<u>2004 Tax Rate</u>	<u>2005 Tax Rate</u>	<u>2006 Tax Rate</u>	<u>2007 Tax Rate</u>	<u>2008 Tax Rate</u>
0.278287	0.284237	0.286210	0.279356	0.266000	0.247671
0.060000	0.047500	0.047500	0.047500	0.034500	0.028800
					0.010200
0.060000	0.060000	0.060000	0.060000	0.060000	
0.021213	0.020513	0.020995	0.015000	0.011000	0.008925
	0.007250	0.007250	0.006131	0.005131	0.004950
				0.005070	0.005150
					0.005700
<u>0.419500</u>	<u>0.419500</u>	<u>0.421955</u>	<u>0.407987</u>	<u>0.381701</u>	<u>0.311396</u>
0.803600	0.803600	0.803600	0.803600	0.803600	0.803600
0.744774	0.744774	0.739774	0.734150	0.706000	0.706000
0.728300	0.728300	0.728300	0.728300	0.728300	0.728300
0.460000	0.460000	0.460000	0.460000	0.460000	0.460000
0.723000	0.723000	0.723000	0.723000	0.698000	0.693000
0.841738	0.841738	0.823830	0.775664	0.766940	0.760600
0.748500	0.748500	0.716900	0.710000	0.710000	0.700000
0.374512	0.374512	0.374512	0.374512	0.374512	0.374512
1.269340	1.269340	1.230848	0.719325	0.945784	0.924070
0.310000	0.310000	0.310000	0.310000	0.310000	0.340000
0.370300	0.370300	0.370000	0.380000	0.385000	0.390000
0.175800	0.175800	0.175800	0.175800	0.175800	0.175800
0.710247	0.710247	0.659603	0.648500	0.587831	0.587863
0.411106	0.411106	0.411106	0.452100	0.387211	0.395000
0.696000	0.696000	0.694755	0.674400	0.652600	0.652600
0.160000	0.160000	0.050000	0.040000	0.032000	0.027140
0.691200	0.691200	0.691200	0.691200	0.681080	0.693660
0.400354	0.400354	0.400354	0.490000	0.342392	0.352392
0.775571	0.775571	0.775571	0.750000	0.750000	0.762105
0.838837	0.838837	0.838837	0.838837	0.831900	0.831900
1.626100	1.626100	1.676000	1.705800	1.328200	1.328200
1.630000	1.630000	1.610000	1.571000	1.197000	1.314000
1.472800	1.472800	1.522800	1.572800	1.133900	1.192200
1.576300	1.576300	1.870000	1.770000	1.296500	1.296500
1.360000	1.360000	1.420000	1.420000	1.040000	1.170000
1.540000	1.540000	1.561500	1.557600	1.134900	1.134900
1.809200	1.809200	1.792200	1.792200	1.427200	1.419400
1.675000	1.675000	1.692000	1.671000	1.211700	1.211700
0.254766	0.254766	0.240561	0.237555	0.210280	0.199832
0.260562	0.260562	0.248244	0.247745	0.246500	0.246500
0.185000	0.185000	0.185000	0.175000	0.170850	0.183900
0.073924	0.073924	0.076210	0.082113	0.082075	0.082075
0.116623	0.116623	0.131623	0.130634	0.128143	0.150000
0.142820	0.142820	0.142009	0.143845	0.143845	0.143845
0.266328	0.266328	0.244006	0.221958	0.190894	0.186897
0.372689	0.372689	0.372689	0.372541	0.353723	0.361000
0.020000	0.020000	0.020000	0.020000	0.020000	0.200000
0.730000	0.730000	0.400000	0.360000	0.310000	0.300000
0.540000	0.540000	0.530000	0.460000		
0.670000	0.670000	0.550000	0.480000	0.510000	0.500000
0.817000	0.817000	0.717000	0.647000	0.650000	0.630000
0.778000	0.778000	0.728000	0.688000	0.628000	0.628000
0.670000	0.670000	0.670000	0.670000	0.000000	
0.987500	0.987500	0.890000	0.800000	0.670000	0.630000
		0.950000		0.950000	0.950000
0.750000	0.750000	0.750000	0.750000	0.730000	0.630000
0.650000	0.650000	0.650000	0.640000	0.590000	0.570000
0.800000	0.800000	0.800000	0.800000	0.680000	0.660000
1.350000	1.350000	1.350000	1.350000	1.350000	1.350000
0.850000	0.850000	0.850000	0.850000	0.850000	0.820000

(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

<u>Taxing Jurisdictions</u>	<u>1999 Tax Rate</u>	<u>2000 Tax Rate</u>	<u>2001 Tax Rate</u>	<u>2002 Tax Rate</u>
Special Districts: (continued)				
Brazoria Co. MUD #25				
Brazoria Co. MUD #26				
Brazoria Co. MUD #28				
Brazoria Co. MUD #29				
Brazoria Co. MUD #31				
Brazoria Co. MUD #34				
Brazoria Co. MUD #35				
Brazoria Co. MUD #36				
Brazoria/Ft. Bend MUD #1				
Port Freeport	0.076250	0.085000	0.085000	0.071200
Brazosport College	1.150000	1.050000	0.691318	0.085000
Commodore Cove Improvement District	0.495000	0.495000	0.495000	0.816436
Oak Manor MUD	0.935801	0.947241	0.947241	0.400000
Treasure Island MUD	0.815265	0.756428	0.720000	0.927240
Varner Creek Utility District	0.293577	0.293577	0.323660	0.650000
Sweeny Hospital *			0.030000	0.323660
Rural Fire District #1				0.030000
Emergency Svc District #1				0.060000
Emergency Svc District #2				
Emergency Svc District #3				

* The Sweeny Hospital tax rate is the rollback tax rate.

Source: Brazoria County Appraisal District (www.brazoriacad.org)
Brazoria County Commissioner's Court minutes

<u>2003</u> <u>Tax Rate</u>	<u>2004</u> <u>Tax Rate</u>	<u>2005</u> <u>Tax Rate</u>	<u>2006</u> <u>Tax Rate</u>	<u>2007</u> <u>Tax Rate</u>	<u>2008</u> <u>Tax Rate</u>
1.250000	1.250000	1.250000	1.250000	1.230000	1.100000
0.850000	0.850000	0.850000	0.850000	0.710000	0.710000
0.820000	0.820000	0.820000	0.820000	0.820000	0.820000
		0.750000	0.750000	0.750000	0.750000
		0.850000	0.850000	1.390000	1.402040
				0.850000	0.850000
				0.700000	0.700000
		0.850000	0.850000	0.850000	0.850000
0.070000	0.070000	0.067500	0.065000	0.056000	0.053500
0.105000	0.105000	0.114000	0.119000	0.121000	0.156488
0.986093	0.986093	0.986093	0.890000	0.597220	0.597220
0.400000	0.400000	0.360000	0.398000	0.363000	0.421852
0.927240	0.927240	0.823466	0.739283	0.595802	0.563556
0.592300	0.592300	0.540000	0.510000	0.661890	0.814000
0.352600	0.352600	0.349000	0.343781	0.298289	0.323170
0.030000	0.030000				
0.070000	0.070000	0.080000	0.080000	0.080000	0.080000
0.030000	0.030000	0.030000	0.030000	0.030000	0.029987
		0.100000	0.089975	0.093414	0.093410

BRAZORIA COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago
 (Amounts in thousands)

Table 7

<u>2008 Taxpayer</u>	<u>Type of Business</u>	<u>2008 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Dow Chemical Company	Chemical Manufacturer	\$ 2,947,176	23.45%
BASF Corp - Chemical Division	Chemical Manufacturer	741,770	5.90%
Conoco/Phillips Company	Petroleum Refinery	633,678	5.04%
Innovene USA LLC	Chemical Manufacturer	473,727	3.77%
Chevron Phillips Chemical Co LP	Petroleum Refinery	337,798	2.69%
Solutia, Inc.	Chemical Manufacturer	202,162	1.61%
Equistar Chemicals	Chemical Manufacturer	198,350	1.58%
Shintech, Inc.	Chemical Manufacturer	175,269	1.39%
Centerpoint Energy Inc.	Utility	122,847	1.98%
Hilcorp Energy Co	Utility	119,857	0.95%
		<u>\$ 5,952,634</u>	<u>\$ 47.36%</u>

<u>1999 Taxpayer</u>	<u>Type of Business</u>	<u>1999 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Dow Chemical Company	Chemical Manufacturer	\$ 2,618,832	32.67%
BASF Corp - Chemical Division	Chemical Manufacturer	591,269	7.37%
Amoco Chemical Company	Chemical Manufacturer	520,891	6.50%
Phillips Petroleum	Petroleum Refinery	429,361	5.36%
Sweeny Olefins Ltd	Chemical Manufacturer	355,215	4.43%
Equistar Chemicals	Chemical Manufacturer	263,445	3.29%
Shintech, Inc.	Chemical Manufacturer	142,657	1.78%
Hoffman LaRoche, Inc.	Land/Improvements	96,274	1.20%
Houston Lighting & Power	Electric Utility Company	85,351	1.06%
Solutia, Inc.	Land/Improvements	79,085	0.99%
		<u>\$ 5,182,380</u>	<u>\$ 64.64%</u>

Source: Brazoria County Appraisal District
 Assessed Valuation - 2008 \$ 12,567,716
 Assessed Valuation - 1999 \$ 8,017,233

BRAZORIA COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Amounts in thousands)

Table 8

Fiscal Year	Taxies Levied For the Fiscal Year (Original Levy)		Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Original Levy	Amount	Percentage of Original Levy		Amount	Percentage of Levy
2008	\$ 72,190		\$ 71,118	98.52%	\$ 802	\$ 71,920	99.63%
2007	67,995		66,923	98.42%	988	67,911	99.88%
2006	64,505		63,509	98.46%	975	64,484	99.97%
2005	60,641		59,638	98.35%	974	60,612	99.95%
2004	56,304		55,284	98.19%	994	56,278	99.95%
2003	52,605		51,649	98.18%	919	52,568	99.93%
2002	48,271		47,144	97.67%	761	47,905	99.24%
2001	45,977		45,215	98.34%	519	45,734	99.47%
2000	38,660		38,024	98.35%	2,643	40,667	105.19%
1999	37,076		36,593	98.70%	569	37,162	100.23%

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				Business-type Activities		
	General Obligation Bonds	Certificates of Obligation	Less: Amounts Available for Debt Service	Total	Certificates of Obligation	Less Amounts Available for Debt Service	Total
1999	\$ 24,050,000	\$ 5,138,622	\$ 1,549,539	\$ 27,639,083	\$ -0-	\$ -0-	\$ -0-
2000	23,910,000	3,948,942	1,280,784	26,578,158	660,000	60,000	600,000
2001	23,765,000	2,834,761	1,446,173	25,153,588	600,000	60,000	540,000
2002	23,615,000	1,800,000	1,530,628	23,884,372	540,000	60,000	480,000
2003	23,455,000	11,000,000	1,102,514	33,352,486	475,000	65,000	410,000
2004	21,390,000	10,520,000	1,224,771	30,685,229	410,000	65,000	345,000
2005	19,295,000	9,905,000	2,026,821	27,173,179	335,000	75,000	260,000
2006	17,220,000	23,155,000	3,108,753	37,266,247	255,000	80,000	175,000
2007	29,060,000	22,510,000	3,894,611	47,675,389	175,000	80,000	95,000
2008	34,170,000	21,465,000	4,097,268	51,537,732	90,000	85,000	5,000

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
 See Table 5 for property value data.
 Population and personal income data can be found in Table 12.

	<u>Combined Governmental & Business-type Totals</u>	<u>Percentage of Actual Property Value</u>	<u>Net General Long-Term Debt Per Capita</u>	<u>Percentage of Personal Income</u>
\$	27,639,083	0.26%	\$ 116	0.46%
	27,178,158	0.25%	112	0.41%
	25,693,588	0.22%	103	0.37%
	24,364,372	0.20%	95	0.34%
	33,762,486	0.27%	129	0.46%
	31,030,229	0.23%	116	0.40%
	27,433,179	0.19%	100	0.33%
	37,441,247	0.23%	132	0.41%
	47,770,389	0.27%	162	0.46%
	51,542,732	0.27%	174	0.45%

BRAZORIA COUNTY, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2008

<u>Governmental Unit</u>	<u>Debt As Of</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Special Districts:				
Angleton-Danbury Hospital District	08/31/2008	\$ 18,615,000 *	100.00%	\$ 18,615,000
Angleton Drainage District	11/30/2007	--	100.00%	--
Brazoria Co. MUD #1 (Pearland)	11/30/2007	--	100.00%	--
Brazoria Co. MUD #2 (Southwyck)	06/05/2008	10,085,168	100.00%	10,085,168
Brazoria Co. MUD #3	06/07/2007	13,470,741	100.00%	13,470,741
Brazoria Co. MUD #4 (Country Place)	09/30/2007	6,923,982	100.00%	6,923,982
Brazoria Co. MUD #6 (Weatherford)	07/31/2007	27,602,844	100.00%	27,602,844
Brazoria Co. MUD #16	07/31/2007	3,276,529 *	100.00%	3,276,529
Brazoria Co. MUD #17	09/30/2007	26,551,169	100.00%	26,551,169
Brazoria Co. MUD #18	12/18/2007	27,473,160	51.32%	14,099,226
Brazoria Co. MUD #19	01/14/2008	38,218,413	100.00%	38,218,413
Brazoria Co. MUD #21	09/01/2007	17,883,257	100.00%	17,883,257
Brazoria Co. MUD #23	04/09/2008	15,318,209	100.00%	15,318,209
Brazoria Co. MUD #25	09/01/2007	7,139,728	100.00%	7,139,728
Brazoria Co. MUD #26	09/30/2007	50,232,977	100.00%	50,232,977
Brazoria Co. MUD #28	12/18/2007	10,829,811	100.00%	10,829,811
Brazoria Co. MUD #34	12/13/2007	6,427,509	100.00%	6,427,509
Brazoria-Fort Bend Co. MUD #1	05/07/2008	51,275,435	81.00%	41,533,102
Brazosport College District	08/31/2008	28,470,000 *	100.00%	28,470,000
Varner Creek Utility District	08/31/2008	5,800,000 *	100.00%	5,800,000
Port Freeport	08/31/2008	10,270,000 *	100.00%	10,270,000
Brazoria Co. FWSD #1	06/30/2007	-- *	100.00%	--
Commodore Cove Improvement District	07/31/2003	--	100.00%	--
Total Special Districts		\$ 375,863,932		\$ 352,747,665
Cities:				
Alvin	09/30/2007	\$ 12,716,097	100.00%	\$ 12,716,097
Angleton	09/30/2007	3,714,872	100.00%	3,714,872
Brazoria	09/30/2005	2,421,320	100.00%	2,421,320
Clute	09/30/2007	--	100.00%	--
Danbury	09/30/2006	2,217,113	100.00%	2,217,113
Freeport	09/30/2007	5,885,803	100.00%	5,885,803
Hillcrest Village	08/31/2005	--	100.00%	--
Town of Holiday Lakes	08/30/2008	98,000 *	100.00%	98,000
Lake Jackson	02/02/2007	17,818,639	100.00%	17,818,639
Manvel	08/31/2008	3,445,000 *	100.00%	3,445,000
Oyster Creek	08/31/2008	420,000 *	100.00%	420,000
Pearland	11/14/2007	255,663,882	91.94%	235,057,373
Richwood	09/30/2004	912,108 *	100.00%	912,108
Sweeny	09/30/2005	462,863	100.00%	462,863
West Columbia	11/30/2007	--	100.00%	--
Total Cities		\$ 305,775,697		\$ 285,069,188

(continued)

BRAZORIA COUNTY, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT - Continued

Table 10

As of September 30, 2008

<u>Governmental Unit</u>	<u>Debt As Of</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
School Districts:				
Alvin CCD	08/31/2008	\$ 18,675,000 *	100.00%	\$ 18,675,000
Alvin ISD	08/31/2008	296,174,732 *	100.00%	296,174,732
Angleton ISD	08/31/2007	77,023,947	100.00%	77,023,947
Brazosport ISD	08/31/2008	149,119,498 *	100.00%	149,119,498
Columbia-Brazoria ISD	08/31/2008	40,824,989 *	100.00%	40,824,989
Damon ISD	08/31/2008	--	100.00%	--
Danbury ISD	08/31/2007	3,252,994	100.00%	3,252,994
Pearland ISD	11/14/2007	341,212,590 *	97.00%	330,976,213
Sweeny ISD	08/31/2008	<u>24,150,000</u> *	100.00%	<u>24,150,000</u>
Total School Districts		<u>\$ 950,433,750</u>		<u>\$ 940,197,373</u>
Subtotal, overlapping debt				\$ 1,578,014,226
Total direct debt - Brazoria County			9/30/2008	\$ <u>55,635,000</u>
Total direct and overlapping debt				\$ <u>1,633,649,226</u>

Source: Brazoria County Auditor's office and Municipal Advisory Council of Texas, *Texas Municipal Reports*.

* Gross Debt

BRAZORIA COUNTY, TEXAS
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years
 (Unaudited)
 (Amounts in thousands)

Table 11

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed Value	\$ <u>19,706,149</u>
Debt Limit - 5% of Assessed Value (1)	\$ 985,307
Debt Applicable to Limit:	
Total bonded debt	\$ 55,635
Less: Amount available for repayment of general obligation bonds	<u>4,097</u>
Total net debt applicable to limit	<u>51,538</u>
Legal debt margin	<u>\$ 933,769</u>

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$521,525	\$543,821	\$580,679	\$605,159	\$630,596	\$674,940	\$726,061	\$801,559	\$900,427	\$985,307
Total net debt applicable to limit	<u>27,639</u>	<u>27,238</u>	<u>25,754</u>	<u>24,435</u>	<u>22,836</u>	<u>31,217</u>	<u>27,975</u>	<u>37,266</u>	<u>47,675</u>	<u>51,538</u>
Legal debt margin	<u>\$493,886</u>	<u>\$516,043</u>	<u>\$554,925</u>	<u>\$580,724</u>	<u>\$607,760</u>	<u>\$643,723</u>	<u>\$698,086</u>	<u>\$764,293</u>	<u>\$852,752</u>	<u>\$933,769</u>
Total net debt applicable to the limit as a percentage of debt limit	5.3%	5.0%	4.4%	4.0%	3.6%	4.6%	3.9%	4.6%	5.3%	5.2%

Note: Under the State of Texas Government Code Section 1301.003, the County's outstanding debt should not exceed 5% of total assessed property value.

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 Person Income</u>	<u>Unemployment Rate</u>
1999	237,602	\$ 5,947,581	\$ 25,032	7.3
2000	241,767	6,573,637	27,019	5.0
2001	248,425	6,918,304	27,757	5.1
2002	255,508	7,204,298	28,035	6.3
2003	261,446	7,375,136	27,993	7.3
2004	268,327	7,701,167	28,442	6.9
2005	274,613	8,298,208	29,869	5.7
2006	284,243	9,241,458	32,513	5.0
2007	294,233	10,291,926	34,979	4.4
2008	296,691	11,461,801	38,632	5.2

Source: Texas Workforce Commission website <http://www/tracer2.com>

* Estimated amount was used for 2008 because updated information is unavailable.

**Estimated amounts were used for 2007 and 2008 because updated information is unavailable.

BRAZORIA COUNTY, TEXAS
PRINCIPAL EMPLOYERS
 Current Year

Table 13

<u>Employer</u>	<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Dow Chemical Company	4,570	1	3.4%
Texas Dept of Criminal Justice	2,461	2	1.8%
Infinity Group	2,413	3	1.8%
Alvin ISD	2,379	4	1.8%
Pearland ISD	2,196	5	1.6%
Brazosport ISD	2,073	6	1.5%
Brand Energy Solutions LLC	1,914	7	1.4%
Wal-Mart Associates, Inc.	1,880	8	1.4%
Brazoria County	1,432	9	1.1%
Industrial Specialists, Inc.	1,069	10	0.8%
	<u>22,387</u>		<u>16.6%</u>

Source: Economic Development Alliance of Brazoria County
 Texas Workforce Commission website <http://www.tracer2.com>

Note: Total employment is 134,207. Table should reflect comparison data from nine years ago; however, data was unavailable.

BRAZORIA COUNTY, TEXAS**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**

Table 14

Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of September 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General administration	64	65	66	67	67	70	69	68	69	76
Judicial and legal	162	163	162	173	175	171	172	177	186	191
Financial administration	101	102	103	109	110	112	112	113	114	111
Elections	3	3	4	4	7	2	5	6	7	136
Public facilities	22	23	23	21	24	24	26	24	24	24
Public safety	149	149	155	160	159	162	161	170	185	195
Corrections	308	309	304	299	307	303	308	317	329	341
Public transportation	170	170	171	176	172	176	168	168	173	172
Health and welfare	67	67	68	69	71	76	78	77	81	84
Culture and recreation	131	132	142	153	152	145	148	148	152	151
Conservation	11	11	10	11	11	10	10	9	11	11
Environmental protection	3	3	3	3	3	3	3	3	4	4
Community development	0	0	0	1	2	3	3	4	4	4
Airport	11	11	9	8	9	9	10	10	8	9
Total	<u>1,202</u>	<u>1,208</u>	<u>1,220</u>	<u>1,254</u>	<u>1,269</u>	<u>1,266</u>	<u>1,273</u>	<u>1,294</u>	<u>1,347</u>	<u>1,509</u>

Source: Brazoria County Human Resources

BRAZORIA COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Table 15
 Page 1 of 3

Function	Fiscal Year				
	1999	2000	2001	2002	2003
General Administration:					
County Clerk:					
Marriage License applications	1,875	1,718	1,674	1,637	2,461
Birth certificates filed	1,266	1,340	1,168	1,219	1,178
Death certificates filed	887	1,053	980	1,044	1,138
Probate cases filed	681	755	738	782	744
Beer license applications	82	89	80	76	78
Judicial and Legal:					
District Court Level:					
Beginning civil cases pending	6,226	6,179	7,103	6,004	6,019
Civil cases docket adjustment	(	104)	104	(	1)
Civil cases filed	5,085	5,231	5,427	5,841	6,036
Civil cases disposed	<u>5,132</u>	<u>4,203</u>	<u>6,630</u>	<u>5,825</u>	<u>5,725</u>
Ending civil cases pending	<u>6,179</u>	<u>7,103</u>	<u>6,004</u>	<u>6,019</u>	<u>6,331</u>
Beginning criminal cases pending	2,342	2,259	1,966	1,952	2,052
Criminal cases docket adjustment					
Criminal cases filed	2,388	2,176	2,194	2,379	2,470
Criminal cases disposed	<u>2,471</u>	<u>2,469</u>	<u>2,208</u>	<u>2,279</u>	<u>2,685</u>
Ending criminal cases pending	<u>2,259</u>	<u>1,966</u>	<u>1,952</u>	<u>2,052</u>	<u>1,837</u>
County Court Level:					
Beginning civil cases pending	381	469	348	391	437
Civil cases docket adjustment	(	3)		(	57)
Civil cases filed	2,225	2,089	2,162	2,218	2,226
Civil cases disposed	<u>2,134</u>	<u>2,210</u>	<u>2,119</u>	<u>2,115</u>	<u>2,324</u>
Ending civil cases pending	<u>469</u>	<u>348</u>	<u>391</u>	<u>437</u>	<u>842</u>
Beginning criminal cases pending	4,293	3,573	3,581	3,067	2,959
Criminal cases docket adjustment					1,050
Criminal cases filed	5,568	6,516	5,508	5,957	6,587
Criminal cases disposed	<u>6,288</u>	<u>6,510</u>	<u>6,022</u>	<u>6,065</u>	<u>7,087</u>
Ending criminal cases pending	<u>3,573</u>	<u>3,581</u>	<u>3,067</u>	<u>2,959</u>	<u>3,509</u>
Beginning juvenile cases pending	113	113	99	117	153
Juvenile cases docket adjustment				(	1)
Juvenile cases filed	476	454	519	587	569
Juvenile cases disposed	<u>476</u>	<u>468</u>	<u>501</u>	<u>550</u>	<u>559</u>
Ending juvenile cases pending	<u>113</u>	<u>99</u>	<u>117</u>	<u>153</u>	<u>163</u>

Fiscal Year					
2004	2005	2006	2007	2008	
1,643	1,719	1,871	1,905	1,865	
1,194	1,304	1,194	1,330	1,325	
959	1,202	1,177	1,270	1,126	
732	783	803	738	762	
87	78	63	118	126	
6,331	6,288	6,304	5,543	5,684	
				178	
6,078	6,015	6,075	5,947	6,028	
<u>6,121</u>	<u>5,999</u>	<u>6,836</u>	<u>5,806</u>	<u>6,719</u>	
<u>6,288</u>	<u>6,304</u>	<u>5,543</u>	<u>5,684</u>	<u>5,171</u>	
1,837	1,820	1,934	2,121	1,973	
10 (	73)		4	70	
2,498	2,840	2,954	2,788	3,668	
<u>2,525</u>	<u>2,653</u>	<u>2,767</u>	<u>2,940</u>	<u>3,377</u>	
<u>1,820</u>	<u>1,934</u>	<u>2,121</u>	<u>1,973</u>	<u>2,334</u>	
842	996	941	1,382	1,975	
			2		
2,767	2,673	3,276	3,453	2,620	
<u>2,613</u>	<u>2,728</u>	<u>2,835</u>	<u>2,862</u>	<u>2,835</u>	
<u>996</u>	<u>941</u>	<u>1,382</u>	<u>1,975</u>	<u>1,760</u>	
3,509	4,113	5,948	6,763	6,181	
1					
7,581	7,716	8,466	7,176	6,192	
<u>6,978</u>	<u>5,881</u>	<u>7,651</u>	<u>7,758</u>	<u>7,107</u>	
<u>4,113</u>	<u>5,948</u>	<u>6,763</u>	<u>6,181</u>	<u>5,266</u>	
163	174	171	191	202	
1					
566	621	667	718	536	
<u>556</u>	<u>624</u>	<u>647</u>	<u>707</u>	<u>541</u>	
<u>174</u>	<u>171</u>	<u>191</u>	<u>202</u>	<u>197</u>	

(continued)

BRAZORIA COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Table 15
 Page 2 of 3

Function	Fiscal Year				
	1999	2000	2001	2002	2003
Judicial and Legal:					
Justice of the Peace Level:					
Cases Filed:					
Traffic	20,747	28,574	26,927	25,966	22,729
Non-traffic	13,308	12,677	11,724	12,519	11,175
Small claims suits	695	666	627	741	562
Forcible entry & detainer	992	1,125	1,205	1,699	1,492
Other civil suits	446	585	649	601	483
Cases Disposed:					
Traffic	18,112	25,600	26,167	25,570	22,647
Non-traffic	11,587	11,211	10,603	11,626	11,224
Small claims suits	500	603	515	601	445
Forcible entry and detainer	811	982	1,059	1,656	1,368
Other civil suits	246	495	462	528	366
Inquests	490	492	420	414	337
Financial Administration:					
County Auditor:					
Accounts payable check issued	N/A	16,201	16,524	17,294	17,834
Human Resources:					
Pre-employment drug screens	N/A	N/A	N/A	N/A	175
Employee random drug screen	N/A	45	81	54	N/A
Payroll checks	N/A	5,514	6,502	5,643	5,137
Payroll advices	N/A	18,788	25,370	26,623	27,836
Purchasing:					
Number of purchase orders issued	N/A	10,693	8,308	8,821	9,062
Tax Assessor-Collector:					
Registered voters	135,136	147,811	144,879	152,741	148,726
Voting precincts	65	67	67	78	78
Elections:					
Computerized Voting Equipment:					
Judges booths	0	0	0	0	0
Regular voting machines	0	0	0	0	0
ADA compliant voting machine	0	0	0	0	0

Fiscal Year				
2004	2005	2006	2007	2008
29,651	28,634	28,265	30,787	29,008
11,055	10,474	11,127	10,990	9,406
730	544	506	429	496
1,925	1,978	2,075	2,480	2,345
665	522	769	1,114	2,294
26,037	26,859	27,634	31,162	28,688
9,449	10,527	11,396	12,632	10,299
636	450	452	476	471
1,814	1,765	1,959	2,248	2,328
523	379	511	862	1,675
361	336	371	341	316
17,954	18,270	18,633	19,650	20,171
109	179	298	274	242
55	68	25	64	73
5,143	4,750	4,657	4,866	4,444
28,189	29,680	29,133	30,231	31,800
9,350	8,901	8,815	8,991	8,754
161,485	156,126	161,683	160,507	172,768
75	77	77	77	71
0	125	125	125	125
0	499	499	499	623
0	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				
	1999	2000	2001	2002	2003
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	32	32	32	32
Residential:					
Males	16	16	16	16	16
Females	8	8	8	8	8
Health and Welfare:					
Environmental Health:					
Septic permits issued	715	702	655	752	794
Indigent Health Care:					
Indigent patients	N/A	N/A	N/A	N/A	N/A
Water Lab:					
Water test performed	N/A	8,605	9,739	9,627	9,535
Culture and Recreation:					
Library:					
Library locations	10	10	10	11	11
Bookmobiles	1	1	0	0	0
Collection inventory	539,695	512,518	524,943	550,000	574,651
Items checked out	1,155,419	1,090,481	1,064,932	1,114,707	1,170,520
Library program attendance	47,112	47,043	39,628	43,913	37,097
Internet usage	32,735	47,043	74,508	91,583	118,307
Parks and Recreation:					
Museum	1	1	1	1	1
Environmental Protection:					
Flood Plain Administrator:					
Construction permits issued	3,759	3,222	2,879	3,152	3,326
Estimated value of construction	343,354,844	457,805,503	457,981,851	545,557,052	587,327,075
Community Development:					
First time homebuyers	N/A	N/A	N/A	N/A	N/A
Reconstructions (home replacement)	N/A	N/A	N/A	N/A	N/A
Rehabilitation (home repair)	N/A	N/A	N/A	N/A	N/A

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				
2004	2005	2006	2007	2008
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
32	32	32	32	32
16	16	16	16	16
8	8	8	8	8
736	730	710	600	1,063
6,408	2,196	1,632	1,200	1,172
8,879	8,629	8,846	8,639	8,827
11	11	11	11	11
0	0	0	0	0
576,449	589,086	589,747	590,399	593,128
1,282,210	1,284,806	1,326,618	1,364,303	1,335,901
42,554	41,339	43,771	44,642	43,468
134,836	147,645	179,147	218,607	292,449
1	1	1	1	1
3,751	4,307	3,596	3,127	2,308
714,353,069	2,619,633,789	838,167,441	896,501,328	623,458,910
36	39	26	18	12
2	5	3	6	3
2	4	9	1	2

BRAZORIA COUNTY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Table 16

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Airport:										
7,000 Runway	1	1	1	1	1	1	1	1	1	1
Health and Welfare:										
Health clinic locations	6	7	7	7	7	7	7	7	7	7
Public Facilities:										
County Parks	7	7	8	8	8	8	8	9	9	9
Public Safety:										
Sheriff Vehicles	N/A	N/A	N/A	N/A	100	98	98	116	109	125
Constable Vehicles	N/A	N/A	N/A	N/A	12	12	13	15	16	25
Public Transportation:										
Roads - Paved (miles)	940.82	940.82	961.73	965.3	979.6	999.65	1002.53	1004.14	1012.47	1020.42
Roads - Unpaved (miles)	187.51	187.51	171.45	171.45	170.85	170.15	169.95	169.95	169.95	169.95
Bridges	120	120	120	120	120	120	124	126	126	126

Source: Various County departments, Brazoria County Auditor's office capital assets listing.

Note: Brazoria County implemented GASB 34 and capital asset software in FY 2003.

N/A - Data is not available for the year.

FEDERAL AND STATE AWARDS SECTION



Kennemer, Masters & Lunsford

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Independent Auditor's Report

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

March 5, 2009

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Brazoria County, Texas (the "County") as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 5, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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The Honorable County Judge,
and Members of Commissioners'
Court of Brazoria County, Texas
March 5, 2009
Page 2

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs (Item 08-1) to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

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

We have performed tests designed to verify the County's compliance with the requirements of the Public Funds Investment Act. During the year ended September 30, 2008, no instances of noncompliance were found.

We noted certain matters that we reported to management of the County, in a separate letter dated March 5, 2009.

This report is intended solely for the information and use of the County Judge, members of Commissioners' Court, management, and appropriate state and federal agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Kennemer, Masters & Hurdford, LLC

Kennemer, Masters & Lunsford

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Independent Auditor's Report

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

March 5, 2009

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

Compliance

We have audited the compliance of Brazoria County (the "County"), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major state and federal programs for the year ended September 30, 2008. The County's major state and federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state and federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state and federal programs for the year ended September 30, 2008.

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The Honorable County Judge,
and Members of Commissioners'
Court of Brazoria County, Texas
March 5, 2009
Page 2

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major state or federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a state or federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that non compliance with a type of compliance requirement of a state or federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state or federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the County Judge, members of Commissioners' Court, management, and appropriate state and federal agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Kennemer, Masters & Hunsford, LLC

BRAZORIA COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2008

Page 1 of 2

I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unqualified.
2. One internal control finding (08-1), that was required to be reported in this schedule, was disclosed in the audit of the financial statements. It was not considered a material weakness.
3. Noncompliance, which is material to the financial statements: None.
4. No internal control findings, that are required to be reported in this schedule, were disclosed in the audit of the major programs.
5. Type of auditor's report on compliance for major programs: Unqualified.
6. Did the audit disclose findings which are required to be reported under Sec. 510(a): No
7. Major programs include:
 - Federal:
 - 14.218 Community Development Block Grant
 - 14.239 HOME Program
 - 97.036 Public Assistance Grant – Hurricane Ike
 - State:
 - Aircheck Texas Repair and Replacement Assistance program
8. Dollar threshold used to distinguish between Type A and Type B programs: Federal \$ 372,810; State \$ 300,000.
9. Low risk auditee: Yes.

II. Findings related to the financial statements

The audit disclosed the following findings required to be reported:

1. Schedule reference number 08-1: TSG Judicial Software. Controls over receipts and docket numbers are not consistently maintained.

Criteria: Accounting procedures should be modified based on the changes required by the new software to establish adequate internal controls over receipts and docket numbers to ensure the accuracy and completeness of transactions.

Condition Found: Implementations of the new software occurred over an extended period of time and were not implemented consistently. Different locations had modifications (customized) performed on the software. These modifications were performed without consideration of the overall internal control requirements or the capability of the new software. In some instances the goal was to limit the changes in accounting (manual) procedures rather than consideration of an overall internal control environment.

Questioned costs/basis: None

Instances/universe: The variances were noted during our walk through procedures at or near the end of September 2008.

Effect: Internal control procedures during and after the implementation of the new software were weakened and were not adequate based on the capabilities of the new software system.

Recommendations: A concerted effort needs to be made to establish accounting and computer (software capability) procedures that maximize internal controls. These controls should incorporate numerical sequence controls for docket, bond, and ticket numbers as well as stronger reconciliation controls. This can only be achieved through entity wide considerations and requirements rather than the desires of the individual departments.

III. Findings and questioned costs related to the federal and state awards.

None.

Schedule reference number 07-1: TSG Judicial Software. Controls over receipts and docket numbers are not consistently maintained.

Corrective action taken: The Auditor's Office and Information Systems personnel have continued to work together and with departments using TSG to establish accounting and computer (software capability) procedures that will maximize internal controls. Information Systems has allocated resources to change TSG capabilities to assist in the enhancement of internal controls. Progress has been made in providing reports to account for the numerical sequence of tickets. See schedule reference 08-1.

Schedule reference number 08-1: TSG Judicial Software. Controls over receipts and docket numbers are not consistently maintained.

Corrective action plan: The Auditor's Office and Information Systems personnel continue to work together and with departments using TSG to establish accounting and computer (software capability) procedures that will maximize internal controls. Information Systems plans to allocate resources to change TSG capabilities to assist in the enhancement of internal controls. Connie Garner, County Auditor, will monitor on an ongoing basis to ensure proper performance of these processes and procedures.

BRAZORIA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2008

Exhibit 23
Page 1

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	TDH746000044507	\$ 9,188
Women, Infants and Children (WIC Program)	10.557	TDH746000044508	<u>1,129,910</u>
			1,139,098
Passed Through Texas Health and Human Services Commission:			
School Breakfast Program	10.553	TX-020-2008	32,622
National School Lunch Program	10.555	TX-020-2008	<u>50,421</u>
TOTAL DEPARTMENT OF AGRICULTURE			\$ <u>1,222,141</u>
U.S. Department of Housing and Urban Development:			
Direct Program:			
Community Development Block Grant	14.218	B-02-UC-48-0005	\$ 4,991
Community Development Block Grant	14.218	B-03-UC-48-0005	4,055
Community Development Block Grant	14.218	B-04-UC-48-0005	42,244
Community Development Block Grant	14.218	B-05-UC-48-0005	285,533
Community Development Block Grant	14.218	B-06-UC-48-0005	600,696
Community Development Block Grant	14.218	B-07-UC-48-0005	<u>982,297</u>
			1,919,816
Emergency Shelter Program	14.231	S-05-UC-48-0004	15,412
Emergency Shelter Program	14.231	S-06-UC-48-0004	<u>73,159</u>
			88,571
Home Program	14.239	M-05-UC-48-0230	52,645
Home Program	14.239	M-06-UC-48-0230	40,945
Home Program	14.239	M-07-UC-48-0230	<u>125,281</u>
			218,871
Section 8 Housing Voucher Program	14.871	TX484VO 0003	793,153
Section 8 Housing Voucher Program	14.871	TX484VO 0004	<u>2,605,101</u>
			3,398,254
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ <u>5,625,512</u>
U.S. Department of Interior:			
Passed Through Fish and Wildlife Service:			
Refuge Revenue Sharing Act of 1978	15.000	--	\$ 36,798
Rural Fire Assistance Program	15.609	1448-20181-01-j856	35,657
Passed Through Minerals Management Service:			
Coastal Impact Assistance Program	15.426	Tier 1	<u>25,103</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			\$ <u>97,558</u>

BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued**
For the Year Ended September 30, 2008Exhibit 23
Page 2

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Contract/ Program Number	Expenditures Indirect Costs or Award Amount
U.S. Department of Justice:			
Direct:			
Organized Crime Drug Enforcement Task Force - State & Local OT & Authorized Expense Agreement	16.592	sw-txs-688	\$ <u>25,441</u>
Passed Through the Drug Enforcement Administration:			
State and Local Task Force Agreement	16.540	--	14,542
Passed Through Office of the Governor - Criminal Justice Division:			
Juvenile Incentive Block Grant	16.540	JB-08-J20-19113-01	730
Juvenile Incentive Block Grant	16.540	JB-00-J20-19113-02	<u>9,351</u>
			<u>24,623</u>
Crime Victim Assistance Program	16.575	VA-03-V30-13535-07	16,934
Crime Victim Assistance Program	16.575	VA-07-V30-13535-08	53,477
Crime Victim Assistance Program	16.575	VA-07-V30-13536-08	36,920
Crime Victim Assistance Program	16.575	VA-07-V30-13536-09	<u>12,168</u>
			<u>119,499</u>
State Criminal Alien Assistance Program	16.606	2008-AP-BX-0018	49,812
Edward Byrne Memorial Assistance Grant	16.738	2006-DJBX1096	<u>1,496</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			\$ <u>220,871</u>
U.S. Department of Transportation:			
Passed Through Texas Department of Transportation:			
Airport Improvement Program	20.106	0712ANGLE	\$ <u>91,668</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			\$ <u>91,668</u>
U.S. General Services Administration:			
Passed Through Texas Secretary of State:			
Help American Vote Act - Team Compatability Fund	93.617	---	\$ <u>6,305</u>
TOTAL U.S. GENERAL SERVICES ADMINISTRATION			\$ <u>6,305</u>
U.S. Department of Health and Human Service:			
Passed Through Texas Department of State Health Services:			
Community & Rural Health Program (BRLHO)	93.268	TDH746000044508	\$ 49,502
Community & Rural Health Program (BRLHO)	93.268	TDH746000044509	<u>4,897</u>
			<u>54,399</u>

BRAZORIA COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued
 For the Year Ended September 30, 2008

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 Service: (continued)			
Passed Through Texas Department of State Health Services: (continued)			
CPS - Cities Readiness Initiative	93.283	2007-022339	8,783
CPS - Cities Readiness Initiative	93.283	2008-023007	95,782
CPS - Cities Readiness Initiative	93.283	2008-028072	9,698
Infectious Disease Surveillance & EPI Branch	93.283	2007-022444	91,519
Bioterrorism	93.283	2008-028068	33,456
Bioterrorism	93.283	2008-022940	<u>205,703</u>
			<u>444,941</u>
Passed Through Texas Department of Family and Protective Services:			
Foster Care Title IV-E Legal Costs	93.658	23379419	41,034
Foster Care Title IV-E Legal Costs	93.658	23402021	4,812
Foster Care Title IV-E Legal Costs	93.658	23379422	<u>11,364</u>
			<u>57,210</u>
Foster Care Title IV-E	93.658	23379419	44,815
Foster Care Title IV-E	93.658	23402021	<u>3,442</u>
			<u>48,257</u>
Foster Care Title IV-E	93.658	TJPC-E-08-020	353,810
Foster Care Title IV-E	93.658	TJPC-E-09-020	<u>17,321</u>
			<u>371,131</u>
			<u>476,598</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICE			<u>\$ 975,938</u>
U.S. Department of Homeland Security:			
Direct:			
Public Assistance Grant – Hurricane Ike	97.036	Various	<u>\$ 3,767,510</u>
Passed Through Texas Engineering Extension Service:			
FY 2004 Urban Areas LETPP	97.053	2006-GE-T6-0068	20,038
FY 2004 Urban Areas LETPP	97.053	2007-GE-T7-0024	<u>224,750</u>
			<u>244,788</u>
Passed Through Texas Department of Public Safety's Division Of Emergency Management:			
Emergency Food and Shelter National Board	97.024	20-7900-00 007	14,520
Emergency Food and Shelter National Board	97.024	20-7900-00 008	<u>15,767</u>
			<u>30,287</u>
2005 Buffer Zone Protection	97.078	2007-BZ-T7-0023	112,141
Emergency Management Performance Grant	97.042	08TX-EMPG-0310	<u>32,268</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>\$ 4,186,994</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 12,426,987</u>
TOTAL MAJOR PROGRAMS			<u>\$ 5,906,197</u>
TYPE A PROGRAM			<u>\$ 372,810</u>

BRAZORIA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended September 30, 2008

Exhibit 24
Page 1

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	TDH 7460000445 08	\$ 124,173
Immunization OPTS/LHS	TDH 7460000445 09	<u>11,619</u>
TOTAL TEXAS DEPARTMENT OF HEALTH		\$ <u>135,792</u>
Texas Juvenile Probation Commission:		
Direct Programs:		
State Aid Program (1)	TJPC-A-08-020	\$ 168,304
State Aid Program (1)	TJPC-A-09-020	20,178
Community Correction Assistance Program (1)	TJPC-Y-08-020	353,398
Community Correction Assistance Program (1)	TJPC-Y-09-020	48,164
Salary Adjustment Funding JP and Detention Centers (1)	TJPC-Z-08-020	142,019
Salary Adjustment Funding JP and Detention Centers (1)	TJPC-Z-09-020	12,540
Progressive Sanctions JPO (1)	TJPC-F-08-020	134,801
Progressive Sanctions JPO (1)	TJPC-F-09-020	13,516
Progressive Sanctions Level 1-2-3 (1)	TJPC-G-08-020	45,396
Progressive Sanctions Level 1-2-3 (1)	TJPC-G-09-020	4,999
Progressive Sanctions IS JPO (1)	TJPC-O-08-020	23,402
Progressive Sanctions IS JPO (1)	TJPC-O-09-020	3,516
Intensive Community Based Placement - Regional (1)	TJPC-X-09-020	67,304
Divisionary Placement	TJPC-CCP-RG7	124,452
Divisionary Placement	TJPC-H-09-020	2,850
Level 5 Placement	TJPC-CCP-LV5	26,315
Passed Through Texas Education Agency:		
Juvenile Justice Alternative Education Program (Boot Camp) (1)	TJPC-P-08-020	208,876
Juvenile Justice Alternative Education Program (Boot Camp) (1)	TJPC-P-09-020	<u>21,804</u>
TOTAL TEXAS JUVENILE PROBATION COMMISSION		\$ <u>1,421,834</u>
Texas Commission on Environmental Quality:		
Direct:		
FY 07 Solid Waste Implementation Program	07-16-G08	\$ 1,060
Aircheck Texas Repair and Replacement Assistance Program	582-2-55082-011	<u>1,019,984</u>
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		\$ <u>1,021,044</u>

BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF STATE AWARDS - Continued**
For the Year Ended September 30, 2008Exhibit 24
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State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Texas Department of Family and Protective Services:		
Direct Program:		
Title IV-B Concrete Services	23367992	\$ 6,683
Title IV-B Concrete Services	23405081	<u>200</u>
TOTAL TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES		<u>\$ 6,883</u>
Texas Department of Transportation:		
Direct Program:		
Surface Transport Program	12448P5061	\$ 12,038
Routine Airport Maintenance	M812ANGLE	<u>50,000</u>
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION		<u>\$ 62,038</u>
Commission on State of Texas Emergency Communications:		
Passed Through Houston-Galveston Area Council:		
911 Addressing Maintenance Contract	911410	\$ 5,178
911 Addressing Maintenance Contract	911410	<u>56,377</u>
TOTAL COMMISSION ON STATE OF TEXAS EMERGENCY COMMUNICATIONS		<u>\$ 61,555</u>
Office of Attorney General:		
Direct Program:		
Victim Coordinator Liaison Grant (VCLG)	09-01423	\$ 1,667
Victim Coordinator Liaison Grant (VCLG)	08-01423	17,337
Texas Victim Information and Notification Everyday (VINE)	08-05721	27,599
Texas Victim Information and Notification Everyday (VINE)	09-07600	<u>2,509</u>
TOTAL OFFICE OF ATTORNEY GENERAL		<u>\$ 49,112</u>
Texas Task Force on Indigent Defense:		
Direct Program:		
Indigent Defense Services	212-08-020	<u>\$ 135,487</u>
TOTAL TEXAS TASK FORCE ON INDIGENT DEFENSE		<u>\$ 135,487</u>
General Land Office:		
Direct Program:		
Beach Cleanup and Maintenance Assistance	GLO 08-072-010	<u>\$ 45,464</u>
TOTAL GENERAL LAND OFFICE		<u>\$ 45,464</u>

BRAZORIA COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF STATE AWARDS - Continued

For the Year Ended September 30, 2008

Exhibit 24

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<u>State Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Contract/ Program Number</u>	<u>Expenditures or Award Amount</u>
Texas State Library and Archives Commission:		
Direct Program:		
Loan Star Libraries Grant	442-06014	\$ <u>58,746</u>
TOTAL TEXAS STATE LIBRARY AND ARCHIVES COMMISSION		\$ <u>58,746</u>
TOTAL STATE ASSISTANCE		\$ <u>2,997,955</u>
TOTAL MAJOR PROGRAMS		\$ <u>1,019,984</u>
TYPE A PROGRAM		\$ <u>300,000</u>

(1) Cluster Programs per TJPC

BRAZORIA COUNTY, TEXAS

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AND STATE AWARDS

Year Ended September 30, 2008

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 liabilities 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 current liabilities 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 net current assets. 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, 2008

The Proprietary Fund Types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total assets) 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 assets. Federal grant funds were accounted for in the Enterprise Fund, 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 deferred revenues until earned.

3. The period of availability for state grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal 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 Circular A-133 Compliance Supplement.
4. Indirect Costs - Brazoria County, Texas received no reimbursements for indirect costs during the year ended September 30, 2008.