

BRAZORIA COUNTY, TEXAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2017

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, 2017

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INTRODUCTORY SECTION



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BRAZORIA COUNTY AUDITOR
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TELEPHONE:
Courthouse (979) 864-1275
Brazosport (979) 388-1275
Houston (281) 756-1275

March 29, 2018

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

Greetings:

The Comprehensive Annual Financial Report of Brazoria County, Texas, for the fiscal year ended September 30, 2017, is submitted herewith in accordance with Chapter 114.025 of the Local Government Code. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

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

Kennemer, Masters & Lunsford, LLC, Certified Public Accountants, have issued an unmodified (clean) opinion on Brazoria County's financial statements for the year ended September 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

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

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

PROFILE OF BRAZORIA COUNTY

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

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

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

Long-term Financial Planning

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

Relevant Financial Policies

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

Major Initiatives

The long-term financial plans of the County include multiple capital projects. In 2017, the County purchased land for the construction of a new multi-purpose office complex in Lake Jackson. New voter equipment was purchased for 4.35 million during the year. A new phone system is in progress for the Courthouse, as well as a new security system. Both the South and West Service Centers are getting building upgrades at 2 million. Parks saw improvements of 1.4 million at Quintana.

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Brazoria County for its comprehensive annual financial report for the fiscal year ended September 30, 2016. 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 24 consecutive fiscal years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

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

Respectfully submitted,

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

Connie Garner
County Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

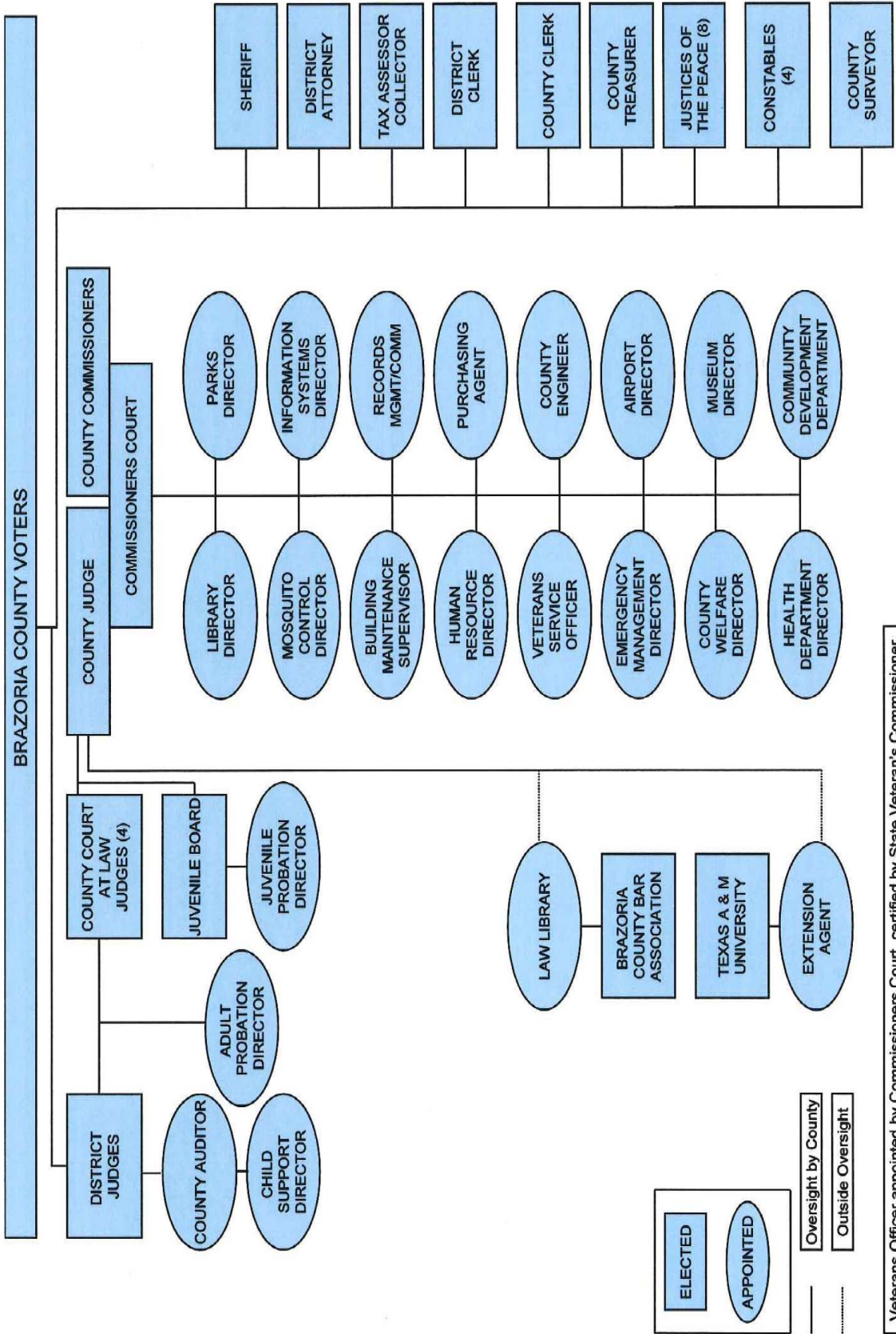
Brazoria County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO



ELECTED
APPOINTED

— Oversight by County
 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 Matthew Sebesta, Jr., County Judge

Donald Payne, Commissioner, Precinct 1

Ryan Cade, Commissioner, Precinct 2

Stacy Adams, Commissioner, Precinct 3

David Linder, Commissioner, Precinct 4

OTHER PRINCIPAL OFFICIALS

Ro'Vin Garrett, Tax Assessor-Collector

Connie Garner, County Auditor

Cathy Campbell, County Treasurer

Joyce Hudman, County Clerk

Rhonda Barchak, District Clerk

Jeri Yenne, District Attorney

Raethella Jones, District Attorney - Chief Civil Division

Charles Wagner, Sheriff



FINANCIAL SECTION



Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS
Limited Liability Company

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Brazoria County, Texas (the "County") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Brazoria County, Texas, as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension related schedules on pages 5-19, 100-101, and 102-104, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Kennemer, Masters & Hungford, LLC

Lake Jackson, Texas
March 29, 2018



BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2017*

As management of Brazoria County, Texas (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - iv of this report.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year for governmental and business-type activities by \$ 340,590,859 and \$ 19,526,245 (net position), respectively. Of this amount, \$ 62,175,256 and \$(583,380) (unrestricted net position), respectively, may be used to meet the government's ongoing obligations to citizens and creditors within the County's fund designations.
- The County's total net position increased for governmental activities by \$ 19,008,451 and decreased for business-type activities by \$ 1,092,383.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 144,865,101 and its enterprise fund reported ending net position of \$ 19,575,895. 64.37% and (2.73%) of these total amounts, \$ 93,253,155 (unassigned fund balance) and \$(533,730) (unrestricted net position), respectively, were available for use within the County's fund designations.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 93,351,198 or 70.95% of the total general fund expenditures.

Overview of the Financial Statements

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

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

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

BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2017*

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

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

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

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

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

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

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

BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2017

The County maintains ninety-eight (98) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and the Road and Bridge (special revenue fund); both of which are considered to be major funds. Data from the other ninety-six (96) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 26 through 29 of this report.

- **Proprietary Funds.** The County maintains two categories of *proprietary funds*. The *enterprise fund* is used to report the same functions presented as *business-type activities* in government-wide financial statements. The County uses an *enterprise fund* to account for its airport operations. The second type of proprietary fund is the *internal service fund*. Internal service funds are an accounting device used to accumulate and allocate costs of its self-funded health, liability insurance, and health clinic internally among various funds and functions. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary funds financial statements can be found on pages 30 through 35 of this report.
- **Fiduciary Funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's operations. The County is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position that can be found on pages 36 and 37.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40 through 98 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 100 through 104 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 118 through 205 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 360,117,104 as of September 30, 2017.

BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2017*

The largest portion of the County's net position, \$ 251,545,464 (69.85%) reflects its investments in capital assets (e.g., land; land improvements; buildings and improvements; furniture, equipment and vehicles; runways, taxiways and aprons; infrastructure; and construction in progress), less any debt used to acquire those assets that is still outstanding. The County uses capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

BRAZORIA COUNTY'S NET POSITION

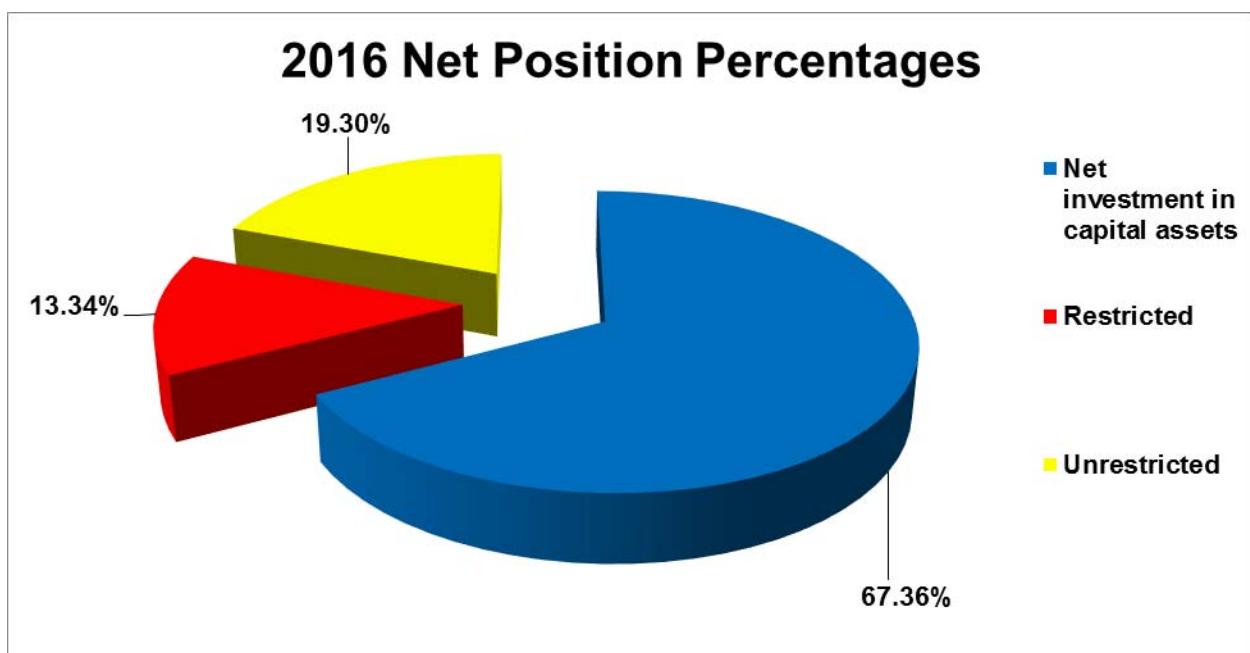
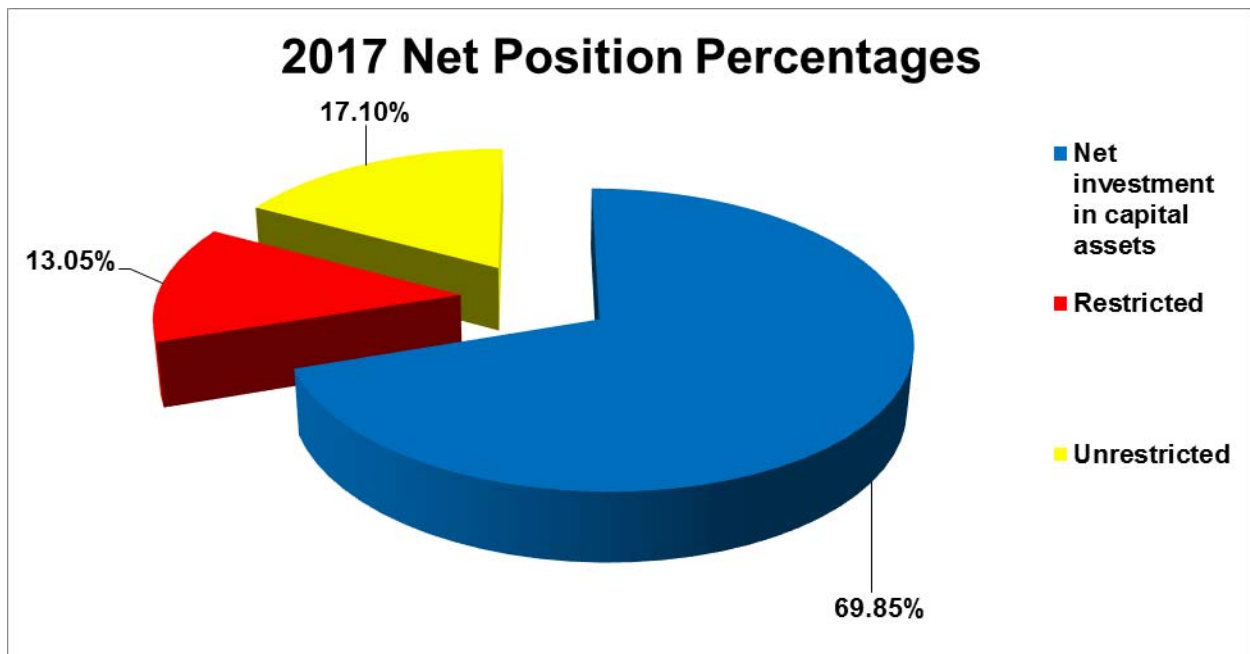
	Governmental Activities		Business-type Activities		Totals	
	September 30,		September 30		September 30,	
	2017	2016	2017	2016	2017	2016
ASSETS						
Current and other assets	\$ 188,872,661	\$ 182,692,912	\$ 91,535	\$ 791,684	\$ 188,964,196	\$ 183,484,596
Capital assets	<u>306,622,999</u>	<u>284,315,150</u>	<u>20,086,292</u>	<u>20,323,878</u>	<u>326,709,291</u>	<u>304,639,028</u>
Total assets	<u>495,495,660</u>	<u>467,008,062</u>	<u>20,177,827</u>	<u>21,115,562</u>	<u>515,673,487</u>	<u>488,123,624</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources - net	<u>29,099,899</u>	<u>34,084,884</u>	<u>240,741</u>	<u>283,882</u>	<u>29,340,640</u>	<u>34,368,766</u>
Total deferred outflows of resources	<u>29,099,899</u>	<u>34,084,884</u>	<u>240,741</u>	<u>283,882</u>	<u>29,340,640</u>	<u>34,368,766</u>
LIABILITIES						
Current and other liabilities	23,196,997	20,889,012	161,528	127,266	23,358,525	21,016,278
Long-term liabilities	<u>159,567,069</u>	<u>158,621,526</u>	<u>720,285</u>	<u>653,550</u>	<u>160,287,354</u>	<u>159,275,076</u>
Total liabilities	<u>182,764,066</u>	<u>179,510,538</u>	<u>881,813</u>	<u>780,816</u>	<u>183,645,879</u>	<u>180,291,354</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources	<u>1,240,634</u>		<u>10,510</u>		<u>1,251,144</u>	<u>-0-</u>
Total deferred inflows of resources	<u>1,240,634</u>	<u>-0-</u>	<u>10,510</u>	<u>-0-</u>	<u>1,251,144</u>	<u>-0-</u>
NET POSITION						
Net investment in capital assets	231,459,172	210,188,517	20,086,292	20,323,878	251,545,464	230,512,395
Restricted	46,956,431	45,660,849	23,333		46,979,764	45,660,849
Unrestricted	<u>62,175,256</u>	<u>65,733,042</u>	<u>(583,380)</u>	<u>294,750</u>	<u>61,591,876</u>	<u>66,027,792</u>
Total net position	<u>\$ 340,590,859</u>	<u>\$ 321,582,408</u>	<u>\$ 19,526,245</u>	<u>\$ 20,618,628</u>	<u>\$ 360,117,104</u>	<u>\$ 342,201,036</u>

BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2017

An additional portion of the County's net position of \$ 46,979,764 (13.05%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$ 61,591,876 (17.10%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2017, the County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate categories—governmental and business-type activities, with the exception of the unrestricted net position in the business-type activities of \$(583,380), caused primarily by losses on operations.



BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2017*

Analysis of the County's Operations. Overall the County had an increase in net position of \$ 17,916,068. Governmental activities reported an increase in net position in the amount of \$ 19,008,451, while the business-type activities decreased the County's net position in the amount of \$ 1,092,383. The reasons for the increase of net position in the governmental activities is primarily related to capital assets balances. Net capital asset balances increased by \$ 22,070,263, substantially due to the receipt of federal grant funds such as the U.S. Department of Transportation - Highway Planning and Construction Program of \$ 3,286,264 for roads and the acceptance of roads to the County road system of \$ 9,041,500. The reason for the decrease of net position in the business-type activities is primarily related to depreciation expense for the current year.

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

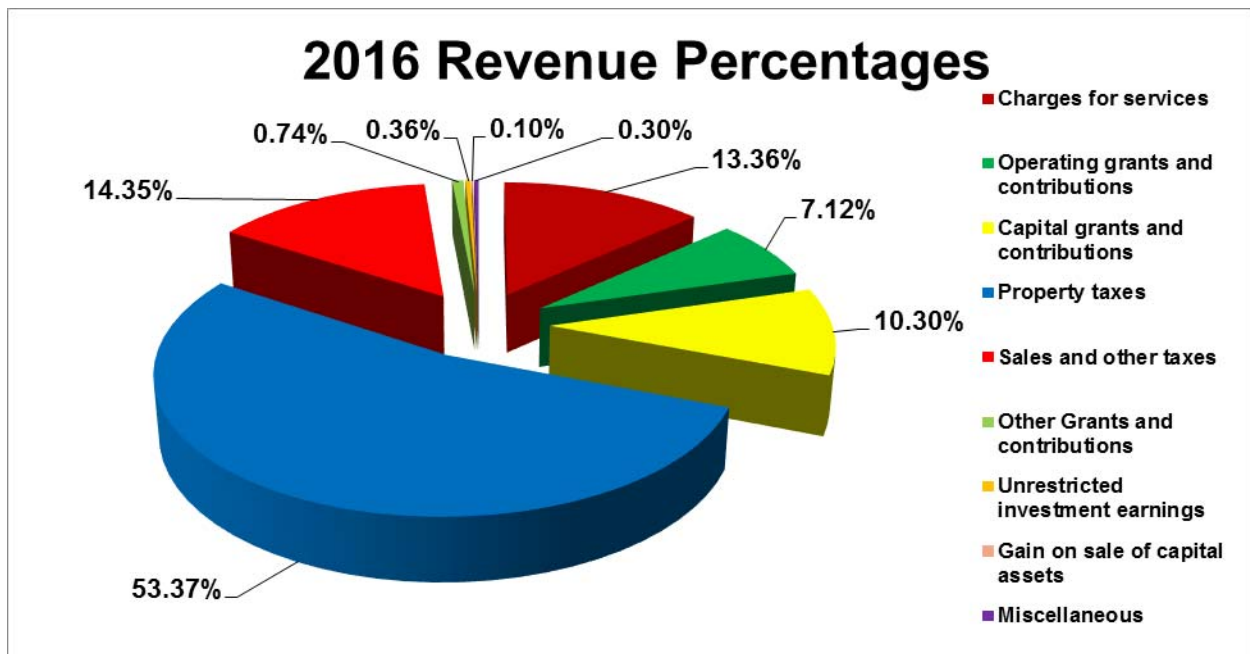
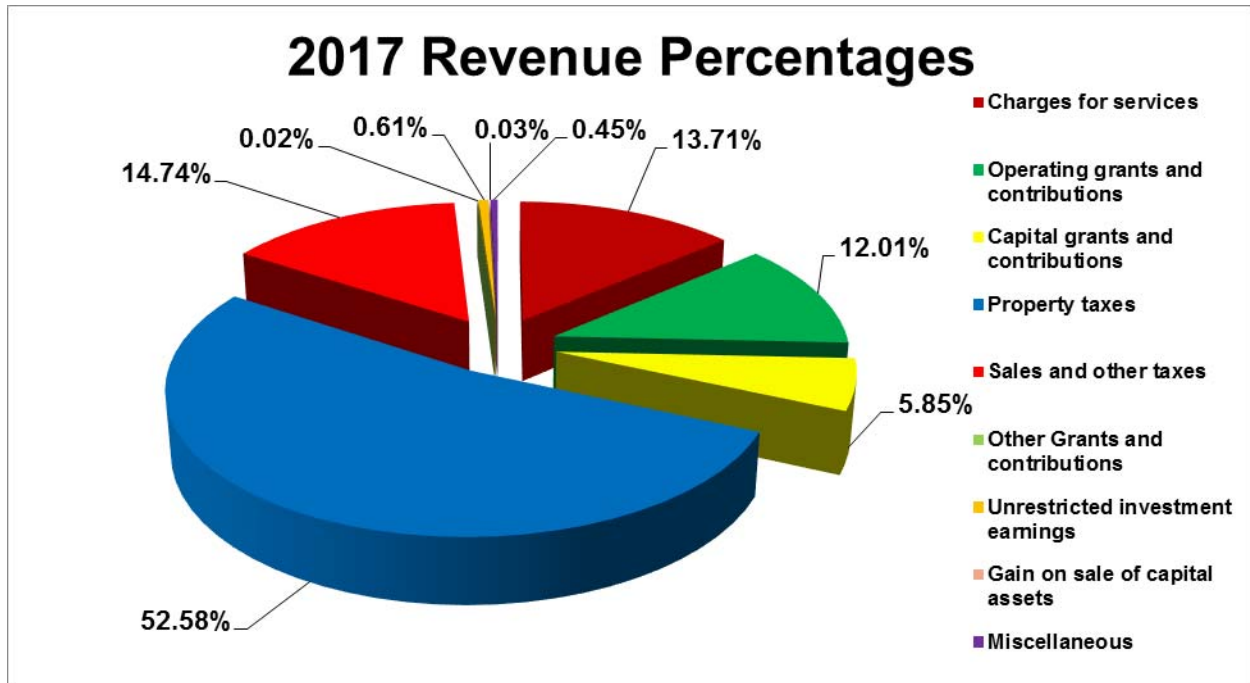
BRAZORIA COUNTY'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	September 30,		September 30,		September 30,	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for services	\$ 28,487,150	\$ 26,907,644	\$ 2,465,723	\$ 2,214,867	\$ 30,952,873	\$ 29,122,511
Operating grants and contributions	27,063,149	15,483,005	49,999	50,000	27,113,148	15,533,005
Capital grants and contributions	12,904,515	22,400,581	310,613	65,169	13,215,128	22,465,750
General Revenues:						
Property taxes	118,684,474	116,355,826			118,684,474	116,355,826
Sales and other taxes	33,270,942	31,299,375			33,270,942	31,299,375
Grants and contributions not restricted to specific programs	47,527	1,607,901			47,527	1,607,901
Unrestricted investment earnings	1,373,196	775,821			1,373,196	775,821
Gain on disposition of capital assets	59,747	217,277			59,747	217,277
Miscellaneous	1,010,116	656,809			1,010,116	656,809
Total revenues	<u>222,900,816</u>	<u>215,704,239</u>	<u>2,826,335</u>	<u>2,330,036</u>	<u>225,727,151</u>	<u>218,034,275</u>

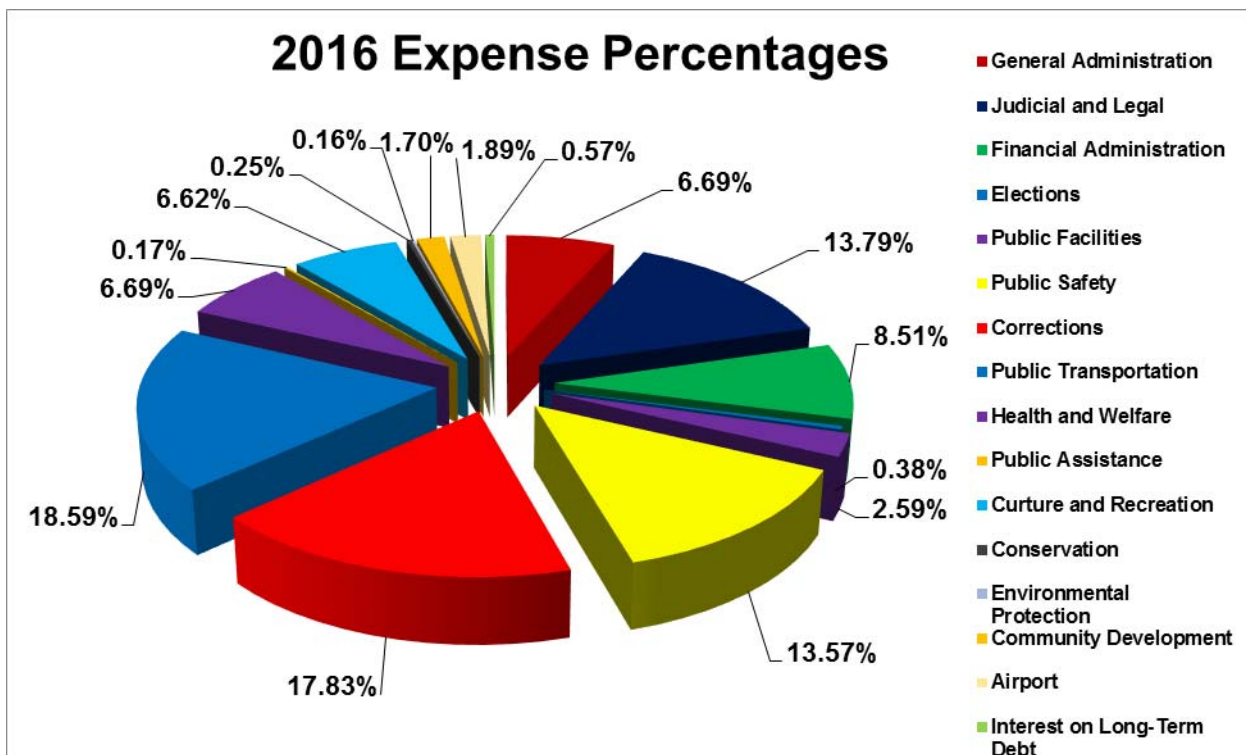
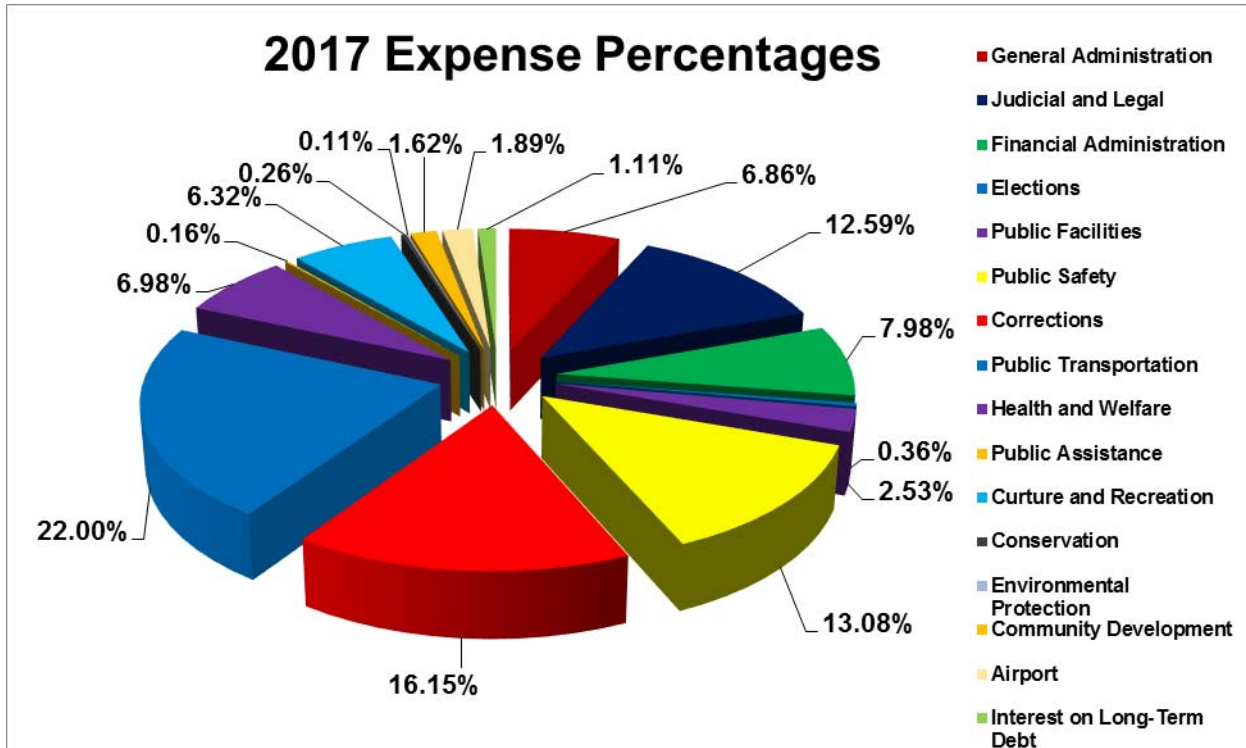
(continued)

BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2017

	Governmental Activities		Business-type Activities		Totals	
	September 30,		September 30,		September 30,	
	2017	2016	2017	2016	2017	2016
Expenses:						
General administration	\$ 14,256,255	\$ 13,333,069	\$	\$	\$ 14,256,255	\$ 13,333,069
Judicial and legal	26,160,276	27,480,125			26,160,276	27,480,125
Financial administration	16,585,661	16,962,227			16,585,661	16,962,227
Elections	754,753	755,090			754,753	755,090
Public facilities	5,259,745	5,161,249			5,259,745	5,161,249
Public safety	27,179,614	27,044,603			27,179,614	27,044,603
Corrections	33,551,741	35,532,021			33,551,741	35,532,021
Public transportation	45,740,054	37,065,270			45,740,054	37,065,270
Health and welfare	14,497,556	13,335,024			14,497,556	13,335,024
Public assistance	332,676	346,000			332,676	346,000
Culture and recreation	13,131,875	13,188,901			13,131,875	13,188,901
Conservation	535,470	508,036			535,470	508,036
Environmental protection	237,091	321,618			237,091	321,618
Community development	3,372,148	3,388,193			3,372,148	3,388,193
Airport			3,918,718	3,772,731	3,918,718	3,772,731
Interest on long-term debt	<u>2,297,450</u>	<u>1,143,440</u>			<u>2,297,450</u>	<u>1,143,440</u>
Total expenses	<u>203,892,365</u>	<u>195,564,866</u>	<u>3,918,718</u>	<u>3,772,731</u>	<u>207,811,083</u>	<u>199,337,597</u>
Increase (decrease) in net position before transfers	19,008,451	20,139,373	(1,092,383)	(1,442,695)	17,916,068	18,696,678
Transfers		(258,536)		258,536	-0-	-0-
Increase (decrease) in net position	19,008,451	19,880,837	(1,092,383)	(1,184,159)	17,916,068	18,696,678
Net position – October 1,	<u>321,582,408</u>	<u>301,701,571</u>	<u>20,618,628</u>	<u>21,802,787</u>	<u>342,201,036</u>	<u>323,504,358</u>
Net position – Sept. 30,	<u>\$ 340,590,859</u>	<u>\$ 321,582,408</u>	<u>\$ 19,526,245</u>	<u>\$ 20,618,628</u>	<u>\$ 360,117,104</u>	<u>\$ 342,201,036</u>



BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2017



BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2017*

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 144,865,101. The unassigned fund balance of \$ 93,253,155 constitutes 64.37% of ending fund balance. The remainder of the fund balance is categorized as 1) non-spendable \$ 2,243,068, 2) restricted \$ 47,706,785, and 3) committed \$ 1,662,093.

Fund balance of the General Fund increased by \$ 5,083,319; the Road and Bridge (special revenue fund) decreased by \$ 1,423,778; and, other (non-major) governmental funds decreased by \$ 1,982,833. The General Fund revenue increased by \$ 12.9 million. Taxes increased by \$ 3.7 million due to an increase in the property tax values and sales tax collections. Intergovernmental revenue in the General Fund increased by \$ 10 million for a concession fee from the Texas Department of Transportation which was subsequently passed through the County to the Brazoria County Toll Road Authority. Expenditures in General Fund increased by \$ 22.8 million, primarily due to increased salaries, benefit costs and capital outlay expenditures. The Road & Bridge (special revenue fund) expenditures increased mostly due to the timing of planned road 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 funds are used to account for airport operations. Net position at September 30, 2017 amounted to \$ 19,575,895. Total net position decreased \$ 1,087,692 (approximately 5.26%), and the decrease was primarily due to the depreciation expense.

General Fund Budgetary Highlights. Over the course of the year, the County recommended and the Commissioners approved several revisions to budgeted revenue and appropriations. Differences between the original budget and the final amended budget were a \$ 14.1 million increase in estimated revenues, and a \$ 19.9 million increase in appropriations and were primarily for the following:

- The \$ 2 million sales tax revenue increase and the offsetting expenditures of \$ 1.5 million for a Brazoria County Toll Road Authority contribution and \$ 500,000 in indigent health care costs.
- The re-appropriation of funds for prior year-end encumbrances.
- The \$ 4.7 million approval for election voting equipment.
- The \$ 1.3 million sheriff payroll expenditure increased related to Hurricane Harvey.
- The \$ 10 million intergovernmental revenue passed through to the component unit for public transportation.

BRAZORIA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2017

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

- Sales Tax revenue exceeded budget by 11% (\$ 3.3 million) due to higher than expected collections.
- Charges for services exceeded budget due to increased motor vehicle and boat tax commissions and fees of office.
- Investment earnings increased due to an increase in investable cash.
- Expenditures in corrections were less than budgeted due to less than anticipated juvenile boarding care expenditures.
- Expenditures in financial administration were less than budgeted due to a decision to delay some financial software upgrades.

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2017, amounts to \$ 326,709,291 (net of accumulated depreciation). This investment in capital assets includes land; land improvements; buildings and improvements; furniture, equipment and vehicles; runways, taxiways and aprons; infrastructure; and construction in progress.

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

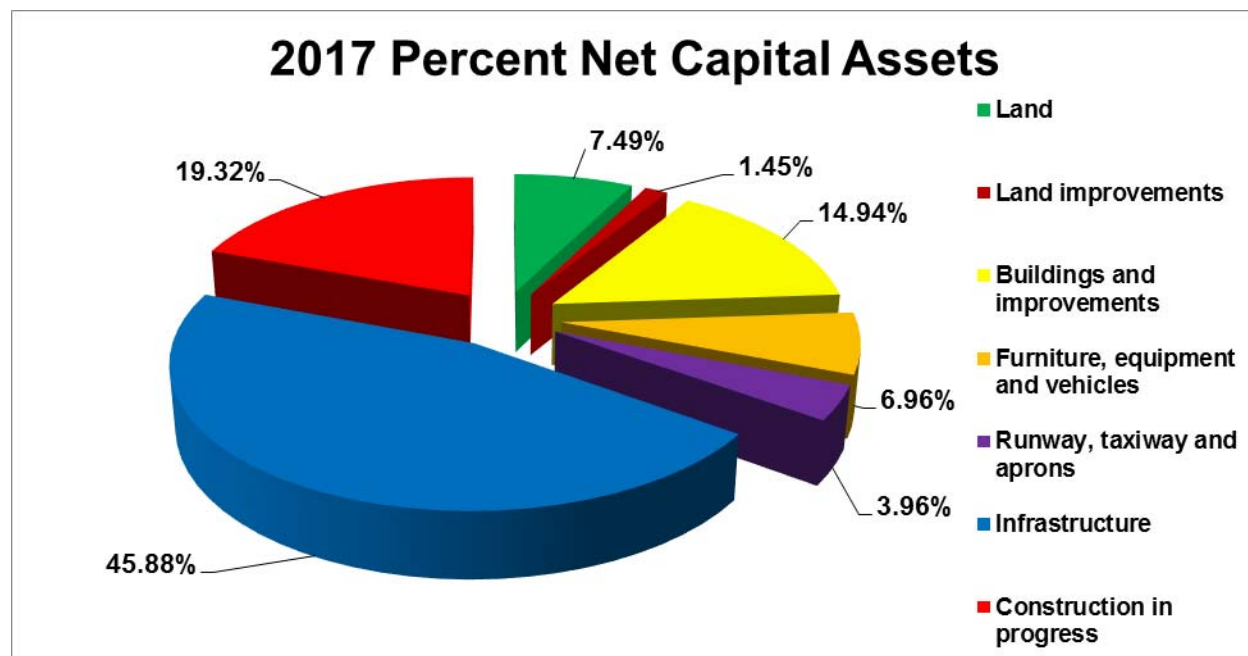
- Purchase of land and right of ways for \$ 315,404 and \$ 171,598, respectively.
- Park projects: Signage - \$ 275,432 and Quintana Beach education center, boardwalk and improvements - \$ 1,405,163.
- Acceptance of roads to the County's road system - \$ 9,041,500.
- Completion of roads and bridges, \$ 9,850,142 and \$ 811,604, respectively.
- Vehicles and equipment were acquired, primarily as replacements to vehicles and road and bridge equipment, for \$ 5,116,101.
- Completion of new building projects including: Detention Center - \$ 271,476; and South Service Center - \$ 83,265.
- Road and bridge projects were initiated or continued at costs of \$ 50,834,348 and \$ 234,232, respectively.
- A variety of other construction in progress projects including: Airport drainage improvements - \$ 158,906; Detention Center building - \$ 231,111; Elections voting equipment - \$ 4,350,087; Museum renovation - \$ 790,893; Odyssey courts and justice software - \$ 146,586; PBX telephone system - \$ 541,508; Restore Act grants – Quintana fishing pier - \$ 113,962 and San Bernard River jetties - \$ 729,463; Security improvements – Courthouse and Sheriff's office - \$ 458,740; South and West Service Center improvements - \$ 2,041,404; State Highway 288 truck weigh station - \$ 211,127; and West Service Center fueling stations - \$ 783,229.

BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2017

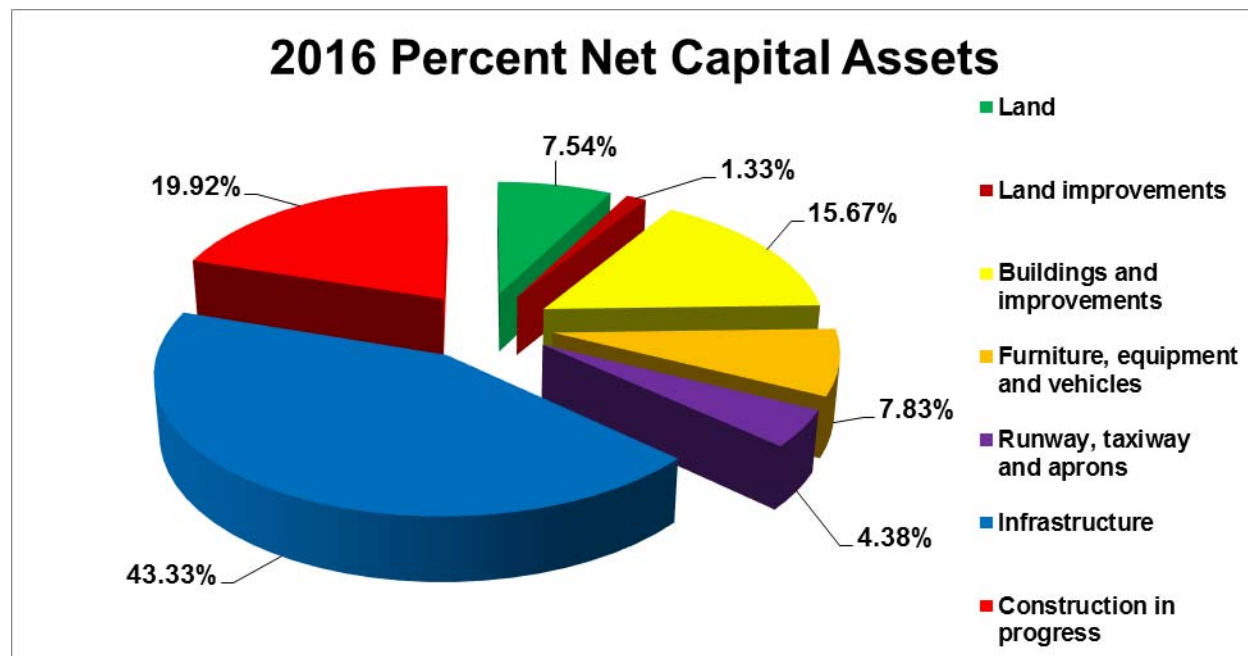
BRAZORIA COUNTY'S CAPITAL ASSETS
Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Totals	
	September 30,		September 30,		September 30,	
	2017	2016	2017	2016	2017	2016
Land	\$ 22,908,590	\$ 22,421,587	\$ 1,558,687	\$ 1,558,687	\$ 24,467,277	\$ 23,980,274
Land improvements	4,743,366	4,232,239			4,743,366	4,232,239
Buildings & improvements	44,847,533	45,722,577	3,966,999	4,117,529	48,814,532	49,840,106
Furniture, equipment and vehicles	22,485,052	24,574,433	268,874	326,831	22,753,926	24,901,264
Runway, taxiway and aprons			12,934,201	13,925,535	12,934,201	13,925,535
Infrastructure	149,873,614	137,845,061			149,873,614	137,845,061
Construction in progress	61,764,844	49,519,253	1,357,531	395,296	63,122,375	49,914,549
Total	\$ 306,622,999	\$ 284,315,150	\$ 20,086,292	\$ 20,323,878	\$ 326,709,291	\$ 304,639,028

Additional information on the County's capital assets can be found in Note 6 on pages 71 through 76 of this report.



BRAZORIA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2017



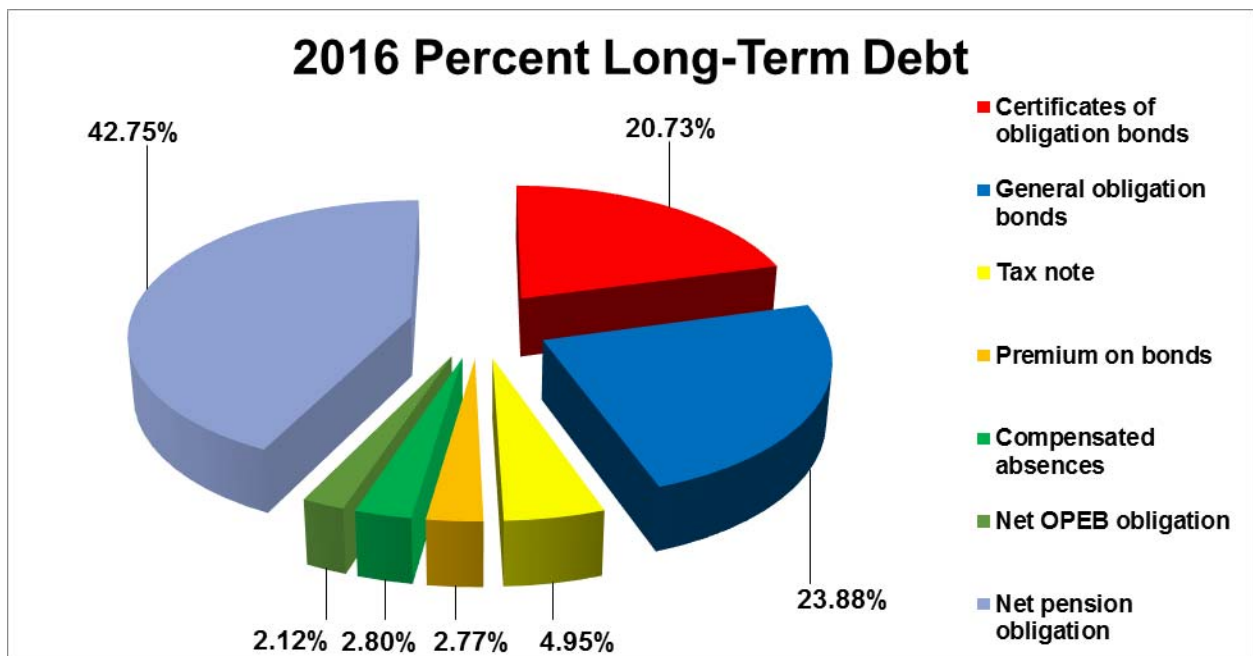
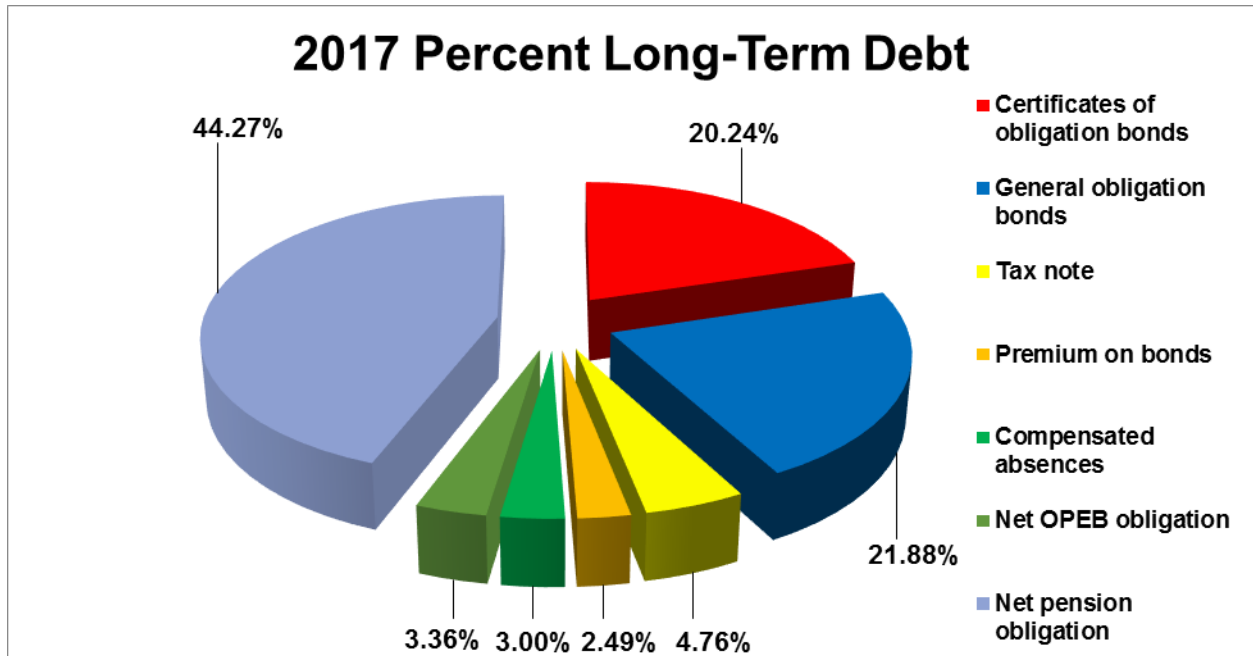
DEBT ADMINISTRATION

At the end of the current fiscal year, the County had a total bonded debt of \$ 75,150,000 which, comprises bonded debt backed by the full faith and credit of the County. These bonds and tax note will be retired with revenues from property and sales taxes, and fees for services.

BRAZORIA COUNTY'S LONG-TERM DEBT

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Certificates of obligation bonds	\$ 32,440,000	\$ 33,010,000	\$	\$	\$ 32,440,000	\$ 33,010,000
General obligation bonds	35,075,000	38,035,000			35,075,000	38,035,000
Tax note	7,635,000	7,885,000			7,635,000	7,885,000
Premium on bonds	3,994,390	4,411,736			3,994,390	4,411,736
Compensated absences	4,748,111	4,411,894	62,887	51,488	4,810,998	4,463,382
Net OPEB obligation	5,327,044	3,342,130	59,980	28,548	5,387,024	3,370,678
Net pension liability	<u>70,347,524</u>	<u>67,525,766</u>	<u>597,418</u>	<u>573,514</u>	<u>70,944,942</u>	<u>68,099,280</u>
Total	<u>\$ 159,567,069</u>	<u>\$ 158,621,526</u>	<u>\$ 720,285</u>	<u>\$ 653,550</u>	<u>\$ 160,287,354</u>	<u>\$ 159,275,076</u>

During the fiscal year, the County's total debt increased \$ 1,012,278 or 0.64%. The increase was due primarily to the increase in the net pension liability after the most recent actuarial valuations.



BRAZORIA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2017*

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

Additional information on the County's long-term debt can be found in Note 8 on pages 77 through 82 of this report.

Economic Factors and Next Year's Budgets and Rates

The County continues to enjoy growth during these current economic times. The population of the County is estimated at 357,982 in 2017 and is expected to grow to 385,436 by 2022.

The number of households has increased to 121,881 in 2017 and is expected to grow to 134,770 by 2022. Estimated average (mean) household income from 2017 is \$ 96,449 and is expected to grow to \$ 113,592 by 2022. Income per capita is currently at \$ 33,201 and is expected to grow to \$ 39,850.

All of these factors were considered in preparing Brazoria County's budget for the 2018 fiscal year. At the end of the current fiscal year, fund balances in the governmental funds increased to \$ 144,865,101. Brazoria County has appropriated \$ 24.8 million of this amount for spending in the 2018 fiscal year budget. It is expected that conservative revenue budgets will serve to make the actual decrease in fund balance far less than budgeted. The overall tax rate decreased from 0.457405 per \$ 100 of assessed valuation for 2017 to 0.440234 per \$ 100 valuation for 2018.

Request for Information

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



BASIC FINANCIAL STATEMENTS

BRAZORIA COUNTY, TEXAS
STATEMENT OF NET POSITION
September 30, 2017

Exhibit 1
Page 1 of 2

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and temporary investments	\$ 116,278,764	\$ 23,433	\$ 116,302,197	\$ 107,817,661
Receivables (Net of Allowance for Uncollectibles):				
Taxes	1,325,262		1,325,262	
Accounts	20,496,400	187,588	20,683,988	
Special assessments	997,019		997,019	
Due from other governments	8,230,848	5,286	8,236,134	187,982
Accrued interest	68,434		68,434	
Interfund balances	215,647	(215,647)	-0-	
Inventories	1,063,112	87,014	1,150,126	
Prepaid items	1,170,956	3,861	1,174,817	1,325
Investments	19,931,460		19,931,460	
Due from component units	19,085,759		19,085,759	
Long-term receivables	9,000		9,000	
Capital Assets:				
Land	22,908,590	1,558,687	24,467,277	66,715
Land improvements	4,743,366		4,743,366	
Buildings and improvements (net)	44,847,533	3,966,999	48,814,532	
Furniture, equipment and vehicles (net)	22,485,052	268,874	22,753,926	
Runways, taxiways and aprons (net)		12,934,201	12,934,201	
Infrastructure (net)	149,873,614		149,873,614	
Construction in progress	61,764,844	1,357,531	63,122,375	15,753,359
Total assets	<u>495,495,660</u>	<u>20,177,827</u>	<u>515,673,487</u>	<u>123,827,042</u>
DEFERRED OUTFLOWS OF RESOURCES				
Bond refunding cost (net of accumulated amortization)	1,031,683		1,031,683	
Pension:				
Difference between expected and actual earnings	17,085,849	147,032	17,232,881	
Difference between expected and actual experience	2,115,477	18,177	2,133,654	
Changes in assumptions	2,059,719	17,867	2,077,586	
Subsequent contributions	6,807,171	57,665	6,864,836	
Total deferred outflows of resources	<u>29,099,899</u>	<u>240,741</u>	<u>29,340,640</u>	<u>-0-</u>

BRAZORIA COUNTY, TEXAS
STATEMENT OF NET POSITION
September 30, 2017

Exhibit 1
Page 2 of 2

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Accounts and accrued liabilities payable	\$ 18,919,162	\$ 139,978	\$ 19,059,140	\$ 698,903
Estimated health claims payable	1,745,800		1,745,800	
Due to others	358,359		358,359	
Accrued interest payable	259,277		259,277	164,013
Unearned revenue	1,914,399	21,550	1,935,949	
Due to primary government				19,085,759
Noncurrent Liabilities:				
Due within one year	11,774,791	62,887	11,837,678	220,594
Due in more than one year	77,444,754	59,980	77,504,734	87,927,084
Net pension liability	<u>70,347,524</u>	<u>597,418</u>	<u>70,944,942</u>	
Total liabilities	<u>182,764,066</u>	<u>881,813</u>	<u>183,645,879</u>	<u>108,096,353</u>
DEFERRED INFLOWS OF RESOURCES				
Pension:				
Economic/demographic gains or losses	<u>1,240,634</u>	<u>10,510</u>	<u>1,251,144</u>	
Total deferred inflows of resources	<u>1,240,634</u>	<u>10,510</u>	<u>1,251,144</u>	<u>-0-</u>
NET POSITION				
Net investment in capital assets	231,459,172	20,086,292	251,545,464	1,742,929
Restricted:				
Capital projects		23,333	23,333	13,826,974
Debt service	9,717,391		9,717,391	164,013
Public transportation projects	25,909,740		25,909,740	
Records management	3,680,850		3,680,850	
Health services	4,176,204		4,176,204	
Other	3,472,246		3,472,246	
Unrestricted	<u>62,175,256</u>	<u>(583,380)</u>	<u>61,591,876</u>	<u>(3,227)</u>
Total net position	<u>\$ 340,590,859</u>	<u>\$ 19,526,245</u>	<u>\$ 360,117,104</u>	<u>\$ 15,730,689</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, 2017

<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	\$ 14,256,255	\$ 3,344,021	\$ 1,422,982	\$ 6,709
Judicial and legal	26,160,276	12,217,919	1,761,874	44,172
Financial administration	16,585,661	3,807,513	30,687	
Elections	754,753	204,982		
Public facilities	5,259,745	241,048	252	
Public safety	27,179,614	1,676,667	109,032	
Corrections	33,551,741	1,825,059	270,479	85,176
Public transportation	45,740,054	4,284,827	13,310,935	12,102,384
Health and welfare	14,497,556	465,259	5,911,037	
Public assistance	332,676			
Culture and recreation	13,131,875	385,641	655,574	537,026
Conservation	535,470	16,799		
Environmental protection	237,091	8,315		
Community development	3,372,148	9,100	3,352,989	129,048
Interest on long-term debt	<u>2,297,450</u>		<u>237,308</u>	
Total governmental activities	203,892,365	28,487,150	27,063,149	12,904,515
Business-type Activities:				
Airport	<u>3,918,718</u>	<u>2,465,723</u>	<u>49,999</u>	<u>310,613</u>
Total primary government	<u>\$ 207,811,083</u>	<u>\$ 30,952,873</u>	<u>\$ 27,113,148</u>	<u>\$ 13,215,128</u>
Component Unit:				
Brazoria County Toll Road Authority	<u>\$ 2,102,224</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 17,532,672</u>
Total component unit	<u>\$ 2,102,224</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 17,532,672</u>
General Revenue:				
Property taxes				
Sales and other taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Gain on disposition of capital assets				
Miscellaneous				
Total general revenues				
Change in net position				
Net position – beginning				
Net position – ending				

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

Net (Expense) Revenue and Changes In Net Position
 Primary Government

Governmental Activities	Business- Type Activities	Total	Component Unit
\$(9,482,543)	\$	\$(9,482,543)	\$
(12,136,311)		(12,136,311)	
(12,747,461)		(12,747,461)	
(549,771)		(549,771)	
(5,018,445)		(5,018,445)	
(25,393,915)		(25,393,915)	
(31,371,027)		(31,371,027)	
(16,041,908)		(16,041,908)	
(8,121,260)		(8,121,260)	
(332,676)		(332,676)	
(11,553,634)		(11,553,634)	
(518,671)		(518,671)	
(228,776)		(228,776)	
118,989		118,989	
<u>(2,060,142)</u>		<u>(2,060,142)</u>	
(135,437,551)	-0-	(135,437,551)	-0-
	<u>(1,092,383)</u>	<u>(1,092,383)</u>	
<u>(135,437,551)</u>	<u>(1,092,383)</u>	<u>(136,529,934)</u>	<u>-0-</u>
			<u>15,430,448</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>15,430,448</u>
118,684,474		118,684,474	
33,270,942		33,270,942	
47,527		47,527	
1,373,196		1,373,196	300,241
59,747		59,747	
<u>1,010,116</u>		<u>1,010,116</u>	
<u>154,446,002</u>	<u>-0-</u>	<u>154,446,002</u>	<u>300,241</u>
19,008,451	(1,092,383)	17,916,068	15,730,689
<u>321,582,408</u>	<u>20,618,628</u>	<u>342,201,036</u>	<u>-0-</u>
<u>\$ 340,590,859</u>	<u>\$ 19,526,245</u>	<u>\$ 360,117,104</u>	<u>\$ 15,730,689</u>

BRAZORIA COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2017

Exhibit 3

	Major Funds		Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	Other Governmental Funds	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Cash and temporary investments	\$ 67,109,580	\$ 26,721,115	\$ 20,491,636	\$ 114,322,331
Investments	19,931,460			19,931,460
Receivables (Net of Allowance for Uncollectibles):				
Taxes	872,630	324,874	127,758	1,325,262
Accounts	148,721	19,860	16,595	185,176
Special assessments		997,019		997,019
Due from other governments	6,555,528	374,331	1,300,989	8,230,848
Accrued interest	68,434			68,434
Due from other funds	2,540,011	1,116	3,341,899	5,883,026
Inventories	16,000	310,153	736,959	1,063,112
Prepaid expenditures	1,122,613	3,371	44,972	1,170,956
Due from component units	13,469,952		5,615,807	19,085,759
Long-Term Receivables:				
Accounts	9,000			9,000
Total assets	<u>111,843,929</u>	<u>28,751,839</u>	<u>31,676,615</u>	<u>172,272,383</u>
Deferred Outflows of Resources:				
Deferred outflows of resources				
Total deferred outflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 111,843,929</u>	<u>\$ 28,751,839</u>	<u>\$ 31,676,615</u>	<u>\$ 172,272,383</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts and accrued liabilities payable	\$ 12,374,736	\$ 2,334,907	\$ 4,116,863	\$ 18,826,506
Due to others	358,359			358,359
Due to other funds	2,154,663		2,062,366	4,217,029
Unearned revenue	833,250	507,192	573,957	1,914,399
Total liabilities	<u>15,721,008</u>	<u>2,842,099</u>	<u>6,753,186</u>	<u>25,316,293</u>
Deferred Inflows of Resources:				
Deferred inflows of resources				
Total deferred inflows of resources	<u>719,890</u>	<u>1,266,153</u>	<u>104,946</u>	<u>2,090,989</u>
Total deferred inflows of resources	<u>719,890</u>	<u>1,266,153</u>	<u>104,946</u>	<u>2,090,989</u>
Fund Balances:				
Non-spendable	1,147,613	313,524	781,931	2,243,068
Restricted	101,041	24,330,063	23,275,681	47,706,785
Committed	803,179		858,914	1,662,093
Unassigned	93,351,198		(98,043)	93,253,155
Total fund balances	<u>95,403,031</u>	<u>24,643,587</u>	<u>24,818,483</u>	<u>144,865,101</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 111,843,929</u>	<u>\$ 28,751,839</u>	<u>\$ 31,676,615</u>	<u>\$ 172,272,383</u>

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

BRAZORIA COUNTY, TEXAS**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION
September 30, 2017**

Exhibit 3R

Total fund balances - governmental funds balance sheet (Exhibit 3)		\$ 144,865,101
Amounts reported for <i>governmental activities</i> in the statement of net position (Exhibit 1) are different because:		
Assets and Deferred Outflows of Resources (Excluding Internal Service Funds):		
Capital assets less accumulated depreciation.		306,622,999
Judicial accounts receivables net of related allowance for uncollectible accounts.		18,867,662
Property taxes receivable net of allowance for uncollectible account and sixty-day collections.		1,093,970
Special assessments receivable net of allowance for uncollectible accounts.		997,019
Pension Deferred Outflows/(Inflows) of Resources:		
Differences between expected and actual earnings.	\$ 17,085,849	
Differences between expected and actual experience	2,115,477	
Change in assumptions	2,059,719	
Subsequent pension contributions	6,807,171	
Economic/demographic gains or losses	(1,240,634)	26,827,582
Bond refunding costs less accumulated amortization.		1,031,683
Liabilities (Excluding Internal Service Funds):		
Payables for bond principal.		(67,515,000)
Payables for tax note principal.		(7,635,000)
Premium on the issuance of bonds less accumulated amortization.		(3,994,390)
Payables for bond accrued interest.		(239,698)
Payables for tax note accrued interest		(19,579)
Payables for compensated absences.		(4,748,111)
Payables for net OPEB obligation.		(5,327,044)
Payables for net pension liability.		(70,347,524)
Internal Service Funds (Net Positions):		
Self Insurance Funds:		
Liability Fund	\$ 1,042,329	
Health Fund	(938,221)	
Health Clinic Fund	7,081	111,189
Net position of governmental activities – statement of net position (Exhibit 1)		\$ <u>340,590,859</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**

Exhibit 4

For the Year Ended September 30, 2017

	Major Funds		Non-Major Funds	Total
	General Fund	Road & Bridge Fund	Other Governmental Funds	Governmental Funds
Revenues:				
Property taxes	\$ 78,009,110	\$ 29,698,887	\$ 10,802,038	\$ 118,510,035
Sales taxes	33,312,092			33,312,092
Intergovernmental	11,433,255	2,864,917	14,890,720	29,188,892
Charges for services	9,115,627	469	3,464,012	12,580,108
Licenses and permits	1,970,617	3,821,929	104,907	5,897,453
Fines and forfeitures	3,541,633		409,848	3,951,481
Special assessments		59,424		59,424
Investment income	979,108	198,833	180,237	1,358,178
Miscellaneous	1,681,022	10,159,578	631,669	12,472,269
Total revenues	140,042,464	46,804,037	30,483,431	217,329,932
Expenditures:				
Current:				
General administration	10,085,901		2,791,867	12,877,768
Judicial and legal	20,376,236		2,067,079	22,443,315
Financial administration	14,163,405		43,966	14,207,371
Elections	601,630		138,645	740,275
Public facilities	4,466,005		99,390	4,565,395
Public safety	22,179,632		268,890	22,448,522
Corrections	25,087,385		3,785,059	28,872,444
Public transportation	10,000,000	18,557,616	5,173,156	33,730,772
Health and welfare	5,487,630		7,536,164	13,023,794
Public assistance	393,500			393,500
Culture and recreation	10,777,581		498,961	11,276,542
Conservation	459,168		465	459,633
Environmental protection	211,045			211,045
Community development			3,352,989	3,352,989
Capital outlay	7,285,906	29,677,829	3,430,255	40,393,990
Debt Service:				
Principal			3,780,000	3,780,000
Interest and fiscal charges			3,089,439	3,089,439
Total expenditures	131,575,024	48,235,445	36,056,325	215,866,794
Excess (deficiency) of revenues over expenditures	8,467,440	(1,431,408)	(5,572,894)	1,463,138
Other Financing Sources (Uses):				
Sale of capital assets	131,185	62,293	20,092	213,570
Transfers in	262,299		6,840,353	7,102,652
Transfers out	(3,777,605)	(54,663)	(3,270,384)	(7,102,652)
Total other financing sources and (uses)	(3,384,121)	7,630	3,590,061	213,570
Net change in fund balances	5,083,319	(1,423,778)	(1,982,833)	1,676,708
Fund balances - beginning	90,319,712	26,067,365	26,801,316	143,188,393
Fund balances - ending	\$ 95,403,031	\$ 24,643,587	\$ 24,818,483	\$ 144,865,101

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

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

Exhibit 4R

For the Year Ended September 30, 2017

Net change in fund balances - total governmental funds (Exhibit 4)		\$	1,676,708
Amounts reported for <i>governmental activities</i> in the statement of activities (Exhibit 2) are different because:			
Revenues and Other Resources (Excluding Internal Service Funds):			
Property tax revenues			174,439
Special assessment revenues	(		100,574)
Gain on the sale of capital assets	(		153,823)
Judicial revenues			2,058,000
Expenditures/Expenses and Other Uses (Excluding Internal Service Funds):			
Capital expenditures			40,393,990
Depreciation of capital assets	(		17,932,318)
Bond refunding cost	(		145,648)
Tax note principal payments			250,000
Bond principal payments			3,530,000
Premium on the issuance of bonds amortization			417,346
Bond interest			8,032
Tax note interest			641
Compensated absences	(		336,217)
Net OPEB obligation	(		1,984,914)
Net pension liability	(		8,901,729)
Noncurrent loan advance discounts			511,618
Internal Service Funds Statement of Revenues, Expenses and Changes in Net Position:			
Self Insurance Funds:			
Liability Fund		\$	16,166
Health Fund	(		476,205)
Health Clinic Fund			2,939
			<u>(457,100)</u>
Change in net position of governmental activities (see Exhibit 2)		\$	<u>19,008,451</u>

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

BRAZORIA COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2017

Exhibit 5
Page 1 of 2

	<u>Airport Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and temporary investments	\$ 23,433	\$ 1,956,433
Accounts receivable	187,588	1,443,562
Due from other governments	5,286	
Inventory	87,014	
Prepaid expense	<u>3,861</u>	
Total current assets	<u>307,182</u>	<u>3,399,995</u>
Noncurrent Assets:		
Capital Assets:		
Land	1,558,687	
Buildings and improvements	9,029,062	
Furniture, equipment and vehicles	1,246,357	
Runways, taxiways and aprons	30,388,673	
Construction in progress	1,357,531	
Accumulated depreciation	<u>(23,494,018)</u>	
Total capital assets (net of accumulated depreciation)	<u>20,086,292</u>	<u>-0-</u>
Total assets	<u>20,393,474</u>	<u>3,399,995</u>
Deferred Outflows of Resources:		
Deferred outflows of resources	<u>240,741</u>	
Total deferred outflows of resources	<u>240,741</u>	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 20,634,215</u>	<u>\$ 3,399,995</u>

BRAZORIA COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2017

Exhibit 5
Page 2 of 2

	<u>Airport Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITIONS		
Current Liabilities:		
Accounts and accrued liabilities payable	\$ 139,978	\$ 1,838,456
Compensated absences	62,887	
Due to other funds	165,997	1,500,000
Unearned revenue	<u>21,550</u>	
Total current liabilities	<u>390,412</u>	<u>3,338,456</u>
Noncurrent Liabilities:		
Net OPEB obligation	59,980	
Net pension liability	<u>597,418</u>	
Total non-current liabilities	<u>657,398</u>	<u>-0-</u>
Total liabilities	<u>1,047,810</u>	<u>3,338,456</u>
Deferred Inflows of Resources:		
Deferred inflows of resources	<u>10,510</u>	
Total deferred inflows of resources	<u>10,510</u>	<u>-0-</u>
Net Position:		
Net investment in capital assets	20,086,292	
Restricted	23,333	
Unrestricted	<u>(533,730)</u>	<u>61,539</u>
Total net position	19,575,895	<u>\$ 61,539</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>(49,650)</u>	
Net position of business-type activities	<u>\$ 19,526,245</u>	

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

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

For the Year Ended September 30, 2017

Exhibit 6
Page 1 of 2

	<u>Airport Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
Operating Revenues:		
Sales of fuel and supplies	\$ 1,515,317	\$
Cost of sales	<u>1,166,230</u>	<u> </u>
Gross profit	349,087	-0-
Other Operating Revenue:		
Contributions for self-insurance		17,765,293
Operating grants	49,999	
Rentals	516,339	
Fees	399,254	
Miscellaneous	<u>1,894</u>	<u> </u>
Net operating revenue	<u>1,316,573</u>	<u>17,765,293</u>
Operating Expenses:		
Salaries and wages	663,298	
Employee benefits	380,522	
Supplies	91,425	
Other charges	285,523	18,242,102
Depreciation	<u>1,294,110</u>	<u> </u>
Total operating expenses	<u>2,714,878</u>	<u>18,242,102</u>
Operating loss	(1,398,305)	(476,809)
Non-Operating Revenues:		
Investment income	<u> </u>	<u>15,018</u>
Total non-operating revenue	<u>-0-</u>	<u>15,018</u>
Net loss before contributions	(1,398,305)	(461,791)
Capital contributions	<u>310,613</u>	<u> </u>
Change in net position	(1,087,692)	(461,791)
Net Position:		
Total net position – beginning of year	<u>20,663,587</u>	<u>523,330</u>
Total net position - end of year	<u>\$ 19,575,895</u>	<u>\$ 61,539</u>

BRAZORIA COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
For the Year Ended September 30, 2017

Exhibit 6
Page 2 of 2

	<u>Airport Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
Business-type Activities:		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$(<u>4,691</u>)	
Change in net position of business-type activities	(1,092,383)	
Net Position (Business-type Activities):		
Total net position - beginning of year	<u>20,618,628</u>	
Total net position - end of year	<u>\$ 19,526,245</u>	

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

BRAZORIA COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2017

Exhibit 7
Page 1 of 2

	<u>Airport Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
Cash Flows from Operating Activities:		
Cash flows received from customers and other funds	\$ 2,754,953	\$ 18,608,050
Cash receipts from interfund services provided		(16,686,409)
Cash paid to and on behalf of employees	(923,434)	
Cash paid to suppliers and others	(1,535,786)	(2,003,210)
Net cash provided (used) by operating activities	<u>295,733</u>	<u>(81,569)</u>
Cash Flows from Noncapital Financing Activities:		
Transfers from other funds	<u> </u>	<u> </u>
Net cash provided by noncapital financing activities	<u>-0-</u>	<u>-0-</u>
Cash Flows from Capital and Financing Activities:		
Capital contributions	310,613	
Acquisition of fixed assets	(1,056,524)	
Net cash used by capital financing activities	<u>(745,911)</u>	<u>-0-</u>
Cash Flows from Investing Activities:		
Investment income	<u>-0-</u>	<u>15,018</u>
Net cash provided by investment activities	<u>-0-</u>	<u>15,018</u>
Net decrease in cash	(450,178)	(66,551)
Cash and temporary investments – beginning of year	<u>473,611</u>	<u>2,022,984</u>
Cash and temporary investments - end of year	<u>\$ 23,433</u>	<u>\$ 1,956,433</u>

BRAZORIA COUNTY, TEXAS
COMPARATIVE STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - Continued
For the Year Ended September 30, 2017

Exhibit 7
Page 2 of 2

	<u>Airport Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Operating Activities:		
Operating loss	\$(1,398,305)	\$(476,809)
Depreciation	1,294,110	
Changes in Assets and Liabilities:		
(Increase) Decrease In:		
Accounts receivable	81,094	(657,243)
Due from other governments	23,069	
Inventory	(24,880)	
Prepaid expenses		40,175
Pension deferred outflows	43,141	
Increase (Decrease) In:		
Accounts and accrued liabilities payable	32,272	(487,692)
Compensated absences	11,399	
Due to other funds	165,997	1,500,000
Unearned revenue	1,990	
Net OPEB obligation	31,432	
Net pension liability	23,904	
Pension deferred inflows	<u>10,510</u>	<u> </u>
Net cash provided (used) for operating activities	<u>\$ 295,733</u>	<u>\$(81,569)</u>
Noncash Transactions Affecting Financial Position:		
Contribution from other governments	\$ 310,613	\$
Assets acquired as a result of contributed assets	<u>(310,613)</u>	<u> </u>
Net noncash transactions affecting financial position	<u>\$ -0-</u>	<u>\$ -0-</u>

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

BRAZORIA COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2017

Exhibit 8

	Private-Purpose Trust Fund <hr/> Historical Commission Fund <hr/>	Agency Funds <hr/>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and temporary investments	\$ 16,048	\$ 10,802,644
Receivables:		
Accounts receivable		116,555
Prepaid expenses		<u>10,692</u>
Total current assets	<u>16,048</u>	<u>\$ 10,929,891</u>
Deferred Outflows of Resources:		
Deferred outflows of resources		
Total deferred outflows of resources	<u>-0-</u>	
Total assets and deferred outflows of resources	<u>\$ 16,048</u>	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Liabilities:		
Accounts and accrued liabilities payable	\$	\$ 426,807
Amounts held for others		<u>10,503,084</u>
Total liabilities	<u>-0-</u>	<u>\$ 10,929,891</u>
Deferred Inflows of Resources:		
Deferred inflows of resources		
Total deferred outflows of resources	<u>-0-</u>	
Net Position:		
Held in trust for historical commission	<u>16,048</u>	
Total net position	<u>16,048</u>	
Total liabilities, deferred inflows of resources and net position	<u>\$ 16,048</u>	

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

BRAZORIA COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2017

Exhibit 9

	Private-Purpose Trust Fund <hr/> Historical Commission Funds <hr/>
<u>Additions</u>	
Investment Earnings:	
Interest	\$ <u>109</u>
Total additions	<u>109</u>
<u>Deductions</u>	
Culture and recreation (historical commission)	<u> </u>
Total deductions	<u>-0-</u>
Change in net position	109
<u>Net Position</u>	
Net position - beginning of the year	<u>15,939</u>
Net position - end of the year	<u>\$ <u>16,048</u></u>

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



BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2017

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BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Included in the reporting entity:

Brazoria County, Texas (Primary Government)

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

Discretely Presented Component Units

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

Brazoria County Toll Road Authority ("BCTRA")

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Reporting Entity - continued

Excluded from the reporting entity:

Adult Probation

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

Brazoria County Fair Association

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

Brazoria County Appraisal District

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

City Libraries

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

Brazoria County Children's Protective Services

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

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis Of Accounting, and Financial Statement Presentation

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

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

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

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

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

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

The County has presented the following major governmental funds:

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

The *Road 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.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

The County reports the following major proprietary funds:

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

Additionally, the County reports the following fiduciary funds:

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

The *agency funds* account for assets that the government holds on behalf of others as their agent. The County's agency funds include payroll clearing, Brazoria County Freshwater Supply District #2, Brazoria County Groundwater Conservation District, Community Corrections and Supervision (Adult Probation) and District and County Clerk trusts.

New Pronouncements

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

GASB No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of Statements 67 and 68" was issued June 2015. The statement was implemented and did not have an impact on the County's financial statements. This statement is effective for periods beginning after June 15, 2016.

GASB No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" was issued June 2015. The statement was implemented and did not have an impact on the County's financial statements. This statement is effective for periods beginning after June 15, 2016.

GASB No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was issued June 2015. The management of the County does expect the implementation of this standard to have a material effect on the financial statements of the County. This statement is effective for periods beginning after June 15, 2017.

GASB No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments" was issued June 2015. The statement was implemented and did not have an impact on the County's financial statements. This statement is effective for periods beginning after June 15, 2015.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

New Pronouncements - continued

GASB No. 77 "Tax Abatement Disclosures" was issued in August 2015. The statement was implemented and did have an impact on the County's financial statements. This statement is effective for periods beginning after December 15, 2015.

GASB No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans" was issued in December 2015. The statement was implemented and did not have an impact on the County's financial statements. This statement is effective for periods beginning after December 15, 2015.

GASB No. 79, "Certain External Investment Pools and Pool Participants" was issued in December 2015. The statement was implemented and did not have an impact on the County's financial statements. This statement is effective for periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which is effective for reporting periods beginning after December 15, 2015.

GASB No. 80 "Blending Requirements for Certain Component Units and amendment of GASB No. 14" was issued in January 2016. The statement was implemented and did not have an impact on the County's financial statements. This statement is effective for periods beginning after June 15, 2016.

GASB No. 81 "Irrevocable Split-Interest Agreements" was issued in March 2016. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this Statement are effective for periods beginning after December 15, 2016.

GASB No. 82 "Pension Issues – an amendment of GASB No. 67, No. 68, and No. 73" was issued in March 2016. The statement was implemented and did not have an impact on the County's financial statements. The requirements of this Statement are effective for periods beginning after June 15, 2016.

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

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

GASB No. 85 "Omnibus 2017" was issued in March 2017. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this Statement are effective for periods beginning after June 15, 2017.

GASB No. 86 "Certain Debt Extinguishment Issues" was issued in May 2017. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this Statement are effective for periods beginning after June 15, 2017.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

New Pronouncements - continued

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

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, Emergency Management Fire Code Fund, District Attorney Hot Check Collection Fund, District Attorney Supplement Fund, District Attorney Forfeiture CCP Chapter 59 Fund, Special Inventory Dealer Escrow-Tax Fund, Sheriff Contraband Forfeiture Fund, Brazoria County Narcotics Task Force Fund, Sheriff Commissary Fund, Sheriff Federal Forfeiture Fund, Book Sale Fund, Library Administration Fund, Law Library Fund, and Mosquito Control District Fund), and certain debt service funds (2012 GO Refunding, I & S Fund, 2016 Limited Tax Refunding, I & S Fund, 2012 Certificate of Obligation, I & S Fund, Tax Note Series 2013, I & S Fund, Toll Road I & S Fund, Road Bonds Mobility, I & S Fund, and the Mobility - Build America, I & S Fund).

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

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

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

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Encumbrances

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

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>
Encumbrances:				
Restricted	\$	\$ 6,546,910	\$ 55,220	\$ 6,602,130
Unassigned	<u>896,464</u>	<u> </u>	<u> </u>	<u>896,464</u>
	<u>\$ 896,464</u>	<u>\$ 6,546,910</u>	<u>\$ 55,220</u>	<u>\$ 7,498,594</u>

The airport fund also had outstanding encumbrances of \$ 2,099 as of September 30, 2017.

Cash and Investments

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

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

Restricted Assets

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

Prepaid Items

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property Taxes

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

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

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

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

The County's 2016 tax levy, supporting the 2017 fiscal period budget, totaled \$ 0.457405 per \$ 100 valuation and was comprised as follows:

Constitutional Levy:	
General Fund	\$ 0.300829
Road and Bridge	0.055000
Mosquito Control	0.006500
Special Road and Bridge:	
Article 6790	0.060000
Debt Service:	
Combination Tax and Revenue	
General Obligation Refunding, Series 2012	0.003700
Limited Tax Refunding, Series 2016	0.003300
Certificate of Obligation, Series 2012	0.004026
Tax Notes, Series 2013	0.001450
Toll Road	0.009600
Mobility Bonds	<u>0.013000</u>
Combined tax rate	<u>\$ 0.457405</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

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 5 for additional discussion of interfund receivables and payables.

Inventories

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

Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest cost to be capitalized on assets with tax-exempt borrowing is equal to the cost of the borrowing less interest earned on the related tax-exempt borrowing. During the year ended September 30, 2017, 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, 2017

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, 2017, computed at pay rates in effect at that time.

The following is a summary of benefits payable as of September 30, 2017:

Governmental activities	\$ 4,748,111
Business-type activities	<u>62,887</u>
	<u>\$ 4,810,998</u>

Compensated Absences

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

Deferred Outflows and Inflows of Resources

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Pension Plans

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

Long-Term Debt

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

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

Fund Equity

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Equity - Continued

Fund Balance Classifications:

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

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

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

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

The *assigned* fund balance includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Such intent should be expressed by Commissioners Court or its designated officials to assign amounts to be used. Constraints imposed on the use of assigned amounts can be removed with no formal Commissioners Court actions. At September 30, 2017, there were no assignments of fund balance.

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Governmental Fund Financial Statements:

The following schedule presents details of fund balance components at September 30, 2017:

	<u>Major Funds</u>		<u>Non-Major Funds</u>	
	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Inventories	\$ 16,000	\$ 310,153	\$ 736,959	\$ 1,063,112
Prepaid expenditures	1,122,613	3,371	44,972	1,170,956
Long-term receivables	9,000			9,000
Restricted:				
Capital projects			2,948,880	2,948,880
Contributor purposes	17,063		73,210	90,273
Court improvements and operations			454,164	454,164
Debt service			9,890,435	9,890,435
Elections services			250,096	250,096
Family protection services	27,006		57,156	84,162
Federal grants			925,398	925,398
Health services			3,467,936	3,467,936
Inmate services			384,908	384,908
Juvenile services	10,510		7,054	17,564
Library services			525,951	525,951
Public safety personnel training	46,462		127,688	174,150
Public transportation projects		24,330,063		24,330,063
Records management			3,678,512	3,678,512
State grants and appropriations			87,663	87,663
Other			396,630	396,630
Committed:				
Capital projects	57,276			57,276
District Attorney supplement			67,920	67,920
District Clerk supplement	620,956			620,956
Narcotics operations			265,625	265,625
Juvenile services	124,947			124,947
Sheriff supplement			454,944	454,944
Tax Collector supplement			70,425	70,425
Unassigned	<u>93,351,198</u>	<u> </u>	<u>(98,043)</u>	<u>93,253,155</u>
Total	<u>\$ 95,403,031</u>	<u>\$ 24,643,587</u>	<u>\$ 24,818,483</u>	<u>\$ 144,865,101</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Position

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Net Position:				
Net investment in capital assets	\$ 231,459,172	\$ 20,086,292	\$ 251,545,464	\$ 1,742,929
Restricted:				
Capital projects		23,333	23,333	13,826,974
Debt service	9,717,391		9,717,391	164,013
Public transportation projects	25,909,740		25,909,740	
Records management	3,680,850		3,680,850	
Health services	4,176,204		4,176,204	
Other:				
Contributor purposes	90,273		90,273	
Court improvements and operations	454,164		454,164	
Elections services	250,096		250,096	
Family protection services	84,162		84,162	
Federal grants	925,398		925,398	
Inmate services	432,312		432,312	
Juvenile services	17,564		17,564	
Library services	559,834		559,834	
Public safety personnel training	174,150		174,150	
State grants and appropriations	87,530		87,530	
Other	396,763		396,763	
Unrestricted	<u>62,175,256</u>	<u>(583,380)</u>	<u>61,591,876</u>	<u>(3,227)</u>
Total	<u>\$ 340,590,859</u>	<u>\$ 19,526,245</u>	<u>\$ 360,117,104</u>	<u>\$ 15,730,689</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 2 - RECONCILIATION OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES FINANCIAL STATEMENTS

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

Total fund balances - governmental funds balance sheet (Exhibit 3) \$ 144,865,101

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

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital assets include \$ 531,485,961 in assets less \$ 224,862,962 in accumulated depreciation. 306,622,999

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 \$ 32,286,813 net of allowance for uncollectible accounts of \$ 13,419,151 of the general fund amounted to \$ 18,867,662. 18,867,662

Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds. Deferred property tax revenues for the General fund, Road and Bridge special revenue fund, Mosquito Control District, 2012 GO Refunding I & S Fund, 2016 Limited Tax Refunding I & S Fund, 2012 Certificates of Obligation Bonds, I & S Fund, Tax Notes Series 2013, I & S Fund, Toll Road I & S Fund and Road Bonds Mobility I & S Fund amounted to \$ 719,890, \$269,134, \$ 18,713, \$ 8,963, \$ 8,663, \$ 10,018, \$ 4,272, \$ 21,593, and \$ 32,724, respectively. 1,093,970

Special assessments receivable unavailable to pay for current period expenditures are deferred in the funds. Deferred special assessment tax revenues for Brazos Oaks/Forest Assessment, Brazos Bend Assessment, Bonnie Lane Assessment, Laura Lane Assessment, Sherwood Land Assessment, Norris Road Special Assessment, Brazos Bend 2 Special Assessment, Oakwood Creek Assessment, Manvel Assessment, Hampton Road Assessment, Pecan Estates Assessment, Westwood Road Assessment, Sally Lake Road Assessment, Rose Mary Street Assessment, Oakwood Creek Estates Assessment, Benefield Assessment 313 County Road 64 Assessment, Wink Wynn Assessment and Vivian Street Assessment reported in the Road and Bridge special revenue fund in the amount of \$ 997,019. 997,019

Pension deferred outflows of resources are not reported based upon the measurement date of December 31, 2016 and are unavailable at September 30, 2017 to pay for current period expenditures and are not recorded in the funds. Pension deferred outflows of resources of \$ 21,261,045 (differences between expected and actual earnings of \$ 17,085,849, differences between expected and actual experience of \$ 2,115,477, and changes in assumptions of \$ 2,059,719) less pension deferred inflows of \$ 1,240,634 (economic/demographic gains or losses of \$ 1,240,634). 20,020,411

Deferred outflows of resources for subsequent pension contributions of \$ 6,807,171 made during the period January 1, 2017 through September 30, 2017 are charged to expenditures in the funds but do not reduce the amount of net pension liability. 6,807,171

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2017

NOTE 2 - RECONCILIATION OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES FINANCIAL STATEMENTS - Continued

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

Bond refunding costs are reported as current financial uses for governmental funds but the expenditures increase long-term assets in the statement of net position. This amount is amortized over the life of the bonds. Bond refunding costs of \$ 1,382,840 less accumulated amortization of \$ 351,157. \$ 1,031,683

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

Payables for bonds (\$ 67,515,000) and tax note (\$ 7,635,000) principal are not reported in the funds. (75,150,000)

Premium on the issuance of bonds provide current financial resources to governmental funds but the proceeds decrease long-term assets in the statement of net position. This amount is amortized over the life of the bonds. Net premium on the issuance of bonds were \$ 3,994,390 (premium on the sale of bonds of \$ 5,447,582 less amortization of \$ 1,453,192). (3,994,390)

Payables for bond and tax note interest is not reported in the funds except for amounts received from the sale of bonds or issuance of tax notes after the issuance date. Total accrued interest payable of \$ 259,277 (\$ 239,698 for bonds and \$ 19,579 for tax notes). (259,277)

Payables for compensated absences are not reported in the funds. (4,748,111)

Payables for net OPEB obligation are not reported in the funds. (5,327,044)

Payables for net pension liability are not reported in the funds. (70,347,524)

Internal Service Funds Net Position:

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

	Self Insurance			
	Liability	Health	Clinic	
Current assets	\$ 1,445,676	\$ 453,988	\$ 56,769	
Accounts receivable		1,443,562		
Accounts and accrued liabilities payable	(3,347)	(39,664)	(49,645)	
Estimated claims payable	(400,000)	(1,345,800)		
Due to other funds		(1,500,000)		
Net amount allocated to business-type activities	_____	49,693	(43)	
Net	\$ 1,042,329	\$(938,221)	\$ 7,081	111,189

Net position of governmental activities – statement of net position (Exhibit 1). \$ 340,590,859

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 2 - RECONCILIATION OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES FINANCIAL STATEMENTS - Continued

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

Net change in fund balances - total governmental funds (Exhibit 4) \$ 1,676,708

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

Revenues and Other Resources (Excluding Internal Service Funds):

Property tax revenues in the governmental activities statement of activities do not provide current available resources and are not reported as revenues in the funds. Deferred property tax revenues for the General fund, Road and Bridge special revenue fund, Mosquito Control District, 2012 GO Refunding I & S Fund, 2016 Limited Tax Refunding I & S Fund, 2012 Certificates of Obligations Bonds, I & S Fund, Tax Notes Series 2013, I & S Fund, Toll Road I & S Fund, Road Bonds Mobility I & S Fund and Sheriff & Detention Complex I & S Fund amounted to \$ 87,057, \$ 87,621, \$(5,680), \$ 854, \$(914), \$(1,219), \$ 7,320, \$ 21, \$ 212 and \$ (833) respectively. 174,439

Special assessment revenues in the governmental activities statement of activities do not provide current available resources and are not reported as revenues in the funds. Deferred special assessment tax revenues for Brazos Oaks/Forest Assessment, 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, Quail Ridge Assessment, Hampton Road Assessment, Pecan Estates Road Assessment, Westwood Road Assessment, Sally Lake Road Assessment, Rose Mary Street Assessment, Oakwood Creek Estates Assessment, Benefield Assessment, 313 County Road 64 Assessment, Wink Wynn Assessment and Vivian Street Assessment were reported in the Road and Bridge special revenue fund in the amount of \$ 100,574. (100,574)

Governmental funds report proceeds from the sale of assets as revenue. However, in the governmental activities statement of activities, the cost of the assets disposed is offset against the proceeds to report gain or loss on the disposition of assets. The cost of assets disposed were \$ 153,823. (Cost of \$ 2,331,247 less accumulated depreciation of \$ 2,177,424). (153,823)

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. 2,058,000

Bond refunding costs is an expenditure in the governmental funds, but the costs increase long-term assets in the statement of net position. This amount is amortized over the life of the bond. Current amortization of \$ 145,648. (145,648)

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 2 - RECONCILIATION OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES FINANCIAL STATEMENTS - Continued

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

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

Governmental funds report capital outlays as expenditures. However, in the governmental activities statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays \$ 40,393,990 exceeded depreciation \$ 17,932,318 in the current period. \$ 22,461,672

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the governmental activities statement of net position. The funds statements reported \$ 250,000 in tax note principal payments. 250,000

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the governmental activities statement of net position. The funds statements reported \$ 3,530,000 in bond principal payments. 3,530,000

Premium on the issuance of bonds provide current financial resources to governmental funds, but the proceeds decrease long-term assets in the statement of net position. This amount is amortized over the life of the bonds. Current year amortization of premiums on bonds amounted to \$ 417,346. 417,346

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 of \$ 8,673 (\$ 8,032 in bonds and \$ 641 in tax notes). 8,673

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. (336,217)

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 net OPEB obligation. (1,984,914)

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 net amount of change in expenditures related to the change in net pension liability. (8,901,729)

The change in noncurrent loan advance discounts do not produce current financial resources to governmental funds but these changes increase long-term assets in the statement of net position. The current change in noncurrent loan discounts was \$ 511,618 (prior discount of \$ 511,618 less current discount of \$ 511,618). 511,618

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 2 - RECONCILIATION OF THE GOVERNMENTAL FUNDS TO GOVERNMENTAL ACTIVITIES FINANCIAL STATEMENTS - Continued

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

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

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

	Self Insurance			
	Liability	Health	Clinic	
Investment income	\$ 8,850	\$ 6,168	\$	
Operating expenses	(134,207)	(15,895,244)	(682,032)	
Contributions for self insurance	141,523	15,408,151	685,000	
Net amount allocated to business-type activities	<u> </u>	<u>4,720</u>	<u>(29)</u>	
Net	<u>\$ 16,166</u>	<u>\$(476,205)</u>	<u>\$ 2,939</u>	<u>(457,100)</u>

Change in net position of governmental activities (see Exhibit 2). \$ 19,008,451

NOTE 3 - 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, 2017 are as follows:

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Primary Government	Component Unit	Totals
Cash and Temporary Investments:						
Cash (petty cash accounts)	\$ 31,117	\$ 100	300	\$ 31,517	\$	\$ 31,517
Cash with fiscal agent	441,087	23,333		464,420		464,420
Financial Institution Deposits:						
Demand deposits	28,825,526	1,099,927	10,804,641	40,730,094	15,381,037	56,111,131
Local Government Investment Pools:						
Texpool	38,391,739	856,506	13,751	39,261,996	62,191,050	101,453,046
MBIA Texas Class Pool	46,632,862			46,632,862	30,081,561	76,714,423
U.S. Bank Government Obligation Fund	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>164,013</u>	<u>164,013</u>
Cash and temporary investments	114,322,331	1,979,866	10,818,692	127,120,889	107,817,661	234,938,550
Investments:						
Government agency securities	<u>19,931,460</u>	<u> </u>	<u> </u>	<u>19,931,460</u>	<u> </u>	<u>19,931,460</u>
Cash, Temporary Investments and Investment totals	<u>\$134,253,791</u>	<u>\$ 1,979,866</u>	<u>\$ 10,818,692</u>	<u>\$147,052,349</u>	<u>\$107,817,661</u>	<u>\$254,870,010</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 3 - 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 \$ 31,517, the carrying amount, of the County's deposits, was \$ 56,111,131, while the financial institution balances totaled \$ 65,914,774. Of these balances, \$ 7,995,530 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, \$ 8,495,530 was covered by federal depository insurance coverage, and \$ 57,419,244 was covered by collateral held by the County's agent in the County's name.

Investments

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

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

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 3 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

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

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

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

BRAZORIA COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2017

NOTE 3 - DEPOSITS, INVESTMENTS AND DERIVATIVES - ContinuedInvestments - continued

The County invests in Texpool, Texas Class and U.S. Bank Government Obligation Fund to provide its liquidity needs. Texpool, Texas Class and U.S. Bank Government Obligation Fund are local government investment pools that were established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. Texpool and Texas Class are 2(a)7 like funds, meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$ 1.00, although this cannot be fully guaranteed. Texpool and Texas Class are rated AAA and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit. At September 30, 2017 Texpool, Texas Class and U.S. Bank Government Obligation Fund had a weighted average maturity of 37 days, 54 days and 23 days, respectively. Although Texpool, Texas Class and U.S. Bank Government Obligation Fund portfolios had a weighted average maturity of 37 days, 54 days and 23 days, respectively, the County considers holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

As of September 30, 2017, the County had the following investments:

<u>Investment Type</u>	<u>Interest Rate</u>	<u>Fair Value</u>	<u>Weighted Avg. Maturity (Days)</u>
Local Government Investment Pools:			
Texpool	Varies	\$ 101,453,046	37
MBIA Texas Class Pool	Varies	76,714,423	54
U.S. Bank Government Overnight Fund	Varies	<u>164,013</u>	23
Total Local Government Investment Pools		<u>179,331,482</u>	45
Government Agency Securities:			
FFCB – Callable	1.010%	1,991,400	391
FMLMC - Callable	1.100%	1,993,340	394
FNMA – Callable	1.300%	1,994,800	538
FNMA – Callable	1.400%	1,995,560	629
FNMA – Callable	1.250%	1,989,220	664
FHLB – Callable	1.200%	1,987,400	664
FHLB – Callable	1.200%	1,984,740	741
FHLB – Callable	1.500%	1,994,800	821
FFCB – Callable	1.720%	2,000,200	828
FHLMC – Callable	1.850%	<u>2,000,000</u>	1,028
Total agency securities		<u>19,931,460</u>	670
Total investments		<u>\$ 198,262,942</u>	107

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 3 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

Credit Risk - As of September 30, 2017, the LGIPs (which represent approximately 89.95% 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 10.05% of the investment portfolio) are registered and the County's agent holds the securities in the County's name; therefore, the County is not exposed to credit risk.

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

Fair Value Measures

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

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 3 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Fair Value Measures - continued

The following table sets forth by level, within the fair value hierarchy, the County's assets at fair value as of September 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Government agency securities	\$ <u>19,931,460</u>	\$ _____	\$ _____	\$ <u>19,931,460</u>
Total assets at fair value	\$ <u>19,931,460</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>19,931,460</u>

Derivatives

Interest in derivative products has increased in recent years. Derivatives are investment products, which may be a security or contract, which derives its value from another security, currency, commodity, or index, regardless of the source of funds used. The County made no direct investments in derivatives during the year ended September 30, 2017, and holds no direct investments in derivatives at September 30, 2017.

NOTE 4 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES

Receivables and Allowances

Receivables as of September 30, 2017, for the government's individual governmental major and nonmajor funds, proprietary major funds, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Other Governmental Funds</u>	
Receivables:				
Property taxes	\$ 1,754,341	\$ 639,079	\$ 254,305	\$ 2,647,725
Accounts	148,721	19,860	16,595	185,176
Special assessments		1,273,564		1,273,564
Due from other governments	6,555,528	374,331	1,300,989	8,230,848
Accrued interest	<u>68,434</u>	<u> </u>	<u> </u>	<u>68,434</u>
Gross receivables	8,527,024	2,306,834	1,571,889	12,405,747
Less Allowance for Uncollectible:				
Property taxes	881,711	314,205	126,547	1,322,463
Special assessments	<u> </u>	<u>276,545</u>	<u> </u>	<u>276,545</u>
Net receivables	<u>\$ 7,645,313</u>	<u>\$ 1,716,084</u>	<u>\$ 1,445,342</u>	<u>\$ 10,806,739</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 4 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED 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	\$ 233,669	\$	\$ 233,669	\$
Stop loss insurance		1,443,562	1,443,562	
Due from other governments	5,286		5,286	
Other				<u>116,555</u>
Gross receivables	<u>238,955</u>	<u>1,443,562</u>	<u>1,682,517</u>	<u>116,555</u>
Less Allowance for Uncollectible:				
Accounts:				
Airport customers	<u>46,081</u>		<u>46,081</u>	
Net total receivables	<u>\$ 192,874</u>	<u>\$ 1,443,562</u>	<u>\$ 1,636,436</u>	<u>\$ 116,555</u>

The component unit reported \$ 187,982 due from other governments as of September 30, 2017.

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, 2017 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	\$ 5,403,693	\$ 862,424	\$ 195,231	\$ 94,180	\$ 6,555,528
Road & Bridge Fund	89,256	285,075			374,331
Non major governmental Funds		<u>1,124,975</u>	<u>175,938</u>	<u>76</u>	<u>1,300,989</u>
Total	<u>\$ 5,492,949</u>	<u>\$ 2,272,474</u>	<u>\$ 371,169</u>	<u>\$ 94,256</u>	<u>\$ 8,230,848</u>
Major Proprietary Funds:					
Airport Fund	\$	\$ 5,286	\$	\$	5,286
Total	<u>\$ -0-</u>	<u>\$ 5,286</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 5,286</u>

The component unit reported \$ 187,982 from federal grant sources as of September 30, 2017.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 4 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued

Judicial Receivables

Judicial receivables are reported in the governmental activities statement of net position accounts line. Since these receivables do not represent current available resources, they are not reported in the governmental funds balance sheet. The allowance for uncollectible receivables related to the County's various court assessments is determined based on historical experience and evaluation of collectability in relation to the aging of customer accounts. The following is a summary of the receivable and allowance for uncollectible as of September 30, 2017:

	<u>Governmental Activities</u>		
	<u>Judicial Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
Judicial Receivables:			
Justice of the Peace	\$ 9,985,100	\$ 2,496,275	\$ 7,488,825
County courts	2,279,804	911,922	1,367,882
District courts	19,671,245	9,835,622	9,835,623
Juvenile probation	<u>350,664</u>	<u>175,332</u>	<u>175,332</u>
	<u>\$ 32,286,813</u>	<u>\$ 13,419,151</u>	<u>\$ 18,867,662</u>

Deferred Outflows and Inflows of Resources and Unearned Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of September 30, 2017, the various components of deferred outflows and inflows of resources and unearned revenue reported in the governmental and proprietary funds were as follows:

	<u>Governmental Funds</u>			
	<u>General Fund</u>	<u>Road & Bridge Funds</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Deferred Inflows of Resources:				
Delinquent property taxes receivable	\$ 719,890	\$ 269,134	\$ 104,946	\$ 1,093,970
Delinquent special assessment taxes receivable		<u>997,019</u>		<u>997,019</u>
	<u>\$ 719,890</u>	<u>\$ 1,266,153</u>	<u>\$ 104,946</u>	<u>\$ 2,090,989</u>
Unearned Revenue:				
Federal grants	\$ 237,639	\$ 307,440	\$ 80,624	\$ 625,703
State grants			265,889	265,889
Bail bonds	555,199			555,199
Public safety seizures	23,439		227,444	250,883
Developer advance		199,752		199,752
Rental deposits	16,050			16,050
Other	<u>923</u>			<u>923</u>
	<u>\$ 833,250</u>	<u>\$ 507,192</u>	<u>\$ 573,957</u>	<u>\$ 1,914,399</u>

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2017

NOTE 4 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued

	Proprietary Fund <hr style="border: none; border-top: 1px solid black; margin: 0;"/> Airport Enterprise Fund <hr style="border: none; border-top: 1px solid black; margin: 0;"/>
Deferred Outflows of Resources:	
Pension:	
Difference between projected and actual investment earnings	\$ 147,032
Difference between expected and actual economic experience	18,177
Changes in assumptions	17,867
Subsequent contributions	<u>57,665</u>
	<u>\$ 240,741</u>
 Deferred Outflows of Resources:	
Pension:	
Economic/demographic gains or losses	<u>\$ 10,510</u>
 Unearned Revenue:	
Rental deposits	<u>\$ 21,550</u>

Governmental and business-type activities defer the recognition of pension expense for contributions made subsequent to the measurement date to the current year-end of September 30, 2017 and report these as deferred outflows of resources. Governmental and business-type activities also defer revenue recognition in connections with resources that have been received, but not yet earned and report these amounts as a deferred inflow of resources. Further, for governmental and business-type activities, like governmental funds, defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a liability (unearned revenue).

As of September 30, 2017, the various components of deferred inflows and outflows of resources reported in the governmental and business-type activities were as follows:

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 4 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued

Deferred Outflows and Inflows of Resources and Unearned Revenue - Continued

	Governmental Activities			Business-Type Activities		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Unearned Revenue	Deferred Outflows of Resources	Deferred Inflows of Resources	Unearned Revenue
Bond refunding cost (net of accumulated amortization)	\$ 1,031,683	\$	\$	\$	\$	\$
Pension Related:						
Differences between expected and actual experience	17,085,849			147,032		
Differences between projected and actual investment earnings	2,115,477			18,177		
Changes in assumptions	2,059,719			17,867		
Subsequent contributions	6,807,171			57,665		
Economic/demographic gains or losses		1,240,634			10,510	
Unearned Revenue:						
Federal grants			625,703			
State grants			265,889			
Bail bonds			555,199			
Public safety seizures			250,883			
Developer advances			199,752			
Rental deposits			16,050			21,550
Other			923			
	<u>\$ 29,099,899</u>	<u>\$ 1,240,634</u>	<u>\$ 1,914,399</u>	<u>\$ 240,741</u>	<u>\$ 10,510</u>	<u>\$ 21,550</u>

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2017 consisted of the following:

Receivable Fund	Payable Fund	9-30-17
General	Other governmental	\$ 874,014
General	Internal service funds	1,500,000
General	Enterprise funds	165,997
Road & Bridge Fund	Other governmental	1,116
Other governmental	General	2,154,663
Other governmental	Other governmental	<u>1,187,236</u>
		<u>\$ 5,883,026</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Detail interfund receivables and payables at September 30, 2017 consisted of the following:

Receivable Fund	Payable Fund	9-30-17
General Fund	TDSHS Women, Infants & Children Fund	\$ 144,129
General Fund	HHS-PPCPS Cities Readiness Initiative Fund	13,353
General Fund	HHS-BRHLO Community and Rural Health Fund	6,637
General Fund	HHS-PPCPS Hazards (Bioterrorism Grant) Fund	33,954
General Fund	HHS-Infectious Disease Control Unit Fund	10,094
General Fund	HHS-CPS Title IV-E Foster Care Maintenance Fund	26,874
General Fund	HHS-CPS Title IV-E Legal Services Fund	15,831
General Fund	DHS-State Homeland Security – UASI Fund	745
General Fund	CDBG County (HUD) Fund	19,186
General Fund	HUD - Texas CDBG Recovery Fund	3,127
General Fund	USDOJ-CSCD Victim Services Program Fund	139
General Fund	USDOJ-CJD-Juv Incentive Block Fund	435
General Fund	USDOJ Drug Court Program Fund	24,125
General Fund	USDOJ Veterans Court Program	7,783
General Fund	USDOJ Domestic Violence Court	1,653
General Fund	USDOJ DEA Narcotics OT Expense Fund	97
General Fund	FEMA Flood Disaster 2016 Fund	371,333
General Fund	FEMA Flood Disaster 2017 Fund	103,355
General Fund	TJJD – State Aid	3,026
General Fund	OAG Victim Assistance Grant Fund	332
General Fund	TDSHS Immunization Fund	16,564
General Fund	Voter Registration Tax Office Fund	76
General Fund	SEP Wastewater Environmental Health – TCEQ Fund	6,217
General Fund	USTREAS Restore Act Projects Fund	64,949
General Fund	Airport Fund	165,997
General Fund	Self Insurance health Fund	1,500,000
Road & Bridge Fund	FEMA Flood Disaster 2016 Fund	1,116
FEMA Flood Disaster 2017 Fund	General Fund	2,154,663
Road Bonds Mobility I & S Fund	Sheriff & Detention Complex I & S Fund	<u>1,187,236</u>
Total		<u>\$ 5,883,026</u>

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

The Primary Government (the County) has a receivable due from the component unit in the amount of \$ 19,085,759 as of September 30, 2017.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Interfund transfers for the year ended September 30, 2017 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>9-30-17</u>
General	Other governmental	\$ 3,777,605
Other governmental	General	262,299
Road and Bridge	Other governmental	54,663
Other governmental	Other governmental	<u>3,008,085</u>
Total		<u>\$ 7,102,652</u>

Detail interfund transfers for the year ended September 30, 2017 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>9-30-17</u>
General Fund	HHS-PPCPS – CRI Fund	\$ 411
General Fund	HHS-PPCPS Hazards (Bioterrorism Grant) Fund	2,293
General Fund	HHS-CPS Title IV-E Foster Care Maintenance Fund	80,077
General Fund	HHS-CPS Title IV-E Legal Services Fund	262,240
General Fund	USDOJ Crime Victim Assistance VOCA Fund	41,157
General Fund	USDOJ DWI Court Program Fund	8,916
General Fund	USDOJ Domestic Violence Court Fund	1,399
General Fund	FEMA Flood Disaster 2017 Fund	2,154,663
General Fund	TJJD State Aid Fund	545,867
General Fund	TJJD JJAEP Boot Camp Fund	444,432
General Fund	OAG - VAG Grant Fund	24,150
General Fund	Emergency Management – Fire Code Fund	120,000
General Fund	CSCD Bond Supervision Fund	40,000
General Fund	Law Library Fund	52,000
DOI Mutual Fire Protection & Disbursement Fund	General Fund	16
FEMA Flood Disaster 2016 Fund	General Fund	257,958
TCEQ Env Education Kits Fund	General Fund	3,325
DA Hot Check Collection Fund	General Fund	1,000
Road & Bridge Fund	TXDOT CR 48 Project Fund	31,795
Road & Bridge Fund	Vivian Street Lazy Oaks Special Assessment Fund	22,127
Road & Bridge Fund	Brazoria County Toll Road Construction	741
Road Bonds Mobility I & S Fund	Mobility Build America I & S Fund	1,100,000
Sheriff & Detention Complex I & S Fund	Road bonds Mobility I & S Fund	<u>1,908,085</u>
		<u>\$ 7,102,652</u>

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

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
For The Year Ended September 30, 2017

NOTE 6 - CAPITAL ASSETS

Capital Transactions

	Balance 10-01-16	Additions	Retirements	Transfers	Balance 09-30-17
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 22,421,587	\$ 487,003	\$	\$	\$ 22,908,590
Construction in progress	<u>49,519,253</u>	<u>21,010,684</u>	<u>61,147</u>	<u>(8,703,946)</u>	<u>61,764,844</u>
Total capital assets not being depreciated	<u>71,940,840</u>	<u>21,497,687</u>	<u>61,147</u>	<u>(8,703,946)</u>	<u>84,673,434</u>
Capital Assets, Being Depreciated:					
Land improvements	5,782,615	165,630		672,527	6,620,772
Buildings and improvements	73,698,960	584,151		848,314	75,131,425
Furniture, equipment and vehicles	71,931,672	5,522,218	2,270,100	104,164	75,287,954
Infrastructure	<u>270,069,131</u>	<u>12,624,304</u>		<u>7,078,941</u>	<u>289,772,376</u>
Total capital assets being depreciated	<u>421,482,378</u>	<u>18,896,303</u>	<u>2,270,100</u>	<u>8,703,946</u>	<u>446,812,527</u>
Less Accumulated Depreciation For:					
Land improvements	1,550,376	327,030			1,877,406
Buildings and improvements	27,976,383	2,307,509			30,283,892
Furniture, equipment and vehicles	47,357,239	7,623,087	2,177,424		52,802,902
Infrastructure	<u>132,224,070</u>	<u>7,674,692</u>			<u>139,898,762</u>
Total accumulated depreciation	<u>209,108,068</u>	<u>17,932,318</u>	<u>2,177,424</u>	<u>-0-</u>	<u>224,862,962</u>
Total capital assets being depreciated, net	<u>212,374,310</u>	<u>963,985</u>	<u>92,676</u>	<u>8,703,946</u>	<u>221,949,565</u>
Governmental activities capital assets, net	<u>\$ 284,315,150</u>	<u>\$ 22,461,672</u>	<u>\$ 153,823</u>	<u>\$ -0-</u>	<u>\$ 306,622,999</u>

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2017

NOTE 6 - CAPITAL ASSETS - Continued

Capital Transactions - continued

	<u>Balance</u> 10-01-16	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> 09-30-17
Business-type Activities:					
Airport Fund:					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,558,687	\$	\$	\$	\$ 1,558,687
Construction in progress	<u>395,296</u>	<u>1,034,547</u>	<u></u>	<u>(72,312)</u>	<u>1,357,531</u>
Total capital assets not being depreciated	<u>1,953,983</u>	<u>1,034,547</u>	<u>-0-</u>	<u>(72,312)</u>	<u>2,916,218</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	8,949,068	7,682		72,312	9,029,062
Furniture, equipment and vehicles	1,242,035	14,295	9,973		1,246,357
Runways, taxiways and aprons	<u>30,388,673</u>	<u></u>	<u></u>	<u></u>	<u>30,388,673</u>
Total capital assets being depreciated	<u>40,579,776</u>	<u>21,977</u>	<u>9,973</u>	<u>72,312</u>	<u>40,664,092</u>
Less Accumulated Depreciation For:					
Buildings and improvements	4,831,539	230,524			5,062,063
Furniture, equipment and vehicles	915,204	72,252	9,973		977,483
Runways, taxiways and aprons	<u>16,463,138</u>	<u>991,334</u>	<u></u>	<u></u>	<u>17,454,472</u>
Total accumulated depreciation	<u>22,209,881</u>	<u>1,294,110</u>	<u>9,973</u>	<u>-0-</u>	<u>23,494,018</u>
Total capital assets being depreciated, net	<u>18,369,895</u>	<u>(1,272,133)</u>	<u>-0-</u>	<u>72,312</u>	<u>17,170,074</u>
Airport capital assets, net	<u>\$ 20,323,878</u>	<u>\$(237,586)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 20,086,292</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 6 - CAPITAL ASSETS - Continued

Depreciation

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

	<u>09-30-17</u>
Governmental Activities:	
General government	\$ 598,046
Judicial and legal	1,275,347
Financial administration	1,094,232
Elections	14,561
Public facilities	403,955
Public safety	1,839,859
Corrections	1,299,651
Public transportation	10,137,272
Health and welfare	673,996
Culture and recreation	591,499
Conservation	<u>3,900</u>
	<u>\$ 17,932,318</u>
Business-type Activities:	
Airport	<u>\$ 1,294,110</u>

Function and Activity - Original Cost

	<u>Balance</u> <u>10-01-16</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers and</u> <u>Adjustments</u>	<u>Balance</u> <u>09-30-17</u>
Governmental Activities:					
Function and Activity:					
General government	\$ 16,422,788	\$ 454,879	\$ 97,276	\$	\$ 16,780,391
Judicial and legal	8,458,981	54,732	35,170	(45,094)	8,433,449
Financial administration	7,105,980	229,227	5,015	62,805	7,392,997
Elections	294,687	38,750			333,437
Public facilities	12,676,915	142,497	48,854		12,770,558
Public safety	17,013,163	1,041,820	915,240	(37,793)	17,101,950
Corrections	42,234,064	383,798	85,357	38,583	42,571,088
Public transportation	316,963,819	16,394,316	931,256	7,086,791	339,513,670
Health and welfare	8,348,307	223,439	21,665	(22,498)	8,527,583
Culture and recreation	14,149,590	419,848	130,267	1,621,152	16,060,323
Conservation	207,869				207,869
Environmental protection	<u>27,802</u>				<u>27,802</u>
	443,903,965	19,383,306	2,270,100	8,703,946	469,721,117
Non-Functional:					
Construction in progress	<u>49,519,253</u>	<u>21,010,684</u>	<u>61,147</u>	<u>(8,703,946)</u>	<u>61,764,844</u>
Total governmental activities	<u>\$ 493,423,218</u>	<u>\$ 40,393,990</u>	<u>\$ 2,331,247</u>	<u>\$ -0-</u>	<u>\$ 531,485,961</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 6 - CAPITAL ASSETS - Continued

Function and Activity - Original Cost - continued

	<u>Balance</u> <u>10-01-16</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers and</u> <u>Adjustments</u>	<u>Balance</u> <u>09-30-17</u>
Business-type Activities:					
Function and Activity:					
Airport	\$ 42,138,463	\$ 21,977	\$ 9,973	\$ 72,312	\$ 42,222,779
Non-Functional:					
Construction in progress	<u>395,296</u>	<u>1,034,547</u>	<u> </u>	<u>(72,312)</u>	<u>1,357,531</u>
Total business-type activities	<u>\$ 42,533,759</u>	<u>\$ 1,056,524</u>	<u>\$ 9,973</u>	<u>\$ -0-</u>	<u>\$ 43,580,310</u>
	<u>Land</u>	<u>Land</u> <u>Improvements</u>	<u>Buildings</u> <u>and</u> <u>Improvements</u>	<u>Furniture,</u> <u>Equipment</u> <u>and</u> <u>Vehicles</u>	<u>Infrastructure/</u> <u>Runways,</u> <u>Taxiways</u> <u>and Aprons</u>
Governmental Activities:					
Function and Activity:					
General government	\$ 3,605,498	\$ 731,979	\$ 9,848,735	\$ 1,920,902	\$ 673,277
Judicial and legal	223,781	15,319	1,349,465	6,844,884	
Financial administration	26,875		159,614	7,206,508	
Elections			89,196	244,241	
Public facilities	1,377,281	619,818	9,989,707	783,752	
Public safety	10,963	65,898	1,104,008	14,388,517	1,532,564
Corrections	147,014	422,491	39,468,147	2,533,436	
Public transportation	13,613,033	369,284	4,275,085	34,508,509	286,747,759
Health and welfare	1,221,732	15,795	2,695,433	4,588,670	5,953
Culture and recreation	2,672,636	4,380,188	5,974,236	2,220,440	812,823
Conservation	8,935		177,799	21,135	
Environmental protection	<u>842</u>	<u> </u>	<u> </u>	<u>26,960</u>	<u> </u>
Total governmental activities	<u>\$ 22,908,590</u>	<u>\$ 6,620,772</u>	<u>\$ 75,131,425</u>	<u>\$ 75,287,954</u>	<u>\$ 289,772,376</u>
Business-type Activities:					
Function and Activity:					
Airport	<u>\$ 1,558,687</u>	<u>\$ -0-</u>	<u>\$ 9,029,063</u>	<u>\$ 1,246,356</u>	<u>\$ 30,388,673</u>

BRAZORIA COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2017

NOTE 6 - CAPITAL ASSETS - ContinuedConstruction Commitments

	<u>Projects Authorized</u>	<u>Expended To Date</u>	<u>Commitment</u>	<u>Requiring Further Financing</u>
September 30, 2017:				
Governmental Activities:				
Elections – voting equipment	\$ 4,479,520	\$ 4,442,626	\$ 36,894	\$
Museum – renovations	535,929	397,411	138,518	
Parks – master plan	40,000	11,956	28,044	
PBX telephone system	971,469	554,871	416,598	
Restore Acts – Quintana fishing pier	240,500	98,940	141,560	
Restore Acts – San Bernard jetties	807,850	405,375	402,475	
Security improvements – courthouse and sheriff's office	821,519	405,300	416,219	
Road and Bridge Projects:				
CR 4 drainage improvements	81,710	26,749	54,961	
CR 48 improvements	1,848,117	298,496	1,549,621	
CR 59 improvements	553,453	261,420	292,213	
CR 94 improvements	31,600	19,018	12,582	
CR 101 improvements	710,508	122,420	588,088	
CR 288 Improvements	121,203		121,203	
Damaged roads reconstruction - Phillips 66	6,502,096	1,777,953	4,724,143	
CR 146 bridge over Mustang Bayou	154,993	123,545	31,448	
CR 180 bridge	119,819	46,063	73,756	
CR 190 bridge over Briscoe Canal	434,716	123,545	311,171	
Drainage improvements - Airport	256,300	158,906	97,394	
School zone equipment flashers	149,785		149,785	
Truck weigh station - Hwy 288	307,523	210,296	97,227	
West Service Center fueling station	105,830	101,814	4,016	
West Service Center office building	<u>918,510</u>	<u>793,288</u>	<u>125,222</u>	
Total governmental activities	<u>\$ 20,192,950</u>	<u>\$ 10,379,812</u>	<u>\$ 9,813,138</u>	<u>\$ -0-</u>
Business-type Activities:				
Airport – water and sewer improvements	<u>\$ 62,000</u>	<u>\$</u>	<u>\$ 62,000</u>	<u>\$</u>
Total business-type activities	<u>\$ 62,000</u>	<u>\$ -0-</u>	<u>\$ 62,000</u>	<u>\$ -0-</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 6 - CAPITAL ASSETS - Continued

	<u>Balance</u> <u>10-01-16</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers and</u> <u>Adjustments</u>	<u>Balance</u> <u>09-30-17</u>
Component Unit:					
Capital Assets, Not Being Depreciated:					
Land	\$ 13,429,903	\$ 66,715	\$	\$	\$ 13,66,715
Construction in progress	<u>13,429,903</u>	<u>2,323,456</u>	<u> </u>	<u> </u>	<u>15,753,359</u>
Total capital assets not being depreciated	<u>13,429,903</u>	<u>2,390,171</u>	<u> -0-</u>	<u> -0-</u>	<u>15,820,074</u>
Component Unit capital assets, net	<u>\$ 13,429,903</u>	<u>\$ 2,390,171</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 15,820,074</u>

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

Construction Commitments

	<u>Projects</u> <u>Authorized</u>	<u>Expended</u> <u>To Date</u>	<u>Commitment</u>	<u>Requiring</u> <u>Further</u> <u>Financing</u>
Brazoria County Expressway	\$ 114,645,985	\$ 5,007,202	\$ 109,638,783	\$ -0-
Total component units	<u>\$ 114,645,985</u>	<u>\$ 5,007,202</u>	<u>\$ 109,638,783</u>	<u>\$ -0-</u>

NOTE 7 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE

Accounts and accrued liabilities payable as of September 30, 2017, for the government's individual governmental major and nonmajor funds, proprietary major fund, internal service funds, and fiduciary funds in the aggregate are as follows:

	<u>Governmental Funds</u>			<u>Total</u>
	<u>General</u> <u>Fund</u>	<u>Road &</u> <u>Bridge</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	
Accounts and Accrued Liabilities Payable:				
Vendors	\$ 8,220,903	\$ 1,586,988	\$ 3,802,055	\$ 13,609,946
Other governments	880,686	33,565	6,443	920,694
Accrued compensation	1,512,903	344,369	143,770	2,001,042
Accrued benefits	1,697,580	369,985	164,595	2,232,160
Other accrued liabilities	<u>62,664</u>	<u> </u>	<u> </u>	<u>62,664</u>
	<u>\$ 12,374,736</u>	<u>\$ 2,334,907</u>	<u>\$ 4,116,863</u>	<u>\$ 18,826,506</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 7 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE - Continued

	Proprietary Funds			Fiduciary Funds
	Airport Fund	Internal Service Funds	Total	
Accounts and Accrued Liabilities Payable:				
Vendors	\$ 79,734	\$ 92,656	\$ 172,390	\$ 257,205
Other governments	25,839		25,839	
Accrued compensation	14,020		14,020	98,539
Accrued benefits	20,385		20,385	71,063
Estimated claims payable		1,745,800	1,745,800	
Totals	\$ 139,978	\$ 1,838,456	\$ 1,978,434	\$ 426,807

NOTE 8 - LONG-TERM DEBT

General Obligation Debt

General obligation and certificates of obligations payable at September 30, 2017, are summarized as follows:

	Interest Rate %	Series Dates			Bonds Outstanding 09-30-17
		Issued	Maturity	Callable	
General Obligation:					
Unlimited Tax Road Bonds, Series 2008	3.500 - 5.000	2008	2028		\$ 5,190,000
Unlimited Tax Road Bonds, Series 2010A	2.000 - 3.125	2010	2018		880,000
Unlimited Tax Road Bonds, (Build America Bonds) Series 2010B	4.594 - 6.026	2010	2030		13,225,000
Unlimited Tax Road Bonds, Series 2012	2.000 - 3.625	2012	2032		7,145,000
Refunding Bonds, Series 2012	2.000 - 3.000	2012	2018		945,000
Refunding Bonds, Series 2016	2.000 - 5.000	2016	2027		7,690,000
Combination Tax and Revenue Certificates of Obligation Bonds Series 2012	4.200 - 5.000	2012	2032	2022	25,115,000
Combination Tax and Revenue Certificates of Obligation Bonds Series 2016	2.000 - 5.000	2016	2026		7,325,000
Total					\$ 67,515,000

BRAZORIA COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2017

NOTE 8 - LONG-TERM DEBT - Continued

General Obligation Debt - continued

General obligation and certificates of obligation bond transactions for the year ended September 30, 2017 were as follows:

Bonds outstanding, October 1, 2016	\$ 71,045,000
Matured	<u>(3,530,000)</u>
 Bonds outstanding, September 30, 2017	 \$ <u>67,515,000</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, 2017, the amount of ad valorem taxes collected for interest and sinking were \$ 8,719,151, while the debt service requirements for principal and interest was \$ 6,498,382. The bond resolutions provide no express remedies in the event of default and make no provision for acceleration of maturity of the bonds.

The following is a summary of general obligation bond requirements by year as of September 30, 2017:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2018	\$ 4,815,000	\$ 2,840,945	\$ 7,655,945
2019	4,000,000	2,698,617	6,698,617
2020	4,125,000	2,546,531	6,671,531
2021	4,295,000	2,371,513	6,666,513
2022	5,060,000	2,169,702	7,229,702
2023-2027	27,635,000	7,143,499	34,778,499
2028-2032	<u>17,585,000</u>	<u>1,616,111</u>	<u>19,201,111</u>
	<u>\$ 67,515,000</u>	<u>\$ 21,386,918</u>	<u>\$ 88,901,918</u>

The scheduled federal subsidy for the 2010 Unlimited Tax Road Bonds (Build America Bonds) to be received at September 30, 2017 is as follows:

<u>September 30,</u>	<u>Federal Subsidy</u>
2018	\$ 236,544
2019	229,754
2020	215,761
2021	200,810
2022	184,870
2023-2027	647,098
2028-2030	<u>115,576</u>
	<u>\$ 1,830,413</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 8 - LONG-TERM DEBT - Continued

General Obligation Debt - continued

During the year ended September 30, 2017, the County received \$ 237,308 in federal subsidy under the Build America Bond program. The federal subsidy is provided to offset the interest paid on the bonds.

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

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

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

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

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

Tax Note Debt

The tax notes payable at September 30, 2017, is summarized as follows:

	Interest Rate %	Series Dates			Tax Notes Outstanding 09-30-17
		Issued	Maturity	Callable	
Tax Note:					
Tax Note, Series 2013	1.560	2013	2020		\$ <u>7,635,000</u>
Total					\$ <u>7,635,000</u>

Tax note transactions for the year ended September 30, 2017 were as follows:

Tax Note outstanding, October 1, 2016	\$ 7,885,000
Matured	<u>(250,000)</u>
Tax Note outstanding, September 30, 2017	<u>\$ 7,635,000</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 8 - LONG-TERM DEBT - Continued

Tax Note Debt - continued

The tax note agreement requires that a tax be levied sufficient to pay current interest and create a sinking fund of not less than the amount to pay current principal and interest. For the year ended September 30, 2017, the amount of ad valorem taxes collected for interest and sinking were \$ 377,299, while the debt service requirements for principal and interest were \$ 371,056.

The following is a summary of general obligation bond requirements by year as of September 30, 2017:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2018	\$ 1,830,000	\$ 104,832	\$ 1,934,832
2019	2,855,000	68,289	2,923,289
2020	<u>2,950,000</u>	<u>23,010</u>	<u>2,973,010</u>
	<u>\$ 7,635,000</u>	<u>\$ 196,131</u>	<u>\$ 7,831,131</u>

Proprietary Debt

Other than accrued compensated absences, net OPEB obligation, and net pension liability, there was no proprietary long-term debt at or during the year ended September 30, 2017.

Changes in Long-Term Debt

Transactions for the year ended September 30, 2017 are summarized as follows:

	<u>Balance 10-01-16</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance 09-30-17</u>	<u>Due Within One Year</u>
Governmental Type Activities:					
Certificates of obligation bonds	\$ 33,010,000	\$	\$ 570,000	\$ 32,440,000	\$ 1,765,000
General obligation bonds	38,035,000		2,960,000	35,075,000	3,050,000
Tax notes	7,885,000		250,000	7,635,000	1,830,000
Premium on bonds	4,411,736		417,346	3,994,390	381,680
Compensated absences	4,411,894	4,112,019	3,775,802	4,748,111	4,748,111
Net OPEB obligation	3,342,130	4,398,268	2,413,354	5,327,044	
Net pension liability	<u>67,525,766</u>	<u>11,480,810</u>	<u>8,659,052</u>	<u>70,347,524</u>	
Total governmental activities	<u>158,621,526</u>	<u>19,991,097</u>	<u>19,045,554</u>	<u>159,567,069</u>	<u>11,774,791</u>
Business-Type Activities:					
Compensated absences	51,488	54,463	43,064	62,887	62,887
Net OPEB obligation	28,548	41,156	9,724	59,980	
Net pension liability	<u>573,514</u>	<u>97,256</u>	<u>73,352</u>	<u>597,418</u>	
Total business-type activities	<u>653,550</u>	<u>192,875</u>	<u>126,140</u>	<u>720,285</u>	<u>62,887</u>
Total government	<u>\$159,275,076</u>	<u>\$ 20,183,972</u>	<u>\$ 19,171,694</u>	<u>\$160,287,354</u>	<u>\$ 11,837,678</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 8 - LONG-TERM DEBT - Continued

Discretely presented component unit long-term bonded debt as of September 30, 2017 is listed below:

Brazoria County Toll Road Authority (the "Authority") issued limited contract tax and subordinate lien revenue bonds, which were issued in part as current interest bonds and in part as convertible capital appreciation bonds. The convertible capital appreciation bonds have a conversion date of March 1, 2025, where they will convert to current interest bonds. The Authority also issued limited contract tax and subordinate lien revenue bond anticipation notes. These subordinate lien revenue bonds and notes are paid through the Authority's Debt Service Fund from toll fees collected by the Authority. The following is a summary of the outstanding subordinate lien revenues bonds as of September 30, 2017:

	Interest Rate %	Series Dates			Outstanding 09-30-17
		Issued	Maturity	Callable	
Revenue Bonds:					
Limited Contract Tax Subordinate Lien 2017A Current Interest Bonds	4.000 - 5.000	2017	2049	2027	\$ 34,150,000
Limited Contract Tax Subordinate Lien 2017A Capital Appreciation Bonds	4.000	2017	2045	2030	19,870,978
Limited Contract Tax Subordinate Lien 2017B Bond Anticipation Notes	5.000	2017	2020		<u>29,700,000</u>
Total Revenue Bonds					<u>\$ 83,720,978</u>

Revenue bond transactions for the year ended September 30, 2017 were as follows:

Bonds outstanding, October 1, 2016	\$ -0-
Issued	83,538,313
Accretion	<u>182,665</u>
Bonds outstanding, September 30, 2017	<u>\$ 83,720,978</u>

The following is a summary of revenue bond requirements by year as of September 30, 2017:

<u>September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2018	\$	\$ 1,968,150	\$ 1,968,150
2019		1,968,150	1,968,150
2020	29,700,000	1,752,825	31,452,825
2021		1,537,500	1,537,500
2022		1,537,500	1,537,500
2023-2027		10,357,500	10,357,500
2028-2032	8,585,000	11,996,875	20,581,875
2033-2037	11,180,000	9,570,825	20,750,825
2038-2042	14,765,000	6,788,100	21,553,100
2043-2047	18,035,000	3,518,100	21,553,100
2048-2049	<u>8,285,000</u>	<u>334,700</u>	<u>8,619,700</u>
	<u>\$ 90,550,000</u>	<u>\$ 51,330,225</u>	<u>\$ 141,880,225</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 8 - LONG-TERM DEBT - Continued

The difference between bonds payable and the future principal payments is due to \$ 6,829,022 of accretion, which will occur in future years prior to payment.

A summary of the long-term liability transactions of the Authority for the year ended September 30, 2017 is as follows:

	<u>Balance</u> <u>10-01-16</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>09-30-17</u>	<u>Due Within</u> <u>One Year</u>
Revenue bonds	\$	\$ 83,720,978	\$	\$ 83,720,978	\$
Premium on bonds		<u>4,487,136</u>	<u>60,436</u>	<u>4,426,700</u>	<u>220,594</u>
Total governmental activities	\$ <u>-0-</u>	\$ <u>88,208,114</u>	\$ <u>60,436</u>	\$ <u>88,147,678</u>	\$ <u>220,594</u>

NOTE 9 - LEASING OPERATIONS

Operating Leases - Lessor

The County is involved in various operating leases as lessor. These leases are for properties such as airport facilities and other facilities. Some of the airport facilities are leased for periods through 2026. Other facilities and the coffee shop are leased on either a month-to-month or year-to-year arrangement. The County has not determined the cost of these facilities as of September 30, 2017.

Governmental Funds:

There are no minimum future rentals to be received on noncancelable leases, as of September 30, 2017.

Gross rental income for operating leases, including one-time or month-to-month, for the year ended September 30, 2017 was as follows:

	<u>2017</u>
Coffee shop	\$ <u>600</u>
	\$ <u>600</u>

Proprietary Funds (Enterprise Fund - Airport):

Minimum future rentals to be received on noncancelable leases, as of September 30, 2017, for each of the next five years and in the aggregate are:

<u>Year Ended</u> <u>September 30,</u>	<u>2017</u>
2018	\$ 214,469
2019	192,415
2020	115,575
2021	39,550
2022	40,341
2023-2027	<u>169,597</u>
	\$ <u>771,947</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 9 - LEASING OPERATIONS - Continued

Operating Leases – Lessor - continued

Gross rental income for operating leases, including one-time and month-to-month, for the year ended September 30, 2017 was as follows:

	<u>2017</u>
Building rental	\$ 309,192
Hangar rental	207,148
Ground rental	36,538
Car rental	99,970
Other rental	<u>55,165</u>
	<u>\$ 708,013</u>

Operating Leases - Lessee

Governmental Funds:

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

Minimum future rentals to be paid on non-cancelable leases, as of September 30, 2017, for each of the next five years and in the aggregate are as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>2017</u>
2018	\$ 99,434
2019	83,744
2020	<u>46,379</u>
	<u>\$ 229,557</u>

Gross rental expenditures for operating leases, including month-to-month for the year ended September 30, 2017 was as follows:

	<u>2017</u>
Building rental	\$ 113,316
Ground rental	47,257
Equipment rental	516,367
Section 8 Housing Voucher Choice rentals	<u>3,367,641</u>
	<u>\$ 4,044,581</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 9 - LEASING OPERATIONS - Continued

Operating Leases - Lessee - continued

Proprietary Funds (Enterprise Fund - Airport):

The County is involved in various operating leases as lessee. These leases are for properties such as buildings, copiers, ground, equipment and other facilities. Most are on month-to-month or year-to-year, therefore, there are no minimum future rentals required to be paid on non-cancelable leases, as of September 30, 2017.

Gross rental expenditure for operating leases for the year ended September 30, 2017 were as follows:

	<u>2017</u>
Equipment rental	\$ <u>1,297</u>
	\$ <u>1,297</u>

NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN

Plan Description - The County provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of more than 735 non-traditional defined benefit plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 79768-2034.

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

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

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

	<u>Plan Year 2016</u>	<u>Plan Year 2017</u>
Employee deposit rate	7.00%	7.00%
Employer deposit rate	12.14%	12.09%
Matching ratio (County to employee)	2 to 1	2 to 1
Years required for vesting	8	8
Service retirement eligibility (expressed as age/years of service)	60/8, 0/20	60/8, 0/20

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Employees Covered by Benefit Terms:

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	785
Inactive employees entitled to but not yet receiving benefits	985
Active employees	<u>1,508</u>
	<u><u>3,278</u></u>

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

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

Employees of the County were required to contribute 7% of their annual compensation during the fiscal year. The County's required contribution rates of 12.09% and 12.14% in calendar years 2017 and 2016, respectively. The County's contributions to TCDRS for the year ended September 30, 2017 were \$ 8,732,404.

Net Pension Liability/Asset - The County's Net Pension Liability/Asset (NPL/NPA) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability/Asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.5% per year
Investment Rate of Return	8.0%, net of pension plan investment expense, including inflation

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2016 financial reporting metrics are the same as those used in the December 31, 2016 actuarial valuation analysis for Brazoria County.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Following is a description of the assumptions used in the December 31, 2016 actuarial valuation analysis for Brazoria County. This information may also be found in the Brazoria County December 31, 2016 Summary Valuation Report.

Economic Assumptions:

TCDRS System-Wide Economic Assumptions

Real rate of return	5.0%
Inflation	3.0%
Long-term investment return	8.0%

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

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit promotion and longevity component that on average approximates 1.4% per year for a career employee.

Employer Specific Economic Assumptions

Growth in membership	0.0%
Payroll growth	3.5%

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

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

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on the January 2016 information for a 7-10 year horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon. The most recent analysis was performed in 2013. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	13.50%	4.70%
Private Equities	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	16.00%	7.70%
Global Equities	MSCI World (net) index	1.50%	5.00%
International Equities – Developed	MSCI World Ex USA (net)	10.00%	4.70%
International Equities - Emerging	MSCI EM Standard (net) index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.15%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FTSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund Of Funds Composite Index	<u>20.00%</u>	<u>3.85%</u>
Total		<u><u>100.00%</u></u>	<u><u>8.10%</u></u>

⁽¹⁾ Target asset allocation adopted at the April 2017 TCDRS Board meeting.

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

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

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

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

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

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

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

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

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

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

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

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance as of December 31, 2015	\$ 346,284,808	\$ 278,185,528	\$ 68,099,280
Changes for the Year:			
Service cost	11,011,415		11,011,415
Interest on total pension liability ⁽¹⁾	27,865,882		27,865,882
Effect of plan changes ⁽²⁾			-0-
Effect of economic/demographic gains or losses	(1,563,930)		(1,563,930)
Effect of assumptions changes or inputs			-0-
Refunds of contributions	(946,406)	(946,406)	-0-
Contributions – employer		8,732,404	(8,732,404)
Contributions – employee		5,035,162	(5,035,162)
Net investment income		20,589,644	(20,589,644)
Benefit payment,	(14,677,975)	(14,677,975)	-0-
Administrative expense		(223,860)	223,860
Other changes ⁽³⁾		334,355	(334,355)
Balance as of December 31, 2016	<u>\$ 367,973,794</u>	<u>\$ 297,028,852</u>	<u>\$ 70,944,942</u>

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

⁽²⁾ No plan changes valued.

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

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

	1% Decrease In Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase In Discount Rate (9.10%)
Total pension liability	\$ 417,586,512	\$ 367,973,794	\$ 326,914,890
Fiduciary net position	<u>297,028,853</u>	<u>297,028,852</u>	<u>297,028,853</u>
Net pension liability	<u>\$ 120,557,659</u>	<u>\$ 70,944,942</u>	<u>\$ 29,886,037</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

	<u>Year Ended</u> <u>12-31-16</u>
<i>Pension Expense (Income):</i>	
Service cost	\$ 11,011,415
Interest on total pension liability ⁽¹⁾	27,865,882
Effect of plan changes	-0-
Administrative expenses	223,860
Member contributions	(5,035,162)
Expected investment return net of investment expenses	(22,463,679)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	446,236
Recognition of assumption changes or inputs	692,529
Recognition of investment gains or losses	5,861,451
Other ⁽²⁾	<u>(334,355)</u>
Pension expense (income)	<u>\$ 18,268,177</u>

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

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

Deferred Inflows and Outflows - At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual economic experience	\$ 2,133,654	\$
Difference between projected and actual investment earnings	17,232,881	
Changes in assumptions	2,077,586	
Economic/demographic gains or losses		1,251,144
Contributions subsequent to the measurement date ⁽³⁾	<u>6,864,836</u>	
Totals	<u>\$ 28,308,957</u>	<u>\$ 1,251,144</u>

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

<u>Year Ended</u> <u>September 30,</u>	
2017	\$ 7,000,215
2018	7,000,215
2019	6,130,526
2020	62,021
2021	-0-
Thereafter ⁽⁴⁾	-0-

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

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 11 - DEFERRED COMPENSATION AND POST-RETIREMENT LIFE INSURANCE BENEFITS

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

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

Balance - October 1, 2016	\$ 82,417,036
Contributions and earnings	14,723,187
Withdrawals, premiums, and benefits	<u>(7,975,595)</u>
Balance - September 30, 2017	<u>\$ 89,164,628</u>

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

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

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

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 11 - DEFERRED COMPENSATION AND POST-RETIREMENT LIFE INSURANCE BENEFITS -
Continued

Transactions within the annuities for the year are summarized below:

	<u>Retired Lives Reserve</u>	<u>Retiree Medical Plan</u>
Balance - October 1, 2016	\$ 7,388,378	\$ 11,270,051
Contributions and earnings	1,167,746	1,345,344
Withdrawals, premiums, benefits	<u>(938,575)</u>	<u>(740,623)</u>
Balance - September 30, 2017	<u>\$ 7,617,549</u>	<u>\$ 11,874,772</u>

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

	<u>Nationwide</u>	<u>Lincoln</u>
Balance - October 1, 2016	\$ 2,161,782	\$ 184,287
Contribution and earnings	378,115	11,045
Withdrawals, premiums, benefits, and losses	<u>(159,162)</u>	<u>(67,122)</u>
Balance - September 30, 2017	<u>\$ 2,380,735</u>	<u>\$ 128,210</u>

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

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

Funding Policy - The contribution requirements of the County are adopted by Commissioner's Court and may be amended at any time. For the years ended September 30, 2017, 2016, and 2015, the County contributed \$ 1,048,907, \$ 972,833, and \$ 2,245,707 to the Group Annuity Contract which includes net investment earnings, respectively.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 12 - POST EMPLOYMENT MEDICAL CARE PLAN

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. Actuarial valuations which are used to value OPEB plans reflect a long-term perspective and involve estimates of the value of reported amounts and assumptions about the possibility of events far into the future and actuarially amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each evaluation. The following table shows the components of the County's annual OPEB cost, the amounts actually contributed to the plan, and changes in the County's net OPEB obligation to the Group Annuity Contract for the years ended September 30, 2017, 2016, and 2015:

	<u>09-30-17</u>	<u>09-30-16</u>	<u>09-30-15</u>
Annual required contribution	\$ 4,419,773	\$ 1,712,625	\$ 1,601,546
Interest on net OPEB obligation	122,356	117,893	146,264
Adjustment to annual required contribution	<u>(102,705)</u>	<u>(106,858)</u>	<u>(132,573)</u>
Annual OPEB cost	4,439,424	1,723,660	1,615,237
Contributions made	<u>(2,423,078)</u>	<u>(972,833)</u>	<u>(2,245,707)</u>
Increase (decrease) in net OPEB obligation	2,016,346	750,827	(630,470)
Net OPEB obligation – beginning of year	<u>3,370,678</u>	<u>2,619,851</u>	<u>3,250,321</u>
Net OPEB obligation – end of year	<u>\$ 5,387,024</u>	<u>\$ 3,370,678</u>	<u>\$ 2,619,851</u>

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, 2017 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>
9/30/15	\$ 1,615,237	139.0%	\$ 2,619,851
9/30/16	1,723,660	56.4%	3,370,678
9/30/17	4,439,424	54.6%	5,387,024

Funding Status and Funding Progress - As of September 30, 2017, the most recent actuarial valuation date, the plan was 23.9% funded. The actuarial accrued liability for benefits was \$ 47,241,583, and the actuarial value of assets was \$ 11,270,051, resulting in an unfunded liability (UAAL) of \$ 35,971,532. The County's general fund is ultimately responsible for the liquidation of the net obligation. The covered payroll was \$ 67,964,775 and the ratio of the UAAL to the covered payroll was 52.9 percent.

Actuarial Methods and Assumptions - In the September 30, 2017 actuarial valuation, the entry age normal method was used. The actuarial assumptions include a 4.5% investment rate of return. An inflation rate of 3.0%, salary growth rate of 3.0%, and health care cost trend rate ranging from 10% down to 5% over a 10 year period is used. An interest discount rate of 3.6% was used to value the liability. The UAAL is being amortized over a closed period of thirty years at 4.5% using the level percent of payroll method. The remaining amortization period at September 30, 2017, was 24.52 years.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 13 - SELF INSURANCE

Health Insurance

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

The County, under the direction of the plan supervisor, Third Party Administrators, shall evaluate the cost of the plan and determine the amount to be contributed to the plan. The current contribution to the plan by the County was \$ 850 per eligible employee per month for the period October 1, 2016 through September 30, 2017. 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, 2017 was \$ 16,931,646. The plan provides limited medical care benefits to the eligible participants up to \$ 1,000,000 lifetime maximum benefit. The plan has in place an excess loss insurance policy through SA Benefit Services LLC, which covers claims in excess of \$ 250,000 per participant in any calendar year, with a maximum aggregate benefit of \$ 1,000,000 per coverage period. Estimated claims payable at September 30, 2017 was \$ 1,345,800.

The following is a reconciliation of changes in the aggregate liabilities for claims for the years ended September 30, 2017 and 2016.

	<u>2017</u>	<u>2016</u>
Claims payable - October 1,	\$ 1,898,641	\$ 1,235,829
Incurred claims	17,378,564	17,207,318
Payment of claims	<u>(17,891,741)</u>	<u>(16,544,506)</u>
Claims payable - September 30,	<u>\$ 1,385,464</u>	<u>\$ 1,898,641</u>

The following is a reconciliation of claims payable at September 30, 2017 and 2016.

	<u>2017</u>	<u>2016</u>
Claims payable:		
Actual	\$ 39,664	\$ 206,042
Estimated	<u>1,345,800</u>	<u>1,692,599</u>
Total claims payable	<u>\$ 1,385,464</u>	<u>\$ 1,898,641</u>

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 13 - SELF INSURANCE - Continued

Insurance Reserve

Brazoria County established a self-insurance reserve within the General Fund in 1979. This reserve was established to provide coverage for general liability and automobile risks including settlements, claims and costs in defense of torts, civil rights, contractual suits, environmental protection and defense of County employees not covered by or in excess of commercial insurance limits. In the fiscal year ended September 30, 1989, the Commissioners' Court transferred the balance of \$ 789,486 into a self-insurance internal service fund. This was done to facilitate control where all costs and claims can be charged to the fund from which the related liability arose. The repayment of these claims and expenses is reported as expenditures/expenses in the respective funds. The self-insurance fund reports the receipt of the interfund repayment as operating revenue with all legal costs and claims reported as an operating expense. Estimated claims payable at September 30, 2017 was \$ 400,000.

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains commercial coverage for these risks and self-insures amounts in excess of insurance coverage. There have been no significant changes in insurance coverage and settlements (related to self-insurance). For the year's ended September 30, 2017, 2016, and 2015 claims and settlements in excess of insurance coverage amounted to \$ 141,331, \$ 21,363, and \$ 242,604, respectively.

The following is a reconciliation of changes in the aggregate liabilities for claims for the years ended September 30, 2017 and 2016 for both actual and estimated liabilities:

	<u>2017</u>	<u>2016</u>
Claims payable - October 1,	\$ 400,000	\$ 409,754
Incurred claims	141,331	21,363
Payment of claims	(137,984)	(31,117)
Claims payable - September 30,	<u>\$ 403,347</u>	<u>\$ 400,000</u>
Claims payable:		
Actual	\$ 3,347	\$
Estimated	<u>400,000</u>	<u>400,000</u>
Total claims payable	<u>\$ 403,347</u>	<u>\$ 400,000</u>

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

Health Clinic

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 13 - SELF INSURANCE - Continued

Health Clinic - continued

The following is a reconciliation of changes in the aggregate liabilities for claims for the years ended September 30, 2017 and 2016 for actual liabilities:

	<u>2017</u>	<u>2016</u>
Claims payable - October 1,	\$ 27,507	\$ 60,036
Incurred claims	682,032	670,808
Payment of claims	<u>(659,894)</u>	<u>(703,337)</u>
Claims payable - September 30,	<u>\$ 49,645</u>	<u>\$ 27,507</u>
Claims payable:		
Actual	<u>\$ 49,645</u>	<u>\$ 27,507</u>
Total claims payable	<u>\$ 49,645</u>	<u>\$ 27,507</u>

NOTE 14 - CONTINGENCIES

The County is contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. Such lawsuits include various civil claims that are currently between the stages of discovery and pleadings. The outcome of these lawsuits and other claims are not presently determinable and the resolutions of these matters are not expected to have a material effect on the financial condition of the County. The County has recorded a contingent estimated liability of \$ 400,000 in the Self Insurance Liability Fund (Internal Service Fund) as of September 30, 2017 to account for any unexpected outcomes related to these civil lawsuit claims.

NOTE 15 - DEFICIT FUND BALANCES AND NET POSITION

As of September 30, 2017, various funds of the County had deficit fund balances as itemized below:

	<u>2017</u>
Fund Balances:	
Non-Major Governmental Funds:	
Special Revenue Funds:	
USDOJ-CJD-Juv Incentive Block Fund	\$ 435
SEP Wastewater Environmental Health – TCEQ Fund	6,217
Capital Projects Fund:	
USTREAS Restore Act Projects Fund	82,640
Net Position:	
Internal Service Funds:	
Self Insurance Health Fund	987,914

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

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 16 - GRANTS, ENTITLEMENTS AND SHARED REVENUES

During the year ended September 30, 2017, the County applied for and received federal and state grants related to various activities. The operations of these grants are reported in the general fund, various special revenue funds, capital projects fund, and the enterprise fund. These grants are reimbursement type grants, therefore, revenues equal expenditures. Grant revenues are classified as intergovernmental revenues. The federal grants are covered by the requirements of the Single Audit Act and the Uniform Guidance. The state grants are covered by the State of Texas Single Audit Circular and the Uniform Grant Management Standards.

NOTE 17 - 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, 2017. As of September 30, 2017, bail bonds outstanding totaled \$ 41,944,219 and collateral pledged against these bonds amounted to \$ 4,572,881.

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. Environmental consultants have been paid \$ 276,736 for their work to date. Half of that expense has been shared by the City of Pearland. The consultant estimates that the costs for additional work suggested by the Commission would total an additional \$ 27,338.

BRAZORIA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

NOTE 18 - PEARLAND-MANVEL LANDFILL - Continued

Further, Brazoria County has retained outside assistance in the environmental legal aspects of this matter. To date the County has spent \$ 51,632 in such legal expenses. An additional \$ 10,326 has been authorized for further legal services. At September 30, 2017, 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 - TAX ABATEMENTS

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

For the year ended September 30, 2017, the County abated property taxes totaling \$ 26,699,523 under this program, including the following tax abatement agreements that exceed 10 percent of the total amount abated:

- A 100 percent property tax abatement to an integrated manufacturing complex to engineer, procure and construct a project to produce caustic soda and chlorine. The project generated about 500 jobs during construction and provides long-term, full-time employment for 50 people. The property taxes abated in the current year amounted to \$ 3,561,124. This abatement agreement is set to expire on December 31, 2019.
- A 100 percent property tax abatement to an integrated manufacturing complex to engineer, procure and construct a chemical manufacturing facility. The property taxes abated in the current fiscal year amounted to \$ 3,501,988. This abatement agreement is set to expire on December 31, 2023.
- A 100 percent property tax abatement to a chemical complex for the construction of a production facility that produces polyethylene resin to be used in a multitude of applications. The property taxes abated in the current fiscal year amounts to \$ 3,281,473. This abatement agreement is set to expire on December 31, 2024.
- A 100 percent property tax abatement for the construction of a natural gas liquefaction and liquified natural gas export facility and pretreatment facilities. The property taxes abated in the current fiscal year amounts to \$ 2,784,342. This abatement agreement is set to expire on December 31, 2024.
- A 100 percent property tax abatement to a refinery for the construction of a multi-product import/export terminal and support facilities for liquified petroleum natural gas. The property taxes abated in the current fiscal year amounts to \$ 3,999,661. This abatement is set to expire on December 31, 2024.

NOTE 20 - EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 29, 2018, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

For the Year Ended September 30, 2017

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Property taxes	\$ 79,038,924	\$ 79,038,924	\$ 78,009,110	\$(1,029,814)
Sales taxes	28,000,000	30,000,000	33,312,092	3,312,092
Intergovernmental	987,000	12,893,000	11,433,255	(1,459,745)
Charges for services	8,583,950	8,618,950	9,115,627	496,677
Licenses and permits	1,622,900	1,722,900	1,970,617	247,717
Fines and forfeitures	3,320,050	3,320,050	3,541,633	221,583
Special assessments				-0-
Investment income	350,000	350,000	979,108	629,108
Miscellaneous	1,040,100	1,091,335	1,681,022	589,687
Total revenues	<u>122,942,924</u>	<u>137,035,159</u>	<u>140,042,464</u>	<u>3,007,305</u>
Expenditures:				
Current:				
General administration	10,297,583	10,907,652	10,085,901	821,751
Judicial and legal	21,053,989	21,265,530	20,376,236	889,294
Financial administration	16,346,921	16,531,543	14,163,405	2,368,138
Elections	395,629	709,664	601,630	108,034
Public facilities	4,813,617	4,622,626	4,466,005	156,621
Public safety	21,908,774	23,374,258	22,179,632	1,194,626
Corrections	25,750,094	26,318,720	25,087,385	1,231,335
Public transportation		10,000,000	10,000,000	-0-
Health and welfare	5,155,422	6,246,867	5,487,630	759,237
Public assistance	346,000	393,500	393,500	-0-
Culture and recreation	11,365,537	11,644,937	10,777,581	867,356
Conservation	579,268	580,907	459,168	121,739
Environmental protection	204,350	214,350	211,045	3,305
Capital outlay	3,343,440	8,653,864	7,285,906	1,367,958
Total expenditures	<u>121,560,624</u>	<u>141,464,418</u>	<u>131,575,024</u>	<u>9,889,394</u>
Excess (deficiency) of revenues over expenditures	<u>1,382,300</u>	<u>(4,429,259)</u>	<u>8,467,440</u>	<u>12,896,699</u>
Other Financing Sources (Uses):				
Sale of capital assets	50,000	50,000	131,185	81,185
Transfers in	100,000	190,000	262,299	72,299
Transfers out	(1,532,300)	(1,927,300)	(3,777,605)	(1,850,305)
Total other financing sources (uses)	<u>(1,382,300)</u>	<u>(1,687,300)</u>	<u>(3,384,121)</u>	<u>(1,696,821)</u>
Net change in fund balances	<u>-0-</u>	<u>(6,116,559)</u>	<u>5,083,319</u>	<u>11,199,878</u>
Fund balances – beginning	<u>90,319,712</u>	<u>90,319,712</u>	<u>90,319,712</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 90,319,712</u>	<u>\$ 84,203,153</u>	<u>\$ 95,403,031</u>	<u>\$ 11,199,878</u>

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

Road and Bridge Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 30,096,975	\$ 30,096,975	\$ 29,698,887	\$(398,088)
			-0-
85,000	5,101,000	2,854,917	(2,236,083)
1,500	1,500	469	(1,031)
660,000	660,000	3,821,929	3,161,929
			-0-
		59,424	59,424
50,000	50,000	198,833	148,833
	<u>1,045,000</u>	<u>10,159,578</u>	<u>9,114,578</u>
<u>30,893,475</u>	<u>36,954,475</u>	<u>46,804,037</u>	<u>9,849,562</u>
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
28,033,332	22,449,495	18,557,616	3,891,879
			-0-
			-0-
			-0-
			-0-
			-0-
			-0-
<u>7,442,800</u>	<u>26,323,890</u>	<u>29,677,829</u>	<u>(3,353,939)</u>
<u>35,476,132</u>	<u>48,773,385</u>	<u>48,235,445</u>	<u>537,940</u>
<u>(4,582,657)</u>	<u>(11,818,910)</u>	<u>(1,431,408)</u>	<u>10,387,502</u>
			-0-
5,000	5,000	62,293	57,293
			-0-
<u>(50,000)</u>	<u>(170,000)</u>	<u>(54,663)</u>	<u>115,337</u>
<u>(45,000)</u>	<u>(165,000)</u>	<u>7,630</u>	<u>172,630</u>
<u>(4,627,657)</u>	<u>(11,983,910)</u>	<u>(1,423,778)</u>	<u>10,560,132</u>
<u>26,067,365</u>	<u>26,067,365</u>	<u>26,067,365</u>	<u>-0-</u>
<u>\$ 21,439,708</u>	<u>\$ 14,083,455</u>	<u>\$ 24,643,587</u>	<u>\$ 10,560,132</u>

BRAZORIA COUNTY, TEXAS

Exhibit 11

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

For the Ten Years Ended September 30, 2017

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability			
Service cost	\$ 11,011,415	\$ 9,208,083	\$ 8,642,622
Interest on total pension liability	27,865,882	25,022,175	22,575,881
Effect of plan changes		19,339,348	
Effect of assumption changes or inputs		3,462,644	
Effect of economic/demographic (gains) or losses	(1,563,930)	3,078,052	717,058
Benefit payments/refunds of contributions	<u>(15,624,381)</u>	<u>(13,826,449)</u>	<u>(12,579,115)</u>
Net Change in Total Pension Liability	21,688,986	46,283,853	19,356,446
Total Pension Liability – Beginning	<u>346,284,808</u>	<u>300,000,955</u>	<u>280,644,509</u>
Total Pension Liability – Ending (a)	<u>\$ 367,973,794</u>	<u>\$ 346,284,808</u>	<u>\$ 300,000,955</u>
Fiduciary Net Position			
Employer contributions	\$ 8,732,404	\$ 8,780,780	\$ 7,985,929
Member contributions	5,035,162	4,989,108	4,544,842
Investment income net of investment expenses	20,589,644	(964,311)	17,794,613
Benefit payments/refunds of contributions	(15,624,381)	(13,826,449)	(12,579,115)
Administrative expense	(223,860)	(200,829)	(208,696)
Other	<u>334,355</u>	<u>(361,456)</u>	<u>319,860</u>
Net change in fiduciary net position	18,843,324	(1,583,157)	17,857,433
Fiduciary net position, beginning	<u>278,185,528</u>	<u>279,768,685</u>	<u>261,911,252</u>
Fiduciary net position, ending (b)	<u>\$ 297,028,852</u>	<u>\$ 278,185,528</u>	<u>\$ 279,768,685</u>
Net pension liability/asset, ending = (a)-(b)	<u>\$ 70,944,942</u>	<u>\$ 68,099,280</u>	<u>\$ 20,232,270</u>
Fiduciary net position as a percentage of total pension liability	80.72%	80.33%	93.26%
Pensionable covered payroll	\$ 71,930,888	\$ 71,272,649	\$ 64,926,320
Net pension liability as a percentage of covered payroll	98.63%	95.55%	31.16%

Note:

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

BRAZORIA COUNTY, TEXAS

Exhibit 12

*REQUIRED SUPPLEMENTARY INFORMATION
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the Ten Years Ended September 30, 2017*

<u>Year Ended September 30, (Measurement Date)</u>	<u>Actuarially Determined Contribution⁽¹⁾</u>	<u>Actual Employer Contribution⁽¹⁾</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll⁽²⁾</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2008	\$ 4,792,104	\$ 4,792,104	\$ -0-	\$ 50,021,958	9.6%
2009	5,179,878	5,179,878	-0-	55,697,618	9.3%
2010	5,256,101	5,256,101	-0-	56,517,212	9.3%
2011	5,824,844	5,824,844	-0-	56,717,078	10.3%
2012	6,024,503	6,025,737	(1,234)	57,650,743	10.5%
2013	6,490,378	6,490,378	-0-	59,218,810	11.0%
2014	7,082,127	7,083,027	(900)	60,895,329	11.6%
2015	8,415,903	8,415,903	-0-	64,926,320	13.0%
2016	6,308,348	6,308,348	-0-	51,963,633	12.1%
2017	6,864,836	6,864,836	-0-	56,781,117	12.1%

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

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

BRAZORIA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
For the Ten Years Ended September 30, 2017

Exhibit 13

Actuarial Valuation Date	Actuarial Value of Assets ^(a)	Discount Rate	Actuarial Accrued Liability ("AAL") ^(b)	Unfunded Actuarial Accrued Liability ("UAAL") ^(b-a)	Funded Ratio ^(a/b)	Covered Payroll	UAAL as % of Covered Payroll
09/30/09	\$ 8,454,424	4.5%	\$ 16,393,822	\$ 7,939,398	51.6%	\$ 50,021,958	15.9%
09/30/11	9,622,772	4.5%	20,498,474	10,875,702	46.9%	52,923,183	20.5%
09/30/13	10,468,518	4.5%	23,263,653	12,795,135	45.0%	58,348,922	21.9%
09/30/15	11,229,505	4.5%	27,021,505	15,792,000	41.6%	58,891,577	26.8%
09/30/17	11,270,051	3.4%	47,241,583	35,971,532	23.9%	67,964,775	52.9%

**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.

TDSHS Women, Infants & Children Programs Fund (30100) – 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 at nutritional risk. This fund also accounts for supplemental funding for training and salaries of peer counselors who assist pregnant and breastfeeding, services of a registered dietitian, lactation supplies, and obesity prevention education.

HHS-PPCPS Cities Readiness Initiative Fund (30500) – 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.

HHS-BRHLO Community and Rural Health Fund (30600) – This fund accounts for grant proceeds to provide outreach, education, and testing & tracking sexually transmitted diseases/tuberculosis STD/TB.

HHS-PPCPS Hazards (Bioterrorism Grant) Fund (30700) – 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.

HHS-CPS EBOLA-PHEP Fund (30701) – This fund accounts for supplemental funding activities that align with the Public Health Emergency Preparedness (PHEP) capabilities by performing activities that support the Public Health Emergency Preparedness Cooperative Agreement from the Centers for Disease Control and Prevention (CDC). This EBOLA preparedness and response supplemental funding seeks to support accelerated local public health preparedness planning and operational readiness for responding to Ebola virus disease.

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

HHS-CPS Title IV-E Foster Care Maintenance Fund (30800) – This fund accounts for grant proceeds awarded for federal Child Protective Services.

HHS-CPS Title IV-E Legal Services Fund (30850) – 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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

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

2005 – 2017 Section 8 Housing Choice Voucher Program Funds (32005-32113) – These funds account 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.

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

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

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

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

USDOJ DEA Narcotics OT Expense Fund (33500) – This fund accounts for an agreement between Brazoria County 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.

USDOJ Organized Crime Drug Enforcement Fund (33600) – 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.

USDOJ State Criminal Alien Assistance Fund (33900) – This fund accounts for grant proceeds awarded through the Bureau of Justice Assistance (BJA), Office of Justice Programs (OJP), and the United States Department of Justice (DOJ), to States and localities 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.

DOI Mutual Fire Protection & Disbursement Assistance Fund (34100) – 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.

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

FEMA Harvey 2017 Fund (34615) – This fund accounts for grant proceeds awarded through the Department of Homeland Security office of Federal Emergency Management Agency to assist State, Tribal and local governments and eligible private non-profits in responding to and recovering from the devastating effects of disasters by providing assistance for debris removal, emergency protective measures and the repair, restoration, reconstruction or replacement of public facilities or infrastructure damaged or destroyed as the result of federally declared disaster or emergencies. These funds were awarded to assist with Hurricane Harvey.

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

TJJD JJAEP Boot Camp Fund (35650) – This fund accounts for intergovernmental revenues from the Texas Juvenile Justice Department to fund mandatory juvenile justice alternative education programs as required under Chapter 37, Texas Education Code.

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

TCEQ LIRAP Program Fund (36100) – 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.

TCEQ Environmental Education Kits Fund (36200) – 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.

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

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

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

OAG Texas VINE Contract Fund (37100) – This fund accounts for grant proceeds awarded for reimbursement for certain costs incurred in the participation in a statewide crime victim notification service.

DFPS CPS Title IV-B Concrete Services Fund (37200) – This fund accounts for grant proceeds awarded for State Child Protective Services.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

TDSHS Immunization Fund (37400) – 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.

TSLAC Family Place Library Project Fund (37600) – This fund accounts for proceeds awarded from the Institute of Museum & Library Services through the Texas State Library & Archives Commission to fund tuition for staff members from participating Texas libraries to attend a three-day Family Place Libraries Training Institute. The institute teaches attendees the core elements of the Family Place Libraries model and assists them with the beginning stages of developing and maintaining a Family Place Library at their facility. After attending the Institute, participating Texas libraries are eligible for a grant of \$6,000 to assist with the development of their Family Place Libraries program.

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

Emergency Management Fire Code Fund (38000) – This fund accounts for receipt and expenditure of fees assessed for inspections of construction sites for enforcement of the county fire code. Such fees may only be spent for activities related to the enforcement of the code.

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

Vital Statistics Fee Fund (38100) – This fund accounts for an optional one dollar local fee collected for death and/or birth certificates by Justice of the Peace officers and/or County Clerk.

Records Management County Clerk Fund (38110) – 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 Archive County Clerk Fund (38120) – 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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Civil, Criminal and Probate Records Management Fund (38200) – 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.

County Graffiti Eradication Fund (38210) – This fund accounts for local revenues designated for the purpose of graffiti eradication in the County.

County/District Court Technology Fund (38220) – This fund accounts for the mandate in House Bill 3637 that each county court, statutory county court, or district court in Brazoria County assesses a \$ 4 technology fee on each criminal offense conviction. These funds are restricted to technological enhancements as described by Subchapter A, Chapter 102, and Article 102.0169 of the Code of Criminal Procedure. Commissioners' Court approved this fee on September 8, 2009.

Records Preservation County/District Clerk Fund (38230) – This fund accounts for fees collected by the District and County Clerks pursuant to Government Code 51.708, where the District Clerk shall collect a filing fee of \$ 10 in each civil case filed. The County Clerk shall collect a filing fee of \$ 5 in each civil case filed. These funds are restricted to digitize and preserve court records from natural disasters. Commissioners' Court approved this fee on September 8, 2009.

Child Abuse Prevention Fund (38300) – This fund accounts for funds collected from private donations and jurors' reimbursement donations to the CPS child welfare board of the county.

Family Protection Fund (38310) – The family protection fee of \$ 15 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.

Records Management District Clerk Fund (38320) – 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 District Clerk Fund (38330) – The "Records Management and Preservation" fee collected by the District Clerk pursuant 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.

JP Building Security Fund (38400) – 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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Justice Court Technology Fund (38410) – 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.

Financial Security Fund (38500) – 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.

Law Enforcement Officers Standards and Education Fund (38600) – This fund accounts for fees utilized for law enforcement officers' educational expenditures.

District Attorney Hot Check Collection Fund (38710) – This fund is used to account for monies received from fees collected on the payment of hot checks. Expenditures are made for the improvement of the operation of the District Attorney's office and Hot Check collections.

District Attorney Supplemental Fund (38720) – This fund accounts for funds used for the payment of salaries of Assistant District Attorneys, Investigators and/or secretarial help and expense, including travel for these personnel as determined by the District Attorney.

District Attorney Forfeiture CCP Chapter 59 Fund (38730) – This fund accounts for funds used in criminal investigations of seized funds awarded by court order to the Criminal District Attorney's office.

Voter Registration Tax Office Fund (38810) – This fund accounts for the commission fee received from the Texas State Comptroller and is used to defray expenditures of the Registrar's office.

Special Inventory Dealer Escrow Tax Fund (38820) – This fund accounts for interest earned on prepayments of vehicle inventory taxes by automobile dealers. The money is held in an escrow bank account by the Tax Collector and the interest is used by the Tax Collector to defray administrative costs. These funds are restricted pursuant to state statute.

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

Elections Services Contract Fund (38910) – 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 Equipment Rental Fund (38920) – This fund accounts for revenue and related expenditures from election equipment rental. Funds are used only for the purchase of voting equipment changes or upgrades, and technology upgrades for the election office.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Sheriff Contraband Forfeiture Fund (39100) – This fund accounts for monies acquired through forfeitures shared equally with participating law enforcement agencies for law enforcement purposes.

Brazoria County Narcotics Task Force Fund (39110) – This fund accounts for monies seized by the Task Force for use in undercover operations.

Sheriff Commissary Fund (39120) – This fund is used to account for jail inmates' purchase of food and toiletry items or other supplies. Expenditures are for the purchase of these items. Any revenue generated is used for the benefit of the inmate.

Sheriff Federal Forfeiture Fund (39130) – This fund accounts for monies used in criminal investigations of seized funds awarded by court order to the County Sheriff's office.

Juvenile Case Manager Fund (39200) – This fund accounts for the \$ 5 fee collected on convicted fine-only misdemeanor offenses by the Justice of Peace. It 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.

CSCD Bond Supervision Fund (39210) – This fund accounts for collection of program income and expenditures related to the operation of the CSCD surety and personal recognizance bond supervision program. Article 17.42 of the Code of Criminal Procedure authorized the establishment and funding of a personal bond office approved by commissioners' court.

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

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

2006 GoM Energy Security Act Fund (39630) – This fund accounts for revenue from the United States Department of the Interior under the Gulf of Mexico Energy Security Act of 2006 (GOMESA) which provides 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.

Vivian Street Lazy Oaks Special Assessment Fund (39762) – 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 qualify for the County road system.

Law Library Fund (39800) – 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.

Mosquito Control District Fund (39900) – 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.

Debt Service Funds

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds – Continued

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

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

Toll Road I & S Fund (44000) – This fund accounts for the accumulation of resources and the payment of those resources related to retiring future bonds issued for construction accounted for in the Brazoria County Toll Road Construction fund.

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

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

Sheriff and Detention Complex, I & S Fund (46000) – 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.

Capital Projects Funds

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

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

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds - Continued

DOI Parks CIAP Grant Fund (34860) – This fund accounts for grant funding from the General Land Office to develop the Coastal Impact Assistance Plan for projects and activities related to conservation, protection and/or restoration of coastal areas.

Brazoria County Toll Road Construction Fund (51100) – This fund accounts for the primary activities of the Brazoria County Toll Road Authority which include the construction and maintenance of county toll roads and related administrative services.

2012 Certificate of Obligation C & M Fund (52000) – This fund accounts for the accumulation of resources and the payment of proceeds of a Certificate of Obligation Bonds – Series 2012 bond issue totaling \$ 25,115,000 and resulting interest earned on related deposit balances. This issue was approved for the purpose of construction and improvement of numerous facility projects with an estimated cost of \$ 27,500,000.

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

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

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

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

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	Special		
	TDSHS Women Infants & Children Programs Fund-30100	HHS-PPCPS Cities Readiness Initiative Fund-30500	HHS-BRHLO Community and Rural Health Fund-30600
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and temporary investments	\$	\$	\$
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts		216	
Due from other governments	182,386	16,330	8,232
Due from other funds			
Inventories			
Prepaid expenditures	7,730		
Long-Term Receivables:			
Accounts			
Total assets	<u>190,116</u>	<u>16,546</u>	<u>8,232</u>
Deferred Outflows of Resources:			
Deferred outflows of resources			
Total deferred outflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 190,116</u>	<u>\$ 16,546</u>	<u>\$ 8,232</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts and accrued liabilities payable	\$ 45,987	\$ 3,193	\$ 1,595
Due to other funds	144,129	13,353	6,637
Unearned revenue			
Total liabilities	<u>190,116</u>	<u>16,546</u>	<u>8,232</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (Deficit):			
Non-spendable	7,730		
Restricted			
Committed			
Unassigned	<u>(7,730)</u>		
Total fund balance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 190,116</u>	<u>\$ 16,546</u>	<u>\$ 8,232</u>

Revenue Funds

HHS-PPCPS Hazards (Bioterrorism Grant) Fund-30700	HHS-CPS EBOLA- PHEP Fund-30701	HHS- Infectious Disease Control Unit Fund-30710	HHS-CPS Title IV-E Foster Care Maintenance Fund-30800	HHS-CPS Title IV-E Legal Services Fund-30850	DHS State Homeland Security- UASI Fund-31500
\$	\$	\$	\$	\$	\$
325 41,540		12,341	32,705	36,141	35,495
460		561			
<u>42,325</u>	<u>-0-</u>	<u>12,902</u>	<u>32,705</u>	<u>36,141</u>	<u>35,495</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 42,325</u>	<u>\$ -0-</u>	<u>\$ 12,902</u>	<u>\$ 32,705</u>	<u>\$ 36,141</u>	<u>\$ 35,495</u>
\$ 8,371 33,954	\$	\$ 2,808 10,094	\$ 5,752 26,874	\$ 20,310 15,831	\$ 34,750 745
<u>42,325</u>	<u>-0-</u>	<u>12,902</u>	<u>32,626</u>	<u>36,141</u>	<u>35,495</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
460		561	79		
(<u>460</u>)		(<u>561</u>)			
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>79</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 42,325</u>	<u>\$ -0-</u>	<u>\$ 12,902</u>	<u>\$ 32,705</u>	<u>\$ 36,141</u>	<u>\$ 35,495</u>

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	Special		
	2005-2017 Section 8 Housing Choice Voucher Program Funds 32005-32113	CDBG County (HUD) Funds 32213-32215	HUD- Texas CDBG Recovery Fund-32600
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and temporary investments	\$ 941,919	\$	\$
Receivables (Net of Allowance for Uncollectable):			
Taxes			
Accounts	8,589		
Due from other governments		251,332	3,612
Due from other funds			
Inventories			
Prepaid expenditures			
Long-Term Receivables:			
Accounts			
	950,508	251,332	3,612
Total assets	950,508	251,332	3,612
Deferred Outflows of Resources:			
Deferred outflows of resources			
	-0-	-0-	-0-
Total deferred outflows of resources	-0-	-0-	-0-
Total assets and deferred outflows of resources	\$ 950,508	\$ 251,332	\$ 3,612
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts and accrued liabilities payable	\$ 18,315	\$ 232,146	\$ 485
Due to other funds		19,186	3,127
Unearned revenue	6,874		
	25,189	251,332	3,612
Total liabilities	25,189	251,332	3,612
Deferred Inflows of Resources:			
Deferred inflows of resources			
	-0-	-0-	-0-
Total deferred inflows of resources	-0-	-0-	-0-
Fund Balance (Deficit):			
Non-spendable			
Restricted	925,319		
Committed			
Unassigned			
	925,319	-0-	-0-
Total fund balance	925,319	-0-	-0-
Total liabilities, deferred inflows of resources and fund balances	\$ 950,508	\$ 251,332	\$ 3,612

Revenue Funds

USDOJ- CJD-Juv Incentive Block Fund-33000	USDOJ- Crime Victim Assistance VOCA Fund-33200	USDOJ-CSCD Victim Services Program Fund-33251	Drug Court Program Fund-33300	DWI Court Program Fund-33310	Veterans Court Program Fund-33320
\$	\$ 2,081	\$	\$	\$ 31,326	\$
	3,535	5,161	75,271	26,990	14,753
<u>-0-</u>	<u>5,616</u>	<u>5,161</u>	<u>75,271</u>	<u>58,316</u>	<u>14,753</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ -0-</u>	<u>\$ 5,616</u>	<u>\$ 5,161</u>	<u>\$ 75,271</u>	<u>\$ 58,316</u>	<u>\$ 14,753</u>
\$ 435	\$ 5,616	\$ 5,022 139	\$ 16,366 24,125	\$ 5,566	\$ 6,970 7,783
<u>435</u>	<u>5,616</u>	<u>5,161</u>	<u>40,491</u>	<u>5,566</u>	<u>14,753</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
			34,780	52,750	
<u>(435)</u>					
<u>(435)</u>	<u>-0-</u>	<u>-0-</u>	<u>34,780</u>	<u>52,750</u>	<u>-0-</u>
<u>\$ -0-</u>	<u>\$ 5,616</u>	<u>\$ 5,161</u>	<u>\$ 75,271</u>	<u>\$ 58,316</u>	<u>\$ 14,753</u>

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	Special		
	USDOJ Domestic Violence Court Fund-33330	USDOJ DEA Narcotics OT Expense Fund-33500	USDOJ Organized Crime Drug Enforcement Fund-33600
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and temporary investments	\$	\$	\$
Receivables (Net of Allowance for Uncollectable):			
Taxes			
Accounts			
Due from other governments	6,605	97	
Due from other funds			
Inventories			
Prepaid expenditures			
Long-Term Receivables:			
Accounts			
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u> 6,605</u>	<u> 97</u>	<u> -0-</u>
Deferred Outflows of Resources:			
Deferred outflows of resources			
	<u> </u>	<u> </u>	<u> </u>
Total deferred outflows of resources	<u> -0-</u>	<u> -0-</u>	<u> -0-</u>
Total assets and deferred outflows of resources	<u>\$ 6,605</u>	<u>\$ 97</u>	<u>\$ -0-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts and accrued liabilities payable	\$ 4,952	\$	\$
Due to other funds	1,653	97	
Unearned revenue			
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> 6,605</u>	<u> 97</u>	<u> -0-</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u> -0-</u>	<u> -0-</u>	<u> -0-</u>
Fund Balance (Deficit):			
Non-spendable			
Restricted			
Committed			
Unassigned			
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u> -0-</u>	<u> -0-</u>	<u> -0-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,605</u>	<u>\$ 97</u>	<u>\$ -0-</u>

Revenue Funds

USDOJ State Criminal Alien Assistance Fund-33900	DOI Mutual Fire Protection & Disbursement Assistance Fund-34100	FEMA Flood Disaster 2016 Fund-34610	FEMA Harvey 2017 Fund-34615	TJJD State Aid Fund-35000	TJJD JJAEP Boot Camp Fund-35650
\$ 52,278	\$	\$	\$	\$	\$ 11,942
		372,449	2,154,663	3,084 97,786	45,122
<u>52,278</u>	<u>-0-</u>	<u>372,449</u>	<u>2,154,663</u>	<u>100,870</u>	<u>57,064</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 52,278</u>	<u>\$ -0-</u>	<u>\$ 372,449</u>	<u>\$ 2,154,663</u>	<u>\$ 100,870</u>	<u>\$ 57,064</u>
\$	\$	\$	\$ 2,051,308 103,355	\$ 97,844 3,026	\$ 57,064
<u>52,278</u>		<u>372,449</u>	<u>2,154,663</u>	<u>100,870</u>	<u>57,064</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>\$ 52,278</u>	<u>\$ -0-</u>	<u>\$ 372,449</u>	<u>\$ 2,154,663</u>	<u>\$ 100,870</u>	<u>\$ 57,064</u>

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	Special		
	TJJD-RDA Regional Diversion Alternative Fund-35950	TCEQ LIRAP Program Fund-36100	TCEQ Env Education Kits Fund-36200
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and temporary investments	\$	\$	\$
Receivables (Net of Allowance for Uncollectable):			
Taxes			
Accounts			
Due from other governments	4,869		
Due from other funds			
Inventories			
Prepaid expenditures			
Long-Term Receivables:			
Accounts			
Total assets	4,869	-0-	-0-
Deferred Outflows of Resources:			
Deferred outflows of resources			
Total deferred outflows of resources	-0-	-0-	-0-
Total assets and deferred outflows of resources	\$ 4,869	\$ -0-	\$ -0-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts and accrued liabilities payable	\$ 4,869	\$	\$
Due to other funds			
Unearned revenue			
Total liabilities	4,869	-0-	-0-
Deferred Inflows of Resources:			
Deferred inflows of resources			
Total deferred inflows of resources	-0-	-0-	-0-
Fund Balance (Deficit):			
Non-spendable			
Restricted			
Committed			
Unassigned			
Total fund balance	-0-	-0-	-0-
Total liabilities, deferred inflows of resources and fund balances	\$ 4,869	\$ -0-	\$ -0-

Revenue Funds

TCEQ Local Initiatives Program Fund-36400	TXDOT CR 48 Project Fund-36801	OAG Victim Assistance Grant Fund-37000	OAG Texas VINE Contract Fund-37100	DFPS CPS Title IV-B Concrete Services Fund-37200	TDSHS Immunization Fund-37400
\$ 207,390	\$ 344	\$	\$	\$	\$
	331	3,721			66 24,109
<u>207,390</u>	<u>675</u>	<u>3,721</u>	<u>-0-</u>	<u>-0-</u>	<u>24,175</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 207,390</u>	<u>\$ 675</u>	<u>\$ 3,721</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 24,175</u>
\$ 207,390	\$ 675	\$ 3,389 332	\$	\$	\$ 7,611 16,564
<u>207,390</u>	<u>675</u>	<u>3,721</u>	<u>-0-</u>	<u>-0-</u>	<u>24,175</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>\$ 207,390</u>	<u>\$ 675</u>	<u>\$ 3,721</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 24,175</u>

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	TSLAC Family Place Library Project Fund-37600	OAG Regional Juvenile Mental Health Services Fund-37800	Special Emergency Management Fire Code Fund-38000
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and temporary investments	\$	\$	\$ 51,608
Receivables (Net of Allowance for Uncollectable):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Inventories			
Prepaid expenditures			
Long-Term Receivables:			
Accounts			
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u> -0-</u>	<u> -0-</u>	<u> 51,608</u>
Deferred Outflows of Resources:			
Deferred outflows of resources			
	<u> </u>	<u> </u>	<u> </u>
Total deferred outflows of resources	<u> -0-</u>	<u> -0-</u>	<u> -0-</u>
Total assets and deferred outflows of resources	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 51,608</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$ 22,371
Due to other funds			
Unearned revenue			
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> -0-</u>	<u> -0-</u>	<u> 22,371</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u> -0-</u>	<u> -0-</u>	<u> -0-</u>
Fund Balance (Deficit):			
Non-spendable			
Restricted			29,237
Committed			
Unassigned			
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u> -0-</u>	<u> -0-</u>	<u> 29,237</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 51,608</u>

Revenue Funds					
Economic Development Tax Abatement Fund-38010	Vital Statistics Fee Fund-38100	Records Management County Clerk Fund-38110	Records Archive County Clerk Fund-38120	Civil, Criminal & Probate Records Management Fund-38200	County Graffiti Eradication Fund-38210
\$ 1,065	\$ 20,773	\$ 2,575,938	\$ 525,262	\$ 422,790	\$ 2,581
				2,338	
<u>1,065</u>	<u>20,773</u>	<u>2,575,938</u>	<u>525,262</u>	<u>425,128</u>	<u>2,581</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 1,065</u>	<u>\$ 20,773</u>	<u>\$ 2,575,938</u>	<u>\$ 525,262</u>	<u>\$ 425,128</u>	<u>\$ 2,581</u>
\$	\$	\$ 194,286	\$ 2,386	\$ 92	\$
<u>-0-</u>	<u>-0-</u>	<u>194,286</u>	<u>2,386</u>	<u>92</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
1,065	20,773	2,381,652	522,876	422,698	2,581
<u>1,065</u>	<u>20,773</u>	<u>2,381,652</u>	<u>522,876</u>	<u>425,036</u>	<u>2,581</u>
<u>\$ 1,065</u>	<u>\$ 20,773</u>	<u>\$ 2,575,938</u>	<u>\$ 525,262</u>	<u>\$ 425,128</u>	<u>\$ 2,581</u>

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	Special		
	County/ District Court Technology Fund-38220	Records Preservation County/District Clerk Fund-38230	Child Abuse Prevention Fund-38300
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and temporary investments	\$ 113,404	\$ 334,666	\$ 14,852
Receivables (Net of Allowance for Uncollectable):			
Taxes			
Accounts			
Due to other governments			
Due from other funds			
Inventories			
Prepaid expenditures			
Long-Term Receivables:			
Accounts			
	113,404	334,666	14,852
Total assets	<u>113,404</u>	<u>334,666</u>	<u>14,852</u>
Deferred Outflows of Resources:			
Deferred outflows of resources			
	-0-	-0-	-0-
Total deferred outflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 113,404</u>	<u>\$ 334,666</u>	<u>\$ 14,852</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts and accrued liabilities payable	\$ 23,551	\$ 152,591	\$
Due to other funds			
Unearned revenue			
	23,551	152,591	-0-
Total liabilities	<u>23,551</u>	<u>152,591</u>	<u>-0-</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
	-0-	-0-	-0-
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (Deficit):			
Non-spendable			
Restricted	89,853	182,075	14,852
Committed			
Unassigned			
	89,853	182,075	14,852
Total fund balance	<u>89,853</u>	<u>182,075</u>	<u>14,852</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 113,404</u>	<u>\$ 334,666</u>	<u>\$ 14,852</u>

Revenue Funds

Family Protection Fund-38310	Records Management District Clerk Fund-38320	Records Archive District Clerk Fund-38330	JP Building Security Fund-38400	Justice Court Technology Fund-38410	Financial Security Fund-38500
\$ 42,304	\$ 27,188	\$ 33,556	\$ 165,729	\$ 288,450	\$ 362,398
<u>42,304</u>	<u>27,188</u>	<u>33,556</u>	<u>165,729</u>	<u>288,450</u>	<u>362,398</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 42,304</u>	<u>\$ 27,188</u>	<u>\$ 33,556</u>	<u>\$ 165,729</u>	<u>\$ 288,450</u>	<u>\$ 362,398</u>
\$	\$ 975	\$ 1,184	\$ 2	\$ 13	\$ 7
<u>-0-</u>	<u>975</u>	<u>1,184</u>	<u>2</u>	<u>13</u>	<u>7</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
42,304	26,213	32,372	165,727	288,437	362,391
<u>42,304</u>	<u>26,213</u>	<u>32,372</u>	<u>165,727</u>	<u>288,437</u>	<u>362,391</u>
<u>\$ 42,304</u>	<u>\$ 27,188</u>	<u>\$ 33,556</u>	<u>\$ 165,729</u>	<u>\$ 288,450</u>	<u>\$ 362,398</u>

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	Special		
	Law Enforce- ment Officers Standards & Education Fund-38600	District Attorney Hot Check Collection Fund-38710	District Attorney Supplemental Fund-38720
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and temporary investments	\$ 100,401	\$ 19,107	\$ 2,753
Receivables (Net of Allowance for Uncollectable):			
Taxes			
Accounts			4,285
Due from other governments			
Due from other funds			
Inventories			
Prepaid expenditures			
Long-Term Receivables:			
Accounts			
	<u>100,401</u>	<u>19,107</u>	<u>7,038</u>
Total assets			
	<u>100,401</u>	<u>19,107</u>	<u>7,038</u>
Deferred Outflows of Resources:			
Deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 100,401</u>	<u>\$ 19,107</u>	<u>\$ 7,038</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts and accrued liabilities payable	\$ 1,950	\$ 890	\$ 684
Due to other funds			
Unearned revenue			6,221
	<u>1,950</u>	<u>890</u>	<u>6,905</u>
Total liabilities			
	<u>1,950</u>	<u>890</u>	<u>6,905</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred inflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (Deficit):			
Non-spendable			
Restricted	98,451		133
Committed		18,217	
Unassigned			
	<u>98,451</u>	<u>18,217</u>	<u>133</u>
Total fund balance			
	<u>98,451</u>	<u>18,217</u>	<u>133</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 100,401</u>	<u>\$ 19,107</u>	<u>\$ 7,038</u>

Revenue Funds

District Attorney Forfeiture CCP Chapter 59 Fund-38730	Voter Registration Tax Office Fund-38810	Special Inventory Dealer Escrow-Tax Fund-38820	Scofflaw Fees TTC Section 502.01 Fund-38830	Elections Services Contract Fund-38910	Elections HAVA Equipment Rental Fund-38920
\$ 57,927	\$	\$ 70,425	\$ 807	\$ 93,786	\$ 156,480
	76		30		
<u>57,927</u>	<u>76</u>	<u>70,425</u>	<u>837</u>	<u>93,786</u>	<u>156,480</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 57,927</u>	<u>\$ 76</u>	<u>\$ 70,425</u>	<u>\$ 837</u>	<u>\$ 93,786</u>	<u>\$ 156,480</u>
\$ 8,224	\$	\$	\$	\$ 170	\$
	76				
<u>8,224</u>	<u>76</u>	<u>-0-</u>	<u>-0-</u>	<u>170</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
49,703		70,425	837	93,616	156,480
<u>49,703</u>	<u>-0-</u>	<u>70,425</u>	<u>837</u>	<u>93,616</u>	<u>156,480</u>
<u>\$ 57,927</u>	<u>\$ 76</u>	<u>\$ 70,425</u>	<u>\$ 837</u>	<u>\$ 93,786</u>	<u>\$ 156,480</u>

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	Special		
	Sheriff Contraband Forfeiture Fund-39100	Brazoria County Narcotics Task Force Fund-39110	Sheriff Commissary Fund-39120
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and temporary investments	\$ 429,912	\$ 493,269	\$ 430,060
Receivables (Net of Allowance for Uncollectable):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Inventories			47,404
Prepaid expenditures			
Long-Term Receivables:			
Accounts			
	<u>429,912</u>	<u>493,269</u>	<u>477,464</u>
Total assets			
	<u>429,912</u>	<u>493,269</u>	<u>477,464</u>
Deferred Outflows of Resources:			
Deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 429,912</u>	<u>\$ 493,269</u>	<u>\$ 477,464</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts and accrued liabilities payable	\$ 183,914	\$ 200	\$ 45,152
Due to other funds			
Unearned revenue		227,444	
	<u>183,914</u>	<u>227,644</u>	<u>45,152</u>
Total liabilities			
	<u>183,914</u>	<u>227,644</u>	<u>45,152</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred inflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (Deficit):			
Non-spendable			47,404
Restricted			384,908
Committed	245,998	265,625	
Unassigned			
	<u>245,998</u>	<u>265,625</u>	<u>432,312</u>
Total fund balance			
	<u>245,998</u>	<u>265,625</u>	<u>432,312</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 429,912</u>	<u>\$ 493,269</u>	<u>\$ 477,464</u>

Revenue Funds

Sheriff Federal Forfeiture Fund-39130	Juvenile Case Manager Fund-39200	CSCD Bond Supervision Fund-39210	Reliant Energy CARE/RELIEF Program Fund-39300	United Way Emergency Assistance Fund-39310	SETH-SE TX Housing Finance Corporation Fund-39390
\$ 208,946	\$ 7,054	\$ 20,243	\$ 51,208	\$ 2,618	\$ 19,895
<u>208,946</u>	<u>7,054</u>	<u>20,243</u>	<u>51,208</u>	<u>2,618</u>	<u>19,895</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 208,946</u>	<u>\$ 7,054</u>	<u>\$ 20,243</u>	<u>\$ 51,208</u>	<u>\$ 2,618</u>	<u>\$ 19,895</u>
\$	\$	\$ 1,925	\$ 976	\$	\$ 600
<u>-0-</u>	<u>-0-</u>	<u>1,925</u>	<u>976</u>	<u>-0-</u>	<u>600</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
208,946	7,054	18,318	50,232	2,618	19,295
<u>208,946</u>	<u>7,054</u>	<u>18,318</u>	<u>50,232</u>	<u>2,618</u>	<u>19,295</u>
<u>\$ 208,946</u>	<u>\$ 7,054</u>	<u>\$ 20,243</u>	<u>\$ 51,208</u>	<u>\$ 2,618</u>	<u>\$ 19,895</u>

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	Special		
	Book Sale Fund-39400	Library Special Projects Fund-39410	SEP Wastewater Environmental Health-TCEQ Fund-39500
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and temporary investments	\$ 9,235	\$ 215,060	\$
Receivables (Net of Allowance for Uncollectable):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Inventories			
Prepaid expenditures		33,883	
Long-Term Receivables:			
Accounts			
Total assets	<u>9,235</u>	<u>248,943</u>	<u>-0-</u>
Deferred Outflows of Resources:			
Deferred outflows of resources			
Total deferred outflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 9,235</u>	<u>\$ 248,943</u>	<u>\$ -0-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 3,976	\$
Due to other funds			6,217
Unearned revenue			
Total liabilities	<u>-0-</u>	<u>3,976</u>	<u>6,217</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (Deficit):			
Non-spendable		33,883	
Restricted	9,235	211,084	
Committed			
Unassigned			(6,217)
Total fund balance	<u>9,235</u>	<u>244,967</u>	<u>(6,217)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,235</u>	<u>\$ 248,943</u>	<u>\$ -0-</u>

Revenue Funds					
Shoreline Restoration Task Force Fund-39620	2006 GoM Energy Security Fund-39630	Vivian Street Lazy Oaks Special Assessment Fund-39762	Law Library Fund-39800	Mosquito Control District Fund-39900	Total Special Revenue Funds
\$ 6,279	\$ 7,144	\$ -0-	\$ 334,474	\$ 3,578,007	\$ 12,544,934
				23,178	23,178
					16,595
					1,300,989
					2,154,663
				689,555	736,959
					44,972
					-0-
<u>6,279</u>	<u>7,144</u>	<u>-0-</u>	<u>334,474</u>	<u>4,290,740</u>	<u>16,822,290</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 6,279</u>	<u>\$ 7,144</u>	<u>\$ -0-</u>	<u>\$ 334,474</u>	<u>\$ 4,290,740</u>	<u>\$ 16,822,290</u>
\$ 920	\$ -0-	\$ -0-	\$ 28,842	\$ 114,536	\$ 3,431,381
					810,181
					500,207
<u>920</u>	<u>-0-</u>	<u>-0-</u>	<u>28,842</u>	<u>114,536</u>	<u>4,741,769</u>
				18,713	18,713
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>18,713</u>	<u>18,713</u>
5,359	7,144	-0-	305,632	689,555	781,931
				3,467,936	10,436,366
					858,914
					(15,403)
<u>5,359</u>	<u>7,144</u>	<u>-0-</u>	<u>305,632</u>	<u>4,157,491</u>	<u>12,061,808</u>
<u>\$ 6,279</u>	<u>\$ 7,144</u>	<u>\$ -0-</u>	<u>\$ 334,474</u>	<u>\$ 4,290,740</u>	<u>\$ 16,822,290</u>

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	Debt		
	2012 GO Refunding I & S <u>Fund-40000</u>	2016 Limited Tax Refunding I & S <u>Fund-41000</u>	2012 Certificate of Obligation I & S <u>Fund-42000</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and temporary investments	\$ 531,357	\$ 687,390	\$ 50,761
Receivables (Net of Allowance for Uncollectable):			
Taxes	10,867	10,646	12,187
Accounts			
Due to other governments			
Due from other funds			
Inventories			
Prepaid expenditures			
Long-Term Receivables:			
Accounts			
	<u>542,224</u>	<u>698,036</u>	<u>62,948</u>
Total assets			
Deferred Outflows of Resources:			
Deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred outflows of resources			
Total assets and deferred outflows of resources	<u>\$ 542,224</u>	<u>\$ 698,036</u>	<u>\$ 62,948</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Unearned revenue			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities			
Deferred Inflows of Resources:			
Deferred inflows of resources	<u>8,963</u>	<u>8,663</u>	<u>10,018</u>
Total deferred inflows of resources	<u>8,963</u>	<u>8,663</u>	<u>10,018</u>
Fund Balance (Deficit):			
Non-spendable			
Restricted	533,261	689,373	52,930
Committed			
Unassigned			
	<u>533,261</u>	<u>689,373</u>	<u>52,930</u>
Total fund balance			
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 542,224</u>	<u>\$ 698,036</u>	<u>\$ 62,948</u>

Service Funds

Tax Notes Series 2013 I & S Fund-43000	Toll Road I & S Fund-44000	Road Bonds Mobility I & S Fund-45000	Mobility Build America I & S Fund-45100	Sheriff & Detention Complex I & S Fund-46000	Total Debt Service Funds
\$ 52,921	\$ 12,088	\$ 2,215,385	\$ 126,338	\$ 1,187,236	\$ 4,863,474
5,203	25,244	40,433			104,580
		1,187,236			-0-
					-0-
					1,187,236
					-0-
					-0-
	5,008,614				5,008,614
58,124	5,045,944	3,443,054	126,338	1,187,236	11,163,904
-0-	-0-	-0-	-0-	-0-	-0-
<u>\$ 58,124</u>	<u>\$ 5,045,944</u>	<u>\$ 3,443,054</u>	<u>\$ 126,338</u>	<u>\$ 1,187,236</u>	<u>\$ 11,163,904</u>
\$	\$	\$	\$	\$	\$
				1,187,236	-0-
					1,187,236
-0-	-0-	-0-	-0-	1,187,236	-0-
					1,187,236
4,272	21,593	32,724			86,233
4,272	21,593	32,724	-0-	-0-	86,233
53,852	5,024,351	3,410,330	126,338		-0-
					9,890,435
					-0-
					-0-
53,852	5,024,351	3,410,330	126,338	-0-	9,890,435
<u>\$ 58,124</u>	<u>\$ 5,045,944</u>	<u>\$ 3,443,054</u>	<u>\$ 126,338</u>	<u>\$ 1,187,236</u>	<u>\$ 11,163,904</u>

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	<u>Capital</u>		
	<u>USTREAS</u>	<u>DOI</u>	<u>Brazoria</u>
	Restore	Parks	County
	Act	CIAP	Toll Road
	Projects	Grant	Construction
	<u>Fund-34850</u>	<u>Fund-34860</u>	<u>Fund-51100</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and temporary investments	\$	\$ 73,750	\$
Receivables (Net of Allowance for Uncollectable):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Inventories			
Prepaid expenditures			
Long-Term Receivables:			
Accounts			
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u> -0-</u>	<u> 73,750</u>	<u> -0-</u>
Deferred Outflows of Resources:			
Deferred outflows of resources		<u> -0-</u>	
	<u> -0-</u>	<u> -0-</u>	<u> -0-</u>
Total deferred outflows of resources			
Total assets and deferred outflows of resources	<u>\$ -0-</u>	<u>\$ 73,750</u>	<u>\$ -0-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts and accrued liabilities payable	\$ 17,691	\$	\$
Due to other funds	64,949		
Unearned revenue		<u> 73,750</u>	
	<u> 82,640</u>	<u> 73,750</u>	<u> -0-</u>
Total liabilities			
Deferred Inflows of Resources:			
Deferred inflows of resources			<u> -0-</u>
	<u> -0-</u>	<u> -0-</u>	<u> -0-</u>
Total deferred inflows of resources			
Fund Balance (Deficit):			
Non-spendable			
Restricted			
Committed			
Unassigned	<u>(82,640)</u>		
	<u>(82,640)</u>	<u> -0-</u>	<u> -0-</u>
Total fund balance			
Total liabilities, deferred inflows of resources			
and fund balances	<u>\$ -0-</u>	<u>\$ 73,750</u>	<u>\$ -0-</u>

Projects Funds

2012 Certificate of Obligation C & M Fund-52000	2013 Tax Note C & M Fund-53000	Mobility Plan C & M Fund-55000	Highway 6 Right-of-Way Acquisition C & M Fund-57000	Ring of Honor C & M Fund-57200	Total Capital Projects Funds
\$ 2,186,678	\$ 2,234	\$ 779,131	\$ 109	\$ 41,326	\$ 3,083,228
					-0-
					-0-
					-0-
					-0-
					-0-
		607,193			607,193
<u>2,186,678</u>	<u>2,234</u>	<u>1,386,324</u>	<u>109</u>	<u>41,326</u>	<u>3,690,421</u>
					-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 2,186,678</u>	<u>\$ 2,234</u>	<u>\$ 1,386,324</u>	<u>\$ 109</u>	<u>\$ 41,326</u>	<u>\$ 3,690,421</u>
\$ 667,791	\$	\$	\$	\$	\$ 685,482
					64,949
					73,750
<u>667,791</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>824,181</u>
					-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
					-0-
1,518,887	2,234	1,386,324	109	41,326	2,948,880
					-0-
					(82,640)
<u>1,518,887</u>	<u>2,234</u>	<u>1,386,324</u>	<u>109</u>	<u>41,326</u>	<u>2,866,240</u>
<u>\$ 2,186,678</u>	<u>\$ 2,234</u>	<u>\$ 1,386,324</u>	<u>\$ 109</u>	<u>\$ 41,326</u>	<u>\$ 3,690,421</u>

BRAZORIA COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	Total Non-Major Other Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets:	
Cash and temporary investments	\$ 20,491,636
Receivables (Net of Allowance for Uncollectable):	
Taxes	127,758
Accounts	16,595
Due from other governments	1,300,989
Due from other funds	3,341,899
Inventories	736,959
Prepaid expenditures	44,972
Long-Term Receivables:	
Accounts	<u>5,615,807</u>
Total assets	<u>31,676,615</u>
Deferred Outflows of Resources:	
Deferred outflows of resources	
Total deferred outflows of resources	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 31,676,615</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Liabilities:	
Accounts and accrued liabilities payable	\$ 4,116,863
Due to other funds	2,062,366
Unearned revenue	<u>573,957</u>
Total liabilities	<u>6,753,186</u>
Deferred Inflows of Resources:	
Deferred inflows of resources	<u>104,946</u>
Total deferred inflows of resources	<u>104,946</u>
Fund Balance (Deficit):	
Non-spendable	781,931
Restricted	23,275,681
Committed	858,914
Unassigned	<u>(98,043)</u>
Total fund balance	<u>24,818,483</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,676,615</u>



BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2017

	TDSHS Women Infants & Children Programs Fund-30100	HHS-PPCPS Cities Readiness Initiative Fund-30500	Special HHS-BRHLO Community and Rural Health Fund-30600
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	1,119,961	66,705	34,659
Charges for services			
Licenses and permits			
Fines and forfeitures			
Investment income			
Miscellaneous		216	
Total revenues	1,119,961	66,921	34,659
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare	1,119,961	67,332	34,659
Culture and recreation			
Conservation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	1,119,961	67,332	34,659
Excess (deficiency) of revenue over (under) expenditures	-0-	(411)	-0-
Other Financing Sources (Uses):			
Sale of capital assets			
Transfers in		411	
Transfers out			
Total other financing sources (uses)	-0-	411	-0-
Excess (deficiency) of revenue and other financial sources over expenditure and other financing uses	-0-	-0-	-0-
Fund Balance (Deficits):			
Beginning of year			
End of year	\$ -0-	\$ -0-	\$ -0-

Revenue Funds

HHS-PPCPS Hazards (Bioterrorism Grant) Fund-30700	HHS-CPS EBOLA- PHEP Fund-30701	HHS- Infectious Disease Control Unit Fund-30710	HHS-CPS Title IV-E Foster Care Maintenance Fund-30800	HHS-CPS Title IV-E Legal Services Fund-30850	DHS State Homeland Security- UASI Fund-31500
\$ 199,760	\$ 72,064	\$ 65,725	\$ 37,637	\$ 68,555	\$ 150,227
868					
<u>200,628</u>	<u>72,064</u>	<u>65,725</u>	<u>37,637</u>	<u>68,555</u>	<u>150,227</u>
				330,795	146,621
					3,606
179,571	51,242	65,725	117,714		
23,350	20,822				
<u>202,921</u>	<u>72,064</u>	<u>65,725</u>	<u>117,714</u>	<u>330,795</u>	<u>150,227</u>
(2,293)	-0-	-0-	(80,077)	(262,240)	-0-
2,293			80,077	262,240	
<u>2,293</u>	<u>-0-</u>	<u>-0-</u>	<u>80,077</u>	<u>262,240</u>	<u>-0-</u>
-0-	-0-	-0-	-0-	-0-	-0-
			79		
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 79</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2017

	2005-2017 Section 8 Housing Choice Voucher Program Funds 32005-32013	CDBG County (HUD) Funds 32213-32215	Special HUD- Texas CDBG Recovery Fund-32600
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	3,791,526	2,439,146	1,042,891
Charges for services			
Licenses and permits			
Fines and forfeitures			
Investment income	5,396		
Miscellaneous	18,741		
Total revenues	<u>3,815,663</u>	<u>2,439,146</u>	<u>1,042,891</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare	3,703,279		
Culture and recreation			
Conservation			
Community development		2,439,146	913,843
Capital outlay			129,048
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>3,703,279</u>	<u>2,439,146</u>	<u>1,042,891</u>
Excess (deficiency) of revenue over (under) expenditures	<u>112,384</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Sale of capital assets			
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 expenditures and other financing uses	112,384	-0-	-0-
Fund Balance (Deficits):			
Beginning of year	<u>812,935</u>		
End of year	<u>\$ 925,319</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Revenue Funds

USDOJ- CJD-Juv Incentive Block Fund-33000	USDOJ- Crime Victim Assistance VOCA Fund-33200	USDOJ-CSCD Victim Services Program Fund-33251	Drug Court Program Fund-33300	DWI Court Program Fund-33310	Veterans Court Program Fund-33320
\$	\$	\$	\$	\$	\$
	71,423	74,393	318,885 19,135	161,414 19,134	194,056
			2,535 39	11,183 111	3,490
		30,121			
<u>-0-</u>	<u>71,423</u>	<u>104,514</u>	<u>340,594</u>	<u>191,842</u>	<u>197,546</u>
	112,580		348,736	188,197	197,546
		104,514			
<u>-0-</u>	<u>112,580</u>	<u>104,514</u>	<u>348,736</u>	<u>188,197</u>	<u>197,546</u>
<u>-0-</u>	<u>(41,157)</u>	<u>-0-</u>	<u>(8,142)</u>	<u>3,645</u>	<u>-0-</u>
	41,157			8,916	
<u>-0-</u>	<u>41,157</u>	<u>-0-</u>	<u>-0-</u>	<u>8,916</u>	<u>-0-</u>
-0-	-0-	-0-	(8,142)	12,561	-0-
<u>(435)</u>			<u>42,922</u>	<u>40,189</u>	
<u>\$(435)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 34,780</u>	<u>\$ 52,750</u>	<u>\$ -0-</u>

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2017

	USDOJ Domestic Violence Court Fund-33330	USDOJ DEA Narcotics OT Expense Fund-33500	Special USDOJ Organized Crime Drug Enforcement Fund-33600
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	59,099	9,895	
Charges for services			
Licenses and permits			
Fines and forfeitures			
Investment income			
Miscellaneous	13,151		
Total revenues	<u>72,250</u>	<u>9,895</u>	<u>-0-</u>
Expenditures:			
Current:			
General administration			
Judicial and legal	73,649		
Financial administration			
Elections			
Public facilities			
Public safety		9,895	
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Conservation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>73,649</u>	<u>9,895</u>	<u>-0-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,399)</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Sale of capital assets			
Transfers in	1,399		
Transfers out			
Total other financing sources (uses)	<u>1,399</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenue and other financing sources over 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

USDOJ State Criminal Alien Assistance Fund-33900	DOI Mutual Fire Protection & Disbursement Assistance Fund-31200	FEMA Flood Disaster 2016 Fund-34610	FEMA Harvey 2017 Fund-34615	TJJD State Aid Fund-35000	TJJD JJAEP Boot Camp Fund-35650
\$ 85,176	\$	\$ 394,418	\$	\$ 1,363,536	\$ 322,896
534					
<u>85,710</u>	<u>-0-</u>	<u>394,418</u>	<u>-0-</u>	<u>1,363,536</u>	<u>322,896</u>
			90,002		
			460		
			14,811		
			60,118		
			9,876	1,909,403	767,328
		136,460	1,262,915		
			705,209		
			10,807		
			465		
85,710					
<u>85,710</u>	<u>-0-</u>	<u>136,460</u>	<u>2,154,663</u>	<u>1,909,403</u>	<u>767,328</u>
<u>-0-</u>	<u>-0-</u>	<u>257,958</u>	<u>(2,154,663)</u>	<u>(545,867)</u>	<u>(444,432)</u>
			2,154,663	545,867	444,432
	(16)	(257,958)			
<u>-0-</u>	<u>(16)</u>	<u>(257,958)</u>	<u>2,154,663</u>	<u>545,867</u>	<u>444,432</u>
-0-	(16)	-0-	-0-	-0-	-0-
	16				
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2017

	TJJD-RDA Regional Diversion Alternative Fund-35950	TCEQ LIRAP Program Fund-36100	Special TCEQ Environmental Education Kits Fund-36200
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	26,617	934,076	
Charges for services			
Licenses and permits			
Fines and forfeitures			
Investment income			
Miscellaneous			
Total revenues	<u>26,617</u>	<u>934,076</u>	<u>-0-</u>
Expenditures:			
Current:			
General administration		934,076	
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections	26,617		
Public transportation			
Health and welfare			
Culture and recreation			
Conservation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>26,617</u>	<u>934,076</u>	<u>-0-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Sale of capital assets			
Transfers in			
Transfers out			(3,225)
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>(3,225)</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	<u>-0-</u>	<u>-0-</u>	<u>(3,225)</u>
Fund Balance (Deficits):			
Beginning of year			<u>3,325</u>
End of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Revenue Funds					
TCEQ Local Initiatives Program Fund-36400	TXDOT CR 48 Project Fund-36801	OAG Regional Victim Assistance Grant Fund-37000	OAG Texas VINE Contract Fund-37100	DFPS CPS Title IV-B Concrete Services Fund-37200	TDSHS Immunization Fund-37400
\$ 26,339	\$ 124,481	\$ 42,001	\$ 27,785	\$ 750	\$ 178,845
<u>26,339</u>	<u>124,481</u>	<u>42,001</u>	<u>27,785</u>	<u>750</u>	<u>178,845</u>
26,339		66,151	27,785		
	156,276			750	178,845
<u>26,339</u>	<u>156,276</u>	<u>66,151</u>	<u>27,785</u>	<u>750</u>	<u>178,845</u>
<u>-0-</u>	<u>(31,795)</u>	<u>(24,150)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	31,795	24,150			
<u>-0-</u>	<u>31,795</u>	<u>24,150</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	-0-	-0-	-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2017

	TSLAC Family Practice Library Project Fund-37600	OAG Regional Juvenile Mental Health Services Fund-378000	Special Emergency Management Fire Code Fund-38000
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	6,000	6,800	
Charges for services			
Licenses and permits			104,907
Fines and forfeitures			
Investment income			
Miscellaneous			
Total revenues	<u>6,000</u>	<u>6,800</u>	<u>104,907</u>
Expenditures:			
Current:			
General administration			216,174
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation		6,800	
Health and welfare			
Culture and recreation	6,000		
Conservation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>6,000</u>	<u>6,800</u>	<u>216,174</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>(111,267)</u>
Other Financing Sources (Uses):			
Sale of capital assets			
Transfers in			120,000
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>120,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-0-</u>	<u>-0-</u>	<u>8,733</u>
Fund Balance (Deficits):			
Beginning of year			<u>20,504</u>
End of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 29,237</u>

Revenue Funds

Economic Development Tax Abatement Fund-38010	Vital Statistics Fee Fund-38100	Records Management County Clerk Fund-38110	Records Archive County Clerk Fund-38120	Civil, Criminal & Probate Records Management Fund-38200	County Graffiti Eradication Fund-38210
\$	\$	\$	\$	\$	\$
1,500	12,946	715,528	643,120	64,157	6
83	77	14,829	3,218	2,734	16
<u>250,194</u>					
<u>251,777</u>	<u>13,023</u>	<u>730,357</u>	<u>646,338</u>	<u>66,891</u>	<u>22</u>
251,851	11,370	408,468	671,988	34,978	
		17,634			
<u>251,851</u>	<u>11,370</u>	<u>426,102</u>	<u>671,988</u>	<u>34,978</u>	<u>-0-</u>
(74)	1,653	304,255	(25,650)	31,913	22
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
(74)	1,653	304,255	(25,650)	31,913	22
<u>1,139</u>	<u>19,120</u>	<u>2,077,397</u>	<u>548,526</u>	<u>393,123</u>	<u>2,559</u>
<u>\$ 1,065</u>	<u>\$ 20,773</u>	<u>\$ 2,381,652</u>	<u>\$ 522,876</u>	<u>\$ 425,036</u>	<u>\$ 2,581</u>

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2017

	County/ District Court Technology Fund-38220	Records Preservation County/District Clerk Fund-38230	Special Child Abuse Prevention Fund-38300
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Charges for services	14,634	42,343	1,648
Licenses and permits			
Fines and forfeitures			
Investment income	641	2,005	85
Miscellaneous			
Total revenues	<u>15,275</u>	<u>44,348</u>	<u>1,733</u>
Expenditures:			
Current:			
General administration			
Judicial and legal	5,755	202,124	
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Conservation			
Community development			
Capital outlay	17,796		
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>23,551</u>	<u>202,124</u>	<u>-0-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(8,276)</u>	<u>(157,776)</u>	<u>1,733</u>
Other Financing Sources (Uses):			
Sale of capital assets			
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 expenditures and other financing uses	<u>(8,276)</u>	<u>(157,776)</u>	<u>1,733</u>
Fund Balance (Deficits):			
Beginning of year	<u>98,129</u>	<u>339,851</u>	<u>13,119</u>
End of year	<u>\$ 89,853</u>	<u>\$ 182,075</u>	<u>\$ 14,852</u>

Revenue Funds

Family Protection Fund-38310	Records Management District Clerk Fund-38320	Records Archive District Clerk Fund-38330	JP Building Security Fund-38400	Justice Court Technology Fund-38410	Financial Security Fund-38500
\$ 21,373	\$ 40,508	\$ 43,631	\$ 20,475	\$ 82,068	\$ 171,004
215	133	156	941	1,553	2,296
<u>21,588</u>	<u>40,641</u>	<u>43,787</u>	<u>21,416</u>	<u>83,621</u>	<u>173,552</u>
32,000	17,450	27,603	3,147	19,637	762
				5,097	300,333
<u>32,000</u>	<u>17,450</u>	<u>27,603</u>	<u>3,147</u>	<u>24,734</u>	<u>301,095</u>
(10,412)	23,191	16,184	18,269	58,887	(127,543)
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
(10,412)	23,191	16,184	18,269	58,887	(127,543)
<u>52,716</u>	<u>3,022</u>	<u>16,188</u>	<u>147,458</u>	<u>229,550</u>	<u>489,934</u>
<u>\$ 42,304</u>	<u>\$ 26,213</u>	<u>\$ 32,372</u>	<u>\$ 165,727</u>	<u>\$ 288,437</u>	<u>\$ 362,391</u>

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2017

	Special		
	Law Enforce- ment Officers Standards & Education Fund-38600	District Attorney Hot Check Collection Fund-38710	District Attorney Supplemental Fund-38720
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	29,461		22,424
Charges for services		18,460	
Licenses and permits			
Fines and forfeitures			
Investment income	594		8
Miscellaneous			
Total revenues	<u>30,055</u>	<u>18,460</u>	<u>22,432</u>
Expenditures:			
Current:			
General administration			
Judicial and legal	997	23,815	22,299
Financial administration			
Elections			
Public facilities			
Public safety	21,118		
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Conservation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>22,115</u>	<u>23,815</u>	<u>22,299</u>
Excess (deficiency) of revenue over (under) expenditures	<u>7,940</u>	<u>(5,355)</u>	<u>133</u>
Other Financing Sources (Uses):			
Sale of capital assets			
Transfers in			
Transfers out		<u>(1,000)</u>	
Total other financing sources (uses)	<u>-0-</u>	<u>(1,000)</u>	<u>-0-</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	7,940	(6,355)	133
Fund Balance (Deficits):			
Beginning of year	<u>90,511</u>	<u>24,572</u>	<u></u>
End of year	<u>\$ 98,451</u>	<u>\$ 18,217</u>	<u>\$ 133</u>

Revenue Funds

District Attorney Forfeiture CCP Chapter 59 Fund-38730	Voter Registration Tax Office Fund-38810	Special Inventory Dealer Escrow-Tax Fund-38820	Scofflaw Fees TTC Section 502.01 Fund-38830	Elections Services Contract Fund-38910	Elections HAVA Equipment Rental Fund-38920
\$	\$	\$	\$	\$	\$
	27,081	11,603			
				143,457	61,525
83,077			130		
263		6,911	4	865	636
28,955					
<u>112,295</u>	<u>27,081</u>	<u>18,514</u>	<u>134</u>	<u>144,322</u>	<u>62,161</u>
79,754					
	27,081	12,819		128,100	10,545
31,839					
<u>111,593</u>	<u>27,081</u>	<u>12,819</u>	<u>-0-</u>	<u>128,100</u>	<u>10,545</u>
<u>702</u>	<u>-0-</u>	<u>5,695</u>	<u>134</u>	<u>16,222</u>	<u>51,616</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
702	-0-	5,965	134	16,222	51,616
<u>49,001</u>	<u>-0-</u>	<u>64,730</u>	<u>703</u>	<u>77,394</u>	<u>104,864</u>
<u>\$ 49,703</u>	<u>\$ -0-</u>	<u>\$ 70,425</u>	<u>\$ 837</u>	<u>\$ 93,616</u>	<u>\$ 156,480</u>

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2017

	Special		
	Sheriff Contraband Forfeiture Fund-39100	Brazoria County Narcotics Task Force Fund-39110	Sheriff Commissary Fund-39120
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Charges for services			1,121,680
Licenses and permits			
Fines and forfeitures	1,100	192,918	
Investment income	2,814	2,073	2,896
Miscellaneous		71,004	120
Total revenues	<u>3,914</u>	<u>265,995</u>	<u>1,124,696</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety	25,773	146,136	
Corrections			921,477
Public transportation			
Health and welfare			
Culture and recreation			
Conservation			
Community development			
Capital outlay	231,111		172,621
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>256,884</u>	<u>146,136</u>	<u>1,094,098</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(252,970)</u>	<u>119,859</u>	<u>30,598</u>
Other Financing Sources (Uses):			
Sale of capital assets			
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 expenditures and other financing uses	<u>(252,970)</u>	<u>119,859</u>	<u>30,598</u>
Fund Balance (Deficits):			
Beginning of year	<u>498,968</u>	<u>145,766</u>	<u>401,714</u>
End of year	<u>\$ 245,998</u>	<u>\$ 265,625</u>	<u>\$ 432,312</u>

Revenue Funds

Sheriff Federal Forfeiture Fund-39130	Juvenile Case Manager Fund-39200	CSCD Bond Supervision Fund-39210	Reliant Energy CARE/RELIEF Program Fund-39300	United Way Emergency Assistance Fund-39310	SETH-SE TX Housing Finance Corporation Fund-39390
\$	\$	\$	\$	\$	\$
	1,314	13,666	23,496		
115,415 811				16	201
<u>116,226</u>	<u>1,314</u>	<u>13,666</u>	<u>23,496</u>	<u>16</u>	<u>201</u>
5,850		39,044			
			14,564	1,459	30,932
36,100					
<u>41,950</u>	<u>-0-</u>	<u>39,044</u>	<u>14,564</u>	<u>1,459</u>	<u>30,932</u>
<u>74,276</u>	<u>1,314</u>	<u>(25,378)</u>	<u>8,932</u>	<u>(1,443)</u>	<u>(30,731)</u>
20,092		40,000			
<u>20,092</u>	<u>-0-</u>	<u>40,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
94,368	1,314	14,622	8,932	(1,443)	(30,731)
<u>114,578</u>	<u>5,740</u>	<u>3,696</u>	<u>41,300</u>	<u>4,061</u>	<u>50,026</u>
<u>\$ 208,946</u>	<u>\$ 7,054</u>	<u>\$ 18,318</u>	<u>\$ 50,232</u>	<u>\$ 2,618</u>	<u>\$ 19,295</u>

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2017

	Book Sale Fund-39400	Library Special Projects Fund-39410	Special SEP Wastewater Environmental Health-TCEQ Fund-39500
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Charges for services			
Licenses and permits			
Fines and forfeitures			
Investment income	55	1,194	
Miscellaneous		192,055	2,940
Total revenues	<u>55</u>	<u>193,249</u>	<u>2,940</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation		179,028	
Conservation			
Community development			
Capital outlay			
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>-0-</u>	<u>179,028</u>	<u>-0-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>55</u>	<u>14,221</u>	<u>2,940</u>
Other Financing Sources (Uses):			
Sale of capital assets			
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 expenditures and other financing uses	55	14,221	2,940
Fund Balance (Deficits):			
Beginning of year	<u>9,180</u>	<u>230,746</u>	<u>(9,157)</u>
End of year	<u>\$ 9,235</u>	<u>\$ 244,967</u>	<u>\$(6,217)</u>

Revenue Funds

Shoreline Restoration Task Force Fund-39620	2006 GoM Energy Security Fund-39630	Vivian Street Lazy Oaks Special Assessment Fund-39762	Law Library Fund-39800	Mosquito Control District Fund-39900	Total Special Revenue Funds
\$	\$	\$	\$	\$ 1,693,985	\$ 1,705,588
			190,700		13,620,203
					3,464,012
					104,907
					409,848
20	34		2,074	23,985	80,516
3,750	1,525		12,350	243	626,485
<u>3,770</u>	<u>1,559</u>	<u>-0-</u>	<u>205,124</u>	<u>1,718,213</u>	<u>20,011,559</u>
					2,791,867
			287,059		2,067,079
					43,966
					138,645
					15,573
					268,890
					3,785,059
					1,555,651
				1,264,922	7,536,164
2,910					198,745
					465
					3,352,989
	47,522			50,220	1,169,203
					-0-
					-0-
<u>2,910</u>	<u>47,522</u>	<u>-0-</u>	<u>287,059</u>	<u>1,315,142</u>	<u>22,924,296</u>
<u>860</u>	<u>(45,963)</u>	<u>-0-</u>	<u>(81,935)</u>	<u>403,071</u>	<u>(2,912,737)</u>
					20,092
		22,127	52,000		3,831,527
					(262,299)
<u>-0-</u>	<u></u>	<u>22,127</u>	<u>52,000</u>	<u>-0-</u>	<u>3,589,320</u>
860	(45,963)	22,127	(29,935)	403,071	676,583
<u>4,499</u>	<u>53,107</u>	<u>(22,127)</u>	<u>335,567</u>	<u>3,754,420</u>	<u>11,385,225</u>
<u>\$ 5,359</u>	<u>\$ 7,144</u>	<u>\$ -0-</u>	<u>\$ 305,632</u>	<u>\$ 4,157,491</u>	<u>\$ 12,061,808</u>

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2017

	Debt		
	2012 GO Refunding I & S Fund-40000	2016 Limited Tax Refunding I & S Fund-41000	2012 Certificate of Obligation I & S Fund-42000
Revenues:			
Taxes	\$ 959,583	\$ 857,870	\$ 1,043,548
Intergovernmental			
Charges for services			
Licenses and permits			
Fines and forfeitures			
Investment income	3,160	4,930	2,258
Miscellaneous			
Total revenues	<u>962,743</u>	<u>862,800</u>	<u>1,045,806</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation			
Conservation			
Community development			
Capital outlay			
Debt Service:			
Principal	910,000	570,000	
Interest and fiscal charges	42,450	274,150	1,110,300
Total expenditures	<u>952,450</u>	<u>844,150</u>	<u>1,110,300</u>
Excess (deficiency) of revenue over (under) expenditures	<u>10,293</u>	<u>18,650</u>	<u>(64,494)</u>
Other Financing Sources (Uses):			
Sale of capital assets			
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 expenditures and other financing uses	10,293	18,650	(64,494)
Fund Balance (Deficits):			
Beginning of year	<u>522,968</u>	<u>670,723</u>	<u>117,424</u>
End of year	<u>\$ 533,261</u>	<u>\$ 689,373</u>	<u>\$ 52,930</u>

Service Funds

Tax Notes Series 2013 I & S Fund-43000	Toll Road I & S Fund-44000	Road Bonds Mobility I & S Fund-45000	Mobility Build America I & S Fund-45100	Sheriff & Detention Complex I & S Fund-46000	Total Debt Service Funds
\$ 377,299	\$ 2,478,486	\$ 3,379,664	\$ 237,308	\$	\$ 9,096,450
					237,308
					-0-
					-0-
					-0-
388	12,371	23,949			47,056
					-0-
<u>377,687</u>	<u>2,490,857</u>	<u>3,403,613</u>	<u>237,308</u>	<u>-0-</u>	<u>9,380,814</u>
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
					-0-
250,000		2,050,000			3,780,000
<u>121,056</u>		<u>813,209</u>	<u>728,274</u>		<u>3,089,439</u>
<u>371,056</u>	<u>-0-</u>	<u>2,863,209</u>	<u>728,274</u>	<u>-0-</u>	<u>6,869,439</u>
<u>6,631</u>	<u>2,490,857</u>	<u>540,404</u>	<u>(490,966)</u>	<u>-0-</u>	<u>2,511,375</u>
					-0-
		1,908,085	1,100,000		3,008,085
		(1,100,000)		(1,908,085)	(3,008,085)
					-0-
<u>-0-</u>	<u>-0-</u>	<u>808,085</u>	<u>1,100,000</u>	<u>(1,908,085)</u>	<u>-0-</u>
6,631	2,490,857	1,348,489	609,034	(1,908,085)	2,511,375
<u>47,221</u>	<u>2,533,494</u>	<u>2,061,841</u>	<u>(482,696)</u>	<u>1,908,085</u>	<u>7,379,060</u>
\$ <u>53,852</u>	\$ <u>5,024,351</u>	\$ <u>3,410,330</u>	\$ <u>126,338</u>	\$ <u>-0-</u>	\$ <u>9,890,435</u>

BRAZORIA COUNTY, TEXAS

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

For the Year Ended September 30, 2017

	Capital		
	USTREAS Restore Act Projects Fund-34850	DOI Parks CIAP Grant Fund-34860	Brazoria County Toll Road Construction Fund-51100
Revenues:			
Taxes	\$	\$	\$
Intergovernmental		837,242	
Charges for services			
Licenses and permits			
Fines and forfeitures			
Investment income			
Miscellaneous			
Total revenues	<u>-0-</u>	<u>837,242</u>	<u>-0-</u>
Expenditures:			
Current:			
General administration			
Judicial and legal			
Financial administration			
Elections			
Public facilities			
Public safety			
Corrections			
Public transportation			
Health and welfare			
Culture and recreation		300,216	
Conservation			
Community development			
Capital outlay	82,640	537,026	
Debt Service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>82,640</u>	<u>837,242</u>	<u>-0-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(82,640)</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Sale of capital assets			
Transfers in			741
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>741</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	<u>(82,640)</u>	<u>-0-</u>	<u>741</u>
Fund Balance (Deficits):			
Beginning of year			<u>(741)</u>
End of year	<u>\$ (82,640)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Projects Funds					
2012 Certificate of Obligation C & M Fund-52000	2013 Tax Note C & M Fund-53000	Mobility Plan C & M Fund-55000	Highway 6 Right-of-Way Acquisition C & M Fund-57000	Ring of Honor C & M Fund-57200	Total Capital Projects Funds
\$	\$	\$	\$	\$	\$
		195,967			-0-
					1,033,209
					-0-
					-0-
					-0-
25,489	22,879	4,064		233	52,665
				5,184	5,184
<u>25,489</u>	<u>22,879</u>	<u>200,031</u>	<u>-0-</u>	<u>5,417</u>	<u>1,091,058</u>
					-0-
					-0-
					-0-
					-0-
83,817					83,817
					-0-
					-0-
	3,617,505				3,617,505
					-0-
					300,216
					-0-
					-0-
1,381,373		260,013			2,261,052
					-0-
					-0-
<u>1,465,190</u>	<u>3,617,505</u>	<u>260,013</u>	<u>-0-</u>	<u>-0-</u>	<u>6,262,590</u>
<u>(1,439,701)</u>	<u>(3,594,626)</u>	<u>(59,982)</u>	<u>-0-</u>	<u>-0-</u>	<u>(5,171,532)</u>
					-0-
					741
					-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>741</u>
					-0-
(1,439,701)	(3,594,626)	(59,982)	-0-	5,417	(5,170,791)
					-0-
<u>2,958,588</u>	<u>3,596,860</u>	<u>1,446,306</u>	<u>109</u>	<u>35,909</u>	<u>8,037,031</u>
<u>\$ 1,518,887</u>	<u>\$ 2,234</u>	<u>\$ 1,386,324</u>	<u>\$ 109</u>	<u>\$ 41,326</u>	<u>\$ 2,866,240</u>

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

For the Year Ended September 30, 2017

Exhibit 15
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	Total Non-Major Other Governmental Funds
Revenues:	
Taxes	\$ 10,802,038
Intergovernmental	14,890,720
Charges for services	3,464,012
Licenses and permits	104,907
Fines and forfeitures	409,848
Investment income	180,237
Miscellaneous	<u>631,669</u>
Total revenues	<u>30,483,431</u>
Expenditures:	
Current:	
General administration	2,791,867
Judicial and legal	2,067,079
Financial administration	43,966
Elections	138,645
Public facilities	99,390
Public safety	268,890
Corrections	3,785,059
Public transportation	5,173,156
Health and welfare	7,536,164
Culture and recreation	498,961
Conservation	465
Community development	3,352,989
Capital outlay	3,430,255
Debt Service:	
Principal	3,780,000
Interest and fiscal charges	<u>3,089,439</u>
Total expenditures	<u>36,056,325</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(5,572,894)</u>
Other Financing Sources (Uses):	
Sale of capital assets	20,092
Transfers in	6,840,353
Transfers out	<u>(3,270,384)</u>
Total other financing sources (uses)	<u>3,590,061</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	<u>(1,982,833)</u>
Fund Balance (Deficits):	
Beginning of year	<u>26,801,316</u>
End of year	<u>\$ 24,818,483</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, 2017

Exhibit 16
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	\$ 681,377	\$ 697,377	\$ 683,468	\$ 13,909
Operating expenditures	47,925	47,925	25,214	22,711
Capital outlay	70,000	70,000	63,080	6,920
Total County Judge	<u>799,302</u>	<u>815,302</u>	<u>771,762</u>	<u>43,540</u>
South Service Center:				
Salaries and wages, and employee benefits	414,865	437,865	428,028	9,837
Operating expenditures	19,115	19,115	13,191	5,924
Capital outlay	35,000	35,000	31,540	3,460
Total South Service Center	<u>468,980</u>	<u>491,980</u>	<u>472,759</u>	<u>19,221</u>
Central Service Center:				
Salaries and wages, and employee benefits	387,187	390,187	382,865	7,322
Operating expenditures	17,690	17,690	11,525	6,165
Total Central Service Center	<u>404,877</u>	<u>404,877</u>	<u>394,390</u>	<u>13,487</u>
North Service Center:				
Salaries and wages, and employee benefits	416,910	416,910	396,860	20,050
Operating expenditures	24,950	24,950	12,250	12,700
Total North Service Center	<u>441,860</u>	<u>441,860</u>	<u>409,110</u>	<u>32,750</u>
West Service Center:				
Salaries and wages, and employee benefits	400,496	421,496	413,326	8,170
Operating expenditures	22,230	22,230	11,072	11,158
Total West Service Center	<u>422,726</u>	<u>443,726</u>	<u>424,398</u>	<u>19,328</u>
County Clerk:				
Salaries and wages, and employee benefits	2,759,428	2,759,428	2,618,916	140,512
Operating expenditures	52,900	53,769	42,077	11,692
Total County Clerk	<u>2,812,328</u>	<u>2,813,197</u>	<u>2,660,993</u>	<u>152,204</u>
Veteran's Service:				
Salaries and wages, and employee benefits	212,628	212,628	189,314	23,314
Operating expenditures	5,267	5,267	4,505	762
Total veteran's service	<u>217,895</u>	<u>217,895</u>	<u>193,819</u>	<u>24,076</u>

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, 2017

Exhibit 16
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	\$ 257,803	\$ 377,803	\$ 315,168	\$ 62,635
Operating expenditures	70,600	73,500	66,068	7,432
Capital outlay	30,210	27,310	27,221	89
Total emergency management	358,613	478,613	408,457	70,156
Non-departmental:				
Salaries and wages, and employee benefits	500,000			
Operating expenditures	4,006,212	4,929,512	4,472,054	457,458
Capital outlay		315,500	315,404	96
Total non-departmental	4,506,212	5,245,012	4,787,458	457,554
Total general administration	10,432,793	11,355,462	10,523,146	832,316
Judicial and Legal:				
County Court at Law 1:				
Salaries and wages, and employee benefits	423,121	428,121	416,851	11,270
Operating expenditures	196,200	203,350	130,100	73,250
Total County Court at Law 1	619,321	631,471	546,951	84,520
County Court at Law 2:				
Salaries and wages, and employee benefits	421,459	427,459	416,642	10,817
Operating expenditures	206,000	252,370	230,460	21,910
Total County Court at Law 2	627,459	679,829	647,102	32,727
County Court at Law 3:				
Salaries and wages, and employee benefits	412,703	412,703	384,811	27,892
Operating expenditures	189,059	205,105	190,098	15,007
Total County Court at Law 3	601,762	617,808	574,909	42,899
County Court at Law 4:				
Salaries and wages, and employee benefits	421,900	430,900	416,617	14,283
Operating expenditures	219,200	216,304	183,440	32,864
Total County Court at Law 4	641,100	647,204	600,057	47,147
Probate Court Investigations:				
Salaries and wages, and employee benefits	142,039	144,039	141,248	2,791
Operating expenditures	6,297	9,997	4,401	5,596
Total probate court investigations	148,336	154,036	145,649	8,387
District Courts:				
Salaries and wages, and employee benefits	1,545,720	1,545,720	1,514,446	31,274
Operating expenditures	1,784,305	1,837,556	1,683,258	154,298
Total district courts	3,330,025	3,383,276	3,197,704	185,572

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, 2017

Exhibit 16
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	\$ 2,510,956	\$ 2,510,956	\$ 2,393,595	\$ 117,361
Operating expenditures	<u>74,647</u>	<u>77,304</u>	<u>55,419</u>	<u>21,885</u>
Total District Clerk	<u>2,585,603</u>	<u>2,588,260</u>	<u>2,449,014</u>	<u>139,246</u>
Justice of the Peace Pct. 1, Pl. 1:				
Salaries and wages, and employee benefits	437,892	443,892	435,639	8,253
Operating expenditures	<u>11,395</u>	<u>11,395</u>	<u>7,329</u>	<u>4,066</u>
Total Justice of the Peace Pct. 1, Pl. 1	<u>449,287</u>	<u>455,287</u>	<u>442,968</u>	<u>12,319</u>
Justice of the Peace Pct. 1, Pl. 2:				
Salaries and wages, and employee benefits	425,635	425,635	418,833	6,802
Operating expenditures	<u>9,700</u>	<u>9,700</u>	<u>6,775</u>	<u>2,925</u>
Total Justice of the Peace Pct. 1, Pl. 2	<u>435,335</u>	<u>435,335</u>	<u>425,608</u>	<u>9,727</u>
Justice of the Peace Pct. 2, Pl. 1:				
Salaries and wages, and employee benefits	466,815	466,815	461,893	4,922
Operating expenditures	<u>13,000</u>	<u>13,000</u>	<u>10,433</u>	<u>2,567</u>
Total Justice of the Peace Pct. 2, Pl. 1	<u>479,815</u>	<u>479,815</u>	<u>472,326</u>	<u>7,489</u>
Justice of the Peace Pct. 2, Pl. 2:				
Salaries and wages, and employee benefits	472,172	472,172	466,967	5,205
Operating expenditures	<u>15,050</u>	<u>15,387</u>	<u>10,123</u>	<u>5,264</u>
Total Justice of the Peace Pct. 2, Pl. 2	<u>487,222</u>	<u>487,559</u>	<u>477,090</u>	<u>10,469</u>
Justice of the Peace Pct. 3, Pl. 1:				
Salaries and wages, and employee benefits	415,309	416,309	413,351	2,958
Operating expenditures	<u>30,700</u>	<u>30,700</u>	<u>21,682</u>	<u>9,018</u>
Total Justice of the Peace Pct. 3, Pl. 1	<u>446,009</u>	<u>447,009</u>	<u>435,033</u>	<u>11,976</u>
Justice of the Peace Pct. 3, Pl. 2:				
Salaries and wages, and employee benefits	341,746	341,746	315,980	25,766
Operating expenditures	<u>13,750</u>	<u>13,750</u>	<u>7,972</u>	<u>5,778</u>
Total Justice of the Peace Pct. 3, Pl. 2	<u>355,496</u>	<u>355,496</u>	<u>323,952</u>	<u>31,544</u>
Justice of the Peace Pct. 4, Pl. 1:				
Salaries and wages, and employee benefits	422,745	422,745	403,309	19,436
Operating expenditures	<u>13,300</u>	<u>15,140</u>	<u>12,610</u>	<u>2,530</u>
Total Justice of the Peace Pct. 4, Pl. 1	<u>436,045</u>	<u>437,885</u>	<u>415,919</u>	<u>21,966</u>

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, 2017

Exhibit 16
Page 4 of 10

	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	\$ 553,399	\$ 553,399	\$ 522,262	\$ 31,137
Operating expenditures	21,450	21,462	11,097	10,365
Total Justice of the Peace Pct. 4, Pl. 2	574,849	574,861	533,359	41,502
District Attorney:				
Salaries and wages, and employee benefits	6,541,029	6,541,029	6,424,990	116,039
Operating expenditures	125,064	125,078	119,120	5,958
Total District Attorney	6,666,093	6,666,107	6,544,110	121,997
Judicial Miscellaneous:				
Salaries and wages, and employee benefits	285,598	285,598	235,450	50,148
Operating expenditures	1,610,000	1,660,000	1,641,774	18,226
Total judicial miscellaneous	1,895,598	1,945,598	1,877,224	68,374
Indigent Defense:				
Salaries and wages, and employee benefits	133,446	135,446	133,298	2,148
Operating expenditures	5,571	6,631	3,610	3,021
Total indigent defense	139,017	142,077	136,908	5,169
Bail Bond Board:				
Salaries and wages, and employee benefits	130,117	131,117	128,751	2,366
Operating expenditures	5,500	5,500	1,602	3,898
Total bail bond board	135,617	136,617	130,353	6,264
Total judicial and legal	21,053,989	21,265,530	20,376,236	889,294
Financial Administration:				
County Auditor:				
Salaries and wages, and employee benefits	1,593,124	1,593,124	1,493,398	99,726
Operating expenditures	18,915	19,064	13,063	6,001
Total county auditor	1,612,039	1,612,188	1,506,461	105,727

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, 2017

Exhibit 16
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	\$ 625,659	\$ 639,659	\$ 612,108	\$ 27,551
Operating expenditures	17,830	19,163	18,005	1,158
Total purchasing	643,489	658,822	630,113	28,709
County Treasurer:				
Salaries and wages, and employee benefits	325,691	326,691	324,795	1,896
Operating expenditures	151,346	151,751	134,397	17,354
Total County Treasurer	477,037	478,442	459,192	19,250
Human Resources:				
Salaries and wages, and employee benefits	618,427	618,427	609,073	9,354
Operating expenditures	58,470	59,010	41,644	17,366
Total human resources	676,897	677,437	650,717	26,720
Tax Assessor-Collector:				
Salaries and wages, and employee benefits	3,306,172	3,306,172	3,213,646	92,526
Operating expenditures	446,635	447,518	428,897	18,621
Total Tax Assessor-Collector	3,752,807	3,753,690	3,642,543	111,147
Information Systems:				
Salaries and wages, and employee benefits	2,546,357	2,546,357	2,460,004	86,353
Operating expenditures	5,788,295	5,962,807	3,997,676	1,965,131
Capital outlay	778,053	708,686	355,558	353,128
Total information systems	9,112,705	9,217,850	6,813,238	2,404,612
Appraisal District Assessment:				
Operating expenditures	850,000	841,800	816,699	25,101
Total appraisal district assessment	850,000	841,800	816,699	25,101
Total financial administration	17,124,974	17,240,229	14,518,963	2,721,266
Elections:				
Salaries and wages, and employee benefits	200,779	250,779	185,004	65,775
Operating expenditures	194,850	458,885	416,626	42,259
Capital outlay		4,437,356	4,388,837	48,519
Total elections	395,629	5,147,020	4,990,467	156,553

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, 2017

Exhibit 16
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	\$ 1,905,316	\$ 2,025,316	\$ 1,968,753	\$ 56,563
Operating expenditures	1,708,301	1,745,310	1,645,746	99,564
Capital outlay	350,000	498,282	273,886	224,396
Total courthouses and associated buildings	<u>3,963,617</u>	<u>4,268,908</u>	<u>3,888,385</u>	<u>380,523</u>
Property Insurance:				
Operating expenditures	1,200,000	852,000	851,506	494
Total property insurance	<u>1,200,000</u>	<u>852,000</u>	<u>851,506</u>	<u>494</u>
Total public facilities	<u>5,163,617</u>	<u>5,120,908</u>	<u>4,739,891</u>	<u>381,017</u>
Public Safety:				
County Sheriff:				
Salaries and wages, and employee benefits	16,427,121	17,727,121	17,166,984	560,137
Operating expenditures	1,862,229	1,849,231	1,308,274	540,957
Capital outlay	678,977	735,597	703,346	32,251
Total County Sheriff	<u>18,968,327</u>	<u>20,311,949</u>	<u>19,178,604</u>	<u>1,133,345</u>
Texas Department of Public Safety:				
Salaries and wages, and employee benefits	186,701	187,701	185,945	1,756
Operating expenses		200	154	46
Total Texas Department of Public Safety:	<u>186,701</u>	<u>187,901</u>	<u>186,099</u>	<u>1,802</u>
Constable – Precinct 1:				
Salaries and wages, and employee benefits	536,972	591,972	588,917	3,055
Operating expenditures	42,100	59,390	50,370	9,020
Capital outlay	80,900	63,610	63,210	400
Total Constable – Precinct 1	<u>659,972</u>	<u>714,972</u>	<u>702,497</u>	<u>12,475</u>
Constable – Precinct 2:				
Salaries and wages, and employee benefits	563,384	571,384	567,782	3,602
Operating expenditures	76,950	76,950	70,547	6,403
Capital outlay	112,000	114,680	97,400	17,280
Total Constable – Precinct 2	<u>752,334</u>	<u>763,014</u>	<u>735,729</u>	<u>27,285</u>
Constable – Precinct 3:				
Salaries and wages, and employee benefits	556,288	593,288	587,233	6,055
Operating expenditures	58,430	102,646	98,226	4,420
Capital outlay	40,000			
Total Constable – Precinct 3	<u>654,718</u>	<u>695,934</u>	<u>685,459</u>	<u>10,475</u>

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, 2017

Exhibit 16
Page 7 of 10

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Safety - Continued:				
Constable – Precinct 4:				
Salaries and wages, and employee benefits	\$ 630,845	\$ 630,845	\$ 630,359	\$ 486
Operating expenditures	57,200	62,698	54,805	7,893
Capital outlay	72,000	66,807	66,807	
Total Constable – Precinct 4	<u>760,045</u>	<u>760,350</u>	<u>751,971</u>	<u>8,379</u>
Inmate Community Service Work Program:				
Salaries and wages, and employee benefits	133,075	133,075	109,795	23,280
Operating expenditures	56,343	56,621	43,376	13,245
Capital outlay	32,000	32,000	28,027	3,973
Total inmate community service work program	<u>221,418</u>	<u>221,696</u>	<u>181,198</u>	<u>40,498</u>
Ambulance EMS:				
Operating expenditures	96,000	96,000	96,000	-0-
Total ambulance EMS	<u>96,000</u>	<u>96,000</u>	<u>96,000</u>	<u>-0-</u>
Fire Protection:				
Salaries and wages, and employee benefits	59,136	59,136	55,012	4,124
Operating expenditures	566,000	576,000	565,853	10,147
Total fire protection	<u>625,136</u>	<u>635,136</u>	<u>620,865</u>	<u>14,271</u>
Total public safety	<u>22,924,651</u>	<u>24,386,952</u>	<u>23,138,422</u>	<u>1,248,530</u>
Corrections:				
Detention Center:				
Salaries and wages, and employee benefits	12,330,574	12,330,574	12,321,492	9,082
Operating expenditures	5,116,342	5,567,336	5,487,950	79,386
Capital outlay	75,000	140,000	133,226	6,774
Total detention center	<u>17,521,916</u>	<u>18,037,910</u>	<u>17,942,668</u>	<u>95,242</u>
Juvenile Probation:				
Salaries and wages, and employee benefits	7,060,210	7,060,210	6,605,205	455,005
Operating expenditures	1,174,278	1,285,281	606,709	678,572
Capital outlay	45,000	87,000	41,852	45,148
Total juvenile probation	<u>8,279,488</u>	<u>8,432,491</u>	<u>7,253,766</u>	<u>1,178,725</u>
Adult Probation:				
Operating expenditures	68,690	75,319	66,029	9,290
Total adult probation	<u>68,690</u>	<u>75,319</u>	<u>66,029</u>	<u>9,290</u>
Total corrections	<u>25,870,094</u>	<u>26,545,720</u>	<u>25,262,463</u>	<u>1,283,257</u>

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, 2017

Exhibit 16
Page 8 of 10

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Health and Welfare:				
Health Department:				
Salaries and wages, and employee benefits	\$ 1,001,424	\$ 1,047,424	\$ 1,033,218	\$ 14,206
Operating expenditures	<u>83,750</u>	<u>83,967</u>	<u>64,345</u>	<u>19,622</u>
Total health department	<u>1,085,174</u>	<u>1,131,391</u>	<u>1,097,563</u>	<u>33,828</u>
Environmental Health:				
Salaries and wages, and employee benefits	964,456	1,165,456	1,118,734	46,722
Other charges	<u>42,785</u>	<u>42,785</u>	<u>37,729</u>	<u>5,056</u>
Total environmental health	<u>1,007,241</u>	<u>1,208,241</u>	<u>1,156,463</u>	<u>51,778</u>
Child Protective Services:				
Operating expenditures	<u>107,650</u>	<u>128,127</u>	<u>61,151</u>	<u>66,976</u>
Total child protective services	<u>107,650</u>	<u>128,127</u>	<u>61,151</u>	<u>66,976</u>
Water Lab:				
Salaries and wages, and employee benefits	185,145	203,145	201,193	1,952
Operating expenditures	<u>57,650</u>	<u>60,216</u>	<u>45,775</u>	<u>14,441</u>
Total water lab	<u>242,795</u>	<u>263,361</u>	<u>246,968</u>	<u>16,393</u>
County Welfare:				
Salaries and wages, and employee benefits	142,779	142,779	135,408	7,371
Operating expenditures	<u>13,800</u>	<u>13,800</u>	<u>2,403</u>	<u>11,397</u>
Total county welfare	<u>156,579</u>	<u>156,579</u>	<u>137,811</u>	<u>18,768</u>
Indigent Health Care:				
Salaries and wages, and employee benefits	116,471	118,471	116,775	1,696
Operating expenditures	<u>2,439,512</u>	<u>3,240,697</u>	<u>2,670,899</u>	<u>569,798</u>
Total indigent health care	<u>2,555,983</u>	<u>3,359,168</u>	<u>2,787,674</u>	<u>571,494</u>
Total health and welfare	<u>5,155,422</u>	<u>6,246,867</u>	<u>5,487,630</u>	<u>759,237</u>
Public Assistance:				
Mental Health-Mental Retardation:				
Operating expenditures	<u>270,000</u>	<u>292,500</u>	<u>292,500</u>	<u>-0-</u>
Total mental health-mental retardation	<u>270,000</u>	<u>292,500</u>	<u>292,500</u>	<u>-0-</u>
Actions, Inc.:				
Operating expenditures	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-0-</u>
Total Actions, Inc.	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-0-</u>
Brazoria County Marine Protection:				
Operating expenditures	<u>12,000</u>	<u>37,000</u>	<u>37,000</u>	<u>-0-</u>
Total Brazoria County marine protection	<u>12,000</u>	<u>37,000</u>	<u>37,000</u>	<u>-0-</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, 2017

Exhibit 16
Page 9 of 10

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Assistance - Continued:				
Helpline:				
Operating expenditures	\$ 14,000	\$ 14,000	\$ 14,000	\$ -0-
Total helpline	14,000	14,000	14,000	-0-
Total public assistance	346,000	393,500	393,500	-0-
Culture and Recreation:				
Library:				
Salaries and wages, and employee benefits	5,629,219	5,629,219	5,187,367	441,852
Operating expenditures	1,729,738	1,807,744	1,707,093	100,651
Capital outlay	100	14,800	14,700	100
Total library	7,359,057	7,451,763	6,909,160	542,603
Parks and Recreation:				
Salaries and wages, and employee benefits	2,555,877	2,555,877	2,432,405	123,472
Operating expenditures	638,550	803,022	648,226	154,796
Capital outlay	609,200	604,812	326,693	278,119
Total parks and recreation	3,803,627	3,963,711	3,407,324	556,387
Fairgrounds:				
Salaries and wages, and employee benefits	85,149	97,149	91,959	5,190
Operating expenditures	155,000	157,393	127,183	30,210
Capital outlay	335,000	381,000	35,545	345,455
Total fairgrounds	575,149	635,542	254,687	380,855
Museum Supplement:				
Salaries and wages, and employee benefits	555,069	576,069	569,926	6,143
Operating expenditures	16,935	18,464	13,422	5,042
Capital outlay		321,424	319,574	1,850
Total museum supplement	572,004	915,957	902,922	13,035
Total culture and recreation	12,309,837	12,966,973	11,474,093	1,492,880
Conservation:				
Agriculture Extension:				
Salaries and wages, and employee benefits	523,618	523,618	424,710	98,908
Operating expenditures	55,650	57,289	34,458	22,831
Total agriculture extension	579,268	580,907	459,168	121,739
Total conservation	579,268	580,907	459,168	121,739
Environmental protection:				
Flood Plain Administrator:				
Salaries and wages, and employee benefits	191,888	197,888	196,039	1,849
Operating expenditures	12,462	16,462	15,006	1,456
Total flood plain administrator	204,350	214,350	211,045	3,305
Total environmental protection	204,350	214,350	211,045	3,305

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, 2017

Exhibit 16
Page 10 of 10

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Transportation:				
Engineer's Office:				
Operating expenditures	\$ _____	\$ 10,000,000	\$ 10,000,000	\$ _____
Total engineer's office	_____ -0-	_____ 10,000,000	_____ 10,000,000	_____ -0-
Total public transportation	_____ -0-	_____ 10,000,000	_____ 10,000,000	_____ -0-
Total current expenditures	\$ 121,560,624	\$ 141,464,418	\$ 131,575,024	\$ 9,889,394

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 17

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Transportation:				
Engineers Office:				
Salaries and wages, and employee benefits	\$ 12,709,591	\$ 13,015,002	\$ 11,689,707	\$ 1,325,295
Operating expenditures	<u>15,323,741</u>	<u>9,434,493</u>	<u>6,867,909</u>	<u>2,566,584</u>
Total public transportation	28,033,332	22,449,495	18,557,616	3,891,879
Capital outlay	<u>7,442,800</u>	<u>26,323,890</u>	<u>29,677,829</u>	<u>(3,353,939)</u>
Total expenditures	<u>\$ 35,476,132</u>	<u>\$ 48,773,385</u>	<u>\$ 48,235,445</u>	<u>\$ 537,940</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, 2017

	Emergency Management Fire Code Fund (38000)			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$	\$	\$	\$ -0-
Licenses and permits		100,000	104,907	4,907
Total revenues	-0-	100,000	104,907	4,907
Expenditures:				
Current:				
General Administration:				
Salaries and wages, and employee benefits		253,000	206,075	46,925
Operating expenditures		15,709	10,099	5,610
Total general administration	-0-	268,709	216,174	52,535
Judicial and Legal:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
Total judicial and legal	-0-	-0-	-0-	-0-
Total expenditures	-0-	268,709	216,174	52,535
Excess (deficiency) of revenues over expenditures	-0-	(168,709)	(111,267)	57,442
Other Financing Sources (Uses):				
Transfer in		120,000	120,000	-0-
Transfer out				-0-
Total other financing sources (uses)	-0-	120,000	120,000	-0-
Net change in fund balances	-0-	(48,709)	8,733	57,442
Fund balances – beginning	20,504	20,504	20,504	-0-
Fund balances – ending	\$ 20,504	\$(28,205)	\$ 29,237	\$ 57,442

District Attorney Hot Check Collection Fund (38710)			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$ 20,000	\$ 18,460	\$(1,540)
			-0-
	<u>-0-</u>	<u>18,460</u>	<u>(1,540)</u>
			-0-
			-0-
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
			-0-
	19,000	14,139	4,861
	<u>25,660</u>	<u>9,676</u>	<u>15,984</u>
	<u>-0-</u>	<u>23,815</u>	<u>20,845</u>
	<u>-0-</u>	<u>23,815</u>	<u>20,845</u>
	<u>-0-</u>	<u>(24,660)</u>	<u>19,305</u>
			-0-
	<u>-0-</u>	<u>(1,000)</u>	<u>-0-</u>
	<u>-0-</u>	<u>(1,000)</u>	<u>-0-</u>
	<u>-0-</u>	<u>(25,660)</u>	<u>19,305</u>
	<u>24,572</u>	<u>24,572</u>	<u>-0-</u>
\$	<u>24,572</u>	<u>18,217</u>	<u>19,305</u>
	<u>\$(1,088)</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, 2017

	District Attorney Supplemental Fund (38720)			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$	\$ 30,000	\$ 22,424	\$(7,576)
Fines and forfeitures				-0-
Investment income			8	8
Miscellaneous				-0-
Total revenues	-0-	30,000	22,432	(7,568)
Expenditures:				
Current:				
Judicial and Legal:				
Salaries and wages, and employee benefits	17,400	37,400	18,202	19,198
Operating expenditures	5,100	15,100	4,097	11,003
Capital outlay				-0-
Total judicial and legal	22,500	52,500	22,299	30,201
Excess (deficiency) of revenues over expenditures	(22,500)	(22,500)	133	22,633
Other Financing Sources (Uses):				
Transfers out				-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Net change in fund balances	(22,500)	(22,500)	133	22,633
Fund balances – beginning				-0-
Fund balances – ending	\$(22,500)	\$(22,500)	\$ 133	\$ 22,633

District Attorney Forfeiture CCP Chapter 59 Fund (38730)			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
	120,000	83,077	(36,923)
		263	263
		<u>28,955</u>	<u>28,955</u>
<u>-0-</u>	<u>120,000</u>	<u>112,295</u>	<u>(7,705)</u>
	5,000		5,000
	97,450	79,754	17,696
	<u>65,000</u>	<u>31,839</u>	<u>33,161</u>
-0-	167,450	111,593	55,857
<u>-0-</u>	<u>(47,450)</u>	<u>702</u>	<u>48,152</u>
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	(47,450)	702	48,152
<u>49,001</u>	<u>49,001</u>	<u>49,001</u>	<u>-0-</u>
<u>\$ 49,001</u>	<u>\$ 1,551</u>	<u>\$ 49,703</u>	<u>\$ 48,152</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, 2017

	Special Inventory Dealer Escrow – Tax Fund (38820)			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$	\$ 18,000	\$ 11,603	\$(6,397)
Fines and forfeitures				-0-
Investment income			6,911	6,911
Total revenues	-0-	18,000	18,514	514
Expenditures:				
Current:				
Financial Administration:				
Operating expenditures		45,000	12,819	32,181
Total financial administration	-0-	45,000	12,819	32,181
Public Safety:				
Operating expenditures				
Capital outlay				-0-
Total public safety	-0-	-0-	-0-	-0-
Excess (deficiency) of revenues over expenditures	-0-	(27,000)	5,695	32,695
Other Financing Sources (Uses):				
Transfers in				-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Net change in fund balances	-0-	(27,000)	5,695	32,695
Fund balances – beginning	64,730	64,730	64,730	-0-
Fund balances – ending	\$ 64,730	\$ 37,730	\$ 70,425	\$ 32,695

Sheriff Contraband Forfeiture Fund (39100)			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
	5,000	1,100	(3,900)
		<u>2,814</u>	<u>2,814</u>
<u>-0-</u>	<u>5,000</u>	<u>3,914</u>	<u>(1,086)</u>
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	225,000	25,773	199,227
	<u>270,000</u>	<u>231,111</u>	<u>38,889</u>
<u>-0-</u>	<u>495,000</u>	<u>256,884</u>	<u>238,116</u>
<u>-0-</u>	<u>(490,000)</u>	<u>(252,970)</u>	<u>237,030</u>
	20,000		20,000
<u>-0-</u>	<u>20,000</u>	<u>-0-</u>	<u>20,000</u>
-0-	(470,000)	(252,970)	257,030
<u>498,968</u>	<u>498,968</u>	<u>498,968</u>	<u>-0-</u>
<u>\$ 498,968</u>	<u>\$ 28,968</u>	<u>\$ 245,998</u>	<u>\$ 257,030</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, 2017

	Brazoria County Narcotics Task Force Fund (39110)			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$	\$	\$	\$ -0-
Fines and forfeitures		250,000	192,918	(57,082)
Investment income			2,073	2,073
Miscellaneous		40,000	71,004	31,004
Total revenues	-0-	290,000	265,995	(24,005)
Expenditures:				
Current:				
Public Safety:				
Operating expenditures		250,000	146,136	103,864
Total public safety	-0-	250,000	146,136	103,864
Corrections:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
Capital outlay				-0-
Total expenditures	-0-	-0-	-0-	-0-
Excess (deficiency) of revenues over expenditures	-0-	40,000	119,859	79,859
Other Financing Sources (Uses):				
Transfers out		(20,000)		20,000
Total other financing sources (uses)	-0-	(20,000)	-0-	20,000
Net change in fund balances	-0-	20,000	119,859	99,859
Fund balances – beginning	145,766	145,766	145,766	-0-
Fund balances – ending	\$ 145,766	\$ 165,766	\$ 265,625	\$ 99,859

Sheriff Commissary Fund (39120)			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$ 1,000,000	\$ 1,121,680	\$ 121,680
		2,896	-0-
		120	2,896
		<u>120</u>	<u>120</u>
<u>-0-</u>	<u>1,000,000</u>	<u>1,124,696</u>	<u>124,696</u>
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	250,000	201,212	48,788
	850,000	720,265	129,735
	<u>200,000</u>	<u>172,621</u>	<u>27,379</u>
<u>-0-</u>	<u>1,300,000</u>	<u>1,094,098</u>	<u>205,902</u>
<u>-0-</u>	<u>(300,000)</u>	<u>30,598</u>	<u>330,598</u>
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	(300,000)	30,598	330,598
<u>401,714</u>	<u>401,714</u>	<u>401,714</u>	<u>-0-</u>
<u>\$ 401,714</u>	<u>\$ 101,714</u>	<u>\$ 432,312</u>	<u>\$ 330,598</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, 2017

	Sheriff Federal Forfeiture Fund (39130)			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fines and forfeitures	\$	\$ 1,000	\$ 115,415	\$ 114,415
Investment income			811	811
Miscellaneous				-0-
Total revenues	-0-	1,000	116,226	115,226
Expenditures:				
Current:				
Public Safety:				
Operating expenditures		166,837	5,850	160,987
Capital outlay		40,000	36,100	3,900
Total public safety	-0-	206,837	41,950	164,887
Culture and Recreation:				
Operating expenditures				-0-
Total culture and recreation	-0-	-0-	-0-	-0-
Excess (deficiency) of revenues over expenditures	-0-	(205,837)	74,276	280,113
Other Financing Sources (Uses):				
Sale of capital assets			20,092	20,092
Total other financing sources (uses)	-0-	-0-	20,092	20,092
Net change in fund balances	-0-	(205,837)	94,368	300,205
Fund balances – beginning	114,578	114,578	114,578	-0-
Fund balances – ending	\$ 114,578	\$(91,259)	\$ 208,946	\$ 300,205

Book Sale Fund (39400)			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
		55	-0- 55
	<u>40,000</u>		<u>(40,000)</u>
<u>-0-</u>	<u>40,000</u>	<u>55</u>	<u>(39,945)</u>
			-0- -0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	<u>5,000</u>		<u>5,000</u>
<u>-0-</u>	<u>5,000</u>	<u>-0-</u>	<u>5,000</u>
<u>-0-</u>	<u>35,000</u>	<u>55</u>	<u>(34,945)</u>
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>35,000</u>	<u>55</u>	<u>(34,945)</u>
<u>9,180</u>	<u>9,180</u>	<u>9,180</u>	<u>-0-</u>
<u>\$ 9,180</u>	<u>\$ 44,180</u>	<u>\$ 9,235</u>	<u>\$(34,945)</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, 2017

	Library Special Projects Fund (39410)			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Charges for services	\$	\$	\$	\$ -0-
Investment income			1,194	1,194
Miscellaneous			192,055	192,055
Total revenues	-0-	-0-	193,249	193,249
Expenditures:				
Current:				
Judicial and Legal:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
Capital outlay				-0-
Total public safety	-0-	-0-	-0-	-0-
Culture and Recreation:				
Operating expenditures	215,528	253,528	179,028	74,500
Total culture and recreation	215,528	253,528	179,028	74,500
Excess (deficiency) of revenues over expenditures	(215,528)	(253,528)	14,221	267,749
Other Financing Sources (Uses):				
Transfers in				-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Net change in fund balances	(215,528)	(253,528)	14,221	267,749
Fund balances – beginning	230,746	230,746	230,746	-0-
Fund balances – ending	\$ 15,218	\$(22,782)	\$ 244,967	\$ 267,749

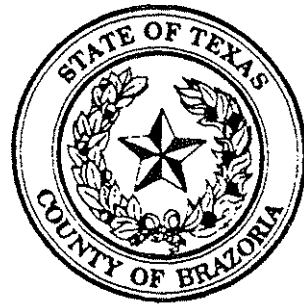
Law Library Fund (39800)			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 185,000	\$ 185,000	\$ 190,700	\$ 5,700
500	500	2,074	1,574
<u>14,000</u>	<u>14,000</u>	<u>12,350</u>	<u>(1,650)</u>
<u>199,500</u>	<u>199,500</u>	<u>205,124</u>	<u>5,624</u>
75,321	77,821	75,847	1,974
314,100	318,522	211,212	107,310
<u>20,000</u>	<u>20,000</u>		<u>20,000</u>
<u>409,421</u>	<u>416,343</u>	<u>287,059</u>	<u>129,284</u>
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>(209,921)</u>	<u>(216,843)</u>	<u>(81,935)</u>	<u>134,908</u>
<u>50,000</u>	<u>50,000</u>	<u>52,000</u>	<u>2,000</u>
<u>50,000</u>	<u>50,000</u>	<u>52,000</u>	<u>2,000</u>
<u>(159,921)</u>	<u>(166,843)</u>	<u>(29,935)</u>	<u>136,908</u>
<u>335,567</u>	<u>335,567</u>	<u>335,567</u>	<u>-0-</u>
<u>\$ 175,646</u>	<u>\$ 168,724</u>	<u>\$ 305,632</u>	<u>\$ 136,908</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, 2017

Exhibit 18
Page 7 of 7

	Mosquito Control District Fund (39900)			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 1,706,827	\$ 1,706,827	\$ 1,693,985	\$(12,842)
Investment income	1,000	1,000	23,985	22,985
Miscellaneous	500	500	243	(257)
Total revenues	<u>1,708,327</u>	<u>1,708,327</u>	<u>1,718,213</u>	<u>9,886</u>
Expenditures:				
Current:				
Health and Welfare:				
Salaries and wages, and employee benefits	1,164,876	1,164,876	1,109,731	55,145
Operating expenditures	1,579,343	1,592,435	155,191	1,437,244
Capital outlay	<u>64,800</u>	<u>64,800</u>	<u>50,220</u>	<u>14,580</u>
Total health and welfare	2,809,019	2,822,111	1,315,142	1,506,969
Excess (deficiency) of revenues over expenditures	<u>(1,100,692)</u>	<u>(1,113,784)</u>	<u>403,071</u>	<u>1,516,855</u>
Other Financing Sources (Uses):				
Sale of capital assets				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u>(1,100,692)</u>	<u>(1,113,784)</u>	<u>403,071</u>	<u>1,516,855</u>
Fund balances – beginning	<u>3,754,420</u>	<u>3,754,420</u>	<u>3,754,420</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 2,653,728</u>	<u>\$ 2,640,636</u>	<u>\$ 4,157,491</u>	<u>\$ 1,516,855</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, 2017

	2012 GO Refunding I & S Fund (40000)			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 965,748	\$ 965,748	\$ 959,583	\$(6,165)
Investment income	1,000	1,000	3,160	2,160
Total revenues	<u>966,748</u>	<u>966,748</u>	<u>962,743</u>	<u>(4,005)</u>
Expenditures:				
Debt Service:				
Principal	910,000	910,000	910,000	-0-
Interest and agent fees	<u>43,000</u>	<u>43,000</u>	<u>42,450</u>	<u>550</u>
Total expenditures	<u>953,000</u>	<u>953,000</u>	<u>952,450</u>	<u>550</u>
Excess (deficiency) of revenues over expenditures	<u>13,748</u>	<u>13,748</u>	<u>10,293</u>	<u>(3,455)</u>
Other Financing Sources (Uses):				
Transfer in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	13,748	13,748	10,293	(3,455)
Fund balances – beginning	<u>522,968</u>	<u>522,968</u>	<u>522,968</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 536,716</u>	<u>\$ 536,716</u>	<u>\$ 533,261</u>	<u>\$(3,455)</u>

2016 Limited Tax Refunding I & S Fund (41000)			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 861,450	\$ 861,450	\$ 857,870	\$ (3,580)
<u>1,000</u>	<u>1,000</u>	<u>4,930</u>	<u>3,930</u>
<u>862,450</u>	<u>862,450</u>	<u>862,800</u>	<u>350</u>
570,000	570,000	570,000	-0-
<u>274,700</u>	<u>274,700</u>	<u>274,150</u>	<u>550</u>
<u>844,700</u>	<u>844,700</u>	<u>844,150</u>	<u>550</u>
<u>17,750</u>	<u>17,750</u>	<u>18,650</u>	<u>900</u>
	8,125,000		(8,125,000)
	<u>(8,969,000)</u>		<u>8,969,000</u>
<u>-0-</u>	<u>(844,000)</u>		<u>844,000</u>
17,750	(826,250)	18,650	844,900
<u>670,723</u>	<u>670,723</u>	<u>670,723</u>	<u>-0-</u>
<u>\$ 688,473</u>	<u>\$ (155,527)</u>	<u>\$ 689,373</u>	<u>\$ 844,900</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, 2017

	2012 Certificates of Obligation Bonds, I & S Fund (42000)			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,050,250	\$ 1,050,250	\$ 1,043,548	\$(6,702)
Investment income	<u>200</u>	<u>200</u>	<u>2,258</u>	<u>2,058</u>
Total revenues	<u>1,050,450</u>	<u>1,050,450</u>	<u>1,045,806</u>	<u>(4,644)</u>
Expenditures:				
Debt Service:				
Principal on long-term debt				-0-
Interest on long-term debt	<u>1,110,350</u>	<u>1,110,350</u>	<u>1,110,300</u>	<u>50</u>
Total expenditures	<u>1,110,350</u>	<u>1,110,350</u>	<u>1,110,300</u>	<u>50</u>
Excess (deficiency) of revenues over expenditures	<u>(59,900)</u>	<u>(59,900)</u>	<u>(64,494)</u>	<u>(4,594)</u>
Other Financing Sources (Uses):				
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u>(59,900)</u>	<u>(59,900)</u>	<u>(64,494)</u>	<u>(4,594)</u>
Fund balances – beginning	<u>117,424</u>	<u>117,424</u>	<u>117,424</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 57,524</u>	<u>\$ 57,524</u>	<u>\$ 52,930</u>	<u>\$(4,594)</u>

Tax Notes Series 2013, I & S Fund (43000)			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 378,077	\$ 378,077	\$ 377,299	\$ (778)
		388	388
<u>378,077</u>	<u>378,077</u>	<u>377,687</u>	<u>(390)</u>
250,000	250,000	250,000	-0-
122,056	122,056	121,056	1,000
<u>372,056</u>	<u>372,056</u>	<u>371,056</u>	<u>1,000</u>
<u>6,021</u>	<u>6,021</u>	<u>6,631</u>	<u>610</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
6,021	6,021	6,631	610
<u>47,221</u>	<u>47,221</u>	<u>47,221</u>	<u>-0-</u>
<u>\$ 53,242</u>	<u>\$ 53,242</u>	<u>\$ 53,852</u>	<u>\$ 610</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, 2017

	Toll Road, I & S Fund (44000)			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 2,503,129	\$ 2,503,129	\$ 2,478,486	\$(24,643)
Investment income	<u>500</u>	<u>500</u>	<u>12,371</u>	<u>11,871</u>
Total revenues	<u>2,503,629</u>	<u>2,503,629</u>	<u>2,490,857</u>	<u>(12,772)</u>
Expenditures:				
Debt Service:				
Principal on long-term debt				-0-
Interest on long-term debt	<u>2,500,000</u>	<u>2,500,000</u>		<u>2,500,000</u>
Total expenditures	<u>2,500,000</u>	<u>2,500,000</u>	<u>-0-</u>	<u>2,500,000</u>
Excess (deficiency) of revenues over expenditures	<u>3,629</u>	<u>3,629</u>	<u>2,490,857</u>	<u>2,487,228</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	3,629	3,629	2,490,857	2,487,228
Fund balances – beginning	<u>2,533,494</u>	<u>2,533,494</u>	<u>2,533,494</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 2,537,123</u>	<u>\$ 2,537,123</u>	<u>\$ 5,024,351</u>	<u>\$ 2,487,228</u>

Road Bonds Mobility, I & S Fund (45000)			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 3,390,653	\$ 3,390,653	\$ 3,379,664	\$(10,989)
<u>1,000</u>	<u>1,000</u>	<u>23,949</u>	<u>22,949</u>
<u>3,391,653</u>	<u>3,391,653</u>	<u>3,403,613</u>	<u>11,960</u>
2,050,000	2,050,000	2,050,000	-0-
<u>813,859</u>	<u>813,859</u>	<u>813,209</u>	<u>650</u>
<u>2,863,859</u>	<u>2,863,859</u>	<u>2,863,209</u>	<u>650</u>
<u>527,794</u>	<u>527,794</u>	<u>540,404</u>	<u>12,610</u>
<u>1,930,000</u>	<u>1,930,000</u>	<u>1,908,085</u>	<u>(21,915)</u>
<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>-0-</u>
<u>-0-</u>	<u>830,000</u>	<u>808,085</u>	<u>(21,915)</u>
<u>527,794</u>	<u>1,357,794</u>	<u>1,348,489</u>	<u>(9,305)</u>
<u>2,061,841</u>	<u>2,061,841</u>	<u>2,061,841</u>	<u>-0-</u>
<u>\$ 2,589,635</u>	<u>\$ 3,419,635</u>	<u>\$ 3,410,330</u>	<u>\$(9,305)</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, 2017

	<u>Mobility – Build America, I & S Fund (45100)</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenue	\$ _____	\$ _____	\$ 237,308	\$ 237,308
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>237,308</u>	<u>237,308</u>
Expenditures:				
Debt Service:				
Interest on long-term debt	<u>491,986</u>	<u>731,986</u>	<u>728,274</u>	<u>3,712</u>
Total expenditures	<u>491,986</u>	<u>731,986</u>	<u>728,274</u>	<u>3,712</u>
Excess (deficiency) of revenues over expenditures	<u>(491,986)</u>	<u>(731,986)</u>	<u>(490,966)</u>	<u>241,020</u>
Other Financing Sources (Uses):				
Transfers in			1,100,000	1,100,000
Transfers out		<u>(1,930,000)</u>		<u>1,930,000</u>
Total other financing sources (uses)	<u>-0-</u>	<u>(1,930,000)</u>	<u>1,100,000</u>	<u>3,030,000</u>
Net change in fund balances	<u>(491,986)</u>	<u>(2,661,986)</u>	<u>609,034</u>	<u>3,271,020</u>
Fund balances – beginning	<u>(482,696)</u>	<u>(482,696)</u>	<u>(482,696)</u>	<u>-0-</u>
Fund balances – ending	<u>\$(974,682)</u>	<u>\$(3,144,682)</u>	<u>\$ 126,338</u>	<u>\$ 3,271,020</u>



BRAZORIA COUNTY, TEXAS

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

Exhibit 20

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Sales:				
Fuel and supplies	\$ 2,300,000	\$ 2,300,000	\$ 1,515,317	\$(784,683)
Cost of sales	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,166,230</u>	<u>833,770</u>
Gross profit	300,000	300,000	349,087	49,087
Other Revenue:				
Operating grants			49,999	49,999
Rentals	349,200	349,200	516,339	167,139
Fees	335,822	335,822	399,254	63,432
Miscellaneous	<u>60,000</u>	<u>60,000</u>	<u>1,894</u>	<u>(58,106)</u>
Net operating revenue	<u>1,045,022</u>	<u>1,045,022</u>	<u>1,316,573</u>	<u>271,551</u>
Operating Expenses:				
Salaries and wages	681,118	681,118	663,298	17,820
Employee benefits	278,212	278,212	380,522	(102,310)
Supplies	121,900	121,900	91,425	30,475
Other charges	261,550	263,649	285,523	(21,874)
Depreciation	<u>348,520</u>	<u>1,748,520</u>	<u>1,294,110</u>	<u>454,410</u>
Total operating expenses	<u>1,691,300</u>	<u>3,093,399</u>	<u>2,714,878</u>	<u>378,521</u>
Operating income (loss)	<u>(646,278)</u>	<u>(2,048,377)</u>	<u>(1,398,305)</u>	<u>650,072</u>
Non-Operating Revenues (Expenses):				
Gain (loss) on sale of assets				
Total non-operating revenues (expenses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net income (loss) before contributions and transfers	<u>(646,278)</u>	<u>(2,048,377)</u>	<u>(1,398,305)</u>	<u>650,072</u>
Capital contributions			310,613	310,613
Transfers in			-0-	-0-
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-0-</u>	<u>50,000</u>
Change in net position	<u>(696,278)</u>	<u>(2,098,377)</u>	<u>(1,087,692)</u>	<u>1,010,685</u>
Net Position:				
Total net position – beginning of year	<u>20,663,587</u>	<u>20,663,587</u>	<u>20,663,587</u>	<u>-0-</u>
Total net position – end of year	<u>\$ 19,967,309</u>	<u>\$ 18,565,210</u>	<u>\$ 19,575,895</u>	<u>\$ 1,010,685</u>

BRAZORIA COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION -
INTERNAL SERVICE FUNDS
September 30, 2017

Exhibit 21

	<u>Self Insurance Liability</u>	<u>Self Insurance Health</u>	<u>Self Insurance Health Clinic</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current Assets:				
Cash and temporary investments	\$ 1,445,676	\$ 453,988	\$ 56,769	\$ 1,956,433
Accounts receivable	<u> </u>	<u>1,443,562</u>	<u> </u>	<u>1,443,562</u>
Total current assets	<u>1,445,676</u>	<u>1,897,550</u>	<u>56,769</u>	<u>3,399,995</u>
Deferred Outflows of Resources:				
Deferred outflows of resources	<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
Total deferred outflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 1,445,676</u>	<u>\$ 1,897,550</u>	<u>\$ 56,769</u>	<u>\$ 3,399,995</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
Current Liabilities:				
Accounts and accrued liabilities payable	\$ 3,347	\$ 39,664	\$ 49,645	\$ 92,656
Due to other funds	<u> </u>	<u>1,500,000</u>	<u> </u>	<u>1,500,000</u>
Estimated claims payable	<u>400,000</u>	<u>1,345,800</u>	<u> </u>	<u>1,745,800</u>
Total current liabilities	<u>403,347</u>	<u>2,885,464</u>	<u>49,645</u>	<u>3,338,456</u>
Deferred Inflows of Resources:				
Deferred inflows of resources	<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities and deferred inflows of resources	<u>403,347</u>	<u>2,885,464</u>	<u>49,645</u>	<u>3,338,456</u>
Net Position:				
Unrestricted net position	<u>1,042,329</u>	<u>(987,914)</u>	<u>7,124</u>	<u>61,539</u>
Total net position	<u>1,042,329</u>	<u>(987,914)</u>	<u>7,124</u>	<u>61,539</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,445,676</u>	<u>\$ 1,897,550</u>	<u>\$ 56,769</u>	<u>\$ 3,399,995</u>

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

For the Year Ended September 30, 2017

Exhibit 22

	Self Insurance Liability	Self Insurance Health	Self Insurance Health Clinic	Total
Operating Revenues:				
Contributions for self-insurance	\$ 147,647	\$ 16,931,646	\$ 685,000	\$ 17,765,293
Total operating revenues	<u>148,647</u>	<u>16,931,646</u>	<u>685,000</u>	<u>17,765,293</u>
Operating Expenses:				
Legal expenses and settlements	141,331			141,331
Health claims expense		15,555,934		15,555,934
Health services expense			679,611	679,611
Administrative expense		<u>1,862,805</u>	<u>2,421</u>	<u>1,865,226</u>
Total operating expenses	<u>141,331</u>	<u>17,418,739</u>	<u>682,032</u>	<u>18,242,102</u>
Operating income (loss)	7,316	(487,093)	2,968	(476,809)
Non-Operating Revenue:				
Investment income	<u>8,850</u>	<u>6,168</u>		<u>15,018</u>
Net income (loss) before transfers	16,166	(480,925)	2,968	(461,791)
Transfers in				<u>-0-</u>
Change in net position	16,166	(480,925)	2,968	(461,791)
Net position – beginning of year	<u>1,026,163</u>	<u>(506,989)</u>	<u>4,156</u>	<u>523,330</u>
Net position – end of year	<u>\$ 1,042,329</u>	<u>\$ (987,914)</u>	<u>\$ 7,124</u>	<u>\$ 61,539</u>

BRAZORIA COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2017

Exhibit 23

	Self Insurance Liability	Self Insurance Health	Self Insurance Health Clinic	Total
Cash Flows from Operating Activities:				
Cash flows received from employees and other funds	\$ 166,704	\$ 17,756,346	\$ 685,000	\$ 18,608,050
Cash paid to and on behalf of employees	(137,984)	(16,028,936)	(657,473)	(16,686,409)
Cash paid to suppliers and others	(137,984)	(1,862,805)	(2,421)	(2,003,210)
Net cash provided (used) by operating activities	<u>28,720</u>	<u>(135,395)</u>	<u>25,106</u>	<u>(81,569)</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers from other funds	_____	_____	_____	-0-
Net cash provided (used) by non-capital financing activities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Cash Flows from Capital and Financing Activities:				
Net cash provided (used) by capital and financing activities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Cash Flows from Investing Activities:				
Investment income	<u>8,850</u>	<u>6,168</u>	_____	<u>15,018</u>
Net cash provided by investment activities	<u>8,850</u>	<u>6,168</u>	<u>-0-</u>	<u>15,018</u>
Net increase (decrease) in cash	37,570	(129,227)	25,106	(66,551)
Cash and temporary investments - beginning of year	<u>1,408,106</u>	<u>583,215</u>	<u>31,663</u>	<u>2,022,984</u>
Cash and temporary investments - end of year	<u>\$ 1,445,676</u>	<u>\$ 453,988</u>	<u>\$ 56,769</u>	<u>\$ 1,956,433</u>
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:				
Operating Activities:				
Operating income (loss)	\$ 7,316	\$(487,093)	\$ 2,968	\$(476,809)
Changes in Assets and Deferred Outflows of Resources, and Liabilities and Deferred Inflows of Resources:				
(Increase) Decrease In:				
Accounts receivable	18,057	(675,300)	_____	(657,243)
Prepaid expenses	_____	40,175	_____	40,175
Increase (Decrease) In:				
Accounts and accrued liabilities payable	3,347	(166,378)	22,138	(140,893)
Estimated claims payable	_____	(346,799)	_____	(346,799)
Due to other funds	_____	<u>1,500,000</u>	_____	<u>1,500,000</u>
Net cash provided (used) for operating activities	<u>\$ 28,720</u>	<u>\$(135,395)</u>	<u>\$ 25,106</u>	<u>\$(81,569)</u>
Noncash Transactions Affecting Financial Position:				
Net noncash transactions affecting financial position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

For the Year Ended September 30, 2017

Exhibit 24
Page 1 of 2

	Balance 10-01-16	Additions	Deductions	Balance 09-30-17
BRAZORIA COUNTY FRESH WATER SUPPLY DISTRICT #2:				
<i>Assets</i>				
Accounts receivable	\$ 25,000	\$	\$	\$ 25,000
Total assets	<u>\$ 25,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 25,000</u>
<i>Liabilities</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 25,000	\$	\$	\$ 25,000
Total liabilities	<u>\$ 25,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 25,000</u>
BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT:				
<i>Assets</i>				
Cash and temporary investments	\$ 1,097,921	\$ 441,791	\$ 422,419	\$ 1,117,293
Accounts receivable	<u>36,333</u>	<u>91,555</u>	<u>36,333</u>	<u>91,555</u>
Total assets	<u>\$ 1,134,254</u>	<u>\$ 533,346</u>	<u>\$ 458,752</u>	<u>\$ 1,208,848</u>
<i>Liabilities</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 10,501	\$ 26,031	\$ 10,501	\$ 26,031
Due to others	<u>1,123,753</u>	<u>507,315</u>	<u>448,251</u>	<u>1,182,817</u>
Total liabilities	<u>\$ 1,134,254</u>	<u>\$ 533,346</u>	<u>\$ 458,752</u>	<u>\$ 1,208,848</u>
TDCJ-CJAD:				
<i>Assets</i>				
Cash and temporary investments	\$ 1,740,032	\$ 5,269,967	\$ 5,269,102	\$ 1,740,897
Accounts receivable	180		180	-0-
Prepaid expenses		<u>10,692</u>		<u>10,692</u>
Total assets	<u>\$ 1,740,212</u>	<u>\$ 5,280,659</u>	<u>\$ 5,269,282</u>	<u>\$ 1,751,589</u>
<i>Liabilities</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 232,716	\$ 375,776	\$ 232,716	\$ 375,776
Due to others	<u>1,507,496</u>	<u>4,904,883</u>	<u>5,036,566</u>	<u>1,375,813</u>
Total liabilities	<u>\$ 1,740,212</u>	<u>\$ 5,280,659</u>	<u>\$ 5,269,282</u>	<u>\$ 1,751,589</u>

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

For the Year Ended September 30, 2017

Exhibit 24
Page 2 of 2

	<u>Balance 10-01-16</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-17</u>
DISTRICT/COUNTY CLERKS TRUSTS:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>8,075,246</u>	\$ <u>7,944,454</u>	\$ <u>8,075,246</u>	\$ <u>7,944,454</u>
Total assets	\$ <u><u>8,075,246</u></u>	\$ <u><u>7,944,454</u></u>	\$ <u><u>8,075,246</u></u>	\$ <u><u>7,944,454</u></u>
<i>Liabilities</i>				
Liabilities:				
Due to others	\$ <u>8,075,246</u>	\$ <u>7,944,454</u>	\$ <u>8,075,246</u>	\$ <u>7,944,454</u>
Total liabilities	\$ <u><u>8,075,246</u></u>	\$ <u><u>7,944,454</u></u>	\$ <u><u>8,075,246</u></u>	\$ <u><u>7,944,454</u></u>
TOTALS - ALL AGENCY FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 10,913,199	\$ 13,656,212	\$ 13,766,767	\$ 10,802,644
Accounts receivable	61,513	91,555	36,513	116,555
Prepaid expense	<u> </u>	<u>10,692</u>	<u> </u>	<u>10,692</u>
Total assets	\$ <u><u>10,974,712</u></u>	\$ <u><u>13,758,459</u></u>	\$ <u><u>13,803,280</u></u>	\$ <u><u>10,929,891</u></u>
<i>Liabilities</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 268,217	\$ 401,807	\$ 243,217	\$ 426,807
Due to others	<u>10,706,495</u>	<u>13,356,652</u>	<u>13,560,063</u>	<u>10,503,084</u>
Total liabilities	\$ <u><u>10,974,712</u></u>	\$ <u><u>13,758,459</u></u>	\$ <u><u>13,803,280</u></u>	\$ <u><u>10,929,891</u></u>

HOUSING AUTHORITY OF BRAZORIA COUNTY, TEXAS (TX484)

Exhibit 25

FINANCIAL DATA SCHEDULE (FDS)

SUPPLEMENTARY INFORMATION

STATEMENT OF NET POSITION

September 30, 2017

FDS Line#	FDS Line Account Title	14.871 Housing Choice Vouchers
111	Cash – unrestricted	\$ 921,024
113	Cash – other restricted	2,582
115	Cash – restricted for payment of current liability	<u>18,313</u>
100	Total cash	<u>941,919</u>
121	Accounts receivable – PHA projects	<u>4,295</u>
120	Total receivables net of allowance for doubtful accounts	<u>4,295</u>
150	Total current assets	<u>946,214</u>
190	Total assets	946,214
200	Deferred outflow of resources	<u> </u>
290	Total assets and deferred outflow of resources	<u>\$ 946,214</u>
345	Other current liabilities	<u>\$ 18,313</u>
310	Total current liabilities	<u>18,313</u>
350	Total non-current liabilities	<u>-0-</u>
300	Total liabilities	<u>18,313</u>
400	Deferred inflow of resources	<u>-0-</u>
509.3	Restricted fund balance	2,582
512.3	Unassigned fund balance	<u>925,319</u>
513	Total equity – Net assets/position	<u>927,901</u>
600	Total liabilities, deferred inflows of resources and equity – Net assets/position	<u>\$ 946,214</u>

HOUSING AUTHORITY OF BRAZORIA COUNTY, TEXAS (TX484)

Exhibit 26

FINANCIAL DATA SCHEDULE (FDS)

SUPPLEMENTARY INFORMATION

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2017

FDS Line#	FDS Line Account Title	14.871 Housing Choice Vouchers
70600	HUD PHA operating grants	\$ 3,716,144
71100	Investment income - unrestricted	5,396
71400	Fraud recovery	18,741
71500	Other revenue	<u>76,542</u>
70000	Total revenue	<u>3,816,823</u>
91100	Administrative salaries	214,514
91400	Advertising and marketing	346
91500	Employee benefit contributions – administrative	83,656
91600	Office expenses	7,343
91810	Allocated overhead	2,076
91900	Other	<u>23,478</u>
91000	Total operating – administrative	<u>331,413</u>
96900	Total operating expenses	<u>331,413</u>
97000	Excess of operating revenue over operating expense	<u>3,485,410</u>
97300	Housing assistance payments	3,289,513
97350	HAP Portability-In	<u>82,353</u>
90000	Total expenses	<u>3,703,279</u>
10000	Excess (deficiency) of total revenue over (under) total expenses	113,544
11030	Beginning equity	814,357
11170	Administrative fee equity	<u>925,319</u>
11180	Housing assistance payments equity	<u>\$ 2,582</u>
11190	Unit months available	<u>7,032</u>
11210	Number of unit months leased	<u>6,973</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 POSITION BY COMPONENTS
Last Nine Fiscal Years
(accrual basis of accounting)

Table 1

	Fiscal Year				
	2008	2009	2010	2011	2012
Governmental Activities:					
Net investment in capital assets	\$ 105,895,455	\$ 118,386,142	\$ 107,946,044	\$ 125,443,284	\$ 137,905,630
Restricted For:					
Roads and bridges	11,785,704	14,812,978	28,317,997	12,899,517	29,463,484
Debt service	2,397,569	2,674,027	2,642,145	5,589,069	3,745,648
Capital projects					2,793,607
Records management					
Health services					
Other purposes	6,903,230	11,038,528	9,138,277	7,857,542	4,313,104
Unrestricted	<u>30,975,246</u>	<u>29,373,464</u>	<u>35,504,190</u>	<u>45,667,087</u>	<u>51,242,021</u>
Total governmental activities net position	<u>\$ 157,957,204</u>	<u>\$ 176,285,139</u>	<u>\$ 183,548,653</u>	<u>\$ 197,456,499</u>	<u>\$ 229,463,494</u>
Business-type Activities:					
Net investment in capital assets	\$ 10,654,958	\$ 10,262,087	\$ 17,932,099	\$ 18,063,644	\$ 17,090,784
Restricted For:					
Debt service	49,419				
Other purposes	17,781				
Unrestricted	<u>488,387</u>	<u>1,240,854</u>	<u>936,146</u>	<u>859,249</u>	<u>2,700,569</u>
Total business-type activities net position	<u>\$ 11,210,545</u>	<u>\$ 11,502,941</u>	<u>\$ 18,868,245</u>	<u>\$ 18,922,893</u>	<u>\$ 19,791,353</u>
Primary Government:					
Net investment in capital assets	\$ 116,550,413	\$ 128,648,229	\$ 125,878,143	\$ 143,506,928	\$ 154,996,414
Restricted	21,153,703	28,525,533	40,098,419	26,346,128	40,315,843
Unrestricted	<u>31,463,633</u>	<u>30,614,318</u>	<u>36,440,336</u>	<u>46,526,336</u>	<u>53,942,590</u>
Total primary government net position	<u>\$ 169,167,749</u>	<u>\$ 187,788,080</u>	<u>\$ 202,416,898</u>	<u>\$ 216,379,392</u>	<u>\$ 249,254,847</u>

Fiscal Year				
2013	2014	2015	2016	2017
\$ 167,975,425	\$ 177,510,442	\$ 190,567,382	\$ 210,188,517	\$ 231,459,172
13,593,152	16,721,519	21,553,918	27,346,470	25,909,740
3,570,603	3,742,201	4,278,259	7,674,598	9,717,391
2,551,020				
		3,105,754	3,495,356	3,680,850
		2,467,837	3,778,813	4,176,204
4,257,142	7,582,694	2,753,405	3,365,612	3,472,246
<u>60,069,501</u>	<u>67,556,823</u>	<u>76,975,016</u>	<u>65,733,042</u>	<u>62,175,256</u>
<u>\$ 252,016,843</u>	<u>\$ 273,113,679</u>	<u>\$ 301,701,571</u>	<u>\$ 321,582,408</u>	<u>\$ 340,590,859</u>
\$ 18,782,258	\$ 19,869,765	\$ 21,210,397	\$ 20,323,878	\$ 20,086,292
				23,333
<u>759,597</u>	<u>328,977</u>	<u>592,390</u>	<u>294,750</u>	<u>(583,380)</u>
<u>\$ 19,541,855</u>	<u>\$ 20,198,742</u>	<u>\$ 21,802,787</u>	<u>\$ 20,618,628</u>	<u>\$ 19,526,245</u>
\$ 186,757,683	\$ 197,380,207	\$ 211,777,779	\$ 230,512,395	\$ 251,545,464
23,971,917	28,046,414	34,159,173	45,660,849	46,979,764
<u>60,829,098</u>	<u>67,885,800</u>	<u>77,567,406</u>	<u>66,027,792</u>	<u>61,591,876</u>
<u>\$ 271,558,698</u>	<u>\$ 293,312,421</u>	<u>\$ 323,504,358</u>	<u>\$ 342,201,036</u>	<u>\$ 360,117,104</u>

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

Table 2

	Fiscal Year				
	2008	2009	2010	2011	2012
Expenses					
Governmental Activities:					
General administration	\$ 7,505,494	\$ 8,402,752	\$ 9,765,100	\$ 9,367,760	\$ 8,531,830
Judicial and legal	16,425,146	17,095,026	17,108,112	17,185,013	17,444,241
Financial administration	8,825,918	9,274,787	9,417,717	9,421,715	9,885,427
Elections	717,673	460,608	471,550	436,854	429,119
Public facilities	3,608,908	3,726,303	4,007,936	4,145,921	4,295,595
Public safety	16,714,660	16,565,137	17,203,454	17,825,709	17,808,208
Corrections	22,487,177	23,084,589	23,167,977	25,415,355	24,663,264
Public transportation	28,116,886	33,663,115	30,129,895	27,572,896	27,267,696
Health and welfare	10,269,808	11,379,348	12,684,269	11,619,175	9,624,531
Public assistance	296,000	296,000	296,000	296,000	296,000
Culture and recreation	7,810,785	8,501,264	8,514,714	8,690,800	8,785,859
Conservation	401,178	433,198	389,848	352,487	348,908
Environmental protection	205,704	211,300	204,162	261,926	543,559
Community development	2,228,027	2,477,725	3,433,743	5,965,680	7,371,072
Interest on long-term debt	<u>2,497,944</u>	<u>2,242,764</u>	<u>2,650,328</u>	<u>2,842,829</u>	<u>2,811,695</u>
Total governmental activities expenses	<u>128,111,308</u>	<u>137,813,916</u>	<u>139,444,805</u>	<u>141,400,120</u>	<u>140,107,004</u>
Business-type Activities:					
Airport	<u>3,283,991</u>	<u>3,746,623</u>	<u>3,273,887</u>	<u>3,898,445</u>	<u>4,297,478</u>
Total business-type activities expenses	<u>3,283,991</u>	<u>3,746,623</u>	<u>3,273,887</u>	<u>3,898,445</u>	<u>4,297,478</u>
Total primary government expenses	<u>\$ 131,395,299</u>	<u>\$ 141,560,539</u>	<u>\$ 142,718,692</u>	<u>\$ 145,298,565</u>	<u>\$ 144,404,482</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General administration	\$ 3,592,424	\$ 3,078,349	\$ 3,068,103	\$ 2,916,705	\$ 3,570,554
Judicial and legal	6,510,075	6,719,465	7,562,837	8,806,300	7,245,046
Financial administration	1,607,565	1,782,317	1,774,714	2,472,605	2,838,356
Elections	216,604	163,679	213,801	139,755	185,989
Public facilities	32,625	1,168,851	36,305	1,610,574	955,404
Public safety	1,690,817	735,649	1,285,185	725,934	1,476,484
Corrections	585,301	395,555	786,547	691,574	581,751
Public transportation	3,910,942	4,092,757	3,467,955	4,881,755	4,911,763
Health and welfare	531,764	501,588	613,305	351,506	459,708
Culture and recreation	303,660	320,080	329,062	353,387	337,249
Conservation	10,147	11,448	106,364	113,441	5,308
Environmental protection	62,375	6,759	6,728	7,420	6,783
Community development					
Operating grants and contributions	14,474,328	20,615,452	17,275,047	18,663,189	15,345,237
Capital grants and contributions	<u>7,102,464</u>	<u>15,200,393</u>	<u>6,058,920</u>	<u>3,315,829</u>	<u>26,617,632</u>
Total governmental activities program revenues	<u>40,631,091</u>	<u>54,792,342</u>	<u>42,584,873</u>	<u>45,049,974</u>	<u>64,537,264</u>

		Fiscal Year							
		2013	2014	2015	2016	2017			
\$	9,096,823	\$	9,482,542	\$	9,819,841	\$	13,333,069	\$	14,256,255
	18,506,367		19,631,411		20,702,777		27,480,125		26,160,276
	11,048,456		12,903,144		14,199,026		16,962,227		16,585,661
	501,530		424,419		593,251		755,090		754,753
	4,482,211		4,552,789		4,247,946		5,161,249		5,259,745
	19,121,946		20,547,826		20,549,314		27,044,603		27,179,614
	26,263,608		27,590,517		28,672,523		35,532,021		33,551,741
	28,234,409		32,301,984		27,695,529		37,065,270		45,740,054
	8,643,077		12,719,101		10,961,502		13,335,024		14,497,556
	296,000		321,000		341,462		346,000		332,676
	10,096,986		9,749,878		10,516,642		13,188,901		13,131,875
	528,928		399,428		394,293		508,036		535,470
	205,288		248,221		248,480		321,618		237,091
	8,985,728		3,662,694		6,165,252		3,388,193		3,372,148
	<u>3,563,248</u>		<u>4,401,503</u>		<u>3,640,139</u>		<u>1,143,440</u>		<u>2,297,450</u>
	<u>149,574,605</u>		<u>158,936,457</u>		<u>158,747,977</u>		<u>195,564,866</u>		<u>203,892,365</u>
	<u>4,512,936</u>		<u>4,812,519</u>		<u>3,788,609</u>		<u>3,772,731</u>		<u>3,918,718</u>
	<u>4,512,936</u>		<u>4,812,519</u>		<u>3,788,609</u>		<u>3,772,731</u>		<u>3,918,718</u>
\$	<u>154,087,541</u>	\$	<u>163,748,976</u>	\$	<u>162,536,586</u>	\$	<u>199,337,597</u>	\$	<u>207,811,083</u>

\$	3,006,250	\$	4,858,893	\$	3,447,340	\$	3,546,875	\$	3,344,021
	7,563,630		9,459,558		15,767,444		10,678,104		12,217,919
	3,305,013		3,242,108		3,413,795		3,828,331		3,807,513
	165,038		213,604		159,259		217,783		204,982
	726,709		44,544		50,769		65,568		241,048
	1,719,624		1,319,332		1,257,535		1,597,103		1,676,667
	617,597		1,321,862		1,432,280		1,801,471		1,825,059
	4,588,703		7,959,239		4,355,858		4,312,980		4,284,827
	908,637		375,082		390,289		447,359		465,259
	331,142		356,613		376,878		381,621		385,641
	5,347		5,578		8,120		10,526		16,799
	5,644		7,350		8,544		11,232		8,315
					6,680		8,691		9,100
	15,898,124		15,336,408		17,034,646		15,483,005		27,063,149
	<u>11,995,116</u>		<u>9,227,520</u>		<u>7,324,038</u>		<u>22,400,581</u>		<u>12,904,515</u>
	<u>50,836,574</u>		<u>53,727,691</u>		<u>55,033,475</u>		<u>64,791,230</u>		<u>68,454,814</u>

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

Table 2

	Fiscal Year				
	2008	2009	2010	2011	2012
Business-type Activities:					
Charges for Services	\$ 2,696,391	\$ 3,281,882	\$ 2,523,391	\$ 3,091,375	\$ 3,096,897
Operating Grants and Contributions	5,498	43,086		46,750	8,509
Capital Grants and Contributions	141,668	354,225	8,085,786	807,418	157,535
Total business-type activities program revenues	<u>2,843,557</u>	<u>3,679,193</u>	<u>10,609,177</u>	<u>3,945,543</u>	<u>3,262,941</u>
Total primary government program revenues	<u>\$ 43,474,648</u>	<u>\$ 58,471,535</u>	<u>\$ 53,194,050</u>	<u>\$ 48,995,517</u>	<u>\$ 67,800,205</u>
Net (Expense)/Revenue:					
Governmental activities	\$(87,480,217)	\$(83,021,574)	\$(96,859,932)	\$(96,350,146)	\$(75,569,740)
Business-type activities	(440,434)	(67,430)	7,335,290	47,098	(1,034,537)
Total primary governmental net expense	<u>(87,920,651)</u>	<u>(83,089,004)</u>	<u>(89,524,642)</u>	<u>(96,303,048)</u>	<u>(76,604,277)</u>
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Property taxes	72,549,360	81,235,296	86,026,984	90,322,731	92,323,262
Sales and other taxes	16,825,916	16,794,059	15,538,547	16,971,997	18,244,871
Grants and contributions not restricted to specific programs	217,066	78,956		370,307	254,896
Unrestricted investment earnings	2,950,658	1,686,538	1,304,639	1,178,754	341,652
Gain on disposition of capital assets	111,195	10,106		69,146	671,000
Miscellaneous	1,607,369	1,894,054	1,253,276	1,345,057	
Transfers	(100,000)	(349,500)			(1,894,000)
Total governmental activities	<u>94,161,564</u>	<u>101,349,509</u>	<u>104,123,446</u>	<u>110,257,992</u>	<u>109,941,681</u>
Business-type Activities:					
Unrestricted investment earnings	13,227	10,326	16,585	7,550	2,760
Gain (loss) on disposition of capital assets	500		13,429		3,563
Transfers	100,000	349,500			1,894,000
Total business-type activities	<u>113,727</u>	<u>359,826</u>	<u>30,014</u>	<u>7,550</u>	<u>1,900,323</u>
Total primary government	<u>94,275,291</u>	<u>101,709,335</u>	<u>104,153,460</u>	<u>110,265,542</u>	<u>111,842,004</u>
Change in Net Position					
Governmental activities	6,681,347	18,327,935	7,263,514	13,907,846	34,371,941
Business-type activities	(326,707)	292,396	7,365,304	54,648	865,786
Total primary government	<u>\$ 6,354,640</u>	<u>\$ 18,620,331</u>	<u>\$ 14,628,818</u>	<u>\$ 13,962,494</u>	<u>\$ 35,237,727</u>

Fiscal Year				
2013	2014	2015	2016	2017
\$ 3,275,992	\$ 3,409,103	\$ 2,552,465	\$ 2,214,867	\$ 2,465,723
	57,014	56,643	50,000	49,999
<u>964,718</u>	<u>1,999,330</u>	<u>2,194,205</u>	<u>65,169</u>	<u>310,613</u>
<u>4,240,710</u>	<u>5,465,447</u>	<u>4,803,313</u>	<u>2,330,036</u>	<u>2,826,335</u>
<u>\$ 55,077,284</u>	<u>\$ 59,193,138</u>	<u>\$ 59,836,788</u>	<u>\$ 67,121,266</u>	<u>\$ 71,281,149</u>
\$(98,738,031)	\$(105,208,766)	\$(103,714,502)	\$(130,773,636)	\$(135,437,551)
(272,226)	652,928	1,014,704	(1,442,695)	(1,092,383)
(99,010,257)	(104,555,838)	(102,699,798)	(132,216,331)	(136,529,934)
100,582,765	104,524,246	110,895,732	116,355,826	118,684,474
20,439,065	22,400,586	28,255,671	31,299,375	33,270,942
243,808	321,088	709,617	1,607,901	47,527
563,572	429,659	499,740	775,821	1,373,196
	280,921	99,302	217,277	59,747
1,010,487	305,676	1,934,315	656,809	1,010,116
(20,145)		(690,800)	(258,536)	
<u>122,819,552</u>	<u>128,262,176</u>	<u>141,703,577</u>	<u>150,654,473</u>	<u>154,446,002</u>
2,583	168			
	3,791			
<u>20,145</u>		<u>690,800</u>	<u>258,536</u>	
<u>22,728</u>	<u>3,959</u>	<u>690,800</u>	<u>258,536</u>	<u>-0-</u>
<u>122,842,280</u>	<u>128,266,135</u>	<u>142,394,377</u>	<u>150,913,009</u>	<u>154,446,002</u>
24,081,521	23,053,410	37,989,075	19,880,837	19,008,451
(249,498)	656,887	1,705,504	(1,184,159)	(1,092,383)
<u>\$ 23,832,023</u>	<u>\$ 23,710,297</u>	<u>\$ 39,694,579</u>	<u>\$ 18,696,678</u>	<u>\$ 17,916,068</u>

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

Table 3

	Fiscal Year				
	2008	2009	2010	2011	2012
General Fund:					
Reserved	\$ 945,689	\$ 3,668,508	\$ 4,099,579	\$	\$
Unreserved	24,057,655	22,719,603	27,121,283		
Non-spendable				1,158,255	1,165,424
Restricted				1,530,251	1,453,855
Committed				1,553,849	1,467,868
Unassigned				34,200,927	41,062,932
Total general fund	<u>\$ 25,003,344</u>	<u>\$ 26,388,111</u>	<u>\$ 31,220,862</u>	<u>\$ 38,443,282</u>	<u>\$ 45,150,079</u>
All Other Governmental Funds:					
Reserved	\$ 4,426,316	\$ 29,103,256	\$ 41,438,332	\$	\$
Unreserved:					
Designated:					
Capital projects funds	19,157,559	792,514	776,374		
Undesignated:					
Capital projects funds					
Special revenue funds	16,417,485				
Non-spendable				1,053,294	1,542,479
Restricted				31,269,960	63,146,748
Committed				778,699	
Unassigned				(13,309)	(249,837)
Total all other governmental funds	<u>\$ 40,001,360</u>	<u>\$ 29,895,770</u>	<u>\$ 42,214,706</u>	<u>\$ 33,088,644</u>	<u>\$ 64,439,390</u>

Note:

In 2011, the County implemented GASB 54, under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned, compared to reserved and unreserved. The County has not restated prior years.

Fiscal Year				
2013	2014	2015	2016	2017
\$	\$	\$	\$	\$
1,351,205	9,863,383	12,549,827	13,860,880	1,147,613
935,285	102,797	94,151	96,059	101,041
1,741,708	938,565	808,460	775,536	803,179
<u>50,715,965</u>	<u>52,891,607</u>	<u>64,255,372</u>	<u>75,587,237</u>	<u>93,351,198</u>
<u>\$ 54,744,163</u>	<u>\$ 63,796,352</u>	<u>\$ 77,707,810</u>	<u>\$ 90,319,712</u>	<u>\$ 95,403,031</u>

\$	\$	\$	\$	\$
1,312,148	1,217,016	1,335,749	819,182	1,095,455
53,067,517	39,060,016	41,894,278	51,674,914	47,605,744
	6,387,244	1,008,271	897,615	858,914
(1,179,913)	(122,709)	(15,673)	(523,030)	(98,043)
<u>\$ 53,199,752</u>	<u>\$ 46,541,567</u>	<u>\$ 44,222,625</u>	<u>\$ 52,868,681</u>	<u>\$ 49,462,070</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				
	2008	2009	2010	2011	2012
Revenues:					
Taxes	\$ 89,733,333	\$ 97,948,315	\$ 101,144,578	\$ 107,106,700	\$ 110,958,850
Intergovernmental	16,962,416	23,271,447	19,425,363	21,252,449	36,457,092
Charges for services	9,170,529	8,513,053	8,825,218	9,312,082	9,630,462
Licenses and permits	4,178,179	4,364,604	4,632,972	4,748,920	4,876,770
Fines and forfeitures	2,932,468	2,999,714	3,349,587	3,868,556	3,772,795
Special assessments	41,366	65,891	127,307	221,773	193,309
Investment income	2,910,886	1,670,081	1,299,600	1,197,606	330,704
Miscellaneous	<u>2,256,193</u>	<u>2,461,330</u>	<u>1,837,188</u>	<u>2,131,525</u>	<u>2,259,033</u>
Total revenues	<u>128,185,370</u>	<u>141,294,435</u>	<u>140,641,813</u>	<u>149,839,611</u>	<u>168,479,015</u>
Expenditures:					
Current Expenditures:					
General administration	7,338,056	8,316,067	8,967,373	9,161,421	8,086,323
Judicial and legal	16,024,206	16,581,752	16,795,972	16,748,044	16,980,083
Financial administration	8,618,867	9,014,398	9,234,021	9,204,212	10,309,390
Elections	692,279	433,657	441,531	413,086	412,593
Public facilities	3,428,404	3,716,015	3,762,477	4,428,992	4,876,561
Public safety	17,059,446	16,101,590	16,467,367	17,115,173	17,558,737
Corrections	21,462,209	21,802,308	21,811,543	23,659,629	23,475,441
Public transportation	21,173,785	26,550,726	19,813,342	20,420,257	18,796,758
Health and welfare	9,945,531	10,964,979	12,373,186	11,255,659	9,296,836
Public assistance	296,000	296,000	296,000	296,000	296,000
Culture and recreation	7,660,650	8,429,724	8,872,828	8,647,754	8,977,994
Conservation	393,215	411,494	376,220	337,521	334,459
Environmental protection	199,402	203,304	196,019	272,161	532,919
Community development	2,227,029	2,476,674	3,433,742	5,964,892	7,369,411
Capital outlay	17,263,186	17,780,454	13,286,022	15,687,513	29,094,764
Debt Service:					
Principal	3,760,000	4,240,000	4,450,000	5,030,000	5,590,000
Interest and fiscal charges	<u>2,472,201</u>	<u>2,391,636</u>	<u>2,510,730</u>	<u>3,319,324</u>	<u>3,187,785</u>
Total expenditures	<u>140,014,466</u>	<u>149,710,778</u>	<u>143,088,373</u>	<u>151,961,638</u>	<u>165,176,054</u>
Excess of revenues over (under) expenditures	<u>(11,829,096)</u>	<u>(8,416,343)</u>	<u>(2,446,560)</u>	<u>(2,122,027)</u>	<u>3,302,961</u>

(continued)

Fiscal Year				
2013	2014	2015	2016	2017
\$ 121,080,797	\$ 127,161,551	\$ 138,766,567	\$ 147,866,922	\$ 151,822,127
25,990,993	24,277,946	23,501,265	22,995,395	29,188,892
10,326,829	10,883,414	11,565,888	12,103,145	12,580,108
5,245,553	5,655,291	5,523,340	5,904,986	5,897,453
4,332,729	4,168,138	3,825,950	3,924,628	3,951,481
196,203	195,833	103,907	106,388	59,424
531,586	415,901	492,533	766,417	1,358,178
<u>2,360,819</u>	<u>5,742,304</u>	<u>4,612,592</u>	<u>18,458,808</u>	<u>12,472,269</u>
<u>170,065,509</u>	<u>178,500,378</u>	<u>188,392,042</u>	<u>212,126,689</u>	<u>217,329,932</u>
8,548,201	10,301,303	9,246,389	11,074,339	12,877,768
17,856,724	19,011,805	20,340,488	21,059,499	22,443,315
11,374,699	12,083,956	13,174,716	12,632,942	14,207,371
487,833	417,732	609,346	742,970	740,275
4,288,098	4,253,519	4,364,603	4,286,261	4,565,395
18,673,646	19,446,981	20,264,608	20,095,975	22,448,522
24,472,837	25,275,267	27,032,437	27,862,534	28,872,444
20,085,745	23,512,232	18,559,567	23,452,938	33,730,772
8,233,428	12,288,441	10,750,567	11,483,007	13,023,794
296,000	321,000	346,000	346,000	393,500
9,978,916	9,344,677	10,369,672	10,469,790	11,276,542
509,363	432,729	386,447	428,328	459,633
9,176,406	235,250	233,191	242,319	211,045
15,956,234	3,648,487	6,155,624	3,371,875	3,352,989
12,420,735	38,547,549	25,703,879	32,159,320	40,393,990
5,520,000	3,500,000	5,385,000	4,495,000	3,780,000
<u>3,956,542</u>	<u>3,757,309</u>	<u>3,613,673</u>	<u>3,326,676</u>	<u>3,089,439</u>
<u>171,835,407</u>	<u>186,378,237</u>	<u>176,536,207</u>	<u>187,529,773</u>	<u>215,866,794</u>
<u>(1,769,898)</u>	<u>(7,877,859)</u>	<u>11,855,835</u>	<u>24,596,916</u>	<u>1,463,138</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				
	2008	2009	2010	2011	2012
Other Financing Sources (Uses):					
Issuance of general obligation bonds	\$ 17,950,000	\$	\$ 19,425,000	\$	\$ 38,125,000
Issuance of tax note					
Premium on the sale of bonds	330,304		101,722		3,076,953
Sale of capital assets	344,569	45,020	71,525	218,385	107,459
Payments to escrow agent	(10,344,360)				(4,660,830)
Transfers in	1,802,660	2,097,774	1,204,557	7,686,208	4,097,912
Transfers out	(1,902,660)	(2,447,274)	(1,204,557)	(7,686,208)	(5,991,912)
Total other financing sources (uses)	<u>8,180,513</u>	<u>(304,480)</u>	<u>19,598,247</u>	<u>218,385</u>	<u>34,754,582</u>
Net change in fund balances	<u><u>\$ (3,648,583)</u></u>	<u><u>\$ (8,720,823)</u></u>	<u><u>\$ 17,151,687</u></u>	<u><u>\$ (1,903,642)</u></u>	<u><u>\$ 38,057,543</u></u>
Debt service as a percentage of noncapital expenditures	5.1%	5.0%	5.4%	6.1%	6.5%

Fiscal Year				
2013	2014	2015	2016	2017
\$	\$	\$	\$ 16,550,000	\$
	9,900,000			
144,489	371,862	427,481	2,250,887	213,570
			388,849	
			(18,432,305)	
2,065,045	4,675,224	10,464,194	2,439,057	7,102,652
(2,085,190)	(4,675,224)	(11,154,994)	(6,535,446)	(7,102,652)
<u>124,344</u>	<u>10,271,862</u>	<u>(263,319)</u>	<u>(3,338,958)</u>	<u>213,570</u>
<u>\$(1,645,554)</u>	<u>\$ 2,394,003</u>	<u>\$ 11,592,516</u>	<u>\$ 21,257,958</u>	<u>\$ 1,676,708</u>
5.9%	4.9%	6.10	5.0%	3.9%

BRAZORIA COUNTY, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years
(Amounts in thousands)

Table 5

Fiscal Year	Real Property			Less: Exemptions	Net Real Property	Minerals	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential	Commercial	Total						
2017	\$ 16,177,230	\$ 15,881,822	\$ 32,059,052	\$ 10,198,519	\$ 21,860,533	\$ 202,589	\$ 4,011,134	\$ 26,074,256	\$ 0.457405
2016	14,329,627	13,518,352	27,847,979	8,476,232	19,371,474	339,818	4,175,919	23,887,484	0.486000
2015	13,200,329	11,856,666	25,056,995	7,688,726	17,368,269	581,582	4,223,915	22,173,766	0.498500
2014	12,533,490	11,331,528	23,865,018	6,892,577	16,972,441	506,779	4,091,190	21,570,410	0.492020
2013	12,262,875	11,064,702	23,327,577	7,382,439	15,945,138	378,102	3,897,896	20,221,136	0.485860
2012	12,144,343	10,995,245	23,139,588	7,556,250	15,583,338	391,224	3,599,879	19,574,441	0.473101
2011	11,317,327	13,509,869	24,827,196	7,405,684	17,421,512	453,986	2,320,561	20,196,059	0.463101
2010	11,551,683	13,546,817	25,098,500	7,174,101	17,924,399	512,177	2,435,863	20,872,439	0.426286
2009	10,501,274	12,734,892	23,236,166	6,223,999	17,012,167	443,245	2,250,737	19,706,149	0.390000
2008	9,527,254	13,172,882	22,700,136	7,152,420	15,547,716	405,484	2,055,336	18,008,536	0.371396

Source: Brazoria County Appraisal District

Note: Brazoria County assesses property annually. Property is assessed at actual market value.
Tax rates are per \$ 100 of assessed value.



BRAZORIA COUNTY, TEXAS**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Last Ten Fiscal Years

(rate per \$100 of assessed value)

Table 6

Page 1 of 2

	2007 Tax Rate for 9/30/08	2008 Tax Rate for 9/30/09	2009 Tax Rate for 9/30/10	2010 Tax Rate for 9/30/11
County Direct Rates:				
General Fund	0.247671	0.255767	0.288745	0.319268
Road & Bridge	0.028800	0.035500	0.035000	0.032800
Mosquito Control	0.010200	0.008550	0.008000	0.008000
Special R&B - Article 6790	0.060000	0.060000	0.060000	0.060000
Debt Service Fund - Jail Building Bonds	0.008925	0.011404	0.015141	0.015141
General Obligation - 2012 Refunding	0.004950	0.004650	0.005200	0.005200
Certificate of Obligation - Series 2006	0.005150	0.005129	0.005600	0.005600
Certificate of Obligation - Series 2012				
2013 Tax Notes				
2016 Limited Tax Refunding				
Toll Road				
Mobility Bonds	0.005700	0.009000	0.008600	0.017092
Total direct rate	<u>0.371396</u>	<u>0.390000</u>	<u>0.426286</u>	<u>0.463101</u>
City Rates:				
Alvin	0.803600	0.803600	0.803600	0.803600
Angleton	0.706000	0.706000	0.706000	0.706000
Brazoria	0.728300	0.728300	0.728300	0.762300
Brookside Village	0.460000	0.460000	0.460000	0.500000
Clute	0.698000	0.693000	0.672000	0.672000
Danbury	0.766940	0.760600	0.762014	0.769538
Freeport	0.710000	0.700000	0.708266	0.708266
Hillcrest Village	0.374512	0.374512	0.374512	0.377754
Town of Holiday Lakes	0.945784	0.924070	0.950737	0.983434
Village of Jones Creek	0.310000	0.340000	0.340000	0.380000
Lake Jackson	0.385000	0.390000	0.390000	0.390000
Liverpool	0.175800	0.175800	0.236852	0.236850
Manvel	0.587831	0.587863	0.587863	0.587863
Village of Oyster Creek	0.387211	0.395000	0.401142	0.423154
Pearland	0.652600	0.652600	0.652600	0.665100
Town of Quintana	0.032000	0.027140	0.033365	0.024413
Richwood	0.681080	0.693660	0.693660	0.693660
Village of Surfside Beach	0.342392	0.352392	0.442056	0.408801
Sweeny	0.750000	0.762105	0.741595	0.772818
West Columbia	0.831900	0.831900	0.831900	0.831900
School istrict Rates:				
Alvin ISD	1.328200	1.328200	1.304100	1.304100
Angleton ISD	1.197000	1.314000	1.455200	1.455200
Brazosport ISD	1.133900	1.192000	1.228500	1.241500
Columbia-Brazoria ISD	1.296500	1.296500	1.296500	1.296500
Damon ISD	1.040000	1.170000	1.170000	1.170000
Danbury ISD	1.134900	1.134900	1.143900	1.135400
Pearland ISD	1.427200	1.419400	1.419400	1.419400
Sweeny ISD	1.211700	1.211700	1.211700	1.211700
Special District Rates:				
Alvin Community College	0.210280	0.199832	0.199830	0.199830
Angleton-Danbury Hospital	0.246500	0.246500	0.246500	0.279998
Brazoria Co. DD # 1 (Angleton)	0.170850	0.183900	0.183900	0.183900
Brazoria Co. DD # 2 (Velasco)	0.082075	0.082075	0.087130	0.090907
Brazoria Co. DD # 3 (Alvin or C&R #3)	0.128143	0.150000	0.150000	0.150000
Brazoria Co. DD # 4 (Pearland)	0.143845	0.143845	0.143845	0.156000
Brazoria Co. DD # 5 (Iowa Colony)	0.190894	0.186897	0.189727	0.189098
Brazoria Co. DD # 8 (Danbury)	0.353723	0.361000	0.366000	0.366000
Brazoria Co. DD #11 (W. Brazoria Co.)	0.020000	0.020000	0.020000	0.020000
Brazoria Co. FWSD # 1	0.310000	0.300000	0.295000	0.280000
Brazoria Co. MUD # 1 (Pearland)				
Brazoria Co. MUD # 2 (Southwyck)	0.510000	0.500000	0.500000	0.500000
Brazoria Co. MUD # 3 (Silverlake)	0.650000	0.630000	0.630000	0.630000
Brazoria Co. MUD # 4 (Country Place)	0.628000	0.628000	0.630000	0.630000
Brazoria Co. MUD # 5 (Southdown)				
Brazoria Co. MUD # 6 (Weatherford)	0.670000	0.630000	0.630000	0.630000
Brazoria Co. MUD #16	0.950000	0.950000	0.950000	0.950000
Brazoria Co. MUD #17	0.730000	0.630000	0.600000	0.547000
Brazoria Co. MUD #18	0.590000	0.570000	0.560000	0.550000
Brazoria Co. MUD #19	0.680000	0.660000	0.630000	0.620000

2011 Tax Rate for 9/30/12	2012 Tax Rate for 9/30/13	2013 Tax Rate for 9/30/14	2014 Tax Rate for 9/30/15	2015 Tax Rate for 9/30/16	2016 Tax Rate for 9/30/17
0.323617	0.323913	0.335050	0.326841	0.317704	0.300829
0.036500	0.045000	0.050000	0.056480	0.055000	0.055000
0.010000	0.013947	0.013540	0.013540	0.011690	0.006500
0.060000	0.060000	0.060000	0.060000	0.060000	0.060000
0.015000	0.011587	0.000000	0.000000	0.000000	0.000000
0.006000	0.002800	0.004600	0.004410	0.004100	0.003700
0.005784	0.005363	0.005350	0.005070	0.004700	0.000000
	0.006250	0.005360	0.005120	0.004700	0.004026
			0.008800	0.001606	0.001450
					0.003300
				0.010700	0.009600
<u>0.016200</u>	<u>0.017000</u>	<u>0.018120</u>	<u>0.018239</u>	<u>0.015800</u>	<u>0.013000</u>
<u>0.473101</u>	<u>0.485860</u>	<u>0.492020</u>	<u>0.498500</u>	<u>0.486000</u>	<u>0.457405</u>
0.843600	0.843800	0.843600	0.838600	0.838600	0.798000
0.723500	0.723500	0.723500	0.723500	0.717598	0.707598
0.762300	0.762300	0.770700	0.770700	0.790700	0.790700
0.500000	0.500000	0.500000	0.500000	0.528600	0.528600
0.672000	0.672000	0.672000	0.672000	0.659000	0.643000
0.826940	0.826940	0.829169	0.829169	0.799313	0.768701
0.680000	0.700000	0.675586	0.675586	0.645642	0.628005
0.389106	0.391781	0.432600	0.448415	0.412180	0.407932
1.035704	1.085564	1.062565	1.046788	0.965516	0.869048
0.380000	0.380000	0.410000	0.410000	0.410000	0.410000
0.390000	0.390000	0.390000	0.216473	0.360000	0.337500
0.236850	0.230463	0.230463	0.387500	0.215304	0.193770
0.587863	0.587863	0.587863	0.580000	0.580000	0.570000
0.431106	0.473161	0.476394	0.476394	0.332273	0.303816
0.685100	0.705100	0.705100	0.712100	0.705300	0.681200
0.024413	0.023640	0.022882	0.013046	0.013046	0.012938
0.693660	0.735680	0.735680	0.735680	0.735680	0.672580
0.402610	0.432601	0.432601	0.397940	0.375204	0.359506
0.782818	0.744034	0.887456	0.908000	0.842869	0.747062
0.831900	0.831900	0.831900	0.831900	0.830000	0.830000
1.344100	1.329100	0.329100	1.417000	1.417000	1.450000
1.455200	1.455200	1.455200	1.455200	1.455200	1.455200
0.241500	0.125950	1.255300	1.255300	1.255300	1.255300
1.296500	1.296500	1.296500	1.284700	1.284700	1.284700
1.170000	1.170000	1.170000	1.170000	1.170000	1.170000
1.137000	1.136445	1.141081	1.240000	1.255000	1.256600
1.419400	1.419400	1.415700	1.415700	1.415600	1.415600
1.211700	1.211700	1.211700	1.211700	1.211700	1.211700
0.199845	0.199756	0.199756	0.204009	0.204009	0.191744
0.299592	0.359592	0.362678	0.346854	0.321751	0.302817
0.176563	0.176563	0.175448	0.176597	0.166619	0.155164
0.094214	0.094805	0.100226	0.098018	0.093878	0.091501
0.150000	0.150000	0.150000	0.150000	0.150000	0.150000
0.156000	0.156000	0.156000	0.156000	0.155500	0.146000
0.188304	0.193966	0.193194	0.186402	0.171667	0.156283
0.366000	0.366000	0.349474	0.325442	0.307812	0.276115
0.020000	0.020000	0.020000	0.020000	0.020000	0.020000
0.280000	0.250000	0.000000	0.000000	0.000000	0.000000
0.500000	0.490000	0.490000	0.490000	0.440000	0.440000
0.630000	0.630000	0.630000	0.630000	0.620000	0.620000
0.660000	0.630000	0.000000	0.000000	0.000000	0.000000
0.630000	0.630000	0.630000	0.630000	0.600000	0.600000
0.950000	0.940000	0.940000	0.940000	0.940000	0.940000
0.547000	0.544000	0.544000	0.520000	0.460000	0.460000
0.545000	0.530000	0.510000	0.470000	0.390000	0.390000
0.600000	0.580000	0.550000	0.510000	0.450000	0.450000

(continued)

BRAZORIA COUNTY, TEXAS*DIRECT AND OVERLAPPING PROPERTY TAX RATES - Continued*

Last Ten Fiscal Years

(rate per \$100 of assessed value)

Table 6

Page 2 of 2

	2007 Tax Rate for 9/30/08	2008 Tax Rate for 9/30/09	2009 Tax Rate for 9/30/10	2010 Tax Rate for 9/30/11
<u>Special Districts: (continued)</u>				
Brazoria Co. MUD #21	1.350000	1.350000	1.450000	1.430000
Brazoria Co. MUD #22				
Brazoria Co. MUD #23	0.850000	0.820000	0.800000	0.770000
Brazoria Co. MUD #25	1.230000	1.100000	1.100000	1.100000
Brazoria Co. MUD #26	0.710000	0.710000	0.710000	0.710000
Brazoria Co. MUD #28	0.820000	0.820000	0.820000	0.820000
Brazoria Co. MUD #29	0.750000	0.750000	0.800000	0.800000
Brazoria Co. MUD #31	1.390000	1.402040	1.300000	1.300000
Brazoria Co. MUD #34	0.850000	0.850000	0.850000	0.850000
Brazoria Co. MUD #35		0.850000	0.890000	1.020000
Brazoria Co. MUD #36	0.700000	0.700000	0.700000	0.700000
Brazoria Co. MUD #55				
Brazoria Co. MUD #61				
Brazoria/Ft. Bend MUD #1	0.850000	0.850000	0.850000	0.850000
Sedona Lakes MUD #100			1.250000	1.250000
Port Freeport	0.056000	0.053500	0.053500	0.053500
Brazosport College	0.121000	0.156488	1.175754	0.190175
Commodore Cove Improvement District	0.597220	0.597220	0.620318	0.472234
Oak Manor MUD	0.363000	0.421852	0.451178	0.480000
Pearland Municipal Management Dist. 32				
Treasure Island MUD	0.595802	0.563556	1.258218	0.576368
Varner Creek Utility District	0.661890	0.814000	0.858000	0.858000
Sweeny Hospital *	0.298289	0.323170	0.349917	0.380692
Rural Fire District #1				
Emergency Svc District #1	0.080000	0.080000	0.080000	0.080000
Emergency Svc District #2	0.030000	0.029987	0.030000	0.030000
Emergency Svc District #3	0.093414	0.093410	0.093700	0.095000

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

<u>2011 Tax Rate for 9/30/12</u>	<u>2012 Tax Rate for 9/30/13</u>	<u>2013 Tax Rate for 9/30/14</u>	<u>2014 Tax Rate for 9/30/15</u>	<u>2015 Tax Rate for 9/30/16</u>	<u>2016 Tax Rate for 9/30/17</u>
1.430000	1.430000	1.430000	1.430000	1.320000	1.320000
		1.400000	1.400000	1.400000	1.400000
0.630000	0.610000	0.600000	0.580000	0.540000	0.540000
1.100000	1.050000	1.000000	0.950000	0.870000	0.870000
0.690000	0.690000	0.690000	0.690000	0.690000	0.690000
0.820000	0.820000	0.820000	0.820000	0.820000	0.820000
0.800000	0.900000	0.940000	0.940000	0.940000	0.940000
1.300000	1.300000	1.300000	1.280000	1.250000	1.250000
0.850000	0.850000	0.850000	0.850000	0.820000	0.820000
1.020000	1.020000	1.020000	1.020000	1.020000	1.020000
0.700000	0.700000	0.700000	0.700000	0.700000	0.700000
			1.000000	1.000000	1.000000
			0.910000	0.910000	0.910000
0.850000	0.850000	0.850000	0.850000	0.850000	0.850000
1.250000	1.250000	1.250000	1.250000	1.250000	1.250000
0.053500	0.051500	0.045000	0.045000	0.041304	0.040100
0.239198	0.259436	0.267309	0.280878	0.277510	0.285040
0.475693	0.461570	0.467538	0.439336	0.399327	0.205984
0.500000	0.505000	0.520000	0.510000	0.540000	0.500000
				0.100000	0.100000
0.604590	0.551848	0.575262	0.553152	0.518997	0.503878
0.888220	0.928000	0.890000	0.830000	0.760000	0.710000
0.393133	0.429109	0.470003	0.483126	0.510351	0.527302
0.080000	0.080000	0.080000	0.080000	0.080000	0.080000
0.030000	0.030000	0.030000	0.065000	0.065000	0.061570
0.097200	0.098322	0.098322	0.097500	0.100000	0.100000

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

Table 7

<u>2017 Taxpayer</u>	<u>Type of Business</u>	<u>2017 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Dow Chemical Company	Chemical Manufacturer	\$ 2,307,419	8.85%
Blue Cube Operations LLC	Chemical Manufacturer	673,161	2.58%
Phillips 66 Comopany	Petroleum Refinery	526,316	2.02%
Chevron Phillips Chemical Co LP	Petroleum Refinery	498,552	1.91%
Ineos USA LLC	Chemical Manufacturer	474,281	1.82%
BASF Corp Chemicals Division	Chemical Manufacturer	429,074	1.65%
Freeport LNG	Natural Gas Company	159,232	0.61%
Shintech Inc.	Chemical Manufacturer	126,105	0.48%
Centerpoint Energy Inc.	Utility Company	147,031	0.56%
Air Liquide Large Industries US LP	Industrial Gases	118,265	0.45%
		<u>\$ 5,459,436</u>	<u>\$ 20.94%</u>

<u>2008 Taxpayer</u>	<u>Type of Business</u>	<u>2008 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Dow Chemical Company	Chemical Manufacturer	\$ 2,947,176	23.45%
BASF Corp - Chemical Division	Chemical Manufacturer	741,770	5.90%
Conoco/Phillips Company	Petroleum Refinery	633,678	5.04%
Innovene USA LLC	Chemical Manufacturer	473,727	3.77%
Chevron Phillips Chemical Co LP	Petroleum Refinery	337,798	2.69%
Solutia Inc.	Chemical Manufacturer	202,162	1.61%
Equistar Chemical LP	Chemical Manufacturer	198,350	1.58%
Shintech Inc.	Chemical Manufacturer	175,269	1.39%
Centerpoint Energy Inc.	Utility Company	122,847	0.98%
Hillcorp Energy Company	Utility Company	119,857	0.95%
		<u>\$ 5,952,634</u>	<u>\$ 47.36%</u>

Source: Brazoria County Appraisal District
 Assessed Valuation - 2017 \$ 26,074,256
 Assessed Valuation - 2008 \$ 12,567,716

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 Collected	Percentage of Original Levy		Amount	Percentage of Levy
2017	\$ 117,970		\$ 116,889	99.08%	\$ --	\$ 116,889	99.08%
2016	115,243		114,341	99.22%	420	114,761	99.58%
2015	110,020		109,046	99.11%	559	109,605	99.62%
2014	103,852		102,913	99.10%	448	103,361	99.53%
2013	98,767		97,705	98.92%	546	98,251	100.24%
2012	91,984		90,896	98.82%	1,309	92,205	99.44%
2011	89,443		88,280	98.70%	573	88,853	99.34%
2010	85,056		83,846	98.58%	670	84,516	99.37%
2009	80,634		79,473	98.56%	629	80,102	98.34%
2008	72,190		71,118	98.52%	563	71,681	99.29%

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			Combined
	General Obligation Bonds	Certificates of Obligation	Premium on Bonds	Tax Note	Amounts Available for Debt Service	Certificates of Obligation	Amounts Available for Debt Service	Gross Long-Term Debt
2008	\$ 34,170,000	\$ 21,465,000	\$ 963,977	\$ -0-	\$ 2,809,782	\$ 90,000	\$ 85,000	\$ 56,598,977
2009	31,115,000	20,280,000	867,766	-0-	2,947,736	-0-	-0-	52,262,766
2010	47,320,000	19,050,000	865,857	-0-	3,554,187	-0-	-0-	67,235,857
2011	43,565,000	17,775,000	756,931	-0-	3,794,632	-0-	-0-	62,096,931
2012	52,310,000	37,075,000	3,690,314	-0-	4,182,039	-0-	-0-	93,075,314
2013	48,015,000	35,850,000	3,394,545	-0-	3,884,099	-0-	-0-	87,259,545
2014	45,140,000	35,225,000	3,153,740	9,900,000	4,099,428	-0-	-0-	93,418,740
2015	42,175,000	34,570,000	2,912,935	8,135,000	4,597,231	-0-	-0-	87,792,935
2016	38,035,000	33,010,000	4,411,736	7,885,000	7,379,060	-0-	-0-	83,341,736
2017	35,075,000	32,440,000	3,994,390	7,635,000	9,890,435	-0-	-0-	79,144,390

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

Governmental & Business-type Activities

<u>Amount Available for Debt Service</u>	<u>Net Long-Term Debt</u>	<u>Total Taxable Assessed Value Plus Exemptions</u>	<u>Percent of Actual Value</u>	<u>Population</u>	<u>General Long-Term Debt Per Capita</u>	<u>Personal Income (thousands of dollars)</u>	<u>Percent of Personal Income</u>
\$ 2,894,782	\$ 53,704,195	\$ 18,791,705,000	0.30%	301,228	\$ 188	\$ 8,278,348	0.68%
2,947,736	49,315,030	20,342,928,000	0.26%	309,208	169	8,228,571	0.64%
3,354,187	63,881,670	19,143,901,000	0.35%	313,166	215	8,306,728	0.81%
3,794,632	58,302,299	19,116,193,000	0.32%	319,781	194	8,184,475	0.76%
4,182,039	88,893,275	19,574,441,000	0.48%	323,185	288	8,573,092	0.97%
3,884,099	83,375,446	20,221,136,000	0.43%	330,460	264	9,463,383	0.92%
4,099,428	79,419,312	21,570,410,000	0.43%	335,943	278	9,718,831	0.96%
4,597,231	75,060,704	22,173,766,000	0.40%	339,455	259	9,968,436	0.88%
7,379,060	68,077,676	23,887,484,000	0.35%	354,355	235	11,198,681	0.74%
9,890,435	69,253,955	26,074,256,000	0.30%	357,982	221	11,885,360	0.67%

BRAZORIA COUNTY, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2017

Governmental Unit	Debt As Of	Debt Outstanding	Estimated Percentage Applicable **	Estimated Share of Direct and Overlapping Debt
Special Districts:				
Angleton-Danbury Medical Center	04/30/2017	\$ 7,810,000 *	100.00%	\$ 7,810,000
Angleton Drainage District	09/30/2017	--	100.00%	--
Brazoria Co. MUD #2 (Southwyck)	05/07/2015	2,274,667	100.00%	2,274,667
Brazoria Co. MUD #3	12/31/2015	6,065,659	100.00%	6,065,659
Brazoria Co. MUD #6 (Weatherford)	12/31/2015	17,161,905	100.00%	17,161,905
Brazoria Co. MUD #16	09/20/2016	11,248,413	100.00%	11,248,413
Brazoria Co. MUD #17	06/09/2016	22,766,413	100.00%	22,766,413
Brazoria Co. MUD #18	08/10/2016	23,013,259	52.44%	12,068,153
Brazoria Co. MUD #19	06/28/2016	28,423,359	100.00%	28,423,359
Brazoria Co. MUD #21	09/01/2016	31,264,464	100.00%	31,264,464
Brazoria Co. MUD #22	06/01/2016	4,915,000	99.32%	4,881,578
Brazoria Co. MUD #23	01/13/2016	14,197,890	100.00%	14,197,890
Brazoria Co. MUD #25	08/25/2016	20,652,709	100.00%	20,652,709
Brazoria Co. MUD #26	04/30/2017	37,070,000	100.00%	37,070,000
Brazoria Co. MUD #28	04/21/2016	34,073,396	79.45%	27,071,313
Brazoria Co. MUD #29	11/17/2016	11,114,327	100.00%	11,114,327
Brazoria Co. MUD #31	10/27/2016	25,207,465	100.00%	25,207,465
Brazoria Co. MUD #34	03/31/2016	33,836,784	100.00%	33,836,784
Brazoria Co. MUD #35	12/31/2015	8,549,781	100.00%	8,549,781
Brazoria Co. MUD #39	11/17/2016	4,900,000	100.00%	4,900,000
Brazoria Co. MUD #55	12/13/2016	2,500,000	100.00%	2,500,000
Brazoria-Fort Bend Co. MUD #1	12/04/2015	71,590,520	56.84%	40,692,052
Brazosport College District	04/30/2017	55,995,000	100.00%	55,995,000
Harris-Brazoria Co MUD #509	04/30/2017	8,500,000	3.86%	328,100
Varner Creek Utility District	12/31/2016	7,132,105	100.00%	7,132,105
Port Freeport	09/30/2016	3,310,000	100.00%	3,310,000
Sedona Lakes MUD #1	02/23/2017	22,688,910	100.00%	22,688,910
Velasco Drainage District	04/30/2017	5,600,000	100.00%	5,600,000
Total Special Districts		\$ 521,862,026		\$ 464,811,0147
Cities:				
Alvin	09/30/2014	\$ 9,366,180	100.00%	\$ 9,366,180
Angleton	09/30/2016	1,311,794	100.00%	1,311,794
Brazoria	04/30/2017	890,000 *	100.00%	890,000
Clute	09/30/2015	1,712,389 *	100.00%	1,712,389
Danbury	04/30/2017	1,315,000 *	100.00%	1,315,000
Freeport	04/30/2017	2,486,000 *	100.00%	2,486,000
Hillcrest Village	08/31/2005	240,000 *	100.00%	240,000
Lake Jackson	09/30/2016	17,889,317	100.00%	17,889,317
Manvel	04/30/2017	9,215,000 *	100.00%	9,215,000
Oyster Creek	04/30/2017	100,000 *	100.00%	100,000
Pearland	09/30/2016	299,721,824	87.92%	263,515,428
Richwood	09/30/2011	1,793,524 *	100.00%	1,793,524
Sweeny	04/30/2017	4,230,000 *	100.00%	4,230,000
West Columbia	04/30/2017	50,000 *	100.00%	50,000
Tota04/30/2011 Cities		\$ 350,321,028		\$ 314,114,632

(continued)

BRAZORIA COUNTY, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT - Continued

Table 10

As of September 30, 2017

Governmental Unit	Debt As Of	Debt Outstanding	Estimated Percentage Applicable **	Estimated Share of Direct and Overlapping Debt
School Districts:				
Alvin CCD	08/31/2016	\$ 10,630,596	100.00%	\$ 10,630,596
Alvin ISD	06/30/2016	632,851,828	100.00%	632,851,828
Angleton ISD	04/30/2017	119,394,993	100.00%	119,394,993
Brazosport ISD	04/30/2017	191,264,050	100.00%	191,264,050
Columbia-Brazoria ISD	11/01/2015	35,504,782	100.00%	35,504,782
Damon ISD	04/30/2017	--	100.00%	--
Danbury ISD	08/31/2015	2,465,620	100.00%	2,465,620
Pearland ISD	08/31/2016	275,766,215	97.88%	269,919,971
Sweeny ISD	08/30/2015	44,194,366	100.00%	44,194,366
Total School Districts		\$ <u>1,312,072,450</u>		\$ <u>1,306,226,206</u>
Subtotal, overlapping debt				\$ 2,085,151,885
Total direct debt - Brazoria County			9/30/2017	<u>79,144,390</u>
Total direct and overlapping debt				\$ <u>2,164,296,275</u>

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

* Gross Debt

** The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were /estimated by determining the portion another governmental unit's taxable assessed value that is within the County's boundaries and /dividing it by each unit's total taxable assessed value.

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

Table 11

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assessed Value	\$ 19,706,149	\$ 20,872,439	\$ 20,196,059	\$ 19,596,750
Debt Limit 25%	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Debt Limit	<u>\$ 4,926,537</u>	<u>\$ 5,218,110</u>	<u>\$5,049,015</u>	<u>\$ 4,899,188</u>
Total bonded debt	\$ 55,635	\$ 51,395	\$66,370	\$ 61,340
Less: Amount available-repayment of General obligation bonds	<u>4,097</u>	<u>2,948</u>	<u>3,354</u>	<u>3,795</u>
Total net debt applicable to limit	<u>\$ 51,538</u>	<u>\$ 48,447</u>	<u>\$63,016</u>	<u>\$ 57,545</u>
Legal debt margin	<u>\$ 4,874,999</u>	<u>\$ 5,169,663</u>	<u>\$4,985,999</u>	<u>\$ 4,841,643</u>
Total net debt applicable to the limit As a percentage of debt limit	1.0%	0.9%	1.2%	1.2%

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 19,574,441 <u>25%</u>	\$ 20,221,136 <u>25%</u>	\$ 21,570,410 <u>25%</u>	\$ 22,173,766 <u>25%</u>	\$ 23,887,484 <u>25%</u>	\$ 26,074,256 <u>25%</u>
\$ <u>4,893,610</u>	\$ <u>5,055,284</u>	\$ <u>5,392,603</u>	\$ <u>5,543,442</u>	\$ <u>5,971,871</u>	\$ <u>6,518,564</u>
\$ 89,385	\$ 83,865	\$ 90,265	\$ 84,880	\$ 78,930	\$ 75,150
<u>4,182</u>	<u>3,884</u>	<u>4,099</u>	<u>4,597</u>	<u>7,379</u>	<u>9,890</u>
\$ <u>85,203</u>	\$ <u>79,981</u>	\$ <u>86,166</u>	\$ <u>80,283</u>	\$ <u>71,551</u>	\$ <u>65,260</u>
\$ <u>4,808,407</u>	\$ <u>4,975,303</u>	\$ <u>5,306,437</u>	\$ <u>5,463,159</u>	\$ <u>5,900,320</u>	\$ <u>6,453,304</u>
1.7%	1.6%	1.6%	1.4%	1.2%	1.0%

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>
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
2011	319,781	8,184,475	25,594	61,341	8.9
2012	323,185	9,572,093	29,618	62,244	7.0
2013	330,460	9,463,383	28,637	63,460	6.5
2014	335,943	9,718,831	28,930	64,712	5.4
2015	339,455	9,968,436	29,366	66,521	4.5
2016	354,355	11,198,681	31,603	68,497	5.1
2017	357,982	11,885,360	33,201	70,609	5.4

* Information from The Economic Development Alliance for Brazoria County – Gary Basinger, CEcD

** Years 2007-2017 Information from The Economic Development Alliance for Brazoria County.

*** Information from <http://www.tea.state.tx.us/>

BRAZORIA COUNTY, TEXAS**PRINCIPAL EMPLOYERS**

Current Year

Table 13

Employer	2017			2008		
	Number of Employees	Rank	% of Total County Employment	Number of Employees	Rank	% of Total County Employment
The Dow Chemical Company	3,900	1	2.4%	4,570	1	3.4%
Alvin ISD	3,488	2	2.2%	2,379	4	1.8%
Pearland ISD	2,664	3	1.7%	2,196	5	1.6%
Texas Department of Criminal Justice	2,409	4	1.5%	2,461	2	1.8%
Wood Group (formerly The Infinity Group)	2,231	5	1.4%	2,413	3	1.8%
Brazosport ISD	1,746	6	1.1%	2,073	6	1.5%
Brazoria County	1,389	7	0.9%	1,432	9	1.1%
Olin Corporation	1,200	8	0.7%			
Phillips 66	1,035	9	0.6%			
BASF Corporation	922	10	0.6%			
Brand Energy Solutions LLC				1,914	7	1.4%
Wal-Mart Associates Inc.				1,880	8	1.4%
Industrial Specialist Inc.				1,069	10	0.8%
Total	<u>20,984</u>		<u>13.0%</u>	<u>22,387</u>		<u>16.6%</u>
Total County Employment	<u>161,287</u>			<u>134,207</u>		

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

Note: Total 2017 employers exclude retail. All 2008 employers include retail.

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General administration	73	73	72	70	70	73	66	70	75	75
Judicial and legal	186	191	187	192	196	200	196	220	221	225
Financial administration	110	111	108	105	113	112	113	118	125	124
Elections	34	42	46	48	58	63	11	11	12	13
Public facilities	23	24	24	25	24	23	23	23	25	27
Public safety	193	197	206	204	204	207	207	231	225	224
Corrections	337	335	358	351	350	354	342	347	273	277
Public transportation	171	172	164	167	163	164	168	173	165	174
Health and welfare	80	91	91	86	85	82	77	82	81	81
Culture and recreation	126	132	136	133	133	135	110	140	147	155
Conservation	11	11	9	8	10	9	9	10	10	13
Environmental protection	4	4	4	4	3	4	4	4	4	3
Community development	4	5	6	5	5	5	5	4	4	4
Airport	9	9	8	11	11	11	11	11	12	12
Total	1,361	1,397	1,419	1,409	1,425	1,442	1,342	1,444	1,379	1,407

Source: Brazoria County Human Resource

Note: Totals have changes due to who qualifies as a full time employee. This table was revised in 2012.



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

Table 15
 Page 1 of 3

Function	Fiscal Year				
	2008	2009	2010	2011	2012
General Administration:					
County Clerk:					
Marriage License applications	1,865	1,978	1,979	1,998	2,087
Birth certificates filed	1,325	1,251	1,262	1,044	1,222
Death certificates filed	1,126	1,248	1,251	1,347	1,461
Probate cases filed	762	763	773	747	753
Beer license applications	126	126	88	89	71
Judicial and Legal:					
District Court Level:					
Beginning civil cases pending	5,684	5,171	6,332	6,544	7,025
Civil cases docket adjustment	178 (	132) (	387)	232	2
Civil cases filed	6,028	6,686	6,709	7,085	6,634
Civil cases disposed	<u>6,719</u>	<u>5,393</u>	<u>6,110</u>	<u>6,836</u>	<u>7,316</u>
Ending civil cases pending	<u>5,171</u>	<u>6,332</u>	<u>6,544</u>	<u>7,025</u>	<u>6,345</u>
Beginning criminal cases pending	1,973	2,334	2,312	2,448	2,134
Criminal cases docket adjustment	70		2 (	290)	5
Criminal cases filed	3,668	3,201	2,918	3,548	3,306
Criminal cases disposed	<u>3,377</u>	<u>3,223</u>	<u>2,784</u>	<u>3,572</u>	<u>3,308</u>
Ending criminal cases pending	<u>2,334</u>	<u>2,312</u>	<u>2,448</u>	<u>2,134</u>	<u>2,137</u>
County Court Level:					
Beginning civil cases pending	1,975	1,760	1,260	1,053	1,167
Civil cases docket adjustment		18	1	92 (	14)
Civil cases filed	2,620	7,650	1,863	1,951	1,885
Civil cases disposed	<u>2,835</u>	<u>7,176</u>	<u>2,071</u>	<u>1,929</u>	<u>1,849</u>
Ending civil cases pending	<u>1,760</u>	<u>1,260</u>	<u>1,053</u>	<u>1,168</u>	<u>1,189</u>
Beginning criminal cases pending	6,181	5,266	5,758	6,007	5,022
Criminal cases docket adjustment		18 (	4) (	866) (	8)
Criminal cases filed	6,192	7,650	6,707	7,578	7,971
Criminal cases disposed	<u>7,107</u>	<u>7,176</u>	<u>6,454</u>	<u>7,697</u>	<u>8,219</u>
Ending criminal cases pending	<u>5,266</u>	<u>5,758</u>	<u>6,007</u>	<u>5,022</u>	<u>4,766</u>
Beginning juvenile cases pending	202	197	181	135	165
Juvenile cases docket adjustment				86	98
Juvenile cases filed	536	519	462	593	561
Juvenile cases disposed	<u>541</u>	<u>535</u>	<u>508</u>	<u>649</u>	<u>708</u>
Ending juvenile cases pending	<u>197</u>	<u>181</u>	<u>135</u>	<u>165</u>	<u>116</u>

Fiscal Year								
2013	2014	2015	2016	2017				
2,076	2,487	2,345	2,413	2,378				
1,176	1,385	1,023	1,074	1,235				
1,446	1,890	1,502	1,604	1,662				
824	855	894	951	912				
67	72	76	81	89				
6,345	6,065	5,560	4,934	5,160				
(1,377)	(84)	(5)	(38)	
5,655	6,475	6,106	6,461	6,321				
<u>5,935</u>	<u>5,603</u>	<u>6,648</u>	<u>6,230</u>	<u>5,947</u>				
<u>6,065</u>	<u>5,560</u>	<u>4,934</u>	<u>5,160</u>	<u>5,496</u>				
2,137	2,228	2,282	2,022	2,021				
2		(374)	(69)	(28)	
3,435	3,146	3,432	3,603	3,590				
<u>3,346</u>	<u>3,092</u>	<u>3,318</u>	<u>3,535</u>	<u>3,498</u>				
<u>2,228</u>	<u>2,282</u>	<u>2,022</u>	<u>2,021</u>	<u>2,085</u>				
1,189	1,196	1,213	1,077	1,210				
1	(28)	(17)	(12)	(17)
1,796	1,669	1,371	1,461	1,612				
<u>1,790</u>	<u>1,624</u>	<u>1,490</u>	<u>1,316</u>	<u>1,266</u>				
<u>1,196</u>	<u>1,213</u>	<u>1,077</u>	<u>1,210</u>	<u>1,539</u>				
4,766	4,579	4,926	4,506	4,326				
14	(14)	(531)	(249)	(148)
7,845	8,268	7,612	7,493	7,412				
<u>8,046</u>	<u>7,907</u>	<u>7,501</u>	<u>7,424</u>	<u>7,077</u>				
<u>4,579</u>	<u>4,926</u>	<u>4,506</u>	<u>4,326</u>	<u>4,513</u>				
116	154	142	143	94				
90	88	(	26)	31	56		
515	505	515	402	389				
<u>567</u>	<u>605</u>	<u>488</u>	<u>482</u>	<u>424</u>				
<u>154</u>	<u>142</u>	<u>143</u>	<u>94</u>	<u>115</u>				

(continued)

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

Table 15
 Page 2 of 3

Function	Fiscal Year				
	2008	2009	2010	2011	2012
Judicial and Legal:					
Justice of the Peace Level:					
Cases Filed:					
Traffic	29,008	26,236	22,763	24,317	50,384
Non-traffic	9,406	9,857	8,467	7,779	35,067
Small claims suits	496	528	455	421	681
Forcible entry & detainer	2,345	2,322	2,481	2,177	3,008
Other civil suits	2,294	1,787	1,226	1,429	3,072
Cases Disposed:					
Traffic	28,688	24,556	24,329	23,823	21,937
Non-traffic	10,299	9,079	8,914	7,988	13,503
Small claims suits	471	473	513	378	438
Forcible entry and detainer	2,328	2,257	2,388	2,105	2,722
Other civil suits	1,675	1,712	1,487	1,208	1,696
Inquests	316	335	311	278	311
Financial Administration:					
County Auditor:					
Accounts payable check issued	20,171	20,242	20,199	19,317	18,329
Accounts payable wires issued					
Accounts payable ACH's issued					
Human Resources:					
Pre-employment drug screens	242	185	166	288	178
Employee random drug screen	73	99	89	70	89
Payroll checks	4,444	4,071	3,382	3,170	2,834
Payroll advices	31,800	33,051	33,764	33,911	34,853
Purchasing:					
Number of purchase orders issued	8,754	8,026	8,305	7,662	7,943
Tax Assessor-Collector:					
Registered voters	172,768	167,921	164,625	168,769	181,576
Voting precincts	71	72	72	62	66
Elections:					
Computerized Voting Equipment:					
Judges booths	125	135	135	135	135
Regular voting machines	623	623	623	623	623
ADA compliant voting machine	125	125	125	125	125

Fiscal Year				
2013	2014	2015	2016	2017
43,565	39,962	40,033	38,434	41,957
33,162	15,828	14,983	9,437	8,614
568	1,601	2,305	2,534	2,946
2,752	2,876	2,806	3,060	3,106
2,779	1,644	1,268	1,305	1,425
19,835	23,774	23,115	21,937	24,016
13,285	7,082	8,638	3,822	3,425
310	937	1,238	1,493	1,586
2,428	2,642	2,527	2,784	2,786
1,294	878	565	575	638
318	341	387	405	483
18,434	18,557	17,441	16,867	17,212
	120	122	109	91
	1,190	2,333	3,628	4,198
181	180	205	256	230
164	190	168	115	113
2,212	1,866	1,278	1,069	1,235
35,853	36,799	37,820	39,474	38,935
7,241	7,072	7,482	7,350	7,828
179,063	179,445	187,525	201,682	200,914
68	65	63	63	63
135	135	135	135	125
623	623	623	679	675
125	125	125	125	125

(continued)

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

Table 15
 Page 3 of 3

Function	Fiscal Year				
	2008	2009	2010	2011	2012
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	52	52	52
Residential	24	24	24	24	24
Health and Welfare:					
Environmental Health:					
Septic permits issued	1,063	409	419	388	400
Indigent Health Care:					
Indigent patients	1,172	406	526	412	394
Water Lab:					
Water test performed	8,827	8,395	8,234	8,129	7,942
Culture and Recreation:					
Library:					
Library locations	11	11	12	12	12
Collection inventory	593,128	608,484	610,028	608,127	587,243
Items checked out	1,335,901	1,305,167	1,424,178	1,460,912	1,444,729
Library program attendance	43,468	45,046	41,586	41,893	45,978
Internet usage	292,449	316,054	337,804	286,277	270,668
Parks and Recreation:					
Museum	1	1	1	1	1
Environmental Protection:					
Flood Plain Administrator:					
Construction permits issued	2,308	1,708	1,895	2,157	1,936
Estimated value of construction	623,458,910	423,848,799	405,085,040	379,466,135	434,749,197
Community Development:					
First time homebuyers	12	23	22	20	19
Reconstructions (home replacement)	3	4	3	2	7
Rehabilitation (home repair)	2	2	3	1	2

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				
2013	2014	2015	2016	2017
209,962	209,962	209,962	209,962	209,962
1,073	1,073	1,073	1,073	1,073
96	96	96	96	96
52	52	52	52	52
24	24	24	24	24
454	565	575	619	689
351	279	246	303	297
7,621	7,921	7,804	9,155	11,215
12	12	12	12	12
609,649	631,477	736,265	737,455	645,114
1,436,680	1,492,341	1,591,214	1,830,903	1,787,335
55,458	68,577	49,845	64,461	61,312
250,548	248,388	229,613	217,959	247,563
1	1	1	1	1
2,208	2,677	3,144	3,325	3,087
595,509,275	804,291,178	983,002,659	928,457,847	866,321,272
17	10	9	7	3
5	0	4	2	2
1	0	0	2	0

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

Table 16

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Airport:										
7,000 Runway	1	1	1	1	1	1	1	1	1	1
Health and Welfare:										
Health clinic locations	7	7	7	7	7	7	7	7	7	7
Public Facilities:										
County Parks	9	9	9	9	9	9	9	9	10	10
Public Safety:										
Sheriff Vehicles	125	119	116	123	124	103	150	123	129	138
Constable Vehicles	25	25	28	26	27	28	35	40	40	40
Public Transportation:										
Roads - Paved (miles)	1020.42	1042.69	1048.04	1048.65	1055.34	1057.75	1057.78	1058.29	1058.29	1072.46
Roads - Unpaved (miles)	169.95	169.95	167.82	167.82	168.82	168.82	168.82	168.82	168.82	168.82
Bridges	126	127	128	130	131	131	131	131	131	131

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

FEDERAL AND STATE AWARDS SECTION



Kennemer, Masters & Lunsford

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El Campo, Texas 77437
979-543-6836

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Independent Auditor's Report

On Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Brazoria County, Texas (the "County"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 29, 2018.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Kerremey, Masters & Rungford, LLC

Lake Jackson, Texas
March 29, 2018

Kennemer, Masters & Lunsford

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Independent Auditor's Report

On Compliance for each Major Program and on Internal
Control over Compliance Required by the Uniform Guidance
and the State of Texas Single Audit Circular (*Uniform Grant Management Standards*)

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

Report on Compliance for Each Major Federal Program

We have audited Brazoria County, Texas (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the State of Texas *Single Audit Circular (Uniform Grant Management Standards)* that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2017. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas *Single Audit Circular (Uniform Grant Management Standards)*. Those standards, the Uniform Guidance and the Texas *Single Audit Circular (Uniform Grant Management Standards)* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the County's compliance.

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The Honorable County Judge
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Court of Brazoria County, Texas

Opinion on Each Major Federal Program

In our opinion, Brazoria County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2017.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Texas *Single Audit Circular (Uniform Grant Management Standards)*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Texas *Single Audit Circular (Uniform Grant Management Standards)*. Accordingly, this report is not suitable for any other purpose.

Kennemer, Masters & Hunsford, LLC

Lake Jackson, Texas
March 29, 2018

BRAZORIA COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2017

Page 1 of 1

I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unmodified.
2. No internal control findings, that were required to be reported in this schedule, was disclosed in the audit of the financial statements.
3. Noncompliance, which is material to the financial statements: None.
4. No internal control findings, that were required to be reported in this schedule, was disclosed in the audit of the major programs.
5. Type of auditor's report on compliance for major programs: Unmodified.
6. Did the audit disclose findings which are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a): No; with *Texas Single Audit Circular (Uniform Grant Management Standards)* section 510(a): No
7. Major Programs Include:
 - Federal:
 - 14.228 Community Development Block Grant – Recovery Alternative
 - 20.205 Highway Planning and Construction Program
 - State:
 - TJJD Cluster Programs
 - Indigent Defense Services
8. Dollar threshold used to distinguish between Type A and Type B programs: Federal \$ 750,000; State \$ 300,000.
9. Low Risk Auditee: Federal – Yes; State – Yes.

II. Findings related to the financial statements

None.

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

None.

BRAZORIA COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR FINDINGS
Year Ended September 30, 2017

Page 1 of 1

None.

BRAZORIA COUNTY, TEXAS
CORRECTIVE ACTION PLAN
Year Ended September 30, 2017

None.

BRAZORIA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2017

Exhibit 27
Page 1 of 4

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Contract/ Program Number	Expenditures Indirect Costs or Award Amount
U.S. Department of Agriculture:			
Passed Through Texas Department of State Health Services:			
Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program)	10.557	2017-049797	\$ <u>1,132,378</u> 1,132,378
Passed Through Texas Health and Human Services Commission:			
School Breakfast Program (1)	10.553	TX-020-2017	32,033
School Breakfast Program (1)	10.553	TX-020-2018	<u>2,665</u> <u>34,698</u>
National School Lunch Program (1)	10.555	TX-020-2017	45,772
National School Lunch Program (1)	10.555	TX-020-2018	<u>4,234</u> <u>50,006</u>
TOTAL DEPARTMENT OF AGRICULTURE			\$ <u><u>1,217,082</u></u>
U.S. Department of Housing and Urban Development:			
Direct Program:			
Community Development Block Grant	14.218	B-13-UC-48-0005	\$ 84,626
Community Development Block Grant	14.218	B-14-UC-48-0005	118,500
Community Development Block Grant	14.218	B-15-UC-48-0005	537,779
Community Development Block Grant	14.218	B-15-UC-48-0005	<u>1,085,034</u> <u>1,825,939</u>
Home Program	14.239	M-14-UC-48-0230	14,174
Home Program	14.239	M-15-UC-48-0230	231,216
Home Program	14.239	M-16-UC-48-0230	<u>208,172</u> <u>453,562</u>
Emergency Shelter Program (ESG)	14.231	S-15-UC-48-0006	19,278
Emergency Shelter Program (ESG)	14.231	S-16-UC-48-0006	<u>140,367</u> <u>159,645</u>
Section 8 Housing Choice Voucher Program	14.871	TX484VO 0016	893,450
Section 8 Housing Choice Voucher Program	14.871	TX484VO 0017	<u>2,898,076</u> <u>3,791,526</u>
Passed Through Texas Department of Rural Affairs:			
Community Development Block Grant – Recovery Alternative	14.228	DRS010014	<u>1,042,891</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ <u><u>7,273,563</u></u>

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

For the Year Ended September 30, 2017

Exhibit 27

Page 2 of 4

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 - Quintana Beach			
Coastal Education Center	15.668	F12AF70055	\$ 76,268
Coastal Impact Assistance Program – Administrative Costs	15.668	F12AF00815	10,876
Coastal Impact Assistance Program – Restoration of Wetland Wildlife	15.668	F12AF70266	206,058
Coastal Impact Assistance Program – Feeder Beach at Follett’s Island	15.668	F14AF00315	12,177
Coastal Impact Assistance Program – CR257 Dune Restoration	15.668	F12AF00884	100,000
Coastal Impact Assistance Program – Coastal/Wetland			
Birding Interpretive Trails	15.668	F12AF01190	<u>398,985</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			\$ <u>804,364</u>
U.S. Department of Justice:			
Passed Through the Bureau of Justice Assistance			
State Criminal Alien Assistance Program	16.606	2013-AP-BX-0520	\$ 27,216
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0370	46,172
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0540	<u>11,788</u>
			<u>85,176</u>
Passed Through Office of the Governor - Criminal Justice Division:			
Domestic Violence Court Program Supplement	16.588	3123601	52,891
Domestic Violence Court Program Supplement	16.588	3123602	<u>6,208</u>
			<u>59,099</u>
Crime Victim Assistance Program	16.575	VA-14-V30-13535-16	71,423
Victim Services Program	16.575	VA-15-V30-13536-17	<u>74,392</u>
			<u>145,815</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			\$ <u>290,090</u>

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

For the Year Ended September 30, 2017

Exhibit 27

Page 3 of 4

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 (Hangar & Auto Parking))	20.106	15HGANGLE	310,612
			<u>310,612</u>
Highway Planning and Construction Program	20.205	CSJ0912-31-294	2,517,623
Highway Planning and Construction Program	20.205	CSJ0598-02-099	10,071
Highway Planning and Construction Program	20.205	CSJ0912-31-224	195,967
Highway Planning and Construction Program	20.205	CSJ0598-01-062	56,143
Highway Planning and Construction Program	20.205	CSJ0912-31-304	97,924
Highway Planning and Construction Program	20.205	CSJ0912-31-305	97,924
			<u>2,975,652</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			\$ <u>3,286,264</u>
Federal Communications Commission:			
Passed Through the Universal Service Administration Company:			
E-Rate Library Program	32.001	44301995	\$ 65,894
TOTAL FEDERAL COMMUNICATIONS COMMISSION			\$ <u>65,894</u>
Institute of Museum and Library Services:			
Passed Through the Texas State Library and Archives Commission:			
Family Place Libraries Project	45.310	---	\$ 6,000
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			\$ <u>6,000</u>
U.S. Department of Health and Human Services:			
Passed Through Texas Department of State Health Services:			
CPS - Cities Readiness Initiative	93.069	2016-001171-00	\$ 51,527
CPS - Cities Readiness Initiative	93.069	537-18-0182-00001	16,890
Bioterrorism	93.069	2016-001182-00	161,283
Bioterrorism	93.069	537-18-0103-00001	42,664
CPS/Ebola Public Health Awareness	93.069	2015-003667-00	72,064
			<u>344,428</u>
Passed Through Texas Department of Family and Protective Services:			
Foster Care Title IV-E	93.658	23940142	39,375
Foster Care Title IV-E Legal Costs	93.658	23940143	78,691
			<u>118,066</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ <u>462,494</u>

BRAZORIA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2017

Exhibit 27
Page 4 of 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 – 2016 Flooding	97.036	FEMA-4272-DT-TX	\$ <u>403,592</u>
			<u>403,592</u>
Passed Through Texas Department of Public Safety's Division Of Emergency Management:			
Emergency Management Performance Grant	97.042	17TX-EMPG-0310	<u>51,273</u>
Passed Through the Department of Public Safety's Division of Homeland Security Grants (HSGD):			
2015 – UASI SHSP Houston Management and Administration	97.067	EMW-2015-SS-00018	3,165
2015 – UASI SHSP	97.067	EMW-2015-SS-00481	39,636
2016 – UASI Management & Administration Program	97.067	298590-2	441
2016 – UASI Community Preparedness Program	97.067	2970802	<u>106,985</u>
			<u>150,227</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			\$ <u>605,092</u>
TOTAL FEDERAL ASSISTANCE			\$ <u>14,010,843</u>
TOTAL MAJOR PROGRAMS			\$ <u>4,018,543</u>
TYPE A PROGRAM			\$ <u>750,000</u>
(1) Child Nutrition Cluster			

BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF STATE AWARDS**

For the Year Ended September 30, 2017

Exhibit 28

Page 1 of 2

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	2017-001074	\$ 165,146
Immunization OPTS/LHS	537-18-0072-00001	<u>11,184</u>
		<u>176,330</u>
RLSS/LPHS Community & Rural Health Program	2017-001184	32,209
RLSS/LPHS Community & Rural Health Program	537-18-0201-00001	<u>2,450</u>
		<u>34,659</u>
Infectious Disease Control Unit – Food Borne Associated Infestations	2016-003771-01	61,595
Infectious Disease Control Unit – Food Borne Associated Infestations	537-18-0301-00001	<u>4,130</u>
		<u>65,725</u>
TOTAL TEXAS DEPARTMENT OF STATE HEALTH SERVICES		\$ <u>276,714</u>
Texas Juvenile Justice Department:		
Direct Programs:		
State Aid Program (1)	TJJD-A-17-020	\$ 1,265,750
State Aid Program (1)	TJJD-A-18-020	97,786
Juvenile Justice Alternative Education Program (Boot Camp) (1)	TJJD-P-18-020	29,498
Juvenile Justice Alternative Education Program (Boot Camp) (1)	TJJD-P-17-020	234,198
Regional Diversion Alternative Program (1)	TJJD-R-17-020	<u>26,617</u>
TOTAL TEXAS JUVENILE JUSTICE DEPARTMENT		\$ <u>1,653,849</u>
Texas Commission on Environmental Quality:		
Direct:		
Aircheck Texas Repair and Replacement Assistance Program	582-15-20280	\$ 934,076
Local Initiatives Program	582-12-20280	<u>26,339</u>
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		\$ <u>960,415</u>
Texas Department of Family and Protective Services:		
Direct Program:		
Title IV-B Concrete Services	24184790	<u>750</u>
TOTAL TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES		\$ <u>750</u>
Texas Department of Transportation:		
Direct Program:		
Transportation Infrastructure	CTIR-01-020	\$ 124,481
Routine Airport Maintenance	M1712ANGL	<u>49,999</u>
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION		\$ <u>174,480</u>

BRAZORIA COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF STATE AWARDS**

For the Year Ended September 30, 2017

Exhibit 28

Page 2 of 2

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Office of Attorney General:		
Direct Program:		
Victim Coordinator Liaison Grant (VCLG)	17-71856	\$ 38,280
Victim Coordinator Liaison Grant (VCLG)	18-80319	3,721
Texas Victim Information and Notification Services (VINE)	17-70437	<u>27,785</u>
 TOTAL OFFICE OF ATTORNEY GENERAL		 \$ <u>69,786</u>
Texas Task Force on Indigent Defense:		
Direct Program:		
Indigent Defense Services	212-17-020	\$ <u>322,959</u>
 TOTAL TEXAS TASK FORCE ON INDIGENT DEFENSE		 \$ <u>322,959</u>
General Land Office:		
Direct Program:		
Beach Cleaning and Maintenance Assistance	16-124-001	\$ 26,540
Coastal Erosion Planning Response Act	14-279-000-8447	<u>32,878</u>
 TOTAL GENERAL LAND OFFICE		 \$ <u>59,418</u>
Office of the Governor (Criminal Justice Division):		
Direct:		
Drug Court Program	205209	\$ 303,101
Drug Court Program	2052710	<u>15,784</u>
		<u>318,885</u>
 DWI Court Program	2808003	134,424
DWI Court Program	2808004	<u>26,990</u>
		<u>161,414</u>
 Veterans Court Program	3106201	182,323
Veterans Court Program	3106202	<u>11,733</u>
		<u>194,056</u>
 Passed Through Houston-Galveston Area Council:		
Regional Mental Health Services	SF421#26067-04	<u>6,800</u>
 TOTAL OFFICE OF THE GOVERNOR (CRIMINAL JUSTICE DIVISION)		 \$ <u>681,155</u>
 TOTAL STATE ASSISTANCE		 \$ <u>4,199,526</u>
 TOTAL MAJOR PROGRAMS		 \$ <u>1,976,808</u>
 TYPE A PROGRAM		 \$ <u>300,000</u>
 (1) TJJD Cluster Programs		

BRAZORIA COUNTY, TEXAS

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AND STATE AWARDS

Year Ended September 30, 2017

1. The County uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designated to provide accountability for certain assets and deferred outflows of resources, and liabilities and deferred inflows of resources that are not recorded in the funds because they do not directly affect net expendable available resources. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn is divided into separate "fund types". The following fund types were utilized to account for federal awards.

Governmental Fund Types:

General Fund - is the general operating fund of the County. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. Federal financial assistance not required to be reported in other funds is accounted for in the General Fund.

Special Revenue Funds - used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Federal financial assistance generally is accounted for in a Special Revenue Fund unless required to be reported in a Capital Projects Fund or a proprietary fund type. Generally, unused balances are returned to the grantor at the close of specified project periods.

Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary and Trust Funds. Federal financial assistance for the construction of major capital facilities generally is accounted for in a Capital Projects Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

Proprietary Fund Types:

Enterprise Fund - used to account for activities similar to those found in the private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing services be financed primarily through user charges, or where periodic determination of net income is appropriate. Federal financial assistance for the benefiting enterprise operations generally is accounted for in the Enterprise Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. Federal and State grant funds were accounted for in the General Fund, Special Revenue Fund, and the Capital Projects Fund, a component of the Governmental Fund type.

BRAZORIA COUNTY, TEXAS

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AND STATE AWARDS - Continued

Year Ended September 30, 2017

The Proprietary Fund Types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources, and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the balance sheet. Fund equity (net total position) is segregated into contributed capital and retained earnings components for proprietary funds. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position. Federal grant funds were accounted for in the Enterprise Fund (Airport), a component of the Proprietary Fund type.

The modified accrual basis of accounting is used for the Governmental Fund Types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The accrual basis of accounting is used for the Proprietary Fund Types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Federal grant funds are considered to be earned to the extent of expenditures/expenses made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

3. The period of availability for 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 Compliance Supplement.
4. Indirect Costs - Brazoria County, Texas received \$ 30,191 in reimbursements for indirect costs during the year ended September 30, 2017, \$ 12,417 for the Women, Infants and Children programs (WIC) CFDA #10.557, \$ 5,900 for the CPS – Cities Readiness Initiative CFDA #93.069 and \$ 11,874 Foster Care Title IV-E CFDA #93.658.
5. As of September 30, 2017, the County included \$ 405,957 on the schedule of expenditures of Federal Awards from the Public Assistance Grant CFDA #97.036 for expenditures that were incurred in the September 30, 2016 and 2015 fiscal year. The Federal Emergency Management Agency approved the project worksheets related to the \$ 405,957 in the current fiscal year.
6. The County has elected to use the 10 percent de minimis indirect cost rate.

