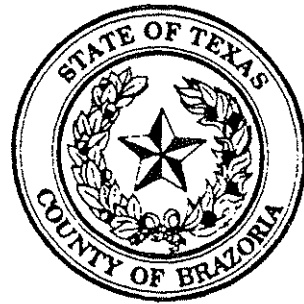


BRAZORIA COUNTY, TEXAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2010

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, 2010

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BRAZORIA COUNTY, TEXAS

Comprehensive Annual Financial Report
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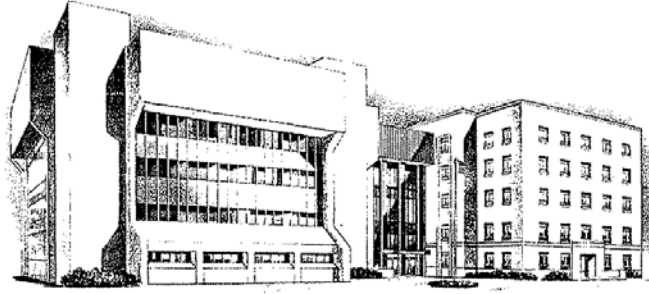
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INTRODUCTORY SECTION



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



TELEPHONE
(409) 849-5711 EXT. 1275
(409) 265-4261 EXT. 1275
(713) 331-6101 EXT. 1275

BRAZORIA COUNTY
ANGLETON, TEXAS 77515

March 15, 2011

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, 2010, is submitted herewith in accordance with Chapter 114.025 of the Local government Code. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

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, 2010, 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, 2010 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 Commissioner' Court is very active in infrastructure development, specifically road improvements, to help insure economic growth. In March 2010, the County issued \$19.5M more from the \$50M mobility bonds approved by voters in 2004. The County previously sold \$14M of the bonds in November, 2006 and an additional \$8M in July, 2008. The balance will be issued in the upcoming years.

In an effort to be better prepared to handle emergency situations, in 2010 the County purchased land and a building to permanently house our Emergency Operations Center. Renovations will continue in 2011. The County is also building a new service center in Precinct 4 in order to enhance service to County residents. Completion is expected in the near future.

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, 2009. 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 17 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

FINANCIAL SECTION



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, 2009

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.



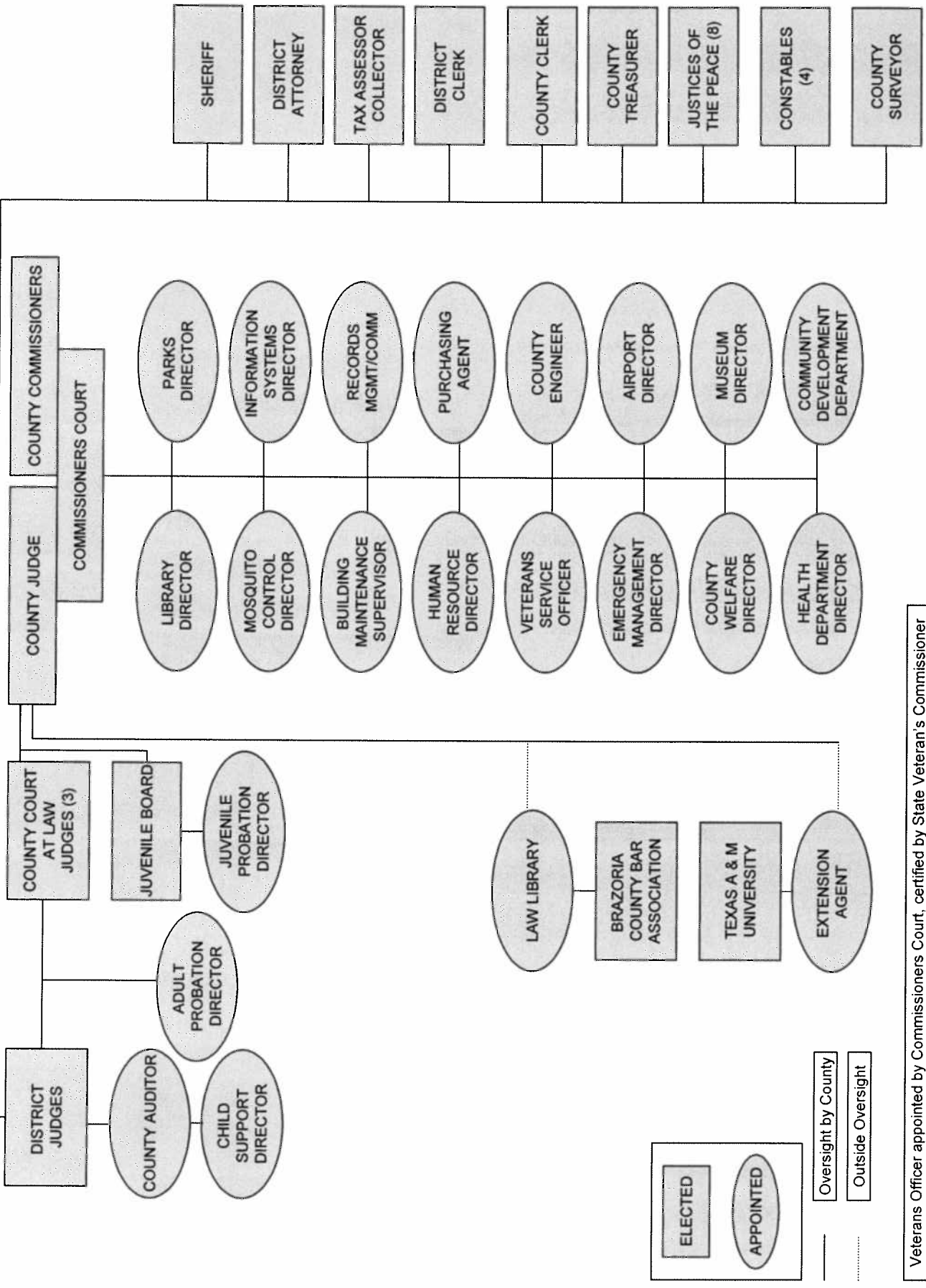
A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

BRAZORIA COUNTY VOTERS



ELECTED
APPOINTED

— 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

Stacy Adams, 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



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:
12000 Westheimer, Suite 105
Houston, Texas 77077
(281) 752-0200 Fax: (281) 752-0204

Independent Auditor's Report

March 4, 2011

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2011 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

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

The Honorable County Judge,
and Members of Commissioners' Court
of Brazoria County, Texas
March 4, 2011
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 15 and 86 through 88, 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 *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.

Kennemer, Masters & Hunzford, LLC

BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2010

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, 2010. 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 \$ 184,440,213 and \$ 18,880,802 (net assets), respectively. Of this amount, \$ 36,955,322 and \$ 948,703 (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 \$ 10,435,144 and increased for business-type activities by \$ 7,369,569.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 72,961,400 and its enterprise fund reported ending net assets of \$ 18,880,602. 38.24% and 5.02% of these total amounts, \$ 27,897,657 (unreserved fund balance) and \$ 948,503 (unrestricted net assets), respectively, were available for use within the County's fund designations. Of the governmental funds amount, \$ 818,282 has been designated for specific uses.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$ 27,121,283 or 32.15% of the total general fund expenditure.

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, 2010

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 18 through 21](#) 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 twenty-six (126) 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), and Mobility Build America Bond C & M (capital projects fund); all of which are considered to be major funds. Data from the other one hundred and twenty-three (123) 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 22 [through 31](#) of this report.

BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2010

- **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 32 through 37 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 38 and 39.

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 41 through 83 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 86 through 88 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 91 through 190 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 \$ 203,321,015 as of September 30, 2010.

The largest portion of the County's net assets, \$ 125,630,510 (61.79%) 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.

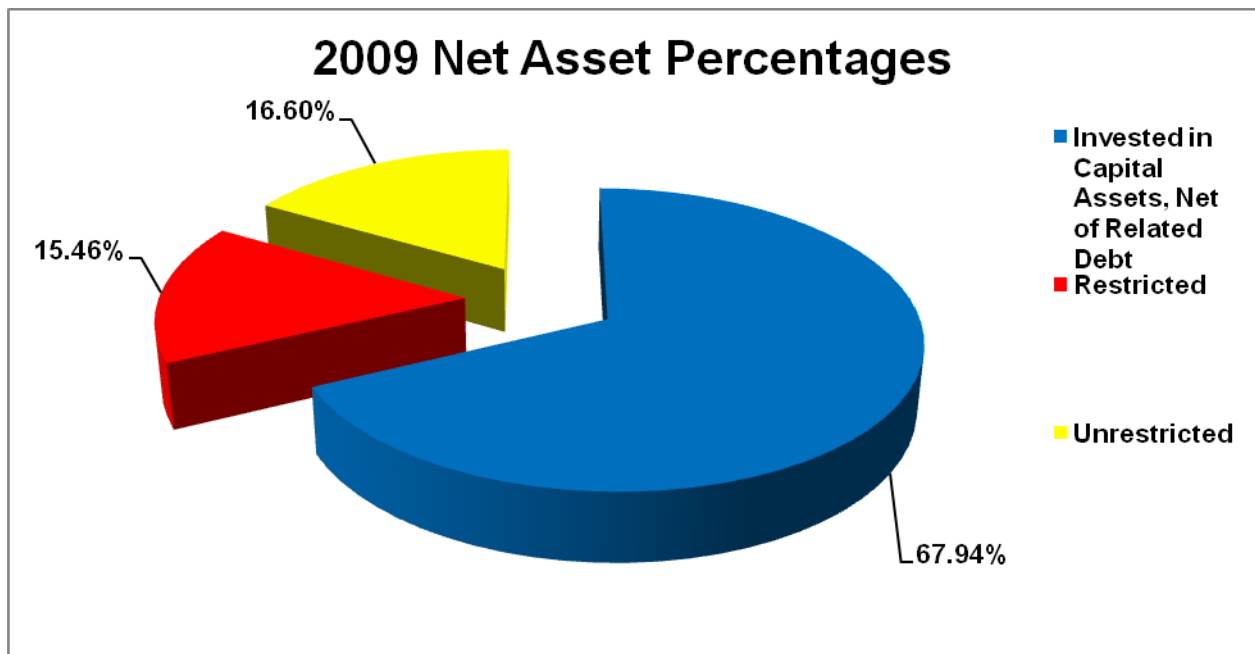
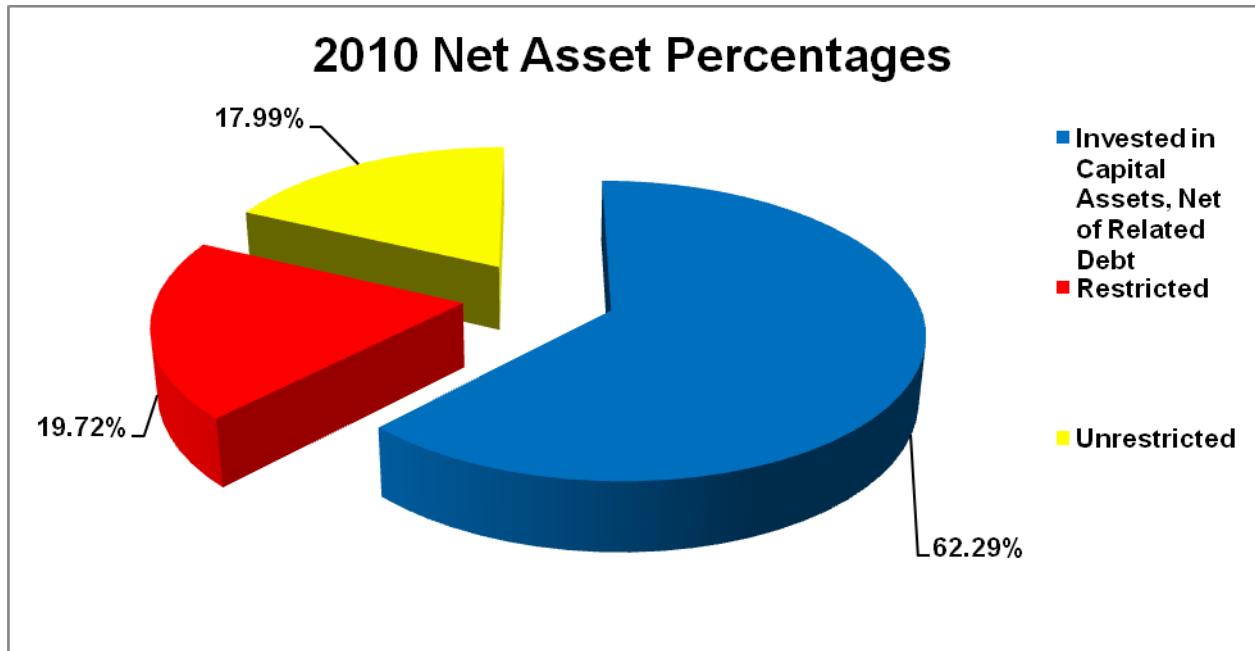
BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2010

BRAZORIA COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	September 30,		September 30,		September 30,	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 99,234,439	\$ 85,480,594	\$ 1,019,122	\$ 1,355,099	\$ 100,253,561	\$ 86,835,693
Capital assets	<u>169,437,575</u>	<u>161,322,596</u>	<u>17,932,099</u>	<u>10,262,085</u>	<u>187,369,674</u>	<u>171,584,681</u>
Total assets	<u>268,672,014</u>	<u>246,803,190</u>	<u>18,951,221</u>	<u>11,617,184</u>	<u>287,623,235</u>	<u>258,420,374</u>
Current and other liabilities	14,323,017	18,232,751	60,510	90,270	14,383,527	18,323,021
Long-term liabilities	<u>69,908,784</u>	<u>54,565,370</u>	<u>9,909</u>	<u>15,681</u>	<u>69,918,693</u>	<u>54,581,051</u>
Total liabilities	<u>84,231,801</u>	<u>72,798,121</u>	<u>70,419</u>	<u>105,951</u>	<u>84,302,220</u>	<u>72,904,072</u>
Net Assets:						
Invest in capital assets, net of related debt	107,698,411	115,040,670	17,932,099	10,262,085	125,630,510	125,302,755
Restricted	39,786,480	28,525,533			39,786,480	28,525,533
Unrestricted	<u>36,955,322</u>	<u>30,438,866</u>	<u>948,703</u>	<u>1,249,148</u>	<u>37,904,025</u>	<u>31,688,014</u>
Total net assets	<u>\$ 184,440,213</u>	<u>\$ 174,005,069</u>	<u>\$ 18,880,802</u>	<u>\$ 11,511,233</u>	<u>\$ 203,321,015</u>	<u>\$ 185,516,302</u>

An additional portion of the County's net assets of \$ 39,786,480 (19.57%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$ 37,904,025 (18.64%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2010, 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 \$ 17,804,713. Governmental activities reported an increase in net assets in the amount of \$ 10,435,144, while the business-type activities increased the County's net assets in the amount of \$ 7,369,569. 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, 2010 and 2009:

BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2010

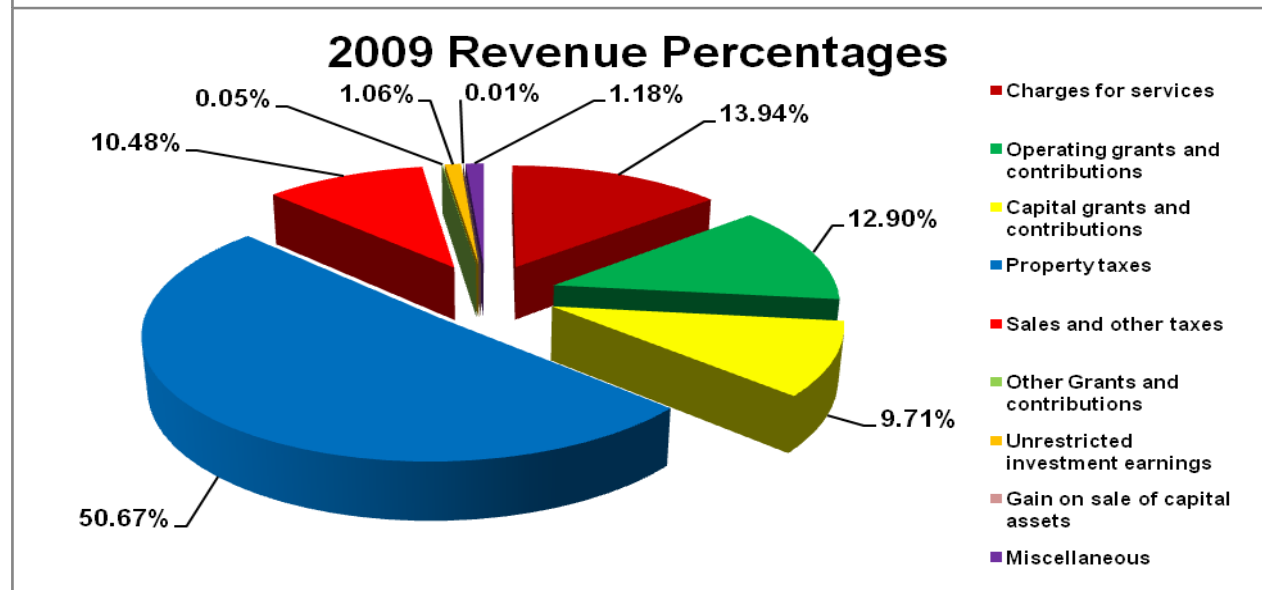
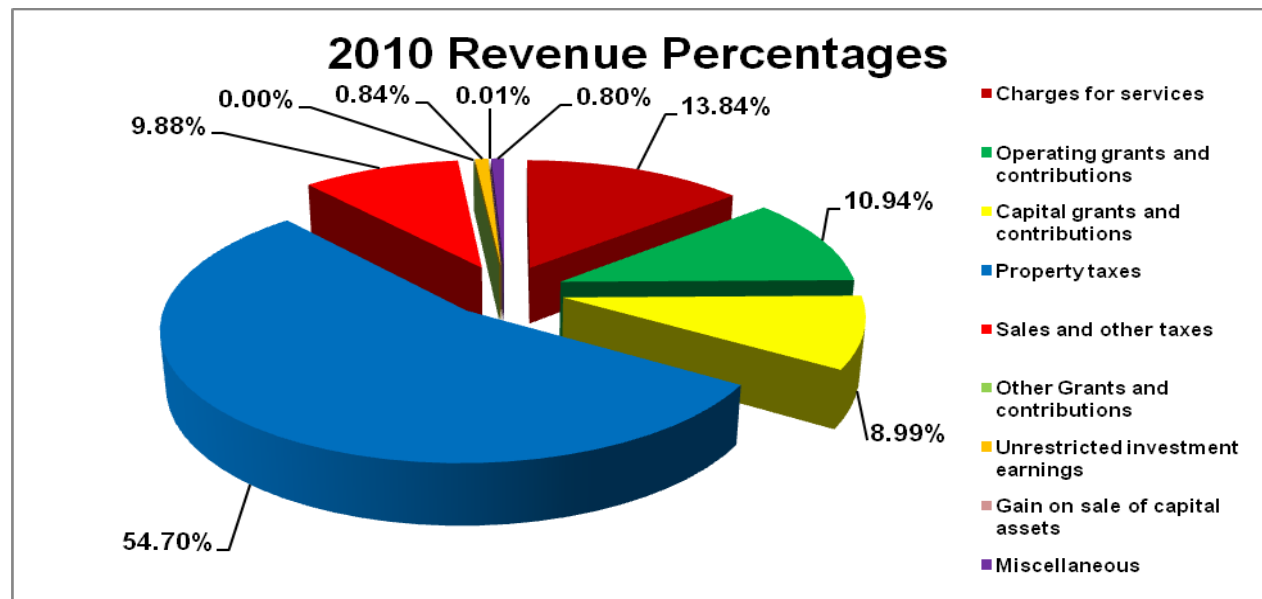
BRAZORIA COUNTY'S CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	September 30,		September 30,		September 30,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 19,250,906	\$ 19,054,945	\$ 2,523,391	\$ 3,281,882	\$ 21,774,297	\$ 22,336,827
Operating grants and contributions	17,208,798	20,615,452		43,086	17,208,798	20,658,538
Capital grants and contributions	6,058,920	15,200,393	8,085,786	354,225	14,144,706	15,554,618
General Revenues:						
Property taxes	86,026,984	81,156,848			86,026,984	81,156,848
Sales & other taxes	15,538,547	16,794,059			15,538,547	16,794,059
Grants and contributions not restricted to specific programs		78,956			-0-	78,956
Unrestricted investment earnings	1,305,949	1,686,538	16,585	10,326	1,322,534	1,696,864
Gain on disposition of capital assets		10,106	13,429		13,429	10,106
Miscellaneous	<u>1,253,276</u>	<u>1,894,054</u>			<u>1,253,276</u>	<u>1,894,054</u>
Total revenues	<u>146,643,380</u>	<u>156,491,351</u>	<u>10,639,191</u>	<u>3,689,519</u>	<u>157,282,571</u>	<u>160,180,870</u>
Expenses:						
General administration	9,794,810	8,382,000			9,794,810	8,382,000
Judicial and legal	17,024,927	17,042,872			17,024,927	17,042,872
Financial administration	9,370,469	9,245,171			9,370,469	9,245,171
Elections	471,550	460,608			471,550	460,608
Public facilities	3,998,157	3,720,188			3,998,157	3,720,188
Public safety	17,113,934	16,508,998			17,113,934	16,508,998
Corrections	23,051,174	23,011,340			23,051,174	23,011,340
Public transportation	27,265,516	33,615,909			27,265,516	33,615,909
Health and welfare	12,682,216	11,354,439			12,682,216	11,354,439
Public assistance	296,000	296,000			296,000	296,000
Culture and recreation	8,465,970	8,470,686			8,465,970	8,470,686
Conservation	387,092	431,480			387,092	431,480
Environmental protection	202,350	210,166			202,350	210,166
Community development	3,433,743	2,477,725			3,433,743	2,477,725
Airport			3,269,622	3,739,485	3,269,622	3,739,485
Interest on long-term debt	<u>2,650,328</u>	<u>2,242,764</u>			<u>2,650,328</u>	<u>2,242,764</u>
Total expenses	<u>136,208,236</u>	<u>137,470,346</u>	<u>3,269,622</u>	<u>3,739,485</u>	<u>139,477,858</u>	<u>141,209,831</u>

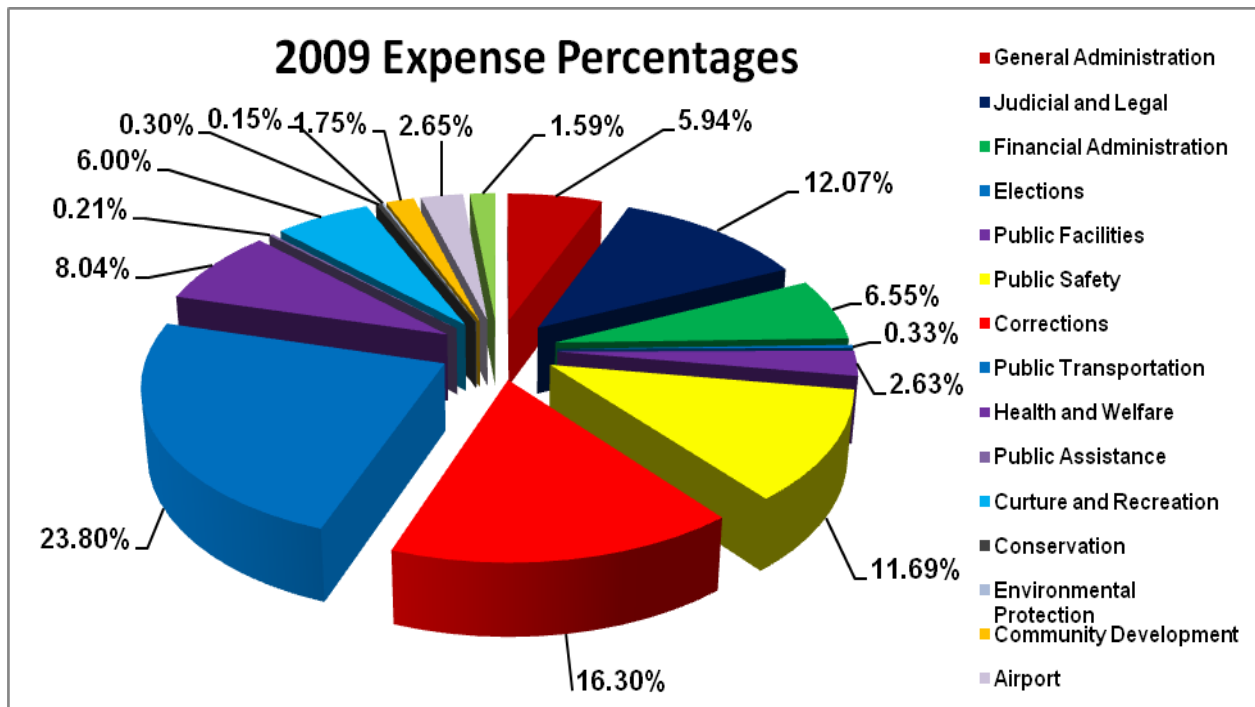
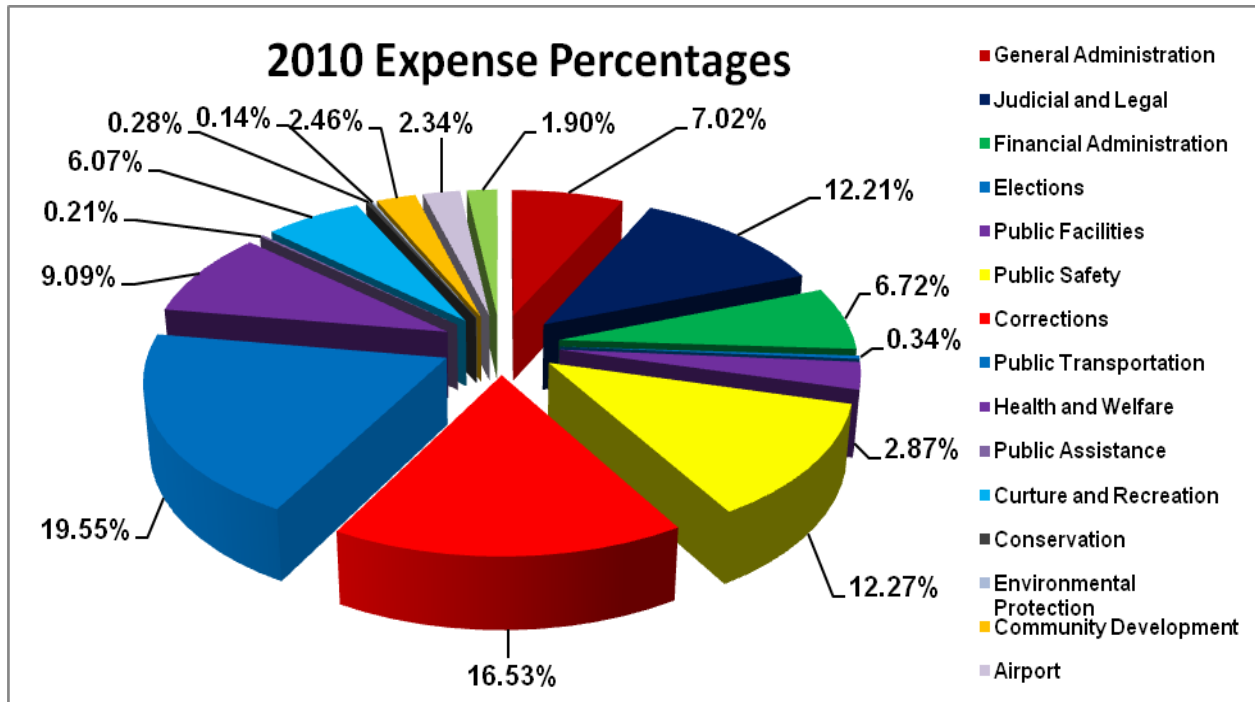
(continued)

BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2010

	Governmental Activities		Business-type Activities		Totals	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
Increase (decrease) in net assets before contributions and transfers	\$ 10,435,144	\$ 19,021,005	\$ 7,369,569	\$ (49,966)	\$ 17,804,713	\$ 18,971,039
Transfers		(349,500)		349,500	-0-	-0-
Increase (decrease) in net assets	10,435,144	18,671,505	7,369,569	299,534	17,804,713	18,971,039
Net assets - October 1, Restated	<u>174,005,069</u>	<u>155,333,564</u>	<u>11,511,233</u>	<u>11,211,699</u>	<u>185,516,302</u>	<u>166,545,263</u>
Net assets - September 30,	<u>\$ 184,440,213</u>	<u>\$ 174,005,069</u>	<u>\$ 18,880,802</u>	<u>\$ 11,511,233</u>	<u>\$ 203,321,015</u>	<u>\$ 185,516,302</u>



BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2010



BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2010*

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 \$ 72,961,400. 38.24% of this total amount (\$ 27,897,657) 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 (\$ 987,414), 2) for the expenditure of inventories (\$ 410,324), 3) for the expenditure of encumbrances (\$ 774,100), 4) for long-term receivables (\$ 45,000), 5) general administration (\$ 2,737,105), 6) judicial and legal (\$ 2,531,875), 7) financial administration (\$ 167,850), 8) elections (\$ 162,059), 9) public safety (\$ 596,912), 10) corrections (\$ 1,456,113), 11) public transportation (\$ 13,445,587), 12) health and welfare (\$ 745,311), 13) culture and recreation (\$ 204,607), 14) debt service (\$ 3,354,187), and 15) to pay for capital projects (\$ 17,445,299).

Fund balance of the General Fund increased by \$ 4,832,751; the Road and Bridge (special revenue fund) increased by \$ 463,938; the, Mobility Build America Bonds C & M (capital projects fund) increased by \$ 13,044,858; and, other (non-major) governmental funds decreased by \$ 1,664,029. The General Fund increased as a result of increased revenues and the timing of planned expenditures based on the prior year economic turn down. The Road & Bridge (special revenue fund) increased mostly due to delays in road projects. The increase in the Mobility Build America Bonds C & M (capital projects fund) was the result of the sale of bonds. The decrease in the other (non-major) governmental funds was driven by planned expenditures for mosquito control and County Clerk records archive projects.

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, 2010 amounted to \$ 18,880,602. Total net assets increased \$ 7,366,453 (approximately 63.98%), and were due to capital grants for airport projects totaling \$ 8,085,786 and a decrease in 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 \$ 4.3 million increase in appropriations and were primarily for the following:

- The re-appropriation of funds for prior year-end encumbrances.
- Increased "Tax Increment Reinvestment Zone" (TIRZ) expenditures.
- Increased operating and capital expenditures related to Hurricane Ike.
- Increased transfer for County's self insurance fund.
- Increase operating and capital expenditures related to new library computer system.

BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2010

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

- Licenses & Permits increased by 39% due to increased mixed drink tax and car license fees.
- Charges for services exceeded estimates by 18% due to increased filings.
- Fines & Forfeitures increased slightly due to increased number of cases.
- Corrections was below estimated due to decrease in number of inmates.

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2010, amounts to \$ 187,369,674 (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:

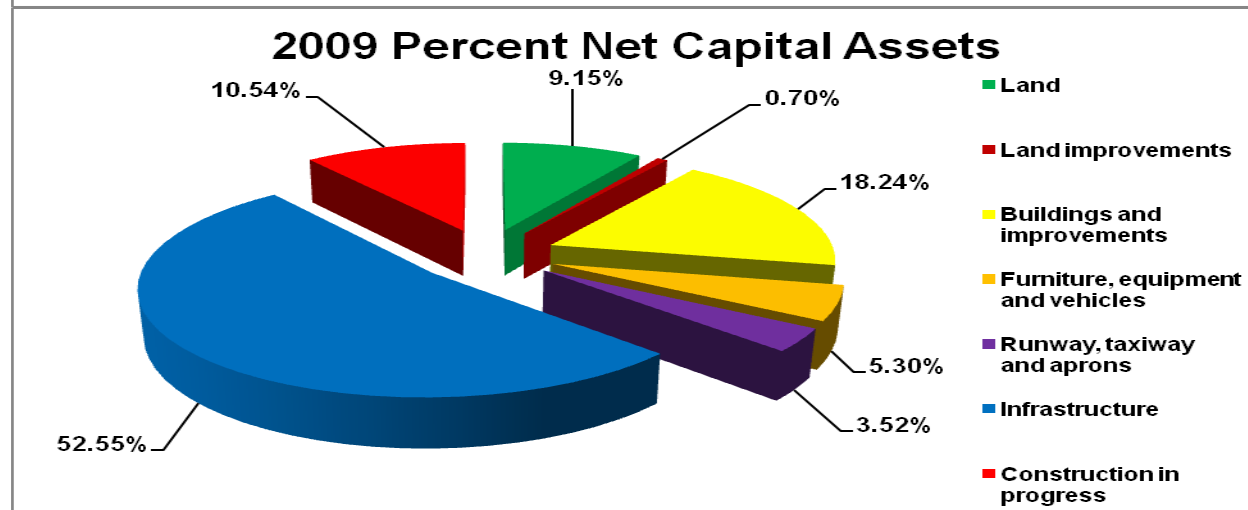
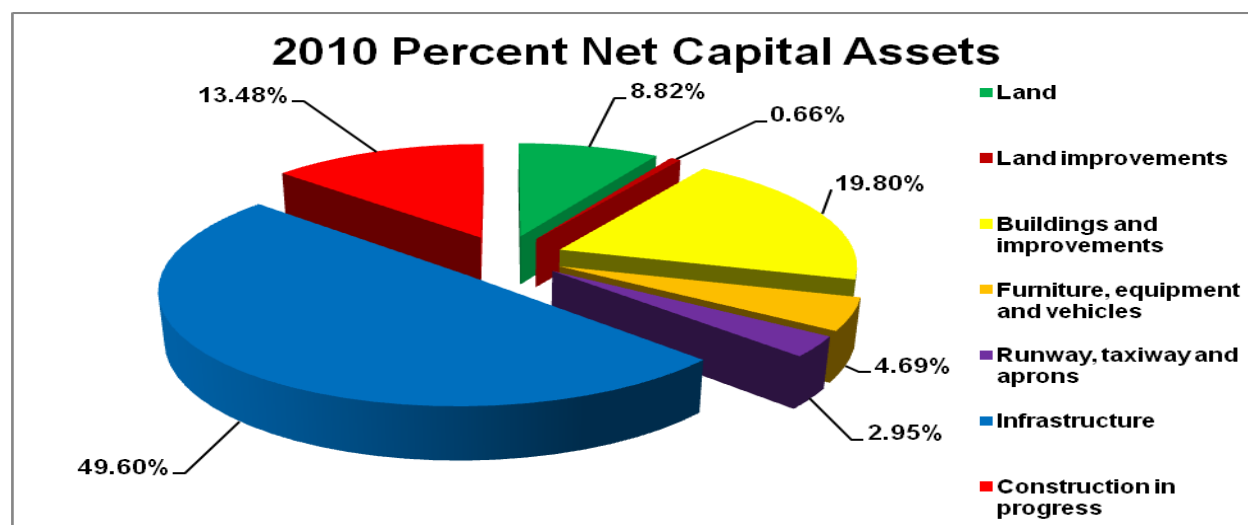
- *Construction of the Juvenile Detention Center building located in Angleton was completed and moved from construction in progress at a value of \$ 6,297,027.*
- *A variety of transportation construction projects were initiated or continued at a cost of \$ 4.2 million, much of which was financed by road bonds.*
- *Improvement of the East Annex building was completed for Adult Probation Offices and moved from construction in progress at a value of \$ 773,046.*
- *Improvement of the East Annex building was completed for County Clerk for \$ 55,200.*
- *Vehicles and equipment were added to capital assets, primarily as replacements to vehicles and road and bridge equipment during the year - \$ 1,515,859.*
- *Implementation of new Library software system for \$ 62,466.*
- *Completed construction projects at various parks for \$ 667,722.*
- *Implementation of Online Automated Commissioners' Court Agenda Software for \$ 151,919.*
- *Completion of the San Luis Park Bridge at a cost of \$ 193,410.*
- *Installation of County Clerk mobile shelving at a cost of \$ 589,201.*
- *Completion of the WIC building located in Alvin at a cost of \$ 102,244.*
- *Completion of the WIC Call Center building located in Angleton at a cost of \$ 61,521.*
- *Purchased mosquito control airplane for \$ 210,000.*
- *Purchased computer system for Sheriff mobile surveillance equipment through the HPRP – Allocation (ARRA) grant - \$ 128,143.*
- *A variety of construction in progress projects including: water craft items for the Sheriff's department purchased through the Buffer Zone grant - \$ 41,734, airplane refurbishment - \$ 24,092, energy efficiency/courthouse renovations funded by a grant through the U.S. Department of Energy - \$ 425,533, West Columbia Service Center - \$ 34,740, Ring of Honor - \$ 117,125, Justice Court – computer ticket system - \$ 237,867, Parks Department projects - \$ 334,522 and female detention center - \$ 60,000.*
- *Construction of a bridge at CR 94 over American Canal for \$ 1,202,640.*
- *Acceptance of 5.35 miles of new roads into County Road System at a value of \$ 3,258,440.*

BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2010

BRAZORIA COUNTY'S CAPITAL ASSETS
Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Totals	
	September 30, 2010	2009	September 30, 2010	2009	September 30, 2010	2009
Land	\$ 14,959,241	\$ 14,135,062	\$ 1,558,687	\$ 1,558,686	\$ 16,517,928	\$ 15,693,748
Land improvements	1,236,044	1,203,967			1,236,044	1,203,967
Buildings & improvements	35,552,472	29,579,793	1,553,514	1,720,211	37,105,986	31,300,004
Furniture, equipment & vehicles	8,229,999	8,510,704	559,170	579,592	8,789,169	9,090,296
Runway, taxiway & aprons			5,527,630	6,034,211	5,527,630	6,034,211
Infrastructure	92,939,962	90,166,785			92,939,962	90,166,785
Construction in progress	<u>16,519,857</u>	<u>17,726,285</u>	<u>8,733,098</u>	<u>369,385</u>	<u>25,252,955</u>	<u>18,095,670</u>
Total	\$ <u>169,437,575</u>	\$ <u>161,322,596</u>	\$ <u>17,932,099</u>	\$ <u>10,262,085</u>	\$ <u>187,369,674</u>	\$ <u>171,584,681</u>

Additional information on the County's capital assets can be found in note 5 on pages 62 through 67 of this report.



BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2010

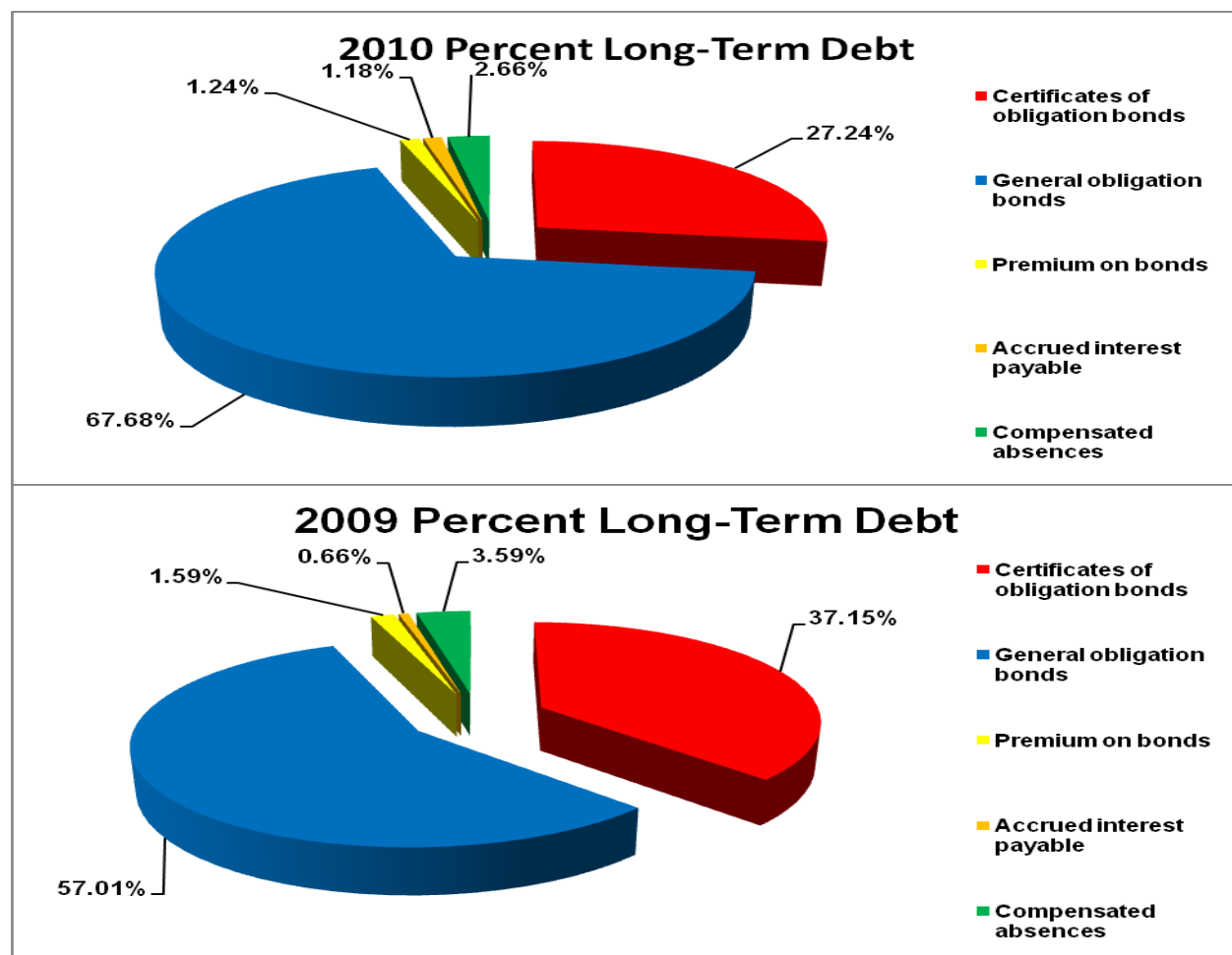
DEBT ADMINISTRATION

At the end of the current fiscal year, the County had a total bonded debt of \$ 66,370,000, 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,	
	2010	2009	2010	2009	2010	2009
Certificates of obligation bonds	\$ 19,050,000	\$ 20,280,000	\$	\$	\$ 19,050,000	\$ 20,280,000
General obligation bonds	47,320,000	31,115,000			47,320,000	31,115,000
Components of Debt:						
Premium on bonds	865,857	867,766			865,857	867,766
Accrued interest payable	825,764	359,378			825,764	359,378
Compensated absences	<u>1,847,163</u>	<u>1,943,226</u>	<u>9,909</u>	<u>15,681</u>	<u>1,857,072</u>	<u>1,958,907</u>
Total	<u>\$ 69,908,784</u>	<u>\$ 54,565,370</u>	<u>\$ 9,909</u>	<u>\$ 15,681</u>	<u>\$ 69,918,693</u>	<u>\$ 54,581,051</u>

During the fiscal year, the County's total debt increased \$ 15,337,642 or 28.10%. The increase was due primarily to the issuance of \$ 19,425,000 of Unlimited Tax Road Bonds.



BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2010*

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 69 through 71](#) of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Brazoria County remained about the same as a year ago.
- New construction continues just at a slower pace.
- Tax rolls saw a decline due to the economy and Hurricane Ike damages. Rates were increased slightly to help alleviate the shortfall.
- Positions were left vacant and tight budgets implemented.
- Sales tax and other revenues are expected to improve gradually.

All of these factors were considered in preparing Brazoria County's budget for the 2011 fiscal year. At the end of the current fiscal year, fund balances in the governmental funds increased to \$ 72,961,400. Brazoria County has appropriated \$ 3.4 million of this amount for spending in the 2011 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, 2010

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and temporary investments	\$ 61,916,696	\$ 761,930	\$ 62,678,626
Receivables (Net of Allowance for Uncollectibles):			
Taxes	1,699,083		1,699,083
Accounts	7,622,705	153,401	7,776,106
Special assessments	721,191		721,191
Due from other governments	7,395,634		7,395,634
Accrued interest	107,736	112	107,848
Loans receivable	15,000		15,000
Interfund balances	(200)	200	-0-
Prepaid items	1,125,701	10,856	1,136,557
Inventories	410,324	92,623	502,947
Investments	17,096,215		17,096,215
Bond issuance cost (net of accumulated amortization)	1,096,252		1,096,252
Discounted loans receivable (net of current)	28,102		28,102
Capital Assets:			
Land	14,959,241	1,558,687	16,517,928
Land improvements (net)	1,236,044		1,236,044
Buildings and improvements (net)	35,552,472	1,553,514	37,105,986
Furniture, equipment and vehicles (net)	8,229,999	559,170	8,789,169
Runways, taxiways and aprons (net)		5,527,630	5,527,630
Infrastructure (net)	92,939,962		92,939,962
Construction in progress	16,519,857	8,733,098	25,252,955
	<u>268,672,014</u>	<u>18,951,221</u>	<u>287,623,235</u>
Total assets			
<u>Liabilities</u>			
Accounts and accrued liabilities payable	9,937,225	45,885	9,983,110
Estimated health claims payable	1,074,241		1,074,241
Due to others	313,778		313,778
Unearned revenue	2,997,773	14,625	3,012,398
Noncurrent Liabilities:			
Due within one year	7,811,853	9,909	7,821,762
Due in more than one year	62,096,931		62,096,931
	<u>84,231,801</u>	<u>70,419</u>	<u>84,302,220</u>
Total liabilities			

(continued)

BRAZORIA COUNTY, TEXAS
STATEMENT OF NET ASSETS - Continued
September 30, 2010

Exhibit 1

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>Net Assets</u>			
Invested in capital assets, net of related debt	\$ 107,698,411	\$ 17,932,099	\$ 125,630,510
Restricted For:			
General administration	2,737,105		2,737,105
Judicial and legal	2,539,864		2,539,864
Financial administration	167,850		167,850
Elections	162,059		162,059
Public safety	597,012		597,012
Corrections	1,456,113		1,456,113
Public transportation	28,317,997		28,317,997
Health and welfare	960,928		960,928
Culture and recreation	205,407		205,407
Debt service	2,642,145		2,642,145
Unrestricted	<u>36,955,322</u>	<u>948,703</u>	<u>37,904,025</u>
Total net assets	<u>\$ 184,440,213</u>	<u>\$ 18,880,802</u>	<u>\$ 203,321,015</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, 2010

<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	\$ 9,794,810	\$ 3,068,103	\$ 1,545,755	\$ 914,420
Judicial and legal	17,024,927	7,562,837	1,656,865	
Financial administration	9,370,469	1,774,714	16,657	
Elections	471,550	213,801	28,954	18,441
Public facilities	3,998,157	36,305	61,811	
Public safety	17,113,934	1,285,185	645,999	200,818
Corrections	23,051,174	786,547	2,090,940	30,840
Public transportation	27,265,516	3,467,955	182,654	4,524,373
Health and welfare	12,682,216	613,305	6,532,245	178,640
Public assistance	296,000			
Culture and recreation	8,465,970	329,062	970,853	171,257
Conservation	387,092	106,364	43,624	
Environmental protection	202,350	6,728		
Community development	3,433,743		3,432,441	20,131
Interest on long-term debt	<u>2,650,328</u>			
Total governmental activities	136,208,236	19,250,906	17,208,798	6,058,920
Business-type Activities:				
Airport	<u>3,269,622</u>	<u>2,523,391</u>		<u>8,085,786</u>
Total primary government	<u>\$ 139,477,858</u>	<u>\$ 21,774,297</u>	<u>\$ 17,208,798</u>	<u>\$ 14,144,706</u>
General Revenue:				
Property taxes				
Sales and other taxes				
Unrestricted investment earnings				
Gain on disposition of capital assets				
Miscellaneous				
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.

<u>Net (Expense) Revenue and Changes In Net Assets</u>		
<u>Primary Government</u>		
<u>Governmental</u>	<u>Business-</u>	
<u>Activities</u>	<u>Type</u>	<u>Total</u>
<u>Activities</u>	<u>Activities</u>	
\$(4,266,532)	\$	\$(4,266,532)
(7,805,225)		(7,805,225)
(7,579,098)		(7,579,098)
(210,354)		(210,354)
(3,900,041)		(3,900,041)
(14,981,932)		(14,981,932)
(20,142,847)		(20,142,847)
(19,090,534)		(19,090,534)
(5,358,026)		(5,358,026)
(296,000)		(296,000)
(6,994,798)		(6,994,798)
(237,104)		(237,104)
(195,622)		(195,622)
18,829		18,829
<u>(2,650,328)</u>		<u>(2,650,328)</u>
(93,689,612)	-0-	(93,689,612)
	<u>7,339,555</u>	<u>7,339,555</u>
<u>(93,689,612)</u>	<u>7,339,555</u>	<u>(86,350,057)</u>
86,026,984		86,026,984
15,538,547		15,538,547
1,305,949	16,585	1,322,534
	13,429	13,429
<u>1,253,276</u>		<u>1,253,276</u>
<u>104,124,756</u>	<u>30,014</u>	<u>104,154,770</u>
10,435,144	7,369,569	17,804,713
<u>174,005,069</u>	<u>11,511,233</u>	<u>185,516,302</u>
<u>\$ 184,440,213</u>	<u>\$ 18,880,802</u>	<u>\$ 203,321,015</u>

BRAZORIA COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2010

	Major Funds		
	General Fund	Road & Bridge Fund	Mobility Build America Bonds C&M Fund
ASSETS			
Cash and temporary investments	\$ 20,830,266	\$ 7,916,224	\$ 13,044,615
Investments	12,067,923	5,028,292	
Receivables (Net of Allowance for Uncollectibles):			
Taxes	1,175,574	357,816	
Accounts	323,827	28,530	
Special assessments		256,516	
Due from other governments	4,357,102	735,759	
Accrued interest	76,182	29,781	243
Due from other funds	2,389,703		
Prepaid expenditures	801,259	2,404	
Inventories	65,906	334,839	
Long-Term Receivables:			
Accounts	45,000		
Total assets	<u>\$ 42,132,742</u>	<u>\$ 14,690,161</u>	<u>\$ 13,044,858</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and accrued liabilities payable	\$ 7,876,478	\$ 658,906	\$
Due to others	313,778		
Due to other funds	103,104		
Deferred revenue	<u>2,618,520</u>	<u>824,002</u>	
Total liabilities	<u>10,911,880</u>	<u>1,482,908</u>	<u>-0-</u>
Fund Balances:			
Reserved:			
Prepaid expenditures	801,259	2,404	
Inventories	65,906	334,839	
Encumbrances	298,376	471,233	
Long-term receivables	45,000		
General administration	483,917		
Judicial and legal	172,321		
Financial administration	167,850		
Elections			
Public safety	551,414		
Corrections	1,302,825		
Public transportation		12,398,777	
Health and welfare	22,188		
Culture and recreation	188,523		
Debt service			
Capital projects			13,044,858
Unreserved:			
Designated, Reported In:			
General fund	41,908		
Capital projects			
Undesignated, Reported In:			
General fund	<u>27,079,375</u>		
Total fund balances	<u>31,220,862</u>	<u>13,207,253</u>	<u>13,044,858</u>
Total liabilities and fund balance	<u>\$ 42,132,742</u>	<u>\$ 14,690,161</u>	<u>\$ 13,044,858</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>	
\$ 17,704,079	\$ 59,495,184	
	17,096,215	
165,693	1,699,083	
47,033	399,390	
464,675	721,191	
2,302,773	7,395,634	
1,469	107,675	
103,290	2,492,993	
183,751	987,414	
9,579	410,324	
	<u>45,000</u>	
<u>\$ 20,982,342</u>	<u>\$ 90,850,103</u>	
\$ 1,389,513	\$ 9,924,897	
	313,778	
2,390,233	2,493,337	
<u>1,714,169</u>	<u>5,156,691</u>	
<u>5,493,915</u>	<u>17,888,703</u>	
183,751	987,414	
9,579	410,324	
4,491	774,100	
	45,000	
2,253,188	2,737,105	
2,359,554	2,531,875	
	167,850	
162,059	162,059	
45,498	596,912	
153,288	1,456,113	
1,046,810	13,445,587	
723,123	745,311	
16,084	204,607	
3,354,187	3,354,187	
4,400,441	17,445,299	
	41,908	
776,374	776,374	
	<u>27,079,375</u>	
<u>15,488,427</u>	<u>72,961,400</u>	
<u>\$ 20,982,342</u>	<u>\$ 90,850,103</u>	

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

September 30, 2010

Exhibit 3R

Page 1

Total fund balances - governmental funds balance sheet (Exhibit 3)	\$ 72,961,400
Amounts reported for <i>governmental activities</i> 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 \$ 311,905,254 in assets less \$ 142,467,679 in accumulated depreciation.	169,437,575
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 \$ 1,898.	(1,898)
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 \$ 11,691,838 net of allowance for uncollectible accounts of \$ 4,469,090 of the general fund amounted to \$ 7,222,748.	7,222,748
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds. Deferred property tax revenues for the general fund, Road and Bridge special revenue fund, Mosquito Control District, 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 \$ 999,435, \$ 297,886, \$ 26,685, \$ 50,254, \$ 18,398, \$ 18,172, and \$ 26,898, respectively.	1,437,728
Special assessments receivable unavailable to pay for current period expenditures are deferred in the funds. Deferred special assessment tax revenues for Brazos Oaks/Forest Assessment, Brazos Bend Assessment, Bonnie Lane Assessment, Laura Lane Assessment, Sherwood Land Assessment, Norris Road Special Assessment, Brazos Bend 2 Special Assessment, Oakwood Creek Assessment, Manvel Assessment, and Quail Ridge Assessment reported in the Road and Bridge special revenue fund of \$ 256,516 and other special revenue funds (Sally Lake Road Assessment \$ 148,662, Westwood Road Assessment \$ 88,448, Pecan Estates Road Assessment \$ 101,642, Hampton Road Assessment \$ 79,176, and Rose Mary Street Assessment \$ 46,746).	721,190
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 \$ 1,402,156 less accumulated amortization of \$ 305,904.	1,096,252
Payables for bond principal are not reported in the funds.	(66,370,000)
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 \$ 865,857 (premium on the sale of bonds of \$ 1,155,650 less amortization of \$ 289,793).	(865,857)
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 \$ 825,764.	(825,764)
Payables for compensated absences are not reported in the funds.	(1,847,163)

(continued)

BRAZORIA COUNTY, TEXAS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET ASSETS - Continued**
September 30, 2010

Exhibit 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:

	Self Insurance		
	Liability	Health	
Current assets	\$ 1,152,428	\$ 1,407,999	
Accounts and accrued liabilities payable		(11,984)	
Estimated claims payable	(400,000)	(674,241)	
Net amount allocated to business-type activities		(200)	
Net	<u>\$ 752,428</u>	<u>\$ 721,574</u>	<u>1,474,002</u>
Net assets of governmental activities – statement of net assets (Exhibit 1).			<u>\$ 184,440,213</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, 2010

	Major Funds		
	General Fund	Road & Bridge Fund	Mobility Build America Bonds C&M Fund
Revenues:			
Taxes	\$ 72,886,311	\$ 19,058,566	\$
Intergovernmental	2,725,487	132,127	
Charges for services	7,141,772	1,080	
Licenses and permits	1,343,961	676,433	
Fines and forfeitures	3,335,701		
Special assessments		52,746	
Investment income	898,768	109,420	33,221
Miscellaneous	1,361,679	21,663	
Total revenues	<u>89,693,679</u>	<u>20,052,035</u>	<u>33,221</u>
Expenditures:			
Current:			
General administration	6,542,328		
Judicial and legal	16,048,601		
Financial administration	9,004,262		
Elections	246,591		
Public facilities	3,700,666		
Public safety	15,835,024		
Corrections	19,273,297		
Public transportation		16,528,057	
Health and welfare	4,381,518		
Public assistance	296,000		
Culture and recreation	8,466,385		
Conservation	376,220		
Environmental protection	196,019		
Community development			
Capital outlay		2,826,560	
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>84,366,911</u>	<u>19,354,617</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>5,326,768</u>	<u>697,418</u>	<u>33,221</u>

(continued)

<u>Non-Major Funds</u>		
<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
\$ 9,199,701	\$ 101,144,578	
16,567,749	19,425,363	
1,682,366	8,825,218	
2,612,578	4,632,972	
13,886	3,349,587	
74,561	127,307	
258,191	1,299,600	
<u>453,846</u>	<u>1,837,188</u>	
<u>30,862,878</u>	<u>140,641,813</u>	
2,425,045	8,967,373	
747,371	16,795,972	
229,759	9,234,021	
194,940	441,531	
61,811	3,762,477	
632,343	16,467,367	
2,538,246	21,811,543	
3,759,453	20,287,510	
7,991,668	12,373,186	
	296,000	
406,443	8,872,828	
	376,220	
	196,019	
3,433,743	3,433,743	
10,459,462	13,286,022	
4,450,000	4,450,000	
<u>2,510,730</u>	<u>2,510,730</u>	
<u>39,841,014</u>	<u>143,562,542</u>	
<u>(8,978,136)</u>	<u>(2,920,729)</u>	

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

For the Year Ended September 30, 2010

	Major Funds		
	General Fund	Road & Bridge Fund	Mobility Build America Bonds C&M Fund
Other Financing Sources (Uses):			
Proceeds from sale of bonds	\$	\$	\$ 13,011,637
Premium on the sale of bonds			
Proceeds for sale of capital assets	68,325	3,200	
Transfers in	163,557		
Transfers out	(725,899)	(236,680)	
Total other financing sources and (uses)	(494,017)	(233,480)	13,011,637
Net change in fund balances	4,832,751	463,938	13,044,858
Fund balances - beginning (restated)	26,388,111	12,743,315	
Fund balances - ending	<u>\$ 31,220,862</u>	<u>\$ 13,207,253</u>	<u>\$ 13,044,858</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>
\$ 6,413,363	\$	19,425,000
101,722		101,722
		71,525
1,041,000		1,204,557
<u>(241,978)</u>	<u>(</u>	<u>1,204,557)</u>
<u>7,314,107</u>	<u></u>	<u>19,598,247</u>
(1,664,029)		16,677,518
<u>17,152,456</u>	<u></u>	<u>56,283,882</u>
<u>\$ 15,488,427</u>	<u>\$</u>	<u>72,961,400</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, 2010

Exhibit 4R
Page 1

Net change in fund balances - total governmental funds (Exhibit 4)	\$ 16,677,518
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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 \$ 14,885,375 exceeded depreciation \$ 9,796,190 in the current period.	5,089,185
--	-----------

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, \$ 3,258,443 of roads were contributed to and accepted by the County.	3,258,443
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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, the Certificate of Obligation Construction and Maintenance Series 2006 debt service fund, and the Unlimited Road Tax Series 2006 debt service fund amounted to \$ 241,416, \$ 21,602, \$ 2,575, \$ 16,203, \$ 4,071, \$ 3,286, and \$ 4,493, respectively.	293,646
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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, Brazos Bend 2 Special Assessment, Oakwood Creek Assessment, Manvel Assessment, and Quail Ridge Assessment reported in the Road and Bridge special revenue fund of \$(39,078), and other special revenue funds (Sally Lake Road Assessment \$(35,287), Westwood Road Assessment \$(20,566), Pecan Estates Road Assessment \$(14,219), Hampton Road Assessment \$(3,689) and Rose Mary Street Assessment \$(800))	(113,639)
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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 \$ 232,649. (Cost of \$ 912,169 less accumulated depreciation of \$ 679,520).	(232,649)
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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.	522,452
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Bond issuance cost is an expenditure in the governmental funds, but the cost increases long-term assets in the statement of net assets. This amount is amortized over the life of the bond. Current bond issuance costs of \$ 310,047, less amortization of \$ 86,889.	223,158
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(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, 2010

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the governmental activities statement of net assets. Long-term proceeds in the governmental fund was \$ 19,425,000 for bonds. \$(19,425,000)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the governmental activities statement of net assets. The funds statements reported \$ 4,450,000 in bond principal payments. 4,450,000

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. Proceeds of bond premium of \$(101,722) net of amortization of bond premium was \$ 103,631. 1,909

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 \$ 466,386 (466,386)

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 of \$ 96,063. 96,063

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 \$ 173 (prior discount of \$ 2,071 less current discount of \$ 1,898). 173

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

	Self Insurance		
	Liability	Health	
Investment income	\$ 6,176	\$	
Operating expenses	(701,368)	(10,215,329)	
Contributions for self-insurance	328,762	10,645,146	
Net amount allocated to business-type activities	_____	(3,116)	
Net	\$(366,430)	\$ 426,701	60,271

Change in net assets of governmental activities (Exhibit 2) \$ 10,435,144

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, 2010

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Funds
	2010	Restated 2009	
Assets:			
Current Assets:			
Cash and temporary investments	\$ 761,930	\$ 919,685	\$ 2,421,512
Accounts receivable	153,401	310,965	567
Accrued interest	112		61
Due from other governments		28,750	
Due from other funds		21,135	
Prepaid expense	10,856	475	138,287
Inventory	92,623	77,005	
Total current assets	<u>1,018,922</u>	<u>1,358,015</u>	<u>2,560,427</u>
Noncurrent Assets:			
Capital Assets:			
Land, buildings and runways	23,327,168	23,260,238	
Equipment	1,154,816	1,170,613	
Construction in progress	8,733,098	369,385	
Accumulated depreciation	(15,282,983)	(14,538,151)	
Total capital assets (net of accumulated depreciation)	<u>17,932,099</u>	<u>10,262,085</u>	<u>-0-</u>
Total noncurrent assets	<u>17,932,099</u>	<u>10,262,085</u>	<u>-0-</u>
Total assets	<u>18,951,021</u>	<u>11,620,100</u>	<u>2,560,427</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMPARATIVE STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - Continued
September 30, 2010

Exhibit 5

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Funds
	2010	2009	
Liabilities:			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 45,885	\$ 77,770	\$ 1,086,225
Compensated absences	9,909	15,681	
Deferred revenue	14,625	12,500	
Total current liabilities	70,419	105,951	1,086,225
Noncurrent Liabilities:			
None			
Total liabilities	70,419	109,951	1,086,225
Net Assets:			
Invested in capital assets, net of related debt	17,932,099	10,262,085	
Unrestricted	948,503	1,252,064	1,474,202
Total net assets	18,880,602	11,514,149	\$ <u>1,474,202</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	200	(2,016)	
Net assets of business-type activities	\$ 18,880,802	\$ 11,512,133	

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, 2010

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Funds
	2010	2009	
Operating Revenues:			
Sales of fuel and supplies	\$ 1,943,001	\$ 2,563,210	\$
Cost of sales	<u>1,443,326</u>	<u>1,872,927</u>	
Gross profit	499,675	690,283	-0-
Other Operating Revenue:			
Contributions for self insurance			10,973,909
Rentals	406,860	373,758	
Fees	144,217	216,966	
Miscellaneous	<u>14,455</u>	<u>127,948</u>	
Net operating revenue	<u>1,065,207</u>	<u>1,408,955</u>	<u>10,973,909</u>
Operating Expenses:			
Salaries and wages	377,948	388,951	
Employee benefits	146,346	143,748	
Supplies	100,097	120,124	
Other charges	352,412	389,061	10,916,698
Depreciation	<u>837,751</u>	<u>821,197</u>	
Total operating expenses	<u>1,814,554</u>	<u>1,863,081</u>	<u>10,916,698</u>
Operating income (loss)	<u>(749,347)</u>	<u>(454,126)</u>	<u>57,211</u>
Non-Operating Revenues (Expenses):			
Investment income	16,585	10,326	6,176
Gain (loss) on sale of assets	13,429		
Operating grant revenue		43,086	
Interest and fiscal charges		<u>(5,025)</u>	
Total non-operating revenues (expenses)	<u>30,014</u>	<u>48,387</u>	<u>6,176</u>
Net income (loss) before contributions and transfers	<u>(719,333)</u>	<u>(405,739)</u>	<u>63,387</u>
Capital contributions	8,085,786	354,225	
Transfers in		<u>349,500</u>	
Change in net assets	7,366,453	297,986	63,387
Net Assets:			
Total net assets - beginning of year (restated)	<u>11,514,149</u>	<u>11,216,163</u>	<u>1,410,815</u>
Total net assets - end of year (restated)	<u>\$ 18,880,602</u>	<u>\$ 11,514,149</u>	<u>\$ 1,474,202</u>

(continued)

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

For the Year Ended September 30, 2010

Exhibit 6

	Business-Type Activities - Enterprise Fund	
	<u>2010</u>	<u>2009</u>
Business-type Activities:		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ <u>3,116</u>	\$ <u>2,448</u>
Change in net assets of business-type activities	7,369,569	300,434
Net Assets (Business-type Activities):		
Total net assets - beginning of year (restated)	<u>11,511,233</u>	<u>11,210,799</u>
Total net assets - end of year	<u>\$ 18,880,802</u>	<u>\$ 11,511,233</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, 2010

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	2010	Restated 2009	
Cash Flows from Operating Activities:			
Cash flows received from customers	\$ 2,696,970	\$ 3,266,214	\$
Cash receipts from interfund services provided			10,998,178
Cash received from other funds	21,135	13,224	
Cash paid to and on behalf of employees	(543,620)	(532,372)	(8,864,482)
Cash paid to suppliers and others	(1,940,165)	(2,584,690)	(2,542,735)
Net cash provided (used) by operating activities	<u>234,320</u>	<u>162,376</u>	<u>(409,039)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds		349,500	
Cash received from operating grants		43,086	
Net cash provided (used) by noncapital financing activities	<u>-0-</u>	<u>392,586</u>	<u>-0-</u>
Cash Flows from Capital and Financing Activities:			
Cash received from capital grants	8,085,786	354,225	
Cash received from sale of capital assets	14,869		
Acquisition of fixed assets	(8,509,203)	(338,327)	
Principal payments on bonds		(90,000)	
Interest and fees on bonds		(5,475)	
Net cash provided (used) by capital financing activities	<u>(408,548)</u>	<u>(79,577)</u>	<u>-0-</u>
Cash Flows from Investing Activities:			
Investment income	<u>16,473</u>	<u>10,326</u>	<u>6,115</u>
Net cash provided (used) by investment activities	<u>16,473</u>	<u>10,326</u>	<u>6,115</u>
Net increase (decrease) in cash	(157,755)	485,711	(402,924)
Cash and temporary investments - beginning of year (including \$ 103,023 reported as restricted assets)	<u>919,685</u>	<u>433,974</u>	<u>2,824,436</u>
Cash and temporary investments - end of year (including \$ 67,650 reported as restricted assets)	<u>\$ 761,930</u>	<u>\$ 919,685</u>	<u>\$ 2,421,512</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMPARATIVE STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - Continued
For the Year Ended September 30, 2010

Exhibit 7

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Funds
	2010	2009	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Activities:			
Operating income (loss)	\$(749,347)	\$(454,126)	\$ 57,211
Depreciation	837,751	821,197	
Changes in Assets and Liabilities:			
(Increase) Decrease In:			
Accounts receivable	157,562	(17,685)	24,269
Due from other governments	28,750	2,202	
Due from other funds	21,135	13,224	
Prepaid expenses	(10,381)	1,966	(79,431)
Inventory	(15,618)	(25,369)	
Increase (Decrease) In:			
Accounts and accrued liabilities payable	(31,885)	(179,175)	(411,088)
Compensated absences	(5,772)	327	
Deferred revenue	2,125	(185)	
Net cash provided (used) for operating activities	\$ 234,320	\$ 162,376	\$(409,039)
Noncash Transactions Affecting Financial Position:			
Net noncash transactions affecting financial position	\$ -0-	\$ -0-	\$ -0-

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, 2010

Exhibit 8

	Private-Purpose Trust Fund <hr/> Historical Commission Fund <hr/>	Agency Funds <hr/>
<u>Assets</u>		
Cash and temporary investments	\$ 19,599	\$ 17,699,942
Receivables:		
Accounts receivable		42,959
Due from other funds		<hr/> 344
Total assets	<hr/> 19,599	\$ <u><u>17,743,245</u></u>
<u>Liabilities</u>		
Accounts and accrued liabilities payable		\$ 1,155,517
Amounts held for others		<hr/> 16,587,728
Total liabilities	<hr/> -0-	\$ <u><u>17,743,245</u></u>
<u>Net Assets</u>		
Held in trust for historical commission	<hr/> 19,599	
Total net assets	\$ <u><u>19,599</u></u>	

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

Exhibit 9

For the Year Ended September 30, 2010

	Private-Purpose Trust Fund <hr/> Historical Commission Funds <hr/>
<u>Additions</u>	
Contributions:	
Private donations and sales	\$ 1,290
Investment Earnings:	
Interest	<u>32</u>
Total additions	<u>1,322</u>
<u>Deductions</u>	
Culture and recreation (historical commission)	<u>132</u>
Total deductions	<u>132</u>
Change in net assets	1,190
<u>Net Assets</u>	
Net assets - beginning of the year	<u>18,409</u>
Net assets - end of the year	<u>\$ 19,599</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, 2010

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BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

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, 2010, 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, 2010

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, 2010

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, 2010

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 *Mobility Build America Bonds C & M fund* accounts for the proceeds of a 2010B (Build America Bonds) tax road bond issue totaling \$ 13,225,000 and resulting interest earned on related deposit balances. 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 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.

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.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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. 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. This statement has been implemented did not have a material impact on the County's financial statements.

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. This statement has been implemented did not have a material impact on the County's financial statements. The County does not make direct investments in derivative instruments.

GASB No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", was issued April 2009. This statement provides guidance on classification of fund equity. This statement is effective for periods beginning after June 15, 2010. 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. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", was issued April 2009. This statement is effective immediately and had no affect on the County's financial statements.

GASB No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", was issued April 2009. This statement is effective immediately and had no affect on the County's financial statements.

GASB No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", was issued December 2009. This statement is effective immediately and did not have a material impact on the County's financial statements.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

New Pronouncements - continued

GASB No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies", was issued December 2009. This statement is effective for periods beginning after June 15, 2009. The statement was implemented and did not have an impact on the County's financial statements.

GASB No. 59, "Financial Instrument Omnibus", was issued December 2009. The management of the County does not believe that the implementation of this statement will affect the financial statements of the County. This statement is effective for periods beginning after June 15, 2010.

Budgetary Data

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

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Encumbrances

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

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

Major Funds:	
General Fund	\$ 298,376
Road and Bridge (Special Revenue Fund)	471,233
Nonmajor funds	<u>4,491</u>
 Total	 <u><u>\$ 774,100</u></u>

Cash and Investments

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

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

Restricted Assets

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

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.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property Taxes - continued

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

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

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

The County's 2009 tax levy, supporting the 2010 fiscal period budget, totaled \$ 0.426286 per \$ 100 valuation and was comprised as follows:

Constitutional Levy:	
General Fund	\$ 0.288745
Road and Bridge	0.035000
Mosquito Control	0.008000
Special Road and Bridge:	
Article 6790	0.060000
Article 7048a	-0-
Debt Service:	
General Obligation Refunding	
Bonds Series 1998	0.015141
Combination Tax and Revenue	
Certificates of Obligation Series 2003	0.005200
Combination Tax and Revenue	
Certificates of Obligation Series 2006	0.005600
Unlimited Tax Road Bonds Series 2008	<u>0.008600</u>
Combined tax rate	<u>\$ 0.426286</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Interfund Receivables and Payables

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

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, 2010, no capitalized interest was included in the cost of capital assets under construction.

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

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Compensated Absences

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

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

Compensatory time represents time worked by employees in excess of 40 hours per week, and is earned at one and one-half times such hours worked. This applies to all non-exempt employees. Exempt employees are all department heads, supervisory personnel, and certain other professional or administrative positions. The maximum compensatory time an employee may accumulate is 240 hours. All such paid absences are paid at the employee's regular pay rate. The liability for compensated absences disclosed in the financial statements represents accumulated vacation and compensatory time at September 30, 2010, computed at pay rates in effect at that time.

The following is a summary of benefits payable as of September 30, 2010:

Governmental activities	\$ 1,847,163
Business-type activities	<u>9,909</u>
	<u>\$ 1,857,072</u>

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

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.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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, 2010 are as follows:

	<u>Unrestricted</u>
Cash and Temporary Investments:	
Cash (petty cash accounts)	\$ 22,675
Financial Institution Deposits:	
Demand deposits	61,990,914
Local Government Investment Pools:	
Texpool	15,997,248
MBIA Texas Class Pool	<u>2,387,330</u>
	80,398,167
Investments:	
Government agency securities	<u>17,096,215</u>
	<u>\$ 97,494,382</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Deposits

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

At year-end, in addition to petty cash of \$ 22,675, the carrying amount, of the County's deposits, was \$ 61,990,914, while the financial institution balances totaled \$ 66,421,858. Of these balances, \$ 15,700,830 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, \$ 17,049,005 was covered by federal depository insurance coverage, and \$ 49,372,853 was covered by collateral held by the County's agent in the County's name.

Investments

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

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

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

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;

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

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.

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.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

At September 30, 2010 Texpool and MBIA Texas Class had a weighted average maturity of 29 days and 42 days, respectively. Although Texpool and MBIA Texas Class portfolios had a weighted average maturity of 29 days and 42 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, 2010, the County invested in the direct purchase of government agency securities (FHLMC, FNMA, FFCB and FMAC Discount Notes) within the General Fund and the Road and Bridge (special revenue fund). These securities have staggered maturity dates beginning on December 6, 2010 through July 12, 2013 and had a market value of \$ 17,096,215 at September 30, 2010.

As of September 30, 2010, 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	\$ 15,997,248	1.00
MBIA Texas Class Pool	Varies	<u>2,387,330</u>	<u>1.00</u>
		<u>18,384,579</u>	<u>0.52</u>
Government Agency Securities:			
FHLMC - Non Callable	0.000%	1,997,093	67
FNMA - Callable	2.050%	1,311,700	938
FFCB – Non Callable	0.570%	2,005,980	393
FMAC - Callable	2.150%	1,716,592	927
FMAC - Callable	2.150%	3,029,280	927
FMAC - Callable	2.150%	2,019,520	927
FNMA - Callable	1.550%	2,006,420	984
FNMA - Callable	1.550%	<u>3,009,630</u>	<u>984</u>
		<u>17,096,215</u>	<u>376.54</u>
		<u>\$ 35,480,793</u>	<u>377.06</u>

Credit Risk – As of September 30, 2010, the LGIPs (which represent approximately 51.82% 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 48.18% 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.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

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, 2010, and holds no direct investments in derivatives at September 30, 2010.

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, AND DEFERRED REVENUES

Receivables and Allowances

Receivables as of September 30, 2010, 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:

	Governmental Funds				Total
	General Fund	Road & Bridge Fund	Mobility Build America Bonds C & M Fund	Other Governmental Funds	
Receivables:					
Property Taxes	\$ 1,954,589	\$ 732,486	\$	\$ 253,787	\$ 2,940,862
Accounts	323,827	28,530		47,033	399,390
Special assessments		386,222		469,974	856,196
Due from other governments	4,357,102	735,759		2,302,773	7,395,634
Accrued interest	<u>76,182</u>	<u>29,781</u>	<u>243</u>	<u>1,469</u>	<u>107,675</u>
Gross receivables	6,711,700	1,912,778	243	3,075,036	11,699,757
Less Allowance for Uncollectibles:					
Property Taxes	779,015	374,670		88,094	1,241,779
Special assessments		<u>129,706</u>		<u>5,299</u>	<u>135,005</u>
Net receivables	<u>\$ 5,932,685</u>	<u>\$ 1,408,402</u>	<u>\$ 243</u>	<u>\$ 2,981,643</u>	<u>\$10,322,973</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

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	\$ 153,401	\$	\$ 153,401	\$
Stop loss insurance		567	567	
Accrued interest	112	61	173	
Other			-0-	42,959
	<u>153,513</u>	<u>628</u>	<u>154,141</u>	<u>42,959</u>
Gross receivables				
	153,513	628	154,141	42,959
Less Allowance for Uncollectibles:				
Accounts:				
Airport customers			-0-	
Net total receivables	<u>\$ 153,513</u>	<u>\$ 628</u>	<u>\$ 364,551</u>	<u>\$ 42,959</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, 2010 are summarized below:

	<u>State Entitlements and Taxes</u>	<u>Federal Grants</u>	<u>State Grants</u>	<u>Other</u>	<u>Total</u>
Major Governmental Funds:					
General Fund	\$ 2,833,223	\$ 1,323,454	\$ 200,425	\$	\$ 4,357,102
Road & Bridge Fund	35,836	699,923			735,759
Non major governmental Funds		<u>1,848,983</u>	<u>412,127</u>	<u>41,663</u>	<u>2,302,773</u>
Total	<u>\$ 2,869,059</u>	<u>\$ 3,872,360</u>	<u>\$ 612,552</u>	<u>\$ 41,663</u>	<u>\$ 7,395,634</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

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

Loans Receivable (Discounted)

During the year ended September 30, 2009, the County advanced funds in the amount of \$ 10,000 to the Brazoria County Fresh Water Supply #2 ("BCFWS") and \$ 30,000 to the Stephen F. Austin Community Health Center, Inc. ("SFACHC") to provide cash flow to the entities. During the year ended September 30, 2010, the County advanced an additional \$ 5,000 to the BCFWS, bringing the total to \$ 15,000 at September 30, 2010. The BCFWS has agreed to pay back the County over a five year period beginning October 1, 2010 and ending September 30, 2015, without interest. The SFACHC has agreed to pay back the County over two and one-half year period beginning October 1, 2010, without interest. During the year ended September 30, 2010, the County received no principal payments. Since these are long term receivables without interest, the County has discounted the loan receivable as follows:

	2010
Receivable in less than one year	\$ 15,000
Receivable in one to five years	30,000
Total loan receivable	45,000
Less discounts to net present value	(1,898)
Net loan receivable at September 30, 2010	\$ 43,102

The discount rate used on long-term loans was 2.09% for the year ended September 30, 2010.

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, 2010:

	Judicial Receivable	Allowance for Uncollectible Accounts	Net Receivable
Judicial Receivables:			
Justice of the Peace	\$ 7,031,382	\$ 2,460,984	\$ 4,570,398
County courts	1,127,348	338,204	789,144
District courts	3,049,849	1,524,924	1,524,925
Juvenile probation	483,259	144,978	338,281
	\$ 11,691,838	\$ 4,469,090	\$ 7,222,748

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

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, 2010, the various components of deferred revenue and unearned revenue reported in the governmental and proprietary funds were as follows:

	Governmental Funds				Proprietary Funds
	General Fund	Road & Bridge Fund	Other Governmental Funds	Total	Enterprise Fund
Unavailable:					
Delinquent property taxes receivable	\$ 999,435	\$ 297,886	\$ 140,407	\$ 1,437,728	\$
Special assessment receivable		256,516	464,674	721,190	
Unearned:					
Federal grants	229,748	269,600	906,111	1,405,459	
State grants			197,271	197,271	
Bail bonds	874,820			874,820	
Public safety seizures	508,812			508,812	
Rental deposits	5,000		5,706	10,706	
Other deposits	705			705	
Airport hangar deposits				-0-	14,625
Total	\$ 2,618,520	\$ 824,002	\$ 1,714,169	\$ 5,156,691	\$ 14,625

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2010 consisted of the following:

Receivable Fund	Payable Fund	09-30-10
Governmental Funds:		
General Fund	Other Governmental	\$ 2,389,703
Other Governmental	General Fund	102,760
Other Governmental	Other Governmental	530
Fiduciary	General	344
		<u>\$ 2,493,337</u>

BRAZORIA COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2010

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Detail interfund receivables and payables at September 30, 2010 consisted of the following:

Receivable Fund	Payable Fund	09-30-10
General	Oakwood Creek Estates Special Assessment	\$ 187,923
General	Westwood Road Special Assessment	93,811
General	Pecan Estates Road Special Assessment	109,021
General	Hampton Road Special Assessment	80,114
General	Rose Mary Street Special Assessment	21,337
General	Sally Lake Road Special Assessment	78,016
General	County Road 257 Repairs	182,284
General	JJAEP Boot Camp	103,587
General	CJD Juvenile Incentive Block Grant	4,959
General	TDSHS Immunization	11,590
General	TDSHS Supplementary Food Program WIC	194,180
General	TDSHS RLSS-SSBG	11,586
General	TDSHS Peer Counseling Program	15,363
General	TDSHS WIC Registered Dietician	6,895
General	TDSHS WIC Lactation Reimbursement	4,320
General	TDSHS WIC-OA Vendor Activities	1,459
General	TDSHS WIC Special Allocation	61,276
General	TDSHS WIC Obesity SHOP/FIT	4,558
General	TDSHS WIC Infrastructure	2,541
General	TDSHS Cities Readiness Initiative	41,073
General	TDSHS H1N1	19,508
General	CPS Title IV-E	67,697
General	CPS Title IV-B (Concrete)	150
General	Victim Assistance Grant 02G00551	8,621
General	Crime Victim Assistance	25,891
General	DEA Narcotics OT Expense Program	660
General	State Homeland Security	56,217
General	HGAC Environmental Education (Kids)	9,500
General	Bioterrorism Grant	25,404
General	HGAC Parks Solid Waste	39,094
General	2007 CDBG County (HUD)	5,307
General	2008 CDBG County (HUD)	121,501
General	2009 CDBG County (HUD)	171,952
General	2010 CDBG County (HUD)	14,303
General	2010 CDBG Disaster Recovery Alternative	394
General	Lone Star Library Grant	378
General	Brazoria County Toll Road Authority	245,690
General	HGAC 911 Addressing	610
General	Regional Catastrophic Preparedness	10,975
General	Voter Registration Tax Office	7,739
General	Buffer Zone Protection Program	41,734
General	Behavioral Management Program	1,266
General	Flood Protection Planning Contract	8,718
General	Drug Court Program	48,626

(continued)

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>09-30-10</u>
General	Parks & Wildlife Boating Access	\$ 5,274
General	Elections HAVA Grant	24,039
General	Technology Upgrades & Law Enforcement	1,454
General	Parks CIAP Grant	164,950
General	Quintana Park Beach Boardwalk	46,158
JJAEP Boot Camp	General	45,037
CPS Title IV-E	General	40,239
2009 Section 8 Housing Choice Vouchers	2010 Section 8 Housing Choice Vouchers	85
Behavioral Management Program	General	1,266
Certificate of Obligation, Series 2006 (I&S)	2006 Certificate of Obligation, C & M	445
Wall of Honor	General	16,218
Payroll Clearing	General	<u>344</u>
Total		<u>\$ 2,493,337</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, 2010 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>09-30-10</u>
General Fund	Other Governmental funds	\$ 725,899
Road and Bridge Fund	Other Governmental funds	236,680
Other Governmental funds	General Fund	163,557
Other Governmental funds	Other Governmental funds	<u>78,421</u>
Total		<u>\$ 1,204,557</u>

Detail interfund transfers for the year ended September 30, 2010 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>09-30-10</u>
General	TJPC State Aid	\$ 55,244
General	TJPC Community Corrections	134,542
General	TJPC Progressive Sanctions JPO	2,068
General	TJPC Progressive Sanctions ISP	17,025
General	JJAEP Boot Camp	213,126
General	CPS Title IV-E	71,156
General	CPS Title IV-E Legal Services	47,424
General	Victim Assistance Grant 02G000551	15,388
General	Crime Victim Assistance	31,310
General	Law Library	34,500

(continued)

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>09-30-10</u>
General	Behavioral Management Program	\$ 3,973
General	2006 GoM Energy Security	33,925
General	Wall of Honor	66,218
Road & Bridge	Road & Bridge Tax Code Chapter 152	77,858
Road & Bridge	Flood Protection Study	45,000
Road & Bridge	CMAQ Clean Air Initiative	113,822
2006 Sect 8 Housing Voucher Program	2009 Sect 8 Housing Voucher Program	78,421
Financial Security	General	150,000
Quintana Boat Ramp	General	<u>13,557</u>
Total		<u>\$ 1,204,557</u>

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

NOTE 5 - CAPITAL ASSETS

Capital Transactions

	<u>Balance 09-30-09</u>	<u>Transfers</u>	<u>Balance 10-01-09</u>
Governmental Activities:			
Capital Assets, Not Depreciated:			
Land	\$ 14,135,062	\$	\$ 14,135,062
Construction in progress	<u>21,334,450</u>	<u>(3,608,165)</u>	<u>17,726,285</u>
Total capital assets not being depreciated	<u>35,469,512</u>	<u>(3,608,165)</u>	<u>31,861,347</u>
Capital Assets, Being Depreciated:			
Land improvements	1,580,914	12,752	1,593,666
Buildings and improvements	44,853,807	219,863	45,073,670
Furniture, equipment and vehicles	38,360,261		38,360,261
Infrastructure	<u>177,754,583</u>	<u>30,078</u>	<u>177,784,661</u>
Total capital assets being depreciated	<u>262,549,565</u>	<u>262,693</u>	<u>262,812,258</u>
Less Accumulated Depreciation For:			
Land improvements	389,699		389,699
Buildings and improvements	15,493,877		15,493,877
Furniture, equipment and vehicles	29,849,557		29,849,557
Infrastructure	<u>87,617,876</u>		<u>87,617,876</u>
Total accumulated depreciation	<u>133,351,009</u>	<u>-0-</u>	<u>133,351,009</u>
Total capital assets being depreciated, net	<u>129,198,556</u>	<u>262,693</u>	<u>129,461,249</u>
Governmental activities capital assets, net	<u>\$ 164,668,068</u>	<u>\$ (3,345,472)</u>	<u>\$ 161,322,596</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 5 - CAPITAL ASSETS - Continued

Capital Transactions - continued

	<u>Balance 10-01-09</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance 09-30-10</u>
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 14,135,062	\$ 850,335	\$ 26,156	\$	\$ 14,959,241
Construction in progress	<u>17,726,285</u>	<u>5,559,323</u>	<u>6,765,751</u>		<u>16,519,857</u>
Total capital assets not being depreciated	<u>31,861,347</u>	<u>6,409,658</u>	<u>6,791,907</u>	<u>-0-</u>	<u>31,479,098</u>
Capital Assets, Being Depreciated:					
Land improvements	1,593,666	126,754			1,720,420
Buildings and improvements	45,073,670	7,411,089	131,561		52,353,198
Furniture, equipment and vehicles	38,360,261	2,832,982	754,452		40,438,791
Infrastructure	<u>177,784,661</u>	<u>8,129,086</u>			<u>185,913,747</u>
Total capital assets being depreciated	<u>262,812,258</u>	<u>18,499,911</u>	<u>886,013</u>	<u>-0-</u>	<u>280,426,156</u>
Less Accumulated Depreciation For:					
Land improvements	389,699	94,677			484,376
Buildings and improvements	15,493,877	1,357,545	50,696		16,800,726
Furniture, equipment and vehicles	29,849,557	2,988,059	628,824		32,208,792
Infrastructure	<u>87,617,876</u>	<u>5,355,909</u>			<u>92,973,785</u>
Total accumulated depreciation	<u>133,351,009</u>	<u>9,796,190</u>	<u>679,520</u>	<u>-0-</u>	<u>142,467,679</u>
Total capital assets being depreciated, net	<u>129,461,249</u>	<u>8,703,721</u>	<u>206,493</u>	<u>-0-</u>	<u>137,958,477</u>
Governmental activities capital assets, net	<u>\$ 161,322,596</u>	<u>\$ 15,113,379</u>	<u>\$ 6,998,400</u>	<u>\$ -0-</u>	<u>\$ 169,437,575</u>

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2010

NOTE 5 - CAPITAL ASSETS - Continued

Capital Transactions - continued

	<u>Balance</u> 10-01-09	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Balance</u> 09-30-10
Business-type Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 1,558,687	\$	\$	\$	\$ 1,558,687
Construction in progress	<u>369,385</u>	<u>8,363,713</u>	<u></u>	<u></u>	<u>8,733,098</u>
Total capital assets not being depreciated	<u>1,928,072</u>	<u>8,363,713</u>	<u>-0-</u>	<u>-0-</u>	<u>10,291,785</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	5,234,086				5,234,086
Furniture, equipment and vehicles	1,170,613	78,562	94,359		1,154,816
Runways, taxiways and aprons	<u>16,467,467</u>	<u>66,928</u>	<u></u>	<u></u>	<u>16,534,395</u>
Total capital assets being depreciated	<u>22,872,166</u>	<u>145,490</u>	<u>94,359</u>	<u>-0-</u>	<u>22,923,297</u>
Less Accumulated Depreciation For:					
Buildings and improvements	3,513,874	166,698			3,680,572
Furniture, equipment and vehicles	591,021	97,544	92,919		595,646
Runways, taxiways and aprons	<u>10,433,256</u>	<u>573,509</u>	<u></u>	<u></u>	<u>11,006,765</u>
Total accumulated depreciation	<u>14,538,151</u>	<u>837,751</u>	<u>92,919</u>	<u>-0-</u>	<u>15,282,983</u>
Total capital assets being depreciated, net	<u>8,334,015</u>	<u>(692,261)</u>	<u>1,440</u>	<u>-0-</u>	<u>7,640,314</u>
Business-type activities capital assets, net	<u>\$ 10,262,087</u>	<u>\$ 7,671,452</u>	<u>\$ 1,440</u>	<u>\$ -0-</u>	<u>\$ 17,932,099</u>

Depreciation

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

	<u>09-30-10</u>
Governmental Activities:	
General government	\$ 428,460
Judicial and legal	92,143
Financial administration	42,078
Elections	30,019
Public facilities	275,586
Public safety	730,305
Corrections	1,037,033
	(continued)

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2010

NOTE 5 - CAPITAL ASSETS - Continued

Depreciation - continued

	<u>09-30-10</u>
Public transportation	\$ 6,733,847
Health and welfare	206,395
Culture and recreation	213,230
Conservation	6,080
Environmental protection	<u>1,014</u>
	<u>\$ 9,796,190</u>
Business-type Activities:	
Airport	<u>\$ 837,751</u>

Function and Activity

	<u>Balance 09-30-09</u>	<u>Prior Period Adjustments</u>	<u>Balance 10-01-09</u>
Governmental Activities:			
Function and Activity:			
General government	\$ 5,983,862	\$	\$ 5,983,862
Judicial and legal	4,524,583		4,524,583
Financial administration	773,372		773,372
Elections	208,412		208,412
Public facilities	7,511,184		7,511,184
Public safety	6,582,838		6,582,838
Corrections	33,832,591		33,832,591
Public transportation	207,683,568		207,683,568
Health and welfare	4,147,803		4,147,803
Culture and recreation	5,223,234	262,693	5,485,927
Conservation	186,734		186,734
Environmental protection	<u>26,446</u>		<u>26,446</u>
	276,684,627	262,693	276,947,320
Non-Functional:			
Construction in progress	<u>21,334,450</u>	<u>(3,608,165)</u>	<u>17,726,285</u>
Total governmental activities	<u>\$298,019,077</u>	<u>\$(3,345,472)</u>	<u>\$294,673,605</u>
Business-type Activities:			
Function and Activity:			
Airport	\$ 24,430,853	\$	\$ 24,430,853
Non-Functional:			
Construction in progress	<u>369,385</u>		<u>369,385</u>
Total business-type activities	<u>\$ 24,800,238</u>	<u>\$ -0-</u>	<u>\$ 24,800,238</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 5 - CAPITAL ASSETS - Continued

Function and Activity - continued

	<u>Balance</u> <u>10-01-09</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers and</u> <u>Adjustments</u>	<u>Balance</u> <u>09-30-10</u>
Governmental Activities:					
Function and Activity:					
General government	\$ 5,983,862	\$ 7,945,711	\$	\$(215,500)	\$ 13,714,073
Judicial and legal	4,524,583	90,753		(20,883)	4,594,453
Financial administration	773,372	71,099	17,997		826,474
Elections	208,412	18,441			226,853
Public facilities	7,511,184	64,510	17,708	234,508	7,792,494
Public safety	6,582,838	595,648	513,595	(35,118)	6,629,773
Corrections	33,832,591	157,409	184,545		33,805,455
Public transportation	207,683,568	9,224,917	60,398		216,848,087
Health and welfare	4,147,803	451,052	24,818	(12,766)	4,561,271
Culture and recreation	5,485,927	730,706	93,108	49,759	6,173,284
Conservation	186,734				186,734
Environmental protection	<u>26,446</u>				<u>26,446</u>
	276,947,320	19,350,246	912,169	-0-	295,385,397
Non-Functional:					
Construction in progress	<u>17,726,285</u>	<u>5,559,323</u>	<u>6,765,751</u>		<u>16,519,857</u>
Total governmental activities	<u>\$ 294,673,605</u>	<u>\$ 24,909,569</u>	<u>\$ 7,677,920</u>	<u>\$ -0-</u>	<u>\$ 311,905,254</u>
Business-type Activities:					
Function and Activity:					
Airport	\$ 24,430,853	\$ 145,490	\$ 94,359	\$ -0-	\$ 24,481,984
Non-Functional:					
Construction in progress	<u>369,385</u>	<u>8,363,713</u>			<u>8,733,098</u>
Total business-type activities	<u>\$ 24,800,238</u>	<u>\$ 8,509,203</u>	<u>\$ 94,359</u>	<u>\$ -0-</u>	<u>\$ 33,215,082</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

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	\$ 1,441,574	\$ 144,359	\$ 10,495,977	\$ 1,652,160	\$
Judicial and legal	232,206	15,319	1,393,840	2,953,088	
Financial administration	26,875	49,048	84,409	666,144	
Elections			89,196	137,656	
Public facilities	1,377,281	499,835	5,092,015	823,367	
Public safety	10,963	9,092	175,843	4,936,070	1,532,564
Corrections	147,014	67,716	30,882,711	2,708,013	
Public transportation	8,858,125	73,790	726,920	23,567,858	183,601,391
Health and welfare	1,604,732	15,795	1,391,405	1,508,626	5,954
Culture and recreation	1,251,536	845,466	1,843,083	1,459,363	773,838
Conservation	8,935		177,799		
Environmental protection				26,446	
Total governmental activities	<u>\$ 14,959,241</u>	<u>\$ 1,720,420</u>	<u>\$ 52,353,198</u>	<u>\$ 40,438,791</u>	<u>\$ 185,913,747</u>
Business-type Activities:					
Function and Activity:					
Airport	<u>\$ 1,558,687</u>	<u>\$ -0-</u>	<u>\$ 5,234,086</u>	<u>\$ 1,154,816</u>	<u>\$ 16,534,395</u>

Construction Commitments

	<u>Projects Authorized</u>	<u>Expended To Date</u>	<u>Commitment</u>	<u>Requiring Further Financing</u>
September 30, 2010:				
Governmental Activities:				
Juvenile Detention - Expansion	\$ 6,827,675	\$ 6,104,916	\$ 722,759	\$
Mobility Plan	75,000	68,650	6,350	
CR 403	952,907	914,499	38,408	
CR 101 (FM 1128 to CR 90)	631,832	313,340	318,492	
CR 58	8,778,255	5,692,730	3,085,525	
CR 220	<u>3,311,411</u>	<u>2,722,472</u>	<u>588,939</u>	
Total governmental activities	<u>\$ 20,577,080</u>	<u>\$ 15,816,607</u>	<u>\$ 4,760,473</u>	<u>\$ -0-</u>
Business-type Activities:				
None				

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 6 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE

Accounts and accrued liabilities payable as of September 30, 2010, 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:

	Governmental Funds			
	General Fund	Road & Bridge Fund	Other Governmental Funds	Total
Accounts and Accrued Liabilities Payable:				
Vendors	\$ 5,688,593	\$ 538,579	\$ 1,271,887	\$ 7,499,059
Other governments	1,332,846		39,669	1,372,515
Accrued compensation	665,078	100,946	65,982	832,006
Accrued benefits	127,297	19,381	11,975	158,653
Other accrued liabilities	<u>62,664</u>			<u>62,664</u>
Totals	<u>\$ 7,876,478</u>	<u>\$ 658,906</u>	<u>\$ 1,389,513</u>	<u>\$ 9,924,897</u>

	Proprietary Funds			
	Enterprise Fund	Internal Service Fund	Total	Fiduciary Funds
Accounts and Accrued Liabilities Payable:				
Vendors	\$ 36,907	\$ 11,984	\$ 48,891	\$ 38,521
Other governments	3		3	146
Accrued compensation	7,520		7,520	45,267
Accrued benefits	1,455		1,455	1,071,583
Estimated claims payable		<u>1,074,241</u>	<u>1,074,241</u>	
Totals	<u>\$ 45,885</u>	<u>\$ 1,086,225</u>	<u>\$ 1,132,110</u>	<u>\$ 1,155,517</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 7 - LONG-TERM DEBT

General Obligation Debt

General obligation and certificates of obligations payable at September 30, 2010, are summarized as follows:

	Interest Rate %	Series Dates			Bonds Outstanding 09-30-10
		Issued	Maturity	Callable	
General Obligation:					
Refunding Bonds, Series 1998	3.800 - 5.500	1998	2013		\$ 2,665,000
Unlimited Tax Road Bonds, Series 2006	4.250 - 5.250	2006	2027		12,615,000
Unlimited Tax Road Bonds, Series 2008	3.000 - 5.000	2008	2028		7,480,000
Refunding Bonds, Series 2008	3.500 - 5.000	2008	2013		5,135,000
Unlimited Tax Road Bonds, Series 2010	1.750 - 3.750	2010	2018		6,200,000
Unlimited Tax Road Bonds, (Build America Bonds) Series 2010	4.594 - 6.026	2010	2030		13,225,000
Certificate of Obligations:					
Combination Tax and Revenue Certificates of Obligation Series 2003	3.800 - 5.500	2003	2018	2013	6,590,000
Combination Tax and Revenue Certificates of Obligation Series 2006	4.200 - 5.000	2006	2026	2017	<u>12,460,000</u>
Total					<u>\$ 66,370,000</u>

General obligation and certificates of obligation bond transactions for the year ended September 30, 2010 were as follows:

Bonds outstanding, October 1, 2009	\$ 51,395,000
Issued	19,425,000
Maturities	<u>(4,450,000)</u>
Bonds outstanding, September 30, 2010	<u>\$ 66,370,000</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, 2010, the amount of ad valorem taxes collected for interest and sinking were \$ 6,940,338, while the debt service requirements for principal and interest was \$ 6,960,730. 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, 2010

NOTE 7 - LONG-TERM DEBT - ContinuedGeneral Obligation Debt - continued

The following is a summary of general obligation bond requirements by year as of September 30, 2010:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2011	\$ 5,030,000	\$ 3,309,361	\$ 8,339,361
2012	5,590,000	2,734,177	8,324,177
2013	5,670,000	2,489,448	8,159,448
2014	3,120,000	2,252,676	5,372,676
2015	3,240,000	2,141,064	5,381,064
2016-2020	16,165,000	8,776,286	24,941,286
2021-2025	16,520,000	5,202,228	21,722,228
2026-2030	<u>11,035,000</u>	<u>1,228,763</u>	<u>12,263,763</u>
	<u>\$ 66,370,000</u>	<u>\$ 28,134,003</u>	<u>\$ 94,504,003</u>

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

<u>September 30,</u>	<u>Federal Subsidy</u>
2011	\$ 370,307
2012	254,896
2013	254,896
2014	254,896
2015	254,896
2016-2020	1,244,768
2021-2025	899,884
2026-2030	<u>337,667</u>
	<u>\$ 3,872,210</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. On March 1, 2010 the County sold \$ 6,200,000 of Unlimited Road Tax Bonds, Series 2010, and \$ 13,225,000 of Unlimited Road Bonds (Build America Bonds) Series 2010.

BRAZORIA COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2010

NOTE 7 - LONG-TERM DEBT - ContinuedGeneral Obligation Debt - continued

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, 2010, was \$ 8,207,181 and \$ 8,050,000, respectively.

Proprietary Debt

During the year ended September 30, 2009, proprietary debt was extinguished.

Changes in Outstanding Debt

Transactions for the year ended September 30, 2010 are summarized as follows:

	<u>Balance</u> <u>10-01-09</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Balance</u> <u>09-30-10</u>	<u>Due Within</u> <u>One Year</u>
Governmental Type Activities:					
Certificates of obligation bonds	\$ 20,280,000	\$	\$ 1,230,000	\$ 19,050,000	\$ 1,275,000
General obligation bonds	31,115,000	19,425,000	3,220,000	47,320,000	3,755,000
Component of Bonded Debt:					
Premium on bonds	867,766	101,722	103,631	865,857	108,926
Accrued interest	359,378	825,764	359,378	825,764	825,764
Compensated absences	<u>1,943,226</u>	<u>2,436,741</u>	<u>2,532,804</u>	<u>1,847,163</u>	<u>1,847,163</u>
Total governmental activities	<u>54,565,370</u>	<u>22,789,227</u>	<u>7,445,813</u>	<u>69,908,784</u>	<u>7,811,853</u>
Business-Type Activities:					
Compensated absences	<u>15,681</u>	<u>6,077</u>	<u>11,849</u>	<u>9,909</u>	<u>9,909</u>
Total business-type activities	<u>15,681</u>	<u>6,077</u>	<u>11,849</u>	<u>9,909</u>	<u>9,909</u>
Total government	<u>\$ 54,581,051</u>	<u>\$ 22,795,304</u>	<u>\$ 7,457,662</u>	<u>\$ 69,918,693</u>	<u>\$ 7,821,762</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

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, 2010.

Governmental Funds (General Fund):

Minimum future rentals to be received on noncancelable leases, as of September 30, 2010, for each of the next five years and in the aggregate are as follows:

<u>Year Ended September 30,</u>	<u>2010</u>
2011	\$ <u>1,760</u>

Gross rental income for operating leases, including month-to-month, for the year ended September 30, 2010 was \$ 5,820.

Proprietary Funds (Enterprise Fund - Airport):

Minimum future rentals to be received on noncancelable leases, as of September 30, 2010, for each of the next five years and in the aggregate are:

<u>Year Ended September 30,</u>	<u>2010</u>
2011	\$ 94,872
2012	70,820
2013	44,128
2014	48,031
2015	48,720
2016-2020	259,969
2021-2025	279,630
2026-2028	<u>83,855</u>
	\$ <u>930,025</u>

Gross rental income for operating leases, including month-to-month for the year ended September 30, 2010 was as follows:

	<u>2010</u>
Building rental	\$ 176,122
Hangar rental	200,582
Ground rental	<u>45,089</u>
	\$ <u>421,793</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 8 - LEASING OPERATIONS - Continued

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 2020.

Minimum future rentals to be paid on non-cancelable leases, as of September 30, 2010, for each of the next five years and in the aggregate are as follows:

<u>Year Ended September 30,</u>	<u>2010</u>
2011	\$ 73,989
2012	52,983
2013	40,914
2014	42,114
2015	44,364
2016-2020	<u>148,904</u>
	<u>\$ 403,268</u>

Gross rental expenditures for operating leases, including month-to-month for the year ended September 30, 2010 was as follows:

	<u>2010</u>
Building rental	\$ 94,333
Copier rental	238,812
Ground rental	33,556
Equipment rental	150,041
Other rental	<u>8,604</u>
	<u>\$ 525,346</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, 2010 was \$ 4,271.

NOTE 9 - PENSION PLAN

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the 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 586 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.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 9 - PENSION PLAN - Continued

Plan Description - continued

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.

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 9.30% for the months of the accounting year in 2009, and 10.27% for the months of the accounting year in 2010.

The contribution rate payable by the employee members for calendar years 2010 and 2009 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, 2009 and 2008, the annual pension cost for the TCDRS plan for its employees was \$ 9,943,230 and \$ 9,436,532, and the actual contributions were \$ 9,943,230 and \$ 9,436,532, 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, 2008 and December 31, 2009, the basis for determining the contribution rates for calendar years 2009 and 2010. The December 31, 2009 actuarial valuation is the most recent valuation.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 9 - PENSION PLAN - Continued

Annual Pension Cost - continued

Actuarial Valuation Information			
Actuarial valuation date	12/31/07	12/31/08	12/31/09
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	15	20	20
Asset valuation method	SAF: 10-47 smoothed value ESF: Fund value	SAF: 10-47 smoothed value ESF: Fund value	SAF: 10-47 smoothed value ESF: Fund value
	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/09</u>
Actuarial Assumptions:			
Investment return ¹	8.0%	8.0%	8.0%
Projected salary increases ¹	5.3%	5.3%	5.4%
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

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/07	\$ 8,015,037	100.00%	\$ -0-
9/30/08	9,436,532	100.00%	-0-
9/30/09	9,943,230	100.00%	-0-

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll ¹ (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	\$ 128,397,451	\$ 139,737,492	\$ 11,340,041	91.88%	\$ 50,021,958	22.67%
12/31/08	127,379,170	150,672,455	23,293,285	84.54%	55,697,618	41.82%
12/31/09	141,509,411	163,857,736	22,348,325	86.36%	56,517,212	39.54%

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

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.

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, 2009	\$ 43,586,063
Contributions and earnings	8,555,969
Withdrawals, premiums, and benefits	<u>(4,269,249)</u>
 Balance - September 30, 2010	 <u>\$ 47,872,783</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 Lincoln Financial Group. The policy generally provides the totally disabled insured with benefits of 60 percent of base pay up to a maximum benefit of \$ 1,500 per month.

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

A Group Annuity Contract to reimburse TCDRS eligible employees for amounts paid for health insurance benefits became effective on October 1, 1990. The plan provides \$ 275 per month until age 65 and then \$ 250 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, 2009	\$ 7,560,324	\$ 9,009,865
Contributions and earnings	1,003,010	1,060,571
Withdrawals, premiums, benefits	<u>(672,619)</u>	<u>(754,356)</u>
 Balance - September 30, 2010	 <u>\$ 7,890,715</u>	 <u>\$ 9,316,080</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

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

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

	<u>Nationwide</u>	<u>Lincoln</u>
Balance - October 1, 2009	\$ 1,744,673	\$ 601,513
Contribution and earnings	1,051,795	135,193
Withdrawals, premiums, benefits, and losses	<u>(1,046,847)</u>	<u>(444,599)</u>
Balance - September 30, 2010	<u>\$ 1,749,621</u>	<u>\$ 292,107</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 - POST EMPLOYMENT MEDICAL CARE PLAN

The County maintains a Group Annuity Contract to reimburse TCDRS eligible employees for amounts paid for health insurance benefits. The plan is a single-employer defined benefit plan. The Group Annuity Contract became effective on October 1, 1990. The plan provides \$ 275 per month until age 65 and then \$ 250 per month towards the cost of health insurance premiums. A separate, audited GAAP-basis post employment benefit plan report is not available for this plan.

Funding Policy - The contribution requirements of the County are established by the County’s Board of Commissioners and may be amended at any time. For the year ended September 30, 2010 the County contributed \$ 1,060,571 to the Group Annuity Contract which includes net investment earnings of \$ 389,073.

Annual Other Post Employment Benefit (OPEB) Cost and Net OPEB Obligation - The County’s annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters established by GASB Statement 45. The annual OPEB cost represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or excess) over a period not to exceed thirty years. The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation to the Group Annuity Contract:

Annual required contribution	\$ 1,058,266
Interest on net OPEB obligation	48,316
Adjustment to annual required contribution	<u>506,213</u>
Annual OPEB cost	1,612,795
Contributions made	<u>(1,060,571)</u>
Increase in net OPEB obligation	552,224
Net OPEB obligation – beginning of year	<u>1,073,694</u>
Net OPEB obligation – end of year	<u>\$ 1,625,918</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 11 - POST EMPLOYMENT MEDICAL CARE PLAN - Continued

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended September 30, 2010 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/08	\$ 1,484,201	78.1%	\$ 727,450
9/30/09	1,546,820	77.6%	1,073,694
9/30/10	1,612,795	65.8%	1,625,918

Funding Status and Funding Progress - As of September 30, 2008, the most recent actuarial valuation date, the plan was 51.6% funded. The actuarial accrued liability for benefits was \$ 16,393,822, and the actuarial value of assets was \$ 8,454,424, resulting in an unfunded liability (UAAL) of \$ 7,939,398. The covered payroll was \$ 50,021,958 and the ratio of the UAAL to the covered payroll was 16.9 percent.

Actuarial Methods and Assumptions - In the September 30, 2008 actuarial valuation, the projected unit credit method was used. The actuarial assumptions include a 4.47% investment rate of return. An inflation rate of costs ranging from 10% down to 5% over a 15 year period is used. An interest discount rate of 4.5% was used to value the liability. The UAAL is being amortized over a closed period of thirty years at 4.5%. The remaining amortization period at September 30, 2008, was 29 years.

The County has made the required annual contribution (ARC) each year therefore, no liability has been reported within the financial statements. As of September 30, 2010, the County has contributed a total of \$ 498,095 in excess of the required annual contribution (ARC). The following is a summary of the year ended September 30, 2010 and the two preceding years:

<u>Fiscal Year Ended</u>	<u>Actual Contribution</u>	<u>Annual Required Contribution (ARC)</u>	<u>Excess Contribution</u>
9/30/08	\$ 1,159,199	\$ 959,878	\$ 199,321
9/30/09	1,200,576	1,007,872	192,704
9/30/10	1,060,571	1,058,266	2,305

NOTE 12 - SELF INSURANCE

Health Insurance

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 12 - SELF INSURANCE - Continued

Health Insurance - continued

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 \$ 588 per eligible employee per month for the period October 1, 2009 through September 30, 2010. 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, 2010 was \$ 10,645,147. 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 Tru Services, Inc. which covers claims in excess of \$ 125,000 per participant in any calendar year, with a maximum aggregate benefit of \$ 1,000,000 per coverage period. Estimated claims payable at September 30, 2010 was \$ 686,225.

The following is a reconciliation of changes in the aggregate liabilities for claims for the years ended September 30, 2010 and 2009.

	<u>2010</u>	<u>2009</u>
Claims payable - October 1,	\$ 1,068,066	\$ 773,641
Incurred claims	8,479,664	8,452,453
Payment of claims	<u>(8,861,505)</u>	<u>(8,158,028)</u>
Claims payable - September 30,	<u>\$ 686,225</u>	<u>\$ 1,068,066</u>
Claims payable:		
Actual	\$ 11,984	\$ 9,007
Estimated	<u>674,241</u>	<u>1,059,059</u>
Total claims payable	<u>\$ 686,225</u>	<u>\$ 1,068,066</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 operating revenue with all legal costs and claims reported as an operating expense. Estimated claims payable at September 30, 2010 was \$ 400,000.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 12 - SELF INSURANCE - Continued

Insurance Reserve - continued

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, 2010, 2009, and 2008 claims and settlements in excess of insurance coverage amounted to \$ 701,368, \$ 269,487, and \$ 108,083, respectively.

The following is a reconciliation of changes in the aggregate liabilities for claims for the years ended September 30, 2010 and 2009 for both actual and estimated liabilities:

	<u>2010</u>	<u>2009</u>
Claims payable - October 1,	\$ 429,247	\$ 424,898
Incurred claims	701,368	269,487
Payment of claims	<u>(730,615)</u>	<u>(265,138)</u>
Claims payable - September 30,	<u>\$ 400,000</u>	<u>\$ 429,247</u>
Claims payable:		
Actual	\$	\$ 29,247
Estimated	<u>400,000</u>	<u>400,000</u>
Total claims payable	<u>\$ 400,000</u>	<u>\$ 429,247</u>

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

NOTE 13 - 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, 2010.

NOTE 14 - DEFICIT FUND BALANCES AND NET ASSETS

As of September 30, 2010, various funds of the County had deficit fund balances as itemized below:

	<u>2010</u>
Fund Balances:	
Special Revenue Funds:	
Oakwood Creek Estates Special Assessment	\$ 200,423
Westwood Road Special Assessment	93,811
Pecan Estates Road Special Assessment	109,021
Hampton Road Special Assessment	80,114
Rose Mary Street Special Assessment	21,337
Sally Lake Road Special Assessment	78,016
Brazoria County Toll Road Authority	245,690
Voter Registration Tax Office	5,217
Flood Protection Study	4,359

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, 2010

NOTE 15 - GRANTS, ENTITLEMENTS AND SHARED REVENUES

During the year ended September 30, 2010, 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 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, 2010. As of September 30, 2010, bail bonds outstanding totaled \$ 45,998,389 and collateral pledged against these bonds amounted to \$ 4,599,839 (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 March 3, 2011.

Suit filed. Individual alleges termination due to race. The case is currently being litigated. There is a \$ 10,000 potential liability, however, liability is unlikely.

Suit filed. Individual alleges violation of her rights related to an executed writ of possession. Although filed, there has been no further action by the plaintiff. Damages unknown, however, liability is unlikely.

Suit filed. Inmate alleged District Clerk failed to provide notice of default judgment. County filed for Summary Judgment, which was granted. Plaintiff has 45 days to appeal. Damages are unknown, and chance of recovery is unlikely.

Suit filed. Employee of contractor, sued for injuries received as result of alleged fall through ceiling of jail while installing telephone cable. The trial is set to begin in mid 2011. There is a \$ 50,000 potential liability, however, it is unlikely jury will award that amount.

Suit filed. A former inmate filed suit alleging violation of civil rights. County has filed a Motion for Summary Judgment. Unable to determine amount, no demand made. Liability is highly unlikely.

Claim No. C71174 styled *Anthony Mathis Claim*. Federal suit filed but never served, federal court making determination as to the legitimacy of suit. County filed Motion for Summary Judgment is waiting on court. \$ 10,000 potential liability, however, liability is unlikely.

Claim filed: a motor vehicle accident involving a County vehicle occurred on September 1, 2010 at FM 1495 and CR 242 with 5 occupants in vehicle. The accident was investigated and injured were transported to hospital with minor injuries. The County is waiting on demand. There is a \$ 50,000 potential liability and some liability is probable.

Claim filed. An employee filed a claim for unlawful termination. County is investigating, however there is a \$ 100,000 damage potential but recovery is unlikely.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 17 - LITIGATION - Continued

Potential Claim. Notification by attorney of a jail trustee that amputated fingers on August 5, 2010, while performing maintenance. County monitoring, there is a \$ 25,000 damage potential, however, liability is unlikely.

Potential Claim. Individual charges personal injury-neglect, individual hit head while running out of a Judge's office. Recovery is unlikely, should lawsuit develop due to sovereign immunity.

Potential Claim. Individual alleges he was injured on December 16, 2009 while Patrol vehicle kept rolling after deputy got out of his vehicle, injuries unknown. The County will monitor since no notice of claim or claim filed.

Potential Claim. The County was notified by an attorney of potential claim involving civil rights. County is investigating, however, too early to make assessment.

Three (3) EEOC claims for sexual harassment with liability either unlikely or likely but limited.

No actual payables were reported at September 30, 2010. 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, 2010.

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 reopened its review of the site and mandated further investigation and remediation if appropriate. Brazoria County and the City of Pearland agreed to split evenly the costs of such investigation and remediation because of the fact that both entities at one time had dominion over the property. A phase one study has been presented to the Texas Commission on Environmental Quality (TCEQ). The scope of work in compliance with the findings of the phase one study has also been submitted to the Commission. They responded with another comment letter on November 17, 2004 to which the County responded with a letter to the Commission dated December 30, 2004, agreeing to the installation of a fourth additional groundwater monitoring well. The County's legal and technical representatives met with the Commission on April 20, 2005 and agreed to relocate the three wells. Another comment letter dated October 11, 2005 was received from the Commission after that meeting, and the County's environmental consultants responded by letter on December 14, 2005 and proceeded to install the new monitoring wells in December 2005. Additional sampling was conducted in March 2006, and the new wells were found to not have contamination above applicable TCEQ standards. Results of the latest sampling were reported to TCEQ on October 31, 2006, but no response has been received. At this time the County proposes to leave all existing solid waste and radioactive material deposited at the landfill (as opposed to excavating and removing the same) coupled with a restriction of access and prohibition against future residential use of the site. Periodic future testing and financial assurance may also be necessary. Since the TCEQ has not yet responded to the last submission by the County, the County is not in a position to determine the extent of remediation activities that will ultimately be required in connection with the Landfill.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

NOTE 18 - PEARLAND-MANVEL LANDFILL - Continued

Environmental consultants have been paid \$ 276,736 for their work to date. Half of that expense has been shared by the City of Pearland. The consultant estimates that the costs for additional work suggested by the Commission would total an additional \$ 27,338. 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, 2010, the County has recorded an accrued liability in the amount of \$ 62,664, which includes its portion of estimated costs as well as \$ 25,000 for estimated ongoing costs of monitoring.

NOTE 19 - RESTATEMENT OF NET ASSETS

During the year ended September 30, 2009, additions to construction in progress were made for expenditures for an ongoing grant project. During the current year, County personnel learned that the resulting asset would not be the responsibility of the County. Specifically that the state would have maintenance responsibilities, therefore, this has been eliminated from beginning construction in progress as of October 1, 2009. Further, County personnel identified \$ 262,693 in capital assets that had been considered non-capital expenditures during the year ended September 30, 2009. The balances reported in Management's Discussion and Analysis have been restated as noted above. The beginning net assets in the statement of activities has been restated as follows:

Net assets at September 30, 2009	\$ 177,350,541
Decrease in construction in progress	(3,608,165)
Increase in capital assets	<u>262,693</u>
Restated net assets at September 30, 2009	<u>\$ 174,005,069</u>

This restatement of net assets had no effect on fund balances.

NOTE 20 – EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 4, 2011, the date which the financial statements were available to be issued.



**REQUIRED SUPPLEMENTARY
INFORMATION**

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

For the Year Ended September 30, 2010

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 72,590,093	\$ 73,823,926	\$ 72,886,311	\$(937,615)
Intergovernmental	1,321,414	1,781,937	2,725,487	943,550
Charges for services	6,010,750	6,059,750	7,141,772	1,082,022
Licenses and permits	1,002,000	1,142,000	1,343,961	201,961
Fines and forfeitures	2,775,050	2,775,050	3,335,701	560,651
Special assessments				-0-
Investment income	700,000	701,600	898,768	197,168
Miscellaneous	<u>999,000</u>	<u>1,044,914</u>	<u>1,361,679</u>	<u>316,765</u>
Total revenues	<u>85,398,307</u>	<u>87,329,177</u>	<u>89,693,679</u>	<u>2,364,502</u>
Expenditures:				
Current:				
General administration	6,073,278	6,694,567	6,542,328	152,239
Judicial and legal	16,538,208	16,813,417	16,048,601	764,816
Financial administration	9,217,324	9,341,017	9,004,262	336,755
Elections	317,800	320,238	246,591	73,647
Public facilities	4,011,758	4,065,203	3,700,666	364,537
Public safety	15,652,914	16,353,352	15,835,024	518,328
Corrections	19,960,255	21,110,514	19,273,297	1,837,217
Public transportation				-0-
Health and welfare	4,460,607	4,702,292	4,381,518	320,774
Public assistance	296,000	296,000	296,000	-0-
Culture and recreation	8,184,492	9,295,344	8,466,385	828,959
Conservation	451,666	451,753	376,220	75,333
Environmental protection	196,862	199,993	196,019	3,974
Capital outlay				-0-
Total expenditures	<u>85,361,164</u>	<u>89,643,690</u>	<u>84,366,911</u>	<u>5,276,779</u>
Excess (deficiency) of revenues over expenditures	<u>37,143</u>	<u>(2,314,513)</u>	<u>5,326,768</u>	<u>7,641,281</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	35,000	35,000	68,325	33,325
Transfers in	150,000	150,000	163,557	13,557
Transfers out	<u>(1,062,500)</u>	<u>(1,443,533)</u>	<u>(725,899)</u>	<u>717,634</u>
Total other financing sources (uses)	<u>(877,500)</u>	<u>(1,258,533)</u>	<u>(494,017)</u>	<u>764,516</u>
Net change in fund balances	<u>(840,357)</u>	<u>(3,573,046)</u>	<u>4,832,751</u>	<u>8,405,797</u>
Fund balances – beginning (restated)	<u>26,388,111</u>	<u>26,388,111</u>	<u>26,388,111</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 25,547,754</u>	<u>\$ 22,815,065</u>	<u>\$ 31,220,862</u>	<u>\$ 8,405,797</u>

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

Road and Bridge Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 18,845,056	\$ 19,045,803	\$ 19,058,566	\$ 12,763
		132,127	132,127
1,500	1,500	1,080	(420)
610,000	610,000	676,433	66,433
			-0-
		52,746	52,746
250,000	250,000	109,420	(140,580)
	2,311,361	21,663	(2,289,698)
<u>19,706,556</u>	<u>22,218,664</u>	<u>20,052,035</u>	<u>(2,166,629)</u>
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
19,762,223	22,756,255	16,528,057	6,228,198
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
<u>1,594,500</u>	<u>1,190,940</u>	<u>2,826,560</u>	<u>(1,635,620)</u>
<u>21,356,723</u>	<u>23,947,195</u>	<u>19,354,617</u>	<u>4,592,578</u>
<u>(1,650,167)</u>	<u>(1,728,531)</u>	<u>697,418</u>	<u>2,425,949</u>
50,000	50,000	3,200	(46,800)
<u>(100,000)</u>	<u>(265,822)</u>	<u>(236,680)</u>	<u>29,142</u>
<u>(50,000)</u>	<u>(215,822)</u>	<u>(233,480)</u>	<u>(17,658)</u>
<u>(1,700,167)</u>	<u>(1,944,353)</u>	<u>463,938</u>	<u>2,408,291</u>
<u>12,743,315</u>	<u>12,743,315</u>	<u>12,743,315</u>	<u>-0-</u>
<u>\$ 11,043,148</u>	<u>\$ 10,798,962</u>	<u>\$ 13,207,253</u>	<u>\$ 2,408,291</u>

BRAZORIA COUNTY, TEXAS

Exhibit 11

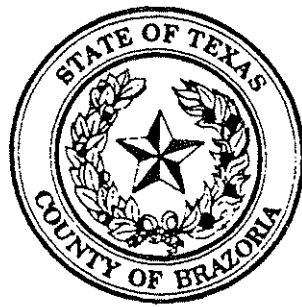
REQUIRED SUPPLEMENTARY INFORMATION
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
 SCHEDULE OF FUNDING PROGRESS
 LAST THREE YEARS

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Accrued Liability* (AAL)-	Unfunded AAL (UAAL)	Percentage Funded (a/b)	Annual Covered Payroll**	UAAL as a Percentage of Covered Payroll (b-a)/(c)
	(a)	(b)	(b-a)		(c)	
12-31-07	\$ 128,397,451	\$ 139,737,492	\$ 11,340,041	91.88%	\$ 50,021,958	22.67%
12-31-08	127,379,170	150,672,455	23,293,285	84.54%	55,697,618	41.82%
12-31-09	141,509,411	163,857,736	22,348,325	86.36%	56,517,212	39.54%

* 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.

Oakwood Creek Estates 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.

Sally Lake 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.

County Road 257 Repairs - This fund accounts for both grant and local contributions authorized for both the temporary and permanent repairs to County Road 257 which was damaged during Hurricane Ike.

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 – Secure Felony Placement - This fund is designed to provide post-adjudication secure correctional placement services to local juvenile probation departments for the placement of serious and chronic felony offenders. The goal is to reduce delinquency, increase offender accountability and rehabilitate juvenile offenders through a comprehensive, coordinated community-based juvenile probation.

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 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.

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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

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) – RLSS-SSBG - This fund accounts for grant proceeds awarded to provide outreach, education, testing and tracking STD/TB.

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.

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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

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 and Obesity Play to be FIT - This fund accounts for grant proceeds awarded for obesity prevention education related to “shopping for healthy foods” and to “playing to be fit” for WIC participants.

Texas Department of State Health Services (TDSHS) – WIC (Women, Infants and Children) Infrastructure - This fund accounts for grant proceeds awarded for infrastructure improvements for various WIC locations.

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 H1N1 - This fund accounts for grant proceeds awarded through the Texas Department of State Health Services to provide H1N1 vaccinations to County residents.

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 CEPR, 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.

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

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 Parks Solid Waste - 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, source reduction and recycling, and technical studies.

2006 - 2009 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.

2010 CDBG Disaster Recovery Alternative - This fund accounts for grant proceeds from Texas Department of Rural Affairs (TDRA) Disaster Recovery Division for non-housing hurricane recovery activities funded by the U.S. Department of Housing and Urban Development (HUD).

2005 – 2010 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 County Clerk - The "Records Management and Preservation" fee collected by the County Clerk 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.

Records Management District Clerk - The "Records Management and Preservation" fee collected by the District Clerk 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.

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.

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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Records Preservation County/District Clerk – This fund accounts for the mandate in House Bill 3637 that the District Clerk shall collect a filing fee of \$ 10 in each civil case filed. The County Clerk shall collect a filing fee of \$ 5 in each civil case filed. These funds are restricted to digitize and preserve court records from natural disasters. Commissioners' Court approved this fee on September 8, 2009.

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.

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 9-1-1 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.

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.

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.

Regional Catastrophic Preparedness - This fund accounts for grant proceeds awarded through the United States Department of Homeland Security to enhance catastrophic incident preparedness in selected high-risk, high-consequence urban areas and their surrounding regions. It is intended to support coordination of regional all-hazard planning for catastrophic events, including the development of integrated planning communities, plans, protocols and procedures to manage a catastrophic event.

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.

Congestion Mitigation and Air Quality (CMAQ) Clean Air Initiative - This fund accounts for grant proceeds awarded through the Federal Highway Administration and the Federal Transit Administration which provide a flexible funding source for state and local governments to fund transportation projects and programs to help meet the requirements of the Clean Air Act (CAA) and its amendments. CMAQ money supports transportation projects that reduce mobile source emissions in areas designated by the U.S. Environmental Protection Agency (EPA).

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.

United Way White/Perry Texas Disaster Relief - This fund accounts for grant proceeds awarded to assist Hurricane Ike victims. Funds are from the Gulf Coast Ike Relief Fund managed by the Greater Houston Community Foundation and from the Texas Disaster Relief Fund established by Governor Rick Perry.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

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.

Behavioral Management Program - This fund accounts for grant proceeds awarded through the Criminal Justice Division Juvenile Accountability Incentive Block Grant Program to provide states, units of local government, and Indian Tribes, with funds to provide training and technical assistance and develop programs to strengthen and promote greater accountability in the juvenile justice system.

Flood Protection Planning Contract - This fund accounts for grant proceeds from the Texas Water Development Board to develop a flood protection plan.

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

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

Parks & Wildlife Boating Access - This fund accounts for grant proceeds awarded through the Texas Parks & Wildlife Department which receives funding from the Federal Aid in Sport Fish Restoration Act for public recreational boating access.

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.

Technology Upgrades & Law Enforcement - This fund accounts for grant proceeds awarded through the United States Department of Justice, Office of the Governor Criminal Justice Division (CJD) under the American Recovery and Reinvestment Act of 2009 to support a wide range of activities to prevent and control crime and improve the criminal justice system.

911 PSAP Room Preparation - This fund accounts for proceeds awarded through the Commission on State Emergency Communications to preserve and enhance public safety and health in Texas through reliable access to emergency communication services. The agency works with the telecommunications industry and local 9-1-1 administrators to administer the statewide 9-1-1 Program.

County and District Court Technology - This fund accounts for the mandate in House Bill 3637 that each county court, statutory county court, or district court in Brazoria County assess a \$ 4 technology fee on each criminal offense conviction. These funds are restricted to technological enhancements as described by Subchapter A, Chapter 102, Article 102.0169 of the Code of Criminal Procedure. Commissioners' Court approved this fee on September 8, 2009.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds – Continued

Justice Assistance Grant Recovery - This fund accounts for grant proceeds awarded through the United States department of Justice Office of the Justice Programs (OJP) under the American Recovery and Reinvestment Act of 2009 for local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, and information systems for criminal justice, as well as research and evaluation activities that will improve or enhance: law enforcement programs; prosecution and court programs; prevention and education programs; corrections and community correction programs; drug treatment and enforcement programs; planning; evaluation; and technology improvement programs; and crime victim and witness programs (other than compensation).

Interoperability Enhancement - This fund accounts for grant proceeds awarded through the Office of the Governor Criminal Justice Division (CJD) from the State Criminal Justice Planning Fund (SF-421). The fund is a biennial appropriation by the Texas Legislature from court costs and fees collected by the state. The funds may provide for a wide range of projects designed to reduce crime and improve the criminal justice system.

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

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.

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

NONMAJOR GOVERNMENTAL FUNDS

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.

Parks CIAP Grant - This fund accounts for grant 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.

Hwy 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.

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.

2006 Certificate of Obligation C & M - This 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.

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.

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.

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

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds - Continued

Quintana Park Beach Boardwalk - This fund accounts for grant proceeds awarded through the United States Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) filtered through the General Land Office (GLO) Coastal Management Program (CMP) for implementation of a coastal zone management project.

Energy Efficiency and Conservation (EECBG) Block Grant - This fund accounts for grant proceeds from the United States Department of Energy through the Golden Field Office to create and implement a variety of energy efficiency and conservation projects.



BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2010

	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	\$ 154,292	\$	\$ 1,721,365
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Special assessments			
Due from other governments			
Accrued interest			
Due from other funds			
Inventory			
Prepaid expenditures			
Total assets	\$ 154,292	\$ -0-	\$ 1,721,365
<u>Liabilities and Fund Balance</u>			
<u>Liabilities:</u>			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Deferred revenue			
Total liabilities	-0-	-0-	-0-
<u>Fund Balance (Deficit):</u>			
<u>Reserved:</u>			
Prepaid expenditures			
Inventory			
Encumbrances			
General administration			
Judicial and legal			
Elections			
Public safety			
Corrections			
Public transportation	154,292		1,721,365
Health and welfare			
Culture and recreation			
Debt service			
Capital projects			
<u>Unreserved:</u>			
Designated for capital projects			
Total fund balance	154,292	-0-	1,721,365
Total liabilities and fund balance	\$ 154,292	\$ -0-	\$ 1,721,365

Revenue Funds

Oakwood Creek Estates Special Assessment Fund	Westwood Road Special Assessment Fund	Pecan Estates Road Special Assessment Fund	Hampton Road Special Assessment Fund	Rosemary Street Special Assessment Fund	Sally Lake Road Special Assessment Fund
\$	\$	\$	\$	\$	\$
	88,448	101,643	79,176	46,746	148,662
<u>\$ -0-</u>	<u>\$ 88,448</u>	<u>\$ 101,643</u>	<u>\$ 79,176</u>	<u>\$ 46,746</u>	<u>\$ 148,662</u>
\$ 12,500	\$	\$	\$	\$	\$
187,923	93,811	109,021	80,114	21,337	78,016
<u>200,423</u>	<u>182,259</u>	<u>210,664</u>	<u>159,290</u>	<u>68,083</u>	<u>226,678</u>
(200,423)	(93,811)	(109,021)	(80,114)	(21,337)	(78,016)
<u>(200,423)</u>	<u>(93,811)</u>	<u>(109,021)</u>	<u>(80,114)</u>	<u>(21,337)</u>	<u>(78,016)</u>
<u>\$ -0-</u>	<u>\$ 88,448</u>	<u>\$ 101,643</u>	<u>\$ 79,176</u>	<u>\$ 46,746</u>	<u>\$ 148,662</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

	Special		
	County Road 257 Repairs Fund	TJPC State Aid Fund	TJPC Community Corrections Fund
<u>Assets</u>			
Cash and temporary investments	\$	\$ 15,676	\$ 24,798
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Special assessments			
Due from other governments	218,550		
Accrued interest			
Due from other funds			
Inventory			
Prepaid expenditures			
Total assets	\$ 218,550	\$ 15,676	\$ 24,798
<u>Liabilities and Fund Balance</u>			
<u>Liabilities:</u>			
Accounts and accrued liabilities payable	\$ 36,266	\$ 3,531	\$ 7,406
Due to other funds	182,284		
Deferred revenue		12,145	17,392
Total liabilities	218,550	15,676	24,798
<u>Fund Balance (Deficit):</u>			
<u>Reserved:</u>			
Prepaid expenditures			
Inventory			
Encumbrances			
General administration			
Judicial and legal			
Elections			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Debt service			
Capital projects			
<u>Unreserved:</u>			
Designated for capital projects			
Total fund balance	-0-	-0-	-0-
Total liabilities and fund balance	\$ 218,550	\$ 15,676	\$ 24,798

Revenue Funds

TJPC Salary Adjustment Funding Fund	TJPC Title IV-E Foster Care Fund	TJPC Progressive Sanctions JPO Fund	TJPC Secure Felony Placement Fund	TJPC Progressive Sanctions ISP Fund	TJPC Diversionary Placement Fund
\$ 21,749	\$ 77,008	\$ 13,307	\$ 85,463	\$ 1,768	\$ 65,924
	15		16,245 17		6
<u>\$ 21,749</u>	<u>\$ 77,023</u>	<u>\$ 13,307</u>	<u>\$ 101,725</u>	<u>\$ 1,768</u>	<u>\$ 65,930</u>
\$ 8,838	\$ 2,263	\$ 3,046	\$	\$ 759	\$ 37,886
<u>12,911</u>	<u>74,760</u>	<u>10,261</u>	<u>100,415</u>	<u>1,009</u>	<u>28,044</u>
<u>21,749</u>	<u>77,023</u>	<u>13,307</u>	<u>100,415</u>	<u>1,768</u>	<u>65,930</u>
			1,310		
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,310</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 21,749</u>	<u>\$ 77,023</u>	<u>\$ 13,307</u>	<u>\$ 101,725</u>	<u>\$ 1,768</u>	<u>\$ 65,930</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

	Special		
	TJPC Intensive Community Based Program Fund	JJAEP Boot Camp Fund	CJD Juvenile Incentive Block Grant Fund
<u>Assets</u>			
Cash and temporary investments	\$ 23,061	\$	\$
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Special assessments			
Due from other governments		68,817	5,044
Accrued interest			
Due from other funds		45,037	
Inventory			
Prepaid expenditures			
Total assets	<u>\$ 23,061</u>	<u>\$ 113,854</u>	<u>\$ 5,044</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 7,967	\$ 10,267	\$ 85
Due to other funds		103,587	4,959
Deferred revenue	<u>15,094</u>		
Total liabilities	<u>23,061</u>	<u>113,854</u>	<u>5,044</u>
Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
General administration			
Judicial and legal			
Elections			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Debt service			
Capital projects			
Unreserved:			
Designated for capital projects			
Total fund balance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities and fund balance	<u>\$ 23,061</u>	<u>\$ 113,854</u>	<u>\$ 5,044</u>

Revenue Funds

Juvenile Case Manager Fund	Family Protection Fund	State Alien Assistance Fund	TDSHS Immunization Fund	TDSHS Supplemental Food Program WIC Fund	TDSHS RLSS SSBG Fund
\$ 153,502	\$ 117,097	\$ 105,297	\$	\$	\$
			258		
14	21	21	13,318	206,645	19,327
				4,999	
<u>\$ 153,576</u>	<u>\$ 117,118</u>	<u>\$ 105,318</u>	<u>\$ 13,576</u>	<u>\$ 211,644</u>	<u>\$ 19,327</u>
\$ 1,598	\$	\$	\$ 1,986	\$ 17,464	\$ 7,741
			11,590	194,180	11,586
		105,318			
<u>1,598</u>	<u>-0-</u>	<u>105,318</u>	<u>13,576</u>	<u>211,644</u>	<u>19,327</u>
				4,999	
	117,118				
151,978					
				(4,999)	
<u>151,978</u>	<u>117,118</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 153,576</u>	<u>\$ 117,118</u>	<u>\$ 105,318</u>	<u>\$ 13,576</u>	<u>\$ 211,644</u>	<u>\$ 19,327</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

	TDSHS WIC Peer Counseling Program Fund	TDSHS WIC Registered Dietician Fund	Special TDSHS WIC Lactation Reimbursement Fund
<u>Assets</u>			
Cash and temporary investments	\$	\$	\$
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Special assessments			
Due from other governments	16,730	6,895	4,167
Accrued interest			
Due from other funds			
Inventory			
Prepaid expenditures			153
Total assets	<u>\$ 16,730</u>	<u>\$ 6,895</u>	<u>\$ 4,320</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 1,367	\$	\$
Due to other funds	15,363	6,895	4,320
Deferred revenue			
Total liabilities	<u>16,730</u>	<u>6,895</u>	<u>4,320</u>
Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			153
Inventory			
Encumbrances			
General administration			
Judicial and legal			
Elections			
Public safety			
Corrections			
Public transportation			
Health and welfare			(153)
Culture and recreation			
Debt service			
Capital projects			
Unreserved:			
Designated for capital projects			
Total fund balance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities and fund balance	<u>\$ 16,730</u>	<u>\$ 6,895</u>	<u>\$ 4,320</u>

Revenue Funds

TDSHS WIC-OA Vendor Activities Fund	TDSHS WIC Special Allocation Fund	TDSHS WIC Obesity SHOP/FIT Fund	TDSHS WIC Infrastructure Fund	TDSHS WIC Electronic Benefits Fund	TDSHS Cities Readiness Initiative Fund
\$	\$	\$	\$	\$	\$
	549				
2,057	74,202	4,558	2,541		41,240
<u>2,057</u>	<u>74,751</u>	<u>4,558</u>	<u>2,541</u>	<u>-0-</u>	<u>41,240</u>
\$ 598	\$ 13,475	\$	\$	\$	\$ 167
1,459	61,276	4,558	2,541		41,073
<u>2,057</u>	<u>74,751</u>	<u>4,558</u>	<u>2,541</u>	<u>-0-</u>	<u>41,240</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>2,057</u>	<u>74,751</u>	<u>4,558</u>	<u>2,541</u>	<u>-0-</u>	<u>41,240</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

	TDSHS H1N1 Fund	CPS Title IV-E Fund	Special CPS Title IV-E Legal Services Fund
<u>Assets</u>			
Cash and temporary investments	\$	\$	\$ 1,211
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Special assessments			
Due from other governments	20,413	33,497	4,925
Accrued interest			
Due from other funds		40,239	
Inventory			
Prepaid expenditures			
Total assets	<u>\$ 20,413</u>	<u>\$ 73,736</u>	<u>\$ 6,136</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 905	\$ 6,039	\$ 6,136
Due to other funds	19,508	67,697	
Deferred revenue			
Total liabilities	<u>20,413</u>	<u>73,736</u>	<u>6,136</u>
Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
General administration			
Judicial and legal			
Elections			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Debt service			
Capital projects			
Unreserved:			
Designated for capital projects			
Total fund balance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities and fund balance	<u>\$ 20,413</u>	<u>\$ 73,736</u>	<u>\$ 6,136</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
\$	\$	\$	\$ 10,398	\$ 348,189	\$
150	9,310	27,520	2	54	660
<u>\$ 150</u>	<u>\$ 9,310</u>	<u>\$ 27,520</u>	<u>\$ 10,400</u>	<u>\$ 348,243</u>	<u>\$ 660</u>
\$ 150	\$ 689 8,621	\$ 1,629 25,891	\$ 10,289	\$	\$ 660
<u>150</u>	<u>9,310</u>	<u>27,520</u>	<u>10,289</u>	<u>-0-</u>	<u>660</u>
			111	348,243	
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>111</u>	<u>348,243</u>	<u>-0-</u>
<u>\$ 150</u>	<u>\$ 9,310</u>	<u>\$ 27,520</u>	<u>\$ 10,400</u>	<u>\$ 348,243</u>	<u>\$ 660</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

	Special		
	JP Building Security Fund	Shoreline Restoration Task Force Fund	State Homeland Security Fund
<u>Assets</u>			
Cash and temporary investments	\$ 67,657	\$ 15,081	\$
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Special assessments			
Due from other governments			56,217
Accrued interest	10	3	
Due from other funds			
Inventory			
Prepaid expenditures		800	
Total assets	\$ 67,667	\$ 15,884	\$ 56,217
<u>Liabilities and Fund Balance</u>			
<u>Liabilities:</u>			
Accounts and accrued liabilities payable	\$ 78	\$	\$
Due to other funds			56,217
Deferred revenue			
Total liabilities	78	-0-	56,217
<u>Fund Balance (Deficit):</u>			
<u>Reserved:</u>			
Prepaid expenditures		800	
Inventory			
Encumbrances			
General administration			
Judicial and legal	67,589		
Elections			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation		15,084	
Debt service			
Capital projects			
<u>Unreserved:</u>			
Designated for capital projects			
Total fund balance	67,589	15,884	-0-
Total liabilities and fund balance	\$ 67,667	\$ 15,884	\$ 56,217

Revenue Funds

HGAC Environmental Education (Kids) Fund	TDSHS Bioterrorism Grant Fund	Law Enforcement Officers Standards & Education Fund	Organized Crime Drug Enforcement Fund	Texas VINE Contract Fund	HGAC Parks Solid Waste Fund
\$	\$	\$ 44,137	\$	\$	\$
9,500	31,265	9		2,559	39,094
		100			
<u>\$ 9,500</u>	<u>\$ 31,265</u>	<u>\$ 44,246</u>	<u>\$ -0-</u>	<u>\$ 2,559</u>	<u>\$ 39,094</u>
\$ 9,500	\$ 5,861 25,404	\$	\$	\$ 2,559	\$ 39,094
<u>9,500</u>	<u>31,265</u>	<u>-0-</u>	<u>-0-</u>	<u>2,559</u>	<u>39,094</u>
		100			
		44,146			
<u>-0-</u>	<u>-0-</u>	<u>44,246</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 9,500</u>	<u>\$ 31,265</u>	<u>\$ 44,246</u>	<u>\$ -0-</u>	<u>\$ 2,559</u>	<u>\$ 39,094</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

	<u>Special</u>		
	2006 CDBG County (HUD) Fund	2007 CDBG County (HUD) Fund	2008 CDBG County (HUD) Fund
<u>Assets</u>			
Cash and temporary investments	\$	\$	\$
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Special assessments			
Due from other governments		119,954	176,317
Accrued interest			
Due from other funds			
Inventory			
Prepaid expenditures			
Total assets	<u>\$ -0-</u>	<u>\$ 119,954</u>	<u>\$ 176,317</u>
<u>Liabilities and Fund Balance</u>			
<u>Liabilities:</u>			
Accounts and accrued liabilities payable	\$	\$ 114,647	\$ 54,816
Due to other funds		5,307	121,501
Deferred revenue			
Total liabilities	<u>-0-</u>	<u>119,954</u>	<u>176,317</u>
<u>Fund Balance (Deficit):</u>			
<u>Reserved:</u>			
Prepaid expenditures			
Inventory			
Encumbrances			
General administration			
Judicial and legal			
Elections			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Debt service			
Capital projects			
<u>Unreserved:</u>			
Designated for capital projects			
Total fund balance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities and fund balance	<u>\$ -0-</u>	<u>\$ 119,954</u>	<u>\$ 176,317</u>

Revenue Funds

2009 CDBG County (HUD) Fund	2010 CDBG Disaster Recovery Alternative Fund	2005 Section 8 Housing Choice Vouchers Fund	2006 Section 8 Housing Choice Vouchers Fund	2007 Section 8 Housing Choice Vouchers Fund	2008 Section 8 Housing Choice Vouchers Fund
\$	\$	\$ 34,344	\$ 321,053	\$ 218,996	\$ 91,505
278,313	14,697	7	64	44	18
<u>\$ 278,313</u>	<u>\$ 14,697</u>	<u>\$ 34,351</u>	<u>\$ 321,117</u>	<u>\$ 219,040</u>	<u>\$ 91,523</u>
\$ 106,361	\$	\$	\$	\$	\$
171,952	14,697		285,497	200,749	55,353
<u>278,313</u>	<u>14,697</u>	<u>-0-</u>	<u>285,497</u>	<u>200,749</u>	<u>55,353</u>
		34,351	35,620	18,291	36,170
<u>-0-</u>	<u>-0-</u>	<u>34,351</u>	<u>35,620</u>	<u>18,291</u>	<u>36,170</u>
<u>\$ 278,313</u>	<u>\$ 14,697</u>	<u>\$ 34,351</u>	<u>\$ 321,117</u>	<u>\$ 219,040</u>	<u>\$ 91,523</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

	2009 Section 8 Housing Choice Vouchers Fund	2010 Section 8 Housing Choice Vouchers Fund	Special Records Management County Clerk Fund
<u>Assets</u>			
Cash and temporary investments	\$ 78,908	\$ 262,607	\$ 1,309,854
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts	321		
Special assessments			
Due from other governments		11,522	
Accrued interest	16	52	80
Due from other funds	85		
Inventory			
Prepaid expenditures			
Total assets	<u>\$ 79,330</u>	<u>\$ 274,181</u>	<u>\$ 1,309,934</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 5,508	\$
Due to other funds		85	
Deferred revenue		164,843	
Total liabilities	<u>-0-</u>	<u>170,436</u>	<u>-0-</u>
Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
General administration			1,309,934
Judicial and legal			
Elections			
Public safety			
Corrections			
Public transportation			
Health and welfare	79,330	103,745	
Culture and recreation			
Debt service			
Capital projects			
Unreserved:			
Designated for capital projects			
Total fund balance	<u>79,330</u>	<u>103,745</u>	<u>1,309,934</u>
Total liabilities and fund balance	<u>\$ 79,330</u>	<u>\$ 274,181</u>	<u>\$ 1,309,934</u>

Revenue Funds

Records Management District Clerk Fund	Record Archive County Clerk Fund	Record Archive District Clerk Fund	Financial Security Fund	Records Preservation County/District Clerk Fund	Civil, Criminal & Probate Records Management Fund
\$ 189,569	\$ 833,453	\$ 21,402	\$ 209,675	\$ 38,545	\$ 1,055,148
10		10	10	20	10
35	163	4	25	7	41
<u>2,561</u>					
<u>\$ 192,175</u>	<u>\$ 833,616</u>	<u>\$ 21,416</u>	<u>\$ 209,710</u>	<u>\$ 38,572</u>	<u>\$ 1,055,199</u>
\$	\$ 998	\$	\$	\$	\$ 581
<u>-0-</u>	<u>998</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>581</u>
2,561					
189,614	832,618	21,416	209,710	38,572	1,054,618
<u>192,175</u>	<u>832,618</u>	<u>21,416</u>	<u>209,710</u>	<u>38,572</u>	<u>1,054,618</u>
<u>\$ 192,175</u>	<u>\$ 833,616</u>	<u>\$ 21,416</u>	<u>\$ 209,710</u>	<u>\$ 38,572</u>	<u>\$ 1,055,199</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

	Special		
	Lone Star Library Grant Fund	Law Library Fund	County Graffiti Eradication Fund
<u>Assets</u>			
Cash and temporary investments	\$	\$ 363,167	\$ 1,855
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts		70	
Special assessments			
Due from other governments	378		
Accrued interest		20	
Due from other funds			
Inventory			
Prepaid expenditures			
Total assets	\$ 378	\$ 363,257	\$ 1,855
<u>Liabilities and Fund Balance</u>			
<u>Liabilities:</u>			
Accounts and accrued liabilities payable	\$	\$ 9,077	\$
Due to other funds	378		
Deferred revenue			
Total liabilities	378	9,077	-0-
<u>Fund Balance (Deficit):</u>			
<u>Reserved:</u>			
Prepaid expenditures			
Inventory			
Encumbrances		4,462	
General administration			1,855
Judicial and legal		349,718	
Elections			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Debt service			
Capital projects			
<u>Unreserved:</u>			
Designated for capital projects			
Total fund balance	-0-	354,180	1,855
Total liabilities and fund balance	\$ 378	\$ 363,257	\$ 1,855

Revenue Funds

Brazoria County Toll Road Authority Fund	Mosquito Control District Fund	FEMA Welfare Fund	HGAC 911 Addressing Fund	Child Abuse Prevention Fund	Economic Development Tax Abatement Fund
\$	\$ 360,804	\$	\$	\$ 2,383	\$ 10,199
	31,558				
	3,393				
	17,649		19,019		2
	183,751				
<u>\$ -0-</u>	<u>\$ 597,155</u>	<u>\$ -0-</u>	<u>\$ 19,019</u>	<u>\$ 2,383</u>	<u>\$ 10,201</u>
\$ 245,690	\$ 35,296	\$	\$ 17,057	\$	\$ 10,186
	26,684		610		
<u>245,690</u>	<u>61,980</u>	<u>-0-</u>	<u>17,667</u>	<u>-0-</u>	<u>10,186</u>
	183,751				15
	29			2,383	
			1,352		
(245,690)	351,395				
<u>(245,690)</u>	<u>535,175</u>	<u>-0-</u>	<u>1,352</u>	<u>2,383</u>	<u>15</u>
<u>\$ -0-</u>	<u>\$ 597,155</u>	<u>\$ -0-</u>	<u>\$ 19,019</u>	<u>\$ 2,383</u>	<u>\$ 10,201</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

	Special		
	Mutual Fire Protection & Disbursement Assistance Fund	Reliant Energy CARE/RELIEF Program Fund	Vital Statistics Fee Fund
<u>Assets</u>			
Cash and temporary investments	\$ 9,280	\$	\$ 71,758
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Special assessments			
Due from other governments			
Accrued interest	2		13
Due from other funds			
Inventory			
Prepaid expenditures			
Total assets	\$ 9,282	\$ -0-	\$ 71,771
<u>Liabilities and Fund Balance</u>			
<u>Liabilities:</u>			
Accounts and accrued liabilities payable	\$ 8,632	\$	\$ 1,742
Due to other funds			
Deferred revenue	650		
Total liabilities	9,282	-0-	1,742
<u>Fund Balance (Deficit):</u>			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
General administration			70,029
Judicial and legal			
Elections			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Debt service			
Capital projects			
Unreserved:			
Designated for capital projects	-0-		
Total fund balance	-0-	-0-	70,029
Total liabilities and fund balance	\$ 9,282	\$ -0-	\$ 71,771

Revenue Funds

Flood Protection Study Fund	United Way Emergency Assistance Fund	Regional Catastrophic Preparedness Fund	Teen Court Fund	TCEQ LIRAP Program Fund	CMAQ Clean Air Initiative Fund
\$	\$ 37,908	\$	\$	\$	\$
	8	10,975			
<u>\$ -0-</u>	<u>\$ 37,916</u>	<u>\$ 10,975</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
\$	\$	\$	\$	\$	\$
		10,975			
<u>-0-</u>	<u>-0-</u>	<u>10,975</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	37,916				
<u>-0-</u>	<u>37,916</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ -0-</u>	<u>\$ 37,916</u>	<u>\$ 10,975</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

	Voter Registration Tax Office Fund	Buffer Zone Protection Program Fund	Special United Way White/Perry Texas Disaster Relief Fund
<u>Assets</u>			
Cash and temporary investments	\$	\$	\$
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Special assessments			
Due from other governments	2,926	41,734	
Accrued interest			
Due from other funds			
Inventory			
Prepaid expenditures			
Total assets	<u>\$ 2,926</u>	<u>\$ 41,734</u>	<u>\$ -0-</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 404	\$	\$
Due to other funds	7,739	41,734	
Deferred revenue			
Total liabilities	<u>8,143</u>	<u>41,734</u>	<u>-0-</u>
Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
General administration			
Judicial and legal			
Elections	(5,217)		
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Debt service			
Capital projects			
Unreserved:			
Designated for capital projects			
Total fund balance	<u>(5,217)</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities and fund balance	<u>\$ 2,926</u>	<u>\$ 41,734</u>	<u>\$ -0-</u>

Revenue Funds

Parks Improvement Fund	Behavioral Management Program Fund	Flood Protection Planning Contract Fund	Drug Court Program Fund	SEP Contract Fund	Parks & Wildlife Boating Access Fund
\$ 1,000	\$	\$	\$	\$ 31,451	\$
		4,359	49,888	6	5,673
	1,266				
			966		
<u>\$ 1,000</u>	<u>\$ 1,266</u>	<u>\$ 4,359</u>	<u>\$ 50,854</u>	<u>\$ 31,457</u>	<u>\$ 5,673</u>
\$	\$	\$	\$ 2,228	\$	\$ 399
	1,266	8,718	48,626		5,274
<u>-0-</u>	<u>1,266</u>	<u>8,718</u>	<u>50,854</u>	<u>-0-</u>	<u>5,673</u>
			966		
			(966)		
		(4,359)		31,457	
1,000					
<u>1,000</u>	<u>-0-</u>	<u>(4,359)</u>	<u>-0-</u>	<u>31,457</u>	<u>-0-</u>
<u>\$ 1,000</u>	<u>\$ 1,266</u>	<u>\$ 4,359</u>	<u>\$ 50,854</u>	<u>\$ 31,457</u>	<u>\$ 5,673</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

	Special		
	Elections HAVA Equipment Rental Fund	Elections Services Contract Fund	Elections HAVA Grant Fund
<u>Assets</u>			
Cash and temporary investments	\$ 84,297	\$ 11,299	\$
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts	9,985	30,726	
Special assessments			
Due from other governments			44,288
Accrued interest	12	2	
Due from other funds			
Inventory			
Prepaid expenditures			
	\$ 94,294	\$ 42,027	\$ 44,288
<u>Liabilities and Fund Balance</u>			
<u>Liabilities:</u>			
Accounts and accrued liabilities payable	\$ 1,911	\$	\$ 20,249
Due to other funds			24,039
Deferred revenue		5,706	
	1,911	5,706	44,288
<u>Fund Balance (Deficit):</u>			
<u>Reserved:</u>			
Prepaid expenditures			
Inventory			
Encumbrances			
General administration			
Judicial and legal			
Elections	92,383	36,321	
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Debt service			
Capital projects			
<u>Unreserved:</u>			
Designated for capital projects			
	92,383	36,321	-0-
Total fund balance	\$ 94,294	\$ 42,027	\$ 44,288
Total liabilities and fund balance	\$ 94,294	\$ 42,027	\$ 44,288

Revenue Funds

Technology Upgrades & Law Enforcement Fund	911 PSAP Room Preparation Fund	County/ District Court Technology Fund	Justice Assistance Grant Recovery Fund	Inter- operability Enhancement Fund	2006 GoM Energy Security Fund
\$	\$	\$ 3,923	\$ 4,657	\$	\$ 38,730
1,454		1	1		7
<u>\$ 1,454</u>	<u>\$ -0-</u>	<u>\$ 3,924</u>	<u>\$ 4,658</u>	<u>\$ -0-</u>	<u>\$ 38,737</u>
\$ 1,454	\$	\$	\$ 266	\$	\$
			4,372		
<u>1,454</u>	<u>-0-</u>	<u>-0-</u>	<u>4,658</u>	<u>-0-</u>	<u>-0-</u>
					38,737
		3,924			
<u>-0-</u>	<u>-0-</u>	<u>3,924</u>	<u>-0-</u>	<u>-0-</u>	<u>38,737</u>
<u>\$ 1,454</u>	<u>\$ -0-</u>	<u>\$ 3,924</u>	<u>\$ 4,658</u>	<u>\$ -0-</u>	<u>\$ 38,737</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

		Debt	
	Total Special Revenue Funds	C of O Sheriff & Detention Complex Series 1993	C of O Construction and Maintenance Series 2003
<u>Assets</u>			
Cash and temporary investments	\$ 8,764,810	\$ 2,083,768	\$ 310,530
Receivable (Net of Allowance for Uncollectibles):			
Taxes	31,558	59,183	21,598
Accounts	45,362		
Special assessments	464,675		
Due from other governments	1,734,592		
Accrued interest	802	182	58
Due from other funds	86,627		
Inventory	183,751		
Prepaid expenditures	9,579		
	<u>\$ 11,321,756</u>	<u>\$ 2,143,133</u>	<u>\$ 332,186</u>
<u>Liabilities and Fund Balance</u>			
<u>Liabilities:</u>			
Accounts and accrued liabilities payable	\$ 589,484	\$	\$
Due to other funds	2,178,680		
Deferred revenue	1,596,167	50,254	18,398
	<u>4,364,331</u>	<u>50,254</u>	<u>18,398</u>
<u>Fund Balance (Deficit):</u>			
<u>Reserved:</u>			
Prepaid expenditures	9,579		
Inventory	183,751		
Encumbrances	4,491		
General administration	2,253,188		
Judicial and legal	2,359,554		
Elections	162,059		
Public safety	45,498		
Corrections	153,288		
Public transportation	1,046,810		
Health and welfare	723,123		
Culture and recreation	16,084		
Debt service	-0-	2,092,879	313,788
Capital projects	-0-		
<u>Unreserved:</u>			
Designated for capital projects	-0-		
	<u>6,957,425</u>	<u>2,092,879</u>	<u>313,788</u>
Total fund balance	<u>6,957,425</u>	<u>2,092,879</u>	<u>313,788</u>
Total liabilities and fund balance	<u>\$ 11,321,756</u>	<u>\$ 2,143,133</u>	<u>\$ 332,186</u>

Service Funds				Capital Projects Funds	
C of O Construction and Maintenance Series 2006	Unlimited Tax Road Bonds Series 2006	Mobility Build America Series 2010 Fund	Total Debt Service Funds	Parks CIAP Grant Fund	Highway Right-of-Way Acquisition Fund
\$ 499,798	\$ 438,625	\$	\$ 3,332,721	\$	\$ 465,222
21,483	31,871		134,135		
			-0-		
			-0-	186,708	
11	357		608		18
445			445		
			-0-		
			-0-		
<u>\$ 521,737</u>	<u>\$ 470,853</u>	<u>\$ -0-</u>	<u>\$ 3,467,909</u>	<u>\$ 186,708</u>	<u>\$ 465,240</u>
\$	\$	\$	\$ -0-	\$ 21,758	\$ 700
			-0-	164,950	
<u>18,172</u>	<u>26,898</u>		<u>113,722</u>		
<u>18,172</u>	<u>26,898</u>	<u>-0-</u>	<u>113,722</u>	<u>186,708</u>	<u>700</u>
			-0-		
			-0-		
			-0-		
			-0-		
			-0-		
			-0-		
			-0-		
			-0-		
			-0-		
			-0-		
			-0-		
503,565	443,955		3,354,187		
			-0-		
			-0-		464,540
<u>503,565</u>	<u>443,955</u>	<u>-0-</u>	<u>3,354,187</u>	<u>-0-</u>	<u>464,540</u>
<u>\$ 521,737</u>	<u>\$ 470,853</u>	<u>\$ -0-</u>	<u>\$ 3,467,909</u>	<u>\$ 186,708</u>	<u>\$ 465,240</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

	Capital		
	County Wide Road Fund	2003 Certificate of Obligation C & M Fund	2006 Certificate of Obligation C & M Fund
<u>Assets</u>			
Cash and temporary investments	\$ 311,808	\$	\$ 2,511,751
Receivable (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Special assessments			
Due from other governments			335,315
Accrued interest	26		
Due from other funds			
Inventory			
Prepaid expenditures			
Total assets	<u>\$ 311,834</u>	<u>\$ -0-</u>	<u>\$ 2,847,066</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$ 9,986
Due to other funds			445
Deferred revenue			
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>10,431</u>
Fund Balance (Deficit):			
Reserved:			
Prepaid expenditures			
Inventory			
Encumbrances			
General administration			
Judicial and legal			
Elections			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Debt service			
Capital projects			2,836,635
Unreserved:			
Designated for capital projects	<u>311,834</u>		
Total fund balance	<u>311,834</u>	<u>-0-</u>	<u>2,836,635</u>
Total liabilities and fund balance	<u>\$ 311,834</u>	<u>\$ -0-</u>	<u>\$ 2,847,066</u>

Projects Funds

Quintana Boat Ramp Fund	Wall of Honor Fund	Mobility Plan C & M Fund	Quintana Park Beach Boardwalk Fund	Energy Efficiency and Conservation Fund	Total Capital Projects Funds
\$	\$ 89,778	\$ 2,220,967	\$	\$ 7,022	\$ 5,606,548
	1,671				-0-
			46,158		1,671
	15				-0-
	16,218				568,181
					59
					16,218
					-0-
					-0-
<u>\$ -0-</u>	<u>\$ 107,682</u>	<u>\$ 2,220,967</u>	<u>\$ 46,158</u>	<u>\$ 7,022</u>	<u>\$ 6,192,677</u>
\$	\$ 1,230	\$ 763,613	\$	\$ 2,742	\$ 800,029
			46,158		211,553
				4,280	4,280
<u>-0-</u>	<u>1,230</u>	<u>763,613</u>	<u>46,158</u>	<u>7,022</u>	<u>1,015,862</u>
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
	106,452	1,457,354			4,400,441
					776,374
<u>-0-</u>	<u>106,452</u>	<u>1,457,354</u>	<u>-0-</u>	<u>-0-</u>	<u>5,176,815</u>
<u>\$ -0-</u>	<u>\$ 107,682</u>	<u>\$ 2,220,967</u>	<u>\$ 46,158</u>	<u>\$ 7,022</u>	<u>\$ 6,192,677</u>

(continued)

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2010

	Total Non-Major Governmental Funds
<u>Assets</u>	
Cash and temporary investments	\$ 17,704,079
Receivable (Net of Allowance for Uncollectibles):	
Taxes	165,693
Accounts	47,033
Special assessments	464,675
Due from other governments	2,302,773
Accrued interest	1,469
Due from other funds	103,290
Inventory	183,751
Prepaid expenditures	9,579
Total assets	\$ 20,982,342
<u>Liabilities and Fund Balance</u>	
<u>Liabilities:</u>	
Accounts and accrued liabilities payable	\$ 1,389,513
Due to other funds	2,390,233
Deferred revenue	1,714,169
Total liabilities	5,493,915
<u>Fund Balance (Deficit):</u>	
<u>Reserved:</u>	
Prepaid expenditures	9,579
Inventory	183,751
Encumbrances	4,491
General administration	2,253,188
Judicial and legal	2,359,554
Elections	162,059
Public safety	45,498
Corrections	153,288
Public transportation	1,046,810
Health and welfare	723,123
Culture and recreation	16,084
Debt service	3,354,187
Capital projects	4,400,441
<u>Unreserved:</u>	
Designated for capital projects	776,374
Total fund balance	15,488,427
Total liabilities and fund balance	\$ 20,982,342



BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2010

	Special		
	Lateral Road Fund	Road and Bridge Tax Code Chapter 152 Fund	Special Road and Bridge Projects Fund
Revenues:			
Taxes	\$	\$ 650,791	\$
Intergovernmental	87,551		
Charges for services			
Licenses and permits			2,612,578
Fines and forfeitures			
Special assessment			
Investment income	199	6,478	
Miscellaneous			
Total revenues	<u>87,750</u>	<u>657,269</u>	<u>2,612,578</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation	4,028	523,190	1,217,417
Health and welfare			
Culture and recreation			
Community development			
Capital outlay	65,736	352,256	1,002,789
Debt Service:			
Principal			
Interest			
Total expenditures	<u>69,764</u>	<u>875,446</u>	<u>2,220,206</u>
Excess (deficiency) of revenue over (under) expenditures	<u>17,986</u>	<u>(218,177)</u>	<u>392,372</u>
Other Financing Sources (Uses):			
Proceeds from general obligation bonds			
Bond premium			
Transfers in		77,858	
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>77,858</u>	<u>-0-</u>
Excess (deficiency) of revenue and other financing sources over (under)expenditures and other financing uses	17,986	(140,319)	392,372
Fund Balance (Deficits):			
Beginning of year	<u>136,306</u>	<u>140,319</u>	<u>1,328,993</u>
End of year	<u>\$ 154,292</u>	<u>\$ -0-</u>	<u>\$ 1,721,365</u>

Revenue Funds

Oakwood Creek Estates Special Assessment Fund	Westwood Road Special Assessment Fund	Pecan Estates Road Special Assessment Fund	Hampton Road Special Assessment Fund	Rosemary Street Special Assessment Fund	Sally Lake Road Special Assessment Fund
\$	\$	\$	\$	\$	\$
	20,566	14,218	3,689	800	35,288
<u>-0-</u>	<u>20,566</u>	<u>14,218</u>	<u>3,689</u>	<u>800</u>	<u>35,288</u>
200,423					
<u>200,423</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>(200,423)</u>	<u>20,566</u>	<u>14,218</u>	<u>3,689</u>	<u>800</u>	<u>35,288</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>(200,423)</u>	<u>20,566</u>	<u>14,218</u>	<u>3,689</u>	<u>800</u>	<u>35,288</u>
	<u>(114,377)</u>	<u>(123,239)</u>	<u>(83,803)</u>	<u>(22,137)</u>	<u>(113,304)</u>
<u><u>\$(200,423)</u></u>	<u><u>\$(93,811)</u></u>	<u><u>\$(109,021)</u></u>	<u><u>\$(80,114)</u></u>	<u><u>\$(21,337)</u></u>	<u><u>\$(78,016)</u></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, 2010

	Special		
	County Road 257 Repairs Fund	TJPC State Aid Fund	TJPC Community Corrections Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	772,904	236,666	391,087
Charges for services			
Licenses and permits			
Fines and forfeitures			
Special assessments			
Investment income		172	
Miscellaneous			
Total revenues	<u>772,904</u>	<u>236,838</u>	<u>391,087</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections		292,082	525,629
Public transportation	6,265		
Health and welfare			
Culture and recreation			
Community development			
Capital outlay	766,639		
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>772,904</u>	<u>292,082</u>	<u>525,629</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>(55,244)</u>	<u>(134,542)</u>
Other Financing Sources (Uses):			
Proceeds from general obligation bonds			
Bond premium			
Transfers in		55,244	134,542
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>55,244</u>	<u>134,542</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 Salary Adjustment Funding Fund	TJPC Title IV-E Foster Care Fund	TJPC Progressive Sanctions JPO Fund	TJPC Secure Felony Placement Fund	TJPC Progressive Sanctions ISP Fund	TJPC Diversionary Placement Fund
\$ 153,484	\$ 152,542	\$ 143,380	\$	\$ 26,163	\$ 175,011
186	4,503	16	1,310		2,617
<u>153,670</u>	<u>157,045</u>	<u>143,396</u>	<u>1,310</u>	<u>26,163</u>	<u>177,628</u>
153,670	157,045	145,464		43,188	177,628
<u>153,670</u>	<u>157,045</u>	<u>145,464</u>	<u>-0-</u>	<u>43,188</u>	<u>177,628</u>
<u>-0-</u>	<u>-0-</u>	<u>(2,068)</u>	<u>1,310</u>	<u>(17,025)</u>	<u>-0-</u>
		2,068		17,025	
<u>-0-</u>	<u>-0-</u>	<u>2,068</u>	<u>-0-</u>	<u>17,025</u>	<u>-0-</u>
-0-	-0-	-0-	1,310	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,310</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, 2010

	Special		
	TJPC Intensive Community Based Program Fund	JJAEP Boot Camp Fund	CJD Juvenile Incentive Block Grant Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	128,120	490,344	29,513
Charges for services			
Licenses and permits			
Fines and forfeitures			
Special assessment			
Investment income			
Miscellaneous			
Total revenues	<u>128,120</u>	<u>490,344</u>	<u>29,513</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			29,513
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections	128,120	703,470	
Public transportation			
Health and welfare			
Culture and recreation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>128,120</u>	<u>703,470</u>	<u>29,513</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>(213,126)</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Proceeds from general obligation bonds			
Bond premium			
Transfers in		213,126	
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>213,126</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

Juvenile Case Manager Fund	Family Protection Fund	State Alien Assistance Fund	TDSHS Immunization Fund	TDSHS Supplemental Food Program WIC Fund	TDSHS RLSS SSBG Fund
\$	\$	\$	\$	\$	\$
98,076	23,295	189,710	14,127	1,050,975	19,327
2,551	2,694	4,816			
<u>100,627</u>	<u>25,989</u>	<u>194,526</u>	<u>14,127</u>	<u>1,050,975</u>	<u>19,327</u>
100,572		71,087 18,402			
			14,127	1,050,975	19,327
		105,037			
<u>100,572</u>	<u>-0-</u>	<u>194,526</u>	<u>14,127</u>	<u>1,050,975</u>	<u>19,327</u>
<u>55</u>	<u>25,989</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>
55	25,989	-0-	-0-	-0-	-0-
<u>151,923</u>	<u>91,129</u>				
<u>\$ 151,978</u>	<u>\$ 171,118</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, 2010

	TDSHS WIC Peer Counseling Program Fund	TDSHS WIC Registered Dietician Fund	Special TDSHS WIC Lactation Reimbursement Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	82,645	36,765	22,476
Charges for services			
Licenses and permits			
Fines and forfeitures			
Special assessment			
Investment income			
Miscellaneous			
Total revenues	<u>82,645</u>	<u>36,765</u>	<u>22,476</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare	82,645	36,765	22,476
Culture and recreation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest			
Total expenditures	<u>82,645</u>	<u>36,765</u>	<u>22,476</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Proceeds from general obligation bond			
Bond premium			
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/FIT Fund	TDSHS WIC Infrastructure Fund	TDSHS WIC Electronic Benefits Fund	TDSHS Cities Readiness Initiative Fund
\$ 5,789	\$ 121,787	\$ 28,420	\$ 150,780	\$ 25,167	\$ 87,156
<u>5,789</u>	<u>121,787</u>	<u>28,420</u>	<u>150,780</u>	<u>25,167</u>	<u>87,156</u>
5,789	79,244	28,420	14,683	25,167	87,156
	42,543		136,097		
<u>5,789</u>	<u>121,787</u>	<u>28,420</u>	<u>150,780</u>	<u>25,167</u>	<u>87,156</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, 2010*

	TDSHS H1N1 Fund	CPS Title IV-E Fund	Special CPS Title IV-E Legal Services Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	190,177	53,654	14,003
Charges for services			
Licenses and permits			
Fines and forfeitures			
Special assessment			
Investment income			
Miscellaneous			
Total revenues	<u>190,177</u>	<u>53,654</u>	<u>14,003</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			61,427
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare	190,177	124,810	
Culture and recreation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest			
Total expenditures	<u>190,177</u>	<u>124,810</u>	<u>61,427</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>(71,156)</u>	<u>(47,424)</u>
Other Financing Sources (Uses):			
Proceeds from general obligation bonds			
Bond premium			
Transfers in		71,156	47,424
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>71,156</u>	<u>47,424</u>
Excess (deficiency) of revenue 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

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
\$ 1,756	\$ 37,241	\$ 126,261	\$	\$	\$ 16,147
				80,601	
		26,337	111	12,191	
<u>1,759</u>	<u>37,241</u>	<u>152,598</u>	<u>111</u>	<u>92,792</u>	<u>16,147</u>
	52,629	101,328		37,903	
		82,580			16,147
1,759				237,867	
<u>1,759</u>	<u>52,629</u>	<u>183,908</u>	<u>-0-</u>	<u>275,770</u>	<u>16,147</u>
<u>-0-</u>	<u>(15,388)</u>	<u>(31,310)</u>	<u>111</u>	<u>(182,978)</u>	<u>-0-</u>
	15,388	31,310			
<u>-0-</u>	<u>15,388</u>	<u>31,310</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	-0-	-0-	111	(182,978)	-0-
				531,221	
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 111</u>	<u>\$ 348,243</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, 2010

	Special		
	JP Building Security Fund	Shoreline Restoration Task Force Fund	State Homeland Security Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			287,213
Charges for services	19,656		
Licenses and permits			
Fines and forfeitures			
Special assessment			
Investment income	1,372	512	
Miscellaneous			
Total revenues	<u>21,028</u>	<u>512</u>	<u>287,213</u>
Expenditures:			
Current:			
General administration			84,996
Judicial and legal	6,522		
Financial administration			
Elections			
Public facilities			
Public safety			132,937
Corrections			
Public transportation			
Health and welfare			
Culture and recreation		2,515	
Community development			
Capital outlay			69,280
Debt Service:			
Principal			
Interest			
Total expenditures	<u>6,522</u>	<u>2,515</u>	<u>287,213</u>
Excess (deficiency) of revenue over (under) expenditures	<u>14,506</u>	<u>(2,003)</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Proceeds from general obligation bonds			
Bond premium			
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	14,506	(2,003)	-0-
Fund Balance (Deficits):			
Beginning of year	<u>53,083</u>	<u>17,887</u>	<u></u>
End of year	<u>\$ 67,589</u>	<u>\$ 15,884</u>	<u>\$ -0-</u>

Revenue Funds

HGAC Environmental Education (Kids) Fund	TDSHS Bioterrorism Grant Fund	Law Enforcement Officers Standards & Education Fund	Organized Crime Drug Enforcement Fund	Texas VINE Contract Fund	HGAC Parks Solid Waste Fund
\$ 33,393	\$ 211,900	\$ 25,691	\$ 4,202	\$ 30,158	\$ 41,885
		1,503			
<u>33,393</u>	<u>211,900</u>	<u>27,194</u>	<u>4,202</u>	<u>30,158</u>	<u>41,885</u>
		1,259		30,158	
		36,976	4,202		
33,393	211,900				41,885
<u>33,393</u>	<u>211,900</u>	<u>38,235</u>	<u>4,202</u>	<u>30,158</u>	<u>41,885</u>
<u>-0-</u>	<u>-0-</u>	<u>(11,041)</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>
-0-	-0-	(11,041)	-0-	-0-	-0-
		55,287			
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 44,246</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, 2010

	Special		
	2006 CDBG County (HUD) Fund	2007 CDBG County (HUD) Fund	2008 CDBG County (HUD) Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	111,888	333,374	1,832,223
Charges for services			
Licenses and permits			
Fines and forfeitures			
Special assessment			
Investment income			
Miscellaneous			
Total revenues	<u>111,888</u>	<u>333,374</u>	<u>1,832,223</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	111,888	313,243	1,832,223
Capital outlay		20,131	
Debt Service:			
Principal			
Interest			
Total expenditures	<u>111,888</u>	<u>333,374</u>	<u>1,832,223</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Proceeds from general obligation bonds			
Bond premium			
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

2009 CDBG County (HUD) Fund	2010 CDBG Disaster Recovery Alternative Fund	2005 Section 8 Housing Choice Vouchers Fund	2006 Section 8 Housing Choice Vouchers Fund	2006 Section 8 Housing Choice Vouchers Fund	2007 Section 8 Housing Choice Vouchers Fund
\$ 1,160,390	\$ 14,697	\$	\$ 78,421	\$	\$
		984	1,020	524	1,040
<u>150</u>					
<u>1,160,540</u>	<u>14,697</u>	<u>984</u>	<u>79,441</u>	<u>524</u>	<u>1,040</u>
1,160,540	14,697				1,152
<u>1,160,540</u>	<u>14,697</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,152</u>
<u>-0-</u>	<u>-0-</u>	<u>984</u>	<u>79,441</u>	<u>524</u>	<u>(112)</u>
			(78,421)		
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(78,421)</u>	<u>-0-</u>	<u>-0-</u>
-0-	-0-	984	1,020	524	(112)
		33,367	34,600	17,767	36,282
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 34,351</u>	<u>\$ 35,620</u>	<u>\$ 18,291</u>	<u>\$ 36,170</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, 2010

	2009 Section 8 Housing Choice Vouchers Fund	2010 Section 8 Housing Choice Vouchers Fund	Special Records Management County Clerk Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	860,087	2,890,461	
Charges for services			291,632
Licenses and permits			
Fines and forfeitures			
Special assessment			
Investment income	1,906	2,687	13,408
Miscellaneous			
Total revenues	<u>861,993</u>	<u>2,893,148</u>	<u>305,040</u>
Expenditures:			
Current:			
General administration			119,606
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare	913,170	2,789,403	
Culture and recreation			
Community development			
Capital outlay			157,332
Debt Service:			
Principal			
Interest			
Total expenditures	<u>913,170</u>	<u>2,789,403</u>	<u>276,938</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(51,177)</u>	<u>103,745</u>	<u>28,102</u>
Other Financing Sources (Uses):			
Proceeds from general obligation bonds			
Bond premium			
Transfers in	78,421		
Transfers out			
Total other financing sources (uses)	<u>78,421</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	27,244	103,745	28,102
Fund Balance (Deficits):			
Beginning of year	<u>52,086</u>		<u>1,281,832</u>
End of year	<u>\$ 79,330</u>	<u>\$ 103,745</u>	<u>\$ 1,309,934</u>

Revenue Funds					
Records Management District Clerk Fund	Record Archive County Clerk Fund	Record Archive District Clerk Fund	Financial Security Fund	Records Preservation County/District Clerk Fund	Civil/Criminal & Probate Records Management Fund
\$	\$	\$	\$	\$	\$
33,249	285,628	21,259	169,343	38,295	120,080
4,591	37,653	157	4,777	277	7,084
<u>37,840</u>	<u>323,281</u>	<u>21,416</u>	<u>174,506</u>	<u>38,572</u>	<u>127,164</u>
64	698,584		1,729		13,299
					61,047
	589,201				9,900
<u>64</u>	<u>1,287,785</u>	<u>-0-</u>	<u>1,729</u>	<u>-0-</u>	<u>84,246</u>
<u>37,776</u>	<u>(964,504)</u>	<u>21,416</u>	<u>172,777</u>	<u>38,572</u>	<u>42,918</u>
			(150,000)		
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(150,000)</u>	<u>-0-</u>	<u>-0-</u>
37,776	(964,504)	21,416	22,777	38,572	42,918
<u>154,399</u>	<u>1,797,122</u>	<u></u>	<u>186,933</u>	<u></u>	<u>1,011,700</u>
<u>\$ 192,175</u>	<u>\$ 832,618</u>	<u>\$ 21,416</u>	<u>\$ 209,710</u>	<u>\$ 38,572</u>	<u>\$ 1,054,618</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, 2010

	Special		
	Lone Star Library Grant Fund	Law Library Fund	County Graffiti Eradication Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	74,962		
Charges for services		228,033	700
Licenses and permits			
Fines and forfeitures			
Special assessment			
Investment income		2,453	38
Miscellaneous		13,909	
Total revenues	74,962	244,395	738
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration		219,577	
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation	74,962		
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest			
Total expenditures	74,962	219,577	-0-
Excess (deficiency) of revenue over (under) expenditures	-0-	24,818	738
Other Financing Sources (Uses):			
Proceeds from general obligation bonds			
Bond premium			
Transfers in		34,500	
Transfers out			
Total other financing sources (uses)	-0-	34,500	-0-
Excess of revenue and other financing sources over (under) expenditures and other financing uses	-0-	59,318	738
Fund Balance (Deficits):			
Beginning of year		294,862	1,117
End of year	\$ -0-	\$ 354,180	\$ 1,855

Revenue Funds

Brazoria County Toll Road Authority Fund	Mosquito Control District Fund	FEMA Welfare Fund	HGAC 911 Addressing Fund	Child Abuse Prevention Fund	Economic Development Tax Abatement Fund
\$	\$ 1,608,572	\$	\$	\$	\$
		144	61,811	867	2,000
	1,202		60	38	747
	540				102,315
<u>-0-</u>	<u>1,610,314</u>	<u>144</u>	<u>61,871</u>	<u>905</u>	<u>105,062</u>
62,825					127,988
			61,811		
37,658	2,090,036	144			
	263,201				
<u>100,483</u>	<u>2,353,237</u>	<u>144</u>	<u>61,811</u>	<u>-0-</u>	<u>127,988</u>
<u>(100,483)</u>	<u>(742,923)</u>	<u>-0-</u>	<u>60</u>	<u>905</u>	<u>(22,926)</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>(100,483)</u>	<u>(743,923)</u>	<u>-0-</u>	<u>60</u>	<u>905</u>	<u>(22,926)</u>
<u>(145,207)</u>	<u>1,278,098</u>		<u>1,292</u>	<u>1,478</u>	<u>22,941</u>
<u>\$(245,690)</u>	<u>\$ 535,175</u>	<u>\$ -0-</u>	<u>\$ 1,352</u>	<u>\$ 2,383</u>	<u>\$ 15</u>

(continued)

Revenue Funds

Flood Protection Study Fund	United Way Emergency Assistance Fund	Regional Catastrophic Preparedness Fund	Teen Court Fund	TCEQ LIRAP Program Fund	CMAQ Clean Air Initiative Fund
\$	\$	\$ 33,950	\$	\$ 978,113	\$ 98,240
	379				
	60,000				
<u>-0-</u>	<u>60,379</u>	<u>33,950</u>	<u>-0-</u>	<u>978,113</u>	<u>98,240</u>
		33,950		978,113	
			38,139		
					296
	23,069				211,766
<u>-0-</u>	<u>23,069</u>	<u>33,950</u>	<u>38,139</u>	<u>978,113</u>	<u>212,062</u>
<u>-0-</u>	<u>37,310</u>	<u>-0-</u>	<u>(38,139)</u>	<u>-0-</u>	<u>(113,822)</u>
45,000					113,822
<u>45,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>113,822</u>
45,000	37,310	-0-	(38,139)	-0-	-0-
(45,000)	606		38,139		
<u>\$ -0-</u>	<u>\$ 37,916</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, 2010

	Voter Registration Tax Office Fund	Buffer Zone Protection Program Fund	Special United Way White/Perry Texas Disaster Relief Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	16,657	44,383	
Charges for services			
Licenses and permits			
Fines and forfeitures			
Special assessment			
Investment income			1
Miscellaneous			
Total revenues	<u>16,657</u>	<u>44,383</u>	<u>1</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration	10,812		
Elections			
Public facilities			
Public safety		2,649	
Corrections			
Public transportation			
Health and welfare			31
Culture and recreation			
Community development			
Capital outlay		41,734	
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>10,182</u>	<u>44,383</u>	<u>31</u>
Excess (deficiency) of revenue over (under) expenditures	<u>6,475</u>	<u>-0-</u>	<u>(30)</u>
Other Financing Sources (Uses):			
Proceeds from general obligation bonds			
Bond premium			
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	6,475	-0-	(30)
Fund Balance (Deficits):			
Beginning of year	(11,692)		30
End of year	<u>\$(5,217)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Revenue Funds

Parks Improvement Fund	Behaviorial Management Program Fund	Flood Protection Planning Contract Fund	Drug Court Program Fund	SEP Contract Fund	Parks & Wildlife Boating Access Fund
\$	\$ 15,663	\$ 4,359	\$ 286,975 24,856 13,886	\$	\$ 5,673
				697 41,108	
<u>-0-</u>	<u>15,663</u>	<u>4,359</u>	<u>325,717</u>	<u>41,805</u>	<u>5,673</u>
			325,717		
	10,396				
		8,718		23,950	
	9,240				5,673
<u>-0-</u>	<u>19,636</u>	<u>8,718</u>	<u>325,717</u>	<u>23,950</u>	<u>5,673</u>
<u>-0-</u>	<u>(3,973</u>	<u>(4,359)</u>	<u>-0-</u>	<u>17,855</u>	<u>-0-</u>
	3,973				
<u>-0-</u>	<u>3,973</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	-0-	(4,359)	-0-	17,855	-0-
<u>1,000</u>				<u>13,602</u>	
<u>\$ 1,000</u>	<u>\$ -0-</u>	<u>\$(4,359)</u>	<u>\$ -0-</u>	<u>\$ 31,457</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, 2010

	Special		
	Elections HAVA Equipment Rental Fund	Elections Services Contract Fund	Elections HAVA Grant Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			47,395
Charges for services	63,228	150,573	
Licenses and permits			
Fines and forfeitures			
Special assessment			
Investment income	1,458	1,213	
Miscellaneous			
Total revenues	<u>64,686</u>	<u>151,786</u>	<u>47,395</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections	24,822	141,164	28,954
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Community development			
Capital outlay			18,441
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>24,822</u>	<u>141,164</u>	<u>47,395</u>
Excess (deficiency) of revenue over (under) expenditures	<u>39,864</u>	<u>10,622</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Proceeds from general obligation bonds			
Bond premium			
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	39,864	10,622	-0-
Fund Balance (Deficits):			
Beginning of year	<u>52,519</u>	<u>25,699</u>	<u></u>
End of year	<u>\$ 92,383</u>	<u>\$ 36,321</u>	<u>\$ -0-</u>

Revenue Funds					
Technology Upgrades & Law Enforcement Fund	911 PSAP Room Preparation Fund	County/District Court Technology Fund	Justice Assistance Grant Recovery Fund	Inter-operability Enhancement Fund	2006 GoM Energy Security Fund
\$ 324,180	\$ 33,951	\$ 3,906	\$ 247,627	\$ 119,855	\$
		18	299		1,056
<u>324,180</u>	<u>33,951</u>	<u>3,924</u>	<u>247,926</u>	<u>119,855</u>	<u>3,756</u>
191,933					
	564		247,926	119,855	
132,247	33,387				
<u>324,180</u>	<u>33,951</u>	<u>-0-</u>	<u>247,926</u>	<u>119,855</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>3,924</u>	<u>-0-</u>	<u>-0-</u>	<u>4,812</u>
					33,925
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>33,925</u>
-0-	-0-	3,924	-0-	-0-	38,737
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,924</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 38,737</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, 2010

	Total Special Revenue Funds	C of O Sheriff & Detention Complex Series 1993	Debt Service C of O Construction and Maintenance Series 2003
Revenues:			
Taxes	\$ 2,259,363	\$ 3,043,447	\$ 1,046,355
Intergovernmental	15,389,297		
Charges for services	1,670,366		
Licenses and permits	2,612,578		
Fines and forfeitures	13,886		
Special assessment	74,561		
Investment income	129,404	50,761	10,625
Miscellaneous	283,501		
Total revenues	<u>22,432,956</u>	<u>3,094,208</u>	<u>1,056,980</u>
Expenditures:			
Current:			
General administration	2,346,276		
Judicial and legal	747,371		
Financial administration	229,759		
Elections	194,940		
Public facilities	61,811		
Public safety	632,343		
Corrections	2,538,246		
Public transportation	1,960,337		
Health and welfare	7,991,668		
Culture and recreation	119,362		
Community development	3,433,743		
Capital outlay	4,270,497		
Debt Service:			
Principal	-0-	2,455,000	700,000
Interest and fiscal charges	-0-	442,125	257,886
Total expenditures	<u>24,526,353</u>	<u>2,897,125</u>	<u>957,886</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(2,093,397)</u>	<u>197,083</u>	<u>99,094</u>
Other Financing Sources (Uses):			
Proceeds from general obligation bonds			
Bond premium			
Transfers in	974,782		
Transfers out	(228,421)		
Total other financing sources (uses)	<u>746,361</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,347,036)</u>	<u>197,083</u>	<u>99,094</u>
Fund Balance (Deficits):			
Beginning of year	<u>8,304,461</u>	<u>1,895,796</u>	<u>214,694</u>
End of year	<u>\$ 6,957,425</u>	<u>\$ 2,092,879</u>	<u>\$ 313,788</u>

Service Funds				Capital Projects Funds	
C of O Construction and Maintenance Series 2006	Unlimited Tax Road Bonds Series 2006	Mobility Build America Series 2010 Fund	Total Debt Service Funds	Parks CIAP Grant Fund	Highway Right-of-Way Acquisition Fund
\$ 1,124,751	\$ 1,725,785	\$	\$ 6,940,338	\$	\$
			-0-	287,081	
			-0-		12,000
			-0-		
			-0-		
28,116	27,295		116,797		6,372
			-0-		
<u>1,152,867</u>	<u>1,753,080</u>	<u>-0-</u>	<u>7,057,135</u>	<u>287,081</u>	<u>18,372</u>
			-0-		
			-0-		
			-0-		
			-0-		
			-0-		
			-0-		
			-0-		
			-0-		
			-0-	287,081	
			-0-		20,752
530,000	765,000		4,450,000		
<u>570,214</u>	<u>1,018,179</u>	<u>222,326</u>	<u>2,510,730</u>		
<u>1,100,214</u>	<u>1,783,179</u>	<u>222,326</u>	<u>6,960,730</u>	<u>287,081</u>	<u>20,752</u>
<u>52,653</u>	<u>(30,099)</u>	<u>(222,326)</u>	<u>96,405</u>	<u>-0-</u>	<u>(2,380)</u>
	87,720	222,326	310,046		
			-0-		
			-0-		
			-0-		
<u>-0-</u>	<u>87,720</u>	<u>222,326</u>	<u>310,046</u>	<u>-0-</u>	<u>-0-</u>
52,653	57,621	-0-	406,451	-0-	(2,380)
<u>450,912</u>	<u>386,334</u>		<u>2,947,736</u>		<u>466,920</u>
<u>\$ 503,565</u>	<u>\$ 443,955</u>	<u>\$ -0-</u>	<u>\$ 3,354,187</u>	<u>\$ -0-</u>	<u>\$ 464,540</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, 2010

	County Wide Road Fund	2003 Certificate of Obligation C & M Fund	Capital 2006 Certificate of Obligation C & M Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			335,315
Charges for services			
Licenses and permits			
Fines and forfeitures			
Special assessment			
Investment income	4,110		
Miscellaneous			
Total revenues	<u>4,110</u>	<u>-0-</u>	<u>335,315</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			
Capital outlay		220,880	1,066,467
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>-0-</u>	<u>220,880</u>	<u>1,066,467</u>
Excess (deficiency) of revenue over (under) expenditures	<u>4,110</u>	<u>(220,880)</u>	<u>(731,152)</u>
Other Financing Sources (Uses):			
Proceeds from general obligation bonds			
Bond premium			
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	4,110	(220,880)	(731,152)
Fund Balance (Deficits):			
Beginning of year	<u>307,724</u>	<u>220,880</u>	<u>3,567,787</u>
End of year	<u>\$ 311,834</u>	<u>\$ -0-</u>	<u>\$ 2,836,635</u>

Projects Funds

Quintana Boat Ramp Fund	Wall of Honor Fund	Mobility Plan C & M Fund	Quintana Park Beach Boardwalk Fund	Energy Efficiency and Conservation Fund	Total Capital Projects Funds
\$	\$	\$	\$	\$	\$
			64,803	491,253	-0- 1,178,452 12,000
	1,236			272	11,990
	<u>149,587</u>	<u>20,758</u>			<u>170,345</u>
<u>-0-</u>	<u>150,823</u>	<u>20,758</u>	<u>64,803</u>	<u>491,525</u>	<u>1,372,787</u>
	12,777			65,992	78,769
					-0-
					-0-
					-0-
					-0-
					-0-
		1,799,116			1,799,116
					-0-
					287,081
					-0-
	102,125	4,288,405	64,803	425,533	6,188,965
					-0-
					-0-
<u>-0-</u>	<u>114,902</u>	<u>6,087,521</u>	<u>64,803</u>	<u>491,525</u>	<u>8,353,931</u>
<u>-0-</u>	<u>35,921</u>	<u>(6,066,763)</u>	<u>-0-</u>	<u>-0-</u>	<u>(6,981,144)</u>
		6,103,317			6,103,317
		101,722			101,722
	66,218				66,218
<u>(13,557)</u>					<u>(13,557)</u>
<u>(13,557)</u>	<u>66,218</u>	<u>6,205,039</u>	<u>-0-</u>	<u>-0-</u>	<u>6,257,700</u>
<u>(13,557)</u>	<u>102,139</u>	<u>138,276</u>	<u>-0-</u>	<u>-0-</u>	<u>(723,444)</u>
<u>13,557</u>	<u>4,313</u>	<u>1,319,078</u>			<u>5,900,259</u>
<u>\$ -0-</u>	<u>\$ 106,452</u>	<u>\$ 1,457,354</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 5,176,815</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, 2010Exhibit 13
Page 15 of 15

	<u>Total Non-Major Governmental Funds</u>
Revenues:	
Taxes	\$ 9,199,701
Intergovernmental	16,567,749
Charges for services	1,682,366
Licenses and permits	2,612,578
Fines and forfeitures	13,886
Special assessment	74,561
Investment income	258,191
Miscellaneous	<u>453,846</u>
Total revenues	<u>30,862,878</u>
Expenditures:	
Current:	
General administration	2,425,045
Judicial and legal	747,371
Financial administration	229,759
Elections	194,940
Public facilities	61,811
Public safety	632,343
Corrections	2,538,246
Public transportation	3,759,453
Health and welfare	7,991,668
Culture and recreation	406,443
Community development	3,433,743
Capital outlay	10,459,462
Debt Service:	
Principal	4,450,000
Interest and fiscal charges	<u>2,510,730</u>
Total expenditures	<u>39,841,014</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(8,978,136)</u>
Other Financing Sources (Uses):	
Proceeds from general obligation bonds	6,413,363
Bond premium	101,722
Transfers in	1,041,000
Transfers out	<u>(241,978)</u>
Total other financing sources (uses)	<u>7,314,107</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,664,029)</u>
Fund Balance (Deficits):	
Beginning of year	<u>17,152,456</u>
End of year	<u>\$ 15,488,427</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, 2010

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	\$ 376,506	\$ 376,506	\$ 366,575	\$ 9,931
Operating expenditures	15,650	15,650	3,857	11,793
Total County Judge	392,156	392,156	370,432	21,724
South Service Center:				
Salaries and wages, and employee benefits	285,117	285,117	280,937	4,180
Operating expenditures	12,750	12,750	6,870	5,880
Total South Service Center	297,867	297,867	287,807	10,060
Central Service Center:				
Salaries and wages, and employee benefits	328,571	328,571	328,654	(83)
Operating expenditures	17,811	17,811	8,755	9,056
Total Central Service Center	346,382	346,382	337,409	8,973
North Service Center:				
Salaries and wages, and employee benefits	343,592	343,592	338,054	5,538
Operating expenditures	17,784	18,626	6,939	11,687
Total North Service Center	361,376	362,218	344,993	17,225
West Service Center:				
Salaries and wages, and employee benefits	322,121	323,221	323,141	80
Operating expenditures	11,285	11,285	4,641	6,644
Total West Service Center	333,406	334,506	327,782	6,724
Records Management:				
Salaries and wages, and employee benefits	63,533	63,533	62,182	1,351
Operating expenditures	3,326	3,326	1,204	2,122
Total records management	66,859	66,859	63,386	3,473
County Clerk:				
Salaries and wages, and employee benefits	2,156,809	2,156,809	2,094,627	62,182
Operating expenditures	66,821	67,982	52,594	15,388
Total County Clerk	2,223,630	2,224,791	2,147,221	77,570
Veteran's Service:				
Salaries and wages, and employee benefits	116,375	116,375	115,890	485
Operating expenditures	2,900	3,146	2,733	413
Total veteran's service	119,275	119,521	118,623	898

(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, 2010

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	\$ 279,481	\$ 284,481	\$ 271,176	\$ 13,305
Operating expenditures	61,150	63,650	44,730	18,920
Capital outlay		32,240	32,240	-0-
Total emergency management	<u>340,631</u>	<u>380,371</u>	<u>348,146</u>	<u>32,225</u>
Non-departmental:				
Salaries and wages, and employee benefits	250,000			-0-
Operating expenditures	1,341,696	2,168,018	2,194,652	(26,634)
Capital outlay		1,878	1,877	1
Total non-departmental	<u>1,591,696</u>	<u>2,169,896</u>	<u>2,196,529</u>	<u>(26,633)</u>
Total general administration	<u>6,073,278</u>	<u>6,694,567</u>	<u>6,542,328</u>	<u>152,239</u>
Judicial and Legal:				
County Court at Law 1:				
Salaries and wages, and employee benefits	336,475	337,975	337,847	128
Operating expenditures	35,200	35,200	22,507	12,693
Total County Court at Law 1	<u>371,675</u>	<u>373,175</u>	<u>360,354</u>	<u>12,821</u>
County Court at Law 2:				
Salaries and wages, and employee benefits	336,342	337,742	337,629	113
Operating expenditures	37,900	37,935	25,316	12,619
Total County Court at Law 2	<u>374,242</u>	<u>375,677</u>	<u>362,945</u>	<u>12,732</u>
County Court at Law 3:				
Salaries and wages, and employee benefits	337,085	346,085	345,931	154
Operating expenditures	38,400	38,435	25,767	12,668
Total County Court at Law 3	<u>375,485</u>	<u>384,520</u>	<u>371,698</u>	<u>12,822</u>
County Court at Law 4:				
Salaries and wages, and employee benefits	337,343	338,843	338,717	126
Operating expenses	33,100	33,100	24,870	8,230
Total County Court at Law 4	<u>370,443</u>	<u>371,943</u>	<u>363,587</u>	<u>8,356</u>
Probate Court Investigations:				
Salaries and wages, and employee benefits	123,823	124,223	124,152	71
Operating expenditures	3,371	3,414	2,295	1,119
Total probate court investigations	<u>127,194</u>	<u>127,637</u>	<u>126,447</u>	<u>1,190</u>
District Courts:				
Salaries and wages, and employee benefits	1,123,743	1,123,743	1,047,000	76,743
Operating expenditures	272,305	273,042	261,754	11,288
Total district courts	<u>1,396,048</u>	<u>1,396,785</u>	<u>1,308,754</u>	<u>88,031</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, 2010

Exhibit 14
Page 3 of 10

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Judicial and Legal - Continued:				
District Clerk:				
Salaries and wages, and employee benefits	\$ 1,570,249	\$ 1,570,249	\$ 1,530,692	\$ 39,557
Operating expenditures	<u>72,959</u>	<u>73,183</u>	<u>60,144</u>	<u>13,039</u>
Total District Clerk	<u>1,643,208</u>	<u>1,643,432</u>	<u>1,590,836</u>	<u>52,596</u>
Justice of the Peace Pct. 1, Pl. 1:				
Salaries and wages, and employee benefits	339,452	340,952	340,929	23
Operating expenditures	<u>8,401</u>	<u>8,401</u>	<u>6,172</u>	<u>2,229</u>
Total Justice of the Peace Pct. 1, Pl. 1	<u>347,853</u>	<u>349,353</u>	<u>347,101</u>	<u>2,252</u>
Justice of the Peace Pct. 1, Pl. 2:				
Salaries and wages, and employee benefits	327,564	328,964	328,917	47
Operating expenditures	<u>10,150</u>	<u>10,150</u>	<u>6,534</u>	<u>3,616</u>
Total Justice of the Peace Pct. 1, Pl. 2	<u>337,714</u>	<u>339,114</u>	<u>335,451</u>	<u>3,663</u>
Justice of the Peace Pct. 2, Pl. 1:				
Salaries and wages, and employee benefits	365,834	365,834	361,914	3,920
Operating expenditures	<u>24,600</u>	<u>25,005</u>	<u>17,228</u>	<u>7,777</u>
Total Justice of the Peace Pct. 2, Pl. 1	<u>390,434</u>	<u>390,839</u>	<u>379,142</u>	<u>11,697</u>
Justice of the Peace Pct. 2, Pl. 2:				
Salaries and wages, and employee benefits	427,133	427,133	415,648	11,485
Operating expenditures	<u>8,350</u>	<u>8,459</u>	<u>4,063</u>	<u>4,396</u>
Total Justice of the Peace Pct. 2, Pl. 2	<u>435,483</u>	<u>435,592</u>	<u>419,711</u>	<u>15,881</u>
Justice of the Peace Pct. 3, Pl. 1:				
Salaries and wages, and employee benefits	318,060	318,060	294,583	23,477
Operating expenditures	<u>10,201</u>	<u>10,201</u>	<u>7,711</u>	<u>2,490</u>
Total Justice of the Peace Pct. 3, Pl. 1	<u>328,261</u>	<u>328,261</u>	<u>302,294</u>	<u>25,967</u>
Justice of the Peace Pct. 3, Pl. 2:				
Salaries and wages, and employee benefits	261,013	261,013	256,398	4,615
Operating expenditures	<u>7,800</u>	<u>7,800</u>	<u>5,307</u>	<u>2,493</u>
Total Justice of the Peace Pct. 3, Pl. 2	<u>268,813</u>	<u>268,813</u>	<u>261,705</u>	<u>7,108</u>
Justice of the Peace Pct. 4, Pl. 1:				
Salaries and wages, and employee benefits	376,359	376,359	367,178	9,181
Operating expenditures	<u>29,446</u>	<u>29,662</u>	<u>26,033</u>	<u>3,629</u>
Total Justice of the Peace Pct. 4, Pl. 1	<u>405,805</u>	<u>406,021</u>	<u>393,211</u>	<u>12,810</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, 2010

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	\$ 337,304	\$ 338,004	\$ 337,974	\$ 30
Operating expenditures	12,650	13,415	6,797	6,618
Total Justice of the Peace Pct. 4, Pl. 2	349,954	351,419	344,771	6,648
District Attorney:				
Salaries and wages, and employee benefits	4,520,400	4,608,000	4,571,966	36,034
Operating expenditures	108,810	304,650	236,386	68,264
Capital outlay		100,000	90,753	9,247
Total District Attorney	4,629,210	5,012,650	4,899,105	113,545
Juror Fees and Costs:				
Operating expenditures	410,000	380,000	370,385	9,615
Total juror fees and costs	410,000	380,000	370,385	9,615
Judicial Miscellaneous:				
Salaries and wages, and employee benefits	15,000	15,000	14,957	43
Operating expenditures	1,355,000	1,255,000	982,832	272,168
Total judicial miscellaneous	1,370,000	1,270,000	997,789	272,211
Indigent Defense:				
Salaries and wages, and employee benefits	55,680	56,780	56,671	109
Operating expenditures	2,246,000	2,246,000	2,152,365	93,635
Total indigent defense	2,301,680	2,302,780	2,209,036	93,744
Child Support:				
Salaries and wages, and employee benefits	199,427	199,527	199,511	16
Operating expenditures	2,634	2,634	1,974	660
Total child support	202,061	202,161	201,485	676
Bail Bond Board:				
Salaries and wages, and employee benefits	100,050	100,650	100,533	117
Operating expenditures	2,595	2,595	2,261	334
Total bail bond board	102,645	103,245	102,794	451
Total judicial and legal	16,538,208	16,813,417	16,048,601	764,816
Financial Administration:				
County Auditor:				
Salaries and wages, and employee benefits	1,061,388	1,061,388	1,033,117	28,271
Operating expenditures	13,781	13,781	10,160	3,621
Total county auditor	1,075,169	1,075,169	1,043,277	31,892

(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, 2010

Exhibit 14
Page 5 of 10

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Financial Administration - Continued:				
Purchasing:				
Salaries and wages, and employee benefits	\$ 408,430	\$ 408,430	\$ 396,053	\$ 12,377
Operating expenditures	20,813	20,872	17,124	3,748
Total purchasing	429,243	429,302	413,177	16,125
County Treasurer:				
Salaries and wages, and employee benefits	252,441	253,441	253,380	61
Operating expenditures	159,787	159,906	145,375	14,531
Total County Treasurer	412,228	413,347	398,755	14,592
Human Resources:				
Salaries and wages, and employee benefits	357,026	357,026	332,039	24,987
Operating expenditures	30,938	30,938	24,515	6,423
Total human resources	387,964	387,964	356,554	31,410
Tax Assessor-Collector:				
Salaries and wages, and employee benefits	2,501,330	2,535,879	2,363,679	172,200
Operating expenditures	348,061	382,251	373,138	9,113
Capital outlay	20,000	35,314	35,067	247
Total Tax Assessor-Collector	2,869,391	2,953,444	2,771,884	181,560
Information Systems:				
Salaries and wages, and employee benefits	1,643,222	1,643,222	1,623,447	19,775
Operating expenditures	1,820,107	1,825,739	1,796,295	29,444
Capital outlay		21,030	9,121	11,909
Total information systems	3,463,329	3,489,991	3,428,863	61,128
Appraisal District Assessment:				
Operating expenditures	580,000	591,800	591,752	48
Total appraisal district assessment	580,000	591,800	591,752	48
Total financial administration	9,217,324	9,341,017	9,004,262	336,755
Elections:				
Salaries and wages, and employee benefits	175,000	175,000	125,465	49,535
Operating expenditures	142,800	145,238	121,126	24,112
Total elections	317,800	320,238	246,591	73,647

(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, 2010

Exhibit 14
Page 6 of 10

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Facilities:				
Courthouses and Associated Buildings:				
Salaries and wages, and employee benefits	\$ 1,374,254	\$ 1,374,254	\$ 1,259,223	\$ 115,031
Operating expenditures	1,557,550	1,557,559	1,456,681	100,878
Capital outlay	<u>165,400</u>	<u>213,236</u>	<u>64,510</u>	<u>148,726</u>
Total courthouses and associated buildings	<u>3,097,204</u>	<u>3,145,049</u>	<u>2,780,414</u>	<u>364,635</u>
Construction Management:				
Salaries and wages, and employee benefits	<u>64,554</u>	<u>65,054</u>	<u>65,159</u>	<u>(105)</u>
Total construction management	<u>64,554</u>	<u>65,054</u>	<u>65,159</u>	<u>(105)</u>
Property Insurance:				
Operating expenditures	<u>850,000</u>	<u>855,100</u>	<u>855,093</u>	<u>7</u>
Total property insurance	<u>850,000</u>	<u>855,100</u>	<u>855,093</u>	<u>7</u>
Total public facilities	<u>4,011,758</u>	<u>4,065,203</u>	<u>3,700,666</u>	<u>364,537</u>
Public Safety:				
County Sheriff:				
Salaries and wages, and employee benefits	11,124,105	11,467,005	11,496,339	(29,334)
Operating expenditures	1,769,363	1,968,883	1,548,863	420,020
Capital outlay	<u>316,463</u>	<u>422,781</u>	<u>372,043</u>	<u>50,738</u>
Total County Sheriff	<u>13,209,931</u>	<u>13,858,669</u>	<u>13,417,245</u>	<u>441,424</u>
Texas Department of Public Safety:				
Salaries and wages, and employee benefits	126,341	126,341	124,303	2,038
Operating expenditures	<u>71</u>	<u>71</u>	<u>71</u>	<u>-0-</u>
Total Texas Department of Public Safety:	<u>126,341</u>	<u>126,412</u>	<u>124,374</u>	<u>2,038</u>
Constable – Precinct 1:				
Salaries and wages, and employee benefits	315,471	317,671	317,376	295
Operating expenditures	17,495	17,564	10,703	6,861
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>23,768</u>	<u>6,232</u>
Total Constable – Precinct 1	<u>362,966</u>	<u>365,235</u>	<u>351,847</u>	<u>13,388</u>
Constable – Precinct 2:				
Salaries and wages, and employee benefits	334,858	344,858	344,283	575
Operating expenditures	<u>38,420</u>	<u>38,420</u>	<u>32,059</u>	<u>6,361</u>
Total Constable – Precinct 2	<u>373,278</u>	<u>383,278</u>	<u>376,342</u>	<u>6,936</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, 2010

Exhibit 14
Page 7 of 10

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Safety - Continued:				
Constable – Precinct 3:				
Salaries and wages, and employee benefits	\$ 323,471	\$ 324,971	\$ 325,238	\$(267)
Operating expenditures	42,730	42,590	35,084	7,506
Capital outlay	25,000	25,500	23,165	2,335
Total Constable – Precinct 3	391,201	393,061	383,487	9,574
Constable – Precinct 4:				
Salaries and wages, and employee benefits	331,502	331,502	328,049	3,453
Operating expenditures	31,840	31,840	28,482	3,358
Capital outlay	35,000	35,000	26,792	8,208
Total Constable – Precinct 4	398,342	398,342	383,323	15,019
Inmate Community Service Work Program:				
Salaries and wages, and employee benefits	82,592	82,592	79,909	2,683
Operating expenditures	46,263	46,263	42,848	3,415
Total inmate community service work program	128,855	128,855	122,757	6,098
Ambulance EMS:				
Operating expenditures	96,000	96,000	96,000	-0-
Total ambulance EMS	96,000	96,000	96,000	-0-
Fire Protection:				
Salaries and wages, and employee benefits		17,500	11,376	6,124
Operating expenditures	566,000	586,000	568,273	17,727
Total fire protection	566,000	603,500	579,649	23,851
Total public safety	15,652,914	16,353,352	15,835,024	518,328
Corrections:				
Detention Center:				
Salaries and wages, and employee benefits	9,376,098	9,586,098	9,559,998	26,100
Operating expenditures	4,885,350	5,486,394	4,832,115	654,279
Capital outlay		272,000	34,600	237,400
Total detention center	14,261,448	15,344,492	14,426,713	917,779
Juvenile Probation:				
Salaries and wages, and employee benefits	4,759,806	4,759,806	4,180,349	579,457
Operating expenditures	798,589	846,866	511,914	334,952
Capital outlay	60,000	78,938	78,602	336
Total juvenile probation	5,618,395	5,685,610	4,770,865	914,745

(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, 2010

Exhibit 14
Page 8 of 10

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Adult Probation:				
Operating expenditures	\$ 80,412	\$ 80,412	\$ 75,719	\$ 4,693
Total adult probation	80,412	80,412	75,719	4,693
Total corrections	19,960,255	21,110,514	19,273,297	1,837,217
Health and Welfare:				
Health Department:				
Salaries and wages, and employee benefits	1,041,322	1,096,701	932,941	163,760
Operating expenditures	82,448	123,244	81,893	41,351
Capital outlay		5,225	5,224	1
Total health department	1,123,770	1,225,170	1,020,058	205,112
Environmental Health:				
Salaries and wages, and employee benefits	650,068	776,725	774,379	2,346
Other charges	35,780	49,110	23,042	26,068
Total environmental health	685,848	825,835	797,421	28,414
Child Protective Services:				
Salaries and wages, and employee benefits	113,868	114,166		114,166
Operating expenditures			78,706	(78,706)
Total child protective services	113,868	114,166	78,706	35,460
Water Lab:				
Salaries and wages, and employee benefits	174,595	174,595	173,632	963
Operating expenditures	42,525	42,525	37,175	5,350
Total water lab	217,120	217,120	210,807	6,313
County Welfare:				
Salaries and wages, and employee benefits	132,162	132,162	121,344	10,818
Operating expenditures	13,500	13,500	2,826	10,674
Total county welfare	145,662	145,662	124,170	21,492
Indigent Health Care:				
Salaries and wages, and employee benefits	115,878	115,878	112,554	3,324
Operating expenditures	2,058,461	2,058,461	2,037,802	20,659
Total indigent health care	2,174,339	2,174,339	2,150,356	23,983
Total health and welfare	4,460,607	4,702,292	4,381,518	320,774
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-

(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, 2009

Exhibit 14
Page 9 of 10

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Assistance - Continued:				
Actions, Inc.:				
Operating expenditures	\$ 50,000	\$ 50,000	\$ 50,000	\$ -0-
Total Actions, Inc.	50,000	50,000	50,000	-0-
Brazoria County Marine Protection:				
Operating expenditures	\$ 12,000	\$ 12,000	\$ 12,000	\$ -0-
Total Brazoria County marine protection	12,000	12,000	12,000	-0-
Helpline:				
Operating expenditures	14,000	14,000	14,000	-0-
Total helpline	14,000	14,000	14,000	-0-
Total public assistance	296,000	296,000	296,000	-0-
Culture and Recreation:				
Library:				
Salaries and wages, and employee benefits	4,081,060	4,088,665	3,894,907	193,758
Operating expenditures	957,065	1,234,557	1,099,575	134,982
Capital outlay	40,295	115,595	96,625	18,970
Total library	5,078,420	5,438,817	5,091,107	347,710
Parks and Recreation:				
Salaries and wages, and employee benefits	1,663,218	1,663,218	1,598,118	65,100
Operating expenditures	588,400	969,963	501,290	468,673
Capital outlay	75,000	442,892	704,966	(262,074)
Total parks and recreation	2,326,618	3,076,073	2,804,374	271,699
Fairgrounds:				
Salaries and wages, and employee benefits	62,321	63,321	62,844	477
Operating expenditures	105,000	155,000	95,289	59,711
Capital outlay	100,000	50,000		50,000
Total fairgrounds	267,321	268,321	158,133	110,188
Museum Supplement:				
Salaries and wages, and employee benefits	400,483	400,483	399,428	1,055
Operating expenditures	15,550	15,550	13,343	2,207
Capital outlay	96,100	96,100		96,100
Total museum supplement	512,133	512,133	412,771	99,362
Total culture and recreation	8,184,492	9,295,344	8,466,385	828,959
Conservation:				
Salaries and wages, and employee benefits	420,031	420,031	346,609	73,422
Operating expenditures	31,635	31,722	29,611	2,111
Total conservation	451,666	451,753	376,220	75,533

(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, 2010

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	\$ 190,734	\$ 191,834	\$ 189,283	\$ 2,551
Operating expenditures	6,128	8,159	6,736	1,423
Total flood plan administrator	<u>196,862</u>	<u>199,993</u>	<u>196,019</u>	<u>3,974</u>
Total environmental protection	<u>196,862</u>	<u>199,993</u>	<u>196,019</u>	<u>3,974</u>
Total current expenditures	<u>\$ 85,361,164</u>	<u>\$ 89,643,690</u>	<u>\$ 84,366,911</u>	<u>\$ 5,276,779</u>

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, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Transportation:				
Engineers Office:				
Salaries and wages, and employee benefits	\$ 9,844,842	\$ 9,844,842	\$ 9,634,509	\$ 210,333
Operating expenditures	9,917,381	12,911,413	6,893,548	6,017,865
Capital outlay	<u>1,594,500</u>	<u>1,190,940</u>	<u>2,826,560</u>	<u>(1,635,620)</u>
Total public transportation	<u>21,356,723</u>	<u>23,947,195</u>	<u>19,354,617</u>	<u>4,592,578</u>
Total expenditures	<u>\$ 21,356,723</u>	<u>\$ 23,947,195</u>	<u>\$ 19,354,617</u>	<u>\$ 4,592,578</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, 2010

	Lateral Road Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$	\$	\$	\$ -0-
Intergovernmental	87,500	87,500	87,551	51
Investment income	500	500	199	(301)
Total revenues	<u>88,000</u>	<u>88,000</u>	<u>87,750</u>	<u>(250)</u>
Expenditures:				
Current:				
Public Transportation:				
Operating expenditures	88,000	88,000	4,028	83,972
Capital outlay			<u>65,736</u>	<u>(65,736)</u>
Total public transportation	<u>88,000</u>	<u>88,000</u>	<u>69,764</u>	<u>18,236</u>
Total expenditures	<u>88,000</u>	<u>88,000</u>	<u>69,764</u>	<u>18,236</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>-0-</u>	<u>17,986</u>	<u>17,986</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Total other financing sources (uses)				-0-
Net change in fund balances	-0-	-0-	17,986	17,986
Fund balances – beginning	<u>136,306</u>	<u>136,306</u>	<u>136,306</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 136,306</u>	<u>\$ 136,306</u>	<u>\$ 154,292</u>	<u>\$ 17,986</u>

Road and Bridge Tax Code Chapter 152 Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 990,000	\$ 990,000	\$ 650,791	\$(339,209)
<u>10,000</u>	<u>10,000</u>	<u>6,478</u>	<u>(3,522)</u>
<u>1,000,000</u>	<u>1,000,000</u>	<u>657,269</u>	<u>(342,731)</u>
1,000,000	1,000,000	523,190	476,810
<u>1,000,000</u>	<u>1,000,000</u>	<u>352,256</u>	<u>(352,256)</u>
<u>1,000,000</u>	<u>1,000,000</u>	<u>875,446</u>	<u>124,554</u>
<u>1,000,000</u>	<u>1,000,000</u>	<u>875,446</u>	<u>124,554</u>
<u>-0-</u>	<u>-0-</u>	<u>(218,177)</u>	<u>(218,177)</u>
<u>77,900</u>	<u>77,900</u>	<u>77,858</u>	<u>(42)</u>
<u>-0-</u>	<u>77,900</u>	<u>77,858</u>	<u>(42)</u>
<u>-0-</u>	<u>77,900</u>	<u>(140,319)</u>	<u>(218,219)</u>
<u>140,319</u>	<u>140,319</u>	<u>140,319</u>	<u>-0-</u>
<u>\$ 140,319</u>	<u>\$ 218,219</u>	<u>\$ -0-</u>	<u>\$(218,219)</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, 2010

	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	2,000,000	2,000,000	2,612,578	612,578
Investment income	500	500		(500)
Miscellaneous				-0-
Total revenues	<u>2,000,500</u>	<u>2,000,500</u>	<u>2,612,578</u>	<u>612,078</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	2,400,000	2,401,500	1,217,417	1,184,083
Capital outlay			<u>1,002,789</u>	<u>(1,002,789)</u>
Total public transportation	<u>2,400,000</u>	<u>2,401,500</u>	<u>2,220,206</u>	<u>181,294</u>
Total expenditures	<u>2,400,000</u>	<u>2,401,500</u>	<u>2,220,206</u>	<u>181,294</u>
Excess (deficiency) of revenues over expenditures	<u>(399,500)</u>	<u>(401,000)</u>	<u>392,372</u>	<u>793,372</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>(399,500)</u>	<u>(401,000)</u>	<u>392,372</u>	<u>793,372</u>
Fund balances – beginning	<u>1,328,993</u>	<u>1,328,993</u>	<u>1,328,993</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 929,493</u>	<u>\$ 927,993</u>	<u>\$ 1,721,365</u>	<u>\$ 793,372</u>

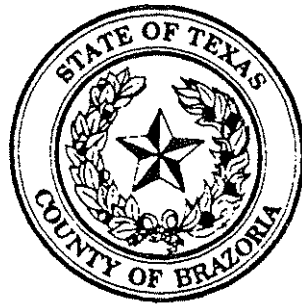
Law Library Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 180,000	\$ 180,000	\$ 228,033	\$ 48,033
3,500	3,500	2,453	(1,047)
<u>14,000</u>	<u>14,000</u>	<u>13,909</u>	<u>(91)</u>
<u>197,500</u>	<u>197,500</u>	<u>244,395</u>	<u>46,895</u>
55,335	55,335	55,644	(309)
211,100	212,127	163,933	48,194
<u>15,000</u>	<u>15,000</u>		<u>15,000</u>
<u>281,435</u>	<u>282,462</u>	<u>219,577</u>	<u>62,885</u>
			-0-
			-0-
<u>281,435</u>	<u>282,462</u>	<u>219,577</u>	<u>62,885</u>
<u>281,435</u>	<u>282,462</u>	<u>219,577</u>	<u>62,885</u>
(83,935)	(84,962)	24,818	109,780
<u>34,500</u>	<u>34,500</u>	<u>34,500</u>	<u>-0-</u>
<u>34,500</u>	<u>34,500</u>	<u>34,500</u>	<u>-0-</u>
(49,435)	(50,462)	59,318	109,780
<u>294,862</u>	<u>294,862</u>	<u>294,862</u>	<u>-0-</u>
<u>\$ 245,427</u>	<u>\$ 244,400</u>	<u>\$ 354,180</u>	<u>\$ 109,780</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, 2010

Exhibit 16
Page 3 of 3

	Mosquito Control District Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 1,627,685	\$ 1,627,685	\$ 1,608,572	\$(19,113)
Investment income	15,000	15,000	1,202	(13,798)
Miscellaneous	1,000	1,000	540	(460)
Total revenues	<u>1,643,685</u>	<u>1,643,685</u>	<u>1,610,314</u>	<u>(33,371)</u>
Expenditures:				
Current:				
Judicial and Legal:				
Salaries and wages, and employee benefits	1,158,079	1,158,079	992,868	165,211
Operating expenditures	1,202,353	1,187,411	1,097,168	90,243
Capital outlay	40,000	265,000	263,201	1,799
Total judicial and legal	<u>2,400,432</u>	<u>2,610,490</u>	<u>2,353,237</u>	<u>257,253</u>
Total expenditures	<u>2,400,432</u>	<u>2,610,490</u>	<u>2,353,237</u>	<u>257,253</u>
Excess (deficiency) of revenues over expenditures	<u>(756,747)</u>	<u>(966,805)</u>	<u>(742,923)</u>	<u>223,882</u>
Other Financing Sources (Uses):				
Transfers in	<u> </u>	<u> </u>	<u> </u>	<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	<u>(756,747)</u>	<u>(966,805)</u>	<u>(742,923)</u>	<u>223,882</u>
Fund balances – beginning	<u>1,278,098</u>	<u>1,278,098</u>	<u>1,278,098</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 521,351</u>	<u>\$ 311,293</u>	<u>\$ 535,175</u>	<u>\$ 223,882</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, 2010

	C of O Sheriff & Detention Complex – Series 1993			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,068,385	\$ 3,068,385	\$ 3,043,447	\$(24,938)
Investment income	<u>50,000</u>	<u>50,000</u>	<u>50,761</u>	<u>761</u>
Total revenues	<u>3,118,385</u>	<u>3,118,385</u>	<u>3,094,208</u>	<u>(24,177)</u>
Expenditures:				
Debt Service:				
Principal on long-term debt	2,455,000	2,455,000	2,455,000	-0-
Interest on long-term debt	<u>424,125</u>	<u>447,125</u>	<u>442,125</u>	<u>5,000</u>
Total expenditures	<u>2,879,125</u>	<u>2,902,125</u>	<u>2,897,125</u>	<u>5,000</u>
Excess (deficiency) of revenues over expenditures	<u>239,260</u>	<u>216,260</u>	<u>197,083</u>	<u>(19,177)</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	239,260	216,260	197,083	(19,177)
Fund balances – beginning	<u>1,895,796</u>	<u>1,895,796</u>	<u>1,895,796</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 2,135,056</u>	<u>\$ 2,112,056</u>	<u>\$ 2,092,879</u>	<u>\$(19,177)</u>

C of O Construction and Maintenance – Series 2003			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 1,055,195	\$ 1,055,195	\$ 1,046,355	\$ (8,840)
<u>20,000</u>	<u>20,000</u>	<u>10,625</u>	<u>(9,375)</u>
<u>1,075,195</u>	<u>1,075,195</u>	<u>1,056,980</u>	<u>(18,215)</u>
700,000	700,000	700,000	-0-
<u>277,086</u>	<u>277,086</u>	<u>257,886</u>	<u>19,200</u>
<u>977,086</u>	<u>977,086</u>	<u>957,886</u>	<u>19,200</u>
<u>98,109</u>	<u>98,109</u>	<u>99,094</u>	<u>985</u>
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
98,109	98,109	99,094	985
<u>214,694</u>	<u>214,694</u>	<u>214,694</u>	<u>-0-</u>
<u>\$ 312,803</u>	<u>\$ 312,803</u>	<u>\$ 313,788</u>	<u>\$ 985</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, 2010

	C of O Construction and Maintenance – Series 2006			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 1,133,479	\$ 1,133,479	\$ 1,124,751	\$(8,728)
Investment income	20,000	20,000	28,116	8,116
Total revenues	<u>1,153,479</u>	<u>1,153,479</u>	<u>1,152,867</u>	<u>(612)</u>
Expenditures:				
Debt Service:				
Principal on long-term debt	530,000	530,000	530,000	-0-
Interest on long-term debt	570,914	570,914	570,214	700
Total expenditures	<u>1,100,914</u>	<u>1,100,914</u>	<u>1,100,214</u>	<u>700</u>
Excess (deficiency) of revenues over expenditures	<u>52,565</u>	<u>52,565</u>	<u>52,653</u>	<u>88</u>
Other Financing Sources (Uses):				
Proceeds from sale of bonds				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	52,565	52,565	52,653	88
Fund balances – beginning	<u>450,912</u>	<u>450,912</u>	<u>450,912</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 503,477</u>	<u>\$ 503,477</u>	<u>\$ 503,565</u>	<u>\$ 88</u>

Unlimited Tax Road Bonds – Series 2006			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 1,736,860	\$ 1,736,860	\$ 1,725,785	\$ (11,075)
<u>15,000</u>	<u>15,000</u>	<u>27,295</u>	<u>12,295</u>
<u>1,751,860</u>	<u>1,751,860</u>	<u>1,753,080</u>	<u>1,220</u>
765,000	765,000	765,000	-0-
<u>930,859</u>	<u>1,015,043</u>	<u>1,018,179</u>	<u>(3,136)</u>
<u>1,695,859</u>	<u>1,780,043</u>	<u>1,783,179</u>	<u>(3,136)</u>
<u>56,001</u>	<u>(28,183)</u>	<u>(30,099)</u>	<u>(1,916)</u>
	<u>84,184</u>	<u>87,720</u>	<u>3,536</u>
<u>-0-</u>	<u>84,184</u>	<u>87,720</u>	<u>3,536</u>
56,001	56,001	57,621	1,620
<u>386,334</u>	<u>386,334</u>	<u>386,334</u>	<u>-0-</u>
<u>\$ 442,335</u>	<u>\$ 442,335</u>	<u>\$ 443,955</u>	<u>\$ 1,620</u>

BRAZORIA COUNTY, TEXAS

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

Exhibit 18

For the Year Ended September 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Sales:				
Fuel and supplies	\$ 2,937,348	\$ 2,937,348	\$ 1,943,001	\$(994,347)
Cost of sales	<u>1,785,000</u>	<u>1,785,000</u>	<u>1,443,326</u>	<u>341,674</u>
Gross profit	1,152,348	1,152,348	499,675	(652,673)
Other Revenue:				
Rentals	370,740	370,740	406,860	36,120
Fees	170,986	170,986	144,217	(26,769)
Miscellaneous	<u>2,400</u>	<u>2,400</u>	<u>14,455</u>	<u>12,055</u>
Net operating revenue	<u>1,696,474</u>	<u>1,696,474</u>	<u>1,065,207</u>	<u>(631,267)</u>
Operating Expenses:				
Salaries and wages	419,341	419,341	377,948	41,393
Employee benefits	156,357	156,357	146,346	10,011
Supplies	114,827	114,827	100,097	14,730
Other charges	381,207	381,207	352,412	28,795
Depreciation	<u> </u>	<u> </u>	<u>837,751</u>	<u>(837,751)</u>
Total operating expenses	<u>1,071,732</u>	<u>1,071,732</u>	<u>1,814,554</u>	<u>(742,822)</u>
Operating income (loss)	<u>624,742</u>	<u>624,742</u>	<u>(749,347)</u>	<u>(1,374,089)</u>
Non-Operating Revenues (Expenses):				
Interest			16,585	16,585
Gain (loss) on sale of assets			<u>13,429</u>	<u>13,429</u>
Total non-operating revenues (expenses)	<u>-0-</u>	<u>-0-</u>	<u>30,014</u>	<u>30,014</u>
Net income (loss) before contributions and transfers	624,742	624,742	(719,333)	(1,344,075)
Capital contributions	<u>50,000</u>	<u>50,000</u>	<u>8,085,786</u>	<u>8,035,786</u>
Change in net assets	674,742	674,742	7,366,453	6,691,711
Net Assets:				
Total net assets – beginning of year	<u>11,514,149</u>	<u>11,514,149</u>	<u>11,514,149</u>	<u>-0-</u>
Total net assets – end of year	<u>\$ 12,188,891</u>	<u>\$ 12,188,891</u>	<u>\$ 18,880,602</u>	<u>\$ 6,691,711</u>

BRAZORIA COUNTY, TEXAS
COMBINING STATEMENT OF NET ASSETS -
INTERNAL SERVICE FUNDS
September 30, 2010

Exhibit 19

	<u>Self Insurance Liability</u>	<u>Self Insurance Health</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Cash and temporary investments	\$ 1,152,367	\$ 1,269,145	\$ 2,421,512
Accounts receivable		567	567
Accrued interest	61		61
Prepaid expenses		<u>138,287</u>	<u>138,287</u>
Total assets	<u>\$ 1,152,428</u>	<u>\$ 1,407,999</u>	<u>\$ 2,560,427</u>
 <u>Liabilities and Fund Balance</u>			
Current Liabilities:			
Accounts and accrued liabilities payable	\$ 400,000	\$ 11,984	\$ 11,984
Estimated claims payable		<u>674,241</u>	<u>1,074,241</u>
Total liabilities	<u>400,000</u>	<u>686,225</u>	<u>1,086,225</u>
 <u>Net Assets</u>			
Unrestricted	<u>752,428</u>	<u>721,774</u>	<u>1,474,202</u>
Total net assets	<u>752,428</u>	<u>721,774</u>	<u>1,474,202</u>
Total liabilities and net assets	<u>\$ 1,152,428</u>	<u>\$ 1,407,999</u>	<u>\$ 2,560,427</u>

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

For the Year Ended September 30, 2010

Exhibit 20

	Self Insurance Liability	Self Insurance Health	Total
Operating Revenues:			
Contributions for self insurance	\$ 328,762	\$ 10,645,147	\$ 10,973,909
Total operating revenues	<u>328,762</u>	<u>10,645,147</u>	<u>10,973,909</u>
Operating Expenses:			
Legal expenses and settlements	701,368		701,368
Health claims expense		8,479,664	8,479,664
Administrative expense		<u>1,735,666</u>	<u>1,735,666</u>
Total operating expenses	<u>701,368</u>	<u>10,215,330</u>	<u>10,916,698</u>
Operating income (loss)	(372,606)	429,817	57,211
Non-Operating Revenue (Expense):			
Investment income	<u>6,176</u>		<u>6,176</u>
Net income (loss)	(366,430)	429,817	63,387
Net assets – beginning of year	<u>1,118,858</u>	<u>291,957</u>	<u>1,410,815</u>
Net assets – end of year	<u>\$ 752,428</u>	<u>\$ 721,774</u>	<u>\$ 1,474,202</u>

BRAZORIA COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2010

Exhibit 21

	Self Insurance Liability	Self Insurance Health	Total
Cash Flows from Operating Activities:			
Cash flows received from employees and other funds	\$ 328,762	\$ 10,669,416	\$ 10,998,178
Cash paid to and on behalf of employees	(730,615)	(8,864,482)	(8,864,482)
Cash paid to suppliers and others	(401,853)	(1,812,120)	(2,542,735)
Net cash provided (used) by operating activities	(401,853)	(7,186)	(409,039)
Cash Flows from Non-Capital Financing Activities:			
Net cash provided (used) by non-capital financing activities	_____	_____	-0-
Cash Flows from Capital and Financing Activities:			
Net cash provided (used) by capital and financing activities	_____	_____	-0-
Cash Flows from Investing Activities:			
Investment income	6,115	_____	6,115
Net cash provided (used) by investment activities	6,115	-0-	6,115
Net increase (decrease) in cash	(395,738)	(7,186)	(402,924)
Cash and temporary investments - beginning of year	1,548,105	1,276,331	2,824,436
Cash and temporary investments - end of year	\$ 1,152,367	\$ 1,269,145	\$ 2,421,512
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:			
Operating Activities:			
Operating income (loss)	\$(372,606)	\$ 429,817	\$ 57,211
Changes in Assets and Liabilities:			
(Increase) Decrease In:			
Accounts receivable		24,269	24,269
Prepaid expenses		(79,431)	(79,431)
Increase (Decrease) In:			
Accounts and accrued liabilities payable	(29,247)	(381,841)	(411,088)
Net cash provided (used) for operating activities	\$(401,853)	\$(7,186)	\$(409,039)
Noncash Transactions Affecting Financial Position:			
Net noncash transactions affecting financial position	\$ -0-	\$ -0-	\$ -0-

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

For the Year Ended September 30, 2010

Exhibit 22
Page 1 of 3

	<u>Balance 10-01-09</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-10</u>
PAYROLL CLEARING:				
<i>Assets</i>				
Cash and temporary investments	\$ 3,188,742	\$ 66,044,544	\$ 68,116,779	\$ 1,116,507
Due from other funds		344		344
Total assets	<u>\$ 3,188,742</u>	<u>\$ 66,044,888</u>	<u>\$ 68,116,779</u>	<u>\$ 1,116,851</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$ 2,569,173	\$	\$ 2,569,173	\$ -0-
Accounts payable and accrued expense	<u>619,569</u>	<u>66,044,888</u>	<u>65,547,606</u>	<u>1,116,851</u>
Total liabilities	<u>\$ 3,188,742</u>	<u>\$ 66,044,888</u>	<u>\$ 68,116,779</u>	<u>\$ 1,116,851</u>

BRAZORIA COUNTY FRESH WATER SUPPLY DISTRICT #2:

<i>Assets</i>				
Cash and temporary investments	<u>\$ 5,185</u>	<u>\$ 18,116</u>	<u>\$ 19,012</u>	<u>\$ 4,289</u>
Total assets	<u>\$ 5,185</u>	<u>\$ 18,116</u>	<u>\$ 19,012</u>	<u>\$ 4,289</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 104	\$ 176	\$ 104	\$ 176
Due to others	<u>5,081</u>	<u>17,940</u>	<u>18,908</u>	<u>4,113</u>
Total liabilities	<u>\$ 5,185</u>	<u>\$ 18,116</u>	<u>\$ 19,012</u>	<u>\$ 4,289</u>

BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT:

<i>Assets</i>				
Cash and temporary investments	\$ 78,243	\$ 427,075	\$ 265,974	\$ 239,344
Accounts receivable	37,614	37,206	37,614	37,206
Due from other funds	<u>1,996</u>		<u>1,996</u>	
Total assets	<u>\$ 117,853</u>	<u>\$ 464,281</u>	<u>\$ 305,584</u>	<u>\$ 276,550</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 3,119	\$ 39,323	\$ 36,901	\$ 5,541
Due to others	<u>114,734</u>	<u>424,958</u>	<u>268,683</u>	<u>271,009</u>
Total liabilities	<u>\$ 117,853</u>	<u>\$ 464,281</u>	<u>\$ 305,584</u>	<u>\$ 276,550</u>

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

For the Year Ended September 30, 2010

Exhibit 22

Page 2 of 3

	<u>Balance 10-01-09</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-10</u>
CHILD SUPPORT:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>861</u>	\$ <u>10,940</u>	\$ <u>9,471</u>	\$ <u>2,330</u>
Total assets	\$ <u>861</u>	\$ <u>10,940</u>	\$ <u>9,471</u>	\$ <u>2,330</u>

Liabilities and Fund Balance

Liabilities:				
Due to others	\$ <u>861</u>	\$ <u>10,940</u>	\$ <u>9,471</u>	\$ <u>2,330</u>
Total liabilities	\$ <u>861</u>	\$ <u>10,940</u>	\$ <u>9,471</u>	\$ <u>2,330</u>

TDCJ-CJAD:*Assets*

Cash and temporary investments	\$ 952,757	\$ 3,791,527	\$ 3,806,523	\$ 937,761
Accounts receivable	104	5,753	104	5,753
Due from other funds	<u>133,837</u>	<u> </u>	<u>133,837</u>	<u>-0-</u>
Total assets	\$ <u>1,086,698</u>	\$ <u>3,797,280</u>	\$ <u>3,940,464</u>	\$ <u>943,514</u>

Liabilities and Fund Balance

Liabilities:				
Accounts payable and accrued expenses	\$ 521,417	\$ 813,733	\$ 1,302,201	\$ 32,949
Due to others	<u>565,281</u>	<u>2,983,547</u>	<u>2,638,263</u>	<u>910,565</u>
Total liabilities	\$ <u>1,086,698</u>	\$ <u>3,797,280</u>	\$ <u>3,940,464</u>	\$ <u>943,514</u>

DISTRICT/COUNTY CLERKS TRUSTS:*Assets*

Cash and temporary investments	\$ <u>9,472,715</u>	\$ <u>20,850,386</u>	\$ <u>14,923,390</u>	\$ <u>15,399,711</u>
Total assets	\$ <u>9,472,715</u>	\$ <u>20,850,386</u>	\$ <u>14,923,390</u>	\$ <u>15,399,711</u>

Liabilities and Fund Balance

Liabilities:				
Due to others	\$ <u>9,472,715</u>	\$ <u>20,850,386</u>	\$ <u>14,923,390</u>	\$ <u>15,399,711</u>
Total liabilities	\$ <u>9,472,715</u>	\$ <u>20,860,386</u>	\$ <u>14,923,390</u>	\$ <u>15,399,711</u>

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

For the Year Ended September 30, 2010

Exhibit 22
Page 3 of 3

	<u>Balance 10-01-09</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-10</u>
TOTALS - ALL AGENCY FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 13,698,503	\$ 91,142,588	\$ 87,141,149	\$ 17,699,942
Accounts receivable	37,718	42,959	37,718	42,959
Due from other funds	<u>135,833</u>	<u>344</u>	<u>135,833</u>	<u>344</u>
Total assets	<u>\$ 13,872,054</u>	<u>\$ 91,185,891</u>	<u>\$ 87,314,700</u>	<u>\$ 17,743,245</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,144,209	\$ 66,898,120	\$ 66,886,812	\$ 1,155,517
Due to other funds	2,569,173		2,569,173	-0-
Due to others	<u>10,158,672</u>	<u>24,287,771</u>	<u>17,858,715</u>	<u>16,587,728</u>
Total liabilities	<u>\$ 13,872,054</u>	<u>\$ 91,185,891</u>	<u>\$ 87,314,700</u>	<u>\$ 17,743,245</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 Eight 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.

Fiscal Year		
2008	2009	2010
\$ 105,895,455	\$ 118,386,142	\$ 107,698,411
11,785,704	14,812,978	28,317,997
2,397,569	2,674,027	2,642,145
6,903,230	11,038,528	8,826,338
<u>31,697,078</u>	<u>30,438,866</u>	<u>36,955,322</u>
<u>\$ 158,679,036</u>	<u>\$ 117,350,541</u>	<u>\$ 184,440,213</u>
\$ 10,654,958	\$ 10,262,087	\$ 17,932,099
49,419		
17,781		
<u>494,005</u>	<u>1,249,146</u>	<u>948,703</u>
<u>\$ 11,216,163</u>	<u>\$ 11,511,233</u>	<u>\$ 18,880,802</u>
\$ 116,550,413	\$ 128,648,229	\$ 125,630,510
21,153,703	28,525,533	39,786,480
<u>32,191,083</u>	<u>31,688,012</u>	<u>37,904,025</u>
<u>\$ 169,895,199</u>	<u>\$ 188,861,774</u>	<u>\$ 203,321,015</u>

BRAZORIA COUNTY, TEXAS
CHANGES IN NET ASSETS
Last Eight 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	<u>1,531,282</u>	<u>1,455,717</u>	<u>1,386,006</u>	<u>1,477,364</u>	<u>2,408,476</u>
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>

Fiscal Year		
2008	2009	2010
\$ 7,488,015	\$ 8,382,000	\$ 9,794,810
16,376,192	17,042,872	17,024,927
8,798,119	9,245,171	9,370,469
717,673	460,608	471,550
3,603,168	3,720,188	3,998,157
16,661,965	16,508,998	17,113,934
22,418,422	23,011,340	23,051,174
28,072,576	33,615,909	27,265,516
10,246,427	11,354,439	12,682,216
296,000	296,000	296,000
7,782,083	8,470,686	8,465,970
405,565	431,480	387,092
204,640	210,166	202,350
2,228,027	2,477,725	3,433,743
<u>2,497,944</u>	<u>2,242,764</u>	<u>2,650,328</u>
<u>127,794,816</u>	<u>137,470,346</u>	<u>136,208,236</u>
<u>3,281,481</u>	<u>3,739,485</u>	<u>3,269,622</u>
<u>3,281,481</u>	<u>3,739,485</u>	<u>3,269,622</u>
<u>\$ 131,076,297</u>	<u>\$ 141,209,831</u>	<u>\$ 139,477,858</u>

\$ 3,592,174	\$ 3,078,349	\$ 3,068,103
6,510,075	6,719,465	7,562,837
1,607,565	1,782,317	1,774,714
216,604	163,679	213,801
32,625	1,168,851	36,305
1,690,817	735,649	1,285,185
585,301	395,555	786,547
3,910,942	4,092,757	3,467,955
531,764	501,588	613,305
303,660	320,080	329,062
10,147	11,448	106,364
62,375	6,759	6,728
14,474,328	20,615,452	17,208,798
<u>7,102,464</u>	<u>15,200,393</u>	<u>6,058,920</u>
<u>40,630,841</u>	<u>54,792,342</u>	<u>42,518,624</u>

BRAZORIA COUNTY, TEXAS
CHANGES IN NET ASSETS - Continued
Last Eight 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		<u>(150,000)</u>	<u>(150,000)</u>	<u>(237,475)</u>	
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.

Fiscal Year		
2008	2009	2010
\$ 2,696,391	\$ 3,281,882	\$ 2,523,391
5,498	43,086	
<u>141,668</u>	<u>354,225</u>	<u>8,085,786</u>
<u>2,843,557</u>	<u>3,679,183</u>	<u>10,609,177</u>
<u>43,474,398</u>	<u>58,471,535</u>	<u>53,127,801</u>
(87,163,975)	82,678,004	93,689,612
(<u>437,924</u>)	<u>60,292</u>	(<u>7,339,555</u>)
(<u>87,601,899</u>)	<u>82,738,296</u>	<u>86,350,057</u>
72,549,360	81,235,296	86,026,984
16,825,916	16,794,059	15,538,547
217,066	78,956	
2,950,658	1,686,538	1,305,949
111,195	10,106	
1,607,369	1,894,054	1,253,276
(<u>100,000</u>)	(<u>349,500</u>)	
<u>94,161,564</u>	<u>101,349,509</u>	<u>104,124,756</u>
13,227	10,326	16,585
500		13,429
<u>100,000</u>	<u>349,500</u>	
<u>113,727</u>	<u>359,826</u>	<u>30,014</u>
<u>94,275,291</u>	<u>101,709,335</u>	<u>104,154,770</u>
6,997,589	18,671,505	10,435,144
(<u>324,197</u>)	<u>299,534</u>	<u>7,369,569</u>
\$ <u>6,673,392</u>	\$ <u>18,971,039</u>	\$ <u>17,804,713</u>

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

Table 3

	Fiscal Year				
	2001	2002	2003	2004	2005
General Fund:					
Reserved	\$ 449,786	\$ 417,389	\$ 776,941	\$ 1,149,125	\$ 1,035,239
Unreserved	<u>13,567,130</u>	<u>11,217,028</u>	<u>10,628,263</u>	<u>10,119,747</u>	<u>12,398,370</u>
Total general fund	<u>\$ 14,016,916</u>	<u>\$ 11,634,417</u>	<u>\$ 11,405,204</u>	<u>\$ 11,268,872</u>	<u>\$ 13,433,609</u>
All Other Governmental Funds:					
Reserved	\$ 2,223,468	\$ 2,430,409	\$ 2,127,108	\$ 2,341,383	\$ 2,904,897
Unreserved:					
Designated:					
Capital projects funds	4,081,595	3,077,085	10,894,981	7,288,634	5,482,269
Undesignated:					
Capital projects funds					85,098
Special revenue funds	<u>9,230,435</u>	<u>8,906,476</u>	<u>10,506,768</u>	<u>9,262,935</u>	<u>9,825,608</u>
Total all other governmental funds	<u>\$ 15,535,496</u>	<u>\$ 14,413,970</u>	<u>\$ 23,528,857</u>	<u>\$ 18,892,952</u>	<u>\$ 18,297,872</u>

Fiscal Year				
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 1,181,546	\$ 1,536,623	\$ 945,689	\$ 3,668,508	\$ 4,099,579
<u>17,368,350</u>	<u>23,816,764</u>	<u>24,057,655</u>	<u>22,719,603</u>	<u>27,121,283</u>
\$ <u>18,549,896</u>	\$ <u>25,353,387</u>	\$ <u>25,003,344</u>	\$ <u>26,388,111</u>	\$ <u>31,220,862</u>
\$ 3,780,614	\$ 5,025,466	\$ 4,426,316	\$ 29,103,256	\$ 40,964,164
16,542,134	23,553,119	19,157,559	792,514	776,374
<u>12,453,432</u>	<u>14,721,315</u>	<u>16,417,485</u>	_____	_____
\$ <u>32,776,180</u>	\$ <u>43,299,900</u>	\$ <u>40,001,360</u>	\$ <u>29,895,770</u>	\$ <u>41,740,538</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				
	2001	2002	2003	2004	2005
Revenues:					
Taxes	\$ 56,699,556	\$ 59,790,710	\$ 64,712,267	\$ 68,926,987	\$ 74,871,254
Intergovernmental	7,338,760	9,225,776	9,673,483	10,554,254	13,154,480
Charges for services	5,409,779	5,607,940	5,497,608	6,777,239	6,946,094
Licenses and permits	2,587,552	2,688,644	3,061,146	2,716,482	3,510,492
Fines and forfeitures	2,678,575	2,418,302	2,480,513	2,755,884	2,681,213
Special assessments	125,512	89,692	388,636	40,622	21,142
Investment income	2,202,631	1,207,685	812,240	896,098	1,189,482
Miscellaneous	2,056,121	1,684,999	1,593,134	2,775,181	2,168,765
Total revenues	<u>79,098,486</u>	<u>82,713,748</u>	<u>88,219,027</u>	<u>95,442,747</u>	<u>104,542,922</u>
Expenditures:					
General administration	3,879,933	3,659,565	3,944,682	4,490,510	5,036,224
Judicial and legal	9,225,510	10,763,642	11,784,197	11,702,822	12,132,962
Financial administration	5,848,340	6,138,232	6,436,503	6,825,415	7,307,863
Elections	109,165	103,424	156,447	77,817	109,644
Public facilities	2,307,260	2,168,715	2,300,228	2,544,981	2,757,631
Public safety	9,485,636	9,535,724	10,260,660	10,726,572	12,224,147
Corrections	14,296,310	14,482,329	15,468,693	16,441,503	16,995,740
Public transportation	18,201,208	17,391,246	19,091,164	20,101,559	20,923,768
Health and welfare	5,206,659	5,786,983	6,628,407	7,724,836	8,014,313
Public assistance	226,000	226,000	226,000	226,000	296,000
Culture and recreation	5,229,308	5,859,727	5,954,913	6,724,925	6,114,890
Conservation	319,262	367,473	377,852	388,549	334,836
Environmental protection	100,412	133,460	123,226	122,224	135,140
Community development			2,502,382	3,469,450	3,954,932
Capital outlay	2,583,567	5,943,962	2,650,785	3,416,104	1,720,896
Debt Service:					
Principal	1,520,306	1,430,650	2,305,504	3,016,366	3,164,604
Interest and fiscal charges	1,943,958	2,022,063	1,581,102	1,565,351	1,395,797
Total expenditures	<u>80,482,834</u>	<u>86,013,195</u>	<u>91,792,745</u>	<u>99,664,984</u>	<u>102,619,387</u>
Excess of revenues over (under) expenditures	<u>(1,384,348)</u>	<u>(3,299,447)</u>	<u>(3,573,718)</u>	<u>(4,222,237)</u>	<u>1,923,535</u>

(continued)

		Fiscal Year							
		2006	2007	2008	2009	2010			
\$	80,618,481	\$	85,899,285	\$	89,733,333	\$	97,948,315	\$	101,144,578
	14,658,241		12,553,652		16,962,416		23,271,447		19,425,363
	8,505,724		9,339,206		9,170,529		8,513,053		8,825,218
	4,192,040		4,319,103		4,178,179		4,364,604		4,632,972
	2,937,726		3,030,492		2,932,468		2,999,714		3,349,587
	20,355		39,984		41,366		65,891		127,307
	2,558,836		4,437,291		2,910,886		1,670,081		1,299,600
	<u>1,650,000</u>		<u>2,707,950</u>		<u>2,256,193</u>		<u>2,461,330</u>		<u>1,837,188</u>
	<u>115,141,403</u>		<u>122,326,963</u>		<u>128,185,370</u>		<u>141,294,435</u>		<u>140,641,813</u>
	5,193,392		5,647,182		7,338,056		8,316,067		8,967,373
	13,101,418		14,720,532		16,024,206		16,581,752		16,795,972
	7,477,425		7,895,801		8,618,867		9,014,398		9,234,021
	2,276,634		378,867		692,279		433,657		441,531
	2,667,167		3,379,986		3,428,404		3,716,015		3,762,477
	13,229,168		13,543,831		17,059,446		16,101,590		16,467,367
	17,823,526		19,110,690		21,462,209		21,802,308		21,811,543
	20,482,267		19,549,824		21,173,785		26,550,726		20,287,510
	9,779,785		9,925,766		9,945,531		10,964,979		12,373,186
	296,000		296,000		296,000		296,000		296,000
	6,335,099		7,046,649		7,660,650		8,429,724		8,872,828
	373,006		350,210		393,215		411,494		376,220
	142,056		179,182		199,402		203,304		196,019
	2,930,819		2,319,293		2,227,278		2,476,674		3,433,743
	2,841,843		9,988,904		17,263,186		17,780,454		13,286,022
	2,975,208		2,805,000		3,760,000		4,240,000		4,450,000
	<u>1,556,717</u>		<u>2,617,009</u>		<u>2,472,201</u>		<u>2,391,636</u>		<u>2,510,730</u>
	<u>109,481,530</u>		<u>119,754,726</u>		<u>140,014,716</u>		<u>149,710,778</u>		<u>143,562,542</u>
	<u>5,659,873</u>		<u>2,572,237</u>		<u>(11,829,346)</u>		<u>(8,416,343)</u>		<u>(2,920,729)</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				
	2001	2002	2003	2004	2005
Other Financing Sources (Uses):					
Proceeds from sale of bonds	\$	\$	\$ 11,000,000	\$	\$
Premium on the sale of bonds					
Proceeds from sale of capital assets					
Loans to other entities					
Proceeds from lease purchase	502,200		1,459,392		
Proceeds from refunding bonds					
Payments to escrow agent					
Other					
Transfers in	1,017,564	1,012,089	1,101,179	1,859,610	1,266,797
Transfers out	(1,017,564)	(1,293,667)	(1,101,179)	(2,409,610)	(1,416,797)
Total other financing sources (uses)	<u>502,200</u>	<u>(281,578)</u>	<u>12,459,392</u>	<u>(550,000)</u>	<u>(150,000)</u>
Net change in fund balances	<u>\$ (882,148)</u>	<u>\$ (3,581,025)</u>	<u>\$ 8,885,674</u>	<u>\$ (4,772,237)</u>	<u>\$ 1,773,535</u>
Debt service as a percentage of noncapital expenditures	4.4%	4.3%	4.4%	4.8%	4.8%

Fiscal Year				
2006	2007	2008	2009	2010
\$ 13,880,000	\$ 14,000,000	\$ 17,950,000	\$	\$ 19,425,000
117,050	606,572	330,304		101,722
134,081	70,747	344,569	45,020	71,525
(21,855)				
		(10,344,360)		
1,496,992	988,139	1,802,660	2,097,774	1,204,557
(2,784,467)	(988,139)	(1,902,660)	(2,447,274)	(1,204,557)
<u>12,821,801</u>	<u>14,677,319</u>	<u>8,180,513</u>	<u>(304,480)</u>	<u>19,598,247</u>
<u>\$ 18,481,674</u>	<u>\$ 17,249,556</u>	<u>\$(3,648,833)</u>	<u>\$(8,720,823)</u>	<u>\$ 16,677,518</u>
4.5%	5.1%	5.1%	5.1%	5.4%

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>
2010	\$ 14,901,948	\$ 7,405,684	\$ 7,496,264	\$ 496,210	\$ 3,745,743	\$ 11,738,217	100%	\$ 0.426286
2009	16,057,241	7,174,101	8,883,140	535,322	3,750,365	13,168,827	100%	0.390000
2008	14,968,145	6,223,999	8,744,146	477,961	3,345,609	12,567,716	100%	0.371396
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

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

	2001 Tax Rate	2002 Tax Rate	2003 Tax Rate	2004 Tax Rate
County Direct Rates:				
General Fund	0.251975	0.257269	0.278287	0.284237
Road & Bridge	0.600000	0.060000	0.060000	0.047500
Mosquito Control				
Special R&B - Article 6790	0.060000	0.060000	0.060000	0.060000
Debt Service Fund - Jail Building Bonds	0.027525	0.022231	0.021213	0.020513
Certificate of Obligation - Series 2003				0.007250
Certificate of Obligation - Series 2006				
Unlimited Tax Road Bonds - Series 2008				
Total direct rate	<u>0.399500</u>	<u>0.399500</u>	<u>0.419500</u>	<u>0.419500</u>
City Rates:				
Alvin	0.803600	0.803600	0.803600	0.803600
Angleton	0.705310	0.754774	0.744774	0.744774
Brazoria	0.741800	0.728300	0.728300	0.728300
Brookside Village	0.460000	0.460000	0.460000	0.460000
Clute	0.723000	0.723000	0.723000	0.723000
Danbury	0.834605	0.804816	0.841738	0.841738
Freeport	0.777000	0.764000	0.748500	0.748500
Hillcrest Village	0.414997	0.374512	0.374512	0.374512
Town of Holiday Lakes	1.270863	1.306045	1.269340	1.269340
Village of Jones Creek	0.280000	0.310000	0.310000	0.310000
Lake Jackson	0.350000	0.375000	0.370300	0.370300
Liverpool	0.175800	0.175800	0.175800	0.175800
Manvel	0.734803	0.713231	0.710247	0.710247
Village of Oyster Creek	0.394700	0.394700	0.411106	0.411106
Pearland	0.686000	0.686000	0.696000	0.696000
Town of Quintana	0.160000	0.160000	0.160000	0.160000
Richwood	0.691200	0.691200	0.691200	0.691200
Village of Surfside Beach	0.400354	0.400354	0.400354	0.400354
Sweeny	0.790950	0.790950	0.775571	0.775571
West Columbia	0.838837	0.838837	0.838837	0.838837
School District Rates:				
Alvin ISD	1.566000	1.586116	1.626100	1.626100
Angleton ISD	1.530000	1.630000	1.630000	1.630000
Brazosport ISD	1.422800	1.422800	1.472800	1.472800
Columbia-Brazoria ISD	1.576300	1.576300	1.576300	1.576300
Damon ISD	1.360000	1.360000	1.360000	1.360000
Danbury ISD	1.580000	1.540000	1.540000	1.540000
Pearland ISD	1.820000	1.837200	1.809200	1.809200
Sweeny ISD	1.478300	1.673588	1.675000	1.675000
Special District Rates:				
Alvin Community College	0.241100	0.255300	0.254766	0.254766
Angleton-Danbury Hospital	0.193494	0.193494	0.260562	0.260562
Brazoria Co. DD # 1 (Angleton)	0.209420	0.200000	0.185000	0.185000
Brazoria Co. DD # 2 (Velasco)	0.071370	0.071370	0.073924	0.073924
Brazoria Co. DD # 3 (Alvin or C&R #3)	0.110000	0.116623	0.116623	0.116623
Brazoria Co. DD # 4 (Pearland)	0.125871	0.150934	0.142820	0.142820
Brazoria Co. DD # 5 (Iowa Colony)	0.284592	0.288048	0.266328	0.266328
Brazoria Co. DD # 8 (Danbury)	0.375782	0.361863	0.372689	0.372689
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)	0.670000	0.550000	0.540000	0.540000
Brazoria Co. MUD # 2 (Southwyck)	0.740000	0.740000	0.670000	0.670000
Brazoria Co. MUD # 3 (Silverlake)	0.967000	0.917000	0.817000	0.817000
Brazoria Co. MUD # 4 (Country Place)	0.918000	0.888000	0.778000	0.778000
Brazoria Co. MUD # 5 (Southdown)	0.670000	0.670000	0.670000	0.670000
Brazoria Co. MUD # 6 (Weatherford)	0.987500	0.987500	0.987500	0.987500
Brazoria Co. MUD #16				
Brazoria Co. MUD #17	0.750000	0.750000	0.750000	0.750000
Brazoria Co. MUD #18	0.650000	0.650000	0.650000	0.650000
Brazoria Co. MUD #19	0.800000	0.800000	0.800000	0.800000
Brazoria Co. MUD #21			1.350000	1.350000
Brazoria Co. MUD #23	0.072500	0.850000	0.850000	0.850000

2005 Tax Rate	2006 Tax Rate	2007 Tax Rate	2008 Tax Rate	2009 Tax Rate	2010 Tax Rate
0.286210	0.279356	0.266000	0.247671	0.255767	0.288745
0.047500	0.047500	0.034500	0.028800	0.035500	0.035000
			0.010200	0.008550	0.008000
0.060000	0.060000	0.060000	0.600000	0.600000	0.060000
0.020995	0.015000	0.011000	0.008925	0.011404	0.015141
0.007250	0.006131	0.005131	0.004950	0.004650	0.005200
		0.005070	0.005150	0.005129	0.005600
			0.005700	0.009000	0.008600
<u>0.421955</u>	<u>0.407987</u>	<u>0.381701</u>	<u>0.371396</u>	<u>0.390000</u>	<u>0.426286</u>
0.803600	0.803600	0.803600	0.803600	0.803600	0.803600
0.739774	0.734150	0.706000	0.706000	0.706000	0.706000
0.728300	0.728300	0.728300	0.728300	0.728300	0.762300
0.460000	0.460000	0.460000	0.460000	0.460000	0.500000
0.723000	0.723000	0.698000	0.693000	0.672000	0.672000
0.823830	0.775664	0.766940	0.760600	0.762014	0.769538
0.716900	0.710000	0.710000	0.700000	0.708266	0.708266
0.374512	0.374512	0.374512	0.374512	0.374512	0.377754
1.230848	0.719325	0.945784	0.924070	0.950737	0.983434
0.310000	0.310000	0.310000	0.340000	0.340000	0.380000
0.370000	0.380000	0.385000	0.390000	0.390000	0.390000
0.175800	0.175800	0.175800	0.175800	0.236852	0.236850
0.659603	0.648500	0.587831	0.587863	0.587863	0.587863
0.411106	0.452100	0.387211	0.395000	0.401142	0.423154
0.694755	0.674400	0.652600	0.652600	0.652600	0.665100
0.050000	0.040000	0.032000	0.027140	0.033365	0.024413
0.691200	0.691200	0.681080	0.693660	0.693660	0.693660
0.400354	0.490000	0.342392	0.352392	0.442056	0.408801
0.775571	0.750000	0.750000	0.762105	0.741595	0.772818
0.838837	0.838837	0.831900	0.831900	0.831900	0.831900
1.676000	1.705800	1.328200	1.328200	1.304100	1.304100
1.610000	1.571000	1.197000	1.314000	1.455200	1.455200
1.522800	1.572800	1.133900	1.192200	1.228500	1.241500
1.870000	1.770000	1.296500	1.296500	1.296500	1.296500
1.420000	1.420000	1.040000	1.170000	1.170000	1.170000
1.561500	1.557600	1.134900	1.134900	1.143900	1.135400
1.792200	1.792200	1.427200	1.419400	1.419400	1.419400
1.692000	1.671000	1.211700	1.211700	1.211700	1.211700
0.240561	0.237555	0.210280	0.199832	0.199830	0.199830
0.248244	0.247745	0.246500	0.246500	0.246500	0.279998
0.185000	0.175000	0.170850	0.183900	0.183900	0.183900
0.076210	0.082113	0.082075	0.082075	0.087130	0.090907
0.131623	0.130634	0.128143	0.150000	0.150000	0.150000
0.142009	0.143845	0.143845	0.143845	0.143845	0.156000
0.244006	0.221958	0.190894	0.186897	0.189727	0.189098
0.372689	0.372541	0.353723	0.361000	0.366000	0.366000
0.020000	0.020000	0.020000	0.200000	0.020000	0.020000
0.400000	0.360000	0.310000	0.300000	0.295000	0.280000
0.530000	0.460000				
0.550000	0.480000	0.510000	0.500000	0.500000	0.500000
0.717000	0.647000	0.650000	0.630000	0.630000	0.630000
0.728000	0.688000	0.628000	0.628000	0.630000	0.630000
0.670000	0.670000	0.000000			
0.890000	0.800000	0.670000	0.630000	0.630000	0.630000
0.950000		0.950000	0.950000	0.950000	0.950000
0.750000	0.750000	0.730000	0.630000	0.600000	0.547000
0.650000	0.640000	0.590000	0.570000	0.560000	0.550000
0.800000	0.800000	0.680000	0.660000	0.630000	0.620000
1.350000	1.350000	1.350000	1.350000	1.450000	1.430000
0.850000	0.850000	0.850000	0.820000	0.800000	0.770000

(continued)

BRAZORIA COUNTY, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES - Continued

Last Ten Fiscal Years
(rate per \$100 of assessed value)

<u>Taxing Jurisdictions</u>	<u>2001 Tax Rate</u>	<u>2002 Tax Rate</u>	<u>2003 Tax Rate</u>	<u>2004 Tax Rate</u>
Special Districts: (continued)				
Brazoria Co. MUD #25			1.250000	1.250000
Brazoria Co. MUD #26			0.850000	0.850000
Brazoria Co. MUD #28			0.820000	0.820000
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				
Sedona Lakes MUD #1				
Port Freeport	0.085000	0.071200	0.070000	0.070000
Brazosport College	0.691318	0.085000	0.105000	0.105000
Commodore Cove Improvement District	0.495000	0.816436	0.986093	0.986093
Oak Manor MUD	0.947241	0.400000	0.400000	0.400000
Treasure Island MUD	0.720000	0.927240	0.927240	0.927240
Varner Creek Utility District	0.323660	0.650000	0.592300	0.592300
Sweeny Hospital *	0.030000	0.323660	0.352600	0.352600
Rural Fire District #1		0.030000	0.030000	0.030000
Emergency Svc District #1		0.060000	0.070000	0.070000
Emergency Svc District #2			0.030000	0.030000
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>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>	<u>2009</u> <u>Tax Rate</u>	<u>2010</u> <u>Tax Rate</u>
1.250000	1.250000	1.230000	1.100000	1.100000	1.100000
0.850000	0.850000	0.710000	0.710000	0.710000	0.710000
0.820000	0.820000	0.820000	0.820000	0.820000	0.820000
0.750000	0.750000	0.750000	0.750000	0.800000	0.800000
		1.390000	1.402040	1.300000	1.300000
0.850000	0.850000	0.850000	0.850000	0.850000	0.850000
			0.850000	0.890000	1.020000
		0.700000	0.700000	0.700000	0.700000
0.850000	0.850000	0.850000	0.850000	0.850000	0.850000
				1.250000	1.250000
0.067500	0.065000	0.056000	0.053500	0.053500	0.053500
0.114000	0.119000	0.121000	0.156488	0.175754	0.190175
0.986093	0.890000	0.597220	0.597220	0.620318	0.472234
0.360000	0.398000	0.363000	0.421852	0.451178	0.480000
0.823466	0.739283	0.595802	0.563556	1.258218	0.576368
0.540000	0.510000	0.661890	0.814000	0.858000	0.858000
0.349000	0.343781	0.298289	0.323170	0.349917	0.380692
0.080000	0.080000	0.080000	0.080000	0.080000	0.080000
0.030000	0.030000	0.030000	0.029987	0.030000	0.030000
0.100000	0.089975	0.093414	0.093410	0.093700	0.095000

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

Table 7

<u>2010 Taxpayer</u>	<u>Type of Business</u>	<u>2010 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Dow Chemical Company	Chemical Manufacturer	\$ 2,740,221	23.34%
Conoco/Phillips Company	Petroleum Refinery	582,040	4.96%
BASF Corp	Chemical Manufacturer	511,910	4.36%
Ineos USA LLC	Chemical Manufacturer	356,516	3.04%
Chevron Phillips Chemical Co LP	Petroleum Refinery	282,364	2.41%
Solutia, Inc.	Chemical Manufacturer	198,216	1.68%
Shintech, Inc.	Chemical Manufacturer	162,086	1.38%
Centerpoint Energy Inc.	Utility	122,074	1.04%
Denbury Onshore LLC		116,233	1.44%
Hilcorp Energy Co	Utility	106,270	0.91%
		<u>\$ 5,177,930</u>	<u>\$ 44.56%</u>

<u>2001 Taxpayer</u>	<u>Type of Business</u>	<u>2001 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Dow Chemical Company	Chemical Manufacturer	\$ 2,465,663	30.45%
Phillips Petroleum	Petroleum Refinery	796,768	9.84%
BP Amoco Chemical	Chemical Manufacturer	504,246	6.23%
BASF Corp - Chemical Division	Chemical Manufacturer	496,765	6.13%
Equistar Chemicals	Chemical Manufacturer	223,589	2.76%
Oyster Creek Limited	Contract Services	160,710	1.98%
Shintech, Inc.	Chemical Manufacturer	157,226	1.94%
Houston Lighting & Power	Electric Utility Company	97,757	1.21%
Hoffman LaRoche, Inc.	Land/Improvements	75,958	0.94%
Southwestern Bell Telephone Co.	Utility	73,881	0.91%
		<u>\$ 5,052,563</u>	<u>\$ 62.39%</u>

Source: Brazoria County Appraisal District
Assessed Valuation - 2010 \$ 11,738,217
Assessed Valuation - 2001 \$ 8,098,250

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
2010	\$ 85,056		\$ 83,846	98.58%	\$ --	\$ 83,846	98.58%
2009	80,634		79,473	98.56%	629	80,102	98.34%
2008	72,190		71,118	98.52%	474	71,592	99.17%
2007	67,995		66,923	98.42%	507	67,430	99.17%
2006	64,505		63,508	98.45%	505	64,013	99.97%
2005	60,641		59,638	98.35%	482	60,120	99.14%
2004	56,304		55,284	98.19%	479	55,763	99.04%
2003	52,605		51,649	98.18%	432	52,081	99.00%
2002	48,037		47,144	98.14%	389	47,533	98.95%
2001	45,977		45,134	98.17%	431	45,565	99.10%

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	
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	3,948,197	47,621,803	175,000	80,000	95,000	
2008	34,170,000	21,465,000	2,809,782	52,825,218	90,000	85,000	5,000	
2009	31,115,000	20,280,000	2,947,736	48,447,264	-0-	-0-	-0-	
2010	47,320,000	19,050,000	3,354,187	63,015,813	-0-	-0-	-0-	

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>
\$ 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	0.41%
37,441,247	0.23%	132	0.54%
47,716,803	0.26%	163	0.61%
52,830,218	0.28%	175	0.64%
48,447,264	0.24%	157	0.59%
63,015,813	0.33%	201	0.76%

BRAZORIA COUNTY, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2010

Governmental Unit	Debt As Of	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Special Districts:				
Angleton-Danbury Hospital District	04/30/2010	\$ 16,510,000 *	100.00%	\$ 16,510,000
Angleton Drainage District	11/30/2007	--	100.00%	--
Brazoria Co. MUD #1 (Pearland)	11/30/2007	--	100.00%	--
Brazoria Co. MUD #2 (Southwyck)	11/17/2009	9,442,605	100.00%	9,442,605
Brazoria Co. MUD #3	10/29/2009	12,042,369	100.00%	12,042,369
Brazoria Co. MUD #4 (Country Place)	04/30/2010	5,715,000 *	100.00%	5,715,000
Brazoria Co. MUD #6 (Weatherford)	03/29/2010	22,502,155	100.00%	22,502,155
Brazoria Co. MUD #16	12/15/2008	4,780,708	100.00%	4,780,708
Brazoria Co. MUD #17	09/30/2009	28,358,225	100.00%	28,358,225
Brazoria Co. MUD #18	09/22/2009	30,121,493	56.53%	17,027,680
Brazoria Co. MUD #19	04/30/2010	39,710,000 *	100.00%	39,710,000
Brazoria Co. MUD #21	12/31/2009	19,851,508	100.00%	19,851,508
Brazoria Co. MUD #23	09/21/2008	15,178,241	100.00%	15,178,241
Brazoria Co. MUD #25	09/01/2008	6,774,090	100.00%	6,774,090
Brazoria Co. MUD #26	09/30/2009	45,548,542	100.00%	45,548,542
Brazoria Co. MUD #28	07/31/2008	10,176,078	99.99%	10,175,060
Brazoria Co. MUD #29	07/31/2009	6,323,873	100.00%	6,323,873
Brazoria Co. MUD #31	04/30/2010	3,500,000 *	100.00%	3,500,000
Brazoria Co. MUD #34	02/26/2009	10,327,450	100.00%	10,327,450
Brazoria Co. MUD #35	04/30/2010	9,900,000 *	100.00%	9,900,000
Brazoria-Fort Bend Co. MUD #1	11/26/2009	54,633,132	76.62%	41,859,906
Brazosport College District	04/30/2010	27,415,000 *	100.00%	27,415,000
Varner Creek Utility District	12/31/2008	10,156,677	100.00%	10,156,677
Port Freeport	09/30/2008	7,920,635	100.00%	7,920,635
Brazoria Co. FWSD #1	04/30/2010	115,000 *	100.00%	115,000
Commodore Cove Improvement District	04/30/2010	325,000 *	100.00%	325,000
Total Special Districts		\$ 397,327,781		\$ 371,459,724
Cities:				
Alvin	09/30/2008	\$ 11,325,600	100.00%	\$ 11,325,600
Angleton	04/30/2010	22,230,000 *	100.00%	22,230,000
Brazoria	04/30/2010	2,565,000 *	100.00%	2,565,000
Clute	09/30/2008	--	100.00%	--
Danbury	04/30/2010	2,545,000 *	100.00%	2,545,000
Freeport	04/30/2010	6,548,000 *	100.00%	6,548,000
Hillcrest Village	04/30/2010	165,000 *	100.00%	165,000
Town of Holiday Lakes	04/30/2010	83,000 *	100.00%	83,000
Lake Jackson	09/30/2009	17,045,059	100.00%	17,045,059
Manvel	04/30/2010	3,130,000 *	100.00%	3,130,000
Oyster Creek	04/30/2010	385,000 *	100.00%	385,000
Pearland	09/14/2009	296,641,853	91.96%	272,791,848
Richwood	04/30/2010	1,200,000 *	100.00%	1,200,000
Sweeny	09/30/2008	1,307,981	100.00%	1,307,981
West Columbia	11/30/2007	--	100.00%	--
Total Cities		\$ 365,171,493		\$ 341,321,488

(continued)

BRAZORIA COUNTY, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT - Continued

Table 10

As of September 30, 2010

Governmental Unit	Debt As Of	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
School Districts:				
Alvin CCD	04/30/2010	\$ 17,615,000 *	100.00%	\$ 17,615,000
Alvin ISD	02/09/2010	279,128,012	100.00%	279,128,012
Angleton ISD	08/31/2009	129,019,580	100.00%	129,019,580
Brazosport ISD	08/31/2009	136,392,312	100.00%	136,392,312
Columbia-Brazoria ISD	12/01/2009	39,727,385	100.00%	39,727,385
Damon ISD	04/30/2010	--	100.00%	--
Danbury ISD	04/30/2010	3,085,000 *	100.00%	3,085,000
Pearland ISD	04/30/2010	330,192,590 *	97.85%	323,093,450
Sweeny ISD	04/30/2010	<u>21,180,000 *</u>	100.00%	<u>21,180,000</u>
Total School Districts		<u>\$ 956,339,879</u>		<u>\$ 949,240,739</u>
Subtotal, overlapping debt				\$ 1,662,021,951
Total direct debt - Brazoria County			9/30/2009	<u>66,370,000</u>
Total direct and overlapping debt				<u>\$ 1,728,391,951</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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Assessed Value	\$ 11,613,573	\$ 12,103,174	\$ 12,611,927	\$ 13,498,808
Debt Limit 25%	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Debt Limit	\$ 2,903,393	\$ 3,025,794	\$ 3,152,982	\$ 3,374,702
Total bonded debt	\$ 27,200	\$ 25,955	\$ 23,930	\$ 32,320
Less: Amount available-repayment of General obligation bonds	<u>1,446</u>	<u>1,520</u>	<u>1,094</u>	<u>1,103</u>
Total net debt applicable to limit	\$ 25,754	\$ 24,435	\$ 22,836	\$ 31,217
Legal debt margin	<u>\$ 2,877,639</u>	<u>\$ 3,001,359</u>	<u>\$ 3,130,146</u>	<u>\$ 3,343,485</u>
Total net debt applicable to the limit As a percentage of debt limit	0.9%	0.8%	0.7%	0.9%

Texas Constitution Article 3 Section 52b

Under Legislative provision, any county, political subdivision of a county, number of adjoining counties, political subdivision of the State, or defined district now or hereafter to be described and defined within the State of Texas, and which may or may not include, towns, villages or municipal corporations, upon a vote of two-thirds majority of the voting qualified voters or such district or territory to be affected thereby, may issue bonds or otherwise lend its credit in any amount not to exceed one-fourth of the assessed valuation of the real property of such district or territory, except that the total bonded indebtedness of any city or town shall never exceed the limits imposed by other provisions of this Constitution, and levy and collect taxes to pay the interest thereon and provide a sinking fund for the redemption thereof.

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 14,521,217 <u>25%</u>	\$ 16,031,076 <u>25%</u>	\$ 18,008,536 <u>25%</u>	\$ 19,706,149 <u>25%</u>	\$ 20,872,439 <u>25%</u>	\$ 20,196,059 <u>25%</u>
\$ 3,630,304	\$ 4,007,794	\$ 4,502,134	\$ 4,926,537	\$ 5,218,110	\$ 5,049,015
\$ 29,200	\$ 40,375	\$ 51,570	\$ 55,635	\$ 51,395	\$ 66,370
<u>1,225</u>	<u>3,109</u>	<u>3,895</u>	<u>4,097</u>	<u>2,948</u>	<u>3,354</u>
\$ 27,975	\$ 37,266	\$ 47,675	\$ 51,538	\$ 48,447	\$ 63,016
<u>\$ 3,602,329</u>	<u>\$ 3,970,528</u>	<u>\$ 4,454,459</u>	<u>\$ 4,874,999</u>	<u>\$ 5,169,663</u>	<u>\$ 4,985,999</u>
0.8%	0.9%	1.1%	1.0%	0.9%	1.2%

BRAZORIA COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Table 12

<u>Fiscal Year</u>	<u>Population*</u>	<u>Personal Income** (thousands of dollars)</u>	<u>Per Capita Personal Income**</u>	<u>School Enrollment***</u>	<u>Unemployment Rate****</u>
2001	248,355	\$ 6,918,304	\$ 27,858	47,843	5.1
2002	255,306	7,204,298	28,219	48,628	6.3
2003	261,132	7,375,136	28,241	49,951	7.3
2004	267,879	7,750,217	28,927	51,045	6.9
2005	274,045	6,630,519	24,195	52,598	5.7
2006	283,934	6,934,804	24,424	54,578	5.0
2007	293,106	7,881,620	26,890	56,226	4.5
2008	301,228	8,278,348	27,482	58,002	5.2
2009	309,208	8,229,571	26,615	59,074	8.2
2010	313,166	8,306,728	26,525	60,251	8.3

* Information from <http://www.census.gov> and 2010.census.gov/2010 census/data
 ** Years 2001-2004 Information from <http://www.tracer2.com>
 ** Years 2005-2010 Information from The Economic Development Alliance for Brazoria County.
 *** Information from <http://www.tea.state.tx.us/>
 **** Information from <http://www.tracer2.com>

BRAZORIA COUNTY, TEXAS*PRINCIPAL EMPLOYERS*

Current Year

Table 13

<u>Employer</u>	<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
The Dow Chemical Company	4,200	1	3.1%
Alvin ISD	2,379	2	1.8%
Texas Department of Criminal Justice	2,335	3	1.8%
Pearland ISD	2,208	4	1.6%
Infinity Group	1,921	5	1.4%
Brazosport ISD	1,726	6	1.3%
Wal-Mart Associates, Inc.	1,614	7	1.2%
Brand Energy Solutions LLC	1,500	8	1.1%
Brazoria County	1,412	9	1.1%
Dish Network	987	10	0.7%
	<u>20,282</u>		<u>15.1%</u>

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

Note: Total employment is 134,326. 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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General administration	66	67	67	70	69	68	69	76	76	74
Judicial and legal	162	173	175	171	172	177	186	191	195	191
Financial administration	103	109	110	112	112	113	114	111	115	111
Elections	4	4	7	2	5	6	7	136	169	183
Public facilities	23	21	24	24	26	24	24	24	25	25
Public safety	155	160	159	162	161	170	185	195	200	208
Corrections	304	299	307	303	308	317	329	341	339	362
Public transportation	171	176	172	176	168	168	173	172	173	165
Health and welfare	68	69	71	76	78	77	81	84	102	98
Culture and recreation	142	153	152	145	148	148	152	151	157	162
Conservation	10	11	11	10	10	9	11	11	11	9
Environmental protection	3	3	3	3	3	3	4	4	4	4
Community development	0	1	2	3	3	4	4	4	5	6
Airport	9	8	9	9	10	10	8	9	9	8
Total	<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>	<u>1,580</u>	<u>1,606</u>

Source: Brazoria County Human Resource Reports – Job Function Report



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

Table 15
 Page 1 of 3

Function	Fiscal Year				
	2001	2002	2003	2004	2005
General Administration:					
County Clerk:					
Marriage License applications	1,674	1,637	2,461	1,643	1,674
Birth certificates filed	1,168	1,219	1,178	1,194	1,304
Death certificates filed	980	1,044	1,138	959	1,202
Probate cases filed	738	782	744	732	783
Beer license applications	80	76	78	87	78
Judicial and Legal:					
District Court Level:					
Beginning civil cases pending	7,103	6,004	6,019	6,331	6,288
Civil cases docket adjustment	104 (1)	1		
Civil cases filed	5,427	5,841	6,036	6,078	6,015
Civil cases disposed	<u>6,630</u>	<u>5,825</u>	<u>5,725</u>	<u>6,121</u>	<u>5,999</u>
Ending civil cases pending	<u>6,004</u>	<u>6,019</u>	<u>6,331</u>	<u>6,288</u>	<u>6,304</u>
Beginning criminal cases pending	1,966	1,952	2,052	1,837	1,820
Criminal cases docket adjustment				10 (73)
Criminal cases filed	2,194	2,379	2,470	2,498	2,840
Criminal cases disposed	<u>2,208</u>	<u>2,279</u>	<u>2,685</u>	<u>2,525</u>	<u>2,653</u>
Ending criminal cases pending	<u>1,952</u>	<u>2,052</u>	<u>1,837</u>	<u>1,820</u>	<u>1,934</u>
County Court Level:					
Beginning civil cases pending	348	391	437	842	996
Civil cases docket adjustment	(57)	503		
Civil cases filed	2,162	2,218	2,226	2,767	2,673
Civil cases disposed	<u>2,119</u>	<u>2,115</u>	<u>2,324</u>	<u>2,613</u>	<u>2,728</u>
Ending civil cases pending	<u>391</u>	<u>437</u>	<u>842</u>	<u>996</u>	<u>941</u>
Beginning criminal cases pending	3,581	3,067	2,959	3,509	4,113
Criminal cases docket adjustment			1,050	1	
Criminal cases filed	5,508	5,957	6,587	7,581	7,716
Criminal cases disposed	<u>6,022</u>	<u>6,065</u>	<u>7,087</u>	<u>6,978</u>	<u>5,881</u>
Ending criminal cases pending	<u>3,067</u>	<u>2,959</u>	<u>3,509</u>	<u>4,113</u>	<u>5,948</u>
Beginning juvenile cases pending	99	117	153	163	174
Juvenile cases docket adjustment	(1)		1	
Juvenile cases filed	519	587	569	566	621
Juvenile cases disposed	<u>501</u>	<u>550</u>	<u>559</u>	<u>556</u>	<u>624</u>
Ending juvenile cases pending	<u>117</u>	<u>153</u>	<u>163</u>	<u>174</u>	<u>171</u>

Fiscal Year				
2006	2007	2008	2009	2010
1,871	1,905	1,865	1,978	1,979
1,194	1,330	1,325	1,251	1,262
1,177	1,270	1,126	1,248	1,251
803	738	762	763	773
63	118	126	126	88
6,304	5,543	5,684	5,171	6,332
		178	(132)	(387)
6,075	5,947	6,028	6,686	6,709
<u>6,836</u>	<u>5,806</u>	<u>6,719</u>	<u>5,393</u>	<u>6,110</u>
<u>5,543</u>	<u>5,684</u>	<u>5,171</u>	<u>6,332</u>	<u>6,544</u>
1,934	2,121	1,973	2,334	2,312
	4	70		2
2,954	2,788	3,668	3,201	2,918
<u>2,767</u>	<u>2,940</u>	<u>3,377</u>	<u>3,223</u>	<u>2,784</u>
<u>2,121</u>	<u>1,973</u>	<u>2,334</u>	<u>2,312</u>	<u>2,448</u>
941	1,382	1,975	1,760	1,260
	2		29	1
3,276	3,453	2,620	1,891	1,863
<u>2,835</u>	<u>2,862</u>	<u>2,835</u>	<u>2,420</u>	<u>2,071</u>
<u>1,382</u>	<u>1,975</u>	<u>1,760</u>	<u>1,260</u>	<u>1,053</u>
5,948	6,763	6,181	5,266	5,758
			18	(4)
8,466	7,176	6,192	7,650	6,707
<u>7,651</u>	<u>7,758</u>	<u>7,107</u>	<u>7,176</u>	<u>6,454</u>
<u>6,763</u>	<u>6,181</u>	<u>5,266</u>	<u>5,758</u>	<u>6,007</u>
171	191	202	197	181
667	718	536	519	462
<u>647</u>	<u>707</u>	<u>541</u>	<u>535</u>	<u>508</u>
<u>191</u>	<u>202</u>	<u>197</u>	<u>181</u>	<u>135</u>

(continued)

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

Table 15
 Page 2 of 3

Function	Fiscal Year				
	2001	2002	2003	2004	2005
Judicial and Legal:					
Justice of the Peace Level:					
Cases Filed:					
Traffic	26,927	25,966	22,729	29,651	28,634
Non-traffic	11,724	12,519	11,175	11,055	10,474
Small claims suits	627	741	562	730	544
Forcible entry & detainer	1,205	1,699	1,492	1,925	1,978
Other civil suits	649	601	483	665	522
Cases Disposed:					
Traffic	26,167	25,570	22,647	26,037	26,859
Non-traffic	10,603	11,626	11,224	9,449	10,527
Small claims suits	515	601	445	636	450
Forcible entry and detainer	1,059	1,656	1,368	1,814	1,765
Other civil suits	462	528	366	523	379
Inquests	420	414	337	361	336
Financial Administration:					
County Auditor:					
Accounts payable check issued	16,524	17,294	17,834	17,954	18,720
Human Resources:					
Pre-employment drug screens	N/A	N/A	175	109	179
Employee random drug screen	81	54	N/A	55	68
Payroll checks	6,502	5,643	5,137	5,143	4,750
Payroll advices	25,370	26,623	27,836	28,189	29,680
Purchasing:					
Number of purchase orders issued	8,308	8,821	9,062	9,350	8,901
Tax Assessor-Collector:					
Registered voters	144,879	152,741	148,726	161,485	156,126
Voting precincts	67	78	78	75	77
Elections:					
Computerized Voting Equipment:					
Judges booths	0	0	0	0	125
Regular voting machines	0	0	0	0	499
ADA compliant voting machine	0	0	0	0	125

Fiscal Year				
2006	2007	2008	2009	2010
28,265	30,787	29,008	26,236	22,763
11,127	10,990	9,406	9,857	8,467
506	429	496	528	455
2,075	2,480	2,345	2,322	2,481
769	1,114	2,294	1,787	1,226
27,634	31,162	28,688	24,556	24,329
11,396	12,632	10,299	9,079	8,914
452	476	471	473	513
1,959	2,248	2,328	2,257	2,388
511	862	1,675	1,712	1,487
371	341	316	335	311
18,633	19,650	20,171	20,242	20,199
298	274	242	185	166
25	64	73	99	89
4,657	4,866	4,444	4,071	3,382
29,133	30,231	31,800	33,051	33,764
8,815	8,991	8,754	8,026	8,305
161,683	160,507	172,768	167,921	164,625
77	77	71	72	72
125	125	125	135	135
499	499	623	623	623
125	125	125	125	125

(continued)

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

Table 15
 Page 3 of 3

Function	Fiscal Year				
	2001	2002	2003	2004	2005
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	655	752	794	736	730
Indigent Health Care:					
Indigent patients	N/A	N/A	N/A	6,408	2,196
Water Lab:					
Water test performed	9,739	9,627	9,535	8,879	8,629
Culture and Recreation:					
Library:					
Library locations	10	11	11	11	11
Bookmobiles	0	0	0	0	0
Collection inventory	524,943	550,000	574,651	576,449	589,066
Items checked out	1,064,932	1,114,707	1,170,520	1,282,210	1,284,806
Library program attendance	39,628	43,913	37,097	42,554	41,339
Internet usage	74,508	91,583	118,307	134,836	147,645
Parks and Recreation:					
Museum	1	1	1	1	1
Environmental Protection:					
Flood Plain Administrator:					
Construction permits issued	2,879	3,152	3,326	3,751	4,307
Estimated value of construction	457,981,851	545,557,052	587,327,075	714,353,069	2,619,633,789
Community Development:					
First time homebuyers	N/A	N/A	N/A	36	39
Reconstructions (home replacement)	N/A	N/A	N/A	2	5
Rehabilitation (home repair)	N/A	N/A	N/A	2	4

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				
2006	2007	2008	2009	2010
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	30	52
16	16	16	20	21
8	8	8	7	6
710	600	1,063	409	419
1,632	1,200	1,172	406	526
8,846	8,639	8,827	8,395	8,234
11	11	11	11	12
0	0	0	0	0
589,747	590,399	593,128	608,484	612,028
1,326,618	1,364,303	1,335,901	1,305,167	1,424,178
43,771	44,642	43,468	45,046	41,586
179,147	218,607	292,449	316,054	337,804
1	1	1	1	1
3,596	3,127	2,308	1,708	1,895
838,167,441	896,501,328	623,458,910	423,848,799	405,085,040
26	18	12	23	22
3	6	3	4	3
9	1	2	2	3

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

Table 16

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Airport:										
7,000 Runway	1	1	1	1	1	1	1	1	1	1
Health and Welfare:										
Health clinic locations	7	7	7	7	7	7	7	7	7	7
Public Facilities:										
County Parks	8	8	8	8	8	9	9	9	9	9
Public Safety:										
Sheriff Vehicles	N/A	N/A	100	98	98	116	109	125	119	116
Constable Vehicles	N/A	N/A	12	12	13	15	16	25	25	28
Public Transportation:										
Roads - Paved (miles)	961.73	965.3	979.6	999.65	1002.53	1004.14	1012.47	1020.42	1042.69	1048.04
Roads - Unpaved (miles)	171.45	171.45	170.85	170.15	169.95	169.95	169.95	169.95	169.95	167.82
Bridges	120	120	120	120	124	126	126	126	127	128

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 4, 2011

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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 4, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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The Honorable County Judge,
and Members of Commissioners'
Court of Brazoria County, Texas
March 4, 2011
Page 2

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, 2010, no instances of noncompliance were found.

We noted certain matters that we reported to management of the County, in a separate letter dated March 4, 2011.

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 & Hunford, LLC

KENNEMER, MASTERS & LUNSFORD

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Independent Auditor's Report

Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

March 4, 2011

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, 2010. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state 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*, and the *Texas Single Audit Circular*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. 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, 2010.

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The Honorable County Judge,
and Members of Commissioners'
Court of Brazoria County, Texas
March 4, 2011
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 deficiency in 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 and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we 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 & Hurdford, LLC

BRAZORIA COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2010

Page 1 of 1

I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unqualified.
2. No internal control finding, that was required to be reported in this schedule, was disclosed in the audit of the financial statements.
3. Noncompliance, which is material to the financial statements: None.
4. No internal control findings, that 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:
 - 10.557 Women, infants and Children (WIC Program)
 - Cluster Program:
 - 14.218 Community Development Block Grant
 - 14.253 Community Development Block Program (ARRA)
 - 14.257 HPRP – Allocation (ARRA)
 - 14.871 Section 8 Housing Choice Voucher Program
 - 20.106 Airport Improvement Program
 - 20.205 Highway Planning and Construction Program
 - State:
 - TJPC Cluster Programs
 - Highway Planning and Construction Program
8. Dollar threshold used to distinguish between Type A and Type B programs: Federal \$ 645,221; State \$ 300,000.
9. Low risk auditee: Federal – Yes; State – Yes.

II. Findings related to the financial statements

None.

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

None.

Schedule reference number 09-1: 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. Adequate progress has been made in providing reports to account for the numerical sequence of tickets.

BRAZORIA COUNTY, TEXAS
CORRECTIVE ACTION PLAN
Year Ended September 30, 2010

None.

BRAZORIA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2010

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	TDH746000044509	\$ 105,486
Women, Infants and Children (WIC Program)	10.557	TDH746000044510	<u>1,513,379</u>
			1,618,865
Passed Through Texas Health and Human Services Commission:			
School Breakfast Program	10.553	TX-020-2009	31,073
National School Lunch Program	10.555	TX-020-2009	<u>50,803</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 1,700,741</u>
U.S. Department of Commerce:			
Passed Through General Land Office:			
Texas Coastal Management Program (CMP) Cycle 14	11.419	10-056-000-3752	<u>\$ 64,803</u>
TOTAL DEPARTMENT OF COMMERCE			<u>\$ 64,803</u>
U.S. Department of Housing and Urban Development:			
Direct Program:			
Community Development Block Grant (1)	14.218	B-06-UC-48-0005	\$ 95,976
Community Development Block Grant (1)	14.218	B-07-UC-48-0005	298,904
Community Development Block Grant (1)	14.218	B-08-UC-48-0005	729,414
Community Development Block Grant (1)	14.218	B-09-UC-48-0005	<u>764,047</u>
			1,888,341
Home Program	14.239	M-06-UC-48-0230	15,913
Home Program	14.239	M-07-UC-48-0230	34,469
Home Program	14.239	M-08-UC-48-0230	94,862
Home Program	14.239	M-09-UC-48-0230	<u>396,343</u>
			541,587
Community Development Block Grant – ARRA (1)	14.253	B-09-UY-48-0005	<u>431,241</u>
HPRP – Allocation (ARRA)	14.257	S-09-UY-48-0004	<u>576,706</u>
Section 8 Housing Choice Voucher Program	14.871	TX484VO 0006	78,421
Section 8 Housing Choice Voucher Program	14.871	TX484VO 0009	860,087
Section 8 Housing Choice Voucher Program	14.871	TX484VO 0010	<u>2,890,461</u>
			3,828,969
Passed Through Texas Department of Rural Affairs:			
Community Development Block Grant – Alternative (ARRA)	14.228	DRS010014	<u>14,697</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>\$ 7,281,541</u>

BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued**

For the Year Ended September 30, 2010

Exhibit 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 Interior:			
Passed Through Minerals Management Service:			
Coastal Impact Assistance Program	15.426	Tier 1 Project	\$ 66,630
Coastal Impact Assistance Program – Shoreline Stabilization	15.426	M09AF16096	100,000
Coastal Impact Assistance Program – Bryan Mound Wastewater	15.426	M10AF20059	100,250
Coastal Impact Assistance Program – Land Acquisition Phase 1	15.426	M10AF20107	7,900
Coastal Impact Assistance Program – Sediment Management	15.426	M10AF20070	<u>20,500</u>
			295,280
Passed Through Fish and Wildlife Service:			
Refuge Revenue Sharing Act of 1978	15.000	---	50,011
Sport Fish Restoration Program	15.605	F-201-B (E)	5,673
Rural Fire Assistance Program	15.608	1448-20181-01-J856	<u>18,245</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			<u>\$ 369,209</u>
U.S. Department of Justice:			
Direct:			
Organized Crime Drug Enforcement Task Force - State & Local OT & Authorized Expense Agreement	16.592	SW-TXE-0236	<u>\$ 4,202</u>
State Criminal Alien Assistance Program	16.606	2008-AP-BX-0018	145,749
State Criminal Alien Assistance Program	16.606	2009-AP-BX-0760	<u>43,961</u>
			<u>189,710</u>
Passed Through the Drug Enforcement Administration:			
State and Local Task Force Agreement	16.540	--	16,147
Passed Through Office of the Governor - Criminal Justice Division:			
Juvenile Incentive Block Grant	16.540	JB-09-J20-19113-02	29,428
Juvenile Incentive Block Grant	16.540	JB-10-J20-19113-03	<u>85</u>
			<u>45,660</u>
Juvenile Accountability Incentive Block Grants (JABG)	16.523	JB-08-J20-21571-01	<u>15,663</u>
Crime Victim Assistance Program	16.575	VA-09-V30-13535-10	65,356
Crime Victim Assistance Program	16.575	VA-10-V30-13535-11	4,662
Crime Victim Assistance Program	16.575	VA-09-V30-13536-10	51,602
Crime Victim Assistance Program	16.575	VA-10-V30-13536-11	<u>4,640</u>
			<u>126,260</u>
Bulletproof Vest Partnership	16.607	---	<u>4,913</u>
Drug Court Program	16.738	DJ-09-A10-20527-03	<u>18,971</u>
Edward Byrne Memorial Assistance Grant (ARRA)	16.803	SU-09-A10-22413-01	<u>324,180</u>
Edward Byrne Memorial Assistance Grant (ARRA)	16.804	2009-SB-B9-3055	<u>247,627</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>\$ 977,186</u>

BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued**

For the Year Ended September 30, 2010

Exhibit 23

Page 3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Contract/ Program Number	Expenditures Indirect Costs or Award Amount
U.S. Department of Transportation:			
Passed Through Texas Department of Transportation:			
Airport Improvement Program (Master Plan Update)	20.106	09MPANGLE	\$ 97,418
Airport Improvement Program (Runway Construction)	20.106	0912ANGLE	<u>7,938,367</u>
			<u>8,035,785</u>
Congestion Mitigation & Air Quality Improvement Program (CMAQ)	20.205	TS8707-16	98,640
Reconstructed Roadway - Temporary & Permanent	20.205	0912-31-236	<u>13,188</u>
			<u>111,828</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>\$ 8,147,613</u>
U.S. Department of Energy:			
Direct:			
Energy Efficiency and Conservation Block Grant (EECBG)	81.128	DE-EE0000917	<u>\$ 491,253</u>
TOTAL U.S. DEPARTMENT OF ENERGY			<u>\$ 491,253</u>
U.S. General Services Administration:			
Passed Through Texas Secretary of State:			
Help America Vote Act - Team Compatability Fund	93.617	---	\$ 3,107
Help America Vote Act - General HAVA Compliance	93.617	---	<u>44,288</u>
TOTAL U.S. GENERAL SERVICES ADMINISTRATION			<u>\$ 47,395</u>
U.S. Department of Health and Human Service:			
Passed Through Texas Department of State Health Services:			
Community Preparedness Section/Public Health Emergency Response	93.069	2009-2028068	<u>\$ 190,176</u>
RLSS/LPHS Community & Rural Health Program	93.268	TDH746000044510	52,216
RLSS/LPHS Community & Rural Health Program	93.268	TDH746000044511	<u>11,905</u>
			<u>64,121</u>
CPS - Cities Readiness Initiative	93.283	2009-031679	60,246
CPS - Cities Readiness Initiative	93.283	2010-035633	26,910
Bioterrorism	93.283	2009-028068	187,425
Bioterrorism	93.283	2010-035674	<u>24,475</u>
			<u>299,056</u>
Social Services Emergency Disaster Relief	93.667	2010-034941	<u>19,327</u>
Passed Through Texas Department of Family and Protective Services:			
Foster Care Title IV-E Legal Costs	93.658	23379419	14,003
Foster Care Title IV-E Legal Costs	93.658	23402021	49,654
Foster Care Title IV-E Maintenance	93.658	23379419	53,654
Passed Through Texas Juvenile Probation Commission:			
Foster Care Title IV-E	93.658	TJPC-E-10-020	<u>152,542</u>
			<u>269,853</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 842,533</u>

BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued**

For the Year Ended September 30, 2010

Exhibit 23

Page 4

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Contract/ Program Number	Expenditures Indirect Costs or Award Amount
U.S. Department of Homeland Security:			
Direct:			
Public Assistance Grant – Hurricane Ike	97.036	Various	\$ 1,172,137
Passed Through Governor’s Division of Emergency Management:			
FY 2004 Urban Areas LETPP	97.053	2007-GE-T7-0024	3,824
Passed Through Texas Department of Public Safety’s Division Of Emergency Management:			
FY 2008 UASI – LETPP	97.008	2008-GE-T8-0034	265,899
Emergency Food and Shelter National Board	97.024	20-7900-00 006 P27	144
Emergency Management Performance Grant	97.042	10TX-EMPG-0310	47,268
2005 Buffer Zone Protection	97.078	2007-BZ-T7-0023	44,383
Passed Through Governor’s Division of Emergency Management:			
Homeland Security SHSP	97.073	2008-GE-T8-0034	17,490
Regional Catastrophic Preparedness Program (RCPGP)	97.111	2008-CP-T8-0023	<u>33,950</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>\$ 1,585,095</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 21,507,369</u>
TOTAL MAJOR PROGRAMS			<u>\$ 16,491,735</u>
TYPE A PROGRAM			<u>\$ 645,221</u>

(1) Cluster Programs per HUD

BRAZORIA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended September 30, 2010

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 10	\$ 163,586
Immunization OPTS/LHS	TDH 7460000445 11	<u>13,318</u>
TOTAL TEXAS DEPARTMENT OF HEALTH		<u>\$ 176,904</u>
Texas Juvenile Probation Commission:		
Direct Programs:		
State Aid Program (1)	TJPC-A-10-020	\$ 209,077
State Aid Program (1)	TJPC-A-11-020	27,589
Community Correction Assistance Program (1)	TJPC-Y-10-020	344,042
Community Correction Assistance Program (1)	TJPC-Y-11-020	47,045
Salary Adjustment Funding JP and Detention Centers (1)	TJPC-Z-10-020	139,795
Salary Adjustment Funding JP and Detention Centers (1)	TJPC-Z-11-020	13,689
Progressive Sanctions JPO (1)	TJPC-F-10-020	129,666
Progressive Sanctions JPO (1)	TJPC-F-11-020	13,714
Progressive Sanctions IS JPO (1)	TJPC-O-10-020	22,755
Progressive Sanctions IS JPO (1)	TJPC-O-11-020	3,408
Intensive Community Based Placement - Regional (1)	TJPC-X-10-020	122,108
Intensive Community Based Placement - Regional (1)	TJPC-X-11-020	6,012
Diversionary Placement	TJPC-H-10-020	169,659
Diversionary Placement	TJPC-H-11-020	5,352
Passed Through Texas Education Agency:		
Juvenile Justice Alternative Education Program (Boot Camp) (1)	TJPC-P-10-020	170,245
Juvenile Justice Alternative Education Program (Boot Camp) (1)	TJPC-P-11-020	<u>30,853</u>
TOTAL TEXAS JUVENILE PROBATION COMMISSION		<u>\$ 1,455,009</u>
Texas Commission on Environmental Quality:		
Direct:		
FY 10 Solid Waste Implementation Program	10-16-G03	\$ 33,393
FY 10 Solid Waste Implementation Program	10-16-G21	41,885
Aircheck Texas Repair and Replacement Assistance Program	582-9-90416-3	<u>978,113</u>
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		<u>\$ 1,053,391</u>

BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF STATE AWARDS - Continued**
For the Year Ended September 30, 2010

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	23619621	\$ <u>1,759</u>
TOTAL TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES		\$ <u><u>1,759</u></u>
Texas Department of Transportation:		
Direct Program:		
Reconstruction CR 257 – Permanent	0912-31-236	\$ 765,665
Routine Airport Maintenance	M012ANGLE	<u>50,000</u>
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION		\$ <u><u>815,665</u></u>
Commission on State of Texas Emergency Communications:		
Passed Through Houston-Galveston Area Council:		
911 Addressing Maintenance Contract	911410	\$ 61,811
911 PSAP Room Preparation	---	<u>58,951</u>
TOTAL COMMISSION ON STATE OF TEXAS EMERGENCY COMMUNICATIONS		\$ <u><u>120,762</u></u>
Office of Attorney General:		
Direct Program:		
Victim Coordinator Liaison Grant (VCLG)	10-13994	\$ 34,138
Victim Coordinator Liaison Grant (VCLG)	11-00000	3,103
Texas Victim Information and Notification Everyday (VINE)	10-11733	27,599
Texas Victim Information and Notification Everyday (VINE)	11-20476	<u>2,559</u>
TOTAL OFFICE OF ATTORNEY GENERAL		\$ <u><u>67,399</u></u>
Texas Task Force on Indigent Defense:		
Direct Program:		
Indigent Defense Services	212-10-020	\$ <u>558,014</u>
TOTAL TEXAS TASK FORCE ON INDIGENT DEFENSE		\$ <u><u>558,014</u></u>
General Land Office:		
Direct Program:		
Beach Cleanup and Maintenance Assistance	GLO 10-320-001-3933	\$ <u>43,624</u>
TOTAL GENERAL LAND OFFICE		\$ <u><u>43,624</u></u>

BRAZORIA COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF STATE AWARDS - Continued
For the Year Ended September 30, 2010

Exhibit 24
Page 3

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Texas State Library and Archives Commission:		
Direct Program:		
Loan Star Libraries Grant	442-10105	\$ <u>74,962</u>
 TOTAL TEXAS STATE LIBRARY AND ARCHIVES COMMISSION		 \$ <u><u>74,962</u></u>
 Office of the Governor:		
Passed Through Criminal Justice Division:		
Drug Court Program	SF-010-A10-20527-02	\$ 268,004
State Criminal Justice Planning Fund (Drug Court Program)	SF-010-A10-21377-01	<u>119,855</u>
 TOTAL OFFICE OF THE GOVERNOR		 \$ <u><u>387,859</u></u>
 TOTAL STATE ASSISTANCE		 \$ <u><u>4,755,348</u></u>
 TOTAL MAJOR PROGRAMS		 \$ <u><u>2,045,663</u></u>
 TYPE A PROGRAM		 \$ <u><u>300,000</u></u>

(1) Cluster Programs per TJPC

BRAZORIA COUNTY, TEXAS

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AND STATE AWARDS

Year Ended September 30, 2010

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, 2010

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 \$ 102,259 in reimbursements for indirect costs during the year ended September 30, 2010, \$ 94,061 for the Women, Infants and Children (WIC Program) CFDA #10.557, and \$ 8,198 for the Coastal Impact Assistance Program CFDA #15.426.